



**REMUNERATION  
REPORT**

## Remuneration report

This remuneration report outlines the structure and amount of the remuneration paid to the members of the Management Board and the Supervisory Board. The report is prepared annually and is based on the provisions under the German Stock Corporation Act (AktG) in accordance with section 162 AktG as amended by the Act Implementing the Second Shareholders' Rights Directive (ARUG II) and the recommendations of the German Corporate Governance Code (GCGC) as amended 28 April 2022.

The Annual General Meeting of LEG Immobilien SE on 17 May 2023 approved the remuneration report for the 2022 financial year with 85.66% of the valid votes cast. The Management Board and Supervisory Board had noted comments by investors on the 2021 remuneration report and taken these into account in the 2022 remuneration report. For example, this related to the detailed information on target attainment for variable remuneration and the description of the targets for variable remuneration defined for the 2023 financial year.

The Management Board and Supervisory Board of LEG are committed to the principle of transparency. The 2023 remuneration report therefore includes basic information on the key financial performance indicators and their ranges in the short-term incentive (STI), as well as further explanations regarding target attainment and information on the amounts of remuneration for the Management Board members as compared to other companies in the sector.

The Management Board remuneration system for the 2023 financial year generally corresponds to the resolution adopted by the Annual General Meeting for the 2022 financial year. Adjustments proposed to the AGM by the Supervisory Board in this context reflect the fact that in November 2022 the Management Board and Supervisory Board had resolved for the 2023 financial year to focus the business strategy more clearly on capital efficiency and future viability. Accordingly, the Supervisory Board has updated the remuneration system for the 2023 financial year with regard to the financial performance criteria for the STI, aligning these more closely with cash flow:

- Performance criterion AFFO per share instead of FFO I per share: In conjunction with the reorganisation of the company's management, AFFO (capex-adjusted FFO I) has been defined as LEG's primary key financial performance indicator for Group management. Starting from FFO I (after non-controlling interests), AFFO takes recurring capex into account. Recurring capex comprises capitalised costs of modernisation and maintenance work as well as new construction activities managed by LEG. When calculating the costs of modernisation and maintenance work, consolidation effects relating to own work that result from the elimination of intercompany results are eliminated.

- Performance criterion adjusted EBITDA margin instead of net operating income: The reorganisation of corporate management and the associated cash-optimised management necessitates a separation of operating cash generation from capital expenditure. Therefore, in calculating AFFO, maintenance expenses for purchased services, subsidies recognised in profit or loss and the own work capitalised previously included in "Other" are no longer reported in net operating income (recurring), and are instead recognised as an EBITDA adjustment.

The remuneration system updated from 1 January 2023 in terms of the short-term variable remuneration components was submitted to the Annual General Meeting of LEG Immobilien SE for approval on 17 May 2023. The Annual General Meeting approved the remuneration system with 76.44% of the valid votes cast. This remuneration system applies retroactively from 1 January 2023 onwards to all members of the Management Board appointed at the time of the Annual General Meeting of LEG Immobilien SE on 17 May 2023 from the time that the revised Management Board contracts are signed.

In connection with the change to the governance of LEG Immobilien SE, the Supervisory Board believed it was appropriate given current market conditions to change the financial performance criteria that make up 80% of the STI from the 2023 financial year onward and use AFFO per share (40%) and the adjusted EBITDA margin (40%) as new financial performance criteria.

The investors welcome the approach of gearing the business strategy to cash flow. Given the fact that the FFO I previously also used at LEG and the way it works as a performance indicator are widespread and well-established on the capital market, the Management Board of LEG engaged in intensive dialogue with investors regarding the changes associated with the new business strategy. The result was that AFFO is now accepted on the capital market as a relevant, targeted performance indicator that is much closer to cash flow, especially since this key figure is already established among international investors. Issues for discussion arose primarily in relation to the appropriate implementation of this realignment in the remuneration system in the case of the financial performance criterion AFFO per share in the STI.

In the investors' view, parts of the AFFO could be influenced directly by the Management Board in the 2023 financial year. The elements of AFFO cited as subject to influence were essentially interest saved as a result of suspending the dividend, the suspension of the new construction programme, the reduction of investment per square metre and the excess profits of the biomass CHP plant. Among other things, investors' criticism was based on the ad hoc disclosure of 29 June 2023, which stated that the AFFO range for 2023 published in November 2022 had been revised from between EUR 125 and EUR 140 million to between EUR 165 and EUR 180 million. However, the targets set for variable Management Board remuneration for the 2023 financial year were based on the original AFFO range of between EUR 125 and EUR 140 million.

To take account of the investors' feedback, all Management Board members in office in the 2023 financial year declared that they would forgo the share of the STI amount for 2023 that was attributable within the financial performance criterion AFFO per share to the interest savings due to the non-payment of the dividend in the 2023 financial year, the suspension of new construction activities and investment falling below the forecast of EUR 35 per square metre. By contrast, the Management Board members did not forgo the share of the STI amount for 2023 that was attributable within the financial performance criterion AFFO per share to the excess profit of the biomass combined heat and power station. In the unanimous opinion of the Management Board and the Supervisory Board, the

forward sale of electricity in October 2022 is to be considered an active management decision based on a correct assessment of the market.

Given the importance of the remuneration system for the management of the company, the Supervisory Board also set up a Remuneration Committee in November 2023 that deals with Management Board remuneration and the Management Board remuneration system in general. The Remuneration Committee started its work immediately. The Remuneration Committee is always chaired by an independent member of the Supervisory Board.

#### ● Overview of 2023 remuneration system:

FIXED REMUNERATION COMPONENT	BASIC REMUNERATION	• Fixed contractually agreed remuneration payable in twelve equal instalments	
	FRINGE BENEFITS	• Essentially company car for business and private use, for business trips the services of a driver can be used, various insurance elements	
	PENSION ENTITLEMENT	• Receipt of a fixed amount, specified in the respective employment contract, into a reinsured support fund	
VARIABLE REMUNERATION COMPONENT	SHORT-TERM VARIABLE REMUNERATION COMPONENT (STI)	Plan type	• Tantieme
		Restriction/cap	• 200% of the target amount
		Performance criteria	• 40%: adjusted EBITDA margin • 40%: AFFO I per share • 20%: ESG-targets • Criteria-based adjustment factor (0,8–1,2) to assess the individual and collective performance of the Management Board as well as extraordinary developments
		Payout	• After the end of the respective financial year
	LONG-TERM VARIABLE REMUNERATION COMPONENT (LTI)	Plan type	• Performance cash plan
		Restriction/cap	• 250% of the target amount
		Performance criteria	• 80%: Relevant Total Shareholder Return in comparison to the relevant index (EPRA NAREIT Germany) • 20%: ESG-targets
		Term of a performance period	• Four years
		Payout	• After the four-year performance period • Purchase obligation of LEG shares in the amount of 25% of the payout
		MALUS/CLAWBACK	• Partial or complete reduction or reclaim of variable remuneration possible
SHARE RETENTION OBLIGATION	• Obligation to purchase LEG shares equivalent to a gross basic salary within four years • Obligation to hold the acquired shares for the duration of the Management Board activity		
MAXIMUM REMUNERATION	• Chairman of the Board: EUR 4,800,000 • Full members of the Board: EUR 3,100,000		

### Management Board members in the 2023 financial year

The members of the Management Board in the 2023 financial year were:

- Lars von Lackum, CEO
- Dr Kathrin Köhling, CFO, since 1 April 2023
- Dr Volker Wiegel, COO
- Susanne Schröter-Crossan, CFO, until 31 March 2023

## Secondary employment of Management Board members

The performance of secondary employment by members of the Management Board, in particular holding mandates in supervisory boards and similar executive bodies of companies outside the LEG Group, requires the prior approval of the Executive Committee. At the request of LEG Immobilien SE, members of the Management Board also perform duties or hold executive positions at affiliated companies of LEG Immobilien SE. This also applies to the performance of functions at associations and similar organisations where LEG Immobilien SE has an interest. Performing these duties does not constitute an additional employment contract for the Management Board members. The number of mandates at companies and comparable entities in which LEG Immobilien SE directly or indirectly holds less than 51% of the respective capital or, if higher, the voting rights, is limited to four. This limitation does not include mandates at housing industry associations, the LEG NRW Tenant Foundation or the "Your Home Helps" foundation. For the event that the member of the Management Board is entitled to remuneration from affiliated companies, the corresponding remuneration will not be transferred to that member, and instead will be allocated directly to LEG NRW GmbH, a subsidiary of LEG Immobilien SE; in line with Recommendation G.15 GCGC, it will effectively count towards the remuneration received by members of the Management Board of LEG Immobilien SE.

If members of the Management Board receive separate remuneration for secondary employment outside the LEG Group, in line with Recommendation G.16 GCGC, the Supervisory Board will decide on a case-by-case basis whether that member is permitted to receive this remuneration or whether this remuneration will count against their entitlement to remuneration from LEG Immobilien SE. The only non-Group Supervisory Board mandate currently held is that of Dr Kathrin Köhling on the Supervisory Board of Deutsche Beteiligungs AG. The Supervisory Board has decided not to take the remuneration Dr Kathrin Köhling receives for this activity into account for her remuneration as a Management Board member of LEG Immobilien SE. The Supervisory Board believes it is in LEG Immobilien SE's interests for the members of its Management Board to receive stimulus from individual, non-Group Supervisory Board mandates that they can also apply to their Management Board work.

## Management Board remuneration system in the 2023 financial year ("updated remuneration system")

### AFFO as a cash-based performance indicator

The updated remuneration system supports the three fundamental core activities of LEG Immobilien SE:

- Optimising core business,
- Expanding the value chain,
- Enhancing the portfolio.

The remuneration of the members of the Management Board is intended to further consolidate these fundamental elements of LEG's business model.

Accordingly, the remuneration system reflects the material key financial performance indicators for Group management. In addition to internal key figures, the primary focus of the long-term variable remuneration component is on external, capital market figures as well as LEG Immobilien SE's short-term and long-term objectives.

LEG Immobilien SE's strategic decisions affect not only the company's business interests but also the interests of various stakeholders. LEG Immobilien SE is aware of this responsibility and has developed a sustainability strategy that is an integral part of the company strategy and affects essential action areas relating to environment, social and governance. In doing so, LEG Immobilien SE aims to manage and shape sustainability efficiently and reliably. LEG Immobilien SE sees sustainable action and business practices as a corporate obligation and it fulfils this commitment to its stakeholders. Sustainability aspects are therefore taken into consideration in Management Board remuneration, both in the STI (short-term variable remuneration component) and in the LTI (long-term variable remuneration component), with a weighting of 20% in each case.

The successful 2023 financial year has shown that LEG's business model, in conjunction with cash-based management, is the right path for steering LEG through the recent challenges. In LEG's view, AFFO per share is the appropriate financial performance criterion in the current interest rate environment and the associated cash management is the right control mechanism for managing LEG successfully as a property company in the current geopolitically and economically uncertain environment.

