leg-se.com

# Smart.Simple.Efficient.


2024

Annual Report

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Cover Picture: Installation of an air-to-air heat pump by Green Venture dekarbo°
Page 2: LEG Immobilien SE, F99, Dusseldorf

# 1 TO THE SHAREHOLDERS

# Key figures 2024

| Financial key figures | | 2024 | 2023 | +/– % |
|---|---|---|---|---|
| Net cold rent | € million | 859.4 | 834.3 | +3.0 % |
| Net operating income (recurring) | € million | 718.7 | 683.8 | +5.1 % |
| EBITDA | € million | 346.9 | –1,847.3 | – |
| EBITDA (adjusted) | € million | 669.5 | 672.8 | –0.5 % |
| EBT | € million | 122.8 | –1,982.3 | – |
| Net profit or loss for the period | € million | 68.9 | –1,564.8 | – |
| FFO I | € million | 457.5 | 453.9 | +0.8 % |
| FFO II | € million | 458.4 | 453.7 | +1.0% |
| AFFO | € million | 200.4 | 181.2 | +10.6 % |
| AFFO per share | € | 2.70 | 2.44 | +10.5 % |
| Dividend per share | € | 2.70 | 2.45 | +10.2 % |

| Balance sheet key figures | | 31.12.2024 | 31.12.2023 | +/– %/BP |
|---|---|---|---|---|
| Investment properties | € million | 17,853.3 | 18,101.8 | –1.4 % |
| Cash and cash equivalents | € million | 914.3 | 405.5 | +125.5 % |
| Equity | € million | 7,396.5 | 7,488.2 | –1.2 % |
| Total financing liabilities | € million | 9,718.6 | 9,375.8 | +3.7 % |
| Net debt | € million | 8,756.9 | 8,954.4 | –2.2 % |
| LTV | % | 47.9 | 48.4 | –50 BP |
| Equity ratio | % | 37.8 | 38.8 | –100 BP |
| EPRA NTA, diluted | € million | 9,375.4 | 9,379.9 | 0.0 % |
| EPRA NTA per share, diluted | € | 125.90 | 126.57 | –0.5 % |

| Other key figures | | 31.12.2024 | 31.12.2023 | +/– %/BP |
|---|---|---|---|---|
| Number of residential units | | 164,067 | 166,546 | –1.5 % |
| In-place rent | €/sqm | 6.80 | 6.58 | +3.4 % |
| In-place rent (l-f-l) | €/sqm | 6.80 | 6.58 | +3.4 % |
| EPRA vacancy rate | % | 2.5 | 2.9 | –40 BP |
| EPRA vacancy rate (l-f-l) | % | 2.3 | 2.6 | –30 BP |
| Number of employees | | 1,920 | 2,003 | –4.1 % |

BP = Basis Points

# Management Board

## Lars von Lackum
**Chief Executive Officer**
**CEO**

**Responsible for:**
- Investor Relations & Strategy
- Legal / Internal Audit, HR & Committees
- Corporate Communications & Public Affairs
- Acquisition
- Project development
- Technology and Digitization
- Sustainability ESG

## Dr. Kathrin Köhling
**Chief Financial Officer**
**CFO**

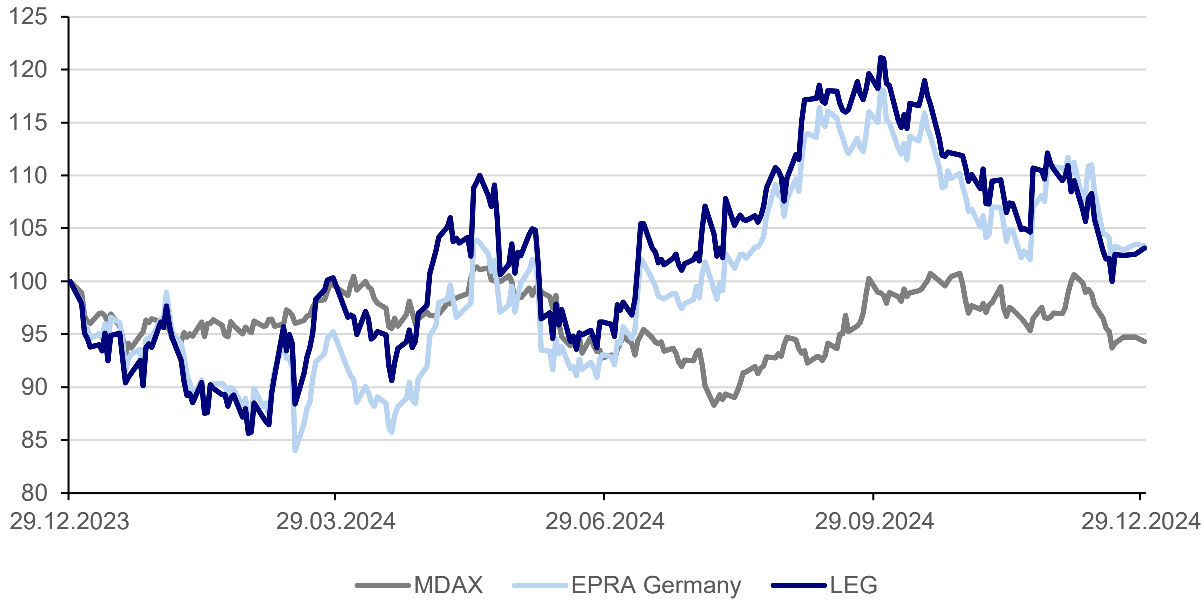
**Responsible for:**
- Risk management and Internal Control System
- Corporate finance & treasury
- Portfolio management
- Accounting and taxes
- Organisation, processes & data management

## Dr. Volker Wiegel
**Chief Operating Officer**
**COO**

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

## LEG shares

**Share price performance (closing price 2023 indexed to 100)**




**Key figures of LEG shares**

| | |
|---|---|
| Ticker symbol | LEG |
| German Securities Code Number (WKN) | LEG111 |
| ISIN | DE000LEG1110 |
| Number of shares (31. December 2024) | 74,469,665 |
| Initial listing | 1. February 2013 |
| Market segment | Prime Standard |
| Indices | MDAX, FTSE EPRA/NAREIT, GPR 250, Stoxx Europe 600, DAX 50 ESG, MSCI Europe ex UK, MSCI World ex USA, MSCI World Custom ESG Climate Series |
| Closing price (31. December 2024) | EUR 81,80 |
| Market capitalisation (31. December 2024) | EUR 6.092 million |
| Free float (31. December 2024) | 100 % |
| Weighting in the MDAX (31. December 2024) | 4.57 % |
| Weighting in the EPRA Europe (31. December 2024) | 3.07 % |
| Average daily trading volume (2024) | 154,337 shares |
| Highest price (basis closing prices, 1. October 2024) | EUR 96.10 |
| Lowest price (basis closing prices, 28. February 2024) | EUR 67.94 |

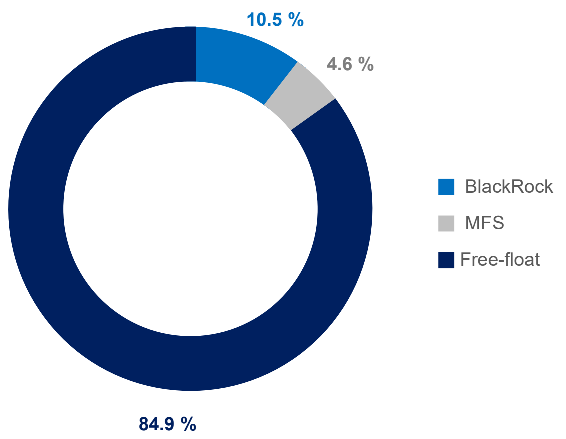
The LEG share ended the 2024 stock market year with a closing price (Xetra) of EUR 81.80. Compared to the 2023 year-end price of EUR 79.32, this corresponds to an increase in value of 3.1 %. The EPRA-Germany sector index performed almost identically (+3.3 %). The MDAX lost 5.7 %. Including the dividend payout of EUR 2.45 per share, the return on LEG shares was 6.2 %.

At the beginning of 2024, the share price fell to an annual low of EUR 67.94 (28 February 2024) in a market environment that was particularly weak for property stocks. The correction was linked to rising interest rates on the bond markets. From the end of 2023, the yield on the 10-year German government bond rose from around 1.9% to around 2.4% at the end of February.

The share reached its highest price on 1 October 2024 at EUR 96.10. This was preceded by good Group results, the prospect of stabilising residential property values in Germany and falling interest rates on the bond markets. However, this was followed by another correction in the share price by the end of the year, driven by another rise in yields on the bond markets.

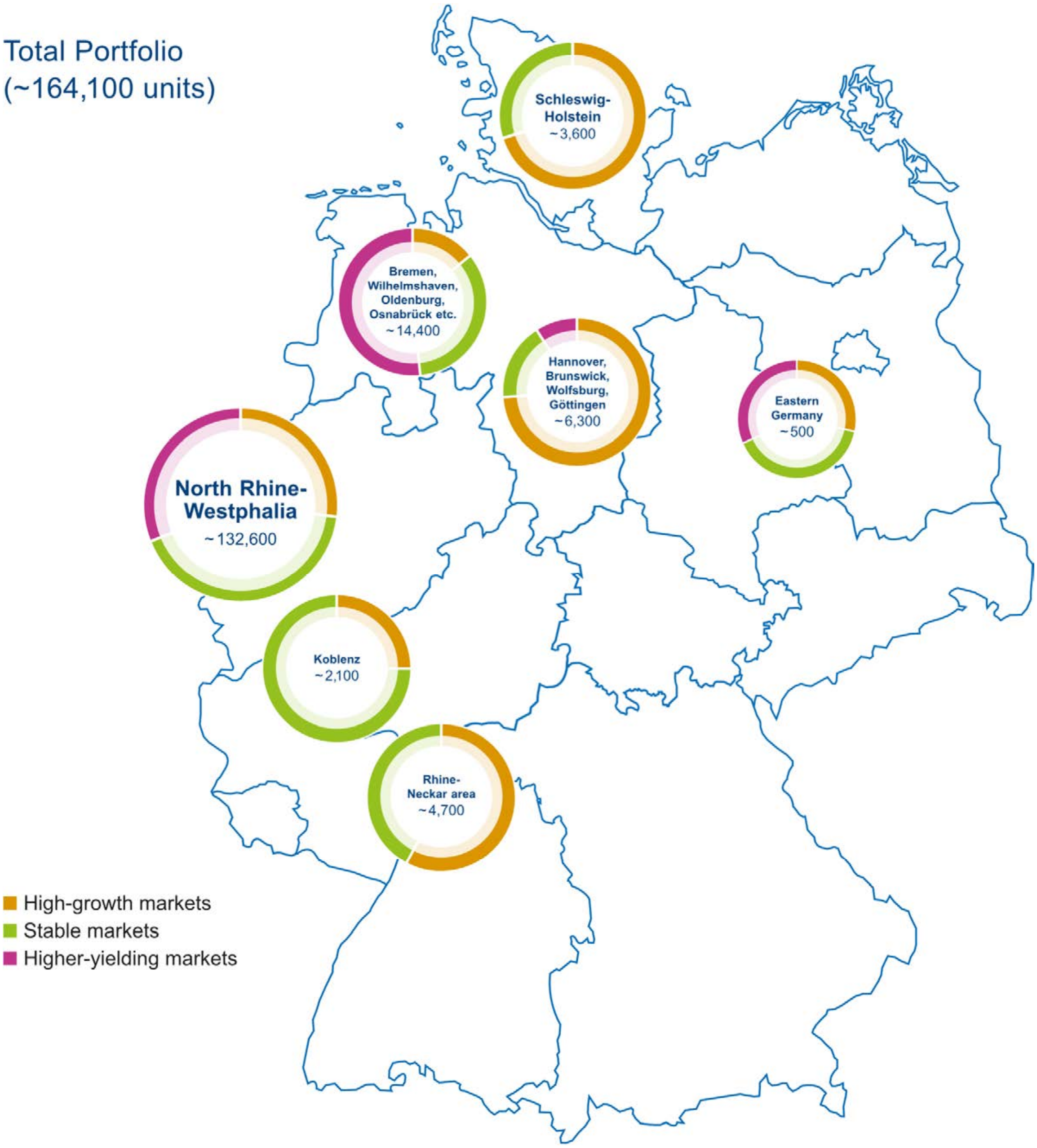
## Shareholder structure

**(According to voting rights notifications available to the company)**



## Portfolio

**LEG locations by market segment as at 31.12.2024**




At the end of 2024, LEG managed a portfolio consisting of 164,067 residential units in the affordable housing segment, 1,443 commercial units and 45,615 garages and parking spaces. Including the approximately 9,100 apartments from Brack Capital Properties, which were transferred at the beginning of 2025, the portfolio comprises 173,200 residential units. 79% of these residential units are located in the home market of North Rhine-Westphalia and a further 13% in Lower Saxony. LEG also holds further properties in Bremen, Schleswig-Holstein, Hesse and Rhineland-Palatinate. The acquisition of Brack Capital Properties N.V. (BCP) will enable LEG to establish Leipzig as a new location in eastern Germany from 2025. In total, the properties are spread across around 240 locations. Despite the inclusion of Brack Capital Properties into the LEG-portfolio, the structure of the portfolio remained largely unchanged. The market value of the portfolio is around 18 billion euros. The basic rent is EUR 6.80 per square metre and the average flat size is 63 square metres. Accordingly, the average monthly rent per flat is around EUR 430.

## Portfolio segmentation

LEG’s systematic scoring divides the portfolio into three overarching clusters: high-growth, stable, and higher yielding markets. The scoring is based on external market studies and comparisons of demographic and economic factors, enriched by real estate parameters such as rents and vacancy rates.

High-growth markets are characterised by demographically and economically strong locations with above-average rental growth expectations and low vacancy rates. Stable markets are more heterogeneous than high-growth markets in terms of their demographic and socio-economic development, and their residential attractiveness is solid to high on average. Higher yielding markets are generally subject to a greater risk of declines in demand but offer opportunities for attractive returns with efficient management.

## Operating performance

On a like-for-like basis, the in-place rent on 31 December 2024 was EUR 6.80 per sqm and month. This corresponds to an increase of 3.4 % compared to the previous year's reporting date.

The rental growth resulted from the development of the free-financed portfolio, which accounts for 81 % of the portfolio. Here, the actual in-place rent rose by 4.0 % year-on-year to EUR 7.16 per sqm (like-for-like). Within the free-financed portfolio, the high-growth markets recorded an increase of 3.7 % to EUR 8.23 per sqm (like-for-like). In the stable markets of the free-financed portfolio, the in-place rent rose the most by an average of 4.6 % to EUR 6.90 per sqm (like-for-like). The higher-yielding markets recorded an increase in monthly rents of 3.6 % to EUR 6.45 per square metre (like-for-like).

In the segment of the rent-restricted units, which make up 19% of the portfolio, the next regular adjustment of the cost rent will take place in 2026. The average monthly in-place is EUR 5.36 per sqm (like-for-like).

The EPRA vacancy rate on a like-for-like basis was reduced by a further 30 basis points to 2.3 % as at 31 December 2024 compared to the previous year's reporting date. The high-growth markets recorded the lowest vacancy rate at 1.2 %. In the stable markets, the EPRA vacancy rate was 2.3 % at year end and in the higher-yielding markets 3.9 % (like-for-like in each case).

## Portfolio segments – top 5 locations

| | 31.12.2024 | | | | | Change on a like-for-like basis | |
|---|---|---|---|---|---|---|---|
| | Number of LEG apartments | Share of LEG-Portfolio | Living space | In-place-rent | EPRA vacancy rate | In-place-rent like-for-like | Vacancy rate like-for-like |
| | | in % | in sqm | €/sqm | in % | in % | Basis points |
| **High-growth markets** | **48,902** | **29.8** | **3,216,001** | **7.64** | **1.5** | **3.1** | **– 20** |
| District of Mettmann | 8,477 | 5.2 | 588,529 | 8.02 | 1.2 | 3.6 | – 20 |
| Dusseldorf | 6,092 | 3.7 | 393,504 | 8.93 | 1.0 | 2.3 | – 60 |
| Muenster | 6,154 | 3.8 | 410,466 | 7.55 | 0.7 | 2.9 | 10 |
| Cologne | 4,387 | 2.7 | 296,316 | 8.28 | 2.4 | 3.0 | 0 |
| Aachen | 2,430 | 1.5 | 164,255 | 5.85 | 2.4 | 1.4 | 50 |
| Other locations | 21,362 | 13.0 | 1,362,931 | 7.20 | 1.9 | 3.4 | – 20 |
| **Stable markets** | **66,191** | **40.3** | **4,232,113** | **6.57** | **2.4** | **3.9** | **– 50** |
| Dortmund | 13,662 | 8.3 | 893,965 | 6.24 | 1.7 | 3.7 | – 60 |
| District of Unna | 6,973 | 4.3 | 435,357 | 5.99 | 2.1 | 5.2 | – 30 |
| Moenchengladbach | 6,429 | 3.9 | 407,419 | 6.99 | 1.3 | 3.7 | 10 |
| Essen | 3,469 | 2.1 | 222,300 | 6.59 | 2.9 | 3.0 | – 90 |
| Bielefeld | 3,229 | 2.0 | 200,987 | 7.27 | 1.7 | 2.3 | 50 |
| Other locations | 32,429 | 19.8 | 2,072,086 | 6.68 | 2.9 | 4.0 | – 100 |
| **Higher-yielding markets** | **48,974** | **29.9** | **2,950,870** | **6.21** | **4.1** | **3.2** | **0** |
| District of Recklinghausen | 8,591 | 5.2 | 518,576 | 5.99 | 1.8 | 2.1 | – 30 |
| Gelsenkirchen | 7,214 | 4.4 | 412,154 | 6.42 | 5.9 | 4.3 | – 30 |
| Wilhelmshaven | 6,685 | 4.1 | 386,660 | 6.10 | 10.1 | 3.7 | 40 |
| Duisburg | 6,417 | 3.9 | 387,626 | 6.71 | 2.3 | 3.3 | – 10 |
| Hamm | 4,797 | 2.9 | 287,290 | 6.08 | 2.0 | 1.8 | 40 |
| Other locations | 15,270 | 9.3 | 958,563 | 6.11 | 3.1 | 3.4 | 0 |
| **Total** | **164,067** | **100.0** | **10,398,984** | **6.80** | **2.5** | **3.4** | **– 30** |

| | 31.12.2023 | | | | |
|---|---|---|---|---|---|
| | Number of LEG apartments | Share of LEG-Portfolio | Living space | In-place-rent | EPRA vacancy rate |
| | | in % | in sqm | €/sqm | in % |
| **High-growth markets** | **49,928** | **30.0** | **3,285,267** | **7.41** | **1.6** |
| District of Mettmann | 8,500 | 5.1 | 590,506 | 7.74 | 1.3 |
| Dusseldorf | 6,203 | 3.7 | 402,677 | 8.81 | 1.6 |
| Muenster | 6,154 | 3.7 | 410,486 | 7.33 | 0.6 |
| Cologne | 4,388 | 2.6 | 296,367 | 8.04 | 2.3 |
| Aachen | 2,430 | 1.5 | 164,255 | 5.77 | 1.9 |
| Other locations | 22,253 | 13.4 | 1,420,976 | 6.94 | 2.0 |
| **Stable markets** | **66,713** | **40.1** | **4,265,918** | **6.34** | **3.2** |
| Dortmund | 13,793 | 8.3 | 901,943 | 6.02 | 2.3 |
| District of Unna | 6,982 | 4.2 | 435,355 | 5.70 | 2.4 |
| Moenchengladbach | 6,432 | 3.9 | 407,545 | 6.74 | 1.3 |
| Essen | 3,658 | 2.2 | 235,093 | 6.45 | 5.0 |
| Bielefeld | 3,232 | 1.9 | 201,196 | 7.11 | 1.3 |
| Other locations | 32,616 | 19.6 | 2,084,787 | 6.45 | 4.1 |
| **Higher-yielding markets** | **49,905** | **30.0** | **3,013,088** | **6.01** | **4.2** |
| District of Recklinghausen | 8,995 | 5.4 | 545,989 | 5.80 | 2.0 |
| Gelsenkirchen | 7,217 | 4.3 | 412,203 | 6.16 | 6.1 |
| Wilhelmshaven | 6,770 | 4.1 | 391,782 | 5.88 | 10.0 |
| Duisburg | 6,418 | 3.9 | 387,762 | 6.50 | 2.5 |
| Hamm | 4,827 | 2.9 | 289,070 | 5.97 | 1.8 |
| Other locations | 15,678 | 9.4 | 986,282 | 5.92 | 3.2 |
| **Total** | **166,546** | **100.0** | **10,564,274** | **6.58** | **2.9** |

## Performance of the LEG portfolio

| | | High-growth markets | | Stable markets | | Higher-yielding markets | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| **Subsidised residential units** | | | | | | | | | |
| Units | | 11,035 | 11,419 | 12,810 | 13,636 | 6,642 | 7,065 | **30,487** | **32,120** |
| Area | sqm | 754,574 | 781,348 | 860,598 | 922,563 | 434,299 | 463,014 | **2,049,471** | **2,166,924** |
| In-place rent | €/sqm | 5.69 | 5.77 | 5.31 | 5.26 | 4.89 | 4.87 | **5.36** | **5.35** |
| EPRA vacancy rate | % | 0.8 | 0.8 | 1.5 | 1.5 | 2.0 | 1.9 | **1.3** | **1.3** |
| **Free-financed residential units** | | | | | | | | | |
| Units | | 37,867 | 38,509 | 53,381 | 53,077 | 42,332 | 42,840 | **133,580** | **134,426** |
| Area | sqm | 2,461,427 | 2,503,920 | 3,371,516 | 3,343,356 | 2,516,571 | 2,550,074 | **8,349,513** | **8,397,350** |
| In-place rent | €/sqm | 8.24 | 7.93 | 6.90 | 6.65 | 6.44 | 6.22 | **7.16** | **6.90** |
| EPRA vacancy rate | % | 1.7 | 1.8 | 2.5 | 3.5 | 4.4 | 4.5 | **2.7** | **3.1** |
| **Total residential units** | | | | | | | | | |
| Units | | 48,902 | 49,928 | 66,191 | 66,713 | 48,974 | 49,905 | **164,067** | **166,546** |
| Area | sqm | 3,216,001 | 3,285,267 | 4,232,113 | 4,265,918 | 2,950,870 | 3,013,088 | **10,398,984** | **10,564,274** |
| In-place rent | €/sqm | 7.64 | 7.42 | 6.57 | 6.34 | 6.21 | 6.01 | **6.80** | **6.58** |
| EPRA vacancy rate | % | 1.5 | 1.7 | 2.37 | 3.2 | 4.1 | 4.2 | **2.5** | **2.9** |
| **Total commercial** | | | | | | | | | |
| Units | | | | | | | | **1,443** | **1,550** |
| Area | sqm | | | | | | | **269,021** | **284,824** |
| **Total parking** | | | | | | | | | |
| Units | | | | | | | | **45,615** | **46,621** |
| **Total others** | | | | | | | | | |
| Units | | | | | | | | **3,031** | **3,216** |

## Value development

The table below shows the distribution of assets by market segment. LEG regularly had revalued its portfolio as of 31 December 2024. The next revaluation will be as of 30 June 2025. The residential portfolio now has a gross rental yield of 4.9 % and a rental multiple of 20.4, respectively. According to the EPRA definition, the valuation of the portfolio corresponds to a net initial yield of 3.8 %.

### Market segments

| 31.12.2024 | Residential units[1] | Residential assets[2] in € million | Share residential assets in % | Value/sqm in € | In-place rent multiplier | Commercial/ other assets[3] in € million | Total assets in € million |
|---|---|---|---|---|---|---|---|
| **High-growth markets** | **48,902** | **7,118** | **42** | **2,232** | **24.6x** | **322** | **7,440** |
| District of Mettmann | 8,477 | 1,409 | 8 | 2,390 | 25.1x | 58 | 1,467 |
| Dusseldorf | 6,092 | 1,120 | 7 | 2,853 | 26.8x | 99 | 1,219 |
| Muenster | 6,154 | 1,027 | 6 | 2,497 | 27.6x | 46 | 1,073 |
| Cologne | 4,387 | 772 | 5 | 2,708 | 28.1x | 24 | 796 |
| Aachen | 2,430 | 259 | 2 | 1,564 | 22.8x | 7 | 266 |
| Other locations | 21,362 | 2,531 | 15 | 1,882 | 22.0x | 87 | 2,619 |
| **Stable markets** | **66,191** | **6,399** | **38** | **1,517** | **19.6x** | **256** | **6,655** |
| Dortmund | 13,662 | 1,481 | 9 | 1,650 | 22.4x | 54 | 1,536 |
| District of Unna | 6,973 | 520 | 3 | 1,201 | 17.0x | 24 | 544 |
| Moenchengladbach | 6,429 | 678 | 4 | 1,658 | 19.9x | 16 | 694 |
| Essen | 3,469 | 340 | 2 | 1,527 | 19.6x | 10 | 350 |
| Bielefeld | 3,229 | 371 | 2 | 1,835 | 21.3x | 11 | 382 |
| Other locations | 32,429 | 3,009 | 18 | 1,464 | 18.7x | 140 | 3,150 |
| **Higher-yielding markets** | **48,974** | **3,319** | **20** | **1,134** | **15.8x** | **97** | **3,416** |
| District of Recklinghausen | 8,591 | 561 | 3 | 1,133 | 16.1x | 18 | 579 |
| Gelsenkirchen | 7,214 | 435 | 3 | 1,053 | 14.4x | 12 | 446 |
| Wilhelmshaven | 6,685 | 393 | 2 | 1,016 | 15.4x | 7 | 400 |
| Duisburg | 6,417 | 524 | 3 | 1,355 | 17.1x | 31 | 555 |
| Hamm | 4,797 | 340 | 2 | 1,181 | 16.4x | 6 | 345 |
| Other locations | 15,270 | 1,066 | 6 | 1,115 | 15.6x | 24 | 1,090 |
| **Total** | **164,067** | **16,836** | **100** | **1,629** | **20.4x** | **675** | **17,511** |
| Land values | | | | | | | 44 |
| Leasehold (IAS 40) | | | | | | | 188 |
| Assets under construction (IAS 40) | | | | | | | 110 |
| **Balance sheet investment property assets (IAS 40)** | | | | | | | **17,853** |

[1] Including 1,650 residential units categorised as 'assets held for sale (IFRS 5)' or 'owner-occupied property (IAS 16)'.
[2] Excluding 450 residential units in commercial buildings; including 635 commercial units as well as several other units in mixed residential assets.
[3] Excluding 635 commercial units in mixed residential assets; including 450 residential units in commercial buildings, commercial, parking, other assets.

## EPRA key figures

With more than 290 members, including LEG Immobilien SE, EPRA (European Public Real Estate Association) represents the listed real estate industry in Europe. EPRA strives to establish best practices to provide high-quality information to investors.

## Financial key figures

Transparent and fair reporting form the basis for LEG's communications with the capital market. In light of this, LEG also actively supports the initiative of the sector association of EPRA to harmonise key financial figures. The table below provides an overview of the key figures in accordance with EPRA's Best Practice Recommendations. Further information can be found in the management report of this annual report. For a definition of the key figures please see the glossary of this annual report.

## Sustainability

For sustainability reporting according to EPRA sBPR please see our **Website**.

**EPRA key figures**

For more details see "analysis of net assets, financial position and results of operations" and "consolidated financial statements" (EPRA Earnings per Share).

| | | 2024 | 2023 |
|---|---|---|---|
| EPRA-Net Initial Yield | % | 3.8 | 3.8 |
| EPRA „topped-up“ Net Initial Yield | % | 3.9 | 3.8 |
| EPRA Cost Ratio incl. direct vacancy costs | % | 30.0 | 28.8 |
| EPRA Cost Ratio excl. direct vacancy costs | % | 28.1 | 27.0 |
| EPRA Cost Ratio, adjusted by maintenance incl. direct vacancy costs | % | 17.6 | 16.8 |
| EPRA Cost Ratio, adjusted by maintenance excl. direct vacancy costs | % | 15.7 | 15.0 |
| EPRA Vacancy (like-for-like) | % | 2.3 | 2.6 |
| EPRA Earnings per Share | € | 5.25 | 5.63 |
| EPRA Capex | € million | 294.7 | 434.2 |
| EPRA NRV | € million | 11,112.1 | 11,152.5 |
| EPRA NRV per share | € | 149.22 | 150.49 |
| EPRA NTA | € million | 9,375.4 | 9,379.9 |
| EPRA NTA per share | € | 125.90 | 126.57 |
| EPRA NDV | € million | 7,615.8 | 8,079.0 |
| EPRA NDV per share | € | 102.27 | 109.01 |
| EPRA LTV (group) | % | 51.6 | 50.3 |

# Report of the Supervisory Board

## Dear Shareholders,

**MICHAEL ZIMMER**
Chairman of the Supervisory Board

Despite ongoing geopolitical and economic challenges that are continuing to affect world affairs, LEG was able to reach its targets in the 2024 financial year. In particular, in 2024 AFFO attained the range that had been revised upwards in the first half of 2024 and investments in the property portfolio were increased by EUR 20 million.

**LEG: A resilient business model in a challenging market**
A major factor in successfully achieving our targets is the lean and focused LEG business model. Since 2022, LEG has taken into account the volatile environment with its cash-focussed business management.

The LEG business environment is currently influenced by geopolitical and domestic political risks, changed conditions on the capital markets, higher interest rates in particular, as well as rising regulatory requirements of energy-efficient housing and regulatory attempts at controlling rents. The valuation of the property portfolio stabilised in the second half of 2024, which was also reflected in the slight increase in transactional activity. Against this backdrop, the Management Board and the Supervisory Board agree that the business strategy which has proven itself in recent years and cash-based management using the key figures of the adjusted EBITDA margin and AFFO will be continued unchanged in the 2025 financial year. The opportunity and risk report in the 2024 Annual Report represents in detail the environment in which LEG operates.

Accordingly, the business plan approved for 2025, the guidance for 2025 and the targets for the 2025 Management Board remuneration are also based on this business strategy and corporate management.

LEG's strategy underpinning the business model is based on three pillars:
- Optimising core business
- Expanding the value chain
- Consolidating and optimising the management platform

A finance strategy focused on liquidity, combined with the ESG framework (Environmental, Social, Governance), serves as the cornerstone of the strategy.

LEG made a success of 2024, a challenging year of transition. LEG's core area of business more than offset the non-recurring special item from the forward sale of power generated by the biomass combined heat and power station in 2023. In November 2023, LEG had initially defined an AFFO target for the 2024 financial year of between EUR 180 million and EUR 200 million. With the publication of the results for the first half of 2024, LEG considered its position solid enough to be able to increase investments in the property portfolio by EUR 2 per square metre, i.e. more than EUR 20 million, as well as to raise the full-year forecast for AFFO to a range of EUR 190 million to EUR 210 million. The investment of EUR 33.99 per square metre and the achieved AFFO of EUR 200.4 million for the 2024 financial year was within this restated expected range.

LEG's business model continues to be characterised by fundamental framework conditions such as the high excess demand in the affordable living segment and the resulting continuous increase in rents, which LEG believes are positive for the company's future development. Accordingly, we are confident about the year 2025.

The LEG business model focusses exclusively on the "affordable living" segment, which has proven to be extremely successful. LEG's outstanding operational performance and the ongoing rise in demand for affordable living, alongside a simultaneous decrease in new-builds, promise a dependable, long-term business model. LEG's focus is on the continual optimisation of its core business. We are confident that LEG, with its focus on strict cost discipline, highly innovative and entrepreneurial approach and lasting reliability makes it well placed in these challenging times to continue to accommodate of all of its shareholders' interests in 2025, too.

**Maintaining financial stability**
During the 2024 financial year, LEG made efficient use of its access to all participants on the capital market. The highlights of the financial year from a financing perspective were the issuance of the convertible bond in August 2024 and increasing this convertible bond in December 2024, the increase of two corporate bonds, the early repayment and obtaining of various new secured financing arrangements.

As a result, LEG is in a solid position from a financing perspective, which means that the acquisition of further shares in Brack Capital Properties N.V. (BCP) on 31 December 2024 can be handled easily.

As such, all the liabilities maturing in the 2025 financial year and all other covered financing arrangements were already fully refinanced in autumn 2024.

In total, financing of around EUR 1.1 billion was arranged in 2024 at an average annual interest rate of 1.4 % and an average term of 6.7 years. At approximately 85 %, the focus was on unsecured financing.

This shows that LEG also has excellent access to the corporate bond market, as well as the banking market, even in the current market environment, and can achieve refinancing opportunistically at the very best conditions. The company still retains its solid investment grade rating with a stable outlook.

The financial leverage, the so-called LTV, declined from 48.4 % at the end of the financial year 2023 to 47.8 % at the end of the financial year 2024 and was therefor above the medium-term target level of 45 %.

**Rising AFFO anticipated**
LEG is staying true to its mission: To increase income, reduce costs, drive innovation and achieve the company's climate protection goals through efficient action that boosts LEG's earnings! A strict focus on cash is still the top priority when it comes to administrative expenses and capital expenditure.

For the 2025 financial year, we are forecasting AFFO of between EUR 205 million and EUR 225 million. Taking the average of the forecast range (EUR 215 million), this represents an increase of 7.3 % on 2024's AFFO of EUR 200.4 million. The expected AFFO increase is primarily due to an improved figure for operating earnings and better net interest income.

**Investment in the portfolio and innovation**
Investment in the portfolio of EUR 35 per square metre is planned for the 2025 financial year. This is once again higher than the previous year's level of EUR 33.99 per square metre. In order to achieve climate neutrality for our property portfolio by 2045 as per the German Climate Change Act, LEG is continuing to rely on innovation and, in particular, on its Green Venture activities. LEG's Green Ventures represent the installation of air-to-air heat pumps, the use of thermostats to achieve hydraulic balancing and serial refurbishment. To do this, LEG draws on government subsidies.

**Climate protection as a business model**
The Management Board and Supervisory Board consider climate protection to be an integral element of the business model. For LEG, this means not only meeting the existing legal requirements on climate change by developing efficient decarbonisation solutions but also by selling these solutions to third parties and thus making a positive contribution towards the company's financial result. Correspondingly, the Management Board targets reflect the requirement to implement efficient decarbonisation solutions and to create a financial profit contribution from these solutions.

The Supervisory Board has included specific sustainability targets in both the Short Term Incentive (STI) for 2025 and the Long term Incentive (LTI) for 2025 to 2028. The sustainability targets in the STI and LTI now focus exclusively on the E element (Environmental), with both targets to be seen in direct relation to each other. The STI focusses exclusively on the carbon reductions in the property portfolio derived from decarbonisation pathway, while the LTI focusses on the financial profit contribution of the carbon reduction measures to be created.

**Management Board target attainment in 2024**
The Management Board achieved 140.5 % of its planned STI targets for 2024 and 117.7 % of its LTI targets. Detailed information on the achievement of targets can be found in the remuneration report starting on > page 80.

## Composition of the Supervisory Board

With the exception of Dr Jochen Scharpe, the composition of the Supervisory Board has not changed since the Annual General Meeting on 22 May 2022. As of the end of the Annual General Meeting on 26 May 2024, Dr Jochen Scharpe stepped down from the Supervisory Board. A suitable successor was found in Mr Christoph Beumer, who has the relevant expertise in control and risk management systems, accounting and auditing, including sustainability reporting and auditing.

With the exception of Mr Beumer, the mandates of all members of the Supervisory Board ended at the conclusion of the Annual General Meeting on 28 May 2025. The Supervisory Board recommends to the 2025 Annual General Meeting – based on the relevant recommendations of the Nomination Committee – that it re-elect for a further term the members of the Supervisory Board whose mandate has come to an end.

### Supervisory Board of LEG Immobilien SE

| | | | | | | | | | Supervisory Board remuneration | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Name | Surname | Year of birth | Natio-nality | Year of initial appoint-ment | Appoin-ted until[1] | Inde-pen-dence | Committees until 2024 | Committees since 2025 | 2024 in T€ | 2023 in T€ | Change 2024/2023 in % |
| Zimmer[2] | Michael | 1963 | German | 2013 | 2025 | Yes[8] | EC, NC, RC | EC, NC, RC | 309 | 275 | 12.36 |
| Dr Nolting[3] | Claus | 1951 | German | 2016 | 2025 | Yes | EC, NC, RAC | EC, NC, RAC-ESG | 225 | 188 | 19.68 |
| Beumer[4] | Christoph | 1963 | German | 2024 | 2027 | Yes | RAC | RAC-ESG, TDC | 73 | 0 | 0.00 |
| Dr Eichelberg | Sylvia | 1979 | German | 2021 | 2025 | Yes | ESG | RAC-ESG | 118 | 115 | 2.61 |
| Dr Scharpe[5] | Jochen | 1959 | German | 2013 | | Yes | RAC | | 45 | 115 | –60.87 |
| Dr Suder[6] | Katrin | 1971 | German | 2022 | 2025 | Yes | ESG | TDC | 146 | 140 | 4.29 |
| Wiesmann[7] | Martin | 1965 | German | 2020 | 2025 | Yes | EC, NC, RAC, RC, ESG | EC, NC, TDC | 230 | 165 | 39.39 |
| **Total** | | | | | | | | | **1,146** | **998** | **14.83** |

1 Appointed until the end of the Annual General Meeting that resolves on the discharge for the 2024 financial year or, in the case of Mr Beumer, the discharge for the 2026 financial year of LEG Immobilien SE
2 Chairman of the Supervisory Board, des Executive Board and the Nomination Committee
3 Deputy Chairman of the Supervisory Board, the Executive Board, the Nomination Committee, Chairman of the Risk and Audit Committee
4 Appointed from the end of the AGM 23.05.2024
5 Resignation at the end of the AGM 23.05.2024
6 Chairwoman of the ESG Committee
7 Chairman of the Remuneration Committee
8 See also additional explanation on sperate chart

**Legend for the committee abbreviations:**

| | |
|---|---|
| EC | Executive Committee |
| RAC | Risk and Audit Committee – **Note**: from 2025 ESG part of RAC |
| RAC-ESG | Risk and Audit Committee and ESG Committee |
| NC | Nomination Committee |
| RC | Remuneration Committee |
| ESG | ESG Committee – **Note**: from 2025 part of RAC |
| TDC | Technology and Digitalisation Committee – **Note**: new from 2025 |

Quelle: LEG

## Share price performance in 2024

The LEG share ended the 2024 financial year on a closing price (Xetra) of EUR 81.80. Compared with the year-end 2023 price of EUR 79.32, this corresponds to an increase of 3.1 %. The EPRA-NAREIT Germany index showed an almost identical performance (+3.3 %). During the same period, the MDAX dropped by 5.7 %. Including the distributed dividend of EUR 2.45 per share, the return on the share was 6.2 %.

At the start of 2024, in a particularly weak environment for the property market, the share price dropped to its lowest point of the year at EUR 67.94 (28.2.2024). The correction was connected with rising interest rates on the bond markets. The return on ten-year German government bonds rose from around 1.9 % to around 2.4 % between the end of 2023 and the end of February 2024.

The share reached its highest level on 1 October 2024 at EUR 96.10. This was preceded by good Group results, the prospect of stabilising residential property prices in Germany and lower interest rates on the bond markets once again. However, this was followed by another revision to the share price at the end of the year as a result of increased yields on the bond markets.

**Investor meetings with the Supervisory Board**
Within reason, the Chairman of the Supervisory Board holds meetings with investors. In 2024, the Chairman of the Supervisory Board once again took part in corporate governance roadshows and held related talks with investors. He was accompanied by the Chairman of the Remuneration Committee. These meetings were used to explain all business model-relevant aspects to investors. One area of focus for the meetings was the recommended amendment of the Management Board remuneration system and the amount of Management Board remuneration, as well as the scheduled merging of the Management Board and Supervisory Board.

The investors welcomed the efforts to ensure the continuity of LEG's executive committees. The investors' feedback on other topics was also constructive and appreciative. The capital market values LEG's transparent communication. LEG's realistic analysis of the impact of the changing conditions on the housing industry and the associated risks is also appreciated. The leveraging of opportunities as they present themselves in this market environment also met with positive feedback.

**Intensive cooperation between the Management Board and the Supervisory Board**
The 2024 financial year was therefore characterised by intensive dialogue between the Management Board and Supervisory Board. The Supervisory Board also monitored and supported the management of the Management Board during the 2024 financial year and advised the Management Board on matters relating to governance. In close partnership, major transactions and financing measures were discussed and overseen by the Supervisory Board. Thanks to its prompt integration into the decision-making process, the Supervisory Board was able – within a persistently complex environment – to analyse businesses requiring approval appropriately within the context of the business model and make a decision upon the approval.

The Supervisory Board is aware that the business model must be continually put to the test by the challenges currently facing the residential property sector and LEG. This was addressed in a range of meetings and strategy sessions. In the 2024 financial year, the Supervisory Board sought the advice of specialists on the topic of digitalisation in the property industry from a practical and scientific perspective in order to derive suitable measures for LEG. As a result, the implementation of the Supervisory Board's "Technology and Digitalisation" committee was agreed from 2025.

The Management Board ensured the necessary high level of transparency regarding all major strategic developments for the Supervisory Board at all times and also actively sought the involvement of the Supervisory Board. As in previous years, the Supervisory Board was involved in the strategy development process. The significance of the particularly trusting cooperation between the Supervisory Board and the Management Board should be highlighted here in view of the major challenges that continue to arise.

The Supervisory Board was assured of the legality, expediency and compliance of the work of the Management Board at all times. LEG stands for a responsible, strong and forward-looking company that is extremely well positioned even in a difficult market landscape.

**Work of the committees**
In recent years, the Supervisory Board has always taken into account the increasingly important contribution of its committees. The demands placed on the Supervisory Board are becoming increasingly complex and extensive. The dedication of and suggestions from the committees are highly significant. The skills and expertise possessed by the Supervisory Board are bundled in the committees for specific areas. The committees address new and innovative topics that are brought to LEG and the Supervisory Board. The expertise bundled in the committees supports the work of the Supervisory Board.

For example, the Technology & Digitalisation Committee will begin its work from the 2025 financial year. For the Management Board and Supervisory Board of LEG Immobilien SE, technology and digitalisation will be among the key success factors for the LEG Group in the coming years. With the new 'Technology and Digitalisation' committee, the Supervisory Board and Management Board are also doing justice to the relevance of this topic for LEG Immobilien SE in the committee structure. In the 2024 financial year, the ESG Committee made a significant contribution to updating the ESG strategy and establishing a $CO_2$ monitoring system. Sustainability reporting and its audit will be dealt with directly by the Risk and Audit Committee from the 2025 financial year onwards. Against this backdrop, the ESG Committee was dissolved at the end of the 2024 financial year and the Risk and Audit Committee was renamed the Risk, Audit and ESG Committee from the 2025 financial year.

**Efficiency in executive bodies, self-assessment**

The recommended actions resulting from the scheduled efficiency analysis (self-assessment) of the work performed by the Supervisory Board and its committees, conducted in the 2023 financial year with the support of an external advisor, have been implemented. The next self-assessment is scheduled for the 2025 financial year.

Supervisory Board meetings are based on intensive preparation for meetings of the Supervisory Board and its committees. This ensures efficient committee work. The Management Board reports on key issues at these meetings. The meetings are planned so as to always allow sufficient time for detailed discussion. The Management Board fulfilled its reporting duties in a timely manner and with an appropriate level of detail at all times.

The Supervisory Board also regularly meets without the Management Board, especially when dealing with personnel matters concerning the Management Board. Accordingly, the Supervisory Board, the Executive Committee, the Nomination Committee, the Remuneration Committee and the Risk and Audit Committee met and adopted resolutions on individual agenda items at their meetings without the Management Board in attendance in the reporting year.

In addition to the Supervisory Board and the Management Board, the participation of in-house experts, such as the Head of Accounting and Taxes or the General Counsel, is standard practice. In its discussions, the Supervisory Board gains a deeper understanding of the specialist issues presented by the company's management. The Supervisory Board also invited external experts and consultants to attend committee meetings as necessary. Examples of this include the mandatory participation of the auditor in the meeting to adopt the annual financial statements and the participation of the property assessor CBRE. The Supervisory Board is also advised by a separately engaged law firm where necessary. It also employed an external, independent remuneration advisor for remuneration-related topics.

**High degree of expertise on the Supervisory Board**

The Supervisory Board updated its competence profile in 2024. In particular, the reasons for this included the expectations of the capital market regarding the development and implementation of ESG criteria by listed companies and the challenges presented by technology and digitalisation.

The qualification matrix below shows that the Supervisory Board has a professional composition. Each member of the Supervisory Board not only has the necessary knowledge and abilities to perform their duties properly, but also possesses special skills that they place at the company's disposal when performing their work with the utmost motivation and dedication.

**Competence profile**

| | Competencies | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Group management | Housing industry | Property transactions | Bank and capital market financing | Finance, accounting and audit | Management and regulation | Sustainability | Technology and Digitalisation |
| Michael Zimmer (Chairman) | ●●● | ●●● | ●●● | ●● | ●● | ●● | ●● | ● |
| Dr Claus Nolting (Deputy Chairman) | ●●● | ●● | ●●● | ●●● | ●●● | ●●● | ●● | ●● |
| Christoph Beumer | ●● | ●●● | ●● | ●● | ●●● | ●●● | ●●● | ●● |
| Dr Sylvia Eichelberg | ●●● | ●● | ●● | ●● | ●● | ●● | ●●● | ●●● |
| Dr Katrin Suder | ●● | ●● | ● | ●● | ●● | ●●● | ●●● | ●●● |
| Martin Wiesmann | ●● | ●● | ●● | ●●● | ●● | ●● | ●●● | ●● |

● = General knowledge ●● = In-depth knowledge ●●● = Expert knowledge

Source: LEG

The self-assessment of the Supervisory Board members in office regarding their skill sets was last conducted in November 2024.

Moreover, LEG offers the members of its Supervisory Board training and continued professional development options in addition to assisting them in taking advantage of these opportunities. This was the case in 2024 as well. One example is the seminar "Update for the Supervisory Board" held by Deloitte.

## Work and meetings of the Supervisory Board in 2024

In 2024, the Supervisory Board focused on the analysis of the volatile market environment and its repercussions for LEG as well as the rising sustainability requirements and on reviewing growth opportunities arising in the second half of 2024 from the slowly recovering transaction market. It addressed the future financing of the company, property values and the strategic buying and disposal portfolios.

The Supervisory Board held four ordinary and three extraordinary Supervisory Board meetings in the 2024 financial year. Four of these meetings were held in person and three were held as virtual meetings.

Furthermore, ten resolutions were passed in writing. The matters to which these pertained had been covered in detail at Supervisory Board meetings beforehand, but the Board had not been ready to make a decision at the time of the meeting. Some of these concerned the approval of the share dividend and resolutions on Group financing matters, for example.

### Attendence at comittee meetings

| | Attendance at committee meetings | | | | | |
|---|---|---|---|---|---|---|
| | Supervisory Board | Executive Committee | Nomination Committee | Risk and Audit Com-mittee | Remuneration Committee | ESG-Committee |
| Michael Zimmer (Chairman) | 5/7 | 5/5 | 2/2 | – | 2/3 | – |
| Dr Claus Nolting (Deputy Chairman) | 7/7 | 5/5 | 2/2 | 5/5 | 3/3 | – |
| Christoph Beumer[1] | 3/7 | – | – | 3/5 | – | – |
| Dr Sylvia Eichelberg | 7/7 | – | – | | – | 4/4 |
| Dr Jochen Scharpe[2] | 2/7 | – | – | 1/5 | – | – |
| Dr Katrin Suder | 7/7 | – | – | | – | 4/4 |
| Martin Wiesmann | 7/7 | 5/5 | 2/2 | 5/5 | 3/3 | 4/4 |

1 Member of the Supervisory Board from the end of the AGM on 24 May 2024
2 Member of the Supervisory Board until the end of the AGM on 24 May 2024

Source: LEG

The first ordinary Supervisory Board meeting of the year was held on **3 March 2024**. At this meeting, following a detailed examination, the Supervisory Board approved the consolidated financial statements and the annual financial statements of LEG Immobilien SE for the 2023 financial year prepared by the Management Board. It examined the management reports for the company and the Group, as well as the non-financial Group report, and prepared the 2023 remuneration report together with the Management Board. It also resolved to engage Deloitte GmbH Wirtschaftsprüfungsgesellschaft (Deloitte) as the auditor of the annual and consolidated financial statements for the 2024 financial year and of other financial reporting documents. Furthermore, it dealt with the preparations for the Annual General Meeting, approved the agenda prepared by the Management Board and resolved its own proposals. The disposal programme for 2024 was also approved. In addition, advice was sought on major strategy-related topics, such as intensive consultation on financing options and the preparation of any company disposals.

In the meeting on **7 May 2024**, the Supervisory Board addressed, among other things, the quarterly figures for Q1 2024, the 2024 Annual General Meeting, the financing update and amendments of the statutes that only affected the wording.

At its meeting on **3 September 2024**, the Supervisory Board discussed the feedback from investors and analysts with regard to the H1 2024 half-year report as well as the Supervisory Board's report on H1 2024. It also looked at the financing situation and increased the guidance for 2024 based on the H1 half-year results. In addition, the Supervisory Board addressed the update to the ESG strategy and the founding of the company "LEG Leitwerk GmbH".

At its final ordinary meeting on **5 November 2024**, the Supervisory Board mainly discussed strategy and the business planning for 2025 to 2029 and issued the annual declaration of compliance with the German Corporate Governance Code together with the Management Board. It addressed the implementation of the tax optimisation project and agreed to the termination of the profit-and-loss transfer agreement between LEG NRW GmbH and Ravensberger Heimstättengesellschaft mbH. It reviewed the reports by the Executive Committee and Remuneration Committee on matters relating to the Management Board, as well as the planned changes to the Management Board remuneration system and the increase in Management Board remuneration in connection with the extensions of the relevant employment contracts for the Management Board, as well as establishing the STI targets for 2025 and LTI targets for 2025 to 2028. It also addressed the compliance management system and the implementation of data protection in the LEG Group.

Furthermore, the Supervisory Board addressed the continuation of the ESG strategy, carbon monitoring and CSRD reporting at its meetings. Other key issues included the structuring of financing activities and property values in the current market environment.

Three extraordinary meetings of the Supervisory Board were held in the 2024 financial year. Major resolutions were made regarding financing measures, such as the issue of the convertible bond in August 2024 and the acquisition of further shares in BCP on 1 November 2024.

## Strategy meetings of the Supervisory Board

The Supervisory Board intensively discussed the company's strategy at two meetings in the 2024 financial year. These took place immediately before the meetings of the Supervisory Board on 3 March 2024 and 5 May 2024 (meeting held in person). Following on from the previous years, the discussions focused on the effects of the changes in the geopolitical and macroeconomic situation on LEG, challenges in the field of technology and digitalisation and strategic financing or growth considerations, as well as the measures planned or implemented by the Management Board. The Supervisory Board sought the advice of specialists on the topic of digitalisation in the property industry from a practical and scientific perspective in order to derive suitable measures for LEG.

## Meetings of the committees of the Supervisory Board

### Executive Committee

The Executive Committee met five times in virtual ordinary meetings in the 2024 financial year. Details of members' attendance are shown in the table on > page 19 of this report. The Executive Committee made three decisions in a written resolution process.

Where necessary, the Executive Committee voted on matters outside meetings in conference calls. The Executive Committee agreed that it makes sense to calling Executive Committee meetings on an ad-hoc basis. The Supervisory Board agreed to the relevant amendment of its Rules of Procedure in September 2024.

As part of its work, the Executive Committee made preparations for the discussions and resolutions by the Supervisory Board. The Executive Committee primarily addresses matters relating to the Management Board, such as the future composition of the Management Board, the amendment of Management Board employment contracts and secondary employment of Management Board members. The Executive Committee also discussed the future workflow and the composition of its committees and made the relevant proposals to the Supervisory Board, including on the implementation of the Technology and Digitalisation Committee. The Executive Committee also sought advice on the profile between the two levels of executive management.

Furthermore, the Executive Committee discussed a scenario analysis for LEG Immobilien SE applying various market assumptions. The Executive Committee also discussed the developments on the capital market and growth opportunities with relevance for LEG.

### Nomination Committee

The Nomination Committee is tasked with identifying suitable candidates for the Supervisory Board's proposals to the Annual General Meeting. Three meetings were held during the 2024 financial year. The meetings in February 2024 discussed the successor to Dr Jochen Scharpe and a recommendation was made to the Supervisory Board for their proposal as a candidate at the Annual General Meeting. In October 2024, the Nomination Committee discussed the future composition of the Supervisory Board in light of the upcoming election of Supervisory Board members in May 2025 and in light of the independence of Supervisory Board members, and worked on recommendations for the proposal of candidates for the Supervisory Board at the Annual General Meeting.

### Risk and Audit Committee

The Risk and Audit Committee held five ordinary meetings in the 2024 financial year. Three meetings were held in person and two were held as virtual meetings. Details of members' attendance are shown in the table on > page 19 of this report.

With regard to the publication dates for the quarterly figures, the Risk and Audit Committee met outside of the scheduled meetings in August 2024 in order to provide advice prior to the publication of the H1-2024 half-year report.

One key area was the discussion of the annual financial statements as at 31 December 2023 and the management report for the 2023 financial year, plus the discussion of the consolidated financial statements as at 31 December 2023 and the Group management report for the 2023 financial year. Other key areas were the analysis and discussion of business planning for 2025 to 2029, the quarterly reports, the internal key figures, the financing strategy and the 2023 non-financial Group report and 2024 CSRD reporting. Furthermore, in its meetings, the Risk and Audit Committee essentially discussed treasury policy, the development of minimum liquidity and financing updates, the continuation of the 2024 sales programme, audit planning for 2024, the report of the Management Board in accordance with Section 107 (3) of the Aktiengesetz (AktG – German Stock Corporation Act), the effects of the current capital market situation on LEG, the valuation of the portfolio and equity investments, LEG's internal control system and its ongoing development, the risk reports and the risk inventory of the LEG Group. The Risk and Audit Committee also obtained a regular update on the "Random audit of the company accounts of LEG Immobilien SE in accordance with Section 107 (1), item 3 of the German Securities Trading Act (WpHG) (BaFin audit)".

The Risk and Audit Committee put forward resolutions for the Supervisory Board regarding major financing measures for LEG Immobilien SE. This relates in particular to the issue of the 2024/2030 convertible bond.

The Risk and Audit Committee also received regular reports from Internal Audit and the Compliance Officer. Furthermore, following its November meeting, the Risk and Audit Committee held an intensive discussion with the representatives from Deloitte concerning the forthcoming audit of the consolidated and annual financial statements. The Audit Committee regularly discusses the audit quality.

The Risk and Audit Committee gave its approval in writing and in the meeting on 6 May 2024 to issuing procurements to Deloitte for non-audit services.

### ESG Committee

In the 2024 financial year, the ESG Committee made a significant contribution towards the continuation of the ESG strategy and the implementation of a carbon emission report. This means that the requirements in terms of carbon emission reductions in the company's portfolio derived from the decarbonisation pathway are met, and the marketability of the carbon reduction measures can be evaluated. The Supervisory Board transferred the reporting-related tasks previously dealt with by the ESG Committee to the Risk and Audit Committee as of the 2025 financial year.

The ESG Committee held four ordinary meetings in the 2024 financial year. All these meetings were held virtually. Details of members' attendance are shown in the table on > page 19 of this report.

The ESG Committee mainly dealt with the following issues in its meetings:

- For the "Environment" aspect, the ESG Committee discussed, beside overall activities to reduce carbon emissions, the continued development of the Management Board's innovative project ideas. The implementation of carbon emission reporting was a major topic of the ESG Committee's work.
- The ESG Committee obtained advice on the specifics of Corporate Sustainability Reporting Directive (CSRD) reporting.
- The ESG Committee also discussed the auditor's report on the 2023 non-financial Group report and the significantly tougher requirements for sustainability reporting from 2024.
- There was an update on LEG's ESG rating in the ESG Committee. The ESG Committee tracked the ESG activities of peer companies.

**Remuneration Committee**
The Remuneration Committee that was established on 21 November 2023 met virtually three times. The Remuneration Committee's work focussed in particular on the preparations for the continuation of the Management Board remuneration system, the preparations for the amendment of the amount of Management Board remuneration for future extensions of Management Board employment contracts, the preparations for setting the targets for STI 2025 and LTI 2025 and on the preparation of the 2024 remuneration report. In its work regarding the continuation of the Management Board remuneration system, the Remuneration Committee was supported by an independent external remuneration advisor.

## Corporate governance

In November 2024, the Supervisory Board together with the Management Board discussed the corporate governance declaration in accordance with Section 161 (1) AktG and issued the corporate governance declaration. The corporate governance declaration has been made permanently available to shareholders on the company's website at (https://www.leg-wohnen.de/fileadmin/dateien/02_Unternehmen/Corporate_Governance/20241022_Entsprechenserklaerung_2024_en.pdf).

The Management Board and Supervisory Board of LEG Immobilien SE declare in accordance with Section 161 AktG that the Company has complied without exception with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 28 April 2022 published by the Federal Ministry of Justice in the official section of the Federal Gazette on 27 June 2022 since the last Declaration of Conformity pursuant to Section 161 AktG was issued in November 2023. Further details on the implementation of the Code can be found in the combined corporate governance declaration.

At its meeting in November 2024, the Supervisory Board was informed about both the ongoing development of the existing compliance management system and the status of compliance with the EU General Data Protection Regulation and the ongoing optimisation of the company's data protection management system.

Furthermore, in November 2024, the Supervisory Board resolved quotas for the share of women on the Management Board and the Supervisory Board of 33.3 % by 31 December 2029. This target has already been achieved by both the Management Board and the Supervisory Board as at 31 December 2024.

## Audit of the 2024 annual and consolidated financial statements

The Management Board prepared the annual financial statements and management report for the 2024 financial year in accordance with the provisions of the Handelsgesetzbuch (HGB – German Commercial Code) and the consolidated financial statements and Group management report in accordance with the provisions of the International Financial Reporting Standards (IFRS), as endorsed in the European Union, and the additional commercial regulations of Section 315a HGB. Deloitte was appointed as the auditor of the annual and consolidated financial statements for the 2024 financial year. Deloitte audited the annual financial statements, including the Group management report, and the consolidated financial statements, including the Group management report, for the 2024 financial year and issued an unqualified audit opinion for each.

A review of the risk management and monitoring system is included in the audit. In the report on the risk management and monitoring system of the Management Board, the auditor commented on risks jeopardising the continued existence of the company as a going concern. The auditor considers the risk management and monitoring system to be suitable for the early detection of developments that could threaten the continuation of the company.

The Supervisory Board received the audited and certified annual financial statements and the management report for the 2024 financial year in good time. The Supervisory Board examined the annual financial statements, taking into account the auditor's report and the report of the Risk and Audit Committee Chairman on the preliminary audit. The same applies to the consolidated financial statements, the Group management report and the proposal of the Management Board for the appropriation of earnings.

The 2024 remuneration report presented by the Management Board and Supervisory Board was examined by the auditor in accordance with Section 162 (3) AktG to determine whether it contains the disclosures required by law in accordance with Section 162 (1) and (2) AktG. In Deloitte's opinion, the 2024 remuneration report contains the disclosures required by Section 162 (1) and (2) AktG in all material respects. Above and beyond the statutory requirements, the auditor also examined the content of the remuneration report.

The Risk and Audit Committee discussed the estimation of the audit risk, audit strategy and audit planning, as well as the audit results, with the auditor Deloitte. The Chairman of the Risk and Audit Committee also engaged in close dialogue with the auditor between the meetings and also in order to prepare for the meetings of the Risk and Audit Committee with regard to the continuation of the audit. The Chair then reported to the Risk and Audit Committee. The Risk and Audit Committee also meets regularly with the auditor without the presence of the Management Board.

At the meeting of the Risk and Audit Committee on 6 March 2025 and at the meeting of the Supervisory Board on 7 March 2025, representatives for the auditor explained the results of the audit as a whole and the individual key audit matters. There were no objections. The Supervisory Board agreed with Deloitte that Deloitte inform the Supervisory Board if Deloitte discovered any findings during its audit that indicated any inaccuracies of the declaration of compliance submitted by the Management Board and Supervisory Board. The auditors found no facts during their audit that contradict the declaration of compliance.

At the committee meetings that discussed the annual and consolidated financial statements, the Risk and Audit Committee and the Supervisory Board of LEG Immobilien SE heard reports from representatives for the auditor on its independence and acknowledged the corresponding independence report. The auditors made it clear that there were no circumstances giving rise to concern over their impartiality. Following a thorough examination of all documents by the Supervisory Board, no objections were raised. The Supervisory Board therefore approved the results of the auditor’s audit.

The Supervisory Board approved the financial statements and management report for 2024 and the consolidated financial statements and Group management report for 2024 in accordance with the proposal of the Risk and Audit Committee on 7 March 2025. The 2024 financial statements are thus adopted and the 2024 consolidated financial statements approved.

## Proposal for the appropriation of profits for the 2024 financial year

The Supervisory Board intensively discussed the proposal submitted by the Management Board to the Annual General Meeting regarding the appropriation of profits for 2024 and agrees with this proposal.

## Sustainability

The sustainability report is part of the group management report. As in the previous years, the Supervisory Board engaged Deloitte to perform an external limited assurance review of the content of its sustainability reporting. In addition, the Supervisory Board has entrusted the Risk and Audit Committee to monitor, prepare and perform a preliminary audit of the sustainability reporting.

Corporate social responsibility (CSR) is highly important to LEG and its executive bodies. A governance structure has been established within LEG to enshrine the fundamental concept of sustainability in its day-to-day business. Overall responsibility for CSR activities lies with the Management Board as a whole. They are managed by the LEG Sustainability Committee, which is chaired by the CEO. On behalf of the Supervisory Board, the sustainability reporting is monitored in particular by Dr Sylvia Eichelberg, who contributes her expertise on all sustainability-related topics as a former member of the ESG Committee and now a member of the Risk, Audit and ESG Committee.

## Management Board

The Management Board team, consisting of Lars von Lackum, Chief Executive Officer, Dr Kathrin Köhling, Chief Financial Officer, and Dr Volker Wiegel, Chief Operations Officer, systematically and successfully continued to refine LEG’s strategic realignment, which the company adopted in 2022 in view of the current market situation. The Management Board has maintained the position of LEG Immobilien SE as a financially strong and trusted partner for all stakeholders, even in a difficult market.

In the consistently trying 2024 market environment, the Management Board again showed the necessary prudence and foresight in a manner that is profitable for LEG. The Management Board leveraged growth opportunities arising in the recovering market, evaluating them for risks and opportunities before successfully implemented them. This relates in particular to the BCP transaction. The Supervisory Board welcomes this forward-looking and level-headed approach on the part of the Management Board.

The AFFO achieved for 2024 was within the revised target ranges; at the same time, investments in the property portfolio were increased by EUR 20 million. The ambitious guidance published by the Management Board for the 2025 financial year is proof of the resilience of the business model in spite of a volatile market environment.

The Management Board has set itself highly ambitious targets for the 2025 financial year, in spite of the exceptional challenges posed by geopolitical and domestic political risks. The Supervisory Board is highly appreciative of this.

After two years of partnership with the Management Board team in its current composition, the Supervisory Board believes its opinion is justified that the new Management Board makes a good team on both a professional and a personal level. The Supervisory Board sees the current structure and composition of the Management Board as a major factor in LEG's success. The Management Board is characterised by its strategic expertise and managerial excellence.

On 10 January 2025, the LEG Immobilien SE Supervisory Board reappointed Lars von Lackum as a member and Chairman of the Management Board from 1 January 2026 to 31 December 2030. It also extended the appointment of Dr Kathrin Köhling from 1 April 2025 to 13 March 2030 and the appointment of Dr Volker Wiegel from 1 January 2026 to 31 December 2028. The Supervisory Board is delighted that all members of the Management Board have declared their willingness to continue their successful work on the Management Board in its current formation.

We can assume that the 2025 financial year will continue to be challenging for all market participants. The Supervisory Board wishes the Management Board strength and every success.

The Supervisory Board would like to thank you, our shareholders, for your trust and for standing by LEG Immobilien SE even in these difficult times.

We want to take this important opportunity to thank LEG's employees for their commitment and their high level of identification with the LEG family. Our employees are the key to our success. This is reflected in the excellent performance of the last few years. LEG can rely on the dedication of its people and the Supervisory Board is extraordinarily proud of this. The LEG family represents exemplary team spirit, a high level of commitment and great loyalty.

The Management Board and all the employees who performed so impressively in the 2024 financial year deserve our recognition and thanks. We look forward with confidence to the new year and are certain that, by working together, we will successfully overcome the challenges that lie ahead in this uncertain market environment.

Dusseldorf, 7 March 2025

On behalf of the Supervisory Board of LEG Immobilien SE

**MICHAEL ZIMMER**
Chairman of the Supervisory Board

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# GROUP MANAGEMENT REPORT

## Basic information on the Group

**LEG Immobilien SE**

| COMPANIES WITH EMPLOYEES | ASSET HOLDING COMPANIES | SERVICE AND OTHER COMPANIES | GREEN VENTURES |
|---|---|---|---|
| e.g.: | e.g.: | e.g.: | – Renowate GmbH |
| – LEG Management GmbH | – LEG NRW GmbH | – WohnServicePlus GmbH | – dekarbo GmbH |
| – LEG Wohnen NRW GmbH | – LEG Wohnen GmbH | – EnergieServicePlus GmbH | – Efficient Residential Heating GmbH (termios) |
| – LCS Consulting und Service GmbH | – Ravensberger Heimstätten-gesellschaft mbH | – TSP - TechnikServicePlus GmbH | |
| – LEG Consult GmbH | – LEG Wohnungsbau Rheinland GmbH | – LWS Plus GmbH | |
| | – Ruhr-Lippe Wohnungs-gesellschaft mbH | – LEG LEITWerk GmbH | |
| | – Gladbau Baubetreuungs- und Verwaltungs-gesellschaft mbH | – Youtilly GmbH | |
| | – LEG Niedersachsen GmbH | – Biomasse Heizkraftwerk Siegerland GmbH & Co. KG | |
| | – LEG Rhein-Neckar GmbH | | |

### Group structure and legal form

LEG Immobilien SE is the parent company of the LEG Group (hereinafter referred to as “LEG”), which is shown in the diagram. The company assumed the legal form of an SE (Societas Europaea) on 11 March 2021.

### Business activities and strategy

With a portfolio of around 164,000 rental units at approximately 240 locations, LEG is the second-largest property company in Germany as well as the market leader in Germany’s most populous state, North Rhine-Westphalia. LEG’s core business is the management of its own residential portfolio.

LEG’s strategic focus is on the affordable housing asset class, which is characterised by demand that continually outstrips supply. LEG expects this excess demand to continue to grow in the future. While demand is increasing as a result of immigration to Germany and private households looking for more affordable housing, the supply situation is characterised by a sharp decline in new construction. The new construction target of 400,000 apartments per year set by the then federal government in the coalition agreement in 2021 has so far been missed. In particular, the level of financing and construction costs as well as uncertainties regarding future energy requirements and subsidies had a negative impact on construction activities.

In this environment, LEG’s portfolio takes on particular importance. With an average monthly rent of EUR 6.80 per square metre, LEG's offering is aimed at broad segments of the population. As at 31 December 2024, free- financed residential units accounted for 81 % of the portfolio and rent-restricted units for 19 %.

The LEG portfolio’s regional focus is on North Rhine-Westphalia, where 80 % of its residential units are located. LEG also operates as a landlord in the federal states of Schleswig-Holstein, Lower Saxony, Bremen, Hesse and Rhineland-Palatinate. With the acquisition of Brack Capital Properties N.V. (BCP), LEG will be able to establish Leipzig as a new location in eastern Germany from 2025.

LEG's strategy focuses on adapting its business model to future challenges while considering external factors and balancing the interests of all key stakeholders.

The strategy is built on three pillars:

- Optimising the core business
- Expanding the value chain
- Repositioning the management platform

A finance strategy focused on liquidity as well as the ESG (Environmental, Social, Governance) framework form the foundation of the strategy.

The individual components of the company strategy are described in more detail below:

**Optimising the core business**

To optimise its core business, LEG focuses on unlocking rental growth potential, increasing customer satisfaction, and streamlining processes through digitalisation and efficiency improvements.

LEG believes there is also potential for rent increases in the future. In the free-financed portfolio, rents can be increased in line with statutory regulations by adjusting to local reference rents (mainly rent tables), when letting properties to new tenants or in connection with modernisation measures. In the rent-restricted portfolio, cost rents can be adjusted every three years, determined primarily by the development of the consumer price index. By 2028, rent control will expire for approximately 19,000 residential units, representing around 62 % of LEG's currently rent-restricted portfolio. This creates additional potential for rent increases, as current rents are in many cases significantly below the market level for free-financed properties.

Since December 2020, LEG has conducted point of contact surveys after handling customer concerns to measure tenants' satisfaction with the process and quality of service. The results are included in the CSI Index (Customer Satisfaction Index), which has been used to measure customer satisfaction since the 2022 financial year. The direct contact is also fostered by a Customer Advisory Council, which is actively involved in the decision-making process on neighbourhood development and services improvement.

Customers are supported by the central customer service and eight regional branches. Customers have access to various contact and information channels in line with their needs and as suitable for the occasion. In addition to using digital channels such as the tenant portal, tenant app, chat services and online damage notifications, they can also get in touch in person, for example by calling the service hotline, using the emergency repair service or tenant office hours at selected locations. If they wish, prospective tenants can arrange a rental entirely digitally, from the initial inquiry right up to concluding the agreement.

The residential rental business is characterised by a large number of customer relationships. In order to run this business efficiently in the interests of all stakeholders, LEG is also digitalising processes in addition to its digital offerings for tenants and new customers. For example, LEG uses robotics solutions across the company to handle customer enquiries and record incoming payments. Robotics applications are also used to automate invoice processing, contract management and data analysis. LEG also tested possible applications for artificial intelligence for the first time in the 2024 financial year in order to organise processes more efficiently.

**Expanding the value chain**

LEG's service activities combine the Group's management expertise with internal or external technical expertise. LEG has continuously expanded its service portfolio with the energy supply and technical management of numerous properties through EnergieServicePlus GmbH, small repair management and insurance claim handling via TSP – TechnikServicePlus GmbH (LEG holding 51 %), and LWS Plus GmbH, which serves as a project management company for the refurbishment of vacant apartments. Following the abolition of the service charge privilege (allocation of cable TV fees in the utility bill) in July 2024, WohnServicePlus GmbH is working with partners to offer LEG's tenants various multimedia options for at home.

In August 2024, LEG LEITWerk GmbH was founded, a company specialising in cable, electrical and installation technology. In the course of climate protection and the heating transition, the requirements for the installation and expansion of grid connections and modern electrical engineering have increased. This will be the initial focus of the new company's work.

In addition, the Youtilly platform, an industry solution for digital and tenant-focused contract management in the areas of gardening, outdoor maintenance and winter services, has already been in place since 2021.

Biomasse Heizkraftwerk Siegerland GmbH & Co. KG (LEG share 94.86 %) produces $CO_2$-neutral energy in the form of electricity and heat by utilising processed, certified waste wood.

In the last three years, additional business models have been developed that are also offered as solution concepts for third parties while simultaneously helping LEG to achieve its ambitious climate targets.

In January 2022, LEG founded Renowate GmbH together with the Austrian Rhomberg Bau Group. The objective of the joint venture is to develop serial, digital solutions to decarbonise residential buildings. RENOWATE also markets its services to other property managers in the DACH region.

In September 2023, LEG and Soeffing Kälte Klima GmbH founded the company dekarbo GmbH. Dekarbo offers a comprehensive solution comprising air-to-air heat pump installation including hot water and subsequent system support over the entire life cycle for each apartment.

In 2023, termios was also established as a joint project between LEG, Oventrop and mantro. The technology company, operating under the name Efficient Residential Heating GmbH, brings together expertise in housing management, heating control and hydraulics, as well as digitalisation and technology. Termios is an AI-based thermostat that performs permanent and optimised hydraulic balancing.

### Repositioning the management platform

LEG aims for a business model with low complexity and thus higher efficiency. The company therefore focuses on the asset class of affordable housing in Germany.

In response to changing macroeconomic conditions, marked particularly by an unprecedentedly rapid rise in interest rates, LEG implemented strategic measures as early as the 2022 financial year, which have continued into 2024. This includes a disposal programme that serves to optimise the portfolio in addition to generating sales proceeds. LEG also decided to end its low-volume new construction activities after the completion of the three ongoing project developments in 2025. In addition, LEG completely suspended its acquisition activities starting in October 2022. However, there was flexibility to resume growth mode when the general conditions improved.

After it became apparent in the second half of 2024 that property valuation was stabilising, LEG took the opportunity to secure further shares in BCP by concluding a share purchase agreement (for a total of 52.68 %) and a tender commitment (for 10.1 %). The transaction process, which began in 2021 with the conclusion of purchase agreements for 30.9 % of the shares, is expected to be completed in 2025. It is planned to integrate the portfolios into LEG's management processes and to take over BCP completely.

### Liquidity-focused finance strategy

In line with its long-term business model and in order to ensure a defensive risk profile, LEG believes that it has a long-term secure and balanced financing structure. The refinancing measures carried out in the year under review and at the beginning of the current financial year demonstrate unhindered access to debt capital and various types of financing. The measures are described in more detail in the Financing section of the Group Management Report.

## ESG framework

Environmental, social and governance (ESG) responsibility are at the heart of LEG's strategy. LEG updated its sustainability strategy in 2024. The sustainability strategy 2030 is described in the sustainability report. To achieve the climate targets by 2030 and a virtually GHG-neutral building stock by 2045, it is focusing on three main clusters: emission-efficient heat supply, energy demand reduction and energy-efficient modernisation.

LEG has identified various measures for decarbonisation and will also consider availability of government funding when selecting suitable measures. The Group is also committed to the energy transition in Germany and attempts to have a positive impact on its tenants' consumption behaviour.

LEG's positioning as a provider of decarbonisation solutions through its Green Ventures RENOWATE, dekarbo and Efficient Residential Heating (termios) also presents it with commercial opportunities.

LEG considers itself a socially responsible landlord that takes account both of its customers' financial situation and their general satisfaction. The latter is measured using the Customer Satisfaction Index. Overall employee satisfaction is measured using the Great Place to Work organisation's Trust Index.

Respect for the interests of all stakeholders, including shareholders, transparency and responsibility in business decisions, and the appropriate handling of risks are core elements of corporate governance and the basis of LEG's actions. The Group has a certified compliance management system that bundles measures to comply with legal regulations and internal company guidelines.

For more details, reference is made to the sustainability report.

In order to sharpen the focus on achieving the decarbonisation targets, the remuneration system for the Management Board and the management level below the Management Board − subject to approval at the upcoming 2025 Annual General Meeting − will in future be limited to one target each from the Environmental area for STI (short-term incentive) and LTI (long-term incentive).

## Group management system

LEG's Group management system reflects the company strategy, which aims at optimising the core business, expanding the value chain and repositioning the management platform on the basis of a liquidity-focused finance strategy and the ESG framework.

The basis for the Group management system is a management concept focused on key figures, with the planning process serving as a key instrument. The key figures are calculated taking into account current business developments as part of a forecast, which is carried out multiple times a year, and multi-year planning covering a five-year period. There is also a close connection between planning and forecasts with the risk management system, with the result that corresponding countermeasures can be promptly derived and implemented for any risks ascertained. Cash flow forecasts for the development of the liquidity situation are prepared on a weekly basis and allow potential financial risks to be identified at an early stage and any countermeasures to be taken where necessary.

The Management Board and executives are informed monthly, and the Supervisory Board is informed quarterly in the form of standardised reporting on the key financial and non-financial figures and the current business development. At regular intervals, the key figures are benchmarked with the competitors. In addition, executives have access to up-to-date online reports by way of a self-service system. The foundation for this reporting system is the IT-based Group data warehouse, which is connected to the Group-wide SAP system, operating sub-systems and to the planning system. This means that deviations from forecasts can be identified and action taken.

The overall system of key performance figures is structured by functional areas (Operations, Special Companies, Management/Administration) to ensure a targeted control of individual areas. There is a target definition and achievement system within the functional areas which includes both financial and non-financial key figures. Corresponding responsibilities for all key figures are defined within the organisation. The target system relates to the focus of the individual levels of hierarchy.

Debt service plays an important role in Group management on account of its importance for the liquidity and earnings situation. The Corporate Finance & Treasury division, which is responsible for liquidity controlling, determines the LEG Group's liquidity requirements taking into account the development of the Group and of the markets and establishes suitable measures to meet this demand. Based on current forecast figures and risk and opportunity reports, liquidity scenarios are included in reporting and interpreted.

### Key performance figures

Key performance figures are divided into financial and non-financial key figures.

| | |
|---|---|
| Financial key performance indicators | AFFO<br>Adjusted EBITDA margin<br>LTV |
| Financial key figures | Net cold rent<br>EPRA-NTA |
| Non-financial key figures – operating | Rental growth per sqm (like-for-like) (in %)<br>Vacancy rate (in %)<br>Investments per sqm |
| Non-financial key figures – ESG | Environmental, Social, Governance targets (FY 2024)<br>Environmental target (from FY 2025) |

### Most important financial performance indicators

The most important financial performance indicators for Group management are AFFO, the adjusted EBITDA margin and LTV.

| | |
|---|---|
| AFFO | Based on FFO I (after non-controlling interests), AFFO (Adjusted Funds from Operations) takes recurring capex measures (capex (recurring)) into account. Recurring capex measures are defined as capitalised costs from modernisation and maintenance measures as well as new construction activities on own land. When determining costs from modernisation and maintenance measures, consolidation effects due to internally procured services resulting from the elimination of intercompany profits are eliminated. For the calculation, see net assets, financial position and results of operations, AFFO table and maintenance and modernisation table |
| Adjusted EBITDA margin | The adjusted EBITDA margin (adjusted EBITDA in relation to net cold rent) provides information on profitability and makes it possible to compare companies internationally, primarily by adjusting for tax and financing conditions. In the case of the EBITDA margin, EBITDA is adjusted for net result from the remeasurement of investment property, net income from disposals, special items of a non-recurring nature and other extraordinary expenses and income unrelated to the accounting period. Cash-focused Group management also necessitates the separation of operating cash generation from capital expenditure. Maintenance expenses for purchased services, subsidies recognised in profit or loss, and own work capitalised are therefore recognised as an adjustment to adjusted EBITDA. For the calculation of adjusted EBITDA, see net assets, financial position and results of operations, AFFO table |
| LTV | LTV (loan to value, net gearing in relation to property assets) provides information on gearing and is therefore an important key figure for LEG as a capital-intensive property company. LTV is equivalent to the ratio of financial liabilities less cash and cash equivalents and IFRS 16 lease liabilities to the sum of investment properties, assets held for sale, prepayments for investment properties, and participations in other real estate companies. For the calculation, see net assets, financial position and results of operations, LTV table |

### Financial key figures

Other financial key figures that are particularly relevant for the property industry are net cold rent and EPRA NTA.

| | |
|---|---|
| Net cold rent | Net cold rent is the essential, solely controllable component of LEG's income. It represents rental income from the units rented out. It refers to cold rent and does not include any operating costs. |
| EPRA NTA | EPRA-NTA is a relevant key figure in the property sector for measuring net asset value from the shareholders' perspective assuming long-term continuation of the business with acquisition and disposal of assets. The key figure is calculated on the basis of the equity attributable to controlling shareholders and eliminates the effects of the fair value measurement of derivative financial instruments and deferred taxes attributable to non-current investment property, derivatives or subsidised housing loans. Intangible assets are not included in the calculation. |

The other non-financial key figures for Group management can be divided into operating and ESG key figures.

**Non-financial key figures – operating**

| | |
|---|---|
| Rental growth per sqm (like-for-like) | Like-for-like rental growth per sqm is an indicator of the quality of operating management and shows the increase in net cold rent per sqm at the reporting date on a like-for-like basis. |
| Vacancy rate | The vacancy rate is an indicator of operating management and shows the number of vacant units in comparison to the total portfolio at the reporting date. |
| Total investment per sqm (adjusted) | The total investment in euro for measures recognised as an expense (maintenance) or eligible for capitalisation (modernisation) is compared to the total living and usable space. Consolidation effects, investment for new construction activities on own land, own work capitalised and subsidies are eliminated when calculating total investment per sqm. |

**Non-financial key figures – ESG**

The following ESG targets were defined for the 2024 financial year:

| | |
|---|---|
| Environmental | Reduction of 4,000 tons $CO_2$ through modernisation projects and changes in customer behaviour |
| Social | Use of 100 LEG employee hours to design, organise and implement intercultural projects by 31 December 2024 |
| Governance | 85 % of TSP employees and 99 % of all other employees of LEG Group companies to have completed IT security training by 31 December 2024 |

The following ESG target was defined for the 2025 financial year:

| | |
|---|---|
| Environmental | Reduction of 6,000 tons $CO_2$ |

## Intangible resources

Intangible resources are resources without physical substance on which the company's business model fundamentally depends. They are value drivers for the company and can generate major value in the long term. LEG has defined the following key intangible resources for its business model:

### Human capital

Human capital refers to all the knowledge, skills, and competencies of a company's employees. It includes both formal qualifications such as school and university degrees and vocational education and training, as well as informal qualifications such as work experience, soft skills and social skills. Human capital is a major contributor to a company's productivity and success, as the skills and commitment of employees have a direct impact on performance.

LEG's business model is heavily dependent on its employees. These play a central role in LEG's business success. The expertise and experience of LEG employees in real estate management, knowledge of local housing markets and regulatory frameworks, as well as tenant support and customer service skills enable LEG to efficiently manage and develop its residential portfolio.

### Organisational capital

Organisational capital includes methods and processes that support the achievement of defined corporate goals. By defining business processes, workflows can be designed effectively. In particular, the interfaces between the various company divisions play an important role.

LEG's business model is largely shaped by its organisational capital. By defining and adhering to business processes in the context of the management of the real estate portfolio and administrative activities, the work processes can be designed effectively. This enables LEG to manage a growing real estate portfolio in a time- and cost-efficient manner. Acquisition portfolios can be integrated into existing business processes in a short time, which can leverage synergy effects.

### Relationship capital

Relationship capital represents the value of a company's existing business relationships. It encompasses relationships with various stakeholders such as customers, suppliers, partners, employees, the public, and other relevant groups. The focus is on the relationship with customers and suppliers.

Customer relationships play an important role in LEG's business model, which is geared towards long-term customer relationships. As part of the customer acquisition, new tenants are acquired who remain tenants of LEG in the long term through customer care in the form of regular contact, good service and other measures. By building customer relationships with tenants, lower fluctuations can be achieved, resulting in stable rental income and low vacancy costs.

LEG relies on reliable craftsmen and contractors to maintain and modernise its properties. Good relationships with these service providers are important for the quality and efficiency of the work.

### Innovation capital

Innovation capital represents the potential of a company to develop and apply innovations. To this end, it is crucial to identify changes in the market in good time and react to them in order to secure competitive advantages.

The ability to innovate is becoming increasingly important for LEG's business model. LEG drives developments in the implementation of smart home technologies, pursues innovative approaches to energy efficiency and $CO_2$ reduction and carries out the development of sustainable living concepts. These innovations will ensure that LEG's residential portfolio remains competitive in the long term.

# Economic report

## General economic conditions

Economic output in Germany shrank again in 2024. According to calculations by the Federal Statistical Office (Destatis), real gross domestic product (GDP) in Germany fell by -0.2 % compared to the previous year due to increasing competition in key sales markets, continued high interest rates, high energy costs and an uncertain outlook.

Real household consumption expenditures (excluding private organisations) provided little stimulus. Despite wage increases and lower inflation, they only rose by 0.3 %. GDP was supported primarily by government consumer spending. These showed an increase of 2.6 %, which can be attributed in particular to higher social benefits in kind in the healthcare sector. Construction investment fell by 3.5 % compared to the previous year, marking the fourth consecutive year of decline. The level of material and financing costs had a particularly negative impact on residential construction, which recorded the largest decline since 2021 with a drop of 5.0 %. The trend in building permits was also negative. According to Destatis, the number of flats approved between January and November 2024 was 18.9 % lower than in the same period of the previous year. Although the ifo business climate index for residential construction showed an improvement in December 2024 compared to the previous year, the proportion of companies reporting a lack of orders remained high at 53.6 %. Against this backdrop, the number of insolvencies in the construction industry continued to rise. German exports fell by a total of 0.8 % in 2024 in the face of stronger international competition – including from the People's Republic of China.

For the current year 2025, the Bundesbank expects a slow recovery following stagnation in the winter half-year, driven by a cautious expansion of the German economy. While the export industry could gradually benefit from rising foreign demand, private consumption will only increase slightly due to the labour market situation and lower wage increases. Overall, the Bundesbank estimates that this should lead to slight GDP growth of 0.2 %, which should increase to 0.8 % in 2026.

In the eurozone, as in Germany, economic development was dampened by subdued consumer spending and weak investment. In its autumn forecast, the EU Commission therefore only expects a slight increase in GDP of 0.8 % for 2024. For 2025, the EU Commission is forecasting an increase in real GDP in the eurozone of 1.3 %, supported by rising consumer spending and export activity.

In addition to the general economic situation and the situation on the financial markets, the situation on the labour market and income trends in particular represent key framework conditions for LEG's business model.

The weak economy also had an impact on the labour market in 2024. The German Federal Labour Agency reported that the average annual unemployment rate reached 6.0 %, 30 basis points higher than the previous year's figure. The unemployment rate in North Rhine-Westphalia, the most populous federal state and LEG's largest location, also rose by 30 basis points year-on-year to 7.5 %. At the same time, the number of people in employment in Germany as a whole reached a new historic high of 46.1 million on average in 2024. This was achieved both by a higher labour force participation of the domestic population and by the immigration of foreign workers.

Wages and salaries also recorded growth in 2024. According to calculations by the Bundesbank, collectively agreed wages rose by an average of 6.1 %. Gross wages and salaries per employee rose by 5.1 %. In view of lower inflation rates, prolonged economic weakness and the clouding of the labour market, lower momentum and an increase of 2.5 % for both wages and salaries as well as collectively agreed wages are expected for 2025.

According to Destatis, the consumer price index (CPI) increased by an average of 2.2 % in 2024 compared to the previous year. The inflation rate thus remained below the level of the previous three years. Net cold rents also rose by 2.2 %, while prices for household energy, another component of housing costs, fell by 3.1 %. By contrast, the price of services as a whole rose by an annual average of 3.8 %, with a significant increase in insurance prices in particular (+13.2 %).

According to calculations by the Federal Statistical Office, the disposable income of private households rose by 4.5 % in nominal terms and therefore more strongly than the rate of inflation. The savings rate remained high at 11.6 %.

Overall, the economic conditions had only a limited impact on LEG's business model. At the same time, LEG expects the excess demand for affordable housing to continue. While the supply of housing continues to tighten due to a lack of new construction, demand is also increasing as a result of immigration to Germany. The Bundesbank assumes that net immigration to Germany will amount to 480,000 people in 2024 and 400,000 people in the current year. The new construction target of 400,000 flats per year set by the then federal government in the coalition agreement in 2021 has not yet been met and is unlikely to be achieved in the coming years. The ifo Institute predicts that only 205,000 flats will be completed in 2025 and only 175,000 units are expected to be completed in 2026. LEG's portfolio takes on particular importance given the increased shortage of affordable housing that this entails.

## Residential market

The property market in Germany is influenced by both socio-demographic developments and economic factors. Germany's population has been growing for years, but this is mainly due to immigration from abroad, as the birth rate is lower than the death rate. In addition to the demographic parameters (number of inhabitants, age structure and migration), the development of the household structure (number of households, household size and living space requirements) is of particular importance for the housing market and LEG's business model. The number of households has grown disproportionately to the population in recent years. This trend is primarily due to the increase in one- and two-person households. Changing lifestyles in urban areas – especially in metropolitan regions and university cities – favour this development. The increasing number of one- and two-person households is leading to a reduction in household size to an average of 2.0 people. Parallel to this, an increase in per capita living space requirements can be observed. In the context of demographic aging, the price gap between rents for existing and offered properties often leads people to remain in their apartments, even as their actual space requirements decrease.

While the trend towards urbanisation could be observed in the past, a differentiated view of internal migration must be taken in recent years. On the one hand, young people in particular continue to move to urban centres in order to benefit from a wider range of jobs, educational and cultural opportunities. On the other hand, there has been increasing suburbanisation in recent years, with migration to the surrounding areas close to cities or smaller towns near large centres. Families and working-age couples in particular are increasingly opting for suburban areas in order to avoid the pressure of demand for adequate living space in urban centres. However, the growth in the surrounding areas close to the city varies, with areas with appropriate infrastructure and good transport links to the metropolises benefiting the most. In peripheral areas with poor infrastructure, the population is therefore expected to continue to decline.

The proportion of rent-restricted housing stock in Germany has been falling for years. For North Rhine-Westphalia, NRW.Bank recently calculated a decline of 2.5 % to a stock of 423,000 subsidised rental flats by 2023. 39 % of these are in the post-effect period and will therefore no longer be subject to rent restriction within the next ten years. Although the state government and local authorities are launching various subsidy programmes, the pace of new construction is not sufficient to compensate for the number of commitments that are being lost. The sometimes bureaucratic hurdles involved in accessing funding further intensify this effect.

Purchase prices for flats and apartment blocks gradually stabilised in 2024. After the interest rate turnaround, some significant price declines were observed in 2023. After a gradual levelling off, purchase prices have been stabilising from spring 2024. By the end of 2024, some prices were already slightly above the previous year's level.

The shortage in the rental flat segment also led to rising asking rents in 2024. As in previous years, the tense situation also had an impact on the areas surrounding the metropolitan regions, as many households moved to peripheral locations – partly due to a lack of alternatives.

The development of vacancy rates in Germany presents a mixed picture. While declining vacancy rates have been observed in the metropolitan regions for years, there has been a moderate increase in vacancy rates in more rural and structurally weak areas. Demand remains high, particularly in the metropolitan regions, so that in some cases historic lows are being reached and in some cities there is virtually no market-active vacancy. The demand situation is also having an impact on medium-sized locations, primarily in economically strong regions, with the result that vacancy rates remain at a consistently low level. Rural and structurally weak regions, especially in eastern Germany, on the other hand, are becoming increasingly decoupled from the economic growth of urban centres, with vacancy rates often rising.

## Transaction market

The overall economic development in 2024 largely led to a conclusion to the correction phase in the residential real estate market, especially due to falling inflation and the interest rate turnaround. According to BNP Paribas Real Estate (BNP), the combination of valuation corrections, the expectation of further interest rate cuts and the sharp, demand-driven increase in rents speak in favour of investing in German residential real estate. A correspondingly increased investor interest, especially in projects in the core and value-add area, was already apparent from the second quarter of 2024.

According to BNP, transactions involving residential property (30 residential units or more) reached a total volume of around EUR 9.3 billion in 2024. This represents an increase of around 78 % on the previous year (EUR 5.2 billion in 2023).

Increased activity in the investment market was recorded in deals with a volume of over EUR 100 million. These totalled EUR 5.8 billion and were again above the figures achieved in 2022 (EUR 5.2 billion) and 2023 (EUR 2.0 billion). According to BNP, the above-average market share of large-volume transactions of 62 % in 2024 (10-year average: 57 %, 2023: 39 %) is further evidence that the consolidation phase is coming to an end.

German investors continued to dominate the domestic residential property market in 2024 with a share of around 80 % (2023: 68 %). The public sector in particular has emerged as the largest buyer group with a market share of 25 %, including HOWOGE in Berlin with a volume of around EUR 1.4 billion.

According to market research by Jones Lang Lasalle and Lübke Kelber, a transaction volume of around EUR 1.3 billion was achieved for around 20,000 residential units in the federal state of North Rhine-Westphalia in 2024. North Rhine-Westphalia's share of the overall German transaction volume was therefore around 14 % and above the previous year's level (2023: 9 %).

BNP anticipates a much higher transaction volume for German residential property in the current financial year 2025.

## Employees

The number of employees as at 31 December 2024 decreased by 4.1 % year-on-year to 1.920 (financial year 2023: 2,003 employees). This does not include employees in the passive phase of partial retirement, employees who were on parental leave on the cut-off date, employees on long-term sickness absence and interns. Further key figures are presented in the sustainability report under "characteristics of the undertaking's employees".

## Current business activities

LEG was able to continue its positive business performance in the 2024 financial year. AFFO, the most important financial performance indicator, increased by EUR 19.2 million to EUR 200.4 million compared to the same period of the previous year. The main drivers were, in particular, the increase in existing rents and continued high demand for affordable housing with a correspondingly high occupancy rate as well as slightly lower investments. This was offset by higher operating expenses and higher interest expenses. In the same period of the previous year, AFFO also benefited from a one-off special effect from the forward sale of green electricity.

