LEG Immobilien SE

Q1-2022 Results

11 May 2022

Q1-2022

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Agenda

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1 Highlights **Q1-2022**

Q1-2022 – Financial Summary

LEG

Operating results

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

Portfolio

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

Balance sheet

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

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

Financials and operations well on track

Backed by resilient business model

Financials

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

Operations

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

ESG

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

Q1-2022

Moody's Baa1 rating confirmed

Solid balance sheet

Reacting to changing environment

High level of flexibility in respect to capital allocation

Attractive portfolio

Valuation uplift for H1 expected to be 6 - 7%

FFO I of €475m - €490m range

Guidance 2022 confirmed

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

A resilient business model

Safeguarding robust earnings profile

Asset class

98% residential
100% affordable housing

Flexibility

100% Optionality on potential acquisition of BCP

50% Down-sizing of new development target to 500 units[5]

10x Increase of disposal program to up to 5,000 units[4]

Region/Jurisdiction

0% Berlin

100% Germany

Integration

15% new assets[3]

100% target asset class

100% LEG processes and IT

Balance Sheet

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

44% equity ratio

Development

5% of GAV[1]

89% without price risk[2]

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

Market fundamentals unchanged

Macro trends favor asset holding companies

LEG

Demand-supply gap is still widening

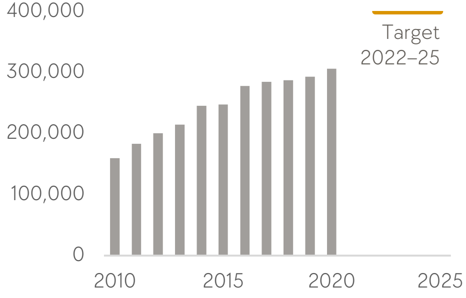
Further increase in demand

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

Supply even more limited – national construction target at risk

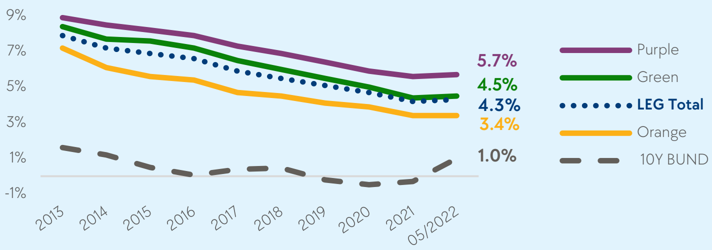
- High demand meets vacancy levels at structural lows (LEG 2.4%)
- Prices for new construction of resi buildings in GER +14.3% in 02/22 yoy with strongest rise in carpentry/ timber construction work (+33.9%)[3]
- Replacement costs further driven by higher energy efficiency requirements and higher staff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

No. of completed resi units Germany



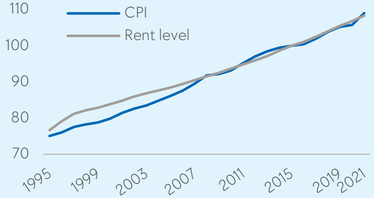
Attractive yields in inflation-proof model

Still attractive spreads vs. 10Y BUND



Rent development in line with inflation

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



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

Carbon Balance Sheet 2021

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

Carbon balance sheet

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

Heat energy by source (100% of portfolio)

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

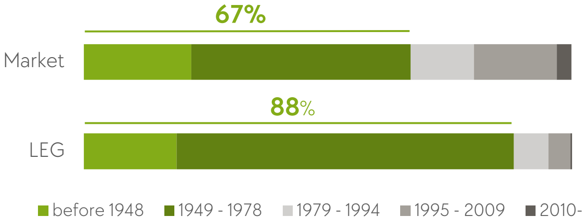
- Based on actual consumption 2020 (74% actuals, 6% actuals previous year, 20% certificates)
- Extrapolated for 2021
- Limited assurance by Deloitte

Reflecting our roots

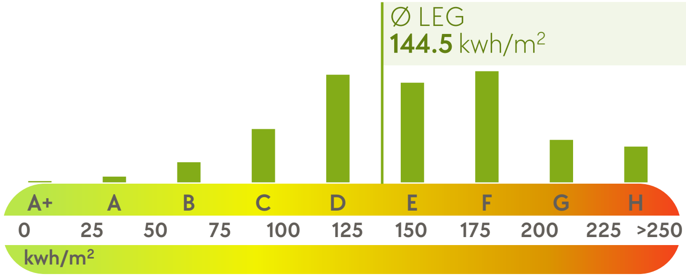
Energy efficiency of our portfolio of 144.5 kWh/m² (2020: 157.5kWh/m2) is a function of corporate DNA & history:

- Providing affordable housing in post-war Germany

LEG portfolio by construction years vs. LEG market



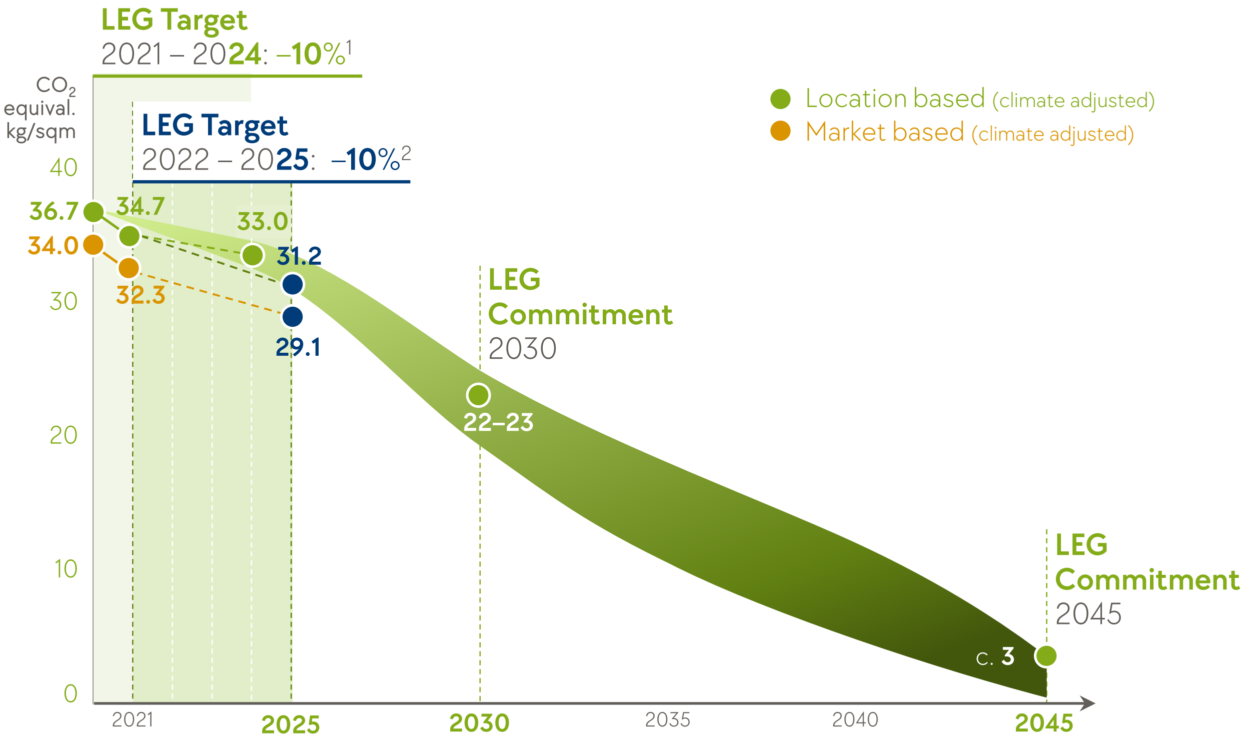
Distribution by energy efficiency classes LEG



