



H1 2020 Earnings Call

August 5, 2020

Rolf Buch, CEO

Helene von Roeder, CFO





Thomas Köhler, craftsman at Vonovia, installs a photovoltaic facility on the roof of one of our properties in Dresden. This is one of ca. 300 PV facilities currently up and running as part of our "1,000 roofs program."

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Highlights H1 2020

Continuously robust performance with no meaningful impact from COVID-19

VONOVIA

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Performance

- **3.9% organic rent growth** y-o-y (H1 2019: 4.0%).
- **Adj. EBITDA Total €942.2m** (+8.0%).
- **Group FFO €676.3m** (+11.0%) and **€1.25** per share (+11.0%).

NAV & Valuation

- **Adj. NAV p.s. €54.72** (+5.4% since YE2019).
- **€2.2bn (5.6%) value growth** in H1 2020 (ca. 2/3 of the portfolio revalued)
 - €1.8bn (4.7%) from performance and YC
 - €0.3bn (0.9%) from investments
- Continued value growth across all regions except for Berlin (+0.9% from performance and YC).
- First-time reporting of **new EPRA NAV Metrics** with **EPRA NTA of €58.14 p.s.** and **EPRA NRV of €71.81 p.s.**

Capital Structure

- **LTV 42.7%** (-40bps ytd) pro forma for recent dividend payment (59%/41% cash/scrip ratio).
- Net debt/EBITDA multiple **12.0x** (+50bps ytd).

Guidance 2020

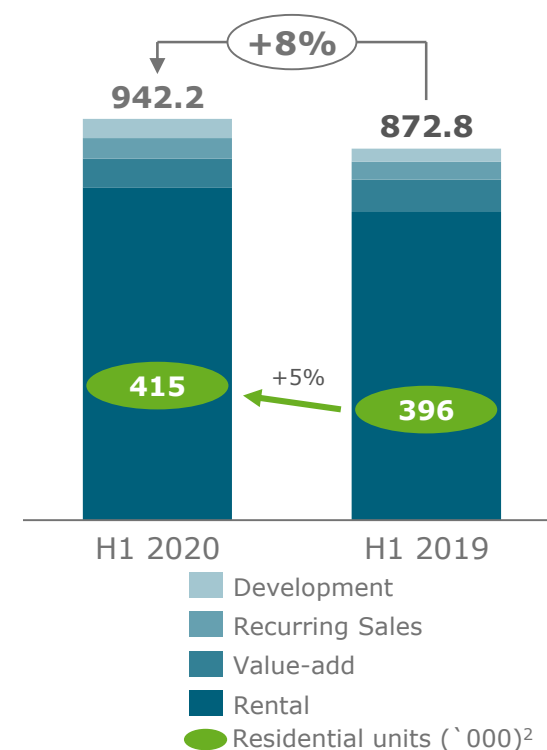
- **Guidance 2020 fully confirmed** with €1,875m - €1,925m for Adj. EBITDA Total and €1,275m - €1,325m Group FFO

Operating Performance Remains Strong

- On the back of a ca. 5% larger portfolio and performance improvements, the Adj. EBITDA Total grew by 8.0% and the Group FFO by 11.0%.

€m (unless indicated otherwise)	H1 2020	H1 2019	
Adj. EBITDA Rental	781.4	724.0	
Adj. EBITDA Value-add	67.6	75.7	
Adj. EBITDA Recurring Sales	48.1	42.4	
Adj. EBITDA Development	45.1	30.7	
Adj. EBITDA Total	942.2	872.8	8.0%
FFO interest expenses	-188.8	-177.8	
Current income taxes FFO	-19.8	-30.6	
Consolidation ¹	-57.3	-55.3	
Group FFO	676.3	609.1	11.0%
of which Vonovia shareholders	648.2	582.6	
of which hybrid investors	20.0	20.0	
of which non-controlling interests	8.1	6.5	
Number of shares (eop)	542.3	542.3	
Group FFO per share (eop NOSH)	1.25	1.12	11.0%
Group FFO per share (avg. NOSH)	1.25	1.16	

Adj. EBITDA Total (€m)



¹ Consolidation in H1 2020 (H1 2019) comprised intragroup profits of €16.1m (€23.8m), gross profit of development to hold of €26.5m (€17.7m), and IFRS 16 effects of €14.7m (€13.8m). ² Quarterly average.

Acquisitions and Organic Growth Drive Adj. EBITDA Rental

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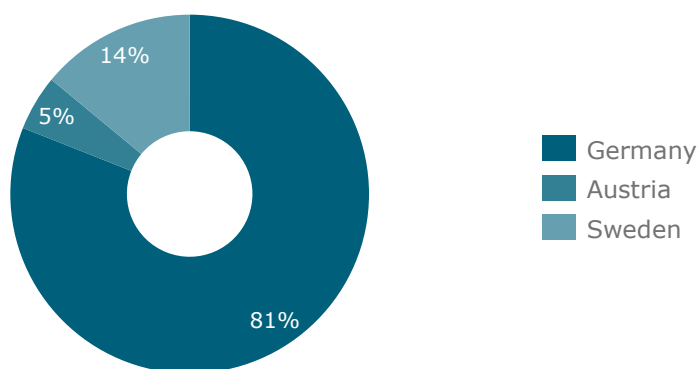
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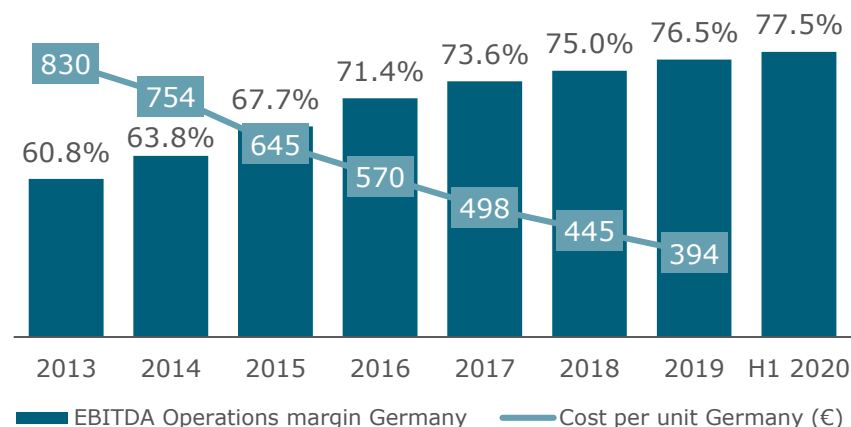
Rental Segment (€m)	H1 2020	H1 2019	Delta
Rental income	1,132.9	1,014.8	+11.6%
Maintenance expenses	-154.7	-147.0	+5.2%
Operating expenses	-196.8	-143.8	+36.9%
Adj. EBITDA Rental	781.4	724.0	+7.9%

- Rental income growth in H1 2020 was driven by the acquisition of Hembla (+€89m) plus organic rental growth.
- The increase in operating expenses was mainly attributable to two Hembla-related reasons:
 - more all-inclusive rents² in Sweden compared to H1 2019;
 - double cost structure between Victoria Park and Hembla (synergies not yet realized).

Rental income by geography



EBITDA Operations margin Germany¹



¹ EBITDA Operations margin (Adj. EBITDA Rental + Adj. EBITDA Value-add – intragroup profits) / Rental Income. Margin 2019 and beyond includes positive impact from IFRS 16. Cost per unit is defined as (Rental Income – EBITDA Operations + Maintenance) / average no. of units. ² In Sweden, rental income includes ancillary costs. Rough estimate assuming 30% of rental income relates to ancillary expenses would reduce the Rental income and Operating expenses by ca. €50m in H1 2020 and ca. €20m in H1 2019.

Operating KPIs Rental Segment

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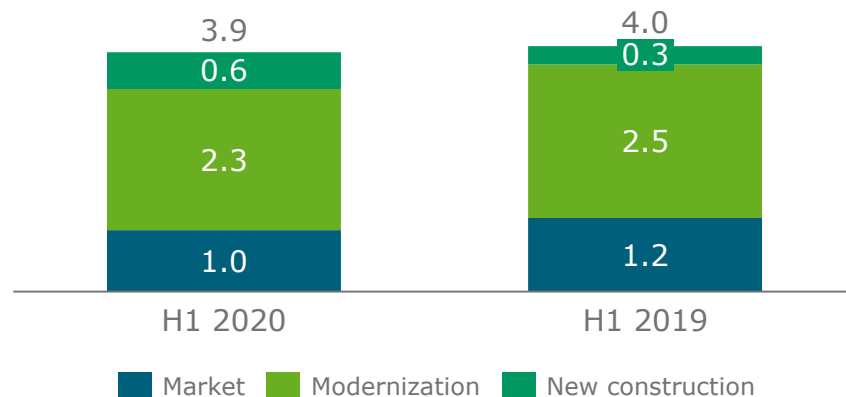
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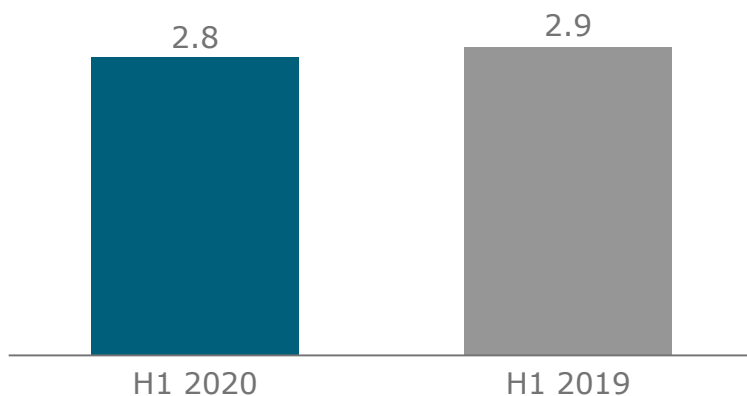
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- Organic rent growth of 3.9% year-on-year
- Vacancy rate stable and largely the result of investments.
- Expensed maintenance on prior-year level; capitalized maintenance elevated as a result of increased volume of targeted larger-scale measures planned for 2020.

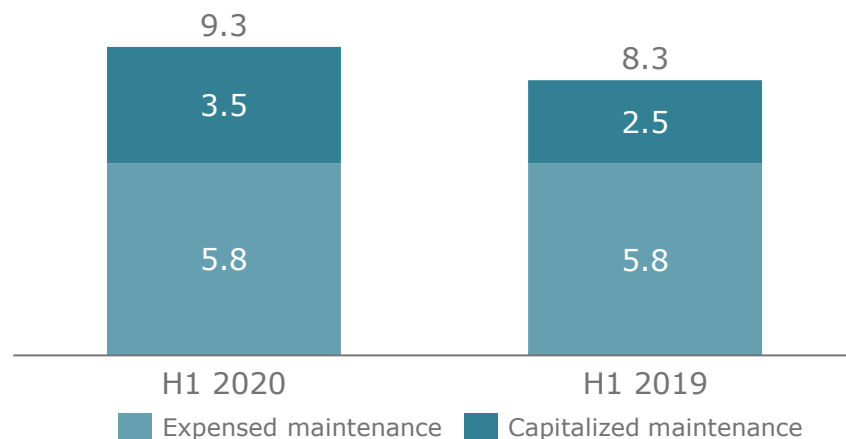
Organic rent growth (y-o-y; %)



Vacancy rate (%)



Expensed and capitalized maintenance (€/sqm)



Adj. EBITDA Value-add Initiatives Keep Moving in the Right Direction

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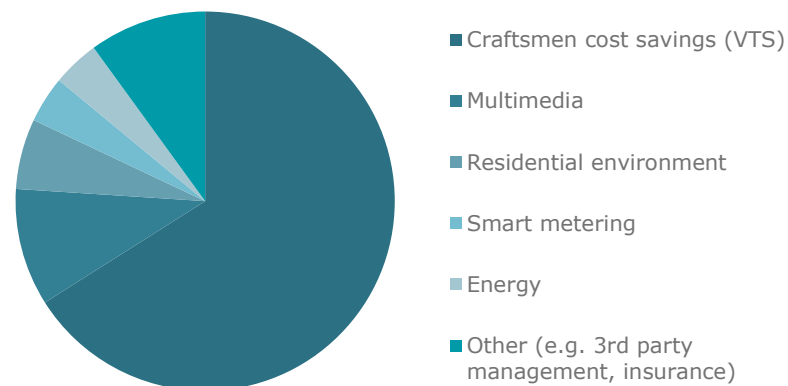
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- Continued expansion and roll-out of different value-add initiatives in H1 2020 on track as planned
 - Multimedia supply to 329k customers (+10% y-o-y)
 - 65% of all residential environment services provided with own employees (+15pp y-o-y)
 - Smart metering supply to ca. 210k customers (+10% y-o-y)
 - Energy supply to 68,000 delivery points for electricity and gas in the portfolio (+27% y-o-y)
- H1 2020 Adj. EBITDA Value add impacted by
 - Temporary effect from COVID-19 related delays in our modernization program
 - Lower residential environment service volume due to mild winter temperatures

Value-add Segment (€m)	H1 2020	H1 2019	Delta
Income	760.4	760.9	-0.1%
of which external	131.2	134.9	-2.7%
of which internal	629.2	626.0	+0.5%
Operating expenses Value-add	-692.8	-685.2	+1.1%
Adj. EBITDA Value-add	67.6	75.7	-10.7%

Value-add EBITDA mostly from internal savings¹



¹ Distribution based on 2020 Budget

Demand for Individual Condos Remains Strong

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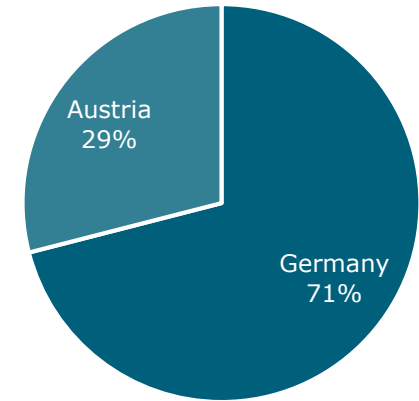
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- Sales volume, gross proceeds, and fair value base higher than in the previous year, reflecting the ongoing positive momentum.
- Outside the Recurring Sales Segment we sold 604 non-core units in H1 2020 with a fair value step-up of 36.5%, partly driven by the disposal of a commercial property.

Recurring sales by geography¹

Recurring Sales Segment (€m)	H1 2020	H1 2019	Delta
Units sold	1,327	1,234	+7.5%
Gross proceeds	195.0	174.9	+11.5%
Fair value	-140.5	-124.5	+12.9%
Adjusted result	54.5	50.4	+8.1%
Fair-value step-up	38.8%	40.5%	-170bps
Selling costs	-6.4	-8.0	-20.0%
Adj. EBITDA Recurring Sales	48.1	42.4	+13.4%

¹ Based on sales proceeds.

Adj. EBITDA Development Ramp-up Continues

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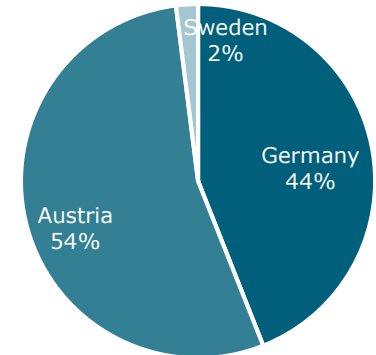
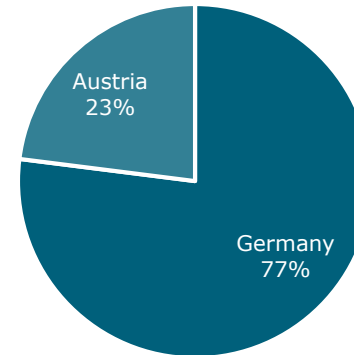
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- Development segment broadly in line with our expectations.
- Operating expenses in H1 2020 impacted by comparatively lower administrative and personnel costs and the reversal of provisions that are no longer required.

Development to sell (by income) Development to hold (by fair value)



Development Segment (€m)	H1 2020	H1 2019	Delta
Income from disposal of "to sell" properties	107.5	124.9	-13.9%
Cost of Development to sell	-83.7	-95.2	-12.1%
Gross profit Development to sell	23.8	29.7	-19.9%
Fair value Development to hold	144.7	103.8	39.4%
Cost of Development to hold	-118.2	-86.1	37.3%
Gross profit Development to hold	26.5	17.7	49.7%
Operating expenses Development segment	-5.2	-16.7	-68.9%
Adj. EBITDA Development	45.1	30.7	46.9%

Note: This segment includes the contribution of to-sell and to-hold constructions of new buildings. Not included is the construction of new apartments by adding floors to existing buildings, as this happens in the context of, and is accounted for, under modernization.

Vonovia's Contribution towards Reducing the Housing Shortage

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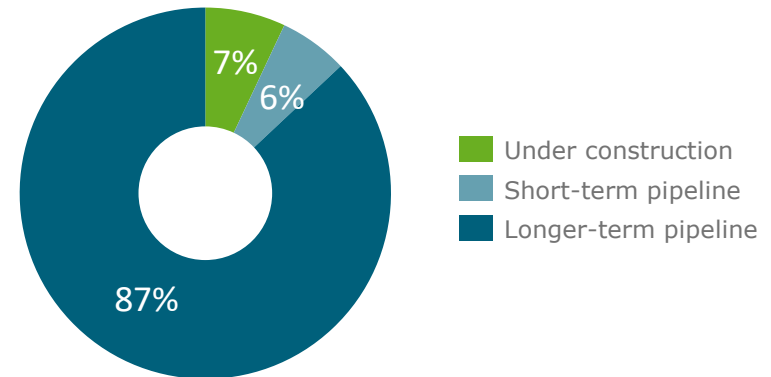
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New rental apartments for our own portfolio ("to hold")

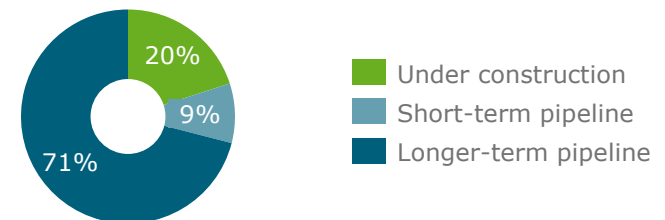
- 534 units completed in H1 2020 (including floor additions).
- Total pipeline of ca. **41,000 apartments**, of which more than 70% in Germany and the remainder in Austria and Sweden.
- Average apartment size between 60-70 sqm and broadly in line with overall portfolio average.
- The development to-hold investment volume is part of the overall investment program.



2020 target: ~1,300 completions

New apartments for retail disposal ("to sell")

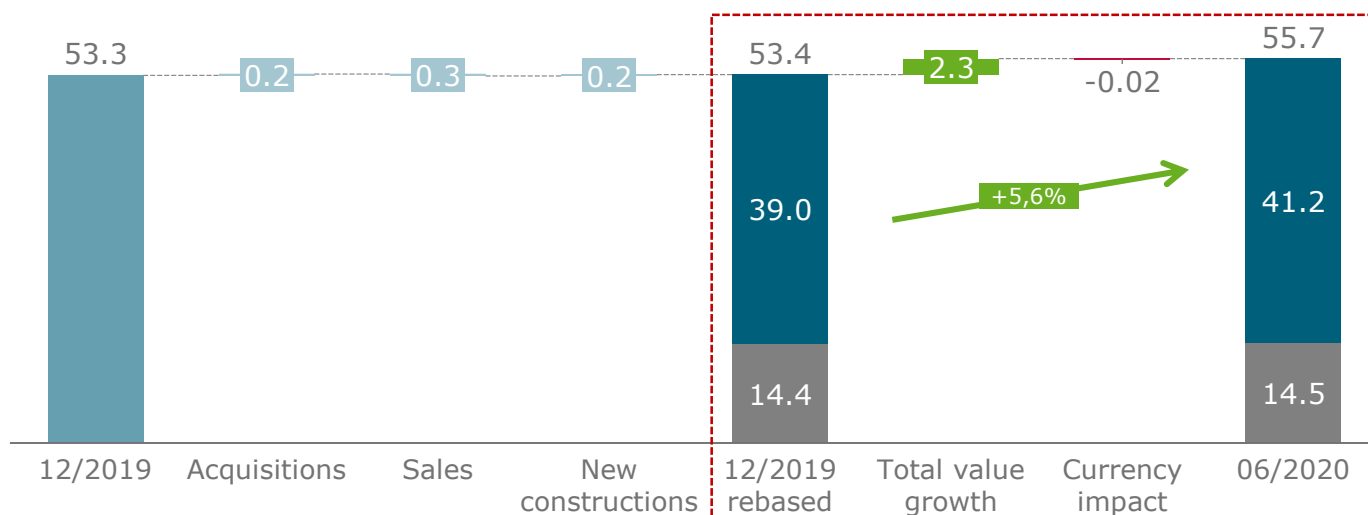
- 83 units completed in H1 2020.
- Total pipeline volume of ca. €3.2bn (ca. **9,000 apartments**), of which ca. 70% in Germany and ca. 30% in Austria.
- Investment capital for Development to sell is not part of investment program.
- Average apartment size between 70-80 sqm.
- Average investment volume of €4.5k – €5.0k per sqm.
- Expected gross margin between 20-25% on average.



