

January -  
March

# Interim Statement Q1

# Key Figures

<b>FINANCIAL KEY FIGURES</b> in € million	<b>3M 2019</b>	<b>3M 2020</b>	<b>Change in %</b>	<b>12M 2019</b>
Rental income	502.2	564.0	12.3	2,074.9
Adjusted EBITDA Rental	357.4	381.1	6.6	1,437.4
Adjusted EBITDA Value-Add	35.8	37.2	3.9	146.3
Adjusted EBITDA Recurring Sales	26.3	26.4	0.4	91.9
Adjusted EBITDA Development	10.4	11.4	9.6	84.5
Adjusted EBITDA Total	429.9	456.1	6.1	1,760.1
EBITDA IFRS	388.2	428.1	10.3	1,579.6
Group FFO	303.6	335.5	10.5	1,218.6
thereof attributable to Vonovia shareholders	289.8	321.5	10.9	1,165.6
thereof attributable to Vonovia hybrid capital investors	10.0	10.0	0.0	40.0
thereof attributable to non-controlling interests	3.8	4.0	5.3	13.0
Group FFO per share in €*	0.59	0.62	5.1	2.25
Income from fair value adjustments of investment properties	56.9	4.1	-92.8	4,131.5
EBT	316.1	318.1	0.6	3,138.9
Profit for the period	201.4	211.6	5.1	1,294.3
Cash flow from operating activities	412.6	348.6	-15.5	1,555.9
Cash flow from investing activities	644.6	-345.2	-	-2,505.7
Cash flow from financing activities	268.3	-75.3	-	902.8
Maintenance, Modernization and New Construction	339.7	414.5	22.0	1,971.1
thereof maintenance	97.6	123.0	26.0	481.6
thereof modernization	188.0	208.1	10.7	996.5
thereof new construction	54.1	83.4	54.2	493.0

<b>KEY BALANCE SHEET FIGURES</b> in € million	<b>Mar. 31, 2019</b>	<b>Mar. 31, 2020</b>	<b>Change in %</b>	<b>Dec. 31, 2019</b>
Fair value of the real estate portfolio	44,543.0	53,199.7	19.4	53,316.4
Adjusted NAV	23,613.1	28,320.8	19.9	28,161.9
Adjusted NAV per share in €*	45.58	52.23	14.6	51.93
LTV in %	42.4	43.0	1.4	43.1

<b>NON-FINANCIAL KEY FIGURES</b>	<b>3M 2019</b>	<b>3M 2020</b>	<b>Change in %</b>	<b>12M 2019</b>
Number of units managed	473,393	488,294	3.1	494,927
thereof own apartments	394,609	415,323	5.2	416,236
thereof apartments owned by others	78,784	72,971	-7.4	78,691
Number of units bought	216	-	-100.0	23,987
Number of units sold	1,522	1,047	-31.2	4,784
thereof Recurring Sales	809	760	-6.1	2,607
thereof Non-core Disposals	713	287	-59.7	2,177
Number of newly-built apartments	224	122	-45.5	2,092
thereof for Vonovia's own portfolio	188	122	-35.1	1,301
thereof for sale to third parties	36	-	-100.0	791
Vacancy rate in %	2.9	2.8	-0.1 pp	2.6
Monthly in-place rent in €/m <sup>2</sup>	6.56	6.94	5.8	6.93
Organic rent increase in %	4.0	3.9	-0.1 pp	3.9
Number of employees (as of Mar. 31/Dec. 31)	9,925	10,499	5.8	10,345

<b>EPRA KEY FIGURES</b> in € million	<b>Mar. 31, 2019</b>	<b>Mar. 31, 2020</b>	<b>Change in %</b>	<b>Dec. 31, 2019</b>
EPRA NAV	26,452.7	29,761.0	12.5	29,654.6
EPRA NAV per share in €*	51.06	54.88	7.5	54.69

\* Based on the shares carrying dividend rights on the reporting date Mar. 31, 2019: 518,077,934, Mar. 31, 2020: 542,273,611, Dec. 31, 2019: 542,273,611.

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# Business Development in the First Three Months of 2020

## Overview

- > No material impact on the business model from the coronavirus pandemic
- > Focus on maintaining services and preventing social hardship
- > A good start to 2020
- > Customer satisfaction slightly up

Vonovia strengthened its development business with the acquisition of the project developer Bien-Ries AG in early April 2020. Bien-Ries AG is a German project developer operating primarily in the Rhine-Main region.

The investment program was once again the main driver behind the company's organic growth. In the first three months of 2020, investments in modernization and new construction projects came to € 291.5 million, up 20.4% on the prior-year value of € 242.1 million. Hembra made a full contribution to the quarterly result for the first time.

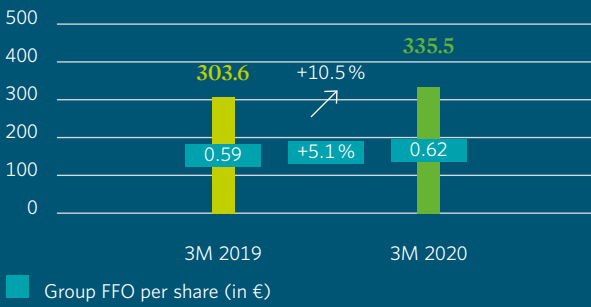
Group FFO increased by 10.5% from € 303.6 million in the first quarter of 2019 to € 335.5 million in the first quarter of 2020.

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## Sustained Earnings

### Group FFO

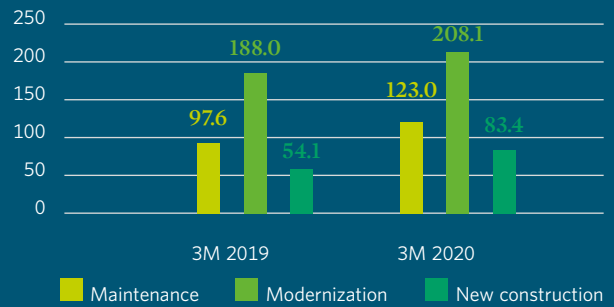
in € million



## Maintenance, Modernization and New Construction

### Investments

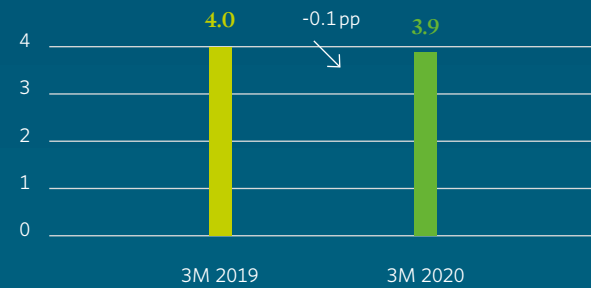
in € million



## Organic Rent Growth

### Organic Rent Growth

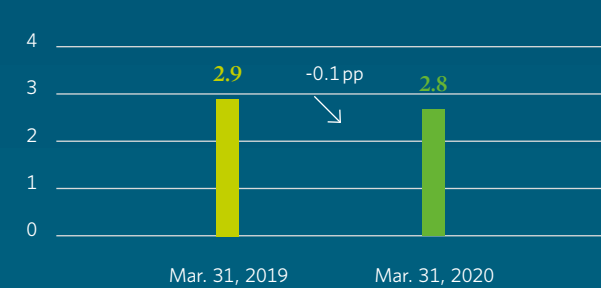
in %



## Vacancy

### Vacancy Rate

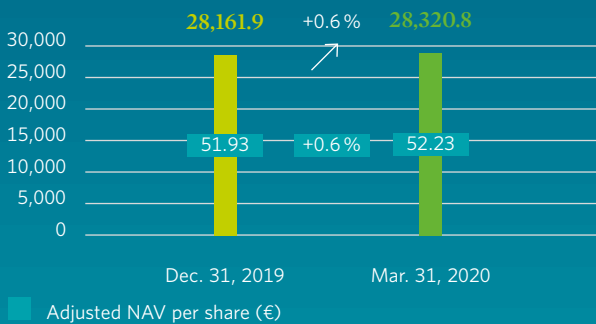
in %



## Net Assets

### Adjusted NAV

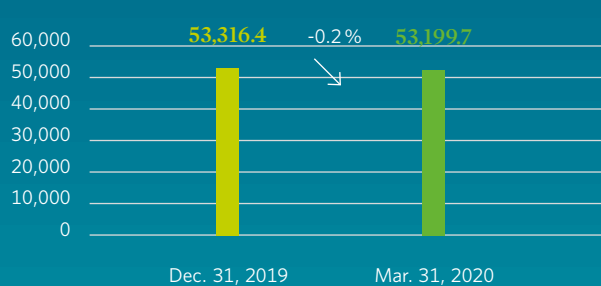
in € million



## Fair Value of the Real Estate Portfolio

### Fair Value of the Real Estate Portfolio

in € million



# Vonovia SE in the Capital Market

## Coronavirus pandemic and impact on Vonovia

As a socially committed landlord responsible for around one million people living in our apartments, we are well aware of our tenants' concerns in the current environment and take them very seriously. Even before the legislature adopted its package of measures to alleviate the consequences of the coronavirus pandemic, we gave our tenants the assurance that financial hardship as a result of the pandemic would not result in the termination of their lease agreement or the loss of their apartment, and that we were committed to finding mutually acceptable solutions with minimum red tape if need be.

