1st supplement, dated 3 June 2021 to the Base Prospectus dated 11 March 2021

*This document constitutes a supplement (the "**Supplement**") for the purposes of Art. 8(10) and Art. 23(1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (the "**Prospectus Regulation**") to the base prospectus of Vonovia SE dated 11 March 2021 (the "**Base Prospectus**" or the "**Prospectus**") relating to issues of non-equity securities ("**Non-Equity Securities**") within the meaning of Art. 2(c) of the Prospectus Regulation by Vonovia SE.*

Vonovia SE

(*incorporated in Germany as a European Company (Societas Europaea*)

EUR 30,000,000,000 Debt Issuance Programme

This Supplement has been approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**") which is the Luxembourg competent authority for the purposes of the approval of the Base Prospectus under the Prospectus Regulation.

Vonovia SE (the "**Issuer**" and, together with its consolidated subsidiaries, "**Vonovia**" or the "**Group**") has requested the CSSF to provide the competent authorities in the Federal Republic of Germany ("**Germany**") and The Netherlands with a certificate of approval attesting that this Supplement has been drawn up in accordance with the Prospectus Regulation. The Issuer may request the CSSF to provide competent authorities in additional host member states within the European Economic Area with such notification.

Right to withdraw

In accordance with Art. 23(2)(a) of the Prospectus Regulation, investors who have already agreed to purchase or subscribe for the securities before this Supplement was published shall have the right, exercisable within three working days after the publication of this Supplement, to withdraw their acceptances, provided that the significant new factor arose or was noted before the closing of the offer period or the delivery of the securities. The final date for the right of withdrawal will be 8 June 2021 (close of business). Investors may contact Vonovia SE at its registered office should they wish to exercise the right of withdrawal.

Copies of this Supplement together with the Prospectus and all documents which are incorporated therein by reference will be available free of charge from the specified offices of the Issuer and from the specified offices of the Paying Agents.

This Supplement together with the Prospectus and the documents incorporated by reference therein are also available for viewing at www.bourse.lu.

The purpose of this Supplement is to supplement the Prospectus with information from the unaudited consolidated interim financial information of the Issuer as of and for the three-month period ended 31 March 2021 and to update the Prospectus with respect to the recently announced envisaged takeover of Deutsche Wohnen SE by Vonovia and other recent developments concerning the Issuer.

This Supplement is supplemental to and should be read in conjunction with the Prospectus. Terms defined in the Prospectus have the same meaning when used in this Supplement.

The Issuer accepts responsibility for the information given in this Supplement. The Issuer hereby declares that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement for which it is responsible, is in accordance with the facts and that this Supplement makes no omission likely to affect its import.

Neither the Dealers nor any person mentioned in the Prospectus or this Supplement, excluding the Issuer, is responsible for the information contained in the Prospectus or this Supplement or any document incorporated therein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

To the extent that there is any inconsistency between any statement included in this Supplement and any statement included or incorporated by reference in the Prospectus, the statements in this Supplement will prevail.

Save as disclosed on pages 2 - 11 of this Supplement, there has been no other significant new factor, material mistake or material inaccuracy since the publication of the Base Prospectus.

1. Risk Factors – Risk factors relating to the Issuer and the Group

On page 16 of the Prospectus in the section "*Risk factors relating to the Issuer and the Group*" the content of the risk factor "*Vonovia is dependent on its investment grade rating to pursue its financing strategy*" shall be replaced by the following:

"***Vonovia is dependent on its investment grade rating to pursue its financing strategy.***

On 10 March 2015, the Issuer obtained a corporate investment grade rating of "BBB+" from S&P Global Ratings Europe Limited ("**S&P**"), which was recently confirmed on 25 May 2021. On 13 December 2019 the Issuer obtained a long-term credit rating of "A-" from Scope Ratings GmbH ("**Scope**"), which was recently confirmed on 26 May 2021. On 25 May 2021, the Issuer obtained a corporate investment grade rating of "A3" from Moody's Deutschland GmbH ("**Moody's**").

If Vonovia were to lose its investment grade rating, future issuances of unsecured bonds and notes may become significantly more expensive or may not be possible in the targeted amounts. Rating agencies could downgrade the Group if for example the value of the Group's assets or the Group's debt-service or interest coverage ratio were to fall below certain values, if the Group's debt-to-capital ratio were to exceed certain values, if the Group were unable to keep or render sufficient values of its assets unencumbered or if the residential real estate market in Germany deteriorates in general.

