

LEG Immobilien SE
**Company
Presentation**

March 2021

LEG

March
2021



Disclaimer



While the company has taken all reasonable care to ensure that the facts stated in this presentation are accurate and that the opinions contained in it are fair and reasonable, this presentation is selective in nature and is intended to provide an introduction to, and an overview of the Company's business. Any opinions expressed in this presentation are subject to change without notice and neither the Company nor any other person is under any obligation to update or keep current the information contained in this presentation. Where this presentation quotes any information or statistics from any external sources, you should not interpret that the Company has adopted or endorsed such information or statistics as being accurate.

This presentation may contain forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realised from the proposals described herein. Forward-looking statements may include, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation, and supply and demand. The Company has based these forward-looking statements on its views and assumptions with respect to future events and financial performance. Actual financial performance could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. The information contained in this presentation is subject to change without notice and the Company does not undertake any duty to update the information and forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.

This presentation does not constitute an offer or invitation to purchase or sell any shares in the Company and neither this presentation or anything in it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

Company Presentation

Agenda

1 Who we are and what we stand for

2 Highlights 2020

3 Financial Performance

4 Operating Performance

5 Portfolio Overview

6 Sustainability

7 Attractive Market NRW

8 Appendix

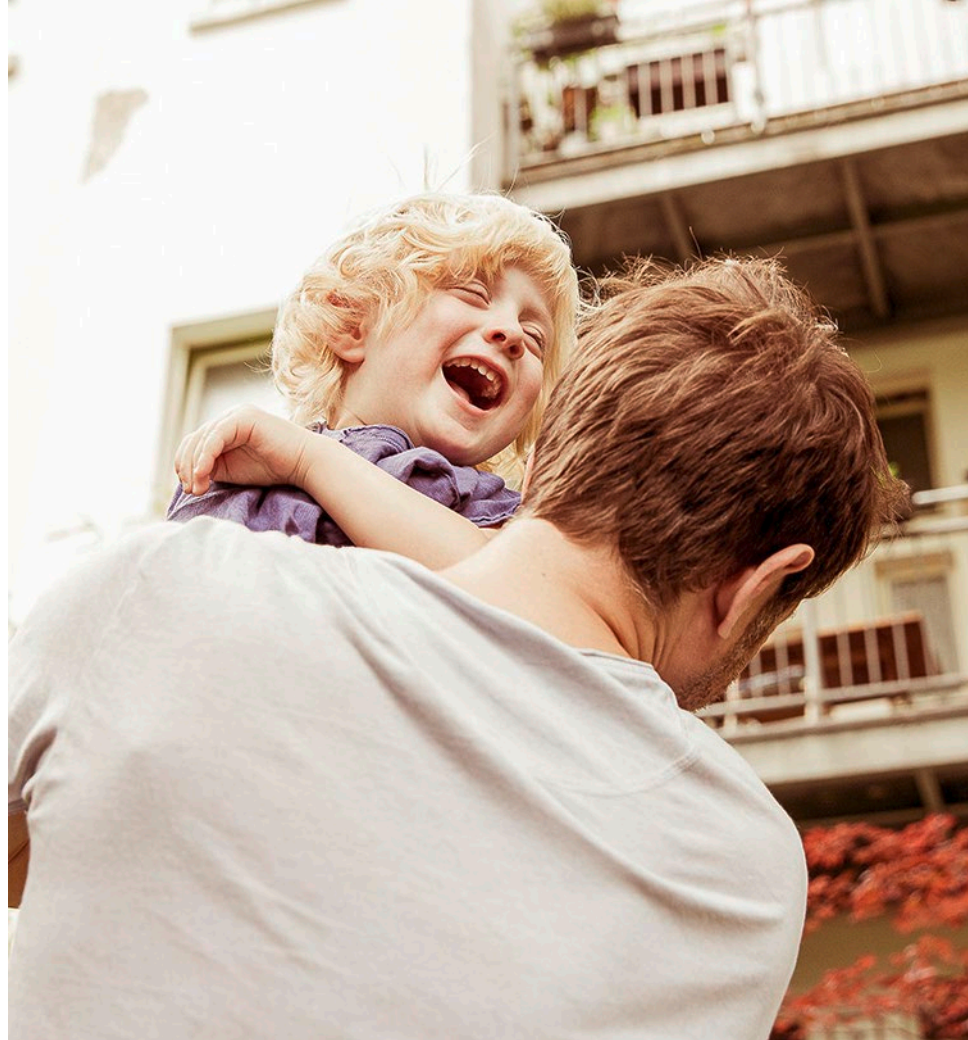
8.1 Financials

8.2 Management

8.3 Regulation

8.4 Social Security in Germany

8.5 Investor & Creditor Relations





1

Who we are and **what we stand for**

Affordable housing in Germany

Made in NRW

Aachen



Bremen



Düsseldorf



Duisburg



Hamm



Minden



Münster



Osnabrück



Ratingen



Remscheid



Siegburg



Solingen



Affordable housing in Germany

Made in NRW

LEG



01

German residential pure play

Pure Play:

Residential + Germany

Focus on affordable living segment

Focus NRW (~92% of assets),
no. 1 in NRW

Market cap ~**€8bn**¹,
100% tradeable shares



02

Conservative balance sheet

Loan to value **37.6%**,

Ø financing cost **1.33%**,
Ø maturity **7.4** years

Beta **0.75**
(5y vs. EuroStoxx 600)

GAV/m² **1,503€**



03

Social Responsibility

400,000 tenants/
145,000 apartments

Average rent per unit
~**€380** per month/**€5.96** per sqm

~**25%** social housing
(rent-restricted)



04

Attractive Return

Dividend 2020
€3.78,

CAGR since IPO 2013:
NAV **+14%**, dividend **+12%** p.a.

Gross yield properties
4.7% (on **€14.6bn** assets)

¹ Closing price of €111 on 12.03.2021.

2021 guidance

ESG targets now reflected

	2021
FFO I	€410m – 420m ¹
I-f-I rent growth	~3.0%
EBITDA margin	~75%
Investments	~40 – 42€/m ²
LTV	max. 43%
Dividend	70% of FFO I
Acquisition ambition	Not reflected in guidance ~7,000 units
Environment	STI: energetic refurbishment of 3% of units ² LTI: reduction of CO2 emissions by 10% in 4 years ²
Social	STI: reduction of iteration calls from tenants by 15% LTI: maintain high employee satisfaction level (66% Trust Index)
Governance	STI: maintain Sustainalytics rating at score of 10.4

¹ Including a- €2m impact from the 2020 carbon tax, assuming a 50/50 split between LEG and tenants. ² Units as of 12/19.



2

Highlights **2020**

Strong performance 2020

FFO I guidance beat with €383.2m leading to DPS of €3.78

Financials



- FFO I **+12.3%** to **€383.2m**
- EBITDA-Margin **74.4%**
- LTV **37.6%**
 - **7.4y** for **1.33%**
- NTA ps **€122.43**

Operations



- Net cold rent **+7.0%**
- I-f-I rental growth **+2.3%**
- I-f-I vacancy **2.6% (-30bps)**
- Acquisition of **Fischbach Services**

ESG



- **Corona relief for tenants** – first mover at the beginning of the crisis
- **Corona bonus for employees** – to recognise a strong team
- **CO₂-accounting** established
- **Measurable ESG KPIs** for management and organisation

Keeping the momentum

2020/
2021

Dividend per share of €3.78 (+5%)

proposal to AGM 2021

Protection and optionality in volatile markets

Strong financial profile

Minimal Corona effect

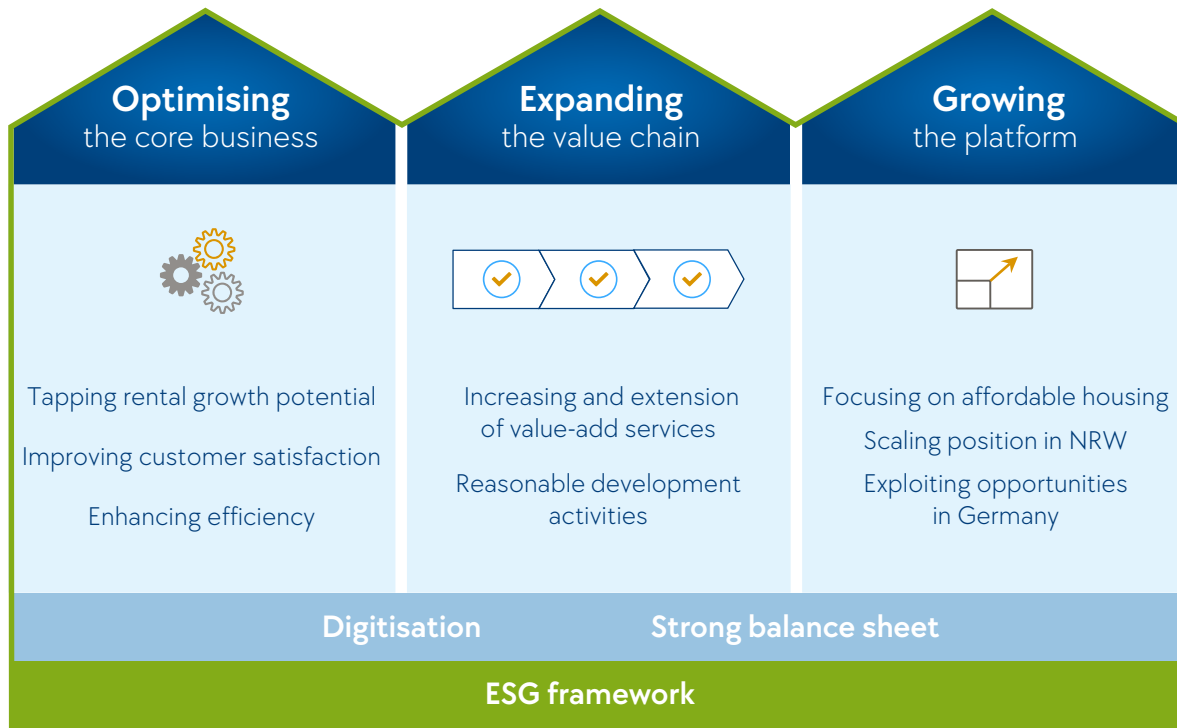
in 2020 and YTD

Unchanged and confirmed

FY 2021 FFO I guidance of €410m – 420m

We act in line with our strategy

2020



Optimising the core business

- Fully digitised rental process
- C.20 robotics solutions



Expanding the value chain

- Acquisition of **Fischbach Services** to speed up empty apartment renovation
- Expansion of **energy** and **multi media offerings**

Growing the platform

- Focus on **affordable housing** asset class in Germany
- Acquisition of **c.9,500** units
- Expansion of the footprint – **8%** of units now outside NRW

ESG framework

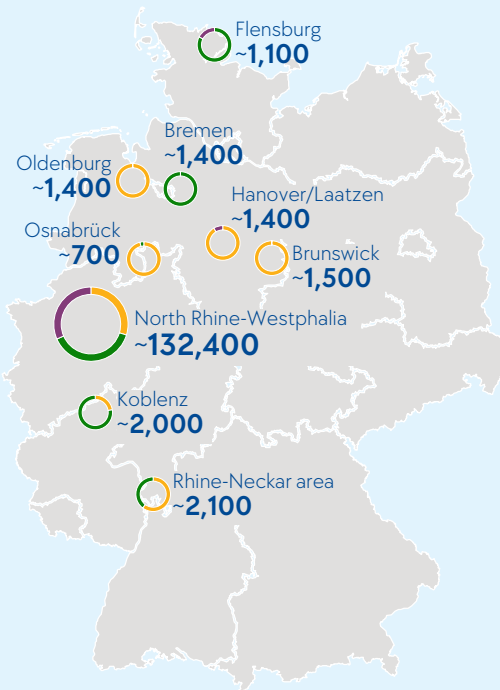
- Covid-19 **relief for tenants** & Corona **bonus for employees**
- **Sustainalytics upgrade** – among top 2% of global coverage / EPRA Gold

Portfolio Overview

144,530 units as of 12/2020

North Rhine-Westphalia

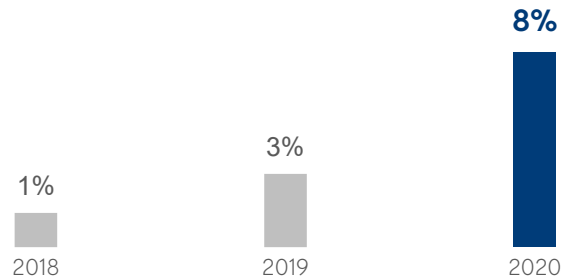
(~132,400 units / ~92%)



- High-Growth
- Stable
- Higher-Yielding

Outside North Rhine-Westphalia

(~12,100 units / ~8%)



Growth along our investment criteria

- Asset class **affordable living**
- Entry via **orange** and **green** markets
- **>1,000** units per location

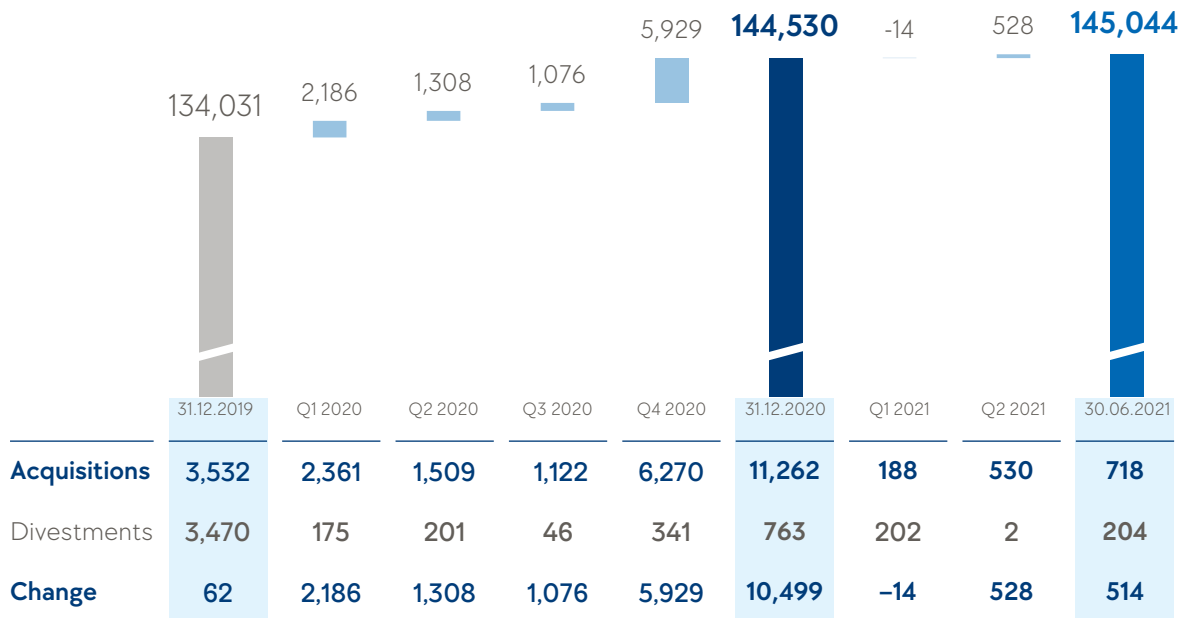


Portfolio transactions

Net additions of 10.5k units lead to portfolio growth of 7.8% in 2020



Number of units based on date of transfer of ownership^{1,2}



Acquisitions (Locations/State³)

Q1 2020

- NRW

Q2 2020

- NRW – Kaiserslautern (RP)

Q3 2020

- NRW – Flensburg (SH)

Q4 2020

- NRW - Brunswick (LS) – Hanover (LS) – Koblenz (RP) – Rhine-Neckar (RP/BW)

Q1 2021

- NRW – Oldenburg (LS)

Q2 2021

- NRW – Oldenburg (LS) – Hanover (LS) – Kaiserslautern, Koblenz (RP)

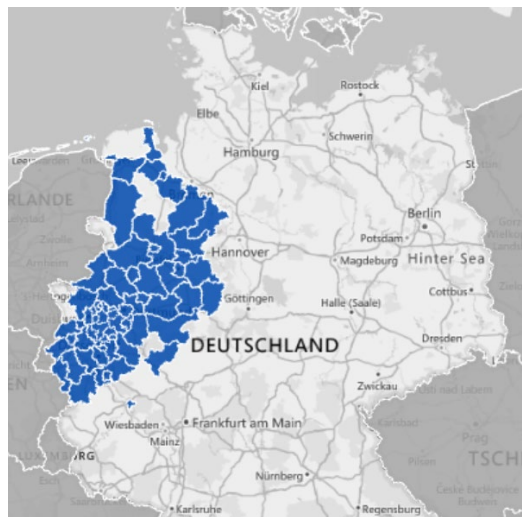
¹ Residential units. ² Note: The date of the transaction announcement and the transfer of ownership are usually several months apart. The number of units may therefore differ from other disclosures, depending on the data basis. ³ BW = Baden-Wuerttemberg, HB = Bremen, LS = Lower Saxony, NRW = North Rhine-Westphalia, RP = Rhineland-Palatinate, SH = Schleswig-Holstein, SL = Saarland.

