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LEG Immobilien SE

Company Presentation

May 2024

LEG

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Company Presentation

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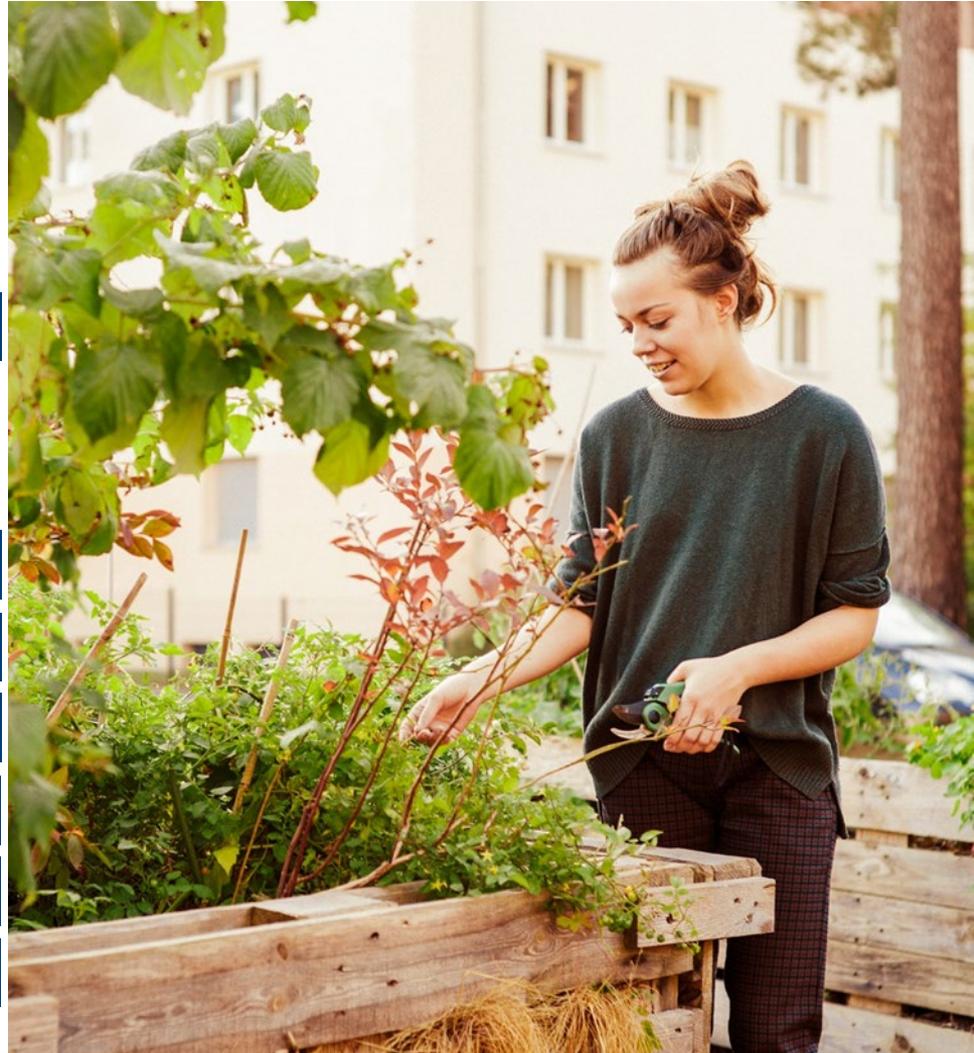
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1.1 Highlights Q1-2024

Financial Summary

Q1-2024



Operating results

		Q1-2024	Q1-2023	+/- %
Net cold rent	€m	214.1	206.3	+3.8
NOI (recurring)	€m	171.1	161.4	+6.0
EBITDA (adjusted)	€m	157.6	157.0	+0.4
FFO I ¹	€m	98.8	103.2	-4.3
AFFO	€m	48.6	54.9	-11.5
AFFO per share	€	0.66	0.74	-11.5
Operating cashflow	€	134.4	125.1	+7.4
NOI margin (recurring)	%	79.9	78.2	+170bps
EBITDA margin (adjusted)	%	73.6	76.1	-250bps
FFO I margin	%	46.1	50.0	-390bps
AFFO margin	%	22.7	26.6	-390bps

Portfolio

		31.03.2024	31.03.2023	+/- %
Residential units	number	165,953	166,987	-0.6%
In-place rent (I-f-I)	€/sqm	6.67	6.45	+3.5%
Investments (adj.) ²	€/sqm	7.58	6.59	+15.0%
EPRA vacancy rate (I-f-I)	%	2.5	2.8	-30bps

Balance sheet

		31.03.2024	31.12.2023	+/- %
Investment properties	€m	18,164.5	18,101.8	+0.3
Cash and cash equivalents ³	€m	469.6	405.5	+15.8
Equity	€m	7,550.4	7,488.2	+0.8
Total financing liabilities	€m	9,369.2	9,375.8	-0.1
Net debt ⁴	€m	8,885.4	8,954.4	-0.8
LTV	%	47.9	48.4	-50bps
Average debt maturity	years	5.9	6.2	-0.3y
Average debt interest cost	%	1.59	1.58	+1bps
Equity ratio	%	38.9	38.8	+10bps
EPRA NTA, diluted	€m	9,462.9	9,379.9	+0.9
EPRA NTA per share, diluted	€	127.69	126.57	+0.9

1 No steering KPI – for information purpose only. 2 Excl. new construction activities on own land, own work capitalised, consolidation effects and after subsidies.

3 Including short-term deposits of €184.4m as of FY-2023 (FY-2023: €128.0m). 4 Excl. lease liabilities according to IFRS 16 and incl. short-term deposits.

On track for the 2024-guidance

Strong AFFO considering green electricity effect in '23 and a more linear investment approach in '24

Financials

- AFFO **-11.5%** to **€48.6m**
- Operating Cashflow **+7.4%** to **€134.4m**
- FFO I **-4.3%** to **€98.8m**
- Adj. EBITDA-Margin **73.6%**
- LTV **47.9%**/ pro-forma **47.5%**¹
 - Debt @ **1.59%** for **5.9y**
- NTA p.s. **€127.69**

Operations

- Net cold rent **+3.8%**
- I-f-I rental growth **+3.5%**
- I-f-I vacancy **2.5%** (-30bps)

ESG

- Inauguration of the largest tenant solar electricity project in NRW with **1,117** units being connected
- LEG supports **campaigns for openness, respect and diversity** (#Zusammenland, #KeineWirtschaftOhneWir, #NieWiederIstJetzt)

Q1-2024

Roughly €210m of disposals YTD

First recovery of the transaction market

Deceleration of devaluation continues

1% to 3% devaluation expected for H1

¹ based on reported Q1 LTV, taking YTD disposals into account

Free financed segment with 4.1% (I-f-I) rent growth

Strong market dynamics continue

Guidance 2024 confirmed – midpoint +5% vs. 2023

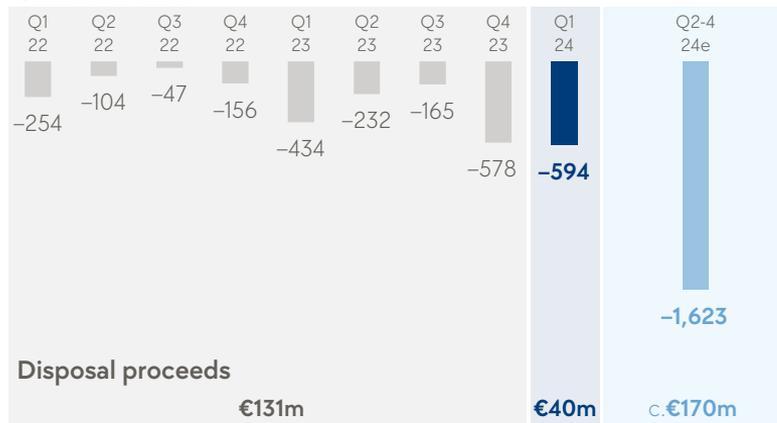
€180 – 200m AFFO driven by strong fundamentals

Roughly €210m of disposals YTD

€40m transferred in Q1 – additional c. €170m signed – more disposals in the pipeline

Portfolio development – Divestments

Number of units



Gross proceeds **c.€210m**
Net proceeds **c.€147m¹**

- From the start of our disposal programme in Q1 2022 until Q4 2023 c.**2,000** units transferred for c.**€131m**
- c.**600** units transferred in Q1 for **€40m**, additional signings of c.**1,600** units for c.**€170m**, which are expected to be transferred in the course of the year

Signed disposals YTD (not yet transferred)

	Price €m	Units
Existing portfolio		
Krefeld (NRW)	16	236
Warburg (NRW)	5	86
Hanover area (Lower Saxony)	61	766
Other incl. commercial	25	324
New built		
Essen/ Duesseldorf (NRW)	63	211
Total	c.170	1,623

- Latest signings reflect recovery of transaction markets
- Disposals at low end as well as high end of quality spectrum
- Rigorous price discipline continued - in total, disposals transacted above book values
- Buyers range from HNWIs, pension funds to smaller domestic and international institutionals

¹ Assuming all signings will ultimately be transferred until year end.



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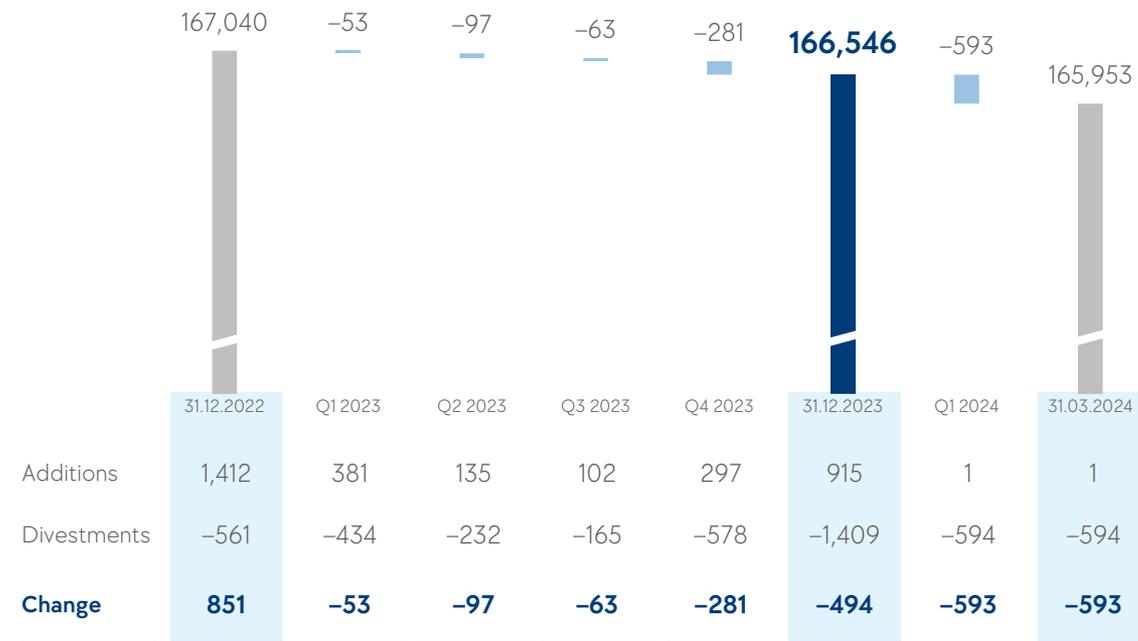
Portfolio & Operating **Performance**

Portfolio transactions Q1: c.600 units transferred for c. €40m



Reasonable portfolio management actions

Number of units based on date of transfer of ownership^{1,2}



Disposals

- Disposal incl. transfer of ownership of ~**600** units at a volume of c. **€40m** – at book value in Q1-2024, net proceeds of **€22m**
- Divestments in Q1 include one bigger block sale with around 400 units
- Disposal contracts for more than **1,600** residential units signed for a volume of c.**€170m** – to be transferred in the course of the year

¹ Residential units. ² Note: The date of the transaction announcement and the transfer of ownership are usually several months apart. The number of units may therefore differ from other disclosures, depending on the data basis.

