

LEG Immobilien SE
H1-2022 Results

10 August 2022

LEG

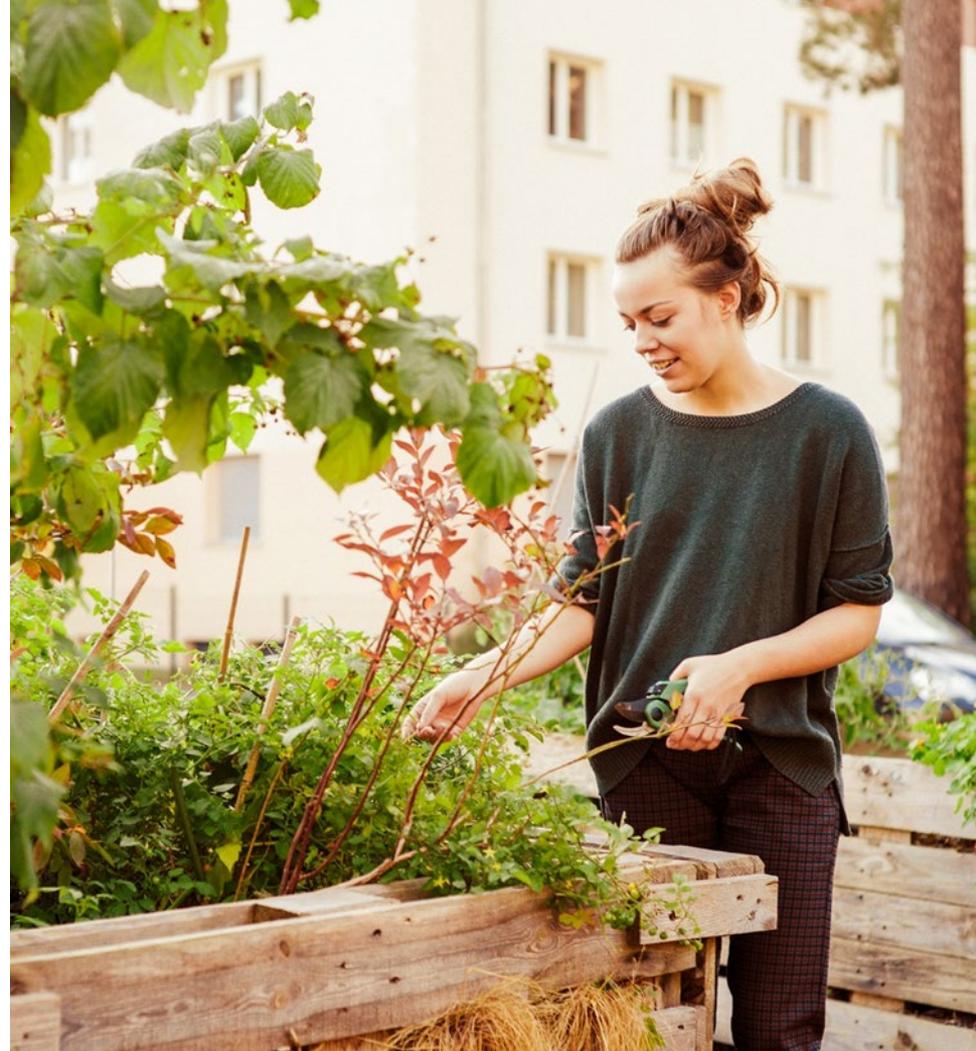
H1-2022



H1-2022 Results

Agenda

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Highlights H1-2022

Financial Summary

H1-2022



Operating results		H1-2022	H1-2021	+/- %/bps
Net cold rent	€m	396.2	338.5	+17.0%
Adjusted net rental income	€m	310.9	275.1	+13.0%
EBITDA adjusted	€m	296.5	261.3	+13.5%
FFO I	€m	241.4	218.2	+10.6%
FFO I per share	€	3.31	3.03	+9.2%
FFO II	€m	240.7	216.2	+11.3%
EBITDA margin (adj.)	%	74.8	77.2	-240bps
FFO I margin	%	60.9	64.5	-360bps

Portfolio		30.06.2022	30.06.2021	+/- %/bps
Residential units	number	166,628	144,892	+15.0%
In-place rent (I-f-I)	€/m ²	6.26	6.10	+2.6%
Capex (adj.) ¹	€/m ²	13.33	13.71	-2.8%
Maintenance (adj.) ¹	€/m ²	4.98	5.43	-8.3%
EPRA vacancy rate (I-f-I)	%	2.2	2.5	-30bps

Balance sheet		30.06.2022	31.12.2021	+/- %/bps
Investment properties	€m	20,669.1	19,067.7	+8.4%
Cash and cash equivalents ²	€m	328.9	675.6	-51.3%
Equity	€m	9,891.2	8,953.0	+10.5%
Total financing liabilities	€m	9,247.4	8,885.1	+4.1%
Current financing liabilities	€m	195.5	1,518.1	-87.1%
Net debt ³	€m	8,849.8	8,112.1	+9.1%
LTV ⁴	%	42.1	42.1	±0bps
Equity ratio	%	45.1	43.6	+150bps
EPRA NTA, diluted	€m	11,953.7	11,149.1	+7.2%
EPRA NTA per share, diluted	€	161.30	146.10	+10.4%

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

² Excluding short term deposits. ³ Excl. lease liabilities according to IFRS 16 and incl. short term deposits. ⁴ Since Q1-2022 calculation

Financials and operations well on track

Backed by resilient business model

Financials



- FFO I **+10.6%** to **€241.4m**
- FFO I ps **+9.2%**
- Adj. EBITDA-Margin **74.8%**
- LTV **42.1%**¹
 - Debt @ **7.1y** for **1.15%**
- NTA ps **€161.30**

Operations



- Net cold rent **+17.0%**
- I-f-I rental growth **+2.6%**
- I-f-I vacancy **2.2%** (–30bps)

ESG



- **Supporting tenants in gas crisis:** energy saving advice, voluntary increase of advance payments, instalments, support to receive housing benefit
- **Serial energetic modernisation:** start with 157 flats with Energiesprung concept and the newly founded JV **RENOVATE** (LEG/ Rhomberg)
- **33% female Supervisory Board Members** since AGM 2022

