

# Unaudited Interim Financial Report 2023

Vonovia Finance B.V., Amsterdam



# Contents

2	<b>Management Report for the Unaudited Interim Financial Report 2023</b>
9	<b>Responsibility Statement</b>
10	<b>Unaudited Interim Financial Statements</b>
10	Balance Sheet as of June 30, 2023
12	Income Statement for the Period from January 1 to June 30, 2023
13	Statement of Cash Flows for the Period from January 1 to June 30, 2023
14	Notes to the Unaudited Interim Financial Statements 2023
37	<b>Other Information</b>
37	Profit Appropriation According to the Articles of Association

# Management Report for the Unaudited Interim Financial Report 2023

## History

In 2013, Vonovia Finance B.V. ("FINANCE B.V."), Amsterdam, was founded by Vonovia SE as a wholly owned subsidiary following the IPO of Vonovia SE, Bochum, Germany, with the intention of acting as a main contributor to the execution of the finance strategy. The company acts as a financing vehicle to arrange for debt financing on the international debt capital markets, primarily by issuing bonds, preferably through the Luxembourg Stock Exchange.

The finance strategy of the Group as a whole is to pursue various complementary objectives simultaneously in order to ensure sufficient liquidity at all times based on a sustainable equity-funding ratio with a balanced financing structure comprising a mix of different financial instruments and a smooth maturity profile of debt financing. This ensures a favorable LTV (loan-to-value) ratio while optimizing funding expenses and simultaneously ensuring the credit rating classification.

Based on a comfortable platform of equity and debt investors and non-current credit ratings for Vonovia SE, the company has excellent access to international capital markets at affordable conditions, which ensures sufficient liquidity at all times. As of June 29, 2023, Scope maintained its A-rating for Vonovia SE, but changed its outlook from Stable to Negative due to the increased risk that deleveraging efforts might fail to produce a leverage ratio in line with the current rating. Moody's maintained its Baa1 and S&P its BBB+ with stable outlook rating. The senior unsecured bonds share the same investment-grade rating as Vonovia SE.

The function of FINANCE B.V. as a financing vehicle for the Vonovia Group is set up in such a way that it earns an arm's-length margin on intercompany loans in excess of its borrowing costs on bonds and loans. This should leave the company with sufficient profit to cover operational expenses. Based on that, FINANCE B.V. will achieve a reasonable profit and cash flow under these circumstances. The liquidity of the company is ensured by the Vonovia Group's cash pool.

Common Dutch practice is to have a tax ruling for these international transactions within the Vonovia Group. FINANCE B.V. filed for a Dutch-German bilateral Advance Pricing Agreement (BAPA) in 2019 for the years 2018-2022 with a rollback for the years 2016-2017 in order to mitigate the risk of double taxation. The request has been accepted by the Dutch tax authorities. Consequently, discussions with the German authorities have begun and are still ongoing.

The Vonovia Group's broad access to capital markets offers a competitive distinction in the real estate business and represents a clear strategic advantage. Fast and direct access to international debt capital markets has been a key success factor for the company's growth in recent years.

## Debt Capital Markets

### Bonds

Over the years, the company has issued various debt instruments like EUR bonds, EMTN bonds, USD bonds and Hybrid bonds. The bonds issued by FINANCE B.V. are supported by the unconditional and unlimited guarantee of Vonovia SE.

Most popular are the EMTN bonds that are issued under the European Medium-Term Notes Program (EMTN Program). This program allowed the company to raise funds on relatively short notice without significant administrative efforts. The EMTN Program with a total issuance volume of € 30.0 billion has been updated annually by FINANCE B.V. until 2020, and the corresponding base prospectus has been supplemented each time new material information became available. In 2021, the base prospectus was transferred to Vonovia SE. Each update and supplement of the program is approved by the regulatory authority of the Grand Duchy of Luxembourg (Commission de Surveillance du Secteur Financier, CSSF) and the bonds issued under the EMTN Program have been accepted for listing on the Luxembourg Stock Exchange. The total utilization of the EMTN Program issuance volume is € 12,122 million as of June 30, 2023.

The table below shows all the outstanding bonds as of June 30, 2023:

Bond Program/Type	#	Notional Amount in € million	Avg. Coupon	Rem. Term (y)
USD bond	1	185	4.580%	0.3
EMTN fix	22	12,122	1.419%	5.1
<b>Total</b>	<b>23</b>	<b>12,307</b>	<b>1.467%</b>	<b>5.0</b>

As of June 30, 2023, FINANCE B.V. has a total indebtedness of € 12,307 million incl. € 185 million from an outstanding USD bond, which has been issued under separate documentation. The number does not include loans which have been on-lent to Vonovia Group entities. The average coupon is 1.467% and the average maturity is 5.0 years.

Bonds have been placed on the debt capital market mainly with European banks, asset managers and insurance companies. USD bonds have usually been placed through private placements. Currently, the company has one USD bond outstanding

### Loans

In the past, FINANCE B.V. took advantage of the attractive financing costs of secured financings for longer tenors in comparison with unsecured bond issuances. The company has entered into loan agreements with various lenders.

As of June 30 2023, FINANCE B.V. has € 1,270 million of loans outstanding (notional amount) as shown in the table below.

Lender	Collateral	Notional Amount in € million	Coupon	Rem. Term (y)
M.M. Warburg & Co	unsecured	50	0.290%	3.2
Commerzbank AG	secured	168	0.540%	6.2
Landesbank Baden-Württemberg	secured	300	0.677%	6.7
ING-DiBa AG	secured	100	0.864%	6.7
Berliner Sparkasse	secured	100	0.841%	6.7
Berlin Hyp	secured	184	0.780%	7.0
Commerzbank AG	secured	200	0.500%	4.4
Berlin Hyp	secured	168	0.750%	7.4
<b>Total</b>		<b>1,270</b>	<b>0.668%</b>	<b>6.3</b>

## Operations During the Period

In light of the envisaged merger of the company with its sole shareholder Vonovia SE, the Supervisory Board was abolished on January 9, 2023 through the amendment of the articles of association. The Management Board expresses its immense gratitude for the work that the Supervisory Board has performed over the years.

On April 6, 2023, the company repaid the maturing € 403.4 million of Bond 022A by decreasing the intercompany loan with Vonovia SE

On June 30, 2023, the company repaid € 31.5 million of the € 200 million secured loan with Berlin Hyp by decreasing the intercompany loan with Vonovia SE. The repayment amount

was the agreed allocated loan amount for selling Berlin property by the third party guarantor BUWOG-Berlin Wohnen GmbH.

The company has three employees in total as of June 30, 2023.

## Financial Result

FINANCE B.V. closed the first half of 2023 with a net profit of € 6.7 million, which was driven by the normal course of business. The company has earned a reasonable income of € 21.6 million from the margin between the interest incurred on borrowing and interest earned from lending.

After subtracting € 10.3 million of amortized finance expenses, € 3.3 million of amortized cash flow hedge reserve from the termination of several pre-hedges and positive € 1.5 million in swap effects, the net spread is € 9.5 million.

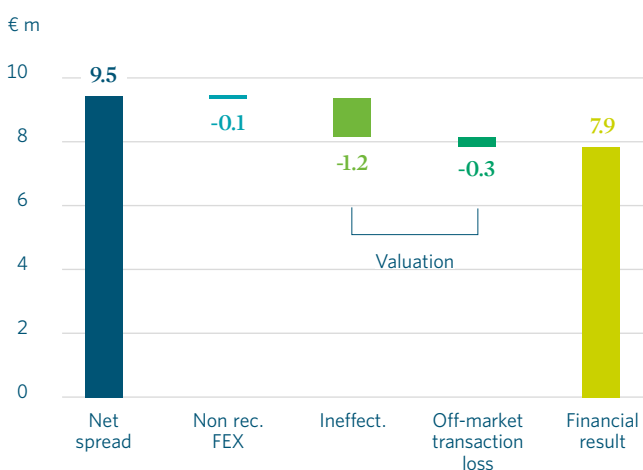
Below is the reconciliation of the amounts between the gross and net spread calculation as well as the interest income and expenses as mentioned in the Notes to the income statement:

Interest and Similar Income and Expenses (see Note in P&L) in € thousand	Gross Sprezd	Swaps	Financial Expenses	Amort. Cash Flow Hedge Reserve - Prehedges	Amort. Frozen Ineffective- ness - Prehedges	Net Spread
Interest income from affiliates/shareholder	117,050	-	-	-	-	117,050
Interest income from third parties	-	5,688	-	-	319	6,007
						<b>123,057</b>
Interest expenses from EMTN bonds	-85,433	-	-	-	-	-85,433
Interest expenses from USD bond	-5,688	-	-	-	-	-5,688
Interest expenses from secured financings	-4,361	-	-	-	-	-4,361
Interest expenses from term loan	-	-	-	-	-	-
Interest expenses from swaps	-	-4,235	-	-	-	-4,235
Interest expenses from liquidation forward swaps	-	-	-	-3,322	-319	-3,641
Other interest expenses to third parties	-	-	-10,248	-	-	-10,248
						<b>-113,607</b>
<b>Total</b>	<b>21,567</b>	<b>1,453</b>	<b>-10,248</b>	<b>-3,322</b>	<b>-</b>	<b>9,450</b>

The picture hereafter shows the bridge between the net spread and the financial result. The relatively small amount of non-recoverable financial expenses of € 0.1 million relates mainly to agency fees (listing, paying) related to the bonds.

The valuation effects result from ineffectiveness from the hedge accounting methodology in the amount of negative € 1.2 million and from the first-day loss of the CCS in the amount of € 0.3 million.

### Financial Result



FINANCE B.V. is included in the consolidated financial statements of Vonovia SE prepared in accordance with IFRS as endorsed in the EU.

## Risk Management

Within the Vonovia Group, Vonovia SE serves as the management holding company and the cash pool leader. FINANCE B.V. is an integral part of the Vonovia SE risk management and internal control system and is monitored by the middle office of the Vonovia Treasury department. This department takes care of the main business risks of FINANCE B.V., which include interest rate risk, liquidity risk, counterparty risk and, to a certain degree, currency risk. Vonovia Treasury is also responsible for executing reasonable hedging of these risks. FINANCE B.V. is also subject to regular internal audit procedures.

