



H1-2024

LEG Immobilien SE
H1-2024 Results

9 August 2024

LEG



H1-2024 Results – Agenda

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Highlights **H1-2024**

Financial Summary

H1-2024



Operating results

		H1-2024	H1-2023	+/- %
Net cold rent	€m	427.9	414.3	+3.3%
NOI (recurring)	€m	350.2	339.4	+3.2%
EBITDA (adjusted)	€m	323.9	335.2	-3.4%
FFO I ¹	€m	217.9	226.0	-3.6%
AFFO	€m	109.7	118.6	-7.5%
AFFO per share	€	1.48	1.60	-7.5%
Operating cashflow	€	278.0	264.2	+5.2%
NOI margin (recurring)	%	81.8	81.9	-10bps
EBITDA margin (adjusted)	%	75.7	80.9	-520bps
FFO I margin	%	50.9	54.5	-360bps
AFFO margin	%	25.6	28.6	-300bps

Portfolio

		30.06.2024	30.06.2023	+/- %
Residential units	number	165,823	166,890	-0.6%
In-place rent (I-f-I)	€/sqm	6.72	6.53	+2.9%
Investments (adj.) ²	€/sqm	15.41	14.08	+9.4%
EPRA vacancy rate (I-f-I)	%	2.5	2.6	-10bps

Balance sheet

		30.06.2024	31.12.2023	+/- %
Investment properties	€m	17,745.7	18,101.8	-2.0%
Cash and cash equivalents ³	€m	355.9	405.5	-12.2%
Equity	€m	7,260.2	7,488.2	-3.0%
Total financing liabilities	€m	9,328.8	9,375.8	-0.5%
Net debt ⁴	€m	8,959.0	8,954.4	+0.1%
LTV	%	49.0	48.4	+60bps
Average debt maturity	years	6.0	6.2	-0.2y
Average debt interest cost	%	1.66	1.58	+8bps
Equity ratio	%	38.1	38.8	-70bps
EPRA NTA, diluted	€m	9,129.2	9,379.9	-2.7%
EPRA NTA per share, diluted	€	122.59	126.57	-3.1%

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

3 Including short-term deposits of €130.3m as of H1-2024 (FY-2023: €128.0m). 4 Excl. lease liabilities according to IFRS 16 and incl. short-term deposits.

Guidance raise to €190 – 210m AFFO

Continued strong operations point to AFFO per share growth of c.+10%¹

Financials



- AFFO **-7.5%** to **€109.7m**
- Operating cashflow **+5.2%** to **€278.0m**
- FFO I **-3.6%** to **€217.9m**
- Adj. EBITDA-Margin **75.7%**
- LTV **49.0%/ 48.3%** pro-forma²
 - Debt @ **1.66%** for **Ø 6.0y**
- NTA p.s. **€122.59**

Operations



- Net cold rent **+3.3%**
- I-f-I rental growth **+2.9%**, thereof free-financed **+3.4%**
- I-f-I vacancy **2.5%** (-10bps)

ESG



- Score of **Sustainalytics** ESG Risk Rating further improved to **5.1** and ranked no. **6** out of **1,030** real estate companies globally
- LEG was awarded a special **prize for targeted learning and employee development** (DW Future Prize of the Real Estate Industry)
- LEG ranked **no.1 in DAX 50 ESG for ESG achievements, no.3 in STOXX Global ESG Social Leaders**

H1-2024

Guidance increase to €190 – 210m (€180 – 200m)

Strong fundamentals allow also to lift investments to €34/sqm (€32/sqm)

Valuations bottoming out at around 5% gross yield for LEG

Minor devaluation of 1.6% for H1-2024 – trough in sight

Roughly €285m of disposals YTD

Recovery of the residential transaction market continues

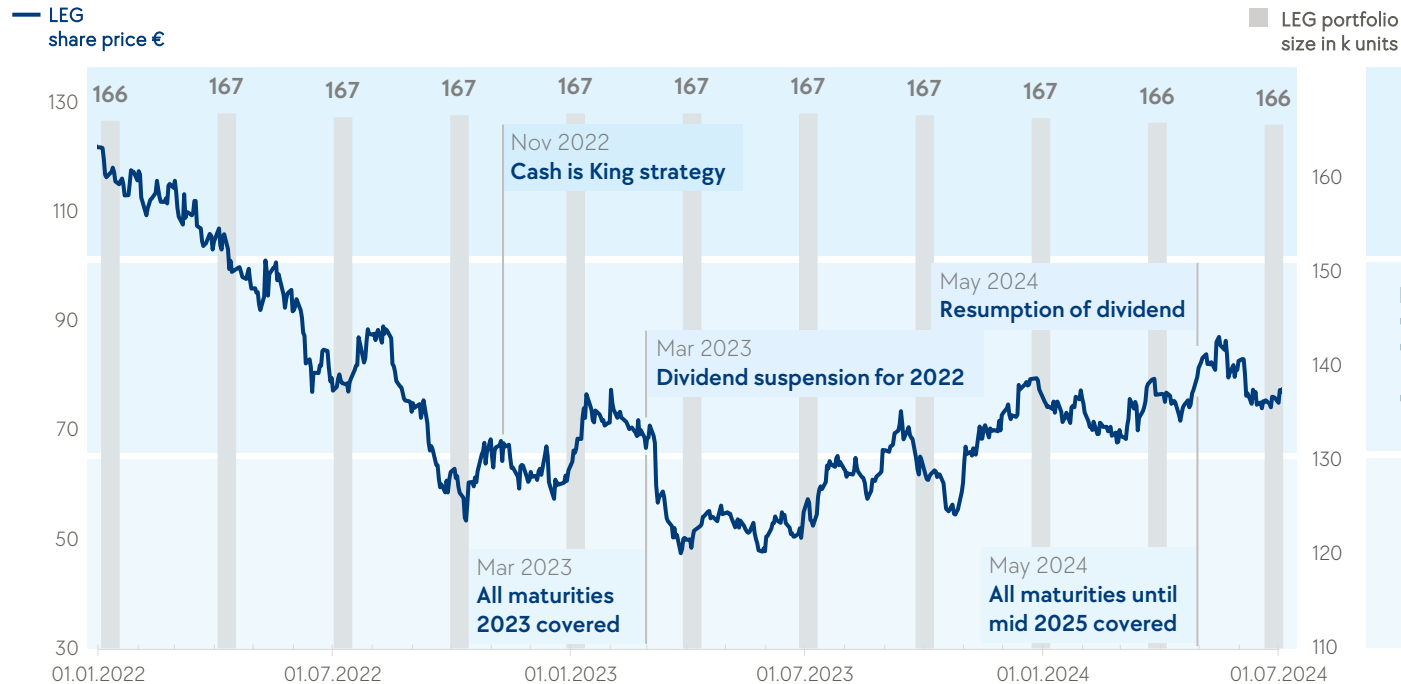
Free financed segment with 3.4% (I-f-I) rent growth

Free financed rents to grow by 3.8 – 4.0% for FY24e

¹ Based on midpoint of new guidance range. ² Based on reported H1 LTV and taking YTD disposals into account.

Early and decisive but neither drastic nor dilutive measures taken

A broadly stable portfolio preserves current and future earnings base



Cashflow

- AFFO core KPI since FY-2023
- AFFO p.s. 2024e vs. 2023 +c.10%¹
- No headwinds from JV's

Balance sheet

- No goodwill
- Neither structured capital, i.e. no options nor major at-equity stakes
- LTV increase contained, i.e. from **43.9%** (YE-22) to **48.3%**² (H1-24)

Financing

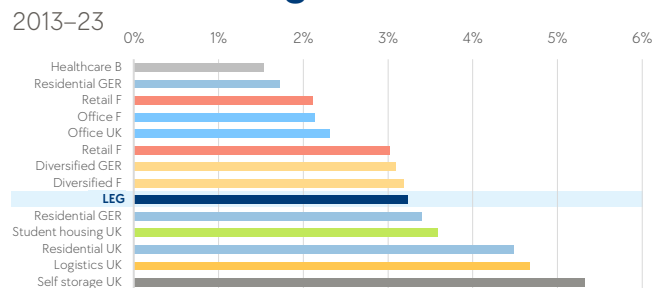
- Avg. Interest cost still low at **1.66%**
- >€500m of remaining 2025 debt covered by excess cash incl. disposals
- Highest flexibility regarding instruments

¹ Based on midpoint of new guidance range. ² Pro-forma as of today. Based on reported H1 LTV and taking YTD disposals into account.