If any of the risks described above were to materialize, it would be more difficult for the Group to pursue its current financing strategy, which could have material adverse effects on the Group's business, financial condition, cash flow and results of operations."

2. Risk Factors – Risk factors relating to the Issuer and the Group

On page 22 of the Prospectus in the section "*Risk factors relating to the Issuer and the Group*" a new sub-section with the following content shall be inserted:

"**Risks relating to the announced envisaged take-over of Deutsche Wohnen SE**

Vonovia is exposed to risks relating to the announced envisaged take-over of Deutsche Wohnen SE and the benefits that Vonovia may realize from the acquisition could be materially different from the Group's expectations

On 24 May 2021, the Issuer announced that Vonovia entered into an agreement with Deutsche Wohnen SE ("**Deutsche Wohnen**") on the combination of both businesses by way of a public takeover offer to all shareholders of Deutsche Wohnen (the "**Acquisition**"). Deutsche Wohnen is a listed German housing company based in Berlin. Deutsche Wohnen owns approximately 155,400 apartments (of which 114,200 are in Berlin) and 2,900 commercial properties.

The management board of the Issuer has decided, with the approval of its supervisory board, that the Issuer will offer to the shareholders of Deutsche Wohnen by way of a voluntary takeover offer (cash offer) to acquire their no-par value bearer shares in Deutsche Wohnen representing a *pro rata* amount of Deutsche Wohnen's registered share capital of EUR 1.00 per share.

As consideration for Deutsche Wohnen shares tendered to the Issuer, the Issuer intends to, subject to the final determination of the statutory minimum prices and the final determinations in the offer document, offer for each Deutsche Wohnen share a cash consideration of EUR 52. Together with the dividend of Deutsche Wohnen for the financial year 2020 which has been proposed to the annual general meeting convened for 1 June 2021 and which is expected to be EUR 1.03 per share, the offer corresponds to a value per share in Deutsche Wohnen of EUR 53.03. Based on the offer consideration, the equity of Deutsche Wohnen is valued at approximately EUR 18 billion. This corresponds to a premium of approximately 18% on the closing price of shares in Deutsche Wohnen on the last trading day prior to the announcement (21 May 2021) and a premium of approximately 25% on their weighted average price during the last three months until 21 May 2021.

The consummation of the Acquisition is expected for end of August 2021 and will be subject to certain closing conditions. These will likely include, in particular, receipt of the required antitrust clearances, achieving a minimum acceptance of more than 50% in Deutsche Wohnen, absence of certain actions on the side of Deutsche Wohnen and non-occurrence of certain material adverse events.

Furthermore, the offer will be made subject to additional terms and conditions to be set out in the yet to be published offer document and the Issuer has further reserved the right, to the extent legally permissible, to modify the final terms and conditions of the offer and to deviate from the above key parameters, including by providing for additional conditions.

In the business combination agreement, Deutsche Wohnen agreed to support the offer, subject to the statutory duties of the board members.

The Acquisition would lead to the creation of Europe's largest residential real estate group with over 500,000 apartments, a projected combined market capitalization of around EUR 45 billion and a combined real estate portfolio value of approx. EUR 90 billion. The combined company will carry the name "Vonovia SE". For further information on the Acquisition, please refer to the section "*Description of the Issuer and the Group – Recent developments*".

Vonovia cannot guarantee that the Acquisition will be successful or will yield benefits that are sufficient to justify the expenses the Group has incurred or will incur.

The implementation of the Acquisition also involves the risks that the offering price for the Deutsche Wohnen shares may be considered too high, Deutsche Wohnen's financial or operational performance may not develop as expected, or sales, earnings and cash flow goals pursued by way of the Acquisition may not be met.

In addition, the Acquisition is subject to a number of risks, including:

- unexpected losses of key employees of Deutsche Wohnen;
- extraordinary or unexpected legal, regulatory, contractual or other costs;
- difficulties in integrating the financial, technological and management standards, processes, and procedures of Deutsche Wohnen and its subsidiaries with those of Vonovia's existing operations;
- challenges in managing the increased scope, geographic diversity and complexity of the combined operations;
- mitigating contingent and/or assumed liabilities;
- loss of all tax loss carry forwards and interest carry forwards of Deutsche Wohnen group;
- an impact on the tax deductibility of interest expenses of Vonovia, which could lead to a higher tax burden of the combined group;
- the possible loss of tenants, customers and/or other business partners; and
- control issues in a situation where Vonovia does not exercise sole control of Deutsche Wohnen.