H1-2022

Disposals of up to 5,000 units in focus

Prices expected to be at book values

Attractive portfolio

Valuation uplift of 6.1% in H1

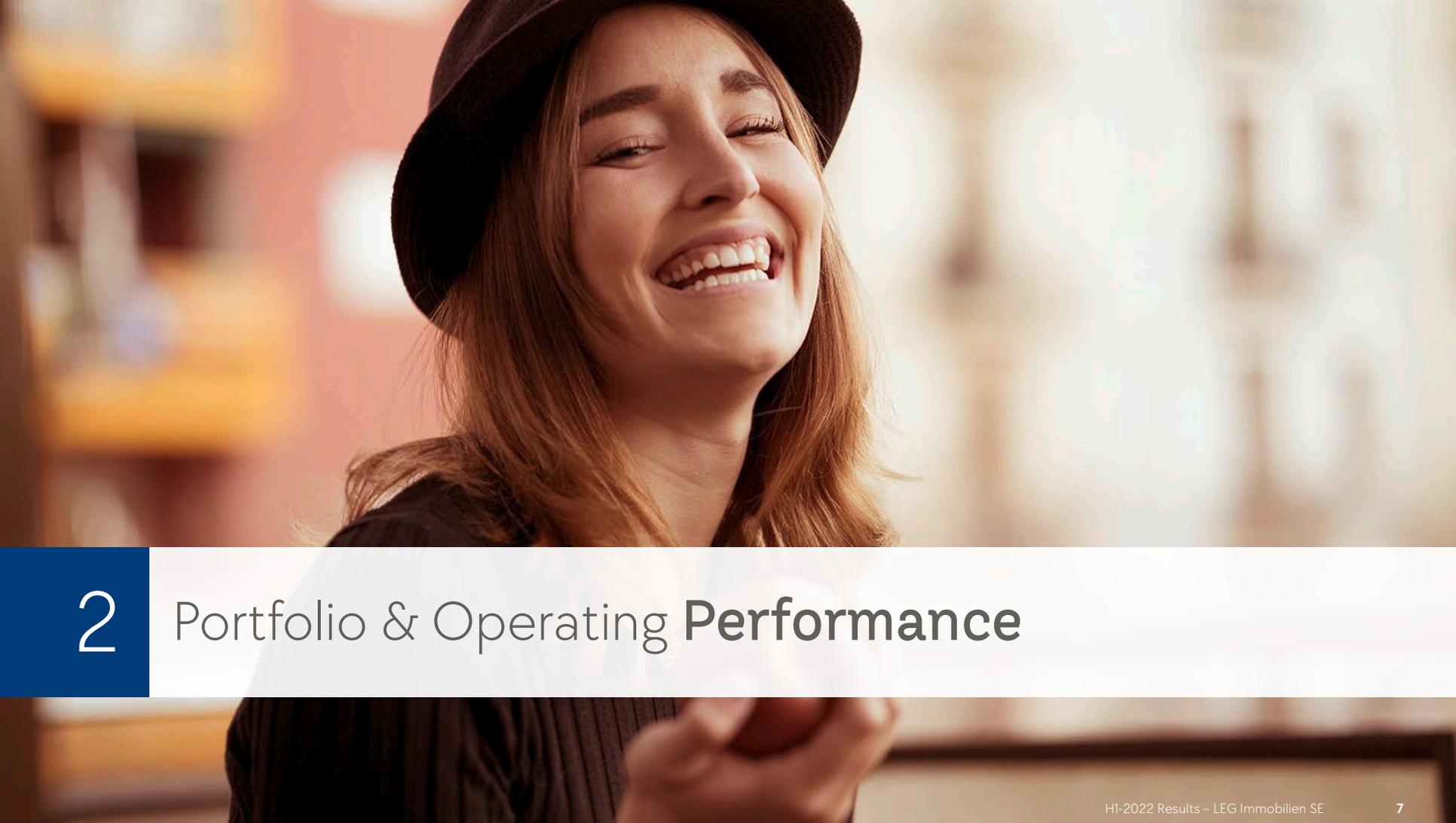
Net seller in 2022

35% BCP stake represents <2% of GAV

FFO I in the range of €475m – €490m

Guidance confirmed

¹ Since Q1-2022 calculation adapted to market standard: inclusion of short-term deposits and participation in other residential companies.



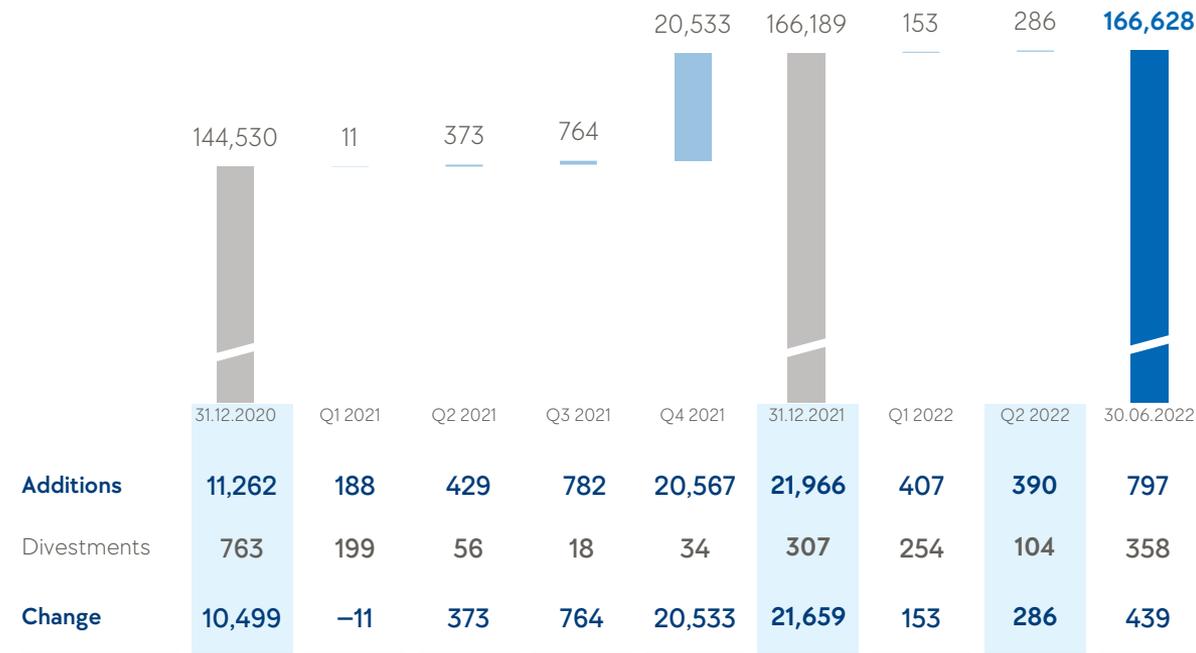
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Portfolio & Operating **Performance**

Portfolio transactions

Almost unchanged portfolio – 390 new units transferred, signed late 2021/early 2022

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 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)

Heading towards a l-f-l rental growth of 3.0%

On track for target level with more to come in H2

I-f-l rent development

€/m²/month

H1-2022 **6.26**

H1-2021 6.10

H1-2022 **6.65**

H1-2021 6.45

Residential rent



+2.6%

Rent table +1.4%
Modernisation/
Re-letting +1.2%

Free financed rent



+3.2%

I-f-l free financed rent development

€/m²/month

H1-2022 **7.68**

H1-2021 7.43

H1-2022 **6.34**

H1-2021 6.16

H1-2022 **6.04**

H1-2021 5.85

High-growth



+3.4%

Stable



+2.9%

Higher-yielding



+3.3%

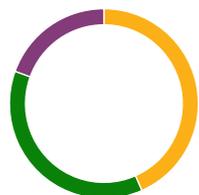
- Free financed portfolio with +3.2% overall and +3.4% in the high-growth markets
- Stable market with softer rent growth after several very strong quarters and in particular strong H1-2021

Positive trends across all operating KPIs and market clusters

Vacancy drops further – Higher-yielding markets -50bps

Market split (GAV)