LEG's portfolio forms the basis for its business activities. As at 31 December 2024, it comprised 164,067 residential units, 1,443 commercial units and 45,615 garages and parking spaces. Compared to the previous year, the number of residential units in the LEG portfolio fell by 1.5 % or 2,479 units. These declines are attributable to the sales programme, which serves both to create liquidity and to optimise the portfolio.

The average rent for the residential portfolio on a like-for-like basis was EUR 6.80 per sqm on 31 December 2024. This represents an increase of 3.4 % compared to the previous year's reporting date. Rental growth was generated almost exclusively by the free-financed portfolio, where rents rose by an average of 4.0 %. In the year under review, there was no adjustment to the cost rents for the rent-restricted flats, which accounted for around 19 % of the total portfolio as at the balance sheet date.

The EPRA vacancy rate on a like-for-like basis fell by a further 30 basis points to 2.3 % at the end of 2024. This means that LEG is almost fully rented.

In the 2024 financial year, LEG made total investments (adjusted for consolidation effects, new construction activities on own land, own work capitalised and subsidies recognised in profit or loss) of EUR 366.3 million. As planned, average investments per square metre fell by EUR 1.02 compared to the previous year to EUR 33.99. When allocating investments, LEG pays attention both to cash-optimised management and to increasing portfolio quality and energy efficiency. Taking into account the subsidies received, investing activities in the portfolio increased slightly.

In recent years, the operational and administrative processes have been comprehensively documented and continuously analysed and optimised as part of a continuous improvement process. In financial year 2024, the processes in receivables and operating cost management were analysed and further developed.

## Financing

### Financing portfolio

LEG implemented numerous financing measures in the course of the 2024 financial year.

On the capital market, LEG increased two of its outstanding corporate bonds by a notional amount of EUR 100 million each. The outstanding notional amount of the 2022/2029 corporate bond and the 2021/2033 corporate bond has now totalled EUR 700 million each.

LEG also issued a convertible bond via its financing subsidiary LEG Properties B.V. for the first time in the 2024 financial year. The convertible bond with an initial volume of EUR 500 million and a term of six years met with strong demand from international institutional investors, enabling the interest coupon to be set at 1.000 %. If the convertible bonds have not previously been converted, redeemed or repurchased and terminated, the convertible bonds will be repaid on their final maturity date, 4 September 2030, at their accreted redemption amount (notional amount and premium repayment) of 106.34 % of their notional amount. Due to the strong demand for the convertible bond, LEG was able to increase the volume by a further EUR 200 million to a total of EUR 700 million in November 2024.

Furthermore, bank loans totalling EUR 425 million were concluded in the course of the 2024 financial year, of which EUR 331 million were refinancing loans and EUR 44 million were KfW subsidised loans. In addition, loan liabilities totalling a further EUR 614 million were repaid in the course of the 2024 financial year.

In addition, LEG extended both its syndicated working capital line of EUR 600 million until October 2027 and the two bilateral working capital lines totalling EUR 150 million early in the reporting year. As such, LEG now has EUR 750 million in total in working capital lines at its disposal. These were unutilised as at the reporting date.

LEG's average interest rate as at 31 December 2024 was 1.49 % compared to 1.58 % at the end of the previous year. The average term of liabilities fell slightly from 6.2 years to 5.7 years.

## Financing structure

As at the reporting date, 62 % of LEG's total debt capital was attributable to capital market financing (bonds and convertible bonds), 33 % to bank loans and 5 % to subsidised loans and other liabilities. Loan liabilities to banks are essentially spread across twelve banks, primarily from the domestic mortgage and Landesbank sector. In accordance with LEG's financing strategy, an institution's share of total liabilities is limited to a maximum of 20 % in order to avoid excessive dependence on individual financing partners. LEG's largest creditor currently accounts for 8 % of total liabilities.

## Maturity profile

In line with its long-term business model and in order to ensure a defensive risk profile, LEG believes it has a balanced, long-term financing structure. Financing contracts with banking partners are concluded on the basis of medium and long-term agreements. The average term across the entire financing portfolio, including the long-term subsidised loans, is 5.7 years. When managing contract terms, the aim is to ensure that no more than 25 % of total liabilities fall due within one year.

Bank loans are mainly secured by collateral in rem on the properties used as collateral and other collateral that is usually provided as part of the financing of property portfolios. Capital market instruments and financing with other lenders constitute unsecured financing.

**Maturity profile of the financing portfolio**[1]

| Maturity | Volume in € million | Share of total debt in % |
|---|---|---|
| 2025 | 590 | 6.0 % |
| 2026 | 968 | 9.9 % |
| 2027 | 1,089 | 11.2 % |
| 2028 | 1,047 | 10.7 % |
| 2029 | 877 | 9.0 % |
| 2030 | 1,245 | 12.8 % |
| 2031 | 941 | 9.6 % |
| 2032 | 778 | 8.0 % |
| 2033 | 1,003 | 10.3 % |
| 2034 | 901 | 9.2 % |
| 2035 | 1 | 0.0 % |
| 2036 ff. | 320 | 3.3 % |

[1] Outstanding notional amount of loans as at 31 December 2024

## Interest rate hedging

In line with the long-term strategic orientation, around 97 % of the financing agreements are secured by fixed interest rate agreements or interest rate swaps. Derivative interest rate hedging instruments are linked to the respective underlying loan transaction (microhedge).

| | |
|---|---|
| Fixed interest rate | 90.4 % |
| Interest rate swap | 6.8 % |
| Variable interest | 2.8 % |

## Covenants

LEG's financing agreements normally contain provisions on compliance with defined financial covenants, which must be adhered to by the respective borrower over the term of the financing agreements.

The collateralised financing agreements contain standard market covenants.

The following key covenants apply to unsecured financing instruments at the level of LEG Immobilien SE:

| | |
|---|---|
| Consolidated Net Financial Indebtedness to Total Assets | max. 60 % |
| Secured Financial Indebtedness to Total Assets | max. 45 % |
| Unencumbered Assets to Unsecured Financial Indebtedness | min. 125 % |
| Consolidated Adjusted EBITDA to Net Cash Interest | min. 180 % |

As part of its company-wide risk management, LEG has implemented a process to continuously monitor compliance with the covenants for secured and unsecured financing. In the 2024 financial year, the financial covenants agreed with the financing partners were complied with. Violations of this are not expected in future either.

## Company ratings

LEG had a Baa1 long-term issuer rating since 2015, which had been continuously confirmed by the rating agency Moody's in subsequent years. Due to the changed market and interest rate environment, the outlook for the 2022 financial year was adjusted from stable to negative. In October 2023, Moody's changed its long-term issuer rating from Baa1 (negative) to Baa2 (stable). In the 2024 financial year, the rating of Baa2 (stable) was confirmed by Moody's. The rating continues to reflect LEG's strong market position, leading portfolio management and long-term financing strategy.

Since 2017, LEG has also had a P-2 short-term issuer rating, which attests to the company having a high level of creditworthiness for issuing current debt securities on the basis of its liquidity, the credit facilities available and its balanced maturity profile.

## Dividend

For the 2024 financial year, the Management Board and Supervisory Board of LEG Immobilien SE will propose to the Annual General Meeting on 28 May 2025 that a dividend of EUR 2.70 per share be distributed. On the basis of 74,469,665 shares entitled to dividends, this results in a total payout of EUR 201.1 million. This corresponds to 100.3 % of the AFFO of EUR 200.4 million achieved in the 2024 financial year.

Hence, almost all of the net proceeds from sales in the 2024 financial year are to remain in the company to strengthen the capital base.

Depending on company-specific developments and the situation on the capital market, the Management Board and Supervisory Board of LEG Immobilien SE also intend to propose to the Annual General Meeting on 28 May 2025 that shareholders can choose between a dividend in cash or in shares.

## Analysis of net assets, financial position and results of operations

For the definition of specific key figures and terms, reference is additionally made to the glossary of the annual report.

## Results of operations

### Aggregated income statement

The condensed income statement is as follows:

| CONDENSED INCOME STATEMENT<br>EUR million | unaudited<br>Q4 2024 | unaudited<br>Q4 2023 | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|---|---|
| Net operating income | 164.8 | 131.4 | 626.5 | 581.6 |
| Net income from the disposal of investment properties | -3.9 | -0.5 | -6.4 | -1.7 |
| Net income from the remeasurement of investment properties | 67.3 | -927.8 | -225.3 | -2,422.8 |
| Net income from the disposal of inventory properties | 0.1 | -0.3 | -0.2 | -0.5 |
| Net income from other services | 5.1 | 13.6 | 6.3 | 36.3 |
| Administrative and other expenses | -28.0 | -13.2 | -75.5 | -57.7 |
| Other income | 0.0 | 0.1 | 0.1 | 0.3 |
| **Operating earnings** | **205.4** | **-796.7** | **325.5** | **-1,864.5** |
| Interest income | 10.2 | 7.0 | 23.6 | 16.4 |
| Interest expenses | -60.0 | -46.1 | -196.8 | -165.0 |
| Net income from investment securities and other equity investments | -69.8 | 82.8 | -33.0 | 39.5 |
| Net income from associates | 0.1 | -0.1 | 0.1 | -0.1 |
| Net income from the fair value measurement of derivatives | 28.2 | -8.8 | 3.4 | -8.6 |
| **Net financial result** | **-91.3** | **34.8** | **-202.7** | **-117.8** |
| **Earnings before income taxes** | **114.1** | **-761.9** | **122.8** | **-1,982.3** |
| **Income taxes** | **-55.5** | **166.9** | **-53.9** | **417.5** |
| **Net profit or loss for the period** | **58.6** | **-595.0** | **68.9** | **-1,564.8** |

Net operating income increased by 7.7 % during the reporting period. A key driver of this development is the increase in net cold rents.

Adjusted EBITDA fell slightly by 0.5 % from EUR 672.8 million to EUR 669.5 million. The adjusted EBITDA margin for the reporting period is 77.9 % (comparative period: 80.6 %).

Net income from the remeasurement of investment properties for the reporting year is EUR -225.3 million (previous year: EUR -2,422.8 million).

The decline in the net income from other services by EUR -30.0 million is mainly due to a significant drop in prices for electricity generation.

The increase in administrative and other expenses compared to the corresponding period is partly due to the incidental costs incurred in connection with the acquisition of the BCP companies.

The result from the fair value measurement of derivatives during the reporting period was primarily due to market value changes in embedded derivatives from convertible bonds amounting to EUR 3.4 million (previous year: EUR -7.4 million).

The tax expense is almost entirely attributable to the recognition of deferred taxes.

## Net operating income

The operating income activities in 2024 is composed as follows:

| NET OPERATING INCOME<br>EUR million | unaudited<br>Q4 2024 | unaudited<br>Q4 2023 | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|---|---|
| Net cold rent | 215.6 | 210.8 | 859.4 | 834.3 |
| Profit from operating expenses | 3.3 | -5.0 | -13.2 | -21.8 |
| Maintenance expenses for externally procured services | -28.6 | -35.6 | -106.1 | -99.3 |
| Personnel costs (rental and lease) | -28.9 | -29.6 | -115.1 | -109.0 |
| Allowances on rent receivables | -3.6 | -2.4 | -17.1 | -16.4 |
| Depreciation and amortisation expenses | -5.8 | -1.8 | -15.2 | -13.5 |
| Other | 12.9 | -4.9 | 33.8 | 7.3 |
| **Net operating income** | **164.9** | **131.5** | **626.5** | **581.6** |
| **Net operating income margin (in %)** | **76.5** | **62.4** | **72.9** | **69.7** |
| Non-recurring special items (rental and lease) | 2.0 | 4.8 | 6.9 | 7.6 |
| Depreciation and amortisation expenses | 5.8 | 1.8 | 15.2 | 13.5 |
| Maintenance expenses for externally procured services | 28.6 | 35.6 | 106.1 | 99.3 |
| Subsidies recognised in profit or loss | -11.9 | -2.2 | -21.0 | -2.2 |
| Own work capitalised | -1.0 | -4.6 | -15.0 | -16.0 |
| **Net operating income (adjusted)** | **188.4** | **166.9** | **718.7** | **683.8** |
| **Net operating income margin (adjusted in %)** | **87.4** | **79.2** | **83.6** | **82.0** |

The net operating income increased by EUR 44.9 million in the financial year compared to the corresponding period. A key driver of this development is the increase in net cold rents by EUR 25.1 million. Like-for-like rent per square metre rose by 3.4 % year on year. Additionally, subsidies recognised in profit or loss contribute to an increase in the "Other" category by EUR 26.5 million. Offsetting effects include the increase in maintenance expenses for externally sourced services by EUR 6.8 million, as well as the rise in personnel expenses from rental and lease by EUR 6.1 million due to tariff increases and additional inflation compensation bonuses.

The adjusted net operating Income (NOI) margin increased from 82.0 % to 83.6 % compared to the corresponding period.

The EPRA vacancy rate, which compares lost rental income due to vacancy to potential rental income at full occupancy based on market rents as of the current reporting date, was reduced on a like-for-like basis from 2.6 % to 2.3 % as at 31 December 2024 compared to the corresponding period.

| EPRA VACANCY RATE<br>EUR million | 2024 | 2023 |
|---|---|---|
| Rental income lost due to vacancies - like-for-like | 23.3 | 24.6 |
| Rental income lost due to vacancies - total | 25.7 | 28.1 |
| Rental income with full letting - like-for-like | 1,019.7 | 954.0 |
| Rental income with full letting - total | 1,030.7 | 979.4 |
| **EPRA vacancy rate like-for-like (in percent)** | **2.3** | **2.6** |
| **EPRA vacancy rate total (in per cent)** | **2.5** | **2.9** |

The EPRA-Capex presentation breaks down the capitalisations of investments and leads to the cash outflows for investments in investment properties. The capitalised modernisations as value-enhancing measures in investment properties have decreased by 8.0 % to EUR 243.3 million in the financial year under review, broken down into Development (new construction activities on own land amounting to EUR 13,0 million) and modernisations in investment properties (EUR 230.3 m). As acquisitions of EUR 169.7 million also decreased by 69,7 % to EUR 51.4 million, now only including pro-rata payments for acquired project developments, the EPRA-Capex for the financial year amounts to EUR 294.7 million (previous year: EUR 434.2 million).

**EPRA CAPEX**

| EUR million | 2024 | 2023 |
|---|---|---|
| Acquisitions | 51.4 | 169.7 |
| Development | 13.0 | 16.6 |
| Modernisations in investment properties | 230.3 | 247.9 |
| of which due to expansion of rental space | 0.5 | 1.6 |
| of which not due to expansion of rental space | 229.8 | 246.3 |
| **EPRA Capex** | **294.7** | **434.2** |
| Utilisation of provisions for capex | 16.5 | 5.8 |
| Provisioning for acquisition-related costs and changes in advance payments for investment properties | -4.3 | -52.9 |
| **Payments for investments in investment property** | **306.9** | **387.1** |

The maintenance expenses of EUR -166.9 million (previous year: EUR -156.8 million) and the capitalised modernisations as value-enhancing measures in investment properties and tangible assets of EUR -269.6 million (previous year: EUR -283.3 million) resulted in almost unchanged total investments of EUR -436.5 million in the reporting period (previous year: EUR -440.1 million). The maintenance expenses include, in addition to the maintenance expenses for externally sourced services recognised in the statement of comprehensive income of EUR -106.1 million (previous year: EUR -99.3 million), also the internally provided maintenance expenses amounting to EUR -60.8 million (previous year: EUR -57.5 million). Investment in investment property, value-adding capital expenditure (capex) and capex (recurring) include expansion investments in the form of new construction activities by LEG but not purchased project developments. For the calculation of total investments per square metre, consolidation effects, investments in self-managed new construction activities, capitalised own work, and revenue-effective grants for existing properties amounting to a total of EUR 70.2 million (previous year: EUR 60.3 million) have been eliminated from the total investments. Adjusted, total investments were EUR -366.3 million (previous year: EUR -379,8 million) and average total investments per square metre were 33.99 Euro (previous year: 35.01 Euro). The capitalisation ratio after adjustments decreased in the financial year to 57.5 % (previous year: 59.3 %).

| **Maintenance and modernisation**<br>EUR million | unaudited<br>Q4 2024 | unaudited<br>Q4 2023 | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|---|---|
| Maintenance expenses for externally procured services | -28.6 | -35.6 | -106.1 | -99.3 |
| Maintenance expenses provided internally | -16.8 | -16.6 | -60.8 | -57.5 |
| **Maintenance expenses** | **-45.4** | **-52.2** | **-166.9** | **-156.8** |
| Adjustments consolidation | 4.9 | 0.7 | 11.4 | 2.1 |
| **Maintenance expenses (adjusted)** | **-40.5** | **-51.5** | **-155.5** | **-154.7** |
| Investments in investment properties | -76.3 | -96.2 | -255.8 | -275.1 |
| Investments in property, plant and equipment | -6.0 | -5.8 | -13.8 | -8.2 |
| **Capitalised modernisations as value-enhancing measures (Capex)** | **-82.3** | **-102.0** | **-269.6** | **-283.3** |
| Adjustments consolidation | 2.5 | 5.0 | 12.5 | 10.6 |
| **Capex (recurring)** | **-79.8** | **-97.0** | **-257.1** | **-272.7** |
| Adjustments (new construction on own land, own work capitalised, subsidies recognised in profit or loss) | 19.9 | 11.1 | 46.3 | 47.6 |
| **Capitalised modernisations as value-enhancing measures (adjusted)** | **-59.9** | **-85.9** | **-210.8** | **-225.1** |
| **Total investment** | **-127.7** | **-154.2** | **-436.5** | **-440.1** |
| Adjustments (consolidation effects, new construction on own land, own work capitalised, subsidies recognised in profit or loss) | 27.3 | 16.8 | 70.2 | 60.3 |
| **Total investment (adjusted)** | **-100.4** | **-137.4** | **-366.3** | **-379.8** |
| Area of investment properties in million sqm | 10.71 | 10.86 | 10.78 | 10.85 |
| **Average investments per sqm in EUR (adjusted)** | **9.37** | **12.65** | **33.99** | **35.01** |
| thereof maintenance expenses per sqm in EUR | 3.78 | 4.74 | 14.43 | 14.26 |
| thereof capitalised modernisations as value-enhancing measures per sqm in EUR | 5.59 | 7.91 | 19.56 | 20.75 |

The EPRA cost ratio, as an indicator for operating efficiency, is the ratio of operating and administrative expenses to gross rental income. By definition, non-recurring items are not adjusted for. Adjustments are made for leasehold and direct vacancy costs. For transparency and comparability reasons, an additional adjustment is made for the maintenance expenses of the financial year, as the level of maintenance expenses for a real estate company is highly dependent on the accounting standard applied as well as the individual maintenance strategy.

| EPRA cost ratio<br>EUR million | 2024 | 2023 |
|---|---|---|
| EBIT | **325.5** | **-1,864.5** |
| Depreciation and amortisation expenses | 21.4 | 17.2 |
| EBITDA | **346.9** | **-1,847.3** |
| Earnings from the remeasurement of investment properties | 225.3 | 2,422.8 |
| Non-recurring special effects | 20.6 | 14.0 |
| Net income from the disposal of investment properties | 6.4 | 1.7 |
| Earnings from the disposal of inventory properties | 0.2 | 0.5 |
| Maintenance expenses for externally procured services | 106.1 | 99.3 |
| Subsidies recognised in profit or loss | -21.0 | -2.2 |
| Own work capitalised | -15.0 | -16.0 |
| **EBITDA (adjusted)** | **669.5** | **672.8** |
| Rental income | -859.4 | -834.3 |
| Subsidies recognised in profit or loss | 21.0 | 2.2 |
| Own work capitalised | 15.0 | 16.0 |
| **Management costs (sign reversal)** | **153.9** | **143.3** |
| Maintenance expenses | 106.1 | 99.3 |
| Leasehold land interests | -3.4 | -3.4 |
| **EPRA costs (including direct vacancy costs)** | **256.6** | **239.2** |
| Direct vacancy costs | -16.3 | -15.2 |
| **EPRA costs (excluding direct vacancy costs)** | **240.3** | **224.0** |
| Rental income | 859.4 | 834.3 |
| Leasehold land interests | -3.4 | -3.4 |
| **Gross rental income** | **856.0** | **830.9** |
| EPRA costs (including direct vacancy costs) | 30.0 % | 28.8 % |
| EPRA costs (excluding direct vacancy costs) | 28.1 % | 27.0 % |
| **Adjustment for maintenance** | 106.1 | 99.3 |
| **Adjusted EPRA costs (including direct vacancy costs)** | **150.5** | **139.9** |
| **Adjusted EPRA costs (excluding direct vacancy costs)** | **134.2** | **124.7** |
| **Adjusted EPRA cost ratio (including direct vacancy costs)** | **17.6 %** | **16.8 %** |
| **Adjusted EPRA cost ratio (excluding direct vacancy costs)** | **15.7 %** | **15.0 %** |

EBITDA is adjusted for non-recurring items to ensure comparability with previous periods. All matters that are not attributable to the period from an operational perspective and have a significant impact on EBITDA are adjusted, such as project costs for business model and process optimisation, personnel-related matters, acquisition and integration costs, capital market financing, M&A activities, and other atypical matters that distort the sustainable period result. These are composed as follows:

| SPECIAL NON-RECURRING EFFECTS<br>in EUR million | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|
| Project costs for business model and process optimisation | 2.2 | 4.3 |
| Personnel-related costs | 7.6 | 6.3 |
| Acquisition and integration costs | 3.8 | -1.1 |
| Capital market financing and M&A activities | 1.6 | 1.3 |
| Others special effects | 5.4 | 3.2 |
| **Non-recurring special effects** | **20.6** | **14.0** |

## Earnings from the disposal of investment properties

The earnings from the disposal of investment properties are composed as follows in 2024:

| NET INCOME FROM THE DISPOSAL OF INVESTMENT PROPERTIES<br>EUR million | unaudited<br>Q4 2024 | unaudited<br>Q4 2023 | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|---|---|
| Income from the disposal of investment properties | 168.5 | 28.3 | 255.2 | 80.3 |
| Carrying amount of the disposal of investment properties | -169.9 | -28.3 | -256.7 | -80.6 |
| Costs of sales of investment properties sold | -2.5 | -0.4 | -4.9 | -1.4 |
| **Earnings from the disposal of investment properties** | **-3.9** | **-0.4** | **-6.4** | **-1.7** |
| Valuation gains induced by disposals (included in earnings from the remeasurement of investment properties) | – | – | – | – |
| **Net income from disposals (adjusted)** | **-3.9** | **-0.4** | **-6.4** | **-1.7** |

The income from disposals amounts to EUR 255.2 million (previous year: EUR 80.3 million) and mainly relate to a larger block sale, for which the contract was concluded in the 2023 financial year, but the transfer of ownership only took place in the 2024 financial year.

In addition, four larger block sales were completed, with contracts concluded in the 2024 financial year and the transfer of ownership also taking place in the 2024 financial year.

## Earnings from the remeasurement of investment property

The earnings from the valuation of investment properties for the financial year amounts to EUR -225.3 million (previous year: EUR -2,422.8 million). Based on the property portfolio at the beginning of the financial year (EUR 18,101.8 million) and considering the assessed acquisitions (EUR 40.1 million, exclusively from completed new construction projects), this corresponds to a decline of -1.2 % in the financial year (previous year: -11.9 %).

The average value of residential investment properties (including IFRS 5 assets and acquisitions) as at 31 December 2024 is EUR 1,629 per sqm (previous year: EUR 1,619 per sqm).

In response to inflation developments, the European Central Bank reduced the deposit facility rate, its key interest rate, in four steps from 4.00 % to 3.00 % over the course of 2024. The corresponding effects on capital costs, with the typical delay characteristic of real estate markets, led to a significantly lower increase in discount rates for the valuation of investment properties compared to the previous year. The average discount rate for the property portfolio was 5.1 % as at 31 December 2024 (31 December 2023: 4.7 %).

## EPRA net initial yield

The EPRA net initial yield is calculated on the basis of the annualised net cash rental income for the financial year divided by the gross market value of the property portfolio. The calculation is based on the gross market value of the entire property portfolio, minus properties under construction, leasehold rights, and undeveloped land. The topped-up net initial yield is calculated by adjusting the annualised net rental income for costs associated with granted leasing incentives.

| EPRA NET INITIAL YIELD<br>EUR million | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Market value of the property portfolio (net)** | **17,652.2** | **17,850.5** |
| Estimated incidental costs of acquisition | 1,712.9 | 1,719.9 |
| **Market value of the property portfolio (gross)** | **19,365.1** | **19,570.4** |
| Annualised gross cash rental income for the financial year | 869.6 | 862.7 |
| Annualised property expenses | -126.2 | -120.1 |
| **Annualised net cash rental income of the financial year** | **743.4** | **742.6** |
| Adjustments for rental incentives | 6.1 | 5.5 |
| **Topped-up annualised net cash rental income for the financial year** | **749.5** | **748.1** |
| **EPRA net initial yield in %** | **3.8** | **3.8** |
| **Topped-up EPRA net initial yield in %** | **3.9** | **3.8** |

## Earnings from the disposal of inventory properties

In the past financial year, the earnings from the disposal of inventory properties amounted to EUR -0.2 million (previous year: EUR -0.5 million). The property remaining in inventory as at 31 December 2024 consists of land under development, amounting to EUR 0.1 million.

## Net income from other services

| OTHER SERVICES<br>EUR million | unaudited<br>Q4 2024 | unaudited<br>Q4 2023 | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|---|---|
| Income from other services | 6.6 | 16.8 | 15.5 | 48.6 |
| Expenses in connection with other services | -1.5 | -3.2 | -9.2 | -12.3 |
| **Net income from other services** | **5.1** | **13.6** | **6.3** | **36.3** |

Other services include the generation of electricity and heat, activities related to IT services provided to third parties, as well as administrative services provided for third-party properties.

Compared to the previous year, the operating earnings of electricity generation could not be achieved due to the significantly lower price levels.

## Administrative and other expenses

Administrative and other expenses are composed as follows:

| ADMINISTRATIVE AND OTHER EXPENSES<br>EUR million | unaudited<br>Q4 2024 | unaudited<br>Q4 2023 | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|---|---|
| Other operating expenses | -16.8 | 0.6 | -31.3 | -16.5 |
| Personnel costs (administration) | -7.7 | -12.1 | -36.4 | -35.2 |
| Purchased services | -0.5 | -0.8 | -2.1 | -2.7 |
| Depreciation and amortisation expenses | -3.0 | -0.9 | -5.7 | -3.3 |
| **Administrative and other expenses** | **-28.0** | **-13.2** | **-75.5** | **-57.7** |
| Depreciation and amortisation expenses | 3.0 | 0.9 | 5.7 | 3.3 |
| Non-recurring special items (administration) | 11.7 | -2.9 | 16.2 | 6.5 |
| **Administrative and other expenses (adjusted)** | **-13.3** | **-15.2** | **-53.6** | **-47.9** |

The increase in other operating expenses compared to the previous year is partly due to incidental costs incurred in connection with the acquisition of the BCP companies.

The adjusted administrative expenses increased by EUR 5.7 million or 11.9 % compared to the previous year.

## Net financial result

| Net financial result<br>EUR million | unaudited<br>Q4 2024 | unaudited<br>Q4 2023 | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|---|---|
| Interest income | 10.2 | 7.0 | 23.6 | 16.4 |
| Interest expenses | -60.0 | -46.1 | -196.8 | -165.0 |
| **Net interest income** | **-49.8** | **-39.1** | **-173.2** | **-148.6** |
| Net income from other financial assets and other investments | -69.8 | 82.8 | -33.0 | 39.5 |
| Net income from associates | 0.1 | -0.1 | 0.1 | -0.1 |
| Net income from the fair value measurement of derivatives | 28.2 | -8.8 | 3.4 | -8.6 |
| **Net financial result** | **-91.3** | **34.8** | **-202.7** | **-117.8** |

The interest expenses increased by EUR -31.8 million compared to the previous year, reaching EUR -196.8 million. The increase in interest expenses is primarily due to the disbursements in the financial year under review.

The earnings from other financial assets and other investments, amounting to EUR -44.2 million, is attributable to the valuation of the investment in Brack Capital Properties N.V. at fair value. Offsetting this effect is the fair value change of other investments and investment income amounting to EUR 11.2 million.

The result from the fair value measurement of derivatives in the financial year was primarily due to market value changes in embedded derivatives from convertible bonds amounting to EUR 3.4 million (previous year: EUR -7.4 million).

Year-on-year, the average interest rate decreased to 1.49 % as at 31 December 2024 (31 December 2023: 1.58 %), with the average maturity decreasing to 5.7 years (31 December 2023: 6.2 years).

## Income taxes

| INCOME TAXES<br>EUR million | unaudited<br>Q4 2024 | unaudited<br>Q4 2023 | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|---|---|
| Current income taxes | -1.5 | 2.0 | -2.4 | -6.2 |
| Deferred tax expenses | -54.0 | 164.9 | -51.5 | 423.7 |
| **Income taxes** | **-55.5** | **166.9** | **-53.9** | **417.5** |

As at 31 December 2024, the actual effective group tax rate is 43.9 % (previous year: 21.1 %). The increase in the Group tax rate compared to the previous year is mainly due to the effect of the first-time non-applicability of the so-called extended trade tax reduction at two existing Group companies.

For the financial year 2024, the expense from current income taxes amounts to EUR -2,4 million. In the previous year, the expense amounted to EUR -6,2 million. The decrease in current income taxes is primarily due to a one-off effect in the previous year at a group subsidiary. As in the previous year, the offsetting of tax loss carryforwards resulted in lower taxation.

## Reconciliation to AFFO

One of the most important financial performance indicators for Group management is the AFFO. LEG distinguishes between FFO I (not including earnings from the disposal of investment property), FFO II (including earnings from the disposal of investment property) and AFFO (FFO I adjusted for capex). For further explanations, reference is made to the segment reporting in the notes.

From the 2025 financial year, investment income from Green Ventures from the respective financial year will be recognised in the reconciliation from EBITDA (adjusted) to FFO I (before non-controlling interests). The Green Ventures comprise the companies Renowate GmbH, dekarbo GmbH and Efficient Residential Heating GmbH.

Starting from FFO I (after non-controlling interests), AFFO takes recurring capex into account. Recurring capex measures are defined as capitalised costs from modernisation and maintenance measures as well as new construction activities on own land. In determining the production costs from modernisation and maintenance measures, consolidation effects resulting from self-performed services, which arise from the elimination of intercompany profits, are eliminated. (For presentation, please refer to the table on maintenance and modernisation).

AFFO, FFO I and FFO II are calculated as follows:

| CALCULATION OF FFO I, FFO II UND AFFO<br>EUR million | unaudited<br>Q4 2024 | unaudited<br>Q4 2023 | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|---|---|
| Net cold rent | 215.6 | 210.8 | 859.4 | 834.3 |
| Profit from operating expenses | 3.3 | -5.0 | -13.2 | -21.8 |
| Personnel costs (rental and lease) | -28.9 | -29.6 | -115.1 | -109.0 |
| Allowances on rent receivables | -3.6 | -2.4 | -17.1 | -16.4 |
| Other | 0.0 | -11.7 | -2.2 | -10.9 |
| Non-recurring special items (rental and lease) | 2.0 | 4.8 | 6.9 | 7.6 |
| **Net operating income (recurring)** | **188.4** | **166.9** | **718.7** | **683.8** |
| **Net income from other services (recurring)** | **2.8** | **13.7** | **4.4** | **36.8** |
| Personnel costs (administration) | -7.7 | -12.1 | -36.4 | -35.1 |
| Personnel expenses (administration) | -17.3 | -0.2 | -33.4 | -19.3 |
| Non-recurring special items (administration) | 11.7 | -2.9 | 16.2 | 6.5 |
| **Administrative and other expenses (recurring)** | **-13.3** | **-15.2** | **-53.6** | **-47.9** |
| **Other income (recurring)** | **-0.1** | **0.1** | **0.0** | **0.1** |
| **EBITDA (adjusted)** | **177.8** | **165.5** | **669.5** | **672.8** |
| Cash interest expenses and income FFO I | -33.1 | -36.4 | -138.0 | -131.3 |
| Cash income taxes FFO I | -1.9 | -0.1 | -2.1 | -4.7 |
| Maintenance expenses for externally procured services | -28.6 | -35.6 | -106.1 | -99.3 |
| Subsidies recognised in profit or loss | 11.9 | 2.2 | 21.0 | 2.2 |
| Own work capitalised | 1.0 | 4.6 | 15.0 | 16.0 |
| **FFO I (before adjustment of non-controlling interests)** | **127.1** | **100.2** | **459.3** | **455.7** |
| Non-controlling interests | 1.1 | 1.1 | -1.8 | -1.8 |
| **FFO I (after adjustment non-controlling interests)** | **128.2** | **101.3** | **457.5** | **453.9** |
| Net income from the disposal of investment property (adjusted) | 3.5 | 2.4 | 1.2 | 2.8 |
| Cash-effective income taxes FFO II | 2.0 | 0.6 | -0.3 | -3.0 |
| **FFO II (incl. disposal of investment properties)** | **133.7** | **104.3** | **458.4** | **453.7** |
| Capex (recurring) | **-79.8** | **-97.0** | **-257.1** | **-272.7** |
| **AFFO (Capex-adjusted FFO I)** | **48.4** | **4.3** | **200.4** | **181.2** |

The AFFO for the financial year is EUR 200.4 million and EUR 19.2 million higher than in the previous year (EUR 181.2 million). The increase is primarily due to a decrease in Capex measures and the increase in net cold rents with a slightly lower adjusted EBITDA margin (the ratio of adjusted EBITDA to net cold rents) of 77.9 % (previous year: 80.6 %).

# Net assets

## Condensed statement of financial position

The condensed statement of financial position is as follows:

| ASSET POSITION (CONDENSED STATEMENT OF FINANCIAL POSITION) | | |
|---|---|---|
| EUR million | 31.12.2024 | 31.12.2023 |
| Investments properties | 17,853.3 | 18,101.8 |
| Other non-current assets | 529.9 | 559.0 |
| Non-current assets | 18,383.2 | 18,660.8 |
| Non-current assets | 754.1 | 287.4 |
| Cash and cash equivalents | 306.9 | 277.5 |
| Current assets | 1,061.0 | 564.9 |
| Properties held for sale | 141.0 | 77.9 |
| **Total assets** | **19,585.2** | **19,303.6** |
| | | |
| Equity | 7,396.5 | 7,488.2 |
| Financial liabilities (non-current) | 7,796.6 | 8,004.4* |
| Other non-current financial liabilities | 2,115.0 | 2,102.3* |
| Non-current borrowed capital | 9,911.6 | 10,106.7* |
| Financing liabilities (current) | 1,922.0 | 1,371.4* |
| Other current liabilities | 355.1 | 337.3* |
| Current liabilities from borrowed capital | 2,277.1 | 1,708.7* |
| **Total liabilities** | **19,585.2** | **19,303.6** |

* Previous year's figure adjusted

The value of investment properties decreased primarily due to the valuation result (EUR -225,3 million) and the reclassifications to assets held for sale, as well as other disposals (EUR -319.4 million), decreasing by EUR 248,5 million compared to the previous year. Offsetting effects included acquisitions (EUR +52.9 million pro-rata payments for new construction projects) and value-enhancing modernisation measures (EUR +243.3 million). The share of the total assets as at the reporting date is 91.2 %.

Other non-current assets mainly reflect the change in other investments - on balance, there were write-downs totalling EUR 41.8 million – and an increase in property, plant and equipment in accordance with IAS 16 (increase of EUR 37.5 million). In addition, the deferred tax assets are reported here (EUR -27.4 million).

Investment in short-term investments (EUR +479.4 million) was the main factor determining the development of receivables and other assets.

As at 31 December 2024, cash and cash equivalents (EUR 306.9 million) and the current financial investments included in receivables and other assets (EUR 607.4 million) totalled EUR 914.3 million.

The equity development since 31 December 2023 is primarily influenced by the total comprehensive income of 62.6 million, the capital increase of 28.4 million, and the distribution to shareholders amounting to EUR -181,6 million.

The financial liabilities increase primarily due to the issuance of new loans amounting to EUR 431.6 million and the issuance of convertible and corporate bonds of EUR 827.4 million, and decrease due to the repayment of current loans by EUR -969.9 million.

While the increase in other non-current liabilities is due in particular to the increase in deferred tax liabilities (23,2 Million), a reduction in pension obligations (EUR -5.8 million) and the measurement of derivatives (EUR -11.4 million), other current liabilities include an increase in lease liabilities (EUR +11.5 million) and derivatives (EUR +55.4 million), while advance payments received (EUR -17.0 million) and trade payables (EUR -23.6 million) declined.

The maturity profile, based on the contractually defined or agreed maturities of the financial liabilities, is as follows as at 31 December 2024

**REMAINING TERM OF FINANCIAL LIABILITIES FROM PROPERTY FINANCING**

| EUR million | Remaining term ≤ 1 year | Remaining term > 1 to 5 years | Remaining term > 5 years | Total |
|---|---|---|---|---|
| 31 December 2024 | 727.7 | 4,222.2 | 4,626.2 | **9,576.1** |
| 31 December 2023 | 438.5 | 4,450.7 | 4,375.7 | **9,264.9** |

Due to a change in IAS 1, there is a shift in the maturities of financial liabilities from the medium-term to the short-term category. The convertible bonds are classified as debt capital due to the cash settlement option on the part of LEG. In accordance with the amendment of IAS 1.69 in conjunction with IAS 1.76 A/B, the liabilities from convertible bonds were therefor classified as short-term debts, as conversion of the instrument is technically possible at any time. The reclassification of maturities must be made independently of the economic perspective.

Due to the convertible bonds issued as at 31 December 2024, this resulted in a shift of EUR 1,184.4 million (previous year: EUR 925.7 million) from medium-term and long-term to short-term financial liabilities.

Accordingly, the remaining term profile after the amendment to IAS 1 is now as follows:

**REMAINING TERM OF FINANCIAL LIABILITIES FROM PROPERTY FINANCING**

| EUR million | Remaining term ≤ 1 year | Remaining term > 1 to 5 years | Remaining term > 5 years | Total |
|---|---|---|---|---|
| 31 December 2024 | 1,912.1 | 3,660.9 | 4,003.1 | **9,576.1** |
| 31 December 2023 | 1,364.2* | 3,525.0* | 4,375.7 | **9,264.9** |

* Previous year's figure adjusted

The reclassification of remaining terms in accordance with IAS 1 has no impact on the contractually defined remaining terms of the financial liabilities entered into.

## EPRA net tangible assets (EPRA NTA)

The key figures relevant to the property industry and to LEG are EPRA NRV, NTA and NDV. LEG has defined EPRA NTA as a key financial indicator.

As at 31 December 2024, LEG reports an EPRA-NTA of EUR 9.375,4 million, equivalent to EUR 125.90 per share. Deferred taxes on investment property are adjusted for the amount attributable to LEG's planned property disposals. Incidental purchase costs are not taken into account. The key figures are presented exclusively on a diluted basis. As at 31 December 2024, no dilution effects from the convertible bonds are considered, as the share price on the reporting date does not exceed the current conversion prices.

| EPRA NET TANGIBLE ASSETS | 31.12.2024 | 31.12.2024 | 31.12.2024 | 31.12.2023 | 31.12.2023 | 31.12.2023 |
|---|---|---|---|---|---|---|
| EUR million | EPRA-NRV | EPRA-NTA | EPRA-NDV | EPRA-NRV | EPRA-NTA | EPRA-NDV |
| **Equity attributable to shareholders of the parent company** | **7,371.5** | **7,371.5** | **7,371.5** | **7,463.2** | **7,463.2** | **7,463.2** |
| Effect from the exercise of options, convertible bonds, and other equity rights | 29.2 | 29.2 | 29.2 | 28.5 | 28.5 | 28.5 |
| **Diluted NAV at fair value** | **7,400.7** | **7,400.7** | **7,400.7** | **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 | 2,034.8 | 2,025.7 | – | 1,943.4 | 1,935.2 | – |
| Fair value of financial instruments | -44.8 | -44.8 | – | -42.0 | -42.0 | – |
| Intangible assets | – | -6.2 | – | – | -5.0 | – |
| Fair value of fixed interest rate debt | – | – | 383.7 | – | – | 744.0 |
| Deferred taxes of fixed interest rate debt | – | – | -168.6 | – | – | -156.7 |
| Estimated incidental costs of acquisition | 1,721.4 | – | – | 1,759.4 | – | – |
| **NAV** | **11,112.1** | **9,375.4** | **7,615.8** | **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** | **149.22** | **125.90** | **102.27** | **150.49** | **126.57** | **109.01** |

## Loan to value (LTV) ratio

Net debt in relation to real estate assets decreased during the financial year, primarily due to property sales, despite an increase in external financing.

The Loan to Value (LTV) ratio amounts to 47,9 % (previous year: 48,4 %).

| LOAN TO VALUE RATIO | | |
|---|---|---|
| EUR million | 31.12.2024 | 31.12.2023 |
| Financial liabilities | 9,718.6 | 9,375.8 |
| Without lease liabilities IFRS 16 (not leasehold) | 47.4 | 15.9 |
| Less cash and cash equivalents | 914.3 | 405.5 |
| **Net financial liabilities** | **8,756.9** | **8,954.4** |
| Investments properties | 17,853.3 | 18,101.8 |
| Properties held for sale | 141.0 | 77.9 |
| Participation in other residential companies | 298.7 | 340.1 |
| **Real estate assets** | **18,293.0** | **18,519.8** |
| **Loan to Value Ratio (LTV) in %** | **47.9** | **48.4** |

## EPRA LTV

Compared to the LTV, hybrid financial instruments with an equity component, such as mandatory convertible bonds, are treated as financial liabilities until the point of conversion. The financial liabilities are considered at their nominal amount, and cash and cash equivalents are in accordance with the definition under IFRS. Furthermore, net debt and net assets of joint ventures and significant associated companies are included, while significant non-controlling interests are excluded.

The significant associated companies included are Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH as asset-holding companies. Furthermore, Brack Capital Properties N.V. is proportionally included for transparency reasons, although it is not considered an associated company from LEG's perspective.

| EPRA LTV as at 31 December 2024<br>EUR million | Group LTV | Share of associates | Non-controlling interests | Total |
|---|---|---|---|---|
| Borrowings from Financial Institutions | 3,571.6 | 143.0 | -23.7 | 3,690.9 |
| Hybrid financial instruments | 1,650.0 | – | -0.1 | 1,649.9 |
| Corporate bonds | 4,680.0 | 58.9 | – | 4,738.9 |
| Net payables | – | 2.8 | – | 2.8 |
| Owner-occupied property (liabilities) | 4.0 | – | – | 4.0 |
| Excluding cash and cash equivalents | 306.9 | 1.8 | -5.5 | 303.2 |
| **Net financial liabilities** | **9,598.7** | **202.9** | **-18.3** | **9,783.3** |
| Owner-occupied property | 84.8 | – | -0.3 | 84.5 |
| Investments properties | 1,7743.5 | 410.9 | -157.8 | 17,996.6 |
| Properties held for sale | 141.0 | 9.0 | -0.8 | 149.2 |
| Assets under development | 109.9 | 1.6 | 0.0 | 111.5 |
| Intangible assets | 6.2 | 0.0 | 0.0 | 6.2 |
| Net receivables | 526.2 | 1.8 | 3.5 | 531.5 |
| **Real estate assets** | **18,611.6** | **423.3** | **-155.4** | **18,879.5** |
| **EPRA LTV** | **51.6** | | | **51.8** |

| EPRA-LTV as at 31 December 2023<br>EUR million | Group LTV | Share of associates | Non-controlling interests | Total |
|---|---|---|---|---|
| Borrowings from Financial Institutions | 4,027.3 | 144.9 | -38.0 | 4,134.2 |
| Hybrid financial instruments | 950.0 | – | – | 950.0 |
| Corporate bonds | 4,480.0 | 37.9 | – | 4,517.9 |
| Net payables | – | 37.8 | – | 37.8 |
| Owner-occupied property (liabilities) | 57.8 | – | – | 57.8 |
| Excluding cash and cash equivalents | 277.5 | 22.3 | -5.9 | 293.9 |
| **Net financial liabilities** | **9,237.6** | **198.3** | **-32.1** | **9,403.8** |
| Owner-occupied property | 82.8 | – | -0.2 | 82.6 |
| Investments properties | 18,026.2 | 435.3 | -156.3 | 18,305.2 |
| Properties held for sale | 77.9 | 17.9 | -2.9 | 92.9 |
| Assets under development | 75.5 | 2.2 | 0.0 | 77.7 |
| Intangible assets | 5.0 | 0.0 | 0.0 | 5.0 |
| Net receivables | 103.5 | – | 1.3 | 104.8 |
| **Real estate assets** | **18,370.9** | **455.4** | **-158.1** | **18,668.2** |
| **EPRA LTV** | **50.3** | | | **50.4** |

## Financial position

### Financing structure

A net profit or loss for the period of EUR 68.9 million (previous year: EUR-1.564,8 million) was generated. Equity amounts to EUR 7,396.5 million (previous year: EUR 7.488,2 million). This corresponds to an equity ratio of 37.8 % (previous year: 38.8 %).

A cash dividend of EUR 153.2 million was distributed from the accumulated other reserves in the financial year.

For further explanations, reference is made to the financing section in the economic report.

### Statement of cash flows

The cash flow statement of LEG for 2024 is presented in condensed form as follows:

| STATEMENT OF CASH FLOWS<br>EUR million | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|
| Cash flow from operating activities | 436.5 | 447.9 |
| Cash flow from investing activities | -604.2 | -421.5 |
| Cash flow from financing activities | 197.1 | -111.1 |
| **Change in cash and cash equivalents** | **29.4** | **-84.7** |

The balance of the cash fund has increased compared to the previous year's reporting date from EUR 277.5 million by EUR 29.4 million to EUR 306.9 million.

Higher inflows from net cold rents have a positive impact on the development of cash flow from operating activities, but they do not fully offset the increased interest payments and the decline in inflows from the electricity business. The cash flow from operating activities thus decreases by EUR -11.4 million compared to the corresponding period, amounting to EUR 436.5 million.

Acquisitions (pro-rata payments for new construction projects) and modernisations of the existing property portfolio result in cash outflows of EUR 306.9 million, reported in the cash flow from investing activities. In addition, there are cash outflows for investments in tangible assets and intangible assets of EUR 18.8 million, for the acquisition of shares in fully consolidated companies of EUR 3.5 million, and for short-term invested financial assets of EUR 479.0 million. This is offset by proceeds from property disposals of EUR 203.7 million.

Disbursements of new loans amounting to EUR 121.8 million, repayments of EUR 614.7 million, and the issuance of convertible and corporate bonds amounting to EUR 873.0 million significantly contribute to the cash flow from financing activities. In addition, the cash dividend payment in the financial year EUR 153.2 million was no distribution in 2023.

LEG was solvent at all times in the past financial year.

# Risks, opportunities and forecast report

## Risk and opportunity report

### Governance, risk & compliance

#### Standard process for the integrated management of corporate risks

LEG regularly evaluates opportunities to promote the development and growth of the company. Risks may also have to be taken in order to take advantage of opportunities. It is therefore essential that all key risks are recognised, assessed and professionally managed. To ensure the responsible management of risks, LEG has implemented a Group-wide structure for identifying, assessing, and monitoring risks. Key components include the Risk Management System (RMS), the Internal Control System (ICS), the Compliance Management System (CMS), and Internal Audit.

#### Accounting process

LEG has a clear and transparent organisational, control, and management structure. The tasks in the accounting process are clearly defined and assigned to specific roles. Self-monitoring, the multiple-control principle, segregation of duties, and analytical review procedures are the key control elements in the accounting process. This process is supported by standard software, which maps the authorisations defined in the guidelines through IT permissions, thereby ensuring system-based control. An integrated central accounting system and controlling function for the key Group companies are in place. The Group-wide guidelines for accounting, classification, and valuation are regularly reviewed and updated.

#### Internal control system (ICS)

As an integral part of corporate governance, the ICS helps mitigate risks related to (financial) reporting, operational activities, and compliance with external and internal regulations through process-integrated measures (e.g., internal controls and organisational safeguards) as well as process-independent measures (e.g., self-assessments and third-party evaluations). The ICS enhances and safeguards the company's success, protects corporate assets, and helps prevent or detect fraudulent activities.

LEG's ICS is based on the relevant legal regulations and industry standards and includes principles, procedures and measures to ensure proper accounting and process implementation. The underlying methodology was developed and implemented with an auditing company in recent years. The ICS is reviewed by LEG's ICS management as part of regular self-assessments. The accompanying reporting is acknowledged by the Risk and Audit Committee of LEG.

LEG's ICS is closely aligned with the COSO Internal Control – Integrated Framework and consists of the components "Control Environment," "Risk Assessment," "Control Activities," "Information and Communication," and "Monitoring Activities." The aim is:

- Compliance with the legal requirements applicable to LEG, as well as external and internal guidelines.
- Targeted monitoring of business processes
- Ensuring the effectiveness and efficiency of business activities (particularly the protection of assets, including the prevention and detection of asset damage).
- Ensuring the regularity, completeness and reliability of internal and external accounting

With regard to all relevant recurring business processes (particularly accounting processes), the aim and purpose of the ICS is to ensure the application of legal requirements as well as the accurate and complete recording of all business transactions. The ICS thus serves both a preventive and detective function, with the goal of ensuring the proper execution of business processes.

The processes defined as critical through a quantitative and qualitative risk assessment are centrally recorded and thoroughly documented in a process management software. Based on these process descriptions, significant risks were identified and corresponding controls put into place. The risk control matrix derived from this is the binding basis for regular reporting to the Management Board and the Risk and Audit Committee (from 2025: Risk, Audit and ESG Committee) of the Supervisory Board. The implementation and execution of internal controls, as well as the definition and execution of appropriate measures to address any identified control weaknesses, have been delegated by the LEG Management Board to the respective process and control managers. Controlling manages the methodological and functional refinement and the assessment of effectiveness. Internal Audit also supports the effectiveness assessment as part of its regular audits. Process management ensures that the processes and the implemented ICS controls are up to date.

To ensure the functionality of all essential business processes, an appropriate and effective ICS is necessary. This requires that the principles, procedures, and measures implemented within the company are regularly reviewed for adequacy and effectiveness. LEG assesses their design and effectiveness using control self-assessments (CSA). The CSA is conducted each year on the basis of a standardised methodology and based on two successive modules:

- Test of design
- Test of effectiveness

The goal of the adequacy review is to assess whether the control descriptions are up-to-date, sufficiently precise in content, and therefore appropriate for reducing the underlying control risk. The effectiveness review is carried out according to a rolling, annually updated, risk-based CSA audit plan. The aim of the test of effectiveness is to assess whether the control activities are actually implemented in the period under review as described in the control description. This comparison of actual versus target performance is conducted on a sample basis for key control activities, taking into account the entire population. In the event of discrepancies, appropriate measures are taken to address the identified control weaknesses. The CSA is supplemented by quality assurance from the Controlling department and rolling partial audits by Internal Audit. The Management Board regularly reports the results of the adequacy and effectiveness review to the Risk and Audit Committee of the Supervisory Board. Based on this, the Risk and Audit Committee reviews the functionality of the ICS.

### Compliance Management System (CMS)

The Compliance Management System (CMS) of LEG, alongside risk management, forms a central pillar of the corporate governance system and ensures that legal requirements and internal standards are adhered to. It provides the foundation for lawful and ethically responsible behaviour throughout the entire Group. The goal of the CMS is to identify potential compliance risks early and minimise them through preventive and corrective measures.

#### Basic elements of the CMS

The central elements of the CMS are the declaration of fundamental values, which formulates the company's objective, strategy and values. These values serve as the foundation for LEG's interactions with customers, employees, investors, business partners, and society. Other important components include the Code of Conduct and the Business Partner Code, which set out requirements for proper behaviour for all employees and business partners. Various Group-wide guidelines, including those on corruption, money laundering, data protection and compliance with human rights standards, specify the Code of Conduct and set out details of the standards of behaviour contained therein.

## Compliance with the Supply Chain Due Diligence Act (LkSG)

In accordance with the requirements of the Supply Chain Due Diligence Act (LkSG), LEG has published a specific policy statement on human rights and environmental protection within the regulatory framework of the Human Rights Directive. Violations of human rights and of national and international environmental protection provisions are not tolerated. LEG aligns its business practices accordingly and expects the same from its business partners.

In order to fulfil the due diligence obligations under the LkSG, a specialised software solution was implemented that enables continuous monitoring and evaluation of business partners. This solution identifies potential human rights and environmental risks in the supply chain and offers the opportunity to analyse these risks in a targeted manner and take action if necessary.

## Training and sensitisation

Other CMS measures include compliance training for all new employees in the areas of compliance, data protection and cyber security. In these training sessions, the Code of Conduct and internal regulations and guidelines are explained, information and complaint options are pointed out and questions are answered. This is supplemented by classroom training in sensitive areas and after compliance-relevant events. In addition, all employees complete annual refresher training via a digital training tool to raise awareness of legal requirements and ethical standards.

## Whistleblower system

LEG's CMS includes an electronic whistleblowing system, through which employees and third parties can report potential compliance violations and relevant issues in LEG's supply chain 24/7, anonymously if desired. All information is carefully investigated and appropriate measures are taken if violations are identified.

## Organisational anchoring and reporting

The compliance function is based in the Legal & Compliance department, whose head is the Compliance Officer and also the Human Rights Officer in accordance with the LkSG. Current compliance risks and the status of risks already identified are discussed in a cross-divisional governance team. The team advises on compliance issues, develops structures and measures as part of the CMS and provides information on changes to the legal framework. In the area of data protection, an external data protection officer provides advice and monitors compliance with data protection regulations. An internal data protection management team ensures the implementation of data protection and supports the specialist departments. In addition, a newly established Digital Governance Board with members from the areas of IT, data governance and compliance & data protection ensures that the increased governance requirements for digital systems and applications are carefully and efficiently implemented and managed within LEG. In addition, it is the Board's task to assist the relevant LEG departments in implementing their projects with regard to the complex regulatory requirements in this area.

The Compliance Officer reports directly to the CEO of LEG. The Risk and Audit Committee of the Supervisory Board discusses the issue of compliance on a regular basis and reports to the Supervisory Board accordingly. In the event of serious incidents, an immediate report is sent to the Management Board or to the Chairman of the Risk and Audit Committee if the Management Board is affected.

## Continuous improvement and external certification

Regular independent assessments by external experts promote the continuous development of the CMS. LEG's CMS was re-certified in 2024 by the Institute for Corporate Governance in the German Property Industry. The certificate is valid until September 2027.

**Risk management**

LEG has a Group-wide risk management system (RMS). A key component of this is LEG's Group-wide risk early warning system in accordance with standard IDW 340 (new version). The system is supported by the IT tool Risk2Chance (R2C).

The coordination and monitoring of the overall system, the organisation of the process flows, the methodological approach, and the responsibility for the IT tool used are the responsibility of the Controlling department. This organisational structure, along with continuous coordination with those responsible for planning, reporting, accounting, project management, and internal audit, enables a consistent, transparent, systematic, and ongoing approach. This creates the conditions for the identification, analysis, assessment, management, documentation, communication, and historical tracking of risks.

LEG's risk early warning system (RFS) was audited by an auditing firm as part of the Group financial statement audit to ensure compliance with stock corporation law requirements. The audit revealed that the Management Board has taken the necessary measures, as required by Section 91 (2) of the German Stock Corporation Act (AktG), to establish an early risk detection system (RFS) in an appropriate manner. The RFS is deemed suitable for identifying developments that could jeopardise the company's continued existence at an early stage.

The risk management system in place is subject to a constant process of refinement and optimisation to adapt it to new internal and external developments. The calculation logic for the risk-bearing capacity assessment was refined during the financial year. In addition, the significance classes for categorising risk impact have been rescaled (see the section on assessment methodology for internal risk reporting).

Operationally, the results of the quarterly risk inventories are reported to the decision-making and supervisory bodies. In addition, the Management Board and the individuals responsible for risk management discuss the assessment and management of identified risks and, if necessary, decide on and implement any changes. In addition to the quarterly risk reports to the Management Board, there is an immediate reporting obligation to the Management Board for risks with a potential net damage of EUR 0.2 million (in the base scenario) on an ad-hoc basis.

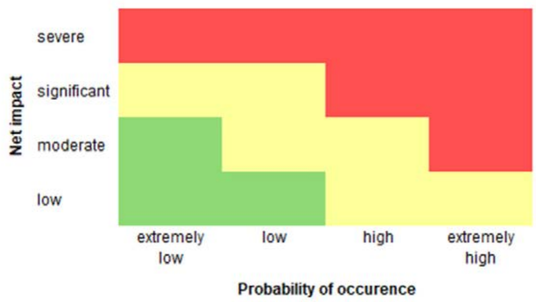
Overarching risk limitation measures are applied. In addition to the provisions derived from IFRS regulations, these primarily include building insurance (e.g., for pipe bursts, extreme weather events, natural disasters). In addition to these building-specific risks, various compliance-related issues and cyber risks are also covered by insurance. Other measures, such as training to sensitise employees or measures of a legal nature, are also used.

The risk inventory reports derived from the risk inventory also include a so-called trend radar, which is designed to capture potential strategic risks and opportunities at an early stage. All reporting is based on risk inventories the uniform, systematic and continuous risk inventory procedure of which is based on the following assessment methods.

**Assessment methodology for internal risk reporting**

Through the unified systematics of a risk catalogue – divided into categories and subcategories – risks are identified and assessed by the risk owners as part of a decentralized self-assessment (bottom-up analysis). The risk catalogue includes both strategic and operational risks. For the purpose of clarification and prioritisation, risks at LEG are assessed based on their net impact and probability of occurrence. The benchmark for classifying the potential impact is the effect on liquidity and the income statement compared to current business planning. The individual risk assessment primarily focuses on the corresponding change in liquidity as well as the profit and loss statement approved by the Management Board and Supervisory Board as part of the five-year financial planning.

At LEG, an evaluation matrix is used for internal risk assessment, which defines four assessment groups (Y-axis) for the liquidity or financial impact of each risk report. A similar evaluation scheme with four groups is also in place for the probability of occurrence (X-axis).




The individual classes for the forward-looking liquidity impact assessment are as follows:

- Low: Net impact EUR 0.0 million < x < EUR 2.5 million
- Moderate: Net impact EUR 2.5 million ≤ x < EUR 10.0 million
- Significant: Net impact EUR 10.0 million ≤ x < EUR 20.0 million
- Severe: Net impact EUR 20.0 million ≤ x

The classes for probability of occurrence are:

- Extremely low: 0 % < x < 5 %
- Low: 5 % ≤ x < 20 %
- High: 20 % ≤ x < 50 %
- Extremely high: 50 % ≤ x <100 %

The resulting assessment matrix was revised in 2024 with regard to the impact class limits and the designation of the probability of occurrence classes. Based on a peer group comparison and an analysis of the development of key LEG figures, the thresholds for allocation to the upper impact classes were raised. Nine risks are currently categorised as at least "significant". The revision of the category limits has no influence on the absolute level of risk (impact or expected values). The risk expectation value in the leading liquidity perspective has increased compared to the previous year's report.

Risk reports are categorised in this matrix and assigned to a red, yellow, or green category using a traffic light system, with appropriate prioritisation.

**Presentation of risks and opportunities in the Group management report**

The following sections describe how risks and opportunities can arise for LEG in the context of the macroeconomic conditions. It also contains a general assessment of the property market. Subsequently, all main risk categories are described in the risk categorisation, along with the subcategories that contain significant individual risks. Below the subcategories, the individual risks previously mentioned are then presented. An individual risk is defined as significant if it has a net liquidity impact greater than EUR 10.0 million (previously EUR 2.25 million) in the base scenario, either currently or within the next two financial years (2025 and 2026). The probability of occurrence is disregarded in order to maintain an awareness of risks which have a low probability but a significant or severe impact. In summary, at the time of preparing this report, the Management Board does not see any risks that could jeopardise LEG as a going concern for the entire five-year planning horizon/risk identification period (2025 - 2029) or the completed 2024 financial year. The risk-bearing capacity is maintained even with the simultaneous occurrence of all known risks.

Following the risk reporting, significant opportunities for LEG are listed and explained. They are based on the trend radar (which forms part of the quarterly risk inventory report). In particular, the areas of digitalisation/Robotic Process Automation and climate neutrality (e.g., energy-efficient modernisation, expansion and use of green energy) are seen as opportunities in the medium and long term.

## Risk reporting

### Macroeconomic and geopolitical framework

Below, the current macroeconomic conditions are presented concisely, taking into account current geopolitical developments. LEG has no influence on this landscape; however, it could potentially have an impact on LEG's business model, which could be either negative or positive in nature.

2024 presented a challenging economic and geopolitical situation: The re-election of Donald Trump as US President is likely to continue to bring about numerous upheavals. In addition to increasing protectionism, effects on NATO and the war in Ukraine are also to be expected. It remains to be seen to what extent and under what conditions the conflict will be resolved through intervention from Washington. The USA is generally expected to reduce its involvement, which may not be fully compensated for by Ukraine's European partners. In the Middle East conflict, too, it remains to be seen whether the recent events will lead to lasting peace and how the political situation in the region, especially in Gaza and Syria, will develop.

In Germany, the breakup of the traffic light coalition was tantamount to a political standstill, which can be challenging in view of potentially complicated majorities, such as in the state elections in Saxony, Thuringia and Brandenburg. There are also uncertainties about future political priorities. The legal structure of housing industry issues within both the state governments and a new federal government is of central interest to LEG.

The economic situation is mixed. The Chinese economy, which has so far acted as a global growth engine, is weakening as a result of the property crisis there. At the same time, China is increasingly trying to sell its excess production in Europe due to the disputes with the USA and is therefore having a negative impact on the export-orientated German economy. Germany is already experiencing a recession. In the automotive industry, Germany's most important sector, there is a threat of plant closures and mass redundancies. The growth prospects for 2025 are also cautious. The inflation rates, which have now fallen to target levels and prompted the central banks to reverse interest rates, represent a glimmer of hope. This is expected to stimulate the economy in general and the property market in particular.

Construction activity in Germany continues to decline. Both the number of completed flats and the number of new building permits issued are in decline. Housing, especially in the affordable segment, remains a scarce commodity.

Regulatory requirements in the area of climate protection, such as those under the EU taxonomy, are driving structural change in almost all sectors, particularly in energy, industry, transportation, and real estate. In the future, significant investments will be required to make the European and, in particular, the German economic model greenhouse gas neutral while maintaining its competitiveness.

The impact on LEG can only be estimated to a limited extent, as both positive and negative effects can result from the overall situation. In a weak economic environment with stagnant housing construction and continued high immigration, LEG could benefit from the persistently strong demand for affordable housing. Falling interest rates improve refinancing conditions and can have a positive effect on property valuations. Wars and protectionism affect global trade and supply chains, potentially making the purchase of construction materials and energy sources more expensive at the expense of LEG. The political situation in Germany is likely to delay the green transformation of the economy. Ambiguities in the investment and funding conditions can lead to necessary measures being implemented late. The amortisation of investments through higher rents could be limited by regulation. At the same time, stricter regulation may result in improved market opportunities for LEG's innovations. Further information on this can be found in the Report on Opportunities section. The current rise of right-wing, right-wing and left-wing populist parties could lead to a limitation of immigration. As a result, a worsening shortage of skilled workers could be expected. In addition, demand for affordable housing could decline.

**Assessment of the property market**

The property market is subject to a long-term cycle. After many years of growth fuelled by low interest rates, the market experienced a trend reversal from 2022. Against the backdrop of high inflation rates, the central banks raised interest rates significantly in quick succession, which led to price falls on the property markets. Over the course of 2024, inflation rates approached the central banks' target values again, prompting them to respond with initial interest rate cuts in view of the subdued economic development. Property prices bottomed out as a result. Future revaluations appear possible if interest rates continue to fall.

As an investment, property must compete with other asset classes. The recent slight decline in yields on the bond market makes property investments potentially somewhat more attractive. A relatively favourable constellation of moderate prices and financing conditions that have fallen since the interim high in 2023 currently speaks in favour of buying a property for owner-occupation. Nonetheless, buying property remains unaffordable for many households - partly due to a lack of equity - meaning that demand for rental accommodation is expected to remain stable.

Housing demand is also heavily influenced by regional population and household trends. The rising cost of living and improved technical capabilities for working from home are driving a shift away from typically expensive urban areas toward suburban and more rural regions.

The government draft amendment to the Hazardous Substances Ordinance came into force on 5 December 2024. The changes focus on improving the prevention of work-related cancer. Compared to the previous drafts, the responsibility for the risk assessment lies with the tradesperson carrying out the work. Before starting work, they must check whether hazardous substances, such as asbestos, could be released during the work.

A large part of the LEG building stock was built before 1993 and is potentially affected by hazardous substances. This means that costs for obtaining information, sampling, protective measures and disposal are to be expected in the future. A LEG project to implement the necessary processes is already underway and has been taken into account in the business plan, meaning that additional risks are not considered to be significant.

The revision of the Energy Performance of Buildings Directive (EPBD) has been adopted at the EU level. Implementation into national law is to take place by the beginning of 2026. For residential buildings, a gradual reduction in primary energy requirements should be aimed for. The focus here is on buildings with poor overall energy efficiency. LEG is in favour of an affordable approach to emissions efficiency instead of energy efficiency.

The majority of LEG's real estate portfolio is located in North Rhine-Westphalia, Germany's most populous federal state. Other focal points are in Lower Saxony, Schleswig-Holstein and Bremen. The portfolio includes both high-demand A and B cities (e.g., Cologne, Münster, or Bremen) as well as rural areas that tend to have a surplus of supply (e.g., Wilhelmshaven). The acquisition of Brack Capital Properties N.V. adds 9,100 flats to the portfolio, 90 % of which are located in LEG's traditional business areas and most of which also focus on the affordable housing segment. The broad diversification allows LEG to benefit from the current market environment and offset declining returns in areas with weakening prices or demand by capitalising on shifts to other locations.

Investment decisions are made on the basis of forecasts for the future market development of the respective location and general property market development. In addition, particular attention is given to the technical requirements of each property, management demands, and the targets for reducing $CO_2$ emissions.

LEG calculates the value of its properties twice per year. Key externally calculated parameters used in the assessment are the discount rate, standard market rents, macro and micro situation assessments, standard market levels of structural vacancies and official indicative land values. Transactions actually performed on the market are also applied as a benchmark. To address the delay between a transaction and the time that its data become known, LEG engages in continuous marketing monitoring and a regular dialogue with key market players.

Other parameters considered in the valuation, for which no independently determined data is available, must be estimated approximately. This mainly relates to assumptions about future inflation, assumptions to assess the technical condition of properties, and the weighting of the various valuation parameters. In particular, forward-looking parameters and assessments are by their nature subject to a higher risk of incorrect assessments, even though the underlying data are gathered with the utmost care. Such deviations can have either a positive or a negative effect on the calculated property values.

#### Risk categorisation

At LEG, all identified individual risks are assigned to a main risk category and a subcategory. The main categories and subcategories are represented by the headings below. For the purposes of the management report, the following will examine individual risks deemed relevant that, if realised, could have a potential net liquidity impact of over EUR 10 million within the years 2025 and 2026, regardless of their likelihood of occurrence. If the identified individual risks are deemed relevant for provisions, an appropriate provision was recognised as of 31 December 2024.

#### Main category A: General business risks

The main category of general business risks encompasses risks related to corporate organisation, management, and communication, as well as other risks arising from the company's operations that cannot be explicitly assigned to any of the other main categories. The main category of General Business Risks does not include any individual risks that exceed the “significant” threshold. The number of risks is unchanged, while the expected risk value has increased moderately.

#### Main category B: Compliance risks

Compliance risks result from LEG employees not obeying statutory requirements or internal guidelines intended to avert damage. In this category, the risk situation is unchanged in terms of the number and assessment of risks.

Compliance violations can particularly occur in situations where business, contractual, or personal relationships exist between LEG employees and external parties. For example, irregular tenant benefits could be granted in the area of rental. Similarly, in markets characterised by housing shortages, unfair practices may occur when awarding housing allocations. These risks are countered by organisational measures. Examples of these are the use of standardised lease agreements, the stipulation of target rents and advising prospective tenants that there is no commission on LEG apartments.

Services rendered by third parties entail the risk that orders or invoices are not consistent with market standards. This can apply to any kind of service or consulting, such as maintenance, agency or financing services. In order to prevent fraud, standardised agreements containing anti-corruption clauses have been prepared. There is also a Code of Conduct, which is binding for all LEG employees, as well as a Business Partner Code of Conduct, compliance with which is expected from all contractual partners. As an additional organisational measure, a clear separation of functions has been implemented between awarding contracts and invoice verification. Furthermore, IT-supported measures are being implemented to ensure compliance with the legal requirements of the Supply Chain Due Diligence Act (LkSG), which has been applicable to LEG since 2024.

## Miscellaneous

Antitrust violations fall under the subcategory Other and can be committed even through implicit actions with competitors or service providers. Providing the necessary exculpatory evidence can prove to be challenging. Due to the significant penalisation and the reputational damage associated with a cartel fine, economic damage can occur if the risk materialises. The risk is countered, among other things, by extensive training measures to sensitise employees.

**Main category C: Property risks**

This main category encompasses risks arising from LEG's core business activities. Accordingly, it includes matters arising from the purchase and sale of properties, rental and leasing activities, modernisation or maintenance efforts, as well as the management and valuation of the portfolio. The number of risks in this category has remained constant, while the expected risk value has moderately increased.

## Property management

The Property management subcategory relates to risks in connection with rentals and leasing. This primarily includes investments in the portfolio, disputes over rent increases, potential rental defaults, safety obligations, and insurance matters related to real estate.

LEG continuously makes substantial investments in its property portfolio. This ranges from minor repairs and vacant unit renovations to large-scale modernisation projects. For all these measures, there is a risk of exceeding the allocated budget. Due to the quality, construction, and age of the managed buildings, technical risks may arise, which can be more prevalent in certain construction year groups or building types. This results in increased maintenance costs in order to ensure the continued usability of the buildings. Portfolios acquired in recent years, despite thorough technical assessments during the acquisition process involving internal and external experts, carry an increased risk that structural defects may only become apparent over time. When service provider agreements are assumed as part of acquisitions, the agreed terms may sometimes be less favourable compared to contracts negotiated independently. Even existing maintenance contracts can see their price/performance ratio deteriorate over time compared to standard market conditions. The obligation to obey building regulations, in particular with regard to safety and fire protection, can entail increased staff and maintenance costs. To minimise risks in technical property management, LEG continues to focus on consolidating and standardising services, optimising processes, and implementing integrated service provider management.

**Main category D: Finances**

The main category of Finance includes risks closely related to LEG's cash flows, refinancing, and financial covenants. Risks related to assets outside of the property portfolio also fall into this category. In this category, there was a moderate increase in the number of risks and the expected risk value.

## Prolongation

The subcategory Prolongation describes risks associated with refinancing. Access to the capital market and the amount of refinancing costs are dependent on the company’s credit rating. Any changes to this rating could have implications for refinancing. In this context, there is a fundamental risk that refinancing may not be secured or may not be secured under the expected terms. Additionally, risks are reflected that arise from the inability to secure the planned financing to the required extent. Due to the long-term financing structure and the temporal diversification of maturities over a multi-year period, LEG considers this risk currently to be limited. In LEG's view, the risk is minimised through regular review of existing financing and maturities as well as early negotiations on refinancing.

**Main category E: Accounting**

Risks can arise from a failure to comply with statutory regulations, which could lead to errors in the annual, consolidated or quarterly financial statements. In addition, violations of other regulatory requirements, such as the German Corporate Governance Code or disclosure obligations, could result in a qualified or adverse audit opinion, reputational damage, or negative impacts on the share price. An internal control system for the accounting process helps mitigate this risk. The main category of Accounting does not include any individual risks that exceed the “significant” threshold. Additionally, the risk situation in this category remains unchanged in terms of the number and assessment of risks.

**Main category F: Tax risks**

Tax risks primarily arise from changes in tax assessment criteria due to unexpected legislative amendments or court rulings within a timeframe that has already been planned. In this category, one risk has been eliminated, and the expected risk value has moderately decreased.

## Taxes/Duties

The subcategory Taxes/Duties focuses on trade tax, real estate transfer tax, property tax, corporate tax, and value-added tax (VAT).

As part of the property tax reform, there were calls to abolish or restrict its apportionability. This discussion is currently being fuelled by the first property tax value and property tax assessments based on the new valuation, which often lead to a significant additional burden. Given the current political and social conditions, it cannot be entirely ruled out that changes to the apportion ability of property taxes in ancillary cost billing may occur.

The amendments to the Real Estate Transfer Tax Act that came into force in 2021, particularly the inclusion of the new notional provision regarding shareholder changes in corporations, mean that real estate transfer tax cannot be entirely ruled out for publicly listed real estate companies.

**Main category G: Human Resources**

The main category Human Resources addresses risks associated with LEG's workforce. In this category, the number of risks remains unchanged, but the expected risk value has slightly increased. The main category Human Resources does not include any individual risks that exceed the “significant” threshold. Human resource management faces significant strategic challenges due to irreversible megatrends such as demographic and technological change, as well as shifting values among younger generations. LEG addresses these challenges primarily through targeted personnel development and measures tailored to the needs of current and future employees. These efforts focus on enhancing LEG's employer branding and improving employee satisfaction. In this context, LEG has concluded company agreements on flexibilisation of working hours and mobile working, among other things.

**Main category H: Legal risks**

The Legal risks main category is for all risks arising from data protection aspects, changes in the law, liability and insurance issues, contracts and legal disputes. In this category, one risk has been eliminated, and the expected risk value has slightly decreased.

## Data protection

The subcategory Data protection deals with risks arising from violations of legal data protection regulations. In the case of data protection violations, substantial fines may be imposed, which are calculated based on the Group's revenue. LEG addresses this risk through various measures to reduce both the likelihood and impact of the risk, such as implementing a comprehensive data protection framework. This includes a data protection policy, procedural guidelines, a training programme, and numerous technical and organisational measures to protect personal data, such as outsourcing IT processes to an external data centre.

## Liability/Insurance risks

The subcategory Liability/Insurance risks includes, among other things, risks related to liability for mining damage to individual buildings. According to expert assessments, there is only a residual risk of such damage occurring in this specific case. LEG could also be liable for third-party claims in this context.

**Main category I: Information and communication technology**

The main category of Information and communication technology relates to risks arising from IT processes within LEG. IT applications and systems are essential for the seamless support of LEG's business processes. In-house solutions are therefore protected by appropriate redundant components. If IT services are outsourced, their availability is ensured via service level agreements with the service provider. Due to the increased threat posed by cyber criminals, LEG has implemented extensive additional measures (including a Security Operations Centre) in addition to the IT security measures already in place (e.g. penetration tests). This significantly reduces the risk of cyber attacks or access by unauthorised persons, though it cannot rule them out entirely. In this category, the risk situation is unchanged in terms of the number and assessment of risks. The main category “Information and communications technology” does not include any individual risks that exceed the “significant” threshold.

**Main category J: Project business**

The main category Project business encompasses matters arising from the implementation of construction projects or the operation of subsidiaries. In light of the currently unattractive ratio of construction costs to future rental income, LEG has discontinued its project business. Projects already underway are being realised according to plan. In this category, the number of risks has slightly decreased, while the expected risk value has moderately increased. The main category “Project business” does not include any individual risks that exceed the “significant” threshold. The main category Project business risks does not include any individual risks that exceed the “significant” threshold.

**Sustainability risks**

LEG reports on sustainability risks in accordance with the ESRS (European Sustainability Reporting Standards) as part of the CSRD (Corporate Sustainability Reporting Directive). Sustainability risks include the potential negative impact of sustainability issues (environmental, social and governance) on the company's financial performance, position and development (financial materiality). Furthermore, significant effects (impacts) of the company's activities on the environment and society are reported.

Sustainability risks include climate, social and governance risks and are assessed in monetary terms. Climate risks can be divided into the categories of physical climate risks and transitory risks. Physical climate risks arise as a result of climate change. A distinction is made between acute and chronic climate risks. Transitory risks arise from the transition to a low-carbon economy and can be further categorised into “political and legal risks, technology risks, market risks and reputational risks” according to the TCFD.

The impacts on society and the environment are evaluated qualitatively.

The basis for identifying and assessing the impacts, risks, and opportunities was an initial materiality analysis based on the concept of double materiality, conducted in cooperation with a consulting firm. The IROs (Impact, Risks, Opportunities) were assessed using an individual scoring model and categorised as material/immaterial accordingly.

With regard to the years 2025 and 2026, which are relevant for the opportunity and risk report, the sustainability risks assessed in monetary terms are exclusively risks in the “low” impact class. Notwithstanding this, all relevant risks in terms of the materiality analysis are mentioned in the sustainability report and are considered here over a longer time horizon.

## Report on Opportunities

In addition to the opportunities discussed in the risk section, other significant opportunities for LEG are listed below. These are a key driver of further earnings performance in the medium to long term (over the five-year planning horizon).

As of 31 December 2024, the property portfolio comprised 164.067 residential units, 1.443 commercial units, and 45.615 garages and parking spaces. The integration of Brack Capital Properties on 2 January 2025 will increase the residential portfolio by around 9,100 units. LEG is therefore among the leading publicly listed residential property holders in Germany. The regional focus remains on North Rhine-Westphalia. In addition, LEG is currently present in the federal states of Lower Saxony, Saxony, Bremen, Schleswig-Holstein, Hesse, and Rhineland-Palatinate. The sustainably value-oriented business model aligns the interests of shareholders and tenants. LEG’s strategy aims to make the business model fit for the future in light of the external conditions and to represent the interests of all key stakeholders. The strategy is built on three pillars: optimising the core business, expanding the value chain, and repositioning the management platform. Demand for affordable housing is continuing to rise, while the supply is declining significantly.

With the emerging turnaround in the real estate market, LEG has begun to resume its acquisition activities. Selective, external growth should enable economies of scale to be utilised.

The German residential property asset class is gradually attracting more interest from national and international investors again. This trend is supported by an increasing shortage of affordable housing, a continued decline in new construction activity and consistently strong immigration.

LEG considers itself very well positioned and demonstrates consistent rental growth. This development reflects the quality of the property portfolio, the high level of management expertise, and resilience to economic fluctuations. In the free-financed housing sector, regular rent table adjustments, alignment with market rents − particularly in new leases − and value-enhancing investments are key growth drivers. In the rent-restricted portfolio, cost rent adjustments are carried out at regular intervals in accordance with legal requirements and increase restrictions. In 2028, the rent control restrictions for a significant portion of the regulated portfolio will expire, creating additional rent increase potential in the medium term. An additional opportunity lies in increasing the rental rate for comparable spaces.

Challenges that arise in the area of climate protection and the transformation to a low-GHG economy also offer significant opportunities for LEG. LEG updated its sustainability strategy in 2024. The sustainability strategy 2030 is described in the sustainability report. To achieve its climate targets by 2030 (a 47 % reduction in Scope 1 and 2 emissions based on 2019 levels) and a nearly greenhouse gas-neutral building portfolio by 2045, LEG focuses on three key areas: (1) emission-efficient heat supply, (2) energy demand reduction, and (3) energy-efficient refurbishment. To realise these drivers, LEG has entered into various strategic partnerships and developed innovative solutions. This will also generate growing sales as a solution provider for third parties for the implementation of sustainable business models. In addition to the network of craftsmen that LEG has at its disposal, vertical integration is also being driven forward in order to sustainably secure capacities and expertise for the implementation of the green transformation.

The social and political demands placed on companies in the context of climate change also result in opportunities for LEG from the new business areas opened up by LEG. In business with third parties, these potentially go beyond a pure compensation effect (in relation to the initial costs incurred for the transformation).

In the emission-efficient heat supply cluster, the joint venture dekarbo GmbH is therefore contributing to the decarbonisation of existing buildings and also offering the solution to third parties. Dekarbo was founded together with the air conditioning company Soeffing. The dekarbo business model offers a comprehensive solution for the installation of air-to-air heat pumps. Dekarbo handles all necessary steps, from highly efficient and digital planning, scheduling, and training, to the swift and standardised installation of the system, as well as detailed monitoring and control of the installed units.

In the energy demand reduction cluster, the joint venture Efficient Residential Heating GmbH (termios) also offers a decarbonisation solution. The company was established in 2023 as a collaborative project between LEG, Oventrop, and Mantro. The main product is termios Pro, a digital system for the automatic hydraulic balancing of radiators in multi-family homes. The business model is based on the development and distribution of innovative, digital solutions for energy-efficient heating in residential properties.

Renowate GmbH also contributes to decarbonisation in the energy-efficient modernisation cluster. The business model of Renowate GmbH, a joint venture founded by LEG and the Austrian construction company Rhomberg in early 2022, focuses on serial energy-efficient modernisation of existing buildings. It serves as a comprehensive solution provider for the refurbishment process, from the initial building analysis to turnkey installation. More than 350 residential units in LEG's portfolio have already been successfully planned and implemented. In addition, RENOWATE is already implementing various projects for external customers and has launched a programme to market the RENOWATE product via other construction companies (”RENOWATE Partner Programme”). In addition, RENOWATE has successfully acquired several external customers in Germany and is currently expanding into Austria and Switzerland.

Additionally, the establishment of the new subsidiary, LEG LEITWerk GmbH (cable, electrical, and installation technology), is worth mentioning. Covering as much of the value chain as possible and securing capacities improves LEG's starting position for implementing the heating transition.

LEG also expects to benefit from opportunities from digitalisation. Efficient and professional management of the portfolio will ensure a reasonable level of ancillary costs for tenants, increasingly serving as a criterion for satisfaction and differentiation for both existing tenants and potential new renters. LEG considers itself well-positioned in this area with its digitalisation offerings, such as the digital rental agreement, the use of RPA solutions (Robotic Process Automation), and its digital start-up Youtilly, founded in 2021. Additional efficiency gains can be achieved through the implementation of artificial intelligence (AI) in suitable processes.

**Summary of opportunities**

The opportunities outlined provide potential benefits for LEG beyond the underlying forecast period. In particular, the topics of digitalisation/robotic process automation and climate neutrality (e.g., energy-efficient modernisation, the expansion and use of green energy) are seen as opportunities in the medium and long term. In addition, strategic partnerships for the development of innovations enable us to position ourselves as an external provider of sustainable business models. Should opportunities arise in addition to the forecasted developments, or should these materialise faster than expected, this could have a positive impact on LEG's asset, financial, and earnings position. Overall, LEG’s opportunities have not changed significantly compared to the previous year.

## Forecast report

LEG was able to achieve the forecast values that it set for the 2024 financial year. The following section compares the key performance indicators achieved against the forecast from the previous year.

For the AFFO of the 2024 financial year, LEG had initially defined a range of EUR 180 million to EUR 200 million in November 2023. With the publication of the results for the first half of 2024, LEG considered itself well positioned to raise the full-year forecast for AFFO to a range of EUR 190 million to EUR 210 million. The achieved AFFO of EUR 200.4 million for the 2024 financial year was within this expected range.

For the adjusted EBITDA margin, LEG had forecast a percentage value of around 77 % for the 2024 financial year. The adjusted EBITDA margin reached 77.9 % in the reporting year, thus aligning with the communicated forecast.

In November 2023, LEG had set a maximum of 45 % as a medium-term target for the LTV (gearing ratio). At 47.9 %, the LTV at the end of the 2024 financial year was still above this target, which LEG continues to aim to achieve in the medium term. Additional sales of real estate portfolios can reduce financial debt but are also at the expense of future rental income. The valuation of real estate assets as a further component of the LTV is also influenced by external factors that LEG cannot influence. These include the development of interest rates and the transaction market.

For the like-for-like rental growth per square metre, LEG had forecasted an increase of 3.2 % to 3.4 %. Actual rent growth per sqm of 3.4 % (like-for-like) as of 31 December 2024 reached the upper end of the forecast.

With regard to average investments (adjusted), LEG had initially planned around EUR 32 per sqm for maintenance and modernisation for the 2024 financial year. With the publication of the results for the first half of 2024, LEG announced that it then expected investments of around EUR 34 per sqm, with part of the increased investment budget earmarked for the further development of a larger commercial and hotel complex, the planned sale of which was not completed. The actual average investments in the reporting period amounted to EUR 33.99 per sqm and thus corresponded to the expected value. To calculate average investments per square metre (adjusted), consolidation effects, new construction activities on own land, capitalised own work, and subsidies recognised in profit or loss are eliminated.

In its reporting for the first nine months of the year 2023, LEG also communicated ESG targets for 2024, which form part of the remuneration of the Management Board and senior management. With regard to the ESG targets, reference is made to the 2024 remuneration report.

### Outlook 2025

The future development of LEG's business model is primarily influenced by factors such as demand and supply in the housing market, the overall economic situation and its impact on household income, political developments and regulations, inflationary trends, and interest rates.

LEG expects that there will continue to be an excess demand on the housing market, particularly in the affordable segment managed by LEG. For the German housing market as a whole, the target of 400,000 newly built apartments per year, which was already set in 2021 in the coalition agreement of the then federal government, will not be achieved in the future either. The ifo Institute expects only 205,000 apartments to be completed in 2025, and only 175,000 units are expected in 2026. For the current year 2025, the Bundesbank expects a slow recovery after stagnation in the winter half-year due to a slow, albeit restrained, expansion course of the German economy and slight GDP growth of 0.2 %. While the export industry could gradually benefit from rising foreign demand, private consumption will increase only slightly due to lower wage growth. On average, wages and salaries or collectively agreed wages are to increase by 2.5 % each. Various government measures should have a supportive effect, such as the increase in basic tax and child allowances or the increase in housing benefit by around 15 % from January 2025.

In the course of 2024, the European Central Bank lowered the deposit facility, which is the key interest rate, from 4.00 % to 3.00 % in four steps. However, on the basis of the higher interest rate level as a result of the interest rate hikes in the past and the refinancing concluded, LEG expects cash interest expenses to increase as of 31 December 2025 compared to the previous year's figure.

The economic viability of energy-efficient refurbishment of existing buildings is influenced by legal and regulatory frameworks. The subsidies regulated in the Federal Subsidy for Efficient Buildings (BEG) are primarily relevant for LEG. When replacing heating systems, the basic subsidy is 30 % plus an optional additional subsidy of 5 % (efficiency bonus). For further energy-efficient refurbishment measures, a basic subsidy of 15 % is available, with an additional 5 % possible if an individual refurbishment plan is provided. For serial energy-efficient refurbishments, such as those carried out by the joint venture RENOWATE (LEG's share: 50 %), a subsidy rate of up to 45 % can be achieved. This subsidy is composed of a percentage based on the achieved efficiency building level (e.g., EH 55, EH 40), as well as serial refurbishment, worst-performing building, and efficiency house EE bonuses. Eligible expenditure is capped for all programmes.

The advantageous conditions for LEG's business model, such as the high excess demand in the affordable housing segment and the resulting continuous rise in rents, are still considered by LEG to be positive for the future development of the company.

Based on this, and subject to the further development of inflation, interest rates, and rent regulation, LEG issued the following forecast for the 2025 financial year in November 2024, which it confirmed in the preparation of the consolidated financial statements and management report for the 2024 financial year.

The following development is forecast for the key financial performance indicators:

**AFFO**
LEG expects an AFFO for the 2025 financial year in the range of EUR 205 million to EUR 225 million.

**Adjusted EBITDA margin**
For the 2025 financial year, LEG expects to achieve an adjusted EBITDA margin of approximately 76 %.

**LTV**
The LTV is primarily determined by the valuation of the property portfolio, which in turn depends on the development of interest rates and the transaction market. These external factors cannot be influenced or predicted by LEG. However, LEG assumes that there are signs of further stabilisation in the transaction market.

LEG has set a medium-term target for the LTV of a maximum of 45 %.

The derivation of the key figures AFFO, adjusted EBITDA, and LTV is presented in the analysis of net assets, financial position and results of operations.

The following development is forecast for other relevant key figures:

**Like-for-like rental growth**
LEG is forecasting like-for-like rental growth of between 3.4 % and 3.6 % for the 2025 financial year.

**Total investment (adjusted)**
LEG makes investments to ensure quality, enhance value, and improve the energy efficiency of its portfolio. In the 2025 financial year, more than EUR 35.00 per square metre are expected to be invested in maintenance and modernisation.

**ESG target**
The Environmental target of saving 6,000 tonnes of $CO_2$ in the 2025 financial year is part of the remuneration of the Management Board (STI 2025) and senior management. Details are explained in the remuneration report.

## Remuneration Report

This remuneration report explains the structure and amount of remuneration paid to the Management Board and Supervisory Board. Declaration of compliance in accordance with section 162 AktG.

The Annual General Meeting of LEG Immobilien SE on 23 May 2024 approved the remuneration report for the 2023 financial year with 89.58 % of the valid votes cast.

The remuneration system for the members of the Management Board of LEG Immobilien SE (hereinafter also referred to as the "remuneration system") valid in the 2024 financial year was already updated in 2023 with a view to the financial performance criteria of the short-term incentive ("STI") and aligned more closely with cash flow. LEG Immobilien SE's business strategy, which focuses on capital efficiency and future viability, remains unchanged and is reflected in the remuneration system.

The remuneration system updated from 1 January 2023 in terms of the short-term variable remuneration components was submitted to the Annual General Meeting of LEG Immobilien SE for approval on 17 May 2023. The Annual General Meeting approved the remuneration system with 76.44 % of the valid votes cast. This remuneration system applies retroactively from 1 January 2023, with the conclusion of the amended Management Board contracts.

In light of the importance of the remuneration system for corporate governance, the Supervisory Board established a Remuneration Committee in November 2023, which focuses on the appropriate design of Management Board remuneration and the Management Board remuneration system. The Remuneration Committee commenced its activities immediately in November 2023. The chairmanship of the Remuneration Committee is always held by an independent member of the Supervisory Board, currently Mr Martin Wiesmann.

The Management Board and Supervisory Board of LEG Immobilien SE are committed to the principle of transparency and good governance. Accordingly, the 2024 remuneration report includes additional fundamental details on the financial key figures of the STI (adjusted EBITDA margin and AFFO per share), their ranges, further explanations on how their target achievement is determined, as well as information on the remuneration levels of the Management Board members in comparison to the industry.

In connection with the adjustment of the business strategy of LEG Immobilien SE due to current market conditions, the Supervisory Board deemed it appropriate to modify the financial performance criteria, which make up 80 % of the weighting of the STI target amount agreed in each Management Board contract. Starting from the 2023 financial year, the new financial performance criteria are to be 40 % based on the adjusted EBITDA margin and 40 % on AFFO per share.

- **Performance criterion adjusted EBITDA margin:**
  The adjusted EBITDA margin (adjusted EBITDA in relation to net cold rent) provides insight into profitability and makes companies internationally comparable, particularly by adjusting for tax and financing conditions. The EBITDA margin involves adjusting EBITDA for the earnings from the valuation of investment properties, the earnings from disposals, one-off special effects, and other extraordinary non-recurring expenses and income. The cash-optimised group management also requires a separation of operational cash generation from investment expenditures. Therefore, the maintenance expenses for externally procured services, subsidies and own work capitalised are recognised as adjustments to EBITDA (adjusted).

- **Performance criterion AFFO per share:**
  As part of the realignment of corporate governance, AFFO (Capex-adjusted FFO I) has been defined as the most significant financial performance indicator for the group management of LEG Immobilien SE. Starting from FFO I (after non-controlling interests), AFFO takes recurring capex into account. Recurring capex measures are defined as capitalised costs from modernisation and maintenance measures as well as new construction activities on own land. In calculating the production costs from modernisation and maintenance measures, consolidation effects resulting from self-performed services, which arise from the elimination of intercompany profits, are eliminated. In order to emphasise shareholder value more strongly, the focus is placed on AFFO generation per share.

The Remuneration Committee reviewed the remuneration system again in the 2024 financial year with the help of an external, independent remuneration consultant. A key finding of the review is that the financial performance criteria in the STI and the long-term incentive ("LTI") are still suitable for measuring the performance of the Management Board with regard to the underlying business strategy (for further details on the remuneration system, see the section "Outlook 2025 / Remuneration system for the Management Board in the 2025 financial year").

The corporate governance roadshow held in November and December 2024 confirmed, in the view of the Management Board and Supervisory Board, that investors continue to support the approach of focussing LEG Immobilien SE's business strategy on cash flow.