2020 target: >300 completions

H1 2020 with Strong Value Growth

H1 2020 fair value evolution (€bn)



Ca. 2/3 of portfolio revalued in H1 2020
(26 largest German cities plus Vienna plus Sweden)

Rest of portfolio not revalued in H1 2020
(only capitalization of €142m investments)

Valuation KPIs June 30, 2020	Vonovia Total	Germany	Sweden	Austria
In-place rent multiple	23,4x	24.4x	17.2x ¹	25.3x ¹
Fair value €/sqm	1,954	1,992	1,938	1,496
L-f-I value growth ²	5.6%	6.3%	2.5%	2.8%
Fair value €bn	55,7³	46.6	5.9	3.2

Value growth drivers

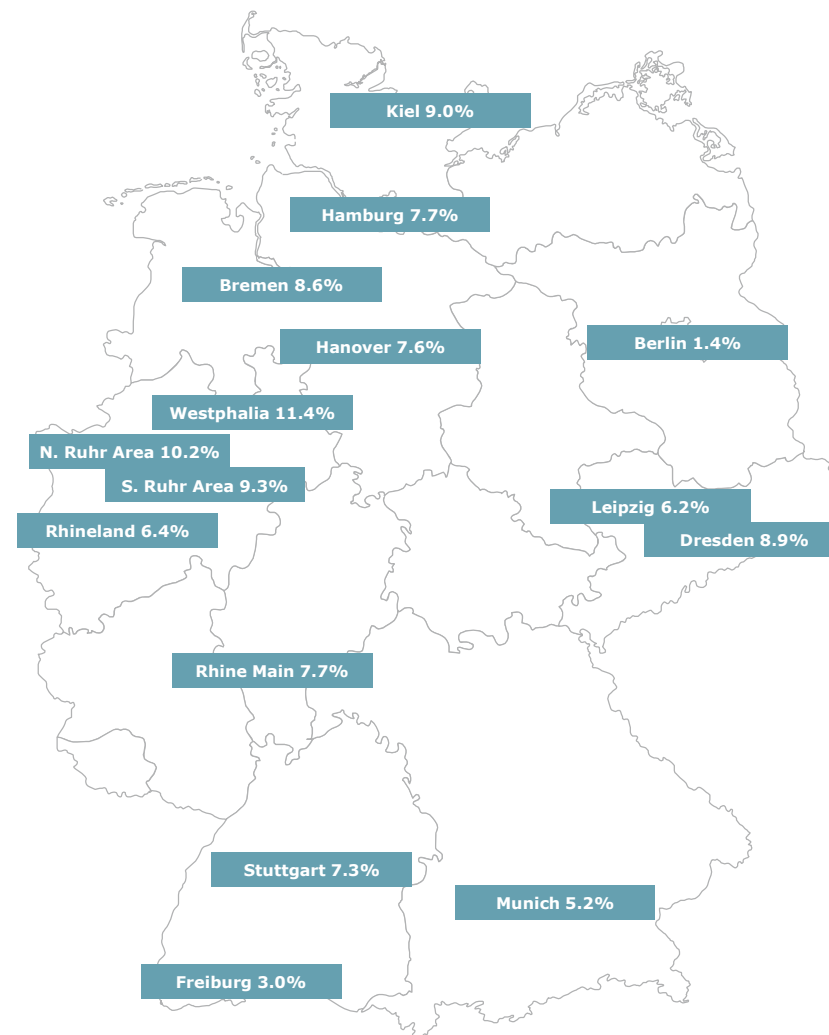
	H1 2020				H1 2019	
	Actual		Assuming Berlin = H1 2019 level		€m	%
	€m	%	€m	%		
Performance & Yield compression	1,822	4.7%	2,446	6.3%	2,234	7.1%
Investments ⁴	347	0.9%	347	0.9%	279	0.9%
Total⁴	2,169	5.6%	2,794	7.2%	2,513	7.9%

¹ In-place rents in Austria and Sweden are not fully comparable to Germany, as Sweden includes ancillary costs and Austria includes maintenance and property improvement contributions from tenants. The data above shows the rental level unadjusted to the German definition. ² Local currency. ³ Including €1.9bn for undeveloped land, inheritable building rights granted (€0.6bn), assets under construction (€0.4bn), development (€0.6bn) and other (€0.3bn) and excluding €0.3bn IFRS16 use of rights. ⁴ Excl. €142m capitalized investments outside of revalued portfolio.

Broad-based Value Growth across All German Regional Markets

Regional Market	Fair Value (€m)	% share of Regional Market revalued in H1 2020	Performance & YC	Invest
Berlin	7,593		0.9%	0.4%
Rhine Main Area	4,657		7.1%	0.6%
Southern Ruhr Area	4,181		7.7%	1.7%
Rhineland	3,996		5.9%	0.5%
Dresden	3,903		8.0%	0.9%
Hamburg	2,910		6.9%	0.8%
Munich	2,362		4.9%	0.4%
Stuttgart	2,211		6.8%	0.4%
Kiel	2,284		8.4%	0.6%
Hanover	1,991		6.8%	0.9%
Northern Ruhr Area (Duisburg only)	1,738		7.8%	2.4%
Bremen	1,279		7.3%	1.3%
Leipzig	993		5.9%	0.3%
Westphalia	959		7.8%	3.5%
Freiburg	673		2.5%	0.5%

Value uplift from performance, YC and investments (I-f-I)



€m (unless indicated otherwise)	Jun. 30, 2020	Dec. 31, 2019 ¹	
Equity attributable to Vonovia's shareholders	19,985.8	19,308.3	
Deferred taxes on investment properties	11,078.6	10,288.9	
Fair value of derivative financial instruments ²	22.5	1.6	
Deferred taxes on derivative financial instruments	-8.7	-6.3	
EPRA NAV	31,078.2	29,592.5	
Goodwill	-1,405.0	-1,430.6	
Adj. NAV	29,673.2	28,161.9	+5.4%
EPRA NAV €/share	57.31	54.57	
Adj. NAV €/share	54.72	51.93	+5.4%
Number of shares (eop)	542.3	542.3	

- In response to the profound evolution of property company's business models and in order to help capital markets better understand the dynamic of the underlying operations, EPRA has developed **new EPRA NAV Metrics** effective for reporting periods starting Jan 1, 2020. In the context of the portfolio valuation update as of June 30, 2020, Vonovia for the first time reports the following new EPRA NAV metrics:
 - **Net Tangible Assets (NTA)**: Proxy for brick-and-mortar value of the long-term holding portfolio
 - **Net Reinstatement Value (NRV)**: Beyond the bricks - aims to represent the value required to rebuild the company
- For now, Vonovia will continue to also report the previous NAVs but expects to retire the three Performance Measures EPRA NAV, Adj. NAV and EPRA NNNNAV in due course.

Note: The new EPRA NAV Metrics also include a Net Disposal Value (NDV), which is a proxy for a liquidation value assuming all assets are sold at fair value, therefore including the crystallization of deferred taxes. Vonovia intends to publish the NDV with the FY2020 results. ¹ Dec. 31, 2019, numbers adjusted (cf. Note A2 of H1 2020 financial report). ² Adjusted for effects from cross currency swaps.

The Two New Leading NAV Metrics

Net Tangible Assets (NTA) and Net Replacement Value (NRV)

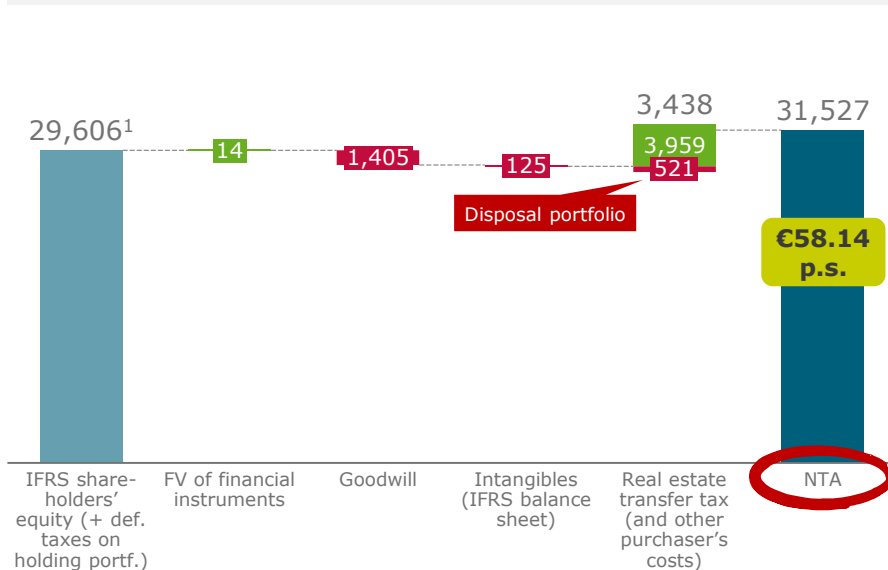
Net Tangible Assets (NTA) – “brick and mortar”

- Proxy for long-term **holding portfolio value**
- Assumes the disposal of assets that do not form part of the long-term holding portfolio
- Deferred taxes on assets and purchaser’s costs, such as RETT, relating to the disposal portfolio, are therefore excluded

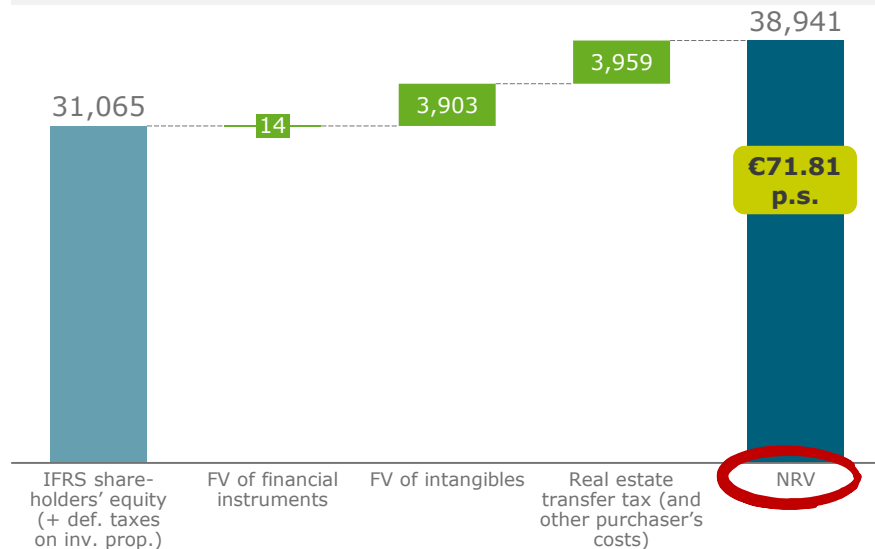
Net Reinstatement Value (NRV) – “beyond the bricks”

- Proxy for **company value**
- Represents the value required to rebuild the company
- Reflects long-term nature of the business and is based on the assumption that assets are held in perpetuity (➔ deferred taxes on assets and purchaser’s costs, such as RETT, are therefore added back)
- Intangible values are included with the enterprise values of the Value-add and Development segments, net of the respective carrying amounts. The enterprise value is the result of a DCF valuation by an independent valuer and based on Vonovia’s internal 5-year business plan

Equity to EPRA NTA bridge (€m)



Equity to EPRA NRV bridge (€m)



¹ Excl. deferred taxes on disposal portfolio (€1,459m). Note: The new EPRA NAV Metrics also include a Net Disposal Value (NDV), which is a proxy for a liquidation value assuming all assets are sold at fair value, therefore including the crystallization of deferred taxes. Vonovia intends to publish the NDV with the FY2020 results.

- Based on the **stable cash flows** and the **strong long-term fundamentals** in our portfolio locations, largely driven by a **structural supply/demand imbalance**, we see continued upside potential for our property values and do not see material long-term downside risks for our portfolio.
- We remain committed to our LTV target range of 40-45%.

€m (unless indicated otherwise)	Jun 30, 2020	Dec 31, 2019
Non-derivative financial liabilities	24,404.3	23,574.9
Foreign exchange rate effects	-38.5	-37.8
Cash and cash equivalents	-949.2	-500.7
Net debt	23,416.6	23,036.4
Sales receivables/prepayments	-29.6	21.4
Adj. net debt	23,387.0	23,057.8
Fair value of real estate portfolio	55,698.6	53,316.4
Shares in other real estate companies	309.9	149.5
Adj. fair value of real estate portfolio	56,008.5	53,465.9
LTV	41.8%	43.1%
LTV (incl. perpetual hybrid)	43.5%	45.0%
Net debt/EBITDA multiple¹	12.0x	11.5x

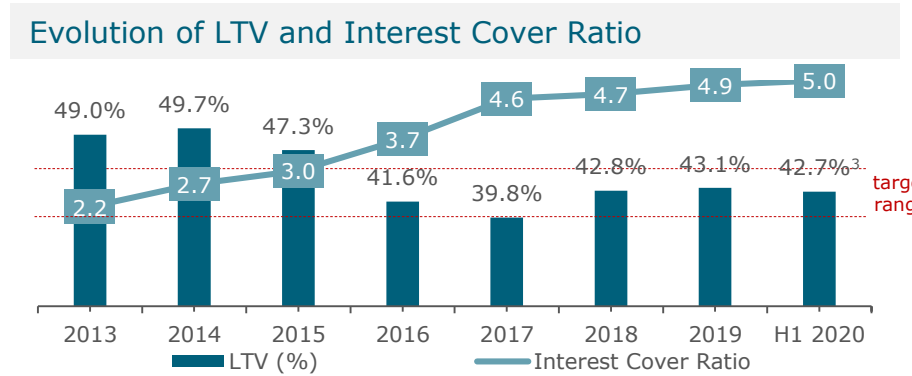
Adjusted for the 2019 dividend payment (€1.57 p.s. with 41% scrip ratio) the LTV is 42.7%

¹ Adj. net debt quarterly average over Adj. EBITDA Total (LTM), adj. for IFRS 16 effect.

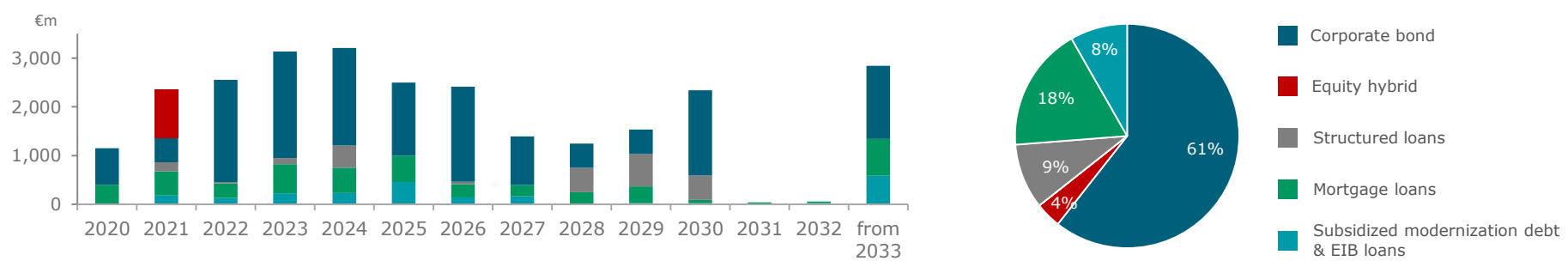
Solid Capital Structure with Smooth Maturity Profile and Diverse Funding Mix

KPI / criteria	Jun. 30, 2020	Dec. 31, 2019
Corporate rating (Scope)	A-	A-
Corporate rating (S&P)	BBB+ (BRP ⁴ : "excellent")	BBB+ (BRP ⁴ : "strong")
LTV ² (net debt / fair value)	42.7% ³	43.1%
Net debt/EBITDA multiple ¹	12.0x	11.5x
Fixed/hedged debt ratio ²	96%	96%
Average cost of debt ²	1.5%	1.5%
Weighted average maturity (years) ²	7.9	7.9
Most recent bond issuances (July 2020) €750m, 6 years €750m, 10 years	0.625% 1.000%	

Bond covenants	Required level	Current level (June 30, 2020)
LTV (Total debt / total assets)	<60%	41% ✓
Secured LTV (Secured debt / total assets)	<45%	14% ✓
ICR (LTM EBITDA / LTM interest expense)	>1.8x	5.0x ✓
Unencumbered assets (Unencumbered assets / unsecured debt)	>125%	201% ✓



Diverse funding mix with no more than 12% of debt maturing annually (as of end of July 2020)



¹ Adj. net debt annual average over Total EBITDA. ² Excl. equity hybrid. ³ Pro forma as of June 30, 2020, accounting for 2019 dividend (including the 41% scrip ratio). ⁴ BRP = business risk profile.

2020 Guidance Fully Confirmed

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	2019 Actuals	2020 Current Guidance
Rental Income	€2,075m	€~2.3bn
Organic rent growth ¹ (eop)	3.9%	~3.3 - 3.8%
Recurring Sales (# of units)	2,607	~2,500
FV step-up Recurring Sales	41.3%	~30%
Adj. EBITDA Total (€m)	1,760	1,875 – 1,925
Group FFO (€m)	1,219	1,275 – 1,325
Dividend (€/share)	1.57	70% of Group FFO per share
Investments (€m)	1,489	1,300 – 1,600

¹ If the one-off reduction of rents in Berlin to 120% of the rent ceiling is implemented in November, as currently planned, we expect to come out towards the lower end of the range; similarly, if it is not implemented we expect to come out towards the higher end of the range



Our business continues to perform very stable and fully in line with our expectations.



We have proven the robustness of our business model and are only marginally impacted by COVID-19.



The underlying market fundamentals are intact and the environment in which we operate remains very favorable.



We remain confident in our ability to deliver growth as per our 2020 guidance and beyond.



Vonovia is more than brick and mortar and the new EPRA metrics are good proxies to show the value of the portfolio vs. the value of the company.



Ein Herz für Bienen.

1 Hier wächst eine Wildblumenwiese aus heimischen Blumen und Gräsern. Sie ist ein idealer Nahrungsort für Insekten und Vögel. Wildbienen sind für die Bestäubung von Pflanzen enorm wichtig. Denn sie fliegen auch, wenn es Honigbienen zu kalt und zu nass ist. Nehmen Sie sich Zeit und beobachten Sie die Wildbienen bei der Arbeit.

2 Unsere Habitate aus Holz sind so etwas wie Wohnungen für Wildbienen. Sie bieten ihnen Nistplätze. Damit die Wildbienen sie nutzen können, sind kleine Löcher in verschiedenen Größen – von 2 bis 9 mm – in das unbehandelte und wetterbeständige Robinienholz gebohrt. Die Rundhölzer der Habitate sind im Boden einbetoniert und trotzen so auch kräftigen Stürmen.

3 Die kleinen Sandhaufen rund um die Rundhölzer der Habitate werden Sandarium genannt. Sie bestehen aus einem Sand-Lehm-Gemisch und eignen sich ebenfalls als Nistplatz für Wildbienen. Denn nicht alle Wildbienenarten nutzen das Habitat, ein Großteil der Wildbienen (75 %) graben Gänge in den Sand und legen dort ihre Eier ab.

www.vonovia.de

IN KOOPERATION MIT DEM **NABU** **VONOVIA**

"A Heart for Bees" says this sign in Leipzig. For the end of 2020 Vonovia targets having 100 insect habitats plus 100,000 sqm of wildflower meadows in cooperation with Germany's Nature and Biodiversity Conservation Union NABU.

