Annual financial report

LEASINVEST
REAL ESTATE

2020

www.leasinvest.be

Mission

Leasinvest is an out-of-the-box real estate investor driven by a diverse team of passionate professionals, managing a high-quality portfolio in sustainable markets. By creating inspiring environments, we generate added value and consistent returns for all of our stakeholders.

Following the entry into force of the 'ESMA directives on Alternative Performance Measures' of the European Securities and Market Authority (ESMA), the Alternative Performance Measures (APM) in this registration document are indicated by an asterisk (*). For the definition and the detailed calculation of the Alternative Performance Measures used, we refer to page 80 et seq of this registration document.

Contents

1. Risk factors

Following the entry into force on 21 July 2019 of the Prospectus Regulation, only the risk factors identified by the Company as specific and material to Leasinvest Real Estate on the date of preparation of this annual financial report are described below, taking into account its negative impact on the Company and the likelihood that they will occur. In the order of risk factors by (sub) category, the most material risk factors were listed first. The risks and mitigating factors are discussed in the audit committee that provides an opinion to the Board of Directors for this purpose. These risks are evaluated on a permanent basis and new risks can be identified.

1. Risks associated with market conditions and external economic factors

1.1. Risks associated with reduced demand for retail and office real estate

Risk description
The income of the company and the value of its portfolio are very much related to the type of real estate that makes up its portfolio (47% offices, 47% retail and 6% logistics) and its localization (Luxembourg, Belgium and Austria).

The rental and investment market may be negatively affected by reduced demand for retail or office real estate. Demand for retail can be strongly negatively impacted by the importance of e-commerce that has increased even further during the Covid-19 pandemic (reduced demand for physical stores and demand for smaller stores) and by a weakening of the financial situation of retail tenants of non-essential stores that were not spared from government measures during the Covid-19 pandemic, some of which achieved a noticeably lower turnover as a result of the Covid-19 crisis (see risk factor 3.2 below).

The demand for offices, in turn, can be strongly negatively affected by the increasingly flexible and mobile use of offices and, in other things, by teleworking that became an established practice during the Covid-19 pandemic, to which employees were either obliged by the government or urged by their employers.

Potential impact
In the context of a reduced demand for offices and retail, rental income and cash flow maybe affected by an increase in vacancy rates, lower rents, higher capex investments or other commercial concessions are often needed to attract new tenants, with a direct negative effect on the company's income and indirectly on the value of the property held by the company.

As at 31 December 2020, a 1% decrease in rental income (generated from 47% offices and 47% retail) would lead to a 1.7% decrease in the company's EPRA result, a 1.2% decrease in NAV per share and an 0.04% increase in debt ratio, where a 1% increase in rental vacancy would imply an approximate 1% fall in EPRA earnings.
Indirectly, reduced retail demand also has an impact on the 10.70% stake held by the company in Retail Estates – GVV/SIR whose main activity consists of renting out peripheral retail real estate – resulting in a possible decrease in the Retail Estates shares price, which in turn leads to a negative revaluation of the shareholding in Leasinvest Real Estate's income statement (see infra – risk factor 1.2. "Participation in Retail Estates").

The fact that Leasinvest's retail portfolio represents an average occupancy rate of 91.62% across the three countries and is composed of 39% of tenants of essential stores and of predominantly larger retail brands that integrate a/o e-commerce into their business model make this retail portfolio more resilient to the reduced demand for retail real estate, in addition to the weighted average duration of the current commercial leases of 3.85 years.

The fact that Leasinvest's office portfolio also has an average occupancy rate of 86.91% across the 3 countries and that the weighted average term of the leases for office space as at 31 December 2020 is 3.98 years (51% of the offices portfolio of the company is located in Luxembourg and 49% in Belgium), as a result of which this new way of working and the potentially reduced demand for office real estate will mainly have an impact with regard to the vacant office areas and the leases for offices that are contractually coming to an end in the short term.

1.2. Risk associated with the shareholding that the company holds in the GVV/SIR Retail Estates NV

Risk description
Leasinvest Real Estate holds a 10.70% stake in Retail Estates NV, a GVV/SIR that mainly holds peripheral retail property. This participation is considered to be a non-current financial asset that is measured at fair value (i.e. at the share price at balance sheet date) (i.e. € 59.10 per share as at 31/12/2020), where the value fluctuations are processed via the income statement in accordance with IFRS 9. Since the shareholding is greater than 10%, Leasinvest Real Estate benefits from an exemption from the withholding tax normally levied on the dividends of GVV/SIR.

Potential impact
If the share price of retail estates falls, this decrease leads to a negative revaluation of the shareholding in leasinvest Real Estate's income statement. On 31 December 2020, Leasinvest Real Estate owns approximately 1.3 million shares of Retail Estates, meaning that a fall in the share price of € 10 per share results in a negative revaluation of approximately € 13 million, which negatively impacts the company's results.

Since Leasinvest Real Estate holds at least 10% of the shares in Retail Estates for a full year, the company benefits from an exemption from the withholding tax on these dividends. If Leasinvest Real Estate held less than a 10%-stake in Retail Estates or held this 10% shareholding less than 1 financial year, Leasinvest Real Estate would owe withholding tax on the dividends received amounting to 30% of the dividend received, or an amount of € 1.8 million compared to a total dividend received in 2020 of € 5.9 million.

If Retail Estates NV decided not to pay a dividend during a financial year, this would have led to a € 5.9 million decrease in financial income for Leasinvest Real Estate for the financial year 2020.

2. Real estate-related risks

2.1. Risks associated with the evolution of the fair value of the real estate portfolio, excluding the participation in the GVV/SIR Retail Estates NV

Risk description
The fair value of Leasinvest Real Estate's investment properties, excluding the participation in the GVV/SIR Retail Estates, as estimated quarterly by independent valuation experts, is subject to fluctuations. These fluctuations are due to several factors.
Some of these factors are exogenous on which Leasinvest Real Estate may therefore have no control, such as:
- the COVID-19 pandemic - which during the financial year in particular affected the retail segment within the portfolio (47% of the company's portfolio) because of imposed government measures and deferral of payment and/or temporary or permanent rent reduction, or have led to a greater difficulty in receiving the rent –
- declining demand in the submarkets in which the Company operates (see risk factor 1.1),
- the occupancy rate (91.62% as at 31/12/2020 compared to 90.46% as at 31/12/2019),
- changes in expected investment returns (yields) and
- changes to transfer rights to acquire or sell real estate.

In addition, the valuation of the property can also be influenced by a number of qualitative factors, such as:
- the average age of a building (at the end of December 2020, 58% of the property portfolio consists of buildings that are more than 15 years old, 3% buildings that are between 10 and 15 years old, 29% buildings that are between 5 and 10 years old and 10% buildings that are at most 5 years old),
- commercial positioning,
- requirements for capex investments and
- sustainability.

During the financial year 2020, the fair value of the real estate portfolio, excluding the participation in Retail Estates, increased from € 1.11 billion at the end of 2019 to € 1.14 billion at the end of 2020, resulting in a positive portfolio result (and therefore impact on the net result) of € 31.5 million. This impact is mainly due to the revaluations in the Luxembourg portfolio (€ 30.3 million) and to the capex budgets invested in ongoing projects and renovations (€ 28.8 million).

Potential impact
As of 31 December 2020, a decrease of 1% in the fair value of the company's real estate portfolio, excluding the participation in Retail Estates NV, would have an impact of - € 11.5 million on the net result of the company and of approximately -€ 1.94 on the net asset value per share. This would also impact the debt ratio by + 0.52%.

We refer to note 33.4 in the financial part of the annual report for a sensitivity analysis including conclusions regarding the valuation of the real estate portfolio. This note 33.4 mainly shows that the existing portfolio could suffer a possible decrease in fair value of € 179 million before exceeding the maximum debt ratio of 65%. Such a decrease in value may be due to an increase in yield (at constant rental values the yield should increase by 101 basis points in order to exceed the maximum debt ratio of 65%) or a decrease in rental income (at constant yields, rents would have to decrease by 15.7% to exceed the maximum debt ratio of 65%).

2.2. Risks associated with own (re)developments

Risk description
On 31/12/2020, 2 projects are under development (Moonar project in Luxembourg and Monteco in Brussels), representing an announced investment value of € 37.7 million, the completion of which is expected in 2023 and 2022 respectively.
Despite the fact that (re)development activity is limited to a maximum of 10% of the fair value of the total real estate portfolio, in open development, this activity involves risks, including the specific risks that the necessary permits to construct or convert a building are not granted, or challenged, that the project is delayed or cannot be carried out or there is a budget overrun due to unforeseen costs.
The aforementioned risks may lead to reduced rental income, deferral or loss of expected rental income. Often, in the event of conversions of office and retail buildings, the work can only start after the leases with the tenants have ended and it may be that, if the term does not correspond to the permit process, these leases expire too early (resulting in vacancy) or continue longer (so that the work cannot start immediately after obtaining the permit).

The company bears the permit risk for (re)developments representing 3% of the total portfolio including the investment pipeline as at 31 December 2020 and the construction risk for (re)developments representing 3% of the aforementioned total portfolio.

Potential impact
The company estimates the likelihood of the risk of delays or cost overruns as rather limited, estimating the potential impact as non-material.

3. Operational risks

3.1. Rental vacancy

Risk description
The company is exposed to the risks associated with the departure of its tenants and the non-renewal or early termination of the leases, including:
- the risk of loss and/or decrease in rental income;
- the risk of pressure on rents and renegotiation of leases;
- the risk of higher costs during the period of vacancy,
- the risk of higher capex investments or other commercial concessions to attract new tenants;
- the risk of the decrease in the fair value of the buildings (see risk factor 2.1).

At 31 December 2020, the consolidated occupancy rate of the entire real estate portfolio amounts to 91.62% compared to 90.46% as at 31/12/2019, with the most vacancy
- geographically recorded in Belgium
- in terms of assets in the offices portfolio.

In addition to the rental vacancy in the real estate portfolio that is the usual consequence of the termination of leases, the rental vacancy can also be negatively affected by a reduced demand for retail or office real estate (both represent 47% of the company's real estate portfolio), where supply exceeds demand, in addition to an evolution in the nature of demand a/o under the influence of external factors such as e-commerce, the Covid-19 pandemic, teleworking (see risk factor 1.1).
In addition to the proactive management by the commercial team that actively manages the relationship with the tenants and anticipates vacancy in the search for new candidates, the investment policy in the (re) developments also takes into account the evolution in the nature of the demand, by providing a/o flexible office surfaces in concept phase, by adding sustainability as a criterion, by providing ecosystems with sufficient ventilation, etc.

Potential impact
As at 31 December 2020, a 1%-fluctuation in the occupancy rate in the company's portfolio would have an impact of approximately € 0.7 million on the operating property result, € 0.11 on the NAV per share and 0.06% on the debt ratio.

As to direct costs linked to the rental vacancy (i.e. costs and taxes on vacant buildings, including a/o property tax and management costs), this is estimated at € 0.2 million, i.e. about 0.3% of the total rental income.

The maintenance of cash flows mainly depends on securing rental income. In this way, the company tries to conclude long-term leases and keep the breakdown of the portfolio and of the large tenants and the sectors in which they operate as large as possible, in order to obtain a maximum diversified real estate portfolio, tenant risk and rental income as possible and thereby to limit the dependence of the company following the disappearance of 1 or more tenants due to a/o termination of the lease or bankruptcy (see risk factor 3.2 below) and to secure the reduced or changed demand for a certain asset class.

At 31 December the weighted average duration of the current leases up to the next expiry date was 3.85 years, which is relatively high.

3.2. Risks linked to the weakened financial situation of the tenants

Risk description
The Company cannot exclude that its tenants will default on fulfilling their financial obligations towards the Company due to their weakened financial situation.

There is a risk that, if the tenants concerned fail to fulfil their obligations towards the Company, the rental guarantee is not sufficient and the Company may, although the Company can exercise redress against the tenant, nevertheless bears the risk of not being able to recover anything or not sufficiently from the tenant who has defaulted. In addition, the default of tenants and the follow-up of these debtors gives rise to additional internal and external costs (sending notices of default, subpoenas, court costs). During the financial year 2020, doubtful debtors were made up of € 1.7 million in provisions, or 2.8% of rental income.

Potential impact

The loss in rental income because it can no longer be recovered from the financially weakened tenants and on the cash flow, in addition to the associated unexpected vacancy and the increase in rental charges, could also have a negative impact on the valuation of the property concerned (see risk factor 2.1) and may increase as a result of specific events (such as a pandemic such as COVID-19).

As at 31 December 2020, 97% of the rental income of the real estate portfolio was nevertheless received by the company thanks to the regular follow-up of the unpaid receivables.

The company also has a diversified tenant base. The top 10 retailers together account for 18% of rental income. Of these top 10, 78% are retailers of essential stores. The top 10 office tenants in turn account for 15% of rental income.

4. Financial risks

4.1. Risks related to financing and financing agreements – exceeding the debt ratio - liquidity risk

Risk description

As at 31/12/2020, the company has confirmed credit lines amounting to € 744 million, of which € 202 million has not yet been drawn and the consolidated debt ratio was 55.58% (54.78% at 31/12/2019), a relatively high debt ratio compared to other GVV/SIR. The average duration of credit lines amounts to 3.36 years on 31 December 2020.

For the repayment dates and the precise breakdown of these debts, please refer to the notes to the consolidated financial statements - note 33.2 "notes on financial debts" p 174.

Although diversification is aimed at, a significant part of the debt consists of bilateral financing with Belgian banks (77.74% on 31/12/20), each of the type "bullet" loan. In addition to this bilateral financing, the company also holds a bond loan (€ 100 million) and commercial paper (€ 122 million), which also explains the high debt ratio of the company. The commercial paper is fully covered by unused bilateral lines of credit, so that a possible drying up of this short-term money market does not create liquidity problems at Leasinvest Real Estate.

As at 31 December 2020, the Company has a debt capacity of 9.42% on a consolidated basis before reaching the maximum consolidated debt ratio of 65% for GVV/SIR, and of 4.42% before reaching a consolidated debt ratio of 60%, which is imposed in the financing agreements concluded with financial institutions. The value of the real estate portfolio also has an impact on the debt ratio. Taking into account the value of the real estate portfolio as at 31 December 2020, the maximum consolidated debt ratio of 65% would only be exceeded in the event of a possible decrease in the value of the real estate portfolio of approximately € 179 million of the real estate portfolio value as at 31 December 2020. In the event of a decrease in the value of approximately € 90 million of the value of the real estate portfolio as at 31 December 2020, the consolidated debt ratio of 60% would be exceeded.

Potential impact

A debt ratio of more than 65% may mean the loss of the GVV/SIR-status (see risk factor 5.1 below). Moreover, most bank financings are subject to a covenant that cappes the debt ratio at 60%. A breach of one of the covenants can lead to a "cross default" or a "cross acceleration", which can also make other financings payable early. Such early claimability would expose the company to a liquidity risk in the event that its financing agreements were not renewed or would not be renewed in a timely manner or in the event that it could not obtain the necessary additional financing to meet its obligations.
If the company were exposed to a liquidity problem, it would in the worst case be forced to sell its assets. We refer to note 33 in the financial part of the annual report for a detailed explanation of the liquidity risk. The early claimability of the financing would therefore jeopardise the continuity of the company in its current form with its current real estate portfolio.

4.2. Risks associated with rising interest rates and fluctuations in fair value of hedging instruments

Risk description

As a result of (significant) financing with debt (consolidated debt ratio as at 31 December 2020, 55.58%) the return of the Company depends on the developments in interest rates.

Potential impact

A 100-basis point increase in Euribor interest rates has a negative impact on EPRA earnings of € 0.5 million.
In order to hedge the risk of the increase in interest rates, the company finances part of the debt (27% of the total debt as at 31/12/2020, or € 180 million) through fixed rate financing and finances the balance of debt with variable interest rates, of which 43% is covered against an increase in interest rates on the basis of futures (IRS) and optional instruments (CAP). A balance of 30% of the total debt is therefore not covered.
The fair value of the hedging instruments is determined by interest rates on the financial markets. The changes in market interest rates partly explain the change in the fair value of the hedging instruments between 1 January 2020 and 31 December 2020, which led to the inclusion of a charge of € 5.4 million in the Company's income statement. For more information, see note 33.