Vonovia may not be able to realize the anticipated synergies, future earnings, transfer of know-how or other benefits that it intends to achieve from the Acquisition. The Acquisition may not be as successful as the acquisitions that Vonovia has completed in the past.

There is further a risk that the acquisition of shares in Deutsche Wohnen by the Issuer in connection with or as a result of the Acquisition could trigger real estate transfer tax in a substantial amount.

The materialization of any of the risks described above could have material adverse effects on the net assets, financial condition and results of operations of the Group.

The financing of the Acquisition as well as any refinancing of financial liabilities of Deutsche Wohnen required in connection with the Acquisition could fail.

The financing of the takeover offer is secured by a syndicated bridge facility of up to EUR 22.4 billion (the "**Bridge Facility**"), of which EUR 21.9 are expected to be utilized. It is further expected that EUR 6.4 of secured debt of Deutsche Wohnen will be rolled over.

There can however be no assurance that the financing of the transaction will be successful. The funds available under the Bridge Facility may only be drawn by the Issuer if certain conditions are met and certain documentation requirements are satisfied. It is possible that the conditions for drawdowns under the Bridge Facility will not be satisfied in a timely manner. In addition, prior to disbursement, it is possible that a material ground for termination will occur with respect to the Bridge Facility and the Bridge Facility will be terminated. This would result in the funds available under the Bridge Facility no longer being available to finance the takeover offer and the refinancing of certain Deutsche Wohnen liabilities. The occurrence of any of these risks could result in the failure of the Acquisition.

The Issuer is planning to replace the Bridge Facility by additional financing arrangements, which are expected to include a rights issue, the issuance of new bonds, *inter alia*, under this Programme, and certain disposals, which include approximately 20,000 units offered to the state of Berlin (see "*Description of the Issuer and the Group – Recent developments*" for additional information) and up to a further 25,000 units and selected development projects. As mentioned above, Vonovia will also have to roll over existing liabilities of Deutsche Wohnen. The final refinancing needs will depend on the extent to which the creditors of Deutsche Wohnen will exercise their early termination rights in connection with the change of control in Deutsche Wohnen.

All envisaged capital market transactions will be dependent on then prevailing market conditions and there can be no assurance that these refinancing transactions will be completed successfully or that the Group will be able to obtain the favourable conditions negotiated in the past.

While the Issuer is committed to its existing loan-to-value (LTV) ratio target range of 40-45%, the additional financing requirements for and resulting from the Acquisition and the Deutsche Wohnen liabilities assumed as part of the take-over could result in a weaker financial profile of the combined group, especially in the short term, which could result, among other things, in rating downgrades.

The materialization of any of the risks described above could have material adverse effects on the net assets, financial condition and results of operations of the Group.

Vonovia was not able to access important documents of Deutsche Wohnen prior to the launch of the Acquisition, meaning that there may be unknown circumstances that are of material importance for the evaluation of Deutsche Wohnen.

Vonovia was not able to access important documents of Deutsche Wohnen before the announcement of its decision to launch the Acquisition (due diligence), but had to rely on publicly available information and its knowledge of the industry. Vonovia cannot rule out that important circumstances material for the evaluation of Deutsche Wohnen were not publicly known, and therefore were not reflected in the evaluation of Deutsche Wohnen and the determination of the amount of the offered cash amount per Deutsche Wohnen share. In particular, the actual development of the portfolio of Deutsche Wohnen may differ from the assumptions made by Vonovia for the purpose of the evaluation of Deutsche Wohnen. Should important, previously unknown, circumstances material for the evaluation of Deutsche Wohnen become known, this could lead to a deterioration of the economic results of the Acquisition and could have material adverse effects on the net assets, financial condition and results of operations of the Group.

The integration of Deutsche Wohnen may neither be successful nor go as planned and may involve higher costs than expected or require more resources than initially planned.

Upon a successful takeover of Deutsche Wohnen, Vonovia seeks to integrate Deutsche Wohnen. Such integration may require considerable personnel capacities and financial resources. For a successful integration, it is also important to integrate the portfolios and existing staff of the two companies, connect different company cultures, harmonise IT systems and put into place common processes for the integrated group. The integration may result in negative effects for contractual or legal positions of one of the two groups, for example due to change of control provisions in existing agreements of Deutsche Wohnen.

