LEG Immobilien SE

Company Presentation

September 2021

LEG

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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 Attractive Market NRW

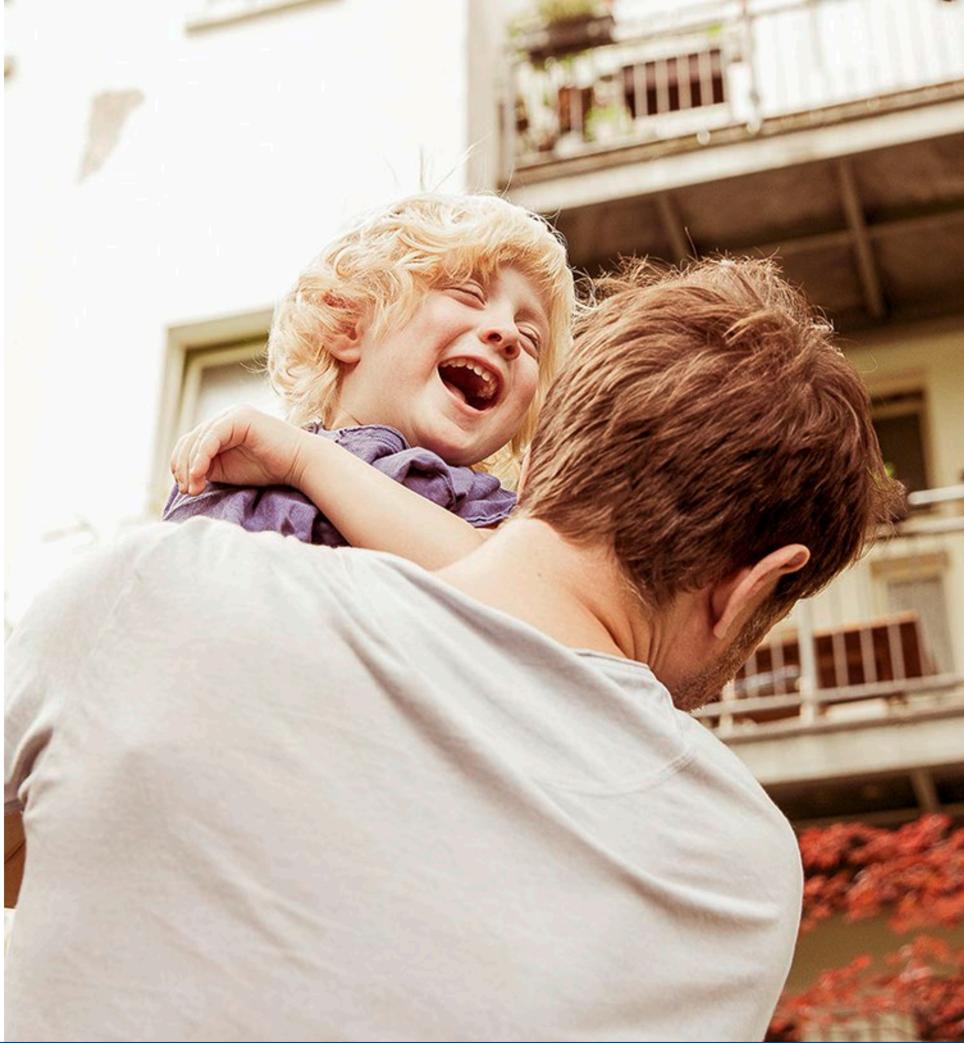
7 Appendix

7.1 Financials

7.2 Management

7.3 Regulation & Social Security in Germany

7.4 Investor & Creditor Relations



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

Affordable housing in Germany

Made in NRW

Aachen

Bremen

Düsseldorf

Duisburg

Hamm

Minden

Münster

Osnabrück

Ratingen

Remscheid

Siegburg

Solingen

Affordable housing in Germany

Made in NRW

01 German residential pure play

Pure Play:
Residential + Germany

Focus on affordable living segment

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

Market cap ~**€9.7bn**[1],
100% tradeable shares

02 Conservative balance sheet

Loan to value **36.4%,**

∅ financing cost **1.24%,**
∅ maturity **7.7** years

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

GAV/m^2 **1,641€**

03 Social Responsibility

400,000 tenants/
145,000 apartments

Average rent per unit
~**€390** per month/**€6.09** per sqm

~**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 **€15.7bn** assets)

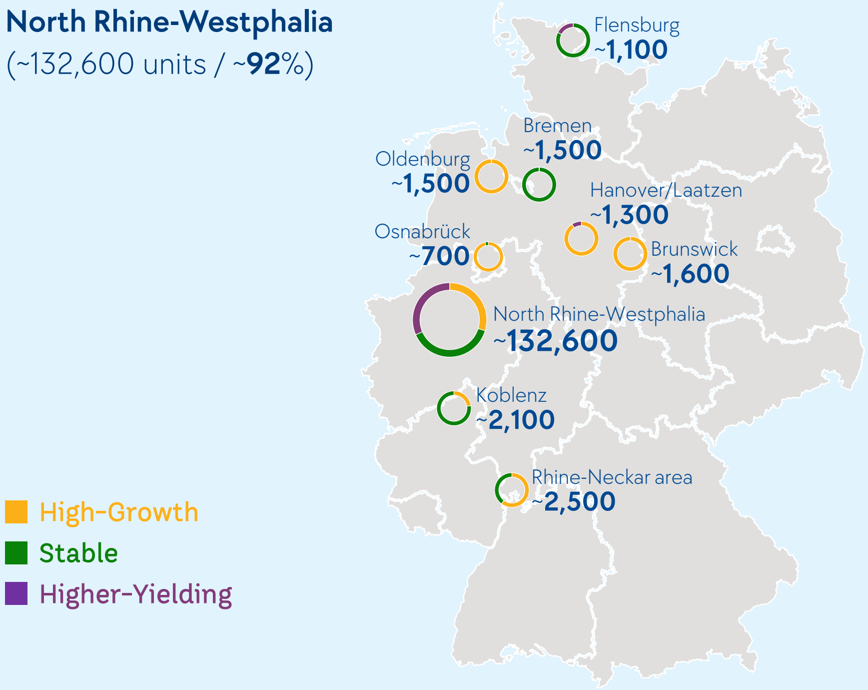
1 Closing price of €133.50 on 09.08.2021.

Portfolio overview

144,892 units as of 06/2021

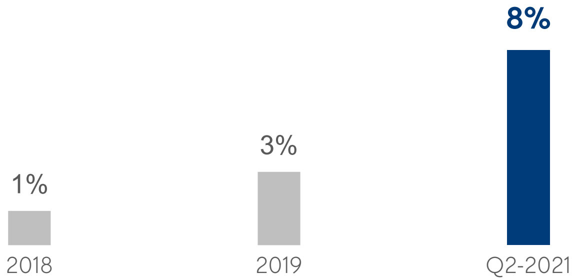
North Rhine-Westphalia

(~132,600 units / ~**92**%)



Outside North Rhine-Westphalia

(~**12,300** units / ~**8**%)



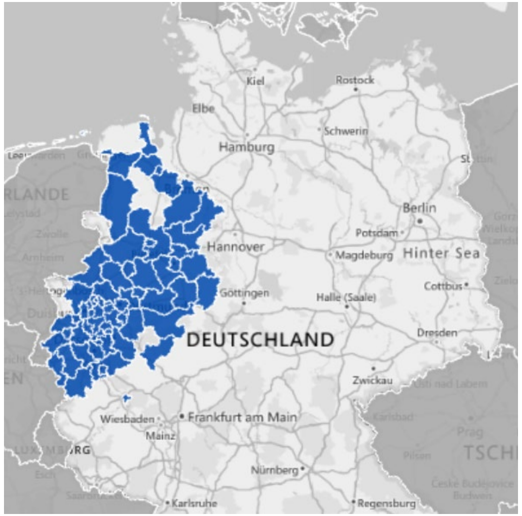
Growth along our investment criteria

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

Cautiously expanding regional footprint

Significantly increasing our addressable market

LEG 30 June 2019

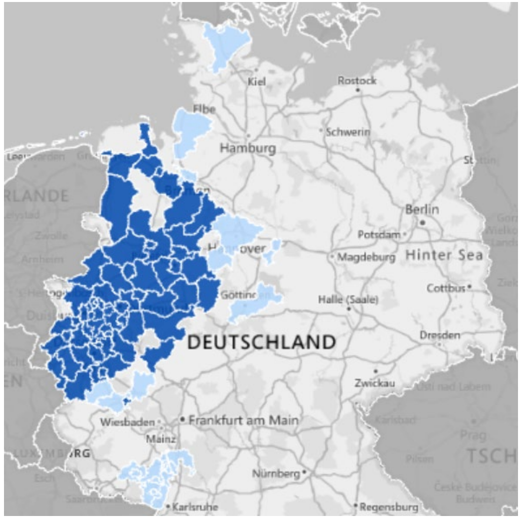


Inhabitants: 19.5m

No. of households: 9.4m

LEG 30 June 2020

+ June 2020 acquisitions



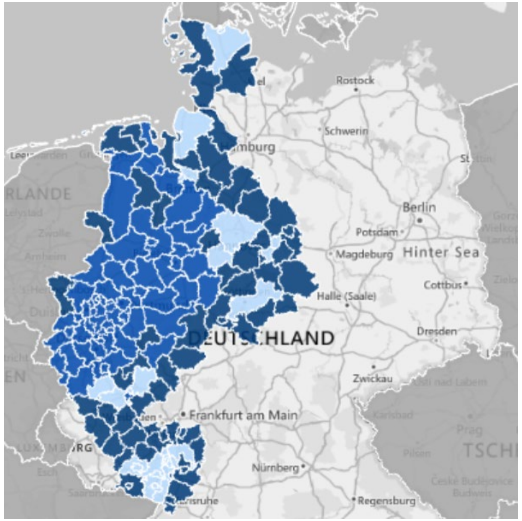
24.5m (+26%)

12.2m (+30%)

LEG 30 June 2020

+ June 2020 acquisitions

+ neighbouring districts



35m (+78%)

17m (+82%)

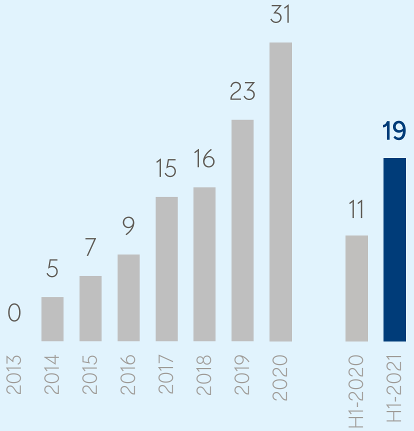
Source: Bing maps, TomTom, here, company data.

Value-added services

Leveraging LEG's portfolio and customer base to services business

Strong FFO contribution – Services

€m



LEG WohnService

Partner

vodafone

100% entity

Multimedia: TV, internet and telephone

Launch
January 2014

LEG EnergieService

Partner

~100
partners from energy and technical service providers

100% entity

Electricity, heating, gas, metering

Launch
March 2015

LEG TechnikService

Partner

B&O

Joint venture (51%)

Small repair work, craftsmen services

Launch
January 2017

LEG LWS Plus

former

Fischbach Service

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
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
PURE LEG PLAY

- 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 – **8%** of units now outside NRW

ESG framework
- ESG-KPIs included in management compensation
- **Sustainalytics** – among top 2% of global coverage / EPRA Gold
- Covid-19 **relief for tenants** & Corona **bonus for employees**
- Issuance of **sustainable bond**

Refinancing of subsidised loans lifting value

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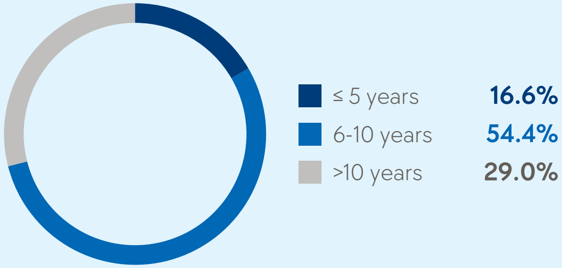
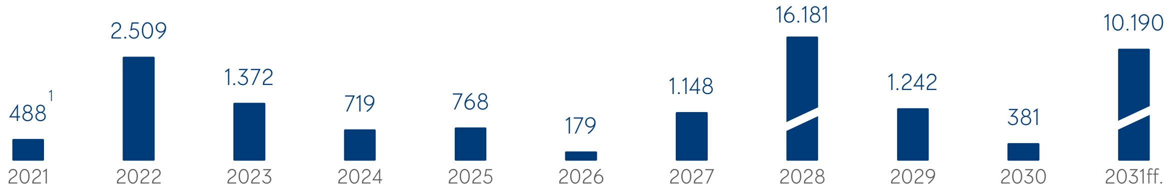
Rent potential subsidised units

- 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 restrictions[5]

Around 65% of units to come off restriction until 2028

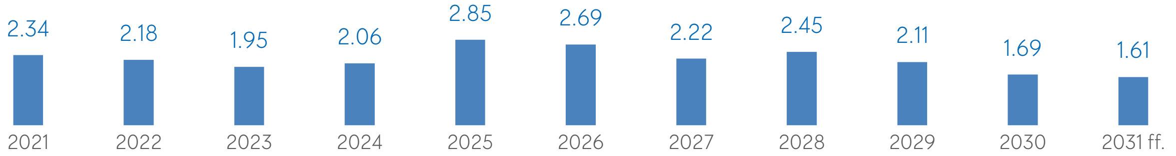


Number of units coming off restriction and rent upside



Spread to market rent

€/m²/month



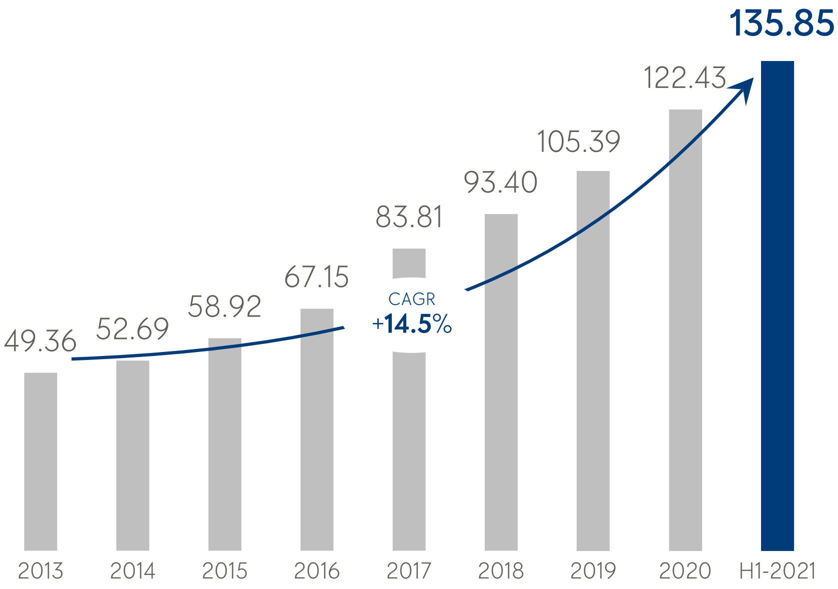
	≤ 5 years[3]	6 – 10 years[3]	> 10 years[3]
In-place rent	**€4.73**	**€5.08**	**€4.90**
Market rent[2]	**€6.95**	**€7.48**	**€6.51**
Upside potential[4]	**47%**	**47%**	**33%**
Upside potential p.a.[4]	**€10.8m**	**€37.0m**	**€13.3m**

1 In H1 already 982 units. 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 rent (defined in footnote 1). 5 For example rent increase cap of 15% or 20% for three years.