**Overview of valid remuneration system 2024**

| | | |
|---|---|---|
| **Basic remuneration** | | Fixed contractually agreed remuneration paid out in twelve equal monthly instalments |
| **One-year variable remuneration "Royalty" STI** | **Success targets** | 40 %: Adjusted EBITDA margin, 40 %: Adjusted Funds from Operations I per share, 20 %: ESG targets. Criteria-based adjustment factor (0.8 – 1.2) for assessing the individual and collective performance of the Management Board, as well as extraordinary developments. |
| | **Cap** | 200 % of the target amount |
| **Multi-year variable remuneration "Virtual performance share plan" LTI** | **Plan type** | Performance share plan |
| | **Success targets** | 80 %: Relative Total Shareholder Return compared to the relevant index (EPRA NAREIT Germany), 20%: ESG goals. |
| | **Cap** | 250 % of the target amount |
| | **Performance period** | 4 years; after 4 years: Obligation to purchase LEG shares in the amount of 25 % of the payout |
| **Occupational pension scheme** | | Receipt of a fixed amount, specified in the respective employment contract, into a reinsured support fund |
| **Additional benefits** | | Essentially company car for business and private use, for business trips the services of a driver can be used, various insurance elements |
| **Maximum remuneration** | | Chairman of the Board: EUR 4,800,000<br>Full members of the Board: EUR 3,100,000 |
| **Shareholding obligation** | | Obligation to purchase LEG shares equivalent to a gross annual salary within four years;<br>Obligation to hold the acquired shares for the duration of the Management Board activity |

## Management Board members in the 2024 financial year

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

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

**Secondary employment of Management Board members**

The acceptance of secondary employment by Management Board members, particularly the assumption of supervisory board mandates and mandates in comparable control bodies of businesses outside the LEG Group, requires prior approval from the Supervisory Board, which has delegated this responsibility to the Executive Committee. At the request of LEG Immobilien SE, Management Board members also take on roles or positions in companies affiliated with LEG Immobilien SE. The same applies to taking on roles in associations and similar organisations, insofar as LEG Immobilien SE has an interest in them. The number of mandates at companies and comparable entities in which LEG Immobilien SE holds less than 51 % of the respective capital or, if higher, the voting rights, is limited to four. This limitation does not apply to mandates in housing associations, the LEG NRW Mieter-Stiftung, and the "Dein Zuhause hilft" foundation. In the event that the Management Board member has compensation claims against affiliated companies, the corresponding remuneration will not be paid to the Management Board member, but directly to LEG NRW GmbH, a subsidiary of LEG Immobilien SE. This ensures that the remuneration is, in accordance with the recommendation G.15 of the German Corporate Governance Code ("GCGC"), credited to the remuneration that the Management Board members receive from LEG Immobilien SE.

If Management Board members receive separate remuneration for taking on secondary activities outside the LEG Group, the Supervisory Board decides on a case-by-case basis, at its discretion and in accordance with the recommendation G.16 of the German Corporate Governance Code (GCGC), whether the Management Board member may retain this remuneration or whether it will be credited against their remuneration claims against LEG Immobilien SE. The only non-Group Supervisory Board mandate currently held is that of Dr Kathrin Köhling on the Supervisory Board of Deutsche Beteiligungs AG, Frankfurt. The Supervisory Board has decided that the remuneration Dr Kathrin Köhling receives for this role will not be credited against her remuneration as a Management Board member of LEG Immobilien SE. In the Supervisory Board's view, it is in the interest of LEG Immobilien SE that its Management Board members gain insights through certain external supervisory board mandates, which they can also apply in their roles on the Management Board.

## Remuneration system of the Management Board for the financial year 2024 (Updated remuneration system from the financial year 2023)

The updated remuneration system sets incentives that are aligned with promoting the three fundamental core activities of LEG Immobilien SE:

- Optimising core business
- Expanding the value chain
- Consolidating and optimising the management platform

The remuneration of the Management Board members is aligned with these fundamental elements of the LEG business model and is intended to further strengthen them. Accordingly, STI and LTI are harmonised incentive systems to ensure both internal performance and to incorporate external effects in the LTI via the share price performance and the relative total shareholder return (TSR).

Accordingly, the remuneration system reflects the material key financial performance indicators for Group management. In addition to internal key figures, the focus, particularly in the long-term variable remuneration component, is placed on external, capital market-oriented key figures.

**Strategic orientation**

Strategic decisions of LEG Immobilien SE impact the company's economic interests as well as the interests of various stakeholders. LEG Immobilien SE is aware of this responsibility and continuously reviews its business strategy. The sustainability strategy is a key component of the business strategy. LEG Immobilien SE has established various sustainability topics through which ESG is being expanded and developed into an integral part of the business model.

**ESG alignment**

The focus of the updated sustainability strategy (ESG strategy) is on the "E", Environmental. In addition to $CO_2$ reduction in existing buildings, the focus is on the financial viability of $CO_2$ reduction measures. In doing so, LEG Immobilien SE aims to manage and shape sustainability efficiently and reliably. Companies that have already been established (Green Ventures), which provide products and services for the company and third parties, offer significant earnings potential and are therefore a key driver of the ESG strategy. LEG Immobilien SE understands sustainable action and business practices as a corporate obligation and fulfils this commitment to its stakeholders. Sustainability aspects are therefore considered in the remuneration of the Management Board, both in the STI and in the LTI, with each accounting for 20 %. The provision of affordable housing and the fulfilment of LEG Immobilien SE's high governance standards continue to characterise the company's day-to-day business.

**Alignment with market conditions**

The current remuneration system was again reviewed for market conformity in the 2024 financial year with the help of an external, independent remuneration consultant. The market conformity was confirmed.

The review revealed that the remuneration system fulfils the requirements of the capital market. The structure of the target total direct remuneration corresponds to the structure of comparable Management Board remuneration in the MDAX. The functionality of the composition of the STI performance criteria is transparent and comprehensible. The selection and weighting of the financial performance criteria of the STI corresponds to the strategic objectives of LEG Immobilien SE and is in line with market practice. The functionality of the LTI is also transparent and comprehensible. The selection of financial performance criteria for the LTI aligns with the strategic goals of LEG Immobilien SE and is in line with market standards. The integration of ESG targets in the STI and LTI with specific operationalisation is in line with market practice and the requirements of the capital market.

**Continuation**

Adjustments are planned to further optimise the remuneration system, particularly with regard to the changed market expectations for the design of ESG targets and to reduce complexity and administrative expenses. The updated remuneration system will be submitted to the Annual General Meeting on 28 May 2025 for approval. Furthermore, the remuneration system is to be aligned even more closely with strategic challenges and shareholder interests. The corresponding details are described in the chapter "Outlook 2025/ Remuneration system of the Management Board for the financial year 2025".

**Specification of the remuneration system approved at the Annual General Meeting in May 2023**

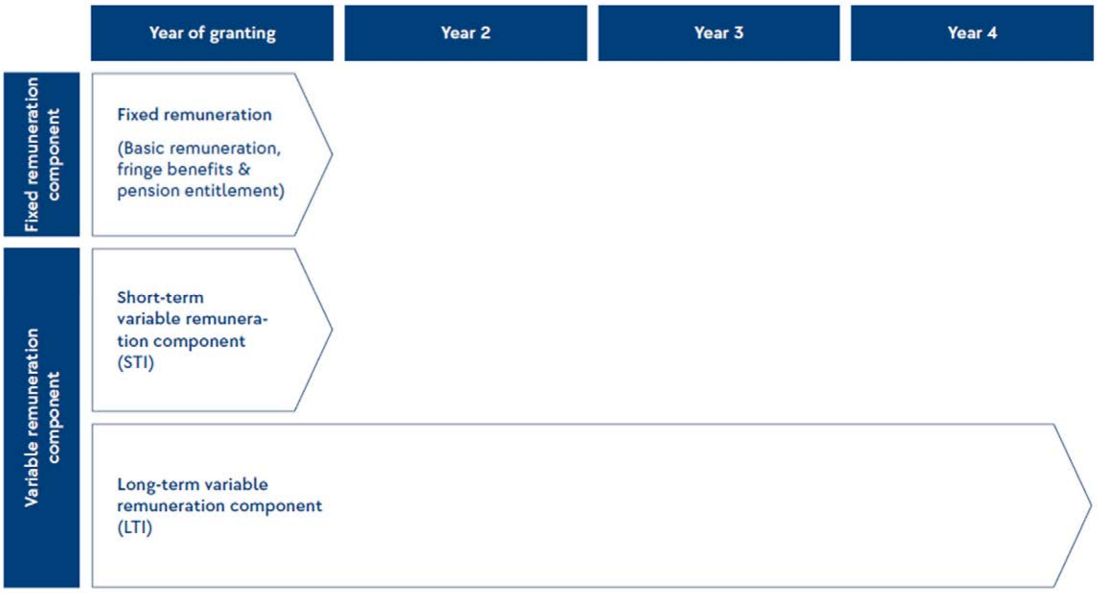
The remuneration system extended in the 2023 financial year consists of fixed and variable components, the sum of which forms the total remuneration of a Management Board member. With regard to this total remuneration, the Supervisory Board has set an individual maximum amount for each Management Board member, both in the remuneration system and in the Management Board contracts (maximum remuneration within the meaning of Section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act - AktG).

The fixed remuneration component consists of the base salary, additional benefits, and expenses for the occupational pension scheme.

The variable remuneration component includes the STI as the short-term variable remuneration component and the LTI as the long-term variable remuneration component.

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

**Terms of the remuneration components**




The contractual target amounts for each remuneration component for the 2024 financial year at 100 % target achievement are shown in the following overview:

| Remuneration elements | Lars von Lackum CEO | Dr Kathrin Köhling CFO | Dr Volker Wiegel COO |
|---|---|---|---|
| **Basic remuneration** | **1,045,000** | **480,000** | **605,000** |
| One-year variable remuneration (STI) | 705,000 | 356,000 | 444,000 |
| **Cash remuneration** | **1,750,000** | **836,000** | **1,049,000** |
| Multi-year variable remuneration (LTI) | 1,000,000 | 520,000 | 650,000 |
| **Total remuneration** | **2,750,000** | **1,356,000** | **1,699,000** |
| bAV contribution | 108,000 | 58,000 | 58,000 |
| Additional benefits | 30,000 | 27,000 | 41,000 |
| **Total remuneration** | **2,888,000** | **1,441,000** | **1,798,000** |
| **Maximum remuneration** | **4,800,000** | **3,100,000** | **3,100,000** |

The target amounts to which the respective Management Board member is entitled in the event of 100 % target achievement of the variable remuneration components, the short-term variable remuneration component and the long-term variable remuneration component, are set out in the respective Management Board employment contracts.

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

The Supervisory Board already had the appropriateness of the remuneration level verified by an external consultant in the 2023 financial year. In accordance with the recommendation G.3 of the German Corporate Governance Code (DCGK), the Supervisory Board used appropriate comparison groups from other companies to assess the appropriateness of the total remuneration for the Management Board members. This included considering the base salary as well as the short- and long-term variable remuneration components.

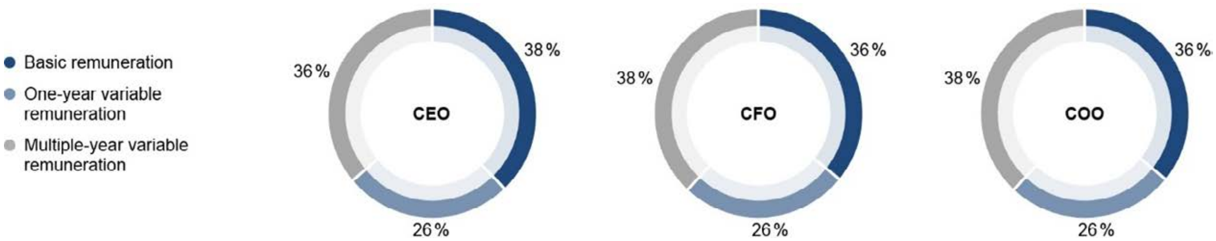
1. As LEG Immobilien SE is listed in the MDAX, the first peer group consisted of the companies in this index. The MDAX, particularly in terms of market capitalisation, forms an appropriate comparison group.
2. Additionally, LEG Immobilien SE was compared with selected real estate companies to consider the industry comparison.

The positioning in the peer groups is based on the equally weighted key figures of revenue, number of employees and market capitalisation. The target remuneration of the CEO and the ordinary members of the Management Board was within the respective market range in both benchmark markets even after adjusting the remuneration levels as of 1 January 2024.

In 2024, the total direct remuneration of the CEO and COO of LEG Immobilien SE was within the market range, while that of the CFO was below it. The positioning of the CFO's total direct remuneration was due to the fact that this was a first-time appointment (for more information on the early extension of the CFO's appointment, please refer to the section "Outlook 2025/ Remuneration system for the Management Board in the 2025 financial year"). The long-term variable remuneration for the COO and CFO was within the market range, with the COO's long-term variable remuneration above the median and the CFO's close to the lower quartile. The higher proportion of long-term variable remuneration compared to short-term variable remuneration is in line with the requirements of company law for a predominantly long-term basis of assessment of variable remuneration components and the corresponding recommendation of the German Corporate Governance Code. The remuneration structure for the members of the Management Board of LEG Immobilien SE is in line with the market, both in the MDAX and in comparison with selected real estate companies.

The total direct remuneration consists of the basic remuneration, the short-term variable remuneration component and the long-term variable remuneration component. The current structure of the total direct remuneration provides for the highest variable remuneration component in the multi-year variable remuneration and is aimed at the sustainability of the actions of the Management Board.

### Structure of total direct remuneration 2024




### Fixed remuneration components of the updated remuneration system 2024
### Basic remuneration

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

| in EUR | Salary 2024 | Salary 2023 | Change in% |
|---|---|---|---|
| **Lars von Lackum** | 1,045,000.00 | 950,000.00 | 10.0 |
| **Dr Kathrin Köhling** | 480,000.00 | 281,000.00 | 70.8[1)] |
| **Dr Volker Wiegel** | 605,000.00 | 550,000.00 | 10.0 |

1) With regard to the percentage change in Dr Kathrin Köhling's basic remuneration, it should be noted that Dr Köhling only received her basic remuneration for the 2023 financial year on a pro rata basis for the period from the start of her term of office on 1 April 2023 until the end of the financial year.

Dr Kathrin Köhling was appointed as a member of the company's Management Board for the first time with effect from 1 April 2023. The basic remuneration for the 2023 financial year shown in the table relates pro rata temporis to the period from 1 April 2023 to 31 December 2023.

### Additional benefits

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

| | |
|---|---|
| **Health and long-term care insurance** | Subsidies amounting to 50 % of the contributions to the private health and long-term care insurance of the members of the Management Board, but not exceeding the amount that would arise if the members of the Management Board had statutory health insurance. |
| **Legal principles** | Insofar as the members of the Management Board are voluntarily insured in the statutory pension insurance or are instead insured in a private pension insurance and prove the existence of such insurance and the payment of the contributions, the members of the Management Board receive 50 % of the contributions to the statutory pension insurance or to the private pension insurance, but no more than 50 % of the maximum contributions to the statutory pension insurance. This regulation also applies to employee-financed pension commitments for which LEG Immobilien SE is the contractual partner. These pension commitments are capped at an annual payment of EUR 20 thousand for Lars von Lackum and EUR 15 thousand for the other members of the Management Board. |
| **Company car** | The Management Board members are provided with a reasonable company car for both business and private use. All costs related to the maintenance and use of the company car are borne by LEG Immobilien SE. In addition, members of the Management Board can use the services of a driver for official journeys. The benefits granted to the Management Board members through the provision of a company car are limited to a value of EUR 80 thousand for the CEO and COO, and EUR 65 thousand for the CFO, corresponding to the monetary benefit resulting from private use. The income tax on these benefits is paid by the respective member of the Management Board. Members of the Management Board are also reimbursed for travel expenses and other expenses. |
| **D&O insurance** | D&O insurance has also been taken out for the members of the Management Board. The D&O insurance policies each include a statutory deductible of 10 % of the loss, limited to 1.5 times the fixed annual remuneration per calendar year. |

## Pension entitlement

For the benefit of the Management Board members, LEG Immobilien SE provides an employer-financed occupational pension scheme with a fixed amount specified in each Management Board contract, per calendar year. This amount is paid into a reinsured occupational pension scheme. It is reduced pro rata temporis if the member leaves or joins the company during the year. In addition, the subsidy for retirement benefits intended as part of the additional benefits for the Management Board member can, instead of being paid as such, be contributed to the pension fund.

The occupational pension scheme for the Management Board members in the 2024 financial year is presented in the following table.

### Granted occupational pension scheme 2024

| | Occupational pension scheme through a pension fund with a fixed annual contribution | | |
|---|---|---|---|
| in EUR | Amount per year | Monetary compensation amount | Monetary compensation year |
| **Lars von Lackum** | 100,000 | 2,325,000 | 2,042 |
| **Dr Kathrin Köhling** | 50,000 | 1,315,936 | 2,050 |
| **Dr Volker Wiegel** | 50,000 | 1,141,667 | 2,043 |

| in EUR | Occupational pension scheme through a pension fund, pension scheme, or Deutsche Rentenversicherung | | |
|---|---|---|---|
| | Amount per year | Monetary compensation amount | Monetary compensation year |
| **Lars von Lackum** | 8,426 | 192,942 | 2042 |
| **Dr Kathrin Köhling** | 8,426 [1] | [3] | [3] |
| **Dr Volker Wiegel** | 8,426 [2] | [3] | [3] |

[1] The company pension benefits for Dr Kathrin Köhling are provided by the Deutsche Rentenversicherung.
[2] The company pension benefits for Dr Volker Wiegel are provided by the pension scheme for lawyers.
[3] A monthly payment is made when the pension commences. Monetary compensation is not envisaged.

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

Susanne Schröter-Crossan left the Management Board of LEG Immobilien SE as of 31 March 2023. The company and Susanne Schröter-Crossan had agreed that her Management Board contract would continue until its regular end on 30 June 2023. On this basis, the remaining entitlements from the ongoing LTIs for 2021, 2022, and the pro-rata LTI for 2023 are calculated. The stock purchase obligation from the LTI 2022 and LTI 2023 does not apply as per the agreement.

For the financial years 2021 and 2022, the respective LTI will be granted under the conditions previously applicable, in accordance with the respective Management Board contracts and the respective LTI plan. The applicable target values previously set will continue to apply. The remuneration will not be paid early. For the 2023 financial year, the LTI will be granted in accordance with the previously applicable terms of the 2022 Management Board contract in line with the 2022 LTI plan. The LTI for the 2023 financial year will be granted on a pro-rata temporis basis according to the LTI plan 2022, only for the period up to the termination of their role with LEG Immobilien SE on 31 March 2023. The target amount of the LTI was reduced accordingly to EUR 325 thousand.

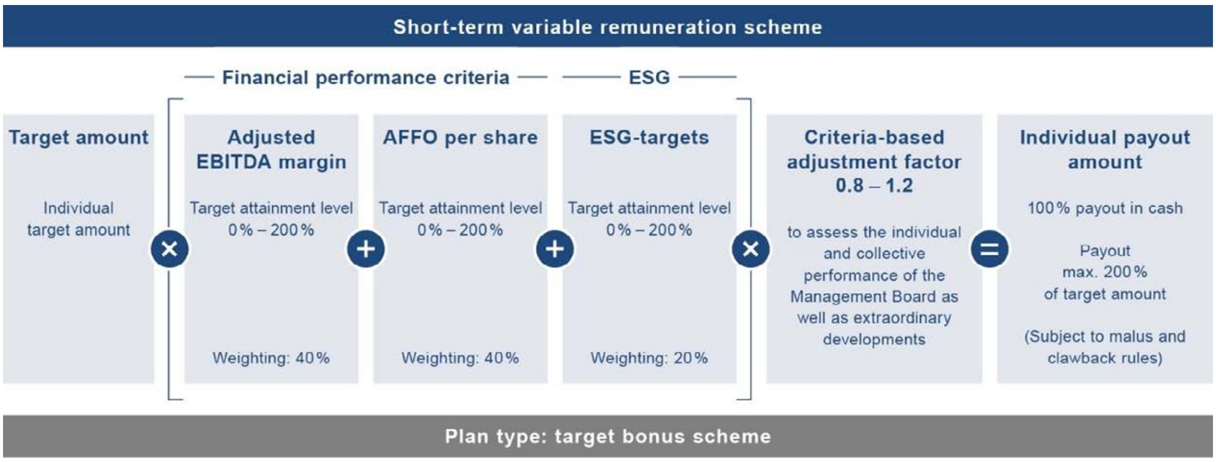
## Variable remuneration components of the remuneration system 2024

### Short-term variable remuneration share (STI)

The purpose of the STI is to ensure profitable, organic growth and the achievement of annual operating targets. The short-term variable remuneration component is designed as a target bonus model and is based on financial and strategic targets. The STI consists of an annual payment measured on the basis of the following financial and non-financial performance criteria:

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

The financial performance criteria are each weighted at 40 %. The ESG goals, derived from the sustainability strategy, are weighted at a total of 20 %. The target achievement for the performance criteria is capped at 200 % for each. The STI also has a criteria-based adjustment factor with a range of 0.8 to 1.2.



## STI performance criteria - 2024

### STI 2024 financial performance criteria

The target values set by the Supervisory Board for the adjusted EBITDA margin and AFFO per share are derived from the business plan approved by the Supervisory Board for the respective financial year. For the 2024 financial year, the Supervisory Board set the following target values for the financial performance criteria on 7 November 2023:

| | 100 % Target value 2024 | Ranges |
|---|---|---|
| **Adjusted EBITDA margin** | 76.5 % | 0 % Minimum value: ≤ 71.5 %<br>100 % Target value: 76.5 %<br>200 % Maximum value: ≥ 81.5 % |
| **AFFO per share** | EUR 2.57 | 0 % Minimum value: ≤ EUR 2.06<br>100 % Target value: EUR 2.57<br>200 % Maximum value: ≥ EUR 3.08 |

The business plan for the 2024 financial year is reflected in the external guidance for the 2024 financial year, which was communicated to the capital market on 8 November 2023.

In determining the achievement of the financial performance criteria, the actual achieved value for each performance criterion is compared with the target value set by the Supervisory Board. The target achievement of the performance criterion is derived from the percentage deviation between the actual value and the target value. The payout amount is determined on the basis of the contractually agreed target amount, the contractually agreed weighting of the performance criteria and the respective target achievement.

If the target is met, target achievement is 100 %.

### Calculation of the financial criteria

If the actual value exceeds the target value of the AFFO per share performance criterion by 20 %, the target achievement corresponds to the maximum value of 200 %. Further increases in the actual value do not lead to the maximum value being exceeded. If the actual value exceeds the target value of the AFFO per share performance criterion by 20 %, the target achievement corresponds to the maximum value of 0 %. Further deteriorations of the actual value will also result in a target achievement of 0 %. Target achievements between the defined minimum, target, and maximum values (0 %; 100 %; 200 %) are linearly interpolated.

If the actual value exceeds the target value of the performance criterion Adjusted EBITDA margin by 5 percentage points, the target achievement corresponds to the maximum value of 200 %. Further increases in the actual value do not lead to the maximum value being exceeded. If the actual value falls 5 % points short of the target value for the adjusted EBITDA margin performance criterion, the target achievement corresponds to the minimum value of 0 %. Further deteriorations of the actual value will also result in a target achievement of 0 %. Target achievements between the defined minimum, target, and maximum values (0 %; 100 %; 200 %) are linearly interpolated.

The targets set by the Supervisory Board are derived from the business plan, which the Management Board adopts before the start of the financial year and which the Supervisory Board decides whether to approve. In accordance with the regulations defined in the Management Board employment contracts, the defined target values are to be reviewed and, if necessary, adjusted with regard to the effects of acquisitions and disposals not included in the business plan and changes to the scope of consolidation. Adjustments during the year based on forecasts generally are not taken into account. According to these standards, no adjustments to the target values of the financial performance criteria Adjusted EBITDA margin and AFFO per share were required in the 2024 financial year, as determined by the Supervisory Board based on the 2024 business plan.

### Target achievement adjusted EBITDA margin STI 2024

| | 100 % target value | Actually achieved actual value | Target achievement on the basis of contractually agreed weighting |
|---|---|---|---|
| **STI 2024 - Adjusted EBITDA margin** | 76.5 % | 77.9 % | 51.2 % |

The financial performance criterion Adjusted EBITDA margin is therefore achieved at 128.0 %.

### STI 2024 payout amount attributable to the Adjusted EBITDA margin before criteria-based adjustment factor

This results in the following payout amounts:

| in EUR | Lars von Lackum CEO | Dr Kathrin Köhling CFO | Dr Volker Wiegel COO |
|---|---|---|---|
| **STI 2024 - Adjusted EBITDA margin** | 360,960 | 182,272 | 227,328 |

### Target achievement AFFO per share STI 2024

| in EUR | 100 % target value | Actual value 2024 | Target achievement on the basis of contractually agreed weighting |
|---|---|---|---|
| **STI 2024 - AFFO per share** | 2.57 | 2.69 | 49.5 % |

The financial performance criterion AFFO per share is fulfilled at 123.7 %.

### Payout amount attributable to AFFO per share for STI 2024 before criterion-based adjustment factor

This results in the following payout amounts:

| in EUR | Lars von Lackum CEO | Dr Kathrin Köhling CFO | Dr Volker Wiegel COO |
|---|---|---|---|
| **STI 2024 - AFFO per share** | 348,742 | 176,102 | 219,633 |

### Non-financial (ESG) criteria of STI 2024

The ESG targets are derived from the sustainability strategy. For the ESG targets, criteria from the dimensions "Environmental," "Social," and "Governance" are defined and operationalised with specific target specifications. The target for the "Environmental" dimension follows the decarbonisation pathway published by the company and validated by the Science Based Targets initiative (SBTi). The targets are assigned quantitatively or qualitatively measurable criteria, which allow for the determination of a measurable degree of target achievement through a target/actual comparison after the end of the financial year. The specific ESG targets, as well as the minimum, target, and maximum values, are determined annually by the Supervisory Board in agreement with the Management Board before the start of the respective financial year.

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

### Definition of the ESG sub-target "Environmental" for STI 2024

The target value of the ESG sub-target "Environmental," which corresponds to a target achievement of 100 %, is the reduction of 4,000 tonnes of carbon dioxide ($CO_2$) in 2024. This includes, on the one hand, refurbishment measures to improve energy efficiency that were completed in the 2024 financial year and qualified as modernisation measures under § 555b Nos. 1 to 3 BGB, based on the portfolio included in the annual report as of 31 December 2023. The reduction is evidenced on the basis of energy savings calculations and the resulting reduction in $CO_2$ emissions for final energy consumption. Furthermore, all $CO_2$ emission reductions achieved in 2024 that can be demonstrably attributed to measures aimed at changing user behaviour are taken into account. This may be evidenced by studies or reports by acknowledged experts that have been specifically prepared for individual measures taken in the 2023 financial year or through the use of a well-known, scientifically quantified and verified method of influencing user behaviour in the context of space heating that has been published in a peer-reviewed journal.

These $CO_2$ savings should be achieved on a climate-adjusted basis, meaning they are calculated for an average year as expected in the long-term mean for Germany, according to the German Weather Service.

### Definition of the ESG sub-target "Social" for STI 2024

The ESG sub-target "Social" is achieved if a total of 100 LEG employee hours is dedicated to the conception, organisation, or implementation of intercultural projects by 31 December 2024. This includes, among other things, intercultural training sessions, tenant festivals, and social sector activities.

### Definition of the ESG sub-target "Governance" for STI 2024

For the ESG sub-target "Governance," the proportion of successfully completed "IT Security" training sessions serves as the basis. This rate is verifiable at the employee level.

The ESG targets are weighted at 20% overall. All ESG sub-targets ("Environmental," "Social," and "Governance") are weighted equally.

| Environmental | Social | Governance[2] |
|---|---|---|
| **Target:**<br>Reduction of 4,000 tonnes $CO_2$ through modernisation projects and changes in customer behaviour | **Target:**<br>Deployment of 100 LEG employee hours for the conception, organisation, or implementation of intercultural projects by 31/12/2024. | **Target 1:**<br>99 % of LEG employees*, across LEG Management, LEG Wohnen NRW, EnergieServicePlus, LCS Consulting und Service, LEG Bauen, LEG Consult, LWS Plus, and Youtilly, have completed the "IT Security" training by 31/12/2024.<br><br>**Target 2:**<br>85 % of the workforce[1] at TSP has completed the "IT Security" training by 31/12/2024. |
| **Targets:**<br>0 % minimum value: 3,600 tonnes $CO_2$<br>100 % target: 4,000 tonnes $CO_2$<br>200 % maximum value: 4,400 tonnes $CO_2$ | **Targets:**<br>0 % minimum value: 50 employee hours<br>100 % target: 100 employee hours<br>200 % maximum value: 150 employee hours | **Targets:**<br>0 % minimum value: 94 % (Target 1), 80 % (Target 2)<br>100 % target: 99% (Target 1), 85 % (Target 2)<br>200 % maximum value: 100 % (Target 1), 100 % (Target 2) |

[1] Active employees are those (from employee group 1) who are in an active employment relationship with the LEG Immobilien Group as of 1 January 2024 or have joined by the cut-off date of 30 September 2024. Temporary staff, interns, and working students (employee groups 40-41, 60-66), employees in passive semi-retirement (employee group 4), inactive employment relationships (employment status 1), or those absent due to a long-term work interruption (e.g., long-term illness) are excluded from the calculation.

[2] Target 1 and Target 2 must be achieved in accordance with the specified bandwidths and are included in the target value calculation with these values.

## Target achievement of ESG sub-targets for STI 2024

| | Actually achieved | Target achievement | Target achievement on the basis of contractually agreed weighting |
|---|---|---|---|
| **Environmental** | 6,639 tonnes of $CO_2$ saved | 200.0 % | 13.3 % |
| **Social** | 665 hours | 200.0 % | 13.3 % |
| **Governance** | **Target 1:**<br>100 % participation rate<br>**Target 2:**<br>99.2 % participation rate | **Target 1:** 200.0 %<br><br>**Target 2:** 194.7 % | 13.2 % |
| **Total** | | | **39.8 %** |

The target achievement of the ESG goals in the 2024 financial year is 199.1 %.

### Payout amount attributable to ESG targets for STI 2024 before criterion-based adjustment factor

This results in the following payout amounts:

| in EUR | Lars von Lackum CEO | Dr Kathrin Köhling CFO | Dr Volker Wiegel COO |
|---|---|---|---|
| **STI 2024 – ESG targets** | 280,747 | 141,767 | 176,811 |

**Payout amounts for STI 2024 (before criterion-based adjustment factor)**

| in EUR | Lars von Lackum CEO | Dr Kathrin Köhling CFO | Dr Volker Wiegel COO |
|---|---|---|---|
| **STI 2024 – Adjusted EBITDA margin** | 360,960 | 182,272 | 227,328 |
| **STI 2024 – AFFO per share** | 348,742 | 176,102 | 219,633 |
| **STI 2024 – ESG targets** | 280,747 | 141,767 | 176,811 |
| **STI 2024 total (before criterion-based adjustment factor)** | **990,449** | **500,141** | **623,772** |

**Criterion-based adjustment factor for STI 2024**

The regulations for the STI provide for a criterion-based adjustment factor, in addition to the financial performance criteria and ESG targets, with a range of 0.8 to 1.2. The criteria on which the adjustment factor is assessed must be determined before the start of the relevant financial year. For the criterion-based adjustment factor, the Supervisory Board established the following criterion for the 2024 financial year in December 2023:

Balanced positioning of LEG Immobilien SE in the trade-off between the capital market's return requirements on the one hand and the demands for sustainable corporate governance on the other, with challenging $CO_2$ targets for the portfolio and the goal of continuing to offer tenants quality housing at a fair price.

In addition, in implementation of recommendation G.11 sentence 1 GCGC, the Supervisory Board has reserved the right to take into account extraordinary developments in the context of the criteria-based adjustment factor.

Following the recommendation of the Remuneration Committee, the Supervisory Board resolved by circular resolution on 19 February 2025 to set the criteria-based adjustment factor at 1.1 with regard to the defined criterion and the overall performance of the Executive Board.

## Total target achievement of STI 2024

**Payout amounts for STI 2024 (after criterion-based adjustment factor)**

| in EUR | Lars von Lackum CEO | Dr Kathrin Köhling CFO | Dr Volker Wiegel COO |
|---|---|---|---|
| **Before discretionary factors** | 990,449 | 500,141 | 623,772 |
| **According to criteria-based adjustment factor** | 1,089,494 | 550,155 | 686,149 |

The weighted target achievement of the performance criteria results in the overall target achievement level of the STI. The total target achievement rate of STI 2024 after the criterion-based adjustment factor amounts to 140.5 %.

The payout amounts from STI 2024 are capped at EUR 1,410 thousand for Lars von Lackum, EUR 712 thousand for Dr Kathrin Köhling, and EUR 888 thousand for Dr Volker Wiegel.

The STI payable based on the above determination will be settled and paid to the respective Management Board member no later than 30 days after the approval of the consolidated financial statements of LEG Immobilien SE for the 2024 financial year.

## Long-term variable remuneration component - LTI

In addition to the STI, the Management Board members are entitled to an LTI aligned with the company's long-term and sustainable development. This LTI is newly awarded for each financial year and is designed for a four-year performance period.

Currently, two different LTI programmes are in place for the Management Board members, each governed by different regulations: the LTI programme applicable for the 2021 financial year and the LTI programme applicable from the 2022 financial year onwards.

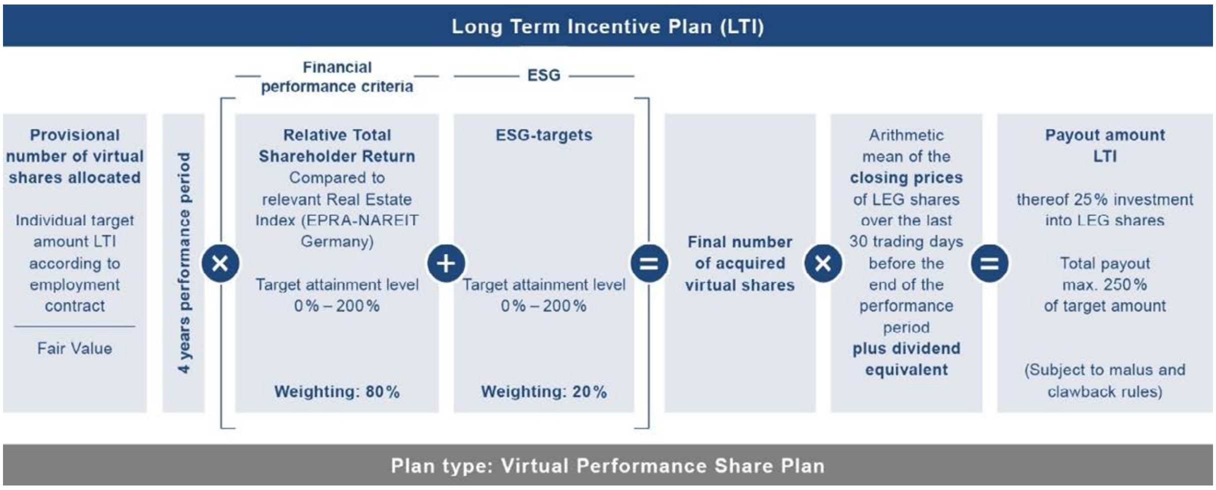
In this remuneration report, the 2021 LTI, whose performance period ended in the 2024 reporting year, is treated as "remuneration granted" to the members of the Management Board within the meaning of Section 162 AktG. The following section provides an overview of the LTI plan conditions in place since the 2022 financial year. The LTI for the 2022 financial year is a further development of the LTI 2021. The LTI plan conditions applicable since the 2022 financial year result in remuneration being granted only after the completion of the four-year performance period. Following the presentation of the ongoing LTI programmes, the target achievement of the LTI 2021, reported as granted remuneration in the 2024 reporting year, will be discussed.

## LTI plan conditions from 2022 (LTI 2022 / LTI 2023 / LTI 2024)

Since the 2022 financial year, Management Board members have received an LTI in the form of a virtual Performance Share Plan based on a four-year performance period. The LTI plan conditions in place since 2022 incentivise the long-term increase in financial and non-financial performance criteria.

The Supervisory Board took several factors into account when deciding on the use of virtual performance shares for the LTI allocation. A key advantage is that the ownership structure is not diluted on the basis of virtual shares. Another key advantage is the flexibility to structure the LTI plan in a way that best suits the interests of the company and its shareholders.

Regardless of the payout, Management Board members are required to invest 25 % of the LTI distribution in shares issued by the company and hold them for the duration of their tenure. This ensures that the members of the Management Board always align their behaviour with the interests of LEG Immobilien SE and its shareholders.




## Performance criteria of the LTI (LTI 2022 / LTI 2023 / LTI 2024)

The determination of LTI 2022, LTI 2023, and LTI 2024 is based on the following financial and non-financial performance criteria:

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

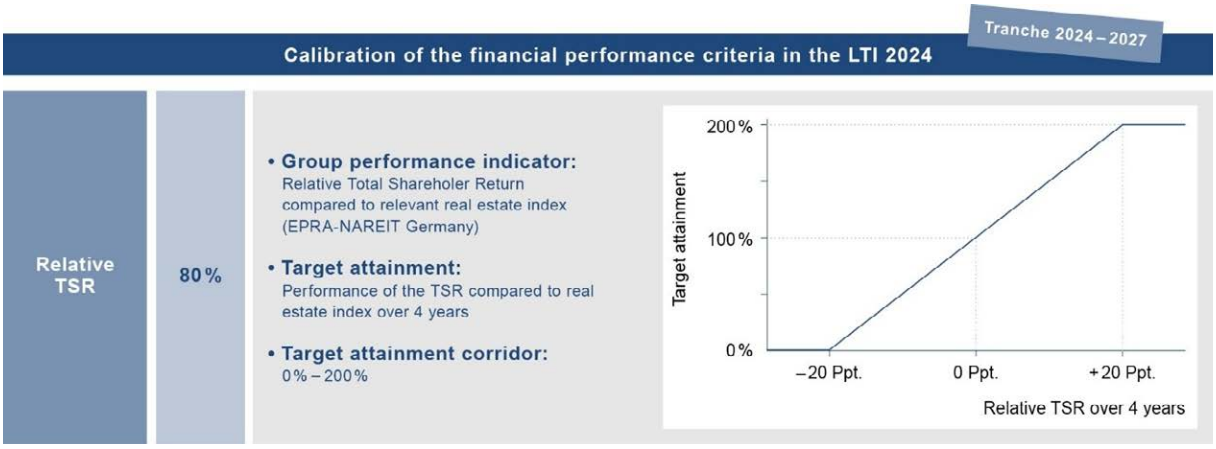
The payout amount determined after the end of the respective performance period for the LTI granted for a financial year is capped at a maximum of 250 % of the target amount (2.5 times the individual target amount). The Management Board member is required to invest 25 % of the LTI payout amount in shares issued by the company and hold them for the duration of their tenure.

### Relative total shareholder return (TSR)

The financial performance criterion used in LTI 2022 is the TSR compared to a relevant real estate index, weighted at 80 %. The Supervisory Board has decided to use the EPRA NAREIT Germany (EPRA Germany) Index as the benchmark index. The EPRA Germany Index comprises LEG Immobilien SE's key national listed competitors and is thus a relevant peer group.

TSR describes changes in LEG Immobilien SE's share price for the performance periods, including notionally reinvested gross dividends per share. The relative TSR represents the difference in percentage points between the share price change of LEG Immobilien SE, including the hypothetically reinvested gross dividends, on the one hand, and the change in the EPRA Germany Index over the performance period on the other.

The target achievement of the relative TSR is 100 % if the relative TSR is 0 percentage points, meaning that the share price performance, including the hypothetically reinvested gross dividend of LEG Immobilien SE, matches the performance of the EPRA Germany Index. If relative TSR is 20 percentage points or more below TSR in the benchmark index, target achievement is 0 %. Target achievement is 200 % if relative TSR is 20 percentage points or more above the benchmark index's TSR. Relative TSR higher than this does not further increase target achievement. Target achievements between the defined minimum, target, and maximum values are linearly interpolated.




### ESG goals

As with the STI, specific ESG targets are also set for the respective LTI. Different ESG targets are used compared to the STI to avoid double incentivisation. The Supervisory Board determines the specific ESG targets for the respective LTI before the start of the corresponding performance period. The ESG targets are precisely defined and clear measurability is ensured.

The Supervisory Board has defined the following ESG targets as non-financial performance criteria for the LTI 2024:

| Environmental | Social |
|---|---|
| **Target:**<br>Installation and commissioning of 2,000 air-to-air heat pumps in 2027 in LEG's portfolio and in third-party portfolios | **Target:**<br>Acceleration of the processing time of total LEG tenant complaints by 10.0 % by 31 December 2027 based on the average processing time of resolved complaint tickets from March 2024 and September 2024 |
| **Targets:**<br>0 % minimum value: 1,500 air-to-air heat pumps<br>100 % target value: 2,000 air-to-air heat pumps<br>200 % maximum value: 2,500 air-to-air heat pumps | **Targets:**<br>0 % minimum value: 5.0 % acceleration<br>100 % target value: 10.0 % acceleration<br>200 % maximum value: 15.0 % acceleration |

## Target achievement of the LTI

The payout amount of the LTI is calculated on the basis of virtual shares. The number of virtual shares is calculated on the basis of the degree of target achievement of the "relative TSR" and "ESG targets" performance criteria.

| | |
|---|---|
| | Number of provisionally allocated virtual shares |
| x | (Target achievement of relative TSR x 80 % + target achievement of ESG targets x 20 %) |
| = | **Final number of virtual shares** |

The resulting payout amount of the LTI is calculated by multiplying the final number of virtual shares by the arithmetic mean of the closing prices of LEG Immobilien SE shares in XETRA trading on the Frankfurt Stock Exchange (or a successor system replacing the XETRA system) over the last 30 trading days prior to the end of the performance period and the gross dividends paid per LEG Immobilien SE share ("dividend equivalent") during the performance period.

| | |
|---|---|
| | Final number of virtual shares |
| x | (arithmetic mean of the share price + dividend equivalent) |
| = | **Payout amount in EUR** |

The total amount of the LTI allocated for a financial year, determined at the end of the respective performance period, is capped at a maximum of 250 % of the target amount (2.5 times the individual target amount).

The Management Board member is required to invest 25% of the LTI payout in shares issued by the company and hold them for the duration of their tenure.

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

The LTI 2021 is structured as a performance cash plan without a virtual share component. The payout for performance cash plans is made at the end of the planned term and is dependent on the achievement of certain company targets. The 2021 LTI is calculated on the basis of the following financial and non-financial performance targets:

| Performance criteria | weighting |
|---|---|
| Development of absolute total shareholder return | 40 % |
| Development of LEG Immobilien SE's share price compared to the relevant EPRA NAREIT Germany Index | 40 % |
| Non-financial targets (ESG) | 20 % |

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

### Target achievement of the LTI Programme 2021 at 100 % target achievement

| in EUR | Lars von Lackum CEO | Dr Volker Wiegel COO | Susanne Schröter-Crossan CFO |
|---|---|---|---|
| Total Shareholder Return | 240,000 | 178,000 | 178,000 |
| Relative share price performance | 240,000 | 178,000 | 178,000 |
| ESG targets | 120,000 | 89,000 | 89,000 |
| **Total** | **600,000** | **445,000** | **445,000** |

The financial performance criteria used in LTI 2021 are the development of the absolute TSR and the relative share price performance. These performance criteria are therefore geared towards adding value for shareholders and create incentives to generate shareholder value.

The absolute TSR generally describes the development of LEG's share price over the performance period, including the hypothetically reinvested gross dividends per share during this period.

The target achievement of the performance criterion development of the absolute TSR is 100 % if the absolute TSR of the LEG share deviates 0 percentage points from the target value set for the respective LTI. If the absolute TSR is 10 percentage points or more below the target value, the target achievement is 0 %. If the absolute TSR is 10 percentage points above the target value, the target achievement is 200 %. Further increases in the absolute TSR do not lead to any additional increase in target achievement. Target achievements between the defined minimum, target, and maximum values are linearly interpolated.

To determine the target achievement of the relative share price performance criterion, the development of the LEG Immobilien SE share price in per cent in the respective performance period is compared with the development of the EPRA Germany Index in per cent. The EPRA Germany Index comprises LEG Immobilien SE's key national listed competitors and is thus a suitable peer group.

The EPRA Germany performance is subtracted from the share performance of LEG Immobilien SE. If the result of the subtraction is 0, the degree of target achievement is 100 %. With a share performance that is 20 percentage points lower than the EPRA Germany performance, the target achievement is 0 % ("minimum value"). A share performance that is 20 percentage points higher than the EPRA Germany index results in a target achievement of 200 % ("maximum value"). If the maximum value is reached, a further improvement in share performance will not lead to a further increase in target achievement. Target achievements between the defined minimum, target, and maximum values are linearly interpolated.

For the ESG targets, the Supervisory Board could define criteria from the categories "Environmental," "Social," and "Governance." For the LTI 2021, the Supervisory Board defined operationalised criteria from the "Environmental" and "Social" categories with specific targets. The Supervisory Board sets the specific targets and the minimum and maximum values each year before the start of the relevant financial year; the Supervisory Board set ESG targets for the LTI that differed from the ESG targets set for the STI. The Supervisory Board assessed target achievement based on suitable quantitative or qualitative evaluations for measuring the success of the respective ESG targets. The target achievement of the ESG goals is capped at 200 %.

The payout of LTI 2021 will take place after the end of the four-year performance period in the 2025 financial year.

## LTI 2021 granted in the 2024 financial year

**Target achievement development of absolute TSR in the performance period 2021 to 2024:**

The Supervisory Board has set the following target values for the LTI 2021 for the performance criterion of the development of absolute TSR:

| 100 % target value | Ranges |
|---|---|
| 7.0 % | 0 % minimum value: 5.6 %<br>100 % target value: 7.0 %<br>200 % maximum value: 8.4 % |

For the performance criterion development of the absolute TSR, the actual achieved value for the performance period 2021 to 2024 is -20.86 %. The degree of target achievement for the performance criterion development of the absolute TSR is therefore 0.00 %.

**Target achievement of relative share price performance in the performance period 2021 to 2024**

The Supervisory Board has set the following target values for the LTI 2021 performance criterion relative share price performance:

| 100 % target value | Ranges |
|---|---|
| 100.0 % | 0 % minimum value: ≤ 80.0 %<br>100 % target value: 100.0 %<br>200 % maximum value: 120.0 % |

The performance of LEG Immobilien SE's share relative to the EPRA NAREIT Germany Index in the relevant period from 2021 to 2024 was 118.9 %. The degree of target achievement for the relative share price performance sub-target is 194.3 % or 77.7 % on a weighted basis.

### Target achievement of ESG in the performance period 2021 to 2024

| Environmental | Social |
|---|---|
| **Target:**<br>Reduction of the climate-adjusted $CO_2$ emissions in kg/m² of the portfolio compared to the base year 2019 over the next four years, based on the portfolio included in the annual report as of 31/12/2019. | **Target:**<br>Measurement value of the "Trust Index" for the LEG Group, determined in the biennial employee survey "Great Place to Work." The relevant factor is the development of the average value from the two measurements conducted during the four-year LTI period, compared to the measurement value determined in the 2020 survey. |
| **Target values[1]:**<br>0 % minimum value: -6 %<br>100 % target value: -10 %<br>200 % maximum value: -14 % | **Target values[1]:**<br>0 % minimum value: 60 %<br>100 % target value: 66 %<br>200 % maximum value: 72 % |

[1] Target achievement between the defined values is interpolated on a straight-line basis.
All sub-targets (environmental and social) are weighted equally.

| Criteria | Target | Target achievement |
|---|---|---|
| **Non-financial (ESG)** | Environment (Reduction of climate-adjusted $CO_2$ emissions in kg/m² of the portfolio compared to the base year 2019 over the next four years, based on the portfolio included in the annual report as of 31/12/2019) | 200.0 %<br>($CO_2$ reduction compared to base year 2019: 24%) |
| | Measurement value of the "Trust Index" for the LEG Group of at least 70 %, determined in the biennial employee survey "Great Place to Work." The relevant factor is the development of the average value from the two measurements conducted during the four-year LTI period, as determined in the 2020 survey. | 200.0 %<br>(Ø Trustindex 2022 & 2024: 73.5 %) |

The target achievement of the ESG targets in the 2024 financial year is 200.0 %.

### Target achievement of the LTI Programme 2021

The payout amount of the LTI 2021 is calculated as follows

| | |
|---|---|
| | Target achievement Development of absolute TSR x 40 % |
| + | Target achievement Relative share price performance x 40 % |
| + | Target achievement ESG targets x 20 % |
| x | with the target amount specified in the respective Management Board employment contract |
| = | **Payout amount of the LTI 2021** |

| Criteria | Target | Target achievement | weighted Target achievement |
|---|---|---|---|
| **Financial** | Development of absolute total shareholder return | 0.0 % | 0.0 % |
| | Relative share price performance | 194.3 % | 77.7 % |
| **Non-financial (ESG)** | Environment (Reduction of climate-adjusted $CO_2$ emissions in kg/m² of the portfolio compared to the base year 2019 over the next four years, based on the portfolio included in the annual report as of 31/12/2019) | 200.0 % | 20.0 % |
| | Measurement value of the "Trust Index" for the LEG Group of at least 70 %, determined in the biennial employee survey "Great Place to Work." The relevant factor is the development of the average value from the two measurements conducted during the four-year LTI period, as determined in the 2020 survey. | 200.0 % | 20.0 % |

| in EUR | Lars von Lackum CEO | Dr Volker Wiegel COO | Susanne Schröter-Crossan CFO |
|---|---|---|---|
| Total shareholder return | 0 | 0 | 0 |
| Relative share price performance | 466,248 | 345,801 | 345,801 |
| ESG targets | 240,000 | 178,000 | 178,000 |
| **Total** | **706,248** | **523,801** | **523,801** |
| **Management Board total** | | | **1,753,850** |

The target achievement rate for the LTI 2021 is 117.7 % overall.

Dr Kathrin Köhling is not entitled to payment of an LTI 2021 as she was not appointed to the Management Board until April 2023.

## Development of the provision for current LTI programme

For the current LTI programmes 2021 to 2025, the necessary provisions were formed or released based on actuarial reports and recognised as personnel expenses amounting to EUR 4.0 million. The utilisation of provisions relates to the LTI 2020 Tranche 3 paid out in the 2024 financial year. The provision for the LTI programmes amounted to approximately EUR 11.3 million as of 31 December 2024 (31 December 2023: approximately EUR 7.4 million).

### Development of the provision

| in EUR | Provision 31/12/2023 | Provision allocation (+) / release (-) in 2024 | Provisions utilisation in 2024 | Provision 31/12/2024 |
|---|---|---|---|---|
| **Lars von Lackum** | 3,202,978.38 | 1,790,573.06 | 85,579.59 | 4,907,971.85 |
| **Dr Kathrin Köhling** | 548,276.78 | 693,597.10 | 0.00 | 1,241,873.88 |
| **Dr Volker Wiegel** | 2,136,691.55 | 1,184,060.20 | 65,757.00 | 3,254,994.75 |
| **Susanne Schröter-Crossan** | 1,526,160.28 | 361,558.09 | 42,408.50 | 1,845,309.87 |
| **Total** | **7,414,106.99** | **4,029,788.45** | **193,745.09** | **11,250,150.35** |

## Malus and clawback provisions for variable remuneration

The Supervisory Board has the option to withhold (malus) or reclaim (clawback) variable remuneration components if the conditions outlined below are met. If a Management Board member commits at least a grossly negligent serious violation of legal or contractual duties or internal company conduct guidelines (compliance violation), the Supervisory Board has the right, at its reasonable discretion, to partially or fully reduce and thereby withhold variable remuneration components that have not yet been paid out. In addition, the Supervisory Board may, at its reasonable discretion, partially or fully reclaim the gross amount of variable remuneration components that have already been paid out.

Furthermore, the Supervisory Board has the option to partially or fully reclaim variable remuneration components that have already been paid out if, after the payout, it is determined that the consolidated financial statements, which formed the basis for calculating the payout amount and were audited by the external auditor and approved by the Supervisory Board, were incorrect. If a corrected consolidated financial statement had been used, a lower or no payout amount for the variable remuneration component would have been due. This is not dependent on the members of the Management Board being responsible for this.

Remuneration cannot be recovered on the basis of clawback provisions if payment was made more than two years prior. Legal reclaim options, such as the assertion of claims for damages, remain unaffected.

There was no malus or clawback in the 2024 financial year.

## Share ownership obligation (obligation according to Share Ownership Guidelines “SOG”)

Independently of the obligation to purchase shares under the LTI regulations from 2022 onwards, each Management Board member has been required, since 1 January 2021, to acquire shares in LEG Immobilien SE amounting to 100.0 % of their gross annual base salary within a four-year build-up phase and to hold them for the entire duration of their Management Board contract. During the establishment phase, each Management Board member is required to acquire shares in LEG Immobilien SE amounting to 25 % of their respective gross annual base salary in each of the four build-up years. The number of LEG Immobilien SE shares to be acquired in each establishment year is determined by dividing the applicable gross annual salary at the beginning of each build-up year by the rounded whole number value derived from calculating the arithmetic mean of the closing prices of LEG Immobilien SE shares in Xetra trading on the Frankfurt Stock Exchange over the last 30 trading days before the first day of the respective establishment year. Shares already held by a member of the Management Board are taken into account.

For the financial years from 2021 onwards, the Management Board members have achieved the SOG target. For Dr Kathrin Köhling, the obligation to acquire and hold shares began with the start of her Management Board contract on 1 April 2023.

The following table shows the number of LEG Immobilien SE shares held by the Management Board members at the relevant time to fulfil the SOG requirement.

### Attainment of the Share Ownership Guidelines

| | | Required | | Proven |
|---|---|---|---|---|
| 2024 | Actual number of shares as of 31/12/2023 | Percentage of basic remuneration | Gross annual basic remuneration in EUR thousand | 25 % of the gross annual basic remuneration in EUR thousand |
| Lars von Lackum [1] | 12,000 | 100 % | 1,045 | 261 |
| Dr Kathrin Köhling [2] | 2,310 | 100 % | 480 | 120 |
| Dr Volker Wiegel [1] | 4,581 | 100 % | 605 | 151 |

[1] Based on the average Xetra closing price of the last 30 trading days in the 2023 financial year, amounting to EUR 73.93.
[2] Based on the average Xetra closing price of the last 30 trading days as of 31 March 2024, amounting to EUR 72.67.

| | Number of shares to be purchased in 2024 | Amount in EUR thousand | Proven purchased shares in 2024 | Actual number of shares as of 31/12/2024 |
|---|---|---|---|---|
| Lars von Lackum [1] | 3,534 | 148 | 2,000 | 14,000 |
| Dr Kathrin Köhling [2] | 1,651[3] | 145 | 1,990 | 4,300 |
| Dr Volker Wiegel [1] | 2,046 | 157 | 2,119 | 6,700 |

[1] Based on the average Xetra closing price of the last 30 trading days in the 2023 financial year, amounting to EUR 73.93.
[2] Based on the average Xetra closing price of the last 30 trading days as of 31 March 2024, amounting to EUR 72.67.
[3] Number of shares to be purchased from 1 April 2023 to 31 March 2024.

As at 31 December 2024, Lars von Lackum had built up a share portfolio of 14,000 shares. At the beginning of the shareholding obligation in the 2021 financial year, he held 2,060 shares, which were counted towards the portfolio to be built up. By 31 December 2024, he had acquired 11,940 shares and thus exceeded the shareholding obligation by 3,039 shares.

## Total remuneration of the members of the Management Board

The remuneration granted to the Management Board members for the financial years 2024 and 2023, as defined in Section 162 (1) sentence 1 AktG, is shown in the following table. The table includes the remuneration components for the activities performed by the Management Board members in the reporting year or those whose assessment period ended in the reporting year ("remuneration paid"); there are no legally due but not yet received remuneration claims ("remuneration payable").

### Remuneration and benefits paid

| | Lars von Lackum CEO | | | | Dr Kathrin Köhling CFO | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | 2024 | | 2023 | |
| | T€ | in % | T€ | in % | T€ | in % | T€ | in % |
| Fixed remuneration | 1,045 | 37 | 950 | 45 | 480 | 46 | 281 | 44 |
| **Additional benefits** | 18 | 1 | 27 | 1 | 17 | 2 | 24 | 4 |
| **Total fixed remuneration components** | **1,063** | **38** | **977** | **46** | **497** | **48** | **305** | **48** |
| One-year variable remuneration (STI) total | 1,089 | 37 | 1,045 | 50 | 550 | 52 | 327 | **52** |
| One-year variable remuneration (STI 2023) | - | - | 1,045 | 50 | - | - | 327 | 52 |
| One-year variable remuneration (STI 2024) | 1,089 | 37 | - | - | 550 | 52 | - | - |
| Multi-year variable remuneration (LTI) total | 706 | 25 | 86 | 4 | - | - | - | - |
| LTI 2020 Tranche 3 (2020 to 2022) | - | - | 86 | 4 | - | - | - | - |
| LTI Tranche 2021 | 706 | 26 | - | - | - | - | - | - |
| **Total variable remuneration components** | **1,795** | **62** | **1,131** | **54** | **550** | **52** | **327** | **52** |
| **Total paid and payable remuneration pursuant to Section 162 (1) sentence 1 AktG** | **2,858** | **100** | **2,108** | **100** | **1,047** | **100** | **632** | **100** |
| Pension costs | 108 | - | 108 | - | 58 | - | 41 | - |
| **Total remuneration** | **2,966** | **-** | **2,216** | **-** | **1,105** | **-** | **673** | **-** |

| | Dr Volker Wiegel COO | | | | Susanne Schröter-Crossan[1] former CFO | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | 2024 | | 2023 | |
| | T€ | in % | T€ | in % | T€ | in % | T€ | in % |
| Fixed remuneration | 605 | 33 | 550 | 42 | - | - | 275 | 50 |
| **Additional benefits** | 38 | 2 | 39 | 3 | - | - | 8 | 1 |
| **Total fixed remuneration components** | **643** | **35** | **589** | **45** | **-** | **-** | **283** | **51** |
| One-year variable remuneration (STI) total | 686 | 37 | 653 | 50 | - | - | 224 | 41 |
| One-year variable remuneration (STI 2023) | - | - | 653 | 50 | - | - | 224 | 41 |
| One-year variable remuneration (STI 2024) | 686 | 37 | - | - | - | - | - | - |
| Multi-year variable remuneration (LTI) total | 524 | 28 | 66 | 5 | 524 | 100 | 42 | 8 |
| LTI 2020 Tranche 3 (2020 to 2022) | - | - | 66 | 5 | - | - | 42 | 8 |
| LTI Tranche 2021 | 524 | 28 | - | - | 524 | 100 | - | - |
| **Total variable remuneration components** | **1,210** | **65** | **719** | **55** | **524** | **100** | **266** | **49** |
| **Total paid and payable remuneration pursuant to Section 162 (1) sentence 1 AktG** | **1,853** | **100** | **1,308** | **100** | **524** | **100** | **549** | **100** |
| Pension costs | 58 | - | 58 | - | - | - | 29 | - |
| **Total remuneration** | **1,911** | **-** | **1,366** | **-** | **524** | **-** | **578** | **-** |

[1] End of Management Board contract as of 30 June 2023.

The fixed remuneration components, the short-term variable remuneration component (STI 2024), and the long-term variable remuneration component (LTI 2021) are classified as "remuneration paid," regardless of the actual payout date, as the underlying performance was completed by the balance sheet date of 31 December 2024.

In addition to the amount of remuneration, the relative share of all fixed and variable remuneration components in total remuneration must also be disclosed in accordance with section 162 (1) sentence 2 no. 1 AktG. The stated relative share relates to the remuneration components granted in the 2023 and 2024 financial years in accordance with section 162 (1) sentence 1 AktG. The relative share values stated in the Management Board remuneration system refer solely to target remuneration. The relative shares actually achieved may therefore differ significantly from the relative shares given in the Management Board remuneration system, which are based on the target values. To ensure transparent reporting, pension costs for the company pension scheme are disclosed separately.

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

### Maximum Management Board remuneration in the 2024 financial year

The maximum remuneration for a financial year, including basic remuneration, variable remuneration components, occupational pension provisions, and additional, benefits, is capped at EUR 4,800 thousand for Lars von Lackum, EUR 3,100 thousand for Dr Kathrin Köhling, and EUR 3,100 thousand for Dr Volker Wiegel. If the maximum remuneration for a financial year is exceeded, the payout amount of the LTI for the respective financial year will be reduced accordingly. Compliance with the maximum remuneration for the 2024 financial year will be reported after all remuneration components for this financial year have been granted. The maximum remuneration of the Management Board members was benchmarked against the Executive Board remuneration in the MDAX, DAX 50 ESG and the peer group. Compared to the MDAX, the DAX 50 ESG and the peer group, it was within the normal market range for the CEO and COO. In comparison, Dr Kathrin Köhling's maximum remuneration was below the standard market range for the MDAX and selected property companies.

### Remuneration of former members of the Management Board

In the 2024 financial year, there were no remuneration obligations under Section 162 (1) AktG towards former Management Board members, except for Susanne Schröter-Crossan. As described, Susanne Schröter-Crossan still has claims from the current LTIs for 2021 to 2023.

### Benefits in the event of early termination of employment

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

### Severance pay

The Management Board contracts do not provide for any entitlement to severance payments in the event of early termination of their appointment; however, the Supervisory Board has the option to agree on such a payment.
In the event of the early termination of the activity of a member of the Management Board, the payments made to the respective member must not exceed the value of two years’ remuneration (severance cap) or the value of the remuneration payable for the remaining term of this contract. The severance payment cap is calculated on the basis of the total remuneration for the past financial year and, if applicable, the expected total remuneration for the current financial year.

In the event of premature termination of a Management Board employment contract for good cause for which the Management Board member is responsible, the Executive Board member is not entitled to any payments.

### Change of control

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

The severance payment regulations applicable in the event that the special right of termination is exercised stipulate that the payment in connection with the termination of Management Board activity due to a change of control is limited to a maximum of two years' remuneration, limited to the value of the remuneration for the remaining term of the Management Board employment contract.

### Death benefit

If the Management Board member dies during the term of the contract, the remuneration including STI and LTI up to the date of termination of the contract as a result of the death is settled and paid to the heirs in accordance with the provisions of the Management Board employment contract. In addition, the widow(er) and children, provided they have not yet reached the age of 25, are entitled as joint creditors to the undiminished continued payment of remuneration for the remainder of the month of death and the three following months, but at the longest until the end of the term of the Management Board employment contract that would have occurred without the death of the Management Board member.

## Remuneration of members of the Supervisory Board

### Remuneration system for the Supervisory Board

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

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

The Supervisory Board has established five committees, four of which receive equal remuneration. To account for the increasingly important and intensive preparatory work of the committees and to ensure consistency in committee remuneration with the Supervisory Board's targeted remuneration policy positioning, the Supervisory Board and the Management Board proposed to the Annual General Meeting in May 2024 an increase in committee remuneration to the 75th percentile of the comparison group (MDAX), raising it from the current EUR 25,000 to EUR 30,000 for committee members (committee chair: EUR 60,000). The Annual General Meeting approved this proposal accordingly.

### Remuneration scheme for the Supervisory Board

| | |
|---|---|
| **Fixed remuneration** | The fixed remuneration of an ordinary member of the Supervisory Board amounts to EUR 90,000.00. |
| **Differentiation** | The Chairman of the Supervisory Board receives 2.5 times the fixed remuneration of an ordinary member of the Supervisory Board and the Deputy Chairman of the Supervisory Board receives 1.25 times the fixed remuneration of an ordinary member of the Supervisory Board. |
| **Committee remuneration** | The members of a Supervisory Board committee receive an additional annual fixed remuneration of EUR 30,000.00; the committee Chairman receives double this amount. No remuneration is paid for membership and chairmanship of the Nomination Committee. |

The function-based differentiation in the remuneration of the Chair compared to the Deputy Chair and the regular Supervisory Board members reflects the greater responsibility, the broader range of tasks, and the associated higher time commitment of the Supervisory Board Chair. This is in line with Principle 25 and Recommendation G.17 of the German Corporate Governance Code (DCGK). The differentiation is standard market practice. MDAX companies were used as a peer group for reviewing the remuneration of Supervisory Board members.

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

LEG Immobilien SE has taken out a directors' and officers' (D&O) liability insurance policy for the Supervisory Board members with an appropriate coverage amount and no deductible.

Attendance fees are not paid.

## Breakdown of Supervisory Board remuneration

The following remunerations were granted to the Supervisory Board members for the financial years 2024 and 2023 in accordance with Section 162 (1) sentence 1 AktG:

### Supervisory Board remuneration 2024

| Last name | First name | Fixed remuneration | | Remuneration for committee activity | | Board Total remuneration 2024 | Board Total remuneration 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|---|---|
| | | in EUR | in % | in EUR | in % | in EUR | in EUR | in % |
| **Room [1)]** | **Michael** | 225,000.00 | 72.80 | 84,083.33 | 27.20 | **309,083.33** | 275,000.00 | 12.39 |
| **Dr Nolting [2)]** | **Claus** | 112,500.00 | 50.09 | 112,111.11 | 49.91 | **224,611.11** | 187,500.00 | 19.79 |
| **Beumer [3)]** | **Christoph** | 54,500.00 | 75.00 | 18,166.67 | 25.00 | **72,666.67** | 0.00 | 0.00 |
| **Dr Eichelberg** | **Sylvia** | 90,000.00 | 76.25 | 28,027.78 | 23.75 | **118,027.78** | 115,000.00 | 2.63 |
| **Dr Scharpe [4)]** | **Jochen** | 35,500.00 | 78.26 | 9,861.11 | 21.74 | **45,361.11** | 115,000.00 | -60.56 |
| **Dr Suder [5)]** | **Katrin** | 90,000.00 | 61.62 | 56,055.55 | 38.38 | **146,055.55** | 140,000.00 | 4.33 |
| **Wiesmann [6)]** | **Martin** | 90,000.00 | 39.11 | 140,138.89 | 60.89 | **230,138.89** | 165,000.00 | 39.48 |
| **Total** | | **697,500.00** | **60.87** | **448,444.44** | **39.13** | **1,145,944.44** | **997,500.00** | **14.88** |

1) Chairman of the Supervisory Board, the Executive Committee, and the Nomination Committee
2) Deputy Chairman of the Supervisory Board, the Executive Committee, the Nomination Committee, and the Risk and Audit Committee
Appointed upon the conclusion of the AGM on 23/05/2024.
Appointed upon the conclusion of the AGM on 23/05/2024.
5) Chairwoman of the ESG Committee
6) Chairman of the Remuneration Committee

### Number of LEG Immobilien SE shares held as at 31/12/2024

| Members of the Supervisory Board | Number of LEG Immobilien SE shares held as at 31/12/2024 |
|---|---|
| **Michael Zimmer** | 4,100 |
| **Martin Wiesmann** | 1,400 |
| **Dr Katrin Suder** | 500 |

The Supervisory Board members are not required to purchase and hold shares in LEG Immobilien SE.

Michael Zimmer also acquired corporate bonds in the LEG bond 2025/2035 with a nominal value of EUR 500 thousand and bonds in the convertible bond 2024/2030 with a nominal value of EUR 1 million.

## Comparative presentation of earnings development and annual changes in remuneration pursuant to Section 162 (1) sentence 2 no. 2 AktG

Pursuant to Section 162 (1) sentence 2 no. 2 AktG, the earnings development of LEG Immobilien SE, the annual change in the remuneration of Management Board and Supervisory Board members, as well as the annual change in the average remuneration of employees on a full-time equivalent basis, must be presented over the past five financial years (so-called "Vertical comparison"). LEG Immobilien SE makes use of the transitional relief under Section 26j (2) sentence 2 EGAktG and is gradually building up the vertical comparison over the first five years.

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

The average employee remuneration includes personnel costs for wages and salaries, including payroll tax, employer contributions to social security, additional benefits, and short-term variable remuneration components for all companies within the LEG Group. The average number of employees is calculated on the basis of section 267 (5) HGB.

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

| **Earnings development** | **2024** | **2023** | **Change in %** | **2022** | **Change in%** |
|---|---|---|---|---|---|
| Group AFFO in EUR million | 200.4 | 181.2 | 10.6 | 108.8 | 66.5 |
| Group AFFO per share in EUR | 2.70 | 2.44 | 10.7 | 1.48 | 64.9 |
| | | | | | |
| Annual earnings of LEG Immobilien SE (Individual company) in EUR million | 4.1 | 18.3 | -77.6 | -307.6 | -105.9 |
| Total comprehensive income of LEG Immobilien SE (Group) in EUR million | 62.6 | -1,593.3 | -103.9 | 315.6 | -604.8 |
| **Average remuneration per employee in EUR thousand** | 80 | 77 | 3.9 | 72 | 6.9 |
| **Management Board remuneration in EUR thousand** | | | | | |
| Lars von Lackum | 2,858 | 2,108 | 30.9 | 1,910 | 10.4 |
| Dr Kathrin Köhling | 1,047 | 632 | 57.8 | - | - |
| Dr Volker Wiegel | 1,853 | 1,308 | 36.9 | 1,211 | 8.0 |
| Susanne Schröter-Crossan[1] | 524 | 549 | -4.6 | 1,066 | -48.5 |
| **Supervisory Board remuneration in EUR thousand** | | | | | |
| Christoph Beumer[2] | 73 | - | - | - | - |
| Dr Sylvia Eichelberg | 118 | 115 | 2.6 | 100 | 14.7 |
| Dr Claus Nolting | 225 | 188 | 19.7 | 162 | 15.8 |
| Dr Katrin Suder | 146 | 140 | 4.3 | 86 | 62.8 |
| Martin Wiesmann | 230 | 165 | 39.4 | 141 | 17.2 |
| Michael Zimmer | 309 | 275 | 12.4 | 256 | 7.5 |
| **Supervisory Board members who left during the financial year** | | | | | |
| Herr Dr Jochen Scharpe (until 23 May 2024) | 45 | 115 | -60.9 | 110 | 4.5 |

[1] End of Management Board contract as of 30 June 2023.
[2] Member of Supervisory Board from 23 May 2024

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

| **Earnings development** | **2021** | **Change in %** | **2020** | **Change in%** |
|---|---|---|---|---|
| Group AFFO in EUR million | 92.2 | 18.0 | 92.8 | -0.6 |
| Group AFFO per share in EUR | 1.27 | 16.5 | 1.32 | -3.8 |
| | | | | |
| Annual result of LEG Immobilien SE (individual company) in EUR million | -33.4 | 821.0 | -17.6 | 89.6 |
| Total comprehensive income of LEG Immobilien SE (Group) in EUR million | 1,750.1 | -82.0 | 1,360 | 28.7 |
| | | | | |
| **Average remuneration per employee in EUR thousand** | 72 | 0.0 | 71 | 1.4 |
| | | | | |
| **Management Board remuneration in EUR thousand** | | | | |
| Lars von Lackum | 1,874 | 1.9 | 1,346 | 39.2 |
| Dr Kathrin Köhling | - | - | - | - |
| Dr Volker Wiegel | 1,259 | -3.8 | 966 | 30.3 |
| Susanne Schröter-Crossan[1] | 1,116 | -4.5 | 491 | 127.2 |
| | | | | |
| **Supervisory Board remuneration in EUR thousand** | | | | |
| Christoph Beumer[2] | - | - | - | - |
| Dr Sylvia Eichelberg | 47 | 114.3 | - | - |
| Dr Claus Nolting | 116 | 40.2 | 74 | 56.5 |
| Dr Katrin Suder | - | - | - | - |
| Martin Wiesmann | 96 | 46.2 | 17 | 473.1 |
| Michael Zimmer | 224 | 14.2 | 226 | -0.9 |
| **Supervisory Board members who left during the financial year** | | | | |
| Dr Jochen Scharpe (until 23 May 2024) | 96 | 14.7 | 104 | -7.7 |

[1] End of Management Board contract as of 30 June 2023.
[2] Member of Supervisory Board from 23 May 2024

## Outlook 2025:

## Adjustment of the Management Board remuneration system in the 2025 financial year

The business environment of LEG Immobilien SE remains largely influenced by geopolitical and domestic political risks, as well as increasing regulatory requirements for energy-efficient housing and rent pricing, unchanged from the previous year. Shortages of materials and skilled labour continue to prevail. The development of energy costs remains uncertain. In the second half of 2024, the valuation of property portfolios stabilised. LEG Immobilien SE's day-to-day business is therefore subject to a high degree of uncertainty, some of which is beyond the control of the Management Board. Against this background, the Management Board and the Supervisory Board agree that the proven business strategy of recent years and the cash-oriented management approach, based on the performance criteria adjusted EBITDA margin and AFFO per share, should be continued unchanged in the 2025 financial year. The capital market report provides a detailed overview of the environment in which LEG Immobilien SE operates.

Accordingly, the approved 2025 business plan, the 2025 forecast presented on 8 November 2024 as part of the Q3 2024 reporting, and the target-setting for the 2025 Management Board remuneration are aligned with this business strategy and corporate management approach.

The Supervisory Board must determine the target values for the performance criteria of the STI for the following year, as well as the LTI starting in the following year, before the beginning of that year, in accordance with the Management Board contracts. The corresponding Supervisory Board resolution is passed after the approval of the business plan for the following year, as the target values for the financial performance criteria are based on the business plan. The target values for the performance criteria of the variable Management Board remuneration for the following year are published alongside the Q3 figures of the current year. Adjustments to forecasts made during the year are not taken into account in calculating target achievement.

The Management Board and Supervisory Board are aware that the economic planning for 2025 and subsequent years is ambitious and subject to significant external risks, as described in the 2024 opportunity and risk report. In this context, the Supervisory Board set the target values for the financial and non-financial performance criteria of the STI and LTI on 15 December 2024. The Supervisory Board considers the targets to be consistently challenging. The LTI continues to focus on the interests of the company and its shareholders.

LEG Immobilien SE continued its successfully established sustainability strategy in the 2024 financial year. The focus of the updated sustainability strategy is on the "Environmental" dimension. In addition to $CO_2$ reduction in existing buildings, the focus is on the financial viability of $CO_2$ reduction measures. Already established companies (Green Ventures), which operate with their products and services both for the company and for third parties, offer significant revenue potential and are therefore key drivers of the sustainability strategy. Due to the strategic focus on the "Environmental" dimension, the Supervisory Board intends in future to set only one target from the "Environmental" dimension in both the STI and the LTI when determining the ESG targets, each weighted at 20 %. Nevertheless, the provision of affordable housing and the fulfilment of LEG Immobilien SE’s high governance standards continue to shape the company’s daily operations.

## Action areas from assessing the suitability of the remuneration system and remuneration amounts

The system and the customary and appropriate level of Management Board remuneration must be regularly reviewed by the Remuneration Committee. If necessary, the Remuneration Committee proposes adjustments to the Supervisory Board to ensure that the members of the Management Board receive a competitive remuneration package that is in line with the market within the applicable framework.

The Remuneration Committee reviewed the remuneration system again in the 2024 financial year with the help of an external, independent remuneration consultant. The review has shown that the remuneration system is appropriate with regard to capital market expectations and governance requirements.

The structure of the target total direct remuneration corresponds to the structure of comparable Management Board remuneration in the MDAX. The fundamental functionality of the STI is transparent and comprehensible. The selection and weighting of the financial key figures align with the strategic goals of LEG Immobilien SE and are in line with market standards. The functionality of the LTI is also transparent and comprehensible. The selection of financial key figures also aligns with the strategic goals of LEG Immobilien SE and is in line with market standards.

The integration of ESG targets with concrete operationalisation aligns with market practice and the requirements of the capital market.

In order to align the behaviour of the Management Board even more closely with the interests of the company and its shareholders and to optimally dovetail the behaviour of the Management Board with the strategic positioning of the company, the Supervisory Board has adjusted the remuneration system and will submit the agreed adjustments to the 2025 Annual General Meeting for approval. With the adjustments made, the Supervisory Board is also endeavouring to reduce complexity and administrative expenses.

In detail, the adjustment of the remuneration system

- the criteria-based adjustment factor in the STI was cancelled; however, the discretionary elements in the malus and clawback provisions remained unchanged;
- the criteria in the ESG targets are focussed on environmental;
- the maximum remuneration was increased.

### Adjusted EBITDA margin

**Adjusted EBITDA margin and target achievement**

| new range | previous range |
|---|---|
| + 5.0 %-points /- 3.5 %-points | +/- 5.0 %-points |

If the adjusted EBITDA margin target value is reached, the target achievement level is 100 %. If the target value is exceeded by 5 percentage points, the maximum value of 200 % target achievement is reached. If the target value is undercut by 3.5 percentage points, the target achievement corresponds to the minimum value of 0 %. Target achievements between the defined minimum, target, and maximum values (0 %; 100 %; 200 %) are linearly interpolated.

### AFFO per share

**AFFO per share and target achievement**

| new range | previous range |
|---|---|
| + 20.0 % /- 15.0 % | +/- 20.0 % |

If the target value for the performance criterion AFFO per share is achieved, the target achievement is 100 %. If the target value is exceeded by 20 %, the maximum value of 200 % target achievement is reached. If the target value is undercut by 15 %, the target achievement corresponds to the minimum value of 0%. Target achievements between the defined minimum, target, and maximum values (0 %; 100 %; 200 %) are linearly interpolated.

### Maximum remuneration

Pursuant to Section 87a (1) sentence 2 no. 1 AktG, the Supervisory Board must set a maximum remuneration for the members of the Management Board. In the adjusted remuneration system, this maximum remuneration will be increased in view of the planned increase in total direct remuneration for the CFO from April 2025 and for the CEO and COO from January 2026. The maximum remuneration is intended to ensure that the members of the Management Board are appropriately remunerated with regard to their tasks and performance as well as the situation of the company and that the remuneration does not exceed the usual remuneration without special reasons. The maximum remuneration was adjusted to the MDAX peer group with the help of an external, independent remuneration consultant on the basis of a horizontal and vertical market comparison.

### ESG goals

The Supervisory Board has decided to set only one ESG target each from the "Environmental" dimension for the STI and LTI in future. This is intended to fulfil the objective of combining $CO_2$ reduction targets with the financial goals of LEG Immobilien SE's Green Ventures. The STI should focus exclusively on $CO_2$ reduction derived from the decarbonisation pathway. The LTI is intended to focus on the financial success (investment income and sales results) of Green Ventures geared towards efficient climate improvement and thus also on cost-efficient and financeable $CO_2$ reduction.

The integration of ESG objectives from the "Social" and "Governance" dimensions has proven to be particularly difficult when it comes to defining suitable, measurable key figures. This was also recognised by the capital market. Accordingly, the Supervisory Board intends to no longer set ESG targets from the "Social" and "Governance" in the future. The importance from the "Social" and "Governance" dimensions in corporate management remains unchanged; the provision of affordable housing and the fulfilment of LEG Immobilien SE's high governance standards continue to shape daily operations.

The ranges of the financial performance criteria are to be recalibrated in order to further strengthen the alignment of Management Board remuneration with the interests of investors and thus increase the level of ambition of the target achievement of the financial performance criteria.

The adjusted **remuneration system 2025** to be submitted to the 2025 Annual General Meeting for approval is therefore as follows

**Adjusted remuneration system 2025**

| | | |
|---|---|---|
| **Basic remuneration** | Fixed contractually agreed remuneration paid out in twelve equal monthly instalments | |
| **One-year variable remuneration "STI"** | **Plan type** | Target bonus model |
| | **Success targets** | 40 %: Adjusted EBITDA margin, 40 %: Adjusted Funds from Operations I per share, 20 %: ESG target (limited to the "Environmental" dimension) |
| | **Cap** | 200 % of the target amount |
| **Multi-year variable remuneration "Virtual performance share plan" "LTI"** | **Plan type** | Performance share plan |
| | **Success targets** | 80 %: Relative Total Shareholder Return compared to the relevant index (EPRA NAREIT Germany), 20 %: ESG target (limited to the "Environmental" dimension). |
| | **Cap** | 250 % of the target amount |
| | **Performance period** | 4 years; after 4 years: Obligation to purchase LEG shares in the amount of 25 % of the payout |
| **Occupational pension scheme** | Receipt of a fixed amount, specified in the respective employment contract, into a reinsured support fund | |
| **Additional benefits** | Essentially company car for business and private use, for business trips the services of a driver can be used, various insurance elements | |
| **Maximum remuneration [1]** | Chairman of the Board: EUR 4,800,000 (from 01/01/2026: EUR 7.2 million)<br>Ordinary Management Board members: EUR 3,100,000 (from 01/01/2026: EUR 4.5 million) | |
| **Shareholding obligation** | Obligation to purchase LEG shares equivalent to a gross basic salary within four years.<br>Obligation to hold the acquired shares for the duration of the Management Board activity | |

[1] The Annual General Meeting on 28 May 2025 will be asked to approve the increase in the maximum remuneration from the 2026 financial year of EUR 7.2 million for the Chairman of the Management Board and EUR 4.5 million for an ordinary member of the Management Board.

For the 2025 financial year, the maximum remuneration remains EUR 4.8 million for the Chairman and generally EUR 3.1 million for an ordinary Management Board member. From the 2026 financial year onwards, the maximum remuneration is set to be EUR 7.2 million for the Chairman and EUR 4.5 million for an ordinary Management Board member. Deviating from this, the maximum remuneration for the CFO in the 2025 financial year is EUR 4.15 million.

The application of the adjusted remuneration system 2025, including the increase in the maximum remuneration provided for therein, is subject to the approval of the adjusted remuneration system 2025 by the 2025 Annual General Meeting.

**Adjustment of remuneration amount**

The Supervisory Board considers the current structure and composition of the Management Board to be one of the key success factors of LEG Immobilien SE. In accordance with the Management Board employment contracts, the salaries of the Management Board members are reviewed every two years, taking into account the economic situation of the company, the performance of the respective Management Board member and the development of the cost of living. Before the current review, the last adjustment was made in January 2024.

All three Management Board members have expressed their willingness to continue their successful work in the current composition.

The Supervisory Board therefore decided on 10 January 2025 to extend the appointments of all three Management Board members and the corresponding extensions of their respective Management Board contracts. The appointment and contract of Lars von Lackum will be extended from 1 January 2026 to 31 December 2030. The appointment and contract of Dr Kathrin Köhling will be extended from 1 April 2025 to 31 March 2030. The appointment and contract of Dr Volker Wiegel will be extended from 1 January 2026 to 31 December 2028. In this context, the Supervisory Board also decided to increase the remuneration of the Management Board members from the beginning of their new terms.

In connection with the extension of the contracts, the Supervisory Board examined whether the remuneration of the Management Board members should be adjusted. The Supervisory Board considered many factors, including the growing challenges facing the Management Board in the current market environment, the increased cost of living, the remuneration levels of market peers and competitors, the willingness of the Management Board to continue its work and the recommendation of the external consultant. The Supervisory Board has also taken into account the views of shareholders who have expressed certain expectations with regard to remuneration. However, the Supervisory Board has also taken into account that the shareholders have elected the members of the Supervisory Board in order to manage the company's risks and create long-term shareholder value.

The Supervisory Board is aware that there are potential risks for the company if the company is unable to retain the members of the Management Board. These risks include disruptions to business operations, the loss of important knowledge and expertise, negative effects on shareholder confidence, delays in strategic decision-making and a difficult transition phase in the search for replacement members, all of which can have a significant impact on the company's performance and stability.

Taking into account all of the above circumstances in particular, the Supervisory Board has come to the conclusion that it is in the best interests of the company and its shareholders to increase the remuneration of the members of the Management Board at the start of the new term of office. The remuneration adjustments for Lars von Lackum, CEO, and Dr Volker Wiegel are shown in the tables below.

The remuneration of Dr Kathrin Köhling, CFO, was adjusted to the appropriate remuneration level of a CFO of an MDAX company, as already agreed with her when she was first appointed. When Dr Kathrin Köhling joined the Management Board on 1 April 2023, the Supervisory Board initially agreed a lower remuneration with her than the remuneration envisaged for a CFO of LEG Immobilien SE. In doing so, the Supervisory Board took into account the fact that it was an initial appointment. At the latest, upon a renewed appointment, the remuneration of Dr Kathrin Köhling should be increased.

Specifically, from 1 April 2025, Dr Kathrin Köhling's fixed salary is increased from EUR 480,000.00 to EUR 605,000.00, the target amount of the STI from EUR 356,000.00 to EUR 444,000.00 and the target amount of the LTI from EUR 520,000.00 to EUR 650,000.00. This corresponds to a 25.3 % increase in target remuneration from EUR 1,356,000.00 to EUR 1,699,000.00. Dr Kathrin Köhling will participate from the increase in remuneration pro rata temporis in the 2025 financial year and in full from the 2026 financial year onwards.

### Remuneration Dr Kathrin Köhling in the 2025 financial year (increase pro rata temporis from 01/04/2025)

| | Dr Kathrin Köhling | | | |
|---|---|---|---|---|
| Remuneration amount in EUR and structure (target remuneration) | 01/01/2024 - 31/12/2024 | 01/01/2025 - 31/12/2025 | Delta (%) | Distribution (%) |
| **Basic remuneration** | **480,000** | **573,750** | **19.5** | **33.8** |
| One-year variable remuneration (STI) | 356,000 | 422,000 | 18.5 | 24.8 |
| **Cash remuneration** | **836,000** | **995,750** | **19.1** | |
| Multi-year variable remuneration (LTI) | 520,000 | 617,500 | 18.8 | 36.4 |
| **Total remuneration** | **1,356,000** | **1,613,250** | **19.0** | |
| + bAV contribution | 58,000 | 58,000 | 0.0 | 3.4 |
| + Additional benefits | 27,000 | 27,000 | 0.0 | 1.6 |
| **Total remuneration** | **1,441,000** | **1,698,250** | **17.9** | **100.0** |

### Remuneration of Dr Kathrin Köhling in the 2026 financial year

| | Dr Kathrin Köhling | | | |
|---|---|---|---|---|
| Remuneration amount in EUR and structure (target remuneration) | 01/01/2024 - 31/12/2024 | 01/01/2026 - 31/12/2026 | Delta (%) | Distribution (%) |
| **Basic remuneration** | **480,000** | **605,000** | **26.0** | **33.9** |
| One-year variable remuneration (STI) | 356,000 | 444,000 | 24.7 | 24.9 |
| **Cash remuneration** | **836,000** | **1,049,000** | **25.5** | |
| Multi-year variable remuneration (LTI) | 520,000 | 650,000 | 25.0 | 36.4 |
| **Total remuneration** | **1,356,000** | **1,699,000** | **25.3** | |
| + bAV contribution | 58,000 | 58,000 | 0.0 | 3.3 |
| + Additional benefits | 27,000 | 27,000 | 0.0 | 1.5 |
| **Total remuneration** | **1,441,000** | **1,784,000** | **23.8** | **100.0** |

### Remuneration amounts and structure upon extension of Management Board contracts

| | Lars von Lackum | | | |
|---|---|---|---|---|
| Remuneration amount in EUR and structure (target remuneration) | from 01/01/2024 | from 01/01/2026 | Delta (%) | Distribution (%) |
| **Basic remuneration** | **1,045,000** | **1,150,000** | **10.0** | **30.8** |
| One-year variable remuneration (STI) | 705,000 | 800,000 | 13.5 | 21.4 |
| **Cash remuneration** | **1,750,000** | **1,950,000** | **11.4** | |
| Multi-year variable remuneration (LTI) | 1,000,000 | 1,650,000 | 65.0 | 44.1 |
| **Total remuneration** | **2,750,000** | **3,600,000** | **30.9** | |
| + bAV contribution | 108,000 | 108,000 | 0.0 | 2.9 |
| + Additional benefits | 30,000 | 30,000 | 0.0 | 0.8 |
| **Total remuneration** | **2,888,000** | **3,738,000** | **29.4** | |
| **Factor GV: VV to Ø OVM** | **1.79** | **1.97** | | |
| **Maximum remuneration** | **4,800,000** | **7,200,000** | **50.0** | |

| Remuneration amount in EUR and structure (target remuneration) | Dr Kathrin Köhling | | | |
|---|---|---|---|---|
| | from 01/01/2024 | from 01/01/2026 | Delta (%) | Distribution (%) |
| **Basic remuneration** | **480,000** | **605,000** | **26.0** | **33.9** |
| One-year variable remuneration (STI) | 356,000 | 444,000 | 24.7 | 24.9 |
| **Cash remuneration** | **836,000** | **1,049,000** | **25.5** | |
| Multi-year variable remuneration (LTI) | 520,000 | 650,000 | 25.0 | 36.4 |
| **Total remuneration** | **1,356,000** | **1,699,000** | **25.3** | |
| + bAV contribution | 58,000 | 58,000 | 0.0 | 3.3 |
| + Additional benefits | 27,000 | 27,000 | 0.0 | 1.5 |
| **Total remuneration** | **1,441,000** | **1,784,000** | **23.8** | |
| **Factor GV: VV to Ø OVM** | **1.79** | **1.97** | | |
| **Maximum remuneration** | **3,100,000** | **4,500,000** | **45.2** | |

| Remuneration amount in EUR and structure (target remuneration) | Dr Volker Wiegel | | | |
|---|---|---|---|---|
| | from 01/01/2024 | from 01/01/2026 | Delta (%) | Distribution (%) |
| **Basic remuneration** | **605,000** | **700,000** | **15.7** | **34.9** |
| One-year variable remuneration (STI) | 444,000 | 480,000 | 8.1 | 24.0 |
| **Cash remuneration** | **1,049,000** | **1,180,000** | **12.5** | |
| Multi-year variable remuneration (LTI) | 650,000 | 725.000 | 11.5 | 36.2 |
| **Total remuneration** | **1,699,000** | **1,905,000** | **12.1** | |
| + bAV contribution | 58,000 | 58,000 | 0.0 | 2.9 |
| + Additional benefits | 41,000 | 41,000 | 0.0 | 2.0 |
| **Total remuneration** | **1,798,000** | **2,004,000** | **11.5** | |
| **Factor GV: VV to Ø OVM** | **1.79** | **1.97** | | |
| **Maximum remuneration** | **3,100,000** | **4,500,000** | **45.2** | |

The increase in target remuneration for Management Board members is disproportionately allocated to the LTI, further strengthening the sustainability focus of the remuneration and its alignment with the capital market.

#### Variable remuneration components for the 2025 financial year

On 15 December 2024, the Supervisory Board set the target values for the performance criteria of the STI for the 2025 financial year and the target values for the performance criteria of the LTI with the performance period 2025 to 2028 on the basis of the updated 2025 remuneration system, which will be submitted to the Annual General Meeting for approval in May 2025. This determination of the target values for the performance criteria of the STI 2025 and the LTI 2025 until 2028 is also subject to the proviso that the Annual General Meeting in May 2025 approves the adjusted remuneration system 2025 submitted to it.

### Short-term variable remuneration share (STI)

The STI 2025 consists of an annual payment determined based on the following financial and non-financial performance criteria:

#### Financial and non-financial performance criteria STI 2025

| | weighting |
|---|---|
| Adjusted EBITDA margin | 40 % |
| AFFO per share | 40 % |
| Environment targets as ESG targets | 20 % |

The two financial performance criteria each account for 40 %, while the ESG target accounts for 20 % of the STI target amount. The target achievement for each performance criterion is capped at 200 %.

The target values for the adjusted EBITDA margin and AFFO per share, as determined by the Supervisory Board, are derived from the business plan approved by the Supervisory Board for the respective financial year. The two financial performance criteria are each weighted at 40 %.

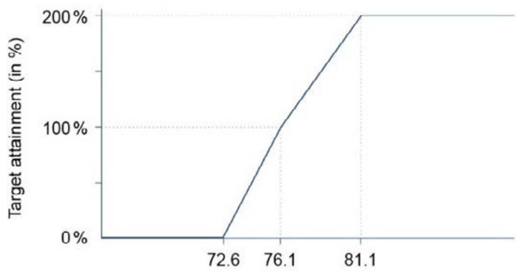
The Supervisory Board has defined the following targets for the financial performance criteria for the 2025 financial year:

**STI 2025 financial performance criteria**

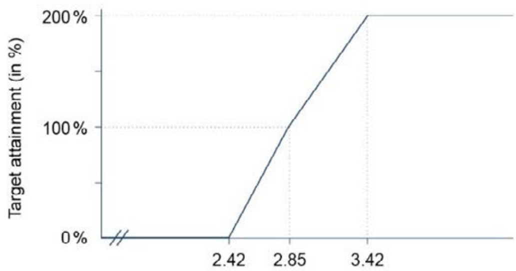
| | 100% target value | Ranges |
|---|---|---|
| **Adjusted EBITDA margin** | 76.1 % | 0 % minimum value: ≤ 72.6 %<br>100 % target value: 76.1 %<br>200 % maximum value: ≥ 81.1 % |
| **AFFO per share** | EUR 2.85 | 0 % Minimum value: ≤ 2.42 %<br>100 % Target value: EUR 2.85<br>200 % Maximum value: ≥ EUR 3.42 |

In determining the achievement of the financial performance criteria, the actual achieved value for each performance criterion is compared with the target value set by the Supervisory Board. The target achievement of the performance criterion is derived from the percentage deviation between the actual value and the target value. The payout amount is determined on the basis of the contractually agreed target amount, the contractually agreed weighting of the performance criteria and the respective target achievement.

**Range of adjusted EBITDA margin**




**Range of AFFO per share**




**Non-financial performance criterion of STI 2025**

The ESG targets are derived from LEG Immobilien SE's sustainability report as well as strategic considerations and future projects. The ESG targets are in line with the company's decarbonisation path. The targets are assigned quantitatively measurable criteria, which allow for the determination of a measurable degree of target achievement by comparing the target values with the actual values after the end of the financial year. The specific ESG targets, as well as the minimum, target, and maximum values, are determined annually by the Supervisory Board in agreement with the Management Board members before the start of the respective financial year. The ESG targets are weighted at 20 % overall.

