



Leasinvest Real Estate

Investor Presentation

8 November 2019



Disclaimer

This presentation has been prepared by Leasinvest Real Estate Comm. VA, a partnership limited by shares under Belgian law (the "Company"), solely for your information and background and is subject to updating, completion, revision and amendment and such information may change materially. This Presentation includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results, condition, performance, prospects, growth, strategies and the industry in which the Company operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause the Company's actual results, condition, performance, prospects, growth or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. The Company cautions you that forward-looking statements are not guarantees of future performance and that its actual results and condition and the development of the industry in which the Company operates may differ materially from those made in or suggested by the forward-looking statements contained in this document. In addition, even if the Company's results, condition, and growth and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in future periods. The Company and each of its directors, officers and employees expressly disclaim any obligation or undertaking to review, update or release any update of or revisions to any forward-looking statements in this Presentation or any change in the Company's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.

No person is under any obligation to update or keep current the information contained in this document and any opinions expressed in relation thereto are subject to change without notice (including the forward looking statements). "Presentation" means this document, and any oral presentation, the question and answer session and any written or oral material discussed or distributed during the "road show presentation". The Presentation comprises written material/slides which provide information on the Company and its subsidiaries. The information contained in this Presentation has not been independently verified by any independent third party. The Company gives no representation or warranty, express or implied, relating to the fairness, accuracy, reasonableness or completeness of the information contained in this Presentation. Neither the Company nor any other person accepts any liability for any loss howsoever arising, directly or indirectly, from this Presentation or its contents.

This Presentation or any part of it does not form the basis of, and should not be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any member of its group, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. Any decision to invest in the Bonds in the framework of the offering must be based on your own research in respect of the Company, the Information Memorandum and the Conditions of the Bonds, including, but not limited to, the associated benefits and risks thereof, as well as the conditions of the private placement of the Bonds. Investors must themselves assess, together with their advisors whether the Bonds are suitable for them, considering their personal income and financial situation. In case of doubt with respect to the risks involved in purchasing the Bonds, investors must abstain from investing in the Bonds.

This Presentation does not constitute an offer or invitation to proceed to an acquisition of or subscription for the Company's securities, nor an offer or invitation to proceed to an acquisition of or subscription for the Company's securities in the United States of America, Switzerland, Canada, Australia, Japan, South-Africa or in any other jurisdiction where such offer or invitation is not allowed without registration or qualification under the applicable legislation of the relevant jurisdiction, or where such offer or invitation does not meet the required conditions under the applicable legislation of the relevant jurisdiction.

This Presentation and any materials distributed in connection with this Presentation are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in the United States of America, Switzerland, Canada, Australia, Japan, South-Africa or any other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. Any failure to comply with these restrictions may constitute a violation of the laws or regulations of the United States of America, Switzerland, Canada, Australia, Japan, South-Africa or any other jurisdiction. The distribution of the Presentation in other jurisdictions than Belgium, may be restricted by laws or regulations applicable in such jurisdictions. All persons in possession of this Presentation must inform themselves about, and comply with, any such restrictions.

This Presentation and any materials distributed in connection with this Presentation does not constitute or form part of an offer of securities in the United States of America, or a solicitation to purchase securities in the United States of America. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act"), or under the securities law of any state or jurisdiction in the United States of America and may not be offered, sold, resold, transferred or delivered, directly or indirectly within the United States of America without prior registration under the US Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable state securities laws.



Table of contents

1. Key investment highlights	p. 5
2. Company profile & strategic vision	p. 7
3. Activity overview	p. 15
4. Corporate governance	p. 32
5. Portfolio overview	p. 35
6. Highlights Q3 2019	p. 44
7. Financials & outlook	p. 46
8. Bond issue offering	p. 54
Appendices	p. 59

Key investment highlights



Key investment highlights



1

Unique exposure to the growing Luxembourg office and retail market



2

Diversified quality portfolio on the back of dynamic asset management



3

Proactive commercial approach translating into a high quality tenant base



4

Proven expertise in (re)development of buildings



5

Strong dividend track record

Company profile & strategic vision

Boomerang[®]
STRASSEN SHOPPING CENTER

Strassen (LU)



Company profile

€ 1.13 bn Fair value portfolio
€ 1.25 bn (incl. participation in Retail Estates)

~ **€ 726 m** Market capitalization 07/11/2019

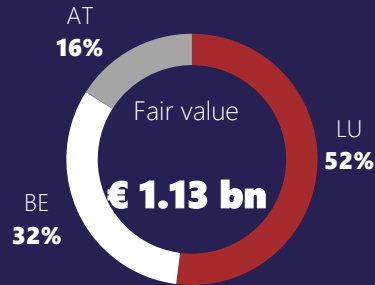
Shareholders

- Ackermans & van Haaren **30.01%**
- AXA Belgium **26.58%**
- AG Insurance **7.36%**
- Free float **38.42%**

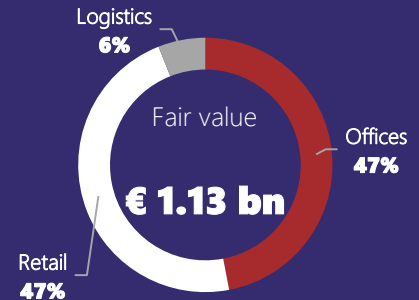
Indices:

- BEL MID
- EPRA BELGIUM
- EPRA Eurozone

Listed on Euronext Brussels



30/09/2019



30/09/2019

Key figures 30/09/2019

Occupancy

93.23%

Rental yield

5.96%

Average duration
of leases

4.02y

Average cost
of debt

2.27%

Average
duration debt

3.07y

Debt ratio

55.88%

Strategic vision

Investment strategy – Opportunity driven



Dexia Immo Lux (LU)
portfolio € 150 m
13 buildings

2006

Metro Group retail (LU)
portfolio € 50 m – 3 buildings
2011: extension Diekirch
2017-2020: redevelopment Strassen



2008



Knauf shopping (LU)
Schmiede & Pommerloch
€ 170 m
100 shops

2012-2013

Tour & Taxis Royal Depot (BE) € 108 m
landmark office building
in Brussels



2015

Strategic vision

Investment strategy – Opportunity driven



Frun Park, Retail Park Asten (AT)
strengthening geographical diversification
€ 38 m

2016



Mercator (LU)
2017: further growth in LU
€ 35 m



Stadlau (AT)
2017: further growth in AT
€ 56 m



2017



EBBC (LU)
Owning 5 out of 6 buildings in BP in Lux airport district - 2018: **€ 64 m** + 2019: **€ 47 m**



Hangar 26-27 Antwerp (BE)
Iconic building Eilandje district
€ 23 m

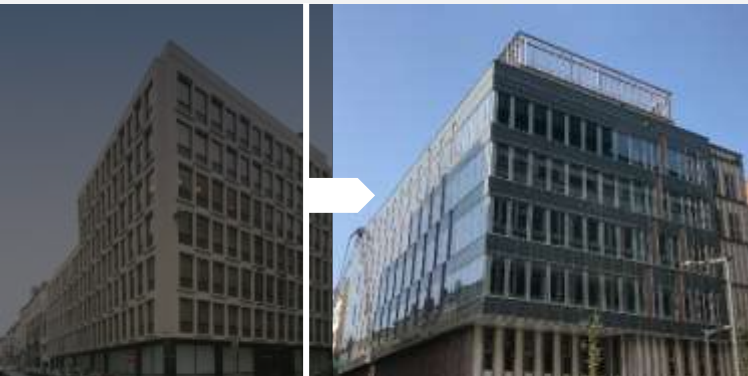


Vösendorf (AT)
2 retail parks near SCS Nordring, largest shopping complex close to Vienna
€ 72 m

2018-2019

Strategic vision

Development strategy – Organic (re)developments



Montoyer Brussels CBD (BE)

Reconstruction by 2018
2016: 21y usufruct with EP



Boomerang Strassen (LU)

2017-2020: redevelopment Strassen

Strategic vision

Development strategy – Organic (re)developments



Royal 20 CBD (LU)

Reconstruction by 2015

Let to China Merchant's bank

Sold with capital gain of > € 20 m on investment

Treesquare (BE)