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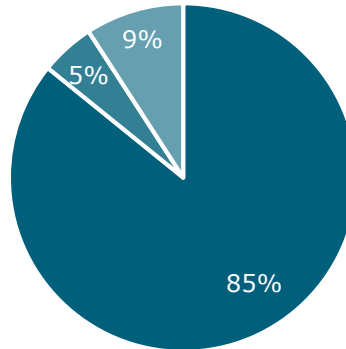
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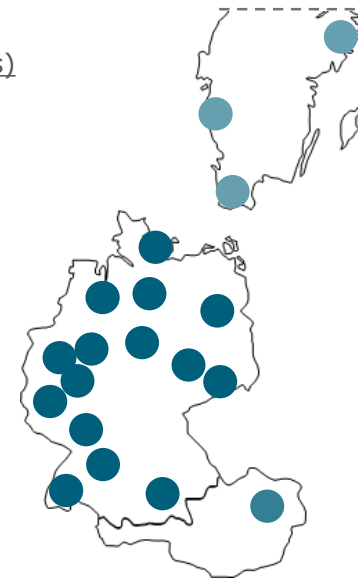
Europe's Leading Owner and Operator of Residential Real Estate

- Long-term owner and full-scale operator of Europe's largest listed multifamily housing portfolio with close to 415k apartments for small and medium incomes
- >€56bn fair market value
- ~€30bn market capitalization

Geographic split (by no. of units)



■ Germany ■ Austria ■ Sweden



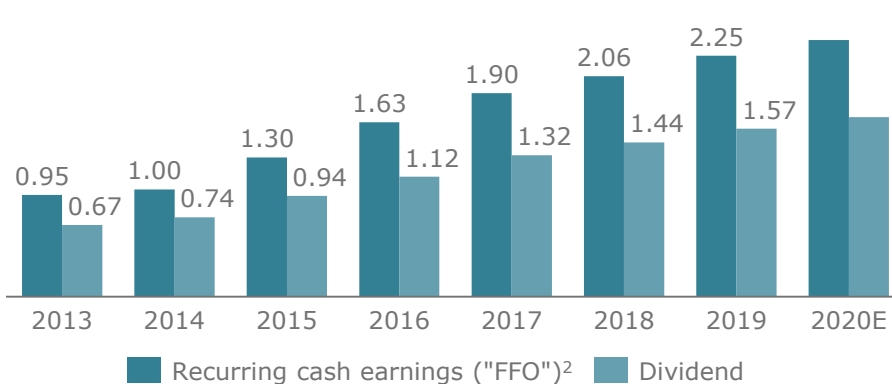
38k apartments
Stockholm
Gothenburg
Malmö

354k apartments¹
15 urban growth markets

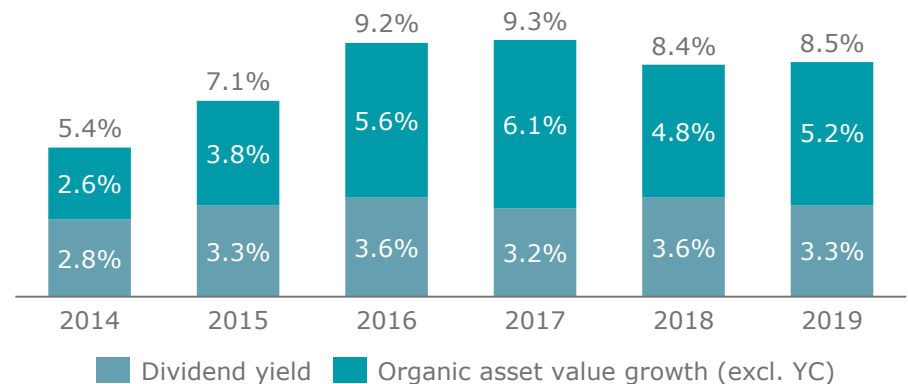
22k apartments
Mainly Vienna

Growing recurring cash earnings per share and DPS

Dividend policy: ~70% of recurring cash earnings are distributed as dividends



Two types of sustainable shareholder returns³



¹ Incl. 27k apartments in other strategic locations plus 5k in non-strategic locations that are not shown on the map. ² 2013-2018 FFO is "FFO1" and 2019+ FFO is "Group FFO." ³ Dividend yield plus I-f-I organic asset value growth from operating performance and investments (excluding yield compression).

MEGATRENDS



Urbanization



Energy efficiency



Demographic change

We give people a place they call home

Serving a basic need in a highly relevant market



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

Our actions are guided by a long-term view and a careful balance between all stakeholders.

Scalable B-to-C business beyond the bricks



We have the best-in class operating platform to serve our customers in regulated markets across the entire residential real estate value chain.

Our experience and knowhow enable us to scale our business in attractive European markets.



We are a driving force in the housing industry

We have the scale and the skills as well as the innovative and financial strength to help managing the megatrends.

We develop solutions for the housing market and are a reliable partner for municipalities & communities in our neighborhoods.

We offer sustainable per-share earnings and value growth with superior downside risk protection to our investors.

We have the necessary access to capital markets to finance the required investments.

We are part of the solution



Sustainable earnings and value growth



License to operate



E Contribution to climate protection and CO₂ reduction

S

Operating in residential markets brings with it a special responsibility

G

Our business conduct is built around trust, transparency & reliability

Germany's Tried and Tested Social Security System Ensures That No One Has to Lose A Roof Over Their Head In Case of Financial Distress

§ **“The Federal Republic of Germany is a democratic and social federal state.”**
Article 20(1) of the German Basic Law.

! German’s social market economy is based on the principle of solidarity that underpins Germany’s social security systems. Anyone who cannot participate in the labor market or society because of misfortune, illness, disability, or old age is looked after by the community.

4 layers of protection for tenants

- 1. Kurzarbeitergeld:** Short-term labor allowance of 60% to 67% of net salary to keep employees in employment and avoid layoffs despite lack of work.
- 2. ALG I:** Unemployment benefit based on 60% to 67% of net salary.
- 3. ALG II:** Basic benefits to cover cost-of-living expense including “appropriate levels of expenditure for housing.”
- 4. Sozialhilfe:** last safety net to protect people from poverty and exclusion, covering necessary living expenses including food, accommodation and clothing.

Paid out of the national unemployment fund to which employees and employers contribute equally every month

Tax-funded

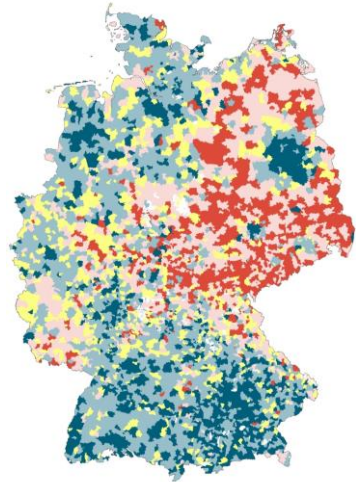
Housing benefits:
 Subsidy towards housing costs for people with low incomes to enable people to live in adequate, family-friendly conditions. Anyone who can demonstrate that he or she is in need is legally entitled.

Additional layers of protection during COVID-19 pandemic

- ✓ **No financial background check** for a period of 6 months for assistance granted between March 1 and June 30.
- ✓ **Simplified application process:** informal applications can be made by phone, e-mail, online or personal visit to the local government office.
- ✓ **Increased benefits:** Kurzarbeitergeld increased from 60%-67% to up to 80%-87%.

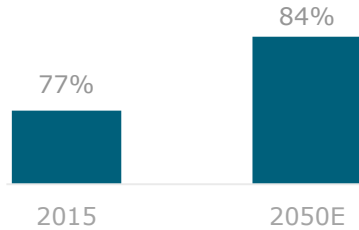
Source: Social Security at a Glance 2019. Federal Ministry of Labour and Social Affairs. <https://www.bmas.de/EN/Services/Publications/a998-social-security-at-a-glance.html>

Urbanization¹



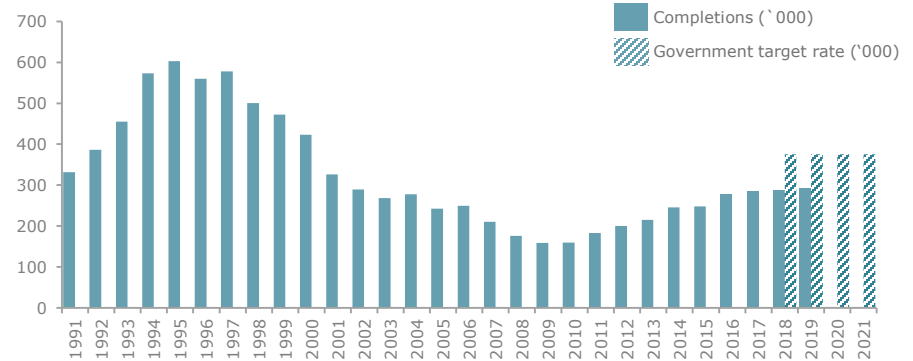
- Growing (above average)
- Growing
- No clear direction
- Shrinking
- Shrinking (above average)

% of German population living in cities



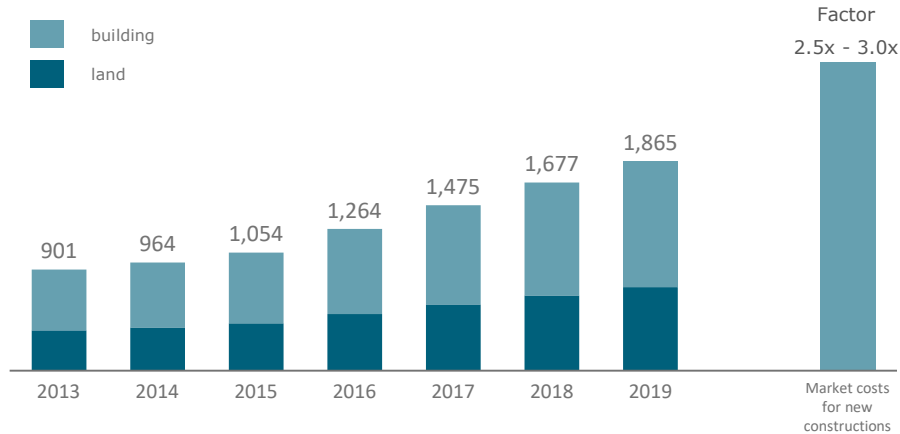
Structural supply/demand imbalance²

Germany's average annual residential completions of the last five years fall short of estimated required volumes



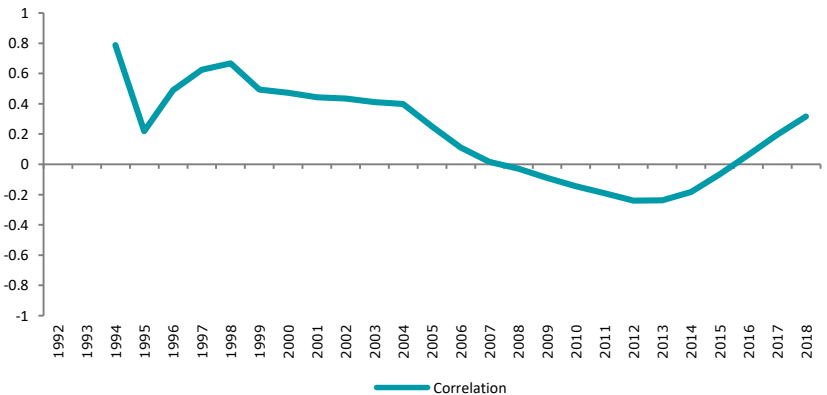
Large gap between in-place values and replacement costs³

Vonovia (Germany) – fair value/sqm (€; total lettable area) vs. construction costs



No correlation pattern between interest rates & asset yields⁴

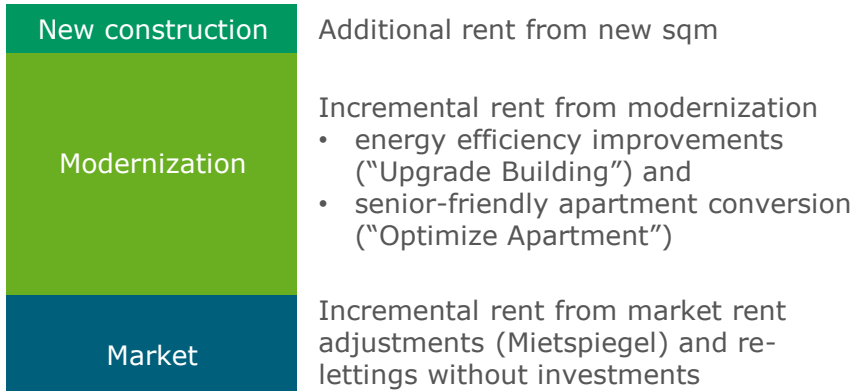
Other factors such as supply/demand imbalance, rental regulation, market rent growth, location of assets etc. seem to **outweigh the impact of interest rates** when it comes to pricing residential real estate.



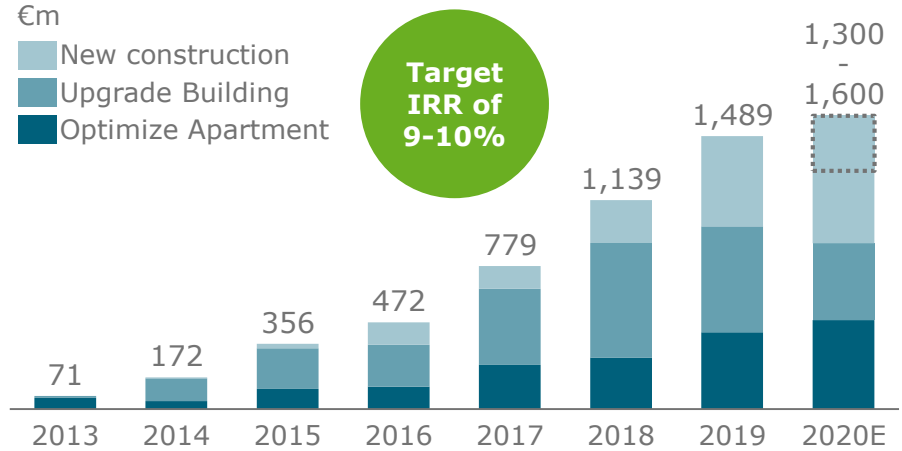
¹ Source: BBSR (<https://gis.uba.de/maps/resources/apps/bbsr/index.html?lang=de>) ² Sources: Federal Statistics Office, German government (1.5m completions during current legislative period). ³ Note: VNA 2010 – 2014 refers to Deutsche Annington Portfolio at the time; construction costs excluding land. The land value refers to the share of total fair value allocated to land. ⁴ Yearly asset yields vs. rolling 200d average of 10y interest rates. Sources: Thomson Reuters, bulwiengesa.

Stable Market Rent Growth Leveraged with Investments

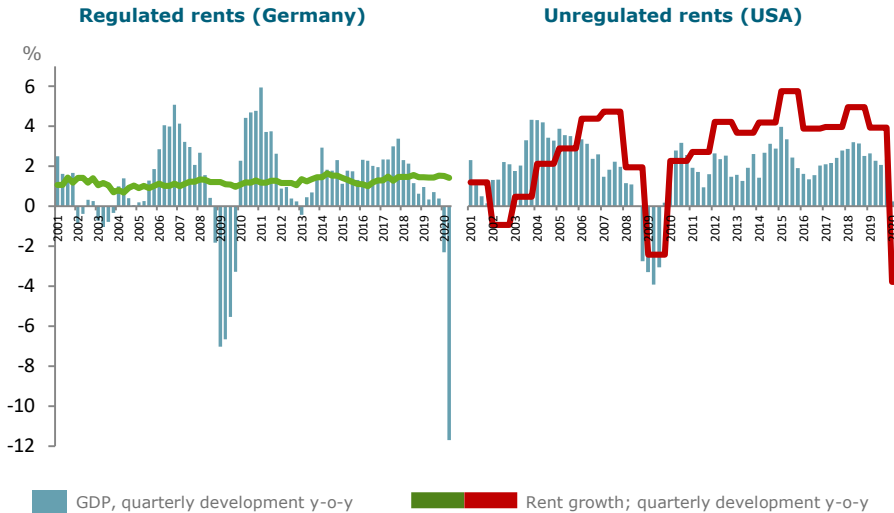
Vonovia has three different organic rent growth drivers



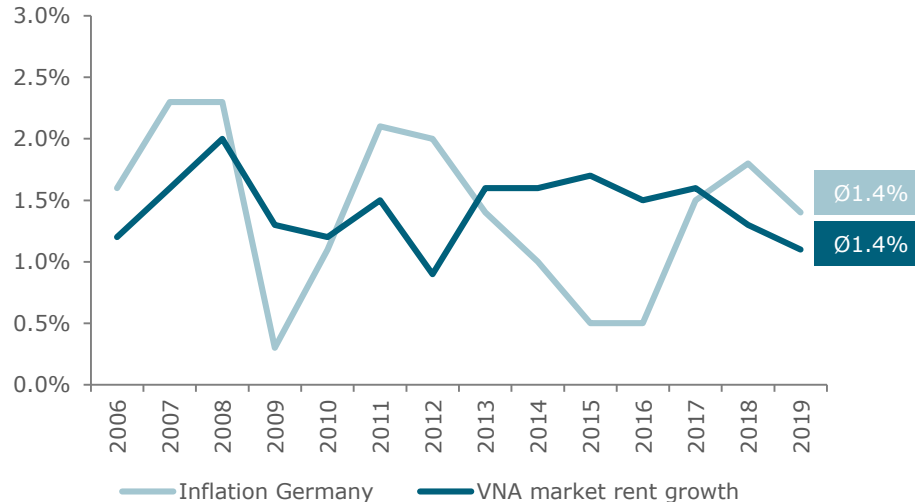
Investment Program drives performance, value and quality



Regulated environment provides stable market rent growth¹



No direct connection between Vonovia market rent growth and inflation but over time broadly in line



¹ Sources: Federal Statistics Office, GdW (German Association of Professional Homeowners), REIS, BofA Merrill Lynch Global Research, OECD, Note: Due to lack of q-o-q rent growth data for the US, the annual rent growth for a year is assumed to also be the q-o-q rent growth of that year. US rent growth 2020 is full-year estimate. US GDP Q2 2020 is the Advanced Estimate of the US Bureau of Economic Analysis as of July 30, 2020 (32.9% annualized), converted to a y-o-y comparison.

Scalable B-to-C Business Beyond the Bricks

Business Segments across Entire Life Cycle of the Assets

VONOVIA

Highlights

Segments

NAV & Valuation

LTV
& Financing

Guidance

Wrap-up

Appendix

Rental

Efficient management of own portfolio



- Average duration of our rental contracts is 13 years
- No cluster risk because of B-to-C business granularity
- High degree of insourcing and standardization along our value chain

Value-add

Ancillary service business for internal savings and external income



- Leveraging long-term customer relations to generate additional cash flows from internal savings and external income
- Customer benefit through better service and/or lower cost

Development

Construction of apartments for (i) own portfolio (ii) disposal to third parties



- Vonovia is one of the largest builders of new homes in Germany
- Size, efficiencies and innovation lead to building costs below fair market values

Recurring Sales

Disposal of individual apartments to retail buyers



- Steady sales volume of ca. 2.5k apartments p.a.
- Sales prices of ~30% above fair market value capture the spread between book value and retail value

Scalable B-to-C Business Beyond the Bricks

Full-scale Operating Platform Enables Insourcing Strategy

Residential real estate is a granular operating business. Vonovia has built a scalable platform to efficiently manage large portfolios and to provide the full range of services largely in-house.