Attractive growth and returns for shareholders

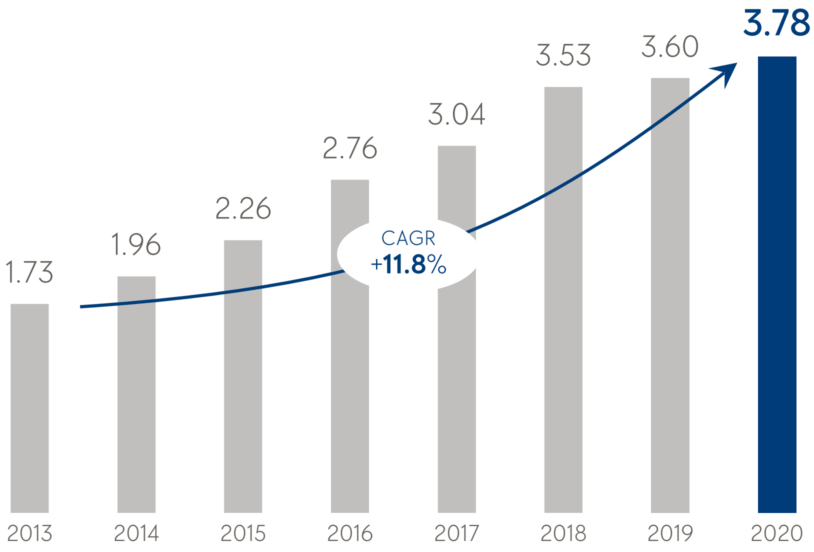
NAV/NTA per share[1]

€, 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

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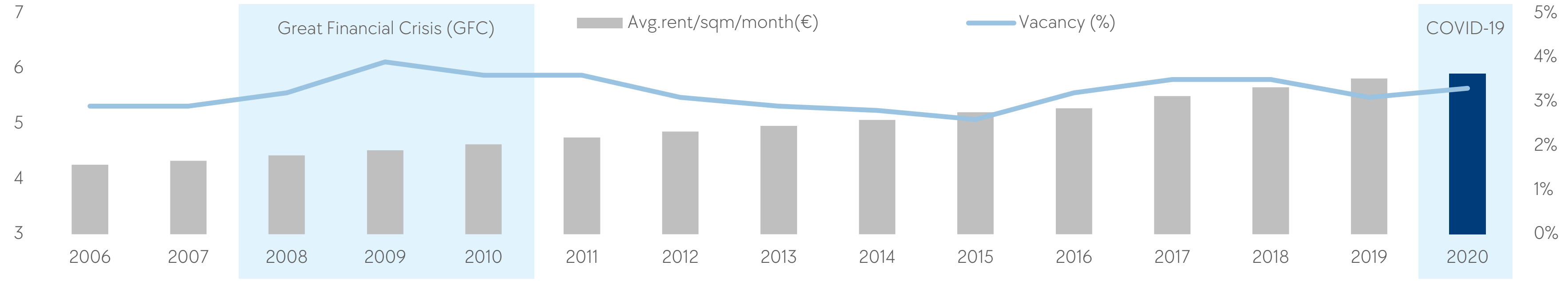
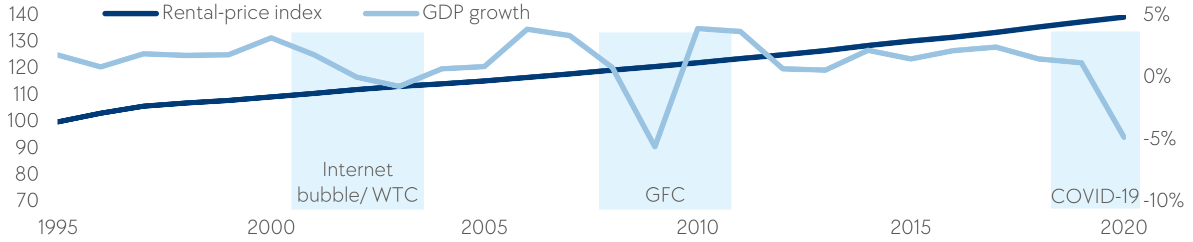
LEG not materially affected during the GFC and COVID-19



LEG well positioned

- Non-cyclical business model
- LEG's attractive rent level of €6.03/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

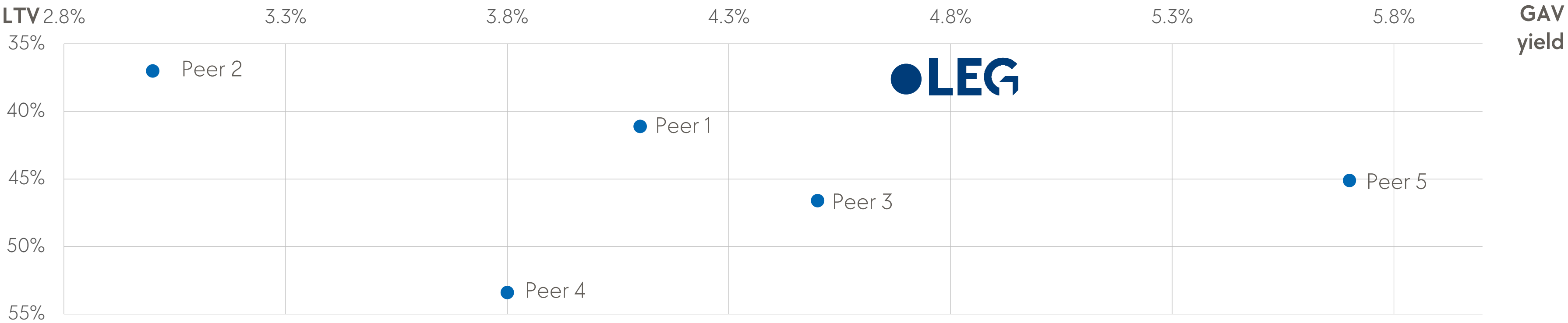
Resilience of German residential during the last economic crises



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

Pure play with unique risk/return profile ...

LEG



Additional layers of complexity

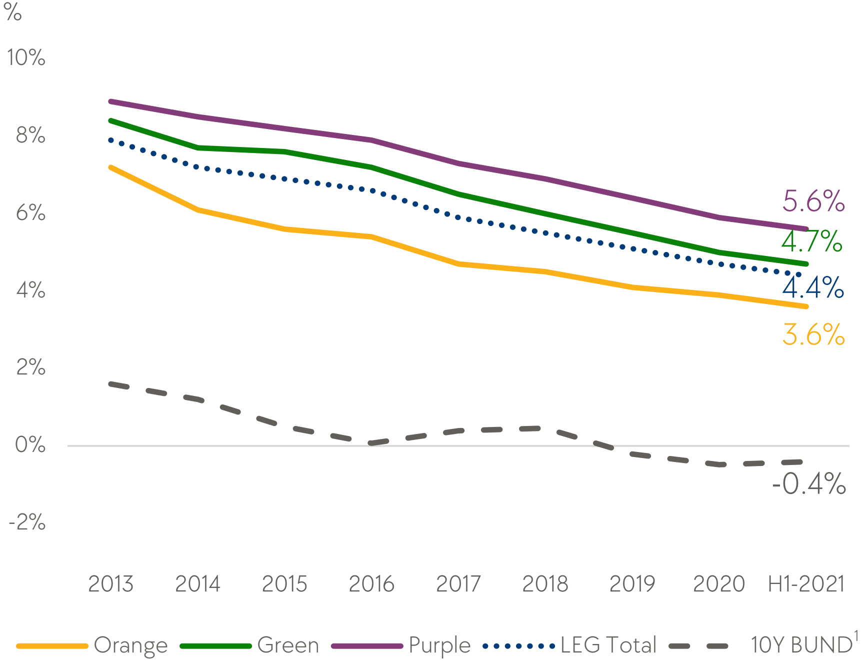
	German residential	International residential	Other real estate classes	Development	Berlin exposure
LEG	■				
Peer 1	■	■		■	■
Peer 2	■		■	■	■
Peer 3	■	■			■
Peer 4	■			■	■
Peer 5	■	■		■	

Source: Company information as reported as of FY20, incl. hybrid debt. Peers comprise ADO/Adler, Deutsche Wohnen, Grand City Properties, TAG, Vonovia.

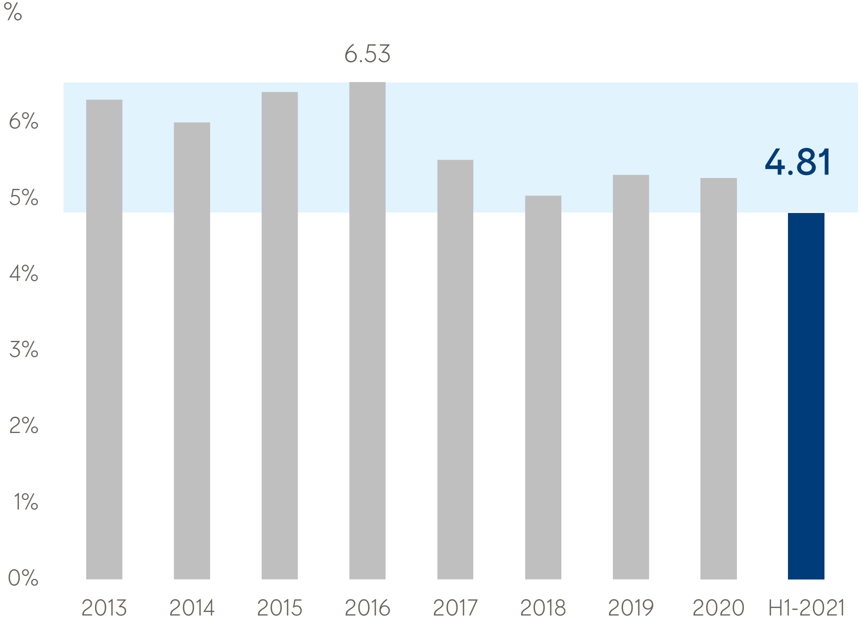
… offering attractive yields in a low/no yield environment

Stable spread over 10year BUND

Gross yield LEG vs. BUND



Stable spread over 10y BUND



Spread LEG yield vs. 10Y BUND

1 Last twelve months average

Hunt for yield to continue

as BUNDS only offer negative yields and interest income will diminish

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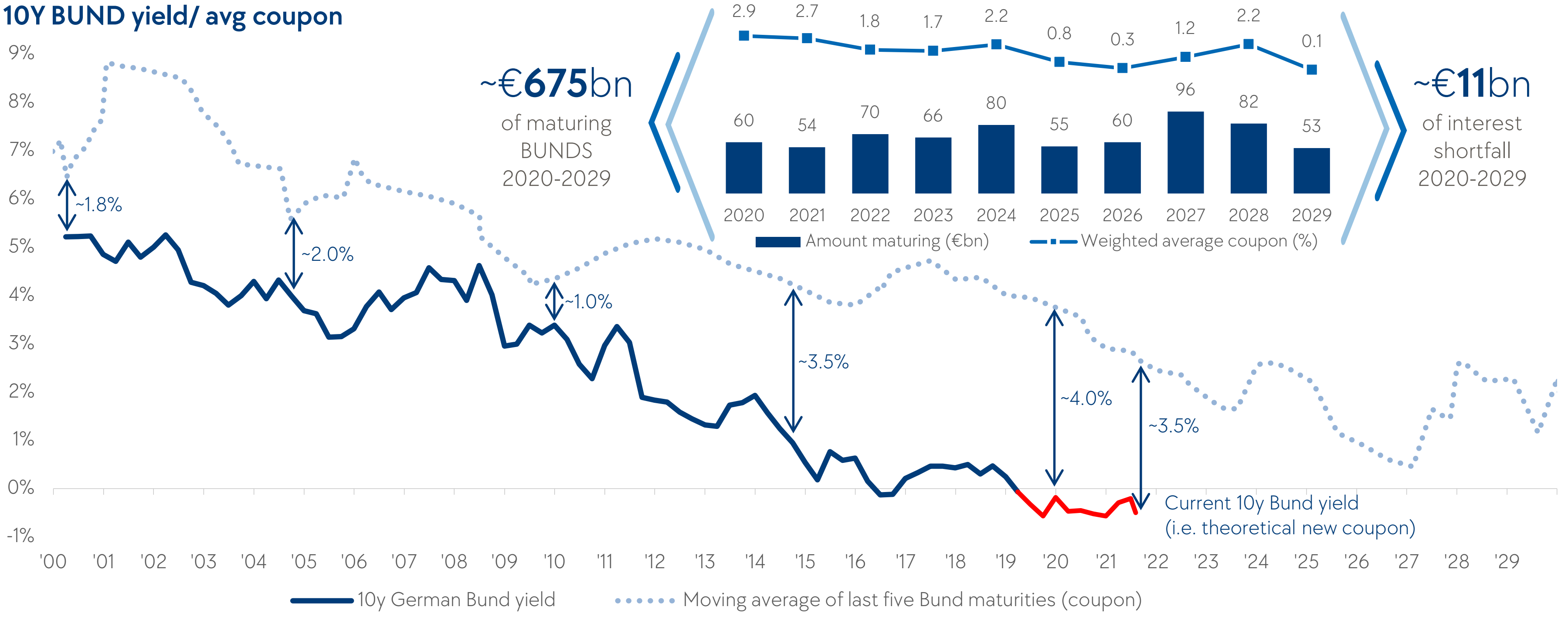
10Y BUND yield/ avg coupon



Source: Bloomberg.

