



2021

# The value of living

Quarterly report as of 30 June




**LEG**

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## About this report

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## Key figures Q2 2021

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		Q2 2021	Q2 2020	+/- %	01.01. – 30.06.2021	01.01. – 30.06.2020	+/- %
<b>Results of operations</b>							
Rental income	€ million	170.1	154.5	10.1	338.5	308.0	9.9
Net rental and lease income	€ million	137.4	122.9	11.8	266.4	239.5	11.2
EBITDA	€ million	1,238.7	707.1	75.2	1,363.7	816.9	66.9
EBITDA adjusted	€ million	135.3	121.5	11.4	261.3	235.2	11.1
EBT	€ million	1,171.8	669.0	75.2	1,315.5	754.6	74.3
Net profit or loss for the period	€ million	938.9	546.8	71.7	1,063.3	613.4	73.3
FFO I	€ million	114.1	100.6	13.4	218.2	194.6	12.1
FFO I per share	€	1.58	1.45	9.0	3.03	2.82	7.4
FFO II	€ million	112.4	99.9	12.5	216.2	193.4	11.8
FFO II per share	€	1.56	1.44	8.3	3.00	2.80	7.1
AFFO	€ million	36.9	32.9	12.2	71.2	72.2	-1.4
AFFO per share	€	0.51	0.48	6.3	0.99	1.05	-5.7
<b>Portfolio</b>							
		30.06.2021	30.06.2020	+/- %/bps			
Number residential units		144,892	137,525	5.4			
In-place rent	€/sqm	6.09	5.88	3.5			
In-place rent (l-f-l)	€/sqm	6.09	5.88	3.5			
EPRA vacancy rate	%	2.7	3.4	-70 bps			
EPRA vacancy rate (l-f-l)	%	2.5	3.3	-80 bps			
<b>Statement of financial position</b>							
		30.06.2021	31.12.2020	+/- %/bps			
Investment properties	€ million	15,963.2	14,582.7	9.5			
Cash and cash equivalents	€ million	886.4	335.4	164.3			
Equity	€ million	8,285.7	7,389.9	12.1			
Total financing liabilities	€ million	6,747.6	5,869.0	15.0			
Current financing liabilities	€ million	111.5	491.3	-77.3			
LTV	%	36.4	37.6	-120 bps			
Equity ratio	%	48.0	48.4	-40 bps			
Adj. EPRA NAV, diluted	€ million	10,366.9	9,247.6	12.1			
Adj. EPRA NAV per share, diluted	€	135.85	122.43	11.0			

bps = basis points

## Portfolio

### Portfolio segmentation and housing stock

The LEG portfolio can be divided into three market clusters using a scoring system: high-growth markets, stable markets and higher-yielding markets. The indicators for the scoring system are described in the [annual report 2020](#).

LEG's portfolio is spread across around 210 locations with a geographical focus in the federal state of North Rhine-Westphalia. LEG is also present in Lower Saxony, Bremen, Schleswig-Holstein, Hesse, Rhineland-Palatinate and Baden-Württemberg.

As at 30 June 2021, the property portfolio comprised 144,892 residential units, 1,345 commercial units and 40,013 garages and parking spaces. The average flat size is 64 square metres and the average monthly rent is EUR 6.09 per square metre.

### Operational development

As of 30 June 2021, the like-for-like in-place rent was EUR 6.09 per square metre/month. This represents an increase of 3.5% within twelve months. It should be noted that the baseline in the previous year was comparatively low, as LEG had waived rent increases for a few months from March 2020 to relieve its customers in the Corona pandemic. For the financial year 2021 as a whole, LEG maintains its guidance of around 3% rent increase per square metre on a like-for-like basis.

In the free financed portfolio, which represents around 76% of the portfolio, the like-for-like in-place rent increased by 4.2% year-on-year to EUR 6.50 per square metre. Within the free financed portfolio, the high-growth markets showed an increase of 4.4% to EUR 7.54 per square metre (like-for-like). In the stable markets, the average monthly rent also rose by 4.4%, reaching EUR 6.16 per square metre (like-for-like) on average at the end of the quarter. Rents in the higher-yielding markets increased by 3.8% to EUR 5.87 per square metre (like-for-like).

There will be no regular adjustment of cost rents in 2021. Accordingly, in the rent-restricted portfolio, the average monthly rent rose by only 0.7% or EUR 0.03 to EUR 4.91 per square metre (like-for-like) at the end of the reporting period.

As at 30 June 2021, the EPRA vacancy rate on a like-for-like basis decreased by 80 basis points to 2.5% compared to the previous year's reporting date. This increased the occupancy rate in all three market segments. With an occupancy rate of 98.5% (like-for-like), the properties in the high-growth markets were almost fully let. In the stable markets, the occupancy rate reached 97.5% (like-for-like). The strongest increase was recorded in the higher-yielding markets with 140 basis points to 96.2% (like-for-like).

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## Portfolio segments – top 5 locations

	Total portfolio										Change like-for-like basis	
	30.06.2021					30.06.2020					In-place rent in % Like-for-like	Vacancy rate basis points Like-for-like
	Number of LEG apartments	Share of LEG-portfolio in %	Living space in sqm	In-place rent €/sqm	EPRA vacancy rate in %	Number of LEG apartments	Share of LEG-portfolio in %	Living space in sqm	In-place rent €/sqm	EPRA vacancy rate in %		
<b>High Growth Markets</b>	<b>46,170</b>	<b>31.9</b>	<b>3,065,127</b>	<b>6.83</b>	<b>1.9</b>	<b>41,936</b>	<b>30.5</b>	<b>2,784,366</b>	<b>6.64</b>	<b>2.0</b>	<b>3.6</b>	<b>-30</b>
District of Mettmann	8,489	5.9	590,229	7.23	1.2	8,515	6.2	592,116	6.81	1.8	6.3	-60
Muenster	6,197	4.3	412,093	6.81	0.8	6,198	4.5	412,083	6.72	1.1	1.4	-30
Dusseldorf	5,419	3.7	352,286	8.14	2.1	5,422	3.9	352,442	7.96	2.6	2.3	-30
Cologne	4,132	2.9	278,583	7.43	1.9	3,970	2.9	266,114	7.14	1.6	3.0	-20
Bielefeld	3,234	2.2	201,168	6.52	2.9	3,205	2.3	199,275	6.30	1.7	3.4	0
Other locations	18,699	12.9	1,230,768	6.18	2.3	14,626	10.6	962,335	5.96	2.1	3.8	-30
<b>Stable Markets</b>	<b>56,500</b>	<b>39.0</b>	<b>3,601,550</b>	<b>5.80</b>	<b>2.6</b>	<b>53,278</b>	<b>38.7</b>	<b>3,395,913</b>	<b>5.59</b>	<b>3.5</b>	<b>3.6</b>	<b>-80</b>
Dortmund	13,705	9.5	895,884	5.65	2.2	13,727	10.0	896,734	5.44	3.1	3.8	-80
District of Unna	6,811	4.7	424,453	5.30	2.7	6,845	5.0	427,329	5.18	3.0	2.4	-30
Moenchengladbach	6,440	4.4	408,077	6.22	2.0	6,442	4.7	408,183	5.98	2.3	4.1	-30
Essen	3,371	2.3	217,498	5.78	3.6	3,372	2.5	217,538	5.61	2.9	3.1	90
Ennepe-Ruhr district	2,725	1.9	178,270	5.80	2.5	2,725	2.0	178,350	5.64	4.4	2.8	-180
Other locations	23,448	16.2	1,477,368	5.93	2.9	20,167	14.7	1,267,778	5.70	4.0	3.8	-100
<b>Higher-Yielding Markets</b>	<b>42,222</b>	<b>29.1</b>	<b>2,566,185</b>	<b>5.60</b>	<b>3.9</b>	<b>42,191</b>	<b>30.7</b>	<b>2,561,249</b>	<b>5.42</b>	<b>5.4</b>	<b>3.3</b>	<b>-140</b>
District of Recklinghausen	9,018	6.2	548,608	5.46	3.0	9,027	6.6	549,108	5.32	3.9	2.6	-80
Gelsenkirchen	7,260	5.0	414,951	5.69	8.0	7,267	5.3	414,955	5.51	9.8	3.3	-180
Duisburg	6,317	4.4	382,217	5.99	2.6	6,341	4.6	383,679	5.82	4.2	2.9	-130
Hamm	4,817	3.3	288,314	5.57	2.8	4,821	3.5	288,618	5.29	2.8	5.4	0
Maerkisch District	4,608	3.2	284,508	5.42	3.7	4,608	3.4	284,459	5.32	4.6	2.0	-80
Other locations	10,202	7.0	647,588	5.50	3.4	10,127	7.4	640,430	5.29	4.9	3.6	-140
<b>Total</b>	<b>144,892</b>	<b>100.0</b>	<b>9,232,862</b>	<b>6.09</b>	<b>2.7</b>	<b>137,525</b>	<b>100.0</b>	<b>8,749,367</b>	<b>5.88</b>	<b>3.4</b>	<b>3.5</b>	<b>-80</b>

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## Performance LEG Portfolio

		High-growth market			Stable markets			Higher yielding markets			Total		
		30.06.2021	31.03.2021	30.06.2020	30.06.2021	31.03.2021	30.06.2020	30.06.2021	31.03.2021	30.06.2020	30.06.2021	31.03.2021	30.06.2020
<b>Subsidised residential units</b>													
Units		12,118	11,996	11,922	15,052	15,052	14,169	8,007	8,007	8,142	35,177	35,055	34,233
Area	sqm	834,697	825,741	820,872	1,019,295	1,019,295	958,770	525,292	525,292	534,770	2,379,283	2,370,328	2,314,411
In-place rent	€/sqm	5.26	5.26	5.19	4.89	4.89	4.81	4.55	4.54	4.53	4.95	4.94	4.88
EPRA vacancy rate	%	1.1	1.0	1.0	2.0	2.3	2.6	2.0	2.3	2.7	1.7	1.8	2.0
<b>Free-financed residential units</b>													
Units		34,052	33,891	30,014	41,448	41,352	39,109	34,215	34,221	34,049	109,715	109,464	103,292
Area	sqm	2,230,430	2,218,256	1,963,494	2,582,255	2,576,316	2,437,142	2,040,894	2,041,215	2,026,479	6,853,579	6,835,788	6,434,956
In-place rent	€/sqm	7.42	7.34	7.26	6.16	6.06	5.90	5.87	5.82	5.66	6.49	6.41	6.25
EPRA vacancy rate	%	2.0	2.1	2.2	2.8	3.2	3.8	4.3	4.7	5.9	2.9	3.2	3.8
<b>Total residential units</b>													
Units		46,170	45,887	41,936	56,500	56,404	53,278	42,222	42,228	42,191	144,892	144,519	137,525
Area	sqm	3,065,127	3,043,998	2,784,366	3,601,550	3,595,611	3,395,913	2,566,185	2,566,507	2,561,249	9,232,862	9,206,116	8,749,367
In-place rent	€/sqm	6.83	6.78	6.64	5.80	5.73	5.59	5.60	5.55	5.42	6.09	6.03	5.88
EPRA vacancy rate	%	1.9	1.9	2.0	2.6	3.0	3.5	3.9	4.3	5.4	2.7	2.9	3.4
<b>Total commercial</b>													
Units											1,345	1,341	1,288
Area	sqm										225,185	225,726	214,464
<b>Total parking</b>													
Units											40,013	39,456	35,460
<b>Total other</b>													
Units											2,893	2,853	2,736

## Value development

The following table shows the distribution of assets by market segment. Following the revaluation as of 30 June 2021 the rental

yield was 4.4% which corresponds to a rental multiple of 22.8. According to the EPRA definition, the valuation of the residential

portfolio corresponds to a net initial yield of 3.5%.

