

LEG Immobilien AG, Düsseldorf

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These materials are not an offer or the solicitation of an offer for the sale or subscription of the shares of LEG Immobilien AG in the United States of America. The subscription rights and the shares referred to herein may not, at any time, be offered, sold, exercised, pledged or otherwise transferred within or into the United States of America except to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act of 1933, as amended ("Securities Act")) in accordance with Section 4(a)(2) of the Securities Act or another applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. LEG Immobilien AG has not registered and does not intend to register the subscription rights and/or the shares under the Securities Act or publicly offer the subscription rights and/or the shares in the United States of America.

Subscription Offer

On 19 August 2020, the annual general meeting of LEG Immobilien AG ("**LEG Immobilien**" or the "**Company**") resolved under agenda item 2 (Resolution on the appropriation of the balance sheet profit for the 2019 financial year) to pay out a dividend in the amount of EUR 3.60 for each no-par value share carrying dividend rights (the "**Resolution on Appropriation of Profits**"). The dividend shall be paid, at the discretion of the shareholders, (i) in cash (the "**Cash Dividend**") or (ii) in the form of shares in LEG Immobilien (the "**Scrip Dividend**").

The existing shares of the Company are represented by several global certificates, with global profit share certificates, which are deposited with Clearstream Banking AG, Frankfurt am Main ("**Clearstream**").

For the execution of the Scrip Dividend, the management board of the Company (the "**Management Board**") resolved on 18 August 2020, with the approval of the supervisory board (the "**Supervisory Board**"), to increase the Company's share capital in accordance with the authorization set forth in Article 4.1 of the Articles of Association (the "**Authorized Capital 2017**") from EUR 71,379,836.00 by up to EUR 4,000,000.00 through the issue of up to 4,000,000 registered no-par value shares with a notional interest in the share capital of EUR 1,00 attributable to one no-par value share (the "**New Shares**") by way of a capital increase against contributions in-kind with subscription rights (the "**Rights Issue Capital Increase**").

Following the determination of the total number of New Shares to be issued, the Management Board intends to determine, with the approval of the Supervisory Board, the exact amount of the Rights Issue Capital Increase as well as the number of New Shares presumably on 15 September 2020. The New Shares will be issued with full dividend entitlement as of 1 January 2020.

All shareholders who owned registered no-par value shares of LEG Immobilien at 11:59 p.m. CEST on the evening of 19 August 2020 and have not sold them by this time are entitled to subscribe to New Shares.

The New Shares will be offered for subscription to the shareholders at a yet-to-be-determined subscription price and in a yet-to-be-determined subscription ratio (the "**Subscription Offer**"). Each existing share carries one subscription right and one dividend entitlement of EUR 3.60 ("**Dividend Entitlement**"). Each shareholder will only be able to exercise its subscription right by instructing and authorizing Deutsche Bank Aktiengesellschaft, Taunusanlage 12, 60325 Frankfurt am Main ("**Deutsche Bank AG**"), acting as third-party trustee, to subscribe in its own name but for the shareholder's account for the New Shares which such shareholder would like to receive based on its

subscription rights, and by assigning the respective Dividend Entitlements to Deutsche Bank AG which, following subscription and entry of execution of the Rights Issue Capital Increase in the commercial register, shall transfer the New Shares subscribed in this process to a Clearstream custody account for credit to the securities account of the respective shareholder. Such instruction and authorization must be made within the subscription period from 21 August 2020 to 7 September 2020 (both inclusive) via the shareholder's depository bank during normal banking hours (the "**Subscription Period**") using the form provided by the depository bank for this purpose (the "**Declaration of Subscription and Assignment**"). Shareholders who exercise their subscription rights have to assign the Dividend Entitlements that they wish to use to subscribe to New Shares to Deutsche Bank AG within the Subscription Period by submitting their Declaration of Subscription and Assignment in due time. The exercise of the subscription rights will take effect upon timely book entry transfer of the relevant Dividend Entitlements from ISIN DE000LEG1201 to ISIN DE000LEG1219. If the shareholder's Declaration of Subscription and Assignment is received by its depository bank within the Subscription Period, the book entry transfer will be deemed to have been made in due time provided that the book entry transfer is effected at Clearstream by 6:00 p.m. CEST on 10 September 2020 at the latest.

