

LEG Immobilien SE
**Company
Presentation**

LEG

November
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 ESG Agenda 2024

3 Financial Performance

4 Operating Performance

5 Portfolio Overview

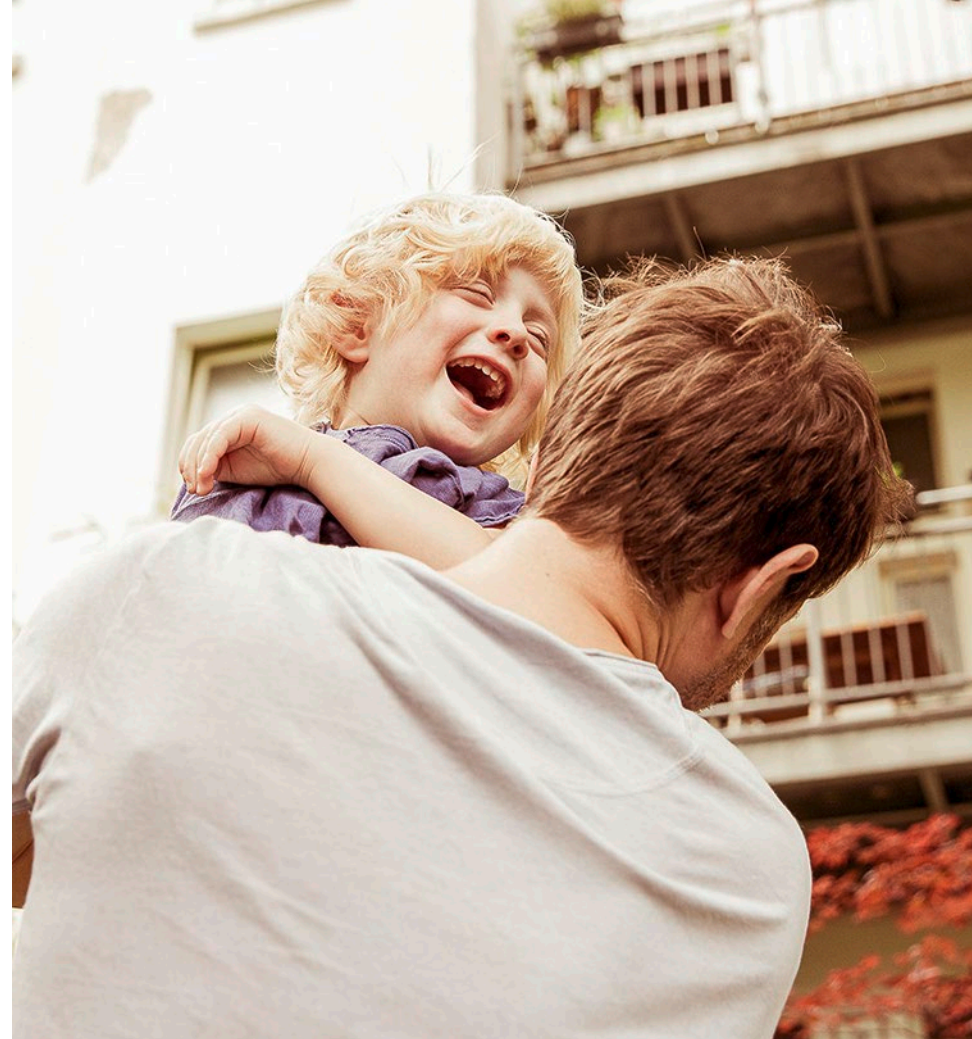
6 Appendix

6.1 Financials

6.2 Management

6.3 Regulation & Social Security in Germany

6.4 Investor & Creditor Relations





1

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

Affordable housing in Germany

Made in NRW – Rolled out to Germany

LEG

Aachen



Bremen



Dusseldorf



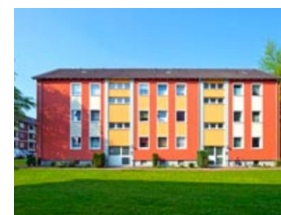
Duisburg



Flensburg



Hamm



Hanover



Kaiserlautern



Mannheim



Münster



Remscheid



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 (c. **91%** of assets),
no. 1 in NRW
Market cap c. **€9.4bn¹**,
100% tradeable shares



02

Conservative balance sheet

Loan to value **38.0%**,
Ø financing cost **1.23%**,
Ø maturity **7.4** years
Beta **0.62**
(5y vs. EuroStoxx 600)
GAV/m² **1,655€**



03

Social Responsibility

400,000 tenants/
146,000 apartments
Average rent per unit
c. **€390** per month/**€6.11** per sqm
c. **24%** social housing
(rent-restricted)



04

Attractive Return

Dividend 2020
€3.78,
CAGR since IPO 2013:
NAV **+15%**, dividend **+12%** p.a.
Gross yield properties
4.4% (on **€15.9bn** assets)

¹ Closing price of €129.30 on 03.11.2021.

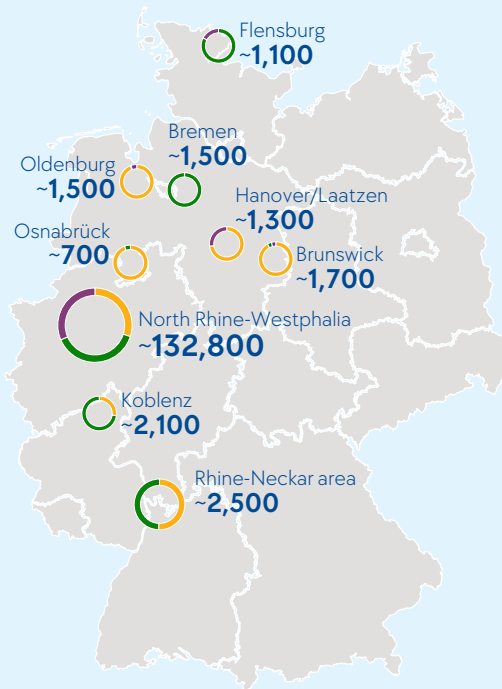
Portfolio overview

145,700 units as of 09/2021

LEG

North Rhine-Westphalia

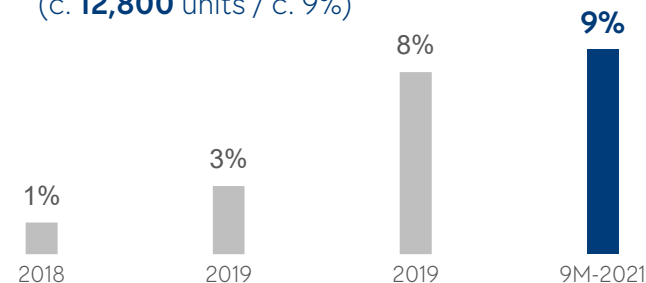
(c. 132,800 units / c. 91%)



- High-Growth
- Stable
- Higher-Yielding

Outside North Rhine-Westphalia

(c. 12,800 units / c. 9%)



Growth along our investment criteria

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



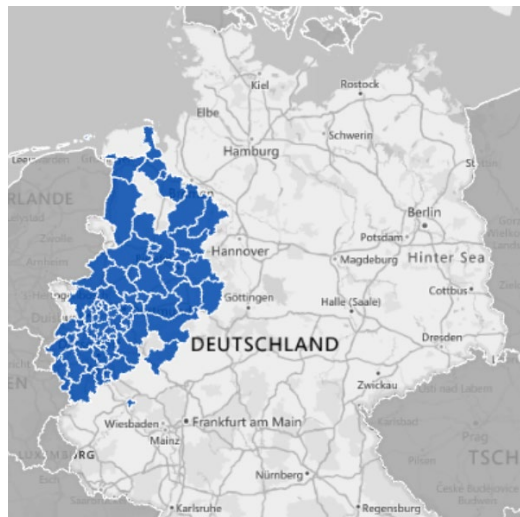
> Critical size in locations outside NRW reached, allowing for growth into **higher-yielding** markets

Cautiously expanding regional footprint

Significantly increasing our addressable market

LEG

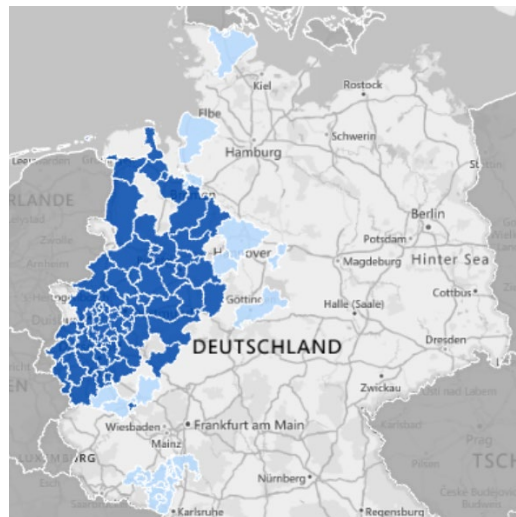
LEG 30 June 2019



Inhabitants: 19.5m
No. of households: 9.4m

LEG 30 June 2020

+ June 2020 acquisitions

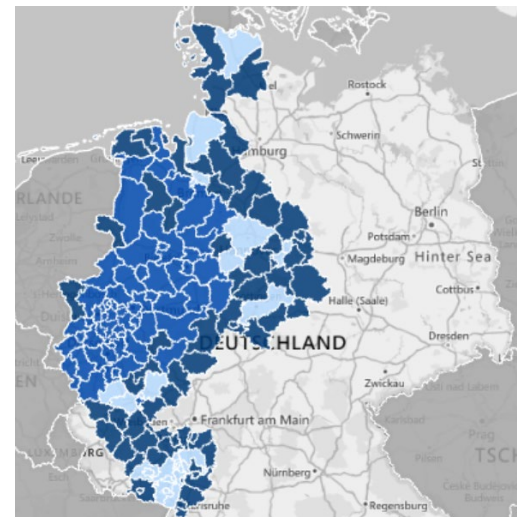


24.5m (+26%)
12.2m (+30%)

LEG 30 June 2020

+ June 2020 acquisitions

+ neighbouring districts



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

Increase in new built units to 1,000 units p.a. from 2026

Cooperation with Goldbeck for serial and modular construction

Ongoing supply shortage and change of external parameters

▪ Political ambition:

New government likely to increase new built target to **400k** p.a. of which **100k** rent restricted units to address market shortage and social imbalances

▪ Higher immigration:

Demographics in Germany require an increase of immigration by 400,000 people p.a.¹

▪ ESG as a driving force:


Ongoing focus on energy efficiency of buildings via EU-Taxonomy, German Climate Change Act etc.

Closing the supply gap in the affordable housing segment

- **500** units p.a. from **2023** onwards already secured via:

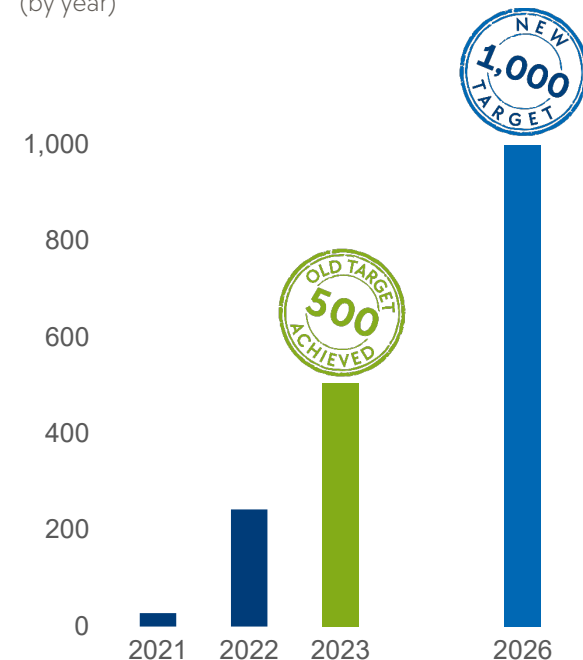
- Redensification on own land
- Acquisition of turnkey projects from external developers



- **500** units of serial and modular built new units p.a. from **2026** onwards
- Co-operation with  **GOLDBECK**
- Combining expertise: LEG as a leading residential company in Germany with a focus on affordable housing and Goldbeck as a leader in serial construction in Europe

LEG new built units pipeline

(by year)



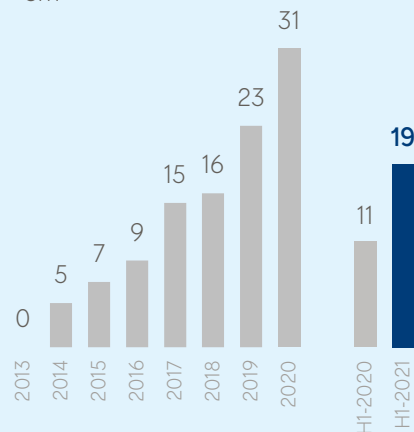
¹ German media, e.g. <https://www.dw.com/en/germanys-workforce-in-desperate-need-of-skilled-immigrants-warns-labor-agency/a-58974377>

Value-added services

Leveraging LEG's portfolio and customer base to services business

Strong FFO contribution – Services

€m



LEG 
WohnService

Partner



100%
entity

Multimedia: TV,
internet and
telephone

Launch
January 2014

LEG 
EnergieService

Partner

c. 100
partners from
energy and technical
service providers

100%
entity

Electricity,
heating, gas,
metering

Launch
March 2015

LEG 
TechnikService

Partner



Joint venture
(51%)

Small repair work,
craftsmen
services

Launch
January 2017

LEG 
LWS Plus

former



100%
entity

General
contractor
services

Acquisition
October 2020

Key driver H1-2021

- Benefitting from the roll-out of services to a growing portfolio
- H1 disproportionately benefits from lower cost effects
- Strong contribution from **LWS Plus** (consolidated in Q4 2020)
- Growth from multi-media, energy and craftsmen services as well

We act in line with our strategy

2021



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**

Growing the platform

- Focus on **affordable housing** asset class in Germany
- Acquisition target of **c.7,000** units in 2021
- Expansion of the footprint – **9%** of units now outside NRW

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**

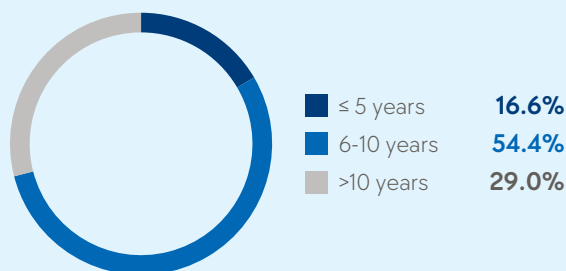
Refinancing of subsidised loans lifting value



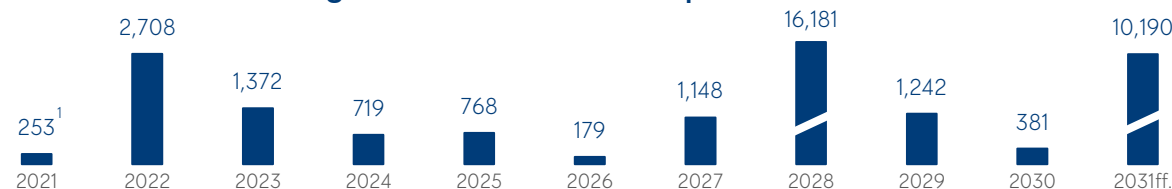
Rent potential subsidised units

- Until 2028, around **23,000 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 restrictions⁵

