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LEG

Annual Report



2025

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To the Shareholders

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Key figures 2025

Financial key figures		2025	2024	+/- %
Net cold rent	€ million	919.9	859.4	+7.0 %
Net operating income (recurring)	€ million	764.1	718.7	+6.3 %
EBITDA (adjusted)	€ million	718.3	669.5	+7.3 %
FFO I	€ million	481.5	457.5	+5.2 %
FFO II	€ million	477.3	458.4	+4.1 %
AFFO	€ million	220.5	200.4	+10.0 %
AFFO per share ¹	€	2.92	2.69	+8.5 %
Dividend per share	€	2.92	2.70	+8.1 %

Balance sheet key figures		31.12.2025	31.12.2024	+/- %/BP
Investment properties	€ million	19,591.4	17,853.3	+9.7 %
Cash and cash equivalents	€ million	816.8	914.3	-10.7 %
Equity	€ million	8,758.9	7,396.5	+18.4 %
Total financing liabilities	€ million	10,155.3	9,718.6	+4.5 %
Net debt	€ million	9,292.9	8,756.9	+6.1 %
LTV	%	46.8	47.9	-110 BP
Equity ratio	%	41.6	37.8	+380 BP
EPRA NTA	€ million	10,363.7	9,375.4	+10.5 %
EPRA NTA per share	€	137.14	125.90	+8.9 %

Other key figures		31.12.2025	31.12.2024	+/- %/BP
Number of residential units		171,360	164,067	+4.4 %
In-place rent	€/sqm	7.06	6.80	+3.7 %
In-place rent (I-f-I)	€/sqm	7.04	6.80	+3.5 %
EPRA vacancy rate	%	2.6	2.5	+10 BP
EPRA vacancy rate (I-f-I)	%	2.3	2.3	+5 BP
Number of employees		1,789	1,808	-1.1 %

BP = Basis Points

¹ AFFO per share based on number of shares as of the end of the business year.

Management Board



Lars von Lackum
Chief Executive Officer | CEO

Ressorts

- Corporate Communications & Public Affairs
- Investor Relations
- Legal & Compliance, HR, Internal Audit, Committees
- Sustainability & Innovation
- Technology & Digitalisation
- Transactions



Dr Kathrin Köhling
Chief Financial Officer | CFO

Ressorts

- Accounting
- Controlling & Risk Management
- Corporate Finance & Treasury
- Portfolio Management
- Organisation, Processes & Data Management
- Tax



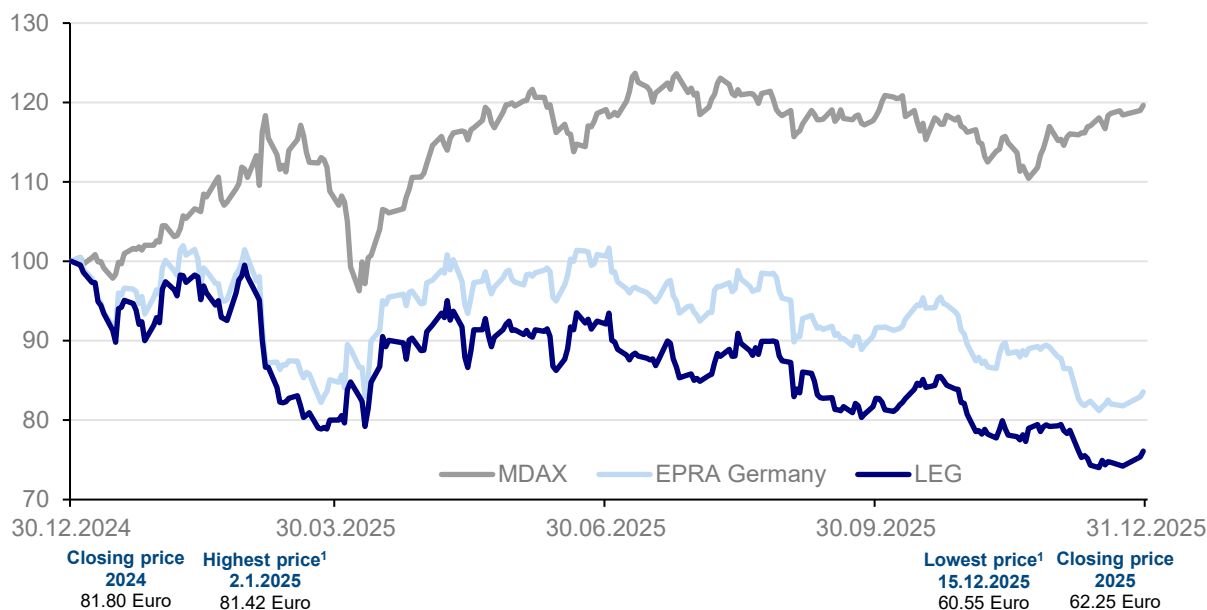
Dr Volker Wiegel
Chief Operating Officer | COO

Ressorts

- Asset- & Property Management; incl.
 - Residential Services
 - Residential Locations
 - Technology
- Green Ventures
- Service & Value-added Companies
- Transformation Office

LEG shares

Share price performance (closing price 2024 indexed to 100)



¹ Based on Xetra closing prices

Key figures of LEG shares

Ticker symbol	LEG
German Securities Code Number (WKN)	LEG111
ISIN	DE000LEG1110
Number of shares (31. December 2025)	75,570,800
Initial listing	1. February 2013
Market segment	Prime Standard
Indices	MDAX, FTSE EPRA/NAREIT, GPR 250, Stoxx Europe 600, DAX 50 ESG, MSCI Europe ex UK, MSCI World ex USA, MSCI World Custom ESG Climate Series, MSCI Europe Real Estate Index
Closing price (31. December 2025)	EUR 62,25
Market capitalisation (31. December 2025)	EUR 4.704 million
Free float (31. December 2025)	100 %
Weighting in the MDAX ¹	3.0 %
Weighting in the EPRA Europe (31. December 2025)	2.3 %
Average daily trading volume (2025)	239,127 shares
Highest price (basis closing prices, 2. January 2025)	EUR 81.42
Lowest price (basis closing prices, 25. December 2025)	EUR 60.55

¹ Based on the latest periodic review of the index composition

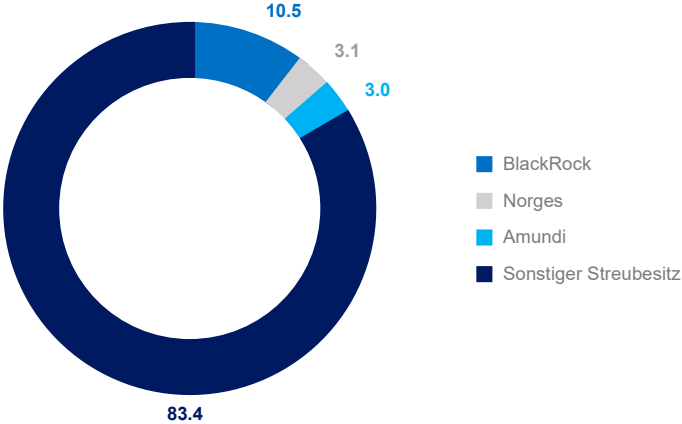
The LEG share ended the 2025 stock market year with a closing price (Xetra) of EUR 62.25. This corresponds to a decrease of 23.9 % compared to the 2024 year-end price of EUR 81.80. Including the dividend payout of EUR 2.70 per share, the LEG share fell by 20.6 %. The EPRA Germany sector index saw a downturn of 16.5 %, while the MDAX rose by 19.7 % in the same period.

In the first quarter, the LEG share price fell significantly in a market environment that was particularly weak for real estate assets. The correction was attributable to yields on the bond markets, which had risen sharply within a very short space of time. The yield on 10-year German government bonds increased from around 2.4 % at the end of 2024 to around 2.9 % in mid-March.

The reason for this was the project initiated by the German federal government to establish a Special Fund for Infrastructure and Climate Neutrality. As bond yields saw a downward correction, the share price rose at the beginning of the first quarter. It then fell again until the end of the year in line with the steady rise in German government bond yields. The yield on 10-year German government bonds had returned to around 2.9 % by the end of the year. On 15 December 2025, the share price reached its low for the year at EUR 60.55.

Shareholder structure

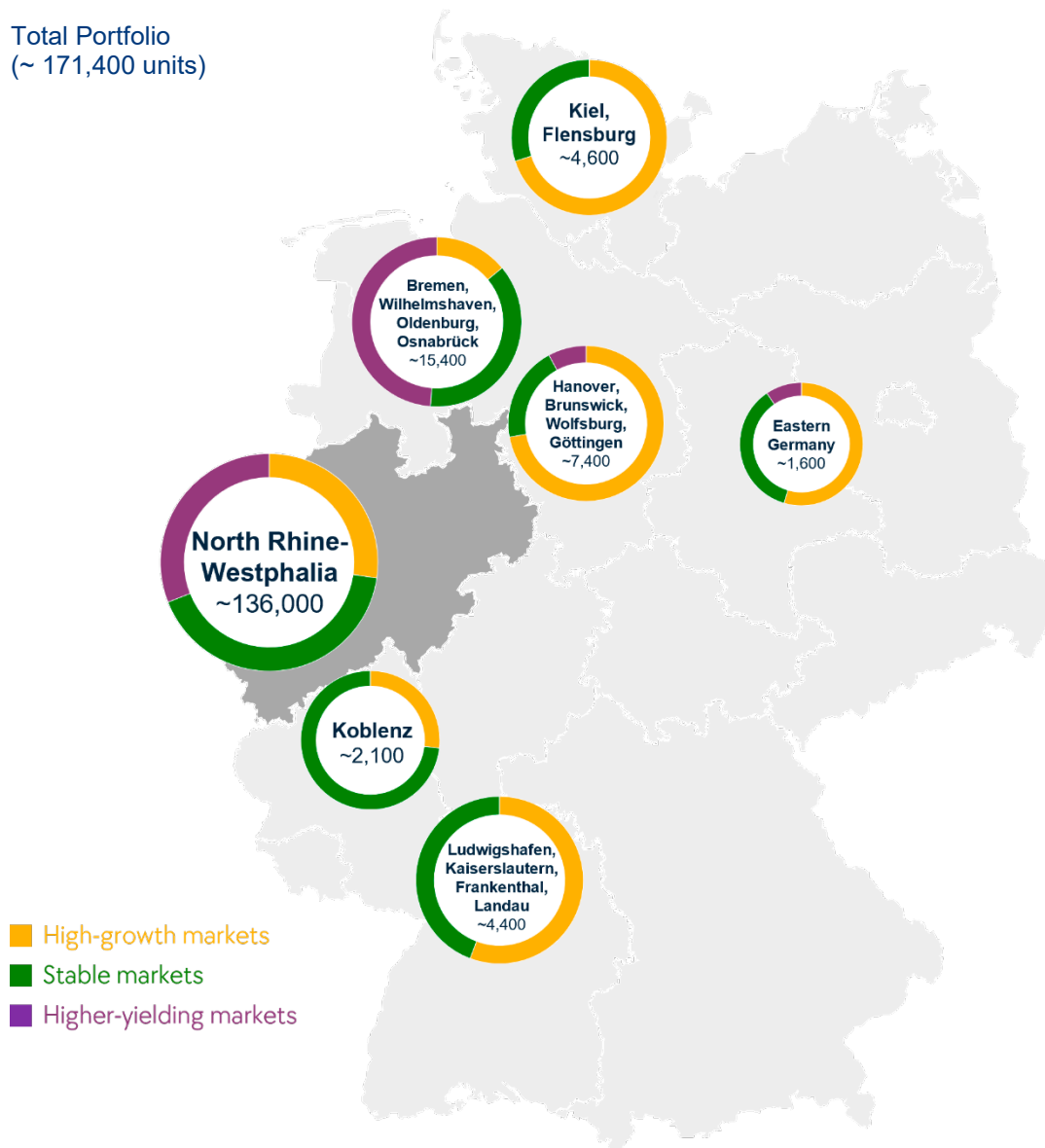
(According to voting rights notifications available to the company)



Portfolio

LEG locations by market segment as at 31.12.2025

Total Portfolio
(~ 171,400 units)



At the end of 2025, LEG managed a portfolio consisting of 171,360 residential units in the affordable housing segment, 1,600 commercial units and 51,610 garages and parking spaces. At the end of 2024, the figures were 164,067 apartments, 1,443 commercial units, and 45,615 garages and parking spaces. The increase was driven by the full acquisition of Brack Capital Properties at the beginning of the year, including around 9,100 apartments, among others. At the same time, some properties were also sold.

As in the previous year, 79% of these residential units are located in LEG's home market of North Rhine-Westphalia, with another 13% in Lower Saxony. In addition, LEG holds further properties in Bremen, Schleswig-Holstein, Hesse, and Rhineland-Palatinate. The portfolio also includes properties in eastern Germany. The market value of the portfolio amounts to approximately 20 billion euros. The rent is EUR 7.04 per sqm, and the average apartment size is 63 square metres. Accordingly, the average monthly rent per apartment is around EUR 440.

Portfolio segmentation

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

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

Operating performance

On a like-for-like basis, the in-place rent on 31 December 2025 was EUR 7.04 per sqm and month. This corresponds to an increase of 3.5 % compared to the previous year's reporting date.

The rental growth resulted essentially from the development of the free-financed portfolio, which accounts for 83 % of the portfolio. Here, the actual in-place rent rose by 4.0 % year-on-year to EUR 7.44 per sqm (like-for-like). Within the free-financed portfolio, the high-growth markets recorded an increase of 4.1 % to EUR 8.56 per sqm (like-for-like). In the stable markets of the free-financed portfolio, the in-place rent rose the most by an average of 4.4 % to EUR 7.18 per sqm (like-for-like). The higher-yielding markets recorded an increase in monthly rents of 3.4 % to EUR 6.66 per sqm (like-for-like).

In the segment of the rent-restricted units, which make up 17% of the portfolio, the next regular adjustment of the cost rent will take place in 2026. The average monthly in-place was EUR 5.39 per sqm (like-for-like), and thus slightly above the level of EUR 5.36 per sqm at the end of 2024.

The EPRA vacancy rate on a like-for-like basis increased slightly by 5 basis points compared to the previous year's reporting date and amounted to 2.3 %. The high-growth markets recorded the lowest average vacancy rate at 1.2 %. In the stable markets, the EPRA vacancy rate was 2.3 % at year end and in the higher-yielding markets 4.0 % (like-for-like in each case).

Portfolio segments – top 5 locations

31.12.2025					
	Number of LEG apartments	Share of LEG-Portfolio	Living space	In-place-rent	EPRA vacancy rate
		in %	in sqm	€/sqm	in %
High-growth markets	51,685	30.2	3,389,018	7.90	1.3
District of Mettmann	9,186	5.4	635,945	8.11	1.2
Dusseldorf	6,328	3.7	411,229	9.31	0.7
Muenster	6,144	3.6	409,348	7.85	0.5
Cologne	4,011	2.3	271,166	8.59	0.5
Kiel	3,195	1.9	180,979	7.55	1.9
Other locations	22,821	13.3	1,480,351	7.35	1.9
Stable markets	69,302	40.4	4,414,917	6.85	2.9
Dortmund	14,643	8.5	943,590	6.53	2.1
District of Unna	6,966	4.1	434,828	6.13	1.5
Moenchengladbach	6,420	3.7	406,958	7.36	1.4
Essen	4,226	2.5	273,682	6.95	11.3 ¹
Bielefeld	3,229	1.9	200,987	7.43	0.8
Other locations	33,818	19.7	2,154,873	6.97	2.9
Higher-yielding markets	50,373	29.4	3,039,488	6.40	4.2
District of Recklinghausen	8,169	4.8	490,736	6.21	3.7
Gelsenkirchen	7,511	4.4	430,480	6.63	6.2
Duisburg	7,043	4.1	422,656	6.88	2.1
Wilhelmshaven	6,598	3.9	381,483	6.25	9.5
Hamm	4,795	2.8	287,165	6.18	1.9
Other locations	16,257	9.5	1,026,968	6.31	3.2
Total	171,360	100.0	10,843,424	7.06	2.6

¹ EPRA vacancy rate affected by a new building in Essen completed in H2-2025, which is currently being marketed.

31.12.2024					
	Number of LEG apartments	Share of LEG-Portfolio	Living space	In-place-rent	EPRA vacancy rate
		in %	in sqm	€/sqm	in %
High-growth markets	48,902	29.8	3,216,001	7.64	1.5
District of Mettmann	8,477	5.2	588,529	8.02	1.2
Dusseldorf	6,092	3.7	393,504	8.93	1.0
Muenster	6,154	3.8	410,466	7.55	0.7
Cologne	4,387	2.7	296,316	8.28	2.4
Kiel	2,301	1.4	119,676	7.31	2.1
Other locations	21,491	13.1	1,407,510	7.03	1.9
Stable markets	66,191	40.3	4,232,113	6.57	2.4
Dortmund	13,662	8.3	893,965	6.24	1.7
District of Unna	6,973	4.3	435,357	5.99	1.9
Moenchengladbach	6,429	3.9	407,419	6.99	1.3
Essen	3,469	2.1	222,300	6.59	2.9
Bielefeld	3,229	2.0	200,987	7.27	1.7
Other locations	32,429	19.8	2,072,086	6.68	2.9
Higher-yielding markets	48,973	29.8	2,950,810	6.21	4.1
District of Recklinghausen	8,591	5.2	518,576	5.99	2.9
Gelsenkirchen	7,214	4.4	412,154	6.42	5.9
Duisburg	6,417	3.9	387,626	6.71	2.3
Wilhelmshaven	6,684	4.1	386,601	6.10	10.1
Hamm	4,797	2.9	287,290	6.08	2.0
Other locations	15,270	9.3	958,563	6.11	3.1
Total	164,066	100.0	10,398,924	6.80	2.5

Performance of the LEG portfolio

	High-growth markets		Stable markets		Higher-yielding markets		Total	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Subsidised residential units								
Units	11,063	11,035	12,059	12,810	6,683	6,642	29,805	30,487
Area	sqm 756,493	754,574	810,351	860,598	441,889	434,299	2,008,734	2,049,471
In-place rent	€/sqm 5.80	5.69	5.34	5.31	4.92	4.89	5.42	5.36
EPRA vacancy rate	% 0.6	0.8	2.0 ¹	1.5	1.6	2.0	1.4 ¹	1.4
Free-financed residential units								
Units	40,622	37,867	57,243	53,381	43,690	42,332	141,555	133,580
Area	sqm 2,632,525	2,461,427	3,604,567	3,371,516	2,597,599	2,516,571	8,834,690	8,349,513
In-place rent	€/sqm 8.51	8.24	7.19	6.90	6.66	6.44	7.44	7.18
EPRA vacancy rate	% 1.4	1.6	3.0 ¹	2.5	4.5	4.4	2.8 ¹	2.7
Total residential units								
Units	51,685	48,902	69,302	66,191	50,373	48,974	171,360	164,067
Area	sqm 3,389,018	3,216,001	4,414,917	4,232,113	3,039,488	2,950,870	10,843,424	10,398,984
In-place rent	€/sqm 7.90	7.64	6.85	6.57	6.40	6.21	7.06	6.80
EPRA vacancy rate	% 1.3	1.5	2.9 ¹	2.4	4.2	4.1	2.6 ¹	2.5
Total commercial								
Units							1,600	1,443
Area	sqm						283,505	269,021
Total parking								
Units							51,610	45,615

¹ EPRA vacancy rate affected by a new building in Essen completed in H2-2025, which is currently being marketed.

Value development

The table below shows the distribution of assets by market segment. LEG regularly had revalued its portfolio as of 31 December 2025. The next revaluation will be as of 30 June 2026. As at 31 December, the residential portfolio had a gross rental yield of 4.8 % and a rental multiple of 20.6, respectively. The net initial yield is 4.3 %.

Market segments

	Residential units	Residential assets ¹	Share residential assets	Value/sqm	In-place rent multiplier	Commercial assets ²	Total assets
31.12.2025		in € million	in %	in €		in € million	in € million
High-growth markets	51,685	7,871	43	2,321	24.7 x	172	8,044
District of Mettmann	9,186	1,537	8	2,413	25.0 x	39	1,577
Dusseldorf	6,328	1,265	7	3,047	27.4 x	62	1,327
Muenster	6,144	1,089	6	2,649	28.1 x	19	1,109
Cologne	4,011	796	4	2,917	28.3 x	5	802
Kiel	3,195	312	2	1,723	19.3 x	2	314
Other locations	22,821	2,872	16	1,948	22.4 x	44	2,916
Stable markets	69,302	7,071	38	1,598	19.9 x	112	7,183
Dortmund	14,643	1,623	9	1,712	22.3 x	21	1,644
District of Unna	6,966	553	3	1,281	17.6 x	13	566
Moenchengladbach	6,420	719	4	1,762	20.1 x	2	721
Essen	4,226	508	3	1,845	24.2 x	2	510
Bielefeld	3,229	397	2	1,969	22.2 x	6	402
Other locations	33,818	3,271	18	1,513	18.6 x	69	3,340
Higher-yielding markets	50,373	3,562	19	1,187	16.0 x	35	3,597
District of Recklinghausen	8,169	588	3	1,189	16.5 x	6	594
Gelsenkirchen	7,511	486	3	1,123	15.0 x	2	488
Duisburg	7,043	593	3	1,404	17.3 x	15	608
Wilhelmshaven	6,598	398	2	1,041	15.0 x	2	399
Hamm	4,795	352	2	1,229	16.7 x	3	355
Other locations	16,257	1,146	6	1,164	15.7 x	7	1,152
Total	171,360	18,505	100	1,710	20.6 x	319	18,824
Other Assets, Land Values, Leasehold							767
Balance sheet investment property assets (IAS 40)							19,591

¹ Excluding 507 residential units in commercial buildings; including 720 commercial units in mixed residential assets.

² Excluding 720 commercial units in mixed residential assets; including 507 residential units in commercial buildings.

EPRA key figures

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

Financial key figures

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

Sustainability

For sustainability reporting according to EPRA sBPR please see our [Website](#).

EPRA-Kennzahlen

For further information please see chapter „Analysis of net assets, financial position and results of operations“.

EPRA key figures		2025	2024
EPRA Vacancy (like-for-like)	%	2.3	2.2
EPRA NTA	€ million	10,363.7	9,375.4
EPRA NTA per share	€	137.14	125.90

Other EPRA figures		2025	2024
EPRA-Net Initial Yield	%	4.0	3.8
EPRA „topped-up“ Net Initial Yield	%	4.0	3.9
EPRA Capex	€ million	1,267.8	294.7
EPRA Earnings per share	€	5.55	5.25
EPRA Cost Ratio incl. direct vacancy costs	%	29.9	30.0
EPRA Cost Ratio excl. direct vacancy costs	%	28.1	28.1
EPRA Cost Ratio, adjusted by maintenance incl. direct vacancy costs	%	17.6	17.6
EPRA Cost Ratio, adjusted by maintenance excl. direct vacancy costs	%	15.7	15.7
EPRA NRV	€ million	11,917.5	11,112.1
EPRA NRV per share	€	157.70	149.22
EPRA NDV	€ million	9,022.6	7,615.8
EPRA NDV per share	€	119.39	102.27
EPRA LTV (group)	%	49.0	51.6

Report of the Supervisory Board

Dear shareholders,

LEG enjoyed a successful 2025 financial year. It achieved all of its targets even against the backdrop of highly volatile capital markets. Thanks to its good performance, LEG was able to adjust its AFFO guidance with the publication of the first half year figures of 2025 to the upper half of the target range and confirm this adjusted guidance at the end of 2025. As demand for affordable housing remains high, the company is also optimistic with regard to 2026.



Michael Zimmer
Chairman of the Supervisory Board

Success in a challenging environment thanks to a resilient business model

As in the previous years, the 2025 financial year was characterised by challenging external conditions to a large extent. These included comparatively high interest rates and increasingly stringent regulatory requirements. Ongoing rent regulation, rising geopolitical tensions and growing economic and political risks also had an impact on business. On the positive side, inflation and consumer prices stabilised slightly and property values increased steadily. Despite the first slight upward revaluations in 2025, the transaction markets remained challenging.

In this environment, which is characterised by conditions that cannot be directly influenced, LEG's focused business model and high cost efficiency have once again proven to be key success factors in achieving its targets. The Management Board and Supervisory Board took account of the continued volatile environment in the real estate sector and adhered to the cash flow-oriented steering system adopted in 2022 using the "adjusted EBITDA margin" and "AFFO" key performance indicators.

To ensure comparable communication in the market environment and to meet investor expectations, LEG reported FFO I as an additional key figure in 2025. Both also apply to 2026.

LEG's focus remains on its core business of affordable housing. This is where the company demonstrates its strength and professionalism. Portfolio optimisation has always been a strong priority for LEG. One particularly notable development in the 2025 financial year was the full acquisition of Brack Capital Properties, which was completed in the spring. The more than 9,000 residential units held by the company were quickly and smoothly integrated into LEG's platform. The expectations of the transaction were met in full, and in some cases even exceeded.

The business plan approved for 2026, the guidance for 2026 and the targets for the 2026 Management Board remuneration are based on the long-term business strategy and the aforementioned corporate management.

The strategy underpinning LEG's business model is based on three pillars:

- Optimising and digitalising the core business
- Expanding the value chain and
- Strengthening the portfolio.

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

LEG 2025 has laid a significant milestone with the development of its digital strategy. LEG will now use this as a basis for further optimising its core processes. This will benefit all LEG stakeholders. We consider the implementation of the digital strategy as offering significant potential, particularly when it comes to supporting LEG's internal growth and realising further quality and efficiency gains. This will strengthen LEG's ability to systematically meet the demanding challenges of the market.

The fundamental conditions on the German housing market continue to be characterised by high excess demand coupled with a low level of new construction activity. The high demand relates in particular to the affordable housing segment on which LEG focuses. It is therefore having a positive impact on LEG's business model and the company's further development. LEG believes that vacancy rates will remain low and that there will be continued potential for rental growth in future.

One focus is on strengthening the portfolio. The sale of 3,100 residential units in the 2025 financial year successfully contributed to the streamlining of the portfolio and the systematic implementation of our portfolio management strategy. The company once again demonstrated its considerable price discipline with these disposals. Overall, the sales proceeds were slightly higher than the respective carrying amounts and will help LEG as it seeks to achieve a gearing ratio (LTV) of 45 % in 2026.

LEG is committed to the continuous optimisation of its core business. The Supervisory Board is confident that LEG's focus on strict cost discipline, highly innovative and entrepreneurial approach and lasting reliability make it well placed to continue to reflect all of its shareholders' interests in 2026 even in these challenging times.

Expanding the value chain

The expansion of the value chain makes a significant contribution to LEG's success. LEG's service activities combine the Group's management expertise with internal and external technical expertise. This includes the energy supply and technical management of numerous LEG properties by EnergieServicePlus GmbH, small repair management and insurance claim handling via TSP – TechnikServicePlus GmbH (LEG equity interest 51 %), LWS Plus GmbH, which serves as a project management company for the refurbishment of vacant apartments, and the craftsmen from LEG LEITWerk GmbH, who specialise in cable, electrical and installation technology. LEG also works with partners to offer its tenants various multimedia options and the supply of green electricity for their homes. In addition, the Youtilly platform, a successful industry solution for digital and tenant-focused contract management in the areas of gardening, outdoor maintenance and winter services, has already been in place since 2021.

Green ventures

In order to achieve its ambitious climate targets in a cost- and time-efficient manner, LEG has developed three green ventures together with partners in recent years. These business models are also offered as solution concepts for third parties. In January 2022, LEG founded Renowate GmbH together with the Austrian Rhomberg Bau Group. The joint venture offers an innovative process for the serial energy-efficient modernisation of residential properties in the DACH region. In September 2023, LEG and Soeffing Kälte Klima GmbH founded the company dekarbo GmbH. Dekarbo offers a comprehensive solution for the installation and maintenance of high-efficiency heat pumps. In 2023, termios was also established as a joint project by LEG, Oventrop (Oventrop GmbH & Co. KG) and mantro (mantro GmbH). termios GmbH bundles expertise in housing management, heating control and hydraulics as well as digitalisation and technology.

Maintaining financial stability

The 2025 financial year was extraordinarily successful for LEG from a financing perspective. LEG made efficient use of its good access to all capital market participants and also gained new financing partners. The financing concept was implemented according to plan. To ensure a defensive risk profile, LEG has a balanced financing structure that is secured for the long term. As such, all of the liabilities maturing in the 2026 financial year were already addressed in full in autumn 2025.

In total, financing of around EUR 1.3 billion was arranged in 2025 at an average annual interest rate of 3.5 % and an average term of 9.6 years. At approximately 54 %, the focus was on secured financing.

This shows that LEG also has excellent access to the corporate bond market, as well as the banking market, even in the current market environment, and can achieve refinancing opportunistically at the very best conditions.

In October 2025, the rating agency Moody's confirmed LEG's Baa2 investment grade rating and raised its outlook from stable to positive.

LEG's gearing ratio (LTV) declined from 47.9 % to 46.8 % year-on-year.

Share price performance in 2025

The LEG share ended the 2025 stock market year with a closing price (Xetra) of EUR 62.25. This corresponds to a decrease of 23.9 % compared to the 2024 year-end price of EUR 81.80. Including the dividend payout of EUR 2.70 per share, the LEG share fell by 20.6 %. The EPRA Germany sector index saw a downturn of 16.5 %, while the MDAX rose by 19.7 % in the same period.

In the first quarter, the LEG share price fell significantly in a market environment that was particularly weak for property stocks. The correction was attributable to yields on the bond markets, which had risen sharply within a very short space of time. The yield on 10-year German government bonds increased from around 2.4 % at the end of 2024 to around 2.9 % in mid-March 2025.

The reason for this was the project initiated by the German federal government to establish a Special Fund for Infrastructure and Climate Neutrality. As bond yields saw a downward correction, the share price rose at the beginning of the first quarter. It then fell again until the end of the year in line with the steady rise in German government bond yields. The yield on 10-year German government bonds had returned to around 2.9 % by the end of the year. On 15 December 2025, the share price reached its low for the year of EUR 60.55.

Rising AFFO anticipated

In recent years, LEG has demonstrated that a targeted focus on cash with a view to reducing costs, such as administrative expenses, does not have to come at the expense of measures to grow earnings. For example, it has invested in innovative digitalisation projects as well as sustainable value-added concepts for its portfolio.

For the 2026 financial year, the company is forecasting AFFO of between EUR 220 million and EUR 240 million. Taking EUR 230 million as the average of the forecast range, this represents an increase of around 4.5 % compared with the AFFO of EUR 220.5 million recorded in 2025.

Due to the continued high level of demand for affordable housing, rental momentum remains a driver of further organic growth. The company also plans to invest in excess of EUR 35 per square metre again in 2026.

LEG digitalisation

One focus of LEG's strategic development in the 2025 financial year was the development of the digital strategy. The focus was on defining the strategic levers in greater detail, prioritising the digitalisation initiatives and preparing the implementation phase, including business cases, governance structures and programme management. With the adoption of the digital strategy and the start of its operational implementation, LEG has taken another important step towards leveraging efficiency gains, driving forward the digital transformation of its core business and systematically making new technologies usable, especially AI. The Supervisory Board's Technology and Digitalisation Committee closely monitored the development of LEG's digital strategy in the 2025 financial year, setting the course for its successful implementation.

Climate protection as an important aspect of the business model

LEG published its Sustainability Strategy 2030 in the reporting year. The sustainability strategy reflects the Management Board and Supervisory Board's understanding of ecological, social and corporate responsibility for climate protection.

To achieve its climate targets by 2030 and a virtually GHG-neutral building stock by 2045, LEG is focusing on three key areas: emission-efficient heat supply, reduced energy requirements and energy-efficient modernisation. LEG considers innovation to be a key strategic pillar in making the Group fit for the future.

With its green ventures and its efficient approaches to decarbonisation, LEG aims to achieve its own environmental goals while also taking advantage of its business opportunities for the decarbonisation of the entire industry as a commercial solution provider. Both of these aspects are reflected in the Management Board's targets. The Supervisory Board has included corresponding sustainability targets in both the short-term incentive (STI) for 2026 and the long-term incentive (LTI) for 2026 to 2029.

The sustainability targets in the STI and LTI now focus exclusively on the E element (Environmental), with both targets to be seen in direct relation to each other. The STI focuses exclusively on the carbon reductions in the property portfolio derived from the decarbonisation pathway, while the LTI focuses on the financial profit contribution to be generated from the carbon reduction measures.

Management Board target attainment in 2025

The Management Board achieved 131.55 % of its planned STI targets and 149.91 % of its LTI targets for 2025. Detailed information on the achievement of targets can be found in the remuneration report.

Composition of the Supervisory Board

With the exception of Mr Christoph Beumer, the mandates of all members of the Supervisory Board ended at the conclusion of the Annual General Meeting on 28 May 2025. The Annual General Meeting followed the proposals of the Supervisory Board – based on the corresponding recommendations of the Nomination Committee – and re-elected the Supervisory Board members whose term of office ended for a further term.

Last name	First name	Year of birth	Nationality	Year of initial appointment	Appointed until ¹⁾	Independence	Committees in 2025	2025	2024	Change 2024/2025
								in EUR thousand	in EUR thousand	in %
Zimmer ²⁾	Michael	1963	German	2013	2027	Yes	EC, NC, RC	315	309	1.9
Dr Nolting ³⁾	Claus	1951	German	2016	2027	Yes	EC, NC, RA-ESGC, RC	233	225	3.5
Beumer ⁴⁾	Christoph	1963	German	2024	2026	Yes	RA-ESGC, TDC	150	73	106.4
Dr Eichelberg	Sylvia	1979	German	2021	2027	Yes	RA-ESGC	120	118	1.7
Dr Scharpe ⁵⁾	Jochen	1959	German	2013	2024 ⁴⁾	Yes		0	45	-100.0
Dr Suder ⁶⁾	Katrin	1971	German	2022	2027	Yes	TDC	150	146	2.7
Wiesmann ⁷⁾	Martin	1965	German	2020	2027	Yes	EC, NC, TDC	210	230	-8.8
Total								1,178	1,146	2.7

1) Appointed until the end of the Annual General Meeting of LEG Immobilien SE that resolves on the approval of the actions of the Supervisory Board for the 2027 financial year or, in the case of Mr Beumer, on the approval of the actions of the Supervisory Board for the 2026 financial year

2) Chairman of the Supervisory Board, the Executive Committee and the Nomination Committee

3) Deputy Chairman of the Supervisory Board, the Executive Committee, the Nomination Committee, and Chairman of the Risk, Audit and ESG Committee

4) Appointed from the conclusion of the AGM on 23.05.2024

5) Stepped down from the conclusion of the AGM on 23.05.2024

6) Chairwoman of the Technology and Digitalisation Committee

7) Chairman of the Remuneration Committee

Key for committee abbreviations:

NC	Nomination Committee
EC	Executive Committee
RA-ESGC	Risk, Audit and ESG Committee
TDC	Technology and Digitalisation Committee
RC	Remuneration Committee

Investor meetings with the Supervisory Board

In 2025, the Chairman of the Supervisory Board again conducted a corporate governance roadshow and held numerous talks with investors. He was accompanied by the Chairman of the Remuneration Committee. These meetings were used to explain all business model-relevant aspects to investors. One focus of the discussions was the planned future composition of the Management Board and Supervisory Board and their remuneration. The Supervisory Board was particularly grateful for suggestions from investors regarding further explanations in the remuneration report.

Investors welcomed the efforts to ensure the continuity of LEG's executive committees. The feedback on the other topics discussed was also constructive and appreciative. The capital market values LEG's transparent communication. LEG's realistic analysis of the impact of the changing conditions on the housing industry and the associated opportunities and risks is also appreciated. The Group's cash flow-orientated management continues to enjoy support in light of uncertain developments on the capital markets.

Intensive cooperation between the Management Board and the Supervisory Board

As in the previous years, the 2025 financial year was characterised by intensive dialogue between the Management Board and the Supervisory Board. The Supervisory Board also monitored and supported the management of the company by the Management Board during the 2025 financial year and advised the Management Board on matters relating to corporate management. Major transactions and financing measures were discussed and overseen by the Supervisory Board in close cooperation. Thanks to its prompt integration into the decision-making process, the Supervisory Board was able – within a persistently complex environment – to analyse transactions requiring approval appropriately within the context of the business model and make a decision on approval.

The Supervisory Board regularly tests LEG's business model against the challenges facing the residential property sector and LEG. This took place in a range of meetings and strategy sessions. In the 2025 financial year, the Supervisory Board discussed the external view of the development of the real estate sector and its market participants with specialists.

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

The Supervisory Board satisfied itself as to the legality, expediency and compliance of the work of the Management Board at all times. LEG is a responsible, strong and forward-looking company that is extremely well positioned even in the challenging current market landscape.

Work of the committees

Committee work is an integral part of the Supervisory Board's activities. It enables the Supervisory Board to fulfil its increasingly complex and extensive requirements. The commitment of the committee members and the results of the committees' work provide the Supervisory Board with significant support in its decisions.

The skills and expertise possessed by the Supervisory Board are bundled in the committees for specific areas. The committees address new and innovative topics that are developed by LEG or brought to LEG and the Supervisory Board. Expertise is an essential component of successful Supervisory Board work.

One example is the Technology and Digitalisation Committee that was implemented in the 2025 financial year. Technology and digitalisation are highly relevant for LEG and are considered to be key factors in successful internal growth. The Technology and Digitalisation Committee closely monitored the development of LEG's digital strategy and provided input. This ensured the close involvement of the Supervisory Board.

Efficiency in executive bodies, self-assessment

The Supervisory Board's regular efficiency analysis (self-assessment) was carried out in the 2025 financial year. Whereas the effectiveness analysis in 2023 was conducted with the support of an external consultant, the Supervisory Board decided to conduct an in-house survey in 2025. This took place in December 2025.

The Supervisory Board discussed key findings at its March 2026 meeting and identified recommendations for action. The efficiency analysis also provided valuable suggestions for the future work of the Supervisory Board and the committees, such as additional support for the Board through digitalisation.

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

The Supervisory Board also regularly meets without the Management Board, especially when dealing with personnel matters concerning the Management Board.

Accordingly, the Supervisory Board, the Executive Committee, the Nomination Committee, the Remuneration Committee, the Risk, Audit and ESG Committee and the Technology and Digitalisation Committee met and adopted resolutions on individual agenda items at their meetings without the Management Board in attendance in the reporting year.

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

High degree of expertise on the Supervisory Board

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

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

	Competence profile							
	Corporate management	Housing industry	Real estate transactions	Bank and capital market financing	Finance, accounting and auditing	Administration and regulation	Sustainability	Technology and digitalisation
Michael Zimmer (Chairman)	●●●	●●●	●●●	●●	●●	●●	●●	●
Dr Claus Nolting (Deputy Chairman)	●●●	●●	●●●	●●●	●●●	●●●	●●	●●
Christoph Beumer	●●	●●●	●●	●●	●●●	●●●	●●●	●●
Dr Sylvia Eichelberg	●●●	●●	●●	●●	●●	●●	●●●	●●●
Dr Katrin Suder	●●●	●●	●	●●	●●	●●●	●●●	●●●
Martin Wiesmann	●●●	●●	●●	●●●	●●	●●	●●●	●●

● = General knowledge ●● = Sound knowledge ●●● = Expert knowledge

The self-assessment of the Supervisory Board members in office regarding their skill sets was last conducted in December 2025.

Moreover, LEG offers the members of its Supervisory Board training and continued professional development options in addition to assisting them in taking advantage of these opportunities. This was also the case in 2025, for example with regard to the Frankfurt School Forum’s “Focus on the Supervisory Board” event.

Work and meetings of the Supervisory Board in 2025

In the 2025 financial year, the Supervisory Board continuously analysed the volatile market environment and its impact. It also focused on the Management Board’s analyses of growth options and potential opportunities for the company as a result of the German federal government’s infrastructure programme. The 2025 financial year was largely characterised by the development of the digital strategy.

The Management Board and the Chair of the Technology and Digitalisation Committee reported in detail on the digital strategy to the Supervisory Board, particularly in light of its considerable importance and the resulting opportunities for LEG's future. Meeting the high demands in terms of sustainability remains an integral part of the committee's work. It addressed the future financing of the company, property values and the strategic acquisition and disposal portfolios.

The Supervisory Board held four ordinary and three extraordinary Supervisory Board meetings in the 2025 financial year. Five of these meetings were held in person and two were held as virtual meetings.

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

Attendance at committee meetings

	Supervisory Board	Executive Committee	Nomination Committee	Risk, Audit and ESG Committee	Remuneration Committee	Technology and Digitalisation Committee
Michael Zimmer (Chairman)	6/7	2/2	–	–	2/2	–
Dr Claus Nolting (Deputy Chairman)	7/7	2/2	–	3/4	2/2	–
Christoph Beumer	7/7	–	–	4/4	–	5/5
Dr Sylvia Eichelberg	7/7	–	–	4/4	–	–
Dr Katrin Suder	6/7	–	–	–	–	5/5
Martin Wiesmann	6/7	2/2	–	–	2/2	5/5

The first ordinary Supervisory Board meeting of the year was held on **7 March 2025**. At this meeting, the Supervisory Board approved the consolidated and annual financial statements of LEG Immobilien SE for the 2024 financial year as prepared by the Management Board following detailed examination. It examined the management reports for the company and the Group, including the non-financial Group statement that forms part of the Group management report, and prepared the 2024 remuneration report together with the Management Board. It also resolved to engage Deloitte GmbH Wirtschaftsprüfungsgesellschaft (Deloitte) as the auditor of the annual and consolidated financial statements for the 2025 financial year and of other financial reporting documents. Furthermore, it dealt with the preparations for the 2025 Annual General Meeting, approved the agenda prepared by the Management Board and resolved its own proposals for elections and resolutions. The Supervisory Board acknowledged the update on the integration of Brack Capital Properties N.V. Key strategic issues were also discussed, in particular various financing options and innovative value-added concepts.

At its meeting on **12 May 2025**, the Supervisory Board discussed the quarterly figures for Q1 2025, the 2025 Annual General Meeting, the financing update and the update on the further integration of Brack Capital Properties N.V. as well as strategic issues, among other things.

At its meeting on **16 September 2025**, the Supervisory Board discussed the feedback from investors and analysts with regard to the H1 2025 half-year report as well as the Supervisory Board's report on H1 2025. It also looked at the financing situation and adjusted the guidance for 2025 to the upper half of the target range based on the results for the first half of the year. The Supervisory Board also approved the conclusion of a profit and loss transfer agreement with Ravensberger Heimstättengesellschaft mbH and the termination of the profit and loss transfer agreements between LEG NRW GmbH and Wohnungsgesellschaft Münsterland mbH with the simultaneous issue of a letter of comfort from 2026 and the termination of the profit and loss transfer agreements between LEG Grundstücksverwaltung GmbH and LEG 45. Wohnen GmbH, LEG Baltic GmbH and Zweite LEG-Real Estate Opportunities GmbH with effect from 31 December 2025. The Supervisory Board also addressed the update on the green ventures and the further cooperation with EGC Energie- und Gebäudetechnik Control GmbH & Co. KG.

At its final ordinary meeting on **7 November 2025**, the Supervisory Board mainly discussed strategy and the business plan for 2026 to 2030 and issued the annual declaration of conformity with the German Corporate Governance Code together with the Management Board. It heard reports from the Executive Committee, the Remuneration Committee on Management Board matters, such as the update to the travel expenses policy for the Management Board and the definition of the STI targets for 2026 and the LTI targets for 2026-2029, as well as the Technology and Digitalisation Committee. It also addressed audit planning for 2026, the compliance management system and the implementation of data protection in the LEG Group.

The Supervisory Board approved the conclusion of an “Addendum to the Joint Venture Agreement” between LEG Immobilien SE, LEG Wohnen NRW GmbH and B&O Service SE in relation to the joint venture agreement on cooperation concerning the joint venture TSP – TechnikServicePlus GmbH.

It also dealt with the self-assessment of the Supervisory Board for 2025 and memberships of the Management Board in statutory supervisory boards, in comparable domestic and foreign supervisory bodies of commercial enterprises and in associations.

Furthermore, following its November meeting, the Supervisory Board held an intensive discussion with the representatives from Deloitte concerning the forthcoming audit of the consolidated and annual financial statements.

At its meetings, the Supervisory Board also addressed the reports on the results of the meetings of the Risk, Audit and ESG Committee, which form an integral part of the Supervisory Board meeting.

Other key topics included the structuring of financing measures, property and investment valuations in the current market environment in conjunction with the transaction market, and the potential utilisation of the German federal government’s infrastructure programme by the real estate sector.

Three extraordinary meetings of the Supervisory Board were held in the 2025 financial year. In particular, strategic corporate issues were discussed and elections to the committees took place following the reappointment of the Supervisory Board members by the 2025 Annual General Meeting.

Strategy meetings of the Supervisory Board

The Supervisory Board intensively discussed the company’s strategy at three meetings in the 2025 financial year. The Supervisory Board held separate meetings on 10 April, 27 June and 16 September 2025. With the exception of the meeting on 27 June 2025, the meetings were held in person. Following on from the previous years, the discussions focused on the effects of the changes in the geopolitical and macroeconomic situation on LEG, challenges in the field of technology and digitalisation and strategic financing or growth considerations, as well as the measures planned or implemented by the Management Board. Among other things, the Supervisory Board heard practice-based reports from external specialists on the positioning of the real estate industry on the capital markets and in politics.

Meetings of the committees of the Supervisory Board

Executive Committee

The Executive Committee met twice in virtual ordinary meetings in the 2025 financial year. Details of members’ attendance are shown in the table “Attendance at committee meetings” in this chapter. The Executive Committee made one decision in a written resolution process.

Where necessary, the Executive Committee voted on matters outside meetings in conference calls. The Executive Committee meets on an ad hoc basis.

As part of its work, the Executive Committee made preparations for the discussions and resolutions by the Supervisory Board. The Executive Committee primarily addresses matters relating to the Management Board, such as the future composition of the Management Board, the amendment of Management Board employment contracts and secondary employment of Management Board members.

The Executive Committee also discussed the developments on the capital market and growth opportunities with relevance for LEG and prepared the strategy meetings of the Supervisory Board.

Nomination Committee

The Nomination Committee is tasked with identifying suitable candidates for the Supervisory Board’s proposals to the Annual General Meeting. The Nomination Committee did not meet in the 2025 financial year. In October 2024, the Nomination Committee already discussed the future composition of the Supervisory Board in light of the upcoming election of Supervisory Board members in May 2025 and with a view to ensuring the independence of Supervisory Board members, and worked on recommendations for the proposal of candidates for the Supervisory Board to the Annual General Meeting.

Risk, Audit and ESG Committee

The Risk, Audit and ESG Committee held four ordinary meetings in the 2025 financial year. Three meetings were held in person and one was held as a virtual meeting. Details of members' attendance are shown in the table "Attendance at committee meetings" in this chapter.

One key area was the discussion of the annual financial statements as of 31 December 2024 and the management report for the 2024 financial year, plus the discussion of the consolidated financial statements as of 31 December 2024 and the Group management report for the 2024 financial year. Other key areas were the analysis and discussion of the business plan for 2026 to 2030, the quarterly reports, the internal key figures, the financing strategy and the 2024 non-financial Group report and 2024 CSRD reporting.

Furthermore, at its meetings, the Risk, Audit and ESG Committee primarily discussed treasury policy, the development of minimum liquidity and financing updates, audit planning for 2025 and 2026, the report of the Management Board in accordance with section 107(3) of the German Stock Corporation Act (AktG), the effects of the current capital market situation on LEG, the valuation of properties and equity investments, LEG's internal control system and its ongoing development, the risk reports and the risk inventory of the LEG Group.

The Risk, Audit and ESG Committee put forward resolutions for the Supervisory Board regarding major financing measures for LEG Immobilien SE. The same applies to the decision on the approval of the 2025 and 2026 sales programmes.

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

As part of its responsibility for ESG topics, the Risk, Audit and ESG Committee dealt with the update on CO₂ reporting, the outlook for Corporate Sustainability Reporting Directive (CSRD) reporting and the update on the green ventures. It also discussed the auditor's report on the non-financial Group report for 2024. It took note of the update to LEG's ESG ratings.

Technology and Digitalisation Committee

The Technology and Digitalisation Committee, which was implemented at the start of 2025, held five virtual meetings in the 2025 financial year.

Following the adoption of the principles of cooperation, the committee held its first meeting to gain an overview of LEG's current digitalisation structures and processes as well as the status quo of digitalisation in key areas at LEG. During the year, the Technology and Digitalisation Committee informed itself about the progress of the "LEG Technology & Digitalisation" project. It provided significant impetus in the development of LEG's digital strategy. The Technology and Digitalisation Committee dealt with the specific measures derived from the digitalisation strategy and the associated economic impacts. The Technology and Digitalisation Committee also heard reports on the results of selection processes for key software prior to awarding contracts.

Remuneration Committee

The Remuneration Committee held two virtual meetings. The work of the Remuneration Committee focused in particular on determining the target achievement for the 2025 STI and the 2021 LTI, preparations for setting the targets for the 2026 STI and the 2026 LTI, and the preparation of the 2024 remuneration report. The determination of the E criterion in the STI was discussed intensively within the Remuneration Committee and with the Management Board. In addition, the Remuneration Committee took note of the vertical LEG remuneration comparison as of 31 December 2024 and the horizontal MDAX remuneration comparison as of 31 December 2024 and evaluated investor feedback on the changes made to the remuneration system in 2025.

Corporate governance

In November 2025, the Supervisory Board together with the Management Board discussed the corporate governance declaration in accordance with section 161(1) AktG and issued the corporate governance declaration. The declaration of conformity is made permanently available on the company's website. [Declaration of conformity](#)

The Management Board and Supervisory Board of LEG Immobilien SE declare in accordance with section 161 AktG that the company has complied without exception with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 28 April 2022 published by the Federal Ministry of Justice in the official section of the Federal Gazette on 27 June 2022 since the last declaration of conformity pursuant to section 161 AktG was issued in November 2024. Further details on the implementation of the GCGC can be found in the combined corporate governance declaration.

At its meeting in November 2025, the Supervisory Board was informed about both the ongoing development of the existing compliance management system and the status of compliance with the EU General Data Protection Regulation and the ongoing optimisation of the company's data protection management system.

Audit of the 2025 annual and consolidated financial statements

The Management Board prepared the annual financial statements and the management report for the 2025 financial year in accordance with the provisions of the German Commercial Code (HGB) and the consolidated financial statements and Group management report for the 2025 financial year in accordance with the provisions of the International Financial Reporting Standards (IFRS), as endorsed in the European Union, and the additional commercial regulations of section 315a HGB. Deloitte was appointed as the auditor of the annual and consolidated financial statements for the 2025 financial year.

Deloitte audited the annual financial statements, including the Group management report, and the consolidated financial statements, including the Group management report, for the 2025 financial year and issued an unqualified audit opinion for each.

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

The Supervisory Board received the audited and certified annual financial statements and the management report for the 2025 financial year in good time. The Supervisory Board independently examined the annual financial statements, taking into account the auditor's report and the report of the Risk, Audit and ESG Committee on the preliminary audit. The same applies to the consolidated financial statements, the Group management report and the proposal of the Management Board for the appropriation of earnings.

The 2025 remuneration report presented by the Management Board and Supervisory Board was examined by the auditor in accordance with section 162(3) AktG to determine whether it contains the disclosures required by law in accordance with section 162(1) and (2) AktG. In Deloitte's opinion, the 2025 remuneration report contains the disclosures required by section 162(1) and (2) AktG in all material respects. Above and beyond the statutory requirements, the auditor also examined the content of the remuneration report.

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

At the meeting of the Risk, Audit and ESG Committee on 3 March 2026 and at the meeting of the Supervisory Board on 3 March 2026, representatives for the auditor explained the results of the audit as a whole and the individual key audit matters. There were no objections. The Supervisory Board agreed with Deloitte that Deloitte would inform the Supervisory Board if it discovered any findings during its audit that indicated any inaccuracies of the declaration of conformity submitted by the Management Board and Supervisory Board. The auditors found no facts during their audit that contradict the declaration of conformity.

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

On 3 March 2026, the Supervisory Board approved the 2025 annual financial statements and the 2025 consolidated financial statements in accordance with the proposal of the Risk, Audit and ESG Committee. The 2025 annual financial statements are thus adopted. The Supervisory Board also examined the management report and the Group management report. The Supervisory Board came to the conclusion that the documents are in order and that the Management Board's assessments of the situation of the company and the Group presented in the summarised management report correspond to those of the Supervisory Board.

Proposal for the appropriation of profits for the 2025 financial year

The Supervisory Board intensively discussed the proposal submitted by the Management Board to the Annual General Meeting regarding the appropriation of profits for 2025 and agrees with this proposal.

Sustainability

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

Corporate social responsibility (CSR) is highly important to LEG and its executive bodies. A governance structure has been established within LEG to enshrine the fundamental concept of sustainability in its day-to-day business. Overall responsibility for CSR activities lies with the Management Board as a whole. They are managed by the Sustainability & Innovation department, which reports to the Chairman of the Management Board.

Management Board

The Management Board team, consisting of Lars von Lackum as Chairman (CEO), Dr Kathrin Köhling as Chief Financial Officer (CFO) and Dr Volker Wiegel as Chief Operating Officer (COO), again successfully demonstrated in the 2025 financial year that it is managing the company successfully despite the difficult market situation by acting prudently and with foresight. The Management Board continuously analyses opportunities for growth in a market that is only slowly recovering, taking into account both risks and opportunities. It has mastered the balancing act between risk assessment and profit orientation. The Supervisory Board supports the Management Board in its forward-looking and level-headed approach.

From the Supervisory Board's perspective, the start to 2025 was highly encouraging and promising. All Board members declared their willingness to continue their successful work as the Management Board team in its established formation. This demonstrates the high level of mutual trust and the extent to which the Management Board members see themselves as a team, as well as reflecting the confidence of the Management Board in the employees, in the Supervisory Board and in LEG as a company.

Lars von Lackum was reappointed as a member and Chairman of the Management Board for the period from 1 January 2026 to 31 December 2030. The appointment of Dr Kathrin Köhling was extended from 1 April 2025 to 31 March 2030 and the appointment of Dr Volker Wiegel from 1 January 2026 to 31 December 2028.

The Management Board has also set itself highly ambitious targets for the 2026 financial year in spite of the exceptional challenges posed by geopolitical and domestic political risks. The Supervisory Board is aware of this. The Supervisory Board is convinced that there are no barriers to achieving the targets for 2026 given the current structure and composition of the Management Board. With its strategic expertise and managerial excellence, the Management Board is a key factor in LEG's success.

Acknowledgements

The 2026 financial year will again involve external challenges for all market participants. The Supervisory Board would like to thank you, our shareholders, for your trust and loyalty, especially in these difficult times. LEG Immobilien SE's success is due to the company's motivated, committed and loyal employees, and the Supervisory Board of LEG Immobilien SE wishes to take this opportunity to pay particular tribute to their outstanding performance. We would like to thank the Management Board and the entire LEG team. We look forward to working together to address the tasks that lie ahead with confidence and optimism.

Dusseldorf, 3 March 2026

On behalf of the Supervisory Board of LEG Immobilien SE

MICHAEL ZIMMER

Chairman of the Supervisory Board



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Basic information on the Group



Group structure and legal form

LEG Immobilien SE is the parent company of the LEG Group (hereinafter referred to as “LEG”), which is shown in the diagram.

Business activities and strategy

With a portfolio of around 171,000 rental units at approximately 240 locations, LEG is the second-largest property company in Germany as well as the market leader in Germany’s most populous state, North Rhine-Westphalia. LEG’s core business is the management of its own residential portfolio.

LEG’s strategic focus is on the affordable housing asset class, which is characterised by demand that continually outstrips supply. With an average monthly rent of EUR 7.06 per square metre, LEG’s offering is aimed at broad segments of the population. As of 31 December 2025, free-financed residential units accounted for some 83 % of the portfolio and rent-restricted units for approximately 17 %.

The LEG portfolio’s regional focus is on North Rhine-Westphalia, where 80 % of its residential units are located. LEG also operates as a landlord in the federal states of Schleswig-Holstein, Lower Saxony, Bremen, Hesse and Rhineland-Palatinate. The current holdings in eastern Germany, which mainly stem from the acquisition of the BCP (Brack Capital Properties) portfolio, are part of LEG’s disposal programme.

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

The strategy is built on three pillars:

- Optimising and digitalising the core business
- Expanding the value chain
- Strengthening the portfolio.

A solid financial structure, the ESG (Environmental, Social, Governance) framework and innovations are the essential foundations of the strategy.

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

Optimising and digitalising the core business

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

LEG believes there is also potential for rent increases in the future. In the free-financed portfolio, rents can be increased in line with statutory regulations by adjusting to local reference rents (mainly rent tables), when letting properties to new tenants or in connection with modernisation measures. In the rent-restricted portfolio, cost rents can be adjusted every three years, determined primarily by the development of the consumer price index. By 2028,

rent control will expire for approximately 18,000 residential units, representing around 62 % of LEG's currently rent-restricted portfolio. This creates additional potential for rent increases, as current rents are in many cases significantly below the market level for free-financed properties.

LEG conducts point of contact surveys after handling customer concerns to measure tenants' satisfaction with the process and quality of service. The results are included in the Customer Satisfaction Index (CSI), which has been used to measure customer satisfaction since the 2022 financial year. Customers are supported by the central customer service and eight regional branches. LEG customers have access to various contact and information channels in line with their needs and as suitable for the occasion. In addition to using digital channels such as the tenant portal, tenant app, chat services and online damage notifications, they can also get in touch in person, for example by calling the service hotline or using the emergency repair service. Prospective tenants can find out about LEG's housing offers online, use chat services and conclude the rental agreement digitally if they wish.

The residential rental business is characterised by a large number of customer relationships. In order to run this business efficiently in the interests of all stakeholders, LEG is also digitalising processes in addition to its digital offerings for tenants and new customers. For example, LEG uses chatbots to resolve customer enquiries and robotics solutions to record incoming payments. Robotics applications are also used to automate processes in the areas of invoice processing, contract management and data analysis. LEG is also testing possible applications for artificial intelligence in order to make processes even more efficient.

Expanding the value chain

LEG's service activities combine the Group's management expertise with internal or external technical expertise. This includes the energy supply and technical management of numerous LEG properties by EnergieServicePlus GmbH, small repair management and insurance claim handling via TSP – TechnikServicePlus GmbH (LEG equity interest 51 %), LWS Plus GmbH, which serves as a project management company for the refurbishment of vacant apartments, and the craftsmen from LEG LEITWerk GmbH, who specialise in cable, electrical and installation technology. LEG also works with partners to offer its tenants various multimedia options for their homes. In addition, the Youtilly platform, an industry solution for digital and tenant-focused contract management in the areas of green and outdoor maintenance and winter services, has already been in place since 2021.

In order to achieve its ambitious climate targets in a cost- and time-efficient manner, LEG has developed three green ventures together with partners in recent years. These business models are also offered as solution concepts for third parties. In January 2022, LEG founded Renowate GmbH together with the Austrian Rhomberg Bau Group. The joint venture offers an innovative process for the serial energy-efficient modernisation of residential properties in the DACH region. In September 2023, LEG and Soeffing Kälte Klima GmbH founded the company dekarbo GmbH. Dekarbo offers a comprehensive solution for the installation and maintenance of high-efficiency heat pumps. In 2023, termios was also established as a joint project among LEG, Oventrop and mantrö. Termios GmbH bundles expertise in housing management, heating control and hydraulics as well as digitalisation and technology. Termios is an AI-based thermostat that performs permanent and optimised hydraulic balancing.

Strengthening the portfolio

LEG aims for a business model with low complexity and thus higher efficiency.

To optimise its portfolio, LEG is selling selected properties that do not fit into its portfolio or that cannot be managed efficiently due to their geographical location or quality. The disposal proceeds generated in this way also serve to reduce the gearing ratio (LTV). In 2025, LEG's disposal portfolio consisted of around 5,000 units, including around 1,300 homes in eastern Germany from the BCP portfolio.

LEG makes regular investments to maintain its portfolio and increase its value. In addition to organic investments, LEG was able to strengthen its portfolio through external growth in the 2025 financial year. Having already acquired a 35.52 % stake in BCP in 2021/2022, which was increased to 88.2 % early in the 2025 financial year, LEG completed the transaction process during 2025 as part of a tender commitment and squeeze-out and the BCP properties were fully integrated. LEG will continue to explore opportunities for selectively promoting the further development and growth of the portfolio in the future. Decisions are also made with a view to external framework conditions, the gearing ratio and valuation parameters.

Solid financial structure

In line with its long-term business model and in order to ensure a defensive risk profile, LEG believes it has a balanced, long-term financing structure. The refinancing measures carried out in the 2025 financial year demonstrate unhindered access to debt capital and various types of financing.

ESG framework and innovations

Environmental, social and governance (ESG) are at the heart of the LEG Group's strategy. LEG published its sustainability strategy 2030 in the 2025 financial year. It is described in the sustainability report. To achieve its climate targets by 2030 and a virtually GHG-neutral building stock by 2045, LEG is focusing on three key areas: emission-efficient heat supply, energy demand reduction and energy-efficient modernisation. LEG has identified various measures for decarbonisation and will also consider availability of government funding when selecting suitable measures. The Group is also committed to the energy transition in Germany and seeks to have a positive impact on its tenants' consumption behaviour. Further details, including on social and governance matters, can be found in the sustainability report.

LEG considers innovation to be a key strategic pillar in making the Group fit for the future. To this end, it established an innovation management process in the 2025 financial year that is integrated within the sustainability department. This created a centralised unit that examines and manages all innovation topics across the Group.

Group management system

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

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

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

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

The key performance figures are presented below.

FINANCIAL KEY PERFORMANCE INDICATORS	
AFFO	<p>Based on FFO I (after non-controlling interests), AFFO (Adjusted Funds from Operations) takes recurring capex measures (capex (recurring)) into account.</p> <p>Recurring capex measures are defined as capitalised costs from modernisation and maintenance measures as well as new construction activities on own land. When determining costs from modernisation and maintenance measures, consolidation effects due to internally procured services resulting from the elimination of intercompany profits are eliminated.</p> <p>From 2025 financial year, the investment income from Green Ventures from the respective financial year will be included in the reconciliation from EBITDA (adjusted) to FFO I (before non-controlling interests). Green Ventures comprise the companies Renowate GmbH, dekarbo GmbH and termios GmbH (formerly: Efficient Residential Heating GmbH).</p> <p>For the calculation, see AFFO table (analysis of net assets, financial position and results of operations) and maintenance and modernisation table (notes to the consolidated financial statements)</p>
Adjusted EBITDA margin	<p>The adjusted EBITDA margin (adjusted EBITDA in relation to net cold rent) provides information on profitability and makes it possible to compare companies internationally, primarily by adjusting for tax and financing conditions. In the case of the EBITDA margin, EBITDA is adjusted for net result from the remeasurement of investment property, net income from disposals, special items of a non-recurring nature and other extraordinary expenses and income unrelated to the accounting period. Cash-focused Group management also necessitates the separation of operating cash generation from capital expenditure. Maintenance expenses for purchased services, subsidies recognised in profit or loss, and own work capitalised are therefore recognised as an adjustment to adjusted EBITDA. For the calculation of adjusted EBITDA, see AFFO table</p>
LTV	<p>LTV (loan to value, net gearing in relation to property assets) provides information on gearing and is therefore an important key figure for LEG as a capital-intensive property company. LTV is equivalent to the ratio of financial liabilities less cash and cash equivalents and IFRS 16 lease liabilities to the sum of investment properties, assets held for sale, prepayments for investment properties, and participations in other real estate companies. For the calculation, see LTV table</p>

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

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

NON-FINANCIAL KEY FIGURES – ENVIRONMENTAL	
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CO ₂ emissions	To achieve the climate targets, reductions in CO ₂ emissions are measured.
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For the definition of further key figures, reference is also made to the glossary of the Annual Report.

Intangible resources

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

Human capital

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

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

Organisational capital

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

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

Relationship capital

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

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

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

Innovation capital

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

The ability to innovate is becoming increasingly important for LEG's business model. LEG drives developments in the implementation of smart home technologies, pursues innovative approaches to emission efficiency and CO₂ reduction and carries out the development of sustainable living concepts. These innovations will ensure that LEG's residential portfolio remains competitive in the long term. In the 2025 financial year, a central unit was created to review and manage all innovation topics throughout the Group.

Economic report

Macroeconomic and geopolitical framework

The macroeconomic conditions and geopolitical developments presented below cannot be influenced by LEG, but they could have an impact on LEG's business model that may be either negative or positive in nature.

2025 was characterised by far-reaching geopolitical and economic policy developments. The increasingly protectionist trade policy of the USA saw new tariffs being introduced on an unprecedented scale. The Russian war of aggression against Ukraine has called the European security architecture into question and requires a fundamental rethink when it comes to defence spending. The wars in Ukraine and the Middle East, tension in Asia and Central/South America and trade conflicts between the major economic powers have continued to slow economic development in the current year.

The national debt of major economies such as the USA, Japan, the UK, France and Italy was at a high, and in some cases critical, level in 2025. The new German federal government approved a special fund totalling EUR 500 billion with a term of twelve years to enable credit-financed investments in infrastructure and to achieve climate neutrality by 2045. The coalition government also announced a large number of economic policy measures. The promotion of housing construction, the restructuring of modernisation funding, lower energy costs and less bureaucracy are particularly important to the real estate industry.

The central banks in Europe, the USA and the UK responded to falling inflation in 2025 by cutting interest rates. This mainly affected short-term interest rates, while news of higher government spending tended to increase long-term interest rates.

Regulatory initiatives on climate protection and sustainability issues are being examined both nationally and at EU level. While long-term targets for climate neutrality have been confirmed, there are signs of a softening when it comes to short- and medium-term targets. While this could provide relief for companies, e.g. in terms of reporting obligations, it also makes long-term investment decisions more difficult. Ambiguities in the investment and funding conditions can lead to necessary measures being implemented late.

AI technology has become a key factor for further economic growth across all industries, although there are growing warnings that a bubble is forming.

General economic conditions in Germany

The German economy grew slightly following two years of recession. Based on initial calculations by the German Federal Statistical Office (Destatis), real gross domestic product (GDP) rose by 0.2 % in 2025. According to Destatis, this means that Germany is once again likely to be at the bottom of the international league table. While higher consumer spending by private households (+1.4 %) and the government (+1.5 %) stimulated growth, exports were weakened by US tariff policy, the appreciation of the euro and competition from China.

In addition, the amount invested in equipment and construction was lower than in the previous year. Construction investment fell for the fifth year in a row, declining by 0.9 %. The number of insolvencies in the construction industry increased. Most notably, high construction prices and higher financing costs compared to the phase of low interest rates are likely to have meant that residential construction projects in particular were not realised, with investment in residential construction falling by 2.4 % year-on-year. Construction projects made possible by the Special Fund for Infrastructure and Climate Neutrality will generally only be reflected in investments in the coming years due to the lead times of many infrastructure projects.

The Deutsche Bundesbank expects the economy to gradually recover in 2026. From the second quarter of 2026, economic growth is expected to benefit from higher government spending and a recovery in export volumes. Overall, the Bundesbank estimates that this should lead to real GDP growth of 0.9 %, followed by a further increase to 1.4 % in 2027.

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

The weak economic situation in Germany had a negative impact on the labour market. Unemployment and underemployment (excluding short-time work) rose for the third successive year in 2025. Demand for labour declined and reached an all-time low in terms of newly registered jobs. The German Federal Labour Agency reported that the average annual unemployment rate in 2025 was 6.3 %, 30 basis points higher than the previous year's figure. The unemployment rate in North Rhine-Westphalia, the most populous federal state and LEG's largest location, also rose by 30 basis points year-on-year to 7.8 %. At 46.0 million, the number of people in employment in Germany as a whole remained slightly below the all-time high recorded in the previous year.

Wages and salaries also saw growth in 2025. Average wages, i.e. gross wages and salaries per employee, increased sharply by 4.6 % due to higher wage agreements and one-off payments. Net wages and salaries rose by 4.0 % and were the main driver of the 3.1 % increase in per capita disposable household income.

According to Destatis, the consumer price index (CPI) increased by an average of 2.2 % in 2025. This means that inflation stabilised at the previous year's level. Net cold rents rose by 2.0 %, while prices for household energy, another component of housing costs, fell by 2.3 %.

Overall, the economic conditions had only a limited impact on LEG's business model.

LEG's portfolio takes on particular importance given that demand for affordable housing in Germany continually outstrips supply. According to estimates by the ifo Institute, only 205,000 new residential units were completed in 2025. The forecast for 2026 and 2027 is for just 185,000 and 195,000 completions respectively. In contrast, the actual annual number of new residential units required in the coming years is currently estimated at 320,000 according to the German Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR) or around 400,000 according to the Pestel Institute.

Residential market

In 2025, the German housing and real estate market was characterised by conflicting developments. While the transaction and price cycle continued to settle down following the turnaround in interest rate policy, with many sub-markets seeing stabilisation, the market for rental properties remained structurally undersupplied in many areas.

Population growth also provided important demand stimulus in 2025, although this was less dynamic than in previous years. A slight decline of 80,000 people (-0.1 %) was recorded in the first nine months of 2025, mainly due to lower immigration. This means that demand for housing is no longer growing automatically in all regions. Internal migration, the attractiveness of regional labour market centres and the question of how immigration translates into additional households are becoming more important. At the same time, the age structure of the population remains a long-term driver.

In addition to the size of the population, the development of the number of households and their size and structure is central to LEG's business model. The long-term trend towards smaller households is continuing and is being reinforced by the ageing of the population. This is leading to a structural shift in demand towards small and medium-sized apartments. At the same time, the difference between existing and newly agreed rents is serving to reduce fluctuation.

The geographical distribution of demand remains heterogeneous. Metropolitan areas and economically strong medium-sized cities continue to be the focus of attention, although demand has increasingly also extended to well-connected surrounding areas in recent years. In structurally weaker regions, on the other hand, demand is increasingly dependent on infrastructure quality, accessibility and regional employment trends. In remote regions, the risk of heightened vacancy rates and lower price and rental momentum remains. Overall, the importance of a differentiated regional view is increasing, as investment and new construction capacities are becoming more selective and demand is becoming more focused on sub-markets.

On the supply side, new construction will remain the key bottleneck in 2025. Building permits did at least see a brief countermovement in 2025, albeit still at a low level. From January to November 2025, approvals for new residential units totalled 175,200 (+13.9 % compared to the same period of 2024), including 114,800 in apartment blocks (+13.5 %). Although this development can be seen as an initial sign of stabilisation, it is not sufficiently pronounced to close the structural deficit. According to a study by the Pestel Institute, there was a shortage of up to 1.4 million residential units nationwide already by the end of 2024, particularly in the low-price segment and in the area of social housing. In addition, planning and construction times, construction backlogs and financing viability are having a delaying effect, meaning that approvals are only leading to completions with a considerable time lag.

The cost and financing conditions are one of the main reasons for the continued limited new construction output. Construction costs continued to rise in 2025, albeit at a slower pace than in the previous years. In November 2025, construction prices for new conventionally constructed residential buildings rose by 3.2 % compared to the same month of the previous year. In practice, this increases the rental or sales prices required to make projects economically viable. This particularly affects segments where financial means are limited and increases dependence on subsidies. Accordingly, the expansion of supply in the affordable segment remains particularly challenging.

The decline in rent-restricted apartments reinforced this trend. In North Rhine-Westphalia, LEG's most important market, the stock of subsidised rental apartments stood at around 414,000 units at the end of 2024. This represents a year-on-year decrease of 2.1 %. Without sufficient new funding, almost half of the current stock will fall out of price and occupancy control by 2040. As a result, pressure in the low and mid-price segments is increasing.

Against this backdrop, the market indicators showed a further upward trend in 2025. There was a moderate upturn in purchase prices, while rents rose more sharply. In the third quarter of 2025, purchase prices for owner-occupied apartments increased by 4.4 % year-on-year, while asking rents rose by 5.7 %. This trend was still intact at the end of the year. In the fourth quarter of 2025, a quarter-on-quarter increase of 1.0 % was reported for rental apartments, 0.3 % for owner-occupied apartments and 0.9 % for houses. However, the stabilisation is not uniform across the market as a whole. The differentiation in terms of general location quality, property condition and micro-location remains high. In some markets, the high-price segment is losing momentum because limits on affordability are being reached. At the same time, rents in the lower and middle segments are continuing to rise, in some cases significantly, due to a lack of alternative options and high demand-side pressure.

The ongoing rental market tension is also confirmed by the low vacancy reserves in growth areas. The CBRE-empirica vacancy index 2025 shows a market-active vacancy rate of 2.2 % or around 522,000 units at the end of 2024. This is around 45,000 units lower than in 2023. Vacancy rates continued to decline in 338 of a total of 400 districts and cities.

Transaction market

Influenced by higher financing costs with a slow turnaround in interest rate policy, a change in inflation momentum, shifting demand in the metropolitan regions and geopolitical challenges, the residential real estate market saw only modest development in 2025. At the start of the year, a demand-driven increase in the investment volume was forecast for 2025, but this failed to materialise.

According to BNP Paribas Real Estate (BNP) and Cushman & Wakefield, the transaction volume for residential property was around EUR 8.9-9.0 billion. This represents a decline of around 4 % (BNP) or around 2 % (Cushman & Wakefield) compared to the previous year.

Unlike in 2024, transactions with volumes of over EUR 100 million were no longer the driving factor. Instead, according to BNP, transactions of up to EUR 100 million accounted for the largest share at EUR 5.9 billion or 66 %. Within this, 23.1 % of all residential investments were in the EUR 25-50 million size category and 16.3 % in the EUR 10-25 million size category. All in all, the market has therefore become even more fragmented than in 2024, when 10.5 % of investments were in the EUR 10-25 million category and 9.9 % in the EUR 25-50 million category. The proportion of core investments is extremely high, particularly in the area of individual transactions and smaller portfolios. Family offices were a very active buyer group, especially for volumes between EUR 10 million and EUR 30 million. Institutional investors and investment managers also increasingly returned to the market.

According to BNP, forward deals accounted for a high proportion of sales at 29 %. Modern portfolio properties achieved a share of 12 %, which demonstrates the interest in core/core-plus investments on the part of institutional investors/investment managers. These market participants also accounted for the highest share of the transaction volume at around 19 % or EUR 1.7 billion.

According to market research by Jones Lang Lasalle, the federal state of North Rhine-Westphalia again saw a transaction volume of around EUR 1.3 billion in 2025 (excluding Germany-wide portfolio transactions). North Rhine-Westphalia's share of the overall German transaction volume was therefore unchanged year-on-year at around 14 %. The other federal states represented in LEG's portfolio – Schleswig-Holstein, Lower Saxony, Bremen and Rhineland-Palatinate – collectively accounted for a transaction volume of around EUR 697 million or just under 8 % of total market activity.

CBRE, Colliers and Lübke Kelber anticipate a higher transaction volume for German residential property in the current 2026 financial year. Portfolios with core and value-add profiles will continue to gain in importance. Demand will increase primarily due to the anticipated stabilisation in interest rates and a slightly positive economic trend. While this means the residential real estate market in 2026 is not expected to be a boom market, it should nevertheless be a stable income market.

Employees

The number of employees increased by 6.9 % year-on-year to 2,052 as of 31 December 2025 (FY 2024: 1,920 employees). This does not include employees in the passive phase of partial retirement, employees on parental leave, employees on long-term sickness absence and interns. Further key figures are presented in the sustainability report under "Characteristics of the undertaking's employees".

Current business activities

LEG's portfolio forms the basis for its business activities. As of 31 December 2025, it comprised 171,360 residential units, 1,600 commercial units and 51,610 garages and parking spaces. Compared to the previous year, the number of residential units in LEG's portfolio increased by 4.4 % or 7,293 units. The changes resulted from the integration of the BCP portfolio as well as disposals under the sales programme, which serves both to create liquidity and to optimise the quality of the portfolio.

LEG was able to continue its positive business performance in the 2025 financial year. The average rent for the residential portfolio on a like-for-like basis was EUR 7.04 per sqm on 31 December 2025. This represents an increase of 3.5 % compared to the previous year's reporting date. Rental growth was generated almost exclusively by the free-financed portfolio, where rents rose by an average of 4.0 %. In the year under review, there was no adjustment to the cost rents for the rent-restricted apartments, which accounted for around 17 % of the total portfolio as of the balance sheet date.

The EPRA vacancy rate on a like-for-like basis was constant at an extremely low level of 2.3 %, increasing by just 5 basis points compared with the previous year. This means LEG's portfolio remains almost fully let.

In the 2025 financial year, LEG made total investments (adjusted for consolidation effects, new construction activities on own land, own work capitalised and subsidies recognised in profit or loss) of EUR 402.8 million. As planned, average investments per square metre increased to EUR 36.11. When allocating investments, LEG pays attention both to cash flow-optimised management and to increasing portfolio quality and emissions efficiency.

In recent years, the operational and administrative processes have been comprehensively documented and continuously analysed and optimised as part of a continuous improvement process. In the 2025 financial year, LEG evaluated the business processes in which a further increase in efficiency is possible through the targeted use of digitalisation measures (including the use of artificial intelligence). The implementation of these measures was determined as part of a precisely defined programme and will be systematically driven forward in the coming years.

Financing

Financing portfolio

LEG implemented numerous financing measures in the course of the 2025 financial year. On the capital market, LEG issued a EUR 300 million bond with a coupon of 3.875 % and a term of ten years in January 2025. In addition, the notional volume of the outstanding 2019/2034 bond was increased by EUR 200 million to EUR 500 million.

The 2017/2025 convertible bond with a volume of EUR 400 million was repaid in cash on the maturity date of 1 September 2025.

In the 2025 financial year, a total of around EUR 1.3 billion in financing was concluded, of which around EUR 0.8 billion related to bank loans and EUR 0.5 billion to bonds. Loan liabilities totalling an additional EUR 186.6 million were assumed in connection with the acquisition of BCP. Loans totalling EUR 321.7 million were repaid in the course of the 2025 financial year.

Additionally, LEG extended the two bilateral working capital lines totalling EUR 150 million ahead of schedule in the reporting year. Together with the syndicated working capital line of EUR 600 million, LEG has a total of EUR 750 million in working capital lines at its disposal. These were unutilised as at the reporting date.

LEG's average interest rate as of 31 December 2025 was 1.66 % compared to 1.49 % at the end of the previous year. The average term of the liabilities declined slightly from 5.7 years to 5.5 years.