Deutsche Bank AG will process the Subscription Offer as subscription agent based on a transaction agreement concluded on 7 July 2020 (the "**Transaction Agreement**") in respect of shareholders who have exercised their subscription rights, subject to the conditions specified in the section "*Other important information*". In particular, Deutsche Bank AG undertook in the Transaction Agreement to contribute to the Company as contribution in-kind the Dividend Entitlements assigned to it in accordance with the yet-to-be-determined subscription price and the yet-to-be determined subscription ratio, to subscribe to the New Shares for the account of those shareholders who exercise their subscription rights and to deliver the New Shares to the relevant shareholders in accordance with the yet-to-be-determined subscription ratio and at the yet to be determined subscription price per New Share. Deutsche Bank AG is expected to subscribe to the New Shares on 15 September 2020. The execution of the Rights Issue Capital Increase is expected to be entered in the commercial register on or around 17 September 2020.

From the first day of trading after the annual general meeting on 19 August 2020 (the "**Annual General Meeting**"), i.e. from 20 August 2020, the existing shares of the Company will be listed "ex subscription right" and "ex dividend". The subscription rights relating to the existing shares of the Company will automatically be credited by Clearstream to the depository banks on 24 August 2020 as of 21 August 2020 (evening) at 11:59 p.m. CEST (Record Date), together with the inextricably linked Dividend Entitlements (ISIN DE000LEG1201 / WKN LEG120) which embody the corresponding subscription rights. It is the responsibility of the depository banks to credit the subscription rights and Dividend Entitlements to the securities accounts of the individual shareholders.

Our shareholders have the option to exercise their subscription rights for the New Shares in the period

**from 21 August 2020 to 7 September 2020
(inclusive)**

during normal business hours via their depository bank at the subscription agent named below, using the Declaration of Subscription and Assignment provided by their depository bank, and to assign to Deutsche Bank AG the Dividend Entitlements that are to be contributed as contributions in kind. Subscription rights not exercised in time will lapse. If subscription rights are not exercised or not exercised in time, the dividend will be paid out in cash without any further action being required on 29 September 2020 at the latest.

Subscription agent and paying agent

The subscription agent is Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt am Main.

The paying agent for the Company's dividend for the financial year 2019 is also Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt am Main.

The general paying agent function of Deutsche Bank AG pursuant to Section 48 (1) German Securities Trading Act remains unaffected.

Important note

The Company asks its shareholders to note that the subscription price per New Share and the subscription ratio will only be published during the Subscription Period, presumably on Friday, 4 September 2020 about 3:00 p.m. CEST. Holders of subscription rights who do not exercise these rights, or do not exercise these in full, will receive for each no-par value share held for which the subscription right has not been exercised, the cash dividend of EUR 3.60 per no-par value share, which is expected to be paid through the depositary banks on 29 September 2020 at the latest. The Company may pay the dividend at an earlier date.

Subscription price

The subscription price is expected to be published in the German Federal Gazette (*Bundesanzeiger*) and on the website of LEG Immobilien at <https://www.leg-wohnen.de/en/corporation/investor-relations> presumably on Friday, 4 September 2020, at about 3:00 p.m. CEST, i.e. three days before the Subscription Period expires.

The subscription price is the result in euro of dividing the reference price by EUR 3.60, less a 4.0% discount of this result, then rounded down to one decimal place after the decimal point and multiplied by EUR 3.60 (the "**Subscription Price**"). The reference price is the volume-weighted average price of LEG Immobilien shares in euro in the Xetra trading system on the Frankfurt Stock Exchange on the trading day preceding the determination of the Subscription Price ("**Reference Price**").

