LEG Immobilien SE

Company Presentation

May 2022

Disclaimer

While LEG Immobilien SE ("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

1.1 Highlights **Q1-2022**

Q1-2022 – Financial Summary

LEG

Operating results

		Q1-2022	Q1-2021	+/- %/bps
Net cold rent	€m	**197.5**	168.4	+17.3%
Recurring net rental income	€m	**154.7**	133.2	+16.1%
EBITDA adjusted	€m	**147.2**	126.0	+16.8%
FFO I	€m	**121.4**	104.1	+16.6%
FFO I per share	€	**1.67**	1.44	+16.0%
FFO II	€m	**119.6**	103.8	+15.2%
EBITDA margin (adj.)	%	**74.5**	74.8	-30bps
FFO I margin	%	**61.5**	61.8	-30bps

Portfolio

		31.03.2022	31.03.2021	+/- %/bps
Residential units	number	**166,342**	144,519	+15.1%
In-place rent (l-f-l)	€/m²	**6.20**	6.04	+2.7%
Capex (adj.)[1]	€/m²	**5.58**	6.85	-18.5%
Maintenance (adj.)[1]	€/m²	**2.32**	2.59	-10.4%
EPRA vacancy rate (l-f-l)	%	**2.4**	2.8	-40bps

Balance sheet

		31.03.2022	31.12.2021	+/- %/bps
Investment properties	€m	**19,292.5**	19,067.7	+1.2%
Cash and cash equivalents	€m	**490.1**	675.6	-27.5%
Equity	€m	**9,139.2**	8,953.0	+2.1%
Total financing liabilities	€m	**9,069.0**	8,885.1	+2.1%
Current financing liabilities	€m	**204.6**	1,518.1	-86.5%
Net debt	€m	**8,554.0**	8,182.1	+4.5%
LTV[2]	%	**43.1**	42.1	+100bps
Equity ratio	%	**43.7**	43.6	+10bps
EPRA NTA, diluted	€m	**10,961.8**	11,149.1	-1.7%
EPRA NTA per share, diluted	€	**150.49**	146.10	+3.0%

1 Excl. new construction activities on own land, backlog measures, own work capitalised and margin of LWSPlus; pls see Appendix 2 Calculation adapted to market standard: inclusion of short-term deposits and participation in other residential companies

Financials and operations well on track

Backed by resilient business model

Financials

- FFO I **+16.6%** to **€121.4m**
- Adj. EBITDA-Margin **74.5%**
- LTV **43.1%**[1]
  - Debt @ **7.3y** for **1.16%**
- NTA ps **€ 150.49**

Operations

- Net cold rent **+17.3%**
- l-f-l rental growth **+2.7%**
- l-f-l vacancy **2.4%** (–40bps)

ESG

- In 2021, **strong reduction of CO2 emissions** by 5.4% to 34.7 kg/sqm (location based) or 5.0% to **32.3 kg/sqm** (market based)
- JV **RENOWATE** (LEG/ Rhomberg) founded: serial solutions for **decarbonising residential buildings**
- Providing **more than 300** units to Ukrainian refugees at more than **40** locations

Q1-2022

Moody's Baa1 rating confirmed

Solid balance sheet

Reacting to changing environment

High level of flexibility in respect to capital allocation

Attractive portfolio

Valuation uplift for H1 expected to be 6 - 7%

FFO I of €475m - €490m range

Guidance 2022 confirmed

1 Calculation adapted to market standard: inclusion of short-term deposits and participation in other residential companies

A resilient business model

Safeguarding robust earnings profile

Asset class

98% residential
100% affordable housing

Flexibility

100% Optionality on potential acquisition of BCP
50% Down-sizing of new development target to 500 units[5]
10x Increase of disposal program to up to 5,000 units[4]

Region/Jurisdiction

0% Berlin
100% Germany

Integration

15% new assets[3]
100% target asset class
100% LEG processes and IT

Balance Sheet

1% of outstanding debt to be refinanced until 12/23
44% equity ratio

Development

5% of GAV[1]
89% without price risk[2]

1 Total investment volume for acquired projects and own new development in % of Q1 GAV. 2 Reflects fixed prices for acquired development projects or flexibility to withdraw/ adjust development plans based on total investment volume
3 22k units acquired in 2021. 4 Original volume 300-500 units. 5 Previous target 1,000 units by 2026, 500 units in 2023 confirmed.

Market fundamentals unchanged

Macro trends favor asset holding companies

LEG

Demand-supply gap is still widening

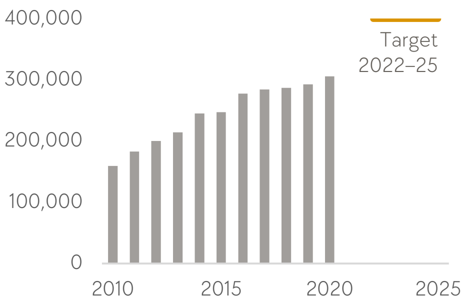
Further increase in demand

- As of May 2022, Germany welcomed **c.600,000** refugees from Ukraine[1]
- Increasing demand in large cities and their outskirts: LEG portfolio with high exposure to these areas
- Economic recession drives additional demand for affordable housing

Supply even more limited – national construction target at risk

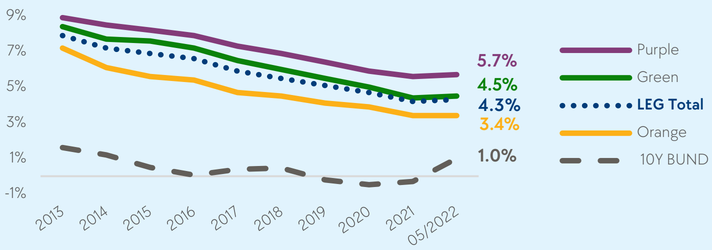
- High demand meets vacancy levels at structural lows (LEG 2.4%)
- Prices for new construction of resi buildings in GER +14.3% in 02/22 yoy with strongest rise in carpentry/ timber construction work (+33.9%)[2]
- Replacement costs further driven by higher energy efficiency requirements and higher staff cost
- General scarcity of craftsmen, building materials
- Discontinuation of new construction subsidies
- National **400,000** resi units p.a. target at risk

No. of completed resi units Germany[3]



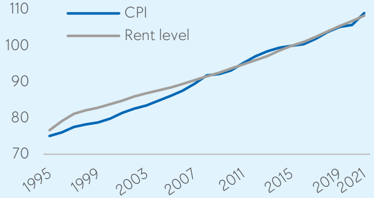
Attractive yields in inflation-proof model

Still attractive spreads vs. 10Y BUND



Rent development in line with inflation

- Historic rent development strongly linked to inflation
- 20% of LEG's portfolio is restricted with CPI-linked rent increases every third year (next: January 2023)



1 BAMF Federal Office for Migration and Refugees 2 Federal Statistical Office (April 2022) 3 Federal Statistical Office (data for 2021 not yet available)

Carbon Balance Sheet 2021

32.3 kg CO_2e/m^2 on a market based and climate adjusted basis

LEG

Carbon balance sheet

- Bottom-up approach
- BAFA-factors in line with GHG-protocol
- Scope 1 and scope 2
- 32.3 kg CO_2e/m^2 based on heating energy
- 283k t CO_2 in total (2020: 311k t)
- C. 2/3 coming from gas

Heat energy by source (100% of portfolio)

Gas	64.6%
District heating	28.6%
Heating oil	3.7%
Electricity for heating	1.2%
Coal (local heating)	0.9%
Other	1.0%

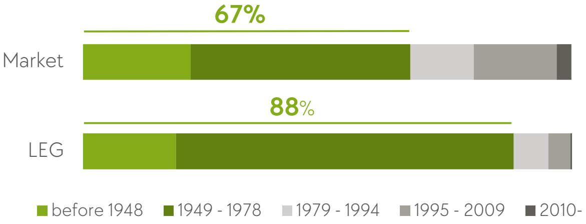
- Based on actual consumption 2020 (74% actuals, 6% actuals previous year, 20% certificates)
- Extrapolated for 2021
- Limited assurance by Deloitte

Reflecting our roots

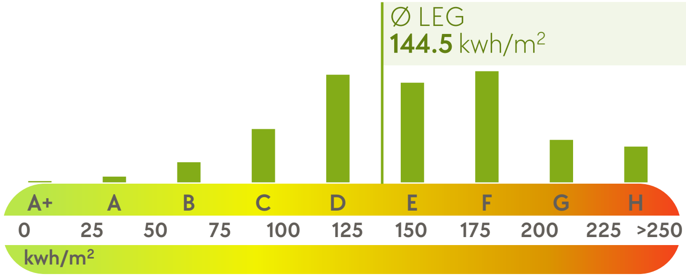
Energy efficiency of our portfolio of 144.5 kWh/m^2 (2020: 157.5kWh/m2) is a function of corporate DNA & history:

- Providing affordable housing in post-war Germany

LEG portfolio by construction years vs. LEG market



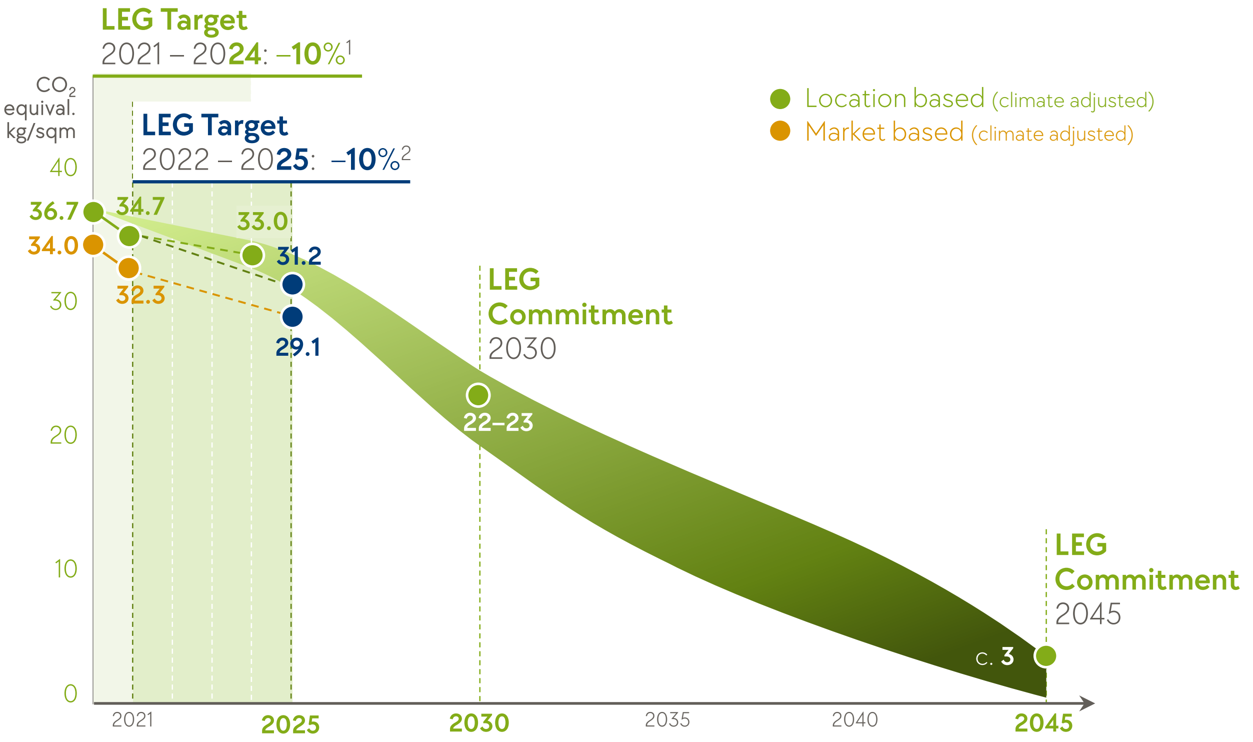
Distribution by energy efficiency classes LEG



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

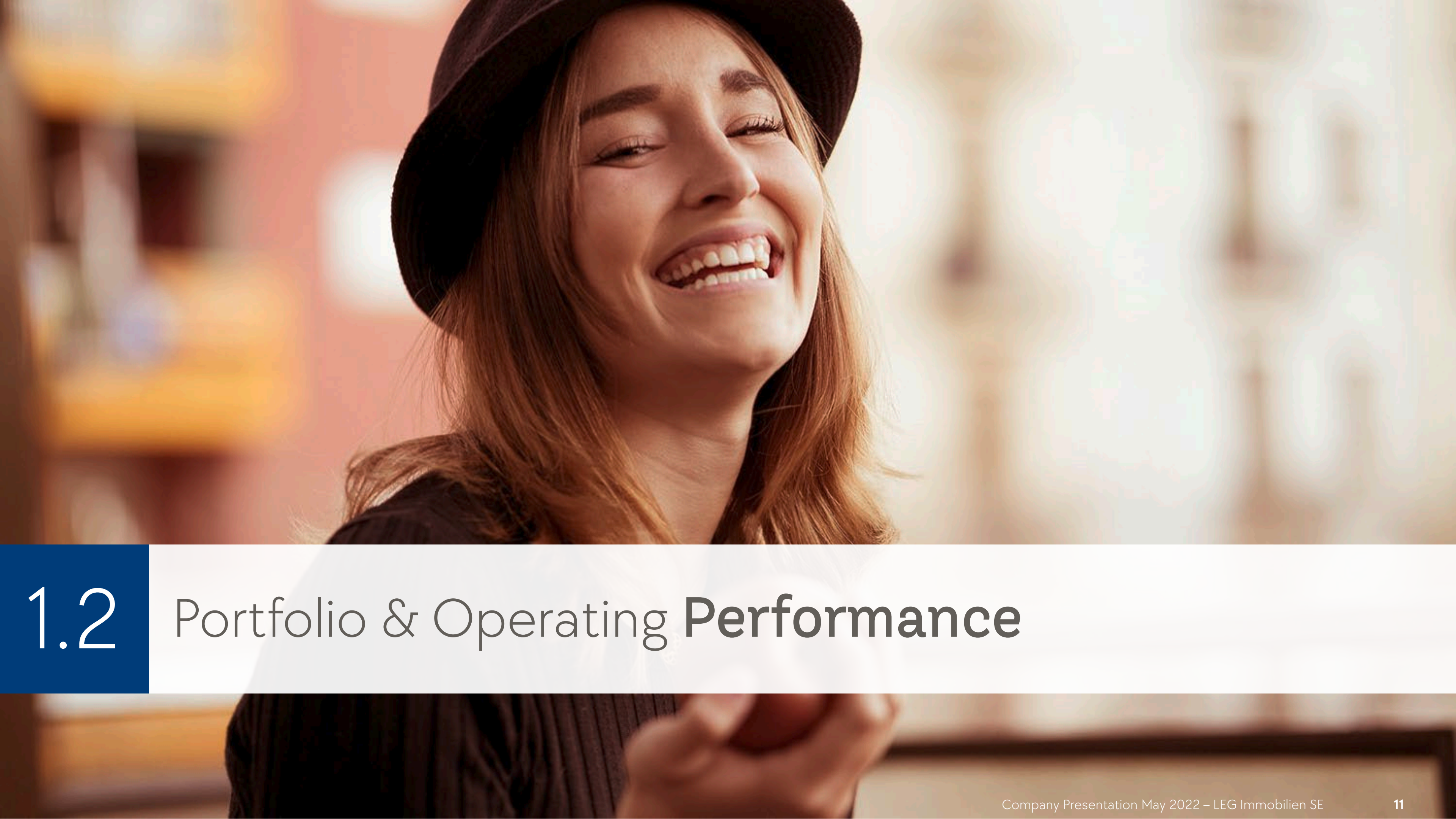
Strong CO_2 reduction of 5% in 2021

Well on track for our target towards climate neutrality



- LEG fully committed to new German Climate Change Act to achieve climate neutrality by 2045
- Aligned with strategy via LTI-component of compensation scheme (s. appendix p.27)
- Strong reduction in 2021 by 5.4% to 34.7kg (location based) and by 5.0% to 32.3kg (market based)
- Key driver: 1) refurbishment of 3.5% of our units in 2021 and 2) better footprint of our district heating grid based on actual certificates of our utility provider vs. original assumption of market average
- First time disclosure of location based and market based figures (both climate adjusted)