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

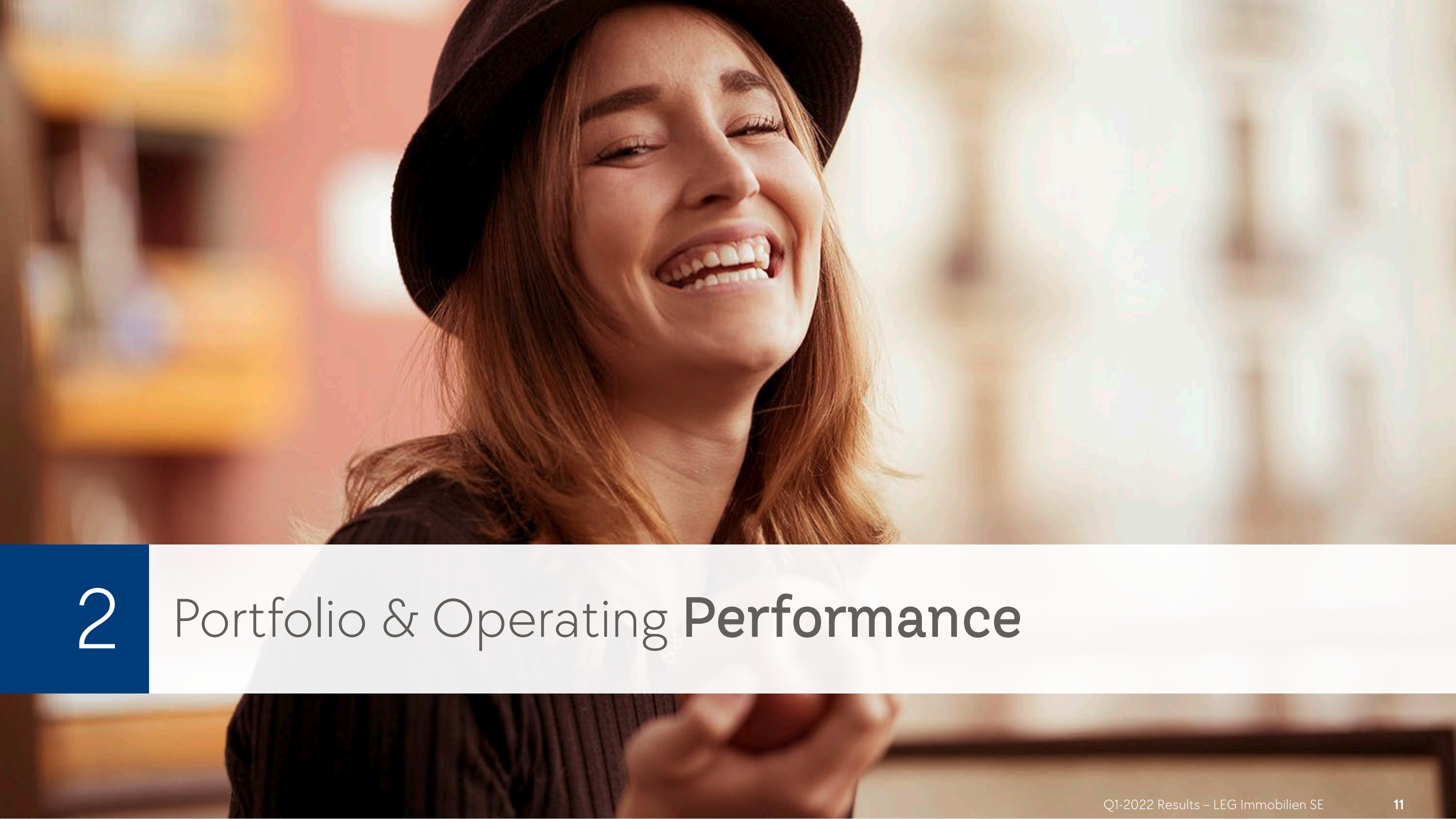
Strong CO_2 reduction of 5% in 2021

Well on track for our target towards climate neutrality



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

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

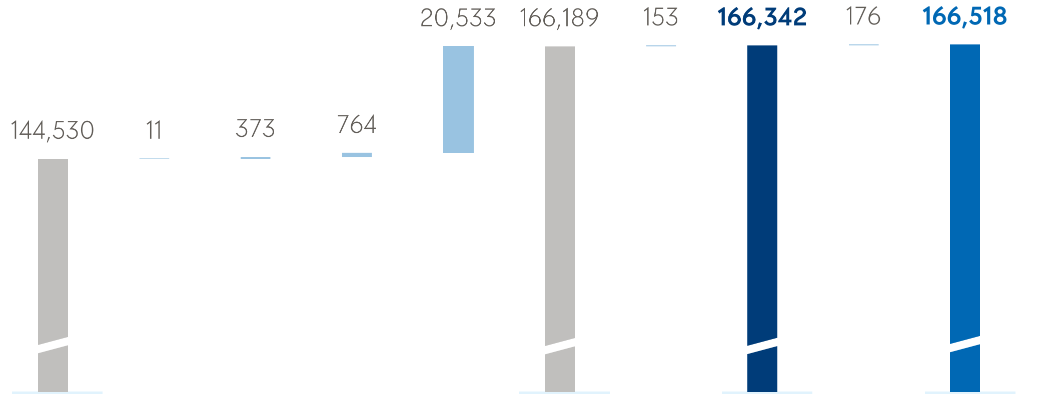


2 Portfolio & Operating **Performance**

Portfolio transactions

LEG

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



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

1 Residential units. 2 Note: The date of the transaction announcement and the transfer of ownership are usually several months apart. The number of units may therefore differ from other disclosures, depending on the data basis. 3 BW = Baden-Wurttemberg, HB = Bremen, LS = Lower Saxony, NRW = North Rhine-Westphalia, RP = Rhineland-Palatinate, SH = Schleswig-Holstein, SL = Saarland. 4 Up to 5,000 disposals in FY 2022.

