Europe’s Leading Residential Property Owner and Operator

We are the long-term owner and full-scale operator of Europe’s largest listed multifamily housing portfolio with ca. 416k apartments for small and medium incomes in metropolitan growth areas.

Geographic split (by number of units)¹

- Germany: 86%
- Sweden: 9%
- Austria: 5%
- Other: 9%

Rental, Value-add, Recurring Sales, Development

- €56bn portfolio fair market value
- €31bn market cap
- €4.4bn Total Segment Revenue
- €1.91bn Adj. EBITDA
- €1.35 Adj. Earnings (“Group FFO”)
- Dividend policy: ~70% of Group FFO
- 10,622 employees

¹ The small stakes we own in the Dutch and in the French portfolios are less of a financial investment and more R&D to gain an even better understanding of the markets.
**Vonovia Contributes to Solutions for Tomorrow’s Challenges**

### Megatrends

**Urbanization**
An increasing part of the population is moving into urban areas.

**Climate change & energy efficiency**
Ca. 1/3 of greenhouse gas emissions are related to real estate.

**Demographic change**
An increasing share of the population is 65+ years.

### Sustainability strategy focused on three dimensions...

- **Commitment to climate neutral building stock until 2050**
- **Responsibility for customers, society and employees**
- **Reliable and transparent corporate governance built on trust**

### ...and aiming to contribute to these key SDGs

- **Gender Equality**
- **Affordable and clean energy**
- **Decent work and economic growth**
- **Industry, innovation and infrastructure**
- **Sustainable cities and communities**
- **Climate action**
- **Life on land**
- **Partnerships for the goals**
Compelling Investment Case

We are **Europe’s largest residential landlord and the long-term owner and full-scale operator** of a multifamily housing portfolio with ca. 416k apartments for small and medium incomes in metropolitan growth areas.

The **granularity and B-to-C nature** of our business are **unique in real estate**. Our strategy of standardization, industrialization and process optimization makes us the industry leader with **best-in-class** service levels and superior cost control.

Fundamental megatrends provide a positive backdrop in a **regulated environment** that safeguards **attractive risk-adjusted returns and offers downside protection**.

**Organic earnings and value growth plus substantial long-term upside potential from acquisitions** in selected European metropolitan areas. Low execution risk from track record of acquiring and integrating >300k apartments in eight large transactions since IPO.

All of our actions have **more than just an economic dimension**.
- We provide a home to around 1 million people from ca. 150 nations.
- CO₂ emissions related to housing are one of the largest sources of greenhouse gas emissions.
- As a listed, blue-chip company we are rightfully held to a high standard.
Impeccable Track Record of Consistent & Sustainable Growth
Confident to Maintain Earnings and Value Growth Going Forward

**FFO (€/share)**

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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.95</td>
<td>1.00</td>
<td>1.30</td>
<td>1.63</td>
<td>1.90</td>
<td>2.06</td>
<td>2.25</td>
<td>2.38</td>
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</table>

+14% CAGR

**Dividend (€/share) – 70% payout ratio from FFO**

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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.67</td>
<td>0.74</td>
<td>0.94</td>
<td>1.12</td>
<td>1.32</td>
<td>1.44</td>
<td>1.57</td>
<td>1.69</td>
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</tr>
</tbody>
</table>

+14% CAGR

**Adj. NAV (€/share)**

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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>21.7</td>
<td>22.7</td>
<td>24.2</td>
<td>30.8</td>
<td>38.5</td>
<td>44.9</td>
<td>52.0</td>
<td>59.5</td>
</tr>
</tbody>
</table>

+15% CAGR

**LTV and Interest Cover Ratio**

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LTV (%)</td>
<td>49.0%</td>
<td>49.3%</td>
<td>46.9%</td>
<td>3.7</td>
<td>4.6</td>
<td>4.7</td>
<td>4.9</td>
<td>4.8</td>
</tr>
<tr>
<td>Interest cover ratio</td>
<td>2.2</td>
<td>2.7</td>
<td>3.0</td>
<td>41.6%</td>
<td>39.8%</td>
<td>42.8%</td>
<td>43.1%</td>
<td>41.1%</td>
</tr>
</tbody>
</table>