Portfolio acquisitions in June 2020

Significantly increasing our addressable market



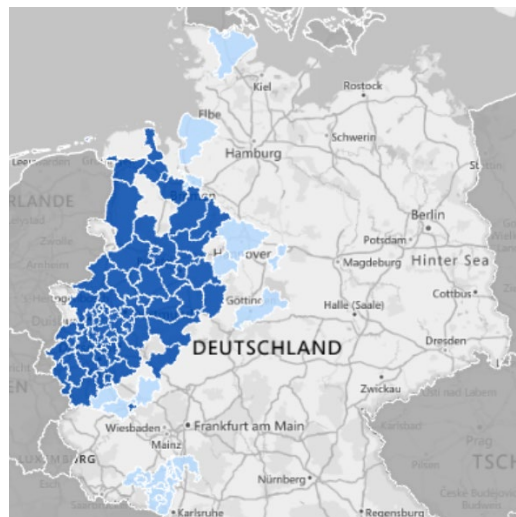
LEG 30 June 2019



Inhabitants: 19.5m
No. of households: 9.4m

LEG 30 June 2020

+ June 2020 acquisitions

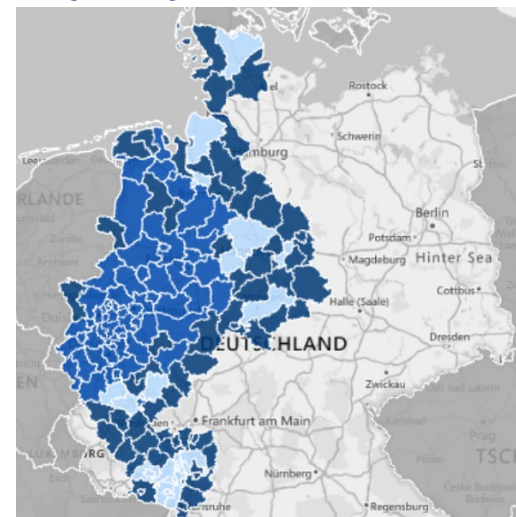


24.5m (+26%)
12.2m (+30%)

LEG 30 June 2020

+ June 2020 acquisitions

+ neighbouring districts



35m (+78%)
17m (+82%)

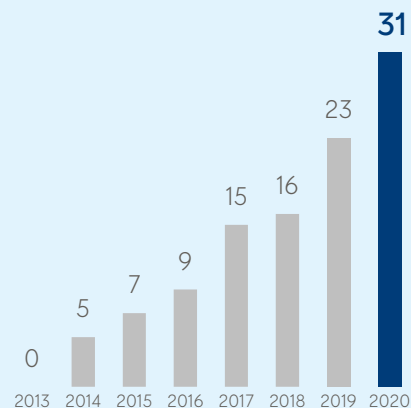
Source: Bing maps, TomTom, here, company data.

Value-added services

Leveraging LEG's portfolio and customer base to services business

Strong FFO contribution – Services

€m



NAV per share from services of
~ €7 – 11¹
 Not reflected in Group NAV

¹ FY 2020; based on 4% – 6% discount rate, no future growth applied.

 LEG WohnService	 LEG EnergieService	 LEG TechnikService	 LEG LWS Plus
Partner 	Partner ~100 partners from energy and technical service providers	Partner 	former
Cooperation Multimedia: TV, internet and telephone Launch January 2014	Cooperation Electricity, heating, gas, metering Launch March 2015	Joint venture (51%) Small repair work, craftsmen services Launch January 2017	100% entity General contractor services Acquisition October 2020

Key driver 2020

- Roll-out of services to a growing portfolio
- ~6.000 new units with multi-media offerings from **WSP**
- Full consolidation of **ESP** (minorities buyout in 2019) and expansion of services
- Lower cash tax effects at **ESP** after minorities buyout
- **TSP** benefitting from higher demand for craftsmen services
- First positive effects from **LWS Plus** (consolidated in Q4 2020)

Fischbach Services builds our fourth service pillar LWS Plus



Scalable business model

Company background

- Project management company specialised on managing the **renovation of vacant apartments**
- Currently conducting **25%** of LEG's renovation of vacant apartments
- **Scalable**, efficient and **proven** and highly **digitalised** platform
- **Low** personal intensity with only **25** employees, managing **approx. 80** contractors

Transaction details

- LEG purchased **100%** of Fischbach Services GmbH **per 01.10.2020**, wholly owned subsidiary of Fischbach Holding GmbH
- Contractual framework ensures commitment of founders, management, staff and contractors for the coming years

Rationale for LEG

- Goal is to scale business to **conduct 75% of LEG's renovation of vacant apartments through Fischbach** in the medium-term
- Access to attractive margin part of value chain without requirement to add craftsmen to payroll
- Faster / better quality renovation to **reduce duration of vacancies**

Financials

- EBITDA contribution¹ of **~€5m** for 2021
- EBITDA-margin effect¹ on Group level of **+100bps**
- Future growth primarily fuels positive cash effect and will not be transparent in Group KPI due to consolidation

Significant margin contribution due to attractive position at the value chain



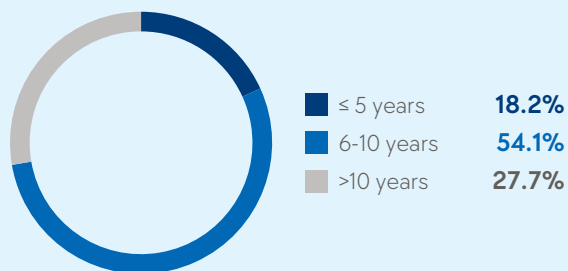
¹ Expected FY 2021 effect.

Refinancing of subsidised loans lifting value

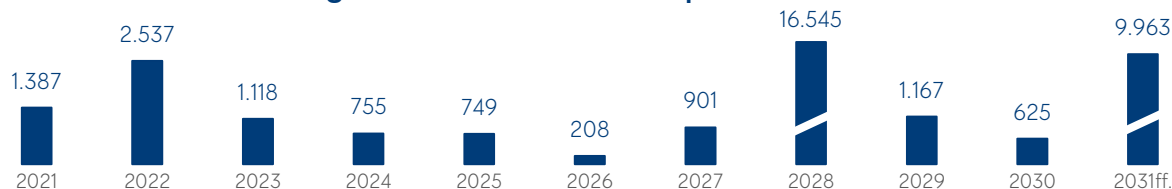
Rent potential subsidised units

- Until 2028, around **24,000 units will come off rent restriction**
- Units show **significant upside to market rents**
- The **economic upside can theoretically be realised the year after restrictions expire**, subject to general legal and other restrictions⁴

Around 70% of units to come off restriction until 2028

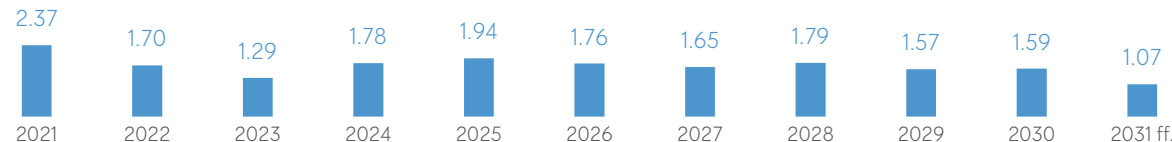


Number of units coming off restriction and rent upside



Spread to market rent

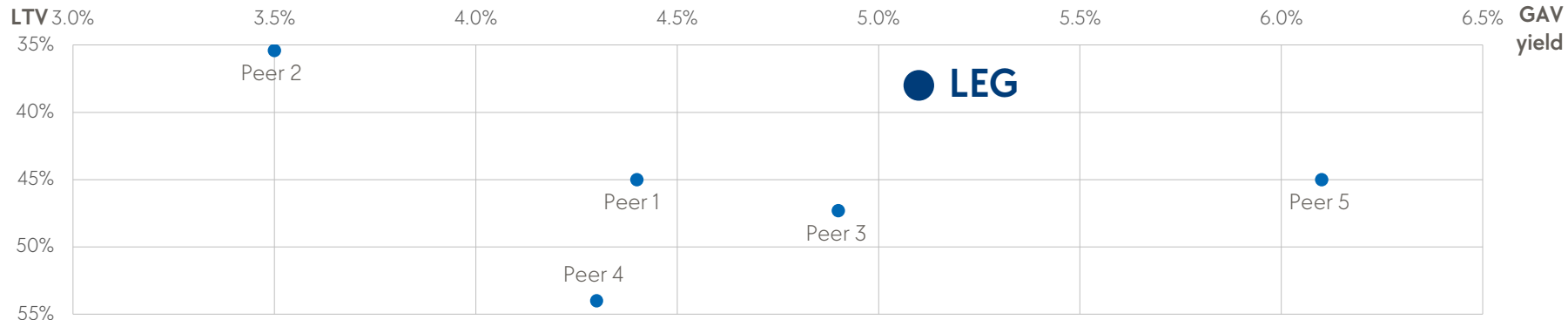
€/m²/month



	≤ 5 years ²	6 – 10 years ²	> 10 years ²
In-place rent	€4.79	€5.04	€4.92
Market rent ¹	€6.60	€6.80	€5.99
Upside potential ³	38%	35%	22%
Upside potential p.a. ³	€9.8m	€27.4m	€8.8m

¹ Employed by CBRE as indicator of an average rent value that could theoretically be achieved, not implying that an adjustment of the in-place rent to the market rent is feasible, as stringent legal and contractual restrictions regarding rent increases exist.
² ≤ 5 years = 2021-2025; 6-10 years = 2026-2030; >10 years = 2031ff. ³ Rent upside is defined as the difference between LEG in-place rent and market rent (defined in footnote 1). ⁴ For example rent increase cap of 15% or 20% for three years.

Pure play with unique risk/return profile ...



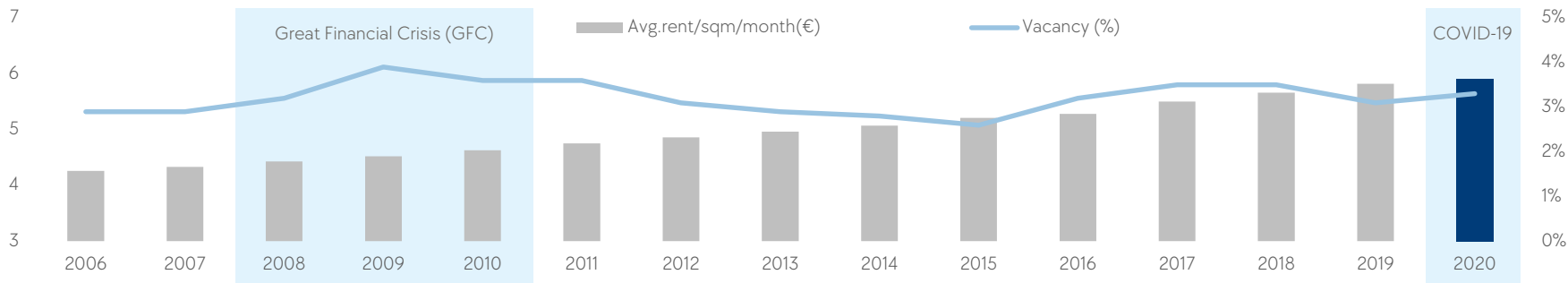
Additional layers of complexity



Source: Company information as reported as of FY19, incl. hybrid debt. Peers comprise ADO/Adler, Deutsche Wohnen, Grand City Properties, TAG, Vonovia.

... and a resilient business model with a strong track record

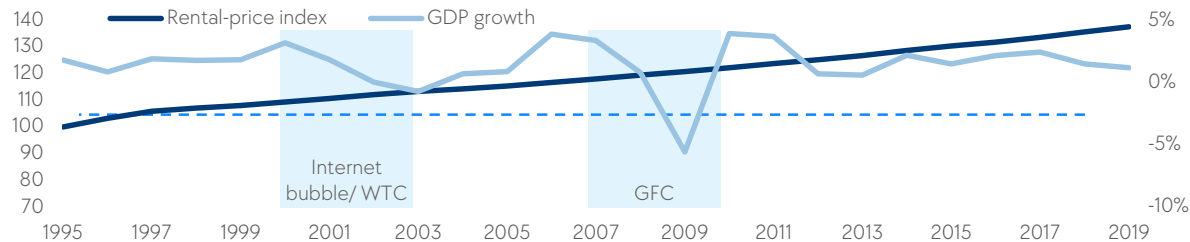
LEG not materially affected during the GFC and COVID-19



LEG well positioned

- Non-cyclical business model
- LEG's attractive rent level of €5.91/sqm is key to provide affordable living to our tenants
- C. 25% of units subsidised
- German social system provides several strong layers of social security

Resilience of German residential during the last economic crises

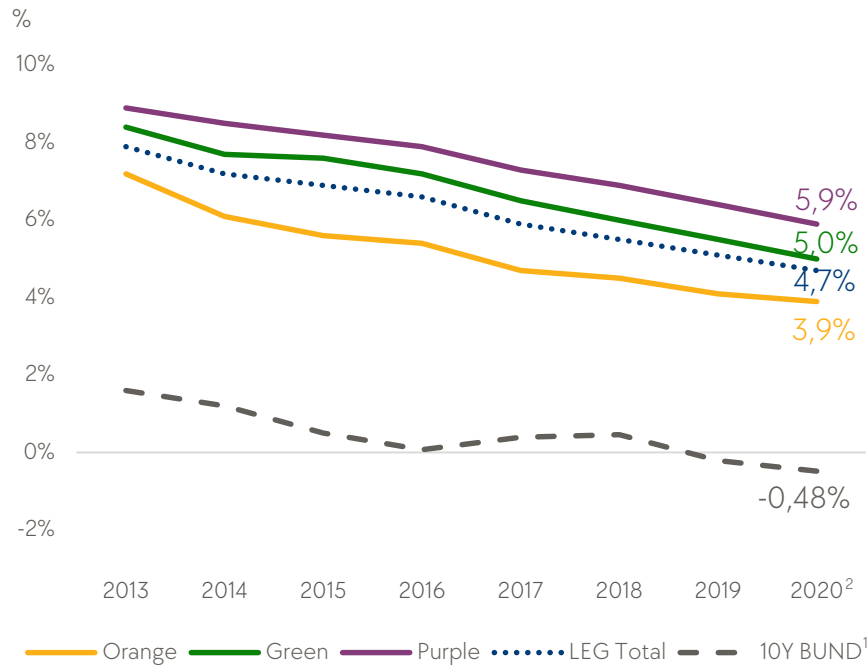


Source: Company information, Federal Statistical Office – Residential Rental Price Index.

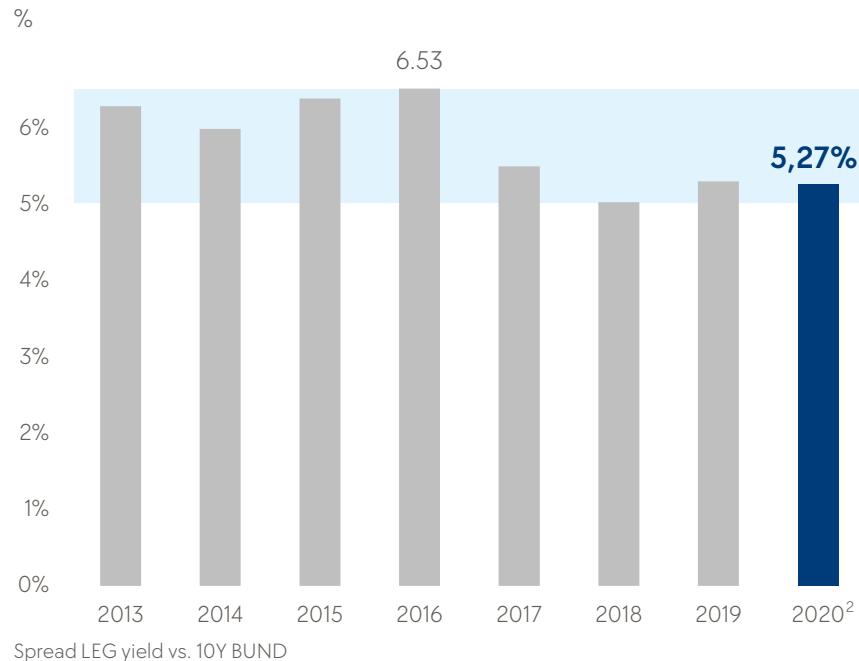
... offering attractive yields in a low/no yield environment

stable spread over 10year BUND

Gross yield LEG vs. BUND



Stable spread over 10y BUND

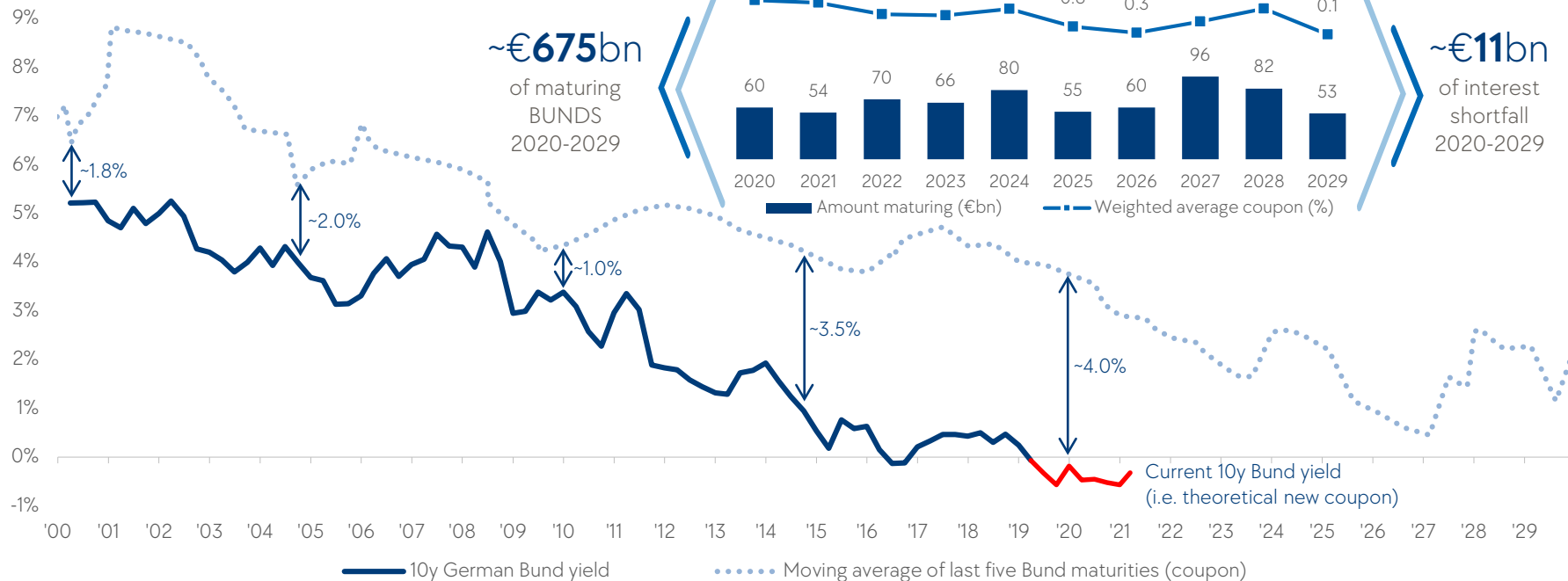


¹ Annual average.
² 31 December 2020.