Acquisitions (Locations/State[3])

Q1 2021

- NRW – Oldenburg (LS)

Q2 2021

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

Q3 2021

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

Q4 2021

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

Q1 2022

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

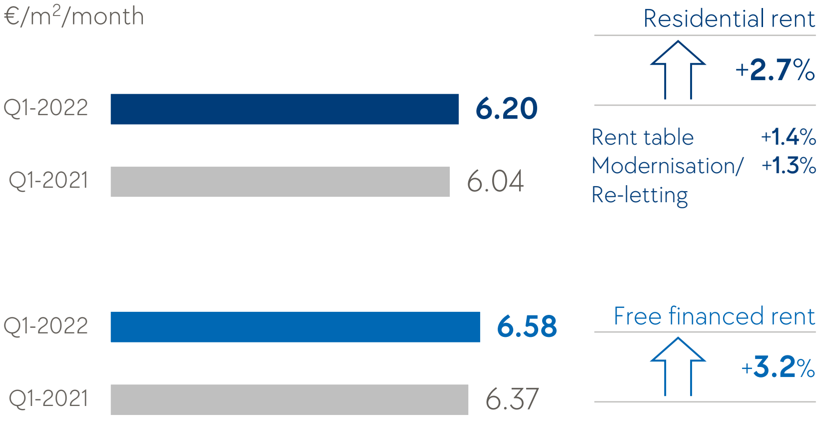
Q2 2022

- NRW – Brunswick (LS)

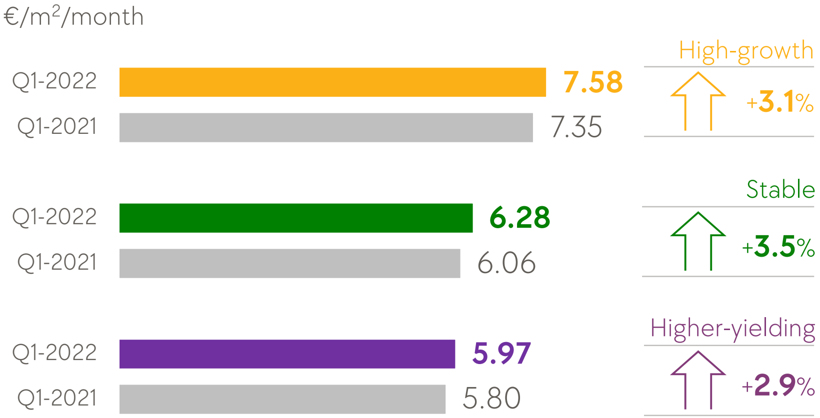
On track for 3.0% l-f-l rental growth target

Strong contribution from the stable markets' free-financed portfolio

l-f-l rent development



l-f-l free financed rent development



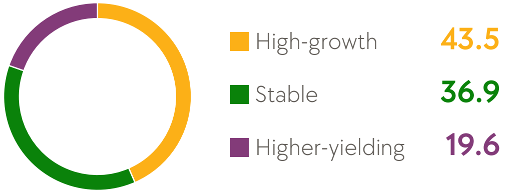
- Ongoing strong l-f-l rental growth driven by all of our three market segments
- Free financed portfolio with +3.2% overall and +3.5% in the stable markets
- Rent restricted units +0.4% l-f-l to €4.99 sqm/month; no cost rent adjustments in 2022

Positive trends across all KPIs and market clusters

Strong rent increase momentum while vacancy drops even further

Market split (GAV)

%

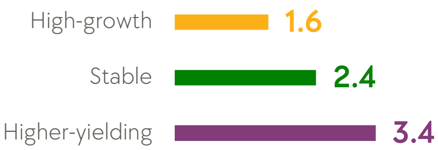


In-place rent, l-f-l

€/m²

Vacancy, l-f-l

%

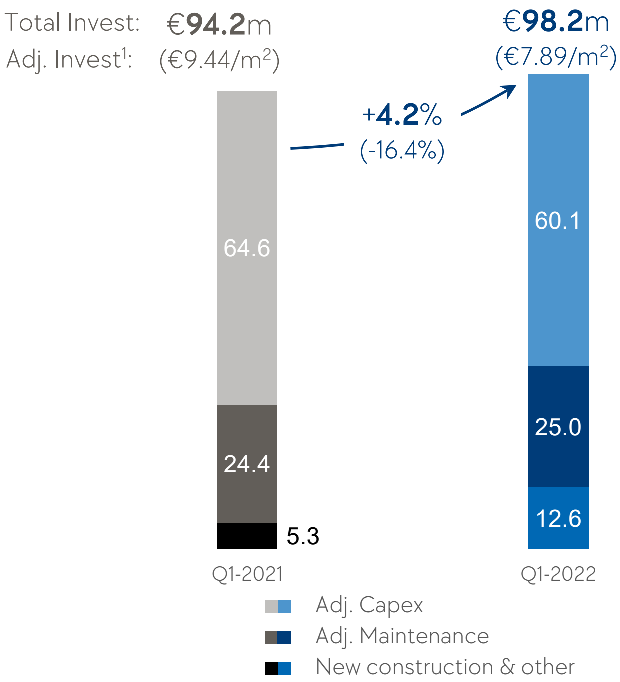


Markets

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

Capex und Maintenance

Ongoing focus on growth and energy efficiency



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

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

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

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

Company

RENOWATE

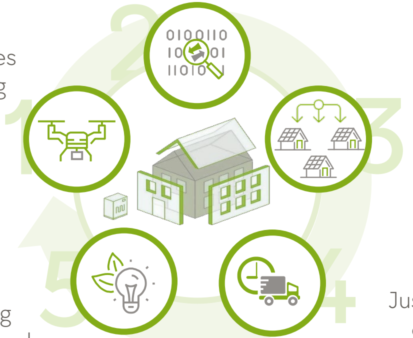
- Renowate to provide comprehensive, serial, energetic refurbishment solutions
- 'One stop shop': measuring, planning, production and installation provided internally
- Key goals: reduction of modernization time and cost
- Approach to be tested on more than 10 LEG pilot projects in 2022/2023 (more than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

Product

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

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

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



STEP 3
Serial production of modular building envelope components

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

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

Status Quo

LEG · RHOMBERG

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

1 Photovoltaics, heat pump etc.

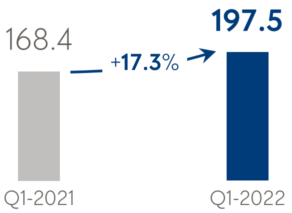
3 Financial **Performance**

Financial highlights Q1-2022

Strong impact from acquisitions, margins stay on track

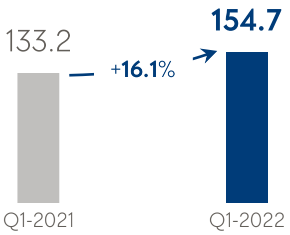
Net cold rent

€m



Recurring net rental and lease income

€m



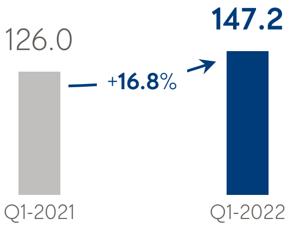
Margin

78.3%

(79.1%)

Adj. EBITDA

€m



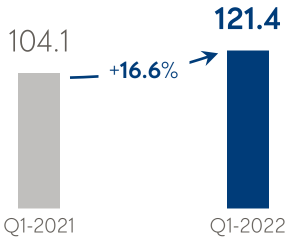
Margin

74.5%

(74.8%)

