



2023

Quarterly report as of 30 September

**LEG**

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## About this report

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## Key figures Q3 2023

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		Q3 2023	Q3 2022	+/- %	01.01. – 30.09.2023	01.01. – 30.09.2022	+/- %
<b>Financial Key Figures</b>							
Rental income	€ million	209.2	200.4	4.4	623.5	596.6	4.5
Net operating income (recurring)	€ million	177.5	174.9	1.5	516.9	511.7 <sup>1</sup>	1.0
EBITDA	€ million	157.8	154.8	1.9	-1,053.4	1,605.3	-165.6
EBITDA adjusted	€ million	172.1	171.1	0.6	507.3	493.5 <sup>1</sup>	2.8
EBT	€ million	74.5	161.7	-53.9	-1,220.5	1,482.8	-182.3
Net profit or loss for the period	€ million	58.2	127.3	-54.3	-969.9	1,187.6	-181.7
FFO I	€ million	126.6	132.9	-4.7	352.6	374.3	-5.8
FFO I per share	€	1.71	1.79	-4.5	4.76	5.11	-6.8
FFO II	€ million	126.7	132.5	-4.4	349.4	373.2	-6.4
FFO II per share	€	1.71	1.79	-4.5	4.71	5.09	-7.5
AFFO	€ million	58.3	35.2	65.6	176.9	114.6	54.4
AFFO per share	€	0.79	0.47	68.1	2.39	1.56	53.2
<b>Balance Sheet Key Figures</b>							
		30.09.2023	31.12.2022	+/- %/BP			
Investment property	€ million	18,983.3	20,204.4	-6.0			
Cash and cash equivalents	€ million	305.7	362.2	-15.6			
Equity	€ million	8,114.4	9,083.9	-10.7			
Total financing liabilities	€ million	9,364.9	9,460.8	-1.0			
Current financing liabilities	€ million	1,029.6	252.4	307.9			
LTV	%	46.8	43.9	+290			
Equity ratio	%	40.4	42.5	-210			
EPRA NTA, diluted	€ million	10,195.1	11,377.2	-10.4			
EPRA NTA per share, diluted	€	137.57	153.52	-10.4			
<b>Other Key Figures</b>							
		30.09.2023	30.09.2022	+/- %/BP			
Number residential units		166,827	166,758	0.0			
In-place rent	€/sqm	6.57	6.30	4.3			
In-place rent (L-f-I)	€/sqm	6.55	6.30	4.0			
EPRA vacancy rate	%	2.9	2.9	-			
EPRA vacancy rate (L-f-I)	%	2.4	2.6	-20			

bp = basis points

<sup>1</sup> Previous year adapted

## Portfolio

### Portfolio segmentation and housing stock

The LEG portfolio can be divided into three market clusters using a scoring system: high-growth markets, stable markets, and higher-yielding markets. The indicators for the scoring system are described in the [annual report 2022](#).

The portfolio is spread over around 260 locations, most of which are in LEG's home state of North Rhine-Westphalia. In addition, properties are held in the federal states of Lower Saxony, Bremen, Schleswig-Holstein, Hesse, Rhineland-Palatinate, and Baden-Wuerttemberg.

The property portfolio as of 30 September 2023 included 166,827 residential units, 1,579 commercial units and 46,828 garages and parking spaces. The average flat size was 63 square metres, and the average monthly in-place rent was EUR 6.57 per square metre.

### Operational development

The actual in-place rent on a comparable portfolio basis (like-for-like) was EUR 6.55 per square metre and month on 30 September 2023. This corresponds to an increase of 4.0% within one year. Rent table adjustments contributed 1.8%, modernisations and new lettings 1.4% and the adjustment of the cost rent in the rent-restricted portfolio, which is possible every three years, 0.8%.

The free-financed portfolio accounts for 81% of the portfolio. Here, the actual in-place rent rose by 3.7% to EUR 6.87 per square metre (like-for-like) compared to the previous year. Within the free-financed portfolio, the high-growth markets recorded an increase of 3.9% to EUR 7.88 per square metre (like-for-like). The actual in-place rent in the stable markets of the free-financed portfolio increased by an average of 4.0% to EUR 6.61 per square metre (like-for-like). In the higher-yielding markets, the monthly in-place rent rose by 3.1% to EUR 6.21 per square metre (like-for-like).

The adjustment of the in-place rents in the rent-restricted portfolio increased the average monthly rent by 5.5% to EUR 5.33 per square metre (like-for-like) at the end of the reporting period.

The EPRA vacancy rate on a like-for-like basis decreased by 20 basis points to 2.4% as at 30 September 2023 compared to the previous year's reporting date. In the high-growth markets, the EPRA vacancy rate was 1.5% as at the reporting date, in the stable markets it averaged 2.2% and in the higher-yielding markets it was 4.1% (like-for-like in each case).

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## Portfolio segments – top 5 locations

	Total portfolio										Change like-for-like basis	
	30,09,2023					30,09,2022					In-place rent in% Like-for-Like	Vacancy rate (basis points) Like-for-Like
	Number of LEG apartments	Share of LEG portfolio in %	Living space in sqm	In-place rent €/sqm	EPRA vacancy rate in %	Number of LEG apartments	Share of LEG portfolio in %	Living space in sqm	In-place rent €/sqm	EPRA vacancy rate in %		
<b>High-growth markets</b>	49,932	29.9	3,285,528	7.39	1.8	49,519	29.7	3,256,189	7.07	2.2	4.1	-50
District of Mettmann	8,502	5.1	590,619	7.73	1.4	8,506	5.1	590,850	7.48	1.2	3.4	30
Dusseldorf	6,203	3.7	402,676	8.79	1.9	5,748	3.4	373,931	8.42	0.9	3.0	100
Muenster	6,154	3.7	410,486	7.32	0.3	6,159	3.7	410,597	7.01	0.6	4.4	-20
Cologne	4,388	2.6	296,367	8.04	2.4	4,234	2.5	286,752	7.72	3.1	3.0	-70
Aachen	2,430	1.5	164,255	5.77	2.2	2,430	1.5	164,255	5.52	1.7	4.6	40
Other locations	22,255	13.3	1,421,124	6.93	2.2	22,442	13.5	1,429,804	6.59	3.4	5.1	-120
<b>Stable markets</b>	66,760	40.0	4,257,910	6.32	2.8	66,629	40.0	4,246,439	6.06	2.5	4.3	-10
Dortmund	13,794	8.3	901,963	6.02	2.1	13,860	8.3	905,367	5.78	2.1	4.0	0
District of Unna	6,982	4.2	435,366	5.70	2.0	6,916	4.1	430,294	5.42	1.8	5.0	10
Moenchengladbach	6,433	3.9	407,586	6.72	1.3	6,432	3.9	407,594	6.45	1.4	4.1	0
Essen	3,658	2.2	235,093	6.39	7.1	3,558	2.1	228,768	6.14	3.1	4.1	10
Bielefeld	3,232	1.9	201,196	7.11	1.0	3,234	1.9	201,168	6.92	1.9	2.7	-80
Other locations	32,661	19.6	2,076,707	6.42	3.2	32,629	19.6	2,073,248	6.14	3.0	4.4	-20
<b>Higher-yielding markets</b>	50,135	30.1	3,027,641	6.00	4.5	50,610	30.3	3,058,246	5.80	4.3	3.4	10
District of Recklinghausen	9,024	5.4	548,940	5.81	2.7	9,028	5.4	549,145	5.60	2.7	3.8	0
Gelsenkirchen	7,249	4.3	414,665	6.15	6.6	7,248	4.3	414,521	5.91	6.5	4.0	-30
Wilhelmshaven	6,817	4.1	394,549	5.86	10.8	6,855	4.1	397,218	5.73	9.5	2.4	100
Duisburg	6,419	3.8	387,844	6.51	2.3	6,428	3.9	388,450	6.33	2.4	2.8	0
Hamm	4,827	2.9	289,070	5.98	1.9	4,837	2.9	289,652	5.78	2.0	3.5	-20
Other locations	15,799	9.5	992,574	5.91	3.6	16,214	9.7	1,019,259	5.69	3.6	3.6	10
<b>Total portfolio</b>	<b>166,827</b>	<b>100.0</b>	<b>10,571,079</b>	<b>6.57</b>	<b>2.9</b>	<b>166,758</b>	<b>100.0</b>	<b>10,560,875</b>	<b>6.30</b>	<b>2.9</b>	<b>4.0</b>	<b>-20</b>

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## Performance LEG portfolio

		High-growth markets			Stable markets			Higher-yielding markets			Total		
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.06.2023	30.09.2022
<b>Subsidised residential units</b>													
Units		11,419	11,419	11,459	13,745	13,761	14,612	7,065	7,066	7,221	32,229	32,246	33,292
Area	sqm	781,348	781,317	784,010	930,546	931,416	987,741	463,014	463,080	475,788	2,174,908	2,175,814	2,247,539
In-place rent	€/sqm	5.77	5.76	5.41	5.26	5.25	4.97	4.88	4.88	4.59	5.36	5.35	5.05
EPRA vacancy rate	%	1.0	1.6	1.0	1.5	2.0	1.6	2.0	1.9	2.0	1.4	1.8	1.5
<b>Free-financed residential units</b>													
Units		38,513	38,523	38,060	53,015	52,993	52,017	43,070	43,128	43,389	134,598	134,644	133,466
Area	sqm	2,504,180	2,504,927	2,472,179	3,327,364	3,325,943	3,258,699	2,564,627	2,568,322	2,582,458	8,396,171	8,399,193	8,313,335
In-place rent	€/sqm	7.91	7.84	7.60	6.62	6.58	6.39	6.21	6.18	6.03	6.89	6.84	6.64
EPRA vacancy rate	%	2.0	2.1	2.4	3.0	3.0	2.7	4.8	4.9	4.6	3.1	3.2	3.1
<b>Total residential units</b>													
Units		49,932	49,942	49,519	66,760	66,754	66,629	50,135	50,194	50,610	166,827	166,890	166,758
Area	sqm	3,285,528	3,286,244	3,256,189	4,257,910	4,257,360	4,246,439	3,027,641	3,031,403	3,058,246	10,571,079	10,575,006	10,560,875
In-place rent	€/sqm	7.39	7.34	7.07	6.32	6.29	6.06	6.00	5.97	5.80	6.57	6.53	6.30
EPRA vacancy rate	%	1.8	2.0	2.2	2.8	2.8	2.5	4.5	4.6	4.3	2.9	3.0	2.9
<b>Total commercial</b>													
Units											1,579	1,596	1,570
Area	sqm										268,759	275,283	272,726
<b>Total parking</b>													
Units											46,828	46,674	45,858
<b>Total other</b>													
Units											3,116	3,137	2,725

## Value development

The table below shows the distribution of assets by market segment. LEG had last revalued its portfolio as at 30 June 2023. The next revaluation will take place as at 31 December 2023. The residential portfolio has a gross rental yield of 4.6% and

a rental multiple of 21.5, respectively, as at 30 September. According to the EPRA definition, the valuation of the residential portfolio corresponds to a net initial yield of 3.7%.

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### Market segments

30.09.2023	Residential units	Residential assets € million <sup>1</sup>	Share residential assets in %	Gross asset value €/sqm	In-place rent multiplier	Commercial/ other assets € million <sup>2</sup>	Total assets € million
<b>High-growth markets</b>	<b>49,932</b>	<b>7,573</b>	<b>43</b>	<b>2,299</b>	<b>26.0x</b>	<b>383</b>	<b>7,956</b>
District of Mettmann	8,502	1,471	8	2,494	26.9x	68	1,540
Dusseldorf	6,203	1,201	7	2,954	28.0x	128	1,328
Muenster	6,154	1,081	6	2,623	29.6x	60	1,141
Cologne	4,388	819	5	2,748	29.1x	29	848
Aachen	2,430	277	2	1,675	24.5x	6	284
Other locations	22,255	2,723	15	1,915	23.0x	92	2,815
<b>Stable markets</b>	<b>66,760</b>	<b>6,637</b>	<b>37</b>	<b>1,559</b>	<b>20.7x</b>	<b>211</b>	<b>6,847</b>
Dortmund	13,794	1,504	8	1,659	23.2x	56	1,560
District of Unna	6,982	543	3	1,254	18.5x	24	566
Moenchengladbach	6,433	698	4	1,707	20.4x	16	713
Essen	3,658	386	2	1,632	21.9x	15	401
Bielefeld	3,232	379	2	1,872	21.6x	12	391
Other locations	32,661	3,128	18	1,511	20.0x	88	3,216
<b>Higher-yielding markets</b>	<b>50,135</b>	<b>3,529</b>	<b>20</b>	<b>1,166</b>	<b>16.7x</b>	<b>95</b>	<b>3,623</b>
District of Recklinghausen	9,024	639	4	1,160	17.0x	19	658
Gelsenkirchen	7,249	455	3	1,090	15.7x	10	465
Wilhelmshaven	6,817	398	2	1,012	15.7x	8	406
Duisburg	6,419	551	3	1,425	18.5x	29	581
Hamm	4,827	346	2	1,194	16.3x	5	352
Other locations	15,799	1,139	6	1,152	16.6x	23	1,161
<b>Total portfolio</b>	<b>166,827</b>	<b>17,739</b>	<b>100</b>	<b>1,677</b>	<b>21.5x</b>	<b>688</b>	<b>18,427</b>
Leasehold and land values							284
<b>Balance sheet property valuation assets (IAS 40)</b>							<b>18,711</b>
Assets under construction (IAS 40)							272
Owner-occupied property (IAS 16)							94
Assets held for sale (IFRS 5)							29
<b>Total balance sheet</b>							<b>19,106</b>

<sup>1</sup> Excluding 472 residential units in commercial buildings; including 765 commercial units as well as several other units in mixed residential assets.