2021 guidance

FFO I guidance lifted towards upper end of range

			2021
FFO I			Upper end of €410m – 420m
l-f-l rent growth			~3.0%
adj. EBITDA margin			~75%
Investments			~40 – 42€/m²
LTV			max. 43%
Dividend			70% of FFO I
Acquisition ambition			~7,000 units
Environment	2021 - 2024	1	Reduction of CO_2 emissions by **10**% in 4 years[1]
	2021	2	Energetic refurbishment of **3**% of units[1]
Social	2021 - 2024	3	Maintain high employee satisfaction level (**66**% Trust Index)
	2021	4	Reduction of iteration calls from tenants by **15**%
	2021 – 2025	5	Best in class in customer recognition by 2025 with a Customer Satisfaction Index of >**70**%
Governance	2021	6	Maintain Sustainalytics rating at score of **10.4**

1 Units as at 12/19.


2
ESG Agenda **2024** – A Joint Journey
Farknot Architect – stock.adobe.com

ESG Agenda 2024 – A joint journey

Key takeaways

E

- We are committed to climate targets
  - **10%** CO_2 reduction by **2024**
  - **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 **2024**

G

- In **2021** we aim to defend our strong **Sustainalytics rating** of **10.4**
- 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

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-mindedness and respect
- A strong partner in developing 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

Carbon Balance Sheet 2020

36.7kg CO_2e/m^2 as the starting point for our transformational journey

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ESG 11th May STRATEGY

Opening carbon balance sheet

- Bottom-up approach
- BAFA-factors in line with GHG-protocol
- Scope 1 and scope 2
- 36,7kg CO_2e/m^2 based on heating energy
- 311k t CO_2 in total
- C. 2/3 coming from gas

Heat energy by source

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

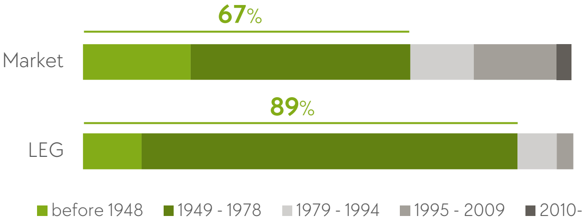
- Based on actual consumption 2019 (81% actuals, 19% certificates)
- Extrapolated for 2020
- Limited assurance by PWC
- 100% of portfolio covered

Reflecting our roots

Energy efficiency of our portfolio of 157.5 kWh/m^2 is a function of corporate DNA & history:

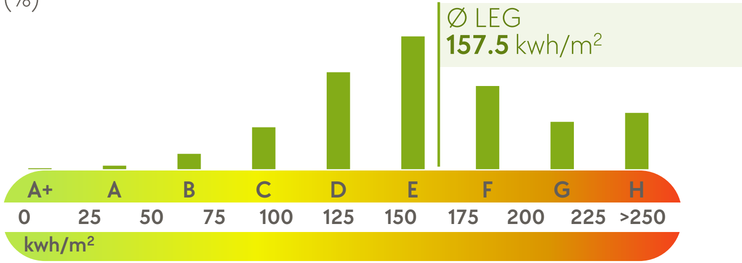
- Providing affordable housing in post-war Germany

LEG portfolio by construction years vs. LEG market



Distribution by energy efficiency classes LEG

(%)

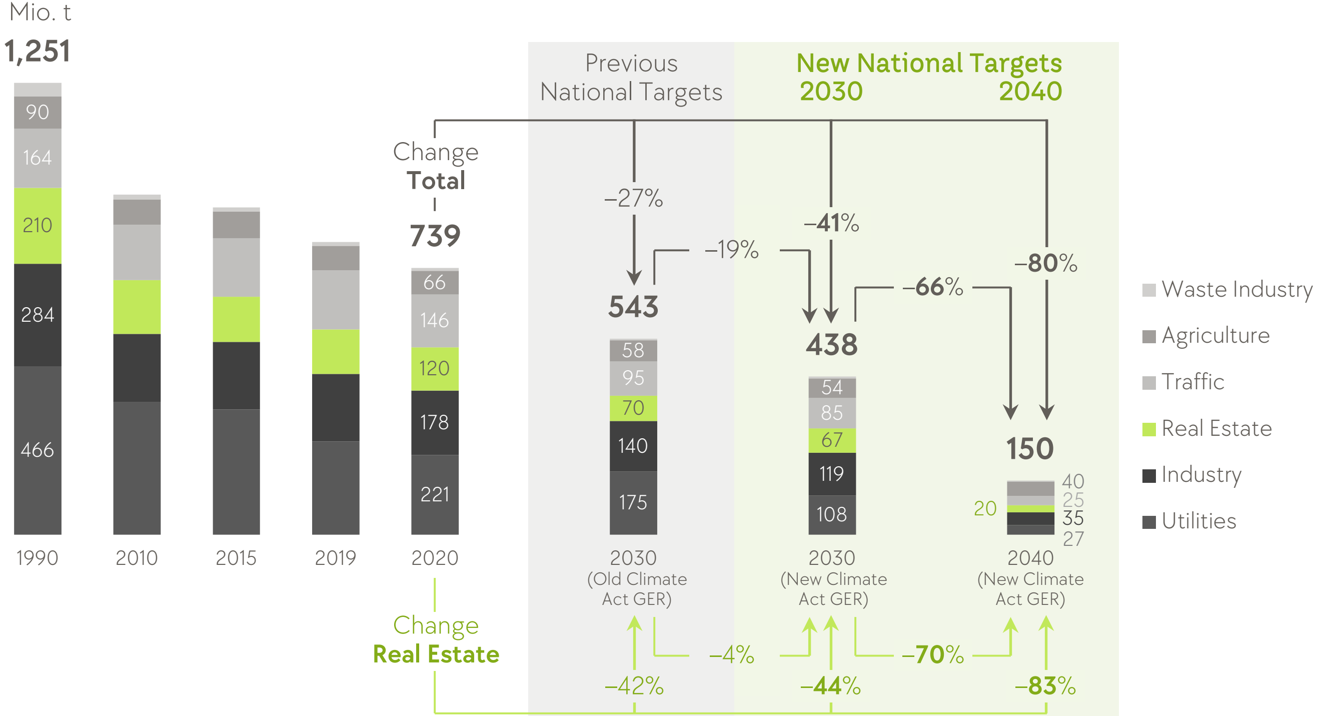


Source: Destatis, LEG. Market based on federal states in which LEG is active in

German reduction path by sectors

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

Germany CO_2 emission in sector context

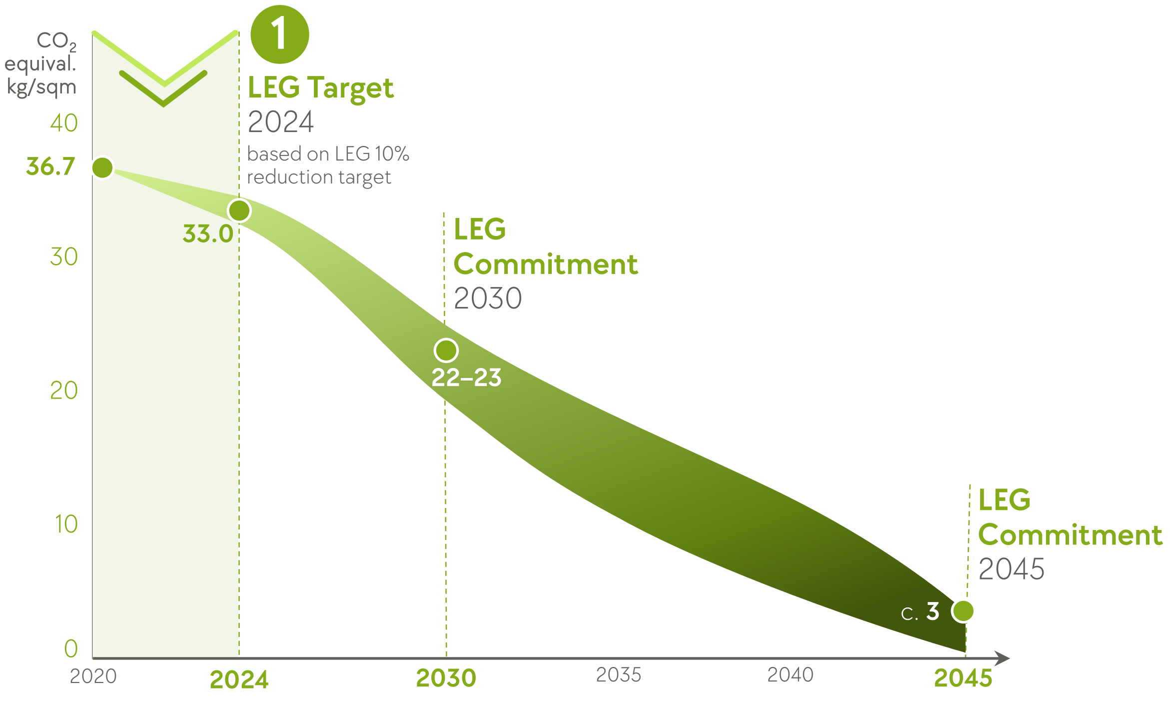


Source: Umweltbundesamt, dena, BMWi (2020)

- 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

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 CO_2 reduction of **10%** by 2024[1]
- **3%** of units to be refurbished in 2021[1] **2**
- 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 2
- 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**%

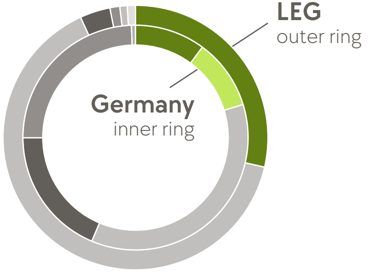
1 Estimate based on current price levels for materials and services and taking no innovation and efficiency improvements into account. Based on portfolio as of 12/2020. In 2021 LEG aims to spend c. €110m for energetic improvements.