The integration of Deutsche Wohnen into the Group could further require a larger amount of time and attention of both companies' management than originally anticipated. If integration issues significantly divert management's attention from other responsibilities, the businesses of Deutsche Wohnen and Vonovia could be adversely affected.

Should any of these risks materialize, this may have material adverse effects on the net assets, financial condition and results of operations of the Group.

If unexpected difficulties were to arise following the completion of the Acquisition and integration of Deutsche Wohnen, or if Deutsche Wohnen's business failed to perform and/or develop as anticipated, the Group could be forced to recognize impairment losses on the tangible or intangible assets and/or goodwill of Deutsche Wohnen in the future.

Following the completion of the Acquisition, Vonovia will have to consolidate the acquired assets and liabilities of Deutsche Wohnen and recognize the difference between the amount paid for the Acquisition (total consideration) and the fair value of Deutsche Wohnen's net assets at the acquisition date as goodwill. IFRS and the International Accounting Standard 36 (Impairment of Assets) ("**IAS 36**") require Vonovia to test goodwill and intangible assets with indefinite lives at least annually, or more frequently if there is an indication of impairment. The excess (if any) of the carrying amount over the recoverable amount has to be recorded as an impairment loss. Tangible and intangible assets with definite lives are not tested annually, but rather when there are indicators of impairment. As a result, Vonovia may be forced to recognize an impairment loss on the tangible and intangible assets and/or goodwill of Deutsche Wohnen in accordance with IFRS and IAS 36 if unexpected difficulties were to arise in the course of the integration of Deutsche Wohnen into the Group, if Deutsche Wohnen's business were to fail to develop as expected or if any other unexpected development were to occur affecting the performance or sustainability of Deutsche Wohnen's business.

Any such impairment losses could have a material adverse effect on the Group's business, financial condition and results of operations."

3. Description of the Issuer and the Group - General Information on Vonovia SE

On page 142 of the Prospectus, the content of the subsection "*Ratings*" including the associated footnotes shall be replaced by the following:

"***Ratings***

S&P Global Ratings Europe Limited ("**S&P**") has assigned the long-term credit rating "BBB+"[1] (outlook stable), Moody's Deutschland GmbH ("**Moody's**") has assigned the long-term credit rating "A3"[2] (outlook stable) and Scope Ratings GmbH ("**Scope**") has assigned the long-term credit rating "A-"[3] (outlook stable) to the Issuer.

S&P, Moody's and Scope are established in the European Community and are registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**").[4]

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency."

4. Description of the Issuer and the Group – Material agreements

On page 148 of the Prospectus, the content of the subsection "*Notes Issuances*" within the subsection "*Financing Arrangements*" of the section "*Material agreements*" shall be replaced by the following:

"*Notes Issuances*

The table below provides an overview of the maturity profile of the outstanding bonds issued by the Group, as of the date of this Supplement:

Year of Maturity	**Amount due in EUR million**
2021	500.0
2022	2,100.0
2023	2,185.0
2024	2,000.0
2025	1,500.0
2026	1,950.0
2027	1,000.0
2028	500.0
2029	500.0

1 S&P defines "BBB" as follows: "An obligor rated 'BBB' has an adequate capacity to meet financial commitments, but more subject to adverse economic conditions. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or (-) sign to show relative standing within the major rating categories."

2 Moody's defines "A3" as follows: "Obligations rated 'A' are judged to be upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category."

3 Scope defines "A" as follows: "Ratings at the A level reflect an opinion of strong credit quality. Rating categories defined by Scope rank from "AAA" (highest category) to "D" (default), with "+" and "-" as additional sub-categories for each category from AA to B (inclusive)."

4 The European Securities and Markets Authority publishes on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

Year of Maturity	Amount due in EUR million
2030	1,750.0
2031	600.0
from 2032	2,000.0
Total	**16,585.0**

"

5. Description of the Issuer and the Group – Recent developments

On page 153 of the Prospectus, the content of the section "*Recent developments*" shall be replaced by the following:

"**Recent developments**

On 24 March 2021, Vonovia SE issued a green bond with an aggregate volume of EUR 600 million. The bond has a maturity of 10 years and bears interest of 0.625% *per annum*.

The annual general meeting of the Issuer approved on 16 April 2021 a dividend of EUR 1.69 per share for the year 2020. A total of 48.18% of the shareholders opted for a distribution in the form of new company shares (scrip dividend) instead of a conventional cash dividend. A total of 9,270,028 new shares were issued (capital increase of 1.65%), the total numbers of shares of the Issuer registered with the commercial register has grown to 575,257,327 and capital reserves changed from EUR 9,037.9 million as of 31 March 2021 to EUR 9,498.8 million.

