



Leasinvest Real Estate

Investor Presentation

5 November 2019



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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 (> 29/08/2019)
 € 1.23 bn (incl. participation in Retail Estates) (id)

~ **€ 717 m** Market capitalization 27/10/2019

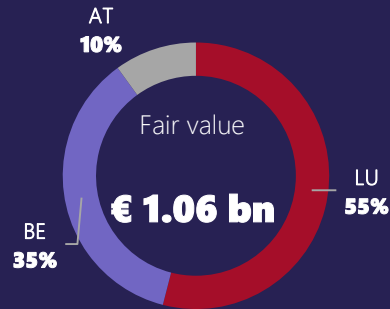
Shareholders

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

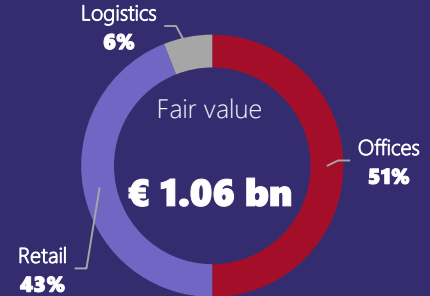
Indices:

- BEL MID
- EPRA BELGIUM
- EPRA Eurozone

Listed on Euronext Brussels



30/06/2019



30/06/2019

Key figures 30/06/2019

Occupancy

94.66%

Rental yield

6.39%

Average duration
of leases

3.97y

Average cost
of debt

2.34%

Average
duration debt

2.96y

Debt ratio

55.70%

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

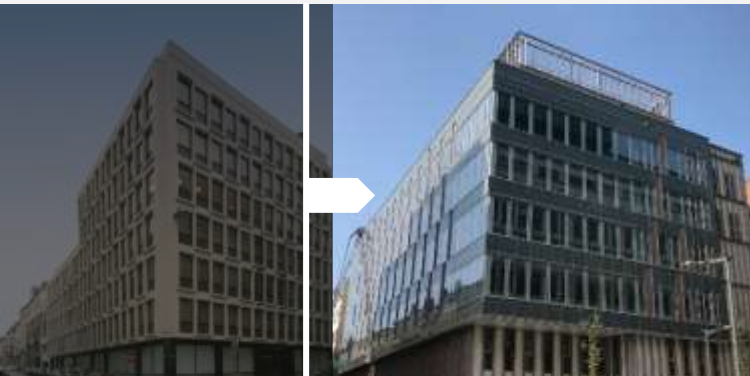


Vösendorf (AT)
2 retail parks near SCS Nordring, largest shopping complex close to Vienna
€ 72 m

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

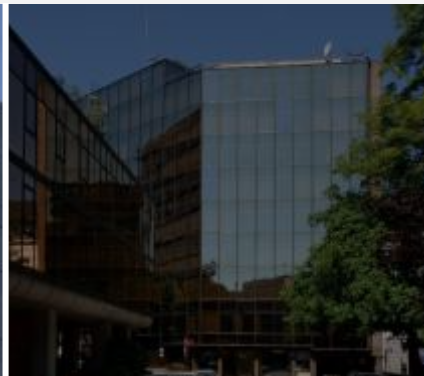


Royal 20 CBD (LU)

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

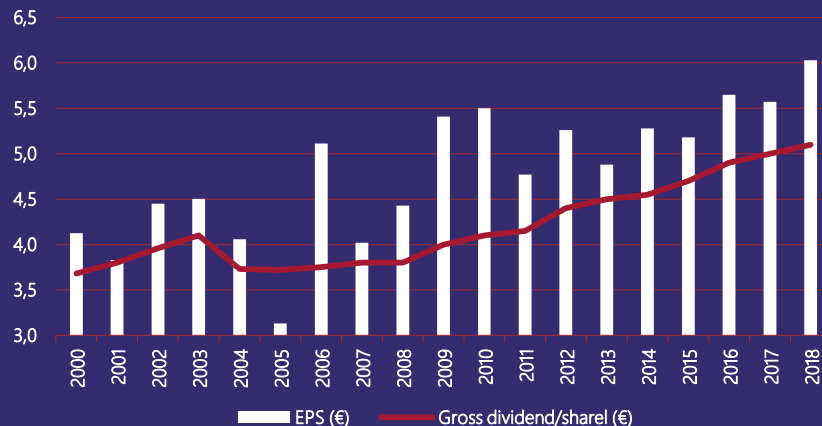
Gross dividend 2018 increased **+2%**
to € 5.10 over 2018 (2017: € 5.00)

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

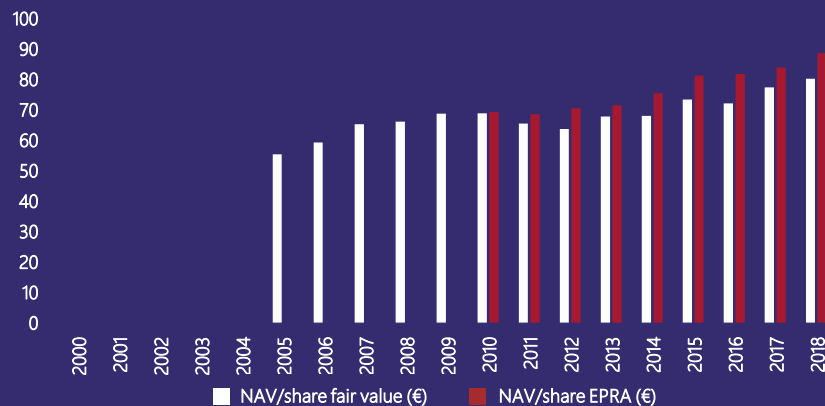
Gross dividend yield of **5.84%** (31/12/2018)