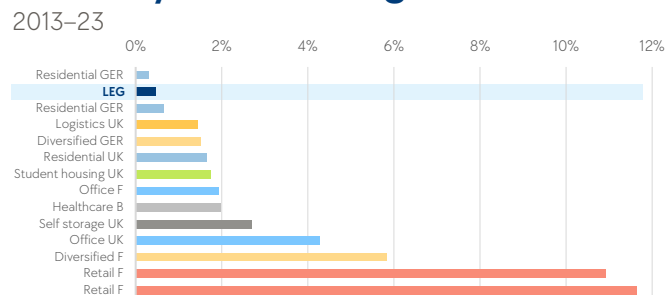
Attractive risk return profile of German residential

Above average organic growth at low volatility of LEG

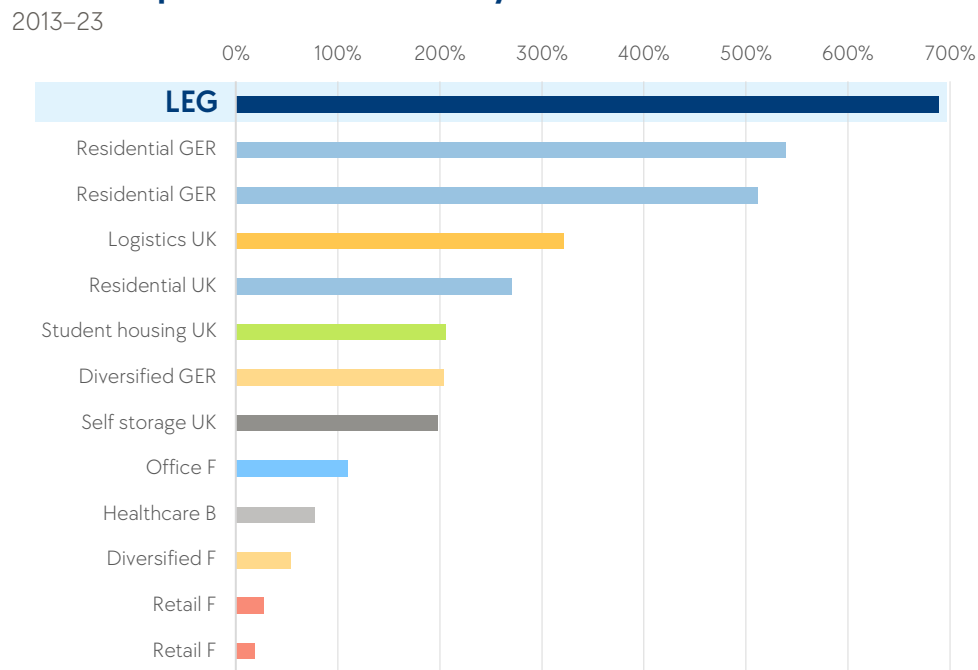
CAGR I-f-I rent growth¹



Volatility of I-f-I rent growth (standard dev.)¹



Growth per unit of volatility (CAGR / standard dev.)¹



¹ I-f-I growth based on company reporting since 2013 where available or since IPO/ first time reporting respectively. Peers include Aedifica, Aroundtown, Covivio, Gecina, Grainger, Klepierre, LandSec, Segro, Shurgard, TAG, Unite, URW, Vonovia. Representative selection of European real estate companies.



2

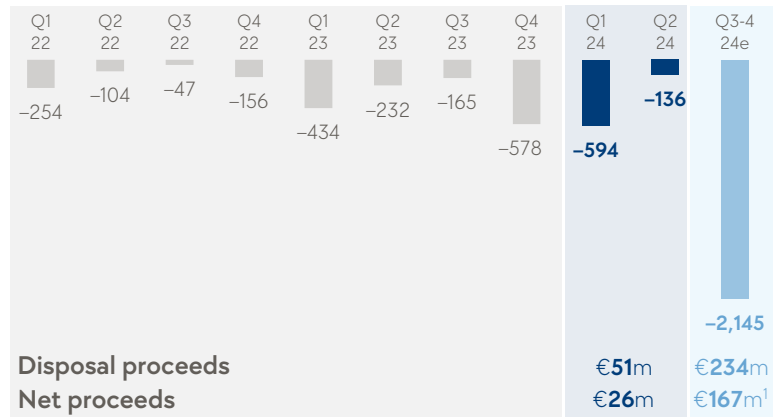
Portfolio & Operating **Performance**

Roughly €285m and almost 2,900 units of disposals YTD

Majority to be transferred in the second half of the year

Portfolio development – Divestments

Number of units



Gross proceeds c.€285m
Net proceeds c.€193m¹

- From the start of our disposal programme in Q1-2022 until H1 2024 c.**2,700** units transferred for c.**€182m**
- So far **2,145** units expected to be transferred in the course of the year with corresponding proceeds of c.**€234m**
- More disposals in the pipeline

Signed disposals YTD (not yet transferred)

	Price €m	Units
Existing portfolio		
Krefeld (NRW)	16	236
Warburg (NRW)	5	86
Hanover area (Lower Saxony)	61	766
Dortmund/ Essen (NRW) NEW	10	170
Recklinghausen (NRW) NEW	22	409
Other incl. commercial UPDATE	20	128
New built		
Essen/ Duesseldorf (NRW)	63	211
Bremen (Bremen) NEW	37	139
Total	c.234	2,145

- Signings reflect recovery of transaction markets
- Disposals at low end as well as high end of quality spectrum
- Rigorous price discipline continued - in total, disposals transacted above book values
- One disposal with a volume of c.**€35m** regarding a commercial complex (announced in Q4-23) did not close
- Buyers range from HNWI's, pension funds to smaller domestic and international institutionals

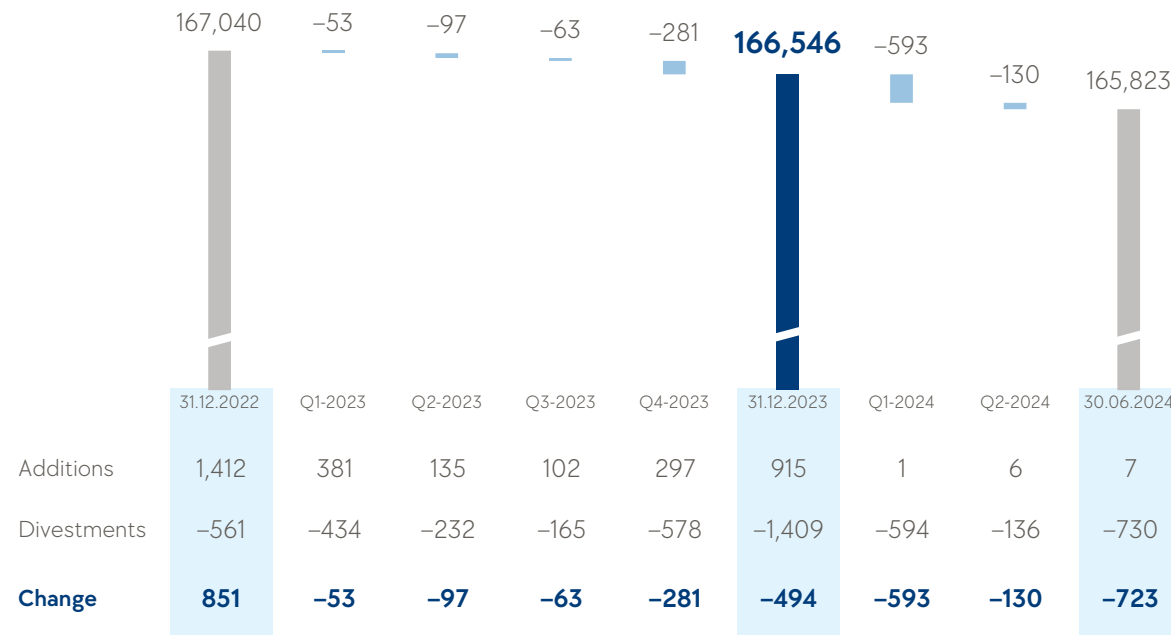
¹ Assuming all signings will ultimately be transferred until year end. Net proceeds = Disposal price less redemption of underlying secured financing, transaction fees and calculatory taxes.

Portfolio transactions H1: 730 units transferred in H1



More transfers to come for H2 based on YTD signings

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



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

Disposals

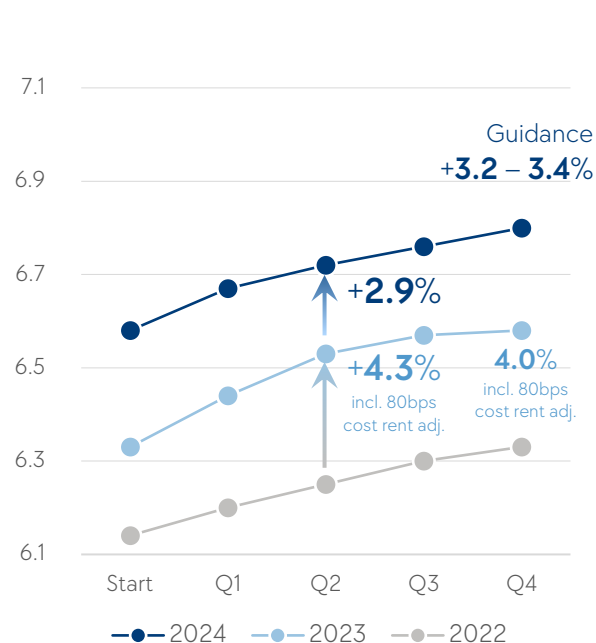
- Disposal incl. transfer of ownership for **730** units above book value at **€51m** –translating into net proceeds of **€26m**
- Signed disposals in H1 include two bigger block sales with around 400 units. Remainder consists of smaller tickets to maximise price and safeguard shareholder value
- Signed disposals make up for **2,145** / c. **€234m** – to be transferred in the course of the year
- The additions to the portfolio ytd solely relate to conversions

Rent growth guidance confirmed

Scale-up in H2-2024, previous year's reporting date marked by early implementation of rent increases

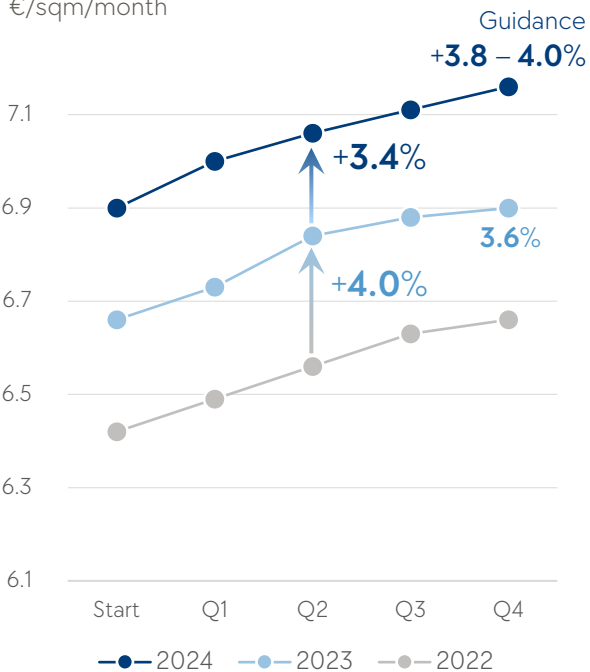
I-f-I rent development

€/sqm/month



I-f-I free financed rent development

€/sqm/month



- Fully on track for **3.2% – 3.4%** I-f-I rent growth guidance
- Based on strong **3.8% – 4.0%** I-f-I rent growth for the free financed units
- **2.9%** rent growth in H1-24 affected by last year's peak in rent increases in Q2 with a strong rent growth of **4.3%** due to earlier publication of rent tables
- Despite lower rent growth yoy as of H1-24, rent growth at year-end will be at least on the level of FY-23 excl. the cost-rent effect of **80 bps** back then

