



August
2023

LEG Immobilien SE

Company Presentation

August 2023

LEG

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Company Presentation

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1.1

Highlights **H1-2023**

Financial Summary

H1-2023



Operating results

		H1-2023	H1-2022	+/- %
Net cold rent	€m	414.3	396.2	+4.6%
NOI (recurring)	€m	339.4	336.7	+0.8%
EBITDA (adjusted)	€m	335.2	322.3	+4.0%
FFO I	€m	226.0	241.4	-6.4%
FFO I per share	€	3.05	3.31	-7.9%
AFFO	€m	118.6	79.4	+49.4%
AFFO per share	€	1.60	1.09	+46.8%
NOI margin (recurring)	%	81.9%	85.0%	-310bps
EBITDA margin (adjusted)	%	80.9%	81.3%	-40bps
FFO I margin	%	54.5%	60.9%	-640bps
AFFO margin	%	28.6%	20.0%	+860bps

Portfolio

		30.06.2023	30.06.2022	+/- %
Residential units	number	166,890	166,628	+0.2%
In-place rent (l-f-l)	€/m ²	6.52	6.25	+4.3%
Capex (adj.) ¹	€/m ²	8.13	13.34	-39.1%
Maintenance (adj.) ¹	€/m ²	5.95	4.98	+19.5%
EPRA vacancy rate (l-f-l)	%	2.6	2.7	-10bps

Balance sheet

		30.06.2023	31.12.2022	+/- %
Investment properties	€m	18,919.7	20,204.4	-6.4%
Cash and cash equivalents ²	€m	331.4	362.2	-8.5%
Equity	€m	8,052.8	9,083.9	-11.4%
Total financing liabilities	€m	9,397.2	9,460.8	-0.7%
Net debt ³	€m	8,967.7	9,036.6	-0.8%
LTV	%	46.6	43.9	+270bps
Average debt maturity	years	6.1	6.5	-0.4
Average debt interest cost	%	1.40	1.26	+14bps
Equity ratio	%	40.2	42.5	-230bps
EPRA NTA, diluted	€m	10,100.7	11,377.2	-11.2%
EPRA NTA per share, diluted	€	136.29	153.52	-11.2%

¹ Excl. new construction activities on own land, own work capitalised and consolidation effects. ² Excluding short term deposits of €79.8m as of H1-2023 (FY-2022: €40.0m). ³ Excl. lease liabilities according to IFRS 16 and incl. short term deposits.

Ongoing strong performance of operations

AFFO-guidance increased to €165m - €185m

Financials



- AFFO **+49.4%** to **€118.6m**
- AFFO p.s. **+46.8%** to **€1.60**
- FFO I **-6.4%** to **€226.0m**
- Adj. EBITDA-Margin **80.9%**
- LTV **46.6%**
 - Debt @ **6.1y** for **1.40%**
- NTA p.s. **€136.29**

Operations



- Net cold rent **+4.6%**
- I-f-I rental growth **+4.3%**
- I-f-I vacancy **2.6%** (-10bps)

ESG



- Site visit from **Vice-Chancellor**/Federal Minister for Economic Affairs and Climate Action **Robert Habeck** (Green Party) at serial refurbishment site of **RENOWATE**
- **AI-based thermostat** from LEG's joint venture seero.io for hydraulic balancing about to start **pre-series production**
- **SBTi** to be validated by end of August 2023

H1-2023

AFFO-guidance increased to €165m – €180m

Less capex for new construction and lower energy tax effect

Transaction markets remain calm
H1-2023 devaluation of 7.4%

Strong rent growth continues

Increased guidance to +3.8% – +4.0% rental growth

Successful refinancings and strong liquidity position
2023 and 2024 bond maturity covered

AFFO guidance increased to €165m – €180m (vs. €125m – €140m)

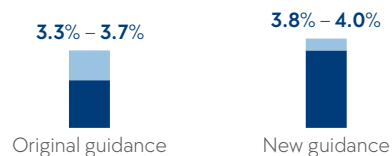
Drivers mainly of one-off nature

Stronger market momentum



Stronger market development experienced already in Q1 expected to continue

Lfl-rent growth 2023e



Favourable market dynamics expected to persist

Forward sale of electricity production at 2022 peak prices



- Pro-actively sold forward 2023 green electricity production
- Uncertainty remained on the extent and application period of the excess profit margin tax
- For the original guidance LEG opted for a conservative approach with regards to taxation

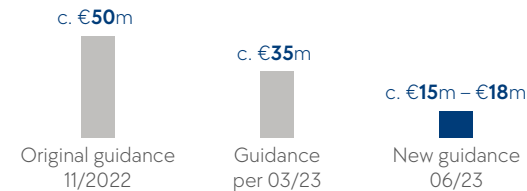
Lower tax on profit from electricity production expected for 2023

Reduction of new development capex



Cancellation of several smaller projects

New development capex 2023e



Lower capex for new development; capex in standing assets confirmed at €35/sqm



c. €3m AFFO effect



c. €19 – 22m AFFO effect



c. €17 – 20m AFFO effect



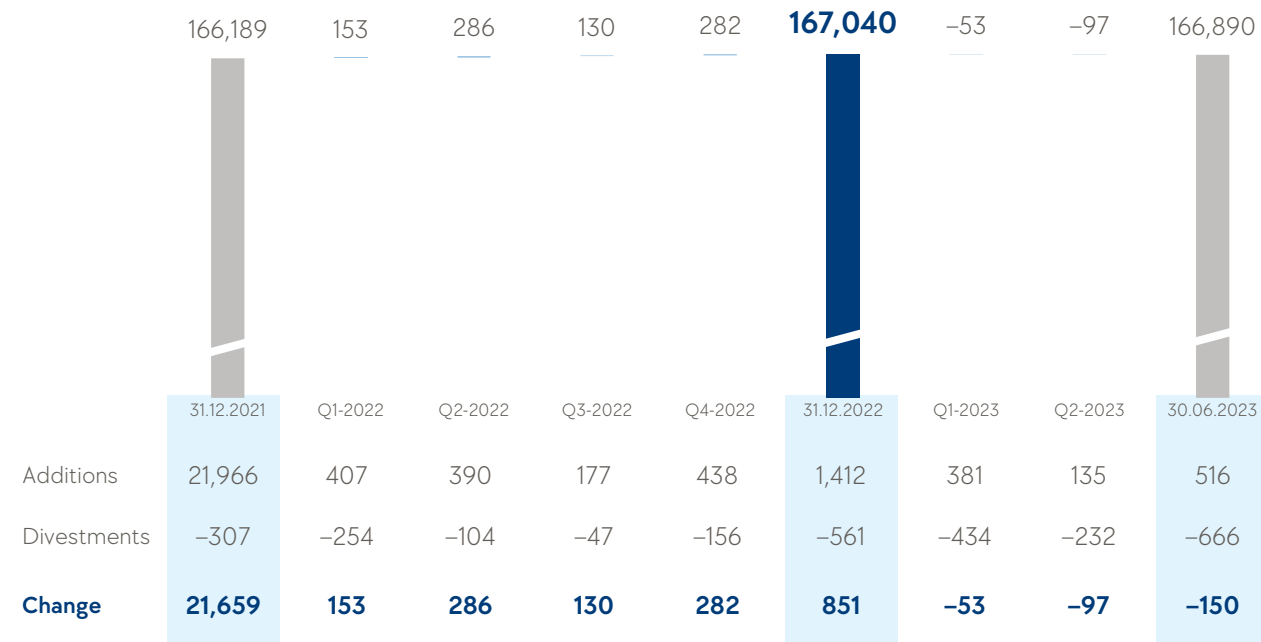
1.2

Portfolio & Operating **Performance**

Portfolio transactions

Almost 700 units sold in H1 – some additions from completion of new construction

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



Additions

- In Q1 transfer of ownership of one larger portfolio (Düsseldorf and Cologne) signed in 2022
- In Q2 nearly all additions from finished new construction projects

Disposals

- Disposal volume of c.€39m – at around book value in H1
- In Q1 one bigger portfolio with **219 units** (high rise buildings in weak technical condition) as well as a portfolio of **120 units** in Siegen. Additionally small ticket sales of non-core units in Eastern Germany
- In Q2 one bigger portfolio (**100 units**) and continuation of small ticket sales of non-core units in Eastern Germany

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.

Rent growth gains momentum

Strong rent table growth with 2.1% – cost rent adjustment adds another 0.8%-pts

I-f-I rent development

€/m²/month

H1-2023 **6.52**

H1-2022 6.25

H1-2023 **6.83**

H1-2022 6.56

Residential rent



+4.3%

Rent table	+2.1%
Modernisation/ Re-letting	+1.4%
Cost rent	+0.8%

Free financed rent



+4.0%

I-f-I free financed rent development

€/m²/month

H1-2023 **7.82**

H1-2022 7.53

H1-2023 **6.57**

H1-2022 6.29

H1-2023 **6.18**

H1-2022 5.97

High-growth



Stable



Higher-yielding

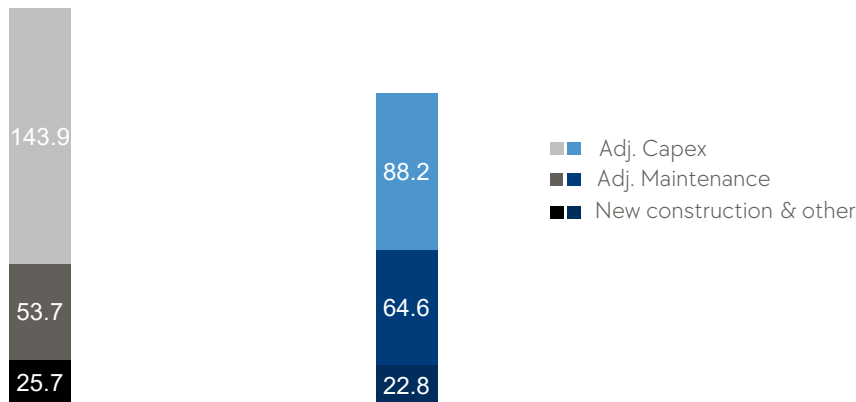


- Residential rent increase of **4.3%** with strong contribution from rent table adjustments
- Cost rent increase of **5.4%** for the subsidised units contributed **0.8%-pts** to the H1-2023 rent growth
- Free financed rent increase of **4.0%**

Capex and Maintenance

Significant reduction as of H1 – on track for 35€/sqm investment into standing portfolio for 2023

Adj. Invest per m²¹: €18.31/m² — **-23.1%** — €14.08/m²
 Adj. Invest €m¹: €197.6m — — €152.8m
 Total Invest €m: €223.3m — — €175.6m



per m ²	H1-2022	H1-2023	%
Adj. Capex	€13.34	€8.13	-39.1%
Adj. Maintenance	€4.98	€5.95	+19.5%
Adj. Investment¹	€18.31	€14.08	-23.1%

- Investments per sqm declined by **23.1%** yoy to **€14.08/sqm**
- Shift towards AFFO steering leads to lower capitalisation rate (**58%** vs **73%** H1-2022) and increases expensed maintenance
- Investments in H1 remained below pro-rata level to achieve guidance of **€35/sqm**. Capex levels to increase in following quarters with higher share of finished work
- Hence **€35/sqm** investment guidance still valid
- New construction spending remained on low level of c. **€10m**

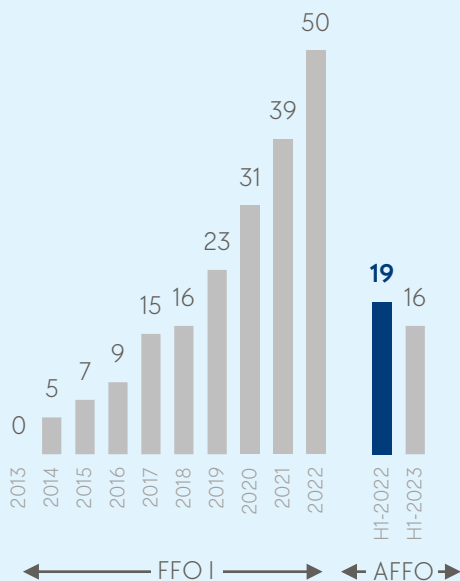
¹ Excl. new construction activities on own land, own work capitalised and consolidation effects.

