April 2023

LEG Immobilien SE

Company Presentation

LEG

5 April 2023

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Company Presentation

Agenda

Page

1.1 Highlights **FY-2022**

Financial Summary
FY-2022

LEG

Operating results

		FY-2022	FY-2021	+/- %/bps
Net cold rent	€m	**799.1**	683.9	+16.8%
NOI (recurring)	€m	**621.0**	540.0	+15.0%
EBITDA (adjusted)	€m	**598.7**	512.2	+16.9%
FFO I	€m	**482.0**	423.1	+13.9%
FFO I per share	€	**6.56**	5.84	+12.3%
AFFO	€m	**108.8**	92.2	+18.0%
EBITDA margin (adjusted)	%	**74.9**	74.9	±0bps
FFO I margin	%	**60.3**	61.9	–160bps
Dividend per share	€	**0.00**[6]	4.07	–

Portfolio

		31.12.2022	31.12.2021	+/- %/bps
Residential units	number	**167,040**	166,189	+0.5%
In-place rent (l-f-l)	€/m²	**6.32**	6.13	+3.1%
Capex (adj.)[1]	€/m²	**30.56**	31.21	–2.1%
Maintenance (adj.)[1]	€/m²	**10.05**	11.29	–11.0%
EPRA vacancy rate (l-f-l)	%	**2.4**	2.6	–20bps

Balance sheet

		31.12.2022	31.12.2021[4]	+/- %/bps
Investment properties	€m	**20,204.4**	19,178.4	+5.3%
Cash and cash equivalents[2]	€m	**362.2**	675.6	–46.4%
Equity	€m	**9,083.9**	8,952.9	+1.5%
Total financing liabilities	€m	**9,460.8**	8,884.3	+6.5%
Current financing liabilities	€m	**252.4**	1,518.1	–83.4%
Net debt[3]	€m	**9,036.6**	8,112.1	+11.4%
LTV	%	**43.9**	41.9	+200bps
Average debt maturity	years	**6.5**	7.5	–1.0
Average debt interest cost	%	**1.26**	1.16[5]	+10bps
Equity ratio	%	**42.5**	43.5	–100bps
EPRA NTA, diluted	€m	**11,377.2**	11,261.5	+1.0%
EPRA NTA per share, diluted	€	**153.52**	147.58	+4.0%

Employees

		31.12.2022	31.12.2021	+/- %/bps
Employees (FTE)	number	**1,774**	1,515	+17.1%

1 Excl. new construction activities on own land, own work capitalised and margin of LWSPlus; pls see Appendix. 2 Excluding short term deposits. 3 Excl. lease liabilities according to IFRS 16 and incl. short term deposits.
4 Previous year figures adjusted after finalisation of purchase price allocation (for details see slide 47). 5 Adjusted for bridge acquisition financing in January 2022. 6 Proposal to AGM 2023

FY results confirm successful strategy in a difficult environment

Retaining cash to increase resilience

Financials

- FFO I **+13.9%** to **€482.0m**
- FFO I p.s. **+12.3%** to **€6.56**
- AFFO **+18.0%** to **€108.8m**
- Adj. EBITDA-Margin **74.9%**
- LTV **43.9%**
  - Debt @ **6.5y** for **1.26%**
- NTA p.s. **€153.52**

Operations

- Net cold rent **+16.8%**
- l-f-l rental growth **+3.1%**
- l-f-l vacancy **2.4%** (–20bps)

ESG

- **Best-in class ratings** via upgrades from MSCI, SUSTAINALYTICS and ISS ESG. Strong initial rating from CDP
- Significant reduction in CO_2 footprint by **–12%** to **28.3**kg CO_2e/sqm
- **Next level ESG:** After successful ramp up of RENOWATE, next two major initiatives launched to faster and cheaper decarbonize the sector

FY-2022

Strengthening our balance sheet due to focus on cash

Suspension of dividend for FY22[1] – €**337**m cash to be retained[2]

Majority of 2023 maturities already addressed

Clear path until 2026 – low dependency from bond market

Transaction markets remain calm

H2/22 valuation decline –4%, FY22 +2%

Strong cash generation despite significant investments

AFFO guidance raised to €125m – €140m for 2023

1 Proposal to AGM. 2 in comparison to 70% payout ratio of FFO I, no scrip dividend assumed.

Positioning as green solution provider on the back of a resilient set-up and strong operations

GREEN SOLUTION PROVIDER

Innovative growth

Renowate (SCALING UP)
Serial refurbishment

Air-2-air heat pump role-out (NEW)
Strategic partnership with Mitsubishi Electric

Seero.pro (NEW)
New industrial JV for smart thermostat solution

Strong operations

Pure play
- **Low** complexity
- **1** asset class
- **80%** NRW/ **0%** Berlin

Attractive rent momentum
- 2022: **3.1%**
- 2023: **3.3 – 3.7%**

Low vacancy
- **2.4%** (l-f-l)
- **1.9%** (ex Adler Portfolio)

Resilient set-up

Retain dividend FY22
- c.**1.6%**-pts LTV-effect[1]

Clear self-financing path until 2026
- **No** dependency on additional financing

Small development volume left
- 2023e-25e: c.€**260**m (c.**1.3%** of GAV)

1 70% payout of 2022 FFO I, assuming 100% cash dividend, based on YE22 LTV.

LEG positions itself as first mover solutions provider

Digitisation and smart technology to push change

Serial refurbishment

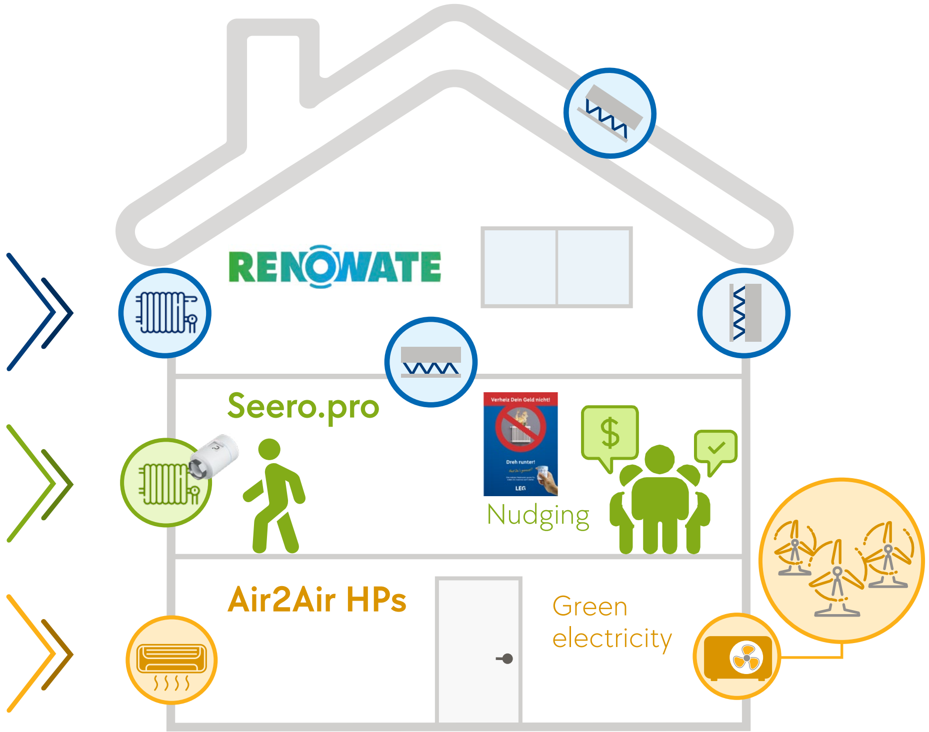
- Insulation of the building shell, incl. windows and doors
- At least **30%** efficiency improvement
- Additional **15%** subsidies from BEG

Smart technology/ Tenant engagement

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

Energy transition

- Widespread adoption of Air2Air heat pumps
- Increasing energy efficiency standard, e.g., from **G** to **C**
- Saving up to €**500**m for carbon reduction until 2030[1]



1 Against original ESG 2024 agenda with assumed investments of c. €1.5bn until 2030. See slide 35.

RENOWATE | Expanding the value chain and positioning as solution provider

RENOWATE

Background

- Renowate to provide comprehensive, serial, energetic refurbishment solutions
- 'One stop shop': measuring, planning, production and installation provided internally
- Refurbishment of 47 units (KfW 55) in Mönchen-gladbach mainly completed in 2022

Significance for LEG portfolio

Tapping BEG subsidies of

15%

for serial refurbishment

Potential of

>88%[1]

Greenhouse gas savings per building

LEG

Leading real estate company

RHOMBERG

Innovation-driven construction company

RENOWATE

total solution provider

Outlook

- Refurbishment of >200 units in 2023
- Product development with the aim of reducing renovation costs per sqm and increasing construction speed
- Implementation of Renowate IT portal solution as a basis for core product "one piece of CO_2 reduction"

1 Results of the first two properties in Mönchengladbach.

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

Seero.pro

Background

- Regulatory requirement for hydraulic balancing
- Optimisation of thermostats substantial lever for energy and CO_2 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

Avoidance of **€30m** regulatory compliance cost

Potential of **30%** Carbon footprint reduction

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 commer-cialisation due to joint venture set-up and partner capabilities

Air2Air HPs | Accelerating LEG's energy transformation via large-scale roll-out of highly efficient air-to-air heat pumps

Air2Air HPs

Background

- Strategic partnership with Mitsubishi Electric to ensure best in class device availability MITSUBISHI ELECTRIC
- Decarbonisation of heating technology critical for regulatory compliance
- Air-to-air heat pump is promising technology for decarbonising buildings
- Technology especially well-suited for decentral infra-structure and buildings with low efficiency

Significance for LEG portfolio

Potential of

€500m

Cost reduction vs. 2024 ESG Agenda projections until 2030

CO_2 emission reduction

2.8 t

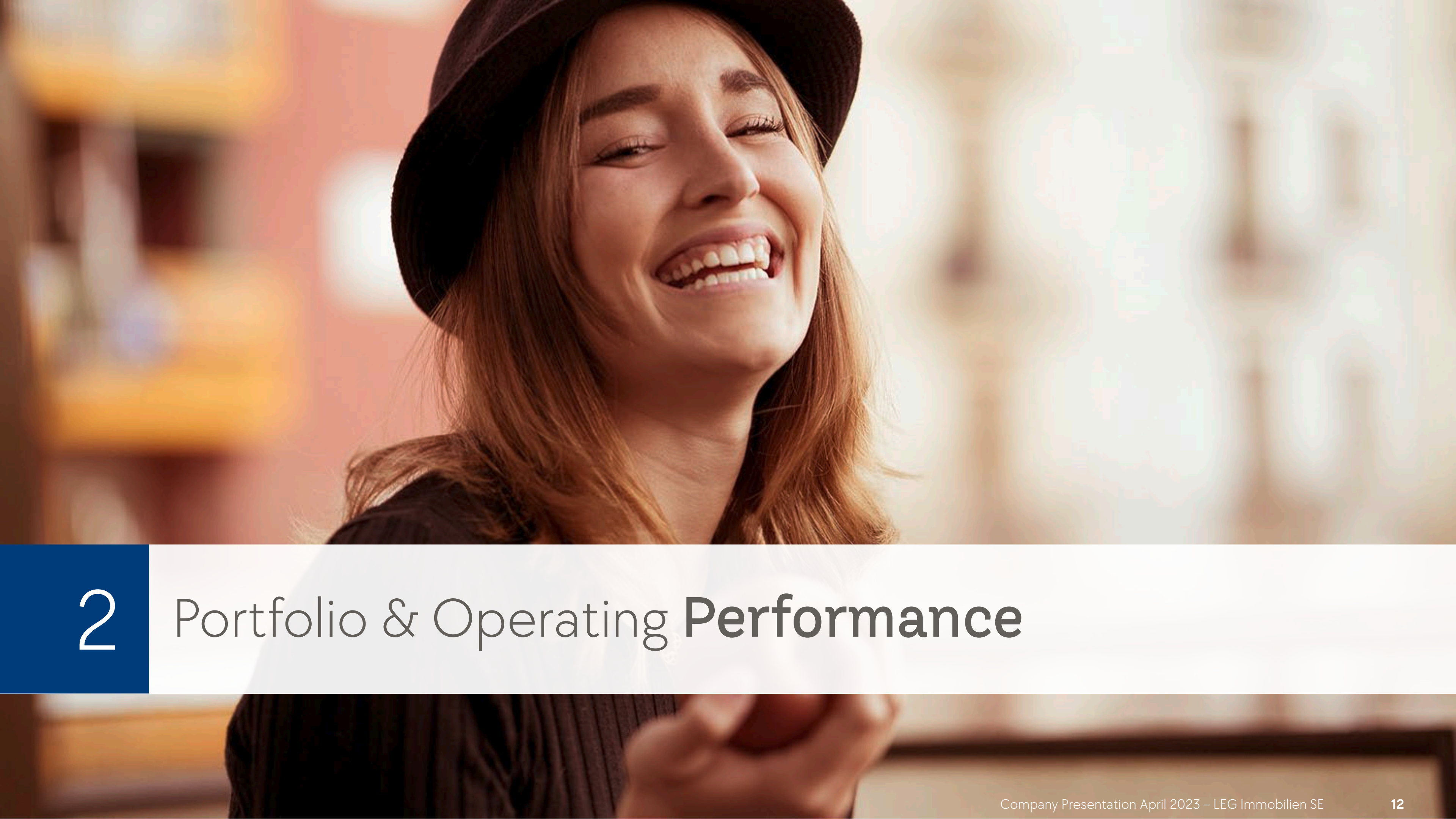
per apartment per year[1]