Hunt for yield to continue as BUNDS

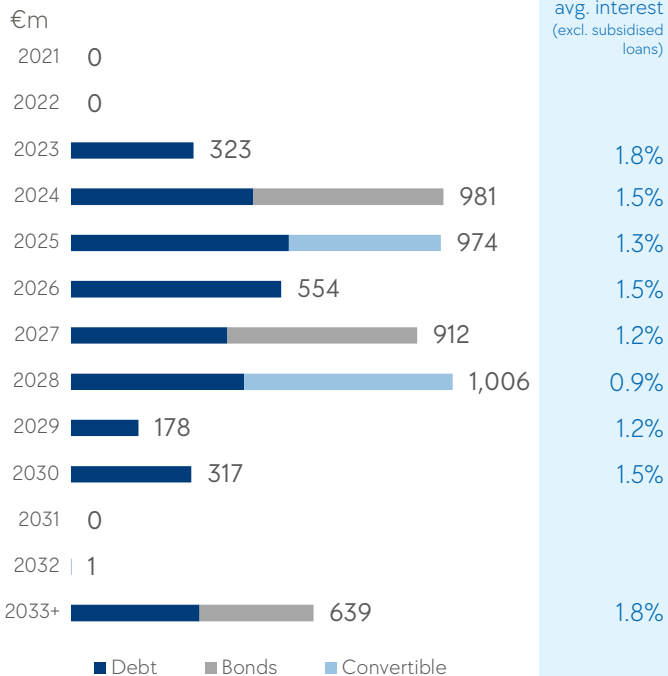
only offer negative yields and interest income will diminish

10Y BUND yield/ avg coupon



Strong financial profile

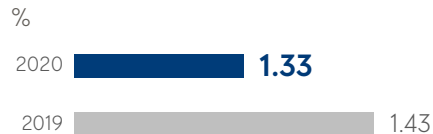
Maturity profile



Average debt maturity



Average interest costs



Loan-to-value



Highlights 2020

- Successful placement of **€550m** convertible and **€273m** equity raise in 2020 to finance acquisition and preserve conservative balance sheet
- Successful implementation of first-time scrip dividend resulting in a reduced dividend related cash outflow
- No significant maturities until 2023
- Strong liquidity as of end of February with **>€350m** cash at hand and **~€400m** RCF's
- Net debt/EBITDA also at attractive level of **11.8x**

Carbon Balance Sheet 2020

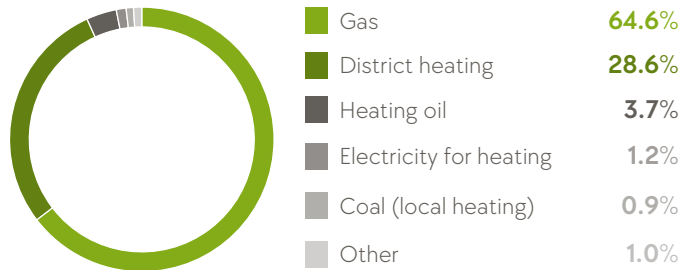
36.7kg CO₂e/m² as the starting point for our transformational journey



Opening carbon balance sheet

- Bottom-up approach
- BAFA-factors in line with GHG-protocol
- Scope 1 and scope 2
- 36,7kg CO₂e/m² based on heating energy
- 311k t CO₂ in total
- C. 2/3 coming from gas

Heat energy by source



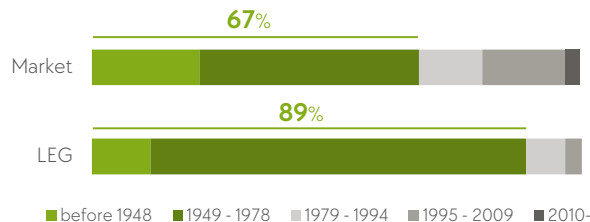
- Based on actual consumption 2019 (81% actuals, 19% certificates)
- Extrapolated for 2020
- Limited assurance by PWC
- 100% of portfolio covered

Reflecting our roots

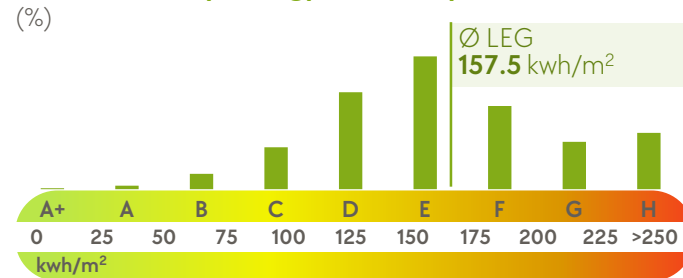
Energy efficiency of our portfolio of 157.5 kWh/m² is a function of corporate DNA & history:

- Providing affordable housing in post-war Germany

LEG portfolio by construction years vs. LEG market



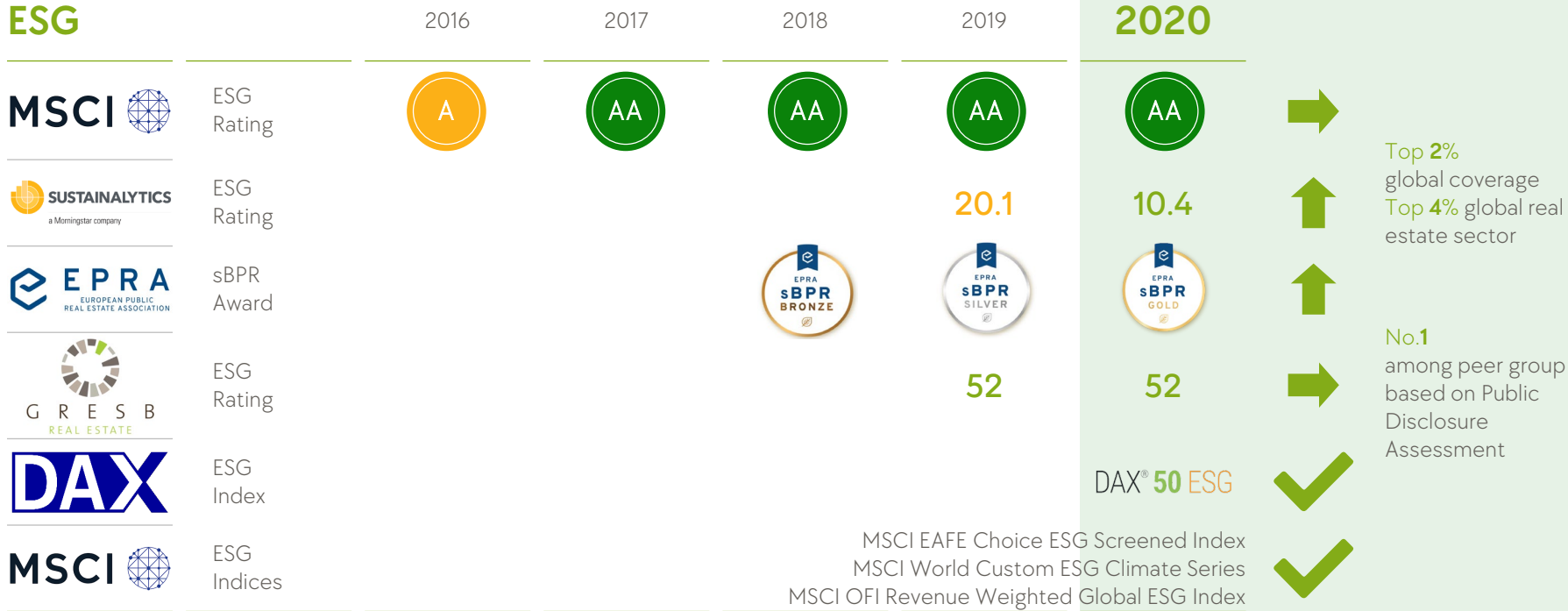
Distribution by energy efficiency classes LEG



Source: Destatis, LEG. Market based on federal states in which LEG is active in

Further improving our ESG profile

ESG



MSCI EAFE Choice ESG Screened Index
 MSCI World Custom ESG Climate Series
 MSCI OFI Revenue Weighted Global ESG Index



3

Financial Performance

Key figures

LEG

Operating results

		2020	2019	+/- %/bp
Net cold rent	€m	627.3	586.1	+7.0%
Recurring NRI	€m	493.0	453.3	+8.8%
EBITDA adjusted	€m	466.9	426.5	+9.5%
FFO I	€m	383.2	341.3	+12.3%
FFO I per share	€	5.44	5.27	+3.3%
FFO II	€m	381.3	327.9	+16.3%
EBITDA margin (adj.)	%	74.4	72.8	+160 bp
FFO I margin	%	61.1	58.2	+290 bp

Portfolio

		31.12.2020	31.12.2019	+/- %/bp
Residential units	number	144,530	134,031	+7.8%
In-place rent (I-f-I)	€/m ²	5.96	5.83	+2.3%
Capex	€m	290.4	206.7	+40.5%
Maintenance	€m	98.3	88.6	+10.9%
EPRA vacancy rate (I-f-I)	%	2.6	2.9	-30 bp

Balance sheet

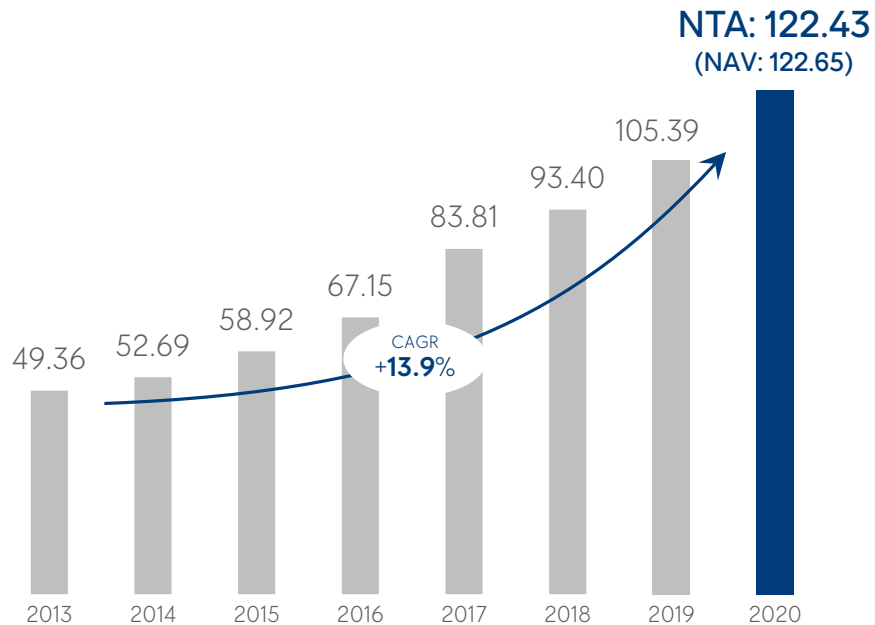
		31.12.2020	31.12.2019	+/- %/bp
Investment properties	€m	14,582.7	12,031.1	+21.2%
Cash and cash equivalents	€m	335.4	451.2	-25.7%
Equity	€m	7,389.9	5,933.9	+24.5%
Total financing liabilities	€m	5,869.0	5,053.9	+16.1%
Current financing liabilities	€m	491.3	197.1	+149.3%
Net debt	€m	5,502.8	4,570.9	+20.4%
LTV	%	37.6	37.7	-10 bp
Equity ratio	%	48.4	45.9	+250 bp
Adj. EPRA NAV, diluted	€m	9,264.3	7,273.0	+27.4%
Adj. EPRA NAV per share, diluted	€	122.65	105.39	+16.4%
EPRA NTA, diluted	€m	9,247.6	7,254.5	+27.5%
EPRA NTA per share, diluted	€	122.43	105.12	+16.5%
Dividend per share	€	3.78	3.60	+5.0%

Attractive growth and returns for shareholders



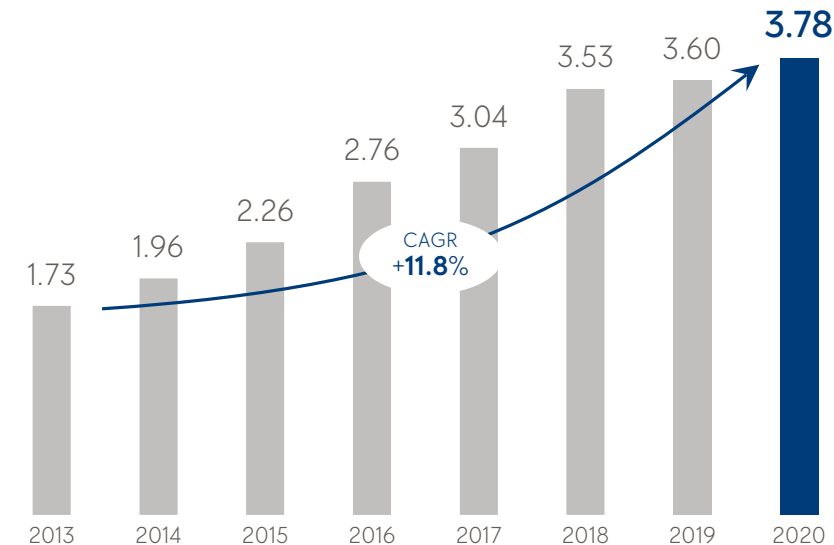
NAV/NTA per share¹

€, excl. goodwill



Dividend per share²

€



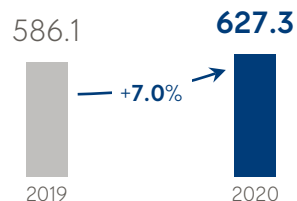
¹ Until 2019 EPRA NAV adjusted, from 2020 onwards EPRA NTA. ² Dividend 2020 proposed to AGM 2021