Dynamic rent growth for free financed portfolio

Rent tables drive increase



I-f-I rent development

€/sqm/month

Residential rent

Q1-2024 **6.67**

Q1-2023 **6.45**

+3.5%

Rent table **+2.0%**
Modernisation/Re-letting **+1.5%**

Free financed rent

Q1-2024 **6.99**

Q1-2023 **6.72**

+4.1%

vs. **+3.6%** (prev. year)

I-f-I free financed rent development

€/sqm/month

Q1-2024 **8.06**

Q1-2023 **7.73**

High-growth
 +4.3%

Q1-2024 **6.69**

Q1-2023 **6.43**

Stable
 +4.2%

Q1-2024 **6.32**

Q1-2023 **6.09**

Higher-yielding
 +3.7%

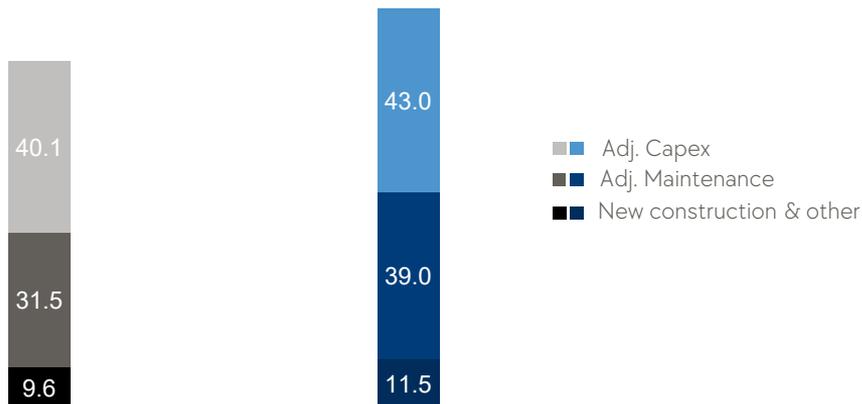
- Free-financed part increased by **4.1%** on average showing underlying market dynamics – no cost rent adjustment in 2024, hence overall **+3.5%**
- New rent table examples for LEG¹: Solingen **+9.5%**, Duesseldorf **+6.8%**, Bielefeld **+6.7%**
- Tenant fluctuation stable y/y at **9.2%**

¹ Examples based on typical LEG apartment

Capex and Maintenance

Increase driven by aspiration to smooth investment spending across quarters

Adj. Invest per sqm¹ €6.59/sqm — +15.0% — €7.58/sqm
 Adj. Invest €m¹: €71.6m €82.0m
 Total Invest €m €81.2m €93.5m



	per sqm	Q1-2023	Q1-2024	%
Adj. Capex		€3.69	3.97	+7.6%
Adj. Maintenance		€2.90	3.61	+24.3%
Adj. Investment¹		€6.59	7.58	+15.0%

- Steering of investments towards a more even distribution over the four quarters
- Adjusted investments per sqm increased by **15.0%** yoy to **€7.58**
- Investment guidance of **~€32** per sqm for 2024 confirmed
- Capitalisation ratio of **52%**² continues to reflect cash-focused steering
- Investments for construction on own land of **€2.3m** in Q1-2024

¹ Excl. new construction activities on own land, own work capitalised, consolidation effects and after subsidies. ² Relates to adjusted investments.



1.3

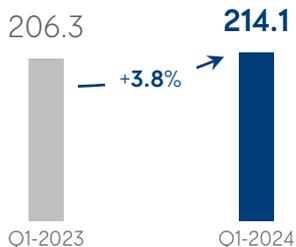
Financial Performance

Financial highlights Q1-2024

Net operating income margin increases again

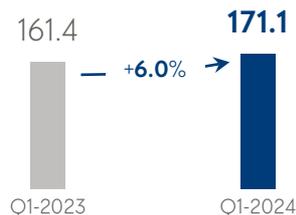
Net cold rent

€m



Net operating income (recurring)

€m



Margin

79.9%
(78.2%)

EBITDA (adjusted)

€m



Margin

73.6%
(76.1%)

AFFO

€m



Margin

22.7%
(26.6%)

Net cold rent

- Growth driven by **3.5%** l-f-l rent growth and **3.8%** actual rent growth – the latter positively affected by new built units

Net operating income (recurring)

- Margin increase from **78.2%** to **79.9%** driven by higher net cold in connection with even slightly lower operating expenses

EBITDA (adjusted)

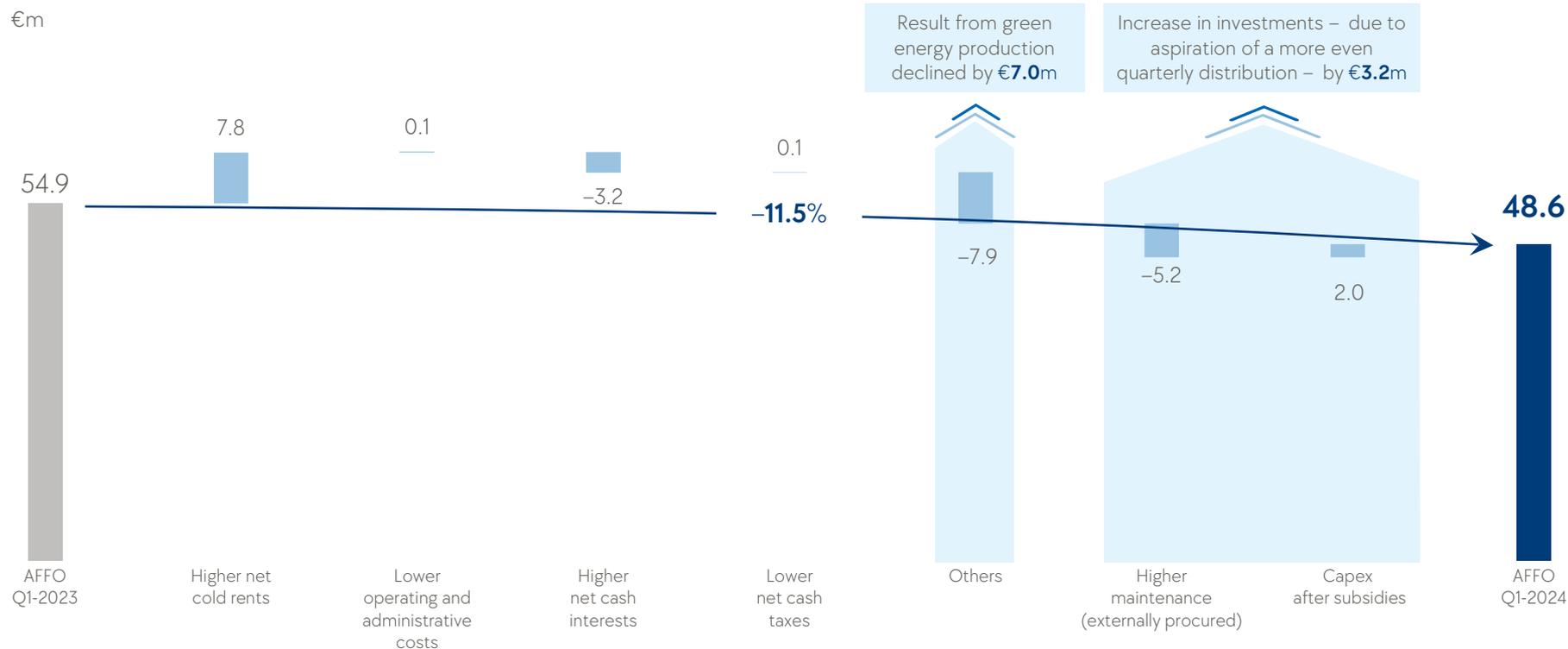
- Margin decline in absence of the positive effects from the forward sale of green electricity in Q1-2023 (–€7.0m)

AFFO

- Decline by **11.5%** to **€48.6m** driven by
 - More evenly distribution of investments leads to increase by **€3.2m**
 - Higher cash interest expenses (–**€3.2m**)

AFFO Bridge Q1-2024

Lower result from green energy production as well as investment effects contribute to decline in AFFO

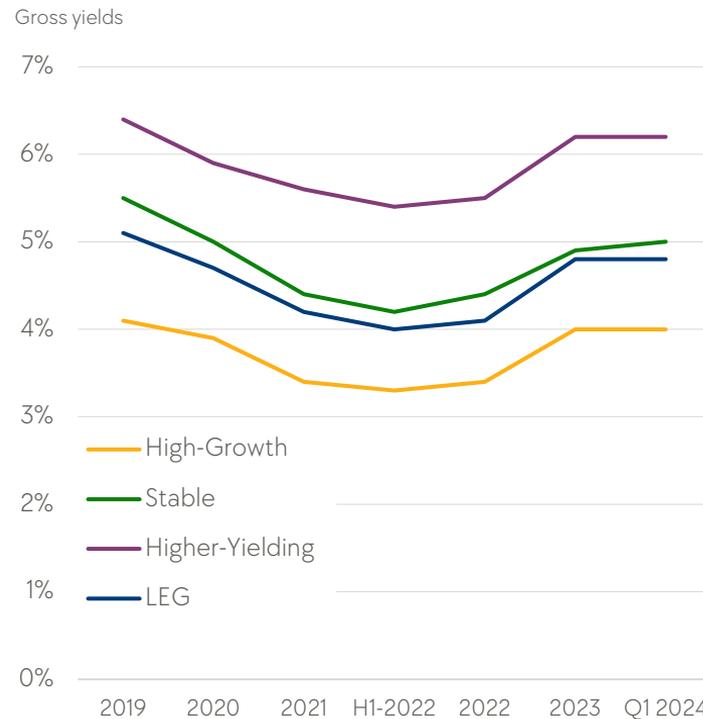


Portfolio values Q1-2024



No revaluation effect in Q1 – H1 devaluation of 1% to 3% as well as bottoming out in 2024 expected

Market segment	Residential Units	GAV Residential Assets (€m)	GAV/sqm (€)	Gross yield	In-Place Rent Multiple	GAV Commercial/Other (€m)	Total GAV (€m)
High-Growth Markets	49,847	7,277	2,212	4.0%	24.9x	330	7,607
Stable Markets	66,674	6,478	1,514	5.0%	20.1x	257	6,735
Higher-Yielding Markets	49,432	3,386	1,133	6.2%	16.2x	92	3,478
Total Portfolio	165,953	17,142	1,624	4.8%	20.8x	678	17,820¹



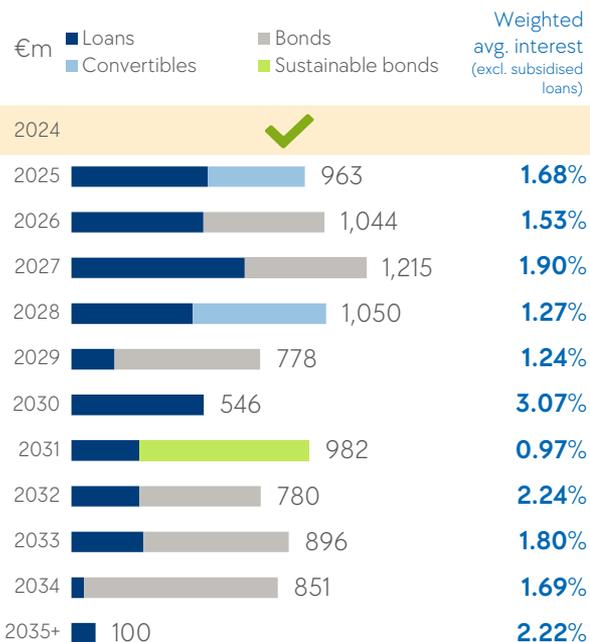
¹ GAV of IAS 40 portfolio (including leasehold, land value and assets under construction) was €18,165m.

Financial profile

2024 maturities completely refinanced – next maturities mid 2025



Pro forma maturities¹



Average debt maturity



Average interest cost



Loan-to-value



Highlights

- **All 2024 maturities refinanced** – opportunistic refinancing of the 2025 maturities now in focus
- **Headroom** for a c. **25%** valuation decline until the threshold of the **Unencumbered Asset Test** is reached
- Upcoming **secured maturities in 2025** in the amount of c. **€563m** (first maturities mid of 2025)
- **Convertible bonds** in the amount of **€400m** due in September 2025
- **Undrawn RCFs** in the amount of **€750m** as well as an **unused CP program** of **€600m**
- **Robust liquidity** position of **>€450m** (as of 31 March 2024)²
- Average **debt maturity** as of 31 March 2024 is approx. **5.9 years** with average **interest cost** of **1.59%**
- Average interest **hedging rate** c. **94%**
- **LTV** at **47.9%** as of 31 March 2024, pro-forma **47.5%**³

¹ Pro-forma as of 03/2024 after refinancing 100% of the 2024 maturities. ² Cash and short-term deposits. ³ based on reported Q1 LTV, taking YTD disposals into account



1.4

Outlook

Guidance 2024 confirmed: AFFO in the range of €180m – €200m



Stronger rent growth and smart spending allows for higher cash generation

	Guidance 2024 ¹
AFFO	€180m – 200m
Adj. EBITDA margin	c. 77%
I-f-I rent growth	3.2% – 3.4%
Investments	c. 32€/sqm
LTV	Medium-term target level max. 45%
Dividend	100% AFFO as well as a part of the net proceeds from disposals
Disposals	Not reflected ¹

Environment	2024–2027	Installation and commissioning of 2,000 air-to-air heat pumps in 2027 in LEG's portfolio and in third-party portfolios
	2024	4,000 tonnes CO ₂ reduction from modernisation projects and customer behaviour change
Social	2024–2027	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
	2024	Use of 100 LEG staff hours to design, organise or implement intercultural projects until 31 December 2024
Governance	2024	85% of TSP employees, 99% of employees in staff holding LEG group companies have completed the "IT Security" training until 31 December 2024

¹ Guidance based on 167 k units.