%



High-growth	43.4
Stable	37.1
Higher-yielding	19.5

In-place rent, l-f-l

€/m²

High-growth	7.07
Stable	5.99
Higher-yielding	5.77

Vacancy, l-f-l

%

High-growth	1.5
Stable	2.1
Higher-yielding	3.2

Markets

	Total portfolio		High-growth		Stable		Higher-yielding	
	H1-2022	▲ (YOY)	H1-2022	▲ (YOY)	H1-2022	▲ (YOY)	H1-2022	▲ (YOY)
# of units	166,628	+15.0%	49,474	+17.2%	66,651	+9.9%	50,503	+20.1%
GAV residential assets (€m)	19,351	+27.4%	8,402	+29.8%	7,182	+25.3%	3,767	+26.4%
In-place rent (m ²), l-f-l	€6.26	+2.6%	€7.07	+2.8%	€5.99	+2.4%	€5.77	+2.9%
EPRA vacancy, l-f-l ¹	2.2%	-30bps	1.5%	-10bps	2.1%	-40bps	3.2%	-50bps

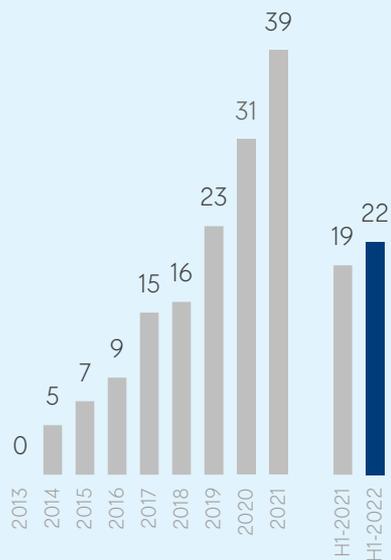
¹ Current EPRA vacancy rate, i.e. including recent acquisitions was 2.9% for the total portfolio.

Value-added services

Continuation of growth story

Strong FFO contribution – Services

€m



WohnService

Partner



100%
entity

Multimedia: TV,
internet and
telephone

Launch
January 2014



EnergieService

Partner

~100
partners from
energy and technical
service providers

100%
entity

Electricity,
heating, gas,
metering

Launch
March 2015



TechnikService

Partner



Joint venture
(51%)

Small repair work,
craftsmen
services

Launch
January 2017



LWS Plus

Partner

~130
partners from
craft companies and
technical service
providers

100%
entity

General
contractor
services

Acquisition
October 2020

Key driver H1-2022

- Benefitting from the roll-out of services to a growing portfolio (FFO I +11%)
- Strong contribution from **TSP** and **ESP**

Roll-out of new services

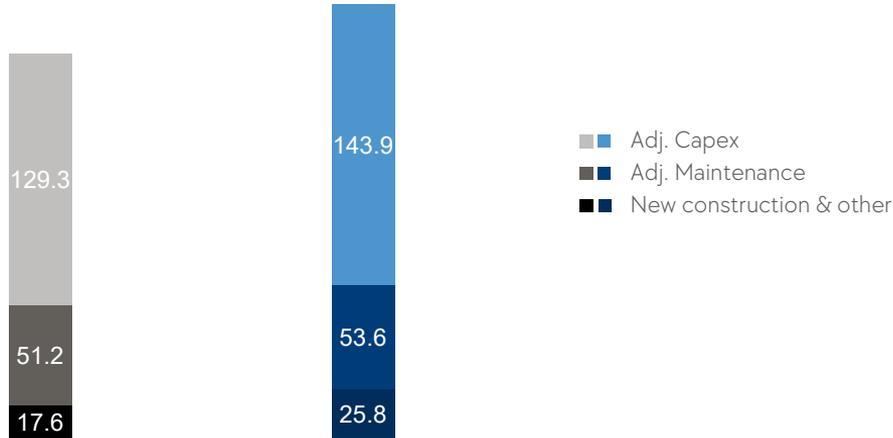
- Successful proof of concept of recently established proptech **youtilly** (management of gardening and cleaning services) in LEG's portfolio

- New  with focus on gardening and cleaning services

Capex and Maintenance

Deliberate slow down of spending in a rising cost environment

Adj. Invest¹: 19.14/m² — **-4.3%** — €18.31/m²
 Total Invest: €198.2m €223.3m



- Adj. Capex
- Adj. Maintenance
- New construction & other

per m ²	H1-2021	H1-2022	%
Adj. Capex	€13.71	€13.33	-2.8%
Adj. Maintenance	€5.43	€4.98	-8.3%
Total	€19.14	€18.31	-4.3%

- Increase of total **investments** by **12.7%** y-o-y driven by portfolio growth (**+15%** in units)
- **Deliberate slow down** of spending against a rising cost environment
- **Investments per sqm** decreased by **-4.3% adjusted** for new construction on own land, backlog from acquisitions and capitalized own services
- Remain **below €46 per sqm** (prev. €46 – 48) for full year as a more focused spending approach partially offset by rising price levels
- On track to reach full year target of **4,000 tons CO₂ reduction**
- Increase in **new construction and others** (not part of LEG's investment/sqm guidance) driven by milestone payments of new construction activities – small in group context
- Acquisition of new development projects not recognised as capex

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



3

Financial Performance

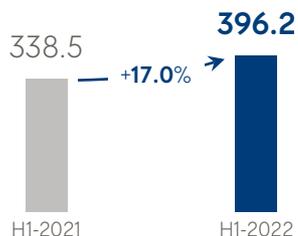
Financial highlights H1-2022

Growth and margins driven by 2021 acquisitions – as planned



Net cold rent

€m



Adjusted net rental and lease income

€m



Margin

78.5%
(81.3%)

Adjusted EBITDA

€m



Margin

74.8%
(77.2%)

FFO I

€m



Margin

60.9%
(64.5%)

Adjusted net rental and lease income

- Strong increase in net cold rent through acquisitions but also organic growth
- Additionally positive impact from services
- Margin in H1 negatively affected by lower margin of newly acquired portfolios. Overall within expectation and within guidance level
- Higher provisioning for not yet invoiced operating costs to cover potential shortfall in payments