5. Regulatory risks

5.1. Risks associated with the GVV/SIR status

Risk description

Leasinvest Real Estate has the legal form of a public Regulated Real Estate Company (OGVV/SIRP or GVV/SIR). In exchange for a transparent tax regime, the status of GVV imposes a number of restrictions on the activities that can be carried out, including in the areas of debt ratio, concentration of buildings and tenants, real estate development, profit distribution, shareholding, etc. (more information on this subject, see p 215.

Meeting the specific requirements for the GVV/SIR status depend, among other things, on the Company's ability to successfully manage its assets and debt position and on compliance with strict internal control procedures.

The Company might not be able to meet these requirements in the event of a significant change in its financial situation or otherwise and could thus lose its GVV/SIR status. As indicated above with risk factor 4.1. Leasinvest Real Estate has a relatively high debt ratio (55.58% on 31/12/2020) and a debt ratio of more than 65% can mean the loss of the GVV/SIR status.

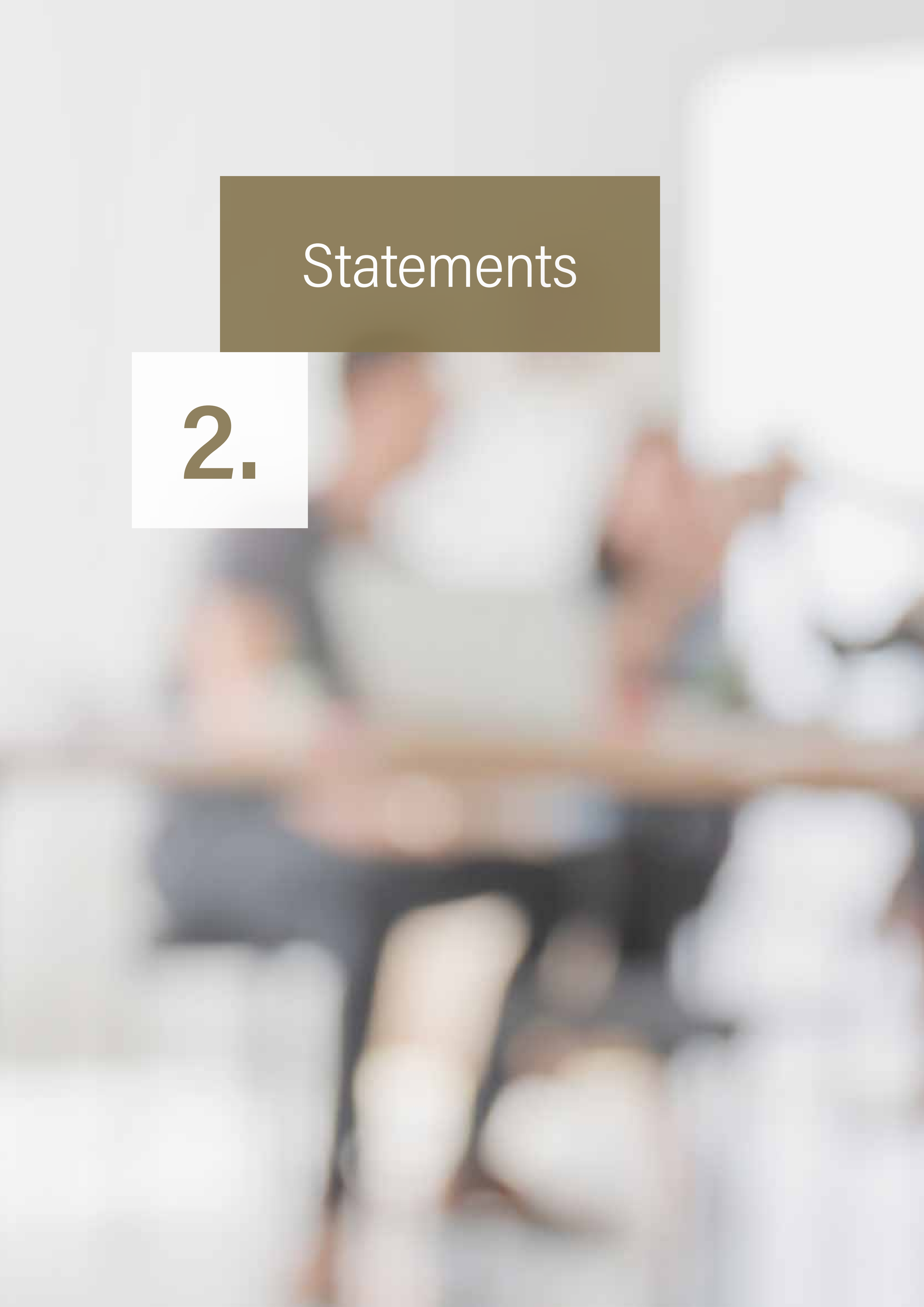
Potential impact in the event of loss of GVV/SIR status

If the company were to lose its GVV/SIR status, it would no longer benefit from the special tax system for GVV/SIR (cf. Article 185bis Income Tax Code 92), which would mean, a/o, that the rental income at the level of the company (33% of the net rental result as at 31 December 2020), which is now exempt from corporate taxes, would be subject to corporation tax. On the other hand, subsidiaries of the company that do not have the status of a GVV/SIR are subject to corporate taxes like any other company. As at 31 December 2020, the activities of Leasinvest Real Estate SCA's subsidiaries in Luxembourg (53% of net rental result as at 31 December2020), and in Austria (14% of net rental income as at 31 December 2020) are subject to local corporation tax. Furthermore, the applicable tax regime, including applicable rates, may change. This could lead to a higher tax burden on these activities, have a negative impact on the company's results or NAV, with the ultimate consequence that fewer dividends would flow to the company and, consequently, less dividends could be paid to the shareholders of the company.

In addition, the loss of the GVV/SIR Status may generate the early claimability of all credits and the bond loan, i.e. a total amount of credits of € 744 million as of 31/12/2020. Such early claimability would jeopardise the company's continued existence in its current form with its current real estate portfolio and expose the company to a liquidity risk where the company could be forced to sell its assets. We refer to note 33 in the financial part of the annual report for a detailed explanation of the liquidity risk.

In addition, the dividend income realised on leasinvest Real Estate's stake in Retail Estates NV, also a GVV/SIR, would also be subject to corpore taxes. In 2020, Retail Estates' dividend received amounted to € 5.9 million. If this dividend were subject to corporate taxes, the dividend received from Retail Estates for the financial year 2020 would be only € 4.4 million.

2. Statements



Statement on Universal registration document

The manager declares that:

a) this annual financial report was filed as a Universal registration document with the FSMA on 31/03/2021, as the competent authority according to the Regulation (EU) 2017/1129, without prior approval, according to article 9 of the aforementioned Regulation;

b) the Universal registration document can be used in view of a public offering of securities or admission of securities for trading on a regulated market, if, should the case arise, complemented by potential amendments and a Securities note and summary approved by the FSMA according to Regulation (EU) 2017/1129.

The information made available on the website is not part of this Universal registration document unless that information has been included by reference.

The annual financial report can be obtained at the Company office and can be consulted on the website www.leasinvest.be in 2 language versions (Dutch and English). A printed copy can be obtained by registering on www.leasinvest.be and on simple demand, at the administrative office of Leasinvest Real Estate, Schermersstraat 42, BE-2000 Antwerp.

De Nederlandse versie van het Universeel Registratiedocument is beschikbaar op aanvraag op de maatschappelijke zetel van de vennootschap en kan gedownload worden van de website www.leasinvest.be.

Only the printed Dutch version of the annual financial report forms legal evidence. The digital version cannot be copied nor be made available anywhere, nor can any text be printed for further distribution.

Persons responsible for the content

The statutory manager of the company, Leasinvest Real Estate Management SA – represented by its permanent representative, Mr. Michel Van Geyte - is responsible for the information reproduced in this annual financial report and declares that, after having taken all measures to guarantee so, to his knowledge:

- the financial statements, established in accordance with the applicable accounting standards, present a fair view of the assets, financial situation and the results of Leasinvest Real Estate and the companies included in the consolidation;
- the annual financial report presents a fair overview of the development and the results of Leasinvest Real Estate and of the position of the company and the companies included in the consolidation, and also comprises a description of the main risks and uncertainties, in accordance with the Regulation (EU) 2017/1129, which the company is confronted with.
- the information in this annual financial report, to his best knowledge, correspond to reality, and that no data have been omitted that should they be mentioned, would change the tenor of this annual financial report, subject to the press releases that have been published since editing this annual report.
- no events occurred after 31 December 2020 other than these referred to in the events after balance sheet date as foreseen on page 45 in the activity report and on page 191 note 40 financial statements.

Statements with regard to the directors, the effective officers and executive management

The statutory manager of the company declares that, to the best of his knowledge:

- nor himself, one of the directors, the effective officers, nor any member of executive management, at least during the past five years,
  (a) have ever been convicted for a fraud-related offence,
  (b) have ever been subject to official and public accusations and/or sanctions by legal or supervisory authorities or that they have never been declared incapable to act as a member of a board, decision-making or supervising body of a company, or to act within the framework of managing or exercising activities of a company and
  (c) have ever had a managerial function as senior manager or as a member of a board, decision-making or supervising body of a company, at the moment of a bankruptcy, receivership or judicial annulment;
- that until now no (employment) contracts have been concluded with the directors, nor with the company or its subsidiaries, nor with the statutory manager, which provide for the payment of a compensation for leaving upon termination of the contract, that exceed

12 months, except for the compensation for leaving of 16 months to Michel Van Geyte, executive director, approved by the general meeting of shareholders of Leasinvest Real Estate on 22/05/2018, in accordance with of art. 7:92 of the Code on Companies and Associations;
- that the (employment) contracts concluded between the statutory manager, the company or its subsidiaries, and the effective officers do not provide in special payment of indemnities upon the termination of the employment, except for the usual cancellation clauses with the members of the effective direction and the member of executive management, in which case an indemnity is due in case the usual term for notice is not respected;
- that no director, effective officer nor member of executive management owns any shares in Leasinvest Real Estate;
- that until now no options on the company shares have been granted, nor to the directors, nor to the effective officers or members of executive management;
- that there are no mutual family ties between the directors, the effective officers and the members of executive management.

Third-party information

The statutory manager confirms that the information obtained from third parties has been precisely reproduced, and that to his knowledge, and based on the information published by those third parties, no facts have been omitted which could result in the reproduced information being inaccurate or misleading.
The statutory manager confirms that the real estate experts and the auditor of the company granted their permission to reproduce their reports in this Universal registration document, respectively in the form of 'Conclusions of the real estate expert' in the Real estate report on page 121 and 'Report of the auditor to the general meeting of Leasinvest Real Estate SCA on the financial year closed on 31 December 2020' in the Financial statements on page 192.

The abovementioned provision also applies to the information on the real estate market, recorded in the Real estate report on page 105, where the sources are mentioned in the first paragraph.

Due to reasons of confidentiality, the integral report of the real estate experts is not recorded and cannot be consulted.

Forward-looking statements

As far as this annual financial report contains forward-looking statements, these statements involve unknown risks and uncertainties which may cause the actual results to be substantially different from the results that can be assumed by such forward-looking statements in this annual financial report. Important factors that can influence such results are namely changes in the economic, commercial, fiscal or environmental situation.

Statements with regard to legal procedures or arbitrages

The statutory manager of the company declares that no government interventions, proceedings or other arbitration procedures exist, which could (or) have influence(d), in a recent past, the financial position or the profitability of the company or its subsidiaries and that, to the best of his knowledge, there are no situations or facts which could give rise to such government interventions, proceedings or arbitration procedures.

Statements on historical financial information included by reference

The Annual financial reports for the financial years 2018 and 2019 to which is referred in this Annual financial report 2020, are available on www.leasinvest.be (investor relations/reports) and can be obtained, freely, upon simple request, at the registered office of the statutory manager Leasinvest Real Estate Management NV, at Schermersstraat 42, BE-2000 Antwerp.
All abovementioned historical financial information has been audited by the company auditor, and for each financial year he delivered an unqualified opinion.

Information included by reference

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3.

Profile and strategy

MONTECO
BRUSSELS (BE)

MONTECO
BRUSSELS (BE)

Leasinvest Real Estate's strategy is focused on well located and high-quality retail and office buildings. Geographically our buildings are located in the Grand Duchy of Luxembourg, Belgium and Austria.

In the year 2020, a clear sustainability strategy was also issued that translates into strategic actions on 5 themes and 13 sub-themes.

These 5 themes will further determine Leasinvest's (divestment) investment strategy where the company strives to create healthy and inspiring environments (Liveable) in its buildings and environments, which it wishes to develop in consultation with all stakeholders (Evolving). Climate adaptive building is paramount (adaptable) and energy consumption and resources are closely monitored.
On top of this technical aspect, Leasinvest is also aware that the social aspect must not be lost out of sight and we therefore have a socially responsible role to play (societal).
Consequently, investments will focus on buildings as flexible structures with technological innovation and sustainable mobility.

LIVEABLE — **E**VOLVING — **A**DAPTABLE — **S**OCIETAL — **INVEST**MENTS

History

1999

- Real estate investment trust (bevak/sicafi) status granted
- Listing on NYSE Euronext Brussels (previously the Brussels' Stock Exchange)

>2005

- Different acquisitions of mainly office buildings in Belgium
- Own management and personnel

2006

- Geographical diversification towards the Grand Duchy of Luxembourg by the acquisition of the Luxembourg sicav Dexia Immo Lux (currently Leasinvest Immo Lux) for € 150 M (13 buildings)

2007 - 2011

- Divestment of office buildings and further diversification towards logistics in Belgium
- Redevelopments of offices and storage in the Grand Duchy of Luxembourg
- Focus on diversification towards retail with acquisition of top retail portfolio in Luxembourg

2012 - 2013

- Investment in two shopping centers and acquisition of an important retail building in the Grand Duchy of Luxembourg
- Completion & acquisition State Archives Bruges
- Divestment of office buildings
- Public capital increase and public and private bond issue

2014 - 2015

- Acquisition of important retail portfolio in Switzerland
- Change of the status of sicafi into a BE-REIT (SIR/GVV)
- Acquisition of iconic multi-tenant building Royal Depot at the Tour & Taxis site in Brussels
- Further divestment of smaller non-strategic buildings

2016

- Sale of completed office building Royal20 in Luxembourg
- Acquisition of Frun® retail park Asten, Austria

2017

- Acquisition office building Mercator in Luxembourg
- Divestment Swiss buildings
- Divestment largest part of logistics buildings in Belgium
- Acquisition two retail buildings near Vienna in Austria

2018

- Successful capital increase of € 84 million
- Acquisition Montoyer 14 building in Brussels' Leopold district, Belgium
- Acquisition of 2 additional buildings in the EBBC business park in the Grand Duchy of Luxembourg
- Acquisition iconic building Hangar 26/27 'Eilandje' district in Antwerp, Belgium

2019

- Acquisition of 2 extra buildings in the EBBC business park in the Grand Duchy of Luxembourg
- Acquisition of two retail buildings in Vösendorf near Vienna in Austria
- Divestment of non-strategic buildings
- Successful private placement of bonds for € 100 million

2020

- Further divestment of non-strategic buildings
- Focus op (re)developments
- Early repayment of a significant part of the historical efficient derivatives portfolio

For more information **consult www.leasinvest.be – Leasinvest – history.**

Creation of shareholder value resulting in a high dividend yield

by creating capital gains through
- active portfolio management
- dynamic investment and devel-opment policy
- divestment of non-strategic buildings

Generation of recurrent cash flow

through a dynamic commercial policy
- that responds to tenant's needs
- that is market-driven on a permanent basis
- striving for a high occupancy rate