Reconstruction by 2018

Building of ~ 6,500 m²

Let to high end occupants

Strategic vision

Commercial strategy – Maximizing lease duration & occupancy rates



1/ Tour & Taxis

2/ De Mot



3/ Mercator

Strategic vision

Dividend

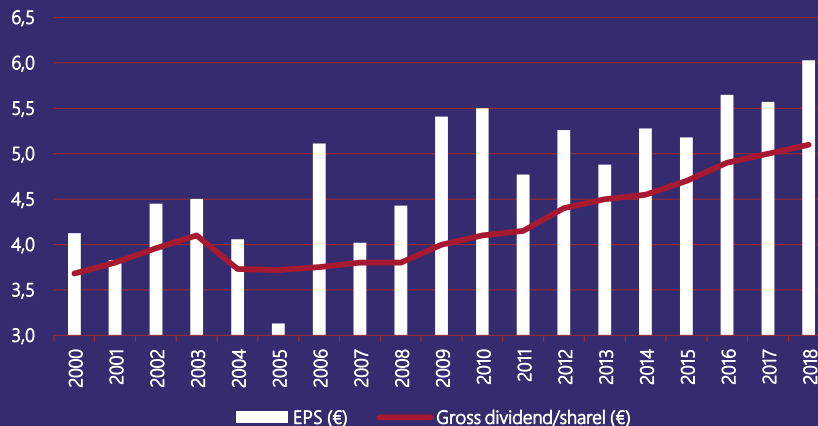
Gross dividend 2018 increased **+2%**
to € 5.10 over 2018 (2017: € 5.00)

Net dividend 2018 amounts to **€ 3.57** (excl. 30%
WHT), vs 2017 **€ 3.50** (excl. 30% WHT)

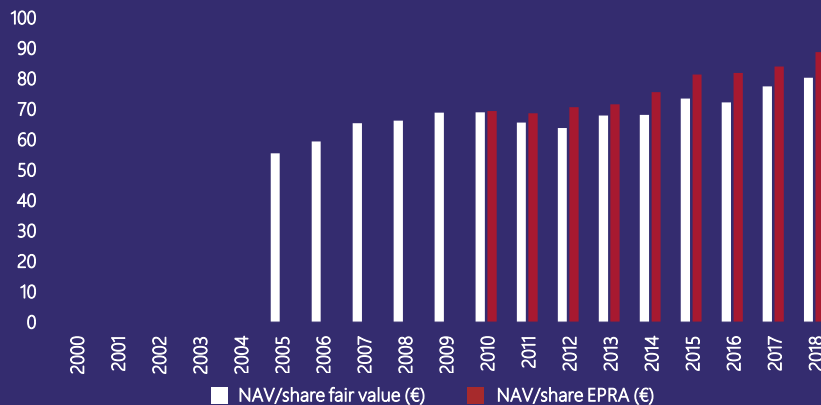
Gross dividend yield of **5.84%** (31/12/2018)

Consolidated pay-out ratio 2018: **84.58%**
(2017: 89.77%)

Long term EPS & Gross DPS evolution



Long term NAV/Share evolution



Activity overview



Investments

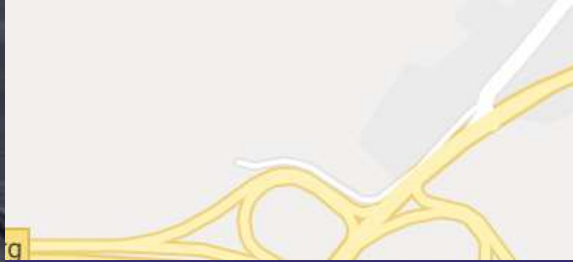


Agreement with Immo Lux-Airport SA for the acquisition of the **EEBC buildings B and E** in the EBBC Business Park in Luxembourg

After closing of the first half-year 2019:

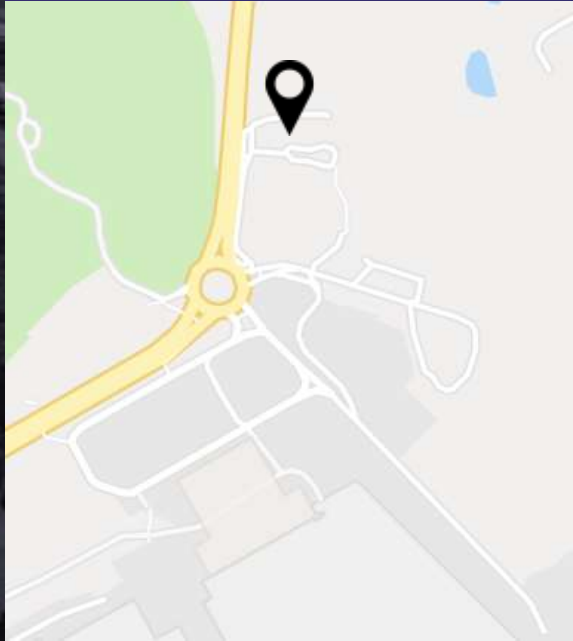
Acquisition 2 retail parks near Shopping City Süd in **Vösendorf** close to **Vienna**, in **Austria**





Agreement
Immo Lux Airport

EBBC B & E (LU)



Business park

~ **27,000 m²**



LRE is also **redeveloping** the site to build a stronger business community with advanced services to occupants (restauration, kinder garden + add fitness, co-working, etc.) & shared IT services,



LRE now owns **5 of 6 buildings** on total EBBC site



Rebranding



Investment price buildings **B & E** (were already investment properties through 69.8% stake in Lux Airport certificates: **€ 47.3 m**)



benefit from new infrastructures around the site (Tram, Airport, Hotels)





Acquisition

Nordring 2-10 & 16 (AT)





Total investment

€ 71.8 m



Retail park close to **SCS Vösendorf**

235,000 m² - 330 shops - footfall +/- 20 million/y

Retailpark Nordring 16, Vösendorf

11,350 m² and 202 parking spaces

Tenants: Lidl, Pittarello, Action, Bipa and Farben-Partner



Retailpark Nordring 2-10, Vösendorf

14,800 m² and 278 parking spaces

Tenants: Conrad Electronic, TK Maxx, Swiss Sense, Brendon/Betten Reiter (in 2020), Fit-One, Art-X, Kinderspielwelt,



Fully leased

Annual rental income of circa **€ 4 m**



Retail Estates (BE)

Leasinvest (LRE) holds **10.49%** share in BE-REIT

Retail Estates (FV **€ 107.3 m** at 30/06/2019)

€ 9.2 m investment in optional dividend and 75,000 extra shares to keep >10% stake

Real estate portfolio of **€ 1.5 bn** (30/06/2019)

Focus = clusters & retail parks
(**82%** of total portfolio)

Portfolio breakdown:
BE 77% - NL 23%

LRE must hold minimum **10% stake**
for fiscal reasons (otherwise 30%
withholding tax deducted)



Developments



Montoyer 14 (BE)



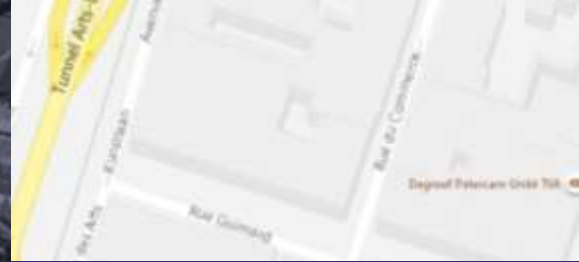
Hangar 26/27 (BE)



Knauf Schmiede (LU)



Knauf Pommerloch (LU)



Montoyer 14

CBD Brussels (BE)



Redevelopment Montoyer 14 in the **European Quarter**



ERV of **€ 1.2 m**



Investment Price:
€ 23.5 m

First higher wooden
construction

CO₂ neutral
passive building

New generation of
'recyclable buildings'

Objective: Breaam
Excellent

Office building of
4,000 m²
to redevelop



Building permit
request
introduced
end May

Delivery:
16 months
Q1/Q2 2021



Design:
Archi2000 Architects



Expected
Rent Price
€ 275/m²



Antwerp (BE)