1 Based on FY20 CO2 level 2 Based on FY21 CO2 level

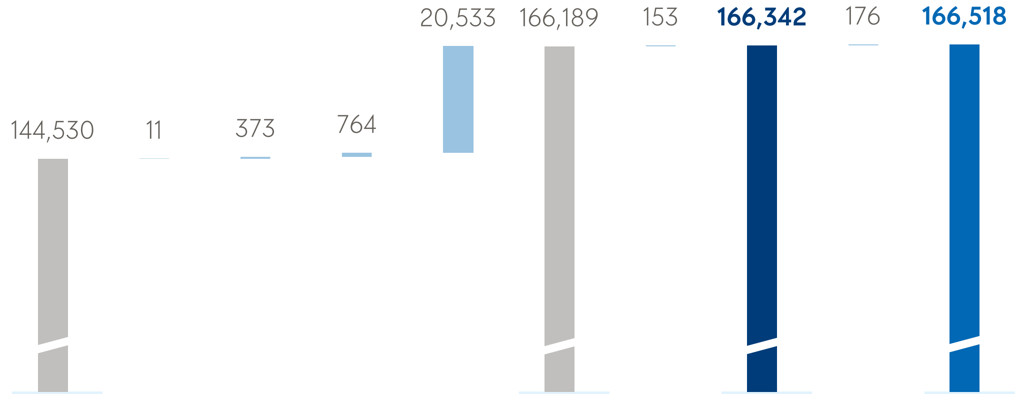


1.2 Portfolio & Operating **Performance**

Portfolio transactions

LEG

Number of units based on date of transfer of ownership[1,2]



	31.12.2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	31.12.2021	Q1 2022	31.03.2022	Q2 2022	30.06.2022	Q3 2022
Additions	11,262	188	429	782	20,567	21,966	407	407	195	602	450
Divestments	763	199	56	18	34	307	254	254	19	273	4)
Change	10,499	-11	373	764	20,533	21,659	153	153	176	329	4)

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-Wurttemberg, HB = Bremen, LS = Lower Saxony, NRW = North Rhine-Westphalia, RP = Rhineland-Palatinate, SH = Schleswig-Holstein, SL = Saarland. 4 Up to 5,000 disposals in FY 2022.

Acquisitions (Locations/State[3])

Q1 2021

- NRW – Oldenburg (LS)

Q2 2021

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

Q3 2021

- NRW – Hanover (LS) – Osnabrück (LS) - Brunswick (LS) - Bremen

Q4 2021

- NRW – DeuWo-Portfolio (RP/BW) – Bremen – Hanover (LS) – Kiel (SH) – Adler-Portfolio (LS, SH)

Q1 2022

- NRW – Flensburg (SH) – Kiel (SH) – Hanover (LS) – Rhine-Neckar (RP/BW)

Q2 2022

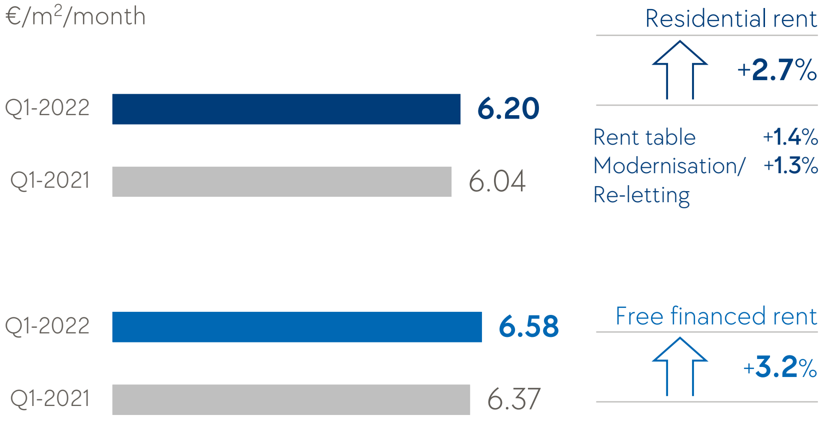
- NRW – Brunswick (LS)

On track for 3.0% l-f-l rental growth target

Strong contribution from the stable markets' free-financed portfolio

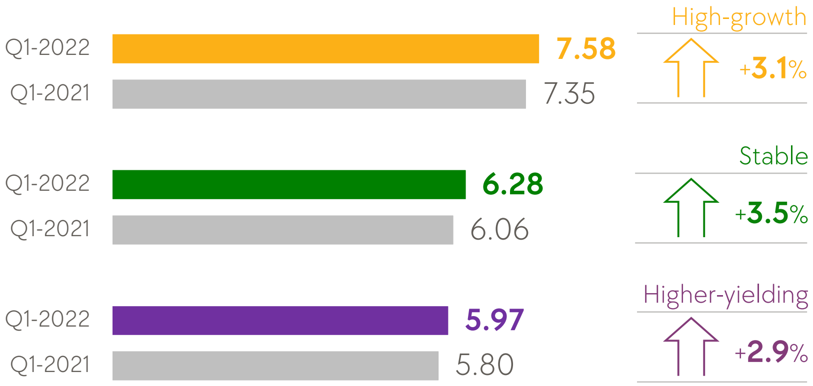
l-f-l rent development

€/m²/month



l-f-l free financed rent development

€/m²/month



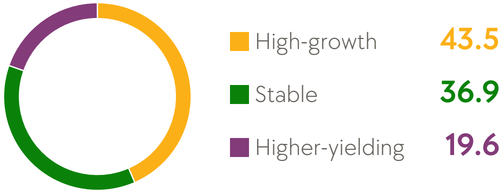
- Ongoing strong l-f-l rental growth driven by all of our three market segments
- Free financed portfolio with +3.2% overall and +3.5% in the stable markets
- Rent restricted units +0.4% l-f-l to €4.99 sqm/month; no cost rent adjustments in 2022

Positive trends across all KPIs and market clusters

Strong rent increase momentum while vacancy drops even further

Market split (GAV)

%

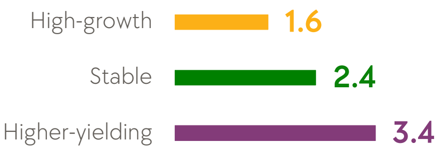


In-place rent, l-f-l

€/m²

Vacancy, l-f-l

%

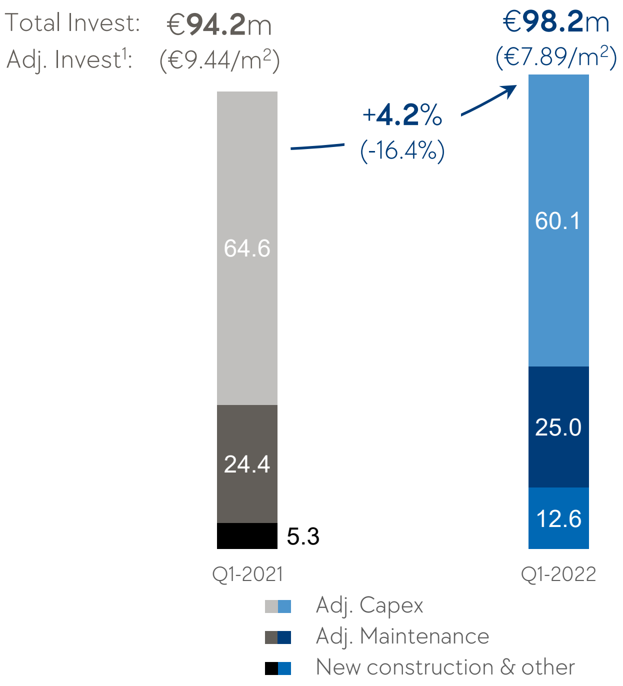


Markets

	Total portfolio		High-growth		Stable		Higher-yielding	
	Q1-2022	▲ (YOY)	Q1-2022	▲ (YOY)	Q1-2022	▲ (YOY)	Q1-2022	▲ (YOY)
# of units	166,342	+15.1%	49,401	+17.7%	66,417	+9.8%	50,524	+20.2%
GAV residential assets (€m)	18,076	+29.5%	7,858	+33.4%	6,672	+26.0%	3,549	+27.8%
In-place rent (m^2), l-f-l	€6.20	+2.7%	€7.00	+2.6%	€5.94	+2.9%	€5.71	+2.5%
EPRA vacancy, l-f-l	2.4%	-40bps	1.6%	-20bps	2.4%	-50bps	3.4%	-70bps

Capex und Maintenance

Ongoing focus on growth and energy efficiency



per m²	Q1-2021	Q1-2022
Adj. Capex	€6.85	€5.58
Adj. Maintenance	€2.59	€2.32
Total	€9.44	€7.89

- Increase of total **investments** by **4.2%** y-o-y
- **Adjusted** for new construction on own land, backlog from acquisitions and capitalized own services, **investments per sqm** decreased by **16.4%**
- Some **supply bottlenecks** are noticeable, but the overall impact is low
- On track to reach **full year target of 4,000 tons CO_2 reduction** from modernisation projects
- Steering towards **FY 2022 target of €46-48 per sqm** in a difficult environment, i.e.despite cost inflation and supply chain bottlenecks
- Increase in **new construction and others** (not part of LEG's investment/sqm guidance) driven by new construction activities
- Acquisition of new development projects not treated as capex

1 Excl. new construction activities on own land, backlog measures, own work capitalised and LWS Plus margin. For further details see appendix.

Expanding the value chain and positioning as solution provider Renovate NOW – ReNOWate

Company

- Renowate to provide comprehensive, serial, energetic refurbishment solutions
- 'One stop shop': measuring, planning, production and installation provided internally
- Key goals: reduction of modernization time and cost
- Approach to be tested on more than 10 LEG pilot projects in 2022/2023 (more than 200 units)

Product

Innovative five steps process of serial energetic renovation clearly differentiates from competitors

STEP 2
Transfer to a digital twin (BIM principle) and integral planning of all services

STEP 1
Measuring by drones and laser measuring devices of the existing building

STEP 3
Serial production of modular building envelope components

STEP 5
Simple installation of the modules on the existing building envelope and renewal of the building energy services[1]

STEP 4
Just-in-time delivery of the modules to the construction site

Status Quo

- 50:50 joint venture with the Rhomberg Group, an internationally operating and innovative family-owned construction company
- Offices in Düsseldorf und Bregenz
- Product to be offered to third parties after trial phase providing investment light growth opportunity
- As of 05/22: 10 employees (incl. management)

1 Photovoltaics, heat pump etc.

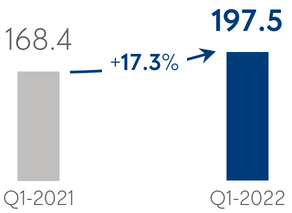
1.3 Financial **Performance**

Financial highlights Q1-2022

Strong impact from acquisitions, margins stay on track

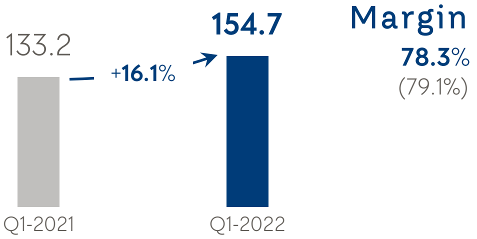
Net cold rent

€m



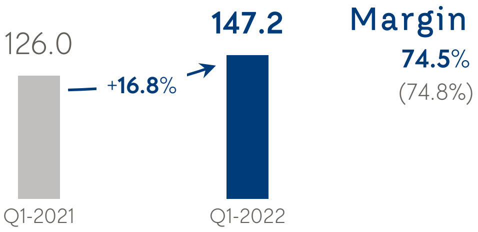
Recurring net rental and lease income

€m



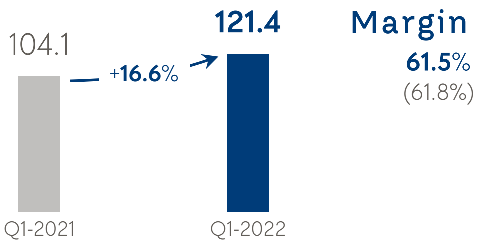
Adj. EBITDA

€m



FFO I

€m



Recurring net rental and lease income

- Strong increase in net cold rent through acquisitions but also organic growth
- NRI further driven by higher contribution from value-add services
- Partially offset by increase in staff cost (+275 FTEs, mainly via acquisition from Adler) and higher externally procured maintenance

Adj. EBITDA

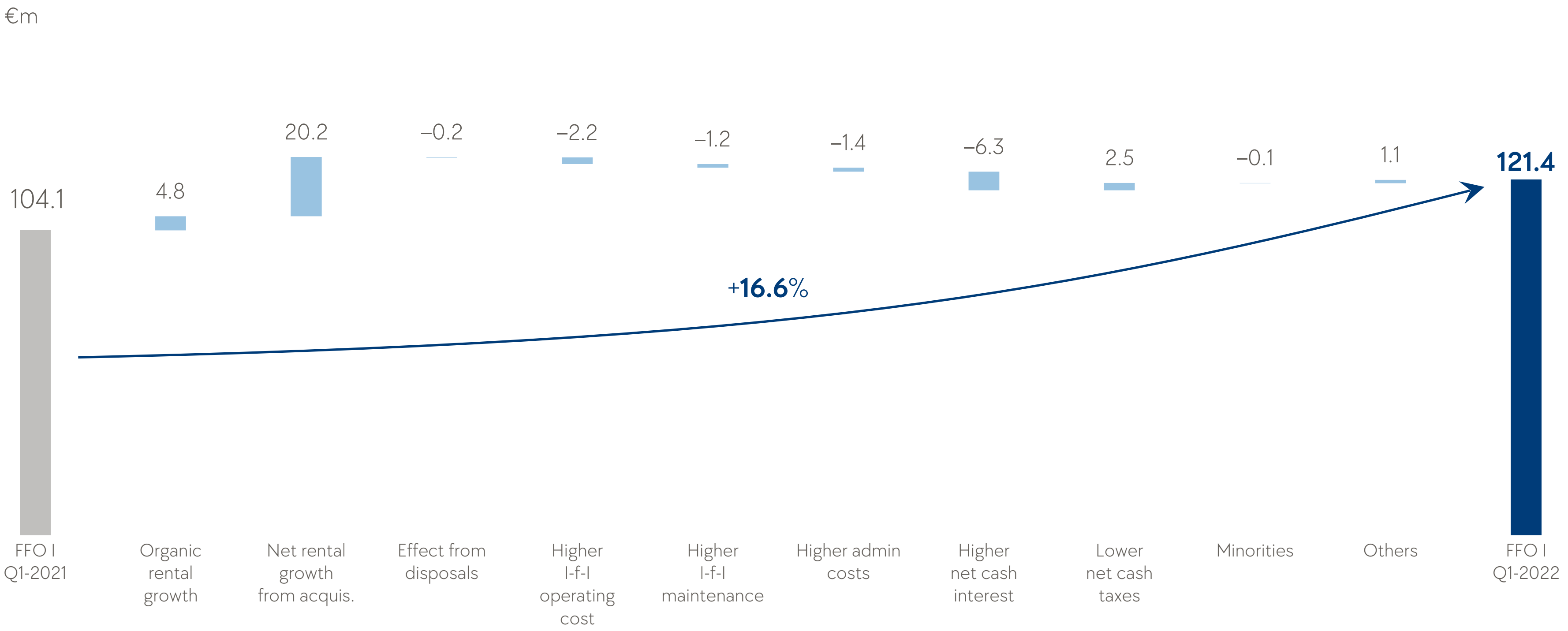
- On track for FY 2022 margin target of ~75%

