VONOVIA SE
FINANCIAL REPORT 2022

Financial Report 2022

Vonovia Finance B.V., Amsterdam

VONOVIA

Contents

Management Report 2022

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 November 2, 2022, Moody's downgraded its rating from A3 to Baa1 based on a weakened credit metrics. On November 11, 2022, S&P affirmed its BBB+ rating, but changed its outlook from "positive" to "stable" on tougher market conditions. Scope maintained its A- rating for Vonovia SE. 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. This should leave the company with sufficient profit to cover operational expenses. Essentially, future earnings will be determined by income items associated with the on-lending of raised funds, and profitability will be based on the margins obtained from the on-lending in excess of the interest to be paid on notes and operational charges. 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 € 12,525 million as of December 31, 2022.

The table below shows all the outstanding bonds as of December 31, 2022:

Bond Program/Type	#	Notional Amount in € million	Avg. Coupon	Rem. Term (y)
USD bond	1	185	4.580%	0.8
EMTN fix	23	12,525	1.367%	4.6
Total	**24**	**12,710**	**1.414%**	**4.6**

As of December 31, 2022, FINANCE B.V. has a total indebtedness of € 12,710 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 1.414% and the average maturity is 4.6 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.

Between 2014 and 2022, for FINANCE B.V. and Vonovia SE (incl. Deutsche Wohnen), the annual average bond volume issued amounted to around € 4,166 million, which represents the fourth largest issuer of the top 20 euro-investment-grade-ranked companies worldwide as calculated by Dealogic as of January 2, 2023.

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 December 31, 2022, FINANCE B.V. has € 1,302 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%	4.2
Commerzbank AG	secured	168	0.540%	7.2
Landesbank Baden-Württemberg	secured	300	0.677%	7.7
ING-DiBa AG	secured	100	0.864%	7.7
Berliner Sparkasse	secured	100	0.841%	7.7
Berlin Hyp	secured	184	0.780%	8.0
Commerzbank AG	secured	200	0.500%	5.4
Berlin Hyp	secured	200	0.750%	8.4
Total		**1,302**	**0.670%**	**7.3**

Operations During the Period

Adler Deal

On 21 January, 2022, the LTV Ratio was above the LTV Margin Call Level, leading to a margin call of € 34.2 million. As the borrower did not meet its obligation to make the payment, even after several demand letters, an automatic event of default was triggered.

FINANCE B.V. enforced the pledged shares by means of appropriation. Based on a last closing price per share of € 10.44, the principal amount of the loan (€ 250,000,000), the accrued interest thereon (€ 625,000) and any claim to pay any cost and expenses in connection with the enforcement have been satisfied through the enforcement in a total amount of € 251,423,000.

After the enforcement, FINANCE B.V. terminated the margin loan and demanded full payment by enforcing the pledged shares through appropriation of the Adler shares. Consequently, 24,082,663 shares were appropriated (at €10.44 per share).

Lastly, FINANCE B.V. transferred its entire position under the margin loan to Vonovia SE, which became the economic owner of the shares. Vonovia SE will indemnify FINANCE B.V. and hold it harmless from any costs or loss.

Therefore, the result of the Adler deal as a whole will have no negative or positive financial impact for FINANCE B.V.. As the Adler result per year-end 2021 was positive € 3.4 million, the company will book an expense in the same amount in 2022.

General Operations

On January 25, 2022, the company repaid the maturing € 500 million of Bond 014A by decreasing the intercompany loan with Vonovia SE.

On February 16, 2022, Prof. Dr. Kirsten became a member and the new chairman of the Executive Board of Directors at Adler Group S.A.. In order to avoid potential conflicts of interest, he resigned from the Supervisory Board at FINANCE B.V. with immediate effect on the same day. The Management Board is grateful to Prof. Dr. Kirsten for their fruitful working relationship over the past seven years and wishes him all the best and every success in the future.

Due to the resignation of Prof. Dr. Kirsten from the Supervisory Board, Vice-Chair Mrs. Freifrau Röder von Diersburg was appointed as the new Chair and Dr. Heß was appointed as the new Vice-Chair of the SVB as of March 21, 2022.

As of January 2022 , Mrs. Schumacher became an SVB member of Deutsche Wohnen. In order to avoid potential conflicts of interest, she resigned from the Supervisory Board at FINANCE B.V. with effect from the end of May.

On May 6, 2022, the company carried out an early redemption of the € 500 million of Bond 007, which was due to mature on July 9, 2022. This also led to a decrease in the intercompany loan with Vonovia SE.

On June 10, 2022, the company repaid the maturing € 500 million of Bond 011A by decreasing the intercompany loan with Vonovia SE.

As part of a liability management exercise, the company and Vonovia SE analyzed opportunities to actively manage the bonds maturing in December 2023 and 2024. On November 15, 2022, Vonovia announced a public cash tender offer on six bonds of the company and two bonds of Vonovia SE in order to buy these bonds back before expiration. The aim of this debt tender was to send a strong signal to capital markets and to address any potential short-term refinancing concerns by investors for the future refinancing of Vonovia.

The result of the tender was announced on November 24, 2022. As shown below, approximately € 674.9 million of the company's bonds has been tendered. This also led to a decrease in the intercompany loan with Vonovia SE.

Description in the Notes	Notional	Tendered and Accepted	% Instructed and Accepted	% Purchase Price	Purchase Price
April 2023 Notes (022A)	€ 500,000,000	€ 96,600,000	19.32%	99.050%	€ 95,682,300
July 2023 Notes (019)	€ 500,000,000	€ 108,400,000	21.68%	98.650%	€ 106,936,600
December 2023 Notes (010C)	€ 1,000,000,000	€ 123,200,000	12.32%	98.824%	€ 121,751,168
January 2024 Notes (017A)	€ 500,000,000	€ 126,800,000	25.36%	97.017%	€ 123,017,556
April 2024 Notes (023A)	€ 500,000,000	€ 110,300,000	22.06%	97.500%	€ 107,542,500
December 2024 Notes (013)	€ 1,000,000,000	€ 109,600,000	10.96%	95.329%	€ 104,480,584
Total		**€ 674,900,000**			**€ 659,410,708**

Gross profit	**€ 15,489,292**
Net profit	**€ 13,029,292**
Allocatable Vonovia SE	**€ 12,937,672**
Allocatable Vonovia Finance BV	**€ 91,620**

As the purchase price for the tendered bonds is below 100%, the company realized a gain of € 15.5 million before related costs of € 2.5 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 € 0.1 million.