Margin expansion story continues

Overview

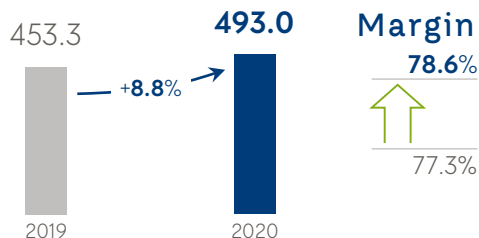
Net cold rent

€m



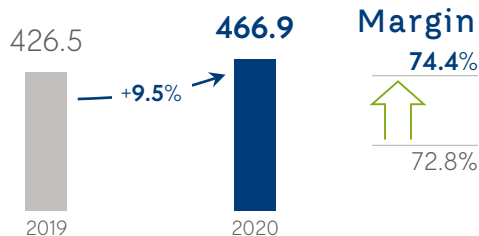
Recurring net rental and lease income

€m



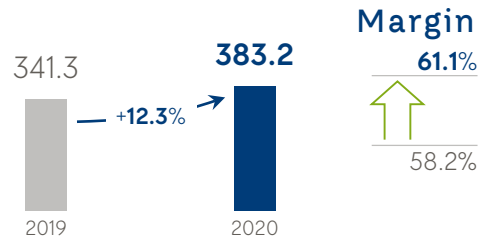
Adj. EBITDA

€m



FFO I

€m



Recurring net rental and lease income

- Ongoing efficiency gains and scale effects

Adj. EBITDA

- Reduced admin costs and higher income from other services

FFO I

- Lower cash taxes and lower minorities

FFO I ps

- 2019 €5.27
- **2020 €5.44**

Portfolio valuation 2020 – Breakdown revaluation gains

Valuation uplift driven by letting performance and yield compression

Value drivers, I-f-I

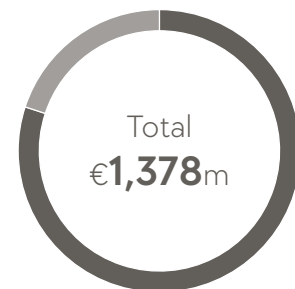
€m



■ Discount rate	851
■ Rent performance & building	527

Allocation capital growth, I-f-I

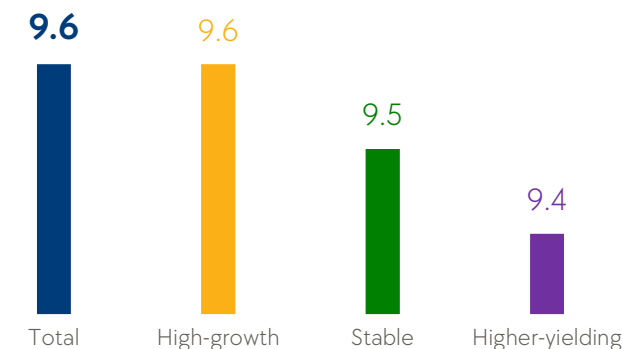
€m



■ Revaluation gains	1,103
■ Capex	275

Valuation uplift by markets, I-f-I

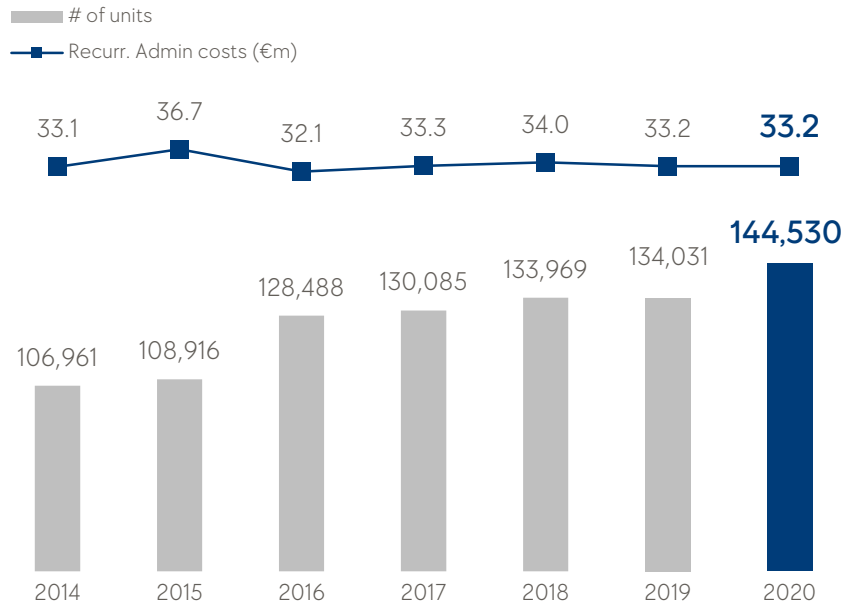
%



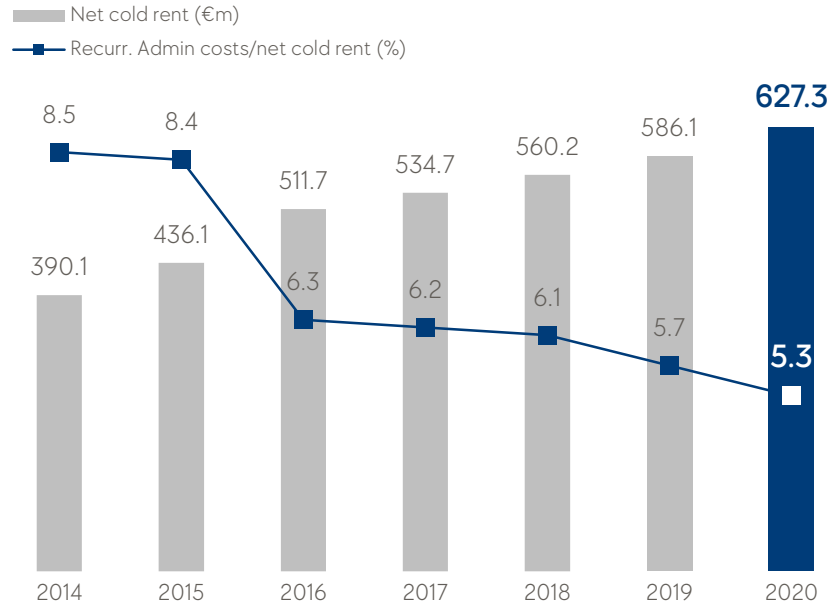
- 9.6% on I-f-I basis
- 9.4% uplift from revaluation as of 30 September 2020 (i.e excluding 6,270 units transferred in Nov/ Dec 2020), 11.2% including capex
- Adjustment of discount rate from 4.8% in 2019 to 4.5% in 2020 (cap rate from 6.05% to 5.7%)

Scale effects from growing platform and cost discipline

Strong volume growth at stable overhead costs...

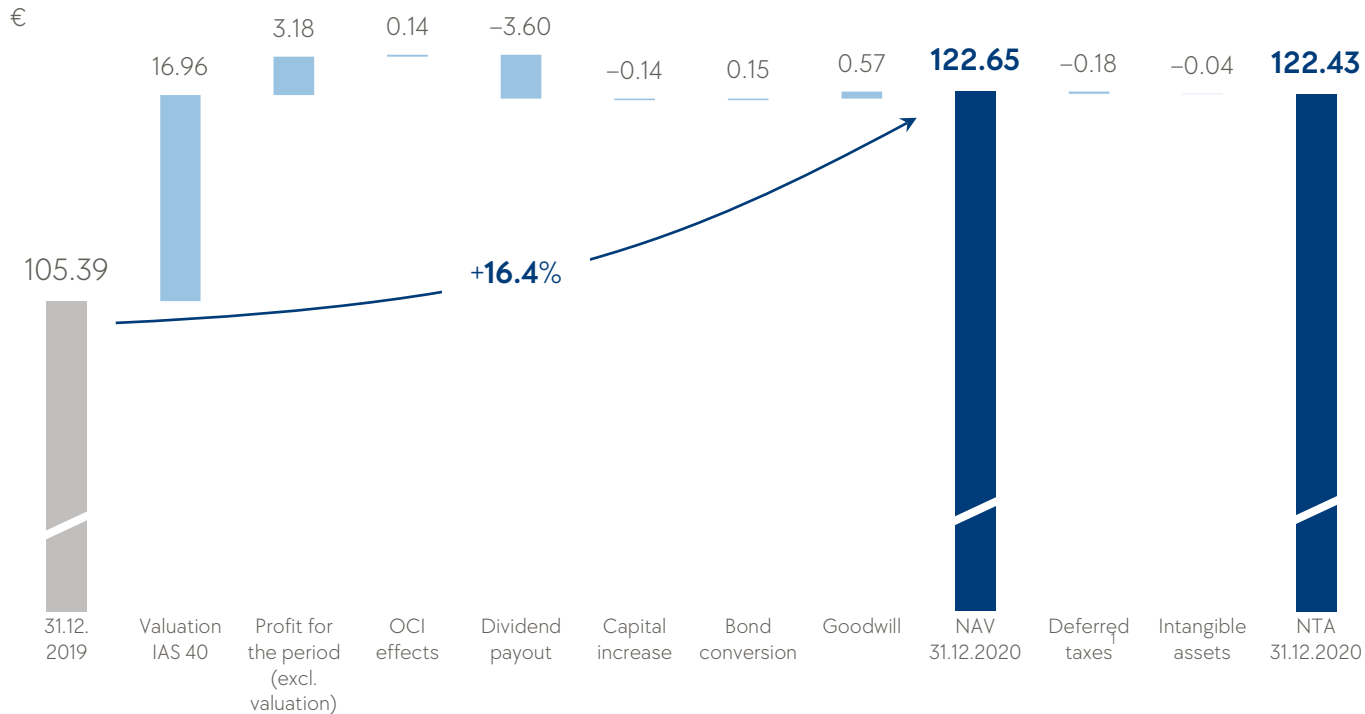


...leads to a further significant drop of the administrative costs ratio



EPRA NAV and NTA bridge

NTA of € 122.43 per share

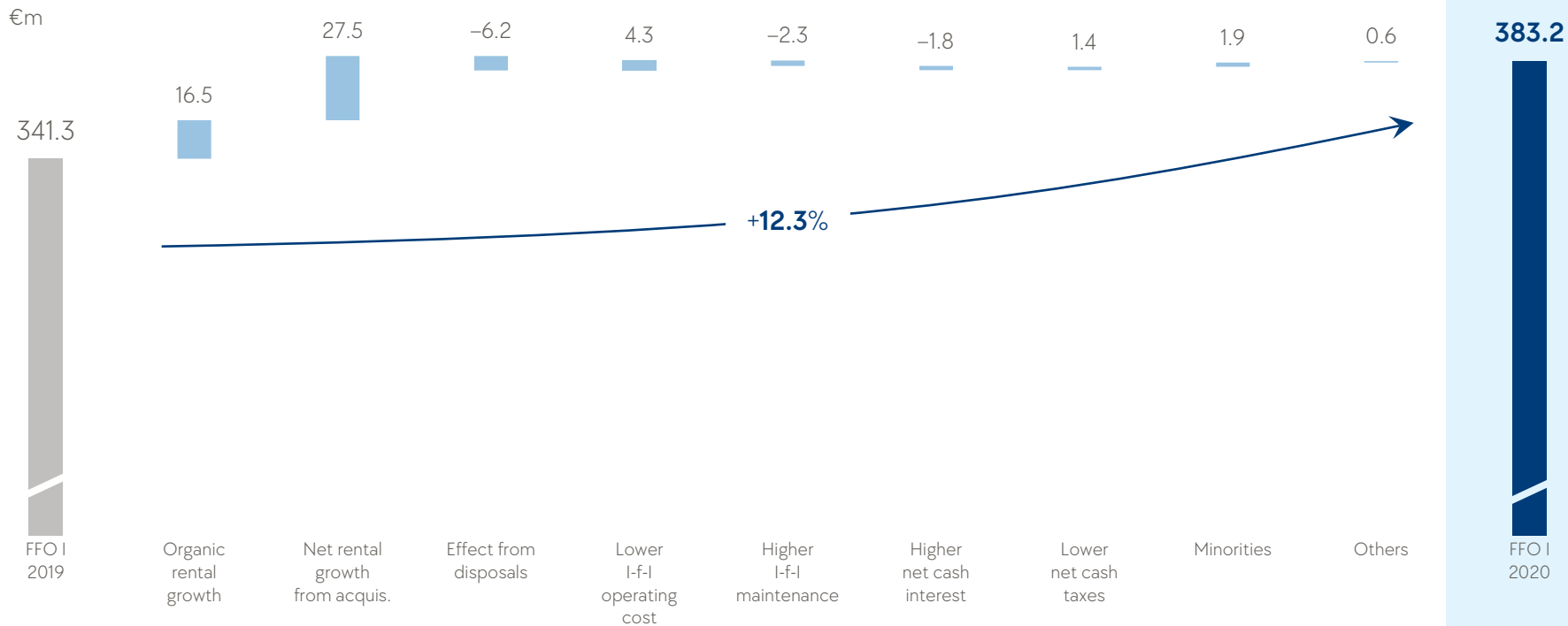


- Profit and revaluation gains as the key drivers for NAV uplift in 2020
- Minor effects from OCI and the capital increase
- Minor differences between NAV and NTA
- For details for NRV, NTA, NDV see appendix slide 30

¹ Deferred tax in relation to fair value gains of IP and deferred tax on subsidized loans and financial derivatives due to disposals

FFO bridge 2020

Increase of +€41.9m (+12.3%)





4 Operating **Performance**

+2.3% l-f-l rental growth

Rental growth 2020 affected by voluntary suspension of rent increases

I-f-I rent development

€/m²/month



Residential rent



+2.3%

Cost rent	+0.3%
Rent table	+0.9%
Modernisation	+0.3%
Re-letting	+0.8%

Free financed rent



+2.3%

I-f-I free financed rent development

€/m²/month



High-growth



Stable



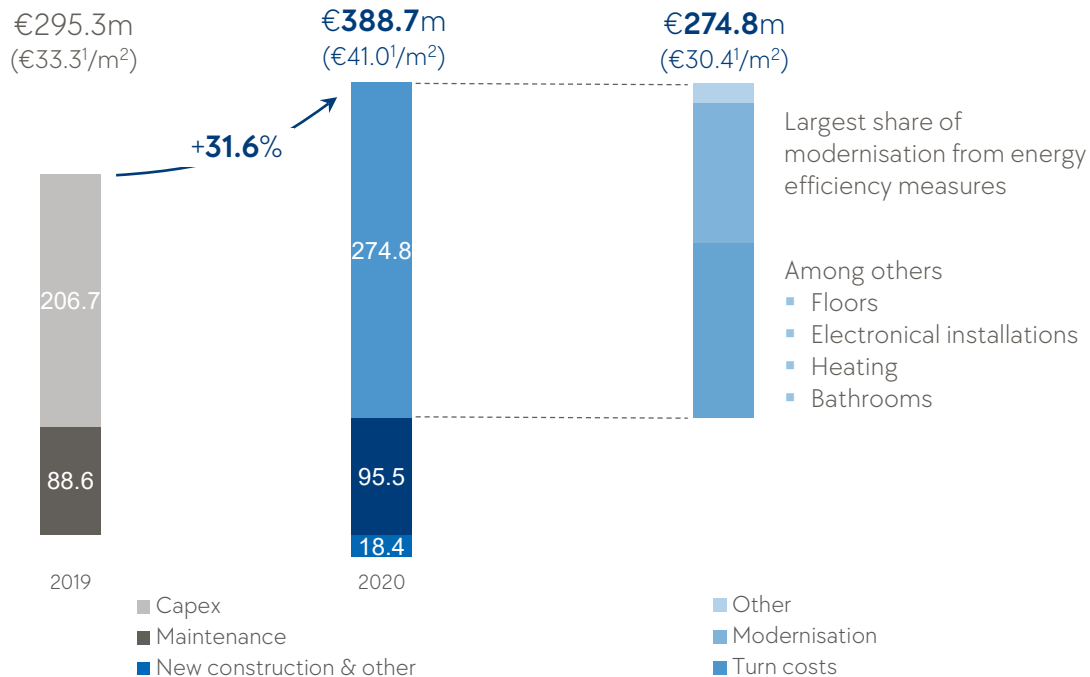
Higher-yielding



- Satisfactory result in a challenging environment
- Some negative effects from Corona due to Mietspiegel rent increase suspension and postponed modernisation projects
- Rent restricted units: +2.0% year-on-year (like-for-like) due to cost rent adjustment in January 2020
- High exposure to structural growth markets and respective commuter belts support strong performance

Capex & maintenance

Ongoing focus on growth and energy efficiency

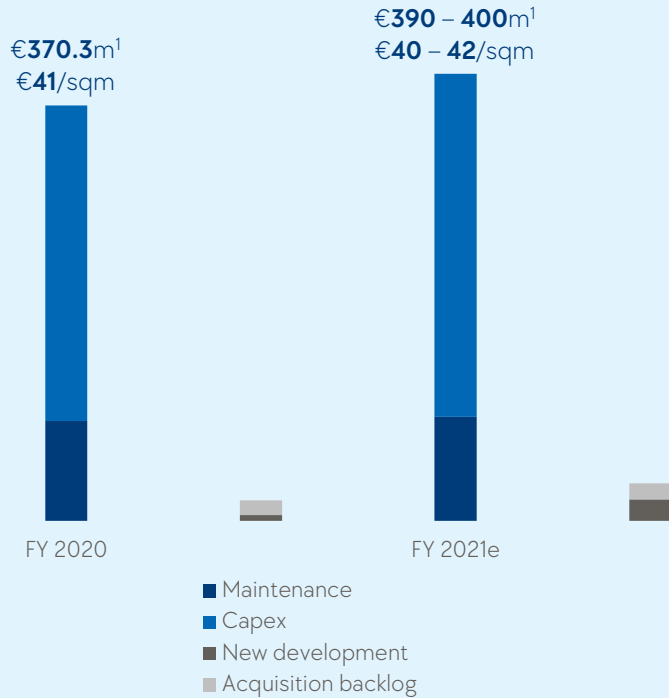


- Increase of investments with **c.32%** year-over-year within plan
- **40%** increase in **capex** driven by significant growth in value-enhancing turn-cost spending and growth in modernisations
- **Maintenance** costs increased by **8%** – in line with our portfolio growth
- Overall benefitting from available capacities and low VAT as expected

¹ Excl. new construction activities (€4.8m), backlog measures and own work capitalised resulting from the acquisition of LWS Plus GmbH

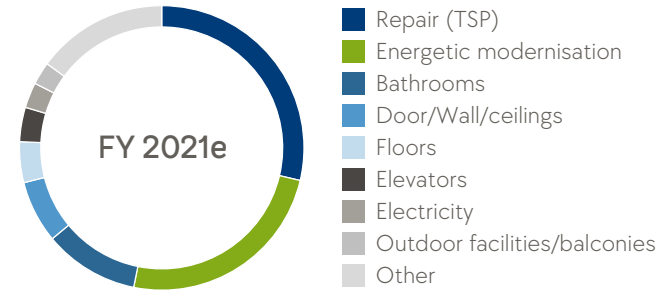
Total portfolio related expenditures

Breakdown

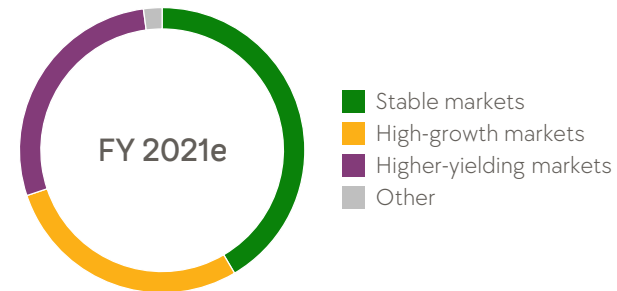


1 Capex + Maintenance

Split across types of expenditures



Split across markets and segments



Increased investments in modernisation and energy efficiency measures translate into strong returns

Market
of units
Total sqm
Year(s) of construction
Mod. start/completion¹

Rent development²
(€/sqm)

Total investment³
Share of modernisation
Yield total vs. mod.⁴

Modernisation and maintenance measures

Average reduction of energy demand p.a. after modernisation⁵

Monheim
High-growth

# of units	1,963	
Total sqm	134,022	
Year(s) of construction	1967 – 1971	
Mod. start/completion ¹	2014 – 2021	

6.25

Before mod.