Around 65% of units to come off restriction until 2028

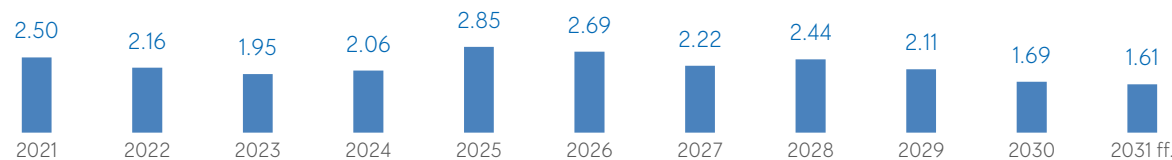


Number of units coming off restriction and rent upside



Spread to market rent

€/m²/month



	≤ 5 years ³	6 – 10 years ³	> 10 years ³
In-place rent	€4.73	€5.09	€4.91
Market rent ²	€6.93	€7.48	€6.51
Upside potential ⁴	47%	47%	33%
Upside potential p.a. ⁴	€10.7m	€36.9m	€13.3m

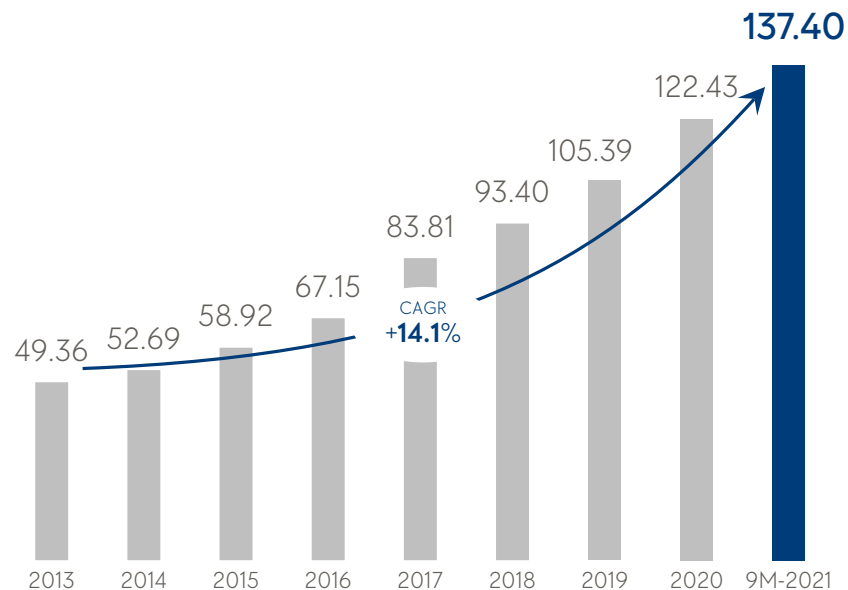
1 In 9M already 1,018 units released. 2 Employed by CBRE as indicator of an average rent value that could theoretically be achieved, not implying that an adjustment of the in-place rent to the market rent is feasible, as stringent legal and contractual restrictions regarding rent increases exist. 3 ≤ 5 years = 2021-2025; 6-10 years = 2026-2030; >10 years = 2031ff. 4 Rent upside is defined as the difference between LEG in-place rent and market. 5 For example rent increase cap of 15% or 20% for three years.

Attractive growth and returns for shareholders



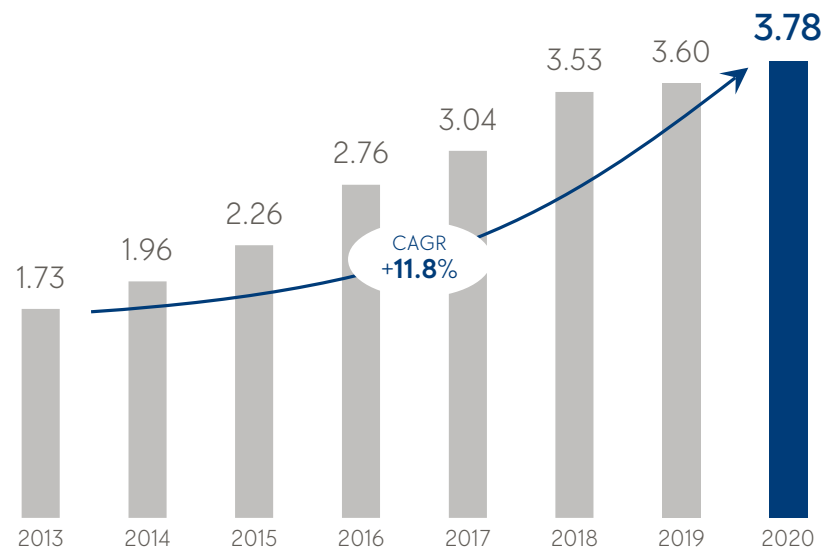
NAV/NTA per share¹

€, excl. goodwill



Dividend per share

€

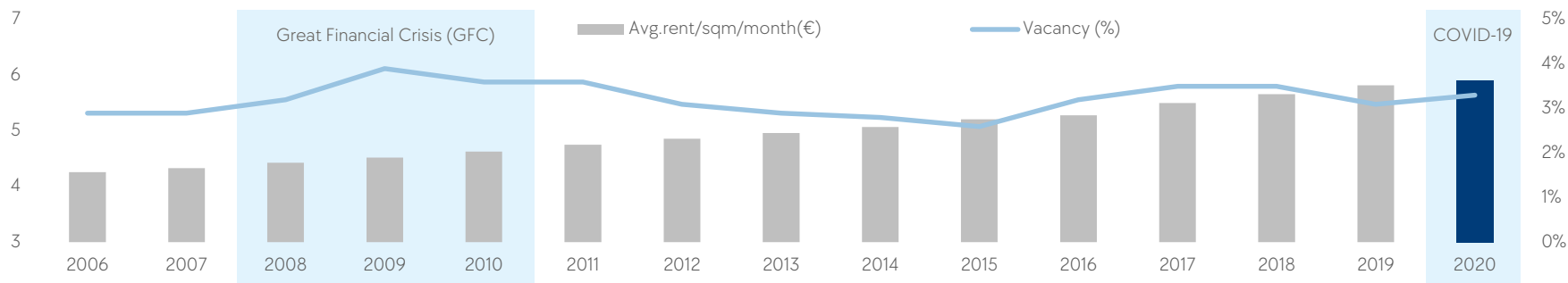


¹ Until 2019 EPRA NAV adjusted, from 2020 onwards EPRA NTA

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



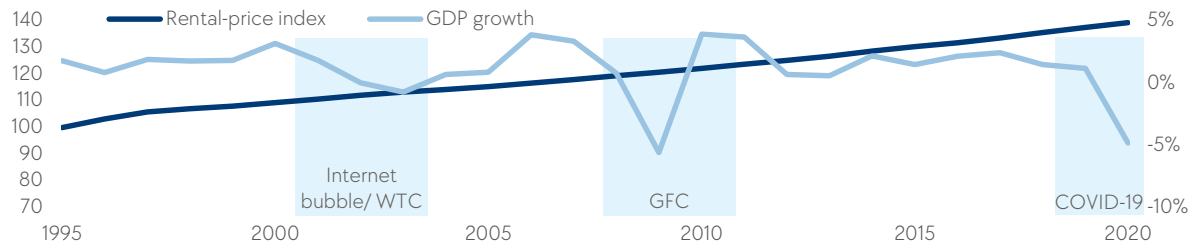
LEG not materially affected during the GFC and COVID-19



LEG well positioned

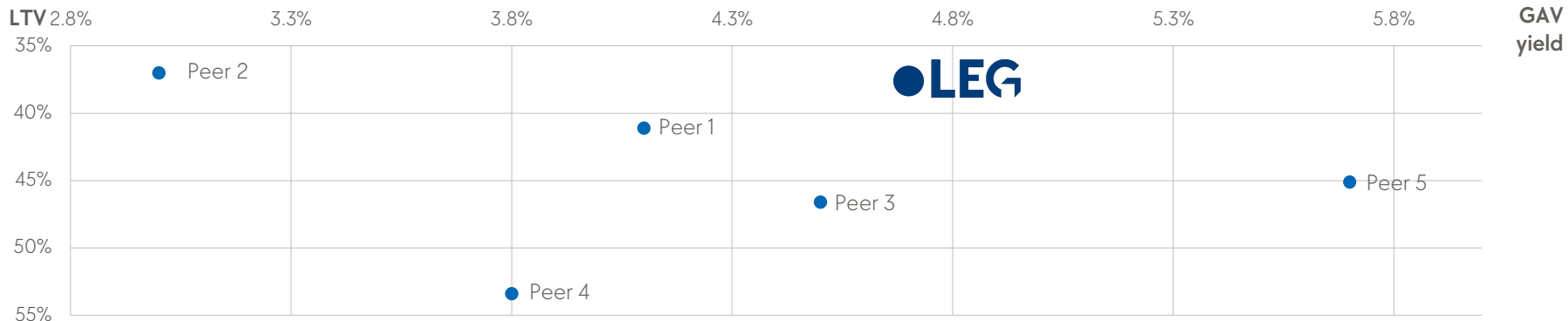
- Non-cyclical business model
- LEG's attractive rent level of €6.11/sqm is key to provide affordable living to our tenants
- C. 24% of units subsidised
- German social system provides several strong layers of social security

Resilience of German residential during the last economic crises

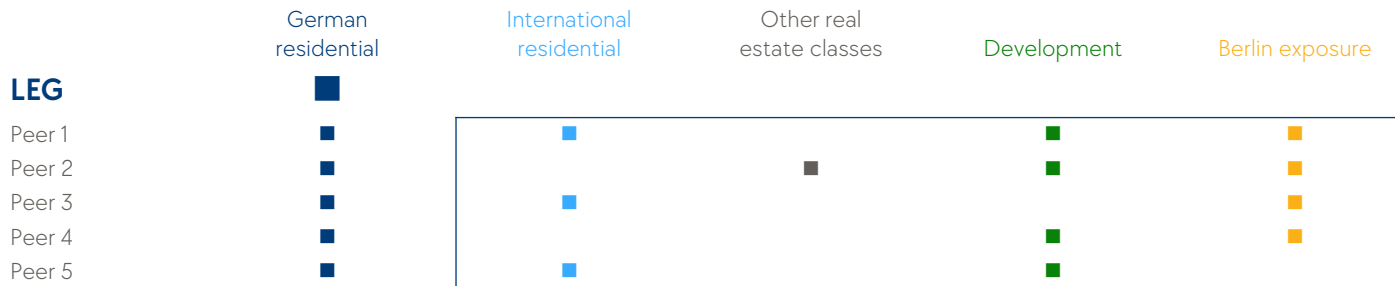


Pure play with unique risk/return profile ...

LEG



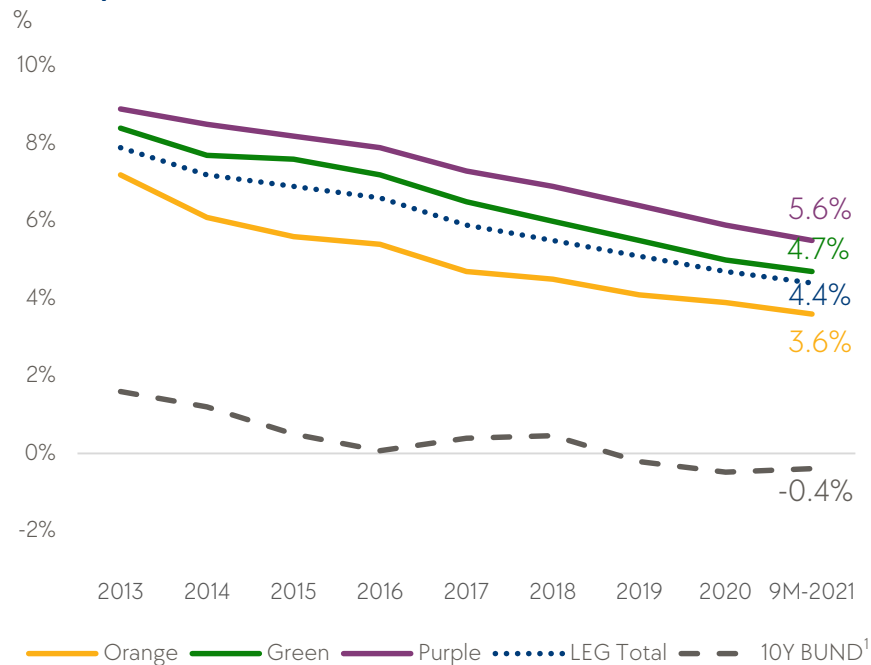
Additional layers of complexity



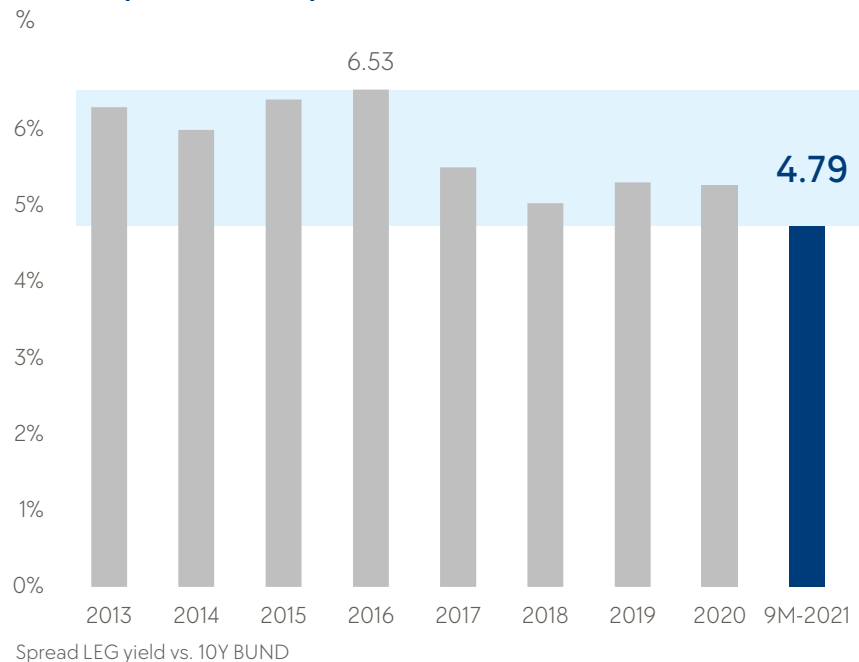
... offering attractive yields in a low/no yield environment