Financing structure

As of the reporting date, 61 % of LEG's total debt capital was attributable to capital market financing (bonds and convertible bonds), 34 % to bank loans and 5 % to subsidised loans and other liabilities. Loan liabilities to banks are essentially spread across twelve banks, primarily from the domestic mortgage and Landesbank sector. In accordance with LEG's financing strategy, an institution's share of total liabilities is limited to a maximum of 20 % in order to avoid excessive dependence on individual financing partners. LEG's largest creditor currently accounts for 10 % of total liabilities.

Maturity profile

In line with its long-term business model and with a view to ensuring a defensive risk profile, LEG believes it has a balanced, long-term financing structure. Financing contracts with banking partners are concluded on the basis of medium- and long-term agreements. The average term across the entire financing portfolio, including the long-term subsidised loans, is 5.5 years. When managing contract terms, the aim is to ensure that no more than 25 % of total liabilities fall due within one year.

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

MATURITY PROFILE OF THE FINANCING PORTFOLIO ¹		
Maturity	Volume in EUR million	Share of total debt
2026	965	9.5 %
2027	1,084	10.6 %
2028	1,125	11.0 %
2029	877	8.6 %
2030	1,230	12.1 %
2031	939	9.2 %
2032	817	8.0 %
2033	1,000	9.8 %
2034	1,102	10.8 %
2035	735	7.2 %
2036	51	0.5 %
2037 ff.	271	2.6 %

¹ Outstanding notional amount of loans as of 31 December 2025

Interest rate hedging

In line with the long-term strategic orientation, around 98 % of the financing agreements are secured by fixed interest rate agreements or interest rate swaps. Derivative interest rate hedging instruments are linked to the respective underlying loan transaction (microhedge).

INTEREST RATE HEDGING	
Fixed interest rate	91.4 %
Interest rate swap	6.3 %
Variable interest	2.3 %

Covenants

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

The collateralised financing agreements contain standard market covenants.

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

COVENANTS	
Consolidated Net Financial Indebtedness to Total Assets	max. 60 %
Secured Financial Indebtedness to Total Assets	max. 45 %
Unencumbered Assets to Unsecured Financial Indebtedness	min. 125 %
ICR: Consolidated Adjusted EBITDA to Net Cash Interest	min. 1.8 x

As part of its company-wide risk management, LEG has implemented a process to continuously monitor compliance with the covenants for secured and unsecured financing. The financial covenants agreed with the financing partners were complied with in the 2025 financial year, and no violations are expected in the future.

Company ratings

LEG had a Baa1 long-term issuer rating since 2015, which had been continuously confirmed by the rating agency Moody's in subsequent years. Due to the changed market and interest rate environment, the outlook for the 2022 financial year was adjusted from stable to negative. In October 2023, Moody's changed its rating from Baa1 (negative) to Baa2 (stable). After Moody's confirmed the rating as Baa2 (stable) in the 2024 financial year, it was given a positive outlook in October 2025. The rating continues to reflect LEG's strong market position, the portfolio management geared towards value stability and sustainable development as well as a long-term financing strategy.

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

Dividend

For the 2025 financial year, the Management Board and Supervisory Board of LEG Immobilien SE will propose to the Annual General Meeting on 27 May 2026 that a dividend of EUR 2.92 per share be distributed. On the basis of 75,570,800 shares entitled to dividends, this results in a total payout of EUR 220.7 million. This corresponds to 100.1 % of the AFFO of EUR 220.5 million achieved in the 2025 financial year. Hence, almost all of the net proceeds from disposals in the 2025 financial year are to remain in the company to strengthen the capital base.

Depending on company-specific developments and the situation on the capital market, the Management Board and Supervisory Board of LEG Immobilien SE also intend to propose to the Annual General Meeting on 27 May 2026 that shareholders can choose between a dividend in cash or in shares.

Analysis of financial position and financial performance

For the definition of specific key figures and terms, reference is additionally made to the glossary in the Annual Report.

Results of operations

Aggregated income statement

The condensed income statement is as follows:

CONDENSED INCOME STATEMENT	01.01.-	01.01.-
€ million	31.12.2025	31.12.2024
Net income from rental and leasing	662.2	626.5
Net income from the disposal of investment property	-4.3	-6.4
Net income from the remeasurement of investment property	568.9	-225.3
Net income from the disposal of inventory property	0.0	-0.2
Net income from other services	4.8	6.3
Administrative and other expenses	-81.1	-75.5
Other income	99.2	0.1
Operating earnings	1,249.7	325.5
Interest income	18.8	23.6
Interest expenses	-219.6	-196.8
Net income from other financial assets	14.6	-33.0
Net income from associates	-5.5	0.1
Net income from the fair value measurement of derivatives	38.5	3.4
Net financial result	-153.2	-202.7
Earnings before income taxes	1,096.5	122.8
Income taxes	364.8	-53.9
Net profit or loss for the period	1,461.3	68.9

Net income from rental and leasing increased by EUR 35.7 million year-on-year in the past financial year. The main driver of this development was the EUR 60.5 million increase in net cold rents, which was due in part to the acquisition of the shares in BCP. Like-for-like net cold rent per square metre of the residential properties also rose by 3.5 % year on year. This was mainly offset by the EUR 7.1 million increase in maintenance expenses for externally procured services.

Reconciliation	01.01.-	01.01.-
€ million	31.12.2025	31.12.2024
Net income from rental and leasing	662.2	626.5
Non-recurring special items (rental and lease)	8.2	6.9
Depreciation and amortisation	17.4	15.2
Maintenance expenses for externally procured services	113.2	106.1
Subsidies recognised in profit or loss	-19.3	-21.0
Own work capitalised	-17.6	-15.0
Net income from rental and leasing (adjusted)	764.1	718.7
Net operating income margin (adjusted in %)	83.1	83.6

With regard to non-recurring special items, please refer to the explanatory notes in the section on the AFFO reconciliation. Adjusted net income from rental and leasing increased by EUR 45.4 million to EUR 764.1 million in the past financial year. The adjusted net operating Income (NOI) margin declined slightly from 83.6 % to 83.1 % year-on-year.

The EPRA vacancy rate, which compares lost rental income due to vacancy to potential rental income at full occupancy based on market rents as of the current reporting date, remained essentially unchanged on a like-for-like basis at a low level of 2.3 % as of 31 December 2025 compared with 2.2 % in the previous year.

EPRA vacancy rate		
€ million	2025	2024
Rental income lost due to vacancies – like-for-like	24.0	22.6
Rental income lost due to vacancies – total	29.0	25.7
Rental income with full letting – like-for-like	1,052.1	1,019.7
Rental income with full letting – total	1,115.0	1,030.7
EPRA vacancy rate – like-for-like (in %)	2.3	2.2
EPRA vacancy rate – total (in %)	2.6	2.5

Net income from the remeasurement of investment property for the financial year amounts to EUR 568.9 million (previous year: EUR -225.3 million). Based on the property portfolio at the beginning of the financial year (EUR 17,853.3 million) and taking into account the assessed acquisitions (EUR 1,017.1 million), this corresponds to an increase of 3.0 % in the financial year (previous year: -1.2 %). The average value of investment property (including acquisitions) was EUR 1,710 per sqm as of 31 December 2025 (previous year: EUR 1,629 per sqm). The main driver for the change in the fair value of investment property in the financial year was the positive development of contractual and market rents.

Net income from other services includes the generation of electricity and heat as well as IT services for third parties. Operating earnings from electricity generation failed to repeat the prior-year figure due to the significantly lower price levels. Net income from other services is adjusted for depreciation and amortization in the amount of EUR 0.7 million, resulting in the adjusted net income from other services.

The increase in administrative and other expenses compared to the previous year is due among other things to the incidental costs incurred in connection with the acquisition of the BCP companies.

Reconciliation	01.01.- 31.12.2025	01.01.- 31.12.2024
€ million		
Administrative and other expenses	-81.1	-75.5
Depreciation and amortisation	5.3	5.7
Non-recurring special items (administration)	23.9	16.2
Administrative expenses (adjusted)	-51.9	-53.6

With regard to non-recurring special items, please refer to the explanatory notes in the section on the AFFO reconciliation. Adjusted administrative expenses fell by EUR 1.7 million or 3.2 % year-on-year.

Other income mainly includes profit from a business acquisition in the amount of EUR 98.5 million due to the acquisition of the shares in Brack Capital Properties N.V. (BCP). At EUR 0.6 million, other income adjusted for profit from a business acquisition was on the previous year's level.

Interest expenses increased by EUR 22.8 million year-on-year to EUR 219.6 million. The increase in interest expenses is mainly due to the BCP acquisition as well as disbursements of loans and capital market instruments after the comparative prior-year period.

Year-on-year, the average interest rate increased to 1.66 % as of 31 December 2025 (31 December 2024: 1.49 %), while the average maturity was largely unchanged at 5.5 years (31 December 2024: 5.7 years).

The EUR 47.6 million increase in net income from other financial assets compared to the previous year is mainly due to the fact that the investment in BCP was measured at fair value in the same period of the previous year, whereas it is now fully consolidated.

The net income from the fair value measurement of derivatives in the reporting period was primarily due to changes in the market value of embedded derivatives from convertible bonds amounting to EUR 44.8 million (previous year: EUR 3.4 million).

As of 31 December 2025, the actual effective Group tax rate is -33.3 % (previous year: 43.9 %). The decrease in the Group tax rate compared to the previous year is mainly due to the enacted gradual reduction of the corporate tax rate from 15% to 10%.

In the 2025 financial year, income taxes consist of an expense from current income taxes of EUR 8.4 million (previous year: EUR 2.4 million) and deferred tax income of EUR 373.2 million (previous year: deferred tax expense of EUR 51.5 million).

Of the total tax income of EUR 364.8 million, deferred tax income of EUR 526.1 million is attributable to the one-off effect from the reduction in the corporate income tax rate on the portfolio as of 31 December 2024. This results in a consolidated tax rate of 14.71 % excluding the one-off effect.

Reconciliation to AFFO

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

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

Calculation of FFO I, FFO II UND AFFO	01.01.-	01.01.-
€ million	31.12.2025	31.12.2024
Net cold rent	919.9	859.4
Net income from operating costs/heating costs	-17.3	-13.2
Personnel expenses (rental and lease)	-117.8	-115.1
Allowances on rent receivables	-14.3	-17.1
Other	-14.6	-2.2
Non-recurring special items (rental and lease)	8.2	6.9
Net income from rental and leasing (adjusted)	764.1	718.7
Net income from other services (adjusted)	5.5	4.4
Personnel expenses (administration)	-38.6	-36.4
Non-personnel expenses	-37.2	-33.4
Non-recurring special items (administration)	23.9	16.2
Administrative expenses (adjusted)	-51.9	-53.6
Other income (adjusted)	0.6	0.0
EBITDA (adjusted)	718.3	669.5
Cash interest expenses and income FFO I	-150.0	-138.0
Cash income taxes FFO I	-4.5	-2.1
Maintenance expenses for externally procured services	-113.2	-106.1
Subsidies recognised in profit or loss	19.3	21.0
Own work capitalised	17.6	15.0
Investment income from green ventures	-4.2	-
FFO I (before non-controlling interests)	483.3	459.3
Non-controlling interests	-1.8	-1.8
FFO I (after non-controlling interests)	481.5	457.5
Net income from the disposal of investment property (adjusted)	-0.3	1.2
Cash income taxes FFO II	-3.9	-0.3
FFO II (incl. disposal of investment property)	477.3	458.4
Capex (recurring)	-261.0	-257.1
AFFO (capex-adjusted FFO I)	220.5	200.4
EBITDA margin (adjusted)	78.1 %	77.9 %

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

NON-RECURRING SPECIAL ITEMS	01.01.-	01.01.-
in € million	31.12.2025	31.12.2024
Project costs for business model and process optimisation	5.7	2.2
Personnel-related matters	9.7	7.6
Acquisition and integration costs	14.1	3.8
Capital market financing and M&A activities	1.2	1.6
Other atypical matters	-97.1	5.4
Non-recurring special items	-66.4	20.6

The increase in acquisition and integration costs is mainly due to the purchase of the shares in BCP. The profit from this company acquisition is recognised under other atypical matters.

Adjusted EBITDA increased by 7.3 %, from EUR 669.5 million to EUR 718.3 million. The adjusted EBITDA margin (adjusted EBITDA in relation to net cold rent), which is one of the financial key performance indicators for Group management, increased to 78.1 % in the financial year (previous year: 77.9 %).

Adjusted EBITDA is further adjusted for cash interest expenses and income, cash income taxes, maintenance expenses for externally procured services, subsidies recognised in profit or loss, own work capitalised, investment income from green ventures and non-controlling interests in FFO I.

Starting from the 2025 financial year, investment income from green ventures from the respective financial year is recognised in the reconciliation from EBITDA (adjusted) to FFO I (before non-controlling interests). The green ventures comprise the companies Renowate GmbH, dekarbo GmbH and termios GmbH (formerly: Efficient Residential Heating GmbH) and the investment income amounts to EUR -4.2 million. If the investment income from green ventures of EUR -1.5 million had been taken into account in the 2024 financial year, AFFO would have amounted to EUR 198.9 million.

AFFO starts from FFO I (after non-controlling interests) and takes recurring capex into account. Recurring capex measures are defined as capitalised costs from modernisation and maintenance measures as well as new construction activity performed by the company. In determining the production costs from modernisation and maintenance measures, consolidation effects resulting from services performed internally that arise from the elimination of intercompany profits are eliminated (for presentation, please refer to the table investments).

At EUR 220.5 million, AFFO was EUR 20.1 million higher in the past financial year than in the previous year (EUR 200.4 million). This increase is mainly due to the rise in net cold rents combined with higher costs from letting and leasing as well as higher interest and maintenance expenses.

Net assets

Condensed statement of financial position

The condensed statement of financial position is as follows:

NET ASSETS (CONDENSED STATEMENT OF FINANCIAL POSITION)		
€ million	31.12.2025	31.12.2024
Investment property	19,591.4	17,853.3
Other non-current assets	421.2	529.9
Non-current assets	20,012.6	18,383.2
Receivables and other assets	194.2	754.1
Cash and cash equivalents	756.5	306.9
Current assets	950.7	1,061.0
Assets held for sale	67.3	141.0
Total assets	21,030.6	19,585.2
Equity	8,758.9	7,396.5
Financial liabilities (non-current)	7,812.8	7,796.6
Other non-current liabilities	1,803.7	2,115.0
Non-current debt capital	9,616.5	9,911.6
Financial liabilities (current)	2,342.5	1,922.0
Other current liabilities	312.7	355.1
Current debt capital	2,655.2	2,277.1
Total equity and liabilities	21,030.6	19,585.2

The value of investment property increased by EUR 1,738.1 million year-on-year due to the acquisition of the BCP portfolios (EUR +997.7 million), the valuation result (EUR +568.9 million), value-enhancing modernisation measures (EUR +245.7 million) and further acquisitions (EUR +28.1 million in pro rata payments for new construction projects). This was offset by reclassifications to assets held for sale and other disposals (EUR -102.3 million). The share of total assets at the reporting date is 93.2 %.

Other non-current assets mainly decreased in the amount of the existing shares in the BCP Group recognised as of 31 December 2024 (EUR -124.1 million).

The development of receivables and other assets was mainly determined by the reduction in short-term investments (EUR -547.0 million).

As of 31 December 2025, cash and cash equivalents (EUR 756.5 million) and the short-term investments included in receivables and other assets (EUR 60.3 million) totalled EUR 816.8 million (31 December 2024: EUR 914.3 million).

The development of equity since 31 December 2024 is mainly characterised by total comprehensive income (EUR 1,465.3 million), the capital increase due to the scrip dividend (EUR 76.4 million), the change in non-controlling interests as a result of the BCP acquisitions (EUR +45.9 million) and the distribution to shareholders (EUR -201.1 million).

Non-current and current financial liabilities increased by EUR 436.7 million year-on-year. This was due in particular to the issuance of corporate bonds (EUR 469.7 million), the issuance of new loans (EUR 480.4 million), financial liabilities from the BCP acquisition (EUR 172.4 million), scheduled and unscheduled repayments of bank loans (EUR 321.7 million) and the redemption of a convertible bond (EUR 400.0 million).

While the decrease in other non-current liabilities is due in particular to the reversal of deferred tax liabilities (EUR -313.1 million), other current liabilities decreased mainly as a result of the remeasurement of derivatives (EUR -44.8 million).

In the remaining maturity profile, liabilities from convertible bonds are presented as current liabilities in accordance with IAS 1 because conversion of the instruments are technically possible at any time (irrespective of the economic reality).

REMAINING TERM OF FINANCIAL LIABILITIES FROM REAL ESTATE FINANCING				
€ million	Remaining term < 1 year	Remaining term > 1 to 5 years	Remaining term > 5 years	Total
31.12.2025	2,333.0	3,408.4	4,270.2	10,011.6
31.12.2024	1,912.1	3,660.9	4,003.1	9,576.1

The maturity profile as of 31 December 2025 based on the contractually defined or agreed maturities of the financial liabilities is as follows:

CONTRACTUALLY AGREED REMAINING TERM OF FINANCIAL LIABILITIES FROM REAL ESTATE FINANCING				
€ million	Remaining term < 1 year	Remaining term > 1 to 5 years	Remaining term > 5 years	Total
31.12.2025	1,130.1	4,611.3	4,270.2	10,011.6
31.12.2024	727.7	4,222.2	4,626.2	9,576.1

Loan-to-value (LTV) ratio

Net debt in relation to real estate assets decreased during the financial year, primarily due to the valuation uplift and expansion of the property portfolio as well as to property sales, despite an increase in external financing.

The loan-to-value (LTV) ratio amounts to 46.8 % (previous year: 47.9 %).

LOAN-TO-VALUE RATIO		
€ million	31.12.2025	31.12.2024
Financial liabilities	10,155.3	9,718.6
Without lease liabilities IFRS 16 (not leasehold)	45.6	47.4
Less cash and cash equivalents	816.8	914.3
Net financial liabilities	9,292.9	8,756.9
Investment property	19,591.4	17,853.3
Assets held for sale	67.3	141.0
Investments in other housing companies	182.7	298.7
Real estate assets	19,841.4	18,293.0
Loan-to-value ratio (LTV) in %	46.8	47.9

EPRA net tangible assets (EPRA NTA)

EPRA-NTA is a financial key figure for Group management. As of 31 December 2025, the EPRA NTA was EUR 10,363.7 million, equivalent to EUR 137.14 per share. Deferred taxes on investment property are adjusted for the amount attributable to LEG's planned property disposals. Incidental costs of acquisition are not taken into account. The key figures are presented exclusively on a diluted basis. No dilution effects from the convertible bonds are considered as of 31 December 2025, as the share price at the reporting date does not exceed the current conversion prices.

EPRA NET TANGIBLE ASSETS		
€ million	31.12.2025	31.12.2024
Equity attributable to shareholders of the parent company	8,693.9	7,371.5
Effect from the exercise of options, convertible bonds and other equity rights	38.1	29.2
Diluted NAV at fair value	8,732.0	7,400.7
Deferred taxes on investment property, subsidised loans and derivatives	1,680.1	2,025.7
Fair value measurement of financial instruments (net)	-42.8	-44.8
Intangible assets	-5.6	-6.2
EPRA NTA	10,363.7	9,375.4
Number of ordinary shares (diluted)	75,570,800	74,469,665
EPRA NTA per share (in €)	137.14	125.90

Financial position

Financing structure

A net profit for the year of EUR 1,461.3 million was generated (previous year: EUR 68.9 million). Equity amounts to EUR 8,758.9 million (previous year: EUR 7,396.5 million). This corresponds to an equity ratio of 41.6 % (previous year: 37.8 %).

A cash dividend of EUR 124.7 million was distributed from accumulated other reserves in the financial year.

Further information can be found in the "Financing" section in the economic report.

Investments

The investments in the past financial year comprise maintenance expenses and capitalised modernisations classified as value-enhancing measures (capex). Defined adjustments are applied to these amounts to ensure the comparability of investment activity.

The maintenance expenses from the perspective of the asset-holding companies consist of maintenance expenses for externally sourced services and internally provided maintenance work carried out by LEG's service companies. Capitalised modernisations classified as value-enhancing measures comprise investments in investment property and in property, plant and equipment. This includes expansion investments in the form of new construction activity performed by the company itself, but not purchased development projects. After adjusting for consolidation effects, the capex (recurring) is obtained. In calculating the adjusted total investments per square metre, consolidation effects, investments in new construction activity performed by the company, own work capitalised and subsidies recognised in profit or loss for portfolio properties are eliminated from the total investments. On an adjusted basis, total investments amounted to EUR 402.8 million (previous year: EUR 366.3 million) and average total investments per square metre were EUR 36.11 (previous year: EUR 33.99). The capitalisation ratio after adjustments decreased to 56.6 % in the financial year (previous year: 57.5 %).

INVESTMENTS	01.01. -	01.01. -
€ million	31.12.2025	31.12.2024
Maintenance expenses (for internally and externally procured services)	-182.7	-166.9
Adjustments for consolidation effects	8.1	11.4
Maintenance expenses (adjusted)	-174.6	-155.5
Capex (capital expenditure)	-277.4	-269.6
Adjustments for consolidation effects	16.4	12.5
Capex (recurring)	-261.0	-257.1
Adjustments (new construction on own land, own work capitalised, subsidies recognised in profit or loss)	32.8	46.3
Capex (adjusted)	-228.2	-210.8
Total investments (adjusted)	-402.8	-366.3
Area of investment property in million sqm	11.15	10.78
Average investments per sqm in € (adjusted)	36.11	33.99
thereof maintenance expenses per sqm (EUR)	15.65	14.43
thereof capital expenditure per sqm (EUR)	20.46	19.56

Statement of cash flows

LEG's statement of cash flows for 2025 is presented in condensed form as follows:

Statement of cash flows	01.01.-	01.01.-
€ million	31.12.2025	31.12.2024
Cash flow from operating activities	462.4	436.5
Cash flow from investing activities	232.9	-604.2
Cash flow from financing activities	-245.7	197.1
Change in cash and cash equivalents	449.6	29.4

Cash and cash equivalents increased by EUR 449.6 million year-on-year, from EUR 306.9 million to EUR 756.5 million.

Higher net cold rents and advance payments for incidental costs had a positive effect on the operating cash flow in the reporting period. As a result, cash flow from operating activities increased by EUR 25.9 million to EUR 462.4 million despite higher maintenance and interest expenses.

Acquisitions (pro rata payments for new construction projects) and modernisations of the existing property portfolio resulted in cash outflows of EUR 277.8 million in the cash flow from investing activities. In addition, there were cash outflows for investments in property, plant and equipment and intangible assets in the amount of EUR 19.0 million and for the acquisition of shares in fully consolidated companies in the amount of EUR 166.3 million. These were primarily offset by the redemption of short-term investments amounting to EUR 547.0 million and proceeds from property disposals totalling EUR 133.2 million.

In financial year 2025, the main drivers of the cash flow from financing activities in the amount of EUR -245.7 million were the issuance of corporate bonds (EUR 459.2 million) and the issuance of new loans (EUR 418.0 million), offset by the repayment of bank loans (EUR -338.9 million), the redemption of convertible and corporate bonds (EUR -628.0 million) and the cash distribution to shareholders (EUR -124.7 million).

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

EPRA and other key figures

EPRA net initial yield

The calculation of the net initial yield is based on EPRA on the basis of the top-up annualised net cash rental income for the financial year, divided by the net market value of the property portfolio minus investments under construction, leasehold rights and undeveloped land. EPRA net initial yield is calculated on the same basis, but the gross market value is used instead of the net market value. The topped-up net initial yield is calculated by adjusting the annualised net cash rental income for the cost of rental incentives granted.

EPRA net initial yield		
€ million	31.12.2025	31.12.2024
Market value of the property portfolio (net)	19,315.9	17,652.2
Estimated incidental costs of acquisition	1,505.1	1,712.9
Market value of the property portfolio (gross)	20,821.0	19,365.1
Annualised gross cash rental income for the financial year	964.9	869.6
Annualised property expenses	-137.9	-126.2
Annualised net cash rental income for the financial year	827.0	743.4
Adjustments for rental incentives	7.0	6.1
Topped-up annualised net cash rental income for the financial year	834.0	749.5
Net initial yield (in %)	4.3	4.2
EPRA net initial yield (in %)	4.0	3.8
Topped-up EPRA net initial yield (in %)	4.0	3.9

EPRA capex

The EPRA capex presentation breaks down the capitalised investments for the financial year into the categories of acquisitions, development and modernisation of investment property and reconciles them to the payments for investments in investment property in the statement of cash flows. In the previous year, acquisitions comprised pro rata payments for purchased development projects, while acquisitions in the financial year mainly related to the investment property acquired as a result of the purchase of the shares in BCP. The development category comprises new construction activity on own land.

EPRA capex		
€ million	2025	2024
Acquisitions	1,022.1	51.4
Development	3.1	13.0
Modernisations in investment property	242.6	230.3
of which due to expansion of rental space	0.7	0.5
of which not due to expansion of rental space	241.9	229.8
EPRA capex	1,267.8	294.7
Correction to acquisitions in accordance with IFRS 3	-997.7	–
Change in provisions for capex	-2.4	16.5
Change in provisions for incidental costs of acquisition and change in advance payments for investment property	10.1	-4.3
Cash payments for investments in investment property	277.8	306.9

EPRA earnings per share

EPRA EARNINGS PER SHARE	01.01.-	01.01.-
€ million	31.12.2025	31.12.2024
Net profit or loss attributable to shareholders	1,458.2	66.0
Net income from the remeasurement of investment property	-568.9	225.3
Net income from the remeasurement of other financial assets	-1.4	41.8
Net income from the disposal of investment property and inventories and other income from the disposal of property including impairment losses	4.3	6.6
Tax expense/income from the disposal of investment property and inventory property	1.6	-0.5
Goodwill impairment/profit from a business acquisition	-98.5	-
Net income from the fair value measurement of derivatives	-38.5	-3.4
Acquisition costs for share deals and non-controlling joint venture interests	12.7	0.0
Deferred taxes on EPRA adjustments	-373.2	51.5
Refinancing expenses	13.2	0.0
Other non-cash interest expenses/income	0.8	-
Non-controlling interests in the above adjustments	6.2	2.8
EPRA earnings	416.5	390.1
Weighted average number of shares outstanding	75,020,233	74,296,478
= EPRA earnings per share (diluted) in EUR	5.55	5.25
Potentially dilutive shares	-	-
Interest coupon on convertible bonds after taxes	-	-
Amortisation expenses on convertible bonds after taxes	-	-
EPRA earnings (diluted)	416.5	390.1
Number of shares for diluted EPRA earnings per share	75,020,233	74,296,478
= EPRA earnings per share (diluted) in €	5.55	5.25

EPRA cost ratio

The EPRA cost ratio, which serves as an indicator for operating efficiency, is the ratio of operating and administrative expenses to gross rental income. By definition, no adjustments are made for non-recurring special items. Adjustments are made for leasehold land interests and direct vacancy costs. For reasons of transparency and comparability, an additional adjustment is made for maintenance expenses in the financial year, as the level of maintenance expenses for a real estate company depends to a large extent on the accounting standard applied as well as the individual maintenance strategy.

EPRA cost ratio	2025	2024
€ million		
EBITDA (adjusted)	718.3	669.5
Rental income	-919.9	-859.4
Subsidies recognised in profit or loss	19.3	21.0
Own work capitalised	17.6	15.0
Management costs (sign reversed)	164.7	153.9
Maintenance expenses for externally procured services	113.2	106.1
Leasehold land interests	-3.5	-3.4
EPRA costs (including direct vacancy costs)	274.4	256.6
Direct vacancy costs	-17.2	-16.3
EPRA costs (excluding direct vacancy costs)	257.2	240.3
Rental income	919.9	859.4
Leasehold land interests	-3.5	-3.4
Gross rental income	916.4	856.0
EPRA costs (including direct vacancy costs)	29.9 %	30.0 %
EPRA costs (excluding direct vacancy costs)	28.1 %	28.1 %
Adjustment for maintenance	113.2	106.1
Adjusted EPRA costs (including direct vacancy costs)	161.2	150.5
Adjusted EPRA costs (excluding direct vacancy costs)	144.0	134.2
Adjusted EPRA cost ratio (including direct vacancy costs)	17.6 %	17.6 %
Adjusted EPRA cost ratio (excluding direct vacancy costs)	15.7 %	15.7 %

EPRA NRV and EPRA NDV

EPRA NRV AND EPRA NDV	31.12.2025	31.12.2025	31.12.2024	31.12.2024
	EPRA NRV	EPRA NDV	EPRA NRV	EPRA NDV
€ million				
Equity attributable to shareholders of the parent company	8,693.9	8,693.9	7,371.5	7,371.5
Effect from the exercise of options, convertible bonds and other equity rights	38.1	38.1	29.2	29.2
Diluted NAV at fair value	8,732.0	8,732.0	7,400.7	7,400.7
Deferred taxes on investment property, subsidised housing loans and derivatives	1,696.6	–	2,034.8	–
Fair value measurement of financial instruments (net)	-42.8	–	-44.8	–
Fair value of fixed-interest debt	–	435.4	–	383.7
Deferred taxes on fixed-interest debt	–	-144.8	–	-168.6
Estimated incidental costs of acquisition	1,531.7	–	1,721.4	–
NAV	11,917.5	9,022.6	11,112.1	7,615.8
Number of ordinary shares (diluted)	75,570,800	75,570,800	74,469,665	74,469,665
NAV per share	157.70	119.39	149.22	102.27

EPRA LTV

Compared to the LTV, financial liabilities are recognised at their nominal amount, and cash and cash equivalents are consistent with the definition under IFRS. Accordingly, short-term investments with a term of longer than three months in the amount of EUR 60.3 million (31 December 2024: EUR 607.4 million) are not included in the numerator. Furthermore, net financial liabilities and real estate assets of joint ventures and material associates are included, while those of material non-controlling interests are excluded.

The material associates included are the asset-holding companies Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH. Furthermore, BCP was included on a pro rata basis as of 31 December 2024 for transparency reasons even though it was not considered an associate from LEG's perspective. BCP has been fully consolidated since the completion of the share purchase on 3 January 2025 and is included in the Group LTV as of 31 December 2025.

EPRA LTV as of 31 December 2025				
€ million	Group LTV	Share attributable to associates	Non-controlling interests	Total
Bank loans	3,908.4	26.6	-46.3	3,888.7
Hybrid financial instruments	1,250.0	–	-0.1	1,249.9
Corporate bonds	5,180.0	–	–	5,180.0
Net payables	93.5	2.8	-2.9	93.4
Owner-occupied property (liabilities)	4.0	–	–	4.0
Less cash and cash equivalents	756.5	1.3	-7.7	750.1
Net financial liabilities	9,679.4	28.1	-41.6	9,665.9
Owner-occupied property	82.8	–	-0.2	82.6
Investment property	19,590.1	38.9	-250.4	19,378.6
Assets held for sale	67.3	–	-5.4	61.9
Assets under construction	1.3	0.5	0.0	1.8
Intangible assets	5.6	0.0	0.0	5.6
Real estate assets	19,747.1	39.4	-256.0	19,530.5
EPRA LTV	49.0			49.5

EPRA LTV as of 31 December 2024				
€ million	Group LTV	Share attributable to associates	Non-controlling interests	Total
Bank loans	3,571.6	143.0	-23.7	3,690.9
Hybrid financial instruments	1,650.0	–	-0.1	1,649.9
Corporate bonds	4,680.0	58.9	–	4,738.9
Net payables	–	2.8	–	2.8
Owner-occupied property (liabilities)	4.0	–	–	4.0
Less cash and cash equivalents	306.9	1.8	-5.5	303.2
Net financial liabilities	9,598.7	202.9	-18.3	9,783.3
Owner-occupied property	84.8	–	-0.3	84.5
Investment property	17,743.5	410.9	-157.8	17,996.6
Assets held for sale	141.0	9.0	-0.8	149.2
Assets under construction	109.9	1.6	0.0	111.5
Intangible assets	6.2	0.0	0.0	6.2
Net receivables	526.2	1.8	3.5	531.5
Real estate assets	18,611.6	423.3	-155.4	18,879.5
EPRA LTV	51.6			51.8

Risks, opportunities and forecast report

Risk and opportunity report

Governance, risk & compliance

Standard process for the integrated management of corporate risks

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

Accounting process

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

Internal control system (ICS)

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

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

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

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

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

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

An appropriate and effective ICS is necessary to ensure the functionality of all essential business processes. This requires that the principles, procedures, and measures implemented within the Group are regularly reviewed for adequacy and effectiveness. LEG assesses their design and effectiveness using control self-assessments (CSA). The annual CSA is based on a standardised methodology and has been mapped in specialist software for GRC (governance, risk and compliance) processes as of the 2025 financial year. The assessment is based on two modules that complement each other:

- Test of design
- Test of effectiveness

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

Compliance Management System (CMS)

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

Basic elements of the CMS

The central elements of the CMS are the declaration of fundamental values, which formulates LEG's objective, strategy and values, the Code of Conduct, which translates the values contained in the declaration of fundamental values into binding rules of conduct for all employees, and various Group-wide guidelines (e.g. on anti-corruption, anti-money laundering, data protection and compliance with human rights standards), which define the standards of conduct set out in the Code of Conduct in greater detail. LEG's Business Partner Code of Conduct contains principles for cooperation and ensuring compliance with human rights and environmental due diligence obligations and ethical standards of behaviour.

Compliance with the Supply Chain Due Diligence Act (LkSG)

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

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

Training and sensitisation

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

Whistleblower system

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

Organisational anchoring and reporting

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

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

Continuous improvement and external certification

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

Risk management

LEG has a Group-wide risk management system (RMS). A key component of this is LEG's Group-wide early risk detection system in accordance with the standard IDW 340 (new version). The system is supported by a specialised software solution for GRC (governance, risk and compliance) processes.

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

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

The risk management system in place is subject to a constant process of refinement and optimisation to adapt it to new internal and external developments. For example, the relevant reference figure for assessing the obligation to report risks was updated during the financial year.

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

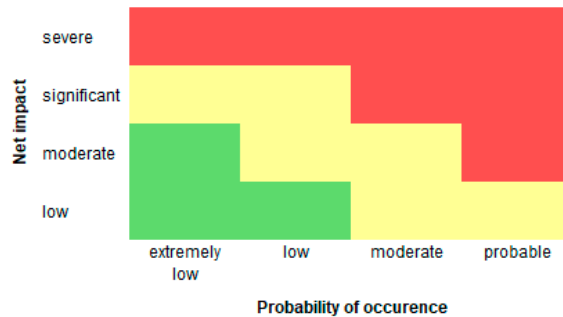
Overarching risk limitation measures are applied. In addition to the provisions derived from IFRS regulations, these primarily include building insurance (e.g. to cover damage due to pipe bursts, extreme weather events, natural disasters). In addition to these building-specific risks, various compliance-related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

The risk inventory reports derived from the risk inventory also include a "trend radar", which is designed to identify potential strategic risks and opportunities at an early stage. All reporting is based on risk inventories. The corresponding uniform, systematic and continuous risk inventory procedure is based on the following assessment methodology.

Assessment methodology for internal risk reporting

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

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



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

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

The classes for probability of occurrence are:

- Extremely low: 0 % < x < 5 %
- Low: 5 % ≤ x < 20 %
- Moderate: 20 % ≤ x < 50 %
- Probable: 50 % ≤ x < 100 %

The resulting evaluation matrix has been in use since 2024 and, in the company's opinion, remains suitable for adequately classifying LEG's risks. All risk reports are categorised in this matrix and assigned to a red, yellow or green category using a traffic light system with corresponding prioritisation.

Based on their net liquidity impact, six risks are currently categorised as at least "significant". The expected risk value of the total risk inventory has seen a moderate decline compared to the previous year's report.

Presentation of risks and opportunities in the Group management report

The following section contains an assessment of the real estate market including relevant impacts on LEG's risk situation. Subsequently, all main risk categories are described in the risk categorisation, along with the subcategories that contain significant individual risks. These significant individual risks are then presented below the subcategories. An individual risk is defined as "significant" if it has a net liquidity impact of greater than EUR 10.0 million in the base scenario, either currently or within the next two financial years (2026 and 2027). The probability of occurrence is disregarded in order to maintain an awareness of risks which have a low probability but a significant or severe impact. In summary, at the time of preparing this report, the Management Board does not see any risks that could jeopardise the LEG Group as a going concern for the entire five-year planning horizon/risk identification period (2026 to 2030). The risk-bearing capacity is maintained even with the simultaneous occurrence of all known risks.

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

Risk reporting

Assessment of the property market

The real estate market is subject to a long-term cycle. After many years of growth fuelled by low interest rates, the market experienced a trend reversal starting in 2022. Against the backdrop of high inflation rates, the central banks raised interest rates significantly in quick succession, which led to falling prices on the property markets. Over the course of 2024 and 2025, inflation rates approached the central banks' target values again, prompting them to respond with initial interest rate cuts in view of the subdued economic development. Interest rates are currently moving sideways. The real estate market is showing a trend reversal that is expected to continue with slight upward revaluations.

As an investment, real estate must compete with other asset classes. A still relatively favourable constellation of moderate prices and persistently high competition for housing in the rental segment (due to the low level of new construction activity) speaks in favour of buying property for owner occupation. Nonetheless, buying property remains unaffordable for many households – partly due to a lack of equity – meaning that demand for rental accommodation is expected to remain stable.

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

The revision of the Energy Performance of Buildings Directive (EPBD) has been adopted at EU level. The transposition period runs until 29 May 2026. For residential buildings, a gradual reduction in primary energy requirements should be aimed for. The focus here is on buildings with poor overall energy efficiency. LEG is in favour of an affordable approach to emissions efficiency instead of energy efficiency.

The majority of LEG's real estate portfolio is located in North Rhine-Westphalia, Germany's most populous federal state. Other focal points are in Lower Saxony, Schleswig-Holstein and Bremen. The portfolio includes both high-demand A and B cities (e.g. Cologne, Münster, and Bremen) as well as rural areas that tend to have a surplus of supply (e.g. Wilhelmshaven). The acquisition of Brack Capital Properties N.V. has expanded the portfolio in LEG's traditional business areas in particular, including with a focus on the affordable housing segment. New locations that cannot be operated with the level of profitability targeted by LEG due to insufficient geographic concentration of the units are being added to the disposal portfolio. The broad diversification allows LEG to benefit from the current market environment and offset declining returns in areas with weakening prices or demand by capitalising on shifts to other locations.

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

LEG calculates the value of its properties twice per year. Key input parameters calculated from external data and used in the assessment are the discount rate, standard market rents, macro and micro location assessments, standard market levels of structural vacancies and official indicative land values. Transactions actually performed on the market are also applied as a benchmark. To address the delay between a transaction and the time that its data become known, LEG engages in continuous market monitoring and regular dialogue with key market players. Other parameters considered in the valuation, for which no independently determined data is available, must be estimated approximately. This mainly relates to assumptions about future inflation trends, assumptions to assess the technical condition of properties, assumptions concerning the capitalisation rate, and the weighting of the various valuation parameters. In particular, forward-looking parameters and assessments are by their nature subject to a higher risk of incorrect assessments, even though the underlying data are gathered with the utmost care. Such deviations can have either a positive or a negative effect on the calculated property values.

The associated risks also have an impact on the income statement. Based on the current market and risk assessment, no downgrade in values is expected.

Risk categorisation

At LEG, all identified individual risks are assigned to a main risk category and a subcategory. The main categories and subcategories are represented by the headings below.

For the purposes of the Group management report, the following section examines material individual risks deemed relevant that, if realised, could have a potential net liquidity impact in excess of EUR 10 million during 2026 and 2027, regardless of their probability of occurrence. In order to avoid distorting the presentation, risks with a severe net liquidity impact of more than EUR 20 million and an extremely low probability of occurrence of less than or equal to 2 % are classified as tail event risks, and are not taken into account in the assessment of the respective risk category. Rather, they are described in separate text.

If the identified individual risks were deemed relevant for provisions, an appropriate provision was recognised as of 31 December 2025.

Main category A: General business risks

The main category “General business risks” encompasses risks related to corporate organisation, management, and communication, as well as other risks arising from the company’s operations that cannot be explicitly assigned to any of the other main categories.

The risk inventory for this main category comprises 13 risks (previous year: 15 risks). The expected risk value has decreased moderately compared to the previous year. The average probability of occurrence of the risks and the average impact of the risks are considered to be low. The main category “General business risks” does not include any risks that exceed the materiality threshold.

Main category B: Compliance risks

Compliance risks result from LEG employees failing to obey statutory requirements or internal guidelines that are intended to avert damage.

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

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

The risk inventory for this main category comprises six risks (previous year: six risks). The expected risk value is unchanged compared to the previous year. The average probability of occurrence of the risks and the average impact of the risks are considered to be low.

The following tail event risk was not taken into account in this assessment: There is a very low probability of an allegation of an antitrust offence (e.g., through conclusive actions). In the unlikely event of occurrence, the potential impact would be severe.

Fraudulent activities

Antitrust violations fall under the subcategory “Fraudulent activities” and can be committed even through conclusive actions with competitors or service providers. Providing the necessary exculpatory evidence can prove to be challenging. Due to the significant penalisation and the reputational damage associated with an antitrust penalty, financial loss can be incurred if the risk materialises. The risk is countered by extensive training measures, among other things, to raise employee awareness.

Main category C: Property risks

This main category encompasses risks arising from LEG’s core business activities. Accordingly, it includes matters arising from the purchase and sale of properties, among other things. For example, structural defects may only become apparent over time or service contracts may be assumed under unfavourable terms when property portfolios are acquired. This category also includes risks from letting and leasing as well as the associated rent defaults and disputes over rent increases. Furthermore, this category includes risks in connection with modernisation or maintenance, such as budget or technical risks. The management and valuation of the portfolio are also included in this category.

The risk inventory for this main category comprises 25 risks (previous year: 26 risks). The expected risk value has seen a moderate decline compared to the previous year. The average probability of occurrence of the risks is considered to be moderate. The average impact of the risks is considered to be low. The main category “Property risks” does not include any risks that exceed the materiality threshold.

Main category D: Finance

The main category “Finance” includes risks closely related to LEG’s cash flows, refinancing, and financial covenants. Risks related to assets outside the property portfolio also fall into this category.

The risk inventory for this main category comprises 13 risks (previous year: 13 risks). The expected risk value has decreased slightly compared to the previous year. The average probability of occurrence of the risks and the average impact of the risks are considered to be low.

Risks in this main category that are defined as significant are presented in the subcategory below.

Prolongation

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

Main category E: Accounting

Risks can arise from a failure to comply with statutory regulations, which could lead to errors in the annual, consolidated or quarterly financial statements. In addition, violations of other regulatory requirements, such as the German Corporate Governance Code or disclosure obligations, could result in a qualified or adverse audit opinion, reputational damage, or negative impacts on the share price. An internal control system for the accounting process helps mitigate this risk.

The risk inventory for this main category comprises four individual risks (previous year: four risks). The expected risk value is unchanged compared to the previous year. The average probability of occurrence of the risks and the average impact of the risks are considered to be low. The main category “Accounting” does not include any risks that exceed the materiality threshold.

Main category F: Tax risks

Tax risks primarily arise from changes in tax assessment criteria within a time frame that has already been budgeted for, due to unexpected legislative amendments or court rulings

The risk inventory for this main category comprises six risks (previous year: eight risks). The expected risk value has increased slightly compared to the previous year. The average probability of occurrence of the risks and the average impact of the risks are considered to be moderate.

The following tail event risk was not taken into account in this assessment: With an extremely low probability, the incurrance of real estate transfer tax with severe impact from a change of shareholders in listed real estate companies cannot be completely ruled out.

Risks in this main category that are defined as significant are presented in the subcategory below.

Taxes/duties

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

As part of the property tax reform, there were calls to abolish or restrict its eligibility for apportionment. This discussion is currently being escalated to include the initial property tax value and property tax assessments based on the new valuation, which often result in significant additional costs for housing properties. Given the current political and social conditions, changes to the ability to pass on property taxes as part of operating expense billing cannot be ruled out entirely.

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

Main category G: Human resources

The main category "Human resources" addresses risks associated with LEG's workforce.

The risk inventory in this main category comprises three risks (previous year: three risks). The expected risk value has fallen slightly compared to the previous year. The average probability of occurrence of the risks and the average impact of the risks are considered to be low. The main category "Human resources" does not include any risks that exceed the materiality threshold.

Main category H: Legal risks

The main category "Legal risks" reflects all risks arising from data protection aspects, changes in the law, liability and insurance issues, contracts and legal disputes.

The risk inventory in this main category comprises four risks (previous year: three risks). The expected risk value has increased slightly compared to the previous year. The average probability of occurrence of the risks and the average impact of the risks are considered to be moderate.

Risks in this main category that are defined as significant are presented in their subcategories below.

Data protection

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

Liability/insurance risks

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

Main category I: Information and communication technology

The main category “Information and communication technology” relates to risks arising from IT processes within LEG. IT applications and systems are essential for the seamless support of LEG’s business processes. Due to the increased threat posed by cyber criminals, LEG has implemented extensive additional measures (including a Security Operations Centre) in addition to the IT security measures already in place (e.g. penetration tests).

The risk inventory in this main category comprises six risks (previous year: five risks). The expected risk value has seen a moderate increase compared to the previous year. The average probability of occurrence of the risks and the average impact of the risks are considered to be low. The main category “Information and communications technology” does not include any risks that exceed the materiality threshold.

Main category J: Project business

The main category “Project business” encompasses matters arising from the implementation of construction projects or the operation of other affiliated companies, amongst others termios GmbH and Biomasse Heizkraftwerk Siegerland GmbH & Co. KG. In light of the currently unattractive ratio of construction costs to future rental income, LEG has discontinued its construction project business. The last ongoing construction project was completed in November 2025.

The risk inventory in this main category comprises 12 risks (previous year: six risks). The expected risk value has seen a moderate increase compared to the previous year. The average probability of occurrence of the risks is considered to be moderate. The average impact of the risks is considered to be low. The main category “Project business” does not include any risks that exceed the materiality threshold.

Main category K: Sustainability risks

Sustainability risks are generally covered by the non-financial reporting in accordance with the European Sustainability Reporting Standards (ESRS). Accordingly, matters for which the risk definition applies in the sense of a relevant monetary impact within the risk assessment period are also included in the risk report.

The risk inventory for this main category comprises six risks (previous year: six risks). The expected risk value has fallen slightly compared to the previous year. The average probability of occurrence of the risks is considered to be extremely low. The average impact of the risks is considered to be low. The main category “Sustainability risks” does not include any risks that exceed the materiality threshold.

Report on opportunities

Significant opportunities can act as relevant drivers of further earnings performance in the medium to long term (over the five-year planning horizon).

The continued growth in demand for affordable housing and the simultaneous decline in the supply of affordable housing are considered opportunities of this kind.

Following a phase of falling prices, the investment market for residential property is slowly recovering. LEG still intends to selectively expand the portfolio through acquisitions should opportunities arise.

National and international investors are showing slightly increasing interest in the German property market in view of the increasing shortage of affordable housing, the continued decline in new construction activity and further immigration.

LEG considers itself well positioned and demonstrates consistent rental growth. This development reflects the quality of the property portfolio, the high level of management expertise, and resilience to economic fluctuations. This also offers the opportunity to further reduce the average vacancy rate on a like-for-like basis.

In recent years, LEG has established various subsidiaries and joint ventures with the aim of achieving the most comprehensive possible coverage of the housing value chain and driving forward the decarbonisation of the property portfolio. This represents an opportunity to generate margins along the entire value chain. The subsidiaries and joint ventures also partly offer their services to third parties, enabling additional contributions to earnings performance beyond the company's own property portfolio.

In the key area of emission-efficient heat supply, the joint venture dekarbo GmbH contributes to the decarbonisation of existing buildings and also offers its solution to third parties. The dekarbo business model is a comprehensive solution for the installation of air-to-air and air-to-water heat pumps.

In the key area of energy demand reduction, the joint venture termios GmbH also offers a decarbonisation solution. The business model is based on the development and distribution of innovative, digital solutions for energy-efficient heating in residential properties.

In the key area of energy-efficient modernisation, Renowate GmbH as well contributes to decarbonisation. The company's business model focuses on the serial, energy-efficient modernisation of existing buildings.

The subsidiary LEG LEITWerk GmbH performs work in the field of cable, electrical and installation technology. Covering a larger part of the value chain by securing the necessary capacities, which are currently difficult to obtain on the market, increases the depth of services of LEG.

LEG also expects to benefit from opportunities from digitalisation. The efficient and professional management of the portfolio results into a reasonable level of ancillary costs for tenants, thereby helping not only to enhance tenant satisfaction but also serve as selling points for existing tenants and potential new tenants alike. LEG considers itself well-positioned with its digitalisation offerings such as the digital rental agreement and its digital start-up Youtilly, which was founded in 2021. Additional efficiency gains can be achieved by implementing artificial intelligence (AI) in suitable processes while bearing the existing limitations in mind.

Summary of opportunities

The opportunities outlined provide potential benefits for LEG even beyond the underlying forecast period. In particular, the topics of digitalisation and climate neutrality (e.g. energy-efficient modernisation, expansion and use of green energy) are considered opportunities in the medium and long term. The use of artificial intelligence (AI) opens up the potential for additional efficiency gains. In addition, strategic partnerships for the development of innovations enable the positioning as a third-party provider of sustainable business models. Should opportunities arise in addition to the developments forecasted, or should these materialise sooner than expected, this could have a positive impact on LEG's net assets, financial position and results of operations. Overall, LEG's opportunities have not changed significantly compared to the previous year.

Forecast report

LEG was able to achieve the forecasts that it adopted for the 2025 financial year. The following section compares the financial key performance indicators and other key figures achieved against the forecast from the previous year.

For AFFO in the 2025 financial year, LEG initially defined a range of EUR 205 million to EUR 225 million in November 2024. With the publication of the results for the first half of 2025, LEG specified that it now expected AFFO in the upper half of the range, i.e. between EUR 215 million and EUR 225 million. The achieved AFFO of EUR 220.5 million for the 2025 financial year was within this expected range.

In November 2024, LEG originally forecast an adjusted EBITDA margin of around 76 % for the 2025 financial year. It raised this forecast to around 77 % in August 2025. The adjusted EBITDA margin came out at 78.1 % in the 2025 financial year, slightly above the communicated forecast.

LEG had already communicated in November 2023 that the LTV (gearing ratio) should be no higher than 45 % in the medium term, which it subsequently confirmed in November 2024. At the end of the 2025 financial year, the LTV was still above this target at 46.8 %. LEG now aims to achieve the target in the short term, i.e. in 2026.

In terms of like-for-like rental growth per square metre, LEG had forecast an increase from 3.4 % to 3.6 % for the 2025 financial year. The actual rental growth per square metre of 3.5 % (like-for-like) as of 31 December 2025 was within this expected range.

With regard to average investments (adjusted), LEG had initially planned more than EUR 35.00 per sqm for maintenance and modernisation for the 2025 financial year. The actual average investments in the reporting period amounted to EUR 36.11 per sqm and thus corresponded to the expected value. To calculate average investments per square metre (adjusted), consolidation effects, new construction activities on own land, capitalised own work, and subsidies recognised in profit or loss are eliminated.

In addition, the environmental target of saving 6,000 tonnes of CO₂ was set for the 2025 financial year. This was exceeded with savings of 6,319 tonnes of CO₂.

Outlook 2026

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

LEG expects that there will continue to be excess demand on the housing market, particularly in the affordable segment managed by LEG. For the German housing market as a whole, the target of 320,000 newly built apartments per year as calculated by the German Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR) will not be achieved in the future either. The ifo Institute expects only 185,000 apartments to be completed in 2026, with 195,000 new units forecast for 2027.

For 2026, the Deutsche Bundesbank expects the economy to gradually recover on the back of government spending and a recovery in exports, resulting in GDP growth of 0.9 %. On average, gross wages and salaries are set to increase by 4.0 % and collectively agreed wages by 3.0 %. This should be supported by various government measures, such as the increase in housing benefit that has been available since January 2025.

In the first half of 2025, the European Central Bank lowered the deposit facility, which is the key interest rate, from 3.00 % to 2.00 % in four steps of 25 basis points each. Based on the higher interest rate level as a result of the interest rate hikes in the past and the refinancing concluded, LEG expects cash interest expenses to increase as of 31 December 2026 compared to the previous year's figure.

The economic viability of the energy-efficient modernisation of existing buildings is influenced by legal and regulatory frameworks. The subsidies regulated by the Federal Subsidy for Efficient Buildings (BEG) are primarily relevant for LEG. When replacing heating systems, the basic subsidy is 30 % plus an optional additional subsidy of 5 % (efficiency bonus). A basic subsidy of 15 % is available for further energy-efficient modernisation measures, with an additional 5 % possible if an individual refurbishment plan is provided. Eligible expenditure is capped for all programmes.

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

Based on this, and subject to the further development of inflation, interest rates, and rent regulation, LEG issued the following forecast for the 2026 financial year in November 2025, which it confirmed in the preparation of the consolidated financial statements and management report for the 2025 financial year.

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

AFFO

LEG expects AFFO in the range of EUR 220 million to EUR 240 million in the 2026 financial year.

Adjusted EBITDA margin

For the 2026 financial year, LEG expects to achieve an adjusted EBITDA margin of approximately 78 %.

LTV

LEG expects the LTV to decrease to around 45 % in the course of the 2026 financial year.

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

LEG also forecasts the development of other relevant key figures. Due to its importance for the capital market, FFO I has been included in the forecast for the 2026 financial year.

FFO I

LEG expects FFO I in the range of EUR 475 million to EUR 495 million in the 2026 financial year.

Like-for-like rental growth

LEG is forecasting like-for-like rental growth of between 3.8 % and 4.0 % for the 2026 financial year.

Average investments (adjusted)

LEG makes investments in ensuring the quality and enhancing the value of its portfolio and in energy-efficient modernisation. In the 2026 financial year, more than EUR 35.00 per square metre is expected to be invested in maintenance and modernisation.

Environmental target

LEG plans to save 7,600 tonnes of CO₂ in the 2026 financial year.

Remuneration Report

The remuneration report is prepared jointly by the Management Board and the Supervisory Board in accordance with section 162(1) sentence 1 of the German Stock Corporation Act (AktG). The 2025 remuneration report explains the structure and amount of remuneration paid to the Management Board and the Supervisory Board.

The 2025 remuneration report and the report on the formal audit of the remuneration report by Deloitte GmbH Wirtschaftsprüfungsgesellschaft can be found on LEG Immobilien SE's website.

The Annual General Meeting of LEG Immobilien SE on 28 May 2025 approved the remuneration report for the 2024 financial year with 87.34 % of the valid votes cast. The Annual General Meeting also approved the adjustment of the remuneration system for the members of the Management Board of LEG Immobilien SE (hereinafter referred to as the "remuneration system") with 69.32 % of the valid votes cast. The adjusted remuneration system applies to the Management Board from the 2025 financial year.

Remuneration system for the 2025 financial year

The remuneration system is designed to support LEG's business model. The Management Board and the Supervisory Board agree that the proven business strategy of recent years and the cash flow-oriented management approach, based on the performance criteria adjusted EBITDA margin and adjusted funds from operations (AFFO) per share, should be continued unchanged.

In times of uncertain interest rate developments and volatile capital markets, the Management Board and Supervisory Board are maintaining AFFO as a key management and remuneration criterion. The Management Board and Supervisory Board firmly believe that consistently cash flow-oriented management remains the right approach for a property group. Therefore, AFFO – and hence AFFO per share – remains the key performance indicator for the management of LEG Immobilien SE as well as a key financial performance criterion in the short-term incentive ("STI") for the performance assessment and remuneration level of the members of the Management Board.

There are no plans to adjust the remuneration system as it currently stands.

Accordingly, the business plan approved for 2026, the forecast for 2026 published on 12 November 2025 and the determination of the target values for the STI and LTI performance criteria in 2026 are also based on this business strategy and corporate management.

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

The Management Board and Supervisory Board are aware that the business plan for 2026 and the following years sets ambitious targets and can be influenced by significant external risks, which are described in the opportunity and risk report. In this context, the Supervisory Board set the target values for the financial and non-financial performance criteria of the STI and LTI on 7 November 2025 following the recommendation of the Remuneration Committee. The Supervisory Board considers the targets to be consistently challenging.

The LTI continues to focus on the interests of the company as a whole, particularly its shareholders and other stakeholders.

LEG Immobilien SE continued its sustainability strategy 2030, which it published in the 2025 financial year. The focus of the updated sustainability strategy is on the "Environmental" dimension. In addition to CO₂ reduction in existing buildings, the focus is on the financial viability of CO₂ reduction measures. Due to the strategic focus on the "Environmental" dimension, the Supervisory Board has only set targets from this dimension in both the STI and the LTI as regards the ESG targets, each of which is weighted at 20 %. Nevertheless, the provision of affordable housing and the fulfilment of LEG Immobilien SE's high governance standards continue to shape the company's daily operations.

Updated remuneration system as of the 2025 financial year

The remuneration system approved by the Annual General Meeting on 28 May 2025 reflects the results of the adequacy review. The system and the customary and appropriate level of Management Board remuneration must be regularly reviewed by the Remuneration Committee. If necessary, the Remuneration Committee proposes adjustments to the Supervisory Board to ensure that the members of the Management Board receive a competitive remuneration package that is in line with the market within the applicable framework.

The Remuneration Committee of LEG Immobilien SE reviewed the remuneration system again in the 2024 financial year with the help of an external remuneration consultant. The review has shown that the remuneration system is appropriate with regard to capital market expectations and governance requirements. According to the consultant, the structure of the target total direct remuneration is almost identical to the structure predominantly found in the MDAX. The system underpinning the STI is transparent and comprehensible. The selection and weighting of the financial performance criteria of the STI correspond to the strategic objectives of LEG Immobilien SE and are in line with market practice. The functionality of the LTI is also transparent and comprehensible. The consultant further stated that the selection of financial performance criteria for the LTI also aligns with the strategic goals of LEG Immobilien SE and is in line with market standards. The integration of ESG targets with specific operationalisation in both the STI and the LTI as a non-financial performance criterion aligns with market practice and the requirements of the capital market.

In order to align the conduct of the Management Board even more closely with the interests of the company as a whole, particularly the interests of its shareholders and other stakeholders, and to optimally align the conduct of the Management Board with the strategic positioning of the company, the Supervisory Board adjusted the remuneration system and submitted the changes it resolved to the 2025 Annual General Meeting for approval.

Specifically, the following adjustments to the remuneration system were made and approved:

- Cancellation of the criteria-based adjustment factor in the STI while retaining the discretionary elements in the malus and clawback provisions,
- Recalibration of the financial performance criteria in the STI,
- Focus on ESG targets from the “Environmental” category in the non-financial performance criteria in the STI and LTI, and
- Increase in maximum remuneration (CEO/COO as of 2026 and CFO as of 1 April 2025).

With these adjustments, the Supervisory Board also aimed to reduce complexity and administrative expenses as well as improve the transparency of the remuneration system.

The Management Board and Supervisory Board of LEG Immobilien SE are committed to the principle of transparency and good governance. Accordingly, the remuneration report for the 2025 financial year includes additional fundamental details on the financial performance criteria for the STI (adjusted EBITDA margin and AFFO per share), their ranges, further explanations on how their target achievement is determined, as well as information on the remuneration levels of the Management Board members in comparison to the industry.

In connection with the cash flow-oriented management of the business strategy of LEG Immobilien SE, the Supervisory Board continues to deem it appropriate to base the financial performance criteria of the STI, which make up 80 % of the weighting of the STI target amount agreed in each Management Board contract, on the adjusted EBITDA margin (40 %) and AFFO per share (40 %).

- **Adjusted EBITDA margin performance criterion:**

The adjusted EBITDA margin (adjusted EBITDA in relation to net cold rent) provides insight into profitability and makes companies internationally comparable, particularly by adjusting for tax and financing conditions. In the case of the EBITDA margin, EBITDA is adjusted for the net result from the remeasurement of investment properties, net income from disposals, special items of a non-recurring nature and other extraordinary non-recurring expenses and income. Cash flow-optimised Group management also requires the separation of operational cash generation from capital expenditure. Maintenance expenses for purchased services, subsidies recognised in profit or loss, and own work capitalised are therefore recognised as an adjustment to adjusted EBITDA.

- **AFFO per share performance criterion:**

As part of the realignment of corporate steering system in the business year 2023, AFFO (capex-adjusted FFO I) has been defined as a financial key performance indicator for the Group management of LEG Immobilien SE. Starting from FFO I (after non-controlling interests), AFFO takes recurring capex into account. Recurring capex measures are defined as capitalised costs from modernisation and maintenance measures as well as new construction activities on own land. In calculating the production costs from modernisation and maintenance measures, consolidation effects resulting from self-performed services, which arise from the elimination of intercompany profits, are eliminated. In order to emphasise shareholder value more strongly, the focus is placed on AFFO generation per share. Starting from the 2025 financial year, investment income from green ventures from the respective financial year is recognised in the reconciliation from EBITDA (adjusted) to FFO I (before non-controlling interests). The green ventures comprise the companies Renowate GmbH, dekarbo GmbH and termios GmbH (formerly: Efficient Residential Heating GmbH).

It is important to note that the “AFFO target per share” financial performance criterion in the STI is derived from the AFFO range in EUR million as communicated externally in the guidance for 2025. The investment volume, for which there is also a published target, has an impact on the AFFO and thus on the achievement of targets. However, the investment volume is not directly part of a remuneration component.

The Remuneration Committee reviewed and prepared the remuneration system applicable from the 2025 financial year on the basis of the 2024 remuneration system with the help of an external remuneration consultant. The market conformity of the update of the 2024 remuneration system was a prerequisite for its implementation and was confirmed by the external remuneration consultant. A key finding of the review is that the financial performance criteria in the STI and the LTI continue to be suitable for measuring the performance of the Management Board with regard to the underlying business strategy. The corporate governance roadshow held in December 2025 confirmed, in the view of the Management Board and Supervisory Board, that investors continue to support the approach of focusing LEG Immobilien SE’s business strategy on cash flow.

Management Board members in the 2025 financial year

At the start of the 2025 financial year, the members of the Management Board were:

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

Secondary employment of Management Board members

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

If Management Board members receive separate remuneration for taking on secondary activities outside the LEG Group, the Supervisory Board decides on a case-by-case basis, at its discretion and in accordance with the recommendation G.16 of the GCGC, whether the Management Board member may retain this remuneration or whether it will be credited against their remuneration claims against LEG Immobilien SE. The only non-Group Supervisory Board mandate currently held is that of Dr Kathrin Köhling on the Supervisory Board of Deutsche Beteiligungs AG, Frankfurt. The Supervisory Board has decided that the remuneration Dr Kathrin Köhling receives for this role will not be credited against her remuneration as a Management Board member of LEG Immobilien SE.

In the Supervisory Board's view, it is in the interest of LEG Immobilien SE that its Management Board members gain insights through certain external supervisory board mandates, which they can also apply in their roles on the Management Board.

Content of the remuneration system from the 2025 financial year ("updated remuneration system" from the 2024 financial year)

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

- Optimising and digitalising the core business
- Expanding the value chain and
- Strengthening the portfolio.

The remuneration of the Management Board members is aligned with these fundamental elements of the business model of LEG Immobilien SE and is intended to further strengthen them. Hence, the remuneration system reflects two of the material financial key performance indicators for Group management as financial performance criteria.

Accordingly, the STI and LTI incentive systems are harmonised both to ensure internal performance and to incorporate external effects in the LTI via the share price performance and the relative total shareholder return (TSR).

Overview of the remuneration system from the 2025 financial year

Basic remuneration	Fixed contractually agreed remuneration paid out in twelve equal monthly instalments	
One-year variable remuneration "STI"	Plan type	Target bonus model
	Success targets	40 %: adjusted EBITDA margin, 40 %: adjusted funds from operations (AFFO) per share, 20 %: ESG target (limited to the "Environmental" dimension)
	Cap	200 % of the target amount
Multi-year variable remuneration "Virtual performance share plan" "LTI"	Plan type	Performance share plan
	Success targets	80 %: relative total shareholder return compared to the relevant index (EPRA NAREIT Germany), 20 %: ESG target (limited to the "Environmental" dimension)
	Cap	250 % of the target amount
	Performance period	4 years; after 4 years: obligation to purchase shares in LEG Immobilien SE in the amount of 25 % of the payout
Occupational pension scheme	Receipt of a fixed amount, specified in the respective employment contract, into a reinsured support fund	
Additional benefits	Primarily a company car for business and private use; the services of a driver can be used for business trips; various insurance elements	
Maximum remuneration	CEO: EUR 4,800,000 (from 1 January 2026: EUR 7,200,000) Ordinary Management Board members: EUR 3,100,000 (from 1 January 2026: EUR 4,500,000; for the CFO in the 2025 financial year: EUR 4,150,000)	
Shareholding obligation	Obligation to purchase LEG shares equivalent to a gross basic salary within four years; obligation to hold the acquired shares in LEG Immobilien SE for the duration of the Management Board activity	

For the 2025 financial year, the maximum remuneration is EUR 4,800,000 for the CEO and generally EUR 3,100,000 for an ordinary Management Board member. Deviating from this, the maximum remuneration for the CFO in the 2025 financial year is EUR 4,150,000. From the 2026 financial year onwards, the maximum remuneration will be EUR 7,200,000 for the CEO and EUR 4,500,000 for an ordinary Management Board member.

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

The review of the market conformity of the 2025 remuneration system was a prerequisite for the update and was confirmed by the external remuneration consultant.

The remuneration system fulfils the requirements of the shareholders. The structure of the target total direct remuneration corresponds to the structure of comparable Management Board remuneration in the MDAX according to the consultant.

The functionality of the composition and weighting of the STI and LTI performance criteria is transparent, comprehensible and in line with standard market practice. The performance criteria also reflect LEG Immobilien SE's strategic objectives. The integration of ESG targets in the STI and LTI with specific operationalisation is in line with market practice and the requirements of the capital market.

Strategic orientation

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

Target amounts for the 2025 financial year

The contractual target amounts for each remuneration component for the 2025 financial year at 100 % target achievement are shown in the following overview:

Remuneration components in EUR	Lars von Lackum CEO	Dr Kathrin Köhling ¹ CFO	Dr Volker Wiegel COO
Basic remuneration	1,045,000	573,750	605,000
One-year variable remuneration (STI)	705,000	422,000	444,000
Cash remuneration	1,750,000	995,750	1,049,000
Multi-year variable remuneration (LTI)	1,000,000	617,500	650,000
Total direct remuneration	2,750,000	1,613,250	1,699,000
Occupational pension contribution	109,000	59,000	59,000
Additional benefits	30,000	27,000	41,000
Total remuneration	2,889,000	1,699,250	1,799,000
Maximum remuneration	4,800,000	4,150,000	3,100,000

¹ Pro rata increase from 1 April 2025 with regard to basic remuneration, STI, LTI, occupational pension contribution and maximum remuneration.

The target amounts to which the respective Management Board member is entitled in the event of 100 % target achievement of the ST and the LTI are set out in the respective Management Board employment contracts.

Appropriateness of the remuneration level

The Supervisory Board had the appropriateness of the remuneration level verified by an external consultant back in the 2024 financial year. In accordance with recommendation G.3 of the German Corporate Governance Code (GCGC), the Supervisory Board used appropriate comparison groups from other companies to assess the appropriateness of the total direct remuneration for the Management Board members. This took into account the basic remuneration as well as the short- and long-term variable remuneration components.

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

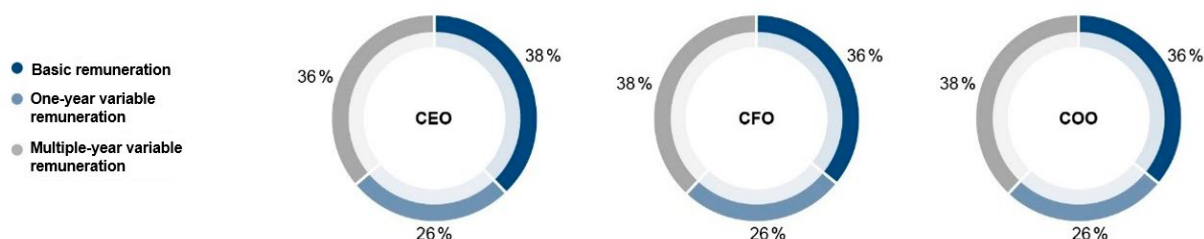
The positioning in the peer groups is based on the equally weighted key figures of revenue, number of employees and market capitalisation. The total direct remuneration of the CEO and the ordinary members of the Management Board was within the respective market range in both peer groups in 2025 and remained so even after the remuneration levels for the CEO and the COO were adjusted as of 1 January 2026.

In 2025, the total direct remuneration of the CEO, the CFO and the COO of LEG Immobilien SE was also within the market range for the peer groups.

The higher proportion of the LTI as a long-term variable remuneration component compared to the STI as a short-term variable remuneration component is in line with the requirements of stock corporation law for a predominantly long-term basis of assessment of variable remuneration components and the corresponding recommendation of the German Corporate Governance Code. The remuneration structure for the members of the Management Board of LEG Immobilien SE is in line with the market, both in the MDAX and in comparison with selected real estate companies.

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

Structure of total direct remuneration 2025



Fixed remuneration components of the updated remuneration system 2025

Basic remuneration

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

in EUR	Salary 2025	Salary 2024	Change in %
Lars von Lackum	1,045,000.00	1,045,000.00	0.00
Dr Kathrin Köhling ¹	573,750.00	480,000.00	19.53
Dr Volker Wiegel	605,000.00	605,000.00	0.00

¹ With regard to the percentage change in Dr Kathrin Köhling's basic remuneration, it should be noted that the increase in the basic remuneration for Dr Köhling for the 2025 financial year only applies on a pro rata basis for the period from the extension of her Management Board contract on 1 April 2025 until the end of the financial year.

Dr Kathrin Köhling's Management Board employment contract was extended by five years with effect from 1 April 2025 and the remuneration amounts were adjusted accordingly. The basic remuneration for the 2025 financial year shown in the table takes this into account on a pro rata basis.

Additional benefits

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

Health and long-term care insurance	Subsidies amounting to 50 % of the contributions to the private health and long-term care insurance of the members of the Management Board, but not exceeding the amount that would arise if the members of the Management Board had statutory health insurance.
Legal principles	Insofar as the members of the Management Board are voluntarily insured in the statutory pension insurance or are instead insured in a private pension insurance and prove the existence of such insurance and the payment of the contributions, the members of the Management Board receive 50 % of the contributions to the statutory pension insurance or to the private pension insurance, but no more than 50 % of the maximum contributions to the statutory pension insurance. This regulation also applies to employee-financed pension commitments for which LEG Immobilien SE is the contractual partner. These pension commitments are capped at an annual payment of EUR 20,000 for the Chairman of the Management Board and EUR 15,000 for the other members of the Management Board.
Company car	The Management Board members are provided with a reasonable company car for both business and private use. All costs related to the maintenance and use of the company car are borne by LEG Immobilien SE. In addition, members of the Management Board can use the services of a driver for official journeys. The benefits granted to the Management Board members through the provision of a company car are limited to a value of EUR 80,000 for the CEO and COO and EUR 65,000 for the CFO, corresponding to the monetary benefit resulting from private use. The income tax on these benefits is paid by the respective member of the Management Board. Members of the Management Board are also reimbursed for travel expenses and other expenses.
D&O insurance	D&O insurance has also been taken out for the members of the Management Board. The D&O insurance policies each include a statutory deductible of 10 % of the loss, limited to 1.5 times the fixed annual remuneration per calendar year.

Pension entitlement

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

The occupational pension scheme for the Management Board members in the 2025 financial year is presented in the following table.

Occupational pension scheme in 2025

in EUR	Occupational pension scheme through a pension fund with a fixed annual contribution		
	Amount per year	Amount of lump-sum payment	Year of lump-sum payment
Lars von Lackum	100,000	2,325,000	2042
Dr Kathrin Köhling	50,000	1,316,707	2050
Dr Volker Wiegel	50,000	1,141,667	2043

in EUR	Occupational pension scheme through a pension fund, pension scheme or Deutsche Rentenversicherung		
	Amount per year	Amount of lump-sum payment	Year of lump-sum payment
Lars von Lackum	8,984	202,568	2042
Dr Kathrin Köhling ¹	8,984	0 ³	0 ³
Dr Volker Wiegel ²	8,984	0 ³	0 ³

¹ The occupational pension benefits for Dr Kathrin Köhling are provided by Deutsche Rentenversicherung.

² The occupational pension benefits for Dr Volker Wiegel are provided by Versorgungswerk der Rechtsanwälte.

³ A monthly payment is made when the pension commences. A lump-sum payment is not provided for.

Payments and commitments to Management Board members who stepped down in the 2023 financial year

Susanne Schröter-Crossan stepped down from the Management Board of LEG Immobilien SE with effect from 31 March 2023. The company and Susanne Schröter-Crossan had agreed that her Management Board contract would continue until its regular end date on 30 June 2023. The remaining entitlements under the ongoing LTI for 2022 and the pro rata LTI for 2023 are calculated on this basis. The entitlements under the 2021 LTI were fulfilled in the 2025 financial year. The stock purchase obligations under the 2022 and 2023 LTIs do not apply as per the agreement.

The 2022 LTI is granted in accordance with the previously applicable terms of the respective Management Board contract in line with the 2022 LTI plan. The applicable target values previously set will continue to apply. No early payout is provided for. For the 2023 financial year, the LTI is granted in accordance with the previously applicable terms of the 2022 Management Board contract in line with the 2022 LTI plan. In accordance with the 2022 LTI plan, the LTI for the 2023 financial year is granted on a pro rata basis only for the period up until the termination of their role with LEG Immobilien SE on 30 June 2023. The target amount of the 2023 LTI was reduced accordingly to EUR 325,000.

Variable remuneration components of the remuneration system from the 2025 financial year

Variable remuneration components for the 2025 financial year

On 15 December 2024, the Supervisory Board set the target values for the performance criteria of the STI for the 2025 financial year and the target values for the performance criteria of the LTI with the performance period 2025 to 2028 on the basis of the updated remuneration system that was approved by the Annual General Meeting on 28 May 2025.

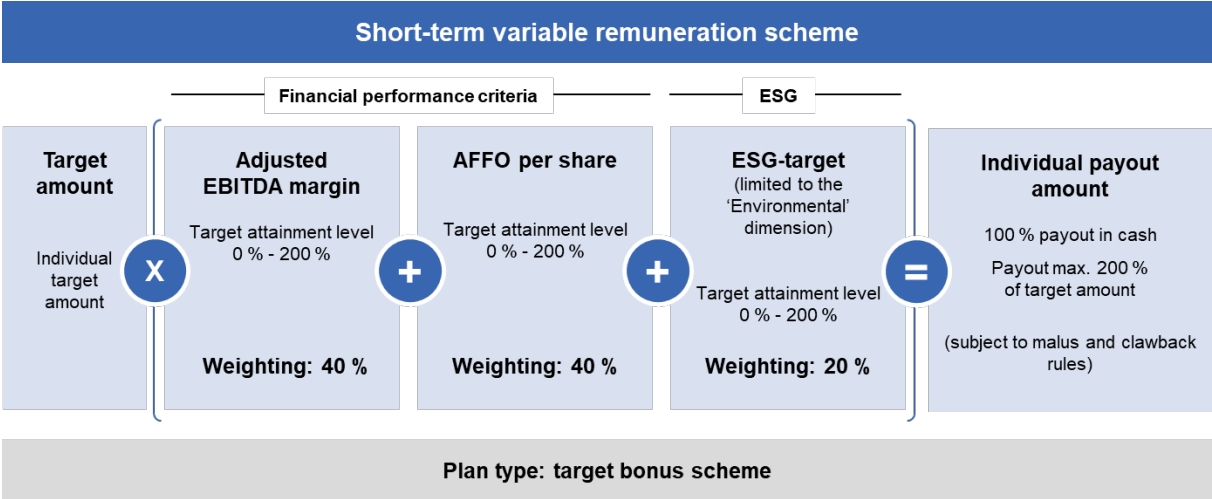
Short-term variable remuneration component (STI)

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

Financial and non-financial performance criteria STI 2025

	Weighting
Adjusted EBITDA margin	40 %
AFFO per share	40 %
Environment target as ESG target	20 %

The target values for the adjusted EBITDA margin and AFFO per share, as determined by the Supervisory Board, are derived from the business plan approved by the Supervisory Board for the respective financial year. The two financial performance criteria are each weighted at 40 %. The ESG target is weighted at 20 %. The target achievement for the performance criteria is capped at 200 % in each case.



Possible total amount of STI 2025

in EUR	STI 2025 (target achievement 100 %)	STI 2025 (max. target achievement 200 %)
Lars von Lackum	705,000	1,410,000
Dr Kathrin Köhling ¹	422,000	844,000
Dr Volker Wiegel	444,000	888,000

¹ With regard to the total amount of the 2025 STI for Dr Kathrin Köhling, it should be noted that the increase in the STI target amount for Dr Kathrin Köhling for the 2025 financial year only applies on a pro rata basis for the period from the extension of her Management Board contract on 1 April 2025 until the end of the financial year.

STI 2025 financial performance criteria

The targets set by the Supervisory Board are derived from the business plan, which the Management Board adopts before the start of the financial year and which the Supervisory Board decides whether to approve. In accordance with the regulations defined in the Management Board employment contracts, the defined target values are to be reviewed and, if necessary, adjusted with regard to the effects of acquisitions and disposals not included in the business plan and changes to the scope of consolidation. Adjustments during the year based on forecasts are not generally taken into account. According to these standards, no adjustments to the target values of the adjusted EBITDA margin and AFFO per share financial performance criteria were required in the 2025 financial year. In a resolution dated 5 November 2024, the Supervisory Board set the following minimum, target and maximum values for the financial performance criteria for the 2025 STI based on the 2025 business plan:

in EUR million	100 % target value	Ranges
Adjusted EBITDA margin	76.1 %	0 % minimum value: ≤ 72.6 % 100 % target value: 76.1 % 200 % maximum value: ≥ 81.1 %
AFFO per share^{1,2}	EUR 2.85	0 % minimum value: EUR ≤ 2.42 100 % target value: EUR 2.85 200 % maximum value: EUR ≥ 3.42

¹ An investment volume of EUR >35 per square metre was taken into account when determining the target AFFO per share. The investment target was documented in the economic planning and published together with the guidance.

² The underlying number of shares relates to the reporting date 31 December 2025.

The business plan for the 2025 financial year is reflected in the external guidance for the 2025 financial year.