Equity hybrid target range

---

1 Based on prevailing internal management KPI, which was FFO1 from 2013-2018 and Group FFO starting in 2019. 2 To be proposed to the Annual General Meeting on April 16, 2021.
Disciplined Capital Allocation Focused on Long-term Earnings and Value Creation

Dividend policy
- 70% of recurring cash earnings (FFO) paid out as dividend
- We expect to continue to be able to deliver sustainably growing dividends
- Scrip dividend option since FY2016

Investment Program
- Investments in modernization and new construction to hold to address the megatrends urbanization, energy efficiency and demographic change
- Drives organic earnings, value growth, and overall portfolio quality

M&A
- Disciplined and opportunistic approach
- Clear set of criteria to safeguard earnings and value growth for shareholders
- Impeccable track record of execution with >300k apartments acquired and integrated since IPO

Share buy-backs
- Shareholder authorization in place (until 2023)
- General preference for allocating capital to long-term growth of the company
- Potentially an option in case shares trade at steep discount to Adj. NAV

1 Based on prevailing internal management KPI, which was FFO1 from 2013-2018 and Group FFO starting in 2019. 2 To be proposed to the Annual General Meeting on April 16, 2021.

Vonovia Sustainability Presentation. page 7
## 2021 Guidance

<table>
<thead>
<tr>
<th></th>
<th>2020 Actuals</th>
<th>2021 Guidance</th>
<th>Mid-term Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Segment Revenue</td>
<td>€4.370bn</td>
<td>~€4.9bn - ~€5.1bn</td>
<td>growing</td>
</tr>
<tr>
<td>Rental revenue</td>
<td>€2.286bn</td>
<td>~€2.3bn - ~€2.4bn</td>
<td>growing</td>
</tr>
<tr>
<td>Organic rent growth (eop)</td>
<td>3.1%</td>
<td>~3.0% - ~3.8%¹</td>
<td>stable</td>
</tr>
<tr>
<td>(3.6% excl. one-off effect in Berlin)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recurring Sales (# of units)</td>
<td>2,442</td>
<td>~2,500</td>
<td>stable</td>
</tr>
<tr>
<td>FV step-up Recurring Sales</td>
<td>39.6%</td>
<td>~30%</td>
<td>stable</td>
</tr>
<tr>
<td>Adj. EBITDA Total (€m)</td>
<td>1,910</td>
<td>1,975 - 2,025</td>
<td>growing</td>
</tr>
<tr>
<td>Group FFO (€m)</td>
<td>1,348</td>
<td>1,415 - 1,465</td>
<td>growing</td>
</tr>
<tr>
<td>Dividend (€/share)</td>
<td>1.69²</td>
<td>~70% of Group FFO per share</td>
<td>stable payout ratio; €/share growing</td>
</tr>
<tr>
<td>Investments (€bn)</td>
<td>€1.344bn</td>
<td>~€1.3bn - ~€1.6bn</td>
<td>at least stable</td>
</tr>
<tr>
<td>SPI</td>
<td>Starting point established</td>
<td>~100%</td>
<td>continuous improvement</td>
</tr>
</tbody>
</table>

Note: The 2021 guidance is based on the current legislation under which the CO₂ tax is part of the recoverable expenses; equally, the 2021 guidance does not include any positive impacts expected from the Federal Funding Regulation for Energy-Efficient Buildings (“BEG”). ¹ If the current Berlin-specific rent freeze regulation is in place at the end of 2021, we expect to come out towards the lower end of the range; if the legislation is no longer in place at the end of 2021, we expect to come out towards the higher end of the range. A ruling by the Federal Constitutional Court is widely expected in Q2 2021. ² To be proposed to the Annual General Meeting in 2021.
Megatrends – Challenge & Opportunity

Urbanization
An increasing part of the population is moving into urban areas

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

Demographic change
An increasing share of the population is 65+ years

We are providing apartments at fair price levels to a growing urban population
Our products and services give more than one million people an affordable home in their apartment and neighborhood

We are a driving force of the industry and have committed ourselves to a binding climate path for a CO₂ neutral portfolio by 2050
The energy-efficient modernization of the housing stock and innovative solutions for carbon neutral residential neighborhoods are paramount for achieving climate protection targets