Stable spread over 10year BUND

Gross yield LEG vs. BUND



Stable spread over 10y BUND



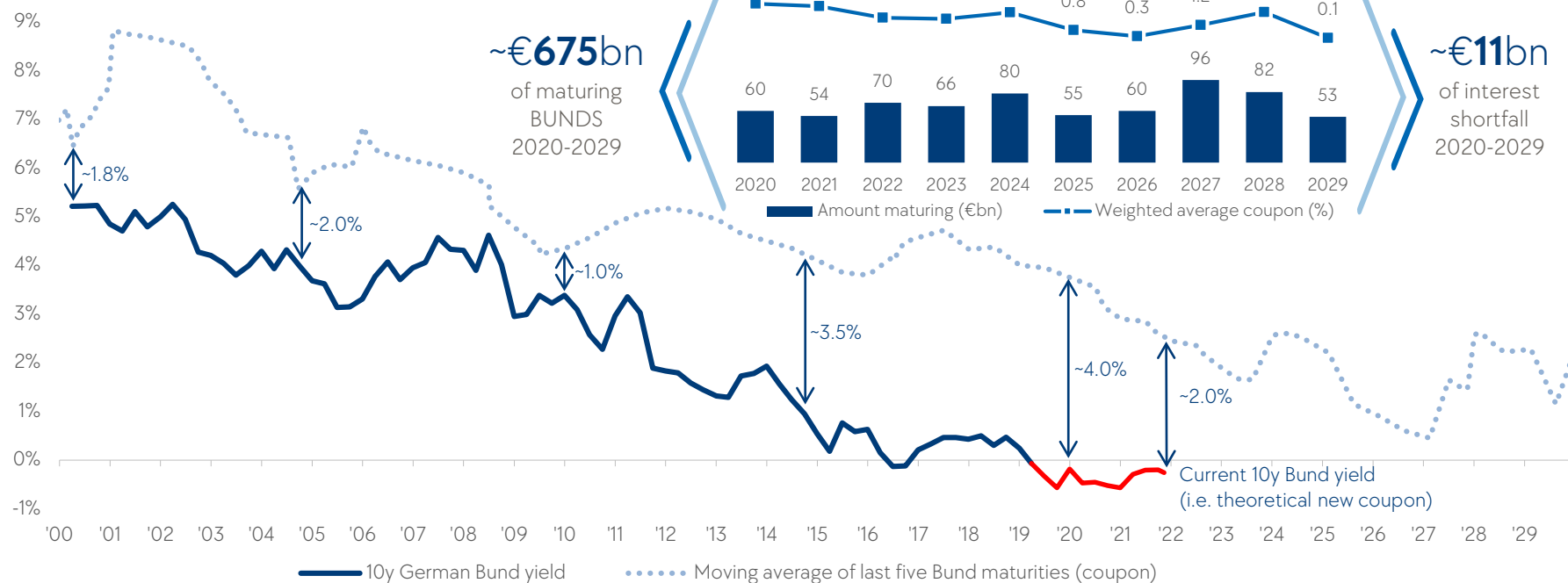
¹ Last twelve months average

Hunt for yield to continue

as BUNDS only offer negative yields and interest income will diminish

LEG

10Y BUND yield/ avg coupon



Guidance

FFO I guidance for FY-2021 confirmed at upper end of range



2021

Financial targets

FFO I	Upper end of € 410m – 420m
I-f-I rent growth	c. 3.0%
adj. EBITDA margin	c. 75%
Investments ¹	c. 40 – 42€ /sqm
LTV	max. 43%
Dividend	70% of FFO I
Acquisition ambition	c. 7,000 units

2022

Financial targets

FFO I	€ 450m – 460m
I-f-I rent growth	c. 3.0%
adj. EBITDA margin	c. 75%
Investments ¹	c. 44 – 46€ /sqm
LTV	max. 43%
Dividend	70% of FFO I
Acquisition ambition	c. 7,000 units ³

ESG targets linked to compensation scheme

Environment 2021 – 2024 Reduction of CO₂ emissions by **10%** in 4 years²
2021 Energetic refurbishment of **3%** of units²

Social 2021 – 2024 Maintain high employee satisfaction level (**66%** Trust Index)
2021 Reduction of iteration calls from tenants by **15%**

Governance 2021 Maintain Sustainalytics rating at score of **10.4**

ESG targets linked to compensation scheme

Environment 2022 – 2025 Reduction of CO₂ emissions by **10%** based on CO₂e kg/sqm
2022 **4,000** tons CO₂ reduction from modernization projects

Social 2022 – 2025 Improve Customer Satisfaction Index (CSI) to **70%**
2022 Maintain high employee satisfaction level (**66%** Trust Index)

Governance 2022 Maintain Sustainalytics rating within the negligible risk range (**<10**)

¹ Without new construction, public safety measures for acquisitions, capitalised own services. ² Units as at 12/19. ³ Not reflected in 2022 guidance.



2

ESG Agenda **2024** – A Joint Journey

ESG Agenda 2025 – A joint journey

Key takeaways



E

- We are committed to climate targets
 - **10% CO₂ reduction by 2025** and **4,000 tons CO₂ 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 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**
- We aim to reduce tenants' **iteration calls** by **15%** in **2021**, from 2022 onwards to be replaced by a **customer satisfaction index (CSI)** with a target level of **70%** by **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**)
- Our target is to have **one-third** of our fully independent **supervisory board** to be represented by women after the **AGM 2022**
- Compliance management system certified by the Institute for Corporate Governance in the German Real Estate Industry

Our ESG mission statement

LEG



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



Customers, Colleagues, Communities

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



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



Carbon Balance Sheet 2020

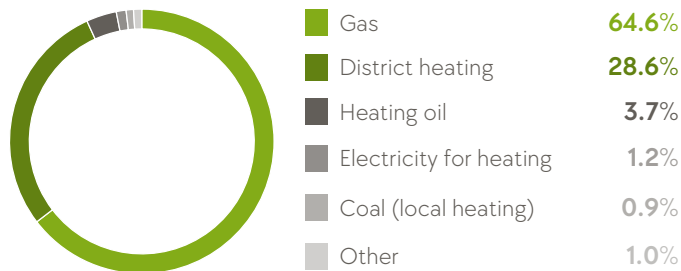
36.7kg CO₂e/m² as the starting point for our transformational journey



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



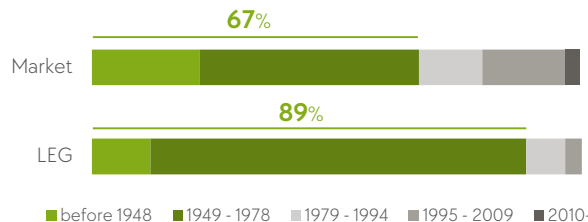
- Based on actual consumption 2019 (81% actuals, 19% certificates)
- Extrapolated for 2020
- Limited assurance by PWC
- 100% of portfolio covered

Reflecting our roots

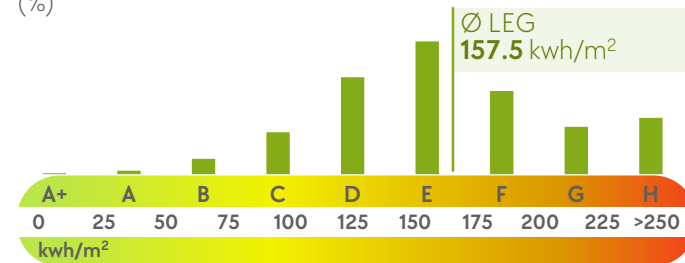
Energy efficiency of our portfolio of 157.5 kWh/m² is a function of corporate DNA & history:

- 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

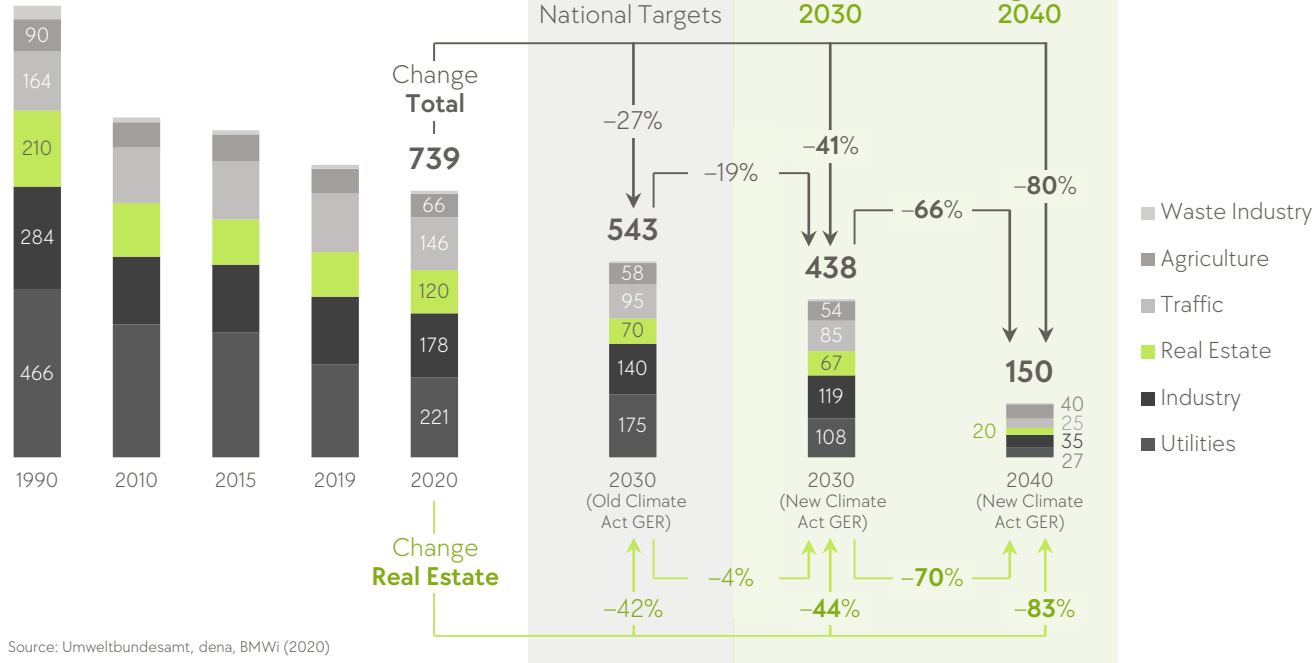
German reduction path by sectors

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

Germany CO₂ emission in sector context

Mio. t

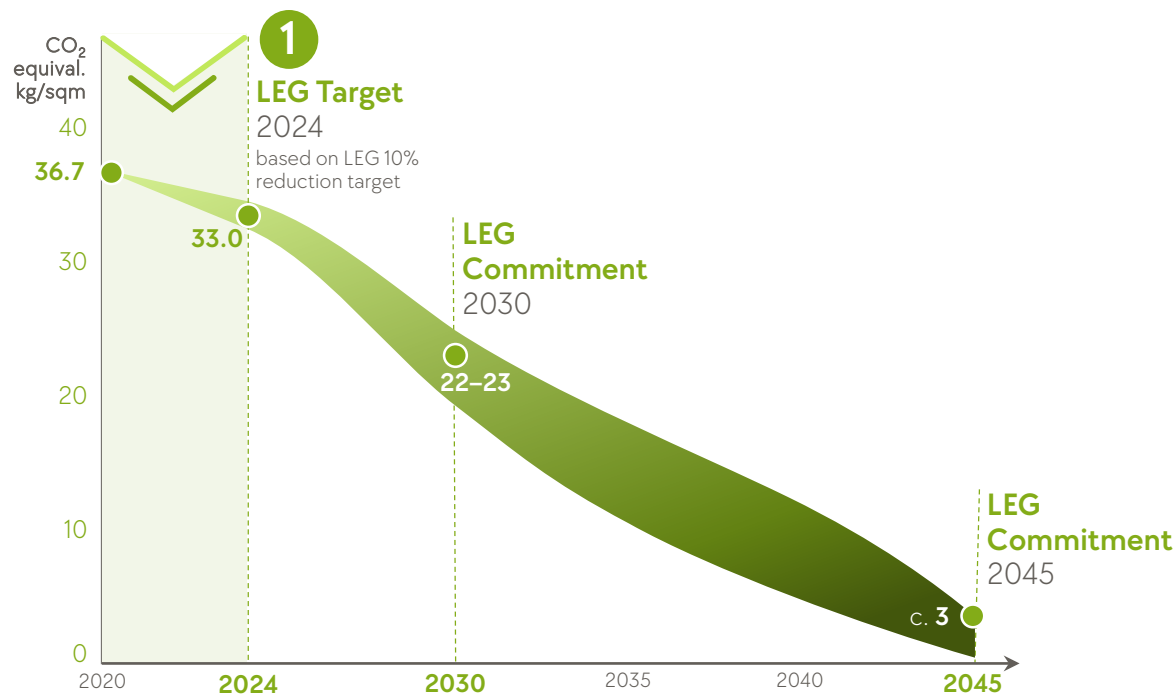
1,251



- 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

Our transformational corridor until 2045

LEG is fully committed to the new German Climate Change Act

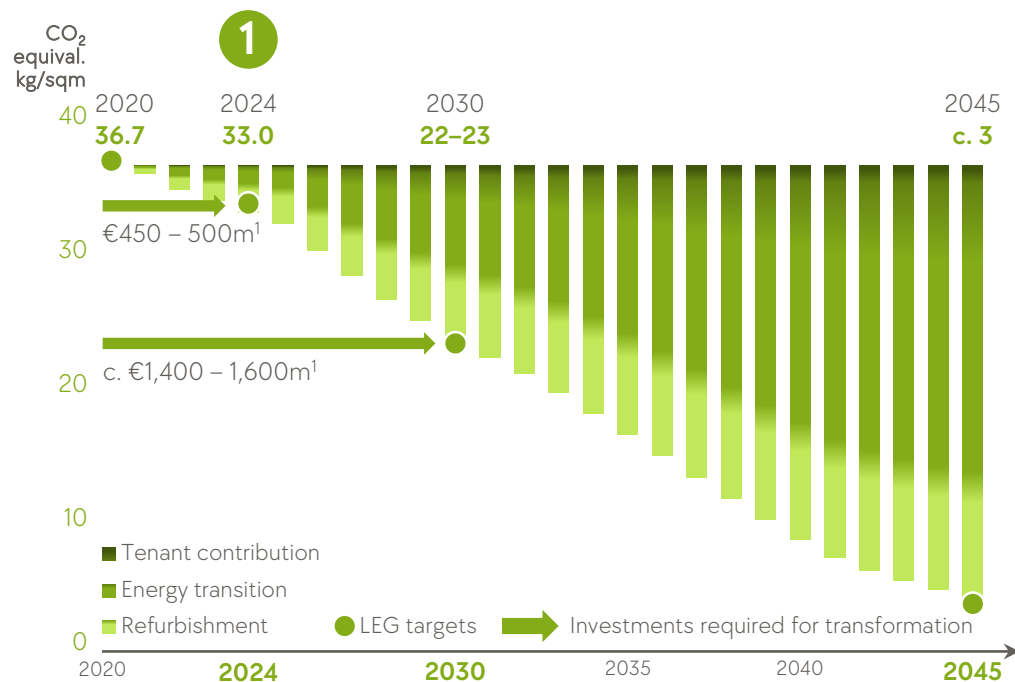


1 Units as at 12/19.

- LEG fully committed to new German Climate Change Act to achieve climate neutrality by 2045
- LEG targets a CO₂ reduction of **10%** by 2024¹
- Regular internal and external GHG audits as well as verification of GHG target retention
- **3%** of units to be refurbished in 2021¹
- Key driver will be the general transition of Germany towards green energy
- Refurbishments will require a more standardised and industrialised process and innovation around materials
- Tenants will also need to contribute to the transformation on the back of technology and digitisation
- The journey will therefore be rather within a corridor than along a straight path

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%**

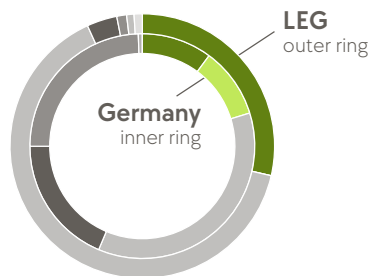
¹ Estimate based on current price levels for materials and services and taking no innovation and efficiency improvements into account. Based on portfolio as of 12/2020. In 2021 LEG aims to spend c. €110m for energetic improvements.