We have also taken the necessary measures to ensure that we can maintain our high level of service and the reliable infrastructure that we provide our customers in spite of the impact of the coronavirus. We are doing everything in our power to respond to our customers' concerns and remain on hand as a reliable partner for them, even in these times of crisis. Last but not least, we are keeping a close eye on the situation so as to continue to provide the best possible protection for our employees. Our special thanks go to them for their untiring commitment, also – and particularly – in these difficult times.

According to current estimates, the crisis has not had any material financial impact on Vonovia's business model. Based on updated corporate planning, we expect only a limited impact on EBITDA growth, practically no impact on the Group FFO and only a temporary impact on liquidity since the rental business will be subject only to manageable rent deferrals or rent losses. Such deferred amounts would still be owed and would likely be settled at a later point in time.

Vonovia is still in a comfortable liquidity position. Our monthly cash flow from operating activities, our stable bank relationships and the fact that we still enjoy unrestricted access to the capital market give us a high degree of financial stability and the necessary flexibility where appropriate. We have already secured our liquidity requirements to cover

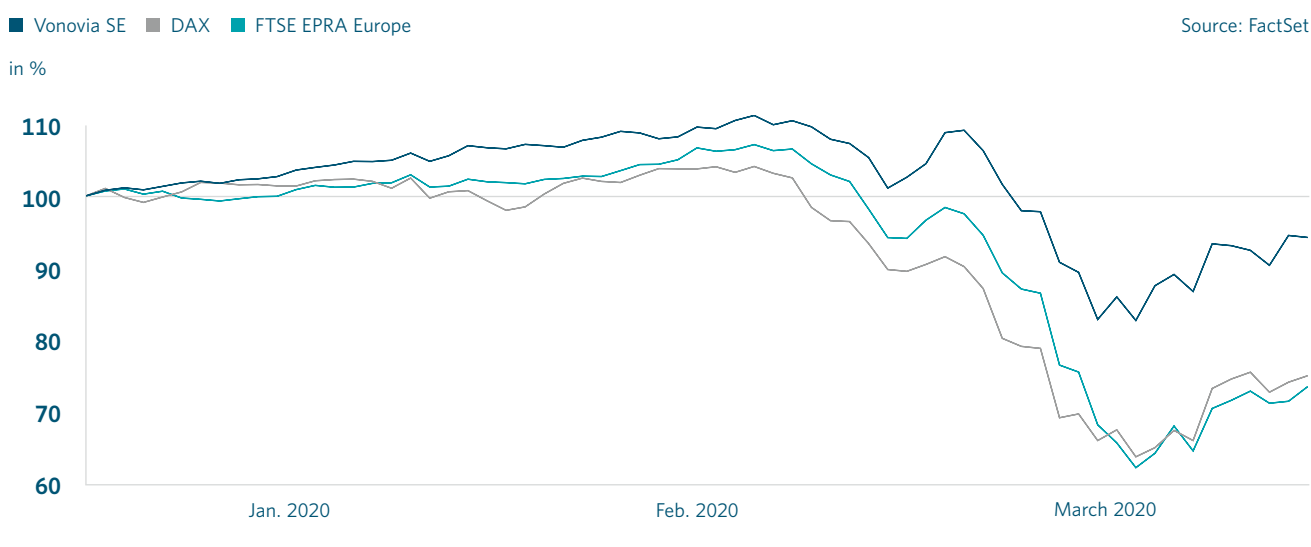
the period leading up to December 2020 by issuing two corporate bonds with a total volume of € 1 billion at the end of March, completing the corresponding transaction in April. As far as the covenants agreed in our ratings and as part of our capital market financing arrangements are concerned, we remain at a very secure level and meet all of the requirements with a considerable buffer.

## Shares in Vonovia

The international capital markets have been dominated by concerns over the global coronavirus pandemic since February 2020 in particular. Vonovia's shares shed 7% in the first three months of 2020, with the DAX 30 plummeting by 25%. Whereas some sectors, such as transport, aviation, retail and the automotive industry have been hit particularly hard, shares of listed residential real estate companies in Germany are on a much more stable trajectory. The EPRA index, which serves as a barometer for European real estate stocks, also showed negative performance and dropped by 27%. This drop is due primarily to the substantial share price losses reported by retail and office real estate companies, which have been particularly troubled by fears of recession.

The first eight weeks of 2020 remained positive for the international stock markets, with the German leading index DAX, for example, reaching a new all-time high of 13,640 points on February 22, 2020. Shares in Vonovia also touched on a new all-time high of € 54.06 on February 19, 2020. Then, however, the coronavirus pandemic plunged stock markets across the globe into one of the worst crises in history within the space of only a few days. Drastic slumps in profit, surging unemployment figures and general fears of a recession sent share prices plummeting in some cases, with hefty setbacks on the stock exchange. Even extensive interventions on the part of numerous central banks did little to alleviate the situation. The price gains made on the DAX 30 over the past few years, for example, were lost within a very short space of time. The index reached a level of 8,442 points. This is the lowest it has seen in six and a half years. Uncertainty remains extremely high and is fueling record

## Share Price Development



levels of volatility, with share prices fluctuating wildly from one day to the next. There have been incidences of trading on the New York Stock Exchange being temporarily halted in response to the dramatic situation.

Although the international capital markets are likely to remain characterized by volatility and fears of recession, we believe that the environment for the German residential real estate sector remains positive overall. As a residential real estate company, Vonovia is only partially affected by the coronavirus pandemic. Particularly on the demand and income side, we do not expect the crisis to have any impact to speak of. Rather, the main long-term megatrends will remain the dominant forces driving our business: urbanization and the resulting imbalance between supply and demand, climate change and the reduction of CO<sub>2</sub> emissions in the housing stock, demographic change and senior-friendly apartment conversion. We look ahead to the future with optimism and are confident that we will remain financially successful.

Vonovia's market capitalization amounted to around € 24 billion as of March 31, 2020.

## Shareholder Structure

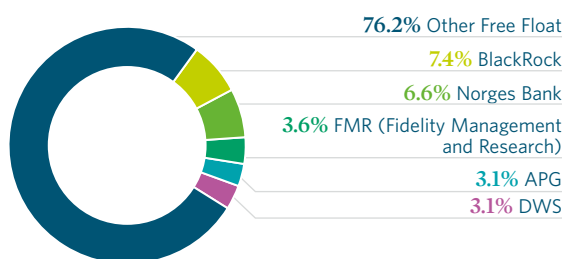
The chart below shows the voting rights pursuant to Sections 33 and 34 of the German Securities Trading Act (WpHG) as notified by the shareholders in relation to the current share capital. It is important to note that the number of voting rights reported could have changed within the respective thresholds without triggering an obligation to notify the company.

Based on the German stock exchange's definition of free float, only the interest held by Norges Bank (Ministry of Finance on behalf of Norway) does not count toward the free float. This means that 93.4% of Vonovia's shares were in free float on March 31, 2020. The underlying voting rights notifications and corresponding financial instruments reported by shareholders or other instruments pursuant to Sections 38, 39 WpHG can be found at

<https://investors.vonovia.de/disclosure-of-voting-rights>.

In line with Vonovia's long-term strategic focus, the majority of its investors have a similarly long-term focus. The company's investors include pension funds, sovereign wealth funds and international asset managers in particular. There is also a large number of individual shareholders, although they only represent a small proportion of the total capital.

### Major Shareholders (as of March 31, 2020)



### Investor Relations Activities

Vonovia SE is committed to transparent, ongoing dialogue with its shareholders and potential investors. We are continuing with our road shows and meetings, but on a virtual basis in light of the coronavirus pandemic. In the first three months of 2020, Vonovia participated in a total of six investors' conferences (two of them virtual conferences) and organized nine (of which six were virtual) roadshows in the most important European and North American financial centers.

In addition, numerous one-on-one meetings as well as video conferences and conference calls were held with investors and analysts to keep them informed of current developments and special issues.

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

<https://investors.vonovia.de>

### Annual General Meeting

In order to keep the option open of an event that can be attended in person, Vonovia made the decision on March 30, 2020, to postpone its Annual General Meeting until June 30, 2020. The ordinary Annual General Meeting was originally scheduled for May 13, 2020. Given the health-related risks and official requirements imposed as a result of the coronavirus pandemic, it would be practically impossible to hold an Annual General Meeting allowing participants to be physically present on this original date. If, after the publication of this report, it is still not possible to hold an event that can be attended in person on June 30, 2020, due to the coronavirus pandemic, the Annual General Meeting will be held virtually on June 30, 2020.

Vonovia plans to stick with the proposed dividend of € 1.57 per share that has already been announced in light of its sustained stable business development.

### Analyst Assessments

27 international analysts currently publish studies on Vonovia on a regular basis (as of March 31, 2020). The average target share price was € 54.74 as of March 31, 2020. Of these analysts, 73% issued a "buy" recommendation, with 23% issuing a "hold" recommendation and 4% recommending that investors sell the company's shares.