We are preparing at least one third of all apartments that become vacant for elderly tenants
Demographic changes require refurbishing apartments to enable an ageing population to stay in their homes with little or no assistance for longer

Our scale, sustainable business model and access to capital markets enable us to assume a leading role in our industry for finding and implementing solutions.
Materiality Analysis Shows the Key Sustainability Topics for Vonovia

Process & result of the materiality analysis

- Stakeholder survey: online survey (142), stakeholder interviews (42)
- Assessment of business relevance and evaluation of the company impact via workshops

11 key topics

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>A1</td>
<td>A home at a fair rental level</td>
</tr>
<tr>
<td>A3</td>
<td>Adequate products and services in relation to demographic change</td>
</tr>
<tr>
<td>A5</td>
<td>Customer satisfaction and service quality</td>
</tr>
<tr>
<td>B1</td>
<td>Neighborhood development and contribution to infrastructure</td>
</tr>
<tr>
<td>C1</td>
<td>Sustainable new construction and refurbishment</td>
</tr>
<tr>
<td>D1</td>
<td>CO₂ reduction of existing buildings</td>
</tr>
<tr>
<td>D2</td>
<td>Renewable energies and energy mix</td>
</tr>
<tr>
<td>E1</td>
<td>Attractiveness as an employer</td>
</tr>
<tr>
<td>E4</td>
<td>Diversity and equal opportunities</td>
</tr>
<tr>
<td>F1</td>
<td>Governance and compliance</td>
</tr>
<tr>
<td>G5</td>
<td>Capital markets appeal</td>
</tr>
</tbody>
</table>
Vonovia’s Sustainability Targets

**CO₂ reduction of existing buildings**
- ~3% avg. annual modernization rate - CO₂ Intensity: 30-35 kg CO₂/sqm by 2030.

**Average primary energy need of new constructions**
- Annual reduction average primary energy need - ~33 (kWh/sqm p.a.)

**Biodiversity**
- Expansion of wildflower meadows to 100,000 sqm and 100 insect habitats.

**Senior-friendly apartment**
- Ratio of senior-friendly apartment refurbishments among all new lettings - ~30%

**Customer satisfaction & service quality**
- Increase customer satisfaction (Customer Satisfaction Index, CSI) - ~0.5 %points p.a.

**Attractive employer - best in class**
- Increase employee satisfaction - ~1.0 %point p.a.

**Workforce gender Diversity**
- Increase in the proportion of women in the top two management levels below the Management Board - ~26%
Vonovia’s Climate Path towards CO₂ Neutrality through Continued Modernization, Renewable Energy and Sector Coupling

Illustration of different climate path scenarios 2020-2050 (CO₂ intensity)

- Base case: Increased modernization depth (ca. 60% reduction)
- Hybrid case: Increased modernization depth (ca. 60% reduction) + gas condensing + solar thermal technology
- Climate neutral case: Conversion to green district heating, sector coupling and renewable energy (heat pump / PV)

Note: This climate path refers to the German portfolio; we are in the process of developing separate climate paths for the portfolios in Austria and Sweden. Source: Fraunhofer ISE modelling of Vonovia portfolio. Reduction of energy need of 160 kWh towards 60% through the following measures: Building envelope (insulated facade, windows) to become KFW Standard 100-70; scenarios 2 and 3 include the simulation of a change of energy sources. 1 In order to achieve the climate neutral case certain regulatory adjustments still need to be made and not all of the technological concepts have been fully developed yet.
Modernization of Building Envelope plus Fuel Switch for the Portfolio

Vonovia’s CO₂ reduction strategy

- Energy-efficient modernization of ca. 3%
- Continue building modernization with even greater depth (up to 60%)
- Additional efficiency gains from fuel switch & renewable energy (generated, stored and used locally):
  - Green district heat
  - New technologies
  - Sector coupling in the neighborhood (PV & mobility)
- New construction: CO₂ optimized, use of renewable energy (energy efficiency class A and better)
### Environment KPIs

#### Methodology & Framework
- GHG Protocol
- All buildings (incl. listed buildings)
- Sqm numbers in line with GdW and Initiative Wohnen.2050 standard based on lettable area (not total building sqm, which would be ca. 1.2x larger)
- Consumption based on EPCs
- GEMIS factors