For the 2025 financial year, the Supervisory Board has defined the following environmental target as the sole ESG target:

**Definition of the Environmental target for STI 2025**

| | Ranges |
|---|---|
| **Savings of 6,000 tonnes $CO_2$** | 0 % Minimum value: 5,400 tonnes of $CO_2$ savings<br>100% Target value: 6,000 tonnes of $CO_2$ savings<br>200 % Maximum value: 6,600 tonnes of $CO_2$ savings |

To achieve 100 % of the environmental target, a saving of 6,000 tonnes of carbon dioxide ($CO_2$) is required in 2025. All $CO_2$ reduction measures from the three clusters of measures of the sustainability strategy "Emission-efficient heat supply", "Energy demand reduction" and "Energy-efficient refurbishment" are taken into account. These three clusters are monitored on a quarterly basis by means of $CO_2$ reporting.

## LTI 2025-2028

The LTI plan conditions applicable since the 2022 financial year remain unchanged for LTIs with performance periods from 2025 to 2028 or earlier. For the LTIs with the performance period 2025 to 2028 and later, the Supervisory Board has only set an environmental target as an ESG target.

For the LTI with the performance period 2025 to 2028, the Management Board members will receive an LTI in the form of a virtual Performance Share Plan based on a four-year performance period.

The determination of the LTI for the performance period 2025 to 2028 is based on the following financial and non-financial performance criteria:

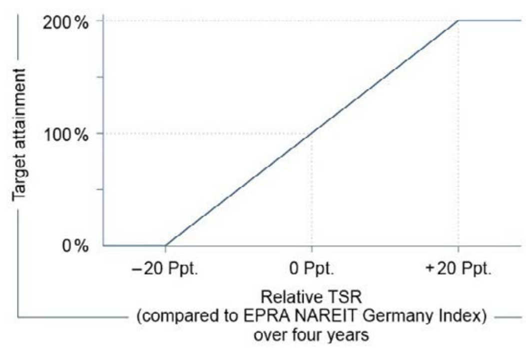
**Financial and non-financial performance criteria LTI 2025 -2028**

| | weighting |
|---|---|
| Development of relative total shareholder return compared to the relevant property index (EPRA Germany) | 80 % |
| Environment targets as ESG targets | 20 % |

The financial performance criterion used in the LTI for the performance period 2025 to 2028 is the relative TSR compared to a relevant real estate index, weighted at 80 %. The Supervisory Board has chosen to use the EPRA Germany Index as the benchmark index. The EPRA Germany Index comprises LEG Immobilien SE's key national listed competitors and is thus a relevant peer group.

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

**Target achievement chart relative TSR**




The target achievement of the relative TSR is 100 % if the relative TSR is 0 percentage points, meaning that the share price performance, including reinvested gross dividends of LEG Immobilien SE, matches the performance of the EPRA Germany Index. If relative TSR is 20 percentage points or more below TSR in the benchmark index, target achievement is 0 %. Target achievement is 200 % if relative TSR is 20 percentage points or more above the benchmark index's TSR. Relative TSR higher than this does not further increase target achievement. Target achievements between the defined minimum, target, and maximum values (0 %; 100 %; 200 %) are linearly interpolated.

**Target value for LTI 2025-2028**

| | Target achievement level 0 % 2028 | Target achievement level 100 % 2028 | Target achievement level 200 % 2028 |
|---|---|---|---|
| **Relative total shareholder return per year** | ≤ -20 % | 0 % | ≥ 20 % |

As with the STI, specific ESG targets are defined for each LTI. Different ESG targets are used compared to the STI to avoid double incentivisation. The Supervisory Board determines the specific ESG targets for the respective LTI before the start of the corresponding performance period. These targets are precisely defined to ensure that they can be clearly measured.

For the LTI with the performance period 2025 to 2028, the Supervisory Board has defined the following environmental target as the sole ESG target:

| | Environmental |
|---|---|
| **Target** | Profit and disposal results of Green Ventures in the period from 2025 to 2028 |
| **Targets** | 0% minimum value: EUR 10 million<br>100% target value: EUR 20 million<br>200% maximum value: EUR 30 million |

In the period from 2025 to 2028, the target value of the environmental target cumulatively takes into account the respective pro rata annual profit and disposal results generated by the Green Ventures RENOWATE, dekarbo and termios. These companies are included in the consolidated financial statements of LEG Immobilien SE as associated companies (at equity) in accordance with IAS 28. If one of these companies is sold in whole or in part in the relevant period, the result of the sale, defined as the selling price less the carrying amount of the investment in the consolidated financial statements of LEG Immobilien SE at the time of the sale and less incidental costs (e.g. notary fees, etc.), is added to the income from the investment. If the pro rata result of the previous year, which has already been recognised in the previous year's result, is included in the sales price, the pro rata sales result must be adjusted for this result. If it becomes necessary to fully consolidate one of the companies during the performance period, the pro rata earnings from the unconsolidated company are added so that the company continues to be included in the calculation as if it were still an at-equity company.

For cumulative profits and/or disposal results of Green Ventures amounting to EUR 20 million in the period from 2025 to 2028, a target achievement of 100 % is reached. If the cumulative profits and/or disposal results are less than or equal to EUR 10 million, the target achievement level is 0 % if the cumulative profits and/or disposal results are greater than or equal to EUR 30 million, the maximum target achievement level of 200 % is achieved. Target achievements between the defined minimum, target, and maximum values (0 %; 100 %; 200 %) are linearly interpolated.

### Possible total amount of the LTI 2025

The payout amount of LTI 2025, determined after the end of the performance period 2025 to 2028, is capped at EUR 2,500,000.00 for Lars von Lackum, EUR 1,543,750.00 for Dr Kathrin Köhling (calculated on a pro-rata basis due to the amended Management Board contract from 1 April 2025), and EUR 1,625,000.00 for Dr Volker Wiegel.

**Possible total amount of the LTI 2025**

| in EUR | LTI 2025 |
|---|---|
| **Lars von Lackum** | 2,500,000.00 |
| **Dr Kathrin Köhling** | 1,543,750.00 |
| **Dr Volker Wiegel** | 1,625,000.00 |

If a payout amount for LTI 2025 arises, it will be settled and paid to the Management Board member no later than 30 days after the approval of LEG Immobilien SE’s consolidated financial statements for the final year of the performance period. The Management Board members are required to invest 25 % of the payout amount in shares issued by LEG Immobilien SE and hold them for the duration of their tenure.

## Combined corporate governance declaration in accordance with sections 289f and 315d HGB

In this combined corporate governance declaration in accordance with section 289f and 315d HGB, LEG reports on the principles of corporate governance and corporate governance at the Group. This declaration includes (i) the declaration of compliance in accordance with section 161(1) of the German Stock Corporation Act (AktG), (ii) information on LEG's remuneration system, (iii) relevant information on corporate governance practices exceeding legal requirements, (iv) a description of the working methods of the Management Board and the Supervisory Board plus the composition and working methods of their committees, (v) targets for the participation of men and women in managerial positions and (vi) a description of the diversity concept for the Supervisory Board and Management Board.

### Declaration of Conformity in accordance with section 161(1) AktG

The Management Board and Supervisory Board of LEG Immobilien SE issued the following declaration in November 2024 in accordance with section 161 of the German Stock Corporation Act (AktG):

"The Management Board and Supervisory Board of LEG Immobilien SE (the "Company") declare in accordance with section 161 AktG that the Company has complied without exception with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 28 April 2023 (the "Code") published by the Federal Ministry of Justice in the official section of the Federal Gazette on 27 June 2022 since the last Declaration of Conformity pursuant to Section 161 AktG was issued in November 2022.

The Management Board and Supervisory Board of LEG Immobilien SE also declare that the Company currently complies with the recommendations of the Code without exception and will continue to do so in the future.

Dusseldorf, November 2024

The Management Board of LEG Immobilien SE

The Supervisory Board of LEG Immobilien SE"

### Remuneration system

The Management Board and Supervisory Board remuneration systems comply with the recommendations of the German Corporate Governance Code. In line with the regulations of the German Stock Corporation Act, they are submitted to the Annual General Meeting for resolution in the event of any material changes and at least every four years.

The Supervisory Board made changes to the system for Management Board remuneration with effect from the 2023 financial year to anchor the new cash-focussed steering of the company in the remuneration system. It observed all recommendations and suggestions of the German Corporate Governance Code. The new remuneration system was approved by the Annual General Meeting on 17 May 2023.

The Management Board and Supervisory Board have produced a joint remuneration report in accordance with section 162 (2) AktG. This remuneration report provides detailed information on the design of the remuneration system at LEG and the amount and structure of Management Board and Supervisory Board remuneration. It will be submitted to the 2023 Annual General Meeting for approval in accordance with section 120 a (4) AktG.

The remuneration report and the auditor's report in accordance with section 162 AktG and the remuneration system in place in accordance with section 87a (1) and (2) AktG are available at the company's website at Investor Relations/ News & Publications.

## Relevant disclosures on Corporate Governance Practices exceeding legal requirements

### Compliance and value management

LEG is geared towards sustainable, successful portfolio management. The foundation for sustainable management is lawful, responsible and honest conduct. LEG’s objective and strategy, as well as its values that are essential for working with customers, employees, investors, business partners and society, are set out in LEG’s declaration of fundamental values. These values include integrity and fairness, commitment and professionalism, confidentiality, transparency, and sustainability.

With its declaration of principles on respect for human rights and the environment, LEG is committed to strengthening human and environmental rights in its relationships with its business partners in the supply chain, its customers and its employees and to preventing, minimising and remedying violations of these rights.

LEG's Code of Conduct specifies the company's mission and principles and translates the values contained within into behavioural standards for employees and senior management in day-to-day operations. Details on these standards of conduct can be found in internal Group rules and guidelines. These guidelines are published on the company’s website. Accordingly, LEG also translates these values for business relationships with its suppliers and service providers into concrete standards of behaviour in a Business Partner Code.

Senior management and employees are made aware of these issues and advised on them in regular training sessions and through advisory services. All new employees receive comprehensive compliance and, in particular, data protection training in four annual sessions. Refresher training is provided for all employees once a year using an electronic training programme. In addition, special training courses are organised on an ad hoc basis or for employees in particularly high-risk areas. An electronic whistle-blower system gives employees and third parties the opportunity to anonymously report compliance violations in LEG’s area of responsibility around the clock.

Details of LEG's compliance management system are outlined in the risk, opportunity, and forecast report of this annual report.

### Responsibility and sustainability

LEG aims to act sustainably and responsibly. The understanding of sustainability and strategy are explained in its sustainability mission statement. In the course of a double materiality analysis in the preparation of which all identified key stakeholders of LEG were involved, LEG identified a total of 15 material topics in the four sustainability areas of climate change, own employees, consumers and end users and corporate policy. This covers the three dimensions of sustainability – Environmental, Social, and Governance (ESG).

LEG updated its sustainability strategy in 2024. The sustainability strategy 2030 is described in the sustainability report. LEG has set the goal of reducing Scope 1 and 2 emissions by 47 % by 2030. This goal was validated by the Science-Based Target Initiative. By 2045, LEG aims to be nearly greenhouse gas neutral. In addition to the implementation of conventional measures, green innovations play a key role in decarbonisation. In particular, the three Green Ventures RENOWATE (digital, serial full refurbishment), dekarbo (installation and maintenance of air-to-air heat pumps) and termios (smart control of existing heating systems) provide support. These measures were further developed in 2024. Sustainability aspects are also taken into account in the remuneration of the Board of Management and senior management.

The sustainability committee acts as a body for strategic decisions and to pool activities, comprising heads of central areas and operations managers. ESG governance was stepped up by establishing a dedicated ESG department under the Management Board Chairman's responsibility, where ESG issues are pooled, monitored and improved. LEG's Supervisory Board formed a separate ESG Committee in 2022, further reinforcing the importance of the issue in LEG's supervisory and advisory body. In 2025, the ESG committee has been merged into a joint Risk, Audit and ESG committee.

LEG reports annually on sustainability management, as well as targets, measures, activities, and progress in this area. The non-financial report has been integrated into the Group management report since the 2023 financial year and has met the requirements of the CSR directive since the 2024 financial year.

### Other corporate governance disclosures

#### Suggestions of the German Corporate Governance Code

LEG goes beyond simply complying with all recommendations of the Code. It also complies with the suggestions of the Code, which can be deviated from without disclosure in the Declaration of Compliance, with the following exception:

In accordance with suggestion A 8, in the event of a takeover bid, the Management Board should convene an extraordinary general meeting at which shareholders discuss the takeover bid and possibly decide on corporate action. It is questionable as to whether the organisational effort of convening a general meeting would be justified if no corporate action was to be resolved. Accordingly, the Management Board reserves the right to convene an extraordinary general meeting only if a resolution is planned.

In accordance with suggestion G.14, commitments for benefits in the event of premature termination of the employment contract by the Management Board member due to a change of control should not be agreed.

### Adequacy and effectiveness of the internal control system (ICS)

With regard to the internal control system for financial reporting, reference is made to the internal control system section of the Risks, Opportunities and Forecast Report. With regard to the internal control system in connection with the non-financial Group statement, reference is made to the section "1.1.3.5 DR GOV-5: Risk management and internal controls over sustainability reporting" in the sustainability report.

There were no indications in the 2024 financial year that the ICS as a whole may be inadequate or ineffective.[1]

### Institute for Corporate Governance in the German Property Industry

LEG is a member of the Corporate Governance Institute of the German Property Industry Association (ICG). The ICG has a "Corporate Governance Code of the German Property Industry" (as at October 2020, "ICGK"), which supplements the German Corporate Governance Code with industry-specific recommendations and is intended to bring about greater transparency, an improved reputation and stronger competitiveness of the property sector. The Supervisory Board and the Management Board of LEG Immobilien SE are committed to the key goals and principles of the ICG.

The ICG developed a certification system for compliance management systems at property companies. LEG had its compliance management system certified using this system in 2019. This certificate was confirmed in September 2021 and September 2024 as part of a second certification and recertification. The certification is valid until the end of September 2027.

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[1] Statement not inherent in management report

## Description of the working methods of the Management Board and the Supervisory Board and the composition and working methods of their committees

LEG Immobilien SE has the legal form of a European Company (Societas Europaea, SE). As an SE based in Germany, the company is subject to European and German SE regulations as well as German stock corporation law. LEG Immobilien SE has a dual management system consisting of the Management Board and the Supervisory Board. Executive management and control are clearly separated in a dual management system.

### Management Board

As per section 6.1 of the Articles of Association, the Management Board of LEG Immobilien SE comprises at least two members. As at 31 December 2024, there were three people on the Management Board. The Management Board manages the company on its own responsibility in accordance with the provisions of law, the Articles of Association and the Rules of Procedure for the Management Board. The Supervisory Board last amended the rules of procedure for the Management Board on 5 November 2024. Among other things, these stipulate that certain transactions of particular significance or that involve an exceptionally high economic risk require the prior approval of the Supervisory Board or one of its committees. They also state that transactions between the company or one of its Group companies on the one hand and a member of the Management Board and a related party on the other hand must meet the standards that are customary for transactions with outside third parties.

The Management Board performs its management duties as a collective body. Regardless of their overall responsibility, the individual members of the Management Board manage the departments assigned to them in the context of Management Board resolutions on their own responsibility. The allocation of duties among the members of the Management Board is based on the assignment plan.

The Management Board ensures that laws and internal company guidelines and regulations are observed and works to ensure that these are complied with by Group companies. To achieve this, it has established a comprehensive compliance management system designed for the company’s risk situation. It is also responsible for the establishment of an appropriate and effective ICS and a risk management system, which also cover sustainability-related aspects.

The Management Board reports to the Supervisory Board regularly, comprehensively and in a timely manner on all issues of strategy, planning, business performance, the risk situation, risk management and compliance relevant to the company.

### Supervisory Board

The Supervisory Board has six members and monitors and advises the Management Board. It appoints and dismisses the members of the Management Board and, together with the Management Board, ensures long-term succession planning. Its duties and rights are determined by the legal provisions, the Articles of Association and the Rules of Procedure for the Supervisory Board. The Supervisory Board last updated the rules of procedure on 5 November 2024, effective from 1 January 2025. The Supervisory Board regularly reviews the effectiveness of its activities and those of its committees, most recently in the 2023 reporting year. The review was conducted through a self-assessment, involving interviews with Prof. Michael Bursee of MB Board Advisory GmbH and using an externally prepared, anonymised questionnaire.

### Cooperation between the Management Board and the Supervisory Board

The Management Board and the Supervisory Board work together closely for the good of the company. The intensive and constant dialogue between the bodies is the basis for efficient and targeted business management. The Management Board develops the strategic orientation of LEG, coordinates this with the Supervisory Board and ensures its implementation. The Management Board discusses the status of the strategy implementation with the Supervisory Board at regular intervals.

The Chairman of the Supervisory Board maintains regular contact with the Management Board, particularly with the Chairman of the Management Board, and advises on issues of strategy, planning, business performance, the risk situation, risk management and compliance at the company. He is immediately informed by the Chairman of the Management Board of key events significant to the assessment of the position and development of the company and Group companies and their management. He then reports to the Executive Committee or the Supervisory Board and convenes extraordinary meetings if necessary.

### Committees of the Supervisory Board

In the 2024 financial year, the Supervisory Board had five committees: the Executive Committee, the Nomination Committee, the Remuneration Committee, the Risk and Audit Committee, and the ESG Committee. Further committees can be formed if required such as the Technology and Digitalisation committee from financial year 2025.

### Executive Committee of the Supervisory Board

The Executive Committee discusses key issues and prepares discussions and resolutions of the Supervisory Board unless the Supervisory Board has assigned this to another committee. In particular, the Executive Committee discusses resolutions by the Supervisory Board on the following matters:

- The appointment and dismissal of members of the Management Board, the appointment and dismissal of the Chairman of the Management Board;
- The conclusion, amendment and termination of employment resolutions with members of the Management Board.

The Executive Committee regularly discusses long-term succession planning for the Management Board with the involvement of the Management Board. In place of the Supervisory Board but subject to the above and other mandatory responsibilities of the Supervisory Board, the Executive Committee passes resolutions on the following matters:

- Transactions with members of the Management Board in accordance with section 112 AktG;
- Approval of transactions with a value in excess of EUR 25,000 between the company or one of its Group companies on the one hand and a member of the Management Board or persons or undertakings related to a member of the Management Board on the other;
- Delayed disclosure of inside information in accordance with Article 17 (4) of the Regulation (EU) no. 596/2014 of 16 April 2014 (market abuse regulation), where the Supervisory Board is responsible for the subject of the insider information;
- Granting loans to the persons named under sections 89, 115 AktG;
- Approval of contracts with Supervisory Board members in accordance with section 114 AktG;
- Any other approval required for measures by the Management Board in accordance with the Articles of Association of the company or the Rules of Procedure for the Management Board if the matter cannot be delayed and a resolution by the Supervisory Board cannot be passed in a timely manner.

- Consent to other activities by a member of the Management Board in accordance with section 88 AktG and approval of other additional employment, in particular holding supervisory board mandates and mandates in similar executives bodies of companies outside the Group.

The members of the Executive Committee are Mr Michael Zimmer, Dr Claus Nolting, and Mr Martin Wiesmann. As the Chairman of the Supervisory Board, Mr Michael Zimmer is also the Chairman of the Executive Committee.

**Nomination Committee**

The Nomination Committee meets as required and suggests suitable candidates to the Supervisory Board for its nominations for the Annual General Meeting. The members of the Nomination Committee are the members of the Executive Committee (Mr Michael Zimmer, Dr Claus Nolting and Martin Wiesmann). As per the Articles of Association, the Chairman of the Supervisory Board is also the Chairman of the Nomination Committee. The Nomination Committee did not meet in the 2024 financial year.

**Remuneration Committee**

On 21 November 2023, the Supervisory Board created a Remuneration Committee. The Remuneration Committee meets when required and prepares the resolutions of the Supervisory Board on the following matters:

- Remuneration system of the Management Board and determining the total remuneration of the individual members of the Management Board;
- Remuneration system of the Supervisory Board.

The members of the Remuneration Committee are Mr Martin Wiesmann, Mr Michael Zimmer, and Dr Claus Nolting. Mr Martin Wiesmann is the Chairman of the Remuneration Committee and is independent of the company and the Management Board within the meaning of the German Corporate Governance Code.

**Risk and Audit Committee**

The work of the Risk and Audit Committee focuses on the following issues:

- Accounting audits, primarily of the consolidated financial statements and of the Konzernlageberichts (including CSR reporting);
- Monitoring the accounting process;
- Effectiveness of the ICS and the internal audit system;
- Audit of the financial statements – in particular the independence of the auditor, the quality of the auditor, the other services performed by the auditor, the granting of the audit mandate to the auditor, the determination of the key areas of the audit and the fee agreement;
- Compliance and risk management.

The Risk and Audit Committee also deals with sustainability reporting. It prepares the Supervisory Board's resolutions regarding the annual and consolidated financial statements and agreements with the auditor, particularly the assignment of the audit, the determination of audit focus areas, and the fee agreement. The Risk and Audit Committee takes appropriate measures to determine and monitor the independence of the auditor. Thus, the Risk and Audit Committee released a white list of a limited number of non-audit services that can be provided by the auditor. If the auditor is commissioned to perform further tasks, the Risk and Audit Committee must approve the task. The work of the Risk and Audit Committee follows its own rules of procedure, which were last amended on 5 November 2024, effective from 1 January 2025.

The Risk and Audit Committee has three members who are appointed by the Supervisory Board by a majority of votes cast. As of 31 December 2024, the members were Dr Claus Nolting (Chairman), Christoph Beumer, and

Martin Wiesmann. Dr Katrin Suder has been elected deputy member of the Supervisory Board (in the case of absence).

Dr Claus Nolting, the Chairman of the Risk and Audit Committee, is independent and has special expertise and experience in the application of accounting policies and internal control procedures, as well as in financial statement auditing. Dr Nolting gained his special expertise during his many years working as a senior executive in the banking sector, where he was responsible for areas including accounting and financial statement auditing. In addition, he served for several years as Chairman of the Risk and Audit Committee of a German bank and as a member and later Chairman of the Risk and Audit Committee, where he was involved in accounting and financial statement auditing as well as sustainability reporting and auditing.

Mr Beumer gained his expertise in accounting and auditing during his long-standing role as an audit manager and partner at a leading German auditing and consulting firm.

As a member of the executive management team at a major international bank, Mr Martin Wiesmann was responsible for financial statement auditing for many years and so also has special expertise and experience in this area.

**ESG Committee**

The ESG Committee is responsible for all sustainability-related issues, in particular environmental, social and corporate governance ("ESG") topics. The ESG Committee's main responsibilities are:

- Advising and monitoring the Management Board when incorporating sustainability targets in the company strategy and planning and implementing these, as well as regarding other sustainability measures;
- At the request of the Risk and Audit Committee, support is provided for sustainability-related statements in the context of its preliminary review of sustainability reporting, as well as its examination of whether the ICS and risk management system adequately and effectively cover sustainability-related goals, including the processes and systems for capturing and processing sustainability-related data.
- Preparing the discussions and resolutions of the Supervisory Board and, if requested, supporting the Executive Committee and Nomination Committee with sustainability issues.

The members of the ESG Committee as at 31 December 2024 were Dr Katrin Suder (Chairwoman), Dr Sylvia Eichelberg and Mr Martin Wiesmann. Mr Michael Zimmer has been elected deputy member.

In its meeting on 3 September 2024, the Supervisory Board decided on the restructuring of its committees. The tasks of the ESG Committee are to be assigned to the Risk and Audit Committee, which will continue to operate as the "Risk, Audit and ESG Committee".

**Technology and Digitalisation Committee**

In addition, the new Technology and Digitalisation Committee took up its work on 1 January 2025. It deals with all technology and digitalisation-related topics affecting the company, in particular with the use of artificial intelligence. In particular, the Technology and Digitalisation Committee will have the following tasks:

- Advising and monitoring the Management Board on the definition of technological and digitalisation-related targets in corporate strategy and planning and their implementation, as well as on other measures on technology and digitalisation-related topics.
- Preparation of the Supervisory Board's deliberations and resolutions in the areas of technology and digitalisation and, in each case upon request, support of the other committees of the Supervisory Board on technology and digitalisation-related topics.

Members of the Technology and Digitalisation Committee are Dr Katrin Suder (Chairwoman), Mr Christoph Beumer and Mr Martin Wiesmann.

## Composition of the Boards

### Targets for the participation of women

In accordance with section 76(4) and section 111(5) of the German Stock Corporation Act, the Supervisory Board and the Management Board are required to set targets for the participation of women in (i) the Supervisory Board, (ii) the Management Board and (iii) the two management levels below the Management Board, to stipulate a timeframe for when these targets must be achieved, to report on the achievement of the targets, or give reasons in the event of non-achievement of the targets.

### Supervisory Board

In a resolution dated 24 January 2022, the Supervisory Board agreed that women should make up 33.3 % of the Supervisory Board (two women in a six-person Supervisory Board) and set 31 December 2024 as the deadline for achieving this target. As of 31 December 2024, the proportion of women on the supervisory board was 33.3 %, thus achieving the set target. With the resolution of 5 November 2024, a new target for the proportion of women on the Supervisory Board has been set at 33.3 %, with a deadline of 31 December 2029.

### Management Board

In a resolution dated 24 January 2022, the Supervisory Board set the share of women on the Management Board at 33.3 % and gave 31 December 2024 as the deadline for achieving this goal. As of 31 December 2024, the proportion of women on the Management Board was 33.3 %, thus achieving the set target. With the resolution of 5 November 2024, the Supervisory Board set a new target for the proportion of women on the Management Board at 33.3 %, with a deadline of 31 December 2029.

### Management levels below Management Board

LEG Immobilien SE itself has no employees and so no targets can be set for LEG Immobilien SE employees.

## Supervisory Board and Management Board composition (Diversity Concept)

### Diversity Concept of the Supervisory Board

The Supervisory Board has stated targets for its composition and drawn up a competence profile. The targets and the competence profile include the following diversity targets as well as a diversity concept:

- The composition of the supervisory board is intended to meet the established competency profile: The members of the Supervisory Board should be able, due to their knowledge, skills, and professional experience, to fulfil the duties of a supervisory board member in a publicly listed real estate company with a focus on residential properties. Furthermore, the Supervisory Board has identified the areas of corporate management, housing industry, real estate transactions, banking and capital market financing, finance, accounting and auditing, administration and regulation, sustainability, as well as technology and digitalisation as specific areas of expertise that should be covered by the supervisory board as a whole.
- The members of the Supervisory Board should satisfy the requirements of the German Corporate Governance Code.
- At least five members of the Supervisory Board, including the Chairman of the Supervisory Board, the Chairman of the Risk and Audit Committee (from 2025: Risk, Audit and ESG Committee), the Chairman of the Executive Committee and the Chairman of the Remuneration Committee, must be independent as defined by the German Corporate Governance Code.
- The members of the Supervisory Board should, in the interest of complementary collaboration, possess a sufficient diversity in terms of different professional backgrounds, expertise, and experience.
- The Supervisory Board should be composed of at least one-third women and one-third men.
- Only candidates younger than 75 at the time of the election should be proposed for the Supervisory Board.
- The term of office of a Supervisory Board member should usually not last longer than 15 years.

### Implementation status: attainment of targets set, the competence profile and the diversity concept

In its decision on candidates, the Supervisory Board takes into account not only the statutory requirements and the provisions of the Articles of Association, but in particular the above targets and the competence profile. The same applies to the Nomination Committee, which supports the Supervisory Board by providing assistance in its search for suitable candidates. Most recently, the Supervisory Board took the objectives, including the skills profile, into account when proposing Mr Christoph Beumer for election in connection with the 2024 Annual General Meeting.

With the current composition of the Supervisory Board all goals have been achieved and the current composition of the Supervisory Board is balanced. The Supervisory Board members have the professional and personal qualifications considered necessary. Diversity is adequately taken into account on the Supervisory Board, one third of which are women. The regulation on the age limit (75 years at the time of the election) is also taken into account.

The Supervisory Board also includes the number of independent members it deems appropriate. At present, all members of the Supervisory Board are independent as defined by recommendation C.6 of the GCGC.

Despite the indication stated in recommendation C.7 of the GCGC that membership of the Supervisory Board for more than twelve years could constitute a dependency, the Supervisory Board comes to the conclusion that Mr Michael Zimmer continues to qualify as independent from the company and the Management Board.

This assessment is based on the fact that Mr Michael Zimmer has no economic or other connections to the company that could influence his decisions. During his work on the Supervisory Board to date, he has always demonstrated independent judgement. During his term of office, he pushed ahead with the complete replacement of the Management Board and made it clear that he acts in the interests of the company regardless of personal relationships. His work is also viewed favourably by investors. In the opinion of the Supervisory Board, the duration of his membership of the Supervisory Board is therefore not a sufficient reason to deny Mr Michael Zimmer's independence. Rather, the many years of experience are seen as an advantage for the continuous monitoring and advising of the company. The Supervisory Board will regularly review this assessment.

| Member of Supervisory Board | Age | Member since[1] | Appoin-ted until (AGM) | Indepen dence | Member of committee: Executive Committee [2] | Risk and Audit Committee | ESG Committee | Remunera-tion Committee |
|---|---|---|---|---|---|---|---|---|
| Michael Zimmer (Chairman) | 61 | 2021 (2013) | 2025 | ● | ○ | | | ● |
| Dr Claus Nolting (Deputy Chairman) | 73 | 2021 (2016) | 2025 | ● | ● | ○ | | ● |
| Christoph Beumer | 61 | 2024 | 2027 | ● | | ● | | |
| Dr Sylvia Eichelberg | 45 | 2021 | 2025 | ● | | | ● | |
| Dr Katrin Suder | 53 | 2022 | 2025 | ● | | | ○ | |
| Martin Wiesmann | 59 | 2021 (2020) | 2025 | ● | ● | ● | ● | ○ |

○ = Chair ● = Member/ fulfilled

[1]In the Supervisory Board of LEG Immobilien SE (in brackets: in the Supervisory Board of LEG Immobilien AG)
[2]The composition of the Nomination Committee corresponds to the Executive Committee

In the current composition of the supervisory board, the competency profile is also fulfilled, as can be seen from the following qualification matrix.

| Member of Supervisory Board | Company manage-ment | Housing industry | Real estate trans-actions | Bank and capital market financing | Finance, account-ing and auditing | Adminis-tration and regulation | Sustaina-bility | Techno-logy and digitali-sation |
|---|---|---|---|---|---|---|---|---|
| Michael Zimmer (Chairman) | ●●● | ●●● | ●●● | ●● | ●● | ●● | ●● | ● |
| Dr Claus Nolting (Deputy Chairman) | ●●● | ●● | ●●● | ●●● | ●●● | ●●● | ●● | ●● |
| Christoph Beumer | ●● | ●●● | ●● | ●● | ●●● | ●●● | ●●● | ●● |
| Dr Sylvia Eichelberg | ●●● | ●● | ●● | ●● | ●● | ●● | ●●● | ●●● |
| Dr Katrin Suder | ●● | ●● | ● | ●● | ●● | ●●● | ●●● | ●●● |
| Martin Wiesmann | ●● | ●● | ●● | ●●● | ●● | ●● | ●●● | ●● |

● General knowledge
●● Sound knowledge
●●● Expert knowledge

To allow for an evaluation of their skills and a comparison with the goals, the CVs of the Supervisory Board members are published on the company's website.

**Management Board diversity concept and succession planning for the Management Board**

There are the following targets for the composition of the Management Board:

- Each member of the Management Board must have not only his own fundamental qualification, but also must be suitable for the company in its current situation and in view of future tasks.
- The members of the Management Board should supplement each other in respect to competence and knowledge. Here the Management Board should be composed in a way that the Board as a whole not only has entrepreneurial and managerial competence but also knowledge of property management and extensive expertise concerning regional housing markets.
- Moreover, the composition of the Management Board should allow it to have financial markets expertise as well as social competence, e. g. in the area of social management.
- The Supervisory Board defined a goal for the share of women on the Management Board of 33.3 %.
- As a rule, members of the Management Board should be appointed with effect until they reach the age of 65 at the latest.

Together with the Management Board, the Supervisory Board ensures long-term succession planning. The Supervisory Board and its Executive Committee ensure that the composition of the Management Board takes place taking due account of the targets set. In addition, account is taken of the relevant legislation and the recommendations of the German Corporate Governance Code. The Management Board as it stands at presents meets all targets.

The CVs of the Management Board members are published on the company’s website so that these can be compared against the diversity concept. .

## Takeover disclosures in accordance with section 315a HGB

### Composition of issued capital

74,469,665 ordinary shares without par value are admitted to trading on the Frankfurt Stock Exchange. The shares are registered shares and do not differ in terms of the securitised rights and obligations.

The Authorised Capital amounts to EUR 19,040,228.00. The Contingent Capital amounts to EUR 35,689,918.00.

### Restrictions relating to voting rights and transfers of shares

There are no further restrictions on voting rights, the exercise of voting rights or the transfer of shares beyond the statutory provisions.

### Interests in capital with shares of voting rights exceeding 10 %

As of 31 December 2024, BlackRock, Inc. (New York, USA), held 10.75 % (including attributions) of the share capital of the company, and hence also of the voting rights.

LEG publishes voting rights announcements in accordance with Article 40, Section 1 of the WpHG (German Securities Trading Act).

### Bearers of shares with special rights granting powers of control

The shares issued by LEG do not have special rights granting powers of control.

### Rules for the appointment and dismissal of members of the Management Board and amendments to the Articles of Association

Members of the Management Board are appointed and dismissed in accordance with the provisions of section 84 of the German Stock Corporation Act. There are no significant supplementary or deviating provisions in the Articles of Association or Rules of Procedure.

Amendments to the Articles of Association are made in accordance with the provisions of the German Stock Corporation Act. There are no significant, supplementary or deviating provisions in the Articles of Association or Rules of Procedure.

### Authority of the Management Board to issue shares

The Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the company by up to a total of EUR 19,040,228.00 by issuing up to 19,040,228 new shares until 18 August 2025 (Authorised Capital 2020).

The share capital is contingently increased by up to EUR 35,689,918.00 through the issue of up to 35,689,918 new shares (Contingent Capital 2013/2017/2018/2020). The contingent capital increase is subject to the proviso that the conditions for the conversion rights issued in 2017, 2020 or 2024 or in future are exercised and serviced by way of the corresponding utilisation of contingent capital. By way of resolution dated 29 July 2020, the Management Board issued a voluntary commitment declaring that it would not raise the share capital from Contingent Capital 2013/2017/2018/2020 and from Authorised Capital 2020 by more than 50 % in total of the share capital in place as at the time of the resolution (EUR 71,379,836.00), i. e. not by more than a total of EUR 35,689,918.00.

The Management Board also declared that the sum of shares issued on the basis of Contingent Capital 2013/2017/2018/2020 and Authorised Capital 2020 with shareholders' pre-emption rights disapplied – taking into account other shares that are sold / issued after 19 August 2020 with pre-emption rights disapplied or that are to be issued on the basis of bonds after 19 August 2020 with pre-emption rights disapplied – will not exceed 10 % of the share capital at the time it becomes effective or at the time of utilising the Contingent Capital 2013/2017/2018/2020 or Authorised Capital 2020. Shares that are to be issued on the basis of convertible bonds issued by the company in September 2017 or June 2020 are not included in this.

This voluntary commitment is published on the company's website and can be accessed for the duration of the term of Contingent Capital 2013/2017/2018/2020 and Authorised Capital 2020.

**Authorisation on the acquisition and utilisation of treasury shares**

On 19 May 2022, the Annual General Meeting authorised the Management Board in accordance with section 71(1) no. 8 AktG to acquire treasury shares up to a total of 10 % of the share capital in place as at the time of the authorisation. The shares acquired on the basis of this authorisation, together with other shares of the company that the company has already acquired and still holds or that are attributable to it according to sections 71d and 71e AktG, cannot account for more than 10 % of the share capital at any time. The authorisation applies until 18 May 2027 and can be exercised in full or in part on one or more occasions. At the discretion of the Management Board, the shares must be acquired in accordance with the principle of equal treatment (section 53a AktG) on the stock exchange or by means of a public invitation to all shareholders to submit offers to sell, in which case the principle of equal treatment of shareholders must also be upheld (section 53a AktG), unless the disapplication of the right to tender is permitted, or by granting tender rights.

If the shares are purchased on the stock exchange, the purchase price (excluding incidental costs) may not exceed or fall below the price determined on the trading day by the opening auction in Xetra trading on the Frankfurt Stock Exchange by more than 5 %.

If the acquisition is made on the basis of a public purchase offer to all shareholders or on the basis of a public invitation to the shareholders of the Company to submit offers for sale, the purchase price paid to the shareholders (excluding incidental costs) may not exceed or fall short of the arithmetic mean of the share prices on the Frankfurt Stock Exchange on the last three trading days prior to the final decision of the Management Board on the offer or, in the case of an acquisition by other means, prior to the acquisition by more than 10 %.

If the shares are acquired by granting tender rights, the consideration paid per share by the company (not including incidental costs of acquisition) must not be 10 % higher or less than the average share price on the stock exchange in Frankfurt / Main on the last three stock exchange trading days before the date offers of sale are accepted or the date that tender rights are granted.

The authorisation can be exercised for any purpose allowed by law. The Management Board was also authorised to use the shares acquired on the basis of the acquisition authorisation – subject to other requirement – as follows, in particular: (i) to withdraw shares, (ii) for resale on the stock exchange, (iii) to offer for subscription to shareholders, (iv) for disposal in a manner other than on the stock exchange or by way of offer to all shareholders if the acquired shares are sold against cash payment at a price not significantly less than the stock market price within the meaning of section 186(3) sentence 4 AktG, whereby this authorisation is limited to a pro rata amount of share capital totalling not more than 10 % of the share capital as of the time of the resolution by the Annual General Meeting or – if lower – 10 % of the share capital as of the time of the disposal of the shares, (v) as part of a merger or for the acquisition of companies, parts of companies or equity investments in companies, including increases of existing holdings, or of other eligible assets such as properties, property portfolios and receivables from the company, and (vi) to fulfil option or conversion rights/obligations, whereby this authorisation is limited to a pro rata amount of the share capital of LEG of not more than 10 % of the share capital at the time of the resolution of the Annual General Meeting regarding this authorisation or – if this value is lower – 10 % of the share capital at the time of the disposal of the shares. Shareholders' pre-emption rights can be disapplied in certain cases, including for fractional amounts.

The statutory provisions also apply.

### Material agreements of the company for the event of a change of control following a takeover bid

LEG issued various convertible bonds, i.e., namely with a notional amount of EUR 400 million in August 2017, a notional amount of EUR 550 million in June 2020, and a notional amount of EUR 700 million in financial year 2024. The latter was originally issued in September 2024 with EUR 500 million and increased by EUR 200 million in November 2024. In the event of a change of control, the terms and conditions of the convertible bonds state that the bondholders shall be entitled to receive an increased number of shares at a correspondingly adjusted conversion price if the conversion is exercised within a defined period following the change of control. Prior to a change of control taking place, bondholders may submit their convertible bonds for conversion when a corresponding takeover bid is published subject to the condition precedent of the change of control taking place. The extent of the adjustment to the conversion price shall fall during the term of the convertible bonds; this is defined in greater detail in the terms and conditions of the convertible bonds.

In November 2019, LEG also issued two corporate bonds with a total notional amount of EUR 300 million and EUR 500 million respectively under the existing debt issuance programme.

In March 2021, June 2021 and November 2021, LEG issued three additional corporate bonds with total notional amounts of EUR 500 million, EUR 600 million and EUR 500 million, respectively, under the existing debt issuance programme. The March bond was increased through a EUR 100 million tap to EUR 600 million in October 2022, and, in December 2024, through another EUR 100 million tap to a total of EUR 700 million. In July 2023, the bond issued in June 2021 was increased through a tap by EUR 100 million to EUR 700 million.

In January 2022, LEG issued three corporate bonds, each with a total notional amount of EUR 500 million, under the existing debt issuance programme. The bond that matures in 2029 was increased through a EUR 100 million tap each in both November 2023 and November 2024 to a total of EUR 700 million.

The creditors of these corporate bonds have the right to demand the redemption of their bonds if a change of control occurs and the credit rating deteriorates within 90 days of the change of control.

A change of control in accordance with the conditions of the financial instruments described above is considered to have taken place if a person or persons acting in concert hold 30 % or more of the shares in LEG or are otherwise able to exercise control over the company.

In addition, there are some financing agreements in place that contain a termination clause for the benefit of the financing banks, following such a change of control.

### Compensation agreements concluded by the company with employees or members of the Management Board in the event of a takeover bid

The contracts of employment of the Management Board members contain provisions with respect to the event of a change of control. In case of an early Management Board contract termination in the event of a change of control, payments to the members of the Management Board were agreed. The agreement complies with recommendation G 13 of the German Corporate Governance Code by limiting the compensation in accordance with the suggested compensation cap.

# Non-financial Group report (Sustainability Report)

## 1. General Information

### 1.1 General disclosures

#### 1.1.1 Introduction

LEG Immobilien SE, Düsseldorf, and its Group companies, in particular LEG NRW GmbH, Düsseldorf, and its subsidiaries, collectively referred to as “LEG”, are among the largest residential companies in Germany. On 31 December 2024, LEG held a portfolio of 164,067 residential and commercial units (31 December 2023: 168,096), or 163,876 residential and commercial units not including IFRS 5 properties (31 December 2023: 167,326).

LEG has three core activities as an integrated property company: optimising the core business, expanding the value chain and repositioning the management platform.

These consolidated non-financial statements were approved for publication by LEG Immobilien SE’s Management Board on 6 March 2025.

#### 1.1.2 Basis for preparation

##### 1.1.2.1 DR BP-1: General basis for preparation of sustainability reports

LEG Immobilien SE is publishing a non-financial declaration in accordance with Sections 315b, 315c HGB (German Commercial Code) in connection with Section 289c-e HGB for the 2024 financial year. It comprises key non-financial aspects that have a significant impact on the HGB aspects of environmental, social and employee concerns, combatting corruption and bribery, and human rights issues, and that were deemed relevant to LEG Immobilien SE’s financial position and financial performance for the 2024 financial year. These consolidated non-financial statements have been prepared in compliance with European CSR policy, in full recognition of the ESRS, and are referred to hereinafter as the Sustainability Report.

Correspondingly, LEG Immobilien SE is using the ESRS as a framework for its sustainability reporting for the very first time. By contrast, past reports used the GRI (Global Reporting Initiative) standard. The use of the ESRS is justified by the fact that they are accepted as a reporting standard by the European Commission.

One major difference from the GRI reporting method is the principle of double materiality compared with single materiality. The understanding of materiality is enhanced through the application of the ESRS. The ESRS also cover the five aspects of the non-financial statements (environmental issues, employee concerns, social issues, respecting human rights, fighting corruption and bribery). The five aspects of sustainability are described in the following topic-specific ESRS standards:

- Environment: ESRS E1
- Employees: ESRS S1
- Social: ESRS S1 und S4
- Respect of Human Rights: ESRS S1
- Combating corruption and bribery: ESRS G1

The group of consolidated companies in the sustainability reporting corresponds to those in the consolidated financial statements. Founded by LEG together with various partners, the three joint ventures dekarbo GmbH, Renowate GmbH and Efficient Residential Heating GmbH (termios) as well as the associated companies Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH do not currently fall within LEG’s group of consolidated companies.

The joint ventures and associated companies are consolidated at equity, viewed as investments and constitute part of the LEG supply chain.

The business model for dekarbo is a comprehensive solution for the installation of air-to-air heat pumps. Dekarbo takes care of every stage of this service – starting with highly efficient, digital planning and appointment coordination, briefings and standardised installation of the equipment to the in-depth monitoring and control of the installed equipment.

The main product of Efficient Residential Heating GmbH is termios Pro, a smart heating thermostat for the dynamically adaptive hydraulic balancing of heating systems in multi-family houses. The business model is based on the development and distribution of innovative, digital solutions for energy-efficient heating in residential properties.

The Renowate GmbH business model concerns serial energy-efficiency refurbishments in existing buildings. It is a full-service provider for the entire refurbishment process – from initial portfolio analysis to turnkey installation.

These companies will also be referred to here as green ventures because they make a contribution towards climate change mitigation on the one hand and are positioned as an independent business model on the other.

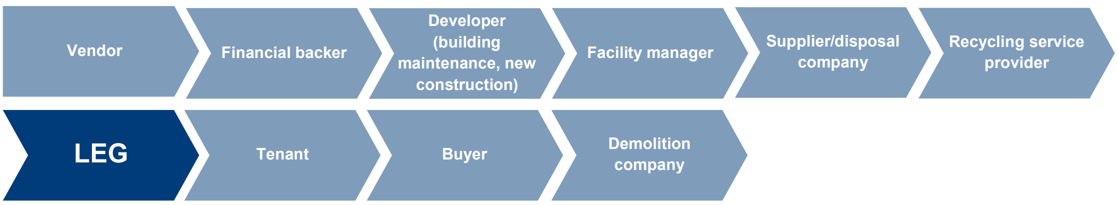
Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH are communal housing companies that are focused on providing affordable, suitable homes to broad sections of the population. Kommunale Haus und Wohnen GmbH currently has a portfolio of 1,290 homes, while Beckumer Wohnungsgesellschaft mbH manages 248 homes.

The two associated companies Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH pursue the same business model as LEG. Therefore, this does not result in a different spectrum of effects, risks or opportunities that LEG would have had to take into account in the context of the materiality analysis.

Both the upstream and downstream sections of the value chain have been taken into account in order to prepare this Sustainability Report and the underlying impact materiality analysis, risks and opportunities. The upstream section of the value chain primarily includes energy supplies and construction companies responsible for refurbishment and maintenance. The downstream section of the value chain essentially covers LEG tenants, third-party buyers of energy generated by the biomass heating power plant Siegerland GmbH & Co. KG, and demolition companies.

The following figure depicts the three LEG value chains:

”Property rentals and management” value chain




“Heating supply and contracting” value chain

Version 1 Facility management


Version 2 Contracting

"Own energy generation" value chain

Waste wood suppliers → **LEG (LEG biomass heating power plant)** → Third-party buyers of energy

LEG achieved the following revenue in the above value chains in 2024:

With revenue of EUR 1,557.5 million, 99 % of total revenue is attributable to the "Property rentals and management". The remainder is divided between the two other value chains of "Heating supply and contracting" and "Own energy generation".

Owing to the proportion of revenue it accounts for, the "Property rentals and management" is the most significant value chain and is used as the basis for reporting in this Sustainability Report. Where appropriate, select characteristics of other value chains are outlined in more detail.

LEG does not exercise the option to omit specific information relating to intellectual property, expertise or the results of innovations.

#### 1.1.2.2 DR BP-2: Disclosures in relation to specific circumstances

LEG has defined the following time horizons:

- Short-term horizon: corresponds to the LEG reporting period (01/01–31/12/2024)
- Medium-term horizon: corresponds to a period of up to ten years
- Long-term horizon: corresponds to a period of more than ten years

The medium-term horizon corresponds to the period of the "trend radar" used in LEG's risk management, which takes into account positive and negative trends in the industry, regulatory policy and social and environmental developments. Due to the materiality of the "Rental and lease" value chain and, by association, the LEG business model, the product life cycle for a building is taken into account in the analysis. Such product life cycles are generally very long, often lasting for around 80 years. With the relevant modernisations, this can generally also be significantly extended, which is why the long-term horizon has been set at up to 100 years.

Estimates are also regularly used within the identified value chains. These estimates are energy consumption values in the "Rental and lease" value chain, which are explained in more detail below. The contractually agreed working hours are used as the productive hours for TechnikServicePlus GmbH (TSP) in order to calculate the gender pay gap (see Chapter 3.1.3.2). In the two other value chains, actual values for productive hours are available.

The Scope 1 and 2 energy consumption values for the 2024 financial year and the resulting emissions have been estimated because the actual consumption values were not yet available at the time of issuing this report. For this reason, consumption figures from the previous year are adjusted for the reporting year in order to take into account changes in the portfolio and the climate factor provided by the German Meteorological Service (DWD). This adjustment is necessary in order to depict the weather conditions for the 2024 reporting year. Greenhouse gas (GHG) emissions from decarbonisation measures already in place, described in more detail in the chapter under E1-1, are also taken into account in the projection for the 2024 financial year. In terms of Scope 3 emissions, the emissions from the upstream heating chain (Scope 3.3) and the emissions from tenants' domestic electricity consumption (Scope 3.13) are taken into account. These emissions account for around 90 % of the total Scope 3 emissions, with the effect that the remaining Scope 3 categories can be deemed immaterial. As mentioned above, the energy consumption values for the reporting year were not yet available at the time of issuing this report, which means the Scope 3.3 emissions are also based on estimates or extrapolated values. The Scope 3.13 emissions are estimates because LEG does not have any specific consumption data available due to the fact that domestic electricity is billed directly by the electricity supplier to the tenant.

Overall, it should be taken into account that assumptions were made about the emission factor when reporting Scope 1, 2 and 3 emissions. The use of emission factors can lead to inaccuracies.

The estimated values for the reporting year, which are presented accordingly, will be replaced by the actual values in the subsequent year. The deviation between these estimated consumption values and the actual values was 1.6 % in 2023; for emissions, this figure was -0.4 %.

In order to increase the accuracy of the data, the relevant measures are implemented: For example, heat cost allocators and thermal energy meters are gradually being installed in properties so that the consumption values are available for the reporting year for Scope 1, 2 and 3.3 by the time the report is issued. Electricity consumption values for tenants, which are reported under Scope 3.13, are billed directly by the provider to the tenant. Tenants only report consumption values to LEG on a voluntary basis and LEG does not currently request them.

Energy consumption values and emissions for Scope 1, 2 and 3 in 2024 are associated with measurement inaccuracies. The balance sheet values from 2023 have been adapted and adjusted in order to calculate them. Electricity consumption for Scope 3.13 has been estimated using the German electricity mix and the size of the apartment.

The disclosure requirements under the EU Taxonomy are fulfilled in this Sustainability Report. The preparation of the GHG balance sheet meets the requirements of the Greenhouse Gas Protocol (GHG). The categorisation of physical and transitional risks is done using the TCFD framework.

## 1.1.3 Governance

### 1.1.3.1 DR GOV-1: Role of administrative, management and supervisory bodies

The Management Board of LEG Immobilien SE has three members and the Supervisory Board of LEG Immobilien SE has six members.

The members of the Management Board are responsible for managing the company, while the Supervisory Board serves as a controlling body.

LEG has elected co-determination bodies comprising the Group, company, regional and division works' councils and an economic committee. There is no employee representative in the Supervisory Board of LEG Immobilien SE.

The members of the Supervisory Board have the relevant qualifications and experience required in order to fulfil their duties. The requirements of the German Corporate Governance Code (GCGC 2022) are met in full as per the 2024 declaration of compliance and the corporate governance declaration. With regard to the particular significance of sustainability-related topics, the Supervisory Board has established an ESG committee from among its members. The members of the ESG committee have sufficient experience and expertise on ESG topics.

Since the ESG committee was founded in 2022, the area of ESG has become much more complex. This resulted, amongst others, into an update of the sustainability strategy. In order to evaluate LEG's decarbonisation targets, GHG reporting has been implemented that sets out the measures to cut greenhouse gases. Reports are issued quarterly. As a result of the fast pace of development in the field of ESG, the ESG committee was transferred into a joint Risk, Audit and ESG committee from 2025 onwards.

The Management Board and Supervisory Board can be broken down by gender as follows:

Supervisory Board:
- Male: 67 %
- Female: 33 %

Management Board:
- Male: 67 %
- Female: 33 %

In its meeting on 5 November 2024, the LEG Immobilien SE Supervisory Board confirmed the resolutions regarding the quota of women in the Management Board and Supervisory Board (33 % in each) and extended this requirement until 31 December 2029.

100 % of the members of the Supervisory Board are independent as defined by the GCGC.

LEG has a Group-wide risk management system (RMS) that is supported by the IT tool Risk2Chance (R2C). At LEG, risk management serves to identify, analyse, measure, control, document and communicate business-related risks, as well as to monitor them. The main aim of risk management is to avoid the identified risks, minimise them (for example, with suitable countermeasures), to transfer them (e.g. to insurances), to plan for them financially (e.g. through provisions), or to consciously accept risks. Sustainability-related risks are recorded in the quarterly risk inventory along with other risks and will be presented separately in the risk inventory report in future.

A key component of risk management is the Group-wide risk early warning system in accordance with standard IDW 340 (new version). According to Section 91 (2) of the German Stock Corporation Act (AktG): "The Management Board of a stock corporation is required to adopt suitable actions, notably to set up a monitoring system, in order to be able to identify at any early stage any developments that could jeopardise the continued existence of the company." LEG's risk early warning system was examined by an auditing company regarding the requirements of the German Stock Corporation Act as part of its audit of the annual financial statements. The audit found that the Management Board has taken the measures prescribed by Section 91(2) AktG on establishing an appropriate risk early warning system and that the risk early warning system is suitable for identifying developments that could jeopardise the continued existence of the company at an early stage. Furthermore, the entire risk management system is audited every three years by the LEG internal auditing team (generally with the assistance of an externally commissioned auditing company).

In addition to the risk management system, an internal control system (ICS) has also been implemented.

The Risk, Audit and ESG Committee of the Supervisory Board is informed twice a year by the Management Board and the internal audit department about current developments and audits. The Risk and Audit Committee is also presented with the annual audit plan by the internal audit department. The Management Board provides a quarterly update on the risk situation within the LEG Group as part of its risk inventory, while a report on compliance with ICS regulations is issued annually. If required, ad-hoc reports are also issued to the Risk, Audit and ESG Committee.

The objectives relating to material impacts, risks and opportunities are communicated to the Management Board and the Risk, Audit and ESG Committee on a quarterly basis.

The risk inventory explicitly includes sustainability-related risks. The responsibility for monitoring the impacts and opportunities of sustainability-related risks lies with the Management Board, in particular with the CFO.

The Risk, Audit and ESG Committee then reports to the Supervisory Board. The ESG Committee gives any additional or supplementary recommendations for future action. The roles and responsibilities of the committees are set out in the Rules of Procedure for the Supervisory Board and the Risk, Audit and ESG Committee.

The Supervisory Board elects the members of the ESG committee from among its own members. Four elections took place in 2024. In these elections, the main focus is on the sustainability-related expertise of the relevant Supervisory Board members. The members of the ESG Committee were Dr Katrin Suder (Chairwoman), Dr Sylvia Eichelberg and Mr Martin Wiesmann. Mr Michael Zimmer was elected deputy member. The ESG Committee has the following sustainability-related expertise and skills:

- Theoretical and practical experience with ESG regulations and their implementation
- Publications about various ESG-related topics
- Membership of the Supervisory Board held for several years, particularly with a focus on ESG
- Identification and management of ESG risks
- Many years of operational experience in the development and implementation of ESG initiatives and the implementation of ESG objectives

This expertise is relevant to the evaluation and management of material impacts, risks and opportunities. Due to their many years of experience, they are able to classify them in corporate strategy and processes. The members of the ESG Committee continually build on their sustainability-related expertise.

At the beginning of the year 2025, the ESG Committee was transferred into a joint Risk, Audit and ESG Committee.

The members of the committee are Dr Claus Nolting (Chairman), Christoph Beumer and Dr Sylvia Eichelberg.

### 1.1.3.2 DR GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Management Board is actively involved in sustainability aspects. It regularly participates in LEG's internal meetings. For example, the Management Board was intensively involved in the revision of the sustainability strategy.

The Management Board kept the Supervisory Board transparently informed about all strategic developments at all times and actively sought its involvement. In particular, the ESG Committee was the point of contact for updating the sustainability strategy. This took place four times in 2024. The report from the ESG Committee is an integral part of every Supervisory Board meeting.

At the regular meetings of the Supervisory Board and its committees, the Management Board and Supervisory Board discussed the current challenges in the residential real estate sector on an event-related basis.

If necessary, extraordinary meetings and calls were held by the Supervisory Board or its committees. As in previous years, the Supervisory Board was involved in the development of corporate strategy. Constructive and regular cooperation between the two boards is particularly important in the face of growing challenges in a world of volatility and increasing uncertainty. The Supervisory Board was able to convince itself of the legality and regularity of the Management Board's work. A continuous exchange takes place in the regular meetings and, if necessary, additionally.

Both the Management Board and Supervisory Board are concerned with all material impacts, risks and opportunities (for a list, see chapter on SBM-3). Furthermore, the boards are provided with the relevant documents on a quarterly basis and for each meeting.

### 1.1.3.3 DR GOV-3: Integration of sustainability-related performance in incentive schemes

The remuneration system for the Management Board includes short-term ESG criteria (short-term incentive) and long-term ESG criteria (long-term incentive) that are associated with financial incentives and defined annually by the Supervisory Board.

The ESG objectives are derived from a strategic review based on the sustainability strategy. For the 2024 ESG objectives, criteria in the areas of environment, social and corporate governance were established and tied to specific targets. For 2025, only STI and LTI targets were defined for the area of environment because the focus of the sustainability strategy in the next few years will lean more strongly towards the topics of environment and climate change mitigation. The targets are assigned quantitative or qualitative criteria so that a comparison of target and actual performance can be carried out at the end of the financial year to measure target attainment. The specific ESG targets, as well as the minimum and maximum values, are determined annually by the Supervisory Board with the consent of the Management Board prior to the start of the financial year. Targets for the Management Board are resolved by the Supervisory Board. These agreed targets also apply to the second tier of management. The Supervisory Board does not have any agreed targets.

The agreed STI and LTI targets are presented in detail in the remuneration report, along with the degree to which they have been achieved.

The ESG objectives in 2024 have a weighting of 20 % in the STI and LTI target values. In the STI target, each individual target for E, S and G account for a proportion of 6.66 percentage points and, in the LTI target, each individual target for E, S and G accounts for a proportion of 10 percentage points. A long-term G target was not agreed.

**Target attainment for short- and long-term targets in the 2024 financial year**

**STI 2024**

**Environmental target**: Reduction of 4,000 tonnes $CO_2$ through modernisation projects and changes in customer behaviour in the 2024 financial year.

**Specific description**: This includes modernisation measures to improve energy efficiency concluded in 2024 and qualifying as modernisation measures as per Section 555b nos. 1 to 3 of the German Civil Code (BGB) based on the portfolio included in the Annual Report as at 31 December 2023. The reduction is evidenced on the basis of energy savings calculations and the resulting reduction in GHG emissions for final energy consumption. All the

GHG emissions reductions in the 2024 financial year that demonstrably result from measures to change user behaviour are also included in determining target attainment. This may be evidenced by studies or reports by acknowledged experts that have been specifically prepared for individual measures taken in the 2023 financial year or through the use of a well-known, scientifically quantified and verified method of influencing user behaviour in the context of space heating that has been published in a peer-reviewed journal. The GHG savings must be achieved on a climate-adjusted basis, i.e. for an average year to be expected in the long term for Germany according to the German Meteorological Service.

**Target attainment:** In the 2024 financial year, a total of 1,088 tonnes $CO_2e$ were cut as a result of changes in customer behaviour, brought about in particular by heating posters, and by verifying the verification methods listed in the target description. Furthermore, an additional 5,551 tonnes of $CO_2$ were cut as a result of modernisation measures. $CO_2$ consumption was therefore reduced by 6,639 tonnes in total. Thus, the target was exceeded.

**Social target:** Use of 100 LEG employee hours to design, organise and implement intercultural projects by 31 December 2024.

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

**Target attainment**: A total of 665 employee hours were used, and the target was therefore exceeded.

**Governance target**:

Target 1: 99 % of LEG employees at LEG Management, LEG Wohnen NRW, EnergieServicePlus, LCS Consulting und Service, LEG Bauen, LEG Consult, LWS Plus, Youtilly completed the IT security training by 31 December 2024.

Target 2: 85 % of TSP employees had completed the IT security training by 31 December 2024.

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

**Target attainment:** Proof of target attainment was delivered by the training tool that has been launched throughout the Group. The participation rate within the defined group 1 of LEG staff was 100 %, while for group 2 it was 99.2 %. Both Governance targets were therefore exceeded.

**LTI 2021-2024**

**Environmental target**: Cut $CO_2$ emissions by 10 % in four years.

**Specific description:** Cut climate-adjusted $CO_2$ emissions in kg/m² of the portfolio as compared with the base year 2019 in the next four years based on the portfolio included in the Annual Report as at 31 December 2019, which was adjusted for sales until 31 December 2024. In order to achieve 100 % attainment, a reduction of 10 % is required.

**Target attainment**: The reduction in climate-adjusted $CO_2$ emissions in kg/m² of the portfolio as compared with the base year 2019 (based on the portfolio included in the Annual Report as at 31 December 2019 adjusted for acquisitions and disposals) is 29 %. The long-term target was thus exceeded. Due to the adjusted inventory, the percentage reduction differs from that of the decarbonisation pathway.

**Social target**: Maintaining high employee satisfaction (66 % Trust Index)

**Specific description:** Employee satisfaction is measured using the Great Place to Work organisation's Trust Index for the LEG Group, which is measured every two years via an employee survey. This is determined by taking the average of the two measurements taken during the four-year LTI period compared with the value determined by the survey in 2020.

**Target attainment:** The average of the Great Place to Work organisation's Trust Index surveys from 2022 and 2024 is 73.5 %. The long-term target was thus exceeded.

**Target distribution 2025**

**Environmental target STI 2025**

| | Ranges |
|---|---|
| **Reduction of 6,000 tonnes $CO_2$** | 0 % minimal value: 5.400 tonnes $CO_2$ reduction<br>100 % target attainment: 6.000 tonnes $CO_2$ reduction<br>200 % maximum value: 6.600 tonnes $CO_2$ reduction |

To achieve 100 % of the environmental target, a saving of 6,000 tonnes $CO_2$ in 2025 is required. All $CO_2$ reduction measures from the three clusters of measures of the sustainability strategy "Emission-efficient heat supply", "Reduced energy requirements" and "Energetic refurbishment" will be taken into account. These three clusters are monitored on a quarterly basis by means of $CO_2$ monitoring.

**Environmental target LTI 2025:**

For the LTI with the performance period 2025 to 2028, the Supervisory Board has set the following environmental target as the only ESG target:

| **Target** | Profit and disposal results of Green Ventures from 2025 to 2028 |
|---|---|
| **Target values** | 0 % minimal value: EUR 10 million<br>100 % target attainment: EUR 20 million<br>200 % maximum value: EUR 30 million |

In the period from 2025 to 2028, the target value of the environmental target cumulatively takes into account the respective pro rata annual profit and disposal results generated by the Green Ventures RENOWATE, dekarbo and termios. These companies are included in the consolidated financial statements of LEG Immobilien SE as associated companies (at equity) in accordance with IAS 28. If one of these companies is sold in whole or in part in the relevant period, the result of the sale, defined as the selling price less the carrying amount of the investment in the consolidated financial statements of LEG Immobilien SE at the time of the sale and less incidental costs (e.g. notary fees, etc.), is added to the income from the investment. If the pro rata result of the previous year, which has already been recognised in the previous year's result, is included in the sales price, the pro rata sales result must be adjusted for this result. If it becomes necessary to fully consolidate one of the companies during the performance period, the pro rata earnings from the unconsolidated company are added so that the company continues to be included in the calculation as if it were still an at-equity company.

For cumulative profits and/or disposal results of Green Ventures amounting to EUR 20 million in the period from 2025 to 2028, a target achievement of 100 % is reached. If the cumulative profits and/or disposal results are less than or equal to EUR 10 million, the target achievement level is 0 % if the cumulative profits and/or disposal results are greater than or equal to EUR 30 million, the maximum target achievement level of 200 % is achieved.

#### 1.1.3.4 DR GOV-4: Statement on due diligence

| Core elements of due diligence | Reference in the Sustainability Report |
|---|---|
| a. Integrating due diligence into governance, strategy and business model | ESRS 2 GOV-2 26 a), b); ESRS 2 GOV-3 29 a), b), c), d), e); ESRS 2 SBM-3 48 a), b) |
| b. Integrating affected stakeholders into all key stages of due diligence | ESRS 2 SBM-2 45 a) i.-v; ESRS 2 IRO-1, 53 b) iii.; ESRS E1-2 24; ESRS S1-1 19; ESRS S1-2 27; ESRS S4-1 15; S4-2 20 b) |
| c. Identifying and evaluating negative impacts | ESRS 2 BP-2 17 a); ESRS 2 SBM-3 48 a), b), c); ESRS 2 IRO-1 53 a), b), e), g); ESRS E1 IRO-1 20 a); |
| d. Actions to counter these negative impacts | ESRS 2 BP-2 17 d); ESRS E1-1 16 b); ESRS E1-3 28; ESRS S1-1 20 c); ESRS S1-1 24 a); ESRS S1-3 32 a); ESRS S1-4 38 a), b), c), d), 40 a), b); ESRS S4-1 16 c); ESRS S4-3 25 a); ESRS S4-4 31 a), b), 33 a), b) |
| e. Monitoring the efficacy of these efforts and communication | ESRS 2 GOV-2 26 a); ESRS E1-4 32; ESRS S1-2 27 e); ESRS S1-3 32 e); ESRS S1-4 38 a), 40 a); ESRS S4-2 20 d); ESRS S4-3 25 d); ESRS S4-4 31 d), 33 a) |

#### 1.1.3.5 DR GOV-5: Risk management and internal controls over sustainability reporting

General internal monitoring is carried out in order to safeguard sustainability reporting. This process is coordinated by and falls under the responsibility of the ESG unit, with the relevant responsible departments consulted in order to provide data and qualitative disclosures. The ESG unit checks the information provided for plausibility using a multi-control approach. This can be seen as an iterative process that aims to ensure the completeness and accuracy of the information. A timeline and implementation plan were established to achieve this. A review by the Management Board represents a further monitoring entity. A method for assessing and prioritising risks within the framework of estimated values does currently not exist but is limited by the multi-control principle.

With regard to the 2024 reporting year, LEG has not yet implemented an internal control system for sustainability reporting. In the course of 2025, however, sustainability reporting is to be increasingly integrated into the internal control system in order to ensure the quality of the report-relevant data basis.

Close coordination between the ESG department and the LEG departments in the multi-control principle ensures data collection processes and minimises the disclosure of estimates. The process minimises the most important identified risks with regard to incorrect information in reporting as far as possible and thus avoids liability risks.

Data risks due to incomplete data or low data quality are also further reduced. For example, data quality can be increased with the successive use of remotely readable devices for heating data, which reduces the need to use estimates.

The implementation of sustainability reporting requires significant personnel, financial and time resources. This resource risk is minimised through automation and digitalisation. In future, regular reporting (at least twice a year) on the results of the risk assessment and its internal controls with regard to the sustainability reporting process will be submitted to the Management Board and Supervisory Board.

### 1.1.4 Strategy

#### 1.1.4.1 DR SBM-1: Strategy, business model and value chain

With a portfolio of 164,067 rental units excluding commercial units at approximately 240 locations, LEG is the second-largest residential property company in Germany. LEG’s activities can therefore be assigned to the sector of “Real Estate and Services” (RRS). LEG is also active in the “Energy Production & Utilities” (EEU) sector through its energy subsidiary EnergieServicePlus (ESP) and the biomass heating power plant Siegerland GmbH & Co. KG.

LEG Immobilien SE is one of the leading listed residential property management companies in Germany, with a regional focus on North Rhine-Westphalia. This is where 80 % of its portfolio is located. LEG’s customers are primarily people with low to medium incomes. As such, LEG serves the growing demand for living space in this income category and focusses entirely on tenants in the “affordable housing” segment. The heat supply of LEG buildings is often provided by the energy subsidiary ESP.

As at 31 December 2024, 2,087 employees worked for LEG. This figure includes 100 employees of the company LEG Nord FM, which was sold on 31 December 2024.

In the 2024 financial year, it generated the following revenue, broken down by ESRS sectors. For the RRS ESRS sector, this takes into account the revenue from Rental and Lease, while for the EEU ESRS sector, this is based on the revenue from other services (energy).

| ESRS sector | Revenue in € millions |
|---|---|
| Real Estate & Services | 1,557.5 |
| Energy Production & Utilities | 16.5 |

LEG is not active in any other ESRS sectors. This also includes the area of fossil fuels. As a result, no revenue is listed for this area.

The following targets refer to both of the sectors mentioned.

In its sustainability strategy, LEG has set itself the target of reducing its Scope 1 and 2 emissions by 47 % by 2030. This target was validated by SBTi (Science Base Target initiative) on 5 December 2024. LEG is striving to become practically greenhouse gas-neutral by 2045.

LEG has set itself the following remuneration-related performance targets:

**Environmental**

2022–2025: Cut $CO_2$ emissions by 10 % ($CO_2$ekg/m²)

2023–2026: Permanent reduction in relative $CO_2$ emission-saving costs in EUR/tonne of 10 % due to permanent structural changes to LEG residential buildings

2024–2027 Installation and commissioning of 2,000 air-to-air heat pumps in 2027 in LEG's portfolio and in third-party portfolios

**Social**

2022–2025: Increase customer satisfaction index (CSI) to > 70 %

2023–2026: Trust Index value for the LEG Group of 70 %, which will be measured in 2026 via an employee survey by the Great Place to Work organisation.

2024–2027: Acceleration of the processing time of total LEG tenant complaints by 10 % by 31 December 2027 based on the average processing time of resolved complaint tickets from March 2024 and September 2024

Other remuneration-relevant targets have already been described in the Chapter GOV-3.

The existing "ESG Agenda 2024" sustainability strategy was updated. The focus of the revised Sustainability Strategy 2030 in the next few years will lean more strongly towards the topics of environment and climate change mitigation. In doing so, the cost-effectiveness and financing viability of the measures are being considered and a much stronger focus is put on emission efficiency. Furthermore, LEG will establish the topic of sustainability as a business model with the existing three green ventures and build on it to achieve additional revenue. When updating the catalogue of measures to reduce GHG emissions, the main aim is therefore to reduce GHG emissions throughout the entire company as cost effectively as possible. The GHG reduction targets underpinning these measures were recently revalidated by the Science-Based Target Initiative (SBTi) and are reflected in the environmental targets until 2030. LEG aims to reduce its Scope 1 and 2 emissions by 47 % by 2030 compared to the base year 2019. In order to achieve these targets, various GHG reduction measures are being implemented. These can be divided into three clusters. The clusters of measures are ranked depending on their contribution towards overall GHG reductions by 2030:

- Energy-efficient heat supply, including by installing and controlling new heating systems, the use of air-to-air heat pumps (dekarbo) or the more widespread use of district heating (biggest decarbonisation lever with a contribution of 50 to 55 % of the total GHG reduction by 2030)
- Reduction of energy requirements, among other things, through the use of smart thermostats (termios) or through approaches to change customer behaviour that are intended to point out or "nudge" the tenant on energy saving potentials (green nudging). This includes, for example, the hanging of heating posters (decarbonisation lever with a contribution of 30 to 35 % to the total GHG reduction by 2030)
- Energetic refurbishment, including using conventional methods, as well as serial refurbishment with RENOWATE (decarbonisation lever with a contribution of 10 to 15 % of the total GHG reduction by 2030)

Based on the German Climate Protection Act in force at the time of writing this report, LEG's target is to have achieved almost GHG neutrality by 2045. More details are provided about the strategies and targets for the social and governance topics in the specific standards (see Chapters 3.1.3.2 and 4.1).

Further information about the sustainability strategy can also be found on LEG's sustainability website.

LEG has continued to expand its lines of business in recent years:

**Property management and rentals**

- Focus on affordable housing for large parts of the population, target group orientation and neighbourhood management (LEG Wohnen GmbH and LEG Management GmbH, as well as various property companies (see Consolidated Financial Statement)
- Management of property maintenance services (Youtilly GmbH)

**Energy supply**

- Provision of energy technology and services (EnergieServicePlus GmbH)
- Energy generation (biomass heating power plant Siegerland GmbH & Co. KG)

**Service activities**

- Small repair management and insurance claim processing (TSP – TechnikServicePlus GmbH)
- Electrical work in LEG properties (LEG LEITWerk GmbH)
- Multimedia business (Wohnservice Plus GmbH)
- Refurbishment of vacant properties (LWS Plus GmbH)

**Innovative solutions**

- Installation and maintenance of high-efficiency air-to-air heat pumps, particularly to replace decentralised heating systems (dekarbo GmbH)
- Smart radiator thermostat control in existing and new central heating systems (Efficient Residential Heating GmbH (termios))
- Efficient implementation of serial full modernisation projects (Renowate GmbH)

The following describes the key input and output factors, as well as the major components of the upstream and downstream value chain for the rental and management of property (see Chapter 1.1.2.1).

One major input factor is the LEG property portfolio and associated land.

These properties will be maintained and adapted to climate change with refurbishments and modernisation. As such, the energy sources used for supplying heat are also a major input factor and will now be switched over to electricity for emission-efficient heating, or the district heating network expanded. Furthermore, more efficient heating systems are being installed and customers integrated via green nudging in order to reduce their energy consumption (see ESRS E1, Chapter 2.2).

Another major input factor is qualified, motivated employees, which is why LEG champions the development of its corporate culture and its appeal as an employer. More information can be found in ESRS S1 (see Chapter 3.1). For these processes, a functioning IT infrastructure comprising hardware and software is required and will be the responsibility of LEG's own IT subsidiary LCS Consulting und Service. With cost-effective planning, the other major input factor – capital, i.e. equity capital, borrowed capital and hybrid capital – will be used efficiently.

The output of LEG's business activities is the provision of housing. The core concern here is providing affordable, functional housing.

The upstream value chain primarily includes construction companies for the modernisation and maintenance of the property portfolio, as well as financial backers and property vendors. Suppliers/disposal companies and recycling companies responsible for the disposal of waste generated by the LEG portfolio and in connection with construction measures are also part of the upstream value chain. The main entity in the downstream value chain are LEG's tenants, as well as property buyers and demolition companies.

The following describes both the key input and output factors, as well as the major components of the upstream and downstream value chain for the heat supply and contracting, which is provided in partnership with our subsidiary ESP (see Chapter 1.1.2.1).

Key input factors here are the systems used, which, depending on their type are owned by LEG (system management) or ESP (contracting), as well as the energy source (gas, electricity, pellets).

As with the property rentals and management business model, qualified and motivated employees are the key input factors here, as well the relevant expertise on energy procurement and system operations.

The output of the subsidiary ESP is energy supply to the LEG portfolio.

The upstream value chain primarily includes system manufacturers, while the main entities in the downstream value chain are LEG's tenants to whom the heating energy is provided.

In the "Own energy generation" value chain, implemented by the biomass heating power plant Siegerland GmbH & Co. KG, waste wood is the key input factor and thus the suppliers of waste wood are also key players in the upstream value chain. Here, too, qualified employees are a major input factor.

The output consists of the provision of green electricity and green district heating. The main players in the downstream value chain are, correspondingly, third-party buyers of energy.

### 1.1.4.2 DR SBM-2: Interests and views of stakeholders

When developing the materiality analysis, the key stakeholders for LEG were integrated and asked via a survey in order to obtain a wide range of perspectives and to ensure that all relevant topics had been addressed. The development of the materiality analysis was overseen by an external consultancy company.

In order to identify the key stakeholders, they were evaluated for "influence" and "interest" using a scoring model. This was part of the preparatory work for the materiality analysis. Stakeholders identified here as being particularly important were integrated into the process for developing the materiality analysis.

The most important stakeholders include tenants and customers, shareholders, employees, Management Board, Supervisory Board, debt investors, banks, insurance companies, politicians, and suppliers.

Furthermore, a panel of experts was also established with internal stakeholder representatives. This panel also covers all relevant areas of expertise within LEG that the business units or stakeholder perspectives may cover. By integrating these stakeholders, this therefore covers the employee, customer and investor perspectives, as well as the perspectives of service providers and other business partners. The perspective with regard to various construction measures is also included via the departments and subsidiaries.

In addition to the internal panel of experts, the employees were also consulted via a survey in order to validate the topics.

On the side of the external stakeholders, investors and banks, insurance companies, suppliers and tenants were all included by sending out a survey. Furthermore, the results of the comprehensive survey by the VdW (Verband der Wohnungs- und Immobilienwirtschaft Rheinland Westfalen e. V.) were also fed into the materiality analysis, which meant that political perspectives were therefore also taken into account.

The integration of stakeholders aims to aid consensus-seeking, decision-making and information validation. This aims to ensure that all topics are properly addressed.

The perspectives and views of the stakeholders with regard to the strategy and business model were obtained via responses to the survey and analysed and validated in the materiality analysis. The Management Board and Supervisory Board were informed about this in a meeting of the ESG committee. The ESG committee meets regularly on a total of four occasions per year and facilitates a dialogue on all sustainability-related topics be-tween the Management Board and Supervisory Board.

The results of the stakeholder survey and the materiality analysis carried out have basically confirmed the previous orientation of the sustainability strategy. In view of the current political, regulatory and economic conditions, the strategy has been adapted and updated, especially with regard to the environment, climate protection and economic efficiency. In the future, further exchange with stakeholders is planned every two years. The results are subsequently compared with the sustainability strategy. As a result, it is expected that the possibly changing perspectives of the stakeholders can be taken into account within the ongoing adaptation of the sustainability strategy.

### 1.1.4.3 DR SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The following table shows the impacts, risks and opportunities deemed material by the materiality analysis, as well as the time-based assessment and any relevant actions. Short-, medium- and long-term time horizons were considered. The definition of the individual time horizons has been described in chapters BP-1 & BP-2.

| Impacts | | | | | |
|---|---|---|---|---|---|
| ESRS | Value chain | Description | Influence on business model, value chain and strategy | Actions | Impact on people and the environment |
| E1 | EG<br>NW | High carbon footprint for the building | Aim of reducing the carbon footprint, therefore high influence on business model and strategy as a result of the decarbonisation pathway | Three clusters of measures: emission-efficient heat supply, reduction in energy requirements and energetic refurbishment by using subsidies | Negative contribution to greenhouse effect |
| E1 | EG<br>VW<br>NW | Transformation to GHG-neutral portfolio | Taken into account in the strategy; simultaneously tapping into new areas of business in the field of climate change mitigation via green ventures | Three clusters of measures: emission-efficient heat supply, reduction in energy requirements and energetic refurbishment by using subsidies | Positive contribution to greenhouse effect |
| E1 | NW | Influence on tenants via low incidental costs due to energy-related measures | Taken into account in the strategy; aim of achieving neutral rent including heating | Focus on innovative decarbonisation solutions dekarbo, termios and RENOWATE, as well as the LEG nudging programme | Lower incidental costs for LEG tenants; positive contribution to greenhouse effect |
| E1 | EG | Social role model through pioneering role in the industry: mastering the climate crisis through innovation (e.g. maintaining the 1.5 °C target, climate neutrality by 2045) | Taken into account in the strategy; simultaneously tapping into new areas of business in the field of climate change mitigation via green ventures | Focus on innovative decarbonisation solutions dekarbo, termios and RENOWATE, as well as the LEG nudging programme | Incentive for other property companies to decarbonise |
| S1 | EG | Safeguarding employee health as a prerequisite for good work | Addressed in works agreements | Operational health management programme with the relevant services | Promoting employee health |
| S1 | EG | (Long-term) sick leave for LEG employees due to workplace conditions (e.g. UV or heat stress and psychological stress) | Addressed in works agreements | Operational health management programme with the relevant services (e.g. stress prevention); occupational safety briefing; workplace accident insurance | Jeopardising employee health |
| S1 | EG | Safeguarding employee satisfaction and loyalty with adequate wages | Collective agreements and statutory co-determination | Remuneration that complies with collective labour agreements; special remuneration and inflation compensation | Safety for LEG employees |
| S1 | EG | Securing jobs | Responsible business practices | Liquidity management | Safety for LEG employees |

| | | | | | |
|---|---|---|---|---|---|
| S1 | EG | Diversity as a feeling of belonging for employees | Taken into account in the corporate strategy as a contribution towards employee satisfaction and a feeling of belonging among employees | Various measures, such as mentoring programmes, diversity dinners, diversity day | Sense of belonging for LEG employees |
| S1 | EG | Safeguarding data protection with regard to own workforce | Data protection department | Seminars on data protection | Securing employee data |
| S1 | EG | Safeguarding employee satisfaction and loyalty by facilitating a better balance between work and private life (e.g. flexible working hours, working from home, etc.) | Taken into account in the corporate strategy as a contribution towards employee satisfaction and a feeling of belonging among employees; addressed in works agreements | Flexitime arrangements; remote working option | Promoting employee satisfaction; better balance between work and private life |
| S4 | NW | Avoiding the fear of losing a home by providing affordable housing | LEG's raison d'être is providing affordable housing; anchored in its strategy | Continuation of core business | Secure housing for LEG tenants |
| S4 | NW | Integration of immigrants and refugees | Social responsibility is enshrined in the LEG strategy | Provision of homes for refugees (e.g. from Ukraine), as well as for immigrants (no discrimination based on place of origin) | Support for refugees and immigrants |
| S4 | NW | Influence on tenants via low incidental costs due to energy-related measures | Taken into account in the strategy; aim of achieving neutral rent including heating | Focus on cost-effective, innovative decarbonisation solutions, such as dekarbo and termios | Lower incidental costs for LEG tenants; positive contribution to greenhouse effect |
| S4 | EG<br>NW | Breaches of data protection with regard to tenant or customer-related data due to errors or misuse | Data protection department | Seminars on data protection | Securing tenant data |
| S4 | NW | Avoiding discrimination based on culture or ethnic background, gender, religion or worldview, disability, age or sexual identity when assigning housing | Social responsibility is enshrined in the LEG strategy, avoiding discrimination is enshrined in the LEG guidelines | Provision of housing regardless of ethnic origin, gender, religion, disability, age or sexual orientation; digital whistleblower system for interested tenants | Positive effect on people affected by discrimination |
| G1 | EG | Safeguarding compliance (good governance) | Basis of business activities | Guidelines, seminars on compliance | Creating trust |
| G1 | EG | Influence through lobbying on political decision-making to have a positive impact on the environment and/or society and potentially have positive impacts on LEG | Active political involvement | Monitoring political developments and lobbying work | Dismantling regulatory obstacles in order to benefit tenants and the environment |
| G1 | EG | Positive corporate culture has a positive effect on the individual situation of the employees | Taken into account in the corporate strategy as a contribution towards employee satisfaction | Actions to ensure a positive corporate culture; corporate culture based on fundamental values set out in LEG's declaration of fundamental values; ongoing staff development and measures focussed on employees' needs | Positive contribution towards employee well-being at LEG |

| | | | | | |
|---|---|---|---|---|---|
| G1 | EG | Whistleblower protection by guaranteeing anonymity within the whistleblower system, establishing a secure environment for providing information about misconduct | Regulation of the Group works agreement about the introduction of a whistleblower system and the rules of procedure for the compliance whistleblower system and on the complaints procedure according to the German Supply Chain Due Diligence Act. | Internal and external whistleblower system (anonymous upon request) | Prevention of human rights violations; fighting misconduct |
| Company-specific | EG | Take ESG targets into account in incentivisation – thus impacting environment and society | Take into account in the corporate strategy, incentivisation to implement relevant measures relating to the environment and society | Determine short-term incentives and long-term incentives at the Management Board and management level | Positive contribution to greenhouse effect |
| Company-specific | EG<br>VW<br>NW | Energy-efficient construction, modernisations and sustainable refurbishments to achieve more environmentally friendly and durable buildings | Taken into account in the strategy; simultaneously tapping into new areas of business in the field of climate change mitigation via joint ventures (green ventures) | Three clusters of measures: emission-efficient heat supply, reduction in energy requirements and energetic refurbishment by using subsidies | Positive contribution to greenhouse effect |

**Risks**

| ESRS | | Description | Influence on business model, value chain and strategy | Actions |
|---|---|---|---|---|
| E1 | EG | Downgrading buildings due to investment backlog | Refurbishment as part of the strategy and business model | Targeted prioritisation of conventional and serial refurbishments by using subsidies |
| E1 | EG | Energetic refurbishment as a cost factor (including legally mandated) | Take external influences into account in the strategy | Implementation of the relevant measures in the three clusters |
| E1 | EG<br>VW | Cost increases due to rising prices raw materials, energy and services for LEG | Take external influences into account in the strategy | Framework agreements and specific choice of suppliers |
| E1 | EG<br>NW | Non-allocable costs as a reason for delays to modernisation of housing and building services | Take external influences into account in the strategy | Focus on innovative decarbonisation solutions dekarbo, termios and RENOWATE, as well as the LEG nudging programme |
| E1 | EG | Property value decreases due to its location or construction with the risk of vacancy due to the impacts of climate change | Refurbishment as part of the strategy and business model | Serial and conventional modernisation measures by using subsidies |

| | | | | |
|---|---|---|---|---|
| E1 | EG | Political-legal requirements and regulatory changes in terms of energy and climate (e.g. legally mandated refurbishment and modernisation) | Take external influences into account in the strategy | Implementation of the relevant measures in the three clusters: emission-efficient heat supply, reduction in energy requirements and energetic refurbishment by using subsidies |
| S1 | EG | Increased costs for information gathering, sampling, protective measures and disposal of hazardous substances (e.g. asbestos) to protect the company's own employees | Consideration of external influences in the strategy | LEG project to implement the necessary processes |
| S4 | EG NW | Penalties/payment of penalty fees resulting from data protection breaches involving personal information of tenants/customers | Good governance as the basis of business activities | Seminars on data protection |
| G1 | EG | Breaches of compliance | Good governance as the basis of business activities | Guidelines and seminars on compliance |

## Opportunities

| ESRS | | Description | Influence on business model, value chain and strategy | Actions |
|---|---|---|---|---|
| E1 | EG NW | Tapping into new areas of business opened up by climate change (e.g. energy generation); third-party business (dekarbo, termios, RENOWATE) | Taken into account in the strategy; tapping into new areas of business in the field of climate change mitigation via green ventures | Focus on innovative decarbonisation solutions dekarbo, termios and RENOWATE, as well as the LEG nudging programme |
| S1 | EG | Eases the war for talent (including with good (individual) working conditions, gender equality and equal pay for equal work, as well as partnerships with institutes of higher education) | Taken into account in the corporate strategy as a contribution towards employee satisfaction and a feeling of belonging among employees; addressed in works agreements | Flexitime arrangements; remote working option; remuneration that complies with collective labour agreements |
| S1 | EG | Appeal thanks to fair working conditions (e.g. WLB, gender quality and equal pay for equal work) | Taken into account in the corporate strategy as a contribution towards employee satisfaction and a feeling of belonging among employees; addressed in works agreements | Flexitime arrangements; remote working option; remuneration that complies with collective labour agreements |
| Unt-Spez. | EG | Take ESG objectives into account in incentivisation – thus improving commitment/obligation to implement them | Take into account in the corporate strategy, incentivisation to implement relevant measures relating to the environment and society | Determine short-term incentives and long-term incentives at the Management Board and management level |

Table legend

| Value chain | |
|---|---|
| EG | Own business activities |
| VW | Upstream value chain |
| NW | Downstream value chain |

The material impacts, risks and opportunities pertain to the rental of the property portfolio in Germany. Within the upstream and downstream value chain, this primarily relates to construction companies responsible for energetic refurbishment to the property portfolio, as well as energy suppliers; also investors and tenants.

The financial effects of the material risks and opportunities amounted to around EUR 85 million for the 2024 reporting year.

In order to mitigate climate-related risks, LEG pursues a sustainability strategy whose main focus is decarbonisation. The implementation of this strategy depends on external influences such as political and legal framework conditions (such as the implementation of climate-related laws and funding opportunities) as well as on the decarbonisation successes of energy suppliers.

No business model-critical risks in the area of social or governance were identified.

In order to achieve its targets, various GHG reduction measures are being implemented: Firstly, emission-efficient heat supply (by replacing heating systems, the use of air-to-air heat pumps or the expansion of district heating); secondly, the reduction of energy requirements (with the use of smart thermostats or by integrating tenants through green nudging programs); and thirdly, energetic refurbishment (conventional or serial refurbishment).

These decarbonisation measures will decrease LEG's GHG emissions and thus contribute towards achieving the climate objectives it has set. In addition to climate change mitigation, it also minimises the risk from carbon pricing.

LEG demonstrates its social commitment by continually striving for higher customer satisfaction, which is expressed in regular CSAT (customer satisfaction) surveys to record tenant satisfaction and using the results to derive initiatives to increase customer satisfaction. This minimises reputational risks and the risks of vacancies that are associated with dissatisfied tenants. The LEG NRW Tenant Foundation and the "Stiftung dein Zuhause hilft" also provide support within the social concept of LEG, such as in hardship situations.

## 1.1.5 Management of impacts, risks and opportunities

### 1.1.5.1 DR IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

In order to identify material impacts, risks and opportunities, a comprehensive list of all potentially relevant sustainability topics was first created as a longlist. To do so, the material topics from the previous materiality analysis were taken into account, along with the list of topics from ESRS 1 (AR16) and supplemented with topics from other sources of information (general and sectoral compliance standards, peer reports and ratings). It served as a starting point for the materiality analysis and includes topics from the areas of environment, social and corporate governance. Using this longlist, a shortlist of sustainability-related topics was created based on the content clusters covered by the longlist. This shortlist formed the basis for the stakeholder survey. In addition to evaluating topics by relevance (actual or potential), this stakeholder survey enquired about proposed impacts, risks and opportunities (IROs). Based on the existing risk management, the information from the risk inventory were also taken into account when identifying the IROs. Furthermore, industry-related materials and discussion formats were also used to identify IROs.

The evaluation of the IROs took place in close consultation with the risk management team.

First of all, the LEG value chains were defined in order to be able to refer to the key activities and business relationships. These pre-defined value chains, such as rentals and property management, heat supply and contracting, as well as own energy generation, served as the basis for identifying the impacts, risks and opportunities, so that all business relationships were taken into account. If a positive or negative impact was defined, the risks and opportunities derived from it were also considered and evaluated. Thus, the connections and dependencies were taken into account accordingly.

The previously defined short, medium and long-term time horizons were considered when evaluating the impacts. In order to adequately take into account the effects of impacts occurring in the long-term time horizon in comparison with the impacts occurring in the short and medium-term time horizons, a time factor of 0.8 was used in the evaluation. Similarly, the medium-term time horizon used a factor of 0.9. A distinction was made between actual and potential impacts and, for the latter, the probability of occurrence for each was estimated using a scale of 10 % to 100 %. The evaluation of the degree of severity was made using the criteria of extent and scope. The estimate of the extent expresses how beneficial or serious the corresponding positive or negative impact is. For negative impacts, the irreversibility was also estimated. Thresholds were defined for evaluating materiality. The selection of thresholds is based on the EFRAG Working Paper "[Draft] European Sustainability Reporting Guidelines 1 – Double materiality conceptual guidelines for standard-setting". In a deviation from the guidance, however, an average figure was used and the threshold set at ≥ 3 (on a scale of 0 to 5).

In the event of a potential negative impact on human rights, the degree of severity takes precedence over the likelihood of its occurrence.

Materiality was consistently evaluated at the level of the IROs. As soon as an IRO for a topic-specific standard is evaluated as material, the standard is also defined as being material.

The previously defined short, medium and long-term time horizons were considered when evaluating the risks and opportunities. In order to adequately take into account the effects of risks and opportunities occurring in the long-term time horizon in comparison with the risks and opportunities occurring in the short and medium-term time horizons, a time factor of 0.8 was used in the evaluation. Similarly, the medium-term time horizon used a factor of 0.9. The probability of occurrence was also estimated and the financial impact measured. If a positive or negative impact was defined, the risks and opportunities derived from it were also considered and measured.

In order to measure the risks and opportunities, the threshold was set at ≥ 2 (on a scale of 0 to 5). The justification is the same as for the impacts but the threshold was set lower here. For the risks and opportunities, a lower threshold was selected than for impacts because the probability of occurrence to be taken into account is inevitably (generally) <100 %. Setting the threshold at ≥ 2 aims to ensure that topics with a medium/high probability of occurrence may also fall within the material range. The value for the measurement was determined by multiplying the severity of the financial impact by the probability of occurrence.

Sustainability-related risks are given the same value as all other risks within the company. These were measured financially for the first time in Q3 2024 and are maintained and reported on through the risk management system. In addition, they will be recorded together with the other risks as part of the quarterly risk inventory and will be presented separately in the risk inventory report in the future.

There are discrepancies between the risk report (see Chapter sustainability risks) and the Sustainability Report when it comes to measuring the risks. While the risk report only lists risks with a net risk value of over EUR 10 million, the materiality analysis conducts a gross review (prior to actions) and a measurement of the financial impact on a scale of 1 to 5 (see Chapter IRO-1, 1.1.5.1). Currently, a period of up to five years is also considered for the risk report, while the materiality analysis also takes into account a medium and long-term measurement of risk.