### Share Information

First day of trading	Jul. 11, 2013
Subscription price	€ 16.50
Total number of shares	542,273,611
Share capital in €	542,273,611
ISIN	DE000A1ML7J1
WKN	A1ML7J
Ticker symbol	VNA
Common code	94567408
Share class	Registered shares with no par value
Stock exchange	Frankfurt Stock Exchange
Market segment	Regulated market
Indices & weighting: Mar. 31, 2020	DAX (2.4%) Stoxx Europe 600 (0.3%) MSCI Germany (2.2%) GPR 250 World (1.8%) FTSE EPRA/NAREIT Europe Index (9.8%)



# Economic Development in the First Three Months of 2020

## Key Events During the Reporting Period

Most economists agree that the coronavirus pandemic will have a substantial impact on the global economy, with a pronounced global recession generally expected to be on the cards. The impact on Vonovia's business model, however, is not expected to be material. There was practically no significant impact on the company's business in the first quarter of 2020. Any impact on the course of business as 2020 progresses is also expected to be only moderate. In addition to the immediate financial implications, the current focus is on maintaining service quality, preventing social hardship and, in particular, protecting the health of the company's customers and employees.

At the end of January 2020, the Berlin House of Representatives passed the Act on Rent Controls in the Housing Sector in Berlin (referred to in short as "rent freeze"). This came into force in February 2020. Since the constitutionality of the law is disputed, several complaints have already been announced, including a complaint before the Federal Constitutional Court. A judicial review can be expected. There are still no signs of any material impact on our business.

The extended acceptance period for the mandatory offer for the acquisition of the majority of the shares in Hembla AB (publ) also ended in January. As Vonovia already held more than 90% of the shares in 2019, it asked the Board of Directors of Hembla to apply for delisting and initiate a squeeze-out in line with the Swedish Companies Act. The shares were delisted with effect from January 10, 2020. Measures aimed at the operational and financial integration of the business in Sweden based on the model of the existing management platform have been implemented and are going to plan based on the company's experience of integration measures in the past.

Vonovia has strengthened its development business by expanding its activities in the Rhine-Main region with the complete acquisition of the project developer Bien-Ries AG, Hanau, at the beginning of April 2020. It will be integrated

into the development organization operating under the BUWOG name in the course of 2020.

Vonovia placed two bonds with a total volume of € 1 billion on March 31, 2020, although the bond placement was not completed until early April. The new bonds will bear interest at an average rate of 1.9% and have a term of four and ten years respectively. April 7, 2020, was agreed as the payout date.

Customer satisfaction, measured based on the Customer Satisfaction Index (CSI), rose by 1.1 percentage points in the first quarter of 2020, an increase of 3.2 percentage points compared to the first quarter of 2019. The strongest improvements were in commercial support, availability and the support provided by caretakers.

## Results of Operations

Vonovia made a successful start to the 2020 fiscal year and was able to act as a reliable real estate industry partner in spite of the coronavirus pandemic. The Group's ongoing solid overall development was supported by its unchanged corporate strategy.

As of March 31, 2020, Vonovia managed a portfolio comprising 415,323 of its own residential units (Mar. 31, 2019: 394,609), 138,383 garages and parking spaces (Mar. 31, 2019: 119,973) and 6,673 commercial units (Mar. 31, 2019: 5,155). The locations span 640 cities, towns and municipalities (Mar. 31, 2019: 709) in Germany, Sweden and Austria. 72,971 residential units (Mar. 31, 2019: 78,784) are also managed for other owners.

At the end of the first quarter of 2020, Vonovia employed 10,499 people (Mar. 31, 2019: 9,925).

## Group FFO

The following key figures provide an overview of the development in Group FFO and other value drivers in the reporting period. The figures for 2020 include Hembla, which was acquired in November 2019, with a full contribution to the quarterly result for the first time.

### Group FFO

in € million	3M 2019	3M 2020	Change in %	12M 2019
Income Rental	502.2	564.0	12.3	2,074.9
Expenses for maintenance	-72.7	-79.4	9.2	-308.9
Operating expenses in the Rental segment	-72.1	-103.5	43.6	-328.6
<b>Adjusted EBITDA Rental</b>	<b>357.4</b>	<b>381.1</b>	<b>6.6</b>	<b>1,437.4</b>
Revenue Value-add	358.8	375.1	4.5	1,677.3
thereof external revenue	80.2	77.6	-3.2	248.4
thereof internal revenue	278.6	297.5	6.8	1,428.9
Operating expenses Value-add	-323.0	-337.9	4.6	-1,531.0
<b>Adjusted EBITDA Value-add</b>	<b>35.8</b>	<b>37.2</b>	<b>3.9</b>	<b>146.3</b>
Income from disposals Recurring Sales	109.0	108.6	-0.4	365.1
Fair value of properties sold adjusted to reflect effects not relating to the period from assets held for sale in the Recurring Sales segment	-79.4	-79.4	-	-258.4
<b>Adjusted result Recurring Sales</b>	<b>29.6</b>	<b>29.2</b>	<b>-1.4</b>	<b>106.7</b>
Selling costs Recurring Sales	-3.3	-2.8	-15.2	-14.8
<b>Adjusted EBITDA Recurring Sales</b>	<b>26.3</b>	<b>26.4</b>	<b>0.4</b>	<b>91.9</b>
Income from disposal of Development to sell properties	59.4	45.4	-23.6	249.5
Cost of Development to sell	-46.1	-38.2	-17.1	-197.3
<b>Gross profit Development to sell</b>	<b>13.3</b>	<b>7.2</b>	<b>-45.9</b>	<b>52.2</b>
Fair value Development to hold	47.3	20.2	-57.3	266.3
Cost of Development to hold	-42.0	-15.9	-62.1	-207.4
<b>Gross profit Development to hold*</b>	<b>5.3</b>	<b>4.3</b>	<b>-18.9</b>	<b>58.9</b>
Operating expenses Development	-8.2	-0.1	-98.8	-26.6
<b>Adjusted EBITDA Development</b>	<b>10.4</b>	<b>11.4</b>	<b>9.6</b>	<b>84.5</b>
<b>Adjusted EBITDA Total</b>	<b>429.9</b>	<b>456.1</b>	<b>6.1</b>	<b>1,760.1</b>
FFO interest expense	-89.8	-90.1	0.3	-358.6
Current income taxes FFO	-12.6	-11.8	-6.3	-50.1
Consolidation**	-23.9	-18.7	-21.8	-132.8
<b>Group FFO</b>	<b>303.6</b>	<b>335.5</b>	<b>10.5</b>	<b>1,218.6</b>

\* Excluding capitalized interest on borrowed capital of € 0.2 million (3M 2019: € 0.0 million).

\*\* Thereof intragroup profits in 3M 2020: € 7.1 million (3M 2019: € 11.1 million), valuation result for new development to hold in 3M 2020: € 4.3 million (3M 2019: € 5.3 million), IFRS 16 effects 3M 2020: € 7.3 million (3M 2019: € 7.5 million).

As of the end of the first quarter of 2020, our apartments were virtually fully occupied. The apartment vacancy rate of 2.8% was down slightly on the value of 2.9% seen at the end

of March 2019. **Rental income** in the **Rental segment** rose by a total of 12.3% from € 502.2 million in the first quarter of 2019 to € 564.0 million in the first quarter of 2020, largely

due to the additional rental income from the Hembla portfolio as well as the organic growth resulting from new construction and modernization measures. Hembla contributed a volume of € 44.1 million to the increase in the first quarter of 2020. Of the rental income in the Rental segment, € 457.9 million is attributable to rental income in Germany (3M 2019: € 446.8 million), € 25.8 million to rental income in Austria (3M 2019: € 25.9 million), € 80.3 million to rental income in Sweden (3M 2019: € 29.5 million).

The increase in rent due to market-related factors came to 1.0% (3M 2019: 1.2%). We were also able to achieve an increase in rent of 2.3% thanks to property value improvements achieved as part of our modernization program (3M 2019: 2.6%). The corresponding **like-for-like rent increase** came to 3.3% in the 2020 reporting period (3M 2019: 3.8%). If we also include the increase in rent due to new construction measures and measures to add extra stories, then we arrive at an **organic increase in rent** totaling 3.9% (3M 2019: 4.0%). The average monthly in-place rent within the Group at the end of March 2020 came to € 6.94 per m<sup>2</sup> compared to € 6.56 per m<sup>2</sup> at the end of March 2019. At the end of the

first quarter of 2020, the monthly in-place rent in the German portfolio came to € 6.83 per m<sup>2</sup> (Mar. 31, 2019: € 6.60 per m<sup>2</sup>), for the Austrian portfolio of € 4.65 per m<sup>2</sup> (Mar. 31, 2019: € 4.51 per m<sup>2</sup>) and € 9.20 per m<sup>2</sup> for the Swedish portfolio (Mar. 31, 2019: € 9.10 per m<sup>2</sup>). The rental income from the Austrian property portfolio additionally includes maintenance and improvement contributions (EVB). The rental income from the portfolio in Sweden reflects inclusive rents, meaning that the amounts contain operating, heating and water supply costs.