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

Recalibration of the financial performance criteria for the STI from the 2025 financial year

When determining the minimum, target and maximum values for the financial performance criteria for the 2025 STI, the Supervisory Board changed the ranges between the minimum, target and maximum values compared to the 2024 financial year.

Adjusted EBITDA margin and target achievement

New range	Previous range
+ 5.0 % pt / - 3.5 % pt	+/- 5.0 % pt

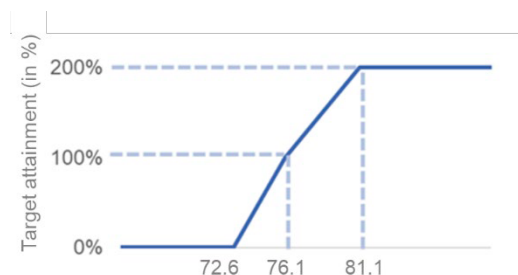
If the adjusted EBITDA margin target value is reached, the target achievement level is 100 %. If the target value is exceeded by 5 percentage points, the maximum value of 200 % target achievement is reached. If the actual result falls below the target value by 3.5 percentage points, the target achievement corresponds to the minimum value of 0 %. Target achievements between the defined minimum, target, and maximum values (0 %; 100 %; 200 %) are interpolated on a straight-line basis.

AFFO per share and target achievement

New range	Previous range
+ 20.0 % / -15.0 %	+/- 20.0 %

If the target value of the AFFO per share performance criterion is achieved, the target achievement is 100 %. If the target value is exceeded by 20 %, the maximum value of 200 % target achievement is reached. If the actual result falls below the target value by 15 %, the target achievement corresponds to the minimum value of 0 %. Target achievements between the defined minimum, target, and maximum values (0 %; 100 %; 200 %) are interpolated on a straight-line basis.

Range of adjusted EBITDA margin



Range of AFFO per share



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

Achievement of the financial performance criteria

Target achievement adjusted EBITDA margin STI 2025

	100 % target value	Actual value achieved	Target achievement on the basis of contractually agreed weighting
STI 2025 – Adjusted EBITDA margin	76.1 %	78.1 %	56.0 %

The adjusted EBITDA margin financial performance criterion is therefore achieved at **140.0 %**.

STI 2025 payout amount attributable to the adjusted EBITDA margin

This results in the following payout amounts for the adjusted EBITDA margin performance criterion:

in EUR	Lars von Lackum CEO	Dr Kathrin Köhling CFO	Dr Volker Wiegel COO
STI 2025 – Adjusted EBITDA margin	394,800.00	236,320.00	248,640.00

Target achievement AFFO per share STI 2025

	100 % target value	Actual value 2025	Target achievement on the basis of contractually agreed weighting
STI 2025 – AFFO per share	EUR 2.85	EUR 2.92	44.91 %

The financial performance criterion AFFO per share was met at **112.28 %**. For information purposes, it is noted that the investment target of >EUR 35 per square metre was also achieved at EUR 36.11 per square metre.

Payout amount attributable to AFFO per share for STI 2025

This results in the following payout amounts:

in EUR	Lars von Lackum CEO	Dr Kathrin Köhling CFO	Dr Volker Wiegel COO
STI 2025 – AFFO per share	316,629.60	189,528.64	199,409.28

Non-financial performance criterion of STI 2025

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

Definition of the environmental target for STI 2025

For the 2025 financial year, the Supervisory Board has defined the environmental target "Reduction of 6,000 tonnes CO₂" as the sole ESG target. It has set the following minimum, target and maximum values for the ESG target:

	Ranges
Reduction of 6,000 tonnes CO₂	0 % minimum value: Reduction of 5,400 tonnes CO ₂ 100 % target value: Reduction of 6,000 tonnes CO ₂ 200 % maximum value: Reduction of 6,600 tonnes CO ₂

To achieve 100 % of the environmental target, a saving of 6,000 tonnes of CO₂ is required in 2025. All CO₂ reduction measures from the three clusters of measures in the sustainability strategy, namely "emission-efficient heat supply", "reduced energy requirements" and "energy-efficient modernisation", are taken into account. These three clusters are monitored on a quarterly basis by means of CO₂ reporting.

Target achievement of ESG target for STI 2025

	Target value	Actual value	Target achievement	Target achievement on the basis of contractually agreed weighting
Environmental	6,000 t CO ₂ -savings	6,319 t CO ₂ -savings	153.17 %	30.63 %

The target achievement of the ESG goal in the 2025 financial year is **153.17 %**.

Payout amount attributable to ESG target for STI 2025

This results in the following payout amounts:

in EUR	Lars von Lackum CEO	Dr Kathrin Köhling CFO	Dr Volker Wiegel COO
STI 2025 – ESG target	215,969.70	129,275.48	136,014.96

Target achievement for STI 2025

This means that the overall STI target achievement is **131.55 %**.

Payout amounts for STI 2025

in EUR	Lars von Lackum CEO	Dr Kathrin Köhling CFO	Dr Volker Wiegel COO
STI 2025 – Adjusted EBITDA margin	394,800.00	236,320.00	248,640.00
STI 2025 – AFFO per share	316,629.60	189,528.64	199,409.28
STI 2025 – ESG target	215,969.70	129,275.48	136,014.96
STI 2025 total	927,399.30	555,124.12	584,064.24

The payout amounts under the 2025 STI are capped at EUR 1,410,000 for Lars von Lackum, EUR 844,000 for Dr Kathrin Köhling, and EUR 888,000 for Dr Volker Wiegel.

The STI payable based on the above determination will be settled and paid to the respective Management Board member no later than 30 days after the approval of the consolidated financial statements of LEG Immobilien SE for the 2025 financial year.

Long-term variable remuneration component (LTI)

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

LTI plan conditions from 2022 (LTI 2022 / LTI 2023 / LTI 2024 / LTI 2025)

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

The Supervisory Board took several factors into account when deciding on the use of virtual performance shares for the LTI allocation. The main advantages of virtual shares are that they do not dilute the ownership structure and are best suited to the interests of the company and its shareholders.

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



The LTI plan conditions applicable since the 2022 financial year remain unchanged for LTIs with performance periods from 2025 to 2028 or earlier up to and including the LTI with the performance period from 2022 to 2025. With regard to non-financial performance criteria for LTIs with the performance period from 2025 to 2028 and later, the Supervisory Board has set an environmental target as the sole ESG target.

Possible total amount of LTI 2025

The payout amount of the 2025 LTI, determined after the end of the performance period from 2025 to 2028, is capped at EUR 2,500,000 for Lars von Lackum, EUR 1,543,750 for Dr Kathrin Köhling (calculated on a pro rata basis due to the amended Management Board contract from 1 April 2025), and EUR 1,625,000 for Dr Volker Wiegel.

in EUR	LTI 2025 (target achievement 100 %)	LTI 2025 (max. target achievement 250 %)
Lars von Lackum	1,000,000	2,500,000
Dr Kathrin Köhling ¹	617,500	1,543,750
Dr Volker Wiegel	650,000	1,625,000

¹ With regard to the total amount of the 2025 LTI for Dr Kathrin Köhling, it should be noted that the increase in the LTI for Dr Kathrin Köhling for the 2025 LTI only applies on a pro rata basis for the period from the extension of her Management Board employment contract on 1 April 2025.

If a payout amount for the 2025 LTI arises, it will be settled and paid to the Management Board member no later than 30 days after the approval of LEG Immobilien SE's consolidated financial statements for the final year of the performance period. The Management Board members are required to invest 25 % of the payout amount in shares issued by LEG Immobilien SE and hold them for the duration of their term of office. The Management Board is obliged to provide evidence of the purchase of shares and the holding of the corresponding number of shares in a suitable form within six weeks of the end of each calendar year.

Financial and non-financial performance criteria

The determination of the 2022, 2023, 2024 and 2025 LTIs is based on the following financial and non-financial performance criteria:

	<u>Weighting</u>
Development of relative total shareholder return compared to the relevant property index (EPRA NAREIT Germany)	80 %
Environmental target as ESG target	20 %

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

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

Relative total shareholder return (TSR)

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

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

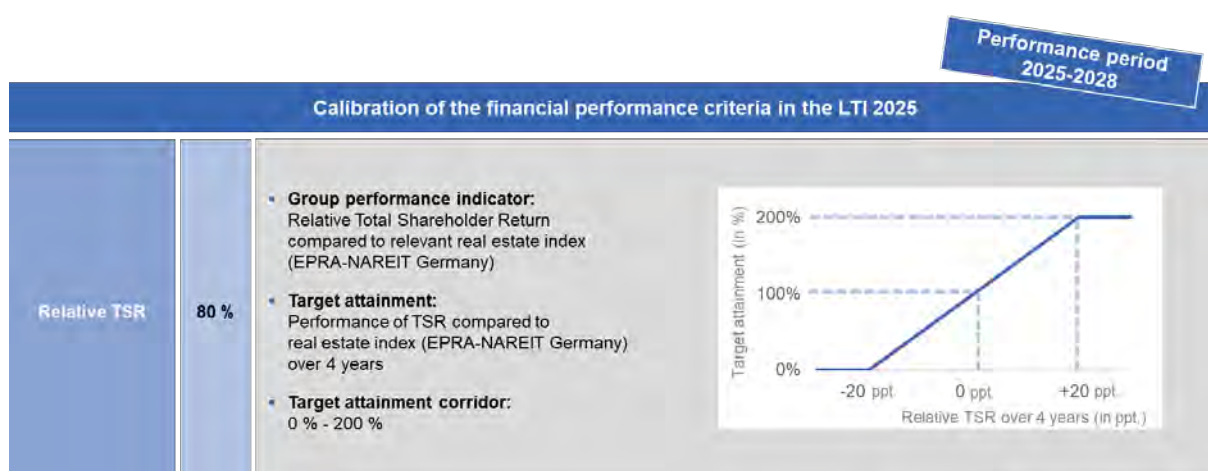
The target achievement of the relative TSR is 100 % if the relative TSR is 0 percentage points, meaning that the share price performance, including the hypothetically reinvested gross dividend of LEG Immobilien SE, matches the performance of the EPRA NAREIT Germany Index.

If relative TSR is 20 percentage points or more below TSR in the benchmark index, target achievement is 0 %. Target achievement is 200 % if relative TSR is 20 percentage points or more above the benchmark index's TSR.

Relative TSR higher than this does not further increase target achievement. Target achievements between the defined minimum, target, and maximum values are interpolated on a straight-line basis.

The Supervisory Board has set the following minimum, target and maximum values for the relative TSR for the LTI with the performance period from 2025 to 2028:

	Target achievement level 0 %	Target achievement level 100 %	Target achievement level 200 %
	2028	2028	2028
Relative total shareholder return p.a. compared to EPRA NAREIT Germany	≤ -20 %	0 %	≥ 20 %



ESG targets

In the same way as for the STI, specific ESG targets are set for the respective LTI. Different ESG targets are used compared to the STI to avoid double incentivisation. The Supervisory Board determines the specific ESG targets for the respective LTI before the start of the corresponding performance period. The ESG targets are precisely defined and their clear measurability is ensured. For the LTIs with the performance period from 2025 to 2028 and later, the Supervisory Board has defined the environmental target “Profit and disposal results of green ventures from 2025 to 2028” as the only ESG target. In the period from 2025 to 2028, the target value cumulatively takes into account the respective pro rata annual investment income generated by the green ventures RENOWATE, dekarbo and termios. These companies are included in the consolidated financial statements of LEG Immobilien SE as associates (accounted for using the equity method) in accordance with IAS 28. If one of these companies is sold in whole or in part in the relevant period, the result of the sale, defined as the selling price less the carrying amount of the investment in the consolidated financial statements of LEG Immobilien SE at the time of the sale and less incidental costs (e.g. notary fees, etc.), is added to the investment income. If the pro rata result of the previous year, which has already been recognised in the previous year's result, is included in the sales price, the pro rata sales result must be adjusted for this result. If it becomes necessary to fully consolidate one of the companies during the performance period, the pro rata earnings from the unconsolidated company are added so that the company continues to be included in the calculation as if it were still accounted for using the equity method.

The Supervisory Board has set the following minimum, target and maximum values for the ESG target for the LTI with the performance period from 2025 to 2028:

	Environmental
Target	Investment income and disposal results of green ventures from 2025 to 2028
Target values	0 % minimum value: EUR 10,000,000 100 % target value: EUR 20,000,000 200 % maximum value: EUR 30,000,000

In the case of cumulative profits and/or disposal results of green ventures amounting to EUR 20 million in the period from 2025 to 2028, a target achievement of 100 % is reached. If the cumulative profits are less than or equal to EUR 10 million, the target achievement is 0 %. The maximum target achievement level of 200 % is achieved with cumulative profits and/or disposal results of more than or equal to EUR 30 million. Target achievements between the defined minimum, target, and maximum values (0 %; 100 %; 200 %) are interpolated on a straight-line basis.

Target achievement of the LTI

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

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

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

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

Possible total amount of LTI 2025

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

in EUR	LTI 2025 (target achievement 100 %)	LTI 2025 (max. target achievement 250 %)
Lars von Lackum	1,000,000	2,500,000
Dr Kathrin Köhling ¹	617,500	1,543,750
Dr Volker Wiegel	650,000	1,625,000

¹ With regard to the total amount of the 2025 STI for Dr Kathrin Köhling, it should be noted that the increase in the LTI for Dr Kathrin Köhling for the 2025 LTI only applies on a pro rata basis for the period from the extension of her Management Board employment contract on 1 April 2025.

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

LTI plan conditions for the 2022 LTI granted in the 2022 financial year

The 2022 LTI is structured as a virtual performance cash plan based on a four-year performance period. The 2022 LTI is calculated on the basis of the following financial and non-financial performance targets:

Performance criteria	Weighting
Development of relative total shareholder return (TSR) compared to the relevant EPRA NAREIT Germany index	80 %
Non-financial targets (ESG)	20 %

The amount paid for the 2022 LTI is capped at 250 % of the target amount.

Target amounts of LTI 2022 at 100 % target achievement

in EUR	Lars von Lackum CEO	Dr Volker Wiegel COO	Susanne Schröter-Crossan CFO
Development of relative total shareholder return (TSR) compared to the relevant EPRA NAREIT Germany index	800,000	520,000	520,000
Non-financial targets (ESG)	200,000	130,000	130,000
Target amounts LTI 2022	1,000,000	650,000	650,000

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

The members of the Management Board were allocated the following virtual shares in the 2022 financial year:

Number of shares	Lars von Lackum CEO	Dr Volker Wiegel COO	Susanne Schröter-Crossan CFO
Virtual shares allocated in LTI 2022	8,150	5,297	5,297

The allocation of virtual shares was calculated at fair value as of the reporting date 31 December 2021. The fair value is determined using recognised actuarial valuation models in accordance with the requirements of IFRS 2. The calculation was performed by Aon Solutions Germany GmbH and confirmed by an external appraiser.

The financial performance criterion for determining the 2022 LTI is the development of the relative total shareholder return (TSR) compared to the relevant property index (EPRA NAREIT Germany), while the ESG targets are the non-financial performance criterion.

LTI 2022 granted in the 2025 financial year

Target achievement of the “Development of relative total shareholder return (TSR) compared to the relevant EPRA NAREIT Germany index” performance criterion in the performance period from 2022 to 2025

The Supervisory Board defined the following target values for the 2022 LTI for the “Development of relative total shareholder return (TSR) compared to the relevant EPRA NAREIT Germany index” performance indicator:

Performance criterion	Ranges
Development of relative total shareholder return (TSR) compared to the relevant EPRA NAREIT Germany index	0 % minimum value: ≤ -20 % 100 % target value: 0.0 % 200 % maximum value: ≥ 20 %

For the “Development of relative total shareholder return (TSR) compared to the relevant EPRA NAREIT Germany index” performance criterion, the performance was 8.23 %. This corresponds to a target achievement level of 141.14 % and accounts for 80 % of the total target achievement.

ESG target achievement in the performance period from 2022 to 2025

The Supervisory Board has defined the following ESG targets for the 2022 LTI:

Environmental	Social
Target: 10 % reduction in the LEG Group's climate-adjusted CO ₂ emissions in kg/sqm based on the portfolio included in the Annual Report as of 31 December 2021 compared with the portfolio included in the Annual Report as of 31 December 2025	Target: Achievement of a Customer Satisfaction Index of 70 %
Target values ¹ : 0 % minimum value: ≤ 6 % 100 % target value: -10 % 200 % maximum value: ≥ -14 %	Target values ¹ : 0 % minimum value: ≤ 60 % 100 % target value: 70 % 200 % maximum value: ≥ 80 %

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

The following target values were achieved:

Criteria Non-financial (ESG)	Target	Target achievement
Environmental	10 % reduction in the LEG Group's climate-adjusted CO ₂ emissions in kg/sqm based on the portfolio included in the Annual Report as of 31 December 2021 compared with the portfolio included in the Annual Report as of 31 December 2025	200.0 % (CO ₂ reduction compared to base year 2021: 14.9 %)
Social	Achievement of a Customer Satisfaction Index of 70 %	170.0 % (CSI: 77.0 %)

The cumulative weighted target achievement level for the ESG targets amounts to **185.00 %** and accounts for 20 % of the total target achievement.

The cumulative weighted target achievement level for the 2022 LTI across all targets is **149.91 %**.

The payout amounts were determined on this basis.

	Lars von Lackum CEO	Dr Volker Wiegel COO	Susanne Schröter- Crossan CFO
Number of virtual shares allocated	8,150 shares	5,297 shares	5,297 shares
Target achievement level	149.91 %	149.91 %	149.91 %
Final number of virtual shares	12,218	7,941	7,941
Payout amount	EUR 881,407	EUR 572,864	EUR 572,864

The payout amount of the 2022 LTI, which is determined at the end of the performance period from 2022 to 2025, is limited to a maximum of 250 % of the contractually agreed target amount.

The Management Board member is required to invest 25 % of the 2022 LTI payout amount in shares issued by the company and hold them for the duration of their term of office.

The stock purchase obligation under the 2022 LTI does not apply to Ms Susanne Schröter-Crossan as per the agreement.

The calculation was performed by Aon Hewitt in the form of an actuarial report:

- Number of provisionally allocated virtual shares at the beginning of the performance period
- Development of relative total shareholder return (TSR) compared to the relevant EPRA NAREIT Germany index
- Payout amount of the LTI taking into account the achievement of the ESG target.

Dr Kathrin Köhling is not entitled to payment of a 2022 LTI as she was not appointed to the Management Board until 1 April 2023.

Development of the provision for current LTI programme

For the current LTI programmes 2022 to 2026, the necessary provisions were created or reversed based on actuarial reports from Aon Hewitt and recognised as personnel expenses in the amount of EUR -900,000. The utilisation of provisions relates to the 2021 LTI paid out in the 2025 financial year. The provision for the LTI programmes amounted to around EUR 8,600,000 as of 31 December 2025 (31 December 2024: around EUR 11,300,000).

Development of the provision

in EUR	Provision as of 31.12.2024	Addition to provision (+) / reversal of provision (-) in 2025	Utilisation of provision in 2025	Provision as of 31.12.2025
Lars von Lackum	4,907,971.85	-379,764.86	706,320.00	3,821,886.99
Dr Kathrin Köhling	1,241,873.88	71,373.30	0.00	1,313,247.18
Dr Volker Wiegel	3,254,994.75	-291,898.16	523,854.00	2,439,242.59
Susanne Schröter-Crossan	1,845,309.87	-340,860.19	523,854.00	980,595.68
Total	11,250,150.35	-941,149.91	1,754,028.00	8,554,972.44

Malus and clawback provisions for variable remuneration components

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

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

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

There was no malus or clawback in the 2025 financial year.

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

Independently of the obligation to purchase shares under the LTI regulations from 2022 onwards, each Management Board member has been required, since 1 January 2021, to acquire shares in LEG Immobilien SE amounting to 100 % of their gross annual basic remuneration within a four-year build-up phase and to hold them for the entire duration of their Management Board contract. During the build-up phase, each Management Board member is required to acquire shares in LEG Immobilien SE amounting to 25 % of their respective gross annual basic remuneration in each of the four build-up years. The number of LEG Immobilien SE shares to be acquired in each build-up year is determined by dividing the applicable gross annual remuneration at the beginning of each build-up year by the rounded whole number value derived from calculating the arithmetic mean of the closing prices of LEG Immobilien SE shares in Xetra trading on the Frankfurt Stock Exchange over the last 30 trading days before the first day of the respective build-up year. Shares already held by a member of the Management Board are taken into account.

Fulfilment of the SOG requirement

As of 31 December 2024, the Management Board members Lars von Lackum and Dr Volker Wiegel had achieved the SOG target for the financial years from 2021.

For Dr Kathrin Köhling, the obligation to acquire and hold shares began with the start of her Management Board contract on 1 April 2023. The four-year build-up phase for Dr Kathrin Köhling therefore began on 1 April 2023 and ends on 31 March 2027.

	Number of LEG Immobilien SE shares required to be held as of 31.12.2025 ¹	Number of LEG Immobilien SE shares held as of 31.12.2025
Lars von Lackum	14,078	18,000
Dr Kathrin Köhling	3,204	7,000
Dr Volker Wiegel	6,427	11,034

¹ or, in the case of Dr Kathrin Köhling, “Number of LEG Immobilien SE shares required to be held” as of 31 March 2026, amounting to 5,327 shares.

The following table shows the number of LEG Immobilien SE shares held by Dr Kathrin Köhling to fulfil the SOG requirement as of 31 December 2025.

	Actual number of shares as of 31.12.2024	Required Percentage of basic remuneration	Gross annual basic remuneration in EUR thousand	Evidenced 25 % of gross annual basic remuneration in EUR thousand
2024				
Dr Kathrin Köhling ¹	4,300	100 %	605	151

¹ Based on the average Xetra closing price on the last 30 trading days as of 31 March 2025, amounting to EUR 71.26.

	Number of shares to be purchased in 2025/2026	Amount in EUR thousand	Evidenced purchased shares in 2025	Actual number of shares as of 31.12.2025
Dr Kathrin Köhling ¹	2,123 ²	192	2,700	7,000

¹ Based on the average Xetra closing price on the last 30 trading days as of 31 March 2025, amounting to EUR 71.26.

² Number of shares to be purchased from 1 April 2025 to 31 March 2026.

Total remuneration of the members of the Management Board

The remuneration granted to the Management Board members for the 2025 and 2024 financial years as defined in section 162(1) sentence 1 AktG is shown in the following table. The table shows the remuneration components for the services rendered by the members of the Management Board in the respective reporting year or for remuneration whose assessment period ended in the reporting year (“remuneration paid”). There are no claims by members of the Management Board for remuneration that is legally due but has not yet been received by them (“remuneration owed”).

Remuneration and benefits paid

	Lars von Lackum CEO				Dr Kathrin Köhling CFO			
	2025		2024		2025		2024	
	EUR tsd.	in %	EUR tsd.	in %	EUR tsd.	in %	EUR tsd.	in %
Fixed remuneration	1,045	36	1,045	37	574	50	480	46
Additional benefits	19	1	18	1	18	2	17	2
Total fixed remuneration components	1,064	37	1,063	38	592	52	497	48
Total one-year variable remuneration (STI)	927	32	1,089	37	555	48	550	52
One-year variable remuneration (STI 2024)	-	-	1,089	37	-	-	550	52
One-year variable remuneration (STI 2025)	927	32	-	-	555	48	-	-
Total multi-year variable remuneration (LTI)	881	31	706	25	-	-	-	-
LTI 2021	-	-	706	25	-	-	-	-
LTI 2022	881	31	-	-	-	-	-	-
Total variable remuneration components	1,808	63	1,795	62	555	48	550	52
Total paid and payable remuneration pursuant to section 162(1) sentence 1 AktG	2,872	100	2,858	100	1,147	100	1,047	100
Pension costs	109	-	108	-	59	-	58	-
Total remuneration	2,981	-	2,966	-	1,206	-	1,105	-

Remuneration and benefits paid

	Dr Volker Wiegel COO				Susanne Schröter-Crossan ¹ Former CFO			
	2025		2024		2025		2024	
	EUR tsd.	in %	EUR tsd.	in %	EUR tsd.	in %	EUR tsd.	in %
Fixed remuneration	605	34	605	33	-	-	-	-
Additional benefits	40	2	38	2	-	-	-	-
Total fixed remuneration components	645	36	643	35	-	-	-	-
Total one-year variable remuneration (STI)	584	32	686	37	-	-	-	-
One-year variable remuneration (STI 2024)	-	-	686	37	-	-	-	-
One-year variable remuneration (STI 2025)	584	32	-	-	-	-	-	-
Total multi-year variable remuneration (LTI)	573	32	524	28	573	100	524	100
LTI 2021	-	-	524	28	-	-	524	100
LTI 2022	573	32	-	-	573	100	-	-
Total variable remuneration components	1,157	64	1,210	65	573	100	524	100
Total paid and payable remuneration pursuant to section 162(1) sentence 1 AktG	1,802	100	1,853	100	573	100	524	100
Pension costs	59	-	58	-	-	-	-	-
Total remuneration	1,861	-	1,911	-	573	-	524	-

The fixed remuneration components earned in the 2025 financial year, the 2025 STI and the 2022 LTI are classified as “remuneration paid” for the 2025 financial year regardless of the actual payout date, as the underlying performance in each case was completed by the balance sheet date of 31 December 2025.

In addition to the amount of remuneration, the relative share of all fixed and variable remuneration components in total remuneration must also be disclosed in accordance with section 162(1) sentence 2 no. 1 AktG. The stated relative share relates to the remuneration components granted in the 2024 and 2025 financial years in accordance with section 162(1) sentence 1 AktG. The relative share values stated in the remuneration system refer solely to target remuneration. Depending on the variable remuneration components, the actual relative shares may therefore differ significantly from the values of the relative shares given in the remuneration system. To ensure transparent reporting, pension costs for the company pension scheme are disclosed separately.

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

Maximum Management Board remuneration in the 2025 financial year

The maximum remuneration for the 2025 financial year – including basic remuneration, variable remuneration components, occupational pension provisions and additional benefits – is capped at EUR 4,800,000 for Lars von Lackum, EUR 4,150,000 for Dr Kathrin Köhling, and EUR 3,100,000 for Dr Volker Wiegel. If the maximum remuneration for a financial year is exceeded, the payout amount of the LTI for the respective financial year will be reduced accordingly. Compliance with the maximum remuneration for the 2025 financial year will be reported after all remuneration components for this financial year have been granted. The maximum remuneration of the Management Board members was benchmarked against the executive board remuneration in the MDAX and the peer group within the real estate industry. Compared to the MDAX and the peer group, it was within the normal market range.

Remuneration of former members of the Management Board

In the 2025 financial year, there were no remuneration obligations under section 162(1) AktG in respect of former Management Board members with the exception of Susanne Schröter-Crossan. As described, Susanne Schröter-Crossan still has entitlements under the current LTIs for 2022 and (on a pro rata basis) 2023.

Benefits in the event of early termination of employment

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

Severance pay

The Management Board contracts do not provide for any entitlement to severance payments in the event of early termination of their appointment; however, the Supervisory Board has the option to agree on such a payment.

In the event of the early termination of the activity of a member of the Management Board, the payments made to the respective member must not exceed the value of two years' remuneration (severance cap) or the value of the remuneration payable for the remaining term of this contract. The severance payment cap is calculated on the basis of the total remuneration for the past financial year and, if applicable, the expected total remuneration for the current financial year.

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

Change of control

In the event of a change of control of the company, the members of the Management Board have the right to resign from their position as a member of the Management Board for good cause within a period of three months from the change of control with a further three months' notice to the end of the month and to terminate the Management Board employment contract (special right of termination). The special right of termination is excluded if the position of the Management Board member does not change materially as a result of the change of control. Such a material change is to be assumed in particular if it is to be expected that the strategy of the company or the area of activity of the Management Board member will change materially as a result of the change of control or if the company enters into a control or profit and loss transfer agreement as a controlled company.

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

Death benefit

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

Remuneration of members of the Supervisory Board

Remuneration system for the Supervisory Board

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

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

The Supervisory Board has formed a total of five committees, four of which receive equal remuneration. In May 2024, the Annual General Meeting adopted the following system for Supervisory Board remuneration. In particular, this system reflects the increasingly important and intensive input of the committees and the remuneration policy position of the Supervisory Board.

Remuneration scheme for the Supervisory Board

Fixed remuneration	The fixed remuneration of an ordinary member of the Supervisory Board amounts to EUR 90,000.
Differentiation	The Chairman of the Supervisory Board receives 2.5 times the fixed remuneration of an ordinary member of the Supervisory Board and the Deputy Chairman of the Supervisory Board receives 1.25 times the fixed remuneration of an ordinary member of the Supervisory Board.
Committee remuneration	Members of a Supervisory Board committee receive additional annual fixed remuneration of EUR 30,000; the chair of the respective committee receives double this amount. No remuneration is paid for membership and chairmanship of the Nomination Committee.

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

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

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

Attendance fees are not paid.

Breakdown of Supervisory Board remuneration

The following remuneration was granted to the Supervisory Board members for the financial years 2025 and 2024 in accordance with section 162(1) sentence 1 AktG:

Supervisory Board remuneration 2025

Last name	First name	Fixed remuneration		Remuneration for committee activities		Total Supervisory Board remuneration 2025	Total Supervisory Board remuneration 2024	2025 vs. 2024
		in EUR	in %	in EUR	in %	in EUR	in EUR	in %
Zimmer ¹	Michael	225,000.00	71.43	90,000.00	28.57	315,000.00	309,083.33	1.91
Dr Nolting ²	Claus	112,500.00	48.39	120,000.00	51.61	232,500.00	224,611.11	3.51
Beumer ³	Christoph	90,000.00	60.00	60,000.00	40.00	150,000.00	72,666.67	106.42
Dr Eichelberg	Sylvia	90,000.00	75.00	30,000.00	25.00	120,000.00	118,027.78	1.67
Dr Scharpe ⁴	Jochen	0.00	0.00	0.00	0.00	0.00	45,361.11	-100.00
Dr Suder ⁵	Katrin	90,000.00	60.00	60,000.00	40.00	150,000.00	146,055.55	2.70
Wiesmann ⁶	Martin	90,000.00	42.86	120,000.00	57.14	210,000.00	230,138.89	-8.75
Total		697,500.00	59.24	480,000.00	40.76	1,177,500.00	1,145,944.44	2.75

¹ Chairman of the Supervisory Board, the Executive Committee and the Nomination Committee

² Deputy Chairman of the Supervisory Board, the Executive Committee, the Nomination Committee, and Chairman of the Risk, Audit and ESG Committee

³ Appointed from the conclusion of the AGM on 23.05.2024

⁴ Stepped down from the conclusion of the AGM on 23.05.2024

⁵ Chairwoman of the Technology and Digitalisation Committee

⁶ Chairman of the Remuneration Committee

Number of LEG Immobilien SE shares held as of 31.12.2025

Member of the Supervisory Board	Number of LEG Immobilien SE shares held as of 31.12.2025
Michael Zimmer	4,100
Martin Wiesmann	1,400
Dr Katrin Suder	500

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

Michael Zimmer also acquired corporate bonds under the LEG bond 2025/2035 with a nominal value of EUR 500,000 and bonds under the convertible bond 2024/2030 with a nominal value of EUR 1,000,000.

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

Pursuant to section 162(1) sentence 2 no. 2 AktG, the earnings development of LEG Immobilien SE, the annual change in the remuneration of Management Board and Supervisory Board members, as well as the annual change in the average remuneration of employees on a full-time equivalent basis must be presented over the past five financial years ("vertical comparison").

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

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

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

Earnings development	2025	2024	Change in %	2023	Change in %
Group AFFO in EUR million	220.5	200.4	10.0	181.2	10.6
Group AFFO per share in EUR	2.94	2.70	8.9	2.44	10.7
Annual result of LEG Immobilien SE (individual company) in EUR million	30.3	4.1	639.0	18.3	-77.6
Total comprehensive income of LEG Immobilien SE (Group) in EUR million	1,465.4	62.6	2,240.9	-1,593.3	-103.9
Average remuneration per employee in EUR thousand	82	80	2.5	77	3.9
Management Board remuneration in EUR thousand					
Lars von Lackum	2,872	2,858	0.5	2,108	35.6
Dr Kathrin Köhling	1,147	1,047	9.5	632	65.7
Dr Volker Wiegel	1,802	1,853	-2.8	1,308	41.7
Susanne Schröter-Crossan ¹	573	524	9.4	549	-4.6
Supervisory Board remuneration in EUR thousand					
Christoph Beumer	150	73	105.5	-	-
Dr Sylvia Eichelberg	120	118	1.7	115	2.6
Dr Claus Nolting	233	225	3.6	188	19.7
Dr Katrin Suder	150	146	2.7	140	4.3
Martin Wiesmann	210	230	-8.7	165	39.4
Michael Zimmer	315	309	1.9	275	12.4

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

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

Earnings development	2022	Change in %	2021	Change in %
Group AFFO in EUR million	108.8	66.5	92.2	18.0
Group AFFO per share in EUR	1.48	64.9	1.27	16.5
Annual result of LEG Immobilien SE (individual company) in EUR million	-307.6	-105.9	-33.4	821.0
Total comprehensive income of LEG Immobilien SE (Group) in EUR million	315.6	-604.8	1,750.1	-82.0
Average remuneration per employee in EUR thousand	72	6.9	72	-
Management Board remuneration in EUR thousand				
Lars von Lackum	1,910	10.4	1,874	1.9
Dr Kathrin Köhling	-	-	-	-
Dr Volker Wiegel	1,211	8.0	1,259	-3.8
Susanne Schröter-Crossan ¹	1,066	-48.5	1,116	-4.5
Supervisory Board remuneration in EUR thousand				
Christoph Beumer	-	-	-	-
Dr Sylvia Eichelberg	100	14.7	47	114.3
Dr Claus Nolting	162	15.8	116	40.2
Dr Katrin Suder	86	62.8	-	-
Martin Wiesmann	141	17.2	96	46.2
Michael Zimmer	256	7.5	224	14.2

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

Outlook 2026

The remuneration system approved by the Annual General Meeting on 28 May 2025 remains unchanged for the 2026 financial year. There are no plans to adjust the remuneration system.

Adjustment of remuneration amount

The Supervisory Board considers the current structure and composition of the Management Board to be one of the key success factors of LEG Immobilien SE. In accordance with the Management Board employment contracts, the salaries of the Management Board members are reviewed by an external remuneration advisor every two years, taking into account the economic situation of the company, the performance of the respective Management Board member and the development of the cost of living. The most recent review took place between the end of the 2024 financial year and the beginning of the 2025 financial year in connection with the early extension of the Management Board employment contracts.

The increase in the CEO's remuneration, which was approved by the Supervisory Board in 2025, was based on CEO remuneration levels at MDAX companies. The remuneration lies between the median and the upper quartile of the MDAX. The increase in remuneration for the CFO and COO was also based on the MDAX and is also between the median and upper quartile of the MDAX. The increased remuneration in relation to target and maximum remuneration is in line with standard market conditions for the MDAX and is appropriate.

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

Remuneration of Lars von Lackum in the 2026 financial year

Remuneration amount in EUR and remuneration structure (target remuneration)	Lars von Lackum			
	unchanged from 01.01.2024	from 01.01.2026	Delta (%)	Distribution (%)
Basic remuneration	1,045,000	1,150,000	10.0	30.8
One-year variable remuneration (STI)	705,000	800,000	13.5	21.4
Cash remuneration	1,750,000	1,950,000	11.4	
Multi-year variable remuneration (LTI)	1,000,000	1,650,000	65.0	44.1
Total direct remuneration	2,750,000	3,600,000	30.9	
+ occupational pension contribution	109,000	109,000	0.0	2.9
+ Additional benefits	30,000	30,000	0.0	0.8
Total remuneration	2,889,000	3,739,000	29.4	
Total remuneration factor: Chairman to avg. ordinary member	1.7	2.0		
Maximum remuneration	4,800,000	7,200,000	50.0	

Remuneration of Dr Kathrin Köhling in the 2026 financial year

Remuneration amount in EUR and remuneration structure (target remuneration)	Dr Kathrin Köhling			
	01.01.2025 - 31.12.2025 ¹	01.01.2026 - 31.12.2026	Delta (%)	Distribution (%)
Basic remuneration	573,750	605,000	5.2	33.9
One-year variable remuneration (STI)	422,000	444,000	5.2	24.9
Cash remuneration	995,750	1,049,000	5.3	
Multi-year variable remuneration (LTI)	617,500	650,000	5.3	36.4
Total direct remuneration	1,613,250	1,699,000	5.3	
+ occupational pension contribution	59,000	59,000	0.0	3.3
+ Additional benefits	27,000	27,000	0.0	1.5
Total remuneration	1,699,250	1,785,000	5.1	100.0
Total remuneration factor: Chairman to avg. ordinary member	1.7	2.0		
Maximum remuneration	4,150,000	4,500,000	8.4	

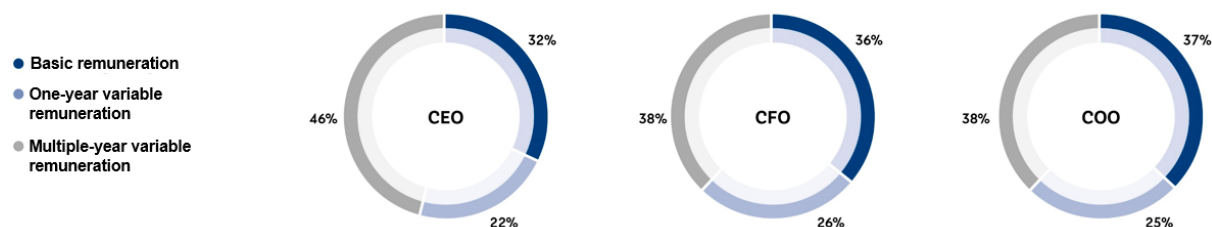
¹ Pro rata increase from 1 April 2025

Remuneration of Dr Volker Wiegel in the 2026 financial year

Remuneration amount in EUR and remuneration structure (target remuneration)	Dr Volker Wiegel			Distribution (%)
	unchanged from 01.01.2024	from 01.01.2026	Delta (%)	
Basic remuneration	605,000	700,000	15.7	34.9
One-year variable remuneration (STI)	444,000	480,000	8.1	24.0
Cash remuneration	1,049,000	1,180,000	12.5	
Multi-year variable remuneration (LTI)	650,000	725,000	11.5	36.2
Total direct remuneration	1,699,000	1,905,000	12.1	
+ occupational pension contribution	59,000	59,000	0.0	2.9
+ Additional benefits	41,000	41,000	0.0	2.0
Total remuneration	1,799,000	2,005,000	11.5	
Total remuneration factor: Chairman to avg. ordinary member	1.7	2.0		
Maximum remuneration	3,100,000	4,500,000	45.2	

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

Structure of total direct remuneration 2026



From the 2026 financial year, the maximum remuneration is EUR 7,200,000 for the Chairman and EUR 4,500,000 for each ordinary Management Board member.

Target values for variable remuneration 2026:

At its meeting on 7 November 2025, the Supervisory Board resolved the following minimum, target and maximum values for the performance criteria of the 2026 STI and the 2026 LTI for the 2026 financial year:

Target values for STI 2026:

STI 2026 financial performance criteria:

in EUR million	100 % target value	Ranges
AFFO per share¹	EUR 3.02	0 % minimum value: ≤ EUR 2.57 100 % target value: EUR 3.02 200 % maximum value: EUR ≥ 3.62
Adjusted EBITDA margin	78.2 %	0 % minimum value: ≤ 74.7 % 100 % target value: 78.2 % 200 % maximum value: ≥ 83.2 %

¹ An investment volume of EUR >35 per square metre was taken into account when determining the target AFFO per share. The investment target was documented in the economic planning and published together with the guidance.

STI 2026 environmental target

	Ranges
Reduction of 7,600 tonnes CO₂	0 % minimum value: Reduction of 5,600 tonnes CO ₂ 100 % target value: Reduction of 7,600 tonnes CO ₂ 200 % maximum value: Reduction of 9,600 tonnes CO ₂

To achieve 100 % of the environmental target, a saving of 7,600 tonnes of carbon dioxide (CO₂) is required in 2026. All CO₂ reduction measures from the three clusters of measures of the sustainability strategy, namely “emission-efficient heat supply”, “reduced energy requirements” and “energy-efficient modernisation”, are taken into account.

Target values for LTI 2026

Development of relative TSR compared to EPRA NAREIT Germany for LTI 2026:

	Target achievement level 0 % 2029	Target achievement level 100 % 2029	Target achievement level 200 % 2029
Relative total shareholder return p.a. compared to EPRA NAREIT Germany	≤ -20 %	0 %	≥ 20 %

LTI 2026 environmental target:

	Environmental
Target	20 % reduction in persistent relative CO ₂ e emission-saving costs in EUR/tonne achieved through all decarbonisation measures of LEG Immobilien SE from 2026 to 2029
Target values	0 % minimum value: 10 % reduction in costs per tonne of CO ₂ e saved 100 % target value: 20 % reduction in costs per tonne of CO ₂ e saved 200 % maximum value: 30 % reduction in costs per tonne of CO ₂ e saved

The initial value is based on the CO₂ reporting for the 2025 financial year across all decarbonisation measures, i.e. the total costs of all CO₂e-effective measures implemented in 2025 compared to the sum of all CO₂e savings that can be achieved by all measures over their periods of effectiveness. The target value is based on the CO₂ reporting for the 2029 financial year across all decarbonisation measures.

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

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

Declaration of conformity in accordance with Section 161(1) AktG

The Management Board and Supervisory Board of LEG Immobilien SE issued the following declaration in November 2025 in accordance with Section 161 of the German Stock Corporation Act (AktG):

"The Management Board and Supervisory Board of LEG Immobilien SE (the "Company") declare in accordance with Section 161 AktG that the Company has complied without exception with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 28 April 2022 (the "Code") published by the Federal Ministry of Justice in the official section of the Federal Gazette on 27 June 2022 since the last Declaration of Conformity pursuant to Section 161 AktG was issued in November 2024.

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

Düsseldorf, November 2025

The Management Board of LEG Immobilien SE

The Supervisory Board of LEG Immobilien SE"

Remuneration system

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

The Supervisory Board made changes to the system for Management Board remuneration with effect from the 2025 financial year, in particular to further enhance transparency and the pay-for-performance principle by eliminating the criteria-based approach. It observed all recommendations and suggestions of the German Corporate Governance Code. The new remuneration system was approved by the Annual General Meeting on 28 May 2025.

The Management Board and Supervisory Board have produced a joint remuneration report in accordance with Section 162(2) AktG. This remuneration report provides detailed information on the design of the remuneration system at LEG and the amount and structure of Management Board and Supervisory Board remuneration. It will be submitted to the 2026 Annual General Meeting for approval in accordance with Section 120a(4) AktG.

The remuneration report and the auditor's report in accordance with Section 162 AktG and the remuneration system in place in accordance with Section 87a(1) and (2) AktG can be viewed on LEG's website under Investor Relations/News & Publications.

Relevant disclosures on corporate governance practices exceeding legal requirements

Compliance and value management

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

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

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

Senior management and employees are made aware of these issues and advised on them in regular training sessions and through advisory services. All new employees receive comprehensive compliance training and, in particular, data protection training in four annual sessions. Refresher training is provided for all employees once a year using an electronic training programme. In addition, special training courses are organised on an ad hoc basis or for employees in particularly high-risk areas. A 24/7 electronic whistleblower system gives employees and third parties the opportunity to anonymously report compliance violations in LEG's area of responsibility.

While advancing digitalisation opens up numerous opportunities, it also means new legal, data protection and security-related requirements. LEG has established the Digital Governance Committee (DGC) to meet these requirements responsibly. The DGC is expanding the existing compliance management system to include key aspects of digital compliance and governance. It supports the reliable and efficient use of data, develops corresponding company-wide standards and provides transparency on the handling of digital information. The DGC also monitors compliance with the legal requirements for the use of software and data processing, enhances IT security through clear requirements and early risk assessment. When using artificial intelligence, the Committee ensures compliance with the law and the company's internal ethical principles. With its advisory and steering function, the DGC helps LEG to continuously adapt its compliance structures in accordance with the growing requirements of the digital transformation.

Details of LEG's compliance management system are outlined in the risks, opportunities and forecast report in this management report.

Responsibility and sustainability

LEG is committed to acting sustainably and responsibly. Its definition of sustainability and sustainability strategy are explained in its sustainability mission statement. In the course of a double materiality assessment (DMA), prepared with the involvement of all key stakeholders as defined by LEG, the company identified a total of 15 material topics in the four sustainability areas: climate change, own workforce, consumers and end-users, and business conduct in accordance with the ESRs standards of the CSRD Directive. This covers the three dimensions of sustainability – Environmental, Social, and Governance (ESG).

LEG published its Sustainability Strategy 2030 in the 2025 financial year. It is described in the sustainability report. LEG has set itself the target of reducing Scope 1 and 2 emissions by 47 % by 2030. This target has been validated by the Science-Based Target Initiative (SBTi). By 2045, LEG aims to be nearly greenhouse gas-neutral. In addition to the implementation of conventional measures, green innovations play a key role in decarbonisation. In particular, the three green ventures RENOWATE (digital, serial refurbishment), dekarbo (installation and maintenance of air-to-air and air-to-water heat pumps) and termios (smart control of existing heating systems) provide support. These measures were developed further in 2025. For example, LEG and Vodafone entered into a strategic partnership in the 2025 financial year to digitalise boiler rooms in LEG's portfolio with the aim of increasing energy efficiency, automating maintenance processes and controlling heating systems remotely. The first phase will involve more than 1,000 buildings and approximately 15,000 apartments.

Sustainability aspects are also taken into account in the remuneration of the Management Board and senior management.

ESG governance is managed and overseen by a dedicated sustainability department under the responsibility of the Chairman of the Management Board, where the corresponding issues are consolidated, monitored and advanced. Since 2025, LEG's Supervisory Board has addressed all relevant ESG topics in the Risk, Audit and ESG Committee, thereby further reinforcing the importance of the issue within LEG's supervisory and advisory committee.

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

Other corporate governance disclosures

Adequacy and effectiveness of the internal control system (ICS)

With regard to the internal control system for financial reporting, we refer to the "Internal control system" section of the risks, opportunities and forecast report. With regard to the internal control system in connection with the non-financial Group statement, we refer to Section "DR GOV-5: Risk management and internal controls over sustainability reporting" in the sustainability report.

There were no indications in the 2025 financial year that the ICS as a whole may be inadequate or ineffective.¹

Institute for Corporate Governance in the German Real Estate Industry

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

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

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

LEG Immobilien SE has the legal form of a European Company (Societas Europaea, SE). As an SE based in Germany, the company is subject to European and German SE regulations as well as the German Stock

¹ Not a required management report disclosure

Corporation Act. LEG Immobilien SE has a dual management system consisting of the Management Board and the Supervisory Board. Executive management and control are clearly separated in a dual management system.

Management Board

Article 6.1 of the Articles of Association states that the Management Board of LEG Immobilien SE must comprise at least two members. As at 31 December 2025, there were three people on the Management Board. The Management Board manages the company under its own responsibility in accordance with the provisions of law, the Articles of Association and the Rules of Procedure for the Management Board. The Supervisory Board last amended the Rules of Procedure for the Management Board on 5 November 2024. Among other things, these stipulate that certain transactions of particular significance or that involve an exceptionally high economic risk require the prior approval of the Supervisory Board or one of its committees. The rules also state that transactions between the company or one of its Group companies on the one hand and a member of the Management Board or a related party on the other hand must meet the standards that are customary for transactions with third parties.

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

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

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

Supervisory Board

The Supervisory Board has six members and monitors and advises the Management Board. It appoints and dismisses the members of the Management Board and, together with the Management Board, ensures long-term succession planning. Its duties and rights are determined by the legal provisions, the Articles of Association and the Rules of Procedure for the Supervisory Board. The Supervisory Board last updated the Rules of Procedure on 5 November 2024, effective from 1 January 2025. The Supervisory Board regularly reviews the effectiveness of its activities and those of its committees, most recently in the 2025 financial year. The review was conducted in the form of a self-assessment using an anonymised questionnaire developed in-house.

Cooperation between the Management Board and the Supervisory Board

The Management Board and the Supervisory Board work together closely for the good of the company. The extensive and regular dialogue between these boards is the basis for efficient and strategic business management. The Management Board develops the strategic alignment of LEG, coordinates it with the Supervisory Board, and ensures its implementation. The Management Board discusses the status of the strategy implementation with the Supervisory Board at regular intervals.

The Chairman of the Supervisory Board maintains regular contact with the Management Board, and in particular with the Chairman of the Management Board, and advises on issues of strategy, planning, business performance, the risk situation, risk management and compliance at the company. He is immediately advised by the Chairman of the Management Board about key events that are significant to the assessment of the company's position and development, as well as to management of the company and its Group companies. He then reports to the Executive Committee or the Supervisory Board and convenes extraordinary meetings if necessary.

Committees of the Supervisory Board

The Supervisory Board had five committees in the 2025 financial year: the Executive Committee, the Nomination Committee, the Remuneration Committee, the Risk, Audit and ESG Committee, and the Technology and Digitalisation Committee. Further committees may be formed as required.

Executive Committee of the Supervisory Board

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

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

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

- Transactions with members of the Management Board in accordance with Section 112 AktG;
- Approval of transactions with a value in excess of EUR 25,000 between the company or one of its Group companies on the one hand and a member of the Management Board or persons or undertakings related to a member of the Management Board on the other;
- Delayed disclosure of inside information in accordance with Article 17 (4) of Regulation (EU) No. 596/2014 of 16 April 2014 (Market Abuse Regulation), where the Supervisory Board is responsible for the subject of the insider information;
- Granting loans to the persons named under Sections 89, 115 AktG;
- Approval of contracts with Supervisory Board members in accordance with Section 114 AktG;
- Any other approval required for measures by the Management Board in accordance with the Articles of Association of the company or the Rules of Procedure for the Management Board if the matter cannot be delayed and a resolution by the Supervisory Board cannot be passed in a timely manner;
- Consent to other activities by a member of the Management Board in accordance with Section 88 AktG and approval of secondary employment, in particular holding supervisory board mandates and mandates in similar executive bodies of non-Group companies.

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

Nomination Committee

The Nomination Committee meets as required and suggests suitable candidates to the Supervisory Board for its nominations for the Annual General Meeting. The members of the Nomination Committee are the members of the Executive Committee (Michael Zimmer, Dr Claus Nolting and Martin Wiesmann). In accordance with the Articles of Association, the Chairman of the Supervisory Board is also the Chairman of the Nomination Committee.

Remuneration Committee

The Remuneration Committee meets when required and prepares the resolutions of the Supervisory Board on the following matters:

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

As part of its preparatory activities, it also discusses other proposed remuneration-related resolutions by the Supervisory Board, such as the STI and LTI target agreements.

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

Risk, Audit and ESG Committee

The work of the Risk, Audit and ESG Committee focuses on the following issues:

- Accounting audits, primarily of the consolidated financial statements and of the Group management report (including sustainability reporting).
- Monitoring the accounting process;
- Effectiveness of the internal control system (ICS), the risk management system and the internal audit system;
- Audit of the financial statements – in particular the independence of the auditor, the quality of the auditor, the other services performed by the auditor, the granting of the audit mandate to the auditor, the determination of the key areas of the audit and the fee agreement;
- Internal audit and compliance;
- ESG issues, in particular advising and monitoring the Management Board in its consideration of sustainability-related targets in strategy and planning as well as the preliminary review of sustainability reporting.

The Risk, Audit and ESG Committee also prepares the Supervisory Board's resolutions regarding the annual and consolidated financial statements and agreements with the auditor, particularly the audit mandate, the determination of audit focus areas, and the fee agreement. The Risk, Audit and ESG Committee takes appropriate measures to determine and monitor the independence of the auditor. To this end, the Risk, Audit and ESG Committee has released a whitelist of a limited number of non-audit services that can be provided by the auditor. If the auditor is commissioned to perform further tasks, the approval of the Risk, Audit and ESG Committee is required. The work of the Risk, Audit and ESG Committee is governed by its own rules of procedure, which were most recently amended on 5 November 2024 with effect from 1 January 2025.

The Risk, Audit and ESG Committee has three members who are appointed by the Supervisory Board by a majority of votes cast. As of 31 December 2025, the members were Dr Claus Nolting (Chairman), Christoph Beumer and Dr Sylvia Eichelberg.

Dr Claus Nolting, the Chairman of the Risk, Audit and ESG Committee, is independent and has special expertise and experience in the application of accounting policies and internal control procedures, as well as in financial statement auditing. Dr Nolting gained his special expertise during his many years working as a senior executive in the banking sector, where he was responsible for such areas as accounting and financial statement auditing. In addition, he served for several years as Chairman of the Risk and Audit Committee of a German bank. As a member and later Chairman of the Risk and Audit Committee, he has been involved in accounting and financial statement auditing as well as sustainability reporting and auditing.

Christoph Beumer gained his expertise in accounting and auditing during his long-term role as an audit manager and partner at a leading German auditing and consulting firm.

Dr Sylvia Eichelberg has extensive knowledge of dealing with risk and governance structures and ESG topics thanks to her many years of experience in senior positions in the finance and insurance sectors.

Technology and Digitalisation Committee

The Technology and Digitalisation Committee began its work on 1 January 2025. It deals with all technology and digitalisation-related topics affecting the company, in particular the use of artificial intelligence in the company. The Technology and Digitalisation Committee has the following tasks in particular:

- Advising and monitoring the Management Board on the definition of technological and digitalisation-related targets in corporate strategy and planning and their implementation, as well as on other measures on technology and digitalisation-related topics.
- Preparing the Supervisory Board's deliberations and resolutions in the areas of technology and digitalisation and, in specific cases upon request, support of the other committees of the Supervisory Board on technology and digitalisation-related topics.

As of 31 December 2025, the members of the Technology and Digitalisation Committee were Dr Katrin Suder (Chairwoman), Christoph Beumer and Martin Wiesmann.

Composition of the boards

Targets for the participation of women

In accordance with Section 76(4) and Section 111(5) of the German Stock Corporation Act, the Supervisory Board and the Management Board are required to set targets for the participation of women in (i) the Supervisory Board, (ii) the Management Board and (iii) the two management levels below the Management Board, to stipulate a timeframe for when these targets must be achieved, and to report on the achievement of the targets or provide reasons in the event of non-achievement of the targets.

Supervisory Board

In a resolution dated 5 November 2024, the Supervisory Board agreed that women should make up 33.3 % of the Supervisory Board (two women in a six-person Supervisory Board) and set 31 December 2029 as the deadline for achieving this target. As at 31 December 2025, the proportion of women on the Supervisory Board was 33.3 %.

Management Board

In a resolution dated 5 November 2024, the Supervisory Board defined the share of women on the Management Board at 33.3 % and set 31 December 2029 as the deadline for achieving this target. As of 31 December 2025, the proportion of women on the Management Board was 33.3 %.

Management levels below the Management Board

LEG Immobilien SE itself has no employees; therefore no targets can be set for LEG Immobilien SE employees.

Supervisory Board and Management Board composition (diversity concept)

Diversity concept of the Supervisory Board

The Supervisory Board has defined targets for its composition and drawn up a competence profile. The targets and the competence profile include the following diversity targets as well as a diversity concept:

- The composition of the Supervisory Board is intended to meet the established competency profile: The members of the Supervisory Board should be able, due to their knowledge, skills, and professional experience, to fulfil the duties of a supervisory board member in a publicly listed real estate company with a focus on residential property. Furthermore, the Supervisory Board has identified the areas of corporate management, housing industry, real estate transactions, banking and capital market financing, finance, accounting and auditing, administration and regulation, sustainability, as well as technology and digitalisation as specific areas of expertise that should be covered by the supervisory board as a whole.

- The members of the Supervisory Board should satisfy the requirements of the German Corporate Governance Code.
- At least five members of the Supervisory Board, including, in any case, the Chairman of the Supervisory Board, the Chairman of the Risk, Audit and ESG Committee, the Chairman of the Executive Committee and the Chairman of the Remuneration Committee, should be independent within the meaning of the German Corporate Governance Code.
- The members of the Supervisory Board should, in the interest of complementary collaboration, possess sufficient diversity in terms of different professional backgrounds, expertise, and experience.
- The Supervisory Board members should be composed of at least one-third women and one-third men.
- Only candidates younger than 75 at the time of the election should be proposed for the Supervisory Board.
- As a rule, the term of office of a Supervisory Board member should not last longer than 15 years.

Implementation status: attainment of targets, skills profile and diversity concept

In its decision on candidates, the Supervisory Board takes into account not only the statutory requirements and the provisions of the Articles of Association, but in particular the above-mentioned targets and the competence profile. The same applies to the Nomination Committee, which supports the Supervisory Board by providing assistance in its search for suitable candidates. Most recently, the Supervisory Board took the objectives, including the competence profile, into account when proposing the re-election of Dr Sylvia Eichelberg, Dr Claus Nolting, Dr Katrin Suder, Martin Wiesmann and Michael Zimmer in connection with the 2025 Annual General Meeting.

With the current composition of the Supervisory Board, all goals have been achieved and the current composition of the Supervisory Board is balanced. The Supervisory Board members have the professional and personal qualifications considered necessary. Diversity is adequately taken into account on the Supervisory Board. In particular, one-third of its members are women. The regulation on the age limit (75 years at the time of the election) is also taken into account.

The Supervisory Board also includes the number of independent members it deems appropriate. At present, all members of the Supervisory Board are independent as defined by Recommendation C.6 of the GCGC.

Although Recommendation C.7 of the GCGC states that membership of the Supervisory Board for more than twelve years is an indicator of dependence, and this indicator is fulfilled for Michael Zimmer, following careful consideration the Supervisory Board has come to the conclusion that Mr Zimmer continues to qualify as independent from the company and the Management Board. The Supervisory Board has fully assessed all of the relevant circumstances and determined that Mr Zimmer has no economic, personal or other relationships with the company that could influence his decisions and has demonstrated completely independent and critical judgement throughout his term of office. Among other things, this is underscored by the fact that he has been actively involved in the reappointment of the entire Management Board during his term of office, thereby demonstrating his ability to make decisions without outside influence. There are also no indications from discussions with investors that his independence is in doubt; on the contrary, his work is viewed favourably, including because of his many years of experience. With this in mind, the Supervisory Board does not consider the mere duration of Mr Zimmer's membership of the Supervisory Board to be a sufficient reason to refute his independence. His many years of experience are seen as a valuable contribution to the continuous monitoring and advising of the company. The Supervisory Board reviewed this assessment in connection with this year's declaration of conformity and will continue to do so regularly in the future.

MEMBERS OF THE SUPERVISORY BOARD								
Member	Age	Member since ¹	Appointed until (AGM)	Independence	Member of committee			
					Executive Committee ²	Remuneration Committee	Risk, Audit and ESG committee	Technology and Digitalisation Committee
Michael Zimmer (Chairman)	62	2021 (2013)	2028	•	○	•		
Dr. Claus Nolting (Deputy Chairman)	74	2021 (2016)	2028	•	•	•	○	
Christoph Beumer	62	2024	2027	•			•	•
Dr. Sylvia Eichelberg	46	2021	2028	•			•	
Dr. Katrin Suder	54	2022	2028	•				○
Martin Wiesmann	60	2021 (2020)	2028	•	•	○		•

○ = Chair • = Member / fulfilled

¹In the Supervisory Board of LEG Immobilien SE (in brackets: in the Supervisory Board of LEG Immobilien AG)

²The composition of the Nomination Committee corresponds to the Executive Committee

The competence profile is also fulfilled in the current composition of the Supervisory Board, as can be seen from the following qualification matrix.

QUALIFICATION MATRIX								
Member of the Supervisory Board	Company management	Housing industry	Real estate transactions	Bank and capital market financing	Finance, accounting and auditing	Administration and regulation	Sustainability	Technology and digitalisation
Michael Zimmer (Chairman)	•••	•••	•••	••	••	••	••	•
Dr. Claus Nolting (Deputy Chairman)	•••	••	•••	•••	•••	•••	••	•
Christoph Beumer	••	•••	••	••	•••	•••	•••	••
Dr. Sylvia Eichelberg	•••	••	••	••	••	••	•••	•••
Dr. Katrin Suder	•••	••	•	••	••	•••	•••	•••
Martin Wiesmann	•••	••	••	•••	••	••	•••	••

• General knowledge •• Sound knowledge ••• Expert knowledge

To allow for an evaluation of their skills and a comparison with the goals, the curricula vitae of the Supervisory Board members are published on LEG's website.

Management Board diversity concept and succession planning for the Management Board

There are the following targets for the composition of the Management Board:

- Each member of the Management Board must have not only their own fundamental qualification, but also must be suitable for the company in light of its current situation and in view of future tasks.
- The members of the Management Board should complement each other in respect to competence and knowledge. The Management Board should be composed in a way that the Board as a whole not only has entrepreneurial and managerial competence, but also knowledge of real estate management and extensive expertise concerning regional housing markets.
- Moreover, the composition of the Management Board should enable it to have financial market expertise as well as social competence, e.g. in the area of social management.
- The Supervisory Board has defined the target for the share of women on the Management Board as 33.3 %.
- As a rule, members of the Management Board should be appointed until they reach the age of 65 at the latest.

Together with the Management Board, the Supervisory Board ensures long-term succession planning. The Supervisory Board and its Executive Committee ensure that the Management Board is composed in due consideration of the targets set. In addition, account is taken of the relevant legislation and the recommendations of the German Corporate Governance Code. The Management Board meets all of the targets as it currently stands.

The curricula vitae of the Management Board members are published on LEG's website to allow for comparison with the diversity concept.

Disclosures in accordance with Section 315a HGB

Composition of issued capital

75,570,800 no-par value ordinary shares are admitted to trading on the Frankfurt Stock Exchange. The shares are registered shares and do not differ in terms of the securitised rights and obligations.

The authorised capital amounts to EUR 29,787,866.00. The contingent capital amounts to EUR 22,340,899.00.

Restrictions relating to voting rights and transfers of shares

There are no further restrictions on voting rights, the exercise of voting rights or the transfer of shares beyond the statutory provisions.

Interests in capital with shares of voting rights exceeding 10 %

As at 31 December 2025, BlackRock, Inc. (New York, USA), held 10.10 % (including attributions) of the share capital of the company, and hence also of the voting rights. In addition, BlackRock, Inc., including attributions, fell below the 10% threshold in May, June and August 2025 and exceeded it again in June and August 2025.

LEG publishes voting rights announcements in accordance with Section 40(1) of the German Securities Trading Act (WpHG).

Bearers of shares with special rights granting powers of control

The shares issued by LEG do not have special rights granting powers of control.

Rules for the appointment and dismissal of members of the Management Board and amendments to the Articles of Association

Members of the Management Board are appointed and dismissed in accordance with the provisions of Section 84 of the German Stock Corporation Act (AktG). There are no significant supplementary or deviating provisions in the Articles of Association or Rules of Procedure.

Amendments to the Articles of Association are made in accordance with the provisions of the AktG. There are no significant supplementary or deviating provisions in the Articles of Association or Rules of Procedure.

Authority of the Management Board to issue shares

By resolution of the Annual General Meeting on 28 May 2025, the Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the company by up to a total of EUR 29,787,866.00 by issuing up to 29,787,866 new shares until 27 May 2030 (Authorised Capital 2025). The share capital is contingently increased by up to EUR 22,340,899.00 through the issue of up to 22,340,899 new shares (Contingent Capital 2017/2018/2020/2025). The contingent capital increase is subject to the proviso that the conditions for the conversion rights issued in 2017, 2018, 2020 or 2025 or in future are exercised and serviced by way of the corresponding utilisation of contingent capital.

The Management Board may only increase the share capital from Authorised Capital 2025 to the extent that the amount of the capital increases and the pro rata amount of the share capital attributable to the shares to be issued to service conversion or option rights from bonds do not exceed a total of 50 % of the share capital of EUR 74,469,665.00 outstanding at the time of the resolution on 28 May 2025, i.e., EUR 37,234,832.00.

During the term of the Authorised Capital 2025, shares issued with shareholders' pre-emption rights disappplied – including those to be issued with shareholders' pre-emption rights disappplied on the basis of bonds issued after 28 May 2025 – may not exceed 10 % of the share capital either at the time the Authorised Capital becomes effective or at the time it is utilised. Shares to be issued on the basis of the convertible bonds issued by the company in June 2020, September 2024 and December 2024 are not included here.

Authorisation on the acquisition and utilisation of treasury shares

On 19 May 2022, the Annual General Meeting authorised the Management Board in accordance with Section 71(1) No. 8 AktG to acquire treasury shares up to a total of 10 % of the share capital in place at the time of the authorisation. The shares acquired on the basis of this authorisation, together with other shares of the company that the company has already acquired and still holds, or that are attributable to it according to Sections 71d and 71e AktG, cannot account for more than 10 % of the share capital at any time. The authorisation applies until 18 May 2027 and can be exercised in full or in part on one or more occasions. At the discretion of the Management

Board, the shares must be acquired in accordance with the principle of equal treatment (Section 53a AktG) on the stock exchange or by means of a public invitation to all shareholders to submit offers to sell, in which case the principle of equal treatment of shareholders must also be upheld (Section 53a AktG), unless the disapplication of the right to tender is permitted, or by granting tender rights.

If the shares are purchased on the stock exchange, the purchase price (excluding incidental costs) may not exceed or fall below the price determined on the trading day by the opening auction in Xetra trading on the Frankfurt Stock Exchange by more than 5 %.

If the acquisition is made on the basis of a public purchase offer to all shareholders or on the basis of a public invitation to the shareholders of the Company to submit offers for sale, the purchase price paid to the shareholders (excluding incidental costs) may not exceed or fall short of the arithmetic mean of the share prices on the Frankfurt Stock Exchange on the last three trading days prior to the final decision of the Management Board on the offer or, in the case of an acquisition by other means, prior to the acquisition by more than 10 %.

If the shares are acquired by granting tender rights, the consideration paid per share by the company (not including incidental costs of acquisition) must not be 10 % higher or lower than the average share price on the stock exchange in Frankfurt / Main on the last three stock exchange trading days before the date offers of sale are accepted or the date that tender rights are granted.

The authorisation can be exercised for any purpose allowed by law. The Management Board was also authorised to use the shares acquired on the basis of the acquisition authorisation – subject to other requirements – as follows, in particular: (i) to withdraw shares, (ii) for resale on the stock exchange, (iii) to offer for subscription to shareholders, (iv) for disposal in a manner other than on the stock exchange or by way of offer to all shareholders if the acquired shares are sold against cash payment at a price not significantly less than the stock market price within the meaning of Section 186(3) sentence 4 AktG, whereby this authorisation is limited to a pro rata amount of share capital totalling not more than 10 % of the share capital as of the time of the resolution by the Annual General Meeting or – if lower – 10 % of the share capital as of the time of the disposal of the shares, (v) as part of a merger or for the acquisition of companies, parts of companies or equity investments in companies, including increases of existing holdings, or of other eligible assets such as properties, property portfolios and receivables from the company, and (vi) to fulfil option or conversion rights/obligations, whereby this authorisation is limited to a pro rata amount of the share capital of LEG of not more than 10 % of the share capital at the time of the resolution of the Annual General Meeting regarding this authorisation or – if this value is lower – 10 % of the share capital at the time of the disposal of the shares. Shareholders' pre-emption rights can be disapplied in certain cases, including for fractional amounts.

The statutory provisions also apply.

Material agreements of the company for the event of a change of control following a takeover bid

LEG has issued various convertible bonds, namely with a notional amount of EUR 550 million in June 2020 and a notional amount of EUR 700 million in the 2024 financial year. The latter was originally issued in September 2024 with EUR 500 million and increased by EUR 200 million in November 2024. In the event of a change of control, the terms and conditions of the convertible bonds state that the bondholders shall be entitled to receive an increased number of shares at the relevant adjusted conversion price if the conversion is exercised within a defined period following the change of control. Prior to a change of control taking place, bondholders may submit their convertible bonds for conversion when a corresponding takeover bid is published, subject to the condition precedent of the change of control taking place. The extent of the adjustment to the conversion price shall decrease during the term of the convertible bonds; this is defined in greater detail in the terms and conditions of the convertible bonds.

In November 2019, LEG also issued two corporate bonds with a total notional amount of EUR 300 million and EUR 500 million respectively under the existing debt issuance programme. The bond maturing in 2034 was increased to EUR 500 million through a EUR 200 million tap in August 2025.

In March 2021, June 2021 and November 2021, LEG issued three additional corporate bonds with total notional amounts of EUR 500 million, EUR 600 million and EUR 500 million, respectively, under the existing debt issuance programme. The March bond was increased through a EUR 100 million tap to EUR 600 million in October 2022 and through another EUR 100 million tap to a total of EUR 700 million in December 2024. In July 2023, the June bond was increased to EUR 700 million through a EUR 100 million tap.

In January 2022, LEG issued three corporate bonds, each with a total notional amount of EUR 500 million, under the existing debt issuance programme. The bond that matures in 2029 was increased through a EUR 100 million tap both in November 2023 and in November 2024 to a total of EUR 700 million.

In January 2025, LEG issued another corporate bond with a total notional amount of EUR 300 million under the existing debt issuance programme.

The creditors of these corporate bonds have the right to demand the redemption of their bonds if a change of control occurs and the credit rating deteriorates to sub-investment grade within 90 days of the change of control.

A change of control in accordance with the conditions of the financial instruments described above is considered to have taken place if a person or persons acting in concert hold 30 % or more of the shares in LEG or are otherwise able to exercise control over the company.

In addition, there are a number of financing agreements containing a termination clause for the benefit of the financing bank following such change of control.

Compensation agreements concluded by the company with employees or members of the Management Board in the event of a takeover bid

The contracts of employment of the Management Board members contain provisions with respect to the event of a change of control. Payments to the members of the Management Board have been agreed in the case of early Management Board contract termination in the event of a change of control. This agreement complies with Recommendation G.13 of the German Corporate Governance Code by limiting the payments in accordance with the suggested severance cap.

Non-financial group report (sustainability report)

General disclosures

Introduction

LEG Immobilien SE, Dusseldorf, and its subsidiaries (hereinafter referred to as “LEG”) are among the largest residential property companies in Germany. On 31 December 2025, LEG held a portfolio of 172,960 residential and commercial units (31 December 2024: 165,510). In addition to organic investments, LEG was able to strengthen its portfolio through external growth in the reporting year. Having already acquired a minority interest of approximately 31 % in Brack Capital Properties (BCP) in 2021, LEG completed the transaction process during 2025 and the BCP holdings were fully integrated.

As an integrated property company, LEG pursues three core activities: optimising and digitalising its core business, expanding its value chain and strengthening its portfolio.

These consolidated non-financial statements were approved for publication by LEG Immobilien SE’s Management Board on 3 March 2026.

Basis of preparation

DR BP-1: General basis of preparation for sustainability reports

LEG is publishing a non-financial declaration in accordance with sections 315b, 315c of the German Commercial Code (HGB) in conjunction with section 289c-e HGB for the 2025 financial year. It comprises key non-financial aspects that have a significant impact on the HGB aspects of environmental, social and employee concerns, combating corruption and bribery, and human rights issues, and that were deemed relevant to LEG’s financial position and financial performance for the 2025 financial year. These consolidated non-financial statements have been prepared in compliance with European CSR policy (Corporate Sustainability Reporting Directive (CSRD)), in full recognition of ESRS, and are referred to hereinafter as the Sustainability Report. The preparation of this report follows EFRAG’s view that voluntary early application of the ESRS one year before the date prescribed by the CSRD does not affect the phase-in periods.

Accordingly, LEG uses the ESRS as a framework for its sustainability report. The use of the ESRS is justified by the fact that they are accepted as a sustainability reporting standard by the European Commission.

The ESRS cover the five aspects of the non-financial statement (environmental issues, employee concerns, social issues, respect for human rights, combating corruption and bribery).

The group of consolidated companies in the sustainability reporting corresponds to those in the consolidated financial statements.

Founded by LEG together with various partners, the three joint ventures dekarbo GmbH, Renowate GmbH and termios GmbH as well as the associated companies Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH are accounted for using the equity method.

The joint ventures are consolidated at equity, viewed as investments and constitute part of LEG’s supply chain.

The dekarbo business model is a comprehensive solution for the installation of air-to-air and air-to-water heat pumps. Dekarbo takes care of every stage of this service – from efficient digital planning and appointment coordination, instructions and standardised installation through to the in-depth monitoring and control of the installed equipment.

The main product of termios GmbH is termios Pro, a smart heating thermostat for the dynamically adaptive hydraulic balancing of heating systems in apartment blocks. The business model is based on the development and distribution of innovative, digital solutions for energy-efficient heating in residential properties.

The Renowate GmbH business model involves the serial energy-efficiency modernisation of portfolio properties. It is a full-service provider for the entire refurbishment process – from initial portfolio analysis to turnkey installation.

These three companies are also referred to hereinafter as green ventures, because they make a contribution towards climate change mitigation on the one hand and are positioned as an independent business model on the other.

Both the upstream and downstream sections of the value chain have been taken into account in order to prepare this Sustainability Report and the underlying materiality analysis of the impacts, risks and opportunities. A description of the value chains can be found under SBM-1.

LEG does not exercise the option to omit specific information relating to intellectual property, expertise or the results of innovations.

DR BP-2: Disclosures in relation to specific circumstances

The time horizons defined by LEG were adjusted during the reporting period and now correspond to those set out in section 6.4 of ESRS 1:

- Short-term horizon: corresponds to LEG's reporting period (1 January to 31 December 2025)
- Medium-term horizon: corresponds to a period from the end of the reporting period to five years (1 January 2026 to 31 December 2030)
- Long-term horizon: corresponds to a period of more than five years

To the greatest possible extent, LEG's reporting is based on the actual data currently available. However, estimates are also required to be used within the identified upstream and downstream value chains. These are estimates regarding the energy consumption of tenants in the "letting and leasing" downstream value chain and are explained in more detail below. In terms of Scope 3 emissions, the emissions from the upstream heating chain (Scope 3.3) and the emissions from tenants' domestic electricity consumption (Scope 3.13) are taken into account. These emissions account for around 77 % of the total Scope 3 emissions, meaning that the remaining Scope 3 categories can be considered immaterial. The Scope 3.13 emissions are estimates because the specific consumption data is unknown due to the fact that domestic electricity is billed directly by the electricity supplier to the tenant. Tenants only report consumption values to LEG on a voluntary basis and LEG does not currently request them. LEG therefore refers to the published electricity index for Germany when calculating domestic electricity. The average electricity consumption is calculated on the basis of the number of people per residential unit, estimated using the living space.

Other figures are also subject to uncertainty due to estimates. Energy consumption values and GHG emissions for Scope 1, 2 and 3 in 2025 are associated with measurement inaccuracies. The Scope 1 and 2 energy consumption values for the 2025 financial year and the resulting emissions have been estimated because the actual consumption values were not yet available at the time of issuing this report. For this reason, consumption figures from the previous year are adjusted for the reporting year in order to take into account changes in the portfolio and the climate factor provided by the German Meteorological Service (DWD). This adjustment is necessary in order to depict the weather conditions for the 2025 reporting year. Greenhouse gas (GHG) emissions from decarbonisation measures already in place, described in more detail in Chapter E1-1, are also taken into account in the projection for the 2025 financial year. The CO₂ balance sheet also forms an important basis for the LTI.

As the energy consumption values for the reporting year were not yet available at the time of issuing this report, the Scope 3.3 emissions are also based on estimates or extrapolated values.

In order to increase the accuracy of the data, the relevant measures are implemented: For example, heat cost allocators and thermal energy meters are gradually being installed in properties so that the consumption values are available for the reporting year for Scope 1, 2 and 3.3 by the time the report is issued.

Scope 1, 2 and 3 emissions are also determined using the emissions factors published by the German Environment Agency. As this process is not standardised throughout Germany, the use of emissions factors can lead to deviations.

The estimated Scope 1 and 2 values for the reporting year, which are presented accordingly, will be replaced by the actual values in the subsequent year. The deviation between these estimated consumption values and the actual values was 2.09 % in 2024; for emissions, this figure was -0.35 %.

Estimated values are also used in the S1 section to calculate the gender pay gap. The productive hours of employees who are not subject to working time recording (e.g. TSP or LEG managers) are determined on the basis of the contractually agreed working hours. For employees who are subject to working time recording, actual values are available for productive hours. The productive hours of the BCP employees were calculated on the basis of the individual employment level using the productive hours for an LEG employee covered by collective agreements. Compared to the previous report, there has been a change in the preparation of the CO₂ balance sheet.

This was optimised in 2024 and 2025 through automation processes. This relates in particular to the largest part, namely portfolio emissions (space and water heating in rented properties). Switching to a relational database enables higher data quality, as manual data snapshots are no longer created; instead, comparisons between the data are established directly in the Group data warehouse using coded logic. The deviation from the previous accounting logic is just -0.23 % compared to the previous actual balance sheet for 2023. The consumption and emissions determined in the 2023 CO₂ balance sheet were used as a reference value as these represented the most up-to-date actual values at the time the tool was developed. This ensured that the database-driven CO₂ balance sheet was programmed correctly.

The disclosure of data points DR S1-14: Parameters for health and safety and DR S1-15: Parameters for work-life balance is not applicable in the reporting period due to the application of Delegated Act (EU) 2025/1416 amending ESRS Set 1 (Delegated Regulation (EU) 2023/2772) ('Quick Fix').

In the 2024 reporting year, LEG reported cases of corruption or bribery in accordance with ESRS requirements for the first time. Due to an error in the definition of 'confirmed cases', the information on 'total number and type of confirmed cases of corruption or bribery' and 'number of confirmed cases in which own employees were dismissed or disciplined for corruption or bribery' had to be corrected. Further information and the adjusted previous year's figure can be found in Chapter ESRS G1: Corporate Policy in Section DR G1-4: Confirmed Cases of Corruption or Bribery.

The disclosure requirements under the EU taxonomy are also fulfilled by this Sustainability Report. The preparation of the GHG balance sheet meets the requirements of the Greenhouse Gas Protocol (GHG Protocol). The categorisation of physical and transitional risks is done using the TCFD framework.