Development of a high-quality real estate portfolio

by optimizing the portfolio
- redevelopment, enhancing sustainabili-ty and renovating of existing buildings
- strategic acquisitions

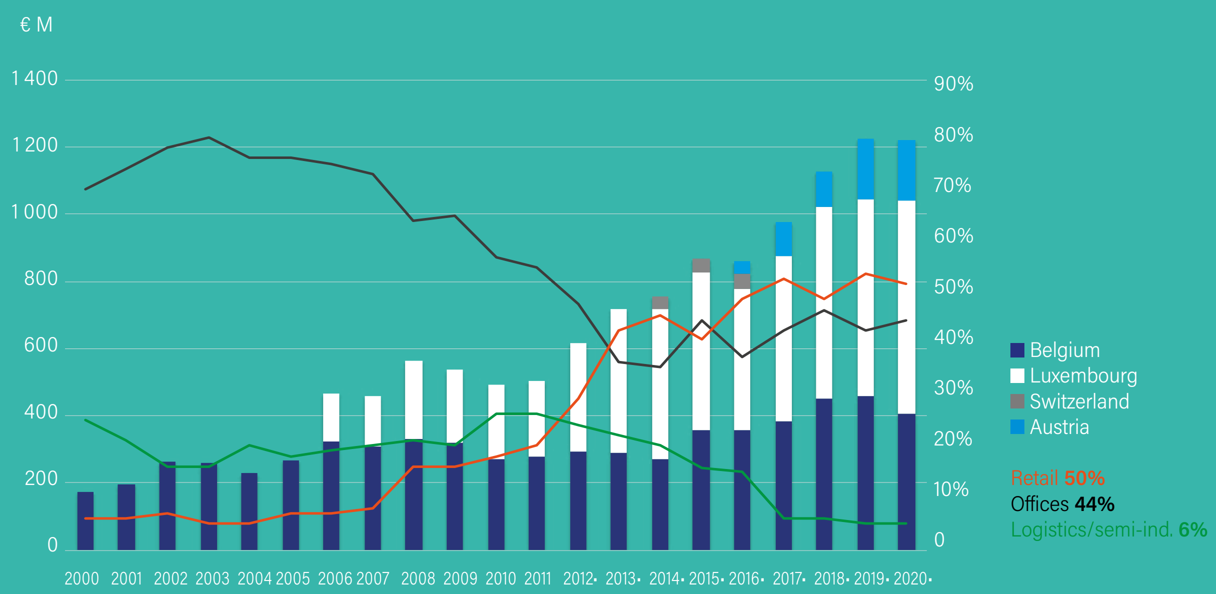
Limiting the risk profile

through diversification
- geographically: Grand Duchy of Lux-embourg, Belgium and Austria
- asset classes: focus on retail and offices

Investor profile

Leasinvest Real Estate's investor profile consists of private investors, mainly in Belgium, and institutional investors in Belgium and abroad looking for acceptable dividend prospects in combination with limited risks in the medium term.

The diversification of the portfolio has evolved such as demonstrated by the graph below.



• Fair value including participation in Retail Estates. For more information we refer to the key figures of the real estate portfolio at page 34 and note 23 in the financial statements.

Our global strategy is based on 4 pillars:

01

Investment strategy

Leasinvest Real Estate's investment strategy is based on detecting interesting opportunities. Consequently, the composition of the real estate portfolio has strongly evolved over the years, in function of the evolution of the real estate and financial markets. For more information on the evolution of the real estate market over 2020, we refer to the Real estate report on page 105.

Leasinvest Real Estate uses the following investment criteria:

- diversification geographically & per asset class
- countries: Luxembourg, Belgium & Austria
- focus on retail sector (retail parks/ medium sized shopping centers) in Luxembourg and Austria
- focus on offices at the best locations in Luxembourg and Belgium
- continue to look for redevelopment opportunities of well-located office buildings in CBD
- divestment of mainly non-strategic buildings

02

Development strategy

Leasinvest Real Estate has also been very successful in the redevelopment of buildings in view of further lease. Year after year buildings of the portfolio that can be taken into consideration for redevelopment are selected, taking into account our risk management policy (see Risk factors on page 4).
The objective is to generate capital gains and continuously improve the portfolio's quality.
Important examples of this policy are the buildings CFM, Bian, Montimmo, Royal20, shopping center Strassen, shopping centers Knauf Pommerloch and Schmiede, Moonar (EBBC Business Park) and High 5! (Mercator) in the Grand Duchy of Luxembourg, and The Crescent Anderlecht, Montoyer 63, Treesquare and Monteco (Montoyer 14) in the Leopold district of Brussels, De Mot in Malines and Hangar 26/27 in Antwerp.

03

Commercial strategy

Leasinvest's commercial strategy aims at extending the average duration of the rental contracts and keeping the occupancy rate at a high level, in view of generating a continuous flow of recurring income. The commercial teams therefore operate in a proactive way, looking for possibilities and initiatives to optimally respond to the (prospective) tenants' needs, such as organizing a potential move, realizing an extension for extra space, or refurbishing (e.g. Co-working space De Mot in Malines).

04

Funding strategy

Despite the fact that the BE-REIT (SIR/GVV) legislation allows for a maximum debt ratio of 65%, the board of directors of the statutory manager of Leasinvest Real Estate opted for a more conservative funding policy, keeping the debt ratio within the 50-55% spread. End 2020, the debt ratio amounts to 55.58% in comparison with 54.78% on 31/12/2019.
The debt ratio is closely followed by management, with a focus on "capital recycling", allowing also in 2020 the sale of a number of non-strategic buildings with a total realized capital gain of € 2.2 million.
For more information, we refer to note 33 of the financial statements.

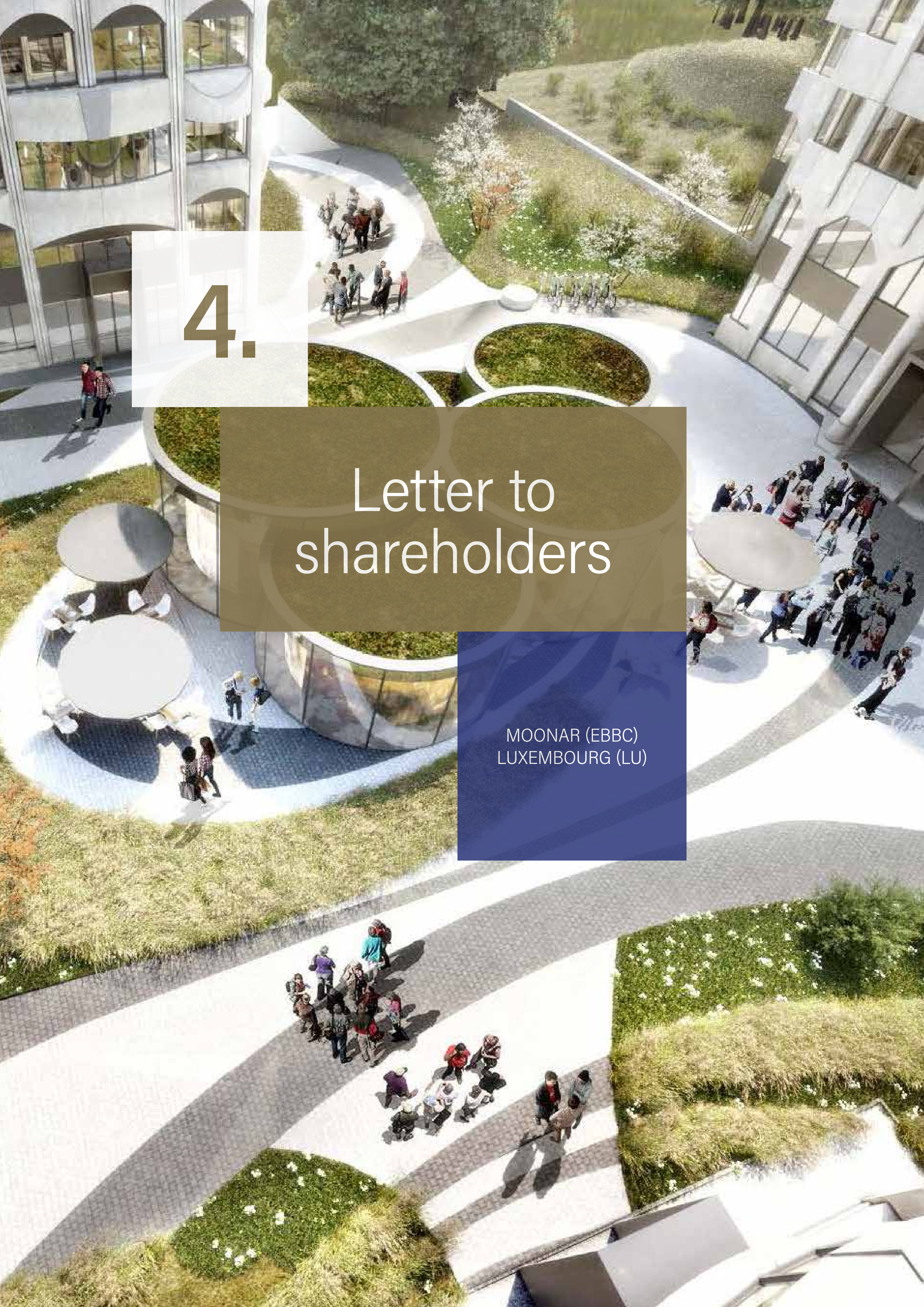
The funding strategy also aims at keeping the funding cost as low as possible for the longest possible period, yet with the possibility to swiftly respond to potential investment files. However, the funding cost has slightly increased in 2020 to 2.35% (2019: 2.14%). Important in this context is that within the scope of the hedging strategy it was decided to reduce the hedge ratio from 90% to the previously established rate of 75% for the next 5 years, and 50% for the subsequent 5 years. In particular, interest rate swaps were repaid for a notional amount of € 115 million, which corresponds to a payment of € 20 million. As a result, this negative value, which in the past was always booked through 'Other Comprehensive Income', was directly recycled through the income statement (revaluation results on financial instruments). Consequently, the future funding cost will drastically drop, as early as the first quarter of 2021. An estimate based on the short-term interest rate will nevertheless lead to a reduction of the average funding cost to a level slightly below 2%, which corresponds to a saving of approximately € 3 million per year.

The weighted average duration of the funding on 31 December 2020 has decreased to 3.36 years (2019: 3.88 years). The average duration of the hedges amounts to 4.58 years (2019: 5.54 years) end December 2020.

These 4 pillars of our strategy allow us to generate a **recurring dividend flow**.

4.

Letter to shareholders



MOONAR (EBBC)
LUXEMBOURG (LU)

Michel Van Geyte • CEO - **Jan Suykens** • Chairman Board of Directors

Our diversified portfolio of sustainable buildings in prime locations in Belgium, Luxembourg and Austria has also demonstrated its defensive strength in the challenging financial year 2020.

The strategy

Our strategy remains focused on three countries: the Grand Duchy of Luxembourg, Belgium and Austria, and on two asset classes: retail and offices. Leasinvest is essentially an out-of-the-box investor who is always looking for interesting opportunities in which a balance is sought between a financial and a real estate logic, with as much attention to generating recurring income as creating capital gains in the longer term.

Sustainability is one of the pillars of Leasinvest 's strategy. 2020 was therefore the year in which a clear sustainability strategy was set up that was translated into strategic actions on 5 themes and 13 sub-themes (for more information, please refer to the ESG policy on p 76).
In 2021, Leasinvest wants to further develop the objectives, the associated KPIs and supporting tools that correspond to this analysis.

We also remain proactive in relation to new market trends. Similarly, a number of redevelopments were started in 2020 that will make the buildings concerned futureproof. The objective is to grow by sustainably increasing the value of the portfolio and responding to trends to optimally meet the needs of end-users.

"Despite the difficult situation, thanks to the efforts of our team, we have managed to limit the damage and we can maintain the dividend proposal for financial year 2020 at the same level as that of 2019."

The markets

The Corona pandemic has had a different impact on the 3 geographic markets in which Leasinvest operates, but also as to asset classes. The retail segment experienced the impact of different lockdown periods, with associated mandatory store closures. The office segment, on the other hand, has so far been relatively spared despite mandatory teleworking during certain periods.

New trends are unfolding, which will further determine our strategy for the future.

For example, in terms of **retail**, there is the increase in e-commerce, but also the increased importance of an omni-channel strategy for successful retailers. It has clearly been shown that retail parks performed significantly better than the other retail types in 2020. They have proven their resilience due to affordability, convenience for the customer and safety.
The retail parks are also very important in an omni-channel strategy, either through click & collect spaces or even through direct online order fulfillment from the store stock. Moreover, most food stores, which have always been considered essential, are located in retail parks, as are garden centers and DIY stores that in most countries were the first types of stores allowed to reopen.

For the **office market**, the increase in teleworking will be a permanent phenomenon. However, it has become clear that we are moving towards a hybrid form in which teleworking and work in the office become complementary. The changes will mainly be in the way offices are used: the workplace will become more important for creativity and innovation, collaboration and corporate culture. Another consequence for the office market is the fact that the focus of the users will be more than ever on new, green-labelled buildings. Moreover, in addition to the sustainability criteria, the well-being of employees is now considered a must have.

For more information about the real estate market, please refer to p 105.

Realisations 2020

The fair value of the real estate portfolio amounts to € 1.14 billion at the end of 2020 compared to € 1.11 billion at the end of 2019. Including the participation in GVV/SIR Retail Estates NV, the fair value reached € 1.22 billion at the end of 2020.

The EPRA earnings at the end of December 2020 amount to € 35.6 million (€ 6.01 per share) which represents a decrease of 12% per share compared to 31/12/2019 (- € 4.9 million or - € 0.82 per share).

The share and dividend

Due to the pandemic and the subsequent impact on stock market sentiment, the price of the Leasinvest share fluctuated between € 129 and € 66.20 in 2020. The closing price at the end of the year was € 77.80. The proposed gross dividend per share for the financial year 2020 is € 5.25 (idem 2019), resulting in a gross dividend yield (based on the closing price) of 6.75% (financial year 2019: 4.65%).

Outlook 2021

The corona pandemic still grips the markets in which Leasinvest operates.

In Belgium, the catering industry will remain closed until further notice, which will certainly have an impact on the rental income of mainly the ground floor of the Royal Depot on the Tour & Taxis site.

In Luxembourg, the catering industry will also remain closed until further notice; non-essential shops have reopened since 11 January 2021. The borders will remain open until further notice, although restrictions on crossing the border are in force until at least 1 March 2021 for Belgians living outside a 20 km circle of the Luxembourg border.

In Austria, non-essential shops and restaurants were closed from 26 December 2020 to 7 February 2021. From 8 February 2021, the non-essential shops reopened, but the catering industry will remain closed until further notice. Since Austrian law provides for a right as a tenant to waive rent payments during a period of a government-imposed lockdown, there is no doubt that there will be a negative impact on rental income for 2021.

In addition, some non-strategic buildings were sold in 2020, which will therefore not generate rental income in 2021. On the other hand, there is a significant decrease in funding costs due to the early repayment of a number of derivatives in December 2020. Moreover, a number of buildings are being (re)developed, and they will only contribute to the rental income after 2021.

Notwithstanding the healthy, diversified portfolio and the redevelopment potential of certain sites, current Corona circumstances impose caution as to the financial outlook.

In this context, it is not likely that we will be able to maintain the dividend over the financial year 2021, payable in May 2022, at the level of € 5.25 gross per share.

Especially during this challenging period, we would like to thank all our tenants, suppliers, real estate agents, banks, investors and shareholders for their continued confidence. A special and sincere thank you to our team of employees for their sustained commitment to giving the best of themselves every day.

Drawn up in Antwerp on 09/02/2020.