We have continued with our modernization, new construction and maintenance strategy in the 2020 fiscal year. Construction measures were hampered slightly in March as a result of the coronavirus. The total volume rose by 22.0% from € 339.7 million in the first quarter of 2019 to € 414.5 million in the first three months of 2020. This was driven largely by the increase in modernization and new construction activity.

### Maintenance, Modernization, New Construction

in € million	3M 2019	3M 2020	Change in %	12M 2019
Expenses for maintenance	72.7	79.4	9.2	308.9
Capitalized maintenance	24.9	43.6	75.1	172.7
<b>Maintenance measures</b>	<b>97.6</b>	<b>123.0</b>	<b>26.0</b>	<b>481.6</b>
Modernization measures	188.0	208.1	10.7	996.5
New construction (to hold)	54.1	83.4	54.2	493.0
<b>Modernization and new construction measures</b>	<b>242.1</b>	<b>291.5</b>	<b>20.4</b>	<b>1,489.5</b>
<b>Total cost of modernization, maintenance and new construction</b>	<b>339.7</b>	<b>414.5</b>	<b>22.0</b>	<b>1,971.1</b>

Operating expenses in the Rental segment in the first quarter of 2020 were up by 43.6% to € 103.5 million due to the acquisition of Hembla (3M 2020: € 22.8 million) compared to 72.1 million in the first quarter of 2019. All in all, **Adjusted EBITDA Rental** increased by 6.6% from € 357.4 million in the first quarter of 2019 to € 381.1 million in the first quarter of 2020.

The **Value-add segment** showed sustained positive development in the first three months of 2020. We expanded the services offered by our craftsmen's organization even further and continued to invest in improvements to the existing building stock. We continued to expand our business activities relating to the provision of cable television to our

tenants, insurance and residential environment services, metering services and energy supply services. In the first quarter of 2020, around 16,000 private electricity customers were supplied with around 7.8 GWh of electricity by us, with 2,380 private gas customers receiving 14.6 GWh of gas. At the end of the first quarter of 2020 we had supplied around 326,000 households with a direct cable TV signal.

External revenue from our Value-add activities with our end customers in the first quarter of 2020 were down slightly on the first quarter of 2019, from € 80.2 million to € 77.6 million. This was largely due to a weather-related reduction of winter services. Group revenue rose by 6.8% from € 278.6 million in the first three months of 2019 to € 297.5 million in

2020. Overall, this results in a 4.5% increase in the revenue from the Value-add segment from € 358.8 million in the first quarter of 2019 to € 375.1 million in the first quarter of 2020.

**Adjusted EBITDA Value-add** rose by 3.9%, from € 35.8 million in the first three months of 2019 to € 37.2 million in the first three months of 2020.

We continued to pursue our selective sales strategy in the 2020 fiscal year. In the Recurring Sales segment, we report all business activities relating to the sale of single residential units (Privatize).

In the **Recurring Sales segment**, the income from disposal of properties came to € 108.6 million in the first quarter of 2020, down slightly on the value of € 109.0 million reported in the first quarter of 2019; of this, € 80.5 million are attributed to sales in Germany (3M 2019: € 81.3 million) and € 28.1 million to sales in Austria (3M 2019: € 27.7 million). We privatized 760 apartments in the first quarter of 2020 (3M 2019: 809), thereof 621 in Germany (3M 2019: 652) and 139 in Austria (3M 2019: 157). Adjusted EBITDA Recurring Sales came in at € 26.4 million in the first quarter of 2020, up by 0.4% on the value of € 26.3 million seen in the same period of 2019. The **fair value step-up** for Recurring Sales came in at 36.8% in the first three months of 2020, down slightly on the comparative value of 37.2% for the first three months of 2019.

Outside of the Recurring Sales segment, we made 287 **Non-core Disposals** of residential units as part of our portfolio adjustment measures in the first quarter of 2020 (3M 2019: 713) with total proceeds of € 49.8 million (3M 2019: € 45.5 million). At 36.0%, the fair value step-up for Non-core Disposals was considerably higher than for the same period in the previous year (15.7%). The sale of a large commercial property in Dresden contributed greatly to this increase.

In the first quarter of 2020, the **Development segment**, with its **Development to sell** and **Development to hold** areas, made positive contributions to earnings in Germany, Austria and Sweden, once again allowing it to contribute to Vonovia's successful growth.

In the **Development to sell** area, no units were completed in the first quarter of 2020 (3M 2019: 36 units). In the first quarter of 2020, income from the disposal amounted to

€ 45.4 million (3M 2019: € 59.4 million), with € 23.9 million attributable to project development in Germany (3M 2019: € 19.6 million) and € 21.5 million to project development in Austria (3M 2019: € 39.8 million). The resulting gross profit for "Development to sell" came to € 7.2 million (3M 2019: € 13.3 million).

In the **Development to hold** area, a total of 122 units were completed (3M 2019: 188 units incl. vertical expansion), thereof 114 in Germany (3M 2019: 188 units) and 8 units in Sweden (3M 2019: 0). This includes 62 apartments (3M 2019: 22) that were developed as part of modernization measures (incl. the addition of extra stories to existing buildings). The fair value effect of these apartments is included in net income from fair value adjustments of investment properties, as these measures relate to old stock. In the Development to hold area, a fair value of € 20.2 million was achieved in the first quarter of 2020 (3M 2019: € 47.3 million). With € 20.2 million, this was fully attributable to project development in Germany (3M 2019: € 47.3 million). The gross profit for "Development to hold" came to € 4.3 million in the first quarter of 2020 (3M 2019: € 5.3 million). Operating expenses in the Development segment came in at € 0.1 million in the first quarter of 2020, considerably below the prior-year value of € 8.2 million. Lower sales and HR costs contributed to this.

Adjusted EBITDA for the Development segment came in at € 11.4 million in the first quarter of 2020, up by 9.6% on the value of € 10.4 million seen in the same period of 2019.

In the three-month period under review, the primary key figure for the sustained earnings power, **Group FFO**, increased by 10.5% from € 303.6 million in 2019 to € 335.5 million in 2020, largely due to the purchase of Hembra as well as the organic growth resulting from new construction and modernization measures. This trend was fueled primarily by the positive development in adjusted EBITDA total, which rose by 6.1% from € 429.9 million to € 456.1 million during the reporting period.

In the 2020 reporting period, the **non-recurring items** eliminated in the **Adjusted EBITDA Total** came to € 14.8 million (3M 2019: € 17.9 million). The following table gives a detailed list of the non-recurring items:

## Non-recurring Items

in € million	3M 2019	3M 2020	Change in %	12M 2019
Acquisition costs incl. integration costs*	5.5	6.1	10.9	48.2
Severance payments/pre-retirement part-time work arrangements	7.0	1.7	-75.7	13.2
Business model optimization/development of new fields of business	1.1	7.0	>100	27.6
Refinancing and equity measures	4.3	-	-100.0	4.1
<b>Total non-recurring items</b>	<b>17.9</b>	<b>14.8</b>	<b>-17.3</b>	<b>93.1</b>

\* Including one-time expenses in connection with acquisitions, such as HR measures relating to the integration process.

## Reconciliations

The **financial result** changed from € -112.5 million in the first quarter of 2019 to € -94.8 million in the first quarter of 2020. FFO interest expense is derived from the financial result as follows:

### Reconciliation of Financial Result/FFO Interest Expense

in € million	3M 2019	3M 2020	Change in %	12M 2019
Interest income	1.4	13.7	>100	8.9
Interest expense	-101.6	-102.0	0.4	-417.5
Other financial result excl. income from investments	-12.3	-6.5	-47.2	12.2
<b>Financial result*</b>	<b>-112.5</b>	<b>-94.8</b>	<b>-15.7</b>	<b>-396.4</b>
Adjustments:				
Other financial result excl. income from investments	12.3	6.5	-47.2	-12.2
Effects from the valuation of interest rate and currency derivatives	11.9	11.0	-7.6	17.9
Prepayment penalties and commitment interest	3.9	1.8	-53.8	28.1
Effects from the valuation of non-derivative financial instruments	-12.7	-9.0	-29.1	-18.9
Interest accretion to provisions	2.4	1.5	-37.5	10.0
Interest income from bond issue	-	-11.9	-	-
Accrued interest/Other effects	2.4	-17.6	-	-18.8
<b>Net cash interest</b>	<b>-92.3</b>	<b>-112.5</b>	<b>21.9</b>	<b>-390.3</b>
Adjustment for IFRS 16 Leases	1.9	2.4	26.3	31.0
Adjustment of income from investments in other real estate companies	0.2	-	-100.0	1.7
Adjustment of interest paid due to taxes	0.4	3.3	>100	-1.0
Adjustment of accrued interest	-	16.7	-	-
<b>Interest expense FFO</b>	<b>-89.8</b>	<b>-90.1</b>	<b>0.3</b>	<b>-358.6</b>

\* Excluding income from other investments.

The **profit for the period** in the first three months of 2020 came to € 211.6 million compared with € 201.4 million in 2019. In the first quarter of 2019, this figure had included net income from fair value adjustments of investment properties in the Swedish portfolio of € 51.9 million. As part of the ongoing integration of Victoria Park and Hembla into the Vonovia Group, measurements of investment properties take place on Group-wide measurement dates. Accordingly, a measurement of the Swedish real estate portfolio as of March 31, 2020, did not take place as it did in the previous year as of March 31, 2019.