Rental growth guidance confirmed

Free financed rent growth for FY-2024 expected to be 3.8 – 4.0% (excl. new construction)

I-f-I rent development

€/sqm/month

Residential rent

H1-2024 **6.72**

H1-2023 6.53

+2.9%

Rent table **+1.4%**
Modernisation/Re-letting **+1.5%**

Free financed rent

H1-2024 **7.06**

H1-2023 6.83

+3.4%

I-f-I free financed rent development

€/sqm/month

H1-2024 **8.15**

H1-2023 7.87

High-growth
 +3.6%

H1-2024 **6.77**

H1-2023 6.53

Stable
 +3.6%

H1-2024 **6.36**

H1-2023 6.18

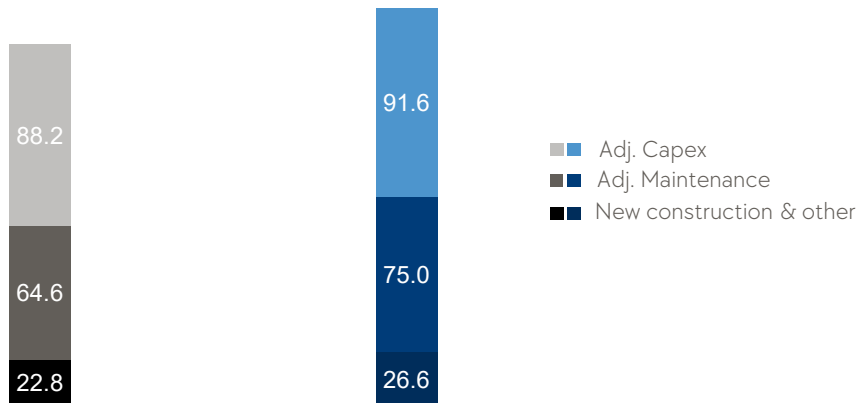
Higher-yielding
 +2.8%

- Free-financed part increased by **3.4%** – slowdown vs. Q1 as Q2-2023 was marked by high rent increases – guidance unchanged
- New rent table example: Gütersloh (Westphalia) **+13%** for typical LEG apartment
- No cost rent adjustment in 2024; next increase will be in 2026
- Tenant fluctuation stays at low level of **9.3%** yoy

Capex and Maintenance

Moderate increase in first half – FY-2024 guidance raised to c.€34 per sqm

Adj. Invest per sqm¹ €14.08/sqm — **+9.4%** — €15.41/sqm
 Adj. Invest €m¹ €152.8m €166.6m
 Total Invest €m €175.6m €193.2m



	per sqm	H1-2023	H1-2024	%
Adj. Capex		€8.13	8.47	+4.2%
Adj. Maintenance		€5.95	6.94	+16.6%
Adj. Investment¹		€14.08	15.41	+9.4%

- Adjusted investments per sqm increased by **9.4%** yoy to **€15.41**
- Investment guidance raised to **~€34** per sqm
 - Increased investments in refurbishments to support ongoing vacancy rate reduction and optimisation of rent increases
 - Substantial investment to retrofit a hotel asset due to reversal of original sales contract (announced Q3-23)
- Capitalisation ratio of **55.0%**² (**-270bps** yoy) continues to reflect cash-focused steering
- Investments for construction on own land of **€6.8m** in H1-2024

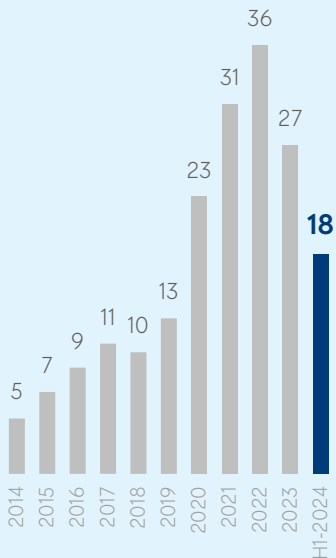
¹ Excl. new construction activities on own land, own work capitalised, consolidation effects and after subsidies. ² Relates to adjusted investments.

Value-added services with solid AFFO contribution

Higher investment into energy business will affect AFFO generation in H2

AFFO contribution – Services

€m



Main service entities

LEG
WohnService

Partner



100%
entity

Multimedia: TV,
internet and
telephone

Launch
January 2014

LEG
EnergieService

Partner

~100
partners from
energy and
technical service
providers

100%
entity

Electricity,
heating, gas,
metering

Launch
March 2015

LEG
TechnikService

Partner



Joint venture
(51%)

Small repair
work, craftsmen
services

Launch
January 2017

LEG
LWS Plus

Partner

~130
partners from
craft companies
and technical
service providers

100%
entity

General
contractor
services

Acquisition
October 2020

Further service entities of LEG

RENOVATE

Joint Venture: provides serial energetic refurbishment of properties

termios

Joint Venture: developed the first smart thermostat for hydraulic balancing

dekarbo°

Joint Venture: offers comprehensive service around air-to-air heat pump installation

youfilly

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

LEG

LEITWerk

Dedicated electricians company set-up and hirings started



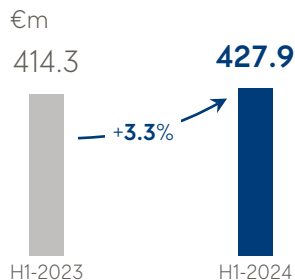
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Financial Performance

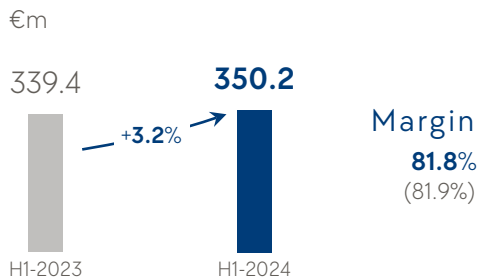
Financial highlights H1-2024

Net cold rent growth offsets higher energy costs

Net cold rent

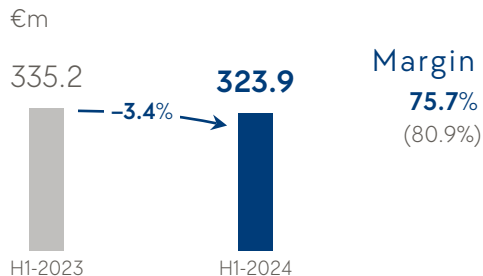


Net operating income (recurring)



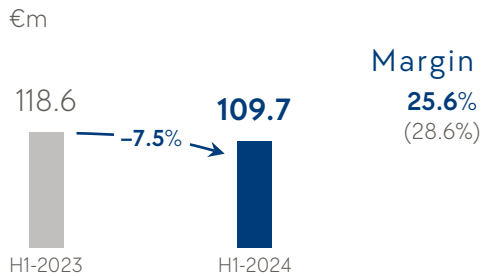
Margin
81.8%
(81.9%)

EBITDA (adjusted)



Margin
75.7%
(80.9%)

AFFO



Margin
25.6%
(28.6%)

Net cold rent

- Growth mainly driven by **2.9%** I-f-I rent growth

Net operating income (recurring)

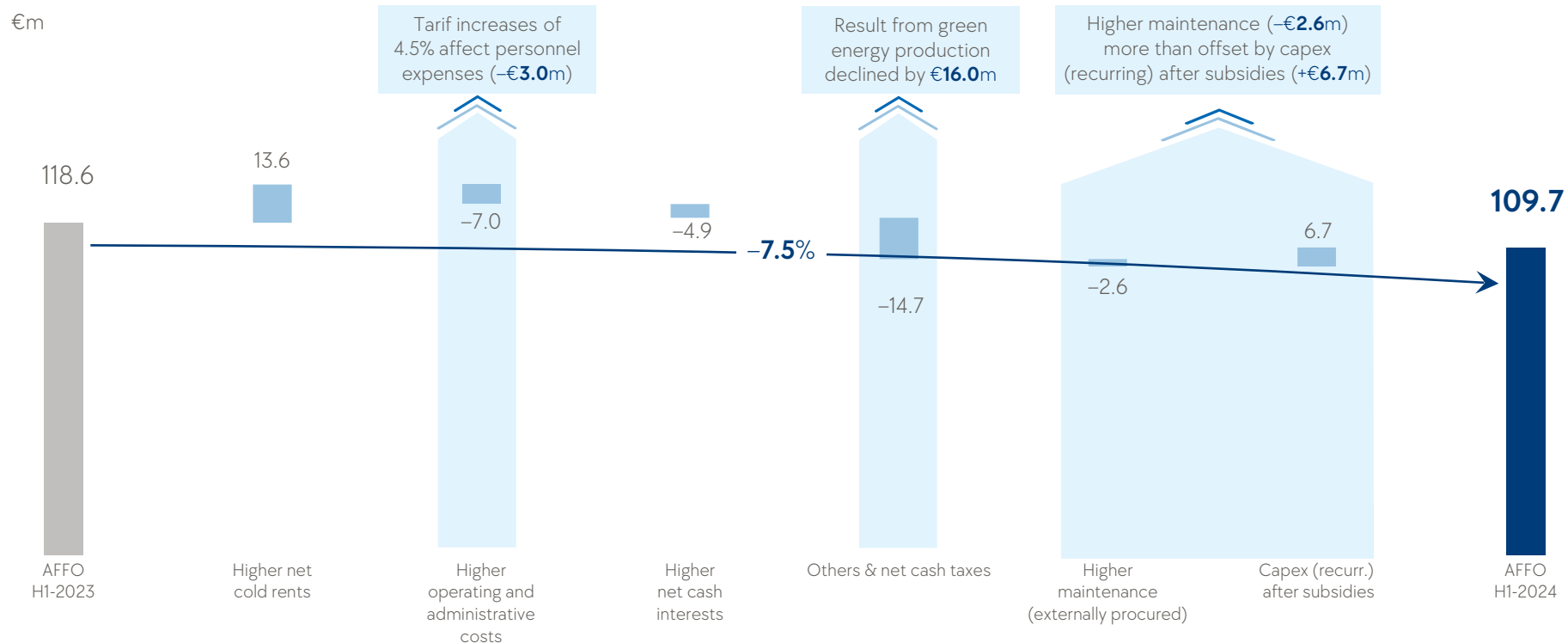
- Increase by **3.2%** mainly driven by higher net cold rent
- Margin of **81.8%** virtually unchanged as costs, e.g. personnel expenses, increased in-line