FFO I ps

- Q1-2021 €1.44
- **Q1-2022 €1.67 (+16%)**

FFO Bridge Q1-2022

Strong contribution from acquisitions and rent growth



Portfolio valuation Q1-2022

LEG

Market segment	Residential Units	GAV Residential Assets (€m)	GAV/ m² (€)	Gross yield	In-Place Rent Multiple	GAV Commercial/ Other (€m)	Total GAV (€m)
High-Growth Markets	49,401	7,858	2,419	3.4%	29.2x	334	8,191
Stable Markets	66,417	6,672	1,570	4.5%	22.2x	230	6,902
Higher-Yielding Markets	50,524	3,549	1,162	5.7%	17.5x	116	3,665
Total Portfolio	**166,342**	**18,076**	**1,713**	**4.3%**	**23.4x**	**680**	**18,759[1]**

1 GAV of IAS 40 portfolio (including leasehold, land value and assets under construction) was €19,292m

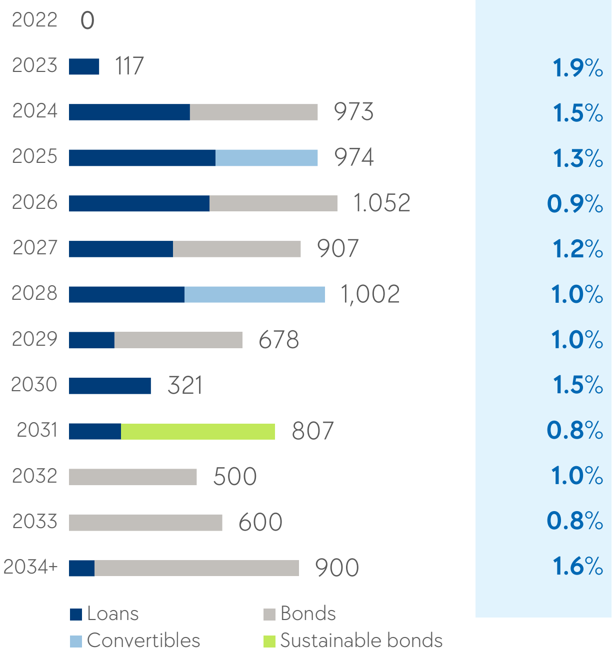
Well balanced financial profile

No significant maturities until 2024

Maturity profile

€m

Weighted avg. interest (excl. subsidised loans)



Average debt maturity

years

Average interest costs

%

Loan-to-value[1]

%

Highlights

- Refinancing of **€1.4bn bridge loan** in January via **issuance of bond** with three tranches and total volume of **€1.5bn** (avg. maturity **7.7years** for average coupon of **0.92%**)
- Average debt maturity at **7.3 years** (-0.2y)
- Average interest costs **down by 13 bps** vs. Q1-2021
- No significant maturities until **2024**
- **LTV** in-line with target level
- **Net debt/EBITDA** increased from 11.7x to **13.5x**[2].

1 Calculation adapted to market standard: inclusion of short-term deposits and participation in other residential companies 2 Average net debt last four quarters / EBITDA LTM

1.4 Outlook

2022 guidance

Guidance unchanged – external growth options to be evaluated

		2022
FFO I		**€475**m – **490**m
l-f-l rent growth		c. **3.0%**
EBITDA margin		c. **75%**
Investments		c. **46** – **48**€/sqm[1]
LTV		max. **43%**
Dividend		**70%** of FFO I
Acquisition ambition	**Highly selective due to capital market environment** **BCP option exercise to be evaluated until 30 Sep 2022**	Not reflected in guidance: c. **7,000** units
Disposals		Not reflected in guidance: up to **5,000** units
Environment	2022–2025 2022	Reduction of CO_2 emissions by **10%** based on CO_2e kg/sqm **4,000** tons CO_2 reduction from modernisation projects
Social	2022–2025 2022	Improve Customer Satisfaction Index (CSI) to **70%** Maintain high employee satisfaction level (**66%** Trust Index)
Governance	2022	Maintain Sustainalytics rating within the negligible risk range (**<10**)

1 Includes €2.75/sqm for holistic refurbishment projects in Wolfsburg and Göttingen

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

Affordable housing in Germany

Made in NRW – Rolled out to Germany

Aachen

Bremen

Dusseldorf

Duisburg

Flensburg

Hamm

Hanover

Kaiserlautern

Mannheim

Münster

Remscheid

Solingen

Affordable housing in Germany
Made in NRW

01 German residential pure play

Pure Play:
Residential + Germany

Focus on affordable living segment

Focus NRW (c. **80%** of assets),
no. 1 in NRW

Market cap c. **€7.2bn**[1],
100% tradeable shares

02 Conservative balance sheet

Loan to value **43.1%,**

∅ financing cost **1.16%,**
∅ maturity **7.3** years

Beta **0.62**
(5y vs. EuroStoxx 600)

GAV/m² **1,713€**

03 Social Responsibility

500,000 tenants/
166,300 apartments

Average rent per unit
c. **€400** per month/**€6.19** per sqm

c. **20%** social housing
(rent-restricted)

04 Attractive Return

Dividend 2021
€4.07

CAGR since IPO 2013:
NAV **+15%**, dividend **+11%** p.a.

Gross yield properties
4.3% (on **€18.1bn** residential assets)

1 Closing price of €98.74 on 16.05.2022

We act in line with our strategy

2022

Optimising the core business

Tapping rental growth potential

Improving customer satisfaction

Enhancing efficiency

Expanding the value chain

Increasing and extension of value-add services

Reasonable development activities

Growing the platform

Focusing on affordable housing

Scaling position in NRW

Exploiting opportunities in Germany

Digitisation | **Strong balance sheet**

ESG framework

Optimising the core business

- Fully **digitised rental process**
- **C.20** robotics solutions

Expanding the value chain

- Acquisition of **Fischbach Services** in 2020 to speed up empty apartment renovation
- Expansion of **energy** and **multi media offerings**
- **Gardening** and **cleaning** services acquired via the Adler portfolio

Growing the platform

- Share of units outside NRW increased to **20%**
- New market environment requires **very selective M&A approach**; disposal program increased

ESG framework

- ESG-KPIs included in management compensation
- **Sustainalytics** – among top 1% of global coverage / EPRA Gold
- Covid-19 **relief for tenants** & Corona **bonus for employees**
- Issuance of **sustainable bond**

All drivers show substantial improvement

KPI cockpit

LEG

A **growing** platform

Total units (k)

2021	**166.2**
2020	144.5
2019	134.0

+15% vs. 2020

Units outside NRW

2021	**20%**
2020	8%
2019	3%

+12%-pts

FFO I share of services[1]

2021	**10.8%**
2020	9.5%
2019	8.1%

+130bps

With **strong operational** performance

L-f-l rent increase (free financed)

2021	**3.9%**
2020	2.3%
2019	3.6%

+160bps vs. 2020

L-f-l vacancy

2021	**2.3%**
2020	2.7%
2019	2.9%

-40bps

EBITDA-Margin (adj.)

2021	**74.9%**
2020	74.4%
2019	72.8%

+50bps

Leading to **attractive returns**

FFO I per share (€)

2021	**5.84**
2020	5.44
2019	5.27

+7.3% vs. 2020

Dividend per share (€)

2021	**4.07**
2020	3.78
2019	3.60

+7.7%

FFO I (€m)

2022e	**475 – 490**
2021	**423.1**
2020	383.2
2019	341.3

>+12% vs. 2021

+10.4%

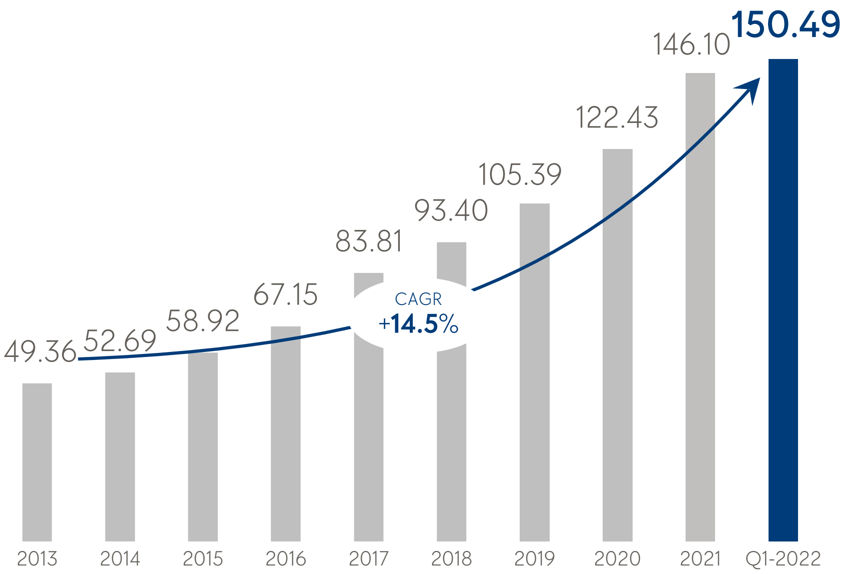
1 Value-added services incl. biomass plant.

Attractive growth and returns for shareholders

LEG

NAV/NTA per share[1]

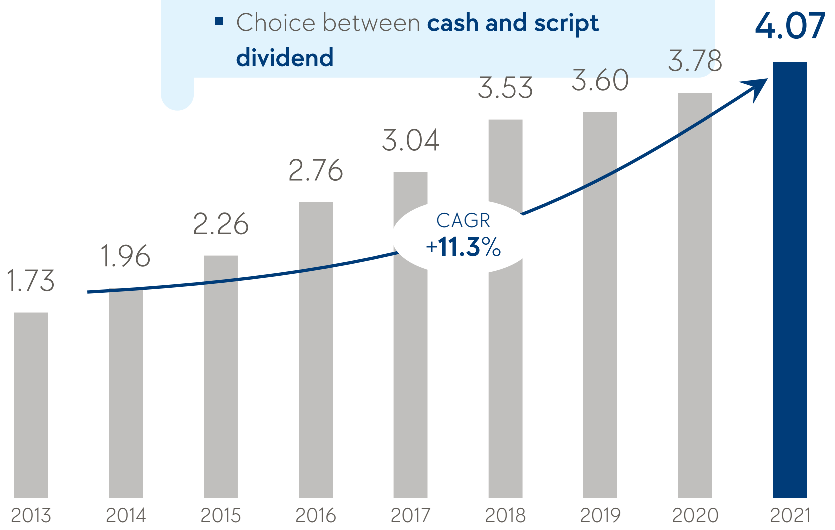
€, excl. goodwill



Dividend per share

€

- **8th dividend increase in a row**
- **70% of 2021 FFO** I in line with payout policy
- Choice between **cash and script dividend**



1 Until 2019 EPRA NAV adjusted, from 2020 onwards EPRA NTA

Market fundamentals unchanged

Macro trends favor asset holding companies

LEG

Demand-supply gap is still widening

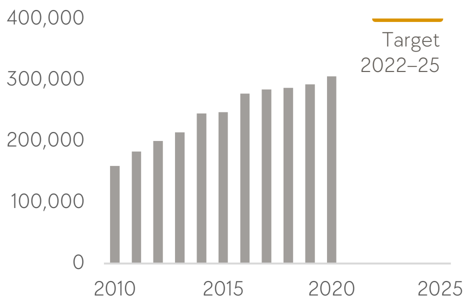
Further increase in demand

- As of May 2022, Germany welcomed **c.600,000** refugees from Ukraine[2]
- Increasing demand in large cities and their outskirts: LEG portfolio with high exposure to these areas
- Economic recession drives additional demand for affordable housing

Supply even more limited – national construction target at risk

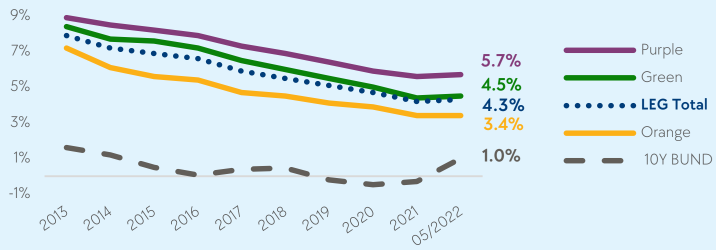
- High demand meets vacancy levels at structural lows (LEG 2.4%)
- Prices for new construction of resi buildings in GER +14.3% in 02/22 yoy with strongest rise in carpentry/ timber construction work (+33.9%)[3]
- Replacement costs further driven by higher energy efficiency requirements and higher staff cost
- General scarcity of craftsmen, building materials
- Discontinuation of new construction subsidies
- National **400,000** resi units p.a. target at risk

No. of completed resi units Germany



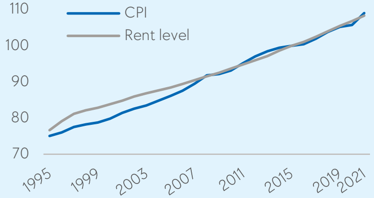
Attractive yields in inflation-proof model

Still attractive spreads vs. 10Y BUND



Rent development in line with inflation

- Historic rent development strongly linked to inflation
- 20% of LEG's portfolio is restricted with CPI-linked rent increases every third year (next: January 2023)



1 Acc. to German Federal Employment Agency to maintain Germany's productivity 2 BAMF Federal Office for Migration and Refugees
3 Federal Statistical Office (April 2022) 4 Federal Statistical Office (data for 2021 not yet available)