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

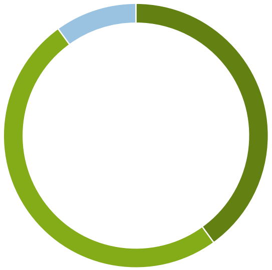
2020



	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

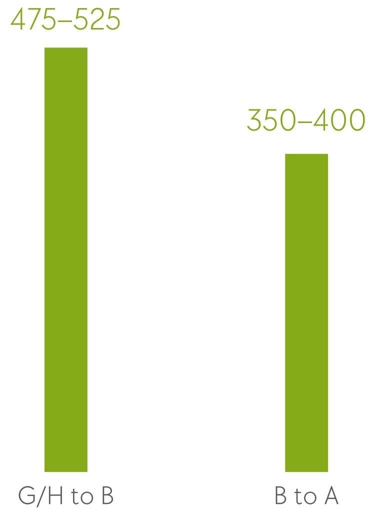
Insulation of the building shell, i.e. facade, roof

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

Modernisation of heating systems

Estimated refurbishment costs

€/sqm



- **10%** CO_2 reduction 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 BEG[1] is more generous with regards to KfW grants
- CO_2 reduction from refurbishment of **25%** – **30%**

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

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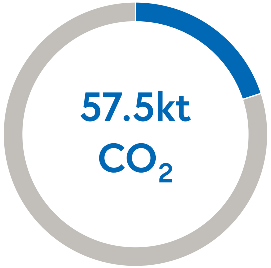
2020 LEG starting point for its portfolio: 36.7kg CO_2e/sqm

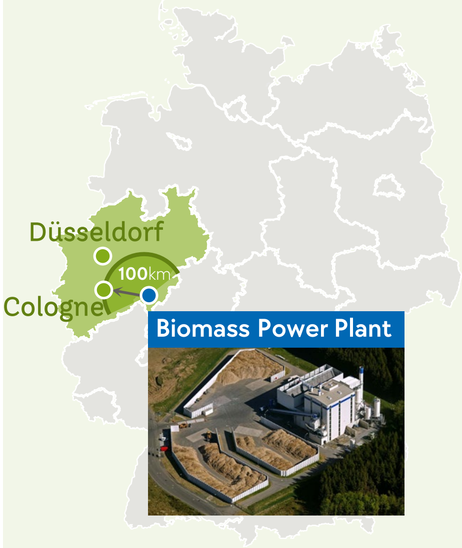
- LEG bottom-up approach based on actual consumption
- Not reflecting the bio mass plant
- Scope 1 and scope 2
- **311**kt CO_2 in total
- **157.5** kWh/sqm

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 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 €**6.0**[2]/sqm
- On average rent of c. €**380** per month per unit
- Rent increases for rent-restricted units only every 3 years by inflation factor

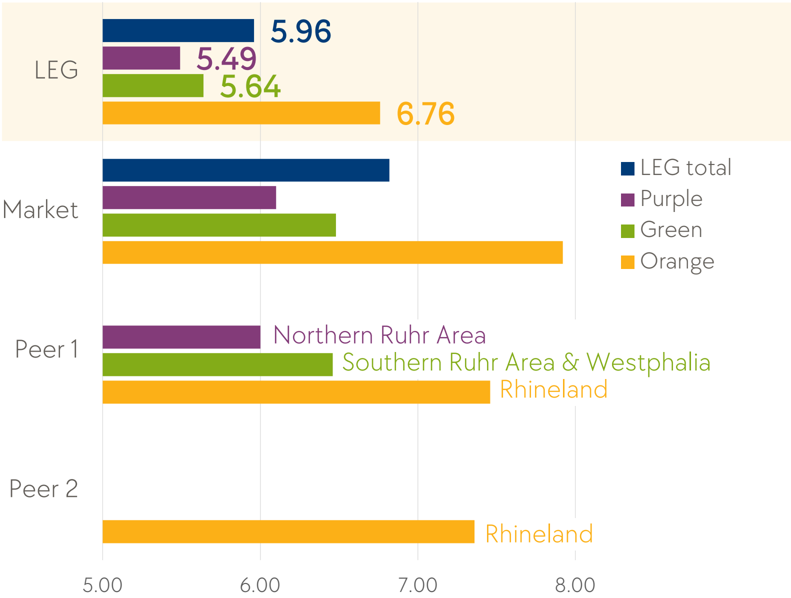
24% of our units are rent-restricted

Preconditions for tenants of rent-restricted units

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

Attractive rent levels in market context (YE 2020)[1]

€/sqm



1. Peers Vonovia and Deutsche Wohnen with respective market clusters, Market numbers from CBRE for resective 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

For 2021 we aim to reduce the number of iteration calls by 15% 4

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

2021

2025

Trust Index 66% – Among the best employers in NRW[1]

Target is to keep our strong employee recognition

LEG

Trust Index©

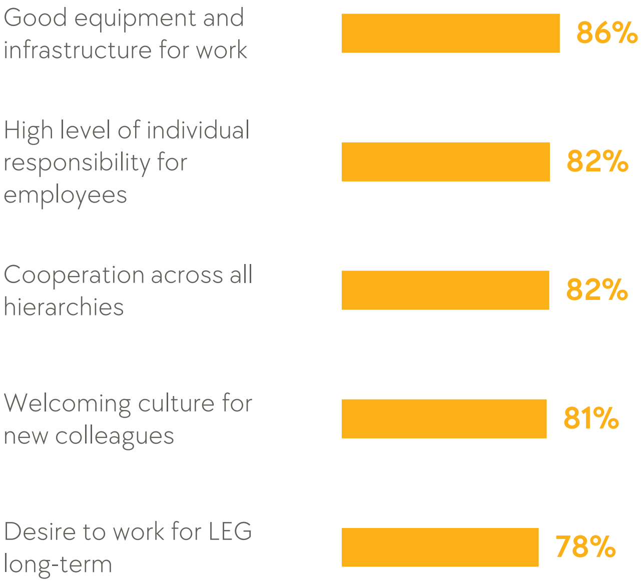
Based on Median

Total result

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

Beste Arbeitgeber™ NRW
Great Place To Work®
Deutschland 2021

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

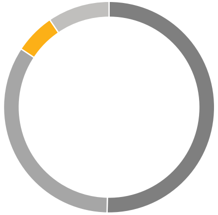
Profile

- 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 best-in-class in corporate governance

Target is to maintain a high Sustainalytics score in the 2021 review 6

LEG

ESG		2016	2017	2018	2019	2020
MSCI	ESG Rating	A	AA	AA	AA	AA
SUSTAINALYTICS a Morningstar company	ESG Rating				20.1	10.4
EPRA European Public Real Estate Association	sBPR Award			EPRA sBPR BRONZE	EPRA sBPR SILVER	EPRA sBPR GOLD
GRESB Real Estate	ESG Rating				52	52
DAX	ESG Index					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

Top **2%** global coverage
Top **4%** global real estate sector

No.**1** among peer group based on Public Disclosure Assessment

3 Financial **Performance**

A very strong H1 2021

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

Financials

- FFO I **+12.1%** to **€218.2m**
- Adj. EBITDA-Margin **77.2%** (+80bps)
- LTV **36.4%**
  - Debt @ **7.7y** for **1.24%**
- NTA ps **€ 135.85** (+11.0%)

Operations

- Net cold rent **+9.9%**
- l-f-l rental growth **+3.5%**
- l-f-l vacancy **2.5%** (–80bps)

ESG

- **Immediate support** for flood affected tenants and employees
- Comprehensive **ESG strategy** published
- On track for our **3%** energetic refurbishment target

H1-2021

Keeping the momentum

Operational excellence

Further efficiency gains from scale and scope effects

~4,000 units added YTD

Major step towards our target of ~7,000 units

Still at attractive levels

Valuation uplift of 7.5% (incl. capex 8.5%)

Growing platform at improving margins

FFO I specified towards upper end of range

H1 2021 – Financial Summary

LEG

Operating results

		H1-2021	H1-2020	+/- %/bps
Net cold rent	€m	**338.5**	308.0	+9.9%
Net rental income	€m	**266.4**	239.5	+11.2%
EBITDA adjusted	€m	**261.3**	235.2	+11.1%
FFO I	€m	**218.2**	194.6	+12.1%
FFO I per share	€	**3.03**	2.82	+7.4%
FFO II	€m	**216.2**	193.4	+11.8%
EBITDA margin (adj.)	%	**77.2**	76.4	+80bps
FFO I margin	%	**64.5**	63.2	+130bps

Portfolio

		30.06.2021	30.06.2020	+/- %/bps
Residential units	number	**144,892**	137,525	+5.4%
In-place rent (l-f-l)	€/m²	**6.09**	5.88	+3.5%
Capex	€m	**147.0**	122.4	+20.1%
Maintenance	€m	**51.2**	37.1	+38.0%
EPRA vacancy rate (l-f-l)	%	**2.5**	3.3	-80bps

Balance sheet

		30.06.2021	31.12.2020	+/- %/bps
Investment properties	€m	**15,963.2**	14,582.7	+9.5%
Cash and cash equivalents	€m	**886.4**	335.4	+164.3%
Equity	€m	**8,285.7**	7,389.9	+12.1%
Total financing liabilities	€m	**6,747.6**	5,869.0	+15.0%
Current financing liabilities	€m	**111.5**	491.3	-77.3%
Net debt	€m	**5,834.2**	5,502.8	+6.0%
LTV	%	**36.4**	37.6	-120bps
Equity ratio	%	**48.0**	48.4	-40bps
EPRA NTA, diluted	€m	**10,366.9**	9,247.6	+12.1%
EPRA NTA per share, diluted	€	**135.85**	122.43	+11.0%

Aftermath flood event 13th – 18th July

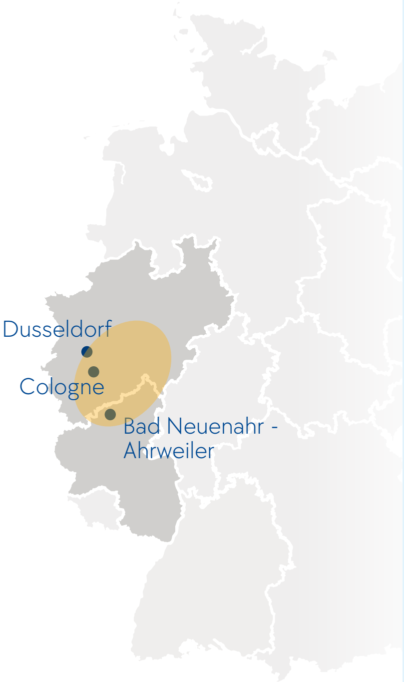
Extensive support for tenants and employees offered

Situation post event

- ~200 units directly affected
- 35 units inhabitable due to flood
- No structural damage to buildings
- Clearing activities ongoing – first repairs started

- Main affected location Bad Neuenahr - Ahrweiler (RLP)

- Comprehensive insurance coverage leaves direct impact on LEG neglectable



Portfolio affected by torrential rain from depression "Bernd" 13 – 18 July 2021;
RLP = Rhineland-Palatinate

Support for tenants

- Short-term accommodations / hotels and exchange home offerings
- €500 – €2,000 immediate emergency aid for inhabitable units
- €1m special budget to support clearing out activities
- €250,000 flood relief from LEG foundations
- Local food trucks for tenants and local helpers
- Online vouchers for helping tenants

Support for employees

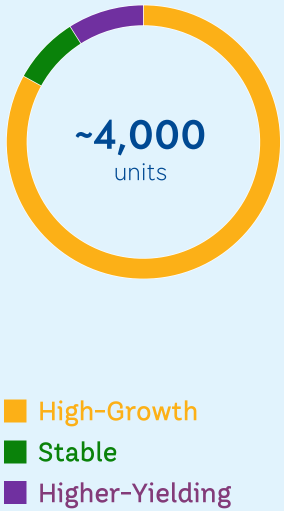
- Up to 2 weeks off for clearing up own home
- €200 one-time payment for flooded cellar, €1,000 for affected rooms and €2,000 in case of inhabitable apartment

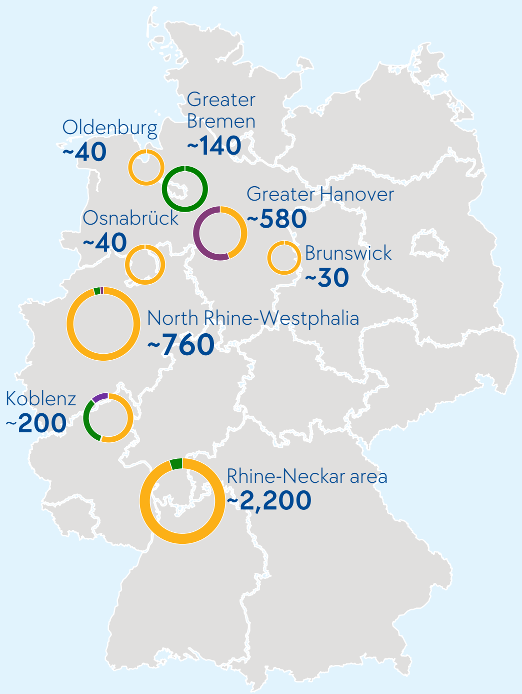
~4,000 units transferred in 2021

A major step towards our 7,000 units ambition – in line with our criteria

LEG

Transfers in 2021[1]





Financial summary of acquisitions

- As of today **~4,000** units to be transferred in **2021**
- Purchase price **below €600m**
- Net cold rent multiple of **~27x** based on in-place rent and in-line with own valuation
- Annualised contribution to EBITDA of **~€17m** and to FFO I of **~€13m**
- Majority to be transferred in **Q3** and **Q4 2021**

Background & Rationale

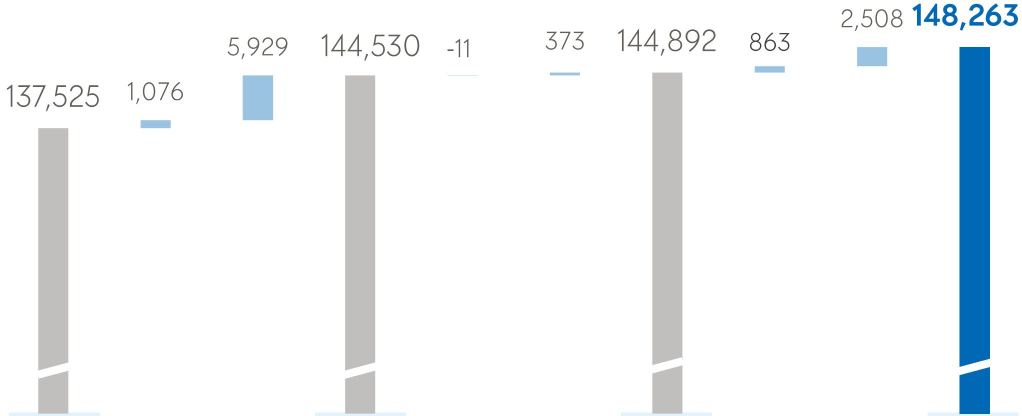
- **2** bigger portfolio deals represent **2/3** of the acquisitions
- Focus on affordable housing
- Focus on Rhine-Neckar area with metropolitan areas like Mannheim and in NRW with Duesseldorf/ Cologne
- Up-side potential from modernisations
- Leveraging of platform along established hubs

1 Based on signings as of early August 2021; 4,000 units including deals signed in 2020, which have been transferred in 2021 (details p.11)

Portfolio transactions

Heading towards the 150.000 units mark

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



	30.06.2020	Q3 2020	Q4 2020	31.12.2020	Q1 2021	Q2 2021	30.06.2021	Q3 2021	Q4 2021	31.12.2021
Acquisitions	3,870	1,122	6,270	11,262	188	429	617	863	2,508	3,989
Divestments	376	46	341	763	199	56	255	3	0	258
Change	3,494	1,076	5,929	10,499	–11	373	362	860	2,508	3,731

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.

