VONOVIA SE

Annual Report 2024

VONOVIA

Key Figures

Financial Key Figures in € million	2020	2021	2022	2023	2024
Adjusted EBITDA Total (continuing operations)	1,909.8	2,254.4	2,606.1	2,583.8	2,625.1
Adjusted EBITDA Rental	1,554.2	1,778.5	2,254.3	2,401.7	2,385.7
Adjusted EBITDA Value-add	152.3	153.8	126.7	105.5	168.4
Adjusted EBITDA Recurring Sales	92.4	113.2	135.1	63.4	57.6
Adjusted EBITDA Development	110.9	185.4	90.0	13.2	13.4
Adjusted EBITDA from discontinued operations	–	23.5	63.8	53.9	50.4
Adjusted EBT (continuing operations)			1,997.3	1,866.2	1,799.6
Adjusted EBT (continuing operations) per share in €**			2.53	2.31	2.20
Adjusted EBT (continuing operations) after minorities				1,730.2	1,633.6
Adjusted EBT (continuing operations) after minorities per share in €**				2.12	1.99
Income from fair value adjustments of investment properties	3,719.8	7,393.8	-1,177.6	-10,651.2	-1,559.0
Earnings before tax (EBT)	5,014.4	5,092.0	-604.6	-9,185.2	-603.4
Profit for the period	3,340.0	2,440.5	-669.4	-6,756.2	-962.3
Operating Free Cash-Flow			1,821.4	1,414.8	1,900.6
Cash flow from operating activities	1,430.5	1,823.9	2,084.3	1,901.2	2,401.6
Cash flow from investing activities	-1,729.9	-19,115.8	938.2	-825.9	-187.6
Cash flow from financing activities	402.6	18,125.0	-3,145.1	-961.0	-1,821.0
Total sum of maintenance, modernization, portfolio investments and new construction*	1,935.9	2,185.6	2,266.3	1,527.0	1,601.0
thereof for maintenance measures	592.0	753.3	856.5	722.5	764.7
thereof for modernization & portfolio investments*	908.4	792.4	837.4	513.3	611.8
thereof for new construction	435.5	639.9	572.4	291.2	224.5

Key Balance Sheet Figures/Financial Covenants in € million	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024
Fair value of the real estate portfolio	58,910.7	97,845.3	94,694.5	83,927.7	81,971.4
EPRA NTA	35,488.6	48,640.8	45,744.5	38,140.9	37,215.6
EPRA NTA per share in €***	58.78	62.63	57.48	46.82	45.23
LTV (%)	39.4	45.4	45.1	47.3	47.7
Adjusted Net debt/Adjusted EBITDA total*			15.7x	15.6x	15.1x
ICR		5.8x	5.5x	4.0x	3.8x

Non-financial Key Figures	2020	2021	2022	2023	2024
Number of units managed	489,709	636,507	621,303	617,343	613,153
thereof own apartments	415,688	565,334	548,524	545,919	539,753
thereof apartments owned by others	74,021	71,173	72,779	71,424	73,400
Average area of own apartments in the reporting period (in thou. m²)	26,532	28,784	34,525	34,349	34,042
Average number of own units (number of units)	414,931	452,868	550,342	547,905	543,026
Maintenance expenses and capitalized maintenance (€/m²)	22.31	26.17	24.81	21.03	22.46
thereof expenses for maintenance (€/m²)	12.10	13.01	12.86	12.41	13.82
thereof capitalized maintenance (€/m²)	10.21	13.16	11.95	8.62	8.64
Number of units bought	1,711	155,145	969	63	–
Number of units sold	3,677	6,965	19,760	3,838	7,654
thereof Recurring Sales	2,442	2,803	2,710	1,590	2,470
thereof Non Core/other	1,235	4,162	17,050	2,248	5,184
Number of new units completed*	2,088	2,200	3,749	2,460	3,747
thereof own units*	1,442	1,373	2,071	1,332	1,276
thereof units for sale*	646	827	1,678	1,128	2,471
Vacancy rate (in %)	2.4	2.2	2.0	2.0	2.0
Monthly in-place rent in €/m²		7.33	7.49	7.74	8.01
Organic rent increase (in %)		3.8	3.3	3.8	4.1
Sustainability Performance Index (in %)****		109	103	111	104
Carbon intensity achieved in Germany (in kg CO_2e/m^2)	39.5	38.4	33.0	31.7	31.2
Number of employees (as of Dec. 31)*	10,622	15,871	12,117	11,946	12,056

* Figures for 2020–2022 as reported, previous year's figures (2023) comparable according to current key figure definition for 2024.

** 2020–2021 based on the shares carrying dividend rights on the reporting date, 2020 prior-year values TERP-adjusted (1.067), 2022/2023/2024 based on the weighted average number of shares carrying dividend rights.

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

****2021/2022 excluding Deutsche Wohnen. 2023/2024 including Deutsche Wohnen (excluding Care segment and SYNVIA).

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NOTE

For computational reasons, rounding differences may occur in tables and in explanations compared to the precise values recorded (euros, percent, etc.). Furthermore, amounts below the rounding threshold are shown as “0.0”. “-” is used to denote non-existing matters.

The Company and its Shares

Property Prices Bottomed Out in 2024

Sustained Excess Demand for Housing With no Change in Supply

Megatrends Remain the Basis for our Business Model

Strategic Growth Initiatives Launched

Dear Shareholders, Dear Employees, Dear Readers,

Let's start with the most important aspect from an entrepreneurial perspective: Vonovia is putting its foot on the gas and is set to grow again – no small matter given the current economic climate. We had our foot on the proverbial brakes for more than two years, taking a disciplined approach to our capital resources in response to the rapid rise in interest rates. We sold properties and focused on our core business in a quest to stabilize our balance sheet. Our decision to put liquidity ahead of profitability concerns was a successful move.

This gives us reason to be very confident as we look ahead to this year and beyond. **We have developed new growth opportunities.** We have set a clear target of achieving EBITDA growth of around 30% by 2028.

We have developed a **best-in-class platform** at Vonovia that spans the entire housing industry life cycle, ranging from smart purchases or serial new construction and efficient management, to neighborhood development, serial refurbishment systems and the direct supply of sustainable energy. We have a fantastic team on board. The Vonovia team tops the table as the market leader, quite deservedly so.

Before I go into detail regarding our outlook, let me get back to where we started.

When we went public in 2013, we completely revamped our financing and gave pension funds, insurance companies and international investors the opportunity to invest their money in residential real estate in Germany by buying shares. The trust placed in our strategy and the private funds entrusted to us significantly reduced our cost of capital. This gave us a unique opportunity to grow both organically and as, and when, the right opportunities presented themselves, and propelled Vonovia to the status of the European market leader in the period from 2013 to 2021. Our transactions allowed us to grow not just in quantitative, but also in qualitative terms. Back in 2010, we had around 190,000 apartments – primarily in the German federal state of North Rhine-Westphalia. Now, our portfolio now includes around 540,000 apartments in the most attractive cities in Germany, Sweden and Austria.

In particular, the highlight of this period – the takeover of Deutsche Wohnen in 2021 – took Vonovia to the next level and saw us use our unprecedented size and process efficiency to create value. As an example, the property management costs per apartment, which stood at around € 830 in 2013, have since been reduced to around € 300. At the same time, the operating EBITDA margin has risen from around 60% to approximately 80%.

At the extraordinary Annual General Meeting held on January 24, 2025, you approved the conclusion of a control and profit-transfer agreement with Deutsche Wohnen SE. This will give us even greater financial leeway. The agreement will bring us even closer as a group and will help us to grow. I would like to thank you, our shareholders, for giving us your clear approval for this move.

Many companies have turned to outsourcing in recent years. We, on the other hand, have invested in our own staff, recruited our own craftsmen and craftswomen and set up the biggest gardening and landscaping service

From left to right: **Daniel Riedl**, Member of the Management Board (CDO); **Arnd Fittkau**, Member of the Management Board (CRO); **Rolf Buch**, Chairman of the Management Board (CEO); **Philip Grosse**, Member of the Management Board (CFO); **Ruth Werhahn**, Member of the Management Board (CHRO)

in Germany. Today, more than 5,000 employees work in our neighborhoods under the Vonovia flag, a structure that is unique in the housing industry.

At the same time, we have digitalized the company, developed a customer app and expanded our hardship management system.

Since 2018, we have been actively doing our bit to help alleviate the shortage of housing in Germany. We are building new apartments in urban areas, many of them using modular construction methods. Today, we are one of the largest project developers in Germany and Austria and have already built just under 17,500 apartments.

We are also leading the field in other areas, for example, when it comes to the energy revolution in our neighborhoods. We have developed our climate path, driven by the need to reduce carbon emissions. Our refurbishment rate is well ahead of the national average. While in 2015, 24.6% of our buildings were still assigned to energy efficiency classes G and H, the figure today comes to only around 3%. This serves as impressive testimony to how we can refurbish properties and help to make progress in protecting our climate. We are expanding our photovoltaic network and installing heat pumps. We are modernizing our homes to make them accessible and ensure they meet the needs of older tenants in times of demographic change.

So – to stay with the metaphor – we were moving at high speed from 2013 onwards while keeping a steady hand on the wheel. And then came Russia's war of aggression against Ukraine, which changed so many things, in so many places. Across the globe, in Europe, in Germany, and for Vonovia, too.

We decisively responded to this break in the second half of 2022 by developing viable solutions. We changed direction, shifting our focus away from growth and profitability and toward increased capital discipline and generating liquidity to take pressure off our balance sheet. Over the past three years, we have generated additional cash resources amounting to around € 11 billion from our free cash flow. This was achieved from our operating business, using sales and joint ventures. We have maintained good investment grade ratings throughout. Today, our pro forma debt-to-equity ratio stands at 45.8%, which is almost back within our target corridor. And we have achieved all of this despite a marked devaluation in our portfolio properties since 2022.

In all honestly, it was a very painful process. I would like to express my most sincere thanks to our employees for sticking by us throughout.

We have shown that Vonovia can be flexible even in times of crisis. And that's not all. The crisis has made the company even more efficient.

We spent around ten years turning Vonovia into the European market leader. Now is the time to build on these efficient processes, this platform, and this high-quality portfolio and take our growth to the next level. In terms of total income, we are aiming to report an adjusted EBITDA of between € 3.2 billion and € 3.5 billion by 2028, an increase of around 30% compared to 2024. Our three areas of business other than Rental – Value-add, Development and Recurring Sales – which currently contribute around 9% to adjusted EBITDA, are to make a total contribution of between 20% and 25%.

This growth trajectory is split into three main strategic initiatives:

1. **Return to Performance:** Our craftsmen's organization will be expanding the services it offers and becoming more efficient through higher volumes and standardization. We will be ramping up our new construction activities again with immediate effect. As the market recovers, we will be focusing on sales figures and margins in Recurring Sales again.

2. **Investment in technical innovation:** We will be opening our wallet again and plan to more than double our annual capital expenditure to as much as € 2 billion by 2028. This year alone, we expect to spend € 1.2 billion. After successful pilot projects over the last two years, we will be focusing primarily on serial modernization, modular new construction and the expansion of state-of-the-art heating infrastructure using photovoltaics and heat pumps.

By the end of this year, we will have launched projects for 3,000 new apartments – most of them in urban areas. Serial construction and measures to optimize energy standards will help us to make these projects cost effective. We have identified potential for almost 70,000 new residential units on land in our portfolio, which we plan to realize in the long term – on vacant plots, via densification, and through vertical expansion.

3. We will also be exploring **new avenues for growth. We will be offering our business model and our best-in-class platform to the market.**

We also want to exploit our experience to buy **properties that offer potential** and then refurbish them to meet the latest energy efficiency standards.

We will continue to build on our **energy management** expertise and supply our customers with green heating directly in self-sufficient neighborhoods.

In order to counteract the shortage of skilled workers in Germany, we are exploring how we might enter into alliances with other commercial and service companies to make homes available to employees directly.

Let’s round things off by taking a look at the past 2024 fiscal year:

We can be very satisfied with what we have achieved! All of our target values reached the upper end of our guidance. Adjusted EBITDA Total came to about € 2.6 billion. Our Rental business is the biggest contributor to total comprehensive income, accounting for 91%. As was to be expected, adjusted EBT was down slightly in a year-on-year comparison at € 1.8 billion.

Our apartments are, and remain, virtually fully occupied. At 4.1%, organic rent growth was slightly lower than the value for the previous year. All in all, our core business contributed just under € 2.4 billion and was almost on a par with 2023 despite sales and higher maintenance expenses. The other segments remained stable overall as expected. After a marked downward trend, value development bottomed out in the second half of 2024 and has stabilized. The EPRA NTA showed similar development to the fair value of around € 82 billion and came in at € 37.2 billion as of the reporting date, amounting to € 45.23 per share.

Deutsche Wohnen also successfully completed the announced disposal of the Care portfolio in January 2025 with the last few sales.

Dear Shareholders,

This is a good time to address our outlook ahead of the ordinary Annual General Meeting to be held on May 28, 2025: Our business is showing stable development. The outlook is positive. As a result, the Supervisory Board will be proposing – based on our dividend policy – a **dividend** of € 1.22 per share at this meeting. This is higher than the dividend for the last two years and underscores our successful development. The dividend is based on adjusted EBT and on the premise that Vonovia always has to have sufficient funds available to finance our projects.

We expect to report adjusted EBITDA of between € 2.70 billion and € 2.80 billion in the 2025 fiscal year. Adjusted EBT is expected to come in between € 1.75 billion and € 1.85 billion. This guidance lays a crucial foundation for the amounts that I have mentioned as part of our outlook for the coming years.

On behalf of the Management Board as a whole, I would like to thank you for supporting us on the path we have mapped out. As investors, you provide the basis for our growth. As employees, you give us the opportunity to turn our plans into a reality and keep the promises we have made our customers.

We want rents to remain affordable for people. This is a task we are committed to every single day – by implementing our business model, approaching policymakers with ideas and forging ahead with dialogue in our sector. Team Vonovia will do everything in its power to remain on hand to support the people living in our apartments and neighborhoods.

Speaking of dialogue and cooperation, this is likely the **key** to how we should treat each other as a society. On that note, I am looking forward to the next meeting with you.

Sincerely,

Rolf Buch
Bochum, March 2025

Chairman of the Management Board

Rolf Buch (CEO)

Report of the Supervisory Board

Dear readers,

In an environment characterized by a marked decline in property valuations, stabilizing the balance sheet has recently been one of the main tasks on Vonovia SE's agenda. The company found a key component of a solution in successfully implementing an extensive apartment sale program. At the same time, the markets stabilized: Home prices have barely fallen recently. They have since bottomed out and are now poised for a recovery.

Meanwhile, the company continued to reliably go about its core business – with very satisfactory results: All key performance indicators developed in line with expectations. Vonovia's customers rewarded the company with higher customer satisfaction scores for its reliable support as a partner in challenging times.

The Management Board also started setting the course for growth again. We, on the Supervisory Board appreciate everything the Management Board has done to steer the company in the right direction and support its plans to further expand Vonovia's business.

In the 2024 fiscal year, we, as the company's supervisory body, continuously monitored the Management Board's management activities and provided the Management Board with regular advice concerning the running of the company. We were able at all times to establish that their actions were lawful, expedient and regular. The Management Board notified us regularly, promptly and comprehensively, both in writing and verbally, of all circumstances and measures that were relevant to the company. The Management Board fulfilled its information obligations to an appropriate extent at all times.

At our plenary meetings and in our committees, we always had ample opportunity to appraise the reports and proposals submitted by the Management Board and to provide constructive suggestions. We discussed and tested the plausibility of all business occurrences of significance to the company, as communicated to us by the Management Board in written and verbal reports, in detail. Where required by law or the Articles of Association, we granted our consent to individual business transactions.

Meetings of Supervisory Board and Committees in the 2024 Fiscal Year

Member	Supervisory Board	Governance and Nomination Committee	Audit, Risk and Compliance Committee	Strategy, Finance and Sustainability Committee	Human Resources and Compensation Committee	Participation rate
Clara-Christina Streit	6/6	9/9	–	7/7	9/9	31/31
Vitus Eckert	6/6	9/9	7/7	–	–	22/22
Birgit M. Bohle*	4/4	–	–	5/5	–	9/9
Jürgen Fenk	5/6	–	–	7/7	8/9	20/22
Dr. Florian Funck	6/6	–	7/7	–	9/9	22/22
Dr. Ute Geipel-Faber	6/6	–	7/7	–	–	13/13
Dr. Daniela Gerd tom Markotten	5/6	–	–	7/7	–	12/13
Matthias Hünlein	6/6	–	7/7	–	–	13/13
Hildegard Müller	6/6	–	–	6/7	–	12/13
Dr. Ariane Reinhart	6/6	8/9	–	–	9/9	23/24
Christian Ulbrich**	2/2	–	–	2/2	–	4/4
	58/60	**26/27**	**28/28**	**34/35**	**35/36**	**181/186**

* Member of the Supervisory Board since May 8, 2024.
** Member of the Supervisory Board until May 18,2024.

Cooperation Between the Management Board and the Supervisory Board

The Supervisory Board consisted of ten members in the past fiscal year. We were on hand to support the Management Board in the various meetings held and also in its key decisions. We also kept a close eye on the company's business development outside of meetings. The Management Board regularly informed us about key events and discussed the company's strategic direction with us as part of a collaboration based on trust. As Chair of the Supervisory Board, I also maintained regular and close dialogue with the Chairman of the Management Board in particular, but also with the other Management Board members, even outside of the Supervisory Board meetings.

The employee representative bodies were involved in communications on key company matters via the Management Board. The Chairman of the Management Board updated me on company-related topics emerging from the Management Board's discussions with representatives of the Group works council, going into an appropriate level of detail. I/we passed on any important findings to, and discussed them with, the other members of the Supervisory Board promptly, or at the latest at the next board meeting.

Effectiveness Review

The Supervisory Board performs annual effectiveness reviews as self-evaluations, with the support of an experienced and certified external consultancy firm, to reflect on, and optimize, its own work.

A more extensive review is carried out every three years. The process is based on a digital questionnaire and involves interviews with Management Board members.

After an extensive effectiveness review was conducted in 2023, the 2024 effectiveness review was also conducted with an external consultant with the help of a digital questionnaire.

One key aspect of the effectiveness review involved evaluating the Supervisory Board's decision-making processes and internal communication. The way in which information is shared and decisions are made, as well as the quality of discussions within the Supervisory Board, were closely examined. These aspects were also compared against best practice and international benchmarks. Strengths were identified and areas offering further room for improvement were flagged, as well.

Among the main findings:

> Vonovia's Supervisory Board ranks in the top quartile of all of the companies evaluated.

> The Supervisory Board has improved in most categories. The external provider described these improvements as "significant."

> Main strengths include: composition of the Supervisory Board, structure and organization of work within the Supervisory Board, ability to deal with conflict, trust and team spirit on the Supervisory Board and with the Management Board.

> Potential for improvement will be included in the Supervisory Board's work.

The Supervisory Board ultimately received confirmation that the effectiveness of its work is above-average virtually across the board. Our Supervisory Board works efficiently both in plenary sessions and in its committees.

In the first quarter of 2025, we will revisit the evaluation results separately in a Supervisory Board meeting to discuss and make decisions on the implementation of the recommended actions.

Onboarding

There is an onboarding process in place for new Supervisory Board members that is followed every time a new member is appointed. The onboarding process includes the provision of information material and documents on the company, including annual reports, analyst presentations, detailed overviews of Supervisory Board meetings, the Articles of Association, the organizational chart and dates of upcoming Supervisory Board meetings as well as information on legal issues, in particular obligations related to the Supervisory Board mandate. Onboarding also involves familiarizing members with the company's regional structures, including various Vonovia properties and regional management. Every Management Board member also organizes an individual meeting with the new members. The structured onboarding process ensures that new Supervisory Board members are thoroughly introduced to their responsibilities.

Further Training Within the Supervisory Board

In order to ensure that they were adequately informed to perform their responsibilities on the Supervisory Board and in the committees, the members of the Supervisory Board completed four training sessions on the following topics in the 2024 fiscal year: rent trends and rent regulation (March 12, 2024), succession planning (June 4, 2024), building type E – an innovative approach to cost-effective construction (September 2, 2024) and the remuneration system (September 16, 2024). The training sessions were conducted by internal and external experts. Vonovia SE assumed the full cost of the training.

Main Remit

In line with the duties assigned to the Supervisory Board by law, the Articles of Association and the rules of procedure, we once again closely scrutinized the Group's operational, economic and strategic progress in the 2024 fiscal year. The main issues covered included the development of overall conditions on the markets and changes in the capital market environment as well as their impact on portfolio and new investments. We also discussed the topics of digitalization, portfolio strategy and regulation with the Management Board in detail. Once again, the topic of governance was a key issue for the Supervisory Board.

We also took an in-depth look at the future structure and expertise matrix of the Supervisory Board and the Management Board. As far as the Management Board is concerned, we discussed the management structure, including possible succession arrangements.

The Chair of the Supervisory Board is engaged in dialogue with the relevant investors on governance issues as part of regular Governance Roadshows. Last year, these were held in February and October. At the Governance Roadshow that was held in October, the Supervisory Board presented its thoughts regarding the planned adjustments to the Management Board remuneration system. Suggestions from an investor perspective were registered and implemented as part of the dialogue.

Meetings

In the 2024 fiscal year, the Supervisory Board met six times to consult and pass resolutions: four times at face-to-face meetings (March, May, September, December) and twice via conference call (October, December). The Committee made decisions using a written circular in three cases (twice in July and once in December).

Any individual members absent from the six meetings had always been excused and these absences were work-related. The absent members looked at the meeting documents in detail and participated in the decisions made by issuing voting instructions to the Chair of the Supervisory Board.

The attendance rate for Supervisory Board and committee meetings averaged 97%. No member of the Supervisory Board took part in less than half of the meetings during their term of office. The same applies to participation in committee meetings. In preparation for the meetings, the Management Board submitted written reports and resolution proposals to us in good time.

Information on the Individual Meetings and Written Resolutions

On **March 14, 2024**, the Supervisory Board met to adopt the statement of financial position. We approved the company's annual and consolidated financial statements as of December 31, 2023, including the combined management report. We also approved the Non-financial Declaration together with the Declaration of Conformity, approved the Supervisory Board report and adopted the remuneration report for 2023.

We approved the proposal made to the Annual General Meeting regarding the resolution on the appropriation of profit, granting a fundamental right to choose between a cash dividend and a scrip dividend. Given the net loss for the year, we decided to offset the net loss for the year against the profit carried forward at the Annual General Meeting in order to allow Vonovia to pay the dividend. We also took this as an opportunity to discuss the dividend policy with regard to the planned adjustments to the management system.

We approved the recommendation made by the Audit Committee to appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft in Frankfurt am Main (PwC) as the auditor of the annual and consolidated financial statements for the 2024 fiscal year, and as the auditor for the review of interim financial reports for the 2024 fiscal year and the first quarter of 2025. We also approved PwC's work to prepare for a subsequent audit of the ESG reporting until its formal appointment following the entry into force of a corresponding statutory provision.

The Supervisory Board discussed the reports from the committees: We examined the results of the Supervisory Board's effectiveness review and passed a resolution to propose to the Annual General Meeting that Ms. Birgit M. Bohle be elected to the Supervisory Board until the end of the 2028 Annual General Meeting. We also passed a resolution regarding the reappointment of the Management Board member Mr. Philip Grosse for a further three-year term of office following the expiry of his term of office on December 31, 2024.

In addition, we discussed and passed a resolution on the adjustments to the Management Board remuneration system. These adjustments were prompted by the change in the management system initiated by the Management Board with effect from January 1, 2024: The replacement of Group FFO by Adjusted EBT, and the decision no longer to report Group FFO, meant that the performance criteria for the short-term and long-term incentive plan had to be adjusted, while at the same time keeping the CAGR target for the LTI tranches from 2021 to 2023. We passed a resolution on the remuneration to be paid to members of the Management Board for the 2023 fiscal year, target achievement levels and corresponding payments.

We also discussed the operating and financial performance of the company and the segments, sales topics (including the Care portfolio), the introduction of the new management system, the CSI and the status of various projects, such as the transformation of the housing stock from an energy efficiency perspective. We also discussed the annual audit report and topics related to the internal control system (ICS) and compliance.

On **May 7, 2024,** the Supervisory Board held an ordinary meeting on the day before the Annual General Meeting. Among other things, we decided to appoint Ms. Birgit M. Bohle as a member of the Strategy, Finance and Sustainability Committee, provided that the Annual General Meeting approved her election to the Supervisory Board.

At its meeting on **July 19, 2024,** the Supervisory Board used a written circular to approve a new distribution of duties proposed by the Management Board with effect from September 1, 2024. This streamlined the organization and ensured balanced areas of responsibility taking related topics into account.

We also used the meeting on **July 19, 2024**, to use a written circular to adopt Mr. Daniel Riedl's STI targets at the level of BUWOG.

On **September 9 and 10, 2024,** we discussed the company's strategy in detail. Together with the Management Board, we used both parts of the meeting to discuss the company's situation, the market environment and Vonovia's future direction over the next five years. The Management Board explained current and planned measures to stabilize the balance sheet, further develop the operating units and expand the company's earnings base. Growth is to be boosted by stabilizing performance, stepping up technology-driven investments and establishing new business. We supported the Management Board in its strategic approach, and agreed with the Management Board that balance sheet stability should definitely be ensured and that perception on the capital market should be supported by appropriate communication. We shared our conviction that successful implementation of the company's targets would require ongoing close cooperation with municipal (housing) associations, trade unions, associations, the federal states and the German government.

We also used this meeting to discuss the topics being addressed by the committees: These included contractual and remuneration matters related to the Management Board, effectiveness and expertise reviews in the Supervisory Board, and the succession planning process for both boards. External expertise was sought in these areas to ensure quality and appropriate results. Other topics included the status of the company's sales activities, the development in the value of the portfolio and the financial rating.

The extraordinary meeting held as a conference call on **October 9, 2024** was used to discuss, and pass a resolution on, the sale of a minority stake in Deutsche Wohnen SE via a holding structure to an investment company whose funds are made available by insurance companies and other long-term investors advised by Apollo.

At a face-to-face meeting held on **December 9 and 10, 2024**, we discussed the 2025 budget presented by the Management Board in detail and addressed, among other things, the reports from the committees: In the first part of the meeting held on December 9, 2024, we addressed the remuneration system, remuneration issues relating to the Management Board, amendments to Management Board contracts and matters relating to the Supervisory Board. In line with the recommendation put forward by the Governance and Nomination Committee, we decided to carry out an effectiveness review within the Supervisory Board with the support of an external consultancy firm. We also discussed the topics to be addressed in further training sessions for the Supervisory Board and made the decision to continue to include specific topics related to the residential real estate sector and governance in future training. Looking ahead to 2025, the Supervisory Board has chosen digitalization, energy-efficient refurbishment, sustainability reporting and the company's collaboration with political stakeholders as some of the topics to be covered by its further training measures.

As part of our discussions on HR-related matters, we discussed succession planning for the Supervisory Board. The Governance and Nomination Committee is supported in this work by an HR consultancy firm. Based on an evaluation of completed market mapping exercises conducted using predefined qualifications profiles, we assembled a pool of potential candidates to fill any Board positions that might become vacant. These lists of potential candidates are being maintained in order to safeguard succession planning by the Supervisory Board committees.

With the help of a remuneration consultant, we took another look at the remuneration paid to the Management Board. We followed the recommendation made by the HR and Remuneration Committee and passed a resolution to change the Management Board remuneration system. We passed a resolution on corresponding amendments to the Management Board employment contracts within this context.

In addition, we passed a resolution on the procedure for including scrip dividends in the LTI tranches for 2021 to 2023.

The second part of the Supervisory Board meeting held on December 10, 2024, focused on the Management Board's budget and medium-term planning. The Management Board provided us with information on current economic developments and explained its key planning assumptions for 2025 and beyond. We approved the 2025 budget presented and acknowledged the five-year plan presented to us. Taking this as a basis, we discussed the target values and target achievement curves for the variable remuneration to be paid to the Management Board for the STI and LTI.

On **December 14, 2024,** we used an extraordinary conference call held together with the Management Board to approve the control and profit-transfer agreement between Deutsche Wohnen SE and Vonovia SE, subject to the approval of the extraordinary Annual General Meeting in January 2025.

Committees and Their Work

We have established committees within the Supervisory Board in order to perform our duties effectively. The committees prepare subjects that are to be discussed and/or resolved by the Supervisory Board. In addition, they pass further resolutions that we have delegated to them instead of passing them on the Supervisory Board as a whole.

> **Audit, Risk and Compliance Committee:** This committee monitors the accounting process, valuation issues, the effectiveness of the internal control system, the risk management system and internal audit system, as well as the audit of the annual financial statements and compliance.

> **Strategy, Finance and Sustainability Committee:** This committee advises the Management Board on corporate and divisional strategy, financing, planning and sustainability strategy. It also advises the Management Board on issues related to digitalization, technological innovation and transformation.

> **Governance and Nomination Committee:** This committee discusses long-term succession planning for the Management Board and Supervisory Board, contractual matters relating to the Management Board as well as the company's corporate governance.

> **HR and Remuneration Committee:** This committee prepares resolutions of the Supervisory Board regarding the introduction of, and amendments to, the remuneration system for the Management Board (including targets and target achievement), as well as the definition of specific remuneration. It also advises the Management Board on matters related to HR strategy (including employer branding, human capital development, performance management, remuneration) and restructuring measures.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee (also referred to as the "Audit Committee") had four members in the reporting year. Dr. Florian Funck was Chair of this Committee. The other members of this committee are Mr. Vitus Eckert, Dr. Ute Geipel-Faber and Mr. Matthias Hünlein. Ms. Clara-Christina Streit attended the meetings as a permanent guest.

The Audit, Risk and Compliance Committee maintained close contact with the auditors of the financial statements at the quarterly Audit Committee meetings. The Committee, represented by the Chair, and the auditors also maintained close dialogue in the run-up to the meetings.

The Audit Committee met seven times in 2024 (twice in March, and once in April, June, July, November and December).

At the hybrid meeting held on **March 7, 2024**, the Audit Committee reviewed the annual and consolidated financial statements as of December 31, 2023, as well as the combined management report for the 2023 fiscal year. The auditor informed the committee of the status of the audit and the forecast that no more changes were expected until the formal conclusion of the audit on March 13, 2024. The auditor's comments made detailed reference to the audit engagement and principles (in particular materiality thresholds), the Group's position (in particular accounting policy and discretionary decisions), findings on the consolidated financial statements (valuation of investment properties), development and goodwill as key audit matters, as well as other key topics such as joint venture transactions and the reclassification of the Care segment as discontinued operations. The auditor confirmed the effectiveness of the internal control system (ICS), reported on the findings on the risk early warning system and explained the audit of the Non-financial Declaration, providing an outlook on sustainability reporting in accordance with the CSRD.

The timing of the introduction of binding sustainability reporting in accordance with the CSRD was associated with uncertainty. As a result, after consulting with legal advisors and industry representatives, the Committee decided not to recommend an anticipatory resolution for a CSRD audit mandate.

The Committee also took a detailed look at the Management Board's proposal to adjust the company's management system in light of the prevailing overall conditions. This proposal suggested that FFO, as a mixed indicator of earnings power and liquidity, be replaced by two indicators that clearly relate to earnings and liquidity in each case. In connection with this topic, the Committee discussed the resulting need to adjust the dividend policy.

In a status review of a compliance case, the Committee examined the investigation file of the public prosecutor's office, which essentially confirmed that a small group of employees and subcontractors had enriched themselves materially and financially in a clearly defined area (heating). As the injured party, the company has examined all civil legal response options, replaced the subcontractors concerned and strengthened its procurement controls. The review of the internal control system did not reveal any major gaps.

The Audit Committee also took a detailed look at the company's report. This included economic development in the 2023 fiscal year, the capital structure, BaFin's financial reporting enforcement proceedings, which were conducted based on spot checks and did not lead to any findings, the development of the joint ventures, developments in the Care segment and the potential for a dividend payout.

The internal audit report did not identify any major issues. It confirmed that this year, the company will be able to implement all of the measures planned in the previous year.

On **March 14, 2024,** the Audit Committee held a hybrid meeting to continue with the review, which it had started at its previous meeting, of the annual and consolidated financial statements, as well as the Non-financial Declaration, and passed a resolution to recommend to the Supervisory Board that the annual financial statements and the combined management report for the 2023 fiscal year be adopted, and that the consolidated financial statements of Vonovia SE and the combined management report for the 2023 fiscal years, as well as the Non-financial Declaration, be approved. The Committee's review took account of both the company's reports and the reports prepared by the auditor PwC. The Audit Committee approved the proposal for the appropriation of profit made by the Management Board.

Together with representatives of the Management Board, the Committee discussed the adjustment to the dividend policy against the backdrop of a potential change in the company's performance indicators.

The Committee recommended that the Supervisory Board appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as the auditor of the annual and consolidated financial statements for the 2024 fiscal year, and as the auditor for the review of interim financial reports for the 2024 fiscal year and the first quarter of 2025. Given the expected implementation of the CSRD Implementation Act (CSRD-Umsetzungsgesetz), the Committee passed a resolution recommending that the Supervisory Board approve PwC's work to prepare for a subsequent audit of the sustainability report until its formal appointment following the entry into force of this legislation.

Following on from the discussion at the previous meeting, the Committee received final confirmation from the Management Board that the company had not suffered any major financial losses as a result of the compliance case. There is also no reason to suggest that tenants suffered any damage.

At a hybrid meeting held on **April 29, 2024**, the Audit Committee looked at the condensed interim consolidated financial statements as of March 31, 2024. It acknowledged and approved the auditor's report and its audit of the condensed interim consolidated financial statements and interim statement as of March 31, 2024. It consulted with the Management Board on the economic development of the Group and the segments, the liquidity situation, the valuation of the portfolio, planned transactions and rent trends.

The Committee acknowledged the current risk management report and discussed the risk-bearing capacity analysis carried out in the second half of 2023. The latter is aimed, in particular, at assessing the company's liquidity and debt situation, taking bond covenants, rating criteria and total equity backing into account.

The Committee acknowledged the compliance report: According to this report, the company recently implemented a decentralized compliance organization and launched projects on money laundering obligations and the further development of compliance risk management. One new aspect is the fact that, in the future, employees in operations (gatekeeper functions such as HR, procurement and sales) will be involved more in compliance surveys, alongside managers. The Committee provided the Management Board with impetus for a data protection check to be performed by external consultants.

Other aspects included VAT group issues, further digitalization in tax administration, and the status of company declarations due to the land tax reform. The Committee also took a closer look at the imminent CSRD reporting, in particular the topics of stakeholders, reporting standards, reporting format, report content, exemption options and implementation status.

The hybrid meeting held on **June 27, 2024**, focused on the VTS transformation project, which is the company's response to investment cuts and the technological shift towards heat pumps. The shift in energy sources used for heat generation, which is important for Vonovia's climate path, is supported to a relevant extent by the project business. The Committee noted that this area is focusing on improving cost and performance transparency via various subprojects.

On **July 31, 2024,** the Audit Committee acknowledged and approved the consolidated half-year financial statements, including the interim financial report, as of June 30, 2024. The Committee approved the 2024 audit budget that had been presented. An evaluation of the audit quality conducted by the members of the Audit Committee resulted in the audit team being awarded high scores for their expertise and professionalism.

Data protection was discussed as a focal issue and the Committee decided to include this topic in its regular work in the future.

As part of reporting on the company, the Committee discussed, in particular, the development of financial and non-financial key performance indicators, the status of transaction activity, the development in the value of the portfolio, developments in the Development segment, the restructuring measures in the Quarterback Group, a non-current equity investment held by Deutsche Wohnen SE, and developments related to the CSRD.

At a meeting on **November 5, 2024,** the Audit Committee discussed the condensed consolidated interim financial statements as of September 30, 2024, acknowledging and approving them. The auditor's in-depth audit focused on the valuation of investment properties, the sale of the Katharinenhof portfolio, the Quarterback restructuring project and the legal dispute with a social insurance provider. The auditor explained his approach to quality assurance in the audit of the financial statements and, in particular, addressed accounting estimates, key audit matters and sustainability reporting.

In the context of the reporting on the company, the Committee discussed the achievement of the sales target of € 3 billion, revenue and cash flow figures, including the outlook for 2025, key financial indicators and special topics such as the control and profit-transfer agreement with Deutsche Wohnen SE, as well as current transactions.

The Committee also discussed the risk situation, major legal disputes and the results of the latest annual compliance check, while also seeking information on the status of implementation and penetration of the decentralized compliance organization.

It also discussed the internal audit status report and approved the annual audit plan for 2025 as presented.

At its last meeting held on **December 18, 2024,** the Committee held a conference call with the Management Board to discuss a current compliance case and topics related to the internal control system (ICS).

Strategy, Finance and Sustainability Committee

The Strategy, Finance and Sustainability (SFS) Committee comprised five members in the 2024 fiscal year. It was chaired by Mr. Jürgen Fenk. The other members were Ms. Birgit M. Bohle (as of May 8, 2024), Dr. Daniela Gerd tom Markotten, Ms. Hildegard Müller, Ms. Clara-Christina Streit and Mr. Christian Ulbrich (until May 8, 2024). The SFS Committee met seven times in the reporting year (March, May, July, August, September, November, December).

During the video meeting held on **March 7, 2024,** the Committee discussed the planned change to the management system, the background to this move and a possible adjustment to the dividend policy. Criteria such as predictability for shareholders and liquidity for the company were also discussed. Other topics included the status of sales activities, the overall conditions for new construction, the company's financing situation and Vonovia's Sustainable Performance Index.

On **April 21, 2024**, the Committee used the written procedure to approve the sale of the Prima portfolio in Berlin by Vonovia SE together with the sale of the Am Sandhaus development site in Berlin by Deutsche Wohnen SE.

The Committee used the meeting held on **May 7, 2024,** to discuss the proposal for a scrip dividend put forward by the Management Board and pass a corresponding resolution. It also took an in-depth look at provisional plans to sell shares in Deutsche Wohnen SE to an investor and provisional plans for a possible control and profit-transfer agreement between Vonovia SE and Deutsche Wohnen SE. Moreover, it discussed the preparation of the upcoming 2024 strategy process, specifying the key topics to be addressed.

On **May 31, 2024,** the Committee used the written procedure to pass a resolution on the use of the 2022 authorized capital for a non-cash capital increase in connection with the 2024 scrip dividend.

At the video meeting held on **July 31, 2024**, the Committee once again addressed preparations for the strategy process and discussed the status of the work presented by the Management Board in detail. During the discussion, the meeting's participants looked at the strategic approaches in relation to prevailing circumstances in the company, overall market conditions and the megatrends that will determine the future.

The video meeting held on **August 19, 2024,** also focused on the preparatory work for the strategy process. Together with the Management Board, the committee members took a particular look at the topics the participants had agreed to revise or refine in the previous meeting.

During the digital meeting held on **September 4, 2024,** the members of the Committee continued and concluded the preparatory strategic discussion together with members of the Management Board.

At the video meeting held on **November 19, 2024**, the Committee addressed preparations for the Supervisory Board's budget meeting, taking into account key accounting/financial indicators, the targeted growth path and the expected overall conditions. Other topics included planned transactions, investments to be budgeted for and the further development of specific units such as Development and VTS.

The Committee used the video meeting on **December 2, 2024,** to revisit the matter of the 2025 budget. With the support of the Management Board, the Committee discussed the five-year plan and the target values for the Sustainability Performance Index (SPI).

Governance and Nomination Committee

The Governance and Nomination Committee consisted of three members in the reporting year. The Chairperson was Clara-Christina Streit, as Chair of the Supervisory Board. The other members were Mr. Vitus Eckert and Dr. Ariane Reinhart. The Governance and Nomination Committee met nine times in the fiscal year (twice in February, in March, April and September, twice in October, and in November and

December). The Governance and Nomination Committee discussed the composition of the Management Board and the Supervisory Board in detail at seven meetings and reported on the outcome to the full Supervisory Board.

During a conference call held on **February 9, 2024,** the Governance and Nomination Committee discussed the results of the effectiveness review of the Supervisory Board's work that had been conducted at the end of 2023, and agreed on the next steps. The evaluation revealed that the scores achieved were significantly above average compared to the other supervisory boards and real estate companies investigated by the consultancy firm involved in the review. The experts conducting the review also confirmed that the Supervisory Board has a high level of expertise overall. The Committee acknowledged the suggestions for improvement presented with a view to launching optimization measures.

During a conference call held on **February 19, 2024,** the Committee addressed issues related to succession planning for the Management Board.

The meeting held on **March 14, 2024,** was used to discuss the results of the corporate governance roadshow held in February 2024 in detail. It passed a resolution to recommend that the Supervisory Board appoint Mr. Philip Grosse as CFO for a further three years following the expiry of his term of office. Another resolution was passed, after checking the candidate's qualifications, to recommend that Ms. Birgit M. Bohle be nominated for election by the Annual General Meeting as a new member of the Supervisory Board for a four-year term. The Committee also passed resolutions on the recommendations to issue an updated Declaration of Conformity and to approve the Supervisory Board report. Finally, it once again addressed the results of the report on the Supervisory Board's effectiveness review and discussed the next steps.

In the video conference held on **April 11, 2024,** the Committee discussed personnel matters relating to the Management Board.

On **August 24, 2024**, the Committee addressed a potential conflict of interest involving a Supervisory Board member and used a written circular to approve a consultancy agreement with a consultancy firm in which the Supervisory Board member is a managing director.

At the meeting held on **September 9, 2024,** the Committee addressed amendments to Management Board employment contracts, taking into account changes to the Management Board remuneration system. It prepared for the continuation of the effectiveness review of the Supervisory Board's work in 2024 and approved a suitability assessment of the Supervisory Board, similar to that conducted in the previous year. The Committee also discussed the succession planning process for the Management Board and Supervisory Board.

During the conference call held on **October 18, 2024,** the committee members once again discussed the succession planning process for the Supervisory Board. Possible candidates to fill two Supervisory Board mandates at the 2025 Annual General Meeting were discussed.

The conference call on **October 29, 2024,** was held as a joint meeting of the Governance and Nomination Committee and the HR and Remuneration Committee. The committee chairs reported on the Governance Roadshow on remuneration issues. The Committee prepared for the planned discussions with the members of the Management Board on the contractual amendments resulting from the adjustments to the Management Board remuneration system.

During a conference call held on **November 25, 2024,** the Committee addressed the amendments to individual Management Board contracts. It discussed the adjustment of the remuneration system and prepared to continue further discussions with the involvement of the Management Board.

During the conference call on **December 4, 2024**, the Committee addressed the topic of Management Board contracts as planned and, following a discussion on this topic with the members of the Management Board, decided to recommend that the contractual provisions that were necessary and appropriate for the purposes of introducing a modified Management Board remuneration system be finalized. The Committee discussed the self-assessment performed by all Supervisory Board members (suitability assessment including expertise matrix) and concluded that the requirements of the German Stock Corporation Act, the GCGC and relevant regulations are met. The Committee recommended that the Supervisory Board approve the current qualifications and expertise profile.

As part of the agenda item dedicated to succession planning for the Supervisory Board, the Committee decided, following a selection process, on a candidate who is to be recommended to the Supervisory Board as a new member and proposed to the Annual General Meeting for election for the period leading up to 2028.

The Committee addressed the selection of the advisor for, and the timing of, the 2024 effectiveness review and passed a resolution to recommend that the advisory mandate again be awarded to the previous advisor. It discussed the topics proposed by members of the Supervisory Board as part of the Permanent Education Program Learning Agenda 2025 and passed a resolution recommending that the program be implemented in line with the recommendations. The topics included in the program include digitalization, energy-efficient modernization, sustainability reporting and the company's cooperation with policymakers.

HR and Remuneration Committee

In the fiscal year under review, the HR and Remuneration Committee consisted of four members. Dr. Ariane Reinhart assumed the position of Chair. The other members were Mr. Jürgen Fenk, Dr. Florian Funck and Ms. Clara-Christina Streit. The HR and Remuneration Committee met nine times during the fiscal year (in February, March, June, July, August, September, October and twice in December).

During the conference call held on **February 22, 2024,** the Committee discussed potential adjustments to Group key performance indicators and the resulting adjustments to the Management Board remuneration system from 2024 onwards, including the implications for the Declaration of Conformity, for example. It discussed the short-term and long-term variable remuneration for the Management Board as well as target achievement, settlements as part of the STI 2024 and the LTIP tranche for 2020-2024.

The meeting held on **March 14, 2024,** was used for the Committee to continue the discussions it had started on February 22, 2024. Following the changes made to the management system and the decision no longer to report Group FFO, the Committee passed a resolution recommending that the performance criteria for the Management Board's remuneration also be switched from Group FFO to Adjusted EBT, while at the same time keeping the CAGR target for the LTI tranches for 2021 to 2023. It also passed a resolution on the target achievement for the annual variable remuneration (STI) for the 2024 fiscal year as a recommendation for the Supervisory Board. The Committee addressed the determination of the target achievement level for the 2020-2024 LTIP tranche based on an expert opinion prepared by an independent remuneration consultant and recommended that the Supervisory Board approve the payment. The Committee also recommended that the 2023 remuneration report be approved.

During a conference call held on **June 14, 2024,** the Committee discussed the need for further adjustments to be made to the regulations governing the Management Board remuneration system. This was in response to criticism voiced by investors at the Annual General Meeting, and the Committee worked with a remuneration consultant engaged for this purpose to explore the options available for adjusting the system.

During a conference call held on **July 25, 2024,** the Committee once again addressed the revision of the Management Board remuneration system. The committee members discussed the individual aspects with reference to the document prepared by the consultancy firm that had been engaged. This document had been made available to the Management Board in advance.

The Committee noted that the DAX should still be used as the benchmark for Management Board remuneration as part of the regular reviews to ensure its appropriateness. In addition, the results are to be verified as part of a secondary comparison with European real estate companies from the FTSE EPRA/NAREIT Developed Europe Index.

At meetings held as conference calls on **August 26, 2024, and September 3, 2024,** the Committee then dealt with the refined Management Board remuneration system. Among other aspects, it discussed how to take the company's financial stability into account in the variable remuneration (STI) using risk corridors that would have to be defined. The proposals were discussed with the involvement of the Management Board.

The conference call on **October 29, 2024**, was held as a joint meeting of the Governance and Nomination Committee and the HR and Remuneration Committee (for more information, please refer to the information on the meetings of the Governance and Nomination Committee).

At the video meeting held on **December 4, 2024,** the Committee addressed the Management Board remuneration system, calling on the expertise of a remuneration consultant in the process. The Committee passed a resolution recommending that the Supervisory Board adopt a revised remuneration system and present it to the Annual General Meeting for approval. The procedure for including scrip dividends in the LTI tranches for 2021 to 2023 was also discussed and a corresponding recommendation was made to the Supervisory Board. The Committee also discussed the KPIs for the variable remuneration to be paid to the Management Board (STI and LTI 2025) and agreed on corresponding recommendations for the Supervisory Board.

At the video meeting held on **December 20, 2024,** the Committee discussed the variable remuneration to be paid to the Management Board (STIP and LTIP) and recommended that the Supervisory Board adopt the target values and target achievement curves for the variable remuneration for 2025.

Corporate Governance

The Management Board and Supervisory Board of Vonovia SE are committed to the principles of good corporate governance. As a result, the members of the Supervisory Board once again looked at the German Corporate Governance Code in the reporting year and on March 14, 2024, they passed a resolution to issue the Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act (AktG), which the Management Board went on to issue on March 26, 2024. Directly related to this topic, the members of the Management Board and the Supervisory Board also reported on corporate governance at Vonovia SE in the Declaration on Corporate Governance. Both declarations will be made permanently available by the company on its website.

Audit

After being appointed at the Annual General Meeting on May 8, 2024, to audit financial statements for the 2024 fiscal year, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, has duly audited the annual financial statements and consolidated financial statements of Vonovia SE as of December 31, 2024, and the combined management report for the 2024 fiscal year and has expressed an unqualified opinion thereon. The Non-financial Group Declaration, which is set out in a separate section of the combined management report, was subjected to a separate limited assurance audit conducted by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt and Main, in accordance with ISAE 3000. In accordance with Section 317 (4) of the German Commercial Code (HGB), KPMG also assessed the risk early warning system of Vonovia SE.

The auditor had affirmed its independence to the Chair of the Audit, Risk and Compliance Committee and duly declared that no circumstances exist that could give grounds for assuming a lack of impartiality on its part. The audit assignment was awarded to PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, by the Chair of the Audit Committee in line with the Committee's resolution and the choice of auditor made by the shareholders at the Annual General Meeting.

The annual financial statements were prepared by the Management Board in accordance with the German commercial law and stock corporation law provisions, including the generally accepted accounting practice. The consolidated financial statements were prepared by the Management Board in accordance with the International Financial Reporting Standards (IFRS), as applied in the European Union, as well as the supplementary provisions applicable pursuant to Section 315e (1) HGB.

For the annual financial statements and the consolidated financial statements, Vonovia SE prepared a combined management report based on the requirements set out in Sections 315, 298 (2) HGB. Every member of the Supervisory Board received copies of the annual financial statements, the consolidated financial statements, the combined management report and the auditor's report in good time. On the basis of the preliminary examination and assessment by the Audit, Risk and Compliance Committee, about which the Audit, Risk and Compliance Committee Chair reported to the Supervisory Board, the Supervisory Board has scrutinized in detail the annual financial statements, consolidated financial statements and combined management report of Vonovia SE for the 2024 fiscal year and also considered the Management Board's proposal for the appropriation of profit. With regard to the Non-financial Declaration to be published, the Supervisory Board complied with its review obligation.

At the meetings held on March 10, 2025 and March 18, 2025 with the Audit Committee, and at the Supervisory Board meeting on March 18, 2025, the auditors reported on their findings, including the strategic audit objectives and key audit matters. The strategic audit objectives and the key audit matters set out in the auditor's report had been defined by the auditor within the context of his independent mandate in the second half of 2024, and had already been discussed and agreed upon with the Audit Committee in advance.

In the 2024 fiscal year, with regard to the consolidated financial statements, particularly key audit matters included the valuation of investment properties, the value of goodwill and the valuation of properties in development and construction. One focal point of the audit of the individual financial statements was the valuation of shares in affiliated companies.

The auditors gave detailed answers to our questions. After an in-depth review of all documentation, we found no grounds for objection. As a result, we concurred with the auditors' findings. On March 18, 2025, we followed the Audit Committee's recommendation and approved the annual financial statements and consolidated financial statements of Vonovia SE, as well as the combined management report. The annual financial statements are thus duly adopted.

Remuneration Report

The Management Board and Supervisory Board prepared a report on the remuneration granted and owed to the members of the Management Board and the Supervisory Board in the 2024 fiscal year. The remuneration report was reviewed by the auditor to check that it included the disclosures required by law under Section 162 (1) and (2) AktG. As well as checking the statutory requirements, Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, also audited the content of the report. The remuneration report, including PwC's audit report, was published on the company's website.

Dividend

The Supervisory Board considered the Management Board's proposal for the appropriation of profit. It gave particular consideration to the liquidity of the company/the Group, tax-related aspects and financial and investment planning. Following the audit, we agree with the proposal for the appropriation of profit set out by the Management Board, namely the proposal that, from the profit for the 2024 fiscal year, a dividend of € 1.22 per share or € 1,003,880,568.50 in total on the shares of the share capital as of December 31, 2024, be paid to the shareholders and the remaining amount be carried forward to the new account or be used for other dividends on shares carrying dividend rights at the time of the Annual General Meeting that go beyond the number of shares as of December 31, 2024.

Personnel

The following changes arose on the Supervisory Board in the reporting year: Mr. Christian Ulbrich left the Supervisory Board at the end of the Annual General Meeting on May 8, 2024. On behalf of the Supervisory Board as a whole, I would like to thank Mr. Ulbrich for his long-standing commitment and constructive cooperation in the spirit of trust.

Ms. Birgit M. Bohle was appointed as a new member of the Supervisory Board at the Annual General Meeting. I would like to extend a very warm welcome to Ms. Bohle as she joins our Supervisory Board.

Concluding Remarks

On behalf of the Supervisory Board, I would like to thank the Management Board for once again successfully managing the company last year. We would like to thank the company's employees for their considerable commitment and for being there for our customers and partners. We would like to thank the employee representative bodies for another year of constructive collaboration.

Bochum, March 18, 2025

On behalf of the Supervisory Board

Clara-Christina Streit

Management Board

The Management Board of Vonovia SE consisted of five members as of December 31, 2024.

Rolf Buch, Chairman of the Management Board

Rolf Buch has been member of the Management Board and Chief Executive Officer of Vonovia SE since 2013.

After training as a bank clerk and studying mechanical engineering and business management, he began his career as an assistant to the management at Bertelsmann Distribution GmbH in Gütersloh in 1991. In 1996, he was promoted to managing director of Bertelsmann Services France and became a member of the management board of arvato AG in 2002. In 2008, he became Chairman of the Management Board (CEO) of arvato AG and was appointed to the management board of Bertelsmann SE & Co. KGaA.

He was appointed Chairman of the Management Board (CEO) of the company now known as Vonovia SE in 2013. After taking up his office, Rolf Buch led Vonovia as it entered the stock exchange. Vonovia SE was promoted to Germany's leading index, the DAX 30 (now the DAX 40), in 2015. The company is Europe's largest residential real estate company.

Rolf Buch is a member of the executive board of the German Association of German Housing and Real Estate Companies (GdW), vice president of the German central real estate committee Zentraler Immobilien Ausschuss (ZIA) and the German Association for Housing, Urban and Spatial Development, and member of the Board of Directors of the European Public Real Estate Association ERPA in Brussels.

Arnd Fittkau, Member of the Management Board

Chief Rental Officer Arnd Fittkau has been member of the Management Board of Vonovia SE since May 2019.

Following completion of a management training program at MAN Gutehoffnungshütte AG (1992–1996), Arnd Fittkau started his career in various controlling functions. After holding positions at MAN AG in Munich and Hochtief AG in Essen, he joined the company now known as Vonovia in 2002. He spent three years as Head of Controlling for the GAGFAH Group starting in 2005. Since 2008, Arnd Fittkau has held several managing directorships at Vonovia subsidiaries in various locations such as Bochum, Munich, Frankfurt and Gelsenkirchen. Most recently, he held the position of chief representative of Vonovia SE from the beginning of March 2018 and chaired the regional management teams.

Philip Grosse, Member of the Management Board

Philip Grosse has been member of the Management Board of Vonovia SE as Chief Financial Officer since January 2022.

After studying business management, he worked in investment banking in Frankfurt and London between 1997 and 2012, most recently as Managing Director and Head of Equity Capital Markets Germany & Austria at Credit Suisse. As of 2013, Philip Grosse worked in leadership roles focusing on corporate finance and investor relations for the Deutsche Wohnen Group. He was appointed to the Management Board of Deutsche Wohnen as CFO in 2016.

Daniel Riedl, Member of the Management Board

Daniel Riedl has been member of the Management Board of Vonovia SE as Chief Development Officer since May 2018.

Daniel Riedl is a graduate in business administration and a Fellow of the Royal Institution of Chartered Surveyors. Daniel Riedl headed BUWOG back between 2004 and 2011, and served on the Executive Board of IMMOFINANZ AG from 2008 to 2014. He was Chairman of the BUWOG Supervisory Board from the start of 2012 until October 2013. Daniel Riedl was appointed CEO of the BUWOG Group in November 2013. He led BUWOG through the spin-off from IMMOFINANZ AG to the successful stock exchange listing and held the position of CEO until the company's delisting at the end of 2018.

Ruth Werhahn, Member of the Management Board

Ruth Werhahn joined the Management Board of Vonovia SE on October 1, 2023, as Chief Human Resources Officer (CHRO).

Starting in 2018, Ruth Werhahn was member of the Executive Board and Labor Relations Director at TÜV Rheinland AG. As well as heading up the HR division, she was responsible for the international regions, coordinating cross-divisional activities of the technical inspection body.

As qualified lawyer, she started her career in HR at Düsseldorfer Veba AG in 2000. Starting in 2001, she held various positions within the newly established E.ON Group. From 2004 until the end of 2007, for example, she headed up the central staff function for the Board of Management and Supervisory Board before moving to the management of E.ON Nordic AB in the Swedish city of Malmö in 2008, where she assumed responsibility for business development and mergers & acquisitions. In the period from 2010 to 2013, she led the establishment of the new electromobility business area within the E.ON Group. Ruth Werhahn returned to HR in 2013 and went on to take over at the helm of the HR division for E.ON SE's German business.

Supervisory Board

The current Supervisory Board comprises ten members. The terms of office are between one and four years.

Clara-Christina Streit
Chair
Member of Supervisory and Advisory Boards of German and International Companies

Vitus Eckert
Deputy Chair
Attorney, Partner in Wess Kux Kispert & Eckert Rechtsanwalts GmbH

Birgit M. Bohle (since May 8, 2024)
Member of the Management Board for Human Resources and Legal Affairs, Labor Director, Deutsche Telekom AG

Jürgen Fenk
Managing Director of Eastdil Secured GmbH

Dr. Florian Funck
Member of the Management Board (CFO) of Sartorius AG

Dr. Ute Geipel-Faber
Membership of German Supervisory Boards and International Advisory Boards

Dr. Daniela Gerd tom Markotten
Member of the Management Board for Digitalization and Technology at Deutsche Bahn AG

Matthias Hünlein
Managing Director of Tishman Speyer Properties Deutschland GmbH

Hildegard Müller
President of the German Association of the Automotive Industry (VDA)

Dr. Ariane Reinhart
Member of the Management Board of Continental AG

Christian Ulbrich (until May 8, 2024)
President and Chief Executive Officer of Jones Lang LaSalle Incorporated

Supervisory Board Committees

Governance and Nomination Committee
Clara-Christina Streit, Chair
Vitus Eckert
Dr. Ariane Reinhart

HR and Remuneration Committee
Dr. Ariane Reinhart, Chair
Jürgen Fenk
Dr. Florian Funck
Clara-Christina Streit

Audit, Risk and Compliance Committee
Dr. Florian Funck, Chair
Vitus Eckert
Dr. Ute Geipel-Faber
Matthias Hünlein

Strategy, Finance and Sustainability Committee
Jürgen Fenk, Chair
Birgit M. Bohle (since May 8, 2024)
Dr. Daniela Gerd tom Markotten
Hildegard Müller
Clara-Christina Streit
Christian Ulbrich (until May 8, 2024)

Corporate Governance

In the corporate governance declaration (also known as the Corporate Governance Report), the Management Board and the Supervisory Board report on the principles of management and corporate governance for the last fiscal year in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and Principle 23 of the German Corporate Governance Code (GCGC, in the current version published on April 28, 2022).

The declaration contains the Declaration of Conformity, information on corporate governance practices, a description of how the Management Board and Supervisory Board work and key corporate governance structures. The declaration is also available to the public on our **website**. Pursuant to Section 317 (2) (6) HGB, the disclosures pursuant to Sections 289f and 315d HGB are not included in the audit performed by the auditor of the annual financial statements.

Foundation

Fundamental Understanding

In order for a company to be successful, its business model has to be accepted by all relevant stakeholder groups, from its customers through to civil society and the public, investors or business partners. Managing with integrity, the sustainability of business models and the extent to which a company is perceived as living up to its social responsibilities are playing an increasingly important role. This applies no less to the real estate sector.

Any misconduct by a company's management also tends to result in the corporate governance regulations being tightened up, as was the case with the Financial Market Integrity Strengthening Act (FISG). Among other measures, the obligation to establish an appropriate and effective internal control system (ICS) as well as a corresponding risk management system (RMS) for listed stock corporations was introduced in a quest to strengthen trust in the German financial market.

This is why, here at Vonovia, the Management Board and the Supervisory Board see corporate governance as the responsible management and supervision of a company. The Management Board and the Supervisory Board have made a comprehensive commitment to the principles of corporate governance as set out in the German Corporate Governance Code.

Standards of Corporate Governance

These principles are the basis for the sustainable success of the company and therefore serve as guidelines for conduct in the company's daily management and business. Good corporate governance strengthens the trust of our shareholders, business associates, customers, employees and the general public in Vonovia SE. It increases the company's transparency and strengthens the credibility of our group of undertakings.

With balanced corporate governance, the Management Board and the Supervisory Board wish to safeguard Vonovia SE's competitiveness, strengthen the trust of the capital market and the general public in the company and sustainably increase the company's value. Corporate governance, acting in accordance with the principles of responsible management aimed at increasing the value of the business on a sustainable basis, is an essential requirement for the Vonovia Group, embracing all areas of the business.

As a major real estate company, we are aware of the particular significance of our entrepreneurial actions for society at large. Our corporate culture is founded on transparent reporting and corporate communications, on corporate governance aimed at the interests of all stakeholders, on fair and open dealings between the Management Board, the Supervisory Board and employees as well as on compliance with the law.

The Code of Conduct provides the ethical and legal framework within which we act and want to ensure our commercial success. The focus is on dealing fairly with each other but also in particular on dealing fairly with our customers, business partners and investors. The Code of Conduct specifies how we assume our ethical and legal responsibility as a company and is the expression of our company values.

Information on the Company's Governing Constitution

The designation Vonovia comprises Vonovia SE and its Group companies. Vonovia is a European company (SE) in accordance with the German Stock Corporation Act (AktG), the SE Act and the SE Regulation. Its registered headquarters are in Bochum. It has three governing bodies: the Annual General Meeting, the Supervisory Board and the Management Board. The duties and authority of those bodies derive from the SE Regulation (SE-VO), the German Stock Corporation Act (AktG) and the Articles of Association. Shareholders, as the owners of the company, exercise their rights at the Annual General Meeting.

According to the two-tier governance system, Vonovia SE has a Management Board and a Supervisory Board. In the two-tier governance system, the management of business and the monitoring of business are strictly separated from each other, meaning that individuals cannot be members of both bodies at the same time. The duties and responsibilities of the bodies are clearly specified by law in the German Stock Corporation Act. In accordance with the governing laws, in particular the SE Regulation and the German SE Employee Participation Act (SEBG), the Supervisory Board is only made up of representatives of the shareholders. The highest representative body of the employees is the Group works council. An SE works council was also set up at the level of Vonovia SE.

The Management Board and Supervisory Board of a company listed in Germany are obliged by law (Section 161 of the German Stock Corporation Act) to report once a year on whether the officially published and relevant recommendations issued by the government commission German Corporate Governance Code, as valid at the date of the declaration, have been, and are being, complied with. Companies affected are also required to state which of the recommendations of the Code have not been, or will not be, applied and, if not, why. The most recent Declaration of Conformity is valid for at least the next five years and the Declarations of Conformity that are no longer valid can be found on the company's website. If the auditor finds the Declaration of Conformity to be incorrect, the Supervisory Board is informed and this is also noted in the audit report.

The Management Board reports in its declaration, also on behalf of the Supervisory Board, on important aspects of corporate governance pursuant to Section 289f of the German Commercial Code (HGB) and Principle 23 of the German Corporate Governance Code (GCGC) 2022.

Declaration of Conformity to the GCGC Pursuant to Section 161 of the German Stock Corporation Act (AktG)

In March 2025, the Management Board and the Supervisory Board of Vonovia SE declared that, since the last Declaration of Conformity was issued on March 26, 2024, the company has complied with, and in future will comply with, all the recommendations of the Government Commission on the German Corporate Governance Code (Regierungskommission Deutscher Corporate Governance Kodex) as published by the German Federal Ministry of Justice in the official section of the Federal Gazette on June 27, 2022 (the "Code"), with the exception of the recommendation set out in G.13 sentence 2 of the Code:

G.13 sentence 2 of the Code specifies that, if post-contractual non-compete clauses apply, the severance payments shall be taken into account in the calculation of any compensation payments. Due to grandfathering rights, this recommendation has not yet been implemented in one case. In case of extensions of existing contracts or conclusions of new contracts the recommendation set out in G.13 sentence 2 of the Code will be complied with.

Shareholders and Annual General Meeting

Shareholder Information: Shareholders can obtain full and timely information about our company on our website and can access current as well as historical company data. Among other information on its website, Vonovia regularly posts all financial reports, important information on the company's governing bodies (including current resumes), its corporate governance documentation (declaration of conformity and governance-related guidelines and voluntary commitments), information requiring ad hoc disclosure and press releases. The company initiates and supports structured dialogue between its stakeholder groups, in particular employees, customers and shareholders of Vonovia (e.g., through customer satisfaction analyses and suitable formats, such as corporate governance roadshows, to involve the various stakeholder groups).

Directors' Dealings: Information on directors' dealings/managers' transactions notifiable pursuant to Article 19 of the Market Abuse Regulation is published by Vonovia without delay in accordance with the Regulation and is made available on the company's website, with information also being provided on the shares held by each member of the company's executive bodies.

Financial Calendar: Shareholders and interested members of the financial community can use the regularly updated financial calendar on the website to obtain information on publication, conference and information dates, roadshows and the timing of the Annual General Meeting early on.

Annual General Meeting and Voting: The Annual General Meeting decides in particular on the appropriation of profit, the ratification of the acts of the members of the Management Board and of the Supervisory Board, the appointment of the external auditor, amendments to the Articles of Association as well as specific capital measures and intercompany agreements, and individually elects the shareholders' representatives to the Supervisory Board.

Our shareholders can exercise their voting rights at the meeting or instruct a proxy of their choice or one of the proxies provided for that purpose by the company. Our shareholders are also able to submit a postal vote. The details regarding the postal voting procedure are in the respective shareholder's invitation to the Annual General Meeting.

The entire documentation for the Annual General Meeting and opportunities to authorize, and issue instructions to, the company's proxies as well as to submit a postal vote are available to shareholders at all times on the Vonovia website.

Based on positive experience in recent years, Vonovia made use of the option provided by law of holding the 2024 Annual General Meeting as a virtual event, in line with the resolution passed by the 2023 Annual General Meeting. As stated in the grounds for the authorization for a virtual Annual General Meeting for a limited period of two years, the decision on an intercompany agreement with Deutsche Wohnen SE was presented to the shareholders at an in-person Annual General Meeting held in January 2025.

Remuneration Paid to Executive Bodies: In line with the German Stock Corporation Act and the GCGC, the Supervisory Board presented the amended remuneration system it had adopted for the Management Board members to the 2024 Annual General Meeting for approval, which was not granted, with only 40.41% of the votes cast in favor. A revised remuneration system is set to be presented to the 2025 Annual General Meeting.

The Management Board presented the remuneration report to the 2024 Annual General Meeting. The remuneration report for the 2023 fiscal year, which was audited by the auditor, was approved by 58.31% of the votes cast before being published on Vonovia SE's website.

The remuneration system of the Supervisory Board of Vonovia SE is governed by the Articles of Association. It was confirmed by a 99.34% majority by the 2021 Annual General Meeting in accordance with the statutory requirements.

The Supervisory Board

Duties and Responsibilities

The Supervisory Board appoints, supervises and advises the Management Board and is directly involved in decisions of fundamental importance to the company. The Supervisory Board performs its work in accordance with the legal provisions, the Articles of Association, its rules of procedure and its resolutions. It consists of ten members, with terms of office ranging from one to four years.

The Supervisory Board examines and adopts the annual financial statements and the combined management report, which also includes the Non-financial Group Declaration. It assesses and confirms the proposal for the appropriation of profit as well as the consolidated financial statements and the combined management report on the basis of the report prepared by the Audit Committee. The Supervisory Board reports in writing to the shareholders at the Annual General Meeting on the result of its examination.

The Chair of the Supervisory Board is an independent member. The same applies to the chairs of the committees which the Supervisory Board has set up.

The Chairwoman of the Supervisory Board chairs the meetings and coordinates communications. The members of the Supervisory Board generally have the same rights and obligations. Supervisory Board resolutions are above all passed in the Supervisory Board meetings but also, if necessary, using the written procedure or by other communication means. At least two meetings are held every six months. In addition, if necessary and on the basis of the rules of procedure of the Supervisory Board, a meeting of the Supervisory Board or its committees can be convened at any time at the request of a member or the Management Board.

The Supervisory Board is composed in such a way that its members as a group have the knowledge, ability and specialist experience, also in those sustainability matters that are significant to the company, required to properly complete its tasks. All members are familiar with the real estate sector as the segment in which the company operates. At least one member of the Supervisory Board has expertise in the field of accounting and another member has expertise in the field of auditing.

Each Supervisory Board member shall ensure that they have enough time to carry out their mandate.

At the time at which this declaration was prepared, no Supervisory Board members exercised directorships or advisory tasks for important competitors of the company (see → **Conflicts of Interest**).

Since 2020, a standard process for related party transactions has been firmly established within the company. This includes reporting on a regular basis to the Annual General Meeting as part of the Supervisory Board report. The Supervisory Board receives information twice a year in the compliance report on the analysis of related party transactions in accordance with the German Stock Corporation Act recorded by Group Accounting. Members of the Supervisory Board, for their part, immediately report any transactions that they or parties related to them conclude with the company. The relevant data is also collected at the end of the fiscal year. In the event that a transaction is subject to approval, the Supervisory Board has decided that the Governance and Nomination Committee is to decide on such approval in the future. Before any relevant transactions are addressed, checks are performed to ensure the due and proper composition of the committee. Once again, no such transactions were recorded in this reporting period.

Supervisory Board Self-Assessment

The Supervisory Board performs annual effectiveness reviews as self-evaluations to reflect on, and optimize, its own work at regular intervals. A more extensive review is carried out every three years with support from an experienced and certified external consultancy firm. This detailed evaluation includes individual interviews with the Supervisory Board members and interviews with the members of the Management Board. The process also involves an initial and a final presentation by the consultant in order to communicate the findings and recommendations in a structured manner. Targeted measures are developed based on the findings in order to make the Supervisory Board even more effective. In the other years, the Supervisory Board also conducts an effectiveness review involving the external consultant, the only difference in terms of scope being that individual interviews and interviews with the Management Board members are only conducted as required, and that the external consultant does not make a final presentation. While the Supervisory Board conducted a comprehensive effectiveness review in 2023, the reduced effectiveness review was conducted in the form of a self-evaluation in 2024, with the support of the external consultant. The Supervisory Board received confirmation that the effectiveness of its work is above-average virtually across the board (see → **Report of the Supervisory Board**). The review did not reveal any fundamental need for changes.

Supervisory Board Committees

After the 2023 Annual General Meeting, the Supervisory Board reorganized the structure of its work in the committees, creating four committees from among its members: the Governance and Nomination Committee, the HR and Remuneration Committee, the Audit, Risk and Compliance Committee, and the Strategy, Finance and Sustainability Committee. Additional committees are formed as needed. Committees are made up of at least three members of the Supervisory Board (see → **Report of the Supervisory Board**). The committees prepare topics to be discussed or resolved by the Supervisory Board. In addition, they pass resolutions on behalf of the entire Supervisory Board. The basis for committee work was the delegation of tasks and responsibilities within the scope of statutory requirements.

The **Governance and Nomination Committee** is made up of the Chair of the Supervisory Board and at least two other members to be elected by the Supervisory Board. The Chair of the Supervisory Board is the Chair of the Governance and Nomination Committee. The tasks of this committee are, in particular, to discuss the Declaration of Conformity and succession planning, to prepare the appointment of Management Board members and propose candidates for election as Supervisory Board members, to assign responsibilities and to decide in cases of legal, including loan, transactions with members of the Management Board and conflicts of interest.

The **HR and Remuneration Committee** is made up of the Chair of the Supervisory Board or her deputy and at least two other members to be elected by the Supervisory Board. The Chair of the HR and Remuneration Committee is chosen by the committee members. In particular, this committee is responsible for the preparation of discussions and resolutions on the remuneration system and HR strategy, as well as other Management Board matters.

The Supervisory Board appoints one of the members of the **Audit, Risk and Compliance Committee** as the Chair of the Committee. When electing the committee members, the Supervisory Board shall ensure that the Chair of the Audit Committee has specialist knowledge and experience in the application of accounting principles and internal control and risk management systems and/or in audits. The Committee Chair should be independent and not be a former member of the company's Management Board whose appointment ended less than two years before their appointment as Chair of the Audit Committee. The Supervisory Board Chair should not be the Chair of the Audit Committee. As a result of the FISG provisions, one committee member must have experience in accounting and the other in auditing. With Dr. Florian Funck, as Chief Financial Officer of Sartorius AG, and Vitus Eckert, a long-standing chairman of supervisory and administrative boards at international companies, the Audit Committee has members with the requisite expertise in the fields of accounting and auditing (see table entitled → **Supervisory Board Qualifications Profile**). The Audit, Risk and Compliance Committee handles, in particular, the monitoring of the accounting process, the effectiveness of the internal control system, risk management system and internal audit system, the audit of the annual financial statements and compliance. Accounting and auditing also include the sustainability report and the auditing of this report. Each member of the Audit, Risk and Compliance Committee can obtain information directly from the heads of those central departments that are relevant to the Audit Committee via the Committee's Chair.

In place of the Supervisory Board, the Audit, Risk and Compliance Committee adopts resolutions approving the handling of currency risks, interest, liquidity and other financial risks, the handling of credit risks and the implementation of external financing principles.

The Audit, Risk and Compliance Committee prepares the resolutions of the Supervisory Board on the annual financial statements (and, if applicable, the consolidated financial statements), and, in place of the Supervisory Board, reaches the agreements with the auditor (in particular the issuing of the audit mandate to the auditor, the determination of strategic audit objectives and the fee agreement). The Committee takes suitable action to assess and monitor the independence of the auditor and the audit quality and is responsible for discussing the assessment of the audit risk, audit strategy, planning and results with the auditor. The Audit, Risk and Compliance Committee also makes decisions on behalf of the Supervisory Board on the approval of contracts with auditors for non-assurance services.

The **Strategy, Finance and Sustainability Committee** is made up of the Chair of the Supervisory Board or her deputy and at least two other members to be elected by the Supervisory Board. The Chair of the Strategy, Finance and Sustainability Committee is chosen by the committee members. The Committee discusses focal issues relating to corporate strategy, financial matters and sustainability issues, and prepares resolutions for the Supervisory Board. It advises and monitors the Management Board with regard to its sustainability strategy, in particular the planning of the strategic framework for all Group-wide sustainability measures, including the interaction between entrepreneurial activities and the challenges associated with climate change. The support provided to the Supervisory Board and Management Board also includes the company's digitalization principles, including technological innovation and transformation. The Strategy, Finance and Sustainability Committee prepares the resolutions of the Supervisory Board on the following matters:

> Financing and investment principles, including the capital structure of the Group companies and dividend payments.
> Principles of the acquisition and disposal policies, including the acquisition and disposal of individual shareholdings of strategic importance.

In place of the Supervisory Board, the Finance Committee adopts resolutions in particular on general guidelines and principles for the implementation of the financial strategy, and also on important transactions regarding the acquisition and disposal of properties and shares in companies as well as corporate financing.

The Management Board

Duties and Responsibilities

The Management Board members are jointly accountable for independently managing the company in the company's best interests while complying with the applicable laws and regulations, the Articles of Association and the rules of procedure. In doing so, they must take the interests of the shareholders, the employees and other stakeholders into account.

The Management Board is monitored and advised by the Supervisory Board. It has adopted the rules of procedure in consultation with the Supervisory Board. The Management Board has a Chair who coordinates the work of the Management Board and represents it in dealings with the Supervisory Board.

The Management Board informs the Supervisory Board regularly, in due time and comprehensively in line with the principles of diligent and faithful accounting in accordance with the law and the reporting duties specified by the Supervisory Board.

The Management Board develops the company's strategy, coordinates it with the Supervisory Board and implements it. It ensures that all statutory provisions and the company's internal policies are complied with. The Management Board also ensures appropriate risk management and risk controlling in the company. The Chief Executive Officer is responsible for the social and environmental factors to be taken into account in this process, as well as for the associated risks, opportunities and impacts.

The CEO submits the corporate planning for the coming fiscal year to the Supervisory Board as well as the midterm and strategic planning, which also includes sustainability targets. The Chair of the Management Board informs the Supervisory Board Chair without delay of important events that are essential for the assessment of the situation and the development of the company or for the management of the company as well as of any shortcomings that occur in the monitoring systems.

Management Board decisions require the approval of the Supervisory Board for certain important transactions. Transactions and measures that require Supervisory Board approval are submitted in good time to the Supervisory Board, or to one of its committees where particular powers are delegated to them. The Management Board members are obliged to disclose any conflicts of interest to the Supervisory Board without delay and to inform the other Management Board members accordingly.

The Management Board members are subject to a comprehensive non-competition obligation. Management Board members may only take up sideline activities, in particular positions on supervisory boards in companies outside the Group, with the approval of the Supervisory Board.

Important transactions between the company, on the one hand, and the Management Board members as well as persons they are close to or companies they have a personal association with, on the other, require the approval of the Supervisory Board. The internal procedure put in place by the Supervisory Board to evaluate these transactions is set out in the section entitled → **"The Supervisory Board"**.

Recruitment of Members of Executive Bodies

In accordance with the German Corporate Governance Code, the Supervisory Board and the Management Board must be composed in such a way that these bodies/their members as a group have the knowledge, ability and specialist experience required to properly complete their tasks. The requirements were extended and set out by law with the entry into force of the CSR Directive Implementation Act. The Supervisory Board has adopted the following criteria and objectives for recruiting individuals to the Management and Supervisory Boards, taking the above-mentioned requirements into account:

Recruitment of Members of the Supervisory Board

Composition: As a listed company that is not subject to codetermination, the Supervisory Board of Vonovia SE is to include ten members, an appropriate number of whom are to be independent within the meaning of the Code. All members should have sufficient time available to perform the duties associated with their mandate with due regularity and care.

When proposing candidates to fill new Supervisory Board positions to the Annual General Meeting, the Supervisory Board should have performed an extensive review to ensure that the candidates standing for election meet the corresponding professional and personal requirements (see table entitled → **Supervisory Board Qualifications Profile**) and must disclose the candidates' personal and business-related relationships with the company, the governing bodies of the company and any shareholders with a material interest in the company. Shareholders are deemed to hold a material interest if they hold more than 10% of the voting shares in the company, either directly or indirectly. The proposals are not based on the candidate's affiliation to any particular party that is interested in the company.

Other general criteria, and criteria defined in the GCGC that applied in the fiscal year under review, governing composition include:

> No more than two former members of the Management Board shall be members of the Supervisory Board.
> Supervisory Board members shall not exercise directorships or similar positions or advisory tasks for important competitors of the company.
> If a (designated) member belongs to the management board of a listed company, this member shall not accept more than a total of two supervisory board mandates in non-Group listed companies or on supervisory bodies of non-Group entities that make similar requirements.
> As a general rule, nominations for election to the Supervisory Board should ensure that members do not sit on the Supervisory Board for more than 15 years.
> The age limit has been set at 75 at the time of election to the Supervisory Board in general.

Skills profile: The Supervisory Board of Vonovia SE should be composed so as to ensure qualified supervision of, and provision of advice to, the Management Board. The candidates nominated for election to the Supervisory Board should be able, on the basis of their knowledge, skills and professional experience, to perform the duties of a Supervisory Board member of a listed real estate company that is active on the international capital market. In terms of their personality, the candidates nominated for election should show integrity, professionalism and commitment. The aim is to ensure that the Supervisory Board as a whole offers all of the knowledge and experience that the Group considers to be important for ensuring Vonovia's operational and financial further development, also from a sustainability perspective.

Independence: The Supervisory Board shall only include members that it considers to be independent. Material conflicts of interest that are not merely of a temporary nature, e.g., arising from functions on executive bodies or advisory roles performed at the company's major competitors, should be avoided. A Supervisory Board member is, in particular, not to be considered independent if they have personal or business relations with the company, its bodies, a controlling shareholder or a company associated with such a shareholder that may cause a substantial and not merely temporary conflict of interest.

Diversity: When nominating candidates for election, the Supervisory Board should also take diversity into account. In accordance with the German Act on the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in Privatwirtschaft und im öffentlichen Dienst), the Supervisory Board should comprise at least 30% women and 30% men. Vonovia intends for the Nomination Committee to continue to have at least one female member. Vonovia's Supervisory Board should meet both criteria in the current target period leading up to the end of 2026. When assessing potential candidates for reelection or to fill a Supervisory Board position that has become vacant, qualified women are to be included in the selection process and given appropriate consideration when the nominations are made.

Target achievement: The current composition of the Supervisory Board is consistent with the skills profile and the composition targets set for the Supervisory Board. The members of Vonovia SE's Supervisory Board more than meet the requirements in terms of their specialist qualifications, professional knowledge and experience. The members of the Supervisory Board as a whole are familiar with the industry and the specific features of the business, and have the relevant functional experience. The requirements regarding diversity (at least 30 % women; at least 30 % men; at least one woman should be a member of the Nomination Committee) are more than met. With Clara Christina Streit (member of supervisory and advisory boards of German and international companies), Birgit M. Bohle (member of the Management Board of Deutsche Telekom AG), Dr. Ute Geipel-Faber (member of German supervisory boards and international advisory boards), Dr. Daniela Gerd tom Markotten (member of the Management Board of Deutsche Bahn AG), Hildegard Müller (President of the German Association of the Automotive Industry) and Dr. Ariane Reinhart (member of the Management Board of Continental AG), women make up 60 % of the Supervisory Board. Clara Christina Streit and Dr. Ariane Reinhart are members of the Governance and Nomination Committee.

As well as meeting the diversity requirements, as highlighted above, the election of Birgit M. Bohle has also provided a significant boost in terms of the Supervisory Board's skills, particularly in the areas of strategy, international management, digitalization, legal and sustainability. As such, the current composition ensures that the Supervisory Board covers all of the necessary skills. At the Supervisory Board meetings in 2025, succession planning for 2025 and 2026 will continue based on the company's strategic objectives, and proposals will be drawn up with external support.

All ten members of the Supervisory Board are considered by the company to be independent within the meaning of C. 6 and C. 7 of the GCGC. No member of the Supervisory Board was a member of the company's Management Board or has a personal relationship with a significant competitor of the company as defined by C. 12 of the GCGC. The Chair of the Audit, Risk and Compliance Committee is an expert in the fields of auditing and accounting. The main knowledge, skills and professional experience of the Supervisory Board members are summarized in the table below.

Supervisory Board Qualifications Profile

Name	Inde-pendent	Year of birth	Year appointed	Gender	Nationality	Accounting, finance, controlling	Accounting, audit, risk, compliance
Clara-Christina Streit (Chair of the Board)	yes	1968	2013	female	German/U.S.	4	3
Vitus Eckert	yes	1969	2018	male	Austrian	2	3
Birgit M. Bohle	yes	1973	2024	female	German	2	3
Jürgen Fenk	yes	1966	2022	male	German	2	2
Dr. Florian Funck	yes	1971	2014	male	German	4	4
Dr. Ute Geipel-Faber	yes	1950	2015	female	German	4	4
Dr. Daniela Gerd tom Markotten	yes	1974	2023	female	German	2	2
Matthias Hünlein	yes	1961	2022	male	German	1	1
Hildegard Müller	yes	1967	2013	female	German	3	2
Dr. Ariane Reinhart	yes	1969	2016	female	German	2	2
Christian Ulbrich [2]	yes	1966	2014	male	German	3	2

1) 1: “Limited experience/no key competency”; 2: “Substantial experience/competency”; 3: “Extensive experience/key competency/expertise”; 4: “Direct management experience”.
2) Member of the Supervisory Board until May 8, 2024.

Recruitment of Members of the Management Board

Composition: In accordance with the Articles of Association, the Management Board of Vonovia SE consists of at least two members. The Supervisory Board appoints the Management Board members in accordance with the Articles of Association and the law. The Supervisory Board can appoint a Chair of the Management Board and a Deputy Chair of the Management Board. The decisions made by the Supervisory Board on the composition of the Management Board should be based on a careful analysis of the existing and future challenges facing the company. The Management Board of Vonovia SE should be composed so as to ensure that, as the management body, it can perform the duties set out above reliably and in full. When taken as a whole, it should combine all of the knowledge and experience required to ensure that the Group can pursue its operational and financial objectives in an effective and sustainable manner in the interests of the shareholders and other stakeholders. While membership of the Management Board is not limited to a certain period of time, the contract of employment of a Management Board member ends when the member turns 67 at the latest.

Skills profile: Newly appointed Management Board members should be able, on the basis of their knowledge, skills and professional experience, to reliably perform the duties assigned to them in a listed real estate company that is active on the international capital market. In addition to having good professional and fundamental general qualifications, they should also show integrity, professionalism and commitment.

Independence: The Management Board should perform its management duties in a manner that is free of any conflicts of interest. Functions on executive bodies or advisory roles performed at major competitors of the company should be avoided.

Diversity: When looking for candidates to fill a Management Board position that has become vacant, the Supervisory Board should include qualified women in the selection process and give them appropriate consideration. Gender should be irrelevant when it comes to filling Management Board positions. The Supervisory Board has adopted a target of at least 20% women on the Management Board for the current period, which is set to run until December 31, 2026. For the two levels of management below the Management Board, the target for the proportion of women is 30%, to be achieved by December 31, 2026.

Key skills and areas of experience [1]									
Housing industry	Development, construction industry	M&A, real estate transactions	Law, regulation, governance	Financing (banks, capital market)	Investment, capital investment	Digitalization, cyber security	Sustainability, energy	HR management, remuneration, leadership development	Politics, public administration
3	1	4	3	4	3	2	2	3	1
4	4	4	3	3	4	2	1	2	1
1	1	1	3	1	2	3	2	4	3
4	3	4	2	4	4	2	1	3	2
2	1	3	4	4	2	2	1	2	1
4	1	4	4	2	2	1	4	4	1
1	1	1	2	1	1	4	3	3	3
3	3	3	4	1	4	1	2	2	1
3	2	3	4	3	2	3	4	2	4
2	1	2	3	1	2	2	4	4	4
2	3	4	3	4	3	2	2	3	1

Target achievement: The objectives regarding the composition of the Management Board set out above have been met in full. The Management Board consists of one female and four male members who are able to manage the Group appropriately on the basis of their experience and skills. At the end of the reporting year, the first two levels of management below Vonovia's Management Board comprise 25.8% women, an increase of 1.6 percentage points against the previous year. Achieving the target of 30% women by December 31, 2026, for both management levels will continue to require even more systematic succession planning in order to actively support women and open up opportunities for them to assume technical management roles against the backdrop of the planned expansion of technical services at Vonovia. In Germany, three new programs were launched for the first time, with up to 200 female participants, to promote equality of opportunity in the reporting year: the Women's Network, the Female Leadership Forum and a mentoring program for high-potential women. These measures to promote career advancement for women are designed as an ongoing and continuous process in which each program is developed over the long term in line with the prevailing circumstances.

Succession Planning for the Supervisory Board and the Management Board

The Supervisory Board addresses short-term and long-term succession planning for the Management Board and Supervisory Board on an ongoing basis. The Governance and Nomination Committee of the Supervisory Board with a specialized personnel consultancy firm compiled a list of candidates for possible replacement appointments to both committees. The listings of potential candidates will be maintained on an ongoing basis to enable well-founded succession planning. Candidates are selected based on the targets for board composition and the defined → **skills profile** – possible optimization is taken into account in succession planning. Succession planning results in processes and appointments that bring sustainable improvements in collaboration.

With the support of external consultants, the Governance and Nomination Committee has drawn up a list of possible candidates for the Supervisory Board, taking into account the strategic objectives for the composition of the Supervisory Board based on the updated skills profile and diversity requirements. This committee also prepares the list of candidates for election to the full Supervisory Board to be presented to the Annual General Meeting.

Succession planning for the Management Board is a systematic process that is based on the Group's strategic objectives and future challenges. A skills profile has been prepared for each executive division of the Management Board. Taking this as a basis, an extensive overview of suitable candidates, split into categories depending on when they are expected to be available, was compiled with external support. These profiles will be used to benchmark current position holders and potential in-house succession options.

Cooperation Between the Management Board and the Supervisory Board

The Management and Supervisory Boards vote on the strategic direction of the company and discuss the current status of implementation of the corporate strategy, which also includes sustainability topics (see → **Strategy**) at regular intervals. Furthermore, the Management Board regularly informs the Supervisory Board in written or verbal reports of topics including the development of business and the situation of the company. In this way, the Supervisory Board receives detailed documents from the Management Board regularly and in a timely manner on the economic development and the company's current situation as well as the half-yearly risk management and compliance reports that deal with the most important risks for the business as well as compliance management at Vonovia SE. On the basis of these reports, the Supervisory Board monitors the company's management by the Management Board as well as via its committees where particular powers are delegated to these committees. The Supervisory Board holds discussions without Management Board members being present at all of its meetings. In the reporting year, this was implemented at the end of each Supervisory Board meeting. At meetings of the HR and Remuneration Committee and the Governance and Nomination Committee, Management Board members are never present during the discussions by the Supervisory Board members. For information on the remuneration agreements that reflect this cooperation, please refer to the **Remuneration Report**.

Avoidance of Conflicts of Interest

In the reporting year, there were no conflicts of interest of Management Board or Supervisory Board members, which are to be reported immediately to the Supervisory Board. There was no need to discuss or make decisions on legal matters, in particular lending transactions with members of executive bodies or individuals related to them.

Accounting and Audits

The Annual General Meeting selected Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungsgesellschaft as auditor for the annual financial statements and consolidated financial statements

We prepare the annual financial statements of Vonovia SE in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) in conjunction with Article 5 SE Regulation and the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) to be applied in the EU. In addition, we prepare a combined management report as required by the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The Management Board is responsible for financial accounting. The Supervisory Board examines and adopts or approves the annual financial statements, the consolidated financial statements and the combined management report.

In addition to our annual financial statements, we also prepare interim statements for the first and third quarters as well as an interim financial report for the first half-year in accordance with the German Securities Trading Act.

Both the interim statements and the interim financial report are presented to, and discussed with, the Audit Committee of the Supervisory Board before they are published.

Under German stock corporation and commercial law, there are special requirements for internal risk management that apply to Vonovia. Therefore, our risk management system covers risk inventory, analysis, handling and limitation. In accordance with Section 317 (4) of the German Commercial Code (HGB) applicable to listed companies, PricewaterhouseCoopers assesses in its audit the risk early warning system as part of the risk management system. Furthermore, we maintain standard documentation of all our internal control mechanisms throughout the Group and continually evaluate their effectiveness.

In the combined management report, we provide comprehensive information on the main features of the internal control and risk management system with regard to the accounting process and the Group accounting process in accordance with our reporting duties pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code (HGB).

Pursuant to Section 315b of the German Commercial Code (HGB), the Management Board is obliged to submit a Non-financial Group Declaration, which in turn has to be reviewed by the Supervisory Board. The Supervisory Board has commissioned the auditor to perform the review (see → **Report of the Supervisory Board)**.

Overview

> Property values stabilize.
> Positive performance in core rental business with rising rents, full occupancy and high levels of customer satisfaction.
> Internal financing remains successful thanks to sales initiatives.

Vonovia can look back on a positive 2024 fiscal year given the challenging overall conditions on the real estate markets. Following two years of balance sheet stabilization, the successful completion of the sale program and the sale of the Care segment will now allow Vonovia to focus on growth and higher investment as of 2025. The original sales target of around € 3 billion was exceeded considerably, with a total volume of more than € 3.4 billion.

In the 2024 fiscal year, the core rental business saw high demand for rental apartments and rising rents, as well as a positive trend in customer satisfaction. In the Value-add segment, Vonovia upped its investments, particularly in new photovoltaic systems and heat pumps. A lease agreement was also signed for the existing coaxial network. The 2024 fiscal year saw the company sell 2,470 units from its Recurring Sales and 5,184 and Non Core/Other portfolios. In the Development segment, 2,471 units to sell and 1,276 units to hold were completed in the 2024 fiscal year.

Overall, the **adjusted EBITDA total** from continuing operations of € 2,625.1 million in the 2024 financial year was 1.6 % higher than the previous year's figure of € 2,583.8 million. The Rental segment contributed € 2,385.7 million (2023: € 2,401.7 million), the Value-add segment € 168.4 million (2023: € 105.5 million), the Recurring Sales segment € 57.6 million (2023: € 63.4 million) and the Development segment € 13.4 million (2023: € 13.2 million).

The **adjusted EBT** of continuing operations amounted to € 1,799.6 million in the 2024 financial year compared to € 1,866.2 million in the previous year. In the reconciliation of Adjusted EBITDA to Adjusted EBT, the main contributing factors were the adjusted net financial result of € -709.0 million (2023: € -625.1 million), interim profits of € -3.8 million (2023: interim losses of € 17.7 million) and depreciation and amortization of € -112.7 million (2023: € -110.2 million).

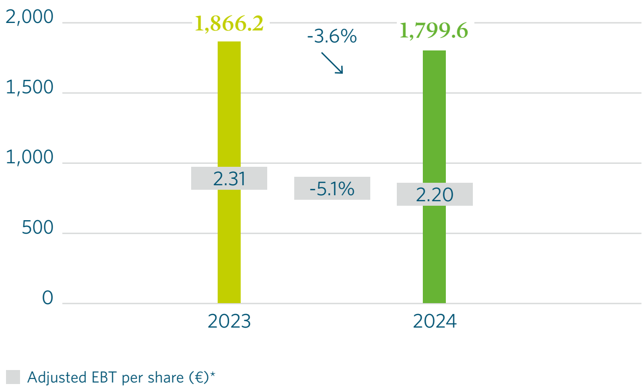
EPRA NTA per share developed from € 46.82 at the end of 2023 to € 45.23 at the end of 2024.

The **Sustainability Performance Index** stood at 104% (2023: 111%) in the 2024 fiscal year. This was helped along in particular by the reduction of CO_2 intensity, the development of the average primary energy requirements of new construction and high levels of customer and employee satisfaction.

Sustained Earnings

Adjusted EBT*

in € million



* Continuing operations.

Maintenance, Modernization, Investments in the Existing Portfolio and New Construction

Capital Expenditure*

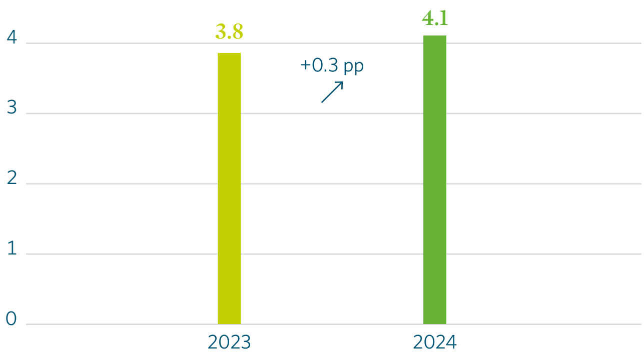
in € million

* Continuing operations.

Organic Rent Growth

Organic Rent Increase

in %



Vacancy

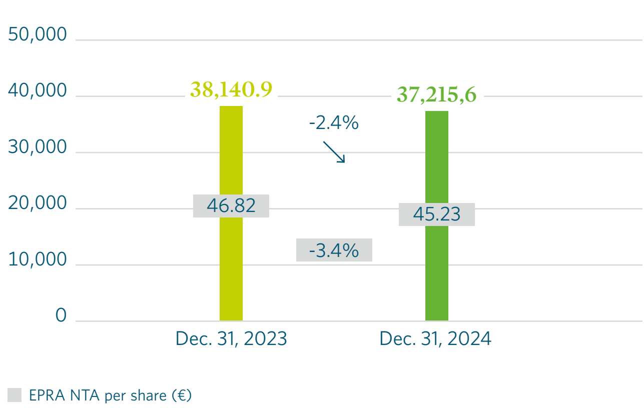
Vacancy Rate

in %

Net Assets

EPRA NTA

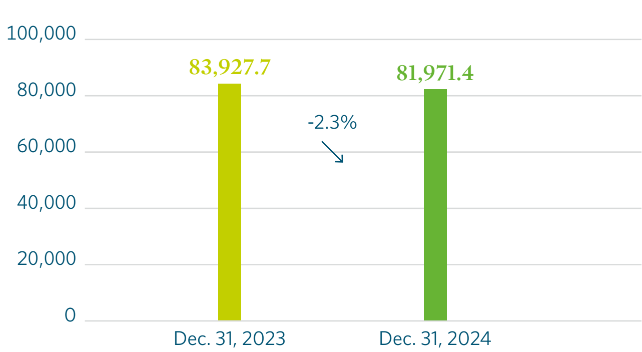
in € million



Fair Value of the Real Estate Portfolio

Fair Value

in € million



Vonovia SE on the Capital Market

> Sales Target of € 3 billion Exceeded

> Balance Sheet Stabilization Phase Concluded Successfully

> Focus on Growth for the Current Year and Beyond

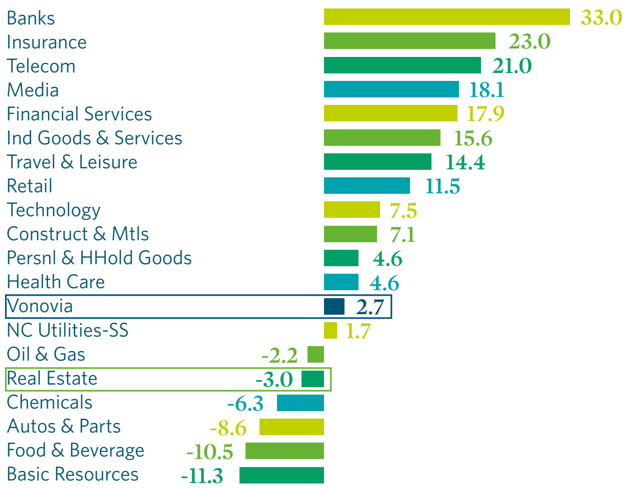
> Another Good Positioning in ESG Ratings

Capital Market Development and Shares in Vonovia

In 2024, the international capital markets were yet again dominated by the interest rate policy pursued by the world's leading central banks, and by investor expectations regarding interest rate trends. The first interest rate cuts by the U.S. and European central banks then also sent prices on an upward trajectory into the third quarter. When it became apparent, in the fourth quarter of the year, that the next set of interest rate cuts could be a long time coming or might even fail to materialize entirely, particularly in the United States, sentiment deteriorated and put increasing pressure on the stock markets. Real estate stocks, in particular, suffered heftier losses, because their capital intensity makes them more sensitive to interest rates.

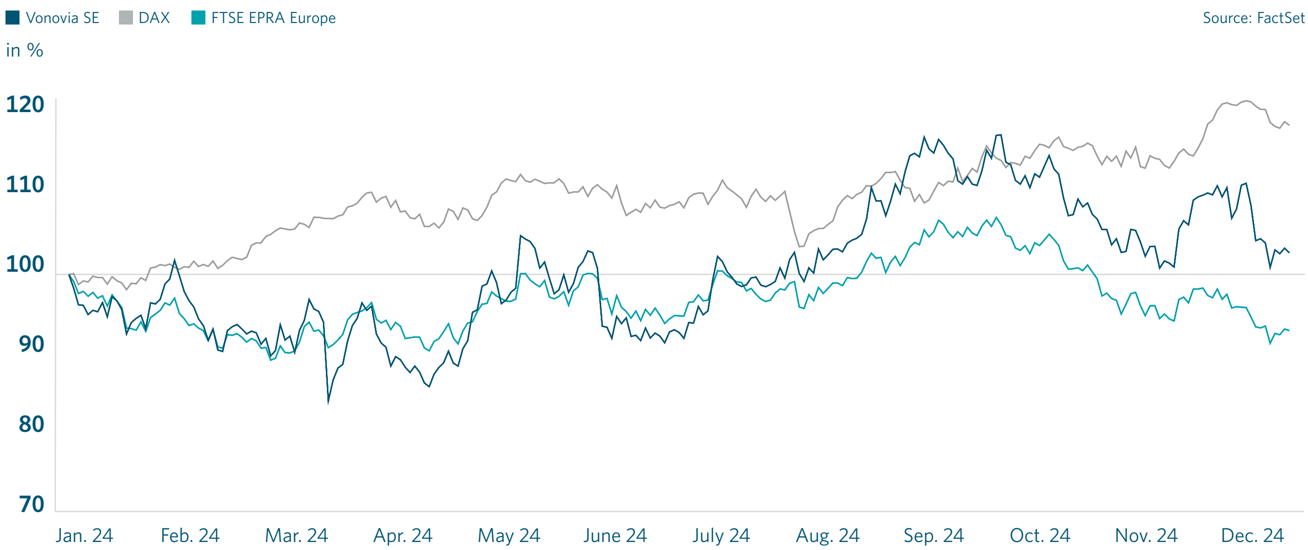
Performance of GICS sectors

in %



In this environment, the DAX 40 closed 18.8% up, with the EPRA Europe real estate index down by -7.1%. Vonovia gained 2.7% over the course of the year, meaning that its performance in 2024 was slightly positive. Overall, there was

Share Price Development



once again a strong correlation in the fiscal year under review between Vonovia's share price on the one hand, and the capital market's assessment of future interest rate trends and government bond yields on the other.

We continued to see a discrepancy in 2024 between rather subdued capital market assessments on the one hand and improving sentiment on the residential real estate market on the other. While the capital market is pricing real estate stocks at hefty discounts, the residential property markets in which we operate are proving to be relatively robust, and many experts agree that the low point has already been reached, or that the worst is already over and things are improving again. This is due, in particular, to the favorable relationship, from an owner's point of view, between supply and demand in urban regions, which have conventionally been long-term financing arrangements, tax aspects as well as the structural momentum on the revenue side. The transaction volume has also increased considerably again.

We believe that shares in Vonovia will reflect the positive operating development and ultimately the success of our business model as a whole in the medium to long term. Our responses to key long-term megatrends – climate change, urbanization and demographic change – remain the dominant factors driving our business. We are optimistic as we look ahead to the future and are confident that we will remain financially successful.

The average daily trading volume for shares in Vonovia SE, expressed as the number of shares traded on XETRA, came to 2.1 million in 2024. Expressed in euros, shares in Vonovia worth € 60.3 million were traded every day on average in 2024, down slightly on the previous year.

Vonovia's shares reached their highest daily closing price for the year on October 2, 2024, at € 33.57 and their lowest daily closing price on March 15, 2024, at € 23.99.

Vonovia's market capitalization amounted to around € 24.1 billion as of December 31, 2024.

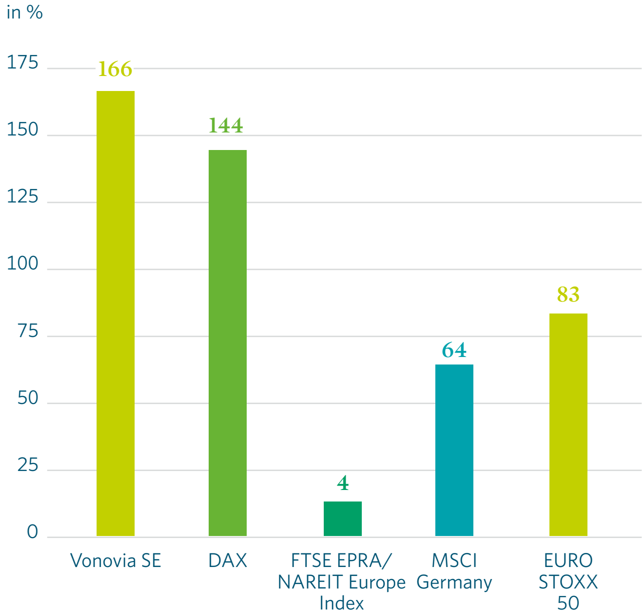
Index Memberships: Vonovia SE Member of the DAX 50 ESG and DJSI Europe

Vonovia has been a member of various sustainability indices since 2020, in particular the DAX 50 ESG and the Dow Jones Sustainability Index (DJSI Europe), which confirms Vonovia's successful ESG activities and the progress made in this area. We provide detailed information on our rating performance on our website: **https://www.vonovia.com/en/sustainability/esg-ratings-rankings**

Long-term Yield

An investor who bought shares in Vonovia when the company went public in 2013 and has held them ever since, reinvesting each dividend in more shares in Vonovia, will have seen the value of their securities deposit account increase by 166% by December 31, 2024, a result that far outstrips the performance of a corresponding investment in the benchmark indices.

Yield since Vonovia IPO

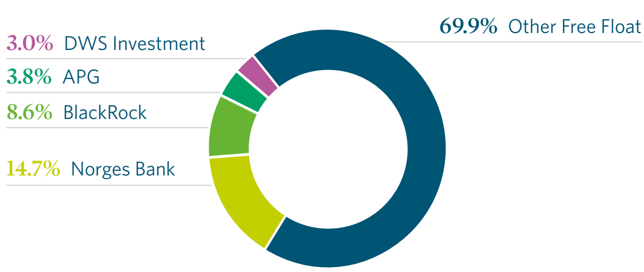


VNA and DAX performance are total shareholder return (share price plus dividends reinvested); EPRA Europe, MSCI Germany and EURO STOXX 50 are share price performance only.

Shareholder Structure

The chart 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. It is important to note that the number of voting rights reported could have changed within the respective thresholds without triggering an obligation to notify the company.

Major Shareholders (as of December 31, 2024)



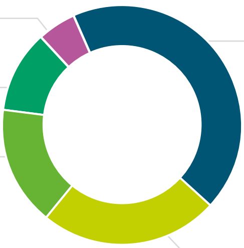
Based on the German stock exchange's definition of free float, only the interest held by Norges Bank (Ministry of Finance on behalf of Norway) does not count toward the free float. This means that 85.3% of Vonovia's shares were in free float on December 31, 2024. The underlying **voting rights notifications** 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, 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. We determine/update the shareholder structure on a regular basis.

By the end of December 2024, we had identified approximately 92% of our shareholder base. Institutional investors account for 90% of our shareholders and private investors for around 10%. The breakdown of the company's shareholders by region at the end of 2024 is as follows:

Regional Distribution of Institutional Investors of Vonovia SE

Source: Own survey by NASDAQ



2024 Annual General meeting

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

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

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

At the extraordinary general meetings of Vonovia SE and Deutsche Wohnen SE on January 23 and 24, 2025, the control and profit-transfer agreement between Vonovia SE and Deutsche Wohnen SE was approved by the respective shareholders of both companies.

Since 2018, **the investor portal** has given our shareholders the option to conveniently attend to all formalities relating to registering for and voting at the Annual General Meeting online.

Development of Vonovia's Shares Over a Period of Several Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual closing price (€)	26.76*	28.97*	38.80*	37.11*	45.00*	56.02*	48.5	22.02	28.54	29.32
High (€)*	31.15	34.51	39.26	41.88	45.78	58.33	56.64	51.14	28.85	33.93
Low (€)*	22.68	23.43	28.08	33.94	37.39	36.19	45.85	18.97	15.66	23.74
No. of shares as of Dec. 31 (in million)	497.1*	497.1*	517.5*	552.6*	578.5*	603.6*	776.6	795.8	814.6	822.8
Market cap as of Dec. 31 (€ billion)	13.3	14.4	20.1	20.5	26.0	33.8	37.7	17.5	23.2	24.1
Average transaction volume per day (VWAP in € million)*	45.2	41.2	47.6	55.8	65.9	85.7	84.2	84.2	80.8	60.3
Dividend per share (€)	0.88*	1.05*	1.24*	1.35*	1.47*	1.58*	1.66	0.85	0.90	1.22**
Dividend yield (%)	3.3	3.6	3.2	3.6	3.3	2.8	3.4	3.9	3.2	4.2

* Values are TERP-adjusted (TERP 2015: 1.051 – capital increase with subscription rights in connection with Südewo acquisition; TERP 2021: 1.067 – capital increase with subscription rights in connection with Deutsche Wohnen acquisition).

** Planned dividend proposed to the 2025 Annual General Meeting.

Source of share prices: FactSet

Share Information (as of December 31, 2024)

First day of trading	Jul. 11, 2013
Subscription price	€ 16.50 | € 14.71*
Total number of shares	822,852,925
Share capital	€ 822,852,925
ISIN	DE000A1ML7J1
WKN	A1ML7J
Ticker symbol	VNA
Common code	94567408
Share class	Registered shares with no par value
Stock exchange	Frankfurt Stock Exchange
Market segment	Regulated market
Indices	DAX 40, DAX 50 ESG, Dow Jones Sustainability Index Europe, STOXX Global ESG Leaders, EURO STOXX ESG Leaders 50, FTSE EPRA/NAREIT Developed Europe and GPR 250 World

* TERP-adjusted.

Investor Relations Activities

In 2024, Vonovia participated in a total of 31 investors' conference days and also organized 37 roadshow days. In addition, Vonovia took part in various investor forums and numerous one-on-one meetings with investors and analysts to keep them informed of current developments and special issues. In 2024, we held many hundreds of talks with analysts and investors. The dominant topics included the company's strategic growth initiatives, capital allocation, the business outlook in the changed macroeconomic environment, the capital structure, and transaction activity in the residential real estate market.

As part of the investor dialogue, the Chair of the Supervisory Board conducts an annual corporate governance roadshow spanning several days, in particular addressing topics specific to the Supervisory Board, such as Management Board remuneration and the work and composition of the Supervisory Board and the relevant committees. In February 2024, for example, the Chair of the Supervisory Board, Clara-Christina Streit, engaged in intensive dialogue with investors in the context of this roadshow. Talks were held with a number of major investors in the fall of 2024, during which the Chair of the Supervisory Board explained and discussed the motivations behind changes to the remuneration system for Management Board members with the investors.

We will also continue to communicate openly with the capital market in 2025. Various roadshows, conferences and investor forums have already been planned. Information can be found in the **Financial Calendar** on our Investor Relations website.

Our IR activities are aimed at ensuring a transparent communications policy based on trust, the aim being to further raise Vonovia's profile on the capital market and also to provide the capital market with all information that is relevant to the company.

The stakeholder groups that are relevant to our IR work are private shareholders, institutional shareholders and analysts. Alongside conventional formats such as reporting and the Annual General Meeting, we also interact with our institutional shareholders at roadshows and conferences. What is more, we organize an annual corporate governance roadshow with our Supervisory Board Chair. Every two years, we organize an analysts' and investors' day to present current topics and strategic perspectives as part of a face-to-face event. As far as our private shareholders are concerned, we are represented in various private investor forums, attending both virtual and in-person events throughout the year.

A detailed description of our other stakeholders is available here → **Stakeholder reporting from sustainability chapter**.

Positive Analyst Assessments

As of December 31, 2024, 25 analysts were publishing studies on Vonovia on a regular basis. The average target share price at the end of the year was € 36.46 per share, with 72% of analysts issuing a "buy" recommendation, 8% issuing a "hold" recommendation and 20% issuing a "sell" recommendation.

For information on the research firms that regularly report on Vonovia and value its shares, please visit our **Investor Relations website**.

Dividend

The Management Board and the Supervisory Board propose to the Annual General Meeting that, of the profit of Vonovia SE for the 2024 fiscal year of € 1,100,000,000.00, an amount of € 1,003,880,568.50 on the 822,852,925 shares of the share capital as of December 31, 2024 (corresponding to € 1.22 per share) be paid as a dividend to the shareholders, and that the remaining amount of € 96,119,431.50 be carried forward to the new account or be used for other dividends on shares carrying dividend rights at the time of the Annual General Meeting and which go beyond those as of December 31, 2024.

Financing Environment

High levels of inflation and volatility were still the dominant influences on the capital market in 2023. 2024 brought significant changes following the period of investor restraint and risk adjustment in the form of high interest rates. Real estate is sought-after again, at least in the risk-adverse asset classes such as residential real estate, which was reflected in successful order books and attractive interest coupons. In line with this trend, Vonovia was active on the British pound sterling and Swiss franc markets for the first time, and also placed a bond on the Euro market again after an absence of more than a year.

The key rate set by the European Central Bank (ECB) was negative for eight years – before it was raised to 0.0% in July 2022 in response to rising inflation. It continued to rise gradually until September 2023, reaching a peak of 4.0% (deposit rate), which overshot the previous high of 3.75% seen in October 2000. In June 2024, the ECB Governing Council opted to do an about-turn on interest rates and lowered the key interest rate again for the first time. This move was followed by three further interest rate cuts of 0.25% each, most recently in December, when the deposit rate was lowered to 3.00%.

In 2024, the yield on German government bonds with a ten-year term averaged around 2.34%. This puts the annual yield on German government bonds above the 2 % p. a. mark, as in 2023.

In September 2024, the US Federal Reserve (Fed) lowered its key interest rate by 0.5 percentage points to a corridor of between 4.75% to 5.00% for the first time since the outbreak of the COVID-19 pandemic. This was followed by two further key interest rate cuts of 0.25 percentage points each in November and December 2024, putting the key rate in a range between 4.25% and 4.50%.

The Bank of England (BoE) also initiated an interest rate turnaround in 2024 and lowered its key interest rate by 0.25 percentage points to 5% in August, the first such move since 2020. A second key rate cut by 0.25 percentage points followed in November, bringing the rate down to 4.75%. In December, the BoE announced that it would be keeping the key rate steady at 4.75%.

One of the World's Biggest Capital Market Issuers

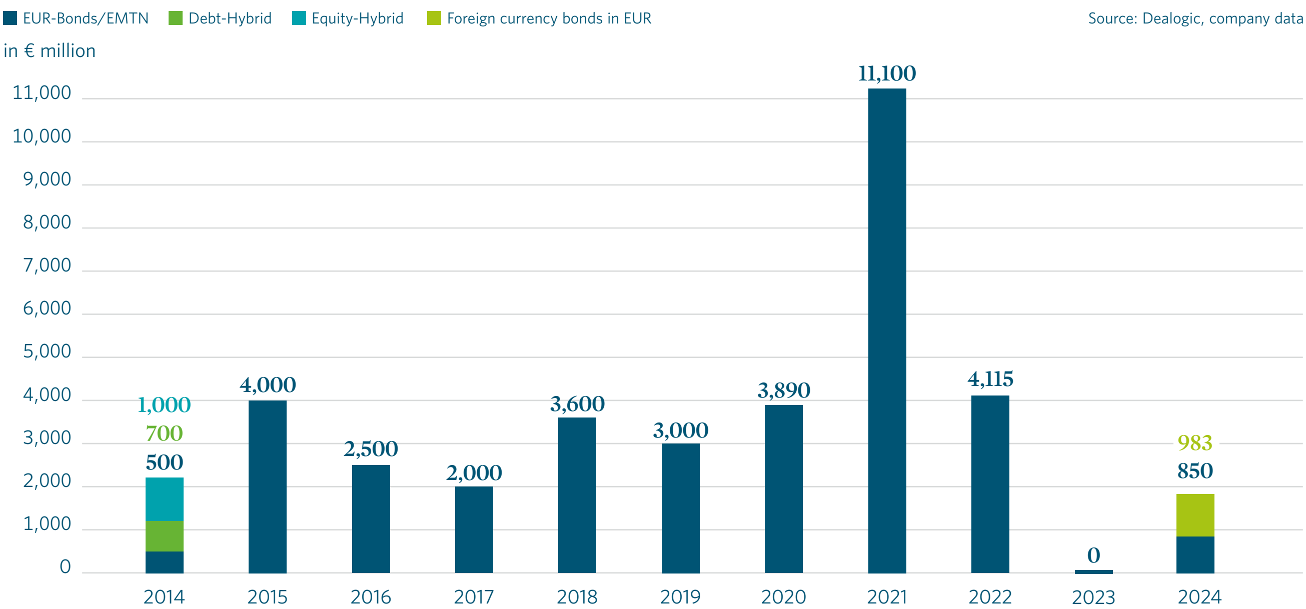
The rating agency Moody's has published an investment grade rating for Vonovia of "Baa1 outlook stable". The rating was last confirmed in February 2025.

The rating agency Standard & Poor's has assigned Vonovia SE and Deutsche Wohnen a long-term corporate credit rating of BBB+ and a short-term credit rating of A-2. The "BBB+ outlook stable" rating was confirmed in August 2024.

The Berlin-based Scope Group has also issued Vonovia SE a rating of A-. The outlook was changed from "stable" to "negative" in June 2023.

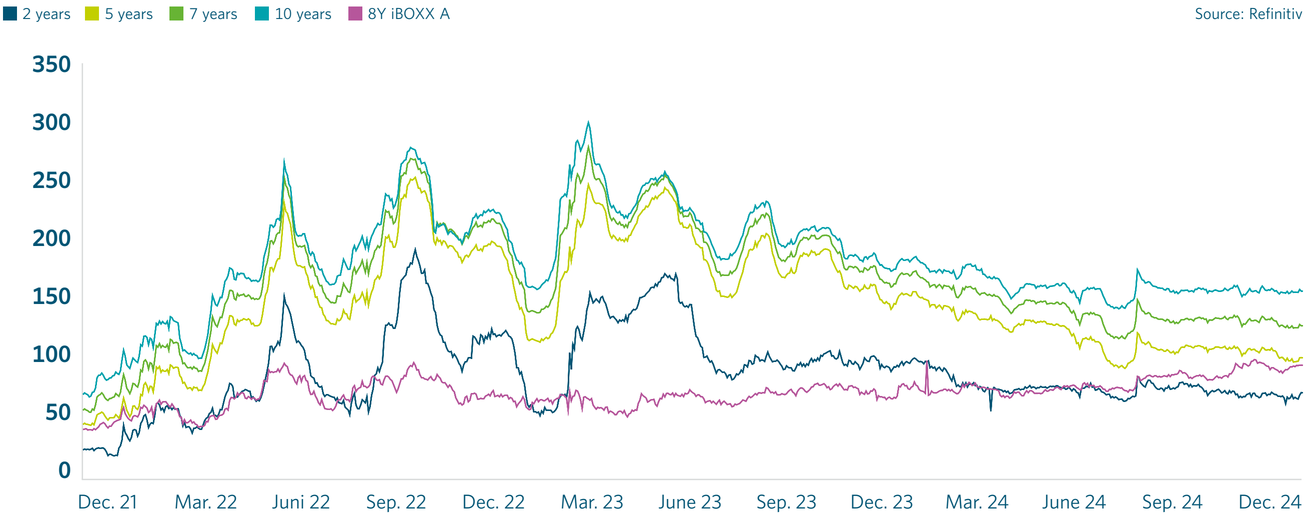
Fitch became the fourth rating agency to publish ratings for Vonovia, with its first rating in March 2024. The "BBB+ outlook stable" rating is also an investment grade rating. The rating was last confirmed in February 2025.