8.20

After mod.

8.25

Market rent

Total investment: €60.3m
Share of modernisation: 66%

5.3%	8.1%
-------------	-------------

E.g. thermal insulation composite system, windows, roof renewal with insulation, balconies renovation, cellar ceiling insulation, staircase paint

-40%

Dortmund
Stable

# of units	415	
Total sqm	30,263	
Year(s) of construction	1967	
Mod. start/completion ¹	2015 - 2018	

4.60

Before mod.

5.92

After mod.

7.53

Market rent

Total investment: €10.2m
Share of modernisation: 60%

4.7%	7.9%
-------------	-------------

E.g. thermal insulation composite system, dismantling asbestos facade, windows, balconies, bell systems, fire protection doors, elevator system, intercom system

-46%

Herne
Higher-yielding

# of units	56	
Total sqm	3,565	
Year(s) of construction	1962	
Mod. start/completion ¹	2019 - 2020	

5.53

Before mod.

6.75

After mod.

6.32

Market rent

Total investment: €1.7m
Share of modernisation: 72%

3.0%	4.2%
-------------	-------------

E.g. thermal insulation composite system, top floor ceiling insulation attic ceiling insulation, windows, balconies, house entrance doors, canopies, cellar exits

-45%

¹ With the exception of the Herne project, all modernisation projects include several residential properties with staggered start and end dates over the specified period. ² Square meter prices across all projects; market rent = median, offer rents for new lettings from 01.10. to 30.09.2020, excluding subsidised units and new buildings, including LEG's own offers. ³ Including investments for modernisation, maintenance and repair. ⁴ Statistical initial yield; spread of rent income after and before modernisation in relation to total investment or investment for modernisation; target yield for Monheim project as not all projects have yet been completed. ⁵ Calculated values.

1,963 modernised units in Monheim

Example 1

"Here in Monheim, LEG has invested many millions of euros to modernise the Berlin district over the past few years. We are of course delighted that the company is realising its largest project so far here. We have been working well together for many years on the stepwise development of this particular district – with great success."

Mayor of Monheim
Daniel Zimmermann



Market
of units
Total sqm
Year(s) of construction
Mod. start/completion¹

Rent development²
(€/sqm)

Total investment³
Share of modernisation
Yield total vs. mod.⁴

Modernisation and maintenance measures
Average reduction of energy demand p.a. after modernisation⁵

High-growth

# of units	1,963
Total sqm	134,022
Year(s) of construction	1967 – 1971
Mod. start/completion ¹	2014 – 2021

Before mod.	6.25	8.20	8.25
After mod.			
Market rent			

+31.2%

€60.3m
66%

5.3% **8.1%**

E.g. thermal insulation composite system, windows, roof renewal with insulation, balconies renovation, cellar ceiling insulation, staircase paint

-40% ✓

¹ With the exception of the Herne project, all modernisation projects include several residential properties with staggered start and end dates over the specified period. ² Square meter prices across all projects; market rent = median, offer rents for new lettings from 01.10. to 30.09.2020, excluding subsidised units and new buildings, including LEG's own offers. ³ Including investments for modernisation, maintenance and repair. ⁴ Statistical initial yield; spread of rent income after and before modernisation in relation to total investment or investment for modernisation; target yield for Monheim project as not all projects have yet been completed. ⁵ Calculated values.



415 modernised units in Dortmund

Example 2



Market
 # of units
 Total sqm
 Year(s) of construction
 Mod. start/completion¹

Rent development²
 (€/sqm)

Total investment³
 Share of modernisation
 Yield total vs. mod.⁴

Modernisation and maintenance measures
 Average reduction of energy demand p.a. after modernisation⁵

Stable

415
 30,263
 1967
 2015 – 2018

4.60	5.92	7.53
Before mod.	After mod.	Market rent

+28.7%

€10.2m
 60%

4.7% **7.9%**

E.g. thermal insulation composite system, dismantling asbestos facade, windows, balconies, bell systems, fire protection doors, elevator system, intercom system

-46% ✓

¹ With the exception of the Herne project, all modernisation projects include several residential properties with staggered start and end dates over the specified period. ² Square meter prices across all projects; market rent = median, offer rents for new lettings from 01.10. to 30.09.2020, excluding subsidised units and new buildings, including LEG's own offers. ³ Including investments for modernisation, maintenance and repair. ⁴ Statistical initial yield; spread of rent income after and before modernisation in relation to total investment or investment for modernisation; target yield for Monheim project as not all projects have yet been completed. ⁵ Calculated values.

56 modernised units in Herne

Example 3



Market
 # of units
 Total sqm
 Year(s) of construction
 Mod. start/completion¹

Rent development²
 (€/sqm)

Total investment³
 Share of modernisation
 Yield total vs. mod.⁴

Modernisation and maintenance measures

Average reduction of energy demand p.a. after modernisation⁵

Higher-yielding

56
 3,565
 1962
 2019 – 2020

5.53	6.75	6.32
Before mod.	After mod.	Market rent

+22.1%

€1.7m
 72%

3.0% **4.2%**

E.g. thermal insulation composite system, top floor ceiling insulation attic ceiling insulation, windows, balconies, house entrance doors, canopies, cellar exits

-45%

¹ With the exception of the Herne project, all modernisation projects include several residential properties with staggered start and end dates over the specified period. ² Square meter prices across all projects; market rent = median, offer rents for new lettings from 01.10. to 30.09.2020, excluding subsidised units and new buildings, including LEG's own offers. ³ Including investments for modernisation, maintenance and repair. ⁴ Statistical initial yield; spread of rent income after and before modernisation in relation to total investment or investment for modernisation; target yield for Monheim project as not all projects have yet been completed. ⁵ Calculated values.

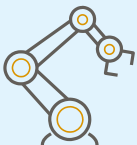
2020 digitisation

A boost to the digitisation of our business



Digital contracts/solutions

- **>7,000** digital contracts signed since offering end 2019
- Chat bots and direct service contact
- Self-admin functions for tenant
- Pilot with Amazon to offer free, keyless and contactless delivery service



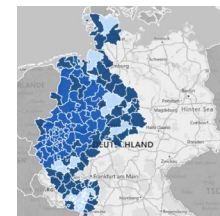
Robotics solutions

- **RPA Center of Excellence** implemented
- **>20** RPAs installed across the entire group, i.e. IT, customer service, accounting, modernisation projects, quality management etc.
- In customer service **>100,000** customer requests handled so far via RPAs



Artificial Intelligence Big Data

- AI pilot running for termination process
- Pilot for damage detection via drones
- Group-wide data platform to combine public and proprietary data for analysis of locations and support for internal functions





5

Portfolio **Overview**

Portfolio valuation 2020

With €1,503/m² @4.7% gross yield still at attractive levels in absolute and relative terms

Market segment	Residential Units	GAV Residential Assets (€m)	GAV/m ² (€)	Gross yield	In-Place Rent Multiple	Market Multiples ¹	GAV Commercial/Other (€m)	Total GAV (€m)
High-Growth Markets	45,709	6,242	2,050	3.9%	25.8x	21.9x	273	6,514
Stable Markets	56,444	4,806	1,345	5.0%	20.0x	17.8x	153	4,959
Higher-Yielding Markets	42,259	2,802	1,080	5.9%	16.9x	15.2x	86	2,888
Total Portfolio²	144,412	13,850	1,503	4.7%	21.4x	18.7x	512	14,362

¹ Estimated rental values as of 31 December 2020. ² Excl. 118 units intended for disposal.

Well-balanced portfolio with significant growth potential

2020



By Market

Units



Gross Asset Value

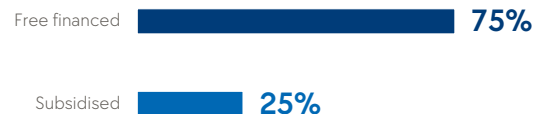


Rental Income

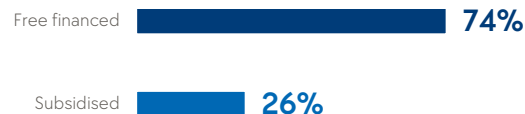


Restricted vs. unrestricted

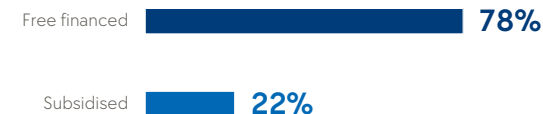
Units



Gross Asset Value

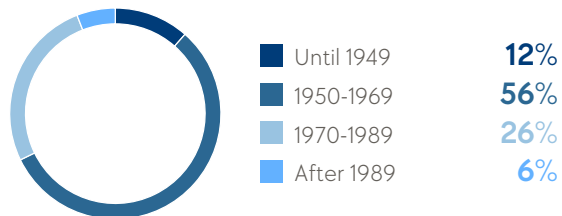


Rental Income



Portfolio structure

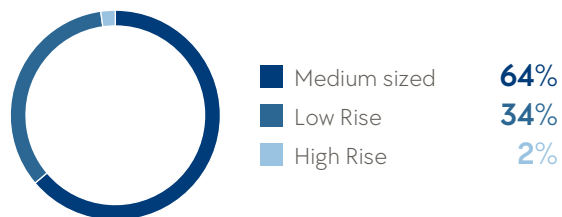
Construction Years



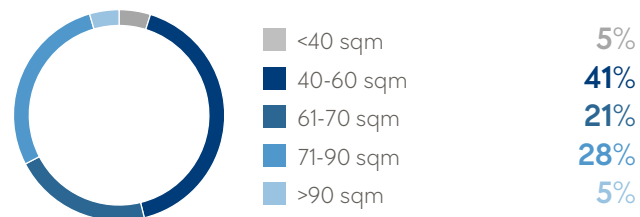
Free Financed / Rent Restricted Units



Building Types¹



Apartment Size²



¹ Based on number of buildings. Buildings are measured by entrances. ² Refers to housing only.

Unlocking value potential through construction on own land

Total pipeline

- Total pipeline of c.1,000 units, yield on cost >4.5%
- Target: 500 new build units per year from 2023¹

Münster

- Four buildings with 51 units in Münster: seizing value potential through densification on vacant plots of own land
- Construction cost €7.7m or c.€2,200/sqm; IPR around €13/sqm
- Respecting the environment and responding to demographic changes

Hilden (Greater Düsseldorf)

- Construction of 3 buildings with 38 apartments completed in May 2020
- Respecting the environment and responding to demographic changes

Cologne (Höhenhaus)

- 43 buildings with c. 200 units will be replaced by 400 units
- Approx. 30% of apartments will be subsidised or price-demanded units, resulting in varying levels of in-place rent
- Will include a kindergarten and be responsive to aging tenants



www.leg-wohnen.de/Gartensiedlung



New construction in Hilden

¹ 1250 new build units + acquisition of 250 new build units.

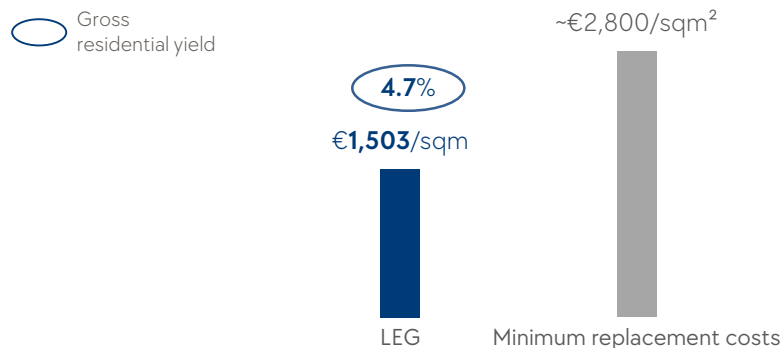
Continued shortage of affordable housing

Replacement costs significantly exceed LEG asset values

Residential replacement costs of the LEG portfolio

- Minimum replacement cost for **new-built product** at c. €2,800 per sqm²
- The portfolio of **affordable living product** is **de facto irreplaceable** at comparable cost base
- At ~€2,800 minimum replacement cost for a comparable new product, the **company's in-place yield** of 4.7% would imply a rent/sqm requirement of c. €11/sqm¹, which is **not feasible to achieve in the affordable living segment**

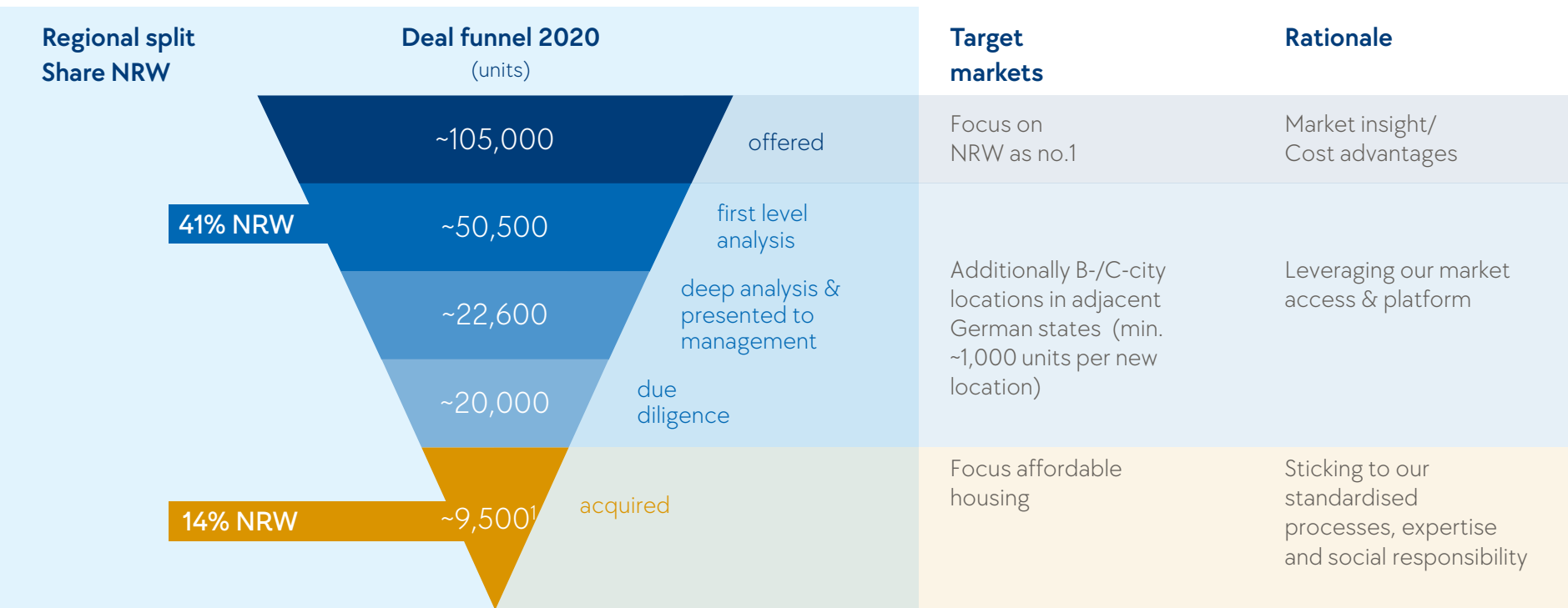
- LEG's portfolio is conservatively valued at **€1,503/sqm**,
- LEG's valuation level is well below Germany-wide replacement cost for new stock, offering attractive yield



1 based on €2,800/sqm.
2 excluding costs for land

Deal funnel 2020

Growth focused on affordable living in NRW and adjacent states



¹ The ~9,500 units refer to the number of units which have been signed in calendar year 2020. Transfer of ownership typically take place at a later point in time. The number of units may therefore differ from other disclosures, depending on the data basis. In 2020 11.262 units had been transferred also driven by signings from 2019.

Portfolio acquisitions from June 2020

Offering upside potential

Residential Portfolio	Total price	GAV/ sqm	Region	# of units	In-place rent/sqm	Vacancy rate	LEG market cluster ¹	Net cold rent p.a	Multiple	FFO p.a.	Transfer
Portfolio ¹			Rhine-Neckar	1,964	€6.11	1.7%	High growth/Stable				
			Brunswick	1,533	€5.83	3.6%	High growth				
			Koblenz region	1,504	€5.53	1.3%	Stable				
			Hanover/Laatzten	1,215	€5.94	2.2%	High growth				
			Cologne	164	€8.90	10.8%	High growth	€30.2m			1 Nov ⁴
Portfolio ²			Flensburg	1,075	€5.79	3.0%	Stable	€4.9m			1 Aug
Total 1+2	€767m	€1,540		7,455	~€5.92	~2.6%	High growth/Stable (55%/45%)	€35.1m	21.9x	€21m	
vs. LEG on I-f-I basis ²		€1,664			~€6.20	~2.5%			22.5x		

Key value drivers

- Modernisation
- Rent increases
- ~1/3 of portfolio subsidised and coming off restriction over time³ ¹

¹ LEG clusters its markets into high growth, stable and higher yielding markets. ² Based on LEG KPI's as of 30 June 2020 and assuming same portfolio split of 55% high growth and 45% stable markets. ³ See also slide 34 for more information on the subsidised units. ⁴ Expected.