Information that has been incorporated by reference is shown in the list below:

References to other parts of the report	
ESRS 2 disclosure requirement	Reference in the management report
Information on qualifications and experience of the Supervisory Board (ESRS 2 GOV-1, 20c)	Combined corporate governance declaration in accordance with sections 289f and 315d HGB
Information on the characteristics of the undertaking's employees (ESRS S1-6, 50f)	Economic report, "Employees" section

Governance

DR GOV-1: Role of administrative, management and supervisory bodies

LEG's Management Board consists of three managing members who are responsible for the operational management of the company. The Supervisory Board consists of six members and serves as a controlling body. At LEG, there are elected co-determination bodies at the relevant subsidiaries with personnel, including Group, company, regional and divisional works councils as well as an economic committee. There are no workers' representatives on LEG's Supervisory Board, but there is a co-determined Supervisory Board at LEG Wohnen GmbH. The members of the Supervisory Board have the relevant qualifications and experience required in order to fulfil their duties (see Report of the Supervisory Board). The requirements of the German Corporate Governance Code (GCGC 2022) are met in full as per the 2025 declaration of conformity and the corporate governance declaration.

In the 2024 financial year, the Supervisory Board closely monitored the updating of the ESG strategy and the implementation of GHG monitoring in a dedicated ESG Committee. This created the conditions for monitoring the GHG reduction in the portfolio as derived from the decarbonisation pathway and assessing the marketability of the GHG reduction measures. With effect from the 2025 financial year, the Supervisory Board transferred the tasks previously performed by the ESG Committee in connection with GHG monitoring to the Risk and Audit Committee. LEG published its Sustainability Strategy 2030 in the 2025 financial year. In the opinion of the Management Board, the members of the Risk, Audit, and ESG Committee have appropriate experience and knowledge of ESG issues.

The Management Board and Supervisory Board can be broken down by gender as follows:

Breakdown of Supervisory Board and Management Board	
Gender	Percentage
Supervisory Board	
Male	67%
Female	33%
Management Board	
Male	67%
Female	33%

There is no change in the breakdown compared to the previous year.

At its meeting on 5 November 2024, LEG's Supervisory Board confirmed the resolutions regarding the quota of women on the Management Board and Supervisory Board in accordance with the German Act on Equal Participation of Women and Men in Leadership Positions (33 % in each case) and extended them until 31 December 2029. 100 % of the members of the Supervisory Board are independent as defined by the GCGC.

LEG has a Group-wide risk management system (RMS) that is supported by the IT tool Risk2Chance (R2C). At LEG, risk management serves to identify, analyse, measure, control, document and communicate business-related risks, as well as to monitor them. The main aim of risk management is to prevent the risks identified, minimise them (e.g. through corresponding countermeasures), transfer them (e.g. to insurance companies), plan for them financially (e.g. through provisions), or actively work to counteract them. Sustainability risks assessed in monetary terms for the planning period are recorded in the quarterly risk inventory along with the other risks, set out in the risk inventory report and presented to the Management Board. This means the entire Management Board is responsible for monitoring, managing and overseeing impacts, risks and opportunities and for regularly informing the Risk, Audit and ESG Committee.

A key component of risk management is the Group-wide early risk warning system in accordance with audit standard IDW 340 (new version). According to section 91(2) of the German Stock Corporation Act (AktG): "The Management Board of a stock corporation is required to adopt suitable actions, notably to set up a monitoring system, in order to be able to identify at any early stage any developments that could jeopardise the continued existence of the company." LEG's early risk warning system was examined with regard to the requirements of the AktG as part of the audit of the financial statements. The audit found that the Management Board has taken the measures prescribed by section 91(2) AktG on establishing an appropriate early risk warning system and that the early risk warning system is suitable for identifying developments that could jeopardise the continued existence of the company at an early stage. Furthermore, the entire risk management system is audited every three years by LEG's Internal Audit department (generally with the assistance of an externally commissioned auditing company).

In addition to the risk management system, an internal control system (ICS) has been established. Since the 2025 financial year, this has also included controls relating to sustainability reporting. These controls are in the process of implementation since the reporting year and are currently in the "test of implementation" phase on account of their first-time implementation. The procedure for managing impacts, risks and opportunities is based on the company-wide Sustainability Strategy 2030, which serves as a strategic framework for identifying, assessing and managing sustainability-related issues. The impacts, risks and opportunities in the environmental (including decarbonisation), social (including in relation to employees and customers) and corporate governance (including in relation to compliance) areas are integrated and implemented. The respective topics are operationally implemented and monitored by the specialist departments. Additional controls for the management of impacts, risks and opportunities are not currently implemented.

The Risk, Audit and ESG Committee of the Supervisory Board is informed by the Management Board and the Internal Audit department about current developments and audits on a twice-yearly basis, as well as on an ad hoc basis as required. The Risk, Audit and ESG Committee is also presented with the annual audit plan by the Internal Audit department. The Management Board provides a quarterly update on the risk situation within the LEG Group as part of its risk inventory, while a report on compliance with ICS regulations is issued annually. If required, ad hoc reports are also submitted to the Risk, Audit and ESG Committee.

The objectives relating to material impacts, risks and opportunities are communicated to the Management Board and the Risk, Audit and ESG Committee on a quarterly basis. The results of the risk inventory are submitted to the Management Board and subsequently presented to the Supervisory Board.

The risk inventory includes sustainability-related risks. The Management Board is responsible for monitoring the impacts, risks and opportunities.

In turn, the Risk, Audit and ESG Committee reports to the Supervisory Board on the risk management and ICS topics discussed at the meeting. The roles and responsibilities of the committees are set out in the rules of procedure for the Supervisory Board and the Risk, Audit and ESG Committee.

The Supervisory Board elected the members of the Risk, Audit and ESG Committee from among its members. Among other things, these elections focus on the sustainability-related expertise of the respective Supervisory Board members. The members of the Risk, Audit and ESG Committee are Dr Claus Nolting (Chairman), Dr Sylvia Eichelberg and Mr Christoph Beumer. The Risk, Audit and ESG Committee has the following sustainability-related expertise and skills:

- Theoretical and practical experience of ESG regulations and their implementation
- Publications on various ESG-related topics
- Membership of the Supervisory Board held for several years, particularly with a focus on ESG
- Identification and management of ESG risks
- Many years of operational experience in the development and implementation of ESG initiatives and the implementation of ESG objectives

This expertise is relevant to the evaluation and management of material impacts, risks and opportunities. Due to their many years of experience, they are able to classify them in corporate strategy and processes. The members of the Risk, Audit and ESG Committee continually build on their sustainability-related expertise.

DR GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Both the Management Board and Supervisory Board are concerned with all material impacts, risks and opportunities (for a list, see Chapter SBM-3). The Management Board regularly participates in LEG's internal meetings. For example, the Management Board was intensively involved in the revision of the sustainability strategy.

The Management Board kept the Supervisory Board transparently informed about all strategic developments at all times and actively sought its involvement. In particular, the Risk, Audit and ESG Committee was the point of contact for updating the sustainability strategy. This took place four times in 2025. The report from the Risk, Audit and ESG Committee is an integral part of every Supervisory Board meeting. A continuous exchange takes place in the regular meetings and, if necessary, in additional meetings. At the ordinary meetings of the Supervisory Board and its committees, the Management Board and Supervisory Board discussed current issues, including impacts, risks and opportunities, in the residential real estate sector on an ad hoc basis, thus ensuring that information is provided on the implementation of due diligence in the area of sustainability and the results and effectiveness of the strategies, actions, metrics and targets resolved. Extraordinary meetings and calls were held by the Supervisory Board or its committees as necessary.

As in previous years, the Supervisory Board was involved in the development of corporate strategy and in risk management. Constructive and regular cooperation between these boards is particularly important in the face of growing challenges in a world of volatility and increasing uncertainty. The Supervisory Board satisfied itself as to the legality and regularity of the Management Board's work.

DR GOV-3: Integration of sustainability-related performance in incentive schemes

The remuneration system for the Management Board includes sustainability targets that are tied to short-term financial incentives (STIs) and long-term financial incentives (LTIs) and defined annually by the Supervisory Board.

The ESG objectives are derived from a strategic review based on the sustainability strategy. For 2025, criteria in the area of the environment were established and tied to specific targets. The targets are assigned measurable quantitative criteria so that a comparison of target and actual performance can be carried out at the end of the financial year to measure target attainment. The specific ESG targets, as well as the minimum and maximum values, are determined annually by the Supervisory Board with the consent of the Management Board prior to the start of

the financial year. Targets for the Management Board are resolved by the Supervisory Board. These agreed targets also apply to the second tier of management. The Supervisory Board does not have any agreed targets.

The agreed STI and LTI targets are presented in detail in the remuneration report, along with the degree to which they have been achieved.

The ESG target for 2025 has a weighting of 20 % in both the STI and LTI target values. The STI is fully (100 %) covered by the environmental target (STI). The LTI portion is divided equally (50 % each) between the environmental and social LTI targets.

Target attainment for short- and long-term targets in the 2025 financial year

STI 2025			
Environment			
Target	Description	Target values	
Saving of 6,000 tonnes CO ₂ e	In the 2025 financial year, the short-term target was a saving of 6,000 tonnes CO ₂ e	Minimum value: 0 %	Saving of 5,400 tonnes CO ₂ e
		Target attainment: 100 %	Saving of 6,000 tonnes CO ₂ e
		Maximum value: 200 %	Saving of 6,600 tonnes CO ₂ e

Environmental target: Reduction of 6,000 tonnes CO₂ through modernisation projects and changes in customer behaviour in the 2025 financial year

Specific description: To achieve 100 % of the environmental target, a saving of 6,000 tonnes of carbon dioxide (CO₂) is required in 2025. All GHG reduction measures from the three clusters of measures of the sustainability strategy, "Emission-efficient heat supply", "Reduced energy requirements" and "Energy-efficient modernisation", are taken into account. GHG monitoring is performed for these three clusters on a quarterly basis.

Target attainment: CO₂e emissions were reduced by a total of 6,319 tonnes in the 2025 financial year. At 153 %, the target was therefore achieved and exceeded.

LTI 2022-2025

LTI 2022-2025			
Environment			
Target	Description	Target values	
Cut CO ₂ emissions (CO ₂ e kg/sqm) by 10 %	Cut climate-adjusted CO ₂ emissions in kg/sqm of the portfolio as compared with the base year 2019 based on the portfolio included in the Annual Report as of 31 December 2019, which was adjusted for sales until 31 December 2025.	Minimum value: 0 %	6 % reduction in CO ₂ e emissions
		Target attainment: 100 %	10 % reduction in CO ₂ e emissions
		Maximum value: 200 %	14 % reduction in CO ₂ e emissions

Environmental target: Cut CO₂ emissions by 10 % in four years

Specific description: Cut climate-adjusted CO₂ emissions in kg/sqm of the portfolio as compared with the base year 2019 in the next four years based on the portfolio included in the Annual Report as of 31 December 2019, which was adjusted for sales until 31 December 2025. In order to achieve 100 % attainment, a reduction of 10 % is required.

Target attainment: The reduction in climate-adjusted CO₂ emissions in kg/sqm of the portfolio as compared with the base year 2019 (based on the portfolio included in the Annual Report as of 31 December 2019 adjusted for acquisitions and disposals) is 14.9 %. At 200 %, the long-term target was therefore achieved and exceeded. Due to the adjusted inventory, the percentage reduction differs from that of the decarbonisation pathway.

LTI 2022-2025			
Social			
Target	Description	Target values	
Increase customer satisfaction index (CSI) to > 70 %	The long-term target for 2022-2025 was to improve the customer satisfaction index to over 70 %.	Minimum value: 0 %	Improve CSI to > 60 %
		Target attainment: 100 %	Improve CSI to > 70 %
		Maximum value: 200 %	Improve CSI to > 80 %

Social target: Achieve a customer satisfaction index of 70 %

Specific description: The long-term target for 2022-2025 was to improve the customer satisfaction index to over 70 %.

Target attainment: The long-term target of improving customer satisfaction was achieved at 77 %. At 170 %, the long-term target was therefore achieved and exceeded.

Definition of short- and long-term targets in the 2026 financial year

Environmental target STI 2026

The Supervisory Board has defined a new environmental STI target for the 2026 financial year.

STI 2026			
Environment			
Target	Description	Target values	
Saving of 7,600 tonnes CO ₂ e	In 2026, various decarbonisation measures will be implemented with the aim of achieving a total annual saving of 7,600 tonnes of CO ₂ e. The disclosures are based on the portfolio included in the Annual Report as at 31 December 2025.	Minimum value: 0 %	Saving of 5,600 tonnes CO ₂ e
		Target attainment: 100 %	Saving of 7,600 tonnes CO ₂ e
		Maximum value: 200 %	Saving of 9,600 tonnes CO ₂ e

To achieve 100 % of the environmental target, a saving of 7,600 tonnes of carbon dioxide (CO₂e) is required in 2026. All GHG reduction measures from the three clusters of measures of the sustainability strategy, "Emission-efficient heat supply", "Reduced energy requirements" and "Energy-efficient modernisation", are taken into account. GHG monitoring is performed across these three clusters based on the forecast and the business plan.

Environmental target LTI 2026:

The Supervisory Board has defined the following environmental target as the ESG target for the LTI with the performance period 2026 to 2029:

LTI 2026-2029			
Environment			
Target	Description	Target values	
Reduction in persistent relative CO ₂ e emission-saving costs in EUR/tonne of 20 %, to be achieved through all of LEG's decarbonisation measures from 2026-2029	The long-term target for 2026-2029 is based on the total costs of all CO ₂ -effective measures implemented in 2025 compared to the sum of all CO ₂ e savings that can be achieved by all measures over their periods of effectiveness.	Minimum value: 0 %	10 % reduction in costs per tonne of CO ₂ e saved
		Target attainment: 100 %	20 % reduction in costs per tonne of CO ₂ e saved
		Maximum value: 200 %	30 % reduction in costs per tonne of CO ₂ e saved

The initial value is based on the GHG monitoring for the 2025 financial year across all decarbonisation measures, i.e. the total costs of all GHG-effective measures implemented in 2025 compared to the sum of all GHG savings that can be achieved by all measures over their periods of effectiveness. The target value is based on the GHG monitoring for the 2029 financial year across all decarbonisation measures.

DR GOV-4: Statement on due diligence

Statement on due diligence	
Core elements of due diligence	Reference in the Sustainability Report
a. Integrating due diligence into governance, strategy and business model	ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3
b. Integrating affected stakeholders into all key stages of due diligence	ESRS 2 SBM-2, ESRS 2 IRO-1, ESRS E1-2, ESRS S1-1, ESRS S1-2, ESRS S4-1, S4-2
c. Identifying and evaluating negative impacts	ESRS 2 BP-2, ESRS 2 SBM-3, ESRS 2 IRO-1, ESRS E1 IRO-1
d. Actions to counter these negative impacts	ESRS 2 BP-2, ESRS E1-1, ESRS E1-3, ESRS S1-1, ESRS S1-1, ESRS S1-3, ESRS S1-4, ESRS S4-1, ESRS S4-3, ESRS S4-4
e. Monitoring the efficacy of these efforts and communication	ESRS 2 GOV-2, ESRS E1-4, ESRS S1-2, ESRS S1-3, ESRS S1-4, ESRS S4-2, ESRS S4-3, ESRS S4-4

DR GOV-5: Risk management and internal controls over sustainability reporting

For the 2025 reporting year, LEG has implemented an internal control system (ICS) for sustainability reporting. The Management Board is responsible for the establishment of an appropriate and effective ICS and a risk management system which also cover sustainability-related aspects. This is intended to control and ensure the quality of the reporting-relevant data basis for sustainability reporting. The ICS was implemented in coordination with Controlling and Risk Management and the specialist departments concerned. As the controls are being in the process of implementation for the first time, the sustainability-related controls are currently still in the "test of implementation" phase.

The ICS process is coordinated by and falls under the responsibility of the Sustainability & Innovation department. The specialist departments responsible for content are consulted in order to provide data and qualitative disclosures. The information provided is examined by the Sustainability department using the controls defined in the ICS. A corresponding timeline and implementation plan has also been established to ensure that the controls are performed.

Close coordination between the Sustainability department and LEG's specialist departments as part of the ICS serves to safeguard data collection processes and minimise the need for estimated disclosures. A control method for assessing and prioritising risks within the framework of estimated values does currently not exist. In the risk inventory report, the risks are sorted according to their expected value and shown in the risk matrix. The implementation of sustainability reporting requires significant human, financial and time resources. This resource risk is minimised through automation and digitalisation. The risks of incorrect disclosures due to incomplete data or low data quality are also further reduced. For example, the availability of consumption data is increased through the direct connection of database-driven information. This serves to reduce the use of estimates for heat and hot water data. In future, data on consumption during the year and data from the digitalisation of boiler rooms will also be used for extrapolation.

The results of the risk assessment and the results of the controls are covered within the internal control processes and will be transferred to risk management in future. The results of the risk assessment and internal controls with regard to the sustainability reporting process are planned to be reported to the Management Board and Supervisory Board on a regular basis (at least once a year) in future. Upon completion, the results of the annual self-assessment are presented to the Management Board. However, the process minimises the most important identified risks with regard to incorrect information in reporting to the greatest possible extent.

Strategy

DR SBM-1: Strategy, business model and value chain

With a portfolio of 172,960 rental units at approximately 240 locations, LEG is the second-largest residential property company in Germany. LEG's activities can therefore be assigned to the "Real Estate and Services" (RRS) sector. LEG is also active in the "Energy Production & Utilities" (EEU) sector through its energy subsidiary Energie-ServicePlus (ESP) and the biomass heating power plant Siegerland GmbH & Co. KG.

LEG is a listed residential property management companies in Germany, with a regional focus on North Rhine-Westphalia. This is where 80 % of its portfolio is located. LEG's customers are primarily people with low to medium incomes. As such, LEG serves the growing demand for living space in this income category and focuses entirely on tenants in the "affordable housing" segment. The energy supply for the heating systems in LEG buildings is often provided by the energy subsidiary ESP.

LEG had 2,117 employees in Germany as of 31 December 2025 (31 December 2024: 2,087 employees).

Revenues are not currently broken down by sector, as the sector-specific ESRS standards have not yet been published.

Within its sustainability strategy, LEG has set itself the target of reducing its Scope 1 and 2 emissions by 47 % in the period from 2019 to 2030. This target was validated by the Science Based Targets initiative (SBTi) on 5 December 2024. LEG is striving to become practically greenhouse gas-neutral by 2045.

LEG has therefore set itself the following remuneration-related long-term targets:

Remuneration-related long-term targets (LTI)	
Period	Target
Environmental	
2023-2026	Reduction in persistent relative CO ₂ e emission-saving costs in EUR/tonne of 10 %, to be achieved through permanent structural changes to LEG's residential buildings
2024-2027	Installation and commissioning of 2,000 air-to-air heat pumps in 2027 in LEG's portfolio and in third-party portfolios
2025-2028	Profit and disposal results of green ventures over EUR 20 million
2026-2029	Reduction in persistent relative CO ₂ e emission-saving costs in EUR/tonne of 20 %, to be achieved through all of LEG's decarbonisation measures from 2026-2029
Social	
2023-2026	Trust Index value for the LEG Group of 70 %, which will be measured via the "Great Place to Work" employee survey in 2026.
2024-2027	Acceleration of the processing time for total LEG tenant complaints by 10 % by 31 December 2027 based on the average processing time for resolved complaint tickets from March 2024 and September 2024

Additional remuneration-relevant targets are already described in Chapter GOV-3.

An update of the strategy was presented in March 2025 and published as the Sustainability Strategy 2030. This strategy was prepared on the basis of the existing "ESG Agenda 2024". The focus of the revised Sustainability Strategy 2030 in the next few years will lean more strongly towards the topics of environment and climate change mitigation. The affordability of decarbonisation is perceived as the main challenge in this respect. Accordingly, the cost-effectiveness and financing viability of the measures are being considered and a much greater focus is being placed on emission efficiency. Furthermore, LEG will establish the topic of sustainability as a business model with the existing three green ventures as well as additional innovations and build on it to achieve additional revenue. When updating the catalogue of measures to reduce GHG emissions, the main aim is therefore to reduce GHG emissions throughout the entire company as cost-effectively as possible. The GHG reduction targets underpinning these measures have been validated by the Science-Based Target Initiative (SBTi) and are reflected in the environmental targets to 2030. In order to achieve these targets, various GHG reduction measures are being implemented. These can be divided into three clusters. The clusters of measures each make a proportionate contribution to the total GHG reduction by 2030:

- Energy-efficient heat supply, including the installation and control of new heating systems, the use of air-to-air and air-to-water heat pumps (dekarbo) and the more widespread use of district heating (the biggest decarbonisation lever, contributing 50 to 55 % of the total GHG reduction by 2030)
- Reduction of energy requirements, among other things, through the use of smart thermostats (termios) or through approaches to change customer behaviour that are intended to point out or "nudge" the tenant on potential energy savings (green nudging). This includes, for example, the installation of shower flow regulators as part of the "Spardusche" project (decarbonisation lever with a contribution of 30 to 35 % of the total GHG reduction by 2030)
- Energy-efficient modernisation, including using conventional methods, as well as serial modernisation with Renowate GmbH (decarbonisation lever contributing 10 to 15 % of the total GHG reduction by 2030)

Based on the German Climate Protection Act in force at the time this report was prepared, LEG's target is to become practically greenhouse gas-neutral by 2045.

More details are provided about the strategies and targets for the social and governance topics in the specific standards (see Chapters ESRS S1, ESRS S4 and ESRS G1). The sustainability strategy is published on LEG's website. LEG has continuously expanded its business areas in recent years with a focus on its sustainability targets:

Property management and rentals

- Focus on affordable housing for large parts of the population, target group orientation and neighbourhood management (LEG Wohnen GmbH and LEG Management GmbH as well as various property companies; see “Basic information on the Group” in the Group management report)
- Management of property maintenance services (Youtilly GmbH)

Energy supply

- Provision of energy technology and services (EnergieServicePlus GmbH)
- Energy generation (Siegerland GmbH & Co. KG biomass heating power plant)

Service activities

- Small repair management and insurance claim processing (TSP – TechnikServicePlus GmbH)
- Electrical work in LEG properties (LEG LEITWerk GmbH)
- Multimedia business (Wohnservice Plus GmbH)
- Refurbishment of vacant properties (LWS Plus GmbH)

Innovative solutions

- Installation and maintenance of efficient air-to-air and air-to-water heat pumps, especially to replace decentralised heating systems (dekarbo GmbH)
- Smart radiator thermostat control in existing and new central heating systems (termios GmbH)
- Efficient implementation of serial full modernisation projects (Renowate GmbH)

LEG has three different central value chains: property rentals and management, heat supply and contracting, and own energy generation through the Siegerland biomass heating power plant.

1. “Property rentals and management” value chain

The value chain can be divided into the upstream supply chain, the company’s own operations and the downstream stages of value creation. The most important business activities include the management of an extensive property portfolio, the implementation of refurbishment and modernisation measures and the provision of heat through internal and external supply structures.

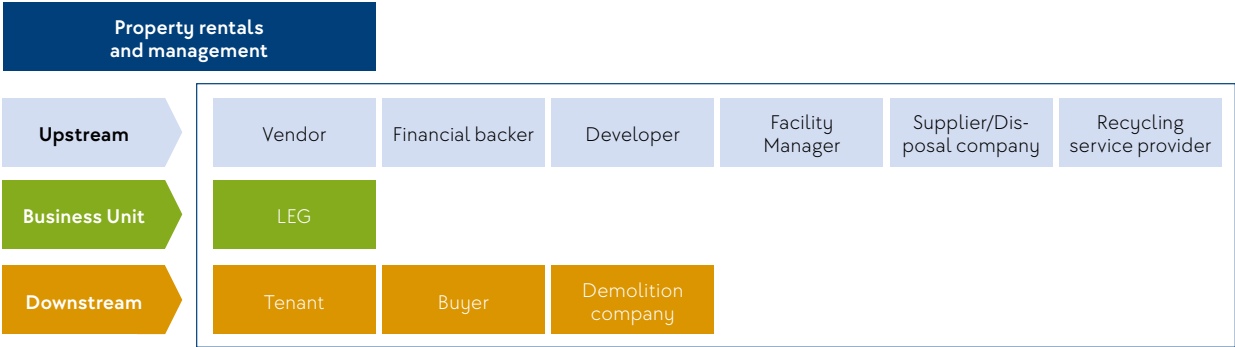
The following describes the key input and output factors, as well as the major components of the upstream and downstream value chain for the rental and management of property (see Chapter BP-1).

One major input factor is LEG’s property portfolio and the associated land. These properties will be maintained and adapted to climate change through maintenance, refurbishment and modernisation measures. The energy sources used for supplying heat are also a major input factor. These are being switched over to electricity as part of more emission-efficient heating or expanded for district heating connections, for example (see Chapter ESRS E1).

Qualified and motivated employees are another major input factor. LEG is therefore focusing on the continued development of its corporate culture and its attractiveness as an employer. Further information on the company’s own workforce can be found in Chapter ESRS S1. A functioning IT infrastructure comprising hardware and software is also required to perform these processes. This is the responsibility of LEG’s own IT subsidiary LEG Technologie und Digitalisierung (LTD). Cost-effective planning also ensures that capital resources, consisting of equity capital, borrowed capital and hybrid capital, are utilised efficiently.

The primary output of LEG’s business activities is the provision of housing. The core concern in this respect is providing affordable, functional housing. In this context, LEG’s business relationships in the upstream value chain play an important role. The most important actors include construction companies for the maintenance, refurbishment and modernisation of portfolio properties as well as investors and sellers of buildings. Suppliers, disposal companies and recycling companies that dispose of the waste generated in connection with construction measures are also part of the upstream value chain. The downstream value chain primarily comprises LEG’s tenants, property buyers and demolition companies.

Within the value chain, activities and resources are found in the upstream and downstream value chain as well as in the company's own operations. The activities in the upstream value chain include project development and planning, processing of raw materials, construction activities, property purchases, delivery and logistics, subsidies and financing. The resources include raw materials, other materials and service providers. The company's own operations include activities such as the letting, management and provision of homes, project development, maintenance, refurbishment and modernisation, energy supply, insurance and customer service. These activities are carried out by LEG's own employees and by external service providers. The activities in the downstream value chain include utilisation by tenants, energy consumption, utilisation by buyers and demolition or disposal, while the resources include energy, service providers, waste and wastewater.



2. “Heat supply and contracting” value chain

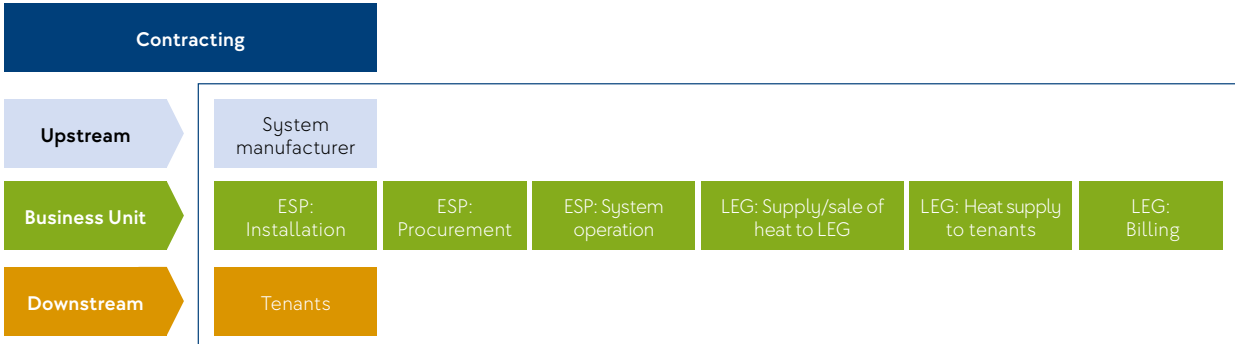
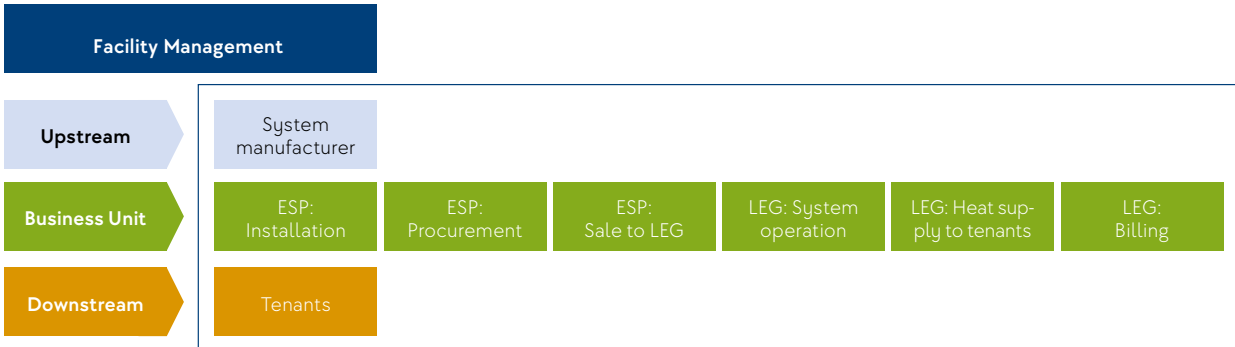
The “heat supply and contracting” value chain is implemented with the subsidiary ESP and consists of two different heat supply variants.

In the system management variant, ESP installs the heat supply system and then sells it to LEG. LEG is subsequently responsible for operating the system, supplying the heat and billing the tenants. The contracting variant comprises the procurement and

installation of the heat supply system by ESP. ESP is responsible for operating the system and thus supplies the heat directly to LEG. LEG makes the heat available to its tenants and bills them for their heat consumption accordingly. Key input factors are the systems used, which are owned by LEG (system management) or ESP (contracting) depending on the ownership variant, as well as the energy sources to be purchased (gas, electricity, oil, pellets). As with the property rentals and management business model, qualified and motivated employees are the key input factors here, as well the relevant expertise on energy procurement and system operations. The output of the subsidiary ESP is the supply of heat to tenants in LEG's portfolio.

In both variants, the business relationships in the upstream value chain primarily include system manufacturers who supply the technical components, while the downstream value chain mainly comprises the LEG tenants to whom the heating energy is provided.

Within both value chains, activities and resources are found in the upstream and downstream value chain as well as in the company's own operations. The activities in the upstream value chain include the planning and construction of the systems. This requires raw materials and other materials as resources. The company's own operations include activities such as project development, procurement, installation, operation, heat supply, billing and sales that are performed by employees. The activities in the downstream value chain include utilisation by tenants and payments, as well as heat as a resource.

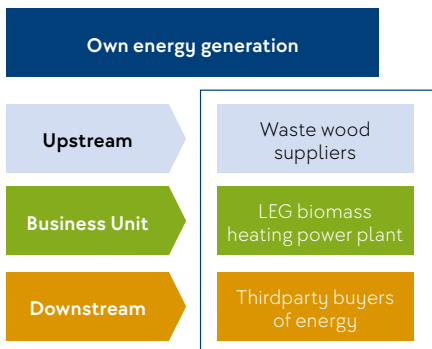


3. “Own energy generation” value chain

The “own energy generation” value chain relates to the business activities of Biomasse Heizkraftwerk Siegerland GmbH & Co. KG. In the upstream value chain, the focus is on the supply of waste wood by corresponding suppliers. Qualified employees are also among the key resources within the company’s own operations.

The output consists of the provision of green electricity and green district heating. The main players in the downstream value chain are, correspondingly, third-party buyers of energy.

Within the value chain, activities are found in the upstream and downstream value chain as well as in the company’s own operations. The activities in the upstream value chain primarily include the provision of waste wood as a fuel. Activities such as fuel management, energy generation, plant operation and marketing are carried out in the company’s own operations. The activities in the downstream value chain include the purchase of energy, utilisation and remuneration. Waste wood, heating oil and energy are used in the upstream value chain and in the company’s own operations.



LEG generated the following revenue within the value chains in 2025:

At EUR 1,566 million (PY: EUR 1,557,5 million), 99 % of total revenue is attributable to the “property rentals and management” value chain. The remaining 1 % is divided between the two other value chains, “heat supply and contracting” and “own energy generation”. Owing to the proportion of revenue it accounts for, “property rentals and management” is the most significant value chain and is used as the basis for reporting in this Sustainability Report. Where appropriate, selected characteristics of other value chains are outlined in more detail.

DR SBM-2: Interests and views of stakeholders

A validation of the materiality analysis that was prepared in 2023 took place in the reporting year. When the materiality analysis was developed, the key stakeholders for LEG were integrated and consulted via a survey in order to obtain a wide range of perspectives and to ensure that all relevant topics had been addressed. The development of the materiality analysis was overseen by an external consultancy company.

In order to identify the key stakeholders, they were evaluated for “influence” and “interest” using a scoring model. This was part of the preparatory work for the materiality analysis. Stakeholders identified as being particularly important were integrated into the process for developing the materiality analysis. The most important stakeholders include tenants and customers, shareholders, employees, the Management Board, the Supervisory Board, investors, banks, insurance companies, politicians, and suppliers. Furthermore, an expert panel of internal stakeholder representatives was established. This panel covers all relevant specialist departments within LEG and its subsidiaries, which may include corresponding business areas or stakeholder perspectives. By integrating these stakeholders, this therefore covers the employee, customer and investor perspectives, as well as the perspectives of service providers and other business partners. The perspective with regard to various construction measures is also included via the specialist departments. In addition to the internal panel of experts, the employees were also consulted via a survey in order to validate the topics. In terms of external stakeholders, investors and banks, insurance companies, suppliers and tenants were all included by sending out a survey. Furthermore, the results of the comprehensive survey by the VdW (Verband der Wohnungs- und Immobilienwirtschaft Rheinland Westfalen e. V.) were also fed into the materiality analysis, which meant that political perspectives were therefore also taken into account.

In particular, the integration of stakeholders is intended to aid consensus-seeking, decision-making and information validation. This aims to ensure that all topics are properly addressed. The perspectives and views of stakeholders with regard to the strategy and business model were obtained via responses to the survey and analysed and validated in the materiality analysis. The Management Board and Supervisory Board were informed about this at a meeting of the Risk, Audit and ESG Committee (formerly: ESG Committee). The results of the stakeholder survey and the materiality analysis carried out have essentially confirmed the previous orientation of the sustainability strategy. In view of the current political, regulatory and economic conditions, the strategy has been adapted and updated, especially with regard to the environment, climate change mitigation and economic efficiency. Among other things, this includes a focus on emissions efficiency. In future, further dialogue with stakeholders is planned at regular intervals in connection with updates to the materiality analysis. The results are subsequently compared with the sustainability strategy. This is expected to ensure that changing stakeholder perspectives can be continuously incorporated into the ongoing development of the sustainability strategy.

DR SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The following table shows the impacts, risks and opportunities deemed material by the materiality analysis, as well as the assessment and any relevant actions. The results of the validation of the materiality analysis for the current financial year are taken into account. Short-, medium- and long-term horizons were considered.

Impacts					
IRO description	Value chain	Influence on business model, value chain and strategy	Impact on people and the environment	Actions	Time horizon
E1 – Climate change					
Climate change adaptation					
GHG emissions from the operation of buildings	EG NW	Aim of reducing GHG emissions, therefore high influence on business model and strategy as a result of the decarbonisation pathway	Negative contribution to climate change, making climate change adaptation more difficult	Energy-efficient modernisation	Short-, medium- and long-term
Climate change mitigation and energy					
GHG emissions from the operation of buildings	EG NW	Aim of reducing GHG emissions, therefore high influence on business model and strategy as a result of the decarbonisation pathway	Negative contribution to global warming	Transformation to a greenhouse gas-neutral building stock through three clusters of measures for decarbonisation: emission-efficient heat supply, reduced energy requirements and energy-efficient modernisation	Short-, medium- and long-term
S1 – Own workforce					
Working conditions					
Safeguarding employee health as a prerequisite for good work	EG	Addressed in works agreements	Promoting employee health	Operational health management programme with the relevant services	Short-term
(Long-term) absence from work on the part of LEG employees due to climate- or work-related stress	EG	Addressed in works agreement	Jeopardising employee health	Operational health management programme with the relevant services (e.g. stress prevention); occupational safety briefing; workplace accident insurance	Short-term
Safeguarding employee satisfaction and loyalty with adequate wages	EG	Collective agreements and statutory co-determination	Safety for LEG employees	Remuneration that complies with collective labour agreements; special remuneration and inflation compensation	Short-term
Securing jobs	EG	Responsible business conduct	Safety for LEG employees	Liquidity management	Short-term
Employee satisfaction and retention is ensured through a healthy work-life balance	EG	Taken into account in the corporate strategy as a contribution towards employee satisfaction and a sense of belonging among employees; addressed in works agreements	Promoting employee satisfaction; better balance between work and private life	Flexitime arrangements; possibility of mobile working and regulations on working from home	Short-term
Equal treatment and opportunities for all					
Safeguarding employee health as a prerequisite for good work	EG	Addressed in works agreements	Promoting employee health	Operational health management programme with the relevant services	Short-term
Adverse effects on employees due to discrimination and sexual harassment in the workplace	EG	Addressed in works agreements	Jeopardising employee health	Anonymous whistleblower system	Short-term
Diversity as a sense of belonging for employees	EG	Taken into account in the corporate strategy as a contribution towards employee satisfaction and a sense of belonging among employees	Sense of belonging for LEG employees	Various measures, such as mentoring programmes	Short-term

Other work-related rights

Safeguarding data protection with regard to own workforce	EG	Data protection department	Securing employee data	Data protection training	Short-term
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S4 – Consumers and end-users

Information-related impacts for consumers and/or end-users

Breaches of data protection with regard to tenant- and customer-related data	EG NW	Data protection department	Securing tenant data	Data protection training	Short-term
Higher customer satisfaction thanks to increased communication	EG NW	Taken into account in the corporate strategy, incentivisation to implement relevant measures relating to the environment and society	Positive contribution to tenant loyalty through increased satisfaction	Determining short-term incentives and long-term incentives at Management Board and management level	Short-term

Social inclusion of consumers and/or end-users

Integration of immigrants and refugees	NW	Social responsibility is enshrined in LEG's strategy	Support for refugees and immigrants	Provision of homes for refugees (e.g. from Ukraine), as well as for immigrants (no discrimination based on place of origin)	Short-term
Influence on tenants via low incidental costs due to energy-related measures	NW	Taken into account in the strategy; aim of achieving neutral rent including heating	Lower incidental costs for LEG tenants; positive contribution to greenhouse effect	Focus on cost-effective, innovative decarbonisation solutions, such as dekarbo and termios	Short-term
Provision of affordable housing to prevent people from losing their home	EG NW	The provision of affordable housing is LEG's raison d'être and is anchored in its strategy	Secure housing for LEG tenants	Continuation of core business	Short-term

G1 – Business conduct

Corporate culture

Corporate culture has a positive effect on employees' individual situation	EG	Taken into account in the corporate strategy as a contribution towards employee satisfaction	Positive contribution towards employee well-being at LEG	Actions to ensure a positive corporate culture; corporate culture based on fundamental values set out in LEG's declaration of fundamental values; ongoing staff development and measures focused on employees' needs	Short-term
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Corruption and bribery

Ensuring compliance (good governance)	EG	Basis of business activities	Creating trust	Compliance policies and training	Short-term
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Political engagement and lobbying activities

Influence on political decision-making through lobbying to have a positive impact on the environment and/or society and potentially have positive impacts on LEG	EG NW	Active political involvement	Dismantling regulatory obstacles in order to benefit tenants and the environment	Monitoring political developments and lobbying work	Short-term
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Protection of whistleblowers

Protection of whistleblowers by guaranteeing anonymity in the whistleblower system	VW EG NW	Regulations in the Group works agreement on the introduction of a whistleblower system and the rules of procedure for the compliance whistleblower system and on the complaints procedure according to the German Supply Chain Due Diligence Act	Preventing human rights violations; combating misconduct	Internal and external whistleblower system (anonymous if preferred)	Short-term
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Risks

IRO description	Value chain	Influence on business model, value chain and strategy	Actions	Time horizon
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E1 – Climate change

Climate change adaptation

Downgrading of properties due to investment backlog, unfavourable location factors or disadvantageous design	EG	Refurbishment as part of the strategy and business model for climate change adaptation	Targeted prioritisation of energy-efficient modernisation measures	Long-term
Threat to the company's continued existence due to chronic physical climate risks (e.g. rising sea levels)	EG NW	Regular performance of a climate risk analysis to identify risk areas in close coordination with risk and portfolio management	Insurance cover and development of customised solutions	Long-term
Acute consequences of climate change/extreme weather events	EG NW	Regular performance of a climate risk analysis to identify risk areas in close coordination with risk and portfolio management	Insurance cover and development of customised solutions	Long-term

S4 – Consumers and end-users

Information-related impacts for consumers and/or end-users

Penalties/payment of penalty fees resulting from data protection involving personal information of tenants/customers	EG NW	Good governance as the basis of business activities	Data protection training	Short-term
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G1 – Business conduct

Corruption and bribery

Compliance violations	EG	Good governance as the basis of business activities	Compliance policies and training	Short-term
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Opportunities				
IRO description	Value chain	Influence on business model, value chain and strategy	Actions	Time horizon
E1 – Climate change				
Climate change adaptation / climate change mitigation / energy				
Tapping into new areas of business opened up by climate change, e.g. third-party business such as dekarbo, termios, Renowate GmbH	EG NW	Taken into account in the strategy; tapping into new areas of business in the field of climate change mitigation via joint ventures (green ventures)	Focus on innovative decarbonisation solutions of dekarbo, termios and Renowate GmbH	Short-term
Climate change mitigation				
Integration of ESG objectives into incentivisation, thus improving commitment to implementing them	EG	Taken into account in the corporate strategy, incentivisation to implement relevant measures relating to the environment and society	Determining short-term incentives and long-term incentives at Management Board and management level	Long-term
S1 – Own workforce				
Equal treatment and opportunities for all Working conditions				
Facilitating the war for talent	EG	Taken into account in the corporate strategy as a contribution towards employee satisfaction and a sense of belonging among employees; addressed in works agreements	Flexitime arrangements; remote working option; remuneration that complies with collective labour agreements; cooperation with universities	Short-term
Attractiveness through fair working conditions	EG	Taken into account in the corporate strategy as a contribution towards employee satisfaction and a sense of belonging among employees; addressed in works agreements	Flexitime arrangements; remote working option; remuneration that complies with collective labour agreements	Short-term

Table legend

Value chain	
EG	Own business activities
VW	Upstream value chain
NG	Downstream value chain

The material impacts, risks and opportunities pertain to the rental of portfolio properties in Germany. LEG contributes to material climate-related environmental impacts through its own activities. Negative impacts, in particular the greenhouse gas emissions generated, result primarily from the operation and management of the property portfolio. Social impacts relate to the areas of letting and customer communication. Within the upstream and downstream value chain, this primarily relates to construction companies responsible for the maintenance, remediation and energy-efficient modernisation of the property portfolio, as well as energy suppliers, investors and tenants.

The financial impacts of the actions implemented in the areas of decarbonisation, insurance and training with regard to the main risks and opportunities amounted to around EUR 84.5 million for the 2025 reporting year. The majority of the costs are attributable to decarbonisation measures in the three clusters of emission-efficient heat supply, reduced energy requirements and energy-efficient modernisation. All measures will also be continued for the 2026 reporting year. To mitigate the climate-related risks identified in the SBM-3 table and take advantage of the associated opportunities, LEG is pursuing a sustainability strategy that focuses on decarbonisation. The implementation of this strategy depends on external influences such as political and legal framework conditions (such as the implementation of climate-related laws and funding opportunities) as well as on the progress made by energy suppliers in their decarbonisation efforts. No business model-critical risks were identified in the area of social or governance.

In order to achieve its targets, various GHG reduction measures are being implemented: Firstly, emission-efficient heat supply (through the replacement of heating systems, the use of heat pumps or the expansion of district heating); secondly, reduced energy requirements (through the use of smart thermostats, the digitalisation and optimisation of central heating systems or engaging tenants through green nudging programs); and thirdly, energy-efficient modernisation (conventional or serial refurbishment). These decarbonisation measures are reducing LEG's GHG emissions and thus contributing towards achieving the climate targets it has set. In addition to climate change mitigation, it minimises the risk from GHG emission pricing. LEG demonstrates its social commitment by continually striving for higher customer satisfaction, which is expressed in regular CSAT (customer satisfaction) surveys to record tenant satisfaction and using the results to derive initiatives to increase customer satisfaction. This minimises any reputational risks and risks of vacancies due to dissatisfied tenants. The LEG NRW Tenant Foundation and the "Stiftung – Dein Zuhause hilft" foundation also provide support within the social concept of LEG.

The resilience of the strategy and business model was analysed qualitatively by assessing the extent to which the existing strategic measures are suitable for mitigating climate-related risks and addressing regulatory and market-related changes. The analysis was carried out for the time horizons defined in ESRS 2 BP-2.

Adjustments were made to the material impacts, risks and opportunities compared to the previous reporting period as part of the validation of the double materiality analysis (see Chapter IRO-1). The material financial sustainability risks were transferred from risk management to the double materiality analysis. The aim was to harmonise the assessment of financial materiality with the risks of risk management as part of the double materiality analysis. In the topic-specific standard ESRS E1, the risks of "threat to the company's continued existence due to chronic physical climate risks (e.g. rising sea levels)" and "acute consequences of climate change due to extreme weather events" were identified as material. Furthermore, in the area of climate-related risks, the "cost intensity of energy-efficient modernisation measures (partly due to regulatory requirements)", the risk of "cost increases due to rising raw material, energy and service prices", "non-allocable costs as a barrier to the modernisation of housing and building services" and "political and legal requirements and legislative changes in the area of energy and climate (e.g. mandatory refurbishment and modernisation)" were classified as insignificant. In the topic-specific standard ESRS S1, the material impact "adverse effects on employees due to discrimination and sexual harassment" was newly included as a result of the validation, while the impact "(long-term) absence from work on the part of LEG employees due to climate- or work-related stress", which was previously classified as material, was no longer considered to be material. Meanwhile, the impact "higher customer satisfaction thanks to increased communication" in the topic-specific standard ESRS S4 was categorised as material as a result of the validation. The company-specific impacts, risks and opportunities were also assigned to the topic-specific standards E1 and S4 as a result of the validation.

Impact, risk and opportunity management

DR IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

A validation of the existing double materiality analysis was carried out for this year's Sustainability Report. As part of the validation process, the previous year's results were reviewed and adjusted as necessary. The company-specific impacts, risks and opportunities were also assigned to the topic-specific standards E1, S4 and G1 as a result of the validation. In addition, the risk assessment was adapted to the existing risk inventory, meaning that monetary scale values were introduced and used to assess risks.

The results of the validation were submitted to the Management Board and confirmed. LEG will conduct a review of the materiality assessment in 2026. The following disclosures relate to the preparation process of the double materiality analysis in 2023.

In order to identify material impacts, risks and opportunities, a comprehensive list of all potentially relevant sustainability topics was first created as a longlist. To do so, the material topics from the previous GRI materiality analysis were taken into account, along with the list of topics from ESRS 1 (AR16), and supplemented with topics from other sources of information (general and sectoral compliance standards, peer reports and ratings). It served as a starting point for the materiality analysis and includes topics from the areas of environment, social and corporate governance. Using this longlist, a shortlist of sustainability-related topics was created based on the content clusters covered by the longlist. This shortlist formed the basis for the stakeholder survey. In addition to evaluating topics by relevance (actual or potential), this stakeholder survey enquired about proposed impacts, risks and opportunities (IROs). Based on the existing risk management, the information from the risk inventory were also taken into account when identifying the IROs. Furthermore, industry-related materials and discussion formats were also used to identify

IROs. In all cases, the IROs were evaluated in close consultation with the Controlling and Risk Management department and the Sustainability and Innovation department.

First of all, LEG's value chains were defined in order to be able to focus on the key activities and business relationships. These pre-defined value chains, such as rentals and property management, heat supply and contracting, as well as own energy generation, served as the basis for identifying the impacts, risks and opportunities, meaning that all business relationships were taken into account. If a positive or negative impact was defined, the risks and opportunities derived from it were also considered and evaluated. This meant the connections and dependencies were taken into account accordingly.

As part of the validation of the double materiality analysis, the previously defined short-, medium- and long-term horizons were considered when evaluating the impacts and taken into account in the probability of occurrence. The evaluation of the degree of severity was made using the criteria of extent and scope. The estimate of the extent expresses how beneficial or serious the corresponding positive or negative impact is. For negative impacts, irreversibility was also estimated. In the event of a potential negative impact on human rights, the degree of severity takes precedence over the likelihood of its occurrence and is taken into account in the materiality analysis by applying a factor. Thresholds were defined for evaluating materiality. The selection of thresholds was based on the EFRAG Working Paper "[Draft] European Sustainability Reporting Guidelines 1 – Double materiality conceptual guidelines for standard-setting". In a deviation from the working paper, however, an average figure was used and the threshold was set at ≥ 3 (on a scale of 0 to 5). Materiality was consistently evaluated at the level of the IROs. As soon as an IRO for a topic-specific standard is considered to be material, the standard is also defined as being material.

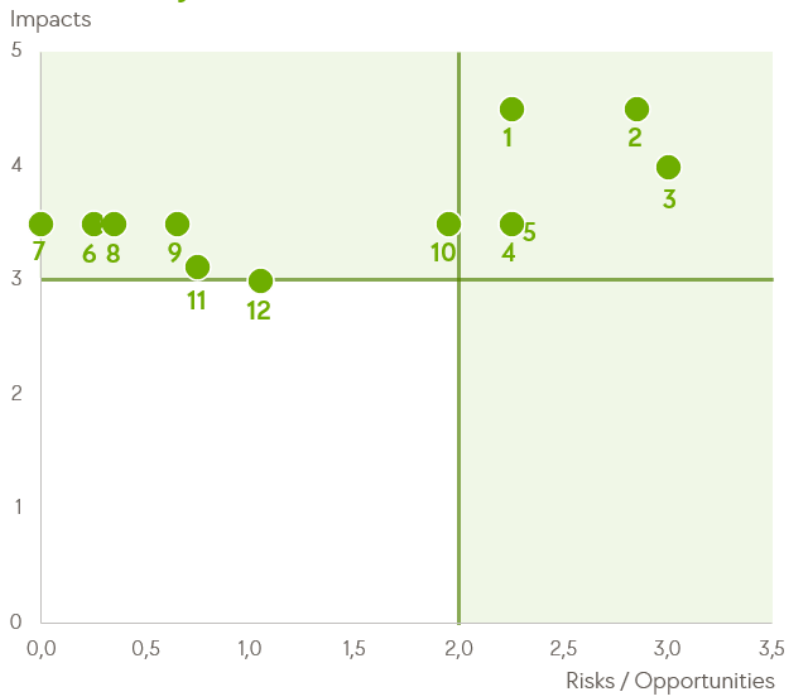
The previously defined short-, medium- and long-term horizons were considered when evaluating the risks and opportunities. The financial impact was also assessed. The risks in particular were categorised in close coordination with risk management. Where a positive or negative impact was defined, the risks and opportunities derived from it were also considered and measured. In order to measure the risks and opportunities, the threshold was set at ≥ 2 (on a scale of 0 to 5). The justification is the same as for the impacts but a lower threshold was set in this case. For the risks and opportunities, a lower threshold was selected than for impacts because the probability of occurrence to be taken into account inevitably tends to be $<100\%$. Setting the threshold at ≥ 2 aims to ensure that topics with a medium/high probability of occurrence may also fall within the material range. The value for the measurement was determined by multiplying the severity of the financial impact by the probability of occurrence.

Sustainability-related risks are given the same value as all other risks within the company. These are assessed in monetary terms, recorded in the risk management system and documented along with the other risks as part of the quarterly risk inventory. There are discrepancies between the risk report and the Sustainability Report when it comes to measuring the risks. While the risk report only presents risks with a net risk value assessed at over EUR 10 million, the materiality analysis includes a gross review (prior to actions) and an assessment of the financial impact on a scale of 1 to 5. The materiality of the risks in the double materiality analysis was harmonised with the sustainability risks of risk management in order to ensure consistent reporting. An internal control system for sustainability reporting is since the reporting year within the process of implementation and is currently undergoing a "test of implementation". Among other things, the ICS includes a control for the materiality analysis and defines key control points, actions and persons responsible within the preparation of the Annual Report. The individual controls are documented. The risk management department was involved in all aspects of the IRO measurement process. New sustainability risks are included progressively if they become material.

Opportunities are recorded on a qualitative basis. They are dealt with in the trend radar of the quarterly risk inventory report, which is also presented to the management and discussed. In doing so, the three green ventures are also taken into account, for example. This includes opportunities that may arise but whose financial impact and probability of occurrence cannot yet be correctly estimated. Based on the materiality analysis as per the CSRD, the opportunities identified were also measured quantitatively using a scoring model.

The impacts, risks and opportunities identified as material are divided into the following 12 sub-topics and are presented in the materiality matrix below.

Materiality Assessment



No.	ESRS topic	ESRS sub-topic
1	Climate change	Energy
2	Climate change	Climate change mitigation
3	Climate change	Climate change adaptation
4	Own workforce	Working conditions
5	Own workforce	Equal treatment and opportunities for all
6	Business conduct	Corruption and bribery
7	Business conduct	Protection of whistleblowers
8	Own workforce	Other work-related rights
9	Consumers and end-users	Social inclusion of consumers and/or end-users
10	Business conduct	Corporate culture
11	Consumers and end-users	Information-related impacts for consumers and/or end-users
12	Business conduct	Political engagement

The input parameters within the materiality analysis therefore include the results of the stakeholder analysis, the additional consideration of information (e.g. ratings, regulatory requirements, peers) and risk management information.

As part of the materiality analysis, LEG reviewed its sites and business activities with regard to environmental pollution, water and marine resources, biodiversity and ecosystems, as well as resource inflows, resource outflows and waste within the scope of its own activities and within in the upstream and downstream value chain in order to determine actual and potential impacts, risks and opportunities. With regard to biodiversity and ecosystems, it must also be added that LEG does not own any sites in or near areas with vulnerable biodiversity. The changes compared to the previous reporting period can be found in Chapter SBM-3.

DR IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability report

The following table shows the disclosure requirements in ESRS covered by LEG's Sustainability Report.

Disclosure Requirements		
Disclosure requirement	Description	Reference
ESRS E1 – Climate change		
ESRS E1-1	Transition plan for climate change mitigation	E1-1
ESRS E1-2	Policies related to climate change mitigation and adaptation	E1-2
ESRS E1-3	Actions and resources in relation to climate change policies	E1-3
ESRS E1-4	Targets related to climate change mitigation and adaptation	E1-4
ESRS E1-5	Energy consumption and energy mix	E1-5
ESRS E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	E1-6
ESRS S1- Own workforce		
ESRS S1-1	Policies related to own workforce	S1-1
ESRS S1-2	Processes for engaging with own workers and workers' representatives about impacts	S1-2
ESRS S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	S1-3
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1-4
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1-5
ESRS S1-6	Characteristics of the undertaking's employees	S1-6
ESRS S1-9	Diversity metrics	S1-9
ESRS S1-10	Adequate wages	S1-10
ESRS S1-16	Remuneration metrics (pay gap and total remuneration)	S1-16
ESRS S1-17	Incidents, complaints and serious impacts related to human rights	S1-17
ESRS S4 – Consumers and end-users		
ESRS S4-1	Policies related to consumers and end-users	S4-1
ESRS S4-2	Processes for engaging with consumers and end-users about impacts	S4-2
ESRS S4-3	Processes to improve negative impacts and channels for consumers and end-users to raise concerns	S4-3
ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	S4-4
ESRS S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S4-5
ESRS G1 - Governance		
ESRS G1-1	Corporate culture and business conduct policies	G1-1
ESRS G1-3	Prevention of corruption and bribery	G1-3
ESRS G1-4	Cases of corruption and bribery	G1-4
ESRS G1-5	Political influence and lobbying activities	G1-5

As already described, the materiality analysis evaluated impacts, risks and opportunities to determine their materiality for LEG and allocated them to the topic-specific standards. Based on the results of the materiality analysis, information about strategies, actions, metrics and targets with regard to material aspects of sustainability is provided in the chapters on the topic-specific ESRS E1, S1, S4 and G1 standards. Correspondingly, ESRS E2, E3, E4, E5, S2 and S3 are deemed immaterial and are not subject to reporting (see table in the annex on disclosure requirements and related data points on EU regulation).

Environmental information

Information in accordance with Article 8 of Regulation (EU) 2020/852 and (EU) 2026/73 (Taxonomy Regulation)

The EU Taxonomy Regulation (Regulation (EU) 2020/852) is a central component of the European Green Deal. It creates a standardised classification system for environmentally sustainable economic activities. To this end, the Taxonomy Regulation defines clear criteria for contributions to six environmental objectives. The aim is to channel investments into sustainable projects and avoid greenwashing. The comparability of sustainability data across different industries is an essential aspect when it comes to enabling this. The companies concerned must therefore disclose the shares of their revenue, capital expenditure (capex) and operating expenditure (opex) that relate to environmentally sustainable economic activities. The environmental objectives defined in the EU taxonomy are:

- I. Climate change mitigation
- II. Climate change adaptation
- III. Sustainable use and protection of water and marine resources
- IV. Transition to a circular economy
- V. Pollution prevention and control
- VI. Protection and restoration of biodiversity and ecosystems

The requirements are evaluated on the basis of the technical screening criteria. These were defined in 2021 by Delegated Act (EU) 2021/2139 as a supplement to the EU Taxonomy Regulation for the environmental objectives “climate change mitigation” and “climate change adaptation”, extended in 2023 by Delegated Act (EU) 2023/2486 to include the remaining environmental objectives, and amended by Delegated Regulation (EU) 2026/73. The respective criteria for each economic activity are described in Annexes I and II of the Delegated Act. They contain the requirements for a significant contribution to one of these environmental objectives and the criteria for significant adverse impacts on the environmental objectives (DNSH). In addition, companies are obliged to ensure that the minimum safeguards set out in Article 18 of the EU Taxonomy Regulation are complied with for every economic activity. Due to the nature of LEG’s business activities, only environmental objective I (“climate change mitigation”) is relevant.

LEG publishes the information in accordance with Article 8 of Regulation (EU) 2020/852 in conjunction with Regulation (EU) 2026/73.

Taxonomy-eligible economic activities

An economic activity can be designated as taxonomy-eligible if the EU has specified technical screening criteria for it. It is not yet necessary to demonstrate whether the economic activity fulfils the technical screening criteria set out in the Delegated Acts.

With regard to the residential real estate sector, for example, sales from the letting and leasing of residential buildings are taxonomy-eligible regardless of whether the building is a low-energy house or has an energy performance class of H. In terms of the economic activities, it is firstly essential that there is a direct link to one of the EU environmental objectives.

The following table provides an overview of LEG’s taxonomy-eligible economic activities.

Taxonomy-eligible economic activities			
Economic activity	Revenue	Capex	Opex
4.1 Electricity generation using solar photovoltaic technology	X	X	X
4.16 Installation and operation of electric heat pumps		X	
4.20 Cogeneration of heat/cool and power from bioenergy	X		X
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		X	
7.7 Acquisition and ownership of buildings	X	X	X
9.1 Close to market research, development and innovation			X

Identification of taxonomy-eligible economic activities

LEG has identified taxonomy-eligible activities under EU environmental objective I (climate change mitigation). The results of the analysis show that selected economic activities in section 7 “Construction and real estate activities”, which relate to LEG’s core business, as well as in section 4 “Energy” and section 9 “Freelance, scientific and technical activities” are considered taxonomy-eligible. With regard to section 4, in addition to clearly energy-related economic activities such as photovoltaic electricity generation on the roofs of properties, LEG also operates its own biomass heating plant.

In total, LEG has identified three taxonomy-eligible economic activities in Annex I with which the company generates revenue. These include (i) 4.1 “Electricity generation using solar photovoltaic technology”, (ii) 4.20 “Cogeneration of heat/cool and power from bioenergy” in the “Energy” sector and (iii) 7.7 “Acquisition and ownership of buildings” in the “Construction and real estate activities” sector.

Furthermore, relevant capex was identified in the following business activities: (i) 4.1 “Electricity generation using solar photovoltaic technology”, (ii) 4.16 “Installation and operation of electric heat pumps”, (iii) 7.5 “Installation of devices for measuring, regulating and controlling energy performance of buildings” and (iv) 7.7 “Acquisition and ownership of buildings”. Investments that have the potential to lead to revenue in future were also included in the analysis.

The following operating expenses (opex) were identified as taxonomy-eligible: (i) 4.20 “Cogeneration of heat/cool and power from bioenergy”, (ii) 7.7 “Acquisition and ownership of buildings” and (iii) 9.1 “Close to market research, development and innovation”. The direct costs relating to research and development, short-term lease, maintenance and small repairs, as well as all other direct expenditures relating to day-to-day servicing were taken into account in determining opex in accordance with the EU taxonomy. The numerator equates to the part of the operating expenditure included in the denominator that relates to taxonomy-eligible economic activities.

In order to avoid double reporting, the taxonomy-eligible economic activities that are required to be reported in accordance with environmental objectives III to VI – especially 7.1 “Construction of new buildings” – are reported under 7.7 “Acquisition and ownership of buildings”.

The taxonomy-eligible economic activities were reviewed again in 2025. This did not result in any changes compared to the previous year. In the 2025 financial year, the inclusion of the technical screening criteria primarily related to economy activity 7.7 “Acquisition and ownership of buildings” in Annex I and II, with which almost all of LEG’s consolidated revenue is generated from rental and lease, though it also had implications for the disclosures for other economic activities.

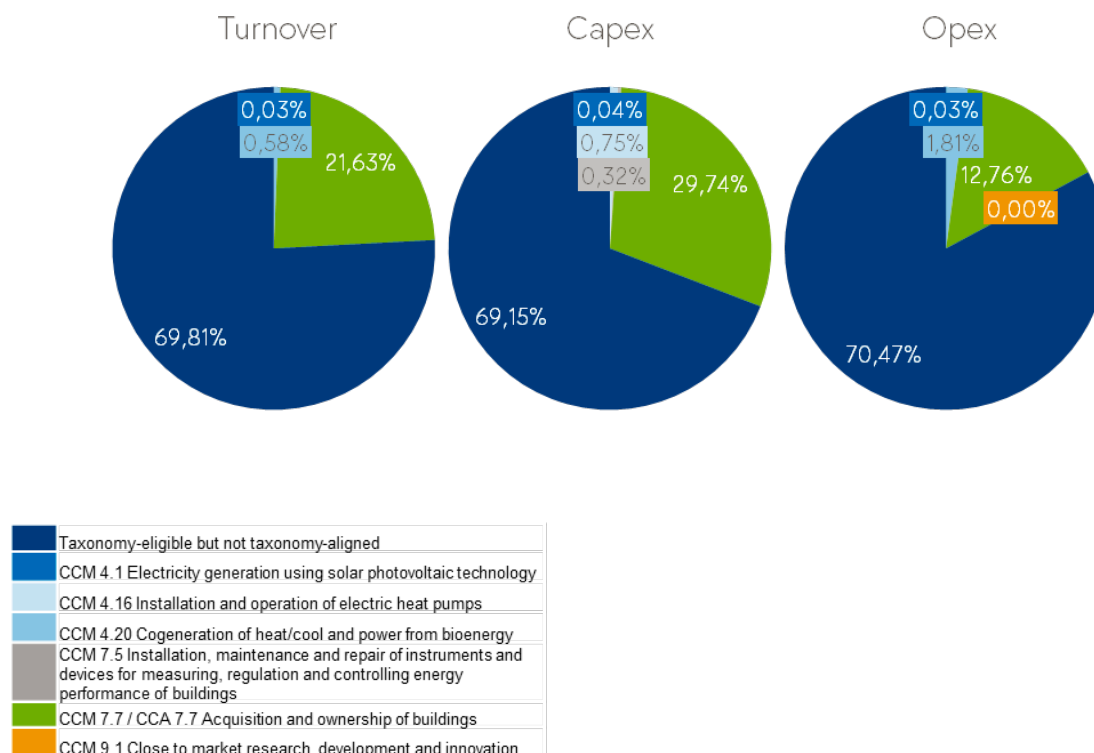
Taxonomy-aligned economic activities

LEG is required to report on the taxonomy alignment of relevant economic activities in addition to their taxonomy eligibility. An economic activity can be designated as taxonomy-aligned if it fulfils the currently applicable technical screening criteria (TSC) and complies with the DNSH criteria and minimum requirements. In addition to the DNSH criteria published by the European Commission and the minimum requirements, the company also consulted relevant FAQ documents from the European Commission. Furthermore, various current best practices of listed German companies were taken into account. The exact procedure is described under “Identification of taxonomy-aligned economic activities”.

Identification of taxonomy-aligned economic activities

To determine taxonomy alignment, LEG has analysed the economic activities that are taxonomy-eligible for the company. As stated above, these include criteria from the “Construction and real estate activities” sector in section 7 as well as economic activities from the “Energy” sector in section 4 and from the “Freelance, scientific and technical activities” sector in section 9.

As shown in the chart below, activity 7.7 accounts for the majority of taxonomy-eligible revenue, capex and opex. According to the European Commission, the date for assessing taxonomy alignment is the date of the construction permit. Revenue, capex and opex from or in buildings for which a construction permit was submitted prior to 31 December 2020 must meet the technical screening criteria for economic activity 7.7. For all buildings for which a construction permit was submitted after 31 December 2020, the criteria for economic activity 7.1 “Construction of new buildings” must be met in order to qualify as taxonomy-aligned.



The following approach was used to analyse the taxonomy alignment of revenue, capex and opex: Capex and opex that contribute to taxonomy-aligned buildings follow the revenue-generating activity 7.7 “Acquisition and ownership of buildings” and are generally considered taxonomy-aligned.

All KPIs are calculated and published using the principles applied in preparing the consolidated financial statements. As LEG prepares its financial statements in accordance with IFRS, “environmentally sustainable” revenue, capex and opex must also be calculated in accordance with IFRS. Opex in the context of the Taxonomy Regulation only includes maintenance and repairs. This also applies to LEG’s subsidiaries whose single-entity financial statements are included in LEG’s consolidated financial statements.

Significant contribution

The assessment of whether an economic activity makes a significant contribution to one of the environmental objectives defined in the EU taxonomy is the central first step of the taxonomy alignment analysis. In this context, LEG has analysed the extent to which the individual taxonomy-eligible economic activities contribute to the “climate change mitigation” environmental objective. At LEG, this primarily relates to economic activity 7.7 “Acquisition and ownership of buildings”, as almost all Group revenue is generated through letting and leasing.

In order for economic activity 7.7 to make a significant contribution to climate change mitigation, revenue may only be reported if it is generated with buildings in energy performance class (EPC) A (+) or which are among the top 15 % of the regional or national building stock.

The EU taxonomy provides considerable scope for interpretation when determining the top 15 % of the building stock, as there is no binding definition of the data pool to be applied. Furthermore, the Delegated Acts do not provide a more detailed definition of “regional” or differentiate between residential property types, such as detached houses and apartment blocks. There are considerable differences across Europe in terms of how properties are allocated to the individual energy performance classes. As a result, the information value and comparability of the taxonomy-relevant data in a pan-European context is significantly limited. LEG continues to use the study by the German Ministry for Economic Affairs and Energy (BMWi) from 2021 as the basis for calculating the top 15 % of the regional building stock.

The BMWi analysis indicates that buildings up to EPC class B satisfy the material screening criteria as they are among most efficient 14 % of the housing stock in Germany. The corresponding share of especially energy-efficient EPC C buildings with a final energy demand of around 77 kWh per square metre per year was applied as a reference for 1 % of the top 15 %. Based on the actual values for LEG’s portfolio, there is an average primary energy factor of 0.99 and therefore a threshold for primary energy demand of 76.79 kWh per square metre per year.

Do no significant harm

Following the assessment of whether an economic activity makes a significant contribution to one of the environmental objectives defined in the EU taxonomy, compliance with the DNSH criteria in accordance with environmental objective I and for the other five environmental objectives was reviewed in the 2025 reporting year on the basis of the specific taxonomy requirements for the respective economic activities.

In order to prevent significant adverse impacts with regard to “climate change adaptation” (environmental objective II), the EU taxonomy requires a climate risk and vulnerability assessment to be carried out for all identified economic activities. This analysis was performed on a company-wide basis at LEG and taken into account accordingly when determining taxonomy alignment. There are no additional DNSH criteria for economic activity 7.7 “Acquisition and ownership of buildings”.

As the percentage share of the KPIs for the other taxonomy-eligible and taxonomy-aligned economic activities in the 2025 reporting year is only marginal, a detailed description of the associated DNSH criteria and their fulfilment by LEG is not provided. Instead, reference is made to the table below, including the associated footnotes. Only economic activity 4.20 “Cogeneration of heat/cool and power from bioenergy” must be highlighted, as the resulting revenue and opex account for more than 1 % of the reportable KPIs.

To ensure that the criteria for the “**sustainable use and protection of water and marine resources**” (environmental objective III) are not significantly impaired by activity 4.20, the risks of environmental degradation associated with maintaining water quality and preventing water scarcity must be identified and remedied. This necessitates disclosures by the company on the water consumption of the equipment installed. With regard to the “**transition to a circular economy**” (environmental objective IV), no criteria for economic activity 4.2 are required to be fulfilled in accordance with the Delegated Act. In order to fulfil the criteria for “**pollution prevention and control**” (environmental objective V), various legal requirements and measured values concerning emissions, air quality and digestate must be complied with for activity 4.2. This requires an environmental impact assessment to determine the noise, dust and pollutant emissions. In Germany, this is a requirement for an operating permit under the German Pollution Protection Act and therefore can be taken as given. A risk analysis is also required for the “**protection and restoration of biodiversity and ecosystems**” (environmental objective IV). The conservation and protection of environmental resources are the priority in this regard. The preservation and protection of environmental resources is enshrined in law in Germany. A plant or facility only receives an operating licence if it fulfils the legal requirements. LEG’s biomass heating power plant has also been certified as sustainable by SURE. The use of certified waste wood as fuel in the plant means that the environmental objective is also taken into account.

Compliance with minimum safeguards

In addition to making a significant contribution and fulfilling the DNSH criteria, the company must comply with the minimum safeguards. These include compliance with due diligence obligations within the company and in the out-sourced value chain and are ensured by corresponding processes within the company. In addition to the issues of bribery and corruption, taxation and fair competition, human rights are also taken into account.

LEG uses a Group-wide approach to ensure that the minimum safeguards are met. This is ensured by a compliance management system including the corresponding policies, such as the Code of Conduct, the Business Partner Code of Conduct and the Anti-Corruption Policy, and is also reflected in the corresponding reporting and the external documentation of relevant documents.

Results of the qualitative analysis on taxonomy alignment

The following section presents and explains the material findings of the alignment analysis. This involves analysing the taxonomy-eligible and taxonomy-aligned economic activities with regard to the development of revenue, capex and opex for the 2025 reporting year.

LEG reports an aggregate percentage value pro rata for the taxonomy-eligible and taxonomy-aligned share of economic activities in revenue, capex and opex. Only taxonomy-eligible and taxonomy-aligned revenue, capex and opex that can be allocated to environmental objective I "climate change mitigation" are taken into account. The taxonomy-eligible and taxonomy-aligned revenue, capex and opex for environmental objective II "climate change adaptation" are a subset of the activities reported under environmental objective I "climate change mitigation". This prevents revenue, capex and opex from being counted more than once in the numerator for multiple economic activities when calculating the KPIs.

In the reporting year, the share of consolidated revenue generated by letting buildings with a primary energy use of less than 76.79 kWh/sqm/a was around 21.63 %. Where possible, the KPIs were allocated directly to the respective economic activities. If this was not possible, an allocation mechanism was used instead.

For the comparatively small part of LEG's portfolio for which EPC certificates were not necessary/available (3,902 out of 171,363 apartments), it is assumed that the consumption and usage data break down in the same way as for the rest of the portfolio.

The significant increase in the proportion of taxonomy-aligned turnover and Opex compared to the previous year is attributable to the large number of improved energy performance certificates. As part of the reissuance process, more buildings now fall within the top 15% of the portfolio due to a lower primary energy factor. The increase in the proportion of taxonomy-aligned Capex is also attributable to the acquisition of the BCP portfolio.

A capex plan as defined by the EU taxonomy, which describes investments and measures for an increase in taxonomy-aligned economic activities or the transition of taxonomy-aligned activities to taxonomy eligibility, is not available and is therefore not included in the reported KPIs.

Financial year 2025															
KPI	Total	Proportion of Taxonomy eligible activities	Taxonomy aligned activities	Proportion of Taxonomy aligned activities	Breakdown by environmental objectives of Taxonomy aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy aligned activities in previous financial Year (2024)	Proportion of Taxonomy aligned activities in previous financial year (2024)
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Text	Currency	%	Currency	%	%	%	%	%	%	%	%	%	%	Currency	%
Turnover	1.471.288,82	92,05	327.301,02	22,20	22,25	0	0	0	0	0	0	0	0	167.348,85	12,5
Capex	1.273.176,32	100,00	392.698,75	30,84	30,84	0	0	0	0	0	0	0	0	34.245,94	11
Opex	135.981,58	85,07	19.850,68	14,60	14,6	0	0	0	0	0	0	0	0	12.530,38	10,1

Reported Turnover													
Financial year 2025													
Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turn-over)	Taxonomy aligned KPI (monetary value of Turn-over)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turn-over)	Environmental objective of Taxonomy aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text		%	Currency	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Electricity generation using solar photovoltaic technology	CCM 4.1	0,03	481,46	0,03	0,03	0	0	0	0	0			100,00
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	0,58	8.525,31	0,58	0,58	0	0	0	0	0			100,00
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	91,44	318.294,24	21,63	21,63	0	0	0	0	0			23,66
Sum of alignment per objective					22,25	0	0	0	0	0			
Total Turnover		92,05	327.301,02	22,25	22,25	0	0	0	0	0	0	0	24,17

Reported Capex													
Financial year 2025													
Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible Capex)	Taxonomy aligned KPI (monetary value of Capex)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Capex)	Environmental objective of Taxonomy aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text		%	Currency	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Electricity generation using solar photovoltaic technology	CCM 4.1	0,04	543,83	0,04	0,04	0	0	0	0	0			100,00
Installation and operation of electric heat pumps	CCM 4.16	0,75	9.551,40	0,75	0,75	0	0	0	0	0			99,86
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0,32	4.078,75	0,32	0,32	0	0	0	0	0			99,86
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	98,89	378.587,14	29,74	29,74	0	0	0	0	0			30,07
Sum of alignment per objective					30,85	0	0	0	0	0			
Total Capex		100,00	392.761,12	30,85	30,85	0	0	0	0	0	0	0	30,85

Reported Opex													
Financial year 2025													
Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible Capex)	Taxonomy aligned KPI (monetary value of Capex)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Capex)	Environmental objective of Taxonomy aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text		%	Currency	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Electricity generation using solar photovoltaic technology	CCM 4.1	0,03	35,29	0,03	0,03	0	0	0	0	0			100,00
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	1,81	2.462,26	1,81	1,81	0	0	0	0	0			100,00
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	83,2	17.349,75	12,759	12,76	0	0	0	0	0			15,33
Close to market research, development and innovation	CCM 9.1	0,00	3,38	0,00	0,00	0	0	0	0	0			100,00
Sum of alignment per objective					14,60	0	0	0	0	0			
Total Opex		85,07	19.850,68	14,60	14,60	0	0	0	0	0	0	0	17,16

Excursus: Establishment and financing of green ventures as solution providers for the decarbonisation of the building stock

To comply with the German and European climate regulations and meet its own decarbonisation targets, the company pursues a three-step approach in founding its joint ventures.

The faster decarbonisation of portfolio properties is a key factor in achieving the climate objectives in the building sector. LEG has made it its mission to promote “serial energy-efficient modernisation” throughout the DACH region. With this in mind, the company founded a joint venture, Renowate GmbH, with Austria’s Rhomberg Group at the end of 2021/start of 2022. In addition, LEG is focused on the cost-effective replacement of heating systems, especially gas central heating systems, with air-to-air heat pumps: In March 2023, the company entered into a corresponding partnership with Mitsubishi Electric as a major supplier of the systems. In September 2023, in conjunction with the Dusseldorf-based family company Soeffing, LEG founded the joint venture dekarbo, which installs the devices and provides digital maintenance across the entire life cycle as a one-stop solution. The service is intended to be used in LEG’s own properties and offered to third parties. With the joint venture termios, LEG is optimising the use of existing heating systems by using AI-controlled thermostats and creating a scalable solution for the legally required hydraulic balancing in the property industry.

However, reporting revenue in conjunction with the EU taxonomy is not currently possible as Renowate GmbH, dekarbo and termios are not included in LEG’s consolidated group. However, the expenses (capex) for these decarbonisation measures are included in the taxonomy disclosures.

ESRS E1: Climate change

Governance

DR E1.GOV-3: Integration of sustainability-related performance in incentive schemes

The remuneration system for the Management Board includes sustainability criteria in the short-term incentive (STI) and long-term incentive (LTI) that are associated with financial incentives and defined annually by the Supervisory Board. These targets apply to the Management Board and the second tier of management.

The integration of sustainability-related performance in LEG's incentive system is done using the sustainability targets derived from the sustainability strategy and can be found in Chapter GOV-3.

Strategy

DR E1-1: Transition plan for climate change mitigation

The Sustainability Strategy 2030 was updated in the past reporting year and presented to all interested parties at LEG in May 2025. In contrast to the previous strategy focusing on energy efficiency, the new strategy now focuses on emission efficiency. This paradigm shift has been confirmed by the GdW and established as an updated approach in the housing industry. The focus is therefore on GHG emission reduction measures that make a targeted contribution to decarbonisation.

The sustainability targets are derived from the Sustainability Strategy 2030. Climate-related criteria are defined for the sustainability objectives and are put into practice with specific targets. The objectives are assigned quantitative criteria so that a comparison of target and actual performance can be carried out at the end of the financial year in order to measure target attainment. The specific sustainability targets and the minimum and maximum values are determined annually prior to the start of the financial year by the Supervisory Board with the agreement of the members of the Management Board.

It is LEG's long-term aim to reduce its GHG emissions to between <5 and 0 kg CO₂e/sqm by 2045 and thus make its contribution towards Germany's climate change mitigation target. LEG has set itself the aim of a total reduction in Scope 1 and Scope 2 emissions of around 47 % between 2019 and 2030. This near-term target was validated and confirmed by the Science-Based Target Initiative (SBTi) in December 2024. The cross-sector aim is based on efforts to limit global heating to 1.5 °C above pre-industrial levels and reflects the goals of the Paris Climate Agreement and the recommendations of the Intergovernmental Panel on Climate Change (IPCC).

LEG's decarbonisation pathway starts in 2019 with a value of 39.5 kg CO₂e/sqm. In the 2025 reporting year, the intensity value was measured at 28.1 kg CO₂e/sqm. This corresponds to a reduction of approximately 29 %. This has been achieved via actions already taken, such as replacing heating systems (including district heating and heat pumps), installing smart thermostats, changing customer behaviour through nudging programmes and serial and conventional modernisation.