Vonovia's Bond Issue Volume Per Year



Since 2021 incl. Deutsche Wohnen

Spread Development (in Basis Points)



Vonovia's size and market position, increasing diversification across regulated residential real estate markets, strong competitive position, good access to the capital markets, broad mix of financing instruments and diversified maturity profile all contribute to Vonovia's top-tier credit rating.

The company's first-class credit rating continues to give it unrestricted access to the international capital markets. Vonovia was active on various capital markets a total of six times in 2024, and issued the following bonds with a total issue volume equivalent to around € 1.8 billion:

1. The company's first bond denominated in pound sterling with a volume of GBP 400 million and a term of 12 years had already been issued back in January.
2. In February, Vonovia issued its first bond in Swiss francs with a volume of CHF 150 million and a term of five years.
3. April saw the issue of a social EUR bond with a volume of EUR 850 million and a term of ten years.
4. In June, Vonovia issued a social bond in Swedish krona with a volume of SEK 750 million and a term of two years as part of a private placement.
5. In August, we issued our second bond denominated in Swiss francs with a volume of CHF 235 million and a term of seven years.
6. Finally, in September, Vonovia issued a second bond in Swedish krona with a volume of SEK 500 million and a term of four years.

The volume-weighted average interest cost, after hedging, of the new bonds comes to 4.29% in 2024, with a weighted average maturity of 9.2 years.

Taking the EUR bond issue volume of € 850 million in 2024 alone (2023: no activity on the EUR bond market), Vonovia (incl. Deutsche Wohnen) ranks, according to an analysis by Dealogic, among the top 10 EUR investment grade issuers based on the total issue volume for the years from 2014 to 2024 (2023: top 5 EUR investment grade issuers for the period from 2013 to 2023).

Vonovia has stepped up its creditor relations activities considerably in recent years. In order to further diversify its investor base, Vonovia took part in various debt conferences and organized debt roadshows in Europe, Asia and Australia.

Capital Markets Outlook

Investors have long focused on real estate. While 2024 was dominated by price slumps, sluggish project developments and insolvencies, positive signs are emerging for 2025. In addition to the correction within Vonovia's own portfolios, another development that stood out was investor demand for real estate on the capital market, which had already started to increase significantly in the second half of 2024. We expect this trend to continue for investment grade companies in 2025.

Combined Management Report

Strategic Initiatives for New Growth Launched After Years of Consolidation in Capital Structure and Allocation

2024 Successfully Closed at the Upper End of Vonovia's Expectations

Overall Conditions Remain Challenging

Fundamental Information About the Group

Macroeconomic Environment

Geopolitical circumstances yet again dominated the **macroeconomic environment** in 2024.

Russia's **war of aggression** in Ukraine continues, and has escalated further with the deployment of North Korean troops. The tension in East Asia over Taiwan's independence is unsettling global supply chains, with the prospect that the dispute could escalate into a full-blown war only one factor of concern. The same applies to the tension in and around Korea. The **COVID-19 pandemic** had already brought forward voices that were critical of globalization.

These factors have sparked considerable upheaval in economies across the globe and, as a result, volatility on the capital markets, too, driven in particular by **interest rate hikes** in response to a marked **uptick in inflation**. 2024 started with a 10-year euro interest rate of 2.52%; by the end of the year, this interest rate came in at 2.37%. Overall, the capital markets have been extremely volatile since the COVID-19 pandemic and the outbreak of Russia's war of aggression in Ukraine.

This scenario was compounded in 2024 by **political uncertainty** in the wake of the German government crisis and the presidential elections in the United States. Irrespective of these political factors, the overall trend is still one in which voters are drifting towards more right-wing, authoritarian politics with increasing nationalist sentiment, and away from the liberal social models that have dominated the past 50 years, as is evident from the outcome of most elections, especially in the Western hemisphere. The associated fears and expectations of imminent protectionism and nationalism also fueled volatility on the capital markets and coincided with a current weak growth environment in Asia, Europe and the U.S.

Global **climate change** has been thrust back into the spotlight after extreme storms in Spain, Austria, Switzerland and Italy in 2024, and the wildfires in Los Angeles in January 2025. War, climate change and global wealth inequalities are the fuel behind the current **migration flows**.

In the **real estate industry**, volatile interest rates, in particular, are leaving a significant mark on business models and enterprise values. Political clarity with regard to building regulations, tenant legislation, environmental standards, energy policy and housing policy subsidies is crucial to allow real estate companies to assess the status quo and plan ahead, and also to develop strategic and operational responses to the issues of the future.

By contrast, the **megatrends** of climate change and sustainability, demographic change and the shortage of housing, coupled with advances in digitalization, are currently the mainstays of commercial activity. Added to these factors is the gap between the **demand for, and supply of, housing**.

Thanks to its robust positioning, Vonovia has fared well during the past few crisis-ridden years, and considers itself well equipped for new growth based on these megatrends. Its key balance sheet indicators and ratings are stable, the sales programs to strengthen the company's internal financing can be scaled back, the cycle of dwindling values appears to be over, and the company is well placed to tackle the years that lie ahead from both a strategic and operational perspective.

The Company

Vonovia's business model is based on the provision and rental of good-quality and, most importantly, affordable living space at the right time, as well as the **management** of these properties. An established in-house craftsmen's, residential neighborhood and caretaker organization, coupled with extensive back-office functions, support us in our management and further development of our housing stocks.

Vonovia continues to develop its real estate portfolio through active **portfolio management**. In addition to acquisition, sale and modernization, this also includes building new apartments for our own portfolio and for sale to third parties. The business model is rounded off by the housing-related services we offer. The focus here is on offering energy supply services for electricity and heating, as well as automated meter reading.

This business model is based on a highly **digitalized management platform** and a similarly highly digitalized **development platform** allowing all stages in the value chain to be managed. These two platforms are two of the most important intangible assets within the business model.

Around 77% of Vonovia's strategic real estate portfolio is located in contiguous **neighborhoods** that generally include more than 150 apartments. Designing sustainable homes that offer real quality of life always involves identifying what the relevant social structures need, taking into account the history of these neighborhoods. The **development business** is also consistent with the sustainable neighborhood concept.

This means that Vonovia's business model makes a positive contribution to the pressing socio-political challenges of **housing shortages** and climate protection.

Vonovia manages a **portfolio** of around 480,000 of its own apartments in almost all of Germany's attractive cities and regions. It also manages a portfolio of around 40,000 residential units in Sweden and approximately 20,000 in Austria. The **total fair value** comes to around € 82.0 billion, with net assets based on the EPRA definition coming to approximately € 37.2 billion (European Public Real Estate Association: EPRA).

In addition to its own apartments, Vonovia manages around 73,400 apartments for third parties.

This makes Vonovia one of the leading residential real estate companies in Germany, Austria and Sweden, albeit with a low market share of around 1.9% in Germany due to the highly fragmented nature of the market.

Vonovia's roots and those of its predecessor companies extend back into the 19th century and lie in not-for-profit housing and housing for factory workers. This applies to Germany, and also to Austria and Sweden. Consequently, today's strategic direction is consistent with the company's roots.

Even back then, the aim was to provide good-quality, modern and affordable homes, in some cases using innovative concepts. Many of the housing developments built in that era were model projects of the time and are now covered by preservation orders. So the **concept of the neighborhood** already has strong roots in Vonovia's DNA.

Living in what were known as "workers' settlements" was about much more than just affordable living space. It was also about living in a social network with one's colleagues and their families. The approximately 770 neighborhoods (including Deutsche Wohnen) that the company has in its strategic portfolio today are one of Vonovia's USPs and a focal point of its answers to the megatrends facing us.

Via the non-profit company GEHAG, which was established in 1924, the Group has properties that are exceptional examples of architectural history from the Bauhaus and expressionist movements. These included new housing concepts that helped to shape the idea of a neighborhood and were even listed as **UNESCO world heritage sites**. Examples include the "Hufeisensiedlung", "Wohnstadt Carl Legien", "Weiße Stadt" and "Ringsiedlung Siemensstadt" developments.

The real estate development business and the property management business in Austria operate under the established **BUWOG** name. In Sweden, Vonovia operates under the name **Victoriahem**.

Corporate Structure

Vonovia SE, the parent company of the Vonovia Group, is organized in the legal form of a dualistic European company (SE). Vonovia SE is directed by a Management Board, which is responsible for conducting business and defining the Group's strategy. The strategy is implemented in close coordination with the Supervisory Board, which is regularly briefed by the Management Board regarding the development of business, strategy and potential opportunities and risks. The Supervisory Board oversees the activities of the Management Board.

Vonovia SE has its **registered headquarters** in Germany. Since 2017, its registered office has been located in Bochum. The head office (principal place of business) is located at Universitätsstrasse 133, 44803 Bochum.

As of December 31, 2024, 612 legal entities/companies (of which 446 in Germany) formed part of the Vonovia **Group**. A detailed list of Vonovia SE shareholdings is appended to the Notes to the consolidated financial statements.

Vonovia SE performs the function of the **management holding company** for the Group. In this role, it is responsible for determining and pursuing the overall strategy and implementing the company's goals. It also performs overarching property management, financing, service and coordination tasks for the Group. Furthermore, it is responsible for the management, control and monitoring system as well as risk management system of the Group. There is also a central function responsible for sustainability issues within Vonovia SE; it coordinates these matters for the Group as a whole.

In order to carry out management functions, Vonovia SE has established a series of **service companies**, particularly for commercial and operational support functions, which are centralized in shared service centers. By pooling the corporate functions on a uniform **management and development platform**, Vonovia achieves harmonization, standardization and economies of scale objectives, and the other Group companies thus do not need to perform such functions themselves.

With our **efficient organizational model**, optimized processes, a clear focus on service, and, as a result, on our customers, and a clear investment strategy focusing on climate protection, we are laying the foundation for a **sustainable business** while safeguarding our legitimate interests as a private-sector company.

A balanced mix of services provided by the central service center, regional caretakers working on-site and our company's own technical and residential environment organization, combined with housing-related services (Value-add), ensures that our tenants' concerns can be attended to in a timely, straightforward and reliable manner. This plays a key role in ensuring that our customers feel that they have good support in their environment.

In addition, Vonovia will be using **construction and development measures**, densification and vertical expansion to build new apartments in order to meet the rising demand for living space in metropolitan areas in particular. The development organization operating under the BUWOG name gives Vonovia extensive product and process expertise in the development and construction of residential construction projects. The development business is largely managed via project companies.

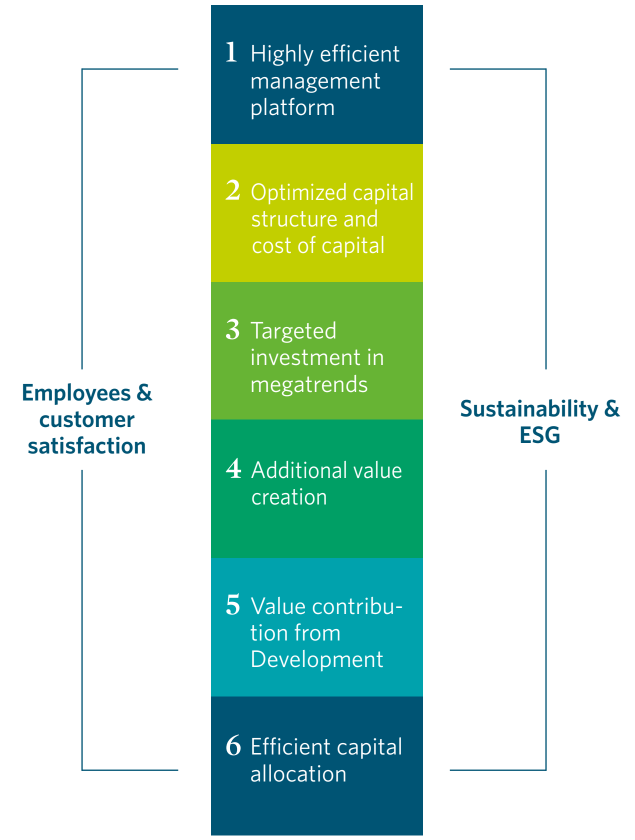
The management of the operating business is based on the company's strategic approaches and is conducted via the four segments: Rental, Value-add, Recurring Sales and Development.

Our Strategy

From day one, Vonovia's **tried-and-tested strategy** has been divided into the subareas of portfolio management strategy, property management strategy, Value-add strategy and financing strategy – supported by the opportunistic elements of the company's acquisition and internationalization strategy. This strategy has been refined in the recent years of crisis and has evolved into a more integrated, focused **stakeholder value strategy**, reflecting the importance of all of the company's major stakeholders.

By revising the **materiality assessment** in accordance with the ESRS (EU European Sustainability Reporting Standards) and identifying the opportunities and risks, as well as the impacts that Vonovia's activities have on stakeholders, transparency has been enhanced, laying the foundation for even more integrated business activities. The materiality assessment forms the basis for the company's sustainability reporting.

The Value Drivers of Our Strategy



Within this context, the Management Board has broken the strategy down into its main **value drivers**:

1. The highly efficient management platform
2. The optimized capital structure and advantageous costs of capital
3. Investment focused on megatrends
4. The Value-add business as a way to create value
5. The value contribution made by the Development business
6. The efficient capital allocation

(1) The **scalable management platform** featuring highly digitalized processes, allows for the optimized management of around 500,000 residential units, organized in five business units with 24 regional business areas and 90 regions. This system is directly associated with a clear reduction in fixed costs and, at the same time, ensures consistent service quality to guarantee customer satisfaction.

Further advances in digitalization will also open up additional efficiency potential in the future, both with regard to processes and in the use of building master data and dynamic building data. The "digital twin" allows buildings to be broken down and mapped in a digital data format for further use throughout the company.

The range of further processing options for digital building data includes enhanced service for customers, tailored descriptions of sustainable investment measures and predictive maintenance, particularly for heating units and elevators.

(2) An **optimized capital structure** and, as a result, advantageous costs of capital secure the Group's equity and debt financing in the long run, thereby supporting the capital-intensive business of a residential real estate company in the long run to ensure risk-adjusted yields.

The primary objective of strengthening the company's internal financing provides the basis for investments to address the challenges arising from the megatrends. Maintaining a good investment grade rating remains a key objective. The company opts for debt or equity financing depending on the opportunities that arise under the prevailing equity or debt capital market conditions.

(3) When it comes to making **investments based on megatrends,** a distinction has to be made between

> investments in new construction to ease the shortage of apartments,
> investments to optimize existing properties through modernization and senior-friendly refurbishment,
> investments in climate protection to reduce CO_2 and in neighborhood projects to promote tenant satisfaction.

All of these investments have to take account of the new return criteria.

(4) The **value-add business** gives Vonovia the expertise to perform technical construction services, modernization measures and residential environment services. Vonovia uses standardized processes to ensure availability while maintaining a consistently high level of quality throughout the Group.

The Value-add business, our "neighborhood workshop," generates added value for the company by bundling multi-utility services. The aim of the neighborhood workshop is to create an integrated system of housing-related infrastructure services. This includes the ongoing establishment of additional services to complement conventional rental services, the further development and expansion of the existing main product lines, multimedia, energy supply and meter reading technology services, as well as the further implementation of IoT systems, for example for elevator and heating unit monitoring. Further innovations are in the development stages and will be offered once they have been reviewed for their marketability.

(5) The **Development business** is aimed directly at alleviating the shortage of housing through the targeted expansion of the company's own portfolio, as well as the direct generation of income from business with third parties.

The product range includes the sale of individual condominiums and the sale of projects to investors (to sell) on the one hand, and the construction of rental apartments for Vonovia's own portfolio as well as the construction of new properties on existing land held in the portfolio (to hold) on the other. The Development business is also geared towards the concept of the neighborhood and sustainability aspects.

Efficient project implementation based on the development platform along the entire value chain guarantees the value contribution made by the Development business. The value chain ranges from the acquisition of land to build on to project development, planning, realization and marketing.

The Development business also has to consider greater obstacles to returns and the challenges of efficient capital commitment.

The Development business is managed from five locations in Germany, from Vienna, Austria, and Malmö, Sweden.

(6) Another key value driver is **efficient capital allocation**. Given the current return requirements based on the increased cost of capital, strengthening the proportion of equity and focusing on internal financing has been identified as a key value driver that optimizes the opportunities for return-oriented sustainable investments. Decisions on the actual capital allocation are made based on the return and Vonovia's internal financing power.

In the period following the IPO, **capital allocation** focused on external growth through acquisitions and economies of scale given the favorable prevailing capital market conditions.

In light of capital market conditions over the past few crisis-ridden years, which have been characterized by inflation and rising interest rates, and the associated higher **cost of capital**, Vonovia has streamlined its portfolio by making disposals and establishing joint venture and fund structures in order to achieve an improved **capital structure** in tandem with sustainable internal financing. Within this context, the nursing care activities under the Deutsche Wohnen umbrella were also subjected to a strategic analysis that resulted in the decision to sell them.

Now that interest rates are returning to normal, Vonovia believes it is well positioned for new **growth** based on its optimized capital and portfolio structure. The necessary specific **initiatives** have been incorporated into the company's existing strategy.

New Strength and Performance in Core Business

The renewed **expansion of the Development business** is one of the key initiatives as part of the strategy. Vonovia's new construction activities are focused on a product portfolio that is geared toward market requirements with flexibility in how the properties are used (Development to hold/Development to sell). In light of the ongoing need to optimize construction costs, Vonovia is focusing on the "Basic House" approach, among other things, in order to build sustainable and affordable housing for different target groups. The emphasis is on new projects employing serial modular timber construction methods together with the company's joint venture partner Gropyus.

The company is forging ahead with the **optimization of its craftsmen's organization, VTS**. VTS and its specialists ensure that refurbishment and maintenance work can be carried out reliably and in line with high quality standards. The ongoing development of a standardized product catalog will be expanded further.

Given the positive market trend that is emerging, our sales program will continue to focus on the Recurring Sales segment and sales in the Non Core portfolio.

Investments Using Innovative Concepts

Investments to **upgrade energy efficiency** and **decarbonize** our portfolio will be expanded over the next few years with the help of innovative concepts and smart technologies in line with Vonovia's climate pathway. Implementation of energy-efficiency modernizations has to be efficient, fast and cost-saving in the interests of cost-effectiveness. Vonovia is pursuing these concepts with "serial refurbishment," an industrialized system that bundles and standardizes all steps in the refurbishment process. Forging ahead with investments in heat pump technology is also part of the investment initiative. In this area, we are focusing on the new "EnerCube" heating solution, a heat pump center that combines all the necessary components in an external module and is installed on-site outside the building.

New Business Models at all Stages in the Value Chain Using Management Platform

Further **growth in the Value-add segment** at all stages in our value chain will secure additional earnings potential. The existing energy business and the use of photovoltaics are being expanded on a large scale. The focus is on establishing and expanding a full product portfolio covering all steps in the value chain – from the generation of electricity using photovoltaic modules to the sale of this electricity as tenant electricity, the use of heat pumps, and energy storage and management. The aim is to increase market penetration in all product groups.

The purchase of **buildings that have not yet been modernized**, their subsequent modernization and resale are to be integrated into Vonovia's business model as a new initiative. This also applies to the initiative to make Vonovia's management platform available to third-party customers.

Catalysts driving the successful implementation of the strategy remain the active dynamic management of capital allocation, the availability of employees with the necessary skills, efficiency in the value chain and in procurement, social and sociopolitical **acceptance of Vonovia's business model** and the targeted use of new technologies, including artificial intelligence.

Sustainability Statement

Explanatory Information on the Content of the Report and the Framework

The Corporate Sustainability Reporting Directive (CSRD) entered into force across the EU on January 5, 2023. All European Union (EU) member states, including Germany, were given a period of 18 months, i.e., until July 5, 2024, to transpose the Directive into national law. Germany had not transposed the Directive as of December 31, 2024.

This means that the current legislation remains unchanged for the 2024 reporting period, and that a Non-Financial Reporting Directive (NFRD) must continue to be prepared in accordance with Sections 315b, 315c in conjunction with Sections 289c to 289e of the German Commercial Code (HGB).

Despite not being under any obligation to report in accordance with the European Sustainability Reporting Standards (ESRS), Vonovia SE (hereinafter referred to as "Vonovia") has decided to publish its **sustainability statement** (hereinafter referred to as "sustainability statement") **– which also meets the requirements for the Non-financial Group Declaration prepared in accordance with Sections 315b to 315c HGB, taking full account of the ESRS** as a recognized framework in accordance with Sections 315c (3) in conjunction with 289d HGB. Consequently, this Group sustainability statement meets both the requirements set out in the CSRD, as well as the requirements laid down in Sections 315b to 315c HGB for a Non-financial Group Declaration and Article 8 of Regulation (EU) 2020/852 (the EU taxonomy).

This ensures compliance with the Minimum Disclosure Requirements pursuant to Sections 315c in conjunction with 289c HGB and German Accounting Standards (GAS) 20.257 et seq.

The initial preparation of the sustainability statement in full compliance with the ESRS results in a breach of the principle of consistency referred to in German Accounting Standard (GAS) 20.26. Transitioning away from the previous reporting framework based on the Global Reporting Initiative (GRI) reflects the significance of the ESRS as the sustainability reporting standards adopted by the European Commission. Prior-year metrics have been restated retroactively to reflect the new calculation methods where appropriate.

The main relevant non-financial performance indicators are reported – together with information on the underlying policies, objectives and measures – in the individual chapters covering the content in question. These cover the legally mandated aspects – environmental issues, social issues, employee issues, combating corruption and bribery, and observance of human rights.

This sustainability statement includes Vonovia's Sustainability Performance Index (SPI). This key figure is the Vonovia Group's primary non-financial performance indicator within the meaning of GAS 20, Paragraph 101 in conjunction with Paragraph 106. The SPI consists of six subindicators derived from the material sustainability topics and serves as a vital instrument for managing, and in terms of the remuneration for our sustainable activities (for further details see → **ESRS 2 GOV-3**). As the most significant non-financial performance indicator, the SPI is also presented in the chapters entitled **"Corporate Governance"** and **"Forecast Report."**

The sustainability statement is not covered by the statutory audit, but is subjected to a voluntary limited assurance review conducted by PwC GmbH Wirtschaftsprüfungsgesellschaft, Essen, in accordance with ISAE 3000 (Revised). All references to content outside the sustainability statement are considered additional information and are neither part of the Sustainability Statement nor covered by the limited assurance review. References and additional information are not an integral part of this sustainability statement.

In line with the financial reporting, revenue, capital expenditures and operating expenses are defined by the EU taxonomy and are not included in the denominators of the three indicators.

Risk Assessment Based on Sustainability Aspects

In the sustainability statement, material risks associated with the Group's own business activities – and business relations or products and services of the Group – which are very likely to occur and which could have serious negative impacts on non-financial topics must be reported. On the basis of the risk analyses performed and in the opinion of Vonovia's management, there are no non-financial risks subject to a reporting requirement that meet the materiality criteria pursuant to Section 289c (3) Nos. 3 and 4 HGB following application of the net method and taking risk mitigation measures into consideration.

The definition of material reportable risks provided in Section 289c (3) Nos. 3 and 4 HGB differs from that used in the ESRS. Consequently, this sustainability statement reports on risks that are material and, as a result, reportable in accordance with the ESRS. Since, however, these risks are not classified as threatening to Vonovia, no reporting requirement applies pursuant to Section 289c (3) Nos. 3 and 4 HGB.

ESRS 2 – General Disclosures

BP-1 – General Basis for Preparation of Sustainability Statements

Vonovia SE's sustainability statement is prepared on a consolidated basis.

The scope of consolidation matches that used in Vonovia's consolidated financial statements and reflects the activities of Vonovia SE and its subsidiaries in Germany, Austria and Sweden. These companies are listed in the → **list of shareholdings** in the notes to the consolidated financial statements. Entities with minority interests and apartments owned by third parties are not included.

Deutsche Wohnen SE (hereinafter referred to as Deutsche Wohnen) is fully included in the consolidated financial statements and the sustainability statement of Vonovia. Deutsche Wohnen will not be issuing its own sustainability statement for the 2024 fiscal year, as it is exercising its rights under the simplifying provision for CSR reporting pursuant to Sections 289b (2) and 315b (2) HGB.

One particular feature involves the independent Care segment, which was integrated into the Group as a whole by the Deutsche Wohnen subgroup. This segment was classified as a discontinued operation in accordance with IFRS 5 at the end of 2023. In order to reflect this and also to ensure comparability in subsequent years and to ensure consistency with financial reporting, metrics are presented for "continuing operations", "discontinued operations" and "total" in this sustainability statement.

Alongside our own business, the sustainability statement also covers the upstream and downstream value chain, in particular suppliers, business partners and customers. These were taken into account in assessing impacts, risks and opportunities (IROs) as part of the materiality assessment.

Vonovia has not used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation.

BP-2 – Disclosures in Relation to Specific Circumstances

The reporting period for the consolidated financial statements and the combined management report, including the sustainability statement, is the calendar year.

The GHG emissions for the base year reported in the presentation of the GHG emission reduction targets and greenhouse gas balance (see → **E1-4** and → **E1-6**) include Deutsche Wohnen's portfolio. This already includes portfolio changes connected to the merger. When determining Scope 3 emissions for the upstream and downstream value chain, we use average data or proxies:

a) In category 3.1, we report GHG emissions from the materials and services used for maintenance, energy-efficient modernization, heating system replacement and apartment upgrades in the fiscal year concerned. Greenhouse gas (GHG) emissions from the manufacture of building materials and materials used for new buildings completed in the relevant fiscal year are reported in category 3.2.

b) The GHG emissions for Scope 3.1 are calculated using emission factors derived from representative measures in the German housing industry by the German Real Estate Economics Institute (Institut für Immobilienökonomie (IIÖ)) on behalf of the housing industry association VdW Rheinland. For the base year 2021, this process was only applied to Vonovia's portfolio at that time due to limited data availability. GHG emissions for Scope 3.2 are determined using emissions factors based on the building construction type, which were developed through a comprehensive life cycle assessment of a model house conducted by a specialized architecture firm.

c) For the extrapolation, measures and circumstances are considered as precisely as possible. Even though extrapolations and average emission factors can lead to certain deviations, these methods help to reduce uncertainties and offer a well-founded basis for the analysis even if complete accuracy cannot be achieved due to limited data and model assumptions. The degree of accuracy is already high due to the use of actual measures and the high degree of detail inherent to model house calculations.

While estimates were used to determine a small number of selected metrics, no metrics or monetary amounts were identified that entail a high degree of measurement uncertainty. None of the metrics contained in this sustainability statement are validated by an external body beyond the auditor.

This sustainability statement is being prepared in accordance with the European Sustainability Reporting Standards (ESRS) for the first time in the reporting year. This results in new and modified disclosure requirements and metric definitions, meaning that comparability with figures in reports from previous years is limited in some cases.

Vonovia also uses the sustainability statement to report on compliance with the requirements set out in the EU Taxonomy Regulation.

Supervisory Board Qualifications Profile

Name	Independent	Year of birth	Year appointed	Gender	Nationality	Accounting, finance, controlling	Accounting, audit, risk, compliance
Clara-Christina Streit (Chair of the Board)	yes	1968	2013	female	German/U.S.	4	3
Vitus Eckert	yes	1969	2018	male	Austrian	2	3
Birgit M. Bohle	yes	1973	2024	female	German	2	3
Jürgen Fenk	yes	1966	2022	male	German	2	2
Dr. Florian Funck	yes	1971	2014	male	German	4	4
Dr. Ute Geipel-Faber	yes	1950	2015	female	German	4	4
Dr. Daniela Gerd tom Markotten	yes	1974	2023	female	German	2	2
Matthias Hünlein	yes	1961	2022	male	German	1	1
Hildegard Müller	yes	1967	2013	female	German	3	2
Dr. Ariane Reinhart	yes	1969	2016	female	German	2	2
Christian Ulbrich [2]	yes	1966	2014	male	German	3	2

1) 1: "Limited experience/no key competency"; 2: "Substantial experience/competency"; 3: "Extensive experience/key competency/expertise"; 4: "Direct management experience".
2) Member of the Supervisory Board until May 8, 2024.

GOV-1 – The Role of the Administrative, Management and Supervisory Bodies

The designation Vonovia comprises Vonovia SE and its Group companies. Vonovia is a European company (SE) in accordance with the German Stock Corporation Act (AktG), the SE Act and the SE Regulation. Its registered headquarters are in Bochum. It has three governing bodies: the Annual General Meeting, the Supervisory Board and the Management Board. The duties and authority of those bodies derive from the SE Regulation (SE-VO), the German Stock Corporation Act (AktG) and the Articles of Association. Shareholders, as the owners of the company, exercise their rights at the Annual General Meeting.

According to the **two-tier governance system** provided for in the German Stock Corporation Act (AktG), Vonovia has a Management Board and a Supervisory Board. While managing the company is the sole responsibility of the Management Board, the Supervisory Board has a strictly separate role and is responsible for monitoring the company's business by providing advice on, and supervising, those transactions that are significant for the company. Members cannot sit on both bodies at the same time.

Vonovia's Management Board comprises five members. As a listed company that is not subject to codetermination, Vonovia's Supervisory Board has ten members.

In accordance with the governing laws, in particular the SE Regulation and the German SE Employee Participation Act (SEBG), the Supervisory Board is only made up of representatives of the shareholders. The highest representative body of the employees is the Group works council. An SE works council was also set up at the level of Vonovia SE.

In accordance with the German Corporate Governance Code (GCGC), the Supervisory Board and the Management Board must be composed in such a way that these bodies/their members as a group have the knowledge, ability and specialist experience required to properly complete their tasks. The corresponding knowledge, skills and experience – particularly with regard to sustainability – can be found in the Supervisory Board Qualifications Profile set out below, as well as in the description of Supervisory Board and Management Board skills.

Key skills and areas of experience [1]									
Housing industry	Development, construction industry	M&A, real estate transactions	Law, regulation, governance	Financing (banks, capital market)	Investment, capital investment	Digitalization, cyber security	Sustainability, energy	HR management, remuneration, leadership development	Politics, public administration
3	1	4	3	4	3	2	2	3	1
4	4	4	3	3	4	2	1	2	1
1	1	1	3	1	2	3	2	4	3
4	3	4	2	4	4	2	1	3	2
2	1	3	4	4	2	2	1	2	1
4	1	4	4	2	2	1	4	4	1
1	1	1	2	1	1	4	3	3	3
3	3	3	4	1	4	1	2	2	1
3	2	3	4	3	2	3	4	2	4
2	1	2	3	1	2	2	4	4	4
2	3	4	3	4	3	2	2	3	1

One of the members of the **Supervisory Board** with proven **ESG expertise** is Hildegard Müller, who chaired the Executive Board of the German Association of Energy and Water Industries for over eight years, formed part of the Management Board of utility company Innogy for three years and, as current President of the German Association of the Automotive Industry, continues to promote the development of this sector according to ESG regulations. Dr. Ute Geipel-Faber, who oversaw sustainability topics for over twelve years as part of Invesco Real Estate's management, is also considered an ESG expert, as is Dr. Ariane Reinhart, who has chaired the area of sustainability at Continental AG as Chief Human Resources Officer and Labor Relations Director for eleven years. Furthermore, Dr. Daniela Gerd tom Markotten achieved ESG expertise through the development of sustainable business models as CEO of mobility platform moovel, a mobility joint venture of the BMW Group and Daimler AG for sustainable urban mobility, as well as through the founding of her tech start-up IUHHOO GmbH five years ago. She has been able to build on this expertise since 2021 in her role as Head of Digitalization and Technology at Deutsche Bahn AG, where she oversees sustainable innovation and technology, among other things. Ms. Bohle also has proven ESG expertise. She has been a member of the Executive Board of Deutsche Telekom AG since 2019, where her responsibilities as Chief Human Resources Officer and Labor Relations Director include the area of social sustainability. The focus of her work is on employee satisfaction, training and education in the area of digitalization as well as the promotion of diversity, equality and inclusion.

To **ensure that members have suitable skills and expertise,** the **Management Board** is engaged in constant dialogue with the Head of Strategy, Corporate Development & Sustainability and calls on the support of the relevant specialist departments depending on the topic. The Head of Strategy, Corporate Management & Sustainability reports to the CEO (at least) once a month to ensure that information on current, relevant topics and on developments related to sustainability is fed to the Management Board. The Management Board also engages in ongoing dialogue with stakeholders and external experts on sustainability issues, particularly those relating to the environment. The Management Board combines various qualification profiles and skills, for example in the areas of real estate, renewable energies, corporate governance, legal and strategy, ensuring that Vonovia has access to crucial expertise in these specialist areas. CEO Rolf Buch served for several years as a moderator of the Initiativkreis Ruhr, where he was responsible for promoting the structural transformation of the Ruhr region into a sustainable, livable and economically strong metropolitan area. As a longtime CFO of major residential real estate companies, Philip Grosse has gained particular expertise in green and social bonds. The CHRO Ruth Werhahn boasts extensive professional experience in HR. Within the Vonovia Group, Daniel Riedl is responsible for building project development in line with an ambitious sustainability agenda, and advises other construction and project companies on sustainable production as a Supervisory Board member. Arnd Fittkau is responsible for operations as well as portfolio management, which plays a crucial role in modernization and renovation actions to implement the climate pathway. Moreover, as a member of the Supervisory Board of Iqony Fernwärme GmbH, he regularly engages in dialogue with experts in sustainable heat supply. All members of the Management Board are obliged to keep abreast of regulatory developments related to sustainability and to keep their sustainability-related knowledge up-to-date.

The Management Board consists of one woman and four men (ratio of female to male members of 1:4), meaning that it is 20% female. Vonovia's Supervisory Board consists of ten members. There are six female members of the Supervisory Board (60% female and ratio of female to male members of 6:4). The target for appointing Supervisory Board members takes account of the German Act on the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst), based on which the Supervisory Board should comprise at least 30% women and 30% men. If the Management Board consists of more than three members, which is the case at Vonovia, it must comprise at least one woman and at least one man. Targets also have to be set for the proportion of women at the two management levels below the Management Board (Section 76 (4) sentence 1 AktG). Vonovia is aiming to have achieved the target of 30% women by December 31, 2026. More information on target achievement is set out in → **S1-9**.

All ten members (100%) of the Supervisory Board are considered by the latter to be independent within the meaning of C. 6 and C. 7 of the GCGC. No member of the Supervisory Board was a member of the company's Management Board or has a personal relationship with a significant competitor of the company as defined by C. 12 of the GCGC.

As of December 31, 2024, the Management Board of Vonovia consisted of the following five members:

> Rolf Buch
> Arnd Fittkau
> Philip Grosse
> Ruth Werhahn
> Daniel Riedl

The current Supervisory Board is made up of the following members:

> Clara C. Streit
> Vitus Eckert
> Birgit M. Bohle
> Jürgen Fenk
> Dr. Florian Funck
> Dr. Ute Geipel-Faber
> Dr. Daniela Gerd tom Markotten
> Matthias Hünlein
> Hildegard Müller
> Dr. Ariane Reinhart

The disclosure of the names of all members of the Management Board and Supervisory Board serves as an expression of their collective responsibility for monitoring impacts, risks and opportunities. The overall responsibility of all Management Board members corresponds to the legal requirement that the management of the company is the shared responsibility of all Management Board members. The internal division of responsibilities serves only to facilitate daily operations, while matters of special or fundamental significance are subject to decision-making by the entire Management Board. The company's commitment to implementing its sustainability strategy and the climate pathway is a cross-departmental responsibility in which each member of the Management Board must participate. By virtue of their management duty, each Management Board member must also ensure compliance with, and the development of, necessary measures for sustainable business activities by the other Board members. To support and promote the achievement of these goals, the Sustainability Committee plays an important role, having also approved the IROs. As a control and management instrument, all Management Board members are also required to incorporate the risks inherent to their respective areas into the risk report, which is then discussed and approved by the entire Management Board.

The responsibilities of the Supervisory Board (including committees) and the Management Board with regard to impacts, risks and opportunities, as well as strategies, are distributed as follows:

The Supervisory Board

The Supervisory Board appoints, supervises and advises the Management Board and is directly involved in decisions of fundamental importance to the company – also with regard to sustainability issues. The Supervisory Board performs its work in accordance with the legal provisions, the Articles of Association, its rules of procedure and its resolutions. The Supervisory Board examines and adopts the annual financial statements and the combined management report, and adopts the annual financial statements. The Supervisory Board reports in writing to the shareholders at the Annual General Meeting on the result of its examination.

The Supervisory Board has established **four committees** (the Governance and Nomination Committee, the Audit, Risk and Compliance Committee, the Strategy, Finance and Sustainability Committee and the HR and Remuneration Committee), two of which, namely the Audit, Risk and Compliance Committee and the Strategy, Finance and Sustainability Committee, have explicit responsibilities related to sustainability. Additionally, the HR and Remuneration Committee has an indirect role in sustainability through its determination of variable remuneration elements aligned with sustainable performance criteria. Since the decision on Management Board remuneration is reserved for the Supervisory Board itself, this body is also directly involved in sustainability matters.

The **Audit, Risk and Compliance Committee** handles, in particular, the monitoring of the accounting process, the effectiveness of the internal control system, risk management system and internal audit system, the audit of the annual financial statements and compliance. Accounting and auditing also include the sustainability statement and the auditing of this report. The members of this committee are Dr. Florian Funck (Chairman), Mr. Vitus Eckert, Dr. Ute Geipel-Faber and Mr. Matthias Hünlein.

The **Strategy, Finance and Sustainability Committee** discusses focal issues relating to corporate strategy, financial matters and sustainability issues, and prepares resolutions for the Supervisory Board. It advises and monitors the Management Board with regard to its sustainability strategy, in particular the planning of the strategic framework for all Group-wide sustainability measures, including the interaction between entrepreneurial activities and the challenges associated with climate change. The members of this committee are Mr. Jürgen Fenk (Chairman), Ms. Birgit M. Bohle, Dr. Daniela Gerd tom Markotten, Ms. Hildegard Müller, and Ms. Clara C. Streit.

In particular, the **HR and Remuneration Committee** is responsible for the preparation of discussions and resolutions on the remuneration system and HR strategy, as well as other Management Board matters. In its discussions on adjusting the Management Board remuneration system in the 2024 fiscal year, the committee discussed and took into account the company's sustainability targets. The members of this committee are Dr. Ariane Reinhart (Chairwoman), Mr. Jürgen Fenk, Dr. Florian Funck and Ms. Clara C. Streit.

The Management Board

The Management Board develops the company's strategy, coordinates it with the Supervisory Board and implements it. It ensures that all statutory provisions and the company's internal policies are complied with and is responsible for corporate policy. The Management Board also ensures appropriate risk management and risk controlling in the company. The Chief Executive Officer is responsible for the social and environmental factors to be taken into account in this process, as well as for the associated risks, opportunities and impacts. The CEO submits the corporate planning for the coming fiscal year to the Supervisory Board as well as the midterm and strategic planning, which also includes sustainability targets and the impacts, opportunities and risks that are to be addressed. The Chair of the Management Board informs the Supervisory Board Chair without delay of important events that are essential for the assessment of the situation and the development of the company or for the management of the company as well as of any shortcomings that occur in the monitoring systems.

Vonovia also defines specific sustainability-related responsibilities with regard to the **implementation of the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD).** The recommendations made by the TCFD constitute important guidance for defining and implementing the climate pathway as part of Vonovia's systematic way of tackling climate change – with regard to both Vonovia's contribution to mitigating climate change and the effects of climate change on the company's economic development. Responsibilities for implementing the TCFD recommendations are distributed as follows at Vonovia:

> The entire Management Board bears responsibility for sustainability and climate change mitigation, as well as climate-related risks and opportunities.

> In its Strategy, Finance and Sustainability Committee, the Supervisory Board addresses climate change mitigation and relevant risks and opportunities, among other topics.

> The Sustainability Committee – comprising the entire Management Board and representatives of central functional departments – determines the strategy and targets and monitors progress.

> The central department Strategy, Corporate Development & Sustainability, within the executive division of the CEO, coordinates and spearheads the development of the sustainability strategy and the implementation of relevant measures.

> Climate-related risks are calculated and collated on a half-yearly basis as part of the company-wide risk management process; the process is coordinated by Controlling, with the Management Board taking the final decision on risk assessment.

> Energy efficiency modernization and the expansion of renewable energies for heating and powering the existing portfolio in Germany is the responsibility of the CRO (regional business areas and portfolio management); for Austria, the CDO is responsible, for Sweden the CEO of Victoriahem.

Responsibility for the **other material sustainability topics** is also distributed **within the Management Board**. The Chief Human Resources Officer (CHRO), for example, is responsible for employee issues, the Chief Rental Officer (CRO) – in conjunction with the decentralized regional managing directors – for all issues related to the provision of affordable housing, the climate-friendly development of the overall portfolio and other social sustainability issues, and the Chief Development Officer (CDO) for sustainable new construction. The CEO is responsible for sustainability-related governance issues, in particular for compliance, while the responsibility of the Chief Financial Officer (CFO) encompasses the structural infrastructure of sustainability data and risk management, as well as reporting, in addition to sustainable financing aspects.

This means that at Vonovia, sustainability is a top management priority, with all Management Board members sharing responsibility. The Chair of the Management Board ensures that the business model and the respective departments are aligned to achieve the company's goals. On the part of the Supervisory Board, the Strategy, Finance and Sustainability Committee, as well as the Audit, Risk and Compliance Committee (for reporting) perform the corresponding control function. The Management Board has overall responsibility for monitoring, managing and overseeing impacts, risks and opportunities, setting related targets and monitoring progress towards achieving these targets. In this quest, it involves the Sustainability Committee in decision-making and monitoring processes. The Management Board is provided with information on impacts, risks and opportunities in the Risk Report. The Controlling department is responsible for preparing the Risk Report. Technical management of impacts, risks and opportunities is the responsibility of the Strategy, Corporate Development & Sustainability department, and these impacts, risks and opportunities are assessed by the responsible risk owners. The Management Board monitors progress towards achieving the targets through annual sustainability reporting as part of the Annual Report, the ESG Factbook and other sustainability reporting formats approved by the Management Board.

Central **coordination of sustainability activities** is the responsibility of the Strategy, Corporate Development & Sustainability department. Its core duties include, in particular, the further development of an integrated strategy aligned with sustainability matters, the definition and monitoring of sustainability targets, the providing of impetus and the implementation of sustainability projects. The Strategy, Corporate Development & Sustainability department is also responsible for preparing the ESG Factbook and managing numerous ESG ratings, as well as being responsible for the sustainability statement in the Annual Report, which is prepared in collaboration with the Accounting department.

The **Sustainability Committee** meets two to three times a year – as required – to discuss the overall strategic direction and to evaluate the company's sustainability performance. The committee comprises the entire Management Board as well as the heads of Sustainability, Corporate Communications, Controlling, Accounting and Investor Relations. The Audit, Risk and Compliance Committee usually meets up to four times a year, with the Strategy, Corporate Development & Sustainability department providing it with information on the implementation of sustainability reporting on an ad hoc basis.

The availability of appropriate skills and expertise to oversee sustainability matters is ensured by furnishing evidence of the relevant skills (see skills profile/description for the Supervisory Board and Management Board). The Supervisory Board and the Management Board are briefed on sustainability topics at regular intervals.

The skills and expertise of Vonovia's Management Board and Supervisory Board are closely related to the company's material impacts, risks and opportunities. The Management Board contributes in-depth expertise in the areas of real estate, energy and sustainability, corporate governance, legal, and strategy so as to be able to make strategic decisions and manage risks effectively. The Supervisory Board supplements this expertise by providing independent monitoring and advice, drawing on its extensive experience in a whole range of sectors and disciplines. Working in tandem, the Management Board and Supervisory Board ensure that impacts are considered, opportunities are exploited and risks minimized in order to create sustainable corporate value.

GOV-2– Information Provided to and Sustainability Matters Addressed by the Undertaking's Administrative, Management and Supervisory Bodies

The Strategy, Corporate Development & Sustainability department reports to and coordinates its operations directly with the CEO in terms of sustainability topics related to the company's strategy and business model. The Head of this area regularly exchanges views with the CEO (at least once a month) and the sustainability committee on current developments and issues. These include the identification of material impacts, risks and opportunities, further development of the sustainability strategy, the implementation of appropriate measures, the definition and monitoring of sustainability objectives and metrics, and the implementation of sustainability projects. This also includes the implementation of sustainability-related due diligence.

The Audit, Risk and Compliance Committee within the Supervisory Board addresses sustainability topics at least twice a year, once when adopting the annual financial statements (including the sustainability statement) and once to assess the impacts, risks and opportunities in the context of the risk report.

When overseeing the company's strategy, making decisions on major transactions and in the risk management process, impacts, risks and opportunities – including trade-offs – are taken into account as follows:

Vonovia is adapting to the constant changes in the market environment and in the overall statutory and regulatory framework by developing its strategy and, within this context, its business activities on an ongoing basis. Vonovia also reacts to ESG influences from a wide variety of stakeholders by **adjusting its corresponding ESG targets**, which also involves using suitable KPIs to continually monitor the progress made towards achieving these targets. Conflicting targets, such as the extent of energy-efficient refurbishment to achieve climate objectives versus the associated costs and impacts on housing affordability, are also taken into account in the strategic focus. These changes mean that additional impacts, opportunities and risks arise on a regular basis, and that the extent of existing impacts and resulting opportunities and risks can change at any time.

As a result, Vonovia has implemented a **comprehensive risk management system** that ensures that all of the risks that are relevant to the company (and to the environment and society at large) can be identified, evaluated and managed. This risk management system also explicitly takes into account impacts, opportunities and risks related to sustainability. These are assessed both in terms of their impact on Vonovia (outside-in perspective) and also – in line with the concept of ESG due diligence – in terms of their impact on the environment and society (inside-out perspective). This means that potential risks which might impair the value and/or development of the company, or the environment and society, can be identified at an early stage.

In organizational terms, risk management is assigned directly to the Management Board. It has overall responsibility and decides on the organizational structures and workflows of risk management and provision of resources. The Management Board approves the documented risk management findings, takes account of them in steering the company and reports them to the Supervisory Board. The Audit Committee of the Supervisory Board monitors the effectiveness of the risk management system and is informed of any changes in the assessment of impacts, risks and opportunities.

In the 2024 fiscal year, the Sustainability Committee – and as a result the Management Board – and the Strategy, Finance and Sustainability Committee within the Supervisory Board addressed the material impacts, risks and opportunities listed in → **ESRS 2 SBM-3** and validated the results of the materiality assessment. The Group Works Council was also informed of these results.

GOV-3 – Integration of Sustainability-related Performance in Incentive Schemes

To demonstrate the importance of sustainability for our corporate activities, we have integrated sustainability targets into Vonovia's management and remuneration system for the Management Board and top management (first level below the Management Board) via the **Sustainability Performance Index (SPI).** The index comprises six sub-indicators based on the material sustainability topics at Vonovia. They are each included in the SPI, which is measured as a percentage, with different weightings. The sub-indicators include:

Composition of the Sustainability Performance Index (SPI)

Indicator	Scope	Weighting
Carbon intensity of the housing stock	Germany	35%
Average primary energy demand of new constructions	Group	10%
Proportion of accessible (partially) modernized newly rented apartments	Germany	10%
Customer satisfaction (CSI)	Germany	20%
Employee satisfaction	Group	15%
Proportion of women in management positions	Group	10%

The **SPI** is one of Vonovia's **internal performance indicators** and relates explicitly to its core business, property management and development (excluding the Care segment). Its six subindicators are company-specific metrics that have no direct equivalent in the metrics required under the ESRS. One exception is → **S1-9**, which shows the gender distribution at top management level. The information shown under → **S1-9** differs from the company-specific SPI sub-indicator "proportion of women in management positions," which is defined as a company-specific metric. Further information can be found in → **S1-5** and → **S1-9**.

The indicators "proportion of (partially) modernized newly rented apartments," "customer satisfaction" and "carbon intensity of the housing stock" are only measured for Germany, i.e., they do not include Austria or Sweden.

Climate-related considerations are incorporated into Management Board and top management remuneration via two SPI subindicators: "carbon intensity of the housing stock (in Germany)" and "average primary energy demand of new constructions (Group as a whole)." The carbon intensity of the housing stock (see → **E1-4**) is designed to illustrate energy-efficiency alterations to existing properties, while the energy demand of new constructions addresses the average primary energy demand of newly constructed housing. Overall, climate-related considerations are incorporated into long-term variable remuneration at 11.25%. In 2024, climate-related considerations of around 2 % to 4 % were included in the total compensation paid to members of the Management Board (in accordance with Section 162 AktG).

We are aiming to achieve 100% target achievement in the 2025 fiscal year. The **Management Board** has set **specific annual targets** for each of the SPI indicators. The weighted targets add up to a target of 100%. Progress during the year is recorded, reported to the Management Board and monitored on a quarterly basis for internal annual controlling purposes. Externally, the individual metrics and the overall target achievement level for the SPI index, expressed as a percentage, are shown in the annual reporting. The SPI target achievement level for the 2024 fiscal year was 104.2% (see also the chapter → **"Corporate Governance"**). The Management Board has also set medium-term targets for 2030 for internal management purposes.

The metrics derived from the SPI with a target horizon of four years are also linked to annual target values, which are, in turn, incorporated into the **long-term remuneration system (long-term incentive plan, LTIP)** for the Management Board and top management, and are confirmed by the Supervisory Board. The SPI targets are closely tied to the company's five-year investment planning.

The remuneration paid to members of the Management Board (and top management) is based on a number of components. Among other things, members are granted a remuneration component with a long-term incentive effect and a balanced risk-return profile in the form of notional shares ("performance shares") in line with the provisions of the relevant applicable Long-Term Incentive Plan (LTIP). Target achievement is calculated on the basis of three financial performance criteria and one non-financial performance criterion, the Sustainability Performance Index (SPI).

> Relative Total Shareholder Return (relative TSR)
> EPRA NTA (Net Tangible Assets) per share
> Adjusted EBT
> Sustainability Performance Index (SPI)

All four performance criteria are included when calculating the payout from the LTIP, each with a weighting of 25%. In the reporting year, 11 to 13% of the remuneration to be paid to members of the Management Board depended on sustainability-related targets. The remuneration system and the SPI are described in detail in the **Remuneration Report** and in the chapter entitled → **"Corporate Governance."**

In accordance with the requirements of Sections 87 (1) and 87a (1) AktG, the Supervisory Board adopts a remuneration system for Vonovia SE Management Board members. The Supervisory Board is supported by the HR and Remuneration Committee, which develops recommendations relating to the Management Board remuneration system. The Supervisory Board discusses and then rules on these recommendations. The Supervisory Board submits the remuneration system to the Annual General Meeting for approval. The Supervisory Board also makes a decision every year on the specific SPI targets for the term of the LTIP and on the parameters for target achievement.

GOV-4 – Statement on Due Diligence

Our due diligence procedures are aimed at preventing and combating human rights violations, environmental pollution and other illegal behavior. We implement corresponding measures in our own sphere of business and also ensure that our business partners are obliged to comply with the same standards via our Business Partner Code. The information provided in this sustainability statement on due diligence procedures can be found in the table below:

Statement on Due Diligence

Core elements of due diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy, and business model	ESRS 2, GOV-2.26 a), b), GOV-3.29, SBM-3.48
	G1–1.9 and 10 a)
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2, GOV-2.26 b), SBM-2.45, IRO-1.53
	ESRS S1.12, S1–2.27
	ESRS S4.8, S4–2.20 and 21
	MDR-P: E1–2.22, 23 and 25, S1–1.19 and 24 a, d), S4–1.15, G1–1.9 and 10a, Entity-specific disclosures: disclosure requirement related to ESRS 1 (Annex A, AR 2)/ESRS 2 (MDR-P)
	Entity-specific disclosures “Neighborhood Development” and “Living at Fair Prices”, section "ESRS 2 SBM-2 – Interests and views of stakeholders"
c) Identifying and assessing adverse impacts	ESRS 2, IRO-1.53, SBM-3.48
d) Taking actions to address those adverse impacts	ESRS E1–3.28 and 29 a), b)
	S1–4.37 to 43
	S1–4.30 to 36
	MDR-A: E1–3.26, 28 and 29 a, b), S1–4.37 to 43, S4–4.31 a, b) and 33, G1–1.9, 10a, G1–3.18 a) G1–4.24 a), 21 a), Entity-specific disclosures: disclosure requirement related to ESRS 1 (Annex A, AR2)/ESRS 2 (MDR-A/MDR-T/MDR-M)
e) Tracking the effectiveness of these efforts and communicating	ESRS E1–3.28 and 29 a), b), E1–4.33 and 34
	S1–4.42, S1–5.46 and 47
	S4–5.40 and 41
	S4–4.37, S4–5.40 and 41, G1–1.9, 10a G1–4.24 a) and 25 a), Entity-specific disclosures: disclosure requirement related to ESRS 1 (Annex A, AR2)/ESRS 2 (MDR-A/MDR-T/MDR-M)

GOV-5 – Risk Management and Internal Controls Over Sustainability Reporting

Organizationally, responsibility for preparing the sustainability statement lies with the department of the Chief Financial Officer (CFO) and, in particular, with the Accounting department in collaboration with Strategy, Corporate Development & Sustainability. Vonovia considers failure to meet legal sustainability reporting requirements to be a **material risk** associated with the sustainability statement. Appropriate measures have been taken to address this risk, which was identified as part of the Group-wide risk management process: as well as keeping a constant eye on the development of regulatory requirements and ensuring the associated dialogue in associations and working groups, the company places particular emphasis on implementing and establishing robust data collection processes. Controlling is responsible for identifying and preparing key sustainability figures. These include, in particular, key environmental and HR-related figures, as well as the key SPI figures relevant to management. Consistent data quality can be ensured by bundling responsibility in the central Controlling function. Plausibility checks and data quality assurance are carried out by Controlling and Strategy, Corporate Development & Sustainability. Please refer to our → **Risk Report** for information on how we prioritize the risks identified.

The aim of the accounting-related internal control and risk management system is to **ensure due and proper and legally compliant financial and sustainability reporting** pursuant to the relevant regulations. The accounting-related internal control and risk management system – which includes sustainability reporting – is embedded in the overarching Group-wide risk management system. The Internal Control System (ICS) comprises the basic principles, procedures and regulations aimed at supporting the effectiveness and cost-effectiveness of our business activities, ensuring due and proper, and reliable internal and external accounting, including sustainability reporting, and ensuring compliance with the legal provisions that apply to the company. A separate ICS process, including the associated key controls, is in place for sustainability reporting in line with the requirements that apply to the internal control system. This process is audited and validated annually by the Internal Audit department. For information on the controls implemented for the risks identified, please refer to our → **Risk Report**, in particular the details on the ICS. Risk mitigation strategies are also described in topical standards.

All key processes and key indicator definitions are documented centrally using a data governance tool, as are the corresponding internal controls. This **documentation** illustrates the relevant process steps and data flows and is supplemented by our risk management tool, which is used to record the material risks and mitigating measures. The implementation of internal controls is documented and audited on a spot check basis by the Internal Audit department. These systems provide the binding basis for subsequent evaluations, audits and reporting to Vonovia's executive bodies on the effectiveness of the ICS within the meaning of Section 107 (3) sentence 2 of the German Stock Corporation Act (AktG).

As part of the management report, the sustainability statement is submitted to the Audit, Risk and Compliance Committee of the Supervisory Board. The Audit, Risk and Compliance Committee then makes a recommendation for the Supervisory Board to adopt or approve the entire annual and consolidated financial statements. The Supervisory Board examines the combined management report and the sustainability statement. This examination may include discussion with the auditor and is subject to the auditor's report. The Audit, Risk and Compliance Committee is continually involved in the establishment and refinement of the accounting-related internal control and risk management system, which includes the sustainability information.

The **Internal Audit department** reports annually to the Management Board on the audit process that has been completed, which includes the sustainability-related ICS process. The Head of Strategy, Corporate Development & Sustainability reports also to the Management Board/CEO at least once a month on sustainability matters and related processes and reporting.

SBM-1 – Strategy, Business Model and Value Chain

Vonovia's **business model** is based on the provision and rental of good-quality and, most importantly, affordable living space at the right time, as well as the management of these properties in Germany, Sweden and Austria. Vonovia manages a portfolio of around 480,000 of its own apartments in a large number of Germany's attractive cities and regions. It also manages a portfolio of around 40,000 residential units in Sweden and approximately 20,000 in Austria. This means that our main customer group consists of our (potential) tenants in these countries.

This business model is based on a highly digitalized management platform and a similarly highly digitalized development platform allowing all stages in the value chain to be managed.

An established in-house craftsmen's, residential neighborhood and caretaker organization, coupled with extensive back-office functions, support us in our management and further development of our housing stocks. Vonovia continues to develop its real estate portfolio through **active portfolio management.** In addition to acquisition, sale and modernization, this also includes developing and building new apartments for our own portfolio and for sale to third parties. The business model is rounded off by the housing-elated services we offer. The focus here is on offering energy supply services for electricity and heating, as well as automated meter reading.

Vonovia focuses on **megatrends** such as climate change mitigation, urbanization, demographic change and the shortage of housing. Together with advances in digitalization, these megatrends determine the corporate strategy. Going forward, everything that Vonovia does as a company, and the strategic focus that it adopts, will be based around responding to these megatrends.

The aim is to make the business model future-fit in the long run by using **sustainable new construction and refurbishment approaches and CO_2 reduction** in the real estate portfolio to contribute to solutions for the current climate protection objectives. Vonovia focuses on the ESG aspects of sustainability, namely climate protection and the environment (E) by contributing reduction in carbon emissions; society (S) by acting responsibly towards all stakeholders; and governance (G) through sustainable, reliable and responsible corporate management.

From day one, Vonovia's tried-and-tested **strategy** has been divided into the subareas of portfolio management strategy, property management strategy, Value-add strategy and financing strategy – supported by the opportunistic elements of the company's acquisition and internationalization strategy.

For the purposes of **managing** the company, we make a distinction between the segments Rental, Value-add, Recurring Sales and Development.

The **Rental segment** combines all of the business activities that are aimed at the value-enhancing management of our own residential real estate. It includes our property management activities in Germany, Austria and Sweden. Around 77% of Vonovia's strategic real estate portfolio is located in contiguous urban quarters, i.e., neighborhoods that generally include more than 150 apartments.

The **Value-add segment** bundles all of the housing-related services that we have expanded our core rental business to include. These services include both the maintenance and modernization work on our residential properties and services that are closely related to the rental business. We allocate the activities relating to the craftsmen's and residential environment organization, the condominium administration business, the multimedia business, metering services, the energy service, including tenant electricity, and our insurance services to the Value-add segment. By in-sourcing these services, we aim to ensure availability and high-quality service. At Vonovia, high-quality service, which promotes a high level of customer satisfaction, is characterized first and foremost by accessibility, speed and transparency for our customers.

The **Recurring Sales** segment includes the regular and sustainable disposals of individual condominiums and single-family houses from our portfolio.

The **Development** segment includes project development to build new homes. This covers the value chain starting with the purchase of land without any development plan/dedicated purpose, to completion and sale (to sell) or integration into Vonovia's own portfolio (to hold). The Development segment deals with projects in selected attractive locations.

Aspects of Sustainability at Vonovia

E Environmental	S Social	G Governance
Contribution to climate protection and reducing CO_2 in both the housing stock and new construction.	Responsibility towards tenants and society through fair prices, housing that meets people's needs and future-fit neighborhood development. Attractive and fair working environment for our diverse workforce.	Sustainable governance and responsible business practices with reliable compliance.

The Management Board has broken the strategy down into key value drivers. The main **value drivers** for Vonovia's business are:

> The highly efficient management platform
> The optimized capital structure and advantageous costs of capital
> Investment focused on megatrends
> The Value-add business as a way to create value
> The value contribution made by the Development business
> The efficient capital allocation

Further information on our value drivers can be found in the → **"Strategy"** chapter.

We disclose the number of employees in Germany, Austria and Sweden in section → **S1-6**.

In light of capital market conditions over the past few crisis-ridden years, which have been characterized by inflation and rising interest rates, and the associated higher cost of capital, Vonovia has streamlined its portfolio by making disposals and establishing joint venture and fund structures in order to achieve an improved capital structure in tandem with sustainable internal financing. Within this context, the care activities under the Deutsche Wohnen umbrella were also subjected to a strategic analysis that resulted in the decision to sell them.

Now that interest rates are returning to normal, Vonovia believes it is well positioned for new growth based on its optimized capital and portfolio structure. The necessary specific initiatives have been incorporated into the company's existing strategy.

New Strength and Performance in Core Business

The **expansion of the development business** is an important part of this strategy. Vonovia's new construction activities are focused on a product portfolio that is geared toward market requirements with flexibility in how the properties are used (Development to hold/Development to sell). In light of the ongoing need to optimize construction costs, Vonovia is focusing on the "Basic House" approach, among other things, in order to build sustainable and affordable housing for different target groups. The emphasis is on new projects employing serial modular timber construction methods together with the company's joint venture partner Gropyus.

The company is forging ahead with the **optimization of its craftsmen's organization**, the "Vonovia Technischer Service" (VTS). VTS and its specialists ensure that refurbishment and maintenance work can be carried out reliably and in line with high quality standards. The ongoing development of a standardized product catalog will be expanded further.

Given the positive market trend that is emerging, our sales program will continue to focus on the Recurring Sales segment and sales in the Non Core portfolio.

Investments Using Innovative Policies

Investments to upgrade energy efficiency and decarbonize our portfolio will be expanded over the next few years with the help of innovative concepts and smart technologies in line with Vonovia's climate pathway. Implementation of energy-efficiency modernizations has to be efficient, fast and cost-saving in the interests of cost-effectiveness. We are pursuing this strategy using the concept of "serial modernization," an industrialized system that bundles and standardizes all steps in the refurbishment process. Forging ahead with, and investing in, heat pump technology are also part of the investment strategy. In this area, we are focusing on the new "EnerCube" heating solution, a heat pump center that combines all the necessary components in an external module and is installed on-site outside the building.

New Business Models at All Stages in the Value Chain Using Management Platform

Further growth in the Value-add segment at all stages in our value chain will secure additional earnings potential. The existing energy business and the use of photovoltaics are being expanded on a large scale. The focus is on establishing and expanding a full product portfolio covering all steps in the value chain – from the generation of electricity using photovoltaic modules to the sale of this electricity as tenant electricity, the use of heat pumps, and energy storage and management. The aim is to increase market penetration in all product groups.

The purchase of buildings that have not yet been modernized, their subsequent modernization and resale are to be integrated into Vonovia's business model as a new initiative. This also applies to the initiative to make Vonovia's management platform available to third-party customers so as to establish the company as a full-service management service provider.

Catalysts driving the successful implementation of the strategy remain the active dynamic management of efficient capital allocation, the availability of employees with the necessary skills, efficiency in the value chain and in procurement, social and sociopolitical acceptance of Vonovia's business model and the targeted use of new technologies, including artificial intelligence.

Our Sustainability Strategy for the Future

Vonovia's sustainability strategy has been integrated into its overall strategy and business model. Our business model – the development and rental of modern and affordable living space – means that our relationship with social and environmental change processes is one of great interdependence. Sustainability is thus a key component of our corporate strategy. Vonovia is working towards specific targets in the three areas of environmental (E), social (S) and governance (G):

As far as its environmental targets are concerned, the aim is to make the business model future-fit in the long run by using sustainable new construction and refurbishment approaches and CO_2 reduction in the real estate portfolio through innovations to contribute to the achievement of the current climate protection objectives.

When it comes to social concerns, we take responsibility towards tenants and society by providing housing that meets people's needs and being committed to future-fit neighborhood development. At the same time, we believe that diversity presents us with a huge opportunity to increase satisfaction levels among our employees and to position ourselves as an attractive employer, which is why we are striving to promote diversity and equal opportunities within our organization. Vonovia aims to be an attractive employer for its employees, offering fair working conditions and supporting staff members in their personal and professional development.

With regard to governance, our aim is to ensure sustainable corporate management and responsible business practices with a reliable compliance system. These targets have a positive impact on the working atmosphere and, as a result, directly affect our employees, as well as being consistent with the objectives of the capital market.

Vonovia's business model addresses the socio-political challenges of housing shortages, affordable housing and climate protection. When we talk about affordable housing, we mean that our rental prices are based on local rent prices, and, if available, on certified rent indices. We base our approach on the ratio of the average warm rent in our portfolio to the average net income of tenant households, which was below 30% at Vonovia during the reporting period. Our sustainability targets address precisely these sociopolitical challenges, to which we want to make a key contribution.

With this efficient organizational model, satisfied and high-performing employees, optimized processes, a clear focus on service, and, as a result, on our customers, and a clear investment strategy focusing on climate protection, we are laying the foundation for a sustainable business while safeguarding our legitimate interests as a private-sector company. The importance of our sustainability targets and their achievement is reflected in the fact that they have a direct impact on the remuneration paid to our Management Board and top management via our internal key performance indicator SPI.

ESRS – Stakeholders in the Value Chain
(Activities, resources and relationships)

	Activities	Resources*	Relationships
Upstream	> Raw materials/materials from suppliers > Delivery and logistics > Political engagement/lobbying > Planning > Approval procedure > Involvement and participation	> Natural resources – Water – Raw materials/ materials (construction/ health sector) > Non-employee workers > Logistics and infrastructure	> Suppliers/other companies > Politics > Residents > Potential tenants/customers > NGOs > Financing/capital market
Business area	> Rental; use by tenants > Customer services/ management platform > Portfolio development – Development/ construction activities – Neighborhood development – Maintenance & modernization – Residential environment > Energy generation & supply multimedia > Care activities	> Human resources – The company's own employees > Social resources – Non-employee workers – Public infrastructure	> The company's own employees > Tenants (users/end users/WEG [German Condominium Act]) > Residents > Media > NGOs, associations, community > Financing/capital market > Suppliers/other companies
Downstream	> Sale > Demolition > Disposal/recycling > Redesign	> Secondary/recycling materials > Waste/effluents > Logistics/infrastructure > Energy > Land use/design > Non-employee workers	> Buyers > Social/legal (liability) > Suppliers/other companies

* ESRS 1, paragraph 50: Dependencies on natural, human and social resources can be sources of financial risks or opportunities.

Information on our progress as we work toward achieving our objectives can be found in → **ESRS 2 GOV-3**.

Sustainable conduct is at the heart of Vonovia's identity as a company. We are making continuous improvements to our sustainability agenda in order to reflect changes in society, the world of politics, the environment and the economy. Through the first-time preparation of the materiality assessment in accordance with the ESRS and identifying the opportunities and risks, as well as the impacts that the company's activities have on stakeholders, transparency has been enhanced, laying the foundation for integrated business activities.

The **cornerstones of our sustainable strategy** are:

> Contribution to climate protection and reducing CO_2 (E)
> Social responsibility for our tenants, customers and employees (S)
> Trustworthy, reliable and transparent corporate governance based on the best-practice guidelines set out in the Corporate Governance Code (G)

E: We are faced with the challenge of achieving a climate-neutral housing stock by 2045. To rise to this challenge and ensure that the implementation is successful, we require both a higher level of refurbishment than in the past and increased, decentralized use of renewable energies for heating and powering neighborhoods. The neighborhood is the main implementation level for climate protection targets and carbon reduction in the housing portfolio. The use of renewable energies and sustainable materials plays an important role in new construction and conversion.

S: We are confronted with the challenge of providing affordable housing for as many people in society as possible, despite sustained excess demand and high new construction costs. To rise to this challenge and achieve our targets, we rely on socially responsible, transparent rents. We see the expansion of a social infrastructure incorporating innovations and new technologies, and tailored to meet people's needs, as an integral part of community development projects. We aim to design urban, environmentally friendly and affordable housing in a socially responsible manner. We offer subsidized and independently financed homes for people on low incomes in numerous cities and municipalities and are responding to location-specific challenges with services tailored to people's needs. The supplementary voluntary agreements that we conclude with municipal authorities include, for example, provisions governing fair rental conditions, the construction of new apartments and joint neighborhood development.

We are also faced with the challenge associated with a growing shortage of skilled workers driven by demographic change. We offer our employees an attractive working environment characterized by diversity and scope for personal development in order to ensure a sufficient supply of qualified expert staff.

G: Another challenge facing us lies in ensuring that our compliance and corporate cultures are always consistent with current (legal) requirements. In this context, we stand behind our reliable, transparent and trust-based corporate management, which is based on the German Corporate Governance Code. We comply with all applicable laws and internal and external guidelines. This is an integral part of being a reliable and trustworthy partner.

In terms of the direction of its sustainability strategy, Vonovia is guided by national and international standards and frameworks, such as the German Federal Climate Change Act (Klimaschutzgesetz), the Paris Agreement, the Sustainable Development Goals, the UN Global Compact and the United Nations Guiding Principles on Business and Human Rights.

As a company with international operations, we aim to contribute to achieving these goals with our business in Germany, Austria and Sweden. We have used our materiality assessment (see → ESRS 2 IRO-1) to identify priorities in this respect as well. This also serves as the basis for our sustainability reporting in accordance with the ESRS.

Our **value chain** can be split into the upstream supply chain, our own business and the downstream stages in our value chain. Our business activities comprise the following core activities: construction, rental and management activities, including neighborhood development and customer service, as well as the provision of housing-related services.

Accordingly, relevant inputs include construction products and materials as well as (human) capital. The output of our value creation is access to affordable housing for our tenants, to neighborhoods offering real quality of life and to other housing-related services such as the condominium administration business, the multimedia business, metering services, the supply of energy and solar power to our tenants, and our insurance services. As part of our insourcing strategy, we employ specialists in our own business areas, for example in the caretaker organization, in modernization projects or in green space maintenance. This allows us to generate synergy potential, make ourselves largely independent of external service providers and offer a consistent level of quality. Our central, multilingual customer service department acts as the first port of call for our tenants, whereas our caretakers and craftsmen look after the needs of tenants on location. This allows us to ensure fast and reliable service. We run our own customer service centers in Essen, Dresden, and Berlin.

Upstream of our own value chain, our supply chain starts with the production of raw materials. Vonovia works with over 9,000 direct suppliers and business partners. Almost all of our direct suppliers are based in Germany, Austria or Sweden. An important supplier group is the material suppliers who supply Vonovia's craftsmen's organization (VTS and Residential Environment Service) with construction products, among other things. The contractual partners who implement maintenance measures, for instance, on our behalf are another relevant group. The sale of our buildings, building demolition and the disposal of our tenants' waste and wastewater form part of our downstream value chain.

As part of our **stakeholder dialogue,** we maintain regular contact with the most important players in our value chain using a range of formats for each stakeholder group. We have also taken their concerns and perspectives, as well as our impacts on these stakeholders, into account as part of the IRO assessment.

In line with our target of ensuring the company has good **access to the capital market**, ensuring that it focuses on sustainability and generating attractive returns for our investors relative to risk, Vonovia uses a broad range of financing instruments, such as bonds, promissory notes, secured real estate loans, commercial papers, working capital facilities and subsidy loans from the German government-owned development bank Kreditanstalt für Wiederaufbau (KfW) and the European Investment Bank (EIB) (see also the chapter entitled → **"Financing"**). Our eight sustainable bonds, one of which we placed successfully on the capital market for the first time in 2024, meet the demand for both green and social bonds – and play a crucial role in our financing strategy. All of our green bonds are aligned with the EU taxonomy.

With our **Sustainable Finance Framework**, we have also laid the foundation for the definition and selection of social assets in the real estate sector on the Swedish market. The criteria we selected in this context have already been adopted by at least three other issuers on the market. We have published our Sustainable Finance Framework, the annual impact report evaluating the effectiveness of our measures and further information about our sustainable financing strategy on our **Group website**.

SBM-2 – Interests and Views of Stakeholders

Our company is in close contact with numerous, and in terms of their interests, very different stakeholder groups. Particularly **important stakeholder groups,** other than our tenants/customers (and the those representing them), include our own employees, shareholders and analysts, policymakers and administrative bodies, suppliers and service providers – particularly from the construction industry – as well as society and the natural environment.

We generally use a range of formats for the purposes of engaging in dialogue with our stakeholders. The format used to involve relevant stakeholders is chosen for each individual stakeholder group, taking past consultations and existing processes into account. Key elements include the quarterly customer and annual employee surveys, discussions with tenant representatives, local administrative bodies and policymakers as well as investors. Association memberships support the process of discourse. External stakeholder perspectives are incorporated into the materiality assessment through regular dialogue, also via the housing industry association. Please refer to → **S1-2** for information on how we involve our employees and their representatives.

Our main interface **for dialogue** with our stakeholders is our **Corporate Communications department**. It is directly available for stakeholders every day and ensures a uniform internal and external presentation. The Public Affairs department within Corporate Communications maintains connections with politicians and stakeholders. This department is responsible for analyzing who our material stakeholders are, and updating the analysis annually. As part of this process, it takes into account the interests of the key stakeholders, their positioning in the strategy and the business model. In addition, our departments or the local employees in the neighborhoods in particular react to specific and target Group-related communication occasions and engage in dialogue with our stakeholders. This allows us to meet the needs and fulfill the demands of our stakeholders. For instance, the Procurement department handles communication with suppliers and service providers, while the Investor Relations department is responsible for dialogue with shareholders and analysts.

When designing our development and neighborhood development projects, engagement is also fostered by the provision of information at an early stage, as well as by opportunities to actively participate in the development process. Within this context, we first of all adhere to the statutory requirements for civic participation in development planning and, second, use various voluntary participatory processes to take into account the interests of the parties involved and ensure the necessary transparency. We take action at various stages in the neighborhood development process – from the planning to the stabilization phase – and proactively incorporate the views of local residents. The formats used range from neighborhood walks, tenant meetings and workshops, tenant surveys to neighborhood display windows.

Our quarterly customer surveys allow us to ask our tenants about their concerns and tailor our measures to the needs of specific neighborhoods or regions. We also provide information on topics relevant to our customers on our website, e.g., on the communication channels that tenants can use.

The interests and viewpoints of our major stakeholders were analyzed and evaluated at a general level as part of the materiality assessment, for example the interests of the German Tenants' Association. Interests and viewpoints at local level – we operate in more than 450 cities and municipalities in Germany alone – may differ from these. The local participation processes can be used to help us address these different interests and – in line with our strategy and business model – translate them into measures.

This process is not designed to result in any changes to our strategy and/or business model, as the participation processes are suitable for addressing and taking into account the interests of local stakeholders in the context of the existing strategy/business model.

The Strategy, Finance and Sustainability Committee of the Supervisory Board advises the Management Board on the sustainability strategy. This committee, which met seven times in 2024, provides the entire Supervisory Board and the Management Board with information on the interests and views of the stakeholders concerned, which are identified in particular as part of the annual customer and employee surveys and other individual formats depending on the stakeholder group in question.

Entity-Specific Disclosures on SBM-2

Neighborhood Development and Contribution to Infrastructure

The management of our investment programs is centrally coordinated through the Portfolio Management department. The operational implementation is the responsibility of the regional business areas. With regard to neighborhood developments, the regional business areas determine which local requirements must be met (such as a focus on families, older individuals, or priorities such as energy supply or transportation). The regional managers are responsible for the respective projects and implement them along with their area managers. This means that they are also responsible for participation processes with regard to stakeholders. The CRO is the Management Board member responsible for the property management business as well as for customer service and portfolio management. He is provided with regular, at least monthly, information on all relevant topics relating to the operating business by the managing directors of the regional business areas.

Living at Fair prices

Rent structures and agreements with municipalities are managed in a decentralized manner via the business areas. The individual measures are planned and coordinated in the Portfolio Management department.

Regular dialogue with tenant and consumer protection organizations are also particularly important to us so that we can address and respond to tenant interests in a consolidated and targeted manner. This process is focused not only on dialogue with the central top-level associations, the German Tenants' Association, the Austrian Tenants' Association and the Swedish Tenants' Union, but is also implemented at regional or local level with tenants' associations in particular.

Topical Disclosures on SBM-2

ESRS S1 – Own Workforce

Vonovia is committed to the core labor standards of the International Labor Organization (ILO) in all areas, particularly with regard to freedom and rights of association, and to the UN Guiding Principles on Business and Human Rights. We aim to ensure that applicable laws (e.g. individual and collective labor laws), are complied with at all our sites. This means, among other things, that employee co-determination is made possible. We are committed to fostering a trusting and constructive exchange between management and employees in all of Vonovia's business units through channels like works councils. Our employees are also free to form trade unions and exercise their statutory right to freedom of association. Our qualitative survey formats (including our Group-wide employee satisfaction survey) and our individual and team-based feedback formats give our employees the opportunity to feed individual suggestions on relevant working areas and conditions back to their employer. Core aspects of feedback are taken into account systematically in the enhancement of Vonovia's HR strategy.

ESRS S4 – Consumers and End-Users

Our tenants make up one of our major stakeholder groups. Their concerns, interests and viewpoints as well as respect for their (human) rights are a central component of our strategic focus. These rights are already covered and protected to a considerable degree by the legal framework in the markets in which we operate (Germany, Austria and Sweden). Compliance with all statutory and regulatory requirements (for example, the German General Act on Equal Treatment, or AGG) is a matter of course for us as a company. We oblige all employees to adhere stringently to our **Code of Conduct**, and any breaches have consequences. In addition, all customers – as well as our employees, service providers and suppliers – have access to our whistleblower system to report misconduct and assert their rights.

Their interests and views are incorporated into our strategy and the direction of our business model through regular customer surveys and dialogue with tenant representative bodies, tenants' associations and consumer protection centers. We use this feedback to develop corresponding services and measures for our (potential) customers.

SBM-3 – Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

The subtopics (in accordance with ESRS 1.AR 16, supplemented by entity-specific topics) based on which we assess material IROs on a consolidated basis are a main level guiding us in our actions.

Mapping of IROs to Subtopics

Material subtopic	IRO title	Risk/opportunity/impact (actual/potential; positive/negative)
ESRS E1 – Climate Change		
	Negative contribution to the global increase in greenhouse gas emissions	Impact (actual/negative)
	Positive effect on greenhouse gas reduction through modernization as part of the core business	Impact (actual/positive)
Climate change mitigation	Earnings potential as a result of the energy-efficient modernization of the housing stock/increase in modernization volume	Opportunity
Energy	Positive contribution to energy transition	Impact (actual/positive)
	Contributing to negative effects of climate change through new construction and densification	Impact (actual/negative)
Climate change adaption	Positive effects through mitigation of consequences of climate change	Impact (actual/positive)
ESRS S1 – Own Workforce		
	Promotion of employees' professional development	Impact (actual/positive)
	Employee dissatisfaction due to lack of co-determination	Impact (actual/negative)
	Employee satisfaction through co-determination	Impact (actual/positive)
Working conditions (skilled-labor shortage)	Financial opportunity through appeal as an employer	Opportunity
Equal treatment	Promotion of diversity in the workforce	Impact (actual/positive)
ESRS S4 Consumers and End-Users		
	Housing tailored to tenants' needs	Impact (actual/positive)
	Improved tenant satisfaction through enhanced accessibility and service quality	Impact (actual/positive)
	Reduced tenant satisfaction due to limited accessibility and service quality	Impact (actual/negative)
	Reduced tenant turnover through the creation of homes that meet people's needs	Opportunity
Social inclusion of consumers and/or end-users (access to products and services)	Financial opportunity from increased tenant satisfaction and service quality	Opportunity
Entity-specific disclosure: Neighborhood Development		
	Increased quality of living for tenants through contribution to neighborhood development and infrastructure	Impact (actual/positive)
Entity-specific disclosure: Living at Fair Prices		
	Contribution to more affordable homes for tenants by adhering to regulatory frameworks	Impact (actual/positive)
	Contribution to more affordable homes for tenants through new construction and development activities	Impact (actual/positive)
	Financial risk due to changes in regulatory frameworks (rents and standards)	Risk
ESRS G1 – Business Conduct		
Corporate culture	Positive impacts on employees through the Code of Conduct and the creation of a corresponding corporate culture	Impact (actual/positive)
Corruption and bribery	Financial risk from corruption and bribery	Risk

IRO-1 – Description of the Process to Identify and Assess Material Impacts, Risks and Opportunities

Vonovia has conducted a double materiality assessment in order to identify and assess material impacts, risks and opportunities. The materiality assessment in accordance with the ESRS was based on Vonovia's previous materiality assessment. An initial list of topics was prepared based on the material topics identified. In addition to the topics from the previous materiality assessment, this list is based on new topics identified as a result of a comprehensive analysis of external sources (including peers, standards, regulations, ratings, trending topics, etc.), input from specialists and the ESRS list of topics/subtopics for the relevant standard identified in accordance with ESRS 1.AR 16. The potential impacts, risks and opportunities (IROs) were then derived from the issues identified. In addition to the information from the existing materiality assessment, the IROs were also identified based on the risks already identified by Vonovia's risk management system. Vonovia utilizes the IT tool Risk2Value, as well as a comprehensive analysis of additional external sources (such as published stakeholder positions).

Vonovia systematically manages the main sustainability topics for the company based on the double materiality concept on the basis of two dimensions:

> The relevance of social and environmental risks and opportunities to the business and value creation (outside-in perspective or **financial materiality**) as well as
> the actual or potential, positive or negative, short, medium or long-term impacts of the business model and company activities on the environment and society (inside-out perspective or **impact materiality**).

The following steps were taken to identify and evaluate the **impacts**:

1. Arriving at an understanding of the corporate context in relation to sustainability aspects, including business relationships, stakeholders and activities.
2. Identifying actual and potential, positive and negative impacts by involving relevant stakeholder groups and experts.
3. Assessing the materiality of actual and potential impacts and identifying material aspects by setting thresholds.

An impact can be either positive or negative, and either potential or actual. An impact is considered to be an actual impact if there is no doubt that it has occurred in the fiscal year under review or in the past. An impact is considered potential if its effects could materialize in the future. Materiality is influenced by the probability of occurrence.

The following steps were taken to determine and evaluate corresponding **opportunities and risks**:

1. Identifying dependencies between "social" and "natural" resources. These are described as sources of financial risks and opportunities and can have an impact on:
   a) The use and procurement of resources required for Vonovia's business processes, as well as the quality and price of these resources;
   b) Vonovia's ability to rely on the business relationships it needs at acceptable conditions
2. Classifying these dependencies as either opportunities or risks
3. Determining the materiality of these dependencies
4. Determining the material topics for reporting

IROs were identified and assessed on a consolidated basis for the Group as a whole and at all stages in its value chain using the criteria specified in the ESRS (in accordance with ESRS 1, Sections 3.4, 3.5). When identifying and assessing IROs in the upstream and downstream value chain, we focused, in line with ESRS 1 section 3.3, on areas where impacts, risks and opportunities are considered likely due to the nature of the activities concerned, (direct and indirect) business relationships, geographical circumstances or other factors.

The IROs identified were then validated in workshops organized with the relevant stakeholders (see → **ESRS 2 SBM-2**).

Appropriate **thresholds** were defined in order to determine which impacts are to be taken into account in Vonovia's sustainability statement. In line with the EFRAG recommendation, Vonovia has used the statement "more likely than not" as a guide for the **"impact"** materiality threshold. Decisions on materiality are based on the result produced from the probability of occurrence and severity (impact score). This results in a threshold value of 2.5 for Vonovia, based on a predefined scale of 1–5. The resulting material impacts are prioritized for monitoring purposes.

Vonovia uses the risk management system that has already been implemented to determine the appropriate threshold for **financial materiality** in order to ensure consistency. The risk matrix was used as a basis to determine which risks arising from the identified impacts are material and should thus be prioritized in monitoring and reporting. Numerical values were assigned to this matrix. The severity of materialization and the probability of occurrence were given the same weighting. A threshold for material financial risks and opportunities of 1 or more was set as a result of this process.

Vonovia has calculated a value (score) for each IRO based on the formulas described above. The score for each IRO is calculated based, among other things, on the company's own risk management system and other projects (German Supply Chain Diligence Act (LkSG)), ensuring consistency in the strategic consideration, prioritization and reporting of all material risks for Vonovia, including sustainability risks. The IROs identified were clustered under the relevant subtopics within the associated ESRS standard. In order to ultimately decide which topics are above the materiality thresholds for Vonovia, making them material topics for reporting purposes, an average value was calculated for each subtopic based on the underlying IRO scores. This calculation of the **average value** forms the basis for identifying the topics that are material from Vonovia's perspective. A maximum value perspective was also reviewed in addition to the calculation of an average value. In order to ensure that the average value calculation ensures the inclusion of individual IROs with potentially high scores in the analysis and, where appropriate, in the reporting, an individual threshold of 80% was set for individual IROs in addition to the materiality threshold for clusters. Consequently, an IRO is only considered material if the average value of all IROs in the sustainability subtopic is considered material from one of the two materiality perspectives, and the IRO itself exceeds this threshold. All IROs identified were then added to our risk management tool to ensure continuous monitoring and prioritization, as with all other material risks for Vonovia.

The IROs identified, and their assessment, are reviewed by internal experts from the respective departments in the second half of each reporting year as part of the existing risk survey process, before being supplemented if necessary and assessed for the current fiscal year. This survey is integrated into Vonovia's existing risk management tool. At the end of the assessment process, Strategy, Corporate Development & Sustainability checks whether the new assessments have resulted in changes in materiality, and checks and calibrates the results. The Sustainability Committee reviews and adopts the results of the materiality assessment.

The materiality assessment process (IRO Assessment) according to the ESRS was conducted for the first time for the 2024 fiscal year. This means that the procedure for this year's materiality assessment differs from that followed in previous years, when it was based on the requirements set out by the Global Reporting Initiative (GRI). The materiality assessment is reviewed every year to ensure it is up-to-date and adjustments are made if necessary.

Topical Disclosures on IRO-1

E1 – Climate Change

The general information on our materiality assessment set out under → **ESRS 2 IRO-1** above also applies accordingly to the (sub)topics in standard → **ESRS E1**.

In order to assess Vonovia's impact on climate change, the company introduced a comprehensive **energy and GHG controlling system** several years ago. This system includes the energy consumption and GHG emissions of all of Vonovia's own office sites as well as the entire housing stock. Indirect effects at other stages in the value chain are also captured if they are material. The results of this process are set out in → **E1-6**

In order to determine the positive impact that our modernization measures have, the difference in energy consumption before and after the measures is determined for each measure, and the savings and GHG reductions achieved are also measured.

We have established a **life cycle calculation** as a firm component of the planning process for our development projects. This enables our planning departments to determine the carbon footprint of the planned development and new construction projects early on in the project planning and include this in their design.

Since 2022, Vonovia has been using an **IT tool in accordance with EU taxonomy requirements** in order to identify and analyze the physical risks associated with climate change. This climate risk tool covers Vonovia's portfolio and development projects in Germany, Austria and Sweden and allows material negative impacts on our business activities due to the effects of climate change to be analyzed at portfolio and property level. This tool enables physical climate risks to be identified and evaluated for the location of each building in the Group-wide portfolio on a continuous basis using the prescribed climate scenarios (RCP2.6, RCP4.5 and RCP8.5), with this data then being aggregated at portfolio level. This does not cover the upstream or downstream value chain. The impacts are assessed with a view to the medium term (up to 2030) and long term (2045 and 2085) in order to cover the lifespan of both existing buildings and new buildings, which is assumed as 50 years. The scenarios considered range from scenarios with low emissions (RCP2.6) and medium emissions (RCP4.5) to high emissions (RCP8.5). The climate risks examined using this tool are heat, drought, increases in precipitation, wind and storms, snow loads and flooding. Depending on the granularity of the available data source, we measure climate risks at the building or neighborhood level and are able to identify the climate risks for each building in the portfolio and, as a result, its vulnerability. The risk assessment at company level is based on scenario RCP4.5, which, according to the United Nations (UNEP Emissions Gap Report 2023), represents an increase of around 2 to 3 degrees Celsius in the global average temperature that will result from the Nationally Determined Contributions (NDCs) to climate change mitigation that have currently been defined and implemented. In this scenario, no material risk has been identified for any of the climate-related hazards at portfolio level up to 2045.

Climate transition risks and opportunities in our own business, as well as in the upstream and downstream value chain, are identified via the central risk management process. As part of the risk management process, risk owners assess the transition risks and opportunities (related to factors including regulation, legal liability, and technological and market changes, as well as the company's reputation) and use various scenarios, where available, for the risk being evaluated or the factors influencing it. The scenarios and assumptions used to develop the relevant influencing factors are selected by risk owners themselves. The transition risks and opportunities are assessed over a period of five years as a mandatory requirement. If a risk or opportunity also has a long-term impact, i.e., extending beyond the five-year period, then the relevant period also has to be specified and a qualitative assessment performed. The opportunity identified regarding "earnings potential through energy-efficient modernization of the housing stock/increase in the modernization volume," which relates to the housing stock primarily in Germany, but also in Sweden and Austria, is assessed as having a long-term impact. Both gross and net risks (i.e., with and without risk-mitigating measures) are taken into account. The risks assessed also provide the basis for the estimates and assumptions in the consolidated financial statements. The knowledge currently available suggests that the risks assessed do not have any accounting-related implications from either a gross or net perspective. No assets or business activities were identified as incompatible with the transition to a climate-neutral economy.

All in all, as part of our materiality assessment, we identified the material opportunity "Positive effects through mitigation of consequences of climate change" and the material impacts "Negative contribution to the global increase in greenhouse gas emissions," "Positive effect on greenhouse gas reduction through modernization as part of the core business," "Positive contribution to the energy transition," "Contributing to negative effects of climate change through new construction and densification" and "Positive effects through mitigation of consequences of climate change".

Procedure for Standards E2 to E5

Our materiality assessment involved reviewing our business activities in our business regions of Germany, Austria and Sweden as well as within our upstream and downstream value chain in order to identify (potential) impacts, risks and opportunities. The general information on our materiality assessment set out under → **ESRS 2 IRO-1** above also applies accordingly to the (sub)topics in standards E2 to E5. Our business activities were also analyzed as follows for the topics E2 to E5:

E2 – Pollution

In the context of our business activities, local and temporary construction, demolition and modernization activities are performed on a regular basis at various properties in all business regions. These activities can lead to pollution (e.g., pollution of air, groundwater contamination, negative effects on flora and fauna). Substances of concern in new or existing buildings can also result in environmental contamination. We have not identified any locations in our value chain that give rise to such problems.

The impact score for impacts on the environment and human health was classified as low in all business regions, as there are standard processes in place for handling substances of very high concern and regulatory requirements governing or prohibiting their use (e.g., the German Hazardous Substances Ordinance (Gefahrstoffverordnung)). Any potential pollution in the construction industry is only localized and has a minor, short-term impact. In order to avoid and prevent pollution (EU environmental objective 5), compliance with certain EU directives must be ensured. Substances of very high concern (SVHC) are generally not present in the building materials used (see also the chapter on the → **EU Taxonomy Regulation**). No material dependencies have been identified.

In particular, there are cost risks associated with possible pollution resulting from construction, demolition and modernization activities, from potential regulatory changes or failure to comply with such requirements, and from the use of substances of very high concern in new construction. These risks, however, were not classified as material. No (material) opportunities have been identified. This means that overall, pollution has not been classified as a material topic.

E3 – Water and Marine Resources

Our business activities can result in increased water consumption as a result of **construction activities** or use of water by our customers, leading to an increasing scarcity of water and lowering the groundwater table. Increased water consumption can also occur in the upstream value chain (e.g., in the production of building materials). No locations were identified in connection with marine resources and river basins in our business operations or in the value chain, as our properties (particularly our neighborhoods) are largely located in urban areas, which is where our construction activities are also performed.

The impact score for impacts on water resources was classified as very low, as the **influence** on groundwater, if any, is only **temporary**, for example during the construction phase or potentially in the future due to droughts, and is limited to specific **local areas**. We also consider increased water consumption by customers to be temporary (e.g., in periods of extreme heat) and not material to date. Consequently, we do not exert any general influence over water scarcity. No impact was identified for marine resources, as our properties are located in urban areas. Our diversified value chain means that we are not reliant on any specific producers of building materials. As a result, there are no significant dependencies on water and marine resources.

In particular, there is an opportunity to make long-term cost savings by implementing measures to save water. This opportunity, however, was not classified as material. No (significant) physical risks, transition risks or systemic risks were identified in this context. Acute physical climate risks related to water are addressed in → **ESRS E1**. Overall, water and marine resources has not been classified as a material topic.

E4 – Biodiversity and Ecosystems

In the course of our business activities, **soil sealing** for residential construction measures and the development of new areas could have a negative impact on the habitat of regional species. The same applies to the downstream value chain when buildings are demolished. Identifying and assessing (potential) impacts on biodiversity and ecosystems forms an integral part of process involved in planning new construction projects. The associated risk assessments include analyses of the existing land for construction, as well as biodiversity reports for flora and fauna. Woodland surveys are also used to determine the health and conservation value of existing trees.

The impact score for impacts on biodiversity and ecosystems was classified as low, as new construction and densification measures are generally performed in **areas with relatively low levels of biodiversity** (urban cultural landscape, brownfield (re)development). This impact on biodiversity is also very localized, as Vonovia's sphere of influence does not extend beyond the neighborhood concerned. What is more, there are regulations in place to protect and restore biodiversity. There are no material dependencies.

Vonovia has not identified any physical risks, transition risks, systemic risks or opportunities related to biodiversity and ecosystems. As a result, no material opportunities or risks have been identified either. According to the tool ENCORE, used to identify material dependencies and impacts related to biodiversity and ecosystems, there are no material impacts in the real estate sector that could exert significant pressure on ecosystems. As a result, biodiversity and ecosystems has not been classified as a material topic.

Vonovia does not have any locations in, or close to, areas with biodiversity in need of protection. These primarily consist of existing residential buildings and rental parking spaces, meaning that activities related to these locations do not impact the habitat of species for which the respective protected areas were designated. Our new construction is built in compliance with EU taxonomy, meaning that these buildings are not constructed on valuable agricultural and cultural land, recognized high-value underdeveloped areas or forests. We therefore do not consider remediation measures regarding biodiversity to be necessary.

E5 – Resource Use and Circular Economy

Construction, demolition and modernization activities on properties in all of our business regions can have negative environmental impacts (e.g., failure to reduce waste, failure to minimize the use of hazardous substances and failure to mitigate impacts on nature) if no, or insufficient, sustainable, recycled and reusable products or materials are (or can be) used. This may be due to supply bottlenecks, mounting procurement or recycling costs, or changes in regulatory requirements.

The impact score for the impacts on resource use and the circular economy was classified as low, as Vonovia only consumes resources in connection with modernization, demolition and new construction activities on a regional level. Resources already used in properties can only be recycled, and are only likely to be recycled, over the long term. No shortage of resources (suppliers and raw materials) or any major changes in regulatory requirements are expected in the underlying short, medium or long-term period covered by our assessment. As a result, there are no material dependencies. The assessment was conducted as part of the materiality assessment using internal departmental analyses.

In particular, there are risks associated with rising material and waste disposal costs, for example, due to changes in regulatory requirements or a general increase in market prices. These risks, however, were not classified as material. No (material) opportunities have been identified. Overall, resource use and circular economy has not been classified as a material topic.

Our tenants are always informed of any necessary construction, demolition and modernization activities. The relevant city or municipal administrative bodies and their responsible authorities also have to be involved as a mandatory requirement. In cases involving new buildings, all affected residents are involved in the process before any measures are implemented to comply with both mandatory and voluntary consultation procedures. Aside from involvement in the context of specific construction measures, our customers can also raise concerns relating to environmental pollution, water and marine resources, and the residential environment, as well as resource use and circular economy, at any time as part of our regular customer satisfaction surveys, via our customer service centers, the respective caretakers, and other whistleblowing channels.

G1 – Business Conduct

The general information on our materiality assessment set out under → ESRS 2 IRO-1 above also applies accordingly to the (sub)topics in standard → ESRS G1.

Our IT risk management tool Risk2Value is used to capture and assess risks of corruption and bribery, as well as risks related to corporate culture, for the entire Vonovia Group as part of a systematic, standardized process, ensuring 100% coverage across all Group companies in Germany and abroad. Appropriate measures are identified based on the risks that are identified and assessed. "Positive impact on employees through the Code of Conduct and the establishment of a corresponding corporate culture" has been identified as a material impact, while the "financial risk resulting from bribery and corruption" has been identified as a material risk. Our business partners are obliged to sign our Business Partner Code, in which we set out our expectations and requirements that our contractual partners have to meet, before any contracts are concluded. The potential risks resulting from breaches committed by contractual partners in our value chain are included in the risks recorded in the Risk2Value tool.

IRO-2 – Disclosure requirements in the ESRS covered by the undertaking's sustainability statemen

The table below sets out the disclosure requirements that were taken into account when preparing the sustainability statement based on the results of the materiality assessment:

Disclosure Requirement

Disclosure requirement	Description	Reference
ESRS E1 – Climate Change		
ESRS E1–1	Transition plan for climate change mitigation	→ **E1-1**
ESRS E1–2	Policies related to climate change mitigation and adaptation	→ **E1-2**
ESRS E1–3	Actions and resources related to climate change policies	→ **E1-3**
ESRS E1–4	Targets related to climate change mitigation and adaptation	→ **E1-4**
ESRS E1–5	Energy consumption and mix	→ **E1-5**
ESRS E1–6	Gross Scopes 1, 2, 3 and Total GHG emissions	→ **E1-6**
ESRS S1 – Own Workforce		
ESRS S1–1	Policies related to own workforce	→ **S1-1**
ESRS S1–2	Procedures for engaging with own workforce and workers' representatives about impacts	→ **S1-2**
ESRS S1–3	Processes to remediate negative impacts and channels for own workforce to raise concerns	→ **S1-3**
ESRS S1–4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	→ **S1-4**
ESRS S1–5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	→ **S1-5**
ESRS S1–6	Characteristics of the undertaking's employees	→ **S1-6**
ESRS S1–7	Characteristics of the undertaking's non-employees	→ **S1-7**
ESRS S1–8	Collective bargaining coverage and social dialogue	→ **S1-8**
ESRS S1–9	Diversity metrics	→ **S1-9**
ESRS S1–10	Adequate wages	→ **S1-10**
ESRS S1–11	Social protection	→ **S1-11**
ESRS S1–12	Persons with disabilities	→ **S1-12**
ESRS S1–13	Training and skills development metrics	→ **S1-13**
ESRS S1–15	Work-life balance metrics	→ **S1-15**
ESRS S1–16	Remuneration metrics (pay gap and total remuneration)	→ **S1-16**
ESRS S1–17	Incidents, complaints and severe human rights impacts	→ **S1-17**
ESRS S4 – Consumers and End-Users		
ESRS S4–1	Policies related to consumers and end-users	→ **S4-1**
ESRS S4–2	Processes for engaging with consumers and end-users about impacts	→ **S4-2**
ESRS S4–3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	→ **S4-3**
ESRS S4–4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	→ **S4-4**
ESRS S4–5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	→ **S4-5**
Entity-specific disclosure: Neighborhood Development		
Entity-specific disclosure: Living at Fair Prices		
ESRS G1 – Business Conduct		
ESRS G1–1	Business conduct policies and corporate culture	→ **G1-1**
ESRS G1–3	Prevention and detection of corruption and bribery	→ **G1-3**
ESRS G1–4	Incidents of corruption or bribery	→ **G1-4**

The table below lists all of the datapoints included in this sustainability statement that result from other EU legislation – as listed in Annex B to this standard:

Disclosure Requirements and Related Datapoints

Disclosure requirement and related datapoint	Reference
ESRS 2 GOV-1 (ESRS 2.21 (d)) Board's gender diversity	→ **GOV-1**
ESRS 2 GOV-1 (ESRS 2.21 (e)) Percentage of board members who are independent	→ **GOV-1**
ESRS 2 GOV-4 (ESRS 2.30) Statement on due diligence	→ **GOV-4**
ESRS 2 SBM-1 (ESRS 2.40 (d) (i)) Involvement in activities related to fossil fuel activities	not material
ESRS 2 SBM-1 (ESRS 2.40 (d) (ii)) Involvement in activities related to chemical production	not material
ESRS 2 SBM-1 (ESRS 2.40 (d) (iii)) Involvement in activities related to controversial weapons	not material
ESRS 2 SBM-1 (ESRS 2.40 (d) (iv)) Involvement in activities related to cultivation and production of tobacco	not material
ESRS E1–1 (ESRS E1.14) Transition plan to reach climate neutrality by 2050	→ **E1-1**
ESRS E1–1 (ESRS E1.16 (g)) Undertakings excluded from Paris-aligned Benchmarks	not material
ESRS E1–4 (ESRS E1.34) GHG emission reduction targets	→ **E1-4**
ESRS E1–5 (ESRS E1.38) Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	→ **E1-5**
ESRS E1–5 (ESRS E1.37) Energy consumption and mix	→ **E1-5**
ESRS E1–5 (ESRS E1.40 to 43) Energy intensity associated with activities in high climate impact sectors	→ **E1-5**
ESRS E1–6 (ESRS E1.44) Gross Scopes 1, 2, 3 and Total GHG emissions	→ **E1-6**
ESRS E1–6 (ESRS E1.53 bis .55) Gross GHG emissions intensity	→ **E1-6**
ESRS E1–7 (ESRS E1.56) GHG removals and carbon credits	not material
ESRS E1–9 (ESRS E1.66) Exposure of the benchmark portfolio to climate-related physical risks	Phase-In
ESRS E1–9 (ESRS E1.66 (a)) Disaggregation of monetary amounts by acute and chronic physical risks	Phase-In
ESRS E1–9 (ESRS E1.66 (c)) Location of significant assets at material physical risk	Phase-In
ESRS E1–9 (ESRS E1.67 (c)) Breakdown of the carrying value of its real estate assets by energy-efficiency classes	Phase-In
ESRS E1–9 (ESRS E1.69) Degree of exposure of the portfolio to climate-related opportunities	Phase-In
ESRS E2–4 (ESRS E2.28) Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	not material
ESRS E3–1 (ESRS E3.9) Water and marine resources	not material
ESRS E3–1 (ESRS E3.13) Dedicated policy	not material
ESRS E3–1 (ESRS E3.14) Sustainable oceans and seas	not material
E3–4 (ESRS E3.28 (c)) Total water recycled and reused	not material
ESRS E3–4 (ESRS E3.29) Total water consumption in m^3 per net revenue on own operations	not material
ESRS 2 – SBM-3 – E4 (ESRS 4.16 (a) (i))	not material
ESRS 2 – SBM-3 – E4 (ESRS 4.16 (b))	not material
ESRS 2 – SBM-3 – E4 (ESRS 4.16 (c))	not material
ESRS E4–2 (ESRS E4.24 (b)) Sustainable land/agriculture practices or policies	not material
ESRS E4–2 (ESRS E4.24 (c)) Sustainable oceans/seas practices or policies	not material
ESRS E4–2 (ESRS E4.24 (d)) ESRS E4–2 Policies to address deforestation	not material
ESRS E5–5 (ESRS 5.37 (d)) Non-recycled waste	not material
ESRS E5–5 (ESRS 5.39) Hazardous waste and radioactive waste	not material
ESRS 2 SBM-3 – S1 (ESRS S1.14 (f)) Risk of incidents of forced labor	→ **SBM-3 – S1**
ESRS 2 SBM-3 – S1 (ESRS S1.14 (f)) Risk of incidents of child labor	→ **SBM-3 – S1**
ESRS S1–1 (ESRS S1.20) Human rights policy commitments	→ **S1-1**
ESRS S1–1 (ESRS S1.21) Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	→ **S1-1**
ESRS S1–1 (ESRS S1.22) Processes and measures for preventing trafficking in human beings	→ **S1-1**
ESRS S1–1 (ESRS S1.23) Workplace accident prevention policy or management system	→ **S1-1**
ESRS S1–3 (ESRS S1.32 (c)) Grievance/complaints handling mechanisms	→ **S1-3**

ESRS S1–14 (ESRS S1.88 (b) (c)) Number of fatalities and number and rate of work-related accidents	not material
ESRS S1–14 (ESRS S1.88 (e)) Number of days lost to injuries, accidents, fatalities or illness	not material
ESRS S1–16 (ESRS S1.97 (a)) Unadjusted gender pay gap	→ **S1-16**
ESRS S1–16 (ESRS S1.97 (b)) Excessive CEO pay ratio	→ **S1-16**
ESRS S1–17 (ESRS S1.103 (a)) Incidents of discrimination	→ **S1-17**
ESRS S1–17 (ESRS S1.104 (a)) Non-respect of UNGPs on Business and Human Rights and OECD guidelines	not material
ESRS 2 SBM-3 – S2 (ESRS S2.11 (b)) Significant risk of child labor or forced labor in the value chain	not material
ESRS S2–1 (ESRS 2.17) Human rights policy commitments	not material
ESRS S2.1 (ESRS S2.18) Policies related to value chain workers	not material
ESRS S2–1 (ESRS S2.19) Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	not material
ESRS S2–1 (ESRS S2.19) Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	not material
ESRS S2–4 (ESRS S2.36) Human rights issues and incidents connected to its upstream and downstream value chain	not material
ESRS S3–1 (ESRS S3.16) Human policy commitments	not material
ESRS S3–1 (ESRS S3.17) Non-respect of UNGPs on Business and Human Rights, ILO principles and OECD guidelines	not material
ESRS S3–4 (ESRS S3.36) Human rights issues and incidents	not material
ESRS S4–1 (ESRS S4.16) Policies related to consumers and end-users	→ **S4-1**
ESRS S4–1 (ESRS S4.17) Non-respect of UNGPs on Business and Human Rights and OECD guidelines	→ **S4-1**
ESRS S4–4 (ESRS S4.35) Human rights issues and incidents	not material
ESRS G1–1 (ESRS G1.10 (b)) United Nations Convention against Corruption	→ **G1-1**
ESRS G1–1 (ESRS G1.10 (d)) Protection of whistleblowers	not material
ESRS G1–4 (ESRS G1.24 (a)) Fines for violation of anti-corruption and anti-bribery laws	→ **G1-4**
ESRS G1–4 (ESRS G1.24 (b)) Standards of anti-corruption and anti-bribery	→ **G1-4**

The specialist departments responsible identified key information in relation to the impacts, risks and opportunities that were classified as material, and this information has been included in the sustainability reporting. Further information on the process involved in identifying material impacts, risks and opportunities can be found in section → **ESRS 2 IRO-1**. Regarding certain data points, we make use of the materiality exemption under ESRS 1, Section 3.2, and omit them from reporting. The decision to omit reporting for materiality reasons is made based on the significance of the respective information and its usefulness for the user in making decisions.

EU Taxonomy Regulation

Identification and Categorization of Economic Activities Eligible for Taxonomy

In accordance with the EU Taxonomy Regulation, we report on the proportion of our taxonomy-eligible and taxonomy-aligned turnover, capital expenditure and operating expenses.

Vonovia has identified taxonomy-eligible activities under EU environmental objective 1 (climate change mitigation, CCM) in its business model. Some of these activities would also be taxonomy-eligible under EU environmental objective 4 (transition to a circular economy, CE). In order to avoid double counting, Vonovia allocates these in full to EU environmental objective 1. With regard to EU environmental objective 2 (climate change adaptation, CCA), we do not report any taxonomy-eligible activities, because we do not generate any turnover from eligible activities and do not allocate any separate CapEx (or OpEx) to this EU environmental objective in order to prevent double counting.

EU environmental objectives 3 (sustainable use and protection of water and marine resources, WTR), 5 (pollution prevention and control, PPC) and 6 (protection and restoration of biodiversity and ecosystems, BIO) do not result in any further taxonomy eligibility. Accordingly, and as in the previous year, **we have identified the following activities as being taxonomy-eligible:**

EU Taxonomy Criteria		Activities undertaken by Vonovia	Revenue	Investments	Operating expenses
CCM 7.1/CE 3.1	Construction of new buildings	Revenue from Development to sell	☑		
CCM 7.2/CE 3.2	Renovation of existing buildings	Investments for energy modernizations (7.2), Investments for refurbishments without energy-related effects (e.g. empty apartment refurbishments) (3.2)		☑	
CCM 7.3	Installation, maintenance and repair of energy efficiency equipment	Investments for measures that are not covered by 7.2 (e.g. heating modernization, insulation, window replacement)		☑	
CCM 7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Investments for charging stations and wall-boxes		☑	
CCM 7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Investments for metering technology and smart metering		☑	
CCM 7.6	Installation, maintenance and repair of renewable energy technologies	Investments for photovoltaic facilities		☑	
CCM 7.7	Acquisition and ownership of buildings	Revenue from rental income and recurring sales, investments for acquisitions, Development to hold and capitalized internal expenses without energy-related effects (e.g., major maintenance measures and vacant apartment renovations), operating expenses for non-capitalized maintenance (e.g., minor maintenance)	☑	☑	☑
CCM 4.1	Electricity generation using solar photovoltaic technology	Revenue from the sale of self-generated electricity to tenants and/or feed-in to the grid	☑		
CCM 3.3	Manufacture of low carbon technologies for transport	Investments for fleet		☑	
CE 1.2	Manufacture of electrical and electronic equipment	Investments for IT hardware equipment and other electronic operating and business equipment		☑	

Turnover from the condominium administration business, energy sales from energy trading activities, and multimedia is not taxonomy-eligible. The Care segment is no longer reported under turnover for the 2024 fiscal year, but rather separately as a discontinued operation.

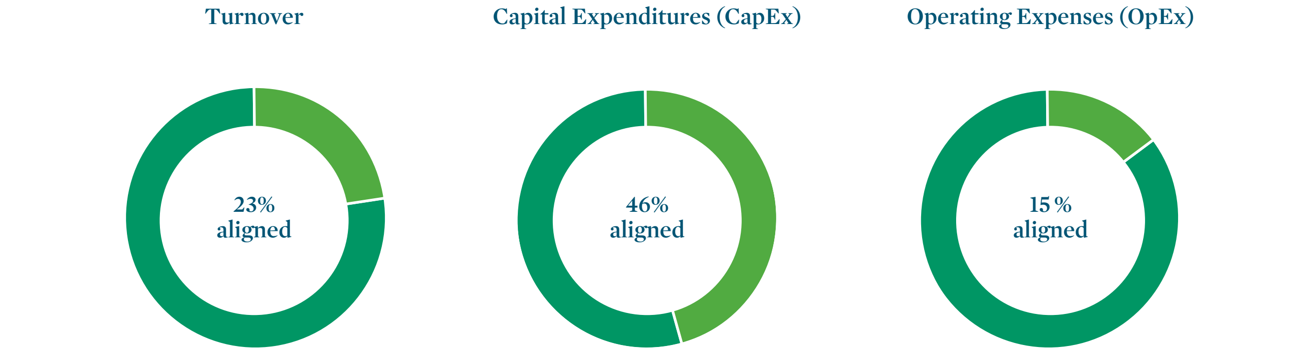
Vonovia is not affected by any economic activities related to energy generation from fossil gas or nuclear energy. As a result, Vonovia does not submit the specific reporting forms for these activities. Vonovia has acknowledged the FAQs published on November 29, 2024. As the FAQs were published at short notice, Vonovia has not made any changes to its selected approach in order to maintain consistent reporting.

Procedure for Determining Taxonomy Alignment

At Group level, the following key figures are obtained from the taxonomy-aligned shares of turnover, capital expenditure and operating expenses for the 2024 reporting year, reported under EU environmental objective 1 (climate change mitigation).

The largest share of taxonomy-aligned turnover can be attributed to rental income from taxonomy-aligned buildings (activity 7.7). A large share of taxonomy-aligned capital expenditure is accounted for by the renovation of existing buildings (7.2) and investments in the portfolio and Development to hold (7.7 Acquisition and ownership of buildings).

Taxonomy-aligned Shares of Vonovia's Business Activities



Taxonomy-aligned Shares of Vonovia's Business Activities

Review of Substantial Contribution

Turnover associated with **new construction (activity 7.1)** is deemed taxonomy-aligned if the relevant buildings have a primary energy demand that is at least 10% below the national standard for nearly zero-energy buildings. Vonovia checks compliance by obtaining an energy performance certificate for each building. The relevant buildings undergo the thermal integrity and airtightness test. Where required to do so, Vonovia determines the global warming potential for each phase of the building life cycle (for buildings with an area of > 5,000 m²) using a model calculation of life cycle emissions based on emission factors that have been determined for different types of construction.

Turnover generated from the **acquisition and ownership of buildings (activity 7.7)** is deemed taxonomy-aligned if the buildings constructed before December 31, 2020 have been assigned energy efficiency class A (or better) or, alternatively, are among the top 15% of regional or national housing stock in terms of primary energy demand in operation. Vonovia checks compliance by obtaining an energy performance certificate for each building. We base our assessment of the top 15% on relevant threshold values for primary energy demand for Germany, Austria and Sweden, which were determined in a benchmark study. The study was updated for Germany in the 2023 fiscal year and the new threshold (lower and, as a result, more restrictive than in the previous year) was applied for the first time for the 2024 reporting year. For buildings constructed after December 31, 2020, the same criteria for significant contribution to climate change mitigation apply as for new construction (activity 7.1). Turnover from **electricity generation using solar photovoltaic technology (activity 4.1)** is treated as a direct climate change mitigation measure in the EU Taxonomy Regulation.

In accordance with Vonovia's business model, the **relevant criteria** for determining taxonomy-aligned capital expenditure stem from activities 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7:

At Vonovia, capital expenditure associated with the **renovation of existing buildings (activity 7.2)** always relates to energy-efficient modernization. Vonovia verifies the required 10% reduction in primary energy demand through energy-efficiency assessments or based on energy certificates. Capital expenditure as part of energy-efficient modernization projects is allocated to activity 7.2. Capital expenditure on heating modernization, charging stations and wall boxes, metering technology and smart metering, and photovoltaic systems is generally treated as a direct climate change mitigation measure and is allocated to activities 7.3, 7.4, 7.5, and 7.6.

Activity **7.7 "Acquisition and ownership of buildings"** includes capital expenditure from acquisitions, Development to hold, investments not including energy efficiency measures (e.g., refurbishment of vacant apartments or major maintenance measures) or other internal expenses that can be capitalized. These qualify as taxonomy-aligned if the building-related technical screening criteria are met. The relevant criteria for determining **taxonomy-aligned operating expenses** stem from activity 7.7. This is non-capitalized maintenance (usually minor maintenance). In addition to maintenance services provided by third parties, this also includes services provided internally by the company's own craftsmen's organization.

The alignment review was not completed for capital expenditure in connection with the purchase of electrical and electronic goods (1.2) and for the fleet (3.3), as the criteria would be difficult to meet and the effort involved would be disproportionate. Vonovia's fleet is gradually being switched to alternative drive systems; at present, only a small number of vehicles meet the required threshold for CO_2 emissions, as these are mainly technicians' vans. Electrical and electronic goods only account for a very small proportion of CapEx.

Assessing Significant Harm on One or Several Environmental Objectives ("Do No Significant Harm")

In order to avoid significantly compromising **adaptation to the effects of climate change** (EU environmental objective 2), the EU taxonomy requires a robust climate risk and vulnerability assessment to be carried out for all taxonomy-aligned economic activities. Vonovia uses an IT tool to identify and evaluate physical climate risks for the Group-wide portfolio on a continuous basis using the prescribed climate scenarios (RCP2.6, RCP4.5 and RCP8.5). The risk assessment is based on scenario RCP4.5, which, according to the United Nations (UNEP Emissions Gap Report 2024), represents the probable increase in the global average temperature that will result from the national contributions to climate change mitigation that have currently been defined and implemented. In this scenario, no material risk has been identified for any of the climate-related hazards up to 2045. Therefore, no adaptation plan is required in accordance with the EU Taxonomy Regulation. As part of the neighborhood strategy, potential adaptations are defined at portfolio level and subsequently implemented individually for the properties or neighborhoods for which there are material risks at the corresponding level.

With regard to the **sustainable use and protection of water and marine resources** (EU environmental objective 3), no criteria need to be assessed for the taxonomy-eligible economic activities for residential building units.

The requirements for **transitioning to a circular economy** (EU environmental objective 4) are set out in the German Waste Management Act (KrWG)/national legislation, and are passed on to business partners by Vonovia through the Business Partner Code and the General Terms and Conditions of Contract for Construction Services, as well as being included in framework agreements with waste disposal companies. This ensures that the requirements are implemented for each project. The selected building and construction technology strengthens resource efficiency, adaptability and dismantling capacity, taking into account the requirements set out in the ISO 20887 standard. The photovoltaic systems installed by Vonovia also meet the "Do no significant harm (DNSH)" requirements of EU environmental objective 4 on account of their design and service life.

In **order to avoid and prevent environmental pollution** (EU environmental objective 5), compliance with certain EU directives must be ensured (Appendix C to Annex 1 to the Supplement to EU Regulation 2020/852). The additional paragraph on requirements under Appendix C, regarding substances relevant for the purposes of the CLP Regulation, has been reviewed by Vonovia. The relevant substances are adhesives or foams used in individual cases in construction or renovation work. The maximum mass concentration of hazardous substances of 0.1% that has been defined for mixtures of these products is not exceeded, as the threshold relates to the mass of the combined products. Furthermore, the substances are no longer hazardous in their ultimate form, e.g., hardened foam or dried adhesive.

Compliance with statutory requirements is defined in Vonovia's Business Partner Code that all subcontractors and suppliers have to sign. Vonovia has established a toxic materials management system to ensure the safe handling of toxic materials. Among other measures, safety fact sheets and operating instructions are kept for affected products and the company's own employees are trained on how to handle these products correctly from an occupational safety perspective. Substances of very high concern (SVHC) cannot generally be found in the construction materials used. If these substances are identified in small amounts, Vonovia constantly examines substitutes in the individual cases. Vonovia's economic activities do not significantly harm the achievement of EU environmental objective 6 (protection and restoration of biodiversity and ecosystems), as Vonovia only builds in designated areas and with a building permit.