Impact on energy efficiency class of buildings

Outlook

- Large-scale roll-out of economical air-to-air heat pumps within LEG portfolio starting H2 2023
- Optimisation and standardisation of roll-out process for further Capex reduction potential
- Ramp-up of own installation capacity to secure value generation within LEG
- Evaluation of partnering options to scale up craftsmen resources and build new value-add business

1 CO_2 Reduction based on fully decarbonized electricity mix; calculation based on average apartment with 62 sqm and energy efficiency class G.

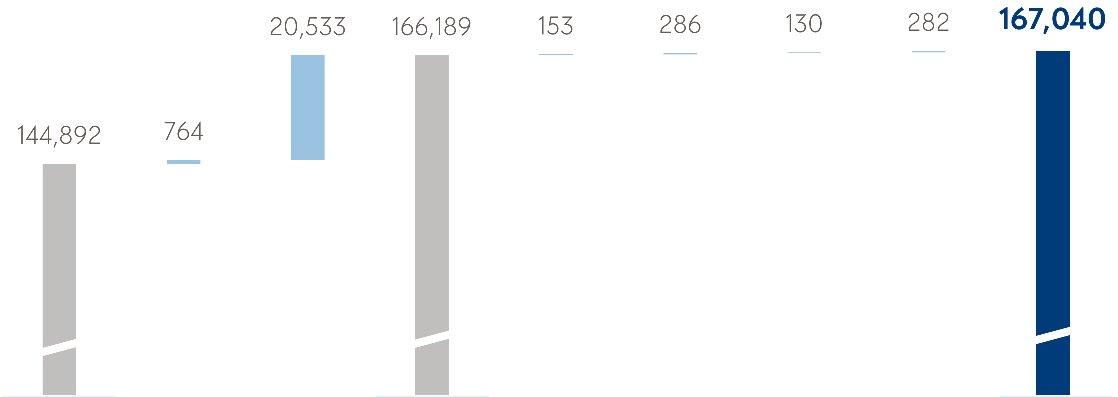


2 Portfolio & Operating **Performance**

Portfolio transactions

Broadly stable as a quiet transaction market only allows for small ticket disposals

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



	30.06.2021	Q3 2021	Q4 2021	31.12.2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	31.12.2022
Additions	**617**	**782**	**20,567**	**21,966**	**407**	**390**	**177**	**438**	**1,412**
Divestments	255	18	34	307	254	104	47	156	**561**
Change	**362**	**764**	**20,533**	**21,659**	**153**	**286**	**130**	**282**	**851**

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.

Additions

- In FY-2022, c. 870 units acquired (13 deals) and. c. 540 new built flats
- In Q4 transfer of ownership of units in Bremen, Wolfsburg (still from Adler portfolio) and NRW
- Q4 includes finalization of c. **300** new built flats (mainly Bremen and Düsseldorf)

Disposals

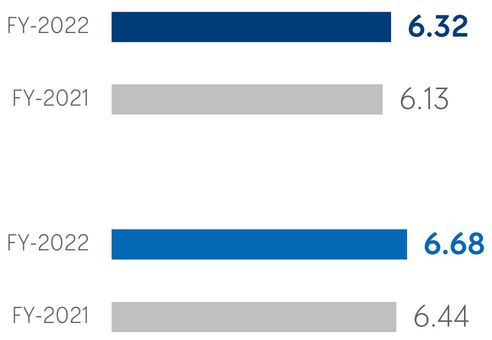
- At book value
- Small ticket sizes: Average ticket size 50–60 units in 2022
- 112 units via privatization

Strong organic growth while rents remain affordable

Rent tables continue to fuel rent increases

l-f-l rent development

€/m²/month



Residential rent

+3.1%

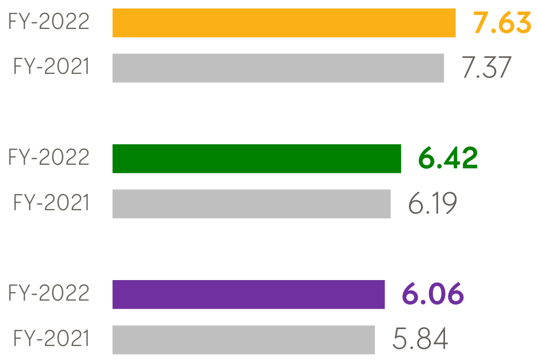
Rent table	+1.8%
Modernisation/ Re-letting	+1.3%

Free financed rent

+3.7%

l-f-l free financed rent development

€/m²/month



High-growth +3.6%

Stable +3.8%

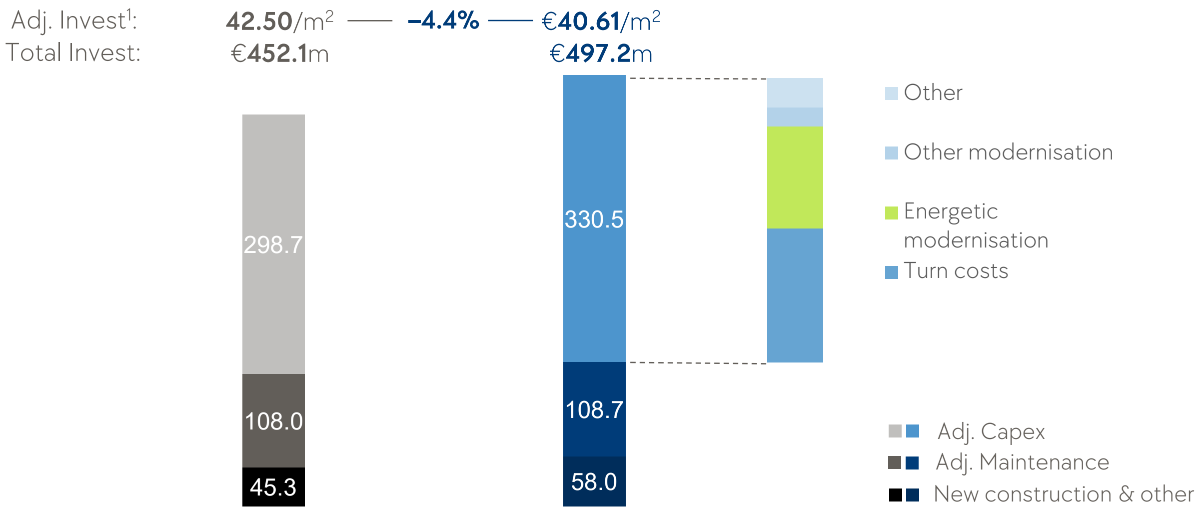
Higher-yielding +3.8%

- Free financed rent increase of **3.7%**
- C. 2,900 units got off restriction in 2022 – offering growth potential ahead
- Cost rent adjustment for the subsidised units contribute **0.9%**-pts to the 2023 rent growth[1]

1 See slide 37 in Appendix.

Capex and Maintenance

Slow down of spending in a rising cost and interest rate environment



per m²	FY-2021	FY-2022	%
Adj. Capex	€31.21	€30.56	–2.1%
Adj. Maintenance	€11.29	€10.05	–11.0%
Total	**€42.50**	**€40.61**	**–4.4%**

- **Investments per sqm declined by c.4.4%** vs. FY-2021 to **€40.61**/sqm. C.14% below original guidance of €46-48/sqm, c.3% below adjusted guidance of €42/sqm.
- Quick adjustment of entire organisation to lower spending budgets due to
  - Reduction of projects
  - Swift renegotiation of prices with suppliers
- Still target of **4,000** tons CO_2 reduction reached
- Ongoing high investment into energetic modernisation of c. **€120**m
- Increase of total **investments** by **9.4**% y-o-y driven by portfolio growth. C.21.000 units transferred as of 31st December 2021
- Increase in **new construction and others** (not part of LEG's investment/sqm guidance) driven by milestone payments of new construction activities – small in group context and limited exposure going forward

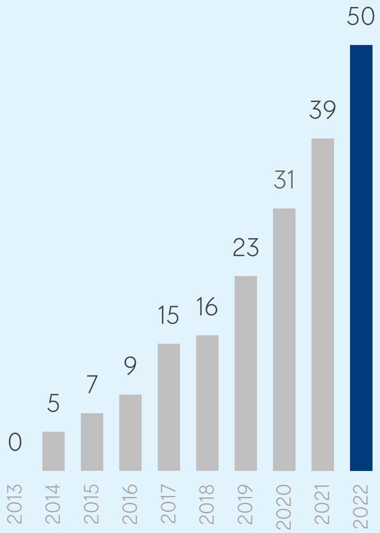
1 Excl. new construction activities on own land, backlog measures, own work capitalised and LWS Plus margin. For further details see appendix.

Value-added services

Continuation of growth story

Strong FFO contribution – Services

€m



Main service entities

LEG WohnService	LEG EnergieService	LEG TechnikService	LEG LWS Plus
Partner	Partner	Partner	Partner
vodafone	~100 partners from energy and technical service providers	B&O	~130 partners from craft companies and technical service providers
100% entity	100% entity	Joint venture (51%)	100% entity
Multimedia: TV, internet and telephone	Electricity, heating, gas, metering	Small repair work, craftsmen services	General contractor services
Launch January 2014	Launch March 2015	Launch January 2017	Acquisition October 2020

Key driver 2022

- Benefitting from the roll-out of services to a growing portfolio (FFO I: **+28%**)
- Strong contribution from **TSP** and **ESP**

Roll-out of new services

- Successful proof of concept of recently established proptech youtilly (management of gardening and cleaning services) in LEG's portfolio
- New LEG FacilityManagement with focus on gardening and cleaning services

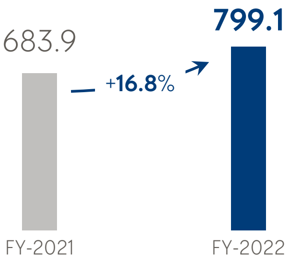
3 Financial **Performance**

Financial highlights FY-2022

Targets achieved

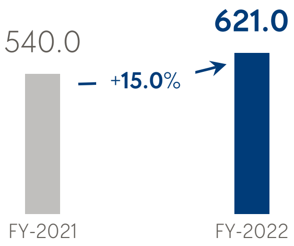
Net cold rent

€m



Net operating income (recurring)

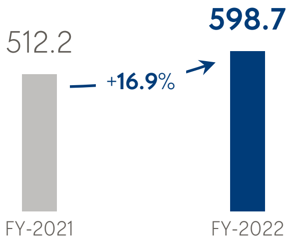
€m



Margin
77.7%
(79.0%)

EBITDA (adjusted)

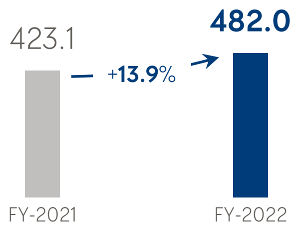
€m



Margin
74.9%
(74.9%)

FFO I

€m



Margin
60.3%
(61.9%)

Margin target reached

- Strong increase in net cold rent (+€**115.2**m) through acquisitions (+€**95.1**m) but also organic growth (+€**20.1**m)
- Negative effect from a mix of higher rent receivables, operating costs and staff costs on NOI-margin
- Strong contributions from services
- Target for FY-2022 EBITDA (adjusted) of **75**% reached

FFO I p.s.