**Summary**

In summary, alongside the suggestions from investors that have been taken into account, the following points were also incorporated into the design of the updated remuneration system:

- Supporting the company’s strategy
- Focus on long-term and sustainable financial development at LEG Immobilien SE
- Ecological improvement in line with climate protection goals, optimising customer and employee focus and continuously adapting governance to the highest standards (ESG)
- Performance-based Management Board remuneration while simultaneously ensuring ambitious targets (pay for performance)
- Harmonising the interests of the Management Board and shareholders
- Taking into account the interests of other LEG Immobilien SE stakeholders and aligning the remuneration of the Management Board accordingly
- Consideration of market practice

**Refinement of the updated remuneration system**

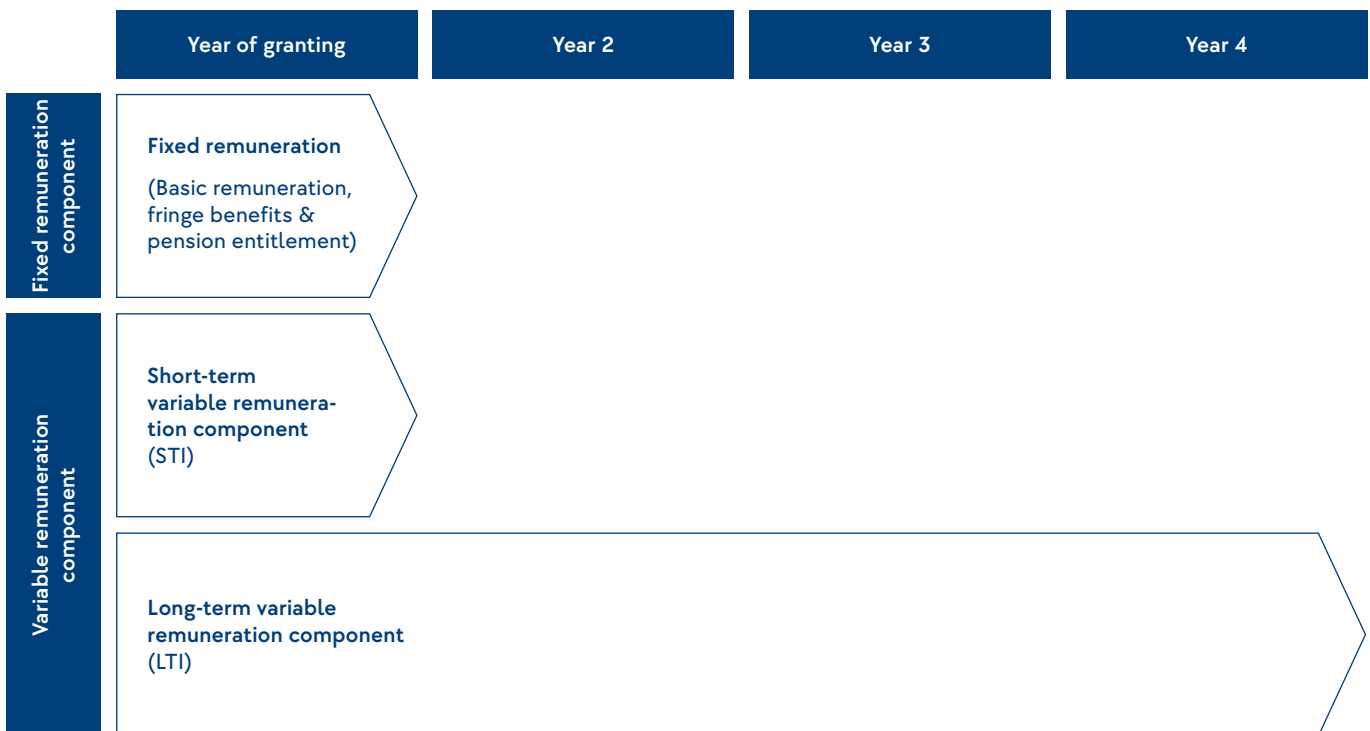
The updated remuneration system comprises fixed and variable components that together form the total remuneration of a member of the Management Board. Regarding this total remuneration, the Supervisory Board has set an individual, contractually agreed maximum amount for each Management Board member (maximum remuneration as defined in section 87a(1) sentence 2 no. 1 AktG).

The fixed remuneration component comprises basic remuneration, additional benefits and expenses for the occupational pension.

The variable remuneration component contains a short-term incentive (STI) and a long-term incentive (LTI).

Overview of the individual regular components of the remuneration system over time:

● Remuneration system over time



The following overview shows the respective contractually agreed annual targets for the individual remuneration components, assuming 100 % target attainment:

#### ● Remuneration components

€ thousand	Lars von Lackum CEO	Dr Kathrin Köhling <sup>1</sup> CFO		Dr Volker Wiegel COO	Susanne Schröter-Crossan <sup>2</sup> formerly CFO	
		year	pro rata temporis		year	pro rata temporis
Fixed remuneration	950	375	281	550	550	275
One-year variable remuneration (STI)	600	250	188	375	375	188
Multi-year variable remuneration (LTI)	1,000	425	319	650	650	325
<b>Target remuneration</b>	<b>2,550</b>	<b>1,050</b>	<b>788</b>	<b>1,575</b>	<b>1,575</b>	<b>788</b>

<sup>1</sup> Start of Management Board contract as at 1 April 2023.

<sup>2</sup> End of Management Board contract as at 30 June 2023.

Susanne Schröter-Crossan left the Management Board as at 31 March 2023 and is entitled to her remuneration pro rata temporis until the end of her Management Board contract as at 30 June 2023. Dr Kathrin Köhling is entitled to remuneration for the 2023 financial year from the start of her Management Board contract as at 1 April 2023, which will be calculated pro rata temporis for the 2023 STI and the 2023 LTI.

#### Suitability of the updated remuneration system and the amount of remuneration

The target remuneration comprises the basic remuneration, the short-term variable remuneration component (STI) and the long-term variable remuneration component (LTI), each based on 100 % target attainment. The target remuneration was adjusted effective from the 2022 financial year. The Supervisory Board was advised by an independent remuneration consultant (hkp///group) in determining the remuneration for the 2022 financial year. In addition to the peer comparison, the independent remuneration consultant (hkp///group) also considered LEG Immobilien SE's situation and its earnings performance in recent years as well as the tasks and performance of the members of the Management Board when revising the 2022 remuneration system.

The Supervisory Board once again had the appropriateness of the remuneration checked by the external consultant MB Board Advisory in the 2023 financial year. In accordance with Recommendation G.3 GCGC, the Supervisory Board used suitable peer groups of other companies to assess whether the target remuneration for members of the Management Board is in line with usual levels.

As LEG Immobilien SE is listed in the MDAX, the first peer group consisted of the companies in this index. The MDAX is a suitable peer group in terms of market capitalisation in particular.

LEG Immobilien SE was also compared against selected property companies to achieve an industry comparison. Basic remuneration as well as short-term and long-term variable remuneration components were considered in the market comparisons.

The positioning in the peer groups is based on the equally weighted key figures of revenue, number of employees and market capitalisation. The target remuneration of the CEO and the regular members of the Management Board is still within the normal market range in both comparison markets after the adjustment of the remuneration amounts as at 1 January 2024.

The total direct remuneration of the CEO and the COO of LEG Immobilien SE is within the normal market range, while that of the CFO is below it. The long-term variable remuneration components of the COO and the CFO are within the market range, though that of the COO is above the median and that of the CFO is close to the lower quartile. The higher share of the long-term variable remuneration component compared to the short-term variable remuneration component is in line with the standards of stock corporation law regarding a predominantly long-term assessment base for variable remuneration components and the corresponding recommendation of the German Corporate Governance Code. The remuneration structure for the Management Board members at LEG Immobilien SE is in line with standard market levels in the MDAX.

#### Fixed remuneration components of the updated remuneration system: Basic remuneration

The members of the Management Board receive their basic remuneration in twelve equal monthly payments (pro rata temporis).

#### Additional benefits

The members of the Management Board receive contractually agreed benefits in addition to their basic remuneration:

- The members of the Management Board receive standard contributions of up to 50 % of their private health and long-term care insurance, however, this is limited to the amount that would be owed if the respective member had statutory health insurance.
- If members of the Management Board are voluntarily insured under the statutory pension scheme or are members of a professional pension scheme in place of the statutory pension scheme, 50 % of the standard contributions to the statutory pension scheme are paid. This regulation also applies to employee-financed pension commitments for which LEG Immobilien SE is the contractual partner. These pension commitments are capped at an annual payment of EUR 20 thousand for Lars von Lackum and EUR 15 thousand for the other members of the Management Board.

- Furthermore, LEG Immobilien SE provides the members of its Management Board with an appropriate company car for work and private use. All costs for the upkeep and use of the company car are paid by LEG Immobilien SE. In addition, members of the Management Board can use the services of a driver for official journeys. The benefits granted to the members of the Management Board through the provision of a company car are capped at EUR 80 thousand per member of the Management Board for the monetary value arising from private use. The income tax on these benefits is paid by the respective member of the Management Board. Members of the Management Board are also reimbursed for travel expenses and other expenses.
- In addition, LEG Immobilien SE has taken out accident insurance for the members of the Management Board which also covers accidents outside work. The pay-out to the insured party or his heirs amounts to not more than EUR 500 thousand in the event of death and EUR 1,000 thousand in the event of invalidity.
- D&O insurance has also been taken out for the members of the Management Board. The D&O insurance policies each include a statutory deductible of 10% of the loss, limited to 1.5 times the fixed annual remuneration per calendar year.

#### Payments and commitments to Management Board members whose work ended in the 2023 financial year

Susanne Schröter-Crossan left the Management Board of LEG Immobilien SE by mutual agreement for personal reasons as at 31 March 2023. The company and Susanne Schröter-Crossan have agreed for her contract as a member of the Management Board to continue until its regular expiry as at 30 June 2023. Her entitlements under the 2023 STI and the ongoing 2020, 2021, 2022 LTIs, and the 2023 LTI pro rata temporis, will be calculated on this basis. The obligation to purchase shares under the 2022 and 2023 LTIs does not apply.

Specifically, it was agreed among other things that Susanne Schröter-Crossan would receive her basic remuneration in a gross amount of EUR 45,833.33 per month, payable at the end of each month, until the end date in accordance with the provisions of the 2022 employment contract. For the 2023 financial year, the STI was granted only for the period up until the end date in line with the 2022 STI plan and was accordingly reduced to the pro rata target amount of EUR 187.5 thousand. For the 2020 financial year, the LTI was granted under the

previously applicable conditions of the 2020 Management Board contract. The tranche of the performance period 3 due to be paid out in the 2023 financial year will still be settled and paid out in accordance with the 2020 Management Board contract. The LTI for the 2020 financial year was granted in accordance with the 2020 Management Board contract, taking account of that fact that Schröter-Crossan joined the Management Board during the year as at 1 July 2020, and was accordingly reduced to the pro rata target amount for the tranche for the performance period 3 of EUR 74,166.66. For the 2021 and 2022 financial years, the respective LTI will be granted in accordance with the previously applicable terms of her 2021 and 2022 contracts in line with the respective long-term incentive plan. The relevant targets still apply. The remuneration will not be paid early. For the 2023 financial year, the LTI will be granted in accordance with the previously applicable terms of the 2022 Management Board contract in line with the 2022 LTI plan. The LTI for the 2023 financial year will be granted only for the period up until the end date in line with the 2022 LTI plan and reduced to EUR 325,000.00 thousand in line with the LTI target amount. The obligation to purchase shares under the 2022 LTI plan does not apply.

Under her 2022 contract, Susanne Schröter-Crossan was entitled to additional benefits (company pension plan, pension and health insurance contributions, accident insurance, company car, etc.). The additional benefits were granted pro rata temporis for the 2023 financial year until the end of her contract in accordance with the contractual regulation.

#### Pension entitlement

Each calendar year, LEG Immobilien SE grants members of the Management Board a fixed employer-financed occupational pension commitment, the amount of which is set out in the Management Board agreement. This amount is paid into a reinsured occupational pension scheme. It is reduced pro rata temporis if the member leaves or joins the company during the year. In addition, the pension benefits allowance for the member of the Management Board provided as part of their additional benefits can also be paid into the occupational pension scheme instead of this allowance.

Occupational pensions granted to members of the Management Board in the 2023 financial year are shown in the table below.

#### Occupational pension scheme granted

in €	Company pension benefits via a provident fund with annually paid fixed contribution			Company pension benefits via a provident fund or professional pension scheme		
	Amount p. a.	Monetary compensation amount	Monetary compensation year	Amount p. a.	Monetary compensation amount	Monetary compensation year
Lars von Lackum	100,000	2,325,000	2042	8,147	187,851	2042
Dr Kathrin Köhling	35,000	928,731	2050	6,110 <sup>1</sup>	<sup>3</sup>	<sup>3</sup>
Dr Volker Wiegel	50,000	1,141,667	2043	8,147 <sup>2</sup>	<sup>3</sup>	<sup>3</sup>

<sup>1</sup> The company pension benefits for Dr Kathrin Köhling is provided by the Deutsche Rentenversicherung.

<sup>2</sup> The company pension benefits for Dr Volker Wiegel is provided by the pension scheme for lawyers.

<sup>3</sup> A monthly payout starts with the day of retirement. A lump-sum settlement is not envisaged.

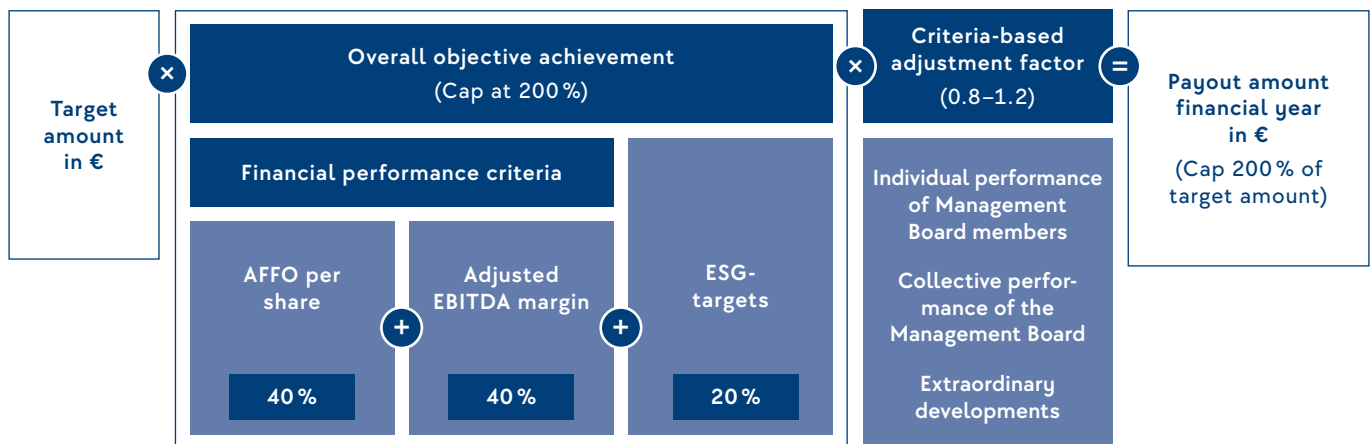
In accordance with the provision in her Management Board contract, Susanne Schröter-Crossan received contributions to a company pension via a provident fund in the amount of EUR 166,246.52 in the 2023 financial year.