On 25 May 2021, the Issuer received a corporate investment grade rating of "A3" by Moody's.

Proposed public takeover of Deutsche Wohnen

On 24 May 2021, the Issuer announced that Vonovia had entered into an agreement with Deutsche Wohnen on the combination of both businesses by way of a public takeover offer to all shareholders of Deutsche Wohnen. Deutsche Wohnen is a listed German housing company based in Berlin. Deutsche Wohnen owns approximately 155,400 apartments (of which 114,200 are in Berlin) and 2,900 commercial properties.

The management board of the Issuer has decided, with the approval of its supervisory board, that the Issuer will offer to the shareholders of Deutsche Wohnen by way of a voluntary takeover offer (cash offer) to acquire their no-par value bearer shares in Deutsche Wohnen representing a *pro rata* amount of Deutsche Wohnen's registered share capital of EUR 1.00 per share.

As consideration for Deutsche Wohnen shares tendered to the Issuer, the Issuer intends to, subject to the final determination of the statutory minimum prices and the final determinations in the offer document, offer for each Deutsche Wohnen share a cash consideration of EUR 52. Together with the dividend of Deutsche Wohnen for the financial year 2020 which has been proposed to the annual general meeting convened for 1 June 2021 and which is expected to be EUR 1.03 per share, the offer corresponds to a value per share in Deutsche Wohnen of EUR 53.03. Based on the offer consideration the equity of Deutsche Wohnen is valued at approximately EUR 18 billion. This corresponds to a premium of approximately 18% on the closing price of shares in Deutsche Wohnen on the last trading day prior to the announcement (21 May 2021) and a premium of approximately 25% on their weighted average price during the last three months until 21 May 2021.

As of the date of this Supplement, the Issuer intends to publish the offer document at the end of June 2021. It is expected that the first offer period of 4 to 5 weeks will commence in late June 2021. A second, additional offer period of two weeks is expected to commence at the end of July 2021.

The consummation of the Acquisition is expected for the end of August 2021 and will be subject to certain closing conditions. These will likely include, in particular, receipt of the required antitrust clearances, achieving a minimum acceptance of more than 50% in Deutsche Wohnen, absence of certain actions on the side of Deutsche Wohnen and non-occurrence of certain material adverse events.

Furthermore, the offer will be made subject to additional terms and conditions to be set out in the yet to be published offer document and the Issuer has further reserved the right, to the extent legally permissible, to modify the final terms and conditions of the offer and to deviate from the above key parameters, including by providing for additional conditions.

In the business combination agreement, Deutsche Wohnen agreed to support the offer, subject to the statutory duties of the board members.

The Issuer believes that cost savings of EUR 105 million per year can be expected from the joint management and the regionally complementary portfolios. These are expected to result primarily from the joint operational management of the portfolio, synergies from lower general corporate expenses, the intensified implementation of Vonovia's value creation strategy in the Deutsche Wohnen portfolio as well, falling costs due to the provision of additional services by Vonovia's own craftsmen's organisation, and from joint purchasing and further standardisation in modernisation and maintenance. This does not yet include cost savings from joint financing. The Issuer believes that the full realisation of all potential cost savings can be expected by the end of 2024.

The Acquisition would lead to the creation of Europe's largest residential real estate group with over 500,000 apartments, a projected combined market capitalization of around EUR 45 billion and a combined real estate portfolio value of approx. EUR 90 billion. The combined company will carry the name "Vonovia SE". The registered office of the combined company is to remain in Bochum following the business combination, with the combined company being managed from Bochum and Berlin.

The two companies have agreed on the following key terms in the business combination agreement:

- Composition of the management board: Rolf Buch, Chief Executive Officer; Michael Zahn, Deputy CEO; Philip Grosse, CFO; Arnd Fittkau, Chief Rental Officer; Daniel Riedl, Development.
- The combination forms the basis for additional growth opportunities. Helene von Roeder (currently CFO of Vonovia) is therefore assuming overall responsibility for the new management board function of Innovation and Digitalisation. This unit combines responsibility for IT and data infrastructure together with Vonovia's Service business, which will also offer its services externally on the market in the medium-term future.
- Furthermore, an executive committee below the management board is to be established, in which Henrik Thomson and Lars Urbansky (both currently members of the management board of Deutsche Wohnen) will serve.
- Deutsche Wohnen will propose two members for Vonovia's supervisory board; Helene von Roeder and Michael Zahn are to become members of Deutsche Wohnen's supervisory board.
- No operational redundancies before the end of 2023.