LEG is therefore aiming for an intensity value of 20.9 kg CO₂e/sqm in the target year 2030.

In terms of Scope 3 emissions, Scope 3.03 emissions (energy and fuel-related activities) and Scope 3.13 emissions (rented or leased property, plant and equipment) are to be reduced by 27.5 % by 2030. This target has also been confirmed by SBTi but is not yet fully compatible with a 1.5 °C target.

In order to achieve the GHG reduction targets, LEG pursues a strategy that is focused on emission efficiency. The biggest lever in GHG reductions is an emission-efficient heat supply (cluster 1). Among other things, this includes the modernisation of heating systems and switching to electricity as an energy source (by installing air-to-air or air-to-water heat pumps). The decarbonisation of the systems installed by Energie- und Gebäudetechnik Control GmbH & Co. KG (EGC) also offers potential in terms of switching energy sources through the installation of heat pumps. Furthermore, a total of up to 40 % of LEG properties may be connected to district heating networks, meaning that they are decarbonised directly or will be decarbonised in future by the energy suppliers. In doing so, dependence on an energy provider and the decarbonisation status of the heating networks must be taken into account. At present, around 25 % of properties are already supplied with district heating, while another 15 % have the potential to be supplied with district heating in future. This potential was determined via a survey of providers for around 25,000 properties. The survey also asked for a timeline as to when district heating would be available for the relevant properties. A total of 13 district heating connections were realised in 2025. Expansion plans are in the pipeline for

all other properties. Overall, emission-efficient heat supply currently accounts for up to 50 % to 55 % of LEG's total GHG reduction by 2030.

Cluster 2 also contributes to decarbonisation by reducing energy requirements. For example, these measures include the installation of AI-based thermostats in partnership with the green venture termios. The thermostats facilitate additional savings of up to 30 % through the automatic regulation of the hydraulic balancing of the heating system as well as additional functions. Another measure is the digitalisation and optimisation of central heating systems. Engagement with tenants also helps to reduce energy consumption. The use of green nudging to change customer behaviour, for example via posters with relevant tips or the installation of shower flow regulators, leads to further energy savings. Overall, reduced energy requirements currently account for up to 30 % to 35 % of LEG's total GHG reduction by 2030.

Furthermore, energy-efficient modernisation is another decarbonisation lever (cluster 3). Conventional energy-efficient modernisation includes various measures to optimise the building shell and technical building systems. Serial energy-efficient modernisation involves installing new sections of façade, windows and refurbishing the roof, as well as all technical building systems, without the inhabitants having to move out. As part of the serial modernisation projects, a heat pump is also installed to supply heat. This measure is implemented with the green venture Renowate GmbH and leads to the 100 % decarbonisation of each project. Overall, energy-efficient modernisation currently accounts for up to 10 % to 15 % of the total GHG reduction by 2030.

LEG therefore draws on both conventional and innovative solutions and regularly tests new measures in the form of pilot projects. This year, for example, a window solution from Sweden was piloted in LEG's portfolio. This involves fitting an additional pane of glass to the inside of the existing window, thus reducing heat loss without having to completely replace the old window. In other words, the strategy is dynamic rather than rigid. This ensures that new measures and innovations that enable a more cost-effective and efficient reduction in emissions are also utilised.

The respective absolute savings in terms of Scope 1, 2 and 3 emissions are shown in the table under ESRS E1-4.

LEG continually monitors the progress of the planned measures. In doing so, the focus is on emissions efficiency and cost-effectiveness. Attainment is also reviewed annually with the preparation of the GHG balance sheet and is visualised in the decarbonisation pathway.

In order to achieve the 2030 climate target, LEG is planning to invest around EUR 1 billion from 2019 onwards. As a result of the dynamic market environment, the uncertainty in the European and national regulatory framework and new technologies that could be used for decarbonisation, LEG does not currently have a detailed, long-term capex budget (beyond 2030) for implementing decarbonisation. An opex budget is not implemented to this extent because the costs involved are operating expenses and therefore deemed transitional items. These expenses are listed on the utility bill for the tenant and then billed.

As part of the decarbonisation pathway, systems using fossil fuels (gas, oil and coal) in particular are being gradually phased out and upgraded in accordance with regulatory requirements, meaning that any remaining GHG emissions associated with them will be fully decarbonised by 2045. According to the latest information, compared with the base year of 2019, around 53 % of locked-in Scope 1 and 2 GHG emissions will still be present in 2030.

LEG has reported on its business activities based on the EU taxonomy in its Annual Report since 2021. The proportions covered by the EU taxonomy will gradually increase with the ongoing emission-efficient and energy-efficiency optimisation of the housing stock. A long-term timetable for expanding taxonomy-aligned capex or opex is not currently available and will be examined going forward.

LEG does not generate any revenue from the exploration, supply, sale or refinement of crude oil, or from the exploration, production, manufacture or sale of gaseous fuels, or from electricity generation with a GHG emissions intensity of over 100 g CO₂e/kWh. LEG is affected by the EU reference values for climate change and the EU reference values set out in the Paris Climate Agreement. LEG and its subsidiaries do not produce coal, oil or gas. As a result, there is no capital expenditure for coal, oil or gas-related business activities.

The decarbonisation plan is a major pillar of LEG's business strategy and is also taken into account in its financial planning. Both the decarbonisation plan and the business strategy and financial planning have been approved by the Management Board and Supervisory Board. When making investment decisions, LEG takes account of the reduction in greenhouse gas emissions in line with its decarbonisation pathway, and hence the cost-effectiveness of the respective investment. Furthermore, LEG has established GHG monitoring, which includes planned CO₂e savings and the associated investments in measures, in order to help it achieve its GHG reduction targets and the highest possible GHG efficacy per euro invested. The focus is on cost and emission efficiency. In the context of the

pace of technical progress, LEG is keeping its sustainability strategy flexible so that it can continue to integrate innovative decarbonisation measures into its activities.

DR E1.SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

LEG has identified and analysed physical risks as the main type of climate-related risk.

Physical risks occur as a result of the direct impacts of climate change on the environment and infrastructure. These can be further sub-divided as follows:

Acute physical risks: Extreme weather events such as flooding

Chronic physical risks: Long-term rise in sea levels

The company conducted a resilience analysis in order to evaluate the resilience of LEG's business model and the corporate strategy with regard to the climate-related risks. LEG uses a climate risk tool to identify climate-related physical risks. The tool analyses the climate risks for all the sites in the portfolio using geographical coordinates. The resilience analysis therefore relates to LEG's own business activities and was based solely on LEG's portfolio. Due to a lack of suitable information, the players in the upstream and downstream value chain were not explicitly considered. No material physical and transitional risks were excluded from the analysis. Transitional risks were taken into account in the materiality analysis, but there are currently no significant risks. The monetary risk value is so low in proportion to LEG's total assets that it does not pose a risk to the business model.

RCP (Representative Concentration Pathways) scenarios 2.6, 4.5 and 8.5 were used to identify climate-related risks. With regard to physical risks, acute climate risks such as extreme temperatures, extreme rainfall, droughts and flooding were considered and analysed using the climate risk tool. Climate-related hazards, such as wildfires, heat and heavy rainfall, were also taken into account in the resilience analysis. The results of the climate risk analysis are presented in Chapter E1.IRO-1.

The periods to 2030, 2050 and 2100 were modelled and analysed. These years were selected because they are considered to be key milestones in the development of climate change and climate policy.

The results of the resilience analysis serve to demonstrate LEG's resilience.

The analysis of active climate hazards shows that river floods, storm surges and storm hazards are assessed as climate risks, but only pose a threat to a very small proportion of the portfolio. In order to increase the resilience of its business model, LEG's buildings are insured against extreme weather events. Using the risk identified through the climate risk tool and the property value, a monetary (gross) risk was determined and included in LEG's regular risk management.

As a result of the size and geographical distribution of the property locations, less than 10 % of the property portfolio is affected by physical climate risks that could potentially jeopardise the respective property. Because the entire LEG property portfolio is currently insured against extreme weather events, the net risk is reduced to zero. Any increase in insurance premiums can be offset by the fact that insurance premiums are allocable to tenants as operating costs for LEG. In extreme cases, there is a long-term risk of uninsurability. In light of the current political debate regarding mandatory insurance for natural disasters, however, this risk is not currently considered to exist. As a result, LEG's business model is not at risk, even in the worst case scenario.

Since the climate risk analysis is not a prediction, but presents possible future scenarios based on various assumptions about GHG concentrations and their impact on the climate, there are also uncertainties in resilience analysis.

LEG's business model can nonetheless be viewed as resilient in the face of the climate change development scenarios because LEG takes a proactive stance. As such, the relevant investments are made in property and the decarbonisation of the property portfolio. LEG's underlying sustainability strategy can be seen as dynamic and flexible because the actions are not set in stone, but rather can be used flexibly depending on efficacy and cost-effectiveness. This aims to ensure that LEG can remain dynamic in its response to political and regulatory changes in order to take new requirements into account. Furthermore, with its green ventures, LEG pursues a proactive strategy to promote sustainable innovations and business models. These initiatives aim to push ahead with the decarbonisation of the portfolio. This underscores LEG's ability to respond effectively to both opportunities and risks in the transformation process and to create a resilient business model over the long term.

As a result of the annual climate risk analysis, the resilience of LEG's business model is reviewed at the same intervals. Taking into account the risks and opportunities as well as the relevant mitigation measures, it is clear that LEG's business model is resilient with regard to the impacts of climate change.

Impact, risk and opportunity management

DR E1.IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The most pronounced climate-related impacts of LEG's business activities relate to GHG emissions. LEG therefore prepares an annual GHG balance sheet in order to determine the material climate-related impacts. LEG uses the GHG balance sheet to determine the Scope 1, 2 and 3 GHG emissions for its portfolio and its administrative operations. This is based on the specifications of the GHG Protocol. GHG emissions amplify the greenhouse effect and increase global warming. As a result, the sustainability strategy primarily pursues the aim of optimising the property portfolio to make it more emission-efficient in order to reduce its GHG footprint. In order to achieve these targets, various GHG reduction measures are being implemented:

- Cluster 1: Emission-efficient heat supply (through the replacement of heating systems, the use of air-to-air and air-to-water heat pumps or the expansion of district heating)
- Cluster 2: Reduced energy requirements (through the use of smart thermostats or engaging tenants through green nudging programmes)
- Cluster 3: Energy-efficient modernisation (conventional or serial refurbishment).

The identification of risks is carried out in close consultation with risk management and is described in Chapter E1.SBM-3. The climate scenario analysis relates to LEG's own business activities and was based solely on LEG's portfolio. Due to a lack of suitable information, the players in the upstream and downstream value chain were not explicitly considered.

The identified physical risks may lead to damage to buildings and infrastructure.

In the same way as for the resilience analysis, the climate risks were analysed for the periods to 2030, 2050 and 2100. These years were selected because they are key milestones in terms of climate policy.

2030 is a relevant year for several reasons:

- It is in the near future, which makes it easier to plan for specific actions.
- Many climate objectives, such as the German Climate Change Act and the EU's climate target, are centred on the year 2030.
- LEG has set its SBTi near-term target as 2030.
- Until 2030, global warming will be largely influenced by emissions that have already occurred.

2050 is a major milestone for climate policy and risk analysis:

- It marks the middle of the century and is a medium-term planning horizon.
- Many countries and organisations have set themselves net-zero emissions targets by 2050.
- From 2050, the impacts of various emissions scenarios will become much clearer.

The year 2100 offers a long-term perspective in terms of climate change trends:

- It makes it possible to consider long-term climate trends and risks.
- Climate models often show projections until the end of the 21st century.
- The temperature differences between the various emissions scenarios become particularly clear by 2100.

LEG has implemented a risk management system in order to identify, analyse, measure, manage, document and monitor risks. The risks relate to the company's own business activities. Due to a lack of suitable information, the players in the upstream and downstream value chain were not explicitly considered. The risk management system also includes the climate-related risks identified. Regular and ad hoc risk analyses are performed. The identified risks are evaluated for their probability of occurrence and potential impacts. Suitable preventive and remedial measures are derived from this analysis and implemented. The efficacy of the implemented actions is monitored on an ongoing basis. The climate-related risks were also transferred to the materiality analysis validated by the Sustainability & Innovation department and adjusted accordingly.

The analysis of physical climate-related risks is based on location-based geographical coordinates of LEG's portfolio. RCP scenarios 2.6, 4.5 and 8.5 were used to identify climate-related risks. The RCP scenarios are climate scenarios that were developed for the Fifth Assessment Report by the IPCC (Intergovernmental Panel on Climate Change). They describe potential future developments in greenhouse gas concentrations and the resulting climate forcing until 2100. The numbers in the RCP designations (2.6, 4.5, 8.5) refer to climate forcing in watts per square metre (W/sqm) in 2100 as compared with pre-industrial levels. RCP scenario 8.5 represents a scenario in which there are no additional climate change mitigation measures. CO₂ emissions rise from almost 10 GtC/year at present to nearly 30 GtC/year at the end of the century. This signifies a temperature increase of about 4.8 degrees by the year 2100. Risks due to river flooding are considered to be acute climate risks. According to the climate scenario tool, 95 % of LEG's portfolio sites are currently exposed to a very low risk in RCP scenario 8.5, 2 % are exposed to a medium risk and the remaining 3 % are exposed to a (very) high risk. In addition to the potential risk due to river flooding, storm surges represent an acute climate risk. There is currently a low risk for 94 % of the locations in the portfolio, whereas 6 % of the building locations have a very high risk. Rising sea levels are considered to be a chronic climate risk. For the clear majority of locations, there is only a very low risk. In the analysis, only locations in the north of Germany are subject to higher risk from the year 2100, and even then to a negligible extent. The aforementioned risks were modelled and analysed for 2030, 2050 and 2100.

The climate-related transitional risks and opportunities for LEG have been determined along the value chain on the basis of the materiality analysis. This involved categorising which transitional risks and opportunities may arise as a result of the transition to a low-carbon, more sustainable economy. As a result, transitional risks for LEG are derived from the climate scenario that assumes global warming will be limited to a maximum of 1.5 °C as compared with pre-industrial levels. The identified transitional risks also do not change with the application of other climate change scenarios, because the transitional risks refer to the challenges and potential losses associated with the transition to a low-carbon economy and that occur as a result of political, technological and market-based changes owing to climate change mitigation measures. The double materiality analysis does not result in any significant transitional risks or opportunities for LEG.

The results of the climate scenario analysis are integrated into financial reporting, as they enable a well-founded assessment of the impact of climate-related risks and opportunities on the portfolio. Climate-related risks and opportunities are also taken into account in the company-wide risk management that forms part of financial reporting.

DR E1-2: Policies related to climate change mitigation and adaptation

In addition to a clear focus on GHG reduction, LEG's sustainability strategy encompasses the management of the main impacts, risks and opportunities associated with climate change mitigation and adaptation.

The Management Board is responsible for implementing the sustainability strategy. Material impacts that the company has on the environment or society are analysed and measured. Furthermore, opportunities and risks connected with climate change, as well as climate change adaptation, have also been identified and measured, and mitigation actions planned. In addition to its strategy document, LEG has published several policies on the topic of climate change mitigation that provide the framework for its business activities. These can be found on LEG's website.

Climate change poses a material risk to LEG in the downgrading of its properties due to a backlog of investments. Furthermore, property values could decrease as a result of location and/or construction type due to the impacts of climate change. The investment strategy prioritises modernisation projects and plans for them as effectively as possible. In addition, LEG uses a climate risk analysis to identify buildings at risk due to their location and to counter these physical risks associated with the impacts of climate change, such as flooding and rising sea levels, through construction measures. Financial impacts are countered by concluding insurance. The high GHG footprint of buildings as a negative impact on humans and the environment can be reduced through emission-efficient building optimisation, as well as by switching from fossil fuels to renewable energy. Measures to reduce energy consumption and thus increase energy efficiency are also implemented. All in all, this results in sustainable, durable buildings that have a positive effect on the environment. Tapping into new areas of business such as dekarbo, termios and Renowate GmbH results in new opportunities for LEG in connection with the implementation of climate change mitigation measures.

DR E1-3: Actions and resources in relation to climate change policies

Within the three clusters of emission-efficient heat supply, reduction in energy requirements and energy-efficient modernisation (see Chapter E1-1), LEG has developed actions and resources with regard to climate change mitigation and climate change adaptation that aim to significantly reduce GHG emissions. In order to minimise the risk of building damage due to acute or chronic climate risks, all of LEG's property portfolio is currently insured against extreme weather events.

LEG pursues a sustainability strategy that is focused on decarbonisation and emission efficiency. In order to achieve the targets it has adopted, various GHG reduction measures are being implemented using measures from the three clusters presented above. LEG saved 11.4 kg of CO₂e/sqm in Scope 1 and Scope 2 (market-based) between the base year 2019 and 2026. This corresponds to a reduction of 29 %.

The aim is to reduce Scope 1 and 2 greenhouse gas emissions to 20.9 kg CO₂e/sqm by 2030 and to less than 5 kg CO₂e/sqm (87.5 %) to 0 kg CO₂e/sqm (100 %) by 2045. In absolute terms, the company is therefore aiming for a reduction of at least 374,400 tonnes CO₂e by 2045.

The main levers for reducing emissions are emission-efficient heat supply (with a contribution of up to 55 % by 2030), reduced energy requirements (with a contribution of up to 35 %) and energy-efficient modernisation (with a contribution of up to 15 %). Continuous internal GHG monitoring aims to ensure that the measures are reviewed.

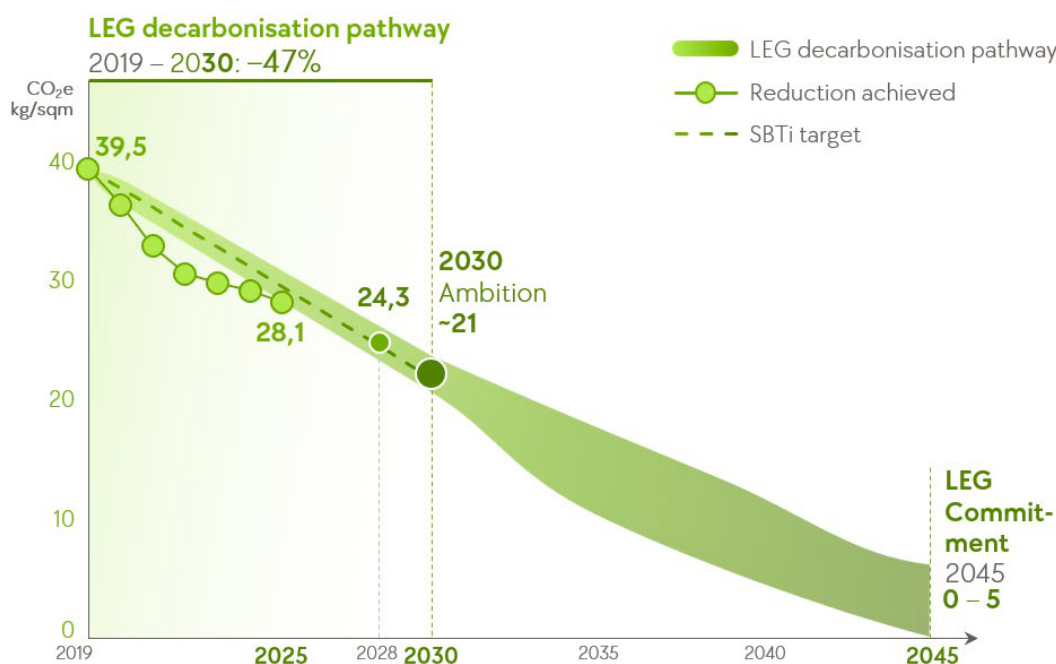
LEG's strategy focuses on emissions and cost-efficiency in the implementation of the measures. The investment volume is approximately EUR 1.0 billion. The investments mainly relate to capitalised investments in portfolio properties. LEG acts economically with these investments, as they lead to a corresponding increase in the value of the properties.

The taxonomy-eligible and taxonomy-aligned capex and opex cannot be broken down between the measures "Emission-efficient heat supply", "Reduced energy requirements" and "Energy-efficient modernisation". The majority of investments were allocated to economic activity CCM 7.7 "Acquisition and ownership of buildings". They are directly related to the letting and leasing of buildings and include both maintenance measures and investments in energy efficiency measures. In addition, the reported investments and operating expenses include expenses that are not related to the aforementioned measures. CCM 4.1 "Electricity generation using photovoltaic technology" cannot be assigned exclusively to decarbonisation measures as a measure, as some of the electricity generated is used for tenants' household electricity and some is fed into the grid. Only the investments for economic activity CCM 4.16 "Installation and operation of electric heat pumps" can be clearly assigned to the measure "Emission-efficient heat supply".

Metrics and targets

DR E1-4: Targets related to climate change mitigation and adaptation

LEG has established a sustainability strategy and set itself the aim of reducing around 47 % of Scope 1 and Scope 2 emissions (market-based) by 2030 in comparison with 2019. LEG has set itself the target of reducing its GHG emissions to between 5 kg CO₂e/sqm (87.5 %) and 0 kg CO₂e/sqm (100 %) by 2045. In order to achieve these climate objectives, emission-efficient and cost-effective measures to reduce GHG emissions must be identified on an ongoing basis and the sustainable transformation of LEG's portfolio and business model must be driven forward. The GHG reduction targets relate only to the company's own business activities and do not include the upstream and downstream value chain. Furthermore, LEG is focused on new business models in the area of climate change mitigation and its positioning as a provider of emission-efficient solutions and cost-effective technologies through its role in founding green ventures such as dekarbo, termios and Renowate GmbH. The planned GHG reduction measures are reviewed regularly and reported on in the annual GHG balance sheet.



LEG's short-term science-based Scope 1 and 2 emission reduction targets are in line with the 1.5 °C target of the Paris Climate Agreement and have been validated by the Science Based Targets initiative (SBTi). The aim is to reduce Scope 1 and 2 emissions by 47 % in the period from 2019 to 2030. The goals were coordinated internally and no other stakeholders were taken into account. Among other things, the objectives serve to mitigate the negative climate-related impacts of "GHG emissions from the operation of buildings". The sustainability strategy primarily pursues the aim of optimising LEG's property portfolio to make it more emission-efficient in order to reduce its GHG footprint, as well as to facilitate the switch from fossil fuels to renewable energy. In turn, this results in positive impacts such as "potential reduction in ancillary costs thanks to energy efficiency measures" and "social role model through pioneering role in the industry: mastering the climate crisis through innovation". By pursuing the GHG emission reduction targets, climate-related risks such as "Downgrading of properties due to investment backlog, unfavourable location factors or disadvantageous design" are also reduced because reducing GHG emissions contributes towards climate change mitigation. Furthermore, this results in opportunities such as "Tapping into new areas of business via dekarbo, termios and Renowate GmbH", which are taken into account accordingly in LEG's sustainability strategy.

In addition to the reduction targets for Scope 1 and 2 emissions, the company has set itself the goal of reducing Scope 3 emissions in the upstream and downstream value chain by around 27.5 % by 2030 compared to the base year 2019.

GHG reduction targets				
	Scope	Base year 2019	Target for 2030	Target for 2050
Direct GHG emissions (t CO ₂ e)	1+2	427.777	-47%	< -100%

Measurements taken				
1. Emission efficient heat supply	1+2	0	-110.654	-124.624
2. Reduced energy requirements	1+2	0	-65.386	-73.641
3. Energetic refurbishment	1+2	0	-25.149	-28.324
Indirect GHG emissions (t CO₂e)	3.03 + 3.13	290.086	-27,5%	< -100%

The emissions data and targets provided for the Scope 1 and 2 emissions have been adjusted for climate change. This allows for a presentation of GHG reductions that are attributable solely to the decarbonisation measures, as fluctuations due to warm or cold winters are adjusted.

The base year for LEG's decarbonisation pathway is 2019, which was adjusted for the long-time average using the DWD's climate factors. Furthermore, significant changes in the portfolio (primarily the acquisition of the Adler portfolio in late 2021) were taken into account retrospectively for 2019. The acquisition of the BCP residential units falls below the defined threshold and therefore does not lead to an adjustment of the climate pathway.

Target attainment is monitored on the basis of GHG monitoring and the annual preparation of the GHG balance sheet. The current progress in reducing emissions is going according to plan, meaning that the effectiveness of the emission reduction measures confirms LEG's ambitions within the decarbonisation pathway.

In order to identify decarbonisation levers, LEG aligns itself with its own decarbonisation pathway, which reflects the 1.5 °C target of the Paris Climate Agreement. The targets on the pathway have been validated by SBTi until 2030 and will continue until 2045 with the aim of achieving between <5 and 0 kg CO₂e/sqm. The decarbonisation actions are planned based on the pathway. The RCP scenarios 2.6, 4.5 and 8.5 (see Chapter E1.SBM-3) were used to identify climate-related risks.

DR E1-5: Energy consumption and mix

Energy consumption and mix			
Energy consumption and mix	2019	2024 ¹	2025
Fossil sources			
Fuel consumption from coal and coal products (MWh)	11.555	5.192	4.189
Fuel consumption from crude oil and petroleum products (MWh)	52.131	37.512	34.459
Fuel consumption from natural gas (MWh)	964.407	814.388	859.950
Fuel consumption from other fossil sources (MWh)	23.536	34.424	38.434
Consumption of purchased or purchased electricity, heat, steam or cooling from fossil sources (MWh)	822.735	372.969	407.599
Total fossil energy consumption (MWh)	1.874.362	1.264.484	1.344.632
Share of fossil sources in total energy consumption (in %)	84,3%	69,6%	73,2%
Nuclear sources			
Consumption from nuclear sources (MWh)	0	0	0
Share of consumption from nuclear sources in total energy consumption (in %)	0,0%	0,0%	0,0%
Renewable sources			
Fuel consumption from renewable sources, including biomass	335.475	480.350	415.993
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	12.853	68.521	71.796
The consumption of self-generated non-fuel renewable energy (MWh)	0	2.655	3.744
Total renewable energy consumption (MWh)	348.328	551.526	491.533
Share of renewable sources in total energy consumption (%)	15,7%	30,4%	26,8%
Total energy consumption			
Total energy consumption (MWh)	2.222.690	1.818.177	1.836.165
Energy production			
Non-renewable energy production	0	0	0
Renewable energy generation	80.106	105.989	95.220

The information on energy consumption and energy intensity relates to the Real Estate & Services (RRS) and Energy Production & Utilities (EEU) sectors in which LEG operates. Total net revenue also relates to these sectors. In addition, Germany officially phased out its nuclear energy programme on 15 April 2023. The proportion of imported nuclear energy in the German energy mix was around 1 % in 2024. As a result, the proportion of energy from nuclear sources is deemed immaterial for LEG. Furthermore, the precise proportion of electricity from nuclear sources in LEG's consumption cannot be determined, which is why no disclosures are made concerning energy from nuclear sources. In its portfolio, LEG opts to use green electricity from green energy contracts, as well making use of guarantees of origin.

In addition to the GHG reduction targets, LEG is focusing on a reduction in primary energy. This target is based on the requirements of the European Performance of Buildings Directive (EPBD), which aims to achieve a reduction of 16 % from the base year 2020 to 2030. However, the EPBD had not yet been transposed into German law at time of writing.

¹ Estimated values from the previous year have been replaced by actual values. The facts are explained in more detail in ESRS BP-2.

DR E1-6: Gross Scopes 1, 2, 3 and total GHG emissions

LEG does not deviate from the definition of “reporting entity” in its GHG emissions accounting in accordance with the GHG Protocol. This means that it reports all GHG emissions generated by the group of consolidated companies included in its the financial reporting. This therefore excludes the green ventures dekarbo, termios and Renowate GmbH as well as Kommunale Haus und Wohnen and Beckumer Wohnungsgesellschaft mbH, which are not under LEG’s operational control.

Actual emissions

GHG emissions - actual emissions				
GHG emissions	2019	2024 ²	2025	% 2025 / 2024
Scope 1				
Scope 1 THG gross emissions (t CO ₂ e)	259.865	196.542	204.368	4,0%
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading systems (in %)	0	0	0	0,0%
Scope 2				
Location-based Scope 2 GHG gross emissions (t CO ₂ e)	134.967	89.232	95.986	7,6%
Market-based Scope 2 GHG gross emissions (t CO ₂ e)	115.858	63.220	67.246	6,4%
Scope 3				
Total indirect (Scope 3) GHG gross emissions (t CO ₂ e)	290.086	202.657	192.969	-4,8%
3.03. Activities related to fuels and energy (not included in Scope 1 or Scope 2)	79.640	51.098	53.725	5,1%
3.13. Downstream leased assets	210.445	151.559	139.243	-8,1%
Total GHG emissions				
Total GHG emissions (location-based) (t CO₂e)	684.918	488.430	493.323	1,0%
Total GHG emissions (market-based) (t CO₂e)	665.809	462.419	464.583	0,5%

GHG emissions by energy source - Actual emissions				
GHG emissions (market based)	2019	2024 ²	2025	% 2025 / 2024
Natural gas	242.723	197.317	208.361	5,6%
Fuel oil	16.625	11.318	11.312	-0,1%
Coal	5.065	2.247	1.813	-19,3%
District heating	110.128	53.045	58.333	10,0%
Green district heating	0	2.406	2.602	8,1%
Electricity	239.114	170.644	157.775	-7,5%
Pellets	0	20	18	-11,8%
Biomass	44.844	17.882	16.030	-10,4%
Other	7.310	7.539	8.340	10,6%

LEG also reports the emissions intensity in kg CO₂e/sqm, as this serves as a target for the decarbonisation pathway and thus presents the decarbonisation progress based on rental space per square metre.

² Estimated values from the previous year have been replaced by actual values. The facts are explained in more detail in ESRS BP-2.

GHG intensity per sqm - actual emissions				
GHG intensity (Scope 1 and 2)	2019	2024 ³	2025	% 2025 / 2024
Total GHG emissions (location-based) per sqm (kg CO ₂ e/sqm)	36,48	26,48	26,93	1,7%
Total GHG emissions (market-based) per sqm (kg CO ₂ e/sqm)	34,72	24,07	24,35	1,2%

LEG also reports climate-adjusted emissions, as the decarbonisation pathway was also calculated on the basis of climate-adjusted data and therefore forms the basis for the targets set. This also allows for weather-related fluctuations to be balanced out, making actual progress in the actions measurable and improving the transparency of comparability over time.

Climate-adjusted emissions

GHG emissions - climate adjusted emissions				
GHG emissions	2019	2024 ³	2025	% 2025 / 2024
Scope 1				
Scope 1 THG gross emissions (t CO ₂ e)	295.830	238.814	237.275	-0,6%
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading systems (in %)	0	0	0	0,0%
Scope 2				
Location-based Scope 2 GHG gross emissions (t CO ₂ e)	154.032	90.726	97.075	7,0%
Market-based Scope 2 GHG gross emissions (t CO ₂ e)	131.947	74.441	76.204	2,4%
Scope 3				
Total indirect (Scope 3) GHG gross emissions (t CO ₂ e)	290.086	202.657	192.969	-4,8%
3.03. Activities related to fuels and energy (not included in Scope 1 or Scope 2)	79.640	51.098	53.725	5,1%
3.13. Downstream leased assets	210.446	151.559	139.243	-8,1%
Total GHG emissions				
Total GHG emissions (location-based) (t CO₂e)	739.948	532.197	527.319	-0,9%
Total GHG emissions (market-based) (t CO₂e)	717.863	515.912	506.448	-1,8%

GHG emissions by energy source – Climate adjusted emissions				
GHG emissions (market based)	2019	2024 ³	2025	% 2025 / 2024
Natural gas	275.893	235.401	238.172	1,2%
Fuel oil	18.832	13.633	13.129	-3,7%
Coal	5.838	2.721	2.154	-20,8%
District heating	124.891	63.185	66.485	5,2%
Green district heating	0	2.921	2.996	2,6%
Electricity	240.439	171.211	158.187	-7,6%
Pellets	0	20	18	-11,8%
Biomass	44.844	17.882	16.030	-10,4%
Other	7.126	8.938	9.278	3,8%

³ Estimated values from the previous year have been replaced by actual values. The facts are explained in more detail in ESRS BP-2.

Furthermore, LEG also reports the emission intensity in kg CO₂e per square meter, as this value serves as a target for the decarbonization path and thus represents the progress of decarbonization based on the rental area per square meter.

GHG intensity sqm - climate adjusted emissions				
GHG intensity (Scope 1 and 2)	2019	2024 ⁴	2025	% 2025 / 2024
Total GHG emissions (location-based) per sqm (kg CO ₂ e/sqm)	41,57	30,54	29,98	-1,8%
Total GHG emissions (market-based) per sqm (kg CO ₂ e/sqm)	39,53	29,03	28,11	-3,2%

The accounting framework includes the entire portfolio (all residential and commercial units), the operating areas, the biomass heating power plant and the vehicle fleet for both actual and climate-adjusted emissions. Emissions are calculated using an automated GHG accounting tool developed internally by LEG (see Chapter BP-2). In order to calculate the GHG emissions, the actual energy consumption values for the previous year are used for the reporting period whenever possible because the data for the reporting period is not yet available at the time of reporting. If this data is not available, the consumption figures are extrapolated using the consumption/demand information in kWh/sqm/a from energy certificates or estimated based on building age categories. To calculate the GHG emissions, the emissions factors published by the German Environment Agency are applied for the energy source in question; to determine market-based emissions, the supplier-specific emissions factors are applied. The calculation of district heating emissions is based on the Carnot allocation method. Consumption in the reporting year is estimated using climate adjustment for the reporting year and adjustments to reflect changes in the portfolio. The emissions projection for 2025 was based on consumption data from 2024. This data was adjusted to reflect the weather conditions expected in 2025 in order to account for temperature-related differences in energy consumption. The increase in emissions from 2024 to 2025 is due to higher energy consumption caused by weather conditions and the purchase of the BCP portfolio. Savings from the decarbonisation measures are also taken into account. The extrapolated values are updated in the following reporting year with the actual emissions values. When estimating GHG emissions, it should be taken into account that the emissions factor for electricity deteriorated slightly from 2023 to 2024. The DWD's climate factors are applied for climate adjustment for the reporting year.

There were no significant events or changes at LEG or in its value chain between the balance sheet dates and the date of LEG's consolidated financial statements.

LEG reports on all emissions from the biomass heating power plant under Scope 1. No biomass emissions are generated in the value chain that are not already reported in Scope 3.03.

About 10 % of Scope 2 emissions related to administration and the portfolio are covered by unbundled guarantees of origin. LEG obtains unbundled guarantees of origin for the electricity it uses (Scope 2), which enables it to certify this electricity as being from renewable sources. This electricity is used for heat supply to housing, administrative areas and communal areas.

0 % of the calculated Scope 3 GHG emissions were collected using primary data. For Scope 3.3 (energy and fuel-related emissions), the consumption figures for the previous year were used and extrapolated as described above for the reporting year. Scope 3.13 (rented or leased properties) only includes domestic electricity consumption by tenants, which is billed directly by the provider to the tenant. As a result, there are no actual consumption figures available for this either. Accordingly, the information from the electricity index for 2025 (which indicates the average electricity consumption of private households in Germany) was used.

As part of the submission of targets to the SBTi, a Scope 3 screening was carried out across all categories. The emissions in the Scope 3.3 and 3.13 categories cover more than 77 % of LEG's total Scope 3 emissions. This means that the remaining Scope 3 categories are immaterial for LEG.

List of the categories of Scope 3 emissions included in the GHG balance sheet:

- Scope 3.3 (energy and fuel-related activities, upstream chain emissions)
- Scope 3.13 (rented or leased property, plant and equipment, tenant electricity)

⁴ Estimated values from the previous year have been replaced by actual values. The facts are explained in more detail in ESRS BP-2.

The net revenue includes net cold rent, which is also reported in the consolidated financial statements. It also includes net trade receivables, which are not shown in the financial statements on account of their allocation to different functional areas. For other trade receivables and net revenue from disposals, the taxes directly linked to revenue have already been taken into account. Proceeds from the sale of real estate were not included in the calculation and are reported under other net income.

Net revenue used to calculate greenhouse gas intensity				
Net revenue (€ million)	2019	2024	2025	% 2025 / 2024
Net revenue used to calculate greenhouse gas intensity in million euros	599,8	884,2	943,5	6,7%
Net revenue (other) in million euros	198,2	255,2	187,8	-26,4%
Total net revenue (in the financial statements) in € million	798,0	1.139,4	1.131,3	-0,7%

Actual emissions

GHG intensity per net revenue - actual emissions				
GHG intensity (Scope 1 und 2)	2019	2024 ⁵	2025	% 2025 / 2024
Total GHG emissions (location based) (t CO _{2e} /€)	1.141,9	552,4	522,9	-5,3%
Total GHG emissions (market based) (t CO _{2e} /€)	1.110,1	523,0	492,4	-5,8%

Climate-adjusted emissions

GHG intensity per net revenue - climate-adjusted emissions				
GHG intensity (Scope 1 und 2)	2019	2024 ⁵	2025	% 2025 / 2024
Total GHG emissions (location based) (t CO _{2e} /€)	1.233,7	601,9	558,9	-7,1%
Total GHG emissions (market based) (t CO _{2e} /€)	1.196,8	583,5	536,8	-8,0%

⁵ Estimated values from the previous year have been replaced by actual values. The facts are explained in more detail in ESRS BP-2.

Social information

ESRS S1: Own workforce

Strategy

DR S1.SBM-2: Interests and views of stakeholders

LEG's own workforce is a key stakeholder group (see Chapter ESRS 2 SBM-2). LEG systematically incorporates the interests, points of view and rights of its employees into its corporate and sustainability strategy as well as its business model.

DR S1.SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

All employees of the LEG Group are covered by the scope of the disclosure in this report. Although TSP also forms part of the LEG Group, it differs from the other LEG companies in certain respects. These differences are marked in the following section.

In general, all employees are affected by the material effects of the LEG Group's business activities. In addition to the employees, 1 temporary worker were employed at LEG in the 2025 financial year (2024: 11 temporary workers).

In Chapter SBM-3, all of the positive and negative effects as well as risks and opportunities were presented in tabular form.

In connection with the company's own workforce, the following activities lead to positive effects.

LEG places great importance on safeguarding employee health. This is addressed in works agreements, among other things. Ensuring employee satisfaction and retention through appropriate remuneration is also of great importance to the company. This is primarily taken into account through collective agreements and statutory co-termination. In addition to appropriate remuneration and safeguarding jobs through responsible business practices, the possibility of reconciling professional and private life (e.g. through flexible working hours, working from home, etc.) should also contribute to employee satisfaction and hence employee retention. These goals are implemented within the corporate strategy and in works agreements. Data protection relating to the company's own workforce, which is ensured through specific company policies, the data protection management team and an external Data Protection Officer, also has a positive impact.

The (long-term) absence of work due to work-related stress was identified as a negative impact of LEG's business activities on its own employees. This negative impact is reduced by addressing it in works agreements, especially in the context of occupational integration management. There were also incidents of discrimination and sexual harassment at LEG in the past financial year. A new works agreement on anti-discrimination was therefore agreed with the Works Council and is currently being implemented. This clarifies the principles that apply at LEG in this area and introduces a complaints procedure for incidents of discrimination.

Opportunities related to own workforce include the following aspects:

Good (individual) working conditions (e.g. flexible working hours, regulations on working from home, etc.), gender equality, work-life balance, equal pay for work of equal value as well as cooperation with universities make it easier to attract highly qualified employees.

These opportunities are taken into account within the corporate strategy as well as in works agreements as a contribution to employee satisfaction and a sense of belonging among employees.

The transformation to a climate-neutral company and the reduction of negative environmental impacts create opportunities in the area of further training for LEG employees. There is also the possibility of new jobs being created. At the same time, risks may arise in the course of the transition plan for climate change mitigation, in particular due to a shortage of skilled labour and the resulting excess burden on existing employees in the relevant areas.

Impact, risk and opportunity management

DR S1-1: Policies related to own workforce

In addition to the strategies already mentioned in Chapters SBM-3 and S1.SBM-3 and working conditions such as the framework conditions of collective bargaining, fair working conditions, safeguarding employee satisfaction (see Chapter S1.SBM-3), LEG is establishing further strategies and regulations in connection with its own workforce, for which responsibility lies with the Management Board and specifically the CEO.

The following internal company policies exist at LEG in terms of handling material impacts, risks and opportunities relating to its own workforce:

- Declaration of fundamental values,
- Sustainability model,
- Code of Conduct,
- Policy on human rights and the environment, including the policy statement on respect for human rights and the environment,
- Group works agreement on business conduct,
- Group works agreement on the whistleblower system,
- Agreements on staff development,
- Regulations on equal pay through remuneration according to requirements profile and work remit,
- Agreements on flexible working hours and work location,
- Regulation on partial retirement (does not apply to TSP employees),
- Occupational integration management (currently being implemented at TSP),
- Establishing a Disabilities Officer, a Anti-Bullying Officer and a Human Rights Officer,
- Anti-corruption policy,
- Policies and work instructions for the prevention of money laundering.

With regard to the relevant human rights obligations that apply to its own workforce, LEG has a declaration of fundamental values and a Code of Conduct outlining its commitment to integrity and fairness, performance and professionalism, confidentiality, transparency and sustainability. Furthermore, LEG demonstrates its commitment to respecting human rights based on the UN Guiding Principles on Business and Human Rights, which also includes the ILO Declaration and the OECD Guidelines, in its Group policy on human rights and the environment (including the policy statement on respect for human rights and the environment) in particular. For example, this states that it is a matter of course for LEG to respect, protect and promote human rights and the environment along its entire value chain as a company that acts responsibly. The basis for achieving these targets is mutual respect and integrity externally and internally during day-to-day business.

The general approach of LEG with regard to respecting human rights, including the rights of employees, is expressed in the internal company policies mentioned above and is applied in the daily implementation of these regulations and in the compliance training provided to new employees as part of the onboarding process. In addition, employees must complete compliance training once a year. Event-driven awareness training also takes place if breaches of compliance occur.

LEG implements a range of measures in order to protect human rights. Firstly, preventive measures are in place to redress human rights violations, such as LEG's compliance system. Secondly, the aforementioned training sessions take place. Finally, these measures are accompanied and reinforced by a new works agreement on anti-discrimination that is currently being implemented. Mentoring and empowerment programmes are also organised via the HR department. In addition, the new works agreement on anti-discrimination provides a complaints procedure for specific incidents of discrimination. The rights of LEG Group employees are safeguarded through collective agreements and works agreements for the most part. This takes place via the collective bargaining commission, the works councils and a co-determined Supervisory Board at LEG Wohnen NRW GmbH, which represent the employees on the committees and act as individual contacts. The employee representatives on the Supervisory Board of LEG Wohnen NRW GmbH can only work to ensure compliance with employee rights on behalf of this company's employees within the scope of the Supervisory Board's sphere of influence.

In its Group policy on human rights and the environment, which includes the policy statement on respect for human rights and the environment, LEG undertakes to uphold the United Nations Universal Declaration of Human Rights, the core labour standards of the International Labour Organization (ILO), the European Convention for the Protection of Human Rights and Fundamental Freedoms, the UN's Guiding Principles on Business and Human Rights,

the OECD Guidelines for Multinational Enterprises, and the Principles of the United Nations' Global Compact (membership since 2021). LEG also implements the regulations of the German General Act on Equal Treatment (AGG). The values and standards enshrined in this law form the basis for its responsible business conduct and are anchored in its internal regulations and policies. LEG lives up to these requirements by fulfilling its due diligence obligation in the area of human rights.

LEG's business activities take place almost exclusively within Germany, where strict legal frameworks and controls are in place to uphold human rights and labour standards. Risks such as human trafficking, forced labour or child labour in LEG's direct business activities and its supply chain are therefore considered to be extremely low. Nevertheless, LEG recognises the importance of these issues and has integrated them into the following policies:

- Declaration of fundamental values,
- Policy on human rights and the environment, including the policy statement on respect for human rights and the environment,
- Code of Conduct,
- Business Partner Code of Conduct.

LEG is committed to integrating health and safety within the organisation, including via an internal Health and Safety Office which monitors and manages the implementation of statutory and internal health and safety regulations. The aspects of occupational health and safety are integrated into operational structures and processes, including with a view to preventing accidents at work. The details are regulated in internal documents on occupational health and safety. Preventive actions are also regularly addressed by the Health and Safety Committee and are implemented consistently.

The aforementioned internal regulations, training measures, HR measures, the establishment of a Due Diligence Committee, the nomination of a Human Rights Officer and the establishment of a digital whistleblower system, which is also available for employees to use anonymously, are specific examples of measures to combat discrimination. The new works agreement on anti-discrimination, which is currently being implemented, will further support and strengthen these measures.

The definition of discrimination in the aforementioned works agreement on anti-discrimination follows the definition in the AGG. LEG has no political obligations in terms of inclusion or support measures to benefit people from groups that are particularly at risk among the company's own workforce. With regard to at-risk groups in its workforce, LEG fulfils the requirements under the German Disabilities Act and has a Disabilities Officer.

DR S1-2: Processes for engaging with own workforce and workers' representatives about impacts

To ensure engagement with the company's own workforce and workers' representatives, regular meetings (monthly, quarterly or twice yearly depending on the committee) are held with the works councils at which topics relating to discrimination can be discussed. The Due Diligence Committee, which is made up of representatives from the areas of Legal and Compliance, Procurement, Sustainability & Innovation, HR and risk management, meets once a quarter. The HR department is involved and may contribute impacts on employees. The committee can also issue work orders that are subsequently implemented by the respective representatives. Actions can also be developed and implemented through these meetings. Cases of discrimination can be reported anonymously via the whistleblower system. These cases are then investigated by the Compliance and Internal Audit teams and appropriate actions are taken where necessary. The new works agreement on anti-discrimination also appoints employees as anti-discrimination officers who can be contacted by those affected in cases of discrimination.

Various processes have been established within the company to incorporate the views of its own employees into the company's decisions and activities. Examples of direct engagement include the mentoring programme and the digital whistleblower system. The perspectives of the workers' representatives are contributed via LEG's co-determination bodies and via collective bargaining with the trade union ver.di. Furthermore, the Disabilities Officer may also influence how topics relating to disabilities are handled. In accordance with section 178(1) of Book IX of the German Social Code (SGV IX), the Disabilities Officer must promote the participation of people with severe disabilities in working life in the company or office and represent their interests. Topics related to severely disabled persons include: fulfilment of obligations in favour of people with severe disabilities, application for measures that serve people with severe disabilities, receipt of suggestions and complaints from people with severe disabilities, negotiation of the conclusion of an inclusion agreement and participation in the introduction and implementation of occupational integration management. Finally, LEG also has a youth and trainee representative body that represents the interests of trainees and employees under the age of 25.

LEG's mentoring programme is a further means of integrating the views of the company's own employees into its business processes. It takes place with a new group every year. The programme runs for one calendar year. Each employee is assigned to a mentor from the management level, thus enabling an intensive dialogue. In addition, the digital whistleblower system is available at all times and can also be used by employees to express concerns. Cooperation with the Works Council takes place on an ad hoc basis if there are matters requiring co-determination. Additionally, there is a regular dialogue between the co-determination bodies and the employer representatives. The frequency of this dialogue is not regulated in a uniform manner. Instead, it takes place as arranged between the committees/workers' representatives concerned and may therefore be subject to change. Negotiations are also held with the trade union ver.di after or prior to the expiry of the term of the collective remuneration agreements. As part of the "FRED" annual reviews (feedback, reflection and development dialogue), every employee is free to discuss their own views and development opportunities with their manager in a structured process and to set out mutual agreements. Within the scope of the aforementioned contact points, LEG enables its employees to explain their perspectives and insights to the senior management. These perspectives are also discussed and, if necessary, negotiated with the works councils as part of the right to co-determination. The highest-ranking position with operational responsibility for such topics is the Head of Legal and Compliance, Internal Audit, Human Resources, Committees and IBM. Overall responsibility lies with the CEO.

The company has entered into agreements with employee representatives to uphold the human rights of its own workforce. In particular, this includes the works agreement on anti-discrimination that is currently being implemented. This works agreement appoints employees as anti-discrimination officers who, together with managers, the Compliance Officer, the HR department and the relevant local works council, serve as the points of contact for conflict situations arising from cases of discrimination. The works agreement also establishes a complaints procedure with the aim of resolving incidents of discrimination. This allows the company to gain an insight into the views of its employees. LEG also has policies without employee participation. These are illustrated in Chapter S1-1.

The effectiveness of the aforementioned procedures for involving the company's own workforce is not measured. However, feedback can be provided via the Works Council, the whistleblower protection system, and the employee surveys concerning employee satisfaction as well as the risk assessment of employees' mental stress.

LEG organises the mentoring programme to obtain insights into employee perspectives. The LEG Group has also established an empowerment programme that holds occasional workshops on topics such as self-efficacy, career confidence, personal strengths and self-reflection. In addition, a "Lunch & Learn" for the entire workforce takes place at regular intervals. In this format, the various departments take it in turns to present relevant topics. Employees can participate in person or online. For topics relating to the severely disabled, a Disabilities Officer has been appointed. Finally, the FRED annual review (or similar process at TSP) forms part of the Group works agreement and offers structured annual reviews with employees in order to support them in their professional and personal development. These reviews can also be initiated by the employees.

DR S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns

LEG provides several channels for its own workers to voice their concerns about negative impacts. They can speak directly to their supervisors, consult the Works Council and submit notifications via the whistleblower system at any time. These notifications are investigated and any necessary measures are derived and initiated. The effectiveness of the remedial measures is not assessed.

For complaints in connection with employee matters, employees are able to speak to their manager as part of the normal working relationship. Employees may also speak confidentially to the Compliance Officer if the matter pertains to non-compliance with internal policies or legal requirements. The employees also have access to the digital whistleblower system as a means of submitting complaints as per the relevant works agreement. This is provided by LEG with the help of an external service provider for technical implementation. However, whistleblowing cases are handled exclusively by LEG employees. Employees can also submit complaints or suggestions for improvement in employee appraisals. These reviews can also be initiated by the employees. Staff meetings as per sections 81 IV, 82 II, 83 I and 84 I of the German Works Constitution Act (BetrVG) that address the topics of professional conduct and performance are governed by a Group works agreement on the conduct of staff meetings. This Group works agreement includes the period of prior notice and formal requirements of such meetings and gives employees the right to invite a member of the Works Council to also attend the meeting. Finally, the new works agreement on anti-discrimination that is currently being implemented introduces a complaints procedure for employees in cases of discrimination. LEG considers all these options to be effective and positive based on its experience from day-to-day work. There is no structured analysis for evaluation purposes.

As mentioned above, LEG employees have access to a digital whistleblower system that can also be used to report cases of discrimination and (sexual) harassment. This system makes it possible to submit anonymous reports. The Group works agreement also includes the principles agreed with the Group Works Council regarding how these reports are investigated. These principles aim to protect whistleblowers and people who have been wrongly accused. LEG's Compliance Officer and Internal Audit department are enlisted to help determine and evaluate the content. This measure is intended to ensure that people who submit reports receive prompt feedback and that the incidents raised are clarified in a timely manner. Anti-discrimination officers are also being appointed in accordance with the new works agreement on anti-discrimination, which is currently being implemented. In addition, the Compliance Officer, the HR department and the respective managers are named as the responsible contacts for reporting incidents of discrimination. The Compliance Officer investigates such incidents and, where necessary, conducts a complaints procedure with those affected. Outside of the whistleblower system and the works agreement on anti-discrimination, any employee can also turn to their supervisor, the Compliance Officer, the HR department or Internal Audit if they wish to report cases of discrimination or harassment. Such cases are also investigated and any relevant action is taken. The Legal department also maintains a list of reported compliance cases and reports on it to the Management Board and the Risk, Audit and ESG Committee of the Supervisory Board. If necessary, actions are also derived from these compliance-related cases. The criteria of the German Whistleblower Protection Act were used as a basis for implementing these measures. To ensure the effectiveness of the channels, the works agreement on the whistleblower protection system sets deadlines for timely feedback. In addition, employees are informed about the ways in which they can access the measures in training sessions (e.g. onboarding training). The appropriateness of the measures is also regularly audited and certified by the ICG.

All new employees complete mandatory compliance training as part of the onboarding process. In addition to an overview of the applicable policies and standards of behaviour, this includes an overview of the aforementioned procedures. In addition, all employees must complete digital compliance training once a year. Successful participation is ensured by a final knowledge check based on test questions. This ensures that the relevant procedures have a lasting effect and are continuously refreshed.

Employees can find information on the whistleblower system on the intranet. Further information, e.g. on protection against retaliation, is described in Chapter G1-1.

DR S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches

LEG has implemented appropriate measures with regard to material impacts and risks. The aim of these actions is to minimise the negative effects and risks relating to the company's own workforce and to promote positive impacts. "Own workforce" describes all of the company's employees who have their workplace in Germany. The actions are an integral part of LEG and are implemented on an ongoing basis. In order to avoid or mitigate negative effects on the company's own workforce, possible hazards are determined by way of risk assessments for locations and employment groups. Identified measures are implemented to reduce potential hazards. These measures are discussed in greater detail below:

Safeguarding employee health

Numerous works agreements have been concluded with the co-determination bodies for the benefit of employees. For example, a company health management system with corresponding offers was agreed. In this respect, an important contribution is made to employee health as a prerequisite for good work, which also prevents (long-term) absence from work on the part of LEG employees due to work-related stress. In addition, LEG's health management system provides an employee programme to ensure the health of LEG employees. In order to provide further relief with regard to (long-term) absences from work due to work-related stress, employees are offered various measures, such as road safety training to prevent traffic accidents or seminars on maintaining mental health.

LEG operates in a very tense tenant market with an increasingly critical social environment for tenants and prospective tenants in which situations requiring conflict resolution can occur. LEG takes precautions for dealing with such situations by offering its employees conflict seminars and self-defence courses, for example. Within LEG's organisation, there is also a supervision programme to absorb and resolve these problems. After all, a positive and approachable corporate culture also helps employees to feel that they are in good hands within their teams and that they are better able to cope with such problem situations. Through these measures, LEG contributes to ensuring employee health as a prerequisite for good work, which also prevents absence from work on the part of LEG employees due to work-related stress (e.g. psychological stress). In addition, LEG employees who carry out manual activities are trained once a year with regard to the applicable occupational safety measures and the performance of the work is checked by the respective supervisors. In addition, employees are required to wear appropriate protective clothing during their work. This ensures employee health as a prerequisite for good work and prevents absence from work on the part of LEG employees.

With regard to accident protection, in addition to statutory accident insurance, there is also company accident insurance to protect employees. This is intended to promote employee health and prevent long-term absenteeism on the part of LEG employees. Such measures also enable LEG to present itself as an attractive company for talented prospective new employees.

Fair and appropriate remuneration

The majority of LEG employees are subject to both the collective bargaining provisions of an in-house collective agreement and statutory co-determination, and thus enjoy the protective effects of the Collective Bargaining and Works Constitution Act. In addition, all LEG employees are covered by the provisions of German employment law and the high level of protection they convey. These positive legal and collective bargaining framework conditions contribute to the attractiveness of LEG as an employer through fair working conditions, make it easier to recruit new employees and encourage existing LEG employees to stay with the company (positioning in the war for talent). This is also confirmed by applicants during the application process. Furthermore, this serves to increase employee satisfaction through appropriate collectively agreed remuneration as well as securing jobs.

Fair working hours

In addition, there are works agreements on the control of work and working hours with far-reaching flexitime arrangements. Flexitime arrangements were also introduced at TSP in the reporting year. These arrangements specifically serve to ensure employee satisfaction and retention by providing fair working hours. In addition, LEG has offered the possibility of mobile work for a number of years, thereby giving employees greater flexibility in terms of how they work. Employee satisfaction and retention is promoted through a healthy work-life balance. Partial retirement solutions are offered to older LEG employees (with the exception of TSP employees) shortly before they retire in order to satisfy their specific need to end their working life earlier at an advanced age in suitable individual cases.

In this respect, the specific needs of the respective affected group of employees are taken into account through specific measures.

Anti-discrimination

In order to prevent discrimination within the workforce and promote an open corporate culture, a new works agreement on anti-discrimination has been agreed with the Works Council and is currently being implemented. The works agreement specifically addresses this topic in addition to the other relevant company policies (declaration of fundamental values, policy on human rights and the environment, Code of Conduct), including the appointment of new anti-discrimination officers and the introduction of a new complaints procedure for incidents of discrimination.

Protection of employee data

The protection of employee data is ensured by LEG's data protection management system. Employee data protection is to be ensured in particular through authorisation and deletion concepts, but also within the framework of regulations in numerous works agreements within the LEG Group. This means that only those employees who need this access for their work have access to personnel data. Data that is no longer required is also deleted as part of existing deletion concepts, and numerous technical and organisational measures are in place to ensure that employee data is processed to a legally compliant extent.

In order to prevent violence and harassment in the workplace or to ensure that it is resolved at an early stage, an anonymous digital whistleblower system and the new complaints procedure under the works agreement on anti-discrimination are available for employees to report incidents. The whistleblower system is described in more detail in Chapters S1-3 and G1-1, among others.

Another measure to protect employee data relates to the use of technical systems. To this end, the employer's ability to monitor behaviour and performance has already been restricted in many areas. In addition, regulations for quality management have been agreed which do justice to the interests of employees by also taking into account the interests of employees in performance reviews as part of quality management measures (e.g. time limits for quality checks, dependence of certain measures on the consent of the employee concerned, etc.).

The effectiveness of the measures is measured by evaluating the text contributions in the risk assessment of mental stress, which is carried out every three years, and the "Great Place to Work" employee survey, which is carried out every two years. In addition, the evaluations and reports of individual employees to the works councils, the occupational health and safety coordinator and/or managers in the Group Occupational Health and Safety Committee are discussed and, if necessary, reports on the need for further action are submitted to the relevant levels of management.

LEG is dependent on the committed cooperation of its workforce in order to implement a successful business strategy. Highly qualified specialists are required in many areas. Like most other companies in Germany, LEG is faced with the shortage of skilled workers in the market. It addresses this by using recruiting and employer branding measures in its search for employees and by training its own specialists for LEG's future challenges through a training programme. To facilitate its position in the war for talent, LEG relies on good working conditions such as the LEG family service or occupational health management, preventing discrimination based on gender, and ensuring equal remuneration for equal work. Equal remuneration is covered by collective agreements for the most part. In addition, LEG cooperates with universities.

Changes in the legal framework for LEG's business operations resulting from climate legislation naturally also lead to changes in the work content of LEG's employees, especially in connection with the necessary measures to achieve the GHG targets that LEG has set itself. They have to implement set GHG targets in their day-to-day work and, as an interface with tenants and business partners, are also transformation drivers in LEG's efforts to reduce GHG in business operations. To this end, LEG offers all interested employees voluntary training once a year to make them fit for the changed demands on their work. The resulting change in business policy, according to which LEG has set itself the goal of making a positive contribution to GHG savings, will make it easier for LEG to attract talented new employees while also securing jobs by making them fit for the future. All of the measures mentioned above are to be understood as ongoing.

Resources (both monetary and personnel) for managing the material impacts may be made available for the aforementioned measures on a case-by-case basis by the managers responsible for the budget.

Metrics and targets

DR S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Employee satisfaction as determined by the “Great Place to Work” survey was implemented in variable remuneration as an LTI target for 2023-2026.

The improvement in the Trust Index as determined by an external research and consultancy institute via the “Great Place to Work” employee survey was selected as the relevant variable because the survey reflects the ongoing development of the corporate culture and how the company and employees engage with it. The results were discussed with the managers responsible for the employee groups defined in the survey. Based on the results, workshops were planned with the employees and specific steps were taken to improve working conditions. As the survey is conducted every two years, the results from the 2024 survey and the 2026 employee survey are taken into account.

There were no expiring STIs or LTIs for employees in 2025.

DR S1-6: Characteristics of the undertaking’s employees

Number of employees by gender (as of 31 December 2025)		
Gender	Headcount 2024	Headcount 2025
Male	1.345	1.336
Female	742	781
Other	0	0
Not reported	0	0
Total number of employees	2.087	2.117

Employee turnover (as of 31 December 2025)		
Turnover	Number of employees 2024 (headcount)	Number of employees 2025 (headcount)
Anzahl	229	225
Quote	11,0%	10,6%

Number of employees by contract type (as of 31 December 2025)					
	Female	Male	Other	Not reported	Total
Number of employees	781	1.336	0	0	2.117
Number of employees with permanent contracts	708	1.232	0	0	1.940
Number of employees with temporary contracts	73	104	0	0	177
Number of on-call employees	0	0	0	0	0

Number of employees by contract (as of 31 December 2024)					
	Female	Male	Other	Not re-ported	Total
Number of employees	742	1.345	0	0	2.087
Number of employees with permanent contracts	677	1.269	0	0	1.946
Number of employees with temporary contracts	65	76	0	0	141
Number of on-call employees	0	0	0	0	0

To determine the employee turnover rate, the total number of employees leaving the company in a reporting year are compared with the total number of employees at the end of a reporting year (year-end) and expressed as a percentage. This does not take into account employees who leave positions due to transfers within the Group.

The above data relates to the headcount as of 31 December 2025. The data shown in the tables includes all LEG employees.

Fixed-term contracts at LEG are implemented on the basis of the legal requirements and are usually related to factual reasons, in particular due to parental leave cover. Otherwise, the reasons are case-specific, e.g. for the implementation of one-off projects.

Information on employee figures (ESRS S1-6, 50f, total number of employees) is provided in the “Employees” section of the management report and in the notes to the consolidated financial statements under “I. Other information,” item 4, “Number of employees.”

DR S1-9: Diversity metrics

Employees at the highest level of management		
Gender	Headcount	Percentage
Male	2	67%
Female	1	33%
Other	0	0%
Total	3	100%

As of 31 December 2025, LEG's Management Board comprised three people. The company defines this as the highest level of management. There is no change in the breakdown compared to the previous year.

The age structure of LEG as of 31 December 2025 is as follows.

Employee by age structure (as of 31 December 2025)		
Age structure	Headcount 2024	Headcount 2025
< 30 years	334	372
30-50 years	1.058	1.077
>50 years	695	668
Total	2.087	2.117

DR S1-10: Adequate wages

All LEG employees receive adequate wages in compliance with the relevant reference values. These wages are guaranteed through collective agreements as well as via the statutory minimum wage.

The disclosure of datapoints DR S1-14: Health and safety metrics and DR S1-15: Work-life balance metrics is omitted in the reporting period due to the European “quick fix” agreement.

DR S1-16: Compensation metrics (pay gap and total compensation)

The majority of LEG's employees are remunerated in accordance with LEG's collective agreement, which ensures equal remuneration for equal work. This is also reflected in the gender pay gap, which shows that the average gross hourly salary of female employees at LEG in 2025 was 0.71 % higher than that of men (2024: 6.57 %).

To determine the gender pay gap, the gross average earnings per hour of male employees were compared to the gross average earnings per hour of female employees. All actual remuneration components of an employee that were settled in the financial year are taken into account. This also includes non-cash benefits, such as company cars or other subsidies.

The productive hours were recorded and analysed individually for all employees who are subject to working time recording. For all other employees who are not subject to working time recording – including TSP and LEG managers – the productive hours were determined mathematically.

The total annual compensation ratio of the highest-paid individual to the median annual total compensation of all employees (excluding the highest-paid individual) is 58.36 (2024: 57.4). The total annual remuneration of the highest-paid individual was compared with the average annual total remuneration of all employees.

S1-17: Incidents, complaints and severe human rights impacts

A total of seven compliance incidents were recorded in the 2025 financial year. Of these, six cases of discrimination including harassment were identified. The cases were reported to the Compliance Officer or employees of the Internal Audit department.

The total amount of fines, sanctions or compensation payments imposed in connection with these incidents was EUR 0.

ESRS S4: Consumers and end-users

DR S4.SBM-2: Interests and views of stakeholders

As they are key end-users, LEG integrates the interests and rights of tenants into its strategy and business model. As part of the materiality analysis, tenants were identified as important stakeholders (see Chapter SBM-2). In this way, LEG ensures that tenants' perspectives as customers are continuously taken into account in its decisions.

DR S4.SBM-3: Interaction between material impacts, risks and opportunities with the strategy and business model

The consumers and end-users who may be affected by material impacts, risks and opportunities are defined in the value chain as per ESRS 2. This refers to LEG's tenants, who are also referred to as customers in the following section.

The following positive impacts on consumers were identified as part of the double materiality analysis. LEG aims to provide affordable housing and thus contributes to social stability by strengthening its customers' sense of security and making them less worried about losing their home. LEG also contributes to the integration of immigrants and refugees by providing these groups of people with housing, thereby facilitating or enabling their ability to become part of German society. By implementing energy-efficient measures, LEG can reduce operating costs and thus also enable tenants with limited financial means to access housing. Increased communication improves customer trust and leads to a sustained rise in customer satisfaction. At the same time, regular dialogue enables a better understanding of customer needs and allows LEG to make targeted improvements.

Data breaches with regard to tenant or customer-related data due to errors or misuse were identified as a negative impact. As the risk is not limited to specific groups of people or usage characteristics, all LEG customers can potentially be affected by data protection incidents.

With regard to the financial risk in connection with LEG's tenant data, the risk of fines or penalties as a result of data breaches involving tenants' personal data was identified.

LEG has not identified any opportunities or risks that could arise due to dependencies between consumers and end-users which have a low probability of occurrence but a significant financial effect.

During the reporting period, there were no additional concepts, measures or targets for the positive impacts of "affordable housing", "integration" and reduced ancillary costs in respect of consumers and end-users above and beyond the established strategies and measures in the area of customer satisfaction. No measures or targets have been set to date, as the identified positive effects are already part of existing business processes.

Impact, risk and opportunity management

DR S4-1: Policies related to consumers and end-users

Customer satisfaction

Customer satisfaction constitutes a significant impact and a key driver of success for LEG. The Customer Satisfaction Index (CSI) and its development serves as an indicator of customer satisfaction and customer loyalty. Service quality, such as availability, response to customer concerns and interaction with employees, is a decisive factor. By further developing its services, LEG is strengthening communication with its customers and creating added value for both parties. The COO has ultimate responsibility for the customer satisfaction surveys.

Code of Conduct

To promote positive impacts and avoid negative ones, LEG has established a Code of Conduct that sets out the ethical and compliance-related standards that must be followed by all persons associated with the company. This includes LEG's tenants. It aims to promote a corporate culture that is shaped by morals and integrity and that strengthens customer trust. The code emphasises the importance of moral integrity and compliance with legal and internal requirements. It serves as a guideline for ethical conduct in business transactions. Ultimate responsibility for implementing the Code of Conduct lies with the Management Board. The Code of Conduct is provided to employees along with every employment contract. In addition, the topics covered therein are covered as part of the mandatory onboarding training. This ensures that all employees are informed about the concept and content of the Code of Conduct.

Data protection concepts

In addition to the Code of Conduct, LEG has a data protection policy that describes how to handle data correctly. The processing of its customers' personal data is an integral element of LEG's operating processes. Risks of the misuse of personal data or processing personal data in a way that breaches data protection law must therefore be minimised to the greatest possible extent. To minimise risks, LEG has established a data protection management system which aims to aid compliance with legal requirements regarding data protection. The regulatory heart of the data protection management system is the data protection policy, which is binding for the entire Group and sets out the principles of data protection and establishes a consistent and appropriate data protection standard for the collection, processing and use of personal data which is based on statutory data protection legislation. The material provisions of the data protection policy includes the responsibility for the implementation of provisions relating to data protection, the principles for processing personal data, the information obligations and rights of data subjects, the principles of data processing in cooperation with third parties, internal processes (confidentiality, processing overview, training, risk orientation, data protection impact assessment, data processing security, data minimisation), internal responsibilities, efficacy control, reporting processes, regulations relating to the Data Protection Officer and their tasks, as well as monitoring by the supervisory authorities.

The data protection policy is supplemented by procedural instructions that define the general principles of the data protection policy in greater detail for the purposes of day-to-day business, and by an employee training system that takes place in person upon the onboarding of new employees and as a digital training course with test questions that is completed every year. The data protection management team also issues handouts to the employees with information for day-to-day work, addresses current topics in regular meetings with the various departments and the Data Protection Officer, and provides the latest data protection newsletter to employees for their information. Employees can access documents relating to data protection legislation via the Compliance page on LEG's intranet as well as via the News page on the intranet in the case of current topics.

The responsibilities for the concepts relating to data protection are described in detail in Chapter S4-2.

Policy statement on respect for human rights

In its Group policy on human rights and the environment, which includes the policy statement on respect for human rights and the environment, LEG undertakes to comply with the UN Guiding Principles on Business and Human Rights, the ILO Declaration and the OECD Guidelines and to treat all customers equally. Discrimination based on ethnic background, gender, religion, disability, age or sexual orientation is not tolerated. These strategies and concepts are the responsibility of the Management Board.

The company is aware of its responsibility within society and its human rights due diligence obligations and undertakes to respect, protect and promote human rights along its entire value chain.

In line with this responsible and transparent approach to consumers and end-users, LEG also places great importance on dialogue with its tenants. To this end, LEG has set up a Customer Advisory Board to promote dialogue with its tenants. The Customer Advisory Board serves as a key tool in order to:

- promote a direct dialogue between the company and its tenants.
- address customer requirements and feedback.
- continually improve service quality.

This close dialogue with its tenants allows LEG to continue to tailor its services and offers to the needs and preferences of its customers. This corresponds to the company's objective of being a customer-focused housing provider.

Establishing a Customer Advisory Board underlines LEG's offers to actively integrate the interests and perspectives of its tenants in company decision-making, and thus to continually improve customer satisfaction. The corresponding responsibility is discussed in Chapter 4-2.

LEG uses several internationally recognised tools and principles when it comes to discrimination and equal treatment:

Legal principles

LEG refers to the principle of equal treatment as enshrined in Article 3 of the German constitution, as well as the German General Act on Equal Treatment (AGG) as the legal basis for protection from discrimination.

International agreements

In addition to the international agreements mentioned under S1-1, LEG is committed to the following international standards:

- Human Rights Charter (United Nations Universal Declaration of Human Rights)
- Diversity Charter, an employer initiative to promote diversity, which LEG signed in 2019

At LEG, there were six cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises affecting consumers and/or end-users in the 2025 financial year. There were four cases of sexual harassment, one case of workplace harassment and one case of gender discrimination. One allegation of sexual harassment proved to be unfounded. All of the other cases were investigated in detail by the compliance team with the involvement of those affected and disciplinary action was taken or, where appropriate, an amicable solution was found. Employees were provided with awareness training following the incidents.

In part in response to these incidents, a new Group works agreement on anti-discrimination was agreed together with the Works Council and is currently being implemented. The policy reiterates LEG's value system in this area, introduces anti-discrimination officers at LEG and provides those affected with a confidential complaints procedure specially developed for incidents of discrimination.

DR S4-2: Processes for engaging with consumers and end-users about impacts

LEG is firmly committed to engaging with its customers and taking their perspectives into account when making important decisions. Among other things, tenants' perspectives are gathered in a total of seven languages via the customer surveys. One of the findings was the desire for active information. This was realised through the "MieterNews" tenant news service and the tenant portal, for example. Customers also want LEG to be easily accessible, which has been further improved through measures such as the "Wir für den Kunden" campaign. Furthermore, tenants can access a wide range of information and use self-services via the tenant app or tenant portal. This also includes the views of vulnerable groups such as people with a migration background.

LEG has established various mechanisms for engaging with customers:

Customer Advisory Board

A central element is the Customer Advisory Board, which was founded at the end of 2019 and serves as a permanent institution for regular direct exchange with customers. The Customer Advisory Board meets three times a year and is currently made up of 12 tenant representatives from various branches. The tenant representatives are eleven tenants and one external person. They act as credible representatives of the tenants. The Customer Advisory Board is actively involved in decision-making processes for neighbourhood development as well as developing and improving services. In this way, the Customer Advisory Board represents the interests of LEG's tenants. Operational responsibility lies with the COO.

Customer surveys and feedback

Customer satisfaction surveys are a key instrument for LEG to record and improve its tenants' satisfaction.

Once a quarter, LEG conducts customer satisfaction surveys via an online questionnaire to measure the effectiveness of its actions. In addition, direct contact point surveys are conducted in various departments, including Central Customer Service, Rent Management and Operating Costs. Customers are subsequently asked for feedback on their specific request in an additional questionnaire. Feedback options on neighbourhood promotion measures and the evaluation of safety inspections are also used to analyse customer needs. Operational responsibility for implementing the customer surveys lies with the Quality Management team, which is indirectly subordinate to the COO. Operational responsibility for implementing the regulations of the data protection management system lies with the Head of Legal & Compliance, Auditing, Human Resources, Committees and IBM. Overarching responsibility lies with the Management Board and specifically with the CEO. Within the Supervisory Board, the Risk, Audit and ESG Committee is responsible for data protection.

The customer satisfaction surveys are carried out under the joint responsibility of LEG and AktivBo GmbH, which specialises in data-driven analyses and tenant surveys for the real estate industry. LEG is responsible for providing contact information, while AktivBo is responsible for sending the invitations, collecting and analysing the data. AktivBo ensures that the survey results are only provided in anonymous form so that it is not possible for LEG to recognise the assessments of individual tenants. Through the survey, LEG aims to record the satisfaction of its tenants, identify potential for improvement, optimise the living experience and strengthen customer loyalty, e.g. by optimising waste storage locations.

DR S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Tenant enquiries can be highly individualised and processing them can involve varying levels of complexity depending on the topic.

Customers can address their enquiries to LEG's central customer service department, which processes them directly or forwards them to the appropriate person. Accessibility is ensured via various channels, e.g. telephone, e-mail, LEG tenant portal, LEG tenant app, and chat. Customers can also use the website to book an appointment for a callback from LEG. The effectiveness of the measure is monitored via the customer satisfaction surveys already mentioned in Chapter S4-2, which provide systematic feedback for the evaluation and enhancement of internal processes. The aforementioned processes are also monitored by way of operational controlling analyses.

Data breaches with regard to tenant or customer-related data due to errors or misuse were identified as a negative impact.

The nature and scope of the remedial measures depend on the specific circumstances of the individual case and the assessment of the risk propensity of the respective data processing. The measures described under ESRS S4-4 serve as a procedure for remedial action.

Compliance management system

LEG has a compliance management system (CMS) that consolidates measures for ensuring compliance with legal regulations and internal company policies. This also includes data protection. The criteria of the German Whistleblower Protection Act were used as a basis for implementing the measures. The appropriateness of the measures is also audited every three years and certified by the ICG.

As part of its CMS, LEG has implemented an electronic whistleblower system that fulfils several major functions: It is a digital system that is available around the clock. The system is available to both employees and external third parties. Reports can be submitted anonymously if preferred. People who submit reports in good faith do not have to fear any retaliation as a result of the information they submit. To this end, LEG has established structures that are set out in the rules of procedure for the compliance whistleblower system and for the complaints procedure according to the German Supply Chain Due Diligence Act. They are also supported by the provisions of the German Whistleblower Protection Act and the Code of Conduct. LEG currently has no systematic procedures in place to determine whether customers are aware of or trust the structures in place for reporting their concerns or needs. A detailed description of the whistleblower system can be found in Chapter ESRS G1-3.

Data protection procedure

The general data protection management system also comes into play with its data protection policy and procedural instructions. Employees must report data protection incidents immediately within the statutory deadlines if they become aware of a breach of the data protection policy, the supplementary procedural instructions and/or the statutory requirements relating to the protection of personal data. In particular, data loss and the assertion of data subjects' rights must be reported in accordance with the specifications of the "Duty to report data loss" and "Handling data subjects' rights" procedural instructions. The data protection management team, in partnership with the Data Protection Officer, is responsible for resolving specific queries.

LEG has published data protection notices on its websites that contain information about the processing of data subjects' personal information and the reasons for processing it, as well as their rights with regard to the processing of personal data. These are regularly checked to ensure that they are up to date. The data protection management team also provides regular training for employees on the topic of data protection (see above) and ensures, via the data protection coordinators in the specialist departments, that the topic of data protection is addressed in the company and that employees have the knowledge they need in order to act in compliance with data protection requirements. This also includes training on the channels available for accessing LEG's data protection management system.

The data protection management team continually monitors the Privacy mailbox in order to process any e-mails it receives promptly and to allow it to respond appropriately to the assertion of data subjects' rights and any data queries they may submit. Furthermore, the data protection team may always be consulted by the data protection coordinators and all LEG Group employees with regard to matters relating to data protection. The efficacy of the data protection management system is also reviewed via weekly meetings with the external Data Protection Officer, the Compliance Officer and other relevant departments within LEG (e.g. the IT department). Further information on the Data Governance Committee can be found in Chapter S4-4. If these reviews determine that there are deficiencies or that improvements are required, these are processed and a solution is sought. There are also regular training sessions and event-driven awareness training for employees following any data protection incidents, for example. LEG continuously adapts the data protection management system if individual cases relating to data protection indicate a need for adjustment. Finally, an annual audit is carried out by LEG's external Data Protection Officer and audits are conducted by Internal Audit on a multi-year cycle. Any necessary adjustments are determined on this basis and implemented accordingly. The external Data Protection Officer reports annually to the Management Board on the progress made in implementing data protection requirements in the LEG Group and on data protection incidents. In addition, the Risk, Audit and ESG Committee and the Supervisory Board as a whole receive regular information on data protection. The data protection management team and the Data Protection Officer are available as central points of contact for any matters relating to data protection.

There are defined channels of communication for employees, tenants, business partners and supervisory authorities for matters or incidents relating to data protection via the Privacy address (privacy@leg-wohnen.de) or via LEG's Data Protection Officer. The contact information for both channels can be found on the company's website and on the intranet.

The processes and systems described above are publicly available to all employees, tenants and business partners and can be consulted by them around the clock as required. If preferred, whistleblowers can also remain completely anonymous.

DR S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

LEG adopted measures relating to the material impacts on customers in the 2025 reporting year. These measures are an integral part of LEG and are to be understood as ongoing with regard to tenants. They are continuously adapted in the business model. Due to these continuous measures, a description of the expected results is not feasible. The ongoing measures relate to customers and thus to the downstream value chain. The aim of these measures is to reduce negative impacts on tenants and advance positive impacts. Further details can be found below.

Measures in the area of customer satisfaction and inclusion

Customer satisfaction surveys are an important means of identifying measures for consumers and end-users in order to record and improve tenant satisfaction. The customer satisfaction surveys are carried out by LEG Management GmbH, LEG Wohnen NRW GmbH and AktivBo GmbH with joint responsibility. LEG is responsible for providing contact information, while AktivBo is responsible for sending the invitations, collecting and analysing the data. AktivBo ensures that the survey results are only provided in anonymous form so that it is not possible for LEG to recognise the assessments of individual tenants. Through its survey, LEG aims to record the satisfaction of its tenants, identify potential improvements, optimise the housing experience and strengthen customer loyalty.