Hangar 26/27





Retail and offices
9,395 m²



Investment Price:
€ 23 m



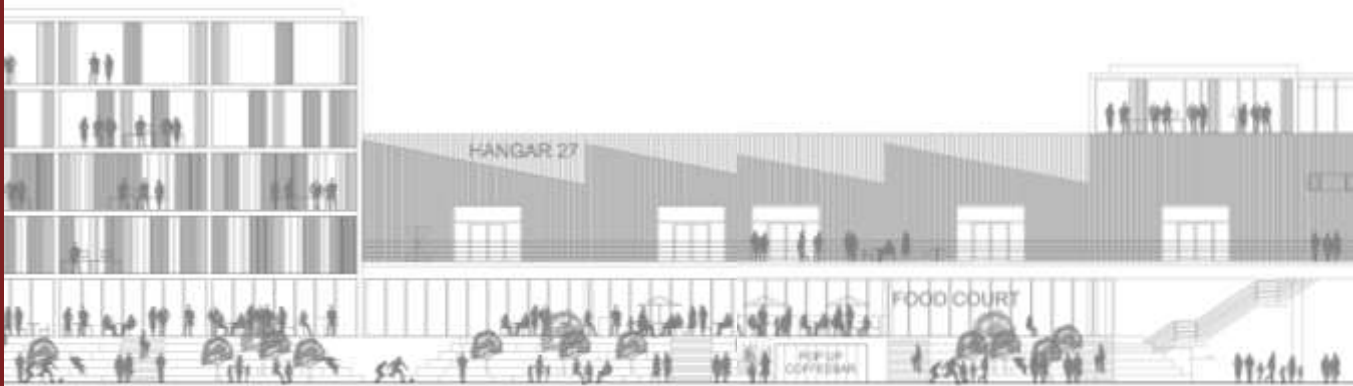
Danish architects
CF Møller have
been appointed to
design a high-end
mixed projects with
extension of offices
and retail

Building permit
request will be
introduced
beginning of 2020

Construction works
foreseen to start in
Q4 2020

New lease
for renovated unit
at **€ 165/m²/y**

25





Redevelopment
Knauf shopping center

Schmiede (LU)





Strengthening
position as largest
shopping center in the
North of Luxembourg



Extension of

~ **8,000 m²**



Extension H&M & Delhaize: **1H 2020**



Opening **C&A Family**
store of **976 m²**



Foreseen Capex:
€ 30 m

Reception
Q3 2021

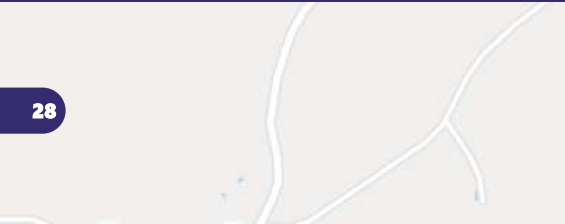


Finalization interior
redesign:
end 2019



Redevelopment
Knauf shopping center

Pommerloch (LU)





Extension of parking

additional commercial &
office space
(both **850 m²**)



Extension of **Leonidas** Chaqwa coffee formula



Works evolve as scheduled
(**March 2019 – April 2020**)

Leases



Monnet, EBBC and Esch:
new leases signed in coming months, solving rental vacancy



Frun® Park Asten & Gewerbepark Stadlau:
100% occupancy (extension & renewals)



Tour & Taxis Royal Depot:
high occupancy thanks to a number of renegotiations and extensions

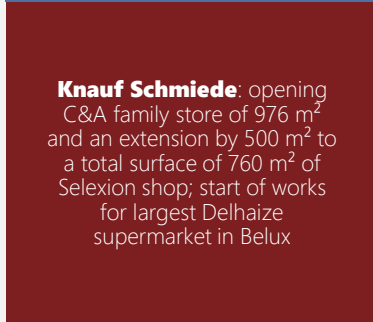


Treesquare: 100% leased



Mercator: Letter of intent with potential tenant who would like to lease the space that CSSF left end of August

Brixton Business Park, Riverside Business Park and The Crescent Anderlecht: renegotiations and extensions



Knauf Schmiede: opening C&A family store of 976 m² and an extension by 500 m² to a total surface of 760 m² of Selexion shop; start of works for largest Delhaize supermarket in Belux



Hangar 26/27: new lease at € 165/m²/y

Corporate governance



Board of Directors & Management

as per
20/05/2019

Directors nominated by AvH

Jan Snykens
Chairman

CEO & chairman
Executive Committee
Ackermans
& van Haaren

Piet Dejonghe
Director

member Executive
Committee
Ackermans
& van Haaren



Michel Van Gayte
Executive director
CEO Leasinvest Real Estate



Jean-Louis Appelmans
Director
non-executive director
(ex-CEO Leasinvest Real Estate)

Independent directors



Colette Dierick
Independent director

CEO ING Luxembourg S.A.



Marcia De Wachter
Independent director

considering INED
and/or senior
advisory positions in
the financial services



Dirk Adriaenssen
Independent director

Managing director Redevco
Switzerland Asset
Management Services AG



Sigrïd Hermans
Independent director

LIFE group Antwerp, CFO

Eric Van Dyck
Independent director
Cushman & Wakefield
London – Chairman Capital
Markets EMEA/ ex-CIO
Redevco B.V.

Executive committee

(as of 1 December 2018)



Michel Van Gayte
Chief Executive Officer

25 years of real estate experience
of which 3 years as managing
partner at Knight Frank Belgium
and of which 13 years as
COO/CIO with LRE



Tim Rens
Chief Financial Officer

12 years of audit experience
at Deloitte of which 4 years
as Senior Audit Manager –
Joined LRE in 05/2017 –
effective officer

Strictly confidential –
Bond issue offering |
Leasinvest
Leasinvest.be



Board of Directors & sub-committees

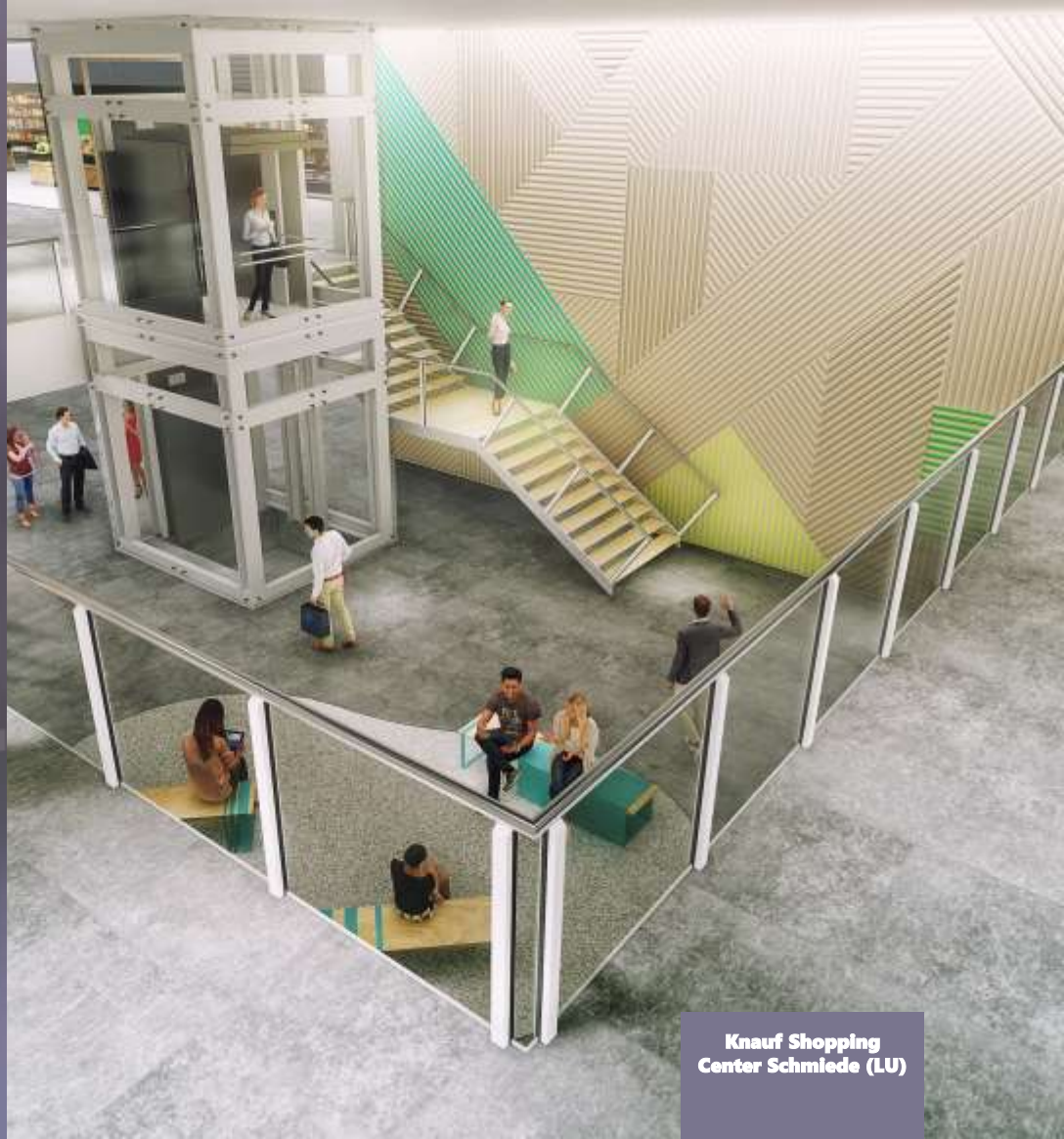
	BoD	AC	BRC
Jan Suykens	Chairman, non-executive director		X (chairman)
Michel Van Geyte	Managing director		
Piet Dejonghe	non-executive director	X	
Jean-Louis Appelmans*	non-executive director		
Dirk Adriaenssen	Independent director		
Eric Van Dyck	Independent director		X
Marcia De Wachter**	Independent director	X	
Colette Dierick**	Independent director		
Sigrid Hermans**	Independent director	X (chairman)	X