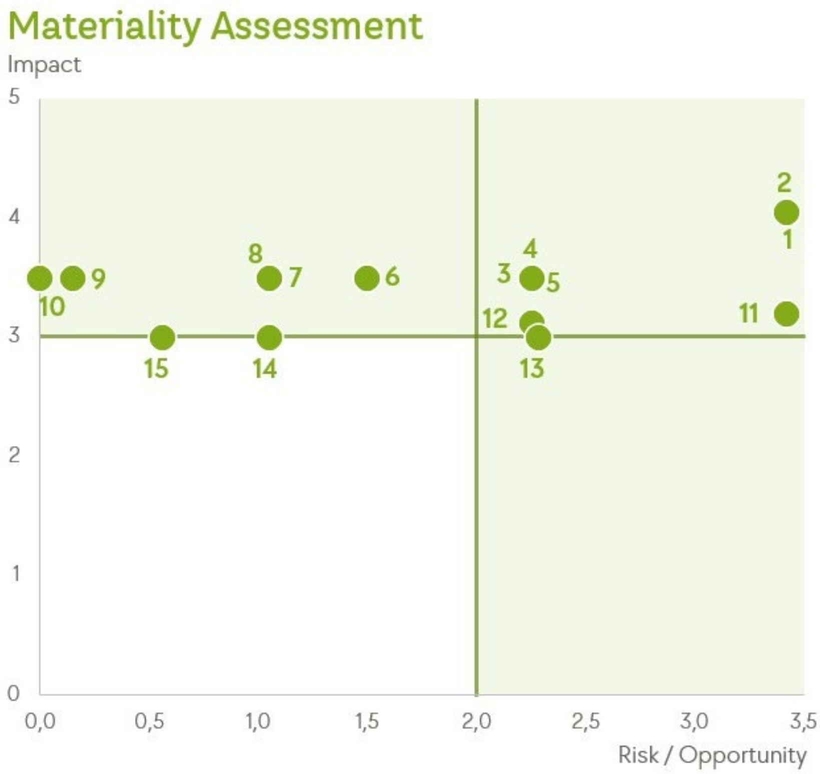
An internal control system for the Sustainability Report is currently being established.

The risk management department was involved in all aspects of the IRO measurement process. The resulting material risks were transferred into the existing risk management structure and are continually monitored and subject to continuous reporting. New sustainability risks are included progressively if they become material.

Opportunities are recorded on a qualitative basis. They are dealt with in the trend radar of the quarterly risk report, which is also presented to the management and discussed. In doing so, the three green ventures are also taken into account, for example. This chapter deals with opportunities that may arise but whose financial impact and probability of occurrence cannot yet be correctly estimated. Based on the materiality analysis as per the CSRD, the opportunities identified were also measured quantitatively using a scoring model.

The evaluation of severity is done in the same way as severity is measured for impacts.

As part of the materiality analysis, LEG reviewed its sites and business activities with regard to environmental pollution, water and marine resources, biodiversity and ecosystems, as well as resource inflows, resource outflows and waste within the scope of its own activities and within in the upstream and downstream value chain in order to determine actual and potential impacts, risks and opportunities. With regard to biodiversity and ecosystems, it must also be added that LEG does not own any sites in or near areas with vulnerable biodiversity.




| No. | ESRS topic | ESRS sub-topic |
|---|---|---|
| 1 | Climate Change | Energy |
| 2 | Climate Change | Climate change mitigation |
| 3 | Own workforce | Working conditions |
| 4 | Own workforce | Equal treatment and opportunities for all |
| 5 | Business conduct | Corruption and bribery |
| 6 | Responsible business practices | Responsible neighbourhood development |
| 7 | Own workforce | Other work-related rights |
| 8 | Business conduct | Corporate culture |
| 9 | Consumers and end-users | Social inclusion of consumers and/or end-users |
| 10 | Business conduct | Protection of whistleblowers |
| 11 | Climate Change | Climate change adaptation |
| 12 | Consumers and end-users | Information-related impacts for consumers and/or end-users |
| 13 | Responsible business practices | Responsible business conduct |
| 14 | Business conduct | Political engagement and lobbying activities |
| 15 | Responsible business practices | Protection and enhancement of existing buildings |

#### 1.1.5.2 DR IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement

| Disclosure requirement and related datapoint | EU climate legislation | Reference in the report |
|---|---|---|
| ESRS E1-1 Transition plan to reach climate neutrality by 2050 Paragraph 14 | Regulation (EU) 2021/1119, Section 2 Paragraph 1 | Chapter 2.2.2.1 |

As already described, the materiality analysis evaluated impacts, risks and opportunities for their materiality for LEG and attributed to topic-specific standards. Based on the results of the materiality analysis, information about strategies, actions, metrics and targets with regard to material aspects of sustainability is provided in the chapters on the topic-specific ESRS E1, S1, S4 and G1 standards. Correspondingly, ESRS E2, E3, E4, E5, S2 and S3 are deemed immaterial and are not subject to reporting. (See table in the annex to disclosure requirements and related data points on EU regulation).

## 2. Environmental Information

### 2.1 Information as per Section 8 Regulation (EU) 2020/852 (Taxonomie-Regulation)

In accordance with the EU Taxonomy (Regulation (EU) 2020/852), companies subject to reporting obligations in conjunction with the Non-Financial Reporting Directive (NFRD) must also include taxonomy disclosures in their non-financial reporting. As a listed company with more than 500 employees, LEG Immobilien SE is also subject to these reporting requirements. The main objective of the EU Taxonomy is to help achieve the goals of the Paris Agreement through improved transparency on the capital market. The comparability of sustainability data across different industries is an essential part of this. The companies concerned must therefore disclose the shares of their revenue, capital expenditure (capex) and operating expenditure (opex) that relate to environmentally sustainable economic activities. The EU Taxonomy has defined the six following environmental objectives:

I. Climate change mitigation
II. Climate change adaptation
III. Sustainable use and protection of water and marine resources
IV. Transition to a circular economy
V. Pollution prevention and control
VI. Protection and restoration of biodiversity and ecosystems

#### Taxonomy eligibility

In the context of taxonomy eligibility, the revenue, capex and opex of all economic activities for which the EU has issued technical screening criteria (TSC) must be reported. It is not yet necessary to indicate whether the economic activity satisfies the technical screening criteria stipulated in the Delegated Acts (cf. Delegated Regulation supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council, Annex 1 and 2).
For the housing industry, for example, this includes all revenue from the rental and letting of residential buildings, regardless of whether the building in question is a low-energy house or is in the lowest energy efficiency class (H). What initially matters is that these activities essentially have a direct link to EU environmental objective I ("Climate change mitigation").

#### Identification of taxonomy-eligible economic activities

LEG conducted a review of its taxonomy-eligible economic activities, i.e. it identified those activities of the company for which the EU Taxonomy has defined technical screening criteria. The results of the analysis show that selected economic activities in section 7 "Construction and real estate activities", which relate to our core business, as well as section 4 "Energy" and section 9 "Freelance, scientific and technical activities" are considered taxonomy-eligible. Regarding section 4, besides its obvious energy-related economic activities, such as photovoltaic electricity generation on the roofs of properties, LEG also operates its own biomass heating plant. In the following section, we report on the economic activities in numerical order.

LEG has also determined compliance with the taxonomy. The company did this using the technical screening criteria published by the European Commission and currently applicable, including the “do no significant harm” (DNSH) and “minimum safeguards” (MS) criteria as well as relevant FAQ documents published by the European Commission. Furthermore, various current best practices of listed German companies were taken into account. The exact procedure is described under “Identification of taxonomy-aligned economic activities”.
Mainly on account of the entry into new business areas, the taxonomy-eligible economic activities were reassessed, resulting in no changes here compared to last year. The consideration of environmental objectives III to VI for the first time in 2023 resulted in no additions. Essentially, all revenue, capex and opex from economic activities for which there are technical screening criteria are taxonomy-eligible. In the 2024 financial year, the inclusion of the technical screening criteria again primarily related to economy activity 7.7 “Acquisition and ownership of buildings” in Annex I and II, with which almost all of LEG’s consolidated revenue is generated from rental and lease, though it also had implications for the disclosures for other economic activities.
The results of this year’s analysis and central changes are as follows.

### Results of the qualitative analysis on taxonomy eligibility

LEG has identified three taxonomy-eligible economic activities in Annex I with which the company generates revenue. These include (i) 4.1 “Electricity generation using solar photovoltaic technology”, (ii) 4.20 “Cogeneration of heat/cool and power from bioenergy” in the “Energy” sector and (iii) 7.7 “Acquisition and ownership of buildings” in the “Construction and real estate activities” sector.
In addition to the revenue from these three economic activities, relevant capex was identified in the following economic activities: (i) 4.1 “Electricity generation using solar photovoltaic technology”, (ii) 4.16 “Installation and operation of electric heat pumps”, (iii) 7.5 “Installation of devices for measuring, regulating and controlling energy performance of buildings” and (iv) 7.7 “Acquisition and ownership of buildings”. This also included investments that could lead to future revenue.
On opex: For the purposes of the EU taxonomy, the denominator used to determine the share of opex includes direct costs relating to research and development, short-term lease, maintenance and small repairs, as well as all other direct expenditures relating to day-to-day servicing. The numerator equates to the part of the operating expenditure included in the denominator that relates to taxonomy-eligible economic activities. Taxonomy-eligible opex was assigned to the following economic activities: (i) 4.20 “Cogeneration of heat/cool and power from bioenergy”, (ii) 7.7 “Acquisition and ownership of buildings” and (iii) 9.1 “Close to market research, development and innovation”.
Further taxonomy-eligible economic activities arising from environmental objectives III to VI newly added in 2023 – in particular 3.1 “Construction of new buildings” – are reported on in 7.7 “Acquisition and ownership of buildings”, in order to avoid dual reporting.
The identification of taxonomy-eligible economic activities is followed by the analysis of taxonomy alignment, as a result of which taxonomy-eligible revenue, capex and opex could be found to be non-taxonomy-aligned.

### Taxonomy alignment

LEG is required to report on the taxonomy alignment of relevant economic activities in addition to their taxonomy eligibility. Revenue, capex and opex are deemed taxonomy-aligned if they satisfy the technical screening criteria defined by the EU. Based on these criteria, it must be indicated whether an economic activity is taxonomy-aligned for achieving the above-mentioned environmental objectives I to VI for the 2024 reporting year Given its business operations, only environmental objective I (“Climate change mitigation”) is relevant to LEG. It also has to be ensured that these economic activities do no significant harm (DNSH) to any of the other environmental objectives and that they satisfy certain minimum social safeguards.

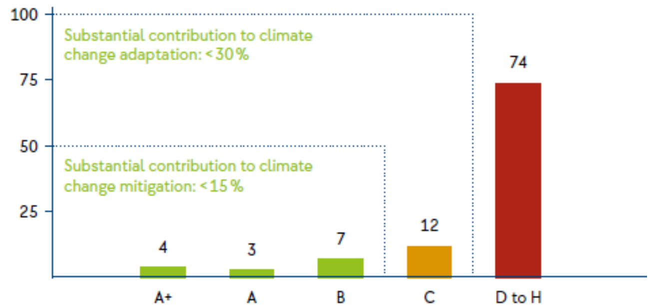
## Identification of taxonomy-aligned economic activities

To determine taxonomy alignment, LEG has analysed the above economic activities according to the technical screening criteria. As stated above, these include criteria from the “Construction and real estate activities” sector in section 7 as well as economic activities from the “Energy” sector in section 4 and from the “Freelance, scientific and technical activities” sector in section 9.
A structured approach was used to analyse the taxonomy alignment of revenue, capex and opex as follows: Capex and opex that contribute to taxonomy-aligned buildings follow the revenue-generating activity 7.7 “Acquisition and ownership of buildings” and are generally considered taxonomy-aligned. They do not require a review of the technical screening criteria (Delegated Regulation 2021/2178; cat. a)).
The majority of the taxonomy-eligible capex and opex relates to activity 7.7. According to the European Commission, the date for assessing taxonomy alignment is the date of the construction permit. Revenue, capex and opex from or in buildings for which a construction permit was filed before 31 December 2020 must satisfy the technical screening criteria for economic activity 7.7 – all those buildings for which a construction permit was filed after 31 December 2020 must satisfy the criteria for economic activity 7.1 “Construction of new buildings” in order to qualify as taxonomy-aligned.
All KPIs are calculated and published using the principles applied in preparing the consolidated financial statements. As LEG Immobilien SE prepares its financial statements in accordance with IFRS, “environmentally sustainable” revenue, capex and opex are therefore also calculated in accordance with IFRS, whereby opex only comprises maintenance and repairs in conjunction with the Taxonomy Regulation. This also applies to our subsidiaries whose single-entity financial statements are incorporated into LEG’s consolidated financial statements.

## Significant contribution

In order to determine taxonomy alignment, on the basis of the above technical screening criteria, LEG analyses the extent to which the economic activity makes a contribution to the environmental objective “climate change mitigation”. The technical screening criteria have to be applied to all material economic activities, though at LEG this primarily relates to economic activity 7.7 “Acquisition and ownership of buildings”, as rental and lease revenue accounts for almost all of LEG’s consolidated revenue. A majority of LEG’s business model therefore falls within the scope of the taxonomy.
The technical screening criterion relevant to economic activity 7.7 “Acquisition and ownership of buildings” states that only the revenue generated with buildings in Energy Performance Certificate (EPC) class A (+) or buildings within the top 15 % of the regional or national building stock can be reported.
The room for interpretation stems from the reporting requirement in relation to the “national or regional building stock” without further reference to a database that could be used for this purpose. Also, the Delegated Acts do not provide any further definition of “regional” or differentiate between residential property types (e. g. between detached houses and apartment buildings). The definition thresholds for the individual EPC classes also differ considerably throughout Europe and therefore cannot be compared, which minimises the information value of the taxonomy disclosures in a pan-European context. As the basis for calculating the top 15 % of the regional building stock for the current reporting of taxonomy alignment, we therefore used the study by the German Ministry for Economic Affairs and Energy (BMWi) for 2021.
The BMWi analysis indicates that buildings up to EPC class B satisfy the material screening criteria as they are among most efficient 14 % of the housing stock in Germany. The corresponding share of especially energy-efficient EPC C buildings with a final energy demand of around 77 kWh per square metre per year was used as a reference for one percent of the top 15 %. Based on the current values for our portfolio as a whole, there is an average primary energy factor of 1.17 and therefore a threshold for primary energy demand of 89.8 kWh per square metre per year.

Frequency distribution of EPC classes of German residential buildings (in %)




Source: Sven Bienert/Irebs, German Ministry for Economic Affairs and Energy (BMWi), 2021

## Do not significant harm

Compliance with the DNSH criteria for environmental objective I and the other five environmental objectives in the 2024 reporting year was assessed on the basis of the specific taxonomy requirements for the respective economic activities.

In order to counteract the significant harm in relation to **environmental objective II ("Climate change adaptation")**, all identified economic activities must undergo a climate risk and vulnerability assessment according to the taxonomy. This was performed at the level of LEG as a whole and the result was taken into account in the reporting of taxonomy alignment (see table below).

No further DNSH criteria apply to economic activity 7.7 "Acquisition and ownership of buildings".

As the percentage share of the KPIs for other taxonomy-eligible and taxonomy-aligned economic activities is in the per thousand range for the 2024 reporting year, a more detailed description of the DNSH criteria associated with these activities and any compliance by LEG has been dispensed with, and this is also indicated in the table below and the associated footnotes. Solely for economic activity 4.20 "Cogeneration of heat/cool and power from bioenergy", it must be pointed out that the associated revenue and opex account for more than 1 % of the reportable KPIs.

To prevent activity 4.20 from causing significant harm to **environmental objective III ("Sustainable use and protection of water and marine resources")**, risks to water quality and in connection with water shortages must be calculated and surveyed. This necessitates disclosures on the water consumption of the equipment installed. A risk analysis is also required for **environmental objective VI ("Protection and restoration of biodiversity and ecosystems")**. The priority here is the conservation and protection of environmental resources. In Germany, the conservation and protection of environmental resources is ensured by regulatory standards without which a facility will not be granted an operating permit. In addition, the facility has been declared sustainable by means of a SURE certificate. As for the fuel used, the environmental objective is taken into account by the fact that only certified scrap wood is burned in our biomass heating plant.

For compliance with the DNSH criterion for **environmental objective V ("Pollution prevention and control")**, various statutory parameters and targets concerning emissions, air quality and digestate must be adhered to for activity 4.20. An environmental impact assessment is required to determine noise, dust and pollutant emissions, though in Germany this is a requirement for an operating permit under the German Pollution Protection Act and therefore can be taken as given.

## Compliance with minimum safeguards

Another criterion for the taxonomy alignment of individual economic activities is ensuring that companies comply with the minimum social safeguards. These include due diligence within the company and in outsourced value chains by implementing suitable processes. Besides the issues of bribery and corruption, taxation and fair competition, human rights are essentially also addressed.

LEG uses a Group-wide approach to ensure that the MS criteria are fulfilled, which is also reflected in the corresponding reporting and further external documentation, such as the Code of Conduct and the Anti-Corruption Policy.

### Results of the qualitative analysis on taxonomy alignment

The following section presents and explains the material findings of the alignment analysis. Taxonomy-eligible and taxonomy-aligned economic activities must be analysed with regard to the development of revenue and of capex and opex for the 2024 reporting year.
LEG reports an aggregate percentage value pro rata for the taxonomy-eligible and taxonomy-aligned share of economic activities in revenue, capex and opex. Only taxonomy-eligible and taxonomy-aligned revenue, capex and opex relevant to environmental objective I “climate change mitigation” are shown. The taxonomy-eligible and taxonomy-aligned revenue, capex and opex for environmental objective II “climate change adaptation” are a subset of the values under environmental objective I “climate change mitigation”. This prevents revenue, capex and opex from being counted more than once in the numerator for multiple economic activities in calculating the KPIs.
In total, the share of consolidated revenue generated by letting buildings with a primary energy use of less than 89.8 kWh/m²/a was around 11.7 %.
If possible, the KPIs were allocated directly to the respective economic activities. If this was not possible, an allocation mechanism was used instead.
For the minor part of the LEG portfolio for which EPC certificates were not necessary/available (1,728 out of 164,067 buildings), it is assumed that the consumption and usage data break down in line with the rest of the portfolio.
A capex plan has to be prepared for capex and opex that lead to an increase in taxonomy-aligned economic activities or contribute to a transfer from taxonomy-eligible to taxonomy-aligned economic activities. As there is no capex plan as referred to by the EU Taxonomy, this is not taken into account.

#### Turnover

| Economic activities | Code | Absolute turnover (in € thousand) | Proportion of turnover (in %) | Absolute turnover (in € thousand) | Proportion of turnover (in %) |
|---|---|---|---|---|---|
| **A. Taxonomy-eligible activities** | | **2024** | | **2023** | |
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | | |
| Electricity generation using solar photovoltaic technology | CCM 4.1 | 251.60 | 0.0 | 124.68 | 0.0 |
| Cogeneration of heat/cool and power from bioenergy | CCM 4.20 | 10,423.20 | 0.8 | 43,455.44 | 3.3 |
| Acquisition and ownership of buildings | CCM 7.7 / CCA 7.7 | 156,674.05 | 11.7 | 145,554.99 | 11.0 |
| **Turnover of environmentally sustainable activities (taxonomy-aligned)** | | **167348.85** | **12.5** | **189135.11** | **14.3** |
| of which enabling | | 0.00 | 0.0 | 0.00 | 0.0 |
| of which transitional | | 0.00 | 0.0 | 0.00 | 0.0 |

| | | | | | |
|---|---|---|---|---|---|
| **A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)** | | | | | |
| Electricity generation using solar photovoltaic technology | CCM 4.1 | 0.00 | 0.0 | 0.00 | 0.0 |
| Cogeneration of heat/cool and power from bioenergy | CCM 4.20 | 0.00 | 0.0 | 0.00 | 0.0 |
| Acquisition and ownership of buildings | CCM 7.7 / CCA 7.7 | 1,113,814.19 | 83.4 | 1,114,448.72 | 84.4 |
| **Turnover of taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)** | | **1,113,814.19** | **83.4** | **1,114,448.72** | **84.4** |
| **A. Total (A.1 + A.2)** | | **1,281,163.04** | **95.90** | **1,303,583.83** | **98.77** |

**B. Non-taxonomy-eligible activities**

| | | | | |
|---|---|---|---|---|
| Turnover of non-taxonomy-eligible activities (B) | 54,233.40 | 4.1 | 16,079.11 | 1.2 |
| **Total (A+B)** | **1,335,396.44** | **100.00** | **1,319,662.94** | **100.0** |

| | Substantial contribution criteria | | | | | |
|---|---|---|---|---|---|---|
| **Economic activities** | **Climate change mitigation** | **Climate change adaptation** | **Water and marine resources** | **Circular economy** | **Pollution** | **Biodiversity and ecosystems** |

**A. Taxonomy-eligible activities**

| | | | | | | |
|---|---|---|---|---|---|---|
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | | | |
| Electricity generation using solar photovoltaic technology | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| Cogeneration of heat/cool and power from bioenergy | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| Acquisition and ownership of buildings | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| **Turnover of environmentally sustainable activities (taxonomy-aligned)** | | | | | | |
| of which enabling | 0 | 0 | 0 | 0 | 0 | 0 |
| of which transitional | 0 | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)** | | | | | | |
| Electricity generation using solar photovoltaic technology | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Cogeneration of heat/cool and power from bioenergy | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Acquisition and ownership of buildings | EL | N/EL | N/EL | N/EL | N/EL | N/EL |

| | “Do no significant harm” DNSH criteria | | | | | |
|---|---|---|---|---|---|---|
| **Economic activities** | **Climate change mitigation** | **Climate change adaptation** | **Water and marine resources** | **Circular economy** | **Pollution** | **Biodiversity and ecosystems** |
| **A. Taxonomy-eligible activities** | | | | | | |
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | | | |
| Electricity generation using solar photovoltaic technology | - | Y | - | Y | - | - |
| Cogeneration of heat/cool and power from bioenergy | - | Y | Y | - | Y | Y |
| Acquisition and ownership of buildings | - | Y | - | - | - | - |

| **Economic activities** | **Minimum social standards** | **Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2)** | **Category (enabling activities)** | **Category (transition activities)** |
|---|---|---|---|---|
| **A. Taxonomy-eligible activities** | | | | |
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | |
| Electricity generation using solar photovoltaic technology | Y | | E | |
| Cogeneration of heat/cool and power from bioenergy | Y | | E | |
| Acquisition and ownership of buildings | Y | | E | |
| **Turnover of environmentally sustainable activities (taxonomy-aligned)** | | | | |
| of which enabling | | | E | |
| of which transitional | | | | T |

## Capex

| Economic activities | Code | Absolute capex (in € thousand) | Proportion of capex (in %) | Absolute capex (in € thousand) | Proportion of capex (in %) |
|---|---|---|---|---|---|
| **A. Taxonomy-eligible activities** | | **2024** | | **2023** | |
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | | |
| Electricity generation using solar photovoltaic technology | CCM 4.1 | 1,320.70 | 0.4 | 2,860.80 | 0.6 |
| Installation and operation of electric heat pumps | CCM 4.16 | 6,762.77 | 2.2 | 154.80 | 0.0 |
| Installation of devices for measuring, regulating and controlling energy performance of buildings | CM 7.5 | 231.43 | 0.1 | 0.00 | 0.0 |
| Acquisition and ownership of buildings | CCM 7.7 / CCA 7.7 | 25,931.03 | 8.4 | 205,689.64 | 45.6 |
| **Capex of environmentally sustainable activities (taxonomy-aligned)** | | **34,245.93** | **11.1** | **208,705.24** | **46.2** |
| of which enabling | | | | | |
| of which transitional | | | | | |
| **A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)** | | | | | |
| Electricity generation using solar photovoltaic technology | CCM 4.1 | 0.00 | 0.0 | 0.00 | 0.0 |
| Installation and operation of electric heat pumps | CCM 4.16 | 0.00 | 0.0 | 0.00 | 0.0 |
| Installation of devices for measuring, regulating and controlling energy performance of buildings | CM 7.5 | 0.00 | 0.0 | 0.00 | 0.0 |
| Acquisition and ownership of buildings | CCM 7.7 / CCA 7.7 | 276,093.85 | 89.0 | 235,641.94 | 52.2 |
| **Capex of taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)** | | **276,093.85** | **89.0** | **235,641.94** | **52.2** |
| **A. Total (A.1 + A.2)** | | **310,339.78** | **100.1** | **444,347.18** | **98.4** |
| **B. Non-taxonomy-eligible activities** | | | | | |
| Capex of non-taxonomy-eligible activities (B) | | 0.00 | 0.0 | 7049.35 | 1.6 |
| **Total (A+B)** | | **310,339.78** | **100.1** | **451,396.53** | **100.0** |

| | Substantial contribution criteria | | | | | |
|---|---|---|---|---|---|---|
| **Economic activities** | **Climate change mitigation** | **Climate change adaptation** | **Water and marine resources** | **Circular economy** | **Pollution** | **Biodiversity and ecosystems** |
| **A. Taxonomy-eligible activities** | | | | | | |
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | | | |
| Electricity generation using solar photovoltaic technology | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| Installation and operation of electric heat pumps | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| Installation of devices for measuring, regulating and controlling energy performance of buildings | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| Acquisition and ownership of buildings | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| **Capex of environmentally sustainable activities (taxonomy-aligned)** | | | | | | |
| of which enabling | | 0 | 0 | 0 | 0 | 0 |
| of which transitional | | | | | | |
| **A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)** | | | | | | |
| Electricity generation using solar photovoltaic technology | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Installation and operation of electric heat pumps | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Installation of devices for measuring, regulating and controlling energy performance of buildings | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Acquisition and ownership of buildings | EL | N/EL | N/EL | N/EL | N/EL | N/EL |

| | “Do no significant harm” DNSH criteria | | | | | |
|---|---|---|---|---|---|---|
| Economic activities | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems |
| **A. Taxonomy-eligible activities** | | | | | | |
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | | | |
| Electricity generation using solar photovoltaic technology | - | Y | - | Y | - | - |
| Installation and operation of electric heat pumps | - | Y | Y | Y | Y | Y |
| Installation of devices for measuring, regulating and controlling energy performance of buildings | - | Y | - | - | - | - |
| Acquisition and ownership of buildings | - | Y | - | - | - | - |

| Economic activities | Minimum social standards | Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) | Category (enabling activities) | Category (transition activities) |
|---|---|---|---|---|
| **A. Taxonomy-eligible activities** | | | | |
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | |
| Electricity generation using solar photovoltaic technology | Y | | E | |
| Installation and operation of electric heat pumps | Y | | E | |
| Installation of devices for measuring, regulating and controlling energy performance of buildings | Y | | E | |
| Acquisition and ownership of buildings | Y | | E | |
| **Capex of environmentally sustainable activities (taxonomy-aligned)** | | | | |
| of which enabling | | | E | |
| of which transitional | | | | T |

## Opex

| Economic activities | Code | Absolute opex (in € thousand) 2024 | Proportion of opex (in %) 2024 | Absolute opex (in € thousand) 2023 | Proportion of opex (in %) 2023 |
|---|---|---|---|---|---|
| **A. Taxonomy-eligible activities** | | | | | |
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | | |
| Electricity generation using solar photovoltaic technology | CCM 4.1 | 0.00 | 0.0 | 34.57 | 0.0 |
| Cogeneration of heat/cool and power from bioenergy | CCM 4.20 | 1,396.04 | 1.1 | 2,253.57 | 2.0 |
| Acquisition and ownership of buildings | CCM 7.7 / CCA 7.7 | 11,124.61 | 8.9 | 8,841.86 | 7.7 |
| Close to market research, development and innovation | CCM 9.1 | 9.73 | 0.0 | 2,133.67 | 1.9 |
| **Opex of environmentally sustainable activities (taxonomy-aligned)** | | **12,530.38** | **10.0** | **13,263.67** | **11.5** |
| of which enabling | | | | | |
| of which transitional | | | | | |
| **A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)** | | | | | |
| Electricity generation using solar photovoltaic technology | CCM 4.1 | 0.00 | 0.0 | 0.00 | 0.0 |
| Cogeneration of heat/cool and power from bioenergy | CCM 4.20 | 0.00 | 0.0 | 0.00 | 0.0 |
| Acquisition and ownership of buildings | CCM 7.7 / CCA 7.7 | 94,932.23 | 76.2 | 99,341.69 | 86.4 |
| Close to market research, development and innovation | CCM 9.1 | 0.00 | 0.0 | 0.00 | 0.0 |
| **Opex of taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)** | | **94,932.23** | **76.2** | **99,341.69** | **86.4** |
| **A. Total (A.1 + A.2)** | | **107,462.61** | **86.2** | **112,605.36** | **97.9** |
| **B. Non-taxonomy-eligible activities** | | | | | |
| Opex of non-taxonomy-eligible activities (B) | | 17,185.49 | 13.8 | 2,399.20 | 2.1 |
| **Total (A+B)** | | **124,648.10** | **100.0** | **115,004.56** | **100.0** |

| | Substantial contribution criteria | | | | | |
|---|---|---|---|---|---|---|
| Economic activities | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems |

**A. Taxonomy-eligible activities**

| | | | | | | |
|---|---|---|---|---|---|---|
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | | | |
| Electricity generation using solar photovoltaic technology | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| Cogeneration of heat/cool and power from bioenergy | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| Acquisition and ownership of buildings | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| Close to market research, development and innovation | Y | N/EL | N/EL | N/EL | N/EL | N/EL |
| **Opex of environmentally sustainable activities (taxonomy-aligned)** | | | | | | |
| of which enabling | 0 | 0 | 0 | 0 | 0 | 0 |
| of which transitional | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)** | | | | | | |
| Electricity generation using solar photovoltaic technology | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Cogeneration of heat/cool and power from bioenergy | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Acquisition and ownership of buildings | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Close to market research, development and innovation | EL | N/EL | N/EL | N/EL | N/EL | N/EL |

| Economic activities | “Do no significant harm” DNSH criteria: Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems |
|---|---|---|---|---|---|---|
| **A. Taxonomy-eligible activities** | | | | | | |
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | | | |
| Electricity generation using solar photovoltaic technology | - | Y | - | Y | - | - |
| Cogeneration of heat/cool and power from bioenergy | - | Y | Y | Y | Y | - |
| Acquisition and ownership of buildings | - | Y | - | - | - | - |
| Close to market research, development and innovation | - | Y | - | - | - | - |

| Economic activities | Minimum social standards | Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) | Category (enabling activities) | Category (transition activities) |
|---|---|---|---|---|
| **A. Taxonomy-eligible activities** | | | | |
| **A.1 Environmentally sustainable activities (taxonomy-aligned)** | | | | |
| Electricity generation using solar photovoltaic technology | Y | | E | |
| Cogeneration of heat/cool and power from bioenergy | Y | | E | |
| Acquisition and ownership of buildings | Y | | E | |
| Close to market research, development and innovation | Y | | E | |
| **Opex of environmentally sustainable activities (taxonomy-aligned)** | | | | |
| of which enabling | | | E | |
| of which transitional | | | | T |

### Excursus: Establishment and financing of green ventures as solution providers for the decarbonisation of our building stock

To comply with the German and European climate regulations and meet its own decarbonisation targets, the company pursues a three-step approach in founding its joint ventures.
Faster decarbonisation of our existing buildings is a key factor in achieving the climate objectives in the building sector. LEG has made it its mission to promote "serial energy-efficient refurbishment" throughout the DACH region. With this in mind, at the end of 2021/start of 2022, the company founded a joint venture, RENOWATE GmbH, with the Rhomberg Group from Austria. In addition, LEG is focused on cost-effective replacement of heating systems, especially gas central heating systems, with air-to-air heat pumps: To this end, in March 2023, the company entered into a partnership with Mitsubishi Electric as a major supplier of the systems. In September 2023, in conjunction with the Dusseldorf-based family company Soeffing, LEG founded the joint venture dekarbo, which installs the devices and provides digital maintenance across the entire life cycle as a one-stop solution. The service is to be used in LEG's own properties and offered to third parties. With the joint venture termios, LEG is optimising the use of existing heating systems by using AI-controlled thermostats and creating a scalable solution for the legally required hydraulic balancing in the property industry.
However, reporting in conjunction with the EU Taxonomy is not possible at this point, as RENOWATE, dekarbo and termios are not included in LEG's consolidated Group. In theory, this could change with full consolidation. Instead, only the expenses for the implementation of energy-efficiency improvements in LEG properties by RENOWATE have been and will be included in the taxonomy reporting in the coming years. For the young joint ventures dekarbo and termios, expenses will be included in the taxonomy reporting for the installation of air-to-air heat pumps and the installation of AI-controlled thermostats in the LEG portfolio respectively. The associated taxonomy-aligned capex will then be reported by the respective contractor of the joint ventures. LEG's efforts to promote climate change mitigation throughout the property sector are therefore not included in its EU Taxonomy reporting.

## 2.2 ESRS E1: Climate change

### 2.2.1 Governance

#### 2.2.1.1 DR E1.GOV-3: Integration of sustainability-related performance in incentive schemes

The remuneration system for the Management Board includes ESG criteria as short-term incentives (STI) and long-term incentives (LTI) that are associated with financial incentives and defined annually by the Supervisory Board. These targets apply to the Management Board and second tier of management.

The integration of sustainability-related performance in the LEG incentives system is done using the ESG objectives derived from the sustainability strategy and can be found in Chapter 1.1.3.3.

### 2.2.2 Strategy

#### 2.2.2.1 DR E1-1: Transition plan for climate change mitigation

The ESG objectives are derived from the sustainability strategy 2030. Climate-related criteria are defined for the ESG objectives and are put into practice with specific targets. The objectives are assigned quantitative criteria so that a comparison of target and actual performance can be carried out at the end of the financial year to measure target attainment. The specific ESG objectives, as well as the minimum and maximum values, are determined annually prior to the start of the financial year by the Supervisory Board with the agreement of the members of the Management Board.

It is LEG's long-term aim to reduce its GHG emissions to 0–<5 kg $CO_2e/m^2$ by 2045 and thus make its contribution towards Germany's climate change mitigation target. By 2030, LEG has set itself the aim of reducing around 47 % of Scope 1 and Scope 2 emissions based on 2019. This near-term target was again validated and confirmed in December 2024 by the Science-Based Target Initiative (SBTi). The cross-sector aim is based on efforts to limit global heating to 1.5 degrees above pre-industrial levels and reflects the goals of the Paris climate agreement and the recommendations of the Intergovernmental Panel on Climate Change (IPCC).

LEG's decarbonisation pathway starts in 2019 with a value of 39.5 kg $CO_2$e/m². During the 2024 reporting year, the intensity value was measured at 29.1 kg $CO_2$e/m². This corresponds to a reduction of 26 %. This has been achieved via actions already taken, such as replacing heating systems (including district heating and (air-to-air) heat pumps), changes in customer behaviour through nudging programmes and serial and conventional refurbishment.

In the target year 2030, LEG is accordingly aiming for an intensity value of 20.9 kg $CO_2$e/m².

In terms of Scope 3 emissions, Scope 3.3 (energy and fuel-related activities) and 3.13 (rented or leased property, plant and equipment) emissions are to be reduced by 27.5 % by 2030 – this target has also been confirmed by SBTi. The percentages of scopes are described in the table for ESRS E1-4.

In order to achieve the GHG reduction targets, LEG pursues a strategy that is focussed on emission efficiency (spread over three clusters). As such, the strategy should not be seen as rigid but remains dynamic in order to draw on new actions and innovations that permit more cost-effective and efficient emission reductions.

The biggest lever in GHG reductions is an emission-efficient heat supply (Cluster 1). This includes, among other things, the modernisation of heating systems and switching the power source to electricity. In addition to air-to-water heat pumps, this also includes the use of air-to-air heat pumps, which are installed in partnership with the green venture dekarbo. Furthermore, a total of up to 40 % of LEG properties may be connected to district heating networks, thus ensuring they are decarbonised in the future. In doing so, the dependence on an energy provider and the decarbonisation status of the heating networks must be taken into account. Until now, around 25 % of properties are already supplied with district heating, another 15 % have the potential to receive district heating in future. This potential was determined via a survey of providers for around 25,000 properties. The survey also asked for a timeline as to when district heating would be available to the relevant properties. A total of around 1,200 properties may be connected to the network by the end of 2025. Expansion plans are in the pipeline for all other properties. Overall, emission-efficient heating supply currently accounts for up to 50 % to 55 % of LEG's total GHG reduction by 2030.

Furthermore, reduced energy requirements contribute towards decarbonisation (Cluster 2). Some of these measures include, for example, AI-based thermostats that are being installed with the green venture termios. These automatically regulate the hydraulic balancing of the heating system and facilitate additional savings of up to 30 %. The integration of tenants also helps to reduce energy consumption. The use of green nudging to change customer behaviour, for example via posters with relevant tips, leads to further energy savings. Overall, reductions in energy consumption currently account for up to 30 % to 35 % of LEG's total GHG reduction by 2030.

Furthermore, energetic refurbishment is another decarbonisation lever (Cluster 3). Conventional energetic refurbishment includes various measures to optimise the building shell and technical building systems. Serial energetic refurbishment involves installing new sections of façade, windows and refurbishing the roof, as well as all technical building systems without the inhabitants having to move out. In these projects, a heat pump is installed in order to provide heat. This measure is implemented with the green venture RENOWATE and leads to the 100 % decarbonisation of each project. Overall, energetic refurbishment currently account for up to 10 % to 15 % of our total GHG reduction by 2030.

LEG therefore draws on both conventional and innovative solutions and regularly tests new measures in the form of pilot projects. For example, LEG has equipped 12 homes in the energy efficiency category B to F in order to test the use of air-to-air heat pumps. This project included various supply infrastructures, such as night storage heating, gas heating and vacant housing. The relevant absolute and percentage energy savings per cluster are described in the table under ESRS E1-4.

LEG continually monitors the progress of these measures. In doing so, the focus is on emissions efficiency and cost effectiveness. Attainment is also reviewed annually with the preparation of the GHG balance sheet.

In order to achieve the 2030 climate target, LEG is planning to invest around EUR 1 billion from 2019 onwards. As a result of the dynamic market environment, the uncertainty in the European and national regulatory frame-work and new technologies that could be used for decarbonisation, LEG does not currently have a detailed, long-term (beyond 2029) capex budget for the implementation of decarbonisation. An opex budget is not implemented to this extent because the costs involved are operating expenses and therefore deemed transitory items. These expenses are listed on the utility bill for the tenant and then billed.

As part of the decarbonisation pathway, systems using fossil fuels (gas, oil and coal) in particular are being gradually phased out and upgraded in accordance with regulatory requirements, so that any remaining GHG emissions associated with them will be fully decarbonised by 2045. According to the latest information, com-pared with the base year of 2019, around 53 % of locked-in GHG emissions will still be present in 2030.

LEG has reported on its business activities based on the EU taxonomy since 2021 in its Annual Report. As a starting point, the top 15 % of the property portfolio measured by primary energy requirements are used in the distributional logic of the energy efficiency categories. As the basis for calculating the top 15 % of German building stock, we used the study by the German Ministry for Economic Affairs and Energy (BMWi) for 2021. The BMWi analysis indicates that buildings up to EPC class B satisfy the material assessment criteria as they are among most efficient 14 % of the housing stock in Germany. The corresponding share of especially energy-efficient EPC C buildings with a final energy consumption of around 77 kWh per square metre per year was used as a reference for one percent of the top 15 %. The proportions of the EU taxonomy will gradually be in-creased with the ongoing energy-efficiency modernisation of the housing stock. A long-term timetable for expanding taxonomy-compliant capex or opex is not currently available and will be reviewed in the future.

LEG does not generate any revenue from the exploration, supply, sale or refinement of crude oil, or from the exploration, production, manufacture or sale of gaseous fuels, or from electricity generation with a GHG emissions intensity of over 100 g $CO_2e$/kWh. LEG is affected by the EU reference values for climate change and the EU reference values set out in the Paris climate agreement. LEG and its subsidiaries do not produce coal, oil or gas. As a result, there is no capital expenditure for coal, oil or gas-related business activities.

The decarbonisation plan is a major pillar of the LEG business strategy and is also taken into account in the financial planning. Both the decarbonisation plan and the business strategy and financial planning have been approved by the Management Board and Supervisory Board. When making investment decisions, greenhouse gas emissions reductions are taken into account in accordance with the LEG decarbonisation pathway. Furthermore, LEG established GHG monitoring, which includes planned $CO_2e$ savings and the associated investments in measures in order to achieve the GHG reduction targets as well as the highest possible GHG efficacy per euro invested. In doing so, the focus is on cost and emissions efficiency. In the context of the pace of technical progress, LEG is keeping its sustainability strategy flexible so that it can continue to integrate innovative decarbonisation measures into its activities. The efficacy and costs of these measures are addressed in its GHG monitoring.

### 2.2.2.2 DR E1.SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

LEG has analysed two main types of climate-related risks:

**1. Physical risks**

Physical risks occur as a result of the direct impacts of climate change on the environment and infrastructure. These can be further sub-divided as follows:

Acute physical risks:

- Extreme weather events, such as flooding

Chronic physical risks:

- Long-term sea level rise

These physical risks may lead to damage to buildings and infrastructure.

**2. Transitional risks**

Transitional risks occur due to the transition to a low-carbon economy. They include:

- Political and regulatory changes, such as carbon pricing
- Technological changes and the costs associated with them
- Changes in consumer preferences

In order to evaluate the resilience of the LEG business model and its corporate strategy with regard to the climate-related risks mentioned above, the company conducted a resilience analysis. This considers the period of time up to 2050. The resilience analysis refers to own business activities. Due to a lack of suitable information, the actors of the upstream and downstream value chain were not explicitly considered. No material physical and transitory risks were excluded from the analysis.

In order to identify climate-related physical risks, LEG uses a climate risk tool. The tool analyses the climate risks for all the sites in the portfolio using geographic coordinates.

Both acute and chronic climate risks, such as extreme temperatures, extreme rainfall, droughts and flooding, were considered and analysed using the climate risk tool.

Climate-related hazards, such as wildfires, heat and heavy rainfall, were also taken into account in the resilience analysis.

The LEG building stock was also subject to the climate risk analysis. The total risk score combines the earthquake risk score, storm risk score, flood risk score and the wildfire risk of the location to give a standardised annual statistically anticipated loss for standard industrial companies for the total risk of material damage at a specific site.

Risks due to river flooding are estimated as acute climate risks. According to the climate risk tool, 95 % of our portfolio sites are currently exposed to a very low risk, 2 % are exposed to a medium risk and the remaining 3 % are exposed to a (very) high risk. This risk was modelled for 2030, 2050 and 2100 and analysed. These years were selected because they are key milestones in the development of climate change. RCP scenarios 2.6, 4.5 and 8.5 were used to identify climate-related risks. The RCP (Representative Concentration Pathways) scenarios are climate scenarios that were developed for the Fifth Assessment Report by the IPCC (Intergovernmental Panel on Climate Change). They describe potential future developments in greenhouse gas concentrations and the resulting climate forcing until 2100. The numbers in the RCP designations (2.6, 4.5, 8.5) refer to the climate forcing in watts per square metre ($W/m^2$) in 2100 as compared with pre-industrial levels. Here, RCP scenario 8.5 represents a scenario where there are no additional climate change mitigation measures. $CO_2$ emissions rise from almost 10 GtC/year in the present to nearly 30 GtC/year at the end of the century. This signifies a temperature increase of about 4.8 degrees by the year 2100.

The analysis of active climate hazards in scenarios RCP 4.5 and 8.5 shows that river floods and storm hazards are assessed as climate risks, but only pose a threat to a very small proportion of the portfolio.

Sea level rise is considered a chronic climate risk. This was analyzed for the year 2100 in all three scenarios RCP 2.6, 4.5 and 8.5. For the clear majority of locations, this is only a very low danger. Only buildings in northern Germany are affected by a higher risk. In order to increase the resilience of the business model, LEG's buildings are insured against extreme weather events.

Using the risk identified through the climate risk tool and the property value, a monetary (gross) risk was determined that was adopted by LEG’s regular risk management.

As a result of the size and geographic distribution of the property locations, only fewer than 10 % of the property portfolio is affected by physical climate risks that could potentially jeopardise the property. Because the entire LEG property portfolio is currently insured against extreme weather events, the net risk is reduced to zero. Any in-crease in insurance premiums can be offset by the fact that insurance premiums are allocable as operating costs for LEG. In extreme cases, there is a long-term risk of uninsurability. With regard to the current political debate regarding mandatory insurance for natural disasters, this risk is not currently seen to exist. As a result, the LEG business model is not at risk, even in the worst case scenario.

Similarly, the transitional risks were also evaluated on a qualitative and quantitative basis as part of the resilience analysis. These include in particular legal/regulatory risks, such as the rise in carbon pricing, increasing requirements for building quality specifications, technological risks, such as the delayed expansion of power grids, market risks, such as limited resources in terms of raw materials, other materials and qualified staff, and reputational risks as a result of changes in consumer preferences. The monetary risk value is, however, so low in proportion to LEG's total assets that it does not pose a risk to the business model.

Since RCP scenarios are not predictions, but possible future scenarios based on various assumptions about GHG concentrations and their impact on the climate, there are also uncertainties in resilience analysis. In the case of indirect transitory risks, it is also important to note that the interactions between these factors are complex and difficult to predict.

The LEG business model can nonetheless be viewed as resilient in the face of the climate change development scenarios because LEG takes a proactive stance. As such, the relevant investments are made in property and the decarbonisation of the property portfolio. LEG's underpinning sustainability strategy can be seen as dynamic and flexible because the actions are not set in stone but can be used flexibly depending on efficacy and cost-effectiveness. This aims to ensure that we can remain dynamic in our response to political and regulatory changes in order to take new requirements into account. Furthermore, with its green ventures, LEG pursues a proactive strategy to promote sustainable innovations and business models. These initiatives aim to push ahead with the decarbonisation of the portfolio. This underscores LEG's ability to respond effectively to both opportunities and risks in the transformation process and to create a resilient business model over the long term.

As a result of the annual climate risk analysis, the resilience of the LEG business model is reviewed at the same intervals.

Even taking into account the risks and opportunities, as well as the relevant mitigation measures, it is clear that LEG's business model is resilient towards the impacts of climate change.

### 2.2.3 Management of impacts, risks and opportunities

#### 2.2.3.1 DR E1.IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities

In order to determine the material climate-related impacts, LEG issued a GHG balance sheet. The major impacts of LEG's business activities relate to GHG emissions. With the aid of the GHG balance sheet, LEG can determine its GHG emissions in Scope 1, 2 and 3 for its portfolio, as well as for its administrative operations. This is based on the specifications of the GHG protocol. GHG emissions amplify the greenhouse effect and increase global warming. As a result, the sustainability strategy primarily pursues the aim of optimising the property portfolio to make it more emission-efficient in order to reduce its carbon footprint. In order to achieve its targets, various GHG reduction measures are being implemented: Firstly, emission-efficient heat supply (by replacing heating systems, the use of air-to-air heat pumps or the expansion of district heating); secondly, the reduction of energy requirements (with the use of smart thermostats or by integrating tenants through green nudging programs); and thirdly, energetic refurbishment (conventional or serial refurbishment).

The description of the risks identified can be found in Chapter 2.2.2.2.

This climate risks were analysed for 2030, 2050 and 2100. These years were selected because they are key milestones in the development of climate change.

The year 2030 is a short-term time horizon and is relevant for several reasons:

- It is in the near future, which makes it easier to plan for specific actions.
- Many climate objectives, such as the German Climate Change Act and the EU's climate objective, are centred on the year 2030.
- LEG has set its SBTi near-term target as 2030.
- Until 2030, global warming will be largely influenced by emissions that have already occurred.

2050 is a major milestone for climate policy and risk analysis:

- It marks the middle of the century and is a medium-term planning horizon.
- Many countries and organisations have set themselves net-zero emissions targets by 2050.
- From 2050, the impacts of various emissions scenarios will become much clearer.

The year 2100 offers a long-term perspective in terms of climate change trends:

- It makes it possible to consider long-term climate trends and risks.
- Climate models often show projections until the end of the 21st century.
- The temperature differences between the various emissions scenarios become particularly clear by 2100.

LEG has implemented a risk management system in order to identify, analyse, measure, manage, document and monitor risks. The risks relate to the company's own business activities. Due to a lack of suitable information, the actors of the upstream and downstream value chain were not explicitly considered. The risk management system also includes the climate-related risks identified. Regular and ad-hoc risk analyses are performed. The identified risks are evaluated for their probability of occurrence and potential impacts. Suitable preventive and remediation measures are derived from this analysis and implemented. The efficacy of the implemented actions is monitored on an ongoing basis.

The RCP scenarios analysed are explained in Chapter 2.2.2.2 and describe potential future developments in greenhouse gas concentrations and the resulting climate forcing until 2100.

The analysis of physical climate-related risks is based on location-based geographical coordinates of the LEG portfolio.

Based on the materiality analysis, the climate-related transitional risks and opportunities for LEG are measured along the value chain. To do this, LEG categorises which transitional risks and opportunities may arise as a result of the transition to a low-carbon, more sustainable economy. In the next stage, the risks are assigned to major risk categories as per the Task Force for Climate-Related Financial Disclosures (TCFD):

| Political/regulatory risks | Technological risks | Market risks | Reputational risks |
|---|---|---|---|
| Increasing carbon prices | Delayed expansion of power grid makes it harder to electrifying existing properties | Lower ratings for buildings with lower energy efficiency by market participants and damage due to climate change | Changes in consumer preferences |
| Increasing specifications for building quality and energy supply | | Limited resources for raw materials, other materials and qualified staff | |
| Lower allocable costs for energetic refurbishment and lower subsidies | | Increasing energy and electricity prices | |
| Liquidity risk due to worsening conditions for (re-)financing (green asset ratio) | | | |

These transitional risks have been adopted by the risk management system and have therefore been measured qualitatively and quantitatively. The transitional opportunities were also qualitatively and quantitatively measured using the scoring model in the materiality analysis (see Chapter 1.1.4.1).

In doing so, short, medium and long-term horizons were taken into consideration. Regulatory changes, such as the introduction of carbon pricing, and market changes, such as fluctuations in energy prices, and technological changes can be assigned to a short to medium-term period while changes in consumer preferences are deemed a longer-term occurrence.

As a signatory of the Paris climate agreement, Germany is committed to the 1.5-degree target. As a result, the transitional risks for LEG are derived from the climate scenario that assumes global warming will be limited to a maximum for 1.5 °C as compared with pre-industrial levels. The identified transitional risks also do not change with the application of other climate change scenarios because the transitional risks refer to the challenges and potential losses associated with the transition to a low-carbon economy and that occur as a result of political, technological and market-based changes owing to climate change mitigation measures.

No assets or business activities were identified that are incompatible with the transition to a carbon-neutral economy because, as per the decarbonisation pathway, LEG is committed to making its property portfolio climate-neutral by 2045.

LEG has set itself the objective of almost fully decarbonising its portfolio by 2045 and thus to no longer use fossil fuels, which would be incompatible with the transition to a climate-neutral economy. LEG actively chooses renewable energy, such as electricity or district heating.

The climate scenario analysis is included in the financial reports because it helps to evaluate the portfolio. Investments used to fulfil regulatory requirements are also included in the financial reporting. Climate-related risks and opportunities are also part of the risk management process, another element of our financial reporting.

### 2.2.3.2 DR E1-2: Policies related to climate change mitigation and adaptation

In addition to its clear focus on cutting GHG emissions, LEG’s sustainability strategy also addresses the management of the material impacts, risks and opportunities connected with mitigating climate change and adapting to it. The Management Board is responsible for the implementation of the sustainability strategy. Material impacts that the Company has on the environment or society are analysed and measured. Furthermore, opportunities and risks connected with climate change, as well as climate change adaptation, have also been identified and measured, and mitigation actions planned. In addition to its strategy document, LEG has also published several guidelines on the topic of climate change mitigation, which provide the framework for our business activities. These can be found on the LEG website.

Climate change poses a material risk to LEG in the downgrading of its properties (stranded assets) due to a backlog of investments due to rising regulatory requirements. Furthermore, property values may decrease as a result of location and/or construction type as a result of the impacts of climate change. The investment strategy prioritises modernisation projects and plans for them as effectively as possible. In addition, LEG uses a climate risk analysis to identify buildings at risk due to their location and to counter these physical risks associated with the impacts of climate change such as flooding and sea level rise through construction measures. Financial effects are countered by insurance. Another risk arises from price hikes for raw materials, energy and services owing to increased demand, crises or resource scarcity. With the targeted selection of suppliers and framework agreements, as well as a cost-conscious approach, this risk is kept as low as possible for LEG. The high carbon footprint of buildings as a negative impact on humans and the environment can be reduced with emission-efficient optimisations of the building, as well as by switching from fossil fuels to renewable energy. In doing so, measures to reduce energy consumption and thus increase energy efficiency are implemented. Overall, this results in sustainable, durable buildings that have a positive effect on the environment. Tapping into new areas of business via dekarbo, termios and RENOWATE results in new opportunities for LEG due to climate change mitigation.

### 2.2.3.3 DR E1-3: Actions and resources in relation to climate change policies

Within the three clusters of emission-efficient heat supply, reduction in energy requirements and energetic refurbishment (see Chapter 2.2.2.1), LEG has developed actions and resources with regard to climate change mitigation and climate change adaptation that aim to significantly reduce GHG emissions.

**Actions for climate change adaptation**

In order to minimise the risk of building damage due to acute or chronic climate risks, all of LEG's property portfolio is currently insured against extreme weather events.

LEG pursues a sustainability strategy that is focussed on decarbonisation and emission efficiency. In order to achieve these targets, various GHG reduction measures are being implemented based on these three clusters.

Compared with the base year 2019, LEG saved 10.4 kg$CO_2$e/m² referring to scope 1 and scope 2 (market based) in 2024. This corresponds to a reduction of 26 %.

LEG is working towards the target of reducing GHG emissions to 20.9 kg $CO_2$e/m² by 2030 and between 0 to below 5 kg $CO_2$e/m² by 2045. In absolute terms, the company aims for a reduction of 374,400 tonnes $CO_2$e by 2045. This corresponds to a reduction of 87.5 %.

In order to achieve its decarbonisation aims, LEG is also reliant on external resources, such as construction materials or qualified staff working for service providers. If these are no longer available due to resource scarcity, the energy-related measures cannot be implemented, or will be delayed. Potential cost increases may also have a negative impact on the cost-effectiveness of an action. Furthermore, equity and debt capital are required to carry out the measures, which also makes LEG dependent on resources provided by third parties.

The main levers for reducing emissions are emission-efficient heat supply (with a contribution of up to 55 % by 2030), reduced energy requirements (with a contribution of up to 35 %) and energy-efficient renovation (with a contribution of up to 15 %). Continuous GHG monitoring is to ensure that the measures are reviewed.
The investment volume of up to approximately EUR 1 billion has already been significantly reduced from between EUR 1.4 and EUR 1.6 billion to approx. EUR 1.0 billion as a result of technical innovations, such as the introduction of air-to-air heat pumps in LEG properties. LEG's strategy focuses on emissions and cost efficiency in the implementation of the measures. The investments are part of the other additions to assets, which mainly relate to capitalized investments in the existing properties. LEG acts economically with these investments, as they lead to a corresponding increase in the value of the properties.

A breakdown of the taxonomy-eligible and taxonomy-compliant Capex and Opex cannot be divided between the measures "Emission-efficient heat supply", "Reduced energy requirements" and " Energetic refurbishment". The majority of investments were allocated to economic activity CCM 7.7 "Acquisition of ownership of buildings". They are directly related to the letting and leasing of buildings and include both maintenance measures and investments in energy efficiency measures. In addition, the reported investments and operating expenses include expenses that are not related to the above-mentioned measures. CCM 4.1 "Electricity generation using photovoltaic technology" cannot be assigned exclusively to decarbonisation measures as a measure, as some of the electricity generated is used for tenants' household electricity. Only the investments for economic activity" CCM 4.16 "Installation and operation of electric heat pumps" can be clearly assigned to the measure "Emission-efficient heat supply".

## 2.2.4 Metrics and targets

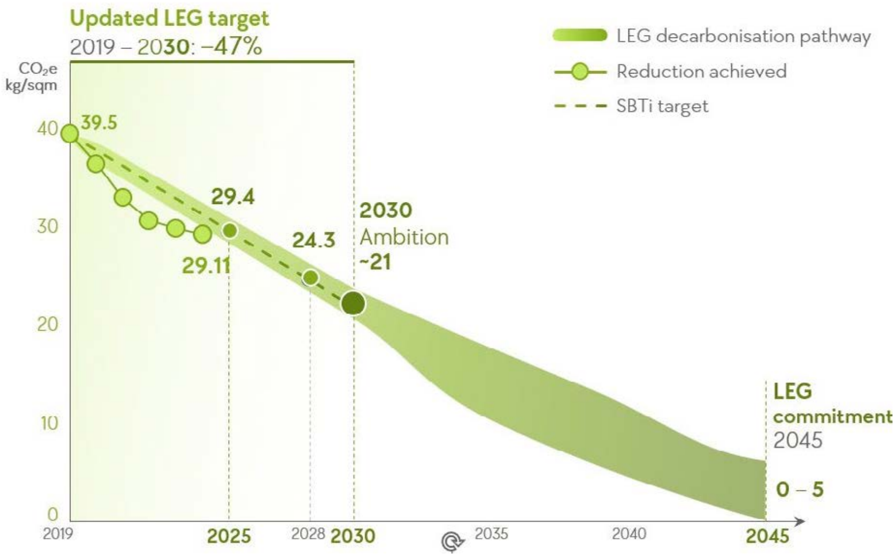
### 2.2.4.1 DR E1-4: Targets related to climate change mitigation and adaptation

LEG has established a sustainability strategy and set itself the aim of reducing around 47 % of Scope 1 and Scope 2 emissions (market-based) by 2030 in comparison with 2019. By 2045, LEG has set itself the target of reducing its GHG emissions to 0 to below 5 $CO_2$e/m². This corresponds to a reduction of 87.5 % to 100 %. In order to achieve these climate objectives, emission-efficient and cost-effective measures to reduce GHG emissions must be identified on an ongoing basis and the company drives the sustainable transformation of the LEG portfolio and business model forward. The GHG reduction targets relate only to the company's own business activities and do not include the upstream and downstream value chain. Furthermore, LEG is focussed on new business models in the area of climate change mitigation and its positioning as a provider of emission-efficient solutions and cost-effective technologies through its role in founding green ventures such as dekarbo, termios and RENOWATE. The planned GHG reduction measures are reviewed regularly and reported on in the annual GHG balance sheet.

The short-term emission reduction targets of LEG Immobilien SE have been validated by the Science Based Targets initiative (SBTi) as science-based and in line with the 1.5 degree target of the Paris Climate Agreement. By 2030, therefore, 47 % of Scope 1 and 2 emissions are to be reduced from 2019 levels. The goals were coordinated internally and no other stakeholders were taken into account. The objectives serve to minimise the negative climate-related risks of “High carbon footprint buildings” and “Environmental pollution due to the use of fossil fuels to supply energy”. The sustainability strategy primarily pursues the aim of optimising the LEG property portfolio to make it more emission-efficient in order to reduce its carbon footprint, as well as to facilitate the switch from fossil fuels to renewable energy. This results in positive impacts, such as the implementation of “Actions to reduce and cut emissions through the use of renewable energy”, “Energy-efficient construction, modernisations and sustainable refurbishments to achieve more environmentally friendly and durable buildings” and “Lower incidental costs for customers as a result of energy efficiency measures”. By complying with GHG emission reduction targets, climate-related risks such as “Property value decreases due to the impact of climate change” are also reduced because reducing GHG emissions contributes towards climate change mitigation. Furthermore, this results in opportunities such as “Tapping into new areas of business via dekarbo, termios and RENOWATE”, which are taken into account correspondingly in the LEG sustainability strategy.

| ESRS E1-4 | Scope | 2019 | 2030 | 2050 |
|---|---|---|---|---|
| Direct GHG emissions in tonnes of $CO_2e$ | 1+2 | 427,777 | 226,589 | 0 |
| - Emission efficient heat supply | 1+2 | 0 | -110,654 | -124,624 |
| - Reduced energy requirements | 1+2 | 0 | -65,386 | -73,641 |
| - Energetic refurbishment | 1+2 | 0 | -25,149 | -28,324 |
| Gross Scope 3 GHG emissions (3.03 and 3.13) | 3 | 290,086 | 210,312 | 0 |

In addition to the above-mentioned reduction targets for Scope 1 and 2 emissions, the company has set itself the goal of reducing Scope 3 emissions in the upstream and downstream value chain by around 28 % by 2030 compared to the base year 2019. The emissions data and targets provided have been adjusted for climate change. This allows for a representation of GHG reductions that are solely attributable to the decarbonization measures, as fluctuations due to warm or cold winters are adjusted.




The base year for LEG’s decarbonisation pathway is 2019, which was adjusted for the long-time average using the DWD’s climate factors. Furthermore, significant changes in the portfolio (primarily the acquisition of the Adler portfolio in late 2021) were taken into account retrospectively for 2019.

The achievement of the target is monitored on the basis of GHG monitoring and the annual preparation of the GHG balance sheet. The current progress is in line with the planning.

In comparison to the 2024 ESG agenda from 2021 and its decarbonisation pathway, the base value for 2019 was recalculated in 2024 as a result of the Adler acquisition in late 2021 and changes in methodology.

The RCP scenarios 2.6, 4.5 and 8.5 (see Chapter 2.2.2.2) were used to identify climate-related risks. In order to identify decarbonisation levers, LEG aligns itself with its own climate change mitigation pathway, which reflects the 1.5 degree target of the Paris climate agreement. This has been validated by SBTi until 2030 and will continue until 2045 with the aim of achieving 0 to below 5 kg $CO_2e$ / m². The decarbonisation actions are planned based on this pathway.

### 2.2.4.2 DR E1-5: Energy consumption and mix

| Energy consumption and energy mix | 2019 | 2023 | 2024 |
|---|---|---|---|
| Fuel consumption from coal and coal products (MWh) | 11,555 | 4,997 | 4,749 |
| Fuel consumption from crude oil and petroleum products (MWh) | 52,131 | 21,480 | 20,896 |
| Fuel consumption from natural gas (MWh) | 964,407 | 861,280 | 836,944 |
| Fuel consumption from other fossil sources (MWh) | 23,536 | 17,982 | 20,393 |
| Consumption of purchased or purchased electricity, heat, steam or cooling from fossil sources (MWh) | 822,735 | 741,961 | 726,988 |
| **Total fossil energy consumption (MWh)** | **1,874,364** | **1,647,700** | **1,609,970** |
| **Share of fossil sources in total energy consumption (in %)** | **84.7%** | **72.4%** | **72.4%** |
| **Consumption from nuclear sources (MWh)** | **0** | **0** | **0** |
| **Share of consumption from nuclear sources in total energy consumption (in %)** | 0,0% | 0,0% | 0,0% |
| Fuel consumption from renewable sources, including biomass | 335,475 | 508,320 | 491,657 |
| Consumption from purchased or received electricity, heat, steam and cooling from renewable sources (MWh) | 12,853 | 121,316 | 120,084 |
| Consumption of self-generated non-fuel renewable energy (MWh) | 0 | 860 | 1,887 |
| **Total renewable energy consumption (MWh)** | **348,328** | **630,496** | **613,628** |
| **Share of renewable sources in total energy consumption (%)** | **15.3%** | **27.6%** | **27.6%** |
| **Total energy consumption (MWh)** | **2,222,692** | **2,278,196** | **2,223,598** |
| Non-renewable energy production | 0 | 0 | 0 |
| Renewable energy generation | 80,106 | 103,811 | 105,999 |

As LEG is only active in sectors with a high climate impact (Real Estate & Services (RRS) and Energy Production & Utilities (EEU)), all the information referred to in 2.2.4.2 as well as the energy intensity refer to these sectors. The total net sales of the consolidated financial statements also relate to these sectors.

### 2.2.4.3 DR E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions

**Climate-adjusted emissions**

| THG emissions | 2019 | 2023 | 2024 | % N/N-1 | 2030 | 2050 |
|---|---|---|---|---|---|---|
| **Scope 1 greenhouse gas emissions** | | | | | | |
| Scope 1 THG gross emissions (t $CO_2e$) | 295,830 | 240,219 | 234,416 | -21% | 159,157 | 0 |
| Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading systems (in %) | 0 | 0 | 0 | 0% | 0 | 0 |
| **Scope 2 greenhouse gas emissions** | | | | | | |
| Location-based Scope 2 GHG gross emissions (t $CO_2e$) | 154,032 | 136,938 | 134,592 | -13% | 0 | 0 |
| Market-based Scope 2 GHG gross emissions (t $CO_2e$) | 131,947 | 82,026 | 78,805 | -40% | 67,432 | 0 |
| **Significant Scope 3 greenhouse gas emissions** | | | | | | |
| Total indirect (Scope 3) GHG gross emissions (t $CO_2e$) | 290,086 | 244,956 | 245,001 | -16% | 210,312 | 0 |
| 3 Activities related to fuels and energy (not included in Scope 1 or Scope 2) | 79,640 | 83,915 | 85,064 | 7% | 57,739 | 0 |
| 13 Downstream leased assets | 210,445 | 161,041 | 159,938 | -24% | 152,573 | 0 |
| **Total GHG emissions** | | | | | | |
| Total GHG emissions (location-based) (t $CO_2e$) | 739,948 | 622,112 | 614,010 | -17% | 369,469 | 0 |
| Total GHG emissions (market-based) (t $CO_2e$) | 717,863 | 567,200 | 558,223 | -22% | 125,171 | 0 |

| GHG intensity per net revenue | 2019 | 2023 | 2024 | % N/N-1 |
|---|---|---|---|---|
| Total GHG emissions (location-based) per net revenue ($tCO_2e$/million euros) | 927.3 | 683.6 | 694.4 | -25% |
| Total GHG emissions (market-based) per net revenue ($tCO_2e$/ million euros) | 899.6 | 623.3 | 631.3 | -30% |
| Net revenue used to calculate greenhouse gas intensity in million euros | 798 | 910 | 884.2 | 11% |
| Net revenue (other) in million euros | 198.2 | 80.3 | 255.2 | 29% |
| Total net revenue (in the financial statements) in EUR million | 996.2 | 990.3 | 1.139.40 | 14% |

| GHG intensity per m² (Scope 1 and 2) | 2019 | 2023 | 2024 | % N/N-1 |
|---|---|---|---|---|
| Total GHG emissions (location-based) per m² ($tCO_2e/m^2$) | 41.57 | 34.8 | 34.28 | -18% |
| Total GHG emissions (market-based) per m² ($tCO_2e/m^2$) | 39.53 | 29.73 | 29.1 | -26% |

| GHG emissions by energy source (market based) | 2019 | 2023 | 2024 | % N/N-1 |
|---|---|---|---|---|
| Natural gas | 275,893 | 264,514 | 259,503 | -6% |
| Fuel oil | 18,832 | 8,004 | 7,872 | -58% |
| Coal | 5,838 | 2,700 | 2,639 | -55% |
| District heating | 124,891 | 83,767 | 81,496 | -35% |
| Current | 240,439 | 183,887 | 182,292 | -24% |
| Pellets | 0 | 10 | 10 | 0% |
| Renewable energies | 44,844 | 19,025 | 18,392 | -59% |
| Other | 7,126 | 5,293 | 6,018 | -16% |

## Non-climate-adjusted emissions

| THG emissions | 2019 | 2023 | 2024 | % N / N-1 | 2030 | 2050 |
|---|---|---|---|---|---|---|
| **Scope 1 greenhouse gas emissions** | | | | | | |
| Scope 1 THG gross emissions (t $CO_2e$) | 259,865 | 199,745 | 195,078 | -25% | 159,157 | 0 |
| Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading systems (in %) | 0 | 0 | 0 | 0% | 0 | 0 |
| **Scope 2 greenhouse gas emissions** | | | | | | |
| Location-based Scope 2 GHG gross emissions (t $CO_2e$) | 134,967 | 115,406 | 112,663 | -17% | 0 | 0 |
| Market-based Scope 2 GHG gross emissions (t $CO_2e$) | 115,858 | 70,107 | 67,439 | -42% | 67,432 | 0 |
| **Significant Scope 3 greenhouse gas emissions** | | | | | | |
| Total indirect (Scope 3) GHG gross emissions (t $CO_2e$) | 290,086 | 244,956 | 245,001 | -16% | 210,312 | 0 |
| 3 Activities related to fuels and energy (not included in Scope 1 or Scope 2) | 79,640 | 83,915 | 85,064 | 7% | 57,739 | 0 |
| 13 Downstream leased assets | 210,445 | 161,041 | 159,938 | -24% | 152,573 | 0 |
| **Total GHG emissions** | | | | | | |
| Total GHG emissions (location-based) (t $CO_2e$) | 684,918 | 560,107 | 552,742 | -19% | 369,469 | 0 |
| Total GHG emissions (market-based) (t $CO_2e$) | 665,809 | 514,807 | 507,518 | -24% | 125,171 | 0 |

| GHG intensity per net revenue | 2019 | 2023 | 2024 | % N / N-1 |
|---|---|---|---|---|
| Total GHG emissions (location-based) per net revenue ($tCO_2e$/million euros) | 858.29 | 615.5 | 625.13 | -27% |
| Total GHG emissions (market-based) per net revenue ($tCO_2e$/ million euros) | 834.35 | 565.72 | 573.99 | -31% |
| Net revenue used to calculate greenhouse gas intensity in million euros | 798 | 910 | 884.2 | 11% |
| Net revenue (other) in million euros | 198.2 | 80.3 | 255.2 | 29% |
| Total net revenue (in the financial statements) in EUR million | 996.2 | 990.3 | 1,139.40 | 14% |

| GHG intensity per m² (Scope 1 and 2) | 2019 | 2023 | 2024 | % N / N-1 |
|---|---|---|---|---|
| Total GHG emissions (location-based) per m² ($tCO_2e/m^2$) | 36.48 | 29.08 | 28.59 | -22% |
| Total GHG emissions (market-based) per m² ($tCO_2e/m^2$) | 34.72 | 24.9 | 24.39 | -30% |

| GHG emissions by energy source (market based) | 2019 | 2023 | 2024 | % N / N-1 |
|---|---|---|---|---|
| Natural gas | 242,723 | 226,175 | 222,230 | -8% |
| Fuel oil | 16,625 | 6,822 | 6,728 | -60% |
| Coal | 5,065 | 2,233 | 2,185 | -57% |
| District heating | 110,128 | 72,832 | 71,080 | -35% |
| Current | 239,114 | 183,002 | 181,438 | -24% |
| Pellets | 0 | 10 | 10 | 0% |
| Renewable energies | 44,844 | 18,925 | 18,297 | -59% |
| Other | 7,310 | 4,809 | 5,551 | -24% |

Germany officially phased out its nuclear energy programme on 15 April 2023. The proportion of imported nuclear energy in the German energy mix was around 3 % in 2023. As a result, the proportion of energy from nuclear sources is deemed immaterial for LEG. Furthermore, the precise proportion of electricity from nuclear sources in LEG's consumption cannot be determined, which is why no disclosures are made about energy from nuclear sources. In its portfolio, LEG opts to use green electricity from green energy contracts, as well as the use of guarantees of origin.

In its GHG emissions accounting according to GHG-Protocol, LEG does not deviate from the definition of "reporting entity". This means that it reports all GHG emissions generated by the group of consolidated companies as covered by the financial reporting. Correspondingly, this excludes the green ventures dekarbo, termios and RENOWATE, as well as Kommunale Haus und Wohnen and Beckumer Wohnungsgesellschaft mbH which are not under LEG's operational control.

The accounting framework includes our entire portfolio, including commercial units and the company buildings, as well as our vehicle fleet. In order to calculate the GHG emissions, the actual energy consumption values for the previous year are used for the reporting period whenever possible because the data for the reporting period is not yet available at the time of reporting. If this data is not available, the consumption figures are estimated using the consumption/requirements information in kWh/m²/a from energy certificates or building age categories. The consumption in the reporting year is estimated using climate adjustment for the reporting year and adjustments for changes in the portfolio. Savings from the decarbonisation measures are also taken into account. The extrapolated values are updated in the following reporting year with the actual emissions values. To calculate the GHG emissions, the emissions factors of the German Federal Office for Environment are applied for the energy source in question; to determine market-based emissions, the supplier-specific emissions factors are applied. When estimating GHG emissions, it should be taken into account that the emission factor for gas deteriorated slightly from 2022 to 2023. In contrast, the emission factors for district heating and electricity have improved. The climate factors of the DWD are applied for climate adjustment for the reporting year.

For general purposes, there were no significant events or changes between the LEG reporting dates in the value chain and the date of the LEG consolidated financial statements.

LEG reports on all emissions from the biomass heating power plant under Scope 1.

No biomass emissions are generated in the value chain that are not already depicted in Scope 3. These emissions are shown in Scope 3.3.

2 % of Scope 2 emissions related to administration and portfolio are covered by unbundled guarantees of origin.

LEG obtains unbundled guarantees of origin for the electricity it uses (Scope 2), which enables it to certify this electricity as being from renewable sources. This electricity is used for heat supply in housing and communal areas.

0 % of the calculated Scope 3 GHG emissions were collected using primary data. For Scope 3.3 (energy and fuel-related emissions), the consumption figures for the previous year were used and extrapolated as described above for the reporting year. Scope 3.13 (rented or leased properties) only includes domestic electricity consumption by the tenants, which is billed directly by the provider to the tenant. As a result, there are no actual consumption figures available for this either.

As part of the submission of targets to the SBTi, a Scope 3 screening was carried out across all categories. The emissions in the categories Scope 3.3 and 3.13 cover more than 90 % of LEG's total Scope 3 emissions. As a result, the remaining Scope 3 categories are immaterial for LEG.

List of the categories of Scope 3 emissions included in the GHG balance sheet:

- Scope 3.3
- Scope 3.13

The consumption figures for the 2023 balance sheet were used to determine the energy consumption figures and Scope 3.3 emissions. The information from the electricity index (indicates the average electricity consumption of private households in Germany) for 2024 was used to determine the electricity consumption for Scope 3.13.

The net revenue includes net cold rent, which is also stated in the consolidated financial statements. It also includes net trade receivables that are not shown in the financial statements as a result of their allocation to different functional areas. For other trade receivables and net revenue from disposals, the taxes directly linked to turnover have already been taken into account. Proceeds from the sale of real estate were not included in the calculation and are reported under other net income.

# 3. Social Information

## 3.1 ESRS S1: Own workforce

### 3.1.1 Strategy

#### 3.1.1.1 DR S1.SBM-2: Interests and views of stakeholders

LEG actively takes into account the interests, points of view and rights of its employees in its strategy and business model. As part of the materiality analysis, employees were identified as an important stakeholder and included in a survey (see SBM-2). This is to ensure that the perspectives of the workforce are continuously incorporated into the sustainability strategy.

#### 3.1.1.2 DR S1.SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

All employees of the LEG Group are covered by the scope of the disclosure in this report. In general, employees are affected by the material effects of the LEG Group's business activities. In addition to the employees, 11 temporary workers were employed at LEG in the 2024 financial year.

In chapter 1.1.3.3, all positive and negative effects as well as risks and opportunities were presented in tabular form.

In connection with the company's own workforce, the following activities lead to positive effects.

At LEG, ensuring employee health is a prerequisite for good work and is therefore taken into account in works agreements. Ensuring employee satisfaction and retention through appropriate remuneration is also of great importance, which is taken into account by collective agreements and legal co-determination. In addition to appropriate remuneration, the possibility of reconciling professional and private life (e.g. through flexible working hours, home office, etc.) should also contribute to employee satisfaction and retention. This is taken into account within the corporate strategy and in company agreements. Furthermore, the safeguarding of jobs through responsible business practices and diversity as a sense of belonging for employees, which is also taken into account in the corporate strategy, are among the positive effects of LEG. Ensuring data protection in relation to one's own workforce, which is also established in the company by the data protection department, also has a positive effect.

The (long-term) absence of work due to work-related stress was identified as a negative impact of LEG's business activities on its own employees. This negative impact is reduced by taking it into account in works agreements.

Due to the change in the Hazardous Substances Ordinance, increased costs for information gathering, sampling, protective measures and disposal of hazardous substances to protect the company's own employees are to be expected in the future. This was identified as a risk. To mitigate this cost risk, a LEG project has already been initiated to implement the necessary processes to deal with the hazardous substances accordingly.

Opportunities related to own workforce include the following aspects:

Good (individual) working conditions (e.g. flexible working hours, home office regulations, adapted working hours, etc.), gender equality, work-life balance and equal pay for work of equal value as well as cooperation with universities make the war for talent easier.

These opportunities are taken into account within the corporate strategy as well as in company agreements as a contribution to employee satisfaction and the sense of belonging of employees.

### 3.1.2 Management of impacts, risks and opportunities

#### 3.1.2.1 DR S1-1: Policies related to own workforce

In addition to the strategies already mentioned in chapters 1.1.4.3 and 3.1.1.2 and working conditions such as the framework conditions of collective bargaining, fair working conditions, safeguarding employee satisfaction (see chapter 3.1.1), LEG is establishing further measures and regulations in connection with its own workforce, for which the Management Board is responsible.

The following internal company policies exist at LEG in terms of handling material impacts, risks and opportunities relating to its own workforce:

- Declaration of fundamental values,
- Sustainability model,
- Code of Conduct,
- Policy on Human Rights and Environment, including the declaration on respect for human rights and the environment,
- Group works agreement about professional conduct,
- Group works agreement about the whistleblower system,
- Agreements on personnel development,
- Regulations on equal pay through remuneration according to requirements profile and work remit,
- Agreements on flexible working hours and work location,
- Regulation on partial retirement (does not apply to TSP employees),
- Internal integration management (currently being implemented at TSP),
- Establishing a Disabilities Officer, a Bullying Officer and a Human Rights Officer,
- Anti-corruption policy,
- Money laundering policies and working instructions.

With regard to the relevant human rights obligations that apply to its own workforce, LEG has a declaration of fundamental values and a Code of Conduct, which outlines its commitment to integrity and fairness, performance and professionalism, confidentiality, transparency and sustainability. LEG also adheres to its Group Policy on Human Rights and Environment (including the declaration on respect for human rights and the environment), showing its commitment to respecting human rights based on the UN Guiding Principles on Business and Human Rights. These establish, for example, that it is a matter of course for LEG as a company that acts responsibly to respect, protect and promote human rights and the environment along its entire value chain. The basis for achieving these targets is mutual respect and integrity externally and internally during day-to-day business. This approach is further strengthened by the Employees and Diversity policy, which outlines our commitment to diversity within the workforce. This policy shows LEG's commitment to valuing every member of staff and treating all employees with respect, regardless of ethnic or ethical background, religion, political or other worldviews, gender, disability, age, sexual orientation, national or social background or language.

The general approach of LEG with regard to respecting human rights, including the rights of employees, is expressed in the internal company policies mentioned above, and is implemented daily through these company policies and compliance training as part of our onboarding process for new employees, as well as annual compliance refresher courses. Event-driven awareness raising is also implemented if breaches of compliance occur.

LEG implements a range of measures in order to protect human rights. Firstly, there are preventive measures that redress human rights violations, such as LEG's compliance system. Secondly, there are the above-mentioned training sessions. The HR department also organises diversity events (diversity dinners, diversity days, mentoring programme, intercultural training), which have partly been adopted into the performance-related remuneration of the Management Board and senior management. In the LEG Group, employee rights are safeguarded through collective agreements and works agreements. This is done via co-determination bodies and works councils, which represent the employees on the committees and act as individual contact partners.

Through its Group Policy on Human Rights and Environment including the declaration on respect for human rights and the environment, LEG is committed to the United Nations Universal Declaration of Human Rights, the core labour standards of the International Labour Organisation (ILO), the European Convention for the Protection of Human Rights and Fundamental Freedoms, the UN's Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Principles of the United Nations' Global Compact (membership since 2021). LEG also implements the regulations of the German General Act on Equal Treatment (AGG). The values and standards enshrined in this act are the basis for our responsible business conduct and are anchored in our internal policies and guidelines. LEG lives up to these requirements by fulfilling its due diligence in the area of human rights.

The following LEG policies are expressly concerned with human trafficking, forced or compulsory labour and child labour:

- Declaration of fundamental values,
- Policy on Human Rights and Environment, including the declaration on respect for human rights and the environment,
- Code of Conduct,
- Business Partner Code,
- Employee and Diversity Policy.

LEG is committed to integrating health and safety in the organisation, including via an internal Health and Safety Office, who monitors and manages the implementation of statutory and internal health and safety regulations. The details are set out in the "Health and safety organisation" document dated 10 March 2014. The health and safety aspects are integrated into operational structures and processes in order to prevent workplace accidents, among other things. Preventive actions are also regularly on the agenda for the Health and Safety Committee and are implemented consistently.

The above-mentioned internal regulations, training measures, HR measures, establishment of a due diligence committee and a Human Rights Officer, the establishment of a digital whistleblower system, also available for employees to use anonymously, are just some specific examples of measures to combat discrimination.

Some reasons for discrimination are listed in the Employees and Diversity Policy, which makes specific reference to the German General Act on Equal Treatment (AGG).

LEG has no political obligations in terms of inclusion or support measures to benefit people from groups that are particularly at risk among the company's own workforce. With regard to at-risk groups in its workforce, LEG fulfils the requirements from the German Disabilities Act and has a disabilities representative.

### 3.1.2.2 DR S1-2: Processes for engaging with own workforce and workers' representatives about impacts

There are regular meetings (depending on the committee, monthly, quarterly or twice a year) with the works councils at which topics relating to discrimination can be addressed. The due diligence committee, which is made up of representatives from the areas of Legal and Compliance, Procurement, ESG, HR and risk management, meets once a quarter. The HR department is involved and may contribute impacts on employees. The committee can also result in work orders, which are subsequently implemented by the respective representatives. Actions can also be developed and implemented through these meetings. Cases of discrimination can be reported anonymously via the whistleblower system. These cases are then investigated by the Compliance team and internal audit team. Appropriate actions are then taken where necessary.

The perspectives of the LEG workforce sometimes also influence the company's decisions and activities. Some examples of their direct contribution are the diversity day, diversity dinner and the digital whistleblower system. The perspectives of the employee representatives are contributed via LEG's co-determination bodies and via collective bargaining with the trade union ver.di. Furthermore, the disabilities representative (SBV) may also influence how topics relating to disabilities are handled. In accordance with Section 178 (1) SGV IX, the SBV must promote the participation of people with severe disabilities in working life in the company or office and represent their interests. Topics related to severely disabled persons include: fulfilment of obligations in favour of people with severe disabilities, application for measures that serve people with severe disabilities, receipt of suggestions and complaints from people with severe disabilities, negotiation of the conclusion of an inclusion agreement and participation in the introduction and implementation of the company integration management.

The diversity day takes place once a year in May, while the diversity dinner takes place at irregular intervals. The mentoring programme takes place with a new group every year. The programme runs for one calendar year. Each employee is assigned to a mentor from the management level, thus enabling an intensive exchange. The digital whistleblower system is always available. The cooperation with the works council takes place on an ad-hoc basis if there are matters requiring co-determination. On the other hand, there are also regular meetings of the co-determination bodies with employer representatives. The frequency of these various meetings is not regulated in a uniform manner. Instead, they are held as arranged between the committees / employee representatives affected and may therefore change. Negotiations are also held with the trade union ver.di after the collective remuneration agreements or before the expiry of their term.

The highest-ranking positions with operational responsibility for such topics is the Head of Legal and Compliance, Internal Audit, Human Resources, Committees and IBM. The CEO holds the overall responsibility.

The company has concluded the works agreement regarding professional conduct as a global framework agreement or other agreement with employee representatives connected with the topic of respecting the human rights of its own workforce. LEG enacted the following guidelines and company policies without employee participation:

- Declaration of fundamental values,
- Policy on Human Rights and Environment, including the declaration on respect for human rights and the environment,
- Code of Conduct,
- Business Partner Code,
- Employee and Diversity Policy.

Within the scope of the contact points mentioned above, LEG enables its employees to explain their perspectives and insights to the senior management. These perspectives are also discussed and, if necessary, negotiated with the works councils as part of the right to co-determination.

The efficacy of these actions is not measured but there are possibilities for giving feedback via the works council, the whistleblower system and through surveys on employee satisfaction.

In order to obtain insights into employee perspectives within its own workforce, LEG offers a diversity day, the diversity dinner, a mentoring programme and a digital whistleblower system has been introduced. Furthermore, the LEG Group has organised a female empowerment programme, which holds occasional workshops to empower women and address topics such as self-efficacy, embodiment, career confidence, personal strengths and self-reflection. For topics related to the severely disabled, there is a representative body for severely disabled people. Finally, the FRED annual review (or similar process at TSP) forms part of the Group works agreement and offers structured annual reviews with employees in order to support them in their professional and personal development. These reviews can also be initiated by the employees. LEG also obtains insights into the perspectives of its employees by doing this.

#### 3.1.2.3 DR S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns

LEG employees can speak to their supervisors, the works council and submit notifications in the whistleblower system. These notifications are investigated and any relevant measures derived.

For complaints in connection with employee matters, employees are able to speak to their manager as part of the normal working relationship. Employees may also speak confidentially to the Compliance Officer if the matter pertains to non-compliance with internal policies or legal requirements. The employees also have access to the digital whistleblower system as a means of submitting complaints as per the relevant works agreement. Employees can also address complaints or proposals for improvements as part of their FRED annual review (or similar process at TSP), which forms part of the Group works agreement. These reviews can also be initiated by the employees. Staff meetings as per Sections 81 IV, 82 II, 83 I and 84 I of the works agreement (BetrVG) that address the topics of professional conduct and performance are governed by a Group works agreement on the conduct of staff meetings. This Group works agreement includes the period of prior notice and formal requirements of such meetings and gives employees the right to invite a member of the works council to attend the meeting as well.

As per the Group works agreement regarding the launch of a whistleblower system, LEG employees have access to a digital whistleblower system that can be used to report cases of discrimination and (sexual) harassment. This system makes it possible to submit anonymous reports. The Group works agreement also includes the principles agreed with the Group works council regarding how these reports are investigated. These principles aim to protect whistleblowers and people who have been wrongly accused. The LEG Compliance Officer and Internal Audit department are enlisted to help determine and evaluate the content. This measure aims to ensure that the whistleblower receives feedback quickly, that the case is dealt with quickly, but also that defendants receive adequate protection. Outside of the whistleblower system, any employee can also turn to their supervisor, the Compliance Officer, the HR department or Internal Audit if they want to report cases of discrimination or harassment. Such cases are investigated and any relevant action taken.

The Legal department also manages a list of all compliance-related cases and reports on it to the Management Board (CEO) and the Supervisory Board's Audit Committee. If necessary, actions are also derived from these compliance-related cases. The criteria of the Whistleblower Protection Act were used as a basis for implementing the measures. The effectiveness of the measures is also regularly audited and certified by the ICG.

A training session is held as part of the onboarding process for new employees, and all employees undergo mandatory digital compliance training once a year that also involves answering questions.

The Group works agreement regarding the introduction of a whistleblower system serves as a guideline for protecting those who submit needs and concerns via various communication channels from retaliatory action.

### 3.1.2.4 DR S1-4: Taking action on material impacts on own workforce, and approaches to managing mate-rial risks and pursuing material opportunities related to own workforce, and the effectiveness of those actions

With regard to material impacts and risks, LEG has implemented appropriate measures. The aim of these measures is to minimise the negative effects and risks and to promote the positive effects. They refer to the company's employees who have their workplace in Germany. The measures are an integral part of LEG and are being implemented on an ongoing basis. In order to avoid or mitigate negative effects on the company's own workforce, possible hazards are determined by risk assessments for locations and employment groups. Identified measures are implemented to reduce potential hazards. These measures are discussed in more detail below:

Numerous works agreements were concluded with the co-determination bodies for the benefit of the employees. In this context, for example, a company health management system with corresponding offers was agreed. In this respect, an important contribution is made to employee health as a prerequisite for good work, which also prevents (long-term) absence from work by LEG employees due to work-related stress. In addition, LEG's health management system provides an employee programme to ensure the health of LEG employees. In order to provide further relief with regard to (long-term) absences from work due to work-related stress, employees are offered various measures, such as road safety training to prevent traffic accidents, seminars to maintain mental health or stab-proof vests to protect against attacks in extreme situations.

LEG operates in a very tense tenant market with an increasingly critical social environment for tenants and prospective tenants, in which critical situations of conflict resolution can occur. LEG takes precautions to cope with such situations by offering its employees a conflict seminar and a self-defence course, for example. Within the LEG organisation, there is also a supervision programme to cushion and solve these problems. After all, a positive and approachable corporate culture also helps colleagues feel that they are in good hands in their teams and are better able to cope with such problem situations. Through these measures, LEG contributes to ensuring employee health as a prerequisite for good work and it also prevents LEG employees from absence of work due to work-related stress (e.g. psychological stress). In addition, those LEG employees who carry out manual activities are trained once a year with regard to the applicable occupational safety measures and the execution of the work is also checked by the respective supervisors. In addition, employees are required to wear appropriate protective clothing during their work. This ensures employee health as a prerequisite for good work and prevents absences from work by LEG employees.

The majority of LEG employees are subject to both the collective bargaining provisions of an in-house collective agreement and the statutory co-determination and thus enjoy the protective effects of the Collective Bargaining and Works Constitution Act. In addition, the German labour law regulations with the high level of protection conveyed by them are applicable to all LEG employees. These positive legal and collective bargaining framework conditions contribute to the attractiveness of LEG as an employer through fair working conditions, make it easier to recruit new employees and ensure that existing LEG employees do not leave the company (war for talents). This is reflected again and again in job interviews of applicants. In addition, employee satisfaction is increased in this way through appropriate collectively agreed remuneration and jobs are secured.

In addition, there are company agreements on the control of work and working hours with far-reaching flexitime regulations (except for TSP employees). These regulations specifically serve to ensure employee satisfaction and retention through fair working hours. In addition, the possibility of mobile work from home has been part of LEG's practice for several years. Employee satisfaction and retention is promoted by the possibility of balancing professional and private life. With regard to accident protection, in addition to statutory accident insurance, there is also company accident insurance to protect employees, which is intended to promote employee health and prevent long-term absenteeism of LEG employees. Such measures also enable LEG to present itself as an attractive company for new talent.

In order to prevent discrimination within the workforce and to promote an open corporate culture, LEG also takes care of the rights of female employees and employees with different religious backgrounds, different gender identities or different sexual orientations within the framework of equality programmes. In this respect, mentoring programmes (for both women and men), diversity dinners and diversity days were held for all LEG employees in order to strengthen those affected on the one hand, and to understand their problems and increase the sensitivity of the workforce on the other. To promote women in the company, a "Female Empowerment" program was offered in 2024.

Partial retirement solutions are offered to older employees of LEG (with the exception of TSP employees) shortly before they retire in order to satisfy their specific need to end their working life earlier at an advanced age in suitable individual cases. In this respect, the specific needs of the respective affected group of employees are taken into account with specific measures.

Employee data protection is also part of LEG's data protection management system, which is to be ensured in particular through authorisation and deletion concepts, but also within the framework of regulations in numerous works agreements within the LEG Group. This means that only those employees who need this access for their work have access to personnel data. Data that is no longer required is also deleted as part of existing deletion concepts, and there are numerous technical and organizational measures to ensure that employee data is processed to a legally compliant extent.

In order to prevent and clarify violence and harassment in the workplace, an anonymous digital whistleblower system is available to employees through which they can report incidents. The incidents reported there are clarified by a team of employees from internal auditing and the Legal & Compliance department and, if necessary, appropriate measures are taken.

In the area of the use of technical systems, the employer's ability to monitor behaviour and performance has been restricted in many places, and regulations for quality management have been agreed which do justice to the interests of employees by also taking into account the interests of employees in performance reviews as part of quality management measures (e.g. time limits for quality checks, dependence of certain measures on the consent of the employee concerned, etc.).

The effectiveness of the measures is measured by evaluating the text contributions in the risk assessment of mental stress, which is carried out every 3 years, and the employee survey "Great Place to Work", which is carried out every 2 years. In addition, discussions are held on the evaluations and reports of individual employees to the works councils, the occupational health and safety coordinator and/or managers in the Group Occupational Health and Safety Committee and, if necessary, a report on the need for further action to the relevant management level. Due to the change in the Hazardous Substances Ordinance, increased costs for information gathering, sampling, protective measures and disposal of hazardous substances to protect the company's own employees are to be expected in the future. This was identified as a risk. To mitigate this cost risk, a LEG project has already been initiated to implement the necessary processes to deal with the hazardous substances accordingly.

Of course, LEG is dependent on the committed cooperation of its workforce in order to implement a successful business strategy. Highly qualified specialists are needed in many areas. Like most other companies in Germany, LEG has to face the shortage of skilled workers in the market. It does this by using recruiting and employer branding measures in its search for employees and by also training its own specialists for LEG's future challenges through a training programme. In order to take advantage of the opportunity to facilitate the war for talent, LEG relies on good working conditions, such as the LEG family service or occupational health management, gender equality and equal remuneration for equal work. This is covered by collective agreements. In addition, LEG cooperates with universities.