## Variable remuneration component with a short-term incentive function (STI)

The purpose of the STI is to ensure profitable, organic growth and the achievement of annual operating targets. The STI consists of an annual payment measured on the basis of the following financial and non-financial performance targets:

- AFFO per share,
- Adjusted EBITDA margin,
- Non-financial environmental, social and governance targets (ESG targets).

### Short-term variable remuneration scheme



### Financial performance criteria for the STI

The targets set by the Supervisory Board for AFFO per share and the adjusted EBITDA margin are based on the annual business plan, which the Supervisory Board has approved for the respective financial year. The business plan reflects the external guidance for the 2023 financial year and was communicated to the capital market on 9 November 2022. The financial performance criteria are each weighted at 40%.

On 23 February 2023, the Supervisory Board defined the following targets for the financial performance criteria for the 2023 financial year:

#### STI 2023 – Financial performance indicators

Financial performance indicators	target	ranges
AFFO per share	1.50 €	0% minimum attainment: 1.20 € 100% target attainment: 1.50 € 200% maximum attainment: $\geq$ 1.80 €
Adjusted EBITDA margin	77.7%	0% minimum attainment: 62.16% 100% target attainment: 77.70% 200% maximum attainment: $\geq$ 93.24%

The financial performance criteria are each weighted at 40%. The ESG targets derived from the separate non-financial statement are weighted at a total of 20%, with the three ESG sub-targets equally weighted. The STI also has a criteria-based adjustment factor with a range of 0.8 to 1.2. Target attainment for the performance targets is capped at 200%.

When calculating the STI amounts to be paid for the financial performance criteria, the actual value achieved for each sub-target is compared against the target derived from the approved business plan. Target attainment is first calculated by taking the percentage deviation between the actual value and the target using the contractually agreed weighting. The STI tranche is then calculated based on target attainment.

If the target is met, target attainment is 100%. If the target is exceeded by 20%, the maximum value of 200% target attainment is achieved. If the target is fallen short of by 20%, target attainment is 0%. Target attainment between the defined target values (0%; 100%; 200%) is calculated by linear interpolation.

The targets set by the Supervisory Board are based on the business plan adopted before the start of the financial year. The targets set are to be assessed in accordance with the regulations defined in the Management Board agreements in terms of the effects of acquisitions and disposals not taken into account in the business plan and of changes in consolidated companies, and are to be adjusted where necessary. Adjustments during the year based on forecasts generally are not taken into account. In view of this, no adjustments of the



targets for the financial performance criteria AFFO per share and adjusted EBITDA margin that were set by the Supervisory Board based on the 2023 business plan that were required in the 2023 financial year.

#### ● Financial performance criterion – STI/AFFO per share

	Target 2023 according to business plan	Target value 2023
AFFO per share	1.50 €	2.44 €

The financial performance criterion of AFFO per share is therefore 200% satisfied.

#### STI payments 2023 / AFFO per share unadjusted

Overall, this would result in the following payout amounts:

#### ● STI payments 2023 / AFFO per share

in €	Lars von Lackum CEO	Dr Kathrin Köhling <sup>1</sup> CFO	Dr Volker Wiegel COO
STI 2023	480,000.00	150,000.00	300,000.00

<sup>1</sup> Entitlement for the period from 1 April 2023

To take account of investors' feedback, all Management Board members in office in the 2023 financial year declared – as described above – that they would forgo the share of the resulting amount to be paid out for the 2023 STI that was attributable with regard to the financial performance criterion AFFO per share to the interest savings due to the non-payment of the dividend in the 2023 financial year, the suspension of new construction activities and investment falling below the forecast of EUR 35 per square metre. Investment of EUR 35 per square metre was achieved. The relevant factors for calculating the amount of the STI that the Management Board members then chose to forgo are therefore the effects totalling EUR 39.7 million from the interest savings due to the non-payment of the dividend in the 2023 financial year and from the suspension of new construction activities. Not including the amount of EUR 39.7 million resulting from these effects, the following notionally adjusted figure would actually have been achieved for the financial performance criterion AFFO per share:

#### ● Financial performance criterion – STI / Notionally adjusted AFFO per share

	Notionally adjusted target according to business plan 2023	Actual value 2023
AFFO per share	2.07 €	2.44 €

Not including the effects attributable to the interest savings due to the non-payment of the dividend in the 2023 financial year and the suspension of new construction activities, AFFO per share would only have been 190% achieved rather than 200%. Compared to the amounts to be paid out for the 2023 STI, the 10 percentage points lower target attainment for the financial performance criterion AFFO per share in this case would reduce the amount to be paid out for the 2023 STI by EUR 24,043 for Lars von Lackum, by EUR 7,514 for

Dr Kathrin Köhling and by EUR 15,027 for Dr Volker Wiegel. As set out above, the members of the Management Board have waived this amount otherwise payable under the 2023 STI. This results in the actual payment amounts under the 2023 STI for the members of the Management Board shown below:

#### ● STI payments 2023 / AFFO per share after waiver

in €	Lars von Lackum CEO	Dr Kathrin Köhling <sup>1</sup> CFO	Dr Volker Wiegel COO
STI 2023	455,957.00	142,486.50	284,973.00

<sup>1</sup> Entitlement for the period from 1 April 2023

#### ● Financial performance criterion – STI / Adjusted EBITDA margin

	Target 2023 according to business plan	Actual target value	Target achievement on the basis of contractually agreed weighting	STI partial amount
Adjusted EBITDA margin	77.7%	80.6%	159%	63%

This financial performance criterion has thus been achieved at a level of 159%.

#### ● STI payments 2023 / Adjusted EBITDA margin

in €	Lars von Lackum CEO	Dr Kathrin Köhling <sup>1</sup> CFO	Dr Volker Wiegel COO
STI 2023 / Adjusted EBITDA margin	380,640.00	118,950.00	237,900.00

<sup>1</sup> Entitlement for the period from 1 April 2023

#### ESG targets in STI:

ESG targets are based on LEG Immobilien SE's separate non-financial statement and on strategic considerations and future projects. Environmental, social and governance criteria are defined for the ESG targets and operationalised with specific targets. The targets are assigned quantitative or qualitative criteria so that a comparison of target and actual performance can be carried out at the end of the financial year to measure target attainment. The specific ESG targets and the minimum and maximum values are determined annually by the Supervisory Board in consultation with the members of the Management Board before the start of the financial year.

The Supervisory Board set the following ESG targets for the 2023 financial year:

● **ESG targets STI 2023**

Environmental	Social	Governance
<p><b>Target:</b> 4,000 tonnes CO<sub>2</sub> reduction from modernisation projects and customer behaviour change</p>	<p><b>Target:</b> Timely resolution of tenant inquiries regarding outstanding receivables</p>	<p><b>Target 1:</b> 85 % of active employees at LEG Nord FM, Biomasse Heizkraftwerk Siegerland GmbH &amp; Co. KG and TSP – TechnikServicePlus GmbH have completed compliance training</p> <p><b>Target 2:</b> 99% of active employees at the other LEG Group companies (section 15 of the German Stock Corporation Act) have completed compliance training</p>
<p><b>Targets:</b> 0% minimum value: 3,600 tonnes CO<sub>2</sub> 100 % target attainment: 4,000 tonnes CO<sub>2</sub> 200% maximum value: 4,400 tonnes CO<sub>2</sub></p>	<p><b>Targets:</b> 0% = 18 calendar days 100% = 13 calendar days 200% = 8 calendar days</p>	<p><b>Targets:</b> 0% minimum value: 80 % (target 1), 94 % (target 2) 100 % target attainment: 85 % (target 1), 99 % (target 2) 200 % maximum value: 100 % (target 1), 100 % (target 2)</p>

**Environmental target for 2023 STI:**

The target is to reduce carbon dioxide (CO<sub>2</sub>) by 4,000 tonnes in the 2023 financial year. This includes the refurbishment measures to improve energy efficiency that were completed in the 2023 financial year and classified as modernisation measures in accordance with section 555b no. 1 to 3 of the German Civil Code (BGB) based on the portfolio included in the annual report as at 31 December 2022. The reduction is evidenced on the basis of energy savings calculations and the resulting reduction in CO<sub>2</sub> emissions for final energy consumption. All the CO<sub>2</sub> emission reductions in the 2023 financial year that demonstrably result from measures to change user behaviour are also included in determining target attainment. This can also be evidenced by studies or reports by acknowledged experts that have been specifically prepared for individual measures taken in the 2023 financial year or through the use of a well-known, scientifically quantified and verified method of influencing user behaviour in the context of space heating that has been published in a peer review journal.

The CO<sub>2</sub> savings must be achieved on a climate-adjusted basis, i. e. for an average year to be expected in the long term for Germany according to the German Meteorological Service.

In the 2023 financial year, a total of 6,011 metric tonnes of CO<sub>2</sub> were cut as a result of changes in customer behaviour brought about by heating posters. A study conducted as part of the Newton project in 2022 determined that such posters bring about changes in customer behaviour. Through its reporting systems and its quality management, LEG ensured both that an effective measure for changing user behaviour was taken and also that the system used for calculating the reduction in CO<sub>2</sub> final energy emissions resulting from the energy savings calculations was reliable. In addition, CO<sub>2</sub> emissions were reduced by a further 2,717 tonnes as a result of modernisation work. CO<sub>2</sub> consumption was therefore reduced by 8,728 tonnes in total.

**Social target for 2023 STI:**

The target is to not exceed a period of 13 calendar days when resolving tenant inquiries in connection with outstanding receivables (based on the average gross processing time for 2022). This is based on the average time between the receipt and the closure of the respective ticket. This was 12.9 calendar days in 2022. However, a significant increase in volume was expected for the 2023 financial year due to the substantial rise in back payments of utility bills, accompanied by longer processing times by public authorities, which would have to be managed with the same number of FTEs. Nevertheless, processing times had to remain unchanged. "Closing a ticket" can mean, for example:

- consulting on housing benefits
- payment in instalments
- initiation of dunning procedures
- initiation of eviction procedures
- other special cases

Proof of target attainment is provided by corresponding system-based reporting. The reporting showed an average processing time of 11.5 days in the 2023 financial year.

**Governance target for 2023 STI:**

The goal is to increase the compliance training completion rate compared to the previous year. LEG's employee body is divided between LEG Management, LEG Wohnen NRW, EnergieServicePlus, LCS Consulting und Service, LEG Bauen, LEG Consult, LWS Plus and Youtilly on the one hand and LEG employees at TSP on the other. The distinction between the two groups is firstly due to the fact that it was not possible to introduce the Group training tool in some companies of the Group at the same time as the rest of the Group. Secondly, comprehensive training in areas where employees rarely come into the office (e. g. workmen, greenkeepers) is more difficult than in the rest of the Group. The employee definition is intended to

guarantee that only active employees (i. e. not those in the passive phase of partial retirement, those on long-term sick leave, those on parental or other leave) and those who have had ample opportunity to complete the training given their time at LEG (at least three months) are included.

Proof of target attainment was delivered by the training tool that has now been launched throughout the Group. The participation rate within the defined group 1 of LEG staff was 98.6 %, while for group 2 it was 99.9 %.

The ESG targets are weighted at 20 % overall. All sub-targets (environmental, social and governance) are weighted equally.

#### ● Target attainment ESG STI 2023

	Actual attainment	Attainment in %	ESG-target partial amount (weighted in %)
Environmental	8,728 t CO <sub>2</sub> savings	200	66.7
Social	11.5 days	130	43.3
Governance	target 1: 98.6 % participation rate target 2: 99.9 % participation rate	target 1: 190.9 target 2: 192.0 Ø 191.2	63.7
<b>Total</b>			<b>173.7</b>

Target attainment for the non-financial targets was 173.7 % in the 2023 financial year.

#### ● STI payments 2023 – ESG targets

in €	Lars von Lackum CEO	Dr Kathrin Köhling <sup>1</sup> CFO	Dr Volker Wiegel COO
STI 2023 – ESG targets	208,495.00	65,154.80	130,309.00

<sup>1</sup> Entitlement for the period from 1 April 2023

#### Overall target attainment for 2023 STI:

The overall STI target attainment is calculated based on weighted attainment of sub-targets. The Management Board's target attainment score for the 2023 STI is 174 %.