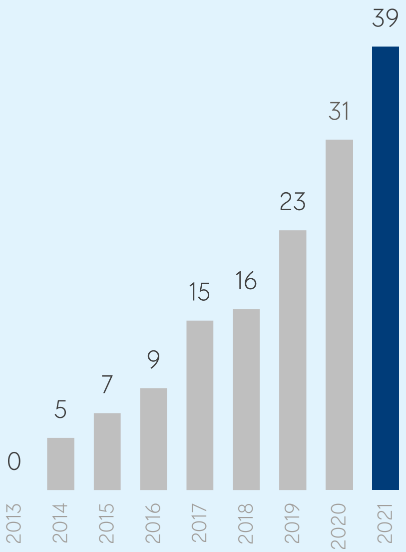
Value-added services

Expanding services by gardening and cleaning work

LEG

Strong FFO contribution – Services

€m



LEG WohnService	LEG EnergieService	LEG TechnikService	LEG LWS Plus
Partner	Partner	Partner	Partner
vodafone	~100 partners from energy and technical service providers	B&O	~130 partners from craft companies and technical service providers
100% entity	100% entity	Joint venture (51%)	100% entity
Multimedia: TV, internet and telephone	Electricity, heating, gas, metering	Small repair work, craftsmen services	General contractor services
Launch January 2014	Launch March 2015	Launch January 2017	Acquisition October 2020

Key driver FY-2021

- Benefitting from the roll-out of services to a growing portfolio
- Strong contribution from **LWS Plus** in 2021 due to first time full consolidation
- Continued growth of energy services via **ESP**

Roll-out of new services

- Established platform via own proptech youtilly to manage gardening and cleaning services
- Additional own gardening and cleaning services acquired via the Adler portfolio
- RENOWATE to provide comprehensive, serial, energetic refurbishment solutions

Digitisation

A boost to the digitisation of our business

Digital contracts/ solutions

- **>9,000** 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

LEG **Tenant App**

Robotics solutions

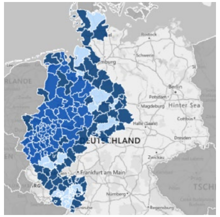
- **RPA Center of Excellence** implemented
- **>20** RPAs installed across the entire group, i.e. IT, customer service, accounting, modernisation projects, quality management etc.
- In customer service **>100,000** customer requests handled so far via RPAs

Internal **LEGWiki on Robotics**

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

LEG **Data model on markets**

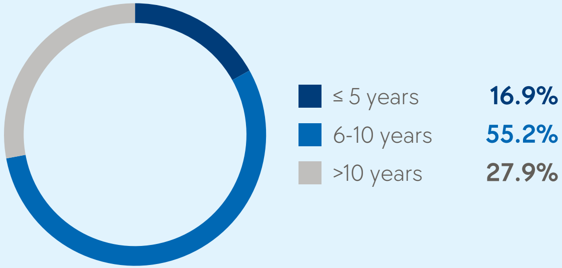


Refinancing of subsidised loans lifting value

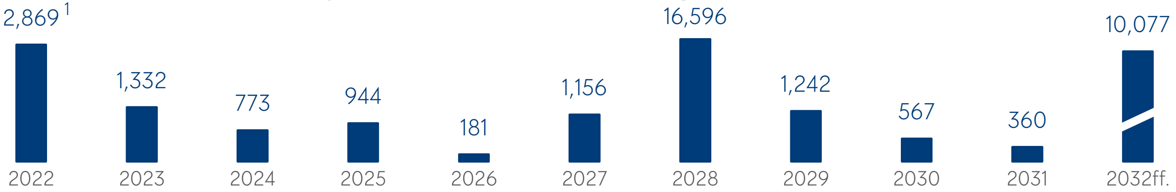
Rent potential subsidised units

- 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 restrictions[5]

Around 65% of units to come off restriction until 2028

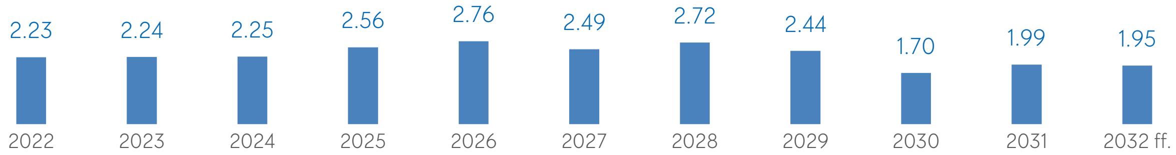


Number of units coming off restriction and rent upside



Spread to market rent

€/m²/month



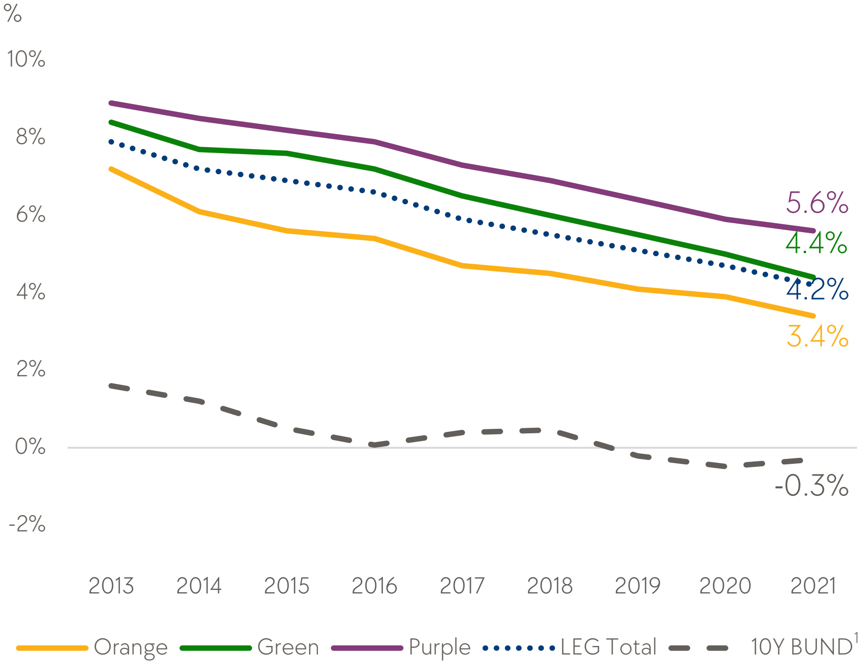
	≤ 5 years[3]	6 – 10 years[3]	> 10 years[3]
In-place rent	**€4.80**	**€5.16**	**€4.92**
Market rent[2]	**€7.10**	**€7.81**	**€6.87**
Upside potential[4]	**48%**	**51%**	**40%**
Upside potential p.a.[4]	**€11.5m**	**€42.6m**	**€15.9m**

1 All already released in Q1. 2 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. 3 ≤5 years = 2022-2027; 6-10 years = 2028-2032; >10 years = 2033ff. 4 Rent upside is defined as the difference between LEG in-place rent and market. 5 For example rent increase cap of 11% (tense markets) or 20% for three years.

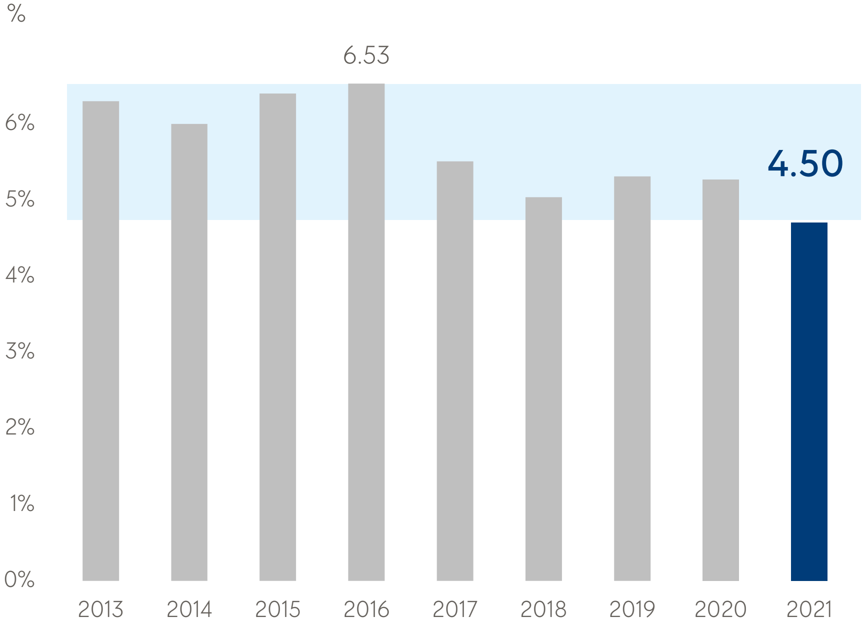
LEG offers attractive yields in a low/no yield environment…

Stable spread over 10year BUND

Gross yield LEG vs. BUND



Stable spread over 10y BUND

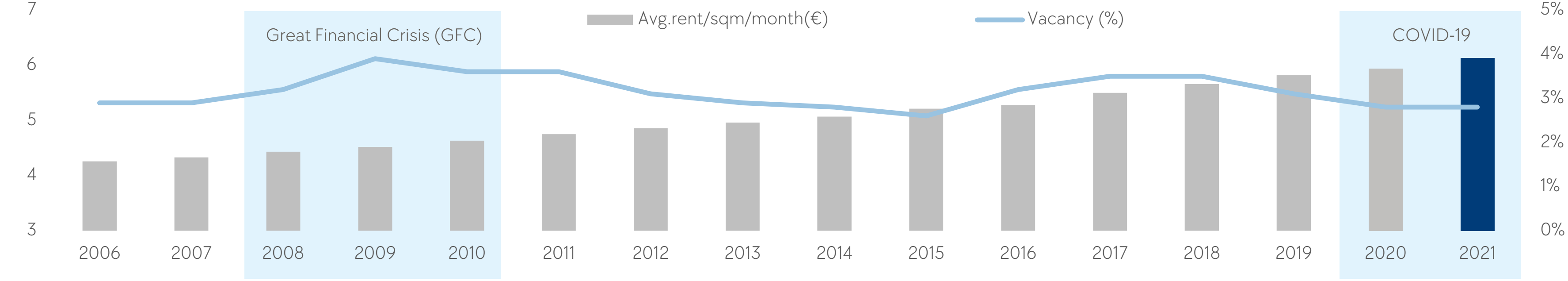


1 Last twelve months average

… and a resilient business model with a strong track record

LEG

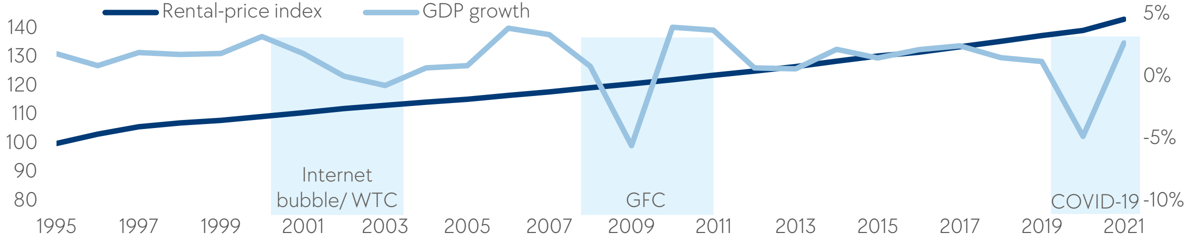
LEG not materially affected during the GFC and COVID-19



LEG well positioned

- Non-cyclical business model
- LEG's attractive rent level of **€6.13/sqm** is key to provide affordable living to our tenants
- C. 20% 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.

3 ESG Agenda **2025** – A Joint Journey

ESG Agenda 2025 – A joint journey

Key indicators

E

- We are committed to climate targets
  - **10%** CO_2 reduction from **2022** until **2025** and **4,000 tons** CO_2 reduction from modernisation projects in **2022**
  - **Committed to Climate Act 2030** and to **climate neutrality by 2045**
- We intend to invest **up to €500m** into energetic modernisation from **2020** until **2024**
- **Key driver** for our energetic transition **until 2045** are:
  - **Tenants engagement** needed to contribute up to **5%** to the overall improvement
  - **Energy transition** to shift towards green district heating and green electricity, driving **65% – 70%** of the overall improvement
  - **Refurbishments** to achieve **>30%** of energy reduction, contributing **25% – 30%** to the overall improvement

S

- **Affordable living** segment and responsibility for our client base remains core to our **DNA**
- Improvement of **customer satisfaction index (CSI)** from **56%** to **70%** in the period **2022 - 2025**
- Further building on the strong partnership with local communities, leading to a preferred partner status
- Our colleagues make the difference, and we want to remain a highly attractive employer with a **Trust Index** of at least **66%** in **2022**

G

- In **2022** we aim to maintain our current **Sustainalytics rating** of **7.8** within the negligible risk range **(<10)**
- **One-third** of our fully independent **supervisory board** is represented by women since the **AGM 2022**
- Compliance management system certified by the Institute for Corporate Governance in the German Real Estate Industry

Our ESG mission statement

LEG

1 Environment

- A promoter of the transformation of the residential sector towards climate neutrality
- Committed to the enforced German Climate Change Act 2045 and UN Paris Climate Agreement 2050

2 Customers, Colleagues, Communities

- A committed leader for affordable housing of good quality
- A top employer, promoting a corporate culture of diversity, open-minded-ness and respect
- A strong partner in develop-ing our local communities

3 Governance

A highly effective governance that ensures day-to-day compliance with our values, the law and the ethical standards that form the basis of our reputation

SUSTAINABLE DEVELOPMENT GOALS

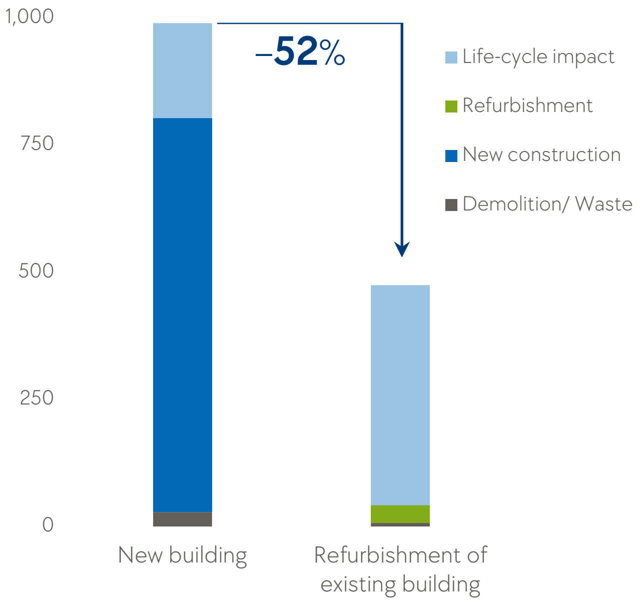
1 NO POVERTY | 7 AFFORDABLE AND CLEAN ENERGY | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 17 PARTNERSHIPS FOR THE GOALS

LEG Study: Energetic refurbishment superior over new construction approach under CO_2 lifecycle perspective