Changes in the legal framework for LEG's business operations resulting from climate legislation naturally also lead to changes in the work content of LEG's employees, especially in connection with the necessary measures to achieve the GHG targets that LEG has set for itself. They have to implement set GHG targets in their day-to-day work and, as an interface to tenants and business partners, are also transformation drivers in LEG's efforts to reduce GHG in business operations. To this end, LEG offers all interested employees voluntary training once a year to make them fit for the changed demands on their work. The resulting change in business policy, according to which LEG has set itself the goal of making a positive contribution to GHG savings, will facilitate the war for talents for LEG and at the same time secure jobs by making them fit for the future.

Resources (both monetary and personnel) may be made available for the aforementioned measures on a case-by-case basis by the managers responsible for the budget.

### 3.1.3 Metrics and targets

#### 3.1.3.1 DR S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In recent years, the Supervisory Board had implemented the use of 100 LEG employee hours for the design, organisation or implementation of intercultural projects by 31 December 2024 as part of the variable remuneration target for the Management Board as STI 2024. A total of 665 employee hours were used, exceeding the target.

As such, the selected variable is the improvement in the Trust Index as determined by an external research and consultancy institute via the “Great Place to Work” employee survey. This is because the survey reflects the ongoing development and interaction between company and employees with its corporate culture. The key attainment factor in 2024 was the development of the average responses in the surveys from 2022 and 2024.

The results were discussed with the management teams.

On the basis of the results, workshops were planned with the employees and specific steps taken in order to improve working conditions.

The target for 100 % attainment was set at 66 %. This is also the baseline value. A result of 73.5 % was achieved and the target was therefore exceeded.

The workforce and workforce representatives are not directly involved in target agreement, deriving lessons or improvements as a result of company performance.

A description of the target and its relation to the sustainability strategy is explained in Chapter 1.1.3.3.

### 3.1.3.2 DR S1-6: Characteristics of the undertaking’s employees

Information on employee key figures can also be found in the "Employees" chapter of the management report.

| Gender | Number |
|---|---|
| Male | 1,345 |
| Female | 742 |
| Diverse | 0 |
| No information provided | 0 |
| Total number of employees | 2,087 |

| Employee fluctuation | Number |
|---|---|
| Number | 229 |
| Ratio | 11.0% |

| | Female | Male | Other | n.d. | Total |
|---|---|---|---|---|---|
| Number of employees | 742 | 1.345 | 0 | 0 | 2,087 |
| Number of employees with open-ended contracts | 677 | 1.269 | 0 | 0 | 1,946 |
| Number of employees with temporary contracts | 65 | 76 | 0 | 0 | 141 |
| Number of on-call employees | 0 | 0 | 0 | 0 | 0 |

The above data refer to heads as of 31 December 2024. The data given in the tables include all employees of LEG and also include 100 employees of the company LEG Nord FM, which was sold on 31 December 2024.

Fixed-term contracts at LEG are implemented on the basis of the legal requirements and are usually related to factual reasons, in particular due to parental leave replacements. Otherwise, the factual reasons are case-specific, e.g. time limits for the implementation of one-off projects.

### 3.1.3.3 DR S1-9: Diversity metrics

**Employees at the highest level of management**

| Gender | Number | Percentage |
|---|---|---|
| Male | 2 | 67% |
| Female | 1 | 33% |
| Diverse | 0 | 0% |
| Total | 3 | 100% |

The company defines the highest level of management as the Management Board.

| Age structure | Number |
|---|---|
| < 30 years | 334 |
| 30-50 years | 1.058 |
| >50 years | 695 |
| Total | 2.087 |

### 3.1.3.4 DR S1-10: Adequate wages

All LEG employees receive adequate wages in compliance with the relevant reference values. These wages are guaranteed through collective agreements as well as via the statutory minimum wage.

### 3.1.3.5 DR S1-14: Health and safety metrics

100 % of the employees are covered by occupational health and safety measures.

The LEG's understanding of reportable accidents at work is that minor injuries, such as cuts on the finger caused by paper or bruises, which do not require initial treatment or can be treated by applying a band-aid, do not lead to a limited ability to work. On the other hand, injuries that result in severe headache and/or other physical pain lead to a limited ability to work, as they reduce the employees' ability to concentrate and/or stress limit. Psychological stress is assessed in such a way that it does not lead to a limited ability to work if it occurs once. Multiple entries of psychological stress by a single employee within a short period of time (10 working days) lead to a limited ability to work. After such experiences, employees can no longer conduct tenant discussions with an open mind or without fear, for example, which can significantly influence their work performance.

"Work-related accidents" are only considered accidents that occur after crossing the threshold in the entrance area or an underground car park, etc. in an office building (the employee's first workplace) and are related to the original work of the person concerned. Commuting accidents are only considered if they are related to work, e.g. journeys to work-related appointments or journeys within rental portfolios. Accidents on the way to work from home to first work or during break times are not considered work-related accidents. Accidents in connection with team events, festivals and celebrations, etc. are not considered.

| Deaths | Number |
|---|---|
| Number of deaths in the company workforce due to workplace-related injuries and work-related illness | 0 |
| Number of deaths due to workplace-related injuries and work-related illness for other employees working at company sites | 0 |

| Notifiable workplace accidents | Number |
|---|---|
| Number of notifiable workplace accidents among permanent employees | 51 |
| Proportion of notifiable workplace accidents among permanent employees | 17.1 |

### 3.1.3.6 DR S1-15: Work–life balance metrics

100 % of LEG employees (male, female and diverse) are entitled to family-related leave. This includes maternity leave, parental leave/paternity leave and leave for family caregivers.

| Entitlement to family-related leave | Male | Female | Diverse | Total |
|---|---|---|---|---|
| Mandatory maternity leave | 0% | 3% | 0% | 1% |
| Parental leave | 3% | 6% | 0% | 4% |
| Care leave | 0% | 0% | 0% | 0% |

### 3.1.3.7 DR S1-16: Compensation metrics (pay gap and total compensation)

The majority of LEG employees are covered by the LEG collective agreement, which ensures that the same work is paid equally. This is also reflected in the gender pay gap. This states that the average gross hourly salary of female employees at LEG in 2024 was 6.57 % higher than that of men.

To determine the gender pay gap, the gross average earnings per hour of male employees were set in relation to the gross average earnings per hour of female employees. All actual remuneration components of an employee that were settled in the financial year are taken into account. This also includes non-cash benefits, such as company cars or other subsidies.

The productive hours were analysed for all employees who are subject to working time recording. For all other employees who are not subject to working time recording - including TSP or managers LEG - the productive hours were mathematically determined.

The total annual compensation ratio of the highest-paid individual to the median annual total compensation of all employees (excluding the highest-paid individual) is 57.4. Here, the total annual remuneration of the highest-paid individual was compared with the average annual total remuneration of all employees.

## 3.2 ESRS S4: Consumers and end-users

### 3.2.1 Strategy

#### 3.2.1.1 DR S4.SBM-2: Interests and views of stakeholders

LEG integrates the interests and rights of its tenants as central end users into its strategy and business model. As part of the materiality analysis, tenants were identified as important stakeholders (see SBM-2). In this way, LEG ensures that tenants' perspectives as customers are continuously taken into account in its decisions.

#### 3.2.1.2 DR S4.SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The consumers and end-users who may be affected by material impacts, risks and opportunities are defined in the value chain as per ESRS 2.

Consumers and end-users affected by material impacts are LEG tenants. They are also referred to hereinafter as customers.

Breaches of data protection with regard to tenant or customer-related data due to errors or misuse were identified as a negative impact.

LEG aims to provide affordable housing. In this way, LEG contributes to avoiding the fear of losing housing. In addition, the LEG contributes to the integration of migrants and refugees by providing these groups of people with housing, thereby facilitating or enabling them to access social life in Germany. Characteristics such as a person's cultural or ethnic background, gender, religious affiliation or ideology, disability, age or sexual identity must not be a criterion for allocating apartments at LEG. In this way, LEG wants to counteract discrimination against people. If such requirements would be violated, the digital whistleblower system and the central customer service are available to the affected prospective tenants as complaint instances. Corresponding cases are recorded and clarified by the respective responsible team. By implementing energy-efficient measures, LEG reduces operating costs and thus also enables tenants with limited financial leeway to access housing.

There is a risk of penalties/penalties as a result of data breaches involving tenants' personal data.

People with low incomes are at a higher risk of losing their housing. In addition, people with a migrant background can be disadvantaged in the allocation of apartments.

LEG has not identified any opportunities or risks that could arise due to dependencies between consumers and end-users which have a low probability of occurrence but a significant financial effect.

### 3.2.2 Management of impacts, risks and opportunities

#### 3.2.2.1 DR S4-1: Policies related to consumers and end-users

LEG has established a Code of Conduct that sets out the ethical and compliance-related standards that must be followed by all persons associated with the company. This includes LEG tenants. It aims to promote a corporate culture that is shaped by morals and integrity and strengthens customer (tenants) trust. The code emphasises the importance of moral integrity and compliance with legal and internal requirements. It serves as a guideline to ethical behaviour within business transactions.

LEG is committed to respecting internationally recognised human rights and the equal treatment of all of its customers. Discrimination based on ethnic background, gender, religion, disability, age or sexual orientation is not tolerated. These strategies and concepts are the responsibility of the Management Board.

The processing of the personal data of our customers is an integral part of LEG’s internal operations. Risks of the misuse of personal data or processing personal data in a way that breaches data protection law must therefore be minimised as far as possible. To minimise these risks, LEG has established a data protection management system, which aims to aid compliance with legal requirements regarding data protection. The regulatory heart of the data protection management system is the data protection policy, which is binding for the entire Group and sets out the principles of data protection and establishes a consistent and appropriate data protection standard for the collection, processing and use of tenants' personal data which is based on statutory data protection legislation. The material legislative content of the data protection guidelines includes the responsibility for the implementation of provisions relating to data protection, the principles for processing personal data, the information and rights of data subjects, the principles of data processing in cooperation with third parties, internal processes (confidentiality, processing overview, training, risk orientation, data protection impact assessment, data processing security, data minimisation), internal responsibilities, efficacy control, reporting processes, regulations relating to the Data Protection Officer and their tasks, as well as monitoring by the supervisory authorities.

The data protection guidelines are supplemented by procedural guidelines that specify the general principles of the data protection guidelines for everyday purposes, and by an employee training system that takes place firstly in person upon the onboarding of new employees and secondly as a digital training course with test questions that is taken every year. The data protection management team also issues handouts to the employees with information for day-to-day work, addresses current topics in regular meetings with the various departments and the Data Protection Officer, and provides the latest data protection newsletter to employees for their information. The employees can access documents relating to data protection legislation via the Compliance page of the LEG intranet and via the News page on the intranet for recent topics.

LEG shows its commitment to respecting human rights based on the UN Guiding Principles on Business and Human Rights. The company undertakes to respect, protect and promote human rights along its entire value chain. The LEG data protection management system establishes a consistent and appropriate data protection standard for the collection, processing and use of personal data belonging to tenants, business partners and employees while complying with statutory data protection legislation. This aims to safeguard the laws applying to persons affected by LEG's business operations to lawfully access their own data.

The company is aware of its responsibility within society, as well as of its due diligence in the area of human rights.

LEG has set up a Customer Advisory Council to promote a direct dialogue between the company and its tenants. The Customer Advisory Council serves as a key tool in order to:

- promote a direct dialogue between the company and its tenants.
- address customer requirements and feedback.
- continually improve service quality.

Through this close dialogue with its tenants, LEG can continue to tailor its services and offer to the wishes and requirements of its customers. This corresponds with the company's objective to be a customer-focussed housing provider.

Establishing a Customer Advisory Council underlines LEG's offers to actively integrate the interests and perspectives of its tenants in company decision-making, and thus to continually improve customer satisfaction.

The rights of data subjects (right to information, correction, data portability, deletion, blocking/restriction of data processing and objection) are also defined in the data protection policy and procedural guidelines.

LEG uses several internationally recognised tools and principles when it comes to discrimination and equal treatment:

**Legal principles**

LEG refers to the principle of equal treatment as enshrined in Article 3 of the German constitution, as well as the German General Act on Equal Treatment (AGG) as the legal basis for protection from discrimination.

**International agreements**

LEG is committed to the following international standards:

- Human Rights Charter (United Nations Universal Declaration of Human Rights)
- Diversity Charter, an employer initiative to promote diversity, which LEG entered into in 2019

When processing personal data, the LEG Group uses internationally recognised tools; in particular, the EU's General Data Protection Regulation (GDPR) and German Federal Data Protection Act (BDSG). These policies form the basis for the processing of personal data within the LEG Group and its subsidiaries.

At LEG, there are no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises, which affect consumers and/or end-users.

### 3.2.2.2 DR S4-2: Processes for engaging with consumers and end-users about impacts

LEG attaches great importance to the involvement and perspectives of its customers when making important decisions. This also includes the views of vulnerable groups such as people with a migration background.

LEG has established various mechanisms for the involvement of customers:

**Customer Advisory Board**

A central element is the Customer Advisory Board, which was founded at the end of 2019 and serves as a permanent institution for regular direct exchange with customers. The Customer Advisory Board meets once a quarter and is currently made up of 13 tenant representatives from all branches. They are actively involved in decision-making processes for district development as well as in the development and improvement of services. In this way, the Customer Advisory Board represents the interests of the tenants at LEG.

**Customer talk with the CEO**

In the customer talk format, the CEO of LEG meets three to four times a year directly on site with existing and new tenants as well as residents. New projects are presented and customer concerns are addressed.

**Customer surveys and feedback**

Customer satisfaction surveys are an important tool for LEG to record and improve the satisfaction of its tenants.

Once a quarter, LEG conducts customer satisfaction surveys via an online questionnaire to measure the effectiveness of its measures. In addition, there are direct contact point surveys in various departments such as Central Customer Service, Rent Management and Operating Costs. Here, customers are subsequently asked for feedback on the specific request via another questionnaire. Feedback options on neighbourhood promotion measures and the evaluation of safety inspections also serve to analyse customer needs.

The operational responsibility for the implementation of the customer surveys lies with the Quality Management team, which is indirectly subordinate to the COO. Operational responsibility for implementing the regulations of the data protection management system lies with the Head of Legal & Compliance, Auditing, Human Resources, Committees and IBM. The overarching responsibility lies with the Management Board. There, the CEO is responsible for the department. Within the Supervisory Board, the Risk, Audit and ESG Committee is responsible for data protection.

The customer satisfaction surveys are carried out under the joint responsibility of LEG and AktivBo GmbH, which specialise in data-driven analyses and tenant surveys for the real estate industry. The LEG is responsible for providing the contact details, while AktivBo is responsible for sending the invitations, collecting data and evaluating them. AktivBo only provides the survey results in anonymised form, so that the assessments of individual tenants are not recognisable to LEG. Through the survey, LEG aims to record the satisfaction of its tenants, identify potential for improvement, optimise the living experience and strengthen customer loyalty.

When involving customers via the three mechanisms presented, attention must be paid to data protection. In its data protection notice, LEG explains to data subjects the way in which personal data is handled in relation to the processing processes at LEG. In addition, LEG responds to enquiries from data subjects in accordance with the legal regulations and in implementation of internal data protection regulations and procedural instructions.

LEG responds to enquiries from data subjects in accordance with the legal regulations and internal company regulations. The Data Protection Officer is also consulted regularly.

LEG continuously adapts the data protection management system if individual cases relating to data protection indicate a need for adjustment. In addition, elements of data protection are also regularly audited by LEG's internal audit department and the external Data Protection Officer. The measures derived from this are being implemented.

The external Data Protection Officer reports annually to the Management Board on the progress made in implementing data protection requirements in the LEG Group and on data protection incidents. In addition, the Risk, Audit and ESG Committee also receives regular information on data protection.

#### 3.2.2.3 DR S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Breaches of data protection with regard to tenant or customer-related data due to errors or misuse were identified as a negative impact. LEG has implemented various measures in order to handle data protection violations and to prevent such occurrences:

**Compliance Management System (CMS)**

LEG has a compliance management system (CMS) that bundles measures for compliance with legal regulations and internal company guidelines. This also includes data protection. The criteria of the Whistleblower Protection Act were used as a basis for implementing the measures. The effectiveness of the measures is also regularly audited and certified by the ICG.

**Contact partners and reporting channels**

The data protection management team and the Data Protection Officer are available as central points of contact for any matters relating to data protection.

There are defined channels of communication for employees, tenants, business partners and supervisory authorities for matters or incidents relating to data protection via the Privacy address (privacy@leg-wohnen.de) or via LEG’s Data Protection Officer. The contact information for both channels can be found on the homepage and on the intranet.

**Technical and organisational measures**

LEG implements various technical and organisational measures in order to prevent data protection violations and to safeguard data security. The nature and scope of these measures depends on the specific circumstances and predisposition of the data being processed to risk.

The general data protection management system also comes into play with its data protection policy and procedural guidelines. Employees must report data protection violations immediately within the statutory deadlines if they become aware of a breach of the data protection policy, the supplementary procedural guidelines and/or the statutory requirements that refer to the protection of personal data. In particular, data loss and the assertion of data subjects’ rights must be reported as per the specifications of the procedural guidelines entitled “Duty to report data loss” and “Handling data subjects’ rights”. The data protection management team, in partnership with the Data Protection Officer, is responsible for resolving the specific queries.

LEG has implemented and electronic whistleblower system that fulfils several major functions:

**Features of the whistleblower system**

This is a digital system that is available around the clock. The system is available to both employees and external third parties. Reports can be submitted anonymously. People providing reports trustingly are guaranteed both in the user instructions and – for employees – in the whistleblower system's works agreement that there will be no negative consequences for providing notifications.

LEG has published data protection notices on its homepages that contain information about the processing of data subjects' personal information and the reasons for processing it, as well as about their rights with regard to the processing of personal data. The data protection management team also provides regular training for employees on the topic of data protection (see above) and ensures, via the data protection coordinators in the departments, that the topic of data protection is addressed in the company and that employees have the knowledge they need in order to act in compliance with data protection requirements. This also includes training on the channels available for accessing the LEG data protection management system.

The data protection management team continually monitors the Privacy address in order to process any emails it receives quickly and to be able to respond appropriately to the assertion of data subjects' rights and any data queries they may submit. Furthermore, the data protection team may always be consulted by the data protection coordinators and all employees of the LEG Group with regard to matters relating to data protection. The efficacy of the data protection management system is also reviewed via regular, weekly meetings with the external Data Protection Officer, the Compliance Officer and with other relevant positions within LEG (e.g. the IT department). If these reviews determine that there are deficiencies or that improvements are required, these are processed and a solution is sought. There are also regular training sessions and event-driven awareness-raising sessions following any data protection incidents, for example. Finally, regular audits are carried out by LEG's external Data Protection Officer and internal auditing, on the basis of which any need for adjustment is determined and, if necessary, implemented.

The data protection notices and information are integrated into and published on the homepage and are regularly reviewed to ensure they are up to date.

The measures and systems described above are publicly available to all employees, tenants and business partners and can be consulted by them around the clock as required. If desired, whistleblowers can also remain completely anonymous.

LEG does not pursue in good faith the assertion of data subjects' non-existent rights. This is set out in item VII of the Data Protection Policy.

#### 3.2.2.4 DR S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

LEG adopted measures relating to the material impacts on consumers and end-users in the 2024 reporting year. These measures are an integral part of LEG and are to be understood as ongoing with regard to end users and consumers and are continuously adapted in the business model. Due to these continuous measures, a description of the expected results is not feasible. No new measures were established in the 2024 financial year.

The ongoing measures relate to the customer and thus to the downstream value chain. All LEG customers live in Germany. The aim of these measures is to avoid negative impacts on tenants and promote positive impacts. Please read below for more detail.

LEG complies with the relevant national and international laws and binding requirements, as well as with voluntary policies to which it has committed to comply. In doing so, LEG is guided by the “honourable merchant” as its role model – a person characterised by respect, truthfulness and integrity as a basis for responsible business practices.

Responsible, legally compliant handling of confidential information and sensitive data is a matter of course for LEG and is, in turn, required of the company's contractual partners.

LEG's values and principles are summarised and described in the Code of Conduct.

Breaches of data protection with regard to tenant or customer-related data due to errors or misuse were identified as a negative impact. LEG Immobilien SE has implemented various measures in order to handle data protection violations and to prevent such occurrences. These also influence the risk of penalty fees as a result of data protection breaches.

LEG has a compliance management system (CMS) that bundles measures for compliance with legal regulations and internal company guidelines. This also includes data protection.

The data protection management team and the Data Protection Officer are available as central points of contact for any matters relating to data protection.

There are defined channels of communication for employees, tenants, business partners and supervisory authorities for matters or incidents relating to data protection.

It is LEG's mission to provide affordable housing. As a result, it helps to avoid the fear of losing a home. LEG also contributes to the integration of immigrants and refugees by providing these groups of people with housing and facilitating or enabling their ability to become part of German society. LEG also avoids discrimination based on culture or ethnic background, gender, religion or worldview, disability, age or sexual identity when assigning housing. By implementing energy-efficiency measures, LEG is reducing operating costs and thus offering tenants even with restricted finances access to housing.

Customer satisfaction surveys are a key instrument for LEG to record and improve its tenants' satisfaction.

The customer satisfaction surveys are carried out with joint responsibility shared between LEG Management GmbH, LEG Wohnen NRW GmbH and AktivBo GmbH. LEG is responsible for providing contact information while AktivBo is responsible for sending the invitations, collecting and analysing the data. AktivBo ensures that the survey results are provided in anonymous form so that it is not possible for LEG to determine the assessments of individual tenants. Through its survey, LEG aims to record the satisfaction of its tenants, identify potential improvements, optimise the housing experience and strengthen customer loyalty.

The regulations, processes and measures involved in the data protection management system with the data protection policy and procedural guidelines, internal data protection team and external Data Protection Officer, as well as the data protection coordinators in the departments are available in order to guarantee remediation measures.

As part of what is known as a preliminary review of data protection and a data protection impact assessment, new processes, systems or processing methods are evaluated in consultation with the relevant department with the data protection management team/Data Protection Officer, and any modifications initiated in order to ensure compliance with data protection legislation. Efficacy is to be achieved via the implementation of technical and organisational measures (TOMs). The data protection team and external Data Protection Officer are also both available to address data subjects' queries and to help them assert their rights.

An effective data protection organisation strengthens consumers' trust in LEG's service quality. As such, the data protection management system is continually being improved and adapted to the changing legislative framework.

The LEG data protection management system guarantees this in the ways described above.

At LEG, responsibility for the topic of data protection lies with the data protection management team and an external Data Protection Officer commissioned with this role by the Management Board. In order to fulfil data protection requirements, extensive internal resources are also provided as part of ongoing processes and new projects by the data protection coordinators and employees who process content that falls under data protection laws (such as through a preliminary review of data protection, establishing and implementing technical and organisational measures, maintaining directories of procedures or implementing data deletion concepts, as well as fulfilling data subjects' rights). Finally, extensive resources are expended in order to fulfil technical requirements and to involve external consultants at considerable cost. With regard to asserting the co-determination bodies' data protection rights, significant internal resources (exemptions for works councils, internal employees in the HR and Legal department, other affected employees) are also provided, along with resources for external legal consultants and system consultants. In addition, LEG has a Human Rights Officer and a due diligence committee that deals in particular with issues relating to the fulfilment of supply chain obligations under the Supply Chain Due Diligence Act. Sustainability risks related to human rights and/or the environment were also worked out here, whereby risks from the materiality analysis were incorporated accordingly.

These measures taken by LEG with regard to end users and consumers are to be understood as ongoing and are continuously adapted in the business model. No new measures were established in the 2024 financial year.

#### 3.2.3 Metrics and targets

##### 3.2.3.1 DR S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In order to avoid negative effects and to promote positive ones, a target has been set in the area of data protection.

This target is also in line with STI 2024, as the IT security training also includes the topic of data protection, among other things. A description of the goal and the reference to the sustainability strategy is explained in chapter 1.1.3.3.

In this way, LEG employees are sensitized to data protection issues, also in connection with customer data, especially in the IT context.

There was no involvement of stakeholders.

This target is thus intended to ensure that customers and their data are protected accordingly.

## 4. Governance Information

### 4.1 Business conduct

#### 4.1.1 Governance

##### 4.1.1.1 DR G1.GOV-1: Role of administrative, management and supervisory bodies

The LEG Management Board has three members and the Supervisory Board has six members.

The members of the Management Board are responsible for managing the company, while the Supervisory Board serves as a controlling body.

The specific requirements and guidelines in terms of the expertise, training and integrity of the Management Board and Supervisory Board of LEG Immobilien SE in their business conduct are set out in detail in the relevant Rules of Procedure for both boards, as well as being designated in a qualification matrix for the Supervisory Board. The following is a summary of the key points:

**Management Board:**

The Management Board must develop and implement the strategic alignment of the company, which requires an in-depth understanding of the business activities and market conditions.

Members of the Management Board must comply with the legal requirements and internal guidelines of the company and guarantee that there is an appropriate risk management system in place.

Members of the Management Board must treat sensitive information and trade secrets in the strictest confidence, including after they have left the company.

The training and curriculum vitae of the members of the Management Board, which are published on the company website, prove their extensive experience in the areas of management, the housing industry and property transactions, as well as – depending on their role – their additional specialist expertise in the topics of capital markets, finance, accounting, administration and regulation, sustainability, and technology and digitalisation.

**Supervisory Board:**

Members of the Supervisory Board must possess the relevant expertise, skills and experience in order to execute their tasks dutifully.

As such, at least one member of the Supervisory Board must have expertise in the field of accounting, while at least one other member must have expertise in the field of audits.

The Supervisory Board should also strive to ensure that women are appropriately considered and determine a quota for the number of women on the Supervisory Board.

More than half of the shareholder representatives in the Supervisory Board should be independent of the company and the Management Board. If the company has a controlling shareholder, at least two shareholder representatives should be independent of this controlling shareholder.

The members of the Supervisory Board are responsible for their own further training. The Company provides appropriate support for the members of the Supervisory Board upon taking up their duties, and with training measures.

The above-mentioned qualification matrix shows in more detail that the Supervisory Board is professionally organised. Each member of the Supervisory Board not only has the necessary knowledge and abilities to perform their duties properly, but also possesses special skills that they place at the company's disposal when performing their work with the utmost motivation and dedication.

The Management Board and Supervisory Board place particularly importance on issues related to sustainability.

The company underlined this with the publication and gradual implementation of its sustainability strategy, by establishing its own sustainability unit and the formation of an ESG committee within the Supervisory Board in the 2022 financial year, which will be transferred to a shared Risk, Audit and ESG Committee from the 2025 financial year onwards.

## 4.1.2 Management of impacts, risks and opportunities

### 4.1.2.1 DR G1-1: Business conduct policies and corporate culture

LEG's strategy with regard to aspects of corporate policy and the promotion of its corporate culture is characterised by the following points and is the responsibility of the Management Board:

- LEG attaches great importance to compliance and adherence to legal and internal requirements in order to avoid risks such as legal violations or unfair practices. This is supported, among other things, by the application of the LEG Code of Conduct, the Anti-Corruption Directive, standardised rental processes and contracts, clear purchasing guidelines and a number of other guidelines, as well as clear communication and internal instruction on the regulations.
- The LEG offers good housing at affordable prices for large sections of the population. It attaches great importance to a functional product and appropriate customer service and sets concrete goals for increasing customer satisfaction. The company is committed to affordable climate protection and develops appropriate measures. It also promotes sustainable and socially responsible practices, including supporting tenant communities and providing social management through LEG's own foundation "Dein Zuhause hilft".
- The LEG corporate culture is based on principles that are set out in its declaration of fundamental values. These values include fair interactions with customers, employees, investors, business partners, and society.
- LEG develops its corporate culture through ongoing staff development and measures focussed on employees' needs. These include flexible working hours, mobile working and a focus on diversity and inclusion.
- LEG also promotes its corporate culture with various initiatives such as tenant parties and intercultural projects that support social and cultural exchange within a neighbourhood.
- The corporate culture is evaluated through regular employee surveys and feedback mechanisms for customers and other stakeholders, which make it possible to measure the efficacy of the cultural initiatives and adapt them as required.

These strategies and measures show that LEG plays an active role in designing a positive and sustainable corporate culture that includes both internal employees and external stakeholders.

LEG provides internal and external whistleblowers with an electronic whistleblower system that enables people to submit reports around the clock on breaches of compliance. These reports can be submitted anonymously. External whistleblowers may also write directly to LEG's Compliance Officer. Employees may turn informally to various trusted persons within the company, such as their direct supervisor, Internal Audit or the Compliance Officer. Compliance-related matters may also be addressed in routine audits by the Audit department.

With regard to the handling of information submitted via the electronic whistleblower system, the regulations of the Group works agreement about the introduction of a whistleblower system and the rules of procedure for the compliance whistleblower system apply, along with the complaints procedure according to the German Supply Chain Due Diligence Act.

According to these, upon receiving a notification of a potential breach of compliance, the complaint must be checked for plausibility and the content reviewed to see whether there is sufficient evidence of a breach of compliance. If the information seems plausible, the Management Board is informed (or the Chair of the Risk, Audit and ESG Committee, should the information pertain to a member of the Management Board) and will consult with the Compliance Officer to commission an audit or a third party with an investigation of the content.

If it is determined that a breach of compliance occurred, the Management Board (or the Chair of the Risk, Audit and ESG Committee, should the information pertain to a member of the Management Board) meets with the Compliance Officer to decide on the relevant measures to be implemented (e.g. formation of a crisis committee, communication concept, informing the Supervisory Board, integrating the ad-hoc committee, emergency measures under employment law, involvement of the law enforcement authorities).

Any confirmed breach of compliance is punished appropriately, regardless of the position of the parties concerned (zero tolerance). The principle of equal treatment also applies, i.e. the same breaches are treated in the same way.

There are various internal regulations within the LEG to ensure compliance. This also includes measures to combat corruption and bribery, in particular an anti-corruption directive. All essential anti-corruption measures covered by the UN Convention are implemented at LEG. LEG employees are regularly trained on the subject of combating corruption and bribery. In person trainings are held once a quarter for new employees. In addition, all employees must undergo an annual online refresher training course on the LEG training platform. Further training courses are offered if required or on an ad hoc basis. Employees are kept informed of the latest topics via the intranet or via information sheets. The Compliance Officer is available to answer questions or discuss relevant issues.

All reports are investigated. All reports received undergo structured processing, which is set out in the rules of procedure for the compliance whistleblower system and on the complaints procedure according to the German Supply Chain Due Diligence Act.

Whistleblowers do not have to fear any negative consequences or sanctions as a result of submitting information. They are protected by the Whistleblower Protection Act and the LEG Code of Conduct. Reports or complaints will only be processed by selected, specially trained employees (need-to-know principle). Reports or complaints, particularly if it is possible to draw conclusions about the identity of a person, are treated confidentially. Information can be submitted anonymously via the whistleblower system.

Discrimination, intimidation or bullying of whistleblowers by LEG employees or other reprisals against the whistleblower by employees will not be tolerated by LEG and will be treated as a potential breach of compliance.

The significance of whistleblowing and how such cases are handled are addressed on the Internet, intranet, in company documents and in training sessions.

Notifications received via the digital whistleblower system are received by a small team of employees from these departments and are processed by them. The Compliance Officer is responsible for conducting the investigation. The Compliance Officer operates independently and is not bound by any instructions. The Compliance Officer and employees in the whistleblower team are bound to confidentiality.

Reports are investigated immediately and in compliance with legal requirements. Employees involved with investigating such reports must, and are authorised to, process all such information in accordance with the principles of independence, impartiality, freedom from instructions, due diligence and confidentiality. They are sworn to secrecy. Within a fair process, all relevant facts must be addressed and included and the principle of proportionality maintained.

LEG employees receive regular training on Business Code of Conduct through their compliance training. New employees receive in-person compliance training once a quarter. Furthermore, all employees participate in an annual online refresher course on the LEG training platform. If required, further training may be offered, including on an ad-hoc basis. Employees are kept informed of the latest topics via the intranet or via information sheets. The Compliance Officer is available to answer questions or discuss relevant issues.

Employees involved in rentals are particularly at risk of corruption and bribery. There is a risk that interested tenants or brokers may offer payments to employees working in rental for awarding a rental contract. LEG never uses intermediaries.

### 4.1.2.2 DR G1-3: Prevention and detection of corruption and bribery

Some of the prevention measures include various training sessions, information on the intranet, information sheets and advice provided by the Compliance Officer. Measures aimed at detecting corruption and bribery are the (electronic) whistleblower system and routine audits by Internal Audit. All reports are investigated. They undergo structured processing, which is set out in detail in the rules of procedure for the compliance whistleblower system and on the complaints procedure according to the German Supply Chain Due Diligence Act. If a breach has been identified, proportionate preventive and remediation measures are taken in order to deal appropriately with the violation. This may include special training measures, for example.

If a breach of compliance is suspected, the information is investigated by Internal Audit or an external third party so that there is a separation between the roles of management/Compliance Officer and the senior management involved in preventing and detecting corruption and bribery.

The Management Board informs the Supervisory Board and Risk, Audit and ESG Committee about any breaches of compliance through its “Governance, Risk and Compliance” reporting as per Section 107 III German Stock Corporation Act (AktG).

The Supervisory Board and Risk, Audit and ESG Committee are also informed about event-driven compliance audits in accordance with fixed criteria.

The Compliance Officer regularly reports on compliance-related cases as part of the regular meeting with the responsible member of the Management Board. The Management Board is informed at least once a year by the Compliance Officer about major incidents involving compliance.

LEG has implemented a compliance management system (CMS) that aims in particular to prevent, identify and respond appropriately to corruption and bribery across all business areas:

The Code of Conduct defines clear standards of behaviour for all employees and business partners. It includes specific regulations for dealing with potential conflicts of interest, accepting gifts and invitations, and the prevention of corruption and bribery. The anti-corruption policy specifies the stipulations of the Code of Conduct and contains clear specifications on preventing bribery, corruption and undue influence on business decisions. The policy applies to all employees.

A Business Partner Code of Conduct is binding for all business partners and contains the relevant information on avoiding bribery, corruption and undue influence. All employees and senior management receive regular training on the risks of corruption. This is supplemented by in-person training on sensitive topics and after compliance-relevant events. A secure, anonymous whistleblower system is available for employees and external third parties to report potential cases of corruption or bribery. Suspected cases are investigated using a fixed procedure. Confirmed breaches of the anti-corruption policy result in clear sanctions ranging from disciplinary measures to criminal prosecution. Regular risk assessments help to identify potential weak points with regard to corruption. The Compliance Officer reports regularly to the Management Board and Supervisory Board with regard to compliance-relevant issues and developments. Corruption risks and the way they are handled are part of our company-wide risk management process and are documented accordingly.

Regulations and policies are published on the intranet's Compliance page, and some are also published on the Internet. LEG draws its employees' attention to this information via special emails and/or notifications on the intranet. At the same time, we also refer to these regulations and policies in our in-person and online training.

Compliance training is offered to new employees once a quarter. All employees must also complete annual online refresher courses. All training courses address the topic of fighting corruption and bribery in detail. For employees in particularly high-risk positions (rentals), special training may also be conducted on an ad-hoc basis.

New members of the Supervisory Board and Management Board receive training in the topic of compliance. Members of the Management Board must also complete online training once a year.

| Group of participants | Topic of seminar | Type of seminar | Duration | Period for implementation |
|---|---|---|---|---|
| Management Board | Compliance<br>Areas of focus:<br>- Code of Conduct<br>- Internal policies and guidelines<br>- Corruption<br>- Conflicts of interest<br>- Discrimination | E-learning | 90 mins | Annually |
| New members of the Management Board | Compliance | In-person | 60 mins | When starting in this role |
| All employees | Compliance | E-learning | 90 mins | Annually |
| All employees | Data protection | E-learning | 90 mins | Annually |
| New employees | Compliance | Onboarding webinar (Teams) | 60 mins | Every quarter |
| New employees | Data protection | Onboarding webinar (Teams) | 60 mins | Every quarter |
| Sales employees | Money laundering | Webinar (Teams) | 60 mins | At least every 2 years, generally annually |
| Rental employees | Corruption, conflicts of interest | Webinar (Teams) | 60 mins | At least every 2 years, generally annually |
| Individual departments / groups of employees | Compliance / data protection | Webinar (Teams) | 60–90 mins | Event-driven, as required |

TSP employees have their own training system and also undergo data protection (personal instruction, onboarding), compliance (personal instruction, onboarding) and cyber security training (online). These training courses must be completed online once a year. In addition, there are online training courses on data protection basics, first aid, safety in the office and road traffic, and further safety instructions are taught for each trade. On their first day of work, all new employees receive personal training on data protection and compliance.

For employees in high-risk functions, such as sales or rental, training on money laundering and corruption is mandatory in addition to the annual compliance training. Thus, 100 % of the risky functions are covered by appropriate training programs.

### 4.1.3 Metrics

#### 4.1.3.1 DR G1-4: Incidents of corruption or bribery

Some of the measures implemented to minimise compliance risks relating to tenants include the Code of Conduct, which sets out clear standards of behaviour, as well as regular employee training on preventing corruption and on data protection, as well as the anonymous whistleblower system, which enables us to identify and remedy violations early. These measures are an integral part of LEG and are to be understood as ongoing and are continuously adapted in the business model.

At LEG, there were no convictions or fines for violations of corruption and bribery regulations in the 2024 reporting year.

| Confirmed corruption or bribery cases | |
|---|---|
| Total number and type of confirmed cases of corruption or bribery | 0 |
| Number of confirmed cases in which own workers were dismissed or disciplined for corruption or bribery | 0 |
| Number of confirmed cases relating to contracts with business partners terminated or not renewed due to breaches related to corruption or bribery | 2 |

No court proceedings were opened.

#### 4.1.3.2 DR G1-5: Political influence and lobbying activities

The type, scope and content of the political positioning are determined by the company's full Management Board – if necessary in consultation with the Supervisory Board. This includes the following: As part of its statutory task of developing and implementing the strategic direction of the company, the Management Board also takes into account regulatory and political requirements and framework conditions that are part of the market conditions for business activities.

Members of the Management Board must comply with the company's legal requirements and internal guidelines and ensure an appropriate risk management system. This includes the assessment of political and regulatory risks. The board decides on memberships and sponsorship of interest groups and campaigns. It names the company's managers and employees who represent LEG vis-à-vis representatives of politics and society. The Management Board and Supervisory Board pay particular attention to sustainability issues in order to meet the corresponding political and regulatory requirements.

The company underlined this with the publication and gradual implementation of its sustainability and decarbonisation strategy, by establishing its own ESG unit and the formation of an ESG committee within the Supervisory Board in the 2022 financial year.

The company sets store by directly representing its interests via dialogue at a communal, national and EU level, as well as by drawing on a range of external bodies in order to promote its interests. For example, in the 2024 financial year, LEG was a member of the GdW/VdW (federal/regional association of German housing and real estate companies) and the ZIA (German Property Federation) industry associations. The CEO also holds the chairmanship of the Bundesfachkommission Bauen, Immobilien, Smart Cities in the Wirtschaftsrat der CDU e.V. (German federal expert commission for construction, real estate and smart cities in the CDU party's Council of Economic Advisers). In addition, in 2024, LEG was also a member of the regional business coalition Initiativkreis Ruhr, as well as a range of topic-specific and professional associations and initiatives, such as the IW 2050 climate initiative, the Institute for Corporate Governance in the Property Industry (ICG) and – due to the increasing significance of energy-related topics since 2023 – the German Association of Energy and Water Industries (BDEW).

The general positioning and visibility of LEG in politics and society at the national and EU level is the responsibility of the company's CEO. Maintaining contacts at the regional and communal level, as well as in the field of green innovations, is primarily the domain of the COO, who maintains regular and institutional contact with leading community representatives, as well as downstream operational units, right down to the local offices, who are in regular dialogue with the relevant local authorities. Issues relating to financial market regulation and reporting requirements fall under the remit of the CFO.

The political communication and association work is coordinated by Corporate Communication and Public Affairs, which intensively deals with political matters and stakeholder management.

The internal Politics and Social Engagement guideline, which came into effect in 2021, prohibits direct or indirect monetary donations and donations in kind to political parties, politicians, candidates for a political mandate or political action groups. It is published on the company website and is reviewed annually.

As such, a table listing donations to various parties would make no sense.

However, it is permitted for the company to become involved in political associations and think tanks, provided they are legally and financial independent, with no political affiliation. The company may also sponsor political events.

During the 2024 financial year, this included the membership of the CDU party's Council of Economic Advisers and the commitment within the Bundesfachkommission Bauen (German federal expert commission for construction in the Council of Economic Advisers) and the sponsored presentation of LEG projects as part of an event for the Seeheimer Kreis (working group of SPD party representatives) and the CDU in North-Rhine Westphalia.

The LEG publishes its expenses incurred in connection with the representation of political interests in the lobby register of the German Bundestag under the register number R002757. The annual financial expenses and indirect contributions in the area of interest representation amounted to EUR 140,000 to 150,000 in 2024. This includes the relevant personnel and material costs.

Material topics related to this that LEG addressed during the reporting year were issues relating to reporting and disclosure requirements, adjustments to the rental price regulations, climate change mitigation policies and heating/energy supply in the property sector at the national and EU level, building standards and joint initiatives to strengthen neighbourhoods and communities.

The company represents the position that further measures to regulate rents would not have any positive effect on the availability of affordable housing and rejects them for this reason. With regard modernisation charge, the company has also made specific recommendations in order to update and simplify the regulations. The relevant legislation is still pending.

With regard to the regulations for the decarbonisation of the building sector (GEG, WPG and European EPBD), LEG is committed to focussing more strongly on emissions efficiency (actual GHG avoidance) in the future, instead of energy efficiency (quality of the building shell and theoretical GHG emissions).

Overall, LEG attempts to contribute its expertise and positions in the public discourse and political decision-making in order to achieve practical, economical and affordable solutions for the company and its tenants.

The company and its key stakeholders in the political dialogue is entered into the lobbying register of the German Bundestag and in the transparency register of the European Parliament.

None of the members of the Management Board or Supervisory Board held a position in public administration in the past two years.

Dusseldorf, 6 March 2025

LEG Immobilien SE, Dusseldorf

The Management Board

**Lars von Lackum** **Dr. Kathrin Köhling** **Dr. Volker Wiegel**

Annex B

## EU Regulation

| Disclosure requirement and associated data point | Chapter |
|---|---|
| ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d) | 1.1.3.1 |
| ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e) | 1.1.3.1 |
| ESRS 2 GOV-4 Statement on due diligence paragraph 30 | 1.1.3.4 |
| ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i | 1.1.4.1 |
| ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii | 1.1.4.1 |
| ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii | 1.1.4.1 |
| ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv | 1.1.4.1 |
| ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14 | 2.2.2.1 |
| ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g) | 2.2.2.1 |
| ESRS E1-4 THG- GHG emission reduction targets paragraph 34 | 2.2.4.1 |
| ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38 | 2.2.4.2 |
| ESRS E1-5 Energy consumption and mix paragraph 37 | 2.2.4.2 |
| ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 | 2.2.4.2 |
| ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44 | 2.2.4.3 |
| ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55 | 2.2.4.3 |
| ESRS E1-7 GHG removals and carbon credits paragraph 56 | - |
| ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66 | - |
| ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c) | - |
| ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c) | - |
| ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69 | - |
| ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 | immaterial |
| ESRS E3-1 Water and marine resources paragraph 9 | immaterial |
| ESRS E3-1 Dedicated policy paragraph 13 | immaterial |
| ESRS E3-1 Sustainable oceans and seas paragraph 14 | immaterial |
| ESRS E3-4 Total water recycled and reused paragraph 28 (c) | immaterial |
| ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29 | immaterial |
| ESRS 2 – IRO-1 – E4 paragraph 16 (a) (i) | immaterial |
| ESRS 2 – IRO-1 – E4 paragraph 16 (b) | immaterial |
| ESRS 2 – IRO-1 – E4 paragraph 16 (c) | immaterial |
| ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b) | immaterial |
| ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c) | immaterial |
| ESRS E4-2 Policies to address deforestation paragraph 24 (d) | immaterial |
| ESRS E5-5 Non-recycled waste paragraph 37 (d) | immaterial |
| ESRS E5-5 Hazardous waste and radioactive waste paragraph 39 | immaterial |
| ESRS 2 SBM3 – Risk of incidents of forced labour paragraph 14 (f) | 3.1.1.1 |
| ESRS 2 SBM3 – Risk of incidents of child labour paragraph 14 (g) | 3.1.1.1 |

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| ESRS S1-1 Human rights policy commitments paragraph 20 | 3.1.2.1 |
| ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | 3.1.2.1 |
| ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22 | 3.1.2.1 |
| ESRS S1-1 Workplace accident prevention policy or management system paragraph 23 | 3.1.2.1 |
| ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c) | 3.1.2.3 |
| ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c) | 3.1.3.5 |
| ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e) | 3.1.3.5 |
| ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a) | 3.1.3.7 |
| ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b) | 3.1.3.7 |
| ESRS S1-17 Incidents of discrimination paragraph 103 (a) | - |
| ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a) | - |
| ESRS 2 SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b) | immaterial |
| ESRS S2-1 Human rights policy commitments paragraph 17 | immaterial |
| ESRS S2-1 Policies related to value chain workers paragraph 18 | immaterial |
| ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19 | immaterial |
| ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 | immaterial |
| ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36 | immaterial |
| ESRS S3-1 Human rights policy commitments paragraph 16 | immaterial |
| ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17 | immaterial |
| ESRS S3-4 Human rights issues and incidents paragraph 36 | immaterial |
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| ESRS G1-1 Protection of whistle- blowers paragraph 10 (d) | 4.1.2.1 |
| ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a) | 4.1.3.1 |
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# CONSOLIDATED FINANCIAL STATEMENTS



3

# LEG IMMOBILIEN SE
# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| ASSETS<br>EUR million | | 31.12.2024 | 31.12.2023 | |
|---|---|---|---|---|
| **Non-current assets** | | **18,383.2** | **18,660.8** | |
| Investments properties | E.1 | 17,853.3 | 18,101.8 | |
| Property, plant and equipment | E.2 | 177.3 | 139.8 | |
| Intangible assets | E.3 | 6.2 | 5.0 | |
| Investments in associates | | 23.5 | 13.9 | |
| Other financial assets | E.4 | 300.3 | 355.4 | |
| Receivables and other assets | E.5 | 10.3 | 5.2 | |
| Deferred tax assets | E.13 | 12.3 | 39.7 | |
| **Current assets** | | **1,061.0** | **564.9** | |
| Inventory properties and other inventories | | 5.0 | 4.8 | |
| Receivables and other assets | E.5 | 734.9 | 272.8 | |
| Income tax receivables | E.13 | 14.2 | 9.8 | |
| Cash and cash equivalents | E.6 | 306.9 | 277.5 | |
| **Assets held for sale** | **E.7** | **141.0** | **77.9** | |
| **Total assets** | | **19,585.2** | **19,303.6** | |

| EQUITY AND LIABILITIES<br>EUR million | | 31.12.2024 | 31.12.2023 | |
|---|---|---|---|---|
| **Equity** | E.8 | **7,396.5** | **7,488.2** | |
| Share capital | | 74.5 | 74.1 | |
| Capital reserves | | 1,283.3 | 1,255.3 | |
| Cumulative other reserves | | 6,013.7 | 6,133.8 | |
| Equity attributable to shareholders of the parent company | | 7,371.5 | 7,463.2 | |
| Non-controlling interests | | 25.0 | 25.0 | |
| **Non-current liabilities** | | **9,911.6** | **10,106.7** | * |
| Pension provisions | E.9 | 96.0 | 101.9 | |
| Other provisions | E.10 | 4.2 | 3.4 | |
| Financing liabilities | E.11 | 7,796.6 | 8,004.4 | * |
| Other liabilities | E.12 | 76.3 | 81.7 | * |
| Deferred tax liabilities | E.13 | 1,938.5 | 1,915.3 | |
| **Current liabilities** | | **2,277.1** | **1,708.7** | * |
| Pension provisions | E.9 | 6.8 | 6.7 | |
| Other provisions | E.10 | 27.8 | 30.4 | |
| Provisions for taxes | | 0.0 | 0.0 | |
| Financing liabilities | E.11 | 1,922.0 | 1,371.4 | * |
| Other liabilities | E.12 | 312.2 | 292.2 | * |
| Tax liabilities | | 8.3 | 8.0 | |
| **Total liabilities** | | **19,585.2** | **19,303.6** | |

*Previous year's figure adjusted

# LEG IMMOBILIEN SE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| EUR million | | 01.01.-31.12.2024 | 01.01.-31.12.2023 |
|---|---|---|---|
| **Net operating income** | F.2 | **626.5** | **581.6** |
| Rental and lease income | | 1,303.3 | 1,240.9 |
| Cost of sales in connection with rental and lease income | | -676.8 | -659.3 |
| **Net income from the disposal of investment properties** | F.3 | **-6.4** | **-1.7** |
| Income from the disposal of investment properties | | 255.2 | 80.3 |
| Carrying amount of the disposal of investment properties | | -256.7 | -80.6 |
| Costs of sales in connection with the disposal of investment property | | -4.9 | -1.4 |
| **Net income from the remeasurement of investment property** | F.4 | **-225.3** | **-2,422.8** |
| **Net income from the disposal of inventory properties** | | **-0.2** | **-0.5** |
| Income from the disposal of inventory property | | – | – |
| Carrying amount of inventory properties sold | | – | – |
| Costs of sales in connection with the disposal of inventory property | | -0.2 | -0.5 |
| **Net income from other services** | F.5 | **6.3** | **36.3** |
| Income from other services | | 15.5 | 48.6 |
| Cost of sales for other services | | -9.2 | -12.3 |
| **Administrative and other expenses** | F.6 | **-75.5** | **-57.7** |
| **Other income** | | **0.1** | **0.3** |
| **Operating earnings** | | **325.5** | **-1,864.5** |
| Interest income | F.7 | 23.6 | 16.4 |
| Interest expenses | F.7 | -196.8 | -165.0 |
| Earnings from other financial assets and other investments | F.8 | -33.0 | 39.5 |
| Earnings from associates | | 0.1 | -0.1 |
| Earnings from the fair value measurement of derivatives | F.9 | 3.4 | -8.6 |
| **Earnings before income taxes** | | **122.8** | **-1,982.3** |
| Income taxes | F.10 | -53.9 | 417.5 |
| **Net profit or loss for the period** | | **68.9** | **-1,564.8** |
| **Change in amounts recognised directly in equity (OCI)** | | **-6.3** | **-28.5** |
| **Thereof recycling** | | | |
| **Fair value adjustment of interest derivatives in hedges** | | **-8.3** | **-26.1** |
| Change in unrealised gains/losses | | -10.1 | -32.1 |
| Income taxes on amounts recognised directly in equity | | 1.8 | 6.0 |
| **Thereof non-recycling** | | | |
| **Remeasurement of defined benefit plans** | | **2.0** | **-2.4** |
| Change in unrealised gains/losses | | 2.9 | -3.6 |
| Income taxes on amounts recognised directly in equity | | -0.9 | 1.2 |
| **Total comprehensive income** | | **62.6** | **-1,593.3** |
| **Net profit or loss for the period attributable to:** | | | |
| Non-controlling interests | | 2.9 | 3.9 |
| Parent shareholders | | 66.0 | -1,568.7 |
| **Total comprehensive income attributable to:** | | | |
| Non-controlling interests | | 2.9 | 3.9 |
| Parent shareholders | | 59.7 | -1,597.2 |
| **Earnings per share (basic) in EUR** | F.11 | **0.89** | **-21.17** |
| **Earnings per share (diluted) in EUR** | F.11 | **0.88** | **-21.17** |

# LEG IMMOBILIEN SE
# STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

| EUR million | | | | Other cumulated reserves | | | | |
|---|---|---|---|---|---|---|---|---|
| | Subscribed net capital | Capital reserves | Revenue reserves | Actuarial gains and losses from the valuation of pension obligations | Fair value adjustment of interest rate derivatives in hedges | Equity attributable to shareholders of the Group | Non-controlling interests | Consolidated equity |
| **As at 01.01.2023** | **74.1** | **1,751.1** | **7,214.2** | **-16.4** | **35.6** | **9,058.6** | **25.3** | **9,083.9** |
| Net profit or loss for the period | – | – | -1,568.7 | – | – | -1,568.7 | 3.9 | -1,564.8 |
| Other comprehensive income | – | – | – | -2.4 | -26.1 | -28.5 | 0.0 | -28.5 |
| **Total comprehensive income** | **–** | **–** | **-1,568.7** | **-2.4** | **-26.1** | **-1,597.2** | **3.9** | **-1,593.3** |
| Capital increase | – | – | – | – | – | – | – | – |
| Other | – | – | 497.6 | – | – | 497.6 | – | 497.6 |
| Withdrawals from reserves | – | -495.8 | – | – | – | -495.8 | -3.4 | -499.2 |
| Distributions | – | – | – | – | – | – | -0.8 | -0.8 |
| **As at 31.12.2023** | **74.1** | **1,255.3** | **6,143.1** | **-18.8** | **9.5** | **7,463.2** | **25.0** | **7,488.2** |
| | | | | | | | | |
| **As at 01.01.2024** | **74.1** | **1,255.3** | **6,143.1** | **-18.8** | **9.5** | **7,463.2** | **25.0** | **7,488.2** |
| Net profit or loss for the period | – | – | 66.0 | – | – | 66.0 | 2.9 | 68.9 |
| Other comprehensive income | – | – | – | 2.0 | -8.3 | -6.3 | 0.0 | -6.3 |
| **Total comprehensive income** | **–** | **–** | **66.0** | **2.0** | **-8.3** | **59.7** | **2.9** | **62.6** |
| Capital increase | 0.4 | 28.0 | – | – | – | 28.4 | – | 28.4 |
| Other | – | – | 1.8 | – | – | 1.8 | – | 1.8 |
| Withdrawals from reserves | – | – | – | – | – | – | -2.2 | -2.2 |
| Distributions | – | – | -181.6 | – | – | -181.6 | -0.7 | -182.3 |
| **As at 31.12.2024** | **74.5** | **1,283.3** | **6,029.3** | **-16.8** | **1.2** | **7,371.5** | **25.0** | **7,396.5** |

See Section E.8 in the notes.

# LEG IMMOBILIEN SE
# CONSOLIDATED STATEMENT OF CASH FLOWS

| EUR million | 01.01.-31.12. 2024 | 01.01.-31.12. 2023 |
|---|---|---|
| **Operating earnings** | **325.5** | **-1,864.5** |
| Depreciation on property, plant and equipment and amortisation on intangible assets | 21.5 | 17.2 |
| (Gains)/Losses on the remeasurement of investment property | 225.3 | 2,422.8 |
| (Gains)/Losses on the disposal of assets held for sale and investment property | 1.5 | 0.3 |
| (Gains)/Losses from disposal of intangible assets and property, plant and equipment | 0.2 | 2.5 |
| (Decrease)/Increase in pension provisions and other non-current provisions | -1.9 | -2.7 |
| Other non-cash income and expenses | 14.6 | 16.6 |
| (Decrease)/Increase in receivables, inventories and other assets | -4.1 | -37.4 |
| Decrease/(Increase) in liabilities (not including financing liabilities) and provisions | -14.3 | 20.5 |
| Interest paid | -159.7 | -140.8 |
| Interest received | 21.6 | 9.5 |
| Received income from investments | 8.8 | 6.9 |
| Income taxes received | 2.8 | 4.0 |
| Income taxes paid | -5.3 | -7.0 |
| **Cash inflow/outflow from operating activities** | **436.5** | **447.9** |
| **Cash flow from investing activities** | | |
| Cash payments for investments in investment property | -306.9 | -387.1 |
| Proceeds from disposals of non-current assets held for sale and investment property | 203.7 | 84.7 |
| Cash payments for investments in intangible assets and property, plant and equipment | -18.8 | -15.5 |
| Proceeds from disposals of intangible assets and property, plant, and equipment | 0.5 | 0.0 |
| Cash payments for acquisition of shares in consolidates companies | -3.5 | -15.9 |
| Payments for disposals of shares in fully consolidated companies | -0.2 | – |
| (Cash payment for)/proceeds from cash investments in securities | -479.0 | -87.7 |
| **Cash inflow/outflow from investing activities** | **-604.2** | **-421.5** |
| **Cash flow from financing activities** | | |
| Borrowing of bank loans | 121.8 | 546.4 |
| Repayment of bank loans | -614.7 | -294.6 |
| Repayment of lease liabilities | -12.9 | -8.3 |
| Issuance of convertible/corporate bonds | 873.0 | 152.9 |
| Repayment of convertible/corporate bonds | – | -500.0 |
| Distribution to minorities | -2.4 | -2.5 |
| Distribution to shareholders | -153.2 | – |
| Other payments | -14.5 | -5.0 |
| **Cash inflow/outflow from financing activities** | **197.1** | **-111.1** |
| **Change in cash and cash equivalents** | **29.4** | **-84.7** |
| Cash and cash equivalents at beginning of period | 277.5 | 362.2 |
| **Cash and cash equivalents at end of period** | **306.9** | **277.5** |
| **Composition of cash and cash equivalents** | | |
| Cash on hand, bank balances | 306.9 | 277.5 |
| **Cash and cash equivalents at end of period** | **306.9** | **277.5** |

See Section G. in the notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## A. General information on the consolidated financial statements of LEG Immobilien SE

### 1. Basic information on the Group

LEG Immobilien SE, Dusseldorf, its subsidiaries and second-tier subsidiaries, in particular LEG NRW GmbH, Dusseldorf, and the subsidiaries of the latter company, collectively referred to as "LEG") are among the largest residential companies in Germany. As at 31 December 2024, LEG held 165,510 residential and commercial units in its portfolio (31 December 2023: 168,096), of which 163,876 units (31 December 2023: 167,326) excluded IFRS 5 assets.

LEG, as an integrated property company, pursues three core activities: optimising its core business, expanding the value chain, and repositioning the management platform.

The consolidated financial statements were approved for publication by the Management Board of LEG Immobilien SE on 6 March 2025.

**Consolidated financial statements**

The consolidated financial statements of LEG Immobilien SE as at 31 December 2024 have been prepared in accordance with the IFRS® Accounting Standards issued and published by the International Accounting Standards Board (IASB), as adopted for use in the European Union. The consolidated financial statements have been prepared in accordance with the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council dated 19 July 2002, concerning the application of international accounting standards in conjunction with Section 315e(1) of the Handelsgesetzbuch (HGB – German Commercial Code) and the additional provisions of commercial law.

Individual items of the statement of comprehensive income and the statement of financial position have been aggregated to improve the clarity of presentation. These items are discussed in the notes to the consolidated financial statements. The statement of comprehensive income has been prepared using the cost of sales method.

The consolidated financial statements were prepared in euro. Unless stated otherwise, all figures have been rounded to millions of euro (EUR million). For technical reasons, tables and references can include rounded figures that differ from the exact mathematical values.

The consolidated financial statements are prepared on the basis of accounting for assets and liabilities at amortised cost. Exceptions to this are investment property, securities at fair value and derivative financial instruments, which are carried at their fair value as at the end of the reporting period.

Its consolidated financial statements and Group management report have been published in the commercial register.

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards requires estimates and judgements by management. Areas with greater scope for judgement or areas in which assumptions and estimates are of material importance to the consolidated financial statements are listed in D.22 and D.23.

The consolidated financial statements of LEG Immobilien SE constitute exempting consolidated financial statements within the meaning of section 291 HGB for LEG Holding GmbH, LEG NRW GmbH, Ruhr-Lippe Wohnungsgesellschaft mbH, LEG Grundstücksverwaltung GmbH, LEG Wohnen NRW GmbH, Gladbau Baubetreuungs- und Verwaltungsgesellschaft mbH, GeWo Gesellschaft für Wohnungs- und Städtebau mbH, Ravensberger Heimstättengesellschaft mbH, LEG Beteiligungsverwaltungsgesellschaft mbH and for Wohnungsgesellschaft Münsterland GmbH. These companies are not required to prepare subgroup financial statements as they are included in the consolidated financial statements of LEG Immobilien SE, as no non-controlling interests have applied for the preparation of consolidated financial statements and a Group management report in accordance with Section 291(3) sentence 1 no. 2 HGB, and the other conditions of Section 291(2) no. 2 and no. 3 HGB have been met.

The exemption provisions of Section 264(3) HGB are applied by LEG Wohnen NRW GmbH, LEG Rheinland Köln GmbH, LEG Wohnungsbau Rheinland GmbH, LEG Management GmbH, Ravensberger Heimstättengesellschaft mbH, WohnServicePlus GmbH, Wohnungsgesellschaft Münsterland mbH, Ruhr-Lippe Wohnungsgesellschaft mbH, Gladbau Baubetreuungs- und Verwaltungs-Gesellschaft mbH, LEG Siebte Grundstücksverwaltungs GmbH, EnergieServicePlus GmbH, TSP-TechnikServicePlus GmbH, SW Westfalen Invest GmbH, LEG Achte Grundstücksverwaltungs GmbH, LEG Fünfte Grundstücksverwaltungs GmbH, LEG Neunte Grundstücksverwaltungs GmbH, LWS Plus GmbH, LEG Niedersachsen GmbH, LEG Jade GmbH, LEG Niedersachsen Süd GmbH, Gemeinnützige Eisenbahn-Wohnungsbau-Gesellschaft mbH, Gemeinnützige Wohnungsgesellschaft Nordwestdeutschland GmbH, and LEG Rhein Neckar GmbH. The exemption under Section 264b HGB has been exercised for Biomasse Heizkraftwerk Siegerland GmbH & Co. KG.

## B. New Accounting Standards

### 1. IFRS accounting standards and IFRIC® interpretations that have been published but are not yet mandatory

The IASB has issued the following IFRS Accounting Standards and IFRIC Interpretations, which are not yet mandatory but will be relevant for LEG:

| | Content | Effective for reporting periods from |
|---|---|---|
| **New standards** | | |
| IFRS 19 | "Subsidiaries without public accountability: disclosures" | 1 January 2027* |
| IFRS 18 | "Presentation and disclosures in the financial statements" | 1 January 2027* |
| **Amendments to standards** | | |
| Various standards | "Annual Improvements Volume 11" | 1 January 2026* |
| IFRS 9/IFRS 7 | "Contracts for nature-dependent power supply" | 1 January 2026* |
| IFRS 9/IFRS 7 | "Amendments to the classification and measurement of financial instruments" | 1 January 2026* |

*(not yet endorsed)

LEG Immobilien SE does not adopt new standards early. The effects on the accounting of LEG Immobilien SE are being examined.

### 2. IFRS accounting standards and IFRIC® interpretations that have been published but are not yet mandatory

| | Content | Effective for financial years starting from |
|---|---|---|
| **Amendments to standards** | | |
| IAS 7/IFRS 7 | “Disclosure: Supplier Finance Arrangements” | 1 January 2024 |
| IAS 1 | “Classification liabilities as current or non-current”<br>“Long-term liabilities with covenants” | 1 January 2024 |
| IFRS 16 | “Lease Liability in a sale and leaseback” | 1 January 2024 |

Only the IFRS and interpretations that affect LEG Immobilien SE’s consolidated financial statements are explained in more detail below.

The amendments to IAS 1 on the classification of liabilities as current or non-current lead to a shift in the maturities of financial liabilities and the embedded derivatives of convertible bonds from the medium-term to the short-term.

In accordance with the amendment to IAS 1.69 in conjunction with IAS 1.76 A/B, liabilities from convertible bonds were recognised as current liabilities, as the instrument can be converted at any time. The change must be made regardless of the economic perspective. The amendments are also to be applied retrospectively to the consolidated financial statements as at 31 December 2023.

## C. Consolidated Group and Consolidation Methods

### 1. Consolidation methods

### a) Subsidiaries

LEG Immobilien SE's consolidated financial statements contain all the material subsidiaries that LEG Immobilien SE controls within the meaning of IFRS 10 and insofar as these are not of minor significance for the consolidated financial statements.

Subsidiaries are included in consolidation from the date at which LEG Immobilien SE first obtains control. Subsidiaries are deconsolidated when LEG Immobilien SE no longer controls them.

The financial statements of subsidiaries are prepared using uniform accounting policies and as at the end of the same reporting period as LEG Immobilien SE's financial statements.

Capital is consolidated in accordance with the purchase method, whereby the cost at the time of acquisition is offset against the pro rata share of equity. Non-controlling interests represent the share of earnings and net assets not attributable to the shareholders of LEG Immobilien SE. Non-controlling interests are reported separately in the consolidated statement of comprehensive income and the consolidated statement of financial position. They are reported directly in equity in the consolidated statement of financial position, separately from the equity attributable to owners of the parent company.

All intragroup receivables and liabilities, income and expenses and gains and losses from intragroup transactions are eliminated.

### b) Investments accounted for using the equity method

**Associates**
Associates are equity interests whose financial and operating policies can be significantly influenced by LEG Immobilien SE. Associates are accounted for using the equity method. Owing to their immateriality for the financial position and financial performance of the Group, certain individual associates are measured at fair value or, if the fair value cannot be reliably determined for unlisted equity instruments, at cost as an approximation of fair value and reported in other non-current financial assets.

**Joint ventures**
A joint venture is a company based on a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

A list of LEG Immobilien SE's shareholdings can be found in Section J.

### 2. Changes in the Group

### a) Subsidiaries

Changes in the companies included in LEG Immobilien SE's consolidated financial statements were as follows:

| NUMBER OF FULLY CONSOLIDATED SUBSIDIARIES | 2024 | 2023 |
|---|---|---|
| **As at 1 January** | **90** | **89** |
| Additions | 2 | 1 |
| Disposals | -3 | 0 |
| **As at 31 December** | **89** | **90** |

LEG Properties B.V. (formerly: Soldappart B.V.) was established on 13 December 2023 and first consolidated as at 1 April 2024.

LEG-LEITWerk GmbH was established on 29 August 2024 and first consolidated as at 31 August 2024.

Hiltrup Grundbesitzverwertungsgesellschaft mbH was merged with LEG Beteiligungsverwaltungsgesellschaft mbH on 31 December 2024 in accordance with the merger agreement dated 27 August 2024.

LEG Rheinrefugium Köln GmbH was merged into LEG Standort- und Projektentwicklung Köln GmbH with effect from 31 December 2024, pursuant to the merger agreement dated 27 August 2024.

LEG Nord FM GmbH was sold and deconsolidated as at 31 December 2024.

### b) Investments accounted for using the equity method

The following table shows the development of companies accounted for using the equity method:

| NUMBER OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD | 2024 | 2023 |
|---|---|---|
| **As at 1 January** | **4** | **3** |
| Additions/disposals | 1 | 1 |
| **As at 31 December** | **5** | **4** |

Efficient Residential Heating GmbH was included in the consolidated financial statements for the first time as a joint venture using the equity method as at 31 December 2024.

## 3. IFRS 12 disclosures

### a) Disclosures on subsidiaries included in consolidation

An overview of the subsidiaries in which LEG Immobilien SE held interests as at 31 December 2024 (IFRS 12.10 et seq.) can be found in Chapter J.

The direct and indirect capital shares held by LEG Immobilien SE in the subsidiaries are also equal to its shares of voting rights. The companies not included in consolidation are not considered material in terms of the key performance indicators net profit for the year, total assets and revenue, and are therefore not included in the consolidated Group.

### b) Disclosures on subsidiaries with significant non-controlling interests

The financial information on significant, non-controlling interests in subsidiaries is summarised below (IFRS 12.B10). Intragroup transactions were not eliminated in the amounts disclosed.

As at 31 December 2024, TSP-TechnikServicePlus GmbH is the only subsidiary with significant non-controlling interests.

Of the Group result, EUR 1.8 million in 2024 (previous year: EUR 1.8 million) is attributable to the significant non-controlling interests of TSP-TechnikServicePlus GmbH. The carrying amount in the Group recognised for the non-controlling interests in TSP-TechnikServicePlus GmbH as at 31 December 2024 was EUR 0 million on account of the obligation to pay a guaranteed dividend.

| STATEMENT OF FINANCIAL POSITION | TSP-TechnikServicePlus GmbH | |
|---|---|---|
| EUR million | 2024 | 2023 |
| **Non-current:** | | |
| Assets | 4.6 | 3.5 |
| Liabilities | -3.7 | -2.8 |
| Non-current net assets | 0.9 | 0.7 |
| **Current:** | | |
| Assets | 25.8 | 27.9 |
| Liabilities | -23.8 | -25.3 |
| Current net assets | 2.0 | 2.6 |

| STATEMENT OF COMPREHENSIVE INCOME | TSP-TechnikServicePlus GmbH | |
|---|---|---|
| EUR million | 2024 | 2023 |
| Revenue/other operating income | 91.7 | 87.0 |
| Earnings before income taxes | 6.1 | 7.4 |
| Income taxes | 0.1 | 0.1 |
| Net profit from continued operations | 6.0 | 7.3 |
| Net profit | 6.0 | 7.3 |
| **Total comprehensive income** | **6.0** | **7.3** |
| thereof attributable to non-controlling interests | 1.8 | 1.8 |
| Dividends paid to non-controlling interests | 1.8 | 1.8 |

| STATEMENT OF CASH FLOWS | TSP-TechnikServicePlus GmbH | |
|---|---|---|
| EUR million | 2024 | 2023 |
| **Net cash inflow/outflow:** | | |
| Operating business activities | 1.3 | 5.2 |
| Investing activities | -0.2 | -0.2 |
| Financing activities | -1.8 | -1.9 |
| **Change in cash and cash equivalents** | **-0.7** | **3.1** |

## c) Disclosures on at equity consolidated companies

Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH are classified as associates.

Renowate GmbH, dekarbo GmbH, and Efficient Residential Heating GmbH are classified as joint ventures.

The at equity consolidated companies affect LEG Immobilien SE’s statement of financial position and its statement of comprehensive income are as follows:

| EFFECT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD | | |
|---|---|---|
| EUR million | 2024 | 2023 |
| Carrying amount | 23.5 | 13.9 |
| Total comprehensive income (gain/loss) | 0.1 | -0.1 |

The following provides information on companies accounted for using the equity method.

| COMPANIES ACCOUNTED FOR USING THE AT EQUITY METHOD | Share of capital in % | Equity in EUR million | Result in EUR million |
|---|---|---|---|
| Kommunale Haus und Wohnen GmbH, Rheda-Wiedenbrück | 40.62 | 24.8 | 0.7 |
| Beckumer Wohnungsgesellschaft mbH, Beckum | 33.37 | 4.2 | 0.0 |
| Renowate GmbH, Lindau | 50.00 | 3.9 | -0.3 |
| dekarbo GmbH, Duesseldorf | 50.00 | 0.3 | -0.1 |
| Efficient Residential Heating GmbH, Munich | 78.46 | -3.4 | -3.0* |

* The company was accounted for using the equity method as at 31 December 2024.

Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH perform property management activities. Renowate GmbH's business activity is serial refurbishment. Dekarbo GmbH's business activity is the development and distribution of solutions for heating, cooling, and air conditioning of residential buildings. The activities of Efficient Residential Heating GmbH are the development and operation of software solutions as well as the development and sale of hardware products for heating systems in residential buildings.

The relationships with the at equity consolidated companies are of an operational nature. All the companies listed above are recognised in the consolidated financial statements using the equity method. There are no quoted market prices.

The summarised financial information of the Group’s companies accounted for using the equity method is provided below. The financial information shown below is consistent with the amounts in the financial statements of the associates and joint ventures, respectively.

| STATEMENT OF FINANCIAL POSITION | Kommunale Haus und Wohnen GmbH | Beckumer Wohnungs-gesellschaft mbH | Renowate GmbH | dekarbo GmbH | Efficient Residential Heating GmbH | Total |
|---|---|---|---|---|---|---|
| EUR million | 31.12.2024 | 31.12.2024 | 31.12.2024 | 31.12.2024 | 31.12.2024 | 31.12.2024 |
| Non-current assets | 76.8 | 12.4 | 0.5 | 0.0 | 0.1 | 89.8 |
| Current assets | 2.9 | 0.7 | 4.7 | 0.1 | 0.6 | 9.0 |
| Cash and cash equivalents | 3.7 | 0.9 | 9.0 | 0.2 | 1.2 | 15.0 |
| Other assets | – | – | – | – | – | – |
| Non-current borrowed capital | 42.5 | 8.2 | 0.4 | – | – | 51.1 |
| Current borrowed capital | 16.1 | 1.6 | 9.9 | 0.0 | 5.3 | 32.9 |
| Financial liabilities | – | – | – | – | – | – |
| Non-financial liabilities | – | – | – | – | – | – |
| **Net assets** | **24.8** | **4.2** | **3.9** | **0.3** | **-3.4** | **29.8** |

| STATEMENT OF FINANCIAL POSITION | Kommunale Haus und Wohnen GmbH | Beckumer Wohnungs-gesellschaft mbH | Renowate GmbH | dekarbo GmbH | Efficient Residential Heating GmbH | Total |
|---|---|---|---|---|---|---|
| EUR million | 31.12.2023 | 31.12.2023 | 31.12.2023 | 31.12.2023 | 31.12.2023 | 31.12.2023 |
| Non-current assets | 68.4 | 11.1 | 0.4 | – | – | 79.9 |
| Current assets | 2.6 | 0.4 | 3.4 | – | – | 6.4 |
| Cash and cash equivalents | 0.8 | 1.0 | 2.5 | – | – | 4.3 |
| Other assets | – | – | – | – | – | – |
| Non-current borrowed capital | 36.1 | 7.4 | – | – | – | 43.5 |
| Current borrowed capital | 11.6 | 0.9 | 3.4 | – | – | 15.9 |
| Financial liabilities | – | – | – | – | – | – |
| Non-financial liabilities | – | – | – | – | – | – |
| **Net assets** | **24.1** | **4.2** | **2.9** | **–** | **–** | **31.2** |

| STATEMENT OF COMPREHENSIVE INCOME<br>EUR million | Kommunale Haus und Wohnen GmbH<br>31.12.2024 | Beckumer Wohnungs-gesellschaft mbH<br>31.12.2024 | Renowate GmbH<br>31.12.2024 | dekarbo GmbH<br>31.12.2024 | Efficient Residential Heating GmbH<br>31.12.2024 | Total<br>31.12.2024 |
|---|---|---|---|---|---|---|
| Revenue | 8.0 | 1.5 | 10.9 | 0.0 | – | 20.4 |
| Depreciation and amortisation expenses | 1.9 | 0.3 | 0.4 | 0.0 | 0.0 | 2.6 |
| Interest income | 0.0 | 0.0 | 0.0 | – | – | – |
| Interest expenses | 0.5 | 0.1 | – | – | 0.1 | 0.7 |
| Income taxes | 0.0 | – | 0.0 | – | – | – |
| Net profit from continued operations | 0.7 | 0.0 | -0.3 | -0.1 | -3.0 | -2.7 |
| Net profit after taxes from discontinued operations | – | – | – | – | – | – |
| Other comprehensive income | – | – | – | – | – | – |
| **Total comprehensive income** | **0.7** | **0.0** | **-0.3** | **-0.1** | **-3.0** | **-2.7** |

| STATEMENT OF COMPREHENSIVE INCOME<br>EUR million | Kommunale Haus und Wohnen GmbH<br>31.12.2023 | Beckumer Wohnungs-gesellschaft mbH<br>31.12.2023 | Renowate GmbH<br>31.12.2023 | dekarbo GmbH<br>31.12.2023 | Efficient Residential Heating GmbH<br>31.12.2023 | Total<br>31.12.2023 |
|---|---|---|---|---|---|---|
| Revenue | 7.6 | 1.4 | 0.0 | – | – | 9.0 |
| Depreciation and amortisation expenses | 1.7 | 0.3 | – | – | – | 2.0 |
| Interest income | – | – | – | – | – | – |
| Interest expenses | 0.3 | 0.1 | – | – | – | 0.4 |
| Income taxes | 0.1 | – | – | – | – | 0.1 |
| Net profit from continued operations | 1.0 | 0.1 | -1.1 | – | – | – |
| Net profit after taxes from discontinued operations | – | – | – | – | – | – |
| Other comprehensive income | – | – | – | – | – | – |
| **Total comprehensive income** | **1.0** | **0.1** | **-1.1** | **–** | **–** | **–** |

Statement of reconciliation from summarised financial information to the carrying amount of the investments:

| RECONCILIATION<br>EUR million | Kommunale Haus und Wohnen GmbH<br>31.12.2024 | Beckumer Wohnungs-gesellschaft mbH<br>31.12.2024 | Renowate GmbH<br>31.12.2024 | dekarbo GmbH<br>31.12.2024 | Efficient Residential Heating GmbH<br>31.12.2024 | Total<br>31.12.2024 |
|---|---|---|---|---|---|---|
| **Net assets of associates as at 1 January** | **24.1** | **4.2** | **2.9** | **0.0** | **-0.4** | **30.8** |
| Net profit/loss | 0.7 | 0.0 | -0.3 | -0.1 | -3.0 | -2.7 |
| Addition to reserves | – | – | 1.3 | 0.4 | – | 1.7 |
| Dividend | – | – | – | – | – | – |
| **Net assets of associates as at 31 December** | **24.8** | **4.2** | **3.9** | **0.3** | **-3.4** | **29.8** |
| Group share | 40.62 % | 33.37 % | 50.00 % | 50.00 % | 78.46 % | **–** |
| Share in net assets of the associates | 10.1 | 1.4 | 2.7 | 0.1 | – | 14.3 |
| Other adjustments | **–** | **–** | **–** | **–** | **9.2** | **9.2** |
| **Carrying amount of the investment** | **10.1** | **1.4** | **2.7** | **0.1** | **9.2** | **23.5** |

| RECONCILIATION<br>EUR million | Kommunale Haus und Wohnen GmbH<br>31.12.2023 | Beckumer Wohnungs-gesellschaft mbH<br>31.12.2023 | Renowate GmbH<br>31.12.2023 | dekarbo GmbH<br>31.12.2023 | Efficient Residential Heating GmbH<br>31.12.2023 | Total<br>31.12.2023 |
|---|---|---|---|---|---|---|
| **Net assets of associates as at 1 January** | **23.1** | **4.1** | **0.0** | **0.0** | **0.0** | **27.2** |
| Net profit/loss | 1.0 | 0.1 | -1.1 | 0.0 | 0.0 | – |
| Addition to reserves | – | – | 4.0 | – | – | 4.0 |
| Dividend | – | – | – | – | – | – |
| **Net assets of associates as at 31 December** | **24.1** | **4.2** | **2.9** | **–** | **–** | **31.2** |
| Group share | 40.62 % | 33.37 % | 50.00 % | 50.00 % | 0.00 % | – |
| Share in net assets of the associates | 9.8 | 1.4 | 1.4 | – | – | 12.6 |
| Other adjustments | **–** | **–** | **1.1** | **0.2** | **–** | **1.3** |
| **Carrying amount of the investment** | **9.8** | **1.4** | **2.5** | **0.2** | **0.0** | **13.9** |

The annual financial statements of the companies as at 31 December 2024 are not yet available and therefore the figures as at 31 December 2023 have also been used for 2024.

Efficient Residential Heating GmbH was included in the consolidated financial statements as a joint venture accounted for using the equity method as at 31 December 2024. As at the end of the financial year, LEG held 78.46 % of the shares in Efficient Residential Heating GmbH. Due to contractual agreements, LEG does not obtain control over Efficient Residential Heating GmbH despite holding a stake of more than 50 %. The carrying amount of the investment is EUR 9.2 million.

## d) Disclosures on other companies

As at 31 December 2024, LEG also held a 35.66 % interest in Brack Capital Properties N.V., Amsterdam, Netherlands (previous year: 35.66 %). Due to the ownership structure, LEG cannot exercise significant influence over the financial and operating policies of Brack Capital Properties N.V. Therefore, Brack Capital Properties N.V. is not included in the consolidated financial statements of LEG Immobilien SE as an associate.

With regard to the acquisition of a further 52.68 % stake in Brack Capital Properties N.V., please refer to the section events after the balance sheet date.

## D. Accounting Policies

### 1. Investment property

Investment property consists of LEG’s properties that are held to earn rentals or for capital appreciation or both, rather than for owner occupancy or sale in the ordinary course of business. Investment property includes land with residential and commercial buildings, undeveloped land, land with transferable leasehold land interests, parking spaces and garages.

In accordance with IFRS 5, investment property that is held for sale and that is highly likely to be sold within the next 12 months is recognised as an asset held for sale under current assets.

Mixed-used properties are separated into the owner-occupied part and the part rented to third parties to the extent that it is legally possible to separate the property in question, and neither the owner-occupied portions nor the portions rented to third parties are immaterial. The portion rented to third parties is allocated to investment property, while the owner-occupied portion is recognised under property, plant and equipment. The ratio of the respective areas is used to allocate the components.

Property is transferred from investment property when there is a change in use evidenced by the commencement of owner-occupancy with a view to sale.

Unless acquired as part of a business combination, investment property is recognised at cost including incidental costs on acquisition. In accordance with the option provided by IAS 40 in conjunction with IFRS 13, investment property is subsequently recognised at fair value. IFRS 13.9 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value assumes the sale of an asset (exit price). It corresponds to the (theoretical) price to be paid to the seller in the event of a (hypothetical) sale of a property at the measurement date, regardless of an entity’s specific intention or ability to sell. The concept of highest and best use of the property is assumed in calculating fair value (IFRS 13.27 et seq.). This implies the use or value maximisation of the asset as far as it is physically possible, legally permissible and financially feasible. We refer to Chapter D.18 in this regard. Changes in the fair values of properties are recognised in net profit or loss for the period.

Prepayments for property acquisitions are presented as prepayments for investment property.

Subsequent costs for extension, partial replacement or maintenance of properties (IAS 40.17) are capitalised if they constitute the replacement of parts of a unit in accordance with the component approach (IAS 40.19) and the costs can be reliably determined. In addition, such costs are capitalised if the activities will result in increased future benefits and the costs can be reliably determined. Energetic refurbishment measures are carried out if the measure is economically viable or serves to preserve the substance of the property. The capitalised costs are not amortised on a scheduled basis, as no scheduled depreciation is made in connection with the option under IAS 40 to account for the fair value, which generally excludes scheduled depreciation.

Units are sold to tenants, owner-occupants and investors as part of portfolio optimisation measures.

Fair values are calculated internally by LEG. Parallel to the internally determined fair values by LEG, the property portfolio is valued by an independent external appraiser as at 30 June and 31 December each year. LEG uses third-party valuation to validate its own calculations and as a second opinion for the general confirmation of the value of the portfolio as a whole.

The properties are assessed by LEG at the level of individual building entrances, taking into account location, structural and energy condition, fittings, current contractual rent, and development potential. The fair values calculated are consistent with the IFRS market values, i.e. the amount for which the respective property could be exchanged between market participants under current market conditions on the measurement date parties in an orderly transaction (IAS 40.5 in conjunction with IFRS 13.15).

The fair values of investment property are calculated on the basis of the forecast net cash flows from property management using the discounted cash flow (DCF) method. For properties with no positive net cash flow (generally vacant buildings), the fair value is calculated using a liquidation value method. Undeveloped land is usually measured based on an indirect comparison of indicative land values.

A detailed planning period of ten years is used in DCF measurement. After the end of the tenth year, a sales value is applied that is calculated by capitalising the forecast annual net profit achievable in the long term, taking into account the finite remaining useful life of the property in the capitalisation rate. Based on the assumption of a finite remaining useful life, the land value discounted to the end of the remaining useful life and then discounted to the valuation date less demolition costs is added to the property value. The contractually agreed rental income for the respective property and other specific value parameters are applied at the beginning of the detailed planning period.

The average net cold rent applied in the valuation for rented residential units in buildings predominantly used for residential purposes amounts to EUR 6.80 per sqm per month as at the reporting date (previous year: EUR 6.59 per sqm per month). These properties can also contain commercial units in some cases. The future development of annual rent is projected on the basis of individual assumptions for the planning period. A distinction is made between rental income from existing tenancies and new rentals due to forecast fluctuation. Market rent rises annually at an individually determined rate in the detailed planning period. For new rentals, rent in the amount of the assumed market rent is applied. The applied market rent increases are based on market and property-specific assessments. Rent from existing tenancies is projected on the basis of the statutory environment and the assessment of the respective market and property and is assumed to converge with the overall market trend over time. The vacancy rate in terms of rental and usable space used for measurement is adjusted to a stabilised vacancy rate in line with market conditions, which also take location into account and the individual characteristics of the property where appropriate over a period of four years.

Publicly subsidised properties are treated differently depending on the existence and duration of potential rent control. If rent control is set to end within the ten-year detailed planning period, a rent adjustment towards the market rent is assumed for the subsequent year, taking the statutory requirements into account. For the remaining subsidised properties, a discount on the capitalisation rate is recognised depending on the remaining duration of rent control.

For maintenance and operating costs of properties predominantly used for residential purposes, assumptions are applied based on the Second Calculation Ordinance (II. BV). The assumed reactive and periodic maintenance costs are derived on the basis of the technical assessment of the property and the year of construction, while standard amounts per residential unit and per parking space are used for administrative costs. Additionally, the costs for $CO_2$ emission allowances are included in the cost assumptions, based on an assumed price trajectory and the distribution ratio between tenant and landlord, as well as LEG's $CO_2$ balance.

For residential buildings with a commercial component or other type of use, administrative costs for the non-residential component are calculated at 1 % (previous year: 1 %) of gross commercial income.

Management costs under the Second German Computation Ordinance have been adjusted in relation to the change in the consumer price index every three years since 2005. For continuity, between the adjustment dates, the management model applies a standard annual increase in management costs distributed over three years, which is based on the expected development of the Second German Computation Ordinance.

In addition, the development of maintenance and management costs was dynamic in the period under review. Given the current market situation, the expected cost increase has been determined differently for each annual tranche and broken down by cost types. The change in the consumer price index is used for general cost increases. The basis for this is still the inflation target (2 %) of the European Central Bank (ECB). The short-term inflation expectations reflect the current level.

In view of the current market dynamics, trends in construction prices have been separated out on account of the cost increase expected according to the Federal Statistical Office. The rise in administrative costs is still forecast on the basis of the core rate of the development of the consumer price index.

Around 1.21 % (previous year: 1.29 %) of the units in the portfolio are classified as commercial properties. These properties can contain residential units in some cases, but they are characterised by their predominantly commercial character. Owing to the differing rent terms and market conditions compared to the residential portfolio, these properties are also subject to different assumptions with regard to the key parameters affecting their value. The average rent for properties predominantly used for commercial purposes amounts to EUR 9.23 per sqm (previous year: EUR 8.64 per sqm).

The discounting of cash flows is based on market-standard and maturity-matched discount and capitalisation rates, which take into account the actual property-specific operating cost ratio and reflect the individual opportunity/risk profile of the properties. The remaining useful lives of properties are taken into account in the capitalisation rates.

In addition to the general interest rate situation, an appropriate interest rate is determined taking into account location criteria, the property type, property condition (including energy-relevant features such as the presence of thermal insulation), age, potential rental growth, the forecast for the location and potential government subsidies in particular.

Owing to the limited availability of market data, i.e. data and measurement parameters not directly observable on the market, the complexity of property valuation and the degree of property specification, the fair value measurement of investment property is assigned to Level 3 of the measurement hierarchy of IFRS 13.86 (measurement based on unobservable inputs). Further details can be found in Section D.18.

In measurement, investment property is broken down into categories defined by type of use:

- residential property;
- commercial property;
- garages, underground garages or parking spaces/other properties;
- leaseholds and
- undeveloped land

according to the asset class relevant to accounting. Other properties are essentially units with outside advertising media and mobile antennas.

Properties are also broken down according to three market clusters using a scoring system: high-growth markets (“orange”), stable markets (“green”) and higher-yielding markets (“purple”).

The following tables show the valuation technique and the significant unobservable inputs used in determining the fair value of investment properties as at the respective valuation dates.

**INFORMATION ON MATERIAL UNOBSERVABLE INPUTS ON WHICH MEASUREMENT IS BASED (LEVEL 3)**

| 31.12.2024 | Gross assets value of investment properties EUR million | Valuation technique[2] | Measurement parameters: Market rent Residential/ Commercial EUR/sqm/month | | | Maintenance costs costs Residential/ Commercial EUR/sqm | | | Administrative costs Residential/commercial EUR/unit | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | min | avg | max | min | avg | max | min | avg | max |
| Residential property | | | | | | | | | | | |
| High-growth markets | 7,161 | DCF | 4.04 | 9.55 | 17.48 | 5.60 | 13.00 | 18.00 | 141 | 347 | 528 |
| Stable markets | 6,465 | DCF | 1.89 | 8.25 | 16.93 | 7.90 | 13.00 | 17.90 | 205 | 345 | 528 |
| Higher-yielding markets | 3,319 | DCF | 1.56 | 7.05 | 10.68 | 6.80 | 13.30 | 17.80 | 173 | 350 | 528 |
| Commercial assets | 304 | DCF | 1.00 | 7.97 | 27.00 | 4.00 | 6.90 | 13.40 | 1 | 316 | 11,308 |
| Leasehold | 188 | DCF | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Garages, parking spaces and other units | 372 | DCF | 0.00 | 0.00 | 0.00 | 39.00 | 83.20 | 102.50 | 45 | 45 | 46 |
| undeveloped land | 44 | Earnings/ reference value method | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Total portfolio (IAS 40)[1] | 17,853 | DCF | 1.00 | 8.15 | 27.00 | 4.00 | 20.00 | 102.50 | 0 | 317 | 11,308 |

[1] In addition, as at 31 December 2024, assets held for sale (IFRS 5) amounting to EUR 141.0 million are classified as Level 2 in the fair value hierarchy.

[2] Property portfolio with cut-off date as at 30 September 2024, measurement date as of 31 December 2024.

| INFORMATION ON THE MATERIAL UNOBSERVABLE INPUTS (LEVEL 3) UNDERLYING THE VALUATION | Measurement parameters | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 31.12.2024 | Stabilised vacancy rate in % | | | Discount rate in % | | | Capitalisation rate in % | | | Forecast rent development in % | | |
| | min | avg | max | min | avg | max | min | avg | max | min | avg | max |
| Residential property | | | | | | | | | | | | |
| High-growth markets | 1.0 | 1.7 | 6.0 | 3.3 | 4.9 | 11.2 | 2.5 | 5.1 | 12.1 | 1.3 | 1.6 | 2.0 |
| Stable markets | 1.5 | 2.6 | 7.0 | 2.6 | 5.3 | 11.5 | 2.1 | 5.7 | 12.2 | 1.2 | 1.5 | 1.9 |
| Higher-yielding markets | 1.5 | 4.4 | 9.0 | 1.6 | 5.0 | 12.1 | 3.1 | 5.9 | 13.2 | 1.1 | 1.4 | 1.7 |
| Commercial assets | 1.0 | 2.3 | 8.0 | 3.0 | 6.9 | 11.5 | 3.2 | 7.5 | 11.8 | 1.2 | 1.6 | 1.9 |
| Leasehold | 0.0 | 0.0 | 0.0 | 3.5 | 4.8 | 9.5 | 3.5 | 6.2 | 12.9 | 0.0 | 0.0 | 0.0 |
| Garages, parking spaces and other units | 0.0 | 0.0 | 0.0 | 4.0 | 5.1 | 7.5 | 3.5 | 8.0 | 13.5 | 0.0 | 0.0 | 0.0 |
| undeveloped land | 0.0 | 0.0 | 0.0 | 3.7 | 5.1 | 6.1 | 10.9 | 11.4 | 12.2 | 0.0 | 0.0 | 0.0 |
| Total portfolio (IAS 40)[1] | 1.0 | 3.0 | 9.0 | 1.6 | 5.1 | 12.1 | 2.1 | 5.9 | 13.5 | 1.1 | 1.5 | 2.0 |

[1] In addition, as at 31 December 2024, assets held for sale (IFRS 5) amounting to EUR 141.0 million are classified as Level 2 in the fair value hierarchy.

The table below shows the valuation technique used to determine the fair value of investment properties as at 31 December 2023:

**INFORMATION ON MATERIAL UNOBSERVABLE INPUTS ON WHICH MEASUREMENT IS BASED (LEVEL 3)**

| 31.12.2023 | Gross assets value of the properties held as a financial investment | Valuation technique[2] | Measurement parameters: Market rent Residential/ Commercial EUR/sqm/month | | | Maintenance costs costs Residential/ Commercial EUR/sqm | | | Administrative costs Residential/commercial EUR/unit | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | EUR million | | min | avg | max | min | avg | max | min | avg | max |
| Residential property | | | | | | | | | | | |
| High-growth markets | 7,302 | DCF | 3.87 | 9.29 | 15.70 | 9.28 | 12.91 | 18.01 | 201 | 344 | 522 |
| Stable markets | 6,563 | DCF | 1.91 | 7.85 | 14.79 | 8.48 | 12.89 | 17.70 | 210 | 342 | 522 |
| Higher-yielding markets | 3,377 | DCF | 0.51 | 6.68 | 16.62 | 8.22 | 13.18 | 18.27 | 194 | 346 | 522 |
| Commercial assets | 240 | DCF | 1.00 | 7.91 | 27.00 | 4.00 | 6.89 | 13.21 | 1 | 335 | 11,308 |
| Leasehold | 213 | DCF | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Garages, parking spaces and other units | 378 | DCF | 0.00 | 0.00 | 0.00 | 38.72 | 82.14 | 100.88 | 44 | 44 | 45 |
| undeveloped land | 28 | Earnings/ reference value method | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 4 | 10 |
| Total portfolio (IAS 40)[1] | 18,102 | DCF | 0.51 | 7.79 | 27.00 | 4.00 | 19.86 | 100.88 | 0 | 314 | 11,308 |

[1] In addition, as at 31 December 2023, assets held for sale (IFRS 5) amounting to EUR 77.9 million are classified as Level 2 in the fair value hierarchy.

