

LEG Immobilien SE
Q1-2021 Results

11 May 2021

LEG

Q1-2021



Q1-2021 Results

Agenda

- 1 Highlights Q1-2021
- 2 ESG Agenda 2024
- 3 Outlook
- 4 Appendix



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.



1

Highlights Q1-2021

Q1 2021 – Financial Summary

Operating results

		Q1-2021	Q1-2020	+/- %/bp
Net cold rent	€m	168.4	153.5	+9.7%
Net rental income	€m	129.0	116,5	+10.7%
EBITDA adjusted	€m	126.0	113.7	+10.8%
FFO I	€m	104.1	94.0	+10.7%
FFO I per share	€	1.44	1.36	+5.7%
FFO II	€m	103.8	93.5	+11.0%
EBITDA margin (adj.)	%	74.8	74.1	+70bp
FFO I margin	%	61.8	61.2	+60bp

Portfolio

		31.03.2021	31.03.2020	+/- %/bp
Residential units	number	144,519	136,217	+6.1%
In-place rent (I-f-I)	€/m²	6.03	5.87	+2.8%
Capex ¹	€m	68.9	54.2	+27.1%
Maintenance ¹	€m	23.4	18.5	+26.5%
EPRA vacancy rate (I-f-I)	%	2.7	3.4	-70 bp

¹ only for investment properties

Balance sheet

		31.03.2021	31.12.2020	+/- %/bp
Investment properties	€m	14,702.7	14,582.7	+0.8%
Cash and cash equivalents	€m	773.5	335.4	+130.6%
Equity	€m	7,526.4	7,389.9	+1.8%
Total financing liabilities	€m	6,355.3	5,869.0	+8.3%
Current financing liabilities	€m	110.7	491.3	-77,5%
Net debt	€m	5,553.3	5,502.8	+0.9%
LTV	%	37.7	37.6	+10bp
Equity ratio	%	47.5	48.4	-90bp
Adj. EPRA NAV, diluted	€m	8,958.6	9,264.3	-3.3%
Adj. EPRA NAV per share, diluted	€	124.26	122.65	+1.3%
EPRA NTA, diluted	€m	8,942.4	9,247.6	-3.3%
EPRA NTA per share, diluted	€	124.03	122.43	+1.3%

Strong performance

FFO I at record level for Q1

Financials



- FFO I **+10.7%** to **€104.1m**
- EBITDA-Margin **74.8% (+70bps)**
- LTV **37.7%**
 - **7.5y** for **1.29%**
- NTA ps **€ 124.03 (+1.3%)**

Operations



- Net cold rent **+9.7%**
- I-f-I rental growth **+2.8%**
- I-f-I vacancy **2.7% (-70bps)**

ESG



- **Publication of ESG Agenda 2024** – providing a first insight into our realistic strategy
- **Publication of 2020 Sustainability report**
- **ESG deep dive 11 June 2021**
- **Among best employers in NRW**



Q1-2021

Keeping the momentum

Benefitting from the portfolio growth

+6.1% units vs. Q1 20

Rating confirmed at Baa1 (stable)

Strong financial profile

Minimal Corona effect

in Q1 21 and YTD

Unchanged and confirmed

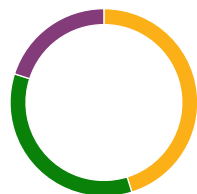
FY 2021 FFO I guidance of €410m – 420m

Positive across all market clusters

Strong vacancy decline across all markets, strongest in higher-yielding markets

Market split (GAV)

%



High-growth **45.2**
Stable **34.7**
Higher-yielding **20.1**

In-place rent, l-f-l

€/m²

High-growth **6.82**
Stable **5.72**
Higher-yielding **5.55**

Vacancy, l-f-l

%

High-growth **1.6**
Stable **2.7**
Higher-yielding **4.2**

Markets

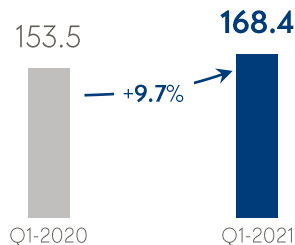
	Total portfolio		High-growth		Stable		Higher-yielding	
	Q1-2021	▲ (YOY)	Q1-2021	▲ (YOY)	Q1-2020	▲ (YOY)	Q1-2020	▲ (YOY)
# of units	144,519	+6.1%	45,887	+9.6%	56,404	+7.1%	42,228	+1.4%
GAV residential assets (€m)	13,964	+18.7%	6,310	+19.1%	4,852	+21.4%	2,801	+13.6%
In-place rent (m²), l-f-l	€6.03	+2.8%	€6.82	+2.9%	€5.72	+2.6%	€5.55	+2.8%
EPRA vacancy, l-f-l	2.7%	−70 bps	1.6%	−30 bps	2.7%	−70 bps	4.2%	−130 bps

Margins continue to grow in Q1

Overview

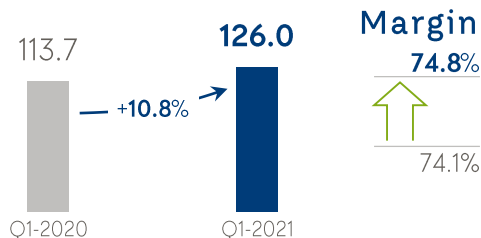
Net cold rent

€m



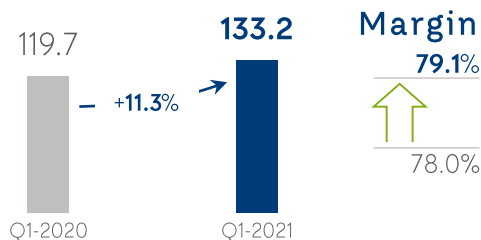
Adj. EBITDA

€m



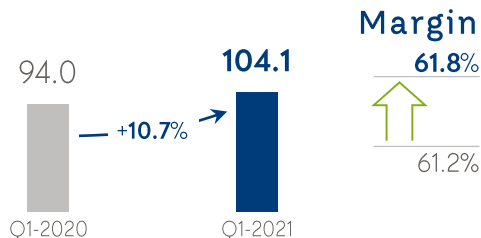
Recurring Net rental and lease income

€m



FFO I

€m



Recurring net rental and lease income

- Scale effects through acquisitions and rent increases
- Strong performance of value-add services

Adj. EBITDA

- Slightly disproportional increase in admin costs

FFO I ps

- Q1-2020 €1.36
- Q1-2021 €1.44




2

ESG Agenda **2024** – A Joint Journey

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



LEG-specific ESG targets

Measurable and auditable targets lay the foundation for our ESG roadmap

Targets

Environment

- 1 2021 – 2024: Reduction of CO₂ emissions by **10%** in 4 years¹
- 2 2021: Energetic refurbishment of at least **3%** of units¹

Social

- 3 2021 – 2024: Maintain high employee satisfaction level (**66%** Trust Index)
- 4 2021: Reduction of iteration calls from tenants by **15%**
- 5 2021 – 2025: Ambition to become best in class in customer recognition by 2025 with a Customer Satisfaction Index of **>70%**

Governance

- 6 2021: Maintain Sustainalytics rating at a score of **10.4**

¹ Units as at 12/19.