2

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

Affordable housing in Germany

Made in NRW – Rolled out to Germany

Aachen



Bremen



Dusseldorf



Duisburg



Flensburg



Hamm



Hanover



Kaiserslautern



Mannheim



Münster



Remscheid



Solingen



Affordable housing in Germany

Made in NRW

LEG



01

German residential pure play

Pure Play:

Residential + Germany

Focus on **affordable living** segment

Focus NRW (c. **80%** of assets),
no. 1 in NRW

Market cap c. **€6.1bn¹**,
100% tradeable shares



02

Lean balance sheet

One asset class

No goodwill

NTA: **€127.69**

Equity ratio: **38.9%**

GAV/m² **€ 1,624**

No hidden financing structures

Ø financing cost **1.59%**,
Ø maturity **5.9** years

Investment grade rating



03

Social responsibility

500,000 tenants/
166,000 apartments

Average rent per unit
c. **€420** per month/**€6.68** per sqm

c. **19%** social housing
(rent-restricted)



04

Consolidation of platform

Avoiding complexity

Acquisitions stopped - Shifting to net seller - but flexible to “switch back on”

Run-off new construction

Cash neutrality focus

¹ Closing price of €82.20 on 10.05.2024

Focus on cash while exploiting growth opportunities

A resilient business model



Leading in a market with structural supply/demand imbalance

- Large demand/supply gap with 750k units missing already today
- Further widening supply/demand imbalance as new developments will tumble to <100k units by 2025e
- LEG strongly positioned as no.1 in NRW and no.2 in Germany – fully rented out

Focus on organic cash generation

- AFFO as internal and external KPI
- AFFO as basis for dividend policy in a higher interest rate environment
- Full flexibility remains to increase share of debt-financed investments if market conditions ease

Resilient business model to provide stable operating cash flows

- Crisis proven business model during GFC and Corona crisis
- Pure Play at a lean balance sheet
- Higher refinancing costs to be broadly compensated by rent increases

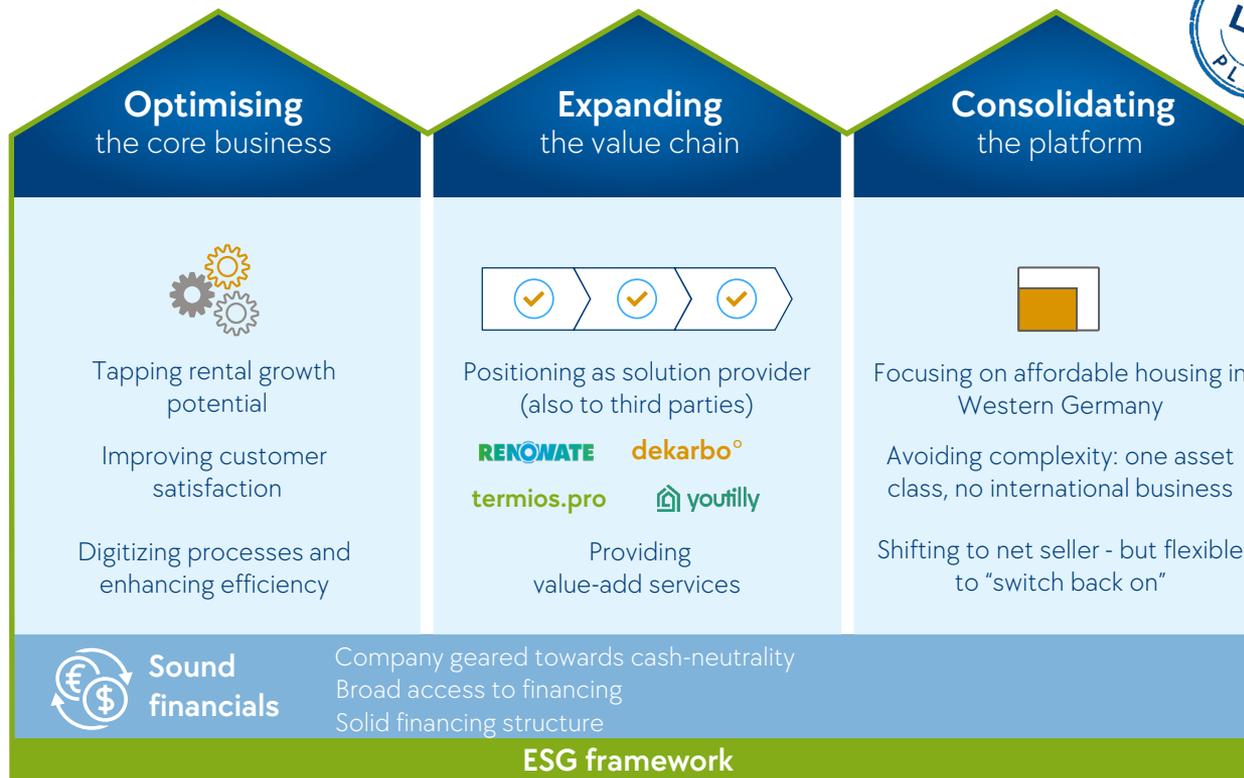
Structural growth drivers to support top line growth

- Market rent growth supported by demand situation to support structural mid-term growth
- Growth from subsidised units in 2026 and transition of >16k units into free-financed units in 2028
- Ongoing modernisation and decarbonisation investments allow for additional rent adjustments

Leading in sustainability and provider of decarbonisation solutions

- Top ratings by MSCI, Sustainalytics – decarbonisation path approved by SBTi
- On track for climate neutrality by 2045
- Solution provider via own JV's (Renowate – serial refurbishment, termios – smart thermostats, dekarbo – air-to-air heat pumps)

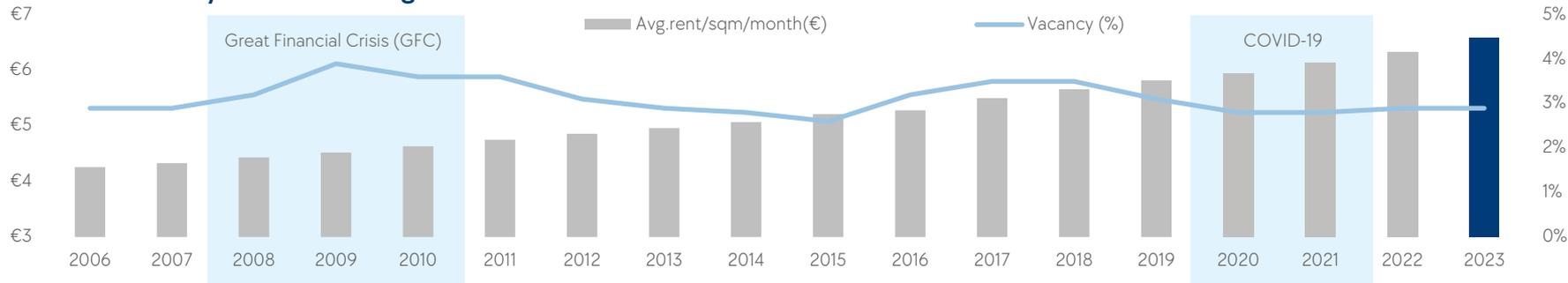
LEG's strategy is based on strong building blocks



Resilient business model



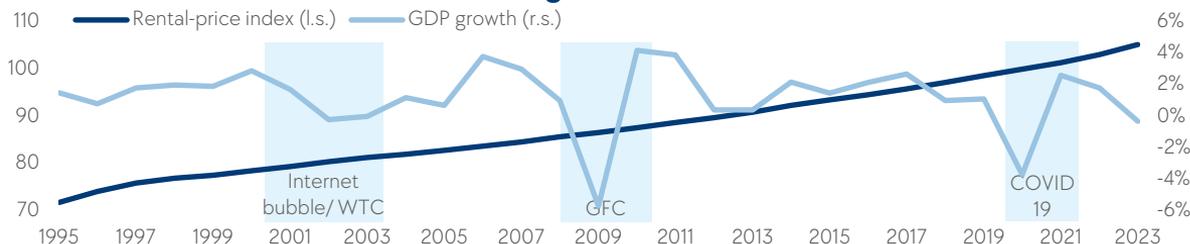
LEG not materially affected during the GFC and COVID-19



LEG well positioned

- Non-cyclical business model
- LEG's attractive rent level of **€6.68/sqm** is key to provide affordable living to our tenants
- C. 19% of units subsidised
- German social system provides several strong layers of social security

Resilience of German residential during the last economic crises



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

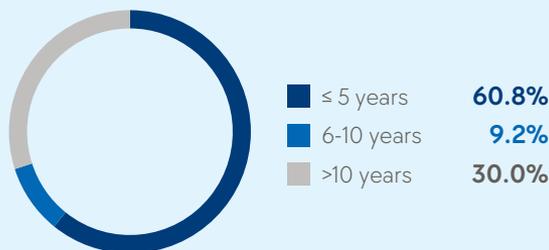
Subsidised units account for around 19% of the portfolio

Reversionary potential amounts to 46% on average

Rent potential subsidised units

- Until 2028, around **19,000 units** will come off rent restriction
- Units show **significant upside to market rents**
- The **economic upside can theoretically be realised the year after restrictions expire** subject to general legal and other restrictions⁴

Around 60% of units to come off restriction until 2028

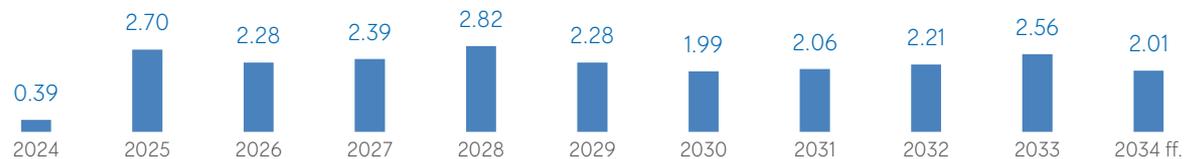


Number of units coming off restriction and rent upside



Spread to market rent

€/sqm/month



	≤ 5 years ²	6 – 10 years ²	> 10 years ²
In-place rent	€5.38	€5.60	€5.35
Market rent ¹	€8.16	€7.82	€7.36
Upside potential ³	52%	40%	38%
Upside potential p.a. ³	€41.9m	€5.1m	€15.2m

¹ Employed by CBRE as indicator of an average rent value that could theoretically be achieved, not implying that an adjustment of the in-place rent to the market rent is feasible, as stringent legal and contractual restrictions regarding rent increases exist.
² ≤ 5 years = 2024–2028; 6-10 years = 2029–2033; >10 years = 2034ff. ³ Rent upside is defined as the difference between LEG in-place rent and market. ⁴ For example rent increase cap of 15% (tense markets) or 20% for three years.

LEG's investment track record in nominal and real terms



Investments into the standing portfolio

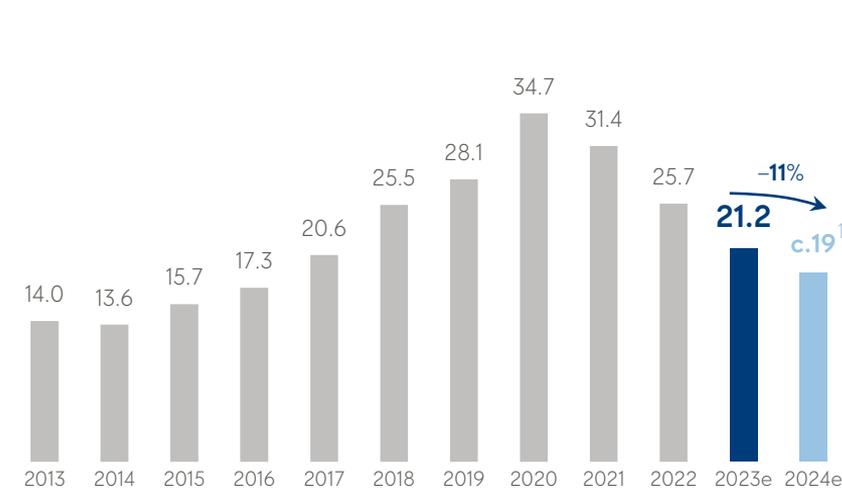
Nominal (adjusted) investments

€/sqm



Inflation adjusted (2013 based) investments

€/sqm



Source: company data / Destatis for construction price index. 1 Assuming 3% construction price development.