Compliance with Minimum Standards at Group Level ("Minimum Social Safeguards")

We are committed to our human rights due diligence obligations and align our conduct with internationally recognized frameworks such as the OECD Guidelines for Multinational Enterprises, the ILO Core Labour Standards and the UN Guiding Principles on Business and Human Rights.

Vonovia adopts a Group-wide approach to meeting minimum safeguards that address the issues of corruption and bribery, fair competition and taxation in addition to respect for human rights: comprehensive procedures forming part of the compliance management system, including Group-wide guidelines and complaints mechanisms, have been put in place to prevent and uncover violations.

A due diligence process to avoid scenarios in which business activities have negative impacts on people and the environment forms the core of compliance with the minimum safeguards. Taking the OECD Guidelines as a basis, Vonovia has implemented all of the recommended due diligence steps. In the reporting year, we conducted a human rights and environmental risk analysis for our own business area and the supply chain.

Performance Indicators

Definition and Calculation Method

In order to determine the key figures (KPIs) that are to be reported, the taxonomy-eligible and taxonomy-aligned net turnover, capital expenditure and operating expenses are calculated as a share of the total net turnover, capital expenditure and operating expenses that are to be taken into account in accordance with EU taxonomy requirements. Duplicate counting is avoided by means of direct allocation of the taxonomy-eligible or taxonomy-aligned turnover, capital expenditure and operating expenses to a taxonomy-eligible or taxonomy-aligned economic activity.

Turnover

The Group's consolidated turnover is taken into account in the denominator (total net turnover). This comprises turnover from property management, income from the sale of properties, income from the disposal of properties held for sale and turnover from the disposal of real estate inventories. For more details on accounting methods, please refer to the accounting and valuation methods within the Notes to the IFRS consolidated financial statements → **[B9] Income from property management**, → **[B10] Profit on the disposal of properties** and → **[B11] Profit on the disposal of properties**. Taxonomy-aligned net turnover (numerator) is comprised of amounts generated through taxonomy-aligned economic activities.

The turnover from the Development to sell segment (€ 804 million), which is shown under activity 7.1, is based on the proceeds from the disposal of new construction and accounts for the largest share of aligned turnover this year. Due to increased sales activities, this turnover increased from € 250 million to € 804 million. The taxonomy-aligned share within activity 7.1, however, rose from 70.7% to 94.4%.

The aligned rental income from the Rental segment (€ 770 million) increased slightly from € 705 million to € 770 million. In this case, compliance is assessed on a building-by-building basis taking into account the technical criteria for activity 7.7. Turnover from completed residential properties for our own use (Development to hold) has been reported under turnover for 7.7. based on the completion date. The year-on-year increase is due to a larger proportion of aligned buildings, despite the threshold for the top 15% in Germany being raised. A further approx. € 84 million of aligned turnover under activity 7.7 is based on the sale of aligned residential property. Last year, a major project worth approximately € 200 million was the primary driver of the high value in the previous year.

The turnover for activity 4.1 (€ 2.3 million) is generated by the feed-in tariff paid for supplying electricity to the grid as well as the direct sale of electricity to tenants.

Total turnover → **[C22] Segment Reporting** increased by € 984 million year-on-year. Thereof € 498 million comes from activity 7.1 (sales of new construction), € 448 million from activity 7.7 (rentals and sales), € 56 million from the television business and € -18 million from other turnover. Aligned turnovers increased by € 477 million, primarily due to the rise in sales of new construction. As a result, the share of aligned turnover has increased from 19.4% to 23.6%.

Completed residential property for our own portfolio (Development to hold) is shown in the consolidated financial statements as capital expenditure under 7.7. No turnover is gained from this. The internal turnover of the Value-add companies, e.g., services provided by craftsmen, is eliminated in the course of Group consolidation and is therefore not taken into account in taxonomy-eligible turnover. If the services provided internally are larger projects, e.g., energy-efficient modernization measures, they are capitalized and shown as capital expenditure (CapEx).

Capital Expenditure

In accordance with the EU taxonomy, the denominator for capital expenditure (CapEx) is composed of additions to property, plant and equipment and intangible assets. For accounting details, please refer to chapters → [D25] Intangible assets, → [D26] Property, plant and equipment and → [D27] Investment properties in the Notes to the IFRS consolidated financial statements. The individual additions and capitalized modernization costs were taken into account when calculating the denominator.

For projects lasting several years in the areas 7.2, 7.3 or 7.7, the capitalized amount for the relevant reporting year is reported as taxonomy-eligible and, provided the relevant criteria are met, taxonomy-aligned capital expenditure. For activities 7.4, 7.5 and 7.6, the capital expenditure is shown in the year of asset capitalization. When it comes to capital expenditure, the EU Taxonomy Regulation makes a distinction between different categories of capital expenditure.

Due to Vonovia's business model, it largely invests (activity 7.2. and 7.7.) in assets or processes associated with economic activities that are taxonomy-aligned (category A). It also makes investments (activity 7.3.–7.6.) relating to individual measures through which the target activities are carried out in a low-carbon manner or the emission of greenhouse gases is lowered (category C). Capital expenditure for the fleet (3.3) and for the purchase of electrical and electronic goods (1.2) also constitutes taxonomy-eligible capital expenditure under category C.

With regard to developed land, the CapEx for buildings and land has been included as additions, as economic activity 7.7. cannot be performed without the relevant land.

Capital expenditure in the context of Vonovia's capitalized internal expenses is reviewed for taxonomy alignment and allocated to 7.2, 7.3 or 7.7 depending on the type of investment. In order to avoid duplicate counting of capital expenditure, the items are allocated to just one activity in each case. Taxonomy alignment is assessed for each building or project. In addition to capitalized internal expenses, the addition of other property, such as Development to hold additions or other acquisitions of investment properties, is reported under 7.7.

With regard to economic activity 7.1, the corresponding properties do not constitute fixed assets but rather are reported within current assets in the real estate inventories (see → [D35] Real Estate Inventories) or receivables, and are therefore not included in the denominator of the key figure for taxonomy-relevant capital expenditure.

The taxonomy-aligned capital expenditure (numerator) comprises additions to investment properties (€ 457 million). This comprises aligned Development to hold additions (€ 292 million/7.7), capitalized modernization measures (€ 125 million, with € 118 million in 7.2 and € 7 million in 7.7), additions of purchased real estate (€ 27 million/7.7) and aligned individual measures pursuant to activity 7.3 (€ 13 million). Additions relating to property, plant and equipment came to € 98 million in total. These relate to photovoltaic systems (€ 91 million/7.6), metering technology (€ 6 million/7.5) and charging stations (€ 1 million/7.4). There was an addition to right-of-use assets (€ 2.6 million) for metering technology (€ 2.2 million/7.5) and heating systems (€ 0.4 million/7.3). There were no additions resulting from business combinations during this reporting year.

Compared to the previous year, CapEx remained steady (€ 1,207 million in the current year compared to € 1,203 million in the previous year). The aligned share of this amount rose from € 229 million (prior year adjusted) to € 557 million as a result of the renewed increase in investment activities. By contrast, there was a significant increase from € 30 million to € 91 million in activity 7.6 due to a strong commitment to the expansion of photovoltaic systems. This means that aligned share additions to investment properties (7.7) increased from € 44 million (prior year adjusted) to € 292 million. Capitalization of aligned modernization measures (7.2) increased from € 97 million to € 118 million.

There was also a slight increase in the area of heating modernization (7.3) from € 11 million to € 13 million. Activities 7.4 (installation of charging stations) and 7.5 (metering technology) remain at a similar level as in the previous year.

We have issued green bonds and obtained green loans on the capital market based on the **Sustainable Finance Framework**. The proceeds from these issues are used exclusively to (re)finance real estate that has been confirmed to be green. We use a portfolio-based approach, which means that funds cannot be allocated to specific properties. As a result, it was not possible to make adjustments for the taxonomy-aligned capital expenditure financed using these bonds or debentures, or corresponding turnover from environmentally sustainable buildings for the purposes of reporting the taxonomy-aligned performance indicators.

Operating Expenses

The operating expenses (OpEx) **denominator** is an addition to the performance indicator of the recognized capital expenditure values rather than a full presentation of the operating expenses of Vonovia, as shown under Section → **[B14] Cost of Materials** in the Notes to the consolidated financial statements.

Pursuant to the requirements, we include expenses for upkeep and repair (maintenance) when defining the denominator. At Vonovia, maintenance measures are mainly carried out by the internal craftsmen's organization, which is why we also include these items (technicians' and administrative costs) in the denominator. Double counting is avoided due to the fact that capitalized shares, as capital expenditure, reduce maintenance costs accordingly. As a result, the denominator reflects the non-capitalized maintenance expenses. These maintenance costs and, in particular, the personnel costs associated with the company's own staff cannot be allocated separately to the individual buildings when posting expenses. In addition, the operating expenses incurred for the individual activities 7.2. to 7.7. cannot be attributed individually. Vonovia thus allocates all maintenance costs to activity 7.7. To determine the taxonomy-aligned data, we use an allocation factor for maintenance expenses based on the area of the building (in sqm). This share is multiplied by the taxonomy-eligible operating expenses to calculate the numerator. The non-taxonomy-eligible shares, e.g., condominium administration maintenance expenses, are not taken into account. The share of sqm of green buildings in relation to the total area is 15.6%. The increase as against the previous year (14.6%) is due to a higher proportion of taxonomy-aligned buildings.

In this case, operating expenses are comprised of € 614 million for maintenance (see → **[B14] Cost of Materials**), less € 459 million for the capitalized share and € 274 million from our own craftsmen's organization. € 17 million of the maintenance expenses is attributable to condominium administration. This activity is not taxonomy-eligible. As a result, the numerator is calculated as 15.6% of € 409 million. Overall, there was only a minimal change in OpEx of approximately € 13 million. The aligned shared rose by € 6 million.

Economic Activities	Code(s)	Turnover	Proportion of turnover, year 2024	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
				Substantial contribution criteria					
		€ million	%	Y; N; N/EL*	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Construction of new buildings	CCM 7.1/CE 3.1	804	11.4	Y	N	N/EL	N	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	854	12.1	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation using solar photovoltaic technology	CCM 4.1	2	0.0	Y	N	N/EL	N/EL	N/EL	N/EL
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,661	23.5	23.5	0.0	0.0	0.0	0.0	0.0
of which Enabling		0	0.0	0	0	0	0	0	0
of which Transitional		0	0.0	0	0	0	0	0	0
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL**	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Construction of new buildings	CCM 7.1/CE 3.1	47	0.7	EL	N/EL	N/EL	EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	5,175	73.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5,222	73.8	73.8	0	0	0	0	0
A. Turnover of Taxonomy-eligible activities (A1.+A2)		6,883	97.2	97.2	0	0	0	0	0
B.Taxonomy-non-eligible activities									
Turnover of Taxonomy-non-eligible activities		198	2.8						
Total		**7,080**	**100.0**						

* "Y": Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant EU environmental objective; "N": No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant EU environmental objective; "N/EL": Taxonomy non-eligible activity for the relevant environmental EU objective.

** "EL": Taxonomy eligible activity for the relevant EU environmental objective; "N/EL": Taxonomy non-eligible activity for the relevant EU environmental objective.

DNSH criteria ("Does Not Significantly Harm")								**Category**	
Climate change mitiga-tion	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year 2023	Category enabling activity	Category transitional activity
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	4.1		
Y	Y	Y	Y	Y	Y	Y	15.3		
Y	Y	Y	Y	Y	Y	Y	0.0		
Y	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**19.4**		
Y	Y	Y	Y	Y	Y	Y	0.0		
Y	Y	Y	Y	Y	Y	Y	0.0		
–	–	–	–	–	–	–	1.7		
–	–	–	–	–	–	–	76.3		
–	**–**	**–**	**–**	**–**	**–**	**–**	**78.0**		
–	**–**	**–**	**–**	**–**	**–**	**–**	**97.4**		

Economic Activities	Code(s)	CapEx	Proportion of CapEx, year 2024	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
				Substantial contribution criteria					
		€ million	%	Y; N; N/EL*	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Renovation of existing buildings	CCM 7.2/CE 3.2	118	9.8	Y	N/EL	N/EL	Y	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	13	1.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	1	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	9	0.7	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	91	7.5	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	326	27.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**557**	**46.2**	**557.5**	**0**	**0**	**0**	**0**	**0**
of which Enabling		114	9.4	113.5					
of which Transitional		118	9.8	117.8					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL**	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Renovation of existing buildings	CCM 7.2/CE 3.2	54	4.4	EL	N/EL	N/EL	EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	515	42.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of low carbon technologies for transport	CCM 3.3	30	2.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of electrical and electronic equipment	CE 1.2	6	0.5	N/EL	N/EL	N/EL	EL	N/EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**604**	**50.1**	**604**	**0**	**0**	**0**	**0**	**0**
A. CapEx of Taxonomy eligible activities (A1.+A2)		**1,162**	**96.3**	**1,162**	**0**	**0**	**0**	**0**	**0**
B.Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible activities		**45**	**3.7**						
Total		**1,207**	**100.0**						

* "Y": Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant EU environmental objective; "N": No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant EU environmental objective; "N/EL": Taxonomy non-eligible activity for the relevant environmental EU objective.

** "EL": Taxonomy eligible activity for the relevant EU environmental objective; "N/EL": Taxonomy non-eligible activity for the relevant EU environmental objective.

*** Adjustment of the disclosures for activity 7.7 compared to the previous year due to new findings on taxonomy alignment.

DNSH criteria ("Does Not Significantly Harm")								Category	
Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023***	Category enabling activity	Category transitional activity
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	7.9		T
Y	Y	Y	Y	Y	Y	Y	1.1	E	
Y	Y	Y	Y	Y	Y	Y	0.1	E	
Y	Y	Y	Y	Y	Y	Y	0.7	E	
Y	Y	Y	Y	Y	Y	Y	2.5	E	
Y	Y	Y	Y	Y	Y	Y	6.7		
-	-	-	-	-	-	-	**18.9**		
							4.4	E	
							7.9		T
							15.6		
							0		
							0		
							0		
							0		
							56.0		
							2.2		
							0.6		
							74.5		
							93.4		

Economic Activities	Code(s)	OpEx	Proportion of OpEx, year 2024	Substantial contribution criteria: Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
		€ million	%	Y; N; N/EL*	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Acquisition and ownership of buildings	CCM 7.7	64	15.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		64	15.0	15.0					
of which Enabling									
of which Transitional									
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL**	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Acquisition and ownership of buildings	CCM 7.7	345	81.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		345	81.1	345.4	0	0	0	0	0
A. OpEx of Taxonomy eligible activities (A1.+A2)		409	96.1						
B.Taxonomy-non-eligible activities									
OpEx of Taxonomy-non-eligible activities		17	3.9						
Total		**426**	**100.0**						

* "Y": Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant EU environmental objective; "N": No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant EU environmental objective; "N/EL": Taxonomy non-eligible activity for the relevant environmental EU objective.

** "EL": Taxonomy eligible activity for the relevant EU environmental objective; "N/EL": Taxonomy non-eligible activity for the relevant EU environmental objective.

DNSH criteria ("Does Not Significantly Harm")								Category	
Climate change mitiga-tion	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	14.0		
							14.0		
							81.9		
							96.0		

Proportion of turnover/Total turnover

	Aligned per objective	Eligible per objective
CCM	23%	97%
CCA	0%	0%
WTR	0%	0%
CE	0%	12%
PPC	0%	0%
BIO	0%	0%

Proportion of CapEx/Total CapEx

	Aligned per objective	Eligible per objective
CCM	46%	96%
CCA	0%	0%
WTR	0%	0%
CE	0%	15%
PPC	0%	0%
BIO	0%	0%

Proportion of OpEx/Total OpEx

	Aligned per objective	Eligible per objective
CCM	15%	97%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

ESRS E1 Climate Change

E1-1 – Transition Plan for Climate Change Mitigation

Vonovia has developed a **transition plan** that aims to attain a climate-neutral housing stock by 2045. Vonovia has set itself the target of reducing the greenhouse gas (GHG) intensity of its housing stock in Germany to below 25 kg CO_2e/m^2 of rental area by 2030, and to less than 5 kg CO_2 equivalents per m² of rental area by 2045 (based on Scopes 1, 2 and 3.3). The unavoidable emissions remaining in 2045 are to be offset by suitable measures that the company is still to define, achieving a CO_2 intensity of net zero.

Binding interim targets have also been defined for each of the next five years. Vonovia's climate change mitigation targets are based on long-standing measures to reduce greenhouse gas emissions.

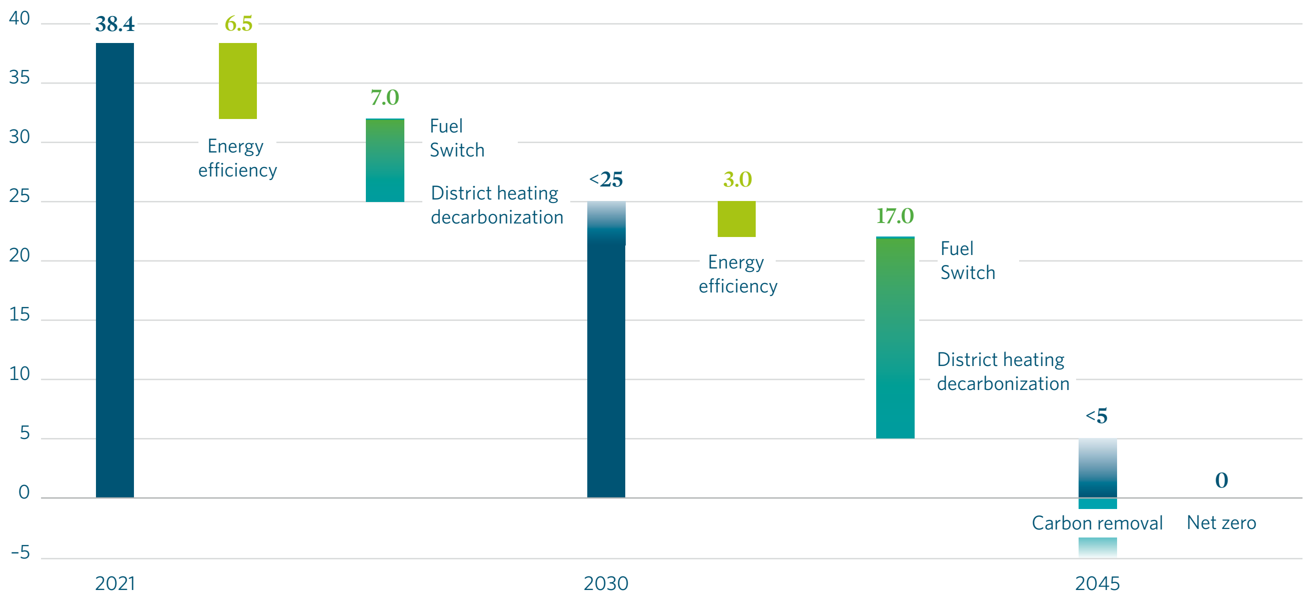
Vonovia has also set itself the target of reducing absolute Scope 1 and 2 greenhouse gas emissions by 42% by 2030 compared to the base year 2021. This applies to the GHG emissions from the housing stock in Germany, Sweden and Austria, which together account for around 97% of the Vonovia Group's total GHG emissions (based on the base year 2021, excluding discontinued operations and Synvia). Vonovia is also committed, by 2030, to reducing absolute Scope 3 greenhouse gas emissions from the categories "Fuel and energy-related activities," "Use of sold products" and "Downstream leased assets" by 25% as against 2021. The Scope 3 categories included in this target cover around 80% of the total Scope 3 GHG emissions in the 2021 base year. The Science Based Targets initiative (SBTi) confirmed in March 2024 that the targets set and submitted by Vonovia SE (near-term targets) are **in line with the 1.5-degree goal of the Paris Agreement.** Further information on the company's climate targets can be found in Disclosure Requirement → E1-4.

The transition plan for our housing stock, our climate pathway, consists of three decarbonization levers:

1. Increasing efficiency and thus reducing energy demand for heat and warm water supply by way of energy-efficient refurbishment of the building envelope
2. Increasing the share of renewable energies in the neighborhood by installing heat pumps and expanding power generation using photovoltaic systems on our buildings, and
3. Comprehensive transformation of the energy sector and supply of sufficient quantities of GHG-free district heating and electricity by the energy sector.

The CO_2 intensity of the housing stock represents the central indicator of our climate performance management. It is also an extremely important component of the Sustainability Performance Index (SPI) and therefore of the Manage-

Carbon intensity* in kg CO_2e/m^2a



* Includes Scope 1 and 2 and Scope 3.3 "Fuel and energy-related emissions upstream"; referring to German housing stock; "Energy efficiency": all measures on the building envelope, "Fuel Switch": change in heat generation from decentralized fossil energy to heat pumps or district heating, shows the reduction in emissions in the first year of conversion; "Decarbonization of district heating": according to the KNDE 2045 scenario of the Agora Energiewende, "Carbon removal": natural and technological binding and long-term storage.

ment System and the remuneration paid to the Management Board and senior management.

Further information on the concepts and measures for implementing the transition plan can be found in Disclosure Requirements **E1-2** and **E1-3**.

To support and implement our transition plan, we invested a total of € 1,162 million in the reporting year, or 96.3% of our total capital expenditure in the reporting year. This amount represents the taxonomy-eligible CapEx in accordance with Delegated Regulation (EU) 2021/2178 in the business activities of energy-efficient renovation of existing buildings (7.2/CE3.2), the installation, maintenance and repair of energy-efficient equipment, the installation, maintenance and repair of charging stations for electric vehicles in buildings, the installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings, and the installation, maintenance and repair of renewable energy technologies (CCM 7.3 – 7.6).

The GHG emissions that can already be predicted to be emitted by the time the targets are reached in 2045 are to be understood as "locked-in GHG emissions." By 2045, GHG emissions of around 8.8 million metric tons of CO_2e (Scope 1+2+3.3) are expected to be generated following the implementation of the transition plan. Around 49 thousand metric tons of CO_2e also come from Scope 3.11 "Use of sold products." This category contains the GHG emissions from the new residential units built for sale that were completed in the reporting year. A lifespan of 50 years has been applied.

Vonovia is continuously reducing greenhouse gas emissions in its housing stock and in its operations thanks to the GHG emission reduction targets it has set itself and the corresponding measures to boost energy efficiency and make the switch to renewable energies. The plans to reduce "locked-in GHG emissions" are described in detail in the transition plan. There is no threat to the reduction targets or any promotion of transition risks.

Vonovia has not set any target values for the key figures referred to in the EU taxonomy for 2025 or 2030. We are aiming to increase the proportion of taxonomy-aligned business activities (sales, CapEx, OpEx) on an ongoing basis.

Taxonomy-aligned capital expenditure is as follows, based on Vonovia's business model: capital expenditure associated with the renovation of existing buildings (activity 7.2) that contributes to the transition plan always relates to energy-efficient modernization at Vonovia. We take the required 30% reduction in primary energy demand into account when designing projects. Capital expenditure on heating modernization, charging stations and wall boxes, metering technology and smart metering, and photovoltaic systems is generally treated as a direct climate change mitigation measure and is allocated to activities 7.3, 7.4, 7.5, and 7.6. Activity 7.7 "Acquisition and ownership of buildings" includes capital expenditure from acquisitions, Development to hold, investments not including energy efficiency measures (e. g., refurbishment of vacant apartments or major maintenance measures) or other internal expenses that can be capitalized. These qualify as taxonomy-aligned if the building-related technical screening criteria are met. The proportion of taxonomy-aligned activities will be steadily increased as the transition plan is implemented as a result of ongoing modernization measures. Vonovia did not make any significant investments in connection with economic activities related to coal, oil or gas in the reporting year. Vonovia is not excluded from the EU Paris-aligned benchmarks.

The transition plan has been fully integrated into the company's business strategy and financial planning. The GHG emission reduction targets have been integrated into the management system as a subindicator of the Sustainability Performance Index (SPI). The SPI and all of its subindicators, such as CO_2 intensity, form part of the planning process, and the progress made as well as the forecast value for the fiscal year concerned are calculated and reported to the Management Board on a quarterly basis.

The neighborhoods and buildings to be modernized are selected in a targeted manner in cooperation with the regional business areas, and the optimal degree of modernization and modernization roadmap for each building is defined. The investments for the modernization programs and PV expansion are approved by the Management Board. The use of the investment funds required to implement the measures is mapped out as part of the five-year plan and the budget prepared for the following year, and is adopted by the Management Board before being confirmed by the Supervisory Board. The Supervisory Board discusses and approves the SPI targets proposed by the Management Board for the 2024 budget and the period covered by the Long-Term Incentive Plan (LTIP) (for four years in each case).

In the reporting year, the CO_2 intensity for our housing stock in Germany was 31.2 kg CO_2e/m^2 of rental area, down by around 1.6% year-on-year (2023: 31.7 kg CO_2e/m^2), and 2.5% below the target for the reporting year (32.0). In addition to the modernization measures implemented in the reporting year despite the lower investment volume (building envelope + replacement of heating systems), this reduction can also be traced back to numerous energy certificate updates.

ESRS 2 SBM-3 – Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

Resilience of Our Business Model

The **resilience of Vonovia's climate change strategy** is reviewed on the basis of the climate risks identified as part of the risk management process. All risks identified for the Group as a whole that relate to climate change are marked as such. Both climate-related **transition risks** (e.g., increased costs due to regulatory requirements, substantial increase in the CO_2 price) as well as climate-related **physical risks** are taken into account. When assessing transition risks, the scenarios and assumptions used for the development of the relevant influencing factors, such as regulatory requirements, electricity or material prices, are selected by risk owners themselves. As far as the risk "substantial increase in the price" is concerned, a scenario has been defined for the development of the CO_2 price in Germany that corresponds to a 1.5-degree pathway at national level. There is no direct link to any specific emissions or global warming pathway for the other risks. A long-term projection spanning a total period of ten years was also added to the medium-term planning in the reporting year. Scenarios using different assumptions were defined for both planning periods, e.g., with regard to the cost of capital and the level of investment in energy-efficient modernization. These scenarios can be triggered by a number of factors, such as the transition to a low-emissions economy. When assessing transition risks as part of the risk management process, changes in the relevant influencing factors that could emerge from the transition to a low-emissions economy are also taken into account where possible. By way of example, growing concerns regarding climate change can result in changes in the regulatory environment, subsidy conditions and tenant preferences, and can have an indirect effect by triggering changes in the relative prices of various commodities and materials.

The assessment of climate-related physical risks looks at the effects on the Group's entire housing stock (Germany, Austria, Sweden) up to the year 2045, taking various climate scenarios into account (RCP 2.6, RCP 4.5 and RCP 8.5). The climate risks examined are heat, drought, increases in precipitation, wind and storms, snow loads and flooding. The downstream value chain, and tenants in particular, is also included in the analysis of physical climate risks. The upstream value chain is not explicitly included.

The resilience of Vonovia's strategy and business model is analyzed and evaluated annually as part of risk management. This involves assessing all climate-related impacts, risks and opportunities and identifying appropriate measures to reduce impacts and risks and to exploit opportunities. First-level executives below the Management Board are responsible for identifying and assessing risks within their areas of responsibility during the semiannual risk inventory process. The risk management horizon and the evaluation period extend five years beyond the reporting year, with assessments focusing on net risks, i.e., the risks after taking into account those measures that have already been taken, such as the implementation of the transition plan. The process involved in identifying material impacts, risks and opportunities is characterized by various uncertainties, such as the medium and long-term development of the regulatory framework, the prices for key technologies, materials and services, or the legally regulated CO_2 price.

Vonovia has not identified any material risk related to climate change when identifying impacts, risks and opportunities.

Consequently, the company is unhindered in the ability to adapt its strategy and business model to climate change in the short, medium and long term.

Vonovia identifies and assesses climate-related impacts, risks and opportunities as part of a double materiality assessment. This procedure is described in detail in → **ESRS 2 IRO-1**. In order to be able to identify all relevant sources for greenhouse gas emissions, Vonovia carries out a comprehensive assessment of the relevant business activities and scopes of GHG accounting at regular intervals in accordance with the GHG Protocol and the criteria set out by the Science Based Targets initiative (SBTi). In case a new business is launched or acquired an assessment of greenhouse gases to be included is exercised. The Scope 3 categories were screened for any changes in their materiality in the reporting year.

Material impacts, risks, and opportunities

Within the scope of our materiality assessment, we identified six **material impacts, risks and opportunities (IROs)** related to the topic of climate change:

> Negative contribution to the global increase in greenhouse gas emissions
> Positive effect on greenhouse gas reduction through modernization as part of the core business
> Earnings potential as a result of the energy-efficient modernization of the housing stock/increase in modernization volume
> Positive contribution to the energy transition
> Contributing to negative effects of climate change through new construction and densification
> Positive effects through mitigation of consequences of climate change

We currently expect our actual material impact **"negative contribution to the global increase in greenhouse gas emissions"** to have an influence on our business model, strategy and value chain in the short term. Vonovia's business activities, in particular property rental and management, including new construction and densification, cause GHG emissions due to the supply of heat and warm water, as well as through building materials and construction activities. Some of the GHG emissions are generated in Vonovia's own buildings, while others result from the generation of power or district heating in the energy sector. GHG emissions in (new) construction activities are associated with the manufacture of building materials and the use of construction machinery and vehicles. These emissions contribute to the global greenhouse gas effect and to global warming, which, in turn, has far-reaching consequences for human beings and the environment in the long run. Vonovia has developed, and is implementing, a climate strategy to reduce this negative contribution.

We currently expect our actual material impact **"positive effect on greenhouse gas reduction through modernization as part of the core business"** to have an influence on our business model, strategy and value chain in the short term. Ever since the company was established, Vonovia's business activities have involved maintaining and modernizing its housing stock in order to ensure that its properties can be rented out in the long term. This also results in continuous improvements in energy-efficiency status to comply with state-of-the-art standards, which has a positive effect in the form of reduced GHG emissions. Part of the reduction relates directly to the buildings concerned, while another involves an indirect effect thanks to lower energy demand and reduced demand for district heating and electricity, both of which generate emissions. This reduction in emissions lowers the global greenhouse gas effect and global warming, thereby also mitigating the long-term far-reaching consequences for human beings and the environment.

We currently expect our material opportunity **"earnings potential as a result of the energy-efficient modernization of the housing stock/increase in modernization volume"** to have an influence on our business model, strategy and value chain in the long term. Increasing the financial modernization volume allows us to increase rental income by passing on modernization costs. This opportunity relates to our own operations in Germany. The opportunity could have a potentially significant positive effect on Vonovia's financial performance in the medium term.

We currently expect our actual material impact **"positive contribution to the energy transition"** to have an influence on our business model, strategy and value chain in the short term. Part of Vonovia's current and future business activities involves expanding the capacity to generate electricity from photovoltaic modules installed on the roofs of its own housing stock. The electricity generated is used to operate heat pumps in the building and is also offered to tenants as tenant electricity. Any electricity that is not used for either of these two purposes is fed into the grid, helping to boost the share of renewable energies in the German electricity mix. This contribution to the energy transition lowers the global greenhouse gas effect and global warming, thereby also mitigating the long-term far-reaching consequences for human beings and the environment.

We currently expect our actual material impact **"contributing to negative effects of climate change through new construction and densification"** to have an influence on our business model, strategy and value chain in the short term. Part of Vonovia's current and future business activities involves building new residential properties and performing densification measures in existing neighborhoods. This promotes the expected local consequences of climate change, such as local heat islands or reduced precipitation drainage. This can affect both the environment and human beings in the immediate vicinity. Vonovia could incur higher operating costs for its buildings or the residential environment.

We currently expect our actual material impact **"positive effects through mitigation of consequences of climate change"** to have an influence on our business model, strategy and value chain in the short term. Part of Vonovia's current and future business activities involves further developing its neighborhoods, both buildings and the residential environment. Neighborhood development typically also involves unsealing areas, creating seepage areas, installing landscaped roofs and balconies, and taking other measures to create shade. This lessens the expected local consequences of climate change, such as local heat islands or reduced precipitation drainage. This affects both the environment and human beings in the immediate vicinity. The positive impact has a positive effect on our business model, as it leads to an increase in the value of our properties and higher levels of customer satisfaction.

E1-2 – Policies Related to Climate Change Mitigation and Adaptation

Climate Change Mitigation and Energy

When it comes to managing its material impacts in connection with the subtopics of climate change mitigation and energy, as well as the associated risks and opportunities, Vonovia has a concept in place that comprises three levers from the transition plan (climate pathway):

> Energy savings through energy-efficient modernization of the building envelope
> Increasing the share of renewable energies in the neighborhood
> Comprehensive transformation of the energy sector

The climate pathway is based on the principle of closely interlinking economic viability and the reduction of emissions. This principle is illustrated in the decarbonization tool (DCT) prioritization mechanism. The DCT reflects all relevant ecological and commercial aspects of the housing stock and determines how the refurbishments of individual buildings should be prioritized over time, which is then aggregated into an overall plan. The result of this prioritization is then set out in more specific detail in the plans for energy-efficient refurbishment and the energy concepts. In doing so, we adopt a holistic view at neighborhood level, examining both the modernization of the building envelope and the conversion of the energy supply to climate-friendly systems in their wider context. Our approach is shaped by the concept of sequential development. This means that, depending on the buildings' initial condition with respect to energy efficiency, the measures to enhance the individual buildings and advance towards the 2045 targets set in the climate pathway are staggered in some cases.

With regard to its Development business, Vonovia's strategy is to use its new construction activities to create urgently needed new and affordable homes with optimized energy efficiency profiles and a large proportion of renewable energy use. BUWOG has a sustainability strategy for development. Guides, specifications and tools have been developed in 14 focus areas to address the full range of sustainability aspects in new construction. These include optimized heat supply in the neighborhood, the use of ecological building materials and designs for open spaces. The strategy is based on the use of the German efficiency house standard or the basic criteria of Austria's "klimaaktiv" initiative. The average primary energy demand (non-renewable) of newly constructed buildings, in relation to rental area, is the most important non-financial performance indicator in development.

The integration of these policies into our corporate management is achieved via the Sustainability Performance Index (SPI), which includes the subindicators CO_2 intensity of the housing stock in Germany and average primary energy demand of newly constructed housing. Specific targets for all SPI indicators are defined during the budgeting and mid-term planning processes. These are closely linked to investment planning and are approved by the Management Board. The forecasting process is used to monitor target achievement. Measures to achieve the targets are implemented through dedicated investment programs and action plans in the relevant business and specialist units. For a detailed explanation of the SPI, see → **ESRS 2 GOV-3**. It is implemented by the Controlling and Sustainability departments. The subindicators and the SPI, as well as the progress made, are described in detail in the Annual Report, the ESG Factbook and on **Vonovia's website**.

The general aim of the transition plan is to achieve a greenhouse gas-neutral housing stock in Germany. The concept of the climate pathway and its incorporation into the Sustainability Performance Index cover the impacts and opportunities relating to the subtopics of climate change mitigation and energy.

The climate pathway refers to the housing stock in Germany. It looks at greenhouse gas emissions for the supply of heat and warm water (Scope 1 and 2) as well as the upstream chain involving the energy sources used in this regard (Scope 3.3). The climate pathway and its three levers were approved by the Management Board.

Climate Change Adaptation

Regarding the management of its material impacts in connection with the subtopic of climate change adaptation, Vonovia pursues a policy founded on a neighborhood-based, holistic development approach, known as urban quarters (for a definition of the term and further details on the related policy, see the chapter → **"Company-Specific Disclosures: Neighborhood Development"**). The principle is that the neighborhood (or urban quarter) serves as the central management level at which the company's business model and strategy are manifested. The neighborhood approach allows us to develop socially and ecologically sustainable places for people to live together, improving our tenants' quality of living in the process. This also includes adapting neighborhoods to deal with the expected effects of climate change, such as an increase in average temperature or extreme weather events.

Segmentation by urban quarters based on the definition above is only used for the German market segment at present. This means that 77% of the strategic portfolio is covered by the neighborhood concept. Which equates to 770 neighborhoods. Neighborhood-based approaches are also pursued in Sweden and Austria, but based on different segmentation principles. The Management Board is responsible both for the decision to structure the portfolio and for the resulting segmentation into urban quarters and urban clusters. All measures resulting from this decision for a specific neighborhood area are planned and reviewed in the respective regional business areas before they are implemented, working in collaboration with the departments for investment, climate-neutral housing stock and corporate development.

E1-3 – Actions and Resources Related to Climate Change Policies

Vonovia implemented the following measures in the reporting year to address the policies described in → **E1-2** and the material impacts and opportunities described in that section:

CO_2 Reduction in the Real Estate Portfolio

Energy-efficiency modernization to improve energy efficiency is an essential pillar of Vonovia's climate pathway. Using our decarbonization tool (DCT), an overall plan is prepared featuring an individual energy refurbishment and energy concept solution plan for each specific building. The energy efficiency measures, in particular insulating facades, cellar ceilings and lofts, and replacing windows, are implemented as part of the Upgrade Buildings investment program. In order to make energy-efficient building refurbishment even more cost-effective in the medium and long term, we continued to forge ahead further with serial refurbishment in the reporting year. Over the next few years, we will be making much greater use of this approach.

Another measure involves the digitalization of heat supply. In the reporting year, more than 2,200 gas-fired heating systems had already been connected to a digital solution developed in collaboration with the start-up Othermo, which detects heating system failures in real time and supports optimized adjustments to the system technology. This system offers the potential to save around 15% in energy and CO_2, with direct benefits for our tenants.

Another aspect of implementing the climate pathway is increasing **energy generation from renewable sources**. This includes the electrification of heat generation through our heat pump initiative. Based on a series of pilot projects and the knowledge gained from them regarding the use of the technology in existing apartment buildings, the initiative is now being extended to include other regions. In addition to the installation of the air-to-water heat pumps, the focus was also on replacing radiators wherever this was necessary in order to further reduce the supply temperature to enable efficient heat pump operation. A pilot project in the reporting year also tested an "EnerCube," a compact heat pump center that combines all of the necessary components in an external module, supplies several buildings and can be installed outside the buildings in a short space of time. Based on the successful pilot, the implementation of the EnerCube will be intensified.

Vonovia is also continuing the program it launched back in 2021 to expand electricity generation using photovoltaics. The focus is on ensuring that the electricity generated is used directly in the neighborhood – by our tenants and to operate heat pumps. The installation of these systems is therefore also closely interlinked with the heat pump initiative and the modernization program.

Our own energy supply company Vonovia Energie Service GmbH (VESG) provides our customers with electricity from renewable energies. Communal areas are already supplied with certified green electricity. Our objective is to maximize the share of energy we produce ourselves for the benefit of our customers and the environment, and also to use it for our housing-related services, e. g., e-mobility. By providing green energy that has been generated in the neighborhood or certified, we are supplying over 46,000 households with reasonably priced electricity and helping them to reduce greenhouse gas emissions. In this context we have concluded two power purchase agreements for around 38 million kWh. The electricity is generated by 15 wind turbines, which reduces approximately 28,800 tons of CO_2 equivalents.

At the end of reporting year, Vonovia owned 3,627 photovoltaic systems with an installed output of 134.8 MWp. This outstripped the target of 133.1 MWp. We will continue to forge ahead with the expansion of photovoltaics over the next few years: We aim to have installed around 400 MWp of capacity by 2028 and up to 700 MWp in the long term. We are aiming for additional capacity of 80 MWp in the 2025 fiscal year.

A further key lever for our climate pathway is the supply of sufficient quantities of **CO_2-free district heating** and electricity by the energy sector. This requires that the energy sector reaches the targets set by policymakers for phasing out coal and increasing the share of renewable energies in energy or electricity generation. We consider the mandatory municipal heating planning process to be an important step towards this goal. This can provide long-term planning security with respect to the availability of district heating within the municipalities. The German Heat Planning Act (Wärmeplanungsgesetz) also features mandatory targets for the decarbonization of heating networks.

One good example in practice is the Bochum heat transition project ("Wärmewende Bochum") that Vonovia is involved in. One key element of this project involves adopting an integrated view of heat and electricity generation that takes all stakeholders in the municipality into account. District heating is always an important lever for us where it is economically viable to connect additional properties to a district heating network while making consistent progress in decarbonizing heat generation by utilities companies. As a result, Vonovia is examining the decarbonization strategies of the most important district heating providers and, based on these conclusions, drawing up potential courses of action for incorporating them into its long-term neighborhood strategy.

The ability to implement the measures described depends on the availability and allocation of the corresponding investment funds and access to funding at affordable capital costs.

Like the climate pathway, the measures described refer to the housing stock in Germany and, as a result, largely to Vonovia's own operations. As the climate pathway also includes GHG emissions from the upstream chain involving the energy sources used, the measures also relate to part of the upstream value chain. Part of the downstream value chain is also included, as the expansion of photovoltaic capacity in conjunction with tenant electricity models also reduces our tenants' GHG emissions.

The measures to implement the three levers in the climate pathway (the Upgrade Buildings investment program and the elements it involves, such as modernization of the building envelope; heat pump initiative, digitalization of heat supply) are designed to be permanent until the overarching target for 2045 has been achieved.

The CapEx spent on the measures described in the reporting year consists of the investments within the Upgrade Buildings energy-efficiency modernization and heating replacement program, including investments in photovoltaic power generation capacity, and amounts to € 1,162 million. This equates to 96.3% of total CapEx in the reporting year.

Annual CapEx of around € 400–500 million a year has been earmarked for the implementation of all measures in the transition plan. In the reporting year, Vonovia expected the CO_2 intensity of its housing stock in Germany to increase slightly by +0.3 kg CO_2e/m^2 to 32.0 kg COe2e/m^2 of rental area. The savings achieved came to -0.5 kgCO_2e/m^2, bringing the CO_2 intensity at the end of the reporting year to 31.2 kgCO_2e/m^2 (previous year: 31.7 kg CO_2e/m^2).

CapEx of € 1,162 million and OpEx of € 409 million were spent on implementing the climate protection measures in the reporting year.

Climate Change Adaptation

Vonovia systematically analyzes the relevant climate risks, which are mapped in an IT tool using the relevant climate scenarios developed by the IPCC (Intergovernmental Panel on Climate Change), assessing the impact on our portfolio. During this process we also take into account the particular characteristics of the respective buildings and neighborhoods, such as existing sun protection or the degree of surface sealing.

Climate change adaptation is also taken into account in the planning guidelines for sustainable residential environment, which describe various components that can contribute, for example, to reducing heating in the neighborhood or improving drainage options. These guidelines must be taken into account as a mandatory requirement when planning open spaces in new neighborhoods.

We are taking various measures to make our existing neighborhoods more climate-resilient. These include, for example, the targeted planting of climate change-resistant tree species, the unsealing of parking areas and the establishment of seepage areas, as well as the creation of landscaped roofs.

E1-4 – Targets Related to Climate Change Mitigation and Adaptation

The climate change mitigation policies described in → E1-2 and → E1-3 and the measures implemented to realize them aim to achieve a greenhouse gas-neutral housing stock by 2045 with a **CO_2 intensity** of less than 5 kg of CO_2 equivalents per m^2 of rental area, and to take suitable measures to compensate for any remaining emissions that cannot be avoided. By 2030, our housing stock is to have a CO_2 intensity of less than 25 kg CO_2e/m^2. Both targets relate to Scope 1, Scope 2 (market-based) and Scope 3.3 of the housing stock in Germany. This is a specific absolute target for the relevant target year, measured in kg CO_2e per m^2 of rental area, meaning that the reference year is always the current year. The target is based on the German Federal Climate Change Act (Klimaschutzgesetz) and was developed with the involvement of Fraunhofer ISE. It is also based on the KNDE 2045 scenario of Agora Energiewende with regard to the development of the energy sector. Minor changes in the housing stock due to sales or new construction measures have also already been reflected in the assumptions. No changes have been included with regard to demand, the regulatory environment or available technologies.

The target is based on the overall plan that was prepared using the decarbonization tool. This plan rests on the assumption that the current legislation will remain unchanged and that the technological options available will remain constant. The assumption has also been made that the investment funds for modernization measures will be put to optimum use in line with the applicable internal return requirements. For emissions that arise indirectly from the purchase of district heating and electricity, a continuous decrease in nationwide CO_2 intensity (location-based) is assumed over the target period, based on Agora Energiewende's climate-neutral Germany scenario. A similar trend is also assumed for the specific emissions (market-based) of the individual district heating suppliers. Regarding emissions from general electricity and electricity for heating (heat pumps and direct electricity-based heating), it has been assumed that the electricity will be supplied by power generated by the buildings themselves, as well as that the purchase of electricity from renewable sources will continue based on a Power Purchase Agreement (PPA) or in combination with guarantees of origin, resulting in an overall emission factor of zero.

Vonovia has also set itself the target of reducing absolute Scope 1 and 2 greenhouse gas emissions by 42% by 2030 compared to the base year 2021. This applies to the GHG emissions from operation of the housing stock in Germany, Sweden and Austria, which together account for around 97% of the Vonovia Group's total Scope 1 and Scope 2 GHG emissions (based on the base year 2021). Vonovia is also committed to reducing absolute Scope 3 greenhouse gas emissions from the categories "Fuel and energy-related activities," "Use of sold products" and "Downstream leased assets" by 25% by 2030. The GHG emissions in the Scope 3 categories included in this target cover around 80% of the total Scope 3 emissions in the base year.

The target for absolute GHG reduction by 2030 for the German housing stock is based on the same assumptions as the target for CO_2 intensity. As far as the housing stock in Sweden and Austria is concerned, assumptions were also made regarding a reduction in the emissions intensity of electricity and district heating over the target period. In Sweden, the assumptions regarding the development of the GHG intensity of district heating are based specifically on the targets of district heating suppliers. In the case of Austria, the assumptions regarding the development of emissions from district heating and electricity are based on the scenarios of the Environment Agency Austria. The assumptions made regarding changes in the housing stock, demand and available technologies match those applied to the CO_2 intensity target.

The target for reducing absolute GHG emissions by 2030 is consistent with the requirements set out by the Science Based Targets initiative (SBTi) for alignment with the 1.5 degree target set in the Paris Agreement. In respect of the absolute GHG reduction targets to be met by 2030, the Science Based Targets initiative (SBTi) confirmed in March 2024 that the near-term targets set and submitted by Vonovia are in line with the 1.5-degree goal of the Paris Agreement.

Another target involves reducing the **average primary energy demand** (non-renewable share) of newly constructed buildings to less than 25 kWh/m^2 of usable building area by 2030. This target refers to all newly constructed buildings in Germany, Sweden and Austria, both to-sell and to-hold, with the exception of vertical expansion and purely commercial buildings. This is a specific absolute target for the relevant target year, measured in kWh per m^2 of usable building area, meaning that the reference year is always the current year. In the reporting year the average primary energy demand came to 22.0 kWh/m².

External stakeholders were not directly involved in setting the targets. Various departments were involved in-house.

Target achievement is monitored on an ongoing basis. CO_2 intensity and the average primary energy demand are part of the quarterly forecasting process, which illustrates the expected target achievement level throughout the year. The absolute GHG reduction target is monitored through the annual calculation of GHG emissions as part of the reporting process.

As GHG emissions are calculated based on the energy demand and consumption values shown in energy certificates at Vonovia, the values in the base year are robust in relation to external factors such as fluctuating weather conditions. They are representative because energy certificates are available for more than 92% of the housing stock. For the remainder of the buildings, energy consumption was extrapolated based on the year of construction using empirical values for comparable buildings from Vonovia's own housing stock.

GHG Emission Reduction Targets

	Base year 2021			2024			Target 2030	Target 2045
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total		
GHG emissions Scope 1 and 2 market-based (metric tons CO_2e; housing stock DE, SE, AT)	973,911	–	973,911	811,344	–	811,344	-42%	–
of which Scope 3 GHG emissions (metric tons CO_2e; categories 3.3 + 3.11 + 3.13)	767,187	–	767,187	746,491	–	746,491	-25%	–
GHG emissions housing stock Germany (in kg CO_2e/m^2 rental area)	38.4	–	38.4	31.2	–	31.2	< 25	< 5

Regarding the target for absolute GHG emissions, 62% are attributable in the base year to Scope 1 and 38 % to Scope 2 (market-based method). Regarding GHG intensity in the German housing stock, 47% are attributable in the base year to Scope 1, 42% to Scope 2 (market-based method) and 11% to Scope 3.3.

Vonovia is aiming to offset the unavoidable emissions remaining in 2045 by taking suitable measures that the company is still to define, achieving a CO_2 intensity of net zero.

E1-5 – Energy Consumption and Mix

Energy Consumption and Mix

	2023			2024		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
(1) Fuel consumption from coal and coal products (MWh)	12,544	–	12,544	11,064	–	11,064
(2) Fuel consumption from crude oil and petroleum products (MWh)	193,282	1,153	194,435	117,684	1,069	118,752
(3) Fuel consumption from natural gas (MWh)	2,452,196	43,994	2,496,190	2,498,007	40,792	2,538,800
(4) Fuel consumption from other fossil sources (MWh)	–	–	–	–	–	–
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	2,193,844	12,316	2,206,159	1,607,646	10,214	1,617,861
(6) Total fossil energy consumption (MWh) (Sum of lines 1 to 5)	**4,851,866**	**57,462**	**4,909,328**	**4,234,401**	**52,076**	**4,286,477**
Share of fossil sources in total energy consumption (in %)	**89.67%**	**87.15%**	**89.64%**	**80.69%**	**85.18%**	**80.74%**
(7) Consumption from nuclear sources (MWh)	**27,698**	**829**	**28,527**	**59,196**	**183**	**59,379**
Share of consumption from nuclear sources in total energy consumption (in %)	**0.51%**	**1.26%**	**0.52%**	**1.13%**	**0.30%**	**1.12%**
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biological origin, biogas, renewable hydrogen, renewable sources, etc.) (MWh)	9,665	538	10,203	2,492	498	2,991
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	549,095	7,934	557,030	1,010,682	8,561	1,019,242
(10) Consumption of self-generated non-fuel renewable energy (MWh)	202	–	202	296	–	296
(11) Total renewable energy consumption (MWh) (Sum of lines 8 to 10)	**558,962**	**8,472**	**567,434**	**1,013,469**	**9,059**	**1,022,528**
Share of renewable sources in total energy consumption (in %)	**10.33%**	**12.85%**	**10.36%**	**19.31%**	**14.82%**	**19.26%**
Total energy consumption (MWh) (Sum of lines 6 and 11)	**5,410,828**	**65,934**	**5,476,762**	**5,247,870**	**61,135**	**5,309,005**

Vonovia's energy production relates to the generation of electricity using photovoltaic modules. Vonovia generated 20,410 MWh of electrical energy from photovoltaics in the reporting year.

Energy Intensity per Net Revenue

	2023			2024			% 2024/2023
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Total
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/€)	888	247	861	741	159	711	82.64%

The real estate sector was applied as a climate-intensive sector for the purposes of determining energy intensity.

Net Revenue for the Calculation of Energy Intensity (€ million)

	2023			2024		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net revenue from activities in high climate impact sectors used to calculate energy intensity	6,096	267	6,363	7,080	384	7,464
Net revenue (other)	–	–	–	–	–	–
Total net revenue (financial statements)	**6,096**	**267**	**6,363**	**7,080**	**384**	**7,464**

E1-6 – Gross Scopes 1, 2, 3 and Total GHG Emissions

Gross GHG Emissions, Scopes 1,2 and 3

	Base year 2021	2023		
	Total	Continuing operations	Discontinued operations	Total
Scope 1 GHG Emissions				
Gross Scope 1 GHG total emissions (t CO_2e)	–	508,141	9,196	517,337
Percentage of Scope 1 GHG emissions from regulated emission trading systems (in %)	–	–	–	–
Scope 2 GHG Emissions				
Gross location-based Scope 2 GHG emissions (t CO_2e)	–	393,615	6,808	400,423
Gross market-based Scope 2 GHG emissions (t CO_2e)	–	323,144	6,808	329,952
Significant Scope 3 GHG Emissions				
Total gross indirect (Scope 3) GHG emissions (t CO_2e)	–	964,906	2,815	967,721
1 Purchased goods and services	–	81,021	- [3]	81,021
2 Capital goods	–	72,361	- [3]	72,361
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	–	210,026	2,815	212,841
4 Upstream transportation and distribution [1]	–	–	–	–
5 Waste generated in operations [1]	–	–	–	–
6 Business traveling [1]	–	–	–	–
7 Employee commuting [1]	–	–	–	–
8 Upstream leased assets [1]	–	–	–	–
9 Downstream transportation [1]	–	–	–	–
10 Processing of sold products [1]	–	–	–	–
11 Use of sold products	–	13,974	- [4]	13,974
12 End-of-life treatment of sold products [1]	–	–	–	–
13 Downstream leased assets	–	587,523	- [4]	587,523
14 Franchises [1]	–	–	–	–
15 Investments [1]	–	–	–	–
Total GHG Emissions				
Total GHG emissions (location-based) (t CO_2e)	–	1,866,662	18,820	1,885,482
Total GHG emissions (market-based) (t CO_2e)	–	1,796,191	18,820	1,815,011

1) Not significant.
2) The combined GHG reduction targets for 2030 and 2045 can be found in section E1-4.
3) Not reported due to quantitative insignificance.
4) Not applicable.

Greenhouse gases included in the calculation: CO_2 equivalents (greenhouse gases regulated in the Kyoto Protocol CO_2, CH_4, N_2O, SF_6, HFC and HFC).

Sources of emission factors: GEMIS 5.0, Defra, Federal Ministry of Environment Germany, Federal Ministry of Environment Austria, Covenant of Mayors for Climate and Energy, and Swedenergy (Swedish non-profit organization).

As actual measured values for the relevant reporting year are not available at the required time, we calculate the emissions on the basis of the valid energy performance certificates of the individual buildings. The energy consumption of those buildings that do not have energy performance certificates is extrapolated based on the age of the building and corresponding average values based on the rest of the portfolio.

To calculate the emissions from the combustion of fossil fuels and location-based emissions in Scopes 1, 2 and 3.3, the CO_2e factors from version 5.1 of the GEMIS database were used. GEMIS (Global Emission Model for Integrated Sys-

			Retrospective		Milestones and target year [2]	
		2024	% 2024/2023			
Continuing operations	Discontinued operations	Total	Total	2025	2030	Annual % target/ Base year
539,867	8,527	548,394	106.00%	–	–	
–	–	–	–	–	–	
335,518	5,498	341,016	85.16%	–	–	
296,965	5,498	302,463	91.67%	–	–	
1,054,582	2,817	1,057,399	109.27%	–	–	
170,748	- [3]	170,748	210.74%	–	–	
132,075	- [3]	132,075	182.52%	–	–	
205,634	2,817	208,451	97.94%	–	–	
–	–	–	–	–	–	
–	–	–	–	–	–	
–	–	–	–	–	–	
–	–	–	–	–	–	
–	–	–	–	–	–	
–	–	–	–	–	–	
–	–	–	–	–	–	
48,557	- [4]	48,557	347.48%	–	–	
–	–	–	–	–	–	
497,568	- [4]	497,568	84.69%	–	–	
–	–	–	–	–	–	
–	–	–	–	–	–	
1,929,967	16,842	1,946,809	103.25%	–	–	
1,891,414	16,842	1,908,255	105.14%	–	–	

tems) is an internationally recognized model for determining energy and material flows with an integrated database. The model calculates life cycles for all processes and scenarios, i.e., it takes into consideration all material steps from primary energy/raw material extraction to effective energy/material provision and also includes the auxiliary energy and cost of materials to produce energy plants and transport systems.

Vonovia does not have any GHG emissions that are subject to regulated emission trading systems.

Market-based emission factors were used to determine Scope 2 emissions from district heating where these were available in qualified form. Otherwise, location-based emission factors were used. In the 2024 fiscal year, market-based emission factors accounted for 62% in relation to district heating supply. An emission factor of zero was used to determine Scope 2 emissions from electricity consumption (market-based), as the corresponding energy volumes are sourced from green electricity. In 2024, 85% of the green electricity was covered by guarantees of origin, while 15%

was sourced through a power purchase agreement (PPA, for electricity from renewable wind energy).

The GHG emissions (Scope 1 and 2) indicated include all fully consolidated companies. Emissions from companies in which Vonovia holds a minority interest are to be allocated to Scope 3.15 Investments in accordance with the GHG Protocol. This category has not been classified as significant.

Scope 3 greenhouse gas emissions were mainly calculated based on emission factors from recognized databases. Primary data from suppliers or other partners in the value chain was not used.

Vonovia has defined the following Scope 3 categories as **significant**:

> Scope 3.1 Purchased goods and services: GHG emissions from the production and installation of building materials and materials for maintenance, energy-efficient modernization, "Optimize Apartments" measures and heating system replacement. GHG emissions are calculated using emission factors created by external experts on the basis of typical measures taken by various companies in the housing industry. The emissions were calculated by multiplying the corresponding units of the measures implemented (modernized m² of living area) by the relevant emission factors.

> Scope 3.2 Capital goods: GHG emissions from the production of building materials used for the new buildings completed in the fiscal year in question. The GHG emissions are calculated using emission factors based on the building construction type as prepared by external experts as part of a comprehensive life cycle assessment for a model building. Total emissions were calculated by multiplying the gross floor space completed by the emission factors for the corresponding construction type.

> Scope 3.3 Fuel and energy-related emissions (not Scope 1+2): GHG emissions from the upstream chain of energy sources not reported as Scope 1 or Scope 2 emissions (e.g., for the extraction and transportation of fuels or the production and transportation of electricity and district heating) – both for the wholly owned housing stock and for apartments owned by Vonovia that belong to a residential property owners' association (WEG) (their Scope 1 and 2 emissions are reported as Scope 3.13 emissions).

> Scope 3.11 Use of sold products: GHG emissions from the operation of newly constructed residential units sold in the relevant fiscal year (provision of heat and warm water) over a lifespan of 50 years (in line with the recommendation of the Association of German Housing and Real Estate Companies (GdW)). Declining GHG intensity of district heating and electricity is assumed over the course of the property's useful life. This matches the assumed trend for the company's own portfolio.

> Scope 3.13 Downstream leased assets: GHG emissions generated from household electricity used by tenants in their homes for electrical appliances (excluding general electricity or electricity required for heat and warm water). The corresponding electricity consumption is estimated based on a method developed at sector level, since real data is not available to the landlord. User electricity for commercial units was extrapolated based on average values for types of use. The national emission factor for electricity is used to calculate emissions (location-based), as are GHG emissions resulting from the supply of heating and warm water to rental units that are owned by Vonovia and belong to a residential property owners' association (WEG).

The following Scope 3 categories have been classified as **insignificant**:

> Scope 3.4 Upstream transportation and distribution: partly included in categories 3.1. and 3.2, emission level not material
> Scope 3.5 Waste: emission level not material
> Scope 3.6 Business travel: emission level not material
> Scope 3.7 Employee commuting: emission level not material
> Scope 3.8 Upstream leased assets: n/a
> Scope 3.9 Downstream transportation and distribution: Vonovia does not sell any products that are transported
> Scope 3.10 Processing of sold projects: Vonovia does not sell any products that are processed further
> Scope 3.12 End-of-life treatment of sold products: emission level not material
> Scope 3.14 Franchises: n/a
> Scope 3.15 Investment: emission level not material

Vonovia does not currently have or finance any projects of its own aimed at decomposing or storing greenhouse gases, nor does it contribute to such projects in the upstream or downstream value chain. We are currently assessing which appropriate measures will be implemented in the future to achieve net-zero emissions.

Vonovia does not use any in-house CO_2 pricing system. External statutory CO_2 prices are included in the internal financial feasibility calculations.

GHG Intensity per Net Revenue

	2023			2024			% 2024/2023
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Total
Total GHG emissions (location-based) per net revenue (t CO_2e/€)	306	70	296	273	44	261	88.0%
Total GHG emissions (market-based) per net revenue (t CO_2e/€)	295	70	285	267	44	256	89.6%

Net Revenue for the Calculation of Greenhouse Gas Intensity (€ million)

	2023			2024		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net revenue used to calculate GHG intensity	6,096	267	6,363	7,080	384	7,464
Net revenue (other)	–	–	–	–	–	–
Total net revenue (financial statements)	**6,096**	**267**	**6,363**	**7,080**	**384**	**7,464**

ESRS S1 Own Workforce

ESRS 2 SBM-3 – Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

Material Impacts, Risks, and Opportunities

Within the scope of our materiality assessment, we identified **five material impacts, risks and opportunities (IROs)** related to our own workforce:

> Promotion of employees' professional development
> Employee dissatisfaction due to lack of co-determination
> Employee satisfaction through co-determination
> Promotion of diversity in the workforce
> Financial opportunity through appeal as an employer

In order to successfully implement Vonovia's business strategy and model in all business areas (see → ESRS 2 SBM-1), a broad-based workforce comprising highly skilled employees is a must.

The actual **positive impact of "promotion of employees' professional development"** relates to Vonovia's own operations and involves creating long-term career opportunities by offering various training and career paths as well as further training opportunities for Vonovia's employees. Well-trained employees in both the technical trades and in commercial positions for our core business of property management and rental, as well as for the construction and renovation of residential properties, are crucial for our business model, especially in light of innovations in business operations with regard to the energy and heating revolution, and new regulatory requirements. Training and skills requirements are also emerging due to social megatrends, such as new construction to alleviate the shortage of housing, measures to optimize our housing stock through modernization and senior-friendly conversion, as well as the need to reduce CO_2 emissions in our portfolio. Therefore, we continuously take measures to expand the training opportunities open to our employees and adapt them to reflect new circumstances. This means that Vonovia can use its actions to make a key contribution to the positive impacts. This impact is directly linked to our strategy. We have thus established a comprehensive training and development approach as a central component of our HR strategy. First, our efforts serve to increase expertise and knowledge as well as to foster an exchange of experience among employees, which gives them more opportunities for advancement. Second, employees are more satisfied and stay with the company longer. This makes Vonovia more attractive as an employer overall. What is more, our customers benefit from improved service quality thanks to better trained employees. We currently expect to see an impact on our business model, strategy and value chain in the short term.

The actual **negative impact associated with "employee dissatisfaction due to lack of co-determination"** and the positive impact associated with **"employee satisfaction through co-determination"** relate to our own operations. If representation channels or feedback formats for employees are insufficient, opportunities for employee engagement are limited, making it more difficult for them to influence their own working conditions or employee rights. This can result in general dissatisfaction among employees and a higher staff turnover rate and thus negatively impact our business model, given the current general shortage of skilled workers. On the other hand, satisfied employees who can exercise sufficient participation rights within in the company result in lower staff turnover. This makes retaining skilled employees essential for our business model. If social dialogue in the workforce, as well as general information for, and representation of, the workforce regarding employee rights, are strengthened by works council members and regular survey formats, employee satisfaction can be increased and staff turnover counteracted. Vonovia has identified the risk of dissatisfaction due to a lack of co-determination opportunities within its own workforce and thus the importance of co-determination within its own ranks. This is why co-determination is prioritized as a topic in the overarching HR strategy, and why opportunities for social dialogue are firmly established in the corresponding works council structures and in various annual feedback formats. With this in mind, we take measures on an ongoing basis to give our employees opportunities for co-determination and to expand these further.

On the one hand, underestimating or not doing enough to promote employee participation formats, opportunities to have a say and an appreciative and transparent feedback culture can have a direct impact on our employees, e.g., in the form of lower motivation and higher levels of staff turnover. On the other hand, a sufficient range of different employee engagement formats, opportunities to have a say and an appreciative and transparent feedback culture can have a direct impact on our employees, e.g., in the form of increased motivation and efficiency. This means that Vonovia can use its actions to exert a significant influence over both the negative and positive effects of any resulting dissatisfaction/satisfaction among our employees. This impact, whatever its direction, can result either from a lack of co-determination opportunities at Vonovia or from the fact that there are sufficient opportunities for co-determination. The adverse and positive impacts are directly linked to our strategy, as they are directly integrated into our HR strategy through the strong establishment of our works council structures and the focus on employee retention as a key component. Through these measures, as well as measures to grant our employees opportunities and formats for co-determination, employee satisfaction can be positively influenced. We currently expect both the positive and negative impacts, to have an effect on our business model, strategy and value chain in the short term.

The actual **positive impact "Promotion of diversity in the workforce"** relates to our own operations. We employ staff from various professional and age groups, with varying lengths of service, with different sexual orientations, affiliations, backgrounds and religions, and employees with and without disabilities. Thus, we see diversity as an important part of our corporate culture and have made it a firm component of our corporate mission statement. Vonovia's various business areas, spanning different countries and urban areas, thus call for a diverse workforce, both professionally and personally, and comprehensive diversity management. This makes promoting these very aspects essential for our business model. As a result, we take measures on an ongoing basis, for example to ensure equal pay for equal work, in order to promote diversity and equal opportunities. This means that diversity contributes to our company's success and has been even more of a priority as an independent component of our HR strategy since the end of the previous fiscal year, as well as in the current fiscal year. Proactive moves to promote a corporate culture that is free from discrimination, internal diversity targets and the public communication of related actions and measures have a direct impact on our employees, e.g., in the form of a positive team and corporate climate. This bolsters employee satisfaction, encourages stronger identification with the employer brand and translates into lower staff turnover. Promoting diversity and positioning ourselves as an attractive employer will become even more important going forward as the shortage of skilled workers becomes more pronounced, as these very workers are crucial to the continuation of our rental business and the associated service quality. Our HR strategy and the related measures are thus directly aimed at promoting diversity in the workforce and, more generally, at strengthening loyalty to the company. As a result, the positive impact is directly linked to our business strategy and the measures developed as a result are, in turn, explicitly integrated into our HR strategy. This means that Vonovia can make a key contribution to this positive impact through its measures to promote diversity. We currently expect to see an impact on our business model, strategy and value chain in the short term.

If a successful HR strategy can be implemented, the impacts described above will produce a significant **financial opportunity associated with a high level of appeal as an employer**. This is reflected, among other things, in lower transaction costs due to staff turnover and in the long-term retention of existing employees. Against the backdrop of the shortage of skilled workers, a higher degree of appeal as an employer can, in turn, have a positive impact on the implementation of a company's own business strategy and the further development of innovative business models.

Our "financial opportunity through employer attractiveness" relates to our own business operations. By securing jobs in the long term and creating fair working conditions, Vonovia stands out as an attractive employer. Positioning ourselves as an attractive employer means that we are able to retain employees, as we compete with other companies on the labor market. At the same time, a differentiated and efficient recruitment strategy as well as measures to strengthen the employer brand and reputation can have a positive impact on the recruitment of new skilled employees. This can increase the level of professionalism and innovation potential in the workforce, improve service quality and feed into higher levels of customer satisfaction as a result. This financial opportunity is, in turn, associated with higher revenue expectations. By taking the measures described above, Vonovia can help to reduce staff turnover and, in doing so, reduce transaction costs by increasing employee satisfaction and making them more likely to stay with our company. Vonovia can also boost its own innovative strength and competitive standing by recruiting additional qualified specialists. As a result, we expect to see a positive impact on our financial position, financial performance and cash flows. By continuing to successfully offer our customers state-of-the-art and target group-specific services as well as affordable and climate-friendly homes in the future, we can contribute to Vonovia's stable organic business growth in the medium term. The period spanning the current or following reporting year is too short to allow us to pinpoint any major positive financial effects on Vonovia's financial position owing to the company's increased appeal as an employer.

No significant changes were made to our measures to address our material impacts or our material opportunity in the fiscal year under review, and no such changes are currently planned.

Resilience of Our Business Model

In order to assess the **resilience** of our business model in terms of its ability to cope with the material impact of the shortage of skilled workers on Vonovia's business activities by increasing our attractiveness as an employer, we regularly monitor the development of our key performance indicator "employee satisfaction," as a subindicator of the SPI using partial and comprehensive annual surveys (for more details on the SPI model, please refer to → **ESRS 2 GOV-3**; for information on the targets, see → **S1-5**). The development of this key indicator shows that employee satisfaction at Vonovia remains at a constant level (details on the development of the SPI indicators can be found in → **S1-5**). As part of the half-yearly analysis of our corporate risks carried out by Risk Management, the shortage of skilled workers is listed as a risk with regard to our own workforce, although the amount of loss is currently estimated to be low, as is the probability of occurrence. We can therefore conclude that our current measures strengthen the resilience of our business model with regard to the workforce, and ensure that no material risks emerge for our business model.

Target Groups

All individuals in Vonovia's workforce who could be affected by the company's material impacts are covered by the disclosures made in accordance with → **ESRS 2** and are therefore included in them. This also includes current business areas as well as the discontinued Care segment.

Vonovia's employees can be split into two categories: **employees working in the technical trades and employees with commercial and administrative roles**. Only individuals employed by Vonovia are included in the analysis of the workforce affected by those impacts that have been identified as material. Self-employed workers, non-salaried employees and workers provided by third-party companies may be involved in Vonovia's core business in Germany in both a commercial/administrative and technical/trades-based role. However, our strategic concepts and measures in response to the impacts are primarily applicable to our in-house employees who are directly employed by Vonovia. As they have fixed employment contracts with Vonovia, they are legally bound by our employment agreements and conditions and have access to our company user infrastructure.

The impacts described, on the one hand, from the general shortage of skilled workers and on the other, from potentially insufficient equal treatment, and affect the two groups of employees as follows: Tasks that are central to our value chain – from caretaker work and green space maintenance to the implementation of modernization work – are largely carried out by our own **technical and trades employees**. Across all industries, there is a trend toward fewer young people opting to complete an apprenticeship or pursuing a career in the skilled trades. This trend is also having an impact on trades in the construction and modernization sector in the form of an ever-shorter supply of skilled workers. Despite a targeted insourcing strategy aimed at ensuring the availability of skilled tradespeople and technical workers on construction sites, the shortage of skilled workers is having a significant impact on Vonovia's ability to recruit up-and-coming young talents in the skilled trades. According to the micro census, around 30% of the population having worked in 2021 will exceed the retirement age by 2036. We will therefore only be able to prevent quality restrictions, mounting workloads and, as a result, dissatisfied employees who end up leaving the company, if we manage to position ourselves as an attractive employer. We can achieve this by systematically approaching motivated potential candidates and arousing their interest in a position with Vonovia through targeted measures. Internal high-potential candidates are identified by their manager as part of the annual appraisal process (annual appraisal including performance and potential assessment). Once the assessments have been validated in the context of HR retreats, selected employees are then invited to participate in programs, such as the Female Leadership Program.

Our **commercial and administrative employees** work in particular in administration, customer service and portfolio management in our business areas. As we place particular emphasis on fast and reliable customer service, we have our own customer service centers in Essen, Dresden and Berlin, where over 1,000 employees deal with our customers' concerns on a daily basis and in several languages. These areas of activity are also being impacted by demographic change, meaning that we expect to see a shortage of qualified staff here, too, in the future.

The material negative impact that has been identified in relation to “employee dissatisfaction due to lack of co-determination” can be due to both systemic and company-specific factors.

> **Systemic:** A systemic lack of co-determination and the resulting dissatisfaction can be caused by limited statutory requirements for the representation of interests or the enforcement of employee rights, meaning that the company cannot achieve the satisfactory co-determination of working conditions for its own employees.

> **Individual:** Failure to give appropriate regard to employee perspectives on the part of the direct management level or the management of the Group as a whole, as well as deprioritization of the interests of the company’s own employees in the Group’s business activities (including, for example, possible failure to safeguard freedom of association as well as a potentially inadequate feedback culture regarding working conditions in the Group as a whole or in parts of the Group).

The positive impact of **promotion of employees’ professional development** results from the creation of new jobs, occupations and trainee careers due to innovations in business operations (energy and heating revolution) as well as strategic collaborations and partnerships to attract new talent and trainees. These activities relate, in particular, to the trades and technical areas, such as the installation of photovoltaic modules, the expansion of the energy business, and energy and building technology, but also to commercial staff. In the commercial workforce, for example, new positions need to be created in the areas of sustainability and reporting, scheduling of measures as part of the “Optimize Apartments” program, and recycling and waste management, and employees need to be recruited or trained accordingly. At the same time, we see it as our responsibility to prepare young, talented individuals for their future careers in a whole range of occupational areas to the best of our abilities and, at the same time, convince them to stay with the company.

The **diversity** of our workforce is favored by the supraregional administration, management, new construction and conversion of properties in various regions of Germany, Austria, and Sweden. All of the different occupations at Vonovia and the employees working in these areas represent a wide range of different social, economic, cultural and ethnic backgrounds as well as religious, gender and political identities, which Vonovia continues to promote through its open and tolerant corporate culture. In order to enhance this shared culture of diversity, we also take diversity criteria into account when recruiting new staff. At the same time, we communicate our measures to support diversity to the public. This impact affects Vonovia’s entire workforce, although the trades/technical segment predominantly comprises male employees. Achieving a more balanced gender split – particularly, but not exclusively, in technical occupations – has therefore been firmly established as a component of Vonovia’s HR strategy.

Vonovia has identified **employee satisfaction** through co-determination as another positive impact. In general, growing social and capital market demands on companies with regard to employee engagement are resulting in more complex requirements and needs on the part of Vonovia’s workforce. There is also a need for more extensive co-determination opportunities due to the increasing competition faced when it comes to recruiting skilled workers (employee market). Vonovia offers various engagement formats and opportunities to have a say, as well as promoting an appreciative and transparent feedback culture, in order to meet these requirements and contribute to our HR strategy of retaining employees and fostering employee loyalty, which can only be successful if employees are highly satisfied.

The various activities in Vonovia’s fields of business – such as modernization, development and construction activities, technical upgrades of energy and heating systems, but also the Care segment – are faced with the same shortage of skilled workers that every industry is confronted with. At the same time, rising costs further upstream for materials and commodities that are urgently needed in the construction and modernization industry, disrupted supply chains, less favorable subsidy conditions or lengthy approval and project procedures for construction projects are other factors that can have a negative impact on working conditions such as remuneration, the social benefits on offer, job security and the general working atmosphere for employees. Securing existing jobs with appropriate remuneration that is competitive in the industry, and creating a positive working environment, for example by establishing an open feedback culture and granting co-determination opportunities, can open up a significant financial opportunity for the company: Effective **measures to boost the appeal as an employer** (also through further training and qualification formats, work-life balance measures, a transparent remuneration policy and modern employee benefits) have the potential to allow Vonovia to keep existing employees with the company in the long term and further increase the success of our recruitment strategy when it comes to attracting potential employees, while at the same time promoting innovation potential within the company in the long term. This contributes to the development of a forward-looking, robust HR strategy that can be used to develop a sustainable approach to the above-mentioned risks.

As part of the **transition plans to reduce any negative impact on the environment** and achieve environmentally friendly and greenhouse gas-neutral activities, there is an opportunity for Vonovia's employees to explore new (training) occupations, fields of activity and training areas. Our measures to achieve a greenhouse gas-neutral housing stock by 2045 include the refurbishment of building structures/envelopes and the installation of photovoltaic modules and heat pumps, which require the appropriate technical expertise in the trades for installation and maintenance. Commercial employees also require expertise in areas such as sustainability strategy, innovation management, digitalization, occupational safety and HR, which will also call for corresponding changes to existing job profiles and the creation of new functions.

The transition plans could, however, have an impact in terms of increased risk potential for the employees concerned in connection with their work with or on new technologies. Ambitious transition plans combined with a shortage of skilled workers in the areas concerned could also create a heavy workload for employees in these areas.

In the latest version of our **Declaration of Respect for Human Rights**, which was approved by the responsible Compliance unit in the spring of 2024 and has entered into force, we specifically highlight the relevance of global human rights standards to us. This Declaration also applies to our subsidiaries. Neither we, nor any of our partners, tolerate forced or child labor under any circumstances. We also make sure to comply with all relevant legislation in Germany, Austria and Sweden. We make sure that all changes to the law are reflected in our processes. Our **Code of Conduct** provides clear expectations for how the company and its employees are expected to behave.

We strive for full transparency in our compliance with human rights and all relevant standards along the entire supply chain. Our stakeholders, too, increasingly expect this transparency – from raw material extraction to sales. We therefore oblige external partners and service providers to comply with the following requirements:

> The **Business Partner Code**
> The General Terms and Conditions of Purchasing
> Vonovia SE's general terms and conditions for building services
> Vonovia SE's general terms and conditions for planning services
> Individual agreements as part of our structured supplier management

In the context of the overall statutory framework set out above and thanks to the precautions taken, no cases of forced labor or child labor have come to light at any of our business locations in Germany, Austria or Sweden, or in any area of activity within our value chain. Given the preventive measures taken, we do not anticipate any elevated risk of forced labor or child labor.

Vonovia has identified **employee dissatisfaction due to lack of co-determination** as a material negative impact. Employees working in the Care segment have been identified as a particularly vulnerable group within the company, as these employees are not included in the annual employee satisfaction survey.

Vonovia has only identified one material opportunity (and no material risk): the financial opportunity to **position itself as an employer with appeal.** This does not affect any specific group of people within Vonovia's workforce, but represents a financial opportunity for the company in connection with the entire workforce. The implications of the shortage of skilled workers, which can result directly from a lack of attractiveness as an employer, also do not depend on any specific group of people, but rather affect Vonovia's workforce as a whole due to its systematic spread across all industries and occupational areas.

S1-1 – Policies Related to Own Workforce

Working Conditions (Shortage of Skilled Workers)

As part of the materiality assessment, Vonovia identified material impacts and a financial opportunity with regard to the issues of the "Working Conditions / Shortage of Skilled Workers" and "Equal Treatment." Both subtopics are embedded in, and addressed by, our long-term HR strategy. This supports Vonovia's new business strategy, which aims to offer state-of-the-art, customer-centric products and services. This strategy will be realized through future-oriented HR management, which is to be implemented in the company.

Vonovia has identified a material financial opportunity related to achieving a **high level of appeal as an employer** in order to counter the prevailing **shortage of skilled workers**. This opportunity is directly linked to the material impacts of "promotion of employees' professional development" and "employee (dis)satisfaction due to (lack of) co-determination". Dissatisfaction can arise in this regard due to inadequate representation channels/opportunities, such as works councils and employee representative structures, as well as due to limited feedback opportunities and opportunities for employees to have their say (consultation and co-determination). This can create risks with regard to working conditions, such as inadequate wages or remuneration conditions, excessive workloads for employees due to inflexible working hours regulations or limited work-life balance opportunities. These impacts can ultimately affect Vonovia's appeal as an employer, which can, in turn, translate into increased staff turnover or make it more difficult to recruit new hires, further intensifying the negative effects of the shortage of skilled workers.

Our **HR strategy** addresses these identified effects described above, as well as the opportunities, through its various subcomponents. The strategy was approved at Management Board level and is implemented, monitored and managed centrally throughout the Group by the HR department. This also includes all current business areas, including the Care segment, as well as the business areas in Austria and Sweden. The overarching objectives of this strategy are to secure the long-term success of Vonovia's business and the associated jobs and, as a result, to attract qualified employees to Vonovia and keep them with the company in the long term. This overarching strategic concept for HR has been integrated into our corporate management via the **Sustainability Performance Index (SPI)**, which includes, among another four, two **subindicators: employee satisfaction and the proportion of women in management positions at the first and second level below the Management Board**. For detailed information on the SPI and the tracking of targets, refer to → ESRS 2 GOV-3 and → S1-4 and → S1-5. In our quest to achieve these goals, we are using **recruitment**, targeted HR resource planning and the insourcing of skilled workers in technical areas and the trades to counteract the shortage of skilled workers and demographic change. Part of the concept also involves **promoting the development of skilled workers and employees and retaining them at the company (talent management)**. At the same time, we are working on our **organizational development** and on establishing an **innovative, open and dynamic corporate culture.** This includes short, medium and long-term implementation and management phases embedded in a steering cycle at Management Board and Supervisory Board level that is supported by an overarching internal strategy process and is monitored by both this entity and the HR department with regard to the progress made. Vonovia's new business strategy is to be bolstered by corresponding strategic HR modules in three "horizons" running in tandem: Initially, this entails prioritizing and addressing immediate requirements, such as remuneration and recruitment issues, as well as the topic of equality and equal opportunities (first horizon). In the medium term, the aim is then to gradually strengthen the employer brand and adapt employer branding to reflect HR resource planning, roll out talent and performance management and provide existing employees with even more targeted training, support and development opportunities as they progress on their individual career paths (second horizon). In addition, strategic recruitment is to be used to attract further qualified specialists for new roles in the company's core business, for example in procurement, sales, modernization and development, in order to provide HR support to Vonovia's growth strategy (third horizon). In the long term, our HR strategy will focus on further developing and further establishing those aspects that promote leadership and corporate culture, in particular moves to promote gender equality and equality of opportunity within the company, as well as creating links with leadership concepts.

The HR strategy is presented and made available as part of the steering cycle and in the corresponding implementation phases at management level. The responsible managers are tasked with implementing the measures derived from the strategic components referred to above in their business areas. Affected employees are also informed about relevant strategic developments, changes and innovations relating to their jobs before they are implemented at regular works council meetings and via the available information channels, such as the intranet and Management Board emails.

Equal Treatment and Opportunities for All

Vonovia uses the **Code of Conduct**, as the basis for the material positive impact and the associated strategy for "Promoting Workforce Diversity," as a central guideline for behavior that is consistent with the Vonovia Group's values and regulations. The Code of Conduct sets out provisions governing aspects such as conduct, preventing corruption, conflicts of interest, information and data protection, discrimination, environmental protection and protecting company property. It applies to all Vonovia employees in Germany and has also been adopted in Austria and Sweden, with modifications to take account of country and organization-specific differences. The correct implementation of the Group policy is reviewed by Internal Audit in line with a risk-based approach. In addition, reports of non-compliance (e.g., in suspected cases of discrimination or violence in the workplace) are submitted using the relevant whistleblowing channels (see → S1-3) and, if the facts are confirmed, sanctions are imposed based on formalized processes. The content and specific sub-dimensions – particularly with regard to preventing discriminatory or violent behavior in the workplace – are made available to all employees, managers and members of the Management Board in a mandatory training session. Our established grievance and reporting mechanisms ensure that any violations of the Code of Conduct are systematically investigated and that appropriate sanctions imposed, helping to contain and combat any cases of discrimination that arise. Operational responsibility for the implementation, monitoring and further development of this concept is shared between the HR, Legal, Compliance, Corporate Communications and Internal Audit departments. Ultimate responsibility lies with the Management Board.

The European legal framework in which Vonovia operates with its business model is strictly regulated and overseen in the markets in Germany, Austria and Sweden. This applies in particular to **fundamentally enshrined human rights**, to which Vonovia attaches great importance, irrespective of the legal framework. Compliance with, and the fostering of, these rights is reflected in our ethos and mission statement. We adapt our guidelines to changing conditions as needed on a case-by-case business. Due to the Supply Chain Due Diligence Act and the announced European regulation, the way in which supply chains are structured and the due diligence obligations associated with this are of increasing importance to the company.

In our Declaration of Respect for Human Rights, which applies throughout the Group, we communicate our clear conviction for a pluralistic democratic society and zero tolerance of human rights violations and our commitment to respect human rights in all aspects of our business. We adhere to the core labor standards of the International Labour Organization (ILO), the UN Guiding Principles on Business and Human Rights and the principles of the UN Global Compact, which we committed to in 2020. Our Code of Conduct also takes account of our stance regarding respect for human rights.

Vonovia's business model includes the construction, maintenance and modernization of homes. From a human rights perspective, **compliance with labor and social standards** on construction sites in the course of these activities is of particular relevance. Some trade/construction activities in Germany are carried out by the company's own technical service – and therefore by our employees. This lessens both dependency on the services of external construction companies and – thanks to the measures established in the company's own business area – the risk of non-compliance with labor and social standards.

A **due diligence process** to avoid scenarios in which business activities have negative impacts on people and the environment forms the core of compliance with the minimum safeguards. Taking the OECD Guidelines as a basis, Vonovia has implemented all of the recommended due diligence steps. In the reporting year, we conducted a human rights and environmental risk analysis for our own business and the supply chain.

To address risks identified in relation to topics, such as fair working conditions (adequate remuneration and social protection), freedom of association or anti-discrimination and equal treatment, we develop measures that we regularly review for appropriateness and effectiveness. As part of the German Supply Chain Due Diligence Act (LKSG), which came into effect in 2023, we held a kick off workshop for employees in the Procurement department last year. In addition, in 2023 we introduced an e-learning program to raise awareness of our human rights due diligence obligations among our employees. This was also freely accessible to all our employees with access to the Vonovia Academy during the reporting year. We initiated a comprehensive supplier survey in 2023 to further boost transparency regarding activities in the supply chain and dialogue with our business partners. This survey was conducted again during the reporting year, and appropriate follow-up measures were derived from the results. We answer human rights-related questions from our business partners via the mailbox humanrights@vonovia.de, among other channels.

Vonovia has set up various procedures that allow reports on potential abuses (such as human rights violations) by both internal and external parties, including anonymous reports. We conduct in-depth investigations into indications of human rights violations within our own business or in the supply chain that come to our attention via the various **reporting channels** (see S1- 3).

As Vonovia operates in geographical areas (Germany, Austria and Sweden) where child labor, human trafficking and forced labor are prohibited and punishable by law, these issues are considered to entail low risks for the company based on a due diligence analysis. Consequently, these issues are not the main focus of Vonovia's HR strategy. Vonovia complies stringently with the statutory provisions that apply in its business areas and explicitly rules out these forms of human rights violations by means of corresponding Group policies. As a result, there is no risk of human trafficking, forced labor or child labor at Vonovia or in its value chain. Nevertheless, we carry out regular risk analyses, and ad hoc risk analyses if required, for our own business and for our supply chain. We describe our approach to risk analysis and the risk areas in our Declaration of Respect for Human Rights, which we update on a regular basis.

The company uses its professional **health and safety management policy** to minimize potential hazards and promote a working atmosphere that effectively protects all employees from health risks in the workplace. We design working processes and structures that are conducive to good health and offer preventive health care programs as part of our corporate approach to health management.

Our **Group guideline on occupational safety** defines the occupational safety standard that applies throughout the Group. The company undertakes to assess health hazards in the workplace and to implement the necessary safeguards based on this assessment. The guideline thus serves to protect employees from possible risks and hazards, as they go about their individual, day-to-day work as well as to prevent potential hazards in advance to the greatest extent possible. It defines the associated responsibilities and duties at Vonovia. The resulting instructions help managers to live up to their occupational safety responsibilities. In line with our Group policies, the Management Board is informed once a year about all occupational health and safety measures and the accident figures for the previous year.

Vonovia's HR strategy, which explicitly includes preventing discrimination, covers the following grounds for discrimination: ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national origin or social background, as well as other forms of discrimination covered by EU and national law.

A general ban on discrimination against people with disabilities is enshrined in Article 3 (3) of Germany's constitution, the Basic Law (Grundgesetz), and in the Federal Participation Act (Bundesteilhabegesetz). This ban is substantiated by the objective of enabling participation and self-determination for people with disabilities, including in areas relevant to the labor market.

The German **General Act on Equal Treatment (AGG)** provides a framework for access to advertised jobs through the prohibition of discrimination under labor law. As a result, it also influences the management of recruitment and hiring processes, working conditions and the area of continuing professional development at Vonovia by virtue of the ban on discrimination under labor law. The Federal Disability Equality Act (BEinstG) in Austria, which provides special security of tenure for people with disabilities, and the Swedish Anti-discrimination Act (Diskrimineringslag), apply in a comparable framework and impose a ban on discrimination that covers the employees of Vonovia's subsidiaries. In addition to a strict ban on discrimination, Vonovia, as a private-sector company, is obliged to implement appropriate strategies to promote the employment of individuals with disabilities in its own operations. These are set out in a corresponding Group works agreement (the "Inclusion Agreement") between the Group Works Council and the Group with regard to various areas of application (e.g., integration and employment of people with disabilities, management training, workstation design and professional development). The various Group companies (e.g., the holding company, customer service, engineering, etc.) also have dedicated representatives for severely disabled employees who are on hand to answer formal or work-related questions. If cases of discrimination arise, individuals with disabilities can use our reporting channels (e.g., AGG mailbox, hotline, ombudsperson), which are used to record and investigate suspected cases and take appropriate action, if a case of discrimination or harassment is confirmed (see also → G1-3).

S1-2 – Processes for Engaging with Own Workforce and Workers' Representatives about Impacts

Through an annual **employee satisfaction survey** conducted via an online questionnaire, we provide our workforce with a platform for dialogue and a space to give anonymous feedback – also in subsequent team workshops – allowing employees to share their views on working conditions, collaboration and company culture. This approach specifically addresses the management of significant negative impacts, such as "employee dissatisfaction due to lack of co-determination," while also contributing to the positive impact of "employee satisfaction through co-determination." Additionally, it ties into the material "financial opportunity from employer attractiveness" by enabling employees to actively shape their working conditions and voice their opinions. The underlying questionnaire is developed and regularly updated with the support of an external service provider. Our target is to achieve a participation rate of at least 70% for interim surveys, which were last conducted in the 2022 fiscal year. This year, we alternated with the "Pulse Check" survey format, a partial survey conducted every two years, achieving a participation rate of 77%. These formats aim to communicate to all employees that they have open channels for dialogue with their employer. Following the full survey conducted in 2023, department-specific workshops involving the first and second management levels below the Management Board evaluated the survey's immediate results. This was followed by an intensive review and the derivation of targeted follow-up measures for the next two fiscal years (2024 and 2025), positively contributing to our strategy and objectives for enhancing employee satisfaction. In the current fiscal year, the follow-up process was reviewed as part of the partial survey.

Annual and systematic **feedback discussions** foster a culture of continuous improvement, appreciation and mutual trust. In addition to annual performance reviews, employees participate in a summer feedback session. During this session, employees provide direct feedback to their managers via a questionnaire integrated into the Success Factors platform – a cloud-based SAP software that supports personnel management processes, including talent management, human resources management, recruiting, onboarding, performance assessment, and training. This feedback focuses on leadership behavior and team collaboration, aiming to identify areas for improvement. Employees have the opportunity to submit written feedback anonymously and voluntarily based on Vonovia's leadership principles, a framework for modern, sustainable and value-based leadership practices. Following this, the entire team and the respective manager hold a meeting to jointly agree on actions to strengthen collaboration.

Employee representatives, understood as works councils under the Works Constitution Act (BetrVG), are included in the sustainability statement. At Vonovia, the Works Council of Vonovia SE serves as the representative body, with regular updates provided to the Group Works Council. The Vonovia SE Works Council includes employee representatives from Germany and Austria. Due to differing legal regulations, the Swedish subsidiary's employees have not yet established employee representation. The Vonovia SE Works Council is involved annually in the analysis and evaluation of sustainability-related impacts, risks and opportunities (IROs) associated with ESRS S1, given their specialized expertise in this area. Meeting frequency is determined as needed. The Works Council is also informed about changes to reporting content due to new materiality assessments and the results of the auditor's review of the sustainability statement. Additionally, the Works Council plays an explicit role in the annual data collection for the qualitative reporting content of ESRS S1. Germany continues its program of appointed representatives for young people and trainees and the severely disabled.

Responsibility for engaging with employee representatives and incorporating their input into company policies lies with the Chief Human Resources Officer (CHRO) and the Head of HR at Vonovia.

Vonovia and the Vonovia SE Works Council have adopted a company-wide **Code of Conduct** that explicitly includes respect for human rights. The Code of Conduct allows the Group Works Council to negotiate with the Management Board on its interpretation and application. It also provides consultation options with compliance officers or representatives from departments such as Internal Audit or Human Resources. This ensures that employee perspectives are consistently considered.

Vonovia evaluates the effectiveness of collaboration with its employees through the annual employee satisfaction survey, as effective co-determination directly impacts employee satisfaction. While collaboration with the Works Council is not formally assessed, senior managers on the first and second levels below the Management Board were surveyed in the reporting year and the previous year regarding their satisfaction with Works Council management.

S1-3 – Processes to Remediate Negative Impacts and Channels for Own Workforce to Raise Concerns

Vonovia strives to create fair and transparent working conditions, while offering employees avenues to address individual workplace concerns anonymously and in compliance with data protection regulations. Employees can engage with representatives, such as works councils, or seek mediation in conflict situations. The Group's decentralized **works council structure** provides employees with designated contact persons who hold advisory office hours. No significant negative impacts in the form of dissatisfaction due to a lack of co-determination were reported during the reporting year. The annual employee satisfaction survey showed a 79% approval rate across the Group, a one percentage point (+ 1 pp) increase compared to the previous year. In the partial survey, employees could evaluate the statement, "Overall, I would say that Vonovia is a very good employer". Feedback from the sub-indicator, "I can give my manager open feedback," revealed no perceived lack of opportunities for co-determination or identified need for action in this area.

Vonovia has implemented a comprehensive **complaint management system**, which includes channels for reporting potential cases of corruption, discrimination and human rights violations. Further details are provided in → G1-3. In addition to the reporting channels described in → G1-3, reports of potential or actual misconduct can be directed to agg@vonovia.de, the responsible ombudsperson, or a hotline managed by an external law firm, which is also available to employees. The Labor Relations/Labor Law team handles access to the AGG mailbox and case-specific processing is carried out by this team, HR Business Partners or Compliance employees.

Future **employee satisfaction surveys** will include a question regarding awareness of Vonovia's reporting channels. If most employees are aware of these channels, it will demonstrate their effectiveness – through the direct involvement of our workforce – in enabling the reporting of potential or actual misconduct by employees.

Anonymous reporting channels are communicated to employees and business partners through training and the company website. Reports, particularly those that could reveal the identity of the reporting individual, are treated confidentially and handled exclusively by selected and specially trained staff. Further details are provided in → G1-3. We ensure that our employees are familiar with and trust these channels by actively communicating about them and using them regularly.

S1-4 – Taking Action on Material Impacts on Own Workforce, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of those Actions

To implement strategies for addressing topics such as **"working conditions / shortage of skilled workers"** and the associated material impacts and opportunities, including "financial opportunity through appeal as an employer" "promotion of employees' professional development" and "employee (dis)satisfaction due to (lack of) co-determination," we take the following measures. These measures are determined based on the evaluations of our employee satisfaction survey, which allows employees to provide open feedback on topics like **co-determination**, development opportunities and Vonovia's overall attractiveness as an employer. During the partial survey conducted in the reporting year, employees had the opportunity to evaluate the follow-up process to the employee satisfaction survey from the prior year's survey, particularly in the category of necessary improvement measures. The evaluation included feedback on whether employees were informed by their managers about the improvement measures derived from the prior year's survey and whether they were given the opportunity to collaboratively define those measures. Additionally, the survey assessed the perceived implementation level and the resulting positive changes across the

Group and at the team level. The survey results show that 87% of employees participated in developing improvement measures within their work environment, and 50% agreed that these measures brought positive changes to their teams.

As a measure to achieve high **employee satisfaction** and employer attractiveness, as well as to reduce employee turnover, we offer the majority of our workforce permanent employment contracts. Over 88% of our employees across the Group held such contracts during the reporting year. We continue to avoid outsourcing jobs abroad and limit temporary employment to exceptional cases. Additionally, only regular employment relationships exist within the Group; we do not employ seasonal workers or pseudo self-employed individuals. Through initiatives like qualitative surveys, turnover analyses and employee satisfaction surveys, we ensure that our established measures remain effective and appropriate. These efforts enhance Vonovia's image as a secure and trustworthy employer, increasing our ability to attract and retain skilled workers long-term. As these measures are ongoing, no fixed completion date has been established.

In the reporting year, more than 85% of Vonovia employees across the Group were covered by **collective agreements.** Collective agreements, renegotiated regularly, ensure adequate wages and salaries while safeguarding workers' interests. To maintain stable wages and purchasing power, we introduced a package for Vonovia employees at the start of 2023 that included an inflation compensation bonus of up to € 3,000, paid in monthly installments over 24 months, and income-dependent salary increases (ranging from 1.5% to 3.5% based on decreasing annual gross base salaries). The increase in remuneration came into force in 2023. The majority of Vonovia's and Deutsche Wohnen's workforce in Germany are eligible for these benefits. All of Vonovia's and Deutsche Wohnen's workforce in Germany, including trainees, apprentices, temporary staff and part-time workers, are eligible for these benefits. During this process, we focused on income groups that are particularly badly affected by rising prices. Initially set to expire at the end of 2024, the inflation compensation bonus will be incorporated into gross monthly salaries starting January 1, 2025. The income-dependent salary increase will also continue indefinitely.

We are particularly reliant on filling our vacancies with individuals from the available applicant pools who meet our requirements and match the relevant skill profiles. This is why our comprehensive package of measures for successful **recruitment** continued to focus on the further development of our application and recruitment process, our training concept, the recruitment of specialists from abroad, and the targeted further training of skilled technical workers and auxiliary staff. We are implementing these measures for current business areas in Germany. Given the ongoing shortage of skilled workers, no end date for these measures has been set. Instead, we aim to continuously develop our processes. In 2023, we launched a revamp of our employer branding strategy and our image as an employer, and conducted broad-based analyses using industry benchmarks and stakeholder interviews in order to further develop our employer brand in a targeted manner. The first set of focal topics were elaborated and corresponding target group-oriented measures developed in the reporting year. These initiatives will be operationalized in 2025, with the employer brand development continuing beyond 2025. Given the tight labor market, we aim to keep our employee turnover as low as possible. In 2024, employee turnover was 16.7%, which corresponds to a decrease of 2.5 percentage points compared to the previous year. To combat the skills shortage, while promoting workforce diversity, we recruited skilled workers from Colombia for roles in electrical installation, landscaping, photovoltaic system expansion and technical services in Germany (excluding the Care segment).

The **effectiveness** of the strategies and measures described in → S1-1 and → S1-4 to address the shortage of skilled labor is tracked in recruitment as **follows**:

We align our recruitment efforts to ensure that the number of new hires remains at least at the same level as the previous year. In the current reporting year, we hired 2,075 new employees for the current business areas (2023: 1,998). For 2024, one of our goals was to bring additional skilled workers from Colombia into employment at Vonovia. Currently, 65 people from Colombia (2023: 45) were employed at Vonovia sites in Hamburg, Bremen, Hanover, Braunschweig, Bielefeld, Stuttgart, Kiel, Lübeck, Dortmund and Berlin, 20 of whom were hired in the reporting year. The new employees will support, among other functions, the expansion of photovoltaic systems within Vonovia's technical service in the future. The continuation of this program and the increase in recruitment numbers highlight the success of the cooperation project with the German Federal Employment Agency, which addresses the shortage of technical specialists at Vonovia.

We are committed to fostering a trusting and constructive exchange between management and employees in all of Vonovia's business units through channels like works councils. Our employees are also free to form trade unions and exercise their statutory right to **freedom of association**. This is ensured through works agreements specific to the various Vonovia companies, guaranteeing co-determination rights and preemptively addressing potential dissatisfaction. Feedback from employees on relevant subindicators (evaluation of the ability to provide feedback to managers) in the biannual comprehensive employee satisfaction survey allows us to detect emerging dissatisfaction with co-determination and assess the adequacy of our measures. If necessary, adjustments are made based on the findings. In the current fiscal year, only a partial survey was conducted to evaluate general satisfaction with the follow-up process from the 2023 survey and with Vonovia as an employer. These measures help manage the negative impact of potential dissatisfaction due to a lack of co-determination. Simultaneously, they strengthen employee rights through extensive information and representation, fostering a sense of inclusion in decision-making.

For further details on the employee satisfaction survey, as well as the effectiveness and achievement of our related strategies and measures, refer to section → S1-5.

Regular works council meetings, open to all employees, provide updates on important regulatory matters and new developments. Ensuring freedom of association is an ongoing measure with no defined endpoint.

As a company that offers a large number of traineeships, Vonovia invested heavily in the **structured development of its young employees during the reporting year.** We view apprentices as future employees, who must be prepared for the demands of the future workplace. To support and **create ideal training conditions**, we began expanding our vocational training opportunities in Berlin in 2024 by establishing a craft academy focused on vocational training and education. Once completed, the academy will be equipped in line with state-of-the-art technical and digital standards, and is to serve as a blueprint for the opening of further training sites based on the same model. The building is scheduled for completion in 2025, after which the training program at this location will be permanently established.

The **effectiveness** of the strategies and measures described in → S1-1 and → S1-4 to address the shortage of skilled labor is tracked in training as follows:

We measure the success of our training program and Vonovia's attractiveness as a training provider based on training numbers and the training rate. We again achieved this target, increasing the number of trainees in our current business areas from 630 in 2023 to 662 in 2024. This value corresponds to a training rate of approximately 5.6% (current business areas in Germany).

Digitalization is playing an increasingly important role in our traineeship approach. We have implemented digital learning platforms, such as the Ulmer Learning Portal for gardener apprentices. In addition, we worked on expanding our training software and digital learning management systems for Germany (excluding the Care segment) during the reporting year. Completion of these expansions is planned for 2025. Beyond this, we will continue to optimize and standardize our training processes and plan to introduce a Young Talent Program in 2025.

To achieve high employee satisfaction and **promote professional development**, suggestions from the employee survey were incorporated into the immediate design of new offerings and digital learning formats as part of the Vonovia Academy's expansion during the reporting year. The Vonovia Academy centrally organizes the entire range of training, qualification and development formats for employees in Germany (excluding the Care segment) into an online catalog. Our traineeship offerings aim to build and expand the skills and knowledge of employees, focusing on specific roles, functions and needs. In the reporting year, new learning formats in energy-related topics and additional development packages were added to the training catalog. In addition to traditional formats like e-learning, online, hybrid and in-person training, we also offer materials for on-the-job learning and peer learning. Thanks to the wide range of development measures available, our employees are able to complete targeted professional, methodological and personal training and obtain professional certifications or qualifications. This is an ongoing measure with no defined endpoint. By aligning selected initiatives with specific business areas and roles, we ensured that training offerings were tailored to needs during the reporting year. On-demand and e-learning programs, such as digital training within our leadership development program, as well as additional programs for our employees, aim to make upskilling at Vonovia an even more flexible and personalized experience in the future. For example, managers can discuss ideas and receive advice from professional coaches on specific aspects and challenges associated with change processes. During the reporting year, new training courses, curated learning content and guidelines were continually being added to the wide range of programs in Germany (excluding the Care segment) to ensure that current and future requirements are met. This is an ongoing measure with no defined endpoint. As part of our extensive development program for managers, core competencies covering all aspects of good leadership and basic knowledge on innovation topics (e.g., on integrating sustainable action into one's own area of responsibility) are to be taught in line with the new leadership philosophy.

To support **flexible working models** and environments tailored to employees' individual needs, our HR processes also support more flexible working models through remote work, made possible thanks to a works agreement, and the gradual expansion and further development of digital processes at Vonovia. These works agreements apply to administrative staff at Vonovia Holding, Customer Service, Technical Service, Residential Environment Service, BUWOG Immobilien Treuhand and BUWOG. In the current reporting year, our holding company employees once again had the option of working flexible hours between 6:30 a.m. and 10:00 p.m. The digital processes include a wide range of functionalities that are already firmly established across the Group, such as reporting absences due to illness via an app or digitally recording working hours. These tools allow employees in departments with mobile work agreements to work remotely during the reporting year. These activities enhance Vonovia's image as a secure and trustworthy employer, increasing our ability to attract and retain skilled workers long-term. In order to further develop future collaboration in modern working environments in the reporting year, Vonovia launched the "New Work @ Vonovia" project, which focuses on the corporate headquarters in Bochum and aims to offer our employees an attractive working environment that meets their individual needs. The initiative encompasses four focal topics, some of which were rolled out during the fiscal year, setting the framework for further measures, including the structuring of various working models, state-of-the-art workplace design currently being piloted on one floor at the company headquarters in Bochum, digital tools and technologies, and training concepts for managers and employees alike. Some networking formats were implemented during the reporting year, such as the Female Leadership Forum and the Vonovia Women's Network. Following the successful completion of the pilot measures, the initiative is set to expand to other locations. Since this is a long-term initiative, no end date has been established.

To better **support work-life balance**, Vonovia also offered benefits beyond monetary remuneration to employees in Germany during the reporting year. These include offers, such as Jobrad bike leasing, our company pension scheme, vacation apartments, and various partnerships with sports and fitness providers as well as advisory services and mobile working models. During the reporting year, Vonovia established a new nationwide fitness partnership, with Wellhub, for its employees in Germany (excluding the Care segment), offering extensive services. These benefits are ongoing and available to our employees on an ongoing basis, which is why there is no end date or time limit. The effectiveness of these measures is ensured through the employee satisfaction survey, which allows employees to provide feedback and suggest improvements. A subindicator from the full survey conducted the previous year assessed employees' perspectives on the compatibility of work and family life and will be surveyed again in 2025. In 2023, approval for this sub-indicator was at 81%.

To implement strategies regarding **"equal treatment"** and the associated material impact of "promotion of diversity in the workforce," Vonovia undertakes the following measures. These measures are determined based on our goal of increasing the proportion of women in management positions at the first and second levels below the Management Board to 30% by 2026, as well as from suggestions received through our employee satisfaction survey. This includes open feedback opportunities and improvement suggestions in the comprehensive survey's questionnaire. Additional measures are identified and evaluated with the involvement of external experts, and they are implemented following thorough assessment. If an increased number of discrimination cases are reported through our complaint channels, this also prompts adjustments to our measures.

As part of its commitment to a discrimination-free working environment, Vonovia has implemented a comprehensive **complaint management system**, which was operational across the Group during the reporting year (see section → S1-3). For example, affected employees can report incidents of discrimination through the whistleblowing hotline – a web-based reporting system – or to an appointed ombudsperson. The ombudsperson is selected and appointed by the Compliance Committee.

In Austria, a works agreement addressing discrimination, sexual harassment and bullying in the workplace has been in effect at BUWOG since spring 2024. This agreement defines discrimination and harassment in the workplace and establishes mechanisms for reporting and addressing incidents to prevent and respond to incidents of discrimination effectively. Since measures to prevent discrimination are part of a continuous process and are regularly adapted to current circumstances, no specific timeline for completion exists.

For further details, as well as the effectiveness and achievement of our strategies and measures described in **S1-1** and → S1-4, see section → S1-3 and → G1-3.

We are continuously implementing further measures in this context – without a fixed completion date – and adapting our actions to changing conditions. Vonovia regularly updates its **training programs for discrimination-free behavior** and continues to promote flexible working hours to enable life-stage-oriented scheduling for employees. Since 2023, employees in Germany (excluding the Care segment) have had access to free e-learning on "Recognizing and reducing biases and stereotypes." This training remains available without a set end date. In order to more firmly anchor the issue of diversity at the strategic level of the company, Vonovia offers a voluntary leadership development program focused on topics like unconscious bias. Simultaneously, diversity has been established as a key criterion in the leadership roadmap.

We believe that **increasing equality of opportunity in the company** is particularly important. In Austria, we were awarded the equalitA certification for the internal promotion of equality of opportunity in 2021 and it remains valid in this reporting year. In Germany (excluding the Care segment), three new programs were launched to promote equality of opportunity: the Women's Network, the Female Leadership Forum and a mentoring program for high-potential female employees. The Women's Network attracted 193 participants in the reporting year, while 135 women joined the Female Leadership Forum's distribution list. The mentoring program is still in the initiation phase, so participant data is not yet available. As three formats were introduced in the reporting year, comparable figures from the previous year are unavailable. Since measures to promote women are part of a continuous process and are regularly adapted to current circumstances, no specific timeline for completion exists.

The **effectiveness** of the strategies and measures described in → **S1-1** and → **S1-4** to address the shortage of skilled labor is tracked in diversity as follows:

The effectiveness of our strategies and measures to promote diversity is monitored using the SPI sub-indicator "Proportion of women in management positions". For further details, refer to section → **S1-5**. Additionally, the regular collection of data on gender pay gaps (see **S1-16**) provides overarching insights into the success of our measures to harmonize remuneration models.

In addition, the gradual harmonization of social benefits aims to ensure corresponding **equal rights for all employees** in their respective countries of employment. For example, our employee share program is also in place in Austria. Following the introduction of a new, standardized retirement pension scheme in 2021, this offer was also available to most Vonovia employees in Germany during the reporting year (excluding the Care segment). This excludes executive employees and other employees who have been with the company less than six months. **Work-life balance** is a particularly important focus for Vonovia, which is why all leadership roles are advertised with part-time options. BUWOG in Austria also provides various offerings to support employees in balancing family and work responsibilities. For example, BUWOG made caring for family a priority in the reporting year, offering employees in Austria information through events and the "Because We Care" app. Since the app has no usage restrictions, this measure will continue into the coming year. In 2023, BUWOG also successfully achieved recertification as a family-friendly company by the Austrian Federal Ministry for Labor, Family and Youth. This recertification, valid for three years, remains in effect in 2024 and will continue until the next recertification in the 2026 fiscal year.

Overall, we consider our current measures adequate for reducing our significant negative impacts and contributing to our material positive impacts. Negative impacts from our measures would be reflected in our employee satisfaction survey or through our grievance mechanisms. Based on the results and feedback from these measures (see sections → **S1-3,** → **S1-4** and → **G1-3** for more information), no such negative impacts have been identified. Our regular, Group-wide review of impacts, opportunities and risks related to our workforce and other material business activities within our value chain ensures early identification of potential future negative impacts and appropriate responses (for more details, see → **ESRS 2 SBM-2** and → **SBM-3**).

Negative impacts from the transition to a more environmentally friendly, greenhouse gas-neutral economy on our workforce could arise if the shortage of skilled labor leads to employee overload due to increased workloads. Other potential impacts include the transformation of specific business areas due to new climate protection regulations, such as German federal funding for efficient buildings (BEG), or emerging market technologies that affect our business processes. This could result in an increased need for recruitment, training and education to implement, manage and further develop new technologies in our core business. The business-related necessity for energy-efficient renovations and new construction to reduce greenhouse gas emissions creates a high demand for skilled workers in both technical and administrative fields. We mitigate these impacts by providing further training for employees in these areas, encouraging long-term retention at Vonovia and recruiting new skilled workers. Our efforts to position ourselves as an attractive employer help us retain and attract talent. At the same time, these industry-specific factors could negatively impact employment in certain business areas (e.g., modernization and development) at Vonovia.

Managing these material impacts involves the CHRO and the Head of HR at the highest level. With regard to the management of identified impacts, we have implemented structural measures in the HR department. The topics of remuneration and equal opportunities are specifically addressed and systematically pursued by the relevant organizational units within the department.

S1-5 – Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

Working Conditions (Shortage of Skilled Workers)

To maintain our appeal as an employer at least at the same level as the previous year and as such to counteract the negative effects of the shortage of skilled workers and retain employees at Vonovia in the long term, we pursue the overarching goal of **consistently high employee satisfaction**. Employee satisfaction is also one of the six management-relevant subindicators of the Group-wide Sustainability Performance Index (SPI). Employee satisfaction is directly derived from the promotion of professional development and the co-determination opportunities available to our employees. This metric directly addresses our key IROs:

> Promotion of employees' professional development
> Employee dissatisfaction due to lack of co-determination
> Employee satisfaction through co-determination
> Financial opportunity through appeal as an employer

The satisfaction score relates to the entire Group and is based on the aggregated approval rating, the so-called Retention Index, in the employee survey (agreement with the overarching question: "All in all, I can say that this is a great place to work."), which is conducted across the Group every fall. Since the methodological structure of the survey is tailored specifically to Vonovia's personnel measures and employee structure, the consolidated approval rating can only be compared to a limited extent with survey methods used by other companies. The SPI targets are set within the framework of five-year planning for each sub-indicator. Target achievement is determined at the end of the year based on the actual values achieved. For **2030**, we are pursuing the medium-term goal of achieving and maintaining an **approval rating of at least 77%**. The baseline value for progress measurement is the previous year, with the current reporting year serving as the baseline year. No changes were made to our targets during the reporting period. This means that the actual value of employee satisfaction improvement in the reporting year corresponds to the planned value. Since this is a sub-indicator of the SPI (for further information, see → ESRS 2 GOV-3), it is monitored directly by the Management Board.

Equal Treatment and Opportunities for All

Regarding the objective of achieving gender equality and empowering women within the company, we have set the target of increasing and maintaining the **proportion of women in management positions** at the first and second levels below the Management Board to at least **30%** by **2030**. This metric applies to the entire Group and is directly linked to our significant opportunity of "promoting ofdiversity in the workforce". As another subindicator incorporated into the SPI, the proportion of women in leadership positions is subject to the five-year planning target value. The baseline value for progress measurement is the previous year, with the current reporting year serving as the baseline year. In the reporting year, our proportion of women in management positions stood at 25.8%. Compared to the previous year, we were able to increase this by 1.6 percentage points. This means that the actual value for the reporting year corresponds to the planned value. We consider it realistic that we will be able to achieve the medium-term target of at least 30% by 2030. Since this is a sub-indicator of the SPI, it is monitored directly through reporting to the Management Board.

Both targets directly reflect the goal of our policy formalized within our overarching HR strategy, which is to:

> secure the long-term success of Vonovia's business and the associated jobs and, as a result, to retain skilled employees at Vonovia over the long term and
> develop and establish an innovative, open, and dynamic corporate culture that promotes equal treatment and opportunities over the long term.

Further Explanations of the S1 Indicators

The systematic **monitoring** of the personnel strategy **objectives** we have set is carried out using two indicators which, together with four other indicators, are incorporated into our central internal management metric, the Sustainability Performance Index (SPI):

> Proportion of women in management positions (first and second level below the Management Board)
> Employee satisfaction

The inclusion of these two indicators in the internal **SPI metric** underscores the strategic relevance of employee retention and the promotion of workforce diversity (for a detailed description of the SPI, see → ESRS 2 GOV-3).

When setting the target for the indicator of women in management positions, we were guided by the representation of women in the Group as a whole (excluding the Care segment). The definition of this key figure, along with employee satisfaction, is carried out within the framework of the Management Board's five-year planning. The target definition of the SPI subindicator "Proportion of women in management positions (first and second management levels below the Management Board)" differs from the calculation basis and the reported actual values of the diversity parameters in S1-9. The Care segment is excluded from the target definition of the subindicator. For detailed information on the definition of the SPI subindicators, see → ESRS 2 GOV-3.

Employee satisfaction is monitored through the annual employee satisfaction survey. Since the methodological structure of the survey is tailored specifically to Vonovia's personnel measures and employee structure, the consolidated approval rating can only be compared to a limited extent with survey methods used by other companies. The satisfaction score increased (+10 pp) from 69% compared to the last partial survey in 2022 by 10 percentage points, reaching 79% approval, and saw a one percentage point (+1 pp) increase compared to the previous full survey in 2023. With this year's result, we have exceeded our target value for 2024.

S1-6 – Characteristics of the Undertaking's Employees

Characteristics of the Company's Employees

	2023			2024		
Number of Employees	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Employees by gender						
Male	8,482	875	9,357	8,571	935	9,506
Female	3,464	2,931	6,395	3,485	2,977	6,462
Other	–	–	–	–	–	–
Not reported	–	–	–	–	–	–
Total number of Employees	11,946	3,806	15,752	12,056	3,912	15,968

Characteristics of the Company's Employees

	2023			2024		
Number of Employees	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Employees by country						
Germany	11,029	3,806	14,835	11,164	3,912	15,076
Austria	370	–	370	367	–	367
Sweden	547	–	547	525	–	525

Characteristics of the Company's Employees

	2023				2024			
	Male	Female	Other	Total	Male	Female	Other	Total
Number of employees								
Continuing operations	8,482	3,464	–	11,946	8,571	3,485	–	12,056
Discontinued operations	875	2,931	–	3,806	935	2,977	–	3,912
Total	9,357	6,395	–	15,752	9,506	6,462	–	15,968
Number of permanent employees								
Continuing operations	7,650	3,083	–	10,733	7,661	3,095	–	10,756
Discontinued operations	717	2,513	–	3,230	774	2,608	–	3,382
Total	8,367	5,596	–	13,963	8,435	5,703	–	14,138
Number of temporary employees								
Continuing operations	832	381	–	1,213	910	390	–	1,300
Discontinued operations	158	418	–	576	161	369	–	530
Total	990	799	–	1,789	1,071	759	–	1,830
Number of non-guaranteed hours employees								
Continuing operations	–	–	–	–	–	–	–	–
Discontinued operations	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–	–
Number of full-time employees								
Continuing operations	7,982	2,498	–	10,480	8,071	2,454	–	10,525
Discontinued operations	562	1,257	–	1,819	584	1,261	–	1,845
Total	8,544	3,755	–	12,299	8,655	3,715	–	12,370
Number of part-time employees								
Continuing operations	500	966	–	1,466	500	1,031	–	1,531
Discontinued operations	313	1,674	–	1,987	351	1,716	–	2,067
Total	813	2,640	–	3,453	851	2,747	–	3,598

Employee Turnover

	2023			2024		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Number of employees who have left the undertaking during the reporting period	2,229	836	3,065	1,953	756	2,709
Employee turnover in the reporting period in %	19.2	23.8	20.3	16.7	21.0	17.7

For the disclosure of data on employee characteristics, we use headcount instead of full-time equivalents. The number of employees is determined according to the counting method of the German Commercial Code (HGB). This includes part-time employees and excludes the Supervisory Board, the Management Board, trainees, and employees whose employment relationship is suspended due to phased retirement arrangements or parental leave.

The HGB counting method has also been applied to employees in Austria and Sweden.

Due to subsequent adjustments in headcount under HGB, the number of employees as of December 31, 2023, differs from the total disclosed in the previous year for Germany and Austria.

For employee turnover, all exits are considered based on HGB counting, excluding temporary workers, working students and employees in marginal employment. We apply the definition of the European Public Real Estate Association (EPRA) for calculating turnover: exits during the fiscal year (excluding integration-related exits) / number of employees as of December 31, 2024 x 100%. We do not use average values, but rather a reporting date assessment as of December 31, 2024.