Value-added services

Normalisation of earnings contribution after tailwinds from energy prices in 2022

Earnings contribution – Services

€m



Main service entities



WohnService

Partner



100%
entity

Multimedia: TV,
internet and
telephone

Launch
January 2014



EnergieService

Partner

~100

partners from
energy and technical
service providers

100%
entity

Electricity,
heating, gas,
metering

Launch
March 2015



TechnikService

Partner



Joint venture
(51%)

Small repair work,
craftsmen
services

Launch
January 2017



LWS Plus

Partner

~130

partners from
craft companies and
technical service
providers

100%
entity

General
contractor
services

Acquisition
October 2020

Key driver H1-2023

- **ESP** results suffer from volatility in energy markets and from higher investments

Further service entities of LEG

RENOVATE

Joint Venture: provides serial energetic refurbishment of properties

seero

Joint Venture: developed the first smart thermostat for hydraulic balancing

youfillly

Fully digital platform: facilitates services like green keeping and cleaning between property owners and providers



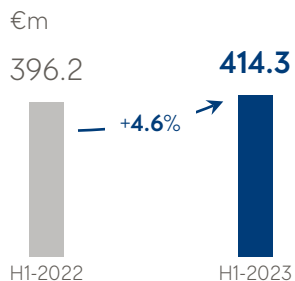
1.3

Financial Performance

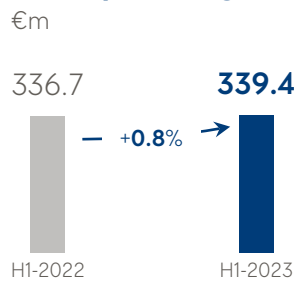
Financial highlights H1-2023

Net cold rent growth offsets higher energy costs

Net cold rent

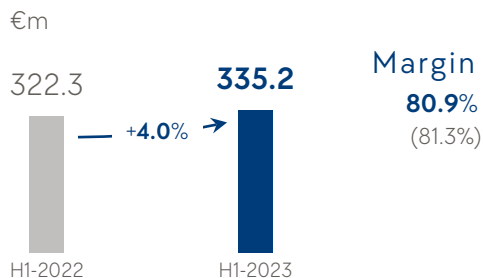


Net operating income (recurring)¹

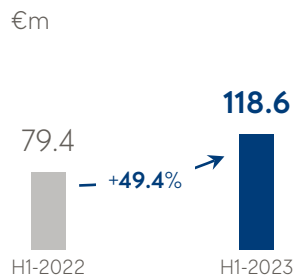


Margin
81.9%
(85.0%)

EBITDA (adjusted)¹



AFFO



Net cold rent

- Growth driven by **4.3%** I-f-I rent growth and some positive effects from additions to the portfolio

Net operating income (recurring)

- Normalisation in H1 after **-3.9%** in Q1
- Margin decline from **85.0%** to **81.9%** driven by
 - Higher operating expenses (**-€6.7m**) e.g. due to higher non-transferable operating and heating costs
 - Decline in other income (**-€4.4m**) driven by volatile energy markets affecting service entity ESP

EBITDA (adjusted)

- Positive effects from other services (recurring), esp. from forward sale of electricity (**+€12.2m**),

FFO I –6.4% to €226.0m

- Negatively affected by higher interest expenses (**-€8.9m**), higher maintenance costs (ext. procured) (**-€11.7m**) and decline in own work capitalised (**-€4.2m**)

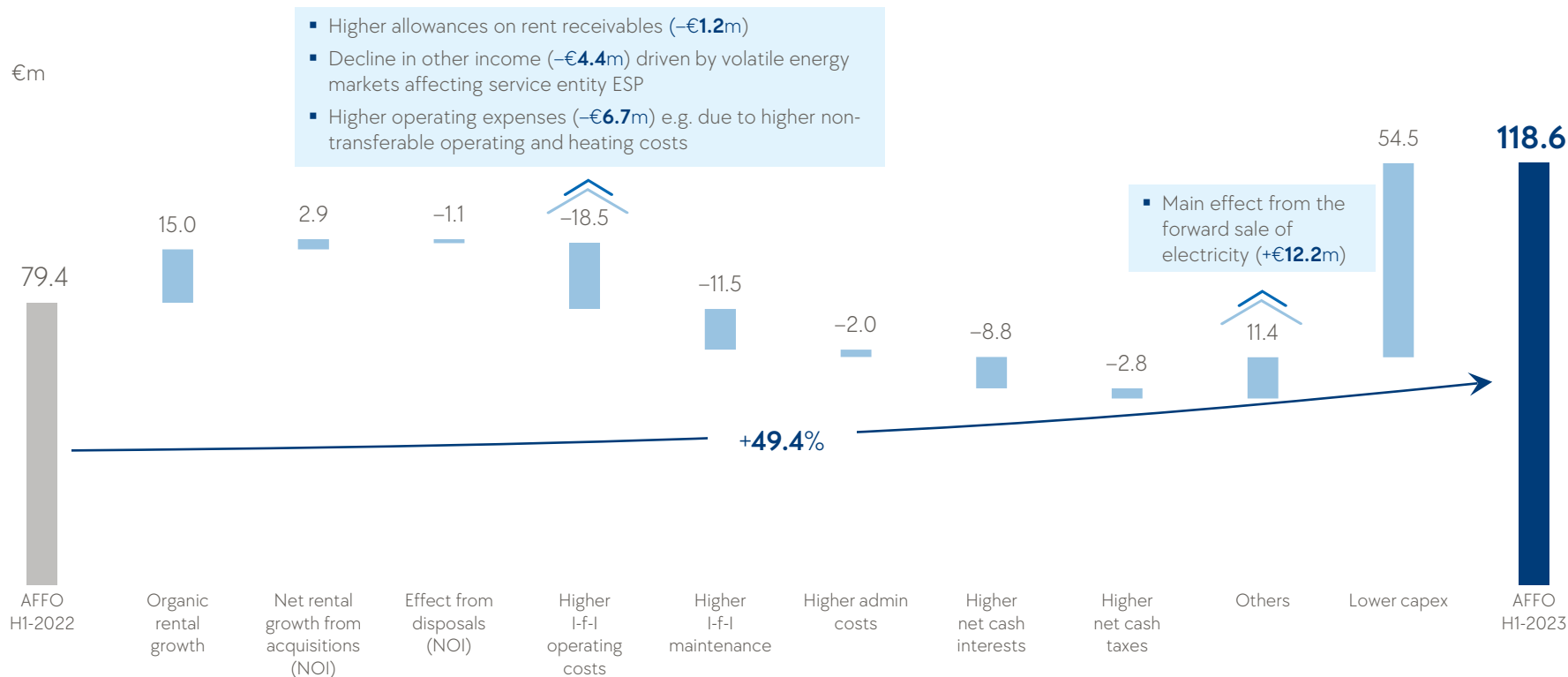
AFFO

- Reduction of investments (capex) by **33%** to **€107.5m** from **€162.0m** supports AFFO generation

¹ Previous year adapted to new definition, i.e. excluding maintenance (externally-procured services) and own work capitalized.

AFFO Bridge H1-2023

Decline in capex drives strong AFFO improvement

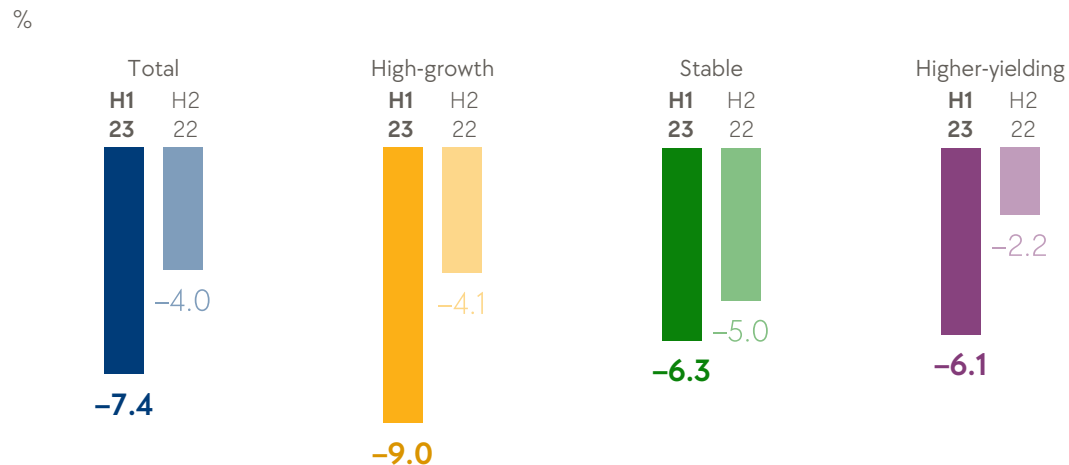


Portfolio valuation H1-2023 – Breakdown of revaluation losses



7.4% valuation decline in H1-2023

Valuation decline by markets I-f¹



Highlights

- Valuation adjustment of **-7.4%** in H1-2023 after **-4.0%** in H2-2022
- Average object-specific discount rate of **3.7%** at year end 2022 increased to **4.3%** (cap rate up from **5.2%** to **5.5%**)
- Low volume on market transactions

¹ Property valuation with cut-off date as of 31 March 2023 and revaluation date as of 30 June 2023.