New construction – finishing the last projects – small in volume



Small size of projects and investment volume, cash potential from built to sell

Completions

number of units per year

- Development on own land
- Acquisitions (3rd party developer)



Remaining completions until 2025

396 units

Investment volume per year

€m



Remaining investment volume until 2025

€67 m

German residential market

A highly fragmented market – dominated by private owners



Professional owners **34%**

66% Private owners

Public owner **11%**

43% Private Individuals

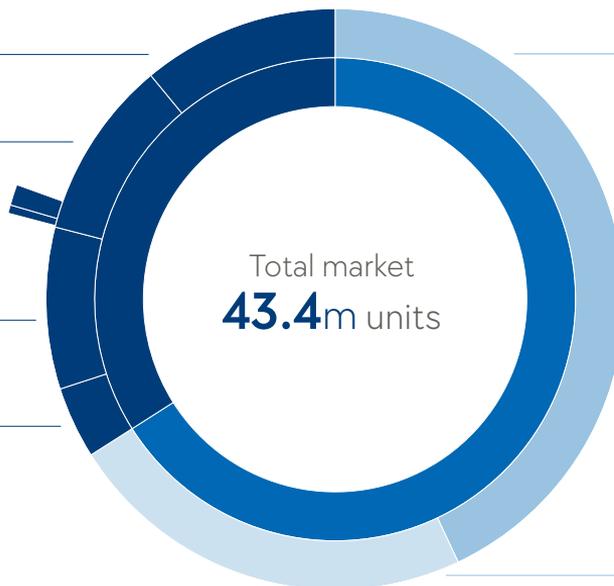
Private companies **10%**

of which

- No.1 **1.1%**
- **LEG** (No.2) **0.4%**

Mutuals **9%**

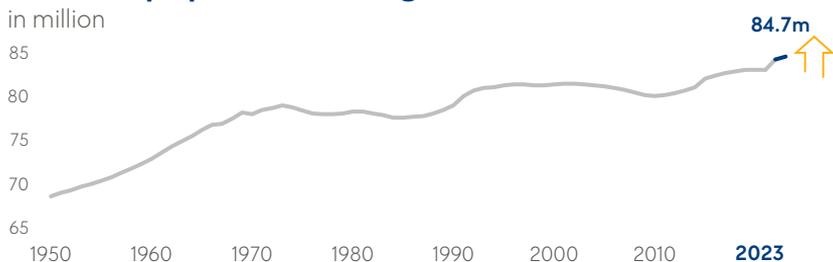
Other private companies
(insurers, funds etc.) **4%**



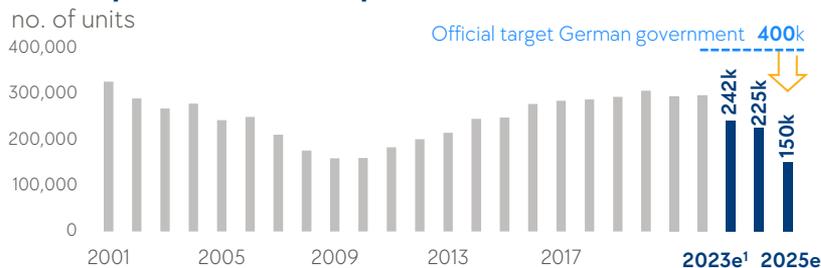
Demand – supply imbalance will persist for the coming years

Immigration remains a driver to further push demand for affordable units while new supply erodes

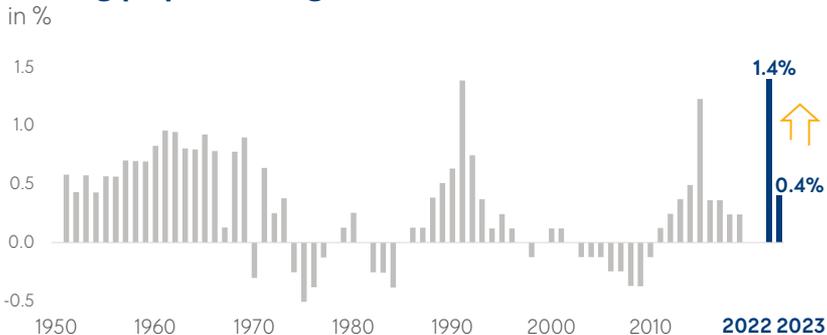
German population at highest level ever in 2023



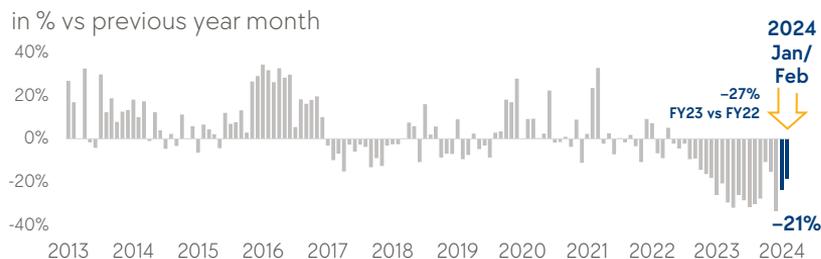
New apartments completed



Strong population growth in 2022 and 2023



No. of building permissions for apartments with strongest decline within last decade – in 2023 with 260k units at lowest level since 2012



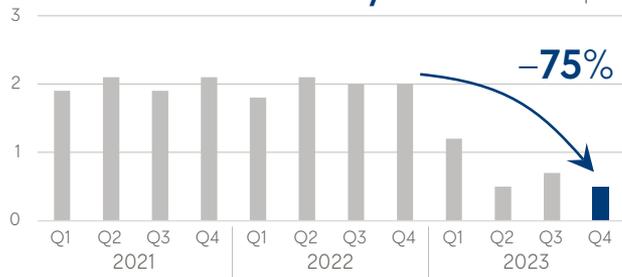
Source: destatis, 1 GDW (2023), ifo institute (2024), ZIA (2025).

German new development: Studies point to significant reduction



Direction seems to be clear – momentum not yet, but risks that supply drastically breaks down

bulwiengesa New residential projects started by volume¹ m sqm



„The crisis is deeper than building permission figures and completion figures show so far. Residential construction activities still benefits from projects which have been started before the interest rate reversal. Based on building permissions which have been dropped by roughly a quarter and considering completion times, the number of new built homes will decline to **150.000** units per year [by 2025]²“

ifo Residential completions³ by European countries 2022 to 2026

in 1,000 units

	2022	2023	2024	2025	2026	Change in % 2022/26
Belgium	57.0	51.8	47.4	46.7	46.7	-18.1
Denmark	39.9	32.9	25.5	24.6	26.6	-33.3
Germany	295.3	270.0	225.0	195.0	175.0	-40.7
Finland	41.4	33.5	19.2	22.0	28.3	-31.6
France	375.7	381.3	328.8	296.3	296.6	-21.1
Great Britain	207.5	173.5	176.9	185.4	194.8	-6.2
Ireland	29.8	31.0	33.5	35.0	36.1	21.3
Italy	96.0	101.0	99.8	95.4	90.5	-5.7
Netherlands	74.4	75.0	72.0	71.0	72.0	-3.2
Norway	28.0	28.9	23.7	26.0	30.2	7.6
Austria	62.3	55.8	49.3	46.6	46.4	-25.4
Portugal	20.2	20.8	21.4	22.0	22.7	12.6
Sweden	72.1	69.0	35.6	33.1	36.5	-49.5
Switzerland	43.3	42.1	42.4	43.0	43.7	1.1
Spain	89.1	90.0	95.0	100.0	100.0	12.2
Western Europe (EC-15)	1,531.9	1,456.5	1,295.5	1,242.1	1,246.0	-18.7
Poland	238.6	230.5	185.0	203.0	214.0	-10.3
Slovakia	20.2	19.4	19.7	21.3	22.1	9.3
Czech Republic	39.4	37.7	31.2	30.6	33.0	-16.2
Hungary	20.5	19.0	17.0	14.5	15.5	-24.5
Eastern Europe (EC-4)	318.8	306.6	252.9	269.4	284.6	-10.7
Total	1,850.7	1,763.1	1,548.4	1,511.5	1,530.6	-17.3

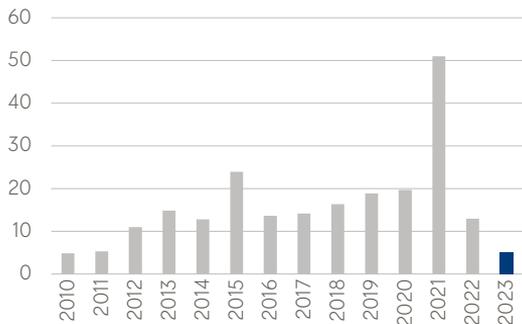
1 Source Bulwiengesa New Development Monitor. 2 Source: ZIA – <https://zia-deutschland.de/fruehjahrungutachten/> 3 Completed residential units in new buildings as wells in existing residential and non-residential buildings. Source: ifo/ EUROCONSTRUCT <https://www.ifo.de/publikationen/2024/aufsatz-zeitschrift/europaeische-baukonjunktur-verliert-2024-weiter-dynamik>

German residential: Lowest transaction volume since 2010

Family offices and US capital already back in the market with above long-term participation rate

Investment volume German residential

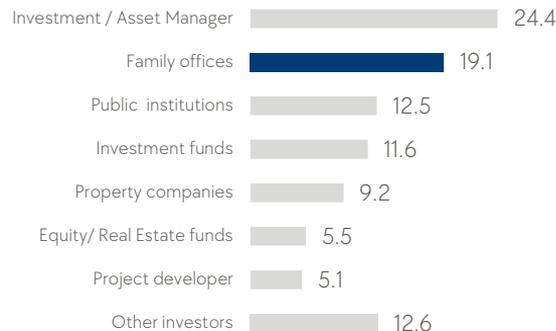
€bn



- Transaction volume **€5.2bn**
- Lowest volume since 2010
- **-72%** vs. long-term average

Investors by group

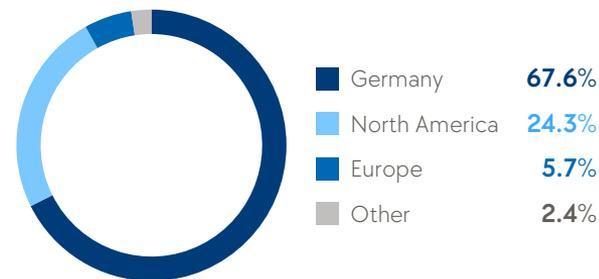
%



- High interest from family offices with **19%** (vs. 4% for 10-year average)
- Investment funds and property companies constraint by higher financing costs

Investors by geography

%



- High share of local capital with **68%**
- Return of US investors with **24%** (vs. 6% for 10-year average)

Source: BNP Real Estate, reflecting transactions >30 units.