Vonovia employees typically work under standard employment contracts, meaning full-time employees are hired on permanent contracts. In Germany, Austria and Sweden, employees have a legal entitlement to part-time work, and part-time requests must be considered. As a result, the part-time rate is driven by individual employee needs rather than HR strategy.

The same data collection method as in → S1-6 is applied for the disclosure of employee figures in other sections of this business report.

S1-7 – Characteristics of Non-Employees in the Undertaking's Own Workforce

Vonovia employs a total of 63 non-employees (2023: 117), primarily in the "employment placement and temporary staffing according to NACE Code N78 (temporary agency workers)" sector. The company does not employ **self-employed** contractors.

The fluctuations as against the previous reporting period are due to different project requirements. The number of temporary agency workers remained stable during the year.

Discontinued business areas represent an exception, where non-employees are employed for specific days, leading to significant intra-year fluctuations.

The counting method for non-employees follows the approach used in → S1-6 of this standard, based on HGB headcount disclosures as of December 31, 2024.

Vonovia primarily deploys temporary agency workers to handle workload peaks in project contexts or short-term surges in demand. They do not replace regular employment relationships, and their numbers generally remain below 1% of the total workforce.

Their numbers generally remain below 1% of the total workforce. Fluctuations result from varying project needs.

S1-8 – Collective Bargaining Coverage and Social Dialogue

Collective agreements cover 85% of Vonovia employees. Some employees at Vonovia Germany (excluding the Care segment) are subject to multiple agreements, including a collective agreement for the establishment of works councils and a wage agreement.

Employee representation within the framework of social dialogue covers 85% of Vonovia employees.

An agreement with employees provides for the representation of a Societas Europaea (SE) works council. The highest representative body of the employees is the Group works council. An SE works council was also set up at the level of Vonovia SE.

Collective Bargaining Coverage and Social Dialogue

	2023								
	Collective Bargaining Coverage						Social dialogue		
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)			Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)			Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Coverage rate									
0–19%									
20–39%									
40–59%		Germany						Germany	
60–79%									
80–100%	Germany		Germany				Germany		Germany

S1-9 – Diversity Metrics

Diversity Metrics

	2023				2024			
Number of Employees	Continuing operations	Discontinued operations	Total	In %	Continuing operations	Discontinued operations	Total	In %
Gender distribution at top management [1]								
Male	178	16	194	71.1	173	13	186	68.6
Female	58	21	79	28.9	60	25	85	31.4
Other	–	–	–	–	–	–	–	–
Age distribution of employees								
Under 30 years	1,558	421	1,979	12.6	1,621	474	2,095	13.1
Between 30 and 50 years	6,183	1,642	7,825	49.7	6,168	1,654	7,822	49.0
Over 50 years	4,205	1,743	5,948	37.8	4,267	1,784	6,051	37.9
Unknown	–	–	–	–	–	–	–	–

1) First and second levels below the Management Board.

S1-10 – Adequate Wages

Vonovia ensures adequate wages for all employees in line with applicable benchmark values.

The company adheres to the legally established minimum wage in Germany and the relevant collective agreements in Austria and Sweden, in accordance with Directive (EU) 2022/2041 of the European Parliament and Council.

2024								
Collective Bargaining Coverage						Social dialogue		
Employees – EEA (for countries with >50 empl. representing >10% total empl.)			Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)			Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)		
Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	Germany						Germany	
Germany		Germany				Germany		Germany

S1-11 – Social Protection

Legal requirements in the countries where the Group operates ensure full social protection for all Vonovia employees (100%). This coverage includes protection against loss of earnings due to illness, unemployment, occupational accidents, incapacity to work, parental leave, and retirement. The same coverage applies to non-employees at Vonovia.

S1-12 – Persons with Disabilities

Persons with Disabilities

	2023			2024		
in %	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Percentage of own employees with disabilities [1]						
Male	3.2	6.4	3.5	3.3	5.1	3.5
Female	3.0	5.8	4.3	3.2	5.1	4.1
Other	–	–	–	–	–	–
Total	3.2	5.9	4.0	3.3	5.1	3.7

1) According to the social law definition for disabled status pursuant to SGB IX Chapter 2 in Germany or BEinstG, Art. II Chapter 2 in Austria (degree of disability of at least 50%). In Sweden, the collection of data regarding people with disabilities is not permitted for legal reasons. The figures refer to Germany and Austria, taking into account the total number of employees for both countries according to S1-6.50.

S1-13 – Training and Skills Development Metrics

Training and Skills Development Metrics

	2023				2024			
	Continuing operations	Discontinued operations	Total	In %	Continuing operations	Discontinued operations	Total	In %
Employees who have received a performance and career development review								
Male	3,068	136	3,204	34.2	2,915	165	3,080	32.4
Female	2,302	503	2,805	43.9	2,231	566	2,797	43.3
Other	–	–	–	–	–	–	–	–
Total	5,370	639	6,009	38.1	5,146	731	5,877	36.8
Percentage of target checks in %	84.1	39.6	75.1	–	93.0	44.4	81.8	–
Average number of training hours [1] per employee								
Male	13.3	3.2	12.4	–	5.5	4.4	5.4	–
Female	17.7	3.5	11.2	–	10.3	4.7	7.7	–
Other	–	–	–	–	–	–	–	–
Total	14.6	3.4	11.9	–	6.9	4.7	6.3	–

1) Includes only training/education recorded by the Vonovia Academy.

S1-15 – Work-Life Balance Metrics

Work-Life Balance Metrics

in %	2023			2024		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Percentage of employees entitled to family-related leave [1]	95.3	46.0	83.4	96.2	45.4	83.8
Percentage of eligible employees who have taken family-related leave						
Male	3.9	2.2	3.8	3.4	2.5	3.4
Female	7.3	2.3	5.9	7.0	1.0	5.3
Other	–	–	–	–	–	–

1) A legal entitlement exists in Austria and Sweden for all employees. No 100% entitlement to leave for family reasons exists in Germany, as there is no statutory right to paternity leave.

S1-16 – Remuneration Metrics (Pay Gaps and Total Compensation)

Remuneration Metrics (Pay Gaps and Total Compensation)

	2023			2024		
in %	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Total gender pay gap in % [1]	-5.7	-1.7	2.5	-6.7	0.6	-0.4
Ratio of the annual total remuneration of the highest-paid individual to the median annual total remuneration of all employees [2]	–	–	105.5	–	–	96.4

1) Calculation: (Hourly Pay male – Hourly Pay female)/Hourly Pay male.
2) Determination of the denominator according to HGB methodology. For employees without time tracking, actual working hours were estimated.

The gender pay gap measures the difference between the average earnings of female and male employees, regardless of job profile.

A particular feature of Vonovia's workforce is that the gender pay gap in the individual business areas favors female employees: in the continuing operations, men predominantly work in lower-paid technical and construction roles, while administrative roles, which offer higher remuneration, have a more balanced gender ratio. Consequently, the gender pay gap at Vonovia does not stem from discrimination against male employees, but rather from the inherent comparison of different occupational groups with varying educational backgrounds and job-specific remuneration levels.

In the Care segment (discontinued operations), there is virtually no gender pay gap. In this segment, significantly more women than men are employed overall.

The term "Overall" refers to the consolidated reporting of current business areas and care activities from a Group perspective. Due to the different wage levels and the varying gender distribution in the two industry sectors – real estate and care – the gender pay gap is balanced out at the overall Group level.

To calculate the average salary used in determining the gender pay gap, Vonovia considers the actual gross salary, where measurable, including elements such as benefits in kind, pension contributions, capital-forming benefits, and non-cash benefits such as company cars. This is assessed in relation to the actual paid working hours, which include paid absences, such as vacation and continued wage payments during illness.

S1-17 – Incidents, Complaints and Serious Disputes Related to Human Rights

In the fiscal year, 7 (2023: 4) incidents of discrimination, including harassment, were reported.

Additional complaints regarding human rights violations received via our whistleblowing channels amounted to 0 (2023: 4) during the fiscal year.

No significant fines, sanctions, or compensatory payments related to the above-mentioned incidents and complaints were incurred during the reporting year or the previous year. Consequently, our income statement does not include any expenses in this regard.

ESRS S4 Consumers and End-Users

ESRS 2 SBM-3 – Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

Material Impacts, Risks, and Opportunities

Within the scope of our materiality assessment, we identified **five material impacts, risks and opportunities (IROs)** related to consumers and end-users:

> Housing tailored to tenants' needs
> Reduced tenant turnover through the creation of homes that meet people's needs
> Improved tenant satisfaction through enhanced accessibility and service quality
> Reduced tenant satisfaction due to limited accessibility and service quality
> Financial opportunity from increased tenant satisfaction and service quality

The actual **positive impact "housing tailored to tenants' needs"** affects both our core business and the downstream value chain. Creating homes that meet people's needs as they age can significantly increase the length of time that people with physical disabilities can stay in their own residences. This extended autonomy positively impacts their living conditions and health as they age. Targeted measures (e.g., accessible housing) enable us to retain existing tenant groups and attract new ones.

Due to demographic changes, the demand for accessible homes is projected to exceed the current supply in Germany by approximately 2 million units by 2035, a gap already noticeable today. As a result, we have integrated a product program for partially accessible modernizations into our investment strategy. Measures include, for example, installing slip-resistant flooring. Given the aging population, accessible partial modernizations and new constructions are long-term components of our strategy and business model (Value-Add and Development divisions).

We already see a significant influence of this material positive impact on our business model, strategy and value chain. This positive impact is closely tied to our strategy, as Vonovia contributes meaningfully to meeting the immense market demand through its accessible partial modernization program. As a result, the program for accessible partial modernizations is integrated into our strategy. Through our actions in this area, we are making a significant contribution to this positive impact. By adapting housing to be accessible, we enable people with physical limitations to stay in their homes much longer, allowing them to live more independently for extended periods. This approach has a direct impact on our tenants, improving their quality of life and fostering greater self-determination.

The associated **financial opportunity of "reduced tenant turnover through the creation of homes that meet people's needs"** extends to both our core business and the downstream value chain. Creating homes that meet people's needs can increase the length of time that older people with physical disabilities can stay in their own residences as well as generate additional rent increases.

This material opportunity has a positive impact on our business model, strategy and value chain. If the creation of homes that meet people's needs through low-threshold conversions or accessible partial modernizations, reduce tenant turnover and increase supply, turnover costs can be lowered, creating potential appeal to additional tenant groups, such as older individuals and tenants with physical limitations. The reduction of tenant turnover through the creation of homes that meet people's needs also has the potential to improve Vonovia's reputation. Demographic changes are driving a high demand for accessible, age-appropriate housing. This trend is expected to further increase demand in the future, positively contributing to our business model. Our measures, including low-threshold conversions and accessible partial modernizations (e.g., the installation of slip-resistant flooring and walk-in showers), are already integrated into our business model and strategy. These measures are actively contributing to the realization of this opportunity and will continue to be expanded in the future.

Currently, we have not identified any financial effects related to this opportunity that could significantly impact our financial position, earnings or cash flows in the next reporting period, nor do we foresee any material risks of adjustments to the carrying amounts of assets and liabilities in our financial statements.

The actual **positive impact of "improved tenant satisfaction through enhanced accessibility and service quality"** is closely linked to our core business. Regular engagement with tenants through surveys – especially concerning service and product quality – yields positive outcomes. A multilingual customer service team and local representatives ensure quick and direct communication, which enhances both service and product quality.

The **impact** can also be **negative,** leading to **"reduced tenant satisfaction due to limited accessibility and service quality."** Issues such as restricted access, long response or processing times at the central customer service center or the unavailability of caretakers or craftsmen can result in dissatisfaction.

As the rental of homes is our core business, tenant satisfaction has a significant influence on our business model and strategy. We measure tenant satisfaction quarterly and respond to negative trends with targeted measures at the regional and neighborhood levels. We continuously work on improving service quality and implement corresponding measures (see → **S4-4**).

We see this material impact as having a meaningful short-term influence on our business model, strategy and value chain. The impact is directly tied to our strategy, as tenant satisfaction is a key determinant of our company's success. Our extensive housing portfolio in urban areas, low vacancy rates, and diverse tenant needs require a high level of accessibility, service quality and responsiveness, supported by appropriately trained staff. Our measures play a critical role in determining whether this impact is positive or negative. For example, appropriately trained staff and sufficient personnel resources in customer and residential environment services and technical services contribute to positive outcomes, while a lack of these resources can contribute to negative ones. These measures directly affect individuals, particularly our tenants, whose satisfaction depends on the successful implementation of these efforts.

The negative impact can, in principle, affect all customers. It may occur sporadically, such as when the central customer service department or on-site staff is occasionally less accessible. However, it primarily relates to specific aspects of accessibility and service quality – operational processes – and does not disproportionately affect any particular customer group.

At the same time, there is also a "**financial opportunity from increased tenant satisfaction and service quality**". A straightforward, quick, and transparent exchange with customers, alongside improved service and product quality, can boost customer satisfaction, strengthen tenant retention, and contribute to a positive reputation. This higher customer satisfaction also serves as the foundation for selling complementary products and services.

We see this opportunity as having a meaningful influence on our business model, strategy and value chain. Consistently high service quality offers the potential to enhance customer satisfaction, which, in turn, promotes tenant retention and bolsters Vonovia's reputation. This results in lower vacancy rates for us and, consequently, stable long-term revenue. Our initiatives to improve service quality (e.g., employee training and extended service hours to ensure prompt customer support) are embedded in our business model and strategy. These measures are actively contributing to the realization of this opportunity and will continue to be expanded in the future.

In the short term, we anticipate a potential impact on our business model and value chain due to this opportunity. High levels of customer satisfaction and service quality enhance our reputation and our appeal as an employer. Lower tenant fluctuation also allows us to reduce our fluctuation costs and contribute to rental growth by expanding the supply of attractive housing.

The financial effects related to this opportunity that could significantly impact our financial position, earnings or cash flows in the next reporting period cannot currently be quantified, nor do we foresee any material risks of adjustments to the carrying amounts of assets and liabilities in our financial statements.

Resilience of Our Business Model

The resilience of Vonovia's strategy and business model is analyzed and evaluated annually as part of **risk management**. First-level executives below the Management Board are responsible for identifying and assessing risks within their areas during the semiannual risk inventory process. The risk management horizon and the evaluation period extend five years beyond the reporting year, with assessments focusing on net risks.

To evaluate the resilience of our business model in managing key impacts and leveraging significant opportunities, we continuously analyze trends in **tenant turnover** and **customer satisfaction**. This analysis has shown that our customer turnover remains consistently low and our customer satisfaction consistently high. Our management platform provides tenants with both a centralized customer service department and local contacts (e.g., caretakers, craftsmen, real estate managers, technicians and landlords), enabling us to address customer needs and mitigate potential dissatisfaction promptly. This ensures that our current measures strengthen the resilience of our business model, with no material risks identified. Additionally, ongoing housing shortages and high demand for age-appropriate housing in urban areas further reinforce the resilience of our business model.

Business Model Alignment

Apartment rental is our core business. This means that customer satisfaction and our ability to influence it positively or negatively through service quality and accessibility and the related financial opportunity are essential to our business model, which also emphasizes the legitimate interests of a private-sector enterprise. Demographic shifts and the resulting increased demand for (partially) modernized apartments (impact: "Homes that meet tenants' needs") directly affect our business model. This demand drives our new construction projects and efforts to modernize existing properties. These activities present a financial opportunity to reduce tenant turnover through "Reduced tenant turnover through the creation of homes that meet people's needs." Adapting our business model to these demands creates opportunities for future business success.

By managing our key impacts, we also directly influence the living conditions of current and potential tenants. Key impacts such as "Improved customer satisfaction through better accessibility and service quality," "Reduced customer satisfaction due to limited accessibility and service quality," and "Housing that meets tenants' needs" all stem directly from our business model. Accordingly, our strategies center on providing suitable and affordable housing for as many people as possible, building long-term tenant relationships through excellent services and attractive housing options – core elements of our policy.

Target Groups

Our core target group at Vonovia is our tenants in our homes in Germany, Austria, and Sweden. This includes potential rental applicants, buyers of apartments developed by Vonovia or BUWOG, and customers purchasing property-related services (e.g., green energy contracts, insurance and multimedia). The information provided in the ESRS S4 reporting framework generally applies to all (potential) tenants and buyers.

Our customers are not end users of products that could harm their health or increase the risk of chronic illness, nor are they recipients of services that might compromise their right to privacy, the protection of their personal data, their freedom of expression, or their right to non-discrimination. Moreover, they do not rely on detailed and accessible product or service-related information, such as manuals or labels, to avoid potentially harmful use. Similarly, our customers are not end users particularly vulnerable to privacy concerns or the effects of marketing and sales strategies, such as children or financially at-risk individuals. Regarding the impact area of "housing that meets tenants' needs," older or physically impaired tenants represent a specific customer group with distinct housing requirements. These needs arise primarily from physical limitations that typically occur with aging. However, we have not identified any significant IROs (impacts, risks, or opportunities) related to the health of this target group.

Our key negative impact, "Reduced tenant satisfaction due to limited accessibility and service quality," is not systemic but occurs in isolated customer incidents. These incidents may stem from temporary factors, such as short-term staff shortages, leading to a decline in service quality that affects only individual cases or a small portion of the overall customer base.

Our positive impact of "Housing that meets tenants' needs" is achieved primarily through the accessible expansion and renovation of homes for individuals with mobility limitations. This primarily benefits older tenants. Our positive impact of "Improved tenant satisfaction through enhanced accessibility and service quality" is realized through our centralized (multilingual and digital) and decentralized service structures, benefiting all of our tenants.

Significant opportunities exist in increased customer satisfaction and service quality, as well as in reduced tenant turnover through the creation of homes that meet people's needs, especially for older individuals. This enables us to positively influence our tenants' living conditions and satisfaction.

S4-1 – Policies Related to Consumers and End-Users

Customer Satisfaction

Customer satisfaction is instrumental in the success of a company. As such, we **aim to maintain consistently high customer satisfaction,** reflected in the positive development of the Customer Satisfaction Index (CSI), which is a sub-indicator of the SPI. For us, customer satisfaction is closely tied to tenants being happy with our service quality and the accessibility of our customer service. This includes IROs such as "improved customer satisfaction through better accessibility and service quality," "Reduced customer satisfaction due to limited accessibility and service quality," and the "Financial opportunity from increased customer satisfaction and service quality." In this regard, Vonovia has implemented a **central and digital property management platform**. This is an ERP-based application with company-specific configurations that enables the efficient and effective management of our housing portfolio (own business area) in Germany. This platform also forms the basis for the successful digitalization of our process chains. This fully end-to-end digitalized process offers significant energy advantages in terms of economies of scale, represents substantial cost benefits and serves as a key differentiating factor in the competitive market. Vonovia has adapted the expertise from this platform and its centralized and local property management processes for the property management business in Austria and Sweden, in line with the requirement profiles that apply in those markets. The implementation of this policy is overseen by the Management Board (CRO).

Housing Tailored to Tenants' Needs

Our aging society, a result of demographic change, means that our customers' needs are changing, too. The demand for senior-friendly housing is expected to outstrip supply in Germany by around two million by 2035. To address this, we have developed a **policy for creating age-appropriate housing** in Germany (a key business area), which is formalized through our investment program for accessible (partial) modernizations (IROs "Housing tailored to tenants' needs" and "Reduced tenant turnover through the creation of homes that meet people's needs"). This policy targets the accessible (partial) modernization of vacant apartments (during tenant transitions). Our goal under this policy is **to ensure that approximately 27% of apartments rented out annually in Germany by 2030 are accessible (partially) modernized** (see section → S4-5 regarding this target). This contributes to the availability of age-appropriate housing and is integrated into our overarching sustainability strategy through the SPI, specifically the "Proportion of accessible (partial) modernizations" sub-indicator. The approach also includes fully accessible new construction. The implementation of this policy is overseen by the Management Board (CRO and CDO). Our policies related to customer satisfaction and housing that meets tenants' needs, along with the associated goals, measures and indicators, primarily target our core business of property rental and management in Germany. These concepts explicitly exclude the care sector.

Anchored in the Management System

The integration of these policies into our corporate management occurs via the **Sustainability Performance Index (SPI)**, which includes the subindicators for the Customer Satisfaction Index (CSI) and the proportion of accessible (partial) modernizations in new rentals. The targets for these SPI sub-indicators are defined during the budgeting and mid-term planning processes and are linked to investment planning. Target achievement is monitored on a quarterly basis. Measures to achieve the targets are implemented through dedicated investment programs and action plans in the relevant business and specialist units. For a detailed explanation of the SPI, see → ESRS 2 GOV-3.

Respect for Human Rights

All human rights-related obligations and frameworks applicable to Vonovia also apply to our customers. In our **Declaration of Respect for Human Rights**, which is binding throughout the Group, we communicate our clear conviction for a pluralistic democratic society and zero tolerance of human rights violations along with our commitment to respect human rights in all aspects of our business. This includes the exclusion of discrimination of any kind, for example in the allocation of housing.

We adhere to the core labor standards of the International Labour Organization (ILO), the UN Guiding Principles on Business and Human Rights and the principles of the UN Global Compact, to which we committed in 2020.

Adhering to the **Declaration of Respect for Human Rights**, the ILO Core Labor Standards, the UN Guiding Principles on Business and Human Rights and the principles of the UN Global Compact are absolute priorities in implementing our concepts related to demand-driven housing and customer satisfaction. Please refer to → ESRS 2 GOV-4 for more information on the monitoring process.

In the markets where we operate – Germany, Austria, and Sweden – there are also extensive legal protection mechanisms in tenancy law and social charters to safeguard tenants against human rights violations.

Consumers or end users are not directly involved in this process. However, tenants can report violations of human rights or suspected cases of discrimination through various channels (see → G1-3). Reported cases are followed up immediately, ensuring our customers are indirectly involved in monitoring compliance with the stated principles and guidelines.

Each report is thoroughly reviewed, and individual, proportionate measures are taken as needed. Further details about our whistleblower channels can be found in → S4-3 and → G1-3.

Our business strategy for demand-driven housing and customer satisfaction aligns with the internationally recognized frameworks mentioned above, including the United Nations Guiding Principles on Business and Human Rights. Respect for human rights is the highest priority across all our business processes. Suspected cases of human rights violations or discrimination are promptly addressed. By handling rentals primarily through our own employees, who are directly bound to follow the stated principles and guidelines, rather than external brokers, we minimize the risk of non-compliance. No cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises related to tenants were reported during the reporting year.

S4-2 – Procedures for Engaging with Consumers and End-Users Regarding Impacts

Vonovia actively involves its customers in decision-making and activities through quarterly customer surveys conducted by an external service provider. The Customer Satisfaction Index (CSI), based on 25 individual questions, measures customer satisfaction. This index is specifically tailored to Vonovia and is therefore not comparable to other customer satisfaction analyses or indices. The CSI also evaluates the effectiveness of collaboration with customers, allowing them to provide positive or negative feedback, which we use to respond and adapt accordingly.

The surveys address topics such as service and product quality (e.g., apartment amenities, noise levels, safety and cleanliness in the residential environment and housing estates), brand perception, customer loyalty, and overall satisfaction. Feedback helps us refine customer care, respond to customer needs, and assess maintenance, modernization measures, and repair activities for buildings, outdoor areas, and neighborhoods. The results are then analyzed by all of our operational departments. Measures are then derived based on customer feedback, implemented and reviewed at the neighborhood level to further improve the quality of service and quality of life.

Ongoing dialogue with tenant and consumer protection organizations on an ad hoc basis are also particularly important to us so that we can address and respond to tenant interests in a consolidated and targeted manner. This process is focused not only on dialogue with the central top-level associations, the German Tenants' Association, the Austrian Tenants' Association and the Swedish Tenants' Union, but is also implemented at regional or local level with tenants' associations and neighborhood advisory councils in particular. Tenants can also communicate directly with Vonovia employees during tenant meetings, modernization meetings, or through on-site caretakers. The Management Board and our Corporate Communications team (Public Affairs) lead exchanges at the central level, while Vonovia's regional managers handle local contact. Interactions with political and administrative bodies also ensure customer concerns are brought to our attention.

We take as many requests and suggestions from tenants, cities and municipal authorities into account as possible when planning our neighborhood measures. We therefore inform them of our plans ahead of time, in addition to inviting them to discuss projects and take an active role in shaping them (for example, at information events, neighborhood walks, through our caretakers and neighborhood managers, participation mailboxes or tenant consultations).

In addition to engaging with tenant and consumer advocacy organizations, we maintain contact with welfare service providers and other charitable organizations and associations. Dialogue and resulting collaborations help us understand the concerns of specific groups, such as older people and those at risk of or experiencing homelessness, and translate these insights into tailored offerings. This applies especially to individuals with refugee backgrounds.

S4-3 – Processes to Remediate Negative Impacts and Channels for Consumers and End-Users to Raise Concerns

Customer concerns can vary widely, requiring either straightforward or more complex procedures to address them effectively.

Strict protocols and standard processes are in place to manage risks and ensure compliance with safety obligations, particularly to prevent health and safety hazards. If a customer concern involves a hazardous situation, immediate measures are taken, such as eliminating mold, addressing Legionella contamination or repairing water damage.

Most concerns relate to tenancy issues or the cleanliness and condition of buildings and their surroundings. Customer service or local representatives can resolve issues directly or refer them to the appropriate internal department for further action. These representatives are accessible via phone, tenant apps or in person. The primary tool for evaluating the effectiveness of our corrective measures and feedback channels is our customer satisfaction survey. This survey allows tenants to share positive and negative feedback, enabling us to assess and refine our processes based on their input.

All of our tenants also have access to our **whistleblower and complaints channels** (see → G1-3). Through a web-based whistleblower portal, for example, they can report employee misconduct.

In order to raise awareness of this among regional managers responsible for rental operations and to protect potential tenants, we developed the brochure "Fair play in new rentals" in the 2022 reporting year. It was sent with a letter explaining the background to all Vonovia landlords in Germany. The brochure also clarifies how to deal with demands for commission from third parties. It explains which channels can be used to report misconduct and who the correct contact is for questions and reports.

Staff handling complaints are bound by confidentiality and are the only ones with access to complaints and related communications. Data is stored only as long as necessary for its intended purpose. After reviewing reported incidents, individual, proportionate measures are taken on a case-by-case basis. The whistleblower system is easily accessible via the company's **website**. By ensuring anonymity, the system protects individuals from retaliation. Regular use of the channels indicates that customers are aware of them and consider them to be reliable. This trust is supported by low-barrier access to whistleblower channels, which are available in eight languages through the website, email, phone, or in-person communication (see also → G1-3)

S4-4 – Taking Action on Material Impacts on Consumers and End-Users, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Consumers and End-Users, and Effectiveness of Those Actions

Customer Satisfaction Measures

We continuously take steps to improve or maintain high levels of customer satisfaction and service quality across all locations. These actions address both the positive impact of "Improved tenant satisfaction through greater accessibility and service quality" and the negative impact of "Reduced tenant satisfaction due to limited accessibility and service quality," while also supporting our financial opportunity to lower fluctuation and opportunity costs.

Key initiatives include **continuous service and product improvements, quick response and processing times within the customer service department, and enhanced accessibility**, such as expanding digital channels.

During this reporting year, a key measure in this area is once again our **centralized customer service centers, supported by decentralized local contacts** in Germany, ensure fast and reliable service, directly contributing to our goal of a high level of satisfaction. Our central, multilingual and long-term customer service centers in Essen, Dresden and Berlin act as the first port of call, whereas our caretakers, craftsmen and landlords look after the needs of tenants on location. This structure allows us to identify tenant dissatisfaction early and respond immediately as needed.

We also maintain a **comprehensive knowledge and training management program** to enhance customer satisfaction and mitigate dissatisfaction. We continued our focus on developing the skills of our employees throughout the Group as whole during the reporting year to meet the needs of our customers. The Training & Quality department collaborates here with HR to provide a comprehensive training catalog of around 70 training modules tailored to employees' learning needs. Regular dialogue formats ensure performance and quality. The aim is to be able to guarantee the same level of quality for the entire portfolio in Germany. A high level of service and quality in turn contributes to our overriding goal of a high level of satisfaction as part of the management policy on customer satisfaction.

Our digitalization policy during the reporting year included implementing **self-service functions** across the Group, with a particular focus on tenant apps. We can use these tenant apps as a particular example of how we map the full customer journey: from the apartment search process, including arranging viewing appointments, to the digital conclusion of contracts and all other issues affecting existing customers, such as ancillary expense bills, through to the concerns of customers moving out of our properties and former customers. The Mein Vonovia and DeuWo Digital apps have already been downloaded over 1.2 million times, with approximately 250,000 active users. The app portfolio also includes the BUWOG-Kunden app. While the initial launch of these tenant apps is complete, we continue to refine and expand their features, making this an ongoing process with no date set for final completion. The self-service functions, available year-round and 24/7, help reduce dissatisfaction caused by limited accessibility and contribute to improving customer satisfaction, directly supporting our overarching goal of providing a high level of customer satisfaction.

Additionally, we focus on **extensive supplemental communication** across the Group to achieve high customer satisfaction through enhanced service quality, also in the reporting year. For example, our website provides comprehensive, multilingual information on important housing-related topics, such as energy-saving tips for our tenants. These additional services and resources likewise play an essential role in achieving our goal of a high level of satisfaction as part of the management policy on customer satisfaction. As this involves ongoing communication about current topics, no specific completion date has been set for this initiative.

Measures for Homes That Meet Peoples' Needs

We are taking measures to address our positive impact of "Housing tailored to tenants' needs" and to take advantage of our significant opportunity of "Reduced tenant turnover through the creation of homes that meet people's needs."

In our portfolio, low-threshold structural measures as part of a (partial) modernization to create accessible spaces are often sufficient to significantly increase the level of living comfort in old age. For existing properties, minor structural modifications made possible because of a short-term vacancy of an apartment, such as the fitting of non-slip flooring and walk-in showers, or the widening of door frames, can significantly enhance living comfort, especially for older tenants. Homes that are completely barrier-free, according to German industry standard DIN 18040-2, are only necessary in very rare cases. As an additional measure, we have developed a **criteria catalog for construction measures** for barrier-free (partial) modernization. This catalog is applied following an assessment of existing properties to determine potential areas for reducing barriers and the scope of modifications. Additionally, portfolio tenants can request age-appropriate upgrades through our program "Age-appropriate modernizations in response to tenant requests." If a care level is determined, partial costs can be recovered by the respective health insurance.

As a further measure to address our impacts and opportunities, we plan to continue constructing **new buildings that are highly accessible and wheelchair-friendly in the reporting year**. The long-term measures for fully accessible new construction and conversion enable our tenants to remain in their own homes for longer and to live independently in old age. These measures contribute to achieving our **goal** under this policy of ensuring that approximately 27% of homes rented out annually in Germany by 2030 are accessible (partially) modernized (see section S4-5 regarding this target).

The refurbishment program relates to the German portfolio. In Austria and Sweden, the elimination of barriers is also taken into account in the relevant building regulations.

In addition to structural measures, the social infrastructure in the neighborhood also plays a key role. As a result, we have introduced further measures to address our impact on “Housing tailored to tenants’ needs,” such as **senior-friendly apartments, services and neighborhood meet-ups**, for example. These initiatives, implemented across the Group, have been in place during the reporting year and will continue indefinitely. These supportive measures further contribute to achieving our overriding goal within the management policy on housing tailored to tenants’ needs.

Effectiveness of the Measures

The **insights from the customer satisfaction survey in Germany** provide the operational departments and management with a **fundamental basis** for decision-making on customer satisfaction. The results give us insight into the evaluation of our service quality, as well as the structural and living conditions of our tenants, and help us determine whether our measures—particularly concerning the negative impact of reduced customer satisfaction caused by limited accessibility and low service quality—are appropriate. They also address the impacts and opportunities of the two topics of “housing tailored to tenants’ needs” and “customer satisfaction.” The assessments of the satisfaction survey are discussed quarterly in the regional business areas on site and measures are developed at the neighborhood level. These surveys enable us to make adjustments to address negative impacts or introduce new measures, if necessary. At present, we do not consider additional measures in collaboration with potentially relevant parties to be necessary.

In Austria, we also use customer satisfaction surveys as a tool, primarily online for all new construction projects in Vienna and for 5–10% of the portfolio every year. The results are discussed directly with the departments in order to develop suggestions for improvement. Measures are always implemented using a feedback loop and include a report to management. Based on customer feedback and the optimization potential identified in the process of handling complaints, we also develop training courses for employees in Austria to enhance their skills in dealing with customers.

In Sweden, too, customer satisfaction is a fundamental benchmark for all business processes. Indicators such as the vacancy rate and tenant fluctuation support our analyses in this regard.

As our customer satisfaction survey is conducted quarterly, corrective actions for identified negative impacts on customer satisfaction due to limited accessibility and service quality can be implemented promptly, and their effectiveness is reviewed shortly thereafter (as part of the next survey).

As part of the customer surveys, analyses of response and processing times are also conducted. Our experience shows that accessibility, speed and transparency in service are decisive factors for achieving customer satisfaction. These analyses allow us to identify weaknesses in our service commitments and address them effectively.

Extensive Inputs

We provide **extensive personnel resources** to manage customer satisfaction and our key impacts such as “Improved customer satisfaction through better accessibility and service quality” and “Reduced customer satisfaction due to limited accessibility and service quality.” Over 1,000 employees work in our customer service centers, and additional local staff, including caretakers, craftsmen, and landlords, directly contribute to managing these material impacts. This structure enables customers to directly assess how we manage these impacts, either on-site or through our customer service centers. We allocate **significant financial resources** to manage our considerable influence on “housing tailored to tenants’ needs.” In the fiscal year under review, for example, € 611.8 million was invested in modernization measures/our portfolio. An additional € 224.5 million was invested in new construction and € 764.7 million in maintenance. The total amount of € 1,601.0 million corresponds to the figures disclosed in the financial report. Investments at a similar level are planned for the coming fiscal year (see the → **Forecast Report**).

S4-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

Homes That Meet Peoples' Needs

The core indicator for adapting apartments to meet the needs of an aging population is the **proportion of accessible (partially) modernized newly rented apartments in Germany**. This includes both measures in the event of a change of tenant and modernizations at the request of the tenant. We assess new rentals based on comparable portfolios and exclude newly constructed homes.

Our medium-term **goal for 2030 is to modernize around 27% of newly rented apartments every year so that they** meet the demands of an aging society. In previous years, we aimed to modernize around 30 % of the newly rented apartments each year. As the proportion of senior-friendly modernized apartments in the total portfolio increases each year, resulting in more apartments being newly rented without requiring further modernization, we have slightly adjusted our target in this regard until 2030. This quantified goal directly aligns with our policy objectives for housing tailored to tenant needs. The reference year for tracking progress on this and all other sub-indicators of the Sustainability Performance Index (SPI) is always the current year. The metric covers all modernization measures carried out as part of the relevant investment program during the reporting year. The criteria for "accessible" align with the product catalog of the German Development Bank (KfW). This KPI applies specifically to the German portfolio.

In 2023, due to limited investment capabilities, we were only able to implement accessible (partial) modernizations in approximately 6,550 apartments (17.5% of new rentals). However, in the 2024 fiscal year, we achieved our target once again, (partially) modernizing approximately 11,100 apartments to be accessible, representing 29.5% of new rentals in Germany. Since this is a sub-indicator of the SPI (for further information, see → ESRS 2 GOV-3), it is monitored directly by the Management Board.

Customer Satisfaction

The core indicator we use to measure customer satisfaction is the **CSI**. The satisfaction level we use as the basis for calculating the improvement is expressed as a percentage, while the change compared to the previous year is given in percentage points. This index is specifically tailored to Vonovia and is therefore not comparable to other customer satisfaction analyses or indices.

Our medium-term **goal for 2030 is to maintain our high level of satisfaction,** which we define as a satisfaction index above 73 %, and we aim to achieve this target annually. The target is derived from the peer benchmark provided by the external service provider conducting the satisfaction survey. This quantified goal directly aligns with our policy objectives for customer satisfaction. The reference year for tracking progress on this and all other sub-indicators of the Sustainability Performance Index (SPI) is always the current year. The KPI is derived from 25 questions included in customer surveys. These questionnaires remain unchanged over time to ensure comparability. Approximately 32,000 customers are surveyed each quarter. This KPI applies specifically to Germany.

In 2024, we increased customer satisfaction by 2.8 percentage points compared to the previous year, achieving a satisfaction score of 75.2%. Since this is a sub-indicator of the SPI (for further information, see ESRS 2 GOV-3), it is monitored directly by the Management Board.

Further Explanations of the S4 Indicators

Both indicators – the "proportion of accessible (partially) modernized apartments among new rentals in Germany" and "increase in customer satisfaction in Germany" – are part of our **Sustainability Performance Index (SPI)**. They are two of the six KPIs linked to remuneration in the sustainability area (see → ESRS 2 GOV-3).

The Management Board has set the SPI's individual indicator targets for 2030, which are closely tied to the company's five-year investment planning. The relevant key figures are recorded quarterly by Controlling and used in our external reporting and for communication with the capital market. Target achievement is determined at the end of the year based on the actual values achieved. For details about the SPI, refer to → ESRS 2 GOV-3. Scientific findings were not considered in setting the targets mentioned under ESRS S4. Additionally, consumers or end-users, or their representatives, were not directly involved in setting the sub-indicator targets of the SPI, tracking performance toward these targets, or identifying areas for improvement.

Entity-specific Disclosure "Neighborhood Development and Contribution to Infrastructure"

The social megatrends of climate change, urbanization and demographic change determine the framework conditions within which housing providers must develop their services and solutions. Whether it is a greenhouse gas-neutral housing stock, the provision of sufficient affordable housing in large metropolitan areas or services for an aging society – the requirements are wide-ranging and call for integrated solutions.

Thinking and acting in terms of neighborhoods is our answer to these crucial megatrends. It is also the approach we adopt to find solutions for the economic, environmental and social development of our urban housing portfolios, which are largely located in urban quarters. We understand a neighborhood– as per the definition of the Association of German Housing and Real Estate Companies (GdW) – as a visually coherent urban development structure that is seen by its residents as a distinct area and that represents an area for action in which the residential real estate company can make a difference and see positive effects. It comprises at least 150 apartments (see chapter entitled → **Portfolio in the Property Management Business**).

ESRS 2 SBM-3 – Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

Material Impacts, Risks, and Opportunities

This actual positive impact associated with "increased quality of living for tenants through contribution to neighborhood development and infrastructure" relates to our customers and neighborhoods and, as a result, to our own business and the downstream value chain, which in this case is taken to mean other neighborhood users. It encompasses the effects of neighborhood development that is specifically geared to the needs of stakeholders as well as positive synergy effects resulting from better neighborhood infrastructure. This allows for a reduction in the anticipated costs – for example those associated with making neighborhoods greenhouse gas-neutral – and accelerates the sustainable development of our neighborhoods.

Our neighborhood development activities help us to develop socially and ecologically sustainable places for people to live together in central urban locations and in metropolitan areas, improving our tenants' quality of living in the process. In the long run, this can result in a more needs-based or environmentally friendly portfolio, better infrastructure connections, greater diversity or a higher level of education/average income in the neighborhood.

The holistic neighborhood approach is mirrored in the company's strategy and business model: around 77% of Vonovia's strategic portfolio in Germany is located in around 770 contiguous neighborhoods. Vonovia's investment and development programs tie in with this portfolio composition – particularly along our strategic climate pathway (see → **ESRS E1**). This makes the holistic neighborhood approach the management level for all ecological, infrastructure-related and social measures. The same also applies to our new construction and development activities. Consequently, this approach has – and indeed will continue to have – a significant influence over the company's strategic direction. Our neighborhood development measures are a direct result of Vonovia's business strategy and are consistent with the overarching goal of providing housing that meets the needs of all individuals.

The positive effects of neighborhood development projects can emerge both in the social, structural and direct supply infrastructure within a neighborhood – e.g., by upgrading the housing stock from an ecological perspective, designing new green spaces, creating or supporting communicative neighborhood centers and social and cultural services, strengthening neighborhood networks (e.g., by taking measures to foster integration) or connecting local suppliers and care facilities. Measures like these enhance the quality of life for our tenants and residents in the neighborhood, contributing to a high level of satisfaction, especially among our customers.

The observation period for this impact is limited to a short-term horizon, as it is influenced to a significant degree by the neighborhood-focused investments made in the fiscal year, or planned for the following year. A long-term positive impact can also, however, be expected if several effects related to improved quality of living at neighborhood level are interrelated and reinforce each other in a positive way.

The higher Vonovia's share of homes in contiguous neighborhoods and the more extensive the measures initiated – e.g., energy-efficient modernization, photovoltaic expansion, upgrading the residential environment – the more direct and impactful the neighborhood infrastructure measures will be. As a result, Vonovia's share of the positive impact is measured in terms of the scope and direct neighborhood relevance of the investments made and measures implemented in the neighborhoods concerned.

Resilience of Our Business Model
The resilience of Vonovia's strategy and business model is analyzed and evaluated annually as part of risk management. The risk management time horizon covers the medium term and is supplemented by the planning level to address short-term developments.

ESRS-1 (Annex A, AR2) / ESRS 2 (MDR-P) – Strategic Policies Related to Neighborhood Development and Contribution to Infrastructure

We see it as our mission to provide people with sustainable, affordable homes and a life in neighborhoods where they feel comfortable, safe and at home.

Thinking and acting in terms of neighborhoods serves as the central management level at which Vonovia's business model and strategy are manifested. Details on the overarching business model and our understanding of affordability can be found in section → ESRS 2 SBM-1.

The actual positive impact identified as part of our materiality assessment, "increased quality of living for tenants through contribution to neighborhood development and infrastructure," defines the level of action for corresponding strategic policies, which are explained below. The impact is reviewed annually by the portfolio management team to check its validity as part of the update to the IRO assessment.

The **size of the overall portfolio** and Vonovia's presence in neighborhoods in (major) cities and metropolitan areas enable a neighborhood-based, holistic development approach. Portfolio enhancement measures are implemented sequentially in a neighborhood context to develop socially and ecologically sustainable places for people to live together in central urban locations and in metropolitan areas, improving our tenants' quality of living in the process.

At the same time, the size of our portfolio and our local presence in neighborhoods enable us to drive forward the energy-efficient building refurbishment in line with our climate pathway, contribute to the energy revolution and actively drive the infrastructure transition, without losing sight of the need to ensure commercial viability that any private-sector company has to meet.

This approach also applies, in particular, to our new construction activities, which, to the greatest extent possible, are aligned with the neighborhood concept and are already designed as part of the planning process such that holistic measures can be applied.

The size of the portfolio – in tandem with the neighborhood approach – represents a key intangible resource for Vonovia. The neighborhood approach is embedded in various **investment programs** (including modernization, heating system replacement, photovoltaics, senior-friendly housing, maintenance) and is reflected systemically in the geographical categorization by urban quarters/clusters. Both the decarbonization tool (DKT, see chapter → ESRS E1) and the portfolio management investment calculator are based on the segmentation of the portfolio into neighborhoods.

Fundamental investment decisions are made at Management Board level (in particular the Chief Rental Officer), implemented on a decentralized basis in the regional business areas and monitored with regard to target achievement – in particular regarding compliance with the climate pathway. The strategic policies for the urban quarter/cluster approach and the investment programs have been formally documented in corresponding resolution documents. The latter can be categorized according to different types of investment, which vary depending on the individual circumstances of our neighborhoods and can involve energy-efficient modernization measures in existing buildings, apartment refurbishment measures to meet tenant needs, and the replacement of heating systems or the installation of photovoltaic modules.

Segmentation by urban quarters based on the definition above is only used for the German market segment at present. This means that 77% of the strategic portfolio is covered by the neighborhood concept (see chapter entitled → "Portfolio in the Property Management Business"). Neighborhood-based approaches are also pursued in Sweden and Austria, but based on different segmentation principles. While at the Austrian company BUWOG, measures in contiguous neighborhoods are taken when developing new construction projects, the segmentation of the existing portfolio in Sweden matches the division of regional neighborhood districts used by the police authorities there. The measures relate to our own business area and the downstream value chain. We take this to mean, in particular, the use of neighborhood services and measures by tenants and residents.

The Management Board (CRO) is responsible both for the decision to structure the portfolio and for the resulting segmentation into urban quarters and urban clusters. All measures resulting from this decision for a specific neighborhood area are planned and reviewed in the respective regional business areas before they are implemented, working in collaboration with the departments for investment, climate-neutral housing stock and corporate development.

ESRS 1 (Annex A, AR2) / ESRS2 (MDR-A / MDR-T / MDR-M) – Objectives, Actions Taken and Metrics Related to Neighborhood Development and Contribution to Infrastructure

In order to apply our strategic neighborhood concept with regard to the actual material impact associated with "increased quality of living for tenants through contribution to neighborhood development and infrastructure," the following targets have been set, and corresponding measures are being implemented and recorded using the following metrics:

Environmental and social aspects go hand in hand as part of our central, holistic neighborhood approach. Vonovia is equally committed to both aspects and to promoting social interaction in the local community. Measures to strengthen shared living and measures to drive the greenhouse gas-neutral transformation of the housing stock only become manageable, effective and efficient through the neighborhood approach. In the context of our multidimensional neighborhood development approach, various strategic components – chosen individually for each neighborhood – are used:

> **Energy-efficient building upgrades and the expansion of photovoltaics in our own properties:** Sequential energy-efficient upgrades to our own housing stock in line with our climate pathway, the use of innovative heating and electricity concepts (e.g., district heating grids), the expansion of renewable energy supply systems (especially using photovoltaics) and establishing smart links between these systems within the neighborhood are central elements of our climate strategy, which are particularly effective in the neighborhood thanks to the exploitation of synergy effects and economies of scale. Our neighborhood developments are designed to comply with clear climate change mitigation requirements as part of our climate pathway. Energy-efficient upgrades and the expansion of photovoltaics are ongoing measures that we are implementing on a large scale. In 2024, we once again stepped the pace of solar power expansion up considerably and lifted our capacity targets (see section → ESRS E1).

> **Expansion of neighborhood infrastructure (green and communal areas, playgrounds, establishment of local suppliers, educational and social facilities, …):** Various neighborhood services are provided on location (e.g., by regional employees, real estate managers, neighborhood managers, caretakers and technicians), as are social and infrastructural measures – e.g., the establishment of needs-based supply services (supermarkets, medical practices, bakeries, etc.), new green spaces or communicative neighborhood centers (recreational areas). A large number of diverse measures are developed in order to meet the needs of the neighborhood concerned. The measures described here are to be understood as part of our permanent mission and in line with the needs of the relevant neighborhood. They include both measures taken in the past and in the reporting year and measures to be performed in the future.

> **Provision of premises for social facilities:** Freely accessible space that can be used by the public can be seen as a key criterion for neighborhoods that offer quality of living and, thanks to additional opportunities for networking and the diverse ways in which spaces can be used, increases the variety of services on offer and quality of life for all users (children and young people, families, older people or people with particular needs) in the immediate vicinity. This is why, in the 2024 fiscal year, we made 100,000 m² or 14.0% of our commercial space available for social and community purposes (e.g., senior citizens' centers, day-care centers, rooms for childcare, etc.). With our flexible "freiRaum" neighborhood concept, we also offer free, low-threshold locations for local initiatives and groups to allow people to get involved in social events and to network in our neighborhoods. Corresponding models are already in place in Dresden, Bremen and Hamburg and are designed to serve as a blueprint for the establishment of more central meeting spaces in various Vonovia neighborhoods.

> **Measures to promote state-of-the-art mobility concepts:** Our measures support the mobility transition towards lower-emissions (electric) mobility in our neighborhoods. When designing new construction projects, we pay attention to good public transport connections, focus increasingly on bicycle parking spaces and consider providing charging facilities for electric mobility right back at the planning stages. To date, we have installed around 30 neighborhood charging stations for electric mobility in our existing neighborhoods. For further expansion, implementation possibilities for approximately 100 additional locations were examined during the reporting year. 96 of these locations are currently under development, and we expect their completion over the course of 2025. Car and bike sharing services (including for electric vehicles) round off our offering. We are also focusing increasingly on cycling-related services. We are aiming to gradually connect our neighborhoods to municipal cycle path networks. With the establishment of the Group's own start-up NEARBYK in 2023, we are offering e-bikes for purchase or hire as well as service points for bike repairs and maintenance in response to growing customer demand for this type of mobility. The service will initially be tested for a period of 16 months at three locations in Essen, Dresden and Bremen. Freely accessible repair stations and

the rental of cargo bikes round off our range of services in selected other neighborhoods.

> **Customer surveys on tenant satisfaction with their immediate residential environment:** In our quarterly customer surveys, we ask our tenants to rate the local infrastructure (e.g., proximity to shopping facilities, schools, etc.), their subjective feeling of safety and the social environment in the neighborhood in which they live, in addition to a large number of other questions about their living and rental situation. We evaluate the responses at the neighborhood level wherever possible and incorporate the feedback into our actions. The average annual value of this subindicator for **"tenant satisfaction with the neighborhood environment"** has been reported as a new metric since this reporting phase to also allow us to quantify, evaluate and monitor the success of our actions to upgrade the neighborhood environment as a whole. The aim is to maintain this satisfaction figure at a consistently high level (> 80%) in the medium term.

These initiatives are planned to continue into the future.

Due to the varied nature and the number of measures tailored to meet individual neighborhood requirements, it is possible to describe concrete results for specific neighborhoods, but not at the level of the Group as a whole. As a result, we use three selected metrics (see below) as an approximation to describe the development of our neighborhood measures and their effectiveness at Group level in Germany.

The measures relate to the German market and focus on the clustering by neighborhoods (urban quarters) described above in our strategic portfolio. These clusters make up around 77% of Vonovia's housing stocks in Germany. We consider all measures that serve to upgrade urban quarters to be neighborhood activities. These measures relate to Vonovia's core business area and to the downstream value chain, focusing on tenants' and residents' utilization of the initiatives.

All measures in the neighborhood are aimed at improving the quality of living for residents in the medium to long term. While they can span different time periods, their effectiveness is generally intended to extend beyond the immediate duration of the measure (e.g., energy-efficient modernization, upgrading of green spaces, etc.). These actions are treated as ongoing responsibilities without fixed timelines for completion, given the detailed and granular nature of individual measures.

In the 2024 fiscal year, **we invested a total of € 510 million in our urban quarters in Germany**.

Faced with an investment climate **that remained challenging,** we performed more differentiated neighborhood development measures in the previous year, developing smaller packages of measures. We scrapped the originally independent "Neighborhood development" investment program to give us greater management flexibility, meaning that all other investment programs (for information on the detailed types of investment, see → MDR-P) are now also included in the neighborhood perspective. The key figure "investment volume for neighborhood development in Germany" that was reported in previous years has been replaced by what is now a broader perspective, and uses the same data collection approach that we use in the management report in the section → Report on Economic Position/Financial performance for expenditure on modernization work.

For 2025, we expect to invest approximately € 785 million in urban quarters.

Metric "Neighborhood Investments in Germany"

This metric is based on the approach set out in GRI (2016) 203-1, which reflects the status of the development of major infrastructure investments and services supported. It describes the investments in euros that Vonovia made in its strategic portfolio located in urban quarters in Germany as of the reporting date of December 31, 2024. It is calculated as the sum of investments made within this portfolio structure during the reporting year in building upgrades (measures for modernization of energy efficiency and heating), refurbishment of vacant apartments (partial or full modernizations of apartments for full accessibility), capitalized maintenance, new construction completed for our own portfolio (including added stories to existing buildings), and the expansion of photovoltaics. Based on this definition, Vonovia invested € 510 million in neighborhoods in Germany in 2024.

Metric "Tenant Satisfaction with the Neighborhood Environment (in Germany)"

"Tenant satisfaction with the neighborhood environment (in Germany)" comprises a subset of three questions from the CSI questionnaire for measuring customer satisfaction (see → S4-5). These are added up – with equal weightings – to produce a score. The figure is expressed as a percentage of the average annual value of all "rather good" or "very good" responses from the four CSI questionnaires in a given year. Only Vonovia tenants in Germany are included in the survey. The value for 2024 came in at 83.4%. As this indicator was newly introduced in the reporting year, there is no baseline value from the previous year.

Metric "Share of Socially Used Commercial Space (in Germany)"

This metric is derived from an analysis of the usage type of commercial units. It extracts data covering all types of use of commercial units actively rented out by Vonovia in Germany that were classified in advance as "social." These include types of use such as a neighborhood office, community meeting place, day-care center or use of a space for other educational purposes. These are expressed in relation – in terms of square meters of space – to all rented commercial units in Germany with confirmed usage type. Large commercial units are excluded from this metric. The metric is based on the approach taken in GRI (2016) 413-1, which shows the percentage of operations (in this case rented commercial units) with local community engagement. According to this calculation, 100,000 m² of commercial units were allocated to social facilities in 2024 as of the reporting date of December 31, 2024. This corresponds to 14.0% of all rented out commercial units in Germany. As this classification of commercial units was not introduced systematically until 2024, there is no reference value from the previous year.

Investments in neighborhoods make up the central framework for action in connection with the material sustainability aspect of "neighborhood development" and the associated impact: "Increased quality of living for tenants through contribution to neighborhood development and infrastructure." Vonovia has not set any targets for this metric due to the varied nature and number of the various individual measures, which are taken depending on the needs of the neighborhoods concerned. We consider the planned budget targets for the following year, however, to be a suitable approximation tool for investments in neighborhoods in Germany. Successful infrastructure projects and the resulting improved quality of living in cities and neighborhoods can be quantified most specifically – alongside other meaningful indicators – by the investments made in their development. As a result, we use the metric "neighborhood investments in Germany" to illustrate the progress made in neighborhood development.

As this was introduced as a new metric in the 2024 reporting year, no historical values are available. Vonovia plans to invest approximately € 785 million in neighborhoods in Germany in 2025. This planned value is derived from the percentage share of strategic urban quarters (77% of the German portfolio) in the planned total investments.

Company-specific Disclosure: "Living at Fair Prices"

ESRS 2 SBM-3 – Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

Material Impacts, Risks, and Opportunities

Within the scope of our materiality assessment, we identified **three material impacts, risks and opportunities (IROs)** related to the company-specific topic of "Living at Fair Prices":

> Contribution to more affordable homes for tenants by adhering to regulatory frameworks
> Contribution to more affordable homes for tenants through new construction and development activities
> Financial risk due to changes in regulatory frameworks (rents and standards)

The tangible and positive impact **"contribution to more affordable homes for tenants through adhering to regulatory frameworks"** pertains to our core business area and outlines the effects of strictly adhering to regulatory frameworks (e.g., rent indices, standard local comparative rents, rent caps, price controls) on the reliability and stability of landlord-tenant relationships, thereby securing affordable homes.

Through additional measures for various customer segments – such as special regulations for elderly people, hardship management and the use of social managers, rent caps after refurbishment, offering publicly funded housing – we address low-income and vulnerable customer groups so that they can also remain in their apartments for as long as possible or continue to have access to affordable homes.

The rental of homes forms the core business of Vonovia. Rent adjustments aligned with rent indices are a necessary and common tool to meet the economic expectations of our investors while also creating room for investments and tailored rental offerings designed to appeal to the widest possible range of customers. Qualified rent indices are created using scientific methods, providing a fair representation of the rental housing market. Both landlords and tenants are involved in their creation and formally recognize the rent index afterward. For a stable and reliable housing market, such regulatory frameworks are thus essential to ensure security and continuity for tenants and landlords—without rendering necessary investments economically unviable. By complying with regulatory standards and requirements, Vonovia makes an important contribution to this stability. Even under changing framework conditions, we do not anticipate any significant changes to the business model or major adjustments to the strategy.

This allows us to ensure that our tenants can rely on the stability of rent developments in their homes. Our goal is to build long-term customer relationships and minimize turnover in our portfolio as much as possible. Through additional measures, such as offering price-controlled homes or individual support, we aim to further strengthen this safety net and make homes affordable for as many people as possible.

Our focus on a broad target group of tenants is a core component of our strategy and is reflected in our portfolio and the products we offer, which cater to our customers' requirements for modern home amenities. On average, rents at Vonovia in Germany rose by 3.8% during the reporting year, remaining below the increase in real wages, which stood at around 5.4% in 2024 (see chapter entitled → **"Portfolio in the Property Management Business"**).

The observation period for the impact focuses on a short-term horizon (reporting year + following year) as it is classified as tangible. Since rental agreements and the impacts of rental price developments also have an impact in the medium to long term, a corresponding follow-up effect can be expected for these tenants over periods, as well.

The measures implemented by Vonovia in the area of affordable homes are directly related to the positive impact described here. By shaping rental prices, we exert a direct influence on the perceived or actual affordability of homes.

This tangible and positive impact **"contribution to more affordable homes for tenants through new construction and development activities"** pertains to our core business area and describes the effects of creating new, demand-oriented and – in part – subsidized homes in neighborhoods (Development to hold). These activities help counteract the shortage of available homes and mitigate rising rents, particularly for existing tenants. This impact is tied to local markets where we can offer new construction to a variety of target groups. This impact is tied primarily to urban agglomerations characterized by high demand for homes.

As such, we view this as an opportunity for our company, which we aim to capitalize on and amplify through our development activities. The scale of this impact is heavily influenced by the company's ability to invest, which has continued to be constrained due to unfavorable interest rates and significant increases in construction costs. Over the past two years, we have responded by reducing construction activities, which we now plan to expand again.

By increasing the supply of homes through new construction, we aim to alleviate pressure on the rental market overall. This strategy reflects our commitment to catering to different customer segments, which is evident in our development approach. Generally, we apply mixed calculations and combine freely financed and price-controlled new home construction for our own portfolio (Development to hold) and for sale (Development to sell). We also remain focused on optimizing construction costs to provide sustainable, affordable homes for diverse target groups while introducing a share of subsidized homes to the market. The impacts of this are thus rooted in the company's strategy and business model. The observation period here also focuses on a short-term horizon (reporting year + following year) as the impact is classified as tangible. However, a long-term positive follow-up effect for tenants is also expected, as the business model – and especially our development activities – ensures continuity regarding the impact, which is anticipated to persist in the medium to long term. Through our development activities, we exert direct influence on this impact.

This medium-term **financial risk due to changes in regulatory frameworks (rents and standards)** relates to our core business area and describes the potential effects of **more stringent regulations** on rents (e.g., rent caps or rent controls) and other regulatory measures (e.g., standards for new construction and refurbishment, requirements of climate change mitigation) concerning the recoverability of investment expenses and ancillary costs for the company. Such changes could restrict Vonovia's flexibility in areas such as rental pricing and cost transfers.

While a stable and reliable regulatory framework for rents that provides sufficient leeway for economic operations can contribute to stable rental relationships, additional stringent restrictions on rental pricing options may narrow this flexibility. This constrains an economic rent-setting process and the necessary investment activities – for example, for climate change mitigation, contemporary standards, or new construction for various customer groups and mixed calculations. This, in turn, impacts the economic provision of affordable homes against the backdrop of rising construction standards.

No financial effects on the company's financial position, performance, or cash flows are identifiable or expected in the reporting year or the following year due to the risk described above. Consequently, there is no significant risk of adjustments to the carrying amounts of the assets and liabilities recognized in the corresponding financial statements.

Resilience of Our Business Model

The persistently **high demand for homes in urban agglomerations** is not expected to change within a foreseeable timeframe. Given this continuously strained market situation, large housing providers like Vonovia remain in the public interest and under scrutiny—any non-compliance with regulatory frameworks would likely result in heavier sanctions. At the same time, the low tenant turnover resulting from the high demand ensures stability and creates room for supplementary measures aimed at safeguarding the affordability of homes.

The business model remains robust in relation to the impact of "Contribution to more affordable homes for tenants through adherence to regulatory frameworks" and the risk of "Financial risk due to changes in regulatory frameworks (rents and standards)," given the consistently high housing shortage and the associated public focus on the company.

In the context of the impact "Contribution to more affordable homes for tenants through new construction and development activities," the past two years have demonstrated that a rapid rise in interest rates and construction costs significantly affects the implementation of the development business model. However, given the market situation, there are no signs that the business model fundamentally needs to be rethought.

The resilience of Vonovia's strategy and business model is analyzed and evaluated annually as part of risk management. The risk management time horizon covers the medium term and is supplemented by the planning level to address short-term developments.

ESRS 1 (Annex A, AR2) / ESRS 2 (MDR-P) – Strategic Policies Related to "Living at Fair Prices"

As a responsible company, Vonovia is committed to providing affordable homes that reflect demand and meet the basic need for housing. We express this in our Business Philosophy to transparently communicate our stance to our tenants and society. Our policy addresses two material impacts, which directly result in our material financial risk from changes in regulatory frameworks (rents and standards). We aim to offer long-term homes to as many people as possible. The challenge here lies in being able to offer a broad supply of housing at fair, transparent and market-oriented prices, even in a more challenging environment, while at the same time pursuing our climate objectives, which include a greenhouse gas-neutral housing stock by 2045.

Social responsibility and the transparency of our rents are decisive factors in this context. Through investments in core business activities – rental, refurbishment and new construction – we aim to ease the current housing market situation.

Compliance with regulatory requirements, such as rent indices and price-fixing agreements, in a highly regulated market, ensures reliability and stability in the landlord-tenant relationship. This is therefore an essential obligation for us, as highlighted under the impact "Contribution to more affordable homes for tenants through adherence to regulatory frameworks." However, we also recognize the potential risk of regulatory frameworks for rents and construction standards developing in an unfavorable direction for Vonovia, directly influencing the company's financial performance and operational flexibility. Despite this, we are in favor of regulatory intervention in the housing markets because we believe that it helps to ensure social balance and creates a stable business environment as a result. In our rental operations, we always observe the applicable country-specific legislation, monitoring compliance through our local regional organization and systematic support from our central portfolio management team.

Additional measures – such as special regulations for elderly people, hardship management and the use of social managers – enable us to support low-income and vulnerable customer groups so that they can also remain in their apartments for as long as possible or continue to have access to affordable homes.

The use of public subsidies helps us to make existing and new homes affordable for our tenants (see impact "Contribution to more affordable homes for tenants through new construction and development activities") while simultaneously implementing climate change mitigation measures. This contributes to a balanced tenant structure in our neighborhoods. We remain focused on optimizing construction costs and we have adopted the "Basic House" policy (see → ESRS E1 and → ESRS 2 SBM-1) to provide sustainable, affordable homes for diverse target groups while introducing a share of subsidized homes to the market. New projects, including those employing serial modular timber construction methods, are currently being implemented in cooperation with our joint venture partner, Gropyus.

Our commitment to social programs and the provision of social housing are further pillars of our approach. Cooperating closely with local authorities and involving stakeholders is essential for developing sustainable housing market solutions that meet people's needs.

Both the identified impacts and the associated risk are reviewed annually for their validity as part of the update to the IRO assessment. This process involves collaboration between portfolio management, the legal department and corporate communications (Public Affairs).

Our rental management policies and the handling of accompanying measures apply to the entire Group and focus on our core business area, namely, the rental process and the utilization of homes by tenants.

An exception is Sweden, where rents are generally set as part of a binding, consensual process involving negotiations between tenants' associations and landlords. Increases tend to occur annually and after refurbishment to a higher standard. In Sweden, the scope for regulatory intervention in rental pricing is narrower than in other markets, particularly Germany, resulting in less pronounced implementation of these policies there.

The Management Board makes the key decisions regarding the strategic direction of the rental business. Specifically, during modernization measures, we balance investments in climate change mitigation with the need for socially responsible cost-sharing arrangements for tenants. Following approval by the Management Board, the concrete planning and execution of measures are carried out by local landlords in the different regions. Regular exchanges of information between central and local teams ensure adherence to this approach.

Through our corporate principles and mission statement, which are publicly available on our website, as well as our communications and public relations efforts, we convey our core values externally. Additionally, our customer website provides direct access to information and contact options, such as those related to our social management initiatives. We determine tenant satisfaction regarding rent levels through customer surveys, which offer tenants the opportunity to highlight any issues. Similar surveys are conducted for new construction projects, allowing us to gather customer feedback at those locations on the product.

ESRS 1 (Annex A, AR2) / ESRS 2 (MDR-A / MDR-T / MDR-M) – Objectives, Actions Taken and Metrics Related to "Living at Fair Prices"

To apply our policies for providing affordable homes to as many people in society as possible, we have set the following targets, implemented relevant measures, and monitor progress using key performance indicators, all aligned with the material impacts of "Contribution to more affordable homes for tenants through adherence to regulatory frameworks" and "Contribution to more affordable homes for tenants through new construction and development activities," as well as the material risk of "Financial risk due to changes in regulatory frameworks (rents and standards)."

> **Fair Rent Pricing:** Our rental prices are based on local rent prices, and, if available, on certified rent indices. Our involvement in rent index commissions, including providing data, in numerous locations helps ensure their accuracy and fairness. We monitor compliance with all applicable regulatory frameworks through our central rental management team.

  Across the Group, the average rent price came to € 8.01/m² (2023: € 7.74/m²) in the 2024 fiscal year, and in Germany to € 7.89/m² (2023: € 7.63/m²), which corresponds to an organic increase in rent of 4.1%.

  Index-linked rents, i.e. rents linked to inflation, make up just around 1% of our lease agreements. The average rent excluding ancillary expenses in our portfolio remains below 30% of the average disposable household income of tenant households in Germany.

  In Germany, the costs of energy-related refurbishments can be passed on in the net rent – within a specific framework. The government has limited companies' ability to pass on costs to € 3/m² (€ 2 in the case of rents under € 7/m²). The resulting increase in the rent is balanced out for the tenants through a reduction in heating costs. When passing on refurbishment costs, we are always mindful to ensure that the burden placed on our tenants is socially just and offer individual solutions as part of our social management system. That said, reasonable compromises must be made in favor of additional climate change mitigation measures. In the 2024 fiscal year, an average of € 1.25/m² in refurbishment costs was passed on (2023: € 1.32/m²).

> **Publicly subsidized homes:** Our business model ensures that we are always integrated into the urban society where we offer homes. Cities and municipalities are therefore our most important partners when it comes to the concrete design of our local residential offerings. In numerous cities and municipalities, we also offer subsidized and independently financed homes for people on low incomes – in Germany around 33,700 (2023: 38,000) of our homes are currently price-controlled – and are responding to specific challenges with services tailored to local needs.

  The supplementary voluntary agreements that we conclude with cities and municipalities include, for example, provisions governing fair rental conditions, the construction of new apartments or the strengthening of municipal housing construction companies and joint neighborhood development.

  We also offer price-controlled homes, in particular in Austria and Sweden. Almost 19,000 (>90%) apartments in Austria and 100% of our approximately 40,000 apartments in Sweden are price-controlled. In total, around 17% of our entire portfolio is therefore subject to rent caps.

  The fundamental concept on which all agreements are based is Vonovia's desire to work in partnership with politicians and society to tackle municipal challenges and that the company takes specific local and social challenges present within cities into account within its planning.

> **Creating homes to ease the rental market:** Rising rental prices (due to factors like increased land costs or underutilized government instruments for housing promotion) and higher living expenses (such as energy costs or regulatory requirements) have made housing unaffordable for many people. This issue is further exacerbated by the transferring of refurbishment costs to tenants and an inadequate subsidy landscape. By creating new, demand-oriented and – in part – subsidized homes in neighborhoods, we are helping counteract the shortage of available homes and mitigate rising rents, particularly for existing tenants. Through our development subsidiary, BUWOG, Vonovia constructs homes for both portfolio retention and sale,

focusing on highly sought-after urban areas. A total of 3,747 (2023: 2,460) residential units were completed in this area in 2024, 1,276 (2023: 1,332) units for our own portfolio and 2,471 (2023: 1,128) units to be sold to third parties.

> Comprehensive hardship case and social management: We use comprehensive social management to guarantee living at fair prices and provide our tenants with a secure network. Our objective is to support people's ability to pay so that they can stay in their homes and their homes remain affordable. As such, we offer individual support measures ranging from rent deferments and payment in installments to assistance with housing allowance applications and relocation assistance. A team of social managers who have been trained to assist with such matters are on hand to help.

As part of our hardship regulations, we apply uniform standards based on those of welfare associations in the event of refurbishment work. These standards were developed in 2021 in collaboration with the tenants' association and other residential real estate companies, and help to ensure greater reliability and transparency in cases of hardship. In recent years, we have been able to achieve a positive outcome in the vast majority of hardship claims and provide direct assistance to the affected tenants, for example by reducing or waiving the modernization allocation.

Our vested rights for people aged over 70 are likewise still in place.

> Homes for Vulnerable Target Groups: People who are homeless or at risk of becoming homeless, as well as refugees, are a particularly vulnerable group in society when it comes to housing. Vonovia therefore makes these target groups a key focus of its social commitment efforts. As such, we continued to engage in a number of projects and measures in this area in the reporting year. Our "Housing First" approach ensures that homeless people are provided with a standard tenancy agreement with all of the normal rights and obligations, regardless of any mental or physical health conditions that they might have. It is only after this that they are offered help in order to get some stability into their lives. Vonovia provides homes for this purpose across Germany as part of numerous cooperative initiatives. This is also a focus of our support for refugees. By partnering directly with municipal administrations nationwide, we can quickly and efficiently provide housing for refugees, particularly from Ukraine.

These initiatives are planned to continue into the future.

The measures relate primarily to the German market, but also apply to some extent in Austria and Sweden. These measures relate specifically to Vonovia's core business area, focusing on tenants' utilization of the initiatives.

All measures aimed at fair rental pricing are designed to prevent excessive financial burdens on (potential) tenants in the short term. At the same time, their effectiveness is generally intended to extend beyond the immediate duration of the measure (e.g., hardship measures). These actions are treated as ongoing responsibilities. without fixed timelines for completion, given the detailed and granular nature of individual measures. However, their outcomes are regularly evaluated.

Measures for fair rental pricing do not lead to significant operational or capital expenditure. Instead, they tend to limit revenue, as potential margins are not fully realized.

An exception is the construction of new homes: development operating expenses came to € 41.7 million in the 2024 fiscal year (2023: € 39.6 million), representing 5.3% (2023: 17.5%) above the previous year's level (see chapter → **"Earnings performance – Development segment"**). Investments in new construction for the portfolio totaled € 224.5 million in the reporting year (2023: € 291.2 million, see chapter → **"Earnings performance – Rental segment"**). For 2025, we expect a significant increase in CapEx in the development segment (see chapter → **"Forecast report"**).

Metric "Average Rent per Square Meter"

This metric represents the average rent across all rented apartments in Germany, Austria and Sweden (see → **metrics**). Currency conversion for Sweden is based on the reference date of December 31, 2024. A separate figure covering all rented apartments is reported for Germany as it is Vonovia's core market. The average rent per square meter reflects the monthly contractual rent divided by the rented area. An average value is calculated across all rental properties, with the figure given in euros.

Metric "Number/Proportion of Price-controlled Apartments"

In Germany, rent restrictions typically apply to publicly subsidized apartments, subject to contractual or statutory cost-based rent limits. In Austria, price controls are based on the applicable rental model outlined in the lease agreement or unit classification. Price controls are generally tied to the organizational structure of the company at the time the apartment was built. In Sweden, base rents are negotiated annually with local tenants' associations. They must be reasonable and cost-based, leading to collective restrictions that classify all rents or apartments managed by Vonovia in Sweden as price-controlled. The metric "Number/proportion of price-controlled apartments" describes the total number of apartments classified as "price-controlled" within Vonovia's portfolio. To determine the percentage of price-controlled apartments, the number of such apartments is compared to the total portfolio.

Metric "Average Modernization Cost Allocation (in Germany)"

In Germany, the costs of energy-related refurbishments can be passed on in the net rent – within a specific framework. The government has limited companies' ability to pass on costs to € 3/m² (€2 in the case of rents under € 7/m²). As this cost allocation model does not exist in Austria and Sweden, the KPI applies only to the German portfolio. The metric "Average modernization cost allocation (in Germany)" represents the average rent increase per square meter for all modernized apartments in Germany during the reporting year, with the figure given in euros.

Vonovia has not established specific targets for the material sustainability aspects related to this topic. This is because compliance with regulatory standards is not a quantifiable metric but rather reflects the company's fundamental alignment and its dependency on the design of regulatory frameworks, over which the company has no direct influence.

The chosen metrics serve as a benchmark to demonstrate the nature of responsible rent setting, particularly in comparison to industry benchmarks.

Additionally, we consider the planned organic rent increase for the following year to be an appropriate approximation for a target metric. This increase aligns with customary local rents or rent indices. Central rental management monitors the development process and all regulatory requirements. For 2025, we anticipate an organic rent increase of 4.0% compared to the 2024 base year.

ESRS G1 – Business Conduct

ESRS 2 SBM-3 – Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

Material Impacts, Risks, and Opportunities

Within the scope of our materiality assessment, we identified **two material impacts, risks and opportunities (IROs)** related to "business conduct":

> Financial risk from corruption and bribery
> Positive impacts on employees through **Code of Conduct** and the development of a corresponding corporate culture

The **"financial risk from corruption and bribery"** also applies to our business areas. Financial risks, including liability and reputational risks, arising from violations of the Code of Conduct, the **Group Anti-Corruption Policy** or other legal requirements related to bribery and corruption, may include:

> Potential damages through fines or similar penalties
> Exclusion from tender procedures
> Negative press and reputational damage
> Adverse impact on employer branding
> Downgrades in ratings
> Loss of trust among stakeholders, including investors

We currently expect our material risks to have an influence on our business model, strategy and value chain in the medium term.

Significant cases of bribery and corruption, such as those resulting in reputational damage, loss of investor confidence, compensation claims, or rating downgrades, can negatively impact our financing strategy and liquidity by limiting our access to capital markets. This, in turn, can have adverse consequences for the financing and implementation of our new construction and development activities, ultimately affecting our (potential) tenants due to a reduced volume of new construction and modernization projects (business area). To mitigate these risks, we implement extensive preventive measures to combat bribery and corruption. For example, all employees in risk-sensitive roles are required to undergo annual training on bribery and corruption. Internal and external stakeholders can report suspected violations through whistleblowing channels (see → **G1-3** for details) and all reports are thoroughly investigated. Our Code of Conduct and **Business Partner Code** contain explicit provisions on bribery and corruption.

The actual positive impact of **"positive impacts on employees through the Code of Conduct and the creation of a corresponding corporate culture"** relates to the company's own business area.

We currently expect our actual material impact to have an influence on our business model, strategy and value chain in the short term. This positive impact is closely linked to our strategy, as adherence to the Code of Conduct and the promotion of a corporate culture aligned with it can be directly shaped and influenced internally through strategic initiatives and targeted measures. Our efforts to foster a positive corporate culture and ensure that our Code of Conduct is consistently upheld play a significant role in driving these positive effects. Moreover, our corporate culture and Code of Conduct have direct impacts on people - specifically, our employees – who benefit from a culture of trust and respect, business conduct that considers the interests of all parties and strict adherence to legal requirements.

A strong corporate culture can enhance our appeal as an employer and help address the challenge of skilled labor shortages. A sufficient workforce in both technical and administrative areas is essential for our business model. To address the skilled labor shortage, we ensure attractive working conditions, which is an essential topic under → **ESRS S1**, including a modern leadership style that contributes to a positive working atmosphere. Our HR strategy and related measures directly support this goal.

Additional measures to enhance positive impacts on employees focus on promoting diversity and equality of opportunity within our workforce. Our HR strategy explicitly includes measures to promote equality of opportunity and our Code of Conduct strictly prohibits any form of discrimination. This demonstrates the direct interconnection between our corporate culture and human resources strategies.

In the medium term, we anticipate a potential impact on our business model and value chain by our financial risk of bribery and corruption. Currently, we have not identified any current financial effects that could significantly impact our financial position, financial performance or cash flows in the next reporting period, nor do we foresee any material risks of adjustments to the carrying amounts of assets and liabilities in our financial statements.

Resilience of Our Business Model

The resilience of Vonovia's strategy and business model is analyzed and evaluated annually as part of risk management. To evaluate the resilience of our business model in managing this material impact and risk, we continuously monitor potential violations of our **Code of Conduct** and the number of confirmed cases of corruption and bribery. Analyses from past reporting periods indicate that our systems for detecting bribery, corruption, and violations of the Code of Conduct remain effective in the short, medium, and long term. Reported violations are promptly investigated and, if necessary, sanctioned. In the event of a serious corruption or bribery incident, appropriate and effective measures are implemented, including internal investigations into each allegation. The necessary resources are immediately allocated by the Management Board. In 2023, a comprehensive internal investigation was conducted following a public prosecutor's investigation into former employees and subcontractors of Vonovia. We also take a preventive approach by raising awareness of compliance topics among employees through mandatory training on the Code of Conduct and other relevant policies. We continuously monitor legal developments to ensure our training programs and policies, such as the Code of Conduct and **Anti-Corruption Policy**, are promptly updated in response to any regulatory changes. Our annual risk analysis helps us identify compliance risks and implement mitigating measures. We can therefore conclude that our current measures strengthen the resilience of our business model and ensure that no material risks emerge for our business model.

G1-1 – Business Conduct Policies and Corporate Culture

Vonovia defines Corporate Governance as responsible, sustainability-driven business conduct and oversight based on trust and transparency. Corporate governance is an issue for Vonovia that includes every area of the company. The Management Board and the Supervisory Board have made a comprehensive commitment to the principles of corporate governance as set out in the German Corporate Governance Code.

These principles are the basis for the sustainable success of the company and therefore serve as guidelines for conduct in the company's daily management and business. Good corporate governance strengthens the trust of our shareholders, business partners, employees and the general public in Vonovia. It increases the company's transparency and strengthens the credibility of our group of undertakings. With balanced corporate governance, the Management Board and the Supervisory Board wish to safeguard Vonovia's competitiveness, strengthen the trust of the capital market and the general public in the company and sustainably increase the company's value.

Our **comprehensive set of policies and measures** aimed at preventing compliance violations in connection with corporate governance is consolidated within our **Compliance Management System (CMS)**. The CMS at Vonovia encompasses all policies, regulations and works agreements, such as the **Code of Conduct**. The CMS is based on three pillars: prevention, detection and response. The CMS is subject to a periodic audit, which is carried out by an external auditor. Preparations were made in the reporting year for the external CMS certification in the area of anti-corruption; the adequacy of the CMS is to be reviewed in the coming reporting year. This certification will confirm the adequacy and effectiveness of the CMS in anti-corruption efforts. At the top of our internal compliance framework is the **Group Anti-Corruption Policy,** which serves as a binding framework linking all policies and regulations to create a unified compliance structure.

The CMS applies without exception to all Group subsidiaries (including Care segment), ensuring that all business activities and processes comply with applicable laws, regulations and administrative requirements, as well as contractual obligations and internal corporate policies. Whenever legislation in Austria or Sweden conflicts with Group-wide rules, a different rule is adopted for the subgroup in the form of a national guideline. The ultimate responsibility for this lies with the respective managing directors.

Vonovia employs the following policies to manage the identified material risks and positive impacts and to promote corporate culture.

Operational responsibility for the implementation, monitoring and further development of the policies relating to corporate culture, bribery and corruption is shared between Human Resources, Legal, Compliance, Corporate Communications and Internal Audit departments. Ultimate responsibility lies with the Management Board. The Chief Compliance Officer, who leads the Compliance and Data Protection department, is responsible for identifying compliance risks, implementing appropriate preventive and detection measures and ensuring a suitable response to confirmed compliance risks.

Corporate Culture

Our approach to promoting corporate culture is outlined in our **Code of Conduct**. On the basis of the Code of Conduct, we define the ethical and legal framework within which we act, ensure commercial success and aim to achieve positive impacts on our employees through a positive working atmosphere and a trusting, constructive management style. It reflects our corporate values and applies to all employees at Vonovia. The focus is on dealing fairly with each other but also in particular on dealing fairly with our tenants, business partners and investors. That is also why we place such an emphasis on compliance with applicable legislation, without exception. Adhering to the legal framework conditions and regulations does not just apply to our own employees but also for the suppliers and service providers we work with.

We also communicate in our **Declaration of Respect for Human Rights**, which has the same status as a Group policy and which applies throughout the Group, our clear conviction for a pluralistic democratic society and zero tolerance of human rights violations and our commitment to respect human rights in all aspects of our business. We adhere to the core labor standards of the International Labour Organization (ILO), the UN Guiding Principles on Business and Human Rights and the principles of the UN Global Compact, which we committed to in 2020. Our Code of Conduct also takes account of our stance regarding respect for human rights.

Through our policy of "Positive impacts on employees through Code of Conduct and the development of a corresponding corporate culture," Vonovia aims to foster a corporate culture that supports continuous development and individual potential promotes diversity, and helps us attract and retain top talent. Our corporate culture ensures fair wages and considers principles such as respect and diversity as fundamental. We are also committed to creating a future-oriented, attractive and safe working environment that provides the foundation for our joint success and contributes to the satisfaction of our employees.

Our corporate culture is founded on transparent reporting and corporate communications, on corporate governance aimed at the interests of all stakeholders, on fair and open dealings between the Management Board, the Supervisory Board and employees as well as on compliance with the law. Employees are regularly trained on diversity topics (see → **S1-4** for details) to raise awareness of inclusion and equality of opportunity, with dedicated programs such as the Women's Network, Female Leadership Forum, and mentorship initiatives for high-potential female employees (see → **S1-4** for details). These measures are implemented across the Group on an ongoing basis. The three programs to promote equality of opportunity were initiated in the reporting year. Since these measures are part of a continuous process and are regularly adapted to current circumstances, no specific timeline for completion exists.

Another key measure for the promotion of corporate culture is the **Business Partner Code**, which outlines our expectations and requirements for suppliers, who are required to sign it. These requirements relate in particular to compliance with human rights – from legal conformity and the fulfillment of legal standards for working conditions to an assurance of freedom of association and the exclusion of child labor, forced labor and discrimination. Minerals, and particularly conflict minerals, are to be procured responsibly in accordance with OECD guidelines. We also expect our business partners to subject their own business partners at all stages in their supply chain to the obligation to comply with the same standards and principles. As part of the regular evaluation of our major suppliers and contractors via our partner portal, we strive to ensure that the criteria stated in the Business Partner Code are complied with. In the event of incidents and breaches, a structured management of measures is activated, which – once all other resources have been exhausted – may result in blocks on orders or the blocking of a particular supplier. We also use long-term cooperation in the spirit of partnership to build a close relationship of trust with our contractual partners. This is largely the responsibility of the procurement department and allows any misconduct to be addressed. In Germany and Austria, contractual conclusion is preceded by an automatic check against relevant sanctions lists, with the compliance department informed immediately in the event of a hit. In Austria, the procurement department reviews all new creditors and regularly reviews existing ones on a half-yearly basis as part of a compliance check that also includes an inspection of sanctions lists (via KSV1870). The procurement department in Austria also implemented a partner portal for suppliers and service providers in the reporting year. The portal is based on its German counterpart and has been adapted to reflect national standards. Vonovia's Business Partner Code of Conduct applies across the entire Group. However, local adaptations are permitted within the subsidiaries in Austria, Sweden and the Care segment if required by country-specific or operational considerations. Since this is an ongoing measure, no fixed completion timeline exists. Updates to the Business Partner Code are also made as needed, with an update during the fiscal year. In addition, the **Group Compliance Policy**, the **Anti-Corruption Policy**, the **Anti-Money Laundering & Terrorist Financing Prevention Policy** and the **Whistleblowing Policy** were reviewed and updated.

Corporate culture is a multifaceted topic that cannot be fully captured through singular or multiple quantitative targets, which is why we have not set **measurable, outcome-oriented targets**.

Nevertheless, two **quantitative indicators** of employee satisfaction and the proportion of women in leadership roles (both of which are sub-indicators of the SPI) serve as reference points for evaluating the effectiveness of our corporate culture policies and measures and their positive impact on employees through the Code of Conduct and the design of a corresponding corporate culture. A strong corporate culture contributes to high employee satisfaction, while a higher proportion of women in leadership roles demonstrates a culture that fosters diversity and attracts talent.

Vonovia aims to achieve its target of at least 77% employee satisfaction by 2030. The Management Board proposes these targets as part of the LTIP planning process, with validation by the Supervisory Board. Similarly, the target for the proportion of women in leadership roles (first and second levels below the Management Board) is targeted to reach at least 30% by 2030. Additional details can be found in → **S1-5**.

The Compliance Committee meets quarterly to discuss corporate culture, the current status of the Compliance Management System (CMS), and any necessary adjustments. New policies and measures are developed as needed.

Bribery and Corruption

Vonovia addresses significant financial risks, including liability and reputational risks related to bribery and corruption, through the **Code of Conduct**, the **Human Rights Policy**, the **Compliance Guidelines**, the **Whistleblowing Policy**, the **Anti-Money Laundering & Terrorist Financing Prevention Policy** and the **Anti-Corruption Policy**. These **policies** apply Group-wide but are adapted for organizational differences in the Care segment and regional variations in Austria and Sweden. The correct implementation of the Group policies is reviewed by Internal Audit in line with a risk-based approach.

These policies aim to prevent and combat bribery and corruption and mitigate potential negative impacts such as financial penalties, exclusion from tender procedures, reputational damage, employer brand deterioration, rating downgrades, stakeholder trust erosion, and increased costs for Vonovia's tenants, employees and business partners.

Vonovia's policies align with IDW PS 980 audit standards, which largely correspond to the United Nations Convention against Corruption. Our **objective** of preventing and combating bribery and corruption, as well as avoiding related incidents, is pursued through the **quantitative indicators** of the "number of convictions and the amount of fines for violation of anti-bribery and anti-corruption laws" and the "total number of confirmed cases of corruption and bribery," covering both our employees and business partners (for details, see → **G1-4**).

Vonovia has implemented several **measures** to support its anti-bribery and corruption objectives, including:

> Regular compliance self-assessments and the appointment of local compliance officers
> A robust whistleblowing system available to employees and external stakeholders (see → **G1-3**) and
> Extensive training programs, particularly for functions-at-risk.

In the reporting year, preparations were made for the introduction of annual **compliance self-assessments** in the individual departments within the Group. Starting in the 2025 fiscal year, the compliance risk analysis will be conducted annually (previously every two years) and will also cover Austria and Sweden on a recurring basis. In the 2024 fiscal year, a decentralized compliance structure was also implemented: In relevant business areas, individual employees are being trained as **local contacts** for compliance issues in order to be able to answer initial questions directly on location and provide quick and straightforward support. The Compliance and Data Protection department is training the local contacts, providing technical advice and is maintaining constant contact with them. This measure has no set completion date as it is an ongoing initiative.

Vonovia also established a comprehensive **complaints management system** that allows employees, customers, and business partners to report corruption and other misconduct. Reports are processed by a specially trained, independent team. Details are outlined in disclosure requirement → **G1-3** .

Regular Group-wide **training sessions** are the cornerstone for preventing misconduct before it happens. A comprehensive catalog of regular and mandatory training events is already firmly established and has been adapted for the various internal target groups. In Germany, all employees with access to a company digital device must complete an annual 60-minute training session covering the Code of Conduct. Employees without such devices receive the Code of Conduct as an annex to their employment contract. Care segment managers also receive specialized training on the Code of Conduct requirements. All employees at SYNVIA receive training on the contents of the Code of Conduct, with the duration of training sessions tailored to individual needs. In Sweden, all employees are informed about the contents of the Code of Conduct upon joining the company and whenever updates occur, and they are required to formally acknowledge it. They then participate in an annual compliance training session lasting 45 to 60 minutes, covering topics related to the Code of Conduct, bribery and corruption. In Austria, employees receive compliance training, including topics on the Code of Conduct and anti-bribery and corruption, during onboarding and on an annual basis thereafter, with sessions also lasting 45 to 60 minutes. During the reporting year, the first compliance training sessions were rolled out via the company's e-learning platform, Success Factors. Further details regarding the anti-corruption and anti-bribery training conducted in the fiscal year can be found under disclosure requirement → **G1-3**. In addition to training on the prevention of corruption and bribery, Vonovia provides employees with annual training on other compliance-related topics such as conflicts of interest, anti-corruption awareness, anti-money laundering and data protection. For employees in Germany, this includes training on the General Equal Treatment Act. These training programs are regularly updated to reflect changes in the Code of Conduct or legal requirements, ensuring their continued relevance. As such, no fixed timeline exists for the completion of this measure.

In Austria, Sweden and Vonovia Germany, functions that are most at risk of bribery and corruption include procurement, sales, development and management positions. At SYNVIA, all employees are classified as being in functions-at-risk, while in the Care segment, this classification applies to facility managers.

G1-3 – Detection of Corruption and Bribery

As a **measure** to implement our policy for managing the material risk of bribery and corruption, Vonovia (including SYNVIA) has implemented a comprehensive, Group-wide **complaints management system** (see also disclosure requirement → **G1-1**). SYNVIA was connected to Vonovia's whistleblower system during the reporting year. The Care segment has its own whistleblower system. In addition, access to Vonovia's whistleblower system was also expanded during the reporting year by setting up an additional category for the Care segment. Vonovia's Swedish subsidiary also operates its own whistleblowing system.

Reports of corruption and bribery can be submitted via the respective whistleblowing portals, which are available in six languages in addition to German and English. Stakeholders using the system can provide feedback through a satisfaction survey, ensuring its effectiveness. This reporting year, the portal again complements and extends the existing system of the independent ombudsman and has been integrated into the Business Partner Portal. The ombudsperson is selected and appointed by the Compliance Committee. There is also the option of contacting the compliance hotline via telephone or email, which Vonovia has set up at the external law firm GSK. Our employees can report potential or actual misconduct to the works council, the Human Resources department, or the **compliance@vonovia.de** email address. The effectiveness of the system is ensured through various accessible reporting channels, which were intentionally established to provide multiple options for submitting reports. In the 2023 compliance risk analysis, participants were surveyed on topics such as communication channels for compliance matters, familiarity with compliance processes, and the support provided. Positive feedback was received in all areas. Since the complaints management system is an ongoing measure, no completion date is set. The availability of both digital and analog reporting channels ensures that every employee has access to at least one reporting option. The technical and organizational accessibility of these channels is managed by the Group, with external support when necessary.

Staff handling complaints are bound by **confidentiality** and are the only ones with access to complaints and related communications. Complaints are reviewed exclusively by this authorized team. Information from the system is generally not shared with third parties, except when required for legal proceedings, regulatory investigations or compliance audits by external legal or accounting firms. Data is stored only as long as necessary for its intended purpose. Employees are informed about the available reporting channels through mandatory compliance training and the **corporate website**. Additional details on whistleblowing procedures are available in the intranet's compliance section and are published in employee newsletters, such as Die Profis. The risk analysis includes a question to managers asking whether they are aware of the reporting channels for suspected compliance cases. Future employee satisfaction surveys will also include a question regarding the awareness and trustworthiness of these reporting channels. The regular use of the channels and the corresponding feedback from the departments and the works council indicates that customers are aware of them and consider them to be reliable. After reviewing reported incidents, individual, proportionate measures are taken on a case-by-case basis.

The Chief Executive Officer (CEO) is responsible for implementation of the entire CMS, including all the policies and measures described. A Compliance Committee comprising the Chief Compliance Officer, compliance officers, the ombudsperson, representatives of the Internal Audit, Risk Management and HR Management departments, the works council and the companies outside of Germany meets on a quarterly basis updates the system in line with current requirements. In this context, the Chief Compliance Officer acts as a central contact point within the company for compliance matters and suspicions. The Chief Compliance Officer serves as the primary contact for compliance-related questions and concerns, maintaining independence by reporting directly to both the CEO and the Supervisory Board's Audit, Risk and Compliance Committee. In addition, the Chief Compliance Officer is not subject to instructions from other company departments. His activities are supported by the compliance officers and managers in the individual departments.

The Chief Compliance Officer reports directly to the Chief Executive Officer at least once a month. In addition, ad-hoc reporting is carried out for essential topics. The Management Board receives quarterly reports, while the Supervisory Board's Audit, Risk and Compliance Committee is informed semi-annually about compliance issues and corruption along with existing guidelines and processes on a quarterly basis. The compliance report provides information on suspected cases, measures and other compliance-relevant and data protection issues. If required, the entire Supervisory Board is informed.

Comprehensive information about Vonovia's Corporate Governance policies, including the **Group compliance policy**, is available on the **investor relations** section of the corporate website. An overview of all reporting channels for bribery and corruption concerns is also provided on the company's **public website**. Employees have access to the latest compliance information through the intranet, While business partners are informed of Vonovia's expectations via the **Business Partner Code**.

Vonovia has also introduced mandatory anti-corruption training as an additional measure to mitigate corruption and bribery risks. These trainings, typically conducted virtually, last between 45 and 60 minutes and cover legal requirements and practical case studies to help employees recognize and appropriately address potential fraud and corruption risks. In Germany, all employees are required to complete an annual 60-minute training session on corruption and fraud prevention, conflict of interest management and the **Code of Conduct**. Care segment managers also receive specialized training on the Code of Conduct requirements and on the topic of anti-corruption. All employees at SYNVIA receive training on the contents of the Code of Conduct, as well as anti-corruption, with the duration of training sessions tailored to individual needs. In Austria and Sweden, our employees receive annual compliance training covering anti-bribery and anti-corruption topics as part of a combined training program (for further details, see the explanations on Code of Conduct training under disclosure requirement → **G1-1**). In Sweden, these training sessions were introduced during the reporting period.

Functions-at-risk are also required to complete additional, mandatory, and individually tailored training: Sales employees undergo an annual 60-minute training session on anti-money laundering, while procurement employees receive specialized annual training sessions of the same duration focusing on corruption and anti-corruption laws. Another mandatory annual 60-minute training course for the entire management level is dedicated to the topic of corruption and detecting fraud. Employees in procurement, compliance and data protection, sustainability, certain business areas, and value-add, as well as all senior executives at the first management level and the Management Board, are also required to complete an annual 60-minute training session on the German Supply Chain Due Diligence Act. In the Care segment and at SYNVIA, all functions-at-risk are required to complete an annual anti-corruption training session lasting 45 to 60 minutes (see disclosure requirement → **G1-1** for details).

These training programs have been implemented across the Group primarily in previous fiscal years and are considered ongoing measures with no fixed completion date. However, for SYNVIA and the Care segment, the majority of these training sessions were introduced during the reporting year, and they have since been maintained.

Functions-at-risk are defined as those with specific exposure to corruption and bribery risks due to their job functions. These risks are mitigated through the assignment of relevant training. In the Group as a whole, around 68% of functions-at-risk completed the training sessions described above that they were required to complete. In Sweden, the corresponding training will be introduced in 2025.

The Management Board undergoes the same mandatory training as all Vonovia employees; the Supervisory Board is not required to participate in compliance or anti-corruption training.

G1-4 – Incidents of Corruption and Bribery

To assess the effectiveness and performance of our anti-corruption policies, Vonovia tracks the **number of legal convictions** related to corruption and bribery. In the fiscal year, the number of court convictions for bribery and corruption offenses was zero (2023: zero). During the fiscal year, no convictions were recorded, and consequently there were no fines for violation of anti-corruption and anti-bribery laws.

In line with our objective of maintaining the company free of corruption and bribery, we set an annual **quantitative and results-oriented target** of achieving zero legal convictions for corruption and bribery offenses, which applies to both our business areas and our business partners. Stakeholders were not involved in setting these targets. This quantified target directly aligns with our policy objectives for maintaining a corruption-free organization, and since no convictions for bribery and corruption occurred during the fiscal year, we have achieved our objective.

Ongoing investigations are not included in this metric. The Compliance and Data Protection department monitors compliance with applicable regulations across the Group and oversees any ongoing legal proceedings and related outcomes to ensure target achievement. In the event that Vonovia is subject to fines for bribery or corruption violations, the Compliance and Data Protection department immediately informs both the Management Board and the Supervisory Board. The department also receives monthly reports from subsidiaries in Sweden and Austria, while subsidiaries within the Care segment and SYNVIA provide ad-hoc or on-request reports.

Since no convictions were recorded during the reporting year, no corrective actions were necessary to address breaches of standards of anti-corruption and anti-bribery.

The number of **confirmed incidents of bribery and corruption,** both among our employees and business partners, was 2 in the fiscal year (2023: 1). Both incidents involved potential fraudulent actions related to collaboration with subcontractors. The 2023 incident involved certain (mostly former) operational-level employees in the technical area, who were involved in questionable transactions with subcontractors, causing damage to Vonovia. Vonovia immediately launched an extensive internal investigation with the support of the law firm Hengeler Mueller and the auditing firm Deloitte, which was concluded within the fiscal year. Additionally, corresponding further development measures of the ICS were implemented.

In line with our objective of maintaining a company free of corruption and bribery, we set an annual **quantitative target** of achieving zero confirmed corruption and bribery incidents. This applies to both our business operations and our business partners. Stakeholders were not involved in setting these targets. This quantified goal directly aligns with our policy objectives for maintaining a corruption-free organization; since two confirmed cases of bribery and corruption occurred during the fiscal year, we did not achieve our objective.

The metric refers to confirmed incidents submitted through the compliance mailbox or other whistleblowing channels, which were verified by the Compliance and Data Protection department through an internal investigation or confirmed by a legally binding court ruling.

Just as with the number of convictions, the Compliance and Data Protection department monitors compliance with applicable regulations across the Group and oversees any ongoing legal proceedings and related outcomes to ensure target achievement. In the event that Vonovia employees are convicted of corruption or bribery and subsequently receive a written warning or are dismissed, the Compliance and Data Protection department informs the Management Board. In the event that any of Vonovia's business partners has been convicted of corruption or bribery, the Compliance and Data Protection department also informs the Management Board. The department also receives monthly reports from subsidiaries in Sweden and Austria, while subsidiaries within the Care segment and SYNVIA provide ad-hoc or on-request reports. In cases of confirmed corruption involving business partners, the business relationship is terminated or not renewed.

The reported compliance-related concerns during the fiscal year were all minor, if confirmed at all. The only two exceptions are the previously confirmed incidents of bribery and corruption. In the fiscal year, own employees were dismissed or disciplined in the two previously reported confirmed incidents of corruption or bribery allegations.

No contracts with business partners were terminated or not renewed due to corruption or bribery-related violations during the reporting year.

No public legal proceedings were initiated against the company or its employees during the reporting period, and there are no cases from previous reporting years. Regarding the incident from 2023, a public prosecutor's investigation is ongoing, in which Vonovia is involved as the aggrieved party. A court proceeding has not yet begun.

Opportunities and Risks

Risk Management Structure and Instruments

The market environment and the overall statutory/regulatory conditions to which Vonovia is subject are constantly changing. Vonovia is adapting to this environment by developing its strategy and, within this context, its business activities on an ongoing basis. Vonovia also reacts to ESG influences from a wide variety of stakeholders by adjusting its corresponding ESG targets. These changes mean that additional opportunities and risks arise on a regular basis, and that the extent of existing opportunities and risks can change at any time.

As a result, Vonovia has implemented a comprehensive risk management system that ensures that all of the risks that are relevant to the company (and to the environment and society at large) can be identified, evaluated and managed. This reduces risk potential, secures the company's survival, supports its strategic further development and promotes responsible entrepreneurial action.

Risks are defined as possible events or developments that could have a negative impact on the company's expected economic development and, as a result, could lead to a negative deviation from the short-term plans (budget and forecasts) and the company's medium-term plans (five-year plan). Any deviations from the company's ESG objectives also pose risks to its economic development.

Opportunities are defined as possible events or developments that could have a positive impact on the company's expected economic development and, as a result, could lead to a positive deviation from the short-term plans (budget and forecasts) and the company's medium-term plans (five-year plan). Deviations from the company's ESG objectives can also give rise to opportunities. Opportunities are not quantified for internal management purposes.

5 Pillars of Risk Management at Vonovia

Management Board
(Strategy, Requirements/Goals, Control Environment, Monitoring)

1 Performance Management	2 Compliance Management	3 Risk Management System	4 Internal Control System	5 Internal Audit
Controlling > Budget > Forecast > Results	**Compliance Officer** > Guidelines, regulations > Contracts > Capital market compliance > Data protection	**Controlling** > Risk management process > Risk reporting	**IT** > Process documentation **Accounting** > Accounting-based internal control system	**Internal Audit** > Process-oriented audits > Risk-oriented audits
Operational Areas > Performance management > Technical integrity	**Operational Areas** > Ensuring compliance	**Operational Areas** > Risk identification and evaluation > Risk control	**Operational Areas** > Documentation of core processes > Control activities > Control self-assessment	**Operational Areas** > Process improvements

Vonovia's risk management system is based on an integrated five-pillar risk management approach.

(1) Performance Management

Detailed corporate planning and appropriate reporting on deviations in the operational and financial key figures from Controlling constitute the backbone of the early warning system used at the company. Analyses are made of the business performance compared with the plans approved by the Supervisory Board and the previous year. Furthermore, forecasts are prepared regularly which take appropriate account of the effect of any potential risks and opportunities on the development of business.

Reporting includes detailed monthly controlling reports for the Management Board and the Supervisory Board. The operational business is described in regular reports on key figures, some of which are drawn up on a weekly or daily basis. On the basis of these reports and the deviations that they highlight between the actual and target figures, countermeasures are initiated and implemented and then checked in subsequent reporting periods to ensure they are effective.

(2) Compliance Management

Compliance means that the company, its bodies and employees act in line with the applicable rules and regulations. For the Management Board, compliance with statutory law and the observance of internal guidelines are the basis of corporate management and culture. Compliance is to ensure the integrity of employees, customers and business partners and avoid possible negative consequences for the company (and for the environment and society at large).

The management and monitoring of Vonovia is based on the relevant statutory requirements, the Articles of Association and the rules of procedure for the Supervisory Board and the Management Board. They form the basis for the company's internal rules and guidelines, adherence to which is monitored by a central compliance management system and administered by a guideline management team that forms part of the Compliance & Data Protection department.

The guidelines describe clear organizational and monitoring structures with specified responsibilities and appropriately installed checks. The legally compliant behavior of all employees in the business processes is ensured by suitable control procedures and supervision by managers.

The company has also put in place a compliance management system based on IDW (Institute of Public Auditors in Germany) PS 980 and has created a central function, the Chief Compliance Officer, whose remit focuses on identifying compliance risks, taking suitable measures to avoid and detect these risks and taking appropriate action in response to compliance risks (compliance program). This individual also acts as the company's human rights officer.

In terms of specific content, the main features of the compliance management system are Vonovia's Code of Conduct, which focuses on ethical values and statutory requirements and reinforces the personal responsibility of employees, Vonovia's Compliance Guidelines and a Business Partner Code setting out requirements that the company's contractual partners have to meet. An external ombudsperson and a compliance hotline at the external law firm GSK Stockmann is available to answer questions on all compliance matters. These systems also feature an anonymous whistleblower hotline in six languages. All of the whistleblower channels are available not only to employees, but also to external groups, such as customers and business partners.

(3) Risk Management System

Vonovia's strategy has a sustainable and long-term focus. As a result, Vonovia pursues a conservative risk strategy in its business activities. This does not mean minimizing risks, but rather promoting entrepreneurial and responsible action and ensuring the necessary transparency with regard to any possible risks.

The risk management system supports all employees in their day-to-day work in accordance with Vonovia's mission statement. It ensures the early identification, assessment, management and monitoring of all risks within the Group that exceed the short-term financial risks dealt with by the Performance Management pillar and could pose a risk not only to the company's results of operations and net assets, but also to intangible assets.

The risk management system explicitly includes sustainability risks. In connection with the introduction of reporting in line with the European Sustainability Reporting Standards (ESRS), information was collected and evaluated, as part of the materiality assessment, on the impacts that the company's business activities have on people and the environment, as well as the sustainability-related risks and opportunities for the company, and this information was incorporated into the risk management process (see → ESRS2 IRO-1). This means that potential risks which might impair the value and/or development of the company, or have an impact on people and the environment, can be identified at an early stage. The risk management system takes account of early warning indicators that are specific to the environment and the company, as well as the observations and regional knowledge of our employees.

In organizational terms, risk management is assigned directly to the Management Board. It has overall responsibility and decides on the organizational structures and workflows of risk management and provision of resources. The operational management of the risk management system falls within the remit of the Head of Controlling, who is responsible for Risk Controlling. The Head of Controlling reports to the Chief Financial Officer (CFO). Risk Controlling initiates the software-supported, periodic risk management process and consolidates and validates the risks reported. It is also responsible for validating the risk management measures and monitoring their implementation. Risk Controlling works with the individual risk owners to define early warning indicators that are used to monitor actual developments with regard to certain risks.

The risk owners are the managers at the level directly below the Management Board. They are responsible for identifying, evaluating, managing, monitoring, documenting and communicating all risks in their sphere of responsibility. They are also responsible for recording and reporting all risks in the company's risk tool based on the defined reporting cycles.

Based on a half-yearly risk inventory taken in the first and third quarters of a fiscal year, Risk Controlling prepares a risk report for the Management Board and the Supervisory Board. It also simulates major risk developments and their impact on the corporate plans and objectives. The Management Board approves the documented risk management findings, takes account of them in steering the company and reports them to the Supervisory Board. The Audit Committee of the Supervisory Board monitors the effectiveness of the risk management system.

Should significant risks, i.e., risks with a considerable impact on economic development (risks entailing possible losses in Adjusted EBT of more than € 50 million or a possible balance sheet loss of more than € 600 million) occur unexpectedly, they are reported directly to the Management Board and the Supervisory Board on an ad hoc basis.

As part of the process involved in preparing the annual financial statements, the risks identified in the third quarter are reviewed by Risk Controlling to ensure they are up-to-date and – if necessary – updated, with newly identified risks being added. New risks can arise in the context of the budget and five-year planning process. These are coordinated and evaluated bilaterally between Risk Controlling and the responsible risk owners as part of the planning process.

Vonovia's risk management system includes a simulation model to calculate the company's risk-bearing capacity. As part of this analysis, risk management evaluates the interdependencies between major risks on an annual or ad hoc basis and defines the parameters for risk aggregation. A Monte Carlo simulation model based on the statistical distribution functions relevant to the risks is used to determine the company's overall risk position. The resulting overall risk position is compared to the company's risk-bearing capacity with regard to insolvency and overindebtedness. Extreme scenarios for selected major risks are also simulated as part of the corporate planning process. The effects on the company's performance indicators, as well as key figures related to financing, are always taken into account here. The results of the simulations are discussed with the Management Board. Planning and risk management are managed by the same area within Controlling.

The risk management system is updated and refined on a regular basis and is also adjusted to reflect changes at the company. The effectiveness of the risk management system is analyzed in regular audits.

The risk management system looks at all activities in the risk management process, i.e.,

> Risk identification
> Risk assessment
> Risk aggregation
> Risk control
> Risk monitoring

Based on the COSO Framework, a risk space with the following four main risk categories has been defined to facilitate risk identification: strategy, regulatory environment and overall statutory framework, operating business and financing (including accounting and tax). A structured risk catalog has been assigned to each of these categories.

When it comes to assessing risk, a distinction is made between risks with an impact on profit and loss and those affecting the balance sheet. Risks with an impact on profit and loss have a negative effect on the company's sustained earnings power and, as a result, on Adjusted EBITDA in the individual segments and Adjusted EBT. In general, these risks also have an impact on liquidity. Risks affecting the balance sheet do not impact Adjusted EBT, but they certainly do impact the assets and, in general, also profit for the period and the EPRA NTA. These risks can also not affect liquidity, e.g., because they only impact property values.

If possible, risk assessments are always to be performed in quantitative terms. As a general rule, the risk assessment should always be based on a worst-case scenario. If this is difficult or impossible to achieve, a qualitative assessment is to be performed using a detailed matrix. The expected amount of loss is classified to one of five categories, with the value thresholds for risks with an impact on profit being adjusted accordingly in line with the switch in the management system from Group FFO to Adjusted EBT:

Category	Class	Description	Impact on profit and loss*	Impact on statement of financial position*
Very high	5	Threatens the company's existence	Possible loss of > € 900 million in Adjusted EBT	Possible balance sheet loss of > € 12,000 million
High	4	Dangerous impact on business development, previous business situation cannot be restored in the medium term	Possible loss of € 450 million to € 900 million in Adjusted EBT	Possible balance sheet loss of € 6,000 million to € 12,000 million
Substantial	3	Temporarily impairs business development	Possible loss of € 180 million to € 450 million in Adjusted EBT	Possible balance sheet loss of € 2,400 million to € 6,000 million
Noticeable	2	Low impact, possibly leaving a mark on business development in one or more years	Possible loss of € 50 million to € 180 million in Adjusted EBT	Possible balance sheet loss of € 600 million to € 2,400 million
Low	1	Minor impact on business development	Possible loss of € 5 million to € 50 million in Adjusted EBT	Possible balance sheet loss of € 80 million to € 600 million

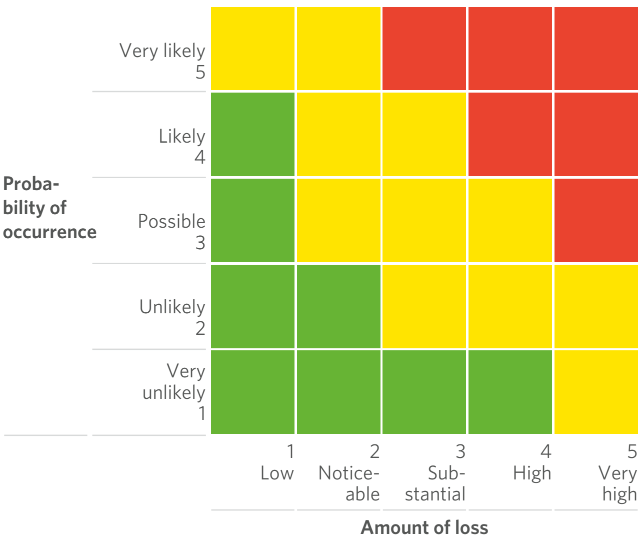
* Understood as the possible financial loss over five years in accordance with the medium-term planning horizon.

Five clusters have been defined for the expected probability of occurrence.

Category	Class	Definition	Probability
Very likely	5	It is to be assumed that the risk will materialize during the observation period.	> 95 %
Likely	4	The risk is likely to materialize during the observation period.	60–95 %
Possible	3	The risk could materialize during the observation period.	40–59 %
Unlikely	2	The risk is unlikely to materialize during the observation period.	5–39 %
Very unlikely	1	It is to be assumed that the risk will not materialize during the observation period.	< 5 %

The expected amount of loss and the probability of occurrence are classified within the set ranges before action (gross) and after action (net) for each risk, documented in a risk tool and transferred to a heatmap there. Risk reporting is based on the net assessment and the assignment of risks in the net heatmap, comprising five categories for both probability of occurrence and the amount of loss.

Net Heatmap



The term "top risks" refers to the risks assigned to the red and amber fields. These are reported to the Supervisory Board and published as part of the external reporting process. The risks assigned to the red fields are classified as threatening or endangering the company or its survival. The risks assigned to the amber fields are significant to the company. Red and amber risks are subject to intensive monitoring by the Management Board and the Supervisory Board. The risks assigned to the green fields are less significant to the current risk assessment.

As part of an active **risk control** process, the focus is on the major (red and amber) risks. Any necessary specific risk management measures were agreed and incorporated into a regular monitoring process to be conducted by Risk Controlling.

Regular **risk monitoring** by Risk Controlling ensures that risk management measures are implemented as planned.

(4) Internal Control System

The Internal Control System (ICS) comprises the basic principles, procedures and regulations aimed at supporting the effectiveness and cost-effectiveness of our business activities, ensuring due and proper, and reliable internal and external accounting, and ensuring compliance with the legal provisions that apply to the company.

All key processes at Vonovia are recorded and documented centrally with the help of a process management software solution. In addition to the relevant process steps, this documentation highlights key risks and controls in the interests of a process-oriented internal control system (ICS). It provides the binding basis for subsequent evaluations, audits and reporting to the executive bodies of Vonovia SE on the effectiveness of the ICS within the meaning of Section 107 (3) sentence 2 of the German Stock Corporation Act (AktG).

Overall responsibility for structuring and implementing the ICS lies with Vonovia's Management Board. The Management Board delegates this responsibility to process and control owners. The Internal Audit department provides support in the further technical development of the ICS in addition to performing its primary audit duties in full. Internal Audit is responsible for providing technical support for the documentation software, with administrative support being provided by IT.

The aim of the accounting-related internal control and risk management system is to ensure due and proper and legally compliant financial reporting pursuant to the relevant regulations. The accounting-related internal control and risk management system is embedded in the overarching Group-wide risk management system.

Organizationally, responsibility for preparing the financial statements lies with the department of the Chief Financial Officer (CFO) and, in particular, with the Accounting department. The Accounting department exercises the authority to lay down guidelines for the application of relevant accounting standards as well as for the content and timing of the steps in the financial statements preparation process.

From the organizational and systems side, the preparation of the financial statements for all companies included in the consolidated financial statements as well as the preparation of the consolidated financial statements themselves are performed in the central shared service centers, which ensures consistent and continual application of accounting principles in a uniform financial statement preparation process. Furthermore, through the shared service center functions it is ensured that both content and organizational changes in the requirements are incorporated in the financial statement preparation process.

The financial statements of the companies included in the consolidated financial statements – with the exception of individual service companies, the operating nursing care companies, the companies in Sweden and the investment in the Netherlands – are located in an IT SAP environment. They are subject largely to uniform charts of account, accounting guidelines, processes and process controls. The requirement of separation of functions and the dual-review principle are taken appropriate account of with preventive and also subsequent checks.

The corresponding service companies of the Deutsche Wohnen Group, the operating nursing care companies and the companies in Sweden, as well as the investment in the Netherlands, report their data as part of a structured IT-based data recording process.

The relevant financial statement data of the individual companies are made available to the SAP consolidation module via an integrated, automated interface with comprehensive validation rules for further processing and preparation of the consolidated financial statements. An authorization concept is in place granting access to the financial statements in line with the respective job profile of the employee.

Newly acquired companies are incorporated into the internal control environment as part of a structured integration process, which includes integration in terms of both IT systems and processes relating to financial statements.

Once the financial statements have been drawn up, the annual and consolidated financial statements, including the consolidated management report, are submitted to the Audit, Risk and Compliance Committee of the Supervisory Board. The Audit, Risk and Compliance Committee then makes a recommendation for the Supervisory Board to adopt or approve them. This examination may include discussion with the auditor and is subject to the auditor's report. The Audit, Risk and Compliance is continually involved in the establishment and refinement of the accounting-related internal control and risk management system.

(5) Internal Audit

The system and control environment, business processes and the internal control system (ICS) are audited on a regular basis by Vonovia's Group Audit department. In organizational terms, Group Audit reports to the Chief Executive Officer (CEO). The annual audit plan is based on a risk-oriented evaluation of all relevant audit areas of the Group (audit universe) and is approved by the Management Board and the Supervisory Board's Audit, Risk and Compliance Committee.

The audits conducted throughout the year focus on assessing the effectiveness of the control and risk management systems, identifying process improvements in order to minimize risks and ensuring the sustainability of Vonovia's business activities. Corresponding special ad hoc audits are also performed in consultation with the Management Board.

The internal reports are presented to the Management Board, the individuals responsible for the area reviewed and, in cases involving significant and serious findings, the risk manager and, where relevant, the compliance officer on a regular basis. The Audit, Risk and Compliance Committee receives a quarterly summary of the audit results and measures. The implementation status of the agreed measures is monitored on an ongoing basis after the relevant due dates and is reported to the Management Board and the Audit, Risk and Compliance Committee on a quarterly basis. A follow-up audit is conducted to ensure that any serious findings have been remedied.

Current Risk Assessment

A scheduled risk inventory was performed in both the first and second half of the 2024 fiscal year. The risk report was presented to the Management Board and the Audit Committee. The risk inventory for the second half of the year was adjusted/updated at the end of 2024. There were no unscheduled ad hoc risk reports in the 2024 fiscal year or up until the time at which the balance sheet was prepared.

Overall Assessment of the Risk Situation

A total of 115 (2023: 118) individual risks were identified for Vonovia at the end of 2024.

All in all, and based on the current assessment, there were no signs of any risks threatening or endangering Vonovia or its survival at the end of 2024. At the time this report was prepared, Vonovia's Management Board had not identified any risks associated with future business development that the company cannot suitably overcome, or which could jeopardize the position of Vonovia SE, a major company included in the scope of consolidation or the Group as a whole in terms of revenue, assets and/or finances.

The outcome of the risk-bearing capacity analysis performed in 2024 revealed that there is no current threat to Vonovia's survival over the five-year period. This means that there is no change as against the risk assessment performed at the end of 2023 overall.

The risks to be modeled were quantified and the interaction between individual top risks and selected green risks analyzed in detail at the end of 2024.

7 (2023: 10) amber risks to the company and 108 (2023: 108) other green risks were identified. Specifically, the picture that emerges for each risk category is as follows (prior-year figures in brackets):

Risk	Strategy	Operating business	Regulatory environment	Financing	Total
		3 (3)	0 (2)	4 (5)	7 (10)
	10 (10)	56 (56)	30 (31)	12 (11)	108 (108)
Total	**10 (10)**	**59 (59)**	**30 (33)**	**16 (16)**	**115 (118)**

Risks Related to Operating Business

In the operating business, we identified the 3 amber risks (2023: 3) explained below at the end of 2024.

The residential properties held in the Rental segment are subject to a regular valuation process. Details can be found in the notes to the consolidated financial statements in chapter → **[D27] Investment Properties**. Changing overall conditions on the real estate and capital markets mean that future market developments, such as inflation and a further increase in interest rates, could reduce the value of the properties further. Lower property values would push up the company's loan-to-value ratio (LTV), which could have a negative impact on its ability to raise capital. The balance sheet operating risk **"future market development leads to a drop in property values,"** which was already classed as an amber risk in 2023, was once again classified as an amber risk in 2024 with an expected amount of loss of € 2,400-6,000 million (2023: € 2,400-6,000 million) and an expected probability of occurrence of 5-39% (2023: 5-39%). In order to limit risk, Vonovia is committed to maintaining the current diversification of its portfolio.