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Market segments	Residential units	Residential assets in € million <sup>1</sup>	Share residential assets in %	Gross asset value in €	In-place rent multiplier	Commercial/ other assets in € million <sup>2</sup>	Total assets in € million
30.06.2021							
<b>High Growth Markets</b>	<b>46,170</b>	<b>6,909</b>	<b>45</b>	<b>2,253</b>	<b>27.6x</b>	<b>284</b>	<b>7,192</b>
District of Mettmann	8,489	1,424	9	2,415	27.8x	73	1,497
Muenster	6,197	987	7	2,392	29.1x	52	1,040
Dusseldorf	5,419	1,029	7	2,890	29.8x	43	1,072
Cologne	4,132	817	5	2,919	33.2x	26	843
Bielefeld	3,234	372	2	1,839	23.7x	12	384
Other locations	18,699	2,279	15	1,859	25.3x	77	2,357
<b>Stable Markets</b>	<b>56,500</b>	<b>5,275</b>	<b>35</b>	<b>1,461</b>	<b>21.2x</b>	<b>159</b>	<b>5,435</b>
Dortmund	13,705	1,456	10	1,617	24.1x	52	1,508
District of Unna	6,811	507	3	1,202	19.1x	20	527
Moenchengladbach	6,440	620	4	1,514	20.0x	15	634
Essen	3,371	309	2	1,418	20.9x	12	321
Ennepe-Ruhr district	2,725	231	2	1,291	18.8x	7	237
Other locations	23,448	2,152	14	1,452	20.7x	54	2,207
<b>Higher-Yielding Markets</b>	<b>42,222</b>	<b>3,000</b>	<b>20</b>	<b>1,164</b>	<b>17.8x</b>	<b>87</b>	<b>3,087</b>
District of Recklinghausen	9,018	656	4	1,187	18.5x	20	676
Gelsenkirchen	7,260	447	3	1,070	16.9x	11	458
Duisburg	6,317	509	3	1,334	18.9x	30	538
Hamm	4,817	343	2	1,186	17.7x	5	348
Maerkisch District	4,608	294	2	1,030	16.3x	3	297
Other locations	10,202	751	5	1,155	17.8x	19	770
<b>Total portfolio</b>	<b>144,892</b>	<b>15,183</b>	<b>100</b>	<b>1,641</b>	<b>22.8x</b>	<b>531</b>	<b>15,714</b>
Leasehold and land values							189
<b>Balance sheet property valuation assets (IAS 40)</b>							<b>15,903</b>
Prepayments for property held as an investment property and construction costs							76
Assets under construction (IAS 40)							60
Inventories (IAS 2)							0
Owner-occupied property (IAS 16)							26
Assets held for sale (IFRS 5)							2
<b>Total balance sheet</b>							<b>16,067</b>

<sup>1</sup> Excluding 437 residential units in commercial buildings; including 491 commercial units as well as several other units in mixed residential assets.

<sup>2</sup> Excluding 491 commercial units in mixed residential assets; including 437 residential units in commercial buildings, commercial, parking, other assets.

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

Please see the [glossary in the 2020 annual report](#) for a definition of individual key figures and terms.

### Results of operations

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#### Condensed income statement

€ million	Q2 2021	Q2 2020	01.01.– 30.06.2021	01.01.– 30.06.2020
Net rental and lease income	137.4	122.9	266.4	239.5
Net income from the disposal of investment properties	-0.2	-0.4	-0.4	-0.6
Net income from the remeasurement of investment properties	1,108.4	593.5	1,110.3	592.7
Net income from the disposal of real estate inventory	0.0	-0.5	0.0	-1.8
Net income from other services	1.3	1.4	2.7	3.0
Administrative and other expenses	-12.6	-14.1	-24.1	-24.4
Other income	0.0	0.0	0.0	0.0
<b>Operating earnings</b>	<b>1,234.3</b>	<b>702.8</b>	<b>1,354.9</b>	<b>808.4</b>
Interest income	0.0	0.0	0.0	0.0
Interest expenses	-32.2	-23.1	-57.1	-45.7
Net income from investment securities and other equity investments	3.6	-1.0	3.6	1.8
Net income from the fair value measurement of derivatives	-33.9	-9.7	14.1	-9.9
<b>Net finance earnings</b>	<b>-62.5</b>	<b>-33.8</b>	<b>-39.4</b>	<b>-53.8</b>
<b>Earnings before income taxes</b>	<b>1,171.8</b>	<b>669.0</b>	<b>1,315.5</b>	<b>754.6</b>
Income taxes	-232.9	-122.2	-252.2	-141.2
<b>Net profit or loss for the period</b>	<b>938.9</b>	<b>546.8</b>	<b>1,063.3</b>	<b>613.4</b>

Net rental and lease income increased primarily due to higher net cold rents by 11.2% to EUR 266.4 million.

Adjusted EBITDA increased by 11.1% to EUR 261.3 million. Adjusted EBITDA margin increased from 76.4% (comparative period) to 77.2% in the reporting period.

The increase of operating earnings by EUR 546.5 million in the reporting period was mainly due to EUR 517.6 million higher net income from the remeasurement of investment properties.

In the reporting period, net income from the fair value measurement of derivatives resulted primarily from changes in the fair value of embedded derivatives from the convertible bonds in the amount of EUR 14.2 million (comparative period: EUR -9.9 million) mainly due to the share price development of LEG Immo.

Current income tax expenses of EUR -2.2 million were recorded affecting net income (comparative period: EUR -2.0 million) in the reporting period.



## Net rental and lease income

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### Net rental and lease income

€ million	Q2 2021	Q2 2020	01.01.– 30.06.2021	01.01.– 30.06.2020
Net cold rent	170.1	154.5	338.5	308.0
Profit from operating expenses	0.1	-0.8	-0.6	-1.6
Maintenance for externally procured services	-12.8	-11.1	-29.0	-24.0
Staff costs	-20.3	-18.6	-41.4	-36.3
Allowances on rent receivables	-1.5	-2.0	-3.8	-4.3
Depreciation and amortisation expenses	-2.8	-2.6	-5.4	-5.0
Other	4.6	3.5	8.1	2.7
<b>Net rental and lease income</b>	<b>137.4</b>	<b>122.9</b>	<b>266.4</b>	<b>239.5</b>
<b>Net operating income-margin in %</b>	<b>80.8</b>	<b>79.5</b>	<b>78.7</b>	<b>77.8</b>
Non-recurring project costs – rental and lease	1.7	1.4	3.3	2.1
Depreciation	2.8	2.6	5.4	5.0
<b>Adjusted net rental and lease income</b>	<b>141.9</b>	<b>126.9</b>	<b>275.1</b>	<b>246.6</b>
<b>Adjusted net operating income-margin (in %)</b>	<b>83.4</b>	<b>82.1</b>	<b>81.3</b>	<b>80.1</b>

In the reporting period, LEG Group increased its net rental and lease income by EUR 26.9 million compared to the same period of the previous year. The main driver of this development was the EUR 30.5 million rise in net cold rents. In-place rent per square metre on a like-for-like basis rose by 3.5 % in the reporting period. This was countered by the increase in staff costs by EUR 5.1 million, which was mainly due to an increase in the number of employees as well as to tariff increases.

Due to disproportionate development of net rental and lease income compared with the development of in-place rent the NOI margin increased from 77.8 % to 78.7 % in the reporting period.

The EPRA (EPRA Public Real Estate Association) vacancy rate on a like-for-like basis has improved compared to the comparative period and stands at 2.5 % as at 30 June 2021 (3.3 % as at 30 June 2020).

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### EPRA vacancy rate

€ million	30.06.2021	30.06.2020
Rental value of vacant space – like-for-like	16.8	20.3
Rental value of vacant space – total	19.3	22.6
Rental value of the whole portfolio – like-for-like	681.7	621.6
Rental value of the whole portfolio – total	726.2	656.4
<b>EPRA vacancy rate – like-for-like (in %)</b>	<b>2.5</b>	<b>3.3</b>
<b>EPRA vacancy rate – total (in %)</b>	<b>2.7</b>	<b>3.4</b>

The EPRA capex splits the capitalised expenditure of the reporting period in comparison to the previous year and reconciles to investments for investment properties. The value-adding modernisation work, divided into development (EUR 3.2 million) and investments in investment properties (EUR 143.8 million), increased to EUR 147.0 million in the reporting period. This was offset by the decrease in acquisitions to EUR 128.3 million).

## T8

## EPRA-Capex

€ million	01.01. – 30.06.2021	01.01. – 30.06.2020
Acquisitions	128.3	302.0
Development	3.2	2.2
Investments in investment properties	143.8	120.2
thereof incremental lettable space	1.3	1.9
thereof no incremental lettable space	142.5	118.3
<b>EPRA Capex</b>	<b>275.3</b>	<b>424.4</b>
Additions to/utilisation of provisions for capex	-2.6	-5.9
Additions to/utilisation of provisions for incidental purchase price costs and change in prepayments for investment properties	38.3	-1.0
<b>Payments for investments in investment properties</b>	<b>311.0</b>	<b>417.5</b>

In addition to value enhancing modernisations, the increase in maintenance expenses by EUR 14.1 million to EUR 51.2 million led to total investments in the reporting period of EUR 198.2 million (comparative period: EUR 159.5 million). For the calculation of the total investments per square metre, the investments for new construction activities (EUR 3.2 million), public safety measures for portfolio acquisitions (EUR 0.9 million) as well as capitalised own services (EUR 13.6 million) were eliminated from the total investments. Adjusted, total investments amount to EUR 180.5 million and the average total investment per square metre is EUR 19.14 (comparative period: EUR 17.65). In the comparative period, only the investments for new construction activities were eliminated. The adjusted capitalisation ratio was reduced to 75.1% in the reporting period (comparative period: 76.4%).

## T9

## Maintenance and modernisation

€ million	Q2 2021	Q2 2020	01.01. – 30.06.2021	01.01. – 30.06.2020
Maintenance expenses	26.8	18.5	51.2	37.1
thereof investment properties	25.8	17.8	49.2	36.3
Capital expenditure	77.2	67.7	147.0	122.4
thereof investment properties	76.7	67.0	145.6	121.2
<b>Total investment</b>	<b>104.0</b>	<b>86.2</b>	<b>198.2</b>	<b>159.5</b>
thereof investment properties	102.5	84.8	194.8	157.5
Area of investment properties in million sqm	9.20	8.94	9.43	8.91
<b>Adjusted total investment</b>	<b>104.0</b>	<b>85.2</b>	<b>180.5</b>	<b>157.3</b>
<b>Adjusted average investment per sqm (€)</b>	<b>11.30</b>	<b>9.53</b>	<b>19.14</b>	<b>17.65</b>

## Net income from the disposal of investment properties

## T10

## Net income from the disposal of investment properties

€ million	Q2 2021	Q2 2020	01.01. – 30.06.2021	01.01. – 30.06.2020
Income from the disposal of investment properties	4.6	16.1	26.0	26.7
Carrying amount of the disposal of investment properties	-4.6	-16.3	-26.0	-26.8
Costs of sales of investment properties	-0.2	-0.2	-0.4	-0.5
<b>Net income from the disposal of investment properties</b>	<b>-0.2</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.6</b>

Disposals of investment properties slightly decreased in the reporting period. Income from the disposal of investment properties amounted to EUR 26.0 million and relate mainly to objects, which were reported as assets held for sale and were remeasured up to the agreed property value as of 31 December 2020.

### Net income from remeasurement of investment properties

Net income from remeasurement of investment properties amounted to EUR 1,110.3 million in the reporting period. Based on the property portfolio as at the beginning of the financial year (including the remeasured acquisitions), this corresponds to an increase of 7.5%.

The average value of investment properties (incl. IFRS 5 objects) was EUR 1,641 per square metre as at 30 June 2021 including acquisitions (31 December 2020: 1,503 per square metre).

The increase in the value of the portfolio is the result of the further increase in rents as well as further reduction in the discount and capitalisation rates.

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

The disposal of the remaining properties of the former "Development" division continued as planned in the reporting period.

The remaining real estate inventory held as at 30 June 2021 amounted to EUR 0.2 million, of which EUR 0.2 million related to land under development.

### Administrative and other expenses

T11

#### Administrative and other expenses

€ million	Q2 2021	Q2 2020	01.01. – 30.06.2021	01.01. – 30.06.2020
Other operating expenses	-4.5	-7.3	-8.2	-10.4
Staff costs	-7.0	-5.4	-13.5	-11.1
Purchased services	-0.2	-0.3	-0.5	-0.8
Depreciation and amortisation	-0.9	-1.1	-1.9	-2.1
<b>Administrative and other expenses</b>	<b>-12.6</b>	<b>-14.1</b>	<b>-24.1</b>	<b>-24.4</b>
Depreciation and amortisation	0.9	1.1	1.9	2.1
Non-recurring project costs and extraordinary and prior-period expenses	2.9	5.5	4.2	6.4
<b>Adjusted administrative and other expenses</b>	<b>-8.7</b>	<b>-7.5</b>	<b>-18.0</b>	<b>-15.9</b>

The decrease in other operating expenses is mainly attributable to lower consultancy fees. In contrast, staff costs in the first half of 2021 were characterised by Corona bonus payments, hirings, restructurings and the entry of a third management board member as of 1 July 2020. Adjusted administrative expenses are therefore EUR 2.1 million higher than in the comparative period.