<sup>2</sup> Excluding 765 commercial units in mixed residential assets; including 472 residential units in commercial buildings, commercial, parking, other assets.

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

Please see the [glossary in the 2022 annual report](#) for a definition of individual key figures and terms.

### Results of operations

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#### Condensed income statement

€ million	Q3 2023	Q3 2022	01.01.– 30.09.2023	01.01.– 30.09.2022
Net operating income	163.4	158.1	450.3	400.3
Net income from the disposal of investment properties	-0.3	-0.4	-1.2	-1.2
Net income from the remeasurement of investment properties	1.1	-0.9	-1,495.0	1,168.4
Net income from the disposal of real estate inventory	-0.1	0.0	-0.2	0.0
Net income from other services	5.5	5.9	22.7	10.8
Administrative and other expenses	-15.9	-12.2	-44.5	-84.8
Other income	0.1	0.0	0.1	0.0
<b>Operating earnings</b>	<b>153.8</b>	<b>150.5</b>	<b>-1,067.8</b>	<b>1,493.5</b>
Interest income	6.2	0.0	9.4	0.1
Interest expenses	-41.7	-38.2	-118.9	-103.4
Net income from investment securities and other equity investments	-43.1	53.3	-43.4	-56.3
Net income from the fair value measurement of derivatives	-0.7	-3.9	0.2	148.9
<b>Net finance earnings</b>	<b>-79.3</b>	<b>11.2</b>	<b>-152.7</b>	<b>-10.7</b>
<b>Earnings before income taxes</b>	<b>74.5</b>	<b>161.7</b>	<b>-1,220.5</b>	<b>1,482.8</b>
Income taxes	-16.3	-34.4	250.6	-295.2
<b>Net profit or loss for the period</b>	<b>58.2</b>	<b>127.3</b>	<b>-969.9</b>	<b>1,187.6</b>

Net rental and lease income increased by 12.5% in the reporting period. The main driver of this development is the increase in net cold rent and the decrease in depreciation and amortisation due to the goodwill impairment loss of EUR 58.9 million in the comparative period.

Adjusted EBITDA increased by 2.8% from EUR 493.5 million to EUR 507.3 million. Adjusted EBITDA margin amounted to 81.4% in the reporting period (comparative period: 82.7%).

The main driver of the improvement in the net income from other services is the marketing of LEG's own electricity production in the amount of EUR 11.0 million.

The decrease in administrative and other expenses is mainly due to the goodwill impairment of EUR 40.7 million in the comparative period.

In the reporting period, net income from the fair value measurement of derivatives resulted primarily from changes in the fair value of embedded derivatives from the convertible bond in the amount of EUR 0.5 million (comparative period: EUR 150.0 million).

The tax income is almost entirely attributable to the reversal of deferred taxes.

## Net operating income

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### Net operating income

€ million	Q3 2023	Q3 2022	01.01.– 30.09.2023	01.01.– 30.09.2022
Net cold rent	209.2	200.4	623.5	596.6
Profit from operating expenses	-7.0	-2.1	-16.8	-5.2
Maintenance for externally procured services	-16.1	-15.0	-63.7	-50.9
Personnel expenses (rental and lease)	-26.8	-28.4	-79.4	-79.8
Allowances on rent receivables	-4.3	-3.9	-14.0	-12.4
Depreciation and amortisation expenses	-2.9	-3.1	-11.5	-67.6
Other	11.3	10.2	12.2	19.6
<b>Net operating income</b>	<b>163.4</b>	<b>158.1</b>	<b>450.3</b>	<b>400.3</b>
<b>Net operating income margin (in %)</b>	<b>78.1</b>	<b>78.9</b>	<b>72.2</b>	<b>67.1</b>
Non-recurring special effects (rental and lease)	0.6	4.8	2.8	9.0
Depreciation and amortisation expenses	2.9	3.1	11.5	67.6
Maintenance for externally procured services	16.1	15.0	63.7	50.9 <sup>1</sup>
Own work capitalised	-5.5	-6.1	-11.4	-16.1 <sup>1</sup>
<b>Net operating income (recurring)</b>	<b>177.5</b>	<b>174.9</b>	<b>516.9</b>	<b>511.7<sup>1</sup></b>
<b>Net operating income margin (recurring in %)</b>	<b>84.8</b>	<b>87.3</b>	<b>82.9</b>	<b>85.8<sup>1</sup></b>

<sup>1</sup> Value of comparative period adjusted.

In the reporting period, net operating income increased by EUR 50.0 million compared to the same period of the previous year. The main drivers of this development were the increase in net cold rent of EUR 26.9 million and the decrease in depreciation and amortisation due to the goodwill impairment loss of EUR 58.9 million in the comparative period.

In-place rent per square metre on a like-for-like basis rose by 4.0% year-on-year. This was offset by an increase of EUR 12.8 million in maintenance expenses for externally procured services, a decline of EUR 11.6 million in profit from operating expenses, and a decrease of EUR 7.4 million in Other, mainly due to a reduction in capitalised own work.

The adjusted net operating income (NOI)-margin decreased to 82.9% compared to the same period of the previous year.

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### EPRA vacancy rate

€ million	30.09.2023	30.09.2022
Rental value of vacant space – like-for-like	22.3	22.5
Rental value of vacant space – total	26.5	24.9
Rental value of the whole portfolio – like-for-like	911.6	858.6
Rental value of the whole portfolio – total	925.2	867.8
<b>EPRA vacancy rate – like-for-like (in %)</b>	<b>2.4</b>	<b>2.6</b>
<b>EPRA vacancy rate – total (in %)</b>	<b>2.9</b>	<b>2.9</b>

The EPRA vacancy rate like-for-like as of 30 September 2023 decreased from 2.6% to 2.4% compared to the same period of the previous year.

The presentation of EPRA capex breaks down the capitalisation of investments and reconciles them to the payments for investments in investment properties. The modernisations capitalised as value-enhancing measures, divided into development (new development activities on own land amounting to EUR 13.7 million) and investments in investment properties (EUR 165.2 million), decreased by 33.2% to EUR 178.9 million in the reporting period. Due to the decrease in acquisitions to EUR 143.3 million, EPRA Capex in the reporting period amounted to EUR 322.2 million (comparative period: EUR 556.2 million).

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## EPRA Capex

€ million	01.01. – 30.09.2023	01.01. – 30.09.2022
Acquisitions	143.3	288.5
Development	13.7	17.0
Modernisation in investment properties	165.2	250.7
thereof incremental lettable space	1.4	3.5
thereof no incremental lettable space	163.8	247.2
<b>EPRA Capex</b>	<b>322.2</b>	<b>556.2</b>
Additions to/utilisation of provisions for capex	23.7	-1.8
Additions to/utilisation of provisions for incidental purchase price costs	-66.7	13.6
<b>Payments for investments in investment properties</b>	<b>279.2</b>	<b>568.0</b>

In addition to the decrease in value-adding modernisation by EUR 88.3 million to EUR 181.3 million, the increase in maintenance expenses by EUR 19.6 million to EUR 104.4 million resulted in total investments of EUR 285.7 million in the reporting period (comparative period: EUR 354.4 million). Investments for new construction activities on company-owned land, public safety measures in connection with acquisitions, own work capitalised as well as consolidation effects were eliminated from total investment when calculating total investment per square meter. Adjusted total investment was EUR 242.2 million (comparative period: EUR 311.3 million) and average total investment per square metre in the reporting year was EUR 22.32 per square metre (comparative period: EUR 28.82 per square metre). The capitalisation rate after adjustments decreased to 57.5% in the reporting period (comparative period: 73.7%), as the company no longer uses FFO I but AFFO as its key performance indicator from 1 January 2023.

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## Maintenance and modernisation

€ million	Q3 2023	Q3 2022	01.01. – 30.09.2023	01.01. – 30.09.2022
Maintenance expenses for externally procured services	-16.1	-15.0	-63.7	-50.9
Maintenance expenses provided internally	-23.1	-14.2	-40.7	-33.9
<b>Maintenance expenses</b>	<b>-39.2</b>	<b>-29.2</b>	<b>-104.4</b>	<b>-84.8</b>
Adjustments consolidation effects	0.8	1.2	1.4	3.0
<b>Maintenance expenses (adjusted)</b>	<b>-38.4</b>	<b>-28.0</b>	<b>-103.0</b>	<b>-81.8</b>
Investment in investment properties	-70.0	-100.9	-178.9	-267.7
Investment in property, plant and equipment	-0.9	-0.9	-2.4	-1.9
<b>Capital expenditure (Capex)</b>	<b>-70.9</b>	<b>-101.8</b>	<b>-181.3</b>	<b>-269.6</b>
Subsidised investments	-	-	-	-
Adjustments consolidation effects	2.6	4.1	5.6	9.9
<b>Capex (recurring)</b>	<b>-68.3</b>	<b>-97.7</b>	<b>-175.7</b>	<b>-259.7</b>
Subsidised investments (addition)	-	-	-	-
Adjustments (new construction, own work capitalised)	12.8	12.1	36.5	30.2
<b>Capital expenditure (adjusted)</b>	<b>-55.5</b>	<b>-85.6</b>	<b>-139.2</b>	<b>-229.5</b>
<b>Total investment</b>	<b>-110.1</b>	<b>-131.0</b>	<b>-285.7</b>	<b>-354.4</b>
Adjustments (consolidation effects, new construction, own work capitalised)	16.2	17.4	43.5	43.1
<b>Total investments (adjusted)</b>	<b>-93.9</b>	<b>-113.6</b>	<b>-242.2</b>	<b>-311.3</b>
Area of investment properties in million sqm	10.84	10.83	10.85	10.81
<b>Adjusted average investment per sqm (€)</b>	<b>8.66</b>	<b>10.49</b>	<b>22.32</b>	<b>28.82</b>
thereof maintenance expenses per sqm (€)	3.54	2.59	9.49	7.57
thereof capital expenditure per sqm (€)	5.12	7.90	12.83	21.24

## Net income from the disposal of investment properties

T10

### Net income from the disposal of investment properties

€ million	Q3 2023	Q3 2022	01.01. – 30.09.2023	01.01. – 30.09.2022
Income from the disposal of investment properties	13.5	5.2	52.0	38.9
Carrying amount of the disposal of investment properties	-13.5	-5.3	-52.3	-39.2
Costs of sales of investment properties	-0.3	-0.3	-0.9	-0.9
<b>Net income from the disposal of investment properties</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-1.2</b>	<b>-1.2</b>

Income from the disposal of investment properties amounted to EUR 52.0 million (comparative period: EUR 38.9 million) and mainly relate to three major block sales whose contracts were concluded in the 2022 financial year but whose transfer of ownership did not take place until the 2023 financial year.

### Net income from remeasurement of investment property

The remeasurement of investment properties was conducted as of 30 June 2023.

Net income from the remeasurement of investment properties amounted to EUR –1,495.0 million in the reporting period (comparative period: EUR 1,168.4 million). Based on the property portfolio as at the beginning of the financial year (including the remeasured acquisitions), this corresponds to a decrease of –7.4% (comparative period: increase of 6.1%). The average value of investment properties (incl. IFRS 5 objects) was EUR 1,677 per square metre as at 30 September 2023 including acquisitions (31 December 2022: EUR 1,789 per square metre).

### Net income from the disposal of real estate inventory

The remaining real estate inventory held as at 30 September 2023 amounted to EUR 0.1 million is land under development.

### Administrative and other expenses

T11

#### Administrative and other expenses

€ million	Q3 2023	Q3 2022	01.01. – 30.09.2023	01.01. – 30.09.2022
Other operating expenses	-6.4	-5.3	-17.2	-18.6
Personnel expenses (administration)	-8.0	-5.5	-23.0	-20.8
Purchased services	-0.7	-0.7	-1.9	-1.8
Depreciation and amortisation	-0.8	-0.7	-2.4	-43.6
<b>Administrative and other expenses</b>	<b>-15.9</b>	<b>-12.2</b>	<b>-44.5</b>	<b>-84.8</b>
Depreciation and amortisation	0.8	0.7	2.4	43.6
Non-recurring special effects (administration)	4.0	1.5	9.4	11.6
<b>Administrative and other expenses (recurring)</b>	<b>-11.0</b>	<b>-10.0</b>	<b>-32.7</b>	<b>-29.6</b>

Within other operating expenses, there were, among other things, increased costs for insurance. The decrease in depreciation and amortisation expenses is due to the impairment of goodwill in the amount of EUR 40.7 million in the prior-year period. The recurring administrative expenses thus increased by EUR 3.1 million in the first nine months compared with the same period of the previous year.