Portfolio valuation H1-2023



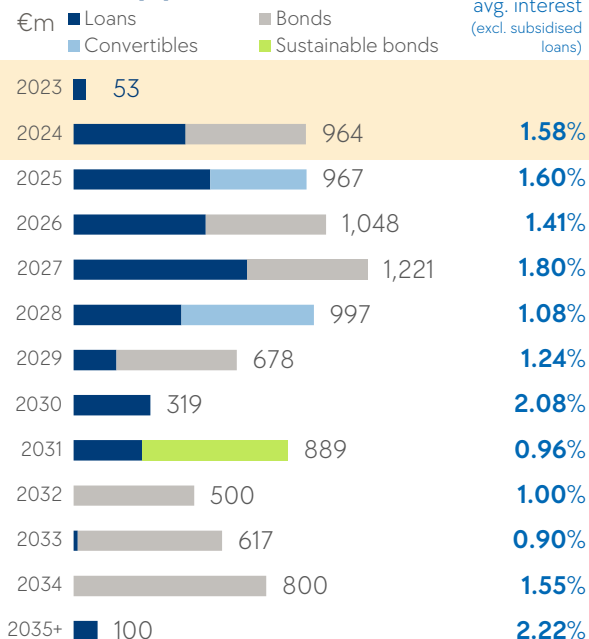
Market segment	Residential Units	GAV Residential Assets (€m)	GAV/ m ² (€)	Gross yield	In-Place Rent Multiple	GAV Commercial/ Other (€m)	Total GAV (€m)
High-Growth Markets	49,942	7,554	2,293	3.8%	26.1x	382	7,936
Stable Markets	66,754	6,594	1,545	4.8%	20.7x	208	6,802
Higher-Yielding Markets	50,194	3,523	1,158	6.0%	16.7x	95	3,619
Total Portfolio	166,890	17,671	1,666	4.6%	21.6x	685	18,356¹

¹ GAV of IAS 40 portfolio (including leasehold, land value and assets under construction) was €18,920m.

Well balanced financial profile as at 06/2023

2023 and 2024 bond maturity covered

Maturity profile¹



Average debt maturity



Average interest cost



Loan-to-value



Highlights

- Repayment of **€52m** loan in Q1
- All remaining financing needs for **2023 and 2024 maturing bond covered**
- Undrawn RCF of **€600m** /CP-programme of **€600m**
- Average debt maturity of **6.1** years
- Average interest cost **increase by 25 bps** (y/y)
- Interest **hedging rate** of **c.94%**
- **LTV** above medium-term target level of **43%**, no effect on ability to refinance
- **Net debt/adj. EBITDA²** of **14.0x** as at end of June

¹ As of June 30 ² Average net debt last four quarters / adjusted EBITDA LTM

2024 maturing bond already covered

More than half-way through the entire 2024 refinancing and well on track

Total refinancing volume until 12/2024

51% of financing volumes are loans



Upcoming maturities by instrument and refinancing strategy

11% of total debt to mature until end of 2024



Covered by/ Status quo¹

- €100m 2031 bond tap @0.75% coupon
- >€400m secured financings @ avg. 4.19% and avg. 7.8 years
- €411m Liquidity H1 23
- €600m undrawn RCF

- LEG's diversified financing structure pays off and offers optionality going forward
- All **2023** and **2024 bond** maturities as well as first secured financings due in 2024 **already covered** by mix of unsecured and mainly secured financing at attractive terms as well as cash
- Remaining **2024** secured debt maturities not before **06/2024**
- Well on track to roll over entire **2024** maturing secured debt
- Strong liquidity position
- No reliance on disposal proceeds to refinance – disposals offer potential to deleverage

¹ Status quo as at early August, otherwise H1-2023 figures



1.4

Outlook

Guidance 2023: Focus on AFFO

Well on track – guidance increased already ahead of H1-reporting



	Guidance 2023¹
AFFO ²	€165m – 180m
Adj. EBITDA margin ³	c.80%
I-f-I rent growth	3.8% – 4.0%
Investments	c. 35€/sqm
LTV	Medium-term target level max. 43%
Dividend	100% AFFO as well as a part of the net proceeds from disposals

Disposals Not reflected¹

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 4,000 tons CO ₂ reduction from modernisation projects and customer behavior change
	2023	
Social	2023–2026	Improve high employee satisfaction level to 70% Trust Index Timely resolution of tenant inquiries regarding outstanding receivables
	2023	
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 Based on the adjusted EBITDA definition effective since business year 2023, i.e. excluding maintenance (externally-procured services) and own work capitalized.



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. **€4.6bn¹**,
100% tradeable shares



02

Solid balance sheet

Loan to value **46.6%**,
Ø financing cost **1.40%**,
Ø maturity **6.1** years
Beta **0.82**
(5y vs. EuroStoxx 600)
GAV/m² **€1,666**



03

Social Responsibility

500,000 tenants/
167,000 apartments
Average rent per unit
c. **€420** per month/**€6.53** per sqm
c. **19%** social housing
(rent-restricted)



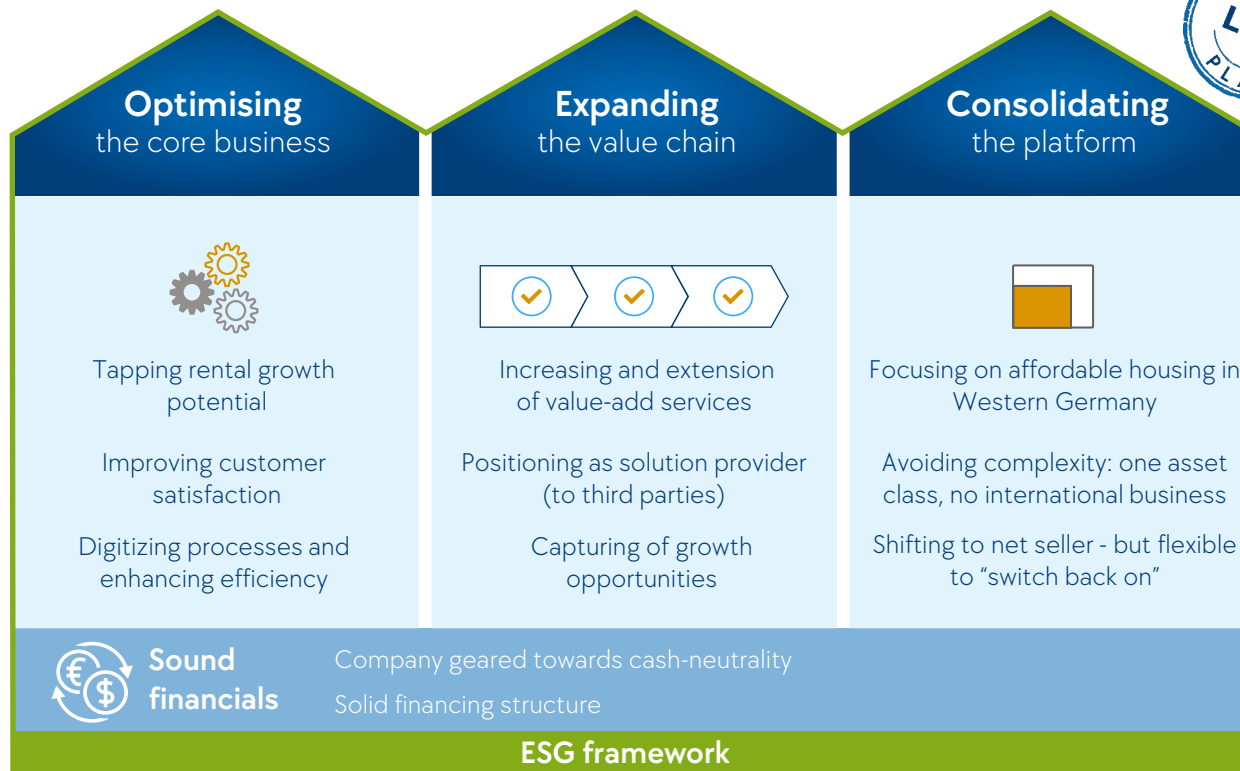
04

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 €62.20 on 07.08.2023

LEG's strategy is based on strong building blocks



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 high share of income directly or indirectly paid by German state

Solid balance sheet

- 2024 bond maturities covered – well on track to roll over maturing secured debt
- Well balanced maturity and instrument profile with low avg. interest & long avg. maturity

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

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

Sustainability leader and innovator

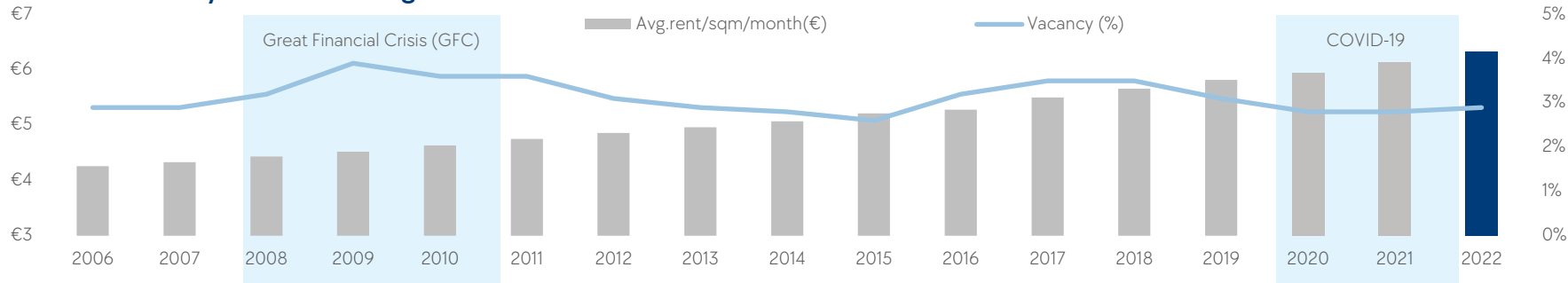
- Leading innovator in the sustainability building space
- Uniquely positioning as service provider for the sector, e.g. Renowate (serial refurbishment)

- Resilient and growing top-line: 3.8% - 4.0% rent growth expected for 2023
- Low vacancy rate
- 1.40% avg. interest rate at more than 6 years avg. maturity
- Refinancing well on track
- €35/sqm of investments in 2023e
- Net seller: pipeline of c.5k units
- New development: small exposure of €130m left until 2026
- 100% Pure Play
- First mover to adapt to new environment
- Best in class ESG ratings
- MSCI: AAA, Sustainalytics 6.7
- CDP: B

Resilient business model



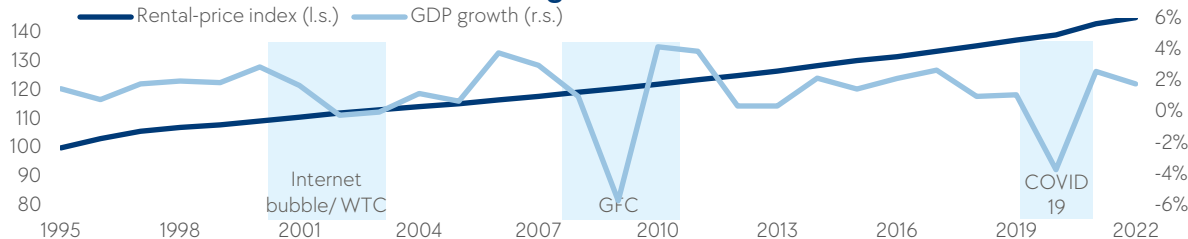
LEG not materially affected during the GFC and COVID-19



LEG well positioned

- Non-cyclical business model
- LEG's attractive rent level of **€6.53/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.