## Net finance earnings

T12

### Net finance earnings

€ million	Q2 2021	Q2 2020	01.01. – 30.06.2021	01.01. – 30.06.2020
Interest income	0.0	0.0	0.0	0.0
Interest expenses	-32.2	-23.1	-57.1	-45.7
<b>Net interest income</b>	<b>-32.2</b>	<b>-23.1</b>	<b>-57.1</b>	<b>-45.7</b>
Net income from other financial assets and other investments	3.6	-1.0	3.6	1.8
Net income from the fair value measurement of derivatives	-33.9	-9.7	14.1	-9.9
<b>Net finance earnings</b>	<b>-62.5</b>	<b>-33.8</b>	<b>-39.4</b>	<b>-53.8</b>

Interest expenses increased by EUR 11.4 million year-on-year to EUR 57.1 million. This includes the interest expense from loan amortisation, which increased by EUR 1.8 million year-on-year to EUR 7.9 million. Of this increase, EUR 4.2 million (comparative period: EUR 2.2 million) resulted from the measurement of the convertible bond which was issued in the second quarter of 2020 with a nominal of EUR 550.0 million and the corporate bond issued in the first quarter of 2021 with a nominal of EUR 500.0 million. The rise in early redemption compensations is due to early redemption of loans. Also, the early redemption of an interest derivative led to an increase in other interest expenses with EUR 4.5 million.

Year-on-year a further reduction in the average interest rate to 1.24% was achieved as at 30 June 2021 (1.35% as at 30 June 2020) based on an average term of around 7.66 years (7.96 years as at 30 June 2020).

Dividends received from equity investments in non-consolidated and non-associated companies increased by EUR 1.8 million year-on-year to EUR 3.6 million in the reporting period.

In the reporting period, net income from the fair value measurement of derivatives resulted primarily from changes in the fair value of embedded derivatives from convertible bonds in the amount of EUR 14.2 million (comparative period: EUR 9.9 million), mainly due to the positive share price development of LEG Immo.

## Income tax expenses

T13

### Income tax expenses

€ million	Q2 2021	Q2 2020	01.01. – 30.06.2021	01.01. – 30.06.2020
Current tax expenses	-0.6	-0.9	-2.2	-2.0
Deferred tax expenses	-232.3	-121.3	-250.0	-139.2
<b>Income tax expenses</b>	<b>-232.9</b>	<b>-122.2</b>	<b>-252.2</b>	<b>-141.2</b>

An effective Group tax rate of 19.2% was assumed in the reporting period in accordance with Group tax planning (comparative period: 18.7%). Current tax expenses include with EUR 1.6 million the formation of a provision for tax audits regarding the tax years 2013 till 2019.

## Reconciliation to FFO

FFO I is a key financial performance indicator of LEG Group. LEG Group distinguishes between FFO I (not including net income from the disposal of investment properties), FFO II (including net income from the disposal of investment properties) and AFFO (FFO I adjusted for capex). The calculation methods for these key figures can be found in the [glossary in the annual report 2020](#).

FFO I, FFO II and AFFO were calculated as follows in the reporting period and the same period of the previous year:

T14

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

€ million	Q2 2021	Q2 2020	01.01. – 30.06.2021	01.01. – 30.06.2020
Net cold rent	170.1	154.5	338.5	308.0
Profit from operating expenses	0.1	-0.8	-0.6	-1.6
Maintenance for externally procured services	-12.8	-11.1	-29.0	-24.0
Staff costs	-20.3	-18.6	-41.4	-36.3
Allowances on rent receivables	-1.5	-2.0	-3.8	-4.3
Other	4.6	3.5	8.1	2.7
Non-recurring project costs (rental and lease)	1.7	1.4	3.3	2.1
<b>Current net rental and lease income</b>	<b>141.9</b>	<b>126.9</b>	<b>275.1</b>	<b>246.6</b>
<b>Current net income from other services</b>	<b>2.1</b>	<b>2.1</b>	<b>4.2</b>	<b>4.5</b>
Staff costs	-7.0	-5.4	-13.5	-11.1
Non-staff operating costs	-4.6	-7.6	-8.7	-11.2
Non-recurring project costs (admin.)	2.9	5.5	4.2	6.4
<b>Current administrative expenses</b>	<b>-8.7</b>	<b>-7.5</b>	<b>-18.0</b>	<b>-15.9</b>
Other income and expenses	0.0	-	0.0	-
<b>Adjusted EBITDA</b>	<b>135.3</b>	<b>121.5</b>	<b>261.3</b>	<b>235.2</b>
Cash interest expenses and income	-21.7	-19.6	-42.2	-38.6
Cash income taxes from rental and lease	0.9	-0.4	-0.5	-1.2
<b>FFO I (before adjustment of non-controlling interests)</b>	<b>114.5</b>	<b>101.5</b>	<b>218.6</b>	<b>195.4</b>
Adjustment of non-controlling interests	-0.4	-0.9	-0.4	-0.8
<b>FFO I (after adjustment of non-controlling interests)</b>	<b>114.1</b>	<b>100.6</b>	<b>218.2</b>	<b>194.6</b>
<b>Weighted average number of shares outstanding</b>	<b>72,151,272</b>	<b>69,213,941</b>	<b>72,124,864</b>	<b>69,115,169</b>
<b>FFO I per share</b>	<b>1.58</b>	<b>1.45</b>	<b>3.03</b>	<b>2.82</b>
Net income from the disposal of investment properties	-	-0.1	-0.2	-0.3
Cash income taxes from disposal of investment properties	-1.7	-0.6	-1.8	-0.9
<b>FFO II (incl. disposal of investment properties)</b>	<b>112.4</b>	<b>99.9</b>	<b>216.2</b>	<b>193.4</b>
Capex	-77.2	-67.7	-147.0	-122.4
<b>Capex-adjusted FFO I (AFFO)</b>	<b>36.9</b>	<b>32.9</b>	<b>71.2</b>	<b>72.2</b>

At EUR 218.2 million, FFO I was 12.1% higher in the reporting period than in the same period of the previous year (EUR 194.6 million). In particular, this increase is attributable to the positive impact from the rise in net cold rents including the effects of the concluded acquisitions.

Despite higher interest expenses, the interest coverage ratio (ratio of adjusted EBITDA to cash interest expense) increased to 619% in the reporting period (comparative period: 609%).

## EPRA earnings per share (EPS)

The following table shows earnings per share according to the best practice recommendations by EPRA:

T15

### EPRA earnings per share (EPS)

€ million	Q2 2021	Q2 2020	01.01. – 30.06.2021	01.01. – 30.06.2020
Net profit or loss for the period attributable to parent shareholders	937.9	545.9	1,061.6	611.6
Changes in value of investment properties	-1,108.4	-590.3	-1,110.3	-589.6
Profits or losses on disposal of investment properties, development properties held for investment, other interests and sales of trading properties including impairment charges in respect	48.4	0.8	0.4	2.5
Tax on profits or losses on disposals of trading properties	-0.2	0.5	0.2	0.8
Changes in fair value of financial instruments and associated close-out costs	-14.1	9.7	-14.1	9.9
Acquisition costs on share deals and non-controlling joint venture interests	0.0	1.0	0.1	1.1
Deferred tax in respect of EPRA adjustments	197.8	108.3	198.2	108.4
Refinancing expenses	2.0	0.3	2.0	0.4
Other interest expenses	4.9	-	5.4	0.0
Non-controlling interests in respect of the above	1.6	0.2	1.6	0.2
<b>EPRA earnings</b>	<b>69.9</b>	<b>76.4</b>	<b>145.1</b>	<b>145.3</b>
Weighted average number of shares outstanding	72,153,785	69,166,100	72,124,864	69,087,968
EPRA earnings per share (undiluted) in €	0.97	1.10	2.01	2.10
Potentially diluted shares	3,470,683	0	3,470,683	0
Interest coupon on convertible bond	1.4	-	1.4	-
Amortisation expenses convertible bond after taxes	1.0	-	1.0	-
<b>EPRA earnings (diluted)</b>	<b>72.3</b>	<b>76.4</b>	<b>147.5</b>	<b>145.3</b>
Number of diluted shares	75,624,468	69,166,100	75,595,547	69,087,968
<b>EPRA earnings per share (diluted) in €</b>	<b>0.96</b>	<b>1.10</b>	<b>1.95</b>	<b>2.10</b>

## Consolidated statement of financial position

T16

### Condensed statement of financial position

€ million	30.06.2021	31.12.2020
Investment properties	15,963.2	14,582.7
Prepayments for investment properties	75.8	43.3
Other non-current assets	219.0	221.6
<b>Non-current assets</b>	<b>16,258.0</b>	<b>14,847.6</b>
Receivables and other assets	126.1	77.7
Cash and cash equivalents	886.4	335.4
<b>Current assets</b>	<b>1,012.5</b>	<b>413.1</b>
Assets held for sale	1.7	21.6
<b>Total assets</b>	<b>17,272.2</b>	<b>15,282.3</b>
Equity	8,285.7	7,389.9
Non-current financial liabilities	6,636.1	5,377.7
Other non-current liabilities	1,951.0	1,650.5
<b>Non-current liabilities</b>	<b>8,587.1</b>	<b>7,028.2</b>
Current financial liabilities	111.5	491.3
Other current liabilities	287.9	372.9
<b>Current liabilities</b>	<b>399.4</b>	<b>864.2</b>
<b>Total equity and liabilities</b>	<b>17,272.2</b>	<b>15,282.3</b>

A fair value measurement of investment properties was conducted as at 30 June 2021. The resulting valuation effect of EUR 1,110.3 million (comparative period: EUR 592.7 million) was the main driver for the increase in this item compared to 31 December 2020. Furthermore, additions from acquisitions with EUR 128.3 million and capitalisation of property modernisation measures with EUR 145.6 million contributed to the increase of investment properties.

The recognition of real estate tax expense as other inventories with EUR 12.4 million for the remainder of the financial year and the deferral of prepaid operating costs with EUR 31.3 million contribute significantly to the development of the receivables and other current assets.

Cash and cash equivalents increased by EUR 551.0 million to EUR 886.4 million. This development was mainly due to the cash flow from operating activities (EUR 190.6 million), lower payments for acquisitions (EUR 311.0 million) and the issuance of two corporate bonds to finance investments with EUR 1,088.6 million. In contrast, there were regular and irregular repayments with EUR 218.7 million as well as the cash dividend for the financial year 2020 to shareholders in the amount of EUR 185.7 million. In the first half of 2020, a dividend was not yet paid out given the postponement of the annual shareholders' meeting due to Corona restrictions.

The development of equity since 31 December 2020 is mainly characterised by the net profit for the period (EUR 1,082.1 million), the dividend payment to shareholders (EUR – 272.6 million) as well as the capital increase in connection with the scrip dividend (EUR 86.8 million).

Within the financial debt, the obligations increased through the issued bonds by EUR 1,100.0 million. Driven by the fair value measurement, deferred tax liabilities shown in Other non-current liabilities increased by EUR 250.0 million as at 30 June 2021. The decrease in other current liabilities is mainly due to the valuation of derivatives for the convertible bond issued in 2017.

## EPRA Net Tangible Asset (EPRA NTA)

Further key metrics relevant in the property industry are EPRA NRV, NTA and NDV. LEG Immo has defined the EPRA NTA as the relevant key figure. The calculation method for the respective key figure can be found in the [glossary in the 2020 annual report](#).

LEG Immo reports an EPRA NTA of EUR 10,366.9 million or EUR 135.85 per share as at 30 June 2021. Deferred taxes on investment properties are adjusted by the amount attributable to LEG Group's planned property sales. The acquisition costs are not considered. The key figures are presented exclusively on a diluted basis.



## T17

## EPRA NRV, EPRA NTA, EPRA NDV

€ million	30.06.2021			31.12.2020		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to shareholders of the parent company	8,261.1	8,261.1	8,261.1	7,365.6	7,365.6	7,365.6
Hybrid instruments	449.0	449.0	449.0	464.3	464.3	464.3
<b>Diluted NAV at fair value</b>	<b>8,710.1</b>	<b>8,710.1</b>	<b>8,710.1</b>	<b>7,829.9</b>	<b>7,829.9</b>	<b>7,829.9</b>
Deferred tax in relation to fair value gains of IP and deferred tax on subsidised loans and financial derivatives	1,682.9	1,669.4	-	1,431.3	1,417.4	-
Fair value of financial instruments	90.3	90.3	-	102.7	102.7	-
Goodwill as a result of deferred tax	-55.9	-55.9	-55.9	-55.9	-55.9	-55.9
Goodwill as a result of synergies	-	-43.7	-43.7	-	-43.7	-43.7
Intangibles as per the IFRS balance sheet	-	-3.3	-	-	-2.8	-
Fair value of fixed interest rate debt	-	-	-350.6	-	-	-443.0
Deferred taxes of fixed interest rate debt	-	-	67.2	-	-	87.2
Revaluation of intangibles to fair value	-	-	-	-	-	-
Estimated ancillary acquisition costs (real estate transfer tax) <sup>1</sup>	1,474.6	-	-	1,421.7	-	-
<b>NAV</b>	<b>11,902.0</b>	<b>10,366.9</b>	<b>8,327.1</b>	<b>10,729.7</b>	<b>9,247.6</b>	<b>7,374.5</b>
Fully diluted number of shares	76,310,308	76,310,308	76,310,308	75,534,292	75,534,292	75,534,292
<b>NAV per share</b>	<b>155.97</b>	<b>135.85</b>	<b>109.12</b>	<b>142.05</b>	<b>122.43</b>	<b>97.63</b>

<sup>1</sup> Taking the ancillary acquisition costs into account would result into an NTA of EUR 11,826.9 million or EUR 154.98 per share.