The operational execution of tasks and day-to-day business activities are performed by the staff of FINANCE B.V.

The shareholder Vonovia SE has a series of standards, procedures and systems for identifying, measuring and managing different types of risk. These are described in its annual reports, which are publicly available at [www.vonovia.de](http://www.vonovia.de).

To support the Management Board's external representations, Management takes responsibility and covers financial and non-financial reporting disclosures, financial reporting controls, compliance with the Code of Conduct and other Vonovia SE rules, as well as fraud and irregularities in their yearly Letter of Representation (LoR).

In terms of specific content, the main features of the compliance management system are Vonovia's Code of Conduct, which focuses on ethical values and statutory requirements and reinforces the personal responsibility of employees, Vonovia's Compliance Guidelines and a Business Partner Code setting out requirements that the company's contractual partners have to meet. An external ombudsman is available to all employees and business partners as a confidant in respect of compliance matters.

In 2020, Vonovia focused on establishing a system to prevent and combat corruption: A new anti-corruption policy and a policy designed to protect whistleblowers form the basis for these efforts. The existing system featuring an independent ombudsman is to be supplemented and expanded to include a hotline that allows whistleblowers to remain anonymous. An additional anti-money laundering policy addresses the particular field of money laundering in the real estate sector and also supports efforts to combat abuse in this area.

Organizationally, risk management is directly assigned to the Management Board of Vonovia SE, which regularly monitors the risk management's effectiveness. The Management Board has overall responsibility for the risk management system. It decides on the organizational structures and work-flows of risk management and the provision of resources. It approves the documented risk management findings and takes account of them in steering the company. The Audit Committee of the Supervisory Board of Vonovia SE monitors the effectiveness of the risk management system. Executives belonging to the first level below the Management Board are appointed as risk owners and, in this role, assume responsibility for the identification, assessment, documentation and communication of all material risks in their areas of responsibility. FINANCE B.V. generally has a conservative attitude toward risk and avoids any high-risk appetite.

Financial risks have been identified as the main risks to be monitored. The financial risks of the company are managed by matching interest expenses from its borrowings with interest income from loans to Group companies. Interest rate risk and foreign currency risk are generally mitigated by corresponding derivative instruments. Derivative contracts are entered into with major financial institutions with investment-grade credit ratings. Derivatives are not collateralized, but Vonovia SE acts as a guarantor for cross-currency swaps.

In order to minimize liquidity risk, cash flow risk and fair value risk, FINANCE B.V. is part of the Vonovia Group cash-pooling system. There is a significant concentration of credit risk as all borrowings are on-lent to Vonovia Group companies. However, the sole shareholder acts as a general guarantor for all borrowings. Therefore, the risk of FINANCE B.V. is the same as that of Vonovia SE and is based on the credit rating of Vonovia SE.

The following table shows that the current risk profile is determined on the basis of this risk analysis and the control measures. The current risk profile is assessed and compared with the desired risk profile. Action plans are drawn up for each risk if the current profile is graded at a higher level than the desired risk profile in order to further control/reduce the existing exposure. Thus far, no action plan has become necessary.

Risk Area	Risks	Controls/Mitigation	Risk Appetite		
			Low	Medium	High
Strategic	Uncertainty of funding costs	Continuous monitoring of debt markets and forward-looking decision-making approach		○	
	Funding requirements and funding mix for rating agencies and covenants	Covenant management		○	
	Implementation of new technologies (blockchain)	Extensive "test environment" with low volumes, renowned investors and external advisors		○	
Operational	Liquidity risk	Cash pool with Vonovia SE	○		
	Refinancing risk	Increased debt issuance limits, diversified financing alternatives (CP/RCF/secured/unsecured)		○	
Financial	Foreign currency risk (USD/SEK)	Hedging with FX derivatives (forwards, options, swaps), asset-liability management	○		
	Credit risk (CVA/DVA)	Continuous monitoring/analysis		○	
	Cash flow interest rate risk	Hedging with IR derivatives (swaps, swap options)		○	
Compliance	International tax compliance	Bilateral APA	○		
	Compliance with Code of Conduct/corp. governance	Continuous monitoring		○	
	New regulatory requirements (MiFID II, EMIR Refit)	Continuous monitoring	○		

○ = Current risk profile      ○ = Desired risk profile

### Environmental Issues

We believe that achieving the goals set out in the Paris Agreement is one of the greatest challenges of our time. Vonovia is living up to its responsibility in this area and supports the global objective, and the German government's non-current objective, of achieving a virtually climate-neutral housing stock by 2050.

Vonovia's issuance of its inaugural Green bond in 2021 and the new Sustainable Finance Framework of 2022 stressed the importance of the environment in the way we work. In total, the Vonovia Group holds six Green bonds in the total amount of € 2.9 billion.

### Employee Issues

The satisfaction of our employees is a decisive indicator for allowing us to assess our appeal as an employer. In 2022, Vonovia conducted a superficial survey among all its employees. Another comprehensive survey is planned for 2023. Going forward, employee satisfaction value will be introduced as a key performance indicator.

Appreciation, performance, responsibility and team spirit are at the center of our corporate culture. These are the values that will allow us to rise to the challenges facing our sector and achieve our corporate objectives.



## Outlook

On July 3, 2023, the company repaid the maturing € 391.6 million of Bond 019 by decreasing the intercompany loan with Vonovia SE.

In July 2023, Vonovia has conducted another public cash tender offer in order to actively manage bonds and to buy them back before their expiration. The targeted bonds are 13 EMTN bonds of the company maturing between 2024 and 2030.

The debt tender presents the aim to manage refinancing risk and to demonstrate Vonovia's willingness to reduce leverage particularly to rating agencies and investors.

The result of the tender was announced on July 11, 2023. As shown below, approximately € 553.1 million of the company's bonds has been tendered. This also led to a decrease in the intercompany loan with Vonovia SE.

Instrument	Outstanding	Tendered and Accepted	% Instructed and Accepted	% Purchase Price	Purchase Price
January 2024 Notes (017A)	€373,000,000	€ 44,600,000	11.96%	98.200%	€ 43,797,200
April 2024 Notes (023A)	€390,000,000	€ 53,600,000	13.74%	98.000%	€ 52,528,000
December 2024 Notes (013)	€890,000,000	€ 19,400,000	2.18%	95.595%	€ 18,545,430
March 2025 Notes (009B)	€500,000,000	€ 14,567,000	2.91%	94.908%	€ 13,825,248
June 2025 Notes (020)	€500,000,000	€ 70,800,000	14.16%	94.763%	€ 67,092,204
September 2025 Notes (015)	€500,000,000	€ 70,200,000	14.04%	92.518%	€ 64,947,636
March 2026 Notes (018B)	€700,000,000	€ 48,000,000	6.86%	91.408%	€ 43,875,840
June 2026 Notes (011B)	€500,000,000	€ 55,800,000	11.16%	91.387%	€ 50,993,946
July 2026 Notes (024A)	€750,000,000	€ 77,000,000	10.27%	87.951%	€ 67,722,270
January 2028 Notes (017B)	€500,000,000	€ 8,500,000	1.70%	85.868%	€ 7,298,780
March 2030 Notes (018C)	€500,000,000	€ 4,400,000	0.88%	80.706%	€ 3,551,064
April 2030 Notes (023B)	€500,000,000	€ 20,300,000	4.06%	83.008%	€ 16,850,624
July 2030 Notes 024B)	€750,000,000	€ 45,900,000	6.12%	77.373%	€ 35,514,207
<b>Total</b>		<b>€ 533,067,000</b>			<b>€ 486,542,449</b>

<b>Gross profit</b>	<b>€ 46,524,551</b>
<b>Net profit</b>	<b>€ 44,328,480</b>
<b>Allocatable Vonovia SE</b>	<b>€ 43,968,047</b>
<b>Allocatable Vonovia Finance BV</b>	<b>€ 360,432</b>

As the purchase price for the tendered bonds is below 100%, the company realized a gain of € 46.5 million before related costs of € 2.2 million. Based on the allocation of risks between the company and Vonovia SE, as laid out in the APA, the gain apportionment led to an amount of only € 0.4 million.

On January 8, 2021, the Management Board of Vonovia SE discussed restructuring FINANCE B.V. during the course of 2021. In order to increase the efficiency of the Group's finance activities, the Management Board of Vonovia SE expressed its intention to merge FINANCE B.V. into its sole shareholder Vonovia SE. As Vonovia SE already stands as guarantor for all outstanding financial liabilities of FINANCE B.V., no material effects are expected in connection with the restructuring.

The timing of the merger still remains unknown as discussions with the relevant authorities are still ongoing. Until that time, the Management Board expects a positive result for 2023 based on the profit margin from the normal course of business.

The purpose of the law on management and supervision (Wet Bestuur en Toezicht) is to attain a balance of men and women (at least 30% of each gender) on the boards of directors and supervisory boards of large entities. After considering the current nature and activities of the Group and the knowledge and expertise of the current board members, the existing composition of the Management Board is considered appropriate.

These days, our key financial figures are only secondary. We stand in solidarity with the people of Ukraine. Our thoughts are with the men and women who had to flee their homeland to escape from war, bring their children and grandchildren to safety and save their lives.

Amsterdam, August 15, 2023

Original has been signed by  
Iwan Oude Roelink (Chairman)

Original has been signed by  
Rick van Dijk

# Responsibility Statement

The Management Board has declared that, to the best of its knowledge:

- > The financial statements for the six month period ending June 30, 2023, which have been prepared in accordance with the Dutch Civil Code, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the company.
- > The Management Report includes a fair review of the development and performance of the business and the position of the company, together with the description of the principal risks and uncertainties they face, as required pursuant to section 5:25d of the Dutch Financial Markets Supervision Act (“Wet op het financieel toezicht”).