Energy transition – LEG with a good starting point

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

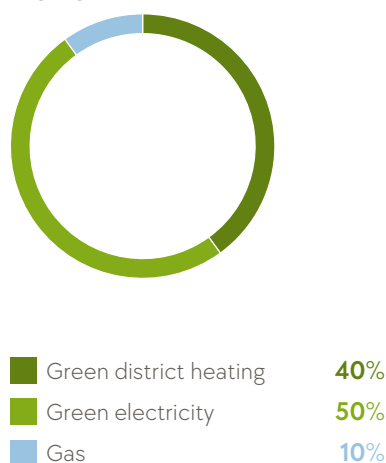
Heat energy by source LEG / Germany

2020



Target heat energy mix LEG

2045

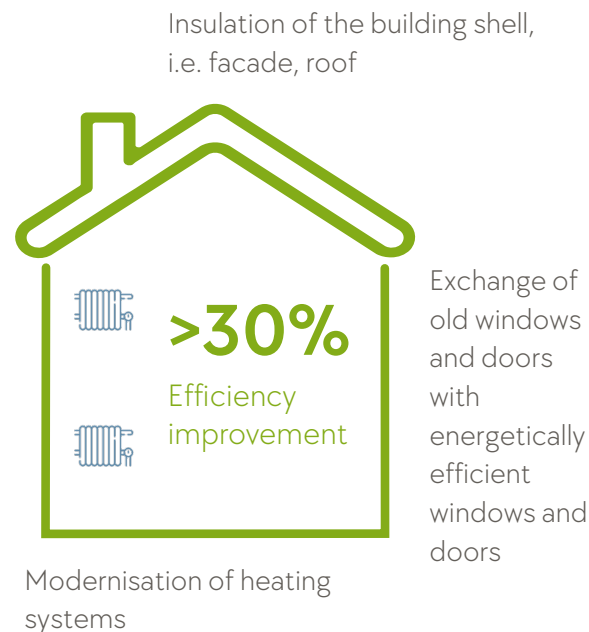


- Gradual shift from fossil energy towards green mix
- Increase in electricity along the planned transformation of the German energy mix towards green energy assumed
- Increase in green district heating from already high levels, benefitting from location of assets in bigger cities
- Assuming a remaining gas share of **10%** as a conservative assumption. A complete shift towards green energy would reduce footprint to full climate neutrality
- CO₂ reduction from energy transition by **65% – 70%**

¹ Source: BMWi 2020

Energy-efficient refurbishment

Shift towards a more holistic approach



Estimated refurbishment costs

€/sqm

475–525



G/H to B

350–400



B to A

- **10%** CO₂ reduction by 2024
- Targeting **3%** of units to be 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
- Latest Federal Court of Justice ruling constrains rent increase potential, whereas new BEG¹ is more generous with regards to KfW grants
- CO₂ reduction from refurbishment of **25% – 30%**

1

2

¹ Bundesförderung für effiziente Gebäude (BEG)/ Federal support for efficient buildings

LEG's biomass plant

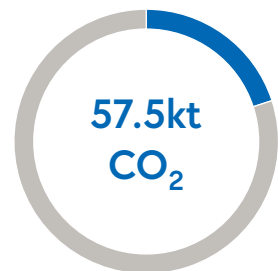
Providing us with an competitive advantage – not reflected due to current framework



2020 LEG starting point for its portfolio: 36.7kg CO₂e/sqm

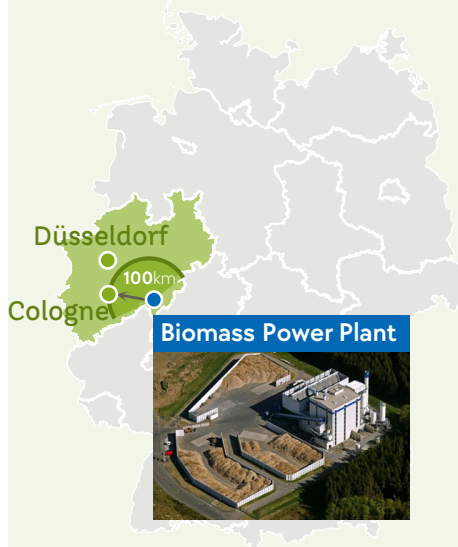
- LEG bottom-up approach based on actual consumption
- Not reflecting the bio mass plant
- Scope 1 and scope 2
- **311kt CO₂** in total
- **157.5 kWh/sqm**

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 **36.7kgCO₂e/sqm** footprint

This represents savings of **57.5kt CO₂** and potentially carbon neutral electricity for **45,000 LEG units**, i.e. around **1/3** of our portfolio

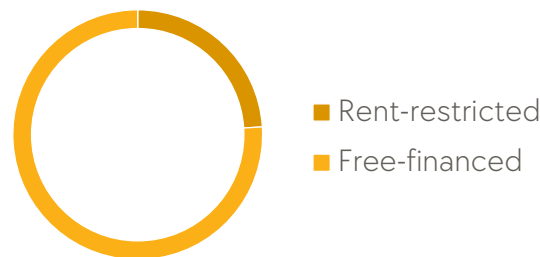
Affordable living is at the core of our corporate DNA

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

Providing an affordable home

- Social responsibility for our **400,000** customers
- Providing a home at affordable prices
- **145,000** units at **€6.0²/sqm**
- On average rent of c. **€380** per month per unit
- Rent increases for rent-restricted units only every 3 years by inflation factor

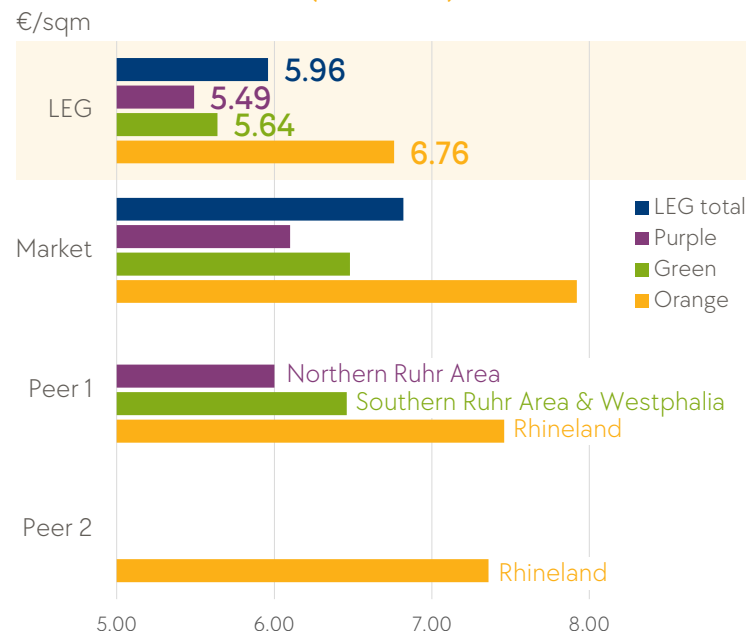
24% of our units are rent-restricted



Preconditions for tenants of rent-restricted units

- Rent-restricted rents c. **20%** below free-financed rents
- Entitlement from local municipal office
- Personal income **<25k€ p.a.** for family with 2 children (North-Rhine Westphalia)

Attractive rent levels in market context (YE 2020)¹



1. Peers Vonovia and Deutsche Wohnen with respective market clusters, Market numbers from CBRE for respective LEG market clusters. 2. As at 31 March 2021

Further improving our customer focus

A high customer satisfaction level will be a key differentiation factor

Introduction of an annual Customer Satisfaction Survey

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

30%



30%



Customer Satisfaction Index (CSI)

20%



20%



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

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

Image

Cost effectiveness

Based on feedback from 20,000 customer

Measuring customer satisfaction and resolution rate after every customer interaction using **QoS** (overall quality of service) and **solution rate** as key KPIs

CSI **5**
>70%
by 2025

For 2021 we aim to reduce the number of iteration calls by 15%

4

2021

2025

Trust Index 66% – Among the best employers in NRW¹

Target is to keep our strong employee recognition

Trust Index[®]

Based on Median

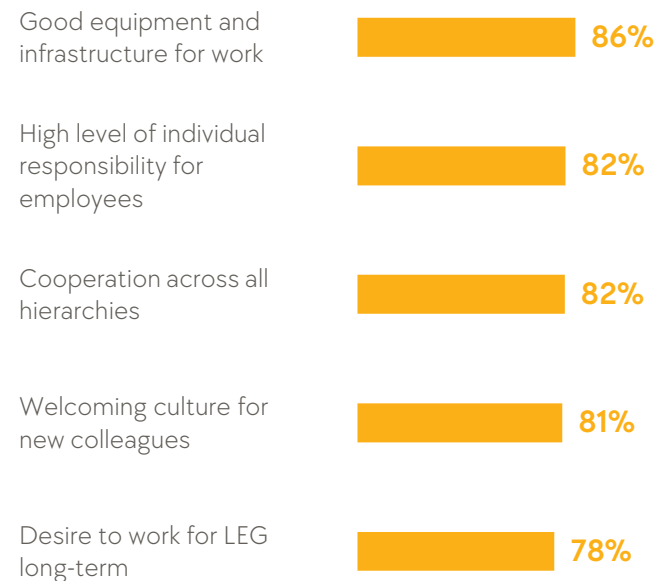


Total result

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



Top results



¹ North Rhine-Westphalia. NRW represents c.21% of the German GDP in 2020. Within Europe, NRW would rank as the 9th biggest economy if it were an independent state

Strong partner to local communities

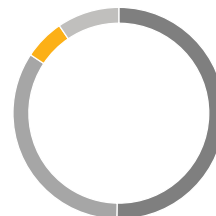
Acquisition of a 6% stake in GEWAG municipal housing company in Remscheid



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"

LEG

ESG



ESG
Rating



ESG
Rating

20.1

10.4

7.8



sBPR
Award



ESG
Rating

52

52

No participation
in 2021



ESG
Index

DAX® 50 ESG

DAX® 50 ESG



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



3

Financial **Performance**

On track for a record result

FFO I pointing towards upper end of €410m – 420m range

Financials



- FFO I **+12.6%** to **€334.2m**
- Adj. EBITDA-Margin **78.6%** (+110bps)
- LTV **38.0%**
 - Debt @ **7.4y** for **1.23%**
- NTA ps **€ 137.40** (+12.2% vs. FY 2020)

Operations



- Net cold rent **+9.7%**
- I-f-I rental growth **+3.3%**
- I-f-I vacancy **2.6%** (–50bps)

ESG



- Upgrade I: New Sustainalytics rating of **7.8 (10.4)**, comfortably within negligible risk category
- Upgrade II: New built units target of **1,000** units by **2026** (prev. 500 units by 2023)
- Upgrade III: New and more ambitious **ESG STI/LTI targets for 2022/ 2025**

9M-2021

Keeping the momentum

C. 7,000 units added in 2021

We delivered on our target of c. 7,000 units and aim for another c. 7,000 units in 2022

Attractive portfolio

Valuation uplift for H2 expected to be 4–5%

Guidance 2021 confirmed

FFO I towards upper end of €410m – €420m range

More growth to come

Guidance 2022: FFO I €450m – €460m

9M-2021 – Financial Summary



Operating results

		9M-2021	9M-2020	+/- %/bps
Net cold rent	€m	509.7	464.5	+9.7%
Net rental income	€m	407.3	365.7	+11.4%
EBITDA adjusted	€m	400.6	360.2	+11.2%
FFO I	€m	334.2	296.7	+12.6%
FFO I per share	€	4.62	4.25	+8.7%
FFO II	€m	332.0	295.5	+12.4%
EBITDA margin (adj.)	%	78.6	77.5	+110bps
FFO I margin	%	65.6	63.9	+170bps

Portfolio

		30.09.2021	30.09.2020	+/- %/bps
Residential units	number	145,656	138,601	+5.1%
In-place rent (I-f-I)	€/m ²	6.11	5.91	+3.3%
Capex (adj.) ¹	€/m ²	22.13	22.30	-0.8%
Maintenance (adj.) ¹	€/m ²	7.50	6.72	+11.7%
EPRA vacancy rate (I-f-I)	%	2.6	3.1	-50bps

Balance sheet

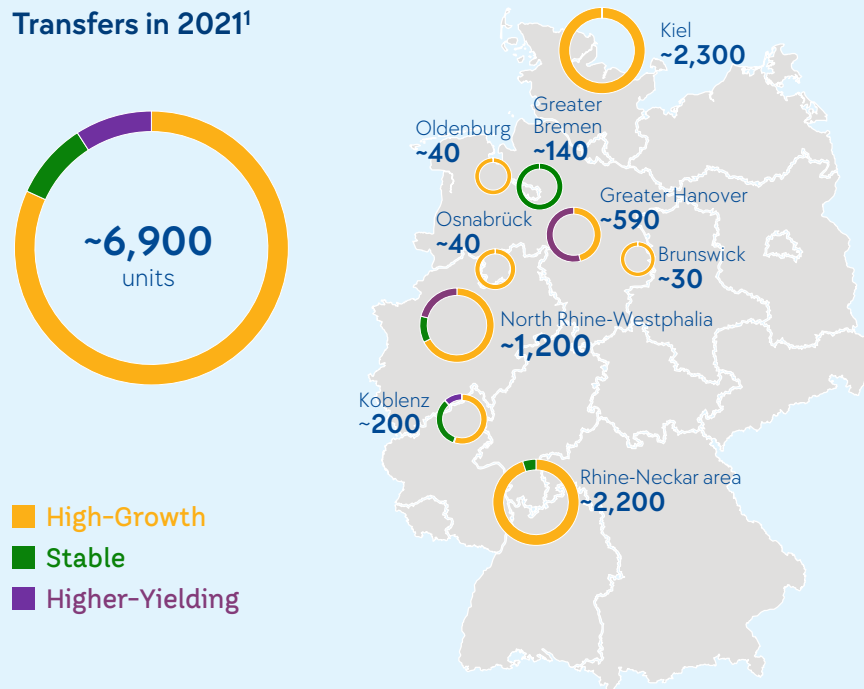
		30.09.2021	31.12.2020	+/- %/bps
Investment properties	€m	16,179.8	14,582.7	+11.0%
Cash and cash equivalents	€m	515.1	335.4	+53.6%
Equity	€m	8,366.4	7,389.9	+13.2%
Total financing liabilities	€m	6,748.1	5,869.0	+15.0%
Current financing liabilities	€m	108.6	491.3	-77.9%
Net debt	€m	6,207.5	5,502.8	+12.8%
LTV	%	38.0	37.6	+40bps
Equity ratio	%	48.1	48.4	-30bps
EPRA NTA, diluted	€m	10,484.8	9,247.6	+13.4%
EPRA NTA per share, diluted	€	137.40	122.43	+12.2%

¹ Excl. new construction activities, backlog measures and own work capitalised

Delivered on our growth ambition with c.6,900 units acquired

In line with our criteria – focus on affordable housing – in our target markets

Transfers in 2021¹



¹ Based on signings as of end of October 2021; c. 6,900 units including deals signed in 2020, which have been transferred in 2021 (details p.39)