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

Long term EPS & Gross DPS evolution



Long term NAV/Share evolution



Activity overview



Investments

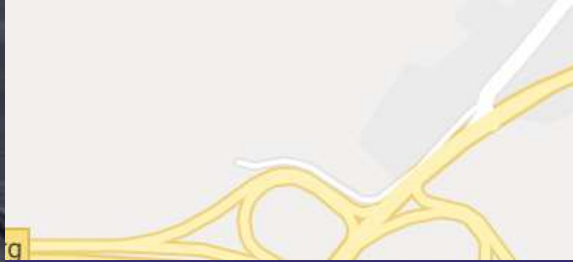


Agreement with Immo Lux-Airport SA for the acquisition of the **EEBC buildings B and E** in the EBBC Business Park in Luxembourg

After closing of the first half-year 2019:

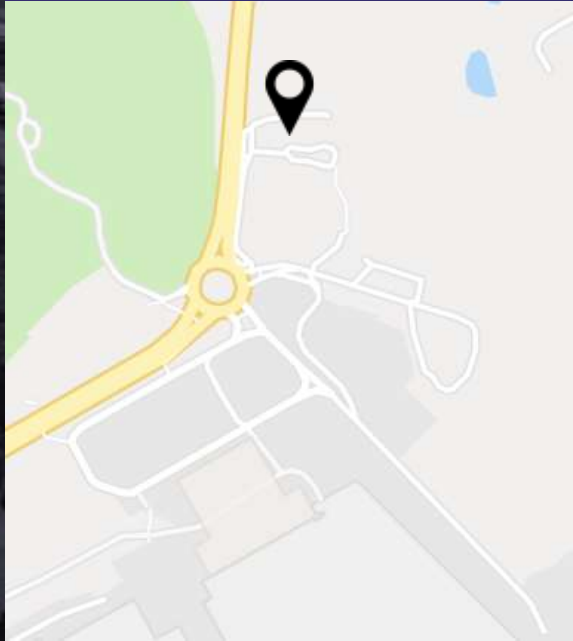
Acquisition 2 retail parks near Shopping City Süd in **Vösendorf** close to **Vienna**, in **Austria**





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)



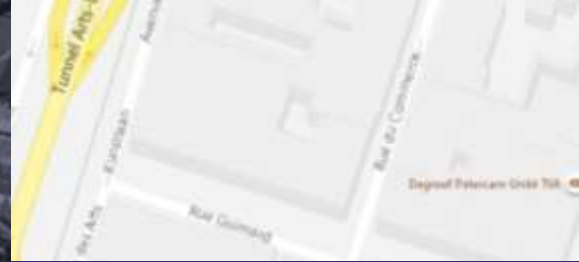
Hangar 26/27 (BE)



Knauf Schmiede (LU)

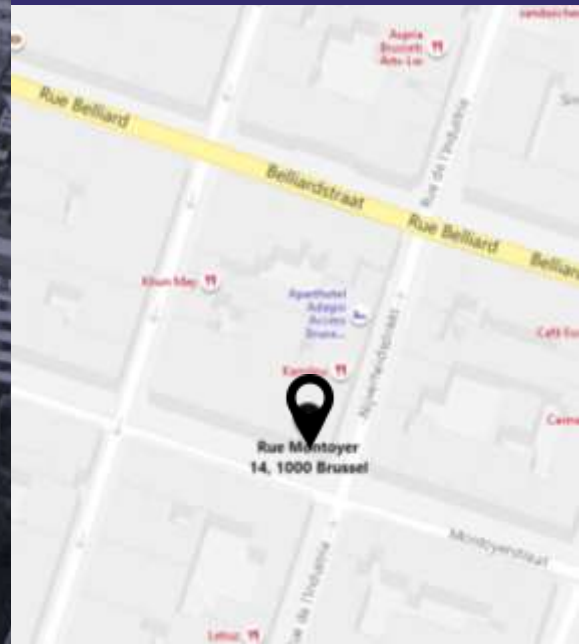


Knauf Pommerloch (LU)



Montoyer 14

CBD Brussels (BE)



Redevelopment Montoyer 14 in the **European Quarter**



ERV of **€ 1.2 m**



Investment Price:
€ 23.5 m

Office building of
4,000 m²
to redevelop



First higher wooden
construction

CO₂ neutral
passive building

New generation of
'recyclable buildings'