Property Management

~1,500

Lettings agents & caretakers

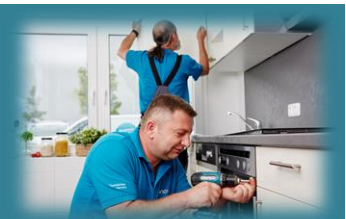


Face to the customer and eyes and ears on the ground in our local markets

Technical Service

~5,000

Craftsmen



Wholly owned craftsmen subsidiary ("VTS") for large share of maintenance and modernization plus pooling of entire purchasing power

Residential Environment

~1,000

Landscape gardeners



Maintenance of gray and green areas and snow/ice removal in the winter

Service Center

~1,000

Service Agents



Centralized property management including inbound calls and e-mails, ancillary cost billing, contract management, maintenance dispatch and rent growth management



Best-in-class service levels



Fully SAP based



High degree of standardization



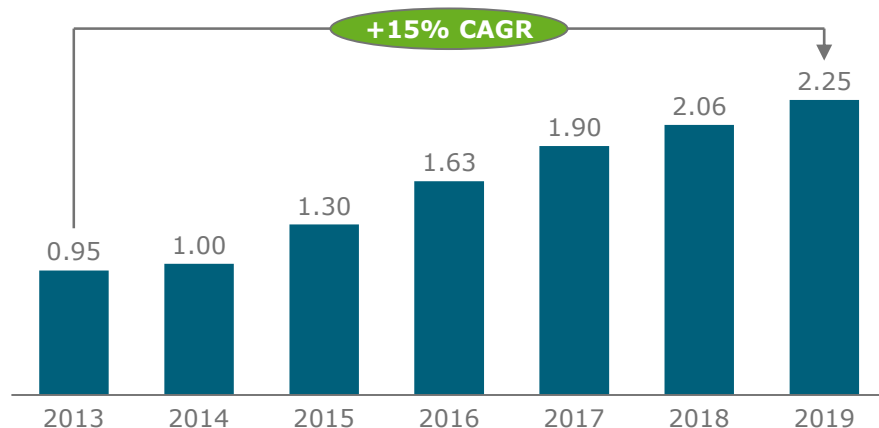
Efficient process management



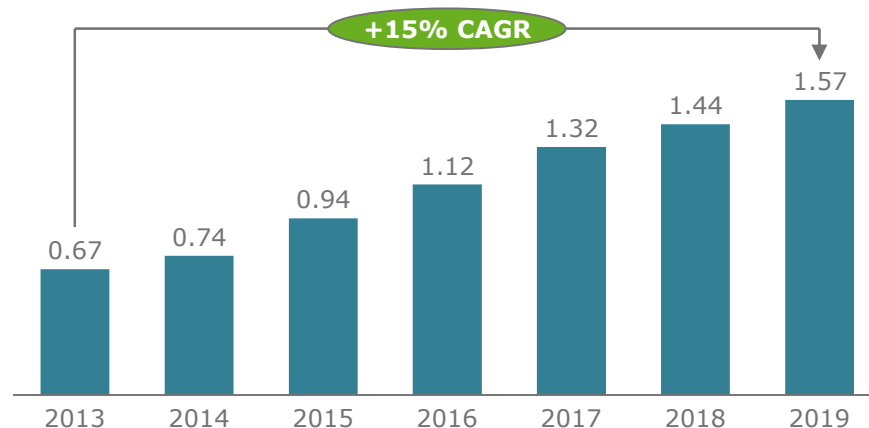
Superior cost control

Long-term Track Record of Sustainable Growth

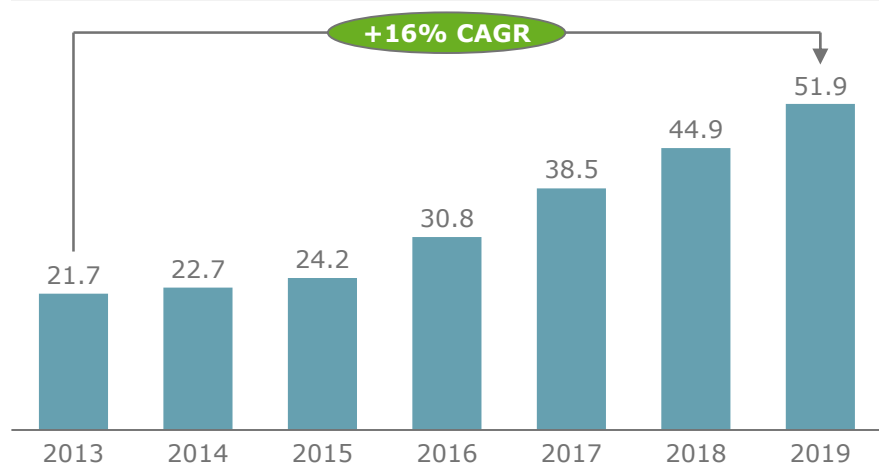
FFO (€/share)¹



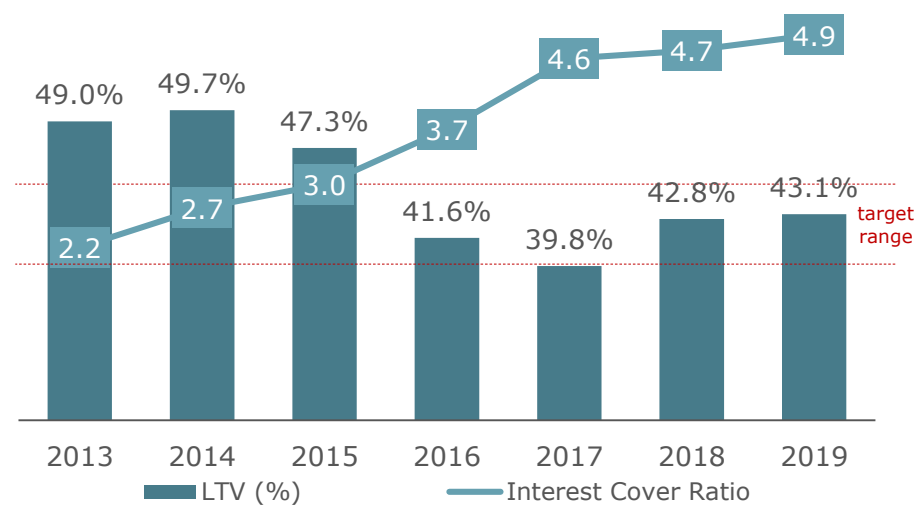
Dividend (€/share)



Adj. NAV (€/share)



LTV and Interest Cover Ratio

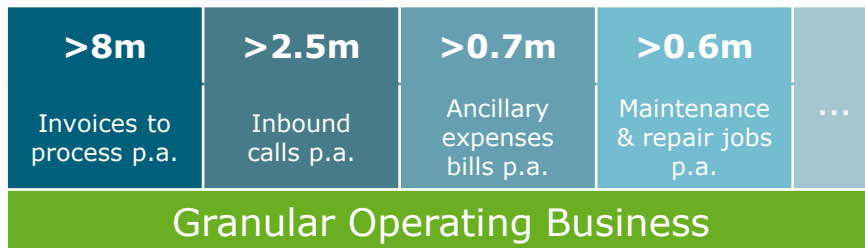


¹ Based on prevailing internal management KPI, which was FFO1 from 2013-2018 and Group FFO in 2019.

Scalable B-to-C Business Beyond the Bricks

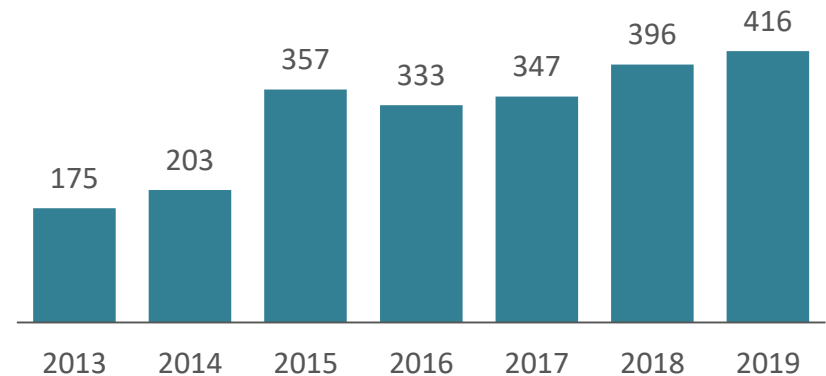
Increasing Profitability via Scale and Efficiencies

Our strategy is to own for generations and create scale effects and efficiencies (buy & hold), and therefore different from a financial investor with a limited investment horizon (buy & sell)

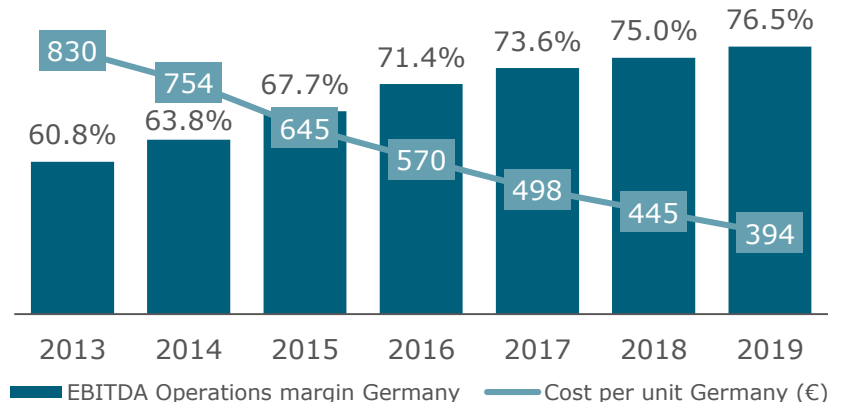


- Unique scalable platform to efficiently manage a large residential real estate portfolio driven by industrialization, standardization and optimization with best-in-class service
- Digitalization still in early stage with cost-reduction potential in the medium- and long-term
- Impact of scale to continue with acquisitions – incremental Cost per unit (Germany) is around €250

Portfolio size (eop, '000)



Proof of scalability¹



¹ EBITDA Operations margin (Adj. EBITDA Rental + Adj. EBITDA Value-add – intragroup profits). 2019 margin includes positive impact from IFRS 16. Cost per unit is defined as (Rental Income – EBITDA Operations + Maintenance) / average no. of units.

Scalable B-to-C Business Beyond the Bricks

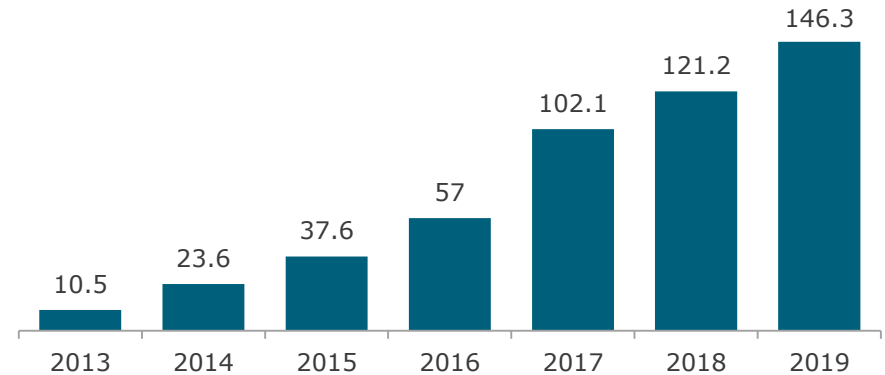
Leveraging the B-to-C Nature of Our Business

Value-add: lower cost & higher income

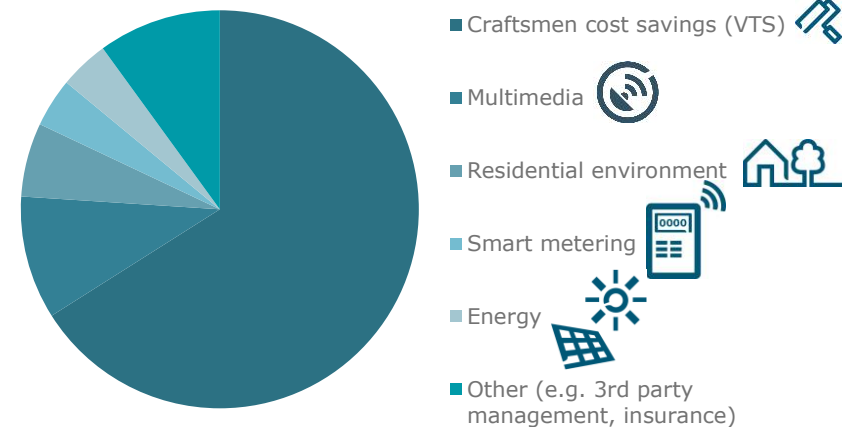
Savings from insourcing of services to ensure maximum process management and cost control

Additional revenues from walking back the value chain and offering services at market prices but on a lower cost basis due to scale and efficiencies

Evolution of Value-add segment (Adj. EBITDA, €m)



EBITDA contribution from different Value-add initiatives¹



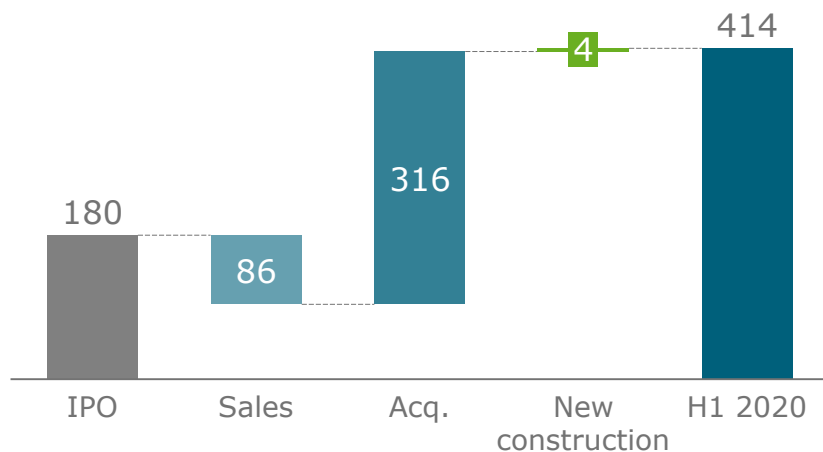
Customer benefit is in lower cost and/or better service quality

¹ Distribution based on 2020 Budget

Scalable B-to-C Business Beyond the Bricks

Opportunistic Increase of Scalability via Mergers & Acquisitions

Portfolio evolution by number of apartments ('000)



Major transactions since IPO

DeWAG 	04/2014	First sizeable portfolio acquisition
~11k units		
vitus	10/2014	First sizeable corporate acquisition
~30k units		
GAGFAH	03/2015	Mixed cash/stock public takeover
~145k units		
SUDEWO SÜDDEUTSCHE WOHNEN	07/2015	Sizeable all equity financed portfolio acquisition
~19k units		
conwert Immobilien Invest SE	01/2017	Public takeover and first acquisition outside Germany
~23k units		
BUWOG group	03/2018	Public takeover and acquisition of critical mass in Austria
~48k units		
VICTORIA PARK	06/2018	Public takeover and acquisition of "nucleus" in Sweden
~14k units		
hembla	12/2019	Acquisition of critical mass in Sweden
~21k units		

Portfolio acquisition criteria

Strategic Rationale

Long-term view of the portfolio with a focus on urban growth regions

Financial Discipline

At least neutral to investment grade rating (assuming 50% equity/50% debt financing)

Earnings Accretion

Accretive to EBITDA Rental yield

Value Accretion

At least neutral to Adj. NAV per share or similar¹

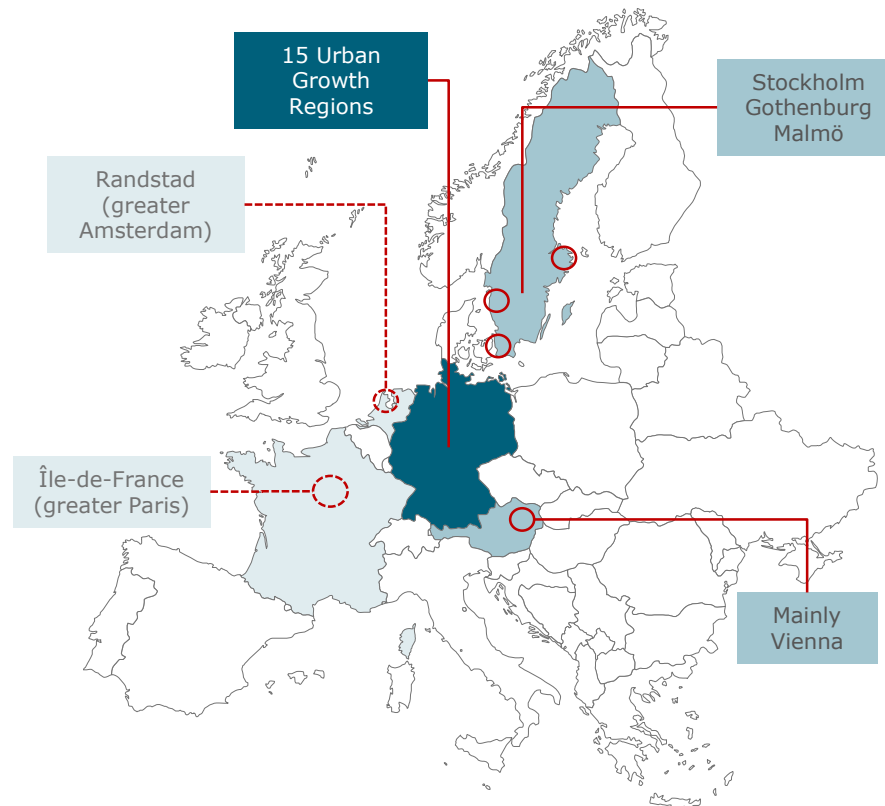


¹ EPRA has published new Best Practice Recommendations to replace EPRA NAV with a revised but broadly similar metric. We expect the NTA to be the most adequate replacement of the Adj. NAV.

Scalable B-to-C Business Beyond the Bricks

Implementation of Vonovia Business Model in Comparable Markets

- Vonovia has developed an **operating platform** and a unique business model for the **efficient management** of large residential portfolios in regulated environments.
- We are convinced that this **business model can be implemented outside of Germany** in comparable markets: large urban rental markets with a supply-demand imbalance and a regulated rental environment.
- No specific target rate or ratios in terms of German vs. non-German exposure → **disciplined but highly opportunistic approach**.
- M&A activities in European target markets are subject to the same **criteria** as in Germany.

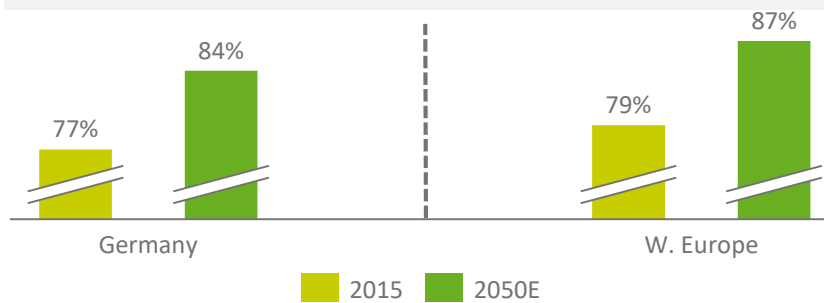


Germany	Austria	Sweden	France	Netherlands
355k residential units	22k residential units	38k residential units	10% stake in portfolio with 4k residential units	2.6% stake in portfolio with 27k residential units
<ul style="list-style-type: none"> • Primary home market and expected to remain dominant in the foreseeable future. • Home of Vonovia business model that we are seeking to repeat in similar markets 	<ul style="list-style-type: none"> • Run scalable operating business (Austrian SAP client successfully implemented) • "Austrian model" along build-hold-sell value chain 	<ul style="list-style-type: none"> • Prove that Vonovia business model works outside Germany • Market consolidation on the basis of Victoria Park and Hembla combination 	<ul style="list-style-type: none"> • Largest long-term potential • Active engagement and networking to safeguard pole position for when opportunity arises 	<ul style="list-style-type: none"> • Continue market research • Active engagement and networking with opportunistic approach

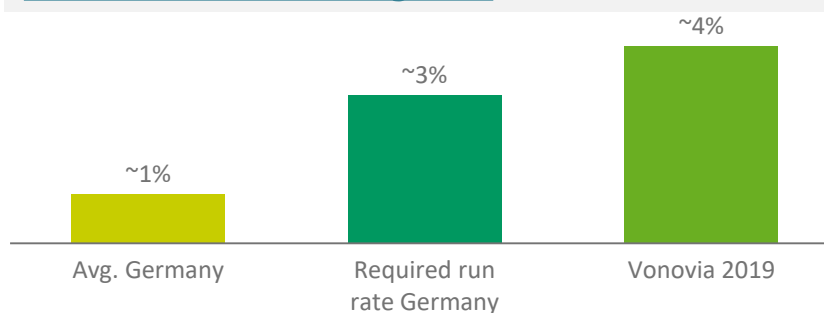


Urbanization

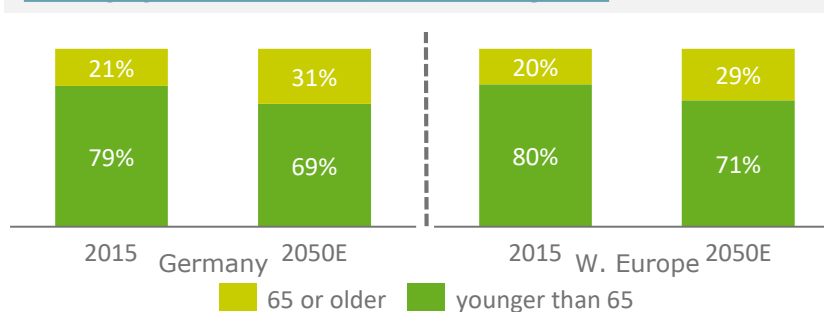
% of population living in cities



% of modernized housing units



% of population above/below 65 years



- > The dominant megatrends represent a **challenge and an opportunity** at the same time
- > The key to solving the residential markets' problems lies in finding **workable solutions** for these megatrends in the interest of **all stakeholders**
- > The **investments required** to meet these challenges **are enormous**. The German Housing Association GdW estimates the investment volume required until 2030 to be around €800bn
- > **Large residential** players with sustainable business models and access to capital market funding **play an important role** in finding and implementing solutions