Adjusted EBITDA

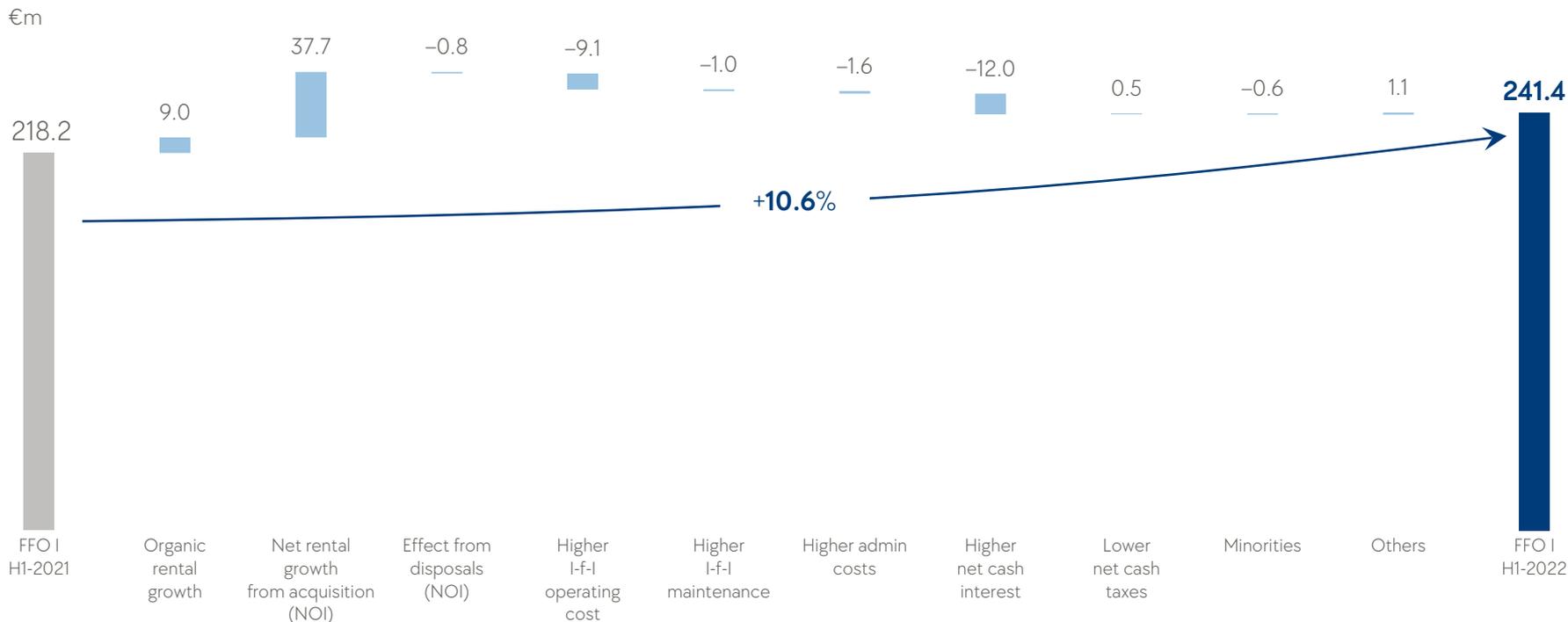
- On track for FY 2022 margin target of ~75%
- Balanced half years expected

FFO I ps

- H1-2021 €3.03
- **H1-2022 €3.31 (+9%)**

FFO Bridge H1-2022

Strong contribution from acquisitions and rent growth



Portfolio valuation H1-2022 – Breakdown revaluation gains

Valuation uplift driven by letting performance and yield compression

Value drivers

€m



■ Discount rate	864
■ Rent performance & building	461

Allocation of capital growth

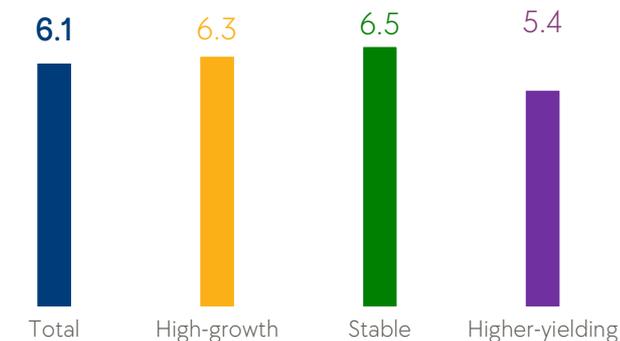
€m



■ Revaluation gains	1,169
■ Capex	156

Valuation uplift by markets¹

%



- Portfolio valuation +6.1%, including capex +7.0%
- Adjustment of average object-specific discount rate from 3.9% end of FY-2021 to 3.7% (cap rate virtually unchanged)
- Stabilisation of property values expected

¹ Property valuation with cut-off date as of 31 March 2022 and revaluation date as of 30 June 2022.

Portfolio valuation H1-2022



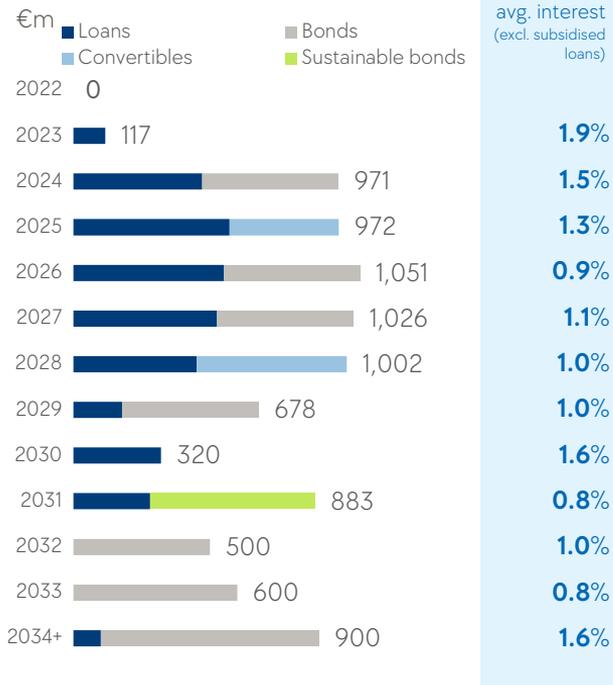
Market segment	Residential Units	GAV Residential Assets (€m)	GAV/ m ² (€)	Gross yield	In-Place Rent Multiple	GAV Commercial/ Other (€m)	Total GAV (€m)
High-Growth Markets	49,474	8,402	2,575	3.3%	30.7x	348	8,750
Stable Markets	66,651	7,182	1,684	4.2%	23.6x	231	7,412
Higher-Yielding Markets	50,503	3,767	1,233	5.4%	18.4x	106	3,873
Total Portfolio	166,628	19,351	1,828	4.0%	24.7x	685	20,036¹

¹ GAV of IAS 40 portfolio (including leasehold, land value and assets under construction) was €20,669m.

Well balanced financial profile

No significant maturities until 2024

Maturity profile



Average debt maturity



Average interest costs



Loan-to-value



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 **7.1 years** (-0.6y)
- Average interest costs **down by 9 bps** vs. H1-2021
- No significant maturities until **2024**
- **LTV** below maximum target level of 43%
- **Net debt/EBITDA** increased from 11.0x (H1-2021) and 12.6x (FY-2021) to **14.6x²**
- Secured loans agreed in July: **€200m** for 5 years at **2.3%** p.a.

¹ Since Q1-2022 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 confirmed, partially adapted to capital market environment



LEG

2022

FFO I		€ 475m – 490m
I-f-I rent growth		c. 3.0%
EBITDA margin		c. 75%
Investments		Less than € 46/sqm (prev. 46 – 48€/sqm)
LTV		max. 43%
Dividend		70% of FFO I
Acquisitions		Highly selective due to capital market environment
Disposals		Not reflected in guidance: up to 5,000 units
Environment	2022–2025 2022	Reduction of CO ₂ emissions by 10% based on CO ₂ e 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)