#### Energy consumption (kWh/sqm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>163</td>
</tr>
<tr>
<td>2020</td>
<td>157</td>
</tr>
</tbody>
</table>

#### CO₂e intensity (kg CO₂/sqm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1, 2 and 3</th>
<th>Scope 1 and 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>47.0</td>
<td>41.8</td>
</tr>
<tr>
<td>2020</td>
<td>43.9</td>
<td>39.9</td>
</tr>
</tbody>
</table>

#### CO₂e emissions, Scope 1 and 2 (2019)

<table>
<thead>
<tr>
<th>Source</th>
<th>2019 (kt CO₂e)</th>
<th>2020 (kt CO₂e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural gas</td>
<td>57%</td>
<td>57%</td>
</tr>
<tr>
<td>Heating oil</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>Coal</td>
<td>955</td>
<td>955</td>
</tr>
<tr>
<td>Electricity</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>District heating</td>
<td>955</td>
<td>955</td>
</tr>
<tr>
<td>Electricity for common areas</td>
<td>955</td>
<td>955</td>
</tr>
</tbody>
</table>

#### CO₂e Emissions by energy source (2019)

- **Natural gas**: 955 kt CO₂e
- **Heating oil**: 955 kt CO₂e
- **Coal**: 955 kt CO₂e
- **Electricity**: 955 kt CO₂e
- **District heating**: 955 kt CO₂e
- **Electricity for common areas**: 955 kt CO₂e

#### PV installations ("1,000 roof program")

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>295</td>
</tr>
<tr>
<td>2020</td>
<td>424</td>
</tr>
</tbody>
</table>

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1 German portfolio. 2 energy related scope 3 emissions 3 Incl. portfolios in Austria and Sweden.
Technologies for Reaching Climate Path Objectives
Innovation for CO$_2$-neutral Heat Generation

Existing technologies

- Continue energy efficient building modernization with a 60% reduction rate for post-refurbishment energy need
- Replacement of oil heating systems with gas condensing boilers
- Hybrid heating (combination of condensing boilers and solar, renewable)
- Heat pumps
- Green district heat
- Sector coupling

Tomorrow’s Energy Center

- Construction of a proprietary research center in Bochum Weitmar to develop renewable energy systems
- Integration of technologies such as fuel cells, electrolyzer, etc.
- The objective is to evaluate different technologies in terms of economic and ecological impact with a view to roll them out in other neighborhoods of our portfolio

Energiesprong – Serial Refurbishment

- Concept for cost-neutral modernization by combining serial refurbishment and the integration of renewable heat and electricity
- First pilot in Bochum about to be implemented;
- Additional pilots planned until 2024

Pellet Heating Project

- Pellet heating is almost climate neutral
- Particularly suitable in connection with local district heating
- Pellet costs are similar to gas costs; heating plants are more expensive
- When subsidized, pellet heating is a viable ecological and economically feasible alternative
- First concepts for potential pilots underway

Hydrogen Technology

- Decentralized generation of green hydrogen via PV
- Areas of application:
  - Hydrogen storage for subsequent heat generation
  - Disposal of hydrogen
- Technology currently still too expensive; a growing market is expected to lead to substantial cost reductions, rendering H$_2$ economically feasible
Together with renowned Fraunhofer Institutes, Vonovia is implementing a 3yr-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 is to supply the neighborhood with largely carbon-neutral electricity & heating. 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.

### Level Measure

<table>
<thead>
<tr>
<th>Level</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Apartment</strong></td>
<td>1. Implementation of measures that do not involve any structural intervention, e.g., optimized heating system settings</td>
</tr>
<tr>
<td></td>
<td>2. Digitalization of buildings and apartments, e.g., to feature smart meters</td>
</tr>
<tr>
<td><strong>Building</strong></td>
<td>3. Energy-efficient refurbishment, e.g., measures relating to the building shells and heating systems</td>
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<tr>
<td></td>
<td>4. Infrastructure for e-mobility, e.g., charging stations and e-wall sockets</td>
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<td></td>
<td>5. Sustainable energy supply, e.g., photovoltaic systems for tenant electricity</td>
</tr>
<tr>
<td><strong>Neighborhood</strong></td>
<td>6. Building digitalization and networking</td>
</tr>
<tr>
<td></td>
<td>7. Sector coupling (heat, electricity, mobility, etc.) in the neighborhood via digital platform</td>
</tr>
<tr>
<td></td>
<td>8. Storage and distribution of energy generated in a decentralized structure enables on-site consumption</td>
</tr>
<tr>
<td></td>
<td>9. Promotion of biodiversity</td>
</tr>
</tbody>
</table>
New Construction and Development Projects are Sustainable and CO$_2$-optimized