Demographic change

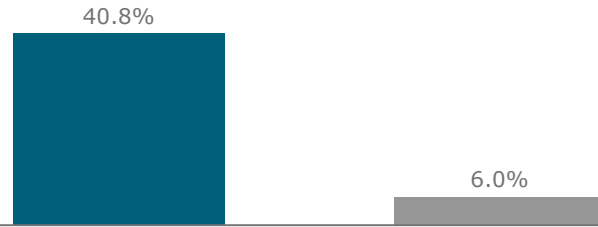
Long-term Support from Megatrends

Focus on Urban Areas with Long-term Supply/Demand Imbalance

Vonovia
Portfolio evolution

- > ~70k **non-core apartments sold** since IPO in 2013
- > ~**99% of current portfolio located in urban growth regions** for long-term ownership and subject to structural supply-demand imbalance

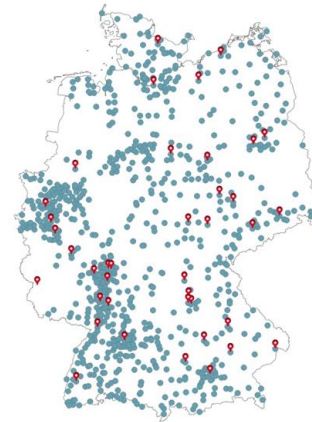
Aggregate total value growth 2017-2019 (%)¹



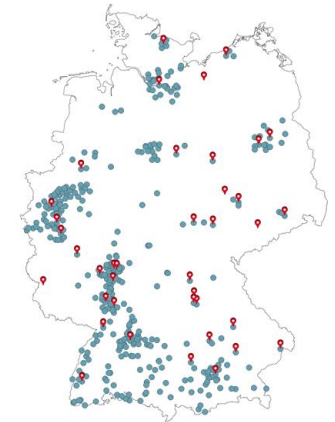
Strategic Portfolio

Non-core locations

Vonovia Portfolio March 2015
347k apartments in 818 locations



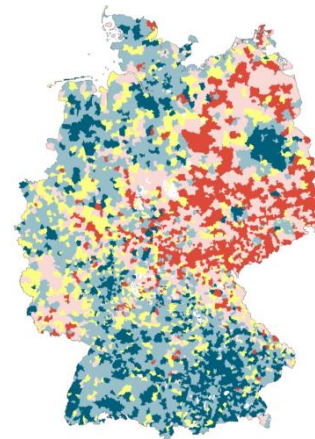
Vonovia Strategic Portfolio
350k apartments in ~400 locations



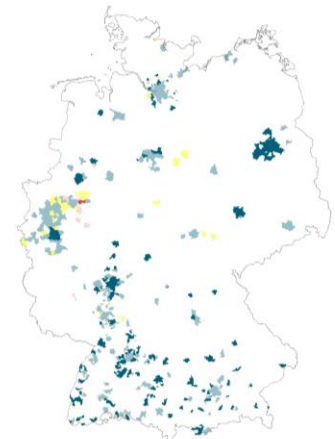
Market view
of growing and shrinking regions²

- > The German Federal Office for Construction and Urban Development (BBSR) has analyzed all cities and counties in Germany on the basis of the average development in terms of population growth, net migration, working population (age 20-64), unemployment rate and trade tax revenue.
- > **The results fully confirm our portfolio management decisions**

Germany (market)



Strategic Portfolio (Vonovia)



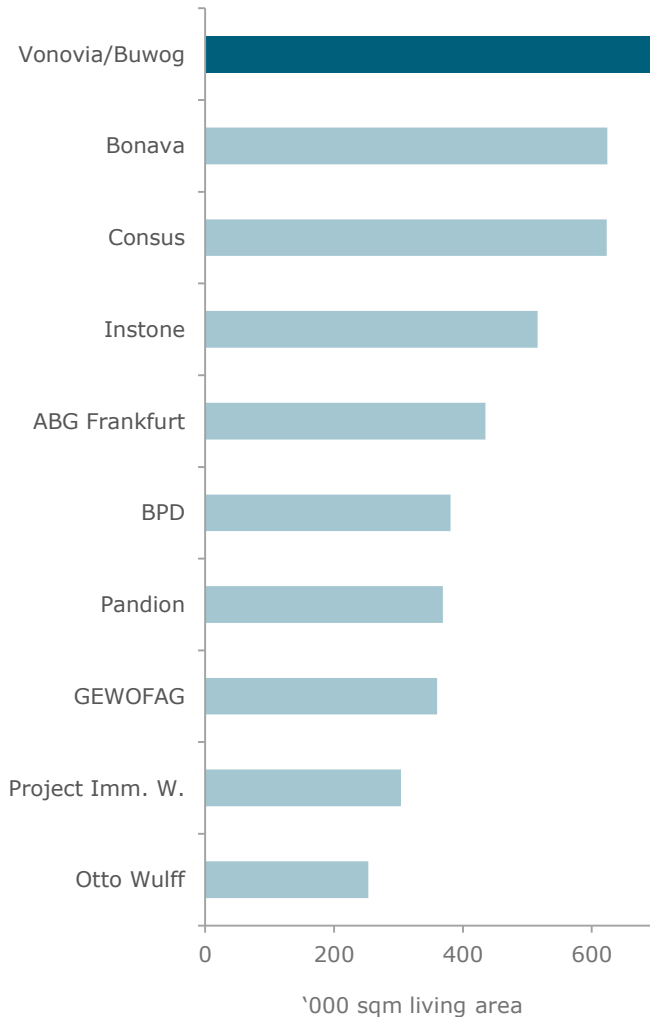
Shrinking (above average) Shrinking No clear direction Growing Growing (above average)

¹ Simple addition of 2017-2019 valuation results excluding compound interest effects. ² Source: BBSR (<https://gis.uba.de/maps/resources/apps/bbsr/index.html?lang=de>)²

The Most Efficient Solution to the Consequences of Germany's Housing Shortage in Urban Areas is New Construction.

Vonovia Leads by Example

Largest homebuilders in Germany¹



- Majority of newly built apartments is to hold, substantially de-risking the business compared to "typical" developers who build to sell.
- Three forms of new constructions:
 - On top of existing buildings by adding an additional floor ("roof extension")
 - On open spaces in between buildings in our neighborhoods ("densification")
 - On land that we acquire and develop ("project development")
- Depending on the specific circumstances of the construction project we use conventional and modular construction methods.

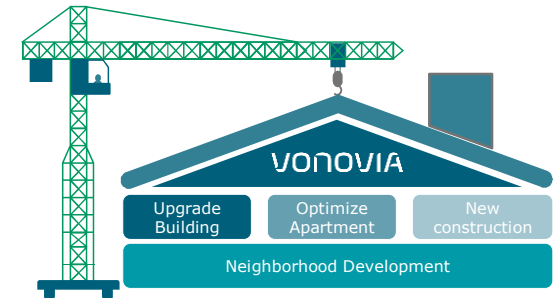


¹ Top 7 cities, includes projects completed between 2017 and 2024 (expected), Data source: bulwiengesa, company data.

Long-term Support from Megatrends

Investments into Existing Portfolio and New Construction

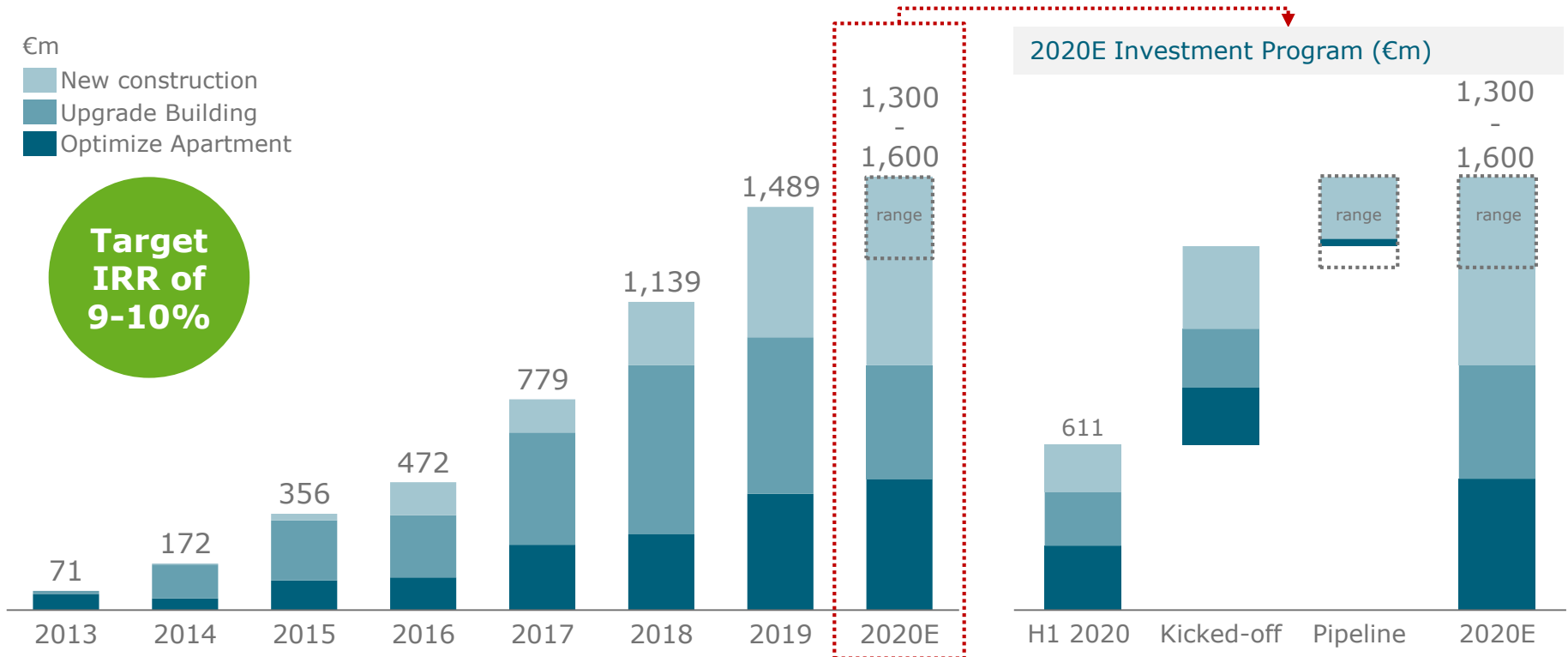
- **New construction:** Construction of apartments for our own portfolio through entirely new buildings or floor additions to existing buildings applying modular and conventional construction methods.
- **Upgrade Building:** Energy efficient building modernization usually including new facades, roofs,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



€m

- New construction
- Upgrade Building
- Optimize Apartment

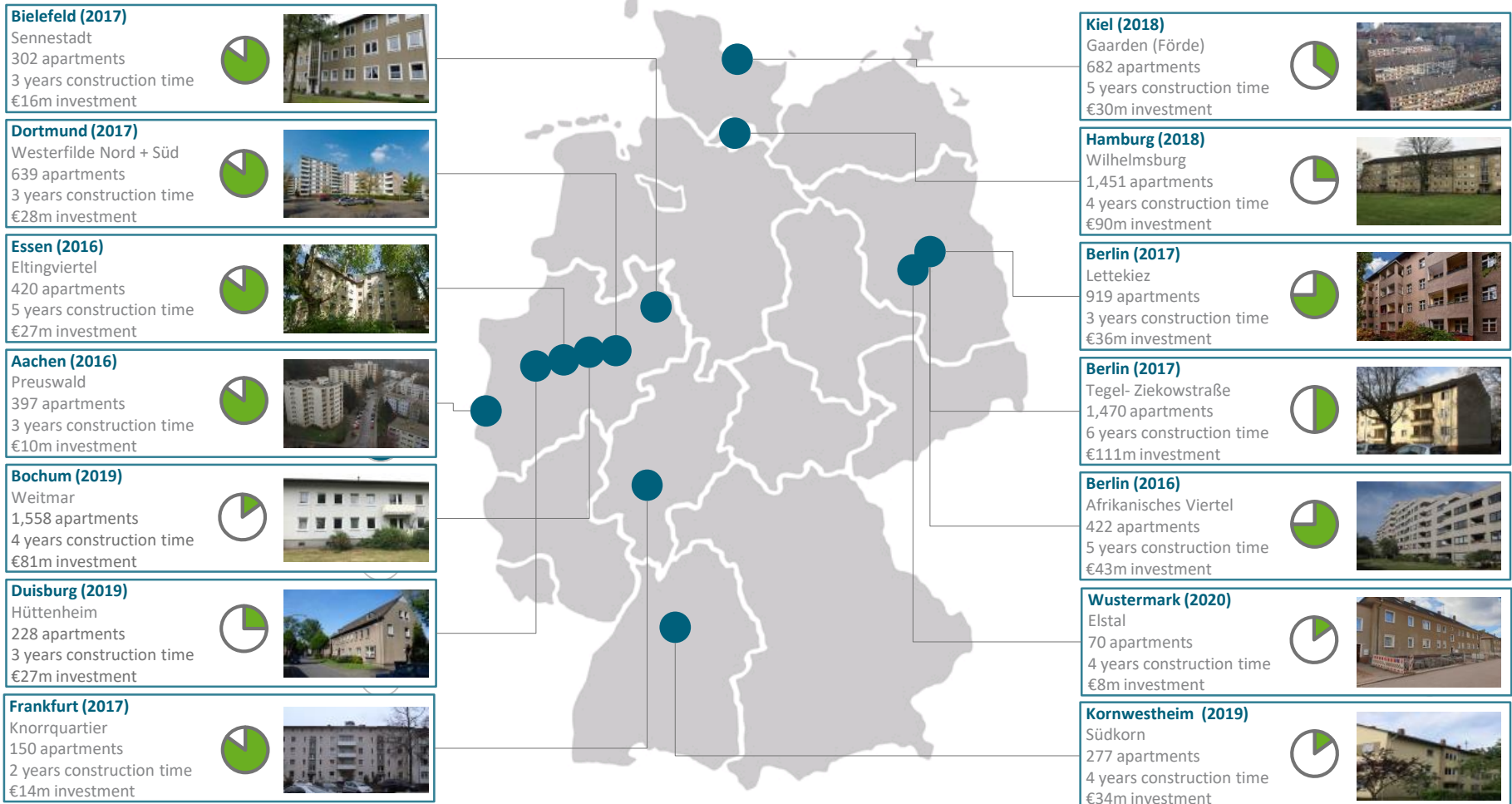
Target IRR of 9-10%



Long-term Support from Megatrends

More than €550m Neighborhood Development Investments

- While each project is different depending on specific local requirements and opportunities, neighborhood development projects usually include energy efficient modernization, construction of new apartments, apartment modernization and general upgrade of the neighborhood environment.



Note: Year refers to year of initial investment. Pie chart refers to estimated degree of project completion.

Serving a Fundamental Need in a Highly Relevant Market

Main Focus Points of Our Sustainability and ESG Dimensions

E NVIRONMENTAL



- Largest and most meaningful positive impact is through increasing energy efficiency and CO₂ reduction of the >50,000 buildings in our portfolio
- Ca. one million tCO₂e emissions per year
- Committed to Germany's ambitious target of achieving a virtually climate neutral building stock by 2050 → energy efficient modernization of our portfolio at rate of >3% p.a.
- Researching innovative ways to reduce CO₂ emissions and increase the use of renewable energy

S OCIAL



- Deeply rooted in the middle of society with products & services that impact the lives of more than one million people
- One's home is not a product like any other → it serves a basic need alongside food and oxygen
- As a partner in the local markets in which we operate we provide answers to the challenges of the housing sector
- Most important solution lies in the construction of new and affordable apartments; as one of Germany's largest homebuilders we lead by example
- Responsibility for ~10,000 employees from 74 countries

G OVERNANCE



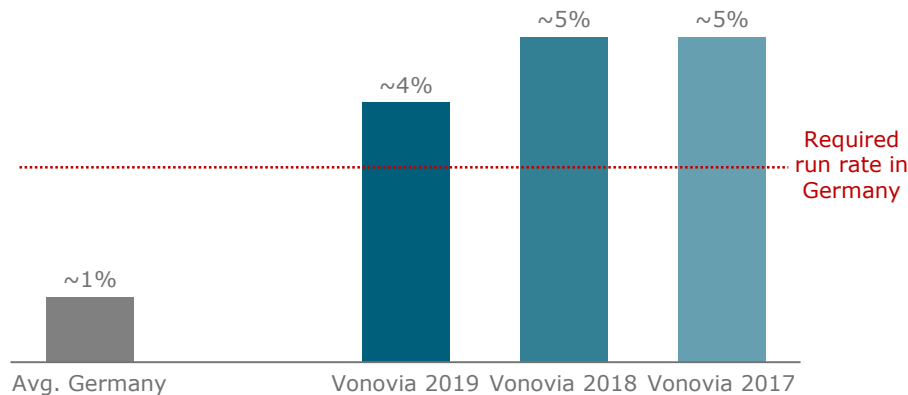
- Business conduct is built around trust, transparency and reliability
- In everything we do we play by the rules and are compliant with all relevant laws, directives, social norms and agreements
- Continuous and open dialogue with all stakeholders
- We will only be successful if our stakeholders feel that they can rely on us

As Europe's largest listed landlord we provide a home to around 1 million people from ca. 170 nations. All of our actions have more than just an economic dimension.

ESG – High Run-rate in Energy-efficient Modernization & Innovative Research in the Field of CO₂ Reduction

We support the German government's ambitious target of establishing a virtually climate-neutral building stock in Germany by 2050

% of modernized housing units



Climate Protection Through Innovation -> Bochum-Weitmar District

- In partnership with renowned Fraunhofer institutes, Vonovia is implementing a three-year hands-on innovation project as part of Open District Hub e. V. in our neighborhood in Bochum-Weitmar to develop and test new technologies in ongoing operations.
- The aim of the project is to supply the neighborhood with electricity and heating that is as carbon-neutral as possible. We aim to achieve this by linking the energy sectors via a central platform.
- A smart, self-learning energy management system then ensures that the right energy is distributed to tenants when they need it – at electric charging stations, in the form of electricity for tenants' own households or in the form of heating.



Measures at apartment level:

- 1 Implementation of measures that do not involve any structural intervention, e.g., optimized heating system settings
- 2 Digitalization of buildings and apartments, e.g., to feature smart meters

Measures at building level:

- 3 Energy-efficient refurbishment, e.g., measures relating to the building shells and heating systems
- 4 Infrastructure for e-mobility, e.g., charging stations and e-wall sockets
- 5 Sustainable energy supply, e.g., photovoltaic systems for tenant electricity

Measures at neighborhood level:

- 6 Building digitalization and networking
- 7 Sector coupling (heat, electricity, mobility, etc.) in the neighborhood via digital platform
- 8 Storage and distribution of energy generated in a decentralized structure enables on-site consumption
- 9 Promotion of biodiversity



CUSTOMERS

- Business philosophy above and beyond what is legally required
- Self-imposed obligation to limit ourselves to maximum rent increase of €2/sqm after invest
- Guarantee to customers 70+ years that rents will remain affordable irrespective of legal rent increase opportunities
- In-house craftsmen organization to ensure swift response time to repair & maintenance needs
- Multilingual service center for customer enquiries with 24/7 emergency service and tenant app to access all relevant data and for state-of-the-art customer-landlord communication



SOCIETY

- Availability and affordability of housing is one of key social questions of our time. The most effective answer to address this challenge is new construction. With almost 2,000 apartments per year we are part of the solution
- Several hundred million of investments in neighborhood development to make sure that people feel at home not only within their apartments but also within their local neighborhood
- Various foundations, donations and different initiatives (e.g. photo award) support our commitment to society



EMPLOYEES

- We bear responsibility for offering our employees a working environment in which they are happy, healthy and able to advance in line with their expectations
- Our Vonovia academy continuously offers a range of training and coaching opportunities
- Comprehensive health management
- Generous home office regulation and part-time models to enable employees to balance career and family
- Signatory of Diversity Charter and committed to appreciation, tolerance and respect

- The duties and authorities of the three governing bodies derive from the SE Regulation, the German Stock Corporation Act and the Articles of Association. In addition, Vonovia is **fully in compliance** with the German Corporate Governance Code.
- In the **two-tier governance system**, the management and monitoring of the business are **strictly separated** from each other.

Annual General Meeting (AGM)

- Shareholders can exercise their voting rights.
- Decision making includes the appropriation of profit, discharge of members of the SVB and MB, and capital authorization.