3

ESG Agenda **2025** – A Joint Journey

ESG Agenda – A joint journey

Key indicators



E

- We are committed to climate targets
 - **10%** CO₂ reduction from **2022** until **2025** and **4,000 tons** CO₂ reduction from modernisation projects in **2023 and 2024**
 - **Committed to Climate Act 2030** and to **climate neutrality by 2045**
- We intend to invest **up to €500m** into energetic modernisation from **2020** until **2024**
- **Key drivers** for our energetic transition **until 2045** are:
 - **Tenants engagement** needed to contribute up to **5%** to the overall improvement
 - **Energy transition** to shift towards green district heating and green electricity, driving **65% – 70%** of the overall improvement
 - **Refurbishments** to achieve **>30%** of energy reduction, contributing **25% – 30%** to the overall improvement

S

- **Affordable living** segment and responsibility for our client base remains core to our **DNA**
- Improvement of **customer satisfaction index (CSI)** from **56%** to **70%** in the period **2022 - 2025** (was **60%** in **August 2023**)
- Further building on the strong partnership with local communities, leading to a preferred partner status
- LEG is a highly valued employer underlined again by a strong **Trust Index** of **73%** in **2022** (was **66%** in **2020**)

G

- **Sustainalytics rating** of **6.7** (negligible risk range)
- **One-third** of our fully independent **supervisory board** is represented by women since the **AGM 2022**
- Management remuneration since 2023 linked to the target that virtually **all employees** participated in **compliance/IT-security training**
- **Compliance** management system **certified** by the Institute for Corporate Governance in the German Real Estate Industry

Our ESG mission statement

1



Environment

- A promoter of the transformation of the residential sector towards climate neutrality
- Committed to the enforced German Climate Change Act 2045 and UN Paris Climate Agreement 2050

2



Customers, Colleagues, Communities

- A committed leader for affordable housing of good quality
- A top employer, promoting a corporate culture of diversity, open-mindedness and respect
- A strong partner in developing our local communities

3



Governance

A highly effective governance that ensures day-to-day compliance with our values, the law and the ethical standards that form the basis of our reputation



Among the best in class

Reflecting LEG's strong sustainability commitment

ESG	2019	2020	2021	2022	2023
ESG Rating					
ESG Rating	20.1	10.4	7.8	6.7	6.7
CDP Score					
SBTi target				SBTs submitted	SBTs approved
ISS ESG	D+	C-	C-		
sBPR Award					
ESG Index		DAX [®] 50 ESG			
ESG Indices					

Top rating since 2022

No. 12 out of 1,051 in global real estate¹
 No. 40 out of 16,169 in global total coverage¹

Since 2022 B-rated, score above sector (B-)

Approved 10/2023, amongst first German residential companies

Prime Status since 2022

Gold rating confirmed since 2020

Member since the beginning of the index

MSCI EAFE Choice ESG Screened Index
 MSCI World Custom ESG Climate Series
 MSCI OFI Revenue Weighted Global ESG Index

¹ As at May 2024

Strong commitment to high ethical standards

Codes and policies binding for employees and other stakeholders

ESG
AGENDA

-  Code of conduct [www.](#) 
-  Business partner code [www.](#) 
-  Declaration of fundamental values [www.](#) 
-  Human rights policy [www.](#) 
-  Employee and diversity policy [www.](#) 
-  Anti-corruption policy [www.](#) 
-  Training and further education policy [www.](#) 
-  Environmental policy [www.](#) 
-  Water guideline [www.](#) 
-  Sustainable procurement policy [www.](#) 
-  Political and social involvement policy [www.](#) 

WE SUPPORT



Commitment to respect human rights as defined by the UN Guiding Principles on Business and Human Rights and signing of the UN Global Compact in 2021. The principles of this compact and internationally recognised agreements such as the UN Universal Declaration of Human Rights and the eight fundamental Conventions of the International Labour Organization (ILO) are the cornerstones of LEG's corporate culture.

Carbon Balance Sheet 2023

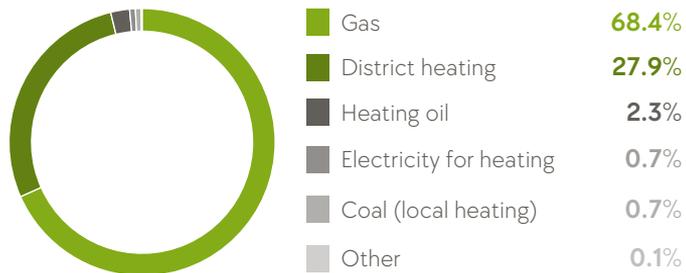
27.3 CO₂ekg/sqm on a market based and climate adjusted basis



Carbon balance sheet

- Bottom-up approach
- BAFA-factors in line with GHG-protocol
- Scope 1 and scope 2
- **27.3 CO₂ekg/sqm** based on heating energy

Heat energy by source (100% of portfolio)



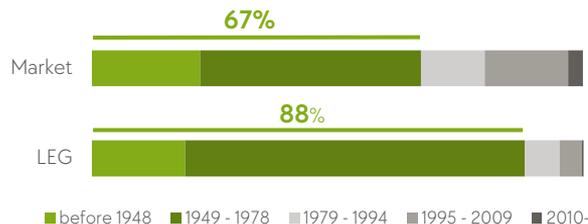
- Based on actual consumption 2022 (61% actuals, 37% energy performance certificates (EPC), 2% estimates)
- Extrapolated for 2023
- Limited assurance by Deloitte

Reflecting our roots

Energy efficiency of our portfolio of **144 kWh/sqm** is a function of corporate DNA & history:

- Providing affordable housing in post-war Germany

LEG portfolio by construction years vs. LEG market



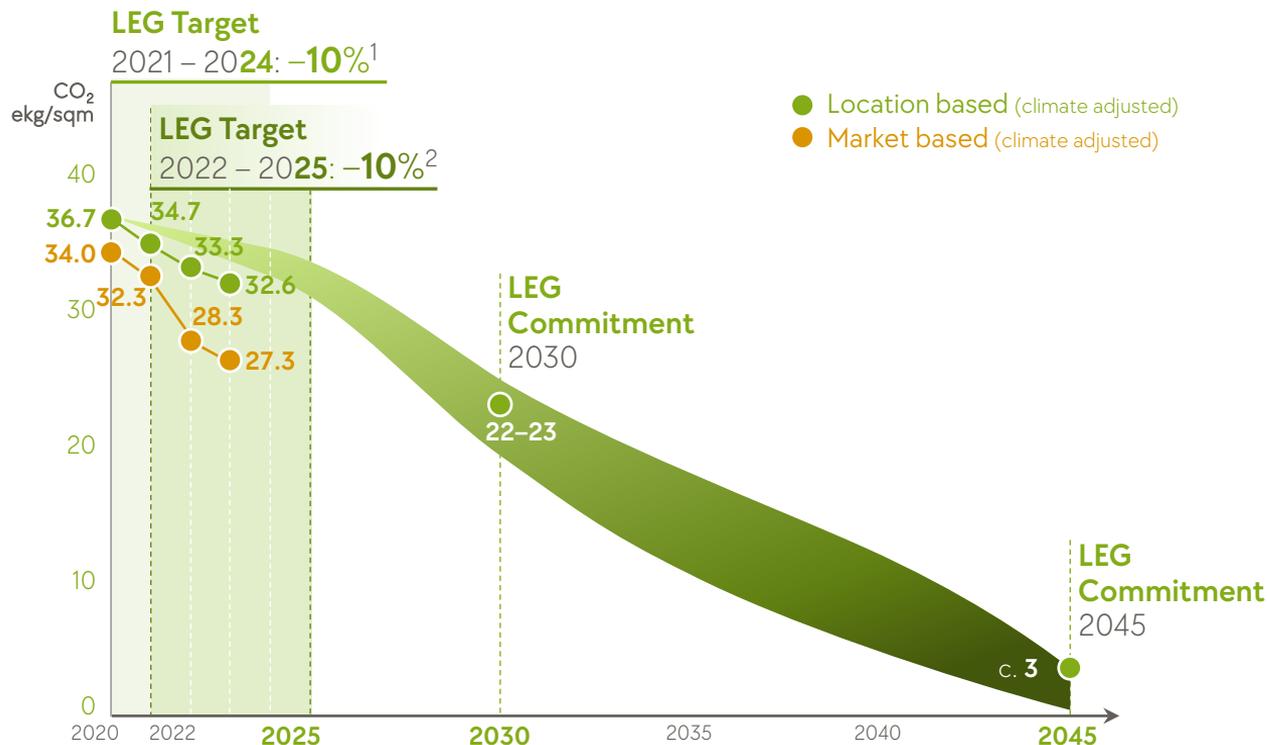
Distribution by energy efficiency classes LEG



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

On track for our target towards climate neutrality

Nudging initiative pays-off and leads to strong and cost-effective contribution



- LEG fully committed to German Climate Change Act to achieve climate neutrality by 2045
- Aligned with strategy via STI/ LTI-component of compensation scheme
- CO₂ reduction in 2023 by **2%** to **32.6kg** (location based) and by **4%** to **27.3kg** (market based)
- Key driver:
 - **8,728t** CO₂ savings of which
 - **6,011t** from nudging-effects
 - **2,717t** from energetic refurbishments
- 2023 and 2024 STI component: **4,000** tons CO₂ reduction from modernisation projects and customer behavior change
- 2023–26 LTI component envisages a **10%** efficiency improvement for investments undertaken

¹ Based on FY20 CO₂ level. ² Based on FY21 CO₂ level. ³ Based on German buildings energy act (GEG).

Transition roadmap towards climate neutrality

Energy transition and energetic refurbishment are the main drivers to reach the targets



Refurbishment

- At least **30%** efficiency improvement
- Insulation of the building shell, incl. windows and doors
- Contribution of **25% – 30%**

Smart meter/ Tenant engagement

- Digitisation of heating system via smart metering
- Education and incentivisation of tenants
- Contribution of up to **5%**

Energy transition

- Shift from fossil energy mix to green district heating
- Shift towards green electricity along Germany's path
- Contribution of **65% – 70%**

¹ Estimate based on current price levels for materials and services and taking no innovation and efficiency improvements into account. Based on wide role-out of air-2-air heat pumps and introduction of smart thermostats.

LEG positions itself as first mover solutions provider

Digitisation and smart technology to push change

Serial refurbishment

- Insulation of the building shell, incl. windows and doors
- At least **30%** efficiency improvement
- Additional **15%** subsidies from BEG

Smart technology/ Tenant engagement

- Hydraulic optimisation by digitising radiators
- **30%** reduction in carbon emissions expected
- Avoidance of **€30m** regulatory compliance costs

Energy transition

- Widespread adoption of Air2Air heat pumps
- Increasing energy efficiency standard, e.g., from **G to C**



¹ Against original ESG 2024 agenda with assumed investments of c. €1.5bn until 2030.

termios.pro | Accelerating LEG's energy transformation by installation of smart heating thermostats



Background

- Regulatory requirement for hydraulic balancing
- Optimisation of thermostats substantial lever for energy and CO₂ savings
- Conventional (manual) hydraulic balancing slow and with factual infeasibility
- Solution for smart thermostat specifically designed to meet professional residential operators' needs



Significance for LEG portfolio



LEG
Leading real estate company



Digital Company Builder



Globally leading heating control technology manufacturer

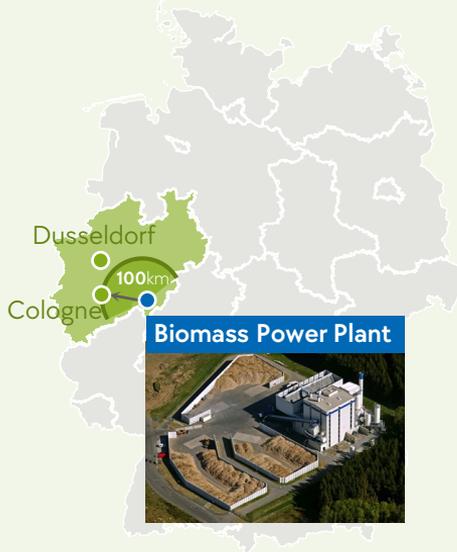
Outlook

- Finalisation of product development for smart thermostat that meets hydraulic balancing requirements
- Timely product launch to capture high expected demand due to mandatory hydraulic balancing requirement starting fall 2023
- Rapid scale-up and commercialisation due to joint venture set-up and partner capabilities

LEG's biomass plant

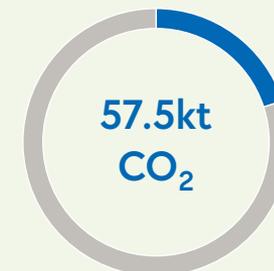
Providing us with a competitive advantage – not reflected due to current framework

LEG Biomass Power Plant



- Started 2005
- Own carbon neutral power plant, c. 100km from LEG hubs
- Green energy from waste wood
- Recognised as carbon neutral energy
- Production of district heat and electricity for local commercial area
- Due to distance to LEG buildings, energy not provided to own buildings
- Annual production of 105,000 MWh of electricity (represents annual production of onshore wind farm with 20 large wind turbines)
- **Not reflected** in our CO₂ footprint