**Vienna (Marina Tower)**
- ca. 500 condominiums
- ÖGNI NH Certificate Gold / klimaaktiv Gold Certificate
- Low-emission and low-pollution building materials
- Sustainable mobility concept

**Berlin-Grünau (Pilot Houses)**
- 2-5 room apartments
- Wood-hybrid construction
- Low-emission and low-pollution building materials
- Low-energy houses Standard KfW 40

**Buchloe (An der Halde)**
- New construction of 27 apartments (50% of them barrier-free)
- Wood hybrid construction
- Energy efficiency class A+ / Standard KfW 55
- Pellet heating incl. earth bunker

**Bochum (Waldenburger Str.)**
- New construction of 14 apartments
- Fully automated pellet boiler
- Energy efficiency class A+ (heating)
- Photovoltaic system

**Objective 2020**
85% of new constructions with energy efficiency class A / KfW 55 standard
Promotion of Biodiversity in Our Neighborhoods

Vonovia facts

- 15 million square meters of green spaces
- 220,000 trees
- 23 tree species, 20 of which are climate-resistant
- 1,000 replacement plantings
- 300 km hedges

Cooperation with NABU NRW

- Cooperation with NABU NRW since the end of 2019 and other partners (Animal Aided Design, Emscher Genossenschaft Innovation City, ...)
- Nationwide cooperation with NABU in preparation from 2021
- Central cooperation for neighborhood development: Pilot project launched in Bochum-Weitmar

Products

- Wildflower meadow with nesting aids (insect habitats)
- Roof/facade greening
- Organic tenant gardens
- Floristic resilience and diversity
- Ecological pruning
- Rainwater Management

Measures implemented

- Nesting aids for bats and birds / Elements for facade greening
- approx. 100,000 sqm wildflower meadow
- Green roofs
- Ecological pruning
Vonovia’s Green Bond Framework at a Glance

- Vonovia has established a Green Bond Framework under which the company aims to issue Green Bonds to support its sustainability strategy.

Inaugural green bond issued on March 17:
- 10-year maturity
- €600m volume
- 0.625% coupon

Use of Proceeds
- 3 Eligible Green Categories:
  - Green buildings and energy efficiency
  - Renewable energy
  - Clean transportation

Process for Project Evaluation and Selection
- Green Finance Committee will oversee the evaluation and selection of eligible projects.

Management of Proceeds
- Eligible Green Register to track net proceeds with bond-by-bond approach.
- Full allocation within 2 years following each bond issuance.

Reporting
- Allocation reporting with list of financing per category and unallocated proceeds.
- Impact reporting with details on Environment impact of the projects financed.
Inaugural Green Bond issuance: Focus on green buildings in Germany

Indicative green building portfolio:

Portfolio Value of €795m

Nominated projects in conformance with Low Carbon Buildings Criteria of the Climate Bonds Standards
As a leader for climate protection in the residential sector, Vonovia hosted the climate conference “Outlook for Climate-neutral Living” in Berlin on October 1, 2020.

### Five Areas of Action to Achieve CO₂-neutral, Energy-autonomous Neighborhoods for a Decentralized Energy Revolution

**Renovation rate**
- Increase renovation rate and enable *Energiesprong* (energy efficiency leap) through high-quality, swift, and affordable renovation
- Spread between gas and electricity needs to be further reduced to enable electricity-based, low CO₂ heat supply

**Renewables**
- Include landlord-to-tenant electricity in recoverable expenses
- Resi sector needs to be included in national Hydrogen Strategy

**System change**
- Accelerate conversion of the electrical energy system
- Modify regulation to support decentralized electricity production
- Promote new energy markets for the financing of flexible electricity generators

**Mobility**
- Accelerate charging infrastructure and market availability of e-vehicles thorough tailored subsidy programs for resi sector
- Establish standards for technical connection needs of grid operators plus grandfathering clause for installing charging stations