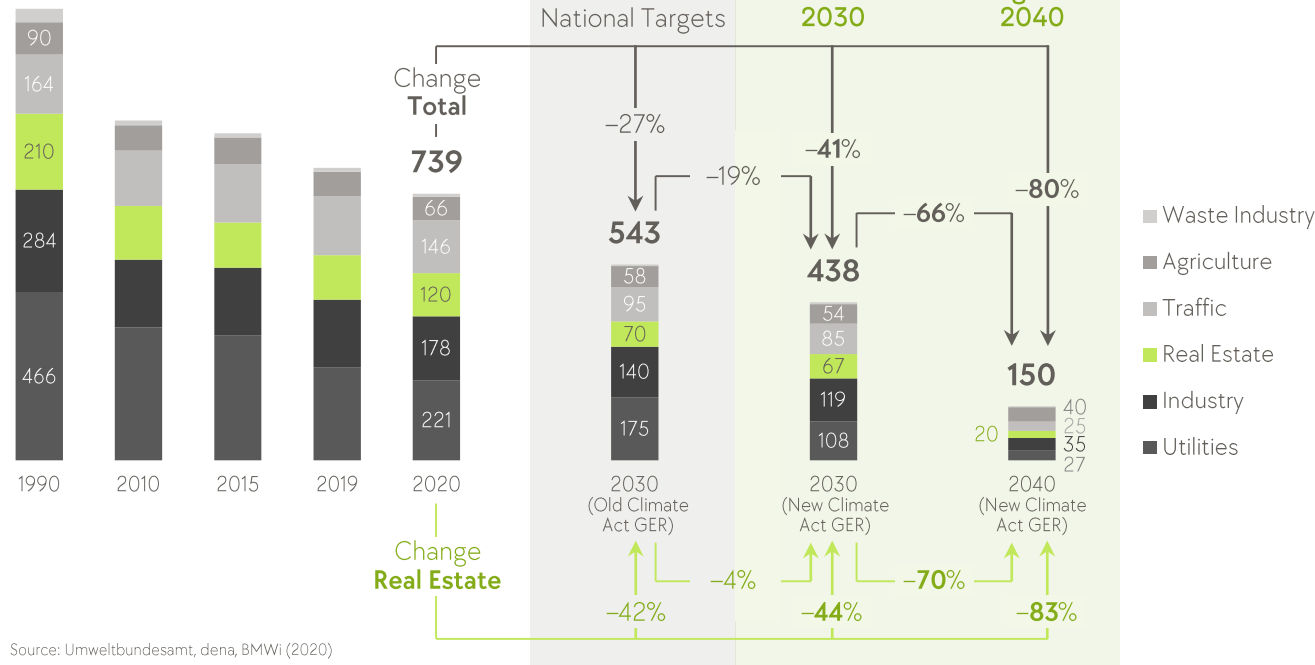
German reduction path by sectors

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

Germany CO₂ emission in sector context

Mio. t

1,251

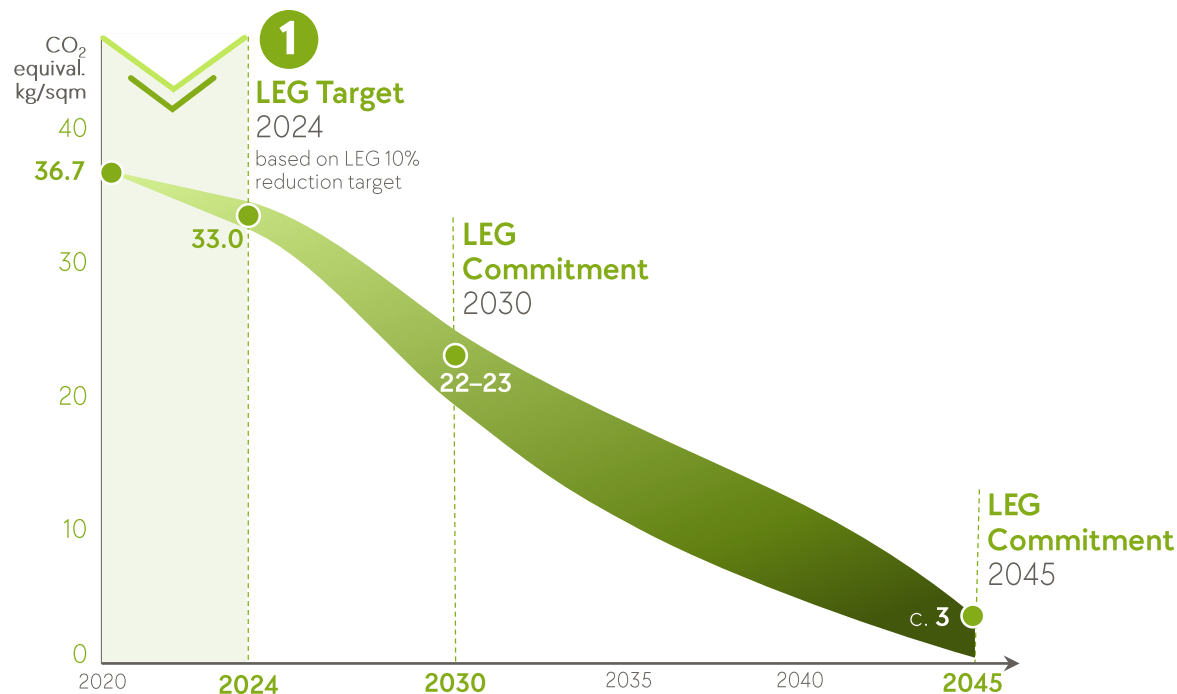


Source: Umweltbundesamt, dena, BMWi (2020)

- 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

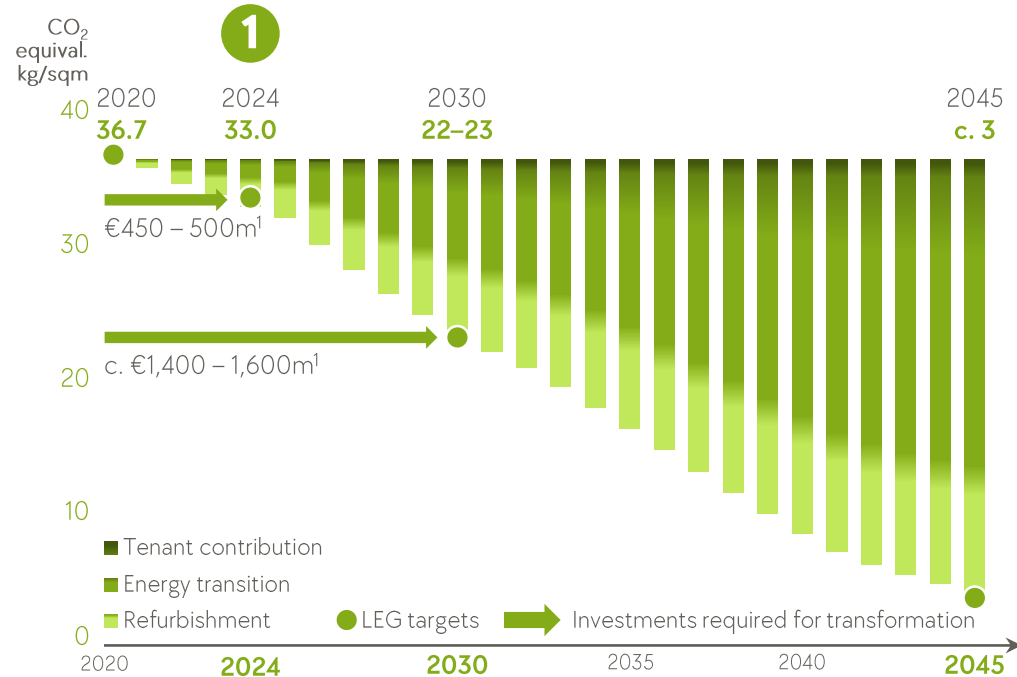


1 Units as at 12/19.

- LEG fully committed to new German Climate Change Act to achieve climate neutrality by 2045
- LEG targets a CO₂ reduction of **10%** by 2024¹
- 3%** of units to be refurbished in 2021¹ **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

- 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%**

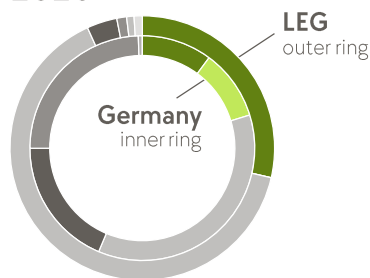
¹ Estimate based on current price levels for materials and services and taking no innovation and efficiency improvements into account. Based on portfolio as of 12/2020. In 2021 LEG aims to spend c. €110m for energetic improvements.

