

Address given by Chief Executive Officer

Rolf Buch, Vonovia SE,
at the virtual AGM in Bochum May 17, 2023

– Check against delivery –

Dear Shareholders,
Dear Supervisory Board Members,
Dear Customers,
Ladies and gentlemen,

I'd like to welcome you very warmly to this AGM of Vonovia SE.

What a year to look back to! So much has changed in the 12 months since our last AGM. The terrible war of aggression on Ukraine has shown us that many things in life mustn't be taken for granted.

Peace is not.

Safety is not.

Welfare is not.

Unfortunately, neither is a roof over our heads.

The war has mercilessly revealed to us:

We haven't got enough housing in Germany to offer a home to everyone who comes here. Rising interest rates are hampering important investments in this field.

We have not yet reached the point with the energy transition where we can compensate properly for fossil fuels.

High inflation is making everyday life expensive.

We'll have to move closer together as a society. We'll have to make more of an effort to look after each individual.

This was certainly a main focus for us at Vonovia over the past year.

Every 10th newly let apartment went to Ukrainians in 2022. Our colleagues supported aid organisations throughout Germany. I would like to thank them very much for this.

Social responsibility is a living reality everywhere within our company. It's part of our identity, and it's also part of Vonovia's corporate culture.

So, let's review the year 2022 together. Our revenue and our earnings grew last year – by around 20%. That is remarkable at a time like this.

That is a proof that our business model is based on a firm foundation. But also proof of our flexibility, to cushion the impact of high interest rates.

Our Rental business has never been better. There are basically no vacancies.

The level of satisfaction among our tenants has reached an all-time high. We've been looking after them extremely well. And we had to, because high energy prices are a serious burden for many of them.

We've also made good progress on our climate roadmap. We've invested in energy upgrades. This has enabled us to further reduce the CO₂ intensity of existing buildings in Germany. In the past year, we achieved a reduction of 14 percent. That is remarkable.

That is a strong performance!

But it's also been a lot of hard work:

For our maintenance staff who insulate thousands of new façades and install state-of-the-art windows and heating systems.

For everyone in logistics who has been purchasing materials.

For our procurement staff who've had to conduct tough negotiations.

Last year, we built over 3,700 apartments – which we then sold or let straightaway.

We completed the integration of Deutsche Wohnen – and indeed very smoothly. That is quite the exception for two companies of our size. The resulting synergies will be higher than expected.

There are so many things that went well in this merger. Because size means stability in our industry.

You know that we manage our company not only according to financial performance indicators. Our Sustainability Performance Index plays an equally important role for us. In 2022, it reached 103 percent. This means we have once again exceeded our targets.

The only way we could achieve all this is because we've got an outstanding team at Vonovia. I'd like to take this opportunity and express my gratitude to our colleagues. Behind every positive figure in our Annual Report there's a special effort that went into it. They have been doing a

fantastic job. With great dedication. With enormous personal commitment. With a superb community spirit.

In fact, a community spirit was just what we needed in early March 2023, when two Vonovia offices were raided by the authorities. These raids were mainly prompted by allegations against former employees and external third parties.

We have been deliberately harmed. I felt personally affected and shocked. A small group casted a slur on the good work of 16,000 colleagues. That is totally unacceptable!

But, it was good to see everyone pulling together. This happened two weeks before our financial statements. The external auditor had to assess whether our processes generally functioned. And whether the allegations pose any material risks.

Yet despite all the stress, our team worked tirelessly to resolve the issue. It compiled documents. It supported the investigation. The fact that we received the audit certificate was good news in this context. It shows that the impact is limited. So, I'm really proud of this team.

Ladies and gentlemen,

Our world has undergone some fundamental changes. We can all feel a sense of insecurity in so many places. Companies are holding back on investments. They are more cautious now.

The high rate of inflation is affecting many areas. Central banks have raised their interest rates at an unprecedented rate. As a result, financing costs have risen sharply. Construction costs are significantly higher. There's a shortage of skilled workers. There's less funding. And we're struggling with government regulations. None of this makes our work any easier. It also raises quite a few issues.

About the value of our portfolio.

About our debts.

And not to forget: About our future.

Many are asking us: How is this affecting Vonovia? Where's it all going?

So, we'd like to give you some answers today.

Vonovia's business model is based on a robust foundation. We're in a good position of strength. Our strategy continues to deliver good value. Moreover, the megatrends will remain constant: urbanisation, climate change and demographic change. In fact, they're gathering momentum.

First of all, there's a shortage of housing in densely populated areas. The situation isn't changing. According to Pestel Institute, there's a deficit of 700,000 apartments across Germany. Current construction numbers are miles away from that.

Another area where we can see an increasing shortfall is climate protection, with a widening gap between targets and actual emissions.

At Vonovia, we're fulfilling our responsibility. However, we need to operate with financial efficiency – also in your interest. You can expect us to have a responsible attitude in the way we handle your investments.

Over the last few years, we've been making good use of a period of low interest rates. We've expanded our portfolio.

To grow year on year.

To gain an advantage along our climate roadmap.

To invest in existing buildings and new builds.