Potential offset from biomass plant



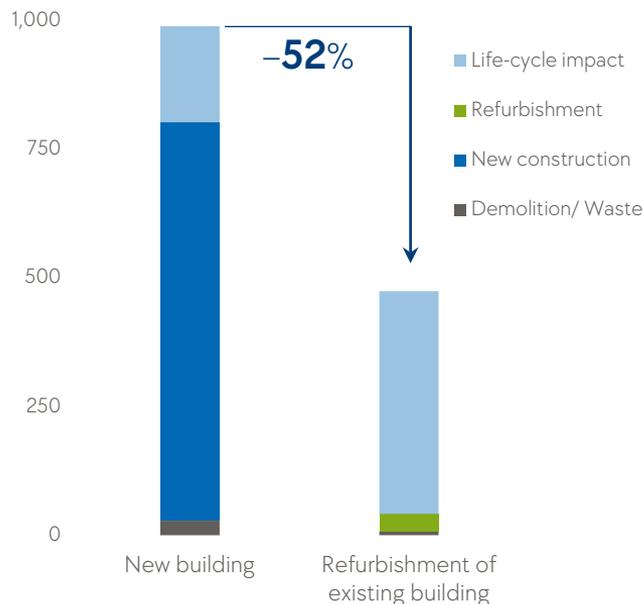
Potential **18%** off-set from own biomass plant

This represents savings of **57.5kt CO₂** and potentially carbon neutral electricity for **45,000 LEG units**, i.e. around **1/3** of our portfolio

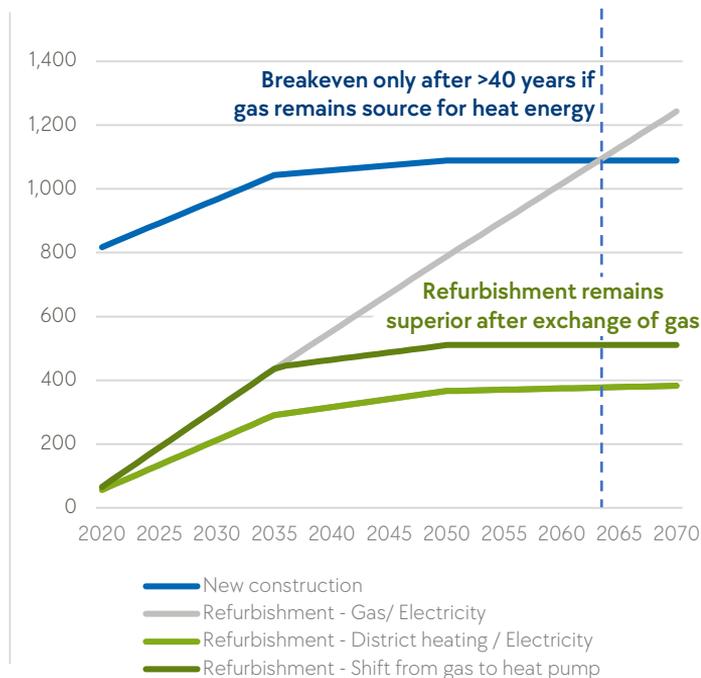
LEG Study: Energetic refurbishment superior over new construction approach under CO₂ lifecycle perspective

CO₂ lifecycle footprint¹

(t CO₂ equivalent)



Total energy consumption in Giga Joule



Joint study between renown Wuppertal Institute and LEG Key findings:

- Lifecycle perspective favors refurbishment over new construction
- Total CO₂ footprint for a refurbished building >50% smaller than for a new building
- Break-even in total energy consumption perspective only after >40 years, if heat energy will remain on gas forever
- After shift to heat pump or district heating, refurbishment will remain the superior strategy
- Exit from gas likely to be accelerated (independence from Russia)

¹ Based on buildings with construction year 1959 – 1968 and 3 floors. On average 14 units per building with a total of 852sqm., assuming change towards heat pump by 2035

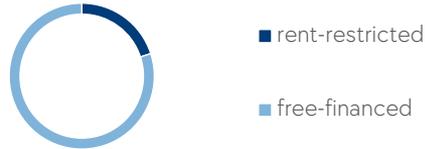
Affordable living and focus on customer satisfaction

Attractive rents overall - especially for tenants in our rent-restricted units

Providing an affordable home

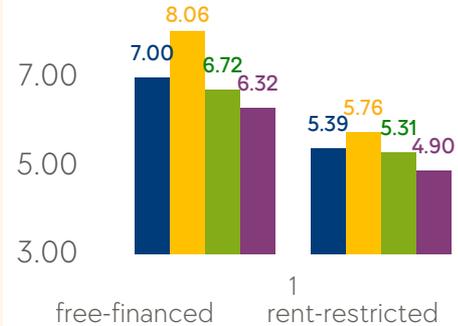
- Social responsibility for our **500,000** customers
- Providing a home at affordable prices
- **166,000** units at **€6.68/sqm/month** on average (c. **€420** per month per unit)
- Rent increases for rent-restricted units only every 3 years by inflation factor

19% of units rent-restricted



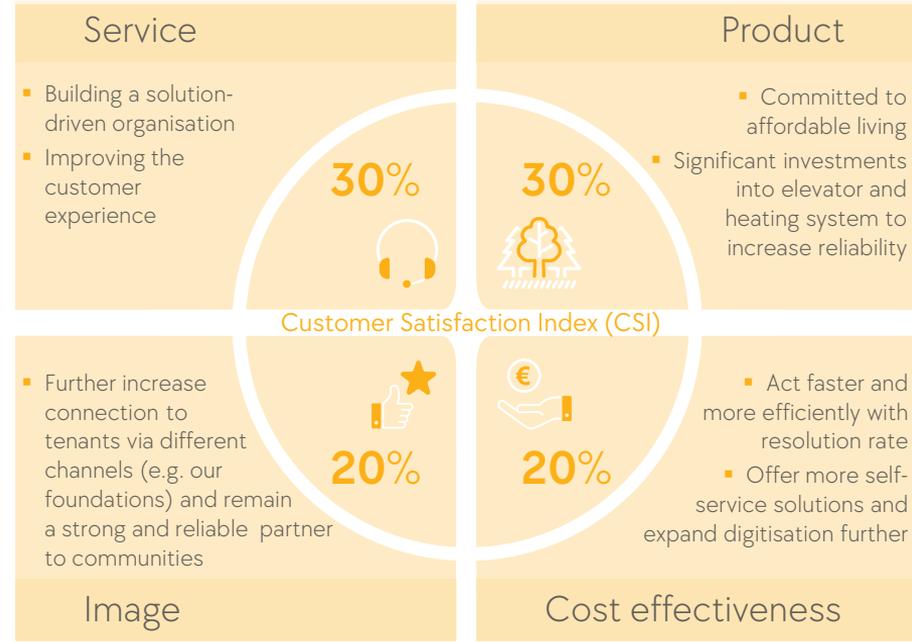
Attractive rent levels

€/sqm/month (Q1-2024)



■ Total ■ High-growth ■ Stable ■ Higher-yielding markets

Increase CSI to 70% by 2025



Trust Index 73% – Among the best employers in NRW

Target is to keep our strong employee recognition

Trust Index[®]

Based on Median



Total result

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



Top results





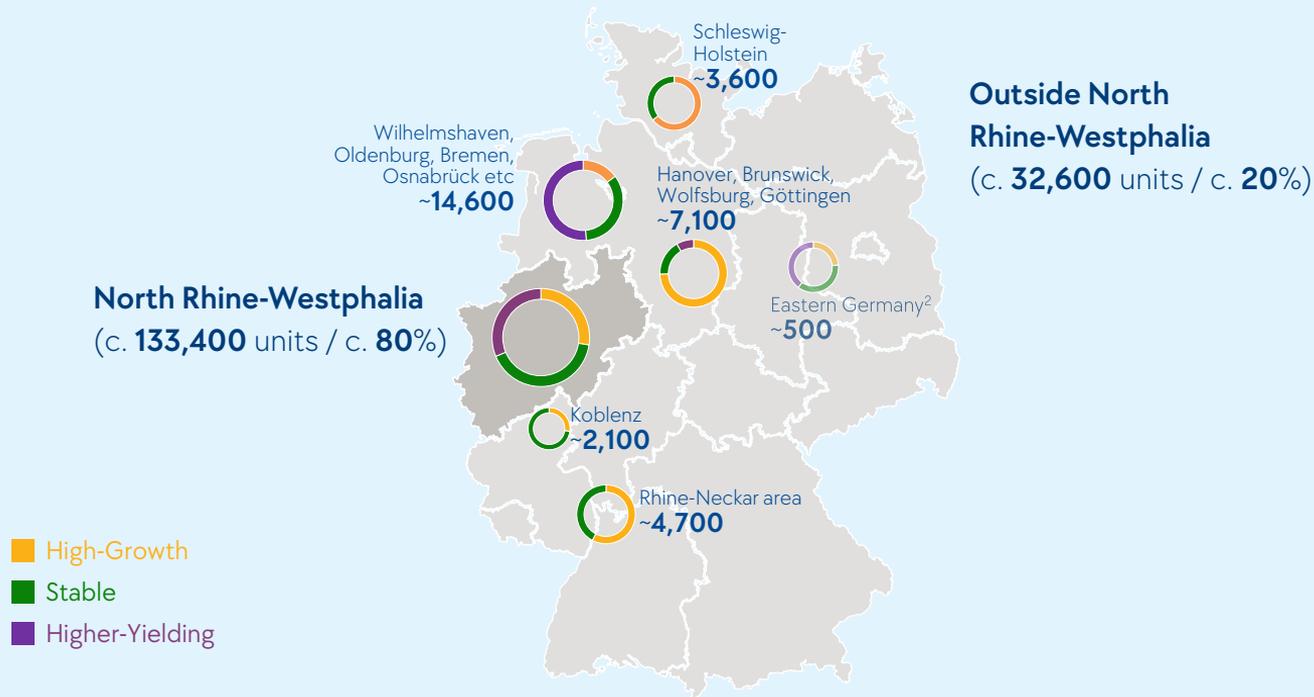
4

Portfolio **Overview**

LEG's portfolio comprises c. 166,000 units

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

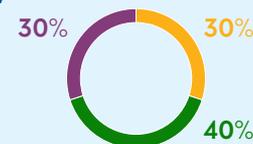
As at 31 March 2024



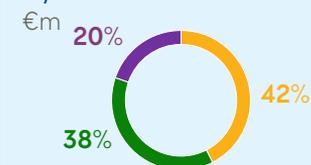
Total portfolio¹

(c. 166,000 units)

by units

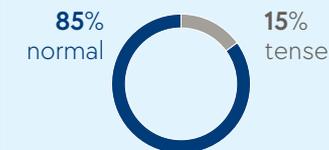


by GAV



by rent regulation

Normal vs. tense markets³



¹ Residential units. ² Non-core units. ³ Tense markets only allow for 15% rent increase within three year while normal markets allow for 20%.

Well-balanced portfolio

Q1-2024

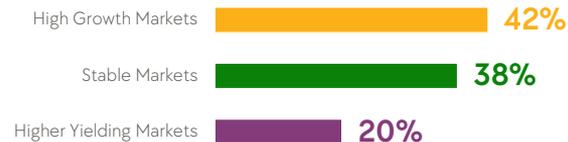


By Market

Units



Gross Asset Value

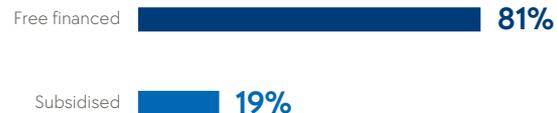


Rental Income



Restricted vs. unrestricted

Units



Gross Asset Value



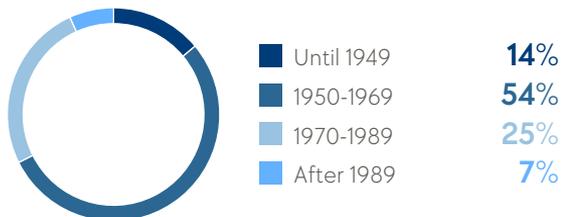
Rental Income



Portfolio structure

Q1-2024

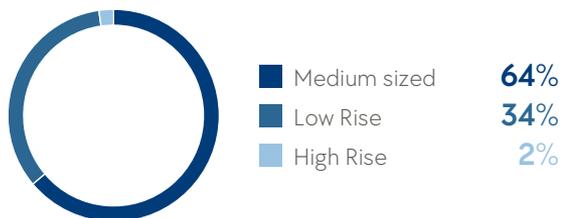
Construction Years



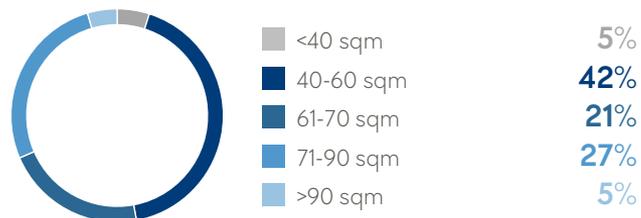
Free Financed / Rent Restricted Units



Building Types¹



Apartment Size



¹ Based on number of buildings. Buildings are measured by entrances.