FFO I

€m



Margin

61.5%

(61.8%)

Recurring net rental and lease income

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

Adj. EBITDA

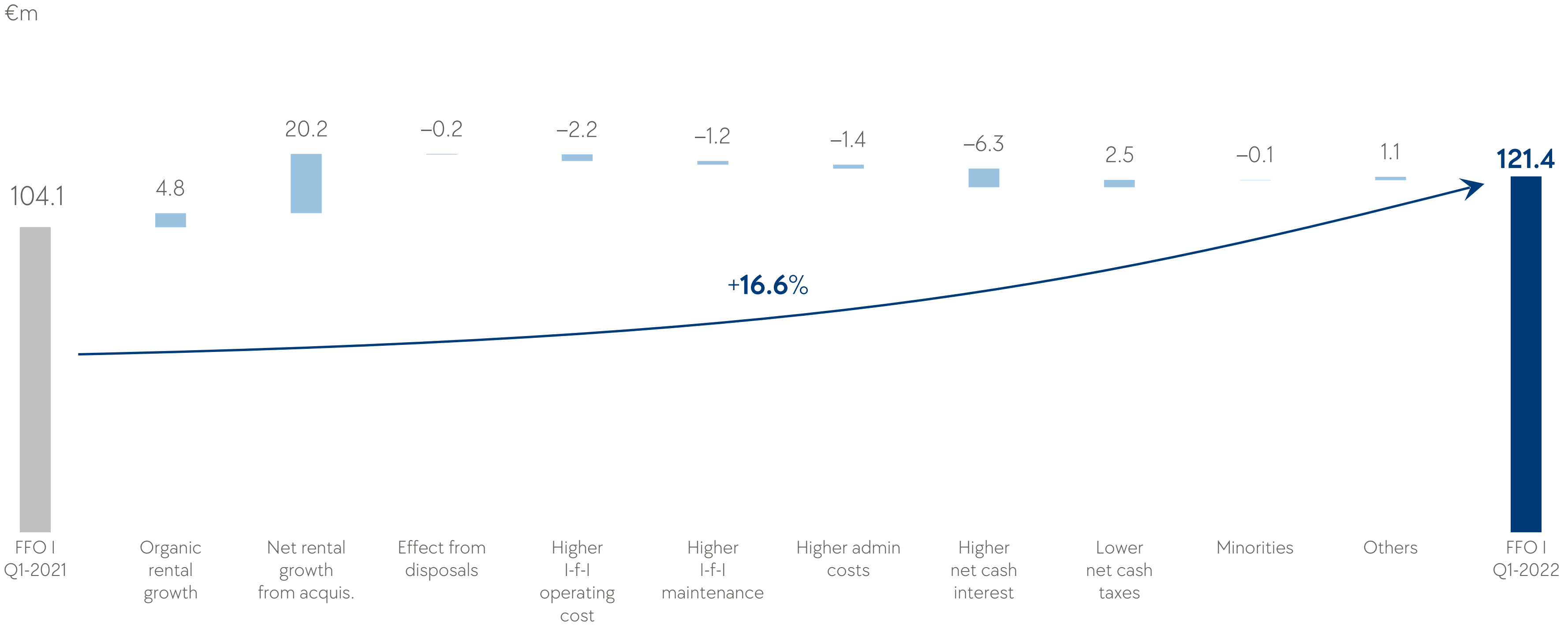
- On track for FY 2022 margin target of ~75%

FFO I ps

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

FFO Bridge Q1-2022

Strong contribution from acquisitions and rent growth



Portfolio valuation Q1-2022

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

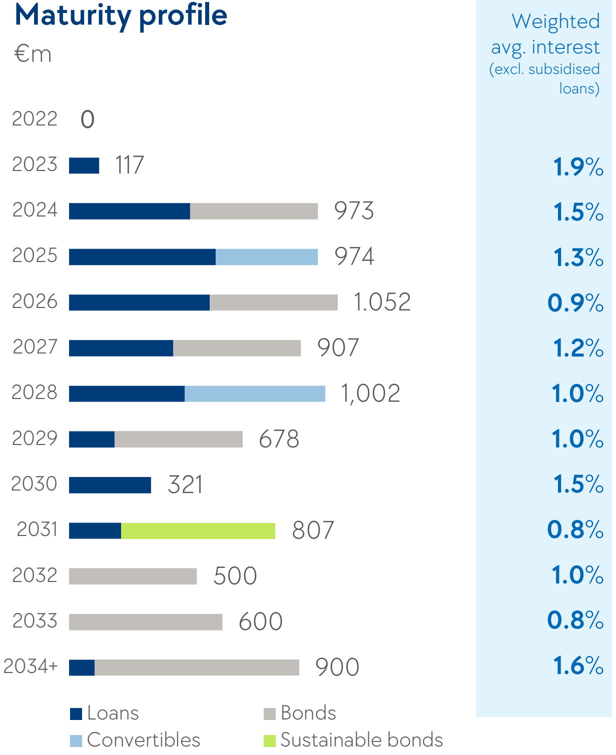
1 GAV of IAS 40 portfolio (including leasehold, land value and assets under construction) was €19,292m

Well balanced financial profile

No significant maturities until 2024

Maturity profile

€m



Average debt maturity

years

Average interest costs

%

Loan-to-value[1]

%

Highlights

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

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

4 Outlook

2022 guidance

Guidance unchanged – external growth options to be evaluated

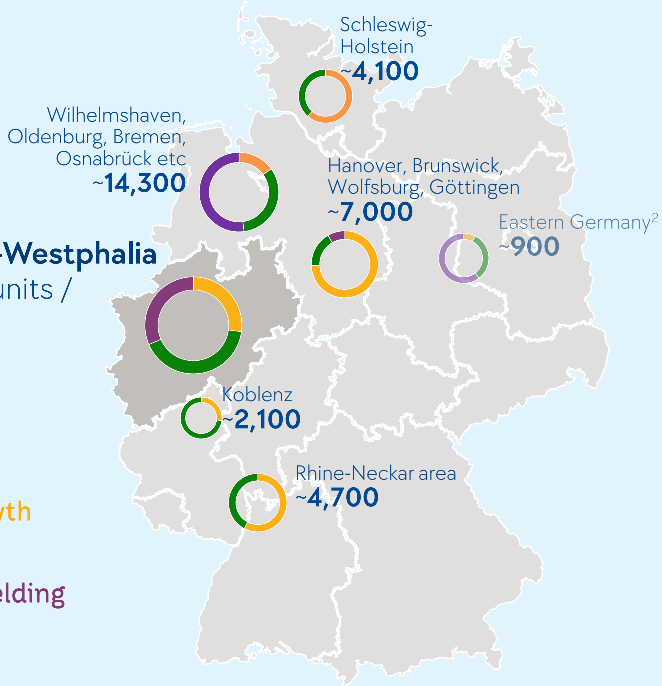
			2022
FFO I			€**475**m – **490**m
l-f-l rent growth			c. **3.0**%
EBITDA margin			c. **75**%
Investments			c. **46** – **48**€/sqm[1]
LTV			max. **43**%
Dividend			**70**% of FFO I
Acquisition ambition	**Highly selective due to capital market environment BCP option exercise to be evaluated until 30 Sep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