6

Sustainability

Social responsibility

What we have done so far

Creation of an organisational and reporting structure

- Management Board bears overall responsibility
- Top decision-maker Management Board: Lars von Lackum, CEO
- Responsible Supervisory Board member: Stefan Jütte
- Steering Committee for strategic decisions and pooling of the activities includes the Heads of key divisions/functions
- Dedicated sustainability department
- Sustainability Officers/Data Owners in various departments for monitoring the achievement of goals and for data collection
- Sustainability Manager as interface
- New committee established in 2019 working on the achievement of climate targets

Disclosure and assessments

- Annual Sustainability Reports 2017 - 2019 based on GRI standard and including EPRA Sustainability Performance Measures
- Participation in GRESB Real Estate Assessment
- EPRA Gold Award in 2020
- Significantly improved Sustainalytics Rating



a Morningstar company

Environmental commitment

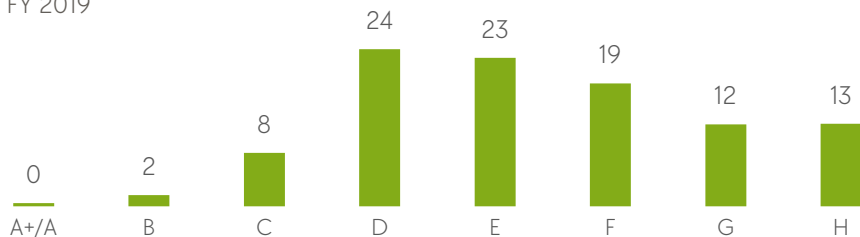
LEG set itself measurable and publicly communicated targets for the energetic improvement of the portfolio and reports on their achievement in its sustainability reports

Environmental targets

- Energy efficient modernisation of more than 15% of our portfolio i.e. 3% p.a. on average from 2017-2021
- Thereby reducing the number of residential buildings in energy efficiency classes G and H by more than 20%
- Increasing tenants' awareness (consumption transparency through utility and heating cost invoicing; tenants' manual)

LEG residential portfolio by energy efficiency classes

%, FY 2019



In 2019, potential reduction of another c.5,400 metric tons of CO₂ achieved

Carbon Balance Sheet 2020

Our approach: Based on actual consumption



LEG's real world approach in line with major frameworks



Several options within CO₂ accounting available

Coverage of total portfolio

Basis for calculation

Treatment vacancies

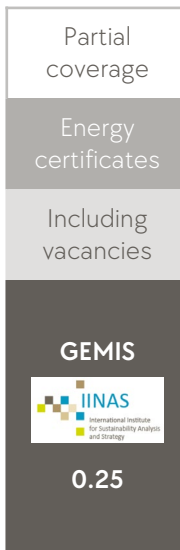
Several sources for conversion emission factors

e.g. Gas (kWh into kg CO₂ e/m²)

LEG CO₂ accounting framework

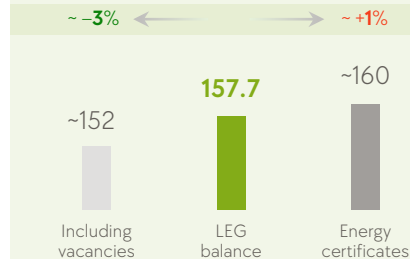


OPTIONS

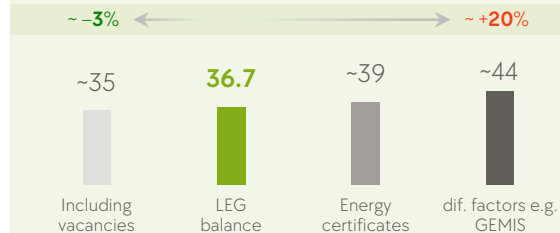


LEG footprint based on different approaches

KPI 1 kWh/m²



KPI 2 kg CO₂ e/m²



Social commitment



Tenants

- Offering attractive housing at affordable rents
- Cooperation with professional partners for housing-related services or offers (multimedia, green electricity at attractive prices)
- Annual inspections of all buildings to ensure tenants' health, safety and well-being
- Socially oriented neighbourhood and integration management
- Numerous tenant events
- Monitoring of tenant satisfaction
- Customer advisory council
- LEG Tenant Foundation for short-term financial assistance
- New €16m foundation for sustainable social work

Employees

- Vocational training and professional development
- Charta of Diversity signed (www.charta-der-vielfalt.de)
- Gender equality and reconciliation of work and family (audit certificate, www.berufundfamilie.de)
- Transparent remuneration structures (own collective bargaining agreement)
- Occupational health management (e.g. health and safety checks, preventive measures, training)
- Regular surveys on employee satisfaction (www.greatplacetowork.de)

Suppliers

- Suppliers Code of Conduct

Social commitment

During the crisis



Coronavirus crisis: LEG's voluntary 10-point paper (21 March 2020) and additional measures

Support and protection for tenants

- Temporary suspension of rent increases in line with Mietspiegel
- No termination of rental agreements, no evictions
- Supporting of small business/commercial tenants

Social initiatives

- Special offers for system-relevant professionals
- €1m for corona aid measures through foundation („Your home helps“)
- Organisation of neighbourhood assistance
- Commitment to homeless people

Protection of employees

- Work from home to provide safety and flexibility for employees and their families
- Protection gear for employees
- Benefits for employees during times of closed schools and nursery schools

Legal amendment on federal level

- Tenants cannot be evicted if they are not able to pay their rents for April-June 2020 due to the coronavirus crisis
- Deferral until June 2022 at the latest; interests (4%) can be charged

Corporate Governance

Corporate Governance Code

- Compliance with the German Corporate Governance Code
- Member of the Corporate Governance Institute of the German Real Estate Association

Board Structure

- Two-tier structure of Management Board and Supervisory Board
- Supervisory Board 100% independent
- Diversity concept for Management and Supervisory Board
- Management Board: 33% share of women
- *Further information: cf. LEG Annual Report*

Compliance Management System

- Certified Compliance Management System
- Focus on fair and responsible business, competition regulation, data protection, tax compliance, capital market and product compliance
- Code of Conduct (as part of employment contracts and supplier contracts)
- Training of all employees, dedicated Intranet page and compliance manual
- Whistleblower system for employees and third parties
- Compliance Officer, Anti-Corruption Officer and external ombudsman





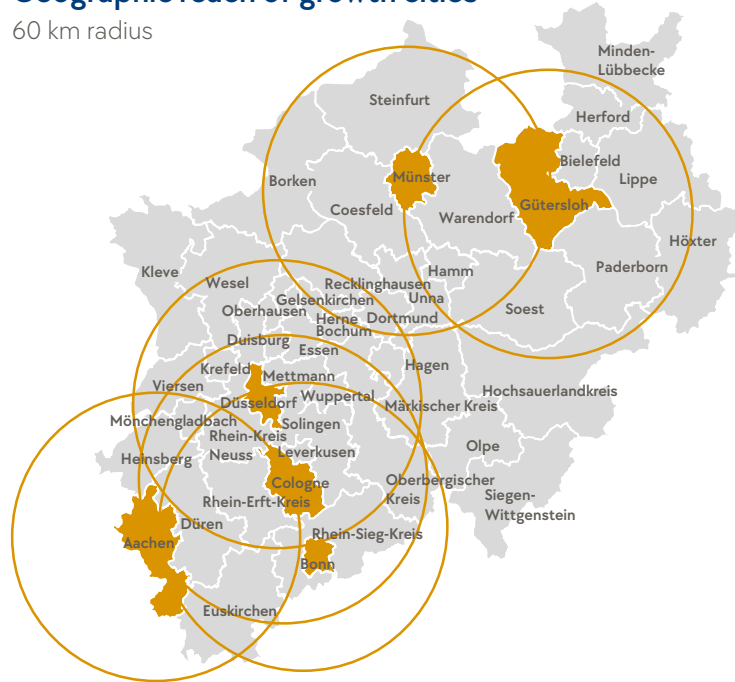
7

Attractive Market NRW

Portfolio highly exposed to structural growth markets

Geographic reach of growth cities

60 km radius



Key data

- Approx. **89%** of LEG's portfolio is located in the **catchment area of growth cities** (60 km) and around **64%** in the **commuter belts** (60 km) of **Düsseldorf and Cologne**, the most populous cities in NRW
- **Many principal university cities are located in NRW**, e.g. Aachen, Bochum, Bonn, Cologne, Dortmund, Düsseldorf and Münster

North-Rhine Westphalia (NRW)

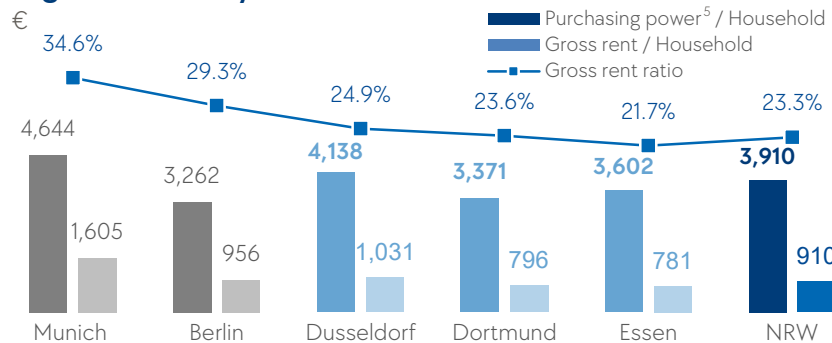
Favourable demographics

- **Key metropolitan area in Germany, and one of the largest areas in Europe** (17.9m² inhabitants in 2018)
- **Highest population density³** – key advantage for **efficient property management**
- **Low unemployment rate** (average of 6.5%³)
- Average growth of **1-2 person households** of 4.9%¹ expected in NRW (2018 – 2040). Process driven by decrease of average household size
- **Low home ownership** of approx. 44%⁴ in NRW in 2019 (42%⁴ in Germany) provides for **consistent demand**
- **High affordability** (on average 23.3% of household purchase power spent on gross rent)
- **High demand for affordable living product:**
Approx. 40% of households with income of less than €2,000⁴ per month in 2019
- **Beneficiary from immigration** thanks to liquid labour market and balanced mix of industries

NRW household growth 2018 – 2040¹



High affordability



1 IT.NRW based on micro census 2011 and population extrapolation as of 01.01.2018. 2 IT.NRW (2019). 3 Federal Statistical Office (2019). 4 Statista.com (2018). 5 Net income pre tax and social insurance contributions and including received transfer payments.

North-Rhine Westphalia (NRW)

Favourable economic climate

- **Germany's economic powerhouse** generating approx. 21% of German GDP
- **About one third** of the **largest companies in Germany** are **based in NRW**
- **Centrally located** in Europe, excellent infrastructure and a **key transport hub** (with multiple airports, dense railway system, motorway network and waterways)
- **Robust labour market** with decreasing rate of unemployment (-40% since 2006)



Leading positions in important industries

Direct investments: #1 in Germany for foreign investors

- 29.2% of direct investments in Germany

Chemicals: #1 in Germany, #5 in Europe (sales)

- NRW generates 30.8% of German sales

Biotechnology: #1 in Europe, #9 worldwide (patents)

- Highest number of biotech patent applications in Europe
- NRW generates 44.4% of German sales

Microsystems Technology: top position

- 28% of all German players are located in NRW with focuses in Aachen, Cologne/Bonn, Münster, and Dortmund as a hotspot

Nanotechnology: top position in Germany and Europe

- More than 200 companies, thereof 50 large companies
- 220 institutes (of which 9 Fraunhofer, 3 Max Planck and universities)

Mobile communication: #1 in Germany

- NRW companies account for 83% of the German mobile communication market

Education: 6 of 10 largest universities located in NRW

- e.g. RWTH Aachen, one of the largest technical universities in Europe, renowned for engineering, IT and natural sciences



8.1 Appendix **Financials**

FFO calculation



€m	2020	2019
Net cold rent	627.3	586.1
Profit from operating expenses	-2.5	-2.8
Maintenance (externally-procured services)	-62.3	-61.0
Staff costs	-75.4	-68.2
Allowances on rent receivables	-10.6	-7.9
Other	9.5	-1.3
Non-recurring project costs (rental and lease)	7.0	8.3
Recurring net rental and lease income	493.0	453.2
Recurring net income from other services	7.1	6.0
Staff costs	-23.6	-30.1
Non-staff operating costs	-17.6	-32.6
Non-recurring project costs (admin.)	8.0	29.5
Recurring administrative expenses	-33.2	-33.2
Other income and expenses	0.0	0.5
Adjusted EBITDA	466.9	426.5
Cash interest expenses and income	-80.5	-78.7
Cash income taxes from rental and lease	-1.4	-2.8
FFO I (including non-controlling interests)	385.0	345.0
Non-controlling interests	-1.8	-3.7
FFO I (excluding non-controlling interests)	383.2	341.3
FFO II (including disposal of investment property)	381.3	327.9
Capex-adjusted FFO I (AFFO)	92.8	134.6

Net cold rent

- +€41.2m YOY/+7.0%

Staff costs

- Growth in staff costs mainly due to increased tariff and additional FTE's (operations and craftsmen services)

Recurring net rental and lease income

- NRI increased by +€39.8m YOY (+8.8%)

Staff costs

- Impacted by one-time payments in 2019

Recurring administrative expenses

- Stable despite portfolio growth

Adjusted EBITDA

- EBITDA increased by +€40.4m YOY (+9.5%)

Cash interest expenses and income

- Nearly stable interest costs (average costs in 2020: 1.33% vs. 1.43% in 2019) despite higher debt volume

Income statement

€m	2020	2019
Recurring net rental and lease income	493.0	453.3
Extraordinary items	-63.2	-18.3
Net rental and lease income	429.8	435.0
Net income from the disposal of investment property	-1.3	-1.3
Net income from the valuation of investment property	1,170.4	923.4
Net income from the disposal of real estate inventory	-1.5	-0.8
Net income from other services	4.2	3.3
Administrative and other expenses	-66.4	-66.1
Other income	0.1	0.5
Operating earnings	1,535.3	1,294.0
Net finance costs	-140.3	-242.7
Earnings before income taxes	1,395.0	1,051.3
Income tax expenses	-30.5	-230.2
Consolidated net profit	1,364.5	821.1

Recurring net rental and lease income

- NRI increased by +€39.8m YOY (+8.8%)
- Adjusted for €45.6m goodwill write-down for CGU "Wohnen like-for-like"

Administrative and other expenses

- Previous year figure reflected €16m for new foundation "Dein Zuhause hilft". 2020 affected by goodwill write-down of €21.0m for CGU "Wohnen like-for-like"
- Recurring admin. costs stable with €33.2m

Net finance costs

- Net income from fair value measurement of derivatives -€43.6m (2019: -€94.8m)
- Broadly stable cash interest expense but lower expenses for early loan redemptions

Income tax expenses

- Effective tax rate 2.2% (2019: 21.9%)
- Driven by lower tax rate for one portfolio holding company

Balance sheet



€m	31.12.2020	31.12.2019
Investment property	14,582.7	12,031.1
Other non-current assets	264.9	322.7
Non-current assets	14,847.6	12,353.8
Receivables and other assets	77.7	89.6
Cash and cash equivalents	335.4	451.2
Current assets	413.1	540.8
Assets held for sale	21.6	25.2
Total Assets	15,282.3	12,919.8
Equity	7,389.9	5,933.9
Non-current financing liabilities	5,377.7	4,856.8
Other non-current liabilities	1,650.5	1,654.2
Non-current liabilities	7,028.2	6,511.0
Current financing liabilities	491.3	197.1
Other current liabilities	372.9	277.8
Current liabilities	864.2	474.9
Total Equity and Liabilities	15,282.3	12,919.8

Investment property

- Revaluation €1,170.4m
- Acquisitions €1,125.7m
- Capex, additions €284.6m

Cash and cash equivalents

- Cash flow from operating activities €326.1m
- Investing activities –€1,332.2m
- Financing activities €890.3m
 - Issue of convertible bond €544.0m
 - Capital increase €269.6m
 - Borrowing of bank loans €403.4m
 - Repayment of loans –€190.2m
 - Cash dividend –€172.4m

€m	31.12.2020	31.12.2019
Financial liabilities	5,869.0	5,053.9
Excluding lease liabilities (IFRS 16)	30.8	31.8
Cash & cash equivalents	335.4	451.2
Net Debt	5,502.8	4,570.9
Investment properties	14,582.7	12,031.1
Properties held for sale	21.6	25.2
Prepayments for investment properties	43.3	53.5
Property values	14.647,6	12,109.8
Loan to Value (LTV) in %	37.6	37.7

- Strong balance sheet with LTV of 37.6

EPRA-Net Asset Value



€m	2020	2019
Equity (excl. minority interests)	7,365.6	5,909.9
Effect of exercising options, convertibles and other rights	464.3	26.1
NAV	7,829.9	5,936.0
Fair value measurement of derivative financial instruments	102.7	84.0
Deferred taxes ¹	1,375.4	1,336.4
EPRA-NAV	9,308.0	7,356.4
Number of shares fully-diluted incl. convertible (m)	75,534	69,010
EPRA-NAV per share in €	123.23	106.60
Goodwill resulting from synergies	43.7	83.4
Adjusted EPRA-NAV (excl. goodwill)	9,264.3	7,273.0
Adjusted EPRA-NAV per share in €	122.65	105.39