Michel Van Geyte
Managing director

Jan Suykens
Chairman of the Board of Directors

5. Key figures

The key figures per 31 December 2020

At the end of 2020 Leasinvest Real Estate (LRE) fully consolidates the following participations: the Luxembourg SICAV-SIF Leasinvest Immo Lux SA, Leasinvest Services SA, Haven Invest NV, S. Invest I SA, P Invest SA, Porte des Ardennes Schmiede SA, Porte des Ardennes Pommerlach SA, EBBC A Sàrl, EBBC C Sàrl, Boomerang Strassen Sàrl, GK5 Sàrl, RDA 110 Sàrl, Retail South Sàrl, Leasinvest Offices Luxembourg Sàrl,Leasinvest Immo Austria GmbH, AE Starvilla Sieben GmbH & Co OG, Frun Park Asten GmbH, Kadmos Immobilien Leasing GmbH, Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH, Vösendorf Nordring 2-10 Vermietungsgesellschaft m.b.H and Vösendorf Nordring 16 Vermietungsgesellschaft m.b.H.

Following the entry into force of the 'ESMA directives on Alternative Performance Measures' of the European Securities and Market Authority (ESMA), the Alternative Performance Measures (APM) in this Annual financial report are indicated by *. For the definition and the detailed calculation of the Alternative Performance Measures used, we refer to page 80 et seq of this report.

Key figures real estate portfolio (1)	31/12/2020	31/12/2019
Fair value real estate portfolio (€ 1,000) (2)	1 141 190	1 110 249
Fair value investment properties, incl. participation Retail Estates (€ 1,000) (2)	1 221 053	1 223 625
Investment value investment properties (€ 1,000) (3)	1 165 816	1 133 836
Rental yield based on fair value (4) (5)	5.63%	5.84%
Rental yield based on investment value (4) (5)	5.51%	5.72%
Occupancy rate (5) (6)	91.62%	90.46%
Average duration of leases (years)	3.85	4.28

(1) The real estate portfolio comprises the buildings in operation, the development projects, the assets held for sale, as well as the buildings presented as financial leasing under IFRS.
(2) Fair value: the investment value as defined by an independent real estate expert and of which the transfer rights have been deducted. The fair value is the accounting value under IFRS. The fair value of Retail Estates has been defined based on the share price on 31/12/2020.
(3) The investment value is the value as defined by an independent real estate expert and of which the transfer rights have not yet been deducted.
(4) Fair value and investment value estimated by real estate experts Cushman & Wakefield, Stadim (BeLux) and Oerag (Austria).
(5) For the calculation of the rental yield and the occupancy rate only the buildings in operation are taken account of, excluding the assets held for sale and the development projects.
(6) The occupancy rate has been calculated based on the estimated rental value.

The consolidated direct real estate portfolio of Leasinvest Real Estate end 2020 comprises 27 sites (including development projects) with a total lettable surface area of 459 032 m². The real estate portfolio is geographically spread across the Grand Duchy of Luxembourg (56%), Belgium (28%) and Austria (16%).

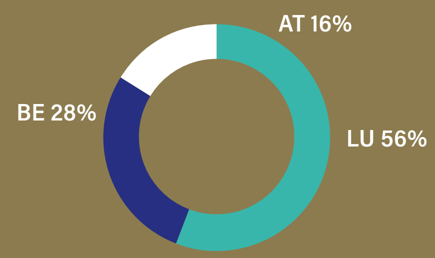
The **fair value of the real estate portfolio** amounts to € 1.14 billion end 2020 compared to € 1.11 billion end 2019. This increase is explained, to a large extent, by the above-mentioned revaluations in the Luxembourg portfolio and by the capex-budgets invested in current projects and renovations.

Consequently, end 2020, the company holds 47% offices in portfolio, 47% retail and 6% logistics (compared to 46% offices, 48% retail and 6% logistics end 2019).

The **global direct and indirect real estate portfolio** (including the participation in BE-REIT (SIR/GVV) Retail Estates NV) reached a fair value of € 1.22 billion end 2020.

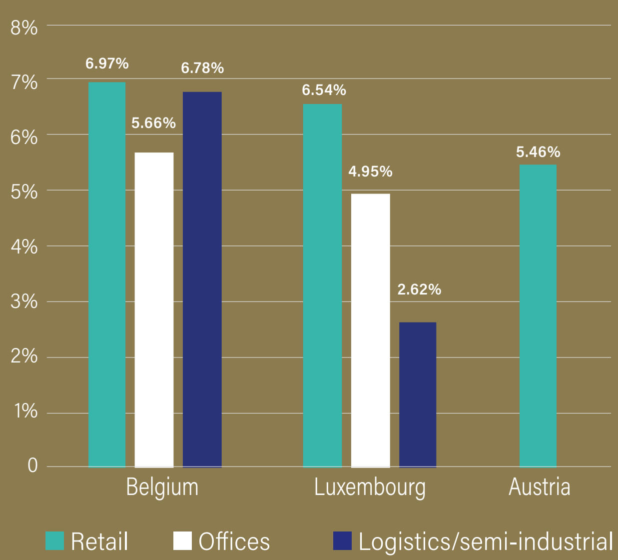
The rental yield of the real estate portfolio in operation, based on the fair value, amounts to 5.63% (compared to 5.84% end 2019), and based on the investment value, to 5.51% (compared to 5.72% end of last year).

Geographical breakdown



Asset classes

Details on yield per asset class and location (fair value)(1)



(1) There is an inverse relationship between yield and value; a higher value namely results in a lower yield. These yields are calculated on the basis of the assets available for lease.

Key figures balance sheet	31/12/2020	31/12/2019
Net asset value group share (€ 1,000)	487 211	492 577
Number of shares at closing date	5 926 644	5 926 644
Net asset value group share per share	82.2	83.1
Net asset value group share per share based on inv. value	86.4	87.1
Net asset value group share per share EPRA	91.3	93.4
Total assets (€ 1,000)	1 240 548	1 248 012
Financial debt	663 550	659 100
Financial debt ratio (in accordance with RD 13/07/2014)	55.58%	54.78%
Average duration credit lines (years)	3.36	3.88
Average funding cost (excl. fair value changes financial instruments)	2.35%	2.14%
Average duration hedges (years)	4.58	5.54

Key figures income statement	31/12/2020	31/12/2019
Rental income (€ 1,000)	61 572	65 280
Net rental result per share	10.10	10.93
EPRA Earnings* (1)	35 636	40 493
EPRA Earnings* per share (1)	6.01	6.83
Net result group share (€ 1,000)	7 683	49 900
Net result group share per share	1.30	8.42
Comprehensive income group share (€ 1,000)	25 749	43 258
Comprehensive income group share per share	4.34	7.30

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

EPRA performance measures	31/12/2020	31/12/2019
EPRA Earnings* (in € per share) (1)	6.01	6.83
EPRA NAV* (in € per share) (2)	91.34	93.4
EPRA NNNAV* (in € per share) (3)	84.9	85.0
EPRA NRV* (in € per share) (4)	95.34	97.29
EPRA NTA* (in € per share) (5)	91.34	93.37
EPRA NDV* (in € per share) (6)	81.52	82.58
EPRA Net Initial Yield* (in %) (7)	4.50%	4.68%
EPRA Topped up Net Initial Yield* (in %) (8)	4.51%	4.66%
EPRA Vacancy* (in %) (9)	8.39%	9.53%
EPRA Cost ratio* (incl. direct vacancy costs) (in %) (10)	22.33%	24.02%
EPRA Cost ratio* (excl. direct vacancy costs) (in %) (10)	20.15%	21.96%

(1) The EPRA Earnings*, previously net current result, consist 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.
(3) EPRA NNNAV* (triple Net Asset Value*): consists of the EPRA NAV*, adjusted to take into account the fair value of the financial instruments, the debts and the deferred taxes.
(4) EPRA NRV: reflects what would be needed to re-assemble the company through the investment market and on the basis of the current capital and financing structure, including real estate transfer taxes.
(5) EPRA NTA: the NAV has been adjusted to include real estate and other investments at their fair value that excludes certain items that are not expected to materialise in a long-term business model with real estate investments.
(6) EPRA NDV: EPRA Net Disposal Value reflects a scenario of the sale of the company's assets, leading to the realisation of deferred taxes and the liquidation of debt and financial instruments.
(7) 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.
(8) EPRA Topped up Net Initial Yield* corrects the EPRA Net Initial Yield* with regard to the ending of gratuities and other rental incentives granted.
(9) EPRA Vacancy* is calculated on the basis of the Estimated Rental Value (ERV) of vacant surfaces divided by the ERV of the total portfolio.
(10) EPRA Cost ratio* consists of the relation of the operating and general charges versus the gross rental income (including and excluding direct vacancy costs).

6. Annual report

MONTECO
LEOPOLD DISTRICT
BRUSSELS (BE)

TREESQUARE
LEOPOLD DISTRICT
BRUSSELS (BE)

"The 2020 financial year was a year of unprecedented challenges. Despite the difficult situation, thanks to the efforts of our team, we have been able to limit the damage and will propose to the general meeting to distribute the same dividend for the financial year 2020 as for the financial year 2019. Our diversified portfolio of sustainable buildings in prime locations in Belgium, Luxembourg and Austria has proven its defensive strength. 2021 will be a transition year for Leasinvest to further address the Covid-19 crisis and make us even more resilient for the future."

Michel Van Geyte
CHIEF EXECUTIVE OFFICER

Activity report

During the financial year 2020

HIGHLIGHTS

EPRA earnings

The EPRA earnings*[1] decrease by 12% from € 40.5 million end 2019 to € 35.6 million (€ 6.01 per share vs € 6.83 per share)

Corona-impact

Corona-impact of -6.5% on rental turnover

Dividend

Dividend proposal maintained at € 5.25 gross per share

Financial headroom

Financial headroom of € 83 million

Occupancy rate

Occupancy rate rises from 90.46% end 2019 to 91.62%

Average funding cost

Average funding cost is expected to substantially drop following the early repayment of derivatives

(1) Alternative Performance Measures (APM) in the sense of the ESMA directive of 5 October 2015 in this Annual financial report are indicated with an asterisk (*) and are further explained on page 80.

2020 was also a special year for Leasinvest. The Corona pandemic has had an impact on our results, both in terms of rental income and in terms of revaluation results on the participation in Retail Estates.
The various lockdowns, with associated mandatory store closures in the three countries in which Leasinvest operates, have led to several tenants from the retail segment approaching us with a demand for deferrals and/or temporary rent reductions. This resulted in a loss of turnover of € 4.2 million, of which € 2.5 million has already been definitively granted and the balance was recognized as a provision on turnover, as negotiations with various tenants are still ongoing. As in the first lockdown, Leasinvest chooses to look at every situation tenant per tenant, since the impact of the pandemic differs based on the country, the sector, the financial capacity, etc. This way of working leads to the process taking longer, because of the very thorough analysis of each situation, with the aim of pursuing a long-term business relationship with our tenants.

Restructuring of Luxembourg activities
A recent change in the law has led to placing the Luxembourg activities in a number of Special Purpose Vehicles (SPVs) which are subject to ordinary Luxembourg corporate taxes. This resulted in a positive non-realized portfolio result.

Early repayment of derivatives
Within the framework of its hedging strategy, it was decided to lower the hedge ratio from 90% to the previously defined percentage of 75% for the 5 following years.
In particular, interest rate swaps were repaid for a nominal amount of € 115 million, which corresponds to a payment of € 20 million. As a result, this negative value, which has always been recorded under Other Comprehensive Income in the past, was as a one-off recycled through the income statement (revaluation results on financial instruments). More importantly, however is that this will significantly reduce the future funding cost, as early as of the first quarter of 2021. An estimate depending on short-term interest rates will nevertheless lead to a reduction in the average funding cost to a level slightly below 2%, which corresponds to a saving of approximately € 3 million per year.
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Divestments

BELGIUM

Sales of a semi – industrial building in the Brixton Business Park

On 28 September 2020, the notarial deed was passed for the sale of a semi-industrial building in the Brixton Business Park, an SME park in Zaventem, for € 3 million, in line with the last valuation on 30 June 2020. The building represented an annual rent of € 0.2 million.

Sale of State Archives in Bruges

On 1 December 2020, the State Archives in Bruges were sold to the listed regulated real estate company (GVV/SIR) QRF, through the transfer of 100% of the shares of RAB Invest NV.
The building was sold at € 20.6 million, in line with the latest fair value estimated by the independent real estate experts on 30/09/2020. The annual rent of this building amounted to approximately € 1.3 million.

GRAND DUCHY OF LUXEMBOURG

Sale of Esch 25 in Luxembourg

On 15 December 2020, Leasinvest Real Estate sold an office building of 1,750 m², located on the Route d'Esch 25 in Luxembourg City. The transaction was realized for an amount of € 13 million, cost paid by the buyer, which corresponds to a return of 4.8%, based on an annual rent of approximately € 0.6 million.

These divestments all fit within the strategy of dynamizing Leasinvest's real estate portfolio by selling older buildings and continuing to focus on new, sustainable projects.

Developments

GRAND DUCHY OF LUXEMBOURG

Shopping center Knauf Pommerloch

For the shopping center Knauf Pommerloch located in the north of the Grand Duchy of Luxembourg near the Belgian border, the new car park (partially), the entrance to the gallery Bastogne-side and the new commercial spaces were opened at the end of 2020. The final delivery of the car park remains scheduled in Q1 2021.
During the months of October and November, 4 retailers were already able to move into their new/renewed premises (Adecco, C&A Family store, Jack & Jones, expansion Only). Furthermore, the company is in final negotiations with two major retail brands and we are actively preparing the opening of the 1,250 m² New Yorker-store, which proves that the shopping center is highly sought after by retailers.

Shopping center Knauf Schmiede

For Shopping center Knauf Schmiede, the renovation was continued, and the works are almost back on track as the construction sites have been stationary for only 3 weeks due to the Corona crisis.
The major renovation works, with an extension of approximately 7,000 m², take place in 2 phases, the first of which was finalized and opened to the public with a gallery whose interior was renewed and in which 2 new kiosks, Fred's and Leonidas, were opened, in addition to

Shopping center Knauf Pommerloch

Shopping center Knauf Schmiede

a children's play area. The completion of the extension is foreseen in Q1 2022. These works include a broader commercial offer, a new catering concept and a zone for activities and relaxation for families.
In the meantime, the demolition works for zone 2 have progressed well in order to start construction in the course of Q1 2021, for final completion in Q1 2022.

EBBC business park, Moonar

The EBBC business park that will be renamed Moonar will be completely repositioned and will become the new Corona-proof Campus of Luxembourg. A concept with an emphasis on community, green and outdoor environment, various places-to-meet such as book shops, coffee bar, and a new pavilion. The estimated renovation budget is € 32 million and final completion is expected in the course of 2023. A number of vacant spaces are no longer offered on the market, in order to be able to start and continue the gradual renovation.

Mercator, Route d'Arlon - High 5!

Mercator is also being renamed High 5! The building, which is currently 40% occupied, is being renovated and adapted to the needs of a young and dynamic audience. The vacant floors will be completely stripped and renewed. Leasinvest will create a model office and establish its Luxembourg office there.

BELGIUM

Brussels – Office building Monteco (Montoyer 14)

The office building Monteco will be a project that will differentiate itself as to smart technology in combination with a timber frame construction.

Leasinvest's ambition is to build the first high-rise building in a timber frame construction and to be the reference for the new generation of sustainable "recyclable buildings".
The building permit was granted at the end of July 2020. The demolition works have now started, so that the new construction can start at the end of Q1 2021. The reception of the new building is planned for Q1/Q2 2022.
In the meantime, the commercialization of this project was started.

Antwerp - Hangar 26/27

The Danish architectural firm CF Moller has been appointed by Leasinvest Real Estate as the architects for developing a high-end mixed project, with extension of offices and retail, and a particular attention to the accessibility between the private spaces and the public space of the quays.

The permit for the renovation of the façade was granted in the meantime, and the execution of those works will take place between April and October 2021. The building permit request for the further extension of the building is being prepared.