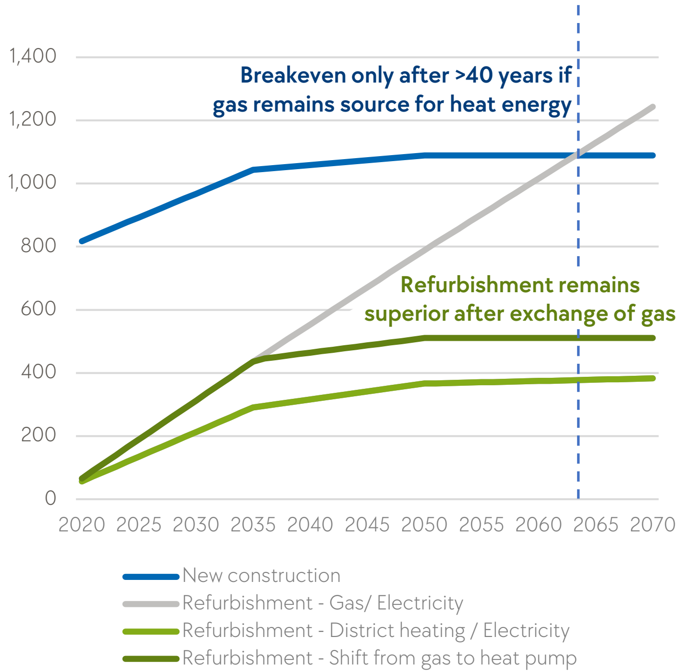
Wuppertal Institut LEG

CO_2 lifecycle footprint[1]

(t CO_2 equivalent)



Total energy consumption in Giga Joule



Joint study between renown Wuppertal Institute and LEG Key findings:

- Lifecycle perspective favors refurbishment over new construction
- Total CO_2 footprint for a refurbished building >50% smaller than for a new building
- Break-even in total energy consumption perspective only after >40 years, if heat energy will remain on gas forever
- After shift to heat pump or district heating, refurbishment will remain the superior strategy
- Exit from gas likely to be accelerated (independence from Russia)

1 Based on buildings with construction year 1959 – 1968 and 3 floors. On average 14 units per building with a total of 852sqm., assuming change towards heat pump by 2035

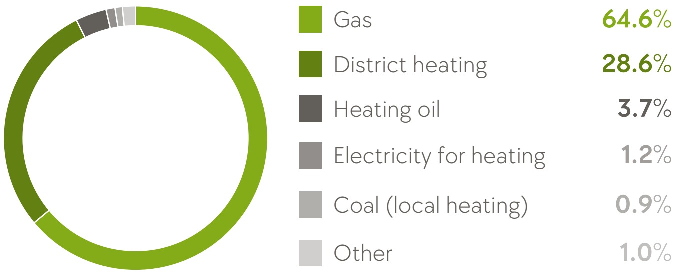
Carbon Balance Sheet 2021

32.3 kg CO_2e/m² on a market based and climate adjusted basis

Carbon balance sheet

- Bottom-up approach
- BAFA-factors in line with GHG-protocol
- Scope 1 and scope 2
- 32.3 kg CO_2e/m² based on heating energy
- 283k t CO_2 in total (2020: 311k t)
- C. 2/3 coming from gas

Heat energy by source (100% of portfolio)



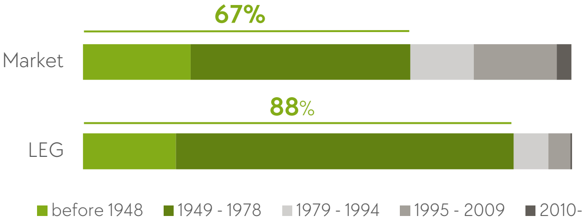
- Based on actual consumption 2020 (74% actuals, 6% actuals previous year, 20% certificates)
- Extrapolated for 2021
- Limited assurance by Deloitte

Reflecting our roots

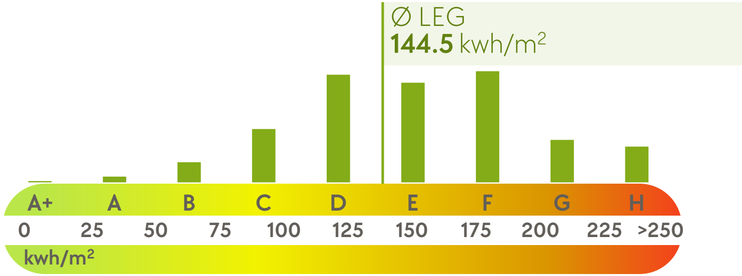
Energy efficiency of our portfolio of 144.5 kWh/m² (2020: 157.5kWh/m2) is a function of corporate DNA & history:

- Providing affordable housing in post-war Germany

LEG portfolio by construction years vs. LEG market



Distribution by energy efficiency classes LEG



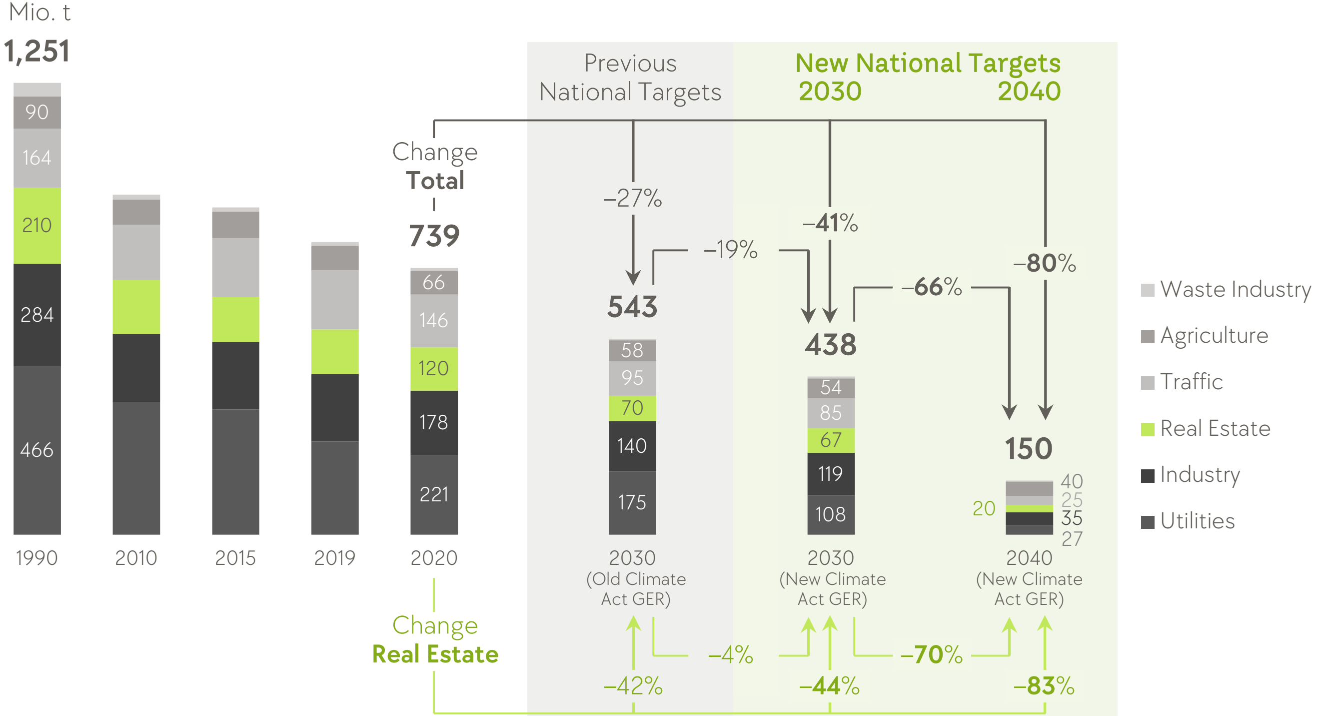
Source: Destatis, LEG. Market based on federal states in which LEG is active in

German reduction path by sectors

LEG

Further enforcement of Germany's targets and climate neutrality targeted by 2045

Germany CO_2 emission in sector context

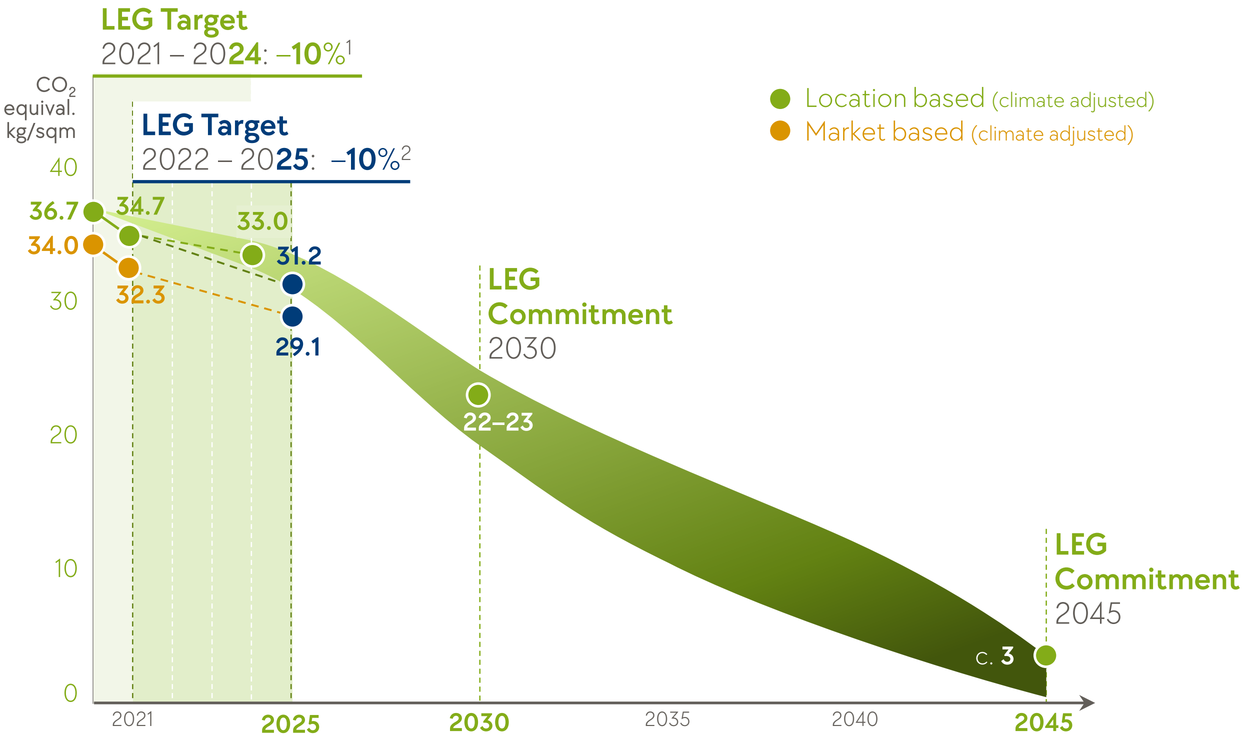


Source: Umweltbundesamt, dena, BMWi (2020)

- Real estate sector represents **16%** of Germany's emissions (2020)
- New climate change act enforces carbon reduction to 65% when compared to 1990 (vs. previously 55%) by 2030 and climate neutrality by 2045
- Significant reduction for real estate sector required:
  - **44%** by 2030 vs. 2020
  - **83%** by 2040 vs. 2020
- Uniform and consistent EU ETS (European Trading System) required to allow for uniform prices and standards across the EU and to allow for a holistic carbon reduction framework

Strong CO_2 reduction of 5% in 2021

Well on track for our target towards climate neutrality

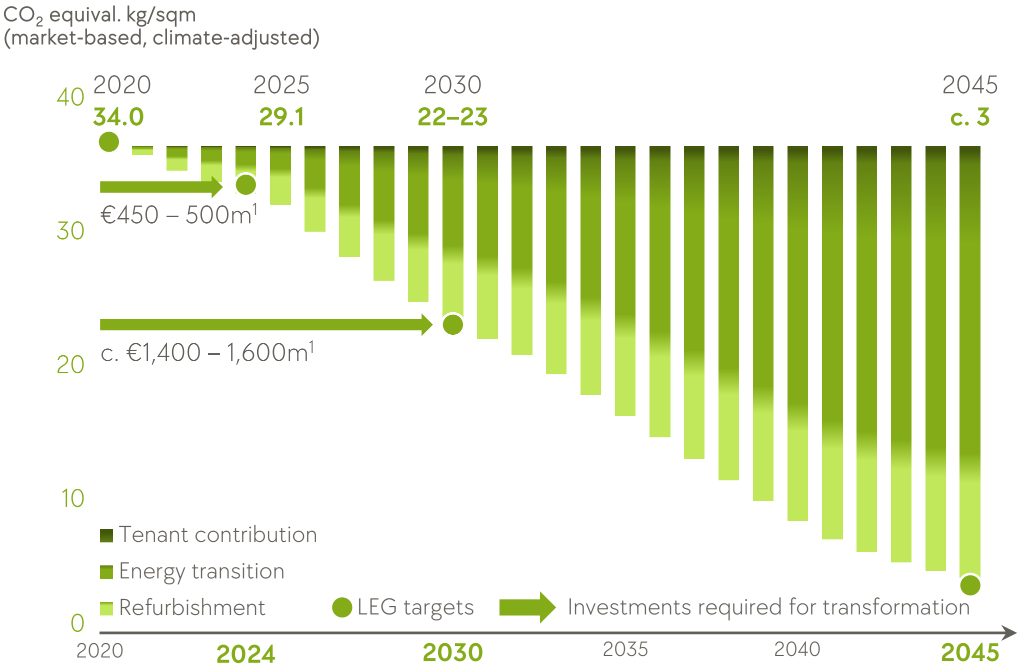


- LEG fully committed to new German Climate Change Act to achieve climate neutrality by 2045
- Aligned with strategy via LTI-component of compensation scheme
- Strong reduction in 2021 by 5.4% to 34.7kg (location based) and by 5.0% to 32.3kg (market based)
- Key driver: 1) refurbishment of 3.5% of our units in 2021 and 2) better footprint of our district heating grid based on actual certificates of our utility provider vs. original assumption of market average
- First time disclosure of location based and market based figures (both climate adjusted)

1 Based on FY20 CO2 level 2 Based on FY21 CO2 level

Transition roadmap towards climate neutrality

Energy transition and energetic refurbishment are the main drivers to reach the targets



Tenant engagement

- Digitisation of heating system via smart metering
- Education and incentivisation of tenants
- Contribution of up to **5%**

Energy transition

- Shift from fossil energy mix to green district heating
- Shift towards green electricity along Germany's transition path
- Contribution of **65% – 70%**

Refurbishment

- Targeting **3%** of units to be refurbished in 2021
- **At least 30%** efficiency improvement
- Insulation of the building shell, incl. windows and doors
- Contribution of **25% – 30%**

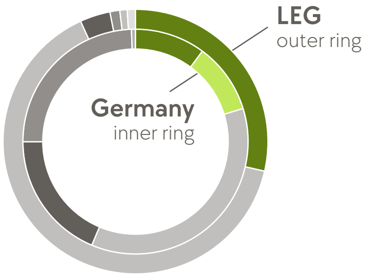
1 Estimate based on current price levels for materials and services and taking no innovation and efficiency improvements into account. Based on portfolio as of 12/2020.