On December 22, 2022, the company repaid the maturing € 600 million floater (Bond 018A) and the associated swap was terminated. This repayment led to a decrease in the intercompany loan with Vonovia SE.

In order to be prepared for the IBOR reform and the transition to new, alternative risk-free rates, the company has analyzed the impact of these changes on current documentation and valuation and will continue to monitor the timeline of events closely. The exposure to the company is very limited.

The company has three employees in total as of December 31, 2022.

Financial Result

FINANCE B.V. closed the 2022 financial year with a net loss of € 1.8 million, which was driven by the normal course of business and the external margin loan. The company has earned a reasonable income of € 36.4 million from the margin between the interest incurred on borrowing and interest earned from lending.

After subtracting € 24.3 million of amortized finance expenses, € 7.9 million of amortized cash flow hedge reserve from the termination of several pre-hedges and positive € 1.7 million in swap effects, the net spread is € 5.9 million.

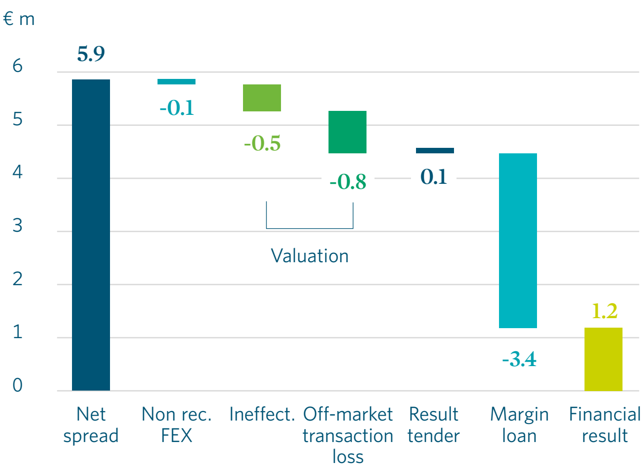
Below is the reconciliation of the amounts between the gross and net spread calculation as well as the interest income and expenses as mentioned in the Notes to the income statement:

Interest and Similar Income and Expenses (see Note in P&L) in € thousand	**Gross Spread**	Swaps	Financial Expenses	Amort. Cash Flow Hedge Reserve – Prehedges	Amort. Frozen Ineffectiveness – Prehedges	**Net Spread**
Interest income from affiliates/shareholder	247,617	–	–	–	–	247,617
Interest income from third parties	–	15,011	–	–	692	15,703
						263,320
Interest expenses from EMTN bonds	-190,147	–	–	–	–	-190,147
Interest expenses from USD bond	-12,238	–	–	–	–	-12,238
Interest expenses from secured financings	-8,724	–	–	–	–	-8,724
Interest expenses from term loan	-100	–	–	–	–	-100
Interest expenses from swaps	–	-13,348	–	–	–	-13,348
Interest expenses from liquidation forward swaps	–	–	–	-7,886	-692	-8,578
Other interest expenses to third parties	–	–	-24,303	–	–	-24,303
						-257,438
Total	**36,408**	**1,663**	**-24,303**	**-7,886**	**-**	**5,882**

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 € 0.5 million and from the first-day loss of the CCS in the amount of € 0.8 million. In addition, the gain apportionment from the tender of € 0.1 million and the reversal of the 2022 margin loan gain was subtracted.

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



Supervisory Board

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 Supervisory Board held three meetings during the year. During these meetings, the following items were discussed:

> Operational business and performance up to December 31, 2021, and June 30, 2022
> Financial strategy of the company
> 2021 board report and 2021 audit plan of the independent auditor
> Appointment of new Chair and Vice-Chair of the Supervisory Board
> Re-appointment of KPMG NL as auditor of the company
> Update on Project Orange
> Termination of the margin loan and its impact on the financials
> Debt tender offer in November 2022
> Outlook 2022/2023 on liquidity, tax, and corporate governance

The Management Board expresses its immense gratitude for the work that the Supervisory Board has performed over the years.

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.

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 workflows 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. The Supervisory Board of FINANCE B.V. makes use of these assessments in its own risk evaluation. 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 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 and the Supervisory Board is considered appropriate.

At this stage, the impact of COVID-19 on the activities and results of FINANCE B.V. remains limited due to the continuing need for financial services within the Vonovia Group affiliates it serves.

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, March 21, 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 year ending December 31, 2022, 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 5:25c of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

Amsterdam, March 21, 2023

Original has been signed by
Iwan Oude Roelink (Chairman)

Original has been signed by
Rick van Dijk

Financial Statements

Balance Sheet as of December 31, 2022

(before distribution of profit/loss)

in € thousand	Note	Dec. 31, 2021	Dec. 31, 2022
Assets			
Non-current assets			
Tangible non-current assets	5	2	1
Financial non-current assets			
Receivables from affiliated companies and shareholder	6	16,395,915	13,887,224
Receivables from third party	7	217,225	-
Receivables from derivatives	23	35,204	-
Deferred tax assets	8	1,352	757
		16,649,698	13,887,982
Current assets			
Financial current assets			
Receivables from affiliated companies and shareholder	6	294,918	280,177
Receivables from derivatives	23	634	47,787
Other assets	9	1,871	1,185
Cash and cash equivalents	10	–	1
		297,423	329,150
Total assets		**16,947,121**	**14,217,132**

in € thousand	Note	Dec. 31, 2021	Dec. 31, 2022
Equity and Liabilities			
Equity			
Shareholders' equity		18	18
Share premium reserve		79,807	100,000
Cash flow hedge reserve	23	-11,840	-1,229
Other reserves		35,221	48,263
Unappropriated profit/loss		13,042	-1,829
Total shareholders' equity	11	116,248	145,223
Non-current liabilities			
Liabilities to banks	12	1,300,216	1,300,445
Bonds	13	13,316,082	10,770,128
Derivative financial liabilities	23	4,402	-
		14,620,700	12,070,573
Current liabilities			
Bonds	13	2,098,663	1,902,800
Liabilities from affiliated companies	6	287	-
Accrued liabilities	14	111,205	98,517
Other liabilities	14	18	19
		2,210,173	2,001,336
Total equity and liabilities		**16,947,121**	**14,217,132**