* Till annual meeting of 2020

** Till annual meeting of 2023

Remuneration of independent directors and Jean-Louis Appelmans: € 2,500 per meeting of the board of directors and the committee they are a member of, on top of the annual fixed remuneration (€ 20,000 for the BoD and € 4,000 per committee).

Portfolio overview



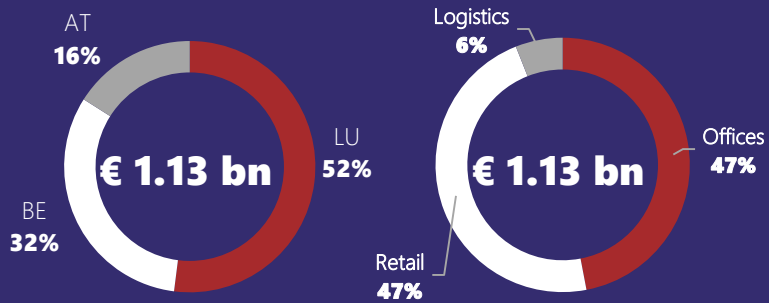
**Knauf Shopping
Center Schmiede (LU)**

Portfolio overview

01 Focused on two segments in three countries

Portfolio split – Fair value

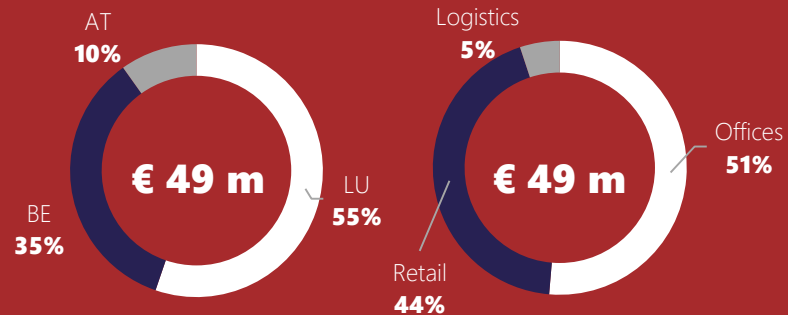
30/09/2019



Excluding stake in Retail Estates

Portfolio split – Net income

30/09/2019



Portfolio overview

02 A unique combination of market segments and geographical diversification



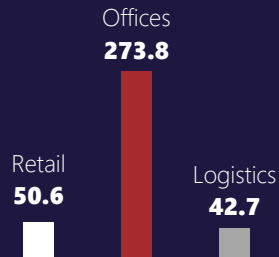
LU

FV | **€ 584.6 m**
Yield | **6.09%**



BE

FV | **€ 367.2 m**
Yield | **6.08%**



AT

FV | **€ 178.8 m**
Yield | **5.32%**



Portfolio overview

03 Demonstrating long term growth through a focused approach

Evolution of portfolio fair value per country

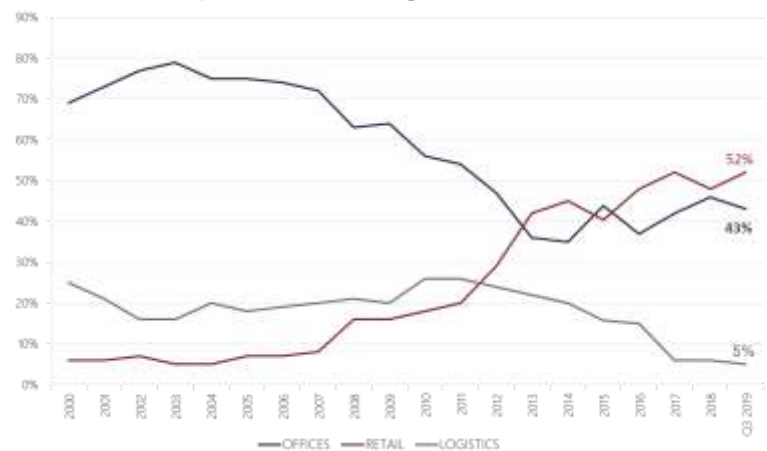


including stake in Retail Estates

Focus on three countries

- i.e. Luxembourg – Belgium – Austria
- sale of Swiss portfolio in 2017

Evolution of split in market segments



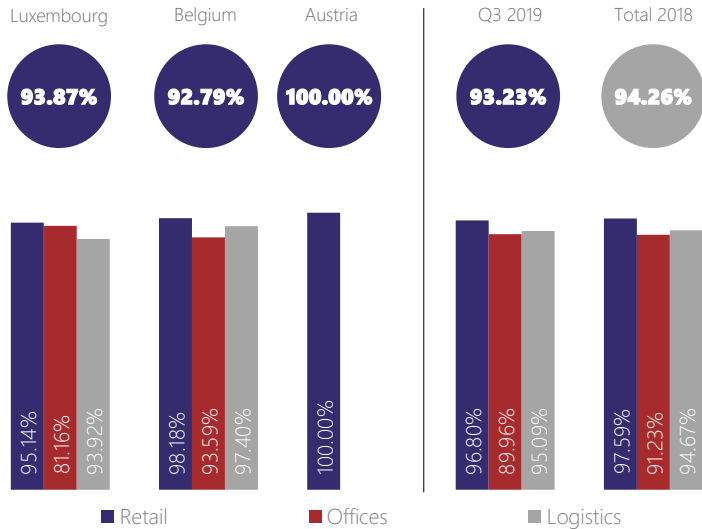
Focus on two asset classes

- i.e. retail and offices
- sale of largest part of logistics portfolio in 2017

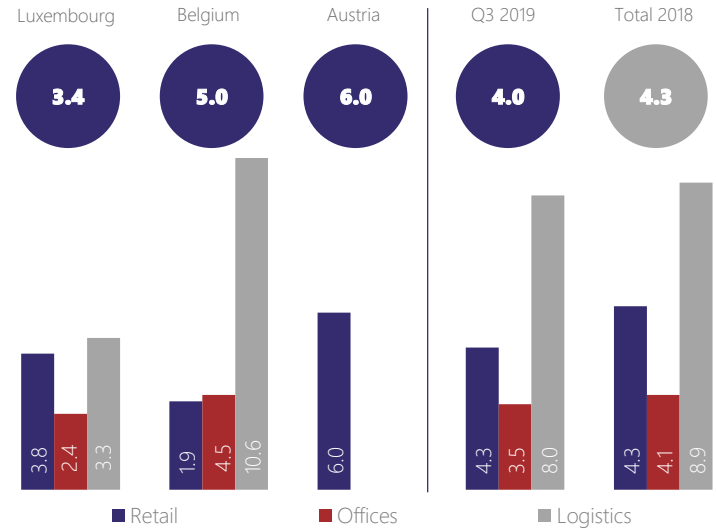
Portfolio overview

04 On the back of solid occupancy rates

Occupancy rates per 30 September 2019

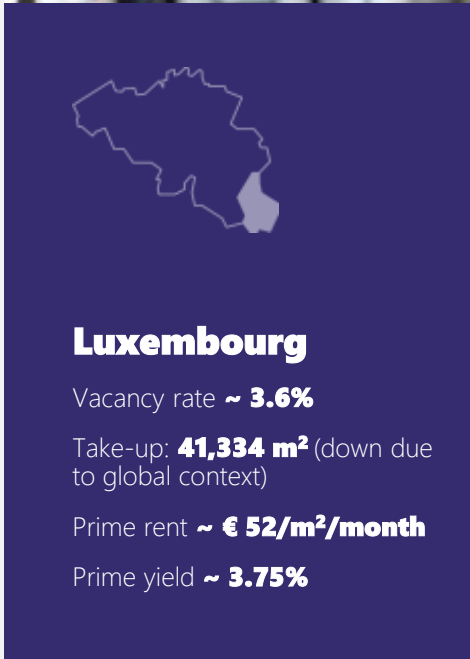


Duration leases till first break per 30 September 2019 (in y)