Market clustering based on LEG's methodology



Key indicator



1. Rental level¹



2. Vacancy level²



3. Socio demographic ranking³



4. Future attractiveness⁴

 Weighting

Scoring based on local districts⁵

Relative comparison of rental levels

Relative comparison of vacancy levels

c. 30 indicators like demographics, labour market, wealth etc.

>20 indicators from demographics, economy, education, family friendliness

LEG Scoring

High-growth markets

Stable markets

Higher-yielding markets



Source: Company information
 Notes: 1 Empirica. 2 CBRE. 3 Prognos Institut. 4 Berlin Institut. 5 Based on c.400 local districts in Germany.

North-Rhine Westphalia (NRW)

Demographics and social aspects

- Key metropolitan area in Germany, and one of the largest areas in Europe (17.9m inhabitants in 2020, which corresponds to 22% of Germany's population¹⁾)
- Highest population density^{2/3} – key advantage for efficient property management
- Low home ownership of approx. 44%⁴ in NRW in 2018 (47%⁴ in Germany) provides for consistent demand. Germany has the second lowest home ownership ratio of all OECD-member countries
- High demand for affordable living product. Approx. 40% of households with income of less than €2,000⁴ per month in 2019



Economics

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

1 IIT.NRW (2020). 2 Federal Statistical Office; June 2021. 3 Except the federal city states Berlin, Bremen, Hamburg. 4 Statista.com (2018).

A woman with long brown hair is sitting in a yellow armchair, reading a book. She is in a cozy living room with large windows covered in light-colored curtains. A large, curved floor lamp with a textured shade is positioned above her. To the left, there is a white radiator and a small table. To the right, there is a potted plant and a wreath on the wall. The overall atmosphere is warm and inviting.

5 Management

Management Team



Lars von Lackum
CEO

13,500 shares in LEG¹

- Investor Relations & Strategy
- Legal / Internal Audit, HR & Committees
- Corporate Communications & Public Affairs
- Acquisition
- Project development
- IT
- Sustainability ESG

With LEG since 2019

¹ As at May 2024 based on directors' dealings notification



Dr. Kathrin Köhling
CFO

3,575 in LEG¹

- Risk management and Internal Control System
- Corporate finance & treasury
- Portfolio management
- Accounting and taxes
- Organisation, processes & data management

With LEG since 2019



Dr. Volker Wiegel
COO

5,281 shares in LEG¹

- Asset and property management; incl.
 - Commercial property management
 - District and neighbourhood management
 - Real estate management
 - Inventory modernisation
 - Central purchasing
 - Claims management
 - Rental management
 - Operating cost management
 - Central customer service
 - Construction project management
- Service companies

With LEG since 2013

Remuneration system effective since 2023

General setup and current STI and LTI targets



Supervisory board – 100% independent members

1/3 of female members since AGM 2022



Michael Zimmer

Chairman since 2013

Dr. Sylvia Eichelberg

Member since 2021

Dr. Claus Nolting

Member since 2016

Dr. Jochen Scharpe

Member since 2013 (until AGM 2024)

Dr. Katrin Suder

Member since 2022

Martin Wiesmann

Member since 2020

4,100 shares in LEG¹

3,000 shares in LEG¹

500 shares in LEG¹

1,400 shares in LEG¹

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

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

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

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

Independent consultant with focus on diversity. Previously State Secretary in the German Ministry of Defence and various roles at McKinsey (Partner, Head of the Berlin office and Director & Head of "Public sector").

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

¹ As at June 2023



6

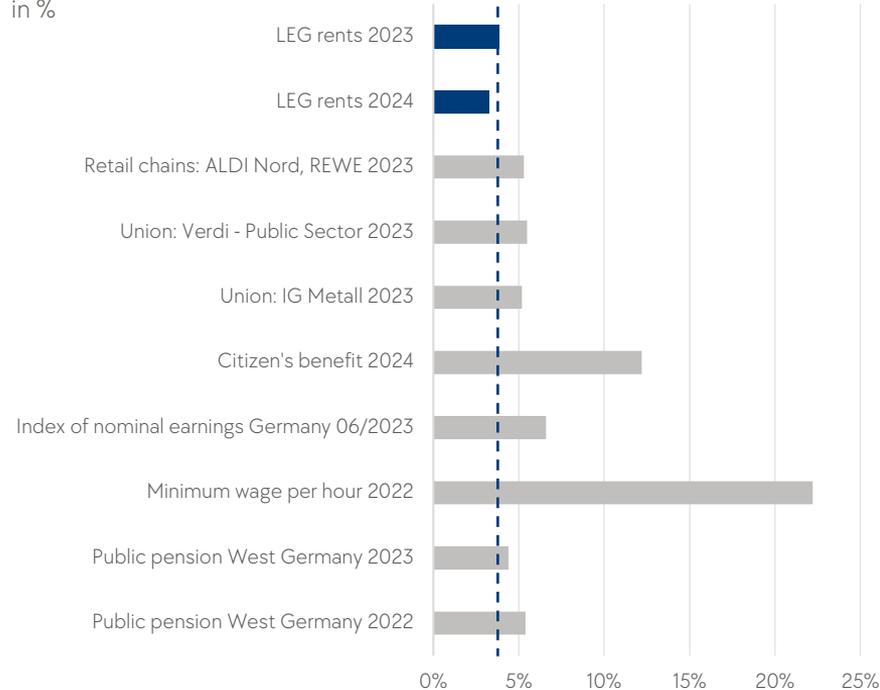
Regulation & Social Security in Germany

Affordability of living



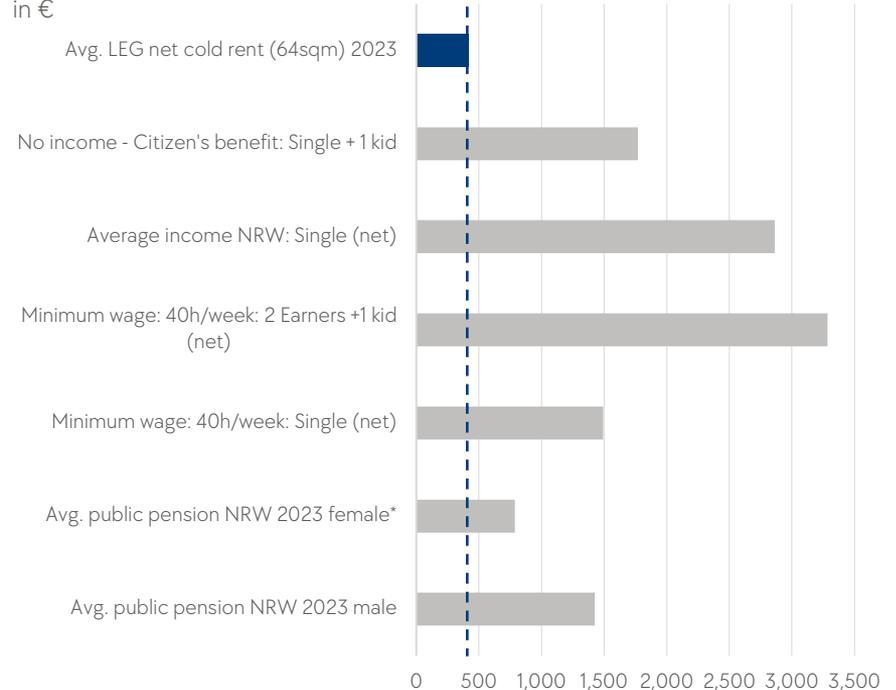
Increase of LEG rents vs. income growth

in %



LEG rents vs. income (illustrative examples)

in €



Source: LEG, ALDI Nord, Rewe; Verdi, IG Metall, destatis, Federal Ministry for Labor and Social Affairs, DGB regarding citizen benefit example (<https://www.dgb.de/themen/++co++ef171378-cbf-11ea-af64-001a4a160123>),

* eligible for citizen's benefit

Heat Planning Act (WPG) as basis for the individual building plan (GEG)

Heat Planning Act

(Wärmeplanungsgesetz WPG)

- Municipalities and cities have to provide their individual plans on how to transition their heat infrastructure into a climate neutral grid
- Major cities need to provide their plans until June **2026**, smaller communities until June **2028**
- Local utility companies, grid operator and manufacturing companies to provide data in respect to energy source and consumption
- **Basis for individual heat energy transition planning on private owner level, landlord level and public buildings**



Energy Act for Buildings

(Gebäudeenergiegesetz GEG)

- **Renewable energy obligation (REO):** New heating systems must cover at least **65%** of heat energy demand of the building with renewable energies
- Target is to achieve a national climate neutral heat supply by **2045**
- **New buildings:** REO as of **1 January 2024**, transition periods for new buildings outside new construction areas
- **Existing buildings:** transition periods for defect heating systems: **3 years** (general), **10 years** (connecting to a heating grid), **13 years** (centralisation of decentralised heating systems)
- **Permitted technologies:** Connection to the heating network, electric heat pumps, direct electricity heating such as air-to-air heat pumps, hybrid heating, heating based on solar thermal energy, "H2-Ready" gas heating or when using green gases, biomass heating (mandatory from **2029**)
- Duty for external consultation on heating system replacement from **2024**

Subsidies eligible for LEG

Final drafting of the BEG (Bundesförderung für effiziente Gebäude), i.e. state subsidies for efficient buildings

Single measures

Heating systems¹

30% general subsidies

5% efficiency bonus

Subsidies for multifamily houses are staggered and capped

€30,000 for the first unit

€15,000 each for the 2nd to 6th unit

€8,000 each for the 7th residential unit and above

Other energetic measures¹

15% general subsidies

5% individual refurbishment plan

Capped at **€30,000** per unit and calendar year

Systemic measures

Holistic refurbishment approach to reach a building efficiency standard, e.g. EH 70, EH 55

Tick the box exercise to get to subsidies, e.g.

EH 55 ² :	15%	<input checked="" type="checkbox"/>	} in combination cap at 20%
EH 40 ² :	20%	<input type="checkbox"/>	
EE-Standard ² :	5%	<input checked="" type="checkbox"/>	
WPB ² :	10%	<input checked="" type="checkbox"/>	
Serial refurbishment:	15%	<input checked="" type="checkbox"/>	
<hr/>			
Max. total subsidiary	45%		

1. Combination of heating measures and other energetic measures possible/ 2. EH: Energy House 55 (max 55% of energy consumption as a reference house); EE: Energy Efficiency Standard/ WPB = Worst Performing Buildings (25% of least energy efficient buildings in Germany)

Rent regulation in Germany

Only 15% of units located in tense markets

Free-financed units

81% of LEG's units (~134,500 units)

	Non-tense markets ~109,500 units	Tense markets ² ~25,000 units
Existing Contracts	Rent increase <ul style="list-style-type: none"> Max. 20% within 3 years Max. increase to local reference rent¹ 	Rent increase <ul style="list-style-type: none"> Max. 15% within 3 years (<i>Kappungsgrenze</i>) Max. increase to local reference rent¹
	+	+
	Modernisation levy <ul style="list-style-type: none"> Annual rent can be increased by 8% of modernisation costs Limit: €3 per sqm (rent/sqm/month > €7) or €2 per sqm (rent/sqm/month < €7) over 6 years 	
New contracts	No regulations	Rental brake (<i>Mietpreisbremse</i>) <ul style="list-style-type: none"> Increase of max. 10% on local reference rent¹

Rent restricted units

19% of LEG's units (~32,000 units)