EBITDA (adjusted) and AFFO

- Lower contribution from the green electricity production (**-€16.0m**). Forward sale business at peak prices in 2022 for 2023
- Decline in AFFO by **7.5%** to **€109.7m** further driven by higher cash interest expenses (**-€4.9m**)

AFFO Bridge H1-2024

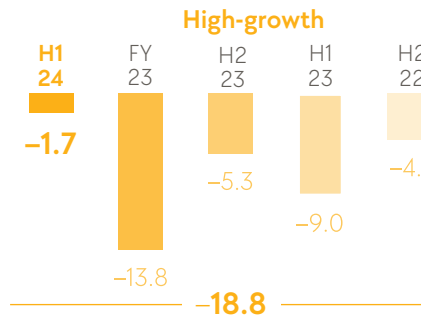
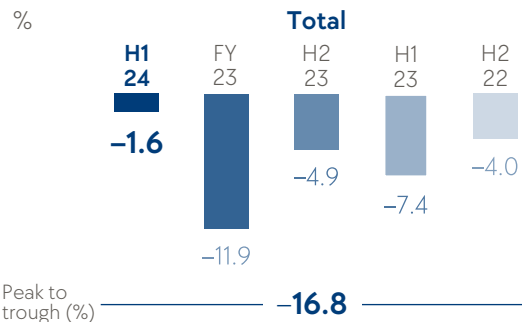
Lower contribution from green energy production results in AFFO decline



Portfolio valuation H1-2024

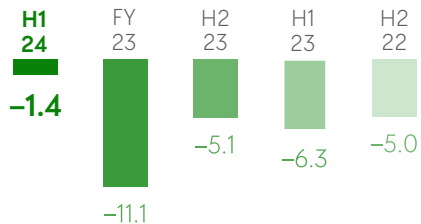
Valuation bottoming out – trough in sight

Valuation decline by markets¹



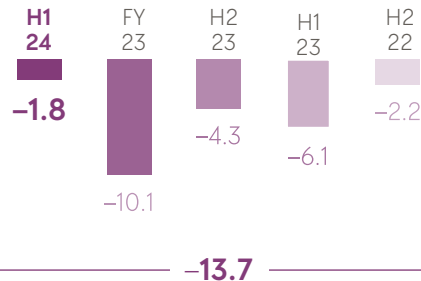
Peak to trough (%)

Stable



Peak to trough (%)

Higher-yielding



Highlights

- Devaluation of **-1.6%** in **H1-2024**, pressure easing off; similar trend in all markets
- Residential transaction market with slight recovery in Q2-2024² (€3.3bn in H1-2024, **+25%** yoy)
- Since peak in H1-2022 combined devaluation effect of c.**16.8%**
- Average object-specific discount rate increased to **5.0%** (FY-2023 **4.7%**), cap rate increased to **5.8%** (FY-2023 **5.7%**)

¹ Property valuation with cut-off date as of 31 March 2024 and revaluation date as of 30 June 2024.

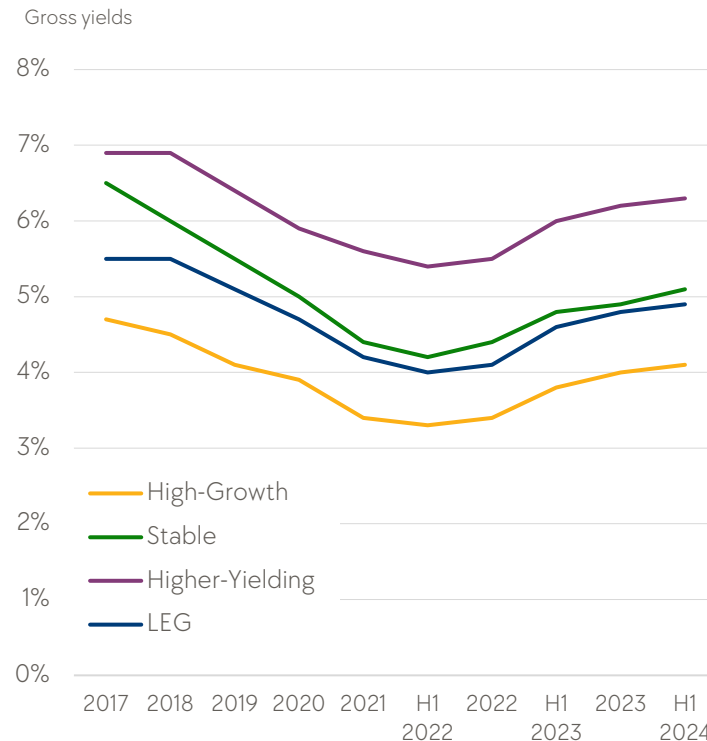
² Source: BNP Real Estate for transactions >30 units.

Portfolio values H1-2024

Back at attractive levels of c.5% gross yield, 4% net yield



Market segment	Residential Units	GAV Residential Assets (€m)	GAV/sqm (€)	Gross yield	In-Place Rent Multiple	GAV Commercial/Other (€m)	Total GAV (€m)
High-Growth Markets	49,789	7,103	2,202	4.1%	24.6x	295	7,398
Stable Markets	66,672	6,346	1,491	5.1%	19.6x	246	6,592
Higher-Yielding Markets	49,362	3,323	1,122	6.3%	15.9x	90	3,413
Total Portfolio	165,823	16,772	1,606	4.9%	20.4x	631	17,403¹



¹ GAV of IAS 40 portfolio (including leasehold, land value and assets under construction) was €17,746m.

Financial profile



2024 maturities completely refinanced – 60% of 2025 maturities covered by pro-forma excess cash

Maturity Profile¹



Average debt maturity



Average interest cost



Loan-to-value



Highlights

- **All 2024 maturities refinanced** – opportunistic refinancing of the 2025 maturities now in focus
- Upcoming **secured maturities** in **2025** reduced to c.€458m after early redemption of c.€100m
- **Convertible bond** in the amount of €400m due in September 2025
- **Undrawn RCFs** in the amount of €750m as well as an **unused CP program** of €600m
- **Robust liquidity** position of > €350m²
- **60% of the 2025 maturities** already **covered** with cash and cash from sales proceeds (>€500m), i.e. next maturities in September 2025
- Average **debt maturity** of **6.0 years** with average **interest cost** of **1.66%**
- Average interest **hedging rate** c.**94%**
- **LTV** at **49.0%** as of 30 June 2024 (pro-forma **48.3%**)³
- **Interest Coverage Ratio (ICR)** at **4.3x**

¹ The maturity profile is based on the contractually agreed maturities of the financial liabilities. ² Cash and short-term deposits.
³ Based on reported H1-2024 LTV and taking YTD disposals into account. ⁴ Covered by existing excess cash and incoming net proceeds from disposals.



4

Outlook

Guidance 2024: AFFO improvement to €190m – €210m

Investments increase to 34€/sqm to optimise operational results



		Guidance 2024¹
AFFO	UPDATE	€190m – 210m (before: €180m – 200m)
Adj. EBITDA margin		c. 77%
I-f-I rent growth		3.2% – 3.4%
Investments	UPDATE	c. 34€/sqm (before: c.32€/sqm)
LTV		Medium-term target level max. 45%
Dividend		100% AFFO as well as a part of the net proceeds from disposals

Disposals Not reflected¹

Environment	2024–2027	Installation and commissioning of 2,000 air-to-air heat pumps in 2027 in LEG's portfolio and in third-party portfolios
	2024	4,000 tonnes CO ₂ reduction from modernisation projects and customer behaviour change
Social	2024–2027	Acceleration of the processing time of total LEG tenant complaints by 10% by 31 December 2027 based on the averaged processing time of resolved complaint tickets from March 2024 and September 2024
	2024	Use of 100 LEG staff hours to design, organise or implement intercultural projects until 31 December 2024
Governance	2024	85% of TSP employees, 99% of employees in staff holding LEG group companies have completed the "IT Security" training until 31 December 2024

¹ Guidance based on 166k units.