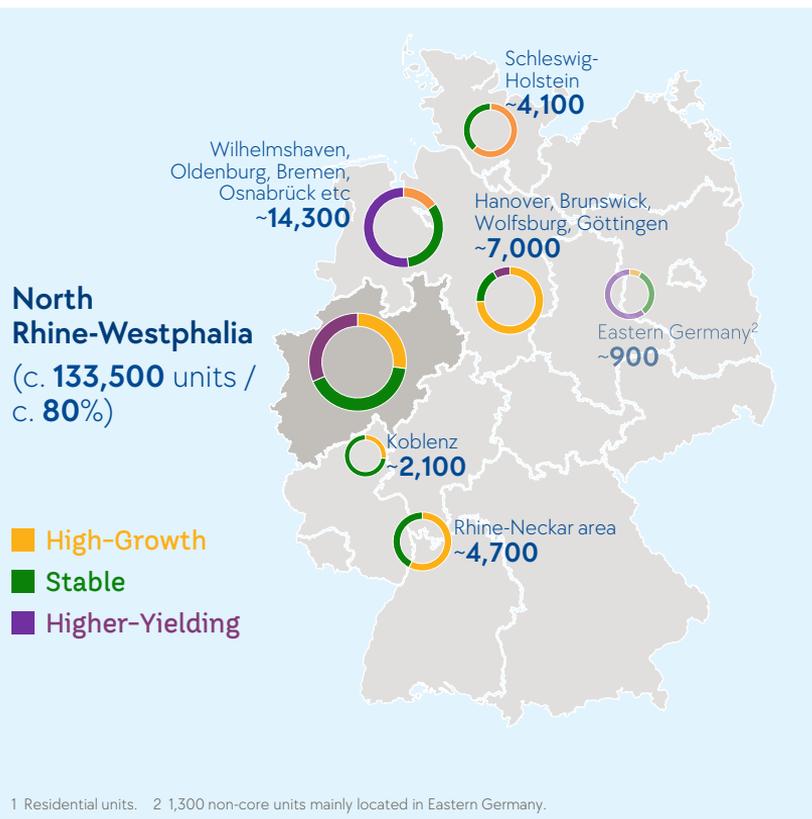
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Appendix

LEG's portfolio comprised c. 166,600 units end of Q2

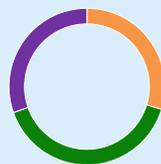


Well balanced portfolio with significant exposure now in target markets outside NRW

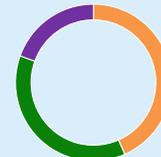


Total portfolio¹ (c. 166,600 units)

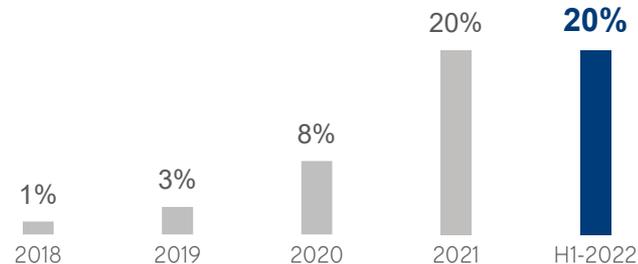
by units



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.

Expanding the value chain and positioning as solution provider

Renovate NOW – ReNOWate

Company

RENOWATE

- Renovate 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
- Refurbishment of 47 units (KfW 55) in Mönchengladbach started in July. 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 1

Measuring by drones and laser measuring devices of the existing building

STEP 2

Simple installation of the modules on the existing building envelope and renewal of the building energy services¹

STEP 3

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

STEP 4

Serial production of modular building envelope components

STEP 5

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



Status Quo



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

¹ Photovoltaics, heat pump etc.

Subsidised units

Inflation-dependent components of the cost rent to be adjusted every 3 years acc. to CPI



Cost rent components¹

Management costs

- Depreciation
- Operating costs
- Loss of rental income risk
- *Administration costs²*
- *Maintenance costs²*

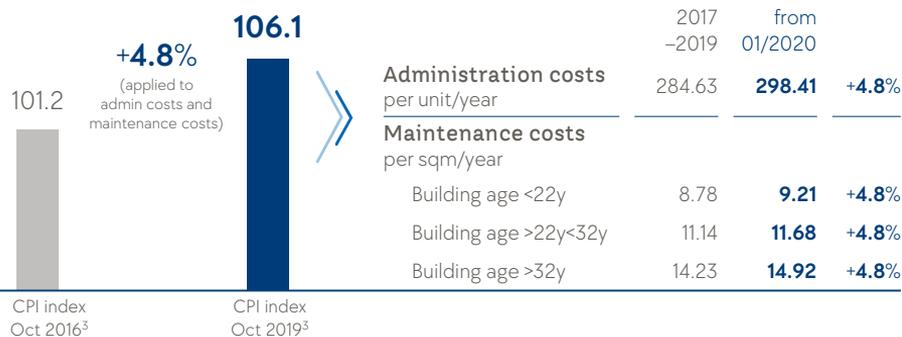
Capital costs

- Financing costs

CPI - linked

Example

Cost rent adjustment in January 2020



¹ Legal basis for calculation: II. Berechnungsverordnung. ² Administration and maintenance costs are lump sums and are adjusted every three years (in January) based on the development of the CPI. The adjustment in January 2023 will be calculated on the CPI development from October 2019 to October 2022 (CPI data to be released by the Federal Statistical Office). ³ Basis 2015 = 100

Historic view

Impact on cost rent adjustment at LEG

	2014	2017	2020
3 year period CPI development	+5.7%	+1.9%	+4.8%
Total rent increase for LEG's subsidised portfolio (I-f-I)	+2.4%	+1.2%	+2.0%

LEG portfolio

Subsidised units (Q2-2022)

Location	Number of subsidised units	Average net cold rent month/sqm (€)
High growth markets	11,458	5.41
Stable markets	14,604	4.97
Higher-yielding markets	7,178	4.59
Total subsidised portfolio	33,240	5.05

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

Impact on rents

- **Rent restricted** units are partly **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

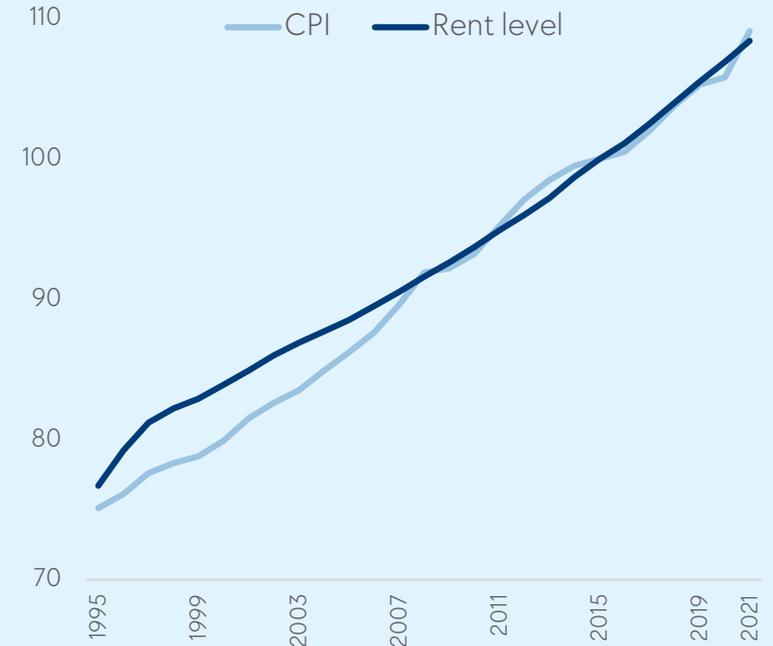
- New construction cost index up **14%¹** – **LEG with relatively small own development pipeline/ exposure**
- Minor impact on 2022 investment programme due to long-term contracts on top of deliberate slowdown of activities

Impact on financing

- Fixed interest rates on **94%** of financial debt
- Average maturity of **7.1** 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