Energy transition – LEG with a good starting point

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

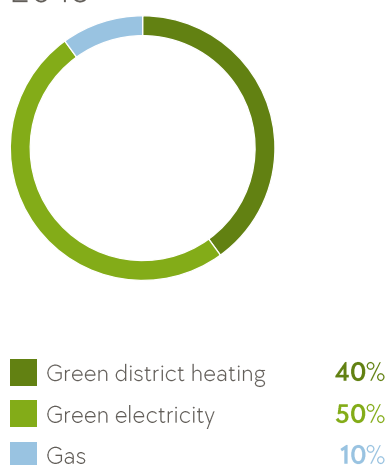
Heat energy by source LEG / Germany

2020



Target heat energy mix LEG

2045

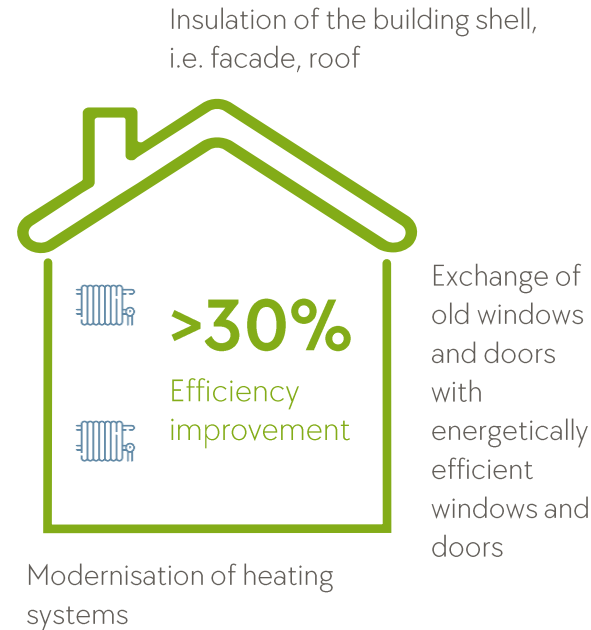


- Gradual shift from fossil energy towards green mix
- Increase in electricity along the planned transformation of the German energy mix towards green energy assumed
- Increase in green district heating from already high levels, benefitting from location of assets in bigger cities
- Assuming a remaining 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

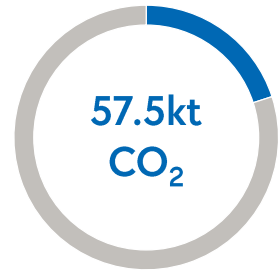
LEG's biomass plant

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

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

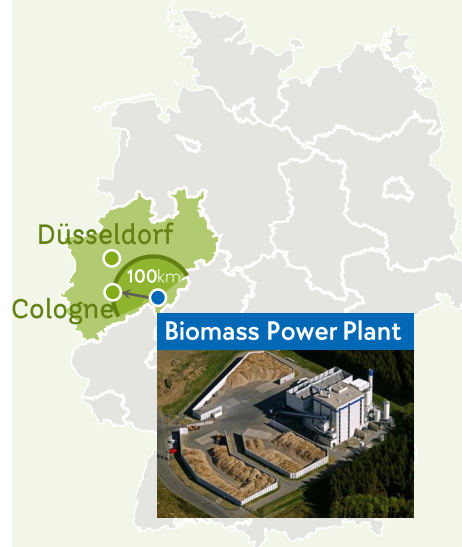
- LEG bottom-up approach based on actual consumption
- Not reflecting the bio mass plant
- Scope 1 and scope 2
- **311kt CO₂** in total
- **157.5 kWh/sqm**

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

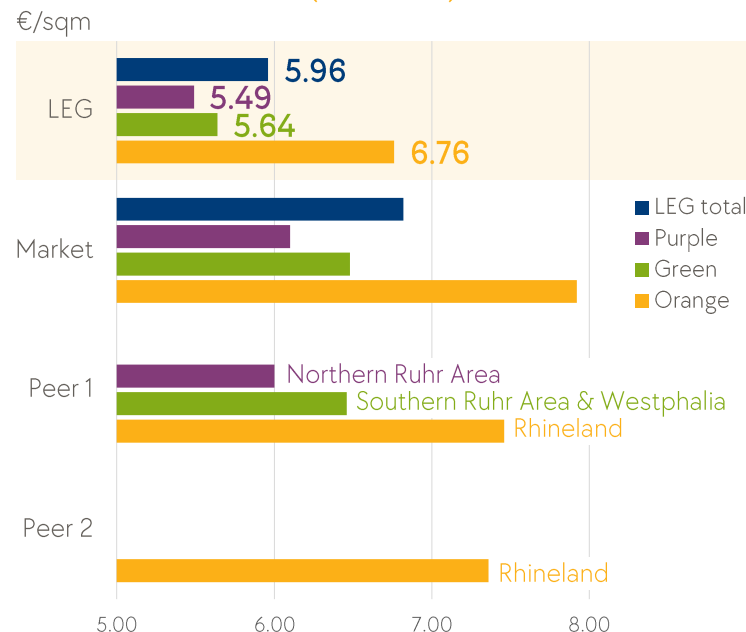
24% of our units are rent-restricted



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

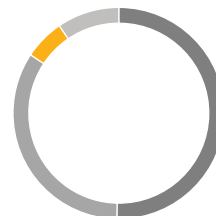
Acquisition of a 6% stake in GEWAG municipal housing company in Remscheid



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 best-in-class in corporate governance

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

6

LEG

ESG



ESG
Rating



ESG
Rating

20.1

10.4



sBPR
Award



ESG
Rating

52

52



ESG
Index

DAX[®] 50 ESG

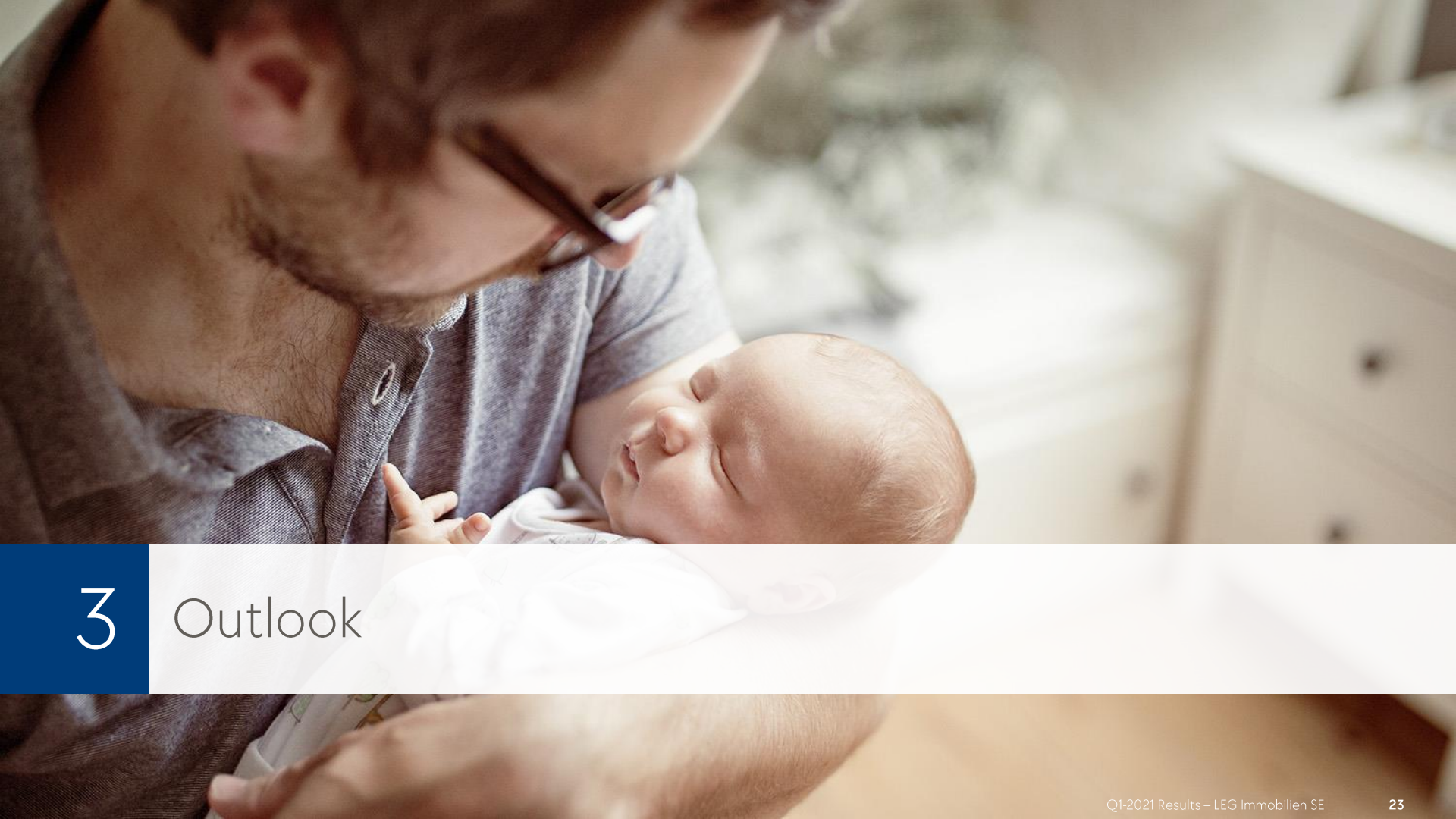


ESG
Indices

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

Outlook

2021 guidance

All financial targets confirmed and ESG targets integrated

LEG

	2021
FFO I	€410m – 420m ¹
I-f-I rent growth	~3.0%
EBITDA margin	~75%
Investments	~40 – 42€/m ²
LTV	max. 43%
Dividend	70% of FFO I