Moonar

the new
corona-proof
campus
of Luxembourg

Hangar 26-27

a high-end mixed
project, with
extension of
offices and retail

Leases

EVOLUTION OCCUPANCY RATE

The occupancy rate improves to 91.62% (90.46% per end 2019), following the closing of new rental contracts and rent renewals.

LEASES

Grand duchy of Luxembourg

As already mentioned above, the Mercator/High 5! office building is undergoing a rebranding at the moment, with renovation of the common areas and the vacant offices. However, in the first half-year an additional lease of 461 m² could be signed for an existing customer. In Q3, a lease was concluded with CHL (Centre Hospitalier de Luxembourg) for the lease of the 4th floor (1 557 m²) from 1 October 2020, for a period of more than 6 years.
For the building CFM Titanium different leases were signed in the course of 2020, for a total of approximately 2,100 m² of office space.
The Building Monnet 4 is currently fully leased.
In Shopping center Knauf Pommerloch, in addition to a number of new leases and – extensions in the course of 2020, a new lease was concluded in Q3 with New-Yorker for 1,500 m², with opening in March 2021.

Belgium

For Hangar 26/27 in Antwerp a new lease of 500 m² could be concluded.
As far as the retail part of the Brixton Business park is concerned, no tenant has exercised his notice option as of 27/04/2021. However, 1 unit is subject to the consequences of the bankruptcy of Mega World; negotiations with prospective tenants are ongoing.

For Tour & Taxis Royal Depot we record an increase in occupancy rates following the conclusion of rental extensions and 3 new leases (respectively 223 m², 187 m² and 192 m²) and in Q4 a significant rental extension concerning 858 m² for a period of 6 years, or until 30/06/2028.
In The Crescent Anderlecht, an important new lease of 900 m² was recorded during the first half-year, increasing the total occupancy rate of the building from 70% to 80%.

Sustainability strategy

In the year 2020, a clear sustainability strategy was developed that translates into strategic actions on 5 themes and 13 sub-themes such as:

L iveable
E volving
A daptable
S ocietal
Invest ments

These 5 themes will further determine Leasinvest's (di-)investment strategy where the company strives to create healthy and inspiring environments (Liveable) in their buildings and environments, which it wishes to develop in consultation with all stakeholders (Evolving). In this context, climate adaptive building is paramount (Adaptable) and energy consumption and resources are closely monitored. In addition to this technical aspect, Leasinvest is also aware that the social aspect must not be lost out of sight and we therefore have a socially responsible role to play. (Societal) As a result, investments will focus on buildings as flexible structures with technological innovation and sustainable mobility.

Corporate Governance

COMPOSITION OF THE BOARD OF DIRECTORS OF THE STATUTORY MANAGER

At the general meeting of the statutory manager of 18 May 2020, it was decided to reappoint Jean-Louis Appelmans as non-executive director until after the general meeting of May 2021 and to appoint Wim Aurousseau as non-executive director, proposed by AXA, until after the general meeting of May 2022.

The Board of directors of the Company's statutory manager is therefore composed as follows:

	End of mandate
Jan Suykens Chairman, non-executive director, on proposal of Ackermans & van Haaren	16/05/2022
Michel Van Geyte Managing director, on proposal of Ackermans & van Haaren	16/05/2022
Dirk Adriaenssen Non-executive director, independent	16/05/2022
Jean-Louis Appelmans Non-executive director, on proposal of Ackermans & van Haaren	17/05/2021
Wim Aurousseau Non-executive director, on proposal of Axa	16/05/2022
Piet Dejonghe Non-executive director, on proposal of Ackermans & van Haaren	16/05/2022
Marcia De Wachter Non-executive director, independent	15/05/2023
Colette Dierick Non-executive director, independent	15/05/2023
Sigrid Hermans Non-executive director, independent	15/05/2023
Eric Van Dyck Non-executive director, independent	16/05/2022

Miscellaneous

EPRA GOLD AWARD FOR ANNUAL FINANCIAL REPORT 2019

For the 8th time in a row, Leasinvest Real Estate has been granted an EPRA Gold Award for its Annual financial report 2019. The award is granted to listed real estate companies that follow the EPRA Best Practices Recommendations, in view of improving transparency and comparability of data.

EPRA
BPR
GOLD

After the closing of the financial year 2020

On 26 February 2021, the notarial deed of sale for the semi-industrial part of the Brixton Business Park was passed. The capital gain realized on this transaction was partially used for the early repayment of part of the efficient derivatives portfolio, allowing the average funding cost to drop further.

Comments on the consolidated income statement and balance sheet

INCOME STATEMENT

The **EPRA Earnings** op end December 2020 amount to € 35.6 million (€ 6.01 per share) representing a decrease of 12% per share compared to 31/12/2019 (- € 4.9 million or - € 0.82 per share).

The **net rental result** has decreased compared to December 2019: € 64.8 million per December 2019 vs € 59.8 million per December 2020. The decrease comes from a combination of a drop in turnover caused by Corona (- € 4.2 million) and the sale of a number of buildings in the course of 2019 and 2020. After the effect of granted and estimated rental losses over 2020, we record that 97% of rental income over 2020 was collected in the meantime.

The **gross rental yields** have decreased in comparison with December 2019 and amount to 5.63% (5.84% December 2019) based on the fair value, and to 5.51% (5.72% December 2019) based on the investment value; the occupancy rate has risen from 90.46% at December 2019 to 91.62% on 31/12/2020.

The **property charges** remained nearly constant from - € 10.1 million per 31/12/2019 to - € 10.2 million per 31/12/2020.

The **corporate operating charges** have dropped from - € 3.0 million per 31/12/2019 to - € 2.1 million per 31/12/2020, mainly due to lower consultancy fees.

The **other operating income** amounts to € 0.4 million per 31 December 2020 and mainly consists of the final liquidation coupon of the real estate certificate Lux Airport.

The **operating margin** (operating result before the portfolio result/rental income) only slightly decreases from 75.80% on 31/12/2019 to 75.03% end December 2020.

The **result on the sale of investment properties** (€ 2.2 million) relates to the capital gains realized on the sale of Esch 25, the State Archives in Bruges and on Brixton Business Park Unit 10.

The **changes in fair value of investment properties** on 31/12/2020 amount to € 29.3 million (31/12/2019: € 4.1 million). Important capital gains were booked on the offices' portfolio in Belgium and in Luxembourg, partially offset by losses on the Knauf shopping centers.

The **financial result** (excluding revaluations) amounts to € -10.1 million on 31/12/2020 in comparison with € -8.5 million on 31/12/2019. The increase is mainly due to the increase in hedging costs. This increase was partially offset by a higher dividend from Retail Estates, € 5.9 million in comparison with € 5.1 million the previous year.
The funding cost has increased from 2.14% end December 2019 to 2.35% end December 2020. This increase can mainly be explained by an increase in the average hedge ratio throughout 2020 in combination with a decrease of the Euribor 3M. This increase is partially offset by lower interest rates on credits, mainly following the repayment of the expensive retail bond in October 2019.

The **revaluation result of the financial instruments** (- € 59.5 million) mainly consists of the negative revaluation of the participation in Retail Estates (- € 33.5 million) and of the non-efficient hedges (- € 25.9 million).

Corporate taxes amount to € 0.5 million.

The **net result** per 31/12/2020 amounts to € 7.7 million compared to € 49.9 million on 31/12/2019. In terms of net result per share, this results in € 1.30 per share on 31/12/2020 compared to € 8.42 on 31/12/2019. The decrease in net result per share can be explained by the decrease in EPRA Earnings, in combination with the negative revaluation of the financial instruments (IAS 39) partially offset by a positive portfolio result (IAS 40).

The **debt ratio** amounts to 55.58% which is an increase compared to 31/12/2019 (54.78%) yet a decrease compared to 30/09/2020 (56.54%).

BALANCE SHEET

At the end of the financial year 2020 **shareholders' equity, group share** (based on the fair value of the investment properties) amounts to € 487.2 million (year-end 2019 € 492.6 million). The net asset value per share excl. the influence of fair value adjustments to financial instruments and deferred taxes (EPRA)* stands at € 91.3 end 2020 in comparison with € 93.4 end 2019.

The **changes in fair value of the financial assets and liabilities** (IAS 39) passed through equity have increased by € 18.1 million, largely as a consequence of the early repayment of a number of efficient derivatives in the course of December 2020. The negative market value of the hedges passed through equity amounts to € -22.7 million end 2020 compared to € -40.7 million at the end of the previous financial year.

End 2020 the net asset value per share stands at € 82.2 (31/12/2019: € 83.1). The EPRA NAV on the other hand, amounts to € 91.3 (2019: € 93.4) and the closing price of the Leasinvest Real Estate share on 31 December 2020 amounted to € 77.80, or a discount of 15%.

End 2020 the debt ratio amounts to 55.6% (54.8% end 2019).

The nominal **financial debts** recorded in the balance sheet per 31/12/2020 amount to € 663.6 million, which represents an increase of € 4.5 million compared to € 659.1 million at the end of the previous financial year.

Dividend

The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting to pay a **gross dividend of € 5.25** and net, free of withholding tax of 30%, € 3.675, or the same dividend as for the financial year 2019, to the 5,926,644 shares entitled to dividends.

Subject to the approval of the ordinary general shareholders' meeting of 17 May 2021 dividends will be paid out on presentation of coupon no 26 as of 25 May 2021 at the financial institutions Bank Delen (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof.
The Ex-date is 20/05/2021 and the Record date is 21/05/2021.

Outlook for the financial year 2021

The corona pandemic still grips the markets in which Leasinvest operates.

In **Belgium**, the catering industry will remain closed until further notice, which will certainly have an impact on the rental income of mainly the ground floor of the Royal Depot on the Tour & Taxis site.

In **Luxembourg**, the catering industry will also remain closed until further notice; non-essential shops have reopened since 11 January 2021. The borders will remain open until further notice, although restrictions on crossing the border are in force until at least 1 March 2021 for Belgians living outside a 20 km circle of the Luxembourg border.

In **Austria**, non-essential shops and restaurants were closed from 26 December 2020 to 7 February 2021. From 8 February 2021, the non-essential shops reopened, but the catering industry will remain closed until further notice. Since Austrian law provides for a right as a tenant to waive rent payments during a period of a government-imposed lockdown, there is no doubt that there will be a negative impact on rental income for 2021.

In addition, some non-strategic buildings were sold in 2020, which will therefore not generate rental income in 2021. On the other hand, there is a significant decrease in funding costs due to the early repayment of a number of derivatives in December 2020. Moreover, a number of buildings are being (re)developed, and they will only contribute to the rental income after 2021.

Notwithstanding the healthy, diversified portfolio and the redevelopment potential of certain sites, current Corona circumstances impose caution as to the financial outlook.

In this context, it is not likely that we will be able to maintain the dividend over the financial year 2021, payable in May 2022, at the level of € 5.25 gross per share.

Management of financial resources

Begin December 2020 a private bond for an amount of € 20 million came to maturity. In order to maintain the headroom, an additional bank credit line of € 20 million was closed.
As regards bank financing, an amount of € 40 million of credit lines expired in the course of 2020, all of which were either extended or replaced by a line of credit with the same amount.
In addition, there were also maturity dates of credits in the course of Q1 2021 for an amount of € 35 million. All of these have already been extended, which means that the average duration of the credits currently amounts to 3.36 years.
The next expiry dates are for the second half of 2021, but the headroom of € 83 million is higher than the amount of these lines of credit, which gives us margin to settle the extensions in the coming months.
In the course of December 2020, a notional amount of € 115 million of efficient derivatives was repaid, for a value of € 20.3 million. All these derivatives had a strike rate of more than 2% and an average maturity of more than 5 years, which will significantly and sustainably reduce the future funding cost to levels below 2%. As a result, the hedge ratio drops from 82% to 70%.
In addition, a number of blend & extends were applied to the existing portfolio of derivatives, which extended these instruments over time, but reduced the strike rate. However, the average maturity of derivatives decreases from 5.54 years at the end of 2019 to 4.58 years at the year-end of 2020, as the early repayment of derivatives had a greater effect.
The average funding cost increased from 2.14% in 2019 to 2.35% over 2020. In the future, this average funding cost will decrease significantly, as both the cost of derivatives and interest charges are expected to be lower in 2020.

Risk factors

All risk factors specific to Leasinvest Real Estate are mentioned in the separate section Risk factors in the front of this annual financial report on page 4.

Corporate governance statement

Principles

Leasinvest Real Estate applies the Belgian Corporate Governance Code 2020 (the "Code 2020") as reference code. This Code is available on the website www.corporategovernancecommittee.be.

The Code 2020 follows the "comply or explain"-principle: Belgian listed companies can deviate from the provisions that are recommendations on the condition that they justify the reason of the deviation.

The company complies with the provisions of the Code 2020, with the exception of the following provisions:

- CODE 2020 – PROVISION 7.6 recommends that non-executive directors receive a part of their remuneration in the form of shares of the company.
  EXPLAIN - Leasinvest Real Estate deviates from this provision and does not provide remuneration in shares to non-executive directors. Taking into account the form of the company (GVV/REIT) and the factual circumstances regarding its directors, the company is of the view that providing part of the remuneration in shares would not necessarily contribute to the objective to have the non-executive directors act with the perspective of a long-term shareholder. The remuneration of the non-executive directors are of this nature that the impact of this remuneration in shares would be very small and that the legal framework of the company and its strategy are in view of the board of directors sufficient to act from the perspective of a long-term shareholder of the company.
- CODE 2020 – PROVISION 7.9 recommends setting a minimum number of shares that are to be held by the members of the executive management.
  EXPLAIN - Leasinvest Real Estate deviates from this provision. At present, no long-term-incentive plan or share options are granted to the executive management. If the company would consider eventually to propose shareholding to its executive management, this proposal would be submitted for approval to the general meeting. As a GVV/REIT, Leasinvest Real Estate strives for a maximum distribution of its dividends per share, in line with the perspective of a long-term shareholder. Since its listing, Leasinvest Real Estate has focused on creating stable cashflows over the long term which, in combination with its high disbursement obligation as a GVV/REIT, makes Leasinvest a fully fledged, profitable and liquid alternative to direct investments in properties based on rental income. This is the basis of its strategy, which is also clearly reflected in its operational implementation of this strategy by the members of the executive management. Leasinvest therefore believes that its remuneration policy establishes a clear link with the creation of stable long-term cashflows and thus ensures that the members of the executive management act from the perspective of a long-term shareholder.

Furthermore, the provisions of the applicable company law relating to corporate governance are complied with. During the financial year 2020, being the reference period for this Corporate governance statement, the old Company Code remained in principle applicable to the Company, till its conversion into a legal form according to the new Code on Companies and Associations ("CSA"). Since 1 January 2020 however, the stringent provisions of the CSA relating to public liability companies (SA/NV) are applicable to the Company (except for book 7, title 4, chapter 1).

The Corporate Governance Charter of the company, as amended on 19/08/2020, aims to expose the main aspects of the corporate governance of the company, its management structure, the organization of the internal and external control as well as risk management. It also describes the differents lines of governance to prevent market abuse, conflicts of interest and to promote good behavior. This Charter is based on the articles of association of the company, on the Code 2020 and on other regulations that are applicable to the company, amoungst which the company law aforementioned and the legislation on regulated real estate companies (the "RREC" legislation" among which the "RREC law"[1] and the "RREC RD"[2]). This Charter is available on www.leasinvest.be.