FFO calculation – current & new definition



€m	Current definition		New definition	
	FY-2022	FY-2021	FY-2022	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 focused 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

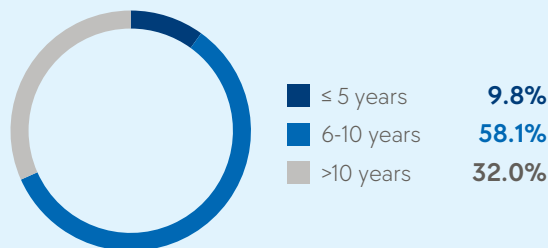
Around 19% of portfolio comprises subsidised units

Reversionary potential amounts to 45% on average

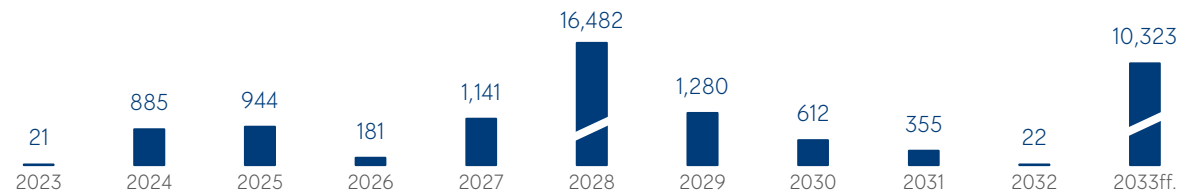
Rent potential subsidised units

- Until 2028, around **20,000 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

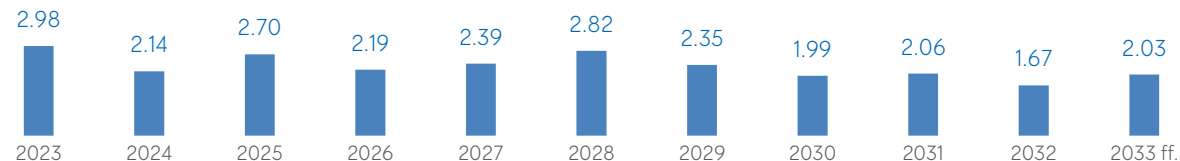


Number of units coming off restriction and rent upside (ytd 2023: c.1,500)



Spread to market rent

€/m²/month



	≤ 5 years ²	6 – 10 years ²	> 10 years ²
In-place rent	€5.26	€5.43	€5.25
Market rent ¹	€7.66	€8.18	€7.27
Upside potential ³	46%	51%	39%
Upside potential p.a. ³	€6.3m	€41.6m	€16.9m

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.

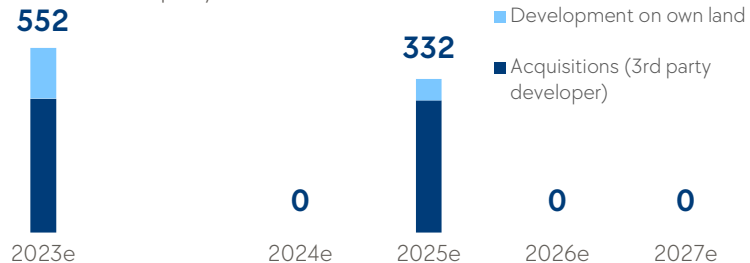
New construction pipeline further reduced to a total of c.€130m



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

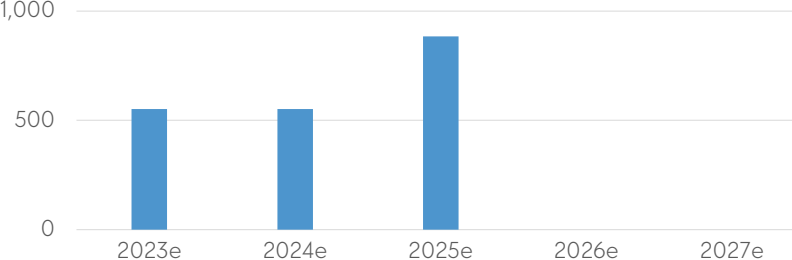
Completions

number of units per year



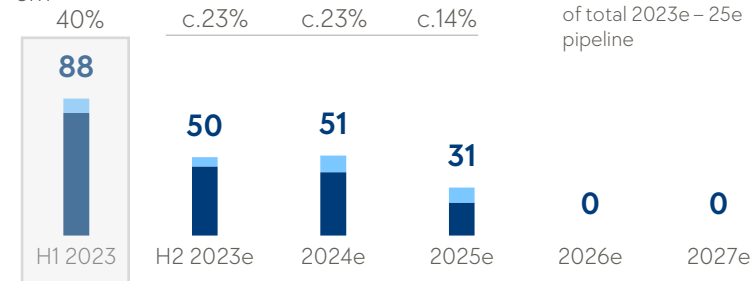
Aggregated completions

units
1,000



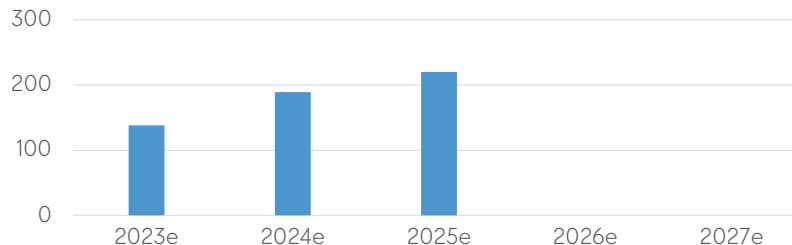
Investment volume per year

€m



Aggregated investment volume

€m



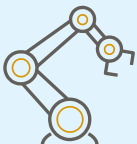
Digitisation

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



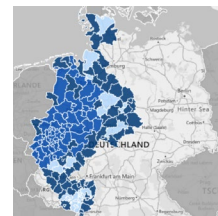
Robotics solutions

- **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



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





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 **2023** until **2026** and **4,000 tons** CO₂ 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						Upgrade to top rating in 12/2022
SUSTAINALYTICS a Morningstar company ESG Rating		20.1	10.4	7.8	6.7	No. 1 out of 159 in real estate management ¹ No. 6 out of 1,075 in global real estate ¹ No. 30 out of 15,638 in global total coverage ¹
CDP DISCLOSURE INSIGHT ACTION CDP Score						Initial score above sector score (C)
SCIENCE BASED TARGETS SBTi target					Targets submitted	Validation process started
ISS ESG ISS ESG	D+	D+	C-	C-		Upgrade to Prime Status
EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION sBPR Award						Gold rating confirmed
DAX ESG Index			DAX [®] 50 ESG	DAX [®] 50 ESG	DAX [®] 50 ESG	
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 05/2023

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



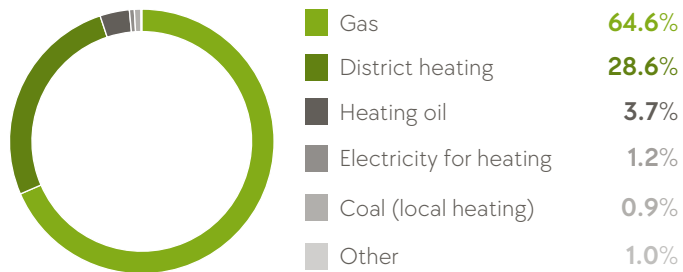
Carbon Balance Sheet 2022

28.3 kg CO₂e/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 CO₂e/m²** based on heating energy
- **301k t CO₂** in total (2021: **283k t**)

Heat energy by source (100% of portfolio)



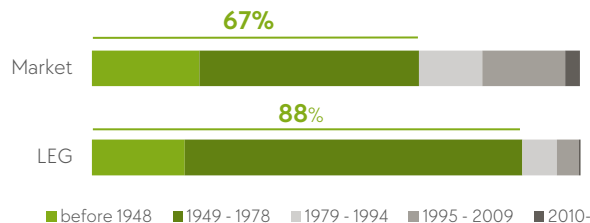
- Based on actual consumption 2021 (84% actuals, 14% energy performance certificates (EPC), 2% estimates)
- Extrapolated for 2022
- Limited assurance by Deloitte

Reflecting our roots

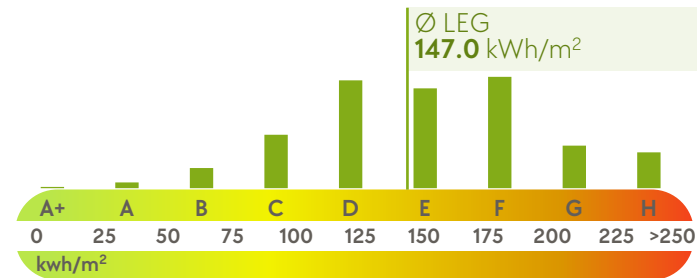
Energy efficiency of our portfolio of **147 kWh/m²** (2021: **144.5 kWh/m²**) is a function of corporate DNA & history:

- Providing affordable housing in post-war Germany

LEG portfolio by construction years vs. LEG market



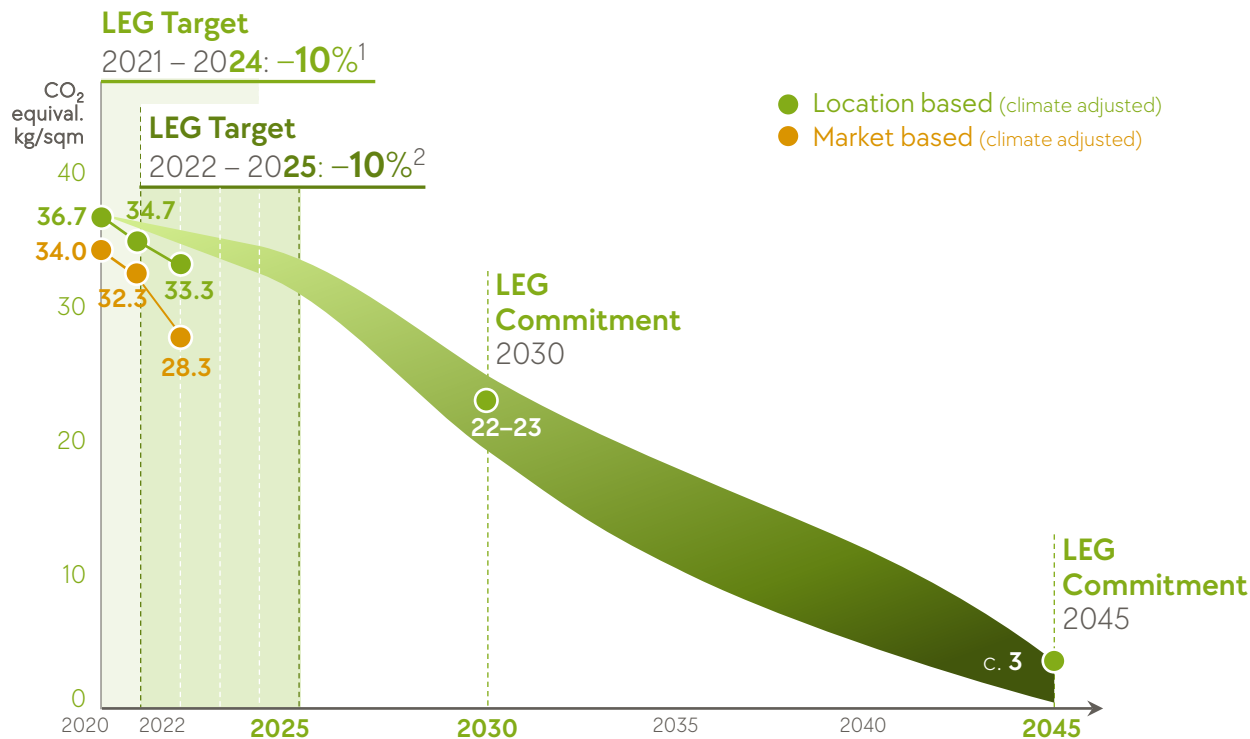
Distribution by energy efficiency classes LEG



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

Strong CO₂ 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 **33.3kg** (location based) and by **12%** to **28.3kg** (market based)
- Key driver:
 - **4,028t** CO₂ 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 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

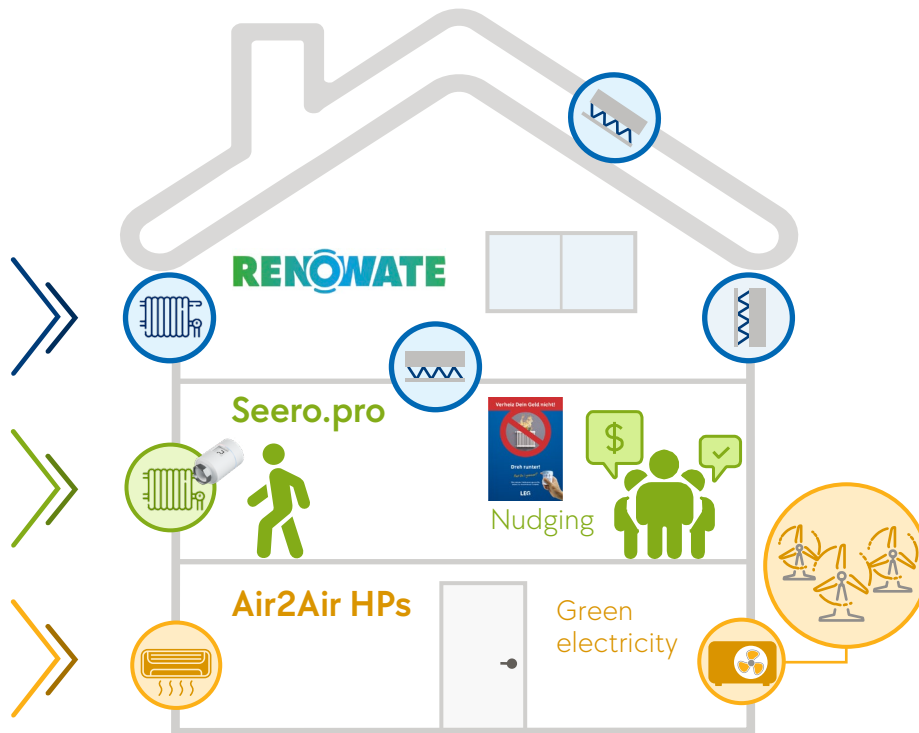
- Insulation of the building shell, incl. windows and doors
- At least **30%** efficiency improvement
- Additional **15%** subsidies from BEG

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**
- Saving up to **€500m** for carbon reduction until 2030¹



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

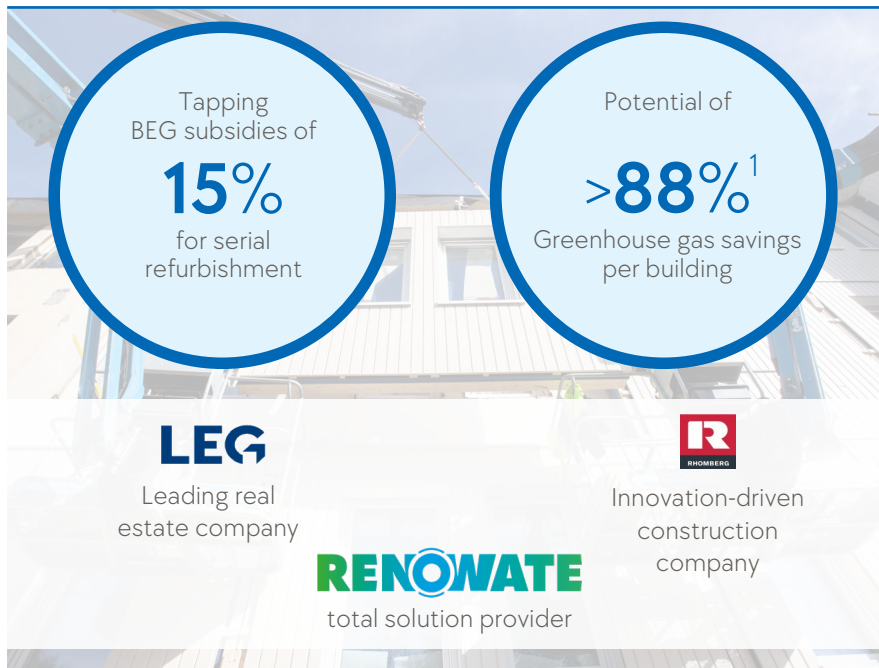


Background

- 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 Mönchengladbach mainly completed in 2022



Significance for LEG portfolio



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 CO₂ reduction"

¹ Results of the first two properties in Mönchengladbach.

Seero.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

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

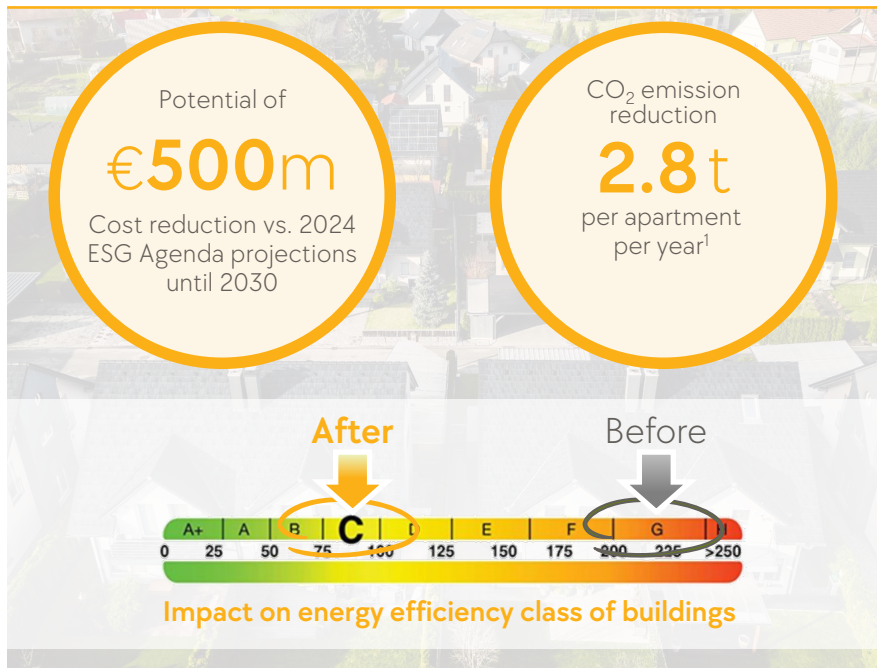


Background

- Strategic partnership with Mitsubishi Electric to ensure best in class device availability 
- 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 infrastructure and buildings with low efficiency



Significance for LEG portfolio



Outlook

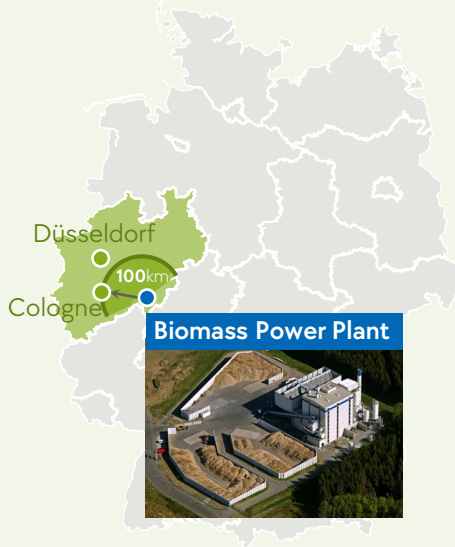
- Large-scale roll-out of economical air-to-air heat pumps within LEG portfolio starting H2 2023
- Optimisation and standardisation of roll-out process for further Capex reduction potential
- Ramp-up of own installation capacity to secure value generation within LEG
- Evaluation of partnering options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

¹ CO₂ Reduction based on fully decarbonized electricity mix; calculation based on average apartment with 62 sqm and energy efficiency class G.