Two-tier Governance System

Supervisory Board (SVB)

- Appoints, supervises and advises MB
- Examines and adopts the annual financial statements
- Forms Supervisory Board Committees
- Fully independent
- Board profile with all required skills and experience



Jürgen Fitschen (Chairman) Prof. Dr. Edgar Ernst Burkhard Ulrich Drescher Vitus Eckert Dr. Florian Funck Dr. Ute Geipel-Faber



Daniel Just Hildegard Müller Prof. Dr. Klaus Rauscher Dr. Ariane Reinhart Clara-Christina Streit Christian Ulbrich

Management Board (MB)

- Jointly accountable for independently managing the business in the best interest of the company and its stakeholders
- Informs the SVB regularly and comprehensively
- Develops the company's strategy, coordinates it with the SVB and executes that strategy



CEO
Rolf Buch



CFO
Helene von Roeder



CRO
Arnd Fittkau



CDO
Daniel Riedl

Why Vonovia?



Granular B-to-C business with high degree of stability. Business model is resilient, predictable and provides downside protection.



Long-term owner and full-scale operator with proven track record of scale and efficiencies in regulated residential real estate markets.



The megatrends urbanization, energy efficiency and demographic change provide structural support and long-term tailwind for the business.



Uniquely positioned in Germany with ability and ambition to implement Vonovia's business model in selected European metropolitan areas.



Fully committed to long-term nature of the business and the importance of sustainability.





Kevin Drexler is one of almost 500 trainees across more than a dozen professions Vonovia-wide. Kevin and his ca. 900 colleagues in our residential environment business, are responsible for 14m sqm of green spaces, 300km of hedges, 220,000 trees and much more to ensure that our tenants live in a neighborhood they gladly call home.

H1 2020 Results

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Equity Story
&
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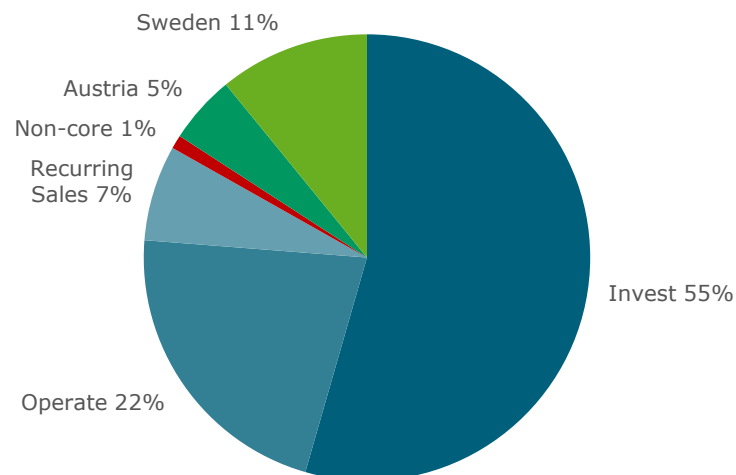
Additional
Information

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detailed
index

- **55% of German portfolio earmarked for investment strategy**, safeguarding long-term sustainability of our Optimize Apartment and Upgrade Building investment strategy
- **604 non-core units** sold in H1 2020 with a **fair value step-up of ca. 36.5%**, partly driven by the disposal of a commercial property



Jun 30, 2020	Fair value ¹			Residential	In-place rent
	(€bn)	% of total	(€/sqm)	units	(€/sqm/month)
Operate	11,578	22%	1,993	85,450	7.26
Invest	29,351	55%	1,986	238,189	6.73
Strategic	40,929	76%	1,988	323,639	6.87
Recurring Sales	3,919	7%	2,111	27,167	6.99
Non-core	433	1%	1,513	3,581	6.52
Vonovia Germany	45,282	84%	1,992	354,387	6.88
Vonovia Sweden	5,762	11%	1,938	38,130	9.65
Vonovia Austria	2,726	5%	1,496	22,362	4.73
Vonovia Total	53,770	100%	1,954	414,879	7.03

Note: In-place rents in Austria and Sweden are not fully comparable to Germany, as Sweden includes ancillary costs and Austria includes maintenance and property improvement contributions from tenants. The table above shows the rental level unadjusted to the German definition. ¹ Fair value of the developed land excluding €1,928.1m, of which €582.3m for undeveloped land and inheritable building rights granted, €400.0m for assets under construction, €599.1m for development, and €346.7m other.

Regional Cluster

VONOVIA

Highlights

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Appendix

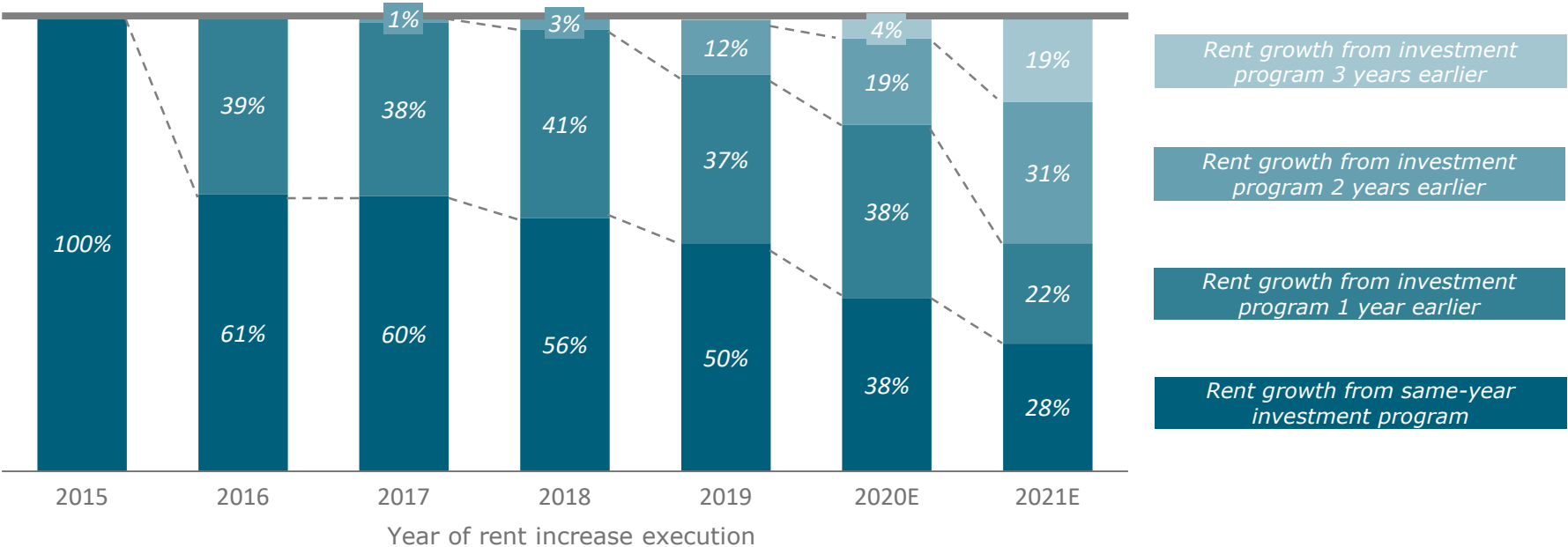
Regional Market	Fair value ¹		In-place rent							Purchase power index (market data) ²	Market rent increase forecast Valuation (% p.a.)	Average rent growth (LTM, %) from Optimize Apartment
	(€m)	(€/sqm)	Residential units	Vacancy (%)	Total (p.a., €m)	Residential (p.a., €m)	Residential (€/sqm/month)	Organic rent growth (y-o-y, %)	Multiple (in-place rent)			
Berlin	7,593	2,720	42,365	1.2	232	220	6.90	3.4	32.7	81.3	1.6	45.1
Rhine Main Area (Frankfurt, Darmstadt, Wiesbaden)	4,657	2,615	27,421	1.8	179	173	8.42	3.3	26.0	105.9	1.8	26.9
Southern Ruhr Area (Dortmund, Essen, Bochum)	4,181	1,543	43,445	3.3	200	195	6.30	5.1	20.9	89.1	1.5	26.7
Rhineland (Cologne, Düsseldorf, Bonn)	3,996	2,059	28,495	2.2	171	163	7.34	3.0	23.4	100.8	1.7	26.8
Dresden	3,903	1,701	38,516	3.7	169	160	6.20	3.6	23.1	82.6	1.7	22.9
Hamburg	2,910	2,271	19,750	1.6	112	108	7.30	3.9	25.9	98.9	1.6	39.0
Munich	2,362	3,618	9,663	1.5	66	62	8.33	3.1	35.6	123.7	1.9	36.9
Stuttgart	2,211	2,488	13,753	1.7	86	82	8.08	2.7	25.8	105.7	1.8	32.3
Kiel	2,284	1,655	23,219	2.4	106	102	6.48	3.9	21.5	74.8	1.7	31.8
Hanover	1,991	1,903	16,252	2.8	85	82	6.82	3.7	23.5	90.3	1.7	30.9
Northern Ruhr Area (Duisburg, Gelsenkirchen)	1,738	1,093	25,454	3.5	111	108	5.90	3.6	15.6	81.4	1.2	31.2
Bremen	1,279	1,728	11,852	3.4	52	50	6.01	5.0	24.5	84.3	1.8	20.9
Leipzig	993	1,619	9,052	3.7	44	41	6.15	2.4	22.6	76.3	1.8	22.7
Westphalia (Münster, Osnabrück)	959	1,534	9,479	3.3	47	45	6.35	5.6	20.6	90.9	1.5	33.7
Freiburg	673	2,414	4,040	2.1	25	25	7.61	3.5	26.4	86.9	1.7	41.6
Other Strategic Locations	2,950	1,703	26,762	3.5	139	134	6.85	3.4	21.2		1.6	31.5
Total Strategic Locations	44,683	2,000	349,518	2.6	1,825	1,750	6.88	3.7	24.5		1.6	30.8
Non-Strategic Locations	599	1,566	4,869	5.1	29	26	6.57	2.0	20.9		1.6	26.1
Total Germany	45,282	1,992	354,387	2.7	1,854	1,776	6.88	3.6	24.4		1.6	30.7
Vonovia Sweden	5,762	1,938	38,130	2.6	335	308	9.65	4.8	17.2		1.7	-
Vonovia Austria	2,726	1,496	22,362	4.7	108	90	4.73	4.2	25.3		1.4	-
Total	53,770	1,954	414,879	2.8	2,297	2,174	7.03	3.9	23.4		1.7	-

Note: In-place rents in Austria and Sweden are not fully comparable to Germany, as Sweden includes ancillary costs and Austria includes maintenance and property improvement contributions from tenants. The table above shows the rental level unadjusted to the German definition. ¹ Fair value of the developed land excluding €1,928.1m, of which €582.3m for undeveloped land and inheritable building rights granted, €400.0m for assets under construction, €599.1m for development, and €346.7m other. ² Source: GfK (2020). Data refers to the specific cities indicated in the tables, weighted by the number of households where applicable.

Substantial Rent Growth Pipeline

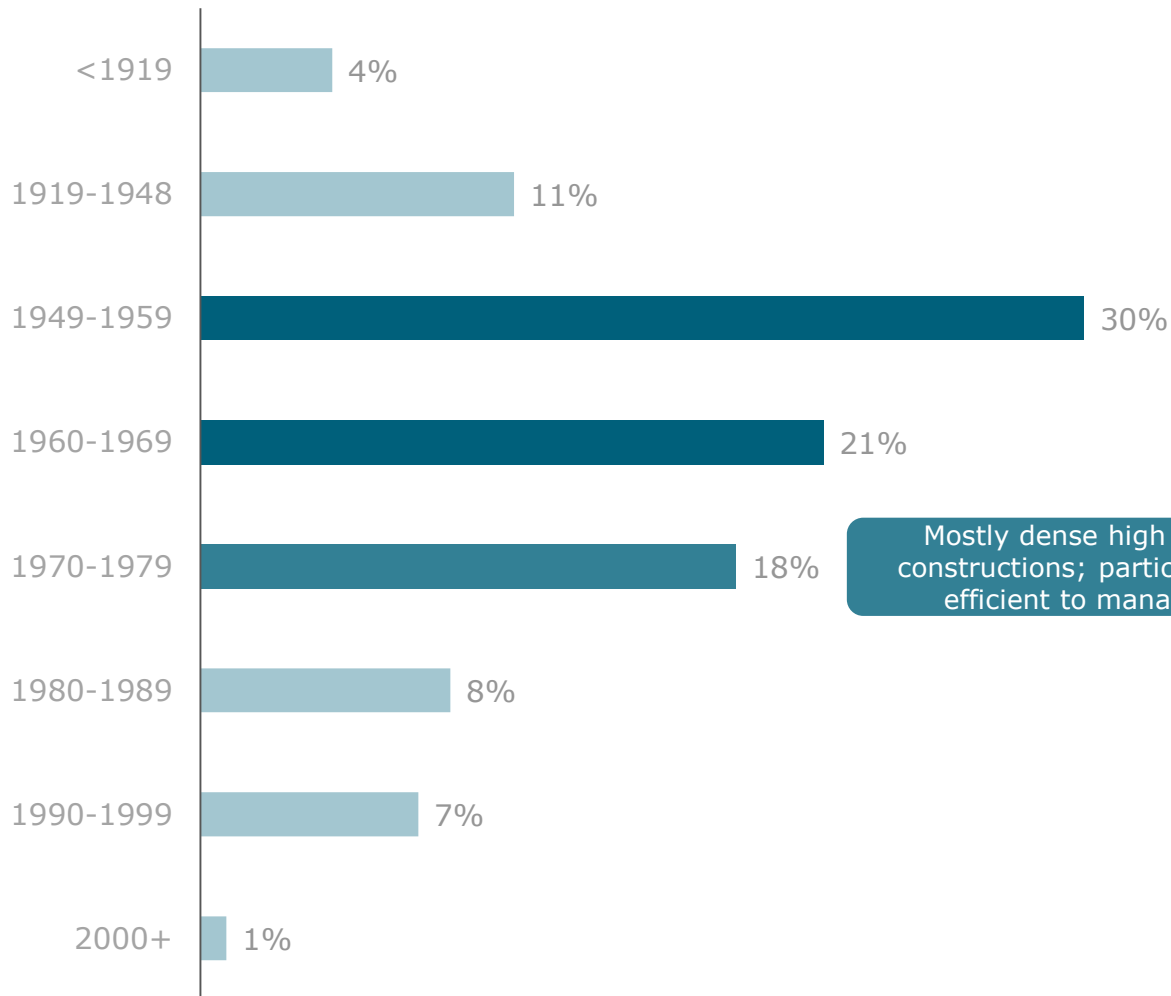
- Increasingly **comprehensive investment projects** incl. neighborhood developments and new construction result in **more extended periods between investment and full rent growth realization.**
- From the investment programs 2017 to 2020 an **aggregate incremental rental income of ~ €96m p.a.** is **still in the pipeline** as investments are underway but not fully completed.

Year-by-year rent growth materialization from investment programs



Explanatory note: Of the investment-driven rent growth in 2020, for example, 38% come from the investment program 2020, 38% from investment program 2019, 19% from the investment program 2018 and the remaining 4% from the investment program 2017.

Distribution of Construction Year Clusters



Typical post WWII constructions with mostly up to 5 floors in larger clusters; key focus for neighborhood development investment activities

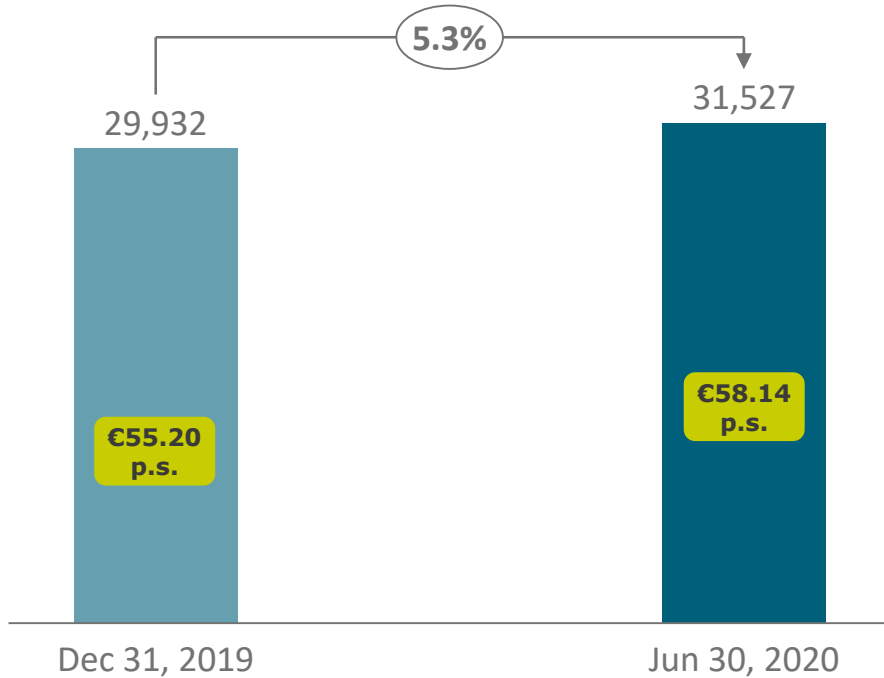
Mostly dense high rise constructions; particularly efficient to manage

Note: German portfolio only. Construction year indicates year of initial construction and disregards comprehensive modernization work.

Net Tangible Assets (NTA) – “holding portfolio value”

- Proxy for brick-and-mortar value of the long-term holding portfolio

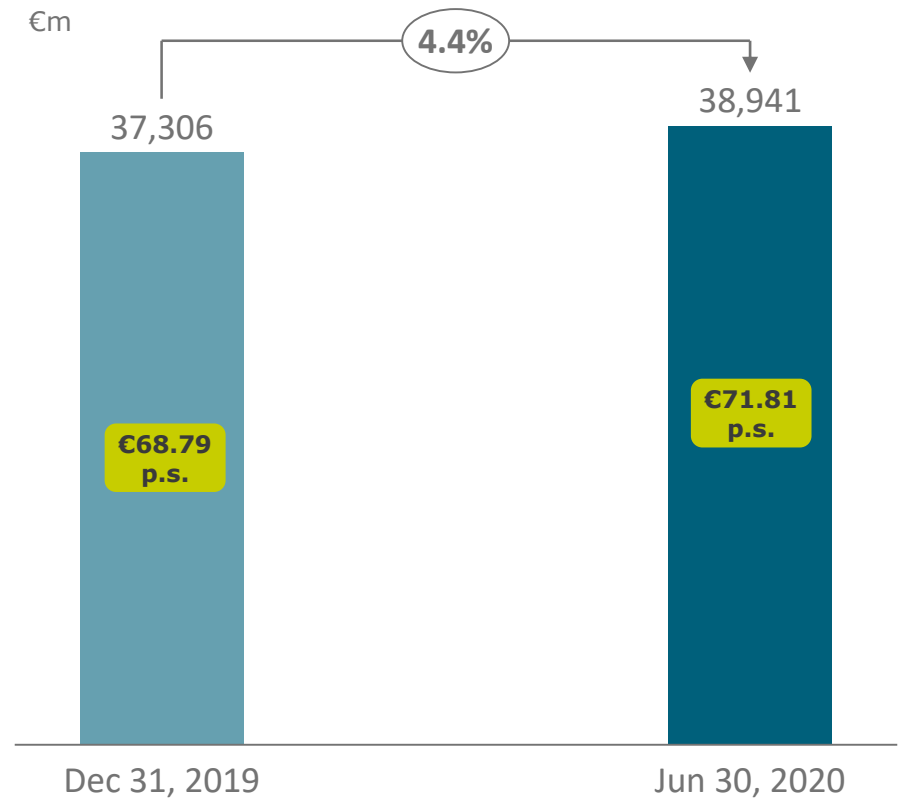
€m



Net Reinstatement Value (NRV) – “beyond the bricks”

- Aims to represent the value required to rebuild the company

€m



Note: The new EPRA NAV Metrics also include a Net Disposal Value (NDV), which is a proxy for a liquidation value assuming all assets are sold at fair value, therefore including the crystallization of deferred taxes. Vonovia intends to publish the NDV with the FY2020 results.