Acquisition ambition Not reflected in guidance ~7,000 units

Environment	2021 - 2024	1	Reduction of CO2 emissions by 10% in 4 years ² Energetic refurbishment of 3% of units ²
	2021	2	
Social	2021 - 2024	3	Maintain high employee satisfaction level (66% Trust Index) Reduction of iteration calls from tenants by 15% Best in class in customer recognition by 2025 with a Customer Satisfaction Index of >70%
	2021	4	
	2021 – 2025	5	
Governance	2021	6	Maintain Sustainalytics rating at score of 10.4

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

A woman with long blonde hair is sitting in a yellow armchair, reading a book. She is in a cozy living room with large windows covered by light-colored curtains. A large floor lamp with a woven shade is positioned above her. To the left, there is a white side table with a small white object on it. A potted plant is visible on the right side of the frame. The overall atmosphere is warm and comfortable.

4 Appendix

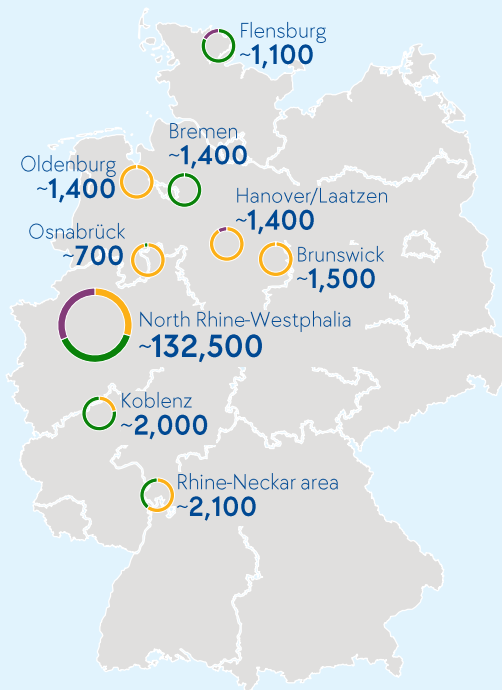
Portfolio overview

144,519 units as of 03/2021

LEG

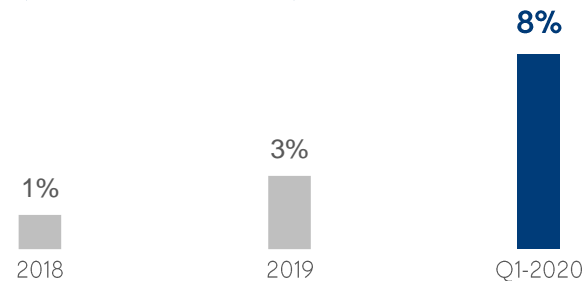
North Rhine-Westphalia

(~132,500 units / ~92%)



Outside North Rhine-Westphalia

(~12,000 units / ~8%)



Growth along our investment criteria

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

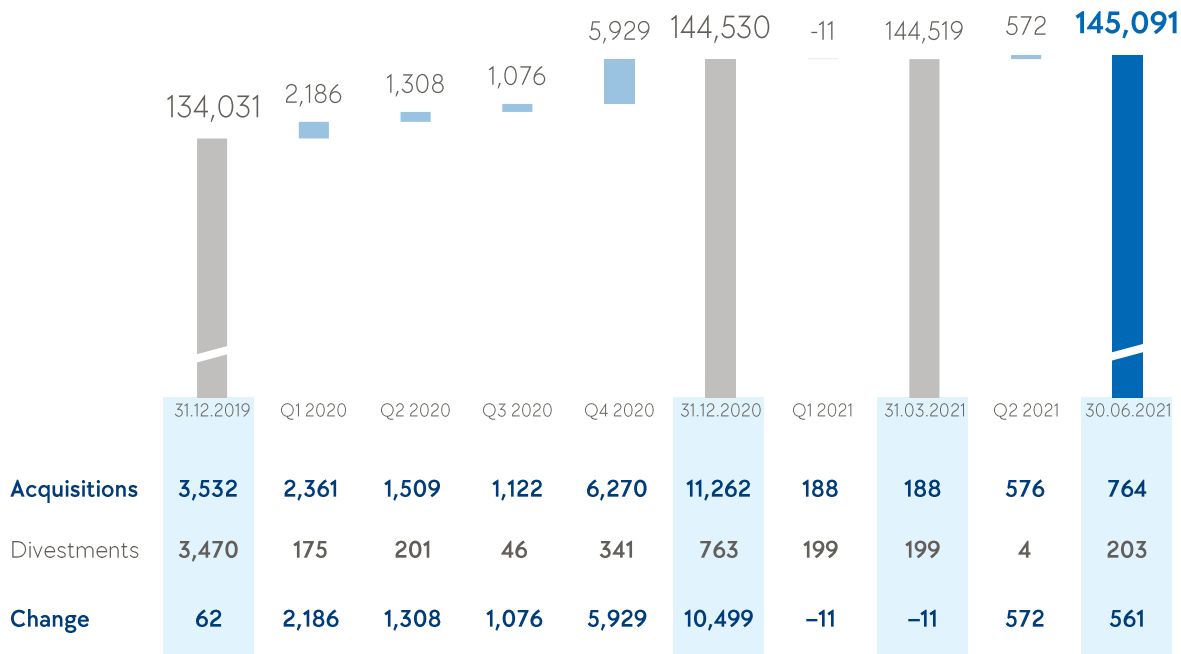


Portfolio transactions

Nearly unchanged portfolio size in Q1

LEG

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, SL = Saarland.

Acquisitions (Locations/State³)

Q1 2020

- NRW

Q2 2020

- NRW – Kaiserslautern (RP)

Q3 2020

- NRW – Flensburg (SH)

Q4 2020

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

Q1 2021

- NRW – Oldenburg (LS)

Q2 2021

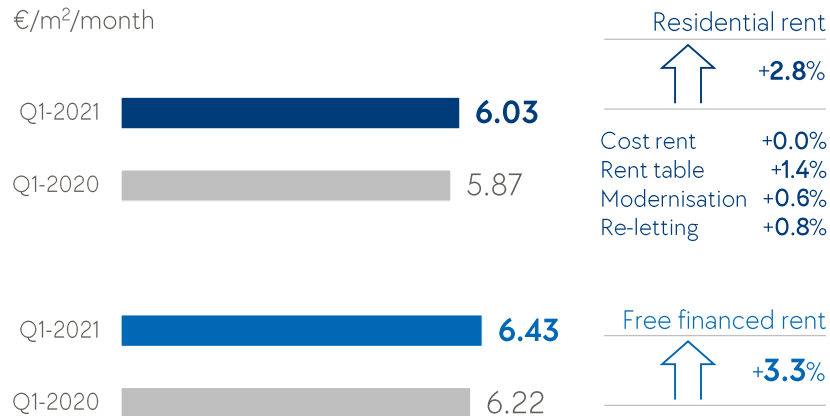
- NRW – Oldenburg (LS) – Hanover (LS) – Brunswick (LS) - Kaiserslautern, Koblenz (RP)