5

H1-2024 Results

Appendix

1 Financials

2 Market

3 Portfolio

4 ESG

5 Financing

6 Share Information



FFO I/ AFFO calculation



€m	H1-2024	H1-2023
Net cold rent	427.9	414.3
Profit from operating expenses	-10.7	-9.8
Personnel expenses (rental and lease)	-57.5	-52.6
Allowances on rent receivables	-7.9	-9.7
Other income (rental and lease)	-5.9	-5.0
Non-recurring special effects (rental and lease)	4.3	2.2
Net operating income (recurring)	350.2	339.4
Net income from other services (recurring)	-0.5	17.5
Personnel expenses (admin.)	-18.6	-15.0
Non-personnel operating costs	-11.5	-12.1
Non-recurring special effects (admin.)	4.2	5.4
Administrative expenses (recurring)	-25.9	-21.7
Other income (admin.)	0.1	0.0
EBITDA (adjusted)	323.9	335.2
Net cash interest expenses and income FFO I	-67.9	-63.0
Net cash income taxes FFO I	-0.1	-2.7
Maintenance (externally-procured services)	-50.2	-47.6
Subsidies recognised in profit or loss	7.4	-
Own work capitalised	6.3	5.9
FFO I (including non-controlling interests)	219.4	227.8
Non-controlling interests	-1.5	-1.8
FFO I (excluding non-controlling interests)	217.9	226.0
FFO II (including disposal of investment property)	216.6	222.7
Capex (recurring)	-108.2	-107.4
AFFO (capex-adjusted FFO I)	109.7	118.6

Net cold rent

- +€13.6m or +3.3% driven by rent increases

Personnel expenses (rental and lease; admin)

- Increase mainly driven by higher wages and one-time inflation compensation payment in Q1 (€3.9m treated as non-recurring special effect)

Net income from other services (rec.)

- Lower income due to absence of positive effects from forward sale of green electricity (€16.0m yoy AFFO impact)

Net cash interest expenses and income

- Moderate increase (–€4.9m) due to refinancings partly offset by higher cash interest income

Investments (maintenance and capex)

- Lower level in previous year, steering adjusted to equally spread expenses over the four quarters of 2024

Subsidies

- Subsidies expected to be in a range of €20 – 25m for full year 2024

EPRA NRV – NTA – NDV



€m	30.06.2024			31.12.2023		
	EPRA NRV – diluted	EPRA NTA ¹ – diluted	EPRA NDV – diluted	EPRA NRV – diluted	EPRA NTA – diluted	EPRA NDV – diluted
IFRS equity attributable to shareholders (before minorities)	7,235.2	7,235.2	7,235.2	7,463.2	7,463.2	7,463.2
Hybrid instruments	28.5	28.5	28.5	28.5	28.5	28.5
Diluted NAV (at Fair Value)	7,263.7	7,263.7	7,263.7	7,491.7	7,491.7	7,491.7
Deferred tax in relation to fair value gains of IP and deferred tax on subsidised loans and financial derivatives	1,926.4	1,923.7	–	1,943.4	1,935.2	–
Fair value of financial instruments	–53.9	–53.9	–	–42.0	–42.0	–
Intangibles as per the IFRS balance sheet	–	–4.3	–	–	–5.0	–
Fair value of fixed interest rate debt	–	–	839.9	–	–	744.0
Deferred taxes of fixed interest rate debt	–	–	–183.6	–	–	–156.7
Estimated ancillary acquisition costs (real estate transfer tax)	1,739.7	–	–	1,759.4	–	–
NAV	10,875.9	9,129.2	7,920.0	11,152.5	9,379.9	8,079.0
Fully diluted number of shares	74,469,665	74,469,665	74,469,665	74,109,276	74,109,276	74,109,276
NAV per share (€)	146.04	122.59	106.35	150.49	126.57	109.01

¹ Including RETT (Real Estate Transfer Tax) would result in an NTA of €10,857.1m or €145.79 per share (31.12.2023: €11,127.5m or €150.15 per share).

Balance sheet



€m	30.06.2024	31.12.2023
Investment property	17,745.7	18,101.8
Other non-current assets	544.3	559.0
Non-current assets	18,290.0	18,660.8
Receivables and other assets	328.2	287.4
Cash and cash equivalents	225.6	277.5
Current assets	553.8	564.9
Assets held for sale	229.3	77.9
Total Assets	19,073.1	19,303.6
Equity	7,260.2	7,488.2
Non-current financing liabilities	7,973.7	8,004.4 ¹
Other non-current liabilities	2,060.8	2,102.3 ¹
Non-current liabilities	10,034.5	10,106.7 ¹
Current financing liabilities	1,355.1	1,371.4 ¹
Other current liabilities	423.3	337.3 ¹
Current liabilities	1,778.4	1,708.7 ¹
Total Equity and Liabilities	19,073.1	19,303.6

¹ Previous year's figure adjusted.

Equity ratio: 38.1% (FY-2023: 38.8%)

Investment property

- Capex: +€105.6m
- New construction: +€32.8m
- Revaluation: –€293.4m
- Reclassification for assets held for sale (IFRS 5): –€201.1m

Receivables and other assets

- Increase driven by deferral of property tax and operating expenses; partly offset by lower rent receivables

Cash and cash equivalents

- Operating activities: +€278.0m (+5.2%)
- Investing activities: –€111.2m
- Financing activities: –€218.7m (including dividend of –€153.2m)

Current financing liabilities

- IAS 1 amendments led to a shift in maturities of financial liabilities and the embedded derivatives of convertibles from medium to short-term (€928.7m); see slide 42 for details

Loan to Value



€m	30.06.2024	31.12.2023
Financial liabilities	9,328.8	9,375.8
Excluding lease liabilities (IFRS 16)	13.9	15.9
Cash & cash equivalents ¹	355.9	405.5
Net Debt	8,959.0	8,954.4
Investment properties	17,745.7	18,101.8
Properties held for sale	229.3	77.9
Participation in other residential companies	321.9	340.1
Property values	18,296.9	18,519.8
Loan to Value (LTV) in %	49.0	48.4

Loan to Value

- Increase by **60bps** to **49.0%** ytd, mainly due to devaluation of portfolio by **€293.4m**
- Decrease of cash and cash equivalents by **€49.6m** (dividend payment of **€153.2m**)
- Pro-forma LTV of **48.3%**²

Participation in other residential companies

- BCP stake (**35.7%**) included with market value of **€150.1m** (**-€18.2m** ytd) based on a share price of **€54.46** at Tel Aviv Stock Exchange as at 30 June 2024 (**€61.04** as at 31 Dec 2023)

¹ Including short-term deposits. ² Based on reported H1-2024 LTV and taking YTD disposals into account.

Income statement



€m	H1-2024	H1-2023
Net operating income	303.1	286.9
Net income from the disposal of investment property	-1.4	-0.9
Net income from the valuation of investment property	-293.4	-1,496.1
Net income from the disposal of real estate inventory	-0.1	-0.1
Net income from other services	-0.6	17.2
Administrative and other expenses	-31.8	-28.7
Other income	0.2	0.1
Operating earnings	-24.0	-1,221.6
Net finance costs	-87.0	-73.4
Earnings before income taxes	-111.0	-1,295.0
Income tax expenses	25.5	266.9
Consolidated net profit	-85.5	-1,028.1

Net operating income

- Increase of **+€16.2m** mainly driven by higher net cold rent

Net income from valuation

- Significantly lower devaluation (**-1.6%** for residential portfolio) compared to H1-2023 (**-7.4%**)

Net income from other services

- Decline due to absence of positive effects from forward sale of green electricity (**€16.0m** yoy AFFO impact)

Net finance cost

- Average cost of debt increased by **26bps** yoy to **1.66%** (H1-2023: **1.40%**)
- Increase in interest income by **€6.4m**
- Devaluation of stake in BCP

Income tax expenses

- Effective Group tax rate of **21.9%** (H1-2023: **21.1%**); lower deferred tax impact due to lower devaluations of assets

Latest IAS 1 amendments lead to reclassification of liabilities

No effect on economic maturities, no effect on covenants, no effect on LTV – mere change in disclosure

- | | |
|--------------------------------|--|
| CHANGE IN IAS 1 | <ul style="list-style-type: none"> Shift in the maturities of financial liabilities from the medium-term to the short-term range According to the amendment of IAS 1.69 in conjunction with IAS 1.76 A/B, the liabilities from convertible bonds were reclassified as short-term debt, as a conversion of the instruments is technically possible at any time - regardless the economic rationale |
| IMPACT ON BALANCE SHEET | <ul style="list-style-type: none"> Changes reflect exclusively the two convertible bonds The IAS 1 amendment leads to a shift of €928.7m (previous year: €925.7m) from medium-term to short-term financial liabilities, i.e. including to notional and the embedded option |
| NO IMPACT ON MATURITIES | <ul style="list-style-type: none"> The reclassification according to IAS 1 has no impact on the contractually agreed residual maturities Therefore, the maturity dates of the 2017/2025 €400m as well as the 2020/2028 €550m convertible bonds remain unchanged. The contractual maturities are reflected in the maturity profile on page 21 of this presentation. |

Contractually agreed maturities of financing liabilities from real estate financing according to IAS 1 before amendments

€ million	Remaining term			Total
	< 1 year	> 1 to 5 years	> 5 years	
30.06.2024	419.5	4,855.4	3,946.0	9,220.9
31.12.2023	438.5	4,450.7	4,375.7	9,264.9

IAS 1 maturities of financing liabilities from real estate financing

€ million	Remaining term			Total
	< 1 year	> 1 to 5 years	> 5 years	
30.06.2024	1,348.3	3,926.6	3,946.0	9,220.9
31.12.2023	*1,364.2	*3,525.0	4,375.7	9,264.9