Acquisitions (Locations/State[3])

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) – Brunswick (LS)

Q4 2021

- NRW – Rhine-Neckar (RP/BW)

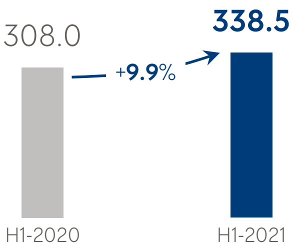
Margins continue to grow in H1

Benefiting from scale and scope effects as well as value-added services

LEG

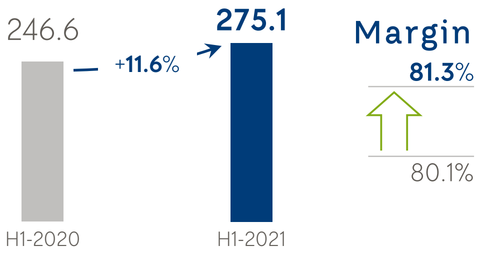
Net cold rent

€m



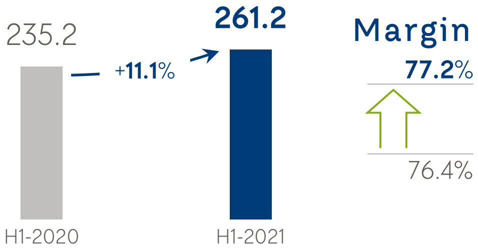
Recurring Net rental and lease income

€m



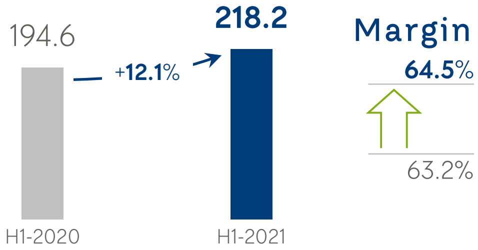
Adj. EBITDA

€m



FFO I

€m



Recurring net rental and lease income

- Ongoing scale and scope effects through acquisitions and rent increases
- Strong performance of value-added services

Adj. EBITDA

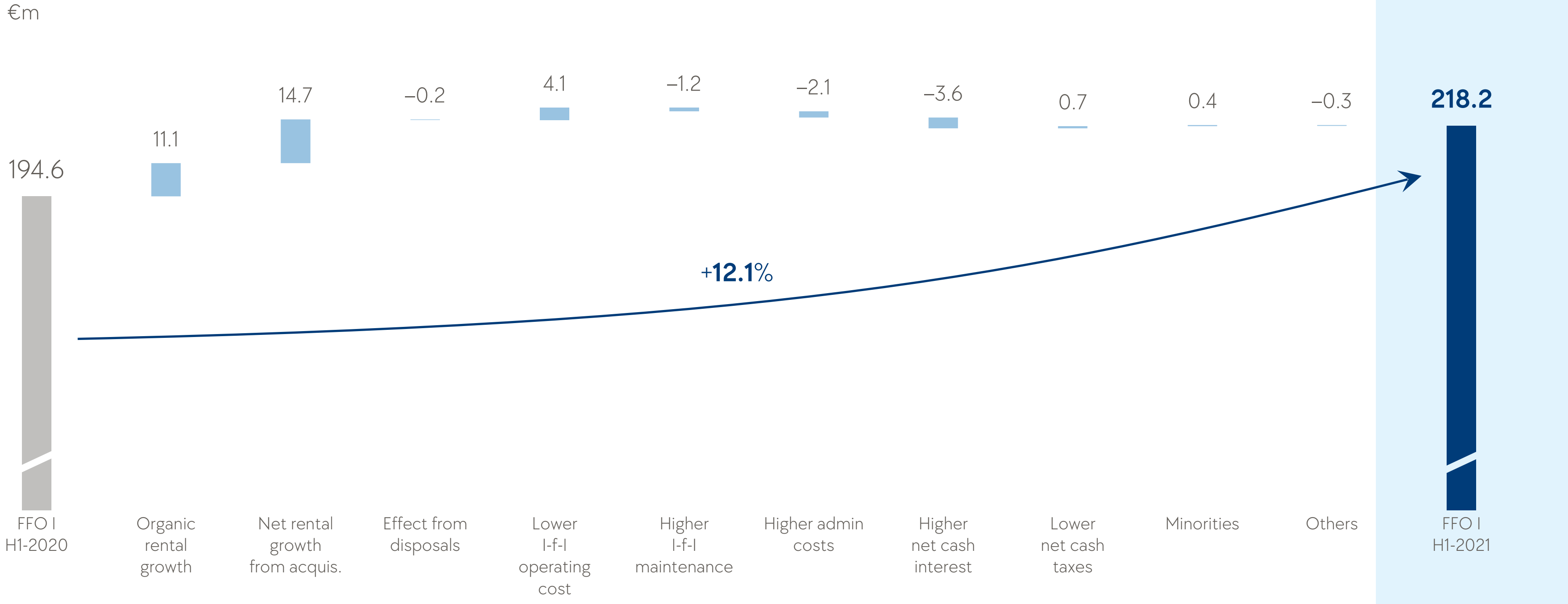
- Confirmation of margin guidance (~75%)
- Rebalancing of margin in H2 due to cost effects (similar to 2020)

FFO I ps

- H1-2020 €2.82
- **H1-2021** **€3.03**

FFO Bridge H1-2021

Increase of +€23.6 m (+12.1%)



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

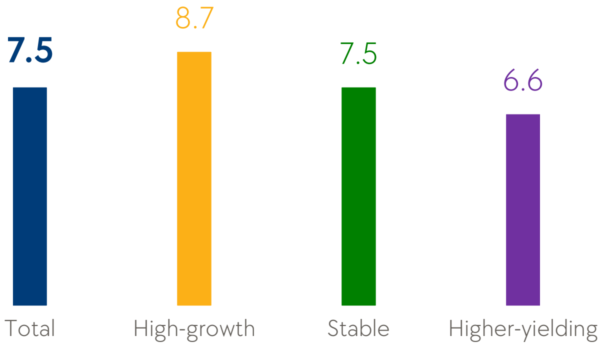
Allocation capital growth

€m

Revaluation gains	1,110
Capex	147

Valuation uplift by markets

%

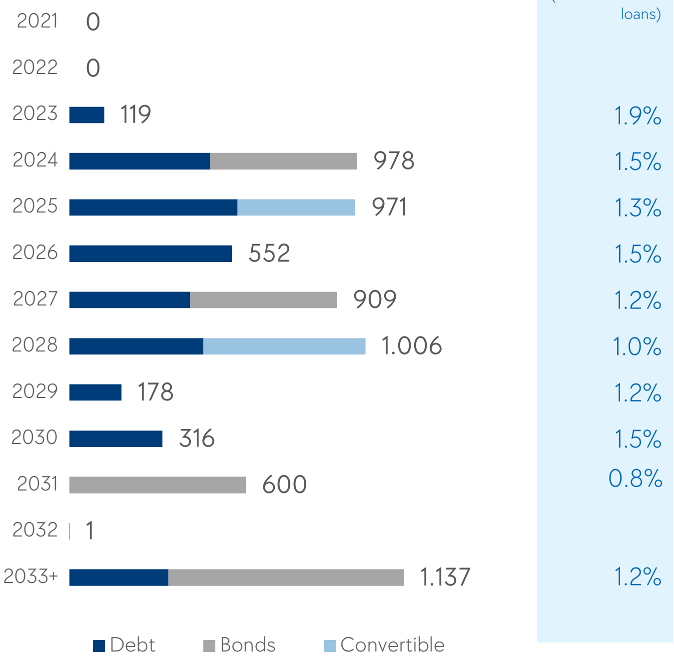


- +7.5%, including capex +8.5%
- Significant valuation uplift in all of our markets – further potential for H2
- Adjustment of discount rate from 4.5% end of FY-2020 to 4.2% (cap rate from 5.7% to 5.5%)

Strong financial profile

Maturity profile

€m

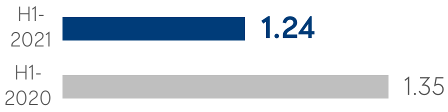


Average debt maturity

years

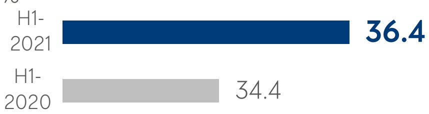
Average interest costs

%



Loan-to-value

%



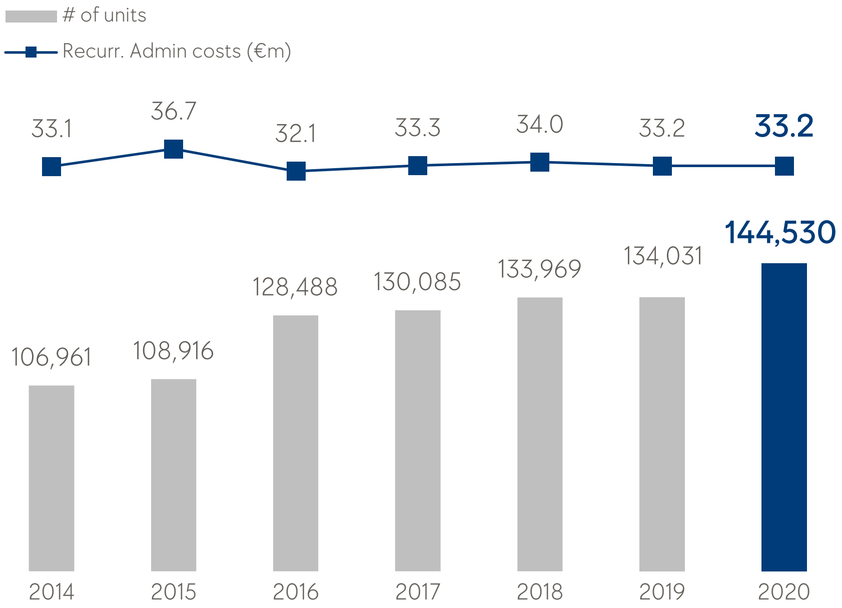
Highlights H1-2021

- 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 11 bps vs. H1-2020 and down 9 bps vs. Q4-2020
- No maturities until 2023; 2023 recently reduced by early redemption
- LTV with **36.4%** as well as Net debt/EBITDA (LTM: **11.8x**) on low levels
- Pro-forma LTV **~39%** (including upcoming units being transferred in Q3 and Q4; see slide 38)
- Interest coverage improved further y-o-y to 6.2 (6.1)

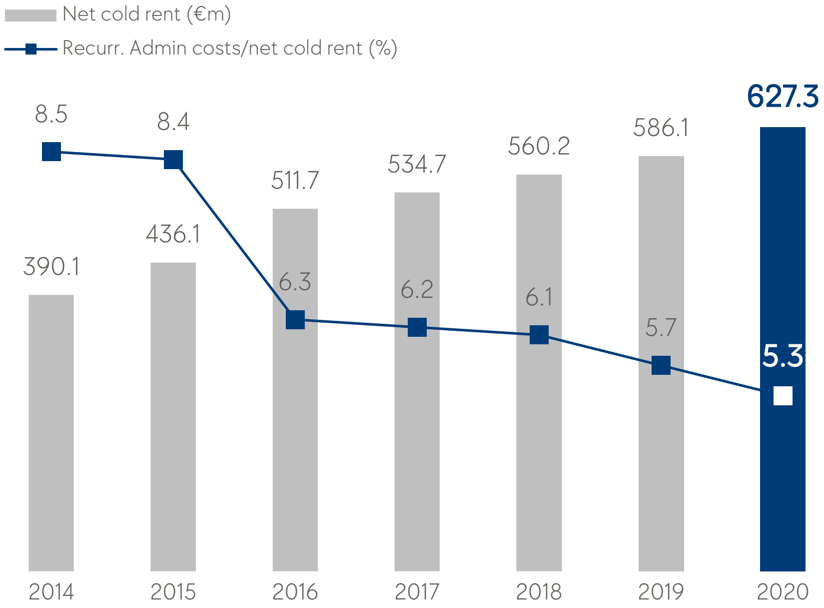
Scale effects from growing platform and cost discipline