+2.8% l-f-l rental growth

On track to meet full year target

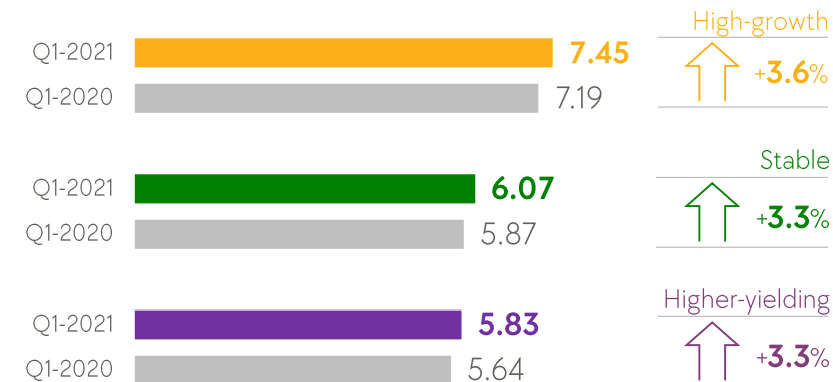
l-f-l rent development

€/m²/month



l-f-l free financed rent development

€/m²/month

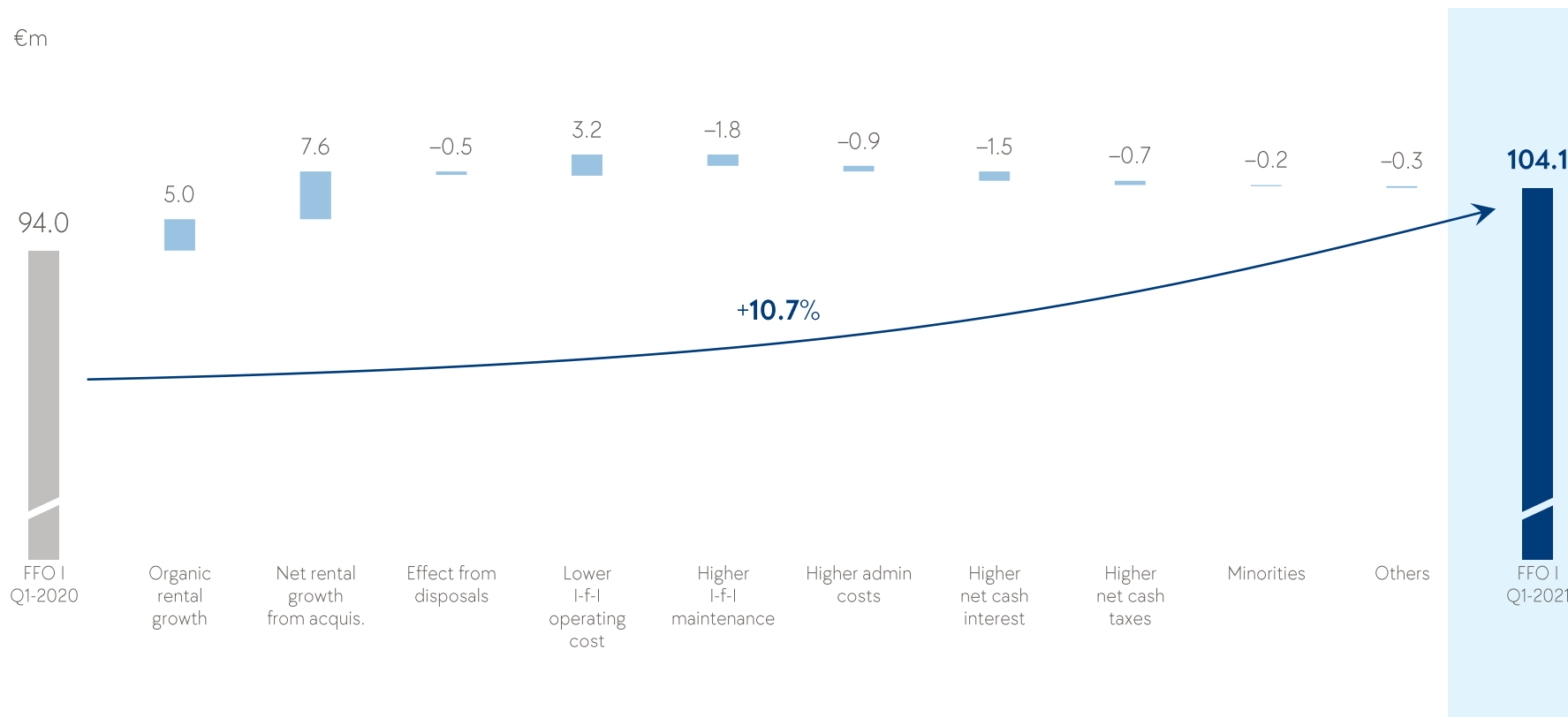


- Ongoing strong momentum in all of our three market segments
- Rent restricted units: no cost rent adjustments in 2021

FFO Bridge Q1-2021

Increase of +€10.1 m (+10.7%)

€m



Portfolio valuation Q1-2021

LEG

Market segment	Residential Units	GAV Residential Assets (€m)	GAV/ m ² (€)	Gross yield	In-Place Rent Multiple	Market Multiples ¹	GAV Commercial/ Other (€m)	Total GAV (€m)
High-Growth Markets	45,887	6,310	2,063	3.9%	25.8x	21.9x	274	6,584
Stable Markets	56,404	4,852	1,353	4.9%	20.2x	17.8x	152	5,004
Higher-Yielding Markets	42,228	2,801	1,085	5.9%	17.0x	15.2x	86	2,887
Total Portfolio	144,519	13,964	1,514	4.6%	21.5x	18.7x	511	14,475

¹ Estimated rental values as of 31 December 2020

Strong financial profile

LEG

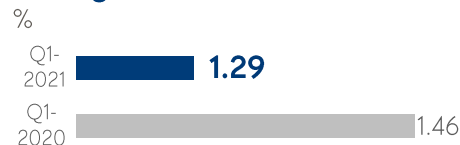
Maturity profile



Average debt maturity



Average interest costs



Loan-to-value



Highlights Q1-2021

- Successful placement of **€500m** bond with coupon of **0.875%** and 12 years maturity
- Average interest costs down 17 bps vs. Q1-2020 and down 4 bps vs. Q4-2020
- No significant maturities until 2023
- Strong liquidity as of end of March with **~€770m cash** at hand and **>€400m RCF's**
- LTV as well as Net debt/EBITDA (LTM: 11.7x) on low levels

New EPRA NRV – NTA – NDV

LEG

€m

	31.03.2021			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)	7,502.1	7,502.1	7,502.1	7,365.6	7,365.6	7,365.6
Hybrid instruments	27.5	27.5	27.5	464.3	464.3	464.3
Diluted NAV (at Fair Value)	7,529.6	7,529.6	7,529.6	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	1,449.0	1,436.0	–	1,431.3	1,417.4	–
Fair value of financial instruments	79.7	79.7	–	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	–	–	-378.0	–	–	-443.0
Deferred taxes of fixed interest rate debt	–	–	69.8	–	–	87.2
Revaluation of intangibles to fair value	–	–	–	–	–	–
Estimated ancillary acquisition costs (real estate transfer tax)	1,432.5	–	–	1,421.7	–	–
NAV	10,434.9	8,942.4	7,121.8	10,729.7	9,247.6	7,374.5
Fully diluted number of shares	72,095,943	72,095,943	72,095,943	75,534,292	75,534,292	75,534,292
NAV per share	144.74	124.03¹	98.78	142.05	122.43	97.63