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

5 Appendix

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

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

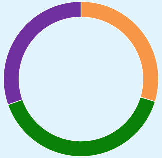


North Rhine-Westphalia
(c. **133,200** units / c. **80**%)

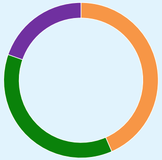
- High-Growth
- Stable
- Higher-Yielding

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

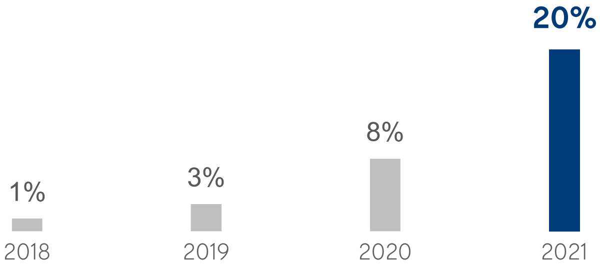
by units



by GAV
€m



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



Growth along our investment criteria

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

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

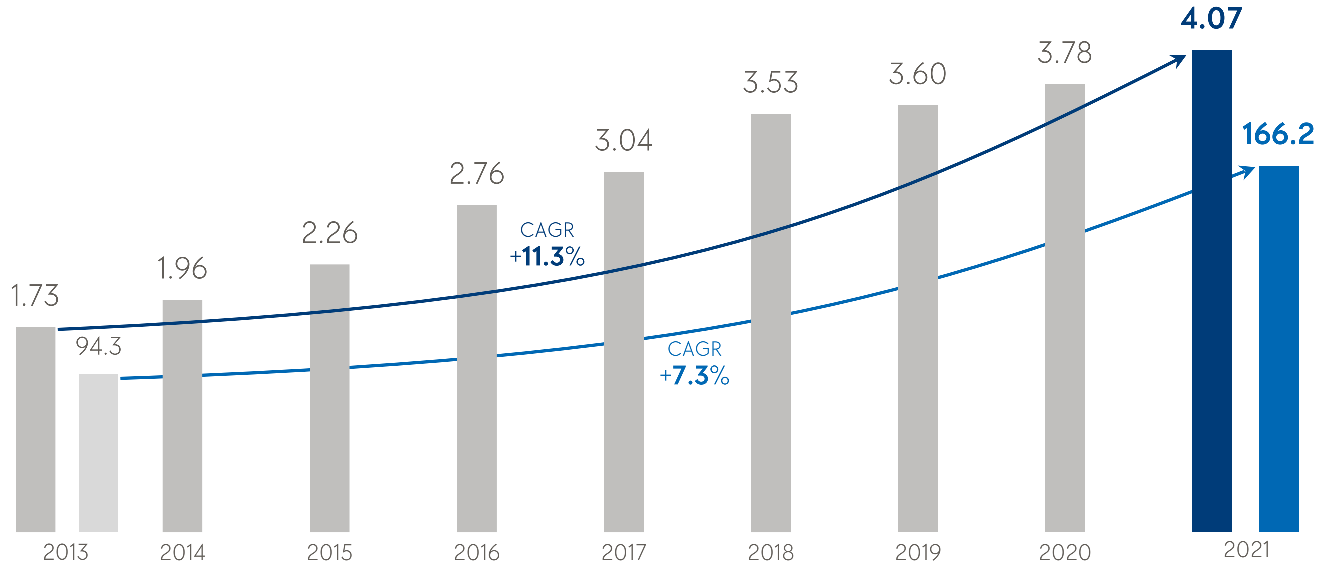
1 Residential units 2 1,300 non-core units mainly located in Eastern Germany

Further building on our track record

8th dividend increase in a row

Dividend per share / Portfolio – residential units

€ k



Attractive payout policy

- **8th dividend increase in a row**
- **70% of 2021 FFO** I in line with payout policy
- Dividend yield of **4.1%**[1]
- Total payout of c. **€300m**
- Offering of scrip dividend **planned**

- **Well balanced capital management to finance growth:** Since 2013 total dividends paid out to shareholders of c. **€1.3bn** vs. capital inflows from the issue of new shares, conversion of one convertible bond and scrip dividends of c. **€1.3bn**

1 Based on share price of €97.60 as of 29 April 2022

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

Effective 1 January 2022 | year 1 | year 2 | year 3 | year 4

Share of target remuneration

Share	Component	Details (year 1 – year 4)	Changes vs. previous remuneration system. To be proposed to AGM 2022
c.35%	**Fixed components**	▪ Basic remuneration ▪ Fringe benefits ▪ Pension entitlement (defined contribution)	STI: Introduction of FFO I per share as metric
22% – 23%	**STI**	▪ 40% net rental and lease income ▪ 40% funds from operations I (FFO I) per share ▪ 20% ESG targets (100% target fulfilment below) ▪ E: 4,000 tons CO_2 reduction from modernisation projects ▪ S: Maintain high employee satisfaction level (66% Trust Index) ▪ G: Maintain Sustainalytics rating within the negligible risk range (<10)	LTI: Stronger focus on share price development vs. peers (80% of LTI)
38% – 40%	**LTI**	▪ **80%** share price development vs. EPRA Germany ▪ 20% ESG targets (100% target fulfilment below) ▪ E: Reduction of CO_2 emissions by 10% based on CO2e kg/sqm ▪ S: Improve Customer Satisfaction Index (CSI) to 70% ▪ Reinvestment obligation of 25% of the LTI into LEG shares	LTI: New - Reinvestment of 25% of the LTI into LEG shares
	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)	to be cancelled

Max. remuneration

CEO **€4.8**m

Board member **€3.1**m

Malus/ Clawback

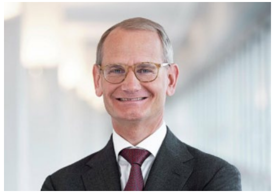
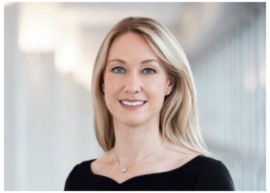
Partial or complete reduction or reclaim of variable remuneration possible

Share ownership guideline

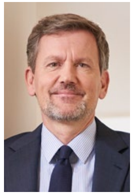
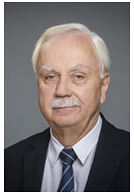
Purchase of LEG shares equivalent to a gross basic salary within 4 years

A highly committed management team

Management Board

			
Lars von Lackum CEO	**Susanne Schröter-Crossan** CFO	**Dr. Volker Wiegel** COO	
LEG shares[1]: 7,750	1,515	1,919	Total **11,184**

Supervisory Board

							
Michael Zimmer Chairman	**Stefan Jütte** Deputy Chairman	**Dr. Sylvia Eichelberg**	**Dr. Johannes Ludewig**	**Dr. Claus Nolting**	**Dr. Jochen Scharpe**	**Martin Wiesmann**	
LEG shares[1]: 97,257	250	- - -	1,051	- - -	3,000	1,400	Total **102,958**