#### ● STI payments 2023 (without criteria-based adjustment factor)

in €	Lars von Lackum CEO	Dr Kathrin Köhling <sup>1</sup> CFO	Dr Volker Wiegel COO
STI 2023/AFFO per share	455,957.00	142,486.00	284,973.00
STI 2023/adjusted EBITDA margin	380,640.00	118,950.00	237,900.00
STI 2023/ESG	208,495.00	65,155.00	130,309.00
STI 2023 Total	1,045,092.00	326,591.00	653,182.00

<sup>1</sup> Entitlement for the period from 1 April 2023

#### 2023 STI overall target attainment of Susanne Schröter-Crossan

For the 2023 financial year, the STI for Susanne Schröter-Crossan was granted only for the period up until the end date of her Management Board contract as at 30 June 2023 in line with the 2022 STI plan. She has an STI entitlement of EUR 224,177.50 for the 2023 financial year.

#### Criteria-based adjustment factor for 2023 STI:

Besides the financial performance criteria and the ESG targets, the STI regulations also stipulate a criteria-based adjustment factor with a range of 0.8 to 1.2. The criteria applied in assessing the adjustment factor must be defined prior to the start of the financial year in question. In December 2022, the Supervisory Board determined the following criterion for the criteria-based adjustment factor for the 2023 financial year:

- Successful management of LEG in a market characterised by the Ukraine war, the challenges of the climate crisis and an uncertain financial environment with high interest rates and high inflation.

In addition, in line with Recommendation G.11 sentence 1 GCGC the Supervisory Board also retained the right to take extraordinary developments into account in the criteria-based adjustment factor.

Based on a recommendation by the Remuneration Committee, the Supervisory Board resolved to set a criteria-based adjustment factor of 1.0 in view of the successful management of LEG in a market characterised by the Ukraine war, the challenges of the climate crisis and an uncertain financial environment with high interest rates and high inflation. The criteria-based adjustment factor was applied in determining the management board remuneration.

#### ● STI payments 2023 (including criteria-based adjustment factor)

in €	Lars von Lackum CEO	Dr Kathrin Köhling <sup>1</sup> CFO	Dr Volker Wiegel COO
STI 2023 excluding criteria-based adjustment factor	1,045,092.00	326,591.00	653,152.00
STI 2023 including criteria-based adjustment factor of 1.0	1,045,092.00	326,591.00	653,152.00

<sup>1</sup> Entitlement for the period from 1 April 2023

The amounts paid under the STI are capped at EUR 1,200 thousand for Lars von Lackum, EUR 375 thousand for Dr Kathrin Köhling (pro rata temporis) and EUR 750 thousand for Dr Volker Wiegel.

In accordance with the regulations of the termination agreement with Susanne Schröter-Crossan from March 2023, the payment amount under her 2023 STI is capped at EUR 375 thousand.

The STI to be paid according to the above calculation shall be settled and paid out to the respective Management Board member no later than 30 days after the approval of the LEG Immobilien SE's consolidated financial statements for the 2023 financial year.

### Variable remuneration component with a long-term incentive function (LTI)

In addition to an STI, the members of the Management Board are entitled to an LTI based on the company's long-term and sustainable development. This LTI is awarded for each financial year and is distributed over a four-year performance period.

There are currently three different LTI programmes in place for members of the Management Board that are based on different regulations: the LTI programme in place until the 2020 financial year, the LTI programme for the 2021 financial year and the LTI programme from the 2022 financial year onwards.

Management Board members still have LTI entitlements under the relevant Management Board agreements prior to the 2021 financial year, under the LTI plan conditions of which payments may still be made in the 2024 financial year for the tranche of the 2020 LTI whose performance period 3 ended in the 2023 financial year. Remuneration granted in the 2023 financial year solely includes payments from the 2020 LTI valid until the 2020 financial year.

The following section provides an overview of the LTI plan conditions in place since the 2022 financial year. The LTI for the 2022 financial year is a refinement of the 2021 LTI. These LTI tranches do not lead to remuneration being granted until after the end of the four-year performance period. Target attainment for the 2020 LTI to be presented as remuneration granted in the 2023 financial year is reported after the presentation of the current LTI programme.

### LTI plan conditions from 2022 (2022 LTI/ 2023 LTI)

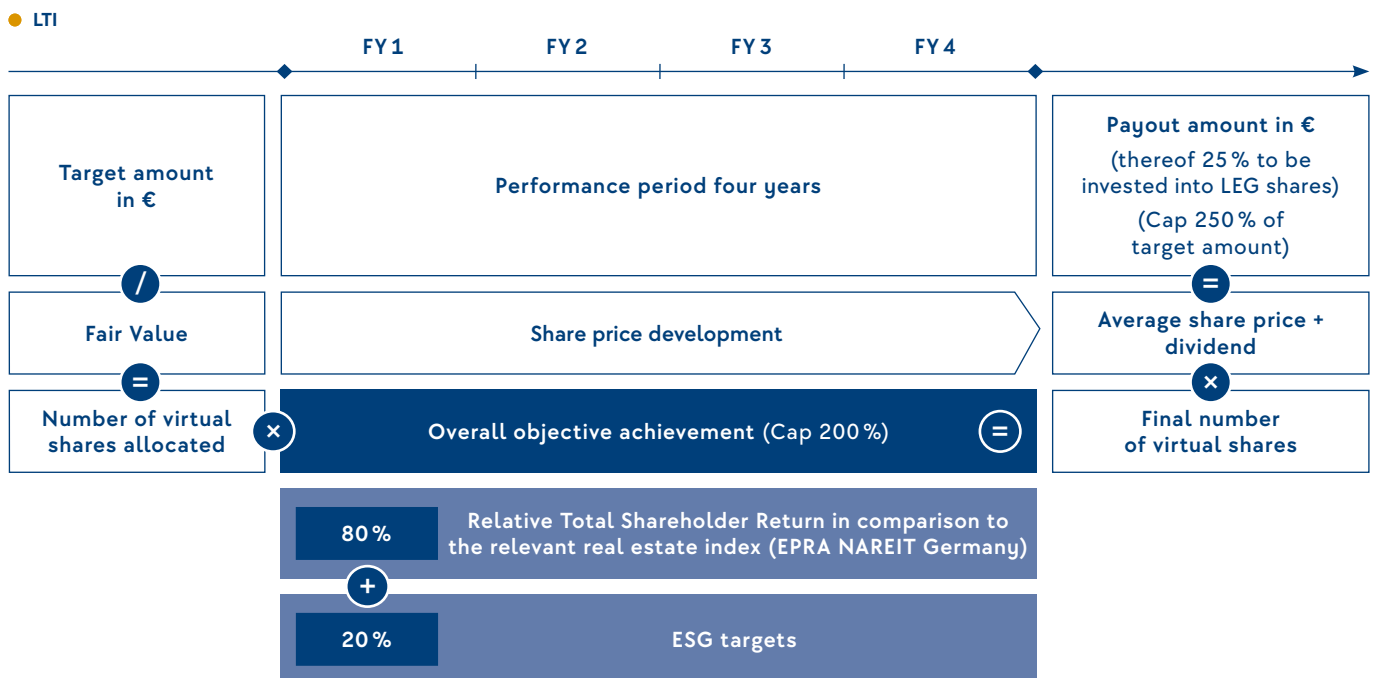
For the first time from the 2022 financial year, members of the Management Board receive an LTI in the form of a virtual performance share plan for a four-year performance period.

The 2022 LTI and the 2023 LTI are calculated on the basis of the following financial and non-financial performance targets:

- Development of relative total shareholder return compared to the relevant property index (EPRA Germany) (80%)
- Non-financial environmental, social and governance targets (ESG targets) (20%)

The total amount of the LTI awarded for a financial year, calculated after the end of the respective performance period, is limited to a maximum of 250% of the target amount (2.5 times the value of the individual target amount). The member of the Management Board is required to invest 25% of the payment from the LTI in shares issued by the company and to hold them for the duration of their tenure on the Management Board. A cap of 200% is set for the total target attainment.

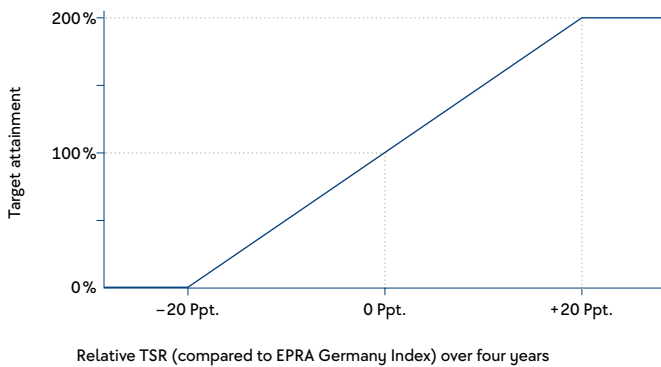
The financial performance criterion used in the 2022 LTI is relative total shareholder return (TSR) compared to a relevant property index, with a weighting of 80%. The Supervisory Board has chosen to use the EPRA Germany Index as the benchmark index. The EPRA Germany Index comprises LEG Immobilien SE's key national listed competitors and is thus a relevant peer group.



TSR describes changes in LEG Immobilien SE's share price for the performance periods, including notionally reinvested gross dividends per share. Relative TSR describes the percentage point difference between the change in the price of LEG Immobilien SE's shares, including notionally reinvested gross dividends, and the change in the EPRA Germany Index over the performance period.

Target attainment for relative TSR is 100% if LEG Immobilien SE's relative TSR is 0 percentage points, i. e. if LEG Immobilien SE's share price performance including reinvested gross dividends is the same as the performance of the EPRA Germany Index. If relative TSR is 20 percentage points or more below TSR in the benchmark index, target attainment is 0%. Target attainment is 200% if relative TSR is 20 percentage points or more above the benchmark index's TSR. Relative TSR higher than this does not further increase target attainment. Target attainment between the defined values is interpolated on a straight-line basis.

#### ● Target attainment curve relative TSR



In the same way as for the STI, specific ESG targets are also set for the respective LTI tranche. Different ESG targets are used than for the STI in order to avoid duplicate incentives. The specific ESG targets for the tranche in question are set by the Supervisory Board before the start of the performance period. These targets are precisely defined and it is ensured that they can be clearly measured.

The following equally-weighted ESG targets approved by the Supervisory Board on 3 November 2022 apply to the 2023 LTI performance period from 2023 to 2026:

#### ● Equally-weighted ESG targets LTI 2023 (performance period 2023 – 2026)

Environment	Social
<b>Target:</b> Permanent reduction in relative CO <sub>2</sub> emission saving costs in EUR/ton of 10% due to permanent structural changes to LEG residential buildings.	<b>Target:</b> "Trust Index" measurement for the LEG Group of at least 70% in the "Great Place to Work" employee survey conducted in 2026.
<b>Targets:</b> 0% minimum value: -6% 100% target attainment: -10% 200% maximum value: -14%	<b>Targets:</b> 0% minimum value: 60% 100% target attainment: 70% 200% maximum value: 80%

#### LTI plan conditions for the LTI granted in the 2021 financial year (2021 LTI)

The 2021 LTI is a performance cash plan. The 2021 LTI is calculated on the basis of the following financial and non-financial performance targets:

- Development of absolute total shareholder return (TSR) (40%)
- Development of LEG Immobilien SE's share price compared to the relevant EPRA Germany Index (40%)
- Non-financial environmental, social and governance targets (ESG targets) (20%)

The amount paid for the 2021 LTI is capped at 200% of the target amount.

The financial performance indicators used for the 2021 LTI are the development of absolute TSR and LEG Immobilien SE's share price performance compared to that of the EPRA Germany Index. These performance indicators are therefore geared towards adding value for shareholders and create incentives to generate shareholder value.

Absolute TSR essentially describes changes in LEG Immobilien SE's share price for the performance period, including dividends per share paid in this period.

Target attainment is 100% if absolute TSR for the LEG Immobilien SE share is within 0 percentage points of the target determined for the tranche in question. If absolute TSR is 10 percentage points or more below target, target attainment is 0%. Target attainment is 200% if absolute TSR is 10 percentage points above target. TSR higher than this does not increase target attainment any further. Target attainment between the defined values is interpolated on a straight-line basis.

To determine target attainment for the "relative share price performance" target, the share price performance of LEG Immobilien SE's shares in percent in the respective performance period is compared against the percentage change in the EPRA Germany Index. The EPRA Germany Index comprises LEG Immobilien SE's key national listed competitors and is thus a suitable peer group.

Environmental, social and governance criteria were defined for the ESG targets and operationalised with specific targets. The specific targets and minimum and maximum values were set each year by the Supervisory Board before the start of the financial year. The Supervisory Board had to set different ESG targets than for the STI. The Supervisory Board assessed target attainment using suitable quantitative/qualitative surveys to measure the performance of the ESG targets in question. Target attainment for ESG targets is also capped at 200%.