Financial summary of acquisitions

- As of today c. **6,900** units to be transferred in **2021**
- >80%** high growth markets, **>80%** outside NRW
- Purchase price c. **€900m**
- Net cold rent multiple of c. **26x** based on in-place rent and in-line with own valuation
- Annualised contribution of FFO I of c. **€20m**
- C. **5,500** to be transferred in **Q4 2021**, with vast majority as of **31st December 2021**

Background & Rationale

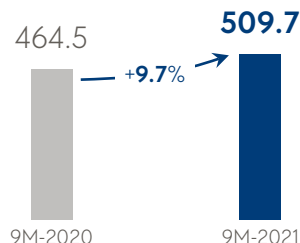
- 2** bigger deals represent **2/3** of the acquisitions
- Focus on affordable housing
- Focus on Rhine-Neckar area with **2,200** units and Kiel with **2,300** units
- Up-side potential from modernisations
- Leveraging of platform along established hubs

Margins at strong levels in 9M-2021

Benefiting from growth as well as value-added services

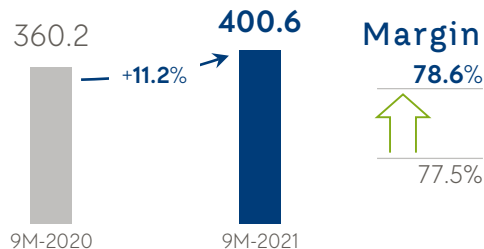
Net cold rent

€m



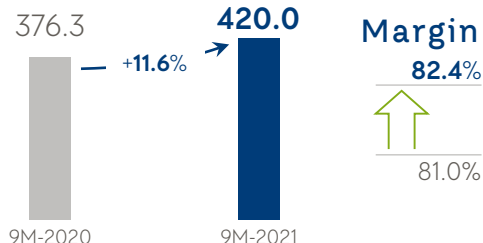
Adj. EBITDA

€m



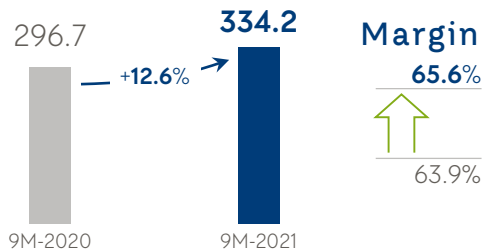
Recurring Net rental and lease income

€m



FFO I

€m



Recurring net rental and lease income

- Strong contributions from a growing platform, rent increases as well as the services business

Adj. EBITDA

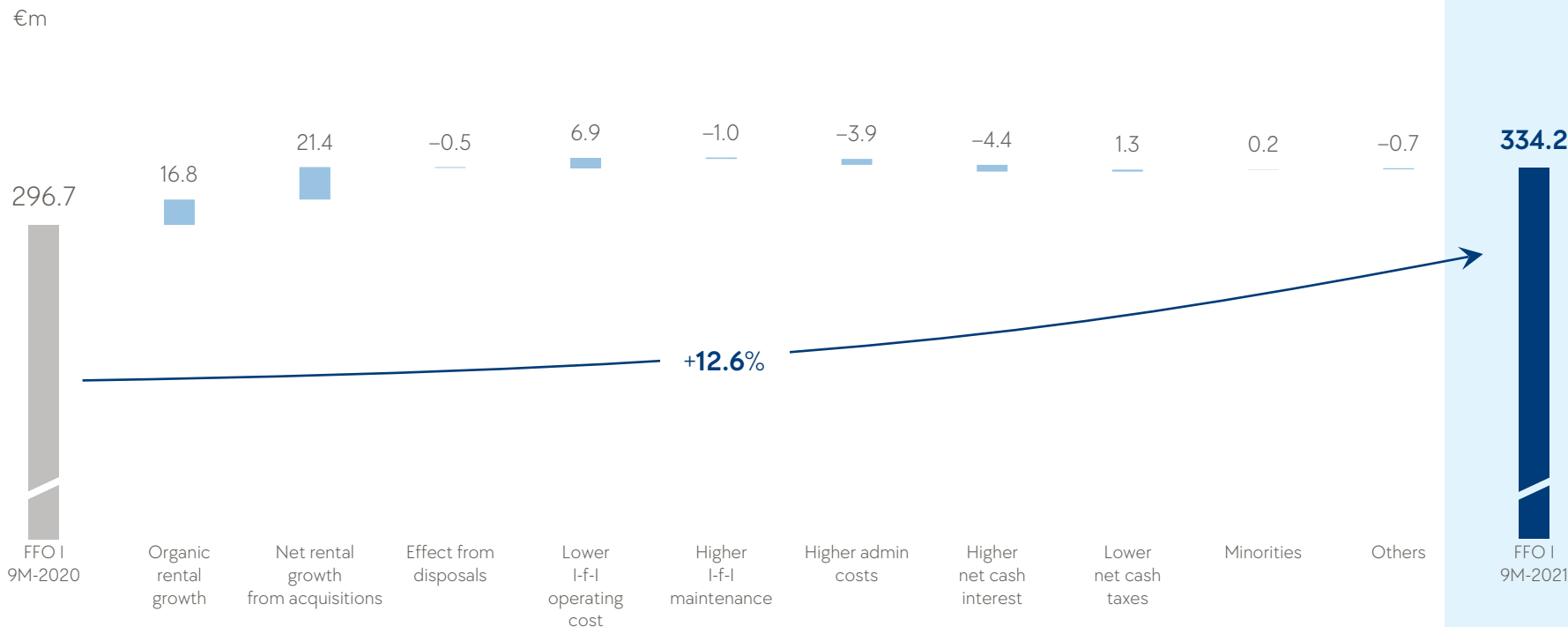
- Confirmation of margin guidance (c. 75%)
- Q4 margin always the lowest in a FY (Q4-2020: 65.5%)

FFO I ps

- 9M-2020 €4.25
- 9M-2021 €4.62**

FFO Bridge 9M-2021

Strong contribution from acquisitions and rent growth



Portfolio valuation H1-2021 – Breakdown revaluation gains

Valuation uplift driven by letting performance and yield compression

Value drivers

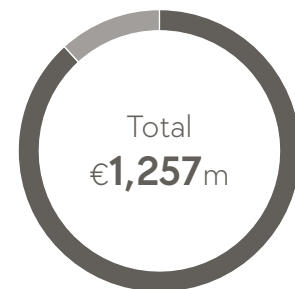
€m



Discount rate	974
Rent performance & building	283

Allocation capital growth

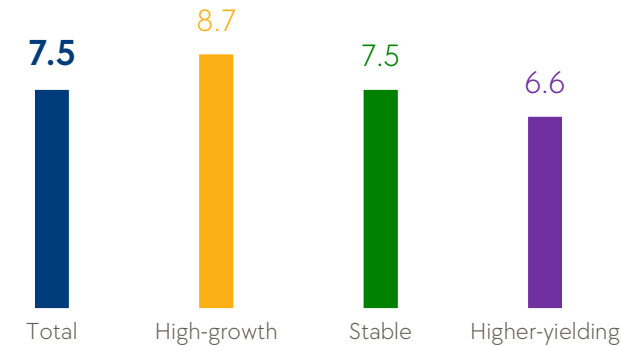
€m



Revaluation gains	1,110
Capex	147

Valuation uplift by markets

%



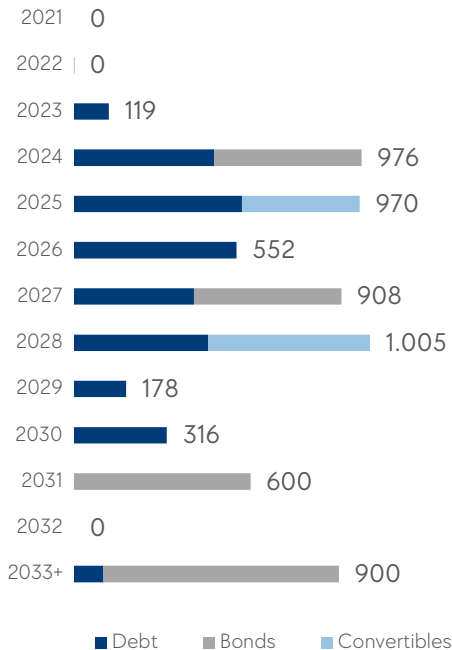
- +7.5%, including capex +8.5%
- Significant valuation uplift in all of our markets
- Adjustment of discount rate from 4.5% end of FY-2020 to 4.2% (cap rate from 5.7% to 5.5%)
- Expectation of 4% to 5% uplift in H2

Strong financial profile

LEG

Maturity profile

€m


 Weighted
avg. interest
(excl. subsidised
loans)

1.9%

1.5%

1.3%

1.4%

1.2%

1.0%

1.2%

1.4%

0.8%

1.2%

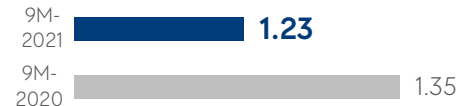
Average debt maturity

years



Average interest costs

%



Loan-to-value

%



Highlights 9M-2021

- Placement of **€500m** bond with coupon of **0.875%** and 12 years maturity in Q1
- Placement of **€600m** sustainability bond with coupon of **0.75%** and 10 years maturity in Q2
- Average interest costs down by **12 bps** vs. 9M-2020 and down by **10 bps** vs. Q4-2020
- No maturities until 2023; 2023 recently reduced by early redemption
- LTV remains at low level with **38.0%**, similar as Net debt/EBITDA (LTM: **12.2x**).
- Interest coverage improved further y-o-y to **6.25 (6.03)**



4 Operating **Performance**

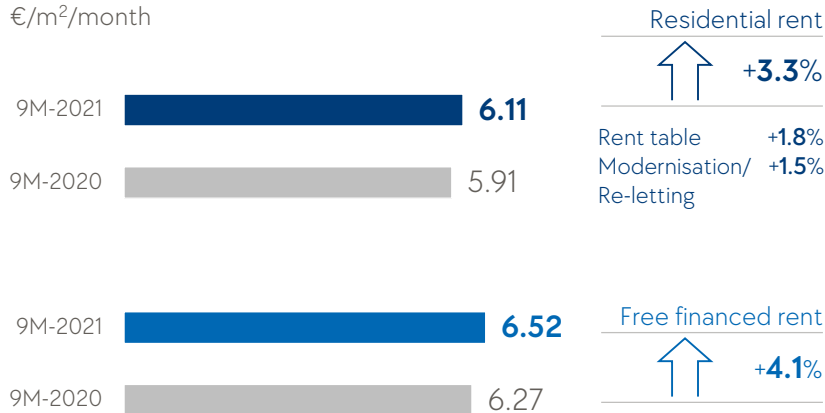
On track for 3.0% l-f-l rental growth target

Still catch-up effects from rent increase waiver due to Covid-19 in FY 2020

LEG

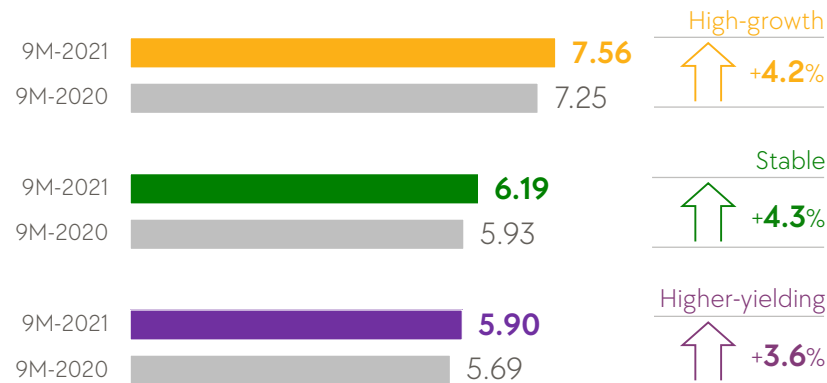
l-f-l rent development

€/m²/month



l-f-l free financed rent development

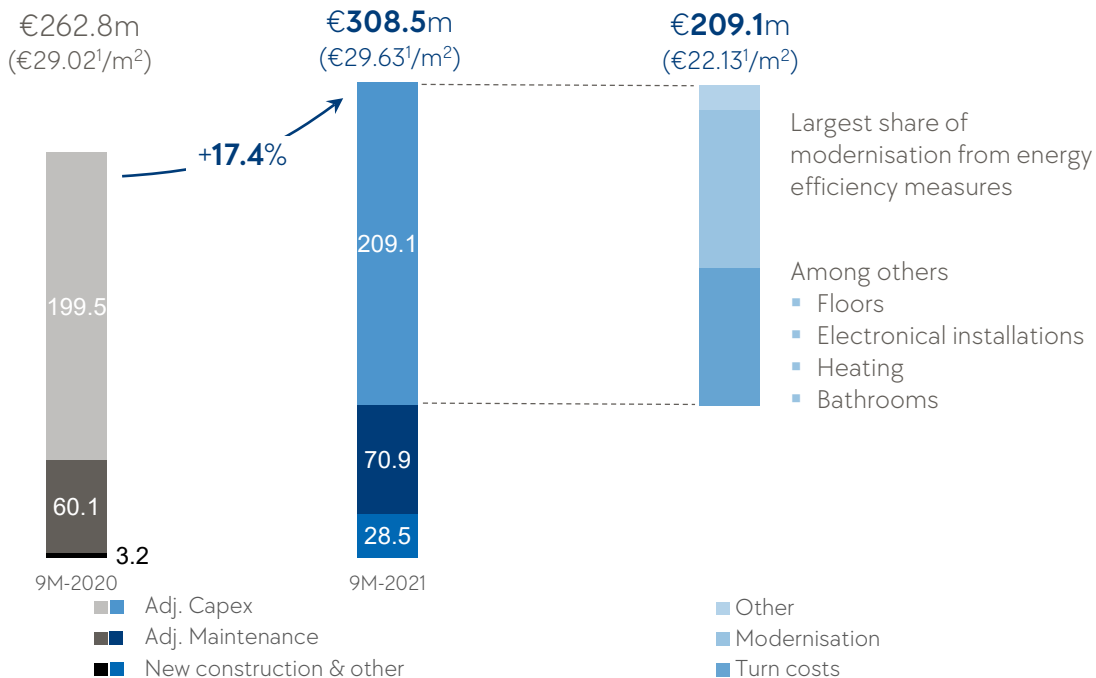
€/m²/month



- Ongoing strong l-f-l rental growth driven by all of our three market segments; +4.1% for free financed portfolio
- Rent restricted units +0.4%: no cost rent adjustments in 2021
- Still comparatively low baseline in previous year due to temporary suspension of rent increases