## Loan-to-value ratio (LTV)

Net debt at the end of the reporting period is slightly higher compared with 31 December 2020. The fair value measurement of investment properties, however, results into a further decreasing loan-to-value ratio (LTV) as at 30 June 2021 of 36.4% (31 December 2020: 37.6%).

T18

### LTV

€ million	30.06.2021	31.12.2020
Financing liabilities	6,747.6	5,869.0
Without lease liabilities IFRS 16 (not leasehold)	27.0	30.8
Less cash and cash equivalents	886.4	335.4
<b>Net financing liabilities</b>	<b>5,834.2</b>	<b>5,502.8</b>
Investment properties	15,963.2	14,582.7
Assets held for sale	1.7	21.6
Prepayments for investment properties	75.8	43.3
<b>Real estate assets</b>	<b>16,040.7</b>	<b>14,647.6</b>
<b>Loan to value ratio (LTV) in %</b>	<b>36.4</b>	<b>37.6</b>

## Financial position

A net profit for the period of EUR 1,063.3 million was realised in the reporting period (comparative period: EUR 613.4 million). Equity amounted to EUR 8,285.7 million at the reporting date (31 December 2020: EUR 7,389.9 million). This corresponds to an equity ratio of 48.0% (31 December 2020: 48.4%).

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

T19

### Statement of cash flows

€ million	01.01. – 30.06.2021	01.01. – 30.06.2020
Cash flow from operating activities	190.6	150.1
Cash flow from investing activities	-316.1	-370.7
Cash flow from financing activities	676.5	947.0
<b>Change in cash and cash equivalents</b>	<b>551.0</b>	<b>726.4</b>

In the reporting period, the higher cash flow from operating activities was mainly driven by increased net cold rents (also from previous portfolio acquisitions).

Essentially, acquisitions and modernisation work on the existing portfolio contributed to the net cash flow from investing activities with cash payments of EUR 311.0 million. In addition, cash payments for LWS Plus GmbH (acquired in 2020) of EUR 10.0 million, cash payments of EUR 6.0 million for a non-material subsidiary, payments from sold assets in the amount of EUR 9.7 million as well as repayments of long-term financial investments of EUR -5.0 million resulted into a cash flow from investing activities of EUR -316.1 million.

In the first half of 2021, the main driver of the cash flow from financing activities amounting to EUR 676.5 million were the issuance of corporate bonds (EUR 1,088.6 million). The scheduled repayments of bank loans (EUR 218.7 million) and the dividend payment to shareholders (EUR 185.7 million) had an opposite effect. In 2020, the dividend was paid in the third quarter of 2020 due to the Corona pandemic.

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

## Risk and opportunity report

The risks and opportunities faced by LEG in its operating activities were described in detail in the [annual report 2020](#). To date, no further risks that would lead to a different assessment have arisen or become discernible in the fiscal year 2021.

## Forecast

Based on the business performance in the first six months of 2021, LEG believes it is well positioned overall to confirm its earnings targets for the financial year 2021. With the release of the quarterly report as of 30 June 2021, LEG specifies that it now expects to reach the upper end of the FFO I range of EUR 410 to EUR 420 million. For more details, please refer to the forecast report in the [annual report 2020 \(page 75\)](#).

T20

### Outlook 2021

FFO I	upper end of the range of EUR 410 million to EUR 420 million
Like-for-like rental growth	c. 3.0%
Investments	c. EUR 40–42 per sqm
LTV	43 % max.
Dividend	70 % of FFO I

## Consolidated statement of financial position

T21

### Assets

€ million	30.06.2021	31.12.2020
<b>Non-current assets</b>	<b>16,258.0</b>	<b>14,847.6</b>
Investment properties	15,963.2	14,582.7
Prepayments for investment properties	75.8	43.3
Property, plant and equipment	82.6	86.3
Intangible assets and goodwill	102.9	102.4
Investments in associates	10.2	10.2
Other financial assets	21.1	15.1
Receivables and other assets	0.2	0.2
Deferred tax assets	2.0	7.4
<b>Current assets</b>	<b>1,012.5</b>	<b>413.1</b>
Real estate inventory and other inventory	13.8	7.2
Receivables and other assets	104.6	64.4
Income tax receivables	7.7	6.1
Cash and cash equivalents	886.4	335.4
<b>Assets held for sale</b>	<b>1.7</b>	<b>21.6</b>
<b>Total assets</b>	<b>17,272.2</b>	<b>15,282.3</b>

### Equity and liabilities

€ million	30.06.2021	31.12.2020
<b>Equity</b>	<b>8,285.7</b>	<b>7,389.9</b>
Share capital	72.8	72.1
Capital reserves	1,639.2	1,553.1
Cumulative other reserves	6,549.2	5,740.4
Equity attributable to shareholders of the parent company	8,261.2	7,365.6
Non-controlling interests	24.5	24.3
<b>Non-current liabilities</b>	<b>8,587.1</b>	<b>7,028.2</b>
Pension provisions	146.2	157.3
Other provisions	7.7	7.3
Financing liabilities	6,636.1	5,377.7
Other liabilities	191.2	129.9
Deferred tax liabilities	1,605.9	1,356.0
<b>Current liabilities</b>	<b>399.4</b>	<b>864.2</b>
Pension provisions	5.5	6.7
Other provisions	21.4	27.8
Provisions for taxes	0.0	0.1
Financing liabilities	111.5	491.3
Other liabilities	246.7	325.9
Tax liabilities	14.3	12.4
<b>Total equity and liabilities</b>	<b>17,272.2</b>	<b>15,282.3</b>

## Consolidated statement of comprehensive income

T22

€ million	Q2 2021	Q2 2020	01.01. – 30.06.2021	01.01. – 30.06.2020
<b>Net rental and lease income</b>	<b>137.4</b>	<b>122.9</b>	<b>266.4</b>	<b>239.5</b>
Rental and lease income	223.9	204.6	455.1	417.1
Cost of sales in connection with rental and lease income	-86.5	-81.7	-188.7	-177.6
<b>Net income from the disposal of investment properties</b>	<b>-0.2</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.6</b>
Income from the disposal of investment properties	4.6	16.1	26.0	26.7
Carrying amount of the disposal of investment properties	-4.6	-16.3	-26.0	-26.8
Cost of sales in connection with disposed investment properties	-0.2	-0.2	-0.4	-0.5
<b>Net income from the remeasurement of investment properties</b>	<b>1,108.4</b>	<b>593.5</b>	<b>1,110.3</b>	<b>592.7</b>
<b>Net income from the disposal of real estate inventory</b>	<b>0.0</b>	<b>-0.5</b>	<b>-0.0</b>	<b>-1.8</b>
Income from the real estate inventory disposed of	0.2	-	1.3	-
Carrying amount of the real estate inventory disposed of	-0.2	-	-1.1	-
Costs of sales of the real estate inventory disposed of	0.0	-0.5	-0.2	-1.8
<b>Net income from other services</b>	<b>1.3</b>	<b>1.4</b>	<b>2.7</b>	<b>3.0</b>
Income from other services	3.1	3.2	6.1	6.5
Expenses in connection with other services	-1.8	-1.8	-3.4	-3.5
<b>Administrative and other expenses</b>	<b>-12.6</b>	<b>-14.1</b>	<b>-24.1</b>	<b>-24.4</b>
<b>Other income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Operating earnings</b>	<b>1,234.3</b>	<b>702.8</b>	<b>1,354.9</b>	<b>808.4</b>
Interest income	0.0	0.0	0.0	0.0
Interest expenses	-32.2	-23.1	-57.1	-45.7
Net income from investment securities and other equity investments	3.6	-1.0	3.6	1.8
Net income from the fair value measurement of derivatives	-33.9	-9.7	14.1	-9.9
<b>Earnings before income taxes</b>	<b>1,171.8</b>	<b>669.0</b>	<b>1,315.5</b>	<b>754.6</b>
Income taxes	-232.9	-122.2	-252.2	-141.2
<b>Net profit or loss for the period</b>	<b>938.9</b>	<b>546.8</b>	<b>1,063.3</b>	<b>613.4</b>

€ million	Q2 2021	Q2 2020	01.01. – 30.06.2021	01.01. – 30.06.2020
<b>Change in amounts recognised directly in equity</b>	<b>6.4</b>	<b>-17.3</b>	<b>18.8</b>	<b>-3.7</b>
<b>Thereof recycling</b>				
Fair value adjustment of interest rate derivatives in hedges	6.2	-5.2	11.8	-7.8
Change in unrealised gains/(losses)	7.4	-5.2	14.2	-8.3
Income taxes on amounts recognised directly in equity	-1.2	-	-2.4	0.5
<b>Thereof non-recycling</b>				
<b>Actuarial gains and losses from the measurement of pension obligations</b>	<b>0.2</b>	<b>-12.1</b>	<b>7.0</b>	<b>4.1</b>
Change in unrealised gains/(losses)	0.4	-12.1	10.1	6.0
Income taxes on amounts recognised directly in equity	-0.2	-	-3.1	-1.9
<b>Total comprehensive income</b>	<b>945.3</b>	<b>529.5</b>	<b>1,082.1</b>	<b>609.7</b>
<b>Net profit or loss for the period attributable to:</b>				
Non-controlling interests	1.0	0.0	1.7	1.9
Parent shareholders	937.9	-	1,061.6	611.5
<b>Total comprehensive income attributable to:</b>				
Non-controlling interests	1.0	0.0	1.7	1.9
Parent shareholders	944.3	-	1,080.4	607.8
<b>Basic earnings per share in €</b>	<b>13.00</b>	<b>7.90</b>	<b>14.72</b>	<b>8.85</b>
<b>Diluted earnings per share in €</b>	<b>12.32</b>	<b>7.68</b>	<b>13.29</b>	<b>8.60</b>

## Statement of changes in consolidated equity

T23

€ million	Share capital	Capital reserves	Cumulative other reserves			Equity attributable to shareholders of the Group	Non-controlling interests	Consolidated equity
			Revenue reserves	Actuarial gains and losses from the measurement of pension obligations	Fair value adjustment of interest derivatives in hedges			
<b>As of 01.01.2020</b>	69.0	1,202.2	4,718.9	-53.0	-27.2	5,909.9	24.0	5,933.9
Net profit or loss for the period	-	-	611.5	-	-	611.5	1.9	613.4
Other comprehensive income	-	-	-	4.1	-7.8	-3.7	0.0	-3.7
<b>Total comprehensive income</b>	-	-	611.5	4.1	-7.8	607.8	1.9	609.7
Other	-	-	0.9	-	-	0.9	-	0.9
Change in consolidated companies	-	-	-	-	-	-	-	-
Capital increase	2.4	267.2	-	-	-	269.6	-	269.6
Withdrawals from reserves	-	-	-	-	-	-	-1.5	-1.5
Changes from put options	-	-	-	-	-	-	-	-
Distributions	-	-	-	-	-	-	-	-
<b>As of 30.06.2020</b>	71.4	1,469.4	5,331.3	-48.9	-35.0	6,788.2	24.4	6,812.6
<b>As of 01.01.2021</b>	72.1	1,553.1	5,824.8	-50.1	-34.3	7,365.6	24.3	7,389.9
Net profit/loss for the period	-	-	1,061.6	-	-	1,061.6	1.7	1,063.3
Other comprehensive income	-	-	-	7.0	11.8	18.8	0.0	18.8
<b>Total comprehensive income</b>	-	-	1,061.6	7.0	11.8	1,080.4	1.7	1,082.1
Other	-	-	0.9	-	-	0.9	-	0.9
Change in consolidated companies	-	-	-	-	-	-	-	-
Capital increase	0.7	86.1	-	-	-	86.8	-	86.8
Withdrawals from reserves	-	-	-	-	-	-	-1.4	-1.4
Changes from put options	-	-	-	-	-	-	-	-
Distributions	-	-	-272.5	-	-	-272.5	-0.1	-272.6
<b>As of 30.06.2021</b>	72.8	1,639.2	6,614.8	-43.1	-22.5	8,261.2	24.5	8,285.7