LEG

Strong volume growth at stable overhead costs…



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



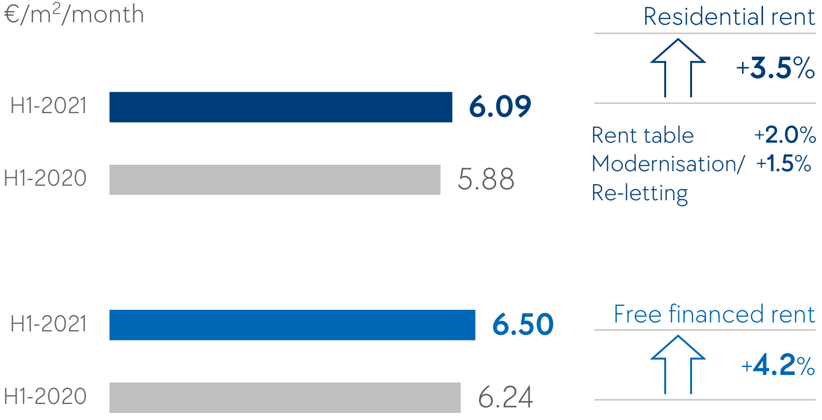
4 Operating **Performance**

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

Temporary catch-up effects from rent increase waiver due to Covid-19 in Q2-2020

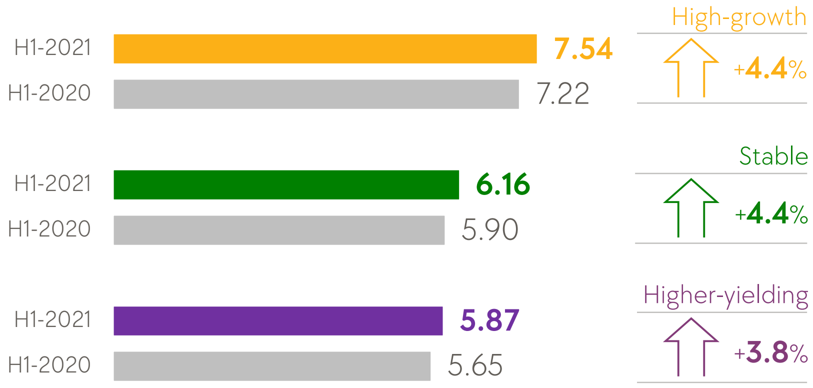
l-f-l rent development

€/m²/month



l-f-l free financed rent development

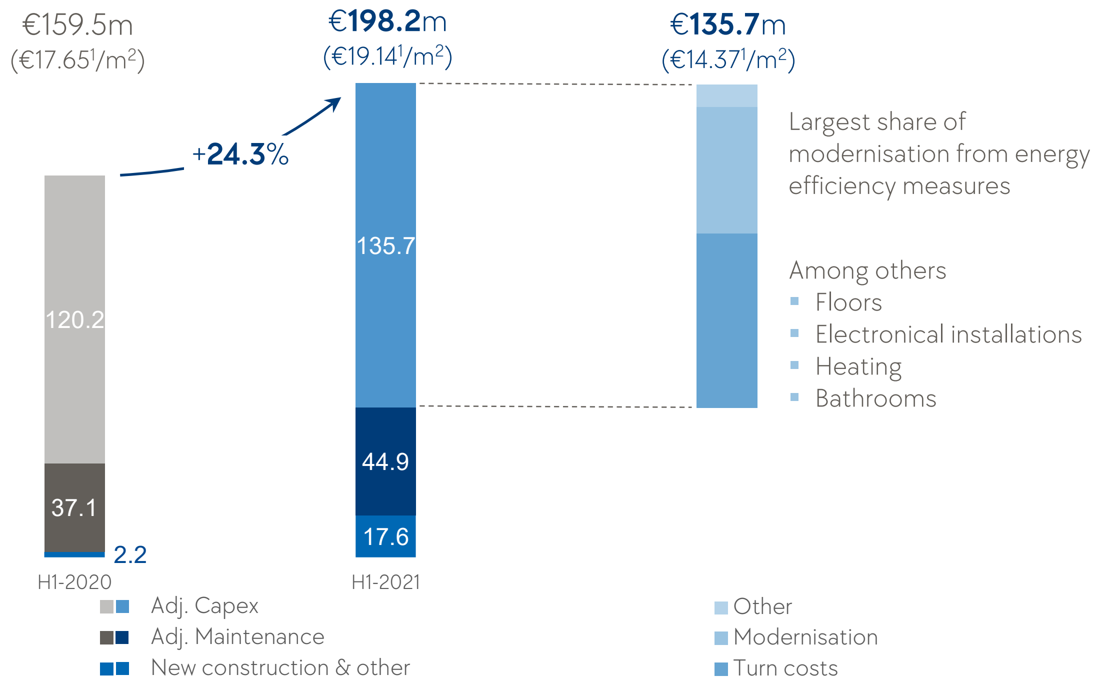
€/m²/month



- Ongoing strong momentum in all of our three market segments; +4.2% for free financed portfolio
- Comparatively low baseline in previous year due to temporary suspension of rent increases; full year guidance of ~3.0% confirmed
- New rent tables in H1 include our largest location Dortmund (+4.4%)
- Rent restricted units: no cost rent adjustments in 2021

Capex und Maintenance

Ongoing focus on growth and energy efficiency

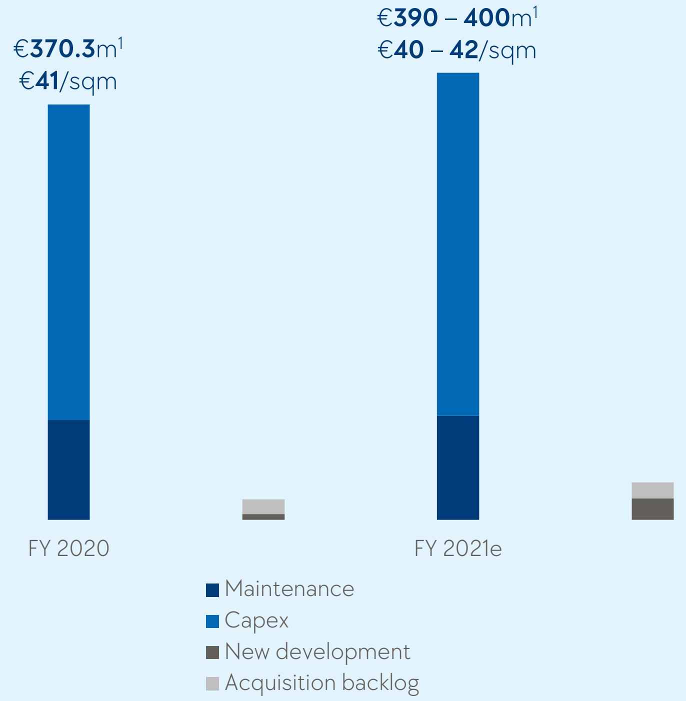


1 Excl. new construction activities, backlog measures and own work capitalised

- Increase of **investments** with ~24% y-o-y within plan
- ~12% 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 ~21% driven among others by portfolio growth, price increases and special refurbishment projects to also increase customer satisfaction

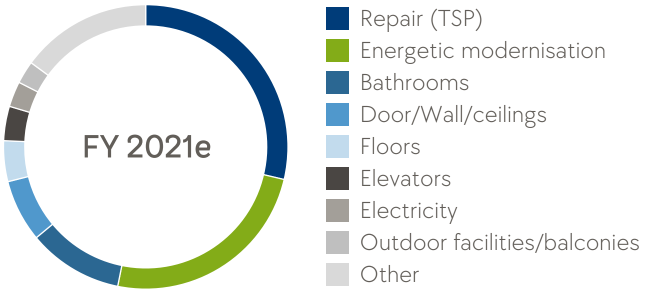
Total portfolio related expenditures

Breakdown

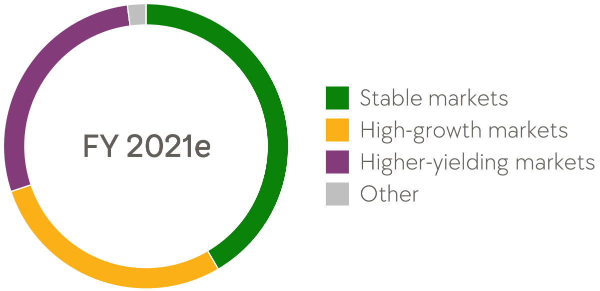


1 Capex + Maintenance

Split across types of expenditures



Split across markets and segments



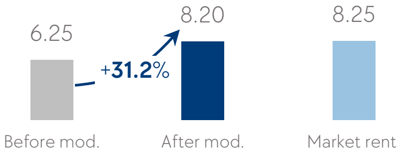
Increased investments in modernisation and energy efficiency measures translate into strong returns

LEG

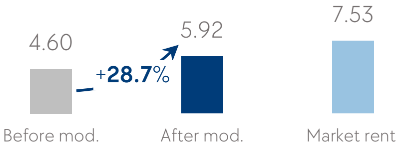
	Monheim	Dortmund	Herne
Market	High-growth	Stable	Higher-yielding
# of units	1,963	415	56
Total sqm	134,022	30,263	3,565
Year(s) of construction	1967 – 1971	1967	1962
Mod. start/completion[1]	2014 – 2021	2015 - 2018	2019 - 2020

Rent development[2] (€/sqm)

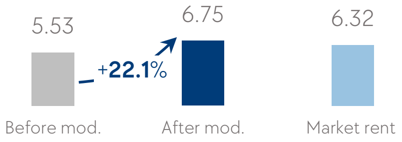
Monheim



Dortmund



Herne



	Monheim	Dortmund	Herne
Total investment[3]	€60.3m	€10.2m	€1.7m
Share of modernisation	66%	60%	72%
Yield total vs. mod.[4]	**5.3%** / **8.1%**	**4.7%** / **7.9%**	**3.0%** / **4.2%**
Modernisation and maintenance measures	E.g. thermal insulation composite system, windows, roof renewal with insulation, balconies renovation, cellar ceiling insulation, staircase paint	E.g. thermal insulation composite system, dismantling asbestos facade, windows, balconies, bell systems, fire protection doors, elevator system, intercom system	E.g. thermal insulation composite system, top floor ceiling insulation attic ceiling insulation, windows, balconies, house entrance doors, canopies, cellar exits
Average reduction of energy demand p.a. after modernisation[5]	**–40%** ✓	**–46%** ✓	**–45%** ✓

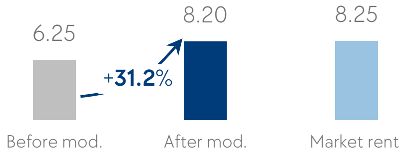
1 With the exception of the Herne project, all modernisation projects include several residential properties with staggered start and end dates over the specified period. 2 Square meter prices across all projects; market rent = median, offer rents for new lettings from 01.10. to 30.09.2020, excluding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

1,963 modernised units in Monheim

Example 1

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

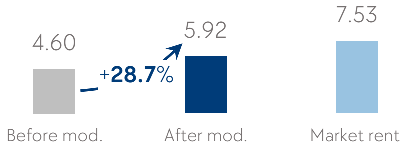
Mayor of Monheim
Daniel Zimmermann

Market	**High-growth**
# of units	1,963
Total sqm	134,022
Year(s) of construction	1967 – 1971
Mod. start/completion[1]	2014 – 2021
Rent development[2] (€/sqm)	
Total investment[3]	€60.3m
Share of modernisation	66%
Yield total vs. mod.[4]	**5.3%** **8.1%**
Modernisation and maintenance measures	E.g. thermal insulation composite system, windows, roof renewal with insulation, balconies renovation, cellar ceiling insulation, staircase paint
Average reduction of energy demand p.a. after modernisation[5]	**–40%**

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

415 modernised units in Dortmund

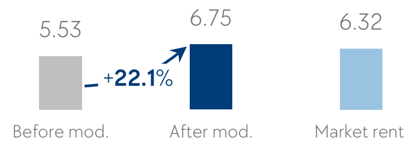
Example 2

	Stable
Market	Stable
# of units	415
Total sqm	30,263
Year(s) of construction	1967
Mod. start/completion[1]	2015 – 2018
Rent development[2] (€/sqm)	
Total investment[3]	€10.2m
Share of modernisation	60%
Yield total vs. mod.[4]	**4.7%** / **7.9%**
Modernisation and maintenance measures	E.g. thermal insulation composite system, dismantling asbestos facade, windows, balconies, bell systems, fire protection doors, elevator system, intercom system
Average reduction of energy demand p.a. after modernisation[5]	**–46%**

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

56 modernised units in Herne

Example 3

Market	Higher-yielding
# of units	56
Total sqm	3,565
Year(s) of construction	1962
Mod. start/completion[1]	2019 – 2020
Rent development[2] (€/sqm)	
Total investment[3]	€1.7m
Share of modernisation	72%
Yield total vs. mod.[4]	3.0% 4.2%
Modernisation and maintenance measures	E.g. thermal insulation composite system, top floor ceiling insulation attic ceiling insulation, windows, balconies, house entrance doors, canopies, cellar exits
Average reduction of energy demand p.a. after modernisation[5]	–45%

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

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

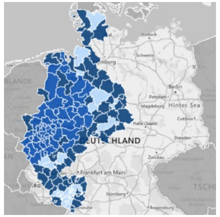
- **RPA Center of Excellence** implemented
- **>20** RPAs installed across the entire group, i.e. IT, customer service, accounting, modernisation projects, quality management etc.
- In customer service **>100,000** customer requests handled so far via RPAs

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



5 Portfolio **Overview**

Portfolio valuation H1-2021

LEG

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	46,170	6,909	2,253	3.6%	27.6x	284	7,192
Stable Markets	56,500	5,275	1,461	4.7%	21.2x	159	5,435
Higher-Yielding Markets	42,222	3,000	1,164	5.6%	17.8x	87	3,087
Total Portfolio	144,892	15,183	1,641	4.4%	22.8x	531	15,714

Well-balanced portfolio with significant growth potential

H1-2021

By Market

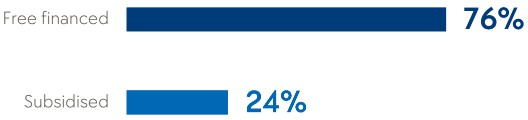
Units

Gross Asset Value

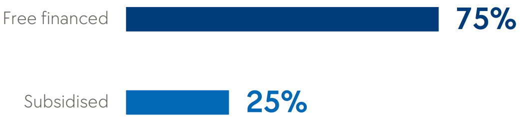
Rental Income

Restricted vs. unrestricted

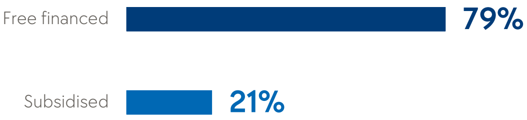
Units



Gross Asset Value



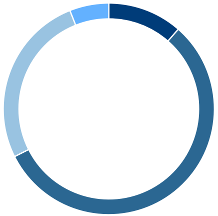
Rental Income



Portfolio structure

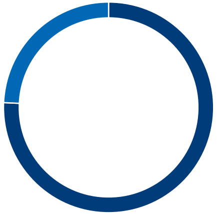
LEG

Construction Years



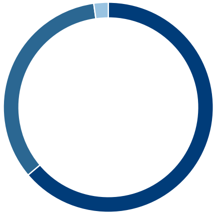
Until 1949	11%
1950-1969	56%
1970-1989	27%
After 1989	6%