**Stakeholders**
- Simplify landlord-to-tenant electricity models in resi sector
- Raise awareness why we need energy transition
- Facilitate landlord-to-tenant electricity in multifamily housing

### Three essentials
- Continued modernization rate
- Adequate subsidy regime
- No grid fees or surcharges on decentralized and self-generated electricity
Update on Regulation (I)

**CO₂ tax**
- As of January 1, 2021, CO₂ emissions from fossil heating and fuel in Germany are taxed at a rate of **€25 per ton of CO₂**; this rate will increase to as much as **€55 by 2025**
- Based on current legislation, the tax is fully recoverable and borne by tenants
- A discussion is underway about how the CO₂ tax should be shared between tenant and landlord, also with a view towards setting the right incentives for energy savings
- Because the CO₂ emission of a building is determined by tenants’ heating consumption and the energy efficiency of the building, Vonovia supports a burden sharing between tenants and landlords based on the building’s energy efficiency

**Renewable Energy Act**
*Erneuerbare-Energien-Gesetz*
- Better incentives for landlord-to-tenant electricity models
- Improved conditions for on-site energy generation
- "Neighborhood concept" – electricity can now be consumed by tenants in other buildings in the neighborhood, not only in the building in which it was generated
## Update on Regulation (II)

**Federal Funding Regulation for Energy-efficient Buildings**

(“Richtlinie für die Bundesförderung für effiziente Gebäude – Wohngebäude, BEG WG”)

<table>
<thead>
<tr>
<th>Scope and content of the regulation</th>
<th>Expected impact on Vonovia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed by Germany’s Federal Ministry for Economic and Energy Affairs; effective on July 1, 2021</td>
<td><strong>Increased investment volume</strong> in energy efficient modernization</td>
</tr>
<tr>
<td>The goal was to harmonize the different subsidy regulations and combine them into one single, comprehensive subsidy program for existing and new buildings</td>
<td></td>
</tr>
<tr>
<td>The objective is to set adequate incentives for owners to substantially increase investments in energy-efficiency and renewable energy</td>
<td></td>
</tr>
<tr>
<td>Subsidies are determined by the amount of energy efficiency gains and the proportion of renewable energy contribution in heating supply resulted from projects and can be as high as 45% of an investment amount up to €120k/apartment</td>
<td></td>
</tr>
<tr>
<td>Flexible funding format – applicants can choose between investment grants or subsidized loans</td>
<td></td>
</tr>
<tr>
<td>Targeted subsidy volume is €32bn p.a. until 2030</td>
<td></td>
</tr>
</tbody>
</table>

- **Increased investment volume** in energy efficient modernization
  - **Acceleration of CO₂ reduction** efforts
  - Additional **NAV growth**
- Increased modernization depth
- Rental growth and investment yields expected to remain broadly similar
- **Higher EBITDA contribution** in the Value-add segment from increased volume through Vonovia craftsmen organization
- **Improved social acceptance** of energy-efficient modernizations because of reduced modernization allowance and increased savings on heating bill
- Vonovia is reviewing its Upgrade Building Program and portfolio in light of the new regulation to achieve the **best possible outcome for our stakeholders** by selecting the right subsidy elements for each individual project

**law enacted**
Agenda

1. Vonovia  
   pages 2-11

2. Environment  
   pages 12-24

3. Social  
   pages 25-30

4. Governance  
   pages 31-38
## Balanced Stakeholder Approach

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

**Vonovia**

*Vonovia Sustainability Presentation.*

*Page 26*
**Vonovia Service App**

135,000 downloads
45,000 users

Vonovia’s customer service app for tenants and potential tenants
Full customer life cycle in one app

<table>
<thead>
<tr>
<th>Communication</th>
<th>Transparency</th>
</tr>
</thead>
<tbody>
<tr>
<td>› Digital postbox</td>
<td>› Ancillary expenses: online receipts and billing</td>
</tr>
<tr>
<td>› News Feed</td>
<td>› Status of submitted requests</td>
</tr>
<tr>
<td>› Micro surveys</td>
<td>› Push notifications</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Self-service</th>
<th>Upgrades planned for 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>› Online-booking of repairs</td>
<td>› Digital rental contract</td>
</tr>
<tr>
<td>› Account management</td>
<td>› Apartment search</td>
</tr>
<tr>
<td>› Document management</td>
<td>› Monitoring of heating and water consumption</td>
</tr>
</tbody>
</table>