## Consolidated statement of cash flows

T24

€ million	01.01. – 30.06.2021	01.01. – 30.06.2020
<b>Operating earnings</b>	<b>1,354.9</b>	<b>808.4</b>
Depreciation on property, plant and equipment and amortisation on intangible assets	8.8	8.6
(Gains)/Losses from the measurement of investment properties	-1,110.3	-592.7
(Gains)/Losses from the disposal of assets held for sale and investment properties	0.0	0.2
(Decrease)/Increase in pension provisions and other non-current provisions	-1.7	-2.1
Other non-cash income and expenses	3.7	3.8
(Decrease)/Increase in receivables, inventories and other assets	-58.5	-57.2
Decrease/(Increase) in liabilities (not including financing liabilities) and provisions	34.1	22.1
Interest paid	-42.2	-38.7
Interest received	0.0	0.1
Received income from investments	3.6	3.1
Taxes received	1.4	0.2
Taxes paid	-3.2	-5.7
<b>Net cash from/(used in) operating activities</b>	<b>190.6</b>	<b>150.1</b>
<b>Cash flow from investing activities</b>		
Investments in investment properties	-311.0	-417.5
Proceeds from disposals of non-current assets held for sale and investment properties	9.7	26.5
Investments in intangible assets and property, plant and equipment	-3.8	-9.8
Proceeds from disposals of intangible assets and property, plant and equipment	0.0	0.0
Investments in financial assets and other assets	-6.0	-
Acquisition of shares in consolidated companies	-10.0	0.0
Proceeds from disposals of shares in consolidated companies	5.0	30.1
<b>Net cash from/(used in) investing activities</b>	<b>-316.1</b>	<b>-370.7</b>

€ million	01.01. – 30.06.2021	01.01. – 30.06.2020
<b>Cash flow from financing activities</b>		
Borrowing of bank loans	-	258.4
Repayment of bank loans	-218.7	-166.6
Issue of convertible and corporate bonds	1,088.6	544.0
Repayment of lease liabilities	-5.9	-5.3
Other payments	-	-1.3
Capital contribution	-	269.6
Withdrawals from reserves	-	50.0
Distribution to shareholders	-185.7	-
Distribution and withdrawals from reserves of non-controlling interest	-1.8	-1.8
<b>Net cash from/(used in) financing activities</b>	<b>676.5</b>	<b>947.0</b>
<b>Change in cash and cash equivalents</b>	<b>551.0</b>	<b>726.4</b>
Cash and cash equivalents at beginning of period	335.4	451.2
<b>Cash and cash equivalents at end of period</b>	<b>886.4</b>	<b>1,177.6</b>
<b>Composition of cash and cash equivalents</b>		
Cash in hand, bank balances	886.4	1,177.6
<b>Cash and cash equivalents at end of period</b>	<b>886.4</b>	<b>1,177.6</b>

## Selected notes on the IFRS interim consolidated Financial statements as at 30 June 2021

### 1. Basic information on the Group

LEG Immobilien SE, Dusseldorf (hereinafter: "LEG Immo"), its subsidiaries, especially LEG NRW GmbH, Dusseldorf (hereinafter: "LEG") and the subsidiaries of the latter company (hereinafter referred to collectively as the "LEG Group") are among the largest residential companies in Germany. On 30 June 2021, LEG Group held a portfolio of 146,237 (30 June 2020: 138,813) residential and commercial units (146,221 (30 June 2020: 138,785) units excluding IFRS 5 objects).

LEG Group engages in three core activities as an integrated property company: the optimisation of the core business, the expansion of the value chain as well as the portfolio strengthening.

The interim consolidated financial statements are prepared in euros. Unless stated otherwise, all figures have been rounded to millions of Euro (EUR million). For technical reasons, tables and references can include rounded figures that differ from the exact mathematical values.

### 2. Interim consolidated financial statements

LEG Immo prepared the interim consolidated financial statements in accordance with the provisions of the International Financial Reporting Standards (IFRS) for interim reporting, as endorsed in the EU, and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). Based on the option under IAS 34.10, the notes to the financial statements were presented in a condensed form. The condensed interim consolidated financial statements have not been audited or subjected to an audit review.

LEG Group primarily generates income from the rental and letting of investment properties. Rental and lease business, in essence, is unaffected by seasonal and cyclical influences.

### 3. Accounting policies

The accounting policies applied in the interim consolidated financial statements of LEG Group are the same as those presented in the IFRS consolidated financial statements of LEG Immo as of 31 December 2020. These interim consolidated financial statements as at 30 June 2021 should therefore be read in conjunction with the consolidated financial statements as at 31 December 2020.

LEG Immo has fully applied the new standards and interpretations that are mandatory from 1 January 2021. The amendments to IFRS 16 (Covid-19-related rent concessions) do not affect LEG Group's lease accounting. The optional exemption from assessing whether a COVID-19-related rent concession is a lease modification was not applied at LEG Group. There were no cases of rent being deferred or waived as a direct result of the coronavirus pandemic for leases where LEG Group is the lessee. Due to the amendments to the Interest Rate Benchmark Reform of IFRS 9, IAS 39 and IFRS 7 no significant impact on the measurement of derivatives used in hedge accounting is expected. Within the prospective effectiveness of the hedging relationship it is assumed that the underlying effect from the replacement of the reference rate due to the IBOR reform is not significant.

### 4. Changes in the Group

On 11 March 2021 the conversion of LEG Immobilien AG into the legal form of an SE, *Societas Europaea* (European Company), was registered in the commercial register.

## 5. Assumptions and estimates

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

Although the management believes that the assumptions and estimates used are appropriate, any unforeseeable changes in these assumptions could impact the net assets, financial position and results of operations. The Covid-19 situation was taken into account in the discretionary decisions. There was no significant impact. Moreover, there were no triggering events for the conduct of an impairment test on goodwill during the reporting period.

In view of the global effects of the Covid-19 pandemic on the economy and society, all current forecasts can be made only with a considerably higher degree of uncertainty. This applies particularly in the context of international links and interrelations between the financial markets, the real economy and political decisions, which each individually have an influence on the economic effects of the pandemic already, but when combined are impossible to assess with any certainty ex ante. The following sections are therefore based on the fundamental assumption that the Covid-19 pandemic represents a temporary phenomenon.

### Development of property prices and demand

Supply and demand for housing will still be the decisive factors for future price development. It can be assumed that the construction activity will remain at a high level, but continue to lag behind the trend in demand. Due to the supply deficit that is largely present the general conditions for rising prices will continue.

### Development of rent defaults and rent deferrals

Only a slight increase in rent defaults can be observed at present. This is partly due to the extensive state transfer payments. Due to the LEG-specific low level of commercial letting, potential rent defaults from commercial properties can currently be classified as insignificant.

### Housing vacancies

No developments can be seen at present that would indicate higher vacancies. Despite a pandemic-driven difficult environment, new lettings develop positively and tenant terminations are on a stable low level. As in the financial crisis in 2008/2009, immigration from EU countries that are hit hard by the economic consequences of the Covid-19 pandemic could increase again, thus creating additional demand for housing in the medium term. In the event of a severe recession, it could even prove to be an opportunity specifically for LEG Group that the company has a large number of affordable apartments and can thus benefit from increased demand for inexpensive housing in times of recession.

After carefully weighing up the information currently available at LEG Group, LEG came to the conclusion that the effects of the Covid-19 pandemic on the housing sector in Germany and the effects on the business performance and the intrinsic value of the real estate assets of LEG Group should be manageable. There could even be opportunities for LEG Group in some cases.

For further information, please refer to the [consolidated financial statements as at 31 December 2020](#).



## 6. Selected notes to the consolidated statement of financial position

On 30 June 2021, LEG Group held 144,892 apartments and 1,345 commercial units in its portfolio (146,221 units excluding IFRS 5 properties).

Investment properties developed as follows in the financial year 2020 and in 2021 up to the reporting date of the interim consolidated financial statements:

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### Investment properties

€ million	Total	Residential assets				Commercial assets	Parking and other assets	Lease-hold	land values
		High-growth markets	Stable markets	Higher-yielding markets	Other				
<b>Carrying amount as of 01.01.2021<sup>1</sup></b>	<b>14,582.7</b>	<b>6,262.9</b>	<b>4,808.4</b>	<b>2,802.2</b>	<b>0.0</b>	<b>231.9</b>	<b>280.1</b>	<b>165.2</b>	<b>32.1</b>
Acquisitions	128.3	88.8	30.9	0.8	2.3	0.2	4.5	0.8	0.0
Other additions	147.8	51.4	54.0	38.4	2.7	1.7	0.1	-0.6	0.0
Reclassified to assets held for sale	-6.0	-1.2	-0.3	-2.2	-1.9	-0.2	-0.2	0.0	0.0
Reclassified from assets held for sale	-	-	-	-	-	-	-	-	-
Reclassified to property, plant and equipment	-	-	-	-	-	-	-	-	-
Reclassified from property, plant and equipment	0.1	0.0	0.1	0.0	0.0	0.0	-	-	-
Fair value adjustment	1,110.3	555.0	364.1	184.8	-3.1	-3.3	17.2	-5.2	0.8
Reclassification	0.0	-17.8	44.1	-24.8	0.0	-1.4	0.0	0.0	-0.1
<b>Carrying amount as of 30.06.2021</b>	<b>15,963.2</b>	<b>6,939.1</b>	<b>5,301.3</b>	<b>2,999.2</b>	<b>0.0</b>	<b>228.9</b>	<b>301.7</b>	<b>160.2</b>	<b>32.8</b>

<sup>1</sup> expansion in market classification within Germany

Fair value adjustment as of 31.03.2021 (in Euro million):	1,110.3
hereupon as of 30.06.2021 in the portfolio:	1,110.0
hereupon as of 30.06.2021 disposed investment properties:	0.3

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## Investment properties

€ million	Total	Residential assets			Commercial assets	Parking and other assets	Lease-hold	Land values
		High-growth markets	Stable markets	Higher-yielding markets				
<b>Carrying amount as of 01.01.2020</b>	<b>12,031.1</b>	<b>5,126.8</b>	<b>3,923.0</b>	<b>2,390.2</b>	<b>225.9</b>	<b>219.4</b>	<b>113.3</b>	<b>32.5</b>
Acquisitions	1,139.6	517.6	407.8	106.3	38.0	26.5	39.2	4.3
Other additions	284.6	102.2	99.1	80.2	2.8	0.2	0.0	0.2
Reclassified to assets held for sale	-44.7	-18.0	-13.9	-9.1	-1.9	-1.4	0.0	-0.4
Reclassified from assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reclassified to property, plant and equipment	-0.9	-0.6	-0.1	-0.2	0.0	0.0	0.0	0.0
Reclassified from property, plant and equipment	2.6	0.0	0.0	0.0	2.6	0.0	0.0	0.0
Fair value adjustment	1,170.4	516.4	389.8	239.3	-12.4	26.7	12.2	-1.6
Reclassification	0.0	18.6	2.7	-4.5	-23.1	8.7	0.5	-2.9
<b>Carrying amount as of 31.12.2020</b>	<b>14,582.7</b>	<b>6,262.9</b>	<b>4,808.4</b>	<b>2,802.2</b>	<b>231.9</b>	<b>280.1</b>	<b>165.2</b>	<b>32.1</b>
Fair value adjustment 31.12.2020 (in Euro million):	1,170.4							
hereupon as of 31.12.2020 in the portfolio:	1,168.5							
hereupon as of 31.12.2020 disposed investment properties:	1.9							

Investment properties were remeasured by LEG Group as of the interim reporting date of 30 June 2021.

The fair values of investment properties are calculated on the basis of the forecast net cash flows from property management using the discounted cash flow (DCF) method.

On 27 December 2019, LEG NRW GmbH acquired the F 99 and F 101 projects (land plus defined construction project specifications) from F 101 Projekt GmbH & Co. KG. The purchase prices are due at the acceptance of the completed buildings (F99 anticipated for 1 March 2022, F 101 for 1 September 2022).