Leasinvest's markets

Office Market (1H 2019)



Luxembourg

Vacancy rate ~ **3.6%**

Take-up: **41,334 m²** (down due to global context)

Prime rent ~ **€ 52/m²/month**

Prime yield ~ **3.75%**



Belgium

Take-up Brussels **(+120% YoY)**
of which 55% in projects

Vacancy rate: **7.6% (CBD 3.3%)**

Prime rent CBD: **315€/m²/y**
(Treesquare at € 330/m²/y)

Investments: **€ 1.2 bn (+7% YoY)**

Prime yield: **4.15%** (LT 3.5%)



Leasinvest's markets

Retail Market (1H 2019)



Luxembourg

Rental market: take-up **14,261 m²** - **shopping centers +50%** vs 5-y 1H average & representing 50% of total, due to completion of several projects (e.g. Cloche d'Or – 70,000 m²)

Stable prime rents



Austria

Increasing online sales lead to a **stagnation of retail spaces**

Retail sales and retail space per capita among **highest in Europe**

Turnover and sales expected to be supported by population and income growth over next 5years

Leasinvest's markets



Luxembourg is a key intermediary of global capital flow with more than **€ 4.16 tn** of assets under management

Luxembourg has been an employment magnet for neighboring countries and beyond

Economic performance has remained strong in 2018, with a **GDP growth of 3.6%, with 4.0% forecasted for 2019**

The external position of Luxembourg has remained in **surplus 5.5% to GDP**

Financial sector performance remained strong

Luxembourg's compliency with international anti-tax avoidance and transparency initiatives is progressing

S&P renouvelle son triple A au Luxembourg

Écrit par Paperjam.be
Publié le 17.03.2019



Le Luxembourg est bien placé pour continuer à attirer les investisseurs internationaux grâce à son statut de triple A, confirme S&P. (Photo: Shutterstock)

Du sang neuf pour la Place



Écrit par Laura Fort
Publié à 06:50



Il s'agit d'un mélange d'éléments et de nouvelles idées. C'est le cœur de la stratégie de certains investisseurs étrangers qui viennent investir dans des secteurs au Royaume-Uni pour combler le déficit de capitaux. (Shutterstock)

Si les interrogations et les craintes sont encore nombreuses, les opportunités que constitue le Brexit pour le Luxembourg le sont tout autant.



LUXEMBOURG'S AAA RATING CONFIRMED BY MOODY'S

The credit rating agency Moody's has confirmed Luxembourg's AAA rating with a stable outlook.

Luxembourg continues to benefit from the best rating from the major rating agencies: S&P, Moody's and Fitch. It is one of only eleven countries worldwide with a AAA rating.

Leasinvest's markets



While demand for retail properties remains high, supply is limited, weighting on yields

The production of new space for retail parks and shopping centres has basically come to a standstill

Most of the attractive development locations are occupied

Shopping centres are focusing more on quality improvements instead of further expansion

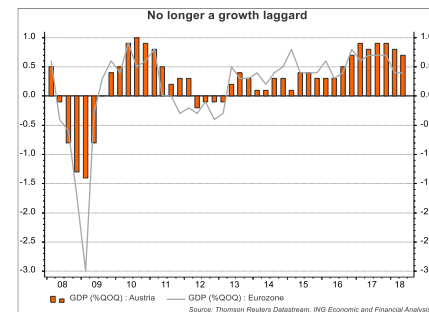
Vienna confirmed as best place to live worldwide



(Vienna, Babelio Peter Lubow | Getty Images)

For the second year in a row, Vienna, Austria has been ranked the most livable city in the world, according to The Economist Intelligence Unit (EIU). The Austrian capital has almost perfect scores for stability, culture and environment, education and infrastructure and health care.

Austria's economy is powering ahead



Austria: Bright spots keep the economy going

Thanks to investment and consumption, the Austrian economy remains on a solid growth path in the first half of 2019. Even foreign trade made a positive contribution to overall economic growth

Growth drivers

According to a flash estimate from the Austrian Institute of Economic Research, the Austrian economy grew by 0.3% quarter-on-quarter. The seasonally and working day adjusted Eurostat measure confirmed the positive picture, although coming in a bit lower at 0.2% QoQ. Meanwhile, first quarter GDP growth has been revised up from 0.3% QoQ to 0.4% QoQ.

The economy's growth drivers remain consumption and investment. Household and public consumption expenditure expanded by 0.4% QoQ, with private consumption taking the lead, rising 0.5%. Investment activity remained good, although the pace slowed. Equipment, buildings and other investments expanded by 0.5% compared to 0.8% the quarter before.

	2017	2018	2019
--	------	------	------

GDP growth (%yoy)	2.6	2.7	1.6
-------------------	-----	-----	-----

Headline inflation (%yoy)	2.2	2.1	2.0
---------------------------	-----	-----	-----

Strictly confidential –
Bond issue offering | Leasinvest
Leasinvest.be

Treesquare (BE)

Highlights

Q3 2019



Highlights

Q3 2019



Dividend 2018 +2%

€ 5.10/share



EPRA earnings
rise by **25%** to ~ **€ 31.5 m**
from ~ **€ 25.1 m** (Q3 2018 &
including dividend from RE)



Net result **€ 39.6 m**
(**€ 6.69**/share) vs **€ 27.2 m**
(Q3 2018, **€ 5.51**/share)



Weighted average
lease term of
4.02 years



Funding cost drops to
2.27% from **2.59%**
(2018)

Debt ratio at
55.88%



Real estate portfolio
of **€ 1.246 bn**
including Retail Estates

Financials & outlook



Key consolidated financials

Q3 2019

Key figures balance sheet	30/09/2019	31/12/2018
Net asset value group share (€ 1,000)	475 577	475 811
Number of issued shares before capital increase on 04/10/2018	5 926 644	4 938 870
Number of issued shares after capital increase on 04/10/2018	5 926 644	5 179 724
Number of shares at closing date	5 926 644	5 926 644
Net asset value group share per share (€)	80.2	80.3
Net asset value group share per share based on investment value (€)	84.2	83.9
Net asset value group share per share EPRA (€)	91.1	88.7
Total assets (€ 1,000)	1 273 732	1 156 107
Financial debt (€ 1,000)	684 600	595 400
Financial debt ratio (in accordance with RD 13/07/2014)	55.88%	53.53%
Average duration credit lines (years)	3.07	3.11
Average funding cost (excluding fair value adjustments fin. instruments)	2.27%	2.59%
Average duration hedges (years)	4.94	5.35

Key figures income statement	30/09/2019	30/09/2018
Rental income (€ 1,000)	48 723	41 923
Net rental result per share (€)	8.22	8.49
EPRA Earnings (1) (€ 1,000)	31 461	25 102
EPRA Earnings per share (1) (€)	5.31	5.08
Net result group share (€ 1,000)	39 644	27 217
Net result group share per share (€)	6.69	5.51
Comprehensive income group share (€ 1,000)	26 259	29 983
Comprehensive income group share per share (€)	4.43	6.07

(1) De EPRA Earnings, previously the net current result, consists of the net result excluding the portfolio result and the changes in fair value of the ineffective hedges.