## Reconciliation of Profit for the Period/Group FFO

in € million	3M 2019	3M 2020	Change in %	12M 2019
Profit for the period	201.4	211.6	5.1	1,294.3
Financial result*	112.5	94.8	-15.7	396.4
Income taxes	114.7	106.5	-7.1	1,844.6
Depreciation and amortization	16.5	19.3	17.0	2,175.8
Net income from fair value adjustments of investment properties	-56.9	-4.1	-92.8	-4,131.5
<b>= EBITDA IFRS</b>	<b>388.2</b>	<b>428.1</b>	<b>10.3</b>	<b>1,579.6</b>
Non-recurring items	17.9	14.8	-17.3	93.1
Total period adjustments from assets held for sale	12.4	13.2	6.5	-2.2
Financial income from investments in other real estate companies	-0.2	-0.1	-50.0	-1.7
Other (Non-core Disposals)	-4.9	-11.3	>100	-11.5
Intragroup profits	11.2	7.1	-36.6	43.9
Valuation result Development to hold	5.3	4.3	-18.9	58.9
<b>= Adjusted EBITDA Total</b>	<b>429.9</b>	<b>456.1</b>	<b>6.1</b>	<b>1,760.1</b>
Interest expense FFO 1**	-89.8	-90.1	0.3	-358.6
Current income taxes FFO 1	-12.6	-11.8	-6.3	-50.1
Consolidation	-23.9	-18.7	-21.8	-132.8
<b>= Group FFO</b>	<b>303.6</b>	<b>335.5</b>	<b>10.5</b>	<b>1,218.6</b>
Group FFO per share in €***	0.59	0.62	5.1	2.25

\* Excluding income from other investments.

\*\* Incl. financial income from investments in other real estate companies.

\*\*\* Based on the shares carrying dividend rights on the reporting date Mar. 31, 2019: 518,077,934, Mar. 31, 2020: 542,273,611, Dec. 31, 2019: 542,273,611.

## Assets

### Consolidated Balance Sheet Structure

	Dec. 31, 2019		Mar. 31, 2020	
	in € million	in %	in € million	in %
Non-current assets	55,066.7	97.5	55,092.5	97.6
Current assets	1,431.0	2.5	1,360.6	2.4
<b>Assets</b>	<b>56,497.7</b>	<b>100.0</b>	<b>56,453.1</b>	<b>100.0</b>
Total equity	21,069.7	37.3	21,154.9	37.5
Non-current liabilities	31,746.0	56.2	32,220.5	57.1
Current liabilities	3,682.0	6.5	3,077.7	5.4
<b>Equity and liabilities</b>	<b>56,497.7</b>	<b>100.0</b>	<b>56,453.1</b>	<b>100.0</b>

The Group's **total assets** dropped by € 44.6 million as against December 31, 2019, falling from € 56,497.7 million to € 56,453.1 million. Investment properties reported under

non-current assets fell by € 12.2 million. Negative currency translation effects of € 322.0 million affecting the portfolio in Sweden more than offset additions and capitalized moderni-

zation costs. On the other hand, other assets rose by € 61.9 million from € 54.7 million to € 116.6 million, largely due to an increase in prepayments for property acquisitions that only result in legally effective transfers at a later date. Assets held for sale fell by € 56.8 million from € 134.1 million as of December 31, 2019, to € 77.3 million. Cash and cash equivalents dropped by € 71.8 million. Goodwill and trademark rights comprise 2.7% of the total assets.

As of March 31, 2020, the **gross asset value (GAV)** of Vonovia's property assets came to € 53,495.5 million, which corresponds to 94.8% of total assets compared with € 53,586.3 million or 94.8% at the end of 2019.

The € 85.2 million increase in **total equity** from € 21,069.7 million to € 21,154.9 million is due, in particular, to the profit for the period of € 211.6 million. Currency translation differences and cash flow hedges in a combined amount of € -130.4 million had the opposite effect.

This brings the **equity ratio** to 37.5%, compared with 37.3% at the end of 2019.

**Liabilities** fell by € 129.8 million from € 35,428.0 million to € 35,298.2 million. The amount of non-derivative financial liabilities fell by € 144.3 million, with the € 572.2 million drop in current non-derivative financial liabilities outstripping the € 428.0 million increase in non-current non-derivative financial liabilities.

### Net Asset Value

Vonovia's net asset value (NAV) figures are based on the best practice recommendations of the EPRA (European Public Real Estate Association). At the end of the first quarter of 2020, the EPRA NAV came to € 29,761.0 million, up by 0.4% on the value of € 29,654.6 million seen at the end of 2019. EPRA NAV per share increased from € 54.69 at the end of 2019 to € 54.88 at the end of the first quarter of 2020. The Adjusted NAV of € 28,320.8 million at the end of the first quarter of 2020 was an increase of 0.6% over € 28,161.9 million at the end of 2019. This represents an increase of 0.6% in the Adjusted NAV per share from € 51.93 at the end of 2019 to € 52.23 at the end of the first quarter of 2020.

### Net Asset Value (NAV)

in € million	Dec. 31, 2019	Mar. 31, 2020	Change in %
<b>Total equity attributable to Vonovia shareholders</b>	19,308.3	19,376.8	0.4
Deferred taxes on investment properties	10,288.9	10,329.5	0.4
Fair value of derivative financial instruments*	79.8	76.5	-4.1
Deferred taxes on derivative financial instruments	-22.4	-21.8	-2.7
<b>EPRA NAV</b>	29,654.6	29,761.0	0.4
Goodwill	-1,492.7	-1,440.2	-3.5
<b>Adjusted NAV</b>	28,161.9	28,320.8	0.6
<b>EPRA NAV per share in €**</b>	54.69	54.88	0.4
<b>Adjusted NAV per share in €**</b>	51.93	52.23	0.6

\* Adjusted for effects from cross currency swaps.

\*\* Based on the number of shares on the reporting date Dec. 31, 2019: 542,273,611, Mar. 31, 2020: 542,273,611.

### Fair Values

Major market developments and valuation parameters that have an impact on the fair values of Vonovia are assessed on an ongoing basis. The positive development of known parameters, which can be observed in particular until the beginning of March 2020, and the positive market environment that continued until the beginning of March 2020 generally indicate an increase in value. This reliable development is continuously examined for the purposes of presenting it in the interim consolidated financial statements on June 30. There have been no demonstrable effects connected to the coronavirus pandemic on the fair value of invest-

ment properties as of March 31, 2020. As in the previous year, Vonovia will be performing a new valuation for major parts of the portfolio at the end of the first half of the year.

In addition, buildings under construction (new construction/development to hold) were completed during the reporting period. A fair value measurement is performed for the first time when the properties are completed. This resulted in a valuation effect of € 4.1 million for the period from January 1 to March 31, 2020 (3M 2019: € 5.3 million).

At the end of January 2020, the Berlin House of Representatives passed the Act on Rent Controls in the Housing Sector

in Berlin (referred to in short as “rent freeze”). This came into force in February 2020. It remains disputed whether the law is constitutional. There is a risk that, depending on the constitutionality of the rent freeze in particular, future rental income or rental development could be reduced, with a knock-on effect on fair values. Likewise, it cannot be ruled out that declining vacancy rates and fluctuation as well as lower return requirements of investors (yield compression) will subsequently have a compensatory effect on fair values. There is no evidence of any impact on fair values at present.

At the moment, there are no signs suggesting that the current coronavirus pandemic will have an impact on fair values, or on future rent and price developments. Residential real estate could become more significant as a relatively secure form of investment. The demand for residential real estate could, however, also change depending on the duration and extent of a possible recession.

The recognition and valuation of investment properties are explained in detail in the consolidated financial statements for 2019. The potential implications can be estimated via the sensitivities shown in the notes to the consolidated financial statements for 2019.

## Financial Position

### Cash Flow

The following table shows the Group cash flow:

#### Key Data From the Statement of Cash Flows

in € million	3M 2019	3M 2020
Cash flow from operating activities	412.6	348.6
Cash flow from investing activities	644.6	-345.2
Cash flow from financing activities	268.3	-75.3
<b>Net changes in cash and cash equivalents</b>	<b>1,325.5</b>	<b>-71.9</b>
Cash and cash equivalents at the beginning of the period	547.7	500.7
<b>Cash and cash equivalents at the end of the period</b>	<b>1,873.2</b>	<b>428.8</b>

The cash flow from **operating activities** came to € 348.6 million in the first three months of 2020, compared with € 412.6 million in the first three months of 2019. The drop is largely due to the development of the net current assets.

The cash flow from **investing activities** shows a payout balance of € 345.2 million for the first three months of 2020. The previous year's period was characterized, in particular, by the income from the sale of the shares in Deutsche Wohnen SE in the amount of € 698.1 million. In the first three months of 2020, payments for acquisition of investment properties amounted to € 417.9 million. Furthermore, subsequent expenses of € 29.2 million were incurred in connection with the acquisition of Hembla. On the other hand, income from portfolio sales in the amount of € 135.6 million was collected.