Capex und Maintenance

Ongoing focus on growth and energy efficiency

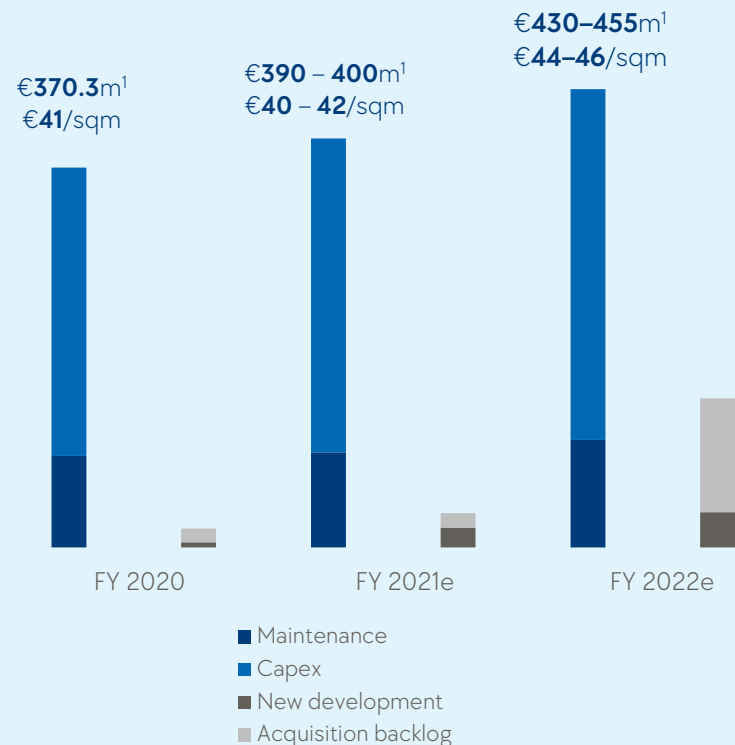


- Increase of **investments** with c.17% y-o-y within plan
- C.5% increase in **capex** driven by significant growth in value-enhancing turn-cost spending and growth in modernisations
- Energetic measures are the biggest driver for modernisation spending – on track with our **ESG** strategy
- **Increase in maintenance** costs by c.18% driven among others by portfolio growth, price increases and special refurbishment projects to also increase customer satisfaction

¹ Excl. new construction activities, backlog measures and own work capitalised

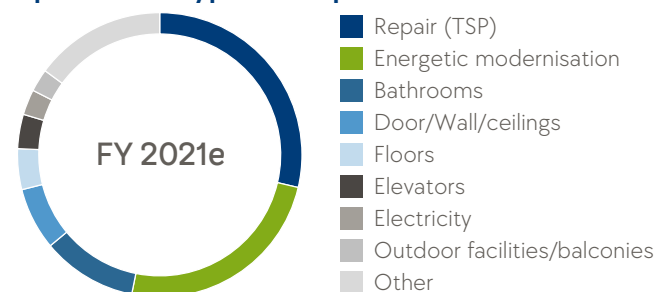
Total portfolio related expenditures

Breakdown

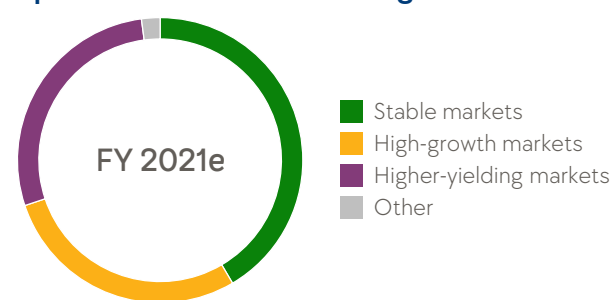


¹ Capex + Maintenance

Split across types of expenditures



Split across markets and segments

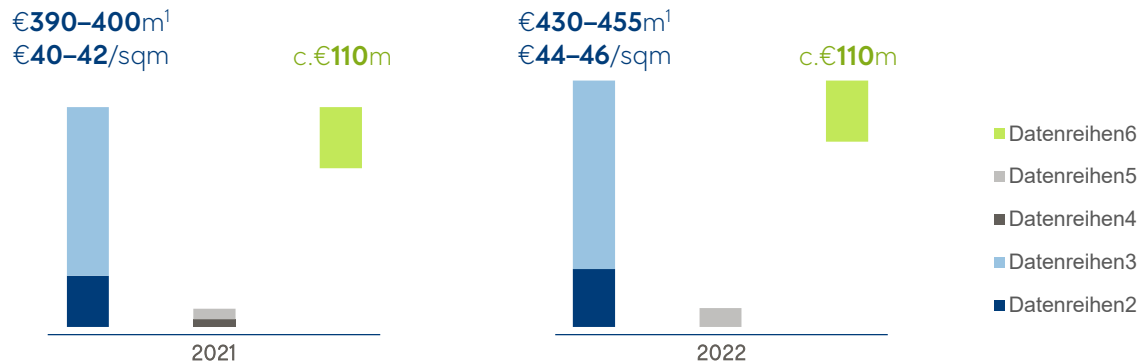


Investments 2022 – under a new paradigm

Balancing capex yield vs. carbon yield

Investments

- Total investments of **€44 – 46/sqm** expected
- 2022 **c.€110m** for energetic measures planned – in line with **ESG agenda**
- Shift towards holistic refurbishment approach to maximize CO₂ reduction
- BEG-framework considered, subsidies of **€1.5m** expected for projects finalized in 2022, **€18m** for those started in 2022



Capex yield vs carbon yield

- Shift of paradigm from pure rental yield focus towards a balanced rental and carbon yield approach
- At least **30%** efficiency improvement
- Reduction of c. **4,000 CO₂ t²** for 2022
- Aiming for a capex yield of **4–5%³** for rent-relevant part of investments

Real world example non-BEG vs. BEG compliant

	Modernisation without BEG	Modernisation with BEG	
Net invest	€3.81m	€3.97m	+4%
Subsidy	–	€0.67m	–
Yield on cost ³	4.5%	5.7%	+1.2%-pts
CO ₂ reduction	47%	49%	+2%-pts (5t CO ₂)

¹ Capex + Maintenance ² Excluding external effects from energy transition ³ Based on rent effective cost portion and target rent post modernisation

Digitisation

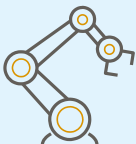
A boost to the digitisation of our business

LEG



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



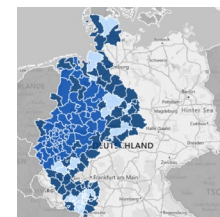
Robotics solutions

- **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

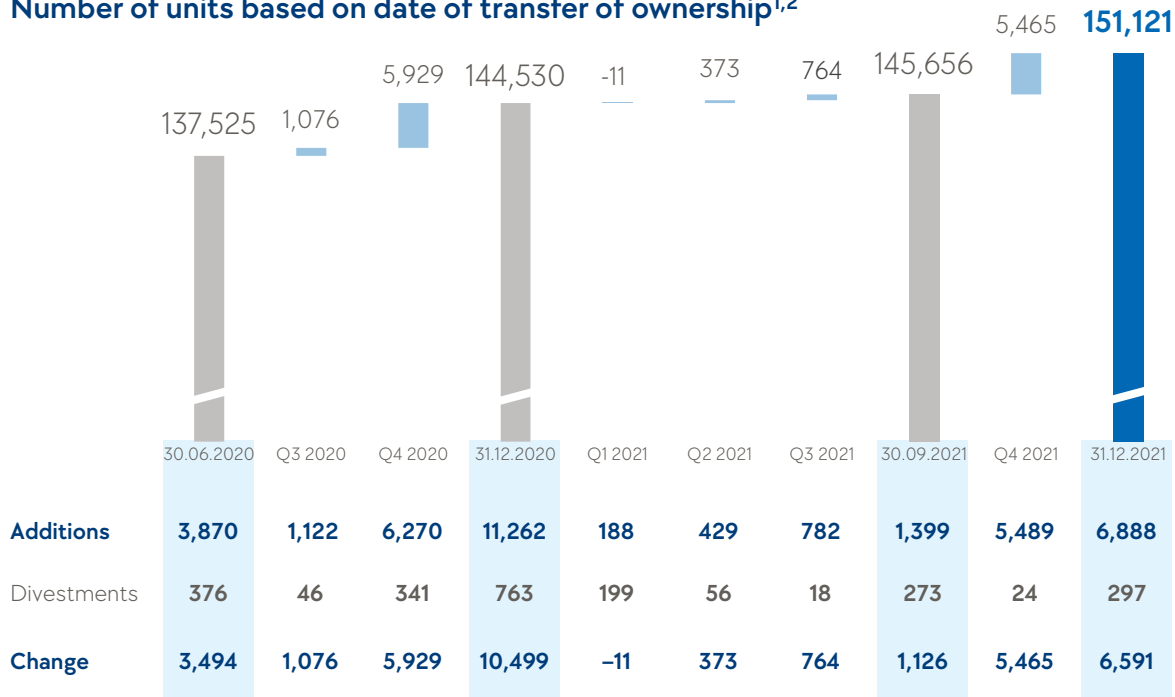
Portfolio **Overview**

Portfolio transactions

Exceeding 150,000 units in FY 2021



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



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-Württemberg, HB = Bremen, LS = Lower Saxony, NRW = North Rhine-Westphalia, RP = Rhineland-Palatinate, SH = Schleswig-Holstein.

Acquisitions (Locations/State³)

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) – Brunswick (LS) – Kaiserslautern, Koblenz (RP)

Q3 2021

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

Q4 2021

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

Portfolio valuation 9M-2021



Market segment	Residential Units	GAV Residential Assets (€m)	GAV/ m ² (€)	Gross yield	In-Place Rent Multiple	GAV Commercial/ Other (€m)	Total GAV (€m)
High-Growth Markets	46,454	7,001	2,269	3.6%	27.7x	287	7,288
Stable Markets	56,662	5,314	1,473	4.7%	21.4x	159	5,472
Higher-Yielding Markets	42,540	3,056	1,177	5.5%	18.1x	88	3,144
Total Portfolio	145,656	15,371	1,655	4.4%	22.9x	534	15,905

Valuation framework



LEG

Frequency Valuation Date	Semi-annually 30 June - (cut off for data 31 March) 31 December - (cut off for data 30 September)
Scope	Complete portfolio incl. commercial units, parking spaces, including land
Valuation Level	Address-specific (building entrance level)
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)
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
Calculation of Discount-/Cap-Rate	Determination based on data from expert committees (publicly appointed surveyor boards) plus property specific premiums and discounts
Inclusion of legislation (e.g. rental brake)	Yes , via cash-flow
Relevance for Audit of Financial Statements	Yes , model and results audited by the Auditor

CBRE (Appraiser since IPO in 2013)

<i>Same as LEG</i>
Complete portfolio incl. commercial units, parking spaces, excluding land
Economic units (homogeneous cluster of adjacent buildings with similar construction date and condition) provided by LEG
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
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
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)
Yes , via cash-flow
No , second opinion for validation only

¹ Valuation parameters as at 30 June 2021 are shown in the Q3-2021 report, p. 30

Well-balanced portfolio with significant growth potential

LEG

By Market

Units



Gross Asset Value

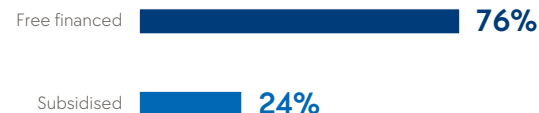


Rental Income

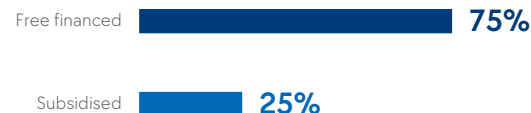


Restricted vs. unrestricted

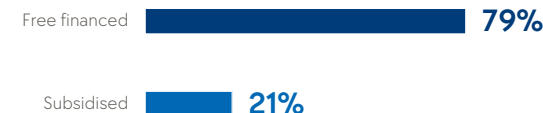
Units



Gross Asset Value

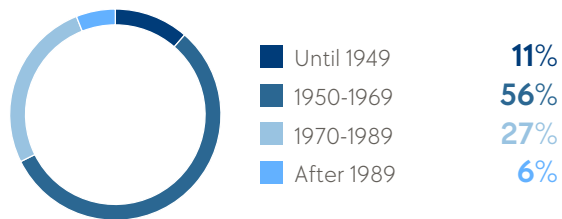


Rental Income



Portfolio structure

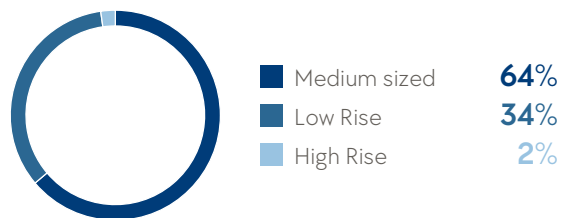
Construction Years



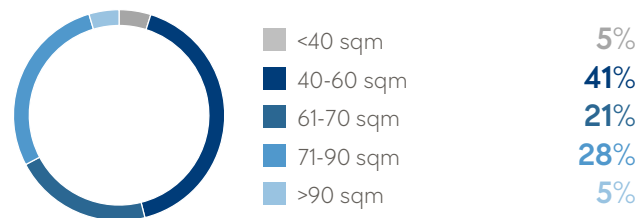
Free Financed / Rent Restricted Units



Building Types¹



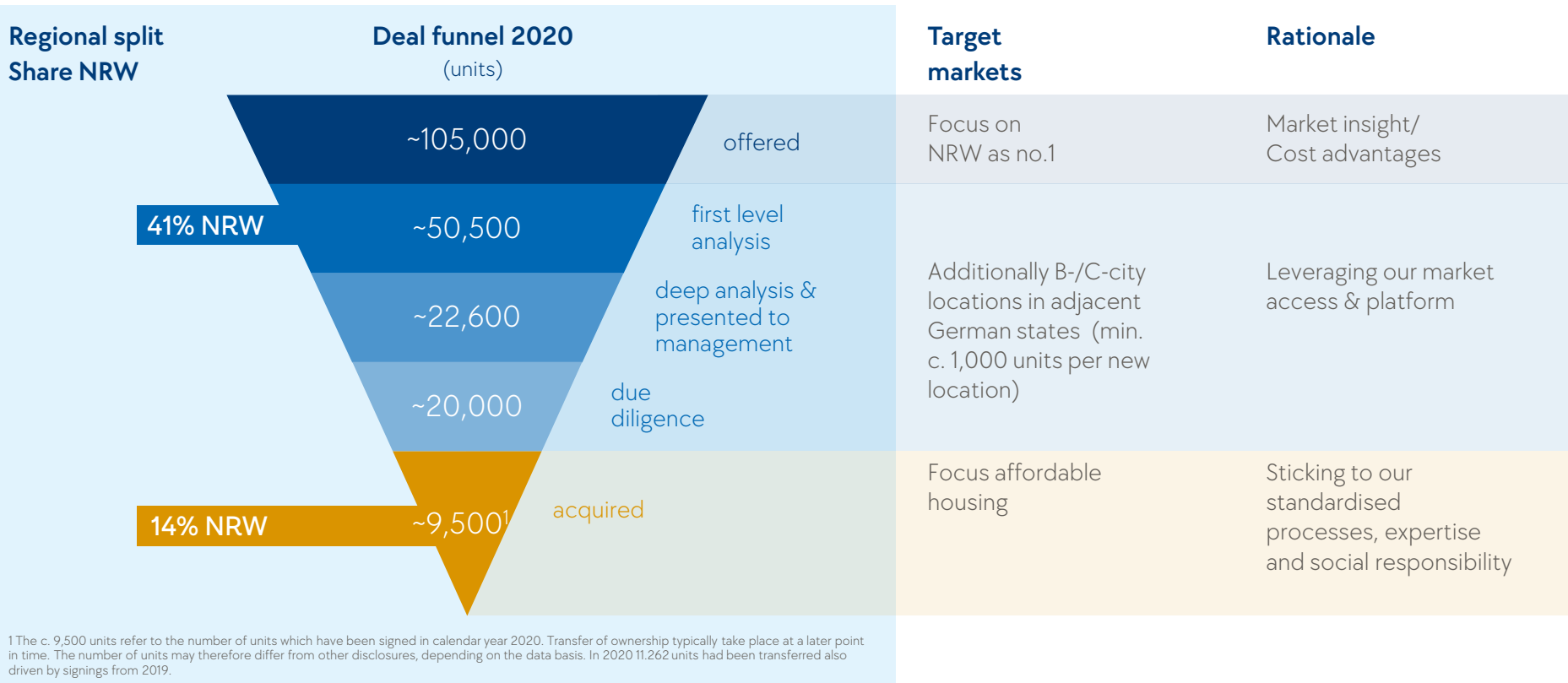
Apartment Size²



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

Deal funnel 2020

Growth focused on affordable living in NRW and adjacent states



Threefold approach to new builds

1,000 units from 2026 through

- **Redensification** on own land
 - Acquisition of turnkey projects from **external developers**
 - **Serial and modular built on purchased land** with Goldbeck
- >> 500 units p.a. from **2023** onwards
 >> 500 units p.a. from **2026** onwards