[2] Portfolio of the valued properties with a data cut-off date of 30 September 2023 as at the valuation date of 31 December 2023.

| INFORMATION ON THE MATERIAL UNOBSERVABLE INPUTS (LEVEL 3) UNDERLYING THE VALUATION | Measurement parameters | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 31.12.2023 | Stabilised vacancy rate in % | | | Discount rate in % | | | Capitalisation rate in % | | | Forecast rent development in % | | |
| | min | avg | max | min | avg | max | min | avg | max | min | avg | max |
| Residential property | | | | | | | | | | | | |
| High-growth markets | 1.0 | 1.8 | 6.0 | 3.1 | 4.7 | 8.7 | 2.3 | 4.9 | 11.7 | 1.3 | 1.6 | 1.9 |
| Stable markets | 1.5 | 2.7 | 9.0 | 3.3 | 4.8 | 9.9 | 1.8 | 5.5 | 12.2 | 1.1 | 1.4 | 1.9 |
| Higher-yielding markets | 1.5 | 4.5 | 9.0 | 3.5 | 4.6 | 8.0 | 2.9 | 5.9 | 13.0 | 1.0 | 1.3 | 1.6 |
| Commercial assets | 1.0 | 2.4 | 8.5 | 3.0 | 6.8 | 11.5 | 3.2 | 7.4 | 11.7 | 1.0 | 1.5 | 1.9 |
| Leasehold | 0.0 | 0.0 | 0.0 | 3.3 | 4.6 | 9.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Garages, parking spaces and other units | 0.0 | 0.0 | 0.0 | 4.2 | 4.7 | 6.1 | 3.0 | 7.5 | 12.7 | 1.0 | 1.4 | 1.9 |
| undeveloped land | 0.0 | 0.0 | 0.0 | 4.1 | 4.6 | 5.0 | 3.8 | 9.2 | 12.2 | 1.0 | 1.2 | 1.5 |
| Total portfolio (IAS 40)[1] | 1.0 | 3.1 | 9.0 | 3.0 | 4.7 | 11.5 | 1.8 | 5.7 | 13.0 | 1.0 | 1.4 | 1.9 |

[1] In addition, as at 31 December 2023, assets held for sale (IFRS 5) amounting to EUR 77.9 million are classified as Level 2 in the fair value hierarchy.

## 2. Property, plant and equipment

Property, plant and equipment is recognised at cost and depreciated on a straight-line basis over its expected useful life.

Depreciation is recognised using the following useful lives, which are applied uniformly throughout the Group:

| USEFUL LIFE OF PROPERTY, PLANT AND EQUIPMENT<br>in years | 2024 | 2023 |
|---|---|---|
| Owner-occupied residential properties | 80 | 80 |
| Owner-occupied commercial properties | 60 | 60 |
| Technical equipment and machinery/ other office and operating equipment | 3 to 23 | 3 to 23 |

Low-value assets with a net value of up to EUR 250.00 recognised as an expense immediately in the year of their acquisition. Assets with a net value of between EUR 250.01 and EUR 800.00 are written off in full in the year of their acquisition. Deviations from the economic life of the respective assets are considered immaterial.

## 3. Intangible assets

Purchased intangible assets are capitalised at cost. Such intangible assets are software licenses with a definite useful life. Software licenses are amortised on a straight-line basis over an expected economic life of between three and five years from the date on which they are provided.

## 4. Impairment of assets

Intangible assets and property, plant and equipment are tested for impairment in accordance with IAS 36 if there is an indication that an asset may be impaired. Impairment testing is performed at the level of individual assets. If largely independent future cash flows cannot be determined for individual assets, cash-generating units (CGUs) are formed as groups of assets whose future cash flows are interdependent.

Investment property is not subject to impairment testing in accordance with IAS 36 as it is recognised at fair value.

If the recoverable amount of an asset is lower than its carrying amount, an impairment loss is recognised immediately in profit or loss.

## 5. Other financial assets

LEG recognises financial assets as at the trade date.

LEG holds equity investments without control or significant influence and other equity investments that are classified as fair value through profit and loss in accordance with IFRS 9. They are measured at fair value on acquisition. Gains and losses on subsequent measurement at fair value are recognised in profit and loss. Please refer to Section D.18 for information on the calculation of fair value.

Subsidiaries and associates that are not consolidated or accounted for at equity as they are not material to the financial position and financial performance of the Group are recognised at fair value as at the end of the reporting period, or at cost if this cannot be reliably determined. Shares in unconsolidated subsidiaries or associates are not quoted on the stock market. The fair value of these shares cannot be reliably determined owing to the lack of an active market. There is currently no intention to sell these shares in the near future.

## 6. Accounting for leases as the lessee

In accordance with IFRS 16, a right-of-use asset and a lease liability are recognised at present value from the date at which the leased asset is available to LEG for use. The lease instalment is divided into a repayment portion and a financing portion. The finance costs are recognised in profit or loss over the term of the leases.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the term of the lease and the useful life of the asset. As LEG subsequently measures its investment property at fair value in accordance with IAS 40, the subsequent measurement of right-of-use assets for leasehold rights is also at fair value.

LEG's lease liabilities can include the present value of fixed lease payments less lease incentives to be received as well as variable lease payments linked to an index. Lease payments are discounted at the interest rate implicit in the lease, if this can be readily determined. Otherwise the incremental borrowing rate is used for discounting. This is calculated using a risk-free interest rate with terms of between one and 30 years and a risk premium matched to the specific maturity. This calculation of the incremental borrowing rate is also applied in subsequent measurement.

Right-of-use assets are measured at cost, which can consist of the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date less any lease incentives received. They are subsequently measured at amortised cost with the exception of leasehold rights, which are measured at fair value in accordance with IAS 40.

The practical expedients for short-term leases of less than twelve months are not used. The practical expedients are used for low-value lease assets, such as mobile phones. The payments are expensed in the income statement on a straight-line basis. Moreover, LEG has exercised the option not to separate the lease and the non-lease components. This essentially applies to leases for cars.

Some of LEG's property leases contain extension and termination options. These contractual conditions grant the Group the utmost operational flexibility with regard to its contract portfolio. The term of a lease is determined taking into account all facts and circumstances that create an economic incentive to exercise an extension or not to exercise an option. A contract term is only adjusted if the option is reasonably certain (not) to be exercised.

## 7. Accounting for leases as the lessor

Leases for residential properties grant tenants an option to terminate the agreement at short notice on the basis of the statutory regulations. In accordance with IFRS 16, these agreements are classified as operating leases as the significant risks and rewards remain with LEG. The same applies to the current agreements for commercial property.

Income from operating leases is recognised in the statement of comprehensive income in rental and lease income on a straight-line basis over the term of the respective leases.

## 8. Receivables and other assets

On initial recognition, receivables and other assets are carried at fair value plus transaction costs. Subsequent measurement is at amortised cost.

LEG uses the expected credit loss model for trade receivables, which mainly comprise rent receivables due and not yet due, as well as for operating and heating costs not yet invoiced, which are included in other financial assets, rent receivables and receivables from operating costs not yet invoiced. The simplified approach in accordance with IFRS 9 is selected and the expected credit losses over the term are taken into account.

## 9. Receivables and liabilities from operating costs not yet invoiced

At LEG, allocable operating costs not yet invoiced as at the end of the reporting period are reported under other receivables, less the amount of advances received from tenants for operating costs. Allocable costs eligible for capitalisation and advances received from tenants are reported net. A financial liability is reported if liabilities exceed assets.

## 10. Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, other short-term, highly liquid financial assets with original maturities of three months or less and bank overdrafts. Utilised bank overdrafts are shown in the statement of financial position in current financial liabilities.

## 11. Assets held for sale

In accordance with IFRS 5, assets held for sale consist solely of those assets for which a decision on disposal has been made as at the end of the reporting period, the disposal of the property within twelve months of the decision is considered to be highly likely and active marketing activities have been initiated.

The valuation of assets held for sale is carried out in accordance with IFRS 5 at the lower of carrying amount and fair value. In accordance with IFRS 5, assets held for sale are stated at the lower of carrying amount and fair value less costs to sell. Items of investment property classified as assets held for sale are measured at fair value in accordance with IAS 40.

## 12. Pension provisions

Pension and similar obligations result from commitments to employees. Obligations arising from defined benefit plans are measured in accordance with the projected unit credit method. Using this method, forecast future increases in salaries and benefits are taken into consideration in addition to benefits and entitlements known at the end of the reporting period. The biometric basis is provided by the 2018G Heubeck mortality tables.

The Group has both defined benefit and defined contribution plans. The amount of the pension benefits payable under defined benefit plans is based on the qualifying period of employment and the pensionable income.

In Germany, the regulatory framework is the *Betriebsrentengesetz* (Germany Company Pension Act), according to which pensions rise in line with the rate of inflation. LEG bears the actuarial risks, such as the longevity risk, the interest rate risk and the inflation risk. There are no additional plan-specific risks at LEG.

Remeasurement components in connection with defined benefit plans, which cover actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, are recognised in other comprehensive income in the period in which they arise. No past service costs were incurred in the reporting year or the previous year.

The interest effect included in pension expenses is shown in interest expenses in the consolidated statement of comprehensive income. Past service costs are shown under operating earnings in the individual functions.

## 13. Other provisions

Other provisions are recognised if LEG has a present legal or constructive obligation as a result of past events that is uncertain with regard to settlement or amount. They are recognised at the present value of the expected settlement amount.

Non-current provisions are carried at their discounted settlement amount as at the end of the reporting period on the basis of corresponding market interest rates with matching maturities.

## 14. Financial liabilities

On initial recognition, financial liabilities are carried at fair value plus transaction costs and adjusted for any premiums or discounts. The fair value at the grant date is the present value of future payment obligations based on a market interest rate with matching maturity and risk.

In subsequent periods financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is determined on initial recognition of the financial liability.

Changes in terms affecting the amount and timing of interest and principal payments result in the remeasurement of the carrying amount of the liability in the amount of the present value on the basis of the effective interest rate originally calculated. Any differences compared to the previous carrying amount are recognised in profit or loss. If changes in terms lead to significant differences in contractual conditions, the original liability is treated as if it had been repaid in full in accordance with IFRS 9. A new liability is subsequently recognised at fair value.

## 15. Derivative financial instruments

LEG has used interest rate hedging transactions to hedge interest rate risks arising from property financing.

Interest rate hedging transactions are recognised at fair value. Changes in the fair value of derivatives are recognised in profit or loss unless the respective instruments are designated as hedges in accordance with IFRS 9. Derivatives accounted for as hedging instruments are used to hedge uncertain future cash flows. LEG is exposed to future cash flow risks as a result of floating-rate financial liabilities in particular.

The effectiveness of the hedging relationships is determined using prospective assessments at the inception of the hedge and as at the end of the reporting period. It is checked whether the contractual terms of the hedged item match those of the hedging instrument and thus whether there is an economic relationship.

Changes in fair value are divided into an effective and an ineffective portion. Effectiveness is determined using the dollar offset method. The effective portion is the portion of the gain or loss on remeasurement that is recognised as an effective hedge against the cash flow risk. The effective portion, net of deferred taxes, is recognised directly in cumulative other reserves in equity. Hedge ineffectiveness can arise from embedded floors in loan agreements that are not matched in the associated swap and from the consideration of credit risk in the context of derivative measurement.

The ineffective portion of the gain or loss on remeasurement is reported in net finance costs in the consolidated statement of comprehensive income. The amounts recognised directly in equity are transferred to the consolidated statement of comprehensive income if gains or losses in connection with the underlying are recognised in profit or loss. In the event of the early termination of the hedge, the amounts recognised in equity are reclassified to profit or loss if gains or losses in connection with the underlying are recognised in profit or loss. If the underlying is terminated, the amounts remaining in other comprehensive income (OCI) are immediately recognised in profit or loss.

Furthermore, the convertible bonds contain several embedded and separable derivatives that are treated as a single compound derivative and are measured at fair value. Changes in fair value are recognised in the statement of comprehensive income through profit or loss.

## 16. Fair values of financial instruments

The fair values of financial instruments are determined on the basis of corresponding market values or measurement methods. For cash and cash equivalents and other short-term primary financial instruments, the fair value is approximately the same as the carrying amount at the end of the respective reporting period.

For non-current receivables, other assets and liabilities, the fair value is calculated on the basis of the forecast cash flows, applying the reference interest rates as at the end of the reporting period. The fair values of derivative financial instruments are calculated using the reference interest rates as at the end of the reporting period plus own risk or counterparty risk.

For financial instruments at fair value, the discounted cash flow method is used to determine fair value using corresponding quoted market prices, with individual credit ratings and other market conditions being taken into account in the form of standard credit and liquidity spreads when calculating present value. If no quoted market prices are available, the fair value is calculated using standard measurement methods applying instrument-specific market parameters.

When calculating the fair value of derivative financial instruments, the inputs for the measurement models are the relevant market prices and interest rates observed as at the end of the reporting period, which are obtained from recognised external sources. Accordingly, the derivatives are classified as Level 2 within the valuation hierarchy in accordance with IFRS 13.72 et seq. (valuation based on observable input data). Please refer to Section D.18.

Both the Group's own risk and the counterparty risk were taken into account in the calculation of the fair value of derivatives in accordance with IFRS 13.

## 17. Put options

LEG is the writer of several put options, under which non-controlling shareholders can tender their minority interests in companies controlled by LEG Immobilien SE to the respective LEG company.

As financial liabilities, put options are recognised at fair value. The liability is recognised against the equity attributable to the writer if material risks and rewards of the interest remain with the non-controlling shareholders. There is no additional reporting of the put options as independent derivatives in this case. They are subsequently measured at amortised cost using the effective interest method.

## 18. Calculation of fair value

Fair value measurement of investment property is assigned to Level 3 of the measurement hierarchy of IFRS 13.86 (measurement based on unobservable inputs). For the valuation of investment properties, we refer to the explanations in section D.1. With regard to the valuation of derivative financial instruments, see section D.16 and Section I.3.

The fair value hierarchy can be summarised as follows:

**FAIR VALUE HIERARCHY**

| | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| Investments properties | | | X |
| Financial liabilities | | X | |
| Other liabilities (particularly derivatives) | | X | |
| Shareholdings without control or significant influence | | X | |
| Equity investments in corporations and partnerships without control or significant influence | | | X |
| Properties held for sale | | X | |

There were no transfers between the levels of the fair value hierarchy in the reporting year.

Equity investments without control or significant influence are generally classified as Level 1 in the fair value hierarchy, as far as they are traded on an external market.

The shares allocated to the fair value hierarchy as Level 1 in the previous year were reclassified to Level 2 in the year under review (IFRS 13.77). Since it is not possible to reliably determine prices on the basis of the stock exchange price as before, the valuation of the shares will be based on the conditions of the share acquisition of Brack Capital Properties N.V in 2025.

The fair value of other equity investments is calculated using accepted valuation methodologies as there are no quoted prices on an active market for these equity investments. The fair value calculated using valuation models is allocated to Level 3 of the IFRS 13 measurement hierarchy. They are allocated to Level 3 on account of the use of inputs not observed on a market in the measurement model.

## 19. Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to LEG and the amount of the revenue can be measured reliably. The following recognition criteria must also be met in order for revenue to be recognised.

### a) Rental and lease income

LEG generates income from the rental and lease of properties. Rental income falls within the scope of IFRS 16 Leases and does not constitute a customer contract as referred to by IFRS 15.

Rental and lease income from properties for which the corresponding rental and lease agreements are classified as operating leases is recognised on a straight-line basis over the term of the respective lease. When incentives are provided to tenants, the cost of the incentive is recognised over the lease term as a reduction of rental and lease income.

Rental and lease income also includes tenant payments for utilities and service charges if the services have been provided. For allocable operating costs, there are isolated cases in which LEG qualifies as an agent under IFRS 15. The operating costs of cold water supply, draining and street cleaning, for which LEG operates predominantly as agent, are reported on a net basis. The other operating costs are reported on a gross basis. Please refer to Section F.1.

Revenue from operating costs is calculated on the basis of the costs incurred and corresponds to the contractually agreed transaction price. Advance payments for operating costs are due by the third day of the current month. Revenue is recognised over time (the given month). In the subsequent year, advance payments made for operating costs are offset against the amounts actually incurred. Excess advance payments received are reported under rental and lease liabilities. If the advance payments received are lower than the operating costs actually incurred, this is reported under receivables from rental and leasing activities.

The operating costs for property tax and insurance are recognised as part of rental income from operating leases on a straight-line basis over the term of the respective contracts in the income statement under rental income.

### b) Income from the disposal of property

LEG generates income from the disposal of property. Income from the disposal of property is recognised when control over the property is transferred to the buyer.

By contrast, income is not recognised if LEG assumes yield guarantees, grants a right of return to the buyer or enters into other material obligations with respect to the buyer that prevent a transfer of control to the buyer.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms can be agreed in rare circumstances, the deferral never exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.

### c) Income from other services

Income from other services covers income from services and third-party management as well as income from the generation of electricity and heat.

Income from other services is recognised as income for a period of time given that the customer directly receives and consumes the benefits provided by the service. The transaction price and its due date are based on the agreed contractual conditions.

### d) Interest and similar income

Interest income is recognised using the effective interest method in the period in which it arises.

## 20. Government grants

LEG receives public grants in the form of low-interest loans, redemption subsidies, and investment grants.

These loans at below-market rates are property loans and are reported as financial liabilities. They provide benefits compared to regular loans, such as lower interest rates or periods free of interest and principal payments. The existing loans were measured at market value and subsequently carried at amortised cost.

On initial recognition, new investment loans and loans at below-market rates are measured at their present value based on the applicable market interest rate at the grant date. The difference between the nominal amount and the present value of the loan is recognised as deferred income under other liabilities (see Section E.12). It is reversed on a straight-line basis over the remaining term of the corresponding loan, which is measured at amortised cost in subsequent periods.

Government grants for assets in the form of repayment and investment subsidies (subsidies) are also reported in the statement of financial position as deferred income under other liabilities. The grants generally relate to investments in investment properties measured at fair value. The reversal of the deferred income is recognised directly in profit or loss when all the primary conditions attaching to the grant are met. If there are primary conditions in the form of rent control, the deferred income is recognised in profit or loss pro rata over the duration of the condition.

## 21. Income taxes

The income tax expense represents the total of the current tax expense and the deferred tax expense.

LEG is subject to taxation in Germany. Some judgements have to be made in assessing income tax receivables and liabilities. It cannot be ruled out that the tax authorities will make a different assessment. The uncertainty this entails is taken into account by only recognising uncertain tax receivables and liabilities when LEG considers their probability of occurrence to be higher than 50 %. Any changes in judgements, e.g. due to final tax assessments, affect current and deferred tax items. The best estimate of the provisionally expected tax payment is used for recognised uncertain income tax items.

The current tax expense is calculated on the basis of the taxable income for the financial year. Taxable income differs from the consolidated net profit for the period, as shown in the consolidated statement of comprehensive income, due to income and expenses that are only taxable or tax-deductible in future periods, if at all. The Group's liabilities and provisions for current taxes are calculated on the basis of the applicable tax rates.

Deferred taxes are recognised for the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base for the purpose of calculating taxable income. Deferred tax liabilities are generally recognised for all taxable temporary differences, while deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilised or that there are deferred tax liabilities. Deferred tax assets also include reductions in taxes resulting from the expected utilisation of existing tax loss or interest carryforwards (or similar items) in subsequent periods if realisation is reasonably assured.

In addition, deferred taxes are recognised for so-called outside basis differences (“OBDs”), provided the relevant requirements are met. In accordance with IAS 12, a company must recognise deferred taxes (outside basis differences) for taxable and deductible temporary differences between the consolidated IFRS net assets and the carrying amount in the tax accounts of interests in subsidiaries, associates and joint arrangements under certain conditions.

Deferred tax liabilities and deferred tax assets are calculated on the basis of the tax rates (and tax legislation) that are expected to apply at the time the liability is settled or the asset is realised. This is based on the tax legislation in force or adopted by the Bundestag (Lower House of the German Parliament) and, where applicable, the Bundesrat (Upper House of the German Parliament) as at the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences arising from the manner in which the Group expects to settle the deferred tax liabilities or realise the deferred tax assets as at the end of the reporting period.

Current or deferred taxes are recognised in profit or loss unless they relate to items that are recognised in other comprehensive income or recognised directly in equity. In this case, the corresponding current and deferred taxes are recognised in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if the Group has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority and to the same taxable entity. In addition, only deferred taxes that relate to items of the statement of financial position with the same maturity are netted.

## 22. Judgements

Judgements must be made by management in the application of accounting policies. In particular, this applies to the following:

- For assets held for sale, it must be determined whether the assets can be sold in their present condition and whether their disposal can be considered highly likely within the meaning of IFRS 5. If this is the case, the assets and any corresponding liabilities are reported and measured as assets and liabilities held for disposal.
- It must be determined whether property should be classified as inventories or investment property depending on the intended use.
- Buildings that are both owner-occupied and used by third parties must be reported as separate assets in accordance with IAS 16 and IAS 40, unless the owner-occupied component is immaterial.
- In the context of portfolio acquisitions, non-controlling interests are reported if material risks and rewards lie with the minority shareholder.
- LEG’s leases can include extension and termination options. The term of a lease is determined taking into account all facts and circumstances that create an economic incentive to exercise an extension or not to exercise an option. A contract term is only adjusted if the option is reasonably certain (not) to be exercised.
- LEG cannot exercise significant influence over the financial and operating policy decisions of Brack Capital Properties N.V. due to the shareholding structure (IAS 28.6). The shares of Brack Capital Properties N.V. are therefore measured at fair value according to the regulations of IFRS 9 for equity instruments. The shares classified as Level 1 in the fair value hierarchy in the previous year have been reclassified to Level 2 in the financial year (IFRS 13.77). As it is not possible to determine a reliable price on the basis of the stock market price as before, the valuation of the shares is based on the conditions of the acquisition of shares in Brack Capital Properties N.V. as at 4 November 2024.

- There are master agreements between EnergieServicePlus GmbH and local energy suppliers for the supply of gas to residential properties as at the end of the reporting period. These contracts are classified as own-use exemption in accordance with IFRS 9 as at the end of the reporting period and are therefore treated as pending supply and sales agreements in accordance with IAS 37.
- The convertible bonds are classified and accounted for as short-term debt as a result of the issuer's contractual cash settlement option. There are several embedded and separable derivatives that are treated as a single compound derivative and carried at fair value. The underlying debt instrument is recognised at amortised cost.

## 23. Use of estimates

The preparation of IFRS consolidated financial statements requires assumptions and estimates that materially affect the carrying amounts of the assets and liabilities recognised, income and expenses and the disclosure of contingent liabilities.

Among other things, these assumptions and estimates relate to:

- Valuation of investment properties: in this context, the expected cash flows, the assumed vacancy rate, the remaining useful life of the properties, as well as the discount and capitalisation rates represent key valuation parameters. If market values cannot be derived directly from transactions for similar properties, they are measured using the DCF method, under which future cash flows are discounted to the end of the reporting period. These estimates involve assumptions concerning the future. In light of the large number of properties affected and their geographical distribution, individual measurement uncertainties are subject to statistical smoothing. Measurement is performed on the basis of publicly available market data (e.g. property market reports by expert committees, data from the service provider INWIS, etc.) and LEG's extensive knowledge of the respective regional submarkets. Due to the reduced number of comparable transactions, the determination of applicable discount and capitalisation rates may also involve estimates.
- Recognition and valuation of pension provisions and similar obligations: provisions for pensions and similar obligations are determined based on actuarial calculations. This determination is based on assumptions regarding interest rates, future wage and salary increases, mortality tables, and future pension increases.
- Accounting and valuation of other provisions: there are uncertainties regarding future price increases, as well as the amount, timing, and likelihood of utilisation of the respective provision.
- Valuation of financial liabilities: The assessment of future cash flows and any potential changes in terms are particularly important for the valuation of financial liabilities. Estimates of the company-specific risk premium are also required.
- Valuation of lease liabilities: assessments of the risk premium are required when determining the appropriate incremental borrowing rate for the lease term.
- Recognition of deferred tax assets: these are recognised to the extent that the realisation of future tax benefits is probable. The actual taxable income in future financial years, and hence the extent to which deferred tax assets can be utilised, can deviate from the estimates made when the deferred tax assets are recognised. Deferred tax assets for tax loss and interest carryforwards are recognised on the basis of future taxable income for a planning period of five financial years.
- Share-based payments (IFRS 2): Assumptions and estimates must be made regarding the development of performance indicators and employee turnover when accounting for stock option plans. They are calculated using option pricing models.
- When accounting for business combinations, all identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date. There is estimation uncertainty regarding the determination of these fair values. Land and buildings are internally measured on the basis of independent valuations. Technical equipment and machinery are measured at estimated replacement cost. Intangible assets are identified and measured based on the nature of the intangible asset and the complexity of determining their fair values using appropriate valuation techniques.

- Estimates are used to calculate the fair value of the other equity investments. In particular, these relate to the underlying parameters for calculating real estate assets.

Further information on the assumptions and estimates made can be found in the notes on individual items. All assumptions and estimates are based on the circumstances and assessments as at the end of the reporting period.

The estimation of future business development also takes into account the future economic environment that is currently assumed to be realistic in the industries and regions in which LEG operates.

While management believes that the assumptions and estimates used are appropriate, any unforeseen changes in these assumptions could affect the Group’s financial position and financial performance.

## 24. Share-based remuneration

LEG has share-based remuneration plans for the members of the Management Board of LEG Immobilien SE. In accordance with IFRS 2, the long-term incentive programme is a cash-settled share-based remuneration programme. Provisions for these obligations were recognised in the amount of the anticipated expense. The fair value of the options is determined using recognised financial models.

In addition, LEG provides its senior management with a share-based remuneration programme classified as a cash-settled share-based remuneration programme in accordance with IFRS 2. The provisions for these obligations are recognised in the amount of the anticipated expense, pro rata over the vesting period.

In addition, LEG has an employee share programme that is treated as a cash-settled share-based remuneration programme in accordance with IFRS 2. The expense was recognised in personnel costs in the current financial year.

Details of share-based remuneration can be found in Section I.6.

## E. Notes to the Consolidated Statement of Financial Position

### 1. Investment property

Investment properties developed as follows in the financial years 2024 and 2023:

**INVESTMENT PROPERTIES**

| EUR million | Total | Residential properties High-growth markets | Residential properties Stable markets | Residential properties Higher-yielding markets | Commercial properties | Garages, parking spaces and other units | Leaseholds | Undeveloped land |
|---|---|---|---|---|---|---|---|---|
| **Carrying amount as at 01.01.2024** | **18,101.8** | **7,298.5** | **6,554.4** | **3,376.6** | **240.3** | **378.2** | **213.0** | **40.7** |
| Acquisitions | 51.4 | 22.1 | 25.0 | - | 4.3 | 0.0 | - | 0.0 |
| Other additions | 244.8 | 78.4 | 97.3 | 60.0 | 7.6 | 0.3 | 1.2 | 0.0 |
| Reclassification to assets held for disposal | -347.6 | -173.7 | -95.5 | -51.4 | -11.1 | -14.8 | -0.8 | -0.3 |
| Reclassification from assets held for disposal | 29.6 | - | - | - | 25.8 | 1.9 | - | 1.9 |
| Reclassification to property, plant and equipment | -1.7 | - | - | -0.1 | -1.6 | - | 0.0 | - |
| Reclassification from property, plant and equipment | 0.3 | 0.1 | - | 0.1 | - | 0.2 | - | - |
| Adjustment of fair value | -225.3 | -64.3 | -68.1 | -65.7 | -9.9 | 6.2 | -25.6 | 2.1 |
| Disposals | - | - | - | - | - | - | - | - |
| Reclassification | - | 0.0 | -48.4 | - | 48.4 | -0.1 | 0.1 | - |
| **Carrying amount as at 31.12.2024** | **17,853.3** | **7,161.1** | **6,464.7** | **3,319.5** | **303.8** | **371.9** | **187.9** | **44.4** |

| | |
|---|---|
| **Valuation result as at 31 December 2024 (in EUR million)** | **-225.3** |
| - of this is attributable to properties held as at 31 December 2024 | -232.9 |
| - of this is attributable to properties disposed of by 31 December 2024: | 7.6 |

**INVESTMENT PROPERTIES**

| EUR million | Total | Residential properties High-growth markets | Residential properties Stable markets | Residential properties Higher-yielding markets | Commercial properties | Garages, parking spaces and other units | Leaseholds | Undeveloped land |
|---|---|---|---|---|---|---|---|---|
| **Carrying amount as at 01.01.2023** | **20,204.4** | **8,254.1** | **7,135.6** | **3,739.8** | **385.4** | **403.7** | **252.3** | **33.5** |
| Acquisitions | 169.7 | 91.4 | 61.6 | 0.0 | 4.2 | 6.5 | 5.4 | 0.5 |
| Other additions | 268.5 | 86.7 | 102.7 | 57.8 | 3.8 | 1.0 | - | 16.4 |
| Reclassification to assets held for disposal | -121.1 | -5.7 | -23.7 | -42.6 | -41.1 | -4.1 | 0.0 | -3.9 |
| Reclassification to property, plant and equipment | -10.0 | -2.3 | -1.1 | - | -6.5 | -0.1 | - | - |
| Reclassification from property, plant and equipment | 15.9 | 0.7 | 0.2 | 0.2 | 2.2 | 12.6 | 0.0 | 0.0 |
| Adjustment of fair value | -2,422.8 | -1,143.3 | -770.4 | -376.3 | -37.0 | -45.2 | -44.7 | -5.8 |
| Disposals | -2.8 | - | -0.5 | -2.3 | - | - | - | - |
| Reclassification | - | 16.9 | 50.0 | 0.0 | -70.7 | 3.8 | - | - |
| **Carrying amount as at 31.12.2023** | **18,101.8** | **7,298.5** | **6,554.4** | **3,376.6** | **240.3** | **378.2** | **213.0** | **40.7** |

| | |
|---|---|
| **Valuation result as at 31 December 2023 (in EUR million)** | **-2,422.8** |
| - of this is attributable to properties held in the portfolio as at 31 December 2023: | -2,427.2 |
| - of this is attributable to properties disposed of by 31 December 2023: | 4.4 |

Other additions in the financial year predominantly relate to capitalised investment in existing properties.

Investment property broke down as follows in the 2024 and 2023 financial years:

**COMPOSITION OF INVESTMENT PROPERTIES**

| | 31.12.2024 | | 31.12.2023 | |
|---|---|---|---|---|
| EUR million | Investment Properties | Properties held for sale | Investment Properties | Properties held for sale |
| Developed land | 17,318.4 | 136.4 | 17,598.8 | 71.0 |
| Undeveloped land | 44.4 | 0.3 | 40.7 | 3.9 |
| Other | 490.5 | 4.3 | 462.3 | 3.0 |
| **Total** | **17,853.3** | **141.0** | **18,101.8** | **77.9** |

The market developments observable as at the valuation date are reflected in the determination of fair values through appropriate valuation parameters and discount rates.

Sensitivities were as follows as at 31 December 2024:

**Sensitivity analysis**

| | | | Sensitivities in % | | | | | |
|---|---|---|---|---|---|---|---|---|
| 31.12.2024 | Gross assets value of the properties held as a financial investment EUR million | Valuation technique[2] | Admin-istrative costs +10 % | Admin-istrative costs -10 % | Stabi-lised vacancy rate +1 % pt | Stabi-lised vacancy rate -1 % pt | Mainte-nance costs +10 % | Mainte-nance costs -10 % |
| Residential property | | | | | | | | |
| High-growth markets | 7,161 | DCF | -0.7 | 0.7 | -1.6 | 1.6 | -1.7 | 1.7 |
| Stable markets | 6,465 | DCF | -0.9 | 0.9 | -1.7 | 1.7 | -2.1 | 2.2 |
| Higher-yielding markets | 3,319 | DCF | -1.2 | 1.2 | -1.9 | 1.9 | -2.8 | 2.8 |
| Commercial assets | 304 | DCF | -0.2 | 0.2 | -1.3 | 1.3 | -0.8 | 0.8 |
| Leasehold | 188 | DCF | - | - | - | - | - | - |
| Garages, parking spaces and other units | 372 | DCF | -0.8 | 0.6 | -0.9 | 0.9 | -1.8 | 1.7 |
| undeveloped land | 44 | Earnings/ reference value method | - | - | - | - | - | - |
| Total portfolio (IAS 40)[1] | 17,853 | DCF | -0.8 | 0.8 | -1.6 | 1.6 | -2.0 | 2.0 |

[1] In addition, as at 31 December 2024, assets held for sale (IFRS 5) amounting to EUR 141.0 million are classified as Level 2 in the fair value hierarchy.

[2] Portfolio of the valued properties with a data cut-off date of 30 September 2024 as at the valuation date of 31 December 2024.

| | Sensitivities in % | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 31.12.2024 | Capitalisation rate in +0.25 % | Capitalisation rate in -0.25 % | Discount rate +0.25 % | Discount rate -0.25 % | Market rent +2 % | Market rent -2 % | Forecast rent development for residential properties +0.2 % | Forecast rent development for residential properties -0.2 % |
| Residential property | | | | | | | | |
| High-growth markets | -3.1 | 3.5 | -5.1 | 5.5 | 0.9 | -0.9 | 3.9 | -3.6 |
| Stable markets | -2.7 | 3.0 | -4.5 | 4.8 | 1.7 | -1.7 | 3.3 | -3.1 |
| Higher-yielding markets | -2.5 | 2.8 | -4.2 | 4.6 | 2.0 | -1.8 | 3.0 | -2.8 |
| Commercial assets | -2.3 | 2.6 | -2.1 | 2.2 | 1.0 | -1.0 | 1.1 | -1.1 |
| Leasehold | - | - | -3.5 | 3.8 | - | - | - | - |
| Garages, parking spaces and other units | -1.4 | 1.5 | -4.6 | 4.9 | 1.7 | -1.8 | 2.3 | -2.2 |
| undeveloped land | - | - | - | - | - | - | - | - |
| Total portfolio (IAS 40)[1] | -2.8 | 3.1 | -4.6 | 5.0 | 1.4 | -1.4 | 3.4 | -3.1 |

[1] In addition, as at 31 December 2024, assets held for sale (IFRS 5) amounting to EUR 141.0 million are classified as Level 2 in the fair value hierarchy.

Sensitivities were as follows as at 31 December 2023

**Sensitivity analysis**

| | | | Sensitivities in % | | | | | |
|---|---|---|---|---|---|---|---|---|
| 31.12.2023 | Gross assets value of the properties held as a financial investment EUR million | Valuation technique[2] | Administrative costs +10 % | Administrative costs -10 % | Stabilised vacancy rate +1 % pt. | Stabilised vacancy rate -1 % pt. | Maintenance costs +10 % | Maintenance costs -10 % |
| Residential property | | | | | | | | |
| High-growth markets | 7,302 | DCF | -0.7 | 0.7 | -1.6 | 1.6 | -1.8 | 1.8 |
| Stable markets | 6,563 | DCF | -1.0 | 1.0 | -1.7 | 1.7 | -2.3 | 2.3 |
| Higher-yielding markets | 3,377 | DCF | -1.3 | 1.3 | -1.9 | 1.9 | -2.9 | 2.9 |
| Commercial assets | 240 | DCF | -0.2 | 0.2 | -1.2 | 1.2 | -0.8 | 0.8 |
| Leasehold | 213 | DCF | - | - | - | - | - | - |
| Garages, parking spaces and other units | 378 | DCF | -0.9 | 0.8 | -0.8 | 0.8 | -2.0 | 1.9 |
| undeveloped land | 28 | Earnings/ reference value method | - | - | - | - | - | - |
| Total portfolio (IAS 40)[1] | 18,102 | DCF | -0.9 | 0.9 | -1.7 | 1.7 | -2.2 | 2.2 |

[1] In addition, as at 31 December 2023, assets held for sale (IFRS 5) amounting to EUR 77.9 million are classified as Level 2 in the fair value hierarchy.
[2] Portfolio of the valued properties with a data cut-off date of 30 September 2023 as at the valuation date of 31 December 2023.

| Sensitivities in % | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 31.12.2023 | Capitalisation rate in +0.25 % | Capitalisation rate in -0.25 % | Discount rate +0.25 % | Discount rate -0.25 % | Market rent +2 % | Market rent -2 % | Forecast rent development for residential properties +0.2 % | Forecast rent development for residential properties -0.2 % |
| Residential property | | | | | | | | |
| High-growth markets | -3.2 | 3.6 | -5.3 | 5.7 | 0.9 | -0.9 | 4.0 | -3.6 |
| Stable markets | -2.8 | 3.1 | -4.6 | 5.0 | 1.7 | -1.7 | 3.4 | -3.1 |
| Higher-yielding markets | -2.5 | 2.8 | -4.4 | 4.7 | 1.8 | -1.8 | 3.1 | -2.9 |
| Commercial assets | -1.7 | 1.8 | -1.9 | 2.0 | 1.2 | -1.2 | 1.2 | -1.2 |
| Leasehold | - | - | -4.0 | 4.2 | - | - | - | - |
| Garages, parking spaces and other units | -1.2 | 1.3 | -4.9 | 5.2 | 1.5 | -1.6 | 2.1 | -2.0 |
| undeveloped land | - | - | -0.1 | 0.1 | - | - | - | - |
| Total portfolio (IAS 40)[1] | -2.8 | 3.2 | -4.8 | 5.2 | 1.4 | -1.4 | 3.5 | -3.2 |

[1] In addition, as at 31 December 2023, assets held for sale (IFRS 5) amounting to EUR 77.9 million are classified as Level 2 in the fair value hierarchy.

Some investment property is let under the terms of commercial rental agreements and leases. These rental agreements and leases typically have a term of ten years when entered into and contain extension options for a maximum of two times five years.

The Group also has land with third-party heritable building rights with an original contractual term that is generally between 75 and 99 years.

The rental agreements for residential properties concluded by LEG can generally be terminated by the tenant with a three-month notice period to the end of the month. Accordingly, fixed cash flows in the amount of rent for three months are expected from these rental agreements.

The following payment claims from minimum lease instalments under long-term leases for commercial properties are expected in the coming years based on the contracts in place as at 31 December 2024:

| PAYMENT CLAIM BASED ON MINIMUM LEASE INSTALMENTS FOR LONG-TERM LEASES | | | | | | | |
|---|---|---|---|---|---|---|---|
| EUR million | Remaining term < 1 year | Remaining term > 1 to 2 years | Remaining term > 2 to 3 years | Remaining term > 3 to 4 years | Remaining term > 4 to 5 years | Remaining term > 5 years | Total |
| 31.12.2024 | 26.8 | 17.6 | 13.4 | 11.2 | 9.2 | 50.9 | 129.1 |
| 31.12.2023 | 25.9 | 16.9 | 14.1 | 10.3 | 8.5 | 53.8 | 129.5 |

Investment property is used almost exclusively as collateral for financial liabilities – see also Section E.11.

## 2. Property, plant and equipment

The development of property, plant and equipment is shown in the consolidated statement of changes in assets (Annex I).

As at 31 December 2024, right-of-use assets from leases amounting to EUR 46.7 million (31 December 2023: EUR 15.3 million) are recognised under property, plant, and equipment and intangible assets. The right-of-use assets result from leased buildings, car leases, heat contracting, measurement and reporting technology, IT peripheral devices and software. Additions to right-of-use assets amounted to EUR 41.7 million in the reporting period.

| RIGHT-OF-USE ASSETS, LEASES<br>EUR million | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Right-of-use assets, land and buildings | 1.5 | 1.4 |
| Right-of-use assets, technical equipment and machinery | 37.9 | 9.0 |
| Right-of-use equipment, operating and office equipment | 6.1 | 4.5 |
| **Property, plant and equipment** | **45.5** | **14.9** |
| Right-of-use assets, software | 1.2 | 0.4 |
| **Intangible assets** | **1.2** | **0.4** |
| **Right-of-use assets from leases** | **46.7** | **15.3** |

## 3. Intangible assets

The development of intangible assets is shown in the consolidated statement of changes in assets (Annex I).

## 4. Other financial assets

Other financial assets are composed as follows:

| OTHER FINANCIAL ASSETS<br>EUR million | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Investments in affiliated unconsolidated entities | 0.1 | 0.1 |
| Other investments and investments in associates | 287.0 | 328.8 |
| Other financial assets | 13.2 | 26.5 |
| **Total** | **300.3** | **355.4** |

Details of other financial assets can be found in Section I.3.

## 5. Receivables and other assets

Receivables and other assets are composed as follows:

| RECEIVABLES AND OTHER ASSETS | | |
|---|---|---|
| EUR million | 31.12.2024 | 31.12.2023 |
| Trade receivables, gross | 83.0 | 83.0 |
| Impairment losses | -42.1 | -37.3 |
| **Total** | **40.9** | **45.7** |
| thereof attributable to rental and leasing | 27.2 | 32.6 |
| thereof attributable to the disposal of properties | 2.3 | 1.0 |
| thereof attributable to other receivables | 11.4 | 12.1 |
| thereof with a remaining term up to 1 year | 40.9 | 45.7 |
| thereof with a remaining term of 1 to 5 years | – | – |
| EUR million | 31.12.2024 | 31.12.2023 |
| Receivables from operating costs not yet invoiced | 29.9 | 25.4 |
| Loans | 9.9 | 4.5 |
| Other financial assets | 623.4 | 169.3 |
| Other non-financial assets | 41.1 | 33.1 |
| **Total** | **704.3** | **232.3** |
| thereof with a remaining term up to 1 year | 694.0 | 227.1 |
| thereof with a remaining term of more than 1 to 5 years | 10.3 | 5.2 |
| **Total receivables and other assets** | **745.2** | **278.0** |

Other financial assets include short-term investments amounting to EUR 607.4 million.

Details of receivables from related parties and companies can be found in Section I.7.

## 6. Cash and cash equivalents

| CASH AND CASH EQUIVALENTS | | |
|---|---|---|
| EUR million | 31.12.2024 | 31.12.2023 |
| Bank balances | 306.9 | 277.5 |
| Cash on hand | 0.0 | 0.0 |
| **Cash and cash equivalents** | **306.9** | **277.5** |
| Restricted balances | 1.1 | 2.2 |

Bank balances earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on LEG's immediate cash requirements. Cash and cash equivalents include balances with an intended purpose. These are reported as restricted balances.

## 7. Assets held for sale

| ASSETS HELD FOR SALE | | |
|---|---|---|
| EUR million | 2024 | 2023 |
| **Carrying amount as at 1 January** | **77.9** | **35.6** |
| Reclassification from investment property | 347.6 | 121.1 |
| Reclassification to investment properties | -29.6 | 0.0 |
| Reclassification from property, plant and equipment | 1.4 | 1.7 |
| Reclassification to property, plant and equipment | -1.7 | – |
| Disposal due to the sale of land and buildings | -256.7 | -80.5 |
| Other additions | 2.1 | 0.0 |
| **Carrying amount as at 31 December** | **141.0** | **77.9** |

Investment property was sold again in the financial year for the purposes of selective portfolio streamlining.

For information on reclassifications from investment property, please see Section E.1.

The item “Disposals due to the sale of land and buildings” includes developed and undeveloped land and residential and commercial buildings. The reclassification from investment properties primarily relates to individual sales as well as seven larger block sales. The disposals primarily relate to individual sales as well as five larger block sales (see Section E.1 for details).

See also Section F.3.

## 8. Equity

The change in equity components is shown in the statement of changes in equity.

### a) Share capital

The Management Board was authorised by a resolution of the Annual General Meeting on 19 August 2020, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 21,413,950 through the issuance of up to 21,413,950 new registered no-par value shares against cash and/or non-cash contributions, once or in several tranches, until 18 August 2025 (Authorised Capital 2020).

The share capital has been conditionally increased by up to EUR 35,689,918 through the issuance of up to 35,689,918 new registered no-par value shares (Conditional Capital 2013/2017/2018/2020).

On the basis of the authorisation granted in the Articles of Association dated 11 May 2020/ 19 August 2020/ 8 March 2021, the share capital was increased by EUR 743,682 to EUR 72,839,625 in the 2021 financial year. By resolution of the Supervisory Board dated 21 June 2021, Section 3 and 4 of the Articles of Association (Amount and Division of Share Capital, Authorised Capital) were amended.

Pursuant to the authorisation granted in Section 4(1) of the Articles of Association, the share capital was increased by EUR 1,269,651 to EUR 74,109,276. By way of resolution of the Supervisory Board on 14 June 2022, Sections 3 and 4 of the Articles of Association (Share Capital and Shares, Authorised Capital) were amended.

Pursuant to the authorisation granted in Section 4(1) of the Articles of Association, the share capital was increased by EUR 360,389 to EUR 74,469,665. By way of resolution of the Supervisory Board on 17 June 2024, Sections 3 and 4 of the Articles of Association (Share Capital and Shares, Authorised Capital) were amended.

Authorised Capital 2020 thus amounts to EUR 19,040,228.00.

As at 31 December 2024, the total number of average shares amounts to 74,296,478. The number of shares as at 31 December 2024 is 74,469,665 (31 December 2023: 74,109,276).

### b) Cumulative other reserves

The Group’s accumulated other reserves include retained consolidated equity and other reserves.

Retained consolidated equity consists of the results achieved by the companies included in the consolidated financial statements in past and current periods, to the extent that they have not been distributed.

Other reserves consist of adjustments to the fair values of hedging derivatives and actuarial gains and losses from the remeasurement of pension obligations.

In the financial year 2024, a dividend of EUR 181.6 million or EUR 2.45 per share (including EUR 28.3 million from the issue of new shares) was distributed to the company's shareholders in the form of a dividend for the year 2023.

For the 2024 financial year, the Management Board proposes a dividend distribution of EUR 201.1 million.

Other reserves include the annual guaranteed dividend of EUR 1.8 million to the minority shareholder of TSP-TechnikServicePlus GmbH.

The non-controlling interest in other comprehensive income amounts to EUR 0.0 million.

| NON-CONTROLLING INTEREST IN OTHER COMPREHENSIVE INCOME<br>EUR million | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Actuarial gains and losses from the measurement of pension obligations | 0.0 | 0.0 |
| Fair value adjustment | 0.0 | 0.0 |
| **Non-controlling interest in other comprehensive income** | **0.0** | **0.0** |

## 9. Pension provisions

In the current year, expenses for defined contribution plans amounted to EUR 7.6 million (31 December 2023: EUR 7.3 million). These essentially comprise contributions to the statutory pension scheme.

In connection with defined benefit plans, LEG uses actuarial calculations by actuaries to ensure that future developments are taken into account in the calculation of expenses and obligations. These calculations are based, among other things, on assumptions regarding the discount rate and future wage and salary developments.

In accordance with IAS 19, provisions for pensions for defined benefit plans are calculated on the basis of actuarial assumptions. The following parameters were applied in the 2024 and 2023 financial years:

| CALCULATION OF PROVISIONS FOR PENSIONS<br>in % | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Discount rate | 3.44 | 3.20 |
| Salary trend | 2.75 | 2.75 |
| Pension trend | 2.00 | 2.20 |

The present value of the obligation as at 31 December 2024 amounts to EUR 102.8 million. A change in the individual parameters, with the other assumptions remaining unchanged, would have affected the present value of the obligation as follows:

| SENSITIVITY OF PENSION PROVISIONS 2024<br>EUR million | Increase | Decrease |
|---|---|---|
| Discount rate (increase and decrease by 0.5 % pts.) | 97.4 | 108.8 |
| Salary trend (increase and decrease by 0.5 % pts.) | 103.3 | 102.4 |
| Mortality (increase and decrease by 10 %) | 99.2 | 106.8 |
| Pension trend (increase and decrease by 0.25 % pts.) | 105.2 | 100.6 |

The present value of the obligation was EUR 108.6 million as at 31 December 2023. A change in the individual parameters, with the other assumptions remaining unchanged, would have affected the present value of the obligation as follows:

| SENSITIVITY OF PENSION PROVISIONS 2023<br>EUR million | Increase | Decrease |
|---|---|---|
| Discount rate (increase and decrease by 0.5 % pts.) | 102.6 | 115.2 |
| Salary trend (increase and decrease by 0.5 % pts.) | 109.2 | 108.1 |
| Mortality (increase and decrease by 10 %) | 104.7 | 113.0 |
| Pension trend (increase and decrease by 0.25 % pts.) | 110.7 | 105.7 |

Increases or reductions in the discount rate, the salary trend, the pension trend and mortality do not affect the calculation of the defined benefit obligation (DBO) with the same absolute amount.

If several assumptions are changed at the same time, the total amount is not necessarily the same as the total of the individual effects resulting from the changes in assumptions. It should also be noted that the sensitivities reflect a change in the DBO only for the specific respective degree of the change in assumptions (e.g. 0.5 percentage points). If the assumptions change to a different extent this will not necessarily have a straight-line impact on the DBO.

The following table shows the development of pension obligations. In the absence of plan assets, the present value of the obligation in both years is the same as both the recognised provision and the plan deficit.

| DEVELOPMENT OF PENSION OBLIGATIONS | | |
|---|---|---|
| EUR million | 2024 | 2023 |
| **Present value of obligations as at 1 January** | **108.6** | **107.2** |
| Service cost | 0.7 | 0.7 |
| Interest expenses | 3.3 | 3.7 |
| Disposal due to sale | – | – |
| Payments | -6.6 | -6.6 |
| Remeasurement | -3.2 | 3.6 |
| thereof losses (gains) from experience adjustments | 1.6 | -1.3 |
| thereof losses (gains) from changes in financial assumptions | -4.8 | 4.9 |
| thereof losses (gains) from changes in demographic development | – | – |
| **Present value of obligations as at 31 December** | **102.8** | **108.6** |

The present value of the obligation is attributable to active eligible employees in the amount of EUR 22.8 million (31 December 2023: EUR 25.3 million), to vested former employees in the amount of EUR 6.6 million (31 December 2023: EUR 6.9 million), and to pensioners in the amount of EUR 73.4 million (31 December 2023: EUR 76.4 million).

For the year 2025, expected pension payments amount to EUR 6.8 million (previous year: EUR 6.7 million). The duration of the benefit obligation is 11.0 years (31 December 2023: 11.4 years).

## 10. Other provisions

Other provisions break down as follows:

| OTHER PROVISIONS | | |
|---|---|---|
| EUR million | 31.12.2024 | 31.12.2023 |
| Provisions for bonuses | 1.4 | 0.5 |
| Provisions for partial retirement | 1.6 | 1.8 |
| **Provisions for human ressources** | **3.0** | **2.3** |
| Construction book provisions | 1.7 | 1.5 |
| Provisions for other risks | 24.5 | 26.7 |
| Provisions for litigation risks | 0.7 | 1.2 |
| Provisions for leased properties | 0.1 | 0.1 |
| Provisions for year-end closing costs | 1.4 | 1.3 |
| Provisions for archiving | 0.6 | 0.7 |
| **Miscellaneous other provisions** | **29.0** | **31.5** |
| **Other provisions** | **32.0** | **33.8** |

Details of the development of provisions can be found in Annex II.

Construction book provisions contain amounts for outstanding measures and guarantees relating to project developments.

The provisions for other risks primarily relate to obligations from a former residential property development project involving 47 single-family houses, as well as compensation payments and disposal costs in connection with sales.

The cash outflows from the provisions are expected to amount to EUR 27.8 million (31 December 2023: EUR 30.4 million) within one year and EUR 6.0 million (31 December 2023: EUR 4.8 million) in the longer term.

## 11. Financing liabilities

Financing liabilities are composed as follows:

| Financing liabilities<br>EUR million | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Financing liabilities from real estate financing | 9,576.1 | 9,264.9 |
| Financing liabilities from lease financing | 142.5 | 110.9 |
| **Financing liabilities** | **9,718.6** | **9,375.8** |

Financing liabilities from real estate financing serve the financing of investment property.

In the consolidated financial statements of LEG Immobilien SE, financing liabilities from property financing amounting to EUR 9,576.1 million are recognised as at 31 December 2024 (31 December 2023: EUR 9,264.9 million).

In the 2024 financial year, a convertible bond with a nominal value of EUR 500.0 million was issued, which was increased by EUR 200.0 million in 2024 (EUR 655.0 million IFRS carrying amount). Two previously issued bonds were increased by EUR 100.0 million each (EUR 172.4 million IFRS carrying amount), and loans amounting to EUR 431.6 million were drawn down. This was offset by scheduled and unscheduled repayments of EUR 969.9 million and the amortisation of transaction costs.

Financing liabilities from real estate financing comprise the following capital market instruments as at the end of the reporting period:

| CAPITAL MARKET INSTRUMENTS AS AT 31 DECEMBER 2024<br>EUR million | IFRS carrying amount | Nominal value |
|---|---|---|
| Convertible bond 2024/2030 | 655.0 | 700.0 |
| Convertible bond 2020/2028 | 538.0 | 550.0 |
| Convertible bond 2017/2025 | 399.5 | 400.0 |
| Corporate bond 2022/2029 | 677.3 | 700.0 |
| Corporate bond 2022/2026 | 500.6 | 500.0 |
| Corporate bond 2022/2034 | 502.2 | 500.0 |
| Corporate bond 2021/2033 | 680.7 | 700.0 |
| Corporate bond 2021/2031 | 673.5 | 700.0 |
| Corporate bond 2021/2032 | 493.9 | 500.0 |
| Corporate bond 2019/2034 | 296.6 | 300.0 |
| Corporate bond 2019/2027 | 498.2 | 500.0 |

The convertible bonds were classified and recognised entirely as current liabilities due to the issuer's contractual cash settlement option. There are several embedded and separable derivatives that are treated as a single compound derivative and carried at fair value. The underlying debt instrument is recognised at amortised cost.

The equity interests in individual companies and rent receivables serve as security for some loan agreements. The expected rent pledged as security amounted to EUR 532.6 million in the 2023 financial year 2024 (31 December 2023: EUR 578.3 million).

In addition to security in the form of land charges, potential receivables from buildings insurance have been pledged to the creditors of the respective land charges. By contrast, the security provided in the form of pledged rent receivables is increased by the corresponding receivables for incidental costs. For certain loan agreements there are also additional surety bonds and the joint and several liabilities of LEG companies to the respective bank. Existing loan liabilities amounting to EUR 3,352.4 million (31 December 2023: EUR 3,792.3 million) are secured by land charges.

The increase in financial liabilities from lease financing by EUR 31,6 million in the reporting year is primarily due to the rise in lease liabilities for heat contracting. For lease agreements already concluded but commencing after the reporting date, potential future cash outflows of EUR 1.3 million (31 December 2023: EUR 1.1 million) are expected.

### a) Financial liabilities from real estate financing

The maturities shown in the consolidated financial statements are based on the contractually agreed maturities.

The remaining terms of financial liabilities from real estate financing are composed as follows:

**REMAINING TERM OF FINANCIAL LIABILITIES FROM PROPERTY FINANCING**

| EUR million | Remaining term < 1 year | Remaining term > 1 to 5 years | Remaining term > 5 years | Total |
|---|---|---|---|---|
| 31 December 2024 | 1,912.1 | 3,660.9 | 4,003.1 | **9,576.1** |
| 31 December 2023 | 1,364.2* | 3,525.0* | 4,375.7 | **9,264.9** |

* Previous year's figure adjusted.

The main driver of the change in the distribution of maturities compared to 31 December 2023 is the remaining term of two corporate bonds, which led to an increase in financial liabilities with a medium remaining term and a corresponding reduction in financial liabilities with a long term. In contrast, the value date of two corporate bonds and other loans increased both medium-term and long-term financial liabilities. The realisation of a convertible bond led to an increase in current financial liabilities.

Due to the amendment of IAS 1, there was a reclassification of financial liabilities from the medium-term to the short-term category. The convertible bonds are classified as debt capital due to the cash settlement option on the part of LEG. In accordance with the amendment to IAS 1.69 in conjunction with IAS 1.76 A/B, the liabilities from convertible bonds are presented as current liabilities, as the instrument can technically be converted at any time. The reclassification of maturities must be made independently of the economic perspective.

As a result of the issued convertible bonds, this leads to a reclassification of EUR 1,184.4 million as at 31 December 2024 (31 December 2023: EUR 925.7 million) from the medium-term and long-term categories to current financial liabilities.

The reclassification of residual terms in accordance with IAS 1 has no impact on the contractually defined residual terms of the financial liabilities entered into.

### b) Financial liabilities from lease financing

Financial liabilities from lease financing are composed as follows:

**REMAINING TERM OF FINANCIAL LIABILITIES FROM LEASE FINANCING**

| EUR million | Remaining term < 1 year | Remaining term > 1 to 5 years | Remaining term > 5 years | Total |
|---|---|---|---|---|
| 31 December 2024 | 9.9 | 20.4 | 112.2 | **142.5** |
| 31 December 2023 | 7.2 | 13.8 | 89.9 | **110.9** |

## 12. Other liabilities

Other liabilities are composed as follows:

| Other liabilities<br>EUR million | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Derivative financial instruments | 66.3 | 22.3 |
| Advanced payments received | 22.9 | 39.9 |
| Trade payables | 122.4 | 150.2 |
| Rental and lease liabilities | 36.7 | 25.2 |
| Liabilities to employees | 23.8 | 20.5 |
| Liabilities from operating costs | 1.6 | -0.4 |
| Interest benefit recognised as a liability | 25.0 | 23.6 |
| Other liabilities | 89.8 | 92.6 |
| **Other liabilities** | **388.5** | **373.9** |
| thereof with a remaining term up to 1 year | 312.2 | 284.4 |
| thereof with a remaining term of more than 1 to 5 years | 41.6 | 43.0 |
| thereof with a remaining term of more than 5 years | 34.7 | 46.6 |

The main drivers of the increase in other liabilities are derivative financial instruments. This includes the embedded derivatives from the convertible bonds, whose market values have increased, particularly due to the issuance of the new convertible bond.

## 13. Deferred tax assets and liabilities

Deferred tax assets and liabilities result from temporary differences between the IFRS and tax carrying amounts, from tax loss carryforwards, interest carryforwards and from grant carryforwards and break down as follows:

| DEFERRED TAX ASSETS AND LIABILITIES | 31.12.2024 | | 31.12.2023 | |
|---|---|---|---|---|
| EUR million | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| **Non-current assets** | | | | |
| Investments properties | 25.3 | 2,024.1 | 36.2 | 1,969.9 |
| Other non-current assets | 4.2 | 16.4 | 3.0 | 11.9 |
| **Current assets** | 7.6 | 5.1 | 3.4 | 4.3 |
| **Non-current liabilities** | | | | |
| Pension provisions | 10.5 | – | 12.7 | – |
| Other provisions | 0.3 | 0.2 | 0.3 | 0.3 |
| Other non-current liabilities | 38.7 | 10.8 | 35.9 | 12.7 |
| **Current liabilities** | | | | |
| Other provisions | 0.1 | 0.6 | 0.1 | 0.4 |
| Other current liabilities | 3.6 | 20.9 | 3.0 | 26.5 |
| **Total deferred taxes from temporary differences** | **90.3** | **2,078.1** | **94.6** | **2,026.0** |
| Deferred taxes on tax loss, interest, and grant carryforwards | 61.6 | – | 55.9 | – |
| **Total deferred taxes** | **151.9** | **2,078.1** | **150.5** | **2,026.0** |
| Netting | 139.6 | 139.6 | 111.8 | 111.8 |
| **Carrying amount** | **12.3** | **1,938.5** | **38.7** | **1,914.2** |

The deferred taxes from non-current assets and non-current liabilities in the table above are expected to reverse more than twelve months after the end of the reporting period.

| DEFERRED TAXES FROM LOSSES, INTEREST, AND GRANT CARRYFORWARDS | | |
|---|---|---|
| EUR million | 31.12.2024 | 31.12.2023 |
| Corporation tax | 19.9 | 16.9 |
| Trade tax | 41.7 | 39.0 |
| **Total** | **61.6** | **55.9** |

Deferred tax assets on loss carryforwards are recognised in the same amount as deferred tax liabilities from temporary differences. No deferred tax assets were recognised on tax loss and interest carryforwards of EUR 844.0 million as at the end of the reporting period (31 December 2023: EUR 840.0 million).

Interest expenses are tax-deductible up to the amount of interest income. Above and beyond this amount, deductibility is limited to 30 % of taxable EBITDA for the financial year (interest barrier), unless the exemption limit or the equity escape clause apply.

Deferred tax assets are only recognised for interest carried forward to the extent that it is probable that the interest expenses can be utilised in subsequent financial years. Due to the effective conclusion of profit transfer agreements between the asset-holding subsidiaries and the Group company LEG NRW GmbH, and the resulting corporate and trade tax consolidation, the interest barrier rule does not apply within the consolidated group of LEG NRW GmbH, as was the case in the previous year.

| DEFERRED TAX ASSETS ON GRANT CARRYFORWARDS in accordance with Section 10b EStG | | |
|---|---|---|
| EUR million | 31.12.2024 | 31.12.2023 |
| Corporation tax | 1.4 | 3.0 |
| Trade tax | 1.4 | 2.9 |
| **Total** | **2.8** | **5.9** |

An active deferred tax asset of EUR 2.8 million (31 December 2023: EUR 5.9 million) was recognised in the past financial year on a carryforward of grants in accordance with Section 10b EStG. The grant carryforward is vested.

In the past financial year, the neutral valuation of derivative financial instruments within hedging relationships resulted in an equity-increasing effect of EUR 1.8 million (31 December 2023: EUR 6.0 million equity-increasing). Additionally, actuarial gains and losses led to an equity-reducing effect of EUR 0.9 million (31 December 2023: EUR 1.1 million equity-increasing). As at the reporting date, the amount of deferred tax assets recognised directly in equity was EUR 6.8 million (31 December 2023: EUR 5.9 million deferred tax assets).

No deferred tax liabilities were recognised on temporary differences in connection with shares in subsidiaries and associates that are not expected to reverse in the foreseeable future in accordance with IAS 12.39 of EUR 118.9 million (31 December 2023: EUR 118.1 million).

## F. Notes to the Consolidated Statement of Comprehensive Income

### 1. Revenue

LEG generates revenue from the transfer of goods and services both over time and at a point in time from the following areas:

| REVENUE<br>2024<br>EUR million | Rental and lease income | Income from the disposal of investment properties | Income from other services |
|---|---|---|---|
| **Timing of revenue recognition** | | | |
| At a point in time | – | 255.2 | 15.5 |
| Over time | 1,303.3 | – | – |
| **Total** | 1,303.3 | 255.2 | 15.5 |

| REVENUE<br>2023<br>EUR million | Rental and lease income | Income from the disposal of investment properties | Income from other services |
|---|---|---|---|
| **Timing of revenue recognition** | | | |
| At a point in time | – | 80.3 | 48.6 |
| Over time | 1,240.9 | – | – |
| **Total** | 1,240.9 | 80.3 | 48.6 |

The following overview summarises the assessment of whether a contract with a customer satisfied the definition of IFRS 15 and whether LEG qualifies as a principal (gross revenue) or an agent (net revenue) in sales:

| ALLOCABLE OPERATING COSTS<br>EUR million | Principal/agent relations as per IFRS 15 | 2024 | 2023 |
|---|---|---|---|
| Operating costs – Land tax | - | 31.9 | 32.1 |
| Operating costs – Cold water supply | Agent/Principal | 49.5 | 45.1 |
| Operating costs – Drainage | Agent/Principal | 32.8 | 29.9 |
| Operating costs – Hot water supply | Principal | 0.7 | 0.6 |
| Operating costs – Lifts | Principal | 3.9 | 4.3 |
| Operating costs – Waste disposal | Principal | 55.5 | 51.6 |
| Operating costs – Pest control | Principal | 1.3 | 1.3 |
| Operating costs – Gardening | Principal | 28.3 | 25.8 |
| Operating costs – Chimney sweep | Principal | 1.9 | 1.8 |
| Operating costs – Caretaker | Principal | 1.3 | 1.3 |
| Operating costs – Property and liability insurance | - | 90.9 | 78.6 |
| Operating costs – Washing facilities | - | 0.0 | 0.0 |
| Operating costs – Smoke alarms | - | 0.0 | 0.1 |
| Operating costs – Heating costs/heat supply | Principal | 46.5 | 52.2 |
| Operating costs – Street cleaning/winter services | Agent/Principal | 9.0 | 11.0 |
| Operating costs – Building cleaning | Principal | 14.0 | 12.1 |
| Operating costs – Lighting | Principal | -0.4 | 2.0 |
| Operating costs – Cable and TV multimedia | Principal | 3.2 | 4.5 |

In the financial year 2024, LEG generated allocable operating costs as an agent amounting to EUR 79.3 million (previous year: EUR 78.0 million).

### Assets and liabilities from contracts with customers

| ASSETS AND LIABILITIES FROM CONTRACTS WITH CUSTOMERS | | |
|---|---|---|
| EUR million | 2024 | 2023 |
| Current contract assets from operating costs | 29.5 | 25.4 |
| Impairment losses on operating costs | 7.1 | 6.5 |
| **Total contract assets** | **36.6** | **31.9** |
| Current contract liabilities from operating costs | 19.0 | 24.6 |
| **Total contract liabilities** | **19.0** | **24.6** |

## 2. Net operating income

| NET INCOME FROM RENTAL AND LEASING | | |
|---|---|---|
| EUR million | 2024 | 2023 |
| Net cold rent | 859.4 | 834.3 |
| Profits from operating expenses | -13.2 | -21.8 |
| Maintenance for externally procured services | -106.1 | -99.3 |
| Personnel expenses (rental and lease) | -115.1 | -109.0 |
| Allowances on rent receivables | -17.1 | -16.4 |
| Depreciation and amortisation expenses | -15.2 | -13.5 |
| Other | 33.8 | 7.3 |
| **Net operating income** | **626.5** | **581.6** |
| **Net operating income margin (in %)** | **72.9** | **69.7** |
| Non-recurring special items (rental and lease) | 6.9 | 7.6 |
| Depreciation and amortisation expenses | 15.2 | 13.5 |
| Maintenance for externally procured services | 106.1 | 99.3 |
| Subsidies recognised in profit or loss | -21.0 | -2.2 |
| Own work capitalised | -15.0 | -16.0 |
| **Net income from rental and leasing (adjusted)** | **718.7** | **683.8** |
| **Net operating income margin (adjusted in %)** | **83.6** | **82.0** |

Net operating income increased by EUR 44.9 million in the financial year compared to the corresponding period. A key driver of this development is the increase in net cold rents by EUR 25.1 million. Like-for-like rent per square metre rose by 3.4 % year on year. In addition, the subsidies recognised in profit or loss contribute to an increase in the "Other" category by EUR 26.5 million. Offsetting effects include the increase in maintenance expenses for externally sourced services by EUR 6.8 million, as well as the rise in personnel expenses from rental and lease by EUR 6.1 million due to tariff increases and additional inflation compensation bonuses.

The adjusted net operating Income (NOI) margin increased from 82.0 % to 83.6 % compared to the corresponding period.

Net operating income includes the following depreciation expenses for right-of-use assets from leases in the reporting period:

| DEPRECIATION AND AMORTISATION EXPENSE ON LEASES | | |
|---|---|---|
| EUR million | 2024 | 2023 |
| Right-of-use assets, buildings | 0.3 | 0.2 |
| Right-of-use assets, technical equipment and machinery | 4.2 | 3.6 |
| Right-of-use equipment, operating and office equipment | 2.8 | 2.9 |
| **Depreciation and amortisation expenses on leases** | **7.3** | **6.7** |

During the reporting period, the income from rental and leasing also includes expenses for lease agreements with a low-value asset amounting to EUR 0,6 million (previous year: EUR 0,6 million).

## 3. Earnings from the disposal of investment properties

Earnings from the disposal of investment properties breaks down as follows:

| EARNINGS FROM THE DISPOSAL OF INVESTMENT PROPERTIES<br>EUR million | 2024 | 2023 |
|---|---|---|
| Income from the disposal of investment properties | 255.2 | 80.3 |
| Carrying amount of the disposal of investment properties | -256.7 | -80.6 |
| Costs of sales of investment properties sold | -4.9 | -1.4 |
| **Earnings from the disposal of investment properties** | **-6.4** | **-1.7** |

The income from disposals amounts to EUR 255.2 million (previous year: EUR 80.3 million) and mainly relate to a larger block sale, for which the contract was concluded in the 2023 financial year, but the transfer of ownership only took place in the 2024 financial year.

In addition, four larger block sales were completed, with contracts concluded in the 2024 financial year and the transfer of ownership also taking place in the 2024 financial year.

See also Section E.7.

## 4. Earnings from the remeasurement of investment property

The earnings from the valuation of investment properties for the financial year amounts to EUR -225.3 million (previous year: EUR -2,422.8 million). Based on the property portfolio at the beginning of the financial year (EUR 18,101.8 million) and considering the assessed acquisitions (EUR 40.1 million, exclusively from completed new construction projects), this corresponds to a decline of -1.2 % in the financial year (previous year: -11.9 %).

The average value of residential investment properties (including IFRS 5 assets and acquisitions) as at 31 December 2024 is EUR 1,629 per sqm (previous year: EUR 1,619 per sqm).

In response to inflation developments, the European Central Bank reduced the deposit facility rate, its key interest rate, in four steps from 4.00 % to 3.00 % over the course of 2024. The corresponding effects on capital costs, with the typical delay characteristic of real estate markets, led to a significantly lower increase in discount rates for the valuation of investment properties compared to the previous year. The average discount rate for the property portfolio was 5.1 % as at 31 December 2024 (31 December 2023: 4.7 %).

## 5. Net income from other services

Net income from other services is composed as follows:

| NET INCOME FROM OTHER SERVICES<br>EUR million | 2024 | 2023 |
|---|---|---|
| **Income from other services** | **15.5** | **48.6** |
| Purchased services | -5.1 | -7.4 |
| Other operating expenses | -2.3 | -3.2 |
| Personnel costs | -1.2 | -1.3 |
| Depreciation and amortisation expenses | -0.6 | -0.4 |
| **Expenses in connection with other services** | **-9.2** | **-12.3** |
| **Net income from other services** | **6.3** | **36.3** |

Other services include the generation of electricity and heat, IT services for third parties and management services for third-party properties.

Compared to the previous year, the operating earnings of electricity generation could not be achieved due to the significantly lower price levels.

## 6. Administrative and other expenses

Administrative and other expenses are composed as follows:

| ADMINISTRATIVE AND OTHER EXPENSES | | |
|---|---|---|
| EUR million | 2024 | 2023 |
| Other operating expenses | -31.3 | -16.5 |
| Personnel costs (administration) | -36.4 | -35.2 |
| Purchased services | -2.1 | -2.7 |
| Depreciation and amortisation expenses | -5.7 | -3.3 |
| **Administrative and other expenses** | **-75.5** | **-57.7** |

The other operating expenses contained in the table above are composed as follows:

| BREAKDOWN OF OTHER OPERATING EXPENSES | | |
|---|---|---|
| EUR million | 2024 | 2023 |
| Legal and consulting costs | -12.3 | -6.9 |
| Rental and other expenses for business premises | -2.5 | -2.3 |
| Annual financial statement, accounting and audit expenses | -2.5 | -2.3 |
| Postage, telecommunications and IT expenses | -0.3 | -0.4 |
| Temporary staff | -0.1 | -0.1 |
| Vehicles | -0.9 | -0.6 |
| Travel expenses | -1.2 | -1.3 |
| Advertising expenses | -0.4 | -0.3 |
| Other expenses | -11.1 | -2.3 |
| Other | 0.0 | 0.0 |
| **Other operating expenses** | **-31.3** | **-16.5** |

The increase in other operating expenses compared to the previous year is partly due to incidental costs incurred in connection with the acquisition of the BCP companies.

Administrative and other expenses include the following depreciation expenses for right-of-use assets from leases in the reporting period:

| DEPRECIATION AND AMORTISATION EXPENSE ON LEASES | | |
|---|---|---|
| EUR million | 2024 | 2023 |
| Right-of-use assets, buildings | 0.4 | 0.4 |
| Right-of-use equipment, operating and office equipment | 0.3 | 0.3 |
| Right-of-use assets, software | 2.5 | 0.3 |
| **Depreciation and amortisation expenses on leases** | **3.2** | **1.0** |

During the reporting period, expenses for lease agreements involving a low-value asset amounted to EUR 0.1 million (previous year: EUR 0.1 million).

## 7. Net interest income

Net interest income breaks down as follows:

| INTEREST INCOME | | |
|---|---|---|
| EUR million | 2024 | 2023 |
| Interest income from bank balances | 14.5 | 5.4 |
| Income from loans | 0.7 | 0.1 |
| Interest income from discounting | 0.8 | 3.0 |
| Other interest income | 7.6 | 7.9 |
| **Interest income** | **23.6** | **16.4** |

Interest income increased by EUR 7.2 million year-on-year to EUR 23.6 million. The increase in interest income is essentially due to higher interest rates for cash investments.

| INTEREST EXPENSES<br>EUR million | 2024 | 2023 |
|---|---|---|
| Interest expenses from real estate and bond financing | -154.0 | -135.7 |
| Interest expenses from loan amortisation | -32.1 | -19.9 |
| Prepayment penalties | – | 0.0 |
| Interest expense from interest rate derivatives for real estate financing | – | -0.1 |
| Interest expense from changes in pension provisions | -3.4 | -3.7 |
| Interest expenses from the accretion of other liabilities | -1.7 | -0.7 |
| Interest expenses from lease financing | -2.9 | -2.5 |
| Other interest expenses | -2.7 | -2.4 |
| **Interest expenses** | **-196.8** | **-165.0** |

Interest expenses increased by EUR -31.8 million year-on-year to EUR -196.8 million. The increase in interest expenses is mainly due to interest expenses from disbursements in the financial year.

## 8. Net income from other investment securities and other equity investments

The result from other financial assets and other investments, amounting to EUR -44.2 million, is attributable to the valuation of the investment in Brack Capital Properties N.V. at fair value. Offsetting this effect is the fair value change of other investments and investment income amounting to EUR 11.2 million.

## 9. Earnings from the fair value measurement of derivatives

The gains and losses on the remeasurement of standalone derivatives and the ineffective portion of interest hedging instruments are reported in net income from the fair value measurement of derivatives.

In the past financial year, the earnings from the fair value measurement of derivatives amounted to EUR 3,4 million (previous year: EUR -8,6 million).

During the reporting period, the earnings from the fair value measurement of derivatives primarily stems from market value changes in embedded derivatives from convertible bonds, amounting to EUR 3.4 million (previous year: EUR -7.4 million).

## 10. Income taxes

Income tax expense and income are broken down by origin as follows:

| INCOME TAXES<br>EUR million | 2024 | 2023 |
|---|---|---|
| Current income taxes | -2.4 | -6.2 |
| Deferred taxes | -51.5 | 423.7 |
| **Income taxes** | **-53.9** | **417.5** |

Based on the consolidated net profit before income taxes and the expected income taxes, the reconciliation to current income taxes is as follows:

| INCOME TAXES<br>EUR million | 2024 | 2023 |
|---|---|---|
| IFRS earnings before income taxes | 122.8 | -1,982.3 |
| Group tax rate in % | 31.6 | 31.6 |
| **Expected income taxes** | **-38.9** | **627.3** |
| Reduction in taxes due to tax-free income and off-balance sheet deductions | 6.1 | -149.1 |
| Additional taxes due to non-deductible expenses and off-balance sheet additions | -8.3 | -18.1 |
| Tax effect due to deferred tax assets on loss/interest carryforwards and non-recognition of deferred tax assets due to lack of recoverability | 1.9 | 15.2 |
| Tax effect from goodwill impairment | – | – |
| Income tax relating to prior periods | -1.6 | 1.5 |
| Tax decreases/increases due to changes in tax rate | -11.3 | -64.2 |
| Other | -1.8 | 4.9 |
| **Income taxes as per statement of comprehensive income** | **-53.9** | **417.5** |
| Effective tax rate in % | 43.9 | 21.1 |

The tax rate applied to determine the expected income taxes takes into account the current and, based on current legislation, expected future tax rates, including a corporate income tax rate of 15.0 %, a solidarity surcharge of 5.5 % on corporate income tax, and a trade tax rate of 15.8 %, calculated based on an assessment rate of 3.5 % and a weighted average municipal multiplier of 452 %.

The Group has applied the temporary exemption from the accounting requirements for deferred taxes in IAS 12 published by the IASB in May 2023. Accordingly, no deferred taxes are reported in relation to income taxes under the Pillar Two rules, and no related information has been disclosed.

Under the German Act on Global Minimum Taxation (German Minimum Taxation Act), Germany adopted the Pillar Two rules into its national tax law effective 1 January 2024. This law requires businesses to pay top-up tax on profits taxed at a low rate upwards of a certain amount. This applies to enterprise groups whose revenue has reached a level of EUR 750 million in at least two of the four preceding financial years. However, a five-year exemption is intended for enterprise groups with minor international activities. Such an activity exists if the corporate group has business units in no more than six tax jurisdictions and the total value of all tangible assets of business units located outside the reference tax jurisdiction does not exceed EUR 50 million.

In 2024, the LEG Group has consolidated revenue exceeding EUR 750 million and operates a subsidiary in the Netherlands as well as joint ventures with permanent establishments in Austria and Switzerland. Consequently, the LEG Group generally falls within the scope of the Minimum Tax Act and is subject to taxation under Section 1 of the Minimum Tax Act. However, due to the Group's limited international activity, no minimum tax should apply in the first five years, as the tax exemption under Section 83 of the Minimum Tax Act is applicable based on the current status.

The Group's current tax expense (income) in connection with income taxes under the Pillar 2 rules amounts to EUR 0 million.

## 11. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the shareholders by the average number of shares outstanding during the financial year.

Due to the granting of share dividends for the 2023 financial year, a capital increase was carried out on 24 June 2024. A total of 360,389 new shares were issued.

| EARNINGS PER SHARE – BASIC | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Net profit or loss attributable to shareholders in EUR million | 66.0 | -1,568.7 |
| Average numbers of shares outstanding | 74,296,478 | 74,109,276 |
| **Earnings per share (basic) in EUR** | **0.89** | **-21.17** |

| EARNINGS PER SHARE – DILUTED<br>EUR million | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Net profit or loss attributable to shareholders | 66.0 | -1,568.7 |
| Convertible bond coupon after taxes | 4.2 | 4.5 |
| Income statement effect of measurement of derivatives convertible bonds after taxes | -3.4 | 7.5 |
| Amortisation expenses of convertible bonds after taxes | 6.5 | 4.8 |
| Net profit or loss for the period for diluted earnings per share | 73.3 | -1,551.9 |
| Average weighted number of shares outstanding | 74,296,478 | 74,109,276 |
| Number of potentially new shares in the event of convertible bonds being exercised | 8,618,561 | 7,112,329 |
| Number of shares for diluted earnings per share | 82,915,039 | 81,221,605 |
| **Interim result in EUR** | **0.88** | **-19.11** |
| **Earnings per share (diluted) in EUR** | **0.88** | **-21.17** |

As at 31 December 2024, LEG Immobilien SE has outstanding convertible bonds that entitle bondholders to exchange them for up to 8.6 million new ordinary shares.

Diluted earnings per share are calculated by increasing the average number of shares outstanding by the number of all potentially dilutive shares. The net profit/loss for the period is adjusted for the expenses no longer incurring for the interest coupon, the measurement of the embedded derivatives and the amortisation of the convertible bonds and the resulting tax effect in the event of the conversion rights being exercised in full.

### EPRA earnings per share – Not an IFRS performance indicator

The following table shows earnings per share according to the best practice recommendations by EPRA (European Public Real Estate Association):

| EPRA EARNINGS PER SHARE<br>EUR million | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|
| Net profit or loss attributable to shareholders | 66.0 | -1,568.7 |
| Earnings from the remeasurement of investment properties | 225.3 | 2,422.8 |
| Earnings from the measurement of other financial assets and other investments | 41.8 | -32.6 |
| Earnings from the disposal of investment property and inventories and other income from the disposal of property including impairment losses | 6.6 | 2.2 |
| Tax expense/income from the disposal of investment property and inventory property | -0.5 | 4.4 |
| Goodwill impairment | – | – |
| Earnings from the fair value measurement of derivatives | -3.4 | 8.6 |
| Acquisition costs for share deals and non-controlling joint venture interests | 0.0 | 2.2 |
| Deferred taxes on EPRA adjustments | 51.5 | -423.7 |
| Refinancing expenses | – | 0.0 |
| Other non-cash interest expenses/income | 0.0 | -0.4 |
| Non-controlling interests in the above adjustments | 2.8 | 2.5 |
| **EPRA earnings** | 390.1 | 417.3 |
| Weighted average number of shares outstanding | 74,296,478 | 74,109,276 |
| = EPRA earnings per share (diluted) in EUR | 5.25 | 5.63 |
| Potentially diluted shares | – | – |
| Interest coupon on convertible bonds after taxes | – | – |
| Amortisation expenses of convertible bonds after taxes | – | – |
| EPRA earnings (diluted) | 390.1 | 417.3 |
| Number of shares for diluted EPRA earnings per share | 74,296,478 | 74,109,276 |
| **= EPRA earnings per share (diluted) in EUR** | 5.25 | 5.63 |

## G. Notes to the Consolidated Statement of Cash Flows

### 1. Composition of cash and cash equivalents

The cash and cash equivalents shown in the statement of cash flows correspond to the cash and cash equivalents reported in the statement of financial position, i.e. cash on hand and bank balances.

### 2. Other notes to the statement of cash flows

From the issuance of corporate bonds, LEG Immobilien SE received a total of EUR 172.0 million in the financial year, and from the issuance of convertible bonds, a total of EUR 701.0 million.

Distributions to non-controlling stakeholders amount to EUR 1.8 million for the non-controlling interests in TSP-TechnikServicePlus GmbH and EUR 0.6 million for the minority shareholders of Biomasse Heizkraftwerk Siegerland GmbH & Co. KG.

The other payments amounting to EUR 14.5 million relate to contributions to the capital reserve of Renowate GmbH (EUR 0.2 million), Efficient Residential Heating (EUR 4.3 million), and dekarbo GmbH (EUR 0.2 million), as well as the issuance of a loan (EUR 9.8 million).

LEG Immobilien SE made subsequent purchase price payments of EUR 3.5 million in this financial year for the 13 Adler Group companies that were acquired in the previous year.

The sale of LEG Nord FM resulted in an outflow of EUR 0.2 million due to bank balances transferred.

The cash payments for the acquisition of companies in accordance with IFRS 3 are recognised as cash payments for consolidated companies, while payments related to acquisitions not in accordance with IFRS 3 are presented as cash payments for investment property.

The cash outflow from the repayment of bank loans also included prepayment penalties and payments from the termination of hedging transactions, which were incurred due to the early repayment of loans.

Interest payments are reported in the cash flow from operating activities, as are the grants received during the reporting year, amounting to EUR 9.7 million (previous year: EUR 2.0 million).

In the reporting year, total cash outflows for leases amounted to EUR 15.7 million (31 December 2023: EUR 10.8 million).

**RECONCILIATION OF FINANCIAL LIABILITIES**

| | | | Non-cash changes | | | | |
|---|---|---|---|---|---|---|---|
| EUR million | 01.01.2024 | Cash flows | Acquisition | Fair value changes | Amortisation under effective interest method | Miscel-laneous | 31.12.2024 |
| Financial liabilities | 9,264.9 | 380.1 | – | – | 32.1 | -101.0 | **9,576.1** |
| Financial liabilities | 110.9 | -12.9 | 44.5 | – | – | – | **142.5** |
| **Total** | **9,375.8** | **367.2** | **44.5** | **–** | **32.1** | **-101.0** | **9,718.6** |

**RECONCILIATION OF FINANCIAL LIABILITIES**

| | | | Non-cash changes | | | | |
|---|---|---|---|---|---|---|---|
| EUR million | 01.01.2023 | Cash flows | Acquisition | Fair value changes | Amortisation under effective interest method | Miscel-laneous | 31.12.202 |
| Financial liabilities | 9,347.9 | -95.3 | – | – | 19.9 | -7.6 | **9,264.9** |
| Financial liabilities | 112.9 | -8.3 | 6.3 | – | – | – | **110.9** |
| **Total** | **9,460.8** | **-103.6** | **6.3** | **–** | **19.9** | **-7.6** | **9,375.8** |

## H. Notes on Group Segment Reporting

LEG has only operated in one segment since the 2016 financial year. It generates its revenue and holds its assets essentially in Germany. In the 2024 financial year, LEG did not generate more than 10 % of reported total revenue with any one customer.

In addition to the minimum disclosures required in IFRS 8, the key performance indicators of the company are explained and presented below. These correspond to the management and reporting system that LEG Immobilien SE uses for corporate management and offer a deeper insight into the economic performance of the company.

Internal reporting at LEG deviates from the IFRS accounting figures. LEG focuses its internal reporting primarily on the most significant performance figures: AFFO, adjusted EBITDA margin, and LTV, as well as additional financial metrics such as EPRA-NTA and net cold rent as key residential property figures. The alternative performance indicators presented below are not based on IFRS figures, with the exception of the comments on LTV.

### 1. Reconciliation to AFFO

One of the most important financial performance indicators for Group management is the AFFO. LEG distinguishes between FFO I (not including net income from the disposal of investment property), FFO II (including net income from the disposal of investment property) and AFFO (FFO I adjusted for capex).

The calculation of AFFO, FFO I, and FFO II for the reporting and comparison period is as follows:

| CALCULATION OF FFO I, FFO II UND AFFO<br>EUR million | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|
| Net cold rent | 859.4 | 834.3 |
| Net income from operating costs | -13.2 | -21.8 |
| Personnel expenses (rental and lease) | -115.1 | -109.0 |
| Allowances losses on rent receivables | -17.1 | -16.4 |
| Other | -2.2 | -10.9 |
| Non-recurring special items (rental and lease) | 6.9 | 7.6 |
| **Net operating income (recurring)** | **718.7** | **683.8** |
| **Net income from other services (recurring)** | **4.4** | **36.8** |
| Personnel costs (administration) | -36.4 | -35.1 |
| Personnel expenses (administration) | -33.4 | -19.3 |
| Non-recurring special items (administration) | 16.2 | 6.5 |
| **Administrative and other expenses (recurring)** | **-53.6** | **-47.9** |
| **Other income (recurring)** | **0.0** | **0.1** |
| **EBITDA (adjusted)** | **669.5** | **672.8** |
| Cash interest expenses and income FFO I | -138.0 | -131.3 |
| Cash income taxes FFO I | -2.1 | -4.7 |
| Maintenance expenses for externally procured services | -106.1 | -99.3 |
| Subsidies recognised in profit or loss | 21.0 | 2.2 |
| Own work capitalised | 15.0 | 16.0 |
| **FFO I (before non-controlling interests)** | **459.3** | **455.7** |
| Non-controlling interests | -1.8 | -1.8 |
| **FFO I (after non-controlling interests)** | **457.5** | **453.9** |
| Net income from the disposal of investment property (adjusted) | 1.2 | 2.8 |
| Cash income taxes FFO II | -0.3 | -3.0 |
| **FFO II (incl. disposal of investment properties)** | **458.4** | **453.7** |
| Capex (recurring) | -257.1 | -272.7 |
| **AFFO (Capex-adjusted FFO I)** | **200.4** | **181.2** |

The direct calculation of FFO I is based on the cost of sales method.

EBITDA is adjusted for non-recurring items to ensure comparability with previous periods. All matters that are not attributable to the period from an operational perspective and have a significant impact on EBITDA are adjusted. These one-off special effects include project costs for business model and process optimisation, personnel-related matters, acquisition and integration costs, capital market financing and M&A activities, as well as other atypical matters.

These are composed as follows:

| SPECIAL NON-RECURRING EFFECTS<br>in EUR million | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|
| Project costs for business model and process optimisation | 2.2 | 4.3 |
| Personnel-related costs | 7.6 | 6.3 |
| Acquisition and integration costs | 3.8 | -1.1 |
| Capital market financing and M&A activities | 1.6 | 1.3 |
| Others special effects | 5.4 | 3.2 |
| **Non-recurring special effects** | **20.6** | **14.0** |

The EBITDA adjusted for these special effects is further adjusted for cash-effective interest expenses and income, cash-effective income taxes, maintenance expenses for externally sourced services, revenue-effective grants received, capitalised own work, and minority interests in FFO I.

From the 2025 financial year, investment income from green ventures from the respective financial year will be recognised in the reconciliation from EBITDA (adjusted) to FFO I (before non-controlling interests). The green ventures comprise the companies Renowate GmbH, dekarbo GmbH and Efficient Residential Heating GmbH.

Cash interest expenses are composed as follows:

| CASH INTEREST EXPENSES<br>in EUR million | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|
| Interest expenses reported in income statement | 196.8 | 165.0 |
| Interest expenses from loan amortisation | -32.1 | -19.9 |
| Interest expenses from compounding of other assets and liabilities | -1.7 | -0.7 |
| Interest expenses from changes in pension provisions | -3.4 | -3.7 |
| Other interest expenses | 0.0 | 0.1 |
| **Cash interest expenses (gross)** | **159.6** | **140.8** |
| Cash interest income | **21.6** | 9.5 |
| **Cash interest expenses (net)** | **138.0** | **131.3** |

Finally, AFFO, starting from FFO I (after non-controlling interests), takes into account recurring Capex measures (Capex (recurring)). Recurring capex measures are defined as capitalised costs from modernisation and maintenance measures as well as new construction activities on own land. When calculating the production costs from modernisation and maintenance measures, consolidation effects resulting from self-performed services, which arise from the elimination of intercompany profits, are eliminated.

## 2. Reconciliation to AFFO (indirect)

FFO I, FFO II and AFFO are calculated according to the indirect method as follows in the reporting period and the previous year:

| CALCULATION OF FFO I, FFO II AND AFFO – INDIRECT METHOD<br>EUR million | 01.01.-<br>31.12.2024 | 01.01.-<br>31.12.2023 |
|---|---|---|
| **Net profit or loss for the period** | 68.9 | -1,564.8 |
| Interest income | -23.6 | -16.4 |
| Interest expenses | 196.8 | 165.0 |
| Net interest income | 173.2 | 148.6 |
| Other financial expenses | 29.5 | -30.8 |
| Income taxes | 53.9 | -417.5 |
| EBIT | **325.5** | **-1,864.5** |
| Depreciation and amortisation expenses | 21.4 | 17.2 |
| EBITDA | **346.9** | **-1,847.3** |
| Net income from the remeasurement of investment properties | 225.3 | 2,422.8 |
| Non-recurring special effects | 20.6 | 14.0 |
| Net income from the disposal of investment properties | 6.4 | 1.7 |
| Net income from the disposal of inventory properties | 0.2 | 0.5 |
| Maintenance expenses for externally procured services | 106.1 | 99.3 |
| Subsidies recognised in profit or loss | -21.0 | -2.2 |
| Own work capitalised | -15.0 | -16.0 |
| **EBITDA (adjusted)** | **669.5** | **672.8** |
| Cash interest expenses and income FFO I | -138.0 | -131.3 |
| Cash income taxes FFO I | -2.1 | -4.7 |
| Maintenance expenses for externally procured services | -106.1 | -99.3 |
| Subsidies recognised in profit or loss | 21.0 | 2.2 |
| Own work capitalised | 15.0 | 16.0 |
| **FFO I (before non-controlling interests)** | **459.3** | **455.7** |
| Non-controlling interests | -1.8 | -1.8 |
| **FFO I (after non-controlling interests)** | **457.5** | **453.9** |
| Net income from the disposal of investment property (adjusted) | 1.2 | 2.8 |
| Cash income taxes FFO II | -0.3 | -3.0 |
| **FFO II (incl. disposal of investment properties)** | **458.4** | **453.7** |
| Capex (recurring) | -257.1 | -272.7 |
| **AFFO (Capex-adjusted FFO I)** | **200.4** | **181.2** |

## 3. EPRA Net Tangible Asset (EPRA NTA)

Key figures relevant to the property industry and to LEG are EPRA NRV, NTA and NDV. LEG has defined EPRA NTA as a key financial indicator.