Free Financed / Rent Restricted Units



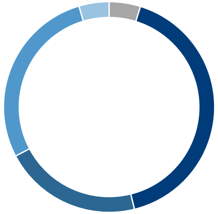
Free financed units	76%
Rent restricted units	24%

Building Types[1]



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

Apartment Size[2]



<40 sqm	5%
40-60 sqm	41%
61-70 sqm	21%
71-90 sqm	28%
>90 sqm	5%

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

Unlocking value potential through construction on own land

Total pipeline

- Total pipeline of c.1,000 units, yield on cost >4.5%
- Target: 500 new build units per year from 2023[1]

Münster

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

Hilden (Greater Düsseldorf)

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

Cologne (Höhenhaus)

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

www.leg-wohnen.de/Gartensiedlung

New construction in Hilden

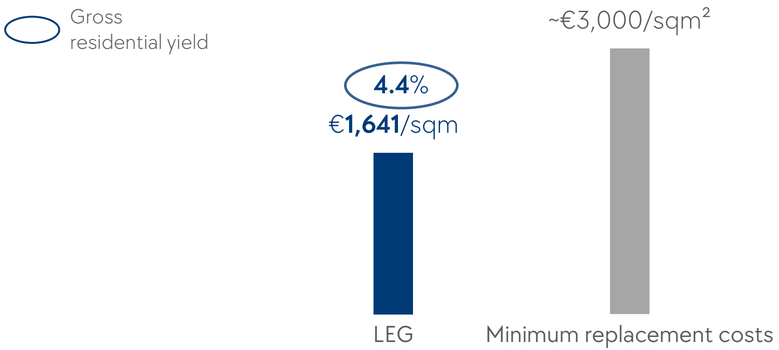
1 250 new build units + acquisition of 250 new build units.

Continued shortage of affordable housing

Replacement costs significantly exceed LEG asset values

Residential replacement costs of the LEG portfolio

- Minimum replacement cost for **new-built product at c. €3,000 per sqm[2]**
- The portfolio of **affordable living product is de facto irreplaceable** at comparable cost base
- At **c. €3,000 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**/sqm[1], which is **not feasible to achieve in the affordable living segment**



1 based on €3,000/sqm.
2 excluding costs for land

- LEG's portfolio is conservatively valued at **€1,641/sqm**,
- LEG's valuation level is well below Germany-wide replacement cost for new stock, offering attractive yield

Deal funnel 2020

Growth focused on affordable living in NRW and adjacent states

Regional split Share NRW	Deal funnel 2020 (units)		Target markets	Rationale
	~105,000	offered	Focus on NRW as no.1	Market insight/ Cost advantages
41% NRW	~50,500	first level analysis	Additionally B-/C-city locations in adjacent German states (min. ~1,000 units per new location)	Leveraging our market access & platform
	~22,600	deep analysis & presented to management		
	~20,000	due diligence		
14% NRW	~9,500[1]	acquired	Focus affordable housing	Sticking to our standardised processes, expertise and social responsibility

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

Market clustering based on LEG's methodology

LEG

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]	~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.

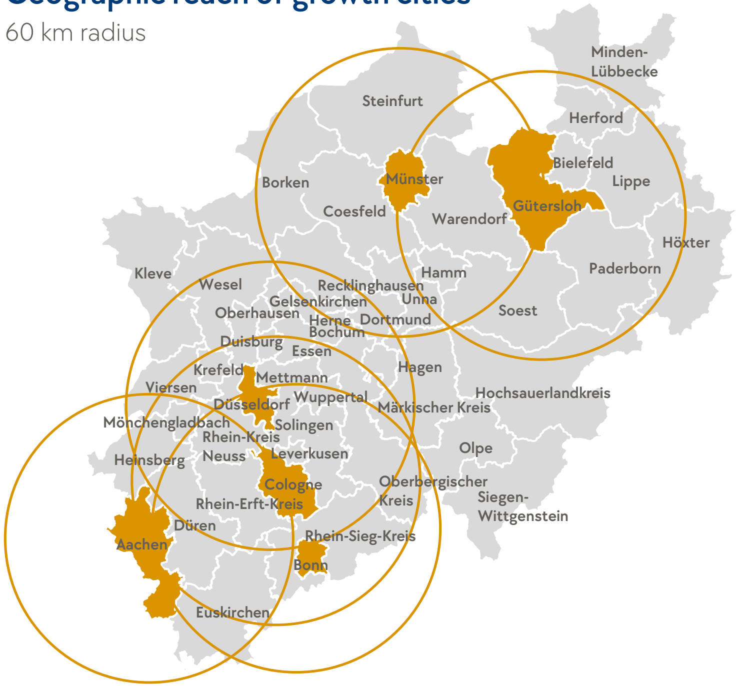
6 Attractive **Market NRW**

Portfolio highly exposed to structural growth markets

LEG

Geographic reach of growth cities

60 km radius



Key data

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

North-Rhine Westphalia (NRW)

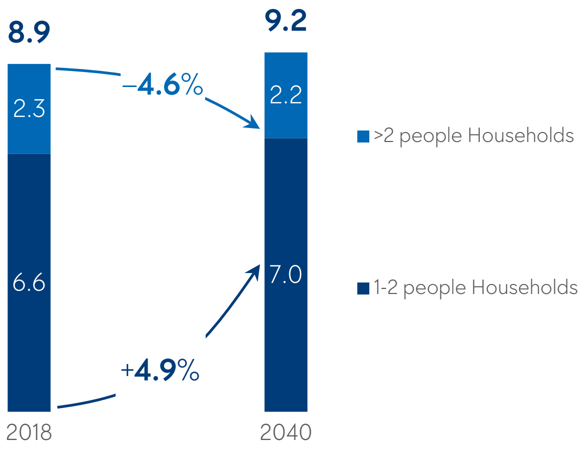
LEG

Favourable demographics

- **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[2])
- **Highest population density[3/4]** – key advantage for **efficient property management**
- **Low unemployment rate** (average of 7.4%[3])
- Average growth of **1-2 person households** of 4.9%[1] expected in NRW (2018 – 2040). Process driven by decrease of average household size
- **Low home ownership** of approx. 44%[5] in NRW in 2018 (47%[5] 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[5] per month in 2019
- **Beneficiary from immigration** thanks to liquid labour market and balanced mix of industries

NRW household growth 2018 – 2040[1]

m



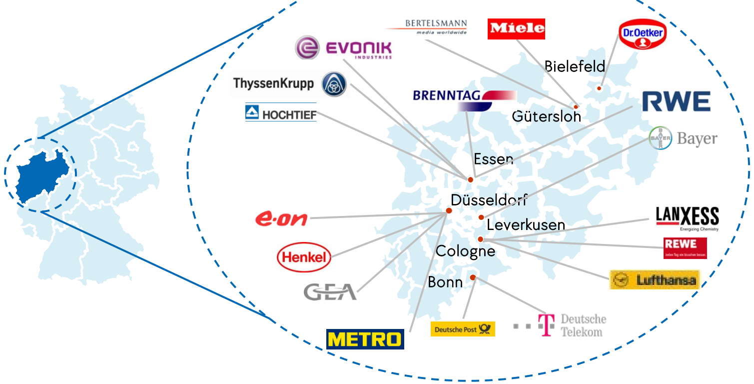
1 IT.NRW based on micro census 2011 and population extrapolation as of 01.01.2018. 2 IT.NRW (2020). 3 Federal Statistical Office; June 2021. 4 Except the federal city states Berlin, Bremen, Hamburg. 5 Statista.com (2018).

North-Rhine Westphalia (NRW)

LEG

Favourable economic climate

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



Leading positions in important industries

Direct investments: #1 in Germany for foreign investors

- 29.2% of direct investments in Germany

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

- NRW generates 30.8% of German sales

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

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

Microsystems Technology: top position

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

Nanotechnology: top position in Germany and Europe

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

Mobile communication: #1 in Germany

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

Education: 6 of 10 largest universities located in NRW

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

7.1 Appendix **Financials**

FFO calculation

LEG

€m	H1-2021	H1-2020
Net cold rent	338.5	308.0
Profit from operating expenses	-0.6	-1.6
Maintenance (externally-procured services)	-29.0	-24.0
Staff costs	-41.4	-36.3
Allowances on rent receivables	-3.8	-4.3
Other	8.1	2.7
Non-recurring project costs (rental and lease)	3.3	2.1
Recurring net rental and lease income	275.1	246.6
Recurring net income from other services	4.2	4.5
Staff costs	-13.5	-11.1
Non-staff operating costs	-8.7	-11.2
Non-recurring project costs (admin.)	4.2	6.4
Recurring administrative expenses	-18.0	-15.9
Other income and expenses	0.0	–
Adjusted EBITDA	261.3	235.2
Cash interest expenses and income	-42.2	-38.6
Cash income taxes from rental and lease	-0.5	-1.2
FFO I (including non-controlling interests)	218.6	195.4
Non-controlling interests	-0.4	-0.8
FFO I (excluding non-controlling interests)	218.2	194.6
FFO II (including disposal of investment property)	216.2	193.4
Capex	-147.0	-122.4
Capex-adjusted FFO I (AFFO)	71.2	72.2

Net cold rent
- +€30.5m or +9.9% driven by portfolio growth and rent increases

Staff costs
- Growth in staff costs mainly due to increased tariff and additional FTE's, e.g. in newly acquired LWS Plus

Other
- Increase driven by income from value-add services

Recurring net rental and lease income
- +€28.5m or +11.6%

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

Adjusted EBITDA
- +€26.1m or +11.1%

Cash interest expenses
- Decline in average interest costs from 1.35% to 1.24% partially offsets higher debt volume

Income statement

LEG

€m	H1-2021	H1-2020
Net rental and lease income	266.4	239.5
Net income from the disposal of investment property	-0.4	-0.6
Net income from the valuation of investment property	1,110.3	592.7
Net income from the disposal of real estate inventory	0.0	-1.8
Net income from other services	2.7	3.0
Administrative and other expenses	-24.1	-24.4
Other income	0.0	0.0
Operating earnings	**1,354.9**	**808.4**
Net finance costs	-39.4	-53.8
Earnings before income taxes	**1,315.5**	**754.6**
Income tax expenses	-252.2	-141.2
Consolidated net profit	**1,063.3**	**613.4**

Recurring net rental and lease income

- NRI increased by €26.9m or +11.2% YOY

Administrative and other expenses

- Higher staff costs offset by lower other expenses (e.g. consulting fees)

Net finance costs

- Strong positive effects driven by LEG's share price from the fair value measurement of derivatives linked to the convertible bonds in the amount of EUR 14.1 million (H1-2020: EUR -9.9 million)
- EUR 11.4 m increase in interest expenses mainly due to early redemptions charges and measurement effects of financial instruments

Income tax expenses

- Effective tax rate of 19.2% (H1-2020: 18.7%), mainly deferred taxes due to revaluation gains

Balance sheet

LEG

€m	30.06.2021	31.12.2020
Investment property	15,963.2	14,582.7
Other non-current assets	294.8	264.9
Non-current assets	**16,258.0**	**14,847.6**
Receivables and other assets	126.1	77.7
Cash and cash equivalents	886.4	335.4
Current assets	**1,012.5**	**413.1**
Assets held for sale	1.7	21.6
Total Assets	**17,272.2**	**15,282.3**
Equity	**8,285.7**	**7,389.9**
Non-current financing liabilities	6,636.1	5,377.7
Other non-current liabilities	1,951.0	1,650.5
Non-current liabilities	**8,587.1**	**7,028.2**
Current financing liabilities	111.5	491.3
Other current liabilities	287.9	372.9
Current liabilities	**399.4**	**864.2**
Total Equity and Liabilities	**17,272.2**	**15,282.3**

Investment property

- Revaluation: +€1,110m
- Capex: +€147m
- Acquisitions: +€128m
- Others: -€6m

Cash and cash equivalents

- Cash flow from operating activities €190.6m
- Investing activities €-316.1m
- Financing activities €676.5m
  - Bond issuance €1,088.6m
  - Repayment of loans €-218.7m
  - Cash Dividend payment €-185.7m (script dividend offered)

Loan to Value

LEG

€m	30.06.2021	31.12.2020
Financial liabilities	6,747.6	5,869.0
Excluding lease liabilities (IFRS 16)	27.0	30.8
Cash & cash equivalents	886.4	335.4
Net Debt	**5,834.2**	**5,502.8**
Investment properties	15,963.2	14,582.7
Properties held for sale	1.7	21.6
Prepayments for investment properties	75.8	43.3
Property values	16,040.7	14.647,6
Loan to Value (LTV) in %	**36.4**	**37.6**

- LTV down 120 bps vs. FY-2020
- Higher net debt overcompensated by increase in property values
- Low LTV enables further portfolio expansion
- Pro-forma LTV ~39% (including upcoming units being transferred in Q3 and Q4; see slide 38)