Turnkey project in Bremen¹



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

Turnkey project in Düsseldorf²



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

Redensification in Cologne³



- 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)

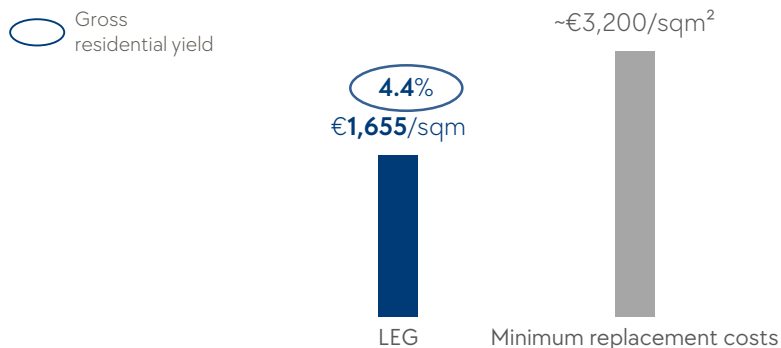
Continued shortage of affordable housing

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 sqm²
- 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 4.4% would **imply a rent/sqm requirement of c. €11/sqm¹**, 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 **€1,655/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



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

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

>20 indicators from demographics, economy, education, family friendliness

LEG Scoring

High-growth
markets

Stable
markets

Higher-yielding
markets

North-Rhine Westphalia (NRW)

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 population¹)
- **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 €2,000⁴ 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).



6.1 Appendix **Financials**

FFO calculation



€m	9M-2021	9M-2020
Net cold rent	509.7	464.5
Profit from operating expenses	-0.5	-1.2
Maintenance (externally-procured services)	-43.6	-37.4
Staff costs	-61.5	-53.7
Allowances on rent receivables	-5.8	-5.6
Other	17.2	6.5
Non-recurring project costs (rental and lease)	4.5	3.2
Recurring net rental and lease income	420.0	376.3
Recurring net income from other services	7.1	6.6
Staff costs	-20.1	-16.0
Non-staff operating costs	-13.8	-13.6
Non-recurring project costs (admin.)	7.4	6.9
Recurring administrative expenses	-26.5	-22.7
Other income and expenses	0.0	0.0
Adjusted EBITDA	400.6	360.2
Cash interest expenses and income	-64.1	-59.7
Cash income taxes from rental and lease	-0.7	-2.0
FFO I (including non-controlling interests)	335.8	298.5
Non-controlling interests	-1.6	-1.8
FFO I (excluding non-controlling interests)	334.2	296.7
FFO II (including disposal of investment property)	332.0	295.5
Capex	-230.0	-202.7
Capex-adjusted FFO I (AFFO)	104.2	94.0

Net cold rent

- +€45.2m or +9.7% driven by portfolio growth (c. 2/3) and organic growth (c. 1/3)

Maintenance

- Higher total investments at nearly unchanged capitalisation ratio

Staff costs

- Growth in staff costs mainly due to additional FTE's (+150), e.g. in newly acquired LWS Plus and TSP

Other

- Increase driven by income from value-added services and capitalisation of own work

Recurring administrative expenses

- Partially driven by higher headcount for IT and internal reallocation of resources

Cash interest expenses

- Decline in average interest costs from 1.35% to 1.23% but increase in financial debt

Income statement



€m	9M-2021	9M-2020
Net rental and lease income	407.3	365.7
Net income from the disposal of investment property	-0.7	-0.8
Net income from the valuation of investment property	1,119.8	593.3
Net income from the disposal of real estate inventory	-0.1	-2.3
Net income from other services	4.8	4.2
Administrative and other expenses	-36.8	-32.6
Other income	0.0	0.1
Operating earnings	1,494.3	927.6
Net finance costs	-75.7	-112.9
Earnings before income taxes	1,418.6	814.7
Income tax expenses	-278.1	-158.6
Consolidated net profit	1,140.5	656.1

Recurring net rental and lease income

- NRI increased by €41.6m or +11.4% due to increase in net cold rent (+9.7%)

Administrative and other expenses

- Increase in employees, corona bonus payments and reallocation of resources

Net finance costs

- Strong positive effects driven by LEG's share price performance from the fair value measurement of derivatives linked to the convertible bonds (yoy: +€49m)
- €13.3m increase in interest expenses mainly due to early redemption charges and measurement effects of financial instruments and higher debt

Income tax expenses

- Small increase in the effective tax rate from 18.3% to 19.4% and strong increase in EBT lead to higher deferred taxes

Balance sheet



€m	30.09.2021	31.12.2020
Investment property	16,179.8	14,582.7
Other non-current assets	340.9	264.9
Non-current assets	16,520.7	14,847.6
Receivables and other assets	320.0	77.7
Cash and cash equivalents	515.1	335.4
Current assets	835.1	413.1
Assets held for sale	25.2	21.6
Total Assets	17,381.0	15,282.3
Equity	8,366.4	7,389.9
Non-current financing liabilities	6,639.5	5,377.7
Other non-current liabilities	1,983.9	1,650.5
Non-current liabilities	8,623.4	7,028.2
Current financing liabilities	108.6	491.3
Other current liabilities	282.6	372.9
Current liabilities	391.2	864.2
Total Equity and Liabilities	17,381.0	15,282.3

Investment property

- Revaluation: +€1,119.8m
- Capex: +€226.3m
- Acquisitions: +€279.5m
- Disposals: –€31.8m

Receivables and other assets

- Increase in longer term deposits

Cash and cash equivalents

- Cash flow from operating activities €257.4m
- Investing activities –€745.6m
- Financing activities €667.9m
 - Bond issuance €1,088.6m
 - Repayment of loans –€224.5m
 - Cash Dividend payment –€185.7m (scrip dividend offered)

Loan to Value



€m	30.09.2021	31.12.2020
Financial liabilities	6,748.1	5,869.0
Excluding lease liabilities (IFRS 16)	25.5	30.8
Cash & cash equivalents	515.1	335.4
Net Debt	6,207.5	5,502.8
Investment properties	16,179.8	14,582.7
Properties held for sale	25.2	21.6
Prepayments for investment properties	122.8	43.3
Property values	16,327.8	14,647.6
Loan to Value (LTV) in %	38.0	37.6

- LTV up 160 bps vs. 9M-2020/H1-2021 and up 40 bps vs. FY-2020
- Low LTV enables further portfolio expansion
- Pro-forma LTV of c. **41.5%**, i.e. including open payments for already signed transactions and development projects

New EPRA NRV – NTA – NDV







€m

	30.09.2021			31.12.2020		
	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)	8,340.9	8,340.9	8,340.9	7,365.6	7,365.6	7,365.6
Hybrid instruments	451.6	451.6	451.6	464.3	464.3	464.3
Diluted NAV (at Fair Value)	8,792.5	8,792.5	8,792.5	7,829.9	7,829.9	7,829.9
Deferred tax in relation to fair value gains of IP and deferred tax on subsidised loans and financial derivatives	1,715.3	1,701.7	–	1,431.3	1,417.4	–
Fair value of financial instruments	93.4	93.4	–	102.7	102.7	–
Goodwill as a result of deferred tax	–55.9	–55.9	–55.9	–55.9	–55.9	–55.9
Goodwill as per the IFRS balance sheet	–	–43.7	–43.7	–	–43.7	–43.7
Intangibles as per the IFRS balance sheet	–	–3.2	–	–	–2.8	–
Fair value of fixed interest rate debt	–	–	–318.6	–	–	–443.0
Deferred taxes of fixed interest rate debt	–	–	61.8	–	–	87.2
Revaluation of intangibles to fair value	–	–	–	–	–	–
Estimated ancillary acquisition costs (real estate transfer tax)	1,553.9	–	–	1,421.7	–	–
NAV	12,099.2	10,484.8	8,436.1	10,729.7	9,247.6	7,374.5
Fully diluted number of shares	76,310,308	76,310,308	76,310,308	75,534,292	75,534,292	75,534,292
NAV per share	158.55	137.40	110.55	142.05	122.43	97.63

¹ Including RETT (Real Estate Transfer Taxes) the NTA would have been €157.57

Group P&L effect of Value-add Services

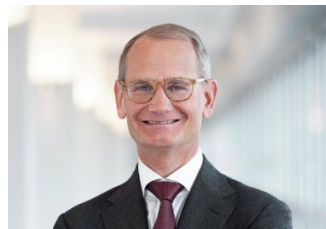


		   		
		WohnService WohnSanierung TechnikService EnergieService		
€m	2020	Main effects 2020		Only key line items displayed
Net cold rent	627.3			
Profit from operating expenses	-2.5			
Maintenance (externally-procured services)	-62.3	+ €34m		Craftsmen services via LEG TechnikService
Staff costs	-75.4	- €21m		
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		



7.2 Appendix **Management**

Management Team



Lars von Lackum
CEO

4,129 shares in LEG¹

- 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

¹ LEG shares held as at 31 August 2021 ² LEG shares held as at 14 September 2021



Susanne Schröter-Crossan
CFO

227 shares in LEG¹

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

With LEG since 2020



Dr. Volker Wiegel
COO

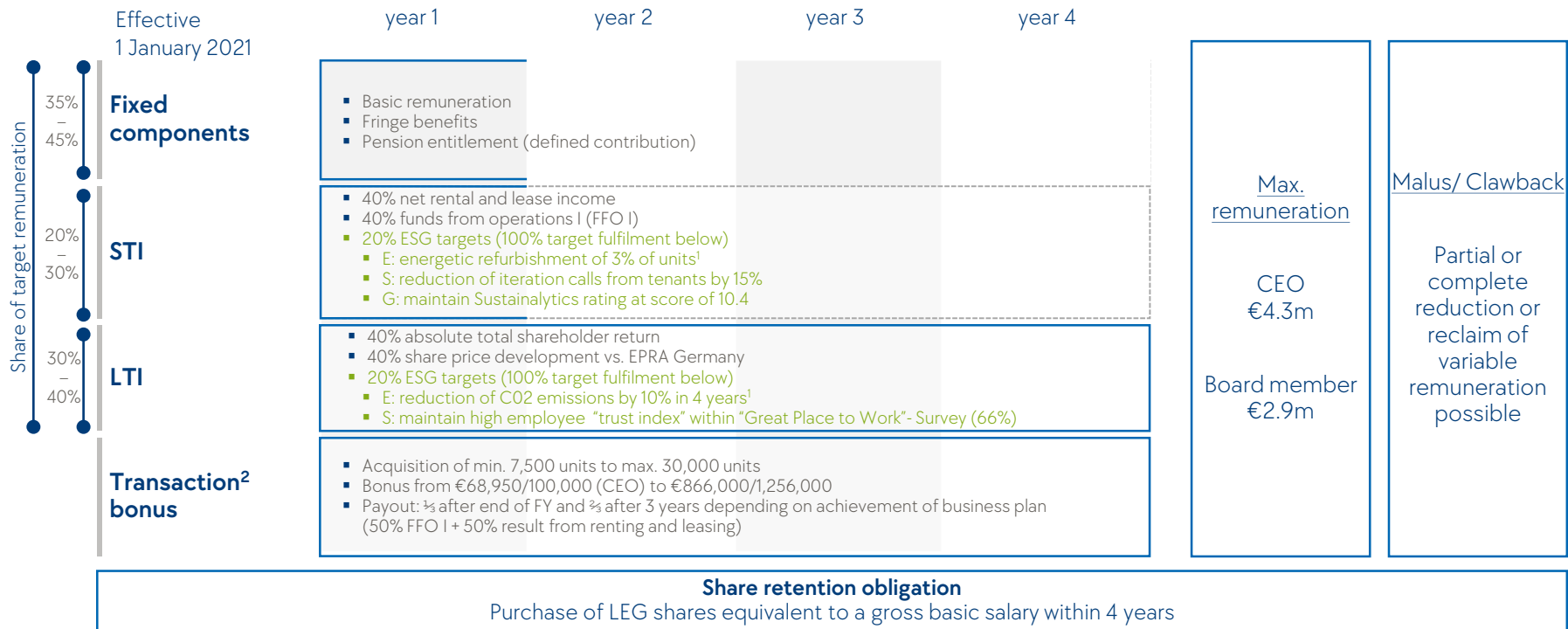
1,039 shares in LEG²

- 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. 2 Proposal to next AGM in May 2022 to remove the transaction bonus from management's compensation scheme.