*previous year's figures adjusted

COM-PARISON

German residential market

A highly fragmented market – dominated by private owners

Professional owners **34%**

66% Private owners

Public owner **11%**

43% Private Individuals

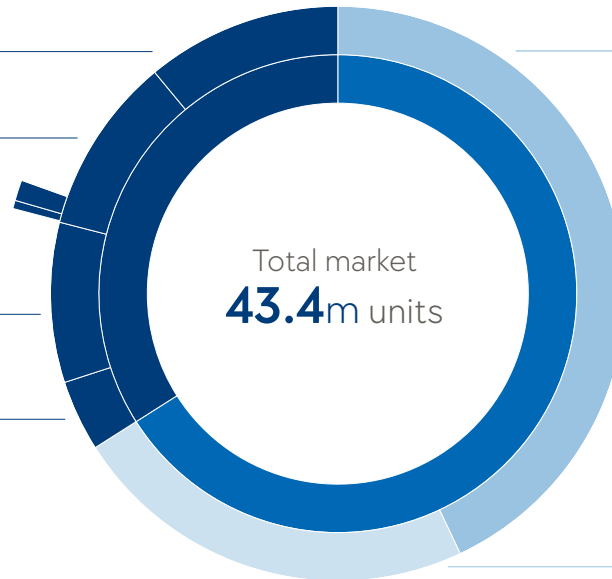
Private companies **10%**

of which

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

Mutuals **9%**

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



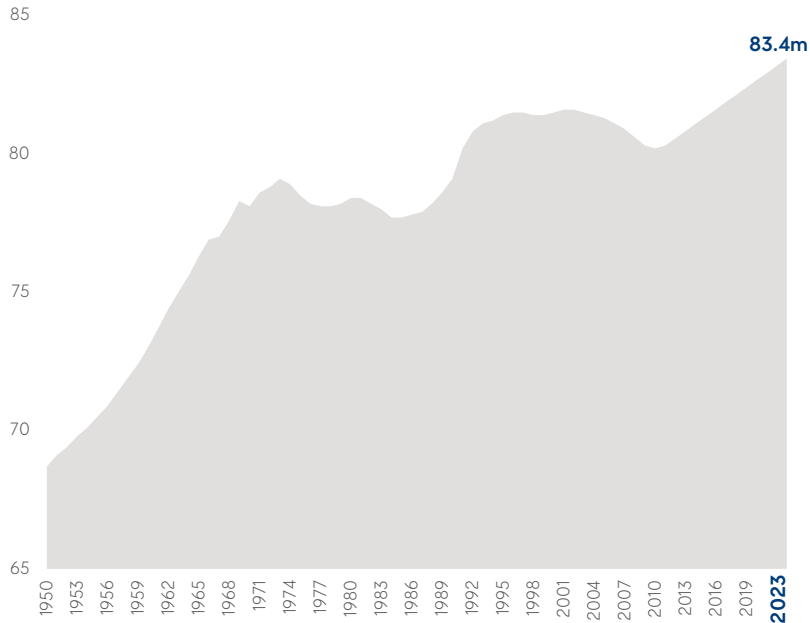
Demand – supply imbalance will persist

New supply continues to erode while population will remain at high level



German population at highest level ever in 2023

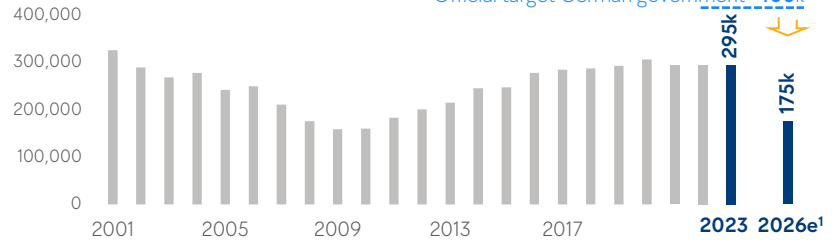
in million



Source: Destatis. I ifo Institut

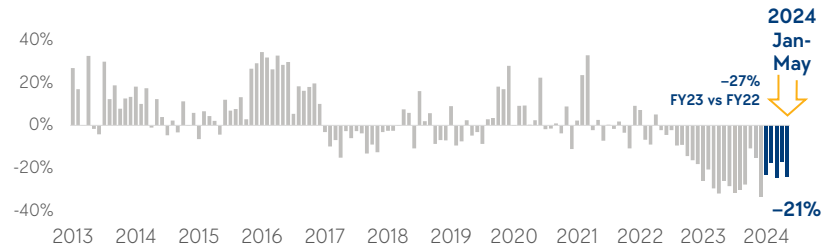
New apartments completed

no. of units



No. of building permissions for apartments continues to drop

in % vs previous year month

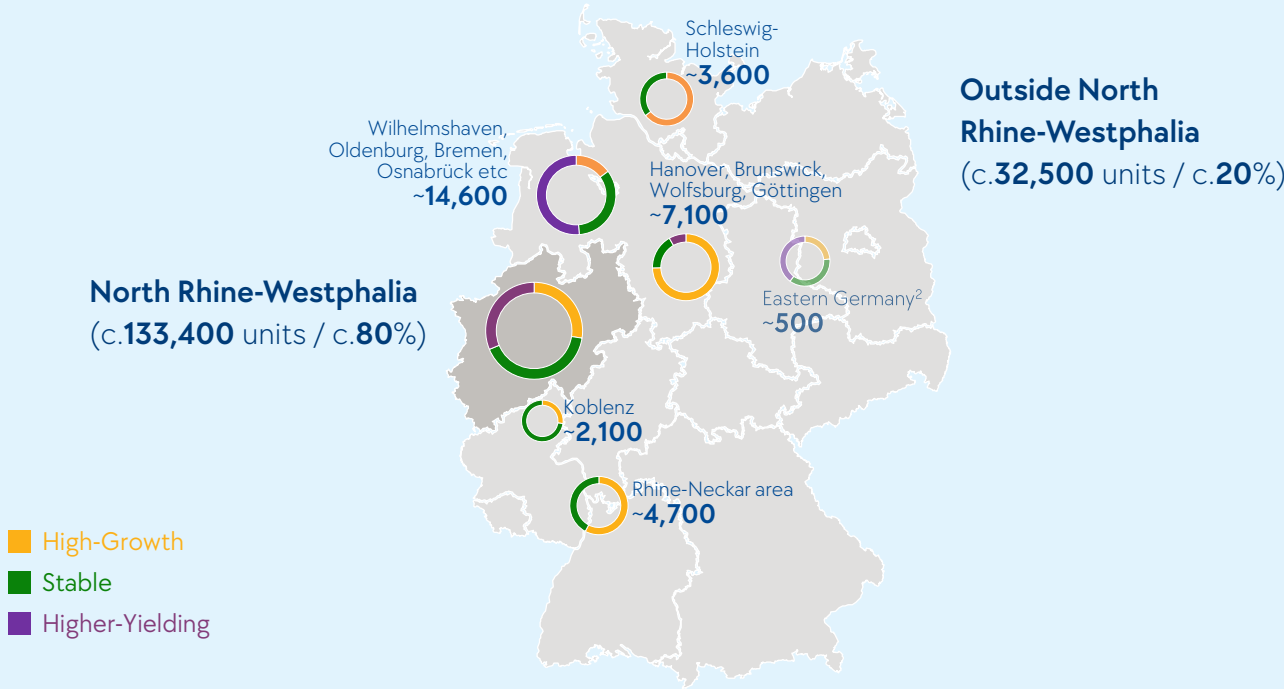


LEG's portfolio comprises of c.166,000 units

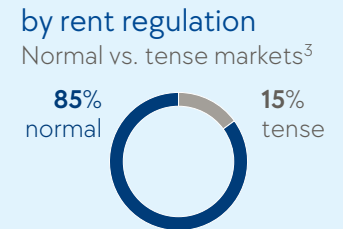
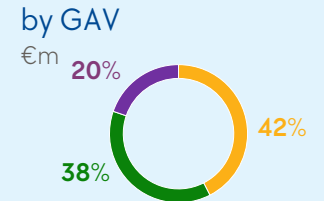
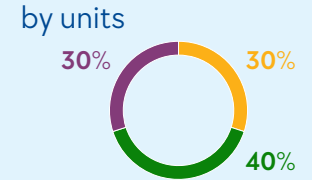
Well balanced portfolio with significant exposure also in target markets outside NRW



As at 30 June 2024



Total portfolio¹ (c.166,000 units)



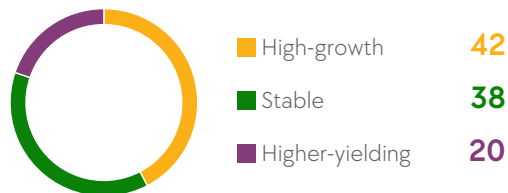
¹ Residential units. ² Non-core units. ³ Tense markets only allow for 15% rent increase on sitting tenants within three year while normal markets allow for 20% and rental break regulations for re-lettings applies.

Portfolio KPIs

Rent increases alongside vacancy reduction

Market split (GAV)

%



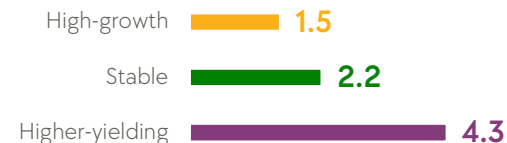
In-place rent, l-f-l

€/m²



Vacancy, l-f-l

%



Markets

	Total portfolio		High-growth		Stable		Higher-yielding	
	H1-2024	▲ (YOY)	H1-2024	▲ (YOY)	H1-2024	▲ (YOY)	H1-2024	▲ (YOY)
# of units	165,823	-0.6%	49,789	-0.3%	66,672	-0.1%	49,362	-1.7%
GAV residential assets (€m)	16,772	-5.1%	7,103	-6.0%	6,346	-3.8%	3,323	-5.7%
In-place rent (m ²), l-f-l	€6.72	+2.9%	€7.57	+3.0%	€6.47	+3.0%	€6.14	+2.5%
EPRA vacancy, l-f-l	2.5%	-10bps	1.5%	-30bps	2.2%	-20bps	4.3%	0bps

Rent regulation in Germany

Only 15% of units located in tense markets

Free-financed units

81% of LEG's units (~135,000 units)

	Non-tense markets ~110,000 units	Tense markets ² ~25,000 units
Existing Contracts	Rent increase <ul style="list-style-type: none"> Max. 20% within 3 years Max. increase to local reference rent¹ 	Rent increase <ul style="list-style-type: none"> Max. 15% within 3 years (<i>Kappungsgrenze</i>) Max. increase to local reference rent¹
	<div style="text-align: center;">+</div> Modernisation levy <ul style="list-style-type: none"> Annual rent can be increased by 8% of modernisation costs Limit: €3 per sqm (rent/sqm/month > €7) or €2 per sqm (rent/sqm/month < €7) over 6 years 	<div style="text-align: center;">+</div>
New contracts	No regulations	Rental brake (<i>Mietpreisbremse</i>) <ul style="list-style-type: none"> Increase of max. 10% on local reference rent¹

Rent restricted units

19% of LEG's units (~31,000 units)

Cost rent adjustment

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

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, Oldenburg, Osnabrück and Mannheim.

