

**Joint Report of the Management Report of
LEG Immobilien AG**

**and the management of
EnergieServicePlus GmbH**

in accordance with section 293a of the German Stock Corporation Act
on the profit and loss transfer agreement dated 18 March 2020

between

LEG Immobilien AG, Düsseldorf

and

EnergieServicePlus GmbH, Düsseldorf

I. General

On 18 March 2020, LEG Immobilien AG, Düsseldorf, entered in the commercial register of the Düsseldorf Local Court under HRB 69386, and EnergieServicePlus GmbH, Düsseldorf, entered in the commercial register of the Düsseldorf Local Court under HRB 74489, entered into a profit and loss transfer agreement. Under the terms of this agreement, EnergieServicePlus GmbH undertakes to transfer its entire profit to LEG Immobilien AG, while LEG Immobilien AG undertakes to absorb any losses generated by EnergieServicePlus GmbH.

The Management Board of LEG Immobilien AG and the management of EnergieServicePlus GmbH hereby submit the following joint report on the profit and loss transfer agreement in accordance with section 293a of the German Stock Corporation Act (AktG).

II. Parties

1. LEG Immobilien AG

LEG Immobilien AG is a listed stock corporation under German law and the parent company of the LEG Group. The share capital of LEG Immobilien AG is EUR 69,009,836.00 and is divided into 69,009,836 registered shares. The LEG Group has more than 1,400 employees in the Federal Republic of Germany, more specifically in North Rhine-Westphalia, and reported revenue (rental and letting income) of EUR 809,4 million and net profit of EUR 789,1 million for the 2019 financial year (IFRS consolidated financial statements). Total assets amounted to EUR 12,919.8 million at 31 December 2019, while equity carried on the balance sheet amounted to EUR 5,933.9 million. In its single-entity financial statements in accordance with the German Commercial Code LEG Immobilien AG reported no revenue, but other operating income of EUR 14,9 million and a net loss of EUR 16,9 million. The balance sheet of LEG Immobilien AG as at 31 December 2019 reported total assets of EUR 5,457.9 million and equity of EUR 3,359.1 million.

LEG Immobilien AG's financial year is the calendar year.

According to the Articles of Association, the business purpose of LEG Immobilien AG is as follows:

The conduct of real estate business and any related business of any kind, in particular the management, leasing, construction and modification, acquisition and sale of apartments as well as the provision of other services in connection with real estate, either by itself or by companies in which the Company holds an interest.

The Company may engage in any business which may directly or indirectly serve its business purpose. It may establish branches in its home country and abroad with the same or a different corporate name, establish companies, hold interests in and sell companies.

The Company is entitled to centralize under its direction companies in which it has an interest and/or restrict its activities to the management of the interest(s) and to conclude enterprise agreements of any kind as well as to spin off or transfer its business in parts or as a whole to companies in which it has a majority interest.

The current members of the Management Board are Lars von Lackum and Dr. Volker Wiegel.

In accordance with Article 7 of the Articles of Association, LEG Immobilien AG is legally represented by two members of the Management Board or one member of the Management Board together with an authorized signatory or by one member of the Management Board if the Supervisory Board grants him the right of individual representation. Currently the Supervisory Board has not granted any member of the Management Board the right of individual representation.

2. EnergieServicePlus GmbH

The company was formed in 2015. The share capital of EnergieServicePlus GmbH is EUR 25,000.00. In its single-entity annual financial statements at 31 December 2019, EnergieServicePlus GmbH had a turnover of EUR 38,276,334 and a profit for the period of EUR 2,569,126. The balance sheet at 31 December 2019 reported total assets of EUR 27,2 million and equity of EUR 9,799,261.

EnergieServicePlus GmbH's financial year is the calendar year.

According to the Articles of Association, the business purpose of EnergieServicePlus GmbH is as follows:

The construction and operation of electricity and heating systems, the construction and operation of thermal systems and the provision of energy supply services and energy-related services

The Company is authorized to conduct all business transactions in connection with the aforementioned corporate purpose.

The Company is authorized to establish branches, to establish subsidiaries, to acquire other companies or to participate in such companies.

The Company may also engage in other business, provided that such business serves the purpose of the Company. Activities pursuant to § 34 c GewO are excluded.

The Managing Directors of EnergieServicePlus GmbH are currently Ulrike Janssen, Sebastian Rühl und Dr. Volker Wiegel.

If several Managing Directors are appointed, in accordance with Section 6(1) of the shareholder agreement, EnergieServicePlus GmbH is legally represented by two Managing Directors or by one

Managing Director together with an authorized signatory. The Shareholders' Meeting can grant one or more Managing Directors the right of individual representation. Currently the Shareholders' Meeting has not granted any Managing Director the right of individual representation.

LEG Immobilien AG is the sole shareholder of EnergieServicePlus GmbH. EnergieServicePlus GmbH is included in the consolidated financial statements of LEG Immobilien AG.