The 2021 LTI will be paid after the end of the four-year performance period in the 2025 financial year. Target attainment and remuneration granted under the 2021 to 2024 performance share plan is reported in detail in the 2024 remuneration report.

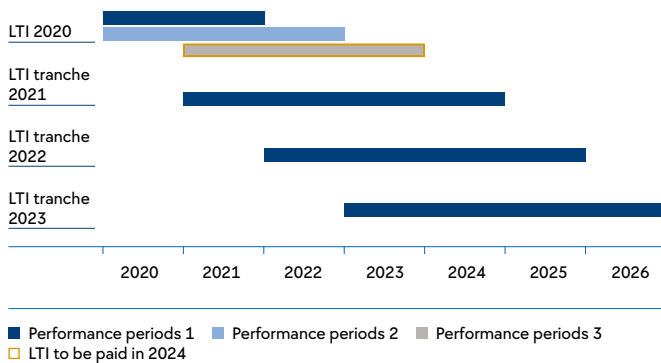
**LTI plan conditions for the LTIs granted in the 2020 financial year (2020 LTI)**

The 2020 LTI programme in place until 31 December 2020 was distributed over four years and awarded for each financial year.

The 2020 LTI for a financial year was distributed over the following three performance periods in three equal tranches:

- Performance period 1: From the (proportionate) financial year in which the LTI is awarded (relevant financial year) up until the end of the first financial year following the relevant financial year
- Performance period 2: From the relevant financial year up until the end of the second financial year following the relevant financial year
- Performance period 3: From the financial year following the relevant financial year up until the end of the third financial year following the relevant financial year

● **Performance periods LTI**



The key performance targets for the 2020 LTI/performance period 3 tranche are the following:

- Average development of total shareholder return
- Development of the LEG Immobilien SE share price compared to the development of the relevant index, EPRA Germany

The following targets apply under the 2020 LTI programme:

● **Target values for the LTI programme 2020**

in %	Target attainment		
	80	100	120 (maximum)
Total Shareholder Return Ø p. a.	5.6	7.0	8.4
Performance against EPRA Germany index	90	100	110

The amount to be paid out for the tranche of the 2020 LTI/performance period 3 must not exceed one-third of the target amount for the 2020 LTI, even if the calculated target attainment level in relation to the two performance targets comes to more than 100% in total in the performance period.

**LTI granted in the 2023 financial year**

**2020 LTI/performance period 3:**

For the 2020 LTI/performance period 3 tranche granted in the 2023 financial year, the following values were achieved with regard to the performance target total shareholder return:

● **Target attainment Total Shareholder Return**

in %	2021	2022	2023
Total Shareholder Return p. a.	5.63	-46.31	19.34
Total Shareholder Return performance period 3 Ø p. a.			-7.11

Target attainment for the total shareholder return sub-target is 0%.

The performance against the EPRA Germany index in the relevant period under review from 2021 to 2023 was as follows:

● **Target attainment EPRA**

in %	
Performance against EPRA Germany-Index	107.18

Target attainment for the "Development of LEG Immobilien SE's share price compared to the EPRA Germany Index" sub-target is 114.36%.

Target attainment is determined for each performance target independently of the other sub-targets. Where mathematically possible, offsetting is used within a tranche so that the shortfall in one performance target can be offset by overachievement in another performance target.

Overall, target attainment for the 2020 LTI/performance period 3 tranche is 57.18%.

● **Payments tranche 2020/performance period 3**

	Lars von Lackum CEO	Susanne Schröter-Crossan formerly CFO	Dr Volker Wiegel COO
LTI 2020 tranche 3	85.579,6 €	42.408,51 €	65.757,0 €

### Development of the provision

For the current LTI programmes 2020 to 2024, the necessary provisions were recognised/reversed on the basis of actuarial reports and reported under staff costs in the amount of EUR 6.2 million. Utilisation of the provisions relates to the LTI programmes 2019, tranche 3

and 2020, tranche 2 that were paid out in the 2023 financial year. The provision for long-term incentive plans amounted to around EUR 7.4 million as at 31 December 2023 (31 December 2022: around EUR 1.6 million).

in €	Provision 31.12.2022	Provision increase as at 31.12.2023	Use of provisions as at 31.12.2023	Provision 31.12.2023
Lars von Lackum	666,187.80	2,719,390.98	179,600.40	3,202,978.38
Dr Kathrin Köhling	0.00	548,276.78	0.00	548,276.78
Dr Volker Wiegel	497,318.09	1,777,377.46	138,000.00	2,136,691.55
Susanne Schröter-Crossan	438,759.92	1,161,566.36	74,166.00	1,526,160.28
<b>Total</b>	<b>1,599,265.81</b>	<b>6,206,611.58</b>	<b>391,766.40</b>	<b>7,414,106.99</b>

### Malus and clawback provisions for variable remuneration

The Supervisory Board can withhold (malus) or recover (clawback) variable remuneration components in the following circumstances. If a member of the Management Board seriously breaches legal obligations, contractual obligations or internal company codes of conduct (compliance violation) as a result of gross negligence, the Supervisory Board is entitled to reduce, in full or in part, and thus to withhold variable remuneration that has not yet been paid at its discretion. In addition, at its discretion the Supervisory Board can recover, in part or in full, the gross amount of variable remuneration that has already been paid.

The Supervisory Board can also recover variable remuneration that has already been paid, in part or in full, if it emerges after this remuneration has been paid that the consolidated financial statements audited by the auditor and approved by the Supervisory Board and that were used to calculate the payment amount were incorrect and if the corrected consolidated financial statements would have resulted in lower payable variable remuneration or none at all. This is not dependent on the members of the Management Board being responsible for this.

Remuneration cannot be recovered on the basis of clawback provisions if payment was made more than two years prior. This does not affect statutory repayment options, such as asserting damages, which continue to apply.

There was no malus or clawback in the 2023 financial year.

### Share ownership obligation (obligation according to Share Ownership Guidelines = SOG)

Regardless of the share purchase obligation under the LTI regulations, since 1 January 2021 all members of the Management Board have been required, within a four-year establishment phase, to acquire LEG Immobilien SE shares equal to their gross annual basic remuneration and hold these shares for the entire duration of their Management Board agreements. The SOG target is 100% of the gross annual basic remuneration. During the establishment phase, all members of the Management Board are obliged to acquire LEG Immobilien SE shares equal to 25% of their gross annual basic remuneration in each of the four establishment years. The number of LEG Immobilien SE shares to be acquired in the establishment year is calculated by dividing gross annual salary at the start of the establishment year by the figure – rounded to whole shares in accordance with commercial practice – that is determined by calculating the arithmetic average of the LEG Immobilien SE share's closing price in XETRA trading on the Frankfurt Stock Exchange for the last 30 trading days prior to the first day of the establishment year in question. Shares already held by a member of the Management Board are taken into account.

The members of the Management Board achieved the SOG target for the 2021, 2022 and 2023 financial years. For Dr Kathrin Köhling, the share purchase and holding obligation started at the beginning of her Management Board contract on 1 April 2023, while for Susanne Schröter-Crossan the share purchase and holding obligation ended as at the end date of her Management Board contract on 30 June 2023. The obligation to purchase shares under the 2022 and 2023 LTIs does not apply to Susanne Schröter-Crossan.

An excess of 548 shares purchased in the 2022 financial year counts towards Dr Volker Wiegel's fulfilment of his obligation to hold shares for the 2023 establishment year.

The table below shows the number of LEG Immobilien SE shares held by members of the Management Board to comply with the share ownership guidelines at the respective relevant date.

#### ● Attainment of the Share Ownership Guidelines

	Proven number of shares 31.12.2022	Percentage basic remuneration	Mandatory			Proven		
			Amount in € thousand	25 % of basic remuneration in € thousand	Mandatory amount of shares to be acquired in 2023 according to SOG <sup>1</sup>	Amount in € thousand	Proven shares acquired in 2023	Actual number of shares 31.12.2023
Lars von Lackum	8,103	100	950	238	3,834	210	3,897	12,000
Dr Volker Wiegel	2,906	100	550	138	2,220	102	1,675	4,581

	Proven number of shares 01.04.2023	Percentage basic remuneration	Mandatory			Proven		
			Amount in € thousand	25 % of basic remuneration in € thousand	Mandatory amount of shares to be acquired until 31.03.204 according to SOG <sup>1</sup>	Amount in € thousand	Number of shares acquired in 2023	Actual number of shares 31.12.2023
Dr Kathrin Köhling <sup>2</sup>	2,125	100	375	94	1,514	9	185	2,310

<sup>1</sup> Based on the average Xetra-closing share price of the last 30 trading days in the financial year 2022 of € 61.95.

<sup>2</sup> Start of Management Board contract as at 1 April 2023.

#### Total remuneration of the Management Board

The remuneration granted to the Management Board for the 2023 and 2022 financial years in accordance with section 162(1) sentence 1 AktG is shown in the table below. The following table shows the

remuneration components for the work performed by members of the Management Board in the reporting year or for which the assessment period ended in the reporting year ("remuneration granted"); members of the Management Board are not entitled to remuneration that is legally due but that has not yet been paid ("remuneration payable").

#### ● Remuneration and benefits earned

	Lars von Lackum, CEO				Dr Kathrin Köhling <sup>1</sup> , CFO			
	2023		2022		2023		2022	
	€ thousand	in %	€ thousand	in %	€ thousand	in %	€ thousand	in %
Fixed remuneration	950	45	950	50	281	44	-	-
Additional benefits	27	1	30	2	24	4	-	-
<b>Total fixed remuneration components</b>	<b>977</b>	<b>46</b>	<b>980</b>	<b>52</b>	<b>305</b>	<b>48</b>	-	-
Total One-year variable remuneration (STI)	1,045	50	557	28	327	52	-	-
One-year variable remuneration (STI) (STI 2022)	-	-	557	28	-	-	-	-
One-year variable remuneration (STI) (STI 2023)	1,045	50	-	-	327	52	-	-
Total multi-year variable remuneration (LTI)	86	4	180	10	-	-	-	-
LTI 2019 Tranche 3 (2020 to 2022)	-	-	90	5	-	-	-	-
LTI 2020 Tranche 2 (2020 to 2022)	-	-	90	5	-	-	-	-
LTI 2020 Tranche 3 (2020 to 2022)	86	4	-	-	-	-	-	-
Transaction bonus (Deferral 2020)	-	-	194	10	-	-	-	-
<b>Total variable remuneration components</b>	<b>1,131</b>	<b>54</b>	<b>930</b>	<b>48</b>	<b>327</b>	<b>52</b>	-	-
<b>Total remuneration granted and owed within the meaning of section 162 (1) sentence 1 AktG</b>	<b>2,108</b>	<b>100</b>	<b>1,910</b>	<b>100</b>	<b>632</b>	<b>100</b>	-	-
Pension costs	108	-	108	-	41	-	-	-
<b>Total remuneration</b>	<b>2,216</b>	-	<b>2,018</b>	-	<b>673</b>	-	-	-

<sup>1</sup> Start of Management Board contract as at 1 April 2023.



## ● Remuneration and benefits earned

	Dr Volker Wiegel, COO				Susanne Schröter-Crossan <sup>2</sup> , CFO			
	2023		2022		2023		2022	
	€ thousand	in %	€ thousand	in %	€ thousand	in %	€ thousand	in %
Fixed remuneration	550	42	550	45	275	50	550	52
Additional benefits	39	3	41	3	8	1	27	3
<b>Total fixed remuneration components</b>	<b>589</b>	<b>45</b>	<b>591</b>	<b>48</b>	<b>283</b>	<b>51</b>	<b>577</b>	<b>55</b>
Total One-year variable remuneration (STI)	653	50	348	29	224	41	348	32
One-year variable remuneration (STI) (STI 2022)	–	–	348	29	–	–	–	0
One-year variable remuneration (STI) (STI 2023)	653	50	–	–	224	41	348	32
Total multi-year variable remuneration (LTI)	66	5	138	12	42	8	74	7
LTI 2019 Tranche 3 (2020 to 2022)	–	–	69	6	–	–	–	0
LTI 2020 Tranche 2 (2020 to 2022)	–	–	69	6	–	–	74	7
LTI 2020 Tranche 3 (2020 to 2022)	66	5	–	–	42	8	–	–
Transaction bonus (Deferral 2020)	–	–	134	11	–	–	67	6
<b>Total variable remuneration components</b>	<b>719</b>	<b>55</b>	<b>620</b>	<b>52</b>	<b>266</b>	<b>49</b>	<b>489</b>	<b>45</b>
<b>Total remuneration granted and owed within the meaning of section 162 (1) sentence 1 AktG</b>	<b>1,308</b>	<b>100</b>	<b>1,211</b>	<b>100</b>	<b>549</b>	<b>100</b>	<b>1,066</b>	<b>100</b>
Pension costs	58	–	58	–	29	–	58	–
<b>Total remuneration</b>	<b>1,366</b>	<b>–</b>	<b>1,269</b>	<b>–</b>	<b>578</b>	<b>–</b>	<b>1,124</b>	<b>–</b>

<sup>2</sup> End of Management Board contract as at 30 June 2023.