LEG's biomass plant

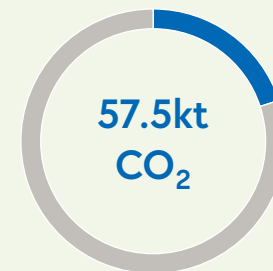
Providing us with an competitive advantage – not reflected due to current framework

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 CO₂ footprint

Potential offset from biomass plant



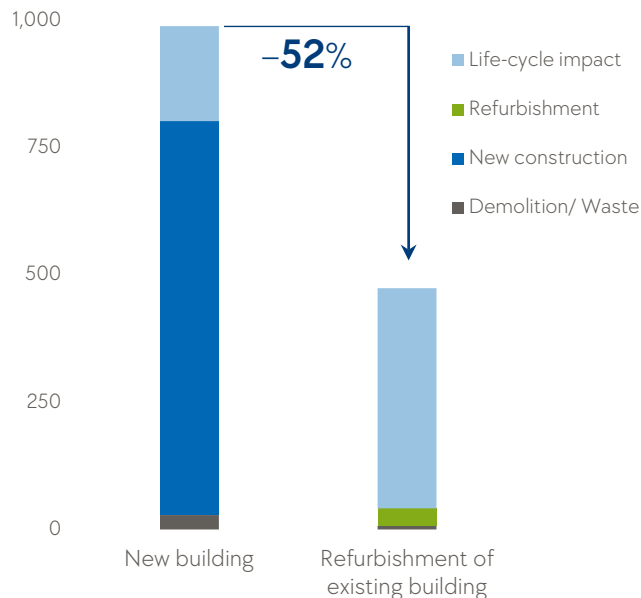
Potential **18%** off-set from own biomass plant

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

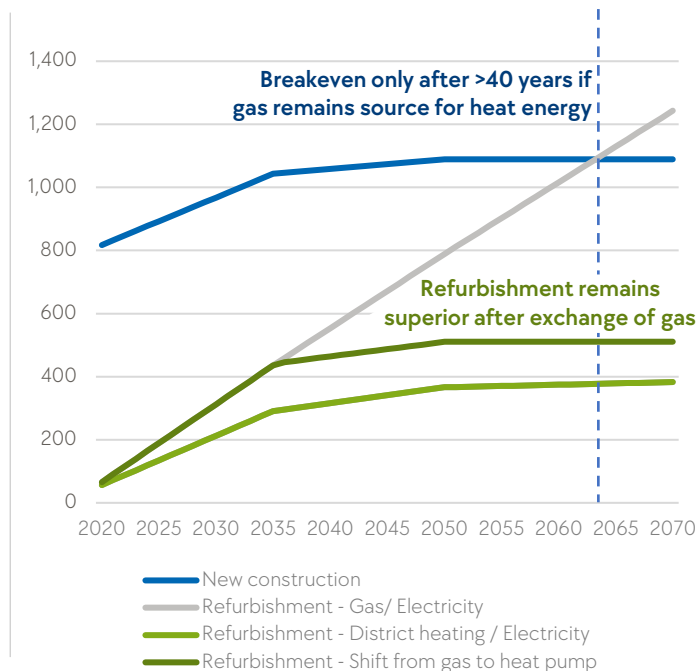
LEG Study: Energetic refurbishment superior over new construction approach under CO₂ lifecycle perspective

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

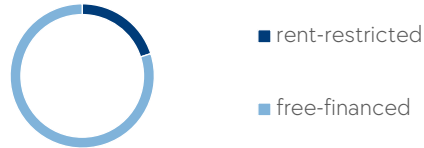
Affordable living and focus on customer satisfaction

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

Providing an affordable home

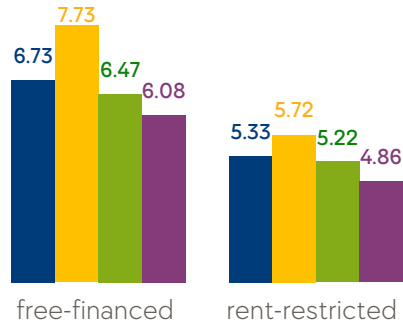
- Social responsibility for our **500,000** customers
- Providing a home at affordable prices
- **167,000** units at **€6.44/sqm/month** on average (c. **€410** per month per unit)
- Rent increases for rent-restricted units only every 3 years by inflation factor

20% of units rent-restricted



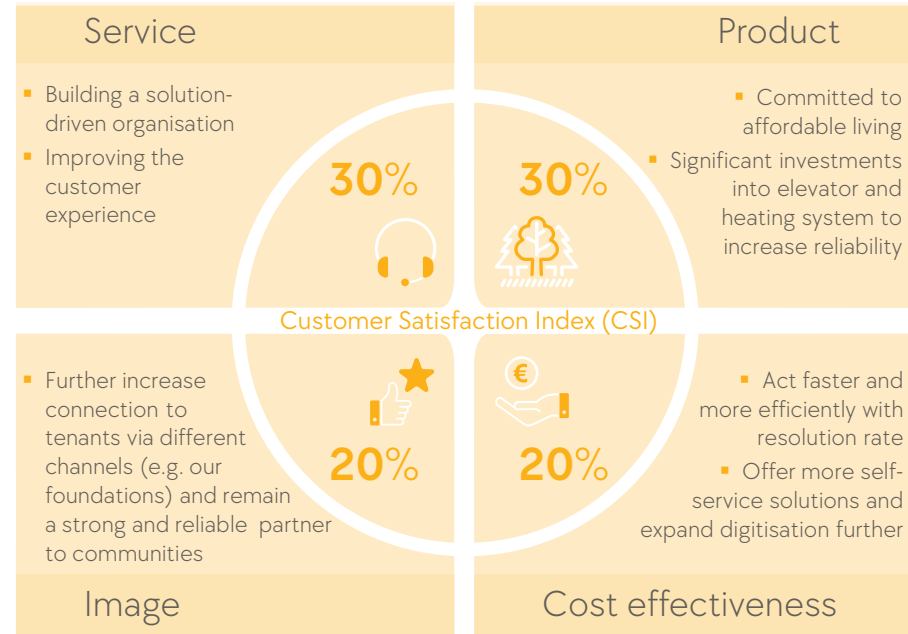
Attractive rent levels

€/sqm/month (FY-2022)



■ 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

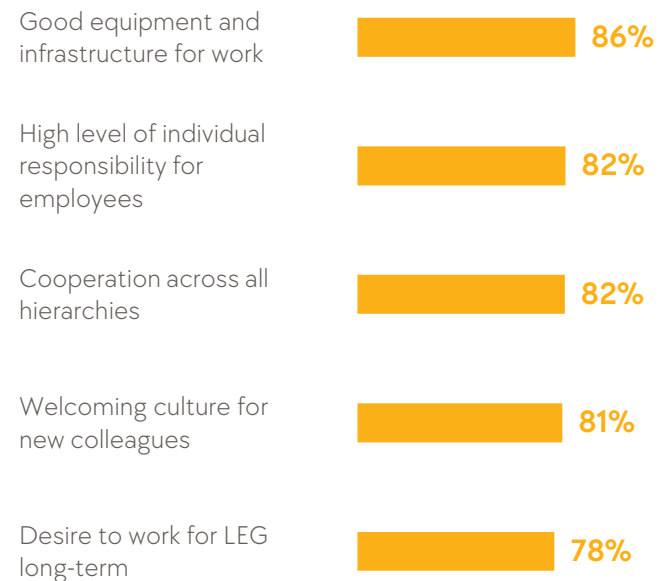


Total result

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



Top results





4

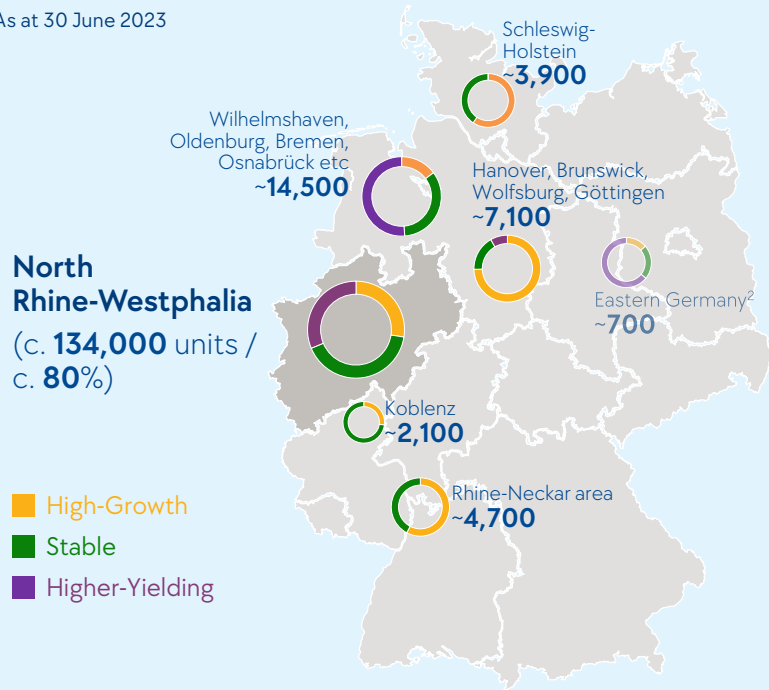
Portfolio **Overview**

LEG's portfolio comprised c. 167,000 units end of H1

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



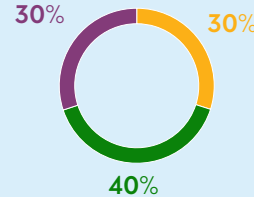
As at 30 June 2023



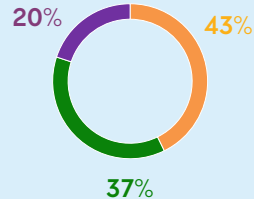
¹ Residential units. ² 700 non-core units mainly located in Eastern Germany.

Total portfolio¹ (c. 167,000 units)

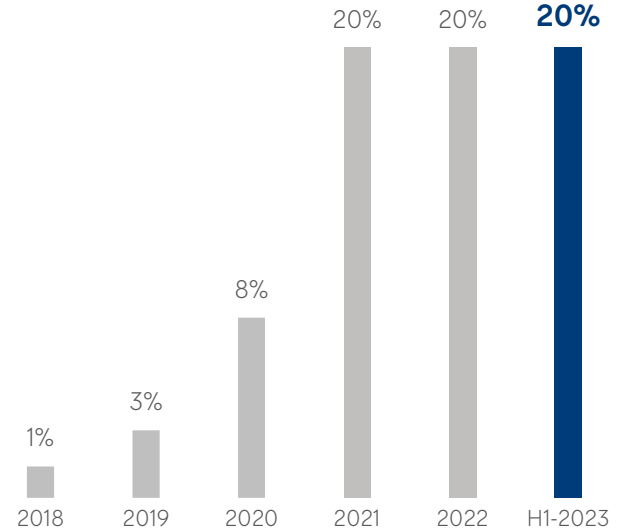
by units



by GAV
€m



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



Portfolio structure (I)

H1-2023



By Market

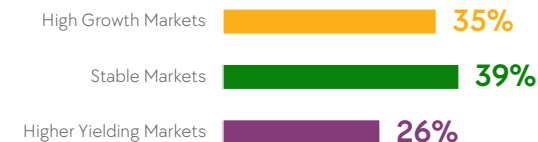
Units



Gross Asset Value

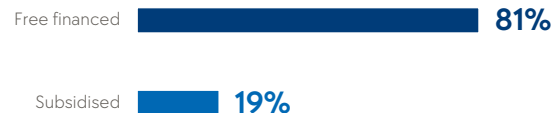


Rental Income



Restricted vs. unrestricted

Units



Gross Asset Value



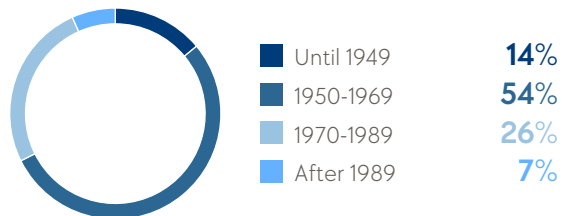
Rental Income



Portfolio structure (II)