Energy transition – LEG with a good starting point

Key driver will be the shift towards green electricity and green district heating

Heat energy by source LEG / Germany

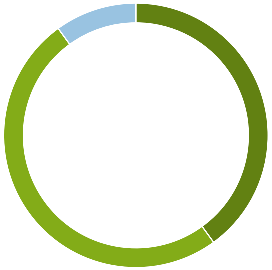
2020



	LEG outer ring	Germany[1] inner ring
District heating	28.6%	5.9%
Renewable	n.a.	10.6%
Gas	64.6%	37.8%
Heating oil	3.7%	19.5%
Electricity for heating	1.2%	25.6%
Coal (local heating)	0.9%	0.6%
Other	1.0%	n.a.

Target heat energy mix LEG

2045



Green district heating	40%
Green electricity	50%
Gas	10%

- Gradual shift from fossil energy towards green mix
- Increase in electricity along the planned transformation of the German energy mix towards green energy assumed
- Increase in green district heating from already high levels, benefitting from location of assets in bigger cities
- Assuming a remaining gas share of 10% as a conservative assumption. A complete shift towards green energy would reduce footprint to full climate neutrality
- CO_2 reduction from energy transition by 65% – 70%

1 Source: BMWi 2020

Energy-efficient refurbishment

Shift towards a more holistic approach

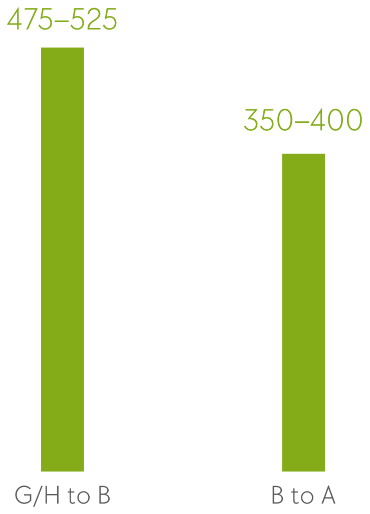
Insulation of the building shell, i.e. facade, roof

Exchange of old windows and doors with energetically efficient windows and doors

Modernisation of heating systems

Estimated refurbishment costs

€/sqm



- **10%** CO_2 reduction from 2022-2025
- **3.5%** of units refurbished in 2021
- Shift towards a more holistic approach with lower share of individual measures and higher share of full comprehensive refurbishment measures
- At least 30% of efficiency improvement
- CO_2 reduction from refurbishment of **25%** – **30%**

LEG's biomass plant

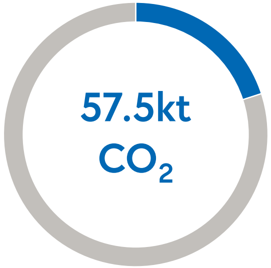
Providing us with an competitive advantage – not reflected due to current framework

LEG

2020 LEG starting point for its portfolio: 36.7kg CO_2e/sqm

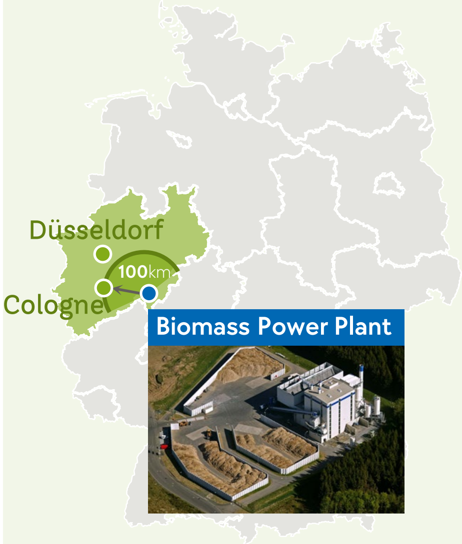
- LEG bottom-up approach based on actual consumption
- Not reflecting the bio mass plant
- Scope 1 and scope 2
- **311**kt CO_2 in total
- **157.5** kWh/sqm

Potential offset from biomass plant



Potential **18**% off-set from own biomass plant

LEG Biomass Power Plant



- Started 2005
- Own carbon neutral power plant, c. 100km from LEG hubs
- Green energy from waste wood
- Recognised as carbon neutral energy
- Production of district heat and electricity for local commercial area
- Due to distance to LEG buildings, energy not provided to own buildings
- Annual production of 105,000 MWh of electricity (represents annual production of onshore wind farm with 20 large wind turbines)
- **Not reflected** in our **36.7**kgCO_2 e/sqm footprint

This represents savings of 57.5kt CO_2 and potentially carbon neutral electricity for 45,000 LEG units, i.e. around 1/3 of our portfolio

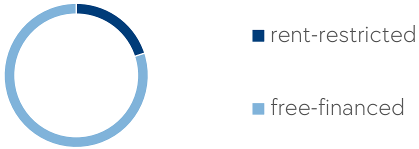
Affordable living and focus on customer satisfaction

Attractive rents overall - especially for tenants in our rent-restricted units

Providing an affordable home

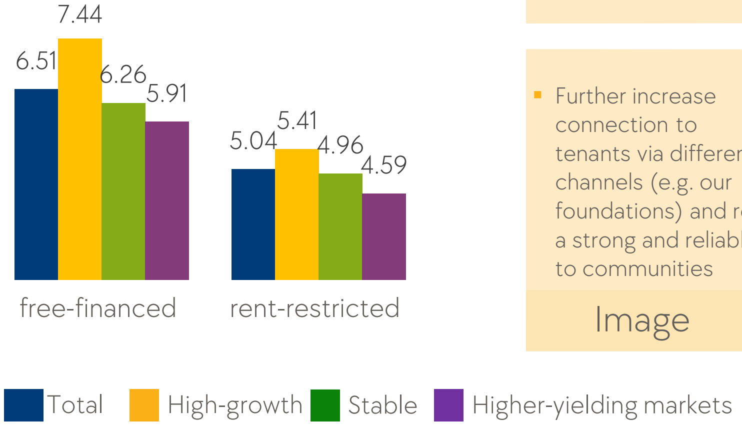
- Social responsibility for our **500,000** customers
- Providing a home at affordable prices
- **166,300** units at **€6.19**/sqm/month on average (c. **€400** per month per unit)
- Rent increases for rent-restricted units only every 3 years by inflation factor

20% of units rent-restricted

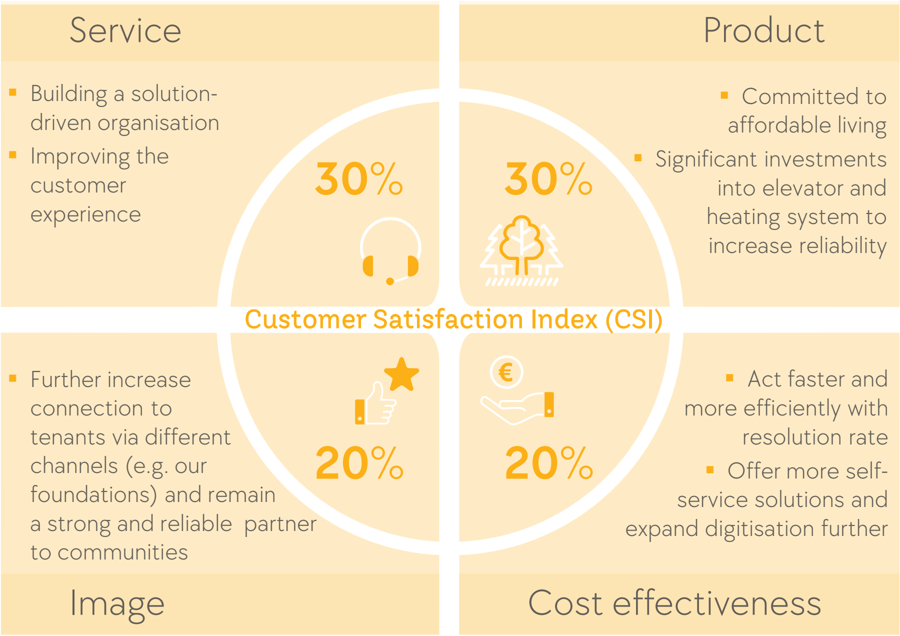


Attractive rent levels

€/sqm/month (Q1-2022)



Increase CSI to 70% by 2025



Service
- Building a solution-driven organisation
- Improving the customer experience

Product
- Committed to affordable living
- Significant investments into elevator and heating system to increase reliability

Image
- Further increase connection to tenants via different channels (e.g. our foundations) and remain a strong and reliable partner to communities

Cost effectiveness
- Act faster and more efficiently with resolution rate
- Offer more self-service solutions and expand digitisation further

Trust Index 66% – Among the best employers in NRW

Target is to keep our strong employee recognition

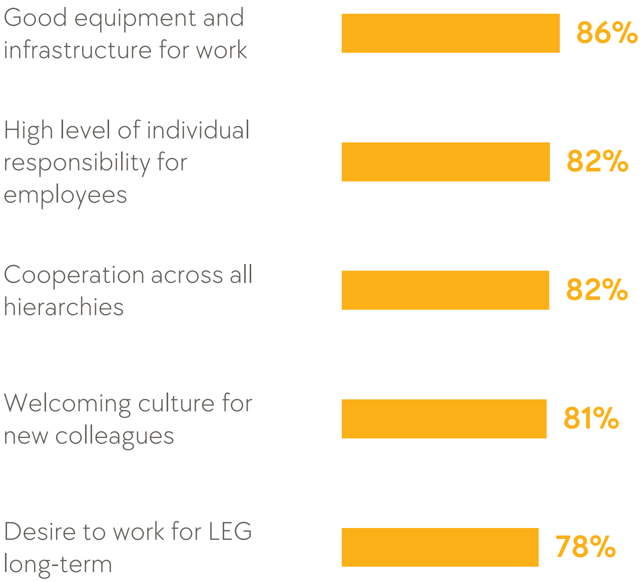
Trust Index©

Based on Median

Total result

Based on statement: "All in all I can say that this is a very good place to work."

Top results



Strong partner to local communities

Acquisition of a 6% stake in GEWAG municipal housing company in Remscheid

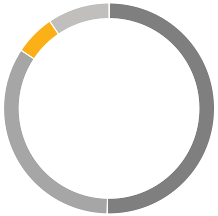
Profile

- Locations: Remscheid (86%)
- **1,036** buildings
- **6,208** units
- Total sqm **430k**
- Average rent/sqm **€5.29**

- Acquisition price **€6m**
- Implied acquisition price per sqm c. **€600**

- LEG with **1,088** units in Remscheid

Shareholder



City of Remscheid	50.3%
Public utility company Remscheid	34.0%
LEG	6.2%
Other	9.5%

Strong partner to the city of Remscheid

- In 2020, foundation of a district meeting location together with the city of Remscheid and local charities, including LEG's "Dein Zuhause hilft"-foundation
- Targeting offerings for entire age range, i.e. kids, families to elderly tenants
- Offerings range from language classes, cooking classes, parents' cafe, presentations on various topics, etc.

Among the best in class

Sustainalytics´ ESG Rating recently improved to top category "negligible"

ESG		2017	2018	2019	2020	2021
MSCI	ESG Rating	AA	AA	AA	AA	AA
SUSTAINALYTICS a Morningstar company	ESG Rating			20.1	10.4	7.8
EPRA European Public Real Estate Association	sBPR Award		EPRA sBPR BRONZE	EPRA sBPR SILVER	EPRA sBPR GOLD	EPRA sBPR GOLD
GRESB Real Estate	ESG Rating			52	52	No participation in 2021
DAX	ESG Index				DAX® 50 ESG	DAX® 50 ESG
MSCI	ESG Indices			MSCI EAFE Choice ESG Screened Index MSCI World Custom ESG Climate Series MSCI OFI Revenue Weighted Global ESG Index		

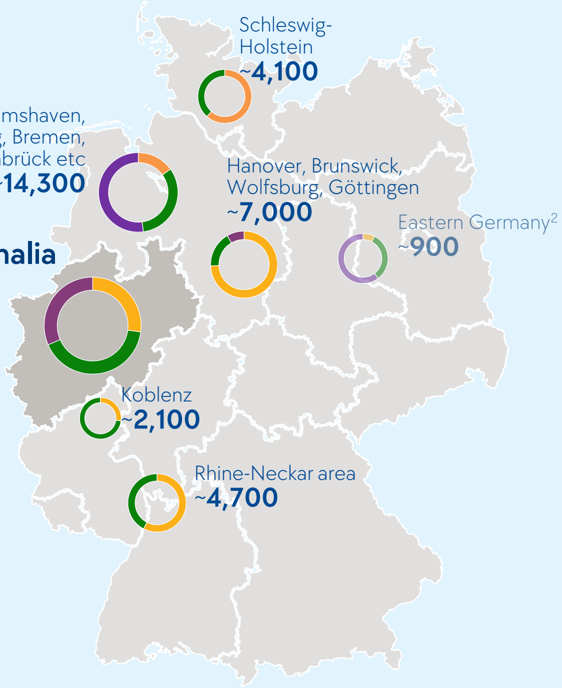
No. 41 out of 14,620 in global coverage
No. 8 out of 1,043 in global real estate sector

4 Portfolio **Overview**

LEG's portfolio comprised c. 166,300 units end of Q1

Well balanced portfolio with significant exposure now in target markets outside NRW

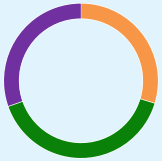
North Rhine-Westphalia
(c. **133,200** units / c. **80**%)



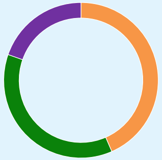
- High-Growth
- Stable
- Higher-Yielding

Total portfolio[1]
(c. **166,300** units)

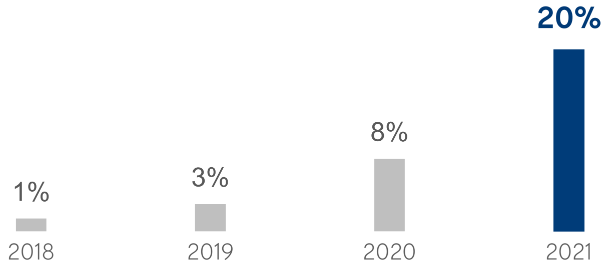
by units



by GAV
€m



Outside North Rhine-Westphalia
(c. **33,100** units / c. 20%)



Growth along our investment criteria

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

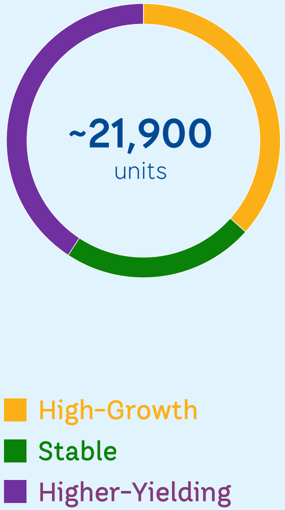
Critical size in locations outside NRW reached, allowing for growth into **higher-yielding** markets