Income Statement for the Year from January 1 to December 31, 2022

in € thousand	Note	Jan.–Dec. 2021	Jan.–Dec. 2022
Income			
Interest and similar income	15	355,180	263,411
Expenses			
Interest and similar expenses	15	-338,992	-262,211
Financial result		**16,188**	**1,200**
Other operating income		–	–
Personnel expenses	16	-349	-347
Depreciation of tangible non-current assets	17	-1	-1
Other operating expenses	19	-338	-671
Total expenses		**-688**	**-1,019**
Profit before taxation		**15,500**	**181**
Income taxation	20	-2,458	-2,010
Profit/loss for the year		**13,042**	**-1,829**

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

Statement of Cash Flows for the Year from January 1 to December 31, 2022

in € thousand	Note	Jan.– Dec. 2021	Jan.– Dec. 2022
Profit/loss for the year		**13,042**	**-1,829**
Adjustments for non-cash items			
Loss (gain) on revaluation of financial instruments		34,815	31,747
Revaluation of cash flow hedge reserve		13,565	10,611
Deferred tax assets	8	1,047	595
Income taxation		1,411	1,658
Changes in operating assets and liabilities			
Receivables from affiliated companies and shareholder	6	1,029,427	2,760,851
Derivative financial instruments	23	-21,744	-16,351
Accrued liabilities	14	-1,623	-12,688
Other assets	9	-545	686
Other liabilities	14	-586	1
Tax paid		-1,411	-1,658
Cash flows from operating activities		**1,067,398**	**2,773,623**
Tangible non-current assets	5	–	-1
Receivables from third party	7	–250,000	–
Cash flows from investing activities		**–250,000**	**-1**
Proceeds from liabilities due to affiliated companies	14	51	-287
Proceeds from issuing bonds	13	480,824	–
Repayment of bonds (including reduced tender bonds)	13	-1,497,867	-2,773,563
Proceeds from liabilities due to banks	12	199,594	229
Cash flows from financing activities		**-817,398**	**-2,773,621**
Net increase/(decrease) in cash and cash equivalents		**0**	**1**
		0	**1**
Movements in cash and cash equivalents can be broken down as follows:			
Balance as of January 1		**0**	**0**
Movement during the year		–	1
Balance as of December 31		**0**	**1**

Notes to the Financial Statements 2022

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 tax authorities is ongoing. These financial statements cover the year 2022, which ended on the balance sheet date of December 31, 2022. 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.

1.3 Going Concern

The company generated a net loss of € 1,829 k for the year from January 1 to December 31, 2022 (January 1 to December 31, 2021: € 13,042 k), which, together with the negative hedge reserve, resulted in net equity of € 145,223 k (December 31, 2021: € 116,248 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 December 2022, 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 23) 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 2022 financial statements are similar to those used in the 2021 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 December 31, 2022, was fixed at 1.0666 and as of December 31, 2021, was fixed at 1.1326. 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.

Loans, Particularly Loans to Third Parties

Loans to third parties with an original term of more than one year are treated as financial non-current assets, since these loans are initially valued at the fair value of the amount owed, which normally consists of the face value. Subsequent measurement is through profit and loss and at amortized cost. The conditions required for measuring the loans at amortized cost have been sufficiently checked and satisfied.

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% 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 BAPA/APA rulings as per December 31, 2022 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 BAPA; 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 year 2022 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 a few of the loans to the Vonovia Group companies were paid back in 2022.

Changes in tangible non-current assets were settled in the cash flow from investing activities and also the receivable from a third party, which were transferred to Vonovia SE in 2022.

The repayment of four bonds and the tendering of six further bonds was the mean position in the results in the cash flow from financing activities in 2022.

5 Tangible Non-current Assets

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

in € thousand	Dec. 31, 2021	Dec. 31, 2022
Acquisition cost as of January 1	34	23
Additions during the year	–	–
Disposals during the year	-11	–
Acquisition cost as of December 31	23	23
Accumulated depreciation as of January 1	32	21
Depreciation for the year	1	1
Accumulated depreciation disposals	-12	–
Accumulated depreciation as of December 31	21	22
Total book value	**2**	**1**

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 December 31, 2022, of 1.6242% for EMTNs and Yankee (as of December 31, 2021: 1.5920%), and 4.2280% for the perpetual hybrid as of December 31, 2021, and the contracts have an unlimited term; therefore, all intercompany loans are unsecured, non-current loans.

In addition, there are receivables from the cash pool agreement with Vonovia SE as of December 31, 2022. On April 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 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, 2021	Dec. 31, 2022
Vonovia SE	10,275,553	7,926,123
Deutsche Annington Acquisition Holding GmbH	1,530,524	1,683,764
Deutsche Annington Beteiligungsverwaltungs GmbH	643,439	613,439
Gagfah GmbH	553,928	383,928
Südost Woba Dresden GmbH	375,287	375,287
Süddeutsche Wohnen GmbH	338,053	335,053
Wohnungsgesellschaft Norden mbH	297,099	297,099
Wohnbau Nordwest GmbH	228,914	228,914
Gagfah Erste Grundbesitz GmbH	194,530	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	191,075	141,075
Beamten Baugesellschaft Bremen GmbH	121,550	121,550
Wohnungsbau Niedersachsen GmbH	132,286	119,286
Prima Wohnungsbauten Privatisierungs-Management GmbH	113,268	113,268
Deutsche Annington Holdings Zwei GmbH	114,833	111,833
DA DMB Netherlands B.V.	105,036	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	55,724	55,224
Vonovia Elbe Wohnen GmbH	53,374	53,374
Gagfah Acquisition 1 GmbH	54,407	52,406
Bundesbahn-Wohnungsbauge. Kassel GmbH	47,268	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	21,875	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
GBH Acquisition GmbH	17,513	14,513
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