Objective: Breaam
Excellent



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



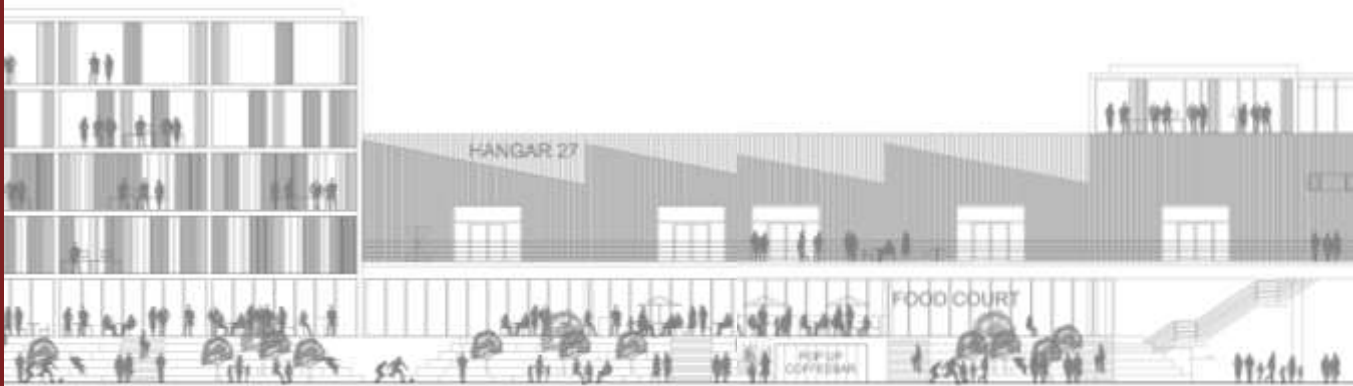
Danish architects
CF Moller have
been appointed to
design a high-end
mixed projects with
extension of offices
and retail

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

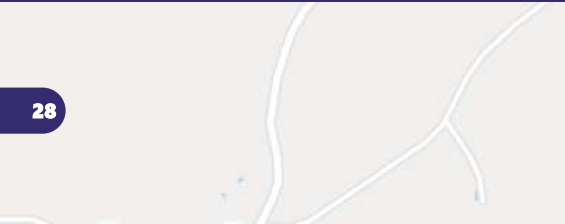


Finalization interior
redesign:
end 2019



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

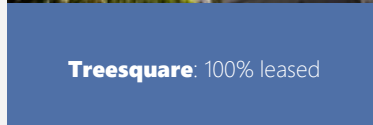


Treesquare: 100% leased



Mercator: advanced negotiations with potential tenant who would like to lease the space that CSSF will leave 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



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.



Dirk Adriaenssen
Independent director
Managing director Redevco
Switzerland Asset
Management Services AG

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



Marcia De Wachter
Independent director
considering INED
and/or senior
advisory positions in
the financial services

Sigrïd Hermans
Independent director
LIFE group Antwerp, CFO



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

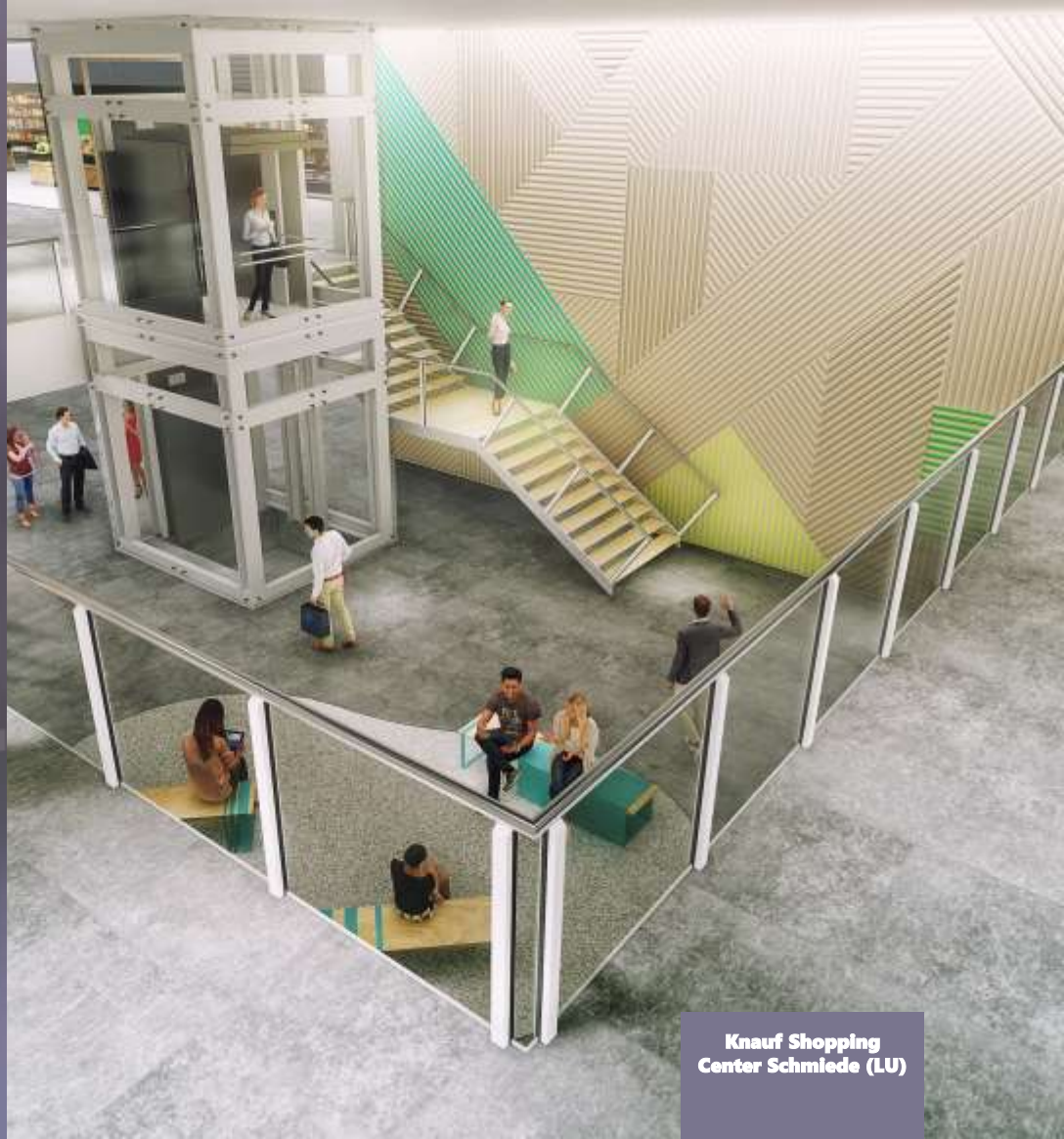
	BoD	AC	BRC
Jan Suykens	Chairman, non-executive director		X (chairman)
Michel Van Geyte	Managing director		
Piet Dejonghe	non-executive director	X	
Jean-Louis Appelmans*	non-executive director		
Dirk Adriaenssen	Independent director		
Eric Van Dyck	Independent director		X
Marcia De Wachter**	Independent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