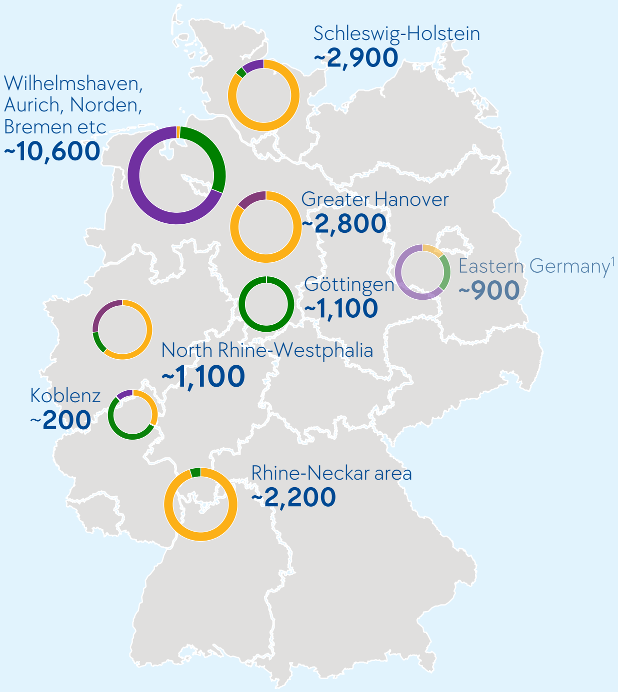
1 Residential units 2 1,300 non-core units mainly located in Eastern Germany

Strong portfolio expansion in 2021 made LEG a German player

Focus on affordable housing – in our target markets – at attractive terms

Transfers in 2021





1 1,300 non-core units mainly located in Eastern Germany

Financial summary of acquisitions

- Portfolio increase by c. **21,900** units in **2021**, i.e. more than three year's of our annual growth ambition
- **95%** outside NRW, balanced split across markets
- Purchase price c. €**2.15 bn** (w/o BCP stake, BCP-option, taxes and other costs)
- Net cold rent multiple of c. **22.5x** based on in-place rent compares to LEG year-end portfolio multiple of **23.9x**
- Annualised contribution to FFO I of c. €**50m**

Background & Rationale

- Leveraging of platform along **established hubs**
- **3 bigger deals** (DeuWo 2,200; Kiel: 2,300; Adler: 15,400) represent **90%** of the acquisitions
- Focus exclusively on **affordable housing**
- **Financial upside** potential from optimised property management

Well-balanced portfolio with significant growth potential
Q1-2022

By Market

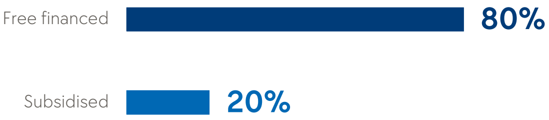
Units

Gross Asset Value

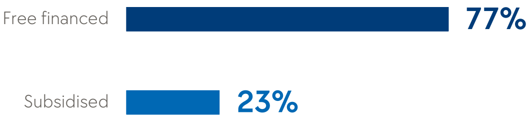
Rental Income

Restricted vs. unrestricted

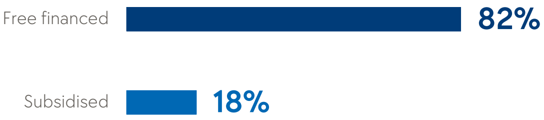
Units



Gross Asset Value



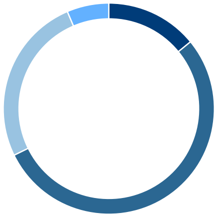
Rental Income



Portfolio structure Q1-2022

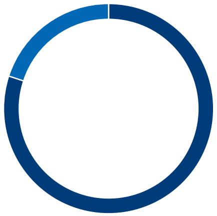
LEG

Construction Years



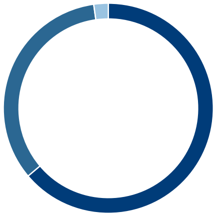
Until 1949	14%
1950-1969	54%
1970-1989	26%
After 1989	6%

Free Financed / Rent Restricted Units



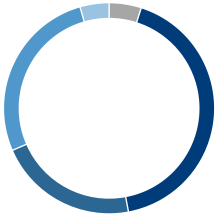
Free financed units	80%
Rent restricted units	20%

Building Types[1]



Medium sized	64%
Low Rise	34%
High Rise	2%

Apartment Size[2]



<40 sqm	5%
40-60 sqm	42%
61-70 sqm	21%
71-90 sqm	27%
>90 sqm	4%

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

Portfolio valuation Q1-2022

LEG

Market segment	Residential Units	GAV Residential Assets (€m)	GAV/ m² (€)	Gross yield	In-Place Rent Multiple	GAV Commercial/ Other (€m)	Total GAV (€m)
High-Growth Markets	49,401	7,858	2,419	3.4%	29.2x	334	8,191
Stable Markets	66,417	6,672	1,570	4.5%	22.2x	230	6,902
Higher-Yielding Markets	50,524	3,549	1,162	5.7%	17.5x	116	3,665
Total Portfolio	**166,342**	**18,076**	**1,713**	**4.3%**	**23.4x**	**680**	**18,759[1]**

1 GAV of IAS 40 portfolio (including leasehold, land value and assets under construction) was €19,292m

Valuation framework

LEG

	LEG	CBRE (Appraiser since IPO in 2013)
Frequency Valuation Date	Semi-annually **30 June** - (cut off for data 31 March) **31 December** - (cut off for data 30 September)	*Same as LEG*
Scope	Complete portfolio incl. commercial units, parking spaces, **including** land	Complete portfolio incl. commercial units, parking spaces, **excluding** land
Valuation Level	Address-specific (building entrance level)	Economic units (homogeneous cluster of adjacent buildings with similar construction date and condition) provided by LEG
Technical Assessment	Physical review of **20**% of the portfolio as part of technical reviews, data updates in EPIQR (data base for technical condition of buildings)	Every economic unit has been inspected at least once Rolling annual inspections, especially of new acquisitions and modernised properties Additional information on change of condition provided by LEG
Model	10 year DCF model, terminal value in year 11, **finite** Assumption that buildings have a finite life (max. 80 years), decrease in value over a building's life Residual value of land at the end of building's life Cap rate[1] increased to reflect the decrease of a building's value over its lifetime	10 year DCF model, terminal value in year 11, **infinite** No separate valuation of plot size/ value of land Exit cap rate based on market evidence
Calculation of Discount-/Cap-Rate	Determination based on data from expert committees (publicly appointed surveyor boards) plus property specific premiums and discounts	Consistent DCF model for all 402 cities/districts and all clients plus property specific premiums and discounts. Results cross-checked with market data (local land valuation boards, asking prices, own transaction data base)
Inclusion of legislation (e.g. rental brake)	**Yes**, via cash-flow	**Yes**, via cash-flow
Relevance for Audit of Financial Statements	**Yes**, model and results audited by the Auditor	**No**, second opinion for validation only

1 Valuation parameters as at 31 December 2021 are shown in the annual report 2021, p. 160

Threefold approach to new builds

Small development pipeline with low price risk

500 units from 2023 through

- **Redensification** on own land
- Acquisition of turnkey projects from **external developers**
- **Serial and modular built on purchased land** with Goldbeck
- **New build target reduced** due to changes in market environment
- **Low financial risks** in new development pipeline due to fixed prices for assets under construction and many projects in early stage

Turnkey project in Bremen[1]

- 139 residential and 5 commercial units + 153 parking spaces
- € 51 m investment

Turnkey project in Düsseldorf[2]

- 170 residential (o/w 68 subsidized) and 6 commercial units + kindergarten
- € 70 m investment

Redensification in Cologne[3]

- 51 residential units on free land within a LEG district
- € 16 m investment

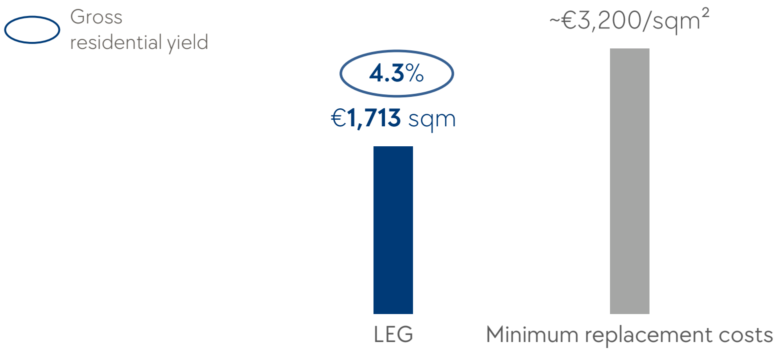
1 ©Justus Grosse Immobilienunternehmen (external developer) 2 Instone (external developer) 3 Interboden/Vilis (external developer)

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. €3,200 per sqm[2]**
- The portfolio of **affordable living product is de facto irreplaceable** at comparable cost base
- At **c. €3,200 minimum replacement cost for a comparable new product**, the **company's in-place yield** of **4.3%** would **imply a rent/sqm requirement of c. €11**/sqm[1], which is **not feasible to achieve in the affordable living segment**



1 based on €3,200/sqm.
2 excluding costs for land

- LEG's portfolio is conservatively valued at **€1,713/sqm**,
- LEG's valuation level is well below Germany-wide replacement cost for new stock, offering attractive yield

Market clustering based on LEG's methodology

Key indicator	Scoring based on local districts[5]
1. Rental level[1]	Relative comparison of rental levels
2. Vacancy level[2]	Relative comparison of vacancy levels
3. Socio demographic ranking[3]	c. 30 indicators like demographics, labour market, wealth etc.
4. Future attractiveness[4]	>20 indicators from demographics, economy, education, family friendliness

Weighting

LEG Scoring

- High-growth markets
- Stable markets
- Higher-yielding markets

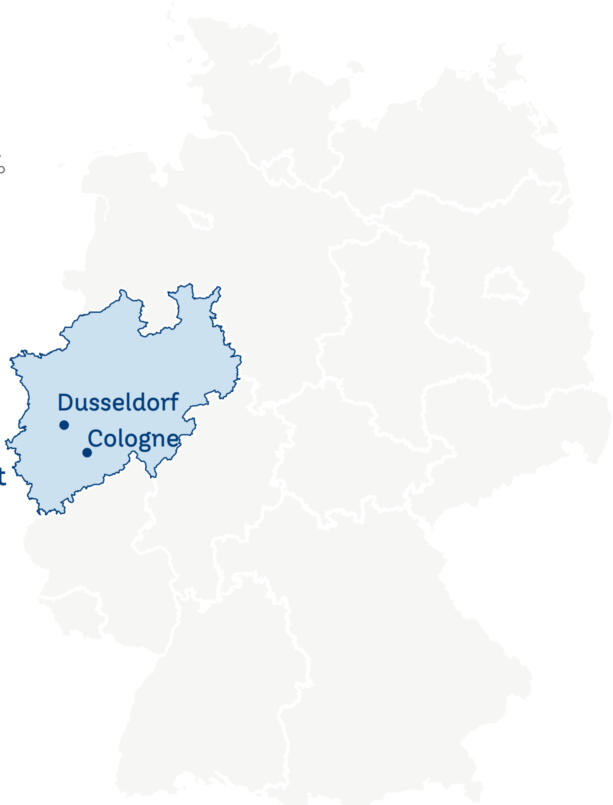
Source: Company information
Notes: 1 Empirica. 2 CBRE. 3 Prognos Institut. 4 Berlin Institut. 5 Based on 401 local districts in Germany.

North-Rhine Westphalia (NRW)

LEG

Demographics and social aspects

- **Key metropolitan area in Germany, and one of the largest areas in Europe** (17.9m inhabitants in 2020, which corresponds to 22% of Germany's population[1])
- **Highest population density**[2/3] – key advantage for **efficient property management**
- **Low home ownership** of approx. 44%[4] in NRW in 2018 (47%[4] in Germany) provides for **consistent demand.** Germany has the second lowest home ownership ratio of all OECD-member countries
- **High demand for affordable living product** Approx. 40% of households with income of less than €2,000[4] per month in 2019



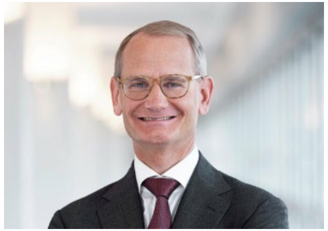
Economics

- **Germany's economic powerhouse** generating approx. 21% of German GDP
- **NRW's GDP is larger** than the GDP of **Sweden, Poland or Belgium**
- **About one third** of the **largest companies in Germany** are **based in NRW**
- Most **start-up** foundations in Germany
- **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)

1 IT.NRW (2020). 2 Federal Statistical Office; June 2021. 3 Except the federal city states Berlin, Bremen, Hamburg. 4 Statista.com (2018).

5 Management

Management Team



Lars von Lackum
CEO

7,750 shares in LEG[1]

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

With LEG since 2019

Susanne Schröter-Crossan
CFO

1,515 shares in LEG[1]

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

With LEG since 2020

Dr. Volker Wiegel
COO

1,919 shares in LEG[1]

- 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

1 As at May 2022

Changes to remuneration system and new 2022/25 ESG targets integrated

Effective 1 January 2022

Share of target remuneration		year 1	year 2	year 3	year 4
c.35%	**Fixed components**	▪ Basic remuneration ▪ Fringe benefits ▪ Pension entitlement (defined contribution)			

22% – 23%	**STI**	▪ 40% net rental and lease income
		▪ 40% funds from operations I (FFO I) per share
		▪ 20% ESG targets (100% target fulfilment below)
		  ▪ E: 4,000 tons CO_2 reduction from modernisation projects
		  ▪ S: Maintain high employee satisfaction level (66% Trust Index)
		  ▪ G: Maintain Sustainalytics rating within the negligible risk range (<10)			

38% – 40%	**LTI**	▪ **80%** share price development vs. EPRA Germany
		▪ 20% ESG targets (100% target fulfilment below)
		  ▪ E: Reduction of CO_2 emissions by 10% based on CO2e kg/sqm
		  ▪ S: Improve Customer Satisfaction Index (CSI) to 70%
		▪ Reinvestment obligation of 25% of the LTI into LEG shares			

Changes vs. previous remuneration system since AGM 2022

STI: Introduction of FFO I per share as metric

LTI: Stronger focus on share price development vs. peers (80% of LTI)

LTI: New - Reinvestment of 25% of the LTI into LEG shares

Max. remuneration

CEO
€**4.8**m

Board member
€**3.1**m

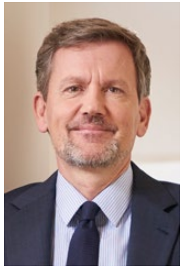
Malus/ Clawback

Partial or complete reduction or reclaim of variable remuneration possible

Share ownership guideline
Purchase of LEG shares equivalent to a gross basic salary within 4 years

Supervisory board – 100% independent members

1/3 of female members since AGM 2022



Michael Zimmer
Chairman
since 2013

97,257 shares in LEG[1]

Entrepreneurial career in the real estate sector (e.g. founder of Corpus Sireo Immobilien, later sold to Swiss Life) since 1990

Dr. Sylvia Eichelberg
Member
since 2021

- - -

CEO of Gothaer Health Insurance and previously in different roles with AXA and ERGO insurance

Dr. Claus Nolting
Member
since 2016

- - -

Professional background as a lawyer. Different positions in the banking and private equity sector (e.g. CEO of Hypovereinsbank, Cerberus, Lone Star)

Dr. Jochen Scharpe
Member
since 2013

3,000 shares in LEG[1]

Professional experience in Corporate Finance (KPMG) and the real estate sector, e.g. precursor of CA Immo and Siemens Real Estate

Dr. Katrin Suder
Member
since 2022

- - -

Independent consultant with focus on diversity. Previously State Secretary in the German Ministry of Defence and various roles at McKinsey (Partner, Head of the Berlin office and Director & Head of "Public sector").