¹ Statistisches Bundesamt / chart: 2015 = 100

Rent level increase in line with inflation¹



Valuation framework



LEG

Frequency	Semi-annually
Valuation Date	30 June - (cut off for data 31 March) 31 December - (cut off for data 30 September)
Scope	Complete portfolio incl. commercial units, parking spaces, including land
Valuation Level	Address-specific (building entrance level)
Technical Assessment	Physical review of 20% of the portfolio as part of technical reviews, data updates in EPIQR (data base for technical condition of buildings)
Model	10 year DCF model, terminal value in year 11, finite Assumption that buildings have a finite life (max. 80 years), decrease in value over a building's life Residual value of land at the end of building's life Cap rate ¹ increased to reflect the decrease of a building's value over its lifetime
Calculation of Discount-/Cap-Rate	Determination based on data from expert committees (publicly appointed surveyor boards) plus property specific premiums and discounts
Inclusion of legislation (e.g. rental brake)	Yes , via cash-flow
Relevance for Audit of Financial Statements	Yes , model and results audited by the Auditor

CBRE (Appraiser since IPO in 2013)

	<i>Same as LEG</i>
	Complete portfolio incl. commercial units, parking spaces, excluding land
	Economic units (homogeneous cluster of adjacent buildings with similar construction date and condition) provided by LEG
	Every economic unit has been inspected at least once Rolling annual inspections, especially of new acquisitions and modernised properties Additional information on change of condition provided by LEG
	10 year DCF model, terminal value in year 11, infinite No separate valuation of plot size/ value of land Exit cap rate based on market evidence
	Consistent DCF model for all 402 cities/districts and all clients plus property specific premiums and discounts. Results cross-checked with market data (local land valuation boards, asking prices, own transaction data base)
	Yes , via cash-flow
	No , second opinion for validation only

¹ Valuation parameters as at 30 June 2022 are shown in the H1-report 2022, p. 29

EPRA NRV – NTA – NDV



€m

	30.06.2022			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)	9,866.0	9,866.0	9,866.0	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)	9,895.9	9,895.9	9,895.9	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	2,357.4	2,345.1	–	2,056.5	2,044.8	–
Fair value of financial instruments	–80.1	–80.1	–	95.2	95.2	–
Goodwill as a result of deferred tax	–203.7	–203.7	–203.7	–267.3	–267.3	–267.3
Goodwill as per the IFRS balance sheet	–	–	–	–	–103.4	–103.4
Intangibles as per the IFRS balance sheet	–	–3.5	–	–	–3.8	–
Fair value of fixed interest rate debt	–	–	899.3	–	–	–307.4
Deferred taxes of fixed interest rate debt	–	–	–183.6	–	–	59.5
Revaluation of intangibles to fair value	–	–	–	–	–	–
Estimated ancillary acquisition costs (real estate transfer tax)	2,001.4	–	–	1,843.9	–	–
NAV	13,970.9	11,953.7	10,407.9	13,111.9	11,149.1	8,765.0
Fully diluted number of shares	74,109,276	74,109,276	74,109,276	76,310,308	76,310,308	76,310,308
NAV per share (€)	188.52	161.30	140.44	171.82	146.10	114.86

¹ Including RETT (Real Estate Transfer Tax) would result into an NTA of €13,942.2m or €188.13 per share.

FFO calculation



€m	H1-2022	H1-2021
Net cold rent	396.2	338.5
Profit from operating expenses	-3.1	-0.6
Maintenance (externally-procured services)	-35.9	-29.0
Staff costs	-51.4	-41.4
Allowances on rent receivables	-8.5	-3.8
Other	9.4	8.1
Non-recurring special effects (rental and lease)	4.2	3.3
Recurring net rental and lease income	310.9	275.1
Recurring net income from other services	5.2	4.2
Staff costs	-15.3	-13.5
Non-staff operating costs	-14.4	-8.7
Non-recurring special effects (admin.)	10.1	4.2
Recurring administrative expenses	-19.6	-18.0
Other income and expenses	0.0	0.0
Adjusted EBITDA	296.5	261.3
Cash interest expenses and income	-54.1	-42.2
Cash income taxes from rental and lease	-	-0.5
FFO I (including non-controlling interests)	242.4	218.6
Non-controlling interests	-1.0	-0.4
FFO I (excluding non-controlling interests)	241.4	218.2
FFO II (including disposal of investment property)	240.7	216.2
Capex	-162.0	-147.0
Capex-adjusted FFO I (AFFO)	79.4	71.2

Net cold rent

- +€57.7m or +17.0% driven by portfolio growth (+€48.5m) and organic growth (+€9.7m)

Maintenance

- Higher externally procured maintenance

Allowances on rent receivables

- Increase driven by higher provisions for not yet invoiced operating costs

Staff costs

- Growth in staff costs due to additional 265 FTE's in operations, esp. from Adler portfolio and related facility management company (LEG Nord FM)

Recurring administrative expenses

- Slightly higher headcount (+8 FTEs), general cost increases

Cash interest expenses

- Decline in average interest costs from 1.24% to 1.15%, but increase in financial debt

Balance sheet



€m	30.06.2022	31.12.2021
Investment property	20,669.1	19,067.7
Other non-current assets	718.2	617.8
Non-current assets	21,387.3	19,685.5
Receivables and other assets	208.9	155.6
Cash and cash equivalents	328.9	675.6
Current assets	537.8	831.2
Assets held for sale	17.1	37.0
Total Assets	21,942.2	20,553.7
Equity	9,891.2	8,953.0
Non-current financing liabilities	9,051.9	7,367.0
Other non-current liabilities	2,424.8	2,335.0
Non-current liabilities	11,476.7	9,702.0
Current financing liabilities	195.5	1,518.1
Other current liabilities	378.8	380.6
Current liabilities	574.3	1,898.7
Total Equity and Liabilities	21,942.2	20,553.7

Investment property

- Valuation: +€1,169.3m
- Acquisitions: +€281.0m
- Capex: +€165.1m

Other non-current assets

- Q1: Inclusion of BCP stake (+€316.7m), goodwill adjustment Adler portfolio (–€67.6m)
- Q2: depreciation on BCP stake (–€148.5m) to reflect market valuation and complete goodwill amortisation of all CGU excl. Adler portfolio (–€99.6m)
- New HQ: +€54.5m

Cash and cash equivalents

- Operating activities: +€191.0m
- Investing activities: –€703.1m
- Financing activities: +€165.4m
 - Bond issuance +€1,482.4m
 - Loans: +€296.1m
 - Repayment of loans –€1,412.1m (bridge loan acquisition)
 - Dividend: –€183.3m

Loan to Value

€m	30.06.2022	31.12.2021
Financial liabilities	9,247.4	8,885.1
Excluding lease liabilities (IFRS 16)	23.7	27.4
Cash & cash equivalents ¹	373.9	745.6
Net Debt	8,849.8	8,112.1
Investment properties	20,669.1	19,067.7
Properties held for sale	17.1	37.0
Prepayments for investment properties and acquisitions	17.8	23.4
Participation in other residential companies ¹	297.4	119.2
Prepayments for business combinations	-	1.8
Property values	21,001.4	19,249.1
Loan to Value (LTV) in %	42.1	42.1

¹ Since Q1-2022 calculation adapted to the current standard practices, i.e. inclusion of short-term deposits and inclusion of participation in other residential companies into property values. The figures as at 31.12.2021 have been adjusted accordingly.