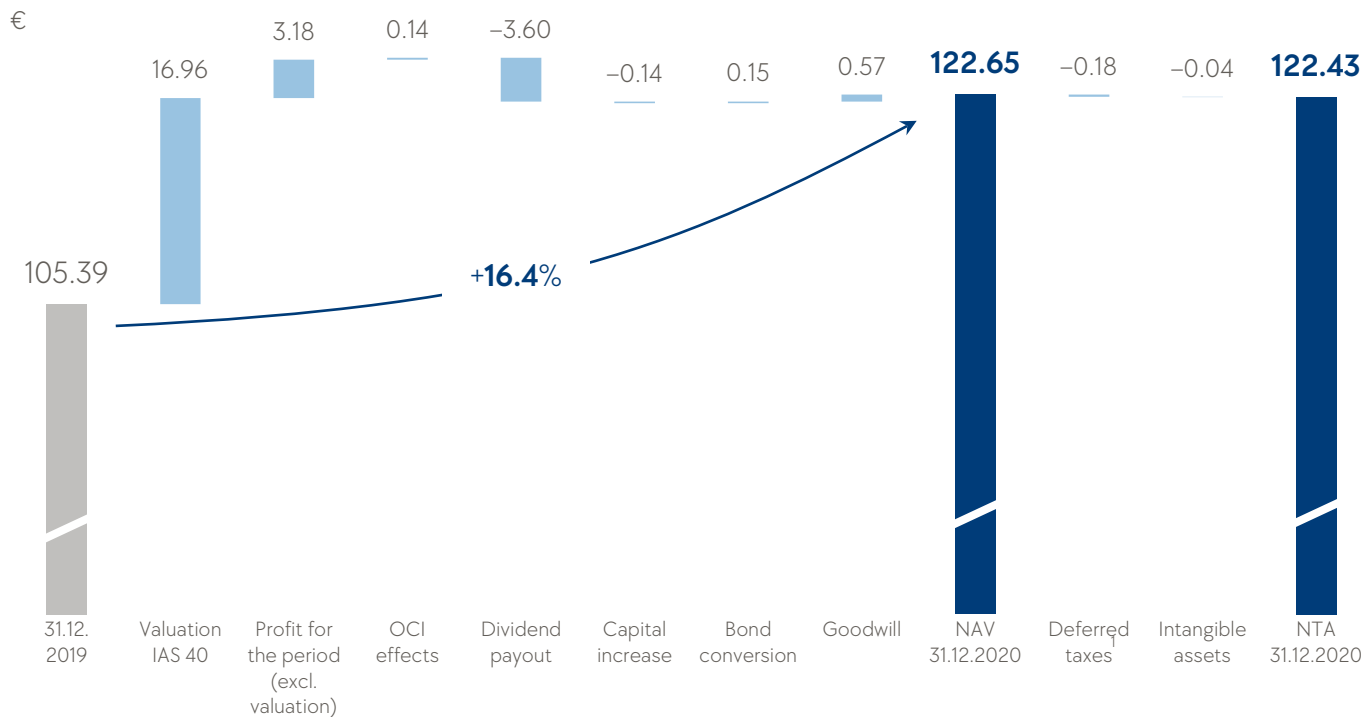
- Value of services business not included in NAV
 - Scenario: additional value approx. ~€7–€11 per share (FY 2020; discount rate of 4.0%–6.0%)

- €1,170m revaluation
- €354.1m capital increase
- €257.0m dividend payment (of which €84.6m in shares)
- Including €436.9m positive equity effect from 2017/2025 convertible bond (“in the money”²) and €32.0m negative equity accounting effect

¹ And goodwill resulting from deferred taxes on EPRA-adjustments. ² As of 31 December 2020 the share price of €127.06 is higher than the current conversion price (€116.34) of the 2017/2025 convertible bond. Therefore, the effects in the NAV reconciliation are shown as dilutive (3,438,349 dilutive shares).

EPRA NAV and NTA bridge

NTA of € 122.43 per share



- Profit and revaluation gains as the key drivers for NAV uplift in 2020
- Minor effects from OCI and the capital increase
- Minor differences between NAV and NTA
- For details for NRV, NTA, NDV see appendix slide 30

¹ Deferred tax in relation to fair value gains of IP and deferred tax on subsidized loans and financial derivatives due to disposals

New EPRA NRV – NTA – NDV



€m

	2020			2019		
	EPRA NRV – diluted	EPRA NTA – diluted	EPRA NDV – diluted	EPRA NRV – diluted	EPRA NTA – diluted	EPRA NDV – diluted
IFRS Equity attributable to shareholders (before minorities)	7,365.6	7,365.6	7,365.6	5,909.9	5,909.9	5,909.9
Hybrid instruments	464.3	464.3	464.3	26.1	26.1	26.1
Diluted NAV (at Fair Value)	7,829.9	7,829.9	7,829.9	5,936.0	5,936.0	5,936.0
Deferred tax in relation to fair value gains of IP and deferred tax on subsidised loans and financial derivatives	1,431.3	1,417.4	–	1,392.2	1,375.1	–
Fair value of financial instruments	102.7	102.7	–	84.0	84.0	–
Goodwill as a result of deferred tax	–55.9	–55.9	–55.9	–55.8	–55.8	–55.8
Goodwill as per the IFRS balance sheet	–	–43.7	–43.7	–	–83.4	–83.4
Intangibles as per the IFRS balance sheet	–	–2.8	–	–	–1.4	–
Fair value of fixed interest rate debt	–	–	–443.0	–	–	–333.5
Deferred taxes of fixed interest rate debt	–	–	87.2	–	–	73.0
Revaluation of intangibles to fair value	–	–	–	–	–	–
Estimated ancillary acquisition costs (real estate transfer tax)	1,421.7	–	–	1,184.7	–	–
NAV	10,729.7	9,247.6	7,374.5	8,541.1	7,254.5	5,536.3
Fully diluted number of shares	75,534,292	75,534,292	75,534,292	69,009,836	69,009,836	69,009,836
NAV per share	142.05	122.43	97.63	123.77	105.12	80.22

Group P&L effect of Value-add Services

€m	2020	 Main effects 2020	Only key line items displayed
Net cold rent	627.3		
Profit from operating expenses	-2.5		
Maintenance (externally-procured services)	-62.3	+ €34m	Craftsmen services via LEG TechnikService
Staff costs	-75.4	- €21m	
Allowances on rent receivables	-10.6		
Other	9.5	+ €23m	Staff costs mainly via LEG TechnikService , Mainly income from LEG EnergieService and multimedia offerings via LEG WohnService
Non-recurring project costs (rental and lease)	7.0		
Recurring net rental and lease income	493.0	+ € 37m	
Recurring net income from other services	7.1		
Staff costs	-23.6		
Non-staff operating costs	-17.6		
Non-recurring project costs (admin.)	8.0		
Recurring administrative expenses	-33.2		
Other income and expenses	0.0		
Adjusted EBITDA	466.9	+ € 37m	
Cash interest expenses and income	-80.5		
Cash income taxes from rental and lease	-1.4		
FFO I (including non-controlling interests)	385.0	+ €33m	
Non-controlling interests	-1.8	- €2m	Minorities LEG TechnikService
FFO I (excluding non-controlling interests)	383.2	+ €31m	

Market clustering based on LEG's methodology

Key indicator



1. Rental level¹




2. Vacancy level²



3. Socio demographic ranking³



4. Future attractiveness⁴

 Weighting

Scoring based on local districts⁵

Relative comparison of rental levels

Relative comparison of vacancy levels

~30 indicators like demographics, labour market, wealth etc.

>20 indicators from demo-graphics, economy, edu-cation, family friendliness

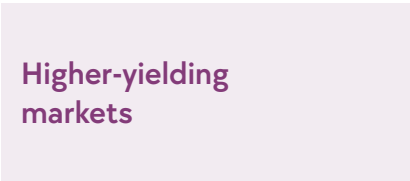
LEG Scoring



High-growth markets



Stable markets



Higher-yielding markets

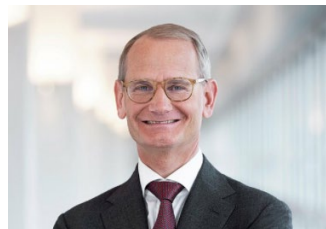
Source: Company information
Notes: 1 Empirica. 2 CBRE. 3 Prognos Institut. 4 Berlin Institut. 5 Based on 401 local districts in Germany.



8.2 Appendix **Management**

Management Team

complete since July 2020



Lars von Lackum

CEO

- Strategy, M&A, Organisation and Digitisation
- Legal and Human Resources
 - Management & Supervisory Board Office
 - Legal, Compliance and Internal Audit
 - Human Resources
- Corporate Communications
- Acquisition
- New construction
- IT

With LEG since 2019



Susanne Schröter-Crossan

CFO

- Investor Relations
- Finance & Treasury
- Controlling & Risk Management
- Portfolio Management
- Accounting & Taxes

With LEG since 2020



Dr. Volker Wiegel

COO

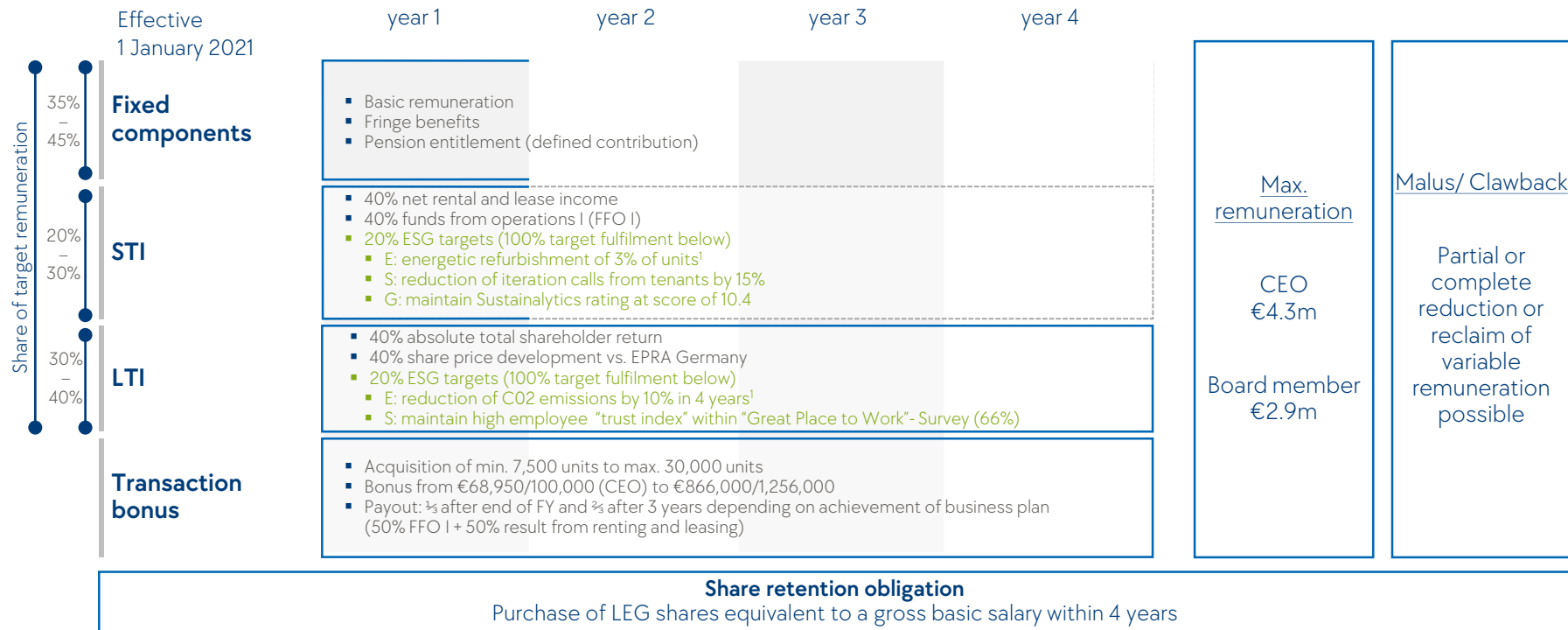
- Asset and Property-Management
 - Commercial Management
 - Neighbourhood Management
 - Property Management
 - Modernisation
 - Central Procurement
 - Receivables Management
 - Rent Management
 - Operating Expenses Management
- TechnikServicePlus GmbH
- EnergieServicePlus GmbH

With LEG since 2013

New ESG targets within management’s remuneration system



Approved by AGM 2020



¹ Units as of 12/19.



8.3 Appendix **Regulation**

Ongoing political discussion but small impacts on LEG



Topic	Description	Impact on LEG
Mietspiegel (reference rent)	<ul style="list-style-type: none"> ▪ Agreement on change of reference period from 4 to 6 years 	Marginal impact on rent growth
Modernisation	<ul style="list-style-type: none"> ▪ Reduction of modernisation charge from 11% to 8% ▪ Rent increase max. €3 per sqm over a period of six years (rents below €7 per sqm: limitation to max. €2 per sqm) 	LEG only slightly affected due to pursuit of less aggressive modernisation approach
Reletting	<ul style="list-style-type: none"> ▪ Mandatory disclosure of previous tenant's rent 	No impact on LEG
Mietpreisbremse (rental break)	<ul style="list-style-type: none"> ▪ Only applicable for re-letting in tense markets, number of tense markets reduced to 18 cities in NRW from 1 July 2020 	No material changes for LEG
Share deals	<ul style="list-style-type: none"> ▪ Ongoing discussion on reform of the land transfer tax (Grunderwerbsteuer) includes lowering the threshold from 95 to 90% and increasing the holding period from 5 to 10 years (which makes share deals less profitable) 	LEG does not expect significant effects (only for PE deals)
Outside NRW		
Berlin rental freeze	<ul style="list-style-type: none"> ▪ It is expected that the Federal Constitutional Court will declare the rent freeze in Berlin unconstitutional ▪ No risk of spill over into NRW 	No impact on LEG NRW government disapproves of this instrument

Basics

Free financed units

Existing contracts

- Rent increase by max. **20% (15% cap in tense markets²)** within **3 years**; benchmark: **local reference rent¹**
- After **modernisation**: annual rent can be increased by **8% of modernisation costs**;
limit: €3 per sqm (rent/sqm/month > €7) or €2 per sqm (rent/sqm/month < €7) over 6 years

New contracts

- Markets without rental cap: no regulation
- In tense markets² the rental break (**Mietpreisbremse**) applies: increase of max. **10% on local reference rent¹**

Rent restricted units

Cost rent adjustment

- Every third year (i.e., 2017, 2020, 2023)
- After full repayment of the underlying subsidised loan, the residential unit gets out of rent restriction and regular code applies
- In the case of early repayment, rent restriction continues for another 10 years (tenant protection); then regular code applies

Advantages of early repayment

- Earlier transition of subsidised unit into free financed segment
- Immediate positive valuation effect (DCF model)

New NRW Tenant Protection Law

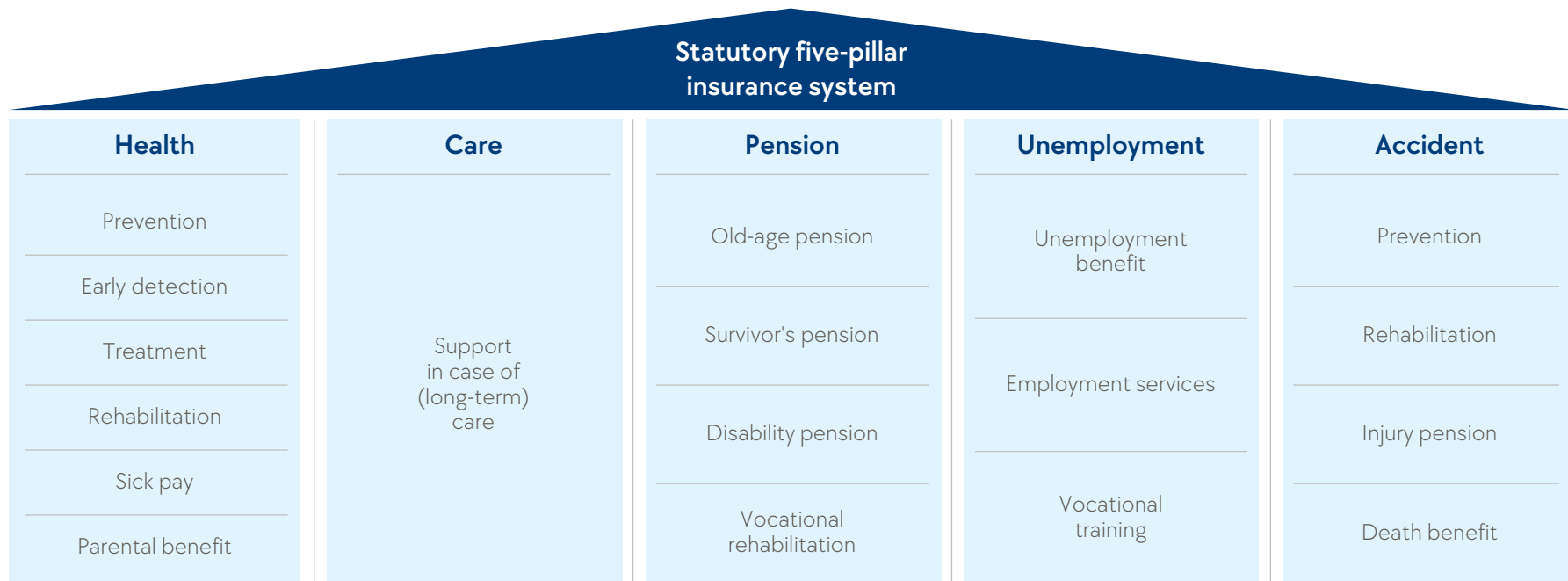
effective from July 2020
reduces number of tense markets to 18 cities²

¹ Based on rent table (Mietspiegel). ² In NRW, 18 cities were identified as tense markets, especially Düsseldorf, Cologne and Greater Cologne area, Bonn, Münster.