## Net finance earnings

T12

### Net finance earnings

€ million	Q3 2023	Q3 2022	01.01. – 30.09.2023	01.01. – 30.09.2022
Interest income	6.2	0.0	9.4	0.1
Interest expenses	-41.7	-38.2	-118.9	-103.4
<b>Net interest income</b>	<b>-35.5</b>	<b>-38.2</b>	<b>-109.5</b>	<b>-103.3</b>
Net income from other financial assets and other investments	-43.1	53.3	-43.4	-56.3
Net income from the fair value measurement of derivatives	-0.7	-3.9	0.2	148.9
<b>Net finance earnings</b>	<b>-79.3</b>	<b>11.2</b>	<b>-152.7</b>	<b>-10.7</b>

Interest expense increased by EUR –15.5 million year on year to EUR –118.9 million. This includes interest expense from loan amortisation. The increase in interest expenses is mainly due to the increased interest rate level.

Year-on-year there is a slight increase in the average interest rate to 1.42% as at 30 September 2023 (1.26% as at 30 September 2022) with a decrease in average term to 5.9 years (6.8 years as at 30 September 2022).

Net income from other financial assets and other investments of EUR –43.4 million resulted mainly from the valuation of the investment in Brack Capital Properties N.V. at fair value.

In the reporting period, net income from the fair value measurement of derivatives resulted primarily from changes in the fair value of embedded derivatives from the convertible bond in the amount of EUR 0.5 million (comparative period: EUR 150.0 million).

An effective Group tax rate of 21.1% was assumed in the reporting period in accordance with Group tax planning (previous year: 20.4%).

## Reconciliation to AFFO

As part of the realignment of corporate management, FFO I has been replaced by AFFO (capex-adjusted FFO I) as the most important financial performance indicator for Group management from the financial year 2023.

AFFO is calculated by deducting recurring capex measures from FFO I (after non-controlling interests).

In terms of FFO, LEG distinguishes between FFO I (excluding the net income from the disposal of investment properties) and FFO II (including the net income from the disposal of investment properties).

FFO I is the cash inflow from operating activities. Based on EBITDA (adjusted), the calculation of FFO I takes into account cash interest expenses and income as well as cash taxes. From the 2023 financial year, maintenance expenses for externally procured services and own work capitalised previously included in the "Other" item will no longer be reported in adjusted net operating income, but will be recognised as an adjustment to adjusted EBITDA.

## Income tax expenses

T13

### Income tax expenses

€ million	Q3 2023	Q3 2022	01.01. – 30.09.2023	01.01. – 30.09.2022
Current tax expenses	-2.8	-1.2	-8.2	-1.6
Deferred tax expenses	-13.5	-33.2	258.8	-293.6
<b>Income tax expenses</b>	<b>-16.3</b>	<b>-34.4</b>	<b>250.6</b>	<b>-295.2</b>

The calculation of AFFO, FFO I and FFO II for the reporting and comparison period is as follows:

T14

#### Calculation of FFO I, FFO II and AFFO

€ million	Q3 2023	Q3 2022	01.01. – 30.09.2023	01.01. – 30.09.2022
Net cold rent	209.2	200.4	623.5	596.6
Profit from operating expenses	-7.0	-2.1	-16.8	-5.2
Personnel expenses (rental and lease)	-26.8	-28.4	-79.4	-79.8
Allowances on rent receivables	-4.3	-3.9	-14.0	-12.4
Other	5.8	4.1	0.8	3.5 <sup>1</sup>
Non-recurring special effects (rental and lease)	0.6	4.8	2.8	9.0
<b>Net operating income (recurring)</b>	<b>177.5</b>	<b>174.9</b>	<b>516.9</b>	<b>511.7<sup>1</sup></b>
<b>Net income from other services (recurring)</b>	<b>5.6</b>	<b>6.2</b>	<b>23.1</b>	<b>11.4</b>
Personnel expenses (administration)	-8.0	-5.5	-23.0	-20.8
Non-personnel operating costs	-7.0	-6.0	-19.1	-20.4
Non-recurring special effects (administration)	4.0	1.5	9.4	11.6
<b>Administrative expenses (recurring)</b>	<b>-11.0</b>	<b>-10.0</b>	<b>-32.7</b>	<b>-29.6</b>
<b>Other income (adjusted)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>EBITDA (adjusted)</b>	<b>172.1</b>	<b>171.1</b>	<b>507.3</b>	<b>493.5<sup>1</sup></b>
Cash interest expenses and income FFO I	-31.9	-28.3	-94.9	-82.4
Cash income taxes FFO I	-1.9	0.0	-4.6	0.0
Maintenance for externally procured services	-16.1	-15.0	-63.7	-50.9
Own work capitalised	5.5	6.1	11.4	16.1 <sup>1</sup>
<b>FFO I (before adjustment of non-controlling interests)</b>	<b>127.7</b>	<b>133.9</b>	<b>355.5</b>	<b>376.3</b>
Adjustment of non-controlling interests	-1.1	-1.0	-2.9	-2.0
<b>FFO I (after adjustment of non-controlling interests)</b>	<b>126.6</b>	<b>132.9</b>	<b>352.6</b>	<b>374.3</b>
Net income from the disposal of investment properties (adjusted)	1.0	0.1	0.4	0.9
Cash income taxes FFO II	-0.9	-0.5	-3.6	-2.0
<b>FFO II (incl. disposal of investment properties)</b>	<b>126.7</b>	<b>132.5</b>	<b>349.4</b>	<b>373.2</b>
Capex (recurring)	-68.3	-97.7	-175.7	-259.7
<b>AFFO (capex-adjusted FFO I)</b>	<b>58.3</b>	<b>35.2</b>	<b>176.9</b>	<b>114.6</b>

<sup>1</sup> Value of comparative period adjusted.

Starting from FFO I (after non-controlling interests), the AFFO generally takes into account the capitalised costs from modernisation and maintenance. Only recurring capex measures are deducted (capex (recurring)). Capex that benefits from government

funding is defined as non-recurring. In addition, consolidation effects resulting from the elimination of intercompany results due to self-produced services are eliminated. The reconciliation breaks down as follows:

#### T15

##### Reconciliation capex (recurring)

€ million	Q3 2023	Q3 2022	01.01. – 30.09.2023	01.01. – 30.09.2022
Investments in investment properties	-70.0	-100.9	-178.9	-267.7
Investments in property, plant and equipment	-0.9	-0.9	-2.4	-1.9
<b>Capital expenditure</b>	<b>-70.9</b>	<b>-101.8</b>	<b>-181.3</b>	<b>-269.6</b>
Subsidised investments	-	-	-	-
Consolidation effects	2.6	4.1	5.6	9.9
<b>Capex (recurring)</b>	<b>-68.3</b>	<b>-97.7</b>	<b>-175.7</b>	<b>-259.7</b>

At EUR 176.9 million, FFO I was 54.4% higher in the reporting period than in the same period of the previous year (comparative period: EUR 114.6 million). In particular, this increase is attributable to lower capex expenses and significantly higher earnings from electricity sales.

## EPRA earnings per share (EPS)

The following table shows earnings per share according to the best practice recommendations by EPRA (European Public Real Estate Association):

T16

### EPRA earnings per share (EPS)

€ million	Q3 2023	Q3 2022	01.01. – 30.09.2023	01.01. – 30.09.2022
Net profit or loss for the period attributable to parent shareholders	57.3	126.4	-972.8	1,184.8
Changes in value of investment properties	-1.1	0.9	1,495.0	-1,168.4
Net income from the remeasurement of other equity investments	43.1	-53.3	50.2	61.8 <sup>1</sup>
Profits or losses on disposal of investment properties, development properties held for investment, other interests and sales of trading properties including impairment charges in respect	0.4	0.4	1.4	1.2
Tax on profits or losses on disposals of trading properties	1.0	0.3	3.7	2.1
Goodwill impairment	-	-	-	99.6 <sup>1</sup>
Changes in fair value of financial instruments and associated close-out costs	0.7	3.9	-0.2	-148.9
Acquisition costs on share deals and non-controlling joint venture interests	-0.2	1.9	-	2.5
Deferred tax in respect of EPRA adjustments	-0.3	-0.8	-316.6	202.9
Refinancing expenses	-	-	0.0	-
Other non-cash effective interest expenses/income	-0.2	2.9	-0.4	2.7 <sup>1</sup>
Non-controlling interests in respect of the above	0.7	0.5	1.8	1.9
<b>EPRA earnings</b>	<b>101.4</b>	<b>83.1</b>	<b>262.1</b>	<b>242.2<sup>1</sup></b>
Weighted average number of shares outstanding	74,109,276	74,109,276	74,109,276	73,309,866
EPRA earnings per share (undiluted) in €	1.37	1.12	3.54	3.30 <sup>1</sup>
Potentially diluted shares	-	-	-	-
Interest coupon on convertible bond	-	-	-	-
Amortisation expenses convertible bond after taxes	-	-	-	-
<b>EPRA earnings (diluted)</b>	<b>101.4</b>	<b>83.1</b>	<b>262.1</b>	<b>242.2<sup>1</sup></b>
Number of diluted shares	74,109,276	74,109,276	74,109,276	73,309,866
<b>EPRA earnings per share (diluted) in €</b>	<b>1.37</b>	<b>1.12</b>	<b>3.54</b>	<b>3.30<sup>1</sup></b>

<sup>1</sup> Calculation method adapted

## Net assets

T17

### Condensed statement of financial position

€ million	30.09.2023	31.12.2022
Investment properties	18,983.3	20,204.4
Prepayments for investment properties	–	60.8
Other non-current assets	468.5	518.2
<b>Non-current assets</b>	<b>19,451.8</b>	<b>20,783.4</b>
Receivables and other assets	275.4	179.5
Cash and cash equivalents	305.7	362.2
<b>Current assets</b>	<b>581.1</b>	<b>541.7</b>
Assets held for sale	28.8	35.6
<b>Total assets</b>	<b>20,061.7</b>	<b>21,360.7</b>
Equity	8,114.4	9,083.9
Non-current financial liabilities	8,335.3	9,208.4
Other non-current liabilities	2,225.7	2,491.1
<b>Non-current liabilities</b>	<b>10,561.0</b>	<b>11,699.5</b>
Current financial liabilities	1,029.6	252.4
Other current liabilities	356.7	324.9
<b>Current liabilities</b>	<b>1,386.3</b>	<b>577.3</b>
<b>Total equity and liabilities</b>	<b>20,061.7</b>	<b>21,360.7</b>

A fair value measurement of investment property was conducted as of 30 June 2023. The resulting profit from remeasurement of investment property of EUR –1,495.0 million (comparative period: EUR 1,168.4 million) was the main driver for the increase compared to 31 December 2022. Furthermore, additions from acquisitions with EUR 143.3 million, capitalisation of property modernisation measures with EUR 173.3 million and reclassification to assets held for sale of EUR 45.5 million contributed to the increase of investment properties.

The recognition of real estate tax expense as other inventories (EUR 7.3 million) for the remainder of the financial year, disinvestments in short-term financial investments (EUR –20.0 million), the increase in receivables from insurance claims and the electricity and gas price brake (EUR 19.8 million) and the deferral of operating costs not yet invoiced to the tenants in the amount of EUR 87.3 million contributed significantly to the development of the current assets.

The development of equity since 31 December 2022 is mainly characterised by the net profit for the period (EUR –967.7 million)

Non-current and current financial liabilities decreased by EUR 95.9 million compared to the previous year. This is mainly due to scheduled and unscheduled repayments of bank loans of EUR –189,8 and the issue of a corporate bond with a book value of EUR 71.1 million as of 30 September 2023. The reclassification from non-current to current financial liabilities is mainly due to the remaining term of a corporate bond and upcoming refinancing of loans.

While the decrease in other non-current liabilities resulted in particular from the reversal of deferred tax liabilities (EUR –258.8 million), trade payables (EUR +27.1 million), tax liabilities (EUR +7.6 million) and advance payments received (EUR +9.8 million) increased within other current liabilities, while purchase price liabilities decreased in the opposite direction (EUR –17.7 million).

## EPRA Net Tangible Asset (EPRA NTA)

The EPRA NRV, NTA and NDV are relevant indicators for the real estate industry. LEG has defined EPRA NTA as the key performance indicator. The calculation method for the respective key figure can be found in the glossary in the [glossary in the 2022 annual report](#).

LEG reports EPRA NTA of EUR 10,195.1 million or EUR 137.57 per share as at 30 September 2023. In the calculation, deferred taxes on investment properties are adjusted by the amount attributable to planned property disposals by LEG. Incidental acquisition costs are not taken into account. The key figures are presented on a diluted basis only.