The customer satisfaction surveys are conducted in a total of seven languages: German, English, Spanish, Polish, Turkish, Ukrainian and Arabic. The focus is on service quality. To expand this further, LEG has developed a tenant portal for its customers. A digital interactive noticeboard – easily accessible via a QR code that can be found in every stairwell – provides customers with the latest news about the neighbourhood and events. It also provides information on any issues affecting lifts or heating systems. Customers can submit their ratings for services such as the maintenance of gardens and grounds. To reinforce transparent customer communication, LEG informs its customers via LEG News, a digital newsletter that provides information on relevant LEG services.

These measures taken by LEG with regard to end-users and consumers are to be understood as ongoing and are continuously adjusted within the business model. The customer satisfaction surveys found that the customer satisfaction score for both the branches and the service areas increased further in the reporting period.

Data protection measures

LEG has implemented various measures in order to handle data breaches and prevent such occurrences. These also influence the risk of penalty fees as a result of data breaches.

LEG has a compliance management system (CMS) that bundles measures for compliance with legal regulations and internal company policies. This also includes data protection.

The data protection management system, which includes the data protection policy, the associated procedural instructions, the internal data protection organisation, the external Data Protection Officer and the data protection coordinators in the specialist departments, ensures that suitable measures and processes are available for implementing and monitoring remedial measures. As part of preliminary data protection reviews and, where applicable, data protection impact assessments, new processes, systems or processing methods are evaluated in consultation with the relevant specialist department and the data protection management team/Data Protection Officer, and any modifications required to ensure compliance with data protection legislation are initiated. Efficacy is achieved through the implementation of technical and organisational measures (TOMs). The data protection team and the external Data Protection Officer are also both available to address data subjects' queries and to help them assert their rights.

An effective data protection organisation strengthens consumers' trust in LEG's service quality. As such, the data protection management system is continually improved and adapted to the changing legislative framework.

Responsibility for data protection is based on the data protection policy issued by the Management Board. All data processing must be assigned to a process owner (typically a manager). Each manager to whom processing is assigned is responsible for the lawfulness of the collection, processing and use of personal data. They are also responsible for ensuring that the permissibility of data processing in their area of responsibility is examined. The data protection management team and – if necessary – the Data Protection Officer support the process owners in performing their tasks. In order to fulfil data protection requirements, internal resources are also provided by the data protection coordinators and employees who process content that falls under data protection laws as part of ongoing processes and new projects (such as through preliminary data protection reviews, establishing and implementing technical and organisational measures, maintaining directories of procedures or implementing data deletion concepts, as well as fulfilling data subjects' rights). Finally, resources are expended in order to fulfil technical requirements and the involvement of external consultants is made possible. With regard to asserting the co-determination bodies' data protection rights, internal resources (exemptions for works councils, internal employees in the HR and Legal department, other affected employees) are also provided, as are resources for external legal consultants and system consultants.

There are defined channels of communication for employees, tenants, business partners and supervisory authorities for matters or incidents relating to data protection. A detailed description can be found in Chapter S4-3.

LEG also has a Human Rights Officer and a Due Diligence Committee. The latter deals in particular with issues relating to the fulfilment of obligations under the German Supply Chain Due Diligence Act. Sustainability risks related to human rights and/or the environment were also elaborated here, with risks from the materiality analysis being incorporated accordingly.

Metrics and targets

DR S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

LEG has formulated two targets with regard to consumers and end-users in order to promote tenant satisfaction among customers.

The target for the LTI 2022-2025 was set as an improvement in the Customer Satisfaction Index (CSI) of > 70 %. This target was met with a target attainment of 77 % in 2025. A precise description of the goal and the reference to the sustainability strategy can be found in Chapter GOV-3.

The LTI 2024-2027 includes a 10 % acceleration in the processing time for total LEG tenant complaints by 31 December 2027 based on the average processing time for resolved complaint tickets from March 2024 and September 2024. The processing time is defined as the time from the submission of a complaint by a tenant and the associated opening of a ticket through to the final resolution and feedback to the tenant and the associated closure of the ticket. The aim is to increase tenant satisfaction in dealing with complaints against LEG by processing them more quickly.

There was no engagement with stakeholders.

Governance information

ESRS G1: Business conduct

Governance

DR G1.GOV-1: Role of administrative, management and supervisory bodies

LEG's Management Board has three members and its Supervisory Board has six members.

The members of the Management Board are responsible for managing the company, while the Supervisory Board serves as a controlling body. The following is a summary of the key points: The specific requirements and policies concerning expertise, further training and integrity in business conduct for LEG's Management Board and Supervisory Board are set out in detail in the rules of procedure for each body. With regard to the Supervisory Board, they are also shown in a qualification matrix in the remuneration report.

Management Board:

The Management Board must develop and implement the strategic alignment of the company, which requires an in-depth understanding of the business activities and market conditions. In addition, members of the Management Board must comply with the legal requirements and internal policies of the company and ensure that there is an appropriate risk management system in place. Members of the Management Board are also required to treat sensitive information and trade secrets in the strictest confidence, including after they have left the company.

The information published on the company's website concerning the training and career background of the members of the Management Board demonstrates their extensive experience in the areas of corporate management, the housing industry and property transactions. Depending on their area of responsibility, they also have additional individual expertise on the topics of capital markets, finance, accounting, administration and regulation, sustainability, and technology and digitalisation.

Supervisory Board:

Members of the Supervisory Board must possess the necessary expertise, skills and experience in order to properly execute their tasks. As such, at least one member of the Supervisory Board must have expertise in the field of accounting, while at least one other member must have expertise in the field of auditing.

Since November 2024, the target for the share of women on the Supervisory Board has been defined as 33.3 % by 31 December 2029. This target has currently been achieved.

More than half of the shareholder representatives on the Supervisory Board should be independent of the company and the Management Board. If the company has a controlling shareholder, at least two shareholder representatives should be independent of this controlling shareholder.

The members of the Supervisory Board are responsible for their own further training. The company provides appropriate support for the members of the Supervisory Board when they take up their duties and when they undergo training. The aforementioned qualification matrix shows in greater detail that the Supervisory Board is professionally organised. Each member of the Supervisory Board not only has the necessary knowledge and skills to perform their duties, but also possesses specific expertise in the company's own operations that contributes to the Supervisory Board's work. The Management Board and Supervisory Board place particular importance on issues related to sustainability.

The company has underlined this with the publication and gradual implementation of its sustainability strategy, the establishment of its own Sustainability department and the formation of an ESG Committee within the Supervisory Board in the 2022 financial year, which became a shared Risk, Audit and ESG Committee with effect from the 2025 financial year.

Impact, risk and opportunity management

DR G1-1: Business conduct policies and corporate culture

LEG's strategy with regard to aspects of corporate policy and the promotion of its corporate culture is characterised by the following points and is the responsibility of the Management Board:

- As part of its compliance responsibility, LEG places great importance on adherence to legal and internal requirements in order to prevent risks such as legal violations or unfair practices. Among other things, this is supported by the establishment of a compliance management system with various internal policies and regulations as well as clear communication and extensive internal training measures. The CEO is responsible for implementing the concept at the highest level of management.
- LEG offers housing at affordable prices for large sections of the population. It places great importance on a functional product and appropriate customer service and sets concrete goals for increasing customer satisfaction. The company is committed to affordable climate change mitigation and is developing corresponding measures, such as emission-efficient heat supply, the installation of AI-based thermostats (termios GmbH), measures to change customer behaviour and serial modernisation by Renowate GmbH. It also promotes sustainable and socially responsible practices, including support for tenant communities. Strategic responsibility for the concept lies with the entire Management Board, while responsibility for implementation at the highest level lies with the COO.
- LEG's corporate culture is based on principles that are set out in its declaration of fundamental values. Among other things, these values include fair interactions with customers, employees, investors, business partners and society. The policy statement on respect for human rights and the environment sets out LEG's responsibility to respect human rights and the environment in all areas of the company. The entire Management Board is responsible for implementing the concept in respect of the policy statement, while the CEO is responsible for ensuring compliance.
- LEG develops its corporate culture through ongoing staff development and measures focused on employees' needs. This includes flexible working hours and mobile working. Implementation at the highest level is the responsibility of the CEO.
- LEG also promotes its corporate culture with various initiatives such as tenant parties and intercultural projects that support social and cultural exchange within neighbourhoods. The COO is responsible for implementation at the highest level of management.
- The corporate culture is evaluated through regular employee surveys and feedback mechanisms for customers and other stakeholders, which make it possible to measure the efficacy of the cultural initiatives and adapt them as required. At the highest level, responsibility for employee surveys lies with the CEO, while the COO is responsible for customer surveys.

With these strategies and measures, LEG is helping to promote a positive and sustainable corporate culture that involves employees and external stakeholders to an equal degree. Various internal regulations are in place within LEG to ensure compliance, including measures to combat corruption and bribery. In particular, these include the Code of Conduct, the Group policy on business conduct and the anti-corruption policy. All essential anti-corruption measures covered by the United Nations Convention against Corruption are implemented at LEG.

LEG employees receive regular training to promote integrity in business conduct. In-person compliance training for new employees takes place on a quarterly basis, while all employees must complete a mandatory annual online refresher course via LEG's training platform. The training content includes combating corruption and bribery as well as the whistleblower system. Further training courses are offered if required or on an ad hoc basis. Employees are kept informed of the latest topics via the intranet or separate information sheets. The Compliance Officer is available to answer questions or discuss relevant issues.

Employees involved in rentals are particularly at risk of corruption and bribery, as there is a heightened risk that prospective tenants or brokers may offer unauthorised payments in exchange for awarding rental contracts. As a matter of principle, LEG does not use any external brokers when assigning housing.

LEG provides internal and external whistleblowers with an electronic whistleblower system that enables people to report breaches of compliance around the clock. These reports can be submitted anonymously if preferred. External whistleblowers may also write directly to LEG's Compliance Officer. Employees may informally consult various trusted persons within the company, such as their direct supervisor, Internal Audit or the Compliance Officer. Compliance-related matters may also be addressed in routine audits by the Audit department. All information is investigated. With regard to the handling of information submitted via the electronic whistleblower system, the regulations of the Group works agreement on the introduction of a whistleblower system and the rules of procedure for the compliance whistleblower system apply, along with the complaints procedure according to the German Supply Chain Due Diligence Act.

Notifications received via the digital whistleblower system are received and processed by a small team of employees. The Compliance Officer is responsible for conducting the investigation. The Compliance Officer operates independently and is not bound by any instructions. The Compliance Officer and employees in the whistleblower team are bound to maintain confidentiality. After a notification is received, the complaint is checked for plausibility in order to determine whether there is sufficient evidence of a compliance violation. If the information seems plausible, the Management Board is informed (or the Chair of the Risk, Audit and ESG Committee, should the information pertain to a member of the Management Board) and consults with the Compliance Officer on commissioning Internal Audit or a third party to investigate the matter.

If it is determined that a compliance violation has occurred, the Management Board (or the Chair of the Risk, Audit and ESG Committee, should the information pertain to a member of the Management Board) meets with the Compliance Officer to decide on the relevant measures to be implemented. For example, this may include the formation of a crisis committee, a communication concept, informing the Supervisory Board, consulting an ad hoc committee, emergency measures under employment law or the involvement of the law enforcement authorities. Any confirmed compliance violation is punished appropriately, regardless of the position of the parties concerned (zero tolerance). The principle of equal treatment also applies, i.e. the same breaches are treated in the same way.

Whistleblowers do not have to fear any negative consequences or sanctions as a result of submitting information. They enjoy particular protection under the German Whistleblower Protection Act, the Code of Conduct and the Group works agreement on LEG's whistleblower system. Reports or complaints will only be processed by selected, specially trained employees on a need-to-know basis. Reports or complaints are treated confidentially, particularly if it is possible to draw conclusions about the identity of a person. Information can be submitted anonymously via the whistleblower system. LEG has established procedures to promptly, independently and objectively investigate incidents in connection with company policy, including cases of corruption and bribery. Discrimination, intimidation or bullying of people who submit reports in good faith by LEG employees or other reprisals by employees against people who submit reports in good faith are not tolerated by LEG and are treated as potential compliance violations. The significance of whistleblowing and how such cases are handled are addressed on the Internet, the intranet, in company documents and in training sessions.

During the reporting period, there were no additional concepts, measures or targets for the impacts, risks and opportunities reported in Chapter SBM-3 above and beyond the established strategies and measures in the area of corporate governance.

DR G1-3: Prevention and detection of corruption and bribery

LEG has a compliance management system (CMS) that aims in particular to prevent, identify and respond appropriately to corruption and bribery across all business areas:

The preventive measures include various internal regulations and policies. The Code of Conduct defines clear standards of behaviour for all employees. Among other things, it contains regulations on dealing with conflicts of interest and benefits such as gifts and invitations, as well as the prevention of corruption and acts similar to corruption. An anti-corruption policy and the Group works agreement on business conduct define the requirements of the Code of Conduct in greater detail and contain clear specifications on preventing bribery, corruption and undue influence on business decisions. As a matter of principle, a binding Business Partner Code of Conduct is agreed with business partners. This contains the relevant information on avoiding bribery, corruption and undue influence.

All employees and senior managers receive regular training on the risks of corruption. This is supplemented by in-person training on sensitive topics and following compliance-relevant incidents. Employees also have access to extensive information on the intranet, information sheets and advice from the Compliance Officer.

An anonymous whistleblower system is available for employees and external third parties to report potential cases of corruption or bribery, among other things. Regular audits by the Internal Audit department also lead to suspicious cases coming to light. Suspicious cases are investigated using a procedure set out in the rules of procedure for the compliance whistleblower system and the complaints procedure according to the German Supply Chain Due Diligence Act. If a compliance violation is confirmed, preventive and remedial measures are taken in order to deal appropriately with the violation. For example, this may include emergency measures under employment law, special training measures or the adaptation of compliance documents. Confirmed compliance violations result in clear sanctions ranging from disciplinary measures to criminal prosecution. The Compliance Officer reports regularly to the Management Board and Supervisory Board with regard to compliance-relevant issues and developments.

Corruption risks and the way they are handled form part of LEG's company-wide risk management process and are documented accordingly.

If a member of the Management Board is the subject of a compliance allegation, the necessary coordination with the Compliance Officer is carried out with the Chairman of the Risk, Audit and ESG Committee in order to ensure the required separation of functions. The Management Board informs the Supervisory Board and the Risk, Audit and ESG Committee about any breaches of compliance as part of its governance, risk and compliance reporting in accordance with section 107 III of the German Stock Corporation Act (AktG). The Supervisory Board and the Risk, Audit and ESG Committee are also informed about event-driven compliance audits in accordance with fixed criteria. The Compliance Officer regularly reports on compliance-related incidents as part of their regular meetings with the responsible member of the Management Board. The Management Board is informed at least once a year by the Compliance Officer about major compliance-related incidents. LEG's regulations and policies are published on the Compliance page on the intranet, and some are also published on the Internet. LEG draws its employees' attention to this information via separate e-mails and/or notifications on the intranet. It also refers to these regulations and policies during in-person and online training (including final tests).

Compliance training is offered to new employees once a quarter. All employees must also complete annual online refresher courses. All training courses address the topic of combating corruption and bribery in detail. LEG's mandatory general compliance training and non-regular specific compliance training for employees in high-risk functions, such as sales and rental, means that 100 % of high-risk functions are covered by appropriate training programmes.

New members of the Supervisory Board and Management Board receive training on the topic of compliance. Members of the Management Board must also complete online training once a year.

Training conducted				
Group of participants	Topic of training	Type of training	Duration	Frequency
Management Board	Compliance Focal areas: - Code of Conduct - Internal policies and regulations - Corruption - Conflicts of interest - Discrimination	E-learning	90 mins	Annually
New members of the Management Board	Compliance	In-person	60 mins	When starting in this role
All employees	Compliance	E-learning	90 mins	Annually
All employees	Data protection	E-learning	90 mins	Annually
New employees	Compliance	Onboarding webinar (Teams)	60 mins	Quarterly
New employees	Data protection	Onboarding webinar (Teams)	60 mins	Quarterly
Sales employees	Money laundering	Webinar (Teams)	60 mins	At least every two years, generally annually
Employees in the rental segment	Corruption, conflicts of interest	Webinar (Teams)	60 mins	At least every two years, generally annually
Individual departments / groups of employees	Compliance / data protection	Webinar (Teams)	60-90 mins	ad hoc, as required

TSP employees have their own training system and also undergo data protection (personal instruction, onboarding), compliance (personal instruction, onboarding) and cyber security training (online). These training courses must be completed online once a year. In addition, there are online training courses on data protection basics, first aid, safety in the office and road traffic, while additional safety instructions are taught for each individual trade. All new employees receive personal training on data protection and compliance on their first day of work.

Metrics

DR G1-4: Confirmed incidents of corruption or bribery

To minimise compliance risks when dealing with tenants, there are clear regulations on gifts and invitations (Code of Conduct, anti-corruption policy, Group works agreement on business conduct). Rental agreements are concluded and uploaded exclusively via the designated app. Agreements can only be uploaded if all of the necessary requirements have been met, such as approved conditions and complete documentation. In addition, monthly quality checks of new rentals are carried out in order to identify any irregularities. Employees are regularly trained in corruption prevention. The electronic whistleblower system can be used to report corruption or other compliance violations at an early stage so that risks are identified and minimised in good time. These measures are an integral part of LEG, are implemented on an ongoing basis and are continuously adapted to the business model and current risk situations.

In the 2025 reporting year, there were no convictions or fines for violations of corruption and bribery regulations at LEG.

Confirmed incidents of corruption or bribery (as of 31 December 2025)		
Incidents	Number 2024	Number 2025
Total number of confirmed cases of corruption or bribery	3 ⁶	1
Number of confirmed cases in which own workers were dismissed or disciplined for corruption or bribery	2 ⁷	1
Number of confirmed cases relating to contracts with business partners terminated or not renewed due to breaches related to corruption or bribery	2	0

No court proceedings were opened.

DR G1-5: Political influence and lobbying activities

The nature, scope and content of the political positioning are determined by the company's full Management Board – if necessary in consultation with the Supervisory Board. This includes the following: As part of its statutory responsibility for developing and implementing the strategic direction of the company, the Management Board also takes into account regulatory and political requirements and framework conditions that are part of the market conditions for business activities.

Members of the Management Board must comply with the legal requirements and internal policies of the company and ensure that there is an appropriate risk management system in place. This includes assessing political and regulatory risks. The Management Board decides on memberships and sponsorship of interest groups and campaigns. It appoints the company's managers and employees who represent LEG with respect to representatives of politics and society. The Management Board and Supervisory Board pay particular attention to sustainability issues in order to meet the corresponding political and regulatory requirements.

The company has underlined this with the publication and gradual implementation of its sustainability and decarbonisation strategy. The company directly represents its interests via dialogue at a municipal, federal, national and EU level, as well as drawing on a range of external bodies in order to promote its interests. In the 2025 financial year, for example, LEG's memberships of industry associations included the GdW/VdW (federal/regional associations of German housing and real estate companies) and the ZIA (German Property Federation). The CEO also holds the chairmanship of the Bundesfachkommission Bauen, Immobilien, Smart Cities in the Wirtschaftsrat der CDU e.V. (German Federal Expert Commission for Construction, Real Estate and Smart Cities in the CDU party's Council of Economic Advisers). In 2025, LEG was also a member of the regional business coalition Initiativkreis Ruhr as well as a range of topic-specific and professional associations and initiatives, such as the IW 2050 climate initiative, the Institute for Corporate Governance in the Property Industry (ICG) and – due to the increasing significance of energy-related topics since 2023 – the German Association of Energy and Water Industries (BDEW).

The general positioning and visibility of LEG in politics and society at national and EU level is the responsibility of the company's CEO. Maintaining contacts at the regional and communal level, as well as in the field of green innovations, is primarily the domain of the COO, who maintains regular and institutional contact with leading community representatives, as well as the downstream operational units right down to the local offices, who engage in a regular dialogue with the relevant local authorities. Issues relating to financial market regulation and reporting requirements fall under the remit of the CFO.

The political communication and association work is coordinated by the Corporate Communication & Public Affairs department, which intensively addresses political matters and stakeholder management. The internal policy on politics and social engagement, which came into effect in 2021, prohibits direct or indirect monetary donations and donations in kind to political parties, politicians, candidates for a political mandate or political action groups. It is published on the company website and is reviewed annually. This means that no direct or indirect cash donations or donations in kind were made to the aforementioned potential recipients in 2025.

⁶ Previous year's figure adjusted (reported as 0 in the previous year); for further information on adjustments, please refer to section BP-2.

⁷ Previous year's figure adjusted (reported as 0 in the previous year); for further information on adjustments, please refer to section BP-2.

As such, a table listing donations to various parties would make no sense.

However, the company is permitted to become involved in political associations and think tanks, provided they are legally and financial independent with no political affiliation. The company may also sponsor political events.

During the 2025 financial year, this included membership of the CDU party's Council of Economic Advisers and the commitment within the Bundesfachkommission Bauen (German Federal Expert Commission for Construction in the Council of Economic Advisers) as well as the sponsored presentation of LEG projects as part of an event for the Seeheimer Kreis (working group of SPD party representatives).

LEG publishes its expenses incurred in connection with the representation of political interests in the lobby register of the German Bundestag under the register number R002757 and in the transparency register of the European Parliament under the number 178534792822-84. The annual financial expenses and indirect contributions in the area of interest representation amounted to between EUR 140,000 and EUR 150,000 in 2025. This includes the relevant personnel and material costs.

Material topics related to this that LEG addressed during the reporting year included providing content-related support for the coalition negotiations at a federal level, observing and supporting the municipal elections in North Rhine-Westphalia, issues relating to reporting and disclosure requirements, adjustments to the rental price regulations, climate change mitigation policies and heating/energy supply in the property sector at the national and EU level, building standards and joint initiatives to strengthen neighbourhoods and communities. In particular, the company represents the position that further measures to regulate rents would not have any positive effect on the availability of affordable housing and rejects them for this reason. With regard to the modernisation levy, the company has also made specific recommendations with a view to updating and simplifying the regulations. The relevant legislation is still pending.

With regard to the regulatory framework for the decarbonisation of the building sector (GEG, WPG, EPBD), LEG focuses on emission efficiency, which is defined as a reduction in actual GHG emissions, as opposed to the previous priority of energy efficiency (building envelope, theoretical emissions). It is also important to avoid specific national approaches and quickly harmonise energy performance classes at European level in order to increase comparability, predictability and investment security. The priority for LEG is the measurable CO₂ saving compared with formal refurbishment stages. LEG is also in favour of a market-based, cross-sector CO₂ price signal that will trigger emission reductions where they are most cost-effective in economic and business terms. Furthermore, LEG is in favour of funding instruments that must be open to all technologies in order to enable effective solutions without discrimination and reduce existing barriers to implementation.

The company has also successfully campaigned for improved support for home ownership in NRW. Although this topic is not immediately relevant to the company's own business purpose, it can help to stabilise neighbourhood environments and society as a whole. Overall, LEG contributes its expertise and positions to public opinion-forming and political decision-making. The company engages in a dialogue with the most important players, with stakeholders across society as a whole and with political decision-makers. None of the members of the Management Board or Supervisory Board held a position in public administration in the past two years.

Dusseldorf, 3 March 2026

LEG Immobilien SE, Dusseldorf

The Management Board

Lars von Lackum

Dr Kathrin Köhling

Dr Volker Wiegel

Annex

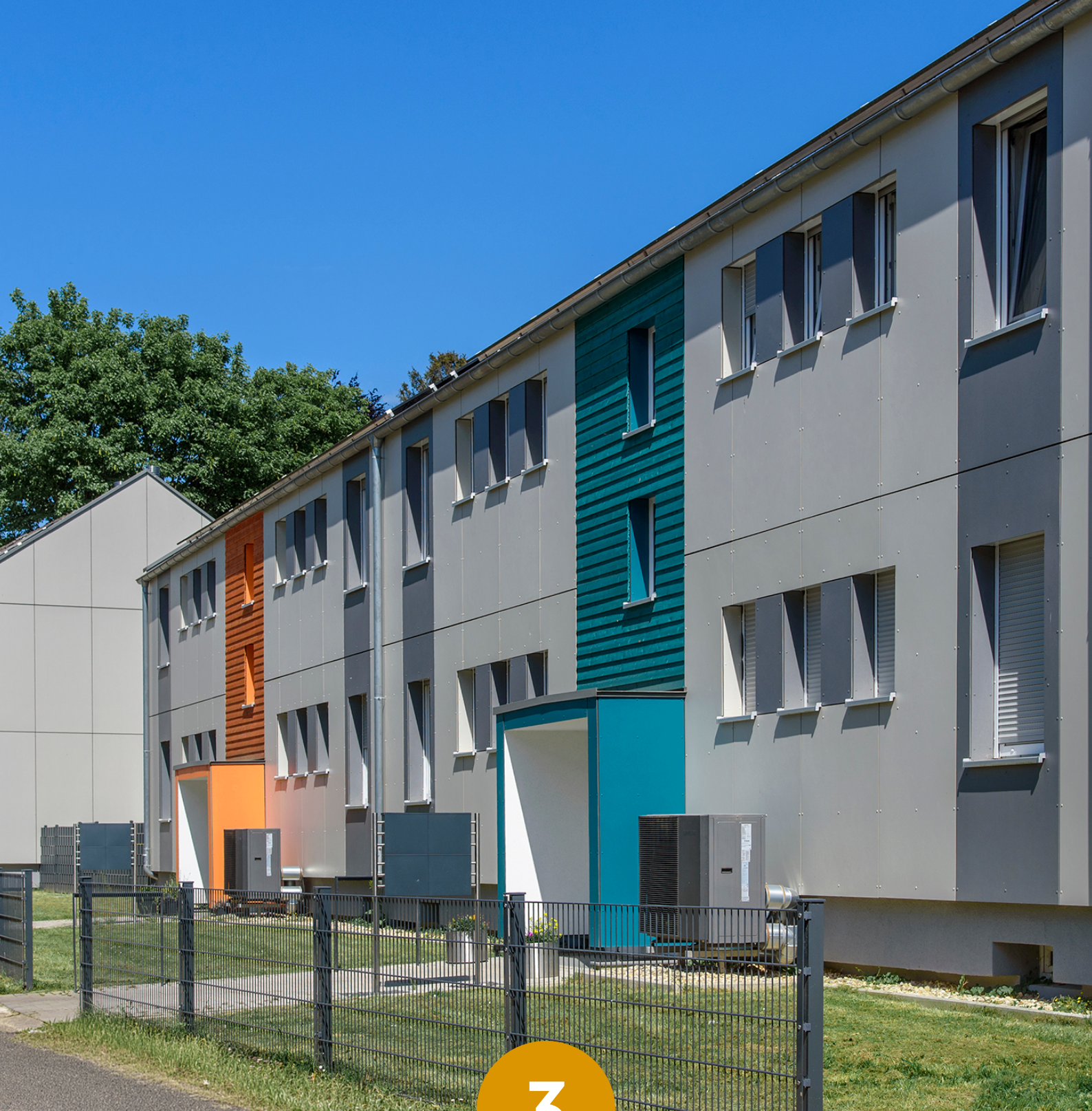
Disclosure Requirements						
Disclosure Requirement	Description	SFDR reference	Pillar 3 reference	Bechmark Regulation reference	EU Climate Law reference	Reference
ESRS2 - Allgemeine Angaben						
ESRS 2 - GOV-1	Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		GOV-1
ESRS 2 - GOV-1	Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		GOV-1
ESRS 2 - GOV-4	Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				GOV-4
ESRS 2 - SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Immaterial
ESRS 2 - SBM-1	Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Immaterial
ESRS 2 - SBM-1	Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indikator Nr. 14 in Anhang 1 Tabelle 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Immaterial
ESRS 2 - SBM-1	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Immaterial
ESRS E1- Klimawandel						
ESRS E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	E1-1
ESRS E1-1	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		E1-1
ESRS E1-4	GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		E1-4
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				
ESRS E1-5	Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				E1-5
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				E1-5
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		E1-6
ESRS E1-6	Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		E1-6
ESRS E1-7	GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Immaterial
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Immaterial
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Immaterial

ESRS E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral	Immaterial
ESRS E1-9	Degree of exposure of the portfolio to climate-related opportunities paragraph 69		Delegated Regulation (EU) 2020/1818, Annex II	Immaterial
ESRS E2 - Umweltverschmutzung				
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1		Immaterial
ESRS E3 - Wasser- und Meeresressourcen				
ESRS E3-1	Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1		Immaterial
ESRS E3-1	Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1		Immaterial
ESRS E3-1	Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1		Immaterial
ESRS E3-4	Total water recycled and reused paragraph 28 ©	Indicator number 6.2 Table #2 of Annex		Immaterial
ESRS E3-4	Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1		Immaterial
ESRS E4 - Biologische Vielfalt und Ökosysteme				
ESRS 2 - SBM-3 - E4	paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1		Immaterial
ESRS 2 - SBM-3 - E4	paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1		Immaterial
ESRS 2 - SBM-3 - E4	paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1		Immaterial
ESRS E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1		Immaterial
ESRS E4-2	Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1		Immaterial
ESRS E4-2	Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1		Immaterial
ESRS E5 - Ressourcennutzung und Kreislaufwirtschaft				
ESRS E5-5	Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1		Immaterial
ESRS E5-5	Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1		Immaterial
ESRS S1 - Eigene Belegschaft				
ESRS 2 - SBM-3 - S1	Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I		S1
ESRS 2 - SBM-3 - S1	Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I		S1
ESRS S1-1	Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I		S1-1
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		Delegated Regulation (EU) 2020/1816, Annex II	S1-1
ESRS S1-1	processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I		S1-1
ESRS S1-1	workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I		S1-1
ESRS S1-3	grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I		S1-3
ESRS S1-14	Number of fatalities and number and rate of workrelated accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	Quick Fix ⁸
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I		Quick Fix ⁹
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	S1-16
ESRS S1-16	Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I		S1-16
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I		S1-17
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	S1-17
ESRS S2 - Arbeitskräfte in der Wertschöpfungskette				
ESRS 2 - SBM-3 - S2	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I		Immaterial

⁸ Due to Delegated Regulation (EU) 2025/1416 amending Delegated Regulation (EU) 2023/2772, the data point is not reported.

⁹ Due to Delegated Regulation (EU) 2025/1416 amending Delegated Regulation (EU) 2023/2772, the data point is not reported.

ESRS S2-1	Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1		Immaterial
ESRS S2-1	Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1		Immaterial
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Immaterial
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19		Delegated Regulation (EU) 2020/1816, Annex II	Immaterial
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1		Immaterial
ESRS S3 - Betroffene Gemeinschaften				
ESRS S3-1	Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1		Immaterial
ESRS S3-1	non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Immaterial
ESRS S3-4	Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1		Immaterial
ESRS S4 - Verbraucher und Endnutzer				
ESRS S4-1	Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1		S4-1
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	S4-1
ESRS S4-4	Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1		S4-4
ESRS G1 - Unternehmensführung				
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1		G1-1
ESRS G1-1	Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1		G1-1
ESRS G1-4	Fines for violation of anticorruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II)	G1-1
ESRS G1-4	Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1		G1-4



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Consolidated Financial Statements

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LEG IMMOBILIEN SE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS			
€ million	NOTE	31.12.2025	31.12.2024
Non-current assets		20,012.6	18,383.2
Investment property	E.1	19,591.4	17,853.3
Property, plant and equipment	E.2	182.0	177.3
Intangible assets	E.3	5.6	6.2
Investments in companies accounted for at equity		18.2	23.5
Financial assets	E.4	180.1	300.3
Receivables and other assets	E.5	25.4	10.3
Deferred tax assets	E.13	9.9	12.3
Current assets		950.7	1,061.0
Inventory property and other inventories		4.9	5.0
Receivables and other assets	E.5	167.6	734.9
Income tax receivables	E.13	21.7	14.2
Cash and cash equivalents	E.6	756.5	306.9
Assets held for sale	E.7	67.3	141.0
Total assets		21,030.6	19,585.2

EQUITY AND LIABILITIES			
€ million	NOTE	31.12.2025	31.12.2024
Equity	E.8	8,758.9	7,396.5
Share capital		75.6	74.5
Capital reserves		1,358.6	1,283.3
Cumulative other reserves		7,259.7	6,013.7
Equity attributable to shareholders of the parent company		8,693.9	7,371.5
Non-controlling interests		65.0	25.0
Non-current liabilities		9,616.5	9,911.6
Pension provisions	E.9	87.4	96.0
Other provisions	E.10	4.5	4.2
Financial liabilities	E.11	7,812.8	7,796.6
Other liabilities	E.12	86.4	76.3
Deferred tax liabilities	E.13	1,625.4	1,938.5
Current liabilities		2,655.2	2,277.1
Pension provisions	E.9	6.7	6.8
Other provisions	E.10	23.0	27.8
Provisions for taxes		0.0	0.0
Financial liabilities	E.11	2,342.5	1,922.0
Other liabilities	E.12	271.5	312.2
Tax liabilities		11.5	8.3
Total equity and liabilities		21,030.6	19,585.2

LEG IMMOBILIEN SE

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	NOTE	01.01.- 31.12.2025	01.01.- 31.12.2024
Net income from rental and leasing	F.2	662.2	626.5
Rental and lease income		1,377.3	1,303.3
Cost of sales in connection with rental and lease income		-715.1	-676.8
Net income from the disposal of investment property	F.3	-4.3	-6.4
Income from the disposal of investment property		187.8	255.2
Carrying amount of investment property sold		-189.7	-256.7
Cost of sales in connection with investment property sold		-2.4	-4.9
Net income from the remeasurement of investment property	F.4	568.9	-225.3
Net income from the disposal of inventory property		0.0	-0.2
Income from inventory property sold		-	-
Carrying amount of inventory property sold		-	-
Cost of sales in connection with inventory property sold		0.0	-0.2
Net income from other services	F.5	4.8	6.3
Income from other services		14.0	15.5
Expenses in connection with other services		-9.2	-9.2
Administrative and other expenses	F.6	-81.1	-75.5
Other income		99.2	0.1
Operating earnings		1,249.7	325.5
Interest income	F.7	18.8	23.6
Interest expenses	F.7	-219.6	-196.8
Net income from other financial assets and other equity investments	F.8	14.6	-33.0
Net income from companies accounted for using the equity method		-5.5	0.1
Net income from the fair value measurement of derivatives	F.9	38.5	3.4
Earnings before income taxes		1,096.5	122.8
Income taxes	F.10	364.8	-53.9
Net profit or loss for the period		1,461.3	68.9
Change in amounts recognised directly in equity (OCI)		4.0	-6.3
Items transferred to gains/losses			
Fair value adjustment of interest derivatives in hedges		0.7	-8.3
Change in unrealised gains/losses		0.8	-10.1
Income taxes on amounts recognised directly in equity		-0.1	1.8
Thereof items not transferred to gains/losses			
Remeasurement of defined benefit plans		3.3	2.0
Change in unrealised gains/losses		6.1	2.9
Income taxes on amounts recognised directly in equity		-2.8	-0.9
Total comprehensive income		1,465.3	62.6
Net profit or loss for the period attributable to:			
Non-controlling interests		3.1	2.9
Parent shareholders		1,458.2	66.0
Total comprehensive income attributable to:			
Non-controlling interests		3.1	2.9
Parent shareholders		1,462.2	59.7
Earnings per share (basic) in EUR	F.11	19.44	0.89
Earnings per share (diluted) in EUR	F.11	16.90	0.88

LEG IMMOBILIEN SE

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

€ million	Cumulative other reserves							
	Subscribed capital	Capital reserves	Revenue reserves	Actuarial gains and losses from the valuation of pension obligations	Fair value adjustment of interest rate derivatives in hedges	Equity attributable to shareholders of the Group	Non-controlling interests	Consolidated equity
As of 01.01.2024	74.1	1,255.3	6,143.1	-18.8	9.5	7,463.2	25.0	7,488.2
Net profit or loss for the period	–	–	66.0	–	–	66.0	2.9	68.9
Other comprehensive income	–	–	–	2.0	-8.3	-6.3	0.0	-6.3
Total comprehensive income	–	–	66.0	2.0	-8.3	59.7	2.9	62.6
Change in the scope of consolidation	–	–	–	–	–	–	–	–
Capital increase	0.4	28.0	–	–	–	28.4	–	28.4
Other	–	–	1.8	–	–	1.8	–	1.8
Withdrawals from reserves	–	–	–	–	–	–	-2.2	-2.2
Transactions with non-controlling interests	–	–	–	–	–	–	–	–
Changes from put options	–	–	–	–	–	–	–	–
Distributions	–	–	-181.6	–	–	-181.6	-0.7	-182.3
As of 31.12.2024	74.5	1,283.3	6,029.3	-16.8	1.2	7,371.5	25.0	7,396.5
As of 01.01.2025	74.5	1,283.3	6,029.3	-16.8	1.2	7,371.5	25.0	7,396.5
Net profit or loss for the period	–	–	1,458.2	–	–	1,458.2	3.1	1,461.3
Other comprehensive income	–	–	–	3.3	0.7	4.0	0.0	4.0
Total comprehensive income	–	–	1,458.2	3.3	0.7	1,462.2	3.1	1,465.3
Change in the scope of consolidation	–	–	–	–	–	–	75.8	75.8
Capital increase	1.1	75.3	–	–	–	76.4	–	76.4
Other	–	–	1.8	–	–	1.8	–	1.8
Withdrawals from reserves	–	–	–	–	–	–	-8.9	-8.9
Transactions with non-controlling interests	–	–	-0.2	–	–	-0.2	-30.0	-30.2
Changes from put options	–	–	-16.7	–	–	-16.7	–	-16.7
Distributions	–	–	-201.1	–	–	-201.1	–	-201.1
As of 31.12.2025	75.6	1,358.6	7,271.3	-13.5	1.9	8,693.9	65.0	8,758.9

See section E.8 in the notes.

LEG IMMOBILIEN SE

CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	01.01.- 31.12.2025	01.01.- 31.12.2024
Operating earnings	1,249.7	325.5
Depreciation of property, plant and equipment and amortisation of intangible assets	23.4	21.5
(Gains)/losses on the remeasurement of investment property	-568.9	225.3
(Gains)/losses on the disposal of assets held for sale and investment property	1.9	1.5
(Gains)/losses on the disposal of intangible assets and property, plant and equipment	-0.2	0.2
(Decrease)/increase in pension provisions and other non-current provisions	-2.3	-1.9
Other non-cash income and expenses	-91.2	14.6
(Decrease)/increase in receivables, inventories and other assets	61.0	-4.1
Decrease/(increase) in liabilities (not including financing liabilities) and provisions	-68.9	-14.3
Interest paid	-166.4	-159.7
Interest received	16.5	21.6
Received income from investments	10.5	8.8
Income taxes received	6.4	2.8
Income taxes paid	-9.1	-5.3
Cash inflow/outflow from operating activities	462.4	436.5
Cash flow from investing activities		
Cash payments for investments in investment property	-277.8	-306.9
Proceeds from disposals of non-current assets held for sale and investment property	133.2	203.7
Cash payments for investments in intangible assets and property, plant and equipment	-19.0	-18.8
Proceeds from disposals of intangible assets and property, plant and equipment	1.0	0.5
Cash payments for investments in associates	-0.2	-
Cash payments for acquisition of shares in fully consolidated companies	-166.3	-3.5
Proceeds from (previous year: cash payments for) disposals of shares in fully consolidated companies	15.0	-0.2
(Cash payment for)/Proceeds from investments in securities	547.0	-479.0
Cash inflow/outflow from investing activities	232.9	-604.2
Cash flow from financing activities		
Borrowing of bank loans	418.0	121.8
Repayment of bank loans	-338.9	-614.7
Repayment of lease liabilities	-9.0	-12.9
Issuance of convertible/corporate bonds	459.2	873.0
Repayment of convertible/corporate bonds	-628.0	-
Distributions to non-controlling interests	-1.8	-2.4
Distributions to shareholders	-124.7	-153.2
Other payments	-20.5	-14.5
Cash inflow/outflow from financing activities	-245.7	197.1
Change in cash and cash equivalents	449.6	29.4
Cash and cash equivalents at beginning of period	306.9	277.5
Cash and cash equivalents at end of period	756.5	306.9
Composition of cash and cash equivalents		
Cash on hand, bank balances	756.5	306.9
Cash and cash equivalents at end of period	756.5	306.9

See section G. in the notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

A. General information on the consolidated financial statements of LEG Immobilien SE

1. Basic information on the Group

LEG Immobilien SE, Düsseldorf, and its subsidiaries (hereinafter referred to as “LEG”) are one of the largest residential property companies in Germany. On 31 December 2025, LEG held a portfolio of 172,960 residential and commercial units (31 December 2024: 165,510).

As an integrated property company, LEG pursues three core activities: optimising and digitalising its core business, expanding its value chain and strengthening its portfolio.

The consolidated financial statements were approved for publication by the Management Board of LEG Immobilien SE on 3 March 2026.

Consolidated financial statements

The consolidated financial statements of LEG Immobilien SE as of 31 December 2025 have been prepared in accordance with the IFRS® accounting standards issued and published by the International Accounting Standards Board (IASB) as adopted for use in the European Union. The consolidated financial statements have been prepared in accordance with the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council dated 19 July 2002 concerning the application of international accounting standards in conjunction with section 315e(1) of the German Commercial Code (HGB) and the additional provisions of commercial law.

Individual items of the statement of comprehensive income and the statement of financial position have been aggregated to improve the clarity of presentation. These items are discussed in the notes to the consolidated financial statements. The statement of comprehensive income is prepared using the cost of sales method.

The consolidated financial statements were prepared in euro. Unless stated otherwise, all figures are rounded to millions of euro (EUR million). For technical reasons, tables and references may include rounded figures that differ from the exact mathematical values.

The consolidated financial statements are prepared on the basis of accounting for assets and liabilities at amortised cost. Exceptions to this are investment property, securities at fair value and derivative financial instruments, which are carried at their fair value as of the end of the reporting period.

The consolidated financial statements and the Group management report are published in the company register.

The preparation of consolidated financial statements in accordance with IFRS accounting standards requires estimates and judgements by management. Areas with greater scope for judgement or areas in which assumptions and estimates are of material importance to the consolidated financial statements are listed in D.22 and D.23.

The consolidated financial statements of LEG Immobilien SE are exempting consolidated financial statements within the meaning of Section 291 of the German Commercial Code (HGB) for the group companies that are required to prepare subgroup financial statements. The companies that make use of the facilitation provision of Section 291 (2) No. 2 and No. 3 of the German Commercial Code (HGB) and do not prepare subgroup financial statements are listed in section J.

With regard to the utilisation of the exemption provisions of section 264(3) HGB and section 264b HGB by the Group companies, please refer to section J.

B. New accounting standards

1. IFRS accounting standards and IFRIC® interpretations that have been published but are not yet mandatory

The IASB has issued the following IFRS accounting standards and IFRIC interpretations that are not yet mandatory but will be relevant for LEG:

	Content	Effective for reporting periods from
New standards		
IFRS 18	“Presentation and Disclosure in Financial Statements”	1 January 2027
IFRS 19	“Subsidiaries without Public Accountability: Disclosures”	1 January 2027*
Amendments to standards		
Various standards	“Annual Improvements Volume 11”	1 January 2026
IFRS 9/IFRS 7	“Contracts Referencing Nature-dependent Electricity”	1 January 2026
IFRS 9/IFRS 7	“Amendments to the Classification and Measurement of Financial Instruments”	1 January 2026

* (not yet endorsed)

LEG Immobilien SE does not adopt new standards early. The effects on the accounting of LEG Immobilien SE are being examined.

LEG is currently examining the effects of IFRS 18 “Presentation and Disclosure in Financial Statements” on the consolidated statement of financial position, the statement of comprehensive income, the statement of cash flows and the disclosures on management-defined performance measures.

2. First-time mandatory IFRS accounting standards and IFRIC interpretations

The standards and interpretations required to be applied for the first time did not affect LEG Immobilien SE's consolidated financial statements.

C. Consolidated group and consolidation methods

1. Consolidation methods

a) Subsidiaries

LEG Immobilien SE's consolidated financial statements contain all the material subsidiaries that LEG Immobilien SE controls within the meaning of IFRS 10, insofar as these are not of minor significance for the consolidated financial statements.

Subsidiaries are included in consolidation from the date at which LEG Immobilien SE first obtains control. Subsidiaries are deconsolidated when LEG Immobilien SE no longer controls them.

The financial statements of subsidiaries are prepared using uniform accounting policies and at the end of the same reporting period as LEG Immobilien SE's financial statements.

Capital is consolidated in accordance with the purchase method, with the cost at the time of acquisition being offset against the pro rata share of equity. Non-controlling interests represent the share of earnings and net assets not attributable to the shareholders of LEG Immobilien SE. Non-controlling interests are reported separately in the consolidated statement of comprehensive income and the consolidated statement of financial position. They are reported directly in equity in the consolidated statement of financial position, separately from the equity attributable to owners of the parent company.

All intragroup receivables and liabilities, income and expenses and gains and losses from intragroup transactions are eliminated.

b) Investments accounted for using the equity method

Associates

Associates are equity interests whose financial and operating policies can be significantly influenced by LEG Immobilien SE. Associates are accounted for using the equity method. Owing to their immateriality for the financial position and financial performance of the Group, certain individual associates are measured at fair value or, if the fair value cannot be reliably determined for unlisted equity instruments, at cost as an approximation of fair value and reported in other non-current financial assets.

Joint ventures

A joint venture is a company based on a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

A list of LEG Immobilien SE's shareholdings can be found in section J.

2. Changes in the Group

a) Subsidiaries

The companies included in LEG Immobilien SE's consolidated financial statements changed as follows:

NUMBER OF FULLY CONSOLIDATED SUBSIDIARIES	2025	2024
As of 1 January	89	90
Additions	97	2
Disposals	-26	-3
As of 31 December	160	89

In connection with the acquisition of the shares in Brack Capital Properties B.V., Amsterdam / Netherlands, (BCP, formerly: Brack Capital Properties N.V.), the companies listed in section J (BCP companies) and the merged companies listed below were consolidated for the first time as of 3 January 2025. Information on the acquisition of the BCP shares can be found in the section on company acquisitions.

The following companies were merged into Brack Capital Properties B.V. effective 24 September 2025:

- Brack Capital Germany (Netherlands) XLV B.V.
- Brack Capital Beta B.V.
- Brack Capital Germany (Netherlands) LV B.V.
- Brack Capital Germany (Netherlands) XXIII B.V.
- Brack Capital (Wuppertal) B.V.
- Brack Capital Germany (Netherlands) XII B.V.
- Brack Capital Germany (Netherlands) XVIII B.V.
- Brack Capital Germany (Netherlands) XXV B.V.
- Brack Capital (Eta) B.V.
- Brack Capital Germany (Netherlands) XLVI B.V.
- Brack Capital (Labda) B.V.
- Brack Capital (Leipzig) B.V.
- Brack Capital Germany (Netherlands) XXII B.V.

- Brack Capital Germany (Netherlands) LII B.V.
- Brack Capital Germany (Netherlands) XVII B.V.
- Brack Capital Germany (Netherlands) L B.V.
- Brack Capital Germany (Netherlands) LIV B.V.
- Brack Capital Germany (Netherlands) XLIII B.V.
- Brack Capital Germany (Netherlands) Hedging B.V.

The following companies were merged or absorbed into Brack Capital Properties B.V. effective 30 December 2025:

- Brack German Properties B.V.
- Brack Capital (Düsseldorf-Rossstrasse) B.V.
- Brack Capital (Epsilon) B.V.
- Brack Capital (Düsseldorf-Schanzenstrasse) B.V.
- Brack Capital (Hamburg) B.V.
- Brack Capital (Witten) GmbH & Co Immobilien KG
- RT Facility Management GmbH & Co. KG

b) Investments accounted for using the equity method

The following table shows the development of companies accounted for using the equity method:

NUMBER OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD		
	2025	2024
As of 1 January	5	4
Additions/disposals	0	1
As of 31 December	5	5

3. Company acquisitions

LEG has held 35.52 % of the shares in Brack Capital Properties N.V. (BCP) since 2021/2022. On 4 November 2024, a purchase agreement was concluded for a further 52.68 % of the shares in BCP. Upon completion of the share purchase agreement on 3 January 2025, LEG increased its equity interest in BCP to 88.2 %.

The acquisition of BCP, and hence indirectly the investments in the BCP companies, was treated as a business combination within the meaning of IFRS 3 with the transfer of the shares on 3 January 2025, as material business processes were acquired.

LEG submitted a public tender offer for all outstanding shares in BCP on 25 March 2025. Following the expiry of the tender offer and the subsequent squeeze-out and delisting process, LEG has held 100 % of the shares in BCP since 23 April 2025.

34 employees were taken over as part of the transaction, which was completed on 3 January 2025.

The final consideration for the business acquisition is composed as follows:

FINAL CONSIDERATION € million	03.01.2025 final	03.01.2025 provisional	Change
Net cash purchase price component	184.0	184.0	-
Shareholdings recognised in the statement of financial position	124.1	124.1	-
Total consideration	308.1	308.1	-

The final purchase price can be allocated to the acquired assets and liabilities measured at fair value as follows:

FINAL PURCHASE PRICE ALLOCATION € million	03.01.2025 final	03.01.2025 provisional	Change
Investment property	997.7	997.7	-
Property, plant and equipment – finance lease	3.3	1.3	2.0
Intangible assets	0.0	0.0	-
Receivables from operating costs not yet billed	24.9	24.9	-
Other financial assets	3.9	3.9	-
Receivables and other assets	37.5	52.3	-14.8
Cash and cash equivalents	75.4	75.4	-
Assets held for sale	8.8	8.8	-
Total assets	1,151.5	1,164.3	-12.8
Other financial liabilities	568.9	564.8	4.1
Deferred tax liabilities	59.7	59.7	-
Other provisions	3.5	2.9	0.6
Liabilities from operating costs not yet billed	24.1	24.1	-
Other liabilities – finance lease	12.9	6.3	6.6
Total liabilities	669.1	657.8	11.3
Net assets at fair values	482.4	506.5	-24.1
Non-controlling interests	75.8	69.2	6.6
Net assets at fair values excluding non-controlling interests	406.6	437.3	-30.7
Total consideration	308.1	308.1	-
Profit from acquisition at a price below market value	-98.5	-129.2	30.7

The profit from a business acquisition was recognised in the income statement under other income. The transaction resulted in a profit, as the price for the shares purchased in the 2025 financial year were below BCP's share price.

The fair value of the rent receivables acquired is EUR 2.5 million. The gross amount of rent receivables due is EUR 7.4 million, with an impairment loss of EUR 4.9 million recognised at the acquisition date.

The transaction costs of the business combination amount to EUR 12.7 million as of 31 December 2025 and primarily include legal and consulting costs as well as real estate transfer tax. These were recognised as expenses.

Net cold rent of EUR 49.2 million from the acquired BCP companies contributed to rental and lease income in the statement of comprehensive income.

4. IFRS 12 disclosures

a) Disclosures on subsidiaries included in consolidation

An overview of the subsidiaries in which LEG Immobilien SE held interests as of 31 December 2025 (IFRS 12.10 et seq.) can be found in section J.

The direct and indirect capital shares held by LEG Immobilien SE in the subsidiaries are equal to its shares in the voting rights. The companies not included in consolidation are not considered material in terms of the key performance indicators net profit for the year, total assets and revenue, and are therefore not included in the consolidated group.

b) Disclosures on subsidiaries with significant non-controlling interests

The financial information on significant, non-controlling interests in subsidiaries is summarised below (IFRS 12.B10). Intragroup transactions were not eliminated in the amounts disclosed.

As of 31 December 2025, TSP-TechnikServicePlus GmbH is the only subsidiary with significant non-controlling interests.

Of the Group result in 2025, EUR 1.8 million was attributable to the significant non-controlling interests in TSP-TechnikServicePlus GmbH (previous year: EUR 1.8 million). The carrying amount in the Group recognised for the non-controlling interests in TSP-TechnikServicePlus GmbH as of 31 December 2025 was EUR 0 million on account of the obligation to pay a guaranteed dividend.

STATEMENT OF FINANCIAL POSITION € million	TSP-TechnikServicePlus GmbH	
	2025	2024
Non-current:		
Assets	5.3	4.6
Liabilities	-4.0	-3.7
Non-current net assets	1.3	0.9
Current:		
Assets	18.9	25.8
Liabilities	-17.2	-23.8
Current net assets	1.7	2.0

STATEMENT OF COMPREHENSIVE INCOME € million	TSP-TechnikServicePlus GmbH	
	2025	2024
Revenue/other operating income	95.9	91.7
Earnings before income taxes	5.4	6.1
Income taxes	0.1	0.1
Net profit from continued operations	5.3	6.0
Net profit	5.3	6.0
Total comprehensive income	5.3	6.0
thereof attributable to non-controlling interests	1.8	1.8
Dividends paid to non-controlling interests	1.8	1.8

STATEMENT OF CASH FLOWS € million	TSP-TechnikServicePlus GmbH	
	2025	2024
Net cash inflow/outflow:		
Operating activities	-3.4	1.3
Investing activities	-0.3	-0.2
Financing activities	-1.9	-1.8
Change in cash and cash equivalents	-5.6	-0.7

c) Disclosures on companies accounted for using the equity method

Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH are classified as associates.

Renowate GmbH, dekarbo GmbH and termios GmbH (formerly: Efficient Residential Heating GmbH) are classified as joint ventures.

The companies accounted for using the equity method affect the Group's statement of financial position and its statement of comprehensive income as follows:

EFFECT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD		
€ million	2025	2024
Carrying amount	18.2	23.5
Total comprehensive income (gain/loss)	-5.5	0.1

In the financial year, the proportionate results of the three joint ventures will be recognised for once for two financial years. The loss from the companies accounted for using the equity method of EUR 5.5 million thus results from proportionately received results of EUR -1.3 million in 2024 and EUR -4.2 million in 2025.

The following table provides information on companies accounted for using the equity method.

COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD					
	Share of capital in %	Equity € million	Net profit/loss € million	Pro rata net profit/loss 2025 € million	Pro rata net profit/loss 2024 € million
Green Ventures					
Renowate GmbH, Lindau	50.00	0.0	-2.7	-1.3	-1,4
dekarbo GmbH, Düsseldorf	50.00	-0.1	-0.2	-0.1	-0,1
termios GmbH, Düsseldorf	78.46	-2.6	-3.6	-2.8	-
				-4.2	-1,5
Other housing companies					
Kommunale Haus und Wohnen GmbH, Rheda-Wiedenbrück	40.62	25.2	0.5	-	0,2
Beckumer Wohnungsgesellschaft mbH, Beckum	33.37	4.3	0.0	-	-
				0.0	0,2
Total companies accounted for at equity				-4.2	-1.3

Termios GmbH was included in the consolidated financial statements as of 31 December 2024 as a joint venture using the equity method. At the end of the financial year, LEG held 78.46 % of the shares in termios GmbH. Due to contractual agreements, LEG does not gain control over termios GmbH despite a shareholding of more than 50%.

Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH perform property management activities. The business activities of Renowate GmbH involve serial modernisation, dekarbo GmbH is active in the development and distribution of solutions for the heating, cooling and air conditioning of residential buildings, while termios GmbH develops and operates software solutions and develops and sells hardware products for heating systems in residential buildings.

The relationships with the companies accounted for using the equity method are of an operational nature. All of the companies listed above are recognised in the consolidated financial statements using the equity method. There are no quoted market prices.

The summarised financial information of the Group's companies accounted for using the equity method is provided below. The financial information shown below is consistent with the amounts in the financial statements of the respective associates and joint ventures.

STATEMENT OF FINANCIAL POSITION	Kommunale Haus und Wohnen GmbH	Beckumer Wohnungsgesellschaft mbH	Renowate GmbH	dekarbo GmbH	termios GmbH	Total
	31.12.2025	31.12.2025	31.12.2025	31.12.2025	31.12.2025	31.12.2025
€ million						
Non-current assets	86.9	13.4	0.2	0.1	1.6	102.2
Current assets	3.2	0.7	14.9	0.2	3.5	22.5
Cash and cash equivalents	2.7	0.7	6.2	2.3	0.5	12.4
Non-current debt capital	56.6	9.0	–	–	–	65.6
Current debt capital	11.0	1.5	21.3	2.7	8.2	44.7
Net assets	25.2	4.3	0.0	-0.1	-2.6	26.8

STATEMENT OF FINANCIAL POSITION	Kommunale Haus und Wohnen GmbH	Beckumer Wohnungsgesellschaft mbH	Renowate GmbH	dekarbo GmbH	termios GmbH	Total
	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024
€ million						
Non-current assets	76.8	12.4	0.4	0.1	0.1	89.8
Current assets	2.9	0.7	8.2	0.7	1.0	13.5
Cash and cash equivalents	3.7	0.9	14.5	0.4	0.6	20.1
Non-current debt capital	42.5	8.2	–	–	–	50.7
Current debt capital	16.1	1.6	20.4	1.1	0.8	40.0
Net assets	24.8	4.2	2.7	0.1	0.9	32.7

STATEMENT OF COMPREHENSIVE INCOME	Kommunale Haus und Wohnen GmbH	Beckumer Wohnungsgesellschaft mbH	Renowate GmbH	dekarbo GmbH	termios GmbH	Total
	2025	2025	2025	2025	2025	2025
€ million						
Revenue	8.9	1.7	20.0	5.3	1.7	37.6
Depreciation and amortisation	2.2	0.3	0.4	0.1	0.1	3.1
Interest income	0.0	0.0	0.1	0.0	0.0	0.1
Interest expenses	0.7	0.1	0.0	0.0	0.1	0.9
Income taxes	-0.1	–	0.0	–	–	-0.1
Net profit from continued operations	0.5	0.0	-2.7	-0.2	-3.6	-6.0
Net profit from discontinued operations after taxes	–	–	–	–	–	–
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income	0.5	0.0	-2.7	-0.2	-3.6	-6.0

STATEMENT OF COMPREHENSIVE INCOME	Kommunale Haus und Wohnen GmbH	Beckumer Wohnungsgesellschaft mbH	Renowate GmbH	dekarbo GmbH	termios GmbH	Total
	2024	2024	2024	2024	2024	2024
€ million						
Revenue	8.0	1.5	15.7	3.2	0.0	28.4
Depreciation and amortisation	1.9	0.3	0.3	0.1	0.0	2.6
Interest income	0.0	–	0.1	–	0.0	0.1
Interest expenses	0.5	0.1	–	0.0	0.4	1.0
Income taxes	–	–	0.0	–	–	–
Net profit from continued operations	0.7	0.0	-2.7	-0.1	-5.0	-7.1
Net profit from discontinued operations after taxes	–	–	–	–	–	–
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income	0.7	0.0	-2.7	-0.1	-5.0	-7.1

Reconciliation from the summarised financial information to the carrying amount of the investments:

RECONCILIATION	Kommunale Haus und Wohnen GmbH	Beckumer Wohnungsgesellschaft mbH	Renowate GmbH	dekarbo GmbH	termios GmbH	Total
€ million	31.12.2025	31.12.2025	31.12.2025	31.12.2025	31.12.2025	31.12.2025
Net assets of associate as of 1 January	24.8	4.2	2.7	0.1	0.9	32.7
Net profit/loss	0.5	0.0	-2.7	-0.2	-3.6	-6.0
Addition to reserves	–	0.1	–	–	0.1	0.2
Dividends	-0.1	–	–	–	–	-0.1
Net assets of associate as of 31 December	25.2	4.3	0.0	-0.1	-2.6	26.8
Group equity interest	40.62 %	33.37 %	50.00 %	50.00 %	78.46 %	–
Share in net assets of associate	10.3	1.4	0.0	0.0	6.5	18.2
Other adjustments	–	–	–	–	–	–
Carrying amount of investment	10.3	1.4	0.0	0.0	6.5	18.2

RECONCILIATION	Kommunale Haus und Wohnen GmbH	Beckumer Wohnungsgesellschaft mbH	Renowate GmbH	dekarbo GmbH	termios GmbH	Total
€ million	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024
Net assets of associate as of 1 January	24.1	4.2	3.9	0.2	-3.4	29.0
Net profit/loss	0.7	0.0	-2.7	-0.1	-5.0	-7.1
Addition to reserves	–	–	1.5	–	9.3	10.8
Dividends	–	–	–	–	–	–
Net assets of associate as of 31 December	24.8	4.2	2.7	0.1	0.9	32.7
Group equity interest	40.62 %	33.37 %	50.00 %	50.00 %	78.46 %	–
Share in net assets of associate	10.1	1.4	2.7	0.1	–	23.5
Other adjustments	–	–	–	–	9.2	–
Carrying amount of investment	10.1	1.4	2.7	0.1	9.2	23.5

In the case of Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH, the annual financial statements as of 31 December 2025 are not yet available, meaning that the figures as of 31 December 2024 have been used for 2025, and the figures as of 31 December 2023 have been used for 2024.

D. Accounting policies

1. Investment property

Investment property consists of LEG's properties that are held to earn rental income or for capital appreciation or both, rather than for owner occupancy or sale in the ordinary course of business. Investment property includes land with residential and commercial buildings, undeveloped land, land with third-party leasehold rights, parking spaces and garages.

In accordance with IFRS 5, investment property that is held for sale and that is highly likely to be sold within the next twelve months is recognised as an asset held for sale under current assets.

Mixed-used properties are separated into the owner-occupied part and the part rented to third parties to the extent that it is legally possible to separate the property in question, and neither the owner-occupied portions nor the portions rented to third parties are immaterial. The portion rented to third parties is allocated to investment property, while the owner-occupied portion is recognised under property, plant and equipment. The ratio of the respective areas is used to allocate the components.

Property is transferred from investment property when there is a change in use evidenced by the commencement of owner-occupancy with a view to sale.

Investment property is basically recognised at cost including incidental costs on acquisition. In the context of a business combination, accounting is carried out according to the revaluation method. In accordance with the option provided by IAS 40 in conjunction with IFRS 13, investment property is subsequently recognised at fair value. IFRS 13.9 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value assumes the sale of an asset (exit price). It corresponds to the (theoretical) price to be paid to the seller in the event of a (hypothetical) sale of a property at the measurement date, regardless of an entity's specific intention or ability to sell. The concept of highest and best use of the property is assumed in calculating fair value (IFRS 13.27 et seq.). This implies the use or value maximisation of the asset to the extent that this is physically possible, legally permissible and financially feasible. Further details can be found in section D.18. Changes in the fair values of properties are recognised in net profit or loss for the period.

Prepayments for property acquisitions are presented as prepayments for investment property.

Subsequent costs for extension, partial replacement or maintenance of properties (IAS 40.17) are capitalised if they constitute the replacement of parts of a unit in accordance with the component approach (IAS 40.19) and the costs can be reliably determined. In addition, such costs are capitalised if the activities will result in increased future benefits and the costs can be reliably determined. Energy-efficient modernisation measures are carried out if the measure is economically viable or serves to preserve the substance of the property. The capitalised costs are not amortised on a scheduled basis, as no scheduled depreciation is made in connection with the option under IAS 40 to account for the fair value, which generally excludes scheduled depreciation.

Units are sold to tenants, owner-occupiers and investors as part of portfolio optimisation measures.

Fair values are calculated internally by LEG. Alongside the internally determined fair values by LEG, the property portfolio is valued by an independent external appraiser as of 30 June and 31 December each year. LEG uses third-party valuation to validate its own calculations and as a second opinion for the general confirmation of the value of the portfolio as a whole.

The properties are assessed by LEG at the level of individual building entrances, taking into account location, structural and energy condition, fittings, current contractual rent, and development potential. The fair values calculated are consistent with the IFRS market values, i.e. the amount for which the respective property could be exchanged in an orderly transaction between market participants under current market conditions on the measurement date parties (IAS 40.5 in conjunction with IFRS 13.15).

The fair values of investment property are calculated on the basis of the forecast net cash flows from property management using the discounted cash flow (DCF) method. For properties with no positive net cash flow (generally vacant buildings), the fair value is calculated using a liquidation value method. Undeveloped land is typically measured based on an indirect comparison of indicative land values.

A detailed planning period of ten years is used in DCF measurement. After the end of the tenth year, a sales value is applied that is calculated by capitalising the forecast annual net profit achievable in the long term, taking into account the finite remaining useful life of the property in the capitalisation rate. Based on the assumption of a finite remaining useful life, the land value discounted to the end of the remaining useful life and then discounted to the valuation date less demolition costs is added to the property value. The contractually agreed rental income for the respective property and other specific value parameters are applied at the beginning of the detailed planning period.

The average net cold rent applied in the valuation for rented residential units in buildings predominantly used for residential purposes amounts to EUR 7.06 per sqm per month at the reporting date (previous year: EUR 6.80 per sqm per month). These properties may also contain commercial units in some cases. The future development of annual rent is projected on the basis of individual assumptions for the planning period. A distinction is made between rental income from existing tenancies and new rentals due to forecast fluctuation. Market rent rises annually at an individually determined rate in the detailed planning period. For new rentals, rent in the amount of the assumed market rent is applied. The applied market rent increases are based on market and property-specific assessments. Rent from existing tenancies is projected on the basis of the statutory environment and the assessment of the respective market and property and is assumed to converge with the overall market trend over time. The vacancy rate in terms of rental and usable space used for measurement is adjusted to a stabilised vacancy rate in line with market conditions, which also take location into account and the individual characteristics of the property where appropriate over a period of four years.

Publicly subsidised properties are treated differently depending on the existence and duration of potential rent control. If rent control is set to end within the ten-year detailed planning period, a rent adjustment towards the market rent is assumed for the subsequent year, taking the statutory requirements into account. For the remaining subsidised properties, a discount on the capitalisation rate is recognised depending on the remaining duration of rent control.

For maintenance and operating costs of properties predominantly used for residential purposes, assumptions are applied based on the Second Calculation Ordinance (II. BV). The assumed reactive and periodic maintenance costs are derived on the basis of the technical assessment of the property and the year of construction, while standard amounts per residential unit and per parking space are used for administrative costs. Additionally, the costs for CO₂ emission allowances are included in the cost assumptions based on an assumed price trajectory and the distribution ratio between the tenant and the landlord, as well as LEG's CO₂ balance sheet.

For residential buildings with a commercial component or other type of use, administrative costs for the non-residential component are calculated at 1 % (previous year: 1 %) of gross commercial income.

Management costs under II. BV have been adjusted in relation to the change in the consumer price index every three years since 2005. For continuity, between the adjustment dates, the management model applies a standard annual increase in management costs distributed over three years, which is based on the expected development of II. BV.

In addition, the development of maintenance and management costs was dynamic in the period under review. Given the current market situation, the expected cost increase has been determined differently for each annual tranche and broken down by cost types. The change in the consumer price index is used for general cost increases. The basis for this is still the inflation target (2 %) of the European Central Bank (ECB). The short-term inflation expectations reflect the current level.

In view of the current market dynamics, trends in construction prices have been separated out on account of the cost increase expected according to the German Federal Statistical Office. The rise in administrative costs is still forecast on the basis of the core rate of the development of the consumer price index.

Around 1.20 % (previous year: 1.21 %) of the units in the portfolio are classified as commercial properties. These properties may contain residential units in some cases, but they are characterised by their predominantly commercial character. Owing to the differing rent terms and market conditions compared to the residential portfolio, these properties are also subject to different assumptions with regard to the key parameters affecting their value. The average rent for properties predominantly used for commercial purposes amounts to EUR 9.44 per sqm (previous year: EUR 9.23 per sqm).

Cash flows are discounted on the basis of market-standard and maturity-matched discount and capitalisation rates, which take into account the actual property-specific operating cost ratio and reflect the individual opportunity/risk profile of the properties. The remaining useful lives of properties are taken into account in the capitalisation rates.

In addition to the general interest rate situation, an appropriate interest rate is determined taking into account location criteria, the property type, property condition (including energy-relevant features such as the presence of thermal insulation), age, potential rental growth, the forecast for the location and potential government subsidies in particular.

Owing to the limited availability of market data, i.e. data and measurement parameters not directly observable on the market, the complexity of property valuation and the degree of property specification, the fair value measurement of investment property is assigned to Level 3 of the IFRS 13.86 measurement hierarchy (measurement based on unobservable inputs). Further details can be found in section D.18.

In measurement, investment property is broken down into categories defined by type of use:

- residential property;
- commercial property;
- garages, underground garages or parking spaces/other properties;
- leasehold rights and
- undeveloped land

according to the asset class relevant to accounting. Other properties primarily comprise units with outside advertising media and mobile antennas.

Properties are also broken down according to three market clusters using a scoring system: high-growth markets ("orange"), stable markets ("green") and higher-yielding markets ("purple").

The following tables show the valuation technique and the material unobservable inputs used in determining the fair value of investment property at the respective valuation dates.

INFORMATION ON THE MATERIAL UNOBSERVABLE INPUTS (LEVEL 3) UNDERLYING THE VALUATION					
	Gross asset value of investment property	Valuation technique ²	Market rent residential/commercial €/sqm/month	Maintenance costs residential/commercial €/sqm parking €/unit	Administrative costs residential/Commercial/parking €/unit
31.12.2025	€ million		∅	∅	∅
Residential properties					
High-growth markets	7,872	DCF	9.95	13.84	380
Stable markets	7,071	DCF	8.45	13.70	373
Higher-yielding markets	3,562	DCF	7.36	14.00	377
Commercial assets	319	DCF	7.98	7.35	319
Parking, leasehold rights, other units	767	DCF/earnings value/reference value method	-	85.42 ³	49 ³
Total portfolio (IAS 40) ¹	19,591	DCF	8.44	21.53	340

¹ In addition, assets held for sale (IFRS 5) amounting to EUR 67.3 million as of 31 December 2025 are classified as Level 2 in the fair value hierarchy.

² Portfolio of valued properties with a data cut-off date of 30 September 2025 as of the valuation date 31 December 2025.

³ Parking only.

INFORMATION ON THE MATERIAL UNOBSERVABLE INPUTS (LEVEL 3) UNDERLYING THE VALUATION				
Valuation parameters				
	Stabilised vacancy rate in %	Discount rate in %	Capitalisation rate in %	Forecast rent development in %
31.12.2025	∅	∅	∅	∅
Residential properties				
High-growth markets	1.7	4.9	5.0	1.7
Stable markets	2.4	5.3	5.5	1.5
Higher-yielding markets	4.2	5.1	5.7	1.3
Commercial assets	2.3	6.9	7.5	1.6
Parking, leasehold rights, other units	-	5.1 ²	6.8 ²	-
Total portfolio (IAS 40) ¹	2.9	5.1	5.6	1.5

¹ In addition, assets held for sale (IFRS 5) amounting to EUR 67.3 million as of 31 December 2025 are classified as Level 2 in the fair value hierarchy.

² Parking only.

The table below shows the valuation technique used to determine the fair value of investment property as of 31 December 2024:

INFORMATION ON THE MATERIAL UNOBSERVABLE INPUTS (LEVEL 3) UNDERLYING THE VALUATION (LEVEL 3)					
	Gross asset value of investment property	Valuation technique ²	Market rent residential/commercial €/sqm/month	Maintenance costs residential/commercial €/sqm parking €/unit	Administrative costs residential/commercial/parking €/unit
31.12.2024	€ million		∅	∅	∅
Residential properties					
High-growth markets	7,161	DCF	9.55	13.00	347
Stable markets	6,465	DCF	8.25	13.00	345
Higher-yielding markets	3,319	DCF	7.05	13.30	350
Commercial assets	304	DCF	7.97	6.90	316
Parking, leasehold rights, other units	604	DCF/earnings value/reference value method	-	83.20 ³	45 ³
Total portfolio (IAS 40) ¹	17,853	DCF	8.15	20.00	317

¹ In addition, assets held for sale (IFRS 5) amounting to EUR 141.0 million as of 31 December 2024 are classified as Level 2 in the fair value hierarchy.

² Portfolio of valued properties with a data cut-off date of 30 September 2024 as of the valuation date 31 December 2024.

³ Parking only.

INFORMATION ON THE MATERIAL UNOBSERVABLE INPUTS (LEVEL 3) UNDERLYING THE VALUATION				
Valuation parameters				
	Stabilised vacancy rate in %	Discount rate in %	Capitalisation rate in %	Forecast rent development in %
31.12.2024	∅	∅	∅	∅
Residential properties				
High-growth markets	1.7	4.9	5.1	1.6
Stable markets	2.6	5.3	5.7	1.5
Higher-yielding markets	4.4	5.0	5.9	1.4
Commercial assets	2.3	6.9	7.5	1.6
Parking, leasehold rights, other units	-	5.1 ²	8.0 ²	-
Total portfolio (IAS 40) ¹	3.0	5.1	5.9	1.5

¹ In addition, assets held for sale (IFRS 5) amounting to EUR 141.0 million as of 31 December 2024 are classified as Level 2 in the fair value hierarchy.

² Parking only.

2. Property, plant and equipment

Property, plant and equipment is recognised at cost and depreciated on a straight-line basis over its expected useful life.

Depreciation is recognised using the following useful lives, which are applied uniformly throughout the Group:

USEFUL LIFE OF PROPERTY, PLANT AND EQUIPMENT		
in years	2025	2024
Owner-occupied residential properties	80	80
Owner-occupied commercial properties	60	60
Technical equipment and machinery/ other operating and office equipment	3 to 23	3 to 23

Low-value assets with a net value of up to EUR 250.00 are expensed immediately in the year of their acquisition. Assets with a net value of between EUR 250.01 and EUR 800.00 are written off in full in the year of their acquisition. Deviations from the economic life of the respective assets are considered immaterial.

3. Intangible assets

Purchased intangible assets are capitalised at cost. Purchased intangible assets relate to software licenses with a definite useful life. Software licenses are amortised on a straight-line basis over an expected economic life of between three and five years from the date on which they are provided.

4. Impairment of assets

Intangible assets and property, plant and equipment are tested for impairment in accordance with IAS 36 if there is an indication that an asset may be impaired. Impairment testing is performed at the level of individual assets. If largely independent future cash flows cannot be determined for individual assets, cash-generating units (CGUs) are formed as groups of assets whose future cash flows are interdependent.

Investment property is not subject to impairment testing in accordance with IAS 36 as it is recognised at fair value.

If the recoverable amount of an asset is lower than its carrying amount, an impairment loss is recognised immediately in profit or loss.

5. Financial assets

LEG recognises financial assets at the trade date.

LEG holds equity investments that are classified as fair value through profit or loss in accordance with IFRS 9. They are measured at fair value on acquisition. Gains and losses on subsequent measurement at fair value are recognised in profit or loss. Please refer to section D.18 for information on the calculation of fair value.

Subsidiaries and associates that are not consolidated or accounted for using the equity method as they are not material to the financial position and financial performance of the Group are recognised at fair value as of the end of the reporting period, or at cost if this cannot be reliably determined. Shares in unconsolidated subsidiaries or associates are not quoted on the stock market. The fair value of these shares cannot be reliably determined owing to the lack of an active market. There is currently no intention to sell these shares in the near future.

6. Accounting for leases as the lessee

In accordance with IFRS 16, a right-of-use asset and a lease liability are recognised at present value from the date at which the leased asset is available to LEG for use. The lease instalment is divided into a repayment portion and a financing portion. The finance costs are recognised in profit or loss over the term of the lease.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the term of the lease and the useful life of the asset. As LEG subsequently measures its investment property at fair value in accordance with IAS 40, the subsequent measurement of right-of-use assets for leasehold rights is also at fair value.

LEG's lease liabilities can include the present value of fixed lease payments less lease incentives to be received as well as variable lease payments linked to an index. Lease payments are discounted at the interest rate implicit in the lease if this can be readily determined. Otherwise, the appropriate incremental borrowing rate for the lease term is used for discounting. This is calculated using a risk-free interest rate with terms of between one and 30 years and a risk premium matched to the specific maturity. This calculation of the appropriate incremental borrowing rate for the lease term is also applied in subsequent measurement.

Right-of-use assets are measured at cost, which can consist of the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date less any lease incentives received. They are subsequently measured at amortised cost with the exception of leasehold rights, which are measured at fair value in accordance with IAS 40.

The practical expedients for short-term leases of less than twelve months are not applied. The practical expedients are applied for low-value leased assets such as mobile phones. The payments are expensed in the income statement on a straight-line basis. Moreover, LEG has exercised the option not to separate the lease and the non-lease components. This primarily applies to leases for cars.

Some of LEG's property leases contain extension and termination options. These contractual conditions grant the Group the utmost operational flexibility with regard to its contract portfolio. The term of a lease is determined taking into account all facts and circumstances that create an economic incentive to exercise an extension or not to exercise an option. A contractual term is only adjusted if the option is reasonably certain (not) to be exercised.

7. Accounting for leases as the lessor

Leases for residential properties grant tenants an option to terminate the agreement at short notice on the basis of the statutory regulations. In accordance with IFRS 16, these agreements are classified as operating leases as the significant risks and rewards remain with LEG. The same applies to the current agreements for commercial property.

Income from operating leases is recognised in the statement of comprehensive income in rental and lease income on a straight-line basis over the term of the respective leases.

8. Receivables and other assets

On initial recognition, receivables and other assets are carried at fair value plus transaction costs. Subsequent measurement is at amortised cost.

LEG uses the expected credit loss model for trade receivables, which mainly comprise rent receivables due and not yet due, as well as for operating and heating costs not yet invoiced, which are included in other financial assets, rent receivables and receivables from operating costs not yet invoiced. The simplified approach in accordance with IFRS 9 is selected and the expected credit losses over the term are taken into account.

9. Receivables and liabilities from operating costs not yet invoiced

At LEG, allocable operating costs not yet invoiced as of the end of the reporting period are reported under other receivables, less the amount of advances received from tenants for operating costs. Allocable costs that are eligible for capitalisation and advances received from tenants are reported on a net basis. A financial liability is reported if liabilities exceed assets.

10. Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, other short-term, highly liquid financial assets with original maturities of three months or less and drawn bank overdrafts. The prerequisite in each case is that the requirements of IAS 7.7 are met. Utilised bank overdrafts are shown in the statement of financial position in current financial liabilities.

11. Assets held for sale

In accordance with IFRS 5, assets held for sale consist solely of those assets for which a decision on disposal has been made as of the end of the reporting period, the disposal of the property within twelve months of the decision is considered to be highly likely and active marketing activities have been initiated.

In accordance with IFRS 5, assets held for sale are measured at the lower of their carrying amount and fair value. Items of investment property classified as assets held for sale are measured at fair value in accordance with IAS 40.