The cash flow from **financing activities** includes payments for regular and unscheduled repayments in the amount of € 726.2 million and, on the other hand, proceeds from issuing financial liabilities in the amount of € 784.7 million. Payouts for transaction and financing costs amounted to € 4.5 million. Interest paid in the first three months of 2020 amounted to € 115.6 million. The first-time application of IFRS 16 resulted in the separate recognition of payments for the settlement of lease liabilities for the very first time in 2019. They amounted to € 22.4 million in the 2019 fiscal year and € 8.3 million in the first three months of 2020.

Net changes in **cash and cash equivalents** came to € -71.9 million.



## Financing

According to the publication dated April 6, 2020, Vonovia's credit rating as awarded by the agency Standard & Poor's is unchanged at **BBB+** with a stable outlook for the long-term corporate credit rating and A-2 for the short-term corporate credit rating. At the same time, the credit rating for the issued and unsecured bonds is BBB+.

On December 13, 2019, Vonovia received an A- rating from the largest European rating agency Scope Group for the first time.

A European medium-term notes program (**EMTN program**) has been launched for the Group via Vonovia Finance B.V., allowing funds to be raised quickly at any time using bond issues, without any major administrative outlay. The prospectus for the EMTN program has to be updated annually and approved by the financial supervisory authority of the Grand Duchy of Luxembourg (CSSF).

As of the reporting date of March 31, 2020, Vonovia Finance B.V. had placed a total bond volume of € 13.8 billion, € 13.6 billion of which relates to the EMTN program. Via its Dutch subsidiary Vonovia Finance B.V., Vonovia increased an EMTN bond of € 500 million that runs until March 2026 by € 200 million with effect from January 30, 2020.

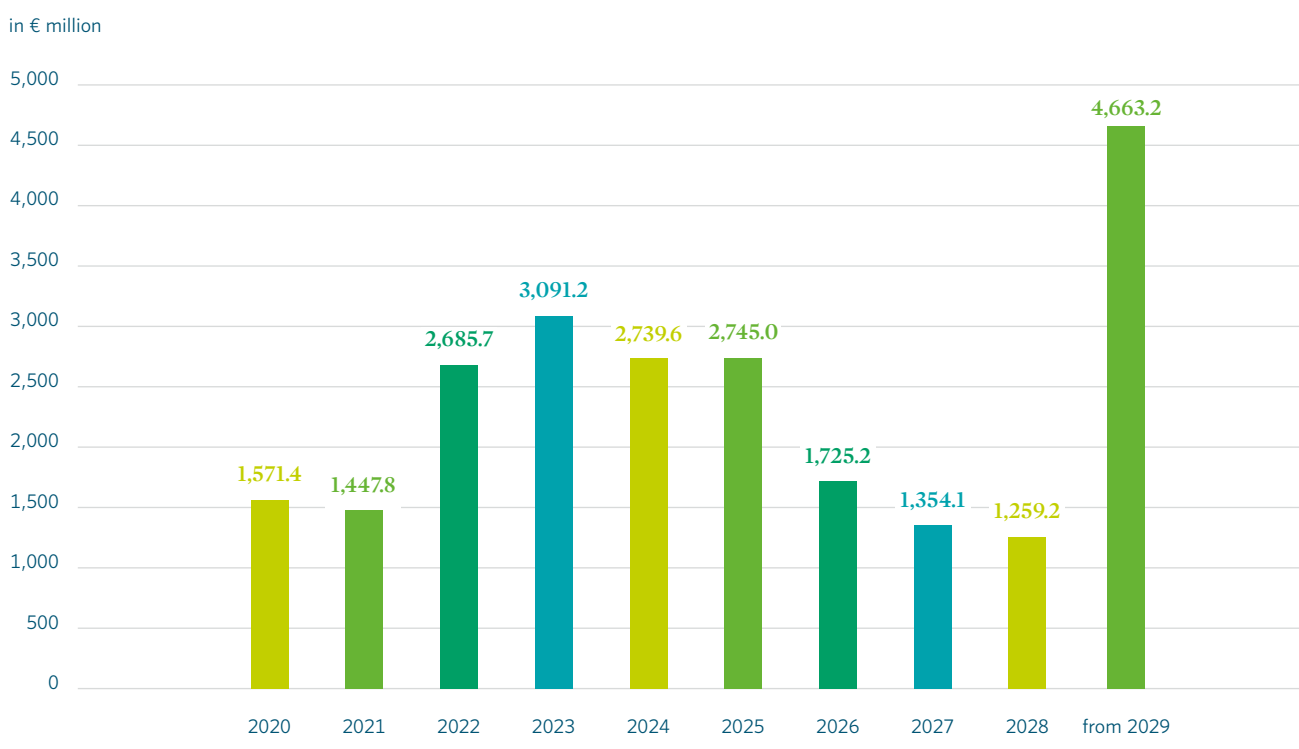
Vonovia Finance B.V took out secured financing for Vonovia of over € 300 million with Landesbank Baden-Württemberg, € 100 million with ING Bank, a branch of ING-DiBa AG, and € 100 million with Berliner Sparkasse, each with a term of ten years.

On February 28, 2020, € 300 million was repaid under the Commercial Paper Program that the Dutch subsidiary Vonovia Finance B.V. had taken out for the Vonovia Group. This means that the Commercial Paper Program has been repaid in full.

On March 30, 2020, Vonovia repaid the remaining capital of € 300.6 million on a debenture issued by Dutch subsidiary Vonovia Finance B.V.

The **debt maturity profile** of Vonovia's financing was as follows as of March 31, 2020:

### Maturity Profile as of March 31, 2020 (Face Values)



In connection with the issue of unsecured bonds by Vonovia Finance B.V., Vonovia has undertaken to comply with the following standard market covenants:

- > Limitations on incurrence of financial indebtedness
- > Maintenance of consolidated coverage ratio
- > Maintenance of total unencumbered assets

The existing structured and secured financing arrangements also require adherence to certain standard market covenants. Any failure to meet the agreed financial covenants could have a negative effect on the liquidity status.

The LTV (loan to value) is as follows as of the reporting date:

in € million	Dec. 31, 2019	Mar. 31, 2020	Change in %
Non-derivative financial liabilities	23,574.9	23,430.6	-0.6
Foreign exchange rate effects	-37.8	-44.0	16.4
Cash and cash equivalents	-500.7	-428.8	-14.4
<b>Net debt</b>	<b>23,036.4</b>	<b>22,957.8</b>	<b>-0.3</b>
Sales receivables	21.4	-4.9	-
<b>Adjusted net debt</b>	<b>23,057.8</b>	<b>22,952.9</b>	<b>-0.5</b>
<b>Fair value of the real estate portfolio</b>	<b>53,316.4</b>	<b>53,199.7</b>	<b>-0.2</b>
Shares in other real estate companies	149.5	148.8	-0.5
<b>Adjusted fair value of the real estate portfolio</b>	<b>53,465.9</b>	<b>53,348.5</b>	<b>-0.2</b>
<b>LTV</b>	<b>43.1%</b>	<b>43.0%</b>	<b>-0.1 pp</b>

The financial covenants have been fulfilled as of the reporting date.

in € million	Dec. 31, 2019	Mar. 31, 2020	Change in %
Non-derivative financial liabilities	23,574.9	23,430.6	-0.6
<b>Total assets</b>	<b>56,497.7</b>	<b>56,453.1</b>	<b>-0.1</b>
<b>LTV bond covenants</b>	<b>41.7%</b>	<b>41.5%</b>	<b>-0.2 pp</b>

# Business Outlook

Vonovia can report positive business development in the first three months of the 2020 fiscal year despite the coronavirus pandemic. All business segments showed positive development.

The forecast for the 2020 fiscal year was based on the accounting principles used in the consolidated financial statements and the adjustments described elsewhere in the Group management report. The forecast does not take account of any larger acquisitions of real estate portfolios.

Our forecast for the 2020 fiscal year is based on determined and updated corporate planning for the Vonovia Group as a whole, and considers current business developments, the acquisitions of Hembla and Bien-Ries, possible opportunities and risks, and the expected impacts of the coronavirus pandemic. It also includes the key overall macroeconomic developments and the economic factors that are relevant to the real estate industry and our corporate strategy. Further information is provided in the sections of the 2019 Group management report entitled “Development of the Economy and the Industry” and “Fundamental Information About the Group.” Beyond this, the Group’s further development remains exposed to general opportunities and risks.

We assume that the coronavirus pandemic will have only a limited impact on all business segments and will lead to slightly reduced growth. We therefore also assume that adjusted EBITDA total will be within the range of our most recently published guidance. We expect the volume of investments in modernization and new construction to be at the same level as the previous year due to lower investments in modernization.

We also expect that the most recently published Group FFO target will be reached. In addition, we expect the value of our company to increase further in 2020 and predict a moderate increase in Adjusted NAV per share, not taking further market-driven changes in value into account.

The following table provides an overview of our forecast and presents material and selected key figures.