T18

### EPRA NRV, EPRA NTA, EPRA NDV

€ million	30.09.2023			31.12.2022		
	EPRA-NRV	EPRA-NTA	EPRA-NDV	EPRA-NRV	EPRA-NTA	EPRA-NDV
Equity attributable to shareholders of the parent company	8,089.3	8,089.3	8,089.3	9,058.6	9,058.6	9,058.6
Effects from the exercise of options, convertible bonds and other rights to equity	31.0	31.0	31.0	31.0	31.0	31.0
<b>Diluted NAV at fair value</b>	<b>8,120.3</b>	<b>8,120.3</b>	<b>8,120.3</b>	<b>9,089.6</b>	<b>9,089.6</b>	<b>9,089.6</b>
Deferred tax in relation to fair value gains of IP and deferred tax on subsidised loans and financial derivatives	2,106.7	2,121.3	-	2,371.9	2,371.9	-
Fair value of financial instruments (net)	-41.3	-41.3	-	-78.5	-78.5	-
Goodwill as a result of deferred tax	-	-	-	-	-	-
Goodwill as a result of synergies	-	-	-	-	-	-
Intangibles as per the IFRS balance sheet	-	-5.2	-	-	-5.8	-
Fair value of fixed interest rate debt	-	-	1,121.2	-	-	1,208.3
Deferred taxes of fixed interest rate debt	-	-	-236.1	-	-	-643.6
Revaluation of intangibles to fair value	-	-	-	-	-	-
Estimated ancillary acquisition costs (real estate transfer tax) <sup>1</sup>	1,840.0	-	-	1,955.3	-	-
<b>NAV</b>	<b>12,025.7</b>	<b>10,195.1</b>	<b>9,005.4</b>	<b>13,338.3</b>	<b>11,377.2</b>	<b>9,654.3</b>
Fully diluted number of shares	74,109,276	74,109,276	74,109,276	74,109,276	74,109,276	74,109,276
<b>NAV per share</b>	<b>162.27</b>	<b>137.57</b>	<b>121.52</b>	<b>179.98</b>	<b>153.52</b>	<b>130.27</b>

<sup>1</sup> Taking the ancillary acquisition costs into account would result into an NTA of EUR 12,016.6 million or EUR 162.15 per share.

## Loan-to-value ratio (LTV)

As of 30 September 2023, compared to 31 December 2022, net debt has decreased less relative to real estate assets, resulting in a loan to value ratio (LTV) of 46.8% (31 December 2021: 43.9%).

T19

### LTV

€ million	30.09.2023	31.12.2022
Financing liabilities	9,364.9	9,460.8
Without lease liabilities IFRS 16 (not leasehold)	17.3	22.0
Less cash and cash equivalents	325.7	402.2
<b>Net financing liabilities</b>	<b>9,021.9</b>	<b>9,036.6</b>
Investment properties	18,983.3	20,204.4
Assets held for sale	28.8	35.6
Prepayments for investment properties	-	60.8
Participation in other real estate companies	256.5	306.7
<b>Real estate assets</b>	<b>19,268.6</b>	<b>20,607.5</b>
<b>Loan to value ratio (LTV) in %</b>	<b>46.8</b>	<b>43.9</b>

## EPRA LTV

The European Public Real Estate Association (EPRA) has expanded the Best Practices Recommendations Guidelines to include the EPRA LTV ratio. Compared to LTV, hybrid debt instruments such as convertible bonds are treated as financial liabilities until the time of conversion. Furthermore, net debt and net assets of joint ventures and material associates are included and material non-controlling interests are excluded.

T20

### EPRA LTV as at 30 September 2023

€ million	Group LTV	Associated companies	Non-controlling interests	Total
Borrowings from financial institutions	3,592.7	126.8	-33.8	3,685.7
Hybrid financial instruments	950.0	-	-	950.0
Bonds	4,880.0	56.9	-	4,936.9
Net payables	-	86.0	-	86.0
Owner-occupied property (debt)	57.8	-	-	57.8
Excluding cash and cash equivalents	305.6	76.2	-7.3	374.5
<b>Net financing liabilities</b>	<b>9,174.9</b>	<b>193.5</b>	<b>-26.5</b>	<b>9,341.9</b>
Owner-occupied property	92.6	-	-0.3	92.3
Investment properties	18,711.2	329.3	-165.5	18,875.0
Properties held for sale	28.8	56.4	0.0	85.2
Properties under development	272.1	67.9	-0.1	339.9
Intangibles	5.2	0.1	0.0	5.3
Net receivables	45.1	-	5.3	50.4
<b>Real estate assets</b>	<b>19,155.0</b>	<b>453.7</b>	<b>-160.6</b>	<b>19,448.1</b>
<b>LTV</b>	<b>47.9</b>			<b>48.0</b>

Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH are included as significant associates. In addition, BCP is included for reasons of transparency, although it is not included as an associate in the consolidated financial statements of LEG Immobilien SE.

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## EPRA LTV as at 31 December 2022

€ million	Group LTV	Associated companies	Non-controlling interests	Total
Borrowings from financial institutions	3,780.0	134.0	-36.8	3,877.2
Hybrid financial instruments	950.0	-	-	950.0
Bonds	4,780.0	87.4	-	4,867.4
Net payables	14.3	114.6	-6.4	122.5
Owner-occupied property (debt)	57.8	-	-	57.8
Excluding cash and cash equivalents	362.2	62.4	-6.1	418.5
<b>Net financing liabilities</b>	<b>9,219.9</b>	<b>273.7</b>	<b>-37.1</b>	<b>9,456.5</b>
Owner-occupied property	86.4	-	-0.4	86.0
Investment properties	19,880.8	367.5	-174.5	20,073.8
Properties held for sale	35.6	139.8	0.0	175.4
Properties under development	323.6	89.4	-0.1	412.9
Intangibles	5.8	0.0	0.0	5.8
<b>Real estate assets</b>	<b>20,332.2</b>	<b>596.8</b>	<b>-175.0</b>	<b>20,754.0</b>
<b>LTV</b>	<b>45.3</b>			<b>45.6</b>

Higher receipts from net cold rents and advance payments of operating costs had a positive impact on the net cash flow from operating activities in the reporting period.

Essentially, acquisitions and modernisation work of the existing portfolio with payments of EUR -279.2 million and EUR -9.3 million for owner-occupied property, plant and equipment contributed to the cash flow from investing activities in the amount of EUR -235.5 million. This was offset by cash inflows from the sale of properties amounting to EUR 47.5 million and repayments of short-term invested funds of EUR 20.3 million.

In the first nine months of 2023, the issue of a corporate bond (EUR 70.3 million) and, in the opposite direction, the repayment of bank loans (EUR 189.8 million) and lease liabilities (EUR -7.3 million) are the main drivers for the cash flow from financing activities in the amount of EUR -127.7 million.

The LEG's solvency was ensured at all times in the reporting period.

## Financial position

A net profit for the period of EUR -969.9 million was realised in the reporting period (comparative period: EUR 1,187.6 million). Equity amounted to EUR 8,114.4 million at the reporting date (31 December 2022: EUR 9,083.9 million). This corresponds to an equity ratio of 40.4% (31 December 2022: 42.5%).

A condensed form of the LEG's statement of cash flows for the reporting period is shown below:

## T22

## Statement of cash flows

€ million	01.01. - 30.09.2023	01.01. - 30.09.2022
Cash flow from operating activities	306.7	259.1
Cash flow from investing activities	-235.5	-984.7
Cash flow from financing activities	-127.7	360.2
<b>Change in cash and cash equivalents</b>	<b>-56.5</b>	<b>-365.4</b>

## Risk and opportunity report

The risks and opportunities faced by LEG in its operating activities were described in detail in the [annual report 2022](#). In the course of the financial year 2023 to date, two relevant risks have become discernible.

As of 3 March 2023, the Federal Ministry of Labour and Social Affairs published an updated draft bill on the "Ordinance on amending the Ordinance on Hazardous Substances and other Occupational Health and Safety Ordinances". This draft bill formulates a general suspicion of asbestos for all buildings with start of construction prior to 31 October 1993. For the majority of LEG's properties, construction began before this date. This would mean that extensive investigation and subsequent remediation work would have to be carried in the future, including the corresponding direct costs, but also indirect costs due to longer vacancy periods for the units to be tested or renovated, among other things. The draft bill is expected to enter the parliamentary procedure in its current form, so that changes may still arise. There are currently delays in the parliamentary legislative process, amongst others due to the need for further coordination of content. The implementation originally planned for 1 January 2024 is therefore less realistic from today's perspective and could also take place later in the year 2024.

In its decision of 26 January 2023 (file number V R 20/22), the BFH (Federal Fiscal Court) referred the question to the ECJ as to whether, contrary to the established BFH case law, turnover between members of a VAT group is subject to VAT. This is to be assessed above all against the background if the recipient of the service is not entitled to a full input tax deduction. This is precisely the case for a number of service relationships within LEG, as the portfolio-holding companies are only entitled to a minor deduction of input tax due to the largely VAT-exempt rental of residential space. Such a change would have a significant effect on LEG in view of the current VAT rate of 19%. The ECJ's assessment cannot be conclusively assessed at present, also in view of the different opinions of the Advocates General.

## Forecast

### Financial year 2023

Based on the business performance in the first nine months of 2023, LEG confirms its earnings targets for the financial year 2023 but specifies that it now expects an AFFO at the upper end of the guidance range of EUR 165 million to EUR 180 million. These targets were last revised upwards in an ad hoc announcement on 29 June 2023.

So far, a medium-term target of a maximum of 43% has been set for the LTV. This target will be changed to a maximum of 45%.

For more details, please refer to the forecast report in the [annual report 2022, p. 80 et seq.](#)

#### T23

##### Outlook 2023

AFFO	upper end of the range of EUR 165 million to EUR 180 million
Adjusted EBITDA margin	c. 80%
Like-for-like rental growth	3.8% – 4.0%
Investments	c. EUR 35 per sqm
LTV	medium-term target level max. 45%
Dividend	100% AFFO as well as a part of net proceeds from disposals

### Financial year 2024

LEG published a first-time outlook for financial year 2024 with the release of the Q3-2023 results.

#### T24

##### Outlook 2024

AFFO	in the range of EUR 180 million to EUR 200 million
Adj. EBITDA margin	c. 77%
Like-for-like rental growth	3.2% – 3.4%
Investments	c. EUR 32 per sqm
LTV	medium-term target level max. 45%
Dividend	100% AFFO as well as a part of net proceeds from disposals

Furthermore, and together with the Q3-2023 earnings release, LEG defined the ESG targets for STI 2024 and LTI 2024 – 2027 which shall become part of the management remuneration system.

#### T25

##### ESG targets

Environment	2024–2027	Installation and commissioning of 2,000 air-to-air heat pumps in 2027 in LEG's portfolio and in third-party portfolios
	2024	4,000 tons CO2 reduction from modernisation projects and customer behaviour change
Social	2024–2027	Acceleration of the processing time of total LEG tenant complaints by 10% by 31 December 2027 based on the averaged processing time of resolved complaint tickets from March 2024 and September 2024
	2024	Use of 100 LEG staff hours to design, organise or implement intercultural projects until 31 December 2024
Governance	2024	85% of TSP employees, 99% of employees in staff holding LEG group companies have completed the "IT Security" training until 31 December 2024

## Consolidated statement of financial position

T26

### Assets

€ million	30.09.2023	31.12.2022
<b>Non-current assets</b>	<b>19,451.8</b>	<b>20,783.4</b>
Investment properties	18,983.3	20,204.4
Prepayments for investment properties	–	60.8
Property, plant and equipment	146.3	147.6
Intangible assets and goodwill	5.2	5.8
Investments in associates	13.4	12.8
Other financial assets	288.5	337.9
Receivables and other assets	3.3	0.9
Deferred tax assets	11.8	13.2
<b>Current assets</b>	<b>581.1</b>	<b>541.7</b>
Real estate inventory and other inventory	11.7	5.0
Receivables and other assets	249.0	163.8
Income tax receivables	14.7	10.7
Cash and cash equivalents	305.7	362.2
<b>Assets held for sale</b>	<b>28.8</b>	<b>35.6</b>
<b>Total assets</b>	<b>20,061.7</b>	<b>21,360.7</b>

### Equity and liabilities

€ million	30.09.2023	31.12.2022
<b>Equity</b>	<b>8,114.4</b>	<b>9,083.9</b>
Share capital	74.1	74.1
Capital reserves	1,751.1	1,751.1
Cumulative other reserves	6,264.1	7,233.4
Equity attributable to shareholders of the parent company	8,089.3	9,058.6
Non-controlling interests	25.1	25.3
<b>Non-current liabilities</b>	<b>10,561.0</b>	<b>11,699.5</b>
Pension provisions	94.2	100.4
Other provisions	4.2	3.8
Financing liabilities	8,335.3	9,208.4
Other liabilities	66.4	67.2
Deferred tax liabilities	2,060.9	2,319.7
<b>Current liabilities</b>	<b>1,386.3</b>	<b>577.3</b>
Pension provisions	5.3	6.8
Other provisions	34.0	33.4
Provisions for taxes	0.2	0.2
Financing liabilities	1,029.6	252.4
Other liabilities	303.3	278.3
Tax liabilities	13.9	6.2
<b>Total equity and liabilities</b>	<b>20,061.7</b>	<b>21,360.7</b>