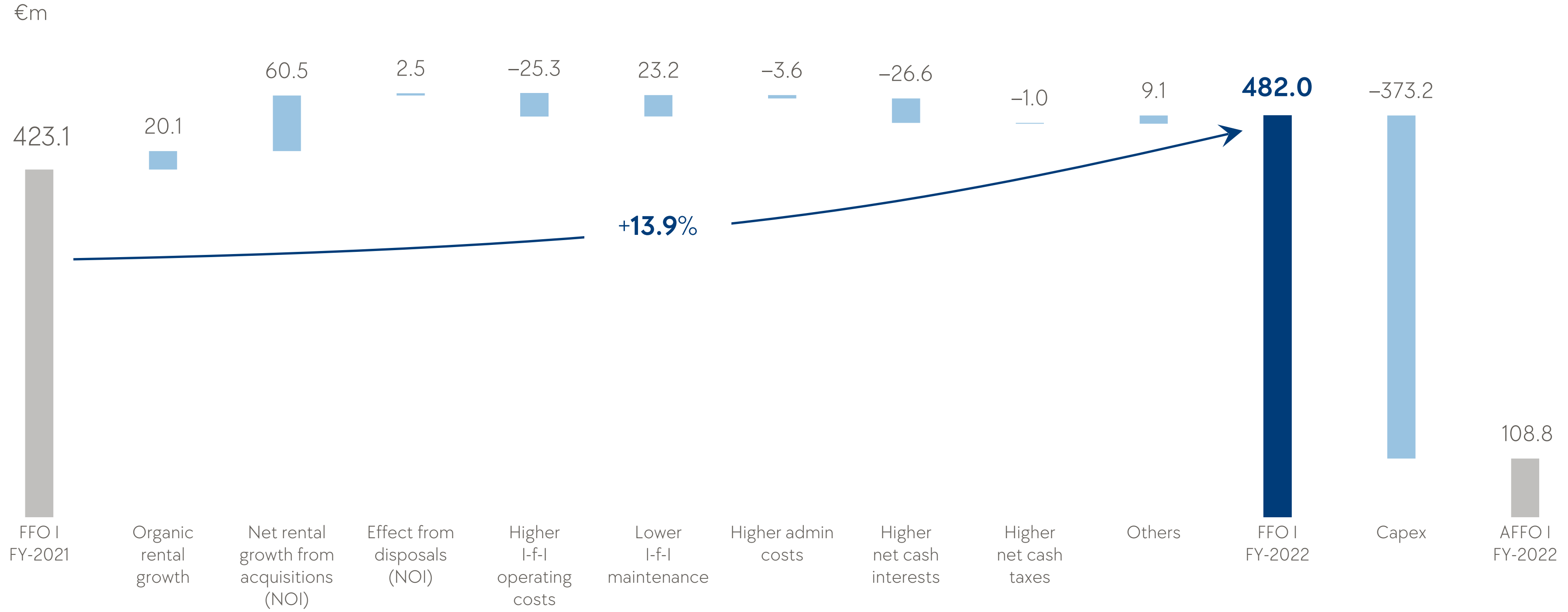
- **FY-2022: €6.56 (+12.3%)**

AFFO p.s.

- **FY-2022: €1.48 (+16.5%)**

FFO I Bridge FY-2022

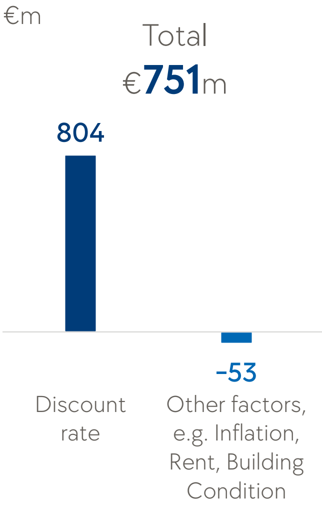
Strong contribution from acquisitions and rent growth



Portfolio valuation FY-2022 – Breakdown of revaluation gains

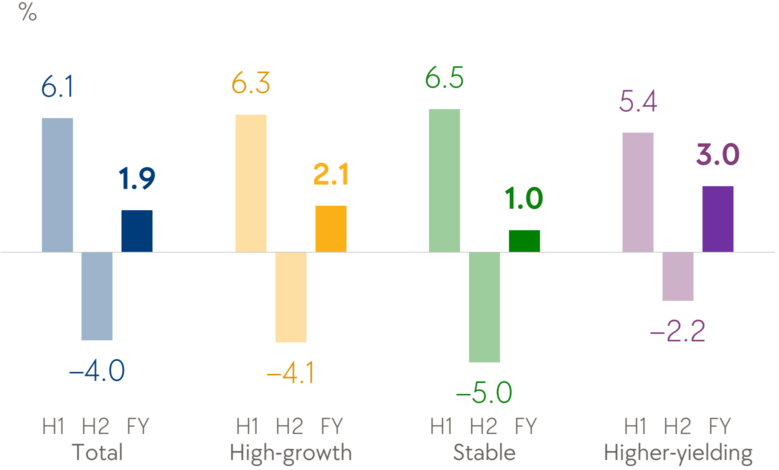
4% valuation decline in H2 22, still up y-o-y by 2%

Value drivers



Allocation of capital growth

Valuation uplift by markets l-f-l[1]



- Valuation adjustment of –4.0% in H2, on FY basis still positive with +1.9%, including capex +3.8%
- Average object-specific discount rate at YE22 flat over H1 22 with 3.7% based on low transaction evidence – negative effects from inflation based cost loading assumptions
- Potential valuation effects will only come through gradually over time based on methodology – high uncertainty due to very low transaction activity

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

Portfolio valuation FY-2022

Market segment	Residential Units	GAV Residential Assets (€m)	GAV/ m² (€)	Gross yield	In-Place Rent Multiple	GAV Commercial/ Other (€m)	Total GAV (€m)
High-Growth Markets	49,733	8,203	2,508	3.4%	29.6x	337	8,540
Stable Markets	66,840	7,000	1,639	4.4%	22.6x	219	7,218
Higher-Yielding Markets	50,467	3,740	1,227	5.5%	18.1x	97	3,837
Total Portfolio	**167,040**	**18,943**	**1,789**	**4.2%**	**23.9x**	**653**	**19,595**[1]

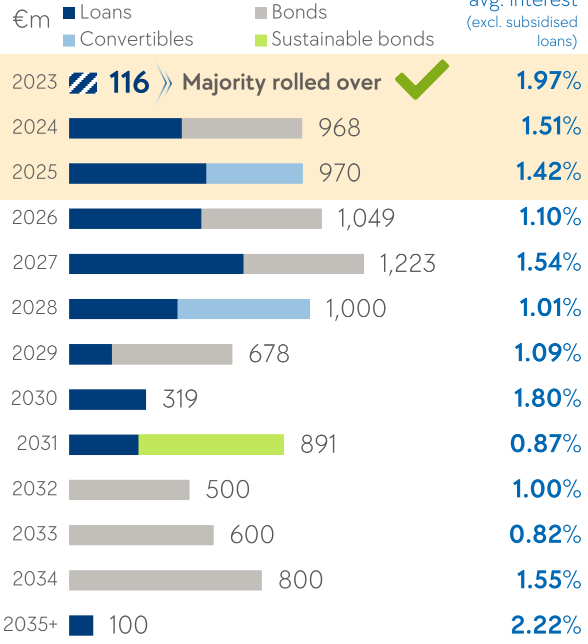
1 GAV of IAS 40 portfolio (including leasehold, land value and assets under construction) was €20,204m.

Well balanced financial profile

No significant maturities in 2023

Maturity profile

€m



Average debt maturity

years

Average interest costs

%

Loan-to-value[1,2]

%

Highlights

- Increased RCF to €**600**m in mid October (previously: €400m)/ CP-programme of €**600**m
- Average debt maturity of **6.5** years
- **Majority of 2023 maturities already rolled over**
- Average interest costs **increase by 10 bps** vs. FY-2021 (restated for M&A bridge financing in January 2022)
- Interest **hedging rate** of **93.7**%
- **Clear refinancing path until 2026**
- **LTV** slightly above medium-term target level of **43**%, no immediate effect on ability to refinance
- **Net debt/EBITDA** of **14.9** as at end of December

1 Since Q1-2022 calculation adapted to market standard: inclusion of short-term deposits and participation in other residential companies. FY-2021 restated accordingly. (adj.) = after refinancing of bridge loan from end of 2021 via 1.5bn bond issue in January 2022.
2 Previous year figures adjusted after finalisation of purchase price allocation (for details see slide 47).

A clear financing path until 2026 – even without disposals

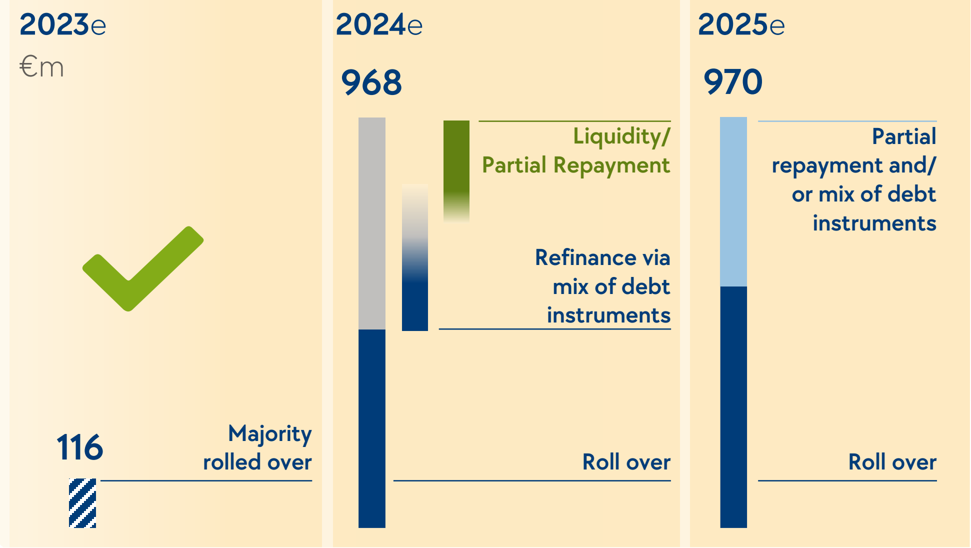
Only €500m of maturing straight bond volume until 2026 – to be partially repaid and replaced

Total refinancing volume until 2025

56% of financing volumes until 2026 are loans

Upcoming maturities by instrument and refinancing strategy

22% of total debt to mature until 2026



- LEG's diversified financing structure pays off and offers optionality going forward
- Maturing loans to be rolled forward
- No reliance on disposal proceeds – further potential to delever
- **2023** majority rolled over already **2024** maturing bond (€500m) to be addressed via a mix of liquidity and secured debt/ other debt instruments
- **2025** convertible bond to be potentially partly repaid and partly refinanced with mix of alternative instruments

4 Outlook

Overall strong performance in 2022

LEG

		Guidance 2022		Actual 2022	
FFO I		**€475**m – **485**m		**€482**m	✓
l-f-l rent growth		c. **3.0**%		**3.1**%	✓
EBITDA margin		c. **75**%		**74.9**%	✓
Investments		c **42€/sqm**		**41€/sqm**	✓
LTV		Medium-term target level max. **43**%		**43.9**%	—
Dividend		**70**% of FFO I – subject to further market development		Suspension of dividend for FY22	—
Acquisitions		Stopped as of October 1, 2022		Stopped as of October 1, 2022	—
Disposals		Not reflected in guidance: up to **5,000** units		**561** units FY22/ **156** units Q4 22	—
Environment	2022–2025 2022	Reduction of CO_2 emissions by **10%** based on CO_2e kg/sqm **4,000** tons CO_2 reduction from modernisation projects	2022	**4,028** tons CO_2	✓
Social	2022–2025 2022	Improve Customer Satisfaction Index (CSI) to **70**% Maintain high employee satisfaction level (**66**% Trust Index)	2022	**73**% Trust Index	✓
Governance	2022	Maintain Sustainalytics rating within the negligible risk range (**<10**)	2022	**6.7**	✓