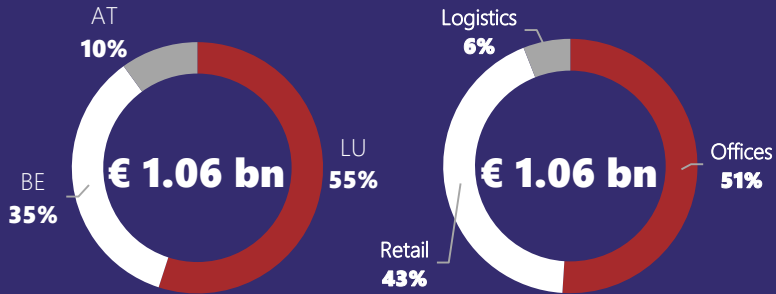
**Knauf Shopping
Center Schmiede (LU)**

Portfolio overview

01 Focused on two segments in three countries

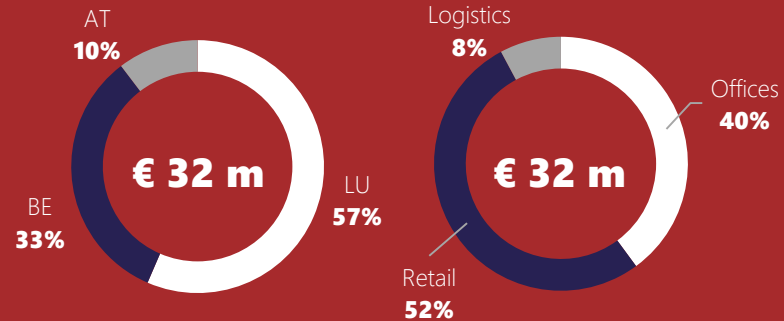
Portfolio split – Fair value

30/06/2019



Portfolio split – Net income

30/06/2019



Excluding stake in Retail Estates

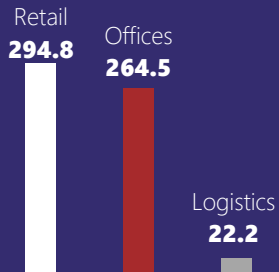
Portfolio overview

02 A unique combination of market segments and geographical diversification



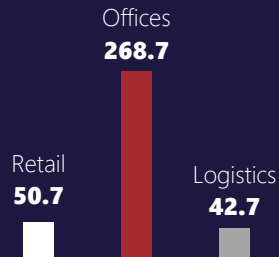
LU

FV | **€ 581.5 m**
Yield | **6.51%**



BE

FV | **€ 366.3 m**
Yield | **6.48%**



AT

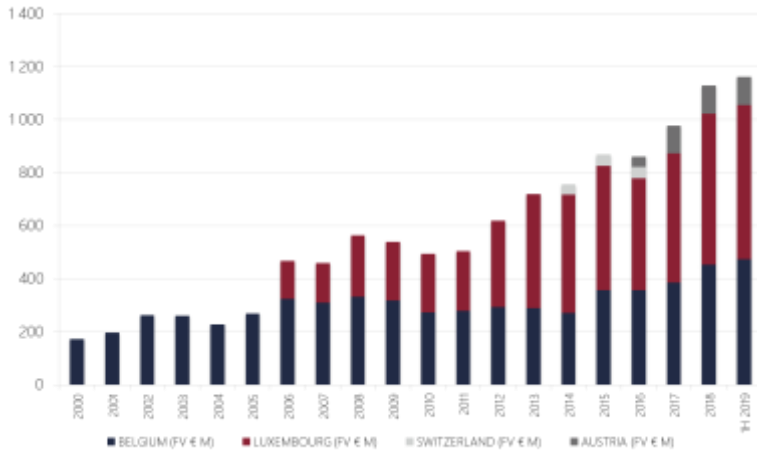
FV | **€ 107.3 m**
Yield | **5.41%**



Portfolio overview

03 Demonstrating long term growth through a focused approach

Evolution of portfolio fair value per country