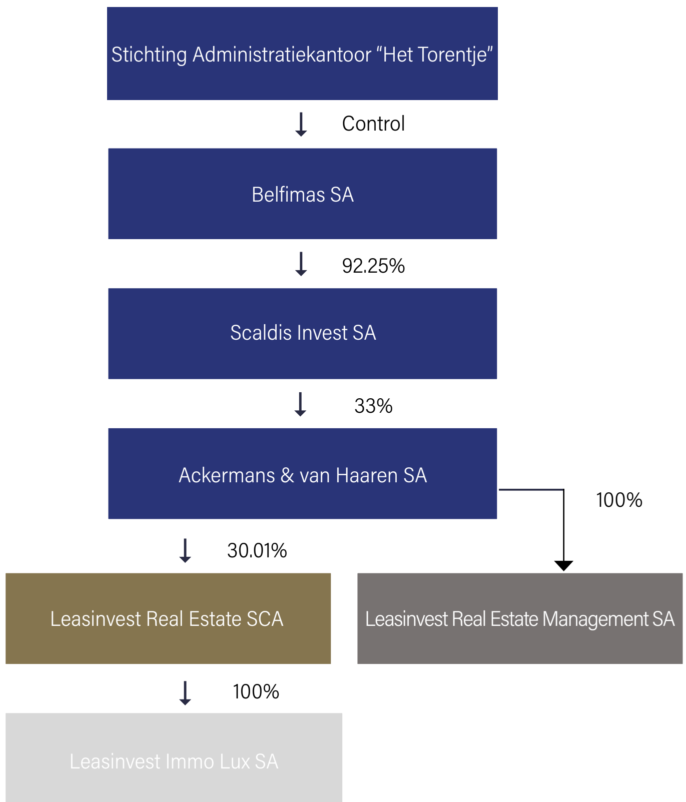
1 The law of 12 May 2014 with regard to regulated real estate companies, as modified.
2 The Royal Decree of 13 July 2014 with regard to regulated real estate companies, as modified.

The corporate governance principles, because of the specific management structure of the company, are mainly implemented in the management structure of the statutory manager.

Governance structure and decision-making bodies

GROUP STRUCTURE

Control over the company is exercised by Ackermans & van Haaren NV, with registered office at Begijnenvest 113, 2000 Antwerp (more information: www.avh.be).
In application of article 74 §7 of the law of 1 April 2007 on public offerings, Ackermans & van Haaren NV has communicated holding more than 30% of the securities with voting rights of the company.



STATUTORY MANAGER

The company is managed by its only statutory manager, Leasinvest Real Estate Management SA, with its registered office at 2000 Antwerp, Schermersstraat 42 (register of legal persons 0466.164.776), a 100% subsidiary of Ackermans & van Haaren SA, in the capacity of sole statutory manager and also permanently complies with the articles 14 and 15 of the RREC law.
The main activity of the statutory manager is managing Leasinvest Real Estate SCA.
Leasinvest Real Estate Management SA had a shareholders' equity of € 2,694,533 on 31/12/2020.

Term of the mandate

Leasinvest Real Estate Management SA was appointed in 1999 as the sole statutory manager for an indefinite term, with a minimum term of twenty-seven (27) years, which makes that its mandate is irrevocable until the annual general meeting of the company that will be held in 2026. After that date, the mandate of the statutory manager-legal person may be revoked provided that the attendance and majority conditions necessary to amend the articles of association are fulfilled, without the statutory manager-legal person having a right of veto on this point. The statutory manager may resign at any time.
The mandate of the manager may finally also be withdrawn under a court order as a result of a petition on lawful grounds, initiated by the general meeting of shareholders.

Competences

The statutory manager is empowered to perform all management operations that are necessary or useful to fulfill the company's objective, except for those operations for which only the general meeting of shareholders is competent in virtue of the law or the articles of association.
The statutory manager manages the company through its collegial board of directors, which has appointed a managing director and a representative for the daily management. Since 15/05/2018, Michel Van Geyte has been appointed sole managing director.

Remuneration

Besides entitlement to reimbursement of expenses directly related to its mission of running the company, the statutory manager is entitled to receive a fixed-rate remuneration pursuant to the articles of association of 0.415% of the consolidated assets of the company. For the past financial year, this remuneration was € 5,079,059.
No other remuneration is granted to the statutory manager.

BOARD OF DIRECTORS OF THE MANAGER

Composition[3]

At present, the board of directors of the statutory manager-legal person, Leasinvest Real Estate Management SA, is exclusively composed of physical persons and in that way, that the public RREC can be managed in accordance with article 4 of the RREC law. The composition of the board of directors also guarantees that the company is managed in the interest of the company.

All directors, the effective managers ("effectieve leiders") and the members of the executive management dispose permanently of the required professional reliability and experience adequate for those functions, required within the RREC, taking into account their previous and current functions, their director's mandates and education.

The statutory manager was managed in the financial year 2020 by a board of 9 directors till 18 May 2020 and subsequently by 10 directors, of which 5 independent directors and 4 directors nominated on the proposal of Ackermans & van Haaren SA and 1 director nominated on the proposal of Axa.

The articles of association of the statutory manager include provisions relating to special majorities to be respected in the board of directors of the statutory manager, a/o with regard to decisions on the strategy (see below).

The board of directors of the statutory manager consists of at least three independent directors, who comply with the criteria foreseen in article 7:87 of the Code on companies and associations and in provision 3.5 of the Code 2020. In accordance with provision 5.5 of the Code 2020, the non-executive directors do not occupy more than 5 director's mandates in listed companies.

The board of directors appoints within its group a Chairman recognized because of his or her professionalism, independence of mind, coaching capacities, his or her ability to build a consensus, a communicative person that also disposes of deliberation skills.

The Chairman is, besides his/her statutory missions, responsible for leading the meetings of the board of directors and for ensuring efficiency within the board of directors in all of its aspects. In particular, he/she takes all necessary measures in view of ensuring a climate of trust within the board of directors, that contributes to open discussions and constructive feedback.

The responsibilities of the Chairman are detailed in the Corporate governance charter of the Company (article 2.6).

3 For the mandates in other companies, terminated mandates are indicated with a '•'; listed companies are indicated in bold.

CURRENT COMPOSITION

Jan Suykens
(° 1960)

Director on the proposal of Ackermans & van Haaren NV – non-executive director
Chairman of the board of directors of Leasinvest Real Estate Management NV
Chairman of the nomination and remuneration committee

Current function: Chairman of the Executive committee of Ackermans & van Haaren NV, Begijnenvest 113, 2000 Antwerp.

Mr. Suykens holds a master in applied economics and finance (University of Antwerp), an MBA from the Colombia University (New York) and followed a.o. the Leadership program for senior executives at the Harvard Business School (Boston). Hij started his career at the General bank (Corporate & Investment Banking) before he became member in 1990 of the Executive Committee of Ackermans & van Haaren NV.

Mandates in other companies outside Leasinvest Real Estate on 31/12/2020 and during the 5 previous financial years: **Aannemingsmaatschappij CFE NV**, ABK Bank CVBA•, Ackermans & van Haaren Coordination Center NV•, **Ackermans & van Haaren NV**, Anfima NV, Anima NV, AvH Growth Capital NV, Bank J.Van Breda & C° NV, BPI Real Estate Belgium NV, Delen Private Bank NV, Delen Private Bank Luxembourg S.A., Dredging, Environmental & Marine Engineering NV, Extensa Group NV, Extensa NV, FinAx NV, Finaxis NV•, Green Offshore NV•, Grossfeld PAP, HPA NV•, JM Finn & C° Ltd., Media Core NV, Mediahuis NV, Mediahuis Partners NV, Oyens & Van Eeghen N.V.•, Profimolux S.A., Project T&T NV•, Rent-A-Port NV, Residalya•, T&T Koninklijk Pakhuis NV•, T&T Openbaar Pakhuis NV•, T&T Parking NV•, Van Laere NV•.
Charity mandates: Antwerp Management School, De Vrienden van het Rubenshuis VZW, ING Antwerp branch, Koning Boudewijnstichting Steunraad Antwerpen.

Start mandate: 3 June 1999
End mandate: 16 May 2022
Number of shares of Leasinvest Real Estate held: 0

Michel
Van Geyte
(° 1966)

Director on the proposal of Ackermans & van Haaren NV – executive director – effective officer

Since 22 May 2018: Managing director of Leasinvest Real Estate Management NV, Schermersstraat 42, 2000 Antwerp.

Michel Van Geyte holds a master in applied economics and finance (KUL) and has a postgraduate degree in real estate (KUL) as wel as an executive master in Corporate Finance (Vlerick Business School). Mr. Van Geyte joined in August 2004 Leasinvest Real Estate Management SA as commercial manager (COO) and worked before as managing partner for Knight Frank SA. Has has more than 20 years experience in real estate. Since 2009, Mr. Van Geyte is lecturer for different classes in real estate at the KUL.

Mandates in other companies on 31/12/2020 and during the 5 previous financial years: Leasinvest Immo Lux SICAV-FIS SA, **Retail Estates NV**, **Care Property Invest NV**, KUL Alumni, Belgian Luxembourg Council of Shopping Centers (BLSC), ULI Belgium, RAB Invest NV•, Carver BV•, Neif Montoyer BV•, EBBC A Sàrl, EBBC C Sàrl, Orli Lux S.à.r.l.•, AE Starvilla Sieben GmbH & Co OG, Frun Park Asten GmbH, Leasinvest Immo Austria GmbH, Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH, Kadmos Immobilien Leasing GmbH, Vösendorf Nordring 2-10 Vermietungsgesellschaft mbH, Vösendorf Nordring 16 Vermietungsgesellschaft mbH.
And as permanent representative of Midhan BV, with statutory seat at 8670 Koksijde, Duinenkranslaan 62: Haven Invest NV, Leasinvest Services NV, S. Invest I SA, P. Invest SA, Porte des Ardennes Pommerlach SA, Porte des Ardennes Schmiede SA, Boomerang Strassen Sàrl, GK5 Sàrl, Leasinvest Offices Luxembourg Sàrl, RDA 100 Sàrl, Retail South Sàrl, T&T Koninklijk Pakhuis NV•, Mercator Sàrl•.

Start mandate: 19 March 2013
End mandate: 16 May 2022
Number of shares of Leasinvest Real Estate held: 0

Dirk Adriaenssen (° 1970)

Independent director– non-executive director

Current function: director of companies, Schermersstraat 42, 2000 Antwerp

Mr. Adriaenssen holds a master in law (VUB Brussels) and has a postgraduate degree in real estate (KUL), after which he followed the Leadership Program in Switzerland (IMD – Lausanne) and participated to the Real Estate Programme at Oxford. He has more than 20 years experience in retail property (Redevco, Retail Estates en Mitiska).

Mandates in other companies on 31/12/2020 and during the 5 previous financial years: Redevco CH & CE, Redevco Liegenschaftsverwaltungs GmbH, Immoca Wirtschaftsgütervermietungsgesellschaft m.b.H, MITI Wirtschaftsgüter Vermietungsgesellschaft m.b.H., Arioso MH77 Liegenschaftsverwaltungs GmbH, Arioso GmbH, Redevco (Suisse) SA, Redevco Switzerland Asset Management Services AG, Arioso Czech s.r.p., V Prime Properties Korlátolt Felelősségü Társaság, Redevco Polska Delta Spolka Z Ograniczona Odpowiedzalnoscia, Seratos Expert SRL, Bengali NV▪, Redevco Retail Hungary Ingatlanhasznosito Kft▪, Redevco Polska Gamma Spolka s ograniczona odpowiedzalnoscia▪, Redevco Slovakia Petrzalka sro▪, Swifico AG▪, Redevco Polska Delta Spolka Z ograniczona odpowiedzalnoscia▪, Redevco Neun Liegenschaftsverwaltungs GmbH▪, S.C. SPV Develop One S.R.L. ▪, Redevco Iroda Ingatlanhasznosito Korlatolt Felelősségü Tarsasag "végelszamolas akatt"▪, Claudima AG▪, Cordima AG▪, Sitimco AG▪, Tecarla AG▪, Cofra Services AG▪, Arioso Czech Republic s.r.o. ▪, Redevco Switzerland Alpha AG▪, First Side Development AG▪, Jotta Wirtschafgütervermietungsgeschellschaft mbH▪, Redevco RWP SA▪, Redevco RWP Villeneuve SA▪.

Start mandate: 22 May 2018
End mandate: 16 May 2022
Number of shares of Leasinvest Real Estate held: 0

Jean-Louis Appelmans (° 1953)

Director on the proposal of Ackermans & van Haaren NV – non-executive director
Till 22 May 2018: executive director of Leasinvest Real Estate Management NV and effective officer

Current function: Director of companies, Van Schoonbekestraat 36 bus 401, 2018 Antwerp 1

Mr. Appelmans holds a master in commercial and financial sciences (Brussels, Vlaamse Economische Hogeschool) and held different financial positions at respectively Compagnie Maritime Belge, JP Morgan-Chase and Deutsche Bank before he was nominated in July 1999 as managing director of Leasinvest Real Estate Management NV until May 2018.

Mandates in other companies on 31/12/2020 and during the 5 previous financial years: Forum Estates Holding BV, Forum Estates NV GVBF, Leasinvest Immo Lux SICAV-FIS SA▪, RAB Invest NV▪, Retail Estates NV▪, Orli Lux S.à.r.l.▪,Frun Park Asten Gmbh▪, Van Breda Immo Consult NV▪.
And as permanent representative of Granvelle Consultants & C° BV: Extensa Group NV, Haven Invest NV▪, Leasinvest Services NV▪, P. Invest SA▪, Porte des Ardennes Pommerlach SA▪, Porte des Ardennes Schmiede SA▪, S.Invest I SA▪, P. Invest SA▪, T&T Koninklijk Pakhuis NV▪, Kadmos Immobilien Leasing GmbH▪, Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH▪.

Start mandate: 3 June 1999
End mandate: 17 May 2021
Number of shares of Leasinvest Real Estate held: 0

Piet Dejonghe (° 1966)

Director on the proposal of Ackermans & van Haaren NV – non-executive director
Member of the audit committee

Current function: member of the Executive committee of Ackermans & van Haaren NV, Begijnenvest 113 in 2000 Antwerp.

Mr. Dejonghe holds a master in law (KUL) and an MBA from KUL and from INSEAD, Paris. Mr. Dejonghe joined in 1995 the Executive Committee of Ackermans & van Haaren NV. He started his career as lawyer for Loeff Claeys Verbeke (Allen & Overy) and worked also as consultant for The Boston Consulting Group.

Mandates in other companies outside Leasinvest Real Estate on 31/12/2020 and during the 5 previous financial years: **Aannemingsmaatschappij CFE NV**, **Ackermans & van Haaren NV**, AvH Growth Capital NV, Baloise Belgium NV, Bank J.Van Breda & C° NV, Bâtiments et Ponts Construction SA, Bio Cap Invest SA, BPC Wallonie SA, BPI Real Estate Belgium NV, BPI Real Estate Luxembourg S.A., Brinvest NV, CFE Contracting NV, CFE Infra NV▪, CLE S.A., Delen Private Bank NV, Delen Private Bank Luxembourg S.A., Dredging, Environmental & Marine Engineering NV, Distriplus NV▪, Extensa Group NV, Financière Flo S.A.▪, FinAx NV, Finaxis NV▪, GB-INNO-BM NV, GIB Corporate Services NV▪, Green Offshore NV, Groupe Financière Duval S.A.▪, Groupe Flo S.A.▪, HDP Charleroi SA, Holding Groupe Duval▪, Ligno Power NV▪, MBG NV, Mobix Engema NV, Profimolux S.A., Van Laere NV, Voltis NV▪.
Charity mandates: SOS Kinderdorpen België VZW.

Start mandate: 18 August 2016
End mandate: 16 May 2022
Number of shares of Leasinvest Real Estate held: 0

Marcia De Wachter (° 1953)

Independent director, member of the audit committee

Current function: managing director at BrainatTrust BV, Boslaan 51 at 3090 Overijse.

Mrs De Wachter has a degree and doctorate in applied economics and finance (University of Antwerp) and a master of arts in economics (University of Chicago). She followed various programs a.o. an Executive Master in change and leadership and an International Directors Program (Insead – Fountainebleau). She was part of the National Bank of Belgium from 1988 till 2018 and from 1999 she was member of the executive committee.

Mandates in other companies on 31/12/2020 and during the 5 previous financial years: member of the executive committee of the National Bank of Belgium▪, Chairman MeDirect Belgium, MeDirect Bank Group Malta.