Fixed remuneration components, the short-term variable remuneration component (2023 STI) and the long-term variable remuneration component (tranche of the 2020 LTI/performance period 3) are considered "remuneration granted" regardless of when they are actually paid out, as the relevant work had been performed by the end of the reporting period on 31 December 2023.

In addition to the amount of remuneration, the relative share of all fixed and variable remuneration components in total remuneration must also be disclosed in accordance with section 162(1) sentence 2 no. 1 AktG. The relative share relates to the remuneration components granted in the 2023 and 2022 financial years in accordance with section 162(1) sentence 1 AktG. The relative share values stated in the Management Board remuneration system refer solely to target remuneration. The relative shares actually achieved may therefore differ significantly from the relative shares given in the Management Board remuneration system, which are based on the target values. To ensure transparent reporting, the pension costs for the occupational pension must also be disclosed even if these are not classified as remuneration granted in the reporting year.

Members of the Management Board were not granted or owed any benefits by third parties in accordance with section 162(2) no. 1 AktG.

## Maximum Management Board remuneration in the 2023 financial year

The maximum total remuneration granted in return for the work of the respective member of the Management Board for one financial year – including basic remuneration, variable remuneration components, an occupational pension and benefits – is EUR 4,800 thousand for Lars von Lackum, EUR 3,100 thousand for Dr Kathrin Köhling, EUR 3,100 thousand for Susanne Schröter-Crossan and EUR 3,100 thousand for Dr Volker Wiegel. If the maximum remuneration for a financial year is exceeded, the amount paid for the LTI tranches for the corresponding financial year will be reduced. Compliance with maximum remuneration for the 2023 financial year will be reported on after all remuneration components are granted for this financial year. The maximum remuneration for the Management Board members was checked against the Management Board remuneration in the MDAX, the DAX 50 ESG and the peer group and was within the normal market range compared to the MDAX, the DAX 50 ESG and the peer group with the exception of the maximum remuneration for Dr Kathrin Köhling, which was below the normal market range and was raised as at 1 January 2024 (see "Outlook for 2024 – action areas from the review of appropriateness of remuneration amounts").

## Remuneration of former members of the Management Board

With the exception of Susanne Schröter-Crossan, there were no remuneration obligations to former members of the Management Board in accordance with section 162(1) AktG in the 2023 financial year. As already set out, Susanne Schröter-Crossan still has entitlements under the 2023 STI and the ongoing 2020 to 2023 LTIs.

## Early termination benefits

If a member of the LEG Immobilien SE Management Board is dismissed, their contract can be terminated by either party with notice of six months to the end of a month. The notice period is extended if a longer notice period is stipulated in accordance with section 622(2) BGB. This does not affect termination options in accordance with section 626 BGB.

## Severance pay

Contracts do not entitle members of the Management Board to severance pay in the event of early termination, though they do provide the option for the Supervisory Board to agree such payment.

In the event of the early termination of the activity of a member of the Management Board, the payments made to the respective member must not exceed the value of two years' remuneration (severance cap) or the value of the remuneration payable for the remaining term of this contract. The settlement cap is based on the total remuneration for the past financial year and, where applicable, the anticipated total remuneration for the current financial year.

In the event of the early termination of this agreement for cause falling within the responsibility of the member of the Management Board, the member will not be entitled to receive any payments.

## Change of control

In the event of a change of control at the company, the members of the Management Board have the right to resign as a member of the Management Board for cause, and to terminate their Management Board contract, within a period of three months from the date of the change of control, observing a notice period of a further three months to the end of a month (special right of termination).

The severance regulations that apply in the event of the special right of termination being exercised stipulate that payments in connection with the cessation of work as a member of the Management Board due to a change of control amount to two years' remuneration, albeit capped at the value of the remuneration for the remaining term of the member's contract.

## Death benefits

If a member of the Management Board dies during the term of their contract, the remuneration including STI and LTI until the end of their contract will be settled as a result of the member's death and paid to the member's heirs in accordance with the provisions of their contract. Furthermore, the member's widow/widower and any children under 25, as joint beneficiaries, will be entitled to the full payment of the remuneration for the remainder of the month in which the member dies and the subsequent three months. However, this is limited to the scheduled termination of the contract if the member had not died.

## Remuneration of members of the Supervisory Board

### Remuneration system for the Supervisory Board

In accordance with Article 9.1 of LEG Immobilien SE's Articles of Association, the Supervisory Board has six members who are elected by the Annual General Meeting.

In accordance with the Articles of Association, all remuneration for Supervisory Board work is payable after the end of the financial year. Members of the Supervisory Board who are only on the Supervisory Board or a committee of the Supervisory Board for part of the financial year receive corresponding remuneration pro rata temporis for this financial year.

The Annual General Meeting on 19 May 2022 approved a new remuneration system for the members of the Supervisory Board with 97.34% of the valid votes cast. This remuneration system is as follows:

### ● Compensation scheme for the Supervisory Board

Basic compensation	Each supervisory board member receives annual compensation of EUR 90 thousand. <sup>1</sup>
Differentiation	The CSB receives 2.5 times the fixed remuneration of an OMSB and the DCSB 1.25 times the fixed remuneration of an OMSB.
Committee compensation	The members of a Supervisory Board committee receive an additional annual fixed remuneration of EUR 25 thousand; the committee chairman receives double this amount. No remuneration is paid for membership and chairmanship of the Nomination Committee. For the 2023 financial year, the members of the Remuneration Committee have each individually waived their entitlement to remuneration resulting from their committee membership.
Attendance fee	No attendance fees are paid.

<sup>1</sup> CSB = Chairman of the Supervisory board; DCSB = Deputy Chairman of the Supervisory board; OMSB = Ordinary member of the Supervisory board

The function-based difference in the remuneration of the Chairman compared to that of the Deputy Chairman and the ordinary members of the Supervisory Board reflects the greater responsibility and variety of duties and, in turn, the greater time commitment of the Chairman of the Supervisory Board. This is consistent with Principle 25 and Recommendation G.17 GCGC. The distinction at LEG Immobilien SE is customary on the market. Companies in the MDAX and the DAX 50 ESG were used as peers to review the remuneration of the Supervisory Board.

As supervisory board remuneration on the market has been subject to significant momentum in recent years, the Supervisory Board of LEG Immobilien SE once again had MB Board Advisory perform a review in the 2023 financial year to see how the remuneration fits in with the market in light of the current developments. Supervisory Board remuneration should firstly be appropriate to the responsibilities of the members of the Supervisory Board and to the company's situation. Secondly, the amount and system of remuneration should be contemporary and in line with the market. In the external comparison, the MDAX was the benchmark, as for Management Board remuneration. Remuneration at selected property companies was also compared in detail. The comparison showed that the Supervisory Board remuneration is positioned at the upper end of the market.

In the 2023 reporting year, also at the suggestion of investors, the Supervisory Board set up a Remuneration Committee to reflect the importance of appropriate remuneration of members of the Management Board and the Supervisory Board. The Supervisory Board of LEG Immobilien SE has thus established five committees, four of which are remunerated equally. The members of the Remuneration Committee formed at the end of November 2023 chose to forgo the remuneration incurred for their work on the Remuneration Committee for the 2023 financial year.

At the recommendation of the Remuneration Committee, the Supervisory Board intends to recommend to the Annual General Meeting in May 2024 that the committee remuneration be raised to the 75th percentile of the market (MDAX) from the current level of EUR 25,000 to EUR 30,000 for committee members (committee chairperson: EUR 60,000) in order to take account of the increasingly important and intensive preparatory work of the committees and to be consistent with the Supervisory Board's targeted positioning on remuneration policy in terms of committee remuneration, too.

Members of the Supervisory Board are also reimbursed for appropriate expenses and travel expenses. VAT on travel and other expenses is reimbursed by LEG Immobilien SE to the extent that the members of the Supervisory Board are entitled to invoice VAT to LEG Immobilien SE separately and that they exercise this right.

LEG Immobilien SE has also arranged D&O insurance for the members of the Supervisory Board with an appropriate insured amount and excluding a deductible.

### Breakdown of Supervisory Board remuneration

The members of the Supervisory Board were granted the following remuneration for the 2023 and 2022 financial year in accordance with section 162(1) sentence 1 AktG:

#### ● Breakdown of Supervisory Board remuneration

Name of member	2023							
	Fixed remuneration		Committee compensation		Attendance Fee <sup>1</sup>		Total	Change
	in € thousand	in %	in € thousand	in %	in € thousand	in %	in € thousand	in %
Michael Zimmer (Chairman)	225.0	81.82	50.0	18.18	–	–	275.0	7.5
Stefan Jütte <sup>2</sup>	–	–	–	–	–	–	–	–
Dr Johannes Ludewig <sup>2</sup>	–	–	–	–	–	–	–	–
Dr Jochen Scharpe	90.0	78.3	25.0	21.7	–	–	115.0	4.5
Dr Claus Nolting (Deputy Chairman)	112.5	60.0	75.0	40.0	–	–	187.5	15.5
Martin Wiesmann	90.0	54.5	75.0	45.5	–	–	165.0	17.2
Dr Sylvia Eichelberg	90.0	78.3	25.0	21.7	–	–	115.0	14.7
Dr Katrin Suder	90.0	64.3	50.0	35.7	–	–	140.0	62.8
<b>Total</b>	<b>697.5</b>	<b>69.9</b>	<b>546.0</b>	<b>54.7</b>	<b>–</b>	<b>–</b>	<b>997.5</b>	<b>6.6</b>

#### ● Breakdown of Supervisory Board remuneration

Name of member	2022							
	Fixed remuneration		Committee compensation		Attendance Fee <sup>1</sup>		Total	
	in € thousand	in %	in € thousand	in %	in € thousand	in %	in € thousand	
Michael Zimmer (Chairman)	207.6	81.2	46.2	18.1	2.0	0.8	255.8	
Stefan Jütte <sup>2</sup>	34.80	78.2	7.7	17.3	2.0	4.5	44.5	
Dr Johannes Ludewig <sup>2</sup>	27.80	78.3	7.7	21.7	0.0	0.0	35.5	
Dr Jochen Scharpe	83.0	75.4	23.1	21.0	4.0	3.6	110.1	
Dr Claus Nolting (Deputy Chairman)	96.9	59.7	61.5	37.9	4.0	2.5	162.4	
Martin Wiesmann	83.0	58.9	53.8	38.2	4.0	2.8	140.8	
Dr Sylvia Eichelberg	83.0	82.8	15.3	15.3	2.0	2.0	100.3	
Dr Katrin Suder	55.3	64.3	30.7	35.7	0.0	0.0	86.0	
<b>Total</b>	<b>671.4</b>	<b>71.8</b>	<b>246.0</b>	<b>26.3</b>	<b>18.0</b>	<b>1.9</b>	<b>935.4</b>	

<sup>1</sup> The attendance fee was abolished by resolution of the Annual General Meeting on 19 May 2022; calculated pro rata in 2022

<sup>2</sup> Until 19 May 2022

The members of the Supervisory Board are under no obligation to buy or hold shares in LEG Immobilien SE.

## Outlook for 2024: Management Board remuneration system in the 2024 financial year

As in the previous year, LEG finds itself operating in a risky environment that directly influences its day-to-day business. This is attributable to the significantly increased geopolitical risks compared to the period before 2022; the increased price pressure due to inflation, particularly with regard to material and energy costs; rising interest rates and volatile capital market; write-downs in the property portfolio; high volatility in energy prices; supply bottlenecks and shortages of materials and skilled labour; and a substantial increase in regulation on energy-efficient housing and rent policy. Against this backdrop, the Management Board and the Supervisory Board agree that its business strategy and cash-based management introduced in the previous year using the key figures of AFFO per share and the adjusted EBITDA margin have proved correct in the 2023 financial year and will be continued unchanged in the 2024 financial year as well.

Accordingly, the business plan approved for 2024, the guidance for 2024 and the targets for the 2024 Management Board remuneration are also based on this business strategy and system of management.

Management Board remuneration for the 2024 financial year is based on the remuneration system adopted in the 2022 financial year and updated in the 2023 financial year. The Annual General Meeting of LEG Immobilien SE on 17 May 2023 approved the correspondingly revised Management Board remuneration system presented to it. As described above, LEG Immobilien SE no longer reports the key figure FFO I due to the continuation of its business strategy from the 2023 financial year in line with guidance, and instead reports AFFO. Starting from FFO I (after non-controlling interests), AFFO takes recurring capex into account. Recurring capex comprises capitalised costs of modernisation and maintenance work as well as new construction activities managed by LEG. When calculating the costs of modernisation and maintenance work, consolidation effects relating to own work that result from the elimination of intercompany results are eliminated.