Amsterdam, August 15, 2023

Original has been signed by  
Iwan Oude Roelink (Chairman)

Original has been signed by  
Rick van Dijk

# Unaudited Interim Financial Statements

## Balance Sheet as of June 30, 2023

(before distribution of profit/loss)

in € thousand	Note	Dec. 31, 2022	Jun. 30, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible non-current assets	5	1	1
Financial non-current assets			
Receivables from affiliated companies and shareholder	6	13,887,224	13,747,835
Deferred tax assets	7	757	306
		<b>13,887,982</b>	<b>13,748,142</b>
<b>Current assets</b>			
Financial current assets			
Receivables from affiliated companies and shareholder	6	280,177	-
Receivables from derivatives	22	47,787	45,163
Other assets	8	1,185	1,192
Cash and cash equivalents	9	1	1
		<b>329,150</b>	<b>46,356</b>
<b>Total assets</b>		<b>14,217,132</b>	<b>13,794,498</b>

in € thousand	Note	Dec. 31, 2022	Jun. 30, 2023
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Shareholders' equity		18	18
Share premium reserve		100,000	100,000
Cash flow hedge reserve	22	-1,229	4,524
Other reserves		48,263	46,434
Unappropriated loss/profit		-1,829	6,732
<b>Total shareholders' equity</b>	<b>10</b>	<b>145,223</b>	<b>157,708</b>
<b>Non-current liabilities</b>			
Liabilities to banks	11	1,300,445	1,269,070
Bonds	12	10,770,128	10,013,844
		<b>12,070,573</b>	<b>11,282,914</b>
<b>Current liabilities</b>			
Bonds	12	1,902,800	2,258,825
Liabilities from affiliated companies	6	-	12,237
Accrued liabilities	13	98,517	82,809
Other liabilities	13	19	5
		<b>2,001,336</b>	<b>2,353,876</b>
<b>Total equity and liabilities</b>		<b>14,217,132</b>	<b>13,794,498</b>

## Income Statement for the Period from January 1 to June 30, 2023

in € thousand	Note	Jan.-Jun. 2022	Jan.-Jun. 2023
<b>Income</b>			
Interest and similar income	14	150,736	123,057
<b>Expenses</b>			
Interest and similar expenses	14	-131,832	-115,162
<b>Financial result</b>			
		<b>18,904</b>	<b>7,895</b>
Other operating income		-	-
Personnel expenses	15	-189	-206
Depreciation of tangible non-current assets	16	-1	0
Other operating expenses	18	-420	-198
<b>Total expenses</b>		<b>-610</b>	<b>-404</b>
<b>Profit before taxation</b>			
		<b>18,294</b>	<b>7,491</b>
Income taxation	19	-1,181	-759
<b>Profit for the period</b>		<b>17,113</b>	<b>6,732</b>

The Notes on pages 16 to 38 are an integral part of these financial statements.

## Statement of Cash Flows for the Period from January 1 to June 30, 2023

in € thousand	Note	Jan.-Jun. 2022	Jan.-Jun. 2023
<b>Profit for the period</b>		17,113	6,732
<b>Adjustments for non-cash items</b>			
Loss (gain) on revaluation of financial instruments		28,937	2,996
Revaluation of cash flow hedge reserve		4,569	5,753
Deferred tax assets	7	19	451
Income taxation		1,164	1,155
<b>Changes in operating assets and liabilities</b>			
Receivables from affiliated companies and shareholder	6	1,273,641	419,566
Derivative financial instruments	22	-20,500	2,624
Accrued liabilities	13	-23,181	-15,708
Other assets	8	-509	-7
Other liabilities	13	-13	-14
Tax paid		-1,164	-1,155
<b>Cash flows from operating activities</b>		<b>1,280,076</b>	<b>422,393</b>
Receivables from third party		217,225	-
<b>Cash flows from investing activities</b>		<b>217,225</b>	<b>0</b>
Proceeds from liabilities due to affiliated companies	13	1,724	12,237
Repayment of bonds (including reduced tender bonds)	12	-1,499,121	-403,255
Proceeds from liabilities due to banks	11	96	-31,375
<b>Cash flows from financing activities</b>		<b>-1,497,301</b>	<b>-422,393</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>0</b>	<b>0</b>
		<b>0</b>	<b>0</b>
Movements in cash and cash equivalents can be broken down as follows:			
<b>Balance as of January 1</b>		<b>0</b>	<b>1</b>
Movement during the year		-	-
<b>Balance as of June 30</b>		<b>0</b>	<b>1</b>

# Notes to the Unaudited Interim Financial Statements 2023

## 1 General Information

### 1.1 Activities

The business purpose of Vonovia Finance B.V. (“the company” or “FINANCE B.V.”), with its statutory domicile in Amsterdam, is to raise funds on international debt markets through the issuance of unsecured and unsubordinated bonds as well as an unsecured and subordinated hybrid bond, commercial papers and secured and unsecured loans for Vonovia SE, Bochum, Germany, and its affiliated companies and to on-lend the raised funds to Vonovia SE and its Group companies for the purposes of Group financing and, in 2021, for a third party.

The head office (principal place of business) is located at Apollolaan 133, 1077 AR Amsterdam, The Netherlands. The company is registered under the number 58224416 at the Dutch Chamber of Commerce (KVK).

Based on a comfortable platform of equity and debt investors and non-current credit ratings of BBB+ (S&P), Baa1- (Moody’s) and A- (Scope) for Vonovia SE, the company has excellent access to international capital markets at affordable conditions, which ensures sufficient liquidity at all times. The senior unsecured bonds share the same investment-grade rating as Vonovia SE. That, combined with the Vonovia SE unlimited and unconditional guarantee, should be considered the basis for FINANCE B.V.’s activities on international debt markets.

The operations of FINANCE B.V. comprise the following:

- > to participate in, finance, hold any other interest in, or to conduct management of other legal entities, partnerships, or enterprises;
- > to furnish guarantees, provide security, warrant performance, or in any other way assume liability, whether jointly, severally, or otherwise, for or in respect of obligations of Group companies or other legal parties;
- > to do anything that, in the broadest sense of the words, is connected with or may be conducive to the attainment of these objects.

### 1.2 Group Structure

FINANCE B.V. is a member of the Vonovia Group. The ultimate parent of the Group is Vonovia SE with its legal domicile in Bochum, Germany. Vonovia SE is also the direct parent company of FINANCE B.V. The decision has been made to merge FINANCE B.V. into Vonovia SE, but the discussion with the relevant authorities are still ongoing. These unaudited interim financial statements cover the first half year of 2023, which ended on the balance sheet date of June 30, 2023. The financial statements of FINANCE B.V. have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code and are included in the Vonovia SE consolidated financial statements prepared according to IFRS as endorsed in the EU. These financial statements are published in the German legal gazette and are available on Vonovia’s website at [www.vonovia.de](http://www.vonovia.de).

### 1.3 Going Concern

The company generated a net profit of € 6,732 k for the year from January 1 to June 30, 2023 (January 1 to December 31, 2022: net loss € 1,829 k), which, together with the cash flow-hedge reserve, resulted in net equity of € 157,708 k (December 31, 2022: € 145,223 k) for the shareholder’s equity.

In the future, the earnings of the company will be determined by income items associated with the on-lending of raised funds and profitability will be based on the margins obtained from on-lending in excess of the interest to be paid on the notes and the operational charges.

The negative working capital situation of the company will not be an issue because the current bonds have also been offset by the receivables of the affiliated companies, which are, however, generally recognized as non-current receivables. In addition, the repayment of bonds or loans is expected to be refinanced at any time by the addition of new bonds or loans. Based on that, FINANCE B.V. will achieve a reasonable profit or loss under these circumstances and no significant going concern risks have been identified. Finally, FINANCE B.V. is supported by the unconditional and unlimited guarantee of Vonovia SE. The financial statements of the company have been prepared on the basis of the going concern assumption.



### 1.3.1 Impact of COVID-19 on the Company's Business

FINANCE B.V. is an integral part of the Vonovia SE risk management and internal control system. In order to minimize liquidity risk, cash flow risk and fair value risk, FINANCE B.V. is part of the Vonovia Group cash-pooling system. Vonovia SE acts as a guarantor for all borrowings which are on-lent to the Vonovia Group, so the incurred losses of the IC loans are limited to FINANCE B.V. Nothing has changed under COVID-19 for these risks, so no impairment assessment has been carried out. As of June 2023, the company has had no collectability issues from counterparties. None of the Group's affiliates are or have been in a default position and there are no indications to date that this will occur.

At this stage, FINANCE B.V. has no intention of implementing actions that would impact its business plan. However, the company is continuing to monitor the situation and evolution of the COVID-19 outbreak in order to implement the necessary actions in a timely manner if needed.

### 1.4 Related Party Transactions

All legal entities that can be controlled, jointly controlled, or significantly influenced are considered to be a related party. Furthermore, entities that can control the company are considered related parties. In addition, statutory directors and other key personnel of FINANCE B.V. or of the shareholder or ultimate parent and close relatives are regarded as related parties.

All transactions between the company and related parties are disclosed in the Notes insofar as they are not at arm's length. The nature, extent, and other information are disclosed if this is required to provide a true and fair view.

### 1.5 Estimates

Preparing financial statements and applying relevant rules may require the use of critical accounting estimates, which requires exercising professional judgment. Estimates used in these financial statements are limited to the use of other assets, accrued liabilities for general expenses, and other liabilities based on tax experience and sound professional judgment. This predominantly applies to the determination of derivative instruments' fair value (Note 22) and the fair value calculations of the receivables from affiliated companies and shareholders (Note 6).

If it is necessary to provide a view in accordance with the nature of these estimates and judgments, including the related assumptions, this is disclosed in the Notes for the financial statement items in question.

Unless explained otherwise, the estimates made by the management in preparing the 2023 interim financial statements are similar to those used in the 2022 financial statements.