in € thousand	Dec. 31, 2021	Dec. 31, 2022
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
Liegenschaften Weissig GmbH	2,100	2,100
Siege Siedlungsgesellschaft mbH Mainz	9,720	1,720
DAIG. 25. Objektgesellschaft B.V.	1,071	1,071
Woba Dresden GmbH	542	542
DAIG 13: Objektgesellschaft B.V.	20,090	90
Total (non-current)	**16,395,915**	**13,887,224**
Vonovia SE cash pooling (current)	294,918	280,177
Total (non-current and current)	**16,690,833**	**14,167,401**

The fair value of the receivables from affiliated companies and shareholder is € 2,179 million lower than amortized cost due to the decrease of the market interest rate (December 31, 2021: € 752 million higher).

Non-current Loans to Affiliated Companies and Shareholder

in € thousand	2021	2022
Balance as of January 1	17,445,922	**16,395,915**
Additions	179,593	418,169
Terminations	-86,820	-
Repayments during the year	-1,142,780	-2,926,860
Balance as of December 31	**16,395,915**	**13,887,224**

7 Receivables from Third Party

In October 2021, FINANCE B.V. assumed a "Lombard loan" of around € 250 million in principal amount extended to Aggregate Holdings S.A., which is secured by 26.6% of the shares in the Adler Group, from a banking consortium at the request of Vonovia SE. As part of the transaction, Vonovia SE received a call option for 13.3% of the shares in Adler-Group S.A. The transaction involved Vonovia SE undertaking to indemnify FINANCE B.V. against, and compensate it for, all expenses or losses incurred in connection with the Lombard loan. At that time, there was a positive fair value of € 20.2 million for the call option. The fair value of the Lombard loan granted came to € 229.8 million. The value of the option added was recognized at the level of Vonovia SE as decreasing the value of the equity interest in FINANCE B.V. and at the level of FINANCE B.V. as a corresponding withdrawal with the € 20.2 million from the capital reserve.

As of December 31, 2021, amortization within net interest of positive € 3.4 million was applied to the Lombard loan based on the amortized cost approach using the effective interest method, and the assessment of the lifetime incurred losses gave rise to expenses of € 15.9 million that affected net income in the net interest of FINANCE B.V.; Vonovia SE has compensated for this expense as part of the indemnification against all expenses or losses.

On February 22, 2022, FINANCE B.V. terminated the loan by repaying of a bank loan issued to Aggregate Holdings Invest. In the wake of the loan allocation, shares in the Adler Group that were previously held by Aggregate Holdings Invest S.A. were issued as security. As a result, control of 20.5%

of the shares in the Adler Group went to FINANCE B.V. in the course of the debt recovery. Prior to the debt recovery, FINANCE B.V. had established a fiduciary relationship with Vonovia SE regarding the accrued shares and thereby transferred all rights from the commitment to Vonovia SE. The hold harmless clause and the Trust Agreement qualifies FINANCE B.V. as just a trustee for Vonovia SE. The conclusion is that the financial impact of the Aggregate/Adler deal was born in full by Vonovia SE, all interest payments of the loan switched to Vonovia SE, and only a handling fee was paid for the company. The amortization of the net interest in the amount of € 3.4 million was also returned as the reduction of the share premium reserve of 2021.

8 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 € 395 k (2021: € 245 k), a tax rate of only 15% (2021: 15.0%) is applicable. The calculation of DTA for 2022 and 2021 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, 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
As of December 31, 2022	**-12,121**	**0**	**12,889**	**-12**	**756**

in € thousand	Cross-Currency Swap	Floater	Yankee Bond	Other	**Total**
As of January 1, 2021	-4,592	2,264	4,726	–	2,398
Addition during the period	–	–	–	–	–
Change recognized in movement in deferred taxes on derivative financial instruments	-4,490	-1,140	4,584	–	-1,046
As of December 31, 2021	**-9,082**	**1,124**	**9,310**	**–**	**1,352**

9 Other Assets

The other assets in the amount of € 1,185 k (December 31, 2021: € 1,871 k) mainly pertain to receivables for taxes on income with € 1,156 k. The fair value of the other assets approximates the book value.

10 Cash and Cash Equivalents

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

11 Shareholders' Equity & Capital Base

The authorized share capital of FINANCE B.V. amounts to € 18 k (2021: € 18 k) and consists of 18,000 ordinary shares with a nominal value of € 1 each.

The Management Board has proposed to pass the net loss of 2022, amounting to € 1,829 k (year ended December 31, 2021: net profit € 13,042 k), on to the account of the other reserves.

The decrease of the share premium reserve amount in 2021 to € 20,193 k related to the positive fair value at the time of the addition for the call option of the receivables from third party. 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.

Presentation of the Hybrid Bond

The hybrid bond was paid back in December 2021, on its first issuer call option on the first termination date. Pursuant to Dutch Accounting Standard 240, the presentation of the hybrid bond in the financial statements follows the legal form of the instrument. The hybrid bond is therefore presented as a liability under the capital base in 2021.