The development in the supply of, and demand for, residential properties has a significant influence on the home prices that can be achieved and, as a result, a direct impact on both Adjusted EBITDA in the Recurring Sales segment and the success of Non Core sales. Another slight decline in real estate prices was recorded in the 2024 fiscal year. A scenario in which interest rates were to remain permanently high and/or increase further could lead to buyers no longer being able to finance the home prices asked for on the market. This could reduce demand and result in lower home prices, which could represent a risk with an impact on profit and loss for the Recurring Sales segment. The amber operating risk with an impact on profit and loss **"deteriorating residential property market situation with regard to apartment sales/buyer behavior"** was assessed, at the end of the reporting period, as having an expected amount of loss of € 450-900 million (2023: € 375-750 million) and an expected probability of occurrence of 5-39% (2023: 5-39%). In order to limit and monitor risk, regular reporting on sales volumes and prices and regular monitoring of target prices and sales volume targets by the portfolio controlling team has been implemented alongside a process for identifying ideal prices.

As regards the sale of our development projects, we have identified a risk that the sale and letting of newly built apartments will become more difficult to achieve, particularly as a result of significantly increased construction costs and, as a result, considerably higher sale prices or rents. We have adjusted our plans for investments in new builds accordingly. The operating risk with an impact on profit and loss **"Development sale risk"**, which was already classified as an amber risk in 2023, was assessed as having a potential amount of loss of € 180-450 million in 2024 (2023: € 150-375 million). The expected probability of occurrence was unchanged at 40-59%. In order to be able to respond to market changes early on, in-depth market studies and analyses are prepared at regular intervals and are analyzed in connection with reports prepared by renowned real estate experts. Any market changes that are identified are taken into account when analyzing the real estate portfolio, meaning that they have a significant impact on sales planning.

Risks Related to Regulatory Environment & Overall Statutory Framework

Changes in the regulatory environment and in the overall statutory framework could give rise to risks for all of Vonovia's business segments. 0 (2023: 2) key amber risk has been identified at present.

On November 13, 2024, the German cabinet adopted the amendment to the Hazardous Substances Ordinance (Gefahrstoffverordnung), which brings changes to the risk policy for carcinogenic hazardous substances and additional obligations for activities involving asbestos. The originally planned general suspicion of asbestos for all buildings completed before 1993 and the introduction of a fundamental duty of investigation for building owners have not been adopted. In summary, the risk has been reduced significantly by the amendment to this Ordinance. Any amendment to the Hazardous Substances Ordinance has a potential impact on all of Vonovia's technical processes (including small-scale repairs, vacant apartment refurbishment, major maintenance measures, modernization). A comprehensive risk mitigation project was launched in 2024 to consolidate the necessary process and system adjustments. These are being reviewed further now that the legislation has been passed. As a result, the risk associated with an **"Amendment to the Hazardous Substances Ordinance"** was downgraded overall from amber to green at the end of the 2024 reporting period. In qualitative terms, we continued to assess the risk as having a low (2023: substantial) amount of loss and a probability of occurrence of 60-95% (2023: 60-95%).

Changes to, or the application of, legal provisions that are beyond Vonovia's control, and inadequate documentation of management decisions can lead to legal disputes and give rise to the risk of material implications. The total number of legal disputes ongoing at Vonovia is small. In addition to cases related to the core Rental business, such as announced modernization projects or the appropriateness of ancillary expense bills, these include other operating, labor law and corporate law disputes, some of which are material, particularly in connection with transactions. At the end of the 2024 reporting period, the risk with an impact on profit and loss associated with **"Material impact of legal disputes"**, previously classified as an amber risk, was downgraded and assessed as having an expected loss amount of € 50-180 million (2023: € 150-375 million) and an expected probability of occurrence of 5-39% (2023: 5-39%). The lower amount of loss in 2024 as against the prior-year assessment is due to the inclusion of a judgment passed in a legal dispute with a social insurance provider. The updated assessment includes the risk with an amount of € 140.0 million (with a maximum risk of € 240.0 million) in the balance sheet.

Risks Related to Financing

With regard to financing, we identified the 4 amber risks (2023: 5) explained below at the end of 2024.

Restricted access to the bond market and a poorer rating could give rise to refinancing risks for Vonovia, meaning that too little liquidity might be available temporarily.

Vonovia implemented extensive refinancing measures successfully in the 2024 fiscal year. Ratings also met the company's expectations. Details can be found in the chapter → The Company and Its Shares in the management report. The risk with an impact on profit and loss **"Higher refinancing costs due to changes in risk profile"** was assessed as having an expected amount of loss of € 450-900 million (2023: € 375-750 million) and an expected probability of occurrence of 5-39% (2023: 5-39%). The probability of occurrence reflects developments on the real estate market, which has come under pressure due to supply problems, inflation and the associated higher refinancing interest rates. The active and timely management of refinancing maturities allows Vonovia to ensure a balanced maturity profile so as to avoid cluster risks. Vonovia continues to use all financing instruments that are used as standard on the market and has the internal expertise to place these instruments. This prevents any one-sided reliance on specific types of financing. Being awarded an investment-grade rating is the very top priority in all strategic decisions. As a result, we remain in close dialog with our rating agencies. In the very unlikely event that refinancing via the capital market is temporarily impossible, Vonovia can resort to existing available credit lines.

A further increase in capital market interest rates could give rise to risks for Vonovia's growth and result in planned investments being cut back, suspended or canceled completely. In addition, an increasing interest burden due to unfavorable interest rate developments could translate into lower growth or even a drop in Adjusted EBT. As the updated interest rates have again been taken into account for planning purposes, the financing risk with an impact on profit and loss classified as amber **"unfavorable interest rate developments"** remains in 2024 with an expected amount of loss of € 450-900 million based on the latest assessment (2023: € 375-750 million). The expected probability of occurrence remains unchanged at 5-39%. As well as diversifying borrowed capital instruments and maintaining a balanced maturity profile, risks are limited by ensuring a long-term average maturity/fixed-interest period of around 6 years. Debt reduction by freeing up liquidity is another measure used to limit risk.

Vonovia is obliged to report certain key figures and adhere to certain covenants in connection with bonds, secured loans and transactions. If these covenants are not adhered to or these reporting obligations are not fulfilled on time, Vonovia could be subject to payment obligations and additional negative effects on earnings could result from new financing arrangements. The amber financing risk with an impact on profit and loss associated with a "**failure to fulfill obligations (from bonds, secured loans, transactions)"** was assessed, at the end of the 2024 reporting period, as having an expected amount of loss of >€ 900 million (2023: >€ 750 million) and an expected probability of occurrence of <5% (2023: <5%). In order to counter this risk, Vonovia has implemented standardized processes for monitoring and managing its obligations.

The amendments to the German Real Estate Transfer Tax Act that came into force on July 1, 2021, lowering the participation threshold from 95% to 90% and increasing the observation period from five to ten years, could give rise to a subsequent liability to pay real estate transfer tax. The amber risk with an impact on profit and loss associated with an **"amendment to the German Real Estate Transfer Tax Act due to share deals"** was assessed, at the end of the reporting period, as having an expected amount of loss of >€ 900 million (2023: >€ 750 million) and an expected probability of occurrence of <5% (2023: <5%). In addition to monitoring court decisions and legislation on an ongoing basis, Vonovia also limits this risk by raising awareness among decision-makers in the context of share deals. This ensures the involvement of the internal Tax department, which then helps monitor the acquisition process.

Goodwill arose in the context of acquisitions in the past because the purchase price exceeded the value of the assets acquired less all liabilities. The balance sheet risk associated with "**goodwill"** is subjected to regular impairment testing, at least once a year. This involves comparing the recoverable amount with the carrying amount of the group of cash-generating units (CGUs). The recoverable amount of the group of CGUs is either its value in use or fair value less costs of sale, whichever is higher. If the carrying amount of a CGU is higher than the recoverable amount, impairment losses need to be recognized. This can have an impact on our covenants. Compared to the previous year, the headroom above which impairment losses would be recognized on existing goodwill has increased significantly. This is due, first of all, to a slightly lower cost of capital in a year-on-year comparison. Second, expectations regarding the free cash flows of the Value-add CGU have increased significantly over the planning period, mainly due to the implementation of the defined strategic initiatives in the Value-add segment. In the current assessment, the overall balance sheet risk is downgraded from an amber to a green risk, resulting in a lower probability of occurrence of 5-39% compared to the previous year (2023: 40-59%), while the expected amount of loss remains unchanged at € 600-2,400 million (2023: € 600-2,400 million). In order to counter this risk, an ongoing performance reporting system has been implemented to identify and monitor deviations from our plans. This allows us to take any corrective action required to be able to stick to our plans. Within this context, a dedicated synergy monitoring process also ensures that planned synergies from acquisition projects are actually leveraged.

At the end of 2024 (previous years in parentheses), the net risks identified can be summarized as follows:

Net Risks

Probability of occurrence over the next 5 years (in %)	>95					
	60-95	2 (1)		0 (1)		
	40-59	4 (6)	0 (1)	1 (1)		
	5-39	29 (28)	9 (8)	1 (2)	3 (3)	
	<5	44 (43)	14 (11)	3 (6)	3 (5)	2 (2)
Impact on profit and loss		5–50	50–180	180–450	450–900	>900
Impact on statement of financial position		80–600	600–2,400	2,400–6,000	6,000–12,000	>12,000
Qualitative		very low	low	substantial	high	very high
		Amount of loss over the next 5 years (in € million)				

Sustainability Risks

In addition to the amber risks set out above, Vonovia also reports on selected green risks that relate explicitly to sustainability in order to reflect the growing importance of this risk consideration:

Environmental Risks

The need to consider climate-related aspects is playing an increasingly important role in Vonovia's business model and strategy, in line with the mounting importance of climate issues in society at large. The resulting climate transition risks describe the effects that can arise for companies due to the process of transformation towards a sustainable economic system. Vonovia has set itself an intensity target equating to a roughly 35% reduction in GHG emissions in its German portfolio by 2030 compared to 2021, in order to achieve its climate objectives and meet the associated regulatory requirements. We are sticking to this climate target despite limited investments in modernization and new construction over the last year. As a result, we continue to consider the risk of **"non-compliance with our climate path"** as being associated with an amount of loss of € 5-50 million (2023: € 5-40 million) and a probability of occurrence of 5-39% (2023: 5-39%).

Risks could also emerge as a result of a **"Significant increase in the CO_2 price"**. While a rising CO_2 price has already been reflected in our planning, a further increase in the CO_2 price in view of the national and European climate neutrality targets could lead to higher costs than planned. We have assigned this risk an amount of loss of € 5-50 million (2023: € 5-40 million) and a probability of occurrence of 5-39% (2023: 40-59%).

In the reporting year, we defined a separate risk, **"Physical climate risks"**, which includes potential losses resulting from chronic or acute effects of increasing climate change. These include an ongoing rise in temperatures and an increase in extreme weather events, such as storms, hail, heavy rain and flooding. These potential losses were previously included in the **"Risk of business continuity in disasters/crisis situations"**. We have assessed this risk with an amount of loss of € 5-50 million and a probability of occurrence of 5-39%. To allow us to analyze and assess potential long-term implications of climate change (i.e., those extending beyond the usual risk management observation period of five years), we have developed a climate risk tool that maps the internationally recognized climate change scenarios developed by the Intergovernmental Panel on Climate Change (IPCC).

Transition risks and physical climate risks could potentially have a negative impact on the Group's net assets, financial position and results of operations and could make the estimates used in an accounting context less certain. We do not believe that climate change gives rise to any significant direct risks for the period covered by the risk management system at the moment, e.g., caused by extreme weather conditions such as heavy rain with the potential for floods. Based on our current knowledge of future developments, this will not have any impact on Vonovia's balance sheet. This relates, among other things, to the fair values of investment properties, useful lives and the value of assets and provisions for environmental risks, for which no significant need for adjustment emerges.

In the Value-add segment – particularly at our company Vonovia Energie-Service Gesellschaft mbH (VESG) – risks could arise if customer demand were to develop differently than expected, or if market prices were influenced by government intervention. We have assessed this **"price risk"** as being associated with an amount of loss of € 5-50 million (2023: € 5-40 million) and a probability of occurrence of <5 % (2023: <5%).

With regard to the planned **"expansion of renewable energies using photovoltaic systems,"** we have once again assessed the risks associated, for example, with rising costs, material availability or changes in regulation, as having a low (€ 5-50 million, 2023: € 5-40 million) amount of loss and a probability of occurrence of 5-39% (2023: 5-39%).

Social Risks

As a result of its insourcing strategy, qualified specialists are in high demand at Vonovia, particularly in comparison with its peers in the sector. Inability to fill vacant positions could lead to a lack of growth, restricted quality and lower levels of customer satisfaction, as well as rising costs due to the need to use subcontractors. Thanks to effective strategies for recruitment and staff retention, we assess the risk associated with a **"shortage of skilled workers"** as having a potential amount of loss of € 5-50 million (2023: € 5-40 million) and predict a probability of occurrence of 5-39% (2023: 5-39%).

"Failure to comply with statutory occupational health and safety and occupational safety management provisions" could have a long-term impact for Vonovia and its employees. We currently assess these risks as being associated with a noticeable (2023: substantial) amount of loss but believe that they are very unlikely to materialize with a probability of occurrence of <5% (2023: <5%).

Similarly, we have also assessed the risk associated with **"hazardous materials"**, which includes, in particular, potential health risks for tenants, employees and third parties due to the improper use or disposal of hazardous materials (e.g., asbestos), as having a potential amount of loss of € 5-50 million (2023: € 5-40 million) thanks to the clearly defined processes and requirements, and consider this risk unlikely to materialize with a probability of occurrence of 5-39% (2023: 5-39%).

"Risks associated with breaches of provisions concerning special contractual rights (Social Charters)", which are related to tenant protection and, as a result, to the aim of providing "homes at fair prices", have been assessed as having a potential amount of loss of € 50-180 million (2023: € 150-375 million), although we believe these risks are very unlikely to materialize with a probability of occurrence of <5% (2023: <5%).

As part of our ESRS reporting, we also report in detail on the financial risk arising from changes to the regulatory framework for rents and tenancy law standards in the "Living at fair prices" section (see also → **S4 – Company-specific: Living at fair prices**).

Governance Risks

Vonovia is exposed to the **"risk of losing the basis for sustainable financing"**. Sustainable "green" financing is becoming increasingly relevant. Failure by Vonovia to meet its sustainability targets, for example, could jeopardize the basis for this financing. Due to the smaller year-on-year difference between the interest coupons for existing ESG products and potential capital market refinancing, we have assessed this risk as being associated with a lower amount of loss than in the previous year, namely € 50-180 million (2023: € 150-375 million), with the probability of occurrence remaining constant at <5% (2023: <5%).

In addition, Vonovia could be exposed to risks "**associated with non-compliance with statutory requirements and investor or analyst expectations regarding ongoing sustainability reporting"**. At present, we have assigned this risk an amount of loss of € 50-180 million (2023: € 40-150 million), but believe that it is very unlikely to materialize with a probability of occurrence of <5% (2023: <5%).

There is a financial risk associated with possible bribery and corruption incidents. We describe this risk in detail in our ESRS reporting under "G1-3 – Prevention and detection of corruption and bribery".

Current Assessment of the Main Opportunities

Assessment of Opportunities Inherent in the Business Model

Vonovia has identified earnings potential as part of the strategy it has defined and its medium-term planning. The assumptions applied within this context regarding the economic environment and market-related factors, and the company's operating business, are associated with potential for deviations. These deviations do not necessarily have to be negative (risks). Favorable business developments (opportunities) that deviate from the company's plans are also a possibility. In connection with the introduction of ESRS reporting, information was collected and evaluated, as part of the materiality assessment, on the impacts that the company's business activities have on the environment, as well as the opportunities and risks. These risks have been evaluated and incorporated into the risk management process. Opportunities are taken into account separately as part of the strategy and planning process as future potential for conserving resources and generating earnings. All in all, the opportunities have not changed significantly as against the previous year.

Strategy-related Opportunities

Renting out contemporary and affordable housing in the long run, creating new homes, improving our customers' quality of living and offering property-related services such as energy, solar power, etc., are at the core of Vonovia's corporate strategy.

Our business model is designed to take into account the **megatrends** that are relevant to us (urbanization/shortage of housing, demographic change, climate protection) and the use of our management and development platform. By managing larger contiguous stocks, we can not only manage the homes we offer in a particularly cost-effective manner, but can also make an effective contribution to social tasks. Based on the existing strategy, Vonovia has developed a new growth strategy and initiatives that will generate future earnings potential.

The **demand for affordable homes** will remain high or continue to increase over the next few years as the gap between housing demand and housing supply continues to widen. Research data on projected demographic trends suggest that population growth will continue both in Germany and in parts of Europe over the coming years. Immigration and sociological aspects will remain the principal growth drivers. As things stand at present, the fundamental need for housing is unlikely to be met in full by general new construction measures, either in the short or medium term. This translates directly into opportunities for us for the rental, development and new construction business.

The expansion of the development business is an important part of this strategy. Vonovia's new construction activities are focused on a product portfolio that is geared toward market requirements with flexibility in how properties are used, either for the company's own portfolio or for sale (development to hold/development to sell). In light of the ongoing need to optimize construction costs, Vonovia is focusing on the "Basic House" approach, among other things, in order to build sustainable and affordable housing for different target groups. The emphasis is on new projects employing serial modular timber construction methods together with the company's joint venture partner Gropyus. We reduce construction times and the implementation risk, and conserve resources, through efficient construction processes managed using our **development platform**, e.g., the introduction of "Building Type E" approval (new initiative aimed at simplifying and reducing costs in the construction industry) and the use of sustainable, ecological building materials.

According to the Federal Climate Change Act (Klimaschutzgesetz), Germany is aiming to be greenhouse gas-neutral by 2045. We made a commitment to a **climate path** that will enable us to achieve virtually greenhouse gas-neutral management of our portfolio by 2045. Homes with positive energy concepts not only protect the climate, but also reduce heating costs. This makes them more attractive to our customers. What is more, the improved structural specifications increase property values.

If we make faster progress than planned on our climate path, this could have a positive knock-on impact on earnings and value development.

Decarbonization and modernization measures in buildings entail substantial investment. In this respect, we benefit from the fact that optimizing the energy efficiency of our portfolio has been at the core of our climate strategy for many years now. Since then, our modernization/refurbishment rate has consistently outstripped the German average. In order to keep costs at a minimum, we make use of **innovations** and smart technologies, and focus on tried-and-tested urban quarter approaches in the implementation process.

Opportunities in the implementation of energy-efficient modernization work arise from efficient processes, bringing investments forward and cost scaling. We are pursuing this strategy using the concept of **serial refurbishment,** an industrialized system that bundles and standardizes all steps in the refurbishment process. Forging ahead with investments in **heat pump technology** is also part of our investment initiative. In this area, we are focusing on the new "EnerCube" heating solution, a heat pump center that combines all the necessary components in an external module and is installed on site outside the building.

By expanding our own specialist capacities and resources for climate change adaptation, we have an opportunity to gain a competitive edge over our peers by making the necessary structural adjustments in our portfolio (e.g., measures to protect against heat stress) at an early stage.

The purchase of **buildings that have not yet been modernized**, their subsequent modernization and resale are to be integrated into Vonovia's business model as a new initiative. The experience gleaned from this initiative is to be used in the development and modernization process.

Relevant opportunities are also arising for us in the Value-add segment from the expansion of **renewable energies**; this refers to the direct sale of solar power to our tenants, as well as the production (and sale) of electricity from renewable sources at our properties – and, as a result, the creation of a full product portfolio covering all stages in the value chain from generation to storage, energy management and sale. With this in mind, we are using growth initiatives to forge ahead with the considerable expansion of photovoltaic programs and the sale of electricity to tenants (tenant electricity), among other things. Photovoltaics systems can be connected to the heat supply (heat pumps).

The implementation of concepts for energy self-generation could be realized faster than planned with a corresponding positive impact on the earnings situation. Vonovia has a potential output of around 700 MWp from photovoltaic systems and can also install up to 14,000 heat pumps in the long term. The aim is to increase market penetration in all product groups. The planned expansion is to be achieved increasingly with the company's own employees – resulting in further opportunities on the cost and income side (e.g., purchasing advantages, craftsmen's availability, etc.).

The Power Purchase Agreement concluded between Vonovia and RWE Supply & Trading enables alternative ways of generating and purchasing energy and opens up further growth potential. The Power Purchase Agreement (PPA) for green electricity has initially been concluded for a term of one year. Green electricity has been supplied since January 2024 and this will continue over the next few years.

Vonovia's business model is founded on its efficient **management platform**, which spans the entire housing lifecycle. As part of the company's growth initiatives, this platform is also to be made available to third-party customers, positioning Vonovia as a full-service management service provider with opportunities to tap into further earnings potential.

With our management platform, we pursue an efficient business model that is scalable at all times. It is also ready to manage new portfolios that we add to our portfolio through **acquisitions**, as past experience has shown. Vonovia pursues acquisitions as and when opportunities present themselves in light of the current opportunities for returns and financing. If overall conditions continue to improve, there is an opportunity for us to grow by resuming acquisitions.

Levels of satisfaction among our customers are closely linked to the performance and motivation of our **employees** working in customer service. Our corporate strategy also focuses on our employees' further development and on employee satisfaction. We aim to make use of new HR development concepts and actively shape the recruitment of new staff to fill vacant positions. We are aiming to increase the proportion of women at the first and second levels of management. All in all, further opportunities could arise for Vonovia due to the advantages associated with diversity and as a result of our increased appeal as an employer, namely higher levels of production and lower staff turnover rates.

Economic Environment and Market-Related Opportunities

The housing industry is being influenced to a considerable degree by social trends. One key trend involves the influx of people into urban areas. The infrastructure in urban areas is well developed, with extensive healthcare services available. People do not have to travel far to work and can enjoy varied leisure activities.

According to the Regional Planning Forecast of the German Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), urban regions are expected to continue to grow over the coming years. The current slowdown in construction activity is likely to result in an even greater imbalance between the supply of and demand for housing in conurbations. 350,000 to 400,000 new residential units will have to be built every year in the longer term. The shortage of housing in urban areas could be exacerbated further by the effects of migration from global crisis hotspots, targeted moves resulting in labor migration and the trend toward smaller households.

Our company can reap considerable benefits from these trends: with our existing real estate portfolio, we focus primarily on small and medium-sized apartments in urban areas. This means that we offer the right homes in the right places. Vonovia is also in a position to counter the increasing shortage of affordable housing through our development and new construction business. This is subject to the proviso that the overall economic and political conditions and the investment environment improve. This will not be possible without deregulation measures and the provision of additional land for construction, which could, in turn, create opportunities for Vonovia.

The **capital required** to solve the challenges facing the housing industry cannot be raised without private sector involvement. As a result, policymakers are increasingly being called upon to create an investment climate that encourages long-term equity and borrowed capital providers to make substantial investments in the residential real estate markets. A positive investment climate also means making the necessary ecological construction and modernization measures commercially viable, making additional land available for construction, cutting back on red tape and generally promoting acceptance of private-sector real estate investors. The increasing acceptance of long-term investors for projects in the German residential construction sector is likely to open up further development opportunities for Vonovia.

In a quest to master the current social challenges, policy-makers are also seeking to improve overall conditions on the housing market. Implementation of these projects is stalling at the moment – with a marked adverse effect on the housing markets (drop in new construction, growing shortage of housing, lower modernization rates in Germany). As soon as short-term solutions can be found to address this problem in terms of improved subsidy conditions and price developments, corresponding opportunities will also emerge for us. We are advocating for these very solutions via our communication channels and stakeholder dialogue (for example, through our work in associations).

Opportunities Arising From the Operating Business

Demographic change towards an aging society continues, and is increasingly leaving its mark. Demand for senior-friendly and affordable homes is expected to increase further over the coming years. Studies show that Germany needs at least two million senior-friendly apartments. As a result, opportunities could arise from senior-friendly modernization of our apartments. The fact that we offer accessible, partially modernized apartments and are investing in new and innovative housing concepts in our neighborhoods means that we can expect tenant turnover to fall and rents to increase further as a result.

Vonovia manages its housing portfolios throughout Germany using standardized, digital systems and processes. Our management platform has been optimized as part of a step-by-step process in recent years and is now highly efficient: the vacancy rate is very low. Property management costs per residential unit have been reduced considerably over the years. Customer satisfaction has risen significantly over the same period. Together with the range of housing-related services and active neighborhood management, we offer our customers a service package that is extremely competitive on the housing market and opens up financial opportunities for us. We also believe that upgrading measures in our neighborhoods present us with an opportunity to improve our reputation.

Vonovia's business model spans the entire housing industry lifecycle: from the purchase of future-proof properties to (serial) new construction and efficient management, neighborhood development and serial refurbishment systems, as well as the sustainable direct supply of energy and other property-related services. As part of the company's growth initiatives, this platform is also to be made available to third-party customers, positioning Vonovia as a full-service management service provider. This opens up opportunities for Vonovia.

We have our own craftsman's organization (VTS). VTS provides repair, maintenance and servicing for some of our residential properties. We purchase additional craftsman's services. We are aiming to continually increase the proportion of building and apartment optimizing services we provide ourselves via our craftsmen's organization as well as new building construction over the coming years. The company is continually forging ahead with the optimization and improvement of its craftsmen's organization, VTS. Due to the shortage of workers with the desired skills and the availability of corresponding capacities, we also intend to extend the scope of these services to cover all kinds of technical work and thus bring added value from these services to Vonovia. This is being supported by corresponding HR management concepts.

The Value-add Business offers our customers services that are closely related to the rental business. Opportunities associated with additional earnings potential could also arise here at all stages in the value chain – be it through the company's development of its own innovative services or through the acquisition of start-ups or other companies. In the Value-add Business, promising opportunities could arise both from entry into the B2B business and from moves to expand existing business models to include customer groups outside of Vonovia. In particular, a promising amount of interest has been shown in residential environment activities, with the first few activities involving third parties.

In tandem with our moves to expand our existing housing-related services (also by way of potential third-party business), we believe that digitalization offers potential to further increase customer loyalty to our business model, e.g., through customer loyalty programs, communication platforms or networking. Digitalization opens up considerable development opportunities for the real estate industry and, as a result, also for Vonovia – in terms of both technology and process optimization. We are still making systematic investments in testing and expanding new technologies. Two of the areas we are focusing on are "articificial intelligence" and "robotics".

We expect opportunities to arise from the systematic roll-out of concepts such as predictive maintenance, process automation, building information modeling (digital modeling of real estate projects), home automation (setting up smart information systems and interfaces at the level of the customer) and a closer digital connection to the customer. One key component for the implementation of our digital strategy is the digital twin. It maps all aspects of a building and, in the future, will mirror each of our buildings with all its various structural and technical features and systems, enabling optimum management.

These opportunities for the company's operating business resulting from digitalization and artificial intelligence will also have an impact on customer satisfaction. Targeted acquisitions and collaboration initiatives with suitable start-ups at all stages in the value chain to enable the further implementation of digital solutions within Vonovia's processes, but also at the various interfaces, could open up further earnings and expertise potential for the company.

One factor that Vonovia cannot control itself, but which is important for successful and, most importantly, efficient project implementation, is the digitalization of public administration. The streamlining of administrative processes and the introduction of building type E could accelerate, and have a positive impact on, Vonovia's development and new construction business by allowing building permits to be approved faster.

Financial Opportunities

Vonovia has benefited from good conditions on the capital and banking market in recent years to establish a very stable capital structure. We now have a broad range of financing instruments that are balanced and stable in the long term. This is reflected in a consistently high credit rating. The latest bond issues show that our company still has good opportunities available to it, even in a difficult capital market environment, to successfully realize upcoming (re)financing measures or to raise necessary liquidity. During this phase, we are responding to the continued high level of trust placed in us by investors by paying particular attention to cost discipline and a forward-looking capital structure policy. Together with the diversification strategy for liquidity procurement that we have been pursuing for many years now, we still have the opportunity in the current capital market environment to optimize the structure and conditions of our financial liabilities.

Rising inflation and interest rates recently forced us to reassess the profitability of our investments. Ongoing pursuit of our sustainability targets and investments remained a non-negotiable during this process.

Given our solid balance sheet structure and the return to a positive market trend that is emerging, our sales program, as a source of internal financing, will focus on the Recurring Sales segment and sales in the Non Core portfolio.

We are also tapping into new sources of financing. These include private equity joint ventures in which long-term investors acquire minority stakes in selected portfolios, with Vonovia retaining a buy-back option for these properties, as well as the establishment of fund structures with a positive impact in terms of boosting our financing power.

Now that interest rates are returning to normal, Vonovia believes it is well positioned for new growth based on its optimized capital and portfolio structure. All in all, stronger internal financing potential means that the company can get back to making investment decisions to boost its overall profitability or to allow it to pursue more growth initiatives and earnings potential.

The active, dynamic management of capital allocation is and remains the catalyst for the successful implementation of our strategy. Based on our updated "Capital Allocation Framework", we are optimizing how we allocate investment funds to our various investments. This is a significant value driver that opens up opportunities for return-oriented sustainable investment.

Strengthening of financial position, boosting the profitability of our (sustainability) investments and expanding our market share in urban areas could have a positive impact on how our investors and ratings agencies assess us, resulting in a further improvement in our attractive financing options.

Our investments in affordable homes are associated with a cash flow that is largely independent of economic factors. The resulting stability allows us to service our financial liabilities with a relative degree of certainty, even in times of economic or political crisis.

Management System

Management Model

The management system tools are geared towards implementing the strategy through our sustainable business activities.

In the 2024 fiscal year, Vonovia continued to use the management model introduced at the turn of 2023 unchanged. The underlying value driver approach is set out and explained in detail under → **"Fundamental Information about the Group"**.

Consequently, Vonovia will manage its business via the **four segments:** Rental, Value-add, Recurring Sales and Development.

The **Rental segment** combines all of the business activities that are aimed at the value-enhancing management of our own residential real estate. It includes our property management activities in Germany, Austria and Sweden.

The **Value-add segment** bundles all of the housing-related services that we have expanded our core rental business to include. These services include both the maintenance and modernization work on our residential properties and services that are closely related to the rental business. We allocate the activities relating to the craftsmen's and residential environment organization, the condominium administration business, the multimedia business, metering services, the energy service, including tenant electricity, energy supplies and our insurance services to the Value-add segment. By insourcing these services, we aim to ensure availability and high-quality service. At Vonovia, high-quality service, which promotes a high level of customer satisfaction, is characterized first and foremost by accessibility, speed and transparency for our customers.

The **Recurring Sales segment** includes the regular and sustainable disposals of individual condominiums and single-family houses from our portfolio.

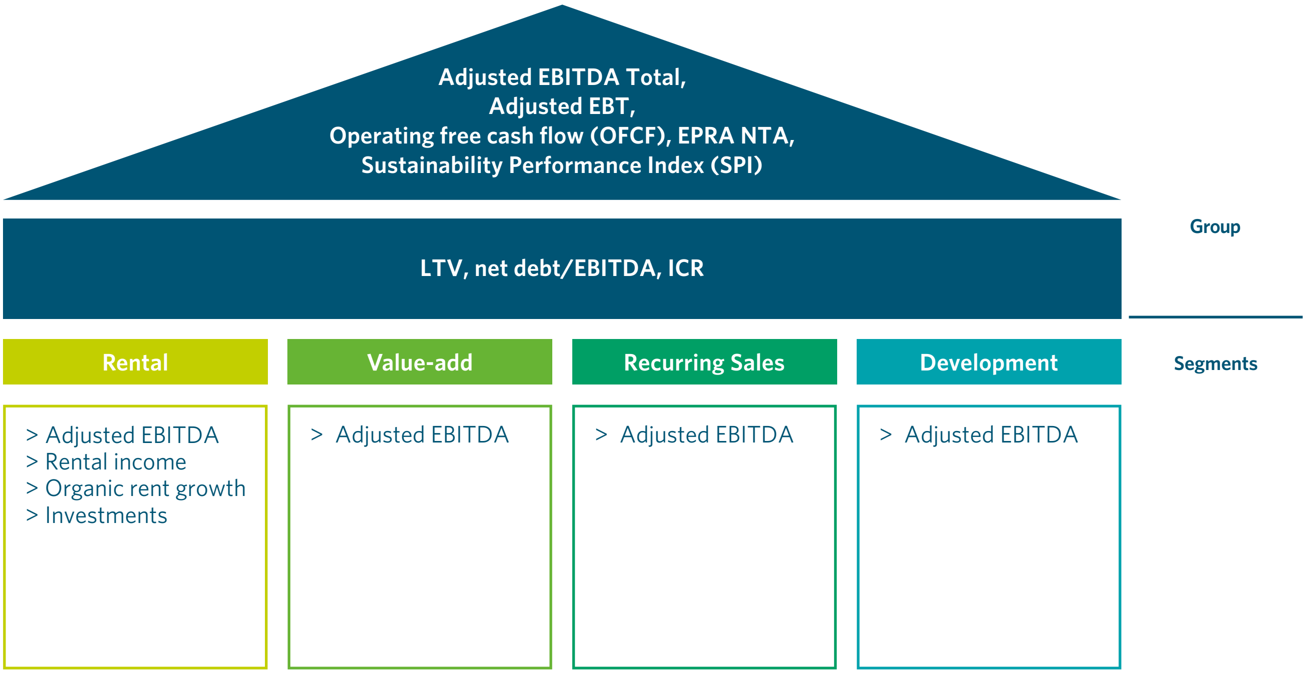
Sales of entire buildings, plots of land or larger portfolios that are not part of the strategically relevant portfolio (Non Core and the MFH Sales cluster that was dissolved at the end of 2024) are pursued as and when opportunities arise, meaning that they are not part of the Recurring Sales segment. We report these opportunistic sales in the Other column of the segment report.

The **Development segment** includes project development to build new homes. This covers the value chain starting with the purchase of land without any development plan/dedicated purpose, to completion and sale (to sell) or integration into Vonovia's own portfolio (to hold). The Development segment deals with projects in selected attractive locations.

We have an integrated Group-wide **planning and controlling system** in place that is based on central performance indicators. Based on the medium-term plans derived from our strategy, which are subject to an annual review and are updated during the year in the event of significant transactions, we prepare a budget for all areas of the Group. In the course of the fiscal year, current economic developments are compared with these targets and the current forecasts on a regular basis for all key figures that are relevant to control. The business is then steered accordingly in a targeted manner, with any necessary countermeasures being initiated and tracked.

We make a distinction between **financial and non-financial** key performance indicators.

Management System



The management system has a **modular structure** and makes a distinction, at Group level, between most meaningful performance indicators within the meaning of DRS 20 and other performance indicators. There are also performance indicators at segment level.

Performance Indicators at Group Level

The IFRS profit for the period is reconciled to **earnings before taxes (EBT)**, as taxes do not form part of operating value added.

This EBT will be adjusted to reflect **special effects** based on the definition that has applied to date (effects that do not relate to the period, recur irregularly or are atypical for business operation). The net financial result is also adjusted to reflect non-cash and actuarial valuation effects that recur irregularly. The further adjustments to reflect the effects of IAS 40 measurement, write-downs, other (Non Core/Other result), net income from non-current financial assets accounted for using the equity method and effects from residential properties held for sale produce the Group's **adjusted EBT** (continuing operations) and, taking into account minority interests, adjusted EBT (continuing operations) after minority interests.

Adjusted EBT (continuing operations) is the **leading indicator of profitability**.

In operational terms, **Adjusted EBT** (continuing operations) is calculated as follows:

Operational Calculation of Adjusted EBT (continuing operations)

	Revenue in the Rental segment
(-)	Expenses for maintenance
(-)	Operating expenses in the Rental segment
=	**Adjusted EBITDA Rental**
	Revenue in the Value-add segment
	thereof external revenue
	thereof internal revenue
(-)	Operating expenses in the Value-add segment
=	**Adjusted EBITDA Value-add**
	Revenue in the Recurring Sales segment
(-)	Fair value of properties sold adjusted to reflect effects not relating to the period from assets held for sale in the Recurring Sales segment
=	Adjusted result Recurring Sales
(-)	Selling costs in the Recurring Sales segment
=	**Adjusted EBITDA Recurring Sales**
	Revenue from disposal of Development to sell properties
(-)	Cost of Development to sell
(-)	Carrying amount of assets sold of Development to sell
=	Gross profit Development to sell
(+)	Rental revenue Development
(-)	Operating expenses in the Development segment
=	**Adjusted EBITDA Development**
Σ	**Adjusted EBITDA Total (continuing operations)**
(-)	Adjusted net financial result
(-)	Straight-line depreciation
(-/+)	Intragroup profit/losses
=	**Adjusted EBT (continuing operations)**
	Adjusted EBT (continuing operations) per share in €
(-)	Minorities
=	Adjusted EBT (continuing operations) after minorities
	Adjusted EBT (continuing operations) after minorities per share in €

Adjusted EBT (continuing operations) and **Adjusted EBITDA** (continuing operations) can be calculated based on the **profit for the period** as follows:

Calculation of Adjusted EBT (continuing operations)/Adjusted EBITDA Total (continuing operations) from the Profit for the Period

	Profit for the period according to IFRS consolidated financial statements
(+)	Income taxes according to consolidated income statement
=	**Earnings before tax (EBT) according to consolidated income statement**
(+/-)	Non-recurring items
(+/-)	Net income from fair value adjustments of investment properties
(+)	Impairment/value adjustments
(+/-)	Valuation effects and special effects in the financial result
(+/-)	Net income from investments accounted for using the equity method
(+/-)	Earnings contribution from Non Core/Other sales
(+/-)	Period adjustments from assets held for sale
=	**Adjusted earnings before taxes of the Group (Adjusted EBT)**
/	Number of the weighted average shares carrying dividend rights
=	**Adjusted EBT per share**
	Adjusted EBT (continuing operations)
(+)	Adjusted net financial result
(+)	Straight-line depreciation
(+/-)	Intragroup profit/losses
=	**Adjusted EBITDA Total (continuing operations)**

The Adjusted EBT (continuing operations) is used as a basis for a reconciliation to the **Operating Free Cash-Flow (OFCF)** as the **leading indicator of internal financing.** Depreciation and amortization will be added to Adjusted EBT (continuing operations), and the liquidity contribution made by the Recurring Sales segment, as well as the change in working capital, will be taken into account. Capitalized maintenance and dividend payments made to parties outside of the Group, as well as income tax paid, are subtracted from this figure. 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. As of 2025, it is also the most important performance indicator within the meaning of DRS 20.

Calculation of Operating Free Cash-Flow

	Adjusted earnings before taxes of the Group (Adjusted EBT)
(+)	Straight-line depreciation
(+/-)	Change in net current assets (working capital) according to the cash flow statement (adjusted for special payment effects)
(+)	Carrying amount of investment properties (core business)
(-)	Capitalized maintenance
(-)	Dividends and payouts to non-controlling shareholders (minorities)
(-)	Income tax payments according to cash flow statement (w/o taxes on Non Core sales)
=	**Operating Free Cash-Flow**

The contribution made by **discontinued operations** is presented separately.

At the level of the Group as a whole, the **EPRA Net Tangible Assets (EPRA NTA)** per share and the **Sustainability Performance Index (SPI)** are our most meaningful performance indicators.

The **EPRA Net Tangible Assets (EPRA NTA)** is used to review how the company's value is developing. Our calculations are based on the best practice recommendations of the EPRA (European Public Real Estate Association).

Calculation of EPRA NTA

	Total equity attributable to Vonovia's shareholders
(+)	Deferred tax on investment properties*
(+)	Fair value of derivative financial instruments**
(-)	Goodwill
(-)	Intangible assets
=	**EPRA NTA**
/	Number of shares carrying dividend rights on the reporting date
=	**EPRA NTA per share**

* Share for hold portfolio.
** Adjusted for effects from cross currency swaps.

In addition to our key financial figures, we also focus on **non-financial operating performance indicators**.

Our business activities are aimed at protecting the environment, ensuring trustworthy, transparent and reliable corporate governance and taking social responsibility for our customers and employees.

Sustainability Performance Index (SPI)

- CO_2 intensity housing stock →
- Average primary energy consumption of new buildings →
- Proportion of accessible (partially) modernizations in newly rented apartments →
- Customer satisfaction →
- Employee satisfaction →
- Proportion of women in top management →

Sustainability Performance Index

In line with this focus, the **Sustainability Performance Index** is used as a key non-financial control parameter. Indicators used in the new Sustainability Performance Index are the carbon intensity of the housing stock, the average primary energy consumption of new buildings, the share of accessible (partial) modernization measures in relation to newly let apartments, customer and employee satisfaction, and the proportion of female managers in the company's top management team. Each component is assigned an individual factor and a defined annual target amount. The weighted targets add up to a target of 100% that we aim to achieve every year. In the reporting on the levels of the individual indicators within the Non-financial Group Declaration, the business activities of Deutsche Wohnen are included (excluding the Care segment), unless otherwise stated.

Other non-operating financial key figures include the **loan-to-value (LTV)** ratio, which is used for monitoring the degree to which debt is covered by the value of the properties, the **net-debt/EBITDA** ratio, which is used for monitoring the degree to which debt is covered by our sustained operating result and the **Interest Coverage Ratio (ICR)** , which expresses the extent to which interest is covered by our sustained operating result.

Performance Indicators at Segment Level

The main key performance indicator at segment level remains **Adjusted EBITDA**. The Adjusted EBITDA Total reported at Group level is calculated, in turn, as the sum total of the Adjusted EBITDA figures for our segments. This means that Adjusted EBITDA forms the basis for the operational management of the four continuing segments after adjustments to reflect effects that do not relate to the period, recur irregularly or are atypical for business operation.

The **Adjusted EBITDA Rental** reflects the operating profit from residential property management. It can be broken down into three central components: Rental segment revenue, expenses for maintenance and operating expenses in the Rental segment. The latter include all expenses and income that do not relate to expenses for maintenance or rental income in the Rental segment.

The **organic rent increase** refers to the increase in the monthly in-place rent for the residential portfolio that was already held by Vonovia twelve months previously and rented as of the reporting date, plus the increase in rent resulting from the construction of new apartments and the addition of stories to existing properties. The monthly in-place rent per m^2 gives information on the average rental income from the portfolio as of the relevant reporting date.

In addition to our operational earnings power, **investments (modernization and new construction work)** are decisive for the further development of our company.

We manage business activities in the Value-add segment using the **Adjusted EBITDA Value-add.** By insourcing services related to the craftsmen's organization and other Value-add areas, we are aiming to ensure availability and high-quality service on the one hand, and cost-effectiveness compared to outsourcing on the other.

We measure the success of the Recurring Sales segment using **Adjusted EBITDA Recurring Sales**. The Adjusted EBITDA Recurring Sales compares the proceeds generated from the privatization business with the fair values of properties sold and the related costs of sale. In order to disclose profit and revenue in the period in which they are incurred and to report a sales margin, the fair value of properties sold, valued in accordance with IFRS 5, has to be adjusted to reflect realized/unrealized changes in value.

The Adjusted EBITDA Development includes the gross profit from the development activities of "to sell" projects (income from sold development projects less production costs) less the operating expenses from the Development segment.

The **Adjusted EBITDA Total** is calculated as the sum total of the Adjusted EBITDA figures for our four segments (continuing operations). It expresses the overall performance of our sustainable operating business before interest, taxes, depreciation and amortization.

The key financial figures shown here are known as "non-GAAP" measures or alternative performance measures **(APMs)**, i.e., key figures which cannot be taken directly from the figures in the consolidated financial statements according to IFRS. The financial performance indicators can, however, all be reconciled to the closest-possible key figure in the consolidated financial statements, or can be taken directly from the IFRS consolidated financial statements in the reconciliation.

Portfolio Structure

Portfolio in the Property Management Business

As of December 31, 2024, the Group had a **total real estate portfolio** comprising 539,753 residential units (2023: 545,919), 162,697 garages and parking spaces (2023: 164,330) and 8,331 commercial units (2023: 8,691). Our locations span 610 cities, towns and municipalities in Germany, Sweden and Austria. 73,400 residential units are also managed for other owners. Most of the properties in the Group's portfolio are multifamily homes.

In terms of fair value, around 88% of the real estate portfolio is located in Germany. The Swedish portfolio accounts for around 8% of the fair value, while the share of the Austrian portfolio comes to around 3%. The portfolio is as follows as of December 31, 2024:

Portfolio and Fair Value by Country

	Portfolio			Fair value*		
	Residential units	Living area (in thou. m²)	Vacancy (in %)	(in € million)	(in €/m²)	In-place rent multiplier**
Vonovia Germany	479,674	29,505	1.7	69,431.1	2,278	24.1
Vonovia Sweden	39,641	2,826	4.1	6,418.2	2,094	17.5
Vonovia Austria	20,438	1,507	4.3	2,671.4	1,606	21.4
Vonovia total	**539,753**	**33,839**	**2.0**	**78,520.7**	**2,230**	**23.2**

* Fair value of the developed land excluding € 3,450.7 million, of which € 373.8 million for undeveloped land and inheritable building rights granted, € 341.2 million for assets under construction, € 1,760.9 million for development, € 606.0 million for nursing care properties (discontinued operations) and € 368.8 million for other.
** Shown based on the country-specific definition (see glossary Monthly In-place Rent).

Rent and Rental Growth by Country

	In-place rent*			Rent increase	
	Total (p. a. in € million)	Residential (p. a. in € million)	Residential (in €/m²)	Organic (in %)	Market rent forecast valuation (in % p. a.)**
Vonovia Germany	2,886	2,741	7.89	3.8	2.1
Vonovia Sweden	366	340	10.48	6.3	2.1
Vonovia Austria	125	99	5.71	4.2	1.7
Vonovia total	**3,377**	**3,180**	**8.01**	**4.1**	**2.1**

* Shown based on the country-specific definition (see glossary Monthly In-place Rent).
** 10-year horizon higher (see chapter on fair values in the management report).

As of December 31, 2024, the Group's **real estate portfolio across Germany** comprised 479,674 residential units, 120,484 garages and parking spaces and 5,693 commercial units distributed across 460 cities, towns and municipalities. The total living area amounted to 29,505,095 m², with the average apartment size coming in at around 62 m². With a vacancy rate of 1.7%, an average monthly in-place rent of € 7.89 per m² was generated in Germany. The annualized in-place rent for the residential portfolio as of December 31, 2024, came to € 2,741 million for apartments.

In **Sweden**, the Group's real estate portfolio comprised 39,641 residential units spanning a total living area of 2,826,314 m², 26,015 garages and parking spaces and 2,068 commercial units. With a vacancy rate of 4.1%, the residential portfolio generated annualized in-place rent of € 340 million as of December 31, 2024. The apartments, which average 71 m² in size, generate monthly in-place rent of € 10.48 per m² (inclusive). Most of them are located in the Stockholm, Gothenburg and Malmö regions.

In the **Austrian portfolio**, which is largely located in Vienna, Vonovia achieved an annualized in-place rent of € 99 million as of December 31, 2024, with a vacancy rate of 4.3% in the residential portfolio, which comprises 20,438 units covering total living space of 1,507,139 m². The monthly in-place rent amounted to € 5.71 per m² with an average apartment size of around 74 m². The portfolio also comprised 16,198 garages and parking spaces and 570 commercial units.

Changes in the Portfolio

There were no acquisitions in the course of 2024.

Properties from the portfolio earmarked for sale were disposed of in several transactions as part of the implementation of the portfolio management strategy. At the time of each transfer of possession, benefits and encumbrances, the statistics for the portfolios sold were as follows:

				In-place rent*	
	Residential units	Living area (in thou. m²)	Vacancy (in %)	Residential (p. a. in € million)	Residential (in €/m²)
Disposal portfolios 2024	4,892	295.9	3.3	25.1	7.31

* Shown based on the country-specific definition (see glossary: monthly in-place rent).

Vonovia continues to develop its portfolio dynamically. In addition to the sale of larger housing stocks, Vonovia's portfolio changed primarily in 2024 as a result of the construction of new apartments and attic extensions on the one hand, and disposals of condominiums and multifamily homes from the portfolio earmarked for sale on the other.

Vonovia invests in its strategic holdings in particular in line with its climate path to promote sustainability and in line with its innovation strategy. We act on behalf of neighborhoods with the (new) development of our urban portfolios. The lion's share of the portfolio in Germany consists of neighborhoods that we have classified as **urban quarters**. The remaining existing buildings largely comprise smaller clusters of buildings and solitary properties that we have grouped together as **urban clusters**. Even though, unlike urban quarters, urban clusters do not relate to entire neighborhoods, they are also managed using the same long-term asset and property management approaches based on our operating platform.

In the summer of 2022, a new MFH Sales cluster was defined when the corporate strategy was revised. This largely consisted of low-yield properties and was to be sold primarily to generate liquidity for internal financing. This sales cluster is no longer required for the purposes of the new growth strategy that has applied since the end of 2024. As a result, it was dissolved as part of the latest portfolio analysis and the units in question were largely moved back to urban clusters.

Following the implementation of the annual structured reassessment of all potential, as of December 31, 2024, Vonovia's portfolio is as follows:

Portfolio and Fair Value by Strategy

	Portfolio			Fair value*	
	Residential units	Living area (in thou. m²)	Vacancy (in %)	(in € million)	(in €/m²)
Strategic	441,664	27,072	1.5	63,847.0	2,309
Urban quarters	340,071	20,611	1.5	48,475.1	2,309
Urban clusters	101,593	6,461	1.8	15,371.9	2,311
Recurring Sales	24,465	1,680	2.7	3,952.4	2,306
Non Core	13,545	753	4.9	1,631.8	1,456
Vonovia Germany	**479,674**	**29,505**	**1.7**	**69,431.1**	**2,278**

* Fair value of the developed land excluding undeveloped land and inheritable building rights granted, assets under construction, development, nursing care properties and other.

Rent and Rental Growth by Strategy

	In-place rent			Rent increase
	Total (p. a. in € million)	Residential (p. a. in € million)	Residential (in €/m²)	Organic (in %)
Strategic	2,622	2,529	7.92	3.9
Urban quarters	1,967	1,905	7.83	4.0
Urban clusters	655	624	8.23	3.5
Recurring Sales	158	152	7.76	3.3
Non Core	107	60	6.97	3.1
Vonovia Germany	**2,886**	**2,741**	**7.89**	**3.8**

In order to boost transparency in portfolio presentation, we also break our portfolio in Germany down into **15 regional markets**. The regional market classification is orientated toward the residential real estate market regions in Germany. These markets are **core towns/cities and their surroundings**, the majority of which are urban areas. Our decision to focus on the regional markets that are particularly relevant to Vonovia is our way of looking ahead to the future and provides an overview of our strategic core portfolio in Germany.

In relation to the fair value, 94% of our German portfolio is located in 15 regional markets. Only a small part of our strategic portfolios is located outside of these 15 markets. We have referred to this group as "Other strategic locations". Our stocks earmarked for sale from the "Recurring Sales"; and "Non Core" subportfolios in locations that do not include any strategic stocks are shown as "non-strategic locations". The fact that our portfolio is spread nationwide makes us more independent of the circumstances prevailing on individual regional markets.

As of December 31, 2024, the German portfolio is as follows, broken down into regional markets:

Portfolio and Fair Value by Regional Market

	Portfolio			Fair value*		
	Residential units	Living area (in thou. m²)	Vacancy (in %)	(in € million)	(in €/m²)	In-place rent multiplier
Berlin	142,941	8,555	0.7	23,446.4	2,666	27.9
Rhine Main Area	35,875	2,266	2.1	6,436.5	2,776	24.0
Southern Ruhr Area	42,891	2,650	2.3	5,096.0	1,893	21.8
Rhineland	31,296	2,057	1.8	5,001.7	2,371	23.4
Dresden	43,461	2,515	2.1	4,899.8	1,846	22.2
Hamburg	19,992	1,250	1.3	3,204.4	2,502	25.0
Hanover	21,975	1,383	2.2	2,799.7	1,969	21.5
Kiel	24,954	1,435	1.6	2,673.9	1,817	19.9
Munich	10,351	670	0.9	2,623.7	3,819	31.8
Stuttgart	13,122	829	1.6	2,215.7	2,625	24.2
Northern Ruhr Area	24,222	1,493	2.6	1,987.7	1,318	16.5
Leipzig	14,444	950	2.3	1,928.3	1,907	23.8
Bremen	11,642	708	2.0	1,399.6	1,928	23.2
Westphalia	9,404	615	2.5	1,106.1	1,786	20.4
Freiburg	3,845	266	0.5	730.3	2,716	25.4
Other strategic locations	26,867	1,702	3.3	3,270.5	1,895	20.8
Total strategic locations	**477,282**	**29,344**	**1.7**	**68,820.3**	**2,284**	**24.2**
Non-strategic locations	2,392	161	5.6	610.8	1,749	15.0
Vonovia Germany	**479,674**	**29,505**	**1.7**	**69,431.1**	**2,278**	**24.1**

* Fair value of the developed land excluding undeveloped land and inheritable building rights granted, assets under construction, development, nursing care properties and other.

Rent and Rental Growth by Regional Market

	In-place rent			Rent increase	
	Total (p. a. in € million)	Residential (p. a. in € million)	Residential (in €/m²)	Organic (in %)	Market rent forecast valuation (in % p. a.)*
Berlin	841	805	7.91	4.4	2.3
Rhine Main Area	269	258	9.71	4.4	2.2
Southern Ruhr Area	234	227	7.32	3.6	1.9
Rhineland	213	203	8.38	2.7	2.1
Dresden	220	206	6.97	2.7	2.0
Hamburg	128	123	8.34	4.0	2.1
Hanover	130	124	7.66	3.2	2.0
Kiel	134	129	7.66	3.7	2.1
Munich	82	78	9.82	3.3	2.3
Stuttgart	92	89	9.09	2.3	2.1
Northern Ruhr Area	120	116	6.67	3.4	1.7
Leipzig	81	76	6.89	5.3	2.0
Bremen	60	58	6.95	4.6	2.0
Westphalia	54	53	7.41	3.5	2.1
Freiburg	29	28	8.79	3.1	2.1
Other strategic locations	157	153	7.76	4.0	2.0
Total strategic locations	**2,846**	**2,727**	**7.89**	**3.8**	**2.1**
Non-strategic locations	41	14	7.44	2.9	2.0
Vonovia Germany	**2,886**	**2,741**	**7.89**	**3.8**	**2.1**

* 10-year horizon higher (see chapter on fair values in the management report).

Portfolio in the Development Business

Vonovia Development Under the BUWOG Brand Name

It is under the **BUWOG brand** that Vonovia's property development business is run, primarily in Vienna and Berlin.

The **regional distribution** of these development activities covers the whole of Germany with a focus on the Berlin, Rhine-Main, Dresden/Leipzig, Hamburg, Stuttgart and Munich regions. The focal region in Austria is Vienna.

BUWOG provides Vonovia with a **development platform** spanning the entire value chain – from the purchase of land to its development, project planning, construction and sale.

With its substantial **product pipeline** of residential construction projects that are currently being built, planned or prepared, Vonovia, with the BUWOG brand, ranks among Germany's leading real estate developers and is the most active private real estate developer in Austria.

Deutsche Wohnen's development activities are performed via the structures of the BUWOG organization on the basis of an agency agreement to leverage process harmonization effects and economies of scale. The break with the Quarterback development platform means that Vonovia, together with Deutsche Wohnen, has vast development potential at its fingertips to counter the excess demand in the residential real estate sector by making targeted services available. The development business is well positioned for new growth even after the changes in return requirements.

Sustainable and Successful Development

Development Business Model

As part of the strategic analysis, Vonovia's development activities were considered to make an important value contribution, the development business was identified as a key **value driver** and corresponding initiatives were developed.

The **range of products** for value creation ranges from the sale of individual new-build condominiums in the context of development projects to new construction projects on land

Development Business Model

to sell

> Mixed sell/hold projects
> Pure sell projects

to hold

> Mixed hold/sell projects
> Pure hold projects
> Independently financed
> Subsidized

Condominiums for

> Private customers
> Institutional customers

New rental apartments for

> Regions

> Existing markets
> Target markets
> Opportunistic markets

purchased, and land already held, for the company's own portfolio and global sales of large-scale projects to investors.

Conceptual and technical solutions for the resource-light construction and sustainable operation of neighborhoods make up a key component of the development business model. In line with the three focal issues of urbanization, energy efficiency and demographic change, central aspects of sustainability are already taken into account in the early stages of project development. This includes designing socially diverse neighborhoods that offer housing for all generations, realizing energy-efficient new construction projects for ecologically sustainable operation by buyers, as well as for a carbon-neutral portfolio, and creating barrier-free and accessible housing for an aging society with changing housing needs.

Sustainability is achieved at all stages in the residential real estate value chain – from the selection of ecological and recyclable building materials, to the commissioning of local craftsmen and service providers, and the sustainable operation of the development projects.

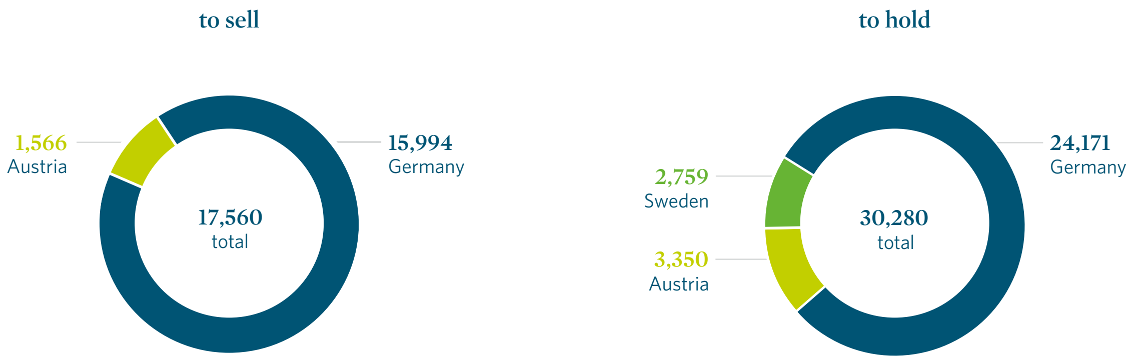
Certification is important to ensure that potential improvements can be made back at the planning stage on the basis of criteria for ecological, social and economic sustainability and managed during the construction process.

Value Creation and Project Development

Real estate development activities can be tackled successfully through long-standing experience, extensive **market and sector expertise** and intensive, ongoing market analysis.

The strategy of incorporating process steps into the company's own value chain allows Vonovia to provide targeted support to residential construction projects and to exploit cost synergies with regard to technical solutions and the pooling of procurement volumes.

Development to Sell and Hold (Number of Residential Units)*



* Development to sell incl. existing projects; Development to hold incl. pipeline projects.

Valuable Contributions to Society and the Group

Development

1 Acquisition	2 Development	3 Planning	4 Construction	5 Marketing and sales
> Identification of acquisition opportunities > Assessment of development opportunities > Due diligence (legal, tax, technical, environmental, etc.) > Cross-disciplinary acquisition teams > Development of project pipeline, property database	> Design idea > Analysis of market and regulations > District and city representatives, citizens, service providers and other stakeholders > Construction optimization and city development > Coordination of zoning	> Integral planning and cross-disciplinary project teams > Type and product development > Determination of aesthetic, ecological, functional and economic requirements > Detailed project calculation > Professional planning > Coordination of construction approval process	> Preparing for construction > Procurement and awarding of construction contracts > Trade coordination/construction management > Construction > Quality control	> Development of marketing concepts > Sale > Initial rental > Customer service and aftercare

In the Development segment, we make a distinction between two different areas:

> **Development to sell** includes the units that are sold to investors or to future owner-occupiers directly.

> **Development to hold** refers to those residential construction projects whose apartments will be added to Vonovia's rental portfolio upon their completion.

Development Overview

As of December 31, 2024, the **total volume** of the development portfolio was 47,840 residential units (a total of 3,736 units from projects under construction and a total of 44,104 units from the pipeline).

As of December 31, 2024, there were 17,560 residential units in the **"to sell" development portfolio**, 2,491 of which related to projects under construction, 1,699 to projects from the short-term pipeline and 13,370 to projects from the medium-term pipeline. The share attributable to project development in Germany came to 15,994 units (2,491 of which related to projects under construction, 1,171 to projects from the short-term pipeline and 12,332 to projects from the medium-term pipeline). The share attributable to project development in Austria came to 1,566 units (528 units from the short-term pipeline and 1,038 from the medium-term pipeline). There is also further potential of 4,176 units that have not been realized yet in connection with planned land sales in the development-to-sell portfolio.

As of December 31, 2024, there were 30,280 residential units in the **"Development to hold" portfolio**, 1,245 of which related to projects under construction, 1,357 to projects from the short-term pipeline and 27,678 to projects from the medium-term pipeline. The share attributable to Germany came to 24,171 units (1,005 of which related to projects under construction, 914 to projects from the short-term pipeline and 22,252 to projects from the medium-term pipeline). The share attributable to Austria came to 3,350 units (235 of which related to projects under construction, 443 to projects from the short-term pipeline and 2,672 to projects from the medium-term pipeline). The share in Sweden came to 2,759 units (5 units related to projects under construction and 2,754 from the medium-term pipeline). A total of 1,276 residential units were completed in this area with 1,264 in Germany and 12 in Sweden.

Report on Economic Position

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 2024. With a vacancy rate of 2.0 % at the end of 2024 (end of 2023: 2.0 %), Vonovia's residential real estate portfolio was virtually fully occupied.

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

The Customer Satisfaction Index (CSI) was 1.1 percentage points above the value seen in the previous year in the fourth quarter of 2024. On average, the level of customer satisfaction in 2024 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 intercompany agreement.

At the extraordinary general meetings of Vonovia SE and Deutsche Wohnen SE on January 23 and 24, 2025, the control and profit-transfer agreement between Vonovia SE and Deutsche Wohnen SE was approved by the respective shareholders of both companies. The control and profit-transfer agreement takes effect upon entry of Deutsche Wohnen SE into the commercial register. Deutsche Wohnen SE's entry in the Commercial Register is not yet certain due to an action for annulment brought against the resolution passed by the Annual General Meeting of Vonovia SE. Once the entry has been made, Deutsche Wohnen SE will subsequently transfer its total annual profit to Vonovia SE or Vonovia SE will cover any losses incurred by Deutsche Wohnen SE. The shareholders that did not accept the exchange agreement will receive a guaranteed dividend of € 1.03 per share (net).

On September 30, 2024, 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 are to hold a total stake of 51% in this company. Vonovia's cash inflow from this transaction will amount to just over € 1 billion.

In the 2024 fiscal year, 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. Within the same context, selective purchase agreements were also concluded to acquire property management units from QUARTERBACK Immobilien AG via Vonovia. The total volume of the purchase agreements concluded in the fiscal year comes to around € 1.3 billion. The transactions are scheduled to be closed in the first half of 2025.

Further transactions in order to acquire land to build on from the QUARTERBACK property companies are planned for the first half 2025 with a volume of around € 0.2 billion.

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. As a result, it has recognized a corresponding cumulative impairment loss of € 340.0 million on these receivables, with € 319.9 million recognized in the 2024 fiscal year.

Interest income collected in the 2024 fiscal year was also written off in full. 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 € 489.0 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 of 49.2% in the fund. The title of transfer for a volume of around € 300.0 million had been completed by the end of 2024.

In addition, on October 14 and 15, 2024, Vonovia sold ten additional development projects for € 515.9 million to another fund launched by HIH Invest. Vonovia has an equity share of 49.2% in the fund. The title of transfer for a volume of around € 70.0 million had been completed by the end of 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, back-payments of contributions were made to social insurance providers in the amount of € 89.7 million, with payments of € 50.3 million being made to employees. € 68.0 million of this € 140.0 million has already been paid, with € 72.0 million being reported as a provision.

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 saw around 4,500 residential units with a value of around € 700 million being sold as part of a share deal. The transaction was closed with the transfer of beneficial ownership on January 1, 2025.

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.

In the context of the endeavors to sell the Care segment, contracts were concluded on October 2, 2024 for the sale of a total of 27 nursing care properties and the sale of the Katharinenhof nursing care business with a purchase price of around € 300 million.

On January 17, 2025, Vonovia signed a notarized contract for the acquisition of PFLEGEN & WOHNEN HAMBURG GmbH (P&W), including the associated properties, by the City of Hamburg. The acquisition comprises 13 nursing homes in Hamburg with around 2,000 employees and around 2,400 nursing places. The acquisition was made via HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement (HGV), the city's largest group holding company, which belongs to the tax authorities and is an umbrella for the majority of the City of Hamburg's private law companies. The purchase price is € 380.0 million.

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).

On October 15, 2024, a € 150.0 million tranche was disbursed under a loan agreement that Vonovia had taken out in 2022 with the European Investment Bank.

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. In the future, this performance indicator will also serve as the key parameter for Vonovia's dividend policy. The Adjusted EBT will be used as a basis for a reconciliation to the Operating Free Cash-Flow (OFCF) as the leading indicator of internal financing. This operating free cash flow is a measure of the Group's operational capacity to generate cash surpluses and, as a result, of its internal financing power.

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

Development of the Economy and the Industry

The European Commission describes the EU economy as faced with a complex and challenging environment. In its fall forecast, the Commission expects GDP growth of 0.9% in the EU and 0.8% in the eurozone for 2024. Nevertheless, the overall conditions for gradual, sustainable economic growth are in place, driven by domestic demand. Employment is strong, real incomes are recovering and financing conditions are easing. Meanwhile, the growth outlook is clouded by the aftereffects of high inflation. This is compounded by mounting geopolitical risks and political uncertainty. The German Federal Statistical Office (Destatis) estimates that the German economy shrank by 0.2% in terms of gross domestic product (GDP) in 2024 compared to the previous year and, according to the Kiel Institute for the World Economy (IfW), it is proving unable to break out of stagnation. There is an alternating pattern of quarters with rising and falling economic output. Overall, only the service sectors are on an upward trend, while the manufacturing and construction industries are shrinking. According to the National Institute of Economic Research (NIER), gross domestic product in Sweden is estimated to have risen by 0.5% in 2024. One of the main reasons behind the subdued growth is the continuing reluctance of Swedish households to spend. According to the Institute of Economic Research, Austrian GDP is expected to have contracted by 0.9%. The global slump in demand for industrial goods is weighing on Austrian manufacturing, value creation in the construction industry is declining, and consumer spending by private households has fallen again. For 2025, GDP growth of 0.0% is forecast for Germany (IfW Kiel), 1.2% for Sweden (National Institute of Economic Research, NIER) and 0.6% for Austria (Institute of Economic Research, WIFO).

According to the German Federal Employment Agency, economic stagnation has impacted the labor market in Germany. Unemployment and underemployment (excluding short-time work) increased in 2024 on average for the second year running. At the same time, however, the number of people in employment in 2024 was up compared to the previous year, putting the figure at a new high. The average unemployment rate based on the total civilian labor force rose by 0.3 percentage points year-on-year in 2024 to 6.0%. The NIER estimates the unemployment rate in Sweden at 8.4% in 2024, which is approx. 0.7 percentage points more than in the previous year. According to national calculations by the Austrian Public Employment Service (AMS), the unemployment rate in Austria in June 2024 was 7.0% and thus 0.6 percentage points higher than in the previous year. Based on respective national definitions, the average unemployment rate expected in 2025 is 6.3% for Germany (IfW Kiel), 8.5% in Sweden (NIER) and 7.4% in Austria (WIFO).

Inflation slowed further over the course of 2024, with falling energy prices playing a particular role in this trend in all three countries. Measured against the respective national Consumer Price Indexes (CPI), the average inflation rate was 2.2% in Germany, 2.8% in Sweden and 2.9% in Austria, based on figures from the national statistical offices. Based on respective national definitions, a CPI increase of 2.2% is expected for Germany (IfW Kiel), 1.7% for Sweden (NIER) and 2.3% for Austria (WIFO) for 2025 on average.

In a quest to make a timely return to its 2% medium-term inflation target, the European Central Bank (ECB) had raised key rates in 2023. The interest rate for the deposit facility, which the ECB Governing Council uses to steer the monetary policy course, rose in several steps to 4.00%. June 2024 saw the ECB begin to loosen the monetary reins somewhat, when it lowered its key interest rate in several steps, most recently in December 2024 to 3.00% and to 2.75% on February 5, 2025. High inflation also prompted the Swedish Riksbank to take further steps to lift its policy rate to 4.00% in the course of 2023. After the inflation rate started to move closer to the inflation target again, the policy rate was lowered in several steps, starting in May 2024, to 2.75% by the end of 2024, and 2.50% on January 8, 2025. Further interest rate cuts by the ECB and the Swedish Riksbank are likely to follow this year. In this overall environment, interest rates for construction in Germany, Sweden and Austria recently fell slightly, but were considerably higher in 2024 than before the interest rate turnaround of 2022.

The real estate market paints a mixed picture: Prices on the residential property market have largely stabilized, with prices on an upward trajectory again in some places. The real estate investment market remained relatively subdued, although transaction volumes in the residential segment have started rising again of late. The situation for project developers was a challenging one. Meanwhile, the overall conditions on the rental market in Germany remain favorable from a landlord's perspective. Given the combination of high demand for housing and a decline in the number of building permits granted, Savills does not expect the rental momentum to come to a standstill. Stubborn supply shortages and rising rents are also likely to translate into rising capital values. Quoted rents continued to increase across Germany; empirica reports that they were 4.7% higher on average over all years of construction in the fourth quarter of 2024 (new construction 5.1%) than in the same quarter of the previous year. According to DB Research, rents for existing contracts increased by more than 2%. Further rent increases are expected for 2025. According to data supplied by Statistics Sweden (SCB), rents in Sweden rose by an average of 5.0% in 2024. The initial data on rent negotiations for 2025 from "Hem & Hyra," the member magazine published by the Swedish tenants' association (Hyresgästföreningen), point towards a further sharp rise in rents. In Austria, rents (including newly let apartments) increased in 2024 compared to the previous year by 6.7% according to the Austrian statistical office. According to RE/MAX, rents not subject to rent restrictions will continue to rise in 2025 due to demand.

House prices had cooled down considerably in Germany, Sweden and Austria since their peak in 2022. The drop in prices in Germany came to a standstill in the course of the year on average. The empirica price index for condominiums (all years of construction) was 0.7% lower in the fourth quarter of 2024 compared to the same period of the previous year. In a quarter-on-quarter comparison, prices were up slightly again, by 0.1%, in the fourth quarter. Other market observers are reporting that prices for existing apartments (Immowelt) and condominiums (Europace) are already up slightly on the prior-year levels on average at the turn of the year. In the new construction segment, the empirica price index for condominiums was up by 2.1% year-on-year in the fourth quarter of 2024. Experts from DB Research, Fitch Ratings and Immowelt expect prices to continue to rise in 2025. According to Svensk Mäklarstatistik, purchase prices for tenant-owned apartments (Bostadsrätter) in Sweden were already 5.9% higher in December 2024 compared with the same month of the previous year. A clear recovery has been emerging since the beginning of the year, which was only briefly interrupted by a slump in the middle of the year and cooled off somewhat towards the year-end. Experts at Swedbank expect residential real estate prices to rise by around 5% in 2025. In Austria, the values of the current residential real estate price index of the Austrian central bank (OeNB) on the basis of new and used condominiums and single-family residences show a decrease in the third quarter of 2024 of 2.2% compared with the previous year. Measured in terms of quarter-on-quarter increases, prices more or less stagnated in the second and third quarters of 2024, with movements of -0.1% and -0.2% respectively. According to RE/MAX, the price trend for condominiums in Austria depends to a considerable degree on their location, with an increase expected in central locations in 2025.

The size of the population in Germany, Sweden and Austria is estimated to have risen again in 2024 and is expected to increase further. A large number of large cities and metropolitan areas are affected by housing shortages. Meanwhile, construction activity is on the decline. Residential construction is in a difficult phase in all three countries due to the combination of higher interest rates, less favorable financing conditions and increased/high construction costs. The GdW estimates that only 256,000 apartments will have been completed in Germany in 2024, compared to 294,400 in 2023. The figure could fall to 229,000 in 2025. The German federal government had set itself the goal of building 400,000 new apartments per year in Germany. As any rapid increase in new construction activity is unlikely according to

Savills, homes will remain in very short supply for some time to come. Boverket estimates that 52,300 apartments will have to be built per year in Sweden by 2033. Around 40,000 apartments are expected to have been completed in 2024, a figure that is only likely to total 33,000 in 2025. This means that the additional annual need will not be met. The number of construction starts could, however, rise again in 2025 given the slight improvement in the overall conditions. Following an ongoing decline in the number of building permits granted, the number of completions in residential construction in Austria is also likely to be much lower in 2024 and 2025, according to Bank Austria and Exploreal. Given the sustained high demand for housing, CBRE Austria anticipates a structural undersupply in the coming years, particularly in metropolitan areas.

The German residential investment market grew again in 2024. CBRE put the transaction volume at € 8.7 billion, around 50% higher than in the previous year. While the transaction volume was still subdued in the first half of the year, there was a year-end rally in the final quarter with a volume of € 3.9 billion. According to CBRE, the main trends were sales in the context of refinancing rounds, primarily by listed portfolio holders, and also the sale of project developments, particularly to public housing companies. The core and core-plus risk categories accounted for a share of just over 50% in 2024. The proportion of Value-add and opportunistic investments increased significantly. Prime yields at the end of 2024 were 3.4% or 0.05 percentage points higher than in the previous year. CBRE expects the residential real estate investment market to gain momentum in 2025, with a transaction volume of up to € 10 billion. According to Colliers, properties worth € 11.1 billion were traded across all segments on the Swedish transaction market in 2024, representing a year-on-year increase of approx. 44%. In terms of transaction volume, residential properties were the strongest asset class with a share of 32%. According to CBRE, the Austrian real estate investment market saw a transaction volume totaling € 2.7 billion in 2024, 7% less than in the previous year. The share of the residential segment stood at around 25%. Due to high demand, prime yields in the residential segment fell and stood at 4.25% at the end of 2024, 50 basis points lower than in the previous year. EHL reported in the third quarter that residential real estate remains a popular asset class, especially as far as well-let properties in Austria's urban centers are concerned.

Housing policy developments in Germany in 2024 included changes to the German Buildings Energy Act (GEG) and to the Federal Funding for Efficient Buildings (BEG). On January 1, 2024, a GEG amendment came into force aimed at increasing the proportion of renewable energies in heating systems and at reducing emissions. At the same time, the BEG introduced a guideline that supports the replacement of fossil fuel heating systems with environmentally friendly heating systems by subsidizing the investment costs involved. After the BEG "Climate-friendly new construction" promotional program had been briefly closed to applicants, the German state-owned development bank KfW started accepting applications for subsidized loans again in February 2024. In October, the "Climate-friendly new construction in the low-price segment" promotional program was then launched to create incentives for the construction of apartments in the lower and middle price segments. The program, which will run for a limited period until the end of 2025, requires properties to meet Efficiency House 55 standards. In March 2024, declining balance depreciation was adopted for apartment construction in the context of the German Growth Opportunities Act (Wachstumschancengesetz). This applies for a limited period to newly constructed residential buildings and apartments, or those acquired in the year of completion provided that construction work starts between October 1, 2023, and September 30, 2029. In December 2024, the German government passed a bill to extend the rent cap. The bill is still, however, being considered by parliament and is not making any progress. With the 2024 Annual Tax Act, the German government introduced a new non-profit housing structure from January 1, 2025, providing support to companies that build affordable apartments and rent them out on a long-term basis. At the end of May 2024, the new version of the EU Energy Performance of Buildings Directive came into force, which, among other things, provides for a reduction in energy consumption in residential buildings. The EU is waiving the obligation to refurbish poorly insulated private residential buildings. The beginning of 2025 also saw the entry into force of the land tax reform and adjustments to housing benefit to reflect price and rent trends. The CO_2 price will also rise from € 45 to € 55 per metric ton. New building regulations will come into force in Sweden on July 1, 2025. In Austria, a rent cap has applied since 2024 that limits the increase in indicative rents, category-based rents and rents for non-profit apartments. This does not include unrestricted rental agreements. A residential construction package adopted in the spring of 2024 is intended to revive the construction industry and provide more favorable conditions for residential construction loans.

Group's Business Development

Overview of Business Performance in 2024

Vonovia can look back on a positive 2024 fiscal year despite the strained overall conditions on the real estate markets. Following two years of balance sheet stabilization, the successful completion of the apartment sale program will now allow Vonovia to focus on growth and higher investment as of 2025.

The 2024 fiscal year saw the company sell a total of 2,470 units from its Recurring Sales portfolio (2023: 1,590) and 5,184 units from its Non Core/Other portfolio (2023: 2,248).

In the 2024 fiscal year, the core rental business saw high demand for rental apartments and rising rents, as well as a positive trend in customer satisfaction. In the Value-add segment, investments were increased, particularly in new photovoltaic systems and heat pumps, and a lease agreement was concluded for the existing coaxial network. In the 2024 fiscal year, we invested a total of around € 0.8 billion for maintenance (2023: € 0.7 billion) and around € 0.8 billion in total (2023: € 0.8 billion) in modernization/portfolio and new construction. In the Development segment, we completed 1,276 units for our own portfolio (2023: 1,332). In addition, 2,471 units intended for sale were completed (2023: 1,128).

The table below provides an overview of the development of the key performance indicators we last forecast for 2024 and their target achievement in the 2024 fiscal year.

	2023	Forecast for 2024 in the 2024 Q3 report	2024
Adjusted EBITDA Total (continuing operations) in € million	2,583.8	upper end of € 2.55–2.65 billion	2,625.1
Adjusted EBT (continuing operations) in € million	1,866.2	upper end of € 1.70–1.80 billion	1,799.6
EPRA NTA per share* in €	46.82	suspended	45.23
Sustainability Performance Index (SPI) in %	111	100	104
Rental income in € million	3,253.4	~€ 3.3 billion	3,323.5
Organic rent growth in %	3.8	Upper end of 3.8–4.1	4.1
Additional rent increase claim in %**	1.8	~2	2.1

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

** For Germany: Additional rent increase claim at apartment level in relation to the local comparable rent (OVM) at the time of accrual 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.

Overall, the **adjusted EBITDA total** from continuing operations of € 2,625.1 million in the 2024 fiscal year was 1.6 % higher than the previous year's figure of € 2,583.8 million. The Rental segment contributed € 2,385.7 million (2023: € 2,401.7 million), the Value-add segment € 168.4 million (2023: € 105.5 million), the Recurring Sales segment € 57.6 million (2023: € 63.4 million) and the Development segment € 13.4 million (2023: € 13.2 million).

The **Adjusted EBT** of continuing operations amounted to € 1,799.6 million in the 2024 fiscal year compared to € 1,866.2 million in the previous year. In the reconciliation of adjusted EBITDA to adjusted EBT, the contributing factors were the adjusted net financial result of € -709.0 million (2023: € -625.1 million), depreciation and amortization of € -112.7 million (2023: € -110.2 million) and interim profits of € -3.8 million (2023: interim losses of € 17.7 million).

EPRA NTA per share developed from € 46.82 at the end of 2023 to € 45.23 at the end of 2024. The development in the net asset value figure was due primarily to the net income from fair value adjustments of investment properties of € -1,559.0 million in 2024 (2023: € -10,651.2 million). The distribution of the cash dividend of € 506.4 million in 2024 (2023: € 372.9 million) and the issue of new shares as part of the scrip dividend also had an impact on this key figure.

The **Sustainability Performance Index** stood at 104 % (2023: 111 %) in the 2024 fiscal year. This was helped along in particular by the reduction of CO_2 intensity, the development of the average primary energy requirements of new construction and high levels of customer and employee satisfaction.

Statement of the Management Board on the Economic Situation

The net assets, financial position and results of operations of the Group are stable, particularly given the solid financing, the resulting balanced maturity profile and the flexibility gained through bond financings as a result of a diversified financing mix. The ongoing improvements to the property management processes and the use of new digital software solutions promote ongoing improvement in profitability.

Results of Operations

Overview

All in all, Vonovia's performance was in line with expectations in the 2024 fiscal year.

Adjusted EBITDA in the Rental segment was almost on a par with the previous year despite the sales completed in 2024 and higher maintenance expenses.

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 repeated on the same scale in the coming year. The general conditions for the other segments continued to stabilize in the second half of the year due to high transaction volumes and property values that bottomed out.

As part of a strategic review of the Care segment at the end of the 2023 fiscal year, the management had already decided to discontinue these business activities and sell off this segment. In the course of 2024 and at the beginning of 2025, the properties and nursing care businesses were successfully sold as planned. A small part of the original Care segment (25 properties operated by third parties) was transferred to the Rental segment and generated € 23.1 million in segment revenue in the 2024 fiscal year (2023: € 23.2 million).

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

Adjusted EBT (continuing operations)

in € million	2023	2024	Change in %
Revenue in the Rental segment	3,253.4	3,323.5	2.2
Expenses for maintenance	-426.2	-470.5	10.4
Operating expenses in the Rental segment	-425.5	-467.3	9.8
Adjusted EBITDA Rental	**2,401.7**	**2,385.7**	**-0.7**
Revenue in the Value-add segment	1,224.7	1,359.4	11.0
thereof external revenue	130.9	179.6	37.2
thereof internal revenue	1,093.8	1,179.8	7.9
Operating expenses in the Value-add segment	-1,119.2	-1,191.0	6.4
Adjusted EBITDA Value-add	**105.5**	**168.4**	**59.6**
Revenue in the Recurring Sales segment	319.3	441.3	38.2
Fair value of properties sold adjusted to reflect effects not relating to the period from assets held for sale in the Recurring Sales segment	-239.4	-359.8	50.3
Adjusted result Recurring Sales	**79.9**	**81.5**	**2.0**
Selling costs in the Recurring Sales segment	-16.5	-23.9	44.8
Adjusted EBITDA Recurring Sales	**63.4**	**57.6**	**-9.1**
Revenue from disposal of Development to sell properties	348.6	889.4	>100
Cost of Development to sell	-300.9	-813.8	>100
Carrying amount of assets sold of Development to sell	–	-27.8	–
Gross profit Development to sell	**47.7**	**47.8**	**0.2**
Rental revenue Development	5.1	7.3	43.1
Operating expenses in the Development segment	-39.6	-41.7	5.3
Adjusted EBITDA Development	**13.2**	**13.4**	**1.5**
Adjusted EBITDA Total (continuing operations)	**2,583.8**	**2,625.1**	**1.6**
Adjusted net financial result	-625.1	-709.0	13.4
Straight-line depreciation*	-110.2	-112.7	2.3
Intragroup profit/losses	17.7	-3.8	–
Adjusted EBT (continuing operations)	**1,866.2**	**1,799.6**	**-3.6**
Adjusted EBT (continuing operations) per share in €**	**2.31**	**2.20**	**-5.1**
Minorities	136.0	166.0	22.1
Adjusted EBT (continuing operations) after minorities	1,730.2	1,633.6	-5.6
Adjusted EBT (continuing operations) after minorities per share in €**	2.15	1.99	-7.1

* 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.

At the end of December 2024, Vonovia had a workforce of 12,056 (end of December 2023: 11,946) in its continuing operations, and managed a portfolio comprising 539,753 of its own units (end of December 2023: 545,919), 162,697 garages and parking spaces (end of December 2023: 164,330) and 8,331 commercial units (end of December 2023: 8,691). Vonovia also managed 73,400 residential units (end of December 2023: 71,424) on behalf of third parties at the end of 2024.

Details on Results of Operations by Segment

Rental Segment

At the end of December 2024, the portfolio in the Rental segment had a vacancy rate of 2.0 % (end of December 2023: 2.0 %), meaning that it was again nearly fully occupied.

In the 2024 fiscal year, revenue in the Rental segment increased by 2.2 % year-on-year (2023: 2.1 %) to € 3,323.5 million (2023: € 3,253.4 million). Of the segment revenue in the Rental segment in the 2024 fiscal year, € 2,837.6 million is attributable to rental income in Germany (2023: € 2,790.1 million), € 360.7 million to rental income in Sweden (2023: € 341.6 million) and € 125.2 million to rental income in Austria (2023: € 121.7 million). Organic rent growth (twelve-month rolling) totaled 4.1 % at the end of December 2024 (3.8 % at the end of December 2023). The current rent increase due to market-related factors came to 2.8 % at the end of December (2.3 % at the end of December 2023), while the increase from property value improvements translated into a further 0.9 % (1.0 % at the end of December 2023). All in all, this produced a like-for-like rent increase of 3.7 % at the end of December 2024 (3.3 % at the end of December 2023). New construction and vertical expansion measures also contributed 0.4 % to organic rent growth at the end of December 2024 (0.5 % at the end of December 2023).

The average monthly in-place rent in the residential real estate portfolio within the Rental segment at the end of 2024 came to € 8.01 per m² compared to € 7.74 per m² at the end of 2023. The monthly in-place rent in the German portfolio at the end of 2024 came to € 7.89 per m² (end of 2023: € 7.63 per m²), with a figure of € 10.48 per m² (end of 2023: € 10.18 per m²) for the Swedish portfolio and € 5.71 per m² for the Austrian portfolio (end of 2023: € 5.47 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).

Total maintenance, modernization, investments in the existing portfolio and new construction in the 2024 fiscal year came in at € 1,601.0 million, up by around 5% on the prior-year value of € 1,527.0 million.

Maintenance, Modernization/Portfolio Investments and New Construction (continuing operations)

in € million	2023	2024	Change in %
Expenses for maintenance	426.2	470.5	10.4
Capitalized maintenance	296.3	294.2	-0.7
Maintenance measures	**722.5**	**764.7**	**5.8**
Modernization & portfolio investments*	513.3	611.8	19.2
New construction (to hold)	291.2	224.5	-22.9
Modernization, portfolio investments and new construction	**804.5**	**836.3**	**4.0**
Total sum of maintenance, modernization, portfolio investments and new construction*	**1,527.0**	**1,601.0**	**4.8**

* Previous year's values (2023) adjusted to current key figure definition, incl. portfolio investments.

Operating expenses in the Rental segment in the 2024 fiscal year amounted to € -467.3 million and were thus up by 9.8 % on the figure for 2023 of € -425.5 million.

At € 2,385.7 million, Adjusted EBITDA in the Rental segment in the 2024 fiscal year was almost on a par with the previous year (2023: € 2,401.7 million) despite the sales completed in 2024 and higher maintenance expenses.

Value-add Segment

In the 2024 fiscal year, 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, up by 19.2 % on the 2023 value in the 2024 fiscal year. This was 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 a positive effect of € 58.0 million in the 2024 fiscal year.

All in all, revenue from the Value-add segment came to € 1,359.4 million in the 2024 fiscal year, up by 11.0 % on the value of € 1,224.7 million seen in 2023. External revenue from our Value-add activities with our end customers in the 2024 fiscal year amounted to € 179.6 million and had thus increased by 37.2 % on 2023, when the figure was € 130.9 million. This was mainly due to a positive effect in the multimedia business resulting from the leasing of coax networks. Intra-Group revenue came to € 1,179.8 million in the 2024 fiscal year, 7.9 % higher than the value of € 1,093.8 million for 2023.

Operating expenses in the Value-add segment in the 2024 fiscal year amounted to € -1,191.0 million and were thus up by 6.4 % on the figure for 2023 of € -1,119.2 million.

Adjusted EBITDA Value-add came to € 168.4 million in the 2024 fiscal year, up significantly on the figure of € 105.5 million reported in 2023.

Recurring Sales Segment

In the Recurring Sales segment, the income from disposal of properties came to € 441.3 million in the 2024 fiscal year with 2,470 units sold (2023: 1,590), up by 38.2 % on the value of € 319.3 million reported in 2023; with 2,037 units sold in Germany (2023: 1,201) and 433 in Austria (2023: 389). Income of € 339.5 million is attributable to sales in Germany (2023: € 214.6 million) and € 101.8 million to sales in Austria (2023: € 104.7 million).

The fair value step-up was down by 22.6 % on the previous year's value of 33.4 % due to a decision to prioritize liquidity and profitability in the 2024 fiscal year. This was also due to lower step-ups for sales in Germany and Austria.

Selling costs in the Recurring Sales segment came in at € -23.9 million in the 2024 fiscal year, up by 44.8 % on the value of € -16.5 million for the previous year.

Adjusted EBITDA Recurring Sales came in at € 57.6 million in the 2024 fiscal year, down by 9.1 % on the prior-year value of € 63.4 million.

In the 2024 fiscal year, 5,184 units from the No Core/Other portfolio (2023: 2,248) were also sold as part of our portfolio adjustment measures, with proceeds totaling € 662.5 million (2023: € 553.7 million). At 2.3 %, the fair value step-up for Non Core/Other disposals in the 2024 fiscal year was higher than the figure for the previous year (1.1 %).

Development Segment

The Development segment was impacted primarily by high construction costs and high interest rates for construction in the 2024 fiscal year.

In the Development to sell area, a total of 2,471 units were completed in the 2024 fiscal year (2023: 1,128 units), all of them in Germany (2023: 769). No units were completed in Austria in 2024 (2023: 359). In the 2024 fiscal year, income from the disposal of Development to sell properties amounted to € 889.4 million (2023: € 348.6 million), with € 795.4 million attributable to project development in Germany (2023: € 296.7 million) and € 94.0 million to project development in Austria (2023: € 51.9 million). The resulting gross profit for Development to sell came to € 47.8 million in the 2024 fiscal year with a margin of 5.4 % (2023: gross profit of € 47.7 million, margin of 13.7 %).

Development operating expenses came to € -41.7 million in the 2024 fiscal year, 5.3 % above the comparative value of € -39.6 million seen in the previous year.

Adjusted EBITDA in the Development segment amounted to € 13.4 million in the 2024 reporting period (2023: € 13.2 million).

In the "Development to hold" area, a total of 1,276 units were completed in the 2024 fiscal year (2023: 1,332 units), of which 1,264 were in Germany (2023: 851 units), with none in Austria (2023: 307 units) and 12 in Sweden (2023: 174 units).

Adjusted EBT

The adjusted EBITDA total from continuing operations of € 2,625.1 million in the 2024 fiscal year was 1.6 % higher than the previous year's figure of € 2,583.8 million.

In the reconciliation of Adjusted EBITDA to Adjusted EBT, the contributing factors were the adjusted net financial result of € -709.0 million (2023: € -625.1 million), depreciation and amortization of € -112.7 million (2023: € -110.2 million) and interim profits of € -3.8 million (2023: interim losses of € 17.7 million).

The adjusted EBT of continuing operations amounted to € 1,799.6 million in the 2024 fiscal year compared to € 1,866.2 million in the previous year.

In the 2024 fiscal year, the non-recurring items eliminated in the Adjusted EBT came to € 241.8 million (2023: € 147.9 million).

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

Non-recurring Items

in € million	2023	2024	Change in %
Transactions*	70.0	33.9	-51.6
Personnel matters	35.1	170.9	>100
Business model optimization	34.9	29.7	-14.9
Research & development	6.8	5.9	-13.2
Refinancing and equity measures	1.1	1.4	27.3
Total non-recurring items	**147.9**	**241.8**	**63.5**

* 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 scenarios within 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 € -625.1 million in the 2023 fiscal year to € -709.0 million in the 2024 fiscal year.

Reconciliation of Adjusted Net Financial Result (continuing operations)

in € million	2023	2024	Change in %
Income from non-current securities and non-current loans	60.6	17.2	-71.6
Interest income – finance lease	–	1.2	–
Interest received and similar income	22.9	51.1	>100
Interest expense from non-derivative financial liabilities	-765.1	-830.6	8.6
Swaps (current interest expense for the period)	49.3	45.6	-7.5
Capitalization of interest on borrowed capital Development	0.6	0.6	–
Income from investments	6.6	5.9	-10.6
Adjusted net financial result	**-625.1**	**-709.0**	**13.4**
Accrued interest	-25.6	15.8	–
Net cash interest	**-650.7**	**-693.2**	**6.5**

In the 2024 fiscal year, profit for the period came to € -962.3 million (2023: € -6,756.2 million). This was also due to the net income from fair value adjustments of investment properties of € -1,559.0 million in 2024 (2023: € -10,651.2 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 (continuing operations)

	2023	2024	Change in %
Profit for the period	**-6,756.2**	**-962.3**	**-85.8**
Profit from discontinued operations	148.1	-26.7	–
Profit from continuing operations	**-6,608.1**	**-989.0**	**-85.0**
Income taxes	-2,577.1	385.6	–
Earnings before tax (EBT)	**-9,185.2**	**-603.4**	**-93.4**
Non-recurring items	147.9	241.8	63.5
Net income from fair value adjustments of investment properties	10,651.2	1,559.0	-85.4
Impairment/value adjustments	334.2	347.3	3.9
Valuation effects and special effects in the financial result	-176.1	208.5	–
Net income from investments accounted for using the equity method	75.7	53.8	-28.9
Earnings contribution from Non Core/Other sales	12.2	6.6	-45.9
Period adjustments from assets held for sale	6.3	-14.0	–
Adjusted EBT (continuing operations)	**1,866.2**	**1,799.6**	**-3.6**
Adjusted net financial result	625.1	709.0	13.4
Straight-line depreciation	110.2	112.7	2.3
Intragroup profit/losses	-17.7	3.8	–
Adjusted EBITDA Total (continuing operations)	**2,583.8**	**2,625.1**	**1.6**

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

Reconciliation of Adjusted EBT (continuing operations)/Operating Free Cash-Flow

in € million	2023	2024	Change in %
Adjusted EBT (continuing operations)	**1,866.2**	**1,799.6**	**-3.6**
Straight-line depreciation	110.2	112.7	2.3
Change in net current assets (working capital) according to the cash flow statement (adjusted for special payment effects)*	-340.2	274.1	–
Carrying amount of investment properties (core business)	239.4	387.6	61.9
Capitalized maintenance	-296.3	-294.2	-0.7
Dividends and payouts to non-controlling shareholders (minorities)	-40.5	-143.7	>100
Income tax payments according to cash flow statement (w/o taxes on Non Core sales)	-124.0	-235.5	89.9
Operating Free Cash-Flow	**1,414.8**	**1,900.6**	**34.3**

* Mainly adjustment of accrual of provisions due to payment to a social insurance provider.

Assets

Consolidated Balance Sheet Structure

Consolidated Balance Sheet Structure

	Dec. 31, 2023		Dec. 31, 2024	
	in € million	in %	in € million	in %
Non-current assets	85,121.4	92.5	82,326.9	91.2
Current assets	6,874.5	7.5	7,909.4	8.8
Total assets	**91,995.9**	**100.0**	**90,236.3**	**100.0**
Equity	29,944.6	32.5	28,126.9	31.2
Non-current liabilities	56,912.4	61.9	54,644.6	60.6
Current liabilities	5,138.9	5.6	7,464.8	8.2
Total equity and liabilities	**91,995.9**	**100.0**	**90,236.3**	**100.0**

The Group's total assets declined by € 1,759.6 million, from € 91,995.9 million as of December 31, 2023 to € 90,236.3 million.

The key trend in the non-current assets item is the € 2,742.4 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 € -1,559.0 million. Capitalized modernization costs and additions, in particular, had the opposite effect.

The transactions with Apollo Capital Management L.P. relating to the disposal of shares in the Südewo portfolio of residential properties in Baden-Württemberg and a portfolio in northern Germany in the 2023 fiscal year gave rise to call options on these shares. These were recognized directly in equity as an asset in the 2023 fiscal year. The call options were adjusted affecting net income as of December 31, 2023. In the previous year, this resulted in income of € 90.0 million. These options were remeasured on December 31, 2024, resulting in a valuation of € 731.0 million. The adjustment was recognized in the form of an expense of € 107.0 million in 2024.

Within current assets, the reclassification to assets held for sale referred to above, in particular, resulted in this item increasing by € 1,185.6 million. Other changes in current assets were associated with the drop in trade receivables (€ -349.7 million), as well as with the increase in cash and cash equivalents (€ 382.3 million).

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

As of December 31, 2024, the gross asset value (GAV) of Vonovia's property assets came to € 82,570.5 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 € 1,817.7 million from € 29,944.6 million to € 28,126.9 million, due in particular to the profit for the period of € -962.3 million and the dividend distribution. The other comprehensive income of € -95.7 million was influenced to a significant degree by currency effects amounting to € -143.0 million.

The equity ratio stood at 31.2 % as of December 31, 2024, compared with 32.5 % at the end of 2023.

Liabilities rose by € 58.1 million from € 62,051.3 million to € 62,109.4 million. The total of non-current non-derivative financial liabilities fell by € 2,188.2 million, from € 39,636.5 million to € 37,448.3 million. Current non-derivative financial liabilities increased by € 1,942.1 million, from € 3,260.6 million to € 5,202.7 million.

Deferred tax liabilities fell by € 99.7 million from € 15,713.2 million to € 15,613.5 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 2024 fiscal year, the EPRA NTA came to € 37,215.6 million, down by 2.4 % on the value of € 38,140.9 million seen at the end of 2023. EPRA NTA per share developed from € 46.82 at the end of 2023 to € 45.23 at the end of 2024.

EPRA Net Tangible Assets (EPRA NTA)

in € million	Dec. 31, 2023	Dec. 31, 2024	Change in %
Total equity attributable to Vonovia shareholders	**25,682.6**	**23,996.4**	**-6.6**
Deferred tax in relation to fair value gains of investment properties*	13,895.3	14,620.2	5.2
Fair value of financial instruments**	-13.4	23.4	-
Goodwill	-1,391.7	-1,391.7	-
Intangible assets	-32.0	-32.7	2.2
EPRA NTA	**38,140.9**	**37,215.6**	**-2.4**
EPRA NTA per share in €* **	**46.82**	**45.23**	**-3.4**

* 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.

Over a five-year observation period, Vonovia's property assets showed the following development based on the EPRA NTA and the GAV (gross asset value):

in € million	EPRA NTA	GAV
2024	37,215.6	82,570.5
2023	38,140.9	84,545.1
2022	45,744.5	95,125.5
2021	48,640.8	98,225.3
2020	35,488.6	59,207.1

Fair Values

Major market developments and valuation parameters that have an impact on the **fair values** of Vonovia are assessed every quarter. The entire portfolio was revalued as of June 30, 2024 and also at the end of 2024.

The demand for housing continues to outstrip the supply, which had a positive impact on rent development in 2024. Our assessment is that this trend will continue in the coming years. Based on market data, we therefore assume an average increase in market rents of 2.6% over the next ten years in the valuation of the portfolio. The **market values** of our properties are also being helped along by the investments made in the energy-efficient modernization of our buildings and improvements to the fittings in our apartments. On the market, the **higher rents** met with **increased return expectations** among property buyers, particularly in the first half of the year. Overall, the fair value of our real estate portfolio was lower than in the previous year and, after adjustments for acquisitions and sales, and excluding currency effects, changed by -0.9%. The drop in value seen in the first six months of the year was followed by a period of stabilization leading up to the year-end. The value of the Austrian subportfolio remained virtually stable compared to the previous year, while the Swedish subportfolio even showed positive performance.

In addition to the internal valuation, Vonovia's residential real estate portfolio was also valued by the **independent property appraisers** CBRE GmbH and Savills Sweden AB. The market value resulting from the external report was consistent with the internal valuation result.

Vonovia's project developments for subsequent management within its own portfolio are measured at **acquisition and production costs** until the construction work is complete as the fair value cannot be reliably calculated on a continuing basis. This is subject to a review of the values applied if triggering events occur. The fair value for the nursing care properties was calculated by the external appraiser W&P Immobilienberatung GmbH using a DCF method.

Regular Determination of the Fair Values Creates a Transparent Valuation of the Company's Properties

Calculating and showing the fair values provides a control parameter inside the company and also helps to make the development of the value of our assets transparent to people outside the company.

The fair value of the portfolio of residential properties was determined, in accordance with **IAS 40** and IFRS 13, on the basis of the International Valuation Standard Committee's definition of market value.

Vonovia, in principle, measures its portfolio 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 and discounted to the date of valuation as the net present value. The cash inflows in the DCF model mainly comprise expected rental income (current in-place rent, current inclusive rent in

Sweden, market rents as well as their development) taking vacancy losses and also sales revenues for an Austrian subportfolio into account. The expected rental income is derived for each location from the latest rent indices and rent tables (including Value AG, Immobilienverband Deutschland [IVD] and the Austrian Economic Chamber [WKÖ]) as well as from studies on spatial prosperity (Federal Institute for Research on Building, Urban Affairs and Spatial Development [BBSR], Prognos, Value AG, Federal Statistical Office, Statistics Austria, etc.). In Sweden, rents and rent increases are defined as part of negotiations with the Swedish tenants' association ("Hyresgästföreningen") and are reflected accordingly in the valuation model. The expected sales revenues in Austria are derived from historical sale prices as well as market data (e.g., the Austrian Economic Chamber [WKÖ], EHL).

On the cash outflow side, maintenance expenses and administrative costs are taken into account. Further cash outflows include, for example, ground rents, non-allocable ancillary costs, rent losses and, in Austria, selling costs. In the Swedish valuation, further expenses to be borne by the owner are also taken into account in the DCF model due to the inclusive rents that are a special feature of this market. All cash outflows are inflated in the reporting period. Modernization measures carried out in the housing stocks are factored in by decreasing the current maintenance expenses and adjusting market rents. The commercial properties in the portfolio are mainly small commercial units for the supply of the local residential environment. Different cost approaches are used to those for residential properties, and the capitalized interest rates were adjusted to reflect the market specifics.

The recognition and valuation of investment properties are explained in detail in the notes to the consolidated financial statements (see → **[D27] Investment Properties**).

The fair value of Vonovia's real estate portfolio comprising residential buildings, commercial properties, garages and parking spaces as well as project developments, existing areas with construction potential and land areas with inheritable building rights granted, as well as nursing care facilities, was € 81,971.4 million as of December 31, 2024 (2023: € 83,927.7 million). Net income from fair value adjustments of investment properties in the income statement comes to € -1,559.0 million (2023: € -10,651.2 million).

Financial Position

Cash Flow

The Group cash flow is as follows:

Key Data from the Statement of Cash Flows

in € million	2023	2024
Cash flow from operating activities	1,901.2	2,401.6
Cash flow from investing activities	-825.9	-187.6
Cash flow from financing activities	-961.0	-1,821.0
Influence of changes in foreign exchange rates	2.1	-3.4
Net changes in cash and cash equivalents	**116.4**	**389.6**
Change in cash and cash equivalents related to discontinued operations*	2.8	-0.9
Reclassification of cash and cash equivalents into disposal group	–	-8.2
Cash and cash equivalents at the beginning of the period	**1,260.8**	**1,374.4**
Cash and cash equivalents at the end of the period	**1,374.4**	**1,756.7**

* For reasons of comparability, a separate presentation is made for the year 2023 in accordance with IFRS 5 as in 2024.

The cash flow from **operating activities** came to € 2,401.6 million in 2024, compared with € 1,901.2 million in 2023.

The cash flow from **investing activities** shows a payout balance of € 187.6 million for 2024. Payments for the acquisition of investment properties came to € 1,265.9 million (2023: € 1,103.7 million). On the other hand, income from portfolio sales in the amount of € 1,398.3 million was collected (2023: € 588.4 million).

The **cash flow from financing activities** of € -1,821.0 million (2023: € -961.0 million) includes payments for regular and unscheduled repayments on financial liabilities in the amount of € 3,212.3 million (2023: € 6,191.2 million) and, on the other hand, proceeds from issuing financial liabilities in the amount of € 2,943.8 million (2023: € 4,310.3 million). Payouts for transaction and financing costs amounted to € 48.6 million (2023: € 1.9 million). Interest paid came to € 766.8 million in 2024 (2023: € 719.3 million). The payouts to shareholders of Vonovia SE came to € 506.4 million (2023: € 372.9 million), with cash paid to non-controlling shareholders coming to € 143.7 million (2023: € 40.5 million). The previous year had also been influenced by proceeds from the sale of shares in consolidated companies in the amount of € 2,091.6 million.

Net changes in **cash and cash equivalents** came to € 389.6 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 4, 2025, 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 allows funds to be raised quickly at any time, without any major administrative outlay, using bond issues. The published prospectus for the € 40 billion program was expanded on November 8, 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 December 31, 2024, Vonovia had placed a total bond volume of € 22.8 billion, € 21.7 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 € 110.0 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).

On December 6, 2024, a € 871.0 million bond was repaid as scheduled.

On December 13, 2024, Vonovia took out secured financing with Bayern LB in the amount of € 100.0 million with a maturity of ten years. The loan was disbursed on December 20, 2024.

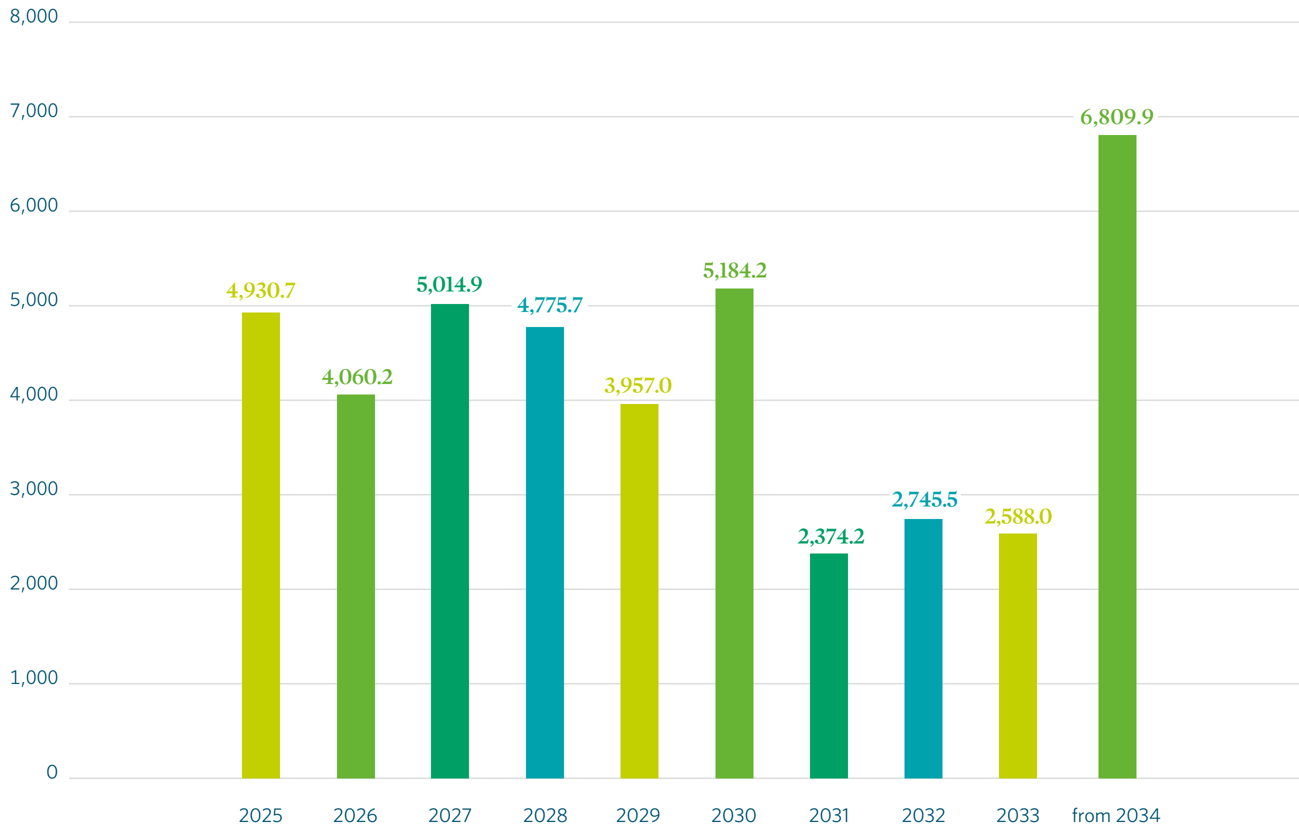
Also on December 13, 2024, Vonovia took out secured financing with Ergo Versicherung in the amount of € 75.0 million with a maturity of 15 years. The loan was disbursed on December 19, 2024.

On December 18, 2024, Vonovia concluded a loan agreement with DZ Hyp in the amount of € 100.0 million with a maturity of ten years. The loan was disbursed on January 14, 2025.

The **debt maturity profile** of Vonovia's financing was as follows as of December 31, 2024:

Debt Maturity Profile

as of December 31, 2024, in € million (face values)



The key debt ratios are as follows as of the reporting date (calculated based on the definitions used in the financing documentation):

in € million	Dec. 31, 2023	Dec. 31, 2024	Change in %
Non-derivative financial liabilities	42,933.0	42,651.0	-0.7
Foreign exchange rate effects	–	-19.8	–
Cash and cash equivalents*	-1,737.1	-2,127.5	22.5
Net debt	**41,195.9**	**40,503.7**	**-1.7**
Sales receivables	-895.2	-873.3	-2.4
Adjusted net debt	**40,300.7**	**39,630.4**	**-1.7**
Fair value of the real estate portfolio	**83,927.7**	**81,971.4**	**-2.3**
Loans to companies holding immovable property and land	814.3	521.8	-35.9
Shares in other real estate companies	479.5	615.9	28.4
Adjusted fair value of the real estate portfolio	**85,221.5**	**83,109.1**	**-2.5**
LTV	**47.3%**	**47.7%**	**0.4 pp**
Adjusted net debt	40,300.7	39,630.4	-1.7
Adjusted EBITDA total**	2,583.8	2,625.1	1.6
Adjusted Net debt/Adjusted EBITDA total	**15.6x**	**15.1x**	**-0.5x**

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

In connection with the issue of unsecured bonds and financing, as well as structured secured financing, Vonovia has undertaken to comply with the following standard market covenants:

in € million	Threshold	Dec. 31, 2023	Dec. 31, 2024	Change in %
Total financial debt		42,933.0	42,651.0	-0.7
Total assets		91,995.9	90,236.3	-1.9
LTV	**< 60.0%**	**46.7%**	**47.3%**	**0.6 pp**
Secured debt		12,930.1	13,204.7	2.1
Total assets		91,995.9	90,236.3	-1.9
Secured LTV	**< 45.0%**	**14.1%**	**14.6%**	**0.5 pp**
LTM Adjusted EBITDA		2,583.8	2,625.1	1.6
LTM Net Cash Interest		650.7	693.2	6.5
ICR	**> 1.8x**	**4.0x**	**3.8x**	**-0.2x**
Unencumbered assets		47,296.5	46,797.0	-1.1
Unsecured debt		30,002.9	29,446.3	-1.9
Unencumbered assets	**> 125.0%**	**157.6%**	**158.9%**	**1.3 pp**

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

The financial covenants (calculation based on the definitions in the financing documentation) have been fulfilled as of the reporting date.

Economic Development of Vonovia SE

(Reporting on the basis of the German Commercial Code [HGB])

Foundation

Vonovia SE has been entered in the commercial register of Bochum Local Court under HRB 16879 since 2017. Vonovia SE was established as Deutsche Annington Immobilien GmbH on June 17, 1998, with its registered headquarters in Frankfurt am Main, to serve as an acquisition vehicle for the purchase of residential properties by financial investors.

Following its initial listing in 2013 and further successful acquisitions over the course of time, it now forms the **Vonovia Group** together with its subsidiaries and is one of the leading German, Austrian and Swedish residential real estate management companies. Following the successful integration of the BUWOG Group, Vonovia also ranks among the leading real estate developers in Germany and Austria. Deutsche Wohnen SE and its subsidiaries have also been part of the Vonovia Group since September 2021.

Vonovia SE performs the function of the **management holding company** within the Vonovia Group. In this function, it is responsible for determining and pursuing the overall strategy and implementing it in the form of the company's goals. It performs property management, project development, financing, service and coordination tasks for the Group. Furthermore, it is responsible for the management, control and monitoring system as well as risk management. To carry out these management functions, Vonovia SE also maintains service companies to which it has outsourced selected functions, allowing it to realize corresponding harmonization and standardization effects, as well as economies of scale.

The description of the company's **net assets, financial position and results of operations** is based largely on the reporting of the Vonovia Group. The net assets, financial position and results of operations of Vonovia SE as the management holding company are ultimately determined by the assets of the Group companies and their ability to make sustainable positive contributions to earnings and generate positive cash flows. The company's risk profile is therefore largely the same as the Group's. The preceding reporting for the Group **of Vonovia SE therefore also expresses the company's position.**

The Vonovia SE **annual financial statements** have been prepared in accordance with the provisions of the German Commercial Code (HGB) taking into account the supplementary regulations of the German Stock Corporation Act (AktG) and the SE Regulation. As a listed company, Vonovia SE is classed as a large corporation.

The annual and consolidated financial statements as well as the combined management report are published in the electronic business register.

Overview of Business Performance in 2024

The **residential real estate sector** is still faced with complex overall conditions characterized by high demand for housing and homes that are in short supply, also due to an insufficient number of real estate development projects. Demand is being driven to a considerable degree by migration and sociological aspects, while supply is being influenced primarily by higher construction costs, regulatory issues related to construction, and interest rates.

Also in light of the current overall conditions, the successful **strategy** defined at the time of the company's IPO has been analyzed to identify the key value drivers and create a more targeted management system.

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 intercompany agreement. The necessary approval was obtained at extraordinary general meetings organized by the companies on January 23 and 24, 2025. The control and profit-and-loss transfer agreement takes effect upon entry into the commercial register of Deutsche Wohnen SE. Deutsche Wohnen SE's entry in the Commercial Register is not yet certain due to an action for annulment brought against the resolution passed by the Annual General Meeting of Vonovia SE.

On September 30, 2024, Vonovia and Apollo Capital Management L.P. 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 are to hold a total stake of 51% in this company. Vonovia's cash inflow from this transaction will amount to around € 1 billion.

Vonovia Finance B.V., Amsterdam, Netherlands, was merged with Vonovia SE on a cross-border basis effective January 1, 2024. This merger was completed upon entry in the Bochum Commercial Register on January 23, 2024 and then implemented in operational terms. This means that the values for the 2024 fiscal year can only be compared with the prior-year values to a limited extent.

The merger resulted in the assumption of total liabilities from bonds amounting to € 10,320 million, as well as liabilities to banks in the amount of € 1,264 million. The receivables from, and liabilities to, affiliated companies were also transferred. Liabilities to affiliated companies totaling € 8,120,947 k also expired due to the merger. The merger was associated with **merger gains** totaling € 7.8 million.

The **operating** rental business of Vonovia SE and its subsidiaries went largely to plan, and proved successful, in the 2024 fiscal year. While the Value-add segment closed 2024 better than planned, the results reported by the Development and Recurring Sales segments fell short of expectations. Vonovia was nevertheless able to report a satisfactory transaction volume in 2024, despite the difficult overall conditions.

The **nursing care activities** performed under the Deutsche Wohnen umbrella were subjected to a strategic analysis as part of the merger, with the outcome that these activities were no longer to be part of Deutsche Wohnen's strategy and, as a result, were to be sold, with a knock-on effect on Vonovia at group level as well. In the Group reporting, the nursing care activities are shown as discontinued/abandoned operations. In the 2024 fiscal year, the nursing care activities under the Katharinenhof umbrella, encompassing 27 nursing care properties, were sold. A sales contract was signed in January 2025 for those nursing care activities under the "nursing and assisted living" umbrella.

The 2024 fiscal year was also dominated by refinancing measures in response to falling market values and rising interest rates. Refinancing measures in 2024 were also dominated by proceeds from sales to **fund structures** managed by HIH Invest Real Estate GmbH.

According to the publication dated August 23, 2024, Vonovia's **credit rating** as awarded by the agency Standard & Poor's is unchanged at BBB+ with a stable outlook for the long-term issuer credit rating and A-2 for the short-term issuer credit rating. In its announcement of February 4, 2025, 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.

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.

Results of Operations of Vonovia SE

The company regularly generates **income** from the charging of the services it provides, from income from investments in the form of dividend distributions from Group companies and income from the transfer of profits. Profit-and-loss transfer agreements exist with, among other entities, the service companies, which themselves generate income by charging the real estate companies for the services they have provided.

The income from investments collected is based on the net profit of the subsidiaries that is eligible for distribution, which is, in turn, calculated based on the accounting standards set out in the German Commercial Code (HGB). The main difference between these standards and the IFRS accounting principles lies in the fact that, under IFRS accounting, the fair value principle has more of an impact than the cost principle and the realization principle do under HGB accounting.

In the consolidated financial statements under IFRS, the properties are remeasured at periodic intervals. Under HGB, the fixed assets are stated at amortized cost, taking depreciation into account. The capitalization regulations in particular also vary.

Expenses relate largely to personnel and administrative expenses associated with the management holding function, as well as to losses to be compensated for in connection with profit-and-loss transfer agreements.

The **financial result** is characterized by group financing, impairment losses on non-current financial assets and the result from profit-and-loss transfer agreements.

The **development of business in 2024** and, as a result, the annual result are once again influenced by special effects, namely by the reversal of impairment losses on non-current financial assets and expenses linked to structuring measures, meaning that Vonovia closed 2024 with **net income for the year** of **€ 667.9 million**.

Compared to the previous year, the changes in the balance sheet and the income statement reflects the effects of the **merger** of Vonovia Finance B.V. with Vonovia SE effective January 1, 2024. The merger of Vonovia Finance B.V. with

Vonovia SE means that a comparison with the previous year can only be drawn to a limited extent.

After adjustments to reflect the gains from the reversal of impairment losses and the merger in the amount of € 858.4 million, the **gross profit** came to € 146.1 million, down by around € 33.1 million on the prior-year figure. If other operating expenses are also adjusted to reflect structuring measures in the amount of € 146.2 million, this leaves an **operating loss before the financial result** and **taxes of** € 45.9 million, as against € 17.3 million in the previous year.

Compared to the previous year, the **result from profit transfer and loss compensation** is in positive territory at € 601.7 million, compared to a net expense of € 1,569.9 million in the previous year. The latter was due to loss transfers of € 1.8 billion, mainly from impairment losses that needed to be recognized on shares in affiliated companies at the subsidiaries.