Martin Wiesmann
Member
since 2020

1,400 shares in LEG[1]

Professional background in investment banking with Deutsche Bank and J.P. Morgan, amongst various roles Vice-Chairman IB Europe with JPM

1 As at May 2022

6 Regulation & Social Security in Germany

Inflation – Portfolio & financing structure as well as a small development exposure limit risks

LEG

Impact on rents

- **Rent restricted** units are basically **hedged (20% of portfolio)**
  - Rents linked to **Consumer Price Index (CPI)**
  - However, there is a time lag as in-place-rents can only be adjusted every three years (next time 2023)
- **Free-financed units**
  - In-place-rent adjustments for **staying tenants** via rent table adjustments (take place every 2 years), with strong link to CPI. Cap at 20% (11% in tense markets) within 3 years offers some hedge
  - In general tenant fluctuation (LEG c. 10%) offers opportunity to adjust rents
  - In **tense markets** the reletting rent can be increased to a level of 10% above the local reference rent

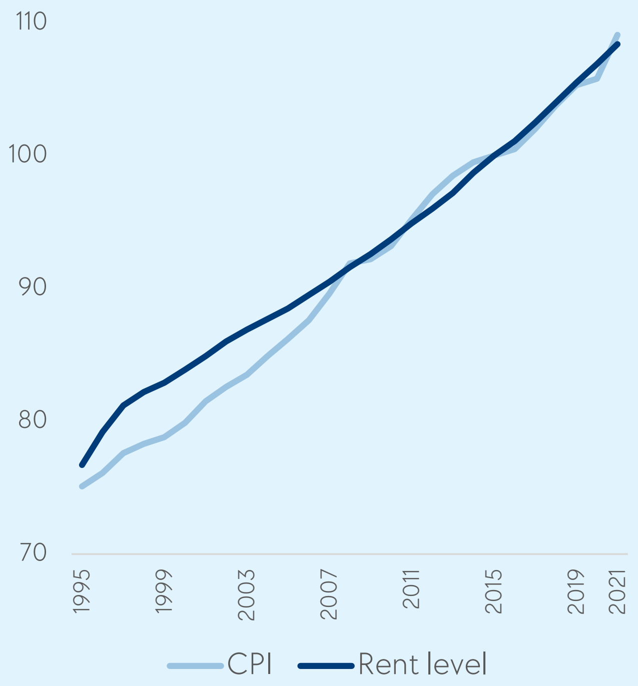
Impact on capex

- New construction cost index up **14%**[1] – **LEG with relatively small own development pipeline/ exposure**
- Minor impact on 2022 investment programme due to long-term contracts

Impact on financing

- Fixed interest rates on **95%** of financial debt,
- Average maturity of **7.3** years, no major maturity until **2024**
- A **25 bps** increase in interests would have a negative impact of **€1m** on LEG's cash interest payments

Rent level increase in line with inflation[1]



1 Statistisches Bundesamt / chart: 2015 = 100

Politics

Very limited impact expected – not yet fully rolled out

Temporay suspension of KfW funding programs

- Modernisation program has been reopened and is budgeted with €9.5bn for 2022.
- New building program is limited to new construction for buildings with KfW40 standard and a budget of €1bn for 2022. The budget was already fully utilised by applicants on the first day.

Impact LEG: No effect

- For all new development projects in the pipeline for which a KfW 55 standard is planned, an application for funding has already been submitted before the suspension. All of the permits have already been granted.
- All applications under the old regime for energetic modernisation have been approved.

Limitation of rent increase to 11% in tense markets

- Limitation in tense markets for rent increases in the free financed segment for existing contracts capped now at 11% within 3 years (previously: 15%)
- For other markets 20% rent increase within 3 years still applicable
- LEG owns c. 25,000 free financed units in tense markets (c.15%)
- Less than 20% of units coming off restriction until 2027 are in tense markets

Impact LEG: Minimal effect

- Impact should be very small as previous cap has hardly ever been reached

Expected rent table reform of new government

- Rent tables become mandatory for all cities with a population of >100,000 Increase reference period to 7 years from 6 years
- Mandatory adjustments of rent table after two years. A qualified rent table has to be completely revised after four years

Impact LEG: Small effect

- A small effect from a slightly longer reference period
- 20% of LEG's units are rent-restricted and are not affected by the regulations, as cost rent adjustments apply every three years

Basics

LEG

Free financed units

Existing contracts

- **Rent increase by max. 20% (11% cap in tense markets[2]) within 3 years; benchmark: local reference rent[1]**
- 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 markets[2] the rental break (Mietpreisbremse) applies: increase of max. 10% on local reference rent[1]**

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)

LEG owns **25,000** free financed units in tense markets, which corresponds to 15% of the total portfolio.

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. Outside NRW and relevant for LEG are cities such as Brunswick, Hanover, Laatzen, Oldenburg, Osnabrück and Mannheim.

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

Statutory five-pillar insurance system

Health	Care	Pension	Unemployment	Accident
Prevention Early detection Treatment Rehabilitation Sick pay Parental benefit	Support in case of (long-term) care	Old-age pension Survivor's pension Disability pension Vocational rehabilitation	Unemployment benefit Employment services Vocational training	Prevention Rehabilitation Injury pension Death benefit

Principles of solidarity

7 Investor & Credit **Relations**

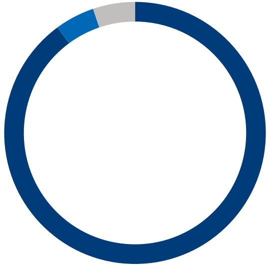
LEG additional creditor information

LEG

Unsecured financing covenants

Covenant	Threshold	Q1-2022
Consolidated Adjusted EBITDA / Net Cash Interest	≥1.8x	5.7x
Unencumbered Assets / Unsecured Financial Indebtedness	≥125%	171%
Net Financial Indebtedness / Total Assets	≤60%	41%
Secured Financial Indebtedness / Total Assets	≤45%	15%

Financing mix



Fixed interest	89.9%
Derivatives	4.9%
Variable interest	5.2%

Ratings (Moody's)

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

Key financial ratios

	Q1-2022	Q1-2021
Net debt / EBITDA[1]	13.5x	11.7x
LTV[2]	43.1%	42.1%

1 Average net debt last four quarters / EBITDA LTM 2 Calculation adapted to the current standard practices, i.e. reduction of net debt by short-term deposits and inclusion of participation in other residential companies into property values

Capital market financing

Corporate bonds

Maturity	Issue Size	Maturity Date	Coupon	Issue Price	ISIN	WKN
2017/2024	€500m	23 Jan 2024 (7 yrs)	1.250% p.a.	99.409%	XS1554456613	A2E4W8
2019/2027	€500m	28 Nov 2027 (8 yrs)	0.875% p.a.	99.356%	DE000A254P51	A254P5
2019/2034	€300m	28 Nov 2034 (15 yrs)	1.625% p.a.	98.649%	DE000A254P69	A254P6
2021/2033	€500m	30 Mar 2033 (12 yrs)	0.875% p.a.	99.232%	DE000A3H3JU7	A3H3JU
2021/2031	€600m	30 Jun 2031 (10 yrs)	0.750% p.a.	99.502%	DE000A3E5VK1	A3E5VK
2021/2032	€500m	19 Nov 2032 (11 yrs)	1.000% p.a.	98.642%	DE000A3MQMD2	A3MQMD
2022/2026	€500m	17 Jan 2026 (4 yrs)	0.375% p.a.	99.435%	DE000A3MQNN9	A3MQNN
2022/2029	€500m	17 Jan 2029 (7 yrs)	0.875% p.a.	99.045%	DE000A3MQNP4	A3MQNP
2022/2034	€500m	17 Jan 2034 (12 yrs)	1.500% p.a.	99.175%	DE000A3MQNQ2	A3MQNQ

Financial Covenants	Adj. EBITDA/ net cash interest ≥ 1.8 x Unencumbered assets/ unsecured financial debt ≥ 125% Net financial debt/ total assets ≤ 60% Secured financial debt/ total assets ≤ 45%

Capital market financing

Convertible bonds

	2017/2025	2020/2028
Issue Size	€400m	€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	3,470,683	3,556,142
Initial Conversion Price	€118.4692	€155.2500
Adjusted Conversion Price[1]	€115.2511 (as of 10 June 2021)	€154.6620 (as of 14 June 2021)
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

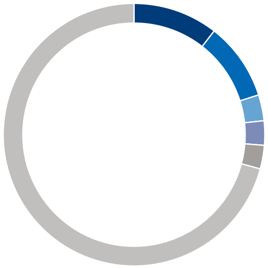
1 Dividend-protection: The conversion price will not be adjusted until the dividend exceeds €2.76 (2017/2025 convertible) and €3.60 (2020/2028 convertible).

LEG share information

Basic data

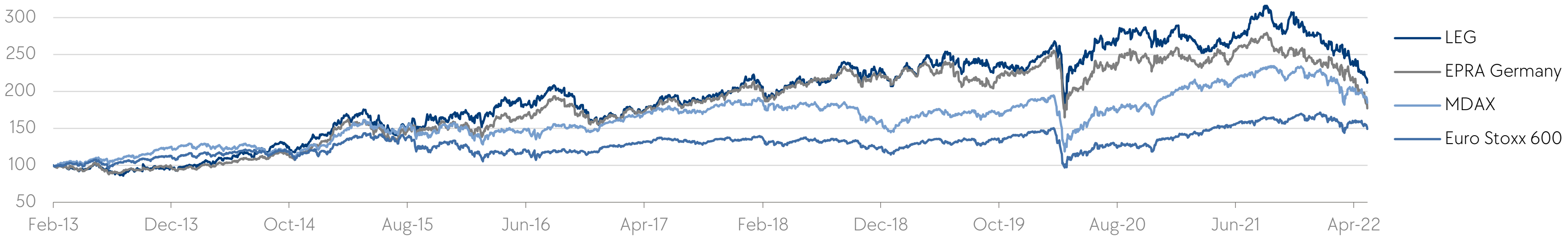
Market segment	Prime Standard
Stock Exchange	Frankfurt
Total no. of shares	72,839,625
Ticker symbol	LEG
ISIN	DE000LEG1110
Indices	MDAX, FTSE EPRA/NAREIT, GPR 250, Stoxx Europe 600, DAX 50 ESG, i.a. MSCI Europe ex UK, MSCI World ex USA, MSCI World Custom ESG Climate Series
Weighting	MDAX 4.2% (30.04.2022) EPRA Europe 2.8% (30.04.2022)

Shareholder structure[1]



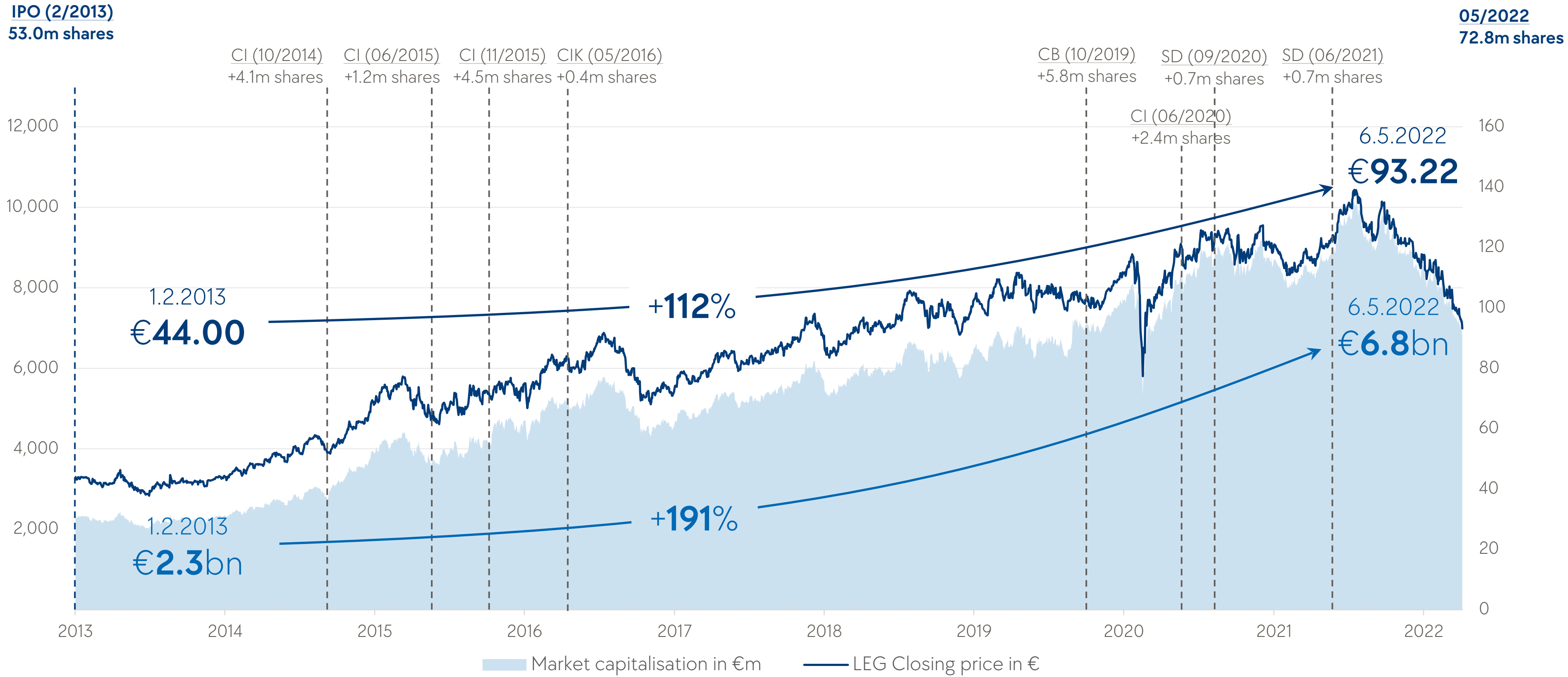
MFS	10.5%
BlackRock	9.6%
BNP Paribas AM	3.2%
UBS Group AG	3.0%
Flossbach von Storch	2.9%
Other free float	70.8%

Share (06.05.2022; indexed; in %; 1.2.2013 = 100)



1 Shareholdings according to latest voting rights notifications.

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

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
Corporate Access & Events

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 | Flughafenstraße 99 | 40474 Düsseldorf, Germany
E-Mail: ir@leg-se.com | Internet: www.leg-se.com