Statement of Changes in Equity & Capital Base

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

in € thousand	Shareholders' Equity	Share Premium Reserve	Cash flow Hedge Reserve	Other Reserves	Unappropriated Profit/Loss	**Total Shareholders' Equity**	Hybrid Bond	**Total Capital Base**
As of January 1, 2021	18	100,000	-25,405	26,044	9,177	**109,834**	998,328	**1,108,162**
Appreciation of hybrid bond	–	–	–	–	–	**–**	1,672	**1,672**
Termination of hybrid bond							-1,000,000	**-1,000,000**
Other reserves	–	–	–	9,177	-9,177	**–**	–	**–**
Unappropriated profit	–	–	–	–	13,042	**13,042**	–	**13,042**
Development of cash flow hedge reserve	–	–	13,565	–	–	**13,565**	–	**13,565**
Decrease of share premium reserve	–	-20,193	–	–	–	**-20,193**	–	**-20,193**
As of December 31, 2021	**18**	**79,807**	**-11,840**	**35,221**	**13,042**	**116,248**	**–**	**116,248**

12 Liabilities to Banks

FINANCE B.V. has outstanding loans of € 1,300 million as of December 31, 2022, of which € 50 million are unsecured loans and € 1,250 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	200 – secured	Berlin Hyp AG	BUWOG – Berlin Wohnen GmbH and DA Beteiligungsverwaltungs GmbH	0.750%	Dec. 3, 2030

in € thousand	**Balance as of Dec. 31, 2022**	Repayment Obligation within 1 year	Remaining Maturity 1–5 years	Remaining Maturity >5 years
Loan, unsecured	**49,945**	–	49,945	–
Loans, secured	**1,250,500**	–	199,760	1,050,740
	1,300,445	**–**	**249,705**	**1,050,740**

Movement of Liabilities to Banks

in € thousand	2021	2022
Balance as of January 1	1,100,622	1,300,216
Additions	199,594	–
Repayments during the year	–	–
Change in valuation rate	–	229
Balance as of December 31	**1,300,216**	**1,300,445**

The fair value of the liabilities to banks is € 259 million lower than their carrying value due to the decrease of the market interest rate (December 31, 2021: € 14 million lower).

13 Bonds and Commercial Papers

The non-current and current liabilities comprise the following bonds, issued by December 2022:

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 1	022A	DE000A2R8NC5	€ 100 k	0.125% listed	04-2023
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.

The company paid back four EMTN bonds in the 2022 fiscal year. On January 25, 2022, the company repaid the maturing € 500 million of Bond 014A. On May 6, 2022, the company carried out an early redemption of the € 500 million of Bond 007, which was due to mature on July 9, 2022. On June 10, 2022, the company repaid the maturing € 500 million of Bond 011A. On December 22, 2022, the company repaid the maturing € 600 million floater (Bond 018A) and the associated swap was terminated.

Together with Vonovia SE, FINANCE B.V. announced a public cash tender offer on six bonds of the company in order to buy these bonds back in November 2022 in respect of outstanding notes due 2023 and 2024. As a result of the tender, the volume of these bonds was reduced for FINANCE B.V. with a nominal value of € 674,900,000 in 2022 and a profit of € 13 million was earned.

In this tender offer, FINANCE B.V. was only entitled to a portion of € 0.1 million of the total profit (€ 15.51 million before related costs), which corresponds with the limited functions performed and the limited risks borne by FINANCE B.V. for the loan handling and management function. Therefore, the main part of the profit was transferred to Vonovia SE.

in € thousand	Book Value Dec. 31, 2021	Book Value Dec. 31, 2022	Market Value Dec. 31, 2021	Market Value Dec. 31, 2022
Non-current				
Yankee bond 2	219,272	–	233,666	–
EMTN 03/2015 2	496,321	497,415	522,055	479,110
EMTN 12/2015 3	996,275	–	1,045,960	–
EMTN 06/2016 2	497,125	497,741	525,175	445,920
EMTN 12/2016 - reduced by tender offer in 2022	995,051	887,433	1,032,630	843,316
EMTN 01/2017 2	497,084	497,626	532,560	440,270
EMTN 09/2017	497,654	498,269	515,710	453,880
EMTN 01/2018 1 - reduced by tender offer in 2022	498,216	372,528	508,060	361,097
EMTN 01/2018 2	496,833	497,334	526,380	420,380
EMTN 03/2018 2	703,047	702,728	734,489	630,105
EMTN 03/2018 3	495,089	495,633	549,650	404,680
EMTN 03/2018 4	489,546	490,045	577,995	362,010
EMTN 07/2018	498,576	–	506,580	–
EMTN 01/2019	498,287	498,745	525,820	467,250
EMTN 09/2019 1	494,611	495,292	490,990	366,755
EMTN 09/2019 2	497,711	497,874	486,245	314,610
EMTN 10/2019 1	499,148	–	502,075	–
EMTN 10/2019 2	494,864	495,734	500,640	406,025
EMTN 10/2019 3	489,833	490,329	496,195	293,390
EMTN 04/2020 1 - reduced by tender offer in 2022	498,252	388,903	508,060	377,062
EMTN 04/2020 2	493,555	494,250	555,490	408,785
EMTN 07/2020 1	744,947	747,104	758,490	645,720
EMTN 07/2020 2	743,961	743,428	757,575	558,495
EMTN 01/2021	480,824	481,717	442,560	242,015
Total	**13,316,082**	**10,770,128**	**13,835,050**	**8,920,875**
Current				
EMTN 2014	499,507	–	506,440	–
EMTN 06/2016 1	499,659	–	501,900	–
EMTN 01/2017 1	499,955	–	500,245	–
EMTN 03/2018 1	599,542	–	602,214	–
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	–	386,427
Yankee bond 2	–	233,178	–	232,641
EMTN 12/2015 3 - reduced by tender offer in 2022	–	875,152	–	866,191
Total non-current and current	**15,414,745**	**12,672,928**	**15,945,849**	**10,806,363**

The US dollar market value of the USD bond was USD 248,135,000 (December 31, 2021: USD 264,650,000).

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 € 12,673 million.

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	–	–
	12,672,928	**1,902,800**	**6,084,226**	**4,685,902**

in € thousand	Balance as of Dec. 31, 2021	Repayment Obligation within 1 year	Remaining Maturity 1–5 years	Remaining Maturity > 5 years
EMTN bonds	15,195,473	2,098,663	6,677,952	6,418,858
Yankee bond	219,272	–	219,272	–
	15,414,745	**2,098,663**	**6,897,224**	**6,418,858**

Movement of Bonds

in € thousand	2021	2022
Balance as of January 1	**16,396,973**	**15,414,745**
Additions	480,824	–
Repayments during the period	-1,497,867	-2,098,663
Repayments of tender offer bonds	–	-674,900
Change in valuation rate	34,815	31,746
Balance as of December 31	**15,414,745**	**12,672,928**

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

The fair value of the bonds is € 1,867 million lower than the book value of the bonds (December 31, 2021: € 531 million higher).