8.4 Appendix **Social Security in Germany**

A well-developed social security system ensures a fair standard of living in Germany



Principles of solidarity

COVID-19: Extended state protection for tenants in case of financial shortage, unemployment, illness or old age

Unemployment Benefit I („ALG I“)	Unemployment Benefit II („ALG II“)	Social Assistance („Sozialhilfe“)	Housing Benefit („Wohngeld“)
<p>Paid by national unemployment fund (monthly contribution by employers and employees)</p> <hr/> <p>Benefit upon completion of the qualifying period: at least 12 months of compulsory insurance employment within the last 30 months (can be added up)</p> <hr/> <p>Benefit based on 60% or 67% of the net salary (Ø 12 months)</p> <hr/> <p>Max. duration of entitlement between 6 and 24 months (depending on age)</p>	<p>Tax-funded welfare benefit for people capable of work between 15 and retirement age</p> <hr/> <p><u>Coverage:</u> Cost-of-living assistance Education package Additional expenditure Non-recurring assistance Housing costs: rent, heating, water, sewage</p> <hr/> <p><u>Defined flat sizes and rent caps according to household size:</u> e.g. max. 65 sqm for 2-person household, max. €555 (incl. cold additional costs) for flat in Düsseldorf (as of 01.01.2018)</p>	<p>Tax-funded benefit to protect from poverty and social exclusion for securing a subsistence minimum</p> <hr/> <p><u>Coverage:</u> Cost-of-living assistance Income support in old age Income support in the event of reduced earning capacity Assistance towards healthcare and towards long-term care Assistance in overcoming special social difficulties Assistance in other circumstances</p> <hr/> <p>For individuals without entitlement under other insurance and welfare systems</p>	<p>State subsidy towards housing costs for people with low incomes</p> <hr/> <p>Provided as rent support for tenants and as mortgage and home up-keep support for owner-occupiers</p> <hr/> <p>Eligibility criteria are the number of household members, the amount of rent or mortgage payment and the total monthly income (fixed limits on total monthly income by rent levels)</p> <hr/> <p>Not granted to persons entitled to ALG II and Social Assistance</p>

Social Protection Packages (COVID-19)

<p>Automatic one-off extension of the grant period by three months for those whose entitlement end between May and Dec 2020</p>	<p><u>03/2020 – 03/2021</u> Simplified application process (no personal visit required) Suspension of financial background check (assets and property) Recognition of actual rent and heating costs Simplified consideration of income in case of provisional decision</p>	<p><u>03/2020 – 03/2021</u> Simplified consideration of income in case of provisional decision 100% takeover of housing costs</p>
---	--	---

COVID-19: Extended state support for the labour market to keep our tenants employed and solvent

Short-time work

(“Kurzarbeit”)

Prevention of dismissals in case of temporary loss of work by keeping workers employed

Federal Employment Agency pays short-time work compensation

Loss of work must be for economic reasons, temporary, unpreventable

Entitlement period is 12 months, extendable up to 24 months (by legal decree)

Compensation amount is based on 60% or 67% of net income

Insolvency payment

(„Insolvenzgeld“)

Protection of entitled employees, e.g. due to termination of business activity of a company, against loss of earnings for a limited period

Work performance is usually provided in advance, employer pays only after a fixed period

Federal Employment Agency pays the salary (incl. social security contributions) for 3 months of employment prior to the insolvency

Payment is financed from the funds of the insolvency levy, which is raised monthly by the employers

Financial assistance to companies

Several extensive financial aid programs initiated since March 2020 (Soforthilfen, Überbrückungshilfe 1/2/3) for small and medium sized companies, which are affected severely by the pandemic

Exceptional financial assistance for the months of November and December for businesses and self-employed individuals forced to stop business during the lock down

Minimum wage

(„Mindestlohn“)

Statutory since 01.01.2015
Protection from low wages, ensuring fair competition

Gross amount is €9.35 (as of 01.01.2020)

Applies to employees >18 or those who have completed vocational training (also in case of internship)

Long-term unemployed persons do not have to be paid the minimum wage for the first 6 months

Failure is subject to fines of up to €500,000

Social Protection Packages (COVID-19)

03/2020 – 12/2021

No accumulation of minus hours

Staggered increase of compensation (to 70%/77% and 80%/87%)

Additional earning opportunities

03/2020 – 04/2021

Suspension of obligation to file for insolvency (three-week deadline)
Limited liability of the management
New loans ≠ insolvency prolongation

Minimum Wage Law

Previous recommendation of the Minimum Wage Commission: Wage increase in stages reaching €10.45 until 01.07.2022

(increase is under discussion)



8.5

Appendix **Investor & Creditor Relations**

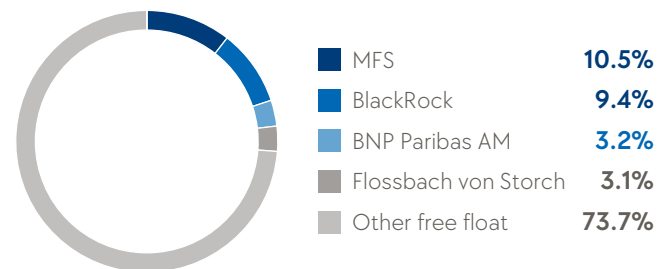
LEG share information



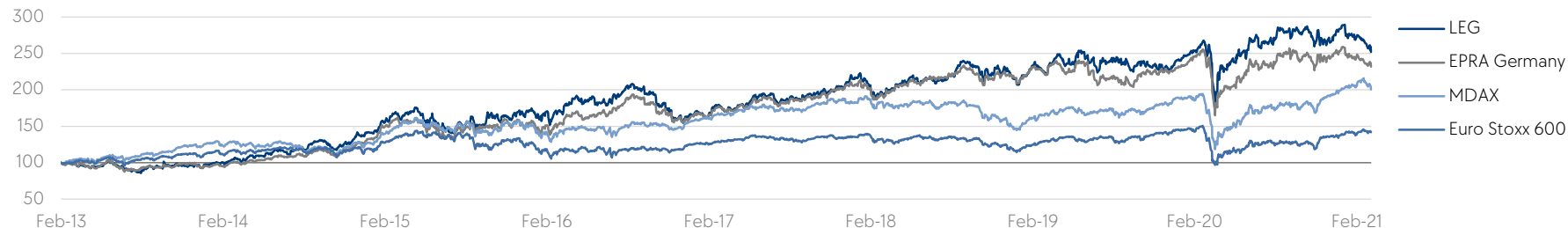
Basic data

Market segment	Prime Standard
Stock Exchange	Frankfurt
Total no. of shares	72,095,943
Ticker symbol	LEG
ISIN	DE000LEG1110
Indices	MDAX, FTSE EPRA/NAREIT, GPR 250, Stoxx Europe 600, DAX 50 ESG, i.a. MSCI Europe ex UK, MSCI World ex USA, MSCI World Custom ESG Climate Series
Weighting	MDAX 3.42% (28.02.2021) EPRA 3.41% (28.02.2021)

Shareholder structure¹

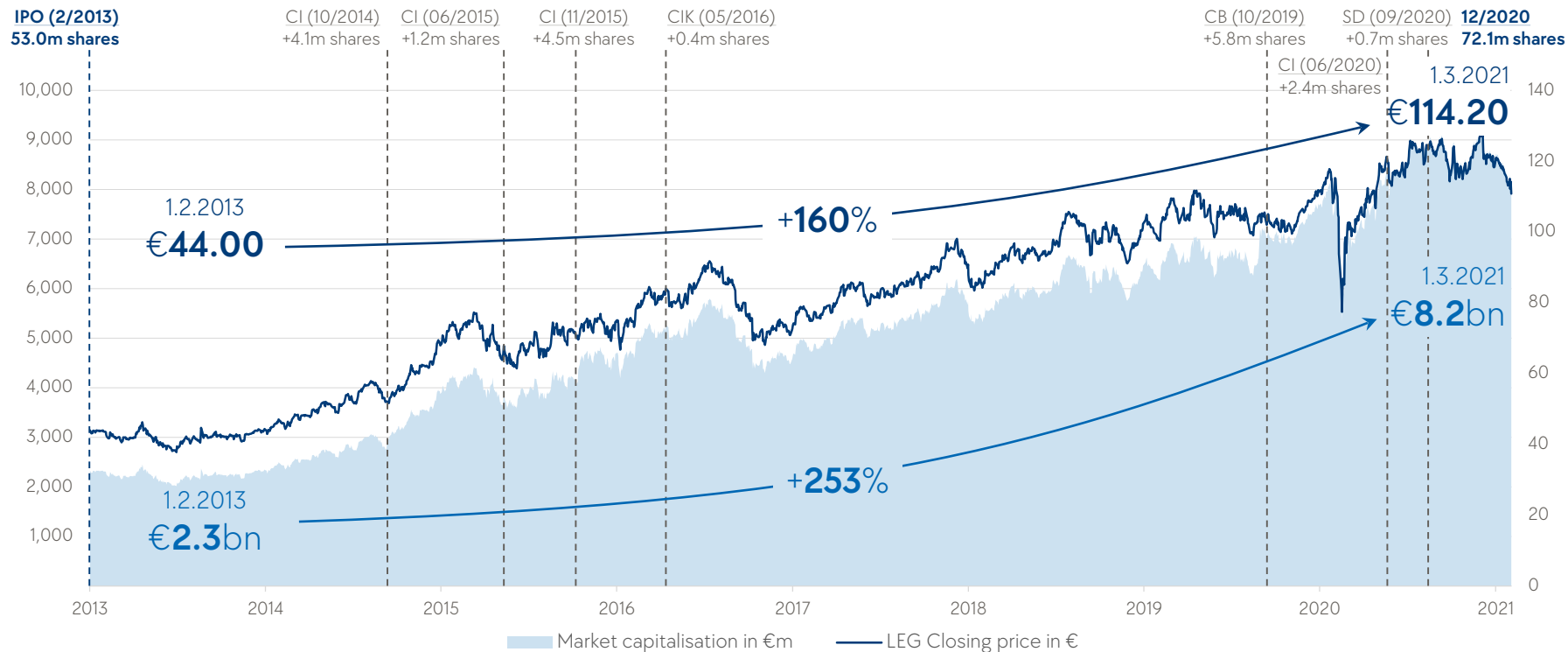


Share (1.3.2021; indexed; in %; 1.2.2013 = 100)



¹ Shareholdings according to voting rights notifications; as of 08.03.2021.

Sustainable increase in share price and market capitalisation since IPO



IPO = Initial Public Offering; CI = capital increase; CIK = capital increase in kind; CB = convertible bond; SD = stock dividend

LEG additional creditor information



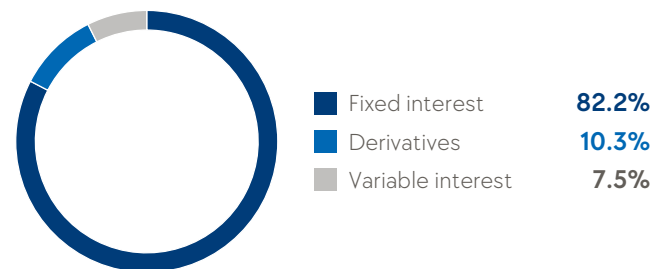
Unsecured financing covenants

Covenant	Threshold	2020
Consolidated Adjusted EBITDA / Net Cash Interest	≥1.8x	5.8x
Unencumbered Assets / Unsecured Financial Indebtedness	≥125%	254%
Net Financial Indebtedness / Total Assets	≤60%	36%
Secured Financial Indebtedness / Total Assets	≤45%	21%

Ratings (Moody's)

Type	Rating	Outlook
Long Term Rating	Baa1	Stable
Short Term Rating	P-2	Stable

Financing mix



Key financial ratios

	2020	2019
Net debt / EBITDA	11.8x	10.7x
LTV	37.6%	37.7%

Capital market financing

Corporate bonds



	2017/2024	2019/2027	2019/2034	2021/2033
Issue Size	€500m	€500m	€300m	€500m
Term / Maturity Date	7 years / 23 January 2024	8 years / 28 November 2027	15 years / 28 November 2034	12 years / 30 March 2033
Coupon	1.250 % p.a. (annual payment)	0.875 % p.a. (annual payment)	1.625 % p.a. (annual payment)	0.875 % p.a. (annual payment)
Issue Price	99.409 %	99.356 %	98.649 %	99.232 %
Financial Covenants	<ul style="list-style-type: none"> ▪ Net financial debt/ total assets ≤ 60% ▪ Secured financial debt/ total assets ≤ 45% ▪ Unencumbered assets/ unsecured financial debt ≥ 125% ▪ Adj. EBITDA/ net cash interest ≥ 1.8 x 			
ISIN	XS1554456613	DE000A254P51	DE000A254P69	DE000A3H3JU7
WKN	A2E4W8	A254P5	A254P6	A3H3JU

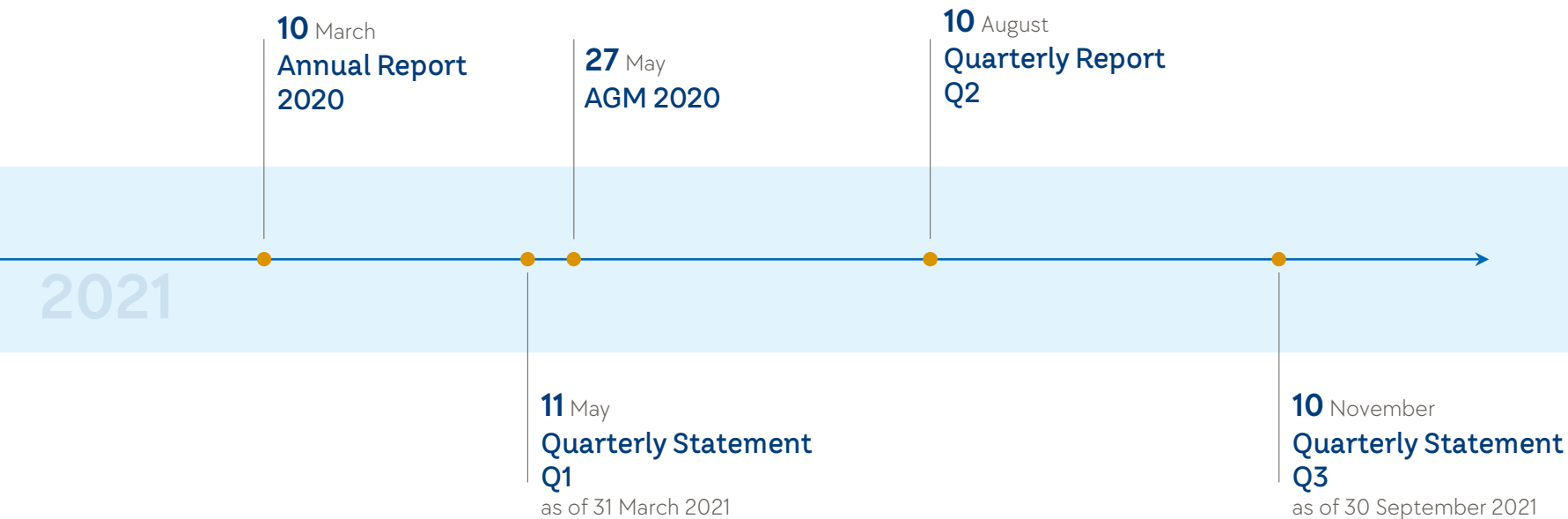
Capital market financing

Convertible bonds



Issue Size	2017/2025 €400m	2020/2028 €550m
Term / Maturity Date	8 years/ 1 September 2025	8 years/ 30 June 2028
Coupon	0.875% p.a. (semi-annual payment: 1 March, 1 September)	0.4% p.a. (semi-annual payment: 15 January, 15 July)
# of shares	3,438,349	3,546,869
Initial Conversion Price	€118.4692	€155.2500
Adjusted Conversion Price	€116.3349 (as of 4 September 2020)	€155.0663 (as of 7 September 2020)
Issuer Call	From 22 September 2022, if LEG share price >130% of the then applicable conversion price	From 5 August 2025, if LEG share price >130% of the then applicable conversion price
ISIN	DE000A2GSDH2	DE000A289T23
WKN	A2GSDH	A289T2

Financial calendar



For our detailed financial calendar, please visit our IR web page

IR Contact



Investor Relations Team

Frank Kopfinger, CFA

Head of Investor Relations & Strategy

Tel: **+49 (0) 211 4568-550**

E-Mail: **frank.kopfinger@leg-se.com**

Elke Franzmeier

Assistant Investor Relations & Strategy

Tel: **+49 (0) 211 4568-159**

E-Mail: **elke.franzmeier@leg-se.com**

Karin Widenmann

Senior Manager Investor Relations

Tel: **+49 (0) 211 4568-458**

E-Mail: **karin.widenmann@leg-se.com**

Gordon Schönell, CIIA

Senior Manager Investor Relations

Tel: **+49 (0) 211 4568-286**

E-Mail: **gordon.schoenell@leg-se.com**

LEG Immobilien SE | Hans-Böckler-Str. 38 | 40476 Düsseldorf, Germany

Phone: +49 (0) 211 4568-400 | Fax: +49 (0) 211 4568-22 204 | E-Mail: ir@leg.ag | Internet: www.leg.ag