- > Apartment search
- > Preferences / profiles
- > Platform potential

**Potential tenant**
- > Digital rental contract
- > Cross selling
- > Seamless transformation

**New tenant**
- > Self service
- > Transparency
- > Preferred search requests

**Existing tenant**
“In residential real estate, a neighborhood, or urban quarter, is usually defined as a cohesive urban structure that is considered by its inhabitants as a self-contained area. It is the predominant aggregation level where a real estate company can make the biggest difference and most positive contribution for inhabitants.”

Approx. **three quarters** of Vonovia’s German portfolio are located in almost **600 urban quarters**, each with an average of **430 apartments**. This is the right level to manage the megatrends.

**Properties**
Location, construction year, infrastructure, investment potential, competition, urban development

**Customers**
Existing and potential tenants, age structure, diversity, purchasing power

**Big Picture**
Urbanization, climate change, ageing population, integration

Every urban quarter is unique... ...but for each one we pursue a holistic approach

1 Source: GdW (Association of German Housing Companies)
Neighborhood Development Projects

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 urban quarter’s environment.
Support for Social and Community Activities in Our Neighborhoods

We get involved on site - for different projects and associations, so that our tenants feel comfortable in their neighborhood and home.

| New football field in Cologne - Gremberg | > Vonovia supports the City of Cologne and the Lukas Podolski Foundation in Cologne-Gremberghofen  
> Construction of a new modern and functional soccer field and youth club with many sports and vacation offers  
> The land was made available by Vonovia free of charge for 10 years |
| Strengthen Parents International | > Vonovia tenant foundation supports project "Strengthen Parents International  
> The offer is aimed specifically at parents of refugee families, who are to be respectfully supported and strengthened. |
| Dementia residential housing | > Vonovia cooperates with the service provider Humanika and has set up a dementia home for ten residents.  
> People receive assistance in coping with everyday life and, if necessary, medical care. |
Highly Robust Governance

Highly robust governance structure with two-tier board system and fully independent supervisory board

Dedicated ESG Department reporting directly to the CEO; The Supervisory Board monitors ESG issues in the Audit Committee; Sustainability Committee meets at regular intervals and on a need-basis

Numerous policies published (e.g. human rights, whistleblower, tax understanding, etc.) Committed to ILO Core Labor Standards and UN Global Compact on Human Rights

Governance

Roadmap

Anchoring TCFD further in our sustainability reporting and adopting EU taxonomy

Further development of sustainability risk management and Environment controlling

Continued progress on ESG Ratings and inclusion in leading ESG indices
Vonovia has established the Sustainability Performance Index with quantitative, non-financial KPIs to measure sustainability performance in the most relevant areas.

SPI reporting is audited by our statutory auditor\(^1\).

The SPI is a relevant criterion in the long-term incentive plan for the executive board\(^2\) as well as for the leadership group below the executive management.

To achieve the target of 100%, all six individual targets must be fully achieved.

### Sustainability Performance Index (SPI)

<table>
<thead>
<tr>
<th></th>
<th>2020 Actuals</th>
<th>2021 Targets</th>
<th>Medium-term Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CO(_2) intensity in the portfolio(^3)</td>
<td>43.9 (kg CO(_2)e/sqm p.a.)</td>
<td>Reduction of at least 2%</td>
</tr>
<tr>
<td>2</td>
<td>Average primary energy need of new constructions</td>
<td>35.7 (kWh/sqm p.a.)</td>
<td>Substantial increase(^4)</td>
</tr>
<tr>
<td>3</td>
<td>Ratio of senior-friendly apartment refurbishments among all new lettings(^3)</td>
<td>30.1%</td>
<td>~30%</td>
</tr>
<tr>
<td>4</td>
<td>Customer satisfaction(^3)</td>
<td>+8.6%</td>
<td>In line with prior-year level</td>
</tr>
<tr>
<td>5</td>
<td>Employee satisfaction</td>
<td>No survey</td>
<td>Slight increase</td>
</tr>
<tr>
<td>6</td>
<td>Workforce gender diversity (1(^{st}) and 2(^{nd}) level below top mgt.)(^5)</td>
<td>25.9%</td>
<td>In line with prior-year level</td>
</tr>
</tbody>
</table>