### 1.6 Accounting Policies for the Statement of Cash Flows

The statement of cash flows has been prepared using the indirect method. The cash items disclosed in the statement of cash flows comprise cash at banks and cash in hand, except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated foreign exchange rates. Exchange differences affecting cash items are shown separately in the statement of cash flows. The receivables to affiliated companies and shareholder, interest paid and received and income taxes are included in cash flows from operating activities. The changes of tangible non-current assets and the receivables from third party have been settled in the cash flow from investing activities. Cash flows from financing activities are proceeds from liabilities due to affiliated companies, proceeds from issuing bonds, repayments of bonds and also proceeds from liabilities due to banks. Transactions not resulting in cash inflow or outflow are listed under adjustments for non-cash items.

### 1.7 Comparison with Previous Period

The valuation principles and method of determining the result are the same as those used in the previous period.

## 2 Principles of Valuation for Assets and Liabilities

### 2.1 Dutch Accounting Standards

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

### 2.2 General

The financial statements are denominated in euros. All amounts have been rounded to the nearest thousand.

Generally, assets and liabilities are stated at the amounts at which they were acquired or incurred, or at fair value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred.

The balance sheet, income statement, and statement of cash flows include references to the Notes.

### 2.3 Foreign Currencies

#### Functional Currency

Items in the financial statements of FINANCE B.V. are stated with due observance of the currency of the primary economic environment in which the respective Group company operates (the functional currency); FINANCE B.V. and Vonovia SE are both in the eurozone and the functional currency of both is the euro.

#### Transactions, Receivables, and Liabilities

Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate prevailing as of the balance sheet date. Investments are stated at the historical exchange rate. Transactions denominated in foreign currencies during the reporting period are recognized in the financial statements at the exchange rate as of the transaction date.

In the income statement, foreign exchange gains and losses resulting from the settlement of such transactions and from translation at period-end exchange rates are recognized, except when deferred in equity as qualifying hedges.

Translation differences on non-monetary assets held at cost are recognized using the exchange rates prevailing as of the dates of the transactions.

Foreign exchange differences arising upon the settlement or conversion of monetary items are recognized in the income statement in the period that they arise, unless they are hedged.

#### Hedging

In respect of any positions in the balance sheet that are covered by cross-currency interest rate swaps, which mitigate foreign currency risk and interest rate risk, or by foreign exchange forward contracts, the differences in values calculated at mid-rates at the end of the period and contract rates are allocated to the respective principals of the loans. If the loan taken is denominated in a currency other than euros, the respective correction is allocated to this loan. Otherwise, the relevant loan granted is corrected. The underlying EUR/USD exchange rate as of June 30, 2023, was fixed at 1.0866 and as of December 31, 2022, was fixed at 1.0666. The company applies cash flow hedging for derivative financial instruments that meet certain criteria. Refer to Note 2.15.

#### 2.4 Tangible Non-current Assets

Tangible non-current assets are valued at historical cost or production cost including directly attributable costs less straight-line depreciation based on the expected future life and impairments.

Equipment, furniture, and office equipment are depreciated over periods of between three and ten years. A depreciation period of three years is used for computer hardware.

#### 2.5 Financial Non-current Assets

##### Offsetting Financial Instruments

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the company has the firm intention to settle the balance on a net basis or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

##### Loans, Particularly Loans to Affiliated Companies

Loans and receivables to Group companies with a term of more than one year are treated as financial non-current assets, as are receivables and liabilities from the cash pool, due to a new contract concluded in April 2022. These loans and receivables are initially valued at the fair value of the amount owed, which normally consists of the face value. They are subsequently measured at amortized cost; FINANCE B.V. does not issue loans if it is clear from the outset that they will not be repaid.

#### 2.6 Impairment of Non-current Assets

On each balance sheet date, the company tests whether there are any indications of non-current assets being subject to impairment. If any such indications are present, the realizable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash-generating

unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount is higher than its realizable value; the realizable value is the higher of the fair value less disposal costs and the value in use.

An impairment loss is directly recognized in the income statement and the carrying amount of the asset concerned is concurrently reduced.

The fair value less disposal costs is initially based on a binding sale agreement; if there is no such agreement, the fair value less disposal costs is determined based on the active market, whereby the prevailing bid price is usually taken as the market price. For the determination of the value in use, an estimate is made of the future net cash flow in the event of continued use of the asset.

If it is established that an impairment which was recognized in the past no longer exists or has been reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment loss for the asset concerned had been reported.

The amount of an impairment loss incurred on financial assets stated at amortized cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed upon initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event that occurred after the impairment was recognized, the previously recognized impairment loss will be reversed. The reversal will not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized on the date the impairment was reversed. The amount of the reversal will be recognized through profit or loss.

### **2.7 Deferred Taxes**

Deferred income tax assets are recognized to provide for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. This is done with the understanding that deferred income tax assets are recognized only to the extent that it is probable that a future taxable profit will be available against which the temporary differences and fiscal losses can be utilized.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized.

Deferred income taxes are recognized at face value.

### **2.8 Current Assets**

#### **Receivables and Other Assets**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest income is recognized using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Current receivables are due and will be received within one year.

#### **2.9 Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank balances, and deposits held at call with maturities under three months. Bank overdrafts are shown as borrowings under current liabilities. Cash and cash equivalents are stated at nominal value.

#### **2.10 Equity**

##### **Shareholders' Equity**

Issued financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution. Issued financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities.

Incremental costs directly attributable to the purchase, sale, and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

##### **Share Premium Reserve**

Amounts contributed by the shareholders of the company in excess of the nominal share capital are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or rights to acquire shares of the company.

##### **Cash Flow Hedge Reserve**

The cash flow hedge reserve comprises the effective portion of the accumulated net change in the fair value of cash flow hedge instruments for hedged transactions. This cash flow hedge reserve is released during the period which the cash flows from the hedged items are realized. The cash flow hedge reserve is not freely distributable in accordance with the Dutch Civil Code.

### Other Reserves

Other reserves comprise the accumulated net income and loss of the company.

## 2.11 Non-current Liabilities

### Liabilities to Banks

Loans issued by banks are initially measured at fair value and subsequently at amortized cost net of transaction costs. Released transaction costs lead to an altered subsequent measurement. All non-current amounts due from loans issued by banks have a maturity of over one year. Debt issuance costs are netted against a nominal amount as part of determining the amortized cost value.

### Bonds

Bonds are initially measured at fair value less transaction costs. The subsequent measurement is calculated with the effective interest rate method at amortized cost. All non-current amounts due from bonds have a maturity of over one year. Debt issuance costs are netted against a nominal amount as part of determining the amortized cost value.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the non-current debts.

## 2.12 Current Liabilities

Current liabilities with a remaining maturity of one year or less are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, which equals the amount received, taking into account any premiums or discounts, less transaction costs.

### Bonds

Bonds are initially recognized at fair value and subsequently valued at amortized cost net of transaction costs. All current amounts payable from bonds within one year are disclosed under current liabilities. This specifically includes accrued interest.

### Accrued Liabilities

Accruals are stated at the amount required, based on sound business judgment and valued at expected cost. Accrued liabilities comprise outstanding invoices.

### Other Liabilities

Upon initial recognition, current liabilities are recognized at fair value. After initial recognition, current liabilities are recognized at amortized cost, which equals the amount paid, taking into account premiums or discounts, less transaction costs. This is usually the nominal value.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the non-current debts.

### Current and Deferred Income Tax

The current Dutch nominal tax rate of 25.8% has been applied. For deferred taxes, 25.8% is used.

## 2.13 Accounting Policies for Operational Lease and Rental Contracts

Operational lease contracts exist whereby a large part of the risks and rewards associated with ownership are not incurred by or for the benefit of FINANCE B.V. Lease contracts are recognized as operational leasing. Lease payments are recorded in the income statement on a straight-line basis, taking into account reimbursements received from the lessor, for the duration of the contract.

## 2.14 Provisions

Provisions are recognized for legally enforceable or constructive obligations arising from past events, existing as of the balance sheet date, the settlement of which is likely to require an outflow of resources which the extent can be reliably estimated.

Provisions are measured on the basis of the best estimate of the amounts required to settle the obligations as of the balance sheet date. Unless indicated otherwise, provisions are stated at the present value of the expenditure that is expected to be required to settle the obligations.

If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that reimbursement will be received when the entity settles the obligation. The reimbursement shall be treated as a separate asset.

### 2.15 Financial Instruments

Securities included in non-current and current assets as well as liabilities and derivative financial instruments are initially and subsequently measured at fair value. The company applies cash flow hedge accounting to hedge currency risk on borrowings and loans. While the derivative is stated at fair value, the hedged item is measured at amortized cost. The gain or loss relating to the ineffective portion is recognized in the income statement within financing costs.

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's-length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's-length market transactions between knowledgeable, willing parties, if available; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models, allowing for entity-specific inputs.

The company applies hedge accounting. The company documents the relationship between hedging instruments and hedged items as of the inception of the transaction. The company also documents its assessment, both as of hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

With a cash flow hedge, the changes in fair value of the derivative hedging instrument are initially recognized in the cash flow hedge reserve to the extent that the hedge is effective. Amounts accumulated in the cash flow hedge reserve are reclassified to the income statement at the same time that the underlying hedged item affects net income. To the extent that the hedge is ineffective, the change in fair value is immediately recognized in net interest.

The company will discontinue hedge accounting in the following cases:

- > The hedging instrument expires or is sold, terminated, or exercised.
- > The hedge no longer meets the criteria for hedge accounting.
- > The company revokes the designation.

To measure the cross-currency swap or the floater, the company discounts the floating future cash flows using available market data. The calculated cash flows result from the contract conditions and the US dollar forward exchange rate (development of exchange rates expected by the market).

Discounting is based on market interest rate data as of the reporting date for comparable instruments (EURIBOR rate of the same tenor). The fair value contains the credit risk of the cross-currency swaps and therefore permits adjustments for the company's own credit risk or for the counterparty's credit risk.

## 3 Principles for Recognition of Income and Expenses

### 3.1 General

Result is determined as the difference between the realizable value of services rendered and the costs and other charges for the period. Results on transactions are recognized in the period in which they are realized; losses are taken as soon as they are foreseeable.

### 3.2 Revenue Recognition, Financial Income, and Expenses

Interest income and costs from interest expenses are allocated to the reporting period in which they occur following the matching principle. Interest income and expenses are accounted for using the effective interest method, taking into account all relevant transaction costs.