Start mandate: 20 May 2019
End mandate: 15 May 2023
Number of shares of Leasinvest Real Estate held: 0

Colette Dierick
(° 1960)

Independent director

Current function: CEO ING Luxembourg SA, 26 place de la Gare – L- 1616 Luxembourg.

Mrs Dierick holds a degree of civil engineer (specialization construction) at the University of Ghent. She works since more than 30 years in the bank sector, mainly for ING, first in Belgium and since 2016 in Luxembourg, as CEO of ING Luxembourg SA.

Mandates in other companies on 31/12/2020 and during the 5 previous financial years: member of the board of directors of ING Luxembourg SA, chairman of the board of directors of the Pension fund ING Luxembourg ASBL, chairman of the board of directors of ING Lease Luxembourg SA, director at Bourse de Luxembourg SA, at ABBL (association of banks in Luxembourg) and at Erastys, managing director ING Belgium▪, director Record Bank▪, director Interhyp AG▪ and chairman of the board of directors ING Contact Center▪.

Start mandate: 20 May 2019
End mandate: 15 May 2023
Number of shares of Leasinvest Real Estate held: 0

Sigrid
Hermans
(° 1970)

Independent director, Chairman of the audit committee and member of the nomination and remuneration committee

Current function: CFO LIFE group in Antwerp, Mechelsesteenweg 271 at 2018 Antwerp.

Mrs Hermans has a degree in applied economics and finance (University of Antwerp) and is company auditor. She also studied fiscal sciences (KUL/Odisee). After her audit-experience at PWC, she joined in 1998 Mitiska (listed company specialized in retail) where she worked as CFO, before she joined as CFO in 2018 the LIFE group (real estate company specialized in residential projects, student housing and co-working.

Mandates in other companies on 31/12/2020 and during the 5 previous financial years: SOHO BV, NOLITA BV, Life.be NV, Lammp NV, Life Stay Iberia SL, Montevideo Assets NV, Real NV▪, FIVE POINTS BV▪, MITISKA NV▪, MITISKA REIM NV▪, FBDT Helixir sas▪, Intercora Property SRL▪, Peppercorn 7 doo▪, Peppercorn 8 doo▪, OIY Czech sro▪, OCHM Invest sro▪, UZM Czech sro▪, Golden Smile System SL▪, Peppercorn 5 Sp zoo▪, Peppercorn 6 Sp zoo▪ en Rent Polska Sp zoo▪.

Start mandate: 20 May 2019
End mandate: 15 May 2023
Number of shares of Leasinvest Real Estate held: 0

Eric Van Dyck
(° 1962)

Independent director – non-executive director
Member of the nomination and remuneration committee

Current function: Director and associate of BV Starboard and BV Portside Property Investments – 't Serclaeslei 12, 2930 Brasschaat.

Mr Van Dyck has a degree in marketing (Antwerp – Karel de Grote Hogeschool) and followed an MBA at INSEAD (Fountainebleau) and the Advanced Leadership Program at IMD (Lausanne). He has more than 35 years experience in real estate (a.o. as CEO for Cushman & Wakefield, Chairman EMEA Capital Markets, CEO Redevco Belgium, CIO Redevco Europe).

Mandates in other companies on 31/12/2020 and during the 5 previous financial years: Member of the investment committee of Triginta Real Estate, member of the board of directors of NV Orthogrow, Redevco B.V. •, Arioso Investments Belgium N.V., Arlimmo N.V., Bengali N.V., Redevco France Développement Eurl•, Redevco France Sasu•, V Prime Properties Korlátolt Felelösségü Társaság•, Immoca Wirtschaftsgütervermietungsgesellschaft m.b.H.•, Jotta Wirtschaftsgütervermietungsgesellschaft m.b.H.•, MITI Wirtschaftsgüter Vermietungsgesellschaft m.b.H.•, Redevco France Services•, Redevco Holding France B.V.•, Redevco Holding France II B.V.•, Redevco Iroda Ingatlanhasznosító Korlátolt Felelösségü Társaság (Redevco Kft.)•, Redevco Liegenschaftsverwaltungs-GmbH•, Redevco MH77 Liegenschaftsverwaltungs-GmbH•, ARIOSO MH77 Liegenschaftsverwaltungs-GmbH•, Redevco Polska Delta Spolka Z Ograniczona Odpowiedzialnoscia•, Redevco Polska Spólka z ograniczona odpowiedzalnoscia•, Redevco Prime SPPICAV•, Redevco Retail Belgium Comm. V•.

Start mandate: 16 May 2011
End mandate: 16 May 2022
Number of shares of Leasinvest Real Estate held: 0

Wim
Aurousseau
(° 1971)

Director on the proposal of Axa – non-executive director

Current function: Chief Investment Officer at Axa Belgium NV, Troonplein 1, 1000 Brussels.

Mr Aurousseau has a degree in applied economics and finance (University of Antwerp) and in financial analysis (ICHEC). He has extensive experience in asset management and business management, particularly in the banking and insurance sector in Belgium (KBC Securities, Bank Van Breda, Swiss Life Belgium and Delta Lloyd Life).

Mandates in other companies on 31/12/2020 and during the 5 previous financial years: **Befimmo NV** and **Home Invest Belgium NV**.

Start mandate: 18 mei 2020
End mandate: 16 mei 2022
Number of shares of Leasinvest Real Estate held: 0

Change of the mandates in the course of the financial year 2020

At the general meeting of the statutory manager that took place on 18 May 2020, and with the approval of the FSMA, the following was decided:

- The nomination of Wim Aurousseau as non-executive director, on the proposal of Axa, for a period of 2 years, i.e. till the annual general meeting of May 2022;
- The renomination of Jean-Louis Appelmans as non-executive director for a period of 1 year, i.e. till the annual general meeting of May 2021.

No mandate of a director came to an end during the financial yar 2020.

Activity report of the board of directors

The board of directors strives to sustainable value creation by the company, whilst it determines the strategy of the company, the creation of efficient, responsible and ethic leadership and while it controls the performances of the company. To strive this sustainable value creation in an efficient manner, the board of directors develops an inclusive approach that realizes a balance between the legitimate interests and the expectations of the shareholders and other stakeholders.

According to the articles of association, the board of directors is able to realize all actions that are usefull or needed to realize the purpose of the statutory manager, in particular the governance of the company and to do everything which the law or the articles of association do not reserve to the general meeting of shareholders.

Next to the exercice of the aforementioned activities, the board of directors met 7 times during the financial year 2020, to discuss, in essence, the following items:

- The further development of the strategy of the company and for its further geographical extension in Belgium, the Grand Duchy of Luxembourg and Austria, with the linked (di)investments and important renovations and redevelopments, with particular attention to the further execution of the CSR-policy;
- monitoring of the debt ratio and the hedging;
- the optimatlization of the corporate structure in Belgium and Luxembourg;
- the discussion and analysis of budgets and outlook;
- the renewal and negotiation of current bank credits and credit lines within the framework of the funding strategy and control of linked derivatives;
- the impact of the Covid-19 pandemic on the company and its action plan;
- the supervision on the management and functioning of the effective management, besides supervising the functioning of the internal control systems;
- the operational and financial reporting, among which drawing up the press releases and the annual and half-year financial reports.

The minutes of the meetings present a summary of the deliberations, specify the decisions taken and mention any reservations of certain directors. The minutes are held at the offices of the statutory manager.

Majorities

The decisions of the board of directors are validly taken with a simple majority of the votes casted, except for the decisions mentioned hereafter and insofar and to the extent they relate to the direction of the public RREC of which the company is the manager-legal person and for which special majorities are required, as mentioned below:

a) Decisions with regard to defining the strategy of the company and decisions with regard to proposals to amend the articles of association can only be taken with a simple majority, always including a positive vote from
   (i) at least the majority of the independent directors and
   (ii) at least the majority of the directors nominated on the proposal of Ackermans & van Haaren SA, providing that those directors have no conflict of interest with the company in the sense of article 7:96 of the Code on companies and associations.
   This qualified majority is also due to the exclusive control by Ackermans & van Haaren SA over the company as a consequence of the control over the statutory manager-legal person.
b) Decisions with regard to each proposal for appropriation of the result of the company can only be taken by a special majority of 80% of the votes of the directors present or represented.

Evaluation

On the initiative of the chairman, the directors are regularly evaluated within the scope of the requirement that directors of a public RREC have to dispose of the professional reliability and adequate competence for the exercise of their function. Their education, their experience based on prior and current functions and directors' mandates in other companies are therefore taken into account, as well as their contribution to the further development of the company and their involvement in the deliberation and decision-making process.
The evaluation of the composition and functioning of the board of directors and its consultative committees takes place every three years. If necessary, advice of external professionals can be asked for.
Such an evaluation also takes into account the size of the board of directors, its composition and efficient functioning and that of the consultative committees, and the interaction with the effective officers, in order to check if all important subjects were sufficiently prepared and discussed.
The latest evaluation of the composition and functioning of the board of directors took place on 13/02/2020.
Once a year, the non-executive directors, meeting without the presence of the effective officers, also evaluate the relationship between the board of directors on the one hand, and the effective leadership/executive management, on the other hand.
At the end of each mandate of a director, an evaluation is made of the concerned director, in which is taken into account his/her attendance at the meetings and his/her engagement and constructive implication in discussions and decisions.
This evaluation procedure could lead to amendments to the composition of the board of directors, proposals for the nomination of new directors or non-re-nomination of acting directors.
Once every 5 years, the board of directors evaluates if the chosen corporate governance structure still corresponds to the company.

CONSULTATIVE COMMITTEES

In accordance with the articles 7:98, 7:99 and 7:100 of the Code on companies and associations, the board of directors has currently 3 consultative committees that assist the board of directors in the execution of its responsibilities in accordance with the principles of the Code 2020 further explained in the Corporate Governance Charter.

The consultative committees have a pure advisory function. They are in charge of examining specific matters and formulating advice to the board of directors.

After notifying the chairman, each consultative committee can, as far as it considers it useful, appoint one or more external advisers or experts, at the company's expenses, to support exercising its mission.

A meeting of a consultative committee can only be held validly if the majority of its members is present or represented and if at least half of de members are physically present. A member of a consultative committee that is prevented from assisting to a meeting can give a special mandate to another member of this committee. A member of a consultative committee can only represent one other member of the committee.

The committees preferably decide based on a consensus; if not, it is by simple majority of votes.

Audit Committee

The Audit Committee assists the board of directors in the fulfilment of its responsibilities regarding the monitoring with a view on control in its broadest sense, including the risks.

The audit committee sees to it that the financial reporting of the company presents a truthful, sincere and clear view of the situation and outlook of the company and checks in particular the annual and periodic financial statements before they are published and ensures correct and consistent application of the accounting standards and valuation rules of the company.
The audit committee evaluates, at least once a year, the internal control and risk management systems to ensure that the main risks (cf. chapter Risk factors in this annual financial report) have been properly identified, notified and managed according to the framework approved by the board of directors.
The audit committee also evaluates the independence of the auditor and makes recommendations on internal and external audit.
The audit committee is also empowered, with regard to the statutory manager, as well as to the company, to

decide that the auditor can provide other services than those assigned to him in virtue of the law and of which the remunerations exceed the thresholds mentioned in the Code on companies and associations (in accordance with article 3:64, §4 of the BCCA).

The tasks of the audit committee are carried out pursuant to article 7:99, §4 of the Code on companies and associations.

The oversight mission of the audit committee and the related reporting duty relates to the company and its subsidiaries.

The audit committee was composed as follows during the past year:
1. **Sigrid Hermans**, Chairman,
2. **Piet Dejonghe**, director on proposal of Ackermans & van Haaren;
3. **Marcia De Wachter**, independent director;

All members of the audit committee have the collective competences as to the activities of the company and at least one member has the necessary competences in accounting and audit matters as intended in article 7:99 §2 of the Code on companies and associations and provision C, point 5.2/4 of the Code.

The following points were among those discussed by the audit committee:

- quarterly financial reporting;
- risk management, internal control and regulation;
- follow-up of debt and hedge ratio of the company.

The auditor is invited to the meetings of the audit committee, and certainly for discussing the half-yearly and annual figures.

Unless the audit committee decides otherwise, the effective officers have the right to attend the meetings of the audit committee, which was indeed the case in the past financial year.

Nomination and remuneration committee

The nomination and remuneration committee ensures an objective and professional course of the nomination procedure and assists the board regarding the remuneration of the members of the board of directors and of the executive management and makes recommendations regarding the remuneration policy, evaluates on a yearly basis the performances of the executive management and the execution of the strategy of the company. The other missions of this committee are defined in the Corporate Governance Charter (art. 3.4.2) and in article 7:100§5 CSA.

The nomination and remuneration committee consists exclusively of non-executive directors and the majority of its members are independent directors, in accordance to article 7:100 of the Code on companies and associations and provision 4.19 of the Code 2020. The independent directors in this committee dispose of the necessary expertise in remuneration policies.

The members of the nomination and remuneration committee during the pas financial year are:
1. **Jan Suykens**, Chairman,
2. **Eric Van Dyck**, independent director,
3. **Sigrid Hermans** independent director.

Unless the nomination and remuneration committee decides otherwise, the chairman of the board of directors and the managing director are entitled to attend the meetings of the nomination and remuneration committee.

Among other things, the following agenda items were considered to by the nomination and remuneration committee during the past financial year:

- The modification of the remuneration policy vs remuneration report in accordance to the SRD-II Directive;
- the evaluation of the performances of the executive management and of the CEO in particular, on the basis of the agreed KPI and targets.

Committee of independent directors

The committee of independent directors is composed of all independent directors on the board of directors. The committee is chaired by one of its members, in principle, the member having most seniority in his function and intervenes in the situations defined in article 7:97 of the Code on companies and associations. This mission has been defined in article 9.5 of the articles of association of the statutory manager.

In the financial year 2020, no committee of independent directors took place.

DAILY MANAGEMENT – EFFECTIVE MANAGERS/EXECUTIVE MANAGEMENT – PERMANENT REPRESENTATIVE

Daily management

Since May 2018 daily management is exclusively entrusted to Mr. Michel Van Geyte as sole managing director of Leasinvest Real Estate Management NV.

Effective managers/Executive management

During the financial year 2020 the effective management was composed of 2 persons:

Michel Van Geyte (Chief Executive Officer), effective manager
Michel Van Geyte (55) was appointed as commercial manager of Leasinvest Real Estate Management SA in August 2004. He is since 2018 managing director of Leasinvest Real Estate Management SA and its permanent representative. He is also managing director of a/o Leasinvest Immo Lux SA and other subsidiaries of the company. He is currently also director of the GVV/REIT Retail Estate NV and of the GVV/REIT Care Property Invest NV.

Tim Rens (Chief Financial Officer), effective manager
Tim Rens (40) works since 1/05/2017 as CFO for the company, is company auditor and has over 12 years of experience in audit at Deloitte, of which 4 years as Senior Audit Manager for a/o GVV's.
He fulfils different mandates in other subsidiaries of the company, a.o. Haven Invest NV, Leasinvest Services NV, Leasinvest Immo Austria GmbH, Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH, Kadmos Immobilien Leasing GmbH, Vösendorf Nordring 2-10 Vermietungsgesellschaft mbH, Vösendorf Nordring 16 Vermietungsgesellschaft mbH, Frun Park Asten GmbH en Boomerang Strassen Sàrl.

Both persons have been appointed as effective officers in accordance with the legal provisions in force and with FSMA approval.

The effective management is in charge, under the supervision of the board of directors, to take all necessary measures in order to be compliant with the governance structure, the organization and its internal control. The effective management dresses hereto once a year a report to the board of directors, the FSMA and the external auditor.

External representation – permanent representative

Statutory manager, Leasinvest Real Estate Management SA, represents the company in all judicial and extrajudicial affairs.

The statutory manager can appoint authorized representatives of the company. Only special and limited proxies for a certain or a number of well-defined legal acts are authorized. These authorized representatives commit the company within the boundaries of their proxy.