¹ Including RETT (Real Estate Transfer Taxes) the NTA would have been €143.70

FFO calculation

€m	Q1-2021	Q1-2020
Net cold rent	168.4	153.5
Profit from operating expenses	-0.7	-0.8
Maintenance (externally-procured services)	-16.2	-12.9
Staff costs	-21.1	-17.7
Allowances on rent receivables	-2.3	-2.3
Other	3.5	-0.8
Non-recurring project costs (rental and lease)	1.6	0.7
Recurring net rental and lease income	133.2	119.7
Recurring net income from other services	2.1	2.4
Staff costs	-6.5	-5.6
Non-staff operating costs	-4.1	-3.6
Non-recurring project costs (admin.)	1.3	0.8
Recurring administrative expenses	-9.3	-8.4
Other income and expenses	0.0	0.0
Adjusted EBITDA	126.0	113.7
Cash interest expenses and income	-20.5	-19.0
Cash income taxes from rental and lease	-1.4	-0.8
FFO I (including non-controlling interests)	104.1	93.9
Non-controlling interests	0.0	0.1
FFO I (excluding non-controlling interests)	104.1	94.0
FFO II (including disposal of investment property)	103.8	93.5
Capex	-69.8	-54.7
Capex-adjusted FFO I (AFFO)	34.3	39.3

Net cold rent

- +€14.9m or +9.7% YOY

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

- +€13.5m or +11.3% YOY

Non-staff operating costs

- Increase related to higher consulting costs

Adjusted EBITDA

- +€12.3m or +10.8% YOY

Cash interest expenses

- Decline in average interest costs from 1.46% to 1.29% offset by higher debt

Balance sheet

LEG

€m	31.03.2021	31.12.2020
Investment property	14,702.7	14,582.7
Other non-current assets	261.7	264.9
Non-current assets	14,964.4	14,847.6
Receivables and other assets	110.7	77.7
Cash and cash equivalents	773.5	335.4
Current assets	884.2	413.1
Assets held for sale	0.5	21.6
Total Assets	15,849.1	15,282.3
Equity	7,526.4	7,389.9
Non-current financing liabilities	6,244.6	5,377.7
Other non-current liabilities	1,695.2	1,650.5
Non-current liabilities	7,939.8	7,028.2
Current financing liabilities	110.7	491.3
Other current liabilities	272.2	372.9
Current liabilities	382.9	864.2
Total Equity and Liabilities	15,849.1	15,282.3

Investment property

- Acquisitions contributed €50.1m
- Capex contributed €68.9m

Cash and cash equivalents

- Cash flow from operating activities €98.5m
- Investing activities €-143.8m
- Financing activities €483.4m
 - Bond issuance €494.2m
 - Repayment of loans €-7.1m

Loan to Value

€m	31.03.2021	31.12.2020
Financial liabilities	6,355.3	5,869.0
Excluding lease liabilities (IFRS 16)	28.5	30.8
Cash & cash equivalents	773.5	335.4
Net Debt	5,553.3	5,502.8
Investment properties	14,702.7	14,582.7
Properties held for sale	0.5	21.6
Prepayments for investment properties	39.0	43.3
Property values	14,742.2	14,647.6
Loan to Value (LTV) in %	37.7	37.6

- LTV nearly unchanged vs. Q4-2020
- Low LTV enables further portfolio expansion

Income statement

LEG

€m	Q1-2021	Q1-2020
Net rental and lease income	129.0	116.5
Net income from the disposal of investment property	-0.2	-0.3
Net income from the valuation of investment property	1.9	-0.7
Net income from the disposal of real estate inventory	0.0	-1.4
Net income from other services	1.4	1.7
Administrative and other expenses	-11.5	-10.3
Other income	0.0	0.0
Operating earnings	120.6	105.5
Net finance costs	23.1	-20.0
Earnings before income taxes	143.7	85.5
Income tax expenses	-19.3	-19.0
Consolidated net profit	124.4	66.5

Recurring net rental and lease income

- NRI increased by €12.5m or +10.7% YOY

Administrative and other expenses

- Increase related to higher consulting costs and additional FTEs

Net finance costs

- Net income from fair value measurement of derivatives of €48.0m mainly related to the convertibles (Q1-2020: €-0.2m)
- Increase in interest expenses due to convertible bond (nominal value: €550m) issued in Q2-2020

Income tax expenses

- Effective tax rate of 18.5% (Q2-2020: 21.7%)

Cash effective interest expense

LEG

€m	Q1-2021	Q1-2020
Reported interest expense	24.9	22.6
Interest expense related to loan amortisation	-4.1	-3.3
Interest costs related to valuation of assets/liabilities	0.0	0.0
Interest expenses related to changes in pension provisions	-0.2	-0.3
Other interest expenses	-0.1	0.1
Cash effective interest expense (gross)	20.5	19.0
Cash effective interest income	0.0	0.0
Cash effective interest expense (net)	20.5	19.0

Interest expense related to loan amortisation

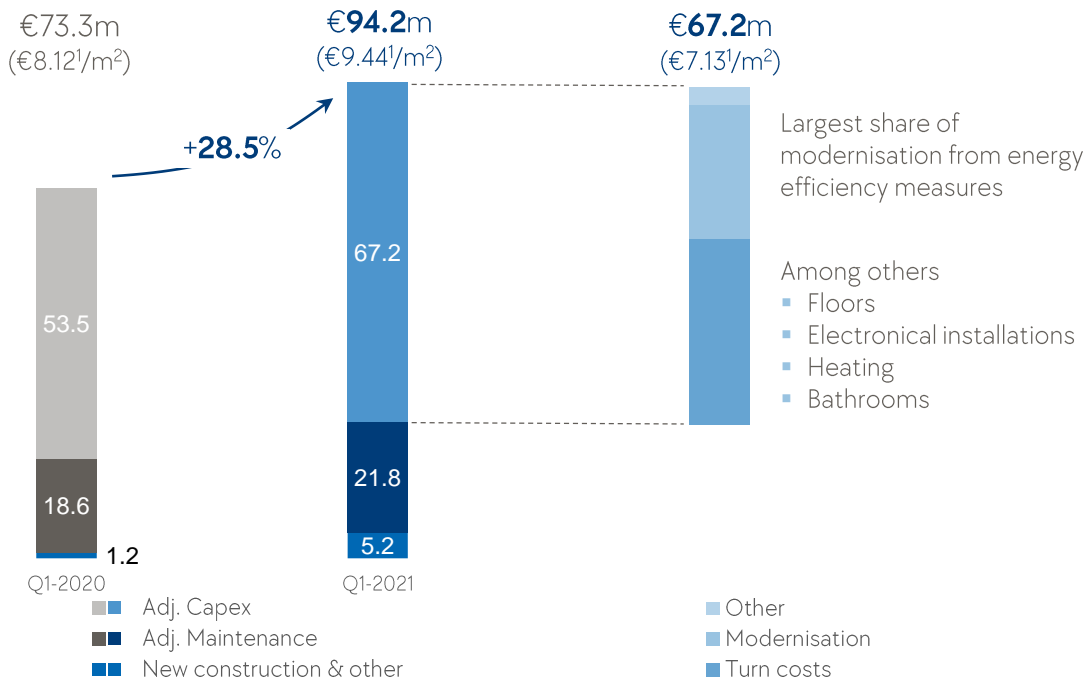
- Increase related to the issuance of the convertible bond in Q2-2020

Cash effective interest expense

- Interest coverage improved further y-o-y to 6.1 (6.0)

Capex und Maintenance

Ongoing focus on growth and energy efficiency



- Increase of **investments** with around **29%** year-over-year within plan
- **C.26%** increase in **capex** driven by significant growth in value-enhancing turn-cost spending and growth in modernisations
- **Maintenance** costs increased by **C.17%** - in line with our portfolio growth
- In line with our full year budget

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

Investments

Reconciliation from investments to adjusted investments

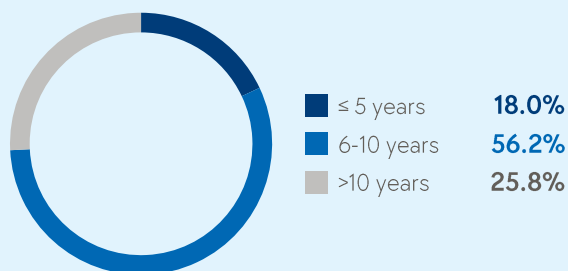
€m	Q1-2021	Q1-2020	FY-2020
Maintenance	24.4	18.6	98.3
Thereof LWS Plus effect	2.4	–	2.6
Thereof public safety measures in connection with acquisitions	0.1	–	0.2
Adjusted maintenance	21.8	18.6	95.5
Capex	69.8	54.7	290.4
Thereof new construction	0.5	1.2	4.8
Thereof capitalisation of own services	2.2	–	10.8
Adjusted Capex	67.2	53.5	274.8
Total investments	94.2	73.3	388.7
Adjusted total investments	89.0	72.1	370.3
Area of investment properties (million sqm)	9.43	8.88	9.03
Adjusted investment per sqm (€)	9.44	8.12	41.00