To test and use new technologies.

We've been doing well in this – and we've been fast.

At the moment, we're doing what is appropriate during a period of high interest rates:

We're minimising the risks.

We're adjusting our speed and our priorities.

We're consolidating.

We've decided to slow down our pace of investment, and we're not starting any new construction projects right now.

Why not? Because we need to balance the cost of construction, available subsidies and affordable rents.

Construction costs are soaring. Also driven by the high cost of equity and debt capital.

Subsidies have dried up.

Many people can't cope with ongoing rent increases.

That means:

If new constructions are to pay off under the current conditions, we'd have to charge the equivalent of €20 per square metre. That is utopian for our customers. That has nothing to do with affordable housing. That's why it makes no sense to build such expensive housing on the vacant plots in the inner cities now.

It's a problem that housing companies cannot solve on their own. It requires government action. To achieve the annual target of 400,000 new apartments in Germany, someone will need to invest €100 billion per year. Year after year. And another €100 billion is required for energy upgrades.

All this, however, will only pay off if something is done at government level. In all, Germany has over 20,000 building regulations – for instance, on sound insulation, facility management and heat insulation – plus numerous European standards. We live at a time when we simply cannot afford an ever-increasing number of rules and regulations.

What is required? In other words, instead of overregulation, what we need is reasonable and appropriate regulation. In construction process and building permits, but also in tenancy law. We need minimum, not maximum standards.

The government has to create a stable environment so that private capital feels encouraged to join us in our work.

This isn't an easy task. We can see that a lot is happening right now, especially in political terms. And so, it should. However, it won't work without an overall strategy of the German federal government. It's vital to

have a coordinated effort. At the moment, however, all the ministries are acting in isolation – quite often with the result that there's no movement at all.

The Construction Secretary wants to build things. But to do so, she needs support from the various federal states.

The Environment Secretary wants to avoid soil sealing. Yet we also need land to build on.

The Economics Secretary wants to enforce environmental standards. But that makes building expensive.

The Finance Secretary is supposed to provide subsidies. But he has no money.

The Justice Secretary is expected to tighten up legislation on rent. But that'll stifle investment.

Then there is the Labour Secretary. He should be doing something about the shortage of skilled workers. Yet there are major barriers to obtaining German citizenship, and there's also a severe housing shortage.

Every Secretary is right in himself. But none of it fits together. It's a situation that needs to change. Everyone needs to sit down at the same table and make the decisions that are needed right now.

Ladies and gentlemen,

We too make decisions on a daily basis – decisions that affect the future. We do whatever is realistic and feasible. And what is necessary. This includes, above all, financial discipline.

We haven't taken on any new debts.
We haven't made any new acquisitions.
We're keeping a tight rein on our finances.
We're saving money.

We've expanded our sales portfolio.

Our new locations are attractive and very much in demand. This allows us to sell almost at book value, despite the current economic phase. At the beginning of May, we sold a range of portfolios to CBRE Investment Management, totalling five existing properties with 1,350 apartments in Frankfurt, Berlin and Munich.

In April, we found a reliable joint venture partner for a minority stake in a portfolio in southern Germany. A silent partner. That way we're still handling all the property management. We're still there for all our tenants.

€1,5 billion were released in this way, which we're now using to pay off our debts. So, this year's refinancing has been dealt with – and to a large extent also for 2024.

The results of our negotiations are also an important signal to the industry: sellers and buyers can agree on a price. This is cause for confidence.

In the light of the current conditions, we've opted for a responsible dividend proposal: 85 eurocents per share. Many of you expected more than that. Others less. There are also shareholders who don't want any dividend at all, so that the money stays in the company.

It's actually a good middle course:

On the one hand, our dividends reflect a sense of continuity.

On the other hand, we're meeting our need for financial discipline.

Obviously, the decision about all this will be yours today. We're very much hoping that our proposal will meet with your approval.

There's one thing I can say at this stage: we still aim to quickly return to our FFO pay-out ratio of about 70% of operating income.

Ladies and gentlemen,

We also owe the stability of our business model to our customers. That is why customer satisfaction plays such a major role. Last year, it had increased by 1.3%, reaching the highest level up to date.

Over the past year, our customer service staff answered 2 million phone calls. We are able to manage to resolve 87% of all issues straightaway. We also help tenants who find themselves in financial difficulties. We find a solution. We thus protect against termination of the contract of tenancy.

Our tenants value their homes, their neighbourhoods and their environments. 20% of all new customers come to us upon recommendation – that is an encouragement for all of us.

Digitalisation plays an important role. It enables participation and co-determination. Across all age groups. For many people in Germany, digitisation is an essential requirement, so that they can work from home. We are laying the foundations for this by connecting our apartments to the relevant networks. We've been equipping our neighbourhoods with state-of-the-art WiFi technology and fibre-optic cables.

This is one side of the coin. On the other side we rely on the smart use of digitisation of processes – for instance, in our communication with one another: The *My Vonovia* app has been downloaded over 500,000 times now. That is a huge success. 140,000 customers are currently handling everything online: contract of tenancy, repair appointments, neighbourhood parties.