Guidance 2023: Focus on AFFO

	Old guidance 2023[1]	NEW guidance 2023[1]
AFFO[2]	**€110**m – **125**m	**€125**m – **140**m
Adj. EBITDA margin[3]	**c.78**%	**c.78**%
l-f-l rent growth	**3.3**% – **3.7**%	**3.3**% – **3.7**%
Investments	c. **35**€/sqm	c. **35**€/sqm
LTV	Medium-term target level max. **43**%	Medium-term target level max. **43**%
Dividend	100% AFFO as well as a part of the net proceeds from disposals – subject to further market development	100% AFFO as well as a part of the net proceeds from disposals
Disposals	Not reflected[1]	Not reflected[1]

Environment	2023–2026	Reduction of persistent relative CO_2 emission saving costs in €/ton by **10%** achieved by permanent structural adjustments to LEG residential buildings
	2023	**4,000** tons CO_2 reduction from modernisation projects and customer behavior change
Social	2023–2026	Improve high employee satisfaction level to **70**% Trust Index
	2023	Timely resolution of tenant inquiries regarding outstanding receivables
Governance	2023	**85**% of Nord FM, TSP, biomass plant, **99**% of all other staff holding LEG group companies have completed digital compliance training

1 Guidance based on 167 k units. 2 Adjusted for capex financed in full by subsidised, long-term loans accounted for at fair value or at cost; currently no such projects are planned; if those projects are contracted, these will be reported separately.
3 Adjusted for maintenance (externally-procured services), internally procured and capitalized services and non-recurring special effects.

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

PURE LEG PLAY

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. **€3.7bn**[1], 100% tradeable shares

02 Solid balance sheet

Loan to value **43.9%,**

∅ financing cost **1.26%,** ∅ maturity **6.5** years

Beta **0.82**
(5y vs. EuroStoxx 600)

GAV/m² **1,789€**

03 Social Responsibility

500,000 tenants/ **167,000** apartments

Average rent per unit c. **€400** per month/**€6.33** per sqm

c. **20%** 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 €50.16 on 04.04.2023

LEG's strategy is based on strong building blocks

LEG

PURE LEG PLAY

Optimising the core business

Tapping rental growth potential

Improving customer satisfaction

Digitizing processes and enhancing efficiency

Expanding the value chain

Increasing and extension of value-add services

Positioning as solution provider (to third parties)

Capturing of growth opportunities

Consolidating the platform

Focusing on affordable housing in Western Germany

Avoiding complexity: one asset class, no international business

Shifting to net seller - but flexible to "switch back on"

Sound financials

Company geared towards cash-neutrality

Solid financing structure

ESG framework

Defensive profile with ability to re-adjust quickly

LEG – the sustainabl(e)ity leader

Leader in affordable housing, the sweet spot of demand

- Large and increasing demand/supply gap
- c.20% subsidised units and hight share of income directly or indirectly paid by German state

- Resilient and growing top-line: 3.3% - 3.7% rent growth expected for 2023
- Low vacancy rate

Conservative balance sheet

- No significant refinancing until 2024, clear path until 2026
- Well balanced maturity and instrument profile with low avg. interest & long avg. maturity

- 1.26% avg. interest rate at more than 6 years avg. maturity
- 9% debt due next 24 months

Cash neutral business

- Opex, Capex, interest and dividend financed from ongoing operations
- Sales proceeds to be used to delever and offer upside on pay-out

- 35€/sqm of investments in 2023e
- Net seller: c.5k units (3% of total)
- New development: small exposure and in run-off (2023-26e: <€300m)

Low complexity and high agility

- Speed boat rather than tanker
- One asset class, no international business
- Ability to act quickly and change course as needed – preserving optionality of platform

- 100% Pure Play
- First mover to adapt to new environment

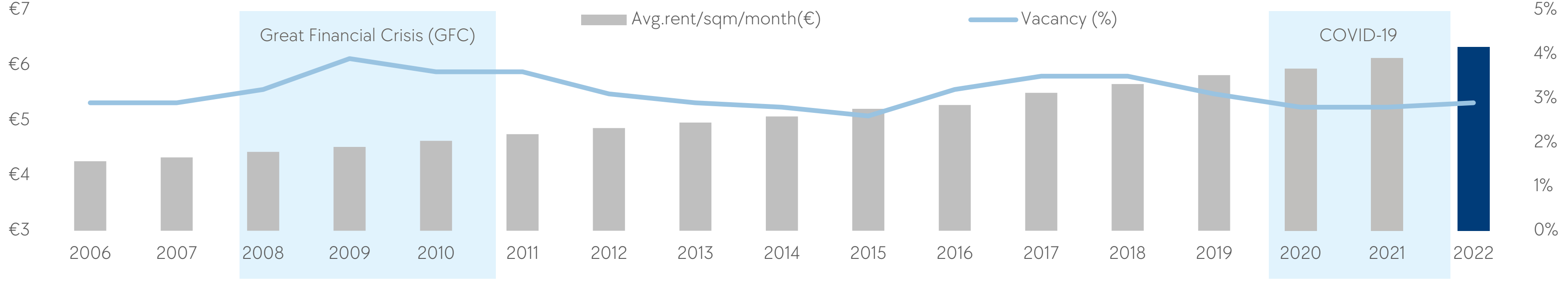
Sustainability leader and innovator

- Leading innovator in the sustainability building space
- Uniquely positioning as service provider for the sector, e.g. Renowate (serial refurbishment)

- Best in class ESG ratings
- MSCI: AAA, Sustainalytics 6.7
- CDP: B

Resilient business model

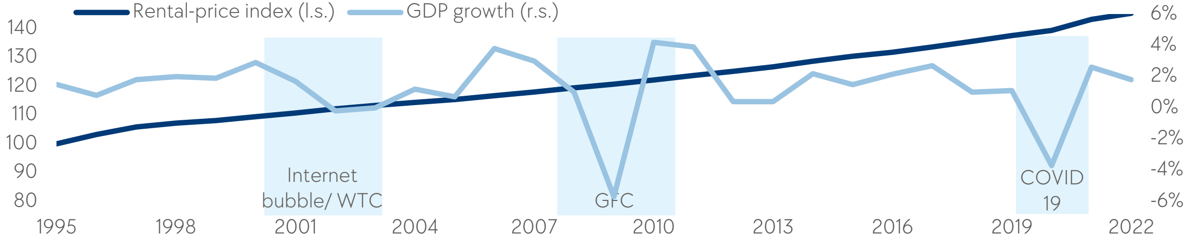
LEG not materially affected during the GFC and COVID-19



LEG well positioned

- Non-cyclical business model
- LEG's attractive rent level of **€6.33/sqm** is key to provide affordable living to our tenants
- C. 20% of units subsidised
- German social system provides several strong layers of social security

Resilience of German residential during the last economic crises



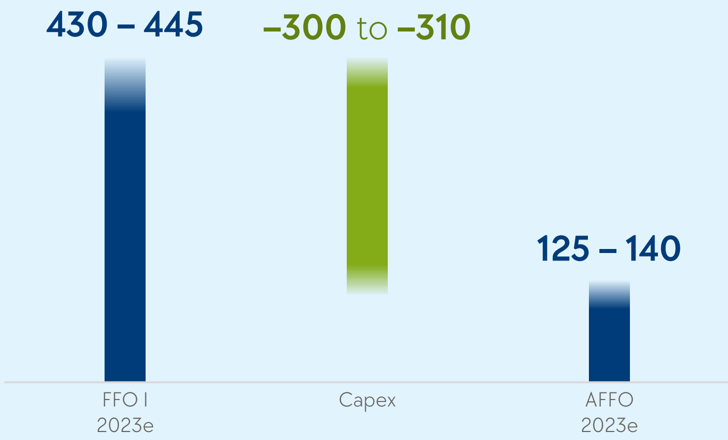
Source: Company information, Federal Statistical Office – Residential Rental Price Index.

Bridge FFO I 2022 to AFFO 2023e

FFO I 2022 to FFO I 2023e

€m

FFO I 2023e to AFFO 2023e



FFO calculation – current & new definition

LEG

€m	Current definition FY-2022	Current definition FY-2021	New definition FY-2022	New definition FY-2021
Net cold rent	**799.1**	**683.9**	**799.1**	**683.9**
Profit from operating expenses	–12.4	–2.4	–12.4	–2.4
Maintenance (externally-procured services)	–57.0	–65.7	–	–
Personnel expenses (rental and lease)	–107.5	–87.9	–107.5	–87.9
Allowances on rent receivables	–25.2	–10.3	–25.2	–10.3
Other income (rental and lease)	13.5	16.0	–4.2	–0.2
Non-recurring special effects (rental and lease)	10.6	6.4	10.6	6.4
Net operating income (recurring)	**621.0**	**540.0**	**660.4**	**589.5**
Net income from other services (recurring)	**17.3**	**8.3**	**17.3**	**8.3**
Personnel expenses (admin.)	–28.4	–26.7	–28.4	–26.7
Non-personnel operating costs	–37.6	–105.6	–37.6	–105.6
Non-recurring special effects (admin.)	26.4	96.2	26.4	96.2
Administrative expenses (recurring)	**–39.6**	**–36.1**	**–39.6**	**–36.1**
Other income (admin.)	0.0	0.0	0.0	0.0
EBITDA (adjusted)	**598.7**	**512.2**	**638.1**	**561.7**
Net cash interest expenses and income FFO I	–113.3	–86.7	–113.3	–86.7
Net cash income taxes FFO I	–1.7	–0.6	–1.7	–0.6
Maintenance (externally-procured services)	–	–	–57.0	–65.7
Own work capitalised	–	–	17.7	16.2
FFO I (including non-controlling interests)	**483.8**	**424.9**	**483.8**	**424.9**
Non-controlling interests	**–1.8**	–1.8	–1.8	–1.8
FFO I (excluding non-controlling interests)	482.0	**423.1**	**482.0**	**423.1**
FFO II (including disposal of investment property)	**483.7**	**419.9**	**483.7**	**419.9**
Capex	–373.2	–330.9	–373.2	–330.9
Capex (non-recurring)	–	–	–	–
AFFO (Capex-adjusted FFO I)	**108.8**	**92.2**	**108.8**	**92.2**

New reporting set-up from business year 2023 onwards based on new cash focussed steering

Shift to below EBITDA-line:

- Maintenance (externally-procured services)
- Own work capitalised specifically broken out - so far recognized in Other income (rental and lease)

No effect on FFO I

No effect on historical FFO I and AFFO disclosure

Link to full KPI presentation

EPRA-NIY

€m	FY-2022	FY-2021
Residential investment properties	18,942.5	17,978.5
Assets under construction (IAS 40)	188.1	–
Assets held for sale	33.3	32.3
Market value of the residential property portfolio (net)	**19,163.9**	**18,010.8**
Estimated incidental costs of acquisition	1,843.6	1,765.1
Market value of the residential property portfolio (gross)	**21,007.5**	**19,775.9**
Annualised net cash rental income of the financial year	**776.1**	**743.9**
Cash income from operating and heating costs	386.4	348.9
Cash expenses from operating and heating costs	-413.8	-360.7
Annualised gross cash rental income of the financial year	**748.6**	**732.1**
Annualised maintenance expenses	-57.2	-80.5
Vacancy and non-allocable operating costs	-10.0	-7.0
Legal and consulting costs	-5.0	-3.9
Property manager fee owners' association	-0.5	-0.4
Annualised property expenses	**-72.7**	**-91.8**
Annualised net cash rental income of the financial year	**676.0**	**640.3**
Adjustments for rental incentives	5.2	**4.7**
Topped-up annualised net cash rental income of the financial year	**681.2**	**645.0**
EPRA Net Initial Yield in %	3.2[1]	3.2
EPRA topped-up Net Initial Yield in %	3.2[1]	3.3