Refinancing of subsidised loans lifting value

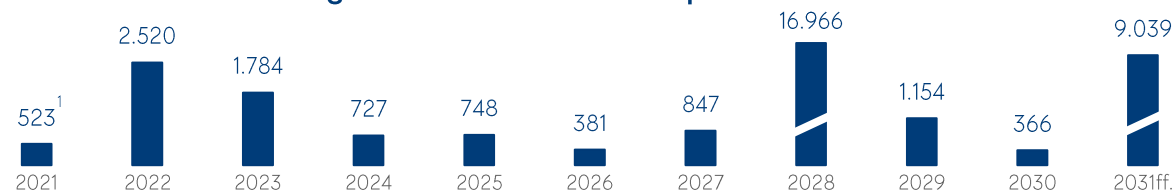
Rent potential subsidised units

- Until 2028, around **25,000 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 70% of units to come off restriction until 2028

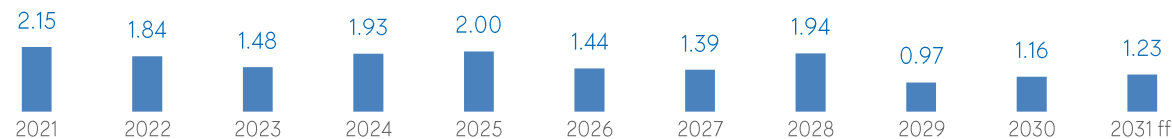


Number of units coming off restriction and rent upside



Spread to market rent

€/m²/month



	≤ 5 years ³	6 – 10 years ³	> 10 years ³
In-place rent	€4.71	€5.04	€5.01
Market rent ²	€6.51	€6.88	€6.24
Upside potential ⁴	38%	37%	25%
Upside potential p.a. ⁴	€9.3m	€29.0m	€9.2m

¹ In Q1 already 899 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.

Supervisory board – 100% independent members

Aiming for 1/3 of female members by 2022



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 Ludwig

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



Dr. Claus Nolting

Member since 2016

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



Dr. Jochen Scharpe

Member since 2013

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



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

To be elected at AGM 2021

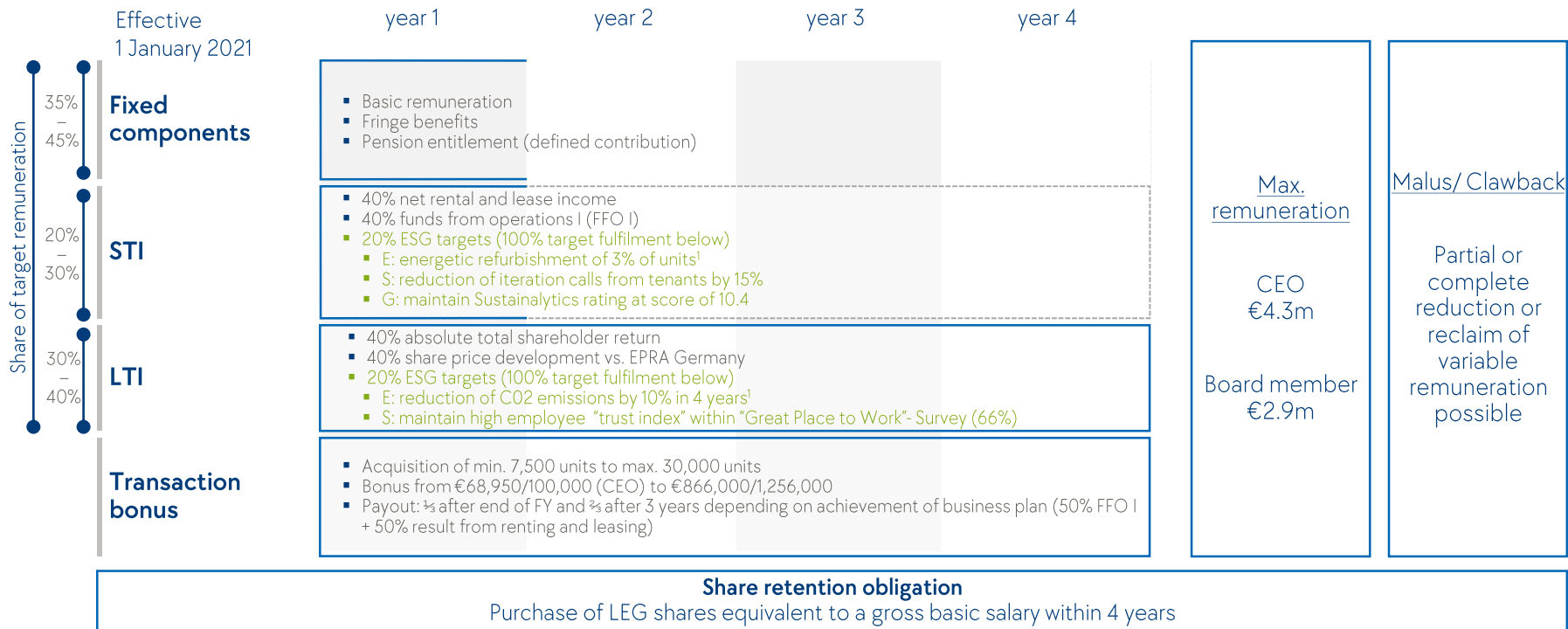
CEO of Gothaer Health Insurance and previously in different roles with AXA and ERGO insurance

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

New ESG targets within management's remuneration system

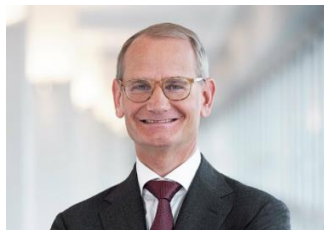
Approved by AGM 2020

LEG



1 Units as at 12/19.

Management Team



Lars von Lackum
CEO

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

With LEG since 2019



Susanne Schröter-Crossan
CFO

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

With LEG since 2020



Dr. Volker Wiegel
COO

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

With LEG since 2013

LEG additional creditor information

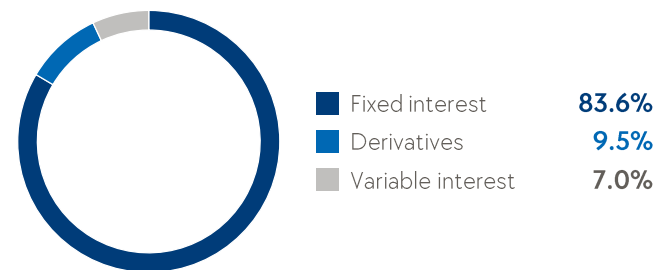
Unsecured financing covenants

Covenant	Threshold	Q1-2021
Consolidated Adjusted EBITDA / Net Cash Interest	≥1.8x	5.8x
Unencumbered Assets / Unsecured Financial Indebtedness	≥125%	218%
Net Financial Indebtedness / Total Assets	≤60%	35%
Secured Financial Indebtedness / Total Assets	≤45%	20%

Ratings (Moody's)

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

Financing mix



Key financial ratios

	Q1-2021	Q1-2020
Net debt / EBITDA	11.7x	10.8x
LTV	37.7%	38.0%

Capital market financing

Corporate bonds

LEG

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

Capital market financing

Convertible bonds

LEG

	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	3,438,349	3,546,869
Initial Conversion Price	€118.4692	€155.2500
Adjusted Conversion Price ¹	€116.3349 (as of 4 September 2020)	€155.0663 (as of 7 September 2020)
Issuer Call	From 22 September 2022, if LEG share price >130% of the then applicable conversion price	From 5 August 2025, if LEG share price >130% of the then applicable conversion price
ISIN	DE000A2GSDH2	DE000A289T23
WKN	A2GSDH	A289T2