III. Effectiveness of the profit and loss transfer agreement

In order to be effective under civil law, the profit and loss transfer agreement requires the approval of the Annual General Meeting of LEG Immobilien AG and the shareholders' meeting of EnergieServicePlus GmbH. Accordingly, the Management Board and the Supervisory Board of LEG Immobilien AG will propose the approval of the profit and loss transfer agreement to the Annual General Meeting that has been convened for 19 August 2020. The profit and loss transfer agreement has already been approved by the shareholders' meeting of EnergieServicePlus GmbH.

In order to be effective, the conclusion of the profit and loss transfer agreement is also required to be entered in the commercial register of the registered office of EnergieServicePlus GmbH. The agreement applies retrospectively for the period from the beginning of the financial year of EnergieServicePlus GmbH in which the profit and loss transfer agreement becomes effective through entry in the commercial register of the registered office of EnergieServicePlus GmbH.

IV. Legal and economic reasons for the conclusion of the profit and loss transfer agreement

The profit and loss transfer agreement will allow LEG Immobilien AG to optimise its tax situation. The conclusion of a profit and loss transfer agreement and its actual execution are a prerequisite for the formation of a tax entity for corporate income and trade tax purposes. Among other things, this tax entity has the advantage that positive or negative results generated by EnergieServicePlus GmbH can be offset against the results generated by LEG Immobilien AG, thereby optimising Group tax expense and the Group tax cash flow. There is no alternative to concluding a profit and loss transfer agreement which would be economically equal or better.

The conclusion of the profit and loss transfer agreement does not involve any change in the equity interests of the companies concluding the agreement. Aside from the loss absorption obligation entered into by LEG Immobilien AG, the profit and loss transfer agreement does not result in any particular consequences for the shareholders of LEG Immobilien AG, particularly since external shareholders are not held responsible for compensation and settlement.

V. Detailed commentary on the profit and loss transfer agreement

The following section contains a detailed commentary on the individual provisions of the profit and loss transfer agreement between LEG Immobilien AG and EnergieServicePlus GmbH:

Section 1: Profit transfer

As is typical for agreements of this nature, section 1 point 1 of the profit and loss transfer agreement contains the obligation for EnergieServicePlus GmbH to transfer its entire profit to LEG Immobilien AG in accordance with all of the provisions of section 301 AktG in its current version.

Section 301 sentence 1 AktG states that a company may transfer a maximum of its net income for the year before profit transfer less any losses carried forward from the previous year and the amount blocked from distribution in accordance with section 268 (8) HGB.

The reference to section 301 of the German Stock Corporation Act (AktG) contained in section 1 point 1 is dynamic in that the provision refers to section 301 in its currently valid version.

With the approval of LEG Immobilien AG, EnergieServicePlus GmbH is entitled in accordance with section 1 point 2 of the profit and loss transfer agreement to appropriate portions of its net income to other revenue reserves (section 272 (3) HGB) to the extent that this is permitted in accordance with HGB and considered to be economically justified in line with prudent business judgement. In this case, the profit transferred by EnergieServicePlus GmbH is reduced accordingly. The restriction that the appropriation to other revenue reserves may only be conducted to the extent that this is permitted in accordance with HGB and considered to be economically justified in line with prudent business judgement serves to fulfil the requirements of section 14 (1) sentence 1 no. 4 of the German Corporate Income Tax Act.

Section 1 point 3 of the profit and loss transfer agreement also states that any profits carried forward from the period prior to the inception of the agreement, amounts resulting from the reversal of revenue reserves formed prior to the inception of the agreement, and amounts resulting from the reversal of capital reserves are excluded from transfer.

Section 1 point 4 states that the entitlement to profit transfer arises at the end of the financial year of the tax entity and is due for payment from this date. Interest shall be charged at 5% p.a. from this date.

Section 1 point 5 states that the parent of the tax entity may demand an advance profit transfer to the extent that the payment of an advance dividend would be permissible.

The provisions described above are typical for a profit and loss transfer agreement.

Section 2: Loss assumption obligation on the part of LEG Immobilien AG

Section 2 point 1 of the profit and loss transfer agreement contains the loss assumption obligation on the part of LEG Immobilien AG in accordance with all of the provisions of section 302 AktG in its current version. Accordingly, LEG Immobilien AG is obliged to settle any net loss that would have been reported by EnergieServicePlus GmbH during the term of the agreement if there were no loss absorption, to the extent that such losses are not settled by withdrawing amounts from other revenue reserves that were appropriated to these reserves during the term of the agreement (section 302 (1) AktG). As such, LEG Immobilien AG bears the economic risk of EnergieServicePlus GmbH. This loss assumption obligation is a necessary consequence of a profit and loss transfer agreement.

The reference to the provisions of section 302 AktG contained in section 2 point 1 is structured dynamically insofar as the wording refers to section 302 AktG in its current version.

Section 2 point 2 of the profit and loss transfer agreement - in accordance with the legal situation applicable in any case - states that the entity company's entitlement to the settlement of the loss generated is due from the end of the financial year of the entity company. Interest shall be charged at 5% p.a. from this date.