Net interest largely reflects the merger with Vonovia Finance B.V. On the one hand, net interest expenses due to third parties increased by € 278.6 million to € 447.6 million, while on the other, net interest income due from affiliated companies improved by € 141.3 million after offsetting created a net income item of € 48.5 million.

Revenue increased by € 29.4 million from € 234.2 million in 2023 to € 263.6 million in 2024 due to higher fees charged under agency agreements. This also fueled an increase in the **cost of materials** from purchased services.

Other operating income is dominated by the special effects associated with the reversal of impairment losses in the amount of € 850.5 million (previous year: € 375.8 million), but fell by around € 65 million in adjusted terms. Other operating income in the previous year had included a book gain from the buyback of a bond in the amount of € 47.9 million and income from the reversal of impairment losses in the amount of € 375.8 million.

Expenses for purchased services increased by € 37.9 million, largely in line with the higher fees charged due to an increase in internally purchased services in the context of the integration of the Deutsche Wohnen Group.

Personnel expenses rose slightly overall in 2024, namely by € 1.5 million, due to higher additions to the long-term incentive program. By contrast, additions to provisions for pensions were down by € 1.7 million.

Other operating expenses increased significantly by € 138.9 million, due primarily to structuring expenses.

The **net financial result** improved by € 2.4 billion to total net income of € 95.2 million. The marked improvement in income from investments due to lower loss transfers and lower write-downs on non-current financial assets is the main reason behind this.

Tax expenses came to € 38.6 million in 2024 compared with € 59.6 million in 2023.

Vonovia SE closed the 2024 fiscal year with **net income** of € 655,894,028.16. 5% or € 32,794,701.41 of this net income for the year is allocated to the **legal reserve** in accordance with Section 150 (2) AktG. After offsetting the remaining amount of € 623,099,326.75 against the **profit carried forward** from the prior year of € 16,819,501.80, the Management Board withdrew a further € 460,081,171.45 from capital reserves, resulting in a **net profit** for the 2024 fiscal year of € 1,100,000,000.00.

The Management Board and the Supervisory Board propose to the Annual General Meeting that, of the profit of Vonovia SE for the 2024 fiscal year of € 1,100,000,000.00, an amount of € 1,003,880,568.50 on the 822,852,925 shares of the share capital as of December 31, 2024 (corresponding to **€ 1.22 per share**) be paid as a **dividend** to the shareholders, and that the remaining amount of € 96,119,431.50 be carried forward to a new account or be used for other dividends on shares carrying dividend rights at the time of the Annual General Meeting and which go beyond those of the share capital as of December 31, 2024.

Income Statement

in € million	2023	2024
Revenues	234.2	263.6
Other operating income	496.2	906.1
Cost of purchased services	-127.4	-165.3
Personnel expenses	-38.3	-39.8
Amortization and impairment of intangible assets and depreciation and impairment of property, plant and equipment	-17.5	-15.1
Other operating expenses	-199.5	-338.3
Loss (profit) before financial result and tax	**347.7**	**611.2**
Income from profit transfer	213.2	757.6
Income from investments	30.9	33.5
Write-down of financial assets	-484.1	-4.5
Income from other non-current securities and non-current loans	140.3	217.0
Interest and similar income	194.3	171.2
Expense from the assumption of losses	-1,783.0	-155.9
Interest and similar expense	-627.2	-923.6
Financial result	**-2,315.6**	**95.3**
Tax	-59.7	-38.6
Net loss/net income	**-2,027.6**	**667.9**

Net Assets and Financial Position of Vonovia SE

The **merger** resulted in the assumption of total liabilities from bonds amounting to € 10,320 million, as well as liabilities to banks in the amount of € 1,264 million. At the same time, receivables from, and liabilities to, affiliated companies were offset and eliminated as a result of the merger. This merger resulted in gains of € 7.8 million.

The company's **asset position** is characterized by the **net lending/borrowing position** of € 1.503 million in favor of Vonovia SE, debt financing of € 29.8 billion and **shares in affiliated companies** of € 32.8 billion. The increase in **debt financing** and the fact that the Group's net lending/borrowing position has been turned back into a net investment item is the direct result of the merger of Vonovia Finance B.V.; the increase in shares in affiliated companies is explained by reversals of impairment losses.

On January 4, 2022, **Deutsche Wohnen** had extended a loan to Vonovia SE in the amount of € 1,450 million in line with the arm's length principle. It had a value of € 320 million as of December 31, 2023. This loan was repaid in full in May 2024.

The company's **non-current assets** in the amount of € 39,622.6 million (December 31, 2023: € 35,308.5 million) are largely characterized by **non-current financial assets** in the amount of € 39,593.0 million (December 31, 2023: € 35,278.2 million). The increase in non-current financial assets can be traced back primarily to the increase in loans of € 3.4 billion due to the merger.

There was only a minor change in the company's intangible assets and property, plant and equipment in the normal course of business.

Financial liabilities comprising bonds and bank loans increased by € 11,678.9 million due to the shift in volumes from Vonovia Finance B.V. The **Group's net lending/borrowing position**, which comprises receivables from, and liabilities to, affiliated companies as well as company loans resulting from the Group financing activity, changed by a total of € 11,100.8 million in Vonovia SE's favor in 2024.

Provisions came to € 315.6 million at the end of the year (December 31, 2023: € 223.3 million), with € 101.1 million attributable to provisions for pensions (December 31, 2023: € 101.4 million) and € 39.9 million attributable to tax provisions (December 31, 2023: € 54.2 million). The € 107.0 million increase in other provisions was mainly due to the structuring expenses and outstanding invoices.

Total equity had increased by € 161.5 million to € 4,624.2 million by the end of the fiscal year due to the net income for the year, less the cash dividend that was paid out.

Vonovia SE's **cash flow from operating activities** is characterized by the income and expenses relating to the performance of the management holding functions. Vonovia SE only has appreciable cash flows from investing activities when acquisitions are made. Cash flows from financing activities regularly result from changes in Group financing and from the borrowing/repayment of debt financing in the context of the Group financing function.

Employees of Vonovia SE

In the 2024 fiscal year, an average of 159 employees (2023: 159) were employed at the company, 122 of whom were full-time employees and 32 of whom were part-time.

Opportunities and Risks for Vonovia SE

The likely development of Vonovia SE in the 2025 fiscal year depends to a considerable extent on the development of the Group as a whole and its opportunity and risk situation. This situation is set out in the Group's opportunity and risk report, meaning that the statements set out there in regard to the opportunity and risk situation of the Group also apply to the annual financial statements of Vonovia SE prepared in accordance with German commercial law, where the risks can have an impact on the valuation of long-term financial assets and on the amount of the results of subsidiaries collected/compensated for.

Assets

in € million	Dec. 31, 2023	Dec. 31, 2024	in € million	Dec. 31, 2023	Dec. 31, 2024
Assets			Equity and liabilities		
Financial assets	35,278.2	39,593.0	Equity	4,462.6	4,624.2
Other assets	30.3	29.6	Provisions	223.3	315.7
Receivables from affiliated companies	1,226.9	1,357.8	Loans	12,977.6	22,788.0
Other receivables and assets	79.3	127.3	Liabilities to banks	5,010.5	6,655.4
	–	–	Liabilities to affiliated companies	14,166.5	6,587.2
Cash and cash equivalents	696.5	777.8	Other liabilities	470.7	915.0
Total assets	**37,311.2**	**41,885.5**	**Total equity and liabilities**	**37,311.2**	**41,885.5**

Significant Events After the Balance Sheet Date

At the extraordinary general meetings of Vonovia SE and Deutsche Wohnen SE on January 23 and 24, 2025, the control and profit-transfer agreement between Vonovia SE and Deutsche Wohnen SE was approved by the respective shareholders of both companies.

This control and profit-transfer agreement takes effect upon entry into the commercial register of Deutsche Wohnen SE. Deutsche Wohnen SE's entry in the Commercial Register is not yet certain due to an action for annulment brought against the resolution passed by the Annual General Meeting of Vonovia SE. Once the entry has been made, Deutsche Wohnen will subsequently transfer its total annual profit to Vonovia SE or Vonovia will cover any losses incurred by Deutsche Wohnen SE. The outstanding shareholders will receive a guaranteed dividend of € 1.03 per share after tax.

Within the scope of the control and profit-transfer agreement, the outstanding shareholders of Deutsche Wohnen SE will receive an offer to exchange Deutsche Wohnen shares for Vonovia shares at a ratio of 1:0.7947. Vonovia SE will create conditional capital for this purpose.

Forecast for Vonovia SE

Since the company's net assets, financial position and results of operations are determined solely by the ability of the Group companies to make positive earnings contributions and generate positive cash flows in the long term, we refer at this point to the Forecast Report for the Group. The most important financial performance indicator for the annual financial statements of Vonovia SE is the annual result.

The company's result for 2024 is influenced to a significant degree by special effects due to impairment losses, and the reversal of impairment losses, recognized on investments and shares in affiliated companies, as well as expenses related to joint venture agreements. Without taking these special effects into account, Vonovia would report an adjusted operating loss running into the mid-double-digit millions for 2024, in line with the company's forecast.

The results for the 2025 fiscal year will once again be characterized by the results of subsidiaries collected/compensated for on the basis of income from investments and profit-and-loss transfer agreements, income from services, personnel and administrative expenses, and the financial result.

All in all, we expect the company to report a net loss in the mid-double-digit million range in the 2025 fiscal year, excluding special effects. This does not include any future control and profit-and-loss transfer agreement with Deutsche Wohnen.

Statement of the Management Board on the Economic Situation

The net assets, financial position and results of operations of the company are positive, particularly given the solid financing, the resulting balanced maturity profile and the financing flexibility gained through the rating-backed bond financing with a view to both organic and external growth. The ongoing improvements to the property management processes, the expansion of the Value-add segment, Recurring Sales and a value-adding development business promote ongoing improvements in profitability and enterprise value. Developments in Germany are complemented by equally positive developments in Sweden and Austria.

Forecast Report

Business Outlook for 2025

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 takes account of the acquisition of land to build on and property management units from the QUARTERBACK Immobilien Group, as already communicated in the Q3 Interim Statement. Otherwise, the forecast does not take account of any larger acquisitions of real estate portfolios.

Our forecast for the 2025 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 entitled → Development of the Economy and the Industry and → Fundamental Information About the Group. Beyond this, the Group's further development remains exposed to general opportunities and risks (see → Opportunities and Risks).

We expect the price increases on the construction and commodity markets, in particular, continue to have a moderate impact on Vonovia and our customers. While these will have a direct impact on ancillary expenses, they will also have an indirect effect on all areas of the economy due to general price increases. We also expect prices for construction materials to remain high, which will affect our construction projects as well. Unchanged high interest rates and inflation are creating increased volatility on the equity and debt capital markets. We therefore assess the overall economic situation and developments on an ongoing basis, particularly with regard to the return requirements for investment and divestment decisions.

The EBITDA contribution for our core **Rental** business is expected to more or less match the previous year's level. In a year-on-year comparison, organic rent increases and associated higher rental income will be offset by higher rent losses stemming from sales resulting in a smaller portfolio. As far as the **Value-add** segment is concerned, we again expect the EBITDA contribution in 2025 to be on a par with the prior-year level. The expected additional earnings contributions made by increased investment activity in our craftsmen's organization will be offset by a one-off effect in 2024 in the multimedia business resulting from the leasing of coax networks. In the sales-related segments, we expect the market to recover, pushing price expectations up. We predict a very strong increase in the EBITDA contribution provided by our **Development** segment thanks to the expected increase in demand for new condominiums and the targeted sale of undeveloped land. In the **Recurring Sales** segment, we will be making a return to the strategy of profitability before liquidity, with margins expected to increase as a result, particularly in Germany, fueling a marked increase in Adjusted EBITDA. At Group level, for 2025 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. With a slight increase in depreciation and amortization due to greater investment in property, plant and equipment (particularly photovoltaic systems), we therefore anticipate that **Adjusted EBT** will be roughly level with the previous year.

We also expect the **operating free cash flow**, before changes in working capital, to be down moderately year-on-year.

Due in particular to heavier investment in our existing portfolio, we expect our investment activity to increase in 2025. In addition, we expect the value of our company to increase further and, as a result, predict a slight increase in **EPRA NTA per share**, before taking into consideration any further market-related changes in property values.

The values for the individual weighted targets for the 2025 fiscal year produce a standardized forecast of 100% for the **Sustainability Performance Index**.

The table below provides an overview of the development of the performance indicators forecast for 2024, their target achievement level in the 2024 fiscal year as well as a forecast for the 2025 fiscal year.

	Actual 2023	Forecast for 2024	Forecast for 2024 in the 2024 Q3 Report	Actual 2024	Forecast for 2025
Adjusted EBITDA Total (continuing operations) in € million	**2,583.8**	**€ 2.55–2.65 billion**	**Upper end of € 2.55–2.65 billion**	**2,625.1**	**€ 2.70–2.80 billion**
Adjusted EBT (continuing operations) in € million	**1,866.2**	**€ 1.70–1.80 billion**	**Upper end of € 1.70–1.80 billion**	**1,799.6**	**€ 1.75–1.85 billion**
Operating Free Cash-Flow	**1,414.8**	**–**	**–**	**1,900.6**	**Moderately below previous year****
Sustainability Performance Index (SPI) in %	**111**	**100**	**100**	**104**	**100**
Rental income in € million	3,253.4	~€ 3.3 billion	~€ 3.3 billion	3,323.5	€ 3.3–3.4 billion
Organic rent growth in %	3.8	3.4–3.6	Upper end of 3.8–4.1	4.1	~4
Additional rent increase claim in %*	1.8	>2	~2	2.1	–

* For Germany: Additional rent increase claim at apartment level in relation to the local comparable rent (OVM) at the time of accrual 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, from 2025 onwards Vonovia will no longer show the additional rent claim separately.

** Before taking into account changes in net working capital.

Further Statutory Disclosures

Corporate Governance

In the corporate governance declaration, we report on the principles of management and corporate governance in accordance with Principle 23 of the German Corporate Governance Code and Section 289 et seq. of the German Commercial Code (HGB). The declaration contains the Declaration of Conformity, information on corporate governance practices, a description of how the Management Board and Supervisory Board work and key corporate governance structures. The corporate governance declaration, which is not included in the audit conducted by the auditor of the annual financial statements pursuant to Section 317 (2) (6) HGB, has been published on the **Investor Relations website** and does not form part of the management report.

Corporate governance is the responsible management and supervision of a company.

With balanced corporate governance, the Management Board and the Supervisory Board wish to safeguard Vonovia SE's competitiveness, strengthen the trust of the capital market and the general public in the company and sustainably increase the company's value.

As a major real estate company, we are aware of the particular significance of our entrepreneurial actions for society at large.

The Management Board has looked at the appropriateness of the internal control system that has been set up and has evaluated its effectiveness. Within this context, the Management Board verified, also based on discussions with the Internal Audit department, that the technical and organizational safeguards put in place for control purposes are suitable for the purposes of ensuring that the company is protected from material damage resulting from financial losses, fraudulent acts or mismanagement in all key matters. Among other things, the standards set out in the German Corporate Governance Code, based on the most recent publications from 2022, serve as the benchmark here. Ultimately, the Management Board has no reason to believe that the internal control system is not appropriate and effective in all key aspects.

Based on findings from internal or external audits, we make continuous improvements to our internal control system. Another component of our internal control system is regular monitoring, on the basis of which any weak points identified are eliminated. Any optimization potential identified as part of an extensive internal investigation on the basis of the investigations against individuals who are largely former employees, of which Vonovia was notified on March 7, 2023, has either already been, or is currently being, implemented. The findings of the internal investigation also reveal that collusion between the defendants meant that otherwise effective control mechanisms were circumvented.

The internal investigation is currently exploring, based on a recent compliance case, the extent to which the optimization potential identified is also relevant to, and has to be implemented for, other areas of the company.*

Subscribed Capital and Shares

The share capital of Vonovia SE as of December 31, 2024 amounted to € 822.8 million (previous year: € 814.6 million), divided into 822,852,925 no-par-value shares with a notional interest in the share capital of € 1.00 per share. All shares carry the same rights and obligations. Each share grants one vote at the Annual General Meeting and is decisive for the share held by shareholders in the company's profits. The rights and obligations of the shareholders result in detail from the provisions of the German Stock Corporation Act (AktG), in particular from Article 9 (1c) (ii) of the SE Regulation in conjunction with Sections 12, 53a et seq., 118 et seq. and 186 AktG. There are no shares with special rights conferring powers of control.

* The content of this paragraph and the previous two paragraphs – in particular the statement on the appropriateness and effectiveness of the internal control system – does not form part of the statutory audit of the annual and consolidated financial statements, meaning that it has not been audited.

Shareholdings in the Capital Exceeding 10.0% of the Voting Rights

Pursuant to Section 33 (1) of the German Securities Trading Act (WpHG), shareholders who exceed or fall below the threshold of 10.0% of the voting rights of a listed company, among other criteria, must notify the company and the German Federal Financial Supervisory Authority (BaFin) without delay. These notifications are published by Vonovia SE in accordance with Section 40 WpHG. Direct or indirect shareholdings in the share capital of Vonovia SE that exceed the threshold of 10.0% of the voting rights have been reported by Norges Bank, which has its registered headquarters in Oslo. As of December 31, 2024, Norges Bank had a direct shareholding of 14.7%.

Authority of the Management Board to Issue or Repurchase Shares

At the Annual General Meeting on April 29, 2022, a resolution was passed to cancel the 2021 authorized capital and create new 2022 authorized capital in the amount of € 233,000,000.00; pursuant to the resolution, the Management Board is authorized, in accordance with Article 5 of the Articles of Association, to raise equity once or multiple times until 2027 by issuing up to 233,000,000 new shares (2022 authorized capital). On May 31, 2024, the Management Board made use of this authorization, with the consent of the Supervisory Board, to issue 8,207,927 shares in return for the contribution of dividend entitlements (scrip dividend) and increased the share capital by € 8.2 million to € 822.8 million, resulting in remaining 2022 authorized capital of € 206 million. In order to serve the authorization, passed by the Annual General Meeting of April 16, 2021, to issue convertible bonds, bonds carrying option rights, participating rights, and participating bonds, "2021 conditional capital" was created. On the basis of the resolution of this Annual General Meeting, the share capital is conditionally increased by up to € 282,943,649.00 through the issuing of 282,943,649 new no-par-value registered shares carrying dividend rights. The conditional capital increase shall only be carried out to the extent that the owner (i.e., creditor) of the debt instruments stipulated in the capital increase resolution on 2021 conditional capital is entitled to demand conversion in shares and that the instruments are served in this manner instead of cash payment.

The authority to acquire own shares arises from Article 9 (1) (c) (ii) SE Regulation in conjunction with Sections 71 et seq. AktG and, as of the reporting date, from the authorization passed by the Annual General Meeting on April 29, 2022. The Management Board is authorized, with the approval of the Supervisory Board, until April 28, 2027 to acquire and use own shares in the company up to a total of 10% of the share capital of the company existing at the time of the resolution or – if this value is lower – at the time the authorization is exercised, in accordance with the conditions granted, while observing the principle of equal treatment (Article 9 (1c) (ii) of the SE Regulation in conjunction with Section 53a AktG). The shares acquired on the basis of this authorization, together with other shares in the company that it has already acquired and still holds or that are attributable to it in accordance with Sections 71a et seq. AktG, may at no time exceed 10% of the respective share capital of the company.

Appointment and Removal from Office of Members of the Management Board and Amendments to the Articles of Association

Members of the Management Board are appointed and removed from office by the Supervisory Board in accordance with Article 9 (1), Article 39 (2) SE Regulation and Sections 84 and 85 AktG. The Supervisory Board appoints members of the Management Board for a maximum period of six years in accordance with the Articles of Association of Vonovia SE. Reappointment or extension of the term of office, in each case for a maximum of six years, is permissible. The Articles of Association of Vonovia SE further stipulate in Section 8 (1) that the Management Board shall consist of at least two members. It may appoint a member of the Management Board as Chairperson of the Management Board and a Deputy Chairperson. Pursuant to Article 59 of the SE Regulation, the Annual General Meeting adopts resolutions on amendments to the Articles of Association. In accordance with Article 17 (4) of the Articles of Association, amendments to the Articles of Association require a majority of two thirds of the votes cast or, if at least half of the share capital is represented, a simple majority of the votes cast, unless mandatory statutory provisions require a different majority.

Change of Control Clauses and Compensation Agreements in the Event of a Takeover Bid

The main agreements of Vonovia SE that are subject to a change of control relate primarily to financing agreements. In the event of a change of control, these provide for the right of termination and early repayment on the part of the lender, as is customary. Under certain circumstances, a change of control would have an impact on the bonds, promissory note loans and mortgages issued by Vonovia SE and on the existing credit lines and loan agreements concluded by Vonovia SE or Group companies with banks. The relevant terms and conditions comprise standard market agreements that grant the creditors the right of early termination or conversion in the event of a change of control pursuant to these terms and conditions. The employment contracts of the members of the Management Board also contain provisions in the event of a change of control. In the event of early termination of duties due to a change of control, the members of the Management Board are entitled to benefits.

Bochum, March 1, 2025

The Management Board

Rolf Buch
(CEO)

Arnd Fittkau
(CRO)

Philip Grosse
(CFO)

Daniel Riedl
(CDO)

Ruth Werhahn
(CHRO)

Consolidated Financial Statements

Total assets down again by € 1.8 billion to € 90.2 billion due to drop in residential property values.

Earnings per share come to € -1.09 as against € -7.80 in the previous year, the deciding factor in this trend being the non-cash earnings contribution made by the valuation of investment properties in the amount of € -1.6 billion.

Consolidated Income Statement

in € million	Notes	Jan. 1–Dec. 31, 2023	Jan. 1–Dec. 31, 2024
Revenue from property letting		4,706.9	4,880.5
Other revenue from property management		167.6	206.8
Revenue from property management	B9	**4,874.5**	**5,087.3**
Income from disposal of properties		867.7	1,141.4
Carrying amount of properties sold		-808.0	-1,063.8
Revaluation of assets held for sale		18.4	42.8
Profit from the disposal of properties	B10	**78.1**	**120.4**
Revenue from disposal of real estate inventories		354.0	851.8
Cost of sold real estate inventories		-304.6	-813.8
Profit from disposal of real estate inventories	B11	**49.4**	**38.0**
Net income from fair value adjustments of investment properties	B12	-10,651.2	-1,559.0
Capitalized internal expenses	B13	470.4	538.0
Cost of materials	B14	-2,100.5	-2,321.8
Personnel expenses	B15	-766.3	-899.6
Depreciation and amortization		-410.8	-121.0
Other operating income	B16	242.9	250.9
Impairment losses on financial assets		-27.6	-408.1
Net income from the derecognition of financial assets measured at amortized cost		-1.7	4.3
Other operating expenses	B17	-434.0	-387.9
Net income from investments accounted for using the equity method	D29	-75.7	-53.8
Interest income	B18	227.8	87.9
Interest expenses	B19	-810.2	-908.6
Other financial result	B20	149.7	-70.4
Earnings before tax		**-9,185.2**	**-603.4**
Income taxes	B21	2,577.1	-385.6
Profit for the period from continuing operations		**-6,608.1**	**-989.0**
Profit for the period from discontinued operations		**-148.1**	**26.7**
Profit for the period		**-6,756.2**	**-962.3**
Attributable to:			
Vonovia's shareholders		-6,285.1	-896.0
thereof from continuing operations		-6,157.5	-919.4
thereof from discontinued operations		-127.6	23.4
Non-controlling interests		-471.1	-66.3
Earnings per share from continuing operations (diluted) in €		**-7.64**	**-1.12**
Earnings per share from continuing operations (basic) in €		**-7.64**	**-1.12**
Earnings per share total (diluted) in €	C23	**-7.80**	**-1.09**
Earnings per share total (basic) in €	C23	**-7.80**	**-1.09**

Consolidated Statement of Comprehensive Income

in € million	Jan. 1–Dec. 31, 2023	Jan. 1–Dec. 31, 2024
Profit for the period	-6,756.2	-962.3
Change in unrealized gains/losses	-136.7	32.3
Taxes on the change in unrealized gains/losses	43.7	-7.0
Net realized gains/losses	43.9	-21.1
Taxes due to net realized gains/losses	-12.2	7.7
Profit on cash flow hedges	**-61.3**	**11.9**
Changes in the period	-0.5	-143.0
Profit on currency translation differences	**-0.5**	**-143.0**
Items which will be recognized in profit or loss in the future	**-61.8**	**-131.1**
Changes in the period	-28.5	23.7
Taxes on changes in the period	0.8	-0.3
Profit on equity instruments and securities at fair value in other comprehensive income	**-27.7**	**23.4**
Change in actuarial gains/losses, net	-27.5	13.3
Tax effect	10.4	-1.3
Profit on actuarial gains and losses from pensions and similar obligations	**-17.1**	**12.0**
Items which will not be recognized in profit or loss in the future	**-44.8**	**35.4**
Other comprehensive income	**-106.6**	**-95.7**
Total comprehensive income	**-6,862.8**	**-1,058.0**
Attributable to:		
Vonovia's shareholders	-6,390.1	-991.9
thereof from continuing operations	-6,263.6	-1,012.9
thereof from discontinued operations	-126.5	21.0
Non-controlling interests	-472.7	-66.1

Consolidated Balance Sheet

in € million	Notes	Dec. 31, 2023	Dec. 31, 2024
Assets			
Intangible assets	D25	1,423.7	1,424.4
Property, plant and equipment	D26	655.1	743.8
Investment properties	D27	81,120.3	78,343.1
Financial assets	D28	1,456.3	1,181.1
Investments accounted for using the equity method	D29	157.9	344.3
Other assets	D30	221.7	267.0
Deferred tax assets		86.4	23.2
Total non-current assets		**85,121.4**	**82,326.9**
Inventories	D32	19.7	13.2
Trade receivables	D33	593.2	584.6
Financial assets	D28	1,007.8	866.8
Other assets	D30	660.3	674.5
Income tax receivables	D31	178.2	177.0
Cash and cash equivalents	D34	1,374.4	1,756.7
Real estate inventories	D35	1,957.7	1,608.0
Assets held for sale	D36	313.1	1,498.7
Assets from discontinued operations	D36	770.1	729.9
Total current assets		**6,874.5**	**7,909.4**
Total assets		**91,995.9**	**90,236.3**

in € million	Notes	Dec. 31, 2023	Dec. 31, 2024
Equity and liabilities			
Subscribed capital		814.6	822.9
Capital reserves		2,681.2	2,451.1
Retained earnings		22,505.1	21,149.1
Other reserves		-318.3	-426.7
Total equity attributable to Vonovia shareholders		25,682.6	23,996.4
Non-controlling interests		4,262.0	4,130.5
Total equity	E37	29,944.6	28,126.9
Provisions	E38	606.9	584.5
Trade payables	E39	7.0	6.0
Non-derivative financial liabilities	E40	39,636.5	37,448.3
Derivatives	E41	59.2	59.6
Lease liabilities	E42	629.3	630.6
Liabilities to non-controlling interests	E43	167.7	176.2
Financial liabilities from tenant financing	E44	41.6	41.6
Other liabilities	E45	51.0	84.3
Deferred tax liabilities		15,713.2	15,613.5
Total non-current liabilities		56,912.4	54,644.6
Provisions	E38	202.9	340.6
Trade payables	E39	486.4	524.2
Non-derivative financial liabilities	E40	3,260.6	5,202.7
Derivatives	E41	0.1	1.1
Put options		316.2	311.2
Lease liabilities	E42	43.9	45.1
Liabilities to non-controlling interests	E43	30.7	32.6
Financial liabilities from tenant financing	E44	112.5	109.0
Current income taxes	D31	260.0	244.7
Other liabilities	E45	283.6	373.1
Liabilities associated with assets classified as held for sale	D36	–	203.1
Liabilities from discontinued operations	D36	142.0	77.4
Total current liabilities		5,138.9	7,464.8
Total liabilities		62,051.3	62,109.4
Total equity and liabilities		**91,995.9**	**90,236.3**

Consolidated Statement of Cash Flows

in € million	Notes	Jan. 1–Dec. 31, 2023	Jan. 1–Dec. 31, 2024
Profit for the period		-6,756.2	-962.3
Net income from fair value adjustments of investment properties	B12	10,844.5	1,567.2
Revaluation of assets held for sale	B10	-18.4	-42.8
Depreciation and amortization		464.7	134.3
Interest expenses/income and other financial result	B18/B19/B20	456.1	924.9
Income taxes	B21	-2,622.8	386.3
Profit on the disposal of investment properties	B10	-59.7	-74.5
Results from disposals of other non-current assets		-0.1	-3.5
Other expenses/income not affecting cash		87.6	390.6
Change in working capital		-340.2	332.1
Income tax paid		-154.3	-250.7
Cash flow from operating activities		**1,901.2**	**2,401.6**
Proceeds from disposals of investment properties and assets held for sale	D10/D27/D33	588.4	1,398.3
Proceeds from disposals of other assets	D25/D26/D28/D29	651.6	105.8
Payments for investments in investment properties	D27/D30	-1,103.7	-1,265.9
Payments for investments in other assets	D25/D26/D28/D29	-716.7	-497.0
Payments for acquisition of shares in consolidated companies, in due consideration of liquid funds		–	-2.4
Payments for acquisition of other financial assets		-314.0	–
Interest received		68.5	73.6
Cash flow from investing activities		**-825.9**	**-187.6**

in € million	Notes	Jan. 1–Dec. 31, 2023	Jan. 1–Dec. 31, 2024
Cash paid to shareholders of Vonovia SE	E37	-372.9	-506.4
Cash paid to non-controlling interests		-40.5	-143.7
Proceeds from issuing financial liabilities	E40	4,310.3	2,943.8
Cash repayments of financial liabilities	E40	-6,191.2	-3,212.3
Cash repayments of lease liabilities	E42	-36.8	-42.8
Payments for transaction costs in connection with capital measures	E40	-2.7	-16.5
Payments/proceeds for other financing costs	E40	0.8	-32.1
Payments in connection with the disposal of shares in non-controlling interests	E37	-0.3	-3.3
Payments/proceeds in connection with the sale of shares of ongoing consolidated companies	E37	2,091.6	-40.9
Interest paid		-719.3	-766.8
Cash flow from financing activities		**-961.0**	**-1,821.0**
Influence of changes in foreign exchange rates on cash and cash equivalents		2.1	-3.4
Cash and cash equivalents total			
Net changes in cash and cash equivalents		116.4	389.6
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		1,418.8	1,808.4
Cash and cash equivalents from discontinued operations*			
Net changes in cash and cash equivalents**	D36	2.8	-0.9
Cash and cash equivalents at the beginning of the period		41.6	44.4
Cash and cash equivalents at the end of the period		44.4	43.5
Reclassification of cash and cash equivalents into disposal group		–	-8.2
Cash and cash equivalents from continuing operations (without disposal group)			
Net changes in cash and cash equivalents	D34	113.6	382.3
Cash and cash equivalents at the beginning of the period		1,260.8	1,374.4
Cash and cash equivalents at the end of the period***		1,374.4	1,756.7

* For reasons of comparability, a separate presentation is made for the year 2023 in accordance with IFRS 5 as in 2024.

** Changes in cash in connection with discontinued operations are included in the cash flow from operating activities in the amount of € 47.1 million (2023: € 57.1 million), in the cash flow of investing activities in the amount of € -46.4 million (2023: € -43.2 million) and in the cash flow from financing activities in the amount of € -1.6 million (2023: € -11.1 million).

*** Includes total restricted cash of € 65.4 million (Dec. 31, 2023: € 415.8 million).

Consolidated Statement of Changes in Equity

				Other reserves	
in € million	Subscribed capital	Capital reserves	Retained earnings	Cash flow hedges	Equity instruments at fair value in other comprehensive income
As of Jan. 1, 2024	**814.6**	**2,681.2**	**22,505.1**	**-20.1**	**28.4**
Profit for the period			**-896.0**		
Changes in the period			11.4	25.3	23.8
Reclassification affecting net income				-13.4	
Other comprehensive income			**11.4**	**11.9**	**23.8**
Total comprehensive income			**-884.6**	**11.9**	**23.8**
Capital increase	8.3				
Premium on the issue of new shares		218.6			
Transaction costs in connection with the issue of shares		-0.4			
Withdrawal from the capital reserves		-448.6	448.6		
Dividend distributed by Vonovia SE			-733.2		
Transactions with minority shareholders			-87.6		
Profit distributions and dividends to minority shareholders					
Changes recognized directly in equity		0.3	-99.2		-1.1
As of Dec. 31, 2024	**822.9**	**2,451.1**	**21,149.1**	**-8.2**	**51.1**
As of Jan. 1, 2023	**795.8**	**5,151.6**	**25,605.1**	**41.2**	**63.9**
Profit for the period			**-6,285.1**		
Changes in the period			-16.4	-93.0	-26.8
Reclassification affecting net income				31.7	
Other comprehensive income			**-16.4**	**-61.3**	**-26.8**
Total comprehensive income			**-6,301.5**	**-61.3**	**-26.8**
Capital increase	18.8				
Premium on the issue of new shares		284.7			
Withdrawal from the capital reserves		-2,754.1	2,754.1		
Dividend distributed by Vonovia SE			-676.5		
Transactions with minority shareholders			1,076.6		
Changes recognized directly in equity		-1.0	47.3		-8.7
As of Dec. 31, 2023	**814.6**	**2,681.2**	**22,505.1**	**-20.1**	**28.4**

Currency translation differences	Total	Equity attributable to Vonovia's shareholders	Non-controlling interests	Total equity
-326.6	**-318.3**	**25,682.6**	**4,262.0**	**29,944.6**
		-896.0	**-66.3**	**-962.3**
-143.0	-93.9	-82.5	0.2	-82.3
	-13.4	-13.4		-13.4
-143.0	**-107.3**	**-95.9**	**0.2**	**-95.7**
-143.0	**-107.3**	**-991.9**	**-66.1**	**-1,058.0**
		8.3		8.3
		218.6		218.6
		-0.4		-0.4
		0.0		0.0
		-733.2		-733.2
		-87.6	57.3	-30.3
			-113.4	-113.4
	-1.1	-100.0	-9.3	-109.3
-469.6	**-426.7**	**23,996.4**	**4,130.5**	**28,126.9**
-326.1	**-221.0**	**31,331.5**	**3,107.3**	**34,438.8**
		-6,285.1	**-471.1**	**-6,756.2**
-0.5	-120.3	-136.7	-1.6	-138.3
	31.7	31.7		31.7
-0.5	**-88.6**	**-105.0**	**-1.6**	**-106.6**
-0.5	**-88.6**	**-6,390.1**	**-472.7**	**-6,862.8**
		18.8		18.8
		284.7		284.7
		0.0		
		-676.5		-676.5
		1,076.6	1,669.2	2,745.8
	-8.7	37.6	-41.8	-4.2
-326.6	**-318.3**	**25,682.6**	**4,262.0**	**29,944.6**

Notes

(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 consolidated financial statements as of and for the year ended December 31, 2024, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the EU. In addition, the supplementary commercial law provisions under Section 315e (1) of the German Commercial Code (HGB) have been observed.

The consolidated financial statements have been prepared on the basis of amortized cost except for investment properties, assets and liabilities held for sale, derivative financial instruments, plan assets and equity instruments at fair value in other comprehensive income. These are measured at their fair value. The income statement has been prepared using the nature of expense method.

These consolidated financial statements are presented in euros, which is the Group's functional currency. Unless stated otherwise, all figures are shown in million euros (€ million). Furthermore, amounts below the rounding threshold are shown as "0.0". "-" is used to denote non-existing matters.

Vonovia's Management Board prepared the consolidated financial statements on March 1, 2025, and approved them for submission to the Supervisory Board.

The following overview indicates the chapters on the individual topics containing disclosures on accounting policies, judgments and estimates:

Chapter	Accounting policies, judgments, estimates
A5	Currency translation
A6	Government grants
B	Profit for the period
B11	Profit on the disposal of properties
B21	Income taxes
C23	Earnings per share
D25	Intangible assets/goodwill
D26	Property, plant and equipment
D27	Investment properties
D28	Financial assets
D32	Inventories
D33	Trade receivables
D34	Cash and cash equivalents
D35	Real estate inventories
D36	Assets and Liabilities Held for Sale and Assets and Liabilities of Discontinued Operations
E37	Total equity
E38	Provisions
E40	Non-derivative financial liabilities
E42	Leases
E43	Liabilities to non-controlling interests
E44	Financial liabilities from tenant financing
F47	Share-based payment
G51	Additional financial instrument disclosures
G52	Information on the Consolidated Statement of Cash Flows

2 Consolidation Principles

Business Combinations

An entity shall account for each business combination by applying the acquisition method if it obtains control. All hidden reserves and charges of the company acquired are disclosed as part of the necessary remeasurement. Any excess of the cost of a business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities, following the disclosure of hidden reserves and charges, is recognized as goodwill in the balance sheet. The consideration transferred at the time of the acquisition and the identifiable net assets that are acquired are measured at fair value as a general rule. Transaction costs are recognized as an expense immediately insofar as they do not relate to costs pertaining to the raising of capital or the issue of borrowed capital.

Subsidiaries

The term “subsidiaries” refers to companies controlled by Vonovia SE. Vonovia SE controls a company if it is exposed to risks or has rights to variable returns from its involvement with the company and has the ability to use its power of control over the company to influence the level of these returns. In the process of full consolidation, the assets and liabilities of a subsidiary are included in the consolidated financial statements in their entirety. Subsidiaries are included in the consolidated financial statements from the date on which Vonovia SE obtains control until the day control ceases.

Non-Controlling Interests

The equity of a subsidiary that is not attributable to Vonovia is shown as a separate component of equity under non-controlling interests. Non-controlling interests are measured based on their share of the identified net assets of the acquired company at the time of acquisition.

Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions. Transaction costs that are directly attributable to these equity transactions are reported in retained earnings without affecting net income.

Loss of Control

If Vonovia loses control over a subsidiary, the assets and liabilities of the subsidiary in question as well as any corresponding non-controlling interests are derecognized. The result is recognized in the income statement. Any investment retained is recognized at fair value when control is lost.

Associates and Joint Arrangements

Associates and joint arrangements classified as joint ventures are accounted for using the equity method. An associate is an entity over which the investor has significant influence. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. If the arrangement involves rights to the assets and obligations for the liabilities of a joint arrangement instead, then this constitutes a joint activity that is then recognized using quota consolidation.

Business Transactions Eliminated on Consolidation

The effects of the business transactions between the entities included in the Vonovia consolidated financial statements are eliminated.

Results from business transactions with companies accounted for using the equity method are only eliminated in line with the Group’s share in the investee.

The financial statements of Vonovia SE and all subsidiaries are consistently prepared according to uniform accounting policies.

3 Scope of Consolidation and Business Combinations

All in all, and including Vonovia SE, 612 companies (December 31, 2023: 631) – thereof 446 (December 31, 2023: 426) domestic companies and 166 (December 31, 2023: 205) foreign companies – have been included in the consolidated financial statements as of December 31, 2024. In addition, 16 (December 31, 2023: 16) domestic companies and one (December 31, 2023: one) foreign company were included as joint ventures and 11 domestic companies (December 31, 2023: nine) and three (December 31, 2023: two) foreign companies were included as associates accounted for using the equity method.

Two domestic (December 31, 2023: two domestic) companies are no longer included in the scope of consolidation as they are no longer considered to be material. These companies are shown as non-consolidated affiliated companies.

For all subsidiaries included in the consolidated financial statements, the reporting date is December 31.

The → **list of Vonovia shareholdings** is appended to the Notes to the consolidated financial statements as an integral part thereof.

Companies that have made use of the exemption provision set out in Section 264 (3) of the German Commercial Code (HGB) are marked accordingly in the list of shareholdings.

The year-over-year changes in the consolidated companies as of December 31, 2024 result from eight companies that were established, one addition due to an increase in Vonovia's stake, 26 mergers, one accrual and one disposal resulting from changes in the scope of consolidation due to a reduction in a shareholding.

The year-over-year changes in associates in 2024 are due to two acquisitions, one addition resulting from changes in the scope of consolidation due to a reduction in a shareholding, one addition due to an increase in Vonovia's stake in a company previously reported as an "other investment", and one sale.

4 Financial Reporting of Financial Assets and Financial Liabilities

Loans and Receivables

Loans and receivables are first recognized as incurred, other non-derivative financial assets as of the day of trading. The day of trading is the date on which Vonovia becomes a contracting party of the financial instrument. All financial instruments are initially measured at fair value, taking account of transaction costs. Trade receivables are stated at the transaction price. A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire, or the financial asset is transferred and Vonovia neither retains control nor retains material risks and rewards associated with ownership of the financial asset.

Loans and receivables are stated at amortized cost using the effective interest method.

Vonovia determines whether there is an objective indication of an impairment at the level of individual financial instruments if they are material, and, for financial instruments for which no impairments have been identified at the level of the individual financial instruments or such impairments are immaterial, grouped according to risk profile. Impairments are identified for individual financial instruments when the counterparty has defaulted or breached a contract or there are indications of risks of impairments due to a rating downgrade and general information (loss event). For groups of financial instruments with similar risks, historical default probabilities in relation to the time overdue are drawn upon (loss event). An impairment is calculated after the occurrence of a loss event as the difference between the carrying amount and the value of the discounted estimated future cash flow. The original effective interest rate is taken as the discount rate. Impairment losses are recognized with effect on net income and offset directly with the carrying amount of the financial instrument. Any interest income on impaired financial instruments is still recognized. If there are indications that the amount of the impairment loss will be smaller, this reduction is credited to the financial instrument affecting net income to the extent that the sum does not exceed the amortized cost that would have been recognized if the impairment had not occurred.

Derivative Financial Instruments and Put Options

Derivative financial instruments are stated at their fair value on the day of trading when they are recognized for the first time. The fair values of the derivative financial instruments are calculated using standard market valuation methods for such instruments on the basis of the market data available on the valuation date.

With derivatives that are not designated as a hedging instrument in the balance sheet, changes in the fair value are recognized in profit or loss with effect on net income.

Compared with IAS 39, the IFRS 9 regulations relating to hedge accounting include, among other things, an expanded range of eligible hedged items, changes regarding the posting approach for certain undesignated value components of hedging instruments, the abolition of the fixed effectiveness ranges and retrospective effectiveness testing as well as the first-time introduction of "recalibration." The less restrictive provisions compared with IAS 39 make it easier to reflect economic risk management in the balance sheet, which can, in turn, reduce artificial volatility in the income statement.

At the time of application of IFRS 9, Vonovia will opt to continue to apply the hedge accounting provisions set out in IAS 39 as opposed to the provisions of IFRS 9. Vonovia applies this accounting method to all hedge relationships.

Contracts concluded for the purpose of receiving or supplying non-financial items in accordance with the company's expected purchase, sale, or use requirements (own-use contracts) are not treated as derivative financial instruments, but rather as pending transactions under IAS 37.

With derivatives designated as hedging instruments, the recognition of changes in the fair value depends on the type of hedge:

> With a fair value hedge, the changes in the fair value of the derivative financial instruments and of the underlying hedged items attributable to the hedged risk are recognized affecting net income.
> With a cash flow hedge, the unrealized gains and losses are initially recognized in other comprehensive income to the extent that the hedge is effective. Amounts accumulated in other comprehensive income are reclassified to the income statement at the same time the underlying hedged item affects net income. To the extent that the hedge is ineffective, the change in fair value is immediately recognized in net interest.

Embedded derivative financial instruments that are combined with a non-derivative financial instrument (host contract) to form a hybrid financial instrument are to be separated from the host contract pursuant to IFRS 9 as a general rule and accounted for separately if (i) its economic risks and characteristics are not closely related to those of the host contract, (ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and (iii) the hybrid instrument is not measured at fair value affecting net income with changes in fair value recognized in the income statement. As soon as the derivative is to be separated from its host contract, the individual components of the hybrid financial instrument are to be accounted for based on the provisions that apply to the individual financial instruments.

In order to measure interest rate swaps, future cash flows are calculated and then discounted. The calculated cash flows result from the contract conditions. The contract conditions regularly refer to the EURIBOR/STIBOR reference rates (3M and 6M EURIBOR/STIBOR). Discounting is based on market interest rate data as of the reporting date (risk-free overnight rate). The fair value contains the credit risk of the interest rate swaps and therefore allows for adjustments for the company's own credit risk or for the counterparty credit risk.

To measure the cross currency swaps, future cash flows are calculated and then discounted. The calculated cash flows result from the contract conditions and the forward rates (development of exchange rates expected by the market). Discounting is based on market interest rate data as of the reporting date (risk-free overnight rate). The fair value contains the credit risk of the cross currency swaps and therefore allows for adjustments for the company's own credit risk or for the counterparty credit risk.

The fair value of the purchase price liabilities from put options/rights to reimbursement granted to minority shareholders is generally based on the going concern value of the respective company; if a contractually agreed minimum purchase price is higher than this amount, this purchase price is recognized.

Equity Instruments to Be Recognized at Fair Value in Other Comprehensive Income

In general, the equity instruments to be recognized at fair value in other comprehensive income are shares in companies that were acquired with long-term strategic intentions.

These equity instruments to be recognized at fair value in other comprehensive income are initially stated at their fair value, plus the directly attributable transaction costs. Subsequent measurement is at fair value as a general rule. Changes in the fair value are recognized in other comprehensive income.

The fair value of equity instruments to be recognized at fair value in other comprehensive income is based on quoted market prices as of the reporting date where they are available. If no market price is available, the fair value is calculated using a discounted cash flow model. If these equity instruments are derecognized, the cumulative gain or loss recognized in other comprehensive income is transferred to retained earnings, not affecting net income. Interest on interest-bearing financial instruments of this category is calculated using the effective interest method. Dividends on equity instruments in this category are shown in the income statement.

5 Currency Translation

Accounting Policies

Foreign currency transactions involving Group companies are converted into the functional currency, in accordance with the temporal method, at the exchange rate that applies on the day of the transaction. Monetary balance sheet items denominated in a foreign currency are converted at the exchange rate that applies on each reporting date. Any exchange differences are recognized affecting net income. Non-monetary items that are measured in terms of historical cost are recorded on the reporting date at the exchange rate on the date they were first recognized. Non-monetary items that are measured at fair value are translated on the reporting date using the exchange rate on the date the fair value was determined. Exchange differences relating to non-monetary items are recognized affecting net income insofar as a profit or loss on the corresponding line item is also recognized affecting net income. Otherwise, they are disclosed in other comprehensive income.

The main foreign subsidiaries included in the consolidated financial statements operate their business independently in line with functional theory. The annual financial statements of those subsidiaries whose functional currency is not the euro are converted into the reporting currency using the modified closing rate method. The functional currency of individual foreign units is always the respective local currency. Any resulting exchange differences are disclosed as a separate item in other comprehensive income. When a foreign subsidiary leaves the scope of consolidation, the cumulative exchange differences are reversed and recognized in profit or loss.

Vonovia applies the concept of functional currency translation in accordance with IAS 21 “Effects of Changes in Foreign Exchange Rates” to its consolidated financial statements. The functional currency of Vonovia SE and the reporting currency of the Vonovia Group is the euro.

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

	Closing rate		Average for period	
Basis: € 1	Dec. 31, 2023	Dec. 31, 2024	2023	2024
SEK — Swedish krona	11.10	11.46	11.48	11.43
GBP — Great British pound*	–	0.83	–	0.85
CHF — Swiss franc**	–	0.94	–	0.95
USD — US dollar***	1.11	–	1.08	–

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

6 Government Grants

Accounting Policies

Government grants are recognized when there is reasonable assurance that the relevant conditions will be fulfilled and that the grants will be awarded.

Government grants that do not relate to investments are regularly recognized as income in the periods in which the relevant expenses are incurred.

Expenses subsidies granted in the form of rent, interest and other expenses subsidies are recorded as income in the periods in which the expenses are incurred and shown within other revenue from property management.

Low-interest loans are government grants that are recognized at their present value within the non-derivative financial liabilities on the basis of the market interest rate at the time the loans are taken out. The difference between face value and present value is recognized as deferred income under "non-derivative financial liabilities" with an effect on net income over the maturity term in the line with the fixed-interest-rate period of the corresponding loans.

Where the low-interest loans are granted in the context of capitalized modernization measures, the deferred income item is reversed in proportion to depreciation, or, with investment properties that are measured based on the fair value model, over 12.5 years.

The companies that belong to the Group receive government grants in the form of construction subsidies, expenses subsidies, expenses loans and low-interest loans. In the 2024 fiscal year, Vonovia was granted low-interest loans of € 182.4 million (2023: € 580.6 million).

7 Changes in Accounting Policies, Estimates, Assumptions, Options and Judgments

Changes to Key Accounting Methods

As of January 1, 2024, the Group did not have to apply any interest rate benchmark reform. Based on the existing transactions, we do not expect to see any material impact in the future either.

Changes in Accounting Policies Due to New Standards and Interpretations

The following new or amended standards and interpretations became mandatory for the first time in the 2024 fiscal year. They did not have any material effects on Vonovia's consolidated financial statements.

> IFRS 7 "Financial Instruments: Disclosures"
> IFRS 16 "Leases"
> IAS 1 "Presentation of Financial Statements"
> IAS 7 "Statement of Cash Flows"

IFRS IC Agenda Decision on IFRS 8

At its meeting held in June 2024, the IFRS IC finalized its agenda decision on the disclosure of income and expenses for reportable segments pursuant to IFRS 8. Based on this decision, items of income and expense are to be disclosed separately in the segment reporting if they are material as defined by IAS 1. Within this context, Vonovia reviewed its internal reporting to the management and the segment reporting disclosures to determine the extent to which other positions are to be classed as material. As Vonovia already presents individual items of income and expense as separate reconciliation figures, it does not currently see any reason to adjust its segment reporting as a result of IFRS IC Agenda Decision "Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8)".

IAS 12/International Tax Reform Pillar 2

The Organization for Economic Cooperation and Development (OECD) has launched a project, BEPS (Base Erosion and Profit Shifting), to combat unfair tax competition at international level and tax loopholes, particularly in light of our digitalized economy. A two-pillar solution was developed as part of this international tax reform, with the second pillar (Pillar 2) addressing global effective minimum taxation, in particular.

The implementation status of the Pillar 2 tax regulations in terms of their transposition into national law varies considerably from country to country. The IASB published amendments to IAS 12 in May 2023 in order to avoid inconsistent accounting during this transition phase, as well as to provide users of financial statements with information that would be as useful as possible for their decisions regarding the expected impact of the tax reform. These were adopted by the EU in November 2023 and already applied for the 2023 reporting year.

In addition to a mandatory exception from the recognition of deferred taxes in connection with the Pillar 2 rules, the amendments include, in particular, extended disclosures in the notes. While the exception is designed explicitly as a temporary one, the IASB has not yet set any expiration date.

Vonovia is applying the extended regulations set out in IAS 12 as planned as of the 2023 fiscal year. The impact on the Group and the required disclosures in the notes are set out in note → **[B21] Income Taxes**.

New Standards and Interpretations Not Yet Applied

Application of the following standards, interpretations and amendments to existing standards was not yet mandatory for the 2024 fiscal year. Vonovia also did not choose to apply them in advance. The implementation of IFRS 18 is likely to lead to considerable changes in Vonovia's future consolidated financial statements. No detailed analysis of the expected changes is available as yet. It is expected that the application of the other new or amended standards will have no material effects on Vonovia's consolidated financial statements. Their application will be mandatory for the fiscal years following the dates stated in the following table:

Relevant New Standards, Interpretations and Amendments to Existing Standards and Interpretations		Effective date for Vonovia
Amendments to Standards		
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Annual Improvements – Volume 11	Jan. 1, 2026*
IFRS 7	"Financial Instruments: Disclosures"	Jan. 1, 2026*
IFRS 9	"Financial Instruments "	Jan. 1, 2026*
IAS 21	"The Effects of Changes in Foreign Exchange Rates"	Jan. 1, 2025
New Standards		
IFRS 18	"Presentation and Disclosures in Financial Statements"	Jan. 1, 2027*
IFRS 19	"Subsidiaries without Public Accountability: Disclosures"	Jan. 1, 2027*

* Not yet endorsed.

Estimates and Assumptions

To a certain extent, the preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the reporting date as well as reported amounts of income and expenses during the reporting year. The actual amounts may differ from the estimates as the business environment may develop differently than assumed. In this case, the assumptions and, where necessary, the carrying amounts of the assets or liabilities affected are prospectively adjusted accordingly. Specific estimates and assumptions relating to individual elements of financial statements are also explained in the corresponding notes to the consolidated financial statements.

Assumptions and estimates are reviewed on an ongoing basis and are based on experience and other factors, including expectations regarding future events that appear reasonable under the given circumstances.

The estimates and assumptions that may have a material risk of causing an adjustment to the carrying amounts of assets and liabilities mainly relate to the determination of the fair value of investment properties.

The best evidence of fair value of investment properties is current prices in an active market for comparable residential properties. As such information is not completely available, however, Vonovia uses standard valuation techniques.

A detailed description of the discounted cash flow (DCF) method used can be found in chapter → **[D27] Investment Properties.**

In accordance with IAS 40 in conjunction with IFRS 13, the respective market values of the investment properties owned by Vonovia are determined. Changes in certain market conditions such as prevailing rent levels and vacancy rates may affect the valuation of investment properties. Any changes in the fair value of the investment portfolio are recognized as part of the profit for the period in the income statement and can thus substantially affect Vonovia's results of operations.

The statement of financial liabilities at amortized cost using the effective interest method takes the expected contractual cash flows into account. In some cases, the agreements do not have any fixed maturity terms. As a result, the cash flows included in the valuation are subject to management assumptions in terms of amount and term.

As explained in chapter → **[D25] Intangible Assets**, Vonovia checks for goodwill impairments on an annual basis, or if there is any reason to suspect such impairments. The next step involves determining the recoverable amount of the group of cash-generating units (CGU). This corresponds to either the fair value less costs of sale or the value in use, whichever is higher. Determining the value in use includes adjustments and estimates regarding the forecast and discounting of the future cash flow. Although the management believes that the assumptions used to determine the recoverable amount are appropriate, any unforeseeable changes in these assumptions could result in impairment losses, with a detrimental impact on the net assets, financial position and results of operations.

When determining the volume of current and deferred taxes, the Group takes into account the effects of uncertain tax items and whether additional taxes and interest may be due. This assessment is made on the basis of estimates and assumptions about future events. New information may become available that causes the Group to change its discretionary decisions regarding the appropriateness of existing tax liabilities; such changes to tax liabilities will affect the tax expense in the period in which such a change is made.

Deferred tax assets are recognized to the extent that it can be demonstrated that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that there will be sufficient future taxable profits to realize the tax benefit in the future.

In connection with the application of IFRS 15, it is assumed with respect to determining progress in relation to revenue recognition over time that the costs incurred appropriately reflect the progress as a share of total costs.

Properties under development are measured by comparing the net sales proceeds against the recoverable amount. The measurement of properties under development in the Development to sell and Development to hold areas is shaped by a large number of relevant parameters (e.g., future sale prices, total investment costs, etc.). These parameters are associated with estimation uncertainties regarding their specific actual amount as of the relevant measurement date.

Additional estimates and assumptions mainly relate to the uniform definition of useful lives, the assumptions made on the value of land and buildings, the recognition and measurement of provisions as well as the realization of future tax benefits.

Climate risks and opportunities have an impact on Vonovia's business model and strategy, e.g., in connection with energy efficiency modernization measures. They are addressed in particular by the climate path that the company has mapped out, but also by appropriate estimates and assumptions in key items of the company's net assets, financial position and results of operations. Climate risks can have a potentially negative impact and result in increased estimation uncertainties.

Physical climate risks refer to longer-term shifts in general climatic conditions. Climate events such as floods, earthquakes, extreme weather events, etc. could have an impact on our real estate portfolio and require specific crisis management measures. Climate transition risks describe the effects that can arise for companies due to the process of transformation towards a more sustainable economic system. We did not identify any material physical climate risks or climate transition risks as part of our double materiality assessment in accordance with the ESRS.

Based on our current knowledge and expectations regarding future developments, this will not have any impact on Vonovia's balance sheet. This relates, among other things, to the fair values of investment properties, specific useful lives and the value of assets, as well as provisions for environmental risks, for which no significant need for adjustment emerges.

Options and Judgments

Options exercised and judgments made by Vonovia's management in the process of applying the entity's accounting policies that may have a significant effect on the amounts recognized in the consolidated financial statements include the following:

> The group of investments accounted for using the equity method is determined by assessing significant influence or whether there is joint control.
> Determining whether the acquisition of investment properties as part of a business combination constitutes the acquisition of a "business" or the acquisition of an individual asset or group of assets can involve discretionary judgments.
> Vonovia measures investment properties at fair value. If management had opted to use the acquisition costs model as permitted under IAS 40, the carrying amounts of the investment properties as well as the corresponding income and expense items in the income statement would differ significantly.
> The criteria for assessing in which category a financial asset is to be classified may involve discretionary judgments.
> Within the scope of revenue recognition in accordance with IFRS 15, discretionary decisions relating to the expected revenue, the total costs of a project and the degree of completion may be necessary. These have an impact on the amount and timing of revenue.
> When accounting for leases in accordance with IFRS 16, the assessment of the exercise or non-exercise of unilaterally granted termination or renewal options may involve discretionary judgment, particularly if there is no economic incentive for the exercise or non-exercise of options.
> The need to include information concerning the future in the valuation of expected defaults results in discretionary decisions regarding the impact that changes in economic factors will have on the expected defaults.
> The decision on how to define a group of cash-generating units to which goodwill is allocated may involve discretionary judgments.
> Allocating the goodwill to the group of individual cash-generating units may also involve discretionary judgments. The parameters used in the impairment test, such as the determination of undiscounted cash flows, the weighted average cost of capital and the growth rate, may also involve discretionary judgments. Due to a lack of any detailed definition of the term "operation" (IAS 36.86), the disposal of goodwill within the context of real estate sales may involve discretionary decisions.
> Defining a disposal group when selling properties can involve a discretionary decision. Due to a lack of any detailed definition of the term "a separate major line of business or geographical area of operations" (IFRS 5), classification as a discontinued operation may involve discretionary decisions. Assessing whether a sale is deemed to be highly probable within the space of a year can also involve a discretionary decision.
> At the moment, there are no definitive provisions on how to reflect a mandatory acquisition of non-controlling interests following the acquisition of control as part of a voluntary public takeover offer. In general, the acquisition of shares as part of a public offer during the second offer period is based on exactly the same conditions as those that applied in the first offer period, and the two acquisitions are closely related in terms of content and timing. This means that, even if it is executed in two offer periods, the acquisition constitutes one and the same transaction (linked transaction). Following the completion of the later acquisition, the original purchase price allocation is to be adjusted with retroactive effect from the acquisition date, resulting in a change in the consideration transferred, the fair value of net assets transferred and, consequently, the resulting goodwill.

8 Subsequent Events

With regard to the sale of a portfolio in Berlin agreed in the first half of 2024, two companies with around 4,500 residential units were transferred, in economic terms, effective January 1, 2025. The sales price comes to around € 700 million.

On January 2, 2025, Vonovia acquired all of the shares in QUARTERBACK München GmbH via its wholly owned subsidiary Deutsche Annington Acquisition Holding GmbH. The provisional purchase price is around € 10 million. The company has 47 employees that provide development services in southern Germany. The purchase will further expand Vonovia's development organization in southern Germany.

Vonovia obtained control over QUARTERBACK München GmbH on January 2, 2025. The transaction is classed as a business combination in accordance with IFRS 3. Due to the short period between the acquisition date and the date on which these financial statements were prepared, the disclosures pursuant to IFRS 3 cannot be made as yet.

On January 17, 2025, Vonovia signed a notarized contract for the acquisition of PFLEGEN & WOHNEN HAMBURG GmbH (P&W), including the associated properties, by the City of Hamburg. The acquisition comprises 13 nursing homes in Hamburg with around 2,000 employees and around 2,400 nursing places. The acquisition was made via HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement (HGV), the city's largest group holding company, which belongs to the tax authorities and is an umbrella for the majority of the City of Hamburg's private law companies. The purchase price is € 380.0 million.

At the extraordinary general meetings of Vonovia SE and Deutsche Wohnen SE on January 23 and 24, 2025, the control and profit-transfer agreement between Vonovia SE and Deutsche Wohnen SE was approved by the respective shareholders of both companies. This control and profit-transfer agreement takes effect upon entry into the commercial register of Deutsche Wohnen SE. Deutsche Wohnen SE's entry in the Commercial Register is not yet certain due to an action for annulment brought against the resolution passed by the Annual General Meeting of Vonovia SE.

Once the entry has been made, Deutsche Wohnen SE will subsequently transfer its total annual profit to Vonovia SE or Vonovia SE will cover any losses incurred by Deutsche Wohnen SE. The outstanding shareholders will receive a guaranteed dividend of € 1.03 per share (net).

Under the terms of the control and profit-transfer agreement, the outstanding shareholders of Deutsche Wohnen SE will receive an offer to exchange Deutsche Wohnen shares for Vonovia shares.

On September 30, 2024, 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 are to hold a total stake of 51% in this company. Vonovia's cash inflow from this transaction will amount to just over € 1 billion.

As part of the planned further acquisitions of land to build on from the QUARTERBACK Immobilien Group, another purchase contract with a volume of around € 75 million was concluded on February 13, 2025.

Section (B): Profit for the Period

Accounting Policies

Revenue from property management includes income from the rental of investment properties and assets held for sale which is recognized, net of discounts, over the duration of the contracts when the remuneration is contractually fixed or can be reliably determined and collection of the related receivable is probable.

In Vonovias financial statements, the corresponding income for all the services for **ancillary costs** performed by the end of the year is also recognized in the year in which the service is performed. This amount is recognized on a non-netted basis using the principal method, in particular due to Vonovia's business model, which provides for a large proportion of services relevant to ancillary costs being performed by Vonovia itself as Vonovia is considered by the tenant to be the primary party responsible for providing the service. For all services that it does not perform itself, Vonovia also bears an inventory risk due to the settlement method (based on rentable area), as is standard practice in the real estate sector.

In cases involving **property sales** and project developments for sale, the profit is recognized over time or at a specific point in time, depending on the contractual structure. As far as any remaining obligations are concerned, a provision is recognized for the probable risk.

Expenses are recognized when they arise or at the time they are incurred.

Interest is recognized as income or expense in the period in which it is incurred using the effective interest method.

9 Revenue from Property Management

in € million	2023	2024
Rental income	3,259.6	3,331.6
Ancillary costs	1,447.3	1,548.9
Revenue from property letting	**4,706.9**	**4,880.5**
Other revenue from property management	167.6	206.8
	4,874.5	**5,087.3**

The increase in other revenue from property management is due primarily to the revenue of € 61.4 million (2023: € - million) realized in connection with the long-term leasing of cable networks.

10 Profit on the Disposal of Properties

in € million	2023	2024
Income from the disposal of properties	369.1	376.4
Carrying amount of properties sold	-310.6	-298.8
Profit from the disposal of investment properties	**58.5**	**77.6**
Income from the sale of assets held for sale	498.6	765.0
Retirement carrying amount of assets held for sale	-497.4	-765.0
Change in value from properties sold	18.4	42.8
Profit from the disposal of assets held for sale	**19.6**	**42.8**
	78.1	**120.4**

The fair value adjustment of properties held for sale where sales efforts have progressed to the point that a sale within one year can be expected resulted in a gain of € 42.8 million as of December 31, 2024 (2023: € 18.4 million).

11 Profit on Disposal of Real Estate Inventories

Accounting Policies

Revenue from disposal of real estate inventories is realized either over time or at a specific point in time as soon as the customer obtains control over the asset in question. If, upon conclusion of the certified purchase agreement, control within the meaning of IFRS 15.35 (c) passes to the customer before or during the construction phase, the revenue is to be recognized as of this point in time based on the degree of completion of the construction project. Disclosure of the contract assets that fall within the scope of IFRS 15 occurs on a net basis with the corresponding advance payments received under other assets.

Contractual balances with an expected term of less than one year are not adjusted to reflect the time value of money.

No separate agreements are reached, in the contracts on the sale of apartments as part of the development business, on extraordinary rights of return or rescission, meaning that such rights are based on the relevant legal provisions. The same applies to warranty commitments, which are not to be treated as a separate contractual component within the meaning of IFRS 15 as a result. Existing warranty claims are always accounted for in line with the provisions of IAS 37.

In accordance with IFRS 15.94, costs for the initiation of the contracts with customers are recognized as an expense as soon as they are incurred, as the depreciation period generally would not amount to more than a year. The costs relate primarily to brokerage commission.

In cases involving **revenue recognition over time**, the percentage of completion/progress made has to be assessed. Vonovia uses the cost-to-cost method, as an input-based procedure, for this purpose. The progress made is determined based on the ratio of the capitalized contract costs incurred up until the reporting date to the estimated total contract costs that can be capitalized.

Revenue from the disposal of real estate inventories amounting to € 851.8 million (2023: € 354.0 million) comprises € 157.8 million (2023: € 206.5 million) in period-related revenue from the disposal of real estate inventories together with € 694.0 million (2023: € 147.5 million) in time-related revenue from the disposal of real estate inventories. As of the reporting date, contract assets of € 88.1 million (2023: € 70.1 million) are recognized within miscellaneous other assets in connection with the period-related revenue recognition. As of the reporting date, this amount includes advance payments received of € 64.9 million (2023: € 76.4 million).

A transaction price of € 32.9 million (2023: € 45.4 million) has been allocated to the remaining performance obligations that had not yet been satisfied (in full) at the end of the current reporting period. These amounts are expected to be recognized, affecting net income, within the next two fiscal years, with an amount of € 30.2 million attributable to 2025 and an amount of € 2.7 million to 2026.

12 Net Income from Fair Value Adjustment of Investment Properties

Investment properties are generally measured by the in-house valuation department according to the fair value model. The fair value for the nursing care properties is generally calculated by independent experts using a DCF method and is adjusted, where appropriate, based on findings from market observation and transactions. Any gains or losses from a change in fair value are recognized in the income statement affecting net income.

The measurement of the investment properties led to a valuation loss of € -1,559.0 million in the 2024 fiscal year (2023: € -10,651.2 million) (see → **[D27] Investment Properties**). This includes € -17.5 million (2023: € -14.8 million) for the measurement of right-of-use assets (IFRS 16).

The figure also includes the valuation result from buildings under construction (new construction/development to hold) that were completed during the reporting period and were moved to the Rental portfolio. A fair value measurement is performed for the first time when the properties are completed. This resulted in a valuation effect of € 10.2 million in the 2024 fiscal year (2023: € 14.2 million).

13 Capitalized Internal Expenses

Capitalized internal expenses in the fiscal year amount to € 538.0 million (2023: € 470.4 million) and mainly relate to the expenses of the Group's own craftsmen's organization contained in the capitalized modernization costs as well as the management costs for major modernization projects.

14 Cost of Materials

in € million	2023	2024
Expenses for ancillary costs	1,385.5	1,481.9
Expenses for maintenance and modernization	533.4	613.9
Other cost of purchased goods and services	181.6	226.0
	2,100.5	**2,321.8**

15 Personnel Expenses

in € million	2023	2024
Wages and salaries	628.2	680.8
Social security, pensions and other employee benefits	138.1	218.8
	766.3	**899.6**

The increase in personnel expenses is due to the reassessment of the probability of claims being asserted in connection with legal disputes with a social insurance provider, with a corresponding provision being set up to reflect this (see → **[E38] Provisions**). This increased personnel expenses by € 89.7 million in the reporting year for back-payments of contributions to social insurance providers, and by a further € 50.3 million for payments to employees. € 68.0 million of this € 140.0 million has already been paid.

The personnel expenses include expenses for severance payments in the amount of € 9.7 million (2023: € 17.2 million), allocations to the provisions for pre-retirement part-time work arrangements in the amount of € 6.4 million (2023: € 13.5 million) and expenses for the long-term incentive plan (LTIP) at € 10.2 million (2023: € 4.5 million) (see → **[E38] Provisions**).

In the fiscal year under review, employers' contributions to statutory pension insurance amounted to € 54.3 million (2023: € 52.1 million).

As of December 31, 2024, Vonovia had a workforce of 12,056 employees (December 31, 2023: 11,946). 3,485 employees were female as of December 31, 2024 (December 31, 2023: 3,464), and 8,571 were male (December 31, 2023: 8,482). The average figure for the year was 12,063 employees (2023: 11,946). Vonovia also employed 664 apprentices as of December 31, 2024 (December 31, 2023: 632). Due to subsequent adjustments in headcount under HGB, the number of employees as of December 31, 2023, differs from the total disclosed in the previous year for Germany and Austria.

16 Other Operating Income

in € million	2023	2024
Compensation paid by insurance companies	90.9	93.5
Reversal of impairments on Development to hold projects	–	34.6
Reversal of provisions	67.3	38.8
Compensation for damages and cost reimbursements	17.8	20.1
Income from repayment grant	6.8	11.1
Income from previous years	7.2	6.1
Disposal of other property, plant and equipment	5.1	4.9
Dunning and debt collection fees	4.8	4.9
Reversal of impairments on Development to sell projects	–	2.1
Income from attribution	0.2	1.6
Miscellaneous	42.8	33.2
	242.9	**250.9**

17 Other Operating Expenses

in € million	2023	2024
Consultants' and auditors' fees	100.7	95.2
Vehicle and traveling costs	39.6	40.0
Advertising costs	28.9	27.7
Communication costs and work equipment	25.5	25.7
Rents, leases and ground rents	23.1	22.2
Administrative services	14.1	19.6
Impairment losses on development real estate inventories	8.3	18.8
Other taxes	9.3	18.3
Additions to provisions	19.7	12.9
Sales incidentals	5.8	8.5
Unrecognized insured losses	10.5	8.3
Seminar fees	6.8	6.3
Costs of sale associated with real estate inventories	4.9	6.2
Other contributions and fees	6.6	5.8
Expenses from previous years	7.8	5.0
Losses and reimbursements of ancillary costs	14.7	4.1
Non-capitalizable expenses from real estate development	4.7	3.8
Impairment losses on receivables	6.0	3.8
Legal and notary costs	3.7	2.8
Impairment losses on real estate inventories	21.6	–
Miscellaneous	71.7	52.9
	434.0	**387.9**

18 Interest Income

in € million	2023	2024
Income from non-current securities and non-current loans	60.6	17.2
Interest income from partial redemptions and repurchases of bonds	127.6	–
Interest income - finance leases	–	1.2
Interest received and similar income	22.9	51.1
Other interest and similar income	16.7	18.4
	227.8	**87.9**

The income from non-current securities and non-current loans relates primarily to income from loans extended to the QUARTERBACK property companies. The drop is due to the offsetting of the impairment loss on receivables from the

QUARTERBANK Immobilien Group resulting from interest against the corresponding interest income earned.

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

In the previous year, interest income was mainly shaped by income from the partial repayment of bonds in the amount of € 127.6 million.

Other interest and similar income in the reporting year includes income of € 0.8 million (2023: € 0.3 million) from the discounting of provisions.

19 Interest Expenses

in € million	2023	2024
Interest expense from non-derivative financial liabilities	765.1	830.6
Swaps (current interest expense for the period)	-49.3	-45.6
Effects from the valuation of non-derivative financial instruments	-12.8	-3.3
Effects from the valuation of swaps	52.4	66.5
Capitalization of interest on borrowed capital regarding development	-0.6	-0.6
Prepayment penalties and commitment interest	8.9	9.1
Interest accretion to provisions	22.3	17.4
Interest from leases	19.9	20.6
Other financial expenses	4.3	13.9
	810.2	**908.6**

The interest expenses mainly relate to interest expense on financial liabilities. This item reflects the comparatively higher interest conditions for refinancing over the last twelve months.

The prepayment penalties include the fees for the unscheduled repayment of loans during the fixed interest period.

The deterioration in the swap valuation result is due primarily to a more substantial negative impact of hedge break costs compared to in the previous year.

A reconciliation of net interest to net interest to be classified in accordance with IFRS 9 is shown in the following table:

in € million	2023	2024
Interest income	227.8	87.9
Interest expense	-810.2	-908.6
Net interest	**-582.4**	**-820.7**
Less:		
Net interest from provisions for pensions in acc. with IAS 19	17.5	15.7
Net interest from other provisions in acc. with IAS 37	4.5	0.9
Net interest from leases	19.9	20.6
Net interest to be classified	**-540.5**	**-783.5**

The net interest classified pursuant to IFRS 9 is as follows:

in € million	2023	2024
Financial assets measured at (amortized) cost	227.5	87.1
Derivatives measured at FV through P&L	-3.1	-20.8
Financial liabilities measured at (amortized) cost	-764.9	-849.8
Classification of net interest	**-540.5**	**-783.5**

20 Other Financial Result

in € million	2023	2024
Income from other investments	22.1	32.2
Transaction costs	-3.6	-0.4
Purchase price liabilities from put options/rights to reimbursement	37.9	5.1
Result from derivative valuation in connection with equity instruments	90.0	-107.0
Result from currency translation	1.6	-0.2
Miscellaneous other financial result	1.7	-0.1
	149.7	**-70.4**

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 Südewo portfolio and the northern Germany portfolio. The adjustment as of December 31, 2024 reflects inputs and assumptions with regard to the business plans of the underlying portfolios, dividends already paid, a change in the

WACC, the planned exercise date, and the weighting of the probabilities of various scenarios. In particular, updated assumptions regarding the probabilities of various scenarios, i.e., whether or not and when disproportionately high profit distribution will end, led to a reduction in the balance sheet value affecting net income as of December 31, 2024.

The income from investments includes financial income resulting from the delayed collection of profits from the investments in AVW GmbH & Co. KG, Hamburg, in the amount of € 19.4 million (2023: € 14.4 million) and G+D Gesellschaft für Energiemanagement mbH, Magdeburg, in the amount of € 7.0 million (2023: € 0.0 million), both in connection with housing-related services in the Value-add segment.

It also comprises financial income from investments in other residential real estate companies in the amount of € 5.7 million (2023: € 5.8 million).

21 Income Taxes

Accounting Policies

Income taxes for the current and prior fiscal years are recognized as current income tax liabilities to the extent that they have not yet been paid. The current tax expense is determined on the basis of the taxable income for the fiscal year.

Deferred tax assets and liabilities are recognized using the liability method under the temporary concept, providing for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are only recognized for temporary differences and on loss carryforwards to the extent that there are deferred tax liabilities that can be netted against them – regarding deferred tax assets on loss carryforwards taking the minimum taxation into account – or, based on the predictable profits in the foreseeable future, it can be verified that they will be realized.

Deferred tax assets and liabilities are not recognized where the temporary difference arises from initial recognition of goodwill in connection with a business combination or the initial recognition (other than a business combination) of other assets and liabilities in a transaction that neither affects taxable income nor net income and does not result in equal taxable and deductible temporary differences on the transaction date.

The carrying amount of a deferred tax asset is reviewed at each reporting date. If necessary, the carrying amount of the deferred tax asset is reduced to the extent that it is no longer offset by deferred tax liabilities that can be netted against it or that it is no longer probable that sufficient taxable profit will be available in the future.

Deferred taxes are measured at the tax rates that apply, or are expected to apply, to the period when the tax asset is realized or the liability is settled based on the current legislation in the countries in question. As in 2023, the combined tax rate of corporate income tax and trade tax of 33.1% was also used to calculate domestic deferred taxes for 2024. The corporate income tax rate for the companies based in Austria has been 23.0% since 2024, while the rate for companies based in Sweden is 20.6%.

Deferred tax assets and liabilities are netted against each other only if Vonovia has a legally enforceable right to set off the recognized amounts, when the same tax authority is involved and when the realization period is the same. In accordance with the regulations of IAS 12 "Income Taxes," deferred tax assets and liabilities are not discounted.

in € million	2023	2024
Current income tax	228.8	220.9
Prior-year current income tax	16.6	0.9
Deferred tax – temporary differences	-2,959.3	51.2
Deferred tax – unutilized loss carryforwards	136.8	112.6
	-2,577.1	**385.6**

For the 2024 fiscal year, the combined tax rate of corporate income tax and solidarity surcharge for domestic companies is 15.8% (2023: 15.8%). Including trade tax at a rate of about 17.3% (2023: 17.3%), the combined domestic tax rate is 33.1% in 2024 (2023: 33.1%). The corporate income tax rate for the companies based in Austria is 23.0% (2023: 24.0%), while the rate for the companies in Sweden comes to 20.6% (2023: 20.6%). The companies that hold properties and are based in the Netherlands have limited corporation tax liability in Germany. These companies, together with the other foreign companies, pay tax that is of a negligible amount from the Group's perspective in the countries in which they are domiciled. As there are plans to relocate the registered offices of companies based in the Netherlands to Germany, and this move has already been implemented in some cases, the temporary differences for these companies are also measured including trade tax for the first time as at December 31, 2024.

For deductible temporary differences (excl. loss carryforwards) in the amount of € 82.5 million (December 31, 2023: € 90.9 million), no deferred corporate income taxes or deferred trade taxes were recognized, because they are not likely to be used in the future.

As of December 31, 2024, there were corporate income tax loss carryforwards amounting to € 3,989.4 million (December 31, 2023: € 4,290.2 million), as well as trade tax loss carryforwards amounting to € 2,258.9 million (December 31, 2023: € 2,548.3 million), for which deferred tax assets have been recognized to the extent that their realization is sufficiently probable. As of December 31, 2024, there were corporate income tax loss carryforwards abroad amounting to € 313.8 million (December 31, 2023: € 348.1 million), as well as trade tax loss carryforwards amounting to € 14.8 million (2023: € 14.4 million), for which deferred tax assets have been recognized to the extent that their realization is sufficiently probable. The drop in tax loss carryforwards resulted from current tax gains at individual companies and the associated utilization of the loss carryforwards.

No deferred taxes were recognized in the balance sheet for domestic and foreign corporate income tax loss carryforwards amounting to € 1,479.6 million (December 31, 2023: € 1,461.5 million). Of this amount, € 46.9 million arose for the first time in the 2024 fiscal year (2023: € 25.9 million). Under current tax law, these loss carryforwards are not subject to restrictions either with regard to time or the amount of the loss carryforward. The fact that no deferred tax assets were recognized on the new corporate income tax loss carryforwards results in a tax effect of € 7.5 million (2023: € 4.2 million). In addition, there are further trade tax loss carryforwards subject to no restrictions with regard to how they can be carried forward in the amount of € 755.1 million in total (December 31, 2023: € 728.5 million). These did not give rise to any deferred tax assets. Of this amount, € 40.5 million arose for the first time in the 2023 fiscal year (2023: € 21.2 million) and the resulting tax effect is € 6.8 million (2023: € 3.5 million).

The remeasurement of deferred tax assets on temporary differences and loss carryforwards from the previous year led to income amounting to € 2.0 million in the 2024 fiscal year (2023: expenses of € 31.6 million).

Deferred taxes on interest carryforwards are recognized if the interest carryforward is likely to be able to be used in the future. Due to the Group's capital structure, no interest carryforwards are likely to be able to be used in the future. As a result, no deferred tax assets have been recognized on domestic interest carryforwards in the amount of € 1,910.5 million (December 31, 2023: € 1,598.0 million). € 403.1 million of this amount arose for the first time in the reporting year (2023: € 257.3 million). The fact that no deferred tax assets were recognized on the new interest carryforward generated a tax effect of € 129.1 million in Germany (2023: € 87.6 million). Sweden has a regulation similar to the German interest threshold. As a result, no deferred tax assets have been recognized on interest carryforwards in the amount of € 193.2 million in Sweden (2023: € 162.3 million). Of this amount, € 33.4 million (2023: € 33.0 million) arose for the first time in the reporting year. The fact that no deferred taxes were recognized generated a tax effect of € 6.9 million in Sweden (2023: € 6.8 million).

A reconciliation between disclosed effective income taxes and expected tax expense, which is the product of the accounting profit for the period multiplied by the average tax rate applicable in Germany, is shown in the table below:

in € million	2023	2024
Earnings before tax	**-9,185.2**	**-603.4**
Income tax rate in %	33.1	33.1
Expected tax expense	**-3,044.9**	**-199.7**
Trade tax effects	170.8	172.2
Non-deductible operating expenses	236.5	287.7
Tax-free income	-171.9	-9.4
Change in the deferred tax assets on loss carryforwards and temporary differences	31.6	-2.0
New loss and interest carryforwards not recognized and utilization of interest carryforwards	102.1	150.3
Prior-year income tax and taxes on guaranteed dividends	-20.2	28.5
Tax effect from goodwill impairment	45.9	–
Differing foreign tax rates	89.3	-38.7
Other tax effects (net)	-16.3	-3.3
Effective income taxes	**-2,577.1**	**385.6**
Effective income tax rate in %	**28.1**	**-63.9**

The deferred taxes refer to temporary differences in balance sheet items and unutilized loss carryforwards as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Intangible assets	10.7	6.4
Investment properties	76.0	69.0
Inventories	116.3	102.2
Assets held for sale	5.9	2.0
Property, plant and equipment	8.3	6.7
Financial assets	2.5	44.9
Other assets	156.8	180.1
Provisions for pensions	64.3	62.2
Other provisions	55.0	98.6
Liabilities	268.1	143.9
Loss carryforwards	906.3	793.7
Deferred tax assets	**1,670.2**	**1,509.7**

in € million	Dec. 31, 2023	Dec. 31, 2024
Intangible assets	10.6	10.9
Investment properties	16,817.3	16,401.2
Inventories	136.5	155.7
Assets held for sale	58.3	209.5
Property, plant and equipment	9.1	71.7
Financial assets	54.5	22.7
Other assets	135.2	114.6
Provisions for pensions	0.5	0.7
Other provisions	15.4	19.1
Liabilities	59.6	93.9
Deferred tax liabilities	**17,297.0**	**17,100.0**
Excess deferred tax liabilities	**17,297.0**	**15,590.3**

Deferred tax assets and liabilities are netted against each other when the same company and the same tax authority are involved and the realization period is the same. As a result, the following deferred tax assets and liabilities are stated:

in € million	Dec. 31, 2023	Dec. 31, 2024
Deferred tax assets	86.4	23.2
Deferred tax liabilities	15,713.2	15,613.5
Excess deferred tax liabilities	**15,626.8**	**15,590.3**

The change in deferred taxes is as follows:

in € million	2023	2024
Excess deferred tax liabilities as of Jan. 1	**18,572.8**	**15,626.8**
Deferred tax expense in income statement	-2,822.5	163.8
Deferred tax due to first-time consolidation and deconsolidation	0.2	–
Change in deferred taxes recognized in other comprehensive income due to equity instruments measured at fair value	-0.8	0.3
Change in deferred taxes recognized in other comprehensive income on actuarial gains and losses from pensions and similar obligations	-10.6	1.3
Change in deferred taxes recognized in other comprehensive income on derivative financial instruments	-31.5	-0.7
Balance sheet reclassification to assets and liabilities held for sale with regard to discontinued operations	-23.2	-177.3
Deferred taxes recognized in the capital reserve on capital procurement costs of capital increases	-0.3	0.1
Currency translation differences	-6.3	-20.9
Reclassification to result from discontinued operations	-51.3	-3.1
Other	0.3	–
Excess deferred tax liabilities as of Dec. 31	**15,626.8**	**15,590.3**

No deferred tax liabilities are recognized for profits accumulated at subsidiaries of € 52,744.7 million (December 31, 2023: € 50,966.9 million), as these profits are to remain invested for an indefinite period or are not subject to taxation. In the event of distribution or disposal of the subsidiaries, 5% of the distributed amounts or the capital gains would be subject to German taxation so that there would normally be an additional tax obligation.

The BEPS Pillar 2 regulations were transposed into German law (German Minimum Tax Act [MinStG]) by the end of 2023 and came into force on January 1, 2024. The Group falls within the scope of these regulations.

Vonovia carried out an analysis as of the reporting date to identify the general impact of the legislation and the jurisdictions from which the Group is exposed to potential effects in connection with a Pillar 2 top-up tax. The first step involved checking whether the CbCR safe harbor regulations were relevant. This indicated that all countries fall within the CbCR safe harbor regulations, meaning that no top-up tax was incurred as of December 31, 2024.

Vonovia applies the mandatory exception provided for in IAS 12, based on which no deferred tax assets or liabilities are recognized in connection with OECD Pillar 2 income taxes and no disclosures are made in this regard either.

The Group closely monitors the progress made in the legislative process in every country in which Vonovia operates.

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

22 Segment Reporting

Vonovia is an integrated residential real estate company with operations across Europe. The company's strategy is focused on sustainably increasing the value of the company. This is achieved by managing the company's own portfolio sustainably and with a view to enhancing its value, investing in existing residential properties in order to create value, building new residential buildings and selling individual apartments as well as by engaging in active portfolio management and offering property-related services. For the purposes of managing the company, we make a distinction between four segments **Rental, Value-add, Recurring Sales** and **Development** at the end of 2024. We also report the **Other** segment, which is not relevant from a corporate management perspective, in our segment reporting. This includes the sale, only as and when the right opportunities present themselves, of entire buildings or land (Non Core/Other) that are likely to have below-average development potential in terms of rent growth in the medium term and are located in areas that can be described as peripheral compared with Vonovia's overall portfolio and in view of future acquisitions. The expenses for ancillary costs are reported separately under "Other", with the corresponding ancillary costs income being reported under external income.

As part of a strategic review of the Care segment at the end of the 2023 fiscal year, the management had already decided to discontinue these business activities and sell off this segment. In the course of 2024 and at the beginning of 2025, the properties and nursing care businesses were successfully sold as planned. A small part of the original Care segment (25 properties operated by third parties) was transferred to the Rental segment and generated € 23.1 million in segment revenue in the 2024 fiscal year (2023: € 23.2 million).

The **Rental** segment combines all of the business activities that are aimed at the value-enhancing management of our own residential real estate. It includes our property management activities in Germany, Austria and Sweden. The consolidation of our property management activities in Germany, Austria and Sweden to form one single reporting segment is based on the similarities that we see in the property management business in these three countries. This applies to the way in which services are provided and the individual service processes that form part of the property management business as well as to the customers in the residential rental market and the type of customer acquisition used. Overall, the residential rental market in all three countries is characterized by a shortage of housing and is regulated by statutory requirements, resulting in return expectations that are similar in the long term.

The **Value-add** segment bundles all of the housing-related services that we have expanded our core rental business to include. These services include both the maintenance and modernization work on our residential properties and services that are closely related to the rental business. We allocate the activities relating to the craftsmen's and residential environment organization, the condominium administration business, the cable TV business, metering services, energy supplies and our insurance services to the Value-add segment.

The **Recurring Sales** segment includes the regular and sustainable disposals of individual condominiums and single-family houses from our portfolio. The consolidation of our sales activities in Germany and Austria to form one single reporting segment is based on the similarities that we see in the property management business in these two countries. It does not include the sale of entire buildings or land (Non Core/Other). These properties are only sold as and when the right opportunities present themselves, meaning that the sales do not form part of the Recurring Sales segment. We report these opportunistic sales in the **Other** column of the segment report.

The **Development** segment combines cross-country development activities and includes the project development of new residential buildings. The consolidation of our development activities in Germany, Austria and Sweden to form one single reporting segment is based on the similarities that we see in the business in these three countries. The business covers the value chain starting with the purchase of land without any development plan/dedicated purpose and ending with the completion and sale of new buildings and new construction measures on our own properties. These properties are either incorporated into our own portfolio or sold to third parties.

Planning and controlling systems ensure that resources are efficiently allocated and their successful use is monitored on a regular basis. Reporting to the chief decision-makers and thus the assessment of economic performance as well as the allocation of resources are performed on the basis of this segmentation. Asset and liability items are not reported separately by segment. Internal reporting is based on the IFRS reporting standards in general.

The Management Board as chief decision-makers of Vonovia monitor the contribution made by the segments to the company's performance on the basis of the Adjusted EBITDA.

Adjusted EBITDA Total is the result before interest, taxes, depreciation and amortization (including income from other operational investments and intragroup profits/losses) adjusted for effects that do not relate to the period, recur irregularly and that are atypical for business operations, and for net income from fair value adjustments to investment properties.

Non-recurring items include the development of new fields of business and business processes, acquisition projects, expenses for refinancing and equity increases (where not treated as capital procurement costs) as well as expenses for pre-retirement part-time work arrangements and severance payments.

The Adjusted EBITDA Total is derived from the sum of the Adjusted EBITDA Rental, Adjusted EBITDA Value-add, Adjusted EBITDA Recurring Sales and Adjusted EBITDA Development.

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

in € million	Rental	Value-add	Recurring Sales	Develop-ment	Segments total	Other*	Consolida-tion*	Group
Jan. 1 – Dec. 31, 2024								
Segment revenue (continuing operations)	3,323.5	1,359.4	441.3	896.7	6,020.9	2,211.4	-1,151.8	7,080.5
thereof external revenue	3,323.5	179.6	441.3	896.7	4,841.1	2,211.4	28.0	7,080.5
thereof internal revenue		1,179.8			1,179.8		-1,179.8	-
Carrying amount of assets sold			-383.7	-27.8	-411.5	-652.3		
Revaluation from disposal of assets held for sale			23.9		23.9	4.9		
Expenses for maintenance	-470.5				-470.5			
Cost of Development to sell				-813.8	-813.8			
Operating expenses	-467.3	-1,191.0	-23.9	-41.7	-1,723.9	-88.7	1,148.0	
Ancillary costs						-1,481.9		
Adjusted EBITDA total (continuing operations)	**2,385.7**	**168.4**	**57.6**	**13.4**	**2,625.1**	**-6.6**	**-3.8**	**2,614.7**
Non-recurring items								-241.8
Period adjustments from assets held for sale								14.0
Income from investments in other real estate companies/other								5.9
Net income from fair value adjustments of investment properties								-1,559.0
Depreciation and amortization (reduced by reversals in previous years)								-460.1
Net income from investments accounted for using the equity method								-53.8
Income from other investments								-32.2
Interest income								87.9
Interest expenses								-908.6
Other financial result								-70.4
Earnings before tax (EBT)								**-603.4**
Income taxes								-385.6
Profit from continuing operations								**-989.0**
Profit from discontinued operations								26.7
Profit for the period								**-962.3**

* 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	Develop-ment	Segments total	Other*	Consolida-tion*	Group
Jan. 1 – Dec. 31, 2023								
Segment revenue (continuing operations)	3,253.4	1,224.7	319.3	353.7	5,151.1	2,001.0	-1,055.9	6,096.2
thereof external revenue	3,253.4	130.9	319.3	353.7	4,057.3	2,001.0	37.9	6,096.2
thereof internal revenue		1,093.8			1,093.8		-1,093.8	–
Carrying amount of assets sold**			-258.9		-258.9	-552.8		
Revaluation from disposal of assets held for sale			19.5		19.5	5.2		
Expenses for maintenance	-426.2				-426.2			
Cost of Development to sell				-300.9	-300.9			
Operating expenses	-425.5	-1,119.2	-16.5	-39.6	-1,600.8	-80.1	1,073.6	
Ancillary costs						-1,385.5		
Adjusted EBITDA total (continuing operations)	**2,401.7**	**105.5**	**63.4**	**13.2**	**2,583.8**	**-12.2**	**17.7**	**2,589.3**
Non-recurring items								-147.9
Period adjustments from assets held for sale								-6.3
Income from investments in other real estate companies/other								5.8
Net income from fair value adjustments of investment properties								-10,651.2
Depreciation and amortization (reduced by reversals in previous years)								-444.4
Net income from investments accounted for using the equity method								-75.7
Income from other investments								-22.1
Interest income								227.8
Interest expenses								-810.2
Other financial result								149.7
Earnings before tax (EBT)								**-9,185.2**
Income taxes								2,577.1
Profit from continuing operations								**-6,608.1**
Profit from discontinued operations								-148.1
Profit for the period								**-6,756.2**

* 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.

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

The expenses for maintenance include the cost of materials relevant to management of the Rental segment and the expenses charged for maintenance work performed by in-house craftsmen. Operating expenses largely include personnel expenses, the cost of purchased goods and services, non-staff administrative expenses and the cost of materials. Capitalized internal expenses have the opposite effect. To show the development of operating performance and to ensure comparability with previous periods, we calculate adjusted EBITDA for each of our segments: Rental, Value-add, Recurring Sales and Development. The sum of these key figures produces the Adjusted EBITDA Total (continuing operations).

The adjustments made include items that are not related to the period, items that recur irregularly and items that are atypical for business operation. The non-recurring items include the expenses for pre-retirement part-time work arrangements and severance payments, the development of new fields of business and business processes, acquisition projects including integration costs, research and development and expenses for refinancing and equity increases (where not treated as capital procurement costs).

In the 2024 fiscal year, the **non-recurring items** eliminated in the Adjusted EBITDA Total (continuing operations) came to € 241.8 million (2023: € 147.9 million). The following table gives a detailed list of the non-recurring items:

in € million	Jan. 1 – Dec. 31, 2023	Jan. 1 – Dec. 31, 2024
Transactions*	70.0	33.9
Personnel matters	35.1	170.9
Business model optimization	34.9	29.7
Research & development	6.8	5.9
Refinancing and equity measures	1.1	1.4
Total non-recurring items	**147.9**	**241.8**

* 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 scenarios within 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.

The breakdown of non-Group revenue from contracts with customers (pursuant to IFRS 15.114f.) and its allocation to the segments referred to above is as follows:

in € million	Rental	Value-add	Recurring Sales	Development	Other	Total
Jan. 1 – Dec. 31, 2024						
Revenue from ancillary costs (IFRS 15)					1,284.0	1,284.0
Revenue from the disposal of real estate inventories			–	851.8	–	851.8
Other revenue from contracts with customers	26.1	118.5		0.8		145.4
Revenue from contracts with customers	**26.1**	**118.5**	**–**	**852.6**	**1,284.0**	**2,281.2**
thereof period-related				157.8		157.8
thereof time-related	26.1	118.5	–	694.8	1,284.0	2,123.4
Revenue from rental income (IFRS 16)	3,323.5	0.8		7.3		3,331.6
Revenue from letting cable networks (IFRS 16)		61.4				61.4
Revenue from ancillary costs (IFRS 16)*					264.9	264.9
Other revenue	**3,323.5**	**62.2**	**–**	**7.3**	**264.9**	**3,657.9**
Revenue	**3,349.6**	**180.7**	**–**	**859.9**	**1,548.9**	**5,939.1**
Jan. 1 – Dec. 31, 2023						
Revenue from ancillary costs (IFRS 15)					1,169.3	1,169.3
Revenue from the disposal of real estate inventories			4.5	348.6	0.9	354.0
Other revenue from contracts with customers	37.3	129.5		0.8		167.6
Revenue from contracts with customers	**37.3**	**129.5**	**4.5**	**349.4**	**1,170.2**	**1,690.9**
thereof period-related				206.5		206.5
thereof time-related	37.3	129.5	4.5	142.9	1,170.2	1,484.4
Revenue from rental income (IFRS 16)	3,253.4	1.1		5.1		3,259.6
Revenue from letting cable networks (IFRS 16)		–				–
Revenue from ancillary costs (IFRS 16)**					278.0	278.0
Other revenue	**3,253.4**	**1.1**	**–**	**5.1**	**278.0**	**3,537.6**
Revenue	**3,290.7**	**130.6**	**4.5**	**354.5**	**1,448.2**	**5,228.5**

* Includes land tax and buildings insurance.

External revenue 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 – Dec. 31, 2023	Jan. 1 – Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024
Germany	4,643.6	5,324.1	73,702.5	71,168.7
Austria	236.6	247.2	3,148.9	3,034.1
Sweden	348.3	367.8	6,569.3	6,575.5
Total	**5,228.5**	**5,939.1**	**83,420.7**	**80,778.3**

23 Earnings per Share

Accounting Policies

The basic **earnings per share** are calculated by dividing the profit for the period attributable to the shareholders by the weighted average number of ordinary shares in circulation during the reporting period. The diluted earnings per share are obtained by adjusting the profit for the period and the number of outstanding shares on the basis of the assumption that convertible instruments will be converted, options or warrants will be exercised or ordinary shares will be issued under certain conditions. Potential ordinary shares will only be included in the calculation if the conversion into ordinary shares would reduce the earnings per share.

in € million	2023	2024
Profit for the period attributable to Vonovia's shareholders (in € million)	-6,285.1	-896.0
Weighted average number of shares	806,251,614	819,354,465
Earnings per share (basic and diluted) in €	**-7.80**	**-1.09**

At the end of the reporting period, no diluting financial instruments were in circulation. The basic earnings per share correspond to the diluted earnings per share.

24 Management Board's Proposal for the Appropriation of Profit

The Management Board and the Supervisory Board propose to the Annual General Meeting that, of the profit of Vonovia SE for the 2024 fiscal year of 1,100,000,000.00, an amount of € 1,003,880,568.50 on the 822,852,925 shares of the share capital as of December 31, 2024 (corresponding to € 1.22 per share) be paid as a dividend to the shareholders, and that the remaining amount of € 96,119,431.50 be carried forward to the new account or be used for other dividends on shares carrying dividend rights at the time of the Annual General Meeting and which go beyond those as of December 31, 2024.

Section (D): Assets

25 Intangible Assets

in € million	Concessions, industrial property rights, license and similar rights	Self-developed software	Customer relationships and non-competition clause	Trademark rights	Goodwill	Total
Cost						
As of Jan. 1, 2024	135.8	15.1	11.2	66.6	9,307.6	9,536.3
Additions	9.7	3.3				13.0
Disposals	-20.6					-20.6
As of Dec. 31, 2024	124.9	18.4	11.2	66.6	9,307.6	9,528.7
Accumulated amortization						
As of Jan. 1, 2024	109.1	10.1	10.9	66.6	7,915.9	8,112.6
Amortization in reporting year	9.6	2.7	0.2			12.5
Disposals	-20.8					-20.8
As of Dec. 31, 2024	97.9	12.8	11.1	66.6	7,915.9	8,104.3
Carrying amounts						
As of Dec. 31, 2024	27.0	5.6	0.1	–	1,391.7	1,424.4
Cost						
As of Jan. 1, 2023	138.1	10.9	54.4	152.6	9,304.3	9,660.3
Additions	10.4	4.2				14.6
Disposals	-5.6					-5.6
Changes in value from currency translation					3.3	3.3
Transfers	-1.9		-0.8			-2.7
Transfer into discontinued operations	-5.2		-42.4	-86.0		-133.6
As of Dec. 31, 2023	135.8	15.1	11.2	66.6	9,307.6	9,536.3
Accumulated amortization						
As of Jan. 1, 2023	107.6	7.7	25.1	86.0	7,774.4	8,000.8
Amortization in reporting year	13.5	2.4	0.1	66.6		82.6
Amortization in reporting year for discontinued operations	0.3		6.5			6.8
Impairment					138.2	138.2
Disposals	-5.4					-5.4
Changes in value from currency translation					3.3	3.3
Transfers	-2.7					-2.7
Transfer into discontinued operations	-4.2		-20.8	-86.0		-111.0
As of Dec. 31, 2023	109.1	10.1	10.9	66.6	7,915.9	8,112.6
Carrying amounts						
As of Dec. 31, 2023	26.7	5.0	0.3	–	1,391.7	1,423.7

Accounting Policies

Acquired other intangible assets are stated at amortized cost. **Internally generated other intangible assets** are stated at amortized cost provided that the requirements of IAS 38 for the capitalization of internally generated intangible assets are met. Acquired trademark rights that are identified have an indefinite useful life and are subject to regular impairment testing. All of Vonovia's miscellaneous other intangible assets have definite useful lives and are amortized on a straight-line basis over their estimated useful lives. Software and licenses are amortized on the basis of a useful life of three years.

In accordance with IAS 36 "Impairment of Assets," other intangible assets are tested for impairment whenever there is an indication of an impairment. Impairment testing is performed at least once a year. An impairment loss is recognized when an asset's recoverable amount is less than its carrying amount. If the recoverable amount cannot be determined for the individual asset, the impairment test is conducted on the cash generating unit (CGU) to which the asset belongs. Impairment losses are recognized as expenses in the income statement affecting net income.

An impairment loss recognized for prior periods is reversed if there has been a change in the estimates used to determine the asset's (or the CGU's) recoverable amount since the last impairment loss was recognized. The carrying amount of the asset (or the CGU) is increased to the newly estimated recoverable amount. The carrying amount is limited to the amount that would have been determined if no impairment loss had been recognized in prior years for the asset (or the CGU).

Customer Relationships and Similar Values

Customer relationships for activities in the Care segment with definite useful lives of between five and six years were allocated to the assets of the discontinued operations.

Goodwill

Accounting Policies

Goodwill results from a business combination and is defined as the amount by which the total consideration for shares in a company or group of companies exceeds the pro rata net assets acquired. The net assets are the total of the identifiable assets acquired that are valued at fair value in accordance with IFRS 3 as well as the assumed liabilities and contingent liabilities.

Goodwill is not subject to amortization, but rather is subjected to impairment testing on an annual basis. It is also tested for impairment whenever events or circumstances indicating an impairment arise.

The impairment testing of goodwill is performed at the level of cash generating units (CGUs) or a group of CGUs. A CGU is the smallest group of assets which generates cash inflows that are largely independent of the cash inflows generated by other assets or other groups of assets. Goodwill purchased as part of a business combination is allocated to the CGUs or groups of CGUs that are expected to produce benefits resulting from the synergy effects of the combination.

At Vonovia, each property meets the requirements for classification as a CGU as a general rule. As part of operational management, these properties are grouped first of all to form geographically structured business units and then to form regional business areas. Since the regional business areas are the lowest level within the company at which goodwill is monitored for internal management purposes, the impairment test is performed at business area level and, as a result, in accordance with IAS 36.80 for a group of CGUs. The acquired assets are allocated to the business areas based on the geographical location of the properties. A group of CGUs for which goodwill is monitored for internal management purposes relates to the Value-add Business segment.

The group of CGUs to which goodwill has been allocated are tested for impairment on a regular basis. This involves comparing the recoverable amount with the carrying amount of the group of CGUs. The recoverable amount of the group of CGUs is either its value in use or fair value less costs of sale, whichever is higher. When calculating the value in use, the estimated future cash flows are discounted to their cash value. Discount rates before tax are used that reflect the current market assessment of the interest rate effect and the specific risks associated with the regional business areas and the Value-add segment.

If goodwill has been allocated to a group of CGUs and its carrying amount exceeds the recoverable amount, the goodwill is to be written down in the amount of the difference in the first instance. Any need for impairment in excess of this amount is distributed among the other assets in the group of CGUs in proportion to their carrying amount. The individual fair value less costs to sell, value in use or zero must not be undercut in this regard.

Impairment losses that have been realized as part of the valuation of goodwill are not reversed in the following years.

The carrying amount of goodwill came to € 1,391.7 million as of December 31, 2024. There was no change in goodwill, all of which relates to the Value-add segment, as against December 31, 2023. A (regular) impairment test was performed in the fourth quarter of 2024.

For the purposes of the regular annual impairment test on goodwill as of December 31, 2024, the five-year plan for the Value-add segment for the fiscal years from 2025 to 2029 was taken as a basis. This also forms part of the five-year plan for the Group as a whole as approved by the Management Board and acknowledged by the Supervisory Board. The plan is based on assessments regarding the development of the operating business areas in terms of future revenue, expenses and margins, and taking current market developments into account.

The value of the goodwill for the Value-add group of CGUs was ultimately confirmed by the impairment test. The impairment test is performed by comparing the carrying amount of the Value-add CGU against its value in use. Developments in the Value-add segment are characterized primarily by the extension of existing business areas (craftsmen's organization, multimedia, management of residential property, smart metering, energy service, etc.). On the other hand, there is an increase in operating expenses, taking into account the rate of inflation. The development in these values is in line with past experiences of business model development.

The cash flows based on the average for the extended planning period, i.e., planning years six to ten, were derived to calculate the perpetual annuity.

A constant growth rate of 1.5% (December 31, 2023: 1.0%) was assumed for the Value-add group of CGUs.

The weighted average cost of capital before tax is based on the risk-free interest rate calculated as a three-month average using the Svensson method, a market risk premium and a levered beta. The levered beta and the equity ratios used are determined on the basis of a peer comparison. The main parameters are shown in the following table:

Parameters for WACC Calculation for the Value-add Segment

	Dec. 31, 2023	Dec. 31, 2024
Risk-free interest rate in %	2.75	2.50
Market risk premium in %	7.00	6.75
Levered beta	0.73	0.78
WACC (before tax) in %	7.12	6.62

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

	Value-add segment
Goodwill as of Dec. 31, 2024 in € million	1,391.7
Headroom in € million	2,418.8
Impairment starts with an increase of the WACC in percentage points	3.85
Full impairment in the event of an increase in the WACC in %	23.62
Goodwill as of Dec. 31, 2023 in € million	1,391.7
Headroom in € million	101.6
Impairment starts with an increase of the WACC in percentage points	0.18
Full impairment in the event of an increase in the WACC in %	8.51

In the event of a drop in the planned sustainable rate of increase by 0.5 percentage points, there would be no impairment losses in the Value-add segment.

In the previous year, a drop of 0.5 percentage points in the planned sustainable growth rate would have resulted in impairment losses of € 115.9 million in the Value-add segment.

26 Property, Plant and Equipment

in € million	Owner-occupied properties	Technical equipment, plant and machinery	Other equipment, fixtures, furniture and office equipment	Construction in progress – Property, plant and equipment	Total
Cost					
As of Jan. 1, 2024	273.5	188.9	575.9	17.5	1,055.8
Additions	0.9	12.1	84.5	87.3	184.8
Capitalized modernization costs	2.1	–	–	6.6	8.7
Disposals	-2.1	-33.4	-52.3	–	-87.8
Transfer from investment properties	22.3	–	–	–	22.3
Transfer to investment properties	-17.1	–	–	–	-17.1
Transfer from down payments made	–	6.6	–	–	6.6
Other transfers	–	22.8	2.9	-19.3	6.4
Revaluation from currency effects	–	0.1	-0.4	–	-0.3
As of Dec. 31, 2024	279.6	197.1	610.6	92.1	1,179.4
Accumulated depreciation					
As of Jan. 1, 2024	36.0	81.8	282.9	–	400.7
Depreciation in reporting year	3.9	16.5	79.8	–	100.2
Impairment	5.6	0.2	0.3	–	6.1
Reversal of impairments	-1.6	–	–	–	-1.6
Disposals	-2.0	-29.7	-43.2	–	-74.9
Other transfers	-0.1	4.1	1.2	–	5.2
Revaluation from currency effects	–	0.1	-0.2	–	-0.1
As of Dec. 31, 2024	41.8	73.0	320.8	–	435.6
Carrying amounts					
As of Dec. 31, 2024	237.8	124.1	289.8	92.1	743.8
Cost					
As of Jan. 1, 2023	283.8	171.1	573.2	–	1,028.1
Additions	1.9	7.3	90.9	17.5	117.6
Capitalized modernization costs	1.6	19.7	0.4	–	21.7
Disposals	-10.4	-3.3	-49.4	–	-63.1
Transfer from investment properties	45.1	0.8	–	–	45.9
Transfer to investment properties	-48.5	–	–	–	-48.5
Other transfers	–	3.2	2.3	–	5.5
Transfer into discontinued operations	0.0	-9.9	-41.5	–	-51.4
As of Dec. 31, 2023	273.5	188.9	575.9	17.5	1,055.8
Accumulated depreciation					
As of Jan. 1, 2023	27.3	66.7	260.7	–	354.7
Depreciation in reporting year for continuing operations	4.4	14.9	75.0	–	94.3
Depreciation in reporting year for discontinued operations	0.0	0.8	1.7	–	2.5
Impairment	10.2	–	–	–	10.2
Reversal of impairments	-0.2	–	–	–	-0.2
Disposals	-5.7	-1.2	-32.2	–	-39.1
Other transfers	–	4.6	-3.8	–	0.8
Transfer into discontinued operations	0.0	-4.0	-18.5	–	-22.5
As of Dec. 31, 2023	36.0	81.8	282.9	–	400.7
Carrying amounts					
As of Dec. 31, 2023	237.5	107.1	293.0	17.5	655.1

Accounting Policies

Items of property, plant and equipment are carried at amortized cost less accumulated depreciation and are depreciated over their respective estimated useful lives on a straight-line basis. In accordance with IAS 36 "Impairment of Assets," impairment tests are performed whenever there is an indication of an impairment.

Subsequent costs of replacing part of an item of property, plant and equipment are capitalized provided it is probable that future economic benefits associated with the item will flow to Vonovia and the cost can be estimated reliably.

The properties used by the company itself are subject to depreciation over a term of 50 years, with fixtures, furniture and office equipment subject to depreciation over a period of 3–13 years and technical equipment, plant and machinery over a period of 5–20 years.

The assets under construction - property, plant and equipment relate to photovoltaic facilities that have been assembled but are not yet ready for operation, or have not yet been connected to the electricity grid, and are now reported separately.

Carrying amounts of owner-occupied properties amounting to € 98.0 million as of December 31, 2024 (December 31, 2023: € 92.0 million) are encumbered with land charges in favor of various lenders.

27 Investment Properties

in € million	
As of Jan. 1, 2024	**81,120.3**
Additions	233.1
Capitalized modernization costs	767.2
Grants received	-7.2
Transfer to property, plant and equipment	-22.3
Transfer from property, plant and equipment	17.1
Transfer from down payments made	197.8
Transfer from real estate inventories	10.2
Transfer to assets held for sale	-1,941.6
Disposals	-313.7
Net income from fair value adjustments of investment properties	-1,559.0
Impairment of investment properties measured at cost	-2.0
Reversal of impairments of investment properties measured at cost	7.4
Revaluation of assets held for sale	42.8
Revaluation from currency effects	-207.0
As of Dec. 31, 2024	**78,343.1**
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**

Accounting Policies

When Vonovia acquires properties, whether through a business combination or as part of a separate transaction, the intended use determines whether such properties are classified as investment properties or as owner-occupied properties.

Investment properties are properties that are held for the purpose of earning rental income or for capital appreciation or both and are not owner-occupied or held for sale in the ordinary course of business. Investment properties include undeveloped land, land and land rights including buildings and land with hereditary building rights of third parties. Investment properties also include right-of-use assets from rented, developed and undeveloped land (hereditary building rights) and from rented residential and commercial properties (interim leasing) within the meaning of IFRS 16 that are classified as investment properties.

Investment properties are initially measured at cost. Related transaction costs, such as fees for legal services or real estate transfer taxes, are included in the initial measurement. If properties are purchased as part of a business combination and if the transaction relates to a "business," then IFRS 3 applies as far as recognition is concerned. Transaction costs are recognized as an expense.

Following initial recognition, investment properties are measured at fair value. Any change therein is recognized as affecting net income in the income statement. If, during the land or project development phase, reliable measurement at fair value is not possible due to the lack of marketability and the lack of comparable transactions, recognition is at acquisition cost. In such cases, the cost model is continued until a reliable measurement can be carried out, but at the latest until the property in question is completed.

Investment properties are transferred to property, plant and equipment when there is a change in use evidenced by the commencement of owner-occupation. The properties' deemed cost for subsequent measurement corresponds to the fair value at the date of reclassification.

The values as of December 31, 2024 include assets under construction and pre-construction costs of € 426.0 million (December 31, 2023: € 304.1 million) that are measured at cost, as their fair value cannot be reliably calculated on a continuing basis. There were additions in the amount of € 80.8 million (2023: € 93.3 million) in the reporting year, disposals of € 12.3 million (2023: € 3.1 million) and reclassifications including changes in value due to currency translation of € 48.0 million (2023: € -280.9 million). There were also impairment losses recognized on these project developments in the amount of € 2.0 million (2023: € 68.4 million) and reversals of impairment losses of € 7.4 million (2023: € - million). The impairment losses were reported under depreciation and amortization losses, with the reversal of impairment losses being disclosed under Other operating income. In the previous years, there were fair value adjustments prior to reclassification in the amount of € -40.3 million.

The additions in the 2024 reporting year include € 224.5 million (2023: € 291.2 million) in production costs for new construction activities.

The total amount reported for investment properties as of December 31, 2024, includes right-of-use assets from recognized hereditary building rights and interim leasing arrangements in the amount of € 1,600.5 million (December 31, 2023: € 1,798.5 million). In this respect, we also refer to chapter → **[E42] Leases**.

The majority of € 1,600.0 million is attributable to right-of-use assets from hereditary building rights (December 31, 2023: € 1,798.0 million). This includes right-of-use assets amounting to € 115.4 million (December 31, 2023: € 124.1 million) relating to the Spree-Bellevue (Spree-Schlange) property in Berlin, which comprises the leasehold land and the rented properties. The properties have been leased from the fund company DB Immobilienfonds 11 Spree-Schlange von Quistorp KG until 2044. The lease agreement includes an obligation to pay compensation for loss of use as agreed by contract. At the end of 2028, each fund subscriber is entitled to return his share to the property fund at a fixed redemption price. If all of the fund investors make use of this option, Vonovia is obliged to acquire the properties at a fixed purchase price after deduction of borrowings. If more than 75% of the shares are returned in this way, Vonovia has a call option for the purchase of all fund shares.

For the investment properties encumbered with land charges in favor of various lenders, see chapter → **[E40] Non-derivative Financial Liabilities**.

Directly Attributable Operating Expenses

Rental income from investment properties amounted to € 3,331.5 million during the fiscal year (2023: € 3,259.6 million). Operating expenses directly relating to these properties amounted to € 546.8 million during the fiscal year (2023: € 395.3 million). These include expenses for maintenance, ancillary costs that cannot be passed on to the tenants, personnel expenses from the caretaker and craftsmen's organizations, and capitalized internal expenses from charges passed on from the internal craftsmen's organization. The capitalized internal expenses relate to the work performed by the Group's own craftsmen's organization and the management costs for major modernization projects.

Long-term Leases

Vonovia as a lessor has concluded long-term leases on commercial properties. These are non-cancelable leases. The minimum future lease receipts from these leases are due as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Total minimum lease payments	167.4	123.7
Due within the first year	49.0	28.4
Due within the second year	39.0	20.0
Due within the third year	28.0	15.3
Due within the fourth year	21.1	12.3
Due within the fifth year	16.5	10.1
Due after the fifth and the subsequent years	13.8	37.6

Fair Values

Accounting Policies

The **fair values** of the portfolio of residential properties were determined on the basis of the International Valuation Standard Committee's definition of market value. Portfolio premiums and discounts, which can be observed when portfolios are sold in market transactions, were not included. Nor were time restrictions in the marketing of individual properties. Vonovia determines fair value in accordance with the requirements of IAS 40 in conjunction with IFRS 13.

Vonovia, in principle, measures its portfolio 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 detailed period of ten years and discounted to the date of valuation as the net present value. Due to the particular market situation in Austria and in order to reflect the extensive Austrian rent restrictions, a sales scenario involving the recurring sales of apartments is assumed for a subportfolio. In order to present these sales in the correct accounting period, the detailed period for the Austrian DCF model has been extended to 100 years.

The cash inflows in the DCF model mainly comprise expected rental income (current net rent excl. ancillary costs current inclusive rent in Sweden, market rents as well as their development) taking vacancy losses and also sales revenues for an Austrian subportfolio into account. The expected rental income is derived for each location from the latest rent indices and rent tables (including Value AG, IVD, the Austrian Economic Chambers [WKÖ]) as well as from studies on spatial prosperity (Federal Institute for Research on Building, Urban Affairs and Spatial Development [BBSR], Prognos, Value AG, the Federal Statistical Office of Germany, the Austrian statistical office Statistik Austria, etc.). In Sweden, rents and rent increases are defined as part of negotiations with the Swedish tenants' association ("Hyresgästföreningen") and are reflected accordingly in the valuation model. The expected sales revenues in Austria are derived from historical sale prices as well as market data (e.g., WKÖ, EHL).

On the cash outflow side, maintenance expenses and administrative costs are taken into account. In Germany, these are taken into account in accordance with the II. Berechnungsverordnung. The II. Berechnungsverordnung (BV) is the German Regulation on Calculations for Residential Buildings in accordance with the Second Housing Construction Law, which stipulates how economic viability calculations for homes are to be performed. These cost approaches are also transferred to the Austrian market. Further cash outflows include, for example, ground rents, non-allocable ancillary costs, rent losses and, in Austria, selling costs. In the Swedish valuation model, further expenses to be borne by the owner are also taken into account in the DCF model due to the inclusive rents that are a special feature of this market. All cash outflows are adjusted for inflation in the reporting period. Modernization measures carried out in the housing stocks are factored in by decreasing the current maintenance expenses and adjusting market rents.

On this basis, the forecast cash flows are calculated on an annual basis 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. The discount rate applied reflects the market situation, location, type of property, special property features (e.g., hereditary building rights, rent restrictions), the yield expectations of a potential investor and the risk associated with the forecast future cash flows of the property. The present value calculated in this way is reconciled to the market value by deducting standard market transaction costs, such as real estate transfer taxes, agent and notary costs. As the detailed period in the Austrian DCF model has been extended to 100 years in order to present the sales scenarios in the correct accounting period, no terminal value is applied here.

The commercial properties in the portfolio are mainly small commercial units for the supply of the local residential environment. Different cost approaches are used to those for residential properties, and discount rates were adjusted to reflect the market specifics.