Pursuant to article 2:49, §2, of the Code on companies and associations and article 14.6 of the articles of association of the company, the statutory manager has appointed a permanent representative among its directors, charged with the mandate of statutory manager of the public RREC, in the name and on behalf of Leasinvest Real Estate Management SA, and who is authorized to represent and legally bind the public RREC in relation to third parties, acting solely, but without infringing the RREC legislation.
Since 1 June 2018 Michel Van Geyte acts as permanent representative of Leasinvest Real Estate Management NV.

DIVERSITY POLICY

Diversity in all its facets (cultural, gender, language, professional experience, etc.), equal opportunities and respect for human capital and rights are inherent in Leasinvest Real Estate's corporate culture. The Company is convinced that these values contribute to balanced interactions, clearer vision from more perspectives, better informed reflection, innovation and optimisation of the atmosphere at work.

As regards diversity, the company complies to article 7:86 CSA regarding gender diversity in the board of directors en to the recommendations of the Code 2020 in striving diversity and complementarity in the profiles of its advisory and decision-making bodies.

INTEGRITY POLICY

The integrity policy of the company forms an important part of its corporate governance. This policy comprises different aspects, such as preventing market abuse, conflicts of interest and incompatibility of mandates, non-corruption and confidentiality. The compliance officer is in charge of the compliance of the integrity policy of the company.

Internal control, independent control functions and risk management

INTERNAL CONTROL

Under the responsibility of the board of directors, the Company has adopted an internal control system, to this effect, supported by the auditor, the audit committee and an independent internal auditor. The organization of the internal control system in the Company originates from the COSO 2013 model.

The internal control comprises a set of means, activities, procedures and actions that are adapted to the specific characteristics of the Company and that contribute to controlling its activities, the efficiency of its operations and the efficient use of its resources, and allow it to adequately take into account important risks, whether they are operational or financial, or are related to compliance.

The internal control aims more specifically at:
- reliability and integrity of financial reporting;
- good and carefully organized management with well-defined targets;
- use of resources in an economically justified and efficient way;
- establishing internal management policies, plans and procedures;
- especting laws and regulations.

In order to ensure that risk management and the control environment are dealt with in an efficient way, the board of directors and effective officers based their policy for these matters on international recommendations and good practices, and on the model of the following three lines:
- the first is that of the operations;
- the second is that of functions that were created to ensure that control of the risks and compliance are being followed up (“Risk manager and Compliance officer”);
- the third is that of the independent guarantee ensured by the internal audit.

These functions are adequately and independently exercised, taking into account the size of the company and its resources, as described below.
In accordance with the law and the circular letter of the FSMA 2019_05 of 19 February 2019, the effective officers

establish a report on the internal control for the FSMA and the auditor of the Company. This report describes namely the organization of the internal control, an overview of the main procedures in the Company, and finally, an assessment of these procedures.

In accordance with article 17 of the GVV/SIR law, the company has 3 internal control functions: an internal auditor, a risk manager and a compliance officer.

INDEPENDENT CONTROL FUNCTIONS

Independent internal audit function

The company has an adequate independent internal audit function. The responsible for this internal audit function is held to an independent and permanent evaluation of the activities of the company and also examines the quality and efficiency of existing procedures and methods for internal control.

Since 1 June 2018 the independent person responsible for the internal audit function is Tim Michel Van Geyte, CEO, who has hereto also the required professional reliability and adequate expertise.

For this function, Mr. Van Geyte is assisted by the company BDO Bedrijfsrevisoren, as an external consultant, represented by Christophe Quiévreux. After approval by the audit committee, a planning is developed, with business cycles that will be analyzed by the internal auditor. The internal auditor reports its findings directly to the audit committee.

Independent risk management function

Since 1 June 2018, the board of directors appointed Tim Rens, CFO of the company, risk manager. Tim Rens has the required professional reliability and adequate expertise.

During the financial year 2020, a risk assessment was carried out, identifying a/o the risk appetite of the board of directors and management.

Independent compliance function

The responsibilities of the compliance function include ensuring compliance by the company and its statutory manager with the legal provisions relating to the integrity of company activities due to subsequent different risks the company is exposed to by its status and activities. The compliance officer is in particular responsible for complying with the rules relating to the integrity policy. The mission of the compliance officer also comprises supervising the respect of the rules with regard to market abuse and privileged information.

Since 1 June 2018 the board of directors appointed Paul Van Lierde, Senior Legal Counsel of the company, compliance officer for an unspecified term; he has the required professional reliability and adequate expertise.

RISK MANAGEMENT POLICY

Investments and divestments

A(n) (dis)investment decision is taken by the board of directors of the statutory manager, based on a proposal elaborated by management and after ample deliberation in the board of directors. Should the case arise, a prior advice is given to the board of directors by one or more committees (e.g. the committee of independent directors within the framework of applying the procedure for preventing conflicts of interest, that can be assisted by external experts to that end).
Prior to each decision for investment – or divestment of property, a (technical, legal and fiscal) due diligence is carried out, of which the scope is defined in function of the object under review and the possible related risks. In most cases, external specialized consultants are appealed to.

Risk factors

The company is organized in such a way that if requested, besides the information that is published in the yearly and half-yearly reports, it can provide holders of securities additional information about the quantitative limits that apply to its risk management, about the methods used to enforce compliance with these limits and about the recent developments in relation to risks and returns on its assets.

The main risks the company is exposed to (as recorded in the chapter 'Risk factors' of this annual report) are assessed regularly, and at least once per quarter. The necessary procedures have been adopted to identify and monitor these risks, and to prevent their realization, and/or to estimate, control and follow up their potential impact.

This evaluation is carried out within the audit committee – at least four times a year (e.g. analysis of possible derogations to the budget/outlook, hedging policy) as well as by the board of directors of the statutory manager, and by the person responsible for the risk management function.

Remuneration report

INTRODUCTION

This remuneration report has been drawn up in accordance with article 3:6, §3 of the Belgian Code of Companies and Associations ("CSA"), the Code 2020 and the provisions of the SRD II-Directive[1], transposed into Belgian law by the law of 28 April 2020.

This report sets out the main principles of the remuneration policy and the manner in which they were applied over the past year. The company is careful to provide pertinent and transparent information concerning the main principles of the remuneration policy and the level of remuneration of the statutory manager, its board of directors and the members of the executive management. During the past financial year no derogations were made regarding the applicable remuneration policy.

On 17 May 2021 will be proposed at the ordinary general shareholders'meeting of Leasinvest Real Estate to approve, by separate vote, a 'new' remuneration policy in order to adapt the existing policy to the new provisions of article 7:89/1 CSA and to the Code 2020. This remuneration policy does not entail major amendments to the current policy but responds notably to the prescriptions of the Code 2020 as regards the 'comply or explain' principle and shall be applicable as of the financial year 2021. At the end of this chapter, the main changes are set out; the full remuneration policy is available on www.leasinvest.be.

The financial year 2020 was a year of unexpected challenges because of the Covid-19 pandemic, that also had an impact on the activities and results of Leasinvest Real Estate. The EPRA Earnings per share decreased with 14% compared to the financial year 2019. On the other hand, the company succeeded with the dedication of its team to reduce the damages and proved the defensive force of the strategy of the company. Therefore shall be proposed to the general meeting to distribute the same dividend for the financial year 2020 as for the financial year 2019 (€ 5.25 gross dividend per share). Those elements were taken into account, together with the analysis of the usual financial, qualitative and non-financial targets to be attained, by the nomination and remuneration committee and afterwards by the board of

1 Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EG as regards the encouragement of long-term shareholder engagement.

directors and were translated in the variable remunerations granted to the CEO, the executive management of the company and its employees.

REMUNERATION OF THE STATUTORY MANAGER

The articles of association of Leasinvest Real Estate SCA describe the remuneration of the statutory manager. This remuneration can therefore only be changed by a resolution to amend the articles of association by the general shareholders'meeting of Leasinvest Real Estate SCA. The statutory manager is entitled to reimbursement of all expenses directly linked to the management of the company and receives a fixed-rate remuneration pursuant to the articles of association of 0.415% of the consolidated assets of the company. This remuneration represented € 5,079,059 for the financial year 2020. No other remuneration is granted to the statutory manager.

REMUNERATION OF THE NON-EXECUTIVE DIRECTORS

The remuneration of the non-executive directors consists only of a fixed amount. Taking into account that the basic remuneration and the attendance fees are not linked to the results, they can be assimilated to a fixed, non-performance remuneration. The remuneration of the non-executive directors is periodically analysed by the nomination and remuneration committee. The modifications proposed by the board of directors to the remuneration of the non-executive directors of Leasinvest Real Estate Management SA, as analysed by the nomination and remuneration committee, are subject to the approval of the general meeting of Leasinvest Real Estate Management SA.

The independent directors receive a fixed, yearly remuneration as well as attendance fees for each attendance to a meeting of the board or of a committee. They receive no other financial benefits.

The remuneration that is granted to the independent directors consists of:
- A basic remuneration for the directors: € 20,000
- An additional fee for the members of the nomination and remuneration committee: € 4,000
- An additional fee for the members /persons that are permanently invited to the audit committee: € 4,000
- An attendance fee for each attendance to a meeting of the board of directors, to the nomination and remuneration committee, to the audit committee or to the committee of independent directors: € 2,500

To the other non-executive directors, a fixed, yearly remuneration could be granted on the conditions determined by the board of directors as proposed by the nomination and remuneration committee, analogous to the remuneration granted to the independent directors.

No agreements have been entered into with the non-executive directors. They can be discharged ad nutum, without compensation.

For the financial year 2020, the following remuneration has been granted to the non-executive directors, on an individual basis:

This remuneration is to be paid, after the approval of the accounts by the general meeting on 17 May 2021.

	Fixed remuneration				Attendance fees•		Total remuneration
	Director	Member/permanent invited AC	Member NRC	Member CID	BoD	Committees	
Jan Suykens	-	-	-	-	-	-	-
Piet Dejonghe	-	-	-	-	-	-	-
Wim Aurousseau	-	-	-	-	-	-	-
Dirk Adriaenssen	20,000	-	-	2,000	17,500	-	39,500
Jean-Louis Appelmans	20,000	4,000	-	-	17,500	10,000	51,500
Marcia De Wachter	20,000	4,000	-	2,000	17,500	10,000	53,500
Colette Dierick	20,000	-	-	2,000	17,500		39,500
Sigrid Hermans	20,000	4,000	4,000	2,000	17,500	12,500	60,000
Eric Van Dyck	20,000	-	4,000	2,000	17,500	5,000	48,500
							292,500

•An attendance fee of € 2,500 is granted for each attendance of a board meeting, an audit committee, a nomination and remuneration committee and a committee of independent directors. During the financial year 2020, 7 board meetings took place, 4 audit committees, 2 nomination and remuneration committees and no committee of independent directors.

REMUNERATION OF THE CEO AND THE OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT

The CEO

The managing director of the statutory manager, the only executive director, performs the function of CEO. He is also the permanent representative of the statutory manager, member of the executive management of the company and effective manager ("effectieve leider"/"dirigeant effectif") in accordance with article 14§3 of the RREC-law.

The mandate of CEO in its capacity as executive director of the statutory manager is not remunerated.

The board of directors determines the remuneration of the CEO, at the proposal of the nomination and remuneration committee. This remuneration is determined with the purpose to attract, to motivate and to retain the CEO, taking into account the size of the company and the individual responsibilities that are expected of the CEO, together with his relevant skills, competences and seniority. The analysis of the remuneration of the CEO by the nomination and remuneration committee goes along with a benchmark of other (non) listed real estate companies and other companies than real estate companies of the same size and importance.

The remuneration of the CEO consists of (1) a fixed remuneration, (2) a variable remuneration and (3) other benefits.

These components are yearly assessed by the nomination and remuneration committee and benchmarked with market practices. Any adjustment to the remuneration is discussed at the nomination and remuneration committee and submitted for approval to the board of directors. The company strives to reach a motivating combination between a fixed remuneration in line with market practices and short- and long-term incentives at the level of the variable remuneration.

The fixed remuneration of the CEO is determined according to his individual responsibilities, skills and competences, together with his experience.

The variable remuneration for the CEO takes into account the general satisfaction regarding the annual performances and whether the predetermined and objective measurable year targets have been reached or not, that are of qualitative and quantitative nature as well as any exceptional performance during the financial year related to the aforementioned criteria, that are yearly fixed by the board of directors and analysed by the nomination and remuneration committee. The year targets take into consideration the targets that have a positive influence on a short term (STI) and on a long term (LT) on the company and that are in line with the strategy of the company.

The percentage of the variable remuneration on the short and the long term may vary from 0 to 60% with a target of 40% of the annual fixed remuneration.
The variable remuneration is paid in cash.

In accordance with article 7:91 of the CSA, except for other statutory provisions or explicit approval by the general meeting of shareholders, at least a fourth of the variable remuneration for an executive director, has to be based on previously defined and objectively measurable performance criteria over a period of at least two years, and another fourth at least has to be based on previously defined and objectively measurable performance criteria over a period of at least three years. This obligation is not required if the variable remuneration represents one fourth or less of the annual remuneration.

The board of directors decided on 9 February 2021 to increase the fixed remuneration of the CEO (€ +30,000), taking into account the current stage of the life cycle of the company and to grant a lower variable remuneration, because of the impact of Covid-19 on the predetermined objectives. The other main objectives that were decisive for granting a variable remuneration were, next to the financial and portfolio objectives, the limitation of damages and loss of turnover during the financial year 2020, sustainability and the follow-up and improvement of the occupancy rate, as well as operational excellence, sustainability & corporate social responsibility.

The group insurance is of the type "fixed contribution" and covers a.o. additional pension, capital at death, disability and orphan's pension. For the financial year 2020, no group insurance was provided to the CEO.

Other benefits include the traditional benefits in kind, amongst which a company car, smartphone, laptop, tablet computer and hospital insurance. The contributions to the hospital insurance are fully paid by the company.

The CEO receives no share options or other remunerations linked to the shares of the company

The other members of the executive management

The board of directors determines the remuneration of the other members of the executive management, at the proposal of the nomination and remuneration committee. This remuneration is determined with the purpose to attract, to motivate and to retain the executive managers, taking into account the size of the company and the individual responsibilities that are expected of each member of the executive management, together with their relevant skills, competences and seniority. The analysis of the remuneration of the other members of the executive management by the nomination and remuneration committee goes along with a benchmark of other (non) listed real estate companies and other companies than real estate companies of the same size and importance.

The remuneration of the other members of the executive management consists of (1) a fixed remuneration, (2) a variable remuneration and (3) other benefits.

These components are yearly assessed by the nomination and remuneration committee and benchmarked with market practices. Any adjustment to the remuneration is discussed at the nomination and remuneration committee and submitted for approval to the board of directors. The company strives to reach a motivating combination between a fixed remuneration in line with market practices and short- and long-term incentives at the level of the variable remuneration.

The fixed remuneration of the other members of the executive management is determined according to their individual responsibilities, skills and competences, together with their experience.

The variable remuneration for the other members of the executive management takes into account the general satisfaction regarding the annual performances and whether the predetermined and objective measurable year targets have been reached or not, that are of qualitative and quantitative nature as well as any exceptional performance during the financial year related to the aforementioned criteria, that are yearly fixed by the board of directors and analysed by the nomination and remuneration committee. The year targets take into consideration the targets that have a positive influence on a short term (STI) and on a long term (LT) regarding the company and that are in line with the strategy of the company.

The percentage of the variable remuneration on the short and the long term may vary from 0 to 60% with a target of 30% of the annual fixed remuneration.
The variable remuneration is paid in cash.

The board of directors that was held on 9 February 2021 measured the impact of Covid-19 on the predetermined objectives regarding the other members of the executive management. The other main objectives that were decisive for granting a variable remuneration were, next to the financial objectives, the limitation of damages and loss of turnover during the financial year 2020, as well as operational excellence with emphasis on efficiency and productivity regarding procedures and reports.

The group insurance is