EPRA KPIs

Q3 2019

EPRA performance measures	30/09/2019	30/09/2018
EPRA Earnings* (in € per share) (1)	5.31	5.08
EPRA NAV* (in € per share) (2)	91.08	84.50
EPRA NNNNAV* (in € per share) (3)	82.4	78.46
EPRA Net Initial Yield* (in %) (4)	4.75%	5.45%
EPRA Topped up Net Initial Yield* (in %) (5)	4.76%	5.43%
EPRA Vacancy* (in %) (6)	8.80%	5.13%
EPRA Cost ratio* (incl. direct vacancy costs) (in %) (7)	23.16%	23.87%
EPRA Cost ratio* (excl. direct vacancy costs) (in %) (7)	21.16%	22.02%

(1) The EPRA Earnings, previously the net current result, consists of the net result excluding the portfolio result and the changes in fair value of the ineffective hedges.

(2) EPRA Net Asset Value (NAV) consists of the adjusted Net Asset Value, excluding certain elements that do not fit within a financial model of long-term real estate investments; see also www.epra.com

(3) EPRA NNNNAV (triple Net Asset Value) consists of the EPRA NAV, adjusted to take account of the fair value of the financial instruments, the debts and the deferred taxes; see also www.epra.com

(4) EPRA Net Initial Yield comprises the annualized gross rental income based on the current rents at the closing date of the financial statements, excluding the property charges, divided by the market value of the portfolio, increased by the estimated transfer rights and costs for hypothetical disposal of investment properties; see also www.epra.com

(5) EPRA Topped up Net Initial Yield correct the EPRA Net Initial Yield with regard to the ending of gratuities and other rental incentives granted; see also www.epra.com

(6) EPRA Vacancy is calculated on the basis of the Estimated Rental Value (ERV) of vacant surfaces divided by the ERV of the total portfolio; see also www.epra.com

(7) EPRA Cost ratio consists of the relation of the operating and general charges versus the gross rental income (including and excluding direct vacancy costs); see also www.epra.com

Consolidated income statement



Sixth year in a row

Consolidated statement of realized and unrealized results (in 1,000 €)		30/09/2019	30/09/2018
(+)	Rental income	48 723	41 923
(+)	Write-back of lease payments sold and discounted	0	0
(+/-)	Related-rental expenses	-202	0
NET RENTAL INCOME		48 521	41 923
(+)	Recovery of property charges	112	77
(+)	Recovery income of charges and taxes normally payable by tenants on let properties	3 366	3 431
(-)	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0
(-)	Charges and taxes normally payable by tenants on let properties	-3 366	-3 431
(+/-)	Other rental related income and expenditure	-1 504	-1 653
PROPERTY RESULT		47 129	40 347
(-)	Technical costs	-683	-722
(-)	Commercial costs	-719	-578
(-)	Charges and taxes on un-let properties	-974	-777
(-)	Property management costs	-4 356	-3 798
(-)	Other property charges	-446	-315
PROPERTY CHARGES		-7 180	-6 190
PROPERTY OPERATING RESULT		39 949	34 157
(-)	Corporate operating charges	-2 302	-2 122
(+/-)	Other operating charges and income	-300	-43
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		37 347	31 992
(+/-)	Result on disposal of investment properties	795	0
(+/-)	Changes in fair value of investment properties	3 599	-91
OPERATING RESULT		41 741	31 901
(+)	Financial income	5 205	4 474
(-)	Net interest charges	-9 502	-10 044
(-)	Other financial charges	-1 021	-902
(+/-)	Changes in fair value of financial assets and liabilities	3 789	2 206
FINANCIAL RESULT		-1 528	-4 266
PRE-TAX RESULT		40 213	27 635
(+/-)	Corporate taxes	-568	-418
(+/-)	Exit tax	0	0
TAXES		-568	-418
NET RESULT		39 644	27 217

Consolidated balance sheet

(€ 1,000)	30/09/2019	31/12/2018
ASSETS		
I. NON-CURRENT ASSETS	1 221 826	1 116 270
Intangible assets	0	0
Investment properties	1 086 336	1 004 237
Other tangible assets	1 168	1 263
Non-current financial assets	116 603	92 974
Finance lease receivables	17 720	17 796
II. CURRENT ASSETS	51 906	39 837
Assets held for sale	26 570	15 050
Trade receivables	15 871	13 166
Tax receivables and other current assets	3 408	3 303
Cash and cash equivalents	4 906	7 403
Deferred charges and accrued income	1 150	915
TOTAL ASSETS	1 273 732	1 156 107

(€ 1,000)	30/09/2019	31/12/2018
LIABILITIES		
TOTAL SHAREHOLDERS' EQUITY	475 577	475 811
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	475 577	475 811
Capital	65 178	65 178
Share premium account	194 189	194 189
Purchase of treasury shares	-12	-12
Reserves	176 578	178 262
Translation differences	0	0
Net result of the financial year	39 644	38 194
II. MINORITY INTERESTS		0
LIABILITIES	798 155	680 296
I. NON-CURRENT LIABILITIES	489 619	385 013
Provisions - other	11	11
Non-current financial debts	412 184	334 509
- Credit institutions	389 803	312 359
- Other	22 381	22 150
Other non-current financial liabilities	61 938	35 625
Other non-current liabilities		
Deferred taxes	15 487	14 868
II. CURRENT LIABILITIES	308 536	295 283
Provisions		
Current financial debts	278 010	264 198
- Credit institutions	22 500	47 533
- Other	255 510	216 665
Other current financial liabilities	0	0
Trade debts and other current debts	15 322	17 698
- Exit tax	0	0
- Other	15 322	17 698
Other current liabilities	1 582	2 048
Accrued charges and deferred income	13 623	11 339
TOTAL EQUITY AND LIABILITIES	1 273 732	1 156 107

Funding

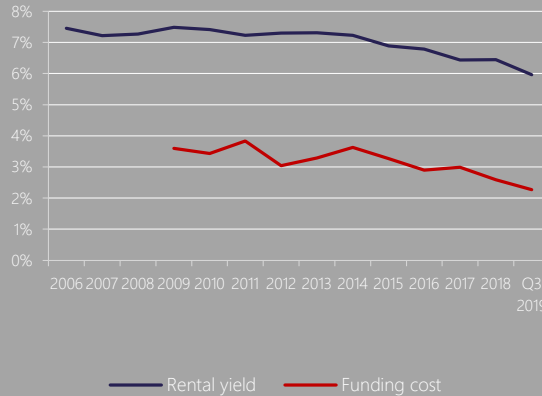
Cost of debt: decrease from **2.59%** (2018) to **2.27%** (Q3 2019)

Total committed lines (incl. bonds) of **€ 741.5 m**

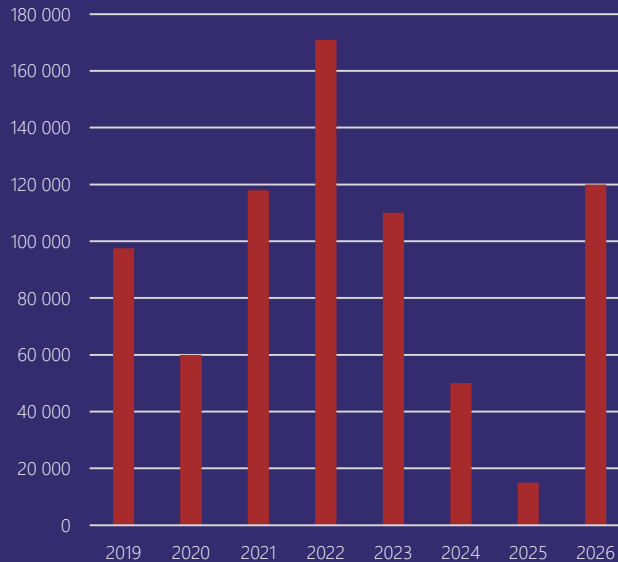
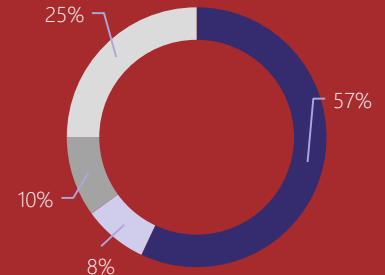
Duration credit facilities decreased from **3.11y** (2018) to **3.07y** (Q3 2019)