### 3.3 Exchange Rate Differences

Exchange rate differences arising upon the settlement of monetary items are recognized in the income statement in the period in which they arise unless hedged.

### 3.4 Other Operating Income and Expenses

Other operating income and expenses include income and expenses that are not directly attributable to the interest income and expenses and are shown at the realizable value. Gains and losses upon the sale of tangible non-current assets are included in other operating income or other operating expenses, respectively. Costs are allocated to the period to which they relate.

### 3.5 Personnel Expenses

Salaries and social security contributions are charged to the income statement based on the terms of employment where they are due to employees and the tax authorities, respectively. There are no pension commitments for the Management Board, Supervisory Board or any other employees of FINANCE B.V.

### 3.6 Depreciation of Tangible Non-current Assets

Tangible non-current assets are depreciated over their expected useful lives as of the inception of their use. Future depreciation is adjusted if there is a change in estimated useful life.

### 3.7 Taxation

FINANCE B.V. has reached an agreement with the Dutch tax authorities regarding an advance pricing agreement ("APA") for the period of establishment until December 31, 2020.

Additionally, an application process for a bilateral APA (“BAPA”) was initiated in 2019. The APA rulings as per June 30, 2023 have been used.

The current tax position is not calculated on the basis of the ordinary profit or loss but by using the margin applied for the APA; the current income tax occurs even with a potential loss. Changes in deferred tax assets and deferred tax liabilities are also taken into account.

Deferred tax assets are recognized for all deductible temporary differences between the value of the assets and liabilities under tax regulations, on the one hand, and the accounting policies used in these financial statements, on the other, on the understanding that deferred tax assets are only recognized insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

## **4 Financial Instruments and Risks**

Risks associated with financial instruments are subject to the risk management system of the Vonovia Group and are monitored in particular through the middle office located in the Vonovia Group Finance and Treasury department.

### **4.1 Market Risk**

#### **Currency Risk for the Yankee Bond**

FINANCE B.V. mainly operates in the European Union. The currency risk for the company largely concerns positions and future transactions in US dollars. The functional currency of FINANCE B.V. is the euro and the majority of the asset side consists of positions in euros, hence exposing the company to the currency risk between the US dollar and the euro. Management has determined, based on risk assessment, that some of these currency risks need to be hedged. Forward exchange contracts are used for this purpose. Receivables and payables denominated in US dollars are hedged to the extent that it is highly probable that the purchases will occur.

The cash-effective currency risks arising in connection with the issuance of bonds in US dollars have been eliminated by the simultaneous contracting of cross-currency swaps by FINANCE B.V.

#### **Interest Rate Risk**

Risks associated with movements in interest rates are addressed through adequate interest rate hedges. Loans to affiliated companies are generally on fixed terms.

In the course of its business activities, FINANCE B.V. is exposed to cash-effective interest rate risks as a result of floating-rate debt as well as new and follow-on loans. Within this context, the interest markets are continually monitored by the Treasury department. Its observations are incorporated into the risk management and financing strategy.

### **4.2 Credit Risk**

Vonovia SE acts as a management holding and cash pool leader within the Vonovia Group. FINANCE B.V. is an integral part of the Vonovia risk management and control system. The risk of default arising from financial assets and derivative financial instruments involves the risk of default by counterparties. The receivables from third party have a bad debt risk with regard to the measurement at amortized costs.

The maximum loss from a derivative instrument is equal to its positive fair value. Risk is additionally limited through a limit system, which is based on credit assessments by the Treasury middle office, which uses announcements from international rating agencies to make these assessments. Generally, only banks with a non-current credit rating at least equal to that of Vonovia SE are defined as eligible counterparties of FINANCE B.V.

### **4.3 Liquidity Risk**

The company uses several banks that are selected at Group level. The liquidity risk is monitored by assuring that the critical terms of the relevant items match between the hedged item and hedging instrument. Finally, FINANCE B.V. is supported by the unconditional and unlimited guarantee of Vonovia SE.

### **4.4 Price Risk**

FINANCE B.V. incurs risk regarding the valuation of financial instruments disclosed under non-current assets and within current assets. The company manages market risk by stratifying the portfolio and imposing limits.

#### 4.5 Notes to the Statement of Cash Flows

The statement of cash flows shows how the cash of FINANCE B.V. has changed during the first half year of 2023 as a result of cash inflows and outflows. A distinction is made between changes in cash flow from operating activities, investing activities, and financing activities.

The cash flow from operating activities is determined from the profit or loss for the period using the indirect method and the adjustments for non-cash items. However, the main position, receivables to affiliated companies and shareholder, decreased because more of the loans to Vonovia Group companies were paid back, then the loan to shareholder grow up in the first half year of 2023.

Changes in tangible non-current assets were settled in the cash flow from investing activities, but the figures of this position was zero. The repayment of one bond in April 2023 and the partial repayment of the loan to Berlin Hyp AG in June 2023 were the mean positions in the results of the cash flow from financing activities in the first half year of 2023.

#### 5 Tangible Non-current Assets

Tangible non-current assets comprise office equipment and computer hardware, subject to depreciation.

in € thousand	Dec. 31, 2022	Jun. 30, 2023
Acquisition cost as of January 1	23	23
Additions during the period	-	-
Disposals during the period	-	-
Acquisition cost as of December 31/June 30	23	23
Accumulated depreciation as of January 1	21	22
Depreciation for the period	1	0
Accumulated depreciation disposals	-	-
Accumulated depreciation as of December 31/June 30	22	22
<b>Total book value</b>	<b>1</b>	<b>1</b>

#### 6 Receivables from Affiliated Companies and Shareholder

Receivables from affiliated companies and shareholder are related to Group financing. The interest on the receivables is based on the interest rates of the bonds. The receivables from intercompany loans bear an average interest rate, as of June 30, 2023, of 1.6674% for EMTNs and Yankee bond (as of December 31, 2022: 1.6242%), and the contracts have an unlimited term. Therefore, all intercompany loans are unsecured, non-current loans.

In addition, there are receivables or liabilities from the cash pool agreement with Vonovia SE as of June 30, 2023. In 2022, the company signed a new cash pooling contract with Vonovia SE. The receivables from cash pooling with a term of more than one year are classified as non-current assets, while the others are classified as current assets or current liabilities on the balance sheet; these are unsecured and unlimited.

The company has not granted nor has not been asked to grant any payment holidays on their loans to Group companies.

As of the balance sheet date, no non-current receivables from affiliated companies and shareholder were subject to impairments.

in € thousand	Dec. 31, 2022	Jun. 30, 2023
Vonovia SE	7,926,123	9,136,300
Deutsche Annington Acquisition Holding GmbH	1,683,764	683,764
Deutsche Annington Beteiligungsverwaltungs GmbH	613,439	613,439
Gagfah GmbH	383,928	383,928
Südost Woba Dresden GmbH	375,287	375,287
Wohnungsgesellschaft Norden mbH	297,099	297,099
Wohnbau Nordwest GmbH	228,914	228,914
Gagfah Erste Grundbesitz GmbH	192,530	192,530
Bremische Ges. f. Stadtern.-entw. & Wohnungsbau mbH	163,847	163,847
Kieler Wohnungsbaugesellschaft mbH	158,938	158,938
Deutsche Annington Holdings Eins GmbH	141,075	141,075
Beamten Baugesellschaft Bremen GmbH	121,550	121,550
Wohnungsbau Niedersachsen GmbH	119,286	119,286
Prima Wohnungsbauten Privatisierungs-Management GmbH	113,268	113,268
Deutsche Annington Holdings Zwei GmbH	111,833	111,833
DA DMB Netherlands B.V.	103,036	103,036
DAIG 1. Objektgesellschaft mbH	78,036	78,036
Deutsche Annington Wohnungsgesellschaft IV GmbH & Co. KG	62,953	62,953
Deutsche Annington Rhein-Ruhr GmbH & Co. KG	61,422	61,422
Osnabrücker Wohnungsbauges. mbH	58,399	58,399
Vonovia Immobilienmanagement one GmbH	55,224	55,224
Vonovia Elbe Wohnen GmbH	53,374	53,374
Gagfah Acquisition 1 GmbH	52,406	52,406
Bundesbahn-Wohnungsbauges. Kassel GmbH	44,268	44,268
Deutsche Annington Wohnungsgesellschaft I mbH	39,811	39,811
DAIG 9. Objektgesellschaft B.V.	32,883	32,883
DAIG 21. Objektgesellschaft B.V.	27,831	27,831
DAIG 20. Objektgesellschaft B.V.	24,120	24,120
DAIG 19. Objektgesellschaft B.V.	21,404	21,404
DAIG 2. Objektgesellschaft mbH	18,896	18,896
Deutsche Annington Heimbau GmbH	18,875	18,875
Vonovia Immobilienmanagment two GmbH	18,781	18,781
DAIG 4. Objektgesellschaft mbH	17,109	17,109
Deutsche Annington DMB Eins GmbH	16,200	16,200
DAIG. 22. Objektgesellschaft B.V.	14,475	14,475
DAIG 10. Objektgesellschaft B.V.	12,078	12,078
DAIG 3. Objektgesellschaft mbH	11,061	11,061
Fjord Immobilien GmbH	10,926	10,926
DAIG 11. Objektgesellschaft B.V.	10,773	10,773
DAIG 24. Objektgesellschaft B.V.	9,167	9,167
DAIG 23. Objektgesellschaft B.V.	7,979	7,979
Gagfah Acquisition 2 GmbH	7,796	7,796
DAIG 17. Objektgesellschaft B.V.	6,322	6,322
Börsenhof A Besitz GmbH	5,649	5,649



in € thousand	Dec. 31, 2022	Jun. 30, 2023
Liegenschaften Weissig GmbH	2,100	2,100
Siege Siedlungsgesellschaft mbH Mainz	1,720	1,720
DAIG. 25. Objektgesellschaft B.V.	1,071	1,071
Woba Dresden GmbH	542	542
DAIG 13, Objektgesellschaft B.V.	90	90
Süddeutsche Wohnen GmbH	335,053	-
GBH Acquisition GmbH	14,513	-
<b>Total (non-current)</b>	<b>13,887,224</b>	<b>13,747,835</b>
thereof Vonovia SE cash pooling (non-current)	264,929	527,556
Vonovia SE cash pooling (current)	280,177	- 10,544
<b>Total (non-current and current)</b>	<b>14,167,401</b>	<b>13,737,291</b>

The fair value of the receivables from affiliated companies and shareholder is € 2,223 million lower than amortized cost due to the decrease of the market interest rate (December 31, 2022: € 2,179 million lower).