Cost rent adjustment

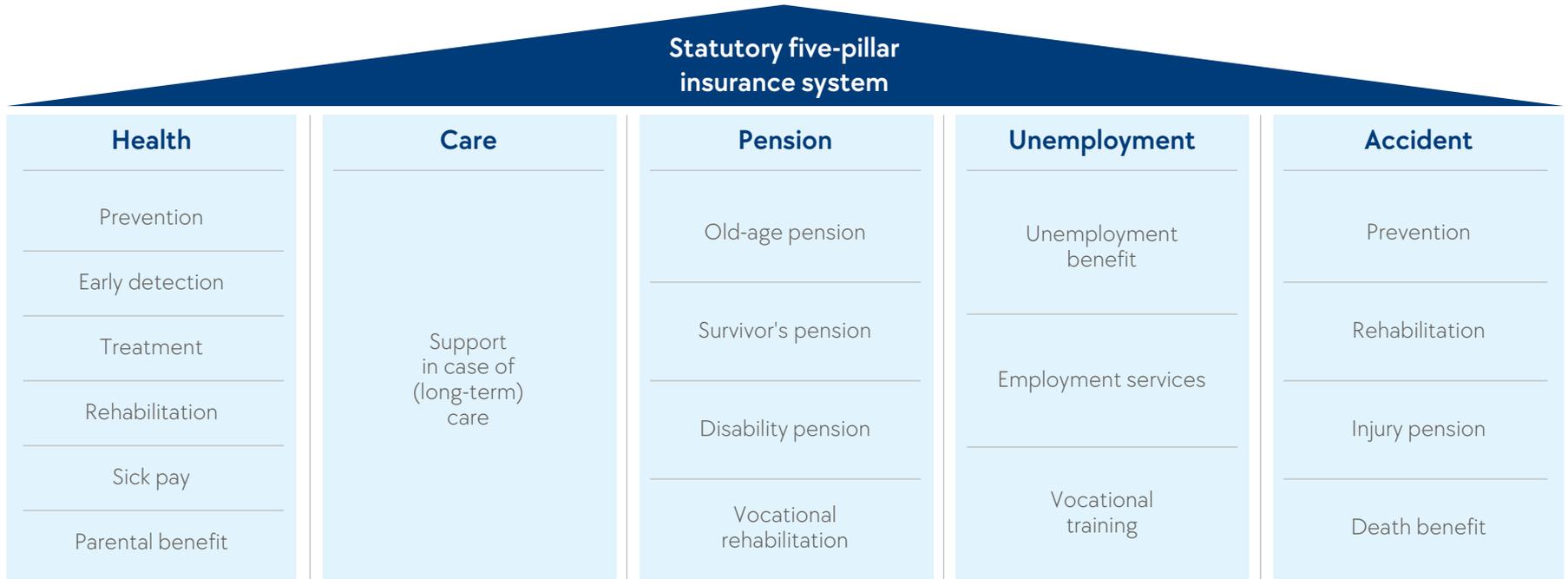
- Every third year (i.e. last was in 2023, next will be in 2026)
- After full repayment of the underlying subsidised loan, the residential unit gets out of rent restriction and regular code applies
- In the case of early repayment, rent restriction continues for another 10 years (tenant protection); then regular code applies

Advantages of early repayment

- Earlier transition of subsidised unit into free financed segment
- Immediate positive valuation effect (DCF model)

¹ Based on rent table (Mietspiegel). ² In NRW, 18 cities were identified as tense markets, especially Düsseldorf, Cologne and Greater Cologne area, Bonn, Münster. Outside NRW and relevant for LEG are cities such as Brunswick, Hanover, Laatzen, Oldenburg, Osnabrück and Mannheim.

A well-developed social security system ensures a fair standard of living in Germany



Principles of solidarity



7 Investor & Credit **Relations**

LEG additional creditor information

Sufficient bond covenants headroom



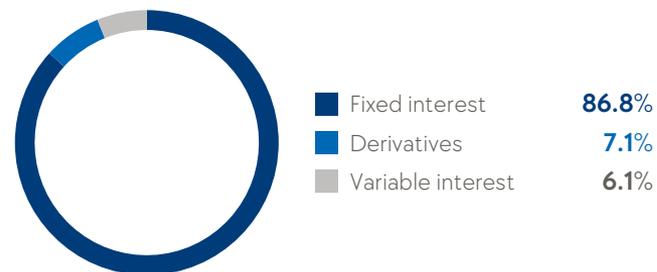
Unsecured financing covenants

Covenant	Threshold	Q1-2024
Consolidated Adjusted EBITDA / Net Cash Interest	≥1.8x	4.4x ¹
Unencumbered Assets / Unsecured Financial Indebtedness	≥125%	162.8%
Net Financial Indebtedness / Total Assets	≤60%	46.7%
Secured Financial Indebtedness / Total Assets	≤45%	18.8%

Ratings (Moody's)

Type	Rating	Outlook
Long Term Rating	Baa2	Stable
Short Term Rating	P-2	Stable

Financing mix



Key financial ratios

	Q1-2024	FY-2023
Net debt / adj. EBITDA ²	13.5x	13.5x
LTV	47.9%	48.4%
Secured Debt / Total Debt	40.2%	40.2%
Unencumbered Assets / Total Assets	39.9%	39.7%
Equity ratio	38.9%	38.8%

¹ Based on the adjusted EBITDA definition effective until business year 2022. Based on the adjusted EBITDA definition effective since business year 2023, i.e. excluding maintenance (externally-procured services) and own work capitalised, KPI is 5.0x.

² Average net debt last four quarters / adjusted EBITDA LTM.

Capital market financing

Corporate bonds



Maturity	Issue Size	Maturity Date	Coupon	Issue Price	ISIN	WKN
2019/2027	€500m	28 Nov 2027	0.875% p.a.	99.356%	DE000A254P51	A254P5
2019/2034	€300m	28 Nov 2034	1.625% p.a.	98.649%	DE000A254P69	A254P6
2021/2033	€600m	30 Mar 2033	0.875% p.a.	99.232%	DE000A3H3JU7	A3H3JU
2021/2031	€700m ¹	30 Jun 2031	0.750% p.a.	99.502%	DE000A3E5VK1	A3E5VK
2021/2032	€500m	19 Nov 2032	1.000% p.a.	98.642%	DE000A3MQMD2	A3MQMD
2022/2026	€500m	17 Jan 2026	0.375% p.a.	99.435%	DE000A3MQNN9	A3MQNN
2022/2029	€600m ²	17 Jan 2029	0.875% p.a.	99.045%	DE000A3MQNP4	A3MQNP
2022/2034	€500m	17 Jan 2034	1.500% p.a.	99.175%	DE000A3MQNQ2	A3MQNQ

Financial Covenants

Adj. EBITDA/ net cash interest $\geq 1.8x$
 Unencumbered assets/ unsecured financial debt $\geq 125\%$
 Net financial debt/ total assets $\leq 60\%$
 Secured financial debt/ total assets $\leq 45\%$

¹ Includes €100m bond tap as of 10 July 2023. ² Includes €100m bond tap as of 22 November 2023.

Capital market financing

Convertible bonds



	2017/2025	2020/2028
Issue Size	€400m	€550m
Term / Maturity Date	8 years/ 1 September 2025	8 years/ 30 June 2028
Coupon	0.875% p.a. (semi-annual payment: 1 March, 1 September)	0.400% p.a. (semi-annual payment: 15 January, 15 July)
# of shares	3,531,959	3,580,370
Initial Conversion Price	€118.4692	€155.2500
Adjusted Conversion Price ¹	€113.2516 (since 2 June 2022)	€153.6154 (since 7 June 2022)
Issuer Call	From 22 September 2022, if LEG share price >130% of the then applicable conversion price	From 5 August 2025, if LEG share price >130% of the then applicable conversion price
ISIN	DE000A2GSDH2	DE000A289T23
WKN	A2GSDH	A289T2

¹ Dividend-protection: The conversion price will not be adjusted until the dividend exceeds €2.63 (2017/2025 convertible) and €3.562 (2020/2028 convertible).

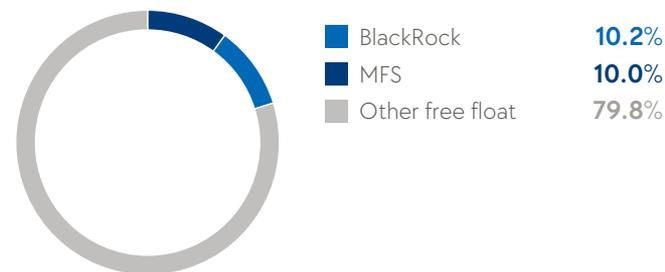
LEG share information



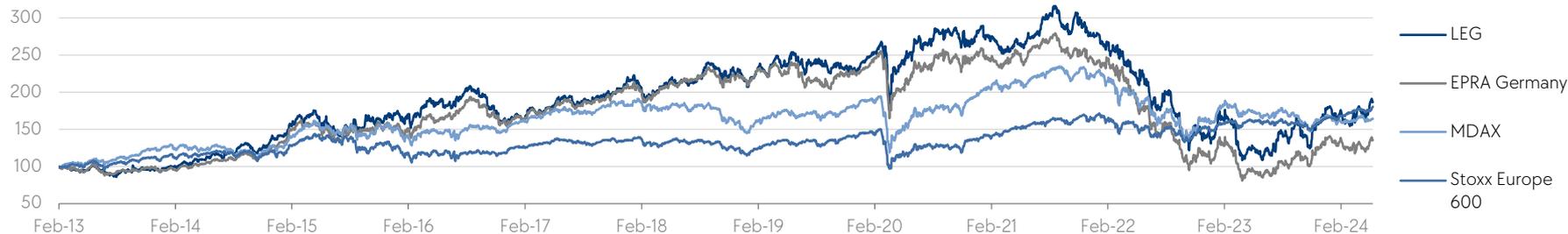
Basic data

Market segment	Prime Standard
Stock Exchange	Frankfurt
Total no. of shares	74,109,276
Ticker symbol	LEG
ISIN	DE000LEG1110
Indices	MDAX, FTSE EPRA/NAREIT, GPR 250, Stoxx Europe 600, DAX 50 ESG, i.a. MSCI Europe ex UK, MSCI World ex USA, MSCI World Custom ESG Climate Series

Shareholder structure¹

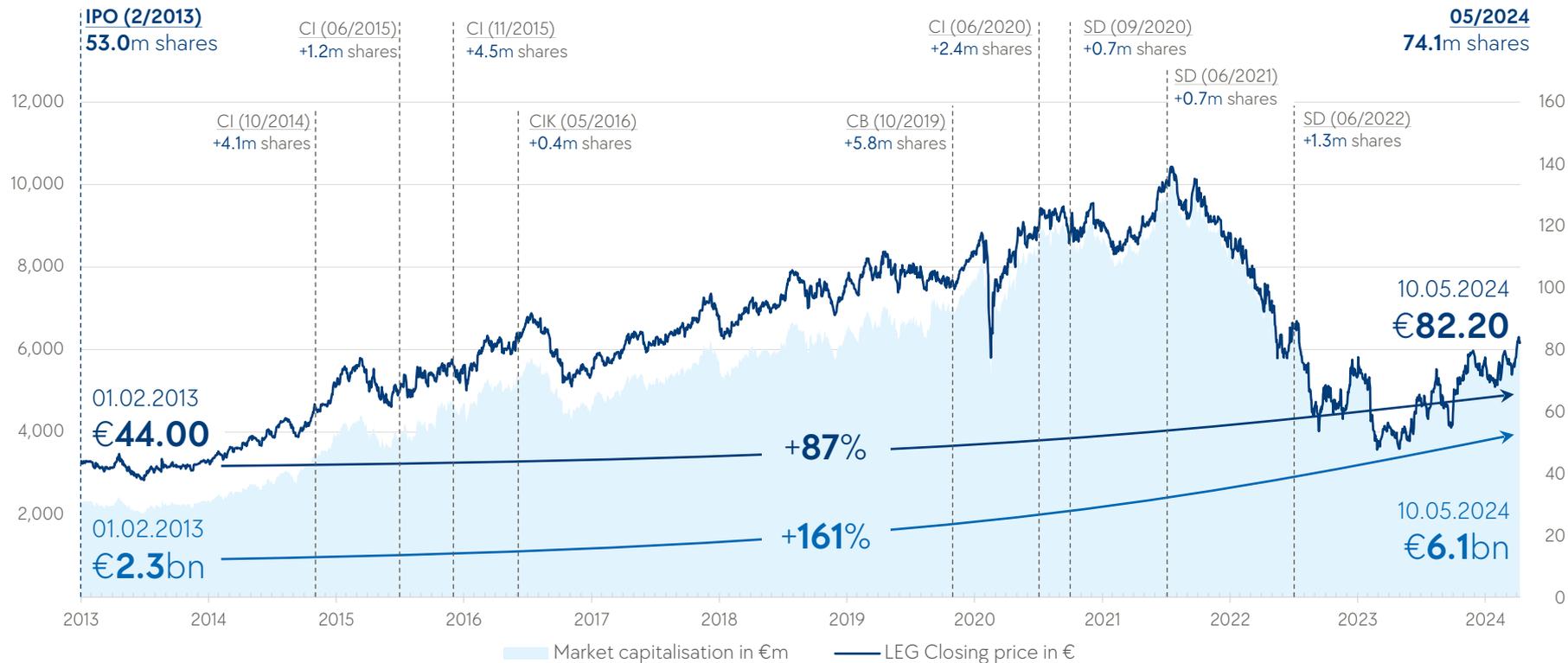


Share (10.05.2024; indexed; in %; 01.02.2013 = 100)



¹ Shareholdings according to latest voting rights notifications.

Share price and market capitalisation since IPO



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

Financial calendar



For our detailed financial calendar, please visit <https://ir.leg-se.com/en/investor-relations/financial-calendar>

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