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

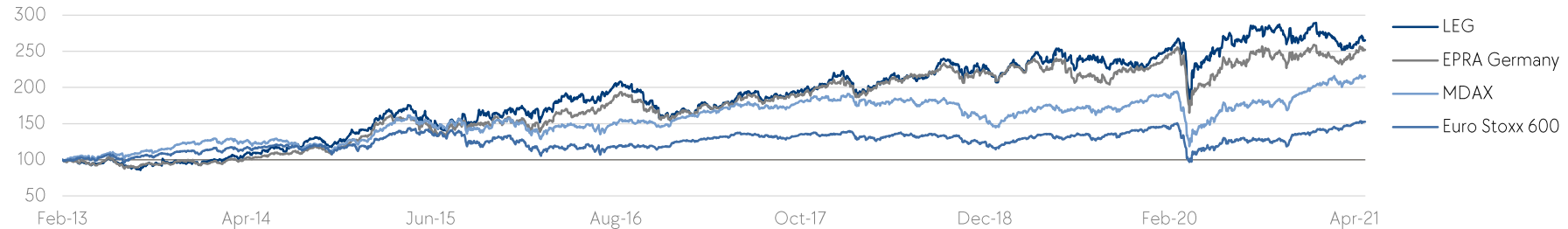
LEG share information

Basic data

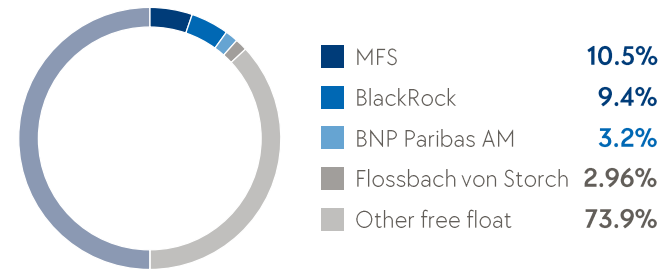
Market segment	Prime Standard
Stock Exchange	Frankfurt
Total no. of shares	72,095,943
Ticker symbol	LEG
ISIN	DE000LEG1110
Indices	MDAX, FTSE EPRA/NAREIT, GPR 250, Stoxx Europe 600, DAX 50 ESG, i.a. MSCI Europe ex UK, MSCI World ex USA, MSCI World Custom ESG Climate Series

Weighting	MDAX 2.59% (31.03.2021) EPRA 3.22% (31.03.2021)
-----------	----------------------------------------------------

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

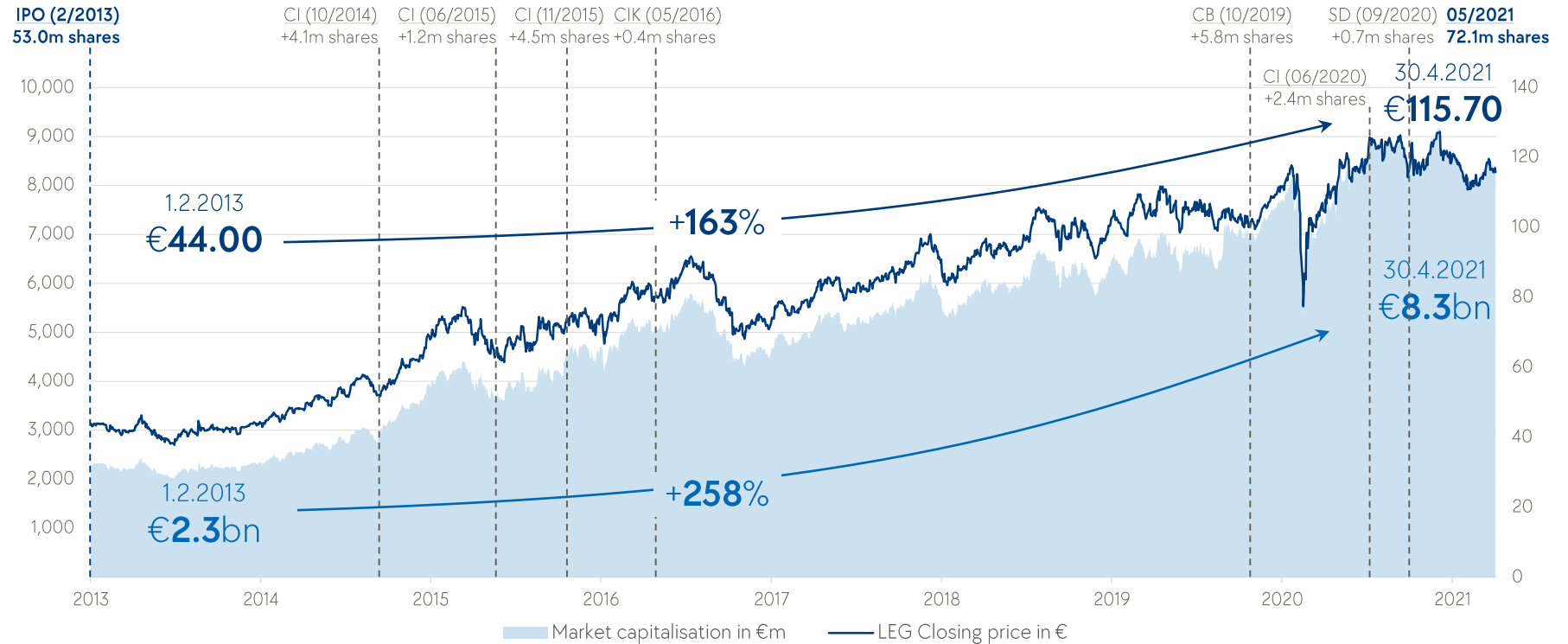


Shareholder structure¹



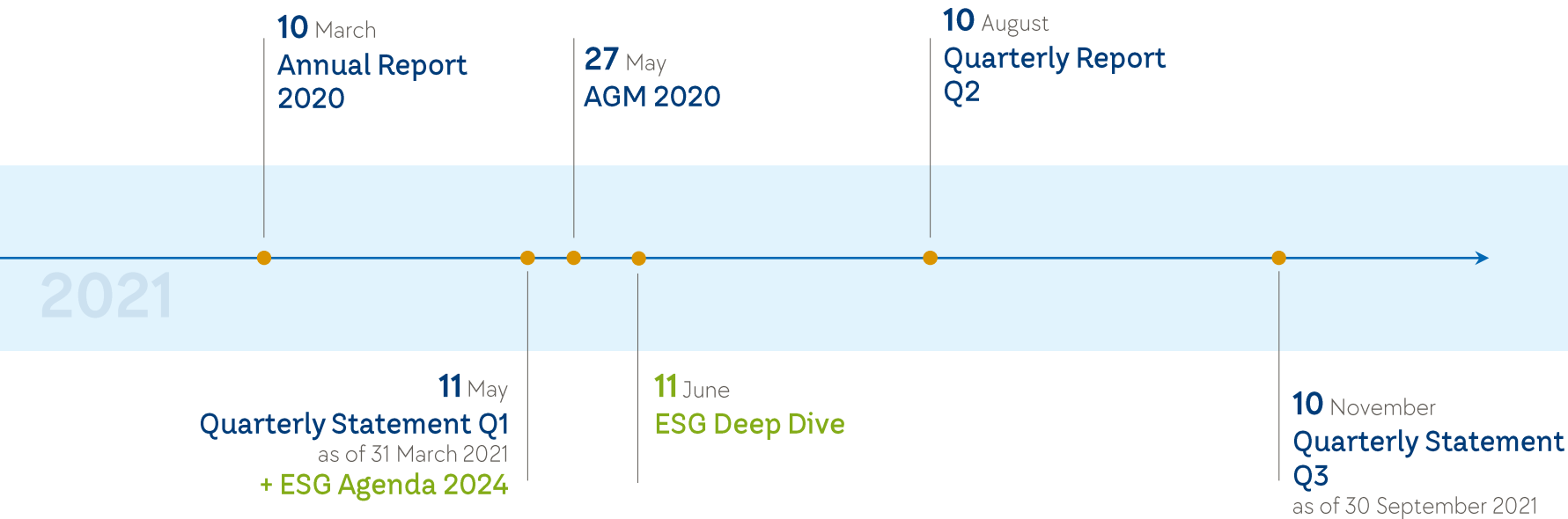
¹ Shareholdings according to latest voting rights notifications.

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

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