The tables below show the measurement method used to determine the fair value of investment properties and the material unobservable inputs used as of 30 June 2021 and 31 December 2020:

T27

## Valuation parameters as at 30 June 2021

	GAV investment properties € million	Valuation technique	Market rent residential/commercial €/qm			Maintenance cost residential/commercial €/qm			Administrative cost residential/commercial €/unit			Stabilised vacancy rate %		
			min	Ø	max	min	Ø	max	min	Ø	max	min	Ø	max
			Residential assets											
High-growth markets	6,909	DCF	3.63	8.28	14.35	8.64	11.82	15.89	183.36	307.58	471.41	0.7	1.8	6.0
Stable markets	5,275	DCF	1.94	6.82	13.09	8.44	11.85	15.38	177.12	305.84	471.05	1.5	3.0	9.0
Higher-yielding markets	3,000	DCF	0.32	6.15	9.21	7.48	11.92	15.76	176.64	305.97	471.05	1.5	4.4	8.5
Commercial assets	229	DCF	0.50	7.06	27.00	4.00	6.84	11.73	0.29	229.46	5,480.52	1.0	2.7	8.5
Leasehold	160	DCF	-	-	-	-	-	-	1.95	24.88	75.37	-	-	-
Parking and other assets	302	DCF	-	-	-	34.61	75.60	90.16	39.47	39.77	40.31	-	-	-
Land values	29	Earnings/ reference value method	-	-	-	-	-	-	0.06	6.33	42.44	-	-	-
<b>Total portfolio (IAS 40)<sup>1</sup></b>	<b>15,903</b>	<b>DCF</b>	<b>0.32</b>	<b>6.99</b>	<b>27.00</b>	<b>4.00</b>	<b>17.86</b>	<b>90.16</b>	<b>0.06</b>	<b>279.70</b>	<b>5,480.52</b>	<b>0.7</b>	<b>3.2</b>	<b>9.0</b>

	Discount rate			Capitalisation rate			Estimated rental development		
	%			%			%		
	min	Ø	max	min	Ø	max	min	Ø	max
Residential assets									
High-growth markets	2.9	4.1	5.0	1.9	4.7	11.0	1.1	1.6	2.0
Stable markets	2.9	4.1	5.0	1.6	5.3	11.1	0.9	1.3	1.9
Higher-yielding markets	3.1	4.2	4.8	2.6	5.7	11.9	0.7	1.1	1.5
Commercial assets	2.5	6.4	9.0	2.5	7.1	11.4	0.8	1.4	2.0
Leasehold	3.0	4.2	6.0	2.6	5.6	11.9	1.0	1.4	1.8
Parking and other assets	2.8	4.2	5.2	2.4	6.3	11.9	0.7	1.3	2.0
Land values	3.9	4.2	4.8	2.8	10.8	12.3	0.9	1.3	1.8
<b>Total portfolio (IAS 40)<sup>1</sup></b>	<b>2.5</b>	<b>4.2</b>	<b>9.0</b>	<b>1.6</b>	<b>5.5</b>	<b>12.3</b>	<b>0.7</b>	<b>1.3</b>	<b>2.0</b>

<sup>1</sup> In addition, as at 30 June 2021, there are assets held for sale (IFRS 5) in the amount of EUR 1.7 million, which correspond to Level 2 of the fair value hierarchy.

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## Valuation parameters as at 31 December 2020

	GAV investment properties € million	Valuation technique	Administrative costs €/qm			Stabilised vacancy ratio €/qm			Maintenance costs €/unit			Capitalisation rate %		
			min	Ø	max	min	Ø	max	min	Ø	max	min	Ø	max
			Residential assets											
High-growth markets	6,242	DCF	3.63	8.14	14.01	5.62	11.70	15.73	181.85	304.85	466.74	1.0	1.8	6.0
Stable markets	4,806	DCF	2.33	6.69	10.31	6.64	11.78	15.23	163.73	302.89	466.38	1.5	3.0	9.0
Higher-yielding markets	2,802	DCF	0.32	6.05	9.29	5.86	11.85	15.61	161.96	302.97	466.38	1.5	4.4	8.5
Commercial assets	232	DCF	0.50	7.40	27.00	4.46	7.37	15.47	0.16	257.60	5,480.52	1.0	2.6	8.5
Leasehold	165	DCF	-	-	-	-	-	-	1.95	28.93	75.37	-	-	-
Parking + other assets	280	DCF	-	-	-	34.27	77.10	89.27	39.07	39.37	39.50	-	-	-
Land values	28	Earnings/reference value method	-	-	-	-	-	-	0.06	5.64	14.40	-	-	-
<b>Total portfolio (IAS 40)<sup>1</sup></b>	<b>14,555</b>	<b>DCF</b>	<b>0.32</b>	<b>6.86</b>	<b>27.00</b>	<b>4.46</b>	<b>17.34</b>	<b>89.27</b>	<b>0.06</b>	<b>280.14</b>	<b>5,480.52</b>	<b>1.0</b>	<b>3.2</b>	<b>9.0</b>

	Discount rate			Market rent			Estimated rent development residential		
	%			%			%		
	min	Ø	max	min	Ø	max	min	Ø	max
Residential assets									
High-growth markets	3.3	4.4	5.3	2.2	5.0	11.3	1.1	1.6	1.9
Stable markets	3.2	4.4	5.3	1.9	5.6	11.4	0.9	1.2	1.8
Higher-yielding markets	3.4	4.5	5.1	2.9	5.9	12.0	0.7	1.1	1.6
Commercial assets	2.5	6.5	9.0	2.8	7.1	9.5	0.8	1.4	1.9
Leasehold	3.3	4.5	6.0	10.4	11.1	11.8	0.9	1.4	1.8
Parking + other assets	3.0	4.5	5.4	2.6	6.9	12.0	0.7	1.3	1.9
Land values	4.2	4.4	5.0	2.8	11.0	11.9	0.9	1.3	1.8
<b>Total portfolio (IAS 40)<sup>1</sup></b>	<b>2.5</b>	<b>4.5</b>	<b>9.0</b>	<b>1.9</b>	<b>5.7</b>	<b>12.0</b>	<b>0.7</b>	<b>1.3</b>	<b>1.9</b>

<sup>1</sup> In addition, as at 31 December 2020, there are assets held for sale (IFRS 5) in the amount of EUR 21.6 million, which correspond to Level 2 of the fair value hierarchy.

Sensitivities were as follows as at 30 June 2021:

T29

### Sensitivity analysis as at 30 June 2021

Segment	GAV investment properties € million	Valuation technique	Sensitivities in %								
			Administrative costs		Stabilised vacancy ratio		Maintenance costs		Capitalisation rate		
			+10%	-10%	+1% pts.	-1% pts.	+10%	-10%	+0.25%	-0.25%	
Residential assets											
High-growth markets	6,909	DCF	-0.7	0.7	-1.6	1.6	-1.7	1.7	-3.6	4.1	
Stable markets	5,275	DCF	-0.9	0.9	-1.7	1.7	-2.3	2.3	-3.1	3.5	
Higher-yielding markets	3,000	DCF	-1.1	1.1	-1.8	1.8	-2.6	2.6	-2.6	2.9	
Commercial assets	229	DCF	-0.2	0.2	-1.5	1.5	-1.0	1.0	-1.8	1.9	
Leasehold	160	DCF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Parking and other assets	302	DCF	-1.2	1.3	-1.1	1.1	-2.4	2.4	-1.9	2.1	
Land values	29	Earnings/reference value method	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Total portfolio (IAS 40)<sup>1</sup></b>	<b>15,903</b>	<b>DCF</b>	<b>-0.8</b>	<b>0.9</b>	<b>-1.7</b>	<b>1.7</b>	<b>-2.1</b>	<b>2.1</b>	<b>-3.2</b>	<b>3.6</b>	

Segment	Sensitivities in %					
	Discount rate		Market rent		Estimated rent development residential	
	+0.25%	-0.25%	+2%	-2%	+0.2%	-0.2%
Residential assets						
High-growth markets	-5.5	6.0	1.0	-1.0	4.3	-3.9
Stable markets	-4.8	5.2	1.5	-1.4	3.7	-3.4
Higher-yielding markets	-4.5	4.8	1.5	-1.4	3.2	-2.9
Commercial assets	-2.1	2.2	1.3	-1.3	1.6	-1.5
Leasehold	-4.2	4.5	0.0	0.0	0.0	0.0
Parking and other assets	-5.2	5.6	2.4	-1.5	2.9	-2.8
Land values	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total portfolio (IAS 40)<sup>1</sup></b>	<b>-5.0</b>	<b>5.4</b>	<b>1.3</b>	<b>-1.2</b>	<b>3.8</b>	<b>-3.5</b>

<sup>1</sup> In addition, as at 30 June 2021, there are assets held for sale (IFRS 5) of EUR 1.7 million, which correspond to level 2 of the fair value hierarchy.

Sensitivities were as follows as at 31 December 2020:

T30

### Sensitivity analysis as at 31 December 2020

Segment	GAV investment properties € million	Valuation technique	Sensitivities in %								
			Administrative costs		Stabilised vacancy ratio		Maintenance costs		Capitalisation rate		
			+10%	-10%	+1% pts.	-1% pts.	+10%	-10%	+0.25%	-0.25%	
Residential assets											
High-growth markets	6,242	DCF	-0.7	0.7	-1.6	1.6	-1.7	1.7	-3.3	3.8	
Stable markets	4,806	DCF	-0.9	0.9	-1.7	1.7	-2.3	2.3	-2.8	3.2	
Higher-yielding markets	2,802	DCF	-1.1	1.1	-1.8	1.8	-2.6	2.6	-2.4	2.7	
Commercial assets	232	DCF	-0.2	0.2	-1.7	1.7	-1.1	1.1	-1.9	2.1	
Leasehold	165	DCF	-	-	-	-	-	-	-	-	
Parking and other assets	280	DCF	-1.2	1.2	-1.1	1.1	-2.3	2.4	-1.8	2.0	
Land values	28	Earnings/reference value method	-	-	-	-	-	-	-	-	
<b>Total portfolio (IAS 40)<sup>1</sup></b>	<b>14,555</b>	<b>DCF</b>	<b>-0.9</b>	<b>0.9</b>	<b>-1.6</b>	<b>1.7</b>	<b>-2.1</b>	<b>2.1</b>	<b>-2.9</b>	<b>3.3</b>	

Segment	Sensitivities in %					
	Discount rate		Market rent		Estimated rent development residential	
	+0.25%	-0.25%	+2%	-2%	+0.2%	-0.2%
Residential assets						
High-growth markets	-5.3	5.7	1.0	-0.9	4.1	-3.7
Stable markets	-4.6	4.9	1.6	-1.5	3.4	-3.2
Higher-yielding markets	-4.3	4.6	1.4	-1.3	3.1	-2.9
Commercial assets	-2.2	2.3	1.5	-1.6	1.6	-1.5
Leasehold	-4.0	4.3	0.0	0.0	0.0	0.0
Parking and other assets	-5.1	5.5	2.4	-1.6	2.9	-2.7
Land values	-	-	-	-	-	-
<b>Total portfolio (IAS 40)<sup>1</sup></b>	<b>-4.8</b>	<b>5.2</b>	<b>1.3</b>	<b>-1.2</b>	<b>3.6</b>	<b>-3.3</b>

<sup>1</sup> In addition, as at 31 December 2020, there are assets held for sale (IFRS 5) of EUR 21.6 million, which correspond to level 2 of the fair value hierarchy.

With regard to the calculation methods, please see the consolidated financial statements as of 31 December 2020.

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

Property, plant and equipment as well as intangible assets included right of use leases in the amount of EUR 27.2 million as of 30 June 2021. The right of uses result from rented land and buildings, cars, heat contracting, measurement and reporting technology, IT peripheral devices as well as software. In the reporting period right of uses in the amount of EUR 2.0 million have been added.

### T31

#### Right of use leases

€ million	30.06.2021	30.06.2020
Right of use buildings	4.1	5.2
Right of use technical equipment and machinery	15.9	17.8
Right of use operating and office equipment	6.0	5.9
<b>Property, plant and equipment</b>	<b>26.0</b>	<b>28.9</b>
Right of use software	1.2	1.4
<b>Intangible assets</b>	<b>1.2</b>	<b>1.4</b>
<b>Right of use leases</b>	<b>27.2</b>	<b>30.3</b>

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

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

Financing liabilities are composed as follows:

### T32

#### Financing liabilities

€ million	30.06.2021	30.06.2020
Financing liabilities from real estate financing	6,658.7	5,776.1
Financing liabilities from lease financing	88.9	92.9
<b>Financing liabilities</b>	<b>6,747.6</b>	<b>5,869.0</b>

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

The consolidated financial statements of LEG Immo reported financial liabilities from real estate financing of EUR 6,658.7 million as at 30 June 2021.

In the financial year 2021, the issuance of two corporate bonds with carrying amounts of EUR 594.0 million and EUR 495.4 million increased the financing liabilities. Scheduled and unscheduled repayments of EUR 216.7 million and the amortisation of transaction costs had an opposite effect.