Loan to Value

- Improved by 100 bps vs. Q1-2022 supported by valuations effects
- Maximum target of 43% respected

Participation in other residential companies

- Increase vs. year end 2021 due to higher stake in BCP. However, in comparison to Q1-2022 lower value for stake in BCP due to share price decline. The depreciation (€-148.5m) was driven by BCP's share price development at TASE stock exchange (€95.64 at June 30)

Income statement



€m	H1-2022	H1-2021
Net rental and lease income	242.3	266.4
Net income from the disposal of investment property	-0.8	-0.4
Net income from the valuation of investment property	1,169.3	1,110.3
Net income from the disposal of real estate inventory	0.0	0.0
Net income from other services	4.8	2.7
Administrative and other expenses	-72.6	-24.1
Other income	0.0	0.0
Operating earnings	1,343.0	1,354.9
Net finance costs	-21.9	-39.4
Earnings before income taxes	1,321.1	1,315.5
Income tax expenses	-260.9	-252.2
Consolidated net profit	1,060.2	1,063.3

Net rental and lease income

- Decline driven by goodwill amortisation (€58.9m). Adjusted NRI +13%

Net income from other services

- Relates to biomass plant, increase due to higher energy sales revenues

Administrative and other expenses

- Impact from goodwill amortisation (€40.7m)

Net finance costs

- €8m increase in interest expenses mainly due to issue of corporate bonds
- €115.1m impact from valuation of BCP at fair value
- +€154.0m impact from measurement of derivatives linked to the convertible bonds (yoy: +€14.2m)

Income tax expenses

- Slight increase in the effective tax rate from 19.2% to 20.4%

Cash effective interest expense



€m	H1-2022	H1-2021
Reported interest expense	65.1	57.1
Interest expense related to loan amortisation	-9.1	-8.0
Interest costs related to valuation of assets/liabilities	-0.1	-0.1
Interest expenses related to changes in pension provisions	-0.6	-0.3
Other interest expenses	-1.2	-6.6
Cash effective interest expense (gross)	54.1	42.2
Cash effective interest income	0.0	0.0
Cash effective interest expense (net)	54.1	42.2

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

Other interest expenses

- H1-2021 burdened by one-time-effects, e.g. prepayment penalties

Cash effective interest expense

- Interest coverage of 5.48x (H1-2021: 6.19x)

Investments

Reconciliation from investments to adjusted investments

€m	H1-2022	H1-2021
Maintenance	55.5	51.2
Adjusted maintenance	53.6	51.2
Capex	167.8	147.0
Thereof LWS Plus effect	5.8	5.4
Thereof public safety measures in connection with acquisitions	0.8	0.9
Thereof new construction	10.5	3.2
Thereof capitalisation of own services	6.8	8.2
Adjusted capex	143.9	129.3
Total investments	223.3	198.2
Adjusted total investments	197.6	180.6
Area of investment properties (million sqm)	10.79	9.43
Adjusted investment per sqm (€)	18.31	19.14

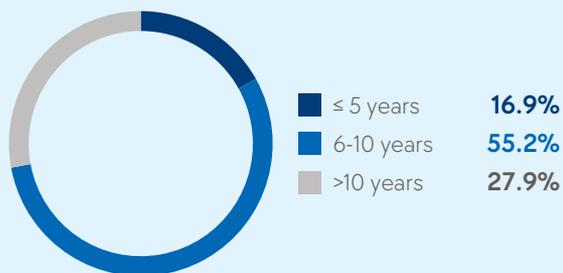
- Capex in FFO-table to calculate the AFFO corresponds to total capex minus LWSPlus effect
- The line item maintenance for net rental and lease income calculation includes only maintenance work done by external companies (€35.9m). The delta to the €55.5m is shown under staff costs

Refinancing of subsidised loans lifting value

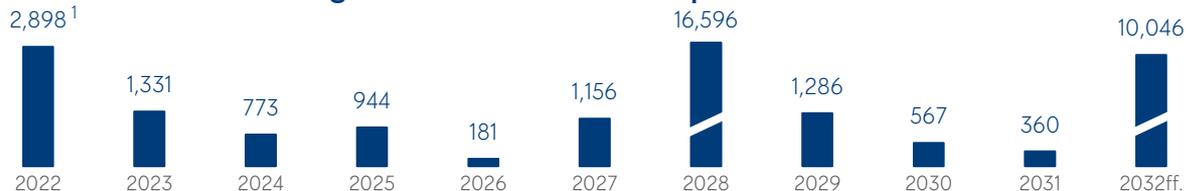
Rent potential subsidised units

- 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 restrictions⁵

Around 65% of units to come off restriction until 2028



Number of units coming off restriction and rent upside



Spread to market rent

€/m²/month



	≤ 5 years ³	6 – 10 years ³	> 10 years ³
In-place rent	€5.00	€5.16	€4.92
Market rent ²	€7.10	€7.81	€6.87
Upside potential ⁴	42%	51%	40%
Upside potential p.a. ⁴	€10.5m	€42.6m	€15.8m

¹ All released in H1. 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



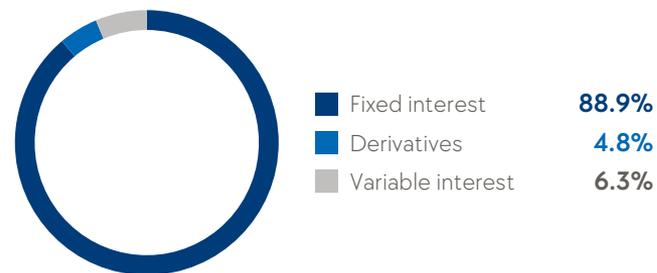
Unsecured financing covenants

Covenant	Threshold	H1-2022
Consolidated Adjusted EBITDA / Net Cash Interest	≥1.8x	5.6x
Unencumbered Assets / Unsecured Financial Indebtedness	≥125%	171%
Net Financial Indebtedness / Total Assets	≤60%	41%
Secured Financial Indebtedness / Total Assets	≤45%	15%

Ratings (Moody's)

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

Financing mix



Key financial ratios

	H1-2022	H1-2021
Net debt / EBITDA ¹	14.6x	11.0x
LTV	42.1% ²	36.4%

¹ Average net debt last four quarters / EBITDA LTM ² Since Q1-2022 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 $\geq 1.8 \times$
 Unencumbered assets/ unsecured financial debt $\geq 125\%$
 Net financial debt/ total assets $\leq 60\%$
 Secured financial debt/ total assets $\leq 45\%$

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	€113.2516 (as of 2 June 2022)	€153.6154 (as of 7 June 2022)
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).