## Consolidated statement of comprehensive income

T27

€ million	Q3 2023	Q3 2022	01.01. – 30.09.2023	01.01. – 30.09.2022
Net operating income	163.4	158.1	450.3	400.3
Rental and lease income	311.3	301.2	937.9	863.2
Cost of sales in connection with rental and lease income	-147.9	-143.1	-487.6	-462.9
Net income from the disposal of investment properties	-0.3	-0.4	-1.2	-1.2
Income from the disposal of investment properties	13.5	5.2	52.0	38.9
Carrying amount of the disposal of investment properties	-13.5	-5.3	-52.3	-39.2
Cost of sales in connection with disposed investment properties	-0.3	-0.3	-0.9	-0.9
Net income from the remeasurement of investment properties	1.1	-0.9	-1,495.0	1,168.4
Net income from the disposal of real estate inventory	-0.1	0.0	-0.2	0.0
Income from the real estate inventory disposed of	-	-	-	0.1
Carrying amount of the real estate inventory disposed of	-	-	-	-0.1
Costs of sales of the real estate inventory disposed of	-0.1	0.0	-0.2	0.0
Net income from other services	5.5	5.9	22.7	10.8
Income from other services	8.7	8.7	31.8	18.3
Expenses in connection with other services	-3.2	-2.8	-9.1	-7.5
Administrative and other expenses	-15.9	-12.2	-44.5	-84.8
Other income	0.1	0.0	0.1	0.0
<b>Operating Earnings</b>	<b>153.8</b>	<b>150.5</b>	<b>-1,067.8</b>	<b>1,493.5</b>
Interest income	6.2	0.0	9.4	0.1
Interest expenses	-41.7	-38.2	-118.9	-103.4
Net income from investment securities and other equity investments	-43.1	53.3	-43.4	-56.3
Net income from the fair value measurement of derivatives	-0.7	-3.9	0.2	148.9
<b>Earnings before income taxes</b>	<b>74.5</b>	<b>161.7</b>	<b>-1,220.5</b>	<b>1,482.8</b>
Income taxes	-16.3	-34.4	250.6	-295.2
<b>Net profit or loss for the period</b>	<b>58.2</b>	<b>127.3</b>	<b>-969.9</b>	<b>1,187.6</b>

€ million	Q3 2023	Q3 2022	01.01. – 30.09.2023	01.01. – 30.09.2022
Change in amounts recognised directly in equity	3.9	20.9	2.2	82.9
Thereof recycling				
Fair value adjustment of interest rate derivatives in hedges	0.0	16.9	-2.0	50.4
Change in unrealised gains/losses	0.0	20.6	-2.5	61.4
Income taxes on amounts recognised directly in equity	0.0	-3.7	0.5	-11.0
Thereof non-recycling				
Actuarial gains and losses from the measurement of pension obligations	3.9	4.0	4.2	32.5
Change in unrealised gains/losses	5.6	5.7	6.0	46.6
Income taxes on amounts recognised directly in equity	-1.7	-1.7	-1.8	-14.1
<b>Total comprehensive income</b>	<b>62.1</b>	<b>148.2</b>	<b>-967.7</b>	<b>1,270.5</b>
Net profit or loss for the period attributable to:				
Non-controlling interests	0.9	1.0	2.9	2.8
Parent shareholders	57.3	126.3	-972.8	1,184.8
<b>Total comprehensive income attributable to:</b>				
Non-controlling interests	0.9	1.0	2.9	2.8
Parent shareholders	61.2	147.2	-970.6	1,267.7
<b>Basic earnings per share in €</b>	<b>0.77</b>	<b>1.64</b>	<b>-13.13</b>	<b>16.16</b>
<b>Diluted earnings per share in €</b>	<b>0.77</b>	<b>2.85</b>	<b>-13.13</b>	<b>14.21</b>

## Statement of changes in consolidated equity

T28

€ million	Share capital	Capital reserves	Cumulative other reserves			Equity attributable to shareholders of the Group	Non-controlling interests	Consolidated equity
			Revenue reserves	Actuarial gains and losses from the measurement of pension obligations	Fair value adjustment of interest derivatives in hedges			
<b>As of 01.01.2022</b>	72.8	1,639.2	7,274.9	-43.1	-15.9	8,927.9	25.1	8,953.0
Net profit or loss for the period	-	-	1,184.8	-	-	1,184.8	2.8	1,187.6
Other comprehensive income	-	-	-	32.5	50.4	82.9	0.0	82.9
<b>Total comprehensive income</b>	-	-	<b>1,184.8</b>	<b>32.5</b>	<b>50.4</b>	<b>1,267.7</b>	<b>2.8</b>	<b>1,270.5</b>
Other	-	-	1.3	-	-	1.3	-	1.3
Change in consolidated companies	-	-	-	-	-	-	-	-
Capital increase	1.3	111.9	-	-	-	113.2	-	113.2
Withdrawals from reserves	-	-	-	-	-	-	-2.4	-2.4
Distributions	-	-	-296.5	-	-	-296.5	-0.2	-296.7
<b>As of 30.09.2022</b>	<b>74.1</b>	<b>1,751.1</b>	<b>8,164.5</b>	<b>-10.6</b>	<b>34.5</b>	<b>10,013.6</b>	<b>25.3</b>	<b>10,038.9</b>
<b>As of 01.01.2023</b>	<b>74.1</b>	<b>1,751.1</b>	<b>7,214.2</b>	<b>-16.4</b>	<b>35.6</b>	<b>9,058.6</b>	<b>25.3</b>	<b>9,083.9</b>
Net profit/loss for the period	-	-	-972.8	-	-	-972.8	2.9	-969.9
Other comprehensive income	-	-	-	4.2	-2.0	2.2	0.0	2.2
<b>Total comprehensive income</b>	-	-	<b>-972.8</b>	<b>4.2</b>	<b>-2.0</b>	<b>-970.6</b>	<b>2.9</b>	<b>-967.7</b>
Other	-	-	1.3	-	-	1.3	-	1.3
Change in consolidated companies/other	-	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-	-	-
Withdrawals from reserves	-	-	-	-	-	-	-2.3	-2.3
Distributions	-	-	-	-	-	-	-0.8	-0.8
<b>As of 30.09.2023</b>	<b>74.1</b>	<b>1,751.1</b>	<b>6,242.7</b>	<b>-12.2</b>	<b>33.6</b>	<b>8,089.3</b>	<b>25.1</b>	<b>8,114.4</b>

## Consolidated statement of cash flows

T29

€ million	01.01. – 30.09.2023	01.01. – 30.09.2022
<b>Operating earnings</b>	<b>-1,067.8</b>	<b>1,493.5</b>
Depreciation on property, plant and equipment and amortisation on intangible assets	14.5	111.8
(Gains)/Losses from the measurement of investment properties	1,495.0	-1,168.4
(Gains)/Losses from the disposal of assets held for sale and investment properties	0.3	0.3
(Gains)/Losses from the disposal of intangible assets and property, plant and equipment	0.1	0.0
(Decrease)/Increase in pension provisions and other non-current provisions	-1.1	-4.6
Other non-cash income and expenses	18.1	11.5
(Decrease)/Increase in receivables, inventories and other assets	-132.5	-128.0
Decrease/(Increase) in liabilities (not including financing liabilities) and provisions	73.1	28.9
Interest paid	-101.2	-82.4
Interest received	6.3	0.0
Received income from investments	6.8	5.5
Taxes received	0.0	3.0
Taxes paid	-4.9	-12.0
<b>Net cash from/(used in) operating activities</b>	<b>306.7</b>	<b>259.1</b>
<b>Cash flow from investing activities</b>		
Investments in investment properties	-279.2	-568.0
Proceeds from disposals of non-current assets held for sale and investment properties	47.5	18.6
Investments in intangible assets and property, plant and equipment	-9.3	-68.9
Investments in financial assets and other assets	20.3	-70.0
Acquisition of shares in consolidated companies	-	-293.3
Change of cash investments in securities	-14.8	-3.1
<b>Net cash from/(used in) investing activities</b>	<b>-235.5</b>	<b>-984.7</b>

€ million	01.01. – 30.09.2023	01.01. – 30.09.2022
<b>Cash flow from financing activities</b>		
Borrowing of bank loans	2.3	501.1
Repayment of bank loans	-189.8	-1,428.7
Issue of convertible and corporate bonds	70.3	1,482.4
Repayment of lease liabilities	-7.3	-8.1
Other payments	-0.7	-1.2
Distribution to shareholders	-	-183.3
Distribution and withdrawal from reserves of non-controlling interest	-2.5	-2.0
<b>Net cash from/(used in) financing activities</b>	<b>-127.7</b>	<b>360.2</b>
<b>Change in cash and cash equivalents</b>	<b>-56.5</b>	<b>-365.4</b>
Cash and cash equivalents at beginning of period	362.2	675.6
<b>Cash and cash equivalents at end of period</b>	<b>305.7</b>	<b>310.2</b>
<b>Composition of cash and cash equivalents</b>		
Cash in hand, bank balances	305.7	310.2
<b>Cash and cash equivalents at end of period</b>	<b>305.7</b>	<b>310.2</b>

## Selected notes on the IFRS interim consolidated Financial statements as at 30 June 2023

### 1. Basic information on the Group

LEG Immobilien SE, Dusseldorf, and its subsidiaries and sub-subsidiaries, in particular LEG NRW GmbH, Dusseldorf, and its subsidiaries, collectively "LEG", are among the largest housing companies in Germany. On 30 September 2023, LEG held a portfolio of 168,406 (30 September 2022: 168,328) residential and commercial units (167,864 (30 September 2022: 167,834) units excluding IFRS 5 objects).

As an integrated property company, LEG engages in three core activities: the optimisation of the core business, the expansion of the value chain as well as consolidating the management platform. The interim consolidated financial statements are prepared in euros. Unless stated otherwise, all figures have been rounded to millions of euros (EUR million). For technical reasons, tables and references can include rounded figures that differ from the exact mathematical values.

### 2. Interim consolidated financial statements

LEG Immobilien SE prepared the interim consolidated financial statements in accordance with the provisions of the International Financial Reporting Standards (IFRS) for interim reporting, as endorsed in the EU, and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). Based on the option under IAS 34.10, the notes to the financial statements were presented in a condensed form. The condensed interim consolidated financial statements have not been audited or subjected to an audit review. LEG primarily generates income from the rental and letting of investment properties. Rental and lease business, in essence, is unaffected by seasonal influences.

### 3. Accounting policies

The accounting policies applied in the interim consolidated financial statements of LEG Immobilien SE are the same as those presented in the IFRS consolidated financial statements as of 31 December 2022. These interim consolidated financial statements as at 30 September 2023 should therefore be read in conjunction with the consolidated financial statements as at 31 December 2022.

LEG Immobilien SE has fully applied the new standards and interpretations that are mandatory from 1 January 2023. There were no effects on the net assets, financial position and results of operations.

### 4. Changes in the Group

There were no changes in the Group as at 30 September 2023.

### 5. Assumptions and estimates

The preparation of interim consolidated financial statements in accordance with IFRS requires assumptions and estimates to be made that affect the recognition of assets and liabilities, income and expenses and the disclosure of contingent liabilities. These assumptions and estimates particularly relate to the measurement of investment properties, the recognition and measurement of pension provisions, the recognition and measurement of other provisions, the measurement of financing liabilities, and the eligibility for recognition of deferred tax assets.

Although the management believes that the assumptions and estimates used are appropriate, any unforeseeable changes in these assumptions could impact the net assets, financial position and results of operations.

For further information, please refer to the [Consolidated financial statements as at 31 December 2022](#).



T31

## Investment properties

€ million	Total	Residential assets				Commercial assets	Parking and other assets	Leasehold	Land values
		High-growth markets	Stable markets	Higher-yielding markets	Other				
<b>Carrying amount as of 01.01.2022</b>	<b>19,178.4</b>	<b>7,886.7</b>	<b>6,813.0</b>	<b>3,553.2</b>	<b>0.0</b>	<b>311.0</b>	<b>374.9</b>	<b>210.4</b>	<b>29.2</b>
Acquisitions	324.4	89.2	108.8	10.7	0.0	90.0	20.5	5.2	0.0
Other additions	368.7	106.9	166.7	90.4	0.0	4.8	1.7	-1.8	0.0
Reclassified to assets held for sale	-49.5	-15.0	-14.3	-17.5	0.0	-0.2	-1.9	-0.2	-0.4
Reclassified from assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reclassified to property, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reclassified from property, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fair value adjustment	382.4	186.3	61.4	103.0	0.0	-20.2	8.5	38.7	4.7
Reclassification	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Carrying amount as of 31.12.2022</b>	<b>20,204.4</b>	<b>8,254.1</b>	<b>7,135.6</b>	<b>3,739.8</b>	<b>0.0</b>	<b>385.4</b>	<b>403.7</b>	<b>252.3</b>	<b>33.5</b>

Fair value adjustment 31.12.2022 (in € million)	382.4
hereupon as of 31.12.2022 in the portfolio:	380.1
hereupon as of 31.12.2022 disposed investment properties:	2.3

Investment properties were remeasured most recently by LEG as of the interim reporting date of 30 June 2023. No further fair value adjustment was made as at 30 September 2023. With regard to the calculation methods and parameters, please refer to the consolidated financial statements as at 31 December 2022.