Available headroom credit facilities **€ 57 m**

Rental yield vs funding cost



Funding diversification



- Bilateral floating rate
- Bilateral fixed rate
- Bonds
- Commercial paper

Hedging

Debt financing – **49%** fixed ratio

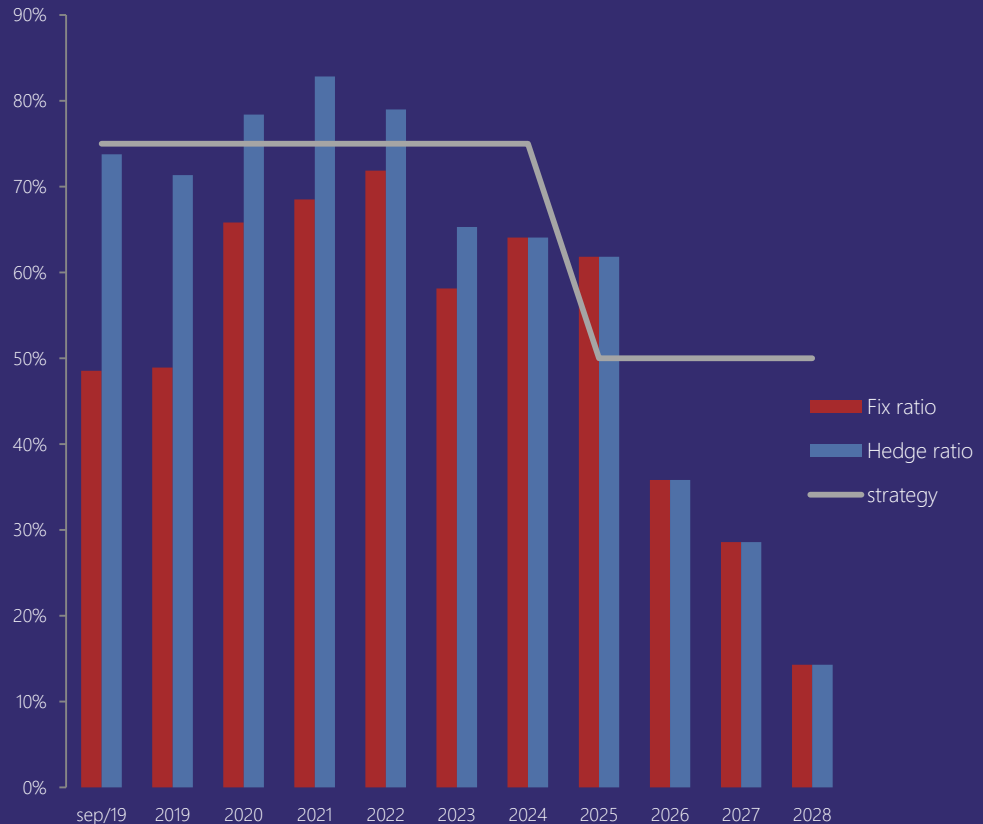
Hedge ratio (30/09/2019) – **74%**

Fixed rate debt, incl. bonds (**25%**)
and interest rate swaps (**49%**)

Duration hedges: **4.94y**
vs 5.35y (2018)

New forward starting derivatives
purchased (Interest Rate Swaps and
CAP-options) < low interest rates

Hedge ratio



Outlook

FY 2019

As already mentioned in the annual financial report 2018, subject to extraordinary circumstances, LRE expects a higher rental income in comparison with 2018, while the financial costs are expected to be in line with those of the previous year. However, we have to take into account that the number of shares has increased after the capital increase of October 2018, the results of 2019 having to be divided over 5.9 million shares vs 5.2 million shares in 2018, being the weighted average number of shares throughout 2018.

Within this scope, a dividend is forecasted that will at least be equal to the dividend over the financial year 2018, namely € 5.10 gross per share.



Bond Issue Offering



Key investment highlights



- 1 Operations subject to a defensive umbrella of BE-REIT Regime
- 2 Unique exposure to the growing retail and office markets in Luxembourg, topped up with positions in Belgium and Austria
- 3 Proactive commercial approach translating into a high quality tenant base
- 4 Successful diversification in terms of asset type and geography
- 5 Experienced management team with proven track record
- 6 Conservative funding strategy with a smooth debt maturity profile, stable capital structure and solid debt coverage metrics
- 7 Earnings resilience with recurring income and cash flow visibility
- 8 Strong dividend track record

Terms and conditions of the offering

Issuer	Leasinvest Real Estate SCA/Comm. VA
Currency	EUR
Issue amount	<i>n.a.</i>
Denomination	EUR 100,000 plus EUR 100,000
Tenor	[7 to 8 years]
Interest	Fixed interest rate, payable [annually] on each payment date
Status	Senior unsecured
Form	Dematerialised
Use of proceeds	Diversify financial resources and execute current investment strategy
Financial covenants	Debt ratio of max. 65%, interest cover ratio of min. 2.0x
Listing	Euronext Growth Brussels
Paying agent	KBC Bank
Redemption	At maturity, change of control
Law	Belgian
Global Coordinator	Bank Degroof Petercam and BNP Paribas Fortis
Bookrunners	Bank Degroof Petercam, BNP Paribas Fortis, KBC Bank
Negative pledge	Yes
Events of default	Non-payment, breach of other obligations/undertakings, cross-acceleration, enforcement, insolvency/reorganization, loss of status, delisting, unlawfulness

Bond covenants

Bond covenants

Debt ratio

< 65%

Interest coverage ratio

> 2.0x

Debt ratio⁽¹⁾

- For the duration of the bonds and until the effective and full redemption in principal and interest, the Issuer ensures that the **consolidated debt ratio will not exceed 65%**
- The 65% maximum is also imposed on BE-REITs by Belgian Law. A debt ratio exceeding 65% leads to the loss of the BE-REIT status

Interest cover⁽²⁾

- For the duration of the bonds and until the effective and full redemption in principal and interest, the Issuer ensures that the **interest coverage ratio is above 2.0x**

Negative pledge

- The Issuer shall only be entitled to create a Security over the shares issued by Leasinvest Real Estate to:
 - secure relevant financial debt (of any nature whatsoever) of itself, or any other person, or
 - secure any guarantee or indemnity in respect of relevant financial debt (of any nature whatsoever) of itself, or any other party,
- **unless** the Issuer establishes, at the latest at the same time, the same Security in equal rank in respect of the Bonds

Pari passu

- The bonds rank equally amongst themselves and with all existing and future unsubordinated and unsecured obligations of the issuer

Change of Control

- Change of Control (CoC) covenant allows investors to put (sell) their bonds back to the company when a specified event has changed the ownership/control of the company

Existing LRE's debt facilities covenants

- The concluded bank credits hold classic covenants mainly related to maintaining the REIT (SIR/GVV) status and the related maximum debt ratio of 65%



(1) Debt ratio = (Total liabilities – provisions – authorized hedges recorded in liabilities – deferred taxes, charges and accrued income) / (Total assets – authorized hedges recorded in the assets)

(2) Interest cover ratio = EBIT/interest expenses

Use of proceeds

The bond issue will support diversification of financial resources and further growth of LRE's portfolio

- LRE will use the proceeds to :
 - **further expand** its portfolio base through acquisitions in retail and office markets across Luxembourg, Belgium and Austria
 - **redevelop** its existing core assets using 'smart and green building' technologies
 - **execute** LRE's current **investment strategy**
 - **diversify its financial resources⁽¹⁾**
- LRE aims to achieve economies of scale through strategic acquisitions, divestments of non-core assets and sufficient diversification per geography, per asset type
- Furthermore, the bond issue will also contribute to an increase of the average duration of the total debt given its relatively long term

Diversification of financial resources



3 Countries



Focus on prime retail and CBD office sectors



Divestment of non-strategic buildings



(1) The € 75m public bond has just come to maturity on 9/10/2019, therefore it is a good timing for the issuance of a new bond to maintain debt diversification