Financing liabilities from real estate financing include among other things two convertible bonds with a nominal value of EUR 550.0 million (IFRS carrying amount: EUR 525.5 million) or EUR 400 million (IFRS carrying amount: EUR 390.8 million) respectively, as well as five corporate bonds with nominal values of EUR 600 million (IFRS carrying amount of EUR 594.0 million), EUR 500 million (IFRS carrying amount of EUR 495.4 million), EUR 500 million (IFRS carrying amount of EUR 494.8 million), EUR 300 million (IFRS carrying amount of EUR 297.9 million) and EUR 500 million (IFRS carrying amount of EUR 500.3 million) respectively. The two new corporate bonds are included here.

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

The decrease in financing liabilities from lease financing results from repayments and offsetting from new leases. Already concluded leases starting after the reporting date will arise cash outflows in the amount of EUR 4.1 million.

The main drivers for the changes in maturity of financing liabilities as against 31 December 2020 are the issuance of two corporate bonds with a nominal value of EUR 500.0 million (IFRS carrying amount of EUR 495.4 million) and EUR 600.0 million (IFRS carrying amount of EUR 594.0 million) respectively as well as the reclassification of the convertible bond with a nominal value of EUR 400.0 million (IFRS carrying amount of EUR 390.8 million) from short-term to mid-term maturity.

T33

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

€ million	Remaining term			Total
	< 1 year	> 1 to 5 years	> 5 years	
30.06.2021	102.0	2,776.9	3,779.8	6,658.7
31.12.2020	480.4	2,086.3	3,209.4	5,776.1

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

Net rental and lease income is broken down as follows:

T34

#### Net rental and lease income

€ million	01.01.– 30.06.2021	01.01.– 30.06.2020
Net cold rent	338.5	308.0
Profit from operating expenses	-0.6	-1.6
Maintenance for externally procured services	-29.0	-24.0
Staff costs	-41.4	-36.3
Allowances on rent receivables	-3.8	-4.3
Depreciation and amortisation expenses	-5.4	-5.0
Other	8.1	2.7
<b>Net rental and lease income</b>	<b>266.4</b>	<b>239.5</b>
<b>Net operating income-margin (in %)</b>	<b>78.7</b>	<b>77.8</b>
Non-recurring project costs – rental and lease	3.3	2.1
Depreciation	5.4	5.0
<b>Adjusted net rental and lease income</b>	<b>275.1</b>	<b>246.6</b>
<b>Adjusted net operating income-margin (in %)</b>	<b>81.3</b>	<b>80.1</b>

In the reporting period, LEG Group increased its net rental and lease income by EUR 26.9 million compared to the same period of the previous year. The main driver of this development was the EUR 30.5 million rise in net cold rents. In-place rent per square metre on a like-for-like basis rose by 3.5% in the reporting period. This was countered by the increase in staff costs by EUR 5.1 million, which was mainly due to an increase in the number of employees as well as to tariff increases.

Due to disproportionate development of net rental and lease income compared with the development of in-place rent the NOI margin increased from 77.8% to 78.7% in the reporting period.



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

## T35

**Depreciation expense of leases**

€ million	01.01.– 30.06.2021	01.01.– 30.06.2020
Right of use buildings	0.1	0.1
Right of use technical equipment and machinery	2.4	2.3
Right of use operating and office equipment	1.3	1.1
<b>Depreciation expense of leases</b>	<b>3.8</b>	<b>3.5</b>

In the reporting period expenses of leases of a low-value asset in the amount of EUR 0.4 million were included in the net rental and lease income (comparable period: EUR 0.2 million).

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

## T36

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

€ million	01.01.– 30.06.2021	01.01.– 30.06.2020
Income from the disposal of investment	26.0	26.7
Carrying amount of the disposal of investment properties	-26.0	-26.8
Costs of sales of investment properties	-0.4	-0.5
<b>Net income from the disposal of investment properties</b>	<b>-0.4</b>	<b>-0.6</b>

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

Net income from remeasurement of investment properties amounted to EUR 1,110.3 million in the reporting period. Based on the property portfolio as at the beginning of the financial year (including the remeasured acquisitions), this corresponds to an increase of 7.5%.

The average value of investment properties (incl. IFRS 5 objects) was EUR 1,641 per square metre as at 30 June 2021 including acquisitions (31 December 2020: 1,503 per square metre).

The increase in the value of the portfolio is the result of the further increase in rents as well as further reduction in the discount and capitalisation rates.

**Administrative and other expenses**

## T37

**Administrative and other expenses**

€ million	Q2 2021	Q2 2020	01.01. – 30.06.2021	01.01. – 30.06.2020
Other operating expenses	-4.5	-7.3	-8.2	-10.4
Staff costs	-7.0	-5.4	-13.5	-11.1
Purchased services	-0.2	-0.3	-0.5	-0.8
Depreciation and amortisation	-0.9	-1.1	-1.9	-2.1
<b>Administrative and other expenses</b>	<b>-12.6</b>	<b>-14.1</b>	<b>-24.1</b>	<b>-24.4</b>
Depreciation and amortisation	0.9	1.1	1.9	2.1
Non-recurring project costs and extraordinary and prior-period expenses	2.9	5.5	4.2	6.4
<b>Adjusted administrative and other expenses</b>	<b>-8.7</b>	<b>-7.5</b>	<b>-18.0</b>	<b>-15.9</b>

The decrease in other operating expenses is mainly attributable to lower consultancy fees. In contrast, staff costs in the first half of 2021 were characterised by Corona bonus payments, hirings, restructurings and the entry of a third management board member as of 1 July 2020. In the first six months of 2021, adjusted administrative expenses are therefore EUR 2.1 million higher than in the comparative period.

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

## T38

**Depreciation expense of leases**

€ million	Q2 2021	Q2 2020	01.01. – 30.06.2021	01.01. – 30.06.2020
Right of use buildings	0.5	0.5	1.0	1.0
Right of use technical equipment and machinery	-	-	-	-
Right of use operating and office equipment	-	0.1	0.1	0.2
Right of use software	0.1	0.2	0.2	0.3
<b>Depreciation expense of leases</b>	<b>0.6</b>	<b>0.8</b>	<b>1.3</b>	<b>1.5</b>

**Interest expenses**

Interest expenses are composed as follows:

## T39

**Interest expenses**

€ million	01.01. – 30.06.2021	01.01. – 30.06.2020
Interest expenses from real estate financing	-35.9	-33.4
Interest expense from loan amortisation	-7.9	-6.1
Prepayment penalty	-2.0	-0.4
Interest expense from interest derivatives for real estate financing	-4.5	-4.1
Interest expense from change in pension provisions	-0.3	-0.6
Interest expense from interest on other assets and liabilities	-0.1	-0.1
Interest expenses from lease financing	-1.0	-1.1
Other interest expenses	-5.4	0.1
<b>Interest expenses</b>	<b>-57.1</b>	<b>-45.7</b>

Interest expense from loan amortisation increased by EUR 1.8 million year on year to EUR 7.9 million. This increase resulted with EUR 4.2 million (comparative period: EUR 2.2 million) from the convertible bond which was issued in the second quarter of 2020 with a nominal value of EUR 550.0 million and the corporate bond issued in the first quarter of 2021 with a nominal value of EUR 500.0 million. The rise in prepayment penalties is due to early redemption of loans.

The early redemption of an interest rate derivative led to an increase in other interest expenses of EUR 4.5 million in the reporting period.

**Income taxes**

## T40

**Income tax expenses**

€ million	01.01. – 30.06.2021	01.01. – 30.06.2020
Current tax expenses	-2.2	-2.0
Deferred tax expenses	-250.0	-139.2
<b>Income tax expenses</b>	<b>-252.2</b>	<b>-141.2</b>

An effective Group tax rate of 19.2% was assumed in the reporting period in accordance with Group tax planning (comparative period: 18.7%). Current tax expenses include EUR 1.6 million income taxes relating to earlier periods in connection with the formation of a provision for risks from tax audits for the tax years 2013 to 2019.

**Earnings per share**

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

Following the capital increase on 24 June 2021 in connection with the scrip dividend for the financial year 2020 a total of 743,682 new shares were issued.

### Earnings per share according to IAS 33

T41

#### Earnings per share (basic)

	01.01. – 30.06.2021	01.01. – 30.06.2020
Net profit or loss attributable to shareholders in € million	1,061.6	611.5
Average numbers of shares outstanding	72,124,864	69,087,968
<b>Earnings per share (basic) in €</b>	<b>14.72</b>	<b>8.85</b>

T42

#### Earnings per share (diluted)

€ million	01.01. – 30.06.2021	01.01. – 30.06.2020
Net profit or loss attributable to shareholders	1,061.6	611.5
Convertible bonds coupon after taxes	2.3	1.4
Measurement of derivatives after taxes	-14.2	9.9
Amortisation of the convertible bonds after taxes	2.3	0.9
Net profit or loss for the period for diluted earnings per share	1,052.0	623.7
Average weighted number of shares outstanding	72,124,864	69,087,968
Number of potentially new shares in the event of exercise of conversion rights	7,026,823	3,431,059
Number of shares for diluted earnings per share	79,151,687	72,519,027
Intermedia result in €	13.29	8.60
<b>Diluted earnings per share in €</b>	<b>13.29</b>	<b>8.60</b>

As at 30 June 2021, LEG Immo had convertible bonds outstanding, which authorise the bearer to convert it into up to 7.0 million ordinary shares.

Diluted earnings per share are calculated by increasing the average number of shares outstanding by the number of all potentially dilutive shares. The net profit/loss for the period is adjusted for the expenses no longer incurring for the interest coupon, the measurement of the embedded derivatives and the amortisation of the convertible bond and the resulting tax effect in the event of the conversion rights being exercised in full.

## 8. Notes on Group segment reporting

As a result of the revision of internal management reporting, LEG Group has no longer been managed as two segments since the 2016 financial year. The Group is now managed as one segment.

LEG Group is managed by the following key performance indicators:

### Reconciliation to FFO

FFO I is a key financial performance indicator of LEG Group. LEG Group distinguishes between FFO I (not including net income from the disposal of investment properties), FFO II (including net income from the disposal of investment properties) and AFFO (FFO I adjusted for capex). The calculation methods for these key figures can be found in the [glossary in the annual report 2020](#).

FFO I, FFO II and AFFO were calculated as follows in the reporting period and the same period of the previous year:

## T43

## Calculation of FFO I, FFO II and AFFO

€ million	Q2 2021	Q2 2020	01.01. – 30.06.2021	01.01. – 30.06.2020
Net cold rent	170.1	154.5	338.5	308.0
Profit from operating expenses	0.1	-0.8	-0.6	-1.6
Maintenance for externally procured services	-12.8	-11.1	-29.0	-24.0
Staff costs	-20.3	-18.6	-41.4	-36.3
Allowances on rent receivables	-1.5	-2.0	-3.8	-4.3
Other	4.6	3.5	8.1	2.7
Non-recurring project costs (rental and lease)	1.7	1.4	3.3	2.1
<b>Current net rental and lease income</b>	<b>141.9</b>	<b>126.9</b>	<b>275.1</b>	<b>246.6</b>
<b>Current net income from other services</b>	<b>2.1</b>	<b>2.1</b>	<b>4.2</b>	<b>4.5</b>
Staff costs	-7.0	-5.4	-13.5	-11.1
Non-staff operating costs	-4.6	-7.6	-8.7	-11.2
Non-recurring project costs (admin.)	2.9	5.5	4.2	6.4
<b>Current administrative expenses</b>	<b>-8.7</b>	<b>-7.5</b>	<b>-18.0</b>	<b>-15.9</b>
Other income and expenses	0.0	-	0.0	-
<b>Adjusted EBITDA</b>	<b>135.3</b>	<b>121.5</b>	<b>261.3</b>	<b>235.2</b>
Cash interest expenses and income	-21.7	-19.6	-42.2	-38.6
Cash income taxes from rental and lease	0.9	-0.4	-0.5	-1.2
<b>FFO I (before adjustment of non-controlling interests)</b>	<b>114.5</b>	<b>101.5</b>	<b>218.6</b>	<b>195.4</b>
Adjustment of non-controlling interests	-0.4	-0.9	-0.4	-0.8
<b>FFO I (after adjustment of non-controlling interests)</b>	<b>114.1</b>	<b>100.6</b>	<b>218.2</b>	<b>194.6</b>
<b>Weighted average number of shares outstanding</b>	<b>72,151,272</b>	<b>69,213,941</b>	<b>72,124,864</b>	<b>69,115,169</b>
<b>FFO I per share</b>	<b>1.58</b>	<b>1.45</b>	<b>3.03</b>	<b>2.82</b>
Net income from the disposal of investment properties	-	-0.1	-0.2	-0.3
Cash income taxes from disposal of investment properties	-1.7	-0.6	-1.8	-0.9
<b>FFO II (incl. disposal of investment properties)</b>	<b>112.4</b>	<b>99.9</b>	<b>216.2</b>	<b>193.4</b>
CAPEX	-77.2	-67.7	-147.0	-122.4
<b>Capex-adjusted FFO I (AFFO)</b>	<b>36.9</b>	<b>32.9</b>	<b>71.2</b>	<b>72.2</b>

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

Further key metrics relevant in the property industry are EPRA NRV, NTA and NDV. LEG Immo has defined the EPRA NTA as the relevant key figure. The calculation method for the respective key figure can be found in the [glossary in the 2020 annual report](#).