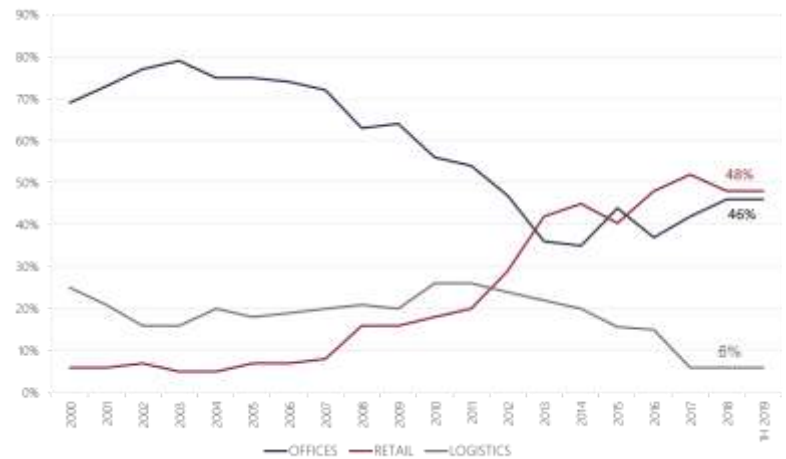


including stake in Retail Estates

Focus on three countries

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

Evolution of split in market segments



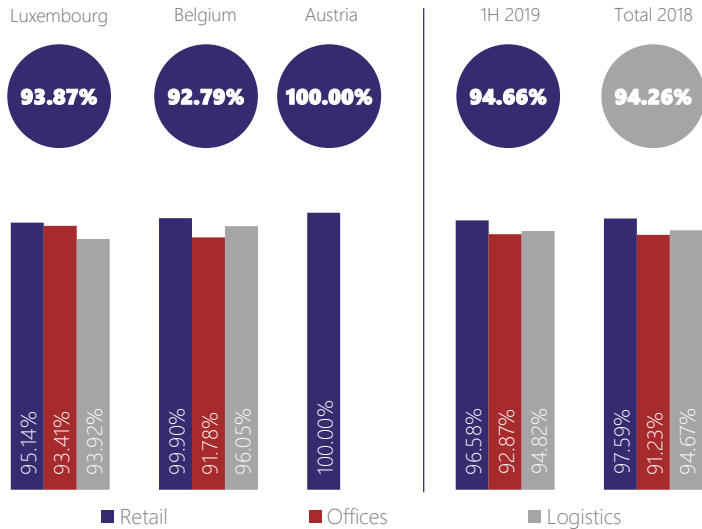
Focus on two asset classes

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

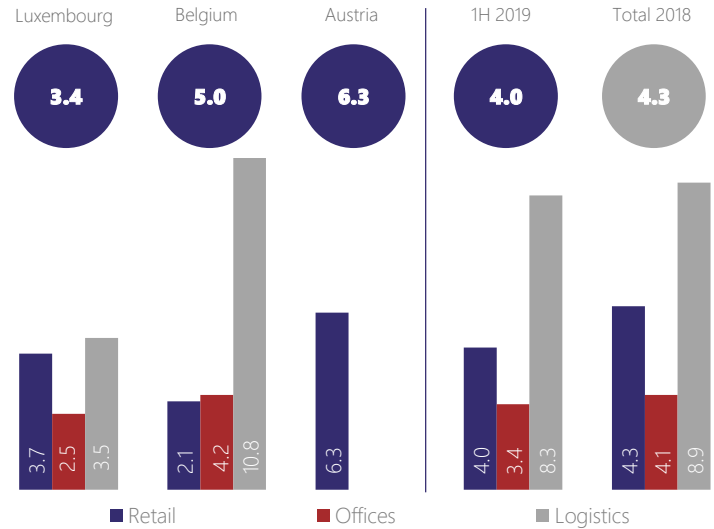
Portfolio overview

04 On the back of solid occupancy rates

Occupancy rates per 30 June 2019



Duration leases till first break per 30 June 2019 (in years)



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 existe cependant d'autres aspects révélateurs de l'impact économique de certains événements susceptibles d'être également instigés des succursales au Royaume-Uni pour continuer à servir leurs clients. (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