As at 31 December 2024, LEG reports an EPRA-NTA of EUR 9,375.4 million, equivalent to EUR 125.90 per share. Deferred taxes on investment property are adjusted for the amount attributable to LEG's planned property disposals. Incidental purchase costs are not taken into account. The key figures are presented exclusively on a diluted basis. As at 31 December 2024, no dilution effects from the convertible bonds are considered, as the share price on the reporting date does not exceed the current conversion prices.

| EPRA NET TANGIBLE ASSETS | 31.12.2024 | 31.12.2024 | 31.12.2024 | 31.12.2023 | 31.12.2023 | 31.12.2023 |
|---|---|---|---|---|---|---|
| EUR million | EPRA-NRV | EPRA-NTA | EPRA-NDV | EPRA-NRV | EPRA-NTA | EPRA-NDV |
| **Equity attributable to shareholders of the parent company** | **7,371.5** | **7,371.5** | **7,371.5** | **7,463.2** | **7,463.2** | **7,463.2** |
| Effect from the exercise of options, convertible bonds, and other equity rights | 29.2 | 29.2 | 29.2 | 28.5 | 28.5 | 28.5 |
| **Diluted NAV at fair value** | **7,400.7** | **7,400.7** | **7,400.7** | **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 | 2,034.8 | 2,025.7 | – | 1,943.4 | 1,935.2 | – |
| Fair value of financial instruments | -44.8 | -44.8 | – | -42.0 | -42.0 | – |
| Intangible assets | – | -6.2 | – | – | -5.0 | – |
| Fair value of fixed interest rate debt | – | – | 383.7 | – | – | 744.0 |
| Deferred taxes of fixed interest rate debt | – | – | -168.6 | – | – | -156.7 |
| Estimated incidental costs of acquisition | 1,721.4 | – | – | 1,759.4 | – | – |
| **NAV** | **11,112.1** | **9,375.4** | **7,615.8** | **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** | **149.22** | **125.90** | **102.27** | **150.49** | **126.57** | **109.01** |

LEG's calculation of EPRA NTA is based on the Best Practice Recommendations of the European Public Real Estate Association (EPRA).

Effects from the exercise of options, convertible bonds, and other equity rights amounting to EUR 29.2 million are reported as recognised purchase price obligations from share deals.

Deferred taxes resulting from the measurement of investment property, from the measurement of publicly subsidised loans and from the measurement of derivatives are adjusted for in the amount of their effect on equity. Deferred taxes relating to the planned sales programme are not included in the calculation of EPRA NTA. The deferred taxes on investment properties, WFA loans, and derivatives considered in the EPRA-NTA amount to a total of EUR 2,025.7 million as at 31 December 2024.

The effects of the fair value measurement of derivative financial instruments are also eliminated in the calculation of EPRA NTA. If these effects from the valuation of derivatives relate to the equity value determined in the position "Effect from the exercise of options, convertible bonds, and other equity rights," they are not considered in the position "Fair value measurement of derivative financial instruments (net)." As at 31 December 2024, these effects amount to EUR -44.8 million.

In addition, all recognised intangible assets are eliminated. As at 31 December 2024, these amount to a total of EUR 6.2 million.

The estimated acquisition-related costs are calculated based on the net market values of the property portfolio. The real estate transfer tax is considered according to the property holdings in the various federal states. In addition, broker commissions and notary fees are included in the calculation of the estimated acquisition-related costs.

## 4. Loan to value ratio (LTV)

Net debt in relation to real estate assets decreased during the financial year, primarily due to property sales, despite an increase in external financing.

This results in a Loan-to-Value (LTV) ratio of 47,9 % (31 December 2023: 48,4 %).

| LOAN TO VALUE RATIO<br>EUR million | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Financial liabilities | 9,718.6 | 9,375.8 |
| Without lease liabilities IFRS 16 (not leasehold) | 47.4 | 15.9 |
| Less cash and cash equivalents | 914.3 | 405.5 |
| **Net financial liabilities** | **8,756.9** | **8,954.4** |
| Investments properties | 17,853.3 | 18,101.8 |
| Properties held for sale | 141.0 | 77.9 |
| Participation in other residential companies | 298.7 | 340.1 |
| **Real estate assets** | **18,293.0** | **18,519.8** |
| **Loan to Value Ratio (LTV) in %** | **47.9** | **48.4** |

## 5. Maintenance and modernisation

The maintenance expenses from the perspective of the asset-holding companies consist of maintenance expenses for externally sourced services and internally provided maintenance work carried out by LEG's service companies. For capitalised modernisations classified as value-enhancing measures, investments in investment properties and tangible assets are taken into account. Investment in investment property, value-adding capital expenditure (capex) and capex (recurring) include expansion investments in the form of new construction activities on own land but not purchased project developments. For the calculation of adjusted total investments per square metre, consolidation effects, investments in self-managed new construction activities, capitalised own work, and revenue-effective grants received have been eliminated from the total investments.

| MAINTENANCE AND MODERNISATION<br>EUR million | 01.01. -<br>31.12.2024 | 01.01. -<br>31.12.2023 |
|---|---|---|
| Maintenance expenses for externally procured services | -106.1 | -99.3 |
| Maintenance expenses provided internally | -60.8 | -57.5 |
| **Maintenance expenses** | **-166.9** | **-156.8** |
| Adjustments consolidation | 11.4 | 2.1 |
| **Maintenance expenses (adjusted)** | **-155.5** | **-154.7** |
| Investments in investment properties | -255.8 | -275.1 |
| Investments in property, plant and equipment | -13.8 | -8.2 |
| **Capitalised modernisations as value-enhancing measures (Capex)** | **-269.6** | **-283.3** |
| Adjustments consolidation | 12.5 | 10.6 |
| **Capex (recurring)** | **-257.1** | **-272.7** |
| Adjustments (new construction on own land, own work capitalised, subsidies recognised in profit or loss) | 46.3 | 47.6 |
| **Capitalised modernisations as value-enhancing measures (adjusted)** | **-210.8** | **-225.1** |
| **Total investment** | **-436.5** | **-440.1** |
| Adjustments (consolidation effects, new construction on own land, own work capitalised, subsidies recognised in profit or loss) | 70.2 | 60.3 |
| **Total investment (adjusted)** | **-366.3** | **-379.8** |
| Area of investment properties in million sqm | **10.78** | 10.85 |
| **Average investments per sqm in EUR (adjusted)** | **33.99** | **35.01** |
| thereof maintenance expenses per sqm (EUR) | 14.43 | 14.26 |
| thereof capital expenditure per sqm (EUR) | 19.56 | 20.75 |

## I. Other disclosures

### 1. Overview of cost types

The following cost types are contained in the various functions:

| COST TYPES<br>EUR million | 2024 | 2023 |
|---|---|---|
| Cost of purchased services | 506.1 | 494.7 |
| Personnel costs | 153.7 | 146.3 |
| Depreciation and amortisation expenses | 21.5 | 17.2 |

Personnel costs of EUR 153.7 million are composed as follows:

| PERSONNEL EXPENSES<br>EUR million | 2024 | 2023 |
|---|---|---|
| Wages and salaries | 130.0 | 121.7 |
| Social security | 23.9 | 24.7 |
| Pensions | -0.2 | -0.1 |
| **Total personnel costs** | **153.7** | **146.3** |

### 2. Capital management

The objective of LEG's capital management is to ensure the company's continued operation while also generating returns for shareholders. In addition, all other stakeholders of LEG should receive the services to which they are entitled. Overall, the aim is to increase LEG's value.

This end-to-end capital management strategy has not changed since the previous year.

As is typical for the industry, LEG monitors capital on the basis of loan to value (LTV). LTV describes the ratio of net debt to the fair value of investment property. Net debt is calculated by deducting cash and cash equivalents from financial liabilities.

As in the previous year, LEG's goal in the financial year was to maintain an appropriate level of gearing in order to ensure continued access to debt financing in the long term at economically appropriate costs. With regard to the determination of the leverage ratio as at 31 December 2024 and 31 December 2023, we refer to Chapter H.

Details of restricted funds can be found in Section E.6.

## 3. Financial instruments

### a) Other disclosures on financial instruments

The following table shows the financial assets and liabilities broken down by measurement category and class. Liabilities from finance leases and hedging derivatives are included even though they are not assigned to an IFRS 9 measurement category. Non-financial assets and non-financial liabilities are also included for the purposes of reconciliation even though they are not covered by IFRS 7:

**MEASUREMENT CATEGORIES AND CLASSES OF FINANCIAL ASSETS AND LIABILITIES IN 2024**

| | | Valuation (IFRS 9) | | Valuation (IFRS 16) | |
|---|---|---|---|---|---|
| EUR million | Carrying amounts as per statement of financial position as at 31.12.2024 | (Carried forward) acquisition costs | Fair value recognised in income | | Fair value as at 31.12.2024 |
| **Assets** | | | | | |
| **Other financial assets** | **300.3** | | | | **300.3** |
| AC | 0.5 | 0.5 | | | 0.5 |
| FVtPL | 287.0 | | 287.0 | | 287.0 |
| Hedged derivatives | 12.8 | | | | 12.8 |
| **Receivables and other assets** | **745.2** | | | | **–** |
| AC | 708.2 | 708.2 | | | 708.2 |
| Other non-financial assets | 37.0 | | | | – |
| **Cash and cash equivalents** | **306.9** | | | | **306.9** |
| AC | 306.9 | 306.9 | | | 306.9 |
| **Total** | **1,352.4** | **1,015.6** | **287.0** | | **607.2** |
| **of which IFRS 9 measurement categories** | | | | | |
| AC | 1,015.6 | 1,015.6 | | | 1,015.6 |
| FVtPL | 287.0 | | 287.0 | | – |
| **Liabilities** | | | | | |
| **Financial liabilities** | **-9,718.6** | | | | **-9,192.0** |
| FLAC | -9,576.1 | -9,576.1 | | | -9,192.0 |
| Liabilities from lease financing | -142.5 | | | -142.5 | |
| **Other liabilities** | **-388.5** | | | | **-235.3** |
| FLAC | -169.2 | -169.2 | | | -169.2 |
| Derivatives HFT | -55.5 | | -55.5 | | -55.5 |
| Hedged derivatives | -10.6 | | | | -10.6 |
| Other non-financial liabilities | -153.2 | | | | – |
| **Total** | **-10,107.1** | **-9,745.3** | **-55.5** | **-142.5** | **-9,427.3** |
| **of which IFRS 9 measurement categories** | | | | | |
| FLAC | -9,745.3 | -9,745.3 | | | -9,361.2 |
| Derivatives HFT | -55.5 | | -55.5 | | -55.5 |

AC = Amortised Cost
HFT = Held for Trading
FVtPL = Fair value through profit and loss
FLAC = Financial Liabilities at Cost

**MEASUREMENT CATEGORIES AND CLASSES OF FINANCIAL ASSETS AND LIABILITIES IN 2023**

| | | Valuation (IFRS 9) | | Valuation (IFRS 16) | |
|---|---|---|---|---|---|
| EUR million | Carrying amounts as per statement of financial position as at 31.12.2023 | (Carried forward) acquisition costs | Fair value recognised in income | | Fair value as at 31.12.2023 |
| **Assets** | | | | | |
| **Other financial assets** | **355.5** | | | | **355.5** |
| AC | 0.9 | 0.9 | | | 0.9 |
| FVtPL | 328.9 | | 328.9 | | 328.9 |
| Hedged derivatives | 25.7 | | | | 25.7 |
| **Receivables and other assets** | **277.9** | | | | **–** |
| AC | 245.6 | 245.6 | | | 245.6 |
| Other non-financial assets | 32.3 | | | | – |
| **Cash and cash equivalents** | **277.5** | | | | **277.5** |
| AC | 277.5 | 277.5 | | | 277.5 |
| **Total** | **910.9** | **524.0** | **328.9** | | **633.0** |
| **of which IFRS 9 measurement categories** | | | | | |
| AC | 524.0 | 524.0 | | | 524.0 |
| FVtPL | 328.9 | | 328.9 | | – |
| **Liabilities** | | | | | |
| **Financial liabilities** | **-9,375.8** | | | | **-8,521.0** |
| FLAC | -9,264.9 | -9,264.9 | | | -8,521.0 |
| Liabilities from lease financing | -110.9 | | | -110.9 | |
| **Other liabilities** | **-373.9** | | | | **-176.6** |
| FLAC | -159.1 | -159.1 | | | -158.9 |
| Derivatives HFT | -7.9 | | -7.9 | | -7.9 |
| Hedged derivatives | -9.8 | | | | -9.8 |
| Other non-financial liabilities | -197.1 | | | | – |
| **Total** | **-9,749.7** | **-9,424.0** | **-7.9** | **-110.9** | **-8,697.6** |
| **of which IFRS 9 measurement categories** | | | | | |
| FLAC | -9,424.0 | -9,424.0 | | | -8,679.9 |
| Derivatives HFT | -7.9 | | -7.9 | | -7.9 |

AC = Amortised Cost
HFT = Held for Trading
FVtPL = Fair value through profit and loss
FLAC = Financial Liabilities at Cost

As at 31 December 2024, the fair value of an equity investment amounts to EUR 124.1 million (31 December 2023: EUR 168.3 million). The change compared to the previous year amounts to EUR -44.2 million, of which EUR 44.2 million was recognised in profit or loss. This investment is classified as Level 2 in the fair value hierarchy, as no reliable price can be determined on the basis of the stock market price. The valuation of the shares is therefore based on the terms of the acquisition of shares in Brack Capital Properties N.V.

In addition, there are further investments with a fair value of EUR 162.9 million (31 December 2023: EUR 160.4 million). This results in a change of EUR 2.5 million compared to the previous year (31 December 2023: EUR 132.3 million), which was recognised in profit or loss.

The fair value of other equity investments is calculated using accepted valuation methodologies as there are no quoted prices on an active market for these equity investments. The fair value calculated using valuation models is allocated to Level 3 of the IFRS 13 measurement hierarchy. They are allocated to Level 3 on account of the use of inputs not observed on a market in the measurement model. For the remaining companies, the valuation is carried out using the simplified income capitalisation approach. The key model parameter in the simplified income capitalisation approach is the capitalisation rate of 8.8 % (31 December 2023: 7.1 %). The fair value of the portfolio companies is determined on the basis of the property values of the respective companies. The property values are determined on the basis of offer prices from a market database. The 25 % percentile of the offer prices was selected for the valuation.

The stress test of the relevant valuation parameters for the other companies is carried out by increasing or decreasing the capitalisation rate by 50 basis points and for the real estate companies by using the 10 % percentile or median of the offer prices. The stress test of these parameters, using the 10th percentile and an increase in the capitalisation rate by 50 basis points, results in a reduction of the fair value to EUR 124.7 million (31 December 2023: EUR 100.3 million). Conversely, using the median and a decrease in the capitalisation rate by 50 basis points leads to an increase in the fair value to EUR 221.9 million (31 December 2023: EUR 210.1 million).

Trade receivables, other financial and non-financial assets, trade payables and other liabilities predominantly have short remaining terms. The carrying amounts are approximately equal to their fair value.

Originated financial instruments (liabilities from real estate and corporate financing, FLAC category), whose fair value does not correspond to their carrying amount are classified as financial liabilities. The fair value of loan liabilities is determined as the present value of future cash flows, taking into account the risk-free interest rates applicable on the balance sheet date as well as the LEG-specific risk premium.

Net income for each measurement category is broken down as follows:

**NET INCOME**

| EUR million | 2024 |
|---|---|
| AC | -39.6 |
| FVtPL (assets) | 32.6 |
| FVtPL (liabilities) | 3.3 |
| FLAC | -188.9 |
| **Total** | **-192.6** |

**NET INCOME**

| EUR million | 2023 |
|---|---|
| AC | -24.5 |
| FVtPL (assets) | 39.4 |
| FVtPL (liabilities) | -11.6 |
| FLAC | -158.1 |
| **Total** | **-154.8** |

Net income contains remeasurement effects in addition to interest expenses during the financial year.

## b) Risk management

### Principles of risk management:

LEG is exposed to default risk, liquidity risk and market risk as a result of its use of financial instruments. To take these risks into account, LEG has an effective risk management system supported by the clear functional organisation of the risk controlling process.

The effectiveness of the risk management system is reviewed and assessed regularly on a company-wide basis by the Internal Audit and Compliance unit. Where adjustments are necessary or areas for improvement are identified, the Internal Audit and Compliance unit advises on, examines and monitors these activities.

The framework for the Group’s financial policy is determined by the Management Board and monitored by the Supervisory Board. The implementation of financial policy is the responsibility of the Corporate Finance and Treasury unit, while ongoing risk management is handled by Controlling and Risk Management. The use of derivative financial instruments is governed by a corresponding Treasury policy adopted by Management Board and acknowledged by the Supervisory Board. Derivative financial instruments can be used solely to hedge existing underlyings, future cash flows and planned transactions whose occurrence is reasonably certain. Derivative financial instruments are only used to hedge against interest rate risks.

### c) Default risk

Credit or default risk describes the risk that business partners – essentially the tenants of the properties held by LEG – will be unable to meet their contractual payment obligations and that this will result in a loss to LEG. In order to prevent and control default risk to the greatest possible extent, new rentals are subject to credit checks.

Default risk exists for all classes of financial instrument, and in particular for trade receivables. LEG is not exposed to significant default risk with regard to any individual party. The concentration of default risk is limited due to the Group's broad, heterogeneous tenant base.

Rental and leasing activities result in gross receivables amounting to EUR 66.6 million (31 December 2023: EUR 69.6 million). Impairment losses amounting to EUR 39.4 million (31 December 2023: EUR 37.0 million) have been recognised, resulting in net rental receivables of EUR 27.2 million as at 31 December 2024 (31 December 2023: EUR 32.6 million). As part of this, rental securities (primarily rental deposits) amounting to EUR 42.4 million (31 December 2023: EUR 54.5 million) exist, which can only be considered for offsetting outstanding receivables under restrictive conditions.

An offset is only possible if the receivable being offset is either:
* undisputed, or
* legally established by a final court ruling or
* clearly justified.

Offsetting by the lessor against receivables that are manifestly disputed or not covered by the lease (such as receivables from operating expenses) is not permitted. In addition, the restrictions of Section 9 (5) sentence 1 of the WoBindG must be observed.

With regard to cash and derivatives, LEG generally enters into contracts only with financial institutions of very high creditworthiness. The creditworthiness of contractual partners is subject to ongoing monitoring and assessment by LEG. The credit ratings of counterparties are monitored and assessed by LEG on an ongoing basis, taking into account external ratings from various agencies (e.g. Standard & Poor's, Moody's, Fitch and others), the findings of internal research and financial market information. Depending on the availability of information with sufficient informative value, LEG refers to one or more of the data sources described above. In the event of a significant deterioration in the creditworthiness of a contractual partner, LEG aims to reduce existing positions as quickly as possible. New positions will no longer be entered into with previously replaced contractual partners. Expected credit loss is not taken into account for this reason.

As shown in the table below, the carrying amounts of recognised financial assets less any write-downs represent the highest default risk. The carrying amount of financial assets represents the maximum default risk. The default risk for interest rate derivatives is limited to the amount of the positive fair values of derivatives.

The table below shows the financial assets determined to be impaired as at the end of the reporting period:

**IMPAIRED FINANCIAL ASSETS**
EUR million

| Classes of financial instruments as at 31.12.2024 | Carrying amount before impairment | Impairment | Carrying amount before impairment |
|---|---|---|---|
| Loans and receivables | 10.4 | – | 10.4 |
| Other financial assets | 665.2 | -11.4 | 653.8 |
| Trade receivables | 83.0 | -42.1 | 40.9 |
| Cash and cash equivalents | 306.9 | – | 306.9 |
| **Total** | **1,065.5** | **-53.5** | **1012.0** |

| IMPAIRED FINANCIAL ASSETS<br>EUR million<br><br>Classes of financial instruments as at 31.12.2023 | Carrying amount before impairment | Impairment | Carrying amount before impairment |
|---|---|---|---|
| Loans and receivables | 4.7 | – | 4.7 |
| Other financial assets | 208.6 | -13.2 | 195.4 |
| Trade receivables | 83.0 | -37.3 | 45.7 |
| Cash and cash equivalents | 277.5 | – | 277.5 |
| **Total** | **573.8** | **-50.5** | **523.3** |

To calculate the expected credit losses for trade receivables which essentially comprise rent receivables that are due and not yet due, as well as for operating and heating costs that have not yet been invoiced and are included in other financial assets, LEG uses the simplified approach of the expected credit loss model in accordance with IFRS 9 in order to take potential impairment on a receivable into account on initial recognition. Life-time expected credit losses are therefore calculated for all trade receivables and for active contract assets.

In calculating the impairment rates for rent receivables which are due, location-specific risk profiles are also taken into account within the individual past due ranges. This includes both the historical default rate for outstanding rent receivables and an assessment of the future development of a location.

Locations are divided into three categories (good, medium, poor), giving rise to the following impairment matrix in accordance with IFRS 9 in the reporting year (unchanged since the previous year):

**IMPAIRMENT RATES FOR RENT RECEIVABLES – IFRS 9**

| | | Impairment in percent | | |
|---|---|---|---|---|
| Age of rent receivable/time past due in days | Lease status | Good locations | Medium locations | Poor locations |
| 0 to 60 | Active | 1.0 | 25.0 | 45.0 |
| 61 to 90 | Active | 8.0 | 35.0 | 55.0 |
| 91 to 120 | Active | 10.0 | 37.0 | 57.0 |
| 121 to 180 | Active | 13.0 | 40.0 | 60.0 |
| more than 180 | Active | 18.0 | 45.0 | 65.0 |
| 0 to 60 | Past | 43.0 | 70.0 | 90.0 |
| more than 60 | Past | 60.0 | 87.0 | 100.0 |

The gross receivables, broken down by time past due and location-based risk profiles, comprise rent receivables which are due after offsetting tenant credit. Taking allowances into account, the net receivables are as follows as at the end of the reporting period:

**IMPAIRMENT RATES FOR RENT RECEIVABLES – IFRS 9**

| | | Gross receivables | | | | |
|---|---|---|---|---|---|---|
| Age of rent receivable/time past due in days | Lease status | Good locations | Medium locations | Poor locations | Impairments | Net receivables 31.12.2024 |
| 0 to 60 | Active | 1.0 | 4.3 | 6.1 | 3.9 | 7.5 |
| 61 to 90 | Active | 0.1 | 0.7 | 0.8 | 0.7 | 0.9 |
| 91 to 120 | Active | 0.1 | 0.7 | 0.8 | 0.7 | 0.9 |
| 121 to 180 | Active | 0.2 | 0.8 | 0.9 | 0.9 | 1.0 |
| more than 180 | Active | 1.1 | 4.2 | 5.0 | 5.3 | 5.0 |
| 0 to 60 | Past | 0.2 | 1.1 | 1.3 | 2.0 | 0.6 |
| more than 60 | Past | 2.5 | 10.1 | 10.6 | 20.9 | 2.3 |
| | | **5.2** | **21.9** | **25.5** | **34.4** | **18.2** |

**IMPAIRMENT RATES FOR RENT RECEIVABLES – IFRS 9**

| Age of rent receivable/time past due in days | Lease status | Gross receivables Good locations | Medium locations | Poor locations | Impairments | Net receivables 31.12.2023 |
|---|---|---|---|---|---|---|
| 0 to 60 | Active | 1.1 | 3.5 | 5.2 | 3.3 | 6.5 |
| 61 to 90 | Active | 0.2 | 0.6 | 0.8 | 0.6 | 1.0 |
| 91 to 120 | Active | 0.2 | 0.5 | 0.9 | 0.7 | 0.9 |
| 121 to 180 | Active | 0.2 | 0.9 | 1.1 | 1.0 | 1.2 |
| more than 180 | Active | 0.8 | 3.3 | 4.0 | 4.2 | 3.9 |
| 0 to 60 | Past | 0.2 | 1.0 | 1.0 | 1.7 | 0.5 |
| more than 60 | Past | 1.7 | 8.6 | 9.8 | 18.4 | 1.7 |
| | | **4.4** | **18.4** | **22.8** | **29.9** | **15.7** |

For receivables from unbilled operating and heating costs, as well as for outstanding but not yet due rental receivables, a value adjustment of 20.0 % was applied in the reporting year (31 December 2023: 20.0 %). For outstanding but not yet due rental receivables subject to an instalment payment agreement, a value adjustment of 25.0 % was applied in the reporting year (31 December 2023: 25.0 %). The expected loss rate has been estimated using past loss rates for all items posted as due.

Rent receivables and receivables from operating costs are derecognised if there is no longer a reasonable expectation of recovery.

The following impairment losses were recorded in the reporting year 2024 and the previous year 2023, broken down as follows:

**IMPAIRMENTS 2024**

| EUR million | As at 1.1.2024 | Addition | Utilisation | As at 31.12.2024 |
|---|---|---|---|---|
| Trade receivables | 37.3 | 34.7 | -29.8 | 42.2 |
| Other financial assets | 13.2 | 10.0 | -11.8 | 11.4 |
| **Total** | **50.5** | **44.7** | **-41.6** | **53.6** |

**IMPAIRMENTS 2023**

| EUR million | As at 1.1.2023 | Addition | Utilisation | As at 31.12.2023 |
|---|---|---|---|---|
| Trade receivables | 28.6 | 36.6 | -27.9 | 37.3 |
| Other financial assets | 14.3 | 10.1 | -11.2 | 13.2 |
| **Total** | **42.9** | **46.7** | **-39.1** | **50.5** |

## d) Liquidity risks

LEG defines liquidity risk as the risk that the Group will be unable to meet its own payment obligations at a contractually agreed date.

To ensure that this is not the case, LEG's liquidity requirements are monitored and planned on an ongoing basis by the Corporate Finance and Treasury unit. Sufficient cash and cash equivalents to meet the Group's obligations for a defined period are available at all times. In addition, LEG has credit lines or overdraft facilities amounting to EUR 765.0 million (31 December 2023: EUR 765.0 million).

The following table shows the contractually agreed (undiscounted) interest and principal payments for LEG's primary financial liabilities and its derivative financial instruments with negative fair value. The maturities are based on the contractually agreed fixed interest periods for the respective financial liabilities.

| TYPE OF LIABILITIES ON 31 December 2024<br>EUR million | Carrying amounts | < 1 years | Remaining term<br>1–5 years | > 5 years |
|---|---|---|---|---|
| Financial liabilities from loans payable | 9,576.1 | 765.1 | 4,499.2 | 5,483.3 |
| Financial liabilities from lease financing | 142.5 | 12.1 | 29.7 | 190.7 |
| Interest rate derivatives | 10.6 | -1.5 | -5.5 | -0.3 |
| Embedded derivatives | 55.5 | – | – | – |
| Liabilities to employees | 23.8 | 23.5 | 0.0 | 0.3 |
| Liabilities from operating costs | 1.6 | 1.6 | – | – |
| Liabilities from rental and leasing | 36.7 | 36.7 | – | – |
| Trade payables | 122.4 | 116.3 | 6.1 | – |
| Other | 80.6 | 46.5 | 10.1 | 24.0 |
| **Total** | **10,049.8** | **1,003.3** | **4,550.6** | **5,698.6** |

The embedded derivatives of the convertible bonds do not result in any direct cash outflows.

| TYPE OF LIABILITIES ON 31 DECEMBER 2023<br>EUR million | Carrying amounts | < 1 years | Remaining term<br>1–5 years | > 5 years |
|---|---|---|---|---|
| Financial liabilities from loans payable | 9,264.9 | 498.0 | 4,784.4 | 5,119.8 |
| Financial liabilities from lease financing | 110.9 | 9.3 | 21.9 | 166.1 |
| Interest rate derivatives | 9.8 | 0.6 | -8.4 | -2.3 |
| Embedded derivatives | 7.9 | – | – | – |
| Liabilities to employees | 20.5 | 20.2 | 0.0 | 0.3 |
| Liabilities from operating costs | -0.4 | -0.4 | – | – |
| Liabilities from rental and leasing | 25.2 | 25.2 | – | – |
| Trade payables | 150.2 | 141.9 | 8.3 | – |
| Other | 87.4 | 52.2 | 10.8 | 24.4 |
| **Total** | **9,676.4** | **747.0** | **4,817.0** | **5,308.3** |

All instruments for which payments were contractually agreed as at the end of the reporting period are included. Forecast figures for future new liabilities are not included. Floating-rate interest payments for financial instruments are calculated using the most recent interest rates prior to the end of the reporting period. Financial liabilities that are repayable at any time are always allocated to the earliest repayment date.

Some of LEG's loan agreements contain financial covenants.

| FINANCIAL COVENANTS<br>EUR million | 2024 | 2023 |
|---|---|---|
| LTV / Loan-to-Value | 1,935.1 | 2,088.7 |
| DSCR / Debt-Service-Cover-Ratio | 2,393.0 | 2,430.0 |
| DRR / Debt-to-Rent | 1,740.3 | 1,887.5 |
| Occupancy rate | 633.6 | 626.4 |

In the event of a failure to comply with the agreed covenants, LEG generally has the opportunity to resolve the situation; however, certain cases of non-compliance can result in the bank having the right to terminate the loan agreement with immediate effect. In addition, some agreements provide the bank with the possibility of increasing interest and principal payments or demanding further security for compliance with the covenants in the event of non-compliance. In any case, permanently unremedied breaches of agreed covenants result in a termination right for the financing bank.

In conjunction with unsecured financing, such as bonds, covenants on group level (LTV, secured LTV, unencumbered assets, internal coverage ratio) have been agreed that can lead to termination rights in the event of non-compliance. The total financing volume affected is EUR 6,396.9 million (31.12.2023: 5,593.4 million). Compliance with covenants is monitored on an ongoing basis. In the past financial year 2024, the financial covenants agreed with financing partners were complied with.

## e) Market risks

LEG is subject to significant interest rate risks on account of its business activities. Interest rate risk results, in particular, from floating-rate liabilities to banks. In order to limit interest rate risk, LEG generally enters into fixed or floating-rate loans, sometimes in connection with interest payer swaps. Around 97 % of financial liabilities are hedged in this way.

LEG uses derivative financial instruments exclusively to hedge interest rates. The Treasury policy prohibits the use of derivatives for speculative purposes.

As at 31 December 2024, the following derivative financial instruments were held:

**DERIVATIVES ON 31.12.2024**

| EUR million | Fair Value | thereof due < 1 year |
|---|---|---|
| Derivatives – HFT – assets | 0.0 | – |
| thereof from interest rate swaps | 0.0 | – |
| Derivatives – HFT – liabilities | -55.7 | -55.5 |
| thereof from interest rate swaps | -0.2 | – |
| thereof embedded derivatives | -55.5 | -55.5 |
| Hedged derivatives | 2.2 | – |

As at 31 December 2023, the following derivative financial instruments were held:

**DERIVATIVES AS AT 31.12.2023**

| EUR million | Fair Value | thereof due < 1 year |
|---|---|---|
| Derivatives – HFT – assets | 0.1 | – |
| thereof from interest rate swaps | 0.1 | – |
| Derivatives – HFT – liabilities | -8.6 | – |
| thereof from interest rate swaps | -0.7 | – |
| thereof embedded derivatives | -7.9 | – |
| Hedged derivatives | 12.3 | – |

The derivatives entered into by LEG are used as hedging instruments in accordance with IFRS 9 if they meet the conditions for hedge accounting. The cash flows from underlying transactions secured under cash flow hedge accounting will occur between 2025 and 2030 and will simultaneously impact the statement of comprehensive income.

The following table shows the amount recognised/reversed directly in other comprehensive income in the reporting period. It is reversed to interest income. This corresponds to the effective portion of the change in fair value:

**EQUITY IMPLICATIONS**

| EUR million | 2024 | 2023 |
|---|---|---|
| **Opening balance as at 1 January** | **10.6** | **42.7** |
| Recognised in equity in reporting period | -24.0 | -42.8 |
| Reserved from equity to statement of comprehensive income | 13.9 | 10.7 |
| **Closing balance as at 31 December** | **0.5** | **10.6** |

The effects of accounting for interest rate swaps on the financial position and results of operations of the Group are as follows:

| EUR million | 2024 | 2023 |
|---|---|---|
| Hedging ratio | 1:1 | 1:1 |
| Weighted average interest rate | 1.64 | 1.64 |
| Change in fair value of outstanding hedging instruments | -9.1 | -32.6 |
| Change in the value of the underlying transaction | 9.7 | 33.2 |
| Nominal amount of hedging instruments as at 31 December | 668.5 | 672.6 |
| thereof due < 1 year | 3.1 | 1.9 |
| thereof due 1–5 years | 351.4 | 356.7 |
| thereof due > 5 years | 314.0 | 314.0 |

## f) Sensitivity analysis

Interest rate risks are presented using sensitivity analyses in accordance with IFRS 7. As part of the sensitivity analysis, the impact of a change in market interest rates on interest income and expenses, trading gains and losses, as well as LEG's equity as at the balance sheet date, is determined.

The effects on LEG's equity and statement of comprehensive income are analysed using a +/- 50 BP parallel shift in the euro yield curve in the sensitivity analysis. The cash flow effects from shifts in the interest rate curve relate solely to interest expenses andincome for the next reporting period.

Based on the financial instruments held or issued by LEG as at the end of the reporting period, a hypothetical change in the applicable interest rates for the respective instruments as quantified using sensitivity analysis would have had the following effects (before taxes) as at the end of the reporting period:

**FINANCIAL INSTRUMENTS**

| EUR million | Equity effect | | Statement of comprehensive income effect | |
|---|---|---|---|---|
| on 31.12.2024 | + 50 BP | - 50 BP | + 50 BP | - 50 BP |
| **Net position of all interest-sensitive financial instruments** | | | | |
| Financial liabilities | – | – | -1.4 | 1.4 |
| Interest rate derivatives | 12.0 | -12.0 | – | – |
| Embedded derivatives | – | – | -17.5 | 18.1 |

Embedded derivatives are subject to both interest rate risk and share price risk. If, as at the reporting date, the market price of the overall instrument had been 5 % higher (lower) due to a change in the share price of LEG Immobilien SE, the fair value of the embedded derivatives would have been EUR 30.4 million higher (or EUR 30.4 million lower), assuming all other parameters remained unchanged.

## g) Offsetting financial assets and financial liabilities

The following financial assets are subject to offsetting:

**FINANCIAL ASSETS**

| | | | | Related amounts not netted in the statement of financial position | | |
|---|---|---|---|---|---|---|
| EUR million | Gross amount of reported financial assets | Gross amount of reported financial liabilities netted in the statement of financial position | Net amount of financial assets reported in the statement of financial position | Financial instruments | Cash collateral received | Net amount |
| 31 December 2024 | | | | | | |
| Operating costs not yet billed (services in process) | 483.2 | -453.7 | 29.5 | – | – | 29.5 |
| Cash and cash equivalents | 306.9 | – | 306.9 | -197.8 | – | 109.1 |
| **Total** | **790.1** | **-453.7** | **336.4** | **-197.8** | **–** | **138.6** |
| 31 December 2023 | | | | | | |
| Operating costs not yet billed (services in process) | 444.4 | -419.0 | 25.4 | – | – | 25.4 * |
| Cash and cash equivalents | 277.5 | – | 277.5 | -78.0 | – | 199.5 * |
| **Total** | **721.9** | **-419.0** | **302.9** | **-78.0** | **–** | **224.9** * |

*Previous year's figure adjusted

The following financial liabilities are subject to offsetting:

**FINANCIAL LIABILITIES**

| | | | | Related amounts not netted in the statement of financial position | | |
|---|---|---|---|---|---|---|
| EUR million | Gross amount of reported financial liabilities | Gross amount of reported Financial Assets netted in the statement of financial position | Net amount of financial assets reported in the statement of financial position | Financial instruments | Cash collateral provided | Net amount |
| 31 December 2024 | | | | | | |
| Advanced payments received | -472.7 | 453.7 | -19.0 | – | – | -19.0 |
| Financial liabilities from real estate financing | -9,567.1 | – | -9,567.1 | 197.8 | – | -9369.3 |
| **Total** | **-10,039.8** | **453.7** | **-9,586.1** | **197.8** | **–** | **-9,388.3** |
| 31 December 2023 | | | | | | |
| Advanced payments received | -443.6 | 419.0 | -24.6 | – | – | -24.6 * |
| Financial liabilities from real estate financing | -9,264.9 | – | -9,264.9 | 78.0 | – | -9186.9 * |
| **Total** | **-9,708.5** | **419.0** | **-9,289.5** | **78.0** | **–** | **-9,211.5** * |

*Previous year's figure adjusted

## 4. Number of employees

The average number of employees at LEG developed as follows as against the previous year:

| NUMBER OF EMPLOYEES | Average number of employees 2024 | Employee capacity (FTEs) 2024 | Average number of employees 2023 | Employee capacity (FTEs) 2023 |
|---|---|---|---|---|
| Operations | 1,106 | 1,037 | 1,107 | 1,035 |
| Management | 199 | 180 | 189 | 171 |
| Special purpose entities | 622 | 591 | 612 | 574 |
| **Total** | **1,927** | **1,808** | **1,908** | **1,780** |

## 5. Total auditor's fees

The total fees paid to the auditor of the consolidated financial statements are composed as follows:

| TOTAL AUDITOR'S FEES<br>EUR million | 2024 | 2023 |
|---|---|---|
| Audits of financial statements | 1.9 | 2.0 |
| Other audit services | 0.5 | 0.3 |
| **Total fee** | **2.4** | **2.3** |

The audit services mainly include the fees for the audit of the consolidated financial statements and the legally required audits of LEG Immobilien SE and the subsidiaries included in the consolidated financial statements. The fees for other assurance services mainly include the issuance of a comfort letter as well as the business audit of the non-financial Group statement to obtain limited assurance.

No further services were provided by the auditor's network.

## 6. IFRS 2 programmes

**Management Board remuneration programme**
The agreements for members of the Management Board provide for a long-term incentive programme to be offered for each financial year. The LTI has a performance period of four years. The amount of LTI remuneration is dependent on the achievement of the financial performance target of the development of total shareholder return relative to the relevant property index (EPRA NAREIT Germany Index) and non-financial environmental, social and governance targets (ESG targets).

The Long-Term Incentive Programme launched in the 2021 financial year applies to a performance period of four years. The amount of LTI remuneration is dependent on the achievement of the financial performance targets of total shareholder return and the development of LEG's share price compared to the relevant EPRA NAREIT Germany index, as well as non-financial environmental, social and governance targets (ESG targets).

The programme is treated as cash-settled share-based remuneration in accordance with IFRS 2. Based on the Management Board's assessment and the Supervisory Board's approval regarding the achievement of performance thresholds, a personnel expense of EUR 4.0 million was recognised as at 31 December 2024 (31 December 2023: EUR 6.2 million), based on an actuarial report. The provision for the Long-Term Incentive Plans amounted to EUR 11.3 million as at 31 December 2024 (31 December 2023: EUR 7.4 million).

For the LTI tranche 2025, the fair value of a Performance Share Unit is EUR 78.28. For the LTI tranche 2024, the fair value of a Performance Share Unit is EUR 94.48. For the LTI tranche 2023, the fair value of a Performance Share Unit is EUR 114.03. For the LTI tranche 2022, the fair value of a Performance Share Unit is EUR 134.48.

For the LTI tranche 2021, a target achievement rate of 117.71 % was reached.

The total intrinsic value of liabilities at the end of the reporting period, for which the counterparty's right to receive cash or other assets was exercisable at the end of the reporting period, amounted to EUR 1.8 million as at 31 December 2024 (31 December 2023: EUR 0.2 million).

**Senior management remuneration programme**

The Management Board and Supervisory Board of LEG Immobilien SE have resolved to introduce a share-based remuneration programme for second level managers at LEG from 1 January 2021 with the aim of giving senior management a greater share in the company's success. The remuneration programme will be granted in annual tranches with an individual term of four financial years for each tranche. Each tranche consists of the executive's own investment in LEG Immobilien SE shares and a partly performance-based component in euro. The condition for granting the performance-based component of the programme is the manager's own investment in LEG Immobilien SE shares combined with a holding period of four years. This personal investment results in a higher share-based factor in the remuneration of senior management.

The programme is treated as cash-settled share-based remuneration in accordance with IFRS 2. As at 31 December 2024, personnel expenses amounting to EUR 0.9 million were recognised (31 December 2023: EUR 0.1 million). The provision amounted to EUR 1.4 million as at 31 December 2024 (31 December 2023: EUR 0.5 million).

**Employee share programme**
LEG also offers all its employees the chance to participate in an employee share programme to boost employee identification with the company's goals.

The programme is treated as cash-settled share-based remuneration in accordance with IFRS 2. As at 31 December 2024, personnel expenses amounting to EUR 0.3 million were recognised (31 December 2023: EUR 0.3 million).

## 7. Related party disclosures

Related parties are defined as companies and persons that have the ability to control LEG or exercise significant influence over its financial and business policy. The existing control relationships were taken into account when determining the significant influence that related parties can exercise over LEG's financial and business policy.

Related persons
The related persons of LEG Immobilien SE include the Management Board and the Supervisory Board of LEG Immobilien SE.

Related companies
LEG Immobilien SE's related companies include all the subsidiaries and associates of LEG.

Transactions with related persons and companies are conducted at arm's-length conditions.

The following table shows the receivables from and liabilities to related companies as at the end of the reporting period and expenses and income involving related companies for the financial year:

| RECEIVABLES FROM AND LIABILITIES TO RELATED COMPANIES<br>EUR million | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Statement of financial position** | | |
| Receivables from equity investments | 0.5 | 0.4 |
| Receivables from non-consolidated companies | 1.6 | 0.1 |
| Receivables from associates | 0.2 | 0.1 |
| Liabilities to equity investments | 0.3 | 0.3 |

| INCOME FROM AND EXPENSES FOR RELATED COMPANIES | | |
|---|---|---|
| EUR million | 2024 | 2023 |
| **Statement of comprehensive income** | | |
| Income from associates | 0.1 | -0.1 |
| Income from equity investments | 8.8 | 6.9 |

The income from related parties comprises the pro rata annual results of at equity consolidated companies and distributions by equity investments.

## a) Related company disclosures

Related companies controlled by LEG Immobilien SE or which it significantly influences are included in the consolidated financial statements. Intragroup transactions under existing service and management agreements between the companies are eliminated in consolidation.

There was no significant exchange of goods and services with the other unconsolidated subsidiaries or associates.

## b) Related person disclosures

With the exception of the remuneration paid to the company's executive bodies as described below, there were no transactions with related parties in the reporting year.

Total remuneration of the Management Board is shown in the table below:

| TOTAL REMUNERATION OF THE MANAGEMENT BOARD | | |
|---|---|---|
| EUR thousand | 2024 | 2023 |
| Fixed remuneration | 2,130 | 2,056 |
| Additional benefits | 73 | 97 |
| **Total fixed remuneration components** | 2,203 | 2,153 |
| One-year variable remuneration (STI) | 2,325 | 2,249* |
| Multi-year variable remuneration (LTI) | 1,754 | 194 |
| **Total variable remuneration components** | 4,079 | 2,443* |
| **Pension costs** | 225 | 236 |
| **Total remuneration** | **6,507** | **4,832*** |

* Previous year's figure adjusted.

The basis for calculating the STI is the achievement of the respective consolidated IFRS business plan. The STI consists of an annual payment based on the following three targets: AFFO (Capex-adjusted FFO I) per share, adjusted EBITDA margin, and non-financial Environmental, Social, and Governance (ESG) targets. The first two targets each account for 40 % and the latter target for 20 % of the STI. The target achievement rate for the STI 2024 is 140.5 %.

No advances or loans were granted or disbursed to the members of the executive board in the financial year 2024.

As at 31 December 2024, pension provisions for former executive board members amount to EUR 0.2 million (31 December 2023: EUR 0.2 million).

The total remuneration of the supervisory board members of LEG Immobilien SE amounted to EUR 1.1 million in 2024 (31. December 2023: EUR 1.0 million).

No advances or loans were granted or disbursed to the Supervisory Board members in the financial year 2024.

Recognised expenses for the remuneration of members of the Management Board and Supervisory Board in accordance with IAS 24.17 can be summarised as follows:

| MANAGEMENT BOARD AND SUPERVISORY BOARD BENEFITS | | |
|---|---|---|
| EUR thousand | 2024 | 2023 |
| Short-term benefits | 5,899 | 5,636* |
| Share-based payment | 4,030 | 6,207 |
| **Total** | **9,929** | **11,843*** |

* Previous year's figure adjusted

## 8. Guarantees and contingent liabilities

The LEG's contingent liabilities are as follows:

| CONTINGENT LIABILITIES | | |
|---|---|---|
| EUR million | 31.12.2024 | 31.12.2023 |
| Guarantees | 0.1 | – |

Furthermore, the liabilities and contingent obligations exclusively relate to intragroup matters, which have generally already been recognised as liabilities at the level of the respective group companies.

## 9. Other financial commitments

LEG’s other financial commitments are composed as follows:

| OTHER FINANCIAL COMMITMENTS | | |
|---|---|---|
| EUR million | 31.12.2024 | 31.12.2023 |
| Purchase of energy | 59.2 | 83.7 |
| Purchase obligations | 78.7 | 73.7 |

In addition, there are payment obligations from new construction projects amounting to EUR 28.5 million.

## 10. Management Board

LEG Immobilien SE is represented by its Management Board, whose members are as follows:

**Mr Lars von Lackum,** CEO of LEG Immobilien SE, Dusseldorf

**Dr Kathrin Köhling**, CFO of LEG Immobilien SE, Mülheim an der Ruhr

**Dr Volker Wiegel,** COO of LEG Immobilien SE, Dusseldorf

Registered office of the company:

Flughafenstraße 99
40474 Dusseldorf

Germany
Commercial Register: HRB 92791
Dusseldorf

## 11.Supervisory Board

The Supervisory Board of LEG Immobilien SE has six members.
The following members were elected by the Annual General Meeting:

**Mr Michael Zimmer**, Chairman, independent investor and consultant, Pulheim

**Dr Claus Nolting**, Deputy Chairman, lawyer and consultant, Frankfurt

**Dr Sylvia Eichelberg**, Chairwoman of the Management Board of Barmenia.Gothaer Finanzholding AG and Chief Operating Officer, Cologne

**Dr Jochen Scharpe**, Managing Partner of AMCI GmbH, Munich – until 23 May 2024

**Dr Katrin Suder**, senior advisor at TAE Advisory & Sparring GmbH, Hamburg

**Mr Martin Wiesmann**, consultant, Frankfurt

**Mr Christoph Beumer,** Member of the Advisory Board and Board of Trustees, Meerbusch – since 23 May 2024

## 12. Events after the end of the reporting period

On 4 November 2024, LEG signed an agreement with Adler Real Estate GmbH (Adler) to strengthen its portfolio by acquiring 52.68 % of the shares in Brack Capital Properties N.V. (BCP), a real estate company listed on the Tel Aviv Stock Exchange. Together with the 35.52 % of the shares in BCP already acquired in 2021/2022, LEG initially increased its stake to 88.2 % upon completion of the share purchase agreement. In addition, Adler has undertaken to deliver the remaining 10.1 % of the shares it holds in the event of a public purchase offer by LEG for BCP (tender commitment). In the event that no public purchase offer is made, LEG has granted Adler a put option for the 10.1 % of the shares in BCP at a certain point in time.

As part of the transaction, 34 employees will be taken over. The antitrust approval has been granted. The transaction was closed on 3 January 2025.

The acquisition of these companies was treated as a business combination within the meaning of IFRS 3 as at 3 January 2025, as significant business processes were acquired.

The preliminary consideration for the business acquisition is composed as follows:

| Preliminary consideration in EUR million | 03.01.2025 provisional |
|---|---|
| Net cash purchase price component | 184.0 |
| Shareholdings recognised on the balance sheet | 124.1 |
| **Total consideration** | **308.1** |

The provisional purchase price can be allocated to the acquired assets and liabilities measured at fair value as follows:

| Preliminary purchase price allocation in EUR million | 03.01.2025 provisional |
|---|---|
| Investments properties | 997.7 |
| Property, plant and equipment – finance lease | 1.3 |
| Intangible assets | 0.0 |
| Receivables from operating costs not yet billed | 24.9 |
| Other financial assets | 3.9 |
| Receivables and other assets | 52.3 |
| Cash and cash equivalents | 75.4 |
| Properties held for sale | 8.8 |
| **Total assets** | **1,164.3** |
| Other financial liabilities | 564.8 |
| Deferred tax liabilities | 59.7 |
| Other provisions | 2.9 |
| Liabilities from operating costs not yet billed | 24.1 |
| Other financial liabilities | 6.3 |
| **Total liabilities** | **657.8** |
| Net assets at fair values | 506.5 |
| Non-controlling interests | 69.2 |
| Net assets at fair values excluding non-controlling interests | 437.3 |
| **Total consideration** | **308.1** |
| **Profit from an acquisition at a price below market value** | **-129.2** |

The profit from an acquisition at a price below market value will be recognised in the income statement under other income in the 2025 financial year.

The transaction costs of the business combination amount to EUR 2.6 million as at 31 December 2024 and primarily include legal and consulting costs. These were recognised as expenses.

The business combination is expected to have a neutral effect on AFFO's comprehensive income in the 2025 financial year.

No further information can be provided at present as the purchase price allocation has not yet been finalised.

In January 2025, LEG Immobilien SE issued a corporate bond for EUR 300 million with a term of 10 years as part of the debt issuance programme. The coupon is 3.875 % per year

There were no other transactions of material importance to the Group after the end of the financial year.

## Declaration of compliance in accordance with Section 161 AktG

The Management Board and the Supervisory Board comply with the recommendations of the German Corporate Governance Code as presented in the Group management report. The declaration of compliance is permanently accessible to shareholders on the company's website at https://www.leg-wohnen.de/unternehmen/corporate-governance#c1952.

Dusseldorf, 6 March 2025

LEG Immobilien SE

The Management Board

**Lars von Lackum** **Dr Kathrin Köhling** **Dr Volker Wiegel**

## J. List of Shareholdings

The following table shows an overview of LEG's consolidated Group:

**CONSOLIDATED COMPANIES**

| | | Share of capital in % | Equity capital* EUR thousand | Earnings* EUR thousand | |
|---|---|---|---|---|---|
| LEG Immobilien SE, Dusseldorf | | Head office | | | |
| Rote Rose GmbH & Co. KG, Dusseldorf | 1) | 100.00 | 109,195 | -104 | |
| LEG Holding GmbH, Dusseldorf | 1) | 100.00 | 880,763 | 0 | |
| LEG NRW GmbH, Dusseldorf | 2 | 99.98 | 1,569,739 | -15,452 | |
| LEG Wohnen GmbH, Dusseldorf | 2) | 100.00 | 559,031 | 0 | |
| LEG Wohnungsbau Rheinland GmbH, Dusseldorf | 2) | 100.00 | 112,639 | 0 | *** |
| Solis GmbH, Dusseldorf | 1) | 94.90 | 99,333 | 0 | |
| Rheinweg Grundstücksgesellschaft mbH, Dusseldorf | 2) | 100.00 | 86,392 | 0 | |
| LEG Wohnungsbau Rheinland GmbH, Dusseldorf | 1) | 94.90 | 10.196 | 0 | |
| Rheinweg Zweite Grundstücksgesellschaft mbH, Dusseldorf | 2) | 100.00 | 78,525 | 0 | |
| LEG Rheinland Köln GmbH, Dusseldorf | 2) | 100.00 | 33,969 | 0 | *** |
| Noah Asset 4 GmbH, Dusseldorf | 2) | 94.90 | 2,616 | 0 | |
| LEG Wohnen Bocholt GmbH, Dusseldorf | 2) | 100.00 | 25 | 0 | |
| LEG Bauen und Wohnen GmbH, Dusseldorf | 2) | 100.00 | 2,165 | 0 | |
| LCS Consulting und Service GmbH, Dusseldorf | 1) | 100.00 | 2,556 | 0 | |
| LEG Consult GmbH, Dusseldorf | 1) | 100.00 | 302 | 0 | |
| GWN Gemeinnützige Wohnungsgesellschaft Nordwestdeutschland GmbH, Münster | 2) | 94.86 | 74,582 | 0 | *** |
| GeWo Gesellschaft für Wohnungs- und Städtebau mbH, Castrop-Rauxel | 2) | 94.00 | 22,542 | 0 | |
| GeWo Beteiligungsgesellschaft mbH, Dusseldorf | 2) | 100.00 | 26 | 0 | |
| LEG Properties B.V. (previously Soldappart B.V.), Netherlands | 2) | 100.00 | 2,263 | 13 | |
| LEG Leitwerk GmbH, Dusseldorf | 4) | 100.00 | 25 | 0 | |
| Calor Carré GmbH, Dusseldorf | 2) | 94.00 | 25 | 0 | |
| LEG Beteiligungsverwaltungsgesellschaft mbH, Dusseldorf | 1) | 100.00 | 13,745 | 0 | |
| LEG Erste WI Bremen GmbH, Dusseldorf | 2) | 94.90 | 25 | 0 | |
| LEG Zweite WI Bremen GmbH, Dusseldorf | 2) | 94.90 | 4,151 | 0 | |
| LEG WI Oldenburg GmbH, Dusseldorf | 2) | 94.90 | 4,324 | 0 | |
| LEG Grundstücksverwaltung GmbH, Dusseldorf | 2) | 100.00 | 531,979 | 0 | |
| Düsseldorfer Ton- und Ziegelwerke GmbH, Dusseldorf | 2) | 100.00 | 10,455 | 0 | |
| Germany Property Düsseldorf GmbH, Dusseldorf | 2) | 94.90 | 4,881 | 0 | |
| LEG Management GmbH, Dusseldorf | 1) | 100.00 | 1,124 | 0 | *** |
| LEG Wohnen NRW GmbH, Dusseldorf | 1) | 100.00 | 395 | 0 | *** |
| LEG Management GmbH, Dusseldorf | 4) | 100.00 | 25 | 0 | |
| LWS Plus GmbH, Essen | 4) | 100.00 | 8,557 | 0 | *** |
| LEG Bauen GmbH, Dusseldorf | 3) | 100.00 | 66,718 | 0 | |
| LEG Wohnviertel Dyk GmbH, Dusseldorf | 2) | 100.00 | 450 | 10 | |
| LEG Standort- und Projektentwicklung Köln GmbH, Dusseldorf | 2) | 100.00 | 13,753 | 0 | |
| Biomasse Heizkraftwerk Siegerland GmbH & Co. KG, Liebenscheid | 5) | 94.86 | 7,575 | 4 | *** |
| Ravensberger Heimstättengesellschaft mbH, Bielefeld | 2) | 100.00 | 89,970 | 0 | *** |
| Ravensberger Heimstätten Beteiligungsgesellschaft mbH, Dusseldorf | 2) | 100.00 | 26 | 0 | |
| Gemeinnützige Bau- und Siedlungsgesellschaft Höxter-Paderborn GmbH, Höxter | 2 | 100.00 | 11,909 | 0 | |
| Ruhr-Lippe Wohnungsgesellschaft mbH, Dortmund | 2 | 100.00 | 318,566 | 0 | *** |
| Ruhr-Lippe Immobilien-Dienstleistungsgesellschaft mbH, Dortmund | 2 | 100.00 | 7,452 | 0 | |
| Wohnungsgesellschaft Münsterland mbH, Münster | 2 | 100.00 | 164,978 | 0 | *** |
| Münsterland Immobilien-Dienstleistungsgesellschaft mbH, Münster | 2 | 100.00 | 114 | 0 | |

| CONSOLIDATED COMPANIES | | Share of capital in % | Equity capital* EUR thousand | Earnings* EUR thousand | |
|---|---|---|---|---|---|
| LEG Erste Grundstücksverwaltungs GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | |
| LEG Erste Grundstücksverwaltungs GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | |
| LEG Dritte Grundstücksverwaltungs GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | |
| LEG Vierte Grundstücksverwaltungs GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | |
| LEG Fünfte Grundstücksverwaltungs GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | *** |
| LEG Sechste Grundstücksverwaltungs GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | |
| LEG Siebte Grundstücksverwaltungs GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | *** |
| LEG Achte Grundstücksverwaltungs GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | *** |
| LEG Neunte Grundstücksverwaltungs GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | *** |
| SW Westfalen Invest GmbH, Dusseldorf | 2 | 94.90 | 78,957 | 0 | *** |
| LEG Recklinghausen 1 GmbH, Dusseldorf | 2 | 94.90 | 22,737 | 0 | |
| LEG Recklinghausen 2 GmbH, Dusseldorf | 2 | 94.90 | 10,926 | 0 | |
| LEG Niedersachsen GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | *** |
| LEG Rhein Neckar GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | *** |
| LEG Wohngelegenheit Mitte GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | |
| LEG Wohngelegenheit Süd GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | |
| LEG Objekt Krefeld-Bockum Verwaltungs GmbH, Dusseldorf | 1) | 100.00 | -217 | -42 | |
| CeRo Wohnen GmbH, Dusseldorf | 2 | 89.88 | -1,085 | 0 | |
| Cero Wohnen 2 GmbH, Dusseldorf | 2 | 100.00 | 858 | 0 | |
| LEG II Germany GmbH, Dusseldorf | 2 | 100.00 | -6.099 | 0 | |
| LEG Grundstücksverwaltungsgesellschaft mbH & Co. KG, Dusseldorf | 2 | 100.00 | 8,841 | 206 | |
| LEG Verwaltungsgesellschaft mbH, Dusseldorf | 1) | 100.00 | 112 | 0 | |
| LEG Jade mbH, Dusseldorf | 2 | 100.00 | 1,708 | 0 | *** |
| LEG 38. Wohnen GmbH, Dusseldorf | 2 | 100.00 | 104 | 0 | |
| LEG 45. Wohnen GmbH, Dusseldorf | 2 | 100.00 | 111 | 0 | |
| LEG Baltic GmbH, Dusseldorf | 2 | 100.00 | 5,088 | 0 | |
| LEG West Immobilien GmbH, Dusseldorf | 2 | 100.00 | 4,028 | 0 | |
| LEG Niedersachsen Nord GmbH, Dusseldorf | 2 | 100.00 | 34 | 0 | |
| LEG Niedersachsen Süd GmbH, Dusseldorf | 2 | 100.00 | 34 | 0 | *** |
| LEG Wolfsburg GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 | |
| LEG West VIII. GmbH, Dusseldorf | 2 | 100.00 | 2,506 | 0 | |
| Zweite LEG-Real Estate Opportunities GmbH, Dusseldorf | 2 | 100.00 | 2,144 | 80 | ** |
| LEG Nord Service GmbH, Dusseldorf | 1) | 100.00 | -4 | 0 | |
| Youtilly GmbH, Dusseldorf | 4) | 100.00 | 25 | 0 | |
| Erste WohnServicePlus GmbH, Dusseldorf | 4) | 100.00 | 25 | 0 | |
| WohnServicePlus GmbH, Dusseldorf | 4) | 100.00 | 25 | 0 | *** |
| EnergieServicePlus GmbH, Dusseldorf | 4) | 100.00 | 7,568 | 0 | *** |
| TSP-TechnikServicePlus GmbH, Dusseldorf | 4) | 51.00 | 827 | 0 | *** |
| Grundstücksgesellschaft DuHa mbH, Dusseldorf | 2 | 94.90 | 3,058 | 0 | |
| Gladbau Baubetreuungs- und Verwaltungsgesellschaft mbH, Dusseldorf | 2 | 94.90 | 34,426 | 0 | *** |
| AWM Grundstücksgesellschaft mbH, Dusseldorf | 2 | 100.00 | 2,318 | 0 | |
| Vitus Service GmbH, Mönchengladbach | 1) | 100.00 | 29 | 0 | |
| BRE/GEWG GmbH, Dusseldorf | 1) | 100.00 | 24,169 | 0 | |
| Gemeinnützige Eisenbahn Wohnungsbaugesellschaft mbH, Dusseldorf | 2 | 94.90 | 6,496 | 0 | *** |
| LEG Bauen Zwei GmbH, Dusseldorf | 3) | 100.00 | 24 | 0 | |

* Unless otherwise stated, the equity and result refer to the yet-to-be-approved statutory single-entity financial statements as at 31 December 2024, with the exception of LEG Properties B.V. (IFRS separate financial statements). A nil result is reported if there is a profit transfer agreement.

** Earnings before loss absorption and after profit transfer
*** Exemption in accordance with Section 264(3) HGB/section 264b HGB

Activities of subsidiaries:

1) Performance of services and management of equity investments within LEG

2) Property management and location development

3) Performance of services for third parties

4) Performance of housing industry services

5) Electricity and heat generation

| NON-CONSOLIDATED COMPANIES | | Share of capital in % | Equity* EUR thousand | Earnings* EUR thousand |
|---|---|---|---|---|
| Entwicklungsgesellschaft Rhein-Pfalz GmbH, Mainz | 2 | 100.00 | 25 | 0 |
| Entwicklungsgesellschaft Rhein-Pfalz GmbH & Co. KG, Mainz | 1) | 100.00 | 1,060 | -3 |
| LEG Wohngelegenheit Nord GmbH, Dusseldorf | 2 | 100.00 | 25 | 0 |
| Biomasse Heizkraftwerk Siegerland Verwaltungs GmbH, Dusseldorf | 3) | 100.00 | 32 | 1 |
| BGW Bielefelder Gesellschaft für Wohnen und Immobiliendienstleistungen mbH, Bielefeld | 3) | 15.00 | 101,859 | 4,932 |
| Brack Capital Properties N.V., Netherlands ** | 2 | 35.66 | 502,612 | -75,629 |

* The figures refer to the equity and result of the statutory single-entity financial statements at of 31 December 2023, except for LEG Wohngelegenheit Nord GmbH (31 December 2024) and Brack Capital Properties N.V. (IFRS consolidated financial statements).

** Due to the shareholding structure, LEG cannot exert significant influence over the financial and business policy of Brack Capital Properties N.V. Therefore, Brack Capital Properties N.V. is not considered an associate.

Activities of companies not included in consolidation:

1) General partner in a limited liability company

2) Shell company

3) Performance of services for third parties

| COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD | Share of capital in % | Equity* EUR thousand | Earnings* EUR thousand |
|---|---|---|---|
| Kommunale Haus und Wohnen GmbH, Rheda-Wiedenbrück | 40.62 | 24,781 | 707 |
| Renowate GmbH, Dusseldorf | 50.00 | 3,941 | -270 |
| dekarbo GmbH, Dusseldorf | 50.00 | 256 | -69 |
| Efficient Residential Heating GmbH, Munich | 78.46 | -3,411 | -3,034 |
| Beckumer Wohnungsgesellschaft mbH, Beckum | 33.37 | 4,234 | 32 |

* The figures refer to the equity and result of the statutory single-entity financial statements as at 31 December 2023.

# CONSOLIDATED STATEMENT OF CHANGES IN ASSETS/ANNEX I

**CONSOLIDATED STATEMENT OF CHANGES IN ASSETS 2024**

| | Acquisition or production costs | | | | | | | | | Cumulative depreciation, amortisation and write-downs/fair values | | | | | Carrying amounts | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EUR million | Status as at 01.01. 2023 | Disposals of con-solidation group | Ac-quisitions | Dispo-sals | Reclas-sification | Acquisition of investment properties held as financial invest | Disposal of investment properties held as financial investments | Disposal of assets held for sale | Status as at 31.12. 2024 | Status as at 01.01. 2023 | Disposals of consolidation group | Ac-quisitions | Dispo-sals | Status as at 31.12. 2024 | Status as at 31.12. 2024 | Status as at 31.12. 2023 |
| **Property, plant and equipment** | **260.3** | **-1.1** | **55.0** | **-3.3** | **1.9** | **1.7** | **-0.3** | **-1.6** | **312.6** | **-120.5** | **0.5** | **-17.8** | **2.5** | **-135.3** | **177.3** | **139.8** |
| Land, land rights and buildings | 103.2 | – | 2.7 | – | 1.9 | 1.7 | -0.3 | -1.6 | 107.6 | -19.0 | – | -2.3 | – | -21.3 | 86.3 | 84.2 |
| Technical equipment and machinery | 122.7 | – | 45.4 | -1.3 | – | – | – | – | 166.8 | -76.5 | – | -9.7 | 0.7 | -85.5 | 81.3 | 46.2 |
| Other equipment, operating and office equipment | 34.4 | -1.1 | 6.9 | -2.0 | – | – | – | – | 38.2 | -25.0 | 0.5 | -5.8 | 1.8 | -28.5 | 9.7 | 9.4 |
| Finance leases | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Intangible assets and goodwill** | **383.8** | **–** | **4.9** | **–** | **–** | **–** | **–** | **–** | **388.7** | **-378.8** | **–** | **-3.7** | **–** | **-382.5** | **6.2** | **5.0** |
| Other intangible assets | 23.4 | – | 4.9 | – | – | – | – | – | 28.3 | -18.4 | – | -3.7 | – | -22.1 | 6.2 | 5.0 |
| Goodwill | 360.4 | – | – | – | – | – | – | – | 360.4 | -360.4 | – | – | – | -360.4 | – | – |
| **Total** | **644.1** | **-1.1** | **59.9** | **-3.3** | **1.9** | **1.7** | **-0.3** | **-1.6** | **701.3** | **-499.3** | **0.5** | **-21.5** | **2.5** | **-517.8** | **183.5** | **144.8** |

## CONSOLIDATED STATEMENT OF CHANGES IN ASSETS 2023

| | Acquisition or production costs | | | | | | | | | Cumulative depreciation, amortisation and write-downs/fair values | | | | | Carrying amounts | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EUR million | Status as at 01.01. 2023 | Acquisitions of consolidation group | Acquisitions | Disposals | Reclassification | Acquisition of investment properties held as financial investments | Disposal of investment properties held as financial investments | Disposal of assets held for sale | Status as at 31.12. 2023 | Status as at 01.01. 2023 | Acquisitions of consolidation group | Acquisitions | Disposals | Status as at 31.12. 2023 | Status as at 31.12. 2023 | Status as at 31.12. 2022 |
| **Property, plant and equipment** | **254.1** | **–** | **17.9** | **-4.0** | **–** | **4.7** | **-10.7** | **-1.7** | **260.3** | **-106.5** | **–** | **-15.9** | **1.9** | **-120.5** | **139.8** | **147.6** |
| Land, land rights and buildings | 103.2 | – | 3.2 | – | 4.5 | 4.7 | -10.7 | -1.7 | 103.2 | -16.8 | – | -2.2 | – | -19.0 | 84.2 | 86.4 |
| Technical equipment and machinery | 115.6 | – | 9.3 | -2.4 | 0.2 | – | – | – | 122.7 | -68.6 | – | -8.2 | 0.3 | -76.5 | 46.2 | 47.0 |
| Other equipment, operating and office equipment | 30.8 | – | 5.2 | -1.6 | – | – | – | – | 34.4 | -21.1 | – | -5.5 | 1.6 | -25.0 | 9.4 | 9.7 |
| Finance leases | 4.5 | – | 0.2 | – | -4.7 | – | – | – | – | – | – | – | – | – | – | 4.5 |
| **Intangible assets and goodwill** | **383.3** | **–** | **0.5** | **–** | **–** | **–** | **–** | **–** | **383.8** | **-377.5** | **–** | **-1.3** | **–** | **-378.8** | **5.0** | **5.8** |
| Other intangible assets | 22.9 | – | 0.5 | – | – | – | – | – | 23.4 | -17.1 | – | -1.3 | – | -18.4 | 5.0 | 5.8 |
| Goodwill | 360.4 | – | – | – | – | – | – | – | 360.4 | -360.4 | – | – | – | -360.4 | – | – |
| **Total** | **637.4** | **–** | **18.4** | **-4.0** | **–** | **4.7** | **-10.7** | **-1.7** | **644.1** | **-484.0** | **–** | **-17.2** | **1.9** | **-499.3** | **144.8** | **153.4** |

# CONSOLIDATED STATEMENT OF CHANGES IN PROVISIONS/ANNEX II

## CONSOLIDATED STATEMENT OF CHANGES IN PROVISIONS 2024

| EUR million | Status as at 01.01. 2024 | Disposals of consolidation group | Utilisation | Re-solution | Re-classifications | Addition | Interest | Dis-counting | Status as at 31.12. 2024 | of which Non-current | of which Current |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Staff provisions** | | | | | | | | | | | |
| Provisions from the personnel area | 2.3 | – | -1.3 | 0.0 | – | 1.9 | 0.1 | 0.0 | 3.0 | 2.1 | 0.9 |
| **Other provisions** | **31.5** | **–** | **-13.2** | **-7.8** | **–** | **18.5** | **–** | **–** | **29.0** | **2.1** | **26.9** |
| Construction book provisions | 1.6 | – | 0.0 | -0.1 | – | 0.3 | – | – | 1.8 | – | 1.8 |
| Litigation risks | 1.2 | – | -0.5 | -0.3 | 0.0 | 0.3 | 0.0 | 0.0 | 0.7 | 0.0 | 0.7 |
| Other provisions | 28.7 | – | -12.7 | -7.4 | 0.0 | 17.9 | 0.0 | 0.0 | 26.5 | 2.1 | 24.4 |
| **Total** | **33.8** | **–** | **-14.5** | **-7.8** | **0.0** | **20.4** | **0.1** | **0.0** | **32.0** | **4.2** | **27.8** |

## CONSOLIDATED STATEMENT OF CHANGES IN PROVISIONS 2023

| EUR million | Status as at 01.01. 2023 | Disposals of consolidation group | Utilisation | Re-solution | Re-classifications | Addition | Interest | Dis-counting | Status as at 31.12. 2023 | of which Non-current | of which Current |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Staff provisions** | | | | | | | | | | | |
| Provisions from the personnel area | 2.7 | – | -1.2 | -0.1 | -0.2 | 1.1 | – | – | 2.3 | 1.1 | 1.2 |
| **Other provisions** | **34.5** | **–** | **-15.8** | **-2.1** | **–** | **14.8** | **0.1** | **–** | **31.5** | **2.3** | **29.2** |
| Construction book provisions | 1.6 | – | – | – | – | – | – | – | 1.6 | – | 1.6 |
| Litigation risks | 1.0 | – | -0.1 | – | – | 0.3 | – | – | 1.2 | 0.0 | 1.2 |
| Other provisions | 31.9 | – | -15.7 | -2.1 | – | 14.5 | 0.1 | – | 28.7 | 2.3 | 26.4 |
| **Total** | **37.2** | **–** | **-17.0** | **-2.2** | **-0.2** | **15.9** | **0.1** | **–** | **33.8** | **3.4** | **30.4** |

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Wirtschaftsprüfungsgesellschaft

**INDEPENDENT AUDITOR'S REPORT**

To LEG Immobilien SE, Düsseldorf/Germany

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT**

**Audit Opinions**

We have audited the consolidated financial statements of LEG Immobilien SE, Düsseldorf/Germany, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, the statement of changes in consolidated equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and the notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of LEG Immobilien SE, Düsseldorf/Germany, including the remuneration report pursuant to Section 162 German Stock Corporation Act (AktG) contained in the group management report, as well as the corresponding disclosures, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the consolidated non-financial statement (sustainability report) pursuant to Section 315b HGB and Section 315c HGB included in the group management report and the combined corporate governance statement pursuant to Sections 289f and 315d HGB including the further reporting on corporate governance contained therein. In addition, we have not audited the content of the quarterly figures extraneous to group management reports that are marked as unaudited in the group management report.

In our opinion, on the basis of the knowledge obtained in the audit:

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the statements referred to above and of the disclosures extraneous to group management reports.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

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Wirtschaftsprüfungsgesellschaft

**Basis for the Audit Opinions**

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

**Key Audit Matters in the Audit of the Consolidated Financial Statements**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following, we present the measurement of investment properties, which we have determined as the key audit matter in the course of our audit.

Our presentation of this key audit matter has been structured as follows:

a) description (including reference to corresponding information in the consolidated financial statements)

b) auditor's response

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**Measurement of investment properties**

a) The consolidated financial statements of LEG Immobilien SE as at 31 December 2024 report investment properties of mEUR 17,853.3 (prior year: mEUR 18,101.8). Exercising the option conferred by IAS 40.30, LEG Immobilien SE recognises investment properties in accordance with the fair value model pursuant to IFRS 13. As a result, both realised changes in market value from sales and unrealised changes in market value are recognised through profit or loss as part of the measurement. In the past financial year, unrealised changes in market value of mEUR -225.3 (prior year: mEUR -2,422.8) were recognised under operating earnings in the consolidated statement of comprehensive income.

When determining the fair value, the executive directors assume that the existing use corresponds to the highest and best use of the property. On the basis of an internal company measurement model, the fair values are determined based on projected net cash inflows from the management of the properties using the discounted cash flow method. In the case of properties without a positive net cash inflow (mainly vacant buildings), a market value is determined using a liquidation value method. Undeveloped land is regularly measured on the basis of an indirect comparison of indicative land values.

Where possible, LEG uses information that can be observed on the market for its measurement (sources include, for example, documents from expert committees and publicly accessible and fee-based property market databases). In addition, an independent external expert engaged by the executive directors of LEG prepares a valuation report that is used to check the plausibility of the internal measurement results.

The measurement of investment properties is based on numerous parameters that are generally subject to judgement and estimation uncertainties. Significant measurement parameters include, in particular, the expected cash flows and the discount and capitalisation rate. The expected cash flows are primarily influenced by the assumed rents, vacancy rates and maintenance costs. The discount rate is mainly determined by the sales made on the market. The capitalisation rate depends, among other things, on the remaining useful life of the properties and the expected growth rate of cash flows.

From our point of view, this matter was particularly relevant to our audit because the measurement of investment properties is generally subject to judgement and estimation uncertainties and there is a risk that the changes in fair value recognised through profit or loss are not within an appropriate range.

The disclosures of the executive directors on the measurement of these properties and the associated judgements and estimates are included in section D. Accounting Policies of the notes to the consolidated financial statements.

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b) As part of our audit, we assessed the appropriateness of the measurement method and the measurement results. Initially, we assessed the organisational and process structure of the property measurement. We evaluated the design of any identified controls that were relevant to our audit and verified that they were properly implemented. In addition, we tested the operating effectiveness of the controls relevant to the audit.

Our audit of the measurement was supported by internal specialists from the Real Estate Consulting department. With their support, we evaluated the measurement models as well as the measurement parameters and measurement results for randomly selected properties. We also performed an alternative property-specific comparative calculation for this sample using a discounted cash flow method or on the basis of the standardised income capitalisation approach in accordance with the German Property Valuation Regulation (ImmoWertV) and compared this calculation with the measurement results of LEG Immobilien SE. In addition, we performed on-site inspections on a sample basis, in particular to evaluate the remaining useful lives applied in the measurement when deriving the capitalisation rates.

We assessed the competence, capabilities and objectivity of the external expert engaged by the executive directors of LEG Immobilien SE, evaluated the measurement methods applied in the expert opinion with regard to compliance with IAS 40 in conjunction with IFRS 13 and used these methods.

In addition, we evaluated the completeness and appropriateness of the disclosures on investment properties required to be made in the notes to the consolidated financial statements in accordance with IAS 40 and IFRS 13.

**Other Information**

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises:

- the report of the supervisory board,
- the consolidated non-financial statement contained in the group management report (sustainability report),
- the combined corporate governance statement contained in the group management report as well as the further reporting on corporate governance included therein,
- the quarterly figures extraneous to group management reports that are marked as “unaudited”,
- the executive directors’ confirmations pursuant to Sections 297 (2) sentence 4 and 315 (1) sentence 5 HGB regarding the consolidated financial statements and the group management report, and
- all other parts of the annual report,
- but not the consolidated financial statements, not the audited content of the group management report and not our auditor’s report thereon.

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The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement pursuant to Section 161 AktG on the German Corporate Governance Code and the further reporting on corporate governance within the combined corporate governance statement. Otherwise the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information:

- is materially inconsistent with the consolidated financial statements, with the audited content of the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

**Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

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The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

The executive board and the supervisory board are also responsible for the preparation of the remuneration report included in a special section of the group management report, including the related disclosures, that complies with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they have determined necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Group.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or of the business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and inspection of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

**OTHER LEGAL AND REGULATORY REQUIREMENTS**

**Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Group Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB**

**Audit Opinion**

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the group management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value 41d75c2a720e17e33233ae343fa021653cdfcee478d095e352a7b29163f8e3ca, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the group management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Group Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

**Basis for the Audit Opinion**

We conducted our audit of the electronic reproductions of the consolidated financial statements and of the group management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

**Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents**

The executive directors of the Parent are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the group management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Parent are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

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**Group Auditor's Responsibilities for the Audit of the ESEF Documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited group management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

**Further Information Pursuant to Article 10 of the EU Audit Regulation**

We were elected as group auditor by the general meeting on 23 May 2024. We were engaged by the supervisory board on 19 June 2024. We have been the group auditor of LEG Immobilien SE, Düsseldorf/Germany, without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

**OTHER MATTER – USE OF THE AUDITOR'S REPORT**

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as with the audited ESEF documents. The consolidated financial statements and the group management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

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**GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT**

The German Public Auditor responsible for the engagement is Rolf Künemann.

Düsseldorf/Germany, 6 March 2025

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Signed:
André Bedenbecker
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Rolf Künemann
Wirtschaftsprüfer
(German Public Auditor)

**TRANSLATION**
– German version prevails –

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# LEG Immobilien SE
# Düsseldorf/Germany

Assurance report of the
Independent German Public Auditor
on a limited assurance engagement in relation to
the consolidated non-financial statement
(sustainability report) included in the
group management report for the financial year
from 1 January to 31 December 2024

**TRANSLATION**
– German version prevails –

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**Appendices**

**Consolidated non-financial statement (sustainability report) included in the group management report of LEG Immobilien SE, Essen/Germany, for the financial year from 1 January to 31 December 2024**

**General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)**

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**ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON A LIMITED ASSURANCE ENGAGEMENT IN RELATION TO THE CONSOLIDATED NON-FINANCIAL STATEMENT (SUSTAINABILITY REPORT) INCLUDED IN THE GROUP MANAGEMENT REPORT**

To LEG Immobilien SE, Düsseldorf/Germany

**Assurance Conclusion**

We have conducted a limited assurance engagement on the consolidated sustainability reporting of LEG Immobilien SE, Düsseldorf/Germany, for the financial year from 1 January to 31 December 2024 included in section "Non-financial report (sustainability report)" of the group management report ("Sustainability Report"). The Sustainability Report was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 and Sections 315b and 315c German Commercial Code (HGB) for a consolidated non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Report is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c HGB for a consolidated non-financial statement, and the specifying criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe:

- that the accompanying Sustainability Report does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Sustainability Report (the materiality assessment) is not, in all material respects, in accordance with the description set out in section "Management of the impacts, risks and opportunities" of the Sustainability Report, or

- that the disclosures in the Sustainability Report do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

We do not express an assurance conclusion on the above-mentioned parts of the Sustainability Report that were not covered by our assurance engagement.

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**Basis for the Assurance Conclusion**

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in section "German Public Auditor's Responsibilities for the Assurance Engagement on the Sustainability Report".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements of the IDW Quality Management Standards and of the International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

**Responsibilities of the Executive Directors and the Supervisory Board for the Sustainability Report**

The executive directors are responsible for the preparation of the Sustainability Report in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the specifying criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control as they have considered necessary to enable the preparation of a sustainability report in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e. fraudulent reporting in the Sustainability Report) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Sustainability Report as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Sustainability Report.

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**Inherent Limitations in Preparing the Sustainability Report**

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. The executive directors have disclosed interpretations of such wording and terms in the Sustainability Report. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the sustainability matters based on these interpretations is uncertain. The quantification of non-financial performance indicators disclosed in the Sustainability Report is also subject to inherent uncertainties.

These inherent limitations also affect the assurance engagement on the Consolidated Sustainability Statement.

**German Public Auditor's Responsibilities for the Assurance Engagement on the Sustainability Report**

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Sustainability Report has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the specifying criteria presented by the executive directors of the Company and to issue an assurance report that includes our assurance conclusion on the Sustainability Report.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism. We also:

- obtain an understanding of the process used to prepare the Sustainability Report, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Sustainability Report.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

**Summary of the Procedures Performed by the German Public Auditor**

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In performing our limited assurance engagement, we:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Sustainability Report.
- inquired of the executive directors and relevant employees involved in the preparation of the Sustainability Report about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Sustainability Report, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Sustainability Report.
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.
- performed analytical procedures or tests of details and made inquiries in relation to selected information in the Sustainability Report.
- considered the presentation of the information in the Sustainability Report.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Report.

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**Restriction of Use**

We issue this report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" dated 1 January 2024 of the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties as a basis for making (financial) decisions.

Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

Düsseldorf/Germany, 6 March 2025

**Deloitte GmbH**
Wirtschaftsprüfungsgesellschaft

Signed:
André Bedenbecker
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Rolf Künemann
Wirtschaftsprüfer
(German Public Auditor)

## Responsibility statement

“To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of LEG, and the management report of LEG includes a fair review of the development and performance of the business and the position of LEG, together with a description of the principal opportunities and risks associated with the expected development of LEG.”

Dusseldorf, 10 March 2025

LEG Immobilien SE

The Management Board

**LARS VON LACKUM** **DR. KATHRIN KÖHLING** **DR. VOLKER WIEGEL**

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## FURTHER INFORMATION



## Separate financial statements of LEG Immobilien SE

As the managing holding company of the LEG Group, LEG Immobilien SE, headquartered in Dusseldorf, performs controlling activities and administrative services for the LEG Group.

As at the balance sheet date of December 31, 2024, the separate entity company is a large corporation within the meaning of section 267 (3) sentence 2 of the German Commercial Code (HGB). Since applying for a stock market listing in December 2012, LEG Immobilien SE has been considered a publicly traded company in accordance with section 264d HGB and is subject to section 267(3) HGB

LEG Immobilien AG went public on 1 February 2013 with the initial listing of its shares on the regulated market (Prime standard) of the Frankfurt Stock Exchange.

LEG Immobilien SE and its direct and indirect subsidiaries are one of the largest housing companies in Germany. On 31 December 2024, the LEG Group held 165,510 units (residential and commercial) in its portfolio.

## Annual financial statements under commercial law 2024

### Net income/income statement

Net profit for the 2024 financial year amounted to EUR 4.1 million (previous year: net profit of EUR 18.3 million).

The decline in net profit for the year is mainly due to a reduction in income from loans of financial assets by EUR 20.2 million to EUR 76.5 million (previous year: EUR 96.7 million) due to the change in interest rates, as well as the decline from profit transfer agreements by EUR 7.8 million to EUR 9.4 million (previous year: EUR 17.2 million). This is mainly offset by an increase in income from interest on cash pooling receivables by EUR 7.5 million to EUR 8.6 million (previous year: EUR 1.2 million).

On the basis of the approved economic planning, a negative result had been expected in 2024.

### Summary of balance sheet

| in €m | 31.12.2024 | 31.12.2023 | Change |
|---|---|---|---|
| Financial assets | 8,899.2 | 8,163.1 | 736.1 |
| Receivables | 38.2 | 24.1 | 14.1 |
| Cash and cash equivalents | 0.2 | 0.1 | 0.1 |
| Prepaid expenses | 138.1 | 82.7 | 55.4 |
| **Total assets** | **9,075.7** | **8,270.0** | **805.7** |
| Equity | 2,600.7 | 2,749.9 | -149.2 |
| Provisions | 106.8 | 50.5 | 56.3 |
| Accounts payable | 6,363.1 | 5,463.3 | 899.8 |
| Deferred tax liabilities | 5.1 | 6.3 | -1.2 |
| **Total equity and liabilities** | **9,075.7** | **8,270.0** | **805.7** |

Financial assets increased by EUR 736.1 million from a total of EUR 8,163.1 million to EUR 8,899.2 million. Loans to affiliated companies increased by EUR 736.0 million from EUR 4,418.0 million to EUR 5,154.0 million, mainly due to capital market transactions, the proceeds of which were mainly passed on as loans as part of the Group's financing.

The increase in receivables by EUR 14.1 million from EUR 24.1 million to EUR 38.2 million is mainly due to increased receivables against affiliated companies from cash pooling with LEG NRW GmbH.

Prepaid expenses of EUR 138.1 million (previous year: EUR 82.7 million) consists mainly of discounts, which result from the difference between the issue proceeds and the liability for bonds recognised at the settlement amount. The bonds issued in the year under review and the associated discount result in an addition to prepaid expenses in the amount of EUR 70.7 million. On the other hand, there is a scheduled release of EUR 15.4 million.

The liabilities side consists of reported equity of EUR 2,600.7 million, liabilities of EUR 6,363.1 million, deferred tax liabilities of EUR 5.1 million and provisions of EUR 106.8 million.

As at 31 December 2024, the equity of LEG Immobilien SE consists of subscribed capital of EUR 74.5 million, capital reserves of EUR 1,027.9 million, retained earnings of EUR 1,214.4 million and the accumulated profit of EUR 283.9 million.

The year-on-year decline in equity of EUR 149.2 million resulted from the withdrawal from free retained earnings of EUR 225.0 million for a possible dividend distribution, offset by an increase in subscribed capital and capital reserves from a non-cash capital increase from scrip dividends for the 2023 financial year (EUR 28.3 million) and an improvement in net profit of EUR 47.5 million.

As at 31 December 2024, liabilities amounted to EUR 6,363.1 million, mainly comprising convertible bonds in the amount of EUR 950.0 million, corporate bonds in the amount of EUR 4,400.0 million, other financing in the amount of EUR 280.0 million, other liabilities (EUR 31.1 million) and liabilities to affiliated companies (EUR 700.7 million).

On March 16, 2021, a bond with a nominal value of EUR 500.0 million and a maturity date of March 30, 2033 was issued, this was increased by EUR 100.0 million on October 5, 2021 and increased by a further EUR 100.0 million on December 17, 2024 through the issuance of a further tranche. The issue of a bond in the amount of EUR 500.0 million with a maturity date of January 17, 2029 took place on January 10, 2022. By issuing further tranches, these were increased by EUR 100.0 million on November 22, 2023 and by EUR 100.0 million on November 27, 2024.

On 4 September 2024, an (indirect) subsidiary of LEG Immobilien SE issued a convertible bond with a nominal value of EUR 500 million and a maturity date of 2030. On December 5, 2024, the total nominal amount was increased by EUR 200 million to EUR 700 million. The subsidiary has passed on the net proceeds from the convertible bonds to LEG Immobilien SE. In an agreement dated December 5, 2024, LEG Immobilien SE also committed itself to issue the shares to be delivered to the bondholders in the event of a conversion of the convertible bonds issued by a subsidiary.

The provisions are mainly characterised by provisions for the bondholders' conversion rights for the convertible bonds (EUR 89.2 million) and provisions for pensions and other obligations for members of the Management Board (EUR 13.7 million).

**Financial statements**

The complete annual financial statements of LEG Immobilien SE under commercial law, which bear the auditor's unqualified opinion, are published in the electronic Federal Gazette. It can also be requested as a special print from LEG Immobilien SE and will be published on the website of LEG Immobilien SE.

# Glossary

## Net operating income (NOI)
Result from the management of the real estate portfolio and from other operating activities. Administrative expenses are not taken into account.

## Net operating income (recurring)
Net operating income adjusted for depreciation and non-recurring project costs. As part of the realignment of corporate management, maintenance expenses for externally procured services, subsidies and own work capitalised, which was previously included in the "Other" item, will no longer be reported in the recurring net operating income from the 2023 financial year onwards.

## EBITDA
Earnings before Interest, Tax, Depreciation and Amortisation Consolidated net income before net finance costs and taxes, depreciation on property, plant and equipment and amortisation of intangible assets; depreciation and amortisation also include impairment losses and reversals thereof.

## EBITDA (adjusted)
EBITDA adjusted for net income on the remeasurement of investment of investment properties, net income from the disposal of real estate inventory, net income from the disposal of investment properties, non-recurring project costs and other extraordinary and prior-period expenses and income. As part of the realignment of corporate management, from the 2023 financial year onwards – analogous to the net operating income (recurring) – maintenance expenses for externally procured services, subsidies and own work capitalised, which was previously included in the "Other" item, will also no longer be taken into account in the calculation.

**or**

Recurring net operating income less recurring administrative expenses.

## EBIT
Earnings before Interest and Tax Operating earnings or consolidated net income before net finance costs and taxes.

## FFO I
Funds from Operations I Funds generated from operating activities. LEG calculation:
Adj. EBITDA adjusted for cash interest expenses, cash taxes, maintenance expenses for externally procured services, subsidies and own work capitalised.

## FFO II
**Funds from Operations II**
FFO I plus net income from the disposal of investment properties.

## AFFO
**Adjusted FFO I**
Based on FFO I (after non-controlling interests), AFFO takes recurring capex measures (capex (recurring)) into account. Recurring capex measures are defined as capitalised costs from modernisation and maintenance measures as well as new construction activities on own land. When determining costs from modernisation and maintenance measures, consolidation effects due to internally procured services resulting from the elimination of intercompany profits are eliminated.

## EPRA
European Public Real Estate Association

## EPRA capex
The EPRA capex splits the capitalised investments of the reporting period in comparison to the comparative period in several components.

## EPRA vacancy rate
**Vacancy rate as defined by EPRA**
Expressed as a percentage being the estimated market rental value of vacant space divided by the estimated market rental value of the whole portfolio.

## EPRA earnings per share
Net profit or loss for the period attributable to parent shareholders, adjusted for non-cash remeasurement effects of investment properties and derivatives, acquisition costs and aperiodic financing costs and income taxes, that are not classified as current income taxes.

## EPRA NAV
**Net Asset Value as defined by EPRA**
Net asset value from a shareholder perspective assuming the long-term continuation of the company as a going concern. This value is calculated on the basis of equity which is controlled by the shareholders and eliminates the effects of the market measurement of derivative financial instruments and deferred taxes which correspond to investment properties, derivatives or subsidised loans.

## EPRA NRV
**Net Reinstatement Value as defined by EPRA**
Recovery value of the company assuming that no assets are sold. The value is calculated on the basis of the equity attributable to controlling shareholders and eliminates the effects of the fair value measurement of derivative financial instruments and deferred taxes attributable to investment property, derivatives or subsidised housing loans. Incidental acquisition costs are added.

## EPRA NTA
**Net Tangible Assets as defined by EPRA**
Net asset value from the shareholders' perspective assuming long-term continuation of the business with acquisition and disposal of assets. The value is calculated on the basis of the equity attributable to controlling shareholders and eliminates the effects of the fair value measurement of derivative financial instruments and deferred taxes attributable to non-current investment property, derivatives or subsidised housing loans. Intangible assets are not included in the calculation.

## EPRA NDV
**Net Disposal Value as defined by EPRA**
Net asset value from the shareholders' perspective assuming a disposal scenario. The value is calculated on the basis of the equity attributable to controlling shareholders. The effects from the measurement of liabilities at current fair value less the resulting deferred tax are taken into account.

## EPRA NIY
**Net Initial Yields as defined by EPRA**
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

## EPRA cost ratio
The cost ratio is an indicator of the company's operating performance. Administrative and operating expenses are divided by gross rental income, adjusted for leasehold land interests and – unless marked otherwise – directly attributable vacancy costs.

## EPRA LTV
**Loan to Value definition according to EPRA**
Compared to the standard LTV, hybrid debt instruments such as convertible bonds are treated as financial liabilities until the date of conversion. Furthermore, net debt and net assets of joint ventures or material associates are included while being eliminated for material non-controlling interests.

## LTV
**Loan to Value**
The LTV corresponds to the ratio of financial liabilities less cash and cash equivalents and lease liabilities according to IFRS 16 to the total of investment property, assets held for sale and prepayments for investment property and investments in other residential property companies. It thus provides information about a company's level of indebtedness.

## Capex
**Capital Expenditure**
Capitalised cost for modernisation and maintenance work.

## Capex (recurring)

Recurring capex measures are defined as capitalised costs from modernisation and maintenance measures as well as new construction activities on own land. When determining costs from modernisation and maintenance measures, consolidation effects due to internally procured services resulting from the elimination of intercompany profits are eliminated.

## Special items

Special items include expenses for projects that are largely nonrecurring with a complex structure whose goals are to be met within the budget and time provided.

# Financial calendar

### LEG financial calendar 2025

| | |
|---|---|
| Release of Annual Report 2024 | 10 March |
| Release of Quarterly Statement Q1 as of 31 March 2025 | 13 May |
| Annual General Meeting | 28 May |
| Release of Quarterly Report Q2 as of 30 June 2025 | 7 August |
| Release of Quarterly Statement Q3 as of 30 September 2025 | 12 November |

For additional dates see our website.

**Further Information**
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# Contact details & imprint

**Publisher**
LEG Immobilien SE
Flughafenstrasse 99
D – 40474 Dusseldorf
Tel. +49 (0) 2 11 45 68-0
ir@leg-se.com
www.leg-se.com

**Contact details**
Investor Relations
Frank Kopfinger
ir@leg-se.com

**Photos**
Lukas Huneke, Selina Pfrüner, Peter Weihs, istockphoto.com, stock.adobe.com, among other

The annual report as of 31 December 2024 is also available in German.
In case of doubt, the German version takes precedence.

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The pdf version of our Annual Report was optimised for use on a PC or tablet. The linked tables of contents and the function buttons on each page ensure easy navigation:

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LEG Immobilien SE
Flughafenstrasse 99
D – 40474 Dusseldorf
Tel. + 49 (0) 2 11 45 68 - 0
ir@leg-se.com
www.leg-se.com