Supervisory board – 100% independent members

Aiming for 1/3 of female members by 2022



Michael Zimmer

Chairman since 2013



Stefan Jütte

Deputy Chairman since 2013



Dr. Johannes Ludwig

Member since 2013



Dr. Jochen Scharpe

Member since 2013



Dr. Claus Nolting

Member since 2016



Martin Wiesmann

Member since 2020



Dr. Sylvia Eichelberg

Member since 2021

55,698 shares in LEG¹

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

From 1980 – 2012, different roles in the banking sector (e.g. CEO of Deutsche Postbank, DSL Bank)

1,051 shares in LEG¹

From 1997 – 2011 various roles in the real estate and railway sector (e.g. CEO of Deutsche Bahn) as well as in different political roles in Germany from 1975 - 1997

3,000 shares in LEG¹

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

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

300 shares in LEG¹

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

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

Age-related terms end with AGM 2022
To be replaced by one **female member**
→ **Back to 6 seats with 1/3 female members**

¹ LEG shares held as at 16 November 2021



7.3

Appendix Regulation & Social Security in Germany

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. Less than 10% of portfolio is affected by the rental break. 	No material changes for LEG
Share deals	<ul style="list-style-type: none"> Following the reform of the real estate transfer tax (Grunderwerbsteuer) the threshold was lowered from 95 to 90% and the holding period from 5 to 10 years (which makes share deals less profitable). Transactions via an official stock exchange are now tax-free. 	LEG does not expect significant effects (only for PE deals)
Outside NRW		
Berlin rental freeze	<ul style="list-style-type: none"> Rent freeze in Berlin was declared unconstitutional by the Federal Constitutional Court 	No impact on LEG NRW government disapproves 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

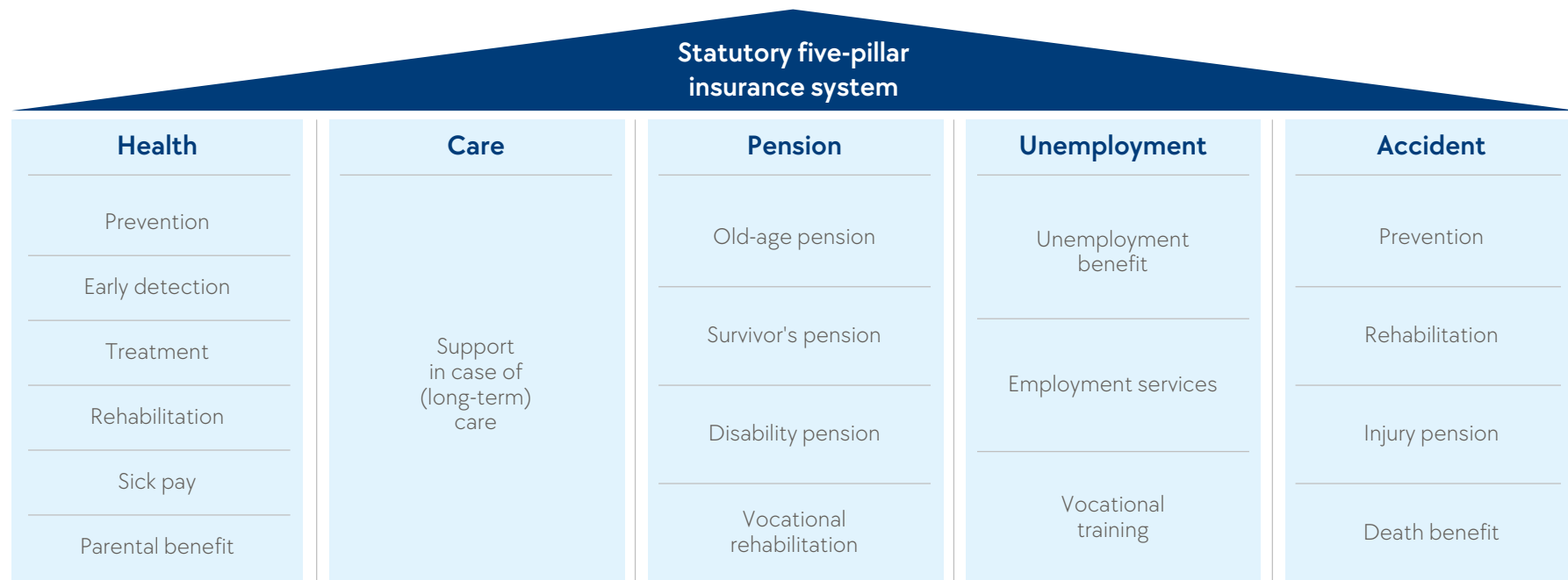
- Earlier transition of subsidised unit into free financed segment
- Immediate positive valuation effect (DCF model)

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. 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



Principles of solidarity



7.4 Appendix **Investor & Creditor Relations**

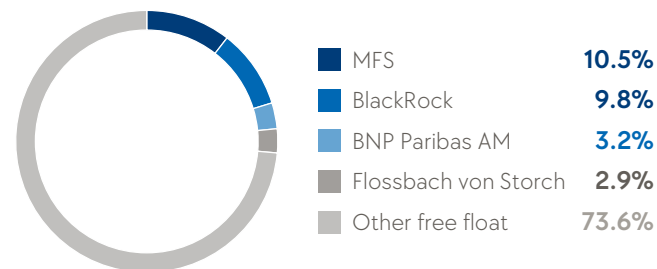
LEG share information



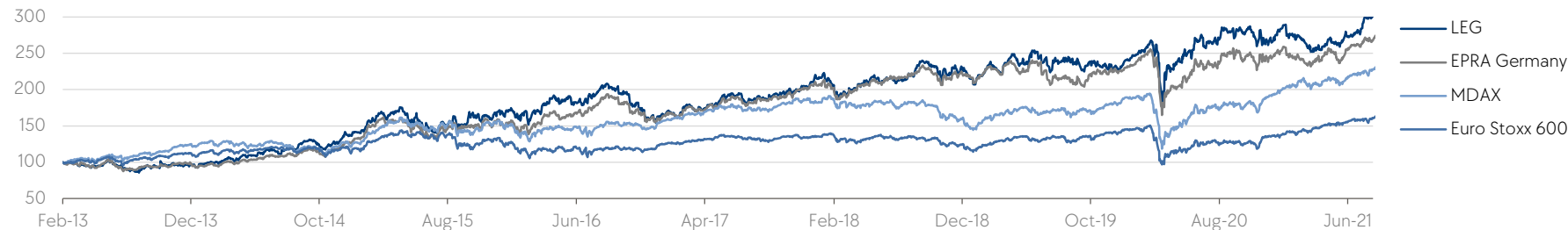
Basic data

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 4.69% (30.09.2021) EPRA Europe 3.32% (30.09.2021)

Shareholder structure¹



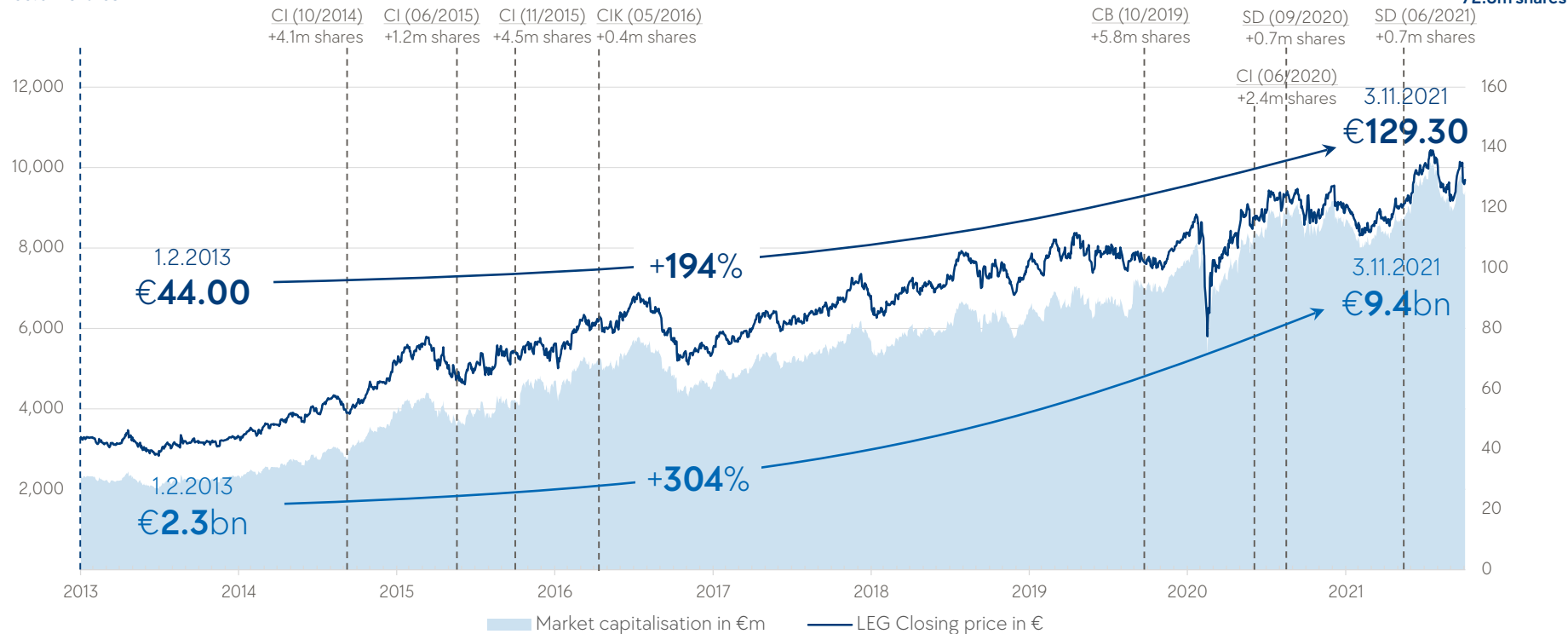
Share (3.11.2021; indexed; in %; 1.2.2013 = 100)



¹ Shareholdings according to latest voting rights notifications.

Sustainable increase in share price and market capitalisation since IPO

IPO (2/2013)
53.0m shares



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

LEG additional creditor information

LEG

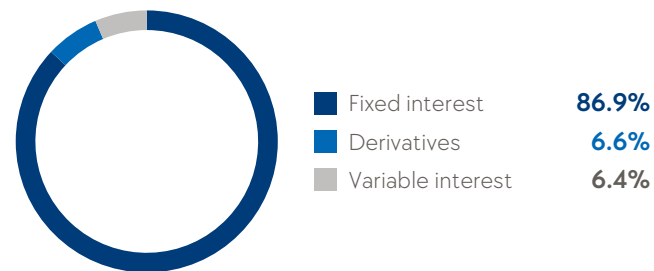
Unsecured financing covenants

Covenant	Threshold	9M-2021
Consolidated Adjusted EBITDA / Net Cash Interest	≥1.8x	6.0x
Unencumbered Assets / Unsecured Financial Indebtedness	≥125%	216%
Net Financial Indebtedness / Total Assets	≤60%	36%
Secured Financial Indebtedness / Total Assets	≤45%	17%

Ratings (Moody's)

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

Financing mix



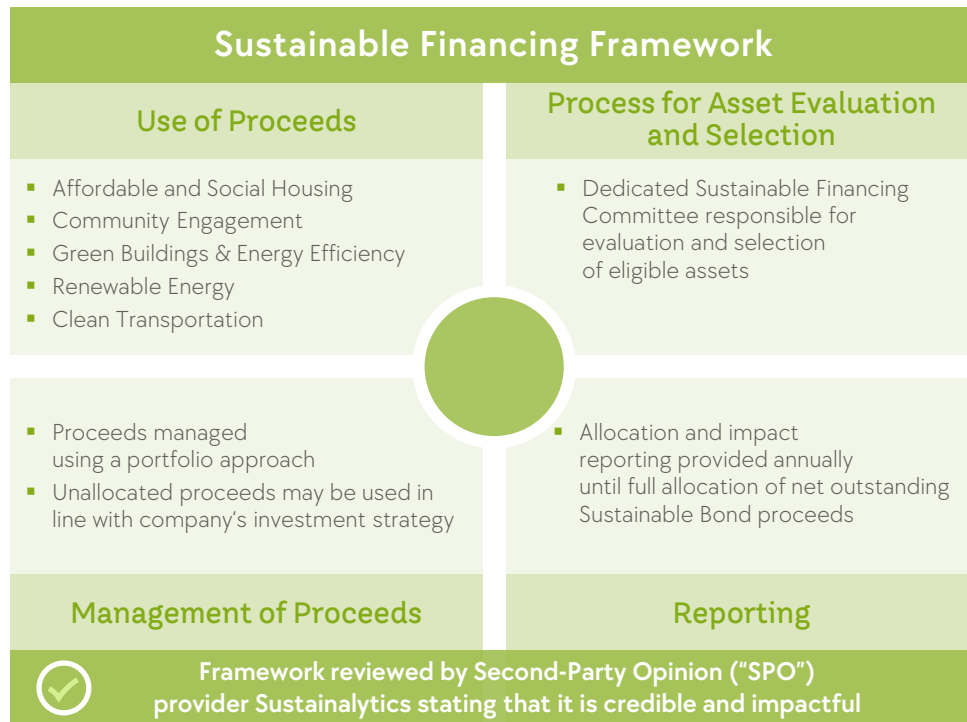
Key financial ratios

	9M-2021	9M-2020
Net debt / EBITDA	12.2x	10.7x
LTV	38.0%	36.4%

Our Sustainable Financing Framework

Part of our sustainable business strategy

- LEG has established its Sustainable Financing Framework to finance or refinance social and green assets that contribute to its ESG agenda
- The Framework is developed to be in line with the ICMA, LMA and APLMA principles for sustainable financing and contributes towards the United Nations Sustainable Development Goals
- Sustainable asset pool: around €3.3bn



Capital market financing

Corporate bonds



	2017/2024	2019/2027	2019/2034	2021/2033	2021/2031 (sustainable bond)	2021/2032
Issue Size	€500m	€500m	€300m	€500m	€600m	€500m
Term / Maturity Date	7 years / 23 January 2024	8 years / 28 November 2027	15 years / 28 November 2034	12 years / 30 March 2033	10 years / 30 June 2031	11 years / 19 November 2032
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)	0.750 % p.a. (annual payment)	1.0% p.a. (annual payment)
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 					
Issue Price	99.409%	99.356%	98.649%	99.232%	99.502%	98.642%
ISIN	XS1554456613	DE000A254P51	DE000A254P69	DE000A3H3JU7	DE000A3E5VK1	DE000A3MQMD2
WKN	A2E4W8	A254P5	A254P6	A3H3JU	A3E5VK	A3MQMD

Capital market financing

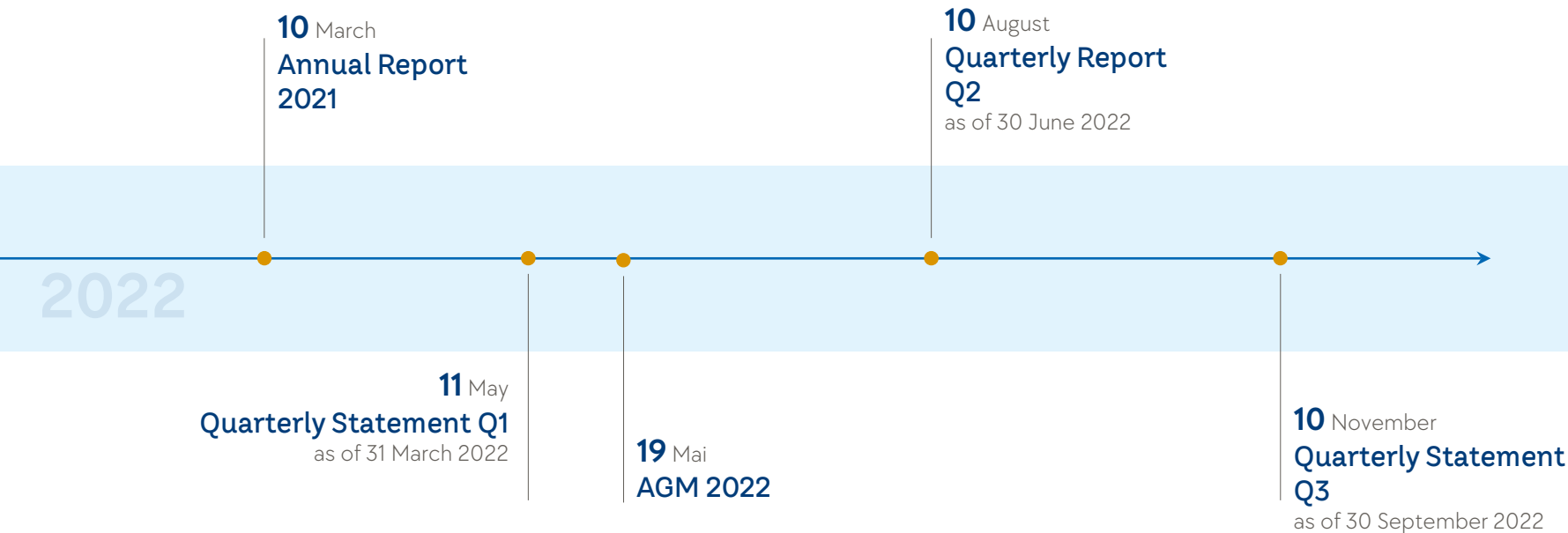
Convertible bonds



	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).

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-se.com | Internet: www.leg-se.com