FY-2022

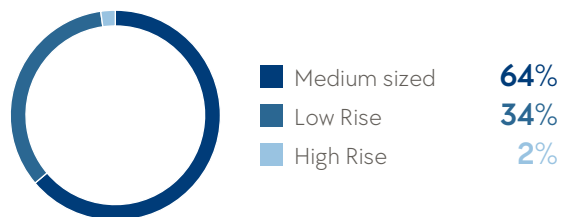
Construction Years



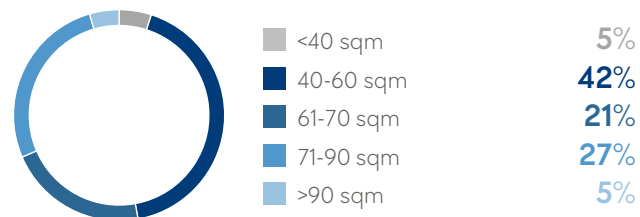
Free Financed / Rent Restricted Units



Building Types¹



Apartment Size



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

Valuation framework



LEG

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

CBRE (Appraiser since IPO in 2013)

	<i>Same as LEG</i>
Scope	Complete portfolio incl. commercial units, parking spaces, excluding land
Valuation Level	Economic units (homogeneous cluster of adjacent buildings with similar construction date and condition) provided by LEG
Technical Assessment	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, infinite No separate valuation of plot size/ value of land Exit cap rate based on market evidence
Calculation of Discount-/Cap-Rate	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
Relevance for Audit of Financial Statements	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



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 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 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 IT.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

12,000 shares in LEG¹

- 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

¹ As at August 2023 based on directors' dealings notification



Dr. Kathrin Köhling
CFO

2,310 shares in LEG¹

- 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 LEG¹

- 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

Remuneration system 2023/26

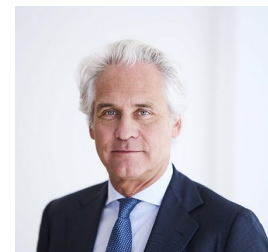
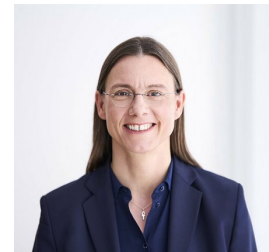
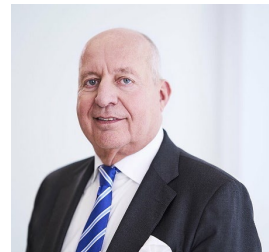
Proposed adjustment of financial STI targets in-line with new steering methodology³



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

Dr. Sylvia Eichelberg

Member since 2021

Dr. Claus Nolting

Member since 2016

Dr. Jochen Scharpe

Member since 2013

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 August 2023



6

Regulation & Social Security in Germany

Basics



Free financed units

Existing contracts

- Rent increase by max. **20% (15% cap in tense markets²) within 3 years**; benchmark: **local reference rent¹**
- 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 markets² the rental break (**Mietpreisbremse**) applies: increase of **max. 10% on local reference rent¹**

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)

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

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%.

Rent table basics

1



Coverage

- Free financed units
- To be established for cities above **50,000** inhabitants¹
- Not valid for all units sizes – e.g. rent table Dortmund only for units between **20 – 145** sqm
- Validity period of **2 years** with adjustments via CPI-development or via control sample for another **2 years**
- New compilation after **4 years**
- City specific, i.e. not standardised amongst cities in respect to number of criteria

2



Process

- Commissioned by the cities
- Compilation by representatives from tenant associations, landlords and the real estate valuation board based on rental value surveys
- Look-back period of **6 years** reflecting new letting rents and rent adjustments of sitting tenants within that period

3



Differentiation

Qualified rent table

- Based on scientific principles
- Regulated by the rent table directive
- Implication: Higher level of legal security

vs.

Simple rent table

- More simplistic approach
- Implication: Lower level of legal security, application of “three comparable apartment rule”

¹ Further obligations to compile qualified rent tables for municipalities with more than 100,000 inhabitants have already been agreed in the coalition agreement (implementation date unclear).

Rent table example Dortmund City-North 2023 vs. 2021



Base rent based on year of construction plus additions/ deductions/ sqm as per characteristics

2023

Change vs. prev.
Rent table (%)

4.6%
4.4%

1.2%



■ High end
■ Mean
■ Low end

0.00

0.15

0.17

0.20

0.03

0.03

0.22

0.09

Change vs. prev.
Rent table (%)

7.65 4.9%
6.82 4.8%

2.0%



2021



■ High end
■ Mean
■ Low end

0.00

0.22

0.30

0.24

0.07



Year of construction
1960

Size:
64 sqm

Bath:
Shower and
bath tub

Bath
modernisation:
After 2015 (2023)
After 2009 (2021)

Floor:
Polyvinyl
chloride

Heating:
Decentral
heating

Windows:
Simple thermal
insulation
glazing

Accessibility:
Elevator

Location:
Dortmund-
City-North

Total

Comprehensive funding concept for energetic refurbishment

45% subsidies granted for a serial refurbishment project



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


LEG

Status as of
10 August 2023

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**

Timeline (planned)

1st week of September 2023

Adoption of the GEG amendment in the German parliament

By the end of 2023

Adoption of the Heat Planning Act (WPG)

1 of January 2045

Complete ban on fossil-fuelled heating systems

Funding concept for new heating systems

Implemented via the BEG (federal funding for energy-efficient buildings act)



LEG

Status as of
10 August 2023

Basic subsidy for all 30%
of the modernisation costs

Sprinter bonus additional up to **20%**, declining over time (only for owner-occupied properties)

Hardship supplement 30% for owner-occupied properties with a house-hold income <40k € (total subsidy max. 70%)

- **Additional modernisation levy** (new § 559e BGB included in the GEG draft)

Option 1

8% of the investment costs for heating replacement and related work minus maintenance; cap at **€0.50** sqm per month

Option 2

10% of the investment costs for heating replacement and related work minus maintenance, if landlord takes advantage of subsidies; cap at **€0.50** sqm per month

- Previous modernisation levy of **8%** remains in place for remaining modernisation measures
- Offset against the existing modernisation levy cap of **€2**/sqm/month (cold rent <7.00€/sqm) or **€3**/sqm/month (cold rent ≥7.00€/sqm)

Timeline (planned)

Until 30th of September 2023

Presentation of new funding concept (BEG) by Ministry of Economics / Ministry of Finance; budget and duration not yet specified

Applicable for LEG

Only applicable for private persons

Subsidised units

– Inflation-dependent components of the cost rent (i.e. admin and maintenance) were adjusted in January 2023 based on 3-year CPI development¹

Cost rent components²

Management costs

- Depreciation
- Operating costs
- Loss of rental income risk

Capital costs

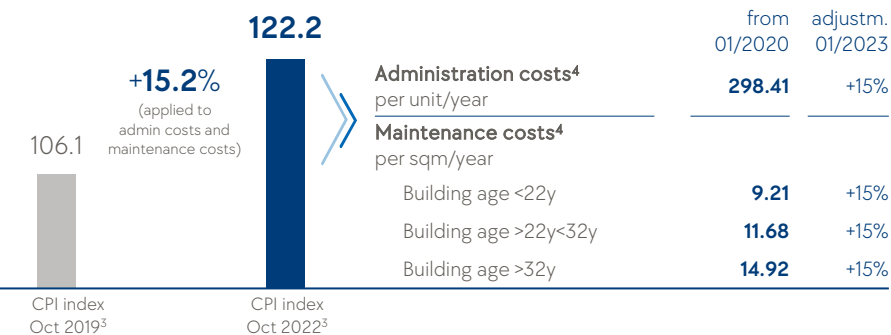
- Financing costs

▪ Administration costs

▪ Maintenance costs

CPI - linked

Calculation for LEG's subsidised portfolio



¹ CPI development from October 2019 (index = 106.1) to October 2022 (index = 122.2 acc. to Federal Statistical Office). ² Legal basis for calculation: II. Berechnungsverordnung. ³ Basis 2015 = 100. ⁴ Administration and maintenance costs are lump sums. ⁵ as of H1 2023

Historic view

Impact on cost rent adjustment at LEG

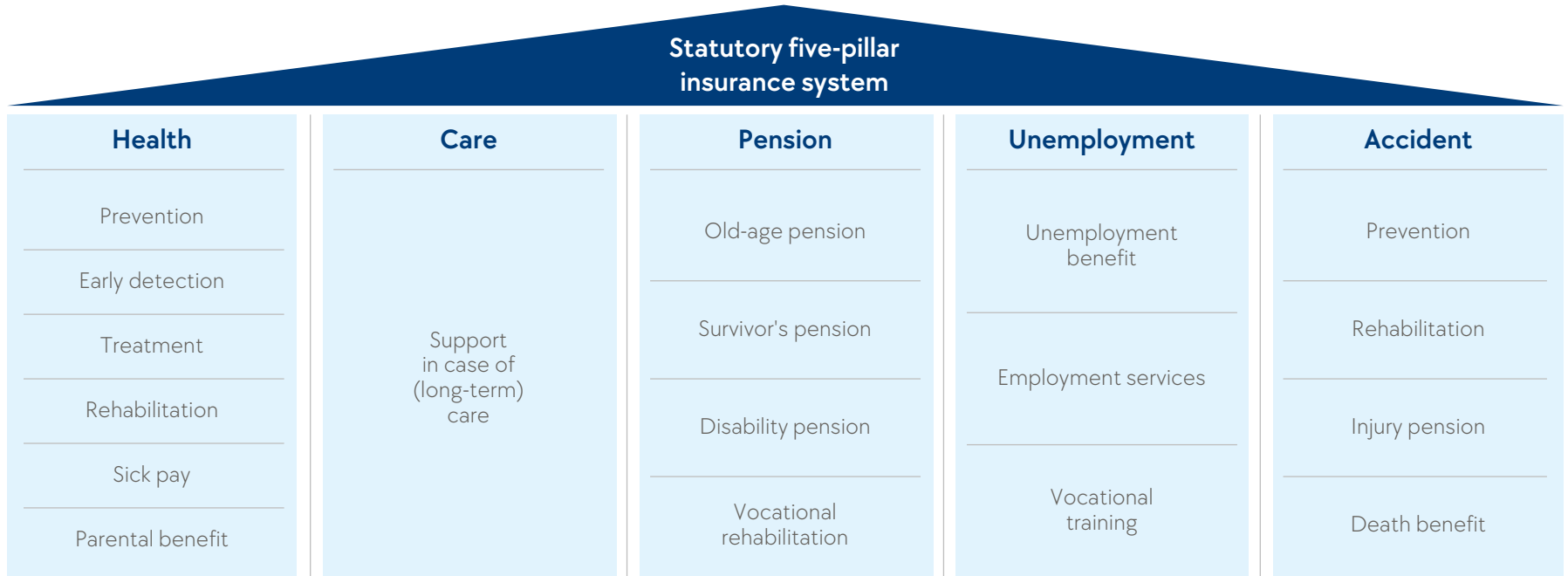
	2014	2017	2020	2023
3 year period CPI development	+5.7%	+1.9%	+4.8%	+15.2%
Total rent increase for LEG's subsidised portfolio (I-f-I)	+2.4%	+1.2%	+2.0%	+5.4%⁵