Subscription ratio

The subscription ratio is expected to be published, together with the Subscription Price, in the German Federal Gazette (*Bundesanzeiger*) and on the website of LEG Immobilien under <https://www.leg-wohnen.de/en/corporation/investor-relations> presumably on Friday, 4 September 2020, at about 3:00 p.m. CEST, i.e. three days before the Subscription Period expires.

The subscription ratio is the ratio between the result of dividing the Subscription Price by EUR 3.60 rounded down to one decimal place after the decimal point, to one New Share (the "**Subscription Ratio**").

Dividend Entitlements of a shareholder for which a dividend in New Shares was chosen but which are not sufficient to cover the subscription of one whole New Share will be paid out in cash. If the calculation leads to an amount in Euro with more than two decimals after the decimal point, the result shall be rounded down to whole euro cents. The amount resulting from this rounding, and that therefore is not paid out, will always be lower than EUR 0.01 per share portfolio. Any commercial rounding which Clearstream and/or the depositary banks may apply due to technical reasons remains unaffected and shall neither be done on account of the Company nor on account of Deutsche Bank AG.

No subscription rights trading

There are no plans of the Company or Deutsche Bank AG to have the subscription rights traded and neither the Company nor Deutsche Bank AG will organize such trading. It is not intended for the subscription rights to be quoted on a stock exchange. Therefore, it is not possible for subscription rights to be purchased or sold on a stock exchange in the regulated market. Neither the Company nor Deutsche Bank AG will arrange for any such purchases or sales. However, the subscription rights to which a shareholder is entitled can be freely transferred together with the Dividend Entitlements to which they are inextricably linked, unless they have already been transferred to Deutsche Bank AG.

From the first trading day after the Annual General Meeting, i.e., from 20 August 2020, the Company's existing shares will be listed "ex rights" and "ex dividend".

Form and certification of the New Shares

In accordance with the Company's currently applicable Articles of Association, the New Shares will be issued as registered no-par value shares. The New Shares will be represented by one global certificate with a global profit share certificate and deposited at Clearstream.

The right of shareholders to certification of their shares and dividends is excluded in Section 3.6 of the Articles of Association.

Delivery of the New Shares purchased on the basis of the Subscription Offer and payment of the Cash Dividend

Subject to the subscription and the entry of the execution of the Rights Issue Capital Increase in the commercial register as well as the admission of the New Shares and their inclusion into trading on the Frankfurt Stock Exchange, the New Shares for which subscription rights were exercised in accordance with the Subscription Offer are expected to be made available to the depositary banks for the purpose of delivery to shareholders via collective safe custody credit (*Girosammelgutschrift*) at latest on 29 September 2020.

The payment of the Cash Dividend for all Dividend Entitlements which were not used for the subscription of New Shares (i.e., the Dividend Entitlements for which the Cash Dividend was chosen and the Dividend Entitlements for which a dividend in the form of New Shares was chosen but which are not sufficient to cover the subscription of one whole New Share) is expected to be effected via the depositary banks presumably on 29 September 2020 together with the cash payment for Dividend Entitlements for which the Scrip Dividend was not chosen.

Depositary bank's commissions

LEG Immobilien reimburses the depositary banks for their services with a market-standard commission.

Nevertheless, shareholders who opt to receive the Scrip Dividend may incur additional depositary bank fees. Please consult your depositary bank about the details. Fees and costs which you are charged as securities deposit account customers by depositary banks cannot be refunded by LEG Immobilien or by Deutsche Bank AG. For the settlement of subscription rights Deutsche Bank AG, in its function as subscription agent, does not charge an additional commission to the shareholders who choose the Scrip Dividend.