Being the market leader we can rightly claim to be a driving force in our industry. We carry out research, we develop, and we put things into practice. But it's only possible to be creative if we're also good listeners and if we're willing to learn from others. We get our inspiration from start-ups and innovative companies. Either by cooperating with them. Or by investing in them.

Last year, we entered into a strategic partnership with the proptech company Gropyus. Proptech is short for "property technology" and describes companies that are driving the digital transformation in the real estate industry. Gropyus constructs digitally integrated buildings using hybrid timber construction methods. In serial production. With a high degree of digitalisation.

Another example: We are working on a digital building map in a pilot project. How exactly do we do this? We get several drones to fly over two

buildings in Weitmar, a district in Bochum. Obviously, we make sure we coordinate all this with our tenants and observe data privacy laws.

We then convert the recordings to 3D models. This way, for example, we are able to conduct simulations that tell us where and when the sun reaches which surface. Or more about the speed of the wind that blows over the buildings. This helps us decide whether to equip a building with solar panels or wind turbines.

This results in a separate energy load profile which we link to weather forecasts. This allows us to make predictions about the best way to obtain sustainable energy and how to make intelligent use of it. For the energy transition in the neighbourhood.

Another bonus is that we'll know at the click of a button which lifts, smoke detectors and materials are contained in each building. If anything goes wrong, we'll be able to respond more swiftly and supply the correct parts.

Ideally, of course, we want to be there **before** things go wrong, and so we've now got a system in place that monitors our lifts – remotely and in real time. Thus, we can detect problems at an early stage. Also, many of our heating systems are now being monitored remotely, so that the relevant tenants don't need to do anything about their heating.

As you can see, we are consistently advancing digitalisation in the real estate industry. This serves efficiency. It optimises service. It helps protect the climate.

In addition to solar panels, heat pumps are also important for climate protection. In Dortmund, we've converted the heating systems of 600

apartments to heat pumps now. The problem is: 70% of all heat pumps are still waiting to be connected to the electric power grid.

Why? Because each connection first needs to be approved by the local grid operator – a reasonable procedure, because it prevents the grid from breaking down. But that takes some time.

Additionally, close to each of Germany's 900 utility companies has its own application forms and requires different details. Although the heat pumps are always the same. I wonder: Why is there no uniform standard? Why are good projects often not thought through politically?

How could it be better? With a coordinated strategy. First, the communities would have to draw up an energy plan for a CO₂-free world. And they need to calculate what that will cost in the future.

Next, the utility companies need to decide whether to opt for central district heating. And which energy source they want to use for it.

If they decide to use heat pumps, they need to work out whether there's enough electricity to go around – particularly for all the vehicle charging stations that will be needed. Another question we'll have to resolve is whether there's enough insulation in all the buildings. Otherwise, it'll be unaffordable for the tenants.

It'll only work if everyone thinks in terms of systems.

This is precisely what we're doing at Vonovia. We're planning for entire neighbourhoods. We're installing our own local heating networks, using renewable energies. We're switching to carbon-free district heating and green electricity. Everything coordinated.

In all this, we're benefiting from the massive investments we've made over the last few years. We were three times above the national average, which gave us a major head start. We've significantly improved the quality of our existing stock, so that tenants in those buildings don't need as much energy. That is saving money. Only just under 4% of our buildings are still in the "poor" energy efficiency class, H.

Ladies and gentlemen,

You have invested in a company with significant social relevance. Our business model is highly robust, and I hope I've given you a good understanding of it.

This is also reflected in the first quarter of 2023: Residential property management is doing well. It developed positively even in the difficult environment. Our sales business contracted, and it's what we'd anticipated.

We're expecting to see a robust development for the financial year 2023. This is driven primarily by the fundamental value drivers of our business: an unmet demand for affordable housing and the focus on climate protection.

Thank you, dear shareholders, for supporting Vonovia's journey. Many of you have been with us for quite a few years now. You've been thinking more widely, well beyond short-term cycles, and this is good and important. The big challenges of the housing industry can only be solved in the long term.

Before I conclude, I'd like to use this opportunity and express my thanks to the entire Supervisory Board. After all, we never know the quality of cooperation until we've been through somewhat more turbulent times. My special thanks go to the three outgoing Supervisory Board members, Jürgen Fitschen, Prof. Edgar Ernst and Daniel Just. There are so many things we've set in motion together, and we can be proud of the outcome.

I'd also like to thank my fellow Board Member, Helene von Roeder. After five eventful years, she now wants to pursue new challenges. I'm sorry to see her go. I always thought nothing could be more challenging than Vonovia. And there certainly couldn't be a better team. In all seriousness, I'd like to wish you lots of success as you embark on your next venture, Helene.

At the same time, I'm pleased that we create a new Human Resources function on the Management Board. This is important, especially during times of an increasing shortage of skilled workers. This function on the Management Board will now be taken over by Ruth Werhahn. In her we have gained a proven expert.

As you can see, Vonovia is well positioned for the future. To best represent the needs of our tenants, our employees and, of course, your interests, dear shareholders.

Ladies and gentlemen,

Thank you very much for your interest and attention today.