#### Non-current Loans to Affiliated Companies and Shareholder

in € thousand	2022	2023
Balance as of January 1	16,395,915	13,887,224
Additions	418,169	1,210,177
Terminations	-	-
Repayments during the year	-2,926,860	-1,349,566
<b>Balance as of December 31/June 30</b>	<b>13,887,224</b>	<b>13,747,835</b>

#### 7 Deferred Tax Assets

The deferred tax assets are especially dependent on changes in the currency rate from the bond in US dollars. Furthermore, the deferred tax assets are based on temporary differences from the valuation of the financial instruments; for more information, see Note 23. The position as a whole is of a non-current nature. The deferred tax assets are mainly based on the Yankee bond and the cross-currency swap for this bond. All the instruments are non-current.

Effective January 1, 2022, the corporate tax rate increased to 25.8%. For taxable income up to € 200 k (2022: € 395 k), a tax rate of only 19% (2022: 15.0%) is applicable. The calculation of DTA for the first half of 2023 and 2022 is based on 25.8%.

In the future, the deferred tax assets will be used as follows:

### Deferred Tax Assets

in € thousand	Cross-Currency Swap	Floater	Yankee Bond	Other	Total
As of January 1, 2023	-12,121	-	12,889	-12	756
Addition during the period	-	-	-	-	-
Change recognized in movement in deferred taxes on derivative financial instruments	663	-	-1,113	-	-450
<b>As of June 30, 2023</b>	<b>-11,458</b>	<b>-</b>	<b>11,776</b>	<b>-12</b>	<b>306</b>

in € thousand	Cross-Currency Swap	Floater	Yankee Bond	Other	Total
As of January 1, 2022	-9,082	1,124	9,310	-	1,352
Addition during the period	-	-	-	-	-
Change recognized in movement in deferred taxes on derivative financial instruments	-3,039	-1,124	3,579	-12	-596
<b>As of December 31, 2022</b>	<b>-12,121</b>	<b>0</b>	<b>12,889</b>	<b>-12</b>	<b>756</b>

### 8 Other Assets

The other assets in the amount of € 1,192 k (December 31, 2022: € 1,185 k) mainly pertain to receivables for taxes on income with € 835 k. The fair value of the other assets approximates the book value.

### 9 Cash and Cash Equivalents

Cash and cash equivalents are not restricted with regard to their use.

### 10 Shareholders' Equity

The authorized share capital of FINANCE B.V. amounts to € 18 k (2022: € 18 k) and consists of 18,000 ordinary shares with a nominal value of € 1 each.

The Management Board has proposed to add the net profit of the first half year of 2023, amounting to € 6,732 k (year ended December 31, 2022: net loss € 1,829 k), on to the account of the other reserves.

In 2022, the share premium reserve increased in an amount of € 20,193 k back to € 100,000 k, because the receivables from third party business were transferred to Vonovia SE and all effects from 2021 for FINANCE B.V. were turned back in 2022.

## Statement of Changes in Equity

in € thousand	Shareholders' Equity	Share Premium Reserve	Cash Flow Hedge Reserve	Other Reserves	Unappropriated Profit/Loss	Total Shareholders' Equity
As of January 1, 2023	18	100,000	-1,229	48,263	-1,829	145,223
Other reserves	-	-	-	-1,829	1,829	-
Unappropriated profit	-	-	-	-	6,732	6,732
Development of cash flow hedge reserve	-	-	5,753	-	-	5,753
Increase of share premium reserve	-	-	-	-	-	-
<b>As of June 30, 2023</b>	<b>18</b>	<b>100,000</b>	<b>4,524</b>	<b>46,434</b>	<b>6,732</b>	<b>157,708</b>

in € thousand	Shareholders' Equity	Share Premium Reserve	Cash Flow Hedge Reserve	Other Reserves	Unappropriated Profit/Loss	Total Shareholders' Equity
As of January 1, 2022	18	79,807	-11,840	35,221	13,042	116,248
Other reserves	-	-	-	13,042	-13,042	-
Unappropriated loss	-	-	-	-	-1,829	-1,829
Development of cash flow hedge reserve	-	-	10,611	-	-	10,611
Increase of share premium reserve	-	20,193	-	-	-	20,193
<b>As of December 31, 2022</b>	<b>18</b>	<b>100,000</b>	<b>-1,229</b>	<b>48,263</b>	<b>-1,829</b>	<b>145,223</b>

## 11 Liabilities to Banks

FINANCE B.V. has outstanding loans of € 1,269 million as of June 30, 2023, of which € 50 million are unsecured loans and € 1,219 million are secured loans.

Loan	Amount in € million	Lender	Collateral	Coupon	Maturity
No. 1 signed Sept. 19	50 - unsecured	M.M.Warburg & Co.	Vonovia SE	0.290%	Aug. 28, 2026
No. 2 signed Sept. 19	168 - secured	Commerzbank AG	Vonovia SE and GAGFAH GmbH	0.540%	Sep. 17, 2029
No. 3 signed Feb. 20	300 - secured	LBBW	GAGFAH GmbH and DA Beteiligungsverwaltungs GmbH	0.677%	Feb. 25, 2030
No. 4 signed Mar. 20	100 - secured	ING-Diba	GAGFAH GmbH and DA Beteiligungsverwaltungs GmbH	0.864%	Mar. 2, 2030
No. 5 signed Mar. 20	100 - secured	Berliner Sparkasse	GAGFAH GmbH and DA Beteiligungsverwaltungs GmbH	0.841%	Mar. 9, 2030
No. 6 signed July 20	184 - secured	Berlin Hyp AG	DA Beteiligungsverwaltungs GmbH	0.780%	July 9, 2030
No. 7 signed Nov. 20	200 - secured	Commerzbank AG	DA Beteiligungsverwaltungs GmbH	0.500%	Nov. 23, 2027
No. 8 signed Dec. 03	168 - secured	Berlin Hyp AG	BUWOG - Berlin Wohnen GmbH and DA Beteiligungsverwaltungs GmbH	0.750%	Dec. 3, 2030

in € thousand	Balance as of Jun. 30, 2023	Repayment Obligation within 1 year	Remaining Maturity 1-5 years	Remaining Maturity >5 years
Loan, unsecured	49,952	-	49,952	-
Loans, secured	1,219,118	-	199,782	1,019,336
	<b>1,269,070</b>	<b>-</b>	<b>249,734</b>	<b>1,019,336</b>

### Movement of Liabilities to Banks

in € thousand	2022	2023
Balance as of January 1	1,300,216	1,300,445
Additions	-	-
Repayments during the year	-	-31,512
Change in valuation rate	229	137
<b>Balance as of December 31/June 30</b>	<b>1,300,445</b>	<b>1,269,070</b>

The fair value of the liabilities to banks is € 243 million lower than their carrying value due to the decrease of the market interest rate (December 31, 2022: € 259 million lower).

On June 30, 2023, the company repaid € 31.5 million of the € 200 million secured loan with Berlin Hyp by decreasing the intercompany loan with Vonovia SE.

## 12 Bonds

The non-current and current liabilities comprise the following bonds, issued by June 2023:

Bond	VNA*	ISIN Code	Denomination	Coupon	Maturity
Yankee bond	004	US25155FAB22	\$ 50 k	5.000% unlisted	10-2023
EMTN 03/2015 2	009B	DE000A1ZY989	€ 1,000	1.500% listed	03-2025
EMTN 12/2015 3	010C	DE000A18V146	€ 100 k	2.250% listed	12-2023
EMTN 06/2016 2	011B	DE000A182VT2	€ 100 k	1.500% listed	06-2026
EMTN 12/2016	013	DE000A189ZX0	€ 100 k	1.250% listed	12-2024
EMTN 01/2017 2	014B	DE000A19B8E2	€ 100 k	1.750% listed	01-2027
EMTN 09/2017	015	DE000A19NS93	€ 100 k	1.125% listed	09-2025
EMTN 01/2018 1	017A	DE000A19UR61	€ 100 k	0.750% listed	01-2024
EMTN 01/2018 2	017B	DE000A19UR79	€ 100 k	1.500% listed	01-2028
EMTN 03/2018 2	018B	DE000A19X8A4	€ 100 k	1.500% listed	03-2026
EMTN 03/2018 3	018C	DE000A19X8B2	€ 100 k	2.125% listed	03-2030
EMTN 03/2018 4	018D	DE000A19X8C0	€ 100 k	2.750% listed	03-2038
EMTN 07/2018	019	DE000A192ZH7	€ 100 k	0.875% listed	07-2023
EMTN 01/2019	020	DE000A2RWZZ6	€ 100 k	1.800% listed	06-2025
EMTN 09/2019 1	021A	DE000A2R7JD3	€ 100 k	0.500% listed	09-2029
EMTN 09/2019 2	021B	DE000A2R7JE1	€ 100 k	1.125% listed	09-2034
EMTN 10/2019 2	022B	DE000A2R8ND3	€ 100 k	0.625% listed	10-2027
EMTN 10/2019 3	022C	DE000A2R8NE1	€ 100 k	1.625% listed	10-2039
EMTN 04/2020 1	023A	DE000A28VQC4	€ 100 k	1.625% listed	04-2024
EMTN 04/2020 2	023B	DE000A28VQD2	€ 100 k	2.250% listed	04-2030
EMTN 07/2020 1	024A	DE000A28ZQP7	€ 100 k	0.625% listed	07-2026
EMTN 07/2020 2	024B	DE000A28ZQQ5	€ 100 k	1.000% listed	07-2030
EMTN 01/2021	025	DE000A287179	€ 100 k	1.000% listed	01-2041

\* VNA stands for the internal Vonovia number for bonds as mentioned on the investor relation website.