	Actual 2019	Forecast for 2020	Forecast for 2020 in the 2020 Q1 Report
Adjusted NAV per share	€ 51.93	suspended	suspended
Adjusted EBITDA Total	€ 1,760.1 million	€ 1,875-1,925 million	€ 1,875-1,925 million
Group FFO	€ 1,218.6 million	€ 1,275-1,325 million	€ 1,275-1,325 million
Group FFO per share*	€ 2.25	suspended	suspended
Customer Satisfaction Index (CSI)	Decrease of 8.0%	Up slightly year-over-year	Up slightly year-over-year
Rental income	€ 2,074.9 million	€ ~ 2,300 million	€ ~ 2,300 million
Organic rent increase	3.9%	Increase of ~ 4.0%**	Increase of 3.3-3.8%***
Modernization and new construction	€ 1,489.5 million	€ 1,300-1,600 million	€ 1,300-1,600 million
Number of units sold Recurring Sales	2,607	~ 2,500	~ 2,500
Step-up Recurring Sales	41.3%	~ 30%	~ 30%

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

\*\* Without possible one-time decrease pursuant to the Act on Rent Controls in the Housing Sector in Berlin (MietenWoGBln).

\*\*\* The lower end of the forecast contains a possible one-time decrease pursuant to the Act on Rent Controls in the Housing Sector in Berlin (MietenWoGBln).

Bochum, Germany, April 27, 2020

The Management Board

# Condensed Interim Consolidated Financial Statements

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# Consolidated Income Statement

in € million	Jan. 1- Mar. 31, 2019	Jan. 1- Mar. 31, 2020
Income from property letting	694.2	760.5
Other income from property management	17.5	17.6
<b>Income from property management</b>	<b>711.7</b>	<b>778.1</b>
Income from the disposal of properties	154.5	158.4
Carrying amount of properties sold	-137.1	-134.6
Revaluation of assets held for sale	6.0	5.4
<b>Profit on the disposal of properties</b>	<b>23.4</b>	<b>29.2</b>
Income from the disposal of properties (Development)	59.4	45.4
Cost of sold properties	-46.1	-38.2
<b>Profit on the disposal of properties (Development)</b>	<b>13.3</b>	<b>7.2</b>
Net income from fair value adjustments of investment properties	56.9	4.1
Capitalized internal expenses	138.5	141.1
Cost of materials	-334.5	-354.9
Personnel expenses	-133.9	-143.5
Depreciation and amortization	-16.5	-19.3
Other operating income	24.3	35.3
Impairment losses on financial assets	-5.5	-7.2
Gains resulting from the derecognition of financial assets measured at amortized cost	1.1	1.1
Other operating expenses	-58.7	-67.6
Net income from investments accounted for using the equity method	0.1	0.0
Interest income	1.4	13.7
Interest expenses	-101.6	-102.0
Other financial result	-3.9	2.8
<b>Earnings before tax</b>	<b>316.1</b>	<b>318.1</b>
Income taxes	-114.7	-106.5
<b>Profit for the period</b>	<b>201.4</b>	<b>211.6</b>
Attributable to:		
Vonovia's shareholders	185.2	197.5
Vonovia's hybrid capital investors	7.4	7.4
Non-controlling interests	8.8	6.7
<b>Earnings per share (basic and diluted) in €</b>	<b>0.36</b>	<b>0.36</b>

The other financial result is shown additionally since December 31, 2019, in order to improve the presentation of the income statement and to separate interest income and interest expenses. As a result of the reporting amendment, financial income (interest income) decreased in the previous year by € 9.8 million and financial expenses (interest expenses) by € 13.7 million. For this purpose, the currency effects in the amount of € 1.2 million, the income from investments in the amount of € 8.4 million, the transaction costs in the amount of € -13.1 million as well as the purchase price liabilities from put options/rights to reimbursement in the amount of € -0.4 million in the prior-year figures are shown separately under other financial result.

# Consolidated Statement of Comprehensive Income

in € million	Jan. 1- Mar. 31, 2019	Jan. 1- Mar. 31, 2020
<b>Profit for the period</b>	201.4	211.6
<b>Cash flow hedges</b>		
Change in unrealized gains/losses	-0.7	13.2
Taxes on the change in unrealized gains/losses	0.2	-4.3
Net realized gains/losses	-1.3	-2.7
Taxes due to net realized gains/losses	1.2	1.7
<b>Total</b>	<b>-0.6</b>	<b>7.9</b>
<b>Currency translation differences</b>		
Changes in the period	-12.8	-162.9
Net realized gains/losses	-	24.6
<b>Total</b>	<b>-12.8</b>	<b>-138.3</b>
<b>Items which will be recognized in profit or loss in the future</b>	<b>-13.4</b>	<b>-130.4</b>
<b>Equity instruments at fair value in other comprehensive income</b>		
Changes in the period	30.4	0.1
Taxes on changes in the period	-0.4	-0.1
<b>Total</b>	<b>30.0</b>	<b>-</b>
<b>Actuarial gains and losses from pensions and similar obligations</b>		
Change in actuarial gains/losses, net	-23.1	-
Tax effect	7.7	-
<b>Total</b>	<b>-15.4</b>	<b>-</b>
<b>Items which will not be recognized in profit or loss in the future</b>	<b>14.6</b>	<b>-</b>
<b>Other comprehensive income</b>	<b>1.2</b>	<b>-130.4</b>
<b>Total comprehensive income</b>	<b>202.6</b>	<b>81.2</b>
Attributable to:		
Vonovia's shareholders	187.7	67.1
Vonovia's hybrid capital investors	7.4	7.4
Non-controlling interests	7.5	6.7

# Consolidated Balance Sheet

## Assets

in € million	Dec. 31, 2019	Mar. 31, 2020
Intangible assets	1,604.0	1,562.3
Property, plant and equipment	358.6	367.4
Investment properties	52,736.6	52,724.4
Financial assets	253.5	262.4
Other assets	54.7	116.6
Deferred tax assets	59.3	59.4
<b>Total non-current assets</b>	<b>55,066.7</b>	<b>55,092.5</b>
Inventories	8.8	8.8
Trade receivables	205.7	211.8
Financial assets	0.7	15.0
Other assets	138.0	215.4
Income tax receivables	84.7	59.4
Cash and cash equivalents	500.7	428.8
Real estate inventories	358.3	344.1
Assets held for sale	134.1	77.3
<b>Total current assets</b>	<b>1,431.0</b>	<b>1,360.6</b>
<b>Total assets</b>	<b>56,497.7</b>	<b>56,453.1</b>



## Equity and Liabilities

in € million	Dec. 31, 2019	Mar. 31, 2020
Subscribed capital	542.3	542.3
Capital reserves	8,239.7	8,239.7
Retained earnings	10,534.4	10,733.3
Other reserves	-8.1	-138.5
<b>Total equity attributable to Vonovia's shareholders</b>	<b>19,308.3</b>	<b>19,376.8</b>
Equity attributable to hybrid capital investors	1,001.6	1,011.5
<b>Total equity attributable to Vonovia's shareholders and hybrid capital investors</b>	<b>20,309.9</b>	<b>20,388.3</b>
Non-controlling interests	759.8	766.6
<b>Total equity</b>	<b>21,069.7</b>	<b>21,154.9</b>
Provisions	662.4	650.2
Trade payables	5.1	2.8
Non-derivative financial liabilities	21,198.0	21,625.9
Derivatives	74.1	78.2
Lease liabilities	442.6	464.4
Liabilities to non-controlling interests	21.2	21.3
Financial liabilities from tenant financing	44.4	44.3
Other liabilities	26.1	27.4
Deferred tax liabilities	9,272.1	9,306.0
<b>Total non-current liabilities</b>	<b>31,746.0</b>	<b>32,220.5</b>
Provisions	530.2	506.3
Trade payables	219.1	200.6
Non-derivative financial liabilities	2,376.9	1,804.7
Derivatives	41.0	41.3
Lease liabilities	28.3	27.2
Liabilities to non-controlling interests	12.9	11.1
Financial liabilities from tenant financing	117.8	117.7
Other liabilities	355.8	368.8
<b>Total current liabilities</b>	<b>3,682.0</b>	<b>3,077.7</b>
<b>Total liabilities</b>	<b>35,428.0</b>	<b>35,298.2</b>
<b>Total equity and liabilities</b>	<b>56,497.7</b>	<b>56,453.1</b>

# Consolidated Statement of Cash Flows

in € million	Jan. 1-Mar. 31, 2019	Jan. 1-Mar. 31, 2020
Profit for the period	201.4	211.6
Net income from fair value adjustments of investment properties	-56.9	-4.1
Revaluation of assets held for sale	-6.0	-5.4
Depreciation and amortization	16.5	19.3
Interest expenses/income and other financial result	112.5	94.9
Income taxes	114.7	106.5
Results from disposals of investment properties	-17.4	-23.8
Other expenses/income not affecting net income	1.9	-0.2
Change in working capital	23.7	-36.8
Income tax paid	22.2	-13.4
<b>Cash flow from operating activities</b>	<b>412.6</b>	<b>348.6</b>
Proceeds from disposals of investment properties and assets held for sale	325.8	135.6
Proceeds from disposals of other assets	696.3	-
Payments for investments of investment properties	-366.0	-417.9
Payments for investments of other assets	-14.2	-37.2
Payments for acquisition of shares in consolidated companies, in due consideration of liquid funds	-	-29.2
Interest received	2.7	3.5
<b>Cash flow from investing activities</b>	<b>644.6</b>	<b>-345.2</b>

in € million	Jan. 1-Mar. 31, 2019	Jan. 1-Mar. 31, 2020
Cash paid to non-controlling interests	-4.7	-1.8
Proceeds from issuing financial liabilities	1,951.0	784.7
Cash repayments of financial liabilities	-1,205.8	-726.2
Cash repayments of lease liabilities	-7.7	-8.3
Payments for transaction costs in connection with capital measures	-15.4	-2.7
Payments for other financing costs	-14.7	-1.8
Payments in connection with the disposal of shares in non-controlling interests	-339.4	-3.6
Interest paid	-95.0	-115.6
<b>Cash flow from financing activities</b>	<b>268.3</b>	<b>-75.3</b>
<b>Net changes in cash and cash equivalents</b>	<b>1,325.5</b>	<b>-71.9</b>
Cash and cash equivalents at the beginning of the period	547.7	500.7
<b>Cash and cash equivalents at the end of the period*</b>	<b>1,873.2</b>	<b>428.8</b>

\* Thereof restricted cash € 58.0 million (Mar. 31, 2019: € 70.9 million).