\(^1\) Limited assurance. \(^2\) Subject to approval of the new executive management remuneration scheme by the AGM to be held on April 16, 2021. \(^3\) Germany only at this point. \(^4\) Initial increase because of projects approved in the past (prior to establishing the SPI) that will be completed in 2021. \(^5\) Based on female representation within overall workforce.
Recognition of ESG Performance
ESG Ratings and Indices

**ESG Ratings**

![EPRA sBPR Gold 2016-2019] (European Public Real Estate Association)

- **Upgraded** from BBB to A in MSCI
- **Upgraded** from C- to C in ISS-oekom
- **Upgraded** in both ratings in 2020; Risk rating within 1st percentile of global rating universe in Sustainalytics

**ESG Indices**

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

For more information please visit [https://investoren.vonovia.de/en/vonovia-at-a-glance/sustainability/](https://investoren.vonovia.de/en/vonovia-at-a-glance/sustainability/)
Vonovia’s Sustainability Organization

**Vonovia Management Board**
- CEO
- CRO
- CFO
- CDO

**Sustainability Board**

**Sustainability Department**
- Pilot Projects
- Exchange platforms
- Initiatives/ Cooperation
- Research assignments

**Regions (Asset & Property Management)**
- Value Add (modernization & residential environment)/ Development
- Compliance Officer
- Portfolio Management
- Innovation & Business Building
- Operational departments

**Board of Directors:**
- Defines sustainability strategy

**Sustainability Committee:**
- Meets 3-4 times a year (Management Board / Heads of Sustainability, Communications, Investor Relations and Financial planning & Analysis)
- Sustainability Agenda Vonovia
- Decides on strategic directions and sustainability goals

**Sustainability Department:**
- Further development of the sustainability strategy & roadmap
- Defines and monitors sustainability goals
- Implements sustainability projects
- Oversees sustainability initiatives
- Gives impetus and drives initiatives
- Responsible for reporting, sustainability report

**Implementation of sustainability aspects in departments and operational units**
Corporate Governance – AGM, Supervisory Board, Management Board

- 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

![Supervisory Board Members](image)

**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

![Management Board Members](image)
Sustainable finance / EU Taxonomy – EU classification framework for sustainable investments to redirect future investments streams

- Vonovia refurbishment of around 3% rate in line with EU requirement
- Relevant screening criteria for real estate/construction:
  - Energetic renovation: reduction of primary energy demand of at least 30% compared to status before renovation – local standards GEG
  - new construction: primary energy demand must be lower than 20% than national net-zero-energy-building (NZEB); in Germany = GEG / EnEV 2016
  - acquisitions & ownership of buildings: latest version refers to performance of buildings with EPC A
    - DNSH ( “do not significant harm criteria” ) to be defined in more detail and based on in place management-systems
- Reporting processes need to be aligned with taxonomy criteria - Taxonomy compatibility expected to differ strongly with respect to CAPEX or turnover
- Timeframe of Taxonomy implementation needs to be clearer – 2021 needs to be a transition year to prepare
### Vonovia’s Approach to Climate Action Reflects the TCFD Recommendations

#### Governance
- Board responsibility for climate action, defines strategy and targets and monitors progress
- Central Department Sustainability/Strategy to coordinate measures
- ESG Score as central management KPI including CO₂-Intensity

#### Strategy
- CO₂ reduction in building stock & construction defined as major drivers for business strategy
- High modernization rate of ≥ 3% p.a. and fuel-switch to renewable energies
- Scenario modelling of climate pathways together with Fraunhofer Society

#### Risk Management
- Climate change fully integrated in Corporate Risk Management
- Physical risks assessed via risk maps based on regularly updated sources
- No material physical risks for Vonovia’s properties identified

#### Metrics & Targets
- 1.147 mn t CO₂e in portfolio in 2019 (scopes 1,2,3 acc. to GHG protocol)
- Targets:
  - GHG neutral building stock until 2050
  - CO₂-intensity of 30-35 kg/m²/a until 2030
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