Section 3: Effectiveness, duration and termination of the profit and loss transfer agreement

Section 3 point 1 of the profit and loss transfer agreement states that the agreement requires the approval of the Annual General Meeting of LEG Immobilien AG and the shareholders' meeting of EnergieServicePlus GmbH. The agreement only becomes effective following its entry in the commercial register of the registered office of EnergieServicePlus GmbH. The approval of the shareholders' meeting of EnergieServicePlus GmbH has already been obtained.

Section 3 point 2 states that, once the conditions for the effectiveness of the profit and loss transfer agreement have been fulfilled, the agreement shall be effective retrospectively from the start of the financial year of EnergieServicePlus GmbH in which the agreement comes into force.

The duration of the agreement is defined in section 3 point 3. The agreement is concluded for an indefinite term and may be terminated by either party giving six months' notice to the end of the financial year of EnergieServicePlus GmbH; in any case, however, the agreement may not be terminated until the end of the first financial year of EnergieServicePlus GmbH that lies at least five calendar years (60 months) after the inception of the profit transfer or loss absorption obligation as described in section 3 point 2 above (minimum term). The minimum term serves to fulfil the requirements of section 14 (1) sentence 1 no. 5 of the German Corporate Income Tax Act.

Irrespective of this, section 3 point 4 states that the profit and transfer and loss agreement may be terminated without notice for good cause. Good cause within the meaning of this profit and loss transfer agreement is considered to exist in particular if LEG Immobilien AG terminates the agreement due to the sale or withdrawal of all of the shares of EnergieServicePlus GmbH, or in any case shares in the amount of the total nominal value, with the result that the conditions for the financial integration of EnergieServicePlus GmbH within LEG Immobilien AG in accordance with the relevant tax provisions are no longer met, or if LEG Immobilien AG or EnergieServicePlus GmbH are merged (sections 2 ff. of the German Transformation Act (Umwandlungsgesetz)), demerged (sections 123 ff. of the Umwandlungsgesetz) or liquidated.

Section 3 point 5 defines the latest termination date for this agreement as the end of the financial year in which an external shareholder within the meaning of section 304 AktG holds an equity interest in EnergieServicePlus GmbH. The current version of section 307 AktG applies accordingly.

If this agreement ends, § 3 item 6 of the profit transfer agreement provides that LEG Immobilien AG must provide security to the GmbH's creditors. The current version of section 303 AktG as a whole applies accordingly.

Section 3 point 7 of the agreement states that the agreement must be terminated in writing.

Section 4: Cost assumption

In accordance with section 4 of the profit and loss transfer agreement, any costs arising in connection with the conclusion of the agreement will be borne by LEG Immobilien AG.

Section 5: Closing provisions

Section 5 point 1 of the closing provisions of the agreement states that the interpretation of the profit and loss transfer agreement must take into account the tax provisions that are relevant for the tax entity to the extent necessary to ensure that the tax entity is effective.

Section 5 point 2 of the profit and loss transfer agreement states that any amendments or additions to the agreement must be made in writing to the extent that notarial certification is not required.

The effectiveness of any such amendments or additions requires the approval of the Annual General Meeting of LEG Immobilien AG and the shareholders' meeting of EnergieServicePlus GmbH. The amendments/additions shall only become effective following their entry in the commercial register of EnergieServicePlus GmbH.

If a provision of this agreement is or becomes invalid or unenforceable, either in part or in full, this shall not affect the validity of the other provisions of this agreement. The invalid or unenforceable provision shall be replaced by a valid or enforceable provision that best reflects the economic purpose pursued by the parties to the agreement with the invalid or unenforceable provision. The same applies in the event of any unintended loopholes or omissions in the agreement.

The place of performance and jurisdiction for both parties is Düsseldorf. This is set out in section 5 point 4 of the profit and loss transfer agreement.

In accordance with section 5 point 5, the profit and loss transfer agreement is subject to the law of the Federal Republic of Germany.

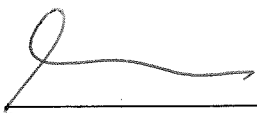
A summary assessment of the profit and loss transfer agreement shows that it is beneficial for both LEG Immobilien AG and EnergieServicePlus GmbH.

V. No compensation and severance pay, no contract review

LEG Immobilien AG is the sole shareholder of EnergieServicePlus GmbH. There are therefore no external shareholders within the meaning of Section 304 AktG in EnergieServicePlus GmbH. Accordingly, no provisions on compensation payments or severance offers (Sections 304, 305 AktG) are required; neither are a contract review by a court-appointed expert auditor (Section 293b (1) AktG) and an audit report (Section 293e AktG) required. Nor is it necessary to value LEG Immobilien AG and EnergieServicePlus GmbH in order to determine an appropriate compensation or settlement.

Düsseldorf,

LEG Immobilien AG

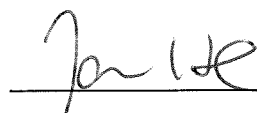


Lars von Lackum

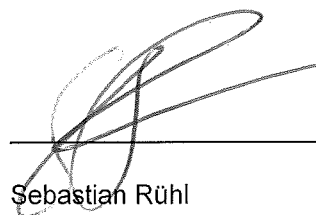


Dr. Volker Wiegel

EnergieServicePlus GmbH



Ulrike Janssen



Sebastian Rühl