In connection with the Acquisition, Deutsche Wohnen and Vonovia have also agreed on the sale and transfer of up to 16,070,566 but at least 12,708,563 treasury shares of Deutsche Wohnen to Vonovia, at a price of EUR 52.00. In addition, the management board of Deutsche Wohnen, with the approval of the supervisory board of Deutsche Wohnen, has resolved to increase the share capital of Deutsche Wohnen by up to EUR 12,130,478 by issuing to Vonovia 12,130,478 new shares, provided that Vonovia requests this by 20 June 2021 and Vonovia's shareholding does not exceed 37,833,806 shares as a result of this capital increase. Furthermore, Deutsche Wohnen and Vonovia have agreed that Deutsche Wohnen will exercise its right to cash payment instead of delivery of shares in respect of the outstanding convertible bonds of Deutsche Wohnen upon conversion in the event of a change of control.

As part of their planned combination, Vonovia and Deutsche Wohnen are offering the State of Berlin to acquire approximately 20,000 residential units from the stock of the two companies at their current value. The two companies are further offering the Berlin Senate a "*Future and Social Pact for Housing*", which provides specific measures to tackle housing market challenges in Berlin. Vonovia and Deutsche Wohnen are committing to limit their regular rent increases across their combined Berlin portfolio to no more than one percent per year for the next three years and to inflation adjustment for the following two years. At the same time, the financial burden on tenants due to energy-efficient housing modernisation will be minimised by limiting the modernisation allocation to a maximum of EUR 2 per square metre - a pledge that goes beyond legal requirements. Vonovia and Deutsche Wohnen are further committed to build at least 13,000 apartments in Berlin in the coming years. The governing major of Berlin has announced that the administration of the city state is looking forward to cooperating with the combined group.

Assuming an acceptance of the tender offer by approximately 90% of the Deutsche Wohnen shareholders, the Issuer expects that the total costs of the Acquisition will be approximately EUR 28.4 billion. Thereof:

- approximately EUR 16 billion will be required as purchase price for the Deutsche Wohnen shares (based on the assumed acquisition of approximately 307 million shares);
- approximately EUR 11.8 billion correspond to the net debt of Deutsche Wohnen as of 31 March 2021, assumed in connection with the Acquisition, which includes EUR 2.1 billion of convertible bonds (based on EUR 1.7 billion book value adjusted for the change of control provision of the bonds),

EUR 4.1 billion of straight bonds (pro forma including the EUR 1 billion green bond issued by Deutsche Wohnen in April 2021) and EUR 6.4 billion of secured debt;

- approximately EUR 600 million are expected to be transaction costs for the Acquisition, which include synergy implementation costs of approximately EUR 200 million and costs for the setup of the final financing structure including the proposed rights issue (as described below).

The financing of the takeover offer is secured by a EUR 22.4 billion Bridge Facility, of which EUR 21.9 are expected to be utilized. The Bridge Facility covers the purchase price for the Deutsche Wohnen shares and the outstanding convertible bonds and unsecured bonds of Deutsche Wohnen. It is further expected that EUR 6.4 of secured debt of Deutsche Wohnen will be rolled over.

The Issuer is planning to replace the Bridge Facility by additional financing arrangements, which are expected to include:

- subject to the acceptance rate of the take-over offer, a rights issue of up to EUR 8 billion, which is expected to take place in the second half of 2021 following the completion of the Acquisition;
- the issuance of up to EUR 6 billion to EUR 8 billion of new bonds, *inter alia*, under this Programme. This expected issue volume excludes refinancing activities in the ordinary course of business and is depending on the exercise of change of control put rights by holders of financial instruments issued by Deutsche Wohnen; and
- certain disposals, which include the approximately 20,000 units offered to the state of Berlin and further up to 25,000 units and selected development projects in markets where Vonovia has very large exposure in relation to local market size. These additional divestments will be selected based on Vonovia's regular strategic portfolio management optimization and are expected to be sold at or above fair value.