Significant market developments and measurement parameters affecting the market values of LEG are reviewed each quarter. If necessary, the property portfolio is revalued. As at 30 September 2023, the results of this review did not require any value adjustment.

The table below show the measurement method used to determine the fair value of investment properties and the material unobservable inputs used as of 30 June 2023 and 31 December 2022:

T32

## Valuation parameters as at 30 June 2023

	GAV investment properties <sup>2</sup>  (€ million)	Valuation technique	Market rent residential/commercial €/sqm			Maintenance cost residential/commercial €/sqm			Administrative cost residential/commercial €/unit			Stabilised vacancy rate %		
			min	Ø	max	min	Ø	max	min	Ø	max	min	Ø	max
			Residential assets											
High-growth markets	7,620	DCF	3.60	9.09	15.28	9.42	13.00	18.41	201	344	522	1.0	1.8	6.0
Stable markets	6,772	DCF	1.93	7.70	14.14	8.44	12.98	17.92	210	342	522	1.5	2.7	9.0
Higher-yielding markets	3,524	DCF	0.51	6.54	16.59	8.22	13.22	18.27	193	346	522	1.5	4.5	10.0
Commercial assets	351	DCF	1.00	7.66	27.00	4.01	7.09	12.71	1	295	5,481	1.0	2.5	8.5
Parkings	392	DCF	-	-	-	38.72	82.12	100.88	44	44	45	-	-	-
Leasehold	233	DCF	-	-	-	-	-	-	-	-	-	-	-	-
Land values	28	Earnings/ reference value method	-	-	-	-	-	-	0	8	29	-	-	-
<b>Total portfolio (IAS 40)<sup>1</sup></b>	<b>18,920</b>	<b>DCF</b>	<b>0.09</b>	<b>7.62</b>	<b>27.00</b>	<b>4.01</b>	<b>19.91</b>	<b>100.88</b>	<b>0</b>	<b>313</b>	<b>5,481</b>	<b>1.0</b>	<b>3.1</b>	<b>10.0</b>

	Discount rate %			Capitalisation rate %			Estimated rental development %		
	min	Ø	max	min	Ø	max	min	Ø	max
Residential assets									
High-growth markets	2.7	4.2	6.9	2.0	4.8	11.6	1.2	1.5	1.8
Stable markets	2.6	4.3	8.6	1.6	5.3	11.9	1.0	1.3	1.7
Higher-yielding markets	3.0	4.2	7.6	2.6	5.7	12.2	0.9	1.2	1.5
Commercial assets	2.5	6.4	11.0	2.8	7.0	11.4	0.9	1.4	1.7
Parkings	3.9	4.2	5.4	2.8	7.0	12.5	0.9	1.3	1.7
Leasehold	2.6	4.1	7.0	-	-	-	-	-	-
Land values	3.8	4.3	5.3	3.0	10.8	12.0	0.9	1.3	1.6
<b>Total portfolio (IAS 40)<sup>1</sup></b>	<b>2.5</b>	<b>4.3</b>	<b>11.0</b>	<b>1.6</b>	<b>5.5</b>	<b>12.5</b>	<b>0.9</b>	<b>1.3</b>	<b>1.8</b>

<sup>1</sup> In addition, as at 30 June 2023, there are assets held for sale (IFRS 5) in the amount of EUR 14.9 million, which correspond to Level 2 of the fair value hierarchy.

<sup>2</sup> Property valuation with cut-off date as of 31 March 2023 and revaluation date as of 30 June 2023.

T33

## Valuation parameters as at 31 December 2022

	GAV investment properties <sup>2</sup>  (€ million)	Valuation technique	Market rent residential/commercial €/sqm			Maintenance cost residential/commercial €/sqm			Administrative cost residential/commercial €/unit			Stabilised vacancy rate %		
			min	Ø	max	min	Ø	max	min	Ø	max	min	Ø	max
			Residential assets											
High-growth markets	8,203	DCF	3.85	8.83	14.53	8.96	13.01	18.41	201	344	522	1.0	1.7	6.0
Stable markets	7,000	DCF	1.92	7.52	13.84	9.18	13.04	17.92	210	342	522	1.5	2.8	9.0
Higher-yielding markets	3,740	DCF	0.03	6.42	9.62	8.22	13.24	18.27	196	346	522	1.5	4.4	12.5
Commercial assets	250	DCF	0.09	7.47	27.00	4.01	7.09	13.21	1	294	5,481	1.0	2.5	8.5
Parkings	252	DCF	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	-	-	-
Leasehold	403	DCF	0.00	0.00	0.00	38.72	82.24	100.88	44	44	45	-	-	-
Land values	33	Earnings/ reference value method	0.00	0.00	0.00	0.00	0.00	0.00	0	4	11	-	-	-
<b>Total portfolio (IAS 40)<sup>1</sup></b>	<b>19,881</b>	<b>DCF</b>	<b>0.03</b>	<b>7.45</b>	<b>27.00</b>	<b>4.01</b>	<b>19.93</b>	<b>100.88</b>	<b>0</b>	<b>314</b>	<b>5,481</b>	<b>1.0</b>	<b>3.1</b>	<b>12.5</b>

	Discount rate %			Capitalisation rate %			Estimated rental development %		
	min	Ø	max	min	Ø	max	min	Ø	max
Residential assets									
High-growth markets	2.3	3.7	7.0	1.8	4.4	11.2	1.1	1.6	1.9
Stable markets	2.3	3.7	7.5	1.3	5.0	11.6	0.9	1.3	1.9
Higher-yielding markets	2.20	3.50	7.00	2.50	5.40	11.90	0.8	1.1	1.8
Commercial assets	2.50	6.40	9.50	2.80	7.00	10.90	0.8	1.4	1.8
Parkings	2.50	3.50	7.00	-	-	-	-	-	-
Leasehold	2.30	3.70	5.50	2.00	6.60	12.20	0.8	1.3	1.9
Land values	2.60	3.70	4.90	2.50	10.30	11.70	0.8	1.3	1.7
<b>Total portfolio (IAS 40)<sup>1</sup></b>	<b>2.20</b>	<b>3.70</b>	<b>9.50</b>	<b>1.30</b>	<b>5.20</b>	<b>12.20</b>	<b>0.8</b>	<b>1.3</b>	<b>1.9</b>

<sup>1</sup> In addition, as at 31 December 2022, there are assets held for sale (IFRS 5) in the amount of EUR 35.6 million, which correspond to Level 2 of the fair value hierarchy.

<sup>2</sup> Property valuation with cut-off date as of 30 September 2022 and revaluation date as of 31 December 2022.

With regard to the calculation methods, please see the consolidated financial statements as of 31 December 2022.

In addition, LEG's portfolio still includes land and buildings accounted for in accordance with IAS 16.

Property, plant and equipment as well as intangible assets included right of use leases in the amount of EUR 17.7 million as of 30 September 2023 (31 December 2021: EUR 22.0 million). The right of uses result from rented land and buildings, cars, heat contracting, measurement and reporting technology, IT peripheral devices as well as software. In the reporting period right of uses in the amount of EUR 1.6 million have been added.

#### T34

##### Right of use leases

€ million	30.09.2023	31.12.2022
Right of use land and buildings	1.5	2.0
Right of use technical equipment and machinery	11.5	14.0
Right of use operating and office equipment	4.2	5.3
<b>Property, plant and equipment</b>	<b>17.2</b>	<b>21.3</b>
Right of use software	0.5	0.7
<b>Intangible assets</b>	<b>0.5</b>	<b>0.7</b>
<b>Right of use leases</b>	<b>17.7</b>	<b>22.0</b>

Cash and cash equivalents mainly consist of bank balances as well as money market funds.

Changes in the components of consolidated equity are shown in the statement of changes in consolidated equity.

Financing liabilities are composed as follows:

#### T35

##### Financing liabilities

€ million	30.06.2023	31.12.2022
Financing liabilities from real estate financing	9,252.3	9,347.9
Financing liabilities from Lease financing	112.6	112.9
<b>Financing liabilities</b>	<b>9,364.9</b>	<b>9,460.8</b>

Financing liabilities from property financing serve the financing of investment properties.

The consolidated financial statements of LEG Immobilien SE reported financial liabilities from real estate financing of EUR 9,252.3 million as at 30 September 2023.

In the first three quarters of 2023, loans in the amount of EUR 2.3 million and a bond with a nominal value of EUR 100.0 million were valued. This was offset by scheduled and unscheduled repayments of EUR 189.8 million and the amortisation of transaction costs.

The financial liabilities from real estate financing include the following capital market instruments as of the reporting date:

#### T36

##### Capital market instruments as of 30.09.2023

€ million	IFRS carrying amount	Nominal value
Convertible bond 2020/2028	532.9	550.0
Convertible bond 2017/2025	395.5	400.0
Bond 2023/2031	71.1	100.0
Bond 2022/2026	498.8	500.0
Bond 2022/2029	498.0	500.0
Bond 2022/2034	499.7	500.0
Bond 2021/2032	496.7	500.0
Bond 2021/2031	596.4	600.0
Bond 2021/2033	597.0	600.0
Bond 2019/2033	299.9	300.0
Bond 2019/2027	500.6	500.0
Bond 2017/2024	504.0	500.0

The convertible bonds were classified and recognised in full as debt due to the issuer's contractual cash settlement option. There are several embedded derivatives and derivatives that must be separated that are to be jointly regarded as a compound derivative and carried at fair value. The host debt instrument is recognised at amortised cost.

The change in financial liabilities from lease financing in the reporting period essentially results from the decrease in lease liabilities for measurement and reporting technology. For leases that have already been concluded and do not begin until after the balance sheet date, there will be possible future cash outflows of EUR 1.2 million.

The main drivers for the change in the maturity distribution compared with 31 December 2022 are the remaining maturity of a corporate bond and upcoming refinancing of loans, which will lead to an increase in financial debt with a short remaining term and correspondingly decrease in financial debt with a medium term. The remaining term of a convertible bond leads to a reduction in financial debt with a long term. Conversely, the issuance of a bond essentially increases financial debt with a long-term maturity.

T37

#### Maturity of financing liabilities from real estate financing

€ million	Remaining term			Total
	< 1 year	> 1 to 5 years	> 5 years	
30.09.2023	1,022.0	4,111.2	4,119.1	9,252.3
31.12.2022	244.0	4,380.0	4,723.9	9,347.9

## 7. Selected notes to the consolidated statement of comprehensive income

Net operating income is broken down as follows:

T38

#### Net operating income

€ million	01.01.– 30.09.2023	01.01.– 30.09.2022
Net cold rent	623.5	596.6
Profit from operating expenses	-16.8	-5.2
Maintenance expenses for externally procured services	-63.7	-50.9
Personnel expenses (rental and lease)	-79.4	-79.8
Allowances on rent receivables	-14.0	-12.4
Depreciation and amortisation expenses	-11.5	-67.6
Other	12.2	19.6
<b>Net operating income</b>	<b>450.3</b>	<b>400.3</b>
<b>Net operating income margin (in %)</b>	<b>72.2</b>	<b>67.1</b>
Non-recurring special effects (rental and lease)	2.8	9.0
Depreciation and amortisation expenses	11.5	67.6
Maintenance for externally procured services	63.7	50.9
Own work capitalised	-11.4	-16.1
<b>Net operating income (recurring)</b>	<b>516.9</b>	<b>511.7</b>
<b>Net operating income margin (recurring in %)</b>	<b>82.9</b>	<b>85.8</b>

In the reporting period, net operating income increased by EUR 50.0 million compared to the same period of the previous year.

The main drivers of this development were the increase in net cold rent of EUR 26.9 million and the decrease in depreciation and amortisation due to the goodwill impairment loss of EUR 58.9 million in the comparative period.

In-place rent per square metre on a like-for-like basis rose by 4.0% year-on-year. This was offset by an increase of EUR 12.8 million in maintenance expenses for externally procured services, a decline of EUR 11.6 million in profit from operating expenses and a decrease of EUR 7.4 million in Other, mainly due to a reduction in capitalised own work.

The adjusted net operating income (NOI)-margin decreased to 82.9% compared to the same period of the previous year.

In the reporting period the following depreciation expenses for right of use from leases were included.

T39

#### Depreciation expenses of leases

€ million	01.01.– 30.09.2023	01.01.– 30.09.2022
Right of use buildings	0.2	0.2
Right of use technical equipment and machinery	2.9	3.0
Right of use operating and office equipment	2.1	2.3
<b>Depreciation expenses of leases</b>	<b>5.2</b>	<b>5.5</b>

In the reporting period expenses of leases of a low-value asset in the amount of EUR 0.4 million were included in the net operating income (comparable period: EUR 0.3 million).

Net income from the disposal of investment properties is composed as follows:

T40

#### Net income from the disposal of investment properties

€ million	01.01.– 30.09.2023	01.01.– 30.09.2022
Income from the disposal of investment properties	52.0	38.9
Carrying amount of the disposal of investment properties	-52.3	-39.2
Costs of sales of investment properties	-0.9	-0.9
<b>Net income from the disposal of investment properties</b>	<b>-1.2</b>	<b>-1.2</b>

#### Net income from the remeasurement of investment properties

The remeasurement of investment properties was conducted as of 30 June 2023.