1 Amendment of table 23 on page 57 in the annual report 2022

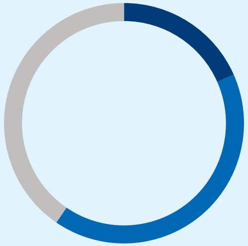
Around 20% of portfolio comprises subsidised units

Reversionary potential amounts to at least 40%

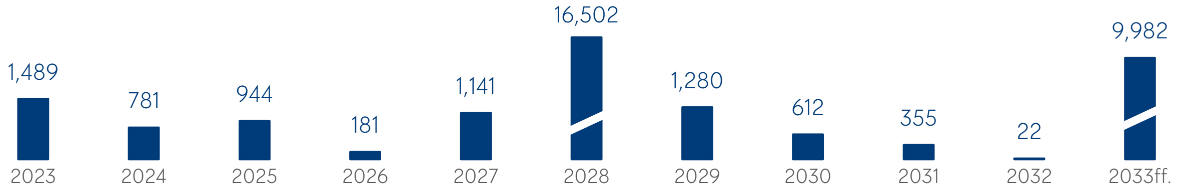
Rent potential subsidised units

- Until 2028, around **21,000 units will come off rent restriction**
- Units show **significant upside to market rents**
- The **economic upside can theoretically be realised the year after restrictions expire** subject to general legal and other restrictions[4]

Around 65% of units to come off restriction until 2028

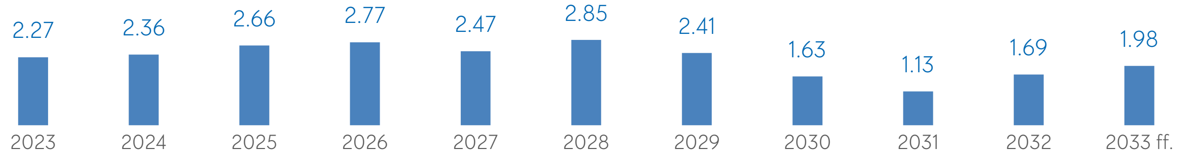


Number of units coming off restriction and rent upside



Spread to market rent

€/m²/month



	≤ 5 years[2]	6 – 10 years[2]	> 10 years[2]
In-place rent	€4.90	€5.17	€4.91
Market rent[1]	€7.34	€7.91	€6.90
Upside potential[3]	50%	53%	40%
Upside potential p.a.[3]	€9.1m	€41.5m	€16.0m

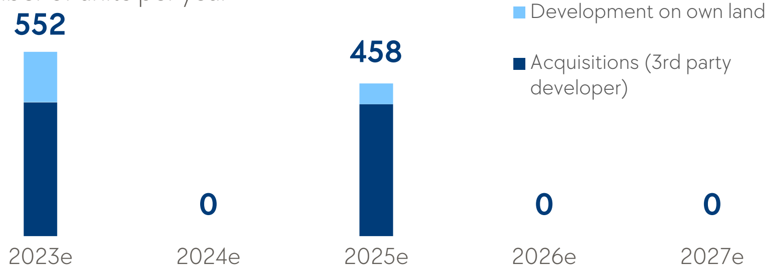
1 Employed by CBRE as indicator of an average rent value that could theoretically be achieved, not implying that an adjustment of the in-place rent to the market rent is feasible, as stringent legal and contractual restrictions regarding rent increases exist.
2 ≤5 years = 2023-2027; 6-10 years = 2028-2032; >10 years = 2033ff. 3 Rent upside is defined as the difference between LEG in-place rent and market. 4 For example rent increase cap of 11% (tense markets) or 20% for three years.

New construction pipeline further reduced to a total of c.€260m

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

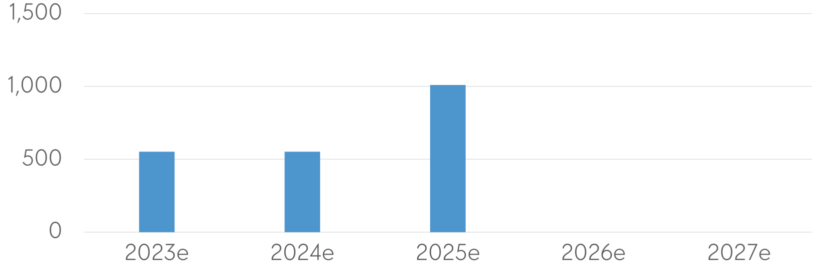
Completions

number of units per year



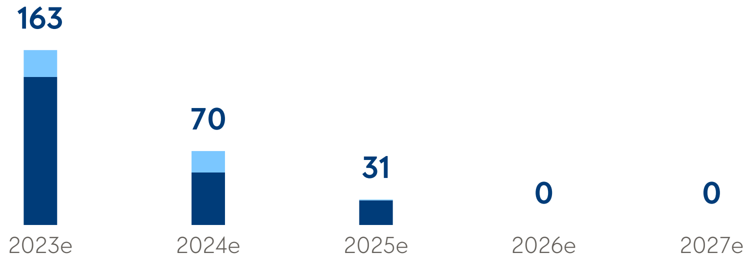
Aggregated

units



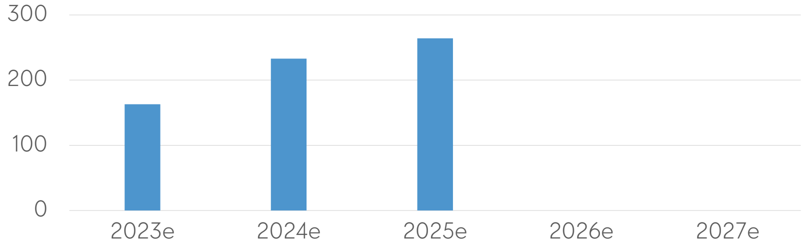
Investment volume per year

€m



Aggregated investment volume

€m



Digitisation

A boost to the digitisation of our business

Digital contracts/ solutions

- Option of fully digitalised rental process incl. rent agreement
- Chat bots and direct service contact
- Self-admin functions for tenant
- Pilot with Amazon to offer free, keyless and contactless delivery service

LEG
Tenant App

Robotics solutions

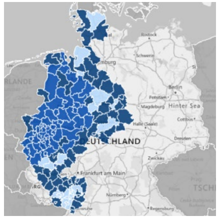
- **RPA Center of Excellence** implemented
- **>30** RPAs installed across the entire group, i.e. IT, customer service, accounting, modernisation projects, quality management etc.
- In customer service **>100,000** customer requests handled so far via RPAs

Internal
LEGWiki on Robotics

Artificial Intelligence Big Data

- AI pilot running for termination process
- Pilot for damage detection via drones
- Group-wide data platform to combine public and proprietary data for analysis of locations and support for internal functions

LEG
Data model on markets



3 ESG Agenda **2025** – A Joint Journey

Farknot Architect – stock.adobe.com

ESG Agenda – A joint journey

Key indicators

E

- We are committed to climate targets
  - **10%** CO_2 reduction from **2023** until **2026** and **4,000 tons** CO_2 reduction from modernisation projects in **2023**
  - **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 **59%** in **2022**)
- 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

- In **2022** our **Sustainalytics rating** improved from **7.8** to **6.7** (negligible risk range)
- **One-third** of our fully independent **supervisory board** is represented by women since the **AGM 2022**
- Management remuneration 2023 is linked to the target that virtually **all employees** of the Group have participated in **compliance training**
- **Compliance** management system **certified** by the Institute for Corporate Governance in the German Real Estate Industry

Among the best in class

Upgrade to AAA rating by MSCI

ESG		2018	2019	2020	2021	2022	
MSCI	ESG Rating	AA	AA	AA	AA	AAA	**Upgrade** to top rating in 12/2022
SUSTAINALYTICS a Morningstar company	ESG Rating		20.1	10.4	7.8	6.7 ESG REGIONAL TOP RATED; ESG INDUSTRY TOP RATED; ESG GLOBAL 50 TOP RATED	**No. 1 out of 159** in real estate management **No. 7 out of 1,057** in global real estate **No. 29 out of 15,226** in global total coverage
CDP DISCLOSURE INSIGHT ACTION	CDP Score					B	**Initial score above sector score (C)**
SCIENCE BASED TARGETS	SBTi target					Targets submitted	**Verification expected by mid 2023**
ISS ESG	ISS ESG	D+	D+	C–	C–	C Corporate ESG Performance Prime RATED BY ISS ESG	**Upgrade to Prime Status**
EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	sBPR Award	EPRA sBPR BRONZE	EPRA sBPR SILVER	EPRA sBPR GOLD	EPRA sBPR GOLD	EPRA sBPR GOLD	**Gold rating confirmed**
DAX	ESG Index			DAX® 50 ESG	DAX® 50 ESG	DAX® 50 ESG	**No.18 in listed Germany[1]**
MSCI	ESG Indices					MSCI EAFE Choice ESG Screened Index MSCI World Custom ESG Climate Series MSCI OFI Revenue Weighted Global ESG Index	

1 As at 12/2022.

Our ESG mission statement

LEG

1 Environment

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

2 Customers, Colleagues, Communities

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

3 Governance

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

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

Carbon Balance Sheet 2022

28.3 kg CO_2e/m² 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
- **28.3** kg CO_2e/m² based on heating energy
- **301**k t CO_2 in total (2021: **283**k t)

Heat energy by source (100% of portfolio)

Gas	66.8%
District heating	26.4%
Heating oil	3.6%
Electricity for heating	0.6%
Coal (local heating)	0.8%
Other	1.8%

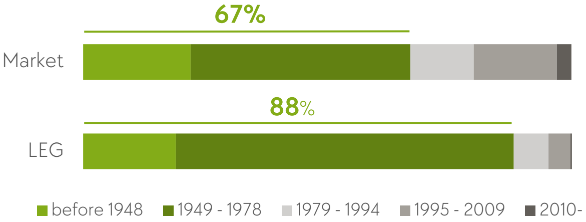
- Based on actual consumption 2021 (**84**% actuals, **14**% energy performance certificates (EPC), **2**% estimates)
- Extrapolated for 2022
- Limited assurance by Deloitte

Reflecting our roots

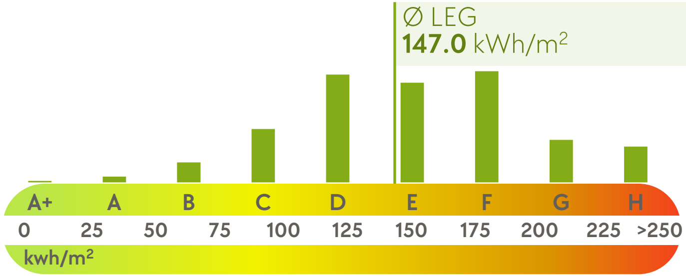
Energy efficiency of our portfolio of **147** kWh/m² (2021: **144.5**kWh/m²) is a function of corporate DNA & history:

- Providing affordable housing in post-war Germany

LEG portfolio by construction years vs. LEG market



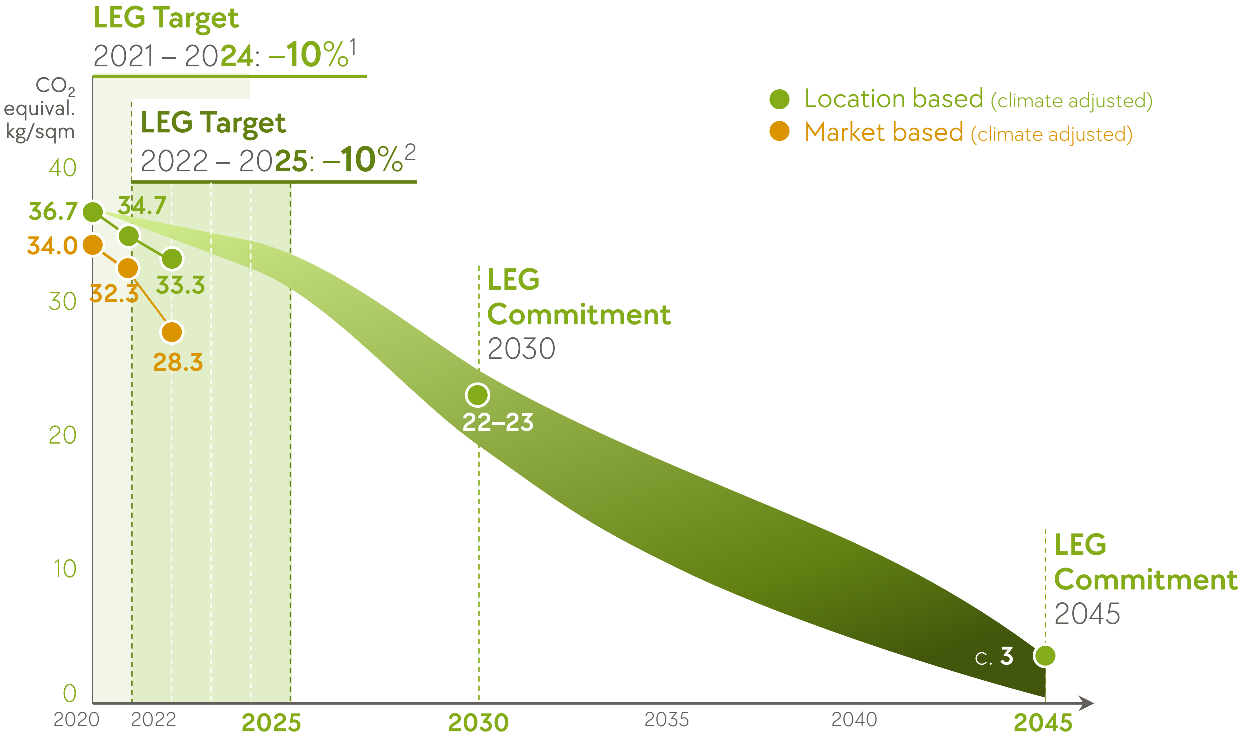
Distribution by energy efficiency classes LEG



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

Strong CO_2 reduction of 15% in 2022

Well on track for our target towards climate neutrality

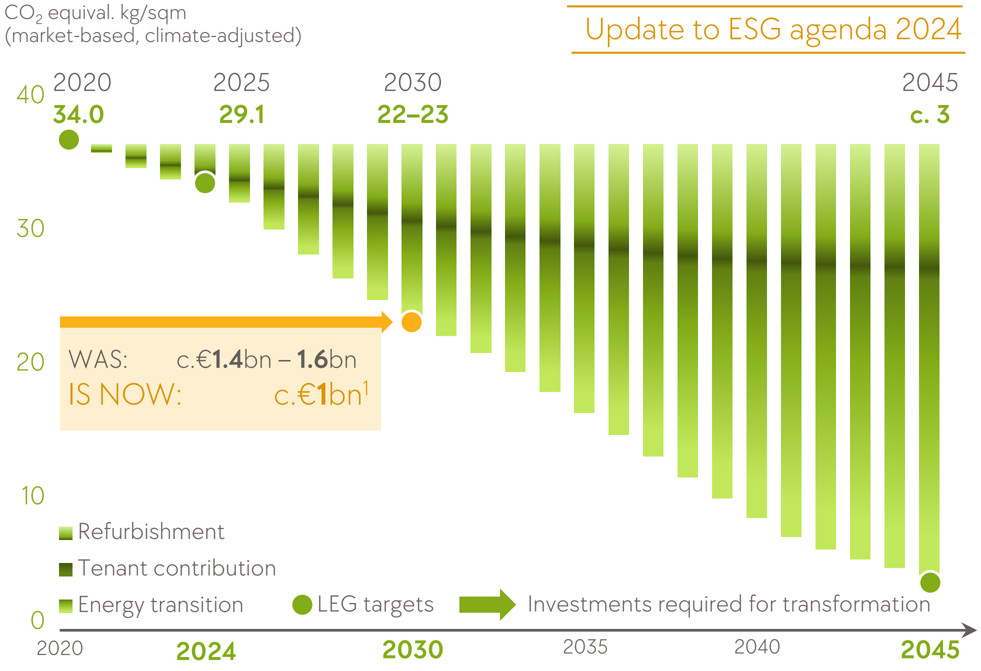


- LEG fully committed to new German Climate Change Act to achieve climate neutrality by 2045
- Aligned with strategy via LTI-component of compensation scheme
- 2023-26 LTI component envisages a **10%** efficiency improvement for investments undertaken
- Strong reduction in 2022 by **4%** to **33.3**kg (location based) and by **12%** to **28.3**kg (market based)
- Key driver:
  - **4,028**t CO_2 savings from energetic refurbishments
  - better footprint of our district heating grid based on actual certificates of our utility provider vs. original assumption of market average

1 Based on FY20 CO_2 level. 2 Based on FY21 CO_2 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

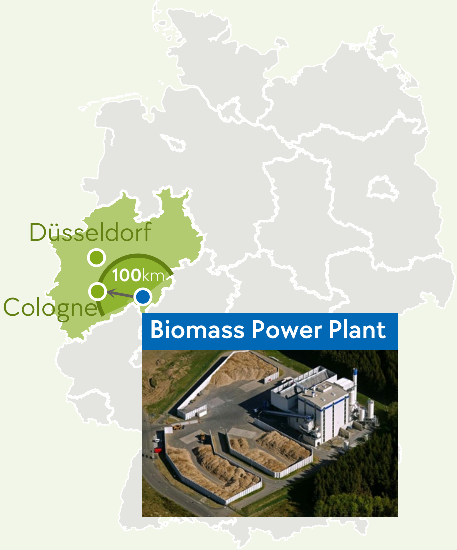
- Shift from fossil energy mix to green district heating
- Shift towards green electricity along Germany's path
- Contribution of **65%** – **70%**

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's biomass plant

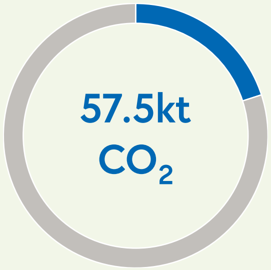
Providing us with an competitive advantage – not reflected due to current framework

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 CO_2 footprint

Potential offset from biomass plant



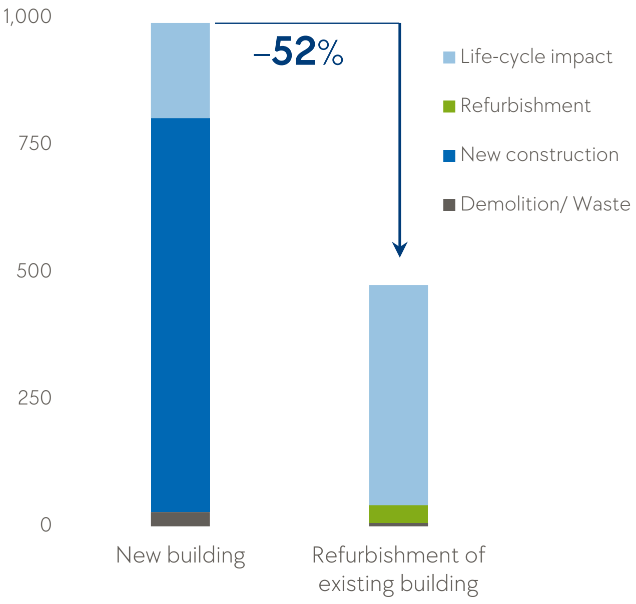
Potential **18**% off-set from own biomass plant

This represents savings of 57.5kt CO_2 and potentially carbon neutral electricity for 45,000 LEG units, i.e. around 1/3 of our portfolio

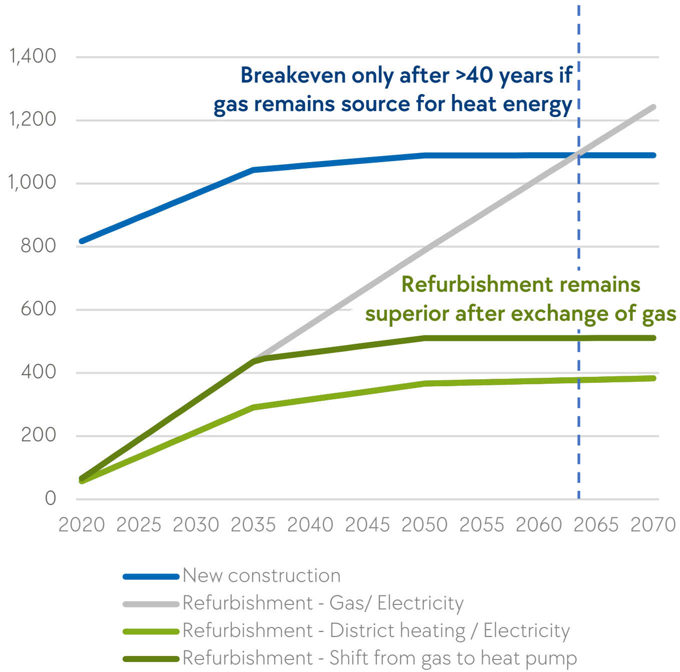
LEG Study: Energetic refurbishment superior over new construction approach under CO_2 lifecycle perspective

CO_2 lifecycle footprint[1]

($t\ CO_2$ 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 CO_2 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

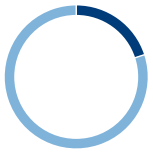
Affordable living and focus on customer satisfaction

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

Providing an affordable home

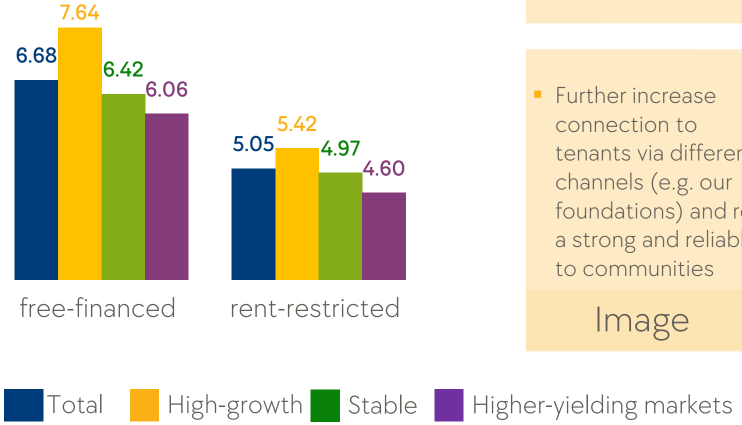
- Social responsibility for our **500,000** customers
- Providing a home at affordable prices
- **167,000** units at **€6.33**/sqm/month on average (c. **€400** per month per unit)
- Rent increases for rent-restricted units only every 3 years by inflation factor

20% of units rent-restricted

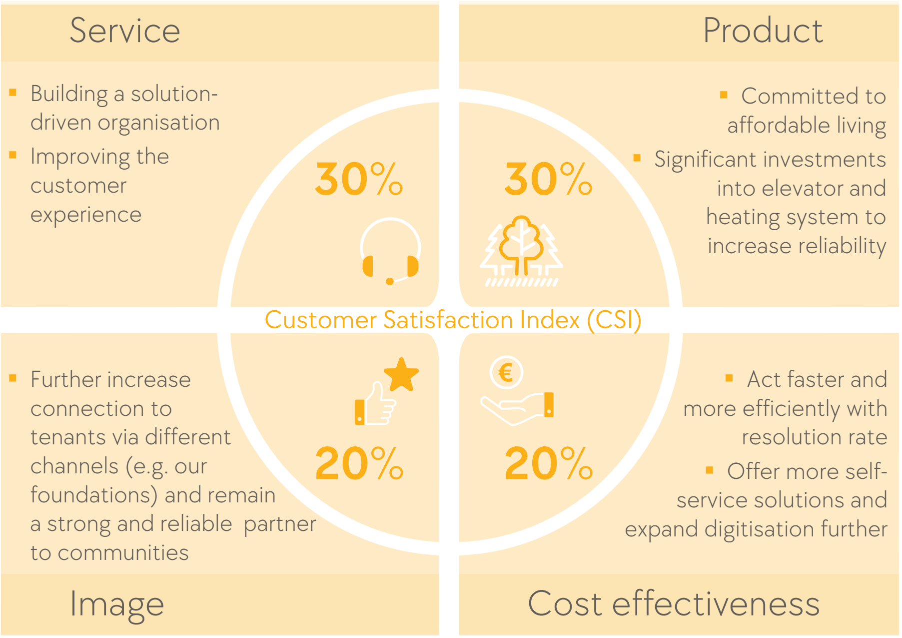


Attractive rent levels

€/sqm/month (FY-2022)