Vonovia has defined strict criteria for acquisitions and, in the assessment of the Issuer, all these criteria will be met by the proposed transaction: In the assessment of the Issuer, the combination of the portfolios will generate cost savings in property management and is rental EBITDA yield and net tangible assets (NTA) per share accretive. Also taking into account the financing of the Acquisition as described above, the Issuer has further re-affirmed that, upon completion of the Acquisition, the combined group will continue to target a loan-to-value (LTV) ratio range of 40% to 45% (LTV of Vonovia as of 31 March 2021: 41.6%).

Following the announcement of the Acquisition, the rating agencies S&P and Scope have confirmed Vonovia's credit ratings of "BBB+" and "A-", respectively.

For a description of certain risks related to the Acquisition, please refer to the sub-section "*Risk Factors – Risk factors relating to the Issuer and the Group – Risks relating to the announced envisaged take-over of Deutsche Wohnen SE*".

6. Description of the Issuer and the Group – Trend information and significant changes

On page 153 of the Prospectus, the content of the section "*Trend information and significant changes*" shall be replaced by the following:

"**Trend information and significant changes**

There has been no material adverse change in the prospects of the Issuer since 31 December 2020.

There has been no significant change in the financial performance of the Group since 31 March 2021.

Except as described above under "*Recent Developments*", there has been no significant change in the financial position of the Group since 31 March 2021."

7. Description of the Issuer and the Group – Selected Consolidated Financial Information for the Issuer

On page 153 of the Prospectus, the content of the section "*Selected Consolidated Financial Information for the Issuer*" shall be replaced by the following:

"**Selected Consolidated Financial Information for the Issuer**

The following selected historical financial information for the Group is based on the audited consolidated financial statements of Vonovia SE for the fiscal years ended 31 December 2020 and 2019 (the "**Annual Consolidated Financial Statements**") and on the unaudited consolidated interim financial information of Vonovia SE as of and for the three-month period ended 31 March 2021 (the "**Consolidated Interim Financial Information**") all of which are reproduced elsewhere or incorporated by reference in this Base Prospectus and should be read together with them. The Annual Consolidated Financial Statements and the Consolidated Interim Financial Information were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

The Annual Consolidated Financial Statements were audited by KPMG and issued in each case with an unqualified auditor's report.

The Annual Consolidated Financial Statements and the Consolidated Interim Financial Information were prepared using the total cost method.

Consolidated income statement data

(amounts in EUR million)	**For the three-month period ended 31 March**		**For the year ended 31 December**	
	2021	**2020**	**2020**	**2019**
	(unaudited)		*(audited)*	
Income from property management	**801.9**	**778.1**	**3,147.1**	**2,910.7**
Profit on disposal of properties	**34.3**	**29.2**	**182.1**	**128.8**
Profit on the disposal of properties (Development)	**12.8**	**7,2**	**61.8**	**52.2**
Net income from fair value adjustments of investment properties	2.4	4.1	3,719.8	4,131.5
Capitalized internal expenses	144.6	141.1	659.4	687.2
Cost of materials	(353.2)	(354.9)	(1,493.4)	(1,463.0)
Personnel expenses	(151.8)	(143.5)	(594.9)	(535.7)
Depreciation and amortization	(21.2)	(19.3)	(92.3)	(2,175.8)
Other operating income	31.4	35.3	163.0	105.7
Impairment losses on financial assets	(3.3)	(7.2)	(40.0)	(28.6)
Gains resulting from the derecognition of financial assets measured at amortized cost	0.0	1.1	0.0	5.2
Other operating expenses	(52.1)	(67.6)	(278.8)	(295.3)
Net income from investments accounted for using the equity method	0.1	-	2.7	0.6
Interest income	2.2	13.7	21.9	8.9
Interest expenses	(79.0)	(102.0)	(411.4)	(417.5)
Other financial result	5.3	2.8	(32.6)	24.0
Earnings before tax	**374.4**	**318.1**	**5,014.4**	**3,138.9**
Income taxes	(127.4)	(106.5)	(1,674.4)	(1,844.6)
Profit for the period	**247.0**	**211.6**	**3,340.0**	**1,294.3**