Reconciliation from Old to New EPRA NAV Metrics

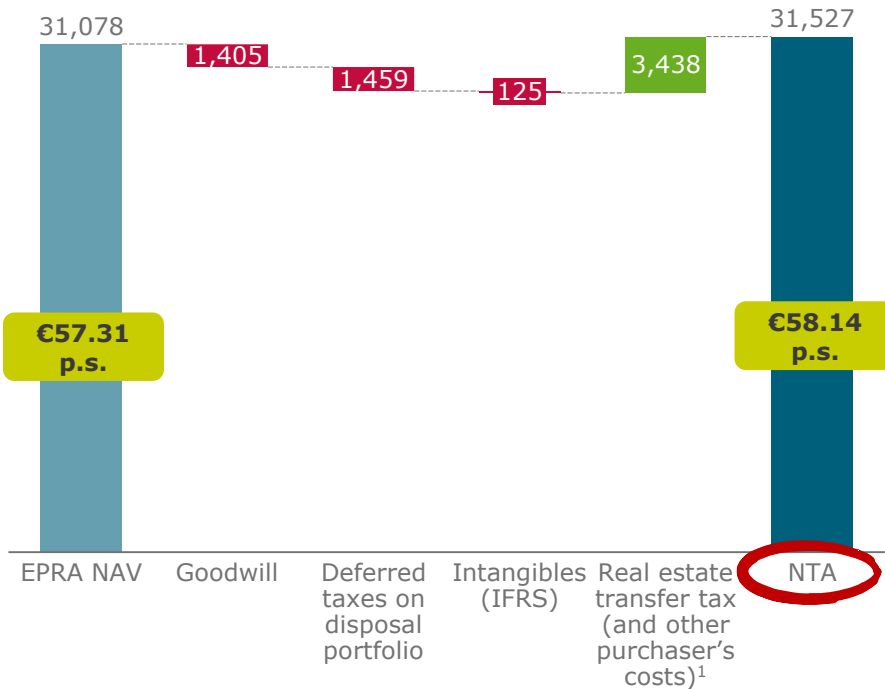
Net Tangible Assets (NTA) – “holding portfolio value”

- Proxy for brick-and-mortar value of the long-term holding portfolio

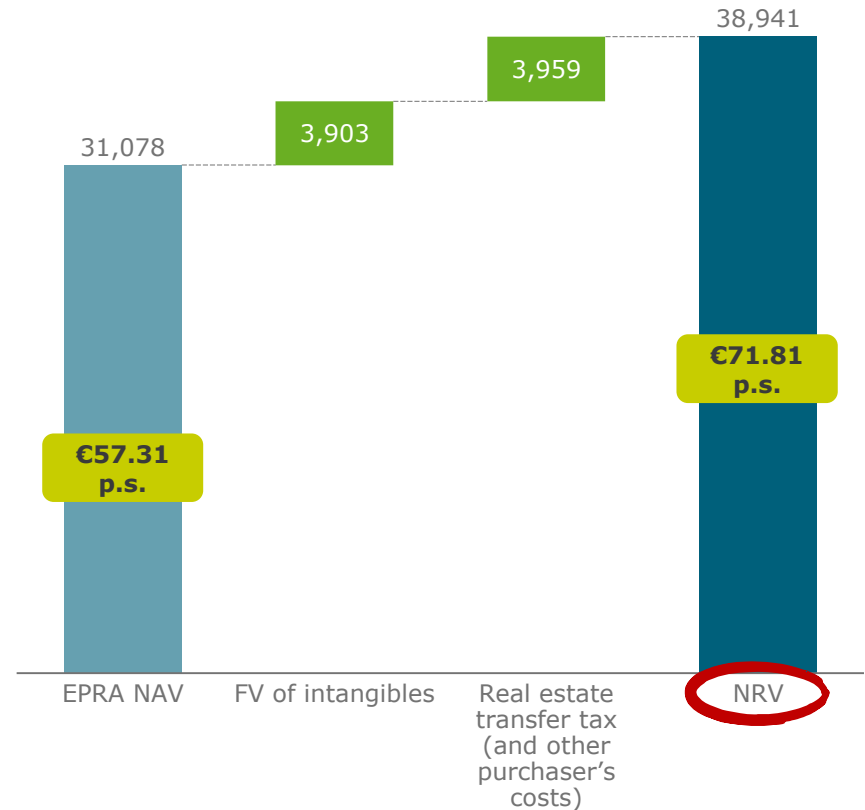
Net Reinstatement Value (NRV) – “beyond the bricks”

- Aims to represent the value required to rebuild the company

EPRA NAV to EPRA NTA bridge (€m)



EPRA NAV to EPRA NRV bridge (€m)



¹ Long-term Holding portfolio only. Note: The new EPRA NAV Metrics also include a Net Disposal Value (NDV), which is a proxy for a liquidation value assuming all assets are sold at fair value, therefore including the crystallization of deferred taxes. Vonovia intends to publish the NDV with the FY2020 results.

Detailed Overview of Old and New EPRA NAV Metrics

Old EPRA NAV Metrics (€m)



New EPRA NAV Metrics (€m)



¹ Excl. deferred taxes on disposal portfolio (€1,459m). ² Long-term Holding portfolio only. Note: The new EPRA NAV Metrics also include a Net Disposal Value (NDV), which is a proxy for a liquidation value, not dissimilar to the EPRA NNNNAV, assuming all assets are sold at fair value, therefore including the crystallization of deferred taxes. Vonovia intends to publish on the NDV with the FY2020 results.

Illustrative Overview of Investment Program Funding

	Rental Income
-	Maintenance expenses
-	Operating expenses
+	EBITDA Value-add
+	EBITDA Recurring Sales
+	EBITDA Development
=	Total EBITDA
-	Interest expenses
-	Current income taxes
-	Consolidation/non-cash items
=	Group FFO

- > Comprehensive investment program to drive organic growth and portfolio improvements
- > Size of investment program is calibrated to remain within LTV target range
- > Funded with retained cash, proceeds from recurring sales plus (often subsidized) loans

~70% for dividend ¹		~30%
cash	scrip	retained earnings

-	Capitalized maintenance
-	Hybrid coupon & minorities
-	One-offs
=	Earnings available for investment program

€1.3bn – €1.6bn



Incremental debt Including funding from KfW and EIB

Sales proceeds ~2,500 units @30% est. gross margin

Earnings contribution

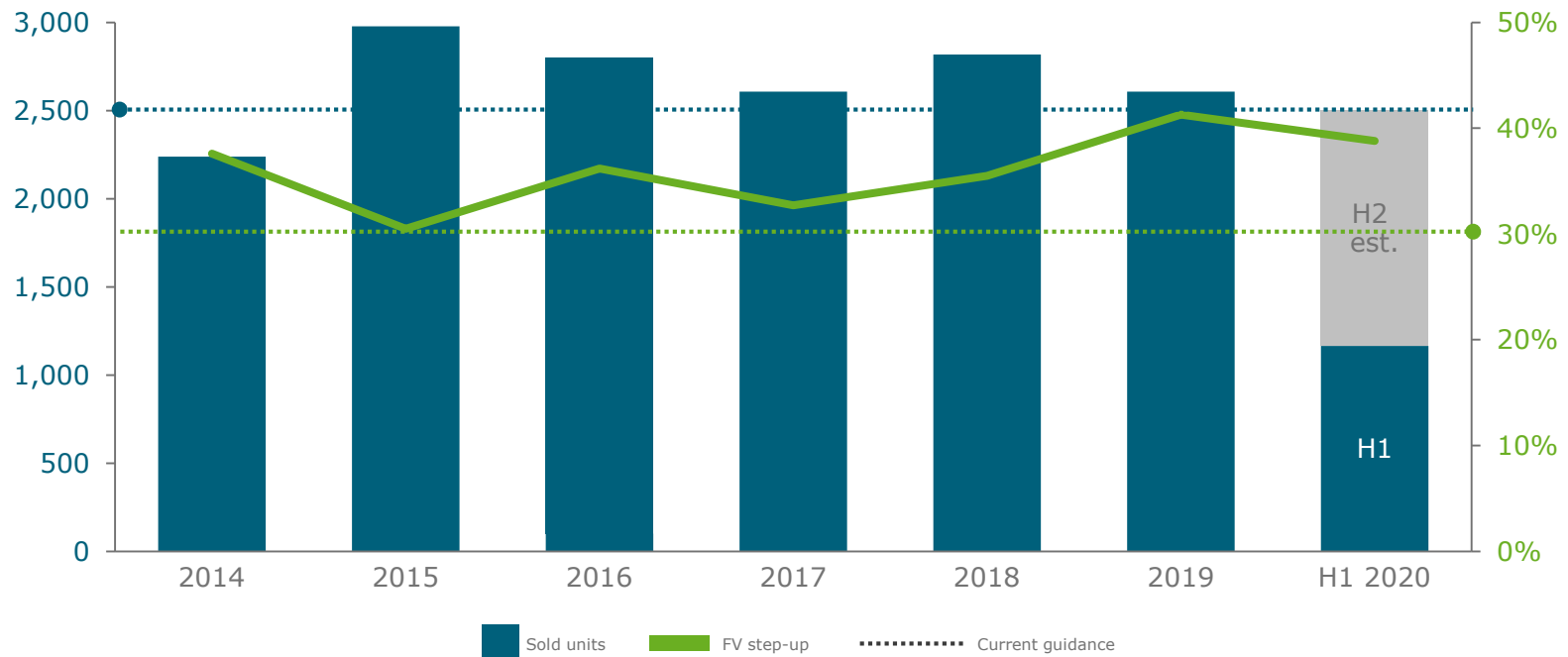
Investment Program

¹ Average historic cash/scrip ratio has been 56%/44% since inception in 2016

Stable Track Record in Recurring Sales Segment

- The Recurring Sales Segment comprises of single-unit sales from a defined subportfolio of ca. 27k units¹.
- All apartments have an individual land register entry and are eligible for disposal from a legal point of view.
- The cash proceeds from Recurring Sales are used as an equity contribution for the investment program.

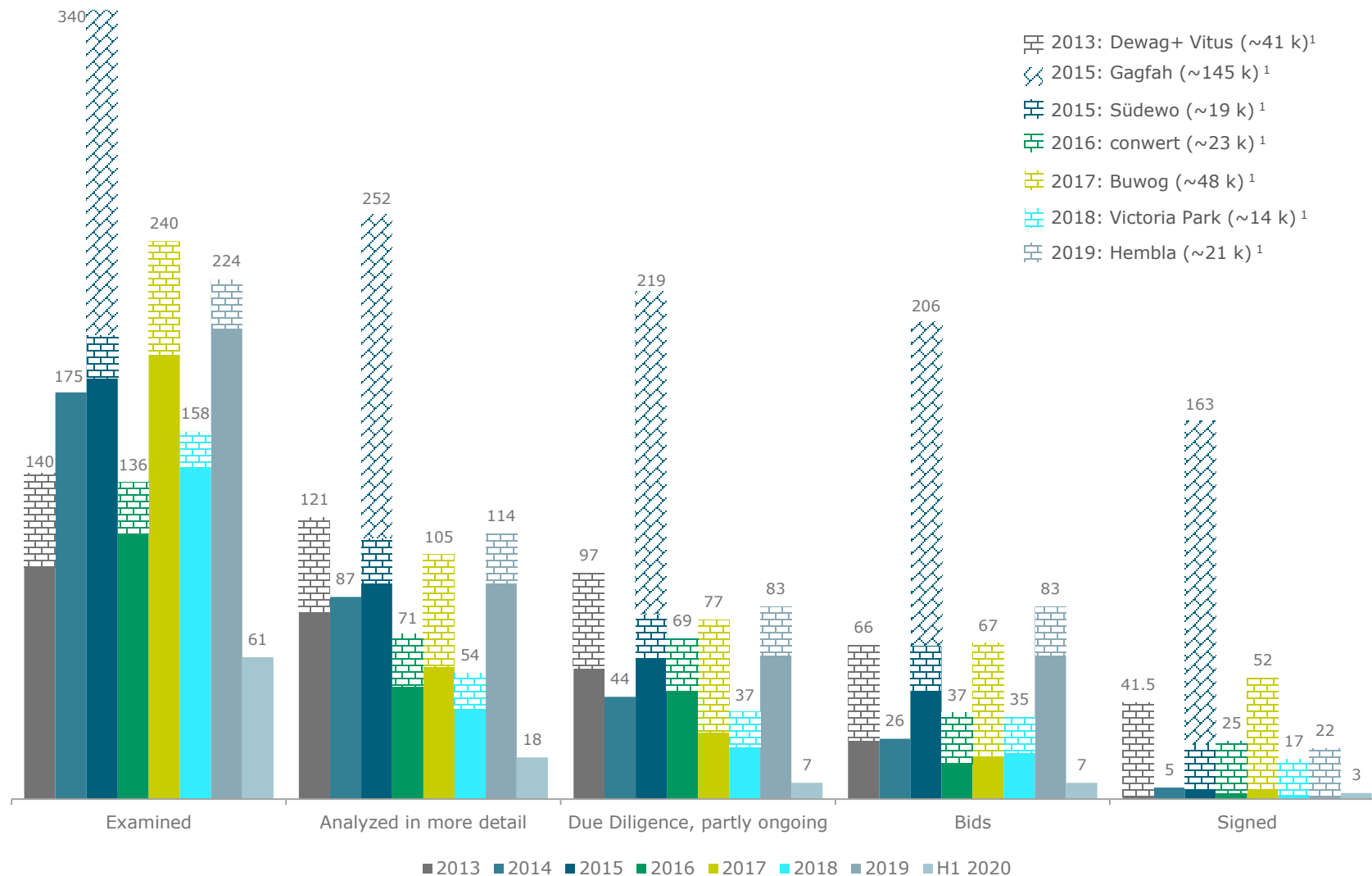
Historical disposal volumes and FV step-up²



Note: FV step-up dependent on level of fair values in relation to sales prices. ¹ German portfolio only; recurring sales are also made from the Austrian portfolio. ² 2018 onwards also including recurring sales in Austria.

Acquisitions – Opportunistic but Disciplined

Acquisition pipeline ('000 units)



¹Acquisitions are shown for all categories in the year the acquisition process started.

Acquisition Track Record

[Highlights](#)
[Segments](#)
[NAV & Valuation](#)
[LTV
& Financing](#)
[Guidance](#)
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[Appendix](#)

Larger acquisitions

Year	Deal	Residential units #	TOP Locations	Fair Value per sqm		
				@ Acquisition	Jun 30, 2020	Δ
2014	DEWAG	11,300	Berlin, Hamburg, Cologne, Frankfurt	€ 1,344	€ 2,570	91%
	VITUS ¹	20,500	Bremen, Kiel	€ 807	€ 1,664	106%
2015	GAGFAH	144,600	Dresden, Berlin, Hamburg	€ 889	€ 1,934	118%
	FRANCONIA	4,100	Berlin, Dresden	€ 1,044	€ 2,174	108%
	SÜDEWO	19,400	Stuttgart, Karlsruhe, Mannheim, Ulm	€ 1,380	€ 2,265	64%
2016	GRAINGER	2,400	Munich, Mannheim	€ 1,501	€ 2,588	72%
2017	CONWERT (Germany & Austria)	23,400	Berlin, Leipzig, Potsdam, Vienna	€ 1,353	€ 2,130	57%
	thereof Germany	21,200	Berlin, Leipzig, Potsdam	€ 1,218	€ 2,036	67%
	thereof Austria	2,200	Vienna	€ 1,986	€ 2,614	32%
	PROIMMO	1,000	Hanover	€ 1,617	€ 1,976	22%
2018	BUWOG (Germany & Austria)	48,300	Berlin, Lübeck, Vienna, Villach	€ 1,244	€ 1,574	27%
	thereof Germany	27,000	Berlin, Lübeck, Kiel	€ 1,330	€ 1,821	37%
	thereof Austria	21,300	Vienna, Villach, Graz	€ 1,157	€ 1,335	15%
	VICTORIA PARK (Sweden)	14,000	Stockholm, Malmö, Gothenburg	SEK 15,286	SEK 18,670	22%
2019	AKELIUS (Sweden)	2,300	Stockholm, Gothenburg	SEK 25,933	SEK 27,484	6%
	HEMBLA (Sweden)	21,400	Stockholm	SEK 20,157	SEK 20,640	2%
Total		312,700				

Note: Excluding smaller tactical acquisitions. ¹ Net of subportfolio sold right after the acquisition

Corporate Investment grade rating

Rating agency	Rating	Outlook	Last Update
Scope	A-	Stable	13 Dec 2019
Standard & Poor's	BBB+	Stable	22 Jul 2020



July 22: S&P's updated Vonovia's business risk profile from „strong“ to „excellent“