14 Accrued Liabilities/Other Liabilities

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

The current liabilities as of December 31, 2022, mainly result from accrued interest liabilities on issued bonds.

in € thousand Bond	Coupon	Interest Payment	Dec. 31, 2021	Dec. 31, 2022
Yankee bond 2	5.000%	semi-annual October/April 2	2,729	2,897
EMTN 2014	2.125%	annual July 9	5,094	–
EMTN 03/2015 2	1.500%	annual March 31	5,671	5,671
EMTN 12/2015 3	2.250%	annual December 15	1,048	919
EMTN 06/2016 1	0.875%	annual June 10	2,457	–
EMTN 06/2016 2	1.500%	annual June 10	4,212	4,212
EMTN 12/2016	1.250%	annual December 6	859	793
EMTN 01/2017 1	0.750%	annual January 25	3,503	–
EMTN 01/2017 2	1.750%	annual January 25	8,173	8,175
EMTN 09/2017	1.125%	annual September 8	1,772	1,772
EMTN 01/2018 1	0.750%	annual January 15	3,606	2,677
EMTN 01/2018 2	1.500%	annual January 14	7,212	7,212
EMTN 03/2018 2	1.500%	annual March 22	8,170	8,170
EMTN 03/2018 3	2.125%	annual March 22	8,234	8,234
EMTN 03/2018 4	1.750%	annual March 22	10,699	10,699
EMTN 07/2018	0.875%	annual July 3	2,182	1,709
EMTN 01/2019	1.800%	annual June 29	4,586	4,586
EMTN 09/2019 1	0.500%	annual September 14	747	747
EMTN 09/2019 2	1.125%	annual September 14	1,680	1,680
EMTN 10/2019 1	0.125%	annual April 6	462	373
EMTN 10/2019 2	0.625%	annual October 7	736	736
EMTN 10/2019 3	1.625%	annual October 7	1,892	1,882
EMTN 04/2020 1	1.625%	annual April 7	5,988	4,667
EMTN 04/2020 2	2.250%	annual April 7	8,291	8,291
EMTN 07/2020 1	0.625%	annual July 9	2,260	2,260
EMTN 07/2020 2	1.000%	annual July 9	3,617	3,617
EMTN 01/2021	1.000%	annual January 28	4,630	4,630
Total			**110,510**	**96,609**
Senior loans			53	54
Swaps without cross-currency			145	–
Accruals			497	1,854
Total accrued liabilities			**111,205**	**98,517**
Trade payables			10	12
Other tax liabilities			8	7
Total other liabilities			**18**	**19**

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

15 Interest and Similar Income and Expenses

in € thousand	Jan.-Dec. 2021	Jan.-Dec. 2022
Interest income from affiliated companies and shareholder	324,145	247,607
Other income from shareholder	-	101
Compensation incurred loss from shareholder	15,933	-
Interest income from third parties	15,048	15,703
Valuation effects from ineffectiveness	54	-
Total interest and similar income	**355,180**	**263,411**
Interest expenses from Euro/EMTN bonds	-212,840	-190,147
Interest expenses from Hybrid bond (perpetual)	-38,356	-
Interest expenses from Yankee bond	-10,929	-12,238
Interest expenses from secured financings	-8,490	-8,724
Interest expenses from Term loan	-2,468	-100
Interest expenses from swaps	-13,795	-13,348
Interest expenses from liquidation Forward swaps	-10,393	-8,578
Other interest expenses to third parties	-24,644	-24,874
Valuation effects from off-market transaction loss	-1,051	-793
Non-recoverable finance expenses	-93	-58
Incurred loss of valuation effects from loan to third parties	-15,933	-3,351
Total interest and similar expenses	**-338,992**	**-262,211**
Total financial result	**16,188**	**1,200**

In the period under review, € 7,9 million was reclassified to profit or loss from the cash flow hedge reserve; for more information, see Note 23.

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.

16 Personnel Expenses

Personnel expenses are disbursed for employees as follows:

in € thousand	Jan.-Dec. 2021	Jan.-Dec. 2022
Wages and salaries	318	318
Social security charges	31	29
Total	**349**	**347**

17 Depreciation of Tangible Non-current Assets

Depreciation expenses of € 1 k (January–December 2021: € 1 k) pertain to the depreciation of tangible assets, which comprise office equipment.

18 Audit Fees

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

Jan.–Dec. 2022 in € thousand	KPMG Accountants N.V.	Other KPMG Network	**Total KPMG Network**
Audit of the financial statements	353	–	353
Other audit services	–	–	–
Tax services	–	–	–
Other non-audit services	–	–	–
Total	**353**	**–**	**353**

Jan.–Dec. 2021 in € thousand	KPMG Accountants N.V.	Other KPMG Network	**Total KPMG Network**
Audit of the financial statements	85	–	85
Other audit services	–	–	–
Tax services	–	–	–
Other non-audit services	–	–	–
Total	**85**	**–**	**85**

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 2021 financial statements, regardless of whether the work was performed in 2021 or 2022.

19 Other Operating Expenses

in € thousand	**Jan.–Dec. 2021**	**Jan.–Dec. 2022**
Consultancy fees	104	155
Independent auditor's remuneration	85	353
Rent and lease	86	92
IT and administration costs	21	38
Other costs	42	33
Total	**338**	**671**

The table below shows the financial obligation for office rent:

in € thousand	within 2023	within 2024–2027	beyond 2027
Rent and lease	105	158	–

20 Income/Loss Taxation

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

in € thousand	Jan.–Dec. 2021	Jan.–Dec. 2022
Profit before tax	15,500	181
Deferred tax assets	366	352
Estimated tax for the year	-3,145	-3,236
Current tax liabilities/assets	21	874
Profit for the year	**13,042**	**-1,829**

The effective tax rate is 1,110.5% (January–December 2021: 15.86%)

The nominal tax rate is 25.8% (January–December 2021: 25.0%)

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, the 2022 Dutch corporation tax applies at 25,8%. For the taxable amount up to and including euro 395,000, the applicable tax rate is 15.0%. 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.