12. Pension provisions

Pension and similar obligations result from commitments to employees. Obligations arising from defined benefit plans are measured using the projected unit credit method. Under this method, forecast future increases in salaries and benefits are taken into consideration in addition to benefits and entitlements known at the end of the reporting period. The biometric basis is provided by the 2018G Heubeck mortality tables.

The Group has both defined benefit and defined contribution plans. The amount of the pension benefits payable under defined benefit plans is based on the qualifying period of employment and the pensionable income.

In Germany, the regulatory framework is the German Company Pension Act (Betriebsrentengesetz), according to which pensions rise in line with the rate of inflation. LEG bears the actuarial risks, such as longevity risk, interest rate risk and inflation risk. There are no additional plan-specific risks at LEG.

Remeasurement components in connection with defined benefit plans, which cover actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, among other things, are recognised directly in equity under cumulative reserves in the period in which they arise. No past service cost was incurred in the financial year or the previous year.

The interest effect included in pension expenses is reported in interest expenses in the consolidated statement of comprehensive income. Past service cost is shown under operating earnings in the individual functions.

13. Other provisions

Other provisions are recognised if LEG has a present legal or constructive obligation as a result of past events that is uncertain with regard to settlement or amount. They are recognised at the present value of the expected settlement amount.

Non-current provisions are carried at their discounted settlement amount as of the end of the reporting period on the basis of corresponding market interest rates with matching maturities.

14. Financial liabilities

On initial recognition, financial liabilities are carried at fair value plus transaction costs and adjusted for any premiums or discounts. The fair value at the grant date is the present value of future payment obligations based on a market interest rate with matching maturity and risk.

In subsequent periods, financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is determined on initial recognition of the financial liability.

Changes in terms affecting the amount and timing of interest and principal payments result in the remeasurement of the carrying amount of the liability in the amount of the present value on the basis of the effective interest rate originally calculated. Any differences compared to the previous carrying amount are recognised in profit or loss. If changes in terms lead to significant differences in contractual conditions, the original liability is treated as if it had been repaid in full in accordance with IFRS 9. A new liability is subsequently recognised at fair value.

15. Derivative financial instruments

LEG has used interest rate hedging transactions to hedge interest rate risks arising from real estate financing.

Interest rate hedging transactions are recognised at fair value. Changes in the fair value of derivatives are recognised in profit or loss unless the respective instruments are designated as hedges in accordance with IFRS 9. Derivatives accounted for as hedging instruments are used to hedge uncertain future cash flows. LEG is exposed to future cash flow risks as a result of floating-rate financial liabilities.

The effectiveness of the hedges is determined using prospective assessments at the inception of the hedge and at the end of the reporting period. It is checked whether the contractual terms of the hedged item match those of the hedging instrument and thus whether there is an economic relationship.

Changes in fair value are divided into an effective and an ineffective portion. Effectiveness is determined using the dollar offset method. The effective portion is the portion of the gain or loss on remeasurement that is recognised as an effective hedge against the cash flow risk. The effective portion, net of deferred taxes, is recognised directly in equity under cumulative other reserves. Hedge ineffectiveness can arise from embedded floors in loan agreements that are not matched in the associated swap and from the consideration of credit risk in the context of derivative measurement.

The ineffective portion of the gain or loss on remeasurement is reported in net finance costs in the consolidated statement of comprehensive income. The amounts recognised directly in equity are transferred to the consolidated statement of comprehensive income if gains or losses in connection with the underlying are recognised in profit or loss. In the event of the early termination of the hedge, the amounts recognised in equity are reclassified to profit or loss if gains or losses in connection with the underlying are recognised in profit or loss. If the underlying is terminated, the amounts remaining in other comprehensive income are immediately recognised in profit or loss.

Furthermore, the convertible bonds contain several embedded and separable derivatives that are treated as a single compound derivative and measured at fair value. Changes in fair value are recognised in profit or loss in the statement of comprehensive income.

16. Fair values of financial instruments

The fair values of financial instruments are determined on the basis of corresponding market values or measurement methods. For cash and cash equivalents and other short-term primary financial instruments, the fair value is approximately the same as the carrying amount at the end of the respective reporting period.

For non-current receivables, other assets and liabilities, the fair value is calculated on the basis of the forecast cash flows, applying the reference interest rates as of the end of the reporting period. The fair values of derivative financial instruments are calculated using the reference interest rates as of the end of the reporting period plus own risk or counterparty risk.

For financial instruments at fair value, the discounted cash flow method is used to determine fair value using corresponding quoted market prices, with individual credit ratings and other market conditions being taken into account in the form of standard credit and liquidity spreads when calculating present value. If no quoted market prices are available, fair value is calculated using standard measurement methods applying instrument-specific market parameters.

When calculating the fair value of derivative financial instruments, the inputs for the measurement models are the relevant market prices and interest rates observed as of the end of the reporting period, which are obtained from recognised external sources. Accordingly, the derivatives are classified as Level 2 within the valuation hierarchy in accordance with IFRS 13.72 et seq. (valuation based on observable input data). Details can be found in section D.18.

Both the Group's own risk and the counterparty risk were taken into account in the calculation of the fair value of derivatives in accordance with IFRS 13.

17. Put options

LEG is the writer of several put options, under which non-controlling shareholders can tender their minority interests in companies controlled by LEG Immobilien SE to the respective LEG company.

As financial liabilities, put options are recognised at fair value. The liability is recognised against the equity attributable to the writer if material risks and rewards of the interest remain with the non-controlling shareholders. There is no additional reporting of the put options as independent derivatives in this case. They are subsequently measured at amortised cost using the effective interest method.

18. Calculation of fair value

The fair value measurement of investment property is assigned to Level 3 of the measurement hierarchy of IFRS 13.86 (measurement based on unobservable inputs). For information on the valuation of investment property, please refer to section D.1. For information on the valuation of derivative financial instruments, please refer to section D.16 and section I.3.

The fair value hierarchy can be summarised as follows:

FAIR VALUE HIERARCHY	Level 1	Level 2	Level 3
Investment property			X
Financial liabilities		X	
Other liabilities (particularly derivatives)		X	
Equity investments in corporations and partnerships without control or significant influence			X
Assets held for sale		X	

There were no transfers between the levels of the fair value hierarchy in the reporting year.

The fair value of other equity investments is calculated using accepted valuation techniques, as there are no quoted prices on an active market for these equity investments. The fair values calculated using valuation models are allocated to Level 3 of the IFRS 13 measurement hierarchy. They are allocated to Level 3 on account of the use of inputs not observed on a market in the measurement model.

19. Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to LEG and the amount of the revenue can be measured reliably. The following recognition criteria must also be met in order for revenue to be recognised.

a) Rental and lease income

LEG generates income from the rental and lease of properties. Rental income falls within the scope of IFRS 16 Leases and does not constitute a customer contract as referred to by IFRS 15.

Rental and lease income from properties for which the corresponding rental and lease agreements are classified as operating leases is recognised on a straight-line basis over the term of the respective lease. Where incentives are provided to tenants, the cost of the incentive is recognised over the lease term as a reduction of rental and lease income.

Rental and lease income also includes tenant payments for incidental costs where the corresponding services have been provided. For allocable operating costs, there are isolated cases in which LEG qualifies not as a principal but as an agent under IFRS 15. The operating costs of cold water supply, drainage and street cleaning, for which LEG operates predominantly as an agent, are reported on a net basis. The other operating costs are reported on a gross basis. Details can be found in section F.1.

Revenue from operating costs is calculated on the basis of the costs incurred and corresponds to the contractually agreed transaction price. Advance payments for operating costs are due by the third day of the respective month. Revenue is recognised over time in the respective month. In the subsequent year, advance payments made for operating costs are offset against the amounts actually incurred. Excess advance payments received are reported under rental and lease liabilities. If the advance payments received are lower than the operating costs actually incurred, this is reported under receivables from rental and leasing activities.

The operating costs for property tax and insurance are recognised in the statement of comprehensive income on a straight-line basis as part of rental income from operating leases over the term of the respective leases.

b) Income from the disposal of property

LEG generates income from the disposal of property. Income from the disposal of property is recognised when control over the property is transferred to the buyer.

By contrast, income is not recognised if LEG assumes yield guarantees, grants a right of return to the buyer or enters into other material obligations with respect to the buyer that prevent a transfer of control to the buyer.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms can be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component.

c) Income from other services

Income from other services covers income from services as well as income from the generation of electricity and heat.

Income from other services is recognised over time, as the customer directly receives and consumes the benefits provided by the service. The transaction price and its due date are based on the agreed contractual conditions.

d) Interest and similar income

Interest income is recognised using the effective interest method in the period in which it arises.

20. Government grants

LEG receives public grants in the form of low-interest loans and redemption and investment grants.

These loans at below-market rates are property loans and are reported as financial liabilities. They provide advantages compared to regular loans, such as lower interest rates or periods free of interest and principal payments. Existing loans are measured at market value and subsequently carried at amortised cost.

On initial recognition, new investment loans and loans at below-market rates are measured at their present value based on the applicable market interest rate at the grant date. The difference between the nominal amount and the present value of the loan is recognised as deferred income under other liabilities (see section E.12). It is reversed to interest expenses from loan amortisation on a straight-line basis over the remaining term of the corresponding loan, which is measured at amortised cost in subsequent periods.

Government grants for assets in the form of redemption and investment grants (subsidies) are also reported in the statement of financial position as deferred income under other liabilities. The grants generally relate to investments in investment property measured at fair value. The reversal of the deferred income is recognised directly in profit or loss when all the primary conditions attaching to the grant are met. If there are primary conditions in the form of rent control, the deferred income is recognised in profit or loss on a pro rata basis over the duration of the condition.

21. Income taxes

The income tax expense represents the total of the current tax expense and the deferred tax expense.

LEG is subject to taxation in Germany. Some judgements are required to be made in assessing income tax receivables and liabilities. The possibility that the tax authorities will come to a different assessment cannot be ruled out. The uncertainty this entails is taken into account by only recognising uncertain tax receivables and liabilities when LEG considers their probability of occurrence to be higher than 50 %. Any changes in judgements, e.g. due to final tax assessments, affect current and deferred tax items. The best estimate of the provisionally expected tax payment is used when recognising uncertain income tax items.

The current tax expense is calculated on the basis of the taxable income for the financial year. Taxable income differs from the consolidated net profit for the period as shown in the consolidated statement of comprehensive income due to income and expenses that are only taxable or tax-deductible in future periods, if at all. The Group's liabilities and provisions for current taxes are calculated on the basis of the applicable tax rates.

Deferred taxes are recognised for the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base for the purpose of calculating taxable income. Deferred tax liabilities are generally recognised for all taxable temporary differences, while deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilised or that there are deferred tax liabilities. Deferred tax assets also include reductions in taxes resulting from the expected utilisation of existing tax loss or interest carryforwards (or similar items) in subsequent periods if realisation is reasonably assured.

In addition, deferred taxes are recognised for outside basis differences (OBDs) provided that the relevant requirements are met. In accordance with IAS 12, a company must recognise deferred taxes for taxable and deductible temporary differences between the consolidated IFRS net assets and the carrying amount in the tax accounts of interests in subsidiaries, associates and joint arrangements under certain conditions.

Deferred tax liabilities and deferred tax assets are calculated on the basis of the tax rates (and tax legislation) that are expected to apply at the time the liability is settled or the asset is realised. This is based on the tax legislation in force or adopted by the Bundestag (Lower House of the German Parliament) and, where applicable, the Bundesrat (Upper House of the German Parliament) as of the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences arising from the manner in which the Group expects to settle the deferred tax liabilities or realise the deferred tax assets as of the end of the reporting period.

Current or deferred taxes are recognised in profit or loss unless they relate to items that are recognised in other comprehensive income or directly in equity. In this case, the corresponding current and deferred taxes are recognised in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if the Group has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority and to the same taxable entity. In addition, only deferred taxes that relate to items of the statement of financial position with the same maturity are netted.

22. Judgements

Judgements are required to be made by management in applying accounting policies. In particular, this applies to the following:

- For assets held for sale, it must be determined whether the assets can be sold in their present condition and whether their disposal can be considered highly likely within the meaning of IFRS 5. If this is the case, the assets and any corresponding liabilities are reported and measured as assets and liabilities held for disposal.
- It must be determined whether property should be classified as inventories or investment property depending on the intended use.
- Buildings that are both owner-occupied and used by third parties must be reported as separate assets in accordance with IAS 16 and IAS 40, unless the owner-occupied component is immaterial.
- In the context of portfolio acquisitions, non-controlling interests are reported if material risks and rewards lie with the minority shareholder.
- LEG's leases can include extension and termination options. The term of a lease is determined taking into account all facts and circumstances that create an economic incentive to exercise an extension or not to exercise an option. A contractual term is only adjusted if the option is reasonably certain (not) to be exercised.
- There were master agreements between EnergieServicePlus GmbH and local energy suppliers for the supply of gas to residential properties as of the end of the reporting period. These agreements are classified as own-use exemption in accordance with IFRS 9 as of the end of the reporting period and are therefore treated as pending supply and sales agreements in accordance with IAS 37.
- Irrespective of their status from an economic perspective, the convertible bonds are classified and accounted for as short-term debt as a result of the issuer's contractual cash settlement option. There are several embedded and separable derivatives that are treated as a single compound derivative and carried at fair value. The underlying debt instrument is recognised at amortised cost.

23. Use of estimates

The preparation of IFRS consolidated financial statements requires assumptions and estimates that materially affect the carrying amounts of the assets and liabilities recognised, income and expenses and the disclosure of contingent liabilities.

Among other things, these assumptions and estimates relate to:

- Valuation of investment property: In particular, the expected cash flows, the assumed vacancy rate, the remaining useful life of the properties and the discount and capitalisation rates represent key valuation parameters. If market values cannot be derived directly from sales of similar properties, they are measured using the DCF method, under which future cash flows are discounted to the end of the reporting period. These estimates involve assumptions concerning the future. In light of the large number of properties affected and their geographical distribution, individual measurement uncertainties are subject to statistical smoothing. Measurement is performed on the basis of publicly available market data (e.g. property market reports by expert committees, data from the service provider INWIS, etc.) and LEG's extensive knowledge of the respective regional submarkets. The determination of the applicable discount and capitalisation rates may also involve estimates.

- Recognition and measurement of pension provisions and similar obligations: Provisions for pensions and similar obligations are determined based on actuarial calculations. This determination is based on assumptions regarding interest rates, future wage and salary increases, mortality tables, and future pension increases.
- Recognition and measurement of other provisions: There are uncertainties regarding future price increases, as well as the amount, timing, and likelihood of utilisation of the respective provision.
- Measurement of financial liabilities: The assessment of future cash flows and any potential changes in terms are particularly important for the measurement of financial liabilities. Estimates of the company-specific risk premium are also required.
- Measurement of lease liabilities: Assessments of the risk premium are required when determining the appropriate incremental borrowing rate for the lease term.
- Recognition of deferred tax assets: These are recognised to the extent that the realisation of future tax benefits is probable. The actual taxable income in future financial years, and hence the extent to which deferred tax assets can be utilised, may deviate from the estimates made when the deferred tax assets are recognised. Deferred tax assets for tax loss and interest carryforwards are recognised on the basis of future taxable income for a planning period of five financial years.
- Share-based payments (IFRS 2): Assumptions and estimates must be made regarding the development of performance indicators and employee turnover when accounting for stock option plans. They are calculated using option pricing models.
- When accounting for business combinations, all identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date. There is estimation uncertainty regarding the determination of these fair values. Land and buildings are measured internally on the basis of independent valuations. Technical equipment and machinery is measured at the estimated replacement cost. Intangible assets are identified and measured based on the nature of the intangible asset and the complexity of determining their fair values using appropriate valuation techniques.
- Estimates are used to calculate the fair value of the equity investments. In particular, these relate to the underlying parameters for calculating real estate assets.

Further information on the assumptions and estimates made can be found in the notes on individual items. All assumptions and estimates are based on the circumstances and assessments at the end of the reporting period.

The estimation of future business development also takes into account the future economic environment that is currently assumed to be realistic in the industries and regions in which LEG operates.

While management believes that the assumptions and estimates used are appropriate, any unforeseen changes in these assumptions could affect the Group's financial position and financial performance.

24. Share-based remuneration

LEG has share-based remuneration plans for the members of the Management Board of LEG Immobilien SE. In accordance with IFRS 2, the long-term incentive programme is a cash-settled share-based remuneration programme. Provisions for these obligations were recognised in the amount of the anticipated expense. The fair value of the options is determined using recognised financial models.

In addition, LEG provides its senior management with a share-based remuneration programme that is classified as a cash-settled share-based remuneration programme in accordance with IFRS 2. The provisions for these obligations are recognised on a pro rata basis over the vesting period in the amount of the anticipated expense.

In addition, LEG has an employee share programme that is treated as a cash-settled share-based remuneration programme in accordance with IFRS 2. The expense was recognised in personnel expenses in the current financial year.

Details of share-based remuneration can be found in section I.6.

E. Notes to the consolidated statement of financial position

1. Investment property

Investment property developed as follows in the 2025 and 2024 financial years:

INVESTMENT PROPERTY						
€ million	Total	Residential properties			Commer- cial properties	Parking, leasehold rights, other units
		High- growth markets	Stable markets	Higher- yielding markets		
Carrying amount as of 01.01.2025	17,853.3	7,161.1	6,464.7	3,319.5	303.8	604.2
Acquisitions	1,022.1	424.0	315.7	130.3	26.5	125.6
Other additions	249.2	77.3	87.8	69.5	9.6	5.0
Reclassification to assets held for disposal	-106.3	-36.6	-9.8	-47.9	-8.6	-3.4
Reclassification from assets held for disposal	2.1	-	0.0	2.0	-	0.1
Reclassification to property, plant and equipment	-	-	-	-	-	-
Reclassification from property, plant and equipment	2.1	0.0	0.1	0.3	1.7	-
Adjustment of fair value	568.9	245.9	212.6	88.6	-13.7	35.5
Reclassification	-	0.0	0.1	-	0.0	-0.1
Carrying amount as of 31.12.2025	19,591.4	7,871.7	7,071.2	3,562.3	319.3	766.9

INVESTMENT PROPERTY						
€ million	Total	Residential properties			Commer- cial properties	Parking, leasehold rights, other units
		High- growth markets	Stable markets	Higher- yielding markets		
Carrying amount as of 01.01.2024	18,101.8	7,298.5	6,554.4	3,376.6	240.3	632.0
Acquisitions	51.4	22.1	25.0	-	4.3	0.0
Other additions	244.8	78.4	97.3	60.0	7.6	1.5
Reclassification to assets held for disposal	-347.6	-173.7	-95.5	-51.4	-11.1	-15.9
Reclassification from assets held for disposal	29.6	-	-	-	25.8	3.8
Reclassification to property, plant and equipment	-1.7	-	-	-0.1	-1.6	-
Reclassification from property, plant and equipment	0.3	0.1	-	0.1	-	0.1
Adjustment of fair value	-225.3	-64.3	-68.1	-65.7	-9.9	-17.3
Reclassification	-	0.0	-48.4	-	48.4	-
Carrying amount as of 31.12.2024	17,853.3	7,161.1	6,464.7	3,319.5	303.8	604.2

Other additions in the financial year predominantly relate to capitalised investments in portfolio properties.

Investment property broke down as follows in the 2025 and 2024 financial years:

COMPOSITION OF INVESTMENT PROPERTY				
€ million	31.12.2025		31.12.2024	
	Investment property	Property held for sale	Investment property	Property held for sale
Developed land	19,008.4	65.6	17,318.4	136.4
Undeveloped land	149.1	-	44.4	0.3
Other	433.9	1.7	490.5	4.3
Total	19,591.4	67.3	17,853.3	141.0

The market developments observable at the valuation date are reflected in the determination of fair values through appropriate valuation parameters and discount rates.

The sensitivities were as follows as of 31 December 2025:

SENSITIVITY ANALYSIS								
31.12.2025	Gross asset value of investment property € million	Valuation technique ²	Sensitivities in %					
			Administrative costs		Stabilised vacancy rate		Maintenance costs	
			+10 %	-10 %	+1 % pt	-1 % pt	+10 %	-10 %
Residential properties								
High-growth markets	7,872	DCF	-0.7	0.7	-1.6	1.6	-1.7	1.8
Stable markets	7,071	DCF	-0.9	0.9	-1.7	1.7	-2.2	2.2
Higher-yielding markets	3,562	DCF	-1.2	1.2	-1.9	1.9	-2.7	2.7
Commercial assets	319	DCF	-0.2	0.2	-1.4	1.4	-0.9	0.9
Parking, leasehold rights, other units	767	DCF/earnings value/reference value method	-0.8	0.9	-0.7	0.8	-1.6	1.6
Total portfolio (IAS 40) ¹	19,591	DCF	-0.9	0.9	-1.7	1.7	-2.1	2.1

¹ In addition, assets held for sale (IFRS 5) amounting to EUR 67.3 million as of 31 December 2025 are classified as Level 2 in the fair value hierarchy.

² Portfolio of valued properties with a data cut-off date of 30 September 2025 as of the valuation date 31 December 2025.

Sensitivities in %								
31.12.2025	Capitalisation rate		Discount rate		Market rent		Forecast rent development for residential properties	
	+0.25 %	-0.25 %	+0.25 %	-0.25 %	+2 %	-2 %	+0.2 %	-0.2 %
	Residential properties							
High-growth markets	-3.3	3.7	-5.1	5.6	0.5	-0.6	4.0	-3.7
Stable markets	-2.9	3.2	-4.6	5.0	1.3	-1.3	3.4	-3.2
Higher-yielding markets	-2.5	2.7	-4.2	4.5	2.0	-1.9	3.0	-2.8
Commercial assets	-2.1	2.3	-2.1	2.2	1.2	-1.2	1.3	-1.2
Parking, leasehold rights, other units	-1.2	1.3	-3.6	3.9	1.5	-1.4	2.0	-1.8
Total portfolio (IAS 40) ¹	-2.9	3.2	-4.7	5.1	1.1	-1.1	3.5	-3.2

¹ In addition, assets held for sale (IFRS 5) amounting to EUR 67.3 million as of 31 December 2025 are classified as Level 2 in the fair value hierarchy.

The sensitivities were as follows as of 31 December 2024:

SENSITIVITY ANALYSIS								
31.12.2024	Gross asset value of investment property € million	Valuation technique ²	Sensitivities in %					
			Administrative costs		Stabilised vacancy rate		Maintenance costs	
			+10 %	-10 %	+1 % pt	-1 % pt	+10 %	-10 %
Residential properties								
High-growth markets	7,161	DCF	-0.7	0.7	-1.6	1.6	-1.7	1.7
Stable markets	6,465	DCF	-0.9	0.9	-1.7	1.7	-2.1	2.2
Higher-yielding markets	3,319	DCF	-1.2	1.2	-1.9	1.9	-2.8	2.8
Commercial assets	304	DCF	-0.2	0.2	-1.3	1.3	-0.8	0.8
Parking, leasehold rights, other units	604	DCF/earnings value/reference value method	-0.7	0.5	-0.8	0.8	-1.5	1.4
Total portfolio (IAS 40) ¹	17,853	DCF	-0.8	0.8	-1.6	1.6	-2.0	2.0

¹ In addition, assets held for sale (IFRS 5) amounting to EUR 141.0 million as of 31 December 2024 are classified as Level 2 in the fair value hierarchy.

² Portfolio of valued properties with a data cut-off date of 30 September 2024 as of the valuation date 31 December 2024.

Sensitivities in %								
31.12.2024	Capitalisation rate		Discount rate		Market rent		Forecast rent development for residential properties	
	+0.25 %	-0.25 %	+0.25 %	-0.25 %	+2 %	-2 %	+0.2 %	-0.2 %
	Residential properties							
High-growth markets	-3.1	3.5	-5.1	5.5	0.9	-0.9	3.9	-3.6
Stable markets	-2.7	3.0	-4.5	4.8	1.7	-1.7	3.3	-3.1
Higher-yielding markets	-2.5	2.8	-4.2	4.6	2.0	-1.8	3.0	-2.8
Commercial assets	-2.3	2.6	-2.1	2.2	1.0	-1.0	1.1	-1.1
Parking, leasehold rights, other units	-1.1	1.2	-4.0	4.3	1.5	-1.5	1.9	-1.9
Total portfolio (IAS 40) ¹	-2.8	3.1	-4.6	5.0	1.4	-1.4	3.4	-3.1

¹ In addition, assets held for sale (IFRS 5) amounting to EUR 141.0 million as of 31 December 2024 are classified as Level 2 in the fair value hierarchy.

Some investment property is let under the terms of commercial rental agreements and leases. These rental agreements and leases typically have a term of ten years when entered into and contain extension options for a maximum of two times five years.

The Group also has land with third-party leasehold rights with an original contractual term that is generally between 75 and 99 years.

The rental agreements for residential properties concluded by LEG can generally be terminated by the tenant with a three-month notice period to the end of the month. Accordingly, fixed cash flows in the amount of rent for three months are expected from these rental agreements.

The following payment claims from minimum lease instalments under long-term leases for commercial properties are expected in the coming years based on the contracts in place as of 31 December 2025:

PAYMENT CLAIMS FROM MINIMUM LEASE INSTALMENTS UNDER LONG-TERM LEASES							
€ million	Remaining term < 1 year	Remaining term > 1 to 2 years	Remaining term > 2 to 3 years	Remaining term > 3 to 4 years	Remaining term > 4 to 5 years	Remaining term > 5 years	Total
31.12.2025	29.1	18.5	15.1	12.6	10.3	51.6	137.2
31.12.2024	26.8	17.6	13.4	11.2	9.2	50.9	129.1

Investment property is used almost exclusively as collateral for financial liabilities; see also section E.11.

2. Property, plant and equipment

The development of property, plant and equipment is shown in the consolidated statement of changes in assets (Annex I).

As of 31 December 2025, right-of-use assets from leases amounting to EUR 44.7 million (31 December 2024: EUR 46.7 million) are reported in property, plant and equipment and intangible assets. The right-of-use assets result from leased buildings, car leases, heating contracting, measurement and reporting technology, IT peripheral devices and software. Additions to right-of-use assets amounted to EUR 8.0 million in the past financial year.

RIGHT-OF-USE ASSETS FROM LEASES		
€ million	31.12.2025	31.12.2024
Right-of-use assets for land and buildings	1.0	1.5
Right-of-use assets for technical equipment and machinery	35.4	37.9
Right-of-use assets for operating and office equipment	7.1	6.1
Property, plant and equipment	43.5	45.5
Right-of-use assets for software	1.2	1.2
Intangible assets	1.2	1.2
Right-of-use assets from leases	44.7	46.7

3. Intangible assets

The development of intangible assets is shown in the consolidated statement of changes in assets (Annex I).

4. Financial assets

Financial assets are composed as follows:

FINANCIAL ASSETS		
€ million	31.12.2025	31.12.2024
Investments in affiliated unconsolidated entities	0.1	0.1
Investments in associates	170.9	287.0
Other financial assets	9.1	13.2
Total	180.1	300.3

Details of financial assets can be found in section I.3.

5. Receivables and other assets

Receivables and other assets are composed as follows:

RECEIVABLES AND OTHER ASSETS		
€ million	31.12.2025	31.12.2024
Trade receivables (gross)	83.0	83.0
Impairment losses	-37.1	-42.1
Total	45.9	40.9
thereof attributable to rental and leasing	34.6	27.2
thereof attributable to the disposal of properties	2.4	2.3
thereof attributable to other receivables	8.9	11.4
thereof with a remaining term up to 1 year	45.9	40.9
thereof with a remaining term of 1 to 5 years	-	-
€ million	31.12.2025	31.12.2024
Receivables from operating costs not yet invoiced	13.3	29.9
Loans	30.5	9.9
Other financial assets	78.5	623.4
Other non-financial assets	24.8	41.1
Total	147.1	704.3
thereof with a remaining term up to 1 year	121.7	694.0
thereof with a remaining term of 1 to 5 years	10.4	10.3
thereof with a remaining term of more than 5 years	15.0	-
Total receivables and other assets	193.0	745.2

Details of receivables from related parties can be found in section I.7.

6. Cash and cash equivalents

CASH AND CASH EQUIVALENTS		
€ million	31.12.2025	31.12.2024
Bank balances	756.5	306.9
Cash and cash equivalents	756.5	306.9
Restricted balances	2.5	1.1

Bank balances earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on LEG's immediate cash requirements. Cash and cash equivalents include balances with a specific intended purpose. These are reported as restricted balances.

7. Assets held for sale

ASSETS HELD FOR SALE		
€ million	2025	2024
Carrying amount as of 1 January	141.0	77.9
Reclassification from investment property	106.3	347.6
Reclassification to investment property	-2.0	-29.6
Reclassification from property, plant and equipment	0.0	1.4
Reclassification to property, plant and equipment	-	-1.7
Disposal due to the sale of land and buildings	-189.7	-256.7
Other additions	11.7	2.1
Carrying amount as of 31 December	67.3	141.0

Investment property was again sold in the financial year for the purposes of selective portfolio streamlining.

For information on reclassifications from investment property, please see section E.1.

The item "Disposal due to the sale of land and buildings" includes developed and undeveloped land and residential and commercial buildings. The reclassification from investment property primarily relates to individual sales as well as one larger block sale. The disposals primarily relate to individual sales as well as four larger block sales (see section E.1 for details).

See also section F.3.

8. Equity

The change in equity components is shown in the statement of changes in equity.

a) Share capital

On the basis of the authorisation granted in the Articles of Association dated 11 May 2020 / 19 August 2020 / 8 March 2021, the share capital was increased by EUR 743,682.00 to EUR 72,839,625.00 in the 2021 financial year. Articles 3 and 4 of the Articles of Association (Amount and Division of Share Capital, Authorised Capital) were amended by resolution of the Supervisory Board dated 21 June 2021.

On the basis of the authorisation granted in Article 4(1) of the Articles of Association, the share capital was increased by EUR 1,269,651.00 to EUR 74,109,276.00. Articles 3 and 4 of the Articles of Association (Share Capital and Shares, Authorised Capital) were amended by resolution of the Supervisory Board on 14 June 2022.

On the basis of the authorisation granted in Article 4(1) of the Articles of Association, the share capital was increased by EUR 360,389.00 to EUR 74,469,665.00. Articles 3 and 4 of the Articles of Association (Share Capital and Shares, Authorised Capital) were amended by resolution of the Supervisory Board on 17 June 2024.

On the basis of the authorisation granted in Article 4(1) of the Articles of Association, the share capital was increased by EUR 1,101,135.00 to EUR 75,570,800.00. Articles 3 and 4 of the Articles of Association (share capital and shares, authorised capital) were amended by resolution of the Executive Committee of the Supervisory Board dated 24 June 2025 in conjunction with the resolution of the Supervisory Board dated 22 May 2025.

The Annual General Meeting on 28 May 2025 cancelled the existing Authorised Capital 2020, created new Authorised Capital 2025 and amended Article 4.1 of the Articles of Association. In addition, the Contingent Capital 2013/2017/2018/2020 resolved by the Annual General Meeting on 19 August 2020 was amended and the wording of Article 4.2 of the Articles of Association was revised accordingly. Article 12(6) of the Articles of Association was also revised.

By resolution of the Annual General Meeting on 28 May 2025, the Management Board is authorised, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 29,787,866.00 through the issuance of up to 29,787,866 new no-par value bearer shares against cash and/or non-cash contributions, once or in several tranches, until 27 May 2030 (Authorised Capital 2025).

By resolution of the Annual General Meeting on 28 May 2025, the share capital is contingently increased by up to EUR 22,340,899.00 through the issuance of up to 22,340,899 new no-par value bearer shares (Contingent Capital 2017/2018/2020/2025).

The average number of shares in the 2025 financial year was 75,020,233. The number of shares as of 31 December 2025 was 75,570,800 (31 December 2024: 74,469,665).

b) Cumulative other reserves

The Group's cumulative other reserves include retained consolidated equity and other reserves.

Retained consolidated equity consists of the results achieved by the companies included in the consolidated financial statements in past and current periods, to the extent that they have not been distributed.

Other reserves consist of adjustments to the fair values of hedged derivatives and actuarial gains and losses from the remeasurement of pension obligations.

In the 2025 financial year, a dividend of EUR 201.1 million or EUR 2.70 per share (including EUR 76.4 million from the issue of new shares) was distributed to the company's shareholders in the form of a dividend for 2024.

For the 2025 financial year, the Management Board proposes a dividend distribution of EUR 220.7 million.

Other reserves include the annual guaranteed dividend of EUR 1.8 million to the minority shareholder of TSP-TechnikServicePlus GmbH.

The non-controlling interest in other comprehensive income amounts to EUR 0.0 million (31 December 2024: EUR 0.0 million).

9. Pension provisions

In the current year, expenses for defined contribution plans amounted to EUR 8.0 million (31 December 2024: EUR 7.6 million). These primarily comprise contributions to the statutory pension scheme.

In connection with defined benefit plans, LEG uses actuarial calculations to ensure that future developments are taken into account in the calculation of expenses and obligations. These calculations are based, among other things, on assumptions regarding the discount rate and future wage and salary developments.

In accordance with IAS 19, provisions for pensions for defined benefit plans are calculated on the basis of actuarial assumptions. The following parameters were applied in the 2025 and 2024 financial years:

CALCULATION OF PROVISIONS FOR PENSIONS		
in %	31.12.2025	31.12.2024
Discount rate	3.98	3.44
Salary trend	2.75	2.75
Pension trend	2.00	2.00

The present value of the obligation as of 31 December 2025 was EUR 94.1 million. A change in the individual parameters, with the other assumptions remaining unchanged, would have affected the present value of the obligation as follows:

SENSITIVITY OF PENSION PROVISIONS 2025		
€ million	Increase	Decrease
Discount rate (increase/decrease of 0.5 % pt)	89.4	99.3
Salary trend (increase/decrease of 0.5 % pt)	94.5	93.7
Mortality (increase/decrease of 10 %)	90.9	97.7
Pension trend (increase/decrease of 0.25 % pt)	96.2	92.1

The present value of the obligation as of 31 December 2024 was EUR 102.8 million. A change in the individual parameters, with the other assumptions remaining unchanged, would have affected the present value of the obligation as follows:

SENSITIVITY OF PENSION PROVISIONS 2024		
€ million	Increase	Decrease
Discount rate (increase/decrease of 0.5 % pt)	97.4	108.8
Salary trend (increase/decrease of 0.5 % pt)	103.3	102.4
Mortality (increase/decrease of 10 %)	99.2	106.8
Pension trend (increase/decrease of 0.25 % pt)	105.2	100.6

Increases or reductions in the discount rate, the salary trend, the pension trend and mortality do not affect the calculation of the defined benefit obligation (DBO) in the same absolute amount.

If several assumptions are changed at the same time, the total amount is not necessarily the same as the sum of the individual effects resulting from the changes in assumptions. It should also be noted that the sensitivities reflect a change in the DBO only for the specific respective degree of the change in assumptions (e.g. 0.5 percentage points). If the assumptions change to a different extent, this will not necessarily have a straight-line impact on the DBO.

The following table shows the development of pension obligations. In the absence of plan assets, the present value of the obligation in both years is the same as both the recognised provision and the plan deficit.

DEVELOPMENT OF PENSION OBLIGATIONS		
€ million	2025	2024
Present value of obligations as of 1 January	102.8	108.6
Service cost	0.6	0.7
Interest expenses	3.4	3.3
Disposal due to sales	–	–
Payments	-6.7	-6.6
Remeasurement	-6.0	-3.2
thereof losses (gains) from experience adjustments	-0.4	1.6
thereof losses (gains) from changes in financial assumptions	-5.6	-4.8
thereof losses (gains) from changes in demographic development	–	–
Present value of obligations as of 31 December	94.1	102.8

The present value of the obligation is attributable to active eligible employees in the amount of EUR 20.1 million (31 December 2024: EUR 22.8 million), to vested former employees in the amount of EUR 6.0 million (31 December 2024: EUR 6.6 million), and to pensioners in the amount of EUR 68.0 million (31 December 2024: EUR 73.4 million).

The expected pension payments for 2026 amount to EUR 6.7 million (previous year: EUR 6.8 million). The duration of the benefit obligation is 10.0 years (31 December 2024: 11.0 years).

10. Other provisions

Other provisions are composed as follows:

OTHER PROVISIONS		
€ million	31.12.2025	31.12.2024
Provisions for bonuses	1.4	1.4
Provisions for partial retirement	1.7	1.6
Personnel-related provisions	3.1	3.0
Construction book provisions	2.9	1.7
Provisions for other risks	17.7	24.5
Provisions for litigation risks	1.7	0.7
Provisions for leased properties	0.1	0.1
Provisions for year-end closing costs	1.5	1.4
Provisions for archiving	0.5	0.6
Miscellaneous other provisions	24.4	29.0
Other provisions	27.5	32.0

Details of the development of provisions can be found in Annex II.

Construction book provisions contain amounts for outstanding measures and guarantees relating to development projects.

The provisions for other risks primarily relate to obligations from a former residential property development project involving 47 detached houses, as well as provisions for the assumption of non-reimbursable insurance claims.

The cash outflows from the provisions are expected to amount to EUR 23.0 million (31 December 2024: EUR 27.8 million) within one year and EUR 5.8 million (31 December 2024: EUR 6.0 million) in the longer term.

11. Financial liabilities

Financial liabilities are composed as follows:

Financial liabilities		
€ million	31.12.2025	31.12.2024
Financial liabilities from real estate financing	10,011.6	9,576.1
Financial liabilities from lease financing	143.7	142.5
Financial liabilities	10,155.3	9,718.6

Financial liabilities from real estate financing serve the financing of investment property.

In the consolidated financial statements of LEG Immobilien SE, financial liabilities from real estate financing amounting to EUR 10,011.6 million are recognised as of 31 December 2025 (31 December 2024: EUR 9,576.1 million).

Corporate bonds totalling EUR 500.0 million (IFRS carrying amount: EUR 469.7 million) were issued in the 2025 financial year. There were also loan disbursements totalling EUR 486.8 million (IFRS carrying amount: EUR 480.4 million). The acquisition of BCP meant that financial liabilities increased by EUR 172.4 million (IFRS carrying amount: EUR 162.9 million). The repayment of a convertible bond with a volume of EUR 400.0 million and scheduled and unscheduled repayments of bank loans amounting to EUR 321.7 million had an offsetting effect.

Financial liabilities from real estate financing comprise the following capital market instruments at the end of the reporting period:

CAPITAL MARKET INSTRUMENTS AS OF 31 DECEMBER 2025	IFRS carrying amount	Nominal value
€ million		
Convertible bond 2024/2030	670.3	700.0
Convertible bond 2020/2028	541.7	550.0
Corporate bond 2025/2035	305.1	300.0
Corporate bond 2022/2029	684.0	700.0
Corporate bond 2022/2026	501.8	500.0
Corporate bond 2022/2034	502.7	500.0
Corporate bond 2021/2033	683.3	700.0
Corporate bond 2021/2031	677.4	700.0
Corporate bond 2021/2032	494.7	500.0
Corporate bond 2019/2034	461.6	500.0
Corporate bond 2019/2027	498.9	500.0

Irrespective of their status from an economic perspective, the convertible bonds are classified and accounted for as short-term debt as a result of the issuer's contractual cash settlement option. There are several embedded and separable derivatives that are treated as a single compound derivative and carried at fair value. The underlying debt instrument is recognised at amortised cost.

The equity interests in individual companies and rent receivables serve as security for some loan agreements. The expected rent pledged as security amounted to EUR 571.7 million in the 2025 financial year (31 December 2024: EUR 532.6 million).

In addition to security in the form of land charges, potential receivables from buildings insurance have been pledged to the creditors of the respective land charges. By contrast, the security provided in the form of pledged rent receivables is increased by the corresponding receivables for incidental costs. For certain loan agreements, there are also additional surety bonds as well as joint and several liability on the part of LEG companies to the respective bank. Existing loan liabilities amounting to EUR 3,663.4 million (31 December 2024: EUR 3,352.4 million) are secured by land charges.

The EUR 1.2 million increase in financial liabilities from lease financing in the financial year is primarily due to the rise in lease liabilities for heat contracting. Potential future cash outflows of EUR 0.6 million are expected for lease agreements already concluded but commencing after the reporting date (31 December 2024: EUR 1.3 million).

a) Financial liabilities from real estate financing

The maturities shown in the consolidated financial statements are based on the contractually agreed maturities.

The remaining term of financial liabilities from real estate financing is composed as follows:

REMAINING TERM OF FINANCIAL LIABILITIES FROM REAL ESTATE FINANCING				
€ million	Remaining term < 1 year	Remaining term > 1 to 5 years	Remaining term > 5 years	Total
31.12.2025	2,333.0	3,408.4	4,270.2	10,011.6
31.12.2024	1,912.1	3,660.9	4,003.1	9,576.1

The change in the distribution of maturities compared to 31 December 2024 was mainly due to the fact that the remaining term of one corporate bond and a further two loans fell below one year in the 2025 financial year, leading to an increase in financial liabilities with a short remaining maturity and a corresponding reduction in medium-term financial liabilities. In contrast, the redemption of a convertible bond served to reduce current financial liabilities. Furthermore, new disbursements of capital market instruments mainly served to increase financial liabilities with medium and long remaining maturities. The assumption of financial liabilities from BCP primarily served to increase financial liabilities with a medium residual maturity. Financial liabilities with short maturities include EUR 1,212.0 million from convertible bonds.

b) Financial liabilities from lease financing

Financial liabilities from lease financing are composed as follows:

REMAINING TERM OF FINANCIAL LIABILITIES FROM LEASE FINANCING				
€ million	Remaining term < 1 year	Remaining term > 1 to 5 years	Remaining term > 5 years	Total
31.12.2025	9.5	21.5	112.7	143.7
31.12.2024	9.9	20.4	112.2	142.5

12. Other liabilities

Other liabilities are composed as follows:

OTHER LIABILITIES		
€ million	31.12.2025	31.12.2024
Derivative financial instruments	16.8	66.3
Advanced payments received	51.4	22.9
Trade payables	114.9	122.4
Rental and lease liabilities	37.4	36.7
Liabilities to employees	20.0	23.8
Liabilities from operating costs	3.1	1.6
Interest benefit recognised as a liability	25.0	25.0
Miscellaneous liabilities	89.2	89.8
Other liabilities	357.9	388.5
thereof with a remaining term up to 1 year	271.4	312.2
thereof with a remaining term of 1 to 5 years	41.1	41.6
thereof with a remaining term of more than 5 years	45.3	34.7

The main drivers of the decrease in other liabilities are derivative financial instruments. This includes the embedded derivatives from the convertible bonds, whose market values have declined.

13. Deferred tax assets and liabilities

Deferred tax assets and liabilities result from temporary differences between the IFRS and tax carrying amounts, from tax loss carryforwards, from interest carryforwards and from grant carryforwards. They are broken down as follows:

DEFERRED TAX ASSETS AND LIABILITIES				
	31.12.2025		31.12.2024	
€ million	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Non-current assets				
Investment property	20.6	1,705.6	25.3	2,024.1
Other non-current assets	3.9	12.6	4.2	16.4
Current assets	1.9	6.6	7.6	5.1
Non-current liabilities				
Pension provisions	7.1	–	10.5	–
Other provisions	0.2	0.1	0.3	0.2
Other non-current liabilities	28.8	8.3	38.7	10.8
Current liabilities				
Other provisions	–	0.5	0.1	0.6
Other current liabilities	2.3	24.3	3.6	20.9
Total deferred taxes from temporary differences	64.8	1,758.0	90.3	2,078.1
Deferred taxes on tax loss, interest and grant carryforwards	77.7	–	61.6	–
Total deferred taxes	142.5	1,758.0	151.9	2,078.1
Netting	132.6	132.6	139.6	139.6
Carrying amount	9.9	1,625.4	12.3	1,938.5

The decline in deferred tax liabilities is mainly due to the adopted gradual reduction of the corporate tax rate from 15 % to 10 %.

The deferred taxes from non-current assets and non-current liabilities in the table above are expected to reverse more than twelve months after the end of the reporting period.

DEFERRED TAXES ON TAX LOSS, INTEREST, AND GRANT CARRYFORWARDS		
€ million	31.12.2025	31.12.2024
Corporate income tax	21.8	19.9
Trade tax	55.9	41.7
Total	77.7	61.6

Deferred tax assets on loss carryforwards are recognised in the same amount as deferred tax liabilities from temporary differences. No deferred tax assets were recognised on tax loss and interest carryforwards of EUR 984.4 million as of the end of the reporting period (31 December 2024: EUR 844.0 million). In addition, no deferred taxes were taken into account on temporary differences of EUR 109.0 million (previous year: EUR 0 million).

Interest expenses are tax-deductible up to the amount of interest income. Above and beyond this amount, deductibility is limited to 30 % of taxable EBITDA for the financial year (interest barrier), unless the exemption limit or the equity escape clause apply.

Deferred tax assets are only recognised for interest carried forward to the extent that it is probable that the interest expenses can be utilised in subsequent financial years. Due to the effective conclusion of profit transfer agreements between the asset-holding subsidiaries and the Group company LEG NRW GmbH, and the resulting corporate income tax and trade tax consolidation, the interest barrier rule does not apply within the consolidated group of LEG NRW GmbH. This was also the case in the previous year.

DEFERRED TAX ASSETS ON GRANT CARRYFORWARDS in accordance with section 10b EStG		
€ million	31.12.2025	31.12.2024
Corporate income tax	1.0	1.4
Trade tax	1.3	1.4
Total	2.3	2.8

A deferred tax asset of EUR 2.3 million (31 December 2024: EUR 2.8 million) was recognised in the past financial year on a carryforward of grants in accordance with section 10b of the German Income Tax Act (EStG). The grant carryforward is vested.

In the past financial year, the measurement of hedged derivative financial instruments directly in equity served to reduce equity by EUR 0.1 million (31 December 2024: EUR 1.8 million increase in equity). Additionally, actuarial gains and losses served to reduce equity by EUR 2.8 million (31 December 2024: EUR 0.9 million decrease in equity). At the reporting date, the amount of deferred tax assets recognised directly in equity was EUR 3.9 million (31 December 2024: EUR 6.8 million).

No deferred tax liabilities were recognised on temporary differences in connection with shares in subsidiaries and associates that are not expected to reverse in the foreseeable future in accordance with IAS 12.39, which amounted to EUR 117.0 million (31 December 2024: EUR 118.9 million).

F. Notes to the consolidated statement of comprehensive income

1. Revenue

LEG generates revenue from the transfer of goods and services both over time and at a point in time from the following areas:

REVENUE			
2025			
€ million	Rental and lease income	Income from the disposal of investment property	Income from other services
Timing of revenue recognition			
At a point in time	–	187.8	14.0
Over time	1,377.3	–	–
Total	1,377.3	187.8	14.0

REVENUE			
2024			
€ million	Rental and lease income	Income from the disposal of investment property	Income from other services
Timing of revenue recognition			
At a point in time	–	255.2	15.5
Over time	1,303.3	–	–
Total	1,303.3	255.2	15.5

The following overview summarises the assessment of whether a contract with a customer satisfies the definition of IFRS 15 and whether LEG qualifies as a principal (gross revenue) or an agent (net revenue) in sales:

ALLOCABLE OPERATING COSTS			
€ million	Principal/agent relations in accordance with IFRS 15	2025	2024
Operating costs – Land tax	-	31.3	31.9
Operating costs – Cold water supply	Agent/Principal	55.0	49.5
Operating costs – Drainage	Agent/Principal	36.8	32.8
Operating costs – Hot water supply	Principal	0.7	0.7
Operating costs – Lifts	Principal	4.8	3.9
Operating costs – Waste disposal	Principal	64.1	55.5
Operating costs – Pest control	Principal	1.5	1.3
Operating costs – Gardening	Principal	35.4	28.3
Operating costs – Chimney sweep	Principal	2.2	1.9
Operating costs – Caretaker	Principal	2.1	1.3
Operating costs – Property and liability insurance	-	90.1	90.9
Operating costs – Washing facilities	-	0.0	0.0
Operating costs – Smoke alarms	-	0.1	0.0
Operating costs – Heating costs/heat supply	Principal	68.6	46.5
Operating costs – Street cleaning	Agent	6.0	3.7
Operating costs – Winter services	Principal	6.9	5.3
Operating costs – Building cleaning	Principal	20.2	14.0
Operating costs – Lighting	Principal	2.1	-0.4
Operating costs – Cable and TV multimedia	Principal	0.8	3.2

In the 2025 financial year, LEG generated allocable operating costs as an agent amounting to EUR 87.3 million (previous year: EUR 79.3 million).

Assets and liabilities from contracts with customers

ASSETS AND LIABILITIES FROM CONTRACTS WITH CUSTOMER		
€ million	2025	2024
Current contract assets from operating costs	13.3	29.5
Impairment losses on operating costs	3.3	7.1
Total contract assets	16.6	36.6
Current contract liabilities from operating costs	48.2	19.0
Total contract liabilities	48.2	19.0

2. Net income from rental and leasing

NET INCOME FROM RENTAL AND LEASING		
€ million	2025	2024
Net cold rent	919.9	859.4
Profits from operating expenses	-17.3	-13.2
Maintenance expenses for externally procured services	-113.2	-106.1
Personnel expenses (rental and lease)	-117.8	-115.1
Allowances on rent receivables	-14.3	-17.1
Depreciation and amortisation	-17.4	-15.2
Other	22.3	33.8
Net income from rental and leasing	662.2	626.5
Net operating income margin (in %)	72.0	72.9
Non-recurring special items (rental and lease)	8.2	6.9
Depreciation and amortisation	17.4	15.2
Maintenance expenses for externally procured services	113.2	106.1
Subsidies recognised in profit or loss	-19.3	-21.0
Own work capitalised	-17.6	-15.0
Net income from rental and leasing (adjusted)	764.1	718.7
Net operating income margin (adjusted in %)	83.1	83.6

Net income from rental and leasing increased by EUR 35.7 million year-on-year in the past financial year. The main driver of this development was the EUR 60.5 million increase in net cold rents, which was due in part to the acquisition of the shares in BCP. Like-for-like rent per square metre also rose by 3.5 % year on year. This was offset by the EUR 7.1 million increase in maintenance expenses for externally procured services.

The adjusted net operating Income (NOI) margin declined slightly from 83.6 % to 83.1 % year-on-year.

Net income from rental and leasing includes the following depreciation expense for right-of-use assets from leases in the financial year:

DEPRECIATION AND AMORTISATION EXPENSE ON LEASES		
€ million	2025	2024
Right-of-use assets for buildings	0.2	0.3
Right-of-use assets for technical equipment and machinery	4.4	4.2
Right-of-use assets for operating and office equipment	2.8	2.8
Depreciation and amortisation expense on leases	7.4	7.3

Net income from rental and leasing in the reporting period also includes expenses for leases involving low-value assets amounting to EUR 0.5 million (previous year: EUR 0.6 million).

3. Net income from the disposal of investment property

Net income from the disposal of investment property breaks down as follows:

NET INCOME FROM THE DISPOSAL OF INVESTMENT PROPERTY		
€ million	2025	2024
Income from the disposal of investment property	187.8	255.2
Carrying amount of investment property sold	-189.7	-256.7
Cost of sales of investment property sold	-2.4	-4.9
Net income from the disposal of investment property	-4.3	-6.4

Income from disposals amounted to EUR 187.8 million (previous year: EUR 255.2 million) and primarily related to individual sales as well as four larger block sales.

See also section E.7.

4. Net income from the remeasurement of investment property

Net income from the remeasurement of investment property for the financial year amounts to EUR 568.9 million (previous year: EUR -225.3 million). Based on the property portfolio at the beginning of the financial year (EUR 17,853.3 million) and taking into account the assessed acquisitions (EUR 1,017.1 million), this corresponds to an increase of 3.0 % in the financial year (previous year: -1.2 %). The average value of investment property (including acquisitions) was EUR 1,710 per sqm as of 31 December 2025 (previous year: EUR 1,629 per sqm).

The main driver for the change in the fair value of investment property in the financial year was the positive development of contractual and market rents.

5. Net income from other services

Net income from other services is composed as follows:

NET INCOME FROM OTHER SERVICES		
€ million	2025	2024
Income from other services	14.0	15.5
Purchased services	-4.0	-5.1
Other operating expenses	-3.3	-2.3
Personnel expenses	-1.2	-1.2
Depreciation and amortisation	-0.7	-0.6
Expenses in connection with other services	-9.2	-9.2
Net income from other services	4.8	6.3

Other services include the generation of electricity and heat and IT services for third parties.

Operating earnings from electricity generation failed to repeat the prior-year figure due to the significantly lower price levels.

6. Administrative and other expenses

Administrative and other expenses are composed as follows:

ADMINISTRATIVE AND OTHER EXPENSES		
€ million	2025	2024
Other operating expenses	-33.8	-31.3
Personnel expenses (administration)	-38.6	-36.4
Purchased services	-3.4	-2.1
Depreciation and amortisation	-5.3	-5.7
Administrative and other expenses	-81.1	-75.5

The other operating expenses contained in the table above are composed as follows:

BREAKDOWN OF OTHER OPERATING EXPENSES		
€ million	2025	2024
Legal and consulting costs	-14.4	-12.3
Rental and other expenses for business premises	-2.9	-2.5
Annual financial statement, accounting and audit expenses	-2.6	-2.5
Postage, telecommunications and IT expenses	-0.4	-0.3
Temporary staff	-0.1	-0.1
Vehicles	-1.1	-0.9
Travel expenses	-1.4	-1.2
Advertising expenses	-0.6	-0.4
Miscellaneous expenses	-2.5	-11.1
Real estate transfer tax	-7.8	0.0
Other operating expenses	-33.8	-31.3

The increase in administrative and other expenses compared to the previous year is due among other things to the incidental costs incurred in connection with the acquisition of the BCP companies.

Administrative and other expenses include the following depreciation expenses for right-of-use assets from leases in the reporting period:

DEPRECIATION AND AMORTISATION EXPENSE ON LEASES		
€ million	2025	2024
Right-of-use assets for buildings	0.3	0.4
Right-of-use assets for operating and office equipment	0.5	0.3
Right-of-use assets for software	1.4	2.5
Depreciation and amortisation expense on leases	2.2	3.2

Expenses for leases involving low-value assets amounted to EUR 0.2 million in the reporting year (previous year: EUR 0.1 million).

7. Net interest income

Net interest income is broken down as follows:

INTEREST INCOME		
€ million	2025	2024
Interest income from bank balances	12.7	14.5
Income from loans	0.7	0.7
Interest income from discounting	1.3	0.8
Other interest income	4.1	7.6
Interest income	18.8	23.6

Interest income fell by EUR -4.8 million year-on-year to EUR 18.8 million. The decline in interest income is mainly due to the falling investment volume in the 2025 financial year and lower interest rates for cash investments.

INTEREST EXPENSES		
€ million	2025	2024
Interest expenses from real estate and bond financing	-160.3	-154.0
Interest expenses from loan amortisation	-29.9	-32.1
Prepayment penalties	-13.2	–
Interest expense from interest rate derivatives for real estate financing	-0.5	–
Interest expense from changes in pension provisions	-3.4	-3.4
Interest expenses from the compounding of other liabilities	-1.4	-1.7
Interest expenses from lease financing	-3.0	-2.9
Other interest expenses	-7.9	-2.7
Interest expenses	-219.6	-196.8

The EUR -22.8 million increase in interest expenses to EUR -219.6 million is mainly due to the financing of the BCP acquisition as well as disbursements of loans and capital market instruments after the comparative prior-year period. The repayment of loans and capital market instruments in connection with the BCP acquisition had a significant impact on early repayment penalties. The changes in other interest expenses mainly relate to currency losses in connection with the BCP acquisition.

8. Net income from other financial assets and other equity investments

The EUR 47.6 million increase in net income from other financial assets and other equity investments compared to the previous year is mainly due to the elimination of the remeasurement effect of EUR -44.2 million recognised in the previous year from the fair value measurement of the investment in BCP. As control was obtained for the first time, the company was fully consolidated in the financial year.

9. Net income from the fair value measurement of derivatives

The gains and losses on the remeasurement of standalone derivatives and the ineffective portion of interest hedging instruments are reported in net income from the fair value measurement of derivatives.

Net income from the fair value measurement of derivatives amounted to EUR 38.5 million in the past financial year (previous year: EUR 3.4 million).

During the reporting period, net income from the fair value measurement of derivatives primarily related from changes in the market value of embedded derivatives in connection with convertible bonds, which amounted to EUR 44.8 million (previous year: EUR 3.4 million).

10. Income taxes

Income tax expense and income are broken down by origin as follows:

INCOME TAXES		
€ million	2025	2024
Current income taxes	-8.4	-2.4
Deferred taxes	373.2	-51.5
Income taxes	364.8	-53.9

Deferred tax income mainly relates to the decrease in deferred tax liabilities on investment property as a result of the decision to gradually reduce the corporate income tax rate from 15 % to 10 %.

Based on the consolidated net profit before income taxes and the expected income taxes, the reconciliation to current income taxes is as follows:

INCOME TAXES		
€ million	2025	2024
IFRS net profit before income taxes	1,096.5	122.8
Group tax rate in %	31.6	31.6
Expected income taxes	-347.0	-38.9
Reduction in taxes due to tax-free income and off-balance sheet deductions	118.6	6.1
Additional taxes due to non-deductible expenses and off-balance sheet additions	-21.0	-8.3
Tax effect due to deferred tax assets on loss/interest carryforwards and non-recognition of deferred tax assets due to lack of recoverability	-4.0	1.9
Income tax relating to prior periods	22.3	-1.6
Tax decreases/increases due to changes in tax rate	577.9	-11.3
Other	18.0	-1.8
Income taxes as per statement of comprehensive income	364.8	-53.9
Effective tax rate in %	-33.3	43.9

Tax decreases/increases due to changes in tax rate include a one-off effect due to the gradual reduction in the corporate tax rate of approximately EUR 526.1 million.

In addition, the item Other includes a one-off tax effect of approximately EUR 31.0 million from the profit of the business acquisition.

The tax rate applied to determine the expected income taxes takes into account the current tax rates, including a corporate income tax rate of 15.0 %, a solidarity surcharge of 5.5 % on corporate income tax, and a trade tax rate of 15.8 %, calculated based on an assessment rate of 3.5 % and a weighted average municipal multiplier of 452 %.

Under the German Act on Global Minimum Taxation ("Minimum Taxation Act"), Germany adopted the Pillar 2 rules into its national tax law effective 1 January 2024. This law requires businesses to pay top-up tax on profits taxed at a low rate upwards of a certain amount. This applies to enterprise groups whose revenue has reached a level of EUR 750 million in at least two of the four preceding financial years. However, a five-year exemption is intended for enterprise groups with only minor international activities. Such activities are deemed to exist if the enterprise group has business units in no more than six tax jurisdictions and the total value of all tangible assets of business units located outside the reference tax jurisdiction does not exceed EUR 50 million.

In financial year 2025, the LEG Group generated consolidated revenue in excess of EUR 750 million in 2025 and has subsidiaries in the Netherlands and Israel, as well as a joint venture with permanent establishments in Austria and Switzerland. Consequently, the LEG Group generally falls within the scope of the Minimum Taxation Act and is subject to taxation under section 1 of the Minimum Taxation Act. However, due to the Group's limited international activity, no minimum tax should apply in the first five years, as the tax exemption under section 83 of the Minimum Taxation Act is applicable based on the current status.

The LEG Group's current tax expense (income) in connection with income taxes under the Pillar 2 rules amounts to EUR 0 million.

11. Earnings per share

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

A capital increase was implemented on 1 July 2025 due to the share dividends granted for the 2024 financial year. A total of 1,101,135 new shares were issued.

EARNINGS PER SHARE – BASIC		
	31.12.2025	31.12.2024
Net profit or loss attributable to shareholders in EUR million	1,458.2	66.0
Average number of shares outstanding	75,020,233	74,296,478
Earnings per share (basic) in €	19.44	0.89

EARNINGS PER SHARE – DILUTED		
€ million	31.12.2025	31.12.2024
Net profit or loss attributable to shareholders	1,458.2	66.0
Convertible bond coupon after taxes	6.9	4.2
Income statement effect of measurement of derivatives convertible bonds after taxes	-44.8	-3.4
Amortisation expenses on convertible bonds after taxes	12.7	6.5
Net profit or loss for the period for diluted earnings per share	1,433.0	73.3
Average weighted number of shares outstanding	75,020,233	74,296,478
Number of potential new shares in the event of convertible bonds being exercised	9,770,289	8,618,561
Number of shares for diluted earnings per share	84,790,522	82,915,039
Interim result in €	16.90	0.88
Earnings per share (diluted) in €	16.90	0.88

As of 31 December 2025, LEG Immobilien SE has outstanding convertible bonds that entitle bondholders to exchange them for up to 9.8 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 incurred for the interest coupon in the event of the conversion rights being exercised in full, the measurement of the embedded derivatives and the amortisation of the convertible bonds and the resulting tax effect.

G. Notes to the consolidated statement of cash flows

1. Composition of cash and cash equivalents

The cash and cash equivalents in the statement of cash flows correspond to the cash and cash equivalents reported in the statement of financial position, i.e. cash on hand and bank balances.

2. Other notes to the statement of cash flows

LEG Immobilien SE received a total of EUR -459.2 million from the issuance of corporate bonds in the financial year. The Group repaid a convertible bond with a volume of EUR 400.0 million and corporate bonds of the acquired BCP Group totalling EUR 228.0 million.

Distributions to minority shareholders totalling EUR 1.8 million relate to the non-controlling interests in TSP-TechnikServicePlus GmbH.

The other payments amounting to EUR 20.5 million relate to a loan to termios GmbH in the amount of EUR 5.5 million and a loan granted to a minority shareholder of the acquired BCP Group (EUR 15.0 million).

For the companies of the BCP Group, LEG Immobilien SE made purchase price payments of EUR 148.0 million in this financial year (purchase price of EUR 184.0 million less acquired cash and cash equivalents of EUR 75.4 million as well as payments for successive acquisitions of EUR 39.1 million and squeeze-out of EUR 0.3 million) and subsequent payments of EUR 18.3 million for companies of the Adler Group.

The cash payments for the acquisition of companies in accordance with IFRS 3 are recognised as cash payments for consolidated companies, while payments related to acquisitions not accounted for in accordance with IFRS 3 are presented as cash payments for investment property.

The cash outflow from the repayment of bank loans also includes prepayment penalties and payments from the termination of hedging transactions that were incurred due to the early repayment of loans.

Interest payments are reported in the cash flow from operating activities, as are the subsidies received during the reporting year, amounting to EUR 2.5 million (previous year: EUR 9.7 million).

In the reporting year, total cash outflows for leases amounted to EUR 12.0 million (31 December 2024: EUR 15.7 million).

RECONCILIATION OF FINANCIAL LIABILITIES							
Non-cash changes							
€ million	01.01.2025	Cash flows	Acquisition	Fair value changes	Amortisation under effective interest method	Other	31.12.2025
Financial liabilities	9,576.1	-89.7	568.9	–	52.3	-96.0	10,011.6
Lease liabilities	142.5	-9.0	10.2	–	–	–	143.7
Total	9,718.6	-98.7	579.1	–	52.3	-96.0	10,155.3

RECONCILIATION OF FINANCIAL LIABILITIES							
Non-cash changes							
€ million	01.01.2024	Cash flows	Acquisition	Fair value changes	Amortisation under effective interest method	Other	31.12.2024
Financial liabilities	9,264.9	380.1	–	–	32.1	-101.0	9,576.1
Lease liabilities	110.9	-12.9	44.5	–	–	–	142.5
Total	9,375.8	367.2	44.5	–	32.1	-101.0	9,718.6

H. 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 primarily in Germany. In the 2025 financial year, LEG did not generate more than 10 % of reported total revenue with any one customer.

In addition to the minimum disclosures required in IFRS 8, the key performance indicators of the company are explained and presented below. These correspond to the management and reporting system that LEG Immobilien SE uses for corporate management and offer a deeper insight into the Group's economic performance.

Internal reporting at LEG deviates from the IFRS accounting figures. LEG focuses its internal reporting primarily on the most significant performance indicators, namely AFFO, the adjusted EBITDA margin and LTV, as well as additional financial metrics such as EPRA NTA and net cold rent as key figures relating to residential property. The alternative performance indicators presented below are not based on IFRS figures with the exception of the disclosures on LTV.

1. Reconciliation to AFFO

One of the most important financial performance indicators for Group management is AFFO. LEG distinguishes among FFO I (not including net income from the disposal of investment property), FFO II (including net income from the disposal of investment property) and AFFO (FFO I adjusted for capex).

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

CALCULATION OF FFO I, FFO II UND AFFO	01.01.-	01.01.-
€ million	31.12.2025	31.12.2024
Net cold rent	919.9	859.4
Net income from operating costs/heating costs	-17.3	-13.2
Personnel expenses (rental and lease)	-117.8	-115.1
Allowances on rent receivables	-14.3	-17.1
Other	-14.6	-2.2
Non-recurring special items (rental and lease)	8.2	6.9
Net income from rental and leasing (adjusted)	764.1	718.7
Net income from other services (adjusted)	5.5	4.4
Personnel expenses (administration)	-38.6	-36.4
Non-personnel expenses	-37.2	-33.4
Non-recurring special items (administration)	23.9	16.2
Administrative and other expenses (adjusted)	-51.9	-53.6
Other income (adjusted)	0.6	0.0
EBITDA (adjusted)	718.3	669.5
Cash interest expenses and income FFO I	-150.0	-138.0
Cash income taxes FFO I	-4.5	-2.1
Maintenance expenses for externally procured services	-113.2	-106.1
Subsidies recognised in profit or loss	19.3	21.0
Own work capitalised	17.6	15.0
Investment income from green ventures	-4.2	-
FFO I (before non-controlling interests)	483.3	459.3
Non-controlling interests	-1.8	-1.8
FFO I (after non-controlling interests)	481.5	457.5
Net income from the disposal of investment property (adjusted)	-0.3	1.2
Cash income taxes FFO II	-3.9	-0.3
FFO II (incl. disposal of investment property)	477.3	458.4
Capex (recurring)	-261.0	-257.1
AFFO (capex-adjusted FFO I)	220.5	200.4
EBITDA margin (adjusted)	78.1 %	77.9 %

The direct calculation of FFO I is based on the cost of sales method.

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

These are composed as follows:

NON-RECURRING SPECIAL ITEMS in € million	01.01.- 31.12.2025	01.01.- 31.12.2024
Project costs for business model and process optimisation	5.7	2.2
Personnel-related costs	9.7	7.6
Acquisition and integration costs	14.1	3.8
Capital market financing and M&A activities	1.2	1.6
Other atypical matters	-97.1	5.4
Non-recurring special items	-66.4	20.6

The increase in acquisition and integration costs is mainly due to the purchase of the shares in BCP. The profit from this business acquisition is recognised under other atypical matters.

The EBITDA adjusted for these special items is further adjusted for cash interest expenses and income, cash income taxes, maintenance expenses for externally procured services, subsidies recognised in profit or loss, own work capitalised, investment income from green ventures and non-controlling interests in FFO I.

Starting from the 2025 financial year, investment income from green ventures from the respective financial year is recognised in the reconciliation from EBITDA (adjusted) to FFO I (before non-controlling interests). The green ventures comprise the companies Renowate GmbH, dekarbo GmbH and termios GmbH and the investment income amounts to EUR -4.2 million. If the investment income from green ventures of EUR -1.5 million had been taken into account in the 2024 financial year, AFFO would have amounted to EUR 198.9 million.

Cash interest expenses are composed as follows:

CASH INTEREST EXPENSES in € million	01.01.- 31.12.2025	01.01.- 31.12.2024
Interest expenses as per income statement	219.6	196.8
Interest expenses from loan amortisation	-29.9	-32.1
Interest expenses from compounding of other assets and liabilities	-1.4	-1.7
Interest expenses from changes in pension provisions	-3.4	-3.4
Other interest expenses	-18.4	0.0
Cash interest expenses (gross)	166.5	159.6
Cash interest income	16.5	21.6
Cash interest expenses (net)	150.0	138.0

Finally, AFFO starts from FFO I (after non-controlling interests) and takes into account recurring capex measures (capex (recurring)). Recurring capex measures are defined as capitalised costs from modernisation and maintenance measures as well as new construction activities on own land. When calculating the production costs from modernisation and maintenance measures, consolidation effects resulting from services performed internally that arise from the elimination of intercompany profits are eliminated.

2. Reconciliation to AFFO (indirect)

FFO I, FFO II and AFFO for the reporting period and the previous year are calculated using the indirect method as follows:

CALCULATION OF FFO I, FFO II AND AFFO – INDIRECT METHOD	01.01.-	01.01.-
€ million	31.12.2025	31.12.2024
Net profit or loss for the period	1,461.3	68.9
Interest income	-18.8	-23.6
Interest expenses	219.6	196.8
Net interest income	200.8	173.2
Other financial expenses	-47.6	29.5
Income taxes	-364.8	53.9
EBIT	1,249.7	325.5
Depreciation and amortisation	23.3	21.4
EBITDA	1,273.0	346.9
Net income from the remeasurement of investment property	-568.9	225.3
Non-recurring special items	-66.4	20.6
Net income from the disposal of investment property	4.3	6.4
Net income from the disposal of inventory property	0.0	0.2
Maintenance expenses for externally procured services	113.2	106.1
Subsidies recognised in profit or loss	-19.3	-21.0
Own work capitalised	-17.6	-15.0
EBITDA (adjusted)	718.3	669.5
Cash interest expenses and income FFO I	-150.0	-138.0
Cash income taxes FFO I	-4.5	-2.1
Maintenance expenses for externally procured services	-113.2	-106.1
Subsidies recognised in profit or loss	19.3	21.0
Own work capitalised	17.6	15.0
Investment income from green ventures	-4.2	–
FFO I (before non-controlling interests)	483.3	459.3
Non-controlling interests	-1.8	-1.8
FFO I (after non-controlling interests)	481.5	457.5
Net income from the disposal of investment property (adjusted)	-0.3	1.2
Cash income taxes FFO II	-3.9	-0.3
FFO II (incl. disposal of investment property)	477.3	458.4
Capex (recurring)	-261.0	-257.1
AFFO (capex-adjusted FFO I)	220.5	200.4

3. Investments

The maintenance expenses from the perspective of the asset-holding companies consist of maintenance expenses for externally sourced services and internally provided maintenance work carried out by LEG's service companies. Capitalised modernisations classified as value-enhancing measures comprise investments in investment property and in property, plant and equipment. Investment in investment property, value-adding capital expenditure (capex) and capex (recurring) include expansion investments in the form of new construction activities on own land, but not purchased development projects. In calculating the adjusted total investments per square metre, consolidation effects, investments in new construction activities on own land, own work capitalised and subsidies recognised in profit or loss for portfolio properties are eliminated from the total investments.

INVESTMENTS	01.01. -	01.01. -
€ million	31.12.2025	31.12.2024
Maintenance expenses (for internally and externally procured services)	-182.7	-166.9
Adjustments for consolidation effects	8.1	11.4
Maintenance expenses (adjusted)	-174.6	-155.5
Capex (capital expenditure)	-277.4	-269.6
Adjustments for consolidation effects	16.4	12.5
Capex (recurring)	-261.0	-257.1
Adjustments (new construction on own land, own work capitalised, subsidies recognised in profit or loss)	32.8	46.3
Capex (adjusted)	-228.2	-210.8
Total investments (adjusted)	-402.8	-366.3
Area of investment property in million sqm	11.2	10.8
Average investments per sqm in € (adjusted)	36.11	33.99
thereof maintenance expenses per sqm (EUR)	15.7	14.4
thereof capital expenditure per sqm (EUR)	20.5	19.6

4. EPRA net tangible assets (EPRA NTA)

EPRA-NTA is a financial key figure for Group management. As of 31 December 2025, LEG reports an EPRA NTA of EUR 10,363.7 million, equivalent to EUR 137.14 per share. Deferred taxes on investment property are adjusted for the amount attributable to LEG's planned property disposals. The figures are presented exclusively on a diluted basis. As of 31 December 2025, no dilution effects from the convertible bonds are considered as the share price on the reporting date does not exceed the current conversion prices.

EPRA NTA	31.12.2025	31.12.2024
€ million		
Equity attributable to shareholders of the parent company	8,693.9	7,371.5
Effect from the exercise of options, convertible bonds and other equity rights	38.1	29.2
Diluted NAV at fair value	8,732.0	7,400.7
Deferred taxes on investment property, subsidised housing loans and derivatives	1,680.1	2,025.7
Fair value measurement of financial instruments (net)	-42.8	-44.8
Intangible assets	-5.6	-6.2
EPRA NTA	10,363.7	9,375.4
Number of shares (diluted)	75,570,800	74,469,665
EPRA NTA per share (in €)	137.14	125.90

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

Effects from the exercise of options, convertible bonds and other equity rights amounting to EUR 38.1 million are reported as recognised purchase price obligations from share deals.

Deferred taxes resulting from the measurement of investment property, from the measurement of publicly subsidised loans and from the measurement of derivatives are adjusted for in the amount of their effect on equity. Deferred taxes relating to the planned sales programme are not included in the calculation of EPRA NTA. The deferred taxes on investment property, subsidised housing loans and derivatives included in EPRA NTA amount to a total of EUR 1,680.1 million as of 31 December 2025.

The effects of the fair value measurement of derivative financial instruments are also eliminated in the calculation of EPRA NTA. If these effects from the valuation of derivatives relate to the equity value determined in the item "Effect from the exercise of options, convertible bonds and other equity rights", they are not included in the item

“Fair value measurement of derivative financial instruments (net)”. These effects amounted to EUR -42.8 million as of 31 December 2025.

In addition, all recognised intangible assets are eliminated. These totalled EUR 5.6 million as of 31 December 2025.

5. Loan-to-value ratio (LTV)

Net debt in relation to real estate assets decreased during the financial year, primarily due to the valuation uplift and expansion of the property portfolio as well as to property sales, despite an increase in external financing.

This results in a loan-to-value (LTV) ratio of 46.8 % (31 December 2024: 47.9 %).

LOAN-TO-VALUE RATIO		
€ million	31.12.2025	31.12.2024
Financial liabilities	10,155.3	9,718.6
Without lease liabilities IFRS 16 (not leasehold)	45.6	47.4
Less cash and cash equivalents	816.8	914.3
Net financial liabilities	9,292.9	8,756.9
Investment property	19,591.4	17,853.3
Assets held for sale	67.3	141.0
Investments in other housing companies	182.7	298.7
Real estate assets	19,841.4	18,293.0
Loan-to-value ratio (LTV) in %	46.8	47.9

I. Other disclosures

1. Overview of cost types

The following cost types are contained in the various functions:

COST TYPES		
€ million	2025	2024
Cost of purchased services	536.6	506.1
Personnel expenses	158.6	153.7
Depreciation and amortisation	23.4	21.5

Personnel expenses of EUR 158.6 million are composed as follows:

PERSONNEL EXPENSES		
€ million	2025	2024
Wages and salaries	131.1	130.0
Social security	27.3	23.9
Pensions	0.2	-0.2
Total personnel expenses	158.6	153.7

2. Capital management

The objective of LEG's capital management is to ensure the company's continued operation while also generating returns for shareholders. In addition, all other stakeholders of LEG should receive the services to which they are entitled. Overall, the aim is to increase LEG's value.

This end-to-end capital management strategy has not changed since the previous year.

As is customary in the industry, LEG monitors capital on the basis of loan-to-value (LTV). The LTV corresponds to the ratio of financial liabilities less cash and cash equivalents and lease liabilities in accordance with IFRS 16 to the sum of investment property, assets held for sale and advance payments for investment property and investments in other housing companies.

Unchanged from the previous year, LEG's goal in the current financial year was to improve LTV in order to continue to ensure access to debt financing at economically reasonable financing costs in the long term. With regard to the calculation of the LTV as of 31 December 2025 and 31 December 2024, we refer to section H.

Information on restricted funds can be found in section E.6.

3. Financial instruments

a) Other disclosures on financial instruments

The following table shows the financial assets and liabilities broken down by measurement category and class. Liabilities from finance leases and hedged derivatives are included even though they are not assigned to an IFRS 9 measurement category. Non-financial assets and non-financial liabilities are also included for the purposes of reconciliation even though they are not covered by IFRS 7:

MEASUREMENT CATEGORIES AND CLASSES OF FINANCIAL ASSETS AND LIABILITIES IN 2025				
€ million	Measurement (IFRS 9)		Measurement (IFRS 16)	
	Carrying amounts in statement of financial position as of 31.12.2025	(Amortised) cost	Fair value recognised in profit or loss	Fair value as of 31.12.2025
Assets				
Financial assets	180.1			180.1
AC	0.6	0.6		0.6
FVtPL	170.9		170.9	170.9
Hedged derivatives	8.6			8.6
Receivables and other assets	193.0			–
AC	168.9	168.9		168.9
Other non-financial assets	24.1			–
Cash and cash equivalents	756.5			756.5
AC	756.5	756.5		756.5
Total	1,129.6	926.0	170.9	936.6
of which IFRS 9 measurement categories				
AC	926.0	926.0		926.0
FVtPL	170.9		170.9	170.9
Equity and liabilities				
Financial liabilities	-10,155.3			-9,576.3
FLAC	-10,011.6	-10,011.6		-9,576.3
Liabilities from lease financing	-143.7		-143.7	
Other liabilities	-357.9			-160.8
FLAC	-144.2	-144.2		-144.2
Derivatives HFT	-10.7		-10.7	-10.7
Hedged derivatives	-5.9			-5.9
Other non-financial liabilities	-197.1			–
Total	-10,513.2	-10,155.8	-10.7	-9,737.1
of which IFRS 9 measurement categories				
FLAC	-10,155.8	-10,155.8		-9,720.5
Derivatives HFT	-10.7		-10.7	-10.7

AC = Amortised cost

FLAC = Financial liabilities at cost

HFT = Held for trading

FVtPL = Fair value through profit or loss

MEASUREMENT CATEGORIES AND CLASSES OF FINANCIAL ASSETS AND LIABILITIES IN 2024				
€ million	Measurement (IFRS 9)		Measurement (IFRS 16)	
	Carrying amounts in statement of financial position as of 31.12.2024	(Amortised) cost	Fair value recognised in profit or loss	Fair value as of 31.12.2024
Assets				
Financial assets	300.3			300.3
AC	0.5	0.5		0.5
FVtPL	287.0		287.0	287.0
Hedged derivatives	12.8			12.8
Receivables and other assets	745.2			–
AC	708.2	708.2		708.2
Other non-financial assets	37.0			–
Cash and cash equivalents	306.9			306.9
AC	306.9	306.9		306.9
Total	1,352.4	1,015.6	287.0	607.2
of which IFRS 9 measurement categories				
AC	1,015.6	1,015.6		1,015.6
FVtPL	287.0		287.0	287.0
Equity and liabilities				
Financial liabilities	-9,718.6			-9,192.0
FLAC	-9,576.1	-9,576.1		-9,192.0
Liabilities from lease financing	-142.5		-142.5	
Other liabilities	-388.5			-235.3
FLAC	-169.2	-169.2		-169.2
Derivatives HFT	-55.5		-55.5	-55.5
Hedged derivatives	-10.6			-10.6
Other non-financial liabilities	-153.2			–
Total	-10,107.1	-9,745.3	-55.5	-142.5
of which IFRS 9 measurement categories				
FLAC	-9,745.3	-9,745.3		-9,361.2
Derivatives HFT	-55.5		-55.5	-55.5

AC = Amortised cost

HFT = Held for trading

FVtPL = Fair value through profit or loss

FLAC = Financial liabilities at cost

The fair value of the equity interest in BCP amounted to EUR 124.1 million as of 31 December 2024. This investment was classified as Level 2 in the fair value hierarchy, as it was not possible to determine a reliable price on the basis of the stock market price. The valuation of the shares was therefore based on the terms of the BCP share purchase (EUR 45 per share). BCP and its subsidiaries were fully consolidated with effect from the completion of the share purchase on 3 January 2025.