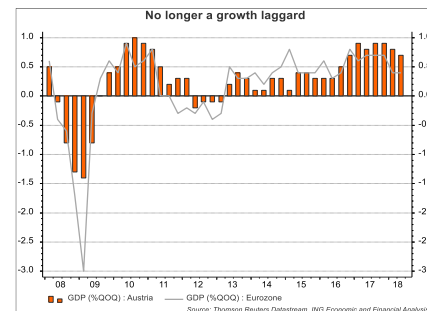
Vienna confirmed as best place to live worldwide



(Vienna, Babelio Peter-Lübner | 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
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Treesquare (BE)

Highlights

1H 2019



Highlights

1H 2019



Dividend 2018 +2%

€ 5.10/share



Weighted average
lease term of
3.97 years



Real estate portfolio
of **€ 1.162 bn**
including Retail Estates



EPRA earnings
rise by **58%** to ~ **€ 22.1 m**
from ~ **€ 14.0 m** (1H 2018 &
including dividend from RE)



Net result **€ 25.3 m**
(**€ 4.27/share**) vs **€ 19.7 m**
(1H 2018, **€ 3.99/share**)



Funding cost drops to
2.34% from **2.59%**
(2018)

Debt ratio at
55.70%



Financials & outlook



Key consolidated financials

1H 2019

Key figures balance sheet	30/06/2019	31/12/2018
Net asset value group share (€ 1,000)	464 431	475 811
Weighted average number of 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 (€)	78.4	80.3
Net asset value group share per share based on investment value (€)	82.0	83.9
Net asset value group share per share EPRA (€)	89.1	88.7
Total assets (€ 1,000)	1 216 969	1 156 107
Financial debt (€ 1,000)	609 950	595 400
Financial debt ratio (in accordance with RD 13/07/2014)	55.70%	53.53%
Average duration credit lines (years)	2.96	3.11
Average funding cost (excluding fair value adjustments fin. instruments)	2.34%	2.59%
Average duration hedges (years)	6.61	5.35
Key figures income statement	30/06/2019	30/06/2018
Rental income (€ 1,000)	32 377	27 858
Net rental result per share (€)	5.46	5.64
EPRA Earnings (1) (€ 1,000)	22 124	13 968
EPRA Earnings per share (1) (€)	3.73	2.83
Net result group share (€ 1,000)	25 305	19 683
Net result group share per share (€)	4.27	3.99
Comprehensive income group share (€ 1,000)	15 113	19 082
Comprehensive income group share per share (€)	2.55	3.86

(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

1H 2019

EPRA performance measures	30/06/2019	30/06/2018
EPRA Earnings* (in € per share) (1)	3.73	2.83
EPRA NAV* (in € per share) (2)	89.07	82.84
EPRA NNNNAV* (in € per share) (3)	80.3	75.46
EPRA Net Initial Yield* (in %) (4)	5.32%	5.49%
EPRA Topped up Net Initial Yield* (in %) (5)	5.33%	5.50%
EPRA Vacancy* (in %) (6)	5.16%	5.54%
EPRA Cost ratio* (incl. direct vacancy costs) (in %) (7)	24.49%	22.96%
EPRA Cost ratio* (excl. direct vacancy costs) (in %) (7)	21.90%	21.09%

(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 €)	30/06/2019	30/06/2018
(+) Rental income	32 377	27 858
(+) Write-back of lease payments sold and discounted	0	0
(+/-) Related-rental expenses	-202	0
NET RENTAL INCOME	32 175	27 858
(+) Recovery of property charges	2	76
(+) Recovery income of charges and taxes normally payable by tenants on let properties	2 856	1 524
(-) 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	-2 856	-1 524
(+/-) Other rental related income and expenditure	-1 170	-903
PROPERTY RESULT	31 006	27 031
(-) Technical costs	-469	-508
(-) Commercial costs	-478	-371
(-) Charges and taxes on un-let properties	-838	-520
(-) Property management costs	-2 905	-2 555
(-) Other property charges	-348	-222
PROPERTY CHARGES	-5 037	-4 176
PROPERTY OPERATING RESULT	25 969	22 855
(-) Corporate operating charges	-1 716	-1 438
(+/-) Other operating charges and income	-7	122
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	24 246	21 539
(+/-) Result on disposal of investment properties	795	0
(+/-) Changes in fair value of investment properties	214	25
OPERATING RESULT	25 255	21 564
(+) Financial income	5 167	59
(-) Net interest charges	-6 238	-6 803
(-) Other financial charges	-656	-563
(+/-) Changes in fair value of financial assets and liabilities	2 173	5 690
FINANCIAL RESULT	446	-1 617
PRE-TAX RESULT	25 702	19 947
(+/-) Corporate taxes	-396	-264
(+/-) Exit tax	0	0
TAXES	-396	-264
NET RESULT	25 305	19 683

Consolidated balance sheet

(€ 1,000)	30/06/2019	31/12/2018
ASSETS		
I. NON-CURRENT ASSETS	1 192 663	1 116 270
Intangible assets	0	0
Investment properties	1 037 334	1 004 237
Other tangible assets	1 036	1 263
Non-current financial assets	136 527	92 974
Finance lease receivables	17 765	17 796
II. CURRENT ASSETS	24 306	39 837
Assets held for sale	0	15 050
Trade receivables	15 545	13 166
Tax receivables and other current assets	3 316	3 303
Cash and cash equivalents	4 178	7 403
Deferred charges and accrued income	1 268	915
TOTAL ASSETS	1 216 969	1 156 107