LEG Immo reports an EPRA NTA of EUR 10,366.9 million or EUR 135.85 per share as at 30 June 2021. Deferred taxes on investment properties are adjusted by the amount attributable to LEG Group's planned property sales. The acquisition costs are not considered. The key figures are presented exclusively on a diluted basis.

T44

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

Mio. Euro	30.06.2021			31.12.2020		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to shareholders of the parent company	8,261.1	8,261.1	8,261.1	7,365.6	7,365.6	7,365.6
Hybrid instruments	449.0	449.0	449.0	464.3	464.3	464.3
<b>Diluted NAV at fair value</b>	<b>8,710.1</b>	<b>8,710.1</b>	<b>8,710.1</b>	<b>7,829.9</b>	<b>7,829.9</b>	<b>7,829.9</b>
Deferred tax in relation to fair value gains of IP and deferred tax on subsidised loans and financial derivatives	1,682.9	1,669.4	-	1,431.3	1,417.4	-
Fair value of financial instruments	90.3	90.3	-	102.7	102.7	-
Goodwill as a result of deferred tax	-55.9	-55.9	-55.9	-55.9	-55.9	-55.9
Goodwill as a result of synergies	-	-43.7	-43.7	-	-43.7	-43.7
Intangibles as per the IFRS balance sheet	-	-3.3	-	-	-2.8	-
Fair value of fixed interest rate debt	-	-	-350.6	-	-	-443.0
Deferred taxes of fixed interest rate debt	-	-	67.2	-	-	87.2
Revaluation of intangibles to fair value	-	-	-	-	-	-
Estimated ancillary acquisition costs (real estate transfer tax) <sup>1</sup>	1,474.6	-	-	1,421.7	-	-
<b>NAV</b>	<b>11,902.0</b>	<b>10,366.9</b>	<b>8,327.1</b>	<b>10,729.7</b>	<b>9,247.6</b>	<b>7,374.5</b>
<b>Fully diluted number of shares</b>	<b>76,310,308</b>	<b>76,310,308</b>	<b>76,310,308</b>	<b>75,534,292</b>	<b>75,534,292</b>	<b>75,534,292</b>
<b>NAV per share</b>	<b>155.97</b>	<b>135.85</b>	<b>109.12</b>	<b>142.05</b>	<b>122.43</b>	<b>97.63</b>

<sup>1</sup> Taking the ancillary acquisition costs into account would result into an NTA of EUR 11.826,9 million or EUR 154.98 per share.

### Loan-to-value ratio (LTV)

Net debt at the end of the reporting period is slightly higher compared with 31 December 2020. The fair value measurement of investment properties, however, led to an increase in real estate assets bringing down the loan-to-value ratio (LTV) as at 30 June 2021 to 36.4% in comparison to 31 December 2020 (37.6%).

T45

#### LTV

€ million	30.06.2021	31.12.2020
Financing liabilities	6,747.6	5,869.0
Without lease liabilities IFRS 16 (not leasehold)	27.0	30.8
Less cash and cash equivalents	886.4	335.4
<b>Net financing liabilities</b>	<b>5,834.2</b>	<b>5,502.8</b>
Investment properties	15,963.2	14,582.7
Assets held for sale	1.7	21.6
Prepayments for investment properties	75.8	43.3
<b>Real estate assets</b>	<b>16,040.7</b>	<b>14,647.6</b>
<b>Loan to value ratio (LTV) in %</b>	<b>36.4</b>	<b>37.6</b>

## 9. Financial instruments

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

The fair values of financial instruments are determined on the basis of corresponding market values or measurement methods. For cash and cash equivalents and other short-term primary financial instruments, the fair value is approximately the same as the carrying amount at the end of the respective reporting period.

For non-current receivables, other assets and liabilities, the fair value is calculated on the basis of the forecast cash flows, applying the reference interest rates as of the end of the reporting period. The fair values of derivative financial instruments are determined based on the benchmark interest rates in place as of the reporting date.

For financial instruments at fair value, the discounted cash flow method is used to determine fair value using corresponding quoted market prices, with individual credit ratings and other market conditions being taken into account in the form of standard credit and liquidity spreads when calculating present value. If no quoted market prices are available, the fair value is calculated using standard measurement methods applying instrument-specific market parameters.

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

Both the Group's own risk and the counterparty risk were taken into account in the calculation of the fair value of derivatives in accordance with IFRS 13.

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## Classes of financial instruments for financial assets and liabilities 2021

€ million	Carrying amounts as per statement of financial positions 30.06.2021	Measurement (IFRS 9)		Measurement (IFRS 16)	Fair value 30.06.2021
		Amortised cost	Fair value through profit or loss		
<b>Assets</b>					
Other financial assets	21.2				21.2
Hedge accounting derivatives	0.1				0.1
AC	7.3	7.3			7.3
FVtPL	13.8		13.8		13.8
Receivables and other assets	104.8				104.8
AC	67.8	67.8			67.8
Other non-financial assets	37.0				37.0
Cash and cash equivalents	886.4				886.4
AC	886.4	886.4			886.4
<b>Total</b>	<b>1,012.4</b>	<b>961.5</b>	<b>13.8</b>		<b>1,012.4</b>
<b>Of which IFRS 9 measurement categories</b>					
AC	961.5	961.5			961.5
FVtPL	13.8		13.8		13.8

AC = Amortized Cost

FVtPL = Fair Value through profit and loss

FLAC = Financial Liabilities at Amortized Cost

HFT = Held for Trading

€ million	Carrying amounts as per statement of financial positions 30.06.2021	Measurement (IFRS 9)		Measurement (IFRS 16)	Fair value 30.06.2021
		Amortised cost	Fair value through profit or loss		
<b>Liabilities</b>					
Financial liabilities	-6,747.6				-7,029.7
FLAC	-6,658.7	-6,658.7			-7,029.7
Liabilities from lease financing	-88.9			-88.9	
<b>Other liabilities</b>	<b>-437.9</b>				<b>-437.9</b>
FLAC	-180.2	-180.2			-180.2
Derivatives HFT	-112.8		-112.8		-112.8
Hedge accounting derivatives	-31.2				-31.2
Other non-financial liabilities	-113.7				-113.7
<b>Total</b>	<b>-7,185.5</b>	<b>-6,838.9</b>	<b>-112.8</b>	<b>-88.9</b>	<b>-7,467.6</b>
<b>Of which IFRS 9 measurement categories</b>					
AC	-6,838.9	-6,838.9			-7,209.9
FVtPL	-112.8		-112.8		-112.8

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## Classes of financial instruments for financial assets and liabilities 2020

€ million	Carrying amounts as per statement of financial positions 31.12.2020	Measurement (IFRS 9)		Measurement (IFRS 16)	Fair value 31.12.2020
		Amortised cost	Fair value through profit or loss		
<b>Assets</b>					
<b>Other financial assets</b>	<b>15.1</b>				<b>15.1</b>
Hedge accounting derivatives	–				–
AC	1.3	1.3			1.3
FVtPL	13.8		13.8		13.8
<b>Receivables and other assets</b>	<b>64.6</b>				<b>64.6</b>
AC	57.6	57.6			57.6
Other non-financial assets	7.0				7.0
<b>Cash and cash equivalents</b>	<b>335.4</b>				<b>335.4</b>
AC	335.4	335.4			335.4
<b>Total</b>	<b>415.1</b>	<b>394.3</b>	<b>13.8</b>		<b>415.1</b>
<b>Of which IFRS 9 measurement categories</b>					
AC	394.3	394.3			394.3
FVtPL	13.8		13.8		13.8

AC = Amortized Cost

FVtPL = Fair Value through profit and loss

FLAC = Financial Liabilities at Amortized Cost

HFT = Held for Trading

€ million	Carrying amounts as per statement of financial positions 31.12.2020	Measurement (IFRS 9)		Measurement (IFRS 16)	Fair value 31.12.2020
		Amortised cost	Fair value through profit or loss		
<b>Liabilities</b>					
<b>Financial liabilities</b>	<b>-5,869.0</b>				<b>-6,241.8</b>
FLAC	-5,776.1	-5,776.1			-6,241.8
Liabilities from lease financing	-92.9			-92.9	
<b>Other liabilities</b>	<b>-455.8</b>				<b>-455.8</b>
FLAC	-166.1	-166.1			-166.1
Derivatives HFT	-127.0		-127.0		-127.0
Hedge accounting derivatives	-46.1				-46.1
Other non-financial liabilities	-116.6				-116.6
<b>Total</b>	<b>-6,324.8</b>	<b>-5,942.2</b>	<b>-127.0</b>	<b>-92.9</b>	<b>-6,697.6</b>
<b>Of which IFRS 9 measurement categories</b>					
FLAC	-5,942.2	-5,942.2			-6,407.9
Derivatives HFT	-127.0		-127.0		-127.0



As at 30 June 2021, the fair value of the very small equity investments was EUR 13.8 million, unchanged to the valuation as at 31 December 2020.

The fair value of the very small equity investments is calculated using DCF procedures as there are no quoted prices in an active market for the relevant equity investments. The fair value calculated using valuation models is allocated to Level 3 of the IFRS 13 measurement hierarchy. Allocation to Level 3 takes place based on valuation models with inputs not observed on a market. This relates primarily to the capitalisation rate of 4.21%. As at 30 June 2021, the fair value of the very small equity investments was EUR 13.8 million. The stress test of this parameter on the basis of plus 50 basis points results in the fair value being EUR 12.5 million lower and at minus 50 basis points EUR 15.5 million higher.

### 10. Related-party disclosures

Please see the IFRS consolidated financial statements as at 31 December 2020 for the presentation of the IFRS 2 programmes for long-term incentive Management Board agreements.

### 11. Other

There were no changes with regard to contingent liabilities in comparison to 31 December 2020.

### 12. The Management Board and the Supervisory Board

There were no changes to the composition of the Management Board as at 30 June 2021 compared with the disclosures as at 31 December 2020.

Ms Natalie Hayday resigned from the LEG Immo Supervisory Board effective 6 January 2021.

By resolution of the Annual General Meeting on 27 May 2021, Dr Sylvia Eichelberg was appointed as a member of the LEG Immo Supervisory Board.

### 13. Supplementary report

The acquisition of a property portfolio of around 2,215 residential and commercial units was notarised on 26 May 2021. The portfolio generates annual net cold rent of around EUR 11.4 million. The average in-place rent is around EUR 6.51 per square metre and the initial vacancy rate is around 1.8%. It is expected the transaction will be closed on 31 December 2021. The portfolio acquisition does not constitute a business combination as defined by IFRS 3.

The devastating floods on 14 July 2021 also hit locations with LEG units. Most of the damage reports received by LEG Group's customer service related to flooded basements and outdoor facilities, with only a few buildings suffering more extensive damage. The damages are now being repaired gradually by its subsidiary TSP – TechnikServicePlus GmbH and long-standing partner companies.

The exact costs have currently not been determined, but it can be assumed that the majority of the damage incurred is covered by appropriate insurance cover.

LEG Group will initially provide EUR 1 million to clear out damaged basements and apartments, which will also provide support to tenants who do not have the insurance coverage required. LEG foundations "Your Home Helps" foundation and the LEG NRW Tenants' Foundation have joined forces and initially launched a EUR 250,000 emergency fund to support tenants who have lost their possessions due to the flooding.

There were no other significant events after the end of the interim reporting period on 30 June 2021.

Dusseldorf, 10 August 2021

LEG Immobilien SE  
The Management Board

Lars von Lackum (CEO)	Susanne Schröter-Crossan (CFO)	Dr Volker Wiegel (COO)
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## Responsibility statement

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

Dusseldorf, 10 August 2021

LEG Immobilien SE, Dusseldorf  
The Management Board

Lars von Lackum  
(CEO)

Susanne Schröter-Crossan  
(CFO)

Dr Volker Wiegel  
(COO)

## Financial calendar

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### LEG financial calendar 2021

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Release of quarterly statement as of 30 September 2021

10 November

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

## Contact details and imprint

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### CONCEPT, EDITING DESIGN

HGB Hamburger Geschäftsberichte GmbH & Co. KG, Hamburg

The quarterly report as of 30 June 2021 is also available in German.  
In case of doubt, the German version takes precedence.

# LEG

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