The fair value of the other equity investments amounted to EUR 170.9 million as of 31 December 2025 (previous year: EUR 162.9 million) and was calculated using accepted valuation techniques, as there are no quoted prices on an active market for these equity investments. The fair values calculated using valuation models are allocated to Level 3 of the IFRS 13 measurement hierarchy. They are allocated to Level 3 on account of the use of inputs not observed on a market in the measurement model. For the remaining companies, the valuation is carried out using the simplified income capitalisation approach.

The key model parameter in the simplified income capitalisation approach is the capitalisation rate of 9.2 % (previous year: 8.8 %). The fair value of the asset-holding companies is determined on the basis of the property values of the respective companies. The property values are determined on the basis of asking prices from a market database. The 25 % percentile of the asking prices was selected for the valuation.

The stress test of the relevant valuation parameters as of 31 December 2025 was carried out for the other companies by increasing or decreasing the capitalisation rate by 50 basis points and for the real estate companies by using the 10 % percentile or median of the asking prices. The stress test of these parameters using the 10 % percentile and an increase in the capitalisation rate by 50 basis points results in a reduction of the fair value to EUR 119.9 million (previous year: EUR 124.7 million). Conversely, using the median and a decrease in the capitalisation rate by 50 basis points leads to an increase in the fair value to EUR 224.4 million (previous year: EUR 221.9 million).

Trade receivables, other financial assets and other assets, as well as trade payables and other liabilities, have predominantly short remaining terms. The carrying amounts are approximately equal to their fair value.

Originated financial instruments (liabilities from real estate and corporate financing, FLAC category) whose fair value does not correspond to their carrying amount are classified as financial liabilities. The fair value of loan liabilities is determined as the present value of future cash flows, taking into account the risk-free interest rates applicable on the reporting date as well as the LEG-specific risk premium.

Net income for each measurement category is broken down as follows:

NET INCOME	
€ million	2025
AC	72.2
FVtPL (assets)	3.0
FVtPL (liabilities)	38.6
FLAC	-206.1
Total	-92.3

NET INCOME	
€ million	2024
AC	-39.6
FVtPL (assets)	32.6
FVtPL (liabilities)	3.3
FLAC	-188.9
Total	-192.6

Net income contains remeasurement effects in addition to interest expenses during the financial year.

b) Risk management

Risk management principles:

LEG is exposed to default risk, liquidity risk and market risk as a result of its use of financial instruments. To take these risks into account, LEG has an effective risk management system supported by the clear functional organisation of the risk controlling process.

The effectiveness of the risk management system is reviewed and assessed regularly on a company-wide basis by the Internal Audit and Compliance unit. Where adjustments are necessary or areas for improvement are identified, the Internal Audit and Compliance unit advises on, examines and monitors these activities.

The framework for the Group's financial policy is determined by the Management Board and monitored by the Supervisory Board. The implementation of financial policy is the responsibility of Corporate Finance and Treasury, while ongoing risk management is handled by Controlling and Risk Management. The use of derivative financial instruments is governed by a corresponding Treasury policy adopted by the Management Board and acknowledged by the Supervisory Board. Derivative financial instruments may be used solely to hedge existing underlying

transactions, future cash flows and planned transactions whose occurrence is reasonably certain. Derivative financial instruments are used only to hedge against interest rate risks.

c) Default risk

Credit or default risk describes the risk that business partners – predominantly the tenants of the properties held by LEG – will be unable to meet their contractual payment obligations and that this will result in a loss for LEG. In order to prevent and control default risk to the greatest possible extent, new rentals are subject to credit checks.

Default risk exists for all classes of financial instrument, and in particular for trade receivables. LEG is not exposed to significant default risk with regard to any individual counterparty. The concentration of default risk is limited due to the Group's broad, heterogeneous tenant base.

Rental and leasing activities resulted in gross receivables of EUR 69.4 million at the reporting date (31 December 2024: EUR 66.6 million). Impairment losses amounting to EUR 34.8 million were recognised (31 December 2024: EUR 39.4 million), resulting in net rent receivables of EUR 34.6 million as of 31 December 2025 (31 December 2024: EUR 27.2 million). In connection with this, there is rental security (primarily rental deposits) amounting to EUR 51.6 million (31 December 2024: EUR 42.4 million) that can only be considered for offsetting outstanding receivables under restrictive conditions.

Offsetting is only possible if the receivable being offset is either:

- * undisputed, or
- * legally established by a final court ruling, or
- * clearly justified.

Offsetting by the lessor against receivables that are clearly disputed or not covered by the lease (such as receivables from operating expenses) is not permitted. In addition, the restrictions of section 9(5) sentence 1 of the German Controlled Tenancy Act (WoBindG) must be observed.

With regard to cash and derivatives, LEG generally enters into contracts only with financial institutions with very high creditworthiness. The creditworthiness of counterparties is monitored and assessed by LEG on an ongoing basis, taking into account external ratings from various agencies (e.g. Standard & Poor's, Moody's, Fitch and others), the findings of internal research and financial market information. Depending on the availability of information with sufficient informative value, LEG refers to one or more of the data sources described above. In the event of a significant deterioration in the creditworthiness of a counterparty, LEG aims to reduce its existing exposures as quickly as possible. New exposures are no longer entered into with counterparties that have previously been replaced. Accordingly, the expected credit loss is not taken into account.

As shown in the table below, the carrying amounts of recognised financial assets less any write-downs represent the highest default risk. The carrying amount of financial assets represents the maximum default risk. The default risk for interest rate derivatives is limited to the amount of the positive fair values of derivatives.

The table below shows the financial assets determined to be impaired at the end of the reporting period:

IMPAIRED FINANCIAL ASSETS			
€ million	Carrying amount		
Classes of financial instruments as of 31.12.2025	before impairment	Impairment	Carrying amount after impairment
Loans and receivables	30.8	–	30.8
Other financial assets	99.9	-7.4	92.5
Trade receivables	83.0	-37.1	45.9
Cash and cash equivalents	756.5	–	756.5
Total	970.2	-44.5	925.7

IMPAIRED FINANCIAL ASSETS			
€ million Classes of financial instruments as of 31.12.2024	Carrying amount before impairment	Impairment	Carrying amount after impairment
Loans and receivables	10.4	–	10.4
Other financial assets	665.2	-11.4	653.8
Trade receivables	83.0	-42.1	40.9
Cash and cash equivalents	306.9	–	306.9
Total	1,065.5	-53.5	1,012.0

To calculate the expected credit losses for trade receivables, which essentially comprise rent receivables that are due and not yet due, as well as for operating and heating costs that have not yet been invoiced and are included in other financial assets, LEG uses the simplified approach of the expected credit loss model in accordance with IFRS 9 in order to take potential impairment on a receivable into account on initial recognition. Lifetime expected credit losses are therefore calculated for all trade receivables and for contract assets.

In calculating the impairment rates for rent receivables that are due, location-specific risk profiles are also taken into account within the individual past due ranges. This includes both the historical default rate for outstanding rent receivables and an assessment of the future development of a location.

Locations are divided into three categories (good, medium, poor), giving rise to the following impairment matrix in accordance with IFRS 9 in the reporting year (unchanged since the previous year):

IMPAIRMENT RATES FOR RENT RECEIVABLES – IFRS 9				
		Impairment in percent		
		Good locations	Medium locations	Poor locations
0 to 60	Active	1.0	25.0	45.0
61 to 90	Active	8.0	35.0	55.0
91 to 120	Active	10.0	37.0	57.0
121 to 180	Active	13.0	40.0	60.0
More than 180	Active	18.0	45.0	65.0
0 to 60	Past	43.0	70.0	90.0
More than 60	Past	60.0	87.0	100.0

The gross receivables, broken down by time past due and location-based risk profiles, comprise rent receivables that are due after offsetting tenant credit. Taking allowances into account, the net receivables are as follows at the end of the reporting period:

IMPAIRMENT FOR RENT RECEIVABLES – IFRS 9							
		Gross receivables					
Age of rent receivables/time past due in days	Lease-status	Good locations	Medium locations	Poor locations	Impairments	Net receivables as of 31.12.2025	
0 to 60	Active	1.0	5.0	6.7	4.3	8.4	
61 to 90	Active	0.2	0.6	0.8	0.7	0.9	
91 to 120	Active	0.2	0.8	1.0	0.9	1.1	
121 to 180	Active	0.1	0.7	0.8	0.7	0.9	
More than 180	Active	1.4	5.9	5.6	6.6	6.3	
0 to 60	Past	0.3	1.2	1.5	2.3	0.7	
More than 60	Past	1.2	7.1	6.6	13.5	1.4	
		4.4	21.3	23.0	29.0	19.7	

IMPAIRMENT FOR ENT RECEIVABLES – IFRS 9						
Age of rent receivables/time past due in days	Lease status	Gross receivables			Impairments	Net receivables as of 31.12.2024
		Good locations	Medium locations	Poor locations		
0 to 60	Active	1.0	4.3	6.1	3.9	7.5
61 to 90	Active	0.1	0.7	0.8	0.7	0.9
91 to 120	Active	0.1	0.7	0.8	0.7	0.9
121 to 180	Active	0.2	0.8	0.9	0.9	1.0
More than 180	Active	1.1	4.2	5.0	5.3	5.0
0 to 60	Past	0.2	1.1	1.3	2.0	0.6
More than 60	Past	2.5	10.1	10.6	20.9	2.3
		5.2	21.9	25.5	34.4	18.2

For receivables from unbilled operating and heating costs, as well as for rent receivables outstanding but not yet due, a value adjustment of 20.0 % was applied in the reporting year (31 December 2024: 20.0 %). For rent receivables outstanding but not yet due that are subject to an instalment payment agreement, a value adjustment of 25.0 % was applied in the reporting year (31 December 2024: 25.0 %). The expected loss rate is estimated using past loss rates for all items recognised as due.

Rent receivables and receivables from operating costs are derecognised if there is no longer a reasonable expectation of recovery.

The following impairment losses were recorded in the 2025 and 2024 financial years, broken down as follows:

IMPAIRMENT LOSSES 2025				
€ million	As of 01.01.2025	Addition	Utilisation	As of 31.12.2025
Trade receivables	42.2	38.9	-44.0	37.1
Other financial assets	11.4	2.6	-6.6	7.4
Total	53.6	41.5	-50.6	44.5

IMPAIRMENT LOSSES 2024				
€ million	As of 01.01.2024	Addition	Utilisation	As of 31.12.2024
Trade receivables	37.3	34.7	-29.8	42.2
Other financial assets	13.2	10.0	-11.8	11.4
Total	50.5	44.7	-41.6	53.6

d) Liquidity risks

LEG defines liquidity risk as the risk that the Group will be unable to meet its own payment obligations at a contractually agreed date.

To ensure that this is not the case, LEG's liquidity requirements are monitored and planned on an ongoing basis by Corporate Finance and Treasury. Sufficient cash and cash equivalents to meet the Group's obligations for a defined period are available at all times. In addition, LEG has credit lines or overdraft facilities amounting to EUR 765.0 million (31 December 2024: EUR 765.0 million).

The following table shows the contractually agreed (undiscounted) interest and principal payments for LEG's primary financial liabilities and its derivative financial instruments with negative fair values. The maturities are based on the contractually agreed fixed interest periods for the respective financial liabilities.

TYPE OF LIABILITIES ON 31.12.2025				
€ million	Carrying amount	Remaining term		
		< 1 year	1-5 years	> 5 years
Financial liabilities from loans payable and convertible and corporate bonds	10,011.6	1,157.1	4,942.6	5,288.1
Financial liabilities from lease financing	143.7	11.7	31.1	192.1
Interest rate derivatives	5.9	1.5	5.5	0.3
Embedded derivatives	10.7	–	–	–
Liabilities to employees	20.0	19.6	-0.0	0.4
Liabilities from operating costs	3.1	3.1	–	–
Liabilities from rental and leasing	37.4	37.4	–	–
Trade payables	114.9	109.0	5.9	–
Other	75.6	26.5	9.9	39.2
Total	10,422.9	1,365.9	4,995.0	5,520.1

The embedded derivatives of the convertible bonds do not result in any direct cash outflows.

TYPE OF LIABILITIES ON 31.12.2024				
€ million	Carrying amount	Remaining term		
		< 1 year	1-5 years	> 5 years
Financial liabilities from loans payable and convertible and corporate bonds	9,576.1	765.1	4,499.2	5,483.3
Financial liabilities from lease financing	142.5	12.1	29.7	190.7
Interest rate derivatives	10.6	1.5	5.5	0.3
Embedded derivatives	55.5	–	–	–
Liabilities to employees	23.8	23.5	0.0	0.3
Liabilities from operating costs	1.6	1.6	–	–
Liabilities from rental and leasing	36.7	36.7	–	–
Trade payables	122.4	116.3	6.1	–
Other	80.6	46.5	10.1	24.0
Total	10,049.8	1,003.3	4,550.6	5,698.6

All instruments for which payments were contractually agreed at the end of the reporting period are included. Forecast figures for future new liabilities are not included. Floating-rate interest payments for financial instruments are calculated using the most recent interest rates prior to the end of the reporting period. Financial liabilities that are repayable at any time are always allocated to the earliest repayment date.

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

The collateralised financing agreements contain standard market covenants.

In the event of a failure to comply with the agreed covenants, LEG generally has the opportunity to resolve the situation; however, certain cases of non-compliance can result in the financing bank having the right to terminate the loan agreement with immediate effect. In addition, some agreements provide the bank with the possibility of increasing interest and principal payments or demanding further security for compliance with the covenants in the event of non-compliance. In any case, permanently unremedied breaches of agreed covenants result in a right of termination for the financing bank.

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

COVENANTS	Threshold	2025	2024
	Consolidated net financial indebtedness to total assets	max. 60 %	44.7 %
Secured financial indebtedness to total assets	max. 45 %	16.5 %	16.2 %
Unencumbered assets to unsecured financial indebtedness	min. 125 %	177.0 %	191 %
ICR: Consolidated adjusted EBITDA to net cash interest	min. 1.8 x	4.3 x	4.3 x

The total volume of financing for which the covenants are relevant to LEG Immobilien SE is EUR 6,480.7 million (31 December 2024: EUR 6,396.9 million).

As part of its company-wide risk management, LEG has implemented a process to continuously monitor compliance with the covenants for secured and unsecured financing. The financial covenants at Group level for capital market financing are calculated at each reporting date at the end of the quarter; the financial covenants for secured financing are calculated at the time contractually agreed with the bank. In the 2025 financial year, the financial ratios agreed with the financing partners were complied with, and no breaches are anticipated in the future.

e) Market risks

LEG is subject to significant interest rate risk on account of its business activities. Interest rate risk results in particular from floating-rate liabilities to banks. In order to limit interest rate risk, LEG generally enters into fixed or floating-rate loans, sometimes in connection with interest payer swaps. Around 98 % of financial liabilities are hedged in this way.

LEG uses derivative financial instruments exclusively to hedge interest rates. The Treasury policy prohibits the use of derivatives for speculative purposes.

The following derivative financial instruments were held as of 31 December 2025:

DERIVATIVES ON 31.12.2025		
€ million	Fair value	thereof due < 1 year
Derivatives – HFT – assets	0.0	0.0
thereof from interest rate swaps	0.0	0.0
Derivatives – HFT – liabilities	-10.9	-10.7
thereof from interest rate swaps	-0.2	–
thereof from embedded derivatives	-10.7	-10.7
Hedged derivatives	2.7	1.2

The following derivative financial instruments were held as of 31 December 2024:

DERIVATIVES ON 31.12.2024		
€ million	Fair value	thereof due < 1 year
Derivatives – HFT – assets	0.0	–
thereof from interest rate swaps	0.0	–
Derivatives – HFT – liabilities	-55.7	-55.5
thereof from interest rate swaps	-0.2	–
thereof from embedded derivatives	-55.5	-55.5
Hedged derivatives	2.2	–

The derivatives entered into by LEG are used as hedging instruments in accordance with IFRS 9 if they meet the conditions for hedge accounting. The cash flows from underlying transactions secured under cash flow hedge accounting will occur between 2026 and 2030 and will simultaneously impact the statement of comprehensive income.

The following table shows the amount recognised directly in/reversed directly to other comprehensive income in the reporting period. Reversals are made against net interest income. This amount corresponds to the effective portion of the change in fair value:

EQUITY IMPLICATIONS		
€ million	2025	2024
Opening balance as of 1 January	0.5	10.6
Recognised in equity in reporting period	-3.8	-24.0
Reversed from equity to statement of comprehensive income	4.6	13.9
Closing balance as of 31 December	1.3	0.5

The effects of accounting for interest rate swaps on the financial position and financial performance of the Group are as follows:

EFFECTS OF HEDGING INSTRUMENTS		
€ million	2025	2024
Hedging ratio	1:1	1:1
Weighted average interest rate	1.61	1.64
Change in fair value of outstanding hedging instruments	0.6	-9.1
Change in value of the underlying transaction	-0.7	9.7
Nominal amount of hedging instruments as of 31 December	665.4	668.5
thereof due < 1 year	212.2	3.1
thereof due 1-5 years	453.2	351.4
thereof due > 5 years	–	314.0

f) Sensitivity analysis

Interest rate risks are presented using sensitivity analyses in accordance with IFRS 7. As part of the sensitivity analysis, the impact of a change in market interest rates on interest income and expenses, trading gains and losses, as well as LEG's equity at the reporting date, is determined.

The effects on LEG's equity and statement of comprehensive income are examined in the sensitivity analysis using a +/- 50 bp parallel shift in the euro yield curve. The cash flow effects from shifts in the interest rate curve relate solely to interest expenses and income for the next reporting period.

Based on the financial instruments held or issued by LEG at the end of the reporting period, a hypothetical change in the applicable interest rates for the respective instruments as quantified using sensitivity analysis would have had the following effects (before taxes) at the end of the reporting period:

FINANCIAL INSTRUMENTS				
€ million	Equity effect		Statement of comprehensive income effect	
	+50 bp	-50 bp	+50 bp	-50 bp
on 31.12.2025				
Net position of all interest-sensitive financial instruments				
Financial liabilities	–	–	-1.2	1.2
Interest rate derivatives	8.4	-8.4	–	–
Embedded derivatives	–	–	-15.0	14.8

Embedded derivatives are subject to both interest rate risk and share price risk. If the market price of the overall instrument had been 5 % higher (lower) at the reporting date due to a change in the share price of LEG Immobilien SE, the fair value of the embedded derivatives would have been EUR 27.4 million higher (or EUR 27.4 million lower), assuming all other parameters remained unchanged.

g) Offsetting financial assets and financial liabilities

The following financial assets are subject to offsetting:

€ million	Gross amount		Net amount of financial assets reported in the statement of financial position	Related amounts not netted in the statement of financial position		
	Gross amount of reported financial assets	Gross amount of reported financial liabilities netted in the statement of financial position		Financial instruments	Cash collateral received	Net amount
FINANCIAL ASSETS						
31.12.2025						
Operating costs not yet billed (work in progress)	496.7	-483.4	13.3	–	–	13.3
Cash and cash equivalents	756.5	–	756.5	-136.3	–	620.2
Total	1,253.2	-483.4	769.8	-136.3	–	633.5
31.12.2024						
Operating costs not yet billed (work in progress)	483.2	-453.7	29.5	–	–	29.5
Cash and cash equivalents	306.9	–	306.9	-197.8	–	109.1
Total	790.1	-453.7	336.4	-197.8	–	138.6

The following financial liabilities are subject to offsetting:

	Gross amount		Net amount of financial liabilities reported in the statement of financial position	Related amounts not netted in the statement of financial position		
	Gross amount of reported financial liabilities	Gross amount of reported financial assets netted in the statement of financial position		Financial instruments	Cash collateral provided	Net amount
FINANCIAL LIABILITIES						
31.12.2025						
Advance payments received	-531.6	483.4	-48.2	–	–	-48.2
Financial liabilities from real estate financing	-10,011.6	–	-10,011.6	136.3	–	-9,875.3
Total	-10,543.2	483.4	-10,059.8	136.3	–	-9,923.5
31.12.2024						
Advance payments received	-472.7	453.7	-19.0	–	–	-19.0
Financial liabilities from real estate financing	-9,567.1	–	-9,567.1	197.8	–	-9,369.3
Total	-10,039.8	453.7	-9,586.1	197.8	–	-9,388.3

4. Number of employees

The average number of employees at LEG developed as follows compared to the previous year:

NUMBER OF EMPLOYEES				
	Average number of employees 2025	Employee capacity (FTEs) 2025	Average number of employees 2024	Employee capacity (FTEs) 2024
Operations	1,091	1,010	1,106	1,037
Management	213	193	199	180
Special purpose entities	631	586	622	591
Total	1,935	1,789	1,927	1,808

5. Total auditor's fees

The total fees paid to the auditor of the consolidated financial statements are composed as follows:

TOTAL AUDITOR'S FEES	2025	2024
€ million		
Audits of financial statements	1.7	1.9
Other audit services	0.4	0.5
Total fees	2.1	2.4

The audit services mainly include the fees for the audit of the consolidated financial statements and the legally required audits of LEG Immobilien SE and the subsidiaries included in the consolidated financial statements. The fees for other assurance services mainly include the issuance of a comfort letter as well as the business audit of the non-financial Group statement to obtain limited assurance.

No further services were provided by the auditor's network.

6. IFRS 2 programmes

Management Board remuneration programme

The agreements for members of the Management Board provide for a long-term incentive programme to be offered for each financial year. The LTI has a performance period of four years. The amount of LTI remuneration is dependent on the achievement of the financial performance target of the development of total shareholder return relative to the relevant property index (EPRA NAREIT Germany Index) and non-financial environmental, social and governance targets (ESG targets).

The programme is treated as cash-settled share-based remuneration in accordance with IFRS 2. Based on the Management Board's assessment and the Supervisory Board's approval regarding the achievement of performance thresholds, a personnel expense of EUR -0.9 million was recognised as of 31 December 2025 based on an actuarial report (31 December 2024: EUR 4.0 million). The provision for the long-term incentive plans amounted to EUR 8.6 million as of 31 December 2025 (31 December 2024: EUR 11.3 million).

The fair value of a performance share unit is EUR 61.79 for the 2026 LTI tranche, EUR 53.32 for the 2025 LTI tranche, EUR 65.09 for the 2024 LTI tranche and EUR 76.34 for the 2023 LTI tranche.

For the 2022 LTI tranche, a target achievement rate of 149.91 % was reached.

The total intrinsic value of liabilities at the end of the reporting period for which the counterparty's right to receive cash or other assets was exercisable at the end of the reporting period amounted to EUR 2.0 million as of 31 December 2025 (31 December 2024: EUR 1.8 million).

Senior management remuneration programme

The Management Board and Supervisory Board of LEG Immobilien SE resolved to introduce a share-based remuneration programme for second level managers at LEG from 1 January 2021 with the aim of giving senior management a greater share in the company's success. The remuneration programme is granted in annual tranches with an individual term of four financial years for each tranche. Each tranche consists of the executive's own investment in LEG Immobilien SE shares and a partly performance-based component in euro. The condition for granting the performance-based component of the programme is the manager's own investment in LEG Immobilien SE shares combined with a holding period of four years. This personal investment results in a higher share-based factor in the remuneration of senior management.

The programme is treated as cash-settled share-based remuneration in accordance with IFRS 2. Personnel expenses amounting to EUR 0.5 million were recognised as of 31 December 2025 (31 December 2024: EUR 0.9 million). The provision amounted to EUR 1.4 million as of 31 December 2025 (31 December 2024: EUR 1.4 million).

Employee share programme

LEG also offers all its employees the chance to participate in an employee share programme in order to enhance employee identification with the company's goals.

The programme is treated as cash-settled share-based remuneration in accordance with IFRS 2. Personnel expenses amounting to EUR 0.4 million were recognised as of 31 December 2025 (31 December 2024: EUR 0.3 million).

7. Related party disclosures

Related parties are defined as companies and persons that have the ability to control LEG or exercise significant influence over its financial and business policy. The existing control relationships were taken into account when determining the significant influence that related parties can exercise over LEG's financial and business policy.

Related persons

The related persons of LEG Immobilien SE include the Management Board and the Supervisory Board of LEG Immobilien SE.

Related companies

LEG Immobilien SE's related companies include all subsidiaries and associates of LEG.

Transactions with related parties are conducted at arm's-length conditions.

The following table shows the receivables from and liabilities to related companies at the end of the reporting period and expenses and income involving related companies for the financial year:

RECEIVABLES FROM AND LIABILITIES TO RELATED COMPANIES		
€ million	31.12.2025	31.12.2024
Statement of financial position		
Receivables from equity investments	0.6	0.5
Receivables from non-consolidated companies	-0.9	1.6
Receivables from associates	5.7	0.2
Liabilities to equity investments	0.3	0.3

INCOME FROM AND EXPENSES FOR RELATED COMPANIES		
€ million	2025	2024
Statement of comprehensive income		
Income from associates	-5.5	0.1
Income from equity investments	0.5	8.8

The income from related parties comprises the pro rata annual results of companies accounted for using the equity method and distributions by equity investments.

a) Related company disclosures

Related companies controlled by LEG Immobilien SE or which it significantly influences are included in the consolidated financial statements. Intragroup transactions under existing service and management agreements between the companies are eliminated in consolidation.

There was no significant exchange of goods and services with the other unconsolidated subsidiaries or associates.

b) Related person disclosures

With the exception of the remuneration paid to the company's executive bodies as described below, there were no transactions with related persons in the reporting year.

The total remuneration of the Management Board is shown in the following table:

TOTAL REMUNERATION OF THE MANAGEMENT BOARD		
€ thousand	2025	2024
Fixed remuneration	2,224	2,130
Additional benefits	76	73
Total fixed remuneration components	2,300	2,203
One-year variable remuneration (STI)	2,067	2,325
Multi-year variable remuneration (LTI)	2,027	1,754
Total variable remuneration components	4,094	4,079
Pension costs	227	225
Total remuneration	6,621	6,507

The basis for calculating the STI is the achievement of the respective consolidated IFRS business plan. The STI consists of an annual payment based on the following three targets: AFFO (capex-adjusted FFO I) per share, adjusted EBITDA margin, and non-financial environmental, social and governance (ESG) targets. The first two targets each account for 40 % and the latter target for 20 % of the STI. The target achievement rate for the STI 2025 is 131.55 %.

No advances or loans were granted or disbursed to the members of the Management Board in the 2025 financial year.

Pension provisions for former Management Board members amounted to EUR 0.2 million as of 31 December 2025 (31 December 2024: EUR 0.2 million).

The total remuneration of the members of the Supervisory Board of LEG Immobilien SE was EUR 1.2 million in 2025 (31 December 2024: EUR 1.1 million).

No advances or loans were granted or disbursed to the members of the Supervisory Board in the 2025 financial year.

Recognised expenses for the remuneration of members of the Management Board and Supervisory Board in accordance with IAS 24.17 can be summarised as follows:

MANAGEMENT BOARD AND SUPERVISORY BOARD BENEFITS		
€ thousand	2025	2024
Short-term benefits	5,772	5,899
Share-based remuneration	-941	4,030
Total	4,831	9,929

8. Guarantees and contingent liabilities

LEG's guarantees and contingent liabilities are as follows:

GUARANTEES AND CONTINGENT LIABILITIES		
€ million	31.12.2025	31.12.2024
Guarantees	0.1	0.1

Above and beyond this, guarantees and contingent liabilities relate exclusively to intragroup matters that have generally already been recognised as liabilities at the level of the respective group companies.

9. Other financial commitments

LEG's other financial commitments are composed as follows:

OTHER FINANCIAL COMMITMENTS		
€ million	31.12.2025	31.12.2024
Purchase of energy	43.0	59.2
Purchase obligations	70.9	78.7

10. Management Board

LEG Immobilien SE is represented by its Management Board, whose members are as follows:

Mr Lars von Lackum, CEO of LEG Immobilien SE, Düsseldorf

Dr Kathrin Köhling, CFO of LEG Immobilien SE, Mülheim an der Ruhr

Dr Volker Wiegel, COO of LEG Immobilien SE, Düsseldorf

Registered office of the company:

Flughafenstr. 99
40474 Düsseldorf

Germany
Commercial register: HRB 92791
Düsseldorf

11. Supervisory Board

The Supervisory Board of LEG Immobilien SE has six members.
The following members were elected by the Annual General Meeting:

Mr Michael Zimmer, Pulheim, Chairman, Managing Partner of FAIR GmbH

Dr Claus Nolting, Munich, Deputy Chairman, lawyer and consultant

Dr Sylvia Eichelberg, Cologne, member of the Management Board and Chief Operating Officer of BarmeniaGothaer Finanzholding AG and member of additional management boards of BarmeniaGothaer Versicherungsgruppe

Dr Katrin Suder, Hamburg, member of various supervisory boards and independent management consultant

Mr Martin Wiesmann, Frankfurt/Main, Managing Partner of Berlin Global Advisors

Mr Christoph Beumer, Meerbusch, member of the Advisory Board and Board of Trustees

12. Events after the end of the reporting period

There were no transactions of material importance to the Group after the end of the financial year.

Declaration of conformity in accordance with section 161 AktG

The Management Board and the Supervisory Board comply with the recommendations of the German Corporate Governance Code as presented in the Group management report. The declaration of conformity is made permanently accessible to shareholders on the company's website at <https://www.leg-wohnen.de/en/corporation/corporate-governance>.

Düsseldorf, 3 March 2026

LEG Immobilien SE

The Management Board

Lars von Lackum

Dr Kathrin Köhling

Dr Volker Wiegel

J. List of shareholdings

The following table shows an overview of LEG's consolidated group:

CONSOLIDATED COMPANIES					
		Share of capital 2025 in %	Share of capital 2024 in %	Equity ^{a)} € thousand	Net profit/ loss ^{a)} € thousand
LEG Immobilien SE, Düsseldorf		Parent company	Parent company		
Rote Rose GmbH & Co. KG, Düsseldorf	1)	100.00	100.00	109,093	-102 ^{c)}
LEG Holding GmbH, Düsseldorf	1)	100.00	100.00	880,763	0 ^{c)e)}
LEG NRW GmbH, Düsseldorf	2)	99.98	99.98	1,719,225	170,092 ^{e)}
LEG Wohnen GmbH, Düsseldorf	2)	100.00	100.00	559,031	0
LEG Wohnungsbau Rheinland GmbH, Düsseldorf	2)	100.00	100.00	112,639	0 ^{c)}
Solis GmbH, Düsseldorf	1)	94.90	94.90	99,333	0 ^{c)}
Rheinweg Grundstücksgesellschaft mbH, Düsseldorf	2)	100.00	100.00	86,392	0 ^{c)}
Luna Immobilienbeteiligungs GmbH, Düsseldorf	1)	94.90	94.90	10,196	0 ^{c)}
Rheinweg Zweite Grundstücksgesellschaft mbH, Düsseldorf	2)	100.00	100.00	78,525	0 ^{c)}
LEG Rheinland Köln GmbH, Düsseldorf	2)	100.00	100.00	33,969	0 ^{c)}
Noah Asset 4 GmbH, Düsseldorf	2)	94.90	94.90	2,616	0 ^{c)}
LEG Wohnen Bocholt GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Bauen und Wohnen GmbH, Düsseldorf	2)	100.00	100.00	2,165	0 ^{c)}
LEG Technologie und Digitalisierung GmbH (formerly: LCS Consulting und Service GmbH), Düsseldorf	1)	100.00	100.00	2,556	0 ^{c)}
LEG Consult GmbH, Düsseldorf	1)	100.00	100.00	302	0 ^{c)}
GWN Gemeinnützige Wohnungsgesellschaft Nordwestdeutschland GmbH, Münster	2)	94.86	94.86	74,582	0 ^{c)}
GeWo Gesellschaft für Wohnungs- und Städtebau mbH, Castrop-Rauxel	2)	94.00	94.00	22,542	0 ^{c)e)}
GeWo Beteiligungsgesellschaft mbH, Düsseldorf	2)	100.00	100.00	26	0 ^{c)}
LEG Properties B.V., Amsterdam, Netherlands	2)	100.00	100.00	2,598	335
LEG Leitwerk GmbH, Düsseldorf	4)	100.00	100.00	25	0 ^{c)}
Calor Carré GmbH, Düsseldorf	2)	94.00	94.00	25	0 ^{c)}
LEG Betreuungsverwaltungsgesellschaft mbH, Düsseldorf	1)	100.00	100.00	13,745	0 ^{c)e)}
LEG Erste WI Bremen GmbH, Düsseldorf	2)	94.90	94.90	25	0 ^{c)}
LEG Zweite WI Bremen GmbH, Düsseldorf	2)	94.90	94.90	4,151	0 ^{c)}
LEG WI Oldenburg GmbH, Düsseldorf	2)	94.90	94.90	4,324	0 ^{c)}
LEG Grundstücksverwaltung GmbH, Düsseldorf	2)	100.00	100.00	531,979	0 ^{e)}
Düsseldorfer Ton- und Ziegelwerke GmbH, Düsseldorf	2)	100.00	100.00	10,455	0 ^{c)}
Germany Property Düsseldorf GmbH, Düsseldorf	2)	94.90	94.90	4,881	0 ^{c)}
LEG Management GmbH, Düsseldorf	1)	100.00	100.00	1,124	0 ^{c)}
LEG Wohnen NRW GmbH, Düsseldorf	1)	100.00	100.00	395	0 ^{c)e)}
LEG LWS GmbH, Düsseldorf	4)	100.00	100.00	25	0 ^{c)}
LWS Plus GmbH, Essen	4)	100.00	100.00	8,557	0 ^{c)}
LEG Bauen GmbH, Düsseldorf	3)	100.00	100.00	66,718	0 ^{c)}
LEG Wohnviertel Dyk GmbH, Düsseldorf	2)	100.00	100.00	453	3 ^{c)}
LEG Standort- und Projektentwicklung Köln GmbH, Düsseldorf	2)	100.00	100.00	13,753	0 ^{c)}
Biomasse Heizkraftwerk Siegerland GmbH & Co. KG, Liebenscheid	5)	94.86	94.86	7,287	-289 ^{c)}
Ravensberger Heimstättengesellschaft mbH, Bielefeld	2)	100.00	100.00	100,705	10,735 ^{c)e)}
Ravensberger Heimstätten Beteiligungsgesellschaft mbH, Düsseldorf	2)	100.00	100.00	26	0 ^{c)}
Gemeinnützige Bau- und Siedlungsgesellschaft Höxter-Paderborn GmbH, Höxter	2)	100.00	100.00	11,909	0 ^{c)}
Ruhr-Lippe Wohnungsgesellschaft mbH, Dortmund	2)	100.00	100.00	318,566	0 ^{c)e)}
Ruhr-Lippe Immobilien-Dienstleistungsgesellschaft mbH, Dortmund	2)	100.00	100.00	7,452	0 ^{c)}
Wohnungsgesellschaft Münsterland mbH, Münster	2)	100.00	100.00	164,978	0 ^{c)e)}
Münsterland Immobilien-Dienstleistungsgesellschaft mbH, Münster	2)	100.00	100.00	114	0 ^{c)}

CONSOLIDATED COMPANIES		Share of	Share of	Equity ^{a)}	Net profit/
		capital	capital	€ thousand	loss ^{a)}
		2025 in %	2024 in %		€ thousand
LEG Erste Grundstücksverwaltungs GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Zweite Grundstücksverwaltungs GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Dritte Grundstücksverwaltungs GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Vierte Grundstücksverwaltungs GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Fünfte Grundstücksverwaltungs GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Sechste Grundstücksverwaltungs GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Siebte Grundstücksverwaltungs GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Achte Grundstücksverwaltungs GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Neunte Grundstücksverwaltungs GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
SW Westfalen Invest GmbH, Düsseldorf	2)	94.90	94.90	78,957	0 ^{c)}
LEG Recklinghausen 1 GmbH, Düsseldorf	2)	94.90	94.90	22,737	0 ^{c)}
LEG Recklinghausen 2 GmbH, Düsseldorf	2)	94.90	94.90	10,926	0 ^{c)}
LEG Niedersachsen GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Rhein Neckar GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Wohngelegenheit Mitte GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Wohngelegenheit Süd GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG Objekt Krefeld-Bockum Verwaltung GmbH, Düsseldorf	1)	100.00	100.00	-200	17 ^{c)}
LEG Rotenburg GmbH (formerly: CeRo Wohnen GmbH, Düsseldorf)	2)	89.88	89.88	-1,085	0 ^{c)}
LEG Osnabrück GmbH (formerly: Cero Wohnen 2 GmbH), Düsseldorf	2)	100.00	100.00	858	0 ^{c)}
LEG II Germany GmbH, Düsseldorf	2)	100.00	100.00	-6,099	0 ^{c)}
LEG Grundstücksverwaltungsgesellschaft mbH & Co. KG, Düsseldorf	2)	100.00	100.00	9,173	332 ^{c)}
LEG Verwaltungsgesellschaft mbH, Düsseldorf	1)	100.00	100.00	112	0 ^{c)}
LEG JADE GmbH, Düsseldorf	2)	100.00	100.00	1,708	0 ^{c)}
LEG 38. Wohnen GmbH, Düsseldorf	2)	100.00	100.00	104	0 ^{c)}
LEG 45. Wohnen GmbH, Düsseldorf	2)	100.00	100.00	111	0 ^{c)}
LEG Baltic GmbH, Düsseldorf	2)	100.00	100.00	5,088	0 ^{c)}
LEG West Immobilien GmbH, Düsseldorf	2)	100.00	100.00	4,028	0 ^{c)}
LEG Niedersachsen Nord GmbH, Düsseldorf	2)	100.00	100.00	34	0 ^{c)}
LEG Niedersachsen Süd GmbH, Düsseldorf	2)	100.00	100.00	5,607	5,573 ^{c)}
LEG Wolfsburg GmbH, Düsseldorf	2)	100.00	100.00	25	0 ^{c)}
LEG West VIII. GmbH, Düsseldorf	2)	100.00	100.00	2,506	0 ^{c)}
Zweite LEG-Real Estate Opportunities GmbH, Düsseldorf	2)	100.00	100.00	4,114	1,971 ^{b) c)}
LEG Nord Service GmbH, Düsseldorf	1)	100.00	100.00	-3	0 ^{c)}
Brack Capital Properties B.V., Amsterdam, Netherlands	1)	100.00	35.66	289,936	-154,352 ^{d) e)}
S.I.B Capital future markets Inc., Israel	1)	100.00	0.00	-263	-304 ^{d)}
Brack Capital (Chemnitz) B.V., Amsterdam, Netherlands	1)	59.90	0.00	-976	-6 ^{d)}
Brack Capital (Alfa) B.V., Amsterdam, Netherlands	2)	89.60	0.00	1,133	23 ^{d)}
Brack Capital (Delta) B.V., Amsterdam, Netherlands	2)	89.60	0.00	339	-6 ^{d)}
Brack Capital (Kassel) GmbH & Co Immobilien KG, Düsseldorf	2)	100.00	0.00	1	18 ^{c) d)}
Brack Capital (Bad Kreuznach) GmbH, Düsseldorf	2)	89.90	0.00	8,220	0 ^{c) d)}
Brack Capital (Neubrandenburg) GmbH, Düsseldorf	2)	89.90	0.00	963	0 ^{c) d)}
Brack Capital (Ludwigsfelde) B.V., Amsterdam, Netherlands	2)	89.90	0.00	-563	-384 ^{d)}
Brack Capital (Remscheid) B.V., Amsterdam, Netherlands	2)	89.90	0.00	-2,560	-158 ^{d)}
BCRE Dortmund Wohnen GmbH, Düsseldorf	2)	89.90	0.00	20,036	0 ^{c) d)}
BCRE Duisburg Wohnen GmbH, Düsseldorf	2)	89.90	0.00	11,597	0 ^{c) d)}
BCRE Essen Wohnen GmbH, Düsseldorf	2)	89.90	0.00	9,026	0 ^{c) d)}
Brack Capital (Gelsenkirchen) GmbH & Co. Immobilien KG, Düsseldorf	2)	99.90	0.00	-5,784	-1,214 ^{c) d)}
Brack Capital (Oberhausen) GmbH, Frankfurt am Main	1)	100.00	0.00	-6	-37 ^{c) d)}
Brack Capital Germany (Netherlands) LIII GmbH, Düsseldorf	2)	89.90	0.00	300	0 ^{c) d)}
Brack Capital Germany (Netherlands) LI GmbH, Düsseldorf	2)	89.90	0.00	4,253	0 ^{c) d)}
Brack Capital Germany (Netherlands) XIX GmbH, Düsseldorf	2)	89.90	0.00	19,588	0 ^{c) d)}
Brack Capital Germany (Netherlands) XLI GmbH, Düsseldorf	2)	89.90	0.00	25,037	0 ^{c) d)}
Brack Capital Germany (Netherlands) XLII GmbH, Düsseldorf	2)	89.90	0.00	24,183	0 ^{c) d)}
Brack Capital Germany (Netherlands) XLIV GmbH, Düsseldorf	2)	89.90	0.00	39,930	0 ^{c) d)}
Brack Capital Germany (Netherlands) XLIX GmbH, Düsseldorf	2)	89.90	0.00	280	0 ^{c) d)}
Brack Capital Germany (Netherlands) XLVII GmbH, Düsseldorf	2)	89.90	0.00	3,948	0 ^{c) d)}
Brack Capital Germany (Netherlands) XXI GmbH, Düsseldorf	2)	89.90	0.00	45,388	0 ^{c) d)}
Brack Capital Germany (Netherlands) XXX GmbH, Düsseldorf	2)	89.90	0.00	40,604	0 ^{c) d)}
Brack Capital Germany (Netherlands) XXXI GmbH, Düsseldorf	2)	89.90	0.00	17,478	0 ^{c) d)}

Brack Capital Germany (Netherlands) XXXIX GmbH, Düsseldorf	2)	89.90	0.00	20,393	0 c) d)
Brack Capital Germany (Netherlands) XXXV GmbH, Düsseldorf	2)	89.90	0.00	51,075	0 c) d)
Brack Capital Germany (Netherlands) XXXVII GmbH, Düsseldorf	2)	89.90	0.00	2,497	0 c) d)
Brack Capital Germany (Netherlands) XXXVIII GmbH, Düsseldorf	2)	89.90	0.00	9,852	0 c) d)
Brack Capital Germany (Netherlands) XXVI B.V., Amsterdam, Netherlands	1)	89.90	0.00	12,740	-7 d) e)
BCP Invest Rostock B.V., Amsterdam, Netherlands	1)	89.90	0.00	3,186	-714 d)
BCP Invest Celle B.V., Amsterdam, Netherlands	1)	89.90	0.00	-6	-6 d)
BCP Invest Castrop B.V., Amsterdam, Netherlands	1)	89.90	0.00	-6	-6 d)
Brack Capital Halle I GmbH, Berlin	2)	89.90	0.00	-996	0 c) d)
Brack Capital Halle II GmbH, Berlin	2)	89.90	0.00	-386	0 c) d)
Brack Capital Halle III GmbH, Berlin	2)	89.90	0.00	-538	0 c) d)
Brack Capital Halle IV GmbH, Berlin	2)	89.90	0.00	-1,153	0 c) d)
Brack Capital Halle V GmbH, Berlin	2)	89.90	0.00	-333	0 c) d)
Brack Capital Leipzig I GmbH, Berlin	2)	89.90	0.00	-179	0 c) d)
Brack Capital Leipzig II GmbH, Berlin	2)	89.90	0.00	-255	0 c) d)
Brack Capital Leipzig III GmbH, Berlin	2)	89.90	0.00	-192	0 c) d)
Brack Capital Leipzig IV GmbH, Berlin	2)	89.90	0.00	-400	0 c) d)
Brack Capital Leipzig V GmbH, Berlin	2)	89.90	0.00	-1,129	0 c) d)
Brack Capital Leipzig VI GmbH, Berlin	2)	89.90	0.00	-28	0 c) d)
Brack Capital Magdeburg I GmbH, Berlin	2)	89.90	0.00	-1,009	0 c) d)
Brack Capital Magdeburg II GmbH, Berlin	2)	89.90	0.00	-95	0 c) d)
Brack Capital Magdeburg III GmbH, Berlin	2)	89.90	0.00	-365	0 c) d)
Brack Capital Magdeburg IV GmbH, Berlin	2)	89.90	0.00	-82	0 c) d)
Brack Capital Magdeburg V GmbH, Berlin	2)	89.90	0.00	-578	0 c) d)
Brack Capital Magdeburg VI GmbH, Berlin	2)	89.90	0.00	1	0 c) d)
Grafental GmbH & Co. KG, Düsseldorf	2)	100.00	0.00	21,939	29,052 c) d)
Grafental Verwaltungs GmbH, Düsseldorf	1)	100.00	0.00	-6	-32 c) d)
Grafental Mitte GmbH, Düsseldorf	2)	89.90	0.00	40,311	0 c) d)
Graniak Leipzig Real Estate GmbH & Co. KG, Düsseldorf	2)	99.90	0.00	6,924	628 c) d)
BCRE Leipzig Residenz am Zoo GmbH, Frankfurt am Main	1)	100.00	0.00	4	-28 c) d)
Investpartner GmbH, Frankfurt am Main	2)	89.90	0.00	25	0 c) d)
Parkblick GmbH & Co. KG, Düsseldorf	2)	99.90	0.00	-4,420	-3,270 c) d)
Grafental am Wald GmbH, Düsseldorf	1)	100.00	0.00	-6	-33 c) d)
Glasmacherviertel GmbH & Co. KG, Düsseldorf	2)	100.00	0.00	-208,494	-87,065 c) d)
Glasmacherviertel Verwaltungs GmbH, Düsseldorf	1)	100.00	0.00	-8	-38 d)
Brack Capital Patros GmbH, Frankfurt am Main	1)	100.00	0.00	351	5,361 c) d) e)
Brack Capital (Gelsenkirchen) B.V., Amsterdam, Netherlands	1)	100.00	0.00	5,049	113 d) e)
Brack Capital Kassel Hafenstr. GmbH, Frankfurt am Main	1)	100.00	0.00	19	-14 c) d)
Brack Capital (Kassel I) B.V., Amsterdam, Netherlands	1)	100.00	0.00	-668	-6 d) e)
Brack Capital Witten GmbH, Düsseldorf	1)	100.00	0.00	26	-5 c) d)
BCRE Theta B.V., Amsterdam, Netherlands	1)	89.82	0.00	5,654	-105 d) e)
Brack Capital Germany (Netherlands) XL B.V., Amsterdam, Netherlands	1)	100.00	0.00	-1,005	-966 d) e)
Brack Capital Germany (Netherlands) XLVIII B.V., Amsterdam, Netherlands	1)	100.00	0.00	-1,128	-488 d) e)
Brack Capital Wuppertal GmbH, Frankfurt am Main	1)	100.00	0.00	4,122	0 c) d) e)
RT Facility Management (Germany) GmbH, Düsseldorf	1)	100.00	0.00	35	-5 c) d)
Youtilly GmbH, Düsseldorf	4)	100.00	100.00	25	0 c)
Erste WohnServicePlus GmbH, Düsseldorf	4)	100.00	100.00	25	0 c)
WohnServicePlus GmbH, Düsseldorf	4)	100.00	100.00	25	0 c)
EnergieServicePlus GmbH, Düsseldorf	4)	100.00	100.00	7,775	0 c)
TSP-TechnikServicePlus GmbH, Düsseldorf	4)	51.00	51.00	827	0 c)
Grundstücksgesellschaft DuHa mbH, Düsseldorf	2)	94.90	94.90	3,058	0 c)
Gladbau Baubetreuungs- und Verwaltungsgesellschaft mbH, Düsseldorf	2)	94.90	94.90	34,426	0 c) e)
AWM Grundstücksgesellschaft mbH, Düsseldorf	2)	100.00	100.00	2,318	0 c)
Vitus Service GmbH, Mönchengladbach	1)	100.00	100.00	29	0 c)
BRE/GEWG GmbH, Düsseldorf	1)	100.00	100.00	24,169	0 c)
Gemeinnützige Eisenbahn Wohnungsbaugesellschaft mbH, Düsseldorf	2)	94.90	94.90	6,496	0 c)
LEG Bauen Zwei GmbH, Düsseldorf	3)	100.00	100.00	23	-1 c)

- a) Unless otherwise stated, equity and net profit/loss refer to the annual financial statements under commercial law as of 31 December 2025 that have yet to be approved, with the exception of all Dutch B.V. companies (IFRS annual financial statements). A nil result is reported if there is a profit and loss transfer agreement.
- b) Earnings before loss absorption and after profit transfer
- c) Exemption in accordance with section 264(3) HGB/section 264b HGB
- d) BCP companies consolidated for the first time effective 3 January 2025
- e) Exemption in accordance with section 291 HGB

Activities of subsidiaries:

- 1) Performance of services and management of equity investments within LEG
- 2) Property management and location development
- 3) Performance of services for third parties
- 4) Performance of housing industry services
- 5) Electricity and heat generation

NON-CONSOLIDATED COMPANIES			
		Share of capital 2025 in %	Share of capital 2024 in %
Entwicklungsgesellschaft Rhein-Pfalz GmbH, Mainz	2)	100.00	100.00
Entwicklungsgesellschaft Rhein-Pfalz GmbH & Co. KG, Mainz	1)	100.00	100.00
LEG Wohngelegenheit Nord GmbH, Düsseldorf	2)	100.00	100.00
Biomasse Heizkraftwerk Siegerland Verwaltungs GmbH, Düsseldorf	3)	100.00	100.00
BGW Bielefelder Gesellschaft für Wohnen und Immobiliendienstleistungen mbH, Bielefeld	3)	15.00	15.00
LBHQ Investment B.V., Amsterdam/Niederlande	2)	100.00	0.00
RealProb (Rodelheim) C.V., Amsterdam/Niederlande	2)	100.00	0.00
RealProb Investment (Duisburg) B.V., Amsterdam/Niederlande	2)	100.00	0.00
RealProb Investment Germany (Netherlands) III B.V., Amsterdam/Niederlande	2)	100.00	0.00
Brack Capital (Duisburg 2) GmbH & Co. KG, Düsseldorf	2)	100.00	0.00

* Equity and net profit/loss refer to the annual financial statements under commercial law as of 31 December 2024, with the exception of LEG Wohngelegenheit Nord GmbH and Brack Capital (Duisburg 2) GmbH & Co. KG.

Activities of companies not included in consolidation:

- 1) General partner in a limited liability company
- 2) Shell company
- 3) Performance of services for third parties

COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD				
	Share of capital 2025 in %	Share of capital 2024 in %	Equity* € thousand	Net profit/ loss* € thousand
Kommunale Haus und Wohnen GmbH, Rheda-Wiedenbrück	40.62	40.62	25,250	469
Renowate GmbH, Düsseldorf	50.00	50.00	12	-2,690
dekarbo GmbH, Düsseldorf	50.00	50.00	-90	-213
termios GmbH (formerly: Efficient Residential Heating GmbH, Munich), Düsseldorf	78.46	78.46	-2,613	-3,566
Beckumer Wohnungsgesellschaft mbH, Beckum	33.37	33.37	4,252	18

* For Kommunale Haus und Wohnen GmbH and Beckumer Wohnungsgesellschaft mbH, equity and net profit/loss refer to the annual financial statements under commercial law as of 31 December 2024. For the other companies, equity and net profit/loss refer to the annual financial statements under commercial law as of 31 December 2025 that have yet to be approved.

CONSOLIDATED STATEMENT OF CHANGES IN ASSETS/ANNEX I

CONSOLIDATED STATEMENT OF CHANGES IN ASSETS 2025																
€ million	Cost				Cumulative depreciation, amortisation and write-downs									Carrying amounts		
	As of 01.01. 2025	Addi- tion to conso- lida- tion group	Addi- tion	Dis- posal	Addi- tion from assets held for sale	Addi- tion from invest- ment prop- erty	Dispos- al to invest- ment prop- erty	Dis- posal to assets held for sale	As of 31.12. 2025	As of 01.01. 2025	Addi- tion to conso- lida- tion group	Addi- tion	Dis- posal	As of 31.12. 2025	As of 31.12. 2025	As of 31.12. 2024
	Property, plant and equipment	312.6	3.3	24.7	-4.9	0.3	-	-2.3	-	333.7	-135.3	-	-20.5	4.1	-151.7	182.0
Land, land rights and buildings	107.6	1.1	0.7	-	0.3	-	-2.3	-	107.4	-21.3	-	-2.3	-	-23.6	83.8	86.3
Technical equipment and machinery	166.8	1.9	16.0	-1.2	-	-	-	-	183.5	-85.5	-	-10.8	0.7	-95.6	87.9	81.3
Other equipment, operating and office equipment	38.2	0.3	8.0	-3.7	-	-	-	-	42.8	-28.5	-	-7.4	3.4	-32.5	10.3	9.7
Intangible assets	388.7	-	2.3	-1.1	-	-	-	-	389.9	-382.5	-	-2.9	1.1	-384.3	5.6	6.2
Other intangible assets	28.3	-	2.3	-1.1	-	-	-	-	29.5	-22.1	-	-2.9	1.1	-23.9	5.6	6.2
Goodwill	360.4	-	-	-	-	-	-	-	360.4	-360.4	-	-	-	-360.4	-	-
Total	701.3	3.3	27.0	-6.0	0.3	-	-2.3	-	723.6	-517.8	-	-23.4	5.2	-536.0	187.6	183.5

CONSOLIDATED STATEMENT OF CHANGES IN ASSETS 2024

€ million	Cost				Cumulative depreciation, amortisation and write-downs					Carrying amounts						
	As of 01.01. 2024	Addi- tion to conso- lida- tion group	Addi- tion	Dis- posal	Addi- tion from assets held for sale	Addi- tion from invest- ment pro- perty	Dispos- al to invest- ment pro- perty	Dis- posal to assets held for sale	As of 31.12. 2024	As of 01.01. 2024	Addi- tion to conso- lida- tion group	Addi- tion	Dis- posal	As of 31.12. 2024	As of 31.12. 2024	As of 31.12. 2023
	Property, plant and equipment	260.3	-1.1	55.0	-3.3	1.9	1.7	-0.3	-1.6	312.6	-120.5	0.5	-17.8	2.5	-135.3	177.3
Land, land rights and buildings	103.2	-	2.7	-	1.9	1.7	-0.3	-1.6	107.6	-19.0	-	-2.3	-	-21.3	86.3	84.2
Technical equipment and machinery	122.7	-	45.4	-1.3	-	-	-	-	166.8	-76.5	-	-9.7	0.7	-85.5	81.3	46.2
Other equipment, operating and office equipment	34.4	-1.1	6.9	-2.0	-	-	-	-	38.2	-25.0	0.5	-5.8	1.8	-28.5	9.7	9.4
Intangible assets	383.8	-	4.9	-	-	-	-	-	388.7	-378.8	-	-3.7	-	-382.5	6.2	5.0
Other intangible assets	23.4	-	4.9	-	-	-	-	-	28.3	-18.4	-	-3.7	-	-22.1	6.2	5.0
Goodwill	360.4	-	-	-	-	-	-	-	360.4	-360.4	-	-	-	-360.4	-	-
Total	644.1	-1.1	59.9	-3.3	1.9	1.7	-0.3	-1.6	701.3	-499.3	0.5	-21.5	2.5	-517.8	183.5	144.8

CONSOLIDATED STATEMENT OF CHANGES IN PROVISIONS/ANNEX II

CONSOLIDATED STATEMENT OF CHANGES IN PROVISIONS 2025										
€ million	As of 01.01. 2025	Change in consolidated group	Utilisation	Reversal	Addition	Com-pounding	Discoun-ting	As of 31.12. 2025	of which	
									Non-current	Current
Provisions for personnel										
Personnel-related provisions	3.0	–	-1.6	-0.1	1.6	0.2	–	3.1	2.1	1.0
Other provisions	29.0	0.4	-13.5	-4.8	13.4	–	-0.1	24.4	2.4	22.0
Construction book provisions	1.8	–	-0.3	-0.8	2.2	–	–	2.9	–	2.9
Litigation risks	0.7	–	0.0	-0.1	1.1	–	–	1.7	0.4	1.3
Miscellaneous other provisions	26.5	0.4	-13.2	-3.9	10.1	0.0	-0.1	19.8	2.0	17.8
Total	32.0	0.4	-15.1	-4.9	15.0	0.2	-0.1	27.5	4.5	23.0

CONSOLIDATED STATEMENT OF CHANGES IN PROVISIONS 2024										
€ million	As of 01.01. 2024	Change in consolidated group	Utilisation	Reversal	Addition	Com-pounding	Discoun-ting	As of 31.12. 2024	of which	
									Non-current	Current
Provisions for personnel										
Personnel-related provisions	2.3	–	-1.3	–	1.9	0.1	–	3.0	2.1	0.9
Other provisions	31.5	–	-13.2	-7.8	18.5	–	–	29.0	2.1	26.9
Construction book provisions	1.6	–	–	-0.1	0.3	–	–	1.8	–	1.8
Litigation risks	1.2	–	-0.5	-0.3	0.3	–	–	0.7	0.0	0.7
Miscellaneous other provisions	28.7	–	-12.7	-7.4	17.9	–	–	26.5	2.1	24.4
Total	33.8	–	-14.5	-7.8	20.4	0.1	–	32.0	4.2	27.8

INDEPENDENT AUDITOR'S REPORT

To LEG Immobilien SE, Düsseldorf/Germany

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT**Audit Opinions**

We have audited the consolidated financial statements of LEG Immobilien SE, Düsseldorf/Germany, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, the statement of changes in consolidated equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2025, and the notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of LEG Immobilien SE, Düsseldorf/Germany, including the remuneration report pursuant to Section 162 German Stock Corporation Act (AktG) contained in the group management report, as well as the corresponding disclosures, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of the consolidated non-financial statement pursuant to Sections 315b and 315c German Commercial Code (HGB) included in the group management report and the corporate governance statement pursuant to Sections 289f and 315d HGB, including the further reporting on corporate governance contained therein.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the statements referred to above.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law and the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other German professional responsibilities in accordance with these requirements and the IESBA Code. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following, we present the measurement of investment properties, which we have determined as the key audit matter in the course of our audit.

Our presentation of this key audit matter has been structured as follows:

- a) description (including reference to corresponding information in the consolidated financial statements)
- b) auditor’s response

Measurement of Investment Properties

- a) The consolidated financial statements of LEG Immobilien SE as at 31 December 2025 report investment properties of mEUR 19,591.4 (prior year: mEUR 17,853.3). Exercising the option conferred by IAS 40.30, LEG Immobilien SE recognises investment properties in accordance with the fair value model pursuant to IFRS 13. As a result, both realised changes in market value from sales and unrealised changes in market value are recognised through profit or loss as part of the valuation. In the past financial year, unrealised changes in market value of mEUR 568.9 (prior year: mEUR -225.3) were recognised under operating earnings in the consolidated statement of comprehensive income.

When determining the fair value, the executive directors assume that the existing use corresponds to the highest and best use of the respective property. On the basis of an internal company valuation model, the fair values are determined based on projected net cash inflows from the management of the properties using the discounted cash flow method. In the case of properties without a positive net cash inflow (mainly vacant buildings), a market value is determined using a liquidation value method. Undeveloped land is regularly measured on the basis of an indirect comparison of indicative land values.

Where possible, LEG Immobilien SE uses information that can be observed on the market for its valuation (sources include, for example, documents from expert committees and publicly accessible and fee-based property market databases). In addition, an independent external expert engaged by the executive directors of LEG Immobilien SE prepares a valuation report that is used to check the plausibility of the internal valuation results.

The valuation of investment properties is based on numerous parameters that are generally subject to judgement and estimation uncertainties. Significant valuation parameters include, in particular, the expected cash flows and the discount and capitalisation rate. The expected cash flows are primarily influenced by the assumed rents, vacancy rates and maintenance costs. The discount rate is mainly determined by the sales made on the market. The capitalisation rate also takes into account, in particular, the remaining useful life of the properties and the expected growth rate of the cash flows.

From our point of view, this matter was particularly relevant to our audit because the valuation of investment properties is generally subject to judgement and estimation uncertainties, and there is a risk that the changes in the fair values recognised through profit or loss are not within an appropriate range.

The disclosures of the executive directors on the valuation of these properties and the associated judgements and estimates are included in section D. Accounting Policies of the notes to the consolidated financial statements.

- b) As part of our audit, we assessed the appropriateness of the valuation method and the valuation results. Initially, we assessed the organisational and process structure of the property valuation. We evaluated the design of any identified controls relevant to our audit and verified that they were properly implemented. In addition, we tested the operating effectiveness of the controls relevant to the audit.

Our audit of the valuation was supported by our internal specialists from the real estate consulting division. With their support, we evaluated the valuation models as well as the valuation parameters and valuation results for randomly selected properties. We also performed an alternative property-specific comparative calculation for this sample using a discounted cash flow method or on the basis of the standardised income capitalisation approach in accordance with the German Property Valuation Regulation (ImmoWertV) and compared this calculation with the valuation results of LEG Immobilien SE. In addition, we performed on-site inspections on a sample basis, in particular to evaluate the remaining useful lives applied in the valuation when deriving the capitalisation rates.

We assessed the competence, capabilities and objectivity of the external expert engaged by the executive directors of LEG Immobilien SE and used the report in our audit. In doing so, we assessed the appropriateness of the initial data underlying the report, the assumptions made and the methods used, including their consistency with previous periods in terms of their acceptability, and assessed the valuation methods used in the report with regard to their compliance with IAS 40 in conjunction with IFRS 13.

In addition, we evaluated the completeness and accuracy of the disclosures on investment properties required to be made in the notes to the consolidated financial statements in accordance with IAS 40 and IFRS 13.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises:

- the report of the supervisory board,
- the consolidated non-financial statement (sustainability report),
- the corporate governance statement,
- the executive directors' confirmations in accordance with Section 297 (2) sentence 4 and/or Section 315 (1) sentence 5 HGB regarding the consolidated financial statements and the group management report, and
- all other parts of the annual report,
- but not the consolidated financial statements, not the audited content of the disclosures in the group management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the declaration pursuant to Section 161 AktG on the German Corporate Governance Code and the further reporting on corporate governance within the corporate governance statement. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the disclosures in the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

The executive board and the supervisory board are also responsible for the preparation of the remuneration report included in a special section of the group management report, including the related disclosures, that complies with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they have determined necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Group.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or of the business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS**Report on the Assurance on the Electronic Reproductions of the Consolidated Financial Statements and of the Group Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB*****Assurance Opinion***

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the group management report (hereinafter referred to as “ESEF documents”) prepared for publication, contained in the file, which has the SHA-256 value 753f0c565ea47ae6b77f2e2b171e53ae884296ad5561b0c37f5cccb1ff4-26324, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB (“ESEF format”). In accordance with the German legal requirements, this assurance work only covers the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the group management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying group management report for the financial year from 1 January to 31 December 2025 contained in the “Report on the Audit of the Consolidated Financial Statements and of the Group Management Report” above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the electronic reproductions of the consolidated financial statements and of the group management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Assurance Standard: Assurance Work on the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibilities in this context are further described in the “Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents” section. Our audit firm has applied the IDW Quality Management Standards.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the group management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited group management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the general meeting on 28 May 2025. We were engaged by the supervisory board on 16 September 2025. We have been the group auditor of LEG Immobilien SE, Düsseldorf/Germany, without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR’S REPORT

Our auditor’s report must always be read together with the audited consolidated financial statements and the audited group management report as well as with the assured ESEF documents. The consolidated financial statements and the group management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Nicole Meyer.

Düsseldorf/Germany, 3 March 2026

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Rolf Künemann

Wirtschaftsprüfer

(German Public Auditor)

Signed:

Nicole Meyer

Wirtschaftsprüferin

(German Public Auditor)

TRANSLATION

– German version prevails –

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LEG Immobilien SE Düsseldorf/Germany

Assurance report of the
Independent German Public Auditor
on a limited assurance engagement in relation to
the Consolidated Non-Financial Statement
(Sustainability Report) included in the
group management report for the financial year
from 1 January to 31 December 2025

TRANSLATION

– German version prevails –

Appendices

The Consolidated Non-Financial Statement (Sustainability Report) included in the group management report of LEG Immobilien SE, Düsseldorf/Germany, for the financial year from 1 January to 31 December 2025, including the sustainability information incorporated by reference

General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)

**ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON A LIMITED ASSURANCE
ENGAGEMENT IN RELATION TO THE CONSOLIDATED SUSTAINABILITY STATEMENT
(SUSTAINABILITY REPORT)**

To LEG Immobilien SE, Düsseldorf/Germany

Assurance Conclusion

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of LEG Immobilien SE, Düsseldorf/Germany, for the financial year from 1 January to 31 December 2025, included in section “Non-financial Group report (Sustainability Report)” of the group management report (hereinafter referred to as “the Sustainability Report”). The Sustainability Report was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 and Sections 315b and 315c German Commercial Code (HGB) for a consolidated non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Report is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c HGB for a consolidated non-financial statement, and the specifying criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe

- that the accompanying Sustainability Report does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Sustainability Report (the materiality assessment) is not, in all material respects, in accordance with the description set out in section “Management of impacts, risks and opportunities” of the Sustainability Report, or
- that the disclosures in the Sustainability Report do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in section “German Public Auditor’s Responsibilities for the Assurance Engagement on the Consolidated Sustainability Statement”.

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements of the IDW Quality Management Standards. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Sustainability Statement

The executive directors are responsible for the preparation of the Sustainability Report in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the specifying criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control as they have considered necessary to enable the preparation of a sustainability report in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e. fraudulent reporting in the Consolidated Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Sustainability Report as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Sustainability Report.

Inherent Limitations in Preparing the Consolidated Sustainability Statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. The executive directors have disclosed interpretations of such wording and terms in the Sustainability Report. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the sustainability matters based on these interpretations is uncertain. The quantification of non-financial performance indicators disclosed in the Sustainability Report is also subject to inherent uncertainties.

These inherent limitations also affect the assurance engagement on the Consolidated Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Sustainability Report

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Sustainability Report has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the specifying criteria presented by the executive directors of the Company and to issue an assurance report that includes our assurance conclusion on the Sustainability Report.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism. We also

- obtain an understanding of the process used to prepare the Sustainability Report, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Consolidated Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In performing our limited assurance engagement, we:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Sustainability Report.
- inquired of the executive directors and relevant employees involved in the preparation of the Sustainability Report about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Sustainability Report, and about the internal controls related to this process.

- evaluated the reporting policies used by the executive directors to prepare the Sustainability Report.
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.
- performed analytical procedures or tests of details and made inquiries in relation to selected information in the Sustainability Report.
- considered the presentation of the information in the Sustainability Report.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Company (including the “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” dated 1 January 2024 of the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was conducted for the Company’s purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties as a basis for making (financial) decisions.

Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

Düsseldorf/Germany, 3 March 2026

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Rolf Künemann

Wirtschaftsprüfer

(German Public Auditor)

Signed:

Nicole Meyer

Wirtschaftsprüferin

(German Public Auditor)

Responsibility statement

“To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of LEG, and the management report of LEG includes a fair review of the development and performance of the business and the position of LEG, together with a description of the principal opportunities and risks associated with the expected development of LEG.”

Dusseldorf, 3 March 2026

LEG Immobilien SE

The Management Board

LARS VON LACKUM

DR. KATHRIN KÖHLING

DR. VOLKER WIEGEL



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Separate financial statements of LEG Immobilien SE

As the managing holding company of the LEG Group, LEG Immobilien SE, headquartered in Dusseldorf, performs controlling activities and administrative services for the LEG Group.

As of the reporting date 31 December 2025, the single-entity company is a large corporation within the meaning of section 267(3) sentence 2 of the German Commercial Code (HGB). Since applying for a stock market listing in December 2012, LEG Immobilien SE has been considered a publicly traded company in accordance with section 264d HGB and falls within the scope of section 267(3) HGB.

LEG Immobilien AG went public on 1 February 2013 with the initial listing of its shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange.

LEG Immobilien SE and its direct and indirect subsidiaries constitute one of the largest residential property companies in Germany. On 31 December 2025, LEG had a portfolio of 172,960 units (residential and commercial).

Annual financial statements 2025 under German commercial law

Net income/income statement

The 2025 financial year closed with a net loss of EUR -30.3 million (previous year: net profit of EUR 4.1 million).

The net loss for the year was mainly due to a EUR 24.5 million decrease in income from loans of financial assets to EUR 52.0 million (previous year: EUR 76.5 million) following a reduction in the intragroup interest rate, as well as a EUR 20.2 million increase in interest and similar expenses to EUR 100.5 million (previous year: EUR 80.3 million) due to new borrowing for the purpose of Group financing. This was offset in particular by a EUR 8.8 million increase in other operating income to EUR 20.1 million (previous year: EUR 11.3 million) following the cancellation of an option writer obligation.

Condensed balance sheet

in EUR million	31.12.2025	31.12.2024	Change
Financial assets	8,899.3	8,899.2	0.1
Receivables	19.3	38.2	-18.9
Cash and cash equivalents	0.8	0.2	0.6
Prepaid expenses	152.9	138.1	14.8
Total assets	9,072.3	9,075.7	-3.4
Equity	2,445.7	2,600.7	-155.0
Provisions	89.3	106.8	-17.5
Liabilities	6,532.9	6,363.1	169.8
Deferred tax liabilities	4.4	5.1	-0.7
Total equity and liabilities	9,072.3	9,075.7	-3.4

The EUR 18.9 million reduction in receivables from EUR 38.2 million to EUR 19.3 million was mainly due to the lower level of receivables from affiliated companies under the cash pooling arrangement with LEG NRW GmbH.

Prepaid expenses of EUR 152.9 million (previous year: EUR 138.1 million) mainly consist of discounts, which represent the difference between the issue proceeds and the sum of the premium recognised as a liability for the option writer obligation and the liability for bonds recognised at the settlement amount. The bonds issued in the financial year and the associated discounts resulted in an addition to prepaid expenses in the amount of EUR 43.4 million. This was offset by a scheduled reversal of EUR 28.6 million.

The equity and liabilities side comprises reported equity of EUR 2,445.7 million, liabilities of EUR 6,532.9 million, provisions of EUR 89.3 million and deferred tax liabilities of EUR 4.4 million.

As of 31 December 2025, LEG Immobilien SE's equity consisted of subscribed capital of EUR 75.6 million, capital reserves of EUR 1,103.2 million, retained earnings of EUR 1,014.4 million and accumulated profit of EUR 252.5 million.

The change in equity was due to the dividend of EUR 201.1 million for the 2024 financial year that was distributed in the 2025 financial year, the net loss of EUR 30.3 million and a withdrawal of EUR 200.0 million from retained earnings for a possible dividend distribution in the 2026 financial year. This was offset in particular by a EUR 1.1 million increase in subscribed capital and a EUR 75.3 million increase in capital reserves due to a non-cash capital increase from share dividends for the 2024 financial year.

Liabilities amounted to EUR 6,532.8 million as of 31 December 2025 and primarily comprised convertible bonds (EUR 550.0 million), corporate bonds (EUR 4,900.0 million), other financing (EUR 320.0 million), liabilities to affiliated companies (EUR 720.4 million) and other liabilities (EUR 41.2 million).

On 1 September 2017, LEG Immobilien SE issued a non-subordinated, unsecured convertible bond with a nominal value of EUR 400.0 million and a term to 1 September 2025. This bond was repaid in full on 29 August 2025.

A bond with a nominal value of EUR 300.0 million and a term to 28 November 2034 was issued on 28 November 2019 and increased by EUR 200.0 million on 15 August 2025 through the issuance of an additional tranche. A bond with a nominal value of EUR 300.0 million and a term to 20 January 2035 was issued on 20 January 2025.

The provisions mainly relate to other provisions for option writer obligations/bondholders' conversion rights for the convertible bonds totalling EUR 74.0 million, as well as other obligations to members of the Management Board (EUR 10.7 million).

Financial statements

The complete annual financial statements of LEG Immobilien SE under German commercial law, which have been issued with an unqualified auditor's opinion, are published in the electronic Federal Gazette. They may also be requested in printed form from LEG Immobilien SE and are published on LEG Immobilien SE's website.

Glossary

Net operating income (NOI)

Result from the management of the real estate portfolio and from other operating activities. Administrative expenses are not taken into account.

Net operating income (recurring)

Net operating income adjusted for depreciation and non-recurring project costs. The cash-optimised group management also requires a separation of operating cash generation from investments. Therefore, maintenance expenses for externally procured services, subsidies recognised in profit or loss and own work capitalised are recognised as adjustments to the recurring net operating income.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation)

Earnings before Interest, Tax, Depreciation and Amortisation Consolidated net income before net finance costs and taxes, depreciation on property, plant and equipment and amortisation of intangible assets; depreciation and amortisation also include impairment losses and reversals thereof.

EBITDA (adjusted)

EBITDA adjusted for net income on the remeasurement of investment of investment properties, net income from the disposal of real estate inventory, net income from the disposal of investment properties, non-recurring project costs and other extraordinary and prior-period expenses and income. The cash-optimised group management also requires a separation of operating cash generation from investments. Therefore, maintenance expenses for externally procured services, subsidies recognised in profit or loss and own work capitalised are recognised as adjustments to EBITDA (adjusted).

or

Recurring net operating income less recurring administrative expenses.

EBIT (Earnings before Interest and Tax)

Operating result before net finance costs and taxes.

FFO I (Funds from Operations I)

Adj. EBITDA adjusted for cash interest expenses, cash taxes, maintenance expenses for externally procured services, subsidies recognised in profit or loss and own work capitalised.

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

FFO II (Funds from Operations II)

FFO I plus net income from the disposal of investment properties.

AFFO (Adjusted FFO I)

Based on FFO I (after non-controlling interests), AFFO takes recurring capex measures (capex (recurring) into account.

Recurring capex measures are defined as capitalised costs from modernisation and maintenance measures as well as new construction activities on own land. When determining costs from modernisation and maintenance measures, consolidation effects due to internally procured services resulting from the elimination of intercompany profits are eliminated.

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

EPRA

European Public Real Estate Association

EPRA capex (Capital Expenditure)

The EPRA capex splits the capitalised investments of the reporting period in comparison to the comparative period in several components.

EPRA vacancy rate

Expressed as a percentage being the estimated market rental value of vacant space divided by the estimated market rental value of the whole portfolio.

EPRA earnings per share

Net profit or loss for the period attributable to parent shareholders, adjusted for non-cash remeasurement effects of investment properties and derivatives, acquisition costs and aperiodic financing costs and income taxes, that are not classified as current income taxes.

EPRA NRV (Net Reinstatement Value)

Recovery value of the company assuming that no assets are sold. The value is calculated on the basis of the equity attributable to controlling shareholders and eliminates the effects of the fair value measurement of derivative financial instruments and deferred taxes attributable to investment property, derivatives or subsidised housing loans (NRW-Bank). Incidental acquisition costs are added.

EPRA NTA (Net Tangible Assets)

Net asset value from the shareholders' perspective assuming long-term continuation of the business with acquisition and disposal of assets. The value is calculated on the basis of the equity attributable to controlling shareholders and eliminates the effects of the fair value measurement of derivative financial instruments and deferred taxes attributable to non-current investment property, derivatives or subsidised housing loans (NRW-Bank). Intangible assets are not included in the calculation.

EPRA NDV (Net Disposal Value)

Net asset value from the shareholders' perspective assuming a disposal scenario. The value is calculated on the basis of the equity attributable to controlling shareholders. The effects from the measurement of liabilities at current fair value less the resulting deferred tax are taken into account.

EPRA NIY (Net Initial Yield)

Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

EPRA cost ratio

The cost ratio is an indicator of the company's operating performance. Administrative and operating expenses are divided by gross rental income, adjusted for leasehold land interests and – unless marked otherwise – directly attributable vacancy costs.

EPRA LTV (Loan to Value)

Compared to the LTV, financial liabilities are recognised at their nominal amount, and cash and cash equivalents are consistent with the definition under IFRS. Accordingly, short-term investments with a term of longer than three months are not included in the numerator. Furthermore, net financial liabilities and real estate assets of joint ventures and material associates are included, while those of material non-controlling interests are excluded.

LTV (Loan to Value)

The LTV corresponds to the ratio of financial liabilities less cash and cash equivalents and lease liabilities according to IFRS 16 to the total of investment property, assets held for sale and prepayments for investment property and investments in other residential property companies. It thus provides information about a company's level of indebtedness.

Capex (Capital Expenditure)

Capitalised cost for modernisation and maintenance work.

Capex (recurring)

Recurring capex measures are defined as capitalised costs from modernisation and maintenance measures as well as new construction activities on own land. When determining costs from modernisation and maintenance measures, consolidation effects due to internally procured services resulting from the elimination of intercompany profits are eliminated.

Special items

Special items include expenses for projects that are largely nonrecurring with a complex structure whose goals are to be met within the budget and time provided.

Financial calendar

LEG financial calendar 2026

Release of Annual Report 2025	5 March
Release of Quarterly Statement Q1 as of 31 March 2026	13 May
Annual General Meeting	27 May
Release of Quarterly Report Q2 as of 30 June 2026	4 August
Release of Quarterly Statement Q3 as of 30 September 2026	12 November

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

Contact details & imprint

Publisher

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Contact

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The annual report as of 31 December 2025 is also available in German. In case of doubt, the German version takes precedence.