Only the financial performance targets (STI plan conditions) were adjusted in the remuneration system. In contrast to the financial performance criteria defined up until then, AFFO per share (40%) and the adjusted EBITDA margin (40%) as new financial performance criteria. The two financial performance criteria together account for 80% of the STI.

The Management Board and the Supervisory Board are aware that the AFFO target for 2024 is challenging. The company will have to compensate for the positive non-recurring special item from the forward sale of green power production at LEG's biomass combined heat and power station in the 2023 financial year and for the rise in interest expenses. It must also be ensured that investment in the existing portfolio reaches a level of EUR 32 per square metre. In this context, the Supervisory Board set the financial performance criteria for the STI at its meeting on 7 November 2023. The Supervisory Board considers the targets to be ambitious, as the increased AFFO target will be achieved only if the Management Board both more than compensates for the positive non-recurring item from green power production in the 2023 financial year and also copes with higher financing costs and general cost increases.

In accordance with the Management Board contracts, the Supervisory Board must set the targets for variable Management Board remuneration for the following year before the end of the following year. The corresponding resolution will be adopted by the Supervisory Board after the business plan has been approved for the coming year as the corresponding sub-targets are based on the business plan. For example, this applies to the financial performance criteria for the STI, AFFO per share and the adjusted EBITDA margin. The targets set for variable Management Board remuneration for the following year will be published with the Q3 figures for the current year. Adjustments to forecasts made during the year are not taken into account in calculating target attainment.

At the start of the 2024 financial year, the members of the Management Board were:

- Lars von Lackum, CEO
- Dr Kathrin Köhling, CFO
- Dr Volker Wiegel, COO

### Action areas from assessing the suitability of the amount of remuneration

The Supervisory Board had the suitability of Management Board remuneration tested by the external consultant MB Board Advisory in the 2023 financial year. Taking account of the growing challenges for the Management Board in the current market environment and the increased cost of living, the external consultant recommended raising the target remuneration of the Management Board members and bringing the remuneration for Dr Kathrin Köhling further in line with the remuneration level appropriate for a CFO's area of responsibility at an MDAX-listed company with effect from 1 January 2024.

When Dr Kathrin Köhling joined the Management Board as CFO as at 1 April 2023, lower remuneration than that of a COO and that of her predecessor was initially agreed with her. The Supervisory Board made this decision in view of the fact that she was an internal candidate and that this was a first-time appointment. A temporary positioning slightly below the market range is standard practice for an internal candidate on a first-time appointment. The amount of remuneration is now gradually to be raised to a level appropriate for a CFO's area of responsibility at an MDAX-listed company.

At the recommendation of the Remuneration Committee, the Supervisory Board of LEG Immobilien SE resolved on 22 December 2023 to raise the target total remuneration for Dr Kathrin Köhling to EUR 1,356 thousand as at 1 January 2024. This is within the market range and equal to half the difference to the current remuneration of the COO. Specifically, her fixed salary will be increased from EUR 375 thousand to EUR 480 thousand, the STI from EUR 250 thousand to EUR 356 thousand and the LTI from EUR 425 thousand to EUR 520 thousand. The contribution to her company pension will be increased to around EUR 50 thousand. This will then correspond to target total remuneration (including additional benefits and the contribution to the company pension) of EUR 1,433 thousand. After further successfully proving herself, or at the latest when she is reappointed, Dr Kathrin Köhling's remuneration is to be raised to the level of the COO's remuneration. In the case of full target attainment (STI 200%/LTI 250%), Dr Kathrin Köhling can reach maximum possible remuneration in a gross amount of EUR 2,492,000.00.

According to the Management Board contracts, the salaries of members of the Management Board is reviewed every two years taking into account the economic situation of the company, the performance of the respective member of the Management Board and the development in the cost of living. The last adjustment was implemented as at January 2022. The Supervisory Board also reviewed the remuneration of the CEO and the COO in this context:

The additional benefits are in line with normal market practice, while the contributions to the company pension are above average in comparison to the market. The Remuneration Committee has therefore proposed to the Supervisory Board to increase the pension contribution. Taking account of the growing challenges for the Management Board in the current market environment and the increased cost of living, the Supervisory Board has resolved at the recommendation of the Remuneration Committee to adjust the remuneration and the contribution to the company pension in line with the relative share of this contribution of around 11 % of the basic remuneration. The specific design of the remuneration adjustment for the Management Board provides for an increase in the basic remuneration instead of an increase in the contribution to the company pension (CFO only) as well as an increase in the target for the short-term remuneration component (STI) for all three Management Board members.

Specifically, the fixed salary of the CEO has been increased from EUR 950 thousand to EUR 1,045 thousand and the target amount of the STI has been increased from EUR 600 thousand to EUR 705 thousand starting from the 2024 financial year. This will then be equivalent to an increase of 7.4 % to target remuneration of EUR 2,888 thousand. Starting from the 2024 financial year, the fixed salary of the COO will be increased from EUR 550 thousand to EUR 605 thousand and the target amount of the STI will be increased from EUR 375 thousand to EUR 444 thousand. This will then be equivalent to an increase of 7.4 % to target remuneration of EUR 1,798 thousand.

The following overview summarises the adjustments resolved by the Supervisory Board:

#### ● Lars von Lackum

in €	01.01. – 31.12.2023	as at 01.01.2024	Change (%)	Share (%)
Fixed remuneration	950,000	1,045,000	10.0	36.2
+ Target remuneration STI	600,000	705,000	17.5	24.4
= Target cash remuneration	1,550,000	1,750,000	12.9	
+ Target remuneration LTI	1,000,000	1,000,000	0.0	34.6
= Target direct remuneration	2,550,000	2,750,000	12.9	
+ Company pension scheme	108,000	108,000	0.0	3.7
+ Additional benefits	30,000	30,000	0.0	1.0
= Target remuneration total	2,688,000	2,888,000	7.4	

#### ● Dr Kathrin Köhling

in €	01.01. – 31.12.2023	as at 01.01.2024	Change (%)	Share (%)
Fixed remuneration	375,000	480,000	28.0	33.5
+ Target remuneration STI	250,000	356,000	42.4	24.8
= Target cash remuneration	625,000	836,000	33.8	
+ Target remuneration LTI	425,000	520,000	22.4	36.2
= Target direct remuneration	1,050,000	1,356,000	56.1	
+ Company pension scheme	35,660	50,000	40.2	3.5
+ Additional benefits	27,000	27,000	0.0	1.9
= Target remuneration total	1,112,660	1,433,000	28.8	

#### ● Dr Volker Wiegel

in €	01.01. – 31.12.2023	as at 01.01.2024	Change (%)	Share (%)
Fixed remuneration	550,000	605,000	10.0	33.6
+ Target remuneration STI	375,000	444,000	18.4	24.7
= Target cash remuneration	925,000	1,049,000	13.4	
+ Target remuneration LTI	650,000	650,000	0.0	36.2
= Target direct remuneration	1,575,000	1,699,000	13.4	
+ Company pension scheme	58,000	58,000	0.0	3.0
+ Additional benefits	41,000	41,000	0.0	2.3
= Target remuneration total	1,674,000	1,798,000	7.4	

The 2024 STI targets and the 2024 LTI targets were resolved by the Supervisory Board at its meeting on 7 November 2023.

#### Variable remuneration component with a short-term incentive function (STI)

The 2024 STI consists of an annual payment measured on the basis of the following financial and non-financial performance targets:

- AFFO per share,
- Adjusted EBITDA margin,
- Non-financial environmental, social and governance targets (ESG targets).

The two financial performance criteria each account for 40 % of the STI target, while the ESG targets account for 20 %, with each ESG sub-target equally weighted. The STI also has a criteria-based adjustment factor with a range of 0.8 to 1.2 for assessing the individual and collective performance of the Management Board. The Supervisory Board defined the criterion for assessing Management Board performance prior to the end of the 2023 financial year.

Target attainment for the performance targets is capped at 200%.

The targets set by the Supervisory Board for AFFO per share and the adjusted EBITDA margin are based on the business plan, which the Supervisory Board has approved for the respective financial year. The two financial performance criteria are each weighted at 40%.

The Supervisory Board has defined the following targets for the financial performance criteria for the 2024 financial year:

#### ● STI 2023 – Financial performance indicators

Financial performance indicators	target	ranges
AFFO per share	2.57 €	0% minimum value: 2.06 € 100% target attainment: 2.57 € 200% maximum value: ≥ 3.08 €
Adjusted EBITDA margin	76.5%	0% minimum value: 71.5% 100% target attainment: 76.5% 200% maximum value: ≥ 81.5%

When calculating the STI amounts to be paid for the financial performance criteria, the actual value achieved for each sub-target is compared against the target defined by the Supervisory Board. Target attainment is first calculated by taking the percentage deviation between the actual value and the target using the contractually agreed weighting. The STI tranche is then calculated based on target attainment.

If the "AFFO per share" target is met, target attainment is 100%. If the target value is exceeded by 20%, the maximum value of 200% target attainment is reached. If the target is fallen short of by 20%, target attainment is 0%. Target attainment between the defined target values (0%; 100%; 200%) is calculated by linear interpolation.

If the adjusted EBITDA margin target value is reached, the target attainment level is 100%. If the target value is exceeded by 5 percentage points, the maximum value of 200% target attainment is reached. If the target is fallen short of by 5 percentage points, target attainment is 0%. Target attainment between the defined target values (0%; 100%; 200%) is calculated by linear interpolation.

#### Non-financial targets for the 2024 STI

The ESG targets are derived from LEG Immobilien SE's sustainability report as well as strategic considerations and future projects. Environmental, social and governance criteria are defined for the ESG targets and operationalised with specific targets. The targets are assigned quantitative or qualitative criteria so that a comparison of target and actual performance can be carried out at the end of the financial year to measure target attainment. The specific ESG targets and the minimum, target and maximum values are determined annually by the Supervisory Board in consultation with the members of the Management Board before the start of the financial year. The ESG targets are weighted at 20% overall. All sub-targets (environmental, social and governance) are weighted equally.

The Supervisory Board set the following ESG targets for the 2024 financial year:

#### ● ESG targets STI 2024

Environmental	Social	Governance
<p><b>Target:</b> Reduction of 4,000 tonnes CO<sub>2</sub> through modernisation projects and changes in customer behaviour</p>	<p><b>Target:</b> Use of 100 LEG employee hours to design, organise and implement intercultural projects by 31 December 2024</p>	<p><b>Target 1:</b> 99% of LEG employees<sup>1</sup> at LEG Management, LEG Wohnen NRW, EnergieServicePlus, LCS Consulting und Service, LEG Bauen, LEG Consult, LWS Plus and Youtilly have completed the "IT Security" training course by 31 December 2024.</p>
<p><b>Target value:</b> 0% minimum value: 3,600 tonnes CO<sub>2</sub> 100% target attainment: 4,000 tonnes CO<sub>2</sub> 200% maximum value: 4,400 tonnes CO<sub>2</sub></p>	<p><b>Target value:</b> 0% = 50 employee hours 100% = 100 employee hours 200% = 150 employee hours</p>	<p><b>Target 2:</b> 85% of TSP employees<sup>1</sup> have completed the "IT Security" training by 31 December 2024</p> <p><b>Target value:</b> 0% minimum value: 94% (target 1), 80% (target 2) 100% target attainment: 99% (target 1); 85% (target 2) 200% maximum value: 100% (target 1), 100% (target 2)</p>

<sup>1</sup> Active employees are defined as those (from employee group 1) who are in active employment in the LEG Immobilien Group on 1 January 2024 or who join the Group by 30 September 2024. The calculation does not include casual workers, interns or working students (employee group 40–41, 60–66), employees in the passive stage of partial retirement (employee group 4), dormant employees (employment status 1) or those on a long-term absence (e.g. long-term illness).

**Definition of the environmental target for the 2024 STI:**

The environmental target for the ESG sub-target, for target attainment of 100 %, is a reduction of 4,000 tonnes of carbon dioxide (CO<sub>2</sub>) emissions in 2024. This includes refurbishment measures to improve energy efficiency that were completed in the 2024 financial year and classified as modernisation measures in accordance with section 555b no. 1 to 3 of the German Civil Code (BGB) based on the portfolio included in the annual report as at 31 December 2023. The reduction is evidenced on the basis of energy savings calculations and the resulting reduction in CO<sub>2</sub> emissions for final energy consumption. Secondly, all the CO<sub>2</sub> emissions reductions in 2024 that demonstrably result from measures to change user behaviour are also taken into account. This can also be evidenced by a study or report by acknowledged experts that have been specifically prepared for individual measures taken in 2023 or through the use of an accepted, scientifically quantified and verified method of influencing user behaviour in the context of space heating that has been published in a peer-reviewed journal.