Increase CSI to 70% by 2025



Service

- Building a solution-driven organisation
- Improving the customer experience

Product

- Committed to affordable living
- Significant investments into elevator and heating system to increase reliability

Image

- Further increase connection to tenants via different channels (e.g. our foundations) and remain a strong and reliable partner to communities

Cost effectiveness

- Act faster and more efficiently with resolution rate
- Offer more self-service solutions and expand digitisation further

Trust Index 73% – Among the best employers in NRW

Target is to keep our strong employee recognition

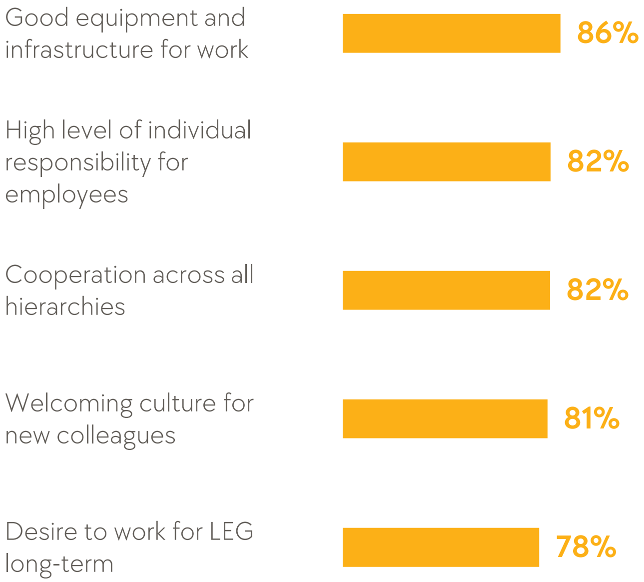
Trust Index©

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

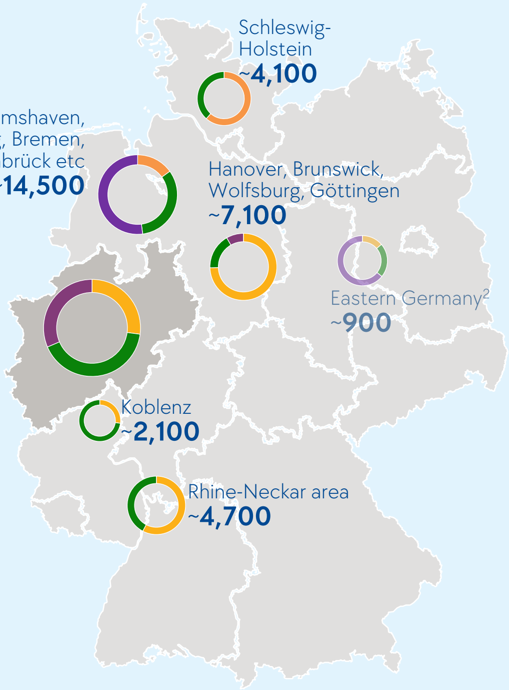


4 Portfolio **Overview**

LEG's portfolio comprised c. 167,000 units end of Q4

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

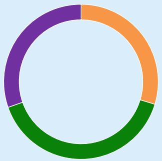
North Rhine-Westphalia
(c. **133,600** units / c. **80**%)



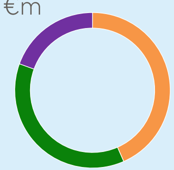
High-Growth
Stable
Higher-Yielding

Total portfolio[1]
(c. **167,000** units)

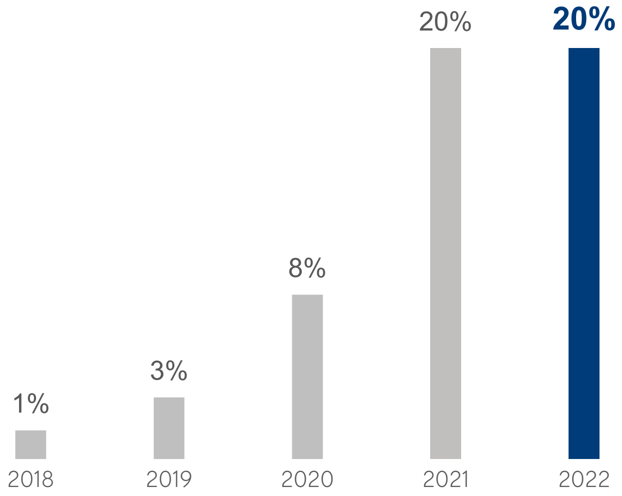
by units



by GAV
€m



Outside North Rhine-Westphalia
(c. **33,400** units / c. 20%)



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

Well-balanced portfolio
FY-2022

By Market

Units

High Growth Markets	30%
Stable Markets	40%
Higher Yielding Markets	30%

Gross Asset Value

High Growth Markets	43%
Stable Markets	37%
Higher Yielding Markets	20%

Rental Income

High Growth Markets	35%
Stable Markets	39%
Higher Yielding Markets	27%

Restricted vs. unrestricted

Units

Free financed	80%
Subsidised	20%

Gross Asset Value

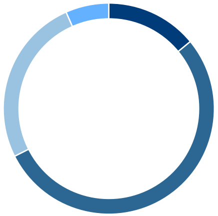
Free financed	79%
Subsidised	21%

Rental Income

Free financed	83%
Subsidised	17%

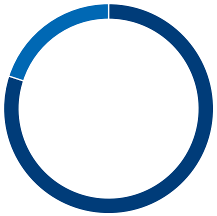
Portfolio structure FY-2022

Construction Years



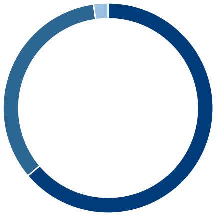
Until 1949	14%
1950-1969	54%
1970-1989	26%
After 1989	7%

Free Financed / Rent Restricted Units



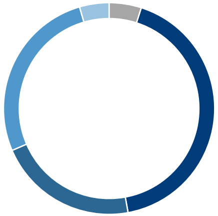
Free financed units	80%
Rent restricted units	20%

Building Types[1]



Medium sized	64%
Low Rise	34%
High Rise	2%

Apartment Size



<40 sqm	5%
40-60 sqm	42%
61-70 sqm	21%
71-90 sqm	27%
>90 sqm	5%

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

Valuation framework

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

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

Market clustering based on LEG's methodology

Key indicator	Scoring based on local districts[5]
1. Rental level[1]	Relative comparison of rental levels
2. Vacancy level[2]	Relative comparison of vacancy levels
3. Socio demographic ranking[3]	c. 30 indicators like demographics, labour market, wealth etc.
4. Future attractiveness[4]	>20 indicators from demographics, economy, education, family friendliness

Weighting

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 401 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 population[1])
- 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 €2,000[4] 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 IT.NRW (2020). 2 Federal Statistical Office; June 2021. 3 Except the federal city states Berlin, Bremen, Hamburg. 4 Statista.com (2018).

5 Management

Management Team

Lars von Lackum
CEO

12,000 shares in LEG[1]

- Investor Relations & Strategy
- Legal and Human Resources
  - Management & Supervisory Board Office
  - Legal, Compliance and Internal Audit
  - Human Resources
- Corporate Communications
- ESG
- Acquisition & Sales
- Project Construction
- IT

With LEG since 2019

Dr. Kathrin Köhling
CFO

2,125 in LEG[1]

- Controlling
- Corporate Finance & Treasury
- Organisation
- Process & Data Management
- Portfolio Management
- Accounting & Taxes
- Risk Management & Internal Control System

With LEG since 2019

Dr. Volker Wiegel
COO

4,581 shares in LEG[1]

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

With LEG since 2013

1 As at April 2023 based on directors' dealings notification

Remuneration system 2023/26

Proposed adjustment of financial STI targets in-line with new steering methodology[3]

Share of target remuneration

		Effective 1 January 2023	year 1	year 2	year 3	year 4
c.35%	**Fixed components**		▪ Basic remuneration ▪ Fringe benefits ▪ Pension entitlement (defined contribution)			
22% – 23%	**STI 2023**		▪ 80% Financial targets (equal weight) [1] ▪ Capex-adjusted funds from operations (AFFO)[2] per share ▪ Adjusted EBITDA Margin ▪ 20% ESG targets (100% target fulfilment of), equal weight ▪ E: 4,000 tons CO_2 reduction from modernisation projects ▪ S: Timely resolution of tenant inquiries regarding outstanding receivables ▪ G: 85% of Nord FM, TSP, biomass plant, 99% of all other staff holding LEG group companies have completed digital compliance training			
38% – 40%	**LTI 2026**		▪ 80% Relative total shareholder return vs. EPRA NAREIT Germany ▪ 20% ESG targets (100% target fulfilment below), equal weight ▪ E: Reduction of persistent relative CO_2e emission saving costs in €/ton by 10% ▪ S: Maintain high employee satisfaction level (at least 70% Trust Index) ▪ Reinvestment obligation of 25% of the LTI into LEG shares			

Max. remuneration

CEO
€**4.8**m

Board member
€**3.1**m

Malus/ Clawback

Partial or complete reduction or reclaim of variable remuneration possible

Share ownership guideline

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

1 For details of new KPI definitions see appendix and more details under. 2 Adjusted for subsidised investments. 3 Proposal to AGM 2023.
https://irpages2.equitystory.com/download/companies/legimmobilien/Presentations/LEG_Pres_Q3_2022_KPI_Definitions_v2.pdf

Supervisory board – 100% independent members

1/3 of female members since AGM 2022

Michael Zimmer
Chairman
since 2013

- - -

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

Dr. Sylvia Eichelberg
Member
since 2021

- - -

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

Dr. Claus Nolting
Member
since 2016

- - -

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

Dr. Jochen Scharpe
Member
since 2013

3,000 shares in LEG[1]

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

Dr. Katrin Suder
Member
since 2022

500 shares in LEG[1]

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").

Martin Wiesmann
Member
since 2020

1,400 shares in LEG[1]

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

1 As at March 2023

6 Regulation & Social Security in Germany

Politics

LEG

Significant reduction of subsidies for modernisation

- A 15% bonus for serial refurbishment was introduced on 1 January 2023
- In addition, the bonus for the refurbishment of the least energy-efficient buildings, already introduced in September 2022, was increased from 5% to 10%. Also, the extent of the necessary refurbishment measures to get the subsidies is now smaller.

Impact LEG

- For LEG's joint venture Renowate this are very good news as Renowate can now apply for subsidies of up to 25% of the investment.

Limitation of rent increase to 11% in tense markets planed

- Limitation in tense markets for rent increases in the free financed segment for existing contracts likely to be capped at 11% within 3 years (currently: 15%)
- For other markets 20% rent increase within 3 years
- LEG owns c. 25,000 free financed units in tense markets (c.15%)
- Less than 20% of units coming off restriction until 2027 are in tense markets

Impact LEG

- Impact should be limited as previous cap has hardly ever been reached

Rent table reform effective from July 2022

- Rent tables become mandatory for all cities with a population of >50,000
- Increase reference period to 7 years from 6 years
- Mandatory adjustments of rent table after two years. A qualified rent table (mandatory for cities > 100k inhabitants) to be completely revised after four years

Impact LEG

- A small effect from a slightly longer reference period
- 20% of LEG's units are rent-restricted and are not affected by the regulations, as cost rent adjustments apply every three years

Basics

Free financed units

Existing contracts

- Rent increase by max. **20%** **(15% cap in tense markets[2]) within 3 years;** benchmark: **local reference rent[1]**
- After **modernisation:** 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

- Markets without rental cap: no regulation
- In tense markets[2] the rental break **(Mietpreisbremse)** applies: increase of **max. 10% on local reference rent[1]**

LEG owns **25,000** free financed units in tense markets, which corresponds to 15% of the total portfolio.