Remuneration system 2022/25



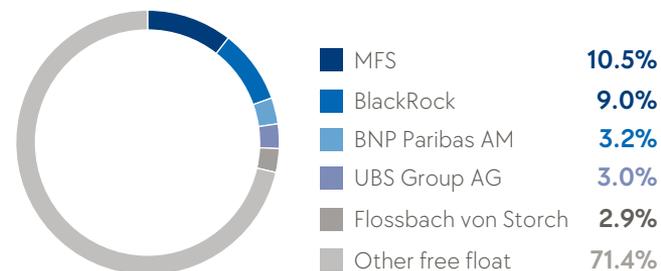
LEG share information



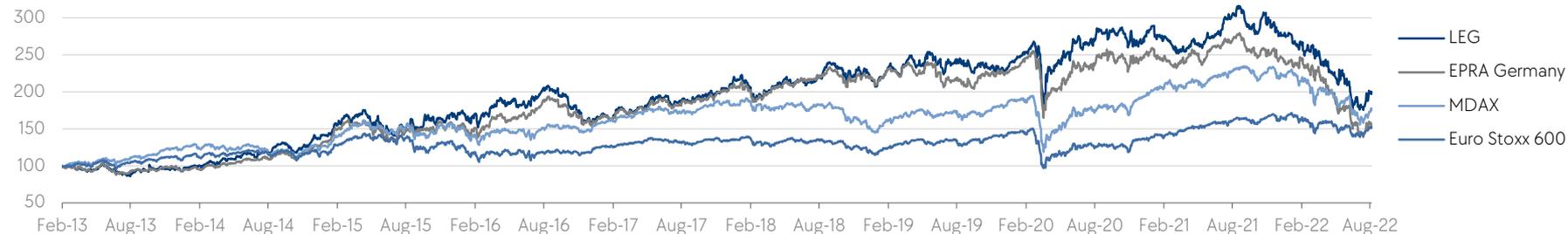
Basic data

Market segment	Prime Standard
Stock Exchange	Frankfurt
Total no. of shares	74,109,276
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 4.1% (30.06.2022) EPRA Europe 2.8% (30.06.2022)

Shareholder structure¹



Share (05.08.2022; indexed; in %; 1.2.2013 = 100)



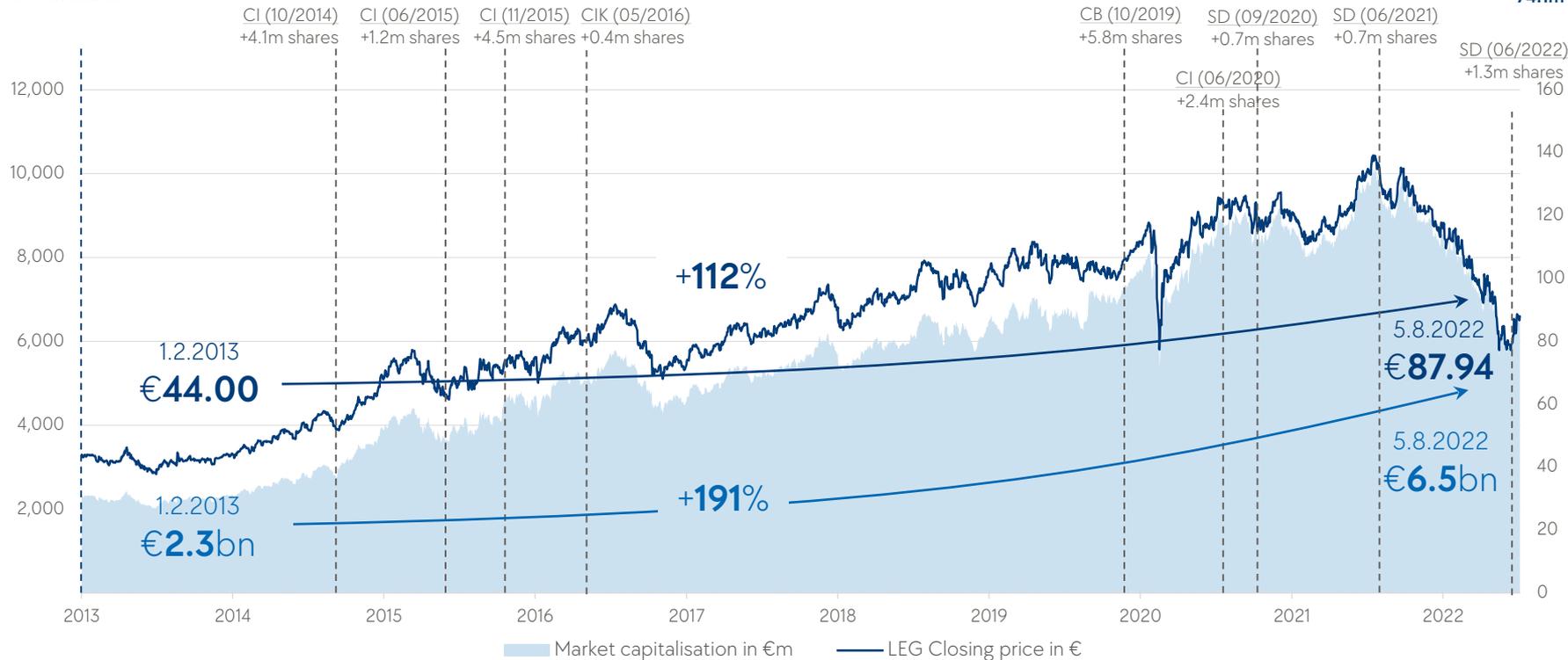
¹ Shareholdings according to latest voting rights notifications.

Share price and market capitalisation since IPO



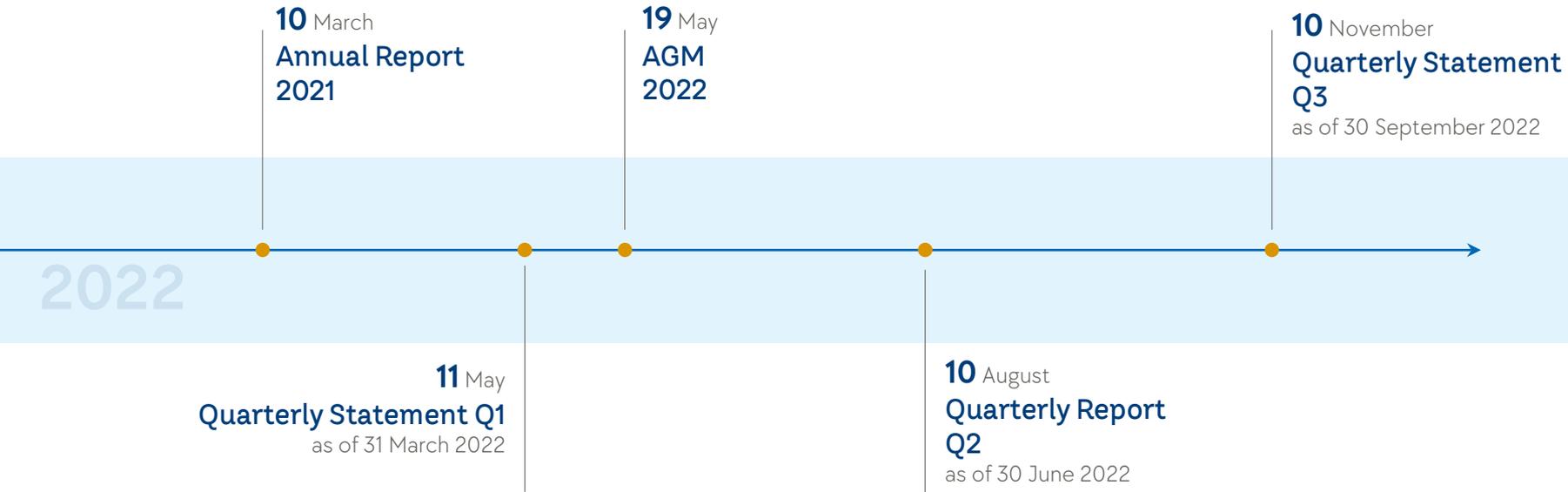
IPO (2/2013)
53.0m shares

08/2022
74.1m shares



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

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