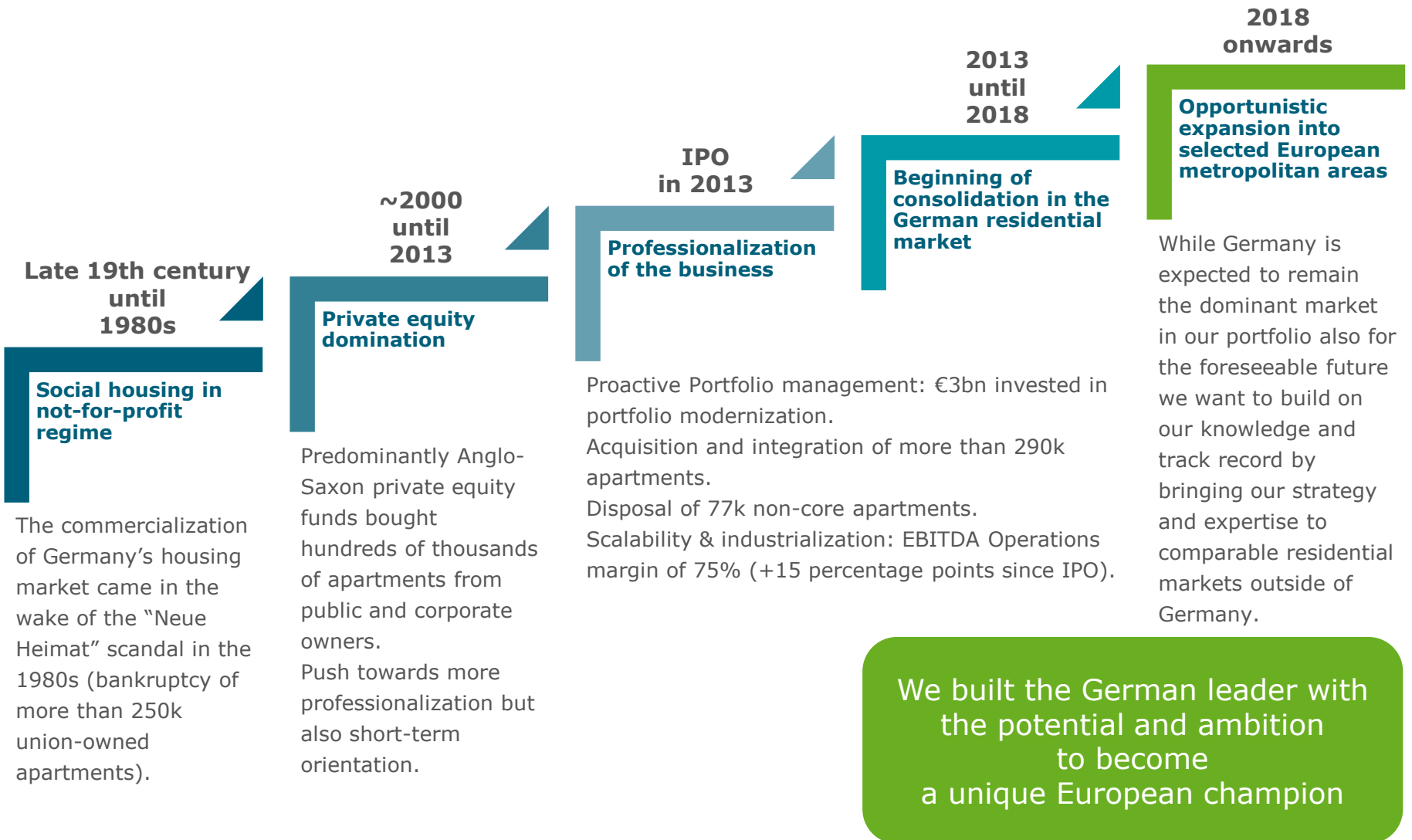
Bond ratings

Name	Tenor & Coupon	ISIN	Amount	Issue price	Coupon	Final Maturity Date	Rating	
							Scope	S&P
Bond 024B (EMTN)	10 years 1.000%	DE000A28ZQQ5	€ 750m	99.189%	1.000%	09 Jul 2030	A-	BBB+
Bond 024A (EMTN)	6 years 0.625%	DE000A28ZQP7	€ 750m	99.684%	0.625%	09 Jul 2026	A-	BBB+
Bond 023B (EMTN)	10 years 2.250%	DE000A28VQD2	€ 500m	98.908%	2.250%	07 Apr 2030	A-	BBB+
Bond 023A (EMTN)	4 years 1.625%	DE000A28VQC4	€ 500m	99.831%	1.625%	07 Apr 2024	A-	BBB+
Bond 022C (EMTN)	20 years 1.625%	DE000A2R8NE1	€ 500m	98.105%	1.625%	07 Oct 2039	A-	BBB+
Bond 022B (EMTN)	8 years 0.625%	DE000A2R8ND3	€ 500m	98.941%	0.625%	07 Oct 2027	A-	BBB+
Bond 022A (EMTN)	3.5 years 0.125%	DE000A2R8NC5	€ 500m	99.882%	0.125%	06 Apr 2023	A-	BBB+
Bond 021B (EMTN)	15 years 1.125%	DE000A2R7JE1	€ 500m	99.822%	1.125%	14 Sep 2034	A-	BBB+
Bond 021A (EMTN)	10 years 0.500%	DE000A2R7JD3	€ 500m	98.965%	0.500%	14 Sep 2029	A-	BBB+
Bond 020 (EMTN)	6.5 years 1.800%	DE000A2RWZZ6	€ 500m	99.836%	1.800%	29 Jun 2025	A-	BBB+
Bond 019 (EMTN)	5 years 0.875%	DE000A192ZH7	€ 500m	99.437%	0.875%	03 Jul 2023	A-	BBB+
Bond 018D (EMTN)	20 years 2.750%	DE000A19X8C0	€ 500m	97.896%	2.750%	22 Mar 2038	A-	BBB+
Bond 018C (EMTN)	12 years 2.125%	DE000A19X8B2	€ 500m	98.967%	2.125%	22 Mar 2030	A-	BBB+
Bond 018B (EMTN)	8 years 1.500%	DE000A19X8A4	€ 700m ⁽¹⁾	101.119%	1.500%	22 Mar 2026	A-	BBB+
Bond 018A (EMTN)	4.75 years 3M EURIBOR+0.450%	DE000A19X793	€ 600m	100.000%	0.793% hedged	22 Dec 2022	A-	BBB+
Bond 017B (EMTN)	10 years 1.500%	DE000A19UR79	€ 500m	99.439%	1.500%	14 Jan 2028	A-	BBB+
Bond 017A (EMTN)	6 years 0.750%	DE000A19UR61	€ 500m	99.330%	0.750%	15 Jan 2024	A-	BBB+
Bond 015 (EMTN)	8 years 1.125%	DE000A19NS93	€ 500m	99.386%	1.125%	08 Sep 2025	A-	BBB+
Bond 014B (EMTN)	10 years 1.750%	DE000A19B8E2	€ 500m	99.266%	1.750%	25 Jan 2027	A-	BBB+
Bond 014A (EMTN)	5 years 0.750%	DE000A19B8D4	€ 500m	99.863%	0.750%	25 Jan 2022	A-	BBB+
Bond 013 (EMTN)	8 years 1.250%	DE000A189ZX0	€ 1,000m	99.037%	1.250%	06 Dec 2024	A-	BBB+
Bond 011B (EMTN)	10 years 1.500%	DE000A182VT2	€ 500m	99.165%	1.500%	10 Jun 2026	A-	BBB+
Bond 011A (EMTN)	6 years 0.875%	DE000A182VS4	€ 500m	99.530%	0.875%	10 Jun 2022	A-	BBB+
Bond 010C (EMTN)	8 years 2.250%	DE000A18V146	€ 1,000m	99.085%	2.250%	15 Dec 2023	A-	BBB+
Bond 010B (EMTN)	5 years 1.625%	DE000A18V138	€ 752m ⁽²⁾	99.852%	1.625%	15 Dec 2020	A-	BBB+
Bond 009B (EMTN)	10 years 1.500%	DE000A1ZY989	€ 500m	98.455%	1.500%	31 Mar 2025	A-	BBB+
Bond 008 (Hybrid)	perpetual 4%	XS1117300837	€ 1,000m	100.000%	4.000%	perpetual	BBB	BBB-
Bond 007 (EMTN)	8 years 2.125%	DE000A1ZLUN1	€ 500m	99.412%	2.125%	09 Jul 2022	A-	BBB+
Bond 005 (EMTN)	8 years 3.625%	DE000A1HRVD5	€ 500m	99.843%	3.625%	08 Oct 2021	A-	BBB+
Bond 004 (USD-Bond)	10 years 5.000%	US25155FAB22	USD 250m	98.993%	4.580% ⁽³⁾	02 Oct 2023	A-	BBB+

⁽¹⁾ incl. Tap Bond €200m, Issue date 06 Feb 2020

⁽²⁾ Nominal amount outstanding after Liability Management in Sep 2019

⁽³⁾ EUR-equivalent Coupon



Residential Market Fundamentals (Germany)

Household Sizes and Ownership Structure

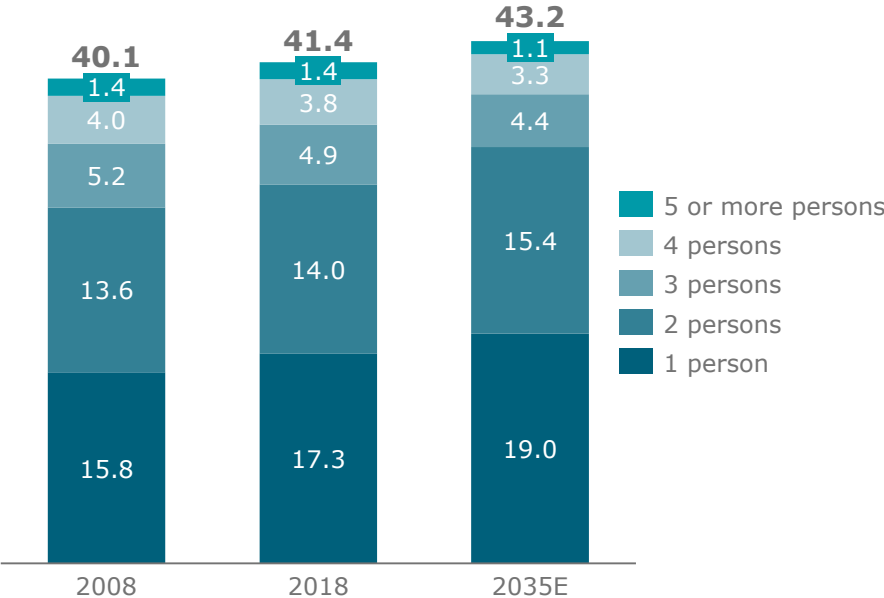
Growing number of smaller households

- > While the overall population in Germany is expected to slightly decline, the number of households is forecast to grow until at least 2035 with a clear trend towards smaller households.
- > The household growth is driven by various demographic and social trends including divorce rates, employment mobility etc.

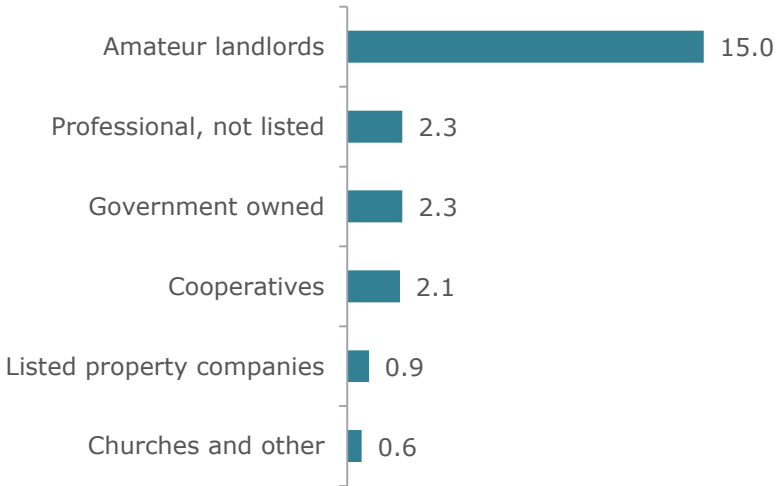
Fragmented ownership structure

- > Germany is the largest housing market in Europe with ~42m housing units, of which ~23m are rental units.
- > Ownership structure is highly fragmented and majority of owners are non-professional landlords.
- > Listed sector represents ~4% of total rental market.

Distribution of household sizes (million)



Ownership structure (million units)



Sources: German Federal Statistics Office, GdW (German Association of Professional Homeowners). 2035E household numbers are based on trend scenario of the German Federal Statistics Office.

Liquid Large-cap Stock

Highlights

Segments

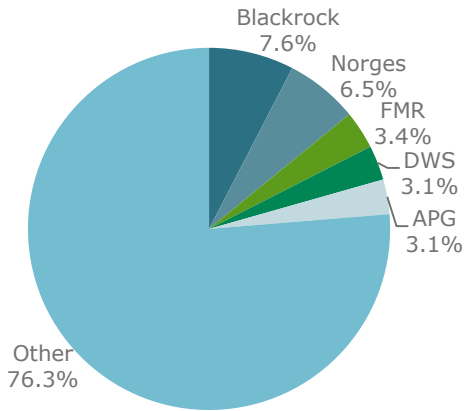
NAV & Valuation

LTV & Financing

Guidance

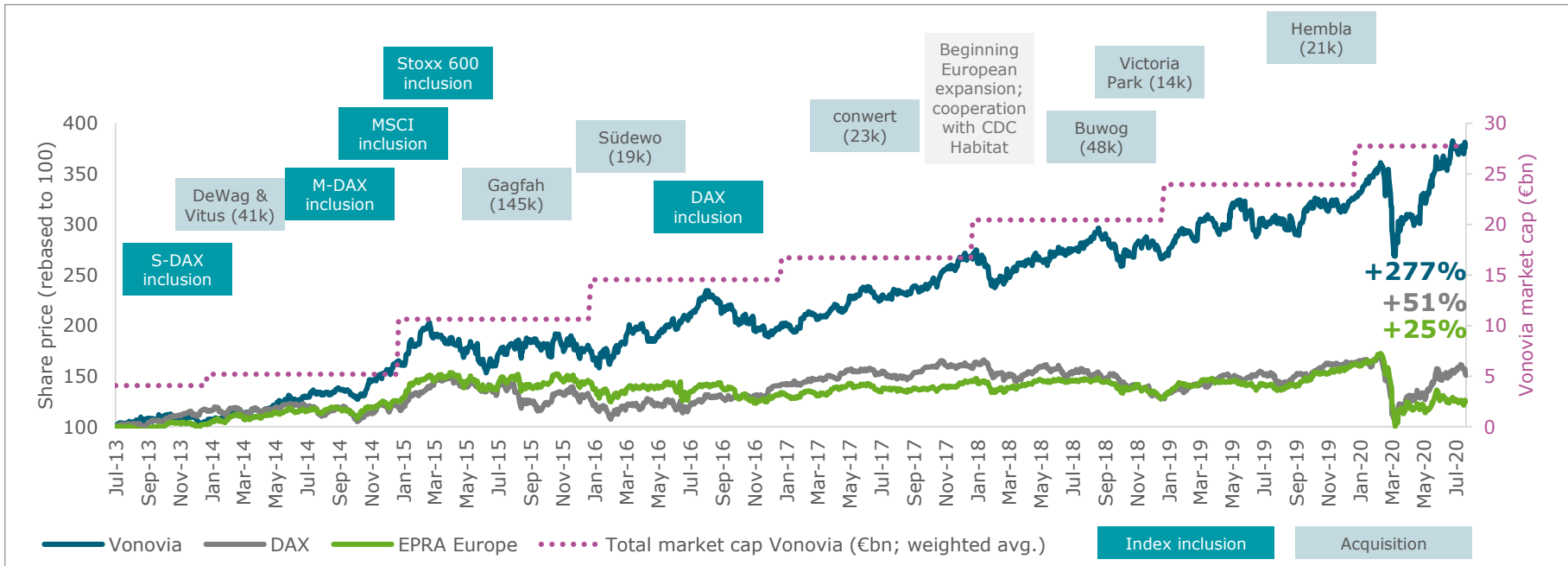
Wrap-up

Appendix



First day of trading	July 11, 2013
No. of shares outstanding (incl. 08/2020 capital increase for scrip dividend)	548.9 million
Free float	93.5%
ISIN	DE000A1ML7J1
Ticker symbol	VNA
Share class	Registered shares with no par value
Main listing	Frankfurt Stock Exchange
Market segment	Regulated Market, Prime Standard
Major indices	DAX, Stoxx Europe 600, MSCI, GPR 250 World, FTSE EPRA/NAREIT Europe, GPTMS150

According to German law the lowest threshold for voting rights notifications is at 3%



Source: Factset, company data; VNA performance is total shareholder return (share price plus dividends reinvested)

Long-term Structural Support from Fundamental Residential Market Trends (Sweden)

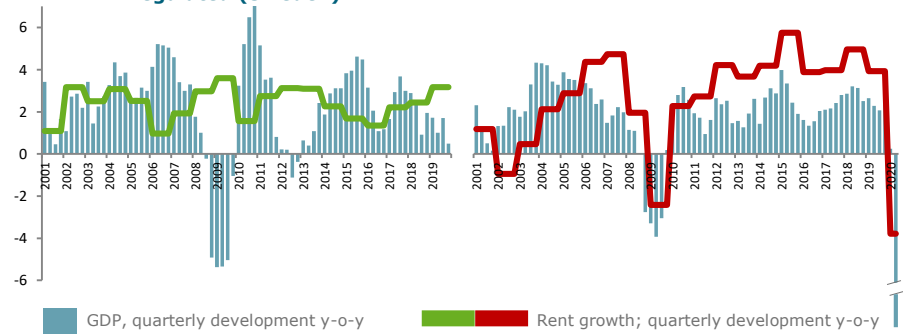
The market fundamentals in Sweden are very comparable to Germany.

High degree of similarities in terms of urbanization, rental regulation, supply/demand imbalance and gap between in-place values and replacement values.

Robust rent growth in regulated environments¹

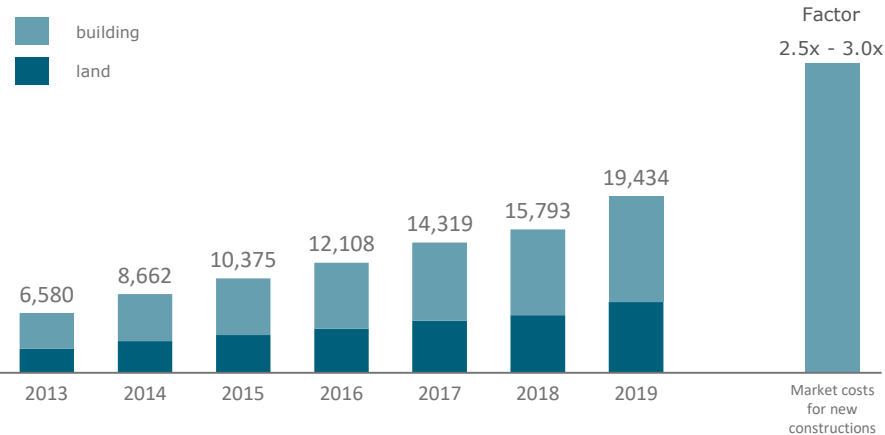
Rent growth in **regulated markets** follows a sustainable upward trajectory and is largely independent from GDP developments; rents in **unregulated markets go up and down** broadly in line with the GDP development

Regulated (Sweden)



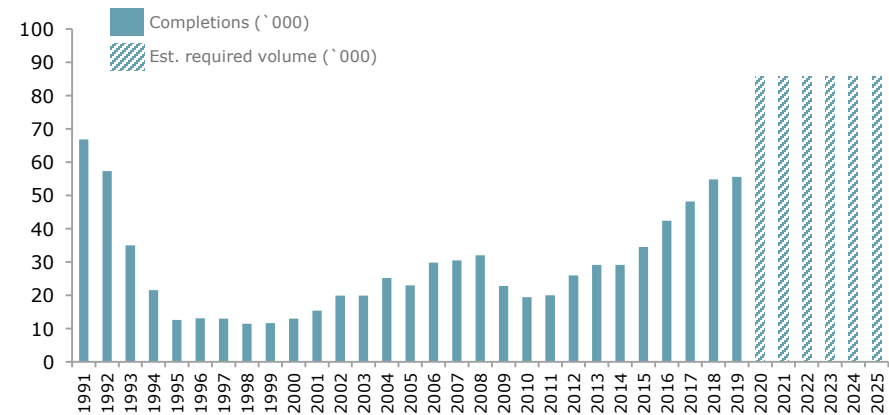
Large gap between in-place values and replacement costs²

Victoria Park³ – fair value/sqm (SEK; total lettable area) vs. construction costs



Structural supply/demand imbalance

Sweden's average annual residential completions of the last five years fall short of estimated required volumes



¹ Sources: REIS, BofA Merrill Lynch Global Research, OECD, Statistics Sweden. Note: Due to lack of q-o-q rent growth data for the US and Sweden, the annual rent growth for a year is assumed to also be the q-o-q rent growth of that year. US rent growth 2020 is full-year estimate. US GDP Q2 2020 is the Advanced Estimate of the US Bureau of Economic Analysis as of July 30, 2020 (32.9% annualized), converted to a y-o-y comparison. ² Note: The land value refers to the share of total fair value allocated to land. Allocation between building and land in Sweden assumed to be similar to Germany. Sources: Swedish National Board of Housing, Building and Planning, Statistics Sweden. ³ 2019 includes portfolio acquired from Akelius.



“The personal, economic and cultural welfare of the individual shall be fundamental aims of public activity. In particular, the public institutions shall secure the right to employment, housing and education, and shall promote social care and social security, as well as favorable conditions for good health.”

Chapter 1, Article 2(2), The Instrument of Government, The Constitution of Sweden



Similar to Germany, Sweden's social market economy is based on the principle of solidarity and citizens can rely on a comprehensive social security and welfare system. People who cannot participate in the labor market or society because of misfortune, illness, disability, or old age is looked after by the community.

Protection and support for tenants

- 1. Arbetslöshetsersättning:** Unemployment benefits of up to 80% of previous salary. Based on previous income (at most SEK 20,000 p.m. before tax), or basic benefit of about SEK 8,000 p.m. if previously a full-time employee. The benefit is limited in time.
- 2. Försörjningsstöd:** Benefits for anyone who otherwise can't get a reasonable standard of living (includes housing, food, clothing and telephone). Given on a need-basis and handled by municipality's social service.
- 3. Sickness benefits** for employees and job seekers
- 4. Disability allowance/Merkostnadsersättning:** Benefits for extra costs incurred by disability.

Housing benefits "Bostadsbidrag" and "Bostadstillägg":

Housing allowances aimed to people in certain groups that can't afford housing.

- Housing allowance for families with children
 - Housing allowance for young people without children (below 29 years)
 - Housing supplement for the elderly
- Receiving other types of support can include an opportunity to apply for additional benefits to cover housing costs.

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Financial Calendar 2020

Aug 5	Interim results H1 2020
Aug 13	Roadshow Geneva and Milano (Berenberg) ¹ <i>VIRTUAL</i>
Aug 19	Bankhaus Lampe Conference, Baden Baden (Bankhaus Lampe) ¹ <i>VIRTUAL</i>
Aug 20	HSBC European Real Estate Conference, Frankfurt (HSBC) ¹ <i>VIRTUAL</i>
Aug 24-28	Roadshow Asia (Bank of America) ¹ <i>VIRTUAL</i>
Sep 1	GS European Real Estate Conference 2020 (Goldman Sachs) <i>VIRTUAL</i>
Sep 3	Corporate Conference 2020, Frankfurt (Commerzbank) ¹ <i>VIRTUAL</i>
Sep 7	Jefferies Jefferies German / European Property Virtual Conference <i>VIRTUAL</i> ¹
Sep 15-16	BofAML Global Real Estate Conference 2020 NYC (BofAML) <i>VIRTUAL</i>
Sep 21	German Corporate Conf. 2020, Munich (Berenberg & Goldman Sachs) <i>VIRTUAL</i>
Sep 24	Investment Conference 2020, Munich (Baader) ¹ <i>VIRTUAL</i>
Oct 1	Commerzbank Real Estate Forum, London (Commerzbank) ¹
Nov 4	Interim results 9M 2020
Nov 24	Kempen's 17 th London Conference (Kempen) <i>VIRTUAL</i>
Dec 1	UBS Global Real Estate Conference 2020 London (UBS)
Dec 2	SocGen Flagship Conference Paris (Societe Generale) <i>VIRTUAL</i>

¹ IR only

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Tables and diagrams may include rounding effects. Per-share numbers for 2013 and 2014 are TERP-adjusted.

For Your Notes



Highlights

Segments

NAV & Valuation

LTV
& Financing

Guidance

Wrap-up

Appendix

For Your Notes



Highlights

Segments

NAV & Valuation

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Appendix

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