Top locations upcoming rent tables (MSP – Mietspiegel)

Offering the basis for further growth

Location	# Residents	LEG market segment	# LEG free financed units	% of total free financed portfolio	Current MSP type	Current MSP valid since	New MSP expected type (method)	New MSP expected time of update
Neuss	>100,000	High-growth	668	0.5%	Simple	01/2023	Qualified (Bottom-Up)	06/2024 ¹
Bonn	>100,000	High-growth	1,527	1.1%	Qualified	06/2022	Qualified (Bottom-Up)	07/2024 ¹
Detmold	> 50,000	Stable	1,117	0.8%	Qualified	12/2021	Qualified (Update)	07/2024 ¹
Essen	>100,000	Stable	3,205	2.4%	Qualified	08/2022	Qualified (Bottom-Up)	08/2024
Gladbeck	> 50,000	Higher-yielding	678	0.5	Qualified	08/2022	Qualified (Update)	08/2024
Braunschweig	>100,000	High-growth	1,987	1.5%	Qualified	09/2022	Qualified (Update)	09/2024
Herne	>100,000	Higher-yielding	2,925	2.2	Simple	01/2023	Qualified (Bottom-Up)	11/2024
Remscheid	>100,000	Higher-yielding	1,521	1.1%	Qualified	12/2022	Qualified (Bottom-Up)	12/2024
Wuppertal	>100,000	Stable	1,350	1.0%	Qualified	12/2022	Qualified (Bottom-Up)	12/2024

¹ Publication delayed.

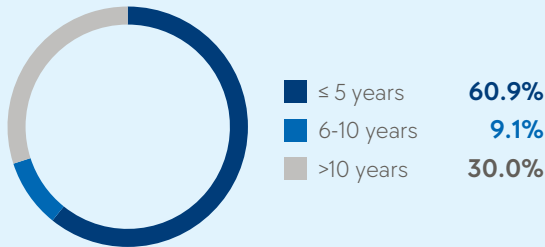
Subsidised units account for around 19% of the portfolio

Reversionary potential amounts to 55% on average

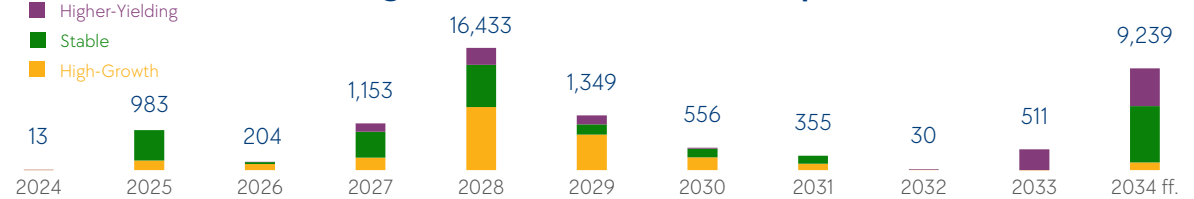
Rent potential subsidised units

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

Around 60% of units to come off restriction until 2028

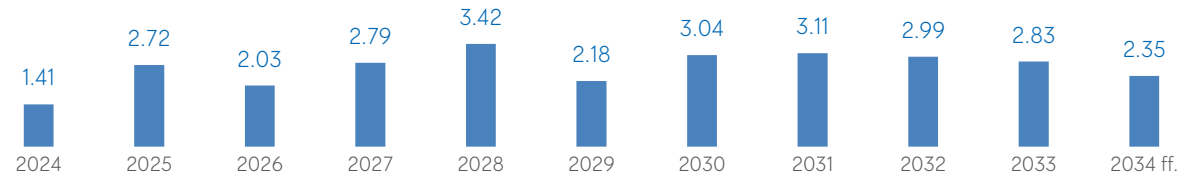


Number of units coming off restriction and rent upside



Spread to market rent

€/sqm/month



	≤ 5 years ²	6 – 10 years ²	> 10 years ²
In-place rent	€5.38	€5.58	€5.35
Market rent ¹	€8.71	€8.17	€7.70
Upside potential ³	62%	46%	44%
Upside potential p.a. ³	€50.3m	€5.8m	€17.7m

¹ Average rent value that could theoretically be achieved, not implying that an adjustment of the in-place rent to the market rent is feasible, as stringent legal and contractual restrictions regarding rent increases exist.

² ≤ 5 years = 2024–2028; 6-10 years = 2029–2033; >10 years = 2034ff. ³ Rent upside is defined as the difference between LEG in-place rent and market. ⁴ For example rent increase cap of 15% (tense markets) or 20% for three years.

New construction – finishing the last projects – small in volume

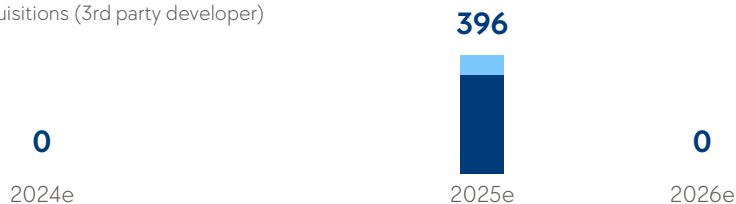


Small size of projects and investment volume, cash potential from built to sell

Completions

number of units per year

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



Remaining completions until 2025

396 units

Investment volume per year

€m



Remaining investment volume until 2025

€53m

Carbon Balance Sheet 2023

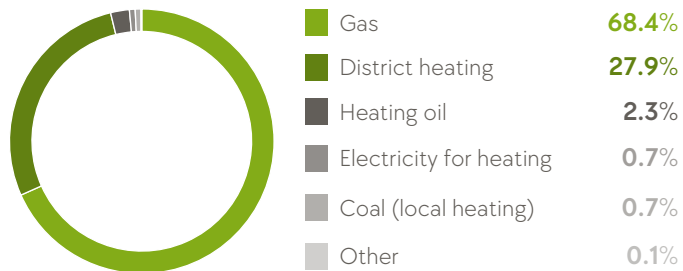
27.3 CO₂ekg/sqm on a market based and climate adjusted basis



Carbon balance sheet

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

Heat energy by source (100% of portfolio)



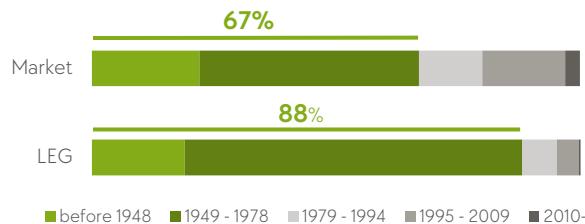
- Based on actual consumption 2022 (61% actuals, 37% energy performance certificates (EPC), 2% estimates)
- Extrapolated for 2023
- Limited assurance by Deloitte

Reflecting our roots

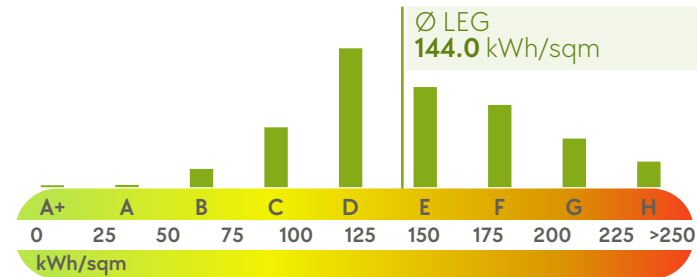
Energy efficiency of our portfolio of **144 kWh/sqm** is a function of corporate DNA & history:

- Providing affordable housing in post-war Germany

LEG portfolio by construction years vs. LEG market



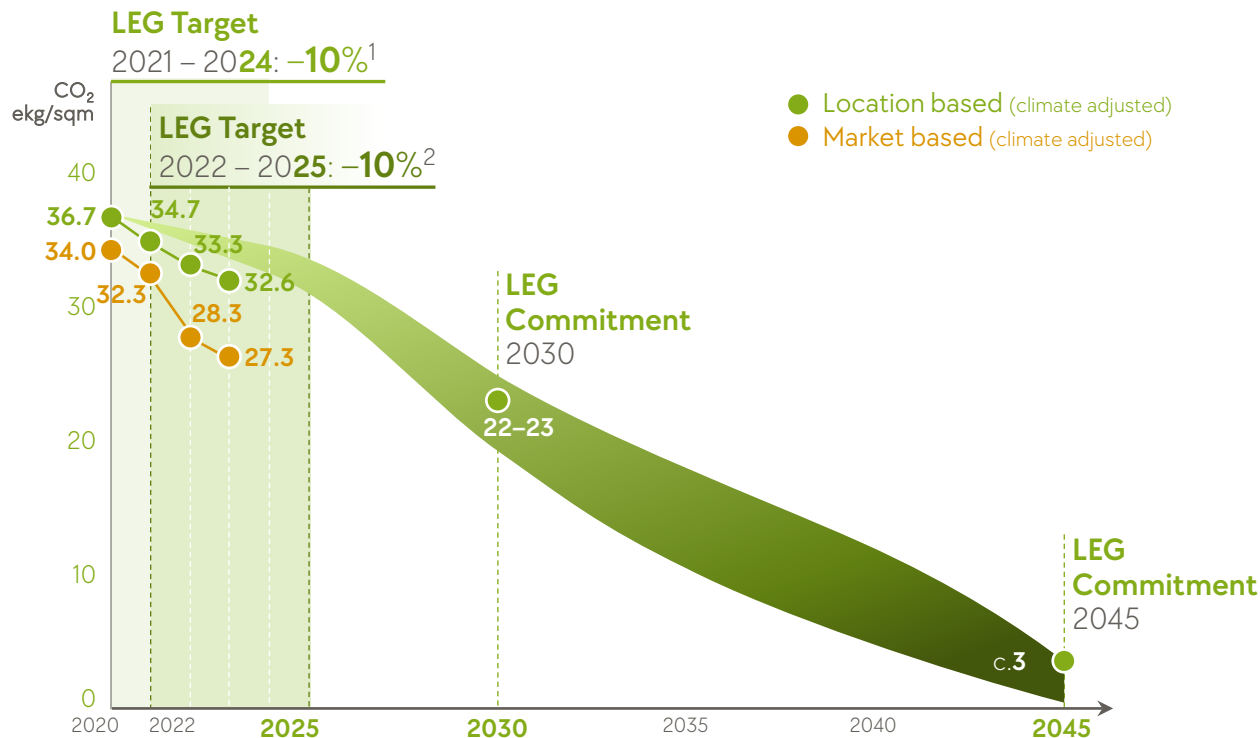
Distribution by energy efficiency classes LEG