The valuation is, in principle, performed on the basis of homogeneous valuation units. These meet the criteria of economically cohesive and comparable land and buildings. They include:

> Geographical location (identity of the microlocation and geographical proximity)
> Comparable types of use, building class, construction year class and condition of property
> Same property features such as rent restrictions, hereditary building rights and full or part ownership

The Vonovia portfolio also contains project developments, existing areas with construction potential and land areas with inheritable building rights granted, as well as nursing care facilities. Project developments for subsequent management within its own portfolio are measured using the cost approach until the construction work is complete – subject to a review of the values applied if triggering events occur. Once the construction work is complete, measurement is at fair value using the DCF procedure described above. Existing areas with construction potential are valued using a comparable method on the basis of the local standard land value evaluated. Deductions are taken into account in particular for the readiness for construction and potential use as well as for likelihood of development and the development situation. Inheritable building rights granted are valued in the same way as the property portfolio using a DCF method. The input parameters here are the duration and amount of ground rent and the value of the land. The right-of-use assets from leasehold contracts are recognized at their fair value. The fair value of the leasehold contracts corresponds to the present value of the standard market leasehold fee payments up until the end of the term of the hereditary building right in question. These are calculated based on the current amount of the ground rent. In order to calculate the present value, the leasehold fee payments are discounted using a property-specific interest rate.

Vonovia determines the fair values of its real estate portfolio in Germany, Sweden and Austria in its in-house valuation department on the basis of the methodology described above.

In addition to the internal valuation, Vonovia's real estate portfolio was also valued by the independent property appraisers CBRE GmbH and Savills Sweden AB. The market value resulting from the external report was consistent with the internal valuation result.

The fair value for the nursing care properties was calculated by the independent expert W&P Immobilienberatung GmbH using a DCF method.

The contractually fixed remuneration for the valuation report is not linked to the valuation results.

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, contract 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, hereditary building rights granted and nursing care facilities was € 81,971.4 million as of December 31, 2024 (December 31, 2023: € 83,927.7 million). This corresponds to a net initial yield for the real estate portfolio of 3.0% (total portfolio including Sweden and Austria; December 31, 2023: 2.8%). For Germany, this results in an in-place rent multiplier of 24.1 for the portfolio (December 31, 2023: 25.1) and a fair value per m² of € 2,278 (December 31, 2023: € 2,297 per m²). The in-place rent multiplier and fair value for the Swedish portfolio come to 17.5 and € 2,094 per m² (December 31, 2023: 17.9 and € 2,088 per m²), with the figures for Austria coming to 21.4 and € 1,606 per m² (December 31, 2023: 22.5 and € 1,612 per m²). We report the net rents excluding ancillary expenses, as well as other key indicators relevant to the valuation of our portfolio in the Portfolio Structure section of the management report, broken down by regional market.

The material valuation parameters for the investment properties (Level 3) in the residential real estate portfolio are as follows as of December 31, 2024, broken down by regional markets:

	Valuation results*		
Regional market	Fair value (in € million)	thereof investment properties (in € million)	thereof other asset classes (in € million)
Dec. 31, 2024			
Berlin	23,446.4	22,577.3	869.1
Rhine Main Area	6,436.5	6,181.7	254.8
Southern Ruhr Area	5,096.0	5,080.6	15.4
Rhineland	5,001.7	4,981.7	20.0
Dresden	4,899.8	4,657.1	242.6
Hamburg	3,204.4	3,099.2	105.2
Hanover	2,799.7	2,796.2	3.5
Kiel	2,673.9	2,665.9	7.9
Munich	2,623.7	2,610.8	13.0
Stuttgart	2,215.7	2,212.2	3.5
Northern Ruhr Area	1,987.7	1,975.8	11.9
Leipzig	1,928.3	1,925.1	3.2
Bremen	1,399.6	1,382.8	16.7
Westphalia	1,106.1	1,104.6	1.5
Freiburg	730.3	727.4	3.0
Other strategic locations	3,270.5	3,259.5	11.0
Total strategic locations	**68,820.3**	**67,237.9**	**1,582.4**
Non-strategic locations**	610.8	581.4	29.4
Vonovia Germany	**69,431.1**	**67,819.3**	**1,611.9**
Vonovia Sweden***	6,418.2	6,418.2	0.0
Vonovia Austria***	2,671.4	2,632.9	38.5

* Fair value of the developed land excl. € 3,450.7 million for Development and nursing care properties (discontinued operations), undeveloped land, inheritable building rights granted and other; € 1,024.0 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 € 448.7 million.

** Fair Value including nursing care properties in the amount of € 287.2 million

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

Valuation parameters for investment properties (Level 3)						
Management costs residential (€/residential unit p. a.)	Maintenance costs total residential (€/m² p. a.)	Market rent residential (€/m² per month)	Market rent increase residential	Stabilized vacancy rate residential	Discount rate total	Capitalized interest rate total
322	17.28	9.19	2.3%	0.5%	5.1%	3.0%
347	16.77	10.70	2.2%	1.2%	5.3%	3.3%
342	14.97	8.06	1.9%	2.4%	5.0%	3.4%
343	16.42	9.42	2.1%	1.5%	5.3%	3.4%
309	16.43	7.40	2.0%	1.8%	5.1%	3.3%
332	16.46	9.68	2.1%	1.1%	5.1%	3.2%
331	16.36	8.43	2.0%	1.7%	5.3%	3.6%
334	17.30	8.93	2.1%	1.5%	5.7%	3.9%
333	16.97	13.72	2.3%	0.5%	5.3%	3.3%
349	17.35	10.22	2.1%	1.1%	5.3%	3.4%
343	15.50	7.15	1.7%	3.0%	5.4%	4.1%
326	17.13	7.49	2.0%	2.1%	5.0%	3.3%
339	15.40	7.95	2.0%	1.8%	5.2%	3.4%
339	15.29	8.32	2.1%	1.7%	5.6%	3.8%
346	17.27	9.69	2.1%	0.7%	5.0%	3.1%
339	16.49	8.41	2.0%	2.4%	5.4%	3.7%
331	**16.58**	**8.92**	**2.1%**	**1.4%**	**5.2%**	**3.3%**
362	17.86	8.60	2.0%	2.2%	6.1%	4.2%
332	**16.59**	**8.92**	**2.1%**	**1.4%**	**5.2%**	**3.3%**
386	13.34	10.49	2.1%	2.0%	6.2%	4.1%
n.a.	21.90	6.50	1.7%	2.4%	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.

The inflation rate applied to the valuation procedure comes to 2.0% (December 31, 2023: 2.0%). For the Austrian portfolio, a sales strategy with an average selling price of € 2,414 per m² (December 31, 2023: € 2,426 per m²) was assumed for 48.4% (December 31, 2023: 48.9%) of the portfolio.

Net income from the valuation of investment properties amounted to € -1,559.0 million in the 2024 fiscal year (December 31, 2023: € -10,651.2 million).

Sensitivity Analyses

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

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

Valuation parameters for investment properties (Level 3)

Management costs residential (€ per residential unit p. a.)	Maintenance costs total residential (€/m² p. a.)	Market rent residential (€/m² per month)	Market rent increase residential	Stabilized vacancy rate residential	Discount rate total	Capitalized interest rate total
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.

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

In addition, factors other than demand can have an impact on these parameters. Examples include changes in the portfolio, in seller and buyer behavior, political decisions and developments on the capital market. Due to the effect that changes in inflation will have on future rent increases in Sweden, it has been assumed, for the purposes of calculating sensitivities, that one-third of any change in inflation will spill over into rental growth.

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

	Change in value as a % under varying parameters		
	Management costs residential	Maintenance costs residential	Cost increase/inflation
Regional market	-10%/10%	-10%/10%	-0.5%/+0.5% points
Dec. 31, 2024			
Berlin	0.6/-0.6	1.9/-1.9	4.7/-4.8
Rhine Main Area	0.5/-0.5	1.5/-1.5	3.4/-3.5
Southern Ruhr Area	0.9/-0.9	2.4/-2.4	5.4/-5.4
Rhineland	0.6/-0.6	1.9/-1.9	4.1/-4.2
Dresden	0.8/-0.8	2.5/-2.5	5.5/-5.5
Hamburg	0.6/-0.6	1.8/-1.8	4.1/-4.3
Hanover	0.8/-0.8	2.2/-2.2	4.6/-4.7
Kiel	0.8/-0.8	2.2/-2.2	4.2/-4.4
Munich	0.4/-0.4	1.2/-1.2	3.1/-3.2
Stuttgart	0.6/-0.6	1.7/-1.7	3.6/-3.7
Northern Ruhr Area	1.1/-1.1	3.0/-3.0	5.6/-5.6
Leipzig	0.8/-0.8	2.6/-2.6	5.8/-5.9
Bremen	0.9/-0.9	2.4/-2.3	5.5/-5.4
Westphalia	0.8/-0.7	2.2/-2.2	4.5/-4.6
Freiburg	0.6/-0.6	1.9/-1.9	4.2/-4.3
Other strategic locations	0.8/-0.8	2.3/-2.3	4.5/-4.6
Total strategic locations	0.7/-0.7	2.0/-2.0	4.6/-4.7
Non-strategic locations	0.6/-0.7	2.1/-2.1	3.8/-3.9
Vonovia Germany	**0.7/-0.7**	**2.0/-2.0**	**4.6/-4.7**
Vonovia Sweden*	0.6/-0.6	1.5/-1.5	4.2/-4.4
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.

	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
	-2.4/2.3	-8.1/9.5	0.7/-1.8	9.5/-8.0
	-2.3/2.3	-6.8/7.8	1.1/-1.6	8.2/-7.0
	-2.7/2.6	-7.7/8.9	2.0/-2.1	8.3/-7.1
	-2.4/2.4	-7.1/8.2	1.7/-1.7	8.2/-7.1
	-2.6/2.6	-7.5/8.7	1.9/-1.9	8.4/-7.2
	-2.4/2.4	-7.4/8.6	1.2/-1.7	8.8/-7.5
	-2.5/2.5	-7.1/8.2	1.9/-1.9	7.9/-6.8
	-2.6/2.5	-6.6/7.4	1.9/-1.9	7.1/-6.3
	-2.1/2.1	-7.0/8.1	0.7/-1.5	8.9/-7.6
	-2.4/2.4	-6.8/7.8	1.4/-1.7	8.0/-6.9
	-2.8/2.8	-6.7/7.6	2.3/-2.3	6.6/-5.9
	-2.6/2.5	-7.8/9.0	2.0/-2.0	8.6/-7.4
	-2.5/2.5	-7.5/8.8	2.0/-2.0	8.3/-7.1
	-2.5/2.4	-6.7/7.7	1.8/-1.9	7.3/-6.4
	-2.4/2.4	-7.5/8.8	1.0/-1.7	8.9/-7.5
	-2.6/2.5	-6.8/7.8	1.8/-1.9	7.4/-6.5
	-2.4/2.4	**-7.5/8.6**	**1.3/-1.8**	**8.6/-7.3**
	-2.2/2.3	-5.9/6.8	1.7/-1.7	7.0/-6.2
	-2.4/2.4	**-7.5/8.6**	**1.3/-1.8**	**8.6/-7.3**
	-2.7/2.8	-7.4/8.6	0.6/-1.1	6.9/-6.1
	-0.4/0.4	-0.9/1.0	0.9/-0.9	4.0/-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.

Contractual Obligations

In connection with major acquisitions, Vonovia entered into contractual obligations or assumed such obligations indirectly via acquired companies, among other things in the form of Social Charters, which could limit its ability to freely sell parts of its portfolio, increase rents or terminate existing rent agreements for certain units and which, in the event of a breach, could give rise to substantial contractual penalties in some cases.

In many cases, in the event that all or part of a portfolio is transferred or individual residential units are sold, the aforementioned obligations are to be assumed by the buyers, who are in turn subject to the obligation to pass them on to any future buyers. After a certain period of time, the obligations often cease to apply either in full or in part.

All contractual obligations that have a material impact on the market value were taken into account accordingly in the valuation.

Under financing agreements, Vonovia may be subject to fundamental restrictions regarding mandatory investments for maintenance or improvements, or on the use of excess property disposal proceeds, such restrictions being particularly in the form of mandatory minimum capital repayments.

Although the non-current financial liabilities are subject to certain covenants, Vonovia is not subject to any restrictions regarding how it can use its investment properties.

Excess cash from property management is restricted to a certain extent.

	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

28 Financial Assets

in € million	Dec. 31, 2023 non-current	Dec. 31, 2023 current	Dec. 31, 2024 non-current	Dec. 31, 2024 current
Derivatives	906.2	4.5	781.6	6.5
Loans to associates and joint ventures	149.5	664.8	–	522.0
Other investments	317.3	–	267.2	–
Other non-current loans	21.6	18.1	5.8	–
Loans to other investments	38.0	–	49.7	–
Receivables from finance leases	13.4	2.3	66.0	11.1
Non-consolidated subsidiaries	4.4	–	4.4	–
Securities	5.9	318.1	6.4	327.2
	1,456.3	**1,007.8**	**1,181.1**	**866.8**

Accounting Policies

Financial assets are recognized in the balance sheet when Vonovia becomes a contracting party of the financial instrument. A financial asset is derecognized when the contractual rights to the cash flows from a financial asset expire, or the financial asset is transferred and Vonovia neither retains control nor retains material risks and rewards associated with ownership of the financial asset.

In accordance with IFRS 9, the **classification of financial assets** takes into account both the business model in which financial assets are held and the characteristics of the cash flows of the assets in question. These criteria determine whether the assets are measured at amortized cost using the effective interest method or at fair value.

With regard to the business model criterion, all financial investments at Vonovia are to be assigned to the “hold to collect” model pursuant to IFRS 9.4.1.2(a). Whenever financial investments are categorized as equity instruments, Vonovia has exercised the irrevocable option to state future changes to the fair value in other comprehensive income in equity. Gains and losses recognized in other comprehensive income are never reclassified from total equity to the income statement on their disposal.

The carrying amount of financial assets corresponds to maximum risk of loss as of the reporting date.

Due to the subsequent measurement of the call options that Vonovia received as part of the sale of two minority stakes in the Südewo portfolio in Baden-Württemberg and in the northern Germany portfolio, the balance sheet value fell by € 107.0 million to € 731.0 million as of December 31, 2024 (December 31, 2023: € 838.0 million). The adjustment as of December 31, 2024 reflects inputs and assumptions with regard to the business plans of the underlying portfolios, dividends already paid, a change in the WACC, the planned exercise date, and the weighting of the probabilities of various scenarios. In particular, updated assumptions regarding the probabilities of various scenarios, i.e., whether or not and when disproportionately high profit distribution will end, led to a reduction in the balance sheet value as of December 31, 2024. In a sensitivity analysis, the WACC was changed by +0.5%/-0.5% for the call options, which would result in a change in equity affecting net income of € -89.0 million/€ +108.0 million (December 31, 2023: € -97.0 million/€ +114.0 million).

In addition, positive market values from interest rate derivatives in the amount of € 50.6 million (December 31, 2023: € 68.2 million) were reported under non-current derivatives.

The loans to associates and joint ventures relate exclusively to loan receivables from the QUARTERBACK Immobilien-Group with a nominal value of € 836.1 million at the end of the year (December 31, 2023: € 834.4 million) that are recognized in the amount of € 476.8 million (December 31, 2023: € 814.3 million) after taking account of the expected credit loss. € 476.8 million (December 31, 2023: € 664.8 million) of these loans are classified as current and none (December 31, 2023: € 149.5 million) as non-current. The loans were granted in line with standard market conditions.

In the current fiscal year, new loans of € 55.0 million (previous year: € 534.3 million) were granted. By contrast, loans of € 90.1 million (previous year: € 534.3 million) were repaid.

In the reporting year, Vonovia concluded purchase agreements with QUARTERBACK Immobilien AG both for the acquisition of land to build on and for the selective acquisition of property management units. Loan receivables will be offset as a component of the purchase price in the context of these transactions when they are closed in the 2025 fiscal year. The receivables outstanding after the transactions were closed had to be reassessed, increasing the expected credit loss by € 276.7 million (2023: € - million). All in all, the impairment loss taking into account the expected credit loss from previous years comes to € 296.8 million.

Vonovia also assumes that the receivables of the QUARTERBACK property companies will not be recoverable in full. As a result, it recognized a corresponding impairment loss of € 43.2 million on these receivables (2023: € - million) in the 2024 fiscal year. The nominal amounts of the loans were also increased by € 15.8 million (December 31, 2023: € 21.4 million) at the end of the year due to the capitalization of interest claims.

As part of a review of the recoverability of the loan to QUARTERBACK New Energy Holding GmbH with a nominal value of € 90.0 million at the end of the year (December 31, 2023: € - million), an expected credit loss of € 45.0 million was recognized (2023: € - million).

Impairment losses were also recognized on loans to other investments in the amount of € 10.3 million (2023: € 12.0 million).

The other investments include shares in Vesteda in the amount of € 190.2 million (December 31, 2023: € 165.9 million). The increase is due to a change in the fair value of the shares that was reported without affecting net income in accordance with IFRS 9.

The loans to other investments not yet due largely relate to a loan to the property fund DB Immobilienfonds 11 Spree-Schlange von Quistorp KG.

Receivables from finance leases amounted to € 77.1 million as of the balance sheet date (December 31, 2023: € 15.7 million) and result from the leasing of broadband cable networks (coax networks).

With effect from July 1, 2024, Vonovia has leased additional coax networks in the long term. The resulting proceeds amounted to € 58.0 million in the reporting year. The interest cost of the receivables from leases resulted in interest income of € 1.2 million being realized (2023: € 0.7 million). € 5.9 million (2023: € 1.4 million) was also collected as part of a variable revenue-sharing arrangement.

The debt maturity profile of the receivables is as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Nominal value of outstanding lease payments	17.2	89.1
thereof due within one year	2.6	13.4
thereof due between 1 and 2 years	2.2	9.9
thereof due between 2 and 3 years	2.2	9.2
thereof due between 3 and 4 years	2.1	8.9
thereof due between 4 and 5 years	2.1	8.8
thereof due after more than 5 years	6.0	38.9
plus unguaranteed residual values	0.2	-
less unrealized financial income	-1.7	-12.0
Present value of outstanding lease payments	**15.7**	**77.1**

€ 334.0 million (December 31, 2023: € 323.9 million) of the securities are restricted with regard to their use.

29 Financial Assets Accounted for Using the Equity Method

As of the reporting date, Vonovia held interests in 17 joint ventures and 14 associates (December 31, 2023: 17 joint ventures and eleven associates).

Gropyus AG

The shares in Gropyus AG have been reclassified to financial assets accounted for using the equity method. This reclassification is also due to the fact that the shares have increased from 18.9% to 20.5% and to the fact that 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 in accordance with IFRS 9 prior to reclassification. The change in fair value was reported without affecting net income. As a result, the non-current equity investment was classified as of June 30, 2024, as a financial asset accounted for using the equity method at its carrying amount of € 82.7 million.

Share purchases and participation in a capital increase in the third quarter of 2024 mean that the stake in Gropyus AG has increased from 20.5% to 23.9%.

The at-equity adjustment of the investment in Gropyus AG has resulted in a positive result of € 1.1 million since Gropyus inclusion as a company accounted for using the equity method (2023: € - million). An ad hoc impairment test was performed on the interest in Gropyus AG as of December 31, 2024. No need for impairment arose.

The table below shows financial information for Gropyus AG as of December 31, 2024.

in € million	Jun. 30, 2024 Gropyus AG	Dec. 31, 2024 Gropyus AG
Non-current assets	68.8	77.7
Current assets		
Cash and cash equivalents	6.6	14.4
Other current assets	35.2	38.8
Total current assets	41.8	53.2
Non-current liabilities	7.9	7.9
Current liabilities	65.8	56.2
Equity (100%)	**36.8**	**66.8**
Group share in %	20.5%	23.9%
Group share of net assets	7.5	16.0
Group adjustments	75.2	94.8
Carrying amount of share in joint venture	**82.7**	**110.8**
Revenues	1.4	22.8
Interest income	0.3	0.6
Depreciation and amortization	-1.4	-2.5
Other operating expenses	-6.7	-37.3
Interest expenses	-0.8	-2.2
Total results and comprehensive income for the fiscal year (100%)	**-25.0**	**-49.8**

Mosaik Funds

In August 2024, Vonovia sold eleven development projects for € 489.0 million to a fund launched by HIH Invest, Projekt Mosaik GmbH & Co. KG. A transfer of six properties with a purchase price of € 302.2 million had been made by December 31, 2024. Further QUARTERBACK Immobilien AG project developments were also sold to the fund for € 141.7 million. The transfer of properties worth € 28.0 million had already been completed by December 31, 2024.

In October 2024, Vonovia sold a further ten additional development projects for around € 515.9 million to another fund launched by HIH Invest, Projekt Mosaik II GmbH & Co. KG. Properties worth € 69.6 million had been transferred by December 31, 2024 within this context.

Vonovia has a 49.2% stake in both funds. Interim profits from the disposal of real estate inventories in the amount of € 4.2 million were deducted from the consolidated results as part of the sale.

In the 2024 fiscal year, the funds contributed € 0.0 million to Vonovia's consolidated results.

The table below provides financial information for Projekt Mosaik GmbH & Co. KG and Projekt Mosaik II GmbH & Co. KG:

in € million	Dec. 31, 2024 Projekt Mosaik GmbH & Co. KG	Dec. 31, 2024 Projekt Mosaik II GmbH & Co. KG
Total current assets	404.9	79.8
Non-current liabilities	174.9	30.6
Current liabilities	10.2	1.8
Equity (100%)	**219.8**	**47.4**
Group share in %	49.2%	49.2%
Group share of net assets	108.1	23.3
Group adjustments	-4.5	0.4
Carrying amount of share in joint venture	**103.6**	**23.7**
Interest income	0.4	0.1
Other operating expenses	-0.1	-0.1
Interest expenses	0.0	0.0
Total results and comprehensive income for the fiscal year (100%)	**0.3**	**0.0**

QUARTERBACK Group

Vonovia also holds 40% of the non-listed QUARTERBACK Immobilien AG whose registered office is situated in Leipzig. QUARTERBACK Immobilien AG is a project developer with operations throughout Germany focusing on the central German region.

On July 6, 2024, the new energies business area previously managed within QUARTERBACK Immobilien AG was sold to the sister company QUARTERBACK New Energy Holding GmbH and removed from the group structure. In the future, the company will operate under the name QUARTERBACK New Energy Holding GmbH as an independent sister company of QUARTERBACK Immobilien AG.

Prior to this transaction, Vonovia had purchased 40% of the shares in QUARTERBACK New Energy Holding GmbH. which has its registered office in Leipzig, via its wholly-owned subsidiary Larry II Targetco GmbH, Berlin. This means that the stake in QUARTERBACK New Energy Holding GmbH matches that in QUARTERBACK Immobilien AG.

The value for the initial recognition of the stake in QUARTERBACK New Energy Holding GmbH is € 0.1 million. As part of the agreed shareholder loan for up to € 100.0 million, € 90.0 million had been paid out by December 31, 2024 and a further € 4.0 million was paid into the company as a capital contribution.

An expected credit loss of € 45.0 million was recognized as part of a review of the recoverability of the loan.

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 in the eleven non-listed financial investments of QUARTERBACK Immobilien AG and QUARTERBACK New Energy Holding was adjusted on the basis of the financial information as of December 31, 2024, that was available on the preparation cut-off date.

in € million	Dec. 31, 2023 QUARTER-BACK Immobilien AG	Dec. 31, 2024 QUARTER-BACK Immobilien AG	Sep. 30, 2024 QUARTER-BACK New Energy Holding GmbH	Dec. 31, 2024 QUARTERBACK New Energy Holding GmbH	Dec. 31, 2023 QUARTER-BACK-Objektge-sellschaften	Dec. 31, 2024 QUARTERBACK-Objektge-sellschaften
Non-current assets	752.3	235.1	61.7	70.0	235.0	20.8
Current assets						
Cash and cash equivalents	90.1	86.2	12.9	7.3	16.1	9.4
Other current assets	1,494.5	1,855.3	82.2	139.0	480.3	660.9
Total current assets	1,584.6	1,941.5	95.1	146.3	496.4	670.3
Non-current liabilities	595.7	371.1	74.2	69.7	139.1	102.5
Current liabilities	1,537.1	1,746.6	148.5	146.5	409.0	462.8
Non-controlling interests	39.5	36.0	-1.0	–	10.9	9.8
Equity	**164.6**	**22.9**	**-64.9**	**0.1**	**172.3**	**116.0**
Group share in %	40%	40%	40%	40%	44% to 50%	44% to 50%
Group share of net assets	65.8	9.2	-26.0	0.0	79.9	52.8
Group adjustments	-51.3	-9.2	26.1	0.0	7.7	4.1
Carrying amount of share in joint venture	**14.5**	**0.0**	**0.1**	**0.0**	**87.6**	**56.9**
Revenues	427.5	493.2	1.2	2.3	101.6	76.2
Change in inventories	94.5	-56.1	64.8	70.0	6.9	-9.2
Interest income	6.0	5.7	0.1	0.1	7.8	5.7
Depreciation and amortization	-6.1	-5.6	-0.2	-0.5	-0.2	-0.1
Interest expenses	-101.6	-121.1	-4.0	-8.2	-28.6	-32.5
Income taxes	37.9	4.5	-0.7	-1.1	6.6	5.1
Total results and comprehensive income for the fiscal year (100%)	**-147.4**	**-154.6**	**-2.8**	**-10.6**	**-58.6**	**-56.3**

The at-equity adjustment of the investments in the Quarterback Group described above produces a negative result of € -49.3 million as of December 31, 2024 (2023: € -73.2 million). The part of the loss for the reporting period that was not recognized comes to € 47.3 million (2023: € - million).

In the 2024 fiscal year, Vonovia concluded purchase agreements to acquire land to build on from the QUARTERBACK Immobilien Group. Within the same context, selective purchase agreements were also concluded to acquire property management units from QUARTERBACK Immobilien AG. The total volume of the purchase agreements concluded in 2024 comes to around € 1.3 billion. The transactions are scheduled to be closed in the first half of 2025.

Further transactions in order to acquire land to build on from the QUARTERBACK property companies are planned for the first half 2025. The total volume of the other planned purchase agreements comes to around € 0.2 billion.

The loan receivables from the QUARTERBACK Immobilien Group and the QUARTERBACK property companies 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 from the QUARTERBACK Immobilien Group following the closing of the transactions will not be recoverable. As a result, it has recognized a corresponding cumulative impairment loss of € 296.8 million on these receivables, with € 276.7 million recognized in the 2024 fiscal year.

Interest income collected in the 2024 fiscal year was also written off in full. The impairment loss recognized for this interest income is shown netted against the interest income.

Vonovia also assumes that receivables from the QUARTERBACK property companies will not be recoverable. As a result, it recognized a corresponding impairment loss of € 43.2 million on these receivables in the 2024 fiscal year.

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

Other investments accounted for using the equity method

In addition to these investments, Vonovia also holds interests in 15 (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	Dec. 31, 2024
Carrying amount of shares in companies accounted for using the equity method	55.8	49.3
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**	**-5.6**

With regard to the other 15 entities, Vonovia has no significant financial obligations or guarantees with respect to joint ventures and associates.

30 Other Assets

in € million	Dec. 31, 2023 non-current	Dec. 31, 2023 current	Dec. 31, 2024 non-current	Dec. 31, 2024 current
Advance payments for real estate projects	203.5	318.6	240.6	292.2
Receivables from insurance claims	1.5	63.2	1.7	101.6
Contract assets relating to development	–	70.1	–	88.1
Contract assets relating to ancillary cost bills	–	46.2	–	8.6
Right to reimbursement for transferred pensions	2.5	–	2.0	–
Miscellaneous other assets	14.2	162.2	22.7	184.0
	221.7	**660.3**	**267.0**	**674.5**

The advance payments made for real estate projects include ongoing project developments by third parties (forward deals) in which the purchase price is paid in installments during the project development phase.

The right to reimbursement for transferred pensions is in connection with the indirect obligation shown under provisions for pensions arising from pension entitlements transferred to former affiliated companies of the Viterra Group.

The receivables from insurance claims include the recognition of the excess of the fair value of plan assets over the corresponding pension obligations amounting to € 1.7 million (December 31, 2023: € 1.5 million).

The contract assets in the Development segment arising over time, pursuant to IFRS 15, due to the sale of real estate inventories are offset against the corresponding advance payments received.

The contract assets from ancillary costs comprise the excess, at single entity level, of ancillary cost payments made during the year and the payments made by tenants in advance before billing. The value in the 2023 fiscal year reflects the higher energy prices and the increase in other ancillary costs.

Miscellaneous other assets include the entitlement to the additional purchase price payment as part of the ongoing judicial review proceedings in connection with the control agreement concluded in 2014 between Deutsche Wohnen SE and GSW Immobilien AG in the amount of € 69.7 million (2023: € 67.8 million).

31 Income Tax Receivables

The income tax receivables disclosed relate to corporate income tax and trade tax receivables for the current fiscal year and prior years as well as capital gains tax.

32 Inventories

Accounting Policies

Inventories are valued at cost or at their net realizable value, whichever is lower. Carbon credits and green electricity certificates are recognized at cost and are subsequently tested for impairment as of the reporting date.

Inventories primarily include repair materials for our craftsmen's organization in the amount of € 11.5 million (December 31, 2023: € 9.1 million) and carbon credits that Vonovia Energie Service has to keep as part of its carbon emissions trading in the amount of € 1.6 million (December 31, 2023: € 7.6 million). In individual cases, the credits can also include smaller quantities of green electricity certificates that serve as evidence of a green electricity product.

33 Trade Receivables

The trade receivables break down as follows:

	Impaired		Not impaired						Carrying amount
				Overdue in the following time bands as of the reporting date					
in € million	Gross amount	Impairment losses	Neither impaired nor past due at the end of the reporting period	less than 30 days	between 30 and 90 days	between 91 and 180 days	between 181 and 360 days	more than 360 days	Corresponds to maximum risk of loss*
Receivables from the sale of investment properties	1.7	-1.0	102.3	29.6	5.1	0.7	2.1	1.1	141.6
Receivables from the sale of real estate inventories			302.4	8.3	7.9	1.7	1.0	2.3	323.6
Receivables from property letting	126.9	-55.4							71.5
Receivables from other supplies and services	27.1	-6.4	21.1	1.8	2.5	0.9	0.5	0.4	47.9
As of Dec. 31, 2024	**155.7**	**-62.8**	**425.8**	**39.7**	**15.5**	**3.3**	**3.6**	**3.8**	**584.6**
Receivables from the sale of investment properties	1.2	-1.2	309.0	15.0	1.1	1.2	–	1.0	327.3
Receivables from the sale of real estate inventories	–	–	117.6	0.1	0.5	0.6	1.3	1.4	121.5
Receivables from property letting	151.5	-52.5	–	–	–	–	–	–	99.0
Receivables from other supplies and services	25.3	-5.8	21.2	3.1	0.5	0.5	0.6	–	45.4
As of Dec. 31, 2023	**178.0**	**-59.5**	**447.8**	**18.2**	**2.1**	**2.3**	**1.9**	**2.4**	**593.2**

* 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.

Accounting Policies

Impairment losses on financial assets are determined based on the expected credit loss model. The guiding principle of the model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments, taking losses that are already expected into account.

The IFRS 9 approach includes the following measurement levels:

> Level 1: Twelve-month expected credit losses (ECLs), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
> Level 2: Lifetime ECLs (homogeneous debtor portfolios), which applies when a significant increase in credit risk has occurred on an individual or a collective basis of financial instruments.
> Level 3: Lifetime ECLs (based on an individual assessment): If an individual assessment of assets produces objective indications of a need for impairment, then an assessment of the entire maturity of the financial instrument is decisive.

The simplified impairment approach is used with regard to **trade receivables** (e.g., rent receivables, receivables from ancillary costs, receivables from the sale of properties) and for **contract assets** pursuant to IFRS 15. This means that there is no need to track the changes in credit risk. Instead, Vonovia has to set up loan loss provisions in the amount of the lifetime expected credit losses both at the time of initial recognition and on each following reporting date.

The carrying amounts of current trade receivables correspond to their fair values.

Receivables from the sale of properties arise on economic transfer of ownership. The due date of the receivable may, however, depend on the fulfillment of contractual obligations. Some purchase contracts provide for the purchase price to be deposited in an escrow account. Impairment losses for doubtful debts are recorded up to the amount of the posted proceeds from sales.

Vonovia's receivables from property letting generally arise at the beginning of the month, are of a short-term nature and result from claims in relation to tenants relating to operating business activities. Due to the (subsequent) measurement at amortized cost, an impairment test has to be performed. The receivables fall under the scope of the calculation of expected credit losses.

In accordance with the general provisions set out in IFRS 9, expected credit losses are to be recognized using the simplified approach for current trade receivables without any significant financing component.

Vonovia uses a credit loss matrix when calculating expected credit losses for trade receivables. The matrix is based on historical default rates and takes current expectations into account. The matrix can be used to calculate the expected credit losses for various homogeneous portfolios.

In order to create portfolios for the purpose of assessing the probability of default, the individual clusters of receivables need to have homogeneous credit risk characteristics. As far as receivables from its operating business activities are concerned, i.e., the letting of rental properties, Vonovia makes a distinction between receivables from existing tenants and receivables from former tenants. Both portfolios include current receivables that are exposed to a low level of volatility, as the company's core operating business is hardly exposed to any major fluctuations.

In principle, all impaired trade receivables are due and payable. As regards the trade receivables that are neither impaired nor past due, there was no indication on the reporting date that the debtors would not meet their payment obligations.

Impairment losses on trade receivables developed as follows:

in € million	
Impairment losses as of Jan. 1, 2024	59.5
Addition	33.8
Utilization	-29.4
Reversal	-0.9
Revaluation from currency effects	-0.2
Impairment losses as of Dec. 31, 2024	**62.8**
Impairment losses as of Jan. 1, 2023	61.3
Addition	17.0
Utilization	-17.3
Reversal	-1.5
Impairment losses as of Dec. 31, 2023	**59.5**

Calculation Method for Receivables from Former Tenants

The calculation of the probability of default is based on the results of an analysis of the historical probability of default. Cash flows relating to outstanding receivables were analyzed and an average amount of incoming payments was calculated on a monthly basis. Ultimately, Vonovia has been able to collect approx. 5% of the average receivables over the last few years. The risk provisions recognized on receivables from former tenants therefore correspond to 95%.

The loss given default comprises the following:

The receivables of former tenants that are being analyzed (amount of the receivable at the time of default) are corrected to reflect retained deposits that serve as security for Vonovia. This is already taken into account as part of the calculation method used for the probability of default.

The average receivables taken as a basis do not include receivables subject to specific valuation allowances that were written off in full.

Receivables from Existing Tenants

When it comes to determining the probability of default with regard to receivables associated with ongoing lease agreements, Vonovia analyzes those receivables that have actually been derecognized over the last few years.

Receivables are managed adopting a systematic approach that takes the following aspects into account: receivables from ancillary expenses, product-related factors, rent adjustments and difficulties making payment.

Within the impairment losses on receivables from property letting, the risk provisions are generally taken into account as follows: For existing tenants, a risk provision corresponding to between 18% and 40% of the receivables, in a total amount of € 13.5 million (December 31, 2023: € 10.7 million), was set up depending on the term. In cases involving payment difficulties, the provision corresponded to between 40% and 95% of the receivables and amounted to € 8.9 million in total (December 31, 2023: € 9.7 million). The risk provisions for former tenants correspond to 95% of the receivables and amount to € 33.0 million in total (December 31, 2023: € 32.1 million).

For contracts with customers who are assigned to Vonovia's development business, the payment terms pursuant to Section 3 (2) of the Real Estate Agent and Commercial Contractor Regulation (MaBV) generally apply in Germany. Customers also have a contractual obligation to present a financing commitment issued by a credit institution for the entire purchase price. Otherwise, Vonovia is entitled to withdraw from the agreement. In Austria, the installment plan pursuant to Section 10 (2) of the Austrian Property Development Contract Act (BTVG) is normally applied, with customers obliged to pay the entire purchase price into an escrow account. Due to the structure of the standard payment terms in the development business, no separate impairment losses are taken into account on corresponding receivables from customer contracts.

For example, receivables are derecognized if tenants die and have no heirs, if they move to an unknown location or move abroad, if execution is impossible for the court bailiff, in cases involving bankruptcy or if a settlement was reached.

The following table shows the expenses for the full derecognition of receivables as well as income from the receipt of derecognized receivables:

in € million	2023	2024
Expenses for the derecognition of receivables	8.2	6.6
Income from the receipt of derecognized receivables	6.5	10.9

34 Cash and Cash Equivalents

Accounting Policies

Cash and cash equivalents include cash on hand, checks and deposits at banking institutions as well as marketable securities with an original term of up to three months.

Cash and cash equivalents are measured using the general impairment approach in accordance with IFRS 9.

Cash and cash equivalents include cash on hand, checks and deposits at banking institutions totaling € 1,756.7 million (December 31, 2023: € 1,374.4 million).

€ 65.4 million (December 31, 2023: € 98.8 million) of the bank balances are restricted with regard to their use.

35 Real Estate Inventories

Accounting Policies

Properties from the sales-related development business and land and buildings intended for sale are reported within real estate inventories. The **sales-related development business** refers to subsidized or independently financed condominiums that are under construction or have already been completed. These properties are not held with the aim of generating rental income or achieving increases in value within the meaning of IAS 40, but rather are developed and constructed to be sold at a later date. These development projects are recognized depending on whether there is a customer contract for the residential units that are intended for sale. If this is not the case, the valuation is performed, due to the intention to sell according to IAS 2 at amortized cost or at net realizable value, whichever is lower, with a corresponding disclosure under real estate inventories.

As inventories are current assets, they are not subject to depreciation. IAS 36 is not applicable either, as the assets recognized in accordance with IAS 2 are explicitly excluded from its scope of application. Instead, the strict lower-of-cost-or-market principle applies, meaning that checks are to be performed at regular intervals, or in the event of corresponding indications, to determine whether the net realizable value has fallen below the amortized cost. Any impairment losses are recognized in other operating expenses due to the short-term nature of inventories.

Cost is calculated for each project development on the basis of an individual project cost estimate that includes the planned costs, and the actual costs incurred, at the level of the individual trades.

The net realizable values are determined on the basis of a sales estimate of the sale prices likely to be achieved per square meter. Undeveloped land is generally valued on the basis of standard land values using an indirect comparative value method.

Recognized real estate inventories in the amount of € 1,608.0 million (December 31, 2023: € 1,957.7 million) concern development projects. These are projects to construct residential units planned for sale that are currently being built or that have been completed but have not yet been sold.

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

Accounting Policies

Assets **held for sale** include those non-current assets that can, and are extremely likely to be, sold at standard conditions in their current state. A sale is deemed to be highly probable if there is a commitment to a plan to sell the asset, an active program to locate a buyer and complete the plan has been initiated, the asset is being actively marketed for sale at a reasonable price, and a sale is expected to be completed within one year of the date on which the asset is classified as held for sale. Investment properties held for sale are recognized at the contractually agreed sales price or, if this is not available, at the estimated sales price. If there is a disposal group, it is recognized at fair value less costs to sell, if the latter is lower than the net carrying amount of the disposal group.

This item not only includes individual non-current assets that are to be sold, but also groups of assets (disposal groups). Discontinued operations are reported separately as an item in their own right. In cases involving disposal groups and discontinued operations, all liabilities to be sold together with the corresponding assets as part of one and the same transaction are also reclassified to the items "Liabilities in connection with assets held for sale" or "Liabilities of discontinued operations."

Vonovia accounts for investment properties as **assets held for sale** when notarized purchase contracts have been signed or a declaration of intent to purchase has been signed by both parties as of the reporting date but transfer of title will, under the contract, not take place until the subsequent reporting period. Investment properties held for sale are recognized at the contractually agreed sales price. If there is a **disposal group**, it is recognized at fair value less costs to sell, if the latter is lower than the net carrying amount of the disposal group.

A **discontinued operation** refers to a scenario in which a separate major line of business or a geographical area of operations is classed as held for sale, or if a business activity is part of a single coordinated plan for such a sale. A line of business has to be distinct from the other activities for accounting purposes before it can be classified as a discontinued operation. The result is presented separately from the continuing operations in the consolidated income statement. The comparative year is restated as if the discontinued operation had been classified as such from the start of that year.

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 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 December 31, 2024. Cash and cash equivalents of € 8.2 million are included as part of the disposal group. The other assets are almost exclusively composed of investment properties in the Rental segment. Liabilities mainly comprise deferred tax liabilities.

Vonovia had successfully concluded a notarized sales contract for around 1,970 residential units and six commercial units in the Rental segment 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. Part of the portfolio had already been transferred as of the reporting date. Assets worth around € 213.0 million, for which the risks and rewards are expected to be transferred in the first half of 2025, are presented as assets held for sale in the balance sheet as of December 31, 2024.

The increase during the fiscal year is also due to other portfolios in the Rental segment where sales efforts have progressed to the point that a sale within one year can be expected. The purchase price estimates/offers to date are slightly higher than the carrying amounts recognized for the properties to be sold.

The sales during the year 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.

Assets and Liabilities Held for Sale of the Discontinued Operation

As of December 31, 2024, the assets and liabilities of the discontinued Care segment were as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Intangible assets	22.6	9.3
Property, plant and equipment	28.9	34.3
Investment properties	619.4	606.0
Other assets	40.3	4.0
Total non-current assets of discontinued operations	711.2	653.6
Inventories	0.9	0.5
Trade receivables	9.0	25.9
Other assets	2.0	5.9
Income tax receivables	2.6	0.5
Cash and cash equivalents	44.4	43.5
Total current assets of discontinued operations	58.9	76.3
Total assets of discontinued operations	**770.1**	**729.9**

The drop in non-current assets and liabilities of the discontinued operation is due to the sale of Care properties generating proceeds on disposal of € 87.7 million (2023: € - million) with a carrying amount of € 90.8 million (2023: € - million). This was offset primarily by capitalizable maintenance and modernization expenses within investment properties.

in € million	Dec. 31, 2023	Dec. 31, 2024
Provisions	30.7	32.4
Non-derivative financial liabilities	35.6	-
Lease liabilities	3.6	1.7
Deferred tax liabilities	23.2	5.0
Total non-current liabilities of discontinued operations	93.1	39.1
Provisions	1.0	13.3
Trade payables	11.2	6.4
Non-derivative financial liabilities	0.8	-
Lease liabilities	1.0	1.8
Current income taxes	11.4	0.3
Other liabilities	23.5	16.5
Total current liabilities of discontinued operations	48.9	38.3
Total liabilities of discontinued operations	**142.0**	**77.4**

The earnings contribution from discontinued operations is comprised as follows.

in € million	2023	2024
Revenue from property letting	0.6	–
Other revenue from property management	266.7	296.2
Revenue from property management	**267.3**	**296.2**
Income from disposal of properties	–	87.7
Carrying amount of properties sold	–	-90.8
Profit from the disposal of properties	**–**	**-3.1**
Net income from fair value adjustments of investment properties	-193.3	-8.2
Cost of materials	-55.4	-54.5
Personnel expenses	-164.3	-184.0
Depreciation and amortization	-53.9	–
Other operating income	27.3	17.6
Net income from the derecognition of financial assets measured at amortized cost	0.4	0.3
Other operating expenses	-20.7	-22.1
Interest income		0.2
Interest expenses	-1.2	-1.7
Earnings before tax	**-193.8**	**40.7**
Income taxes	45.7	-0.7
Profit for the period from discontinued operations (before valuation of discontinued operations)	**-148.1**	**40.0**
Valuation result from discontinued operations	–	-13.4
Profit for the period from discontinued operations	**-148.1**	**26.6**

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, the Management Board has eliminated the revenue generated from transactions with continuing operations in the result from continuing operations, as no services will be exchanged between the continuing operations and the discontinued operations after the sale.

In the fiscal year, in addition to the sale of three nursing care properties for which the transfer of title had already been completed in 2024, further sales contracts were signed for 40 nursing care properties and the “Katharinenhof” and “PFLEGEN & WOHNEN HAMBURG” nursing care businesses. The transactions for which the contracts have been signed include all assets and liabilities of the discontinued operations and are scheduled to result in a transfer of title in the first nine months of 2025.

Disclosures on Employees

As of December 31, 2024, Vonovia had 3,912 employees (December 31, 2023: 3,806) working in the business area belonging to the discontinued operations. 2,977 were female as of December 31, 2024 (December 31, 2023: 2,931) and 935 were male (December 31, 2023: 875). The average figure for the year was 3,881 employees (2023: 3,864). As of December 31, 2024, Vonovia had 417 apprentices (December 31, 2023: 385) working in the business area belonging to the discontinued operations.

Cumulative Income or Expenses Included in Other Comprehensive Income

A cumulative result from the measurement of actuarial gains and losses in connection with the disposal group in the amount of € -10.0 million taking into account deferred tax effects (December 31, 2023: € -12.8 million), and € -11.9 million excluding tax effects (December 31, 2023: € -15.2 million), is included in other comprehensive income.

€ -2.4 million (2023: € 1.1 million) of the gains and losses recognized in other comprehensive income during the period, or € -2.8 million (2023: € 0.9 million) excluding tax effects, are attributable to Vonovia's shareholders and € -0.3 million (2023: € 0.2 million), or € -0.4 million (2023: € 0.1 million) excluding tax effects, is attributable to non-controlling shareholders.

Earnings per Share

The earnings per share attributable to the profit for the period of the discontinued operations came to € 0.03 (2023: € -0.16) for the 2024 fiscal year.

Cash Flows From the Discontinued Operation

Key Data from the Statement of Cash Flows

in € million	2023	2024
Cash flow from operating activities	57.1	47.1
Cash flow from investing activities	-43.2	-46.4
Cash flow from financing activities	-11.1	-1.6
Net changes in cash and cash equivalents of discontinued operations	2.8	-0.9
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	**44.4**	**43.5**

Impairment Losses on the Discontinued Operations

Impairment Losses on the Discontinued Operations at the lower of its carrying amount and fair value less costs to sell produced impairment losses of € 13.4 million (tax effect: deferred tax income of € 3.0 million). The impairment losses relate to the impairment of the customer base within the disposal group.

Section (E): Capital Structure

37 Total Equity

Accounting Policies

Other comprehensive income includes changes in total comprehensive income not affecting net income except that resulting from capital transactions with equity holders (e.g., capital increases or dividend distributions). Vonovia includes under this item unrealized gains and losses from the fair value measurement of equity instruments and derivative financial instruments that are designated as cash flow hedges. The item also includes actuarial gains and losses from defined benefit pension commitments as well as certain currency translation differences.

The **other reserves** contain cumulative changes in equity not affecting income. At Vonovia, the effective portion of the net change in the fair value of cash flow hedging instruments, the equity instruments at fair value as well as currency translation differences are recognized in other comprehensive income.

The other reserves from cash flow hedges and from currency translation differences can be reclassified. When the underlying hedged item of the cash flow hedge affects net income, the reserves attributable thereto are reclassified to profit or loss. If a foreign business is disposed of, the reserves attributable thereto are reclassified.

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 Dec. 31, 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)	-392,495.74
Withdrawal from capital reserve	-448,604,706.73
Other changes not affecting net income	264,939.77
As of Dec. 31, 2024	**2,451,083,465.14**

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 5.1 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 December 31, 2024. Shareholder subscription rights for the 2022 authorized capital can be excluded.

Retained Earnings and Non-controlling Interests

As of December 31, 2024, retained earnings of € 21,149.1 million (December 31, 2023: € 22,505.1 million) were reported. This figure includes actuarial gains and losses of € 10.3 million (December 31, 2023: € -3.4 million), which cannot be reclassified and therefore may no longer be recognized in profit or loss in subsequent reporting periods.

Shares of third parties in Group companies are recognized under 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.

In the third quarter of 2024, transaction costs of € 30.3 million were recognized in retained earnings in connection with further planned structuring measures with the co-investor Apollo Capital Management L.P.

Due to ongoing structuring measures, retained earnings were reduced (without affecting net income) by € 70.4 million in 2024 in order to reflect current assessments regarding potential future payment obligations.

The allocation of guaranteed dividends reduced retained earnings, without affecting net income, by € 30.2 million (December 31, 2023: € 22.0 million) and non-controlling interests by € 8.9 million (December 31, 2023: € 4.3 million).

The combined subgroup financial information, prepared in accordance with Vonovia's accounting policies, for the Deutsche Wohnen Group as a major subsidiary with non-controlling interests and its registered headquarters in Berlin is as follows:

in € million	Dec. 31, 2023 Deutsche Wohnen Group	Dec. 31, 2024 Deutsche Wohnen Group
Revenue	1,410.0	1,574.6
Profit for the period	-2,526.8	550.3
attributable to non-controlling interests	-361.7	66.3
Other comprehensive income	-5.8	2.1
attributable to non-controlling interests	-0.8	-0.3
Total non-current assets	23,749.7	23,161.2
Total current assets	3,082.5	3,184.3
thereof cash and cash equivalents	157.1	388.6
Total non-current liabilities	12,987.6	11,438.0
Total current liabilities	419.2	2,042.1
Total equity	**13,425.4**	**12,865.4**
Cash flow from operating activities	384.8	725.5
Cash flow from investing activities	291.3	-77.8
Cash flow from financing activities	658.9	-417.1
Net changes in cash and cash equivalents of discontinued operations	44.4	-0.9
Net changes in cash and cash equivalents	17.2	230.6
Dividend per share in €	0.04	0.04

Other Reserves

Changes in other comprehensive income during the period in the amount of € -93.9 million (2023: € -120.3 million) are mainly the result of currency translation differences due to changes in the exchange rate for the Swedish krona against the euro, as well as the development of equity instruments at fair value in other comprehensive income and the cash flow hedges, with an offsetting effect.

38 Provisions

	Dec. 31, 2023		Dec. 31, 2024	
in € million	non-current	current	non-current	current
Provisions for pensions and similar obligations	512.4	–	499.8	–
Other provisions for taxes (excl. deferred taxes)	–	32.9	–	20.8
Other provisions				
Environmental remediation	14.4	–	13.6	–
Personnel obligations	45.4	17.0	43.9	79.9
Miscellaneous other provisions	34.7	153.0	27.2	239.9
Total other provisions	**94.5**	**170.0**	**84.7**	**319.8**
Total provisions	**606.9**	**202.9**	**584.5**	**340.6**

Provisions for Pensions and Similar Obligations

Accounting Policies

When valuing the **provisions for pensions**, the company pension obligations are determined using the projected unit credit method pursuant to IAS 19 "Employee Benefits," whereby current pensions and vested pension rights as of the reporting date as well as expected future increases in salaries and pensions, are included in the valuation. An actuarial valuation is performed at every reporting date.

The amount shown in the balance sheet is the total present value of the defined benefit obligations (DBO) after offsetting against the fair value of plan assets.

Actuarial gains and losses are accounted for in full in the period in which they occur and recognized in retained earnings as a component of other comprehensive income and not in profit or loss. The actuarial gains and losses are also no longer recognized affecting net income in subsequent periods.

Service cost is shown in personnel expenses. The service cost is the increase in the present value of a defined benefit obligation resulting from employee service in the reporting period.

The interest expense is recognized in the financial result. Interest expense is the increase during a period in the present value of a defined benefit obligation that generally arises due to the fact that the benefit obligation is one period closer to being discharged.

Reinsurance contracts that qualify as plan assets have been taken out to cover the pension obligations toward particular individuals. Where the value of those reinsurance contracts exceeds the related pension obligations, the excess is recognized as an asset and shown under other assets.

Obligations from joint defined benefit multi-employer plans at Versorgungsanstalt des Bundes und der Länder (VBL), a pension institution of the Federal Republic of Germany and the Federal States, are stated, in line with IAS 19.34, in the same way as obligations from defined contribution plans. The data and information required for recognition as defined benefit plans for accounting purposes are not available (in particular information on the individual vested rights and the plan assets assigned to the member company), meaning that the plan is treated as a defined contribution plan in line with IAS 19.34.

Vonovia has pension obligations towards various employees which are based on the length of service.

Vonovia pays contributions to state pension insurance providers under defined contribution pension systems based on statutory provisions. The current contribution payments are reported as social security contributions under personnel expenses in the amount of € 47.1 million (2023: € 52.1 million).

Defined benefit and defined contribution obligations – for which Vonovia guarantees a certain level of benefit – are financed through provisions for pensions. Vonovia has taken out reinsurance contracts for individual people. Generally, they are pension benefits that depend on the final salary with percentage increases depending on the number of years of service.

A new deferred compensation scheme was introduced and included in the pension valuation for the first time in the 2021 fiscal year. This resulted in a historic increase in vested rights when the scheme participants were taken into account for the first time. Pension commitments in the current fiscal year cover 6,941 (December 31, 2023: 6,524) vested rights.

The "BAV 2021" deferred compensation scheme applies as standard for all defined employee groups within the Vonovia Group in Germany (current number of participants: 1,535). In addition to deferred compensation, the employer subsidies (matching contributions) are also contributed to the employee retirement benefit plan. The matching contributions made in each case correspond to the amount of the deferred compensation contribution made, and are limited to 1% of the employee's monthly gross basic salary. Individuals can opt to use the allowance for capital formation purposes, and an annual deferred compensation amount corresponding to no more than 50% of the annual bonus (excluding the allowance paid by the employer) can also be contributed. The contributions are invested in two capital market funds and are credited to the staff account (employer and employee account) for retirement provision. The contributions made by the employees and Vonovia are transferred to a CTA and may only be used for the purposes of the employee retirement benefit plan. This gives employees double protection, even if Vonovia becomes insolvent, first via the pension insurance association that is required by law and second via the assets from the CTA. The capital is paid out as a lump-sum upon retirement.

An arrangement governing vested rights means that executives/non-tariff employees not subject to a collective pay-scale agreement working for companies belonging to Vonovia have the opportunity to participate in the "Pension Instead of Cash Remuneration" model (Versorgungsbezüge anstelle von Barbezügen) (eligible persons: 1,840 including employees who are no longer active). Retirement, invalidity and surviving dependent benefits in the form of a lifelong pension are offered under this deferred compensation model. The retirement benefits can also be paid out as a one-time capital sum.

Overview of the most important basic data for existing pension plans (all of which have already been closed):

	VO 1/VO 2 Veba Immobilien	VO 60/VO 91 Eisenbahnges.	Bochumer Verband
Type of benefit	Retirement, invalidity and surviving dependent benefits	Retirement, invalidity and surviving dependent benefits	Retirement, invalidity and surviving dependent benefits
Pensionable remuneration	Final salary	Final salary	Not applicable
Max. pension level	Yes	Yes	Depends on individual grouping
Total pension model based on final salary	Yes	No	No
Net benefit limit incl. state pension	None	Yes	None
Gross benefit limit	Yes	None	None
Adjustment of pensions	Section 16 (1, 2) BetrAVG	Section 16 (1, 2) BetrAVG	Adjustment every 3 years by Bochumer Verband (Management Board resolution)
Supplementary periods	Age of 55	Age of 55	Age of 55 (half)
Legal basis	Works agreement	Works agreement	Commitment to executives in individual contracts
Number of eligible persons	312	608	320

	VO 1991/VO 2002 Gagfah	VO guideline Gagfah M	VO 2017 VBL-Ersatzversorgung
Type of benefit	Retirement, invalidity and surviving dependent benefits	Retirement, invalidity and surviving dependent benefits	Retirement, invalidity and surviving dependent benefits
Pensionable remuneration	Salary for September of each year	Final salary	Salary of each year
Max. pension level	Module p.a.	Yes	Module p.a.
Total pension model based on final salary	No	Yes	No
Net benefit limit incl. state pension	None	None	None
Gross benefit limit	None	Yes	None
Adjustment of pensions	1% p.a.	Section 16 (1, 2) BetrAVG	1% p.a.
Supplementary periods	Age of 55	Age of 55	None
Legal basis	Works agreement	Works agreement	Individual agreement
Number of eligible persons	1,084	282	116

The current pensions according to the classic pension benefit regulations of Bochumer Verband are adjusted in line with Section 20 of those regulations. Section 20 is a rule which is based on Section 16 (1,2) of the German Occupational Pensions Improvement Act (BetrAVG) but which, according to a ruling of the Federal Labor Court of Germany, is an independent rule. Other company pensions are reviewed and adjusted under the terms of the agreement according to Section 16 (1,2) BetrAVG. On every review date, the development of the cost of living since the individual retirement date is reviewed and compensated for. Only in the aforementioned deferred compensation model is the option, available since January 1, 1999, used to raise the current pensions every year by 1% (Section 16 (3) No. 1 BetrAVG). No further risks are seen.

The company has decided to use the internal financing effect of the provisions for pensions and only to back a relatively small portion of the pension obligations with plan assets. Reinsurance policies have been taken out for former Management Board members against payment of a one-time insurance premium in order to provide additional protection against insolvency; these reinsurance policies were pledged to the eligible persons. They constitute plan assets, which are offset against the gross obligation. The fair value of the reinsurance policies for individual persons is higher than the extent of the obligations towards the respective person. This surplus of the fair values of the assets over the obligation is shown under non-current other assets. The conclusion of further personal liability insurance reinsurance policies is not planned.

Pension plan obligations and the expenses necessary to cover these obligations are determined using the projected unit credit method prescribed by IAS 19. Both pensions known on the reporting date and vested rights as well as expected future increases in salaries and pensions are included in the measurement. The following actuarial assumptions were made at the reporting date – in each case related to the end of the year and with economic effect for the following year.

Actuarial Assumptions

in %	Dec. 31, 2023	Dec. 31, 2024
Actuarial interest rate	3.17	3.39
Pension trend	2.25	2.00
Salary trend	3.00	3.00

In order to take into account the pension adjustments that are anticipated due to the high levels of inflation in recent years, a one-time increase of 2.20% (December 31, 2023: 5.45%) was applied to current pensions for the calculation of pension obligations.

The 2018 G mortality tables of Prof. Dr. Klaus Heubeck have been taken for the biometric assumptions without any changes.

The defined benefit obligation (DBO) developed as follows:

in € million	2023	2024
DBO as of Jan. 1	539.8	541.2
Interest expense	19.6	16.7
Current service cost	9.1	8.0
Actuarial gains and losses:		
Experience-based adjustment of the obligation	-7.1	5.4
Changes in the financial assumptions	34.6	-22.9
Transfer	–	10.4
Benefits paid	-27.0	-30.0
Transfer into discontinued operations	-27.8	–
DBO as of Dec. 31	**541.2**	**528.8**

The present value of the pension obligation is divided among the groups of eligible persons as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Active employees	94.5	91.9
Former employees with vested pension rights	93.0	92.3
Pensioners	353.7	344.6
DBO as of Dec. 31	**541.2**	**528.8**

Plan assets primarily comprise pension liability insurance reinsurance contracts and contributions made by Vonovia, which are managed by trustees, in the context of the deferred compensation scheme that was closed in the 2021 fiscal year. The latter are invested in fund units. The following table provides a breakdown of the plan assets:

in %	Dec. 31, 2023	Dec. 31, 2024
Shares	5.73	9.02
Fixed-interest securities	4.50	7.11
Cash assets	1.68	1.72
Insurance contracts	88.09	82.15

The fair value of the plan assets has developed as follows:

in € million	2023	2024
Fair value of plan assets as of Jan. 1	**28.7**	**30.0**
Return calculated using the actuarial interest rate	1.0	1.0
Actuarial gains:		
Income from plan assets not already included in interest income	0.1	-0.9
Benefits paid	-1.7	-1.9
Employer contributions	1.9	2.2
Fair value of plan assets as of Dec. 31	**30.0**	**30.4**

The net liability recognized in the balance sheet developed as follows:

in € million	2023	2024
Net pension obligation as of January 1	**511.1**	**511.1**
Interest expense	18.5	15.8
Current service cost	9.1	8.1
Actuarial gains and losses:		
Experience-based adjustment of the obligation	-7.1	5.4
Changes in the financial assumptions	34.6	-22.9
Income from plan assets not already included in interest income	-0.1	0.9
Transfer	–	10.4
Employer contributions	-1.9	-2.2
Benefits paid	-25.3	-28.2
Transfer into discontinued operations	-27.8	–
Net pension obligation as of January 31	**511.1**	**498.4**

The following table shows a reconciliation of the defined benefit obligation to the pension obligation recognized in the balance sheet:

in € million	Dec. 31, 2023	Dec. 31, 2024
Present value of funded obligations	42.0	39.6
Present value of unfunded obligations	499.1	489.2
Total present value of defined benefit obligations	**541.1**	**528.8**
Fair value of plan assets	-30.0	-30.4
Net liability recognized in the balance sheet	**511.1**	**498.4**
Other assets to be recognized	1.3	1.4
Provisions for pensions recognized in the balance sheet	**512.4**	**499.8**

In 2024, actuarial gains of € 13.3 million (excluding deferred taxes) were recognized in other comprehensive income (2023: actuarial losses of € 27.5 million), including actuarial losses from discontinued operations of € 3.3 million (2023: actuarial gains of € 1.0 million). This results in actuarial gains for the continuing operations of € 16.6 million (2023: actuarial losses of € 26.5 million).

The weighted average term of the defined benefit obligations is 12.38 years (December 31, 2023: 12.82 years).

The following table contains the estimated, undiscounted pension payments of the coming five fiscal years and the total of those in the subsequent five fiscal years:

in € million	Projected pension payments
2025	32.7
2026	32.5
2027	31.8
2028	31.4
2029	31.3
2030–2034	151.9

Sensitivity Analyses

An increase or decrease in the material actuarial assumptions would have led to the following defined benefit obligation, providing the other assumptions did not change:

in € million		Dec. 31, 2023	Dec. 31, 2024
Actuarial interest rate	Increase of 0.5%	509.5	499.0
	Decrease of 0.5%	576.4	561.8
Pension trend	Increase of 0.25%	550.3	536.9
	Decrease of 0.25%	531.0	519.7

An increase in life expectancy of 4.8% would have resulted in an increase in the DBO of € 20.6 million as of December 31, 2024 (December 31, 2023: € 21.9 million). This percentage rise corresponds to a one-year increase in the life expectancy of a man who was 65 at the reporting date.

If several assumptions are changed simultaneously, the cumulative effect is not necessarily the same as if there had been a change in just one of the assumptions.

The provisions for pensions include € 2.0 million (December 31, 2023: € 2.5 million) for pension obligations which were transferred to third parties as part of an assumption of debt and which relate to vested rights and the payment of current pensions. A corresponding non-current receivable relating to the reimbursement of these payments is shown under miscellaneous other assets.

Other Provisions

Accounting Policies

Other provisions are recognized when there is a present obligation, either legal or constructive, vis-à-vis third parties as a result of a past event if it is probable that a claim will be asserted and the probable amount of the required provision can be reliably estimated. Provisions are discounted if the resulting effect is material. The carrying amount of discounted provisions increases in each period to reflect the passage of time and the unwinding of the discount is recognized within interest expense. The discount rate is a pre-tax rate that reflects current market assessments.

Provisions for restructuring expenses are recognized when the Group has set up and communicated a detailed formal plan for restructuring and has no realistic possibility of withdrawing from these obligations.

Provisions for onerous contracts are recognized when the expected benefits from a contract are lower than the unavoidable cost of meeting the obligations under the contract. The provision is stated at the lower of the present value of the fulfillment obligation and the cost of terminating the contract, i.e., a possible indemnity or fine for breach or non-fulfillment of contract.

Provisions are reviewed regularly and adjusted to reflect new information or changed circumstances.

The **provisions for pre-retirement part-time work arrangements** are basically to be classified as other long-term employee benefits that are to be accrued over the employees' service periods.

The assets of the insolvency policy to secure fulfillment shortfalls arising from pre-retirement part-time work arrangements are offset against the amounts for fulfillment shortfalls contained in the provisions for pre-retirement part-time work arrangements.

A contingent liability is a possible obligation toward third parties that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events or a present obligation that arises from past events for which an outflow of resources is not probable or the amount of which cannot be estimated with sufficient reliability. According to IAS 37, contingent liabilities are not generally recognized.

Development of Other Provisions During the Fiscal Year

in € million	As of Jan. 1, 2024	Changes in scope of consolidation	Additions	Reversals	Netting plan assets	Interest accretion to provisions	Revaluation from currency effects	Transfer	Reclassification in connection with discontinued operations	Utilization	As of Dec. 31, 2024
Other provisions											
Environmental remediation	14.4	-	-	-	-	0.3	-	-	-	-1.1	13.6
Personnel obligations	62.4	-	96.1	-13.5	0.0	0.7	-	-10.4	-	-11.5	123.8
Miscellaneous other provisions	187.7	-	146.0	-28.1	-	-0.2	-	0,0	0.8	-39.1	267.1
	264.5	**0.0**	**242.1**	**-41.6**	**0.0**	**0.8**	**0.0**	**-10.4**	**0.8**	**-51.7**	**404.5**

Development of Other Provisions During the Previous Year

in € million	As of Jan. 1, 2023	Changes in scope of consolidation	Additions	Reversals	Netting plan assets	Interest accretion to provisions	Revaluation from currency effects	Transfer	Transfer into discontinued operations	Utilization	As of Dec. 31, 2023
Other provisions											
Environmental remediation	25.0	-	-	-0.3	-	0.5	-	-9.3	0.4	-1.9	14.4
Personnel obligations	39.0	-	44.2	-0.8	0.0	0.2	-	3.4	-1.2	-22.4	62.4
Miscellaneous other provisions	267.7	0.0	55.4	-86.4	-	3.8	0.0	14.4	-3.1	-64.1	187.7
	331.7	**0.0**	**99.6**	**-87.5**	**0.0**	**4.5**	**0.0**	**8.5**	**-3.9**	**-88.4**	**264.5**

Reversals of provisions are generally offset against the expense items for which they were originally established.

The provisions for environmental remediation primarily refer to site remediation of locations of the former Raab Karcher companies. Remediation has either already begun or an agreement has been reached with the authorities as to how the damage is to be remedied. The cost estimates are based on expert opinions detailing the anticipated duration of the remediation work and the anticipated cost.

The personnel obligations are provisions for pre-retirement part-time work arrangements, provisions for bonuses, severance payments not relating to restructuring and other personnel expenses. The other personnel expenses include a provision for the long-term incentive plan (LTIP) determined in accordance with IFRS 2 of € 14.3 million (December 31, 2023: € 9.1 million) (see → **[F47] Share-Based Payments**). In addition, € 72.0 million (December 31, 2023: € - million) from the reassessment of the probability of claims being asserted in connection with legal disputes with a social insurance provider is reported under obligations from personnel expenses in the reporting year (→ **[B15] Personnel Expenses**).

The material individual cost items under miscellaneous other provisions include costs associated with structuring measures of € 96.7 million (December 31, 2023: € 0.0 million), costs associated with legal disputes in the amount of € 37.7 million (December 31, 2023: € 49.3 million), litigation costs in the amount of € 22.4 million (December 31, 2023: € 38.0 million), costs associated with company tax audits in the amount of € 4.3 million (December 31, 2023: € 2.3 million) and provisions for other contractually agreed guarantees in the amount of € 2.8 million (December 31, 2023: € 2.3 million).

The Group expects to utilize the lion's share of the provision over the coming year.

39 Trade Payables

	Dec. 31, 2023		Dec. 31, 2024	
in € million	non-current	current	non-current	current
Liabilities				
Outstanding trade invoices	–	189.5	–	191.6
From property letting	–	120.2	–	157.0
From other supplies and services	7.0	176.7	6.0	175.6
	7.0	**486.4**	**6.0**	**524.2**

40 Non-derivative Financial Liabilities

	Dec. 31, 2023		Dec. 31, 2024	
in € million	non-current	current	non-current	current
Non-derivative financial liabilities				
Liabilities to banks	14,283.2	632.4	13,189.2	1,725.2
Liabilities to other creditors	25,353.3	2,397.7	24,259.1	3,205.5
Deferred interest from non-derivative financial liabilities	–	230.5	–	272.0
	39,636.5	**3,260.6**	**37,448.3**	**5,202.7**

Accounting Policies

Vonovia recognizes **non-derivative financial liabilities**, which mainly include liabilities to banks and to investors, at their fair value on the day of trading, less the directly attributable transaction costs (this generally corresponds to the acquisition cost). These liabilities are subsequently measured at amortized cost using the effective interest method. Financial liabilities are derecognized when Vonovia's obligations specified in the contract expire or are discharged or canceled.

Liabilities bearing no interest or interest below market rates in return for occupancy rights at rents below the prevailing market rates are recorded at present value.

Deferred interest is presented as current in order to show the cash effectiveness of the interest payments transparently. In principle, the deferred interest is part of the non-derivative financial liability. Of the deferred interest from non-derivative financial liabilities, € 228.0 million (December 31, 2023: € 178.6 million) is from bonds reported under non-derivative financial liabilities to other creditors.

The non-derivative financial liabilities developed as follows in the fiscal year under review:

in € million	As of Jan. 1, 2024	New loans	Scheduled repayments	Unscheduled repayments	Adjusted for effective interest method	Reclassification in connection with discontinued operations	Other adjustments	Exchange rate differences	As of Dec. 31, 2024
Bond (CHF)	-	407.1							407.1
Bond (GBP)	-	465.1			9.0				474.1
Bond (SEK)	113.1	111.2	-48.5		-1.9				173.9
Bond (EMTN)	18,330.5		-1,814.0		21.5				16,538.0
Bond (EMTN Green Bond)	2,119.5				2.1				2,121.6
Bond (EMTN Social Bond)	2,062.0	850.0			-8.3				2,903.7
Bond (Deutsche Wohnen)	1,803.5				-11.2				1,792.3
Bearer bond	1,352.2				-8.9				1,343.3
Registered bond	624.3				-3.7				620.6
Promissory note loan	1,047.6				-4.2				1,043.4
Commercial paper	497.4		-500.0		2.6				-
Mortgages*	14,716.5	1,111.0	-488.1	-361.7	-5.1	35.7	-7.6	-39.7	14,961.0
Deferred interest	230.5						41.5		272.0
	42,897.1	**2,944.4**	**-2,850.6**	**-361.7**	**-8.1**	**35.7**	**33.9**	**-39.7**	**42,651.0**

* New loans include capitalized interest not affecting cash in the amount of € 0,6 million.

The non-derivative financial liabilities developed as follows in the previous year:

in € million	As of Jan. 1, 2023	New loans	Scheduled repayments	Unscheduled repayments	Adjusted for effective interest method	Transfer into discontinued operations	Other adjustments	Exchange rate differences	As of Dec. 31, 2023
Bond (USD)	233.2		-185.0		-48.2	0.0	0.0		–
Bond (SEK)	112.8				0.3				113.1
Bond (EMTN)	20,994.4		-2,023.7	-581.7	27.4		-85.9		18,330.5
Bond (EMTN Green Bond)	2,179.8			-51.8	2.8		-11.3	0.0	2,119.5
Bond (EMTN Social Bond)	2,380.0			-293.5	6.3		-30.8	0.0	2,062.0
Bond (Deutsche Wohnen)	1,811.6				-8.1				1,803.5
Bearer bond	1,361.0				-8.8				1,352.2
Registered bond	503.1				-3.8		125.0		624.3
Promissory note loan	1,289.9		-120.0		2.7		-125.0		1,047.6
Commercial paper		1,980.0	-1,480.0		-2.6				497.4
Mortgages*	13,983.7	2,330.9	-763.5	-692.0	-111.3	-35.4	2.0	2.1	14,716.5
Deferred interest	210.2						20.3		230.5
	45,059.7	**4,310.9**	**-4,572.2**	**-1,619.0**	**-143.3**	**-35.4**	**-105.7**	**2.1**	**42,897.1**

* New loans include capitalized interest not affecting cash in the amount of € 0.6 million.

The CHF bonds 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 € 19.8 million (December 31, 2023: € - million) lower overall than the recognized value.

The maturities and average interest rates of the nominal obligations of the liabilities to banks and the liabilities to other creditors are as follows during the fiscal year:

				Repayment of the nominal obligations is as follows:					
in € million	Nominal obligation Dec. 31, 2024	Average end of maturity	Average interest rate	2025	2026	2027	2028	2029	from 2030
Bond (CHF)*	407.1	2030	4.00%					159.3	247.8
Bond (GBP)*	465.1	2036	4.55%						465.1
Bond (SEK)*	184.0	2027	4.09%		67.0	72.7	44.3		
Bond (EMTN)*	16,650.0	2031	1.05%	2,594.4	1,769.2	2,000.0	1,724.9	1,499.0	7,062.5
Bond (EMTN Green Bond)*	2,136.9	2031	2.80%						2,136.9
Bond (EMTN Social Bond)*	2,925.7	2029	3.20%		610.5	750.0	715.2		850.0
Bond (Deutsche Wohnen)*	1,760.7	2030	1.12%	589.7					1,171.0
Registered bond*	600.0	2031	1.68%		100.0	70.0	50.0	80.0	300.0
Bearer bond*	1,260.2	2032	1.77%			33.5	10.0		1,216.7
Promissory note loan*	1,045.0	2029	2.57%		50.0	309.0	60.0	403.5	222.5
Mortgages**	15,005.6	2031	2.35%	1,746.6	1,463.5	1,779.7	2,171.3	1,815.2	6,029.3
	42,440.3			**4,930.7**	**4,060.2**	**5,014.9**	**4,775.7**	**3,957.0**	**19,701.8**

* 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.

In the previous year, the maturities and average interest rates of the nominal obligations were as follows:

				Repayment of the nominal obligations is as follows:					
in € million	Nominal obligation Dec. 31, 2023	Average end of maturity	Average interest rate	2024	2025	2026	2027	2028	from 2029
Bond (SEK)*	121.2	2026	5.29%	48.5			72.7		
Bond (EMTN)*	18,464.0	2030	1.05%	1,814.0	2,594.4	1,800.3	2,000.0	1,724.9	8,530.4
Bond (EMTN Green Bond)*	2,136.9	2031	2.80%						2,136.9
Bond (EMTN Social Bond)*	2,075.7	2027	2.77%			610.5	750.0	715.2	
Bond (Deutsche Wohnen)*	1,760.7	2030	1.12%		589.7				1,171.0
Registered bond*	600.0	2031	1.68%			100.0	70.0	50.0	380.0
Bearer bond*	1,260.2	2032	1.77%				33.5	10.0	1,216.7
Promissory note loan*	1,045.0	2029	2.57%			50.0	309.0	60.0	626.0
Commercial paper	500.0	2024	4.16%	500.0					
Mortgages**	14,755.4	2030	2.24%	671.1	1,646.6	1,435.8	1,777.1	2,119.2	7,105.6
	42,719.1			**3,033.6**	**4,830.7**	**3,996.6**	**5,012.3**	**4,679.3**	**21,166.6**

* 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.

The loan repayments shown for the following years contain contractually fixed minimum repayment amounts.

Of the nominal obligations to creditors, € 12,963.4 million (December 31, 2023: € 12,682.1 million) are secured by land charges and other collateral (account pledge agreements, assignments, pledges of company shares and guarantees of Vonovia SE or other Group companies). In the event that payment obligations are not fulfilled, the securities provided are used to satisfy the claims of the banks.

Financial liabilities to banks and other creditors have an average interest rate of approximately 1.89%. The financial liabilities as a whole do not contain any significant short-term interest rate risks as they relate either to loans with long-term fixed interest rates or variable-interest liabilities that are hedged using suitable derivative financial instruments (see → **[G53] Financial Risk Management**).

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.

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

On December 6, 2024, a € 871.0 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 (€ 48.5 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 December 31, 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 (€ 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 (€ 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 (€ 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 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 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).

Secured Financing

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

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 September 9, 2024, Vonovia took out a loan in the amount of € 110.0 million with a ten-year term with Münchener Hypothekenbank. The loan was disbursed on September 12, 2024.

On December 13, 2024, Vonovia took out secured financing with Bayern LB in the amount of € 100.0 million with a maturity of ten years. The loan was disbursed on December 20, 2024.

Also on December 13, 2024, Vonovia took out secured financing with Ergo Versicherung in the amount of € 75.0 million with a maturity of 15 years. The loan was disbursed on December 19, 2024.

On December 18, 2024, Vonovia concluded a loan agreement with DZ Hyp in the amount of € 100.0 million with a maturity of ten years. The loan was disbursed on January 14, 2025.

41 Derivatives

	Dec. 31, 2023		Dec. 31, 2024	
in € million	non-current	current	non-current	current
Derivatives				
Cash flow hedges	48.6		39.8	
Stand-alone derivatives	10.6		19.8	
Deferred interest from derivatives		0.1		1.1
	59.2	**0.1**	**59.6**	**1.1**

Regarding derivative financial liabilities please refer to chapters → **[G51] Additional Financial Instrument Disclosures** and → **[G55] Cash Flow Hedges and Stand-alone Hedging Instruments**.

42 Leases

Accounting Policies

All contracts that give the Vonovia Group the right to control the use of an identified asset over a certain period of time in return for consideration are considered **leases** within the meaning of IFRS 16.

For all lease contracts that meet the definition of leases according to IFRS 16, Vonovia recognizes lease liabilities equal to the present value of the future lease payments, discounted using the term-specific incremental borrowing rate. Correspondingly, right-of-use assets are recognized in the amount of the lease liabilities, plus any advance payments or any initial direct costs.

The lease liabilities are adjusted in line with financial principles. They are increased by the periodic interest expenses and reduced by the lease payments made.

The right-of-use assets are generally recognized at amortized cost, taking depreciation and impairments into account. Right-of-use assets that meet the definition of investment properties (IAS 40) are recognized at fair value in line with the recognition and measurement rules set out in IAS 40.

Changes within the lease term or within the lease payments lead to a remeasurement of the present value and, as a result, to an adjustment of the lease liability and the right-of-use asset.

Periods resulting from extension or termination options granted on a unilateral basis are assessed on a lease-by-lease basis and are only taken into account if their use is sufficiently probable – for example, due to financial incentives.

There is an accounting option available for short-term leases and leases of low-value assets. Vonovia makes use of this option, meaning that such leases are not recognized. As far as rented IT equipment and metering technology is concerned, portfolios are set up for leases with similar terms and a single discount rate is applied to these portfolios.

Such variable lease payments, which are not included in the measurement of the lease liabilities, as well as lease payments associated with short-term leases, with leases of low-value assets and with lease contracts that do not meet the definition of leases according to IFRS 16 are recognized as expenses on a straight-line basis over the lease term.

In addition to conventional vehicle leasing over a fixed lease term of three to five years, the Vonovia Group also leases IT equipment (IT leasing), rented residential, commercial and nursing care properties for subleasing (interim rental agreements; rented nursing care properties are reported under assets and liabilities from discontinued operations as of December 31, 2024), heat generation plants to supply the Group's own properties with heat (contracting), water and heat meters (metering technology), leasing of land for the construction of owner-occupied commercial properties, as well as office buildings, office spaces, warehouse spaces and parking spaces (lease agreements for commercial premises). Under license agreements with public-sector institutions, Vonovia is granted the right to use public properties as storage locations or parking spaces, to lay heating pipes or cables, or to construct playgrounds. Long-term leasehold contracts have the biggest impact on the company's net assets, financial position and results of operations. These involve Vonovia leasing land for the rental of constructed residential and commercial properties. These contracts generally have a term of 99 years.

Development of Right-of-use Assets

in € million	Dec. 31, 2023	Dec. 31, 2024
Right-of-use assets		
Leasehold contracts	1,798.0	1,600.0
Interim rental agreements	0.5	0.5
Right-of-use assets within investment properties	**1,798.5**	**1,600.5**
Leasing of land for the construction of owner-occupied commercial properties	32.2	32.3
Lease agreements for commercial premises	48.3	57.4
Contracting	78.0	66.9
Vehicle leases	4.9	6.0
Leases for IT equipment	1.0	0.9
Metering technology	22.1	17.3
Right-of-use assets within property, plant and equipment	**186.5**	**180.8**
	1,985.0	**1,781.3**

As of December 31, 2024, the right-of-use assets resulting from leases amount to € 1,781.3 million (2023: € 1,985.0 million).

The majority of the right-of-use assets amounting to € 1,600.5 million is reported under **investment properties** and does not only result from interim lease agreements (leased and subleased residential and commercial properties), but mainly from leasehold contracts (€ 1,600.0 million). The other right-of-use assets totaling € 180.8 million are reported under **property, plant and equipment** and mainly include right-of-use assets resulting from heat contracting (€ 66.9 million), concluded lease agreements for commercial premises (€ 57.4 million), the leasing of land for the construction of owner-occupied commercial properties (€ 32.3 million), contracts connected with leased metering technology (€ 17.3 million) and vehicle leases (€ 6.0 million).

Development of Lease Liabilities

in € million	Dec. 31, 2023 Due within one year	Dec. 31, 2023 Due in 1 to 5 years	Dec. 31, 2023 Due after 5 years	Dec. 31, 2024 Due within one year	Dec. 31, 2024 Due in 1 to 5 years	Dec. 31, 2024 Due after 5 years
Lease liabilities						
Leasehold contracts (IAS 40)	12.2	40.4	428.9	12.8	41.1	434.6
Interim rental agreements	0.5	0.0	–	0.4	0.0	–
Leasing of land for the construction of owner-occupied commercial properties	0.2	0.7	32.7	0.2	0.7	33.1
Lease agreements for commercial premises	11.7	28.8	9.7	14.0	36.0	9.8
Contracting	11.8	30.7	36.4	10.3	27.3	30.5
Vehicle leases	2.4	2.6	–	2.9	3.2	–
Leases of IT equipment	0.5	0.5	–	0.4	0.6	–
Metering technology	4.7	13.8	4.0	4.1	11.2	2.5
	43.9	**117.5**	**511.8**	**45.1**	**120.1**	**510.5**

As of December 31, 2024, the lease liabilities amount to € 675.7 million (2023: € 673.2 million).

In the 2024 fiscal year, additions were mainly recognized within lease agreements for commercial premises (€ +22.2 million), leasehold contracts (€ +18.1 million) and vehicle leases (€ +4.6 million). These were mainly due to extended lease terms and additionally rented office buildings (for example in Hamburg and Berlin).

Repayments of lease liabilities made in the fiscal year 2024 work contrary (€ -42.8 million).

Totaling € 510.5 million, the majority of the lease liabilities recognized as of December 31, 2024 is due after more than five years. Of this amount, € 434.6 million is attributable to lease liabilities from leasehold contracts. € 45.1 million is due within the next year. € 14.0 million of this amount relates to lease agreements for commercial premises and € 12.8 million to leasehold contracts.

The following table shows the development of the right-of-use assets reported under property, plant and equipment:

in € million	Carrying amount of right-of-use assets Jan. 1, 2024	Additions 2024	Depreciation 2024	Carrying amount of right-of-use assets Dec. 31, 2024	Interest expenses 2024
Leasing of land for the construction of owner-occupied commercial properties	32.2	0.6	-0.5	32.3	0.9
Lease agreements for commercial premises	48.3	23.5	-13.6	57.4	1.5
Contracting	78.0	1.5	-12.5	66.9	1.9
Vehicle leases	4.9	4.6	-3.1	6.0	0.2
Leases of IT equipment	1.0	1.8	-0.5	0.9	0.0
Metering technology	22.1	5.0	-5.0	17.3	0.9
	186.5	**37.0**	**-35.2**	**180.8**	**5.4**

in € million	Carrying amount of right-of-use assets Jan. 1, 2023	Additions 2023	Depreciation 2023	Transfer into discontinued operations	Carrying amount of right-of-use assets Dec. 31, 2023	Interest expenses 2023
Leasing of land for the construction of owner-occupied commercial properties	30.9	1.8	-0.4	–	32.2	0.9
Lease agreements for commercial premises	41.7	20.7	-12.4	-1.2	48.3	1.0
Contracting	91.8	4.5	-13.3	-0.7	78.0	2.1
Vehicle leases	4.7	3.6	-2.7	-0.3	4.9	0.1
License agreements	0.5	–	–	–	–	–
Leases of IT equipment	1.5	0.5	-0.7	–	1.0	0.1
Metering technology	22.6	14.8	-3.7	–	22.1	0.7
	193.7	**45.9**	**-33.2**	**-2.2**	**186.5**	**4.9**

The interest expenses recognized in the 2024 fiscal year resulting from leases pursuant to IFRS 16 amounted to € 20.6 million in total (2023: € 19.9 million), mainly from leasehold contracts (€ 15.2 million; 2023: € 15.0 million).

In the 2024 fiscal year, all in all 198 lease contracts (2023: 207) were classified as short-term leases and thus were not recognized in line with the accounting option available. The corresponding expenses, recognized in the 2024 fiscal year, amounted to € 0.7 million (2023: € 0.9 million). Expenses relating to leases of low-value assets amounting to € 2.4 million in the 2024 fiscal year (2023: € 2.7 million) mostly result from leased bicycles/e-bikes. Expenses totaling € 9.8 million were incurred in connection with variable lease payments in the 2024 fiscal year (2023: € 38.8 million), mainly due to energy costs under heat supply contracts. The obvious drop in energy costs under heat supply contracts is a consequence of the energy crisis in 2023 and the related higher costs. Variable lease payments have not been included in the measurement of lease liabilities.

In addition to variable lease payments as well as payments resulting from short-term leases and leases of low-value assets, each included in the cash flow from operating activities, interest payments and repayments of lease liabilities totaling € 63.4 million were incurred in the 2024 fiscal year (2023: € 58.8 million). Thus, the total cash outflow for leases in the reporting period amounted to € 76.3 million (2023: € 101.2 million).

Total income from subleasing, mostly from subleasing of right-of-use assets in connection with rented residential and commercial properties, as well as leased metering technology, amounted to € 14.8 million in the reporting period (2023: € 15.0 million). As of the reporting date, there were no significant non-cancelable subleases on the Spree-Bellevue property.

The loss arising from the rental of the sold Spree-Bellevue property (sale and leaseback transaction) in the fiscal year 2024 amounted to € 1.2 million (2023: loss of € 1.2 million). This does not have any material impact on the Group's cash flows.

43 Liabilities to Non-controlling Interests

Accounting Policies

Liabilities to non-controlling interests, which include obligations from the guaranteed dividend agreements, in particular, are stated at fair value when they are recognized for the first time. The fair value is, in principle, determined by the value of the respective company; if a contractually agreed minimum purchase price is higher than this amount, this purchase price is recognized.

The liabilities to non-controlling interests relate especially to the obligations to pay several guaranteed dividends under valid profit-and-loss transfer agreements or co-investor agreements in an amount of € 208.8 million (December 31, 2023: € 198.4 million).

44 Financial Liabilities from Tenant Financing

Accounting Policies

Financial liabilities from tenant financing include tenant financing contributions. The financing contributions relate to the contributions collected from tenants in Austria for subsidized apartments. These are reimbursed upon the termination of the rental contract following the deduction of a depreciation amount. The amount refunded can be collected again relating to new tenants. As these are generally rental contracts that can be terminated at any time,

Financial liabilities from tenant financing also include maintenance and improvement contributions deposited by tenants (EVB). These contributions are paid by tenants in Austria to finance the costs associated with modernization work. The payment depends on the age of the building and must be used up for modernization work within 20 years of their receipt. Otherwise, the contributions have to be refunded to the tenant.

First-time recognition is at fair value. Subsequent measurement is at amortized cost.

The financial liabilities from tenant financing as of the reporting date include € 108.3 million (December 31, 2023: € 112.1 million) in tenant financing contributions. Financial liabilities from tenant financing also include € 42.3 million in maintenance and improvement contributions deposited by tenants (EVB) (December 31, 2023: € 42.0 million).

45 Other Liabilities

	Dec. 31, 2023		Dec. 31, 2024	
in € million	non-current	current	non-current	current
Advance payments received	–	141.1	–	225.8
Accruals	–	75.7	–	84.7
Other taxes	–	26.8	–	32.6
Miscellaneous other liabilities	51.0	40.0	84.3	30.0
	51.0	**283.6**	**84.3**	**373.1**

The advance payments received comprise the excess, at single transaction level, of advance payments made by tenants and ancillary cost payments made during the year before billing.

The liabilities recognized primarily relate to acquisition fees and personnel expenses.

Section (F): Corporate Governance Disclosures

46 Related Party Transactions

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

in € million	Provided services 2023	Provided services 2024	Purchased services 2023	Purchased services 2024	Receivables Dec. 31, 2023	Receivables Dec. 31, 2024	Liabilities Dec. 31, 2023	Liabilities Dec. 31, 2024	Advance payments Dec. 31, 2023	Advance payments Dec. 31, 2024
Subsidiaries (not consolidated)	0.0	0.0	0.2	0.2	–	–	0.0	0.0	–	–
Associates	47.5	81.8	16.2	99.0	666.2	403.1	2.8	3.1	422.2	217.1
Joint ventures	11.6	15.5	118.0	73.2	171.1	140.5	0.2	0.3	22.3	33.3
Other non-consolidated subsidiaries	–	0.1	–	3.8	0.3	–	–	0.0	57.4	–
	59.1	**97.4**	**134.2**	**176.0**	**837.6**	**543.6**	**3.0**	**3.4**	**501.9**	**250.4**

As of December 31, 2024, Vonovia's significant business relations were with the QUARTERBACK Group. As of December 31, 2024, loan receivables were recognized in the amount of € 521.8 million (December 31, 2023: € 814.3 million), with € 521.8 million (December 31, 2023: € 664.8 million) repayable in twelve months and € - million (December 31, 2023: € 149.5 million) repayable in 24 months. The average interest rate for the loans is 8.1%. The interest income from the loans extended to the QUARTERBACK Group amounted to € 14.6 million (2023: € 58.1 million) in the 2024 fiscal year. As of December 31, 2024, there were also interest receivables in the amount of € - million (December 31, 2023: € 17.0 million). Further information on the loan receivables from the QUARTERBACK Immobilien Group can be found in chapter → **[D28] Financial Assets**.

In addition, there are real estate project sales of the QUARTERBACK Group to Vonovia in the amount of € 876.0 million (December 31, 2023: € 876.0 million), for which Vonovia had made advance payments of € 248.3 million in total as of December 31, 2024 (December 31, 2023: € 501.9 million). In connection with agency services contracted by the QUARTERBACK Group in the amount of € 97.9 million (2023: € 12.4 million), Vonovia has outstanding balances on liabilities of € 3.2 million as of December 31, 2024 (December 31, 2023: € 2.8 million).

As of December 31, 2024, there is also a guarantee to secure non-current loan liabilities of the QUARTERBACK Group in the amount of € 12.3 million (December 31, 2023: € 12.3 million).

Gropyus AG, Vienna, was included as an associate for the first time as of June 30, 2024 (see chapter → **[D29] Financial Assets Accounted for Using the Equity Method**). There were loan receivables of € 16.5 million (December 31, 2023: € 15.0 million) from Gropyus AG, Vienna, as of December 31, 2024.

QUARTERBECK New Energy Holding GmbH, Leipzig, was included as an associate for the first time as of July 4, 2024 (see chapter → **[D29] Financial Assets Accounted for Using the Equity Method**). There were loan receivables of € 45.0 million (December 31, 2023: € - million) from QUARTERBECK New Energy Holding GmbH, Leipzig, as of December 31, 2024.

Vonovia had other major business relationships with Projekt Mosaik GmbH & Co. KG, Hamburg, and Projekt Mosaik II GmbH & Co. KG, Hamburg, as of December 31, 2024. Both companies have been reported as associates of Vonovia since the fourth quarter. As of December 31, 2024, there were receivables from Projekt Mosaik GmbH & Co. KG, Hamburg, of € 3.0 million (December 31, 2023: € - million), and receivables from Projekt Mosaik II GmbH & Co. KG, Hamburg, in the amount of € 1.7 million (December 31, 2023: € - million). In the 2024 fiscal year, services worth € 31.9 million (2023: € - million) were delivered to Projekt Mosaik GmbH & Co. KG, Hamburg, and services worth € 49.6 million (2023: € - million) to Projekt Mosaik II GmbH & Co. KG, Hamburg.

As of December 31, 2024, Vonovia has outstanding balances on receivables of € 0.1 million (December 31, 2023: € 0.0 million) vis-à-vis G+D Gesellschaft für Energiemanagement mbH, Magdeburg, and outstanding balances on liabilities in the amount of € 0.3 million (December 31, 2023: € 0.1 million). In the reporting period, services worth € 0.4 million (2023: € 0.3 million) were provided to G+D Gesellschaft für Energiemanagement mbH, Magdeburg, while services worth € 71.3 million (2023: € 116.6 million) were purchased.

There were also loan receivables of € 23.2 million from OLYDO Projektentwicklungsgesellschaft mbH, Berlin, as of December 31, 2024 (December 31, 2023: € 5.7 million). The loan has a fixed interest rate of 3.0%. The loan receivable was written off in full in the amount of € 23.2 million in 2024.

In addition, Vonovia purchased services worth € 3.8 million in the 2024 fiscal year (2023: € - million) from SIAAME Development GmbH, Berlin, and services worth € 1.7 million (2023: € 1.6 million) from GSZ Gebäudeservice und Sicherheitszentrale GmbH, Berlin.

At Vonovia, the individuals in key positions pursuant to IAS 24 include the members of the Management Board and the Supervisory Board of Vonovia SE.

The emoluments to key management personnel, which are subject to a disclosure requirement under IAS 24, include the remuneration of the active members of the Management Board and Supervisory Board in the current fiscal year.

The active members of the Management Board and Supervisory Board received the following remuneration:

in € million	2023	2024
Short-term benefits (without share-based payment)	8.9	10.5
Post-employment benefits	1.2	1.1
Share-based payment	2.9	7.0
	13.0	**18.6**

The balances vis-à-vis active members of the Management Board and the Supervisory Board are as follows:

	Provisions for outstanding remuneration	
	2023	2024
Short-term benefits (without share-based payment)	3.5	4.7
Share-based payment	6.7	10.9
Pension obligation according to IFRS (DBO)	8.8	9.7
	19.0	**25.3**

The payments due in the short term for members of the Supervisory Board include the relevant basic remuneration, comprising the fixed remuneration and committee remuneration, which is paid out after the end of the fiscal year in accordance with the Articles of Association.

The payments due in the short term for the members of the Management Board include the basic remuneration (fixed amount paid out in twelve equal monthly installments), the short-term variable remuneration (STIP), the fringe benefits and the pension payment/pension contribution. The STIP entitlement is earned in full with the activities in the fiscal year, and is paid out in the first half of the year following the end of the fiscal year concerned. The actual amount paid out (which is measured in the January after the end of the fiscal year in question) depends on the target achievement level calculated by the Supervisory Board based on the current Management Board remuneration system. It is determined based on both financial and individual performance criteria.

Management Board members who were appointed for the first time before January 1, 2021 may participate in a Vonovia SE company retirement benefit plan. It includes the option of making the contractually agreed annual pension contribution to the “pension benefits in lieu of cash benefits” deferred compensation scheme as amended from time to time. Management Board members who were appointed for the first time as of January 1, 2021 receive a non-performance-related lump sum (pension) in cash in addition to their fixed remuneration. One Management Board member receives his retirement benefits from a Group subsidiary based on another employment relationship in the form of contributions to a foreign pension fund and a pension payment as additional fixed remuneration; this can also be paid into the pension fund under certain circumstances at the discretion of the Management Board member.

The service cost resulting from provisions for pensions for the active Management Board members is reported under post-employment benefits.

The disclosure on share-based payments (LTIP) is based on the expenses in the fiscal year, which are also reported in chapter → **[F47] Share-Based Payments**.

Management Board members are still obliged, as a matter of principle, to invest in a specific number of shares in the company during their term in office. In general, there is no obligation for any of the remuneration components to use these to directly purchase shares as part of the obligation to hold shares. Nor are any remuneration components withheld in order to meet this requirement. Similarly, there is no link between the time at which the remuneration components are paid out and the time at which the share investment needs to be made.

The Management Board and Supervisory Board members were not granted any loans or advances.

47 Share-Based Payments

Accounting Policies

The obligations arising from share-based payments are calculated using standard valuation methods based on option pricing models (Monte Carlo simulation). Calculation of the fair value on the reporting date is based on various parameters for the Monte Carlo simulation (risk-free rate, annualized volatilities, correlations). The annualized volatility and the correlation are calculated based on historical volatility and historical correlation in the period matching the residual term based on daily returns. The risk-free rate is calculated using the interest rate structure curve based on the Svensson method. As the LTIP provides for the granting of a dividend equivalent, there is no need to include the dividend yield.

Equity-settled share-based payments are recognized at the grant date at the fair value of the equity instruments vested by that date. The fair value of the obligation is therefore recognized as personnel expenses proportionally over the vesting period and is offset directly against the capital reserves.

The cash-settled share-based payments are shown under other provisions and remeasured at fair value at each reporting date. The expenses are also recognized as personnel expenses over the vesting period (see → **[E38] Provisions**).

Vonovia Management Board

As part of the LTIP in place since 2015, the Management Board members are granted a fixed number of phantom stocks (performance share units or "PSU") annually, which are paid out at the end of a four-year performance period based on the target achievement level for targets defined at the beginning of the performance period and on the development of the share price. The pre-defined target achievement level is based on the targets Relative Total Shareholder Return (RTSR), the development of EPRA Net Tangible Assets (NTA) per share, the development of the Group FFO per share, and the Sustainability Performance Index (SPI), with each target weighted equally at 25%. A change in the plan was agreed in the 2024 fiscal year for all tranches that had not yet been paid out. This involved the development in Group FFO per share being replaced by the development in Adj. EBT per share. The LTIP shown constitutes a cash-settled plan pursuant to IFRS 2; in turn, the payout claim can be lost entirely if the defined target achievement level has not been reached.

The value of the total phantom stocks that had been granted but not paid out from the LTIP as of December 31, 2024, was calculated by an external expert based on recognized actuarial principles (Monte Carlo simulation). The obligation disclosed as of the reporting date breaks down as follows:

Tranche	End of performance period	Number of shares	Average fair value per share at Dec. 31, 2024 in €	Earned provision as of Dec. 31, 2024 in €
2021-2024	Dec. 31, 2024	88,524	21.72	2,051,246
2022-2025	Dec. 31, 2025	138,742	18.92	2,086,308
2023-2026	Dec. 31, 2026	262,026	32.37	4,198,158
2024-2027	Dec. 31, 2027	272,544	37.65	2,565,287

The LTIP program resulted in expenses pursuant to IFRS 2 totaling € 7.0 million in the 2024 reporting year (2023: € 2.9 million).

Vonovia Executives Below Management Board Level

As part of the LTIP in place since 2016, the Management Board members are granted a fixed number of phantom stocks (performance share units or "PSU") annually, which are paid out at the end of a four-year performance period based on the target achievement level for targets defined at the beginning of the performance period and on the development of the share price. The pre-defined target achievement level is based on the targets Relative Total Shareholder Return (RTSR), the development of EPRA Net Tangible Assets (NTA) per share, the development of the Group FFO per share, and the Sustainability Performance Index (SPI), with each target weighted equally at 25%. A change in the plan was agreed in the 2024 fiscal year for all tranches that had not yet been paid out. This involved the development in Group FFO per share being replaced by the development in Adj. EBT per share. The LTIP shown constitutes a cash-settled plan pursuant to IFRS 2; in turn, the payout claim can be lost entirely if the defined target achievement level has not been reached.

The value of the total phantom stocks that had been granted but not paid out from the LTIP as of December 31, 2024, was calculated by an external expert based on recognized actuarial principles (Monte Carlo simulation). The obligation disclosed as of the reporting date breaks down as follows:

Tranche	End of performance period	Number of shares	Average fair value per share at Dec. 31, 2024 in €	Earned provision as of Dec. 31, 2024 in €
2021–2024	Dec. 31, 2024	33,565	21.72	728,546
2022–2025	Dec. 31, 2025	33,354	18.92	482,188
2023–2026	Dec. 31, 2026	83,223	32.37	1,435,744
2024–2027	Dec. 31, 2027	77,376	37.65	792,060

The LTIP program results, in accordance with IFRS, in expenses of € 2.4 million in the 2024 reporting year (2023: € 0.9 million).

Employees

The Group works council agreement "Employee Share Program" was concluded in 2014. The program started in the 2015 calendar year, with the shares (in Vonovia SE) granted subject to a vesting period of six months. The costs associated with the securities deposit account are borne by Vonovia. All employees that had at least one full year of service as of December 31 of the calendar year concerned are eligible to participate. Shares with a value of between € 90 and € 360 at the most are granted to employees, depending on their gross annual salary, without the employees having to make any contribution of their own. This means that the Employee Share Program is an equity-settled plan pursuant to IFRS 2.

The new employee share program results, in accordance with IFRS, in total expenses of € 2.7 million in the 2024 reporting year (2023: € 2.5 million), which have been offset directly against the capital reserves.

48 Remuneration Pursuant to Section 314 of the German Commercial Code (HGB)

Remuneration of the Supervisory Board

The members of the Supervisory Board received total remuneration of € 2.0 million for their work during the 2024 fiscal year (2023: € 2.1 million).

Total Remuneration of the Management Board

The total remuneration paid to the members of the Management Board comprises the following:

Total remuneration of the Management Board in €	Total remuneration	
	2023	2024
Fixed remuneration and short-term variable remuneration	7,741,958	9,327,634
Total long-term variable share-based remuneration	5,686,326	7,000,438
of which		
2023–2026	5,686,326	–
2024–2027	–	7,000,438
(number of shares)	262,026	272,544
Total remuneration	**13,428,284**	**16,328,072**

Further information on the long-term variable remuneration (LTIP) can be found in the chapter → **[F47] Share-Based Payment**.

The remuneration paid to the Management Board members includes the remuneration for all mandates at Vonovia Group companies, subsidiaries and participating interests.

Remuneration of Former Management and Supervisory Board Members and Their Surviving Dependents

Total remuneration of former Management Board members and their surviving dependents amounts to € 0.4 million for the 2024 fiscal year (2023: € 0.4 million).

The defined benefit obligation (DBO) to former members of the Management Board and their surviving dependents amounts to € 17.6 million (2023: € 18.3 million).

No remuneration was granted to former members of the Supervisory Board or their surviving dependents for the 2024 fiscal year (2023: € - million).

There are no defined benefit obligations (DBO) to former members of the Supervisory Board or their surviving dependents.

49 Auditors' Fees

In the fiscal year, the following fees (including expenses and excluding VAT) have been recorded for the services rendered by the Group auditors PwC GmbH Wirtschaftsprüfungsgesellschaft and its network companies:

in € million	2023	2024
Audits	10.3	9.6
thereof network companies	0.8	0.8
Other confirmation services	1.3	1.2
thereof network companies	0.1	–
Other services	0.0	0.0
	11.6	**10.8**

The fee paid for auditing services performed by PwC GmbH Wirtschaftsprüfungsgesellschaft relates to the audit of the consolidated financial statements and annual financial statements of Vonovia SE, as well as to various audits of annual financial statements and a review of the subsidiaries included in the consolidated financial statements. The consolidated interim financial statements were reviewed and the financial statements were audited in accordance with audit standard IDW PS 490.

The fees for other confirmation services comprise all confirmation services that are not services relating to the audit and are not used in the context of the audit. These essentially include audits in accordance with Section 16 of the German Real Estate Agent and Property Developer Ordinance (MaBV) and business audits pursuant to ISAE 3000 relating to the non-financial report, the use of funds from green bonds, reconciliations on the interest threshold, and various housing assistance reports.

50 Declaration of Conformity with the German Corporate Governance Code

In March 2025, the Management Board and the Supervisory Board of Vonovia SE and Deutsche Wohnen SE issued a Declaration of Conformity with the recommendations of the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG) and made it permanently available on the **Vonovia** and **Deutsche Wohnen** websites.

Section (G): Additional Financial Management Disclosures

51 Additional Financial Instrument Disclosures

Measurement categories and classes:

in € million	Carrying amounts Dec. 31, 2024
Assets	
Cash and cash equivalents	
Cash on hand and deposits at banking institutions	1,756.7
Trade receivables	584.6
Financial assets	
Finance lease receivables	77.1
Loans to other investments	49.7
Other non-current loans	5.8
Other non-current loans to associates and joint ventures	522.0
Securities	333.6
Other investments	271.6
Derivative financial assets	
Cash flow hedges – no classification in accordance with IFRS 9	20.7
Call option on equity instruments	731.0
Stand-alone interest rate swaps and interest rate caps	36.4
Liabilities	
Trade payables	530.2
Bonds	24,410.7
Other non-derivative financial liabilities	18,240.3
Derivatives and put options	
Purchase price liabilities from put options/rights to reimbursement	311.2
Stand-alone interest rate swaps and interest rate caps	19.8
Cash flow hedges – no classification in accordance with IFRS 9	40.9
Lease liabilities	675.7
Liabilities from tenant financing	150.6
Liabilities to non-controlling interests	208.8

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, 2024	Fair value hierarchy level
1,756.7					1,756.7	n.a.
584.6					584.6	n.a.
				77.1		n.a.
49.7					55.0	2
5.8					5.8	2
522.0					522.0	2
327.2		6.4			333.6	1
		271.6			271.6	3
	-0.8		21.5		20.7	2
	731.0				731.0	3
	36.4				36.4	2
530.2					530.2	n.a.
24,410.7					22,317.8	1
18,240.3					17,417.4	2
311.2					232.2	3
	19.8				19.8	2
	9.9		31.0		40.9	2
				675.7		n.a.
150.6					150.6	n.a.
208.8					208.8	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
Loans to other investments	187.6
Other non-current loans	21.6
Other non-current loans to associates and joint ventures	682.9
Securities	324.0
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

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 € 2.0 million (December 31, 2023: € 2.5 million).
> Amount by which the fair value of plan assets exceeds the corresponding obligation of € 1.7 million (December 31, 2023: € 1.5 million).
> Provisions for pensions and similar obligations: € 499.8 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.
187.6					191.5	2
21.6					21.6	2
682.9					682.9	2
318.1		5.9			324.0	1
		321.7			321.7	3
	-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	Dec. 31, 2024	Level 1	Level 2	Level 3
Assets				
Investment properties	78,343.1			78,343.1
Financial assets				
Non-current securities	6.4	6.4		
Other investments	271.6			271.6
Assets held for sale				
Investment properties	1,498.7		1,498.7	
Derivative financial assets				
Cash flow hedges	20.7		20.7	
Call option on equity instruments	731.0			731.0
Stand-alone interest rate swaps and caps	36.4		36.4	
Liabilities				
Derivative financial liabilities				
Cash flow hedges	40.8		40.8	
Stand-alone interest rate swaps and caps	19.8		19.8	

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	

Accounting Policies

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 → **[D27] Investment Properties**.

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**).

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

All **investments in equity instruments** that do not relate to associates or call options to buy back shares (Level 3) are measured at fair value in other comprehensive income. The Group's primary aim is to hold its investments in equity instruments in the long term for strategic purposes. Measurement is at Level 3, as the share price of the relevant investments and the partly underlying cash flows are not directly observable. They are measured either directly via the share price or using a discounted cash flow model.

The fair value of the **bonds** listed on the market is calculated based on the market prices that apply on the reporting date **(Level 1)**.

The fair value of the **other non-derivative financial liabilities** is calculated by means of a discounted cash flow (DCF) model. In addition to the tenor-specific EURIBOR/STIBOR rates (3M; 6M), Vonovia's own credit risk is also used here **(Level 2)**.

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.

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

The amount of the estimated **impairment loss on cash and cash equivalents** was calculated based on the losses expected over a period of twelve months.

No financial instruments were reclassified to different hierarchy levels vis-à-vis the comparative period.

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 10 to 200 basis points, depending on the residual maturities. Vonovia's own risk premiums were trading at between 55 and 195 basis points on the same cut-off date, depending on the maturities. Regarding the positive market values of the cross currency swaps in CHF, a counterparty risk of between 90 and 123 basis points was taken into account. With regard to the negative market values of the cross currency swaps in GBP, a risk of 164 basis points assumed by Vonovia itself was taken into account.

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. 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.

					From subsequent measurement							
in € million	From interest	Income from other non-current loans	Measurement of call options	Dividends from other investments	Impairment losses	Expected credit loss: Other non-current loans to associates	Derecognized receivables	Derecognized liabilities	Financial result affecting income 2024	Measurement of cash flow hedges	Measurement of financial instruments categorized as equity instruments	Total financial result 2024
2024												
Debt instruments carried at (amortized) cost	87.1	17.2			-32.9	-375.2	4.3		-299.5			-299.5
Derivatives measured at FV through P&L	-20.8		-107.0						-127.8			-127.8
Effective hedge accounting – no classification in accordance with IFRS 9										11.2		11.2
Equity instruments measured at FVOCI without reclassification				32.2					32.2		23.7	55.9
Financial liabilities measured at (amortized) cost	-849.8							0.1	-849.7			-849.7
	-783.5	**17.2**	**-107.0**	**32.2**	**-32.9**	**-375.2**	**4.3**	**0.1**	**-1,244.8**	**11.2**	**23.7**	**-1,209.9**

					From subsequent measurement							
in € million	From interest	Income from other non-current loans	Measurement of call options	Dividends from other investments	Impairment losses	Expected credit loss: Other non-current loans to associates	Derecognized receivables	Derecognized liabilities	Financial result affecting income 2023	Measurement of cash flow hedges	Measurement of financial instruments categorized as equity instruments	Total financial result 2023
2023												
Debt instruments carried at (amortized) cost	227.5	60.6			-15.6	-12.0	-1.7		258.8			258.8
Derivatives measured at FV through P&L	-3.1		90.0						86.9			86.9
Effective hedge accounting – no classification in accordance with IFRS 9										-93.0		-93.0
Equity instruments measured at FVOCI without reclassification				22.1					22.1		-28.5	-6.4
Financial liabilities measured at (amortized) cost	-764.9							1.3	-763.6			-763.6
	-540.5	**60.6**	**90.0**	**22.1**	**-15.6**	**-12.0**	**-1.7**	**1.3**	**-395.8**	**-93.0**	**-28.5**	**-517.3**

52 Information on the Consolidated Statement of Cash Flows

Accounting Policies

The **statement of cash flows** shows how Vonovia's cash has changed during the reporting year as a result of cash inflows and outflows. In accordance with IAS 7 (Statement of Cash Flows), a distinction is made between changes in cash flow from operating activities, investing activities and financing activities.

The cash flow from operating activities is determined from the profit for the period using the indirect method, the profit for the period being adjusted for effects of transactions that are not cash-effective, any deferrals or accruals of past or future operating cash receipts or payments as well as items of income or expense associated with investing or financing cash flows.

The effects of changes in the scope of consolidation are shown separately. Therefore, direct comparison with the corresponding changes in the items of the consolidated balance sheet is not possible. The proceeds from the disposal of intangible assets, property, plant and equipment and investment properties are shown in cash flow from investing activities.

Exercising the IAS 7 option, interest received is shown under cash flow from investing activities and interest paid is shown under cash flow from financing activities.

Proceeds from dividends received and from operating leases are reported under cash flow from operating activities.

The item "Payments for acquisition of investment properties" mainly shows expenses for modernization measures.

Repayments on lease liabilities and interest payments from lease liabilities are reported under cash flow from financing activities.

53 Financial Risk Management

In the course of its business activities, Vonovia is exposed to various financial risks. The Group-wide financial risk management system aims to identify any potentially negative impact on the financial position of the Group early on and take suitable measures to limit this impact. For the structure and organization of financial risk management, we refer to the management report (see →" **Risk Management Structure and Instruments**"). This system was implemented on the basis of Group guidelines, which were approved by the Management Board and which are continually reviewed. The risks associated with financial instruments and the corresponding risk management are described in detail as follows:

Market Risks

Currency Risks

Liquidity transfers from the German subgroup to Swedish subsidiaries are usually secured through the conclusion of foreign currency forwards. In addition, currency fluctuations are also expected to result from financing relationships. Two bonds issued by Vonovia SE denominated in Swedish krona in an amount of SEK 750.0 million each are currently outstanding. The currency risks associated with the bond issued in June, the term of which will run until June 2026, have been partially reduced by a cross currency swap with a nominal volume of SEK 350.0 million. A further bond with a volume of SEK 500.0 million was issued in September 2024. Based on the exchange rate as of December 31, 2024, a -5% change in the value of the Swedish krona against the euro would result in currency gains of € 7.6 million, while a change of +5% would result in a currency loss of € 6.9 million. In January 2024, Vonovia SE issued another bond of GBP 400.0 million. Vonovia SE also issued two bonds denominated in Swiss francs in the course of the year. The issue in February 2024 amounted to CHF 150.0 million. In August, a further bond with a nominal volume of CHF 235.0 million was placed. The cash-effective currency risks arising in these three cases were eliminated by the contracting of cross currency swaps. Vonovia is subject to no further material currency risks in the scope of its usual business activities.

Interest Rate Risks

The investments measured at fair value are subject, in particular, to a price risk resulting from fluctuations in expected returns, market interest rates and expectations based on the operating business development of the investments. Other investments are long-term investments that are closely related to Vonovia's operating business areas. As a result, short-term realization of the price fluctuations cannot generally be assumed.

In the course of its business activities, Vonovia is exposed to cash-effective interest rate risks as a result of floating-rate debt as well as new and follow-on loans. Within this context, the interest markets are continually monitored by the Finance and Treasury department. Its observations are incorporated into the financing strategy.

As part of its financing strategy, Vonovia uses derivative financial instruments, in particular interest rate swaps and caps, to limit or manage interest rate risks. Vonovia's policies permit the use of derivatives only if they are associated with underlying assets or liabilities, contractual rights or obligations and planned, highly probable transactions.

A sensitivity analysis for cash flow hedges is provided under chapter → **[G55] Cash Flow Hedges and Stand-alone Hedging Instruments**.

Other Risks

Vonovia also acts as an energy supply company through Vonovia Energie Service GmbH and Vonovia Energie GmbH. Contracts used for procurement and in the context of sales do not constitute financial instruments under IFRS 9 as a general rule due to the own use exemption. However, because the contracts used are managed in a comparable manner, this business area is also presented below. Due in particular to the current fluctuations in energy procurement conditions, there is a risk that planned energy procurement prices may not be realized. This indirectly results in the risk of the energy sales business becoming loss-making. Vonovia hedges against these risks with a broad range of risk management instruments, which, in addition to a structured multi-year procurement strategy and systematic risk monitoring, also offers the option of price adjustments during the year. This has significantly reduced market price risks in the current dynamic situation on the energy procurement markets.

For all material equity instruments categorized at FVOCI, a 5% increase (reduction) in the share price would have increased (reduced) total equity by € 11.8 million (€ -11.8 million) (December 31, 2023: € 14.1 million (€ -14.1 million). With regard to the impact of the change in equity instruments at fair value in other comprehensive income during the reporting period, we refer to the statement of comprehensive income.

Credit Risks

Vonovia is exposed to a default risk resulting from the potential failure of a counterparty to fulfill its part of the contract. In order to minimize risks, financial transactions are generally only executed with banks and partners whose credit rating has been found by a rating agency to be at least equivalent to Vonovia's. These counterparties are assigned volume limits set by the Management Board. The counterparty risks are managed and monitored centrally by the Corporate Finance and Treasury department.

Liquidity Risks

The companies of Vonovia are financed by borrowed capital to a notable degree. Due to their high volume, the loans are in some cases exposed to a considerable refinancing risk. The liquidity risks arising from financing transactions with high volumes (volume risks) have become apparent in the financial sector, especially in the wake of the financial crisis. In order to limit these risks, Vonovia is in constant contact with many different market players, continuously monitors all financing options available on the capital and banking markets and uses these options in a targeted manner. Moreover, Vonovia subjects its existing financings to an early review prior to the respective final maturity date in order to ensure refinancing.

Under the conditions of the capital market products issued and existing loan agreements, Vonovia is obliged to fulfill certain financial covenants such as the debt service coverage ratio, the debt-equity ratio or the share of unencumbered assets. If financial covenants are violated, the breach is not rectified within so-called cure periods and no mutually acceptable agreement can be reached with the lenders, the financing may be restructured and the cost structure changed. Should all commonly practiced solutions be unsuccessful, the lenders could call in the loan. The fulfillment of these financial covenants is continually monitored on the basis of current actual figures and budgetary accounting.

In order to ensure its ability to pay at all times, Vonovia has put a system-supported cash management system in place. This system monitors and optimizes Vonovia's cash flows on an ongoing basis and provides the Management Board with regular reports on the Group's current liquidity situation. Liquidity management is supplemented by short-term rolling, monthly liquidity planning for the current fiscal year, of which the Management Board is also promptly notified. In order to minimize credit risks, large amounts of cash on hand are avoided wherever possible. In the event that large reserves are necessary on a short-term basis due to pending investments or refinancing, these are distributed among various instruments and banking partners with good credit ratings.

The following table shows the forecast for undiscounted cash flows of the non-derivative financial liabilities and derivative financial instruments for the 2024 reporting year. The loan repayments shown for the following years contain only contractually fixed minimum repayment amounts:

		2025		2026		2027 to 2031		from 2032	
in € million	Carrying amount as of Dec. 31, 2024	Interest	Repayment	Interest	Repayment	Interest	Repayment	Interest	Repayment
Non-derivative financial liabilities									
Liabilities to banks	14,914.3	314.7	1,724.5	314.3	1,486.1	943.7	8,712.8	693.3	3,177.4
Liabilities to other creditors	27,464.6	217.6	3,206.2	418.1	2,574.1	1,516.6	12,593.2	1,226.7	8,966.0
Deferred interest from other non-derivative financial liabilities	272.1	272.1	-	-	-	-	-	-	-
Lease liabilities	675.7	20.3	40.0	19.2	32.1	85.6	102.6	318.6	501.1
Financial liabilities from tenant financing	150.6	-	110.9	-	1.9	-	9.5	-	28.3
Derivative financial assets and liabilities									
Purchase price liabilities from put options/rights to reimbursement	311.2	-	-	-	33.1	-	63.2	-	214.9
Stand-alone interest rate swaps	-16.6	14.5		8.6		21.4		10.4	
Cash flow hedges (cross currency swaps) FX in €	4.6	38.9		38.2	31.1	171.6	407.2	105.9	465.1
Cash flow hedges (cross currency swaps) €		-36.8		-36.2	-30.6	-169.9	-410.8	-132.7	-481.2
Cash flow hedges (interest rate swaps)	21.0	-1.9		-2.8		-3.4			
Deferred interest from swaps	-5.4	-5.4							

in € million	Carrying amount as of Dec. 31, 2023	2024 Interest	2024 Repayment	2025 Interest	2025 Repayment	2026 to 2030 Interest	2026 to 2030 Repayment	from 2031 Interest	from 2031 Repayment
Non-derivative financial liabilities									
Liabilities to banks	14,915.6	344.5	632.7	369.9	1,628.6	1,100.8	9,727.9	350.9	2,950.0
Liabilities to other creditors	27,751.0	212.3	2,400.9	367.3	3,202.1	1,353.6	12,859.2	876.7	9,317.7
Deferred interest from other non-derivative financial liabilities	230.5	230.5	–	–	–	–	–	–	–
Lease liabilities	673.2	19.8	38.9	18.9	31.6	84.0	101.8	131.9	500.9
Financial liabilities from tenant financing	154.1	–	114.4	–	1.9	–	9.5	–	28.3
Derivative financial assets and liabilities									
Purchase price liabilities from put options/rights to reimbursement	316.2	–	–	–	–	–	95.9	–	220.3
Cash flow hedges/stand-alone interest rate derivatives	-53.2	-42.0		-30.7		-66.3		-14.6	
Cash flow hedges – hedge accounting	44.2	-4.1		-4.0		-12.1		-5.7	
Deferred interest from swaps	-4.4	-4.4							

Credit Facilities

Since November 2021, an agreement has been in place between Vonovia SE and a banking consortium led by Commerzbank AG for a syndicated credit facility with a volume of € 3,000.0 million. Drawdowns can be made in euros or Swedish krona under the agreement, which will end in 2026, with interest based on the EURIBOR or STIBOR, plus an additional margin. This credit line had not been used as of December 31, 2024.