Admission to trading on the stock exchange and listing of the New Shares

Admission of the New Shares to trading on the regulated market of the Frankfurt Stock Exchange as well as to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) on the Frankfurt Stock Exchange is expected to take place on 25 September 2020 at the

latest, subject to the entry of the execution of the Rights Issue Capital Increase in the commercial register. The New Shares are then expected to be included in the existing quotation of the Company's shares on 29 September 2020 at the latest.

Other important information

In accordance with Sections 1 (4) lit. h), (5) subpara. 1 lit. g) of the Regulation (EU) 2017/1129 (the "Prospectus Regulation"), no securities prospectus will be prepared for the purposes of the Subscription Offer and the admission of the New Shares to trading; instead a single document for information purposes will be prepared in accordance with Section 1 (4) lit. h), (5) subpara. 1 lit. g) Prospectus Regulation ("Prospectus-Exemption Document"). Before making a decision on whether to exercise their subscription right, interested shareholders should read carefully the Prospectus Exemption Document (available at <https://www.leg-wohnen.de/en/corporation/investor-relations>) and inform themselves about the Company. It is also recommended, also with regard to potential risks, that they visit the Company's website (<https://www.leg-wohnen.de/en/corporation/investor-relations>) and read the available financial reports including the Company's financial statements for the 2019 financial year, the report on the first quarter of 2020 from May 2020 and the report on the second quarter of 2020 from August 2020 as well as the other information on the Company's website, and take them into account when making a decision.

The obligations of Deutsche Bank AG under the Transaction Agreement to enter into a contribution agreement and to subscribe to the New Shares and thus ultimately to execute the Subscription Offer are subject to a series of conditions precedent. These conditions include, in particular, that all warranties assumed by the Company under the Transaction Agreement are accurate and complete and that the Company has fulfilled all of its obligations under the Transaction Agreement prior to the conclusion of the contribution agreement and subscription to the New Shares.

If before the entry of the execution of the Rights Issue Capital Increase in the commercial register Deutsche Bank AG finds that one of the conditions has not been fulfilled in due time, it may terminate the Transaction Agreement. Under certain conditions the Company is entitled to terminate the Transaction Agreement as well. In the event that the Transaction Agreement is terminated before the entry of the execution of the Rights Issue Capital Increase in the commercial register, the subscription rights of the shareholders will be cancelled. Instead, shareholders will receive their dividend of EUR 3.60 exclusively in cash. Once the execution of the Rights Issue Capital Increase has been entered into the commercial register, there is no longer any such right of termination and the shareholders who have exercised their subscription right in accordance with the above requirements will receive the New Shares at the Subscription Price.

Sales restrictions

The New Shares will only be offered to the public in the Federal Republic of Germany. Neither the subscription rights nor the New Shares are, or will be, registered in accordance with the U.S. Securities Act of 1933, as amended ("**Securities Act**"), or with the securities regulators of individual states or other territories of the United States of America. The subscription rights and the New Shares may not, at any time, be offered, sold, exercised, pledged, delivered or otherwise transferred, either directly or indirectly, within or into the United States of America except to "qualified institutional buyers" ("**QIBs**") (as defined in Rule 144A under the Securities Act) in accordance with Section 4(a)(2) of the Securities Act or another applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act provided that it does not constitute a breach of applicable securities legislation in the individual states of the United States of America.

Availability of the Prospectus Exemption Document

The Subscription Offer is made on the basis of the Prospectus Exemption Document. There is no obligation to publish a prospectus for the public offering, Section 1 (4) lit. h) Prospectus Regulation, and for the admission to trading, Section 1 (5) subpara. 1 lit. g) Prospectus Regulation, of dividends paid out to shareholders in the form of shares provided that a document is made available which contains information on the number and nature of the shares and the reasons for and details of the offer. The Prospectus Exemption Document, which contains such information, is published at <https://www.leg-wohnen.de/unternehmen/investor-relations>.

Düsseldorf, 20 August 2020

LEG Immobilien AG

The Management Board