Net income from the remeasurement of investment properties amounted to EUR -1,495.0 million in the reporting period (comparative period: EUR 1,168.4 million). Based on the property portfolio as at the beginning of the financial year (including the remeasured acquisitions), this corresponds to a decrease of -7.4% (comparative period: increase of 6.1%). The average value of investment properties (incl. IFRS 5 objects) was EUR 1,677 per square metre as at 30 September 2023 including acquisitions (31 December 2022: EUR 1,789 per square metre).

#### Administrative and other expenses

T41

#### Administrative and other expenses

€ million	01.01. – 30.09.2023	01.01. – 30.09.2022
Other operating expenses	-17.2	-18.6
Personnel expenses (administration)	-23.0	-20.8
Purchased services	-1.9	-1.8
Depreciation and amortisation	-2.4	-43.6
<b>Administrative and other expenses</b>	<b>-44.5</b>	<b>-84.8</b>
Depreciation and amortisation	2.4	43.6
Non-recurring special effects (administration)	9.4	11.6
<b>Administrative and other expenses (recurring)</b>	<b>-32.7</b>	<b>-29.6</b>

Within other operating expenses, there were, among other things, increased costs for insurance. The decrease in depreciation and amortisation expenses is due to the impairment of goodwill in the amount of EUR 40.7 million in the prior-year period. The recurring administrative expenses thus increased by EUR 3.1 million in the first nine months compared with the same period of the previous year.

In the reporting period following depreciation expenses for right of use from leases are included.

T42

#### Depreciation expenses of leases

€ million	01.01.– 30.09.2023	01.01.– 30.09.2022
Right of use buildings	0.3	0.9
Right of use operating and office equipment	0.2	0.2
Right of use software	0.2	0.2
<b>Depreciation expenses of leases</b>	<b>0.7</b>	<b>1.3</b>

#### Net interest income

Net interest income is composed as follows:

T43

#### Interest income

€ million	01.01.– 30.09.2023	01.01.– 30.09.2022
Interest income from bank balances	3.7	0.0
Interest income from loans	0.1	–
Interest income from interest on other assets and liabilities	0.0	0.1
Interest income from other financial instruments	3.0	–
Other interest income	2.6	0.0
<b>Interest income</b>	<b>9.4</b>	<b>0.1</b>

#### Net interest expenses

Net interest expenses is composed as follows:

T44

#### Interest expenses

€ million	01.01. – 30.09.2023	01.01. – 30.09.2022
Interest expenses from real estate financing	–97.7	–75.3
Interest expense from loan amortisation	–15.0	–18.1
Prepayment penalties	0.0	0.0
Interest expense from interest derivatives for real estate financing	0.0	–4.6
Interest expense from change in pension provisions	–2.8	–0.9
Interest expense from interest on other assets and liabilities	–0.1	–0.1
Interest expenses from lease financing	–1.9	–1.7
Other interest expenses	–1.4	–2.7
<b>Interest expenses</b>	<b>–118.9</b>	<b>–103.4</b>

The increase in interest expenses in the reporting period is mainly due to the increased interest rate level.

#### Income taxes

T45

#### Income tax expenses

€ million	01.01.– 30.09.2023	01.01.– 30.09.2022
Current tax expenses	–8.2	–1.6
Deferred tax expenses	258.8	–293.6
<b>Income tax expenses</b>	<b>250.6</b>	<b>–295.2</b>

An effective Group tax rate of 21.1% was assumed in the reporting period in accordance with Group tax planning (previous year: 20.4%).

### Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to the shareholders by the average number of shares outstanding during the reporting period.

T46

#### Earnings per share (basic)

	01.01. – 30.09.2023	01.01. – 30.09.2022
Net profit or loss attributable to shareholders in € million	-972.8	1,184.8
Average numbers of shares outstanding	74,109,276	73,309,866
<b>Earnings per share (basic) in €</b>	<b>-13.13</b>	<b>16.16</b>

T47

#### Earnings per share (diluted)

€ million	01.01. – 30.09.2023	01.01. – 30.09.2022
Net profit or loss attributable to shareholders	-972.8	1,184.8
Convertible bonds coupon after taxes	3.4	3.4
Measurement of derivatives after taxes	-0.5	-47.6
Amortisation of the convertible bonds after taxes	2.4	2.4
Net profit or loss for the period for diluted earnings per share	-967.5	1,143.0
Average weighted number of shares outstanding	74,109,276	73,309,866
Number of potentially new shares in the event of exercise of conversion rights	7,112,329	7,112,329
Number of shares for diluted earnings per share	81,221,605	80,422,195
Intermedia result in €	-11.91	14.21
<b>Diluted earnings per share in €</b>	<b>-13.13</b>	<b>14.21</b>

As at 30 September 2023, LEG Immobilien SE had convertible bonds outstanding, which authorise the bearer to conversion into up to 7.1 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 bond and the resulting tax effect in the event of the conversion rights being exercised in full.

## 8. Notes on Group segment reporting

LEG has operated in only one segment since the 2016 financial year. It generates its revenue and holds its assets exclusively in Germany. In the financial year 2023, LEG did not generate sales of more than 10% of total reported sales with any customer.

In addition to the minimum disclosures required by IFRS 8, the company's key performance indicators are explained and presented below. These correspond to the management and reporting system used by LEG for corporate management and provide a deeper insight into the economic performance of LEG.

LEG's internal reporting differs from IFRS accounting figures. LEG focusses its internal reporting in particular on the key performance indicator AFFO and on the other financial key figures EPRA NTA per share and LTV as housing industry key figures. The alternative performance indicators presented below are not based on IFRS figures, with the exception of the comments on LTV.

### AFFO

As part of the realignment of corporate management, FFO I has been replaced by AFFO (capex-adjusted FFO I) as the most important financial performance indicator for Group management from the financial year 2023.

AFFO is calculated by deducting recurring capex measures from FFO I (after non-controlling interests).

In terms of FFO, LEG distinguishes between FFO I (excluding the net income from the disposal of investment properties) and FFO II (including the net income from the disposal of investment properties).

FFO I is the cash inflow from operating activities. Based on EBITDA (adjusted), the calculation of FFO I takes into account cash interest expenses and income as well as cash taxes. From the 2023 financial year, maintenance expenses for externally procured services and own work capitalised previously included in the "Other" item will no longer be reported in adjusted net operating income, but will be recognised as an adjustment to adjusted EBITDA.

The calculation of AFFO, FFO I, and FFO II for the reporting and comparison period is as follows:

T48

### Calculation of FFO I, FFO II and AFFO

€ million	01.01. – 30.09.2023	01.01. – 30.09.2022
Net cold rent	623.5	596.6
Profit from operating expenses	-16.8	-5.2
Personnel expenses (rental and lease)	-79.4	-79.8
Allowances on rent receivables	-14.0	-12.4
Other	0.8	3.5 <sup>1</sup>
Non-recurring special effects (rental and lease)	2.8	9.0
<b>Net operating income (recurring)</b>	<b>516.9</b>	<b>511.7<sup>1</sup></b>
<b>Net income from other services (recurring)</b>	<b>23.1</b>	<b>11.4</b>
Personnel expenses (administration)	-23.0	-20.8
Non-personnel operating costs	-19.1	-20.4
Non-recurring special effects (administration)	9.4	11.6
<b>Administrative expenses (recurring)</b>	<b>-32.7</b>	<b>-29.6</b>
<b>Other income (adjusted)</b>	<b>0.0</b>	<b>0.0</b>
<b>EBITDA (adjusted)</b>	<b>507.3</b>	<b>493.5<sup>1</sup></b>
Cash interest expenses and income FFO I	-94.9	-82.4
Cash income taxes FFO I	-4.6	0.0
Maintenance for externally procured services	-63.7	-50.9
Own work capitalised	11.4	16.1 <sup>1</sup>
<b>FFO I (before adjustment of non-controlling interests)</b>	<b>355.5</b>	<b>376.3</b>
Adjustment of non-controlling interests	-2.9	-2.0
<b>FFO I (after adjustment of non-controlling interests)</b>	<b>352.6</b>	<b>374.3</b>
Net income from the disposal of investment properties (adjusted)	0.4	0.9
Cash income taxes FFO II	-3.6	-2.0
<b>FFO II (incl. disposal of investment properties)</b>	<b>349.4</b>	<b>373.2</b>
Capex (recurring)	-175.7	-259.7
<b>AFFO (capex-adjusted FFO I)</b>	<b>176.9</b>	<b>114.6</b>

<sup>1</sup> Value of comparative period adjusted.

Starting from FFO I (after non-controlling interests), the AFFO generally takes into account the capitalised costs from modernisation and maintenance. Only recurring capex measures are deducted (capex (recurring)). Capex that benefits from government funding is defined as non-recurring. In addition, consolidation effects resulting from the elimination of intercompany results due to self-produced services are eliminated.

The reconciliation breaks down as follows:

T49

#### Reconciliation capex (recurring)

€ million	01.01. – 30.09.2023	01.01. – 30.09.2022
Investments in investment properties	-178.9	-267.7
Investments in property, plant and equipment	-2.4	-1.9
<b>Capital expenditure</b>	<b>-181.3</b>	<b>-269.6</b>
Subsidised investments	-	-
Consolidation effects	5.6	9.9
<b>Capex (recurring)</b>	<b>-175.7</b>	<b>-259.7</b>

EBITDA and FFO are adjusted for non-recurring effects to ensure comparability with previous periods. Adjustments are made for all items that are not attributable to operations in the period and that have a not insignificant effect on EBITDA and FFO. These non-recurring special items comprise project costs for business model and process optimisation, personnel matters, acquisition and integration costs, capital market financing and M&A activities as well as other atypical matters.

These are composed as follows:

T50

#### Special one-off effects

€ million	01.01. – 30.09.2023	01.01. – 30.09.2022
Project costs to optimise the business model and processes	3.6	3.1
Staff related costs	1.9	2.9
Acquisition and integration related costs	3.5	8.9
Capital market financing and M&A activities	1.1	2.1
Other atypical matters	0.7	3.6
<b>Special one-off effects</b>	<b>10.8</b>	<b>20.6</b>

EBITDA adjusted for these special items is further adjusted for cash interest income and expenses, cash taxes and non-controlling interests in FFO I.

Cash interest expenses are composed as follows:

T51

#### Cash interest expenses

€ million	01.01. – 30.09.2023	01.01. – 30.09.2022
Interest expenses reported in income statement	118.7	103.4
Interest expenses related to loan amortisation	-15.0	-18.1
Interest costs related to the accretion of other assets/liabilities	-0.1	-0.1
Interest expenses related to changes in pension provisions	-2.8	-0.9
Other interest expenses	0.2	-1.9
<b>Cash effective interest expenses (gross)</b>	<b>101.2</b>	<b>82.4</b>
Cash effective interest income	6.3	0.0
<b>Cash effective interest expenses (net)</b>	<b>94.9</b>	<b>82.4</b>

**EPRA Net Tangible Asset (EPRA NTA)**

The EPRA NRV, NTA and NDV are relevant indicators for the real estate industry. LEG has defined EPRA NTA as the key performance indicator. Another financial indicator is EPRA NTA per share.

LEG reports EPRA NTA of EUR 10,195.1 million or EUR 137.57 per share as at 30 September 2023. In the calculation, deferred taxes on investment properties are adjusted by the amount attributable to planned property disposals by LEG. Incidental acquisition costs are not taken into account. The key figures are presented on a diluted basis only.

T52

**EPRA NRV, EPRA NTA, EPRA NDV**

€ million	30.09.2023			31.12.2022		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to shareholders of the parent company	8,089.3	8,089.3	8,089.3	9,058.6	9,058.6	9,058.6
Effects from the exercise of options, convertible bonds and other rights to equity	31.0	31.0	31.0	31.0	31.0	31.0
<b>Diluted NAV at fair value</b>	<b>8,120.3</b>	<b>8,120.3</b>	<b>8,120.3</b>	<b>9,089.6</b>	<b>9,089.6</b>	<b>9,089.6</b>
Deferred tax in relation to fair value gains of IP and deferred tax on subsidised loans and financial derivatives	2,106.7	2,121.3	-	2,371.9	2,371.9	-
Fair value of financial instruments (net)	-41.3	-41.3	-	-78.5	-78.5	-
Goodwill as a result of deferred tax	-	-	-	-	-	-
Goodwill as a result of synergies	-	-	-	-	-	-
Intangibles as per the IFRS balance sheet	-	-5.2	-	-	-5.8	-
Fair value of fixed interest rate debt	-	-	1,121.2	-	-	1,208.3
Deferred taxes of fixed interest rate debt	-	-	-236.1	-	-	-643.6
Revaluation of intangibles to fair value	-	-	-	-	-	-
Estimated ancillary acquisition costs (real estate transfer tax) <sup>1</sup>	1,840.0	-	-	1,955.3	-	-
<b>NAV</b>	<b>12,025.7</b>	<b>10,195.1</b>	<b>9,005.4</b>	<b>13,338.3</b>	<b>11,377.2</b>	<b>9,654.3</b>
Fully diluted number of shares	74,109,276	74,109,276	74,109,276	74,109,276	74,109,276	74,109,276
NAV per share	162.27	137.57	121.52	179.98	153.52	130.27

<sup>1</sup> Taking the ancillary acquisition costs into account would result into an NTA of EUR 12,016,6 million or EUR 162,15 per share.