A commercial paper master program with a total volume of € 3,000.0 million, in which Vonovia SE acts as the issuer, has also been in place since November 2021. No issues were outstanding as of December 31, 2024.

As of December 31, 2024, the total volume available under guarantee loan agreements in the Group as a whole amounted to € 305.0 million (December 31, 2023: € 245.0 million). A total of € 226.3 million (December 31, 2023: € 117.2 million) of this amount had been drawn down by the reporting date.

Revolving guarantee lender	Master agreement volume	Utilization 2024	Note
Commerzbank AG	€ 60.0 million	€ 31.5 million	
Atradius Kreditversicherung	€ 95.0 million	€ 63.7 million	
Swiss Re International SE	€ 85.0 million	€ 84.7 million	
Berliner Volksbank eG	no framework	€ 0.1 million	project-specific development financing
Frankfurter Sparkasse	no framework	€ 0.1 million	individual guarantees
Kreissparkasse Gelnhausen	no framework	€ 0.2 million	individual guarantees
Hypo Vereinsbank	no framework	€ 0.2 million	individual guarantees
VHV Allgemeine Versicherung AG	no framework	€ 0.2 million	framework agreement cancelled
Euler Hermes	€ 50.0 million	€ 37.0 million	
UniCredit Bank Austria AG	€ 10.0 million	€ 8.6 million	
Raiffeisen Bank International AG	€ 5.0 million	–	

All in all, Vonovia has cash on hand and deposits at banking institutions of € 1,756.5 million as of the reporting date (December 31, 2023: € 1,374.4 million). The master credit agreements/the commercial paper program, together with the cash on hand, guarantee Vonovia's ability to pay at all times.

We refer to the information on financial risk management in the management report.

54 Capital Management

Vonovia's management aims to achieve a long-term increase in value in the interests of customers, employees and investors. Within this context, maintaining a degree of financial flexibility in order to be able to achieve strategic objectives is crucial. This is why Vonovia's capital management focuses on ensuring our investment grade rating. The priority is to ensure sufficient liquidity resources and maintain an efficient ratio between secured and non-secured capital components.

As part of the opportunities and risk management of Vonovia, the members of the Management Board are given monthly reports on the development of results and their potential effects on the capital structure.

The equity situation of the subsidiaries is regularly examined.

Vonovia's equity developed as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Total equity	29,944.6	28,126.9
Total assets	91,995.9	90,236.3
Equity ratio	32.5%	31.2%

In order to protect itself against changes in exchange rates and interest rates, Vonovia regularly contracts derivative hedging transactions in the case of liabilities with variable interest rates or liabilities in foreign currencies. The Corporate Finance and Treasury department is responsible for implementing the approved financing strategy.

55 Cash Flow Hedges and Stand-alone Hedging Instruments

On the reporting date, the nominal volume of cash flow hedges held in euros, including a forward hedge, amounts to € 764.0 million (December 31, 2023: € 1,165.0 million). Interest rates on hedging instruments are between 1.505% and 3.513% with original swap periods of between 3.5 and 20 years.

In order to manage interest rate risk, Vonovia SE concluded three forward-starting interest rate swaps in the reporting year, two of which were already settled in cash in December 2024 in the amount of € 4.0 million. There is a contractual agreement that the third forward will be settled in cash on January 14, 2025.

In connection with the issue of foreign currency bonds, Vonovia SE also concluded five cross currency swaps (CCS) in 2024, four of which were added to hedge accounting. Two hedging transactions relate to CHF and two to GBP. The nominal value hedged corresponds to a volume of € 891.4 million as of 31 December 2024. The CCS for the nominal value hedged in Swedish krona of SEK 350.0 million, which corresponds to a volume of around € 30.5 million, remained a stand-alone swap. The main parameters of the cross currency swaps added to hedge accounting are set out in the table below.

The forward-starting interest rate swap discussed at this point in the report in the previous year was settled in cash in the amount of € 13.3 million in the reporting year.

With the exception of one transaction, the euro interest rate swaps with hedge accounting are reported with negative market values as of the reporting date.

For the hedging instruments that are maintained within a so-called passive hedge accounting, € 3.0 million was reclassified affecting net income in the reporting year in line with the expected cash flows from the underlying hedged items. This reduced the value recognized in other comprehensive income to € 12.2 million.

All derivatives are included in netting agreements with the issuing banks.

No economic or accounting offsetting was performed in the reporting year.

Key parameters of the interest rate swaps were as follows:

in € million	Carrying amount Dec. 31, 2024	Balance sheet item including the hedging instrument	Face value	Beginning of term	End of term
Forward-starting Interest rate swap					
Hedged item					
Forward	-0.9	Derivatives	100.0	Jan. 14, 2025	Jan. 14, 2035
Floating-to-fixed hedge					
Hedged item			142.0	Mar. 1, 2022	Mar. 1, 2027
Interest rate swap	-3.8	Derivatives	142.0	Jul. 4, 2023	Mar. 1, 2027
Floating-to-fixed hedge					
Hedged item			156.0	Feb. 28, 2022	Mar. 1, 2027
Interest rate swap	-4.0	Derivatives	156.0	Jul. 4, 2023	Mar. 1, 2027
Floating-to-fixed hedge					
Hedged item			325.0	Feb. 28, 2022	Feb. 28, 2029
Interest rate swap	-15.7	Derivatives	325.0	Jul. 10, 2023	Feb. 28, 2029
Floating-to-fixed hedge					
Hedged item			41.0	Oct. 1, 2018	Nov. 30, 2038
Interest rate swaps	3.4	Financial assets	41.0	Oct. 1, 2018	Nov. 30, 2038

Current average interest rate (incl. margin)	Changes in the value of the hedging instrument recognized in other comprehensive income	Ineffectiveness of the hedging instrument recognized in profit or loss	Profit or loss item including hedge ineffectiveness	Reporting year reclassification	Profit or loss item including the reclassification of the hedge	Change in fair value of the hedged item
	(+) Increase of equity (-) Decrease of equity	(+) Increase of equity (-) Decrease of equity				
3 M EURIBOR margin 0.0%						
2.41%	-0.9	–	Interest expenses	–	n.a.	
3 M EURIBOR margin 0.6%						-0.2
3.426%	0.2	–	Interest expenses	-0.5	Interest expenses	
6 M EURIBOR margin 0.6%						-0.4
3.504%	0.4	–	Interest expenses	-0.5	Interest expenses	
6 M EURIBOR margin 0.7%						-0.3
3.513%	0.3	–	Interest expenses	-1.0	Interest expenses	
3 M EURIBOR margin 1.32%						1.0
1.505%	-1.8	0.8	Interest expenses	-0.9	Interest expenses	

Key parameters of the cross currency swaps were as follows:

	Face value million foreign currency	Face value million €	Beginning of term	End of term	Interest rate foreign currency	Interest rate €	Hedging rate foreign currency/€
Cross Currency Swap GBP 200							
Cross Currency Swap GBP 200							
Hedged item	200.0	232.5	Jan. 18, 2024	Jan. 18, 2036	5.50%		
CCS	200.0	232.5	Jan. 18, 2024	Jan. 18, 2036		4.55%	1.1623
Cross Currency Swap CHF 150							
Hedged item	150.0	159.3	Feb. 14, 2024	Feb. 14, 2029	2.57%		
CCS	150.0	159.3	Feb. 14, 2024	Feb. 14, 2029		4.16%	1.0620
Cross Currency Swap CHF 235							
Hedged item	235.0	247.9	Aug. 26, 2024	Aug. 26, 2031	2.00%		
CCS	235.0	247.9	Aug. 26, 2024	Aug. 26, 2031		3.90%	1.0547

As of the reporting date, Deutsche Wohnen Group recognized 18 stand-alone interest rate swaps, eight with a floor. The nominal value hedged came to € 848.8 million as of December 31, 2024 (December 31, 2023: € 853.0 million); three transactions result in a negative market value of € 7.9 million (December 31, 2023: € 7.7 million), while the positive market values of the other interest rate swaps total € 24.1 million (December 31, 2023: € 39.4 million).

The hedged nominal volume of currently 13 stand-alone interest rate swaps of BUWOG amounted to € 559.5 million as of December 31, 2024 (December 31, 2023: € 335.0 million), while positive market values of € 11.5 million (December 31, 2023: € 16.6 million) were offset by negative market values totaling € 2.4 million (December 31, 2023: € 1.6 million).

On the reporting date, the Victoriahem Group recognized eight stand-alone interest rate swaps, two of which were portfolio hedges. The nominal value hedged in Swedish krona amounted to € 845.9 million as of December 31, 2024 (December 31, 2023: € 809.4 million), while positive market values of € 0.8 million (December 31, 2023: € 7.7 million) were offset by negative market values totaling € 9.1 million (December 31, 2023: € 1.2 million).

The designation of the cash flow hedges as hedging instruments is prospectively determined on the basis of a sensitivity analysis, retrospectively on the basis of the accumulated dollar offset method. The fair value changes of the hedged items are determined on the basis of the hypothetical derivative method. In the reporting year – as in the prior year – the impact of default risk on the fair values is negligible and did not result in any adjustments of the balance sheet item.

The derivatives in the form of long-term call options to buy back shares, which were recognized for the first time in the previous year in the amount of € 838.0 million, were adjusted, with recognition in profit and loss, to € 731.0 million in the reporting year. For details on the call options, please refer to the chapter entitled → **[D28] Financial Assets**

All in all, the positive market values of cash flow hedges from interest rate derivatives in the amount of € 3.4 million (December 31, 2023: € 4.4 million) were offset in the reporting year by negative market values of € 24.4 million (December 31, 2023: € 48.6 million).

In the case of the cross currency swaps, the positive market values of € 10.9 million were offset by negative market values of € 15.5 million.

At the same time, positive market values from stand-alone interest rate derivatives were recognized in the amount of € 36.4 million (December 31, 2023: € 63.8 million) and were offset in the reporting year by negative market values of € 19.8 million (December 31, 2023: € 10.6 million).

The positive deferred interest balance across the board came to € 5.5 million in the reporting year (December 31, 2023: € 4.4 million).

The impact of the cash flow hedges (after income taxes) on the development of other reserves is shown below:

in € million	As of Jan. 1	Changes in the period		Reclassification affecting net income		As of Dec. 31
		Changes in CCS	Other	Currency risk	Interest risk	
2024	**-20.1**	**3.8**	**21.5**	**-13.5**	**0.1**	**-8.2**
2023	**41.2**	**-42.7**	**-50.3**	**33.9**	**-2.2**	**-20.1**

The impact of the cash flow hedges (after income taxes) on total comprehensive income is shown below:

Cash Flow Hedges

in € million	2023	2024
Change in unrealized gains/losses	-136.7	32.3
Taxes on the change in unrealized gains/losses	43.7	-7.0
Net realized gains/losses	43.9	-21.1
Taxes due to net realized gains/losses	-12.2	7.7
Total	**-61.3**	**11.9**

In the reporting year, after allowing for deferred taxes, positive cumulative ineffectiveness for cash flow hedges amounts to € 0.2 million (2023: € -0.3 million), improving net interest by € 0.5 million (2023: € -0.7 million).

On the basis of the valuation as of December 31, 2024, Vonovia used a sensitivity analysis for all swaps to determine the change in equity (after income taxes) given a parallel shift in the interest rate structure of 50 basis points in each case:

in € million	Change in equity		
	Other reserves not affecting net income	Income statement affecting net income	Total
2024			
+50 basis points	11.3	29.8	41.1
-50 basis points	-11.5	-30.1	-41.6
2023			
+50 basis points	24.3	17.4	41.7
-50 basis points	-24.5	-17.3	-41.8

A further sensitivity analysis for the CCS showed that a change in the foreign currency level of -5% (+5%) would lead, after allowance for deferred taxes, to a change in the other reserves not affecting net income of € -2.7 million (or € 2.8 million), while ineffectiveness affecting net income in the amount of € 0.0 million (or € -0.6 million) would result at the same time.

A final sensitivity analysis revealed that, for a minority of variable-rate loans not designated as hedges, a parallel shift in the interest structure of 50 basis points in each case would have an effect in the income statement of € 15.9 million (or € -15.9 million), as against an effect of € 15.3 million (or € -15.3 million) in the previous year.

56 Contingent Liabilities

Contingent liabilities exist for cases in which Vonovia SE and its subsidiaries give guarantees to various contractual counterparts. The terms are in many cases limited to an agreed time. In some cases, the term is unlimited.

Contingent liabilities of Vonovia are as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Guarantees in connection with Development	147.6	248.0
Rent surety bonds	2.4	3.1
Other	3.6	3.4
	153.6	**254.5**

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 structuring processes). None of the legal disputes, taken in isolation, will have any material effects on the net assets, financial position or results of operations of Vonovia.

57 Other Financial Obligations

Other financial obligations are as follows:

in € million	Dec. 31, 2023	Dec. 31, 2024
Other financial obligations		
Investment obligations	1,239.5	1,209.8
Obligations resulting from acquisition	–	1,052.0
Commitments under purchase orders for modernization and new construction	819.6	486.6
IT service contracts	46.9	100.4
Cable TV service contracts	20.3	2.9
Surcharges under the German Condominium Act	2.7	2.0
Other	11.5	28.6
	2,140.5	**2,882.3**

In the 2024 fiscal year, Deutsche Wohnen concluded purchase agreements to acquire land to build on from the QUARTERBACK Immobilien Group. Within the same context, selective purchase agreements were also concluded to acquire property management units from QUARTERBACK Immobilien AG. The total volume of the purchase agreements concluded in 2024 comes to around € 1.3 billion. The transactions are scheduled to be closed in the first half of 2025. Further transactions in order to acquire land to build on from the QUARTERBACK property companies are planned for the first half 2025. The total volume of the other planned purchase agreements comes to around € 0.2 billion. Payment obligations due for 2024 in the amount of € 0.2 million have already been fulfilled. The remaining obligations will not fall due until 2025.

The obligations under cable TV service contracts are set against future income from the marketing of the cable TV service.

Bochum, March 1, 2025

Rolf Buch
(CEO)

Arnd Fittkau
(CRO)

Philip Grosse
(CFO)

Daniel Riedl
(CDO)

Ruth Werhahn
(CHRO)

Information

To offer a high degree of transparency, we publish detailed information in line with the requirements of the European Public Real Estate Association (EPRA).

List of Vonovia Shareholdings

as of December 31, 2024, according to Section 313 (2) HGB

Annex to the Consolidated Financial Statements

Company	Company domicile	Interest %
Vonovia SE	Bochum/DE	
Consolidated Companies		
Germany		
AGG Auguste-Viktoria-Allee Grundstücks GmbH	Berlin	100.00 [1)]
Alboingärten Bauvorhaben Bessemerstraße GmbH	Schönefeld	100.00
Algarobo GmbH (vormals Algarobo Holding B.V.)	Nuremberg	100.00 [1)]
Alpha Asset Invest GmbH	Berlin	100.00 [1)]
alt+kelber Immobilienverwaltung GmbH	Berlin	100.00 [1)]
Amber Dritte VV GmbH	Berlin	94.90 [1)]
Amber Erste VV GmbH	Berlin	94.90 [1)]
Amber Zweite VV GmbH	Berlin	94.90 [1)]
Aragon 13. VV GmbH	Berlin	94.90 [1)]
Aragon 14. VV GmbH	Berlin	94.90 [1)]
Aragon 15. VV GmbH	Berlin	94.90 [1)]
Aragon 16. VV GmbH	Berlin	94.90 [1)]
Aufbau-Gesellschaft der GEHAG mit beschränkter Haftung	Berlin	100.00 [1)]
Barmer Wohnungsbau GmbH	Wuppertal	92.03
Barmer Wohnungsbau Grundbesitz I GmbH	Wuppertal	100.00 [1)]
Barmer Wohnungsbau Grundbesitz IV GmbH	Wuppertal	100.00 [1)]
Barmer Wohnungsbau Grundbesitz V GmbH	Wuppertal	100.00
Bau- und Siedlungsgesellschaft Dresden mbH	Dresden	94.73 [1)]
BauBeCon BIO GmbH	Berlin	100.00 [1)]
BauBeCon Immobilien GmbH	Berlin	100.00 [1)]
BauBeCon Wohnwert GmbH	Berlin	100.00 [1)]
Baugesellschaft Bayern mbH	Munich	94.90 [1)]
Beamten-Baugesellschaft Bremen Gesellschaft mit beschränkter Haftung	Bremen	89.90 [1)]
Beragon VV GmbH	Berlin	94.90 [1)]
Börsenhof A Besitz GmbH	Bremen	94.00 [1)]
Bremische Gesellschaft für Stadterneuerung, Stadtentwicklung und Wohnungsbau mit beschränkter Haftung	Bremen	89.90 [1)]
Bundesbahn-Wohnungsbaugesellschaft Kassel Gesellschaft mit beschränkter Haftung	Kassel	94.90 [1)]
Bundesbahn-Wohnungsbaugesellschaft Regensburg mbH	Regensburg	94.90 [1)]

Company	Company domicile	Interest %
BUWOG - Bauen und Wohnen Deutschland 1 GmbH	Schönefeld	100.00
BUWOG - Bauen und Wohnen Deutschland 2 GmbH	Berlin	100.00
BUWOG - Bauen und Wohnen Deutschland 3 GmbH	Berlin	100.00 [1)]
BUWOG - Bauen und Wohnen Leipzig GmbH	Leipzig	100.00
BUWOG - Bauen und Wohnen Süd GmbH	Lindau (Bodensee)	100.00
BUWOG - Berlin I GmbH & Co. KG	Bochum	94.90 [2) 3)]
BUWOG - Berlin II GmbH	Kiel	94.90
BUWOG - Berlin Kreuzberg I GmbH & Co. KG	Bochum	94.90 [2) 3)]
BUWOG - Berlin Wohnen GmbH	Kiel	94.90 [1)]
BUWOG - Berlin Wohnen II GmbH	Kiel	94.90 [1)]
BUWOG - Berlin Wohnen III GmbH	Kiel	94.90
BUWOG - Braunschweig I GmbH	Kiel	94.90 [1)]
BUWOG - Gartenfeld Development GmbH	Berlin	94.90 [1)]
BUWOG - Gartenfeld Wohnen GmbH	Kiel	94.90
BUWOG - Gervinusstraße Development GmbH	Berlin	100.00
BUWOG - Goethestraße Development GmbH	Berlin	94.90
BUWOG - Grundstücks- und Betriebs GmbH	Kiel	94.90
BUWOG - Hamburg Süd GmbH	Kiel	94.90 [1)]
BUWOG - Hamburg Umland I GmbH	Kiel	89.90 [1)]
BUWOG - Hamburg Umland II GmbH	Kiel	89.90 [1)]
BUWOG - Hamburg Wohnen GmbH	Kiel	100.00 [1)]
BUWOG - Harzer Straße Development GmbH	Berlin	94.90
BUWOG - Hausmeister GmbH	Kiel	100.00 [1)]
BUWOG - Heidestraße Development GmbH	Berlin	94.90 [1)]
BUWOG - Herzogtum Lauenburg GmbH	Kiel	89.90 [1)]
BUWOG - Immobilien Management GmbH	Kiel	100.00
BUWOG - Jahnstraße Development GmbH	Berlin	94.90
BUWOG - Kassel Verwaltungs GmbH	Kiel	100.00
BUWOG - Kiel I GmbH & Co. KG	Bochum	94.90 [2) 3)]
BUWOG - Kiel II GmbH	Kiel	89.90 [1)]
BUWOG - Kiel III GmbH	Kiel	89.90 [1)]
BUWOG - Kiel IV GmbH	Kiel	89.90 [1)]
BUWOG - Kiel Meimersdorf GmbH	Kiel	94.90 [1)]
BUWOG - Kiel V GmbH	Kiel	89.90 [1)]
BUWOG - Lübeck Hanse I GmbH	Kiel	89.90 [1)]
BUWOG - Lübeck Hanse II GmbH	Kiel	89.90 [1)]
BUWOG - Lübeck Hanse III GmbH	Kiel	89.90 [1)]
BUWOG - Lübeck Hanse IV GmbH	Kiel	89.90 [1)]
BUWOG - Lückstraße Development GmbH	Berlin	94.90
BUWOG - Lüneburg GmbH	Kiel	94.90 [1)]
BUWOG - Mariendorfer Weg Development GmbH	Berlin	94.90
BUWOG - NDL I GmbH	Kiel	100.00 [1)]
BUWOG - NDL II GmbH	Kiel	100.00 [1)]
BUWOG - NDL III GmbH	Kiel	100.00 [1)]

Company	Company domicile	Interest %
BUWOG - NDL IV GmbH	Kiel	100.00 [1)]
BUWOG - NDL IX GmbH	Kiel	100.00 [1)]
BUWOG - NDL V GmbH	Kiel	100.00
BUWOG - NDL VI GmbH	Kiel	100.00 [1)]
BUWOG - NDL VII GmbH	Kiel	100.00 [1)]
BUWOG - NDL VIII GmbH	Kiel	100.00 [1)]
BUWOG - NDL X GmbH	Kiel	100.00 [1)]
BUWOG - NDL XI GmbH	Kiel	100.00 [1)]
BUWOG - NDL XII GmbH	Kiel	100.00 [1)]
BUWOG - NDL XIII GmbH	Kiel	100.00 [1)]
BUWOG - Niedersachsen/Bremen GmbH	Kiel	94.90 [1)]
BUWOG - Parkstraße Development GmbH	Berlin	94.90 [1)]
BUWOG - Regattastraße Development GmbH	Berlin	100.00 [1)]
BUWOG - Region Ost Development GmbH	Berlin	100.00 [1)]
BUWOG - Rhein-Main Development GmbH	Hanau	100.00 [1)]
BUWOG - Schleswig-Holstein GmbH	Kiel	94.90 [1)]
BUWOG - Spandau Primus GmbH	Kiel	100.00
BUWOG - Weidenbaumsweg Development GmbH	Berlin	94.90 [1)]
BUWOG Bauträger GmbH	Berlin	94.90 [1)]
BUWOG Immobilien Treuhand GmbH	Bochum	100.00 [1)]
BUWOG Kassel I GmbH & Co. KG	Bochum	94.90 [2) 3)]
BUWOG Kassel II GmbH & Co. KG	Bochum	94.90 [2) 3)]
BUWOG Projektmanagement GmbH	Berlin	100.00 [1)]
BUWOG Spandau 1 GmbH & Co. KG	Kiel	100.00 [2) 3)]
BUWOG Spandau 2 GmbH & Co. KG	Kiel	100.00 [2) 3)]
BUWOG Spandau 3 GmbH & Co. KG	Kiel	100.00 [2) 3)]
BUWOG-Lindenstraße Development GmbH	Berlin	100.00
BUWOG-Westendpark Development GmbH	Berlin	100.00
BWG Frankfurt am Main Bundesbahn-Wohnungsgesellschaft mbH	Frankfurt am Main	94.90 [1)]
C. A. & Co. Catering KG	Wolkenstein	100.00
Ceragon VV GmbH	Berlin	94.90 [1)]
Communication Concept Gesellschaft für Kommunikationstechnik mbH	Leipzig	100.00
conwert & kelber Besitz 10/2007 GmbH	Berlin	94.80 [1)]
conwert & kelber Besitz 11/2007 GmbH	Zossen	94.80
conwert & kelber Bestand 10/2007 GmbH	Berlin	94.80 [1)]
conwert Alfhild II Invest GmbH	Berlin	94.90 [1)]
conwert Alfhild Invest GmbH	Berlin	94.90 [1)]
conwert Berlin 2 Immobilien Invest GmbH	Zossen	94.90
conwert Capricornus Invest GmbH	Zossen	100.00 [1)]
conwert Carina Invest GmbH	Berlin	100.00 [1)]
conwert Centaurus Invest GmbH	Zossen	94.90 [1)]
conwert delta Invest GmbH	Berlin	100.00 [1)]
conwert Deutschland Beteiligungsholding GmbH	Berlin	100.00 [1)]
conwert Deutschland GmbH	Berlin	100.00 [1)]

Company	Company domicile	Interest %
conwert Deutschland Holding GmbH	Berlin	94.90
conwert Dresden Vier Invest GmbH	Berlin	100.00
conwert Eisa Invest GmbH	Zossen	94.90 [1)]
conwert Epitaurus Invest GmbH	Zossen	94.00
conwert gamma Invest GmbH	Berlin	94.90 [1)]
conwert Grazer Damm Development GmbH	Zossen	94.90 [1)]
conwert Grundbesitz Leipzig Besitz GmbH	Berlin	94.90 [1)]
conwert Grundbesitz Leipzig Bestand GmbH	Zossen	94.90 [1)]
conwert Immobilien Development GmbH	Berlin	94.90 [1)]
conwert lambda Invest GmbH	Berlin	100.00 [1)]
conwert Lepus Invest GmbH	Berlin	100.00
conwert omega Invest GmbH	Zossen	94.90 [1)]
conwert Pegasus Invest GmbH	Berlin	94.90 [1)]
conwert Sachsen Invest GmbH	Zossen	100.00 [1)]
conwert Tizian 1 Invest GmbH	Berlin	94.90 [1)]
conwert Tizian 2 Invest GmbH	Berlin	94.90 [1)]
conwert Wali Invest GmbH	Berlin	94.90 [1)]
conwert Wohn-Fonds GmbH	Zossen	100.00 [1)]
DA DMB Zwei GmbH (vormals DA DMB Netherlands B.V.)	Nuremberg	100.00 [1)]
DA EB GmbH	Nuremberg	100.00
DA Jupiter Holding GmbH (vormals DA Jupiter NL JV Holdings 1 B.V.)	Nuremberg	100.00
DA Jupiter Wohnanlage GmbH	Düsseldorf	94.00 [1)]
DAIG 1. Objektgesellschaft mbH	Düsseldorf	100.00 [1)]
DAIG 10. Objektgesellschaft mbH (vormals DAIG 10. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 11. Objektgesellschaft mbH (vormals DAIG 11. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 12. Objektgesellschaft mbH	Düsseldorf	94.00 [1)]
DAIG 13. Objektgesellschaft mbH	Düsseldorf	94.00 [1)]
DAIG 14. Objektgesellschaft mbH (vormals DAIG 14. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 15. Objektgesellschaft mbH (vormals DAIG 15. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 17. Objektgesellschaft mbH (vormals DAIG 17. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 18. Objektgesellschaft mbH (vormals DAIG 18. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 19. Objektgesellschaft mbH (vormals DAIG 19. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 2. Objektgesellschaft mbH	Düsseldorf	100.00 [1)]
DAIG 20. Objektgesellschaft mbH (vormals DAIG 20. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 21. Objektgesellschaft mbH (vormals DAIG 21. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 22. Objektgesellschaft mbH (vormals DAIG 22. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 23. Objektgesellschaft mbH (vormals DAIG 23. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 24. Objektgesellschaft mbH (vormals DAIG 24. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 25. Objektgesellschaft mbH (vormals DAIG 25. Objektgesellschaft B.V.)	Nuremberg	94.44
DAIG 3. Objektgesellschaft mbH	Düsseldorf	100.00 [1)]
DAIG 4. Objektgesellschaft mbH	Düsseldorf	100.00 [1)]
DAIG 9. Objektgesellschaft mbH (vormals DAIG 9. Objektgesellschaft B.V.)	Nuremberg	94.44
Delphinus HoldCo GmbH	Bochum	100.00
Delphinus SubCo GmbH	Bochum	100.00

Company	Company domicile	Interest %
Delphinus TargetCo GmbH	Bochum	100.00
DELTA VIVUM Berlin I GmbH	Berlin	94.90 [1]
DELTA VIVUM Berlin II GmbH	Berlin	94.90 [1]
Deutsche Annington Acquisition Holding GmbH	Düsseldorf	100.00 [1]
Deutsche Annington Beteiligungsverwaltungs GmbH	Düsseldorf	100.00 [1]
Deutsche Annington DEWG GmbH & Co. KG	Bochum	100.00 [2] [3]
Deutsche Annington DEWG Verwaltungs GmbH	Düsseldorf	100.00
Deutsche Annington DMB Eins GmbH	Bochum	100.00 [1]
Deutsche Annington Fundus Immobiliengesellschaft mbH	Cologne	100.00 [1]
Deutsche Annington Fünfte Beteiligungsgesellschaft mbH	Düsseldorf	100.00
Deutsche Annington Haus GmbH	Kiel	100.00
Deutsche Annington Heimbau GmbH	Kiel	100.00 [1]
Deutsche Annington Holdings Drei GmbH	Bochum	100.00 [1]
Deutsche Annington Holdings Eins GmbH	Düsseldorf	100.00 [1]
Deutsche Annington Holdings Fünf GmbH	Düsseldorf	100.00 [1]
Deutsche Annington Holdings Sechs GmbH	Bochum	100.00 [1]
Deutsche Annington Holdings Vier GmbH	Düsseldorf	100.00 [1]
Deutsche Annington Holdings Vier GmbH & Co. KG	Bochum	100.00 [2] [3]
Deutsche Annington Holdings Zwei GmbH	Düsseldorf	100.00 [1]
Deutsche Annington Immobilien-Dienstleistungen GmbH	Düsseldorf	100.00 [1]
Deutsche Annington Interim DAMIRA GmbH	Düsseldorf	100.00 [1]
Deutsche Annington Kundenservice GmbH	Bochum	100.00 [1]
Deutsche Annington McKinley Eins GmbH & Co. KG	Bochum	100.00 [2] [3]
Deutsche Annington McKinley Eins Verwaltungs GmbH	Düsseldorf	100.00
Deutsche Annington McKinley-Holding GmbH & Co. KG	Bochum	100.00 [2] [3]
Deutsche Annington Rhein - Ruhr GmbH & Co. KG	Bochum	100.00 [2] [3]
Deutsche Annington Rheinland Immobiliengesellschaft mbH	Cologne	100.00 [1]
Deutsche Annington Sechste Beteiligungs GmbH	Düsseldorf	100.00
Deutsche Annington WOGE Sieben Verwaltungs-GmbH	Düsseldorf	100.00
Deutsche Annington WOGE Vier Bestands GmbH & Co. KG	Bochum	100.00 [2] [3]
Deutsche Annington WOGE Vier GmbH & Co. KG	Bochum	100.00 [2] [3]
Deutsche Annington Wohnungsgesellschaft I mbH	Essen	100.00 [1]
Deutsche Annington Zweite Beteiligungsgesellschaft mbH	Düsseldorf	100.00
Deutsche Eisenbahn-Wohnungs-Gesellschaft mbH	Leipzig	100.00 [1]
Deutsche Multimedia Service GmbH	Düsseldorf	100.00 [1]
Deutsche TGS GmbH	Düsseldorf	100.00 [1]
Deutsche Wohnen Asset Immobilien GmbH	Frankfurt am Main	100.00 [1]
Deutsche Wohnen Berlin 5 GmbH	Berlin	94.90 [1]
Deutsche Wohnen Berlin 6 GmbH	Berlin	94.90 [1]
Deutsche Wohnen Berlin 7 GmbH	Berlin	94.90 [1]
Deutsche Wohnen Berlin I GmbH	Berlin	94.00 [1]
Deutsche Wohnen Berlin II GmbH	Berlin	94.90 [1]
Deutsche Wohnen Berlin III GmbH	Berlin	94.90 [1]
Deutsche Wohnen Berlin X GmbH	Berlin	94.80 [1]

Company	Company domicile	Interest %
Deutsche Wohnen Berlin XII GmbH	Berlin	94.80 [1]
Deutsche Wohnen Berlin XIII GmbH	Berlin	94.80 [1]
Deutsche Wohnen Berlin XV GmbH	Berlin	94.80 [1]
Deutsche Wohnen Berlin XVI GmbH	Berlin	94.80 [1]
Deutsche Wohnen Berlin XVII GmbH	Berlin	94.80 [1]
Deutsche Wohnen Beteiligungen Immobilien GmbH	Frankfurt am Main	100.00 [1]
Deutsche Wohnen Beteiligungsverwaltungs GmbH & Co. KG	Berlin	100.00 [2] [3]
Deutsche Wohnen Care SE	Berlin	100.00
Deutsche Wohnen Construction and Facilities GmbH	Berlin	100.00 [1]
Deutsche Wohnen Corporate Real Estate GmbH	Berlin	100.00 [1]
Deutsche Wohnen Direkt Immobilien GmbH	Frankfurt am Main	100.00 [1]
Deutsche Wohnen Dresden I GmbH	Berlin	100.00 [1]
Deutsche Wohnen Dresden II GmbH	Berlin	100.00 [1]
Deutsche Wohnen Fondsbeteiligungs GmbH	Berlin	100.00 [1]
Deutsche Wohnen Immobilien Management GmbH	Berlin	100.00 [1]
Deutsche Wohnen Kundenservice GmbH	Berlin	100.00 [1]
Deutsche Wohnen Management GmbH	Berlin	100.00 [1]
Deutsche Wohnen Management- und Servicegesellschaft mbH	Frankfurt am Main	100.00 [1]
Deutsche Wohnen Multimedia Netz GmbH	Berlin	100.00 [1]
Deutsche Wohnen Reisholz GmbH	Berlin	100.00 [1]
Deutsche Wohnen SE	Berlin	87.60
Deutsche Wohnen Technology GmbH	Berlin	100.00 [1]
Deutsche Wohnen Zweite Fondsbeteiligungs GmbH	Berlin	100.00 [1]
Deutsche Wohn-Inkasso GmbH	Bochum	100.00 [1]
Diak-Nd Pflege-Altenheime Besitz GmbH	Berlin	100.00
DW Pflegeheim Dresden Grundstücks GmbH	Munich	100.00 [1]
DW Pflegeheim Eschweiler Grundstücks GmbH	Munich	100.00 [1]
DW Pflegeheim Frankfurt am Main Grundstücks GmbH	Munich	100.00 [1]
DW Pflegeheim Friesenheim Grundstücks GmbH	Munich	100.00 [1]
DW Pflegeheim Glienicke Grundstücks GmbH	Munich	100.00 [1]
DW Pflegeheim Konz Grundstücks GmbH	Munich	100.00 [1]
DW Pflegeheim Meckenheim Grundstücks GmbH	Munich	100.00 [1]
DW Pflegeheim Potsdam Grundstücks GmbH	Munich	100.00
DW Pflegeheim Weiden Grundstücks GmbH	Munich	100.00 [1]
DW Pflegeheim Würselen Grundstücks GmbH	Munich	100.00 [1]
DW Pflegeresidenzen Grundstücks GmbH	Munich	100.00 [1]
DW Property Invest GmbH	Berlin	100.00 [1]
DWRE Alpha GmbH	Berlin	100.00 [1]
DWRE Braunschweig GmbH	Berlin	100.00 [1]
DWRE Dresden GmbH	Berlin	100.00 [1]
DWRE Halle GmbH	Berlin	100.00 [1]
DWRE Hennigsdorf GmbH	Berlin	100.00 [1]
DWRE Leipzig GmbH	Berlin	100.00 [1]
ecowo GmbH	Bochum	100.00 [1]

Company	Company domicile	Interest %
Eisenbahn-Siedlungsgesellschaft Augsburg mbH (Siegau)	Augsburg	94.90 [1]
Eisenbahn-Siedlungs-Gesellschaft Berlin mit beschränkter Haftung	Berlin	94.90 [1]
Eisenbahn-Siedlungsgesellschaft Stuttgart mbH (vormals Eisenbahn-Siedlungsgesellschaft Stuttgart, gemeinnützige Gesellschaft mit beschränkter Haftung)	Stuttgart	94.87 [1]
Eisenbahn-Wohnungsbau-Gesellschaft Karlsruhe GmbH	Karlsruhe	94.90 [1]
Eisenbahn-Wohnungsbaugesellschaft Köln mbH	Cologne	94.90 [1]
Eisenbahn-Wohnungsbaugesellschaft Nürnberg GmbH	Nuremberg	94.90 [1]
EMD Energie Management Deutschland GmbH	Berlin	100.00 [1]
Eragon VV GmbH	Berlin	94.90 [1]
FACILITA Berlin GmbH	Berlin	100.00 [1]
Faragon V V GmbH	Berlin	94.90 [1]
Fjord Immobilien GmbH	Kiel	94.90 [1]
Fortimo GmbH	Berlin	100.00 [1]
Franconia Invest 1 GmbH	Düsseldorf	94.90 [1]
Franconia Wohnen GmbH	Düsseldorf	94.90 [1]
Frankfurter Siedlungsgesellschaft mbH (FSG)	Düsseldorf	100.00 [1]
FSG-Holding GmbH	Düsseldorf	94.80
GAG Grundstücksverwaltungs-GmbH	Berlin	94.90 [1]
GAGFAH Acquisition 1 GmbH	Bochum	94.80 [1]
GAGFAH Acquisition 2 GmbH	Bochum	94.80 [1]
GAGFAH Asset Management GmbH	Bochum	100.00 [1]
GAGFAH Dritte Grundbesitz GmbH	Bochum	94.80 [1]
GAGFAH Erste Grundbesitz GmbH	Bochum	94.80 [1]
GAGFAH GmbH	Bochum	94.90 [1]
GAGFAH Griffin GmbH	Bochum	94.90 [1]
GAGFAH Griffin Holding GmbH	Bochum	100.00 [1]
GAGFAH Hausservice GmbH	Essen	94.90 [1]
GAGFAH Holding GmbH	Bochum	100.00 [1]
GAGFAH M Immobilien-Management GmbH	Bochum	94.90 [1]
GAGFAH Zweite Grundbesitz GmbH	Bochum	94.80 [1]
GBH Acquisition GmbH	Bochum	94.80 [1]
GBH Service GmbH	Heidenheim an der Brenz	100.00
Gehag Acquisition Co. GmbH	Berlin	100.00 [1]
GEHAG Beteiligungs GmbH & Co. KG	Berlin	100.00 [2] [3]
GEHAG Dritte Beteiligungs GmbH	Berlin	100.00 [1]
GEHAG Erste Beteiligungs GmbH	Berlin	100.00 [1]
GEHAG Erwerbs GmbH & Co. KG	Berlin	100.00 [2] [3]
GEHAG GmbH	Berlin	100.00 [1]
GEHAG Grundbesitz I GmbH	Berlin	100.00 [1]
GEHAG Grundbesitz II GmbH	Berlin	100.00 [1]
GEHAG Grundbesitz III GmbH	Berlin	100.00 [1]
GEHAG Vierte Beteiligung SE	Berlin	100.00 [1]
GEHAG Zweite Beteiligungs GmbH	Berlin	100.00 [1]
Geragon VV GmbH	Berlin	94.90 [1]
GGR Wohnparks Kastanienallee GmbH	Berlin	100.00 [1]

Company	Company domicile	Interest %
GGR Wohnparks Nord Leipziger Tor GmbH	Berlin	100.00 [1)]
GGR Wohnparks Süd Leipziger Tor GmbH	Berlin	100.00 [1)]
Grundstücksgesellschaft Karower Damm mbH	Berlin	100.00 [1)]
Grundwert Living GmbH	Berlin	100.00 [1)]
GSW Acquisition 3 GmbH	Berlin	100.00 [1)]
GSW Corona GmbH	Berlin	100.00 [1)]
GSW Gesellschaft für Stadterneuerung mbH	Berlin	100.00
GSW Grundvermögens- und Vertriebsgesellschaft mbH	Berlin	100.00 [1)]
GSW Immobilien AG	Berlin	94.90
GSW Immobilien GmbH & Co. Leonberger Ring KG	Berlin	94.00 [2) 3)]
GSW Pegasus GmbH	Berlin	100.00 [1)]
GSW-Fonds Weinmeisterhornweg 170–178 GbR	Berlin	82.92
Hamburger Ambulante Pflege- und Physiotherapie "HAPP" GmbH	Hamburg	100.00
Hamburger Senioren Domizile GmbH	Hamburg	100.00
Haragon VV GmbH	Berlin	94.90 [1)]
Haus- und Boden-Fonds 38	Essen	69.95
Haus und Heim Wohnungsbau-GmbH	Berlin	100.00 [1)]
HESIONE Vermögensverwaltungsgesellschaft mbH	Frankfurt am Main	100.00
Holzmindener Straße/Tempelhofer Weg Grundstücks GmbH	Berlin	100.00 [1)]
HPE Hausbau GmbH	Zossen	94.90 [1)]
HPE Sechste Hausbau Portfolio GmbH	Zossen	100.00 [1)]
HPE Siebte Hausbau Portfolio GmbH	Berlin	100.00 [1)]
HSI Hamburger Senioren Immobilien GmbH	Hamburg	100.00
HSI Hamburger Senioren Immobilien Management GmbH	Hamburg	100.00
HvD I Grundbesitzgesellschaft mbH	Berlin	100.00 [1)]
IESA Immobilien Entwicklung Sachsen GmbH	Berlin	100.00 [1)]
Immo Service Dresden GmbH	Dresden	100.00 [1)]
Iragon VV GmbH	Berlin	94.90 [1)]
ISABELL GmbH	Berlin	100.00
ISARIA Dachau Entwicklungsgesellschaft mbH	Munich	100.00
ISARIA Hegeneck 5 GmbH	Munich	100.00
ISARIA Objekt Achter de Weiden GmbH	Munich	100.00
Isaria Objekt Erminoldstraße GmbH	Munich	100.00
ISARIA Objekt Garching GmbH	Munich	100.00
ISARIA Objekt Hoferstraße GmbH	Munich	100.00
ISARIA Objekt Norderneyer Straße GmbH	Munich	100.00
ISARIA Objekt Preußenstraße GmbH	Munich	100.00 [1)]
ISARIA Stuttgart GmbH	Munich	100.00
IWA GmbH Immobilien Wert Anlagen	Berlin	100.00 [1)]
JANANA Grundstücksgesellschaft mbH & Co. KG	Grünwald	94.90
KADURA Grundstücksgesellschaft mbH & Co. KG	Grünwald	94.91
Karagon VV GmbH	Berlin	94.90 [1)]
KATHARINENHOF Seniorenwohn- und Pflegeanlage Betriebs-GmbH	Berlin	100.00
KATHARINENHOF Service GmbH	Berlin	100.00

Company	Company domicile	Interest %
Kieler Wohnungsbaugesellschaft mit beschränkter Haftung	Kiel	89.90 [1]
KKS Projektentwicklung GmbH	Berlin	94.80
KWG Grundbesitz CI GmbH & Co. KG	Berlin	99.57 [2] [3]
KWG Grundbesitz CIII GmbH & Co. KG	Berlin	92.00 [2] [3]
KWG Grundbesitz I Verwaltungs GmbH	Berlin	100.00
KWG Grundbesitz III GmbH	Berlin	100.00 [1]
KWG Grundbesitz VI GmbH	Berlin	100.00 [1]
KWG Grundbesitz X GmbH	Berlin	100.00 [1]
KWG Immobilien GmbH	Berlin	100.00 [1]
KWG Kommunale Wohnen GmbH	Berlin	94.14
Laragon VV GmbH	Berlin	94.90 [1]
Larry Bestand 1 GmbH	Berlin	100.00
Larry Bestand 2 GmbH	Berlin	100.00
Larry I Targetco (Berlin) GmbH	Berlin	100.00 [1]
Larry II Targetco (Berlin) GmbH	Berlin	100.00 [1]
LebensWerk GmbH	Berlin	100.00
LEMONDAS Grundstücksgesellschaft mbH & Co. KG	Grünwald	94.90
LEVON Grundstücksgesellschaft mbH & Co. KG	Grünwald	94.90
Liegenschaften Weißig GmbH	Dresden	94.75 [1]
Living Innovations- & Beteiligungsgesellschaft mbH	Bochum	100.00
Main-Taunus Wohnen GmbH	Eschborn	100.00 [1]
MAKANA Grundstücksgesellschaft mbH & Co. KG	Grünwald	94.90
MANGANA Grundstücksgesellschaft mbH & Co.KG	Grünwald	94.90
Maragon VV GmbH	Berlin	94.90 [1]
MELCART Grundstücks-Verwaltungsgesellschaft mbH	Grünwald	94.80
MIRA Grundstücksgesellschaft mbH	Düsseldorf	94.90 [1]
MIRIS Grundstücksgesellschaft mbH & Co. KG	Grünwald	94.90
Neues Schweizer Viertel Betriebs+Service GmbH & Co. KG	Berlin	94.99
NILEG Immobilien Holding GmbH	Hanover	100.00 [1]
NILEG Norddeutsche Immobiliengesellschaft mbH	Hanover	94.86 [1]
Norddeutsche Immobilien Holding GmbH	Bochum	70.11
Objekt Gustav-Heinemann-Ring GmbH	Munich	100.00
Olympisches Dorf Berlin GmbH	Berlin	100.00
Osnabrücker Wohnungsbaugesellschaft mit beschränkter Haftung	Osnabrück	94.09 [1]
PFLEGEN & WOHNEN HAMBURG GmbH	Hamburg	100.00
PFLEGEN & WOHNEN Service GmbH	Hamburg	100.00
PFLEGEN & WOHNEN Textil GmbH	Hamburg	100.00
Planungsgemeinschaft "Das-Neue-Gartenfeld" GmbH & Co. KG	Berlin	59.25 [3]
Planungsgemeinschaft "Das-Neue-Gartenfeld" Verwaltungs GmbH	Berlin	100.00
PRIMA Wohnbauten Privatisierungs-Management GmbH	Berlin	100.00
PUW AcquiCo GmbH	Hamburg	100.00
PUW OpCo GmbH	Hamburg	100.00
PUW PFLEGENUNDWOHNEN Beteiligungs GmbH	Hamburg	100.00
Rhein-Main Wohnen GmbH	Frankfurt am Main	100.00 [1]

Company	Company domicile	Interest %
Rhein-Mosel Wohnen GmbH	Mainz	100.00 [1)]
Rhein-Pfalz Wohnen GmbH	Mainz	100.00 [1)]
RMW Projekt GmbH	Frankfurt am Main	100.00 [1)]
RSTE Objektgesellschaft Wohnanlagen für Chemnitz mbH	Wuppertal	94.73
RVG Rheinauhafen-Verwaltungsgesellschaft mbH	Cologne	74.00
Seniorenresidenz "Am Lunapark" GmbH	Leipzig	100.00
Seniorenwohnen Heinersdorf GmbH	Berlin	100.00
SGG Scharnweberstraße Grundstücks GmbH	Berlin	100.00 [1)]
"Siege" Siedlungsgesellschaft für das Verkehrspersonal mbH Mainz	Mainz	94.90 [1)]
Sophienstraße Aachen Vermögensverwaltungsgesellschaft mbH	Berlin	100.00 [1)]
Stadtentwicklungsgesellschaft Buch mbH	Berlin	100.00
Süddeutsche Wohnen Gebäude GmbH	Stuttgart	100.00 [1)]
Süddeutsche Wohnen GmbH	Stuttgart	90.91 [1)]
Süddeutsche Wohnen Grundstücksgesellschaft mbH	Stuttgart	100.00 [1)]
Süddeutsche Wohnen Holding GmbH	Bochum	65.50
Süddeutsche Wohnen Management Holding GmbH	Stuttgart	100.00 [1)]
SÜDOST WOBA DRESDEN GMBH	Dresden	94.90 [1)]
SWG Siedlungs- und Wohnhausgesellschaft Sachsen GmbH	Berlin	100.00
SYNVIA energy GmbH	Magdeburg	100.00
SYNVIA media GmbH	Magdeburg	100.00
TELE AG	Leipzig	100.00
Tempelhofer Feld GmbH für Grundstücksverwertung	Kiel	94.90 [1)]
VIH GmbH	Bochum	100.00
Viterra Holdings Eins GmbH	Düsseldorf	100.00 [1)]
Viterra Holdings Zwei GmbH	Düsseldorf	100.00 [1)]
Vonovia Dritte Berlin GmbH	Schönefeld	94.90 [1)]
Vonovia Eigentumsservice GmbH	Bochum	100.00 [1)]
Vonovia Eigentumsverwaltungs GmbH	Bochum	100.00 [1)]
Vonovia Elbe Berlin II GmbH	Nuremberg	94.90 [1)]
Vonovia Elbe Berlin III GmbH	Nuremberg	94.90 [1)]
Vonovia Elbe Dresden I GmbH	Nuremberg	94.90 [1)]
Vonovia Elbe GmbH	Nuremberg	94.90 [1)]
Vonovia Elbe Ost GmbH	Nuremberg	94.90 [1)]
Vonovia Elbe Wannsee I GmbH	Nuremberg	94.90 [1)]
Vonovia Elbe Wohnen GmbH	Bochum	100.00 [1)]
Vonovia Energie GmbH	Bochum	100.00
Vonovia Energie Service GmbH	Bochum	100.00 [1)]
Vonovia Engineering GmbH	Bochum	100.00 [1)]
Vonovia Immobilienmanagement GmbH	Bochum	100.00 [1)]
Vonovia Immobilienmanagement one GmbH	Frankfurt am Main	94.90 [1)]
Vonovia Immobilienmanagement two GmbH	Frankfurt am Main	94.90 [1)]
Vonovia Immobilienservice GmbH	Munich	100.00 [1)]
Vonovia Kundenservice GmbH	Bochum	100.00 [1)]
Vonovia Managementverwaltung GmbH	Nuremberg	100.00 [1)]
Vonovia Mess Service GmbH	Essen	100.00 [1)]
Vonovia Modernisierungs GmbH	Düsseldorf	100.00 [1)]

Company	Company domicile	Interest %
Vonovia Operations GmbH	Bochum	100.00 [1)]
Vonovia Pro Bestand Nord GmbH	Bochum	100.00
Vonovia Pro Bestand Nord Invest GmbH	Bochum	94.90 [1)]
Vonovia Pro Bestand Nord Real Estate GmbH	Bochum	94.90 [1)]
Vonovia Technischer Service Nord GmbH	Essen	100.00 [1)]
Vonovia Technischer Service Süd GmbH	Dresden	100.00 [1)]
Vonovia Wohnumfeld Service GmbH	Düsseldorf	100.00 [1)]
Wiemelhausen Ingenieurgesellschaft mbH	Bochum	100.00 [1)]
WIK Wohnen in Krampnitz GmbH	Berlin	100.00 [1)]
WOBA DRESDEN GMBH	Dresden	100.00 [1)]
WOBA HOLDING GMBH	Dresden	100.00 [1)]
Wohnanlage Leonberger Ring GmbH	Berlin	100.00 [1)]
WOHNBAU NORDWEST GmbH	Dresden	94.90 [1)]
Wohnumfeld Hausservice GmbH	Bochum	100.00 [1)]
Wohnungsbau Niedersachsen Gesellschaft mit beschränkter Haftung	Hanover	94.85 [1)]
Wohnungsgesellschaft Norden mit beschränkter Haftung	Hanover	94.88 [1)]
Wohnungsgesellschaft Ruhr-Niederrhein mbH Essen.	Essen	94.90 [1)]
Zisa Grundstücksbeteiligungs GmbH & Co. KG	Berlin	94.90 [2) 3)]
Zisa Verwaltungs GmbH	Berlin	100.00
Austria		
Anton Baumgartner-Straße 125, 1230 Wien, Besitz GmbH	Vienna	100.00
Brunn am Gebirge Realbesitz GmbH	Vienna	100.00
BUWOG - Bauen und Wohnen Gesellschaft mbH	Vienna	100.00
BUWOG - Penzinger Straße 76 GmbH	Vienna	100.00
BUWOG - Projektholding GmbH	Vienna	100.00
BUWOG - PSD Holding GmbH	Vienna	100.00
BUWOG Altprojekte GmbH	Vienna	100.00
BUWOG Baranygasse 7 GmbH	Vienna	100.00
BUWOG Bernreiterplatz 13 GmbH	Vienna	100.00
BUWOG Bestands und Projektentwicklungs GmbH	Vienna	100.00
BUWOG Breitenfurterstraße 239 GmbH	Vienna	100.00
BUWOG Breitenfurterstraße Eins, GmbH & Co KG	Vienna	100.00
BUWOG cw Handelsges.m.b.H.	Vienna	100.00
BUWOG cw Invest GmbH	Vienna	100.00
BUWOG Demophon Immobilienvermietungs GmbH	Vienna	100.00
BUWOG Diesterweggasse 27 GmbH	Vienna	100.00
BUWOG Diesterweggasse 27 GmbH & Co KG	Vienna	100.00
BUWOG Döblerhofstraße GmbH	Vienna	100.00
BUWOG Gewerbeimmobilien Eins GmbH	Vienna	100.00
BUWOG Group GmbH	Vienna	100.00
BUWOG HANDWERKEREI GmbH	Vienna	100.00
BUWOG Heiligenstädter Lände 29 GmbH & Co KG	Vienna	100.00
BUWOG Himberger Straße GmbH	Vienna	100.00

Company	Company domicile	Interest %
BUWOG Holding GmbH	Vienna	100.00
BUWOG Laaer-Berg-Straße 45 GmbH	Vienna	100.00
BUWOG Linke Wienzeile 280 GmbH	Vienna	100.00
BUWOG MAKLEREI GmbH (vormals BUWOG Handelskai 346 GmbH)	Vienna	100.00
BUWOG Pfeiffergasse 3–5 GmbH	Vienna	100.00
BUWOG Projektentwicklung GmbH	Vienna	100.00
BUWOG Rathausstraße GmbH	Vienna	100.00
BUWOG Seeparkquartier GmbH	Vienna	100.00
BUWOG Seeparkquartier Holding GmbH	Vienna	100.00
BUWOG Süd GmbH	Villach	99.98
BUWOG Turnergasse 9 GmbH	Vienna	100.00
CENTUM Immobilien GmbH	Vienna	100.00
Con Tessa Immobilienverwertung GmbH	Vienna	100.00
Con value one Immobilien GmbH	Vienna	100.00
DATAREAL Beteiligungsgesellschaft m.b.H. & Co. Gablenzgasse 60 KG	Vienna	100.00
DATAREAL Beteiligungsgesellschaft m.b.H.& Co. Heiligenstädter Straße 9 OG	Vienna	100.00
EB Immobilien Invest GmbH	Vienna	100.00
EBI Beteiligungen GmbH	Vienna	100.00
EBI Beteiligungen GmbH & Co, 1190 Wien, Rampengasse 3–5, KG	Vienna	100.00
ECO Business-Immobilien GmbH	Vienna	100.00
"G1" Immobilienbesitz GmbH	Vienna	100.00
GENA ZWEI Immobilienholding GmbH	Vienna	100.00
Gewerbepark Urstein Besitz GmbH	Vienna	100.00
Gewerbepark Urstein Besitz GmbH & Co KG	Vienna	100.00
GGJ Beteiligungs GmbH	Vienna	100.00
GGJ Beteiligungs GmbH & Co Projekt Eins OG	Vienna	100.00
GJ-Beteiligungs GmbH	Vienna	100.00
GJ-Beteiligungs GmbH & Co Projekt Fünf OG	Vienna	100.00
G-Unternehmensbeteiligung GmbH	Vienna	100.00
"Heller Fabrik" Liegenschaftsverwertungs GmbH	Vienna	100.00
Kapital & Wert Immobilienbesitz GmbH	Vienna	100.00
MARINA TOWER Holding GmbH	Vienna	51.00
Roßauer Lände 47–49 Liegenschaftsverwaltungs GmbH	Vienna	100.00
Stubenbastei 10 und 12 Immobilien GmbH	Vienna	100.00
TP Besitz GmbH	Vienna	100.00
TPI Immobilien Holding GmbH	Vienna	100.00
TPI Tourism Properties Invest GmbH	Vienna	96.00
T-Unternehmensbeteiligung GmbH	Vienna	100.00
Verein "Social City" - Verein zur Förderung der sozialen Kontakte und der sozialen Infrastruktur in Stadterneuerungsgebieten	Vienna	100.00
WZH WEG Besitz GmbH	Vienna	100.00
Sweden		
HomeStar InvestCo AB	Stockholm	100.00
Victoriahem AB	Malmö	100.00

Company	Company domicile	Interest %
Victoriahem Alby AB	Stockholm	100.00
Victoriahem Albyberget AB	Stockholm	100.00
Victoriahem Arboga AB	Stockholm	100.00
Victoriahem Bergen 1 Kommanditbolag	Stockholm	100.00
Victoriahem Bergen II AB	Stockholm	100.00
Victoriahem Bergsjön AB	Malmö	100.00
Victoriahem Björkriset AB	Malmö	100.00
Victoriahem Boliger AB	Malmö	100.00
Victoriahem Borås AB	Malmö	100.00
Victoriahem Brandbergen NO AB	Malmö	100.00
Victoriahem Bredbykvarn AB	Stockholm	100.00
Victoriahem Bredbykvarn Garage AB	Stockholm	100.00
Victoriahem Bromsten AB	Stockholm	100.00
Victoriahem Bygg och Projekt AB	Malmö	100.00
Victoriahem Duvholmen 1 AB	Stockholm	100.00
Victoriahem Eskilstuna Bostad AB	Eskilstuna	100.00
Victoriahem Eskilstuna Skiftinge AB	Malmö	100.00
Victoriahem Fastigheter AB	Malmö	100.00
Victoriahem Fastigheter Göteborg AB	Malmö	100.00
Victoriahem GF AB	Eskilstuna	100.00
Victoriahem Grevgatan 20 AB	Stockholm	100.00
Victoriahem Gröna Lund 35 AB	Malmö	100.00
Victoriahem Holding Eskilstuna AB	Malmö	100.00
Victoriahem Holding Karlskrona AB	Malmö	100.00
Victoriahem Holding Kristianstad AB	Malmö	100.00
Victoriahem Holding Landskrona AB	Malmö	100.00
Victoriahem Holding Linköping AB (vormals Victoriahem Beethoven I AB)	Malmö	100.00
Victoriahem Holding Lövgärdet AB	Malmö	100.00
Victoriahem Holding Malmö Trelleborg AB (vormals Victoriahem Vivaldi I AB)	Malmö	100.00
Victoriahem Holding Markaryd AB (vormals Victoriahem Nygård AB)	Malmö	100.00
Victoriahem Holding Nyköping AB	Malmö	100.00
Victoriahem Holding Örebro AB	Malmö	100.00
Victoriahem Holding Rosengård AB	Malmö	100.00
Victoriahem Holding Tensta AB	Malmö	100.00
Victoriahem Holding Växjö AB	Malmö	100.00
Victoriahem Holmiensis Bostäder AB	Stockholm	100.00
Victoriahem Huddinge Fyra AB	Stockholm	100.00
Victoriahem Husby Sollentuna AB	Stockholm	100.00
Victoriahem i Sverige II AB	Stockholm	100.00
Victoriahem i Sverige III AB	Stockholm	100.00
Victoriahem Inanis Alba I AB	Stockholm	100.00
Victoriahem Inanis Holdco AB	Stockholm	100.00
Victoriahem Jordbro AB	Stockholm	100.00
Victoriahem Jordbro Västra Kommanditbolag	Stockholm	100.00

Company	Company domicile	Interest %
Victoriahem Karlskrona AB	Malmö	100.00
Victoriahem Katrineholm AB	Stockholm	100.00
Victoriahem Kista Förvaltning AB	Stockholm	100.00
Victoriahem Kista Kommandit AB	Stockholm	100.00
Victoriahem Köping AB	Stockholm	100.00
Victoriahem Kristianstad AB	Malmö	100.00
Victoriahem Kullerstensvägen AB	Stockholm	100.00
Victoriahem Landskrona AB	Malmö	100.00
Victoriahem Linköping AB (vormals Victoriahem Ostbrickan AB)	Malmö	100.00
Victoriahem Linrepan AB	Stockholm	100.00
Victoriahem Living AB	Malmö	100.00
Victoriahem Lövgärdet Ctr Kommanditbolag	Malmö	100.00
Victoriahem Lövgärdet Handelsbolag	Malmö	100.00
Victoriahem Malmö Centrum AB	Malmö	100.00
Victoriahem Markaryd AB	Malmö	100.00
Victoriahem Mozart AB	Malmö	100.00
Victoriahem Mozart Fastighets AB	Malmö	100.00
Victoriahem M-ryd Södertälje AB	Södertälje	100.00
Victoriahem Nidarosgatan Kommanditbolag	Stockholm	100.00
Victoriahem Nordkapsgatan Kommanditbolag	Stockholm	100.00
Victoriahem Norrköping Hageby AB	Stockholm	100.00
Victoriahem Norrköping Navestad AB	Norrköping	100.00
Victoriahem Nyköping AB	Malmö	100.00
Victoriahem NYKR Holdco AB	Stockholm	100.00
Victoriahem Nynäshamn AB (vormals Victoriahem Zenithegie III AB)	Malmö	100.00
Victoriahem Nyproduktion AB	Stockholm	100.00
Victoriahem Råbergstorp AB	Malmö	100.00
Victoriahem Rinkeby AB	Stockholm	100.00
Victoriahem Ronna AB	Stockholm	100.00
Victoriahem Rosengård AB	Malmö	100.00
Victoriahem Servicecenter AB	Malmö	100.00
Victoriahem Smaragden 2 AB	Malmö	100.00
Victoriahem Söderby 23 AB	Malmö	100.00
Victoriahem Söderby 68 AB	Malmö	100.00
Victoriahem Tallriset AB	Malmö	100.00
Victoriahem Telemark Kommanditbolag	Stockholm	100.00
Victoriahem Tensta AB	Malmö	100.00
Victoriahem Tönsbergsgatan Kommanditbolag	Stockholm	100.00
Victoriahem Tranås AB	Stockholm	100.00
Victoriahem Tranås Två Handelsbolag	Tranås	100.00
Victoriahem Treasury AB (vormals Victoriahem Inanis Alba II AB)	Malmö	100.00
Victoriahem Trelleborg AB	Malmö	100.00
Victoriahem Trojeborgsfastigheter AB	Stockholm	100.00
Victoriahem Turbinen och Zenith VI AB	Stockholm	100.00

Company	Company domicile	Interest %
Victoriahem Uppsala Bro Märsta AB	Upplands-Bro	100.00
Victoriahem Uthyrning Tranås AB	Stockholm	100.00
Victoriahem Valsätra Galaxen AB	Stockholm	100.00
Victoriahem Våmmedal AB	Malmö	100.00
Victoriahem Vårby Visättra AB	Stockholm	100.00
Victoriahem Västerås AB	Stockholm	100.00
Victoriahem Växjö AB	Malmö	100.00
Victoriahem Vivaldi III AB	Malmö	100.00
Victoriahem Vivaldi IV AB	Malmö	100.00
Victoriahem Vivaldi V AB	Malmö	100.00
Other countries		
Buwog Lux I S.à r.l.	Esch-sur-Alzette/LU	94.00
BUWOG Wohnwerk S.A.	Luxembourg/LU	94.84
Long Islands Investments S.A.	Luxembourg/LU	100.00

1) Exemption according to Section 264 (3) HGB.
2) Exemption according to Section 264b HGB.
3) The unlimited liable shareholder of this company is a company that is integrated in the financial consolidated statement.

Company	Company domicile	Interest %
Affiliated companies not consolidated		
Dr. Schönberger GmbH	Erfurt	100.00
NEARBYK GmbH	Bochum	100.00

Company	Company domicile	Interest %
Joint ventures consolidated using the equity method		
Casa Nova 2 GmbH	Grünwald	50.00
Casa Nova 3 GmbH	Grünwald	50.00
Casa Nova GmbH	Grünwald	50.00
G+D Gesellschaft für Energiemanagement mbH	Magdeburg	49.00
GSZ Gebäudeservice und Sicherheitszentrale GmbH	Berlin	33.34
LE Property 2 GmbH & Co. KG	Leipzig	49.00
LE Quartier 1 GmbH & Co. KG	Leipzig	46.50
LE Quartier 1.1 GmbH & Co. KG	Leipzig	49.00
LE Quartier 1.4 GmbH	Leipzig	50.00
LE Quartier 1.5 GmbH	Leipzig	44.00
LE Quartier 1.6 GmbH	Leipzig	50.00

Company	Company domicile	Interest %
LE Quartier 5 GmbH & Co. KG	Leipzig	44.00
MARINA CITY Entwicklungs GmbH	Vienna/AT	50.00
OLYDO Projektentwicklungsgesellschaft mbH	Berlin	50.00
Projektgesellschaft Jugendstilpark München mbH	Munich	50.00
Siwoge 1992 Siedlungsplanung und Wohnbauten Gesellschaft mbH	Berlin	50.00
WB Wärme Berlin GmbH	Schönefeld	49.00

Company	Company domicile	Interest %
Associated companies consolidated using the method equity method		
Comgy GmbH	Berlin	10.28 [5)]
Gropyus AG	Vienna/AT	23.93
Krampnitz Energie GmbH	Potsdam	25.10
Malmö Mozart Fastighets AB	Malmö/SE	41.89
othermo GmbH	Alzenau in Unterfranken	24.00
Projekt Mosaik GmbH & Co. KG	Hamburg	49.20
Projekt Mosaik II GmbH & Co. KG	Hamburg	49.20
QUARTERBACK Immobilien AG	Leipzig	40.00
QUARTERBACK New Energy Holding GmbH	Leipzig	40.00
Rosengård Fastighets AB	Malmö/SE	25.00
Schaeffler-Areal 1. Liegenschaften GmbH	Bad Heilbrunn	30.00
Schaeffler-Areal 2. Liegenschaften GmbH (in liquidation)	Bad Heilbrunn	30.00
Telekabel Riesa GmbH	Riesa	26.00
Zisa Beteiligungs GmbH	Berlin	49.00

	Company domicile	Interest %	Equity € k Dec. 31, 2023	Net income for the year € k Dec. 31, 2023
Other investments with more than 10% of Vonovia's share in the capital				
ADLER Group S.A.	Luxembourg/LU	15.88	-1,159,767	-870,340 [4]
blackprint Booster Fonds GmbH & Co. KG	Frankfurt am Main	10.35	415	-376
Covivio Office VI GmbH	Oberhausen	10.10	-1,544	-3,503 [3]
Entwicklungsgesellschaft Erfurt-Süd Am Steiger mbH	Leipzig	11.00	-39	738
GbR Fernheizung Gropiusstadt	Berlin	46.10	512	-60 [6]
GETEC mobility solutions GmbH	Hanover	10.00	1,175	-890
GSB Gesellschaft zur Sicherung von Bergmannswohnungen mit beschränkter Haftung	Essen	12.50	60	0 [2]
Hellerhof GmbH	Frankfurt am Main	13.17	99,166	11,860
Implementum II GmbH	Leipzig	11.00	-623	77
LE Central Office GmbH	Leipzig	11.00	-76	541
QUARTERBACK Premium 1 GmbH	Leipzig	11.00	474	948
QUARTERBACK Premium 10 GmbH	Munich	11.00	-13,699	-300
QUARTERBACK Premium 4 GmbH	Leipzig	11.00	-2	97
QUARTERBACK Premium 6 GmbH	Leipzig	11.00	-406	-95
QUARTERBACK Premium 7 GmbH	Leipzig	11.00	1,587	171
QUARTERBACK Premium 8 GmbH	Leipzig	11.00	-408	-53
QUARTERBACK Premium 9 GmbH	Leipzig	11.00	-1,026	714
Quartier 315 GmbH	Leipzig	15.00	5,558	-30
Sea View Projekt GmbH	Leipzig	11.00	6,278	167
SIAAME Development GmbH	Leipzig	20.00	656	564 [6]
VBW Bauen und Wohnen GmbH	Bochum	19.87	132,523	7,191
VRnow GmbH	Berlin	10.00	n.a.	n.a.
VSK Software GmbH	Bochum	15.00	91	-266
WirMag GmbH	Grünstadt	14.85	824	-415 [1]
Zuckerle Quartier Investment GmbH (vormals: Zuckerle Quartier Investment S.à r.l.)	Munich	11.00	-2,975	-88 [4]

1) Equity and net income/loss are conform to December 31, 2020.
2) Equity and net income/loss are conform to December 31, 2022.
3) Acquisition/foundation in 2024, equity according to the opening balance.
4) Equity and net income/loss comply with local GAAP.
5) Other contractual relationships give rise to significant influence, which requires accounting using the equity method despite a share in the capital of less than 20%.
6) The equity method is not applied due to immateriality.

Further Information About the Bodies

Management Board

The Management Board of Vonovia SE comprised five members as of December 31, 2024.

Rolf Buch, Chair of the Management Board

Function: Chief Executive Officer
Responsibilities: strategy, corporate development and sustainability, transaction, law, investor relations, compliance and data protection, auditing and corporate communications.

Appointments:
> Kötter Group (Member of the Council of Shareholders)[2]
> Apleona GmbH (Member of the Supervisory Board and Member of the Shareholder Board)[2]

Arnd Fittkau, Member of the Management Board

Function: Chief Rental Officer
Responsibilities: rental segment with the North, East, South, and West business areas, as well as customer relations and sales, portfolio management, investment management climate investments, construction project management, technical procurement and "neighborhood workshop" (Quartierwerk).

Appointment:
> Iqony Fernwärme GmbH (Member of the Advisory Board)[2]

Philip Grosse, Member of the Management Board

Function: Chief Financial Officer
Responsibilities: accounting, controlling, corporate finance & treasury, property valuation, taxes and procurement.

Appointments
> AVW Versicherungsmakler GmbH (Member of the Supervisory Board) (until December 31, 2024)[2]
> QUARTERBACK Immobilien AG (Member of the Supervisory Board)[1, 5]

Daniel Riedl, Member of the Management Board

Function: Chief Development Officer
Responsibilities: Development in Austria, development in Germany and operating rental business in Austria.

Appointments:
> QUARTERBACK Immobilien AG (Member of the Supervisory Board)[1, 5]
> Quarterback New Energy Holding GmbH (Member of the Supervisory Board) (since August 5, 2024)[2]

> GROPYUS AG (Member of the Supervisory Board)[2]

Ruth Werhahn, Member of the Management Board

Function: Chief Human Resources Officer

Responsibilities: HR, IT and Value add

Appointments:
> LVM Lebensversicherungs-AG (Member of the Supervisory Board)[1]
> LVM Pensionsfonds-AG (Member of the Supervisory Board; the company is affiliated with LVM Lebensversicherungs-AG)[1]
> Oras Invest Ltd. (Member of the Supervisory Board)[2]
> Wilh. Werhahn KG (Member of the Administrative Board)[2]

Supervisory Board

The current Supervisory Board comprises ten members. The terms of office are between one and four years.

Clara-Christina Streit, Chair

Member of Supervisory/Administrative Boards

Appointments:
> Jerónimo Martins SGPS S.A. (Member of the Administrative Board)[2, 4]
> Deutsche Börse AG (Member of the Supervisory Board)[1, 4]

Vitus Eckert, Deputy Chair

Attorney, Partner in Wess Kux Kispert & Eckert Rechtsanwalts GmbH

Appointments:
> STANDARD Medien AG (Chair of the Supervisory Board)[2]
> S. Spitz GmbH (Deputy Chair of the Supervisory Board)[2]
> Vitalis Food Vertriebs-GmbH (Deputy Chair of the Supervisory Board, group company of S. Spitz GmbH)[2]
> Simacek Holding GmbH (Chair of the Supervisory Board)[2]
> Simacek GmbH (Chair of the Supervisory Board, group company of Simacek Holding GmbH)[2]
> Echo Partner AG (Deputy Chair of the Supervisory Board)[2]

Birgit M. Bohle (since May 8, 2024)

Member of the Management Board HR and Legal, Chief HR Officer, Deutsche Telekom AG[4]

Appointments:
> Deutsche Telekom Service Europe SE (Chair of the Supervisory Board) (group company of Deutsche Telekom AG)[1, 3]
> T-Systems International GmbH (Member of the Supervisory Board) (group company of Deutsche Telekom AG)[1, 3]
> Telekom Deutschland GmbH (Member of the Supervisory Board) (group company of Deutsche Telekom AG)[1, 3]

Jürgen Fenk

Managing Director Eastdil Secured GmbH

Dr. Florian Funck

Member of the Management Board (CFO) of Sartorius AG

Dr. Ute Geipel-Faber

Membership of German Supervisory Boards and International Advisory Boards

Dr. Daniela Gerd tom Markotten

Member of the Management Board for Digitalization and Technology at Deutsche Bahn AG

Appointments:
> DEVK Rückversicherung AG (Member of the Supervisory Board)[1]
> Schenker AG (Member of the Supervisory Board) (group company of Deutsche Bahn AG)[1, 3]
> DB Fahrzeuginstandhaltung GmbH (Chair of the Supervisory Board) (group company of Deutsche Bahn AG)[1, 3]
> DB Systel GmbH (Chair of the Supervisory Board) (group company of Deutsche Bahn AG)[1, 3]
> DB Systemtechnik GmbH (Chair of the Supervisory Board) (group company of Deutsche Bahn AG)[1, 3]
> DB broadband GmbH (Chair of the Supervisory Board) (group company of Deutsche Bahn AG)[2]

Matthias Hünlein

Managing Director of Tishman Speyer Properties Deutschland GmbH

Appointment:

> Tishman Speyer Investment GmbH (Deputy Chair of the Supervisory Board) (group company of Tishman Speyer Properties Deutschland GmbH)[2]

Hildegard Müller

President of the German Association of the Automotive Industry (VDA)

Appointments:

> Siemens Energy AG (Member of the Supervisory Board)[1, 4]
> Siemens Energy Management GmbH (Member of the Supervisory Board) (group company of Siemens Energy AG)[1]
> RAG-Stiftung (Member of the Board of Trustees)[2]

Dr. Ariane Reinhart

Member of the Management Board of Continental AG[4]

Appointment:

> Evonik AG (Member of the Supervisory Board)[4]

Christian Ulbrich (until May 8, 2024)

Global CEO & President of Jones Lang LaSalle Incorporated[4]

1 Supervisory Board mandates in accordance with Section 100 of the German Stock Corporation Act (AktG).
2 Membership in comparable German and foreign supervisory bodies of commercial enterprises.
3 Exempted Group mandates in accordance with Section 100 (2) no. 2 of the German Stock Corporation Act (AktG).
4 Listed.
5 Related party of the Deutsche Wohnen Group.

Independent Auditor’s Report

To Vonovia SE, Bochum

Report On The Audit Of The Consolidated Financial Statements And Of The Group Management Report

Audit Opinions

We have audited the consolidated financial statements of Vonovia SE, Bochum, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Vonovia SE, which is combined with the Company’s management report, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the “Other Information” section of our auditor’s report.

In our opinion, on the basis of the knowledge obtained in the audit,

> the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and

> the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the “Other Information” section of our auditor’s report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit

Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

Measurement of investment properties

Measurement of property in development or under construction

Recoverability of goodwill

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue

2. Audit approach and findings

3. Reference to further information

Hereinafter we present the key audit matters:

Measurement of investment properties

1. Investment properties amounting to EUR 78,343.1 million are reported in the consolidated financial statements as at 31 December 2024 of Vonovia SE. Vonovia SE exercises the option set out in IAS 40.30 of accounting for investment properties amounting to EUR 77,917.1 million using the fair value model in accordance with IFRS 13. Accordingly, changes in market value realized when properties are sold, as well as unrealized changes in market value, are recognized at fair value through profit or loss. In the past financial year, impairment losses of EUR 1,559.0 million in unrealized changes in market value were recognized through profit or loss in the consolidated statement of comprehensive income.

   When determining the fair value of investment property, it is assumed that the current use corresponds to the highest and best use of the property. Fair values are determined using a measurement model developed internally by the Company which uses the discounted cash flow method. Under that model, expected net cash inflows from the management of the properties (e.g., actual rent and market rent per m², planned maintenance per m²) are estimated, taking into account future vacancy rates, among other things, and corresponding present values are determined based on the discount and capitalization rates as derived from the real estate market. A market value is determined for properties with no positive net cash inflows (usually vacant buildings) using a liquidation valuation method. Undeveloped land is usually measured based on an indirect comparison of indicative land values.

   To the extent possible, the Company uses data directly observable on the market to determine fair value (sources include property market reports prepared by expert committees and public and subscriptions-based market databases). In addition, a valuation report for the entire portfolio is prepared by independent appraisers and is used to verify the plausibility of internal calculations.

   The fair value of the care homes is determined based on valuation reports prepared by an external appraiser. This appraiser determines the fair value analogously using the discounted cash flow method as well as, to the extent possible, information that is observable on the market.

   The measurement of investment properties is based on a large number of relevant parameters which are normally subject in some respects to uncertainties with regard to estimates and judgments by the executive directors. Even small changes in the measurement parameters can result in material changes in fair value. Against this background, this matter was of particular significance in the context of our audit.

2. As part of our audit, with the collaboration of our specialists for process audits we recorded the internal controls in place relating to the measurement of investment property and assessed their appropriateness and effectiveness, among other things. In addition, in collaboration with our specialists for property valuation, we assessed the measurement models used by the Company with respect to their compliance with IAS 40 in conjunction with IFRS 13, the homogeneity of the properties being valued, the accuracy and completeness of the property portfolio data used and the appropriateness of the valuation parameters used, such as the expected net cash inflows, the assumed vacancy rate as well as the discount and capitalization

rate. We also carried out analytical audit procedures and tests of details with respect to the material parameters having an influence on value. Furthermore, we checked the results at the portfolio level by comparing them against our expectations as regards changes in value.

As part of our audit, we furthermore prepared a property-specific comparison calculation on a test basis using the discounted cash flow method and conducted inspections of selected properties.

With regard to the care homes, we furthermore assessed the valuation reports obtained and the professional qualifications of the external experts and the calculation of fair value. We also assessed the respective valuation technique applied and the valuation parameters used.

The valuation technique applied by the executive directors of the Company is appropriately designed as a whole and suitable in general the measurement of investment property.

3. The Company's disclosures relating to investment property are contained in section D28 of the notes to the consolidated financial statements.

Measurement of property in development or under construction

1. In the consolidated financial statements of Vonovia SE as at 31 December 2024 properties in development or under construction are reported as investment property at an amount of EUR 426 million and as property inventories at an amount of EUR 1,608 million. Inventories comprise properties in connection with the sales-related project development business.

   Properties in development or under construction are classified as investment property in accordance with IAS 40 if they are intended to be used as a financial investment upon completion, and are initially recognized at cost. The fair value model is generally applied for the purposes of subsequent measurement, provided a reliable fair value can be determined for the properties. Due to the inherent risks that exist during the construction phase, development projects are generally carried at cost (cost model) until completion. The recoverability of development projects is generally assessed in accordance with the value in use concept. The option also provided for in accordance with IAS 36 to use fair value less costs to sell is not considered due to the uncertainty in relation to fair value. Upon completion of the construction phase, the property is initially recognized in accordance with the fair value model.

   Due to the intention to sell inventories stemming from the sales-related project development business, these are carried at the lower of amortized cost and net realizable values in accordance with IAS 2 as part of subsequent measurement if there are no customer orders for the residential units held for sale.

   Regardless of whether the respective development projects are classified as investment property or as inventory, the cost for every project is determined on the basis of an individual project calculation that includes the planned costs yet to be incurred as well as the actual costs incurred at the level of the individual trades.

   The net realizable values and the values in use are determined depending on the use of the development project upon completion on the basis of a sales estimate regarding the sales prices per square meter that are expected to be realized or based on the projected net cash inflows from the management of the properties which are derived using the discounted cash flow method. Undeveloped land is usually measured based on an indirect comparison of indicative land values.

   The measurement of properties in development and under construction is based on a large number of relevant parameters that are generally subject to specific uncertainties with regard to estimates and judgments. Significant measurement parameters include in particular the planned costs yet to be incurred as well as for the purposes of determining the net realizable values and/or values in use the expected cash flows as well as discount and capitalization rate. Even small changes in the measurement parameters can result in material changes in the net disposal proceeds and/or the value in use. In our view, this matter was of particular significance in the context of our audit because the measurement of properties in development and under construction is generally subject to substantial judgments and estimation uncertainties, and there is the risk that the planned net disposal proceeds and/or value in use do not fall within an appropriate range and no corresponding impairment loss is recognized.

2. As part of our audit, in collaboration with specialists for process audits, we recorded the internal controls in place and assessed their appropriateness and effectiveness, among other things. In addition, in collaboration with our specialists for property valuation, we assessed the accuracy and completeness of the development project data used in the individual project calculations by Vonovia as well as the appropriateness of the measurement parameters used, such as the expected market rent per m², on the one hand, and the planned net disposal proceeds for the inventories and the determination of fair values for the investment properties on the other. We also carried out tests of details with respect to the material parameters having an influence on value. We also analyzed the assumed production costs for various cost groups and compared these against external benchmarks. Furthermore, we conducted inspections of a selected sampling of development projects. During those visits, we noted the location and surroundings, including access, infrastructure, etc., in order to categorize the project. We also obtained an impression of the existence of the project and the current state of the buildings. For the purposes of assessing their plausibility, we compared the actual costs submitted and reviewed to the planned total investment costs. For larger projects, which are broken down into different construction areas and phases, the inspection served to better delimit and validate the calculation data. Impressions of quality (floors, tiles, sanitary facilities, outdoor facilities, etc.) were also possible, particularly in instances where construction work was at an advanced stage. In addition, the projects in the sampling were presented by the respective project managers at various meetings and key issues (schedule, construction status, award status of costs, changes to plans, leasing and sales status, etc.) were discussed with us.

   The valuation technique applied by the executive directors of the Company is appropriately designed as a whole and suitable in general for accounting in accordance with IAS 40 and IAS 2.

3. The Company's disclosures related to property in development or under construction reported as investment property are contained in section D28 of the notes to the consolidated financial statements and to inventories in section D36 of the notes to the consolidated financial statements.

Recoverability of goodwill

1. In the Company's consolidated financial statements goodwill amounting in total to EUR 1,392 million is reported under the "Intangible assets" balance sheet item. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined using the value in use. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point. The perpetuity was calculated on the basis of the average cash flows of the plan update (2030-2034) and extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. If the need to recognize a write-down is identified based on the value in use, it is analyzed whether the use of fair value less costs of disposal would result in a higher recoverable amount. The annual impairment test determined that no write-downs were necessary.

   The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash flows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

2. As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash flows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In addition, we assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value in use calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we reproduced the sensitivity analyses performed by the Company. We verified that the necessary disclosures were made in the notes to the consolidated financial statements relating to groups of cash-generating units for which a reasonably possible change in an assumption would result in the recoverable amount falling below the carrying amount of the cash-generating units including the allocated goodwill.

   The valuation parameters and assumptions used by the executive directors are within the ranges considered by us to be reasonable.

3. The Company's disclosures relating to the "Intangible assets" balance sheet item and the impairment test are contained in section D 26 "Intangible assets" of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

> the non-financial group statement to comply with §§ 315b to 315c HGB included in section "Sustainability Statement" of the group management report

> the disclosures marked as unaudited included in sub-section "Management Model" of section "Management System" of the group management report

The other information comprises further

> the statement on corporate governance pursuant to § 289f HGB and § 315d HGB

> all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

> is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

> otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

> Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

> Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.

> Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

> Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

> Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

> Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

> Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

> Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal And Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file Vonovia_SE_KA+LB_ESEF-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

> Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

> Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

> Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

> Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

> Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 8 May 2024. We were engaged by the supervisory board on 10 September 2024. We have been the group auditor of the Vonovia SE, Bochum, without interruption since the financial year 2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference To An Other Matter– Use Of The Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible For The Engagement

The German Public Auditor responsible for the engagement is Michael Preiß.

Essen, March 17, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Michael Preiß	Martin Flür
Wirtschaftsprüfer	Wirtschaftsprüfer

Assurance Report Of The Independent German Public Auditor On A Limited Assurance Engagement In Relation To The Group Sustainability Statement

To Vonovia SE, Bochum

Assurance Conclusion

We have conducted a limited assurance engagement on the group sustainability statement of VONOVIA SE, Bochum, (hereinafter the "Company") included in section "Sustainability Statement" of the group management report, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2024 (hereinafter the "Group Sustainability Statement"). The Group Sustainability Statement has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 315b to 315c HGB [Handelsgesetzbuch: German Commercial Code] to prepare a group non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a group non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

> that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Statement (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities" of the Group Sustainability Statement, or

> that the disclosures set out in section "EU Taxonomy Regulation" of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Statement

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

Inherent Limitations in the Preparation of the Group Sustainability Statement

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

> obtain an understanding of the process to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Statement.

> identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.

> consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

> evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.

> inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Statement, and about the internal controls relating to this process.

> evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.

> evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.

> performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.

> considered the presentation of the information in the Group Sustainability Statement.

> considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Essen, March 17, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Michael Preiß
Wirtschaftsprüfer
[German public auditor]

sgd. Theres Schäfer
Wirtschaftsprüferin
[German public auditor]

Responsibility Statement

Balance Sheet Oath

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

Bochum, March 1, 2025

Rolf Buch
(CEO)

Arnd Fittkau
(CRO)

Philip Grosse
(CFO)

Daniel Riedl
(CDO)

Ruth Wehrhahn
(CHRO)

EPRA Reporting

Vonovia SE has been a member of EPRA since 2013. The eponymous European Public Real Estate Association (EPRA) is a non-profit organization that has its registered headquarters in Brussels and represents the interests of listed European real estate companies. Its mission is to raise awareness of European listed real estate companies as a potential investment destination that offers an alternative to conventional investments.

In order to make it easier to compare real estate companies and to reflect special features that apply to the real estate sector, EPRA has developed a framework for standardized reporting that goes beyond the scope of the IFRS.

Vonovia reports the EPRA key figures based on the EPRA Best Practice Recommendations (BPRs). Vonovia only uses some of the EPRA key figures as performance indicators, which is why they are reported outside of the management report. They are non-GAAP measures or also APMs (alternative performance measures).

We would like to point out that the EPRA BPRs refer generally to both residential and commercial real estate companies. On the other hand, Vonovia is active almost exclusively in the area of housing. Vonovia's business model is based on the development and construction of new apartments, both for its own portfolio and for sale to third parties, the letting of homes, the provision of housing-related services and the sale of apartments. Unlike companies with a commercial real estate portfolio and, as a result, a relatively small number of properties, Vonovia's portfolio features a large number of fairly similar residential units. This means that it does not make sense for a company specializing in residential real estate to report much of the information recommended in the EPRA BPRs, which focus in particular on significant individual properties.

This is why, with regard to the current real estate portfolio, we have opted not to report an overview of lease agreement terms (the lease agreements tend to be concluded for an indefinite period), the estimated market rent upon the expiry of the lease or the ten biggest tenants in terms of rental income.

The Development segment relates almost exclusively to residential units. Further information on the Development segment can be found in the chapter → **"Portfolio in the Development Business".**

EPRA Key Figures

EPRA-Performance Measure	Definition	Purpose	2023	2024	Change in %
in € million					
EPRA Earnings	Earnings from operational activities.	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	1,465.3	1,238.4	-15.5
EPRA Net Reinstatement Value (NRV)	Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	The EPRA NAV set of metrics make adjustments to the NAV per IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios.	48,198.0	45,947.0	-4.7
EPRA Net Tangible Assets (NTA)	Assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax.		38,140.9	37,215.6	-2.4
EPRA Net Disposal Value (NDV)	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the extent of their liability, net of any resulting tax.		27,252.4	24,558.8	-9.9
EPRA Net Initial Yield in %	Annualized rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with purchasers' costs.	A comparable measure for portfolio valuations. This measure should make it easier for investors to judge for themselves how the valuation of portfolio X compares with portfolio Y.	3.1	3.3	0.2 pp
EPRA Topped-up Net Initial Yield in %	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).		3.2	3.3	0.1 pp
EPRA Vacancy Rate in %	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A "pure" (%) measure of investment property space that is vacant, based on ERV.	1.9	1.9	-
EPRA Cost Ratio (incl. direct vacancy costs) in %	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a company's operating costs.	22.4	23.3	0.9 pp
EPRA Cost Ratio (excl. direct vacancy costs) in %	Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income.		21.3	22.2	0.9 pp
EPRA LTV in %	Debt divided by market value of the property.	A key (shareholder-gearing) metric to determine the percentage of debt compared to the appraised value of the properties.	48.4	49.1	0.7 pp

EPRA Earnings

EPRA Earnings is a measure of the operating result. It indicates the extent to which current dividend payments are supported by the operating result. Based on the profit for the period, adjustments are made to reflect changes in the value of assets and liabilities affecting net income, and to reflect sale effects and costs for acquisition/integration.

EPRA Earnings were down by 15.5% year over year in 2024.

As far as company-specific adjustments are concerned, we include the earnings contributions made by the Development and Recurring Sales segments. Prior-year and non-recurring interest expenses, depreciation and amortization, other non-recurring items and taxes are also eliminated. The adjusted earnings are calculated after adjustments to reflect effects of using the equity method. This corresponds to the Adjusted EBT (continuing operations), which was down by 3.6% year over year.

As there were no diluting financial instruments on the reporting dates, the undiluted EPRA Earnings match the diluted figure.

in € million	2023*	2024	Change in %
Earnings per IFRS income statement	**-6,756.2**	**-962.3**	**-85.8**
Profit from discontinued operations	148.1	-26.7	–
Profit from continuing operations	**-6,608.1**	**-989.0**	**-85.0**
Changes in value of investment properties, development properties held for investment and other interests	10,770.3	1,901.8	-82.3
Profits or losses on disposal of investment properties, development properties held for investment and other interests	-78.1	-120.4	54.2
Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-49.4	-38.0	-23.1
Selling costs	69.3	80.0	15.4
Tax on profits or losses on disposals	38.5	28.4	-26.2
Negative goodwill/goodwill impairment	138.2	–	-100.0
Changes in fair value of financial instruments and associated close-out costs	-62.9	177.9	–
Acquisition costs	70.0	33.9	-51.6
Deferred tax in relation to EPRA adjustments	-2,822.5	163.8	–
EPRA earnings	**1,465.3**	**1,238.4**	**-15.5**
EPRA earnings per share in €**	**1.82**	**1.51**	**-17.0**
Adjustment – development	13.2	13.4	1.5
Adjustment – recurring sales	63.4	57.6	-9.1
Adjustment – other non-recurring items	77.9	207.9	>100
Adjustment – depreciation and amortization	76.9	4.5	-94.1
Adjustment of prior-year/one-time interest expense	-113.1	30.6	–
Adjustment – taxes	206.9	193.4	-6.5
Adjustment – at-equity	75.7	53.8	-28.9
Adjusted earnings (Adjusted EBT continuing operations)	**1,866.2**	**1,799.6**	**-3.6**
Adjusted earnings (Adjusted EBT continuing operations) per share in €**	**2.31**	**2.20**	**-5.1**

* Previous year adjusted.
** Based on the weighted average number of shares carrying dividend rights.

EPRA NAV Key Figures

The EPRA NAV key figures make adjustments based on the IFRS equity to provide stakeholders with information that is as clear as possible on the fair value of a real estate company's assets and liabilities in various scenarios.

The EPRA Net Reinstatement Value (NRV) is calculated based on the assumption that properties are never sold. It represents the asset value that would be required to rebuild the company from scratch. The equity attributable to Vonovia's shareholders is adjusted by the deferred taxes in relation to real estate assets and the fair value of derivative financial instruments after taking deferred taxes into account. In addition, the other purchasers' costs, deducted as part of the property valuation process, are added back. No fair value is recognized for intangible assets. As a result, the NRV does not include any additional value contribution, not recognized in the balance sheet, from the Development and Value-add platform.

The EPRA NTA (Net Tangible Assets) is calculated based on the assumption that properties are purchased and sold. This means that part of the deferred taxes on real estate assets is inevitably realized as a result of the sale process. At Vonovia, the Recurring Sales and Non Core portfolio clusters, as well as the portfolio in Austria, are not to be allocated to the real estate portfolio that is held in the long term. The deferred taxes on these portfolios are calculated in proportion to the fair values and reduce the total deferred taxes recognized. The pro rata real estate transfer tax and other purchasers' costs for the portfolio held in the long term are not reported. The fair value of derivative financial instruments, after taking deferred taxes into account, is adjusted and the intangible assets (goodwill and other intangible assets) are eliminated in full.

The EPRA Net Disposal Value (NDV) determines the value of the equity in a sale scenario. The fair values of the deferred taxes and financing instruments are realized as in IFRS equity. Goodwill is eliminated and the fixed-interest financial liabilities are stated at fair value, taking the resulting tax effects into account.

The tables below show the NAV key figures as of December 31, 2024, and the corresponding prior year.

Dec. 31, 2024 (in € million)	EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to Vonovia shareholders	**23,996.4**	**23,996.4**	**23,996.4**
Deferred tax in relation to fair value gains of IP	16,335.4	14,620.2	–
Fair value of financial instruments*	23.4	23.4	–
Goodwill as per the IFRS balance sheet	–	-1,391.7	-1,391.7
Intangibles as per the IFRS balance sheet	–	-32.7	–
Fair value of fixed interest rate debt	–	–	1,954.1
Real estate transfer tax	5,591.8	–	–
NAV	**45,947.0**	**37,215.6**	**24,558.8**
Fully diluted number of shares (millions)	822.9	822.9	822.9
NAV per share (in €)	**55.84**	**45.23**	**29.85**

* Adjusted for effects from cross-currency swaps.

Dec. 31, 2023 (in € million)	EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to Vonovia shareholders	**25,682.6**	**25,682.6**	**25,682.6**
Deferred tax in relation to fair value gains of IP	16,741.3	13,895.3	–
Fair value of financial instruments	-13.4	-13.4	–
Goodwill as per IFRS balance sheet	–	-1,391.7	-1,391.7
Intangibles as per IFRS balance sheet	–	-32.0	–
Fair value of fixed interest debt	–	–	2,961.5
Real estate transfer tax	5,787.4	–	–
NAV	**48,198.0**	**38,140.9**	**27,252.4**
Fully diluted number of shares (millions)	814.6	814.6	814.6
NAV per share (in €)	**59.16**	**46.82**	**33.45**

EPRA Net Initial Yield

EPRA net initial yield shows the ratio of annualized rental income minus property outgoings that cannot be passed on to tenants (annualized net rent) to the gross fair values of the residential properties. The fair values are increased by the other purchasers' costs.

The topped-up net initial yield eliminates the rental incentives in the annualized net rental income. Rental incentives are of only minor importance to a company specializing in residential real estate.

The EPRA net initial yield rose from 3.1% in 2023 to 3.3% in 2024. The increase is due both to higher annualized net rental income and lower fair values.

in € million	**2023**	**2024**	**Change in %**
Fair value of the real estate portfolio (net)*	**79,792.2**	**78,520.7**	**-1.6**
Allowance for estimated purchasers' costs	5,787.4	5,591.8	-3.4
Fair value of the real estate portfolio (gross)	**85,579.6**	**84,112.5**	**-1.7**
Annualized cash passing rental income	3,291.8	3,377.4	2.6
Property outgoings	-597.0	-613.5	2.8
Annualized net rents	**2,694.8**	**2,763.9**	**2.6**
Adjustments for rental incentives	2.6	2.1	-19.2
Topped-up net annualized rent	**2,697.4**	**2,766.0**	**2.5**
EPRA Net Initial Yield in %	**3.1**	**3.3**	**0.2 pp**
EPRA Topped-up Net Initial Yield in %	**3.2**	**3.3**	**0.1 pp**

* Fair value of the developed land excl. IFRS 16, development, undeveloped land, inheritable building rights granted, care portfolio.

EPRA Vacancy Rate

The calculation of the EPRA Vacancy Rate is based on the ratio of the estimated market rent for the vacant residential properties to the estimated market rent of the residential property portfolio, i. e., the vacancy rate shown in the management report is valued based on the market rent for the residential properties.

As of the end of 2024, our apartments were again virtually fully occupied. The EPRA vacancy rate came to 1.9% (previous year: 1.9%).

in € million	Dec. 31, 2023	Dec. 31, 2024	Change in %
Market rent of vacant apartments	66.9	69.5	3.9
Market rent of residential property portfolio	3,512.5	3,622.7	3.1
EPRA Vacancy Rate in %	1.9	1.9	-

EPRA Cost Ratio

As the ratio of EPRA costs to gross rental income, the EPRA Cost Ratio provides information on the cost efficiency of a real estate company. The EPRA Cost Ratio is reported including and excluding direct vacancy costs. In 2024, the EPRA Cost Ratio was up by 0.9 percentage points year-on-year, both including and excluding direct vacancy costs.

in € million	2023	2024	Change in %
Operating expenses Rental	425.5	467.3	9.8
Maintenance expenses	426.2	470.5	10.4
Adjusted EBITDA Value-add	-105.5	-168.4	59.6
Intragroup profits/losses	-17.7	3.8	–
EPRA Costs (including direct vacancy costs)	728.5	773.2	6.1
Direct vacancy costs	-34.5	-36.9	7.0
EPRA Costs (excluding direct vacancy costs)	694.0	736.3	6.1
Gross rental income	3,253.4	3,323.5	2.2
EPRA Cost Ratio including direct vacancy costs in %	22.4	23.3	0.9 pp
EPRA Cost Ratio excluding direct vacancy costs in %	21.3	22.2	0.9 pp

Costs are only capitalized in connection with internally generated capitalized maintenance or value-enhancing investments.

EPRA LTV

The aim of the EPRA LTV is to allow an assessment of the debt-to-equity ratio of a real estate company. This involves comparing net debt based on the EPRA definition with total assets. The EPRA LTV is reported without information based on the proportionate consolidation of companies that are not fully consolidated.

The EPRA LTV rose from 48.4% in 2023 to 49.1% in 2024. A drop in net debt is countered by a disproportionately marked drop in assets.

in € million	2023	2024	Change in %
Borrowings from financial institutions	17,660.6	17,910.8	1.4
Commercial paper	500.0	–	-100.0
Hybrids	–		–
Bond loans	24,558.5	24,529.5	-0.1
Foreign currency derivatives	–		–
Net payables	–	–	–
Owner-occupied property (debt)			–
Current accounts (equity characteristic)			–
Cash and cash equivalents	-1,374.4	-1,756.7	27.8
Net debt	**41,344.7**	**40,683.6**	**-1.6**
Owner-occupied properties	221.7	220.0	-0.8
Investment properties	81,120.3	78,343.1	-3.4
Properties held for sale	313.1	1,498.7	>100
Properties under development*	–		–
Intangible assets	32.0	32.7	2.2
Net receivables	2,468.6	1,563.7	-36.7
Financial assets	1,293.9	1,137.7	-12.1
Total property value	**85,449.6**	**82,795.9**	**-3.1**
EPRA LTV in %	**48.4**	**49.1**	**0.7 pp**

* Included in Investment properties.

Property-related Capital Expenditure

The table below provides an overview of the property-related capital expenditure made by the company throughout the fiscal year.

Investments in new construction fell by 22.9% year on year in 2024. Investments in the existing portfolio were reduced by 6.5%.

in € million	2023	2024	Change in %
Acquisitions	6.5	–	-100.0
Development*	291.2	224.5	-22.9
Investment properties	820.5	767.2	-6.5
Incremental lettable space	–	–	
No incremental lettable space	820.5	767.2	-6.5
Other	–	–	
Property-related capital expenditure	**1,118.2**	**991.7**	**-11.3**

* Incl. attic conversions.

Like-for-like Rent Increases

The in-place rent increase on a like-for-like basis refers to the in-place rent increase for the residential portfolio that was already held by Vonovia twelve months previously and let on the reporting date. Portfolio changes during this period are not included in the calculation of the in-place rent increase on a like-for-like basis.

A marked like-for-like rent increase was achieved in all portfolio clusters. The like-for-like rent increases were between 1.7% and 6.3% in the regional markets, too.

The following tables provide an overview of the like-for-like rent increases in the company's residential property portfolio:

Dec. 31, 2024	Residential units	Living area (in thou. m²)	Residential in-place rent like-for-like* Dec. 31, 2023 (p. a. in € million)	Dec. 31, 2024 (p. a. in € million)	Change (in %)
Strategic	432,885	26,538	2,438.6	2,522.6	3.4
Urban Quarters	333,583	20,226	1,834.5	1,898.5	3.5
Urban Clusters	99,302	6,312	604.1	624.1	3.3
Recurring Sales	23,782	1,633	147.4	152.2	3.3
Non Core	12,812	715	58.0	59.7	2.9
Vonovia Germany	**469,479**	**28,886**	**2,644.1**	**2,734.6**	**3.4**
Vonovia Sweden	38,001	2,704	320.1	340.1	6.3
Vonovia Austria	19,461	1,441	95.0	98.5	3.7
Total	**526,941**	**33,031**	**3,059.1**	**3,173.2**	**3.7**

* The underlying portfolio has a fair value of € 73,173.0 million.

Regional Market	Residential units	Living area (in thou. m²)	Residential in-place rent like-for-like* Dec. 31, 2023 (p. a. in € million)	Dec. 31, 2024 (p. a. in € million)	Change (in %)
Berlin	141,389	8,457	771.3	802.0	4.0
Rhine Main area	34,906	2,212	247.8	258.0	4.1
Southern Ruhr area	41,751	2,581	220.1	227.2	3.2
Rhineland	30,690	2,018	198.1	202.9	2.5
Dresden	42,222	2,443	200.6	203.9	1.7
Hamburg	19,592	1,231	118.7	123.4	4.0
Hanover	21,494	1,353	120.6	124.5	3.2
Kiel	24,462	1,407	124.8	129.5	3.7
Munich	10,224	662	75.6	77.8	2.9
Stuttgart	12,862	813	86.8	88.8	2.3
Northern Ruhr area	23,600	1,455	112.8	116.6	3.4
Leipzig	13,781	905	72.2	73.9	2.4
Bremen	11,406	694	55.5	58.1	4.6
Westphalia	9,164	599	51.5	53.3	3.5
Freiburg	3,826	265	27.2	28.0	3.1
Other strategic locations	25,852	1,637	147.2	152.9	3.9
Total strategic locations Germany	**467,221**	**28,733**	**2,630.8**	**2,720.9**	**3.4**
Non-strategic locations	2,258	153	13.3	13.6	2.9
Vonovia Germany	**469,479**	**28,886**	**2,644.1**	**2,734.6**	**3.4**
Vonovia Sweden	38,001	2,704	320.1	340.1	6.3
Vonovia Austria	19,461	1,441	95.0	98.5	3.7
Total	**526,941**	**33,031**	**3,059.1**	**3,173.2**	**3.7**

* The underlying portfolio has a fair value of € 73,173.0 million.

Glossary

Adjusted EBT

Adjusted EBT is the Group's leading indicator of profitability as of 2024. The IFRS profit for the period is reconciled to earnings before taxes (EBT). This EBT is adjusted to reflect special effects based on the definition that has applied to date (effects that do not relate to the period, recur irregularly or are atypical for business operations). The net financial result is also adjusted to reflect non-cash and actuarial valuation effects that recur irregularly. The further adjustments to reflect the effects of IAS 40 measurement, write-downs, other (Non Core/Other result), net income from non-current financial assets accounted for using the equity method and effects from residential properties held for sale produce the Group's Adjusted EBT.

Adjusted EBITDA Development

The Adjusted EBITDA Development includes the gross profit from the development activities of "to sell" projects (income from sold development projects, rental income less production costs), less the operating expenses from the Development segment.

Adjusted EBITDA Recurring Sales

Adjusted EBITDA Recurring Sales compares the proceeds generated from the privatization business with the fair values of assets sold and also deducts the related costs of sale. In order to disclose profit and revenue in the period in which they are incurred and to report a sales margin, the fair value of properties sold, valued in accordance with IFRS 5, has to be adjusted to reflect realized/unrealized changes in value.

Adjusted EBITDA Rental

The adjusted EBITDA Rental is calculated by subtracting the operating expenses of the Rental segment and the expenses for maintenance in the Rental segment from the Group's rental income.

Adjusted EBITDA Total (Earnings Before Interest, Taxes, Depreciation and Amortization)

Adjusted EBITDA Total is the result before interest, taxes, depreciation and amortization (including income from other operational investments and intragroup profits/losses) adjusted for effects that do not relate to the period, recur irregularly and that are atypical for business operations, and for net income from fair value adjustments to investment properties. Non-recurring items include the development of new fields of business and business processes, acquisition projects, expenses for refinancing and equity increases (where not treated as capital procurement costs) as well as expenses for pre-retirement part-time work arrangements and severance payments. The Adjusted EBITDA Total is derived from the sum of the Adjusted EBITDA Rental, Adjusted EBITDA Value-add, Adjusted EBITDA Recurring Sales and Adjusted EBITDA Development.

Adjusted EBITDA Value-add

The Adjusted EBITDA Value-add is calculated by subtracting operating expenses from the segment's income.

COSO

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is a private-sector U.S. organization. It was founded in 1985. In 1992, COSO published the COSO model, an SEC-recognized standard for internal controls. This provided a basis for the documentation, analysis and design of internal control systems. In 2004, the model was further developed and the COSO Enterprise Risk Management Framework was published. Since then, it has been used to structure and develop risk management systems.

Covenants

Requirements specified in loan agreements or bond conditions containing future obligations of the borrower or the bond obligor to meet specific requirements or to refrain from undertaking certain activities.

EPRA Key Figures

For information on the EPRA key figures, we refer to the chapter on → **EPRA Reporting**.

EPRA NTA
The presentation of the NAV based on the EPRA definition aims to show the net asset value in a long-term business model. NTA stands for Net Tangible Assets. The equity attributable to Vonovia's shareholders is adjusted by deferred taxes in relation to the existing portfolio and the fair value of derivative financial instruments after taking deferred taxes into account. Stated goodwill and other intangible assets are also deducted.

European Public Real Estate Association (EPRA)
The European Public Real Estate Association (EPRA) is a non-profit organization that has its registered headquarters in Brussels and represents the interests of listed European real estate companies. Its mission is to raise awareness of European listed real estate companies as a potential investment destination that offers an alternative to conventional investments. EPRA is a registered trademark of the European Public Real Estate Association.

Fair Value
Fair value is particularly relevant with regard to valuation in accordance with IAS 40 in conjunction with IFRS 13. The fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

GAV
The Gross Asset Value (GAV) of the recognized real estate investments. This consists of the owner-occupied properties, the investment properties including development to hold, the assets held for sale and the development to sell area. In the latter, both residential properties for which a purchase contract has been signed and those with the intention to sell – i.e., a purchase contract has not yet been signed – are included.

ICR (Interest Coverage Ratio)
The Interest Coverage Ratio is the ratio of Adjusted EBITDA Total to net cash interest.

Maintenance
Maintenance covers the measures that are necessary to ensure that the property can continue to be used as intended over its useful life and that eliminate structural and other defects caused by wear and tear, age and weathering effects.

Vacancy Rate
The vacancy rate is the number of empty units as a percentage of the total units owned by the company. The vacant units are counted at the end of each month.

LTV Ratio (Loan-to-Value Ratio)
The LTV ratio shows the extent to which financial liabilities are covered. It shows the ratio of non-derivative financial liabilities pursuant to IFRS, less foreign exchange rate effects, cash and cash equivalents less advance payments received by Development (period-related), receivables from disposals, plus purchase prices for outstanding acquisitions to the total fair values of the real estate portfolio, fair values of the projects/land currently under construction as well as receivables from the sale of real estate inventories (period-related) plus the fair values of outstanding acquisitions and investments in other real estate companies, as well as loans to companies with holdings of real estate and land.

MFH Sales
We also report on the Other segment, which is not relevant from a corporate management perspective, in our segment reporting. This portfolio involves the sale of multifamily homes that are not proving profitable (MFH Sales).

Rental Income
Rental income refers to the current gross income for rented units as agreed in the corresponding lease agreements before the deduction of non-transferable ancillary costs. The rental income from the Austrian property portfolio additionally includes maintenance and improvement contributions (EVB). The rental income from the portfolio in Sweden reflects inclusive rents, meaning that the amounts contain operating and heating costs.

Modernization Measures
Modernization measures are long-term and sustainable value-enhancing investments in housing and building stocks. Energy-efficient refurbishments generally involve improvements to the building shell and communal areas as well as the heat and electricity supply systems. Typical examples are the installation of heating systems, the renovation of balconies and the retrofitting of prefabricated balconies as well as the implementation of energy-saving projects, such as the installation of double-glazed windows and heat insulation, e.g., facade insulation, insulation of the top story ceilings and basement ceilings. In addition to modernization of the apartment electrics, the refurbishment work upgrades the apartments, typically through the installation of modern and/or accessible bathrooms, the installation of new doors and the laying of high-quality and non-slip flooring. Where required, the floor plans are altered to meet changed housing needs.

Monthly In-place Rent
The monthly in-place rent is measured in euros per square meter and is the current gross rental income per month for rented units as agreed in the corresponding rent agreements at the end of the relevant month before deduction of non-transferable ancillary costs divided by the living area of the rented units. The rental income from the Austrian property portfolio additionally includes maintenance and improvement contributions (EVB). The rental income from the portfolio in Sweden reflects inclusive rents, meaning that the amounts contain operating and heating costs.

The in-place rent is often referred to as the "Nettokaltmiete" (net rent excl. ancillary costs such as heating, etc.). The monthly in-place rent increase on a like-for-like basis refers to the monthly in-place rent increase for the residential portfolio that was already held by Vonovia twelve months previously and let on the reporting date. Portfolio changes during this period are not included in the calculation of the monthly in-place rent increase on a like-for-like basis. If we also include the increase in rent due to new construction measures and measures to add extra stories, then we arrive at the organic increase in rent.

Sustainability Performance Index (SPI)

Index to measure non-financial performance. Vonovia's sustainable activities are geared toward the top sustainability topics that we have identified, which are bundled in the Sustainability Performance Index. The Customer Satisfaction Index (CSI) is included in the calculation of the Sustainability Performance Index. The CSI is determined at regular intervals in systematic customer surveys conducted by an external service provider and shows the effectiveness and sustainability of our services for the customer. Other indicators used in the Sustainability Performance Index are the carbon savings achieved annually in housing stock, the energy efficiency of new buildings, the share of accessible (partial) modernization measures in relation to newly let apartments, the increase in employee satisfaction and diversity in the company's top management team.

Net Debt/EBITDA

Net Debt/EBITDA reflects average adjusted net debt in relation to the Adjusted EBITDA Total.

Non Core

We also report on the Other segment, which is not relevant from a corporate management perspective, in our segment reporting. This includes the sale, only as and when the right opportunities present themselves, of entire buildings or land (Non Core) that are likely to have below-average development potential in terms of rent growth in the medium term and are located in areas that can be described as peripheral compared with Vonovia's overall portfolio and in view of future acquisitions.

Operating Free Cash Flow

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. Depreciation and amortization will be added to Adjusted EBT, and the liquidity contribution made by the Recurring Sales segment, as well as the change in working capital, will be taken into account. Capitalized maintenance and dividend payments made to parties outside of the Group, as well as income tax paid, are subtracted from this figure. 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.

Rating

Classification of debtors or securities with regard to their creditworthiness or credit quality according to credit ratings. The classification is generally performed by rating agencies.

Recurring Sales

The Recurring Sales segment includes the regular and sustainable disposals of individual condominiums and single-family houses from our portfolio. It does not include the sale of entire buildings or land (MFH Sales/Non Core). These properties are only sold as and when the right opportunities present themselves, meaning that the sales do not form part of our operating business within the narrower sense of the term. Therefore, these sales will be reported under "Other" in our segment reporting.

Fair Value Step-up

Fair value step-up is the difference between the income from selling a unit and its current fair value in relation to its fair value. It shows the percentage increase in value for the company on the sale of a unit before further costs of sale.

Cash-generating Unit (CGU)

The cash-generating unit refers, in connection with the impairment testing of goodwill, to the smallest group of assets that generates cash inflows and outflows independently of the use of other assets or other cash-generating units (CGUs).

Financial Calendar

March 19, 2025
Publication of the 2024 Annual Report

May 7, 2025
Publication of the interim statement for the first three months of 2025

May 28, 2025
Annual General Meeting (virtual)

August 6, 2025
Publication of the interim financial report for the first half of 2025

November 5, 2025
Publication of the interim statement for the first nine months of 2025

Note
This Annual Report is published in German and English. The German version is always the authoritative text. The Annual Report can be found on the website at www.vonovia.de.
EPRA is a registered trademark of the European Public Real Estate Association.

Disclaimer
This report contains forward-looking statements. These statements are based on the current experiences, assumptions and forecasts of the Management Board as well as information currently available to the Management Board. The forward-looking statements are not guarantees of the future developments and results mentioned therein. The future developments and results depend on a large number of factors. They involve certain risks and uncertainties and are based on assumptions that may prove to be inaccurate. These risk factors include but are not limited to those discussed in the risk report of the 2024 Annual Report. We do not assume any obligation to update the forward-looking statements contained in this report. This financial report does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any securities of Vonovia SE.

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Total Vonovia Housing Portfolio

539,753

Sweden

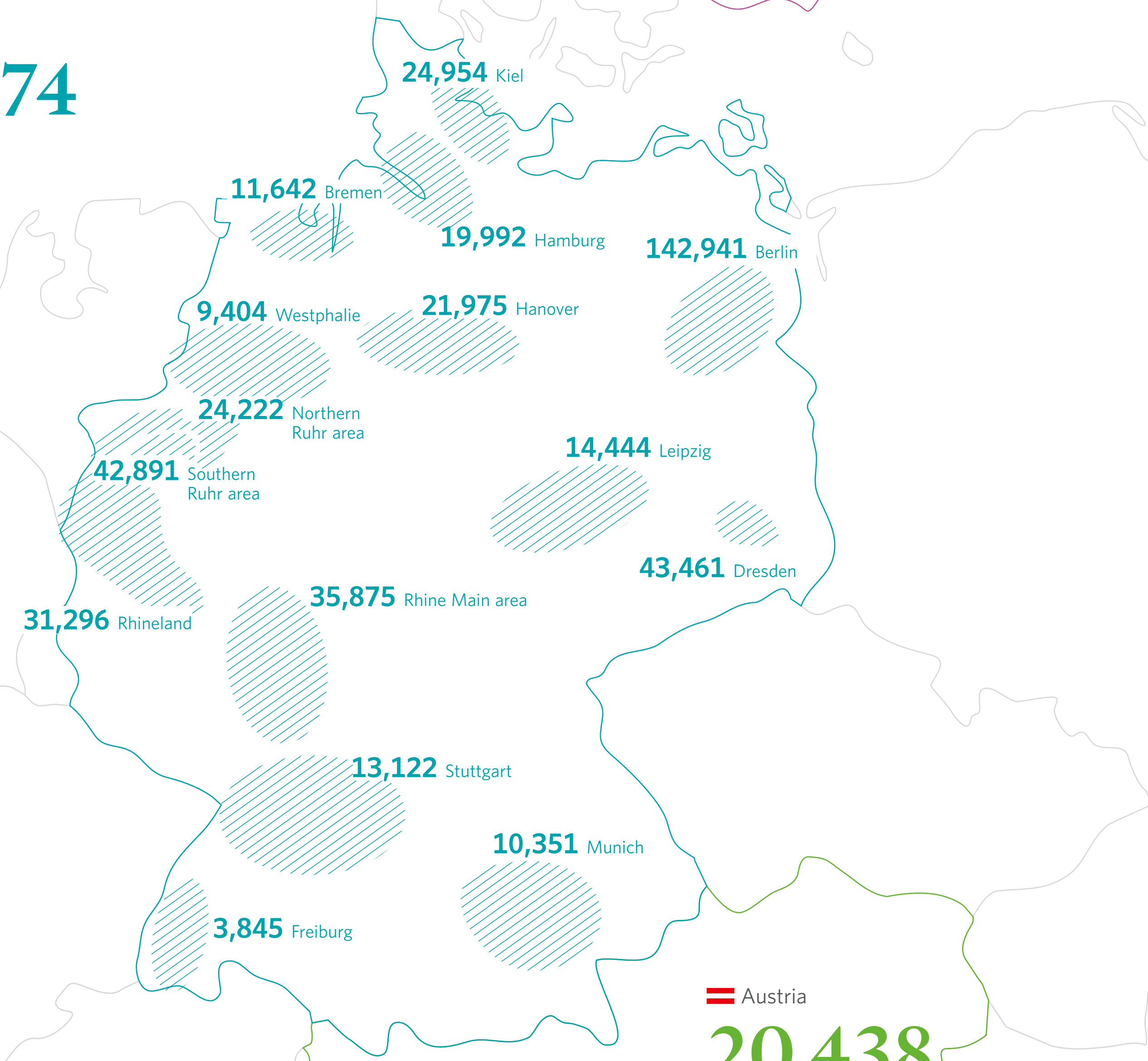
39,641

units

Germany

479,674

units*



Austria

20,438

units

* Including 26,867 residential units at other strategic locations and 2,392 residential units at non-strategic locations.