# Portfolio Information

Vonovia manages its own real estate portfolio with a fair value of € 53.2 billion as of March 31, 2020. The majority of our apartments are located in regions with positive economic and demographic development prospects.

## Portfolio Structure

March 31, 2020	Fair value*		Residential units	Vacancy (in %)	In-place rent (in €/m <sup>2</sup> )**
	(in € million)	(in €/m <sup>2</sup> )			
<b>Strategic</b>	39,099.4	1,901	323,447	2.6	6.83
Operate	11,058.9	1,909	85,251	2.8	7.23
Invest	28,040.4	1,898	238,196	2.6	6.68
<b>Recurring Sales</b>	3,825.7	2,030	27,589	3.2	6.94
<b>Non-core Disposals</b>	476.7	1,448	3,888	6.5	6.42
<b>Vonovia Germany</b>	<b>43,401.8</b>	<b>1,905</b>	<b>354,924</b>	<b>2.7</b>	<b>6.83</b>
<b>Vonovia Sweden</b>	5,328.1	1,794	38,089	2.6	9.20
<b>Vonovia Austria</b>	2,633.7	1,453	22,310	4.8	4.65
<b>Total</b>	<b>51,363.5</b>	<b>1,864</b>	<b>415,323</b>	<b>2.8</b>	<b>6.94</b>

In order to make the presentation of our portfolio more transparent, we also split our portfolio into 15 regional markets. These markets are core towns/cities and their surroundings, mainly metropolitan areas. Our decision to focus on

the regional markets that are particularly relevant to Vonovia is our way of looking ahead to the future and provides an overview of our strategic core portfolio in Germany.

## Breakdown of Strategic Housing Stock by Regional Market

March 31, 2020	Fair value*		Residential units	Vacancy (in %)	In-place rent (in €/m <sup>2</sup> )**
	(in € million)	(in €/m <sup>2</sup> )			
<b>Regional market</b>					
Berlin	7,478.5	2,685	42,271	1.4	6.88
Rhine Main Area	4,434.1	2,491	27,428	1.7	8.37
Southern Ruhr Area	3,881.0	1,432	43,491	3.4	6.25
Rhineland	3,842.4	1,980	28,508	2.4	7.30
Dresden	3,606.4	1,572	38,519	3.6	6.26
Hamburg	2,766.9	2,158	19,758	1.9	7.25
Munich	2,285.0	3,500	9,665	1.4	8.29
Stuttgart	2,127.0	2,393	13,753	1.7	8.06
Kiel	2,109.5	1,528	23,220	2.4	6.43
Hanover	1,881.4	1,798	16,264	2.7	6.77
Northern Ruhr Area	1,701.9	1,068	25,505	3.7	5.86
Bremen	1,192.2	1,610	11,852	3.2	5.99
Leipzig	959.9	1,548	9,179	3.8	6.12
Westphalia	914.3	1,465	9,475	3.3	6.28
Freiburg	660.7	2,368	4,041	2.2	7.56
Other strategic locations	2,913.2	1,681	26,773	3.5	6.79
<b>Total strategic locations Germany</b>	<b>42,754.3</b>	<b>1,913</b>	<b>349,702</b>	<b>2.7</b>	<b>6.84</b>

\* Fair value of the developed land excluding € 1,836.2 million, of which € 573.3 million for undeveloped land and inheritable building rights granted, € 443.3 million for assets under construction, € 504.2 million for development and € 315.4 million for other.

\*\* Shown based on the country-specific definition.

Total Housing Stock Vonovia

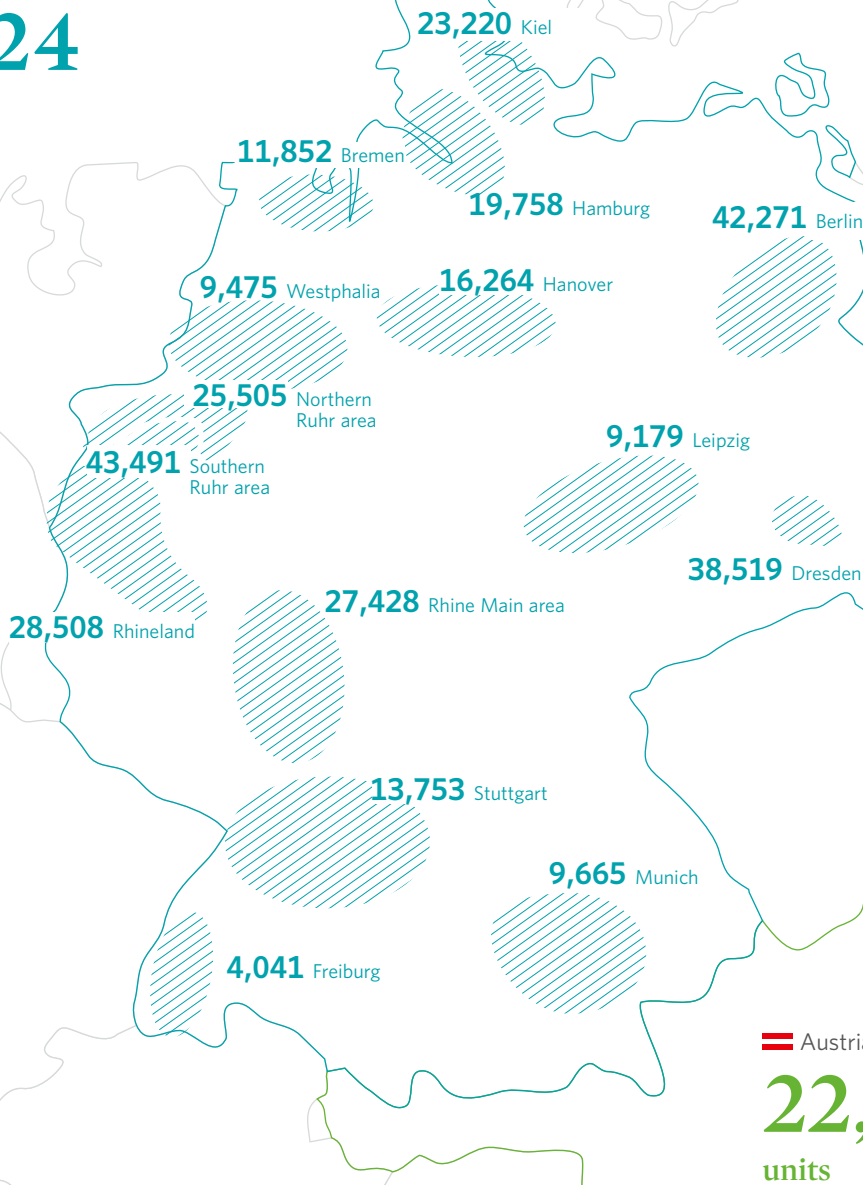
415,323

Sweden

38,089  
units

Germany

354,924  
units\*



\* Including 26,773 residential units at other strategic locations and 5,222 residential units at non-strategic locations.

# Financial Calendar

## ***May 5, 2020***

Publication of the interim financial report  
for the first three months of 2020

## ***June 30, 2020***

Annual General Meeting

## ***August 5, 2020***

Publication of the interim financial report  
for the first half of 2020

## ***November 4, 2020***

Publication of the interim financial report  
for the first nine months of 2020

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**Note**

This interim statement is published in German and English.  
The German version is always the authoritative text. The interim statement can be found on the website at [www.vonovia.de](http://www.vonovia.de).

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**Disclaimer**

This interim statement contains forward-looking statements. These statements are based on current experience, assumptions and forecasts of the Management Board as well as information currently available to the Management Board. The forward-looking statements are not guarantees of the future developments and results mentioned therein. The future developments and results depend on a large number of factors. They involve certain risks and uncertainties and are based on assumptions that may prove to be inaccurate. These risk factors include but are not limited to those discussed in the risk report of the 2019 Annual Report. We do not assume any obligation to update the forward-looking statements contained in this interim statement. This interim statement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any securities of Vonovia SE.

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