Rent restricted units

Cost rent adjustment

- Every third year (i.e. 2023, 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. The cap will be likely reduced to 11%.

Subsidised units – Inflation-dependent components of the cost rent (i.e. admin and maintenance) was adjusted in January 2023 based on 3-year CPI development[1]

LEG

Cost rent components[2]

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

Capital costs
- Financing costs

CPI - linked

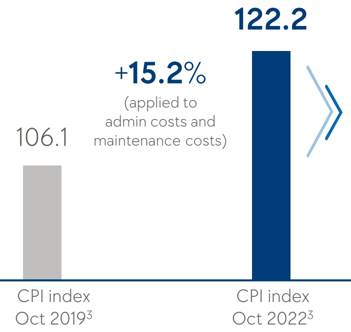
Historic view

Impact on cost rent adjustment at LEG

	2014	2017	2020	2023
3 year period CPI development	+5.7%	+1.9%	+4.8%	+15.2%
Total rent increase for LEG's subsidised portfolio (l-f-l)	+2.4%	+1.2%	+2.0%	+4.6%

Calculation for LEG's subsidised portfolio

+4.6% cost rent adjustment in January 2023



	since 01/2020	adjustm. 01/2023
Administration costs[4] per unit/year	**298.41**	+15%
Maintenance costs[4] per sqm/year		
Building age <22y	**9.21**	+15%
Building age >22y<32y	**11.68**	+15%
Building age >32y	**14.92**	+15%

LEG portfolio

Subsidised units (Q4-2022)

Location	Number of subsidised units	Average net cold rent month/sqm (€)
High growth markets	11,459	5.42
Stable markets	14,609	4.97
Higher-yielding markets	7,221	4.60
Total subsidised portfolio	**33,289**	**5.05**

1 CPI development from October 2019 (index = 106.1) to October 2022 (index = 122, provisional figure acc. to Federal Statistical Office). 2 Legal basis for calculation: II. Berechnungsverordnung.
3 Basis 2015 = 100. 4 Administration and maintenance costs are lump sums.

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

Statutory five-pillar insurance system

Health	Care	Pension	Unemployment	Accident
Prevention	Support in case of (long-term) care	Old-age pension	Unemployment benefit	Prevention
Early detection		Survivor's pension	Employment services	Rehabilitation
Treatment		Disability pension	Vocational training	Injury pension
Rehabilitation		Vocational rehabilitation		Death benefit
Sick pay				
Parental benefit				

Principles of solidarity

Main relief measures for German households

Temporary relief measures and one-time payments

Gas price cap

Step 1: The state takes over the gas and district heating advance payment for the month of December 2022.

Step 2: Cap on gas price from 1st of March 2023 (with retroactive effect from 1st of January 2023) until end of April 2024: for **80%** of the consumption the price will be **12 cents** per kWh for gas and **9.5 cents** per kWh for district heating. The **80%** quota relates to the assumed annual consumption for 2023 forecasted in September 2022.

Electricity price cap

Cap on electricity price from 1st of March 2023 (with retroactive effect from 1st of January 2023) until end of April 2024: for **80%** of the historical consumption the price will be **40 cents** per kWh.

Other financial relief measures

Reform of housing subsidies: From January 2023 the number of households that are entitled to housing subsidies will increase from **600,000** to **2 million**. The average monthly transfer payment will increase from **€180** to **€370** per household.

Several one-time payments: In 2022 the German government paid out an energy price allowance of **€300** to all employees liable to income tax and to pensioners as well as **€200 to students**. Recipients of housing subsidies received a payment of **€350 (2-p. household)** and will receive another **€ 540 € (2-p. household)** beginning of 2023. A child bonus of **€100 per child** was paid in 2022.

7 Investor & Credit **Relations**

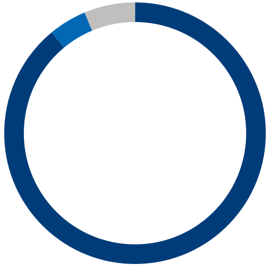
LEG additional creditor information

LEG

Unsecured financing covenants

Covenant	Threshold	FY-2022
Consolidated Adjusted EBITDA / Net Cash Interest	≥1.8x	5.3x
Unencumbered Assets / Unsecured Financial Indebtedness	≥125%	165%
Net Financial Indebtedness / Total Assets	≤60%	42.6%
Secured Financial Indebtedness / Total Assets	≤45%	16.1%

Financing mix



Fixed interest	**89.0%**
Derivatives	**4.7%**
Variable interest	**6.3%**

Ratings (Moody's)

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

Key financial ratios

	FY-2022	FY-2021
Net debt / EBITDA[1]	14.9x	12.6x
LTV	43.9%[2]	41.9%[3]
Secured Debt / Total Debt	37.7%	36.8%
Unencumbered Assets / Total Assets	39.3%	43.0%

1 Average net debt last four quarters / EBITDA LTM. 2 Since Q1-2022 calculation adapted to the current standard practices, i.e. reduction of net debt by short-term deposits and inclusion of participation in other residential companies into property values.
3. Previous year figures adjusted after finalisation of purchase price allocation (for details see slide 47).

Capital market financing

Corporate bonds

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

Financial Covenants

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

Capital market financing
Convertible bonds

	2017/2025	2020/2028
Issue Size	€**400**m	€**550**m
Term / Maturity Date	8 years/ 1 September 2025	8 years/ 30 June 2028
Coupon	0.875% p.a. (semi-annual payment: 1 March, 1 September)	0.4% p.a. (semi-annual payment: 15 January, 15 July)
# of shares	3,470,683	3,556,142
Initial Conversion Price	€118.4692	€155.2500
Adjusted Conversion Price[1]	€113.2516 (as of 2 June 2022)	€153.6154 (as of 7 June 2022)
Issuer Call	From 22 September 2022, if LEG share price >130% of the then applicable conversion price	From 5 August 2025, if LEG share price >130% of the then applicable conversion price
ISIN	DE000A2GSDH2	DE000A289T23
WKN	A2GSDH	A289T2

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

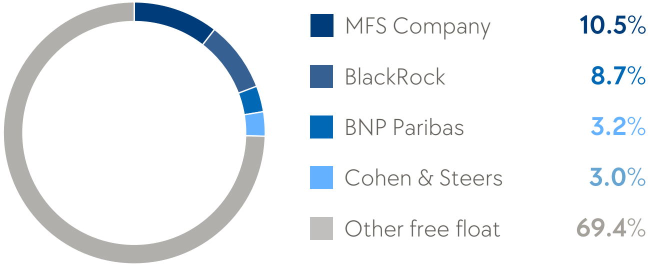
LEG share information

LEG

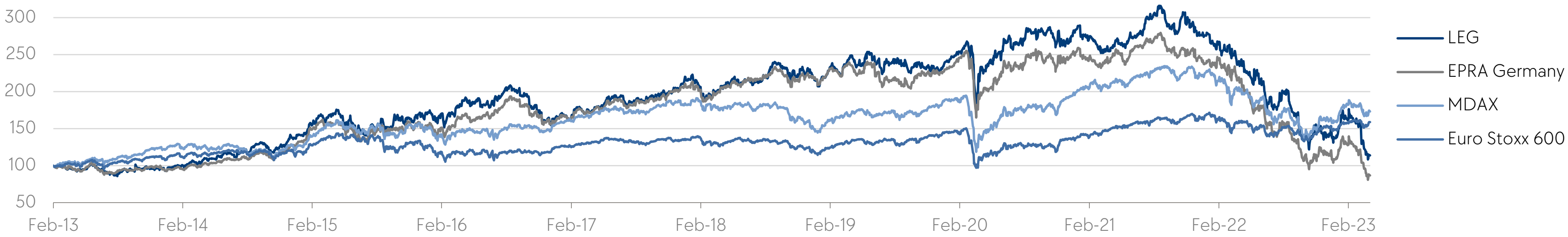
Basic data

Market segment	Prime Standard
Stock Exchange	Frankfurt
Total no. of shares	74,109,276
Ticker symbol	LEG
ISIN	DE000LEG1110
Indices	MDAX, FTSE EPRA/NAREIT, GPR 250, Stoxx Europe 600, DAX 50 ESG, i.a. MSCI Europe ex UK, MSCI World ex USA, MSCI World Custom ESG Climate Series
Weighting	MDAX 3.1% (31.12.2022) EPRA Developed Europe 2.6% (31.12.2022)

Shareholder structure[1]

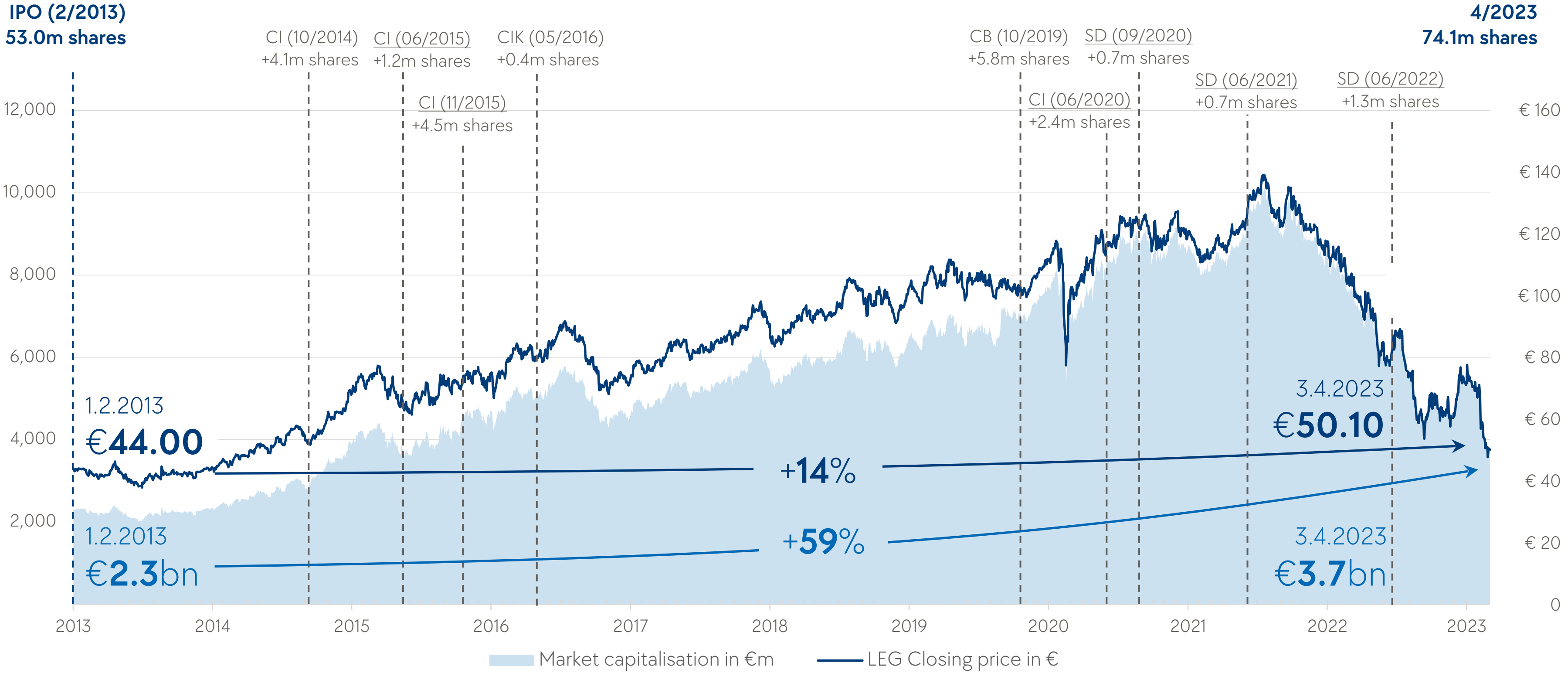


Share (03.04.2023; indexed; in %; 1.2.2013 = 100)



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

LEG

2023

9 March
Annual Report 2022

10 May
Quarterly Statement Q1
as of 31 March 2023

17 May
Annual General Meeting

10 August
Quarterly Report Q2
as of 30 June 2023

9 November
Quarterly Statement Q3
as of 30 September 2023

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

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