These CO<sub>2</sub> savings must be achieved on a climate-adjusted basis, i.e. for an average year to be expected in the long term for Germany according to the German Meteorological Service.

**Definition of the social target for the 2024 STI:**

The "social" target will be considered to be achieved if a total of 100 LEG employee hours have been used to design, organise and implement intercultural projects by 31 December 2024. Such projects may include intercultural training, tenant parties and social activities.

**Definition of the governance target for the 2024 STI:**

The rate of successfully completed IT security training forms the basis for the governance target. This can be verified at employee level.

**Criteria-based adjustment factor for the 2024 STI:**

The provisions for the 2024 STI stipulate a criteria-based adjustment factor with a range of 0.8 to 1.2. The criteria applied in assessing the criteria-based adjustment factor must be defined prior to the start of the financial year in question. The Supervisory Board has defined the following performance criterion for the 2024 financial year:

- A balanced positioning for LEG in the trade-off between the yield expectations of the capital market on the one hand and the demands of sustainable corporate governance on the other, with challenging CO<sub>2</sub> targets for the portfolio and the objective of continuing to offer tenants a good place to live at a fair price.

**2024 to 2027 LTI**

The LTI plan conditions applicable since the 2022 financial year still apply to the 2024 financial year as well.

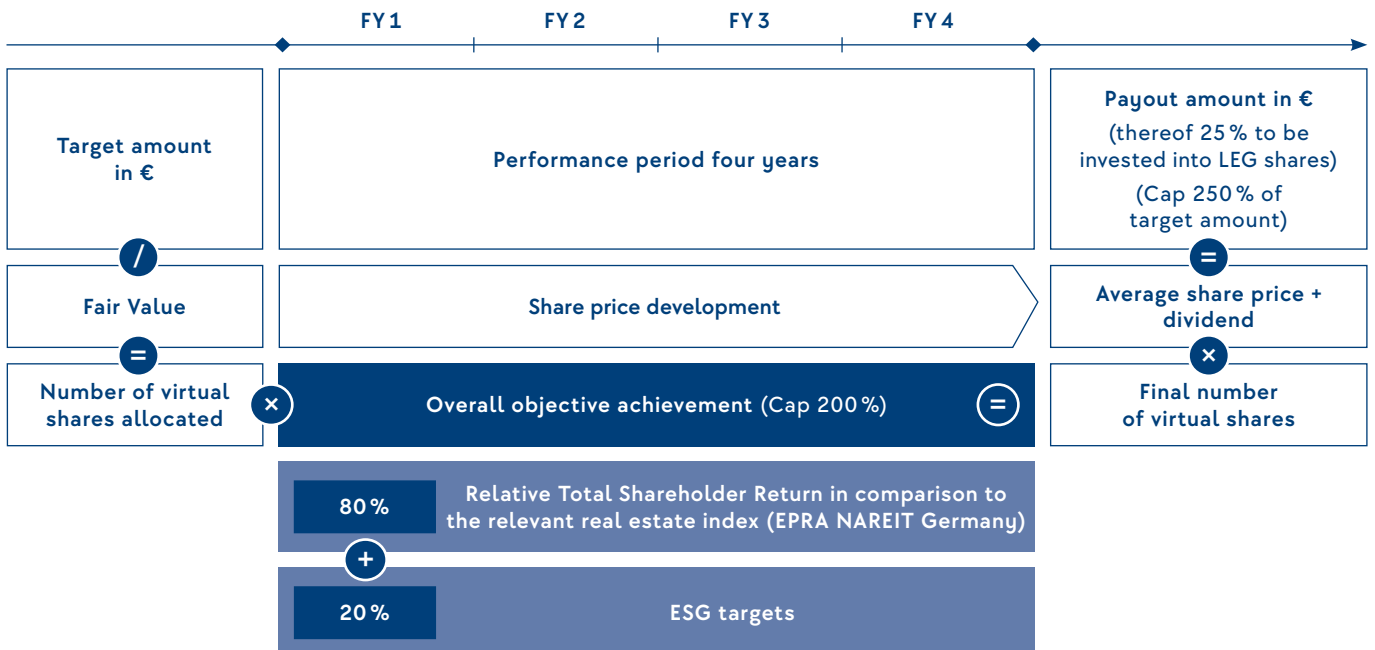
Members of the Management Board will receive an LTI in the form of a virtual performance share plan for a four-year performance period for the 2024 financial year.

The 2024 LTI is calculated on the basis of the following financial and non-financial performance targets:

- Development of relative total shareholder return compared to the relevant property index (EPRA Germany) (80%)
- Non-financial environmental, social and governance targets (ESG targets) (20%)

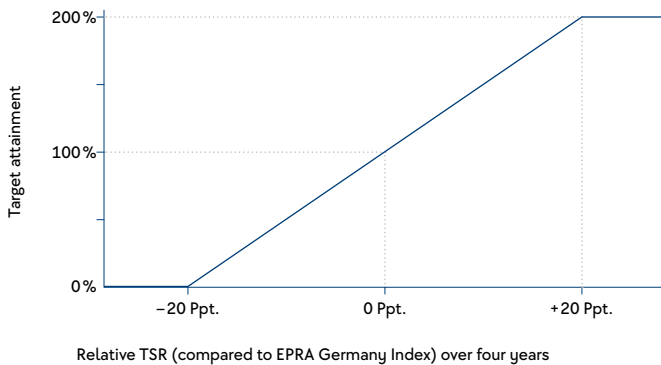
The financial performance criterion used in the 2024 LTI is relative TSR compared to a relevant property index, with a weighting of 80%. The Supervisory Board has chosen to use the EPRA Germany Index as the benchmark index. The EPRA Germany Index comprises LEG Immobilien SE's key national listed competitors and is thus a relevant peer group.

● LTI



TSR describes changes in LEG Immobilien SE's share price for the performance periods, including notionally reinvested gross dividends per share. Relative TSR describes the percentage point difference between the change in the price of LEG Immobilien SE's shares, including notionally reinvested gross dividends, and the change in the EPRA Germany Index over the performance period.

#### ● Target attainment curve relative TSR



Target attainment for relative TSR is 100% if LEG Immobilien SE's relative TSR is 0 percentage points, i. e. if LEG Immobilien SE's share price performance including reinvested gross dividends is the same as the performance of the EPRA Germany Index. If relative TSR is 20 percentage points or more below TSR in the benchmark index, target attainment is 0%. Target attainment is 200% if relative TSR is 20 percentage points or more above the benchmark index's TSR. Relative TSR higher than this does not further increase target attainment. Target attainment between the defined values is interpolated on a straight-line basis.

#### ● Target value LTI 2024 – 2027

	Target attainment (in %) until 2027		
	0	100	200
Relative total shareholder return p. a.	≤ -20%	0%	≥ 20%

As for the STI, specific ESG targets are set for the respective LTI tranche. Different ESG targets are used than for the STI in order to avoid duplicate incentives. The specific ESG targets for the tranche in question are set by the Supervisory Board before the start of the performance period. These targets are precisely defined to ensure that they can be clearly measured.

The following equally-weighted ESG targets apply to the performance period from 2024 to 2027:

#### ● ESG-Ziele 2024

Environmental	Social
<p><b>Target:</b> Installation and commissioning of 2,000 air-to-air heat pumps in 2027 in LEG's portfolio and in third-party portfolios</p>	<p><b>Target:</b> Acceleration of the processing time of total LEG tenant complaints by 10% by 31 December 2027 based on the averaged processing time of resolved complaint tickets from March 2024 and September 2024</p>
<p><b>Targets:</b> 0% minimum value: 1,500 LL-WPs 100% target attainment: 2,000 LL-WPs 200% maximum value: 2,500 LL-WPs</p>	<p><b>Targets:</b> 0% = 5% acceleration 100% = 10% acceleration 200% = 15% acceleration</p>

#### Definition of the environmental target for the 2024 LTI

The environment target for the 2024 LTI will be achieved if a total of 2,000 air-to-air heat pumps have been installed and commissioned in LEG's own portfolio and in third-party portfolios by 31 December 2027 to replace conventional heating systems powered with fossil fuels.

#### Definition of the social target for the 2024 LTI

The social target for the 2024 LTI is to reduce the time taken to process and resolve complaints by LEG tenants. New processes for handling complaints using the ticket tool were introduced for certain topics areas (tradespeople, mould, neighbours) in the 2023 financial year already and are to be rolled out to additional topic areas such as operating costs in the first quarter of 2024. Given this dynamic development of the complaints processes, a benchmark must be found as a baseline for calculating target attainment. The benchmark will be the average time to process complaint tickets between March 2024 and September 2024. The target is to reduce the figure calculated in this way by 10% compared to the result of the repeat benchmarking in the period from March 2027 to September 2027. The processing time is defined as the time between a complaint being submitted by a tenant, and thus the creation of a ticket, and when the ticket is conclusively resolved, feedback is sent to the tenant and the ticket is thus closed. The objective of this is to improve tenant satisfaction with LEG's complaints system by accelerating its processing times.

#### Possible total amount of the 2024 LTI

The total payment amount of the 2024 LTI awarded for a financial year calculated after the end of the respective performance period is capped at EUR 2,500 thousand for Lars von Lackum, EUR 1,300 thousand for Dr Kathrin Köhling and EUR 1,625 thousand for Dr Volker Wiegel.

If a 2024 LTI is to be paid, this must be settled for the last year of the tranche's performance period and paid to the respective Management Board member no later than 30 days after the approval of LEG Immobilien SE's consolidated financial statements. Management Board members are obliged to invest 25% of the payment from the LTI in shares issued by LEG Immobilien SE and to hold these for the duration of their Management Board position.



## Comparative presentation of the development of earnings and the annual change in remuneration in accordance with section 162(1) sentence 2 no. 2 AktG

Section 162(1) sentence 2 no. 2 AktG requires the disclosure of the development in LEG Immobilien SE's earnings, the annual change in remuneration for members of the Management Board and the Supervisory Board and the annual change in average employee remuneration on the basis of full-time equivalents over the past five financial years (vertical comparison). LEG Immobilien SE applies the transitional relief under section 26j(2) sentence 2 of the Einführungsgesetz zum Aktiengesetz (EGAktG – Introductory Act to the German Stock Corporation Act) and will gradually establish the vertical comparison for all three comparative figures in the first five years.

The development in earnings is shown using the Group's key performance indicators AFFO, AFFO per share, FFO I, FFO I per share and total comprehensive income. Net income for the year is also disclosed in accordance with section 275(3) no. 16 HGB.

Average employee remuneration comprises staff costs for wages and salaries, employer social security contributions, additional benefits and short-term variable remuneration components at all LEG Group companies. The average number of employees is calculated on the basis of section 267(5) HGB.

### ● Comparative presentation of the development of earnings and the annual change in remuneration

	2023	2022	Change in %	2021	Change in %	2020	Change in %
<b>Income trend</b>							
Group AFFO in € million	181.2	108.8	66.5	92.2	18.0	92.8	-0.6
Group AFFO per share in €	2.44	1.48	64.9	1.27	16.5	1.32	-3.8
Net result LEG Immobilien SE (Separate Financial Statement) (in € m)	18.3	-307.6	-105.9	-33.4	821.0	-17.6	89.6
Group net result LEG Immobilien SE (in € m)	-1,593.3	315.6	-604.8	1,750.1	-82.0	1,360.3	28.7
<b>Average remuneration per employee (in € thousand)</b>	<b>77</b>	<b>72</b>	<b>6.9</b>	<b>72</b>	<b>-1.0</b>	<b>71</b>	<b>2.2</b>
<b>Management Board remuneration in € thousand</b>							
Lars von Lackum	2,108	1,910	10.4	1,874	1.9	1,346	39.2
Dr Kathrin Köhling <sup>1</sup>	632	-	-	-	-	-	-
Dr Volker Wiegel	1,308	1,211	8.0	1,259	-3.8	966	30.3
Susanne Schröter-Crossan <sup>2</sup>	549	1,066	-48.5	1,116	-4.5	491	127.2
<b>Supervisory Board remuneration in € thousand</b>							
Mr Michael Zimmer	275	256	7.5	224	14.2	226	-0.9
Mr Dr Jochen Scharpe	115	110	4.5	96	14.7	104	-7.7
Mr Dr Claus Nolting	188	162	15.5	116	40.2	74	56.5
Mr Martin Wiesmann	165	141	17.2	96	46.2	17	473.1
Mrs Dr Sylvia Eichelberg	115	100	14.7	47	114.3	-	-
Mrs Dr Katrin Suder	140	86	62.8	-	-	-	-

<sup>1</sup> Start of Management Board contract as at 1 April 2023.

<sup>2</sup> End of Management Board contract as at 30 June 2023.