21 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.

22 Average Numbers of Employees

As of December 31, 2022, the company has three employees (December 31, 2021: three), two of whom are men and one of whom is a woman (December 31, 2021: 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.

23 Financial Instruments

As of December 31, 2022, 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).

The interest rate swap relating to a floater bond (Bond 018A) with a nominal volume of € 600 million (beginning of 2018) expired as scheduled in the reporting year.

Future changes in the value of the cash flow hedge reserve also relate to two hedging instruments unwound in October 2015 (one instrument matured in May 2022). 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, € 7.9 million was reclassified to profit or loss, reducing the respective cash flow hedge reserve to € 10.8 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

		Development		
in € thousand	Jan. 1, 2022	Gross Amount	Deferred Tax	Dec. 31, 2022
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**
Cash flow hedge reserve according to balance sheet	**11,840**	-11,558	947	**1,229**

		Development		
in € thousand	Jan. 1, 2021	Gross Amount	Deferred Tax	Dec. 31, 2021
Cash flow hedge reserve related to three unwound hedging instruments	**28,352**	-9,626	–	**18,726**
Interest rate swap floater (€ 600 million)	**6,826**	-4,700	1,140	**3,266**
Cross-currency swap	**-23,953**	-17,831	4,856	**-36,928**
Corresponding USD bond	**14,180**	17,180	-4,584	**26,776**
Cash flow hedge reserve according to balance sheet	**25,405**	-14,977	1,412	**11,840**

Development of Derivatives

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

in € thousand	Face Value	Jan. 1, 2021	Development: Cash Flow Hedge Reserve	Development: Ineffectiveness Income Statement	Development: Off-market Loss Income Statement	Development: Reclassification	Dec. 31, 2021
Passive hedge accounting	–	**–**	9,626	–	–	-9,626	**–**
Interest rate swap floater Mar. 2018 4.75 years 3M EURIBOR	600,000	**-9,102**	4,700	–	–	–	**-4,402**
Cross-currency swap eff. Oct. 2013 10 years USD exchange rate	184,592	**31,938**	17,831	–	–	–	**49,769**
Cross-currency swap off-market transaction loss		**-13,568**	–	54	-1,051	–	**-14,565**
		18,370	17,831	54	-1,051	–	**35,204**
Market value (clean)	**784,592**	**9,268**	32,157	54	-1,051	-9,626	**30,802**
Accrued interest	–	**289**	–	–	–	–	**490**
Market value (dirty)	–	**9,557**	–	–	–	–	**31,292**

Development of Yankee Bond

in € thousand	Jan. 1, 2022	Development: via Cash Flow Hedge Reserve	Dec. 31, 2022
Yankee bond	**-36,086**	-13,874	**-49,960**

24 Further Information about the Bodies of the Company

The Management Board of Vonovia Finance B.V. consists of two members as of December 31, 2022.

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 2022 fiscal year amounting to € 203 k for its two members (January–December 2021: € 194 k).

On February 16, 2022, Prof. Dr. Kirsten became member and the new chairman of the Executive Board of Directors at Adler Group S.A.. In order to avoid potential conflicts of interest, he resigned from the Supervisory Board at FINANCE B.V. with immediate effect on the same day. Due to his resignation, Vice-Chair Mrs. Freifrau Röder von Diersburg was appointed as the new Chair and Dr. Heß was appointed as the new Vice-Chair of the SVB as of March 21, 2022.

On May 31, 2022, Mrs. Schumacher resigned from the SVB of FINANCE B.V. in order to avoid potential conflicts of interest, as she became an SVB member of Deutsche Wohnen in January 2022.

The Supervisory Board of Vonovia Finance B.V. consists of three members as of December 31, 2022.

Helene Freifrau Röder von Diersburg
Chair of the Supervisory Board
CTO of Vonovia SE

Olaf Weber
Head of Finance and Treasury, Vonovia SE

Dr. Fabian Heß
General Counsel of Vonovia SE

The members of the Supervisory Board received remuneration amounting to € 4 k in 2022 (January–December 2021: € 18 k).

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.

25 Subsequent Events

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

Amsterdam, March 21, 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 loss of the year 2022 amounting to € 1,829 k (year ended December 31, 2021: net profit of € 13,042 k) to the account of other reserves.

Independent Auditor’s Report

To: the General Meeting of Vonovia Finance B.V.

Report on the audit of the financial statements 2022 included in the financial report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Vonovia Finance B.V. as at December 31, 2022 and of its result and it’s cash flows for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2022 of Vonovia Finance B.V. (‘the Company’) based in Amsterdam.

The financial statements comprise:

1 Balance Sheet as at December 31, 2022;
2 Income Statement for the year from January 1 to December 31, 2022;
3 Statement of Cash Flows for the year from January 1 to December 31, 2022 and
4 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the ‘Our responsibilities for the audit of the financial statements’ section of our report.

We are independent of Vonovia Finance B.V. in accordance with the ‘Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality
> Materiality of EUR 140 million
> 1% of total assets

Fraud/Noclar and Going concern related risks
> Fraud & Non-compliance with laws and regulations (Noclar) related risks: presumed risk of management override of controls identified
> Going concern related risks: no going concern risks identified

Key audit matters
> Valuation and existence of the receivables from affiliated companies and shareholder.

Opinion
Unqualified.