1 As at May 2022

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

LEG

Impact on rents

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

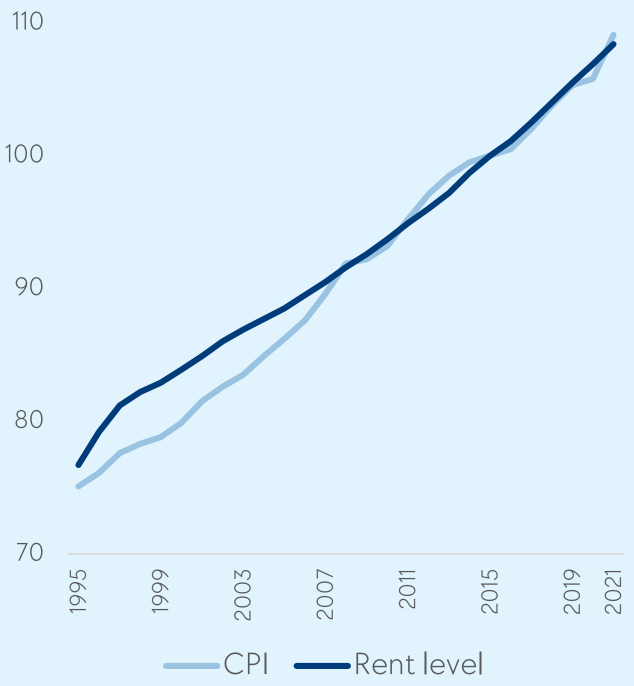
Impact on capex

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

Impact on financing

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

Rent level increase in line with inflation[1]



1 Statistisches Bundesamt / chart: 2015 = 100

Valuation framework

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

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

EPRA NRV – NTA – NDV

€m	31.03.2022			31.12.2021		
	EPRA NRV – diluted	EPRA NTA[1] – diluted	EPRA NDV – diluted	EPRA NRV – diluted	EPRA NTA – diluted	EPRA NDV – diluted
IFRS equity attributable to shareholders (before minorities)	9,114.1	9,114.1	9,114.1	8,927.9	8,927.9	8,927.9
Hybrid instruments	29.9	29.9	29.9	455.7	455.7	455.7
Diluted NAV (at Fair Value)	**9,114.0**	**9,114.0**	**9,114.0**	9,383.6	9,383.6	9,383.6
Deferred tax in relation to fair value gains of IP and deferred tax on subsidised loans and financial derivatives	2,090.7	2,079.0	–	2,056.5	2,044.8	–
Fair value of financial instruments	45.6	45.6	–	95.2	95.2	–
Goodwill as a result of deferred tax	-267.3	-267.3	-267.3	-267.3	-267.3	-267.3
Goodwill as per the IFRS balance sheet[2]	–	-35.9	-35.9	–	-103.4	-103.4
Intangibles as per the IFRS balance sheet	–	-3.6	–	–	-3.8	–
Fair value of fixed interest rate debt	–	–	-138.2	–	–	-307.4
Deferred taxes of fixed interest rate debt	–	–	26.9	–	–	59.5
Revaluation of intangibles to fair value	–	–	–	–	–	–
Estimated ancillary acquisition costs (real estate transfer tax)	1,868.3	–	–	1,843.9	–	–
NAV	**12,881.3**	**10,961.8**	**8,729.5**	13,111.9	11,149.1	8,765.0
Fully diluted number of shares	72,839,625	72,839,625	72,839,625	76,310,308	76,310,308	76,310,308
NAV per share (€)	**176.84**	**150.49**	**119.85**	171.82	146.10	114.86

1 Including RETT (Real Estate Transfer Tax) would result into an NTA of €12,817.2m or €175.96 per share 2 Reduction of goodwill (€67.6m) relating to the adjustment of the preliminary purchase price allocation from the transaction with the Adler Group

Balance sheet

€m	31.03.2022	31.12.2021
Investment property	19,292.5	19,067.7
Other non-current assets	926.6	617.8
Non-current assets	**20,219.1**	**19,685.5**
Receivables and other assets	170.8	155.6
Cash and cash equivalents	490.1	675.6
Current assets	**660.9**	**831.2**
Assets held for sale	21.0	37.0
Total Assets	**20,901.0**	**20,553.7**
Equity	**9,139.2**	**8,953.0**
Non-current financing liabilities	8,864.4	7,367.0
Other non-current liabilities	2,285.5	2,335.0
Non-current liabilities	**11,149.9**	**9,702.0**
Current financing liabilities	204.6	1,518.1
Other current liabilities	407.3	380.6
Current liabilities	**611.9**	**1,898.7**
Total Equity and Liabilities	**20,901.0**	**20,553.7**

1 Reduction of goodwill (€67.6m) relating to the adjustment of the preliminary purchase price allocation from the transaction with the Adler Group

Investment property

- Acquisitions: +€162.7m
- Capex: +€70.4m
- Assets held for sale: -€8.9m

Other non-current assets

- Goodwill reduction: -€67.7m[1]
- Stake in BCP: +€316.6m
- New HQ: +€54.5m

Cash and cash equivalents

- Cash flow from operating activities €116.1m
- Investing activities –€465.4m
- Financing activities €163.8m
  - Bond issuance €1,482.4m
  - Repayment of loans –€1,412.1m (bridge loan acquisition)

Loan to Value

€m	31.03.2022	31.12.2021
Financial liabilities	9,069.0	8,885.1
Excluding lease liabilities (IFRS 16)	24.9	27.4
Cash & cash equivalents[1]	530.1	745.6
Net Debt	**8,514.0**	**8,112.1**
Investment properties	19,292.5	19,067.7
Properties held for sale	21.0	37.0
Prepayments for investment properties and acquisitions	26.0	25.2
Participation in other residential companies[1]	435.8	119.2
Property values	19,775.3	19,249.1
Loan to Value (LTV) in %	**43.1**	**42.1**

1 Calculation adapted to the current standard practices, i.e. reduction of net debt by short-term deposits and inclusion of participation in other residential companies into property values

- YoY increase by 100 bps following payments for acquisitions
- Maximum target of 43% respected
- Adaptation of current market standards by including short-term deposits into cash equivalents and participation in other residential companies into property values

FFO calculation

LEG

€m	Q1-2022	Q1-2021
Net cold rent	197.5	168.4
Profit from operating expenses	-2.0	-0.7
Maintenance (externally-procured services)	-19.4	-16.2
Staff costs	-25.7	-21.1
Allowances on rent receivables	-4.2	-2.3
Other	7.4	3.5
Non-recurring special effects (rental and lease)	1.1	1.6
Recurring net rental and lease income	**154.7**	**133.2**
Recurring net income from other services	**3.2**	**2.1**
Staff costs	-7.6	-6.5
Non-staff operating costs	-7.7	-4.1
Non-recurring special effects (admin.)	4.6	1.3
Recurring administrative expenses	**-10.7**	**-9.3**
Other income and expenses	**0.0**	**0.0**
Adjusted EBITDA	**147.2**	**126.0**
Cash interest expenses and income	-26.8	-20.5
Cash income taxes from rental and lease	1.0	-1.4
FFO I (including non-controlling interests)	**121.4**	**104.1**
Non-controlling interests	0.0	0.0
FFO I (excluding non-controlling interests)	**121.4**	**104.1**
FFO II (including disposal of investment property)	**119.6**	**103.8**
Capex	-70.4	-69.8
Capex-adjusted FFO I (AFFO)	**51.0**	**34.3**