Consolidated balance sheet data

(amounts in EUR million)	**As of 31 March**	**As of 31 December**	
	2021	**2020**	**2019(1)**
	(unaudited)	*(audited)*	
Total non-current assets	60,735.0	60,632.0	55,045.1
Total current assets	3,384.7	1,785.4	1,431.0
Total assets	**64,119.7**	**62,417.4**	**56,476.1**
Total equity attributable to the Issuer's shareholders	23,322.0	23,143.9	19,308.3
Equity attributable to hybrid capital investors	1,011.5	1,001.6	1,001.6
Total equity attributable to the Issuer's shareholders and hybrid capital investors	24,333.5	24,145.5	20,309.9
Non-controlling interests	673.1	686.3	813.9
Total equity	**25,006.6**	**24,831.8**	**21,123.8**
Total non-current liabilities	35,530.4	34,669.8	31,762.1
Total current liabilities	3,582.7	2,915.8	3,590.2
Total liabilities	**39,113.1**	**37,585.6**	**35,352.3**
Total equity and liabilities	**64,119.7**	**62,417.4**	**56,476.1**

(1) Adjusted as a result of the total consideration for the acquisition of Hembla and its allocation with definitive effect as of 30 June 2020 (see explanatory information in Note "Adjustment to Prior-Year Figures" to the consolidated financial statements for the financial year 2020). "

8. Documents incorporated by reference

On page 164 of the Prospectus, the content of the section "*Documents incorporated by reference*" up to the table of documents incorporated by reference shall be replaced with the following:

"

DOCUMENTS INCORPORATED BY REFERENCE

The pages specified below of the following documents, which have been published previously or are published simultaneously with this Base Prospectus and which have been filed with the CSSF, are incorporated by reference into this Base Prospectus:

(i) the Annual Report 2020 of the Issuer (the "**Vonovia SE Annual Report 2020**"), containing the English language translation of the respective German language audited consolidated financial statements of Vonovia SE as of and for the year ended December 31, 2020 and the English language translation of the respective German language independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*);

(ii) the Annual Report 2019 of the Issuer (the "**Vonovia SE Annual Report 2019**"), containing the English language translation of the respective German language audited consolidated financial statements of Vonovia SE as of and for the year ended December 31, 2019 and the English language translation of the respective German language independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*);

(iii) the unaudited consolidated interim financial information (prepared in accordance with IFRS as adopted by the EU) included in the Interim Statement Q1 of the Issuer (the "**Vonovia SE Q1 Report 2021**") as of and for the three-month period ended 31 March 2021;

(iv) the Valuation Report Germany and Austria as at 31 December 2020 prepared by CBRE; and

(v) the Valuation Report Sweden as at 31 December 2020 prepared by Savills.

The non-incorporated parts of such documents, i.e. the pages not listed in the tables below, are either not relevant for the investor or covered elsewhere in the Base Prospectus.

(i) Extracted from: Vonovia SE Annual Report 2020

Consolidated Income Statement	page 142
Consolidated Statement of Comprehensive Income	page 143
Consolidated Balance Sheet	pages 144 - 145
Consolidated Cash Flow Statement	pages 146 - 147
Consolidated Statement of Changes in Equity	pages 148 - 149
Notes	pages 150 - 231
List of Vonovia's shareholdings	pages 234 - 248
Independent Auditor's Report	pages 252 - 260

(ii) Extracted from: Vonovia SE Annual Report 2019

Consolidated Income Statement	page 140
Consolidated Statement of Comprehensive Income	page 141
Consolidated Balance Sheet	pages 142 - 143
Consolidated Cash Flow Statement	pages 144 - 145
Consolidated Statement of Changes in Equity	pages 146 - 147
Notes	pages 148 - 231
List of Vonovia's shareholdings	pages 234 - 248
Independent Auditor's Report	pages 252 - 258

(iii) Extracted from: Vonovia SE Q1 Report 2021

(iv) Valuation Report Germany and Austria

(v) Valuation Report Sweden

All of these pages shall be deemed to be incorporated by reference into, and to form part of, this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained (without charge) from the registered office of the Issuer and the website of the Luxembourg Stock Exchange (www.bourse.lu).

Electronic versions of the documents incorporated by reference are also available on the website of Vonovia (https://www.vonovia.de) and can be accessed by using the following hyperlinks:

(i) Vonovia SE Annual Report 2020

https://reports.vonovia.de/2020/annual-report

(ii) Vonovia SE Annual Report 2019

https://reports.vonovia.de/2019/annual-report

(iii) Vonovia SE Q1 Report 2021

https://reports.vonovia.de/2021/q1/en/_assets/downloads/entire-vonovia-ir121.pdf

(iv) Valuation Report Germany and Austria

https://investors.vonovia.de/creditor-relations/valuation-report-germany-austria

(v) Valuation Report Sweden

https://investors.vonovia.de/creditor-relations/valuation-report-sweden

"

NAME AND ADDRESS

ISSUER

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