Appendices



Share price performance



Share performance



Figures till 25 October 2019 included

Share performance



Figures till 9 September 2019 included

Performance comparison	Companies	1 month	3 month	6 month	YTD	1 year	3 year	5 year	Inception	Volatility	Sharpe
	Leasinvest Real Estate	13.27%	18.32%	28.79%	38.51%	31.02%	10.48%	12.81%	10.02%	13.77%	4.03
	Balimmi	5.03%	8.97%	14.15%	12.50%	15.30%	3.12%	3.69%	5.73%	15.01%	3.09
	Colnimo	5.99%	11.86%	13.39%	19.34%	15.51%	-0.24%	12.06%	7.93%	12.02%	4.56
	Interwet Offices & Warehouse	2.32%	7.07%	18.35%	29.26%	25.76%	10.27%	10.00%		15.22%	3.46
	Retail Estates	-0.37%	2.54%	5.92%	10.59%	9.04%	5.67%	11.30%	11.74%	12.23%	4.41
	Warehouses de Pauze	12.19%	21.70%	35.40%	52.32%	44.54%	30.15%	30.00%	18.12%	15.38%	4.74
Indices											
	GPR 250 Europe	2.90%	-0.08%	3.00%	11.94%	-2.04%	2.55%	8.21%	11.01%	16.55%	2.99
	GPR 250 Belgium	5.86%	11.86%	13.38%	19.35%	15.50%	10.23%	12.00%	10.25%	13.58%	4.03

Performance graph



The table above presents returns for different time horizons up to 31 August 2019. All calculations are based on nominal total returns with reinvestment of dividends. Returns are compounded and denominated in local currency and based on the closing price of each month. Inception date is the start date of Leasinvest Real Estate which is 7/31/99. Volatility is calculated as the 5-year annualized standard deviation of monthly returns. The Sharpe ratio is calculated with the 5-year annualized return, the volatility and the 1-month Euribor.

Copyright © 2019 Global Property Research. All rights reserved. No part of this publication may be reproduced, used or transmitted in whole or in part, in any form or by any means, whether graphic, electronic or mechanical, including photocopying, scanning, taping or information storage and retrieval systems, without prior written permission from the publisher.

Global Property Research, September 2019.

Share performance

Investor relations team

Michel Van Geyte

Chief Executive Officer

Michel Van Geyte (53) joined Leasinvest Real Estate in August 2004. He is CEO and executive director of Leasinvest Real Estate and Leasinvest Immo Lux.

michel.vangeyte@leasinvest.be



Tim Rens

Chief Financial Officer

Tim Rens (38) joined Leasinvest Real Estate as CFO in May 2017.

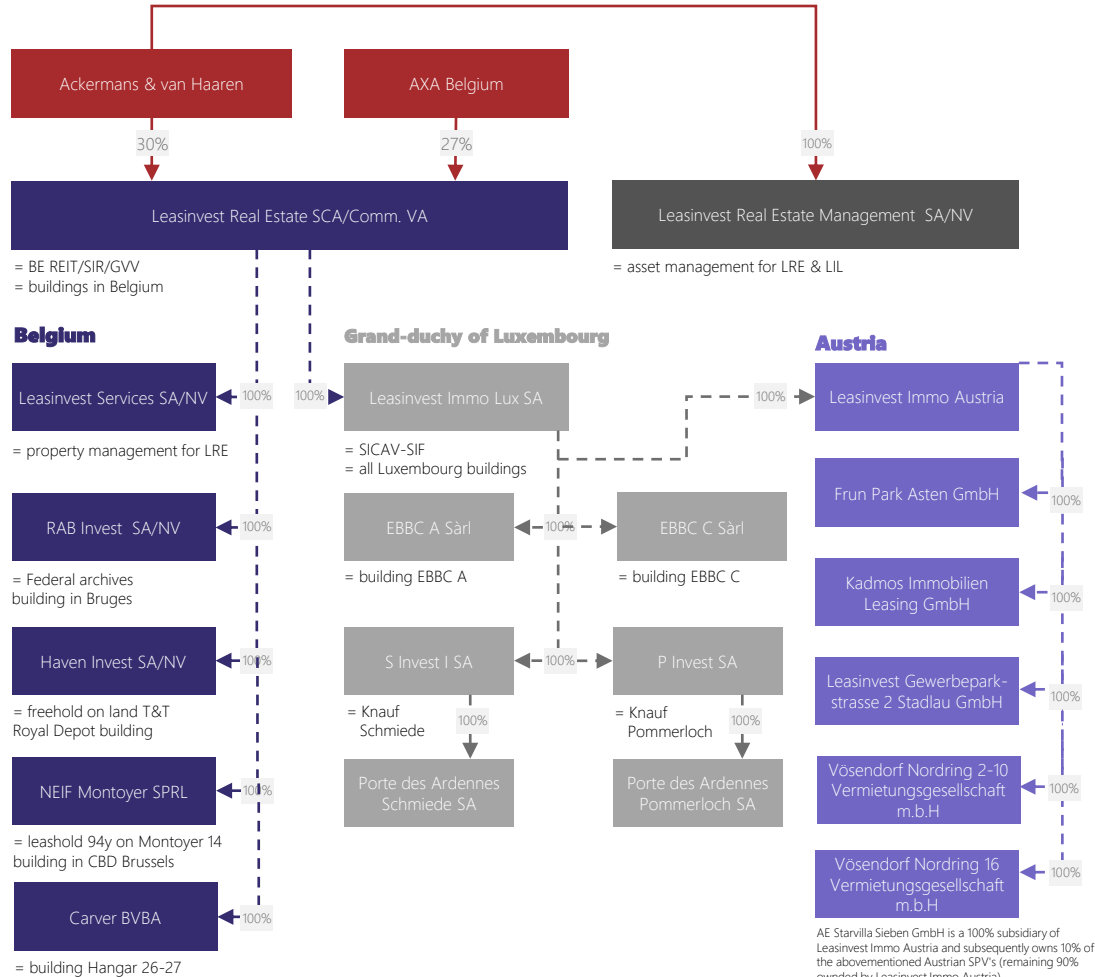
tim.rens@leasinvest.be

Structure & Corporate governance



Corporate Structure

(as of 29/08/2019)



Treesquare (BE)

Main assets



Main assets in Luxembourg

RETAIL

Shopping center Knauf Pommerloch
North of Luxembourg
Acquisition: 2013



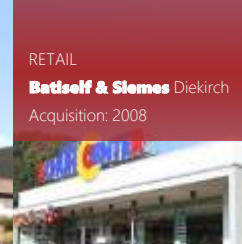
OFFICES & WAREHOUSE

CFM
3,600 m² Offices en 10,000 m² Warehouse



RETAIL

Batsself & Simes Diekirch
Acquisition: 2008



OFFICE

Montimmo
Avenue Monterey, CBD
Acquisition: 2008



RETAIL

Shopping center Knauf Schmiede
North of Luxembourg / Acquisition: 2012

RETAIL

Strassen
2 phase renovation
2017-2020
Route d'Arlon
Acquisition: 2008
(Metro Lux)



OFFICE

EBBC Airport
Acquisition:
part of initial portfolio 2006 + 2017, 2018 &
2019



RETAIL

Hornbach Bertrange
Acquisition: 2013



OFFICE

Monnet Kirchberg
Acquisition: part of initial
portfolio 2006



OFFICE

Mercator
Route d'Arlon
Acquisition:
2017

Strictly confidential –
Bond issue offering |
Leasinvest
Leasinvest.be



Main assets in Belgium



OFFICE
Motstraat
Motstraat 30,
Mechelen
Acquisition: 2002



OFFICE
The Crescent
Anderlecht
Lenniksebaan 451,
Anderlecht
Acquisition: 2004



OFFICE / RETAIL
Brixton Business Park
Brixtonlaan 1-30, Zaventem
Acquisition: 1999



OFFICE / RETAIL
Tour & Taxis Avenue du Port 86C, Brussels
Acquisition: 2015



OFFICE
Trossquare Square de MeeÛs 5-6, Brussels
Acquisition: 2005



OFFICE
Montoyer
Riverside Business Park
Internationalelaan 55, Anderlecht
Acquisition: 1992-96



OFFICE / RETAIL
Hangar 26/27
Rijnkaai,
Antwerp
Acquisition: 2018



Strictly confidential –
Bond issue offering |
Leasinvest
Leasinvest.be

Main assets in Austria

RETAIL

Frum Park Aston Linz - 200 KM from Vienna
Acquisition: 2016



RETAIL

Nordring 2-10 & 16
Vösendorf - South of Vienna
Acquisition: 2019



RETAIL

Hornbach Baumarkt (Stadlau 22nd district Vienna)
Acquisition: 2017



RETAIL

Gewerbepark Stadlau (Stadlau 22nd district Vienna)
Acquisition: 2017



Strictly confidential –
Bond issue offering |
Leasinvest
Leasinvest.be