Net cold rent
- +€29.1m or +17.3% driven by portfolio growth (83%) and organic growth (17%)

Maintenance
- Higher externally procured maintenance

Staff costs
- Growth in staff costs due to additional 275 FTE's in operations, esp. from Adler portfolio acquisition and increased tariff

Other
- Increase driven by income from value-added services

Recurring administrative expenses
- Slightly higher headcount (+19 FTEs), general cost increases

Cash interest expenses
- Decline in average interest costs from 1.29% to 1.16%, but increase in financial debt

Income statement

LEG

€m	Q1-2022	Q1-2021
Net rental and lease income	151.0	129.0
Net income from the disposal of investment property	-0.6	-0.2
Net income from the valuation of investment property	0.3	1.9
Net income from the disposal of real estate inventory	0.0	0.0
Net income from other services	3.0	1.4
Administrative and other expenses	-16.6	-11.5
Other income	0.0	0.0
Operating earnings	**137.1**	**120.6**
Net finance costs	46.2	23.1
Earnings before income taxes	**183.3**	**143.7**
Income tax expenses	-28.8	-19.3
Consolidated net profit	**154.5**	**124.4**

Net rental and lease income
- NRI +17.1% or +€22m due to increase in net cold rent

Net income from other services
- Relates to biomass plant, increase due to higher energy sales revenues

Administrative and other expenses
- Slightly higher headcount as well as consulting fees for capital market financing and projects. Recurring admin. costs +€1.4m yoy

Net finance costs
- €7.4m increase in interest expenses mainly due to issue of corporate bonds
- €45.6m in fair value measurement of derivatives linked to the convertible bonds (yoy: +€2.4m)

Income tax expenses
- Slight increase in the effective tax rate from 18.5% to 19.5% mainly due to the acquisition of companies from Adler

Cash effective interest expense

€m	Q1-2022	Q1-2021
Reported interest expense	32.3	24.9
Interest expense related to loan amortisation	-4.7	-4.1
Interest costs related to valuation of assets/liabilities	0.0	0.0
Interest expenses related to changes in pension provisions	-0.3	-0.2
Other interest expenses	-0.5	-0.1
Cash effective interest expense (gross)	**26.8**	**20.5**
Cash effective interest income	0.0	0.0
Cash effective interest expense (net)	**26.8**	**20.5**

Reported interest expense
- Increase driven by growth in financing liabilities in connection with the portfolio growth

Interest expenses from loan amortisation
- Expenses in connection with the issue of bonds

Cash effective interest expense
- Interest coverage of 5.49x (Q1-2021: 6.15x)

Investments

Reconciliation from investments to adjusted investments

€m	Q1-2022	Q1-2021	FY-2021
Maintenance	25.4	24.4	110.9
Adjusted maintenance	**25.0**	**24.4**	**108.0**
Capex	72.8	69.8	341.2
Thereof LWS Plus effect	2.4	2.4	10.2
Thereof public safety measures in connection with acquisitions	0.5	0.1	2.2
Thereof new construction	6.8	0.5	14.2
Thereof capitalisation of own services	3.0	2.2	15.8
Adjusted capex	**60.1**	**64.6**	**298.7**
Total investments	98.2	94.2	452.1
Adjusted total investments	**85.1**	**89.0**	**406.8**
Area of investment properties (million sqm)	10.78	9.43	9.57
Adjusted investment per sqm (€)	**7.89**	**9.44**	**42.50**

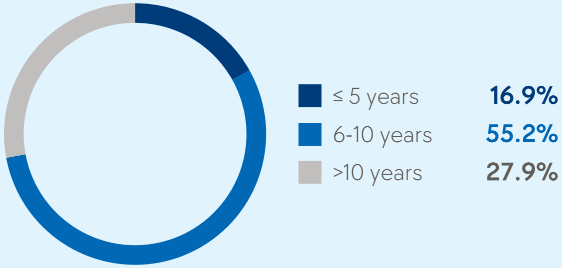
- Capex in FFO-table to calculate the AFFO corresponds to total capex minus LWSPlus effect
- The line item maintenance for net rental and lease income calculation includes only maintenance work done by external companies (**€19.4m**). The delta to the **€25.4m** is shown under staff costs

Refinancing of subsidised loans lifting value

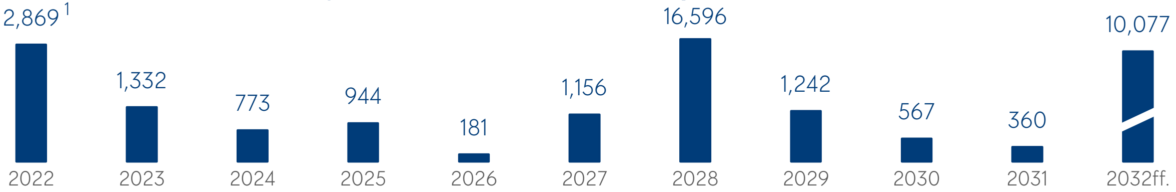
Rent potential subsidised units

- Until 2028, around **24,000 units will come off rent restriction**
- Units show **significant upside to market rents**
- The **economic upside can theoretically be realised the year after restrictions expire**, subject to general legal and other restrictions[5]

Around 65% of units to come off restriction until 2028

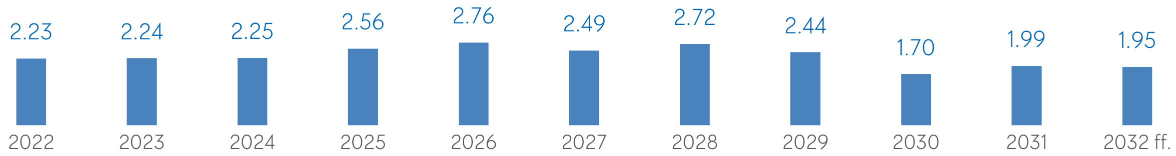


Number of units coming off restriction and rent upside



Spread to market rent

€/m²/month



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

1 All already released in Q1. 2 Employed by CBRE as indicator of an average rent value that could theoretically be achieved, not implying that an adjustment of the in-place rent to the market rent is feasible, as stringent legal and contractual restrictions regarding rent increases exist. 3 ≤5 years = 2022-2027; 6-10 years = 2028-2032; >10 years = 2033ff. 4 Rent upside is defined as the difference between LEG in-place rent and market. 5 For example rent increase cap of 11% (tense markets) or 20% for three years.