LEG portfolio

Subsidised units (H1-2023)

Location	Number of subsidised units	Average net cold rent month/sqm (€)
High growth markets	11,419	5.76
Stable markets	13,761	5.25
Higher-yielding markets	7,066	4.88
Total subsidised portfolio	33,246	5.35

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



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



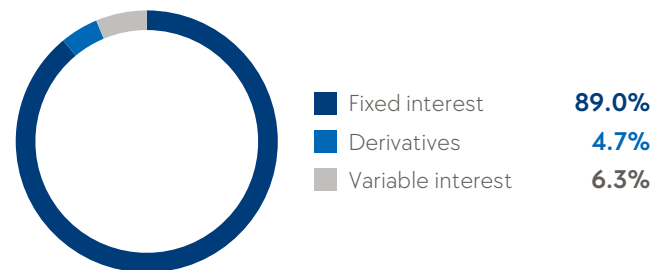
Unsecured financing covenants

Covenant	Threshold	H1-2023
Consolidated Adjusted EBITDA / Net Cash Interest	≥1.8x	4.9x ¹
Unencumbered Assets / Unsecured Financial Indebtedness	≥125%	157.4%
Net Financial Indebtedness / Total Assets	≤60%	45.2%
Secured Financial Indebtedness / Total Assets	≤45%	16.8%

Ratings (Moody's)

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

Financing mix



Key financial ratios

	H1-2023	H1-2022
Net debt / adj. EBITDA ²	14.0x	13.2x
LTV	46.6%	42.1%
Secured Debt / Total Debt	37.2%	36.1%
Unencumbered Assets / Total Assets	39.8%	39.5%
Equity ratio	40.2%	45.1%

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 capitalized, KPI is 5.3x.
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
2017/2024	€500m	23 Jan 2024	1.250% p.a.	99.409%	XS1554456613	A2E4W8
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	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	€500m	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

Capital market financing

Convertible bonds



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

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

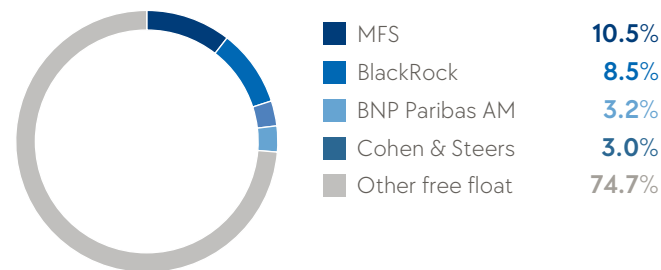
LEG share information



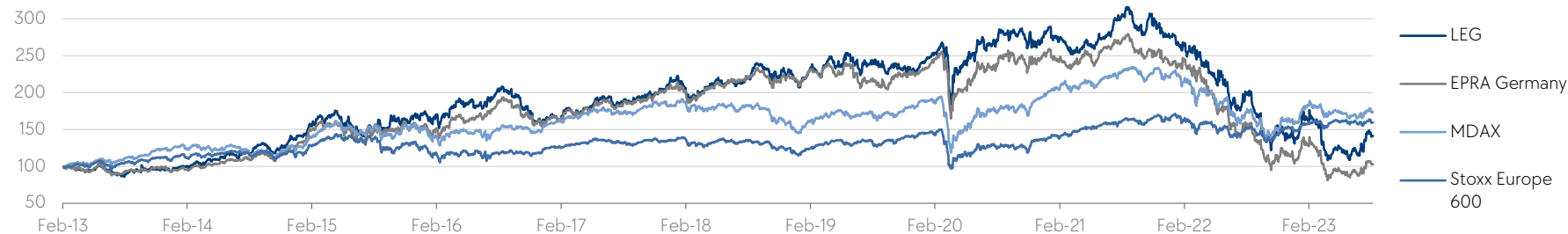
Basic data

Market segment	Prime Standard
Stock Exchange	Frankfurt
Total no. of shares	74,109,276
Ticker symbol	LEG
ISIN	DE000LEG1110
Indices	MDAX, FTSE EPRA/NAREIT, GPR 250, Stoxx Europe 600, DAX 50 ESG, i.a. MSCI Europe ex UK, MSCI World ex USA, MSCI World Custom ESG Climate Series
Weighting	MDAX 2.6% (30.6.2023) EPRA Developed Europe 2.5% (30.6.2023)

Shareholder structure¹



Share (7.8.2023; indexed; in %; 1.2.2013 = 100)



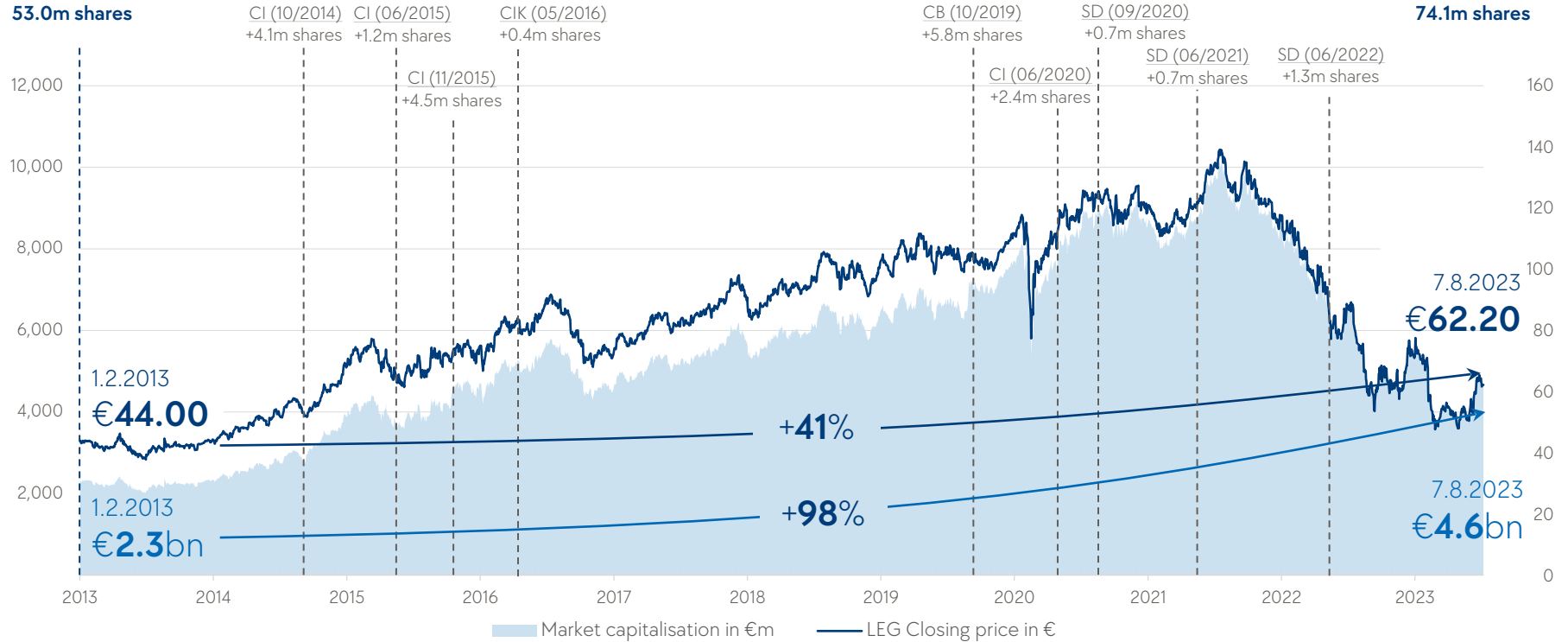
¹ Shareholdings according to latest voting rights notifications.

Share price and market capitalisation since IPO



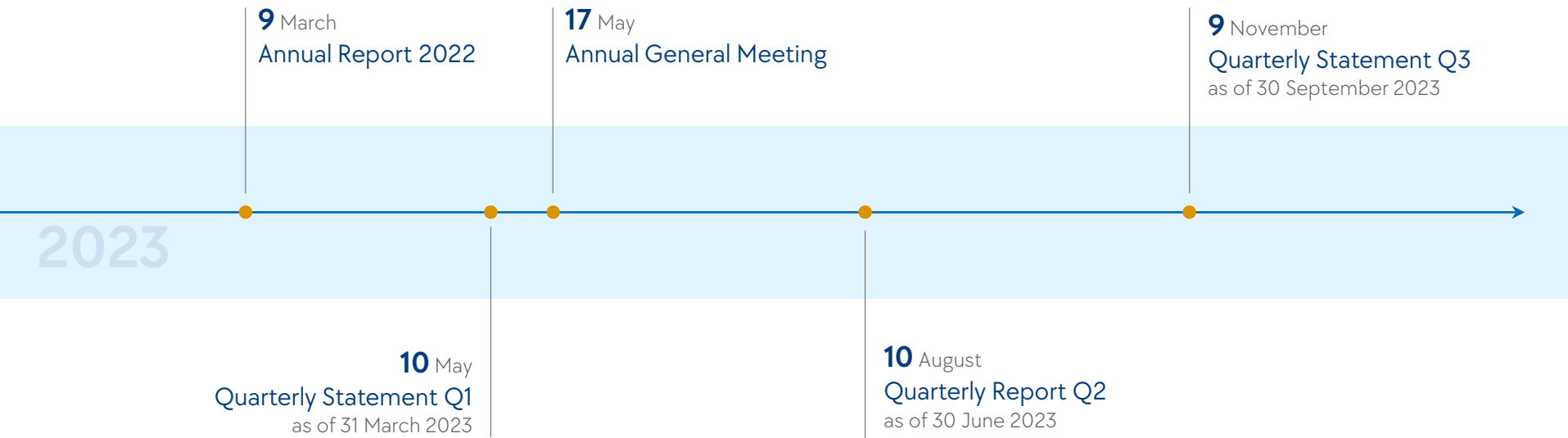
IPO (2/2013)
53.0m shares

8/2023
74.1m shares



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

Financial calendar



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

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