(€ 1,000)	30/06/2019	31/12/2018
LIABILITIES		
TOTAL SHAREHOLDERS' EQUITY	464 431	475 811
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	464 431	475 811
Capital	65 178	65 178
Share premium account	194 189	194 189
Purchase of treasury shares	-12	-12
Reserves	179 770	178 262
Translation differences	0	0
Net result of the financial year	25 305	38 194
II. MINORITY INTERESTS		0
LIABILITIES	752 538	680 296
I. NON-CURRENT LIABILITIES	393 968	385 013
Provisions - other	11	11
Non-current financial debts	325 723	334 509
- Credit institutions	304 384	312 359
- Other	21 339	22 150
Other non-current financial liabilities	53 549	35 625
Other non-current liabilities		
Deferred taxes	14 686	14 868
II. CURRENT LIABILITIES	358 569	295 283
Provisions		
Current financial debts	288 173	264 198
- Credit institutions	47 500	47 533
- Other	240 673	216 665
Other current liabilities	0	0
Trade debts and other current debts	14 339	17 698
- Exit tax	0	0
- Other	14 339	17 698
Other current liabilities	44 938	2 048
Accrued charges and deferred income	11 119	11 339
TOTAL EQUITY AND LIABILITIES	1 216 969	1 156 107

Funding

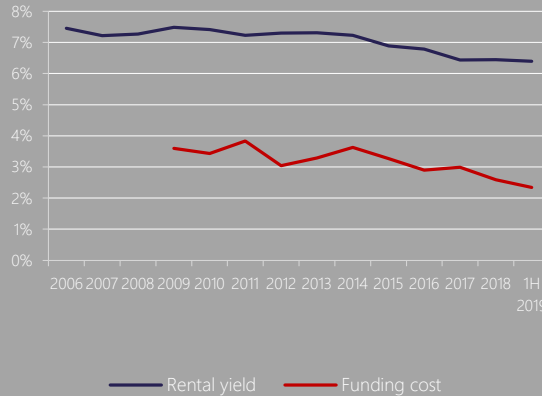
Cost of debt: decrease from **2.59%** (2018) to **2.34%** (1H 2019)

Total committed lines (incl. bonds) of **€ 651.5 m** (30/06) (on 29/8/19 extended to **€ 716,5 m**)

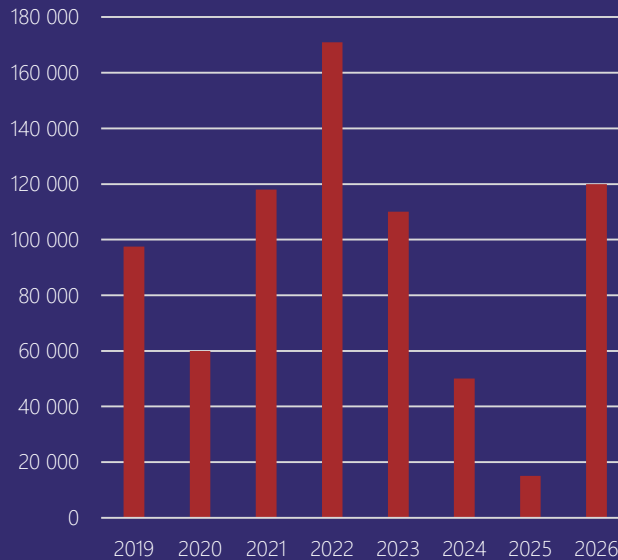
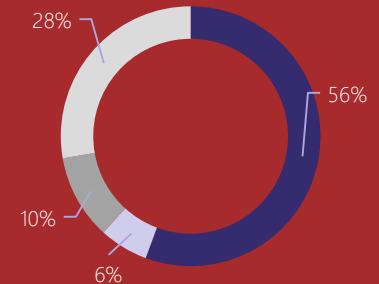
Duration credit facilities decreased from **3.11y** (2018) to **2.96y** (1H 2019)