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

On track for our target towards climate neutrality

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



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

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

Among the best in class

Reflecting LEG's strong sustainability commitment

ESG

	2019	2020	2021	2022	2023	
MSCI	ESG Rating					
SUSTAINALYTICS <small>a Morningstar company</small>	ESG Rating	20.1	10.4	7.8	6.7	6.7/5.1 ¹
CDP <small>DISCLOSURE INSIGHT ACTION</small>	CDP Score					
SCIENCE BASED TARGETS	SBTi target			SBTs submitted	SBTs approved	
ISS ESG	ISS ESG	D+	C-	C-		
EPRA <small>EUROPEAN PUBLIC REAL ESTATE ASSOCIATION</small>	sBPR Award					
DAX	ESG Index		DAX 50 ESG	DAX 50 ESG	DAX 50 ESG	DAX 50 ESG
MSCI	ESG Indices					

- Top rating since 2022
- No. 6 out of 1,030 in global real estate¹
No. 16 out of 16,009 in global total coverage¹
- Since 2022 B-rated, score above sector (B-)
- Approved 10/2023, amongst first German residential companies
- Prime Status since 2022
- Gold rating confirmed since 2020
- Member since the beginning of the index

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

¹ As at 30 June 2024.

LEG additional creditor information

Sufficient bond covenants headroom



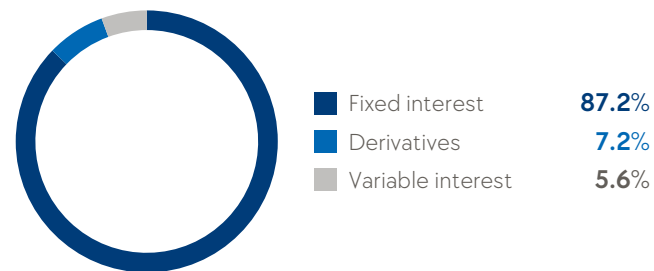
Unsecured financing covenants

Covenant	Threshold	H1-2024
Consolidated Adjusted EBITDA / Net Cash Interest	≥1.8x	4.3x ¹
Unencumbered Assets / Unsecured Financial Indebtedness	≥125%	164.0%
Net Financial Indebtedness / Total Assets	≤60%	47.7%
Secured Financial Indebtedness / Total Assets	≤45%	18.8%

Ratings (Moody's)

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

Financing mix



Key financial ratios

	H1-2024	H1-2023
Net debt / adj. EBITDA ²	13.7x	14.0x
LTV	49.0%	46.6%
Secured Debt / Total Debt	39.5%	37.2%
Unencumbered Assets / Total Assets	41.2%	39.8%
Equity ratio	38.1%	40.2%

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 4.9x.
² Average net debt last four quarters / adjusted EBITDA LTM.

Capital market financing

Corporate bonds



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

Financial Covenants

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

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

Capital market financing

Convertible bonds



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

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

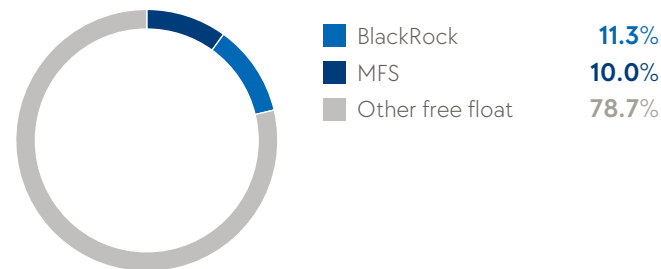
LEG share information



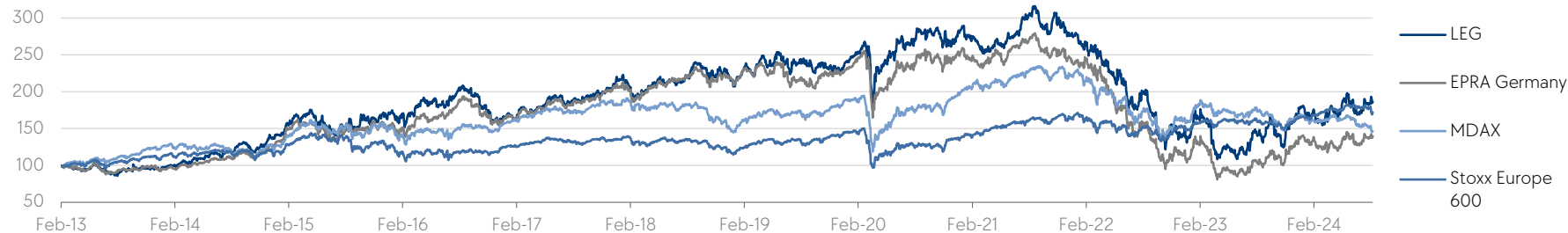
Basic data

Market segment	Prime Standard
Stock Exchange	Frankfurt
Total no. of shares	74,469,665
Ticker symbol	LEG
ISIN	DE000LEG1110
Indices	MDAX, FTSE EPRA/NAREIT, GPR 250, Stoxx Europe 600, DAX 50 ESG, i.a. MSCI Europe ex UK, MSCI World ex USA, MSCI World Custom ESG Climate Series

Shareholder structure¹

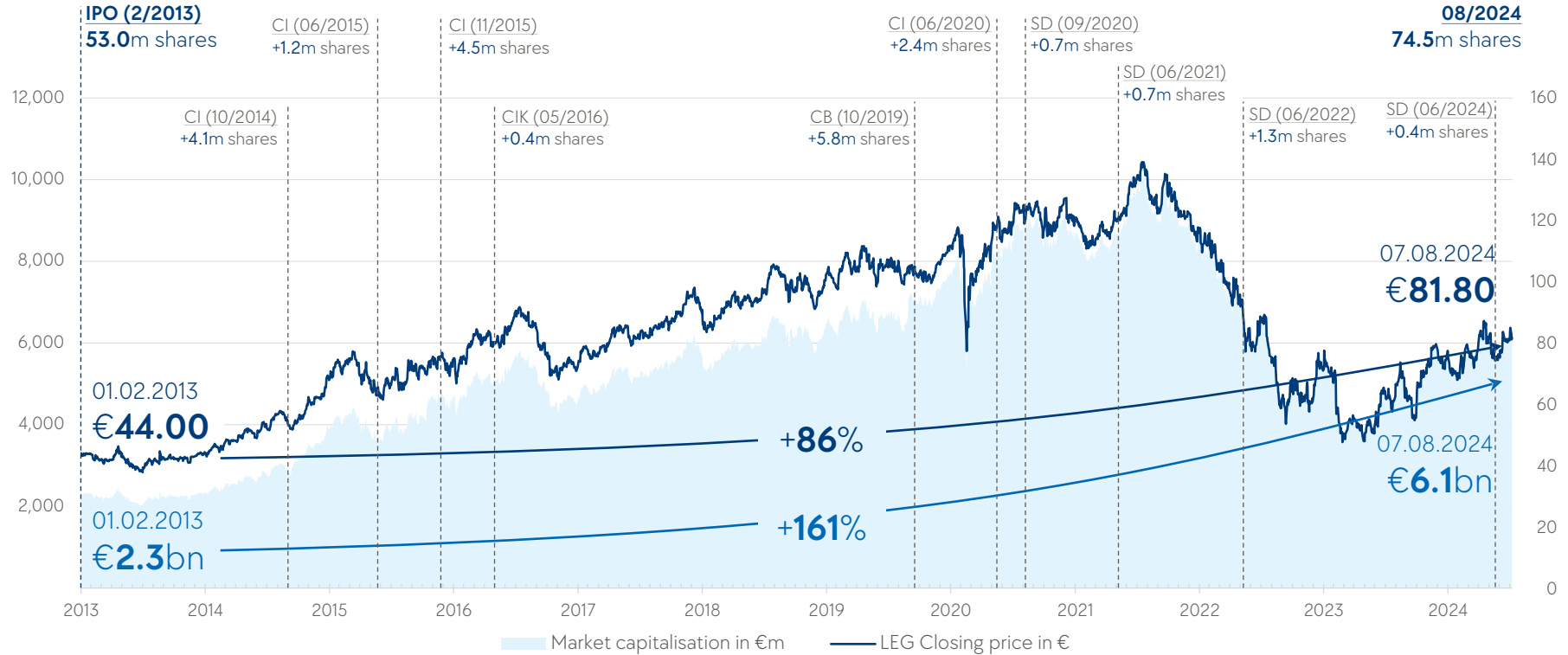


Share (07.08.2024; indexed; in %; 01.02.2013 = 100)



¹ Shareholdings according to latest voting rights notifications.

Share price and market capitalisation since IPO



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

Financial calendar



2024

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

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