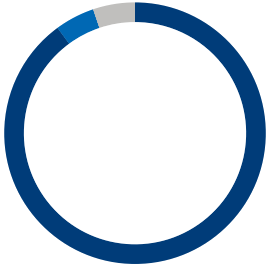
LEG additional creditor information

LEG

Unsecured financing covenants

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

Financing mix



Fixed interest	89.9%
Derivatives	4.9%
Variable interest	5.2%

Ratings (Moody's)

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

Key financial ratios

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

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

Capital market financing
Corporate bonds

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

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

Capital market financing
Convertible bonds

	2017/2025	2020/2028
Issue Size	€400m	€550m
Term / Maturity Date	8 years/ 1 September 2025	8 years/ 30 June 2028
Coupon	0.875% p.a. (semi-annual payment: 1 March, 1 September)	0.4% p.a. (semi-annual payment: 15 January, 15 July)
# of shares	3,470,683	3,556,142
Initial Conversion Price	€118.4692	€155.2500
Adjusted Conversion Price[1]	€115.2511 (as of 10 June 2021)	€154.6620 (as of 14 June 2021)
Issuer Call	From 22 September 2022, if LEG share price >130% of the then applicable conversion price	From 5 August 2025, if LEG share price >130% of the then applicable conversion price
ISIN	DE000A2GSDH2	DE000A289T23
WKN	A2GSDH	A289T2

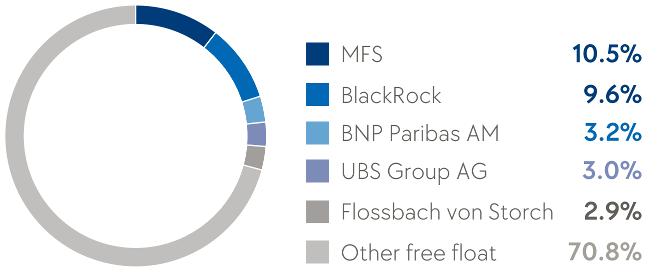
1 Dividend-protection: The conversion price will not be adjusted until the dividend exceeds €2.76 (2017/2025 convertible) and €3.60 (2020/2028 convertible).

LEG share information

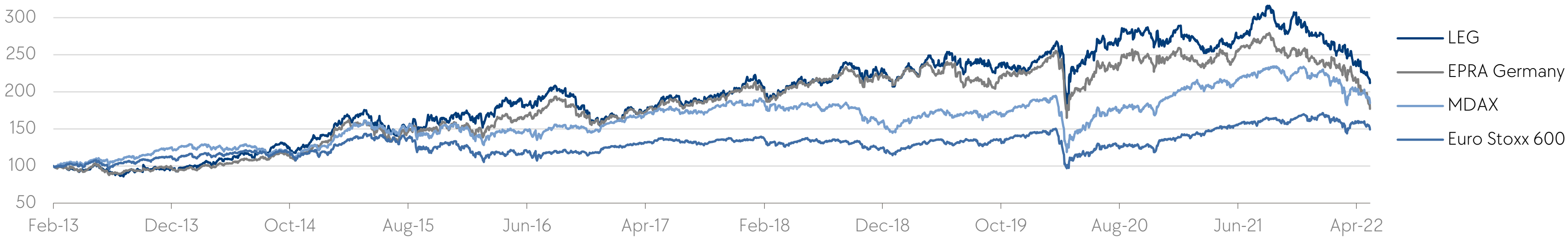
Basic data

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

Shareholder structure[1]

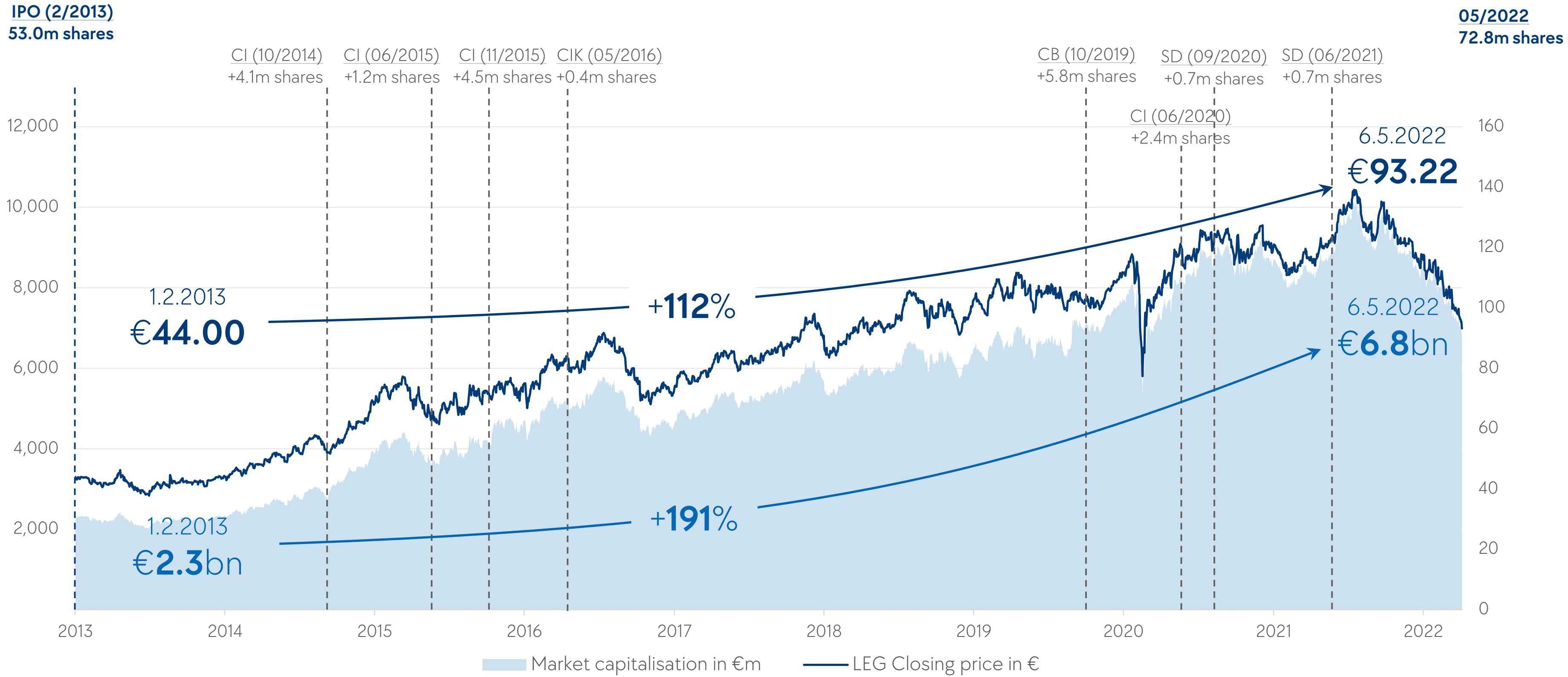


Share (06.05.2022; indexed; in %; 1.2.2013 = 100)



1 Shareholdings according to latest voting rights notifications.

Sustainable increase in share price and market capitalisation since IPO



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

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