Available headroom credit facilities **€ 41 m**

Rental yield vs funding cost



Funding diversification



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

Hedging

Debt financing – **52%** fixed ratio

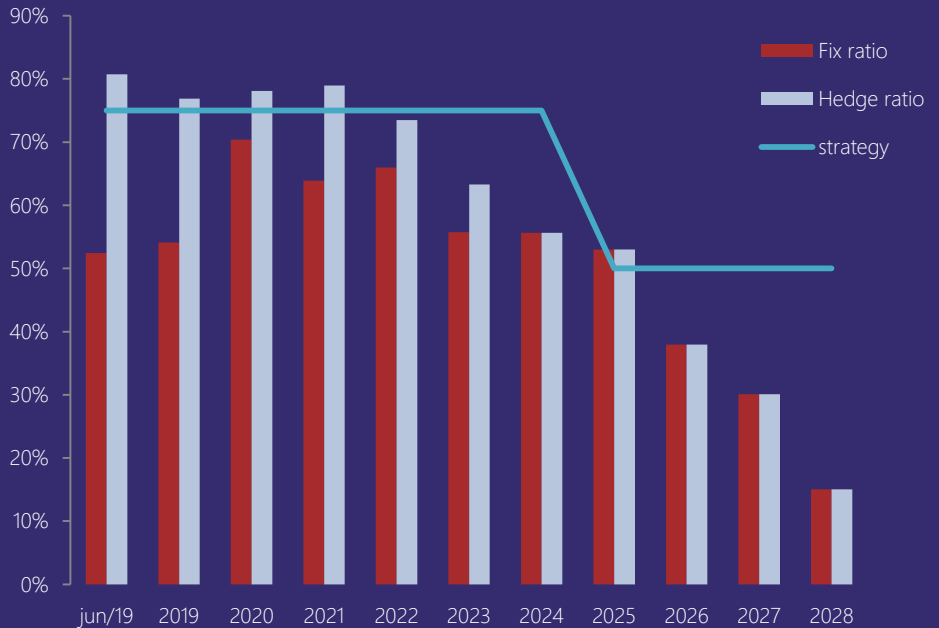
Hedge ratio (30/06/2019) – **81%**

Fixed rate debt, incl. bonds (**29%**)
and interest rate swaps (**52%**)

Duration hedges: **6.61y**
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%	7.03%	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



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.

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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.

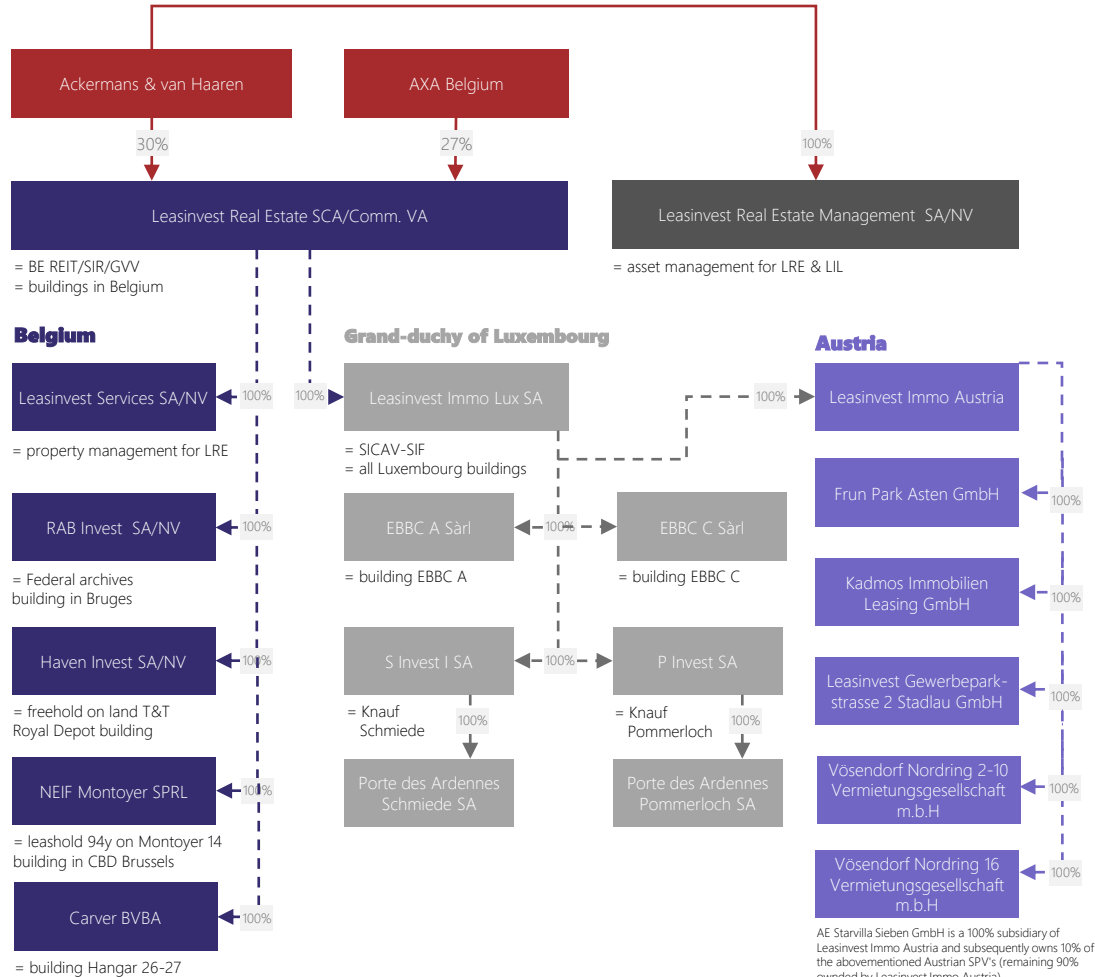
tim.rens@leasinvest.be

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



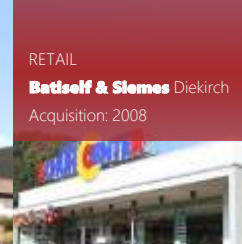
OFFICES & WAREHOUSE

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

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Bond issue offering |
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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



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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

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