LEG's calculation of EPRA NTA is based on the Best Practice Recommendations of the European Public Real Estate Association (EPRA).

The purchase price obligations from share deals recognised as liabilities are shown as effects from the exercise of options, convertible bonds and other rights to equity amounting to EUR 31.0 million. Deferred taxes resulting from the measurement of investment property and from the measurement of publicly subsidised loans as well as the measurement of derivatives are adjusted in the amount of the equity impact. Deferred taxes relating to the planned sales programme are not taken into account in the determination of the EPRA NTA. As at 30 September 2023, these amounted to EUR 2,121.3 million.

Effects of the fair value measurement of derivative financial instruments are also eliminated in calculating the EPRA NTA. If these effects from the measurement of derivatives relate to the equity value calculated in the "Effects on equity from the exercise of options, convertible bonds and other rights" item, these are not included under "fair value of financial instruments". As at 30 September 2023, these effects totalled EUR -41.3 million.

If the purchase price allocations for acquisitions to be accounted for in line with IFRS 3 result in goodwill (from deferred taxes and synergies), these reduce equity in the calculation of EPRA NTA. There is no goodwill as of 30 September 2023.

In addition, all recognised intangible assets are eliminated. As at 30 September 2022 these totalled EUR 5.2 million.

The estimated incidental acquisition costs are calculated on the basis of the net market values of the property portfolio. In accordance with the property portfolios in the various federal states, real estate transfer tax is taken into account. In addition, brokerage courtage and notary fees are applied in determining the estimated incidental acquisition costs.

### Loan to Value Ratio (LTV)

As of 30 September 2023, compared to 31 December 2022, net debt has decreased less relative to real estate assets, resulting in a loan to value ratio (LTV) of 46.8% (31 December 2021: 43.9%).

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#### Loan to Value Ratio

€ million	30.09.2023	31.12.2022
Financing liabilities	9,364.9	9,460.8
Without lease liabilities IFRS16 (not leasehold)	17.3	22.0
Less cash and cash equivalents	325.7	402.2
<b>Net financing liabilities</b>	<b>9,021.9</b>	<b>9,036.6</b>
Investment properties	18,983.3	20,204.4
Assets held for sale	28.8	35.6
Prepayments for investment properties	-	60.8
Participation in other real estate companies	256.5	306.7
<b>Real estate assets</b>	<b>19,268.6</b>	<b>20,607.5</b>
<b>Loan to value ratio (LTV) in %</b>	<b>46.8</b>	<b>43.9</b>

### Maintenance and modernisation

The non-capitalised maintenance expenses from the point of view of the asset holding companies consist of maintenance expenses for externally procured services and maintenance expenses procured internally by the service companies of LEG. This is adjusted for consolidation effects. In the case of modernisations which are capitalised as value-enhancing measures, new construction activities on own land and own work capitalised are eliminated in addition to consolidation effects.

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#### Maintenance and modernisation

€ million	01.01.– 30.09.2023	01.01.– 30.09.2022
Maintenance expenses for externally procured services	-63.7	-50.9
Maintenance expenses provided internally	-40.7	-33.9
<b>Maintenance expenses</b>	<b>-104.4</b>	<b>-84.8</b>
Adjustments consolidation effects	1.4	3.0
<b>Maintenance expenses (adjusted)</b>	<b>-103.0</b>	<b>-81.8</b>
Investment in investment properties	-178.9	-267.7
Investment in property, plant and equipment	-2.4	-1.9
<b>Capital expenditure (Capex)</b>	<b>-181.3</b>	<b>-269.6</b>
Subsidised investments	-	-
Adjustments consolidation effects	5.6	9.9
<b>Capex (recurring)</b>	<b>-175.7</b>	<b>-259.7</b>
Subsidised investments (addition)	-	-
Adjustments (new construction, own work capitalised)	36.5	30.2
<b>Capital expenditure (adjusted)</b>	<b>-139.2</b>	<b>-229.5</b>
<b>Total investment</b>	<b>-285.7</b>	<b>-354.4</b>
Adjustments (consolidation effects, new construction, own work capitalised)	43.5	43.1
<b>Total investments (adjusted)</b>	<b>-242.2</b>	<b>-311.3</b>
Area of investment properties in million sqm	10.85	10.81
<b>Adjusted average investment per sqm (€)</b>	<b>22.32</b>	<b>28.82</b>
thereof maintenance expenses per sqm (€)	9.49	7.57
thereof capital expenditure per sqm (€)	12.83	21.24

### 9. Financial instruments

The table below shows the financial assets and liabilities broken down by measurement category and class. Receivables and liabilities from finance leases and derivatives used as hedging instruments are included even though they are not assigned to an IFRS 9 measurement category. With respect to reconciliation, non-financial assets and non-financing liabilities are also included although they are not covered by IFRS 7.

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 of the end of the reporting period. The fair values of derivative financial instruments are determined based on the benchmark interest rates in place as of the reporting date.

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 input parameters for the valuation models are the relevant market prices and interest rates observed as of the end of the reporting period, which are obtained from recognised external sources. The derivatives are therefore attributable to Level 2 of the fair value hierarchy as defined in IFRS 13.72 ff (measurement on the basis of observable inputs).

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.

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## Classes of financial instruments for financial assets and liabilities 2023

€ million	Carrying amounts as per statement of financial positions 30.09.2023	Measurement (IFRS 9)		Measurement (IFRS 16)	Fair value 30.09.2023
		Amortised cost	Fair value through profit or loss		
<b>Assets</b>					
<b>Other financial assets</b>	<b>288.5</b>				<b>288.5</b>
Derivatives HFT	3.1		3.1		3.1
Hedge accounting derivatives	38.6				38.6
AC	6.9	6.9			6.9
FVtPL	239.9		239.9		239.9
<b>Receivables and other assets</b>	<b>252.3</b>				<b>252.3</b>
AC	153.7	153.7			153.7
Other non-financial assets	98.6				98.6
<b>Cash and cash equivalents</b>	<b>305.7</b>				<b>305.7</b>
AC	305.7	305.7			305.7
<b>Total</b>	<b>846.5</b>	<b>466.3</b>	<b>243.0</b>		<b>846.5</b>
<b>Of which IFRS 9 measurement categories</b>					
AC	466.3	466.3			466.3
FVtPL	239.9		239.9		239.9

AC = Amortized Cost

FVtPL = Fair Value through Profit and Loss

FLAC = Financial Liabilities at Amortised Cost

HFT = Held for Trading

€ million	Carrying amounts as per statement of financial positions 30.09.2023	Measurement (IFRS 9)		Measurement (IFRS 16)	Fair value 30.09.2023
		Amortised cost	Fair value through profit or loss		
<b>Liabilities</b>					
<b>Financial liabilities</b>	<b>-9,364.9</b>				<b>-8,131.1</b>
FLAC	-9,252.3	-9,252.3			-8,131.1
Liabilities from lease financing	-112.6			-112.6	
<b>Other liabilities</b>	<b>-369.7</b>				<b>-369.7</b>
FLAC	-214.9	-214.9			-214.9
Derivatives HFT	-0.4		-0.4		-0.4
Hedge accounting derivatives	-				-
Other non-financial liabilities	-154.4				-154.4
<b>Total</b>	<b>-9,734.6</b>	<b>-9,467.2</b>	<b>-0.4</b>	<b>-112.6</b>	<b>-8,500.8</b>
<b>Of which IFRS 9 measurement categories</b>					
FLAC	-9,467.2	-9,467.2			-8,346.0
Derivatives HFT	-0.4		-0.4		-0.4

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## Classes of financial instruments for financial assets and liabilities 2022

€ million	Carrying amounts as per statement of financial positions 31.12.2022	Measurement (IFRS 9)		Measurement (IFRS 16)	Fair value 31.12.2022
		Amortised cost	Fair value through profit or loss		
<b>Assets</b>					
Other financial assets	337.9				337.9
Hedge accounting derivatives	40.6				40.6
AC	7.1	7.1			7.1
FVtPL	290.2		290.2		290.2
Receivables and other assets	164.7				164.7
AC	149.0	149.0			149.0
Other non-financial assets	15.7				15.7
Cash and cash equivalents	362.2				362.2
AC	362.2	362.2			362.2
<b>Total</b>	<b>864.8</b>	<b>518.3</b>	<b>290.2</b>		<b>864.8</b>
<b>Of which IFRS 9 measurement categories</b>					
AC	518.3	518.3			518.3
FVtPL	290.2		290.2		290.2

AC = Amortized Cost

FVtPL = Fair Value through Profit and Loss

FLAC = Financial Liabilities at Amortised Cost

HFT = Held for Trading

€ million	Carrying amounts as per statement of financial positions 31.12.2022	Measurement (IFRS 9)		Measurement (IFRS 16)	Fair value 31.12.2022
		Amortised cost	Fair value through profit or loss		
<b>Liabilities</b>					
Financial liabilities	-9,460.8				-8,139.7
FLAC	-9,347.9	-9,347.9			-8,139.7
Liabilities from lease financing	-112.9			-112.9	
Other liabilities	-345.5				-345.5
FLAC	-184.9	-176.9			-184.9
Derivatives HFT	-0.5		-0.5		-0.5
Hedge accounting derivatives	0.0				0.0
Other non-financial liabilities	-160.1				-160.1
<b>Total</b>	<b>-9,806.3</b>	<b>-9,524.8</b>	<b>-0.5</b>	<b>-112.9</b>	<b>-8,485.2</b>
<b>Of which IFRS 9 measurement categories</b>					
FLAC	-9,532.8	-9,524.8			-8,324.6
Derivatives HFT	-0.5		-0.5		-0.5

As at 30 September 2023, the fair value of the investment in Brack Capital Properties N.V. amounted to EUR 217.8 million (previous year: EUR 268.0 million). The change compared to the previous year amounts to EUR –50.2 million. This participation is allocated to Level 1 of the measurement hierarchy, as there is an active market for the shares.

Furthermore, there are very small equity investments with a fair value of EUR 22.1 million (previous year: EUR 18.2 million). This results in a change of EUR 3.9 million compared to the previous year, which was recognised in profit or loss.

The fair value of the very small equity investments is calculated using simplified DCF procedures as there are no quoted prices in an active market for the relevant equity investments. The fair value calculated using valuation models is allocated to Level 3 of the IFRS 13 measurement hierarchy. Allocation to Level 3 takes place based on valuation models with inputs not observed on a market. This relates primarily to the capitalisation rate of 3.9% (previous year: 4.8%).

As at 30 September 2023, the fair value of the very small Level 3 equity investments was EUR 22.1 million. The stress test of this parameter on the basis of plus 50 bp results in a reduction of the fair value to EUR 19.7 million (previous year: EUR 16.6 million) and at minus 50 bp in an increase of the fair value to EUR 25.3 million (previous year: EUR 20.2 million).

## 10. Related-party disclosures

Please see the IFRS consolidated financial statements as at 31 December 2022 for the presentation of the IFRS 2 programmes for long-term incentive Management Board agreements.

## 11. Other

There were no changes with regard to contingent liabilities in comparison to 31 December 2022.

## 12. The Management Board and the Supervisory Board

There were no changes to the composition of the Supervisory Board as at 30 September 2023 compared with the disclosures as at 31 December 2022.

The following changes occurred in the composition of the Management Board:

Susanne Schröter-Crossan left the Management Board of LEG Immobilien SE on 31 March 2023.

Dr. Kathrin Köhling has been appointed Chief Financial Officer of LEG Immobilien SE with effect from 1 April 2023.

## 13. Supplementary Report

In October 2023, LEG prematurely redeemed the EUR 500.0 million bond maturing in January 2024.

There were no other significant events after the end of the interim reporting period on 30 September 2023.

Dusseldorf, 9 November 2023

LEG Immobilien SE  
The Management Board

Lars von Lackum  
(CEO)

Dr Kathrin Köhling  
(CFO)

Dr Volker Wiegel  
(COO)

## Responsibility statement

“To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the LEG, and the quarterly report includes a fair review of the development and performance of the business and the position of the LEG, together with a description of the principal opportunities and risks associated with the expected development of the LEG.”

Dusseldorf, 9 September 2023

LEG Immobilien SE, Dusseldorf  
The Management Board

Lars von Lackum  
(CEO)

Dr Kathrin Köhling  
(CFO)

Dr Volker Wiegel  
(COO)

## Financial calendar

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### LEG Financial calendar 2024

Publication annual financial report	11 March 2024
Release of quarterly statement as of 31 March 2024	15 May 2024
Release of quarterly report as of 30 June 2024	9 August 2024
Release of quarterly statement as of 30 September 2024	8 November 2024

For additional dates see our [Website](#).

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The quarterly statement as of 30 September 2023 is also available in German.  
In case of doubt, the German version takes precedence.

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