New EPRA NRV – NTA – NDV

€m		30.06.2021			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)	8,261.1	8,261.1	8,261.1	7,365.6	7,365.6	7,365.6
Hybrid instruments	449.0	449.0	449.0	464.3	464.3	464.3
Diluted NAV (at Fair Value)	**8,710.1**	**8,710.1**	**8,710.1**	**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	1,682.9	1,669.4	–	1,431.3	1,417.4	–
Fair value of financial instruments	90.3	90.3	–	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	–	-3.3	–	–	–2.8	–
Fair value of fixed interest rate debt	–	–	-350.6	–	–	–443.0
Deferred taxes of fixed interest rate debt	–	–	67.2	–	–	87.2
Revaluation of intangibles to fair value	–	–	–	–	–	–
Estimated ancillary acquisition costs (real estate transfer tax)	1,474.6	–	–	1,421.7	–	–
NAV	**11,902.0**	**10,366.9**	**8,327.1**	**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	**155.97**	**135.85**[1]	**109.12**	**142.05**	**122.43**	**97.63**

1 Including RETT (Real Estate Transfer Taxes) the NTA would have been €154.98

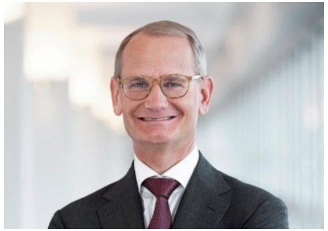
Group P&L effect of Value-add Services

LEG WohnService · LEG WohnSanierung · LEG TechnikService · LEG 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		Staff costs mainly via **LEG TechnikService**,
Other	9.5	+ €23m	Mainly income from **LEG EnergyService** 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
since July 2020



Lars von Lackum
CEO

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

With LEG since 2019

Susanne Schröter-Crossan
CFO

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

With LEG since 2020

Dr. Volker Wiegel
COO

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

With LEG since 2013

New ESG targets within management's remuneration system

Approved by AGM 2020

LEG

Share of target remuneration

Effective 1 January 2021 — year 1 | year 2 | year 3 | year 4

Fixed components (35% – 45%)
- Basic remuneration
- Fringe benefits
- Pension entitlement (defined contribution)

STI (20% – 30%)
- 40% net rental and lease income
- 40% funds from operations I (FFO I)
- 20% ESG targets (100% target fulfilment below)
  - E: energetic refurbishment of 3% of units[1]
  - S: reduction of iteration calls from tenants by 15%
  - G: maintain Sustainalytics rating at score of 10.4

LTI (30% – 40%)
- 40% absolute total shareholder return
- 40% share price development vs. EPRA Germany
- 20% ESG targets (100% target fulfilment below)
  - E: reduction of C02 emissions by 10% in 4 years[1]
  - S: maintain high employee "trust index" within "Great Place to Work"- Survey (66%)

Transaction bonus
- Acquisition of min. 7,500 units to max. 30,000 units
- Bonus from €68,950/100,000 (CEO) to €866,000/1,256,000
- Payout: ⅓ after end of FY and ⅔ after 3 years depending on achievement of business plan (50% FFO I + 50% result from renting and leasing)

Max. remuneration

CEO
€4.3m

Board member
€2.9m

Malus/ Clawback

Partial or complete reduction or reclaim of variable remuneration possible

Share retention obligation

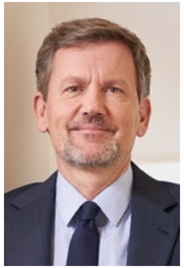
Purchase of LEG shares equivalent to a gross basic salary within 4 years

1 Units as of 12/19.

Supervisory board – 100% independent members

Aiming for 1/3 of female members by 2022

LEG



Michael Zimmer

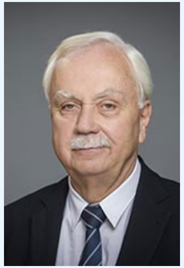
Chairman since 2013

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

Stefan Jütte

Deputy Chairman since 2013

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



Dr. Johannes Ludewig

Member since 2013

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

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

Dr. Jochen Scharpe

Member since 2013

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

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)

Martin Wiesmann

Member since 2020

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

Dr. Sylvia Eichelberg

Member since AGM 2021

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

7.3 Appendix Regulation & Social Security in Germany

Ongoing political discussion but small impacts on LEG

Topic	Description	Impact on LEG
Mietspiegel (reference rent)	▪ Agreement on change of reference period from 4 to 6 years	Marginal impact on rent growth
Modernisation	▪ 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	▪ Mandatory disclosure of previous tenant's rent	No impact on LEG
Mietpreisbremse (rental break)	▪ 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	▪ 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	▪ 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 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)

New **NRW Tenant Protection Law** effective from July 2020 reduces number of tense markets to 18 cities[2]

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

LEG

Statutory five-pillar insurance system

Health
- Prevention
- Early detection
- Treatment
- Rehabilitation
- Sick pay
- Parental benefit

Care
- Support in case of (long-term) care

Pension
- Old-age pension
- Survivor's pension
- Disability pension
- Vocational rehabilitation

Unemployment
- Unemployment benefit
- Employment services
- Vocational training

Accident
- Prevention
- Rehabilitation
- Injury pension
- Death benefit

Principles of solidarity

7.4 Appendix **Investor & Creditor Relations**

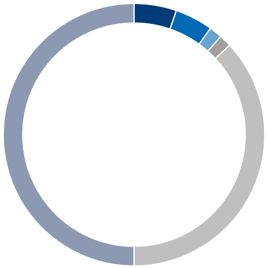
LEG share information

LEG

Basic data

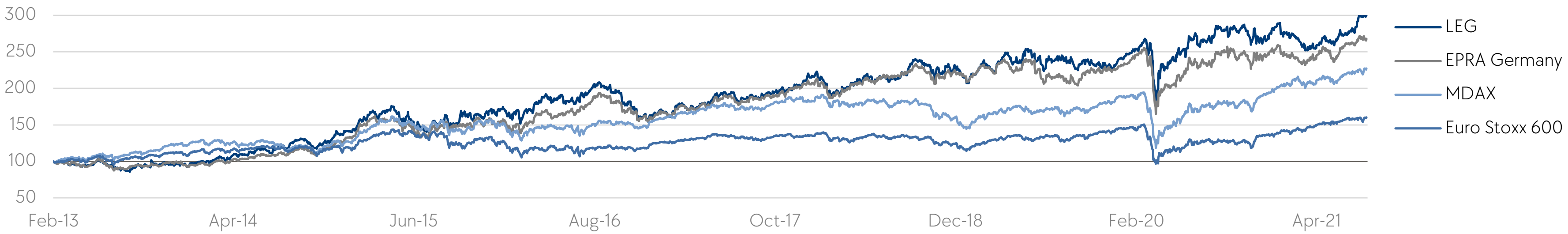
Market segment	Prime Standard
Stock Exchange	Frankfurt
Total no. of shares	72,839,625
Ticker symbol	LEG
ISIN	DE000LEG1110
Indices	MDAX, FTSE EPRA/NAREIT, GPR 250, Stoxx Europe 600, DAX 50 ESG, i.a. MSCI Europe ex UK, MSCI World ex USA, MSCI World Custom ESG Climate Series
Weighting	MDAX 2.62% (30.06.2021) EPRA 3.18% (30.06.2021)

Shareholder structure[1]



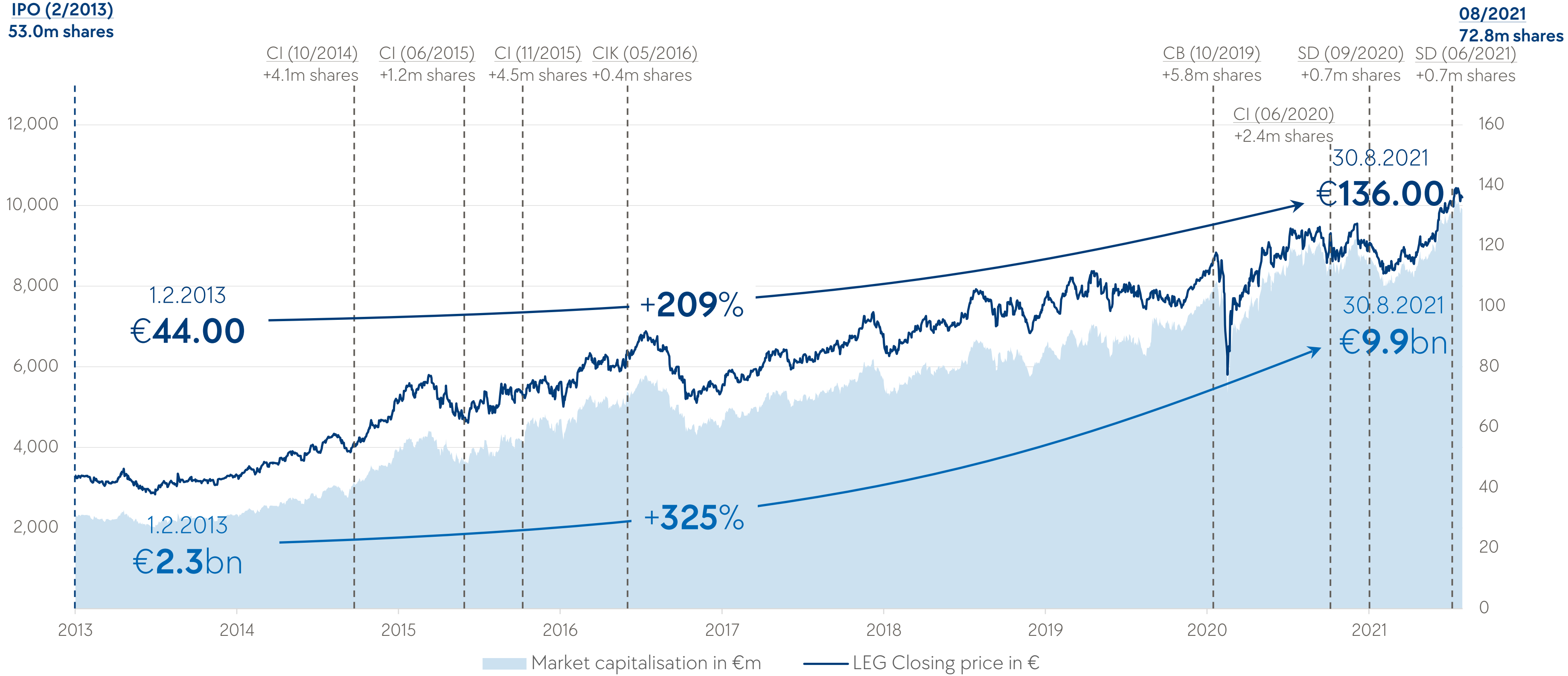
MFS	10.5%
BlackRock	9.3%
BNP Paribas AM	3.2%
Flossbach von Storch	2.9%
Other free float	74.1%

Share (30.7.2021; indexed; in %; 1.2.2013 = 100)



1 Shareholdings according to latest voting rights notifications.

Sustainable increase in share price and market capitalisation since IPO



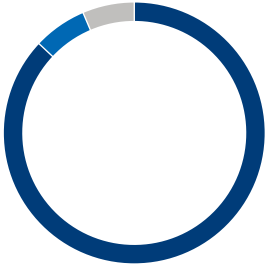
IPO = Initial Public Offering; CI = capital increase; CIK = capital increase in kind; CB = convertible bond; SD = stock dividend

LEG additional creditor information

Unsecured financing covenants

Covenant	Threshold	H1-2021
Consolidated Adjusted EBITDA / Net Cash Interest	≥1.8x	5.9x
Unencumbered Assets / Unsecured Financial Indebtedness	≥125%	188%
Net Financial Indebtedness / Total Assets	≤60%	34%
Secured Financial Indebtedness / Total Assets	≤45%	17%

Financing mix



Fixed interest	86.9%
Derivatives	6.6%
Variable interest	6.4%

Ratings (Moody's)

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

Key financial ratios

	H1-2021	H1-2020
Net debt / EBITDA	11.8x	10.2x
LTV	36.4%	34.4%

Our Sustainable Financing Framework

Part of our sustainable business strategy

LEG

- 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

The Green Bond Principles

The Social Bond Principles

The Sustainability Bond Guidelines

Green Loan Principles

SUSTAINABLE DEVELOPMENT GOALS

Social Loan Principles

Sustainable Financing Framework

Use of Proceeds

- Affordable and Social Housing
- Community Engagement
- Green Buildings & Energy Efficiency
- Renewable Energy
- Clean Transportation

Process for Asset Evaluation and Selection

- Dedicated Sustainable Financing Committee responsible for evaluation and selection of eligible assets

Management of Proceeds

- Proceeds managed using a portfolio approach
- Unallocated proceeds may be used in line with company's investment strategy

Reporting

- Allocation and impact reporting provided annually until full allocation of net outstanding Sustainable Bond proceeds

Framework reviewed by Second-Party Opinion ("SPO") provider Sustainalytics stating that it is credible and impactful

Capital market financing
Corporate bonds

	2017/2024	2019/2027	2019/2034	2021/2033	2021/2031 (sustainable bond)
Issue Size	€500m	€500m	€300m	€500m	€600m
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
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)
Issue Price	99.409%	99.356%	98.649%	99.232%	99.502%
Financial Covenants	▪ Net financial debt/ total assets ≤ 60% ▪ Secured financial debt/ total assets ≤ 45% ▪ Unencumbered assets/ unsecured financial debt ≥ 125% ▪ Adj. EBITDA/ net cash interest ≥ 1.8 x				
ISIN	XS1554456613	DE000A254P51	DE000A254P69	DE000A3H3JU7	DE000A3E5VK1
WKN	A2E4W8	A254P5	A254P6	A3H3JU	A3E5VK

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

2021

10 March
Annual Report 2020

11 May
Quarterly Statement Q1
as of 31 March 2021
+ ESG Agenda 2024

27 May
AGM 2020

11 June
ESG Deep Dive

10 August
Quarterly Report Q2

10 November
Quarterly Statement Q3
as of 30 September 2021

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

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