The bonds issued are unsecured and unsubordinated.

The EMTNs are listed on the Luxembourg Stock Exchange.

The Yankee bond has been issued in a private placement exclusively to qualified investors in accordance with Rule 144A under the US Securities Act.

In April 2023, the company repaid the maturing € 403 million of Bond 022A, which was one of the six tendered bonds of November 2022 and had a nominal volume of € 500 before.

in € thousand	Book Value Dec. 31, 2022	Book Value Jun. 30, 2023	Market Value Dec. 31, 2022	Market Value Jun. 30, 2023
<b>Non-current</b>				
EMTN 03/2015 2	497,415	497,970	479,110	471,515
EMTN 06/2016 2	497,741	498,064	445,920	452,970
EMTN 12/2016 - reduced by tender offer in 2022	887,433	888,155	843,316	845,524
EMTN 01/2017 2	497,626	497,884	440,270	444,580
EMTN 09/2017	498,269	498,579	453,880	458,700
EMTN 01/2018 1 - reduced by tender offer in 2022	372,528	-	361,097	-
EMTN 01/2018 2	497,334	497,572	420,380	424,665
EMTN 03/2018 2	702,728	701,979	630,105	633,920
EMTN 03/2018 3	495,633	495,861	404,680	408,050
EMTN 03/2018 4	490,045	490,304	362,010	356,780
EMTN 01/2019	498,745	498,997	467,250	470,275
EMTN 09/2019 1	495,292	495,632	366,755	375,055
EMTN 09/2019 2	497,874	497,957	314,610	328,425
EMTN 10/2019 2	495,734	496,167	406,025	413,605
EMTN 10/2019 3	490,329	490,595	293,390	296,185
EMTN 04/2020 1 - reduced by tender offer in 2022	388,903	-	377,062	-
EMTN 04/2020 2	494,250	494,613	408,785	412,350
EMTN 07/2020 1	747,104	747,507	645,720	656,483
EMTN 07/2020 2	743,428	743,849	558,495	573,555
EMTN 01/2021	481,717	482,159	242,015	261,225
<b>Total</b>	<b>10,770,128</b>	<b>10,013,844</b>	<b>8,920,875</b>	<b>8,283,862</b>
<b>Current</b>				
EMTN 10/2019 1 - reduced by tender offer in 2022	403,255	-	400,229	-
EMTN 07/2018 - reduced by tender offer in 2022	391,215	391,584	386,427	391,400
Yankee bond 2	233,178	229,283	232,641	230,351
EMTN 12/2015 3 - reduced by tender offer in 2022	875,152	875,920	866,191	866,322
EMTN 01/2018 1 - reduced by tender offer in 2022	-	372,845	-	365,236
EMTN 04/2020 1 - reduced by tender offer in 2022	-	389,193	-	381,384
<b>Total non-current and current</b>	<b>12,672,928</b>	<b>12,272,669</b>	<b>10,806,363</b>	<b>10,518,555</b>

The US dollar market value of the USD bond was USD 250,300,000 (December 31, 2022: USD 248,135,000).

The valuation of the Yankee bond is calculated using standard market valuation methods for such instruments on the basis of the market data provided by an accredited market data vendor.

The determined rates were verified with regard to the implicit risk premiums.

Vonovia SE serves as the guarantor of the bonds and associated interest obligations of its subsidiary FINANCE B.V. These obligations result from the issuance of bonds in the amount of € 12,273 million.

in € thousand	Balance as of Jun. 30, 2023	Repayment Obligation within 1 year	Remaining Maturity 1-5 years	Remaining Maturity > 5 years
EMTN bonds	12,043,386	2,029,542	5,822,874	4,190,970
Yankee bond	229,283	229,283	-	-
	<b>12,272,669</b>	<b>2,258,825</b>	<b>5,822,874</b>	<b>4,190,970</b>

in € thousand	Balance as of Dec. 31, 2022	Repayment Obligation within 1 year	Remaining Maturity 1-5 years	Remaining Maturity > 5 years
EMTN bonds	12,439,750	1,669,622	6,084,226	4,685,902
Yankee bond	233,178	233,178	-	-
	<b>12,672,928</b>	<b>1,902,800</b>	<b>6,084,226</b>	<b>4,685,902</b>

### Movement of Bonds

in € thousand	2022	2023
Balance as of January 1	15,414,745	12,672,928
Additions	-	-
Repayments during the period	-2,098,663	-403,255
Repayments of tender offer bonds	-674,900	-
Change in valuation rate	31,746	2,996
<b>Balance as of Dec. 31/Jun. 30</b>	<b>12,672,928</b>	<b>12,272,669</b>

Repayment obligations falling due within twelve months are included in current liabilities.

The fair value of the bonds is € 1,754 million lower than the book value of the bonds (December 31, 2022: € 1,867 million lower).

### 13 Accrued Liabilities/Other Liabilities

The current liabilities as of June 30, 2023, mainly result from accrued interest liabilities on issued bonds.

Obligations with a maturity within one year are disclosed as current liabilities.

in € thousand Bond	Coupon	Interest Payment	Dec. 31, 2022	Jun. 30, 2023
Yankee bond 2	5.000%	semi-annual October/April 2	2,897	2,844
EMTN 03/2015 2	1.500%	annual March 31	5,671	1,885
EMTN 12/2015 3	2.250%	annual December 15	919	10,702
EMTN 06/2016 2	1.500%	annual June 10	4,212	430
EMTN 12/2016	1.250%	annual December 6	793	6,312
EMTN 01/2017 2	1.750%	annual January 25	8,175	3,764
EMTN 09/2017	1.125%	annual September 8	1,772	4,562
EMTN 01/2018 1	0.750%	annual January 15	2,677	1,269
EMTN 01/2018 2	1.500%	annual January 14	7,212	3,431
EMTN 03/2018 2	1.500%	annual March 22	8,170	2,869
EMTN 03/2018 3	2.125%	annual March 22	8,234	2,922
EMTN 03/2018 4	1.750%	annual March 22	10,699	3,757
EMTN 07/2018	0.875%	annual July 3	1,709	3,408
EMTN 01/2019	1.800%	annual June 29	4,586	49
EMTN 09/2019 1	0.500%	annual September 14	747	1,986
EMTN 09/2019 2	1.125%	annual September 14	1,680	4,469
EMTN 10/2019 1	0.125%	annual April 6	373	-
EMTN 10/2019 2	0.625%	annual October 7	736	2,286
EMTN 10/2019 3	1.625%	annual October 7	1,882	5,889
EMTN 04/2020 1	1.625%	annual April 7	4,667	1,471
EMTN 04/2020 2	2.250%	annual April 7	8,291	2,613
EMTN 07/2020 1	0.625%	annual July 9	2,260	4,585
EMTN 07/2020 2	1.000%	annual July 9	3,617	7,335
EMTN 01/2021	1.000%	annual January 28	4,630	2,109
<b>Total</b>			<b>96,609</b>	<b>80,947</b>
Senior loans			54	126
Swaps without cross-currency			-	-
Accruals			1,854	1,736
<b>Total accrued liabilities</b>			<b>98,517</b>	<b>82,809</b>
Trade payables			12	13
Other tax liabilities			7	-8
<b>Total other liabilities</b>			<b>19</b>	<b>5</b>

The fair value of the current liabilities approximates the book value due to their current character.



## 14 Interest and Similar Income and Expenses

in € thousand	Jan.-Jun. 2022	Jan.-Jun. 2023
Interest income from affiliated companies and shareholder	127,164	117,050
Interest income from third parties	23,096	6,007
Valuation effects from ineffectiveness	476	-
<b>Total interest and similar income</b>	<b>150,736</b>	<b>123,057</b>
Interest expenses from Euro/EMTN bonds	-97,291	-85,403
Interest expenses from Yankee bond	-5,889	-5,688
Interest expenses from secured financings	-4,361	-4,361
Interest expenses from Term loan and shareholder	-100	-31
Interest expenses from swaps	-6,853	-4,235
Interest expenses from liquidation Forward swaps	-4,937	-3,641
Other interest expenses to third parties	-11,966	-10,248
Valuation effects from ineffectiveness	-	-1,184
Valuation effects from off-market transaction loss	-410	-350
Non-recoverable finance expenses	-25	-21
<b>Total interest and similar expenses</b>	<b>-131,832</b>	<b>-115,162</b>
<b>Total financial result</b>	<b>18,904</b>	<b>7,895</b>

In the period under review, € 3.3 million was reclassified to profit or loss from the cash flow hedge reserve; for more information, see Note 22.

In connection with the initial valuation of cross-currency swaps, interest is expensed in the income statement based on the difference between the net present value and the fair value.

This is attributable to the stringent financial risk management strategy, which does not permit holding a currency risk in connection with the issuance of the bonds in US dollars open, even temporarily.

The expenses from the term loan amounting to € 100 k have been paid back by the shareholder and are also included under interest income from affiliated companies and shareholder.

## 15 Personnel Expenses

Personnel expenses are disbursed for employees as follows:

in € thousand	Jan.-Jun. 2022	Jan.-Jun. 2023
Wages and salaries	174	189
Social security charges	15	17
<b>Total</b>	<b>189</b>	<b>206</b>

## 16 Depreciation of Tangible Non-current Assets

Depreciation expenses of € 0 k (January–June 2022: € 1 k) pertain to the depreciation of tangible assets, which comprise office equipment.