Materiality

Based on our professional judgment we determined the materiality for the financial statements as a whole at EUR 140 million (2021: EUR 168 million). The materiality is determined with reference to total assets (1%). We consider total assets as the most appropriate benchmark because the Company is an asset oriented company. Materiality applied was reduced compared to prior year due to the lower total assets and a consistent application of 1% to determine materiality based on this benchmark. Based on our analysis of the common information needs of the stakeholders, of which we believe the shareholders and bondholders to be the most important stakeholders. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Management Board that misstatements identified during our audit in excess of EUR 7.0 million would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit response to going concern – no significant going concern risks identified

The Management Board performed its going concern assessment, in which amongst others the Company’s high dependency of the group and affiliated companies’ ability to fulfill its obligations towards the Company was considered. As disclosed in note 1.3 of the financial statements the Management Board did not identify any significant going concern risks. To assess the Management Board's assessment, we performed, inter alia, the following procedures:

> we assessed whether the cash pool facility contains any limitations that could indicate a going concern risk;
> we analyzed the Company's financial position at year-end, and compared it to the previous financial year in terms of indicators that could identify significant going concern risks;
> we assessed the ability of the parent company to fulfill its obligations to the Company indicate a going concern risk;
> we determined the valuation of the intercompany loans, as described in the key audit matter, could indicate a significant going concern risk.

The outcome of our risk assessment procedures and audit procedures on the intercompany loans did not reveal any additional risks to be addressed as part of our evaluation of Management Board's going concern assessment.

Audit response to the risk of fraud and non-compliance with laws and regulations

In the Management Report of the financial report, the Management Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment, including an assessment of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management and those charged with governance. As part of our audit procedures, we:

> obtained an understanding of how the Company uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;
> assessed other positions held by the Management Board members and/or other employees and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;
> evaluated incident reports on indications of possible fraud and non-compliance;
> considered the outcome of our other audit procedures and evaluated whether any findings or misstatements were indictive of fraud or non-compliance.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and did not identified any areas with a material effect on the financial statements.

We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Further, we assessed the presumed fraud risk on revenue recognition as irrelevant, because the interest income is non-complex and does not require any significant judgement by management and as such no fraud risk for the revenue recognition has been identified.

Based on the above and on the auditing standards, we identified the following fraud and non-compliance risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

> Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

> We inquired the individuals involved in the financial reporting process and other parties who initiate, authorize, record, process and report transactions, journal entries and other adjustments whether they are aware of inappropriate or unusual and unsupported activity relating to the processing of journal entries and other adjustments.
> We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries and post-closing adjustments.
> We assessed the reasonableness of high-risk manual journal entries, such as post-closing entries, by inspection of the supporting documentation of these journal entries based on our understanding of the business and other audit evidence obtained to evaluate whether such entries are indicative of management override of controls.
> We incorporated elements of unpredictability in our audit, including: performing an assessment of the all payments made by the Company throughout the year.

Our procedures to address the identified risk of fraud in respect of management override of controls did not result in a key audit matter.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Our key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the Management Board. The key audit matter is not a comprehensive reflection of all matters discussed.

Valuation and existence of the receivables from affiliated companies and shareholder

Description

We considered the valuation and existence of the receivables from affiliated companies and shareholder, as disclosed in note 6 to the financial statements for a total amount of EUR 14.2 billion to be a key audit matter. The Management Board has to identify and evaluate any objective evidence of impairment, which is inherently judgmental and because of the possible material impact an impairment may have on the financial statements. Furthermore an impairment or non-existence of the receivables from affiliated companies and shareholder may have a material effect on the Company's financial statements. The Management Board monitors the need for changes in the methods, significant assumptions or the data used in making the accounting estimate by monitoring key performance indicators that may indicate unexpected or inconsistent performance.

Our response

We have considered the risk of a material misstatement related to the valuation and existence of the receivables from affiliated companies and shareholder as mentioned above, in planning and performing our audit. Our audit procedures comprised, amongst others:

> We gained an understanding of the internal control environment including the design and implementation of controls with respect to how the Management Board assess the valuation and existence of the receivables from affiliated companies and shareholder by performing a walkthrough, inquiries and inspection of the underlying documentation.

> We have vouched all new intercompany loans to underlying contracts.

> We requested loan confirmations directly from the affiliated companies and shareholder stating the amount due as per year-end to determine the existence of the loans granted.

> We inspected the Company's accounting policy to ensure its incurred loss approach is in accordance with Part 9 of Book 2 of the Dutch Civil Code.

> We evaluated the recoverability of the loans to the affiliated companies and shareholder by analysing the financial situation of the affiliated companies and shareholder to which the loans have been provided by analysing current (public) financial data and its ability to repay the loans to the Company.

> We assessed the adequacy of the disclosures in the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Our observation

The results of our audit procedures relating to the valuation of the receivables from affiliated companies and shareholder were satisfactory and we consider the disclosures related to the receivables from affiliated companies and shareholder in the notes to the financial statements adequate.

Report on the other information included in the financial report

In addition to the financial statements and our auditor's report thereon, the financial report contains other information.

Based on the following procedures performed, we conclude that the other information:

> is consistent with the financial statements and does not contain material misstatements; and

> contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the Supervisory Board as auditor of Vonovia Finance B.V. on 14 September 2022, as of the audit for the year 2022 and have operated as statutory auditor since financial year 2021.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

European Single Electronic Format (ESEF)

Vonovia Finance B.V. has prepared its financial report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the financial report prepared in XHTML format, including the financial statements of Vonovia Finance B.V., has been prepared in all material respects in accordance with the RTS on ESEF.

The Management Board is responsible for preparing the financial report, including the financial statements, in accordance with the RTS on ESEF.

Our responsibility is to obtain reasonable assurance for our opinion whether the financial report is in accordance with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

> Obtaining an understanding of the Company's financial reporting process, including the preparation of the financial report in XHTML- format.
> Identifying and assessing the risks that the financial report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including examining whether the financial report in XHTML-format is in accordance with the RTS on ESEF.
>

Description of responsibilities regarding the financial statements

Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Management Board is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at eng_oob_01.pdf (nba.nl) / eng_beursgenoteerd_01.pdf (nba.nl). This description forms part of our auditor's report.

Zwolle, March 21, 2023

KPMG Accountants N.V.
Original has been signed by
J.J. van den Berg RA

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