## 17 Audit Fees

The following audit fees were expensed in the income statement in the reporting period:

Jan.-Jun. 2023 in € thousand	KPMG Accountants N.V.	Other KPMG Network	Total KPMG Network
Audit of the financial statements	61	-	61
Other audit services	-	-	-
Tax services	-	-	-
Other non-audit services	-	-	-
<b>Total</b>	<b>61</b>	<b>-</b>	<b>61</b>

Jan.-Jun. 2022 in € thousand	KPMG Accountants N.V.	Other KPMG Network	Total KPMG Network
Audit of the financial statements	230	-	230
Other audit services	-	-	-
Tax services	-	-	-
Other non-audit services	-	-	-
<b>Total</b>	<b>230</b>	<b>-</b>	<b>230</b>

The fees listed above relate to the procedures applied to the company by accounting firms and the external independent auditor as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act (Wet toezicht accountantsorganisaties - Wta) as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups. These fees relate to the audit of 2022 financial statements, regardless of whether the work was performed in 2022 or 2023

## 18 Other Operating Expenses

in € thousand	Jan.-Jun. 2022	Jan.-Jun. 2023
Consultancy fees	105	62
Independent auditor's remuneration	230	61
Rent and lease	48	48
IT and administration costs	23	16
Other costs	14	11
<b>Total</b>	<b>420</b>	<b>198</b>

The table below shows the financial obligation for office rent:

in € thousand	within 2023	within 2024- 2027	beyond 2027
Other costs	55	158	-

## 19 Income/Loss Taxation

The taxation on the result of ordinary activities can be determined according to "APA/BAPA" as follows:

in € thousand	Jan.-Jun. 2022	Jan.-Jun. 2023
Profit before tax	18,294	7,491
Deferred tax assets	-17	396
Current tax liabilities/assets	39	-
Corporate income taxation	-1,203	-1,155
<b>Profit for the period</b>	<b>17,113</b>	<b>6,732</b>

The effective tax rate is 10,13% (January-June 2022: 6,46%)

The nominal tax rate is 25,8% (January-June 2022: 25,8%)

FINANCE B.V. has reached an agreement with the Dutch tax authorities regarding an advance pricing agreement ("APA"). Additionally, an application process for a bilateral APA ("BAPA") was initiated in 2019. The previous APA/BAPA is being used for the calculation until the new APA/BAPA is finalized.

The effective tax rate is based on the following circumstance: The current tax position is not calculated on the basis of the ordinary profit or loss but by using the margin applied for the BAPA; the current income tax occurs even with a potential loss. In addition, since 2022 Dutch corporation tax applies at 25,8%. For the first half year of 2023 a tax rate of 19,0% is applied on taxable amounts of up to and including € 200 k. Furthermore, because of the BAPA, no deferred tax assets on tax loss carryforwards are taken into account. The deferred tax assets result only from the derivative instruments.

## 20 Related Parties

In accordance with the business purpose of the company, namely, raising funds from debt capital markets, the lending of funds to Vonovia SE or its affiliated companies reflects the related party relationships and is therefore related to Group financing activities.

All loans are granted to Group companies for Group financing purposes. The interest income mainly stems from these Group companies. The interest rates charged to Group companies comprise a weighted mix of interest rates from the issued bonds and loans plus a service charge margin on an arm's-length basis.

The company obtains services from the shared service center of Vonovia SE for which no service fees have been charged, because setting up the entity and implementing the operational activities were in the sole interest of Vonovia as the main beneficiary.

Therefore, any receivables and liabilities to Vonovia SE or its affiliated companies are related to the above-mentioned financing activities. Furthermore, there are no transactions with participation by the management.

## 21 Average Numbers of Employees

As of June 30, 2023, the company has three employees (June 30, 2022: three), two of whom are men and one of whom is a woman (June 30, 2022: two men and one woman). All employees work in the Netherlands. The two-person Management Board comprises only men; both of them work in the Netherlands. Services are obtained through the shared service functions of the Vonovia Group.

## 22 Financial Instruments

As of June 30, 2023, the financial instruments consist of two cross-currency swaps corresponding to an USD bond (Bond 004) with a total nominal volume of € 185 million (beginning of 2013: four cross-currency swaps with a total nominal volume of € 739.8 million).

Future changes in the value of the cash flow hedge reserve also relate to two hedging instruments unwound

in October 2015. Corresponding future changes in value previously reported outside profit or loss under cash flow hedge reserve, will be amortized through profit or loss in line with the expected cash flows from the underlying hedged items. In the year under review, € 3.3 million was reclassified to profit or loss, reducing the respective cash flow hedge reserve to € 7.5 million.

The main parameters and developments for the cash flow hedge reserve as well as the derivatives were as follows:

### Development of Cash Flow Hedge Reserve Taking into Account Deferred Tax

in € thousand	Jan. 1, 2023	Development		Jun. 30, 2023
		Gross Amount	Deferred Tax	
Cash flow hedge reserve related to two (previously three) unwound hedging instruments	10,840	-3,321	-	7,519
Cross-currency swap	-46,682	1,037	-268	-45,913
Corresponding USD bond	37,071	-4,313	1,112	33,870
<b>Cash flow hedge reserve according to balance sheet</b>	<b>1,229</b>	<b>-6,597</b>	<b>844</b>	<b>-4,524</b>

in € thousand	Jan. 1, 2022	Development		Dec. 31, 2022
		Gross Amount	Deferred Tax	
Cash flow hedge reserve related to two (previously three) unwound hedging instruments	18,726	-7,886	-	10,840
Interest rate swap floater (€ 600 million)	3,266	-4,402	1,136	-
Cross-currency swap	-36,928	-13,144	3,390	-46,682
Corresponding USD bond	26,776	13,874	-3,579	37,071
<b>Cash flow hedge reserve according to balance sheet</b>	<b>11,840</b>	<b>-11,558</b>	<b>947</b>	<b>1,229</b>

## Development of Derivatives

in € thousand	Face Value	Development					Jun. 30, 2023
		Jan. 1, 2023	Cash Flow Hedge Reserve	Ineffectiveness Income Statement	Off-market Loss Income Statement	Re-classificatio	
Passive hedge accounting	-	-	3,321	-	-	-3,321	-
Cross-currency swap eff. Oct. 2013 10 years USD exchange rate	184,592	<b>62,913</b>	-1,037	-	-	-	<b>61,876</b>
Cross-currency swap off-market loss transaction loss		<b>-15,929</b>	-	-1,184	-350	-	<b>-17,463</b>
		<b>46,984</b>	-1,037	-1,184	-350	-	<b>44,413</b>
Market value (clean)	<b>184,592</b>	<b>46,984</b>	2,284	-1,184	-350	-3,321	<b>44,413</b>
Accrued interest	-	<b>803</b>	-	-	-	-	<b>750</b>
<b>Market value (dirty)</b>	<b>-</b>	<b>47,787</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,163</b>

## Development of Derivatives

in € thousand	Face Value	Development					Dec. 31, 2022
		Jan. 1, 2022	Cash Flow Hedge Reserve	Ineffectiveness Income Statement	Off-market Loss Income Statement	Re-classificatio	
Passive hedge accounting	-	-	7,886	-	-	-7,886	-
Interest rate swap floater Mar. 2018 4.75 years 3M EURIBOR	600,000	<b>-4,402</b>	4,402	-	-	-	-
Cross-currency swap eff. Oct. 2013 10 years USD exchange rate	184,592	<b>49,769</b>	13,144	-	-	-	<b>62,913</b>
Cross-currency swap off-market loss transaction loss		<b>-14,565</b>	-	-571	-793	-	<b>-15,929</b>
		<b>35,204</b>	13,144	-571	-793	-	<b>46,984</b>
Market value (clean)	<b>784,592</b>	<b>30,802</b>	25,432	-571	-793	-7,886	<b>46,984</b>
Accrued interest	-	<b>490</b>	-	-	-	-	<b>803</b>
<b>Market value (dirty)</b>	<b>-</b>	<b>31,292</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,787</b>

## Development of Yankee Bond

in € thousand	Development		Jun. 30, 2023
	Jan. 1, 2023	via Cash Flow Hedge Reserve	
Yankee bond	<b>-49,960</b>	4,313	<b>-45,647</b>

## 23 Further Information about the Bodies of the Company

The Management Board of Vonovia Finance B.V. consists of two members as of June 30, 2023.

### **Iwan Oude Roelink**

Director of Vonovia Finance B.V.  
Chairman of the Management Board

### **Rick van Dijk**

Director of Vonovia Finance B.V.

The Management Board has received remuneration for the first half year of 2023 amounting to € 108 k for its two members (January–June 2022: € 133 k).

The members of the Supervisory Board received remuneration amounting to € 4 k in the year of 2022.

In light of the envisaged merger of the company with its sole shareholder Vonovia SE, the Supervisory Board was abolished on January 9, 2023.

The shares of the company entitle the shareholder to voting and profit rights, and the shares are all held by Vonovia SE, the holding company of the Vonovia Group. Vonovia SE is the leading German real estate company in the DAX 40 and a top company in the European real estate market.

## 24 Subsequent Events

On July 3, 2023, the company repaid the maturing € 391.6 million of Bond 019 by decreasing the intercompany loan with Vonovia SE.

In July 2023, Vonovia has conducted another public cash tender offer in order to actively manage bonds and to buy them back before their expiration. The targeted bonds are 13 EMTN bonds of the company maturing between 2024 and 2030. The result of the tender was announced on July 11, 2023; € 553.1 million of the company's bonds has been tendered.

Amsterdam, August 15, 2023

### **Management Board**

Original has been signed by  
Iwan Oude Roelink (Chairman)

Original has been signed by  
Rick van Dijk

# Other Information

## **Profit Appropriation According to the Articles of Association**

The company's Articles of Association, specifically article 19, provide that the profits will be at the disposal of the Annual General Meeting. A resolution to pay out dividends will only be effective upon approval by the Management Board and if the equity exceeds the reserves that are required by law or the Articles of Association. The company can only make distributions to the shareholders and other entitled persons up to an amount that does not exceed the amount of the distributable reserves. The General Meeting may resolve to pay dividends from legally distributable reserves.

The Management Board has proposed to pass the net profit of the first half year of 2023 amounting to € 6,732 k (year ended December 31, 2022: net loss of € 1,829 k) to the account of other reserves.

Vonovia Finance B.V.  
Apollolaan 133-135  
1077 AR Amsterdam  
The Netherlands

[www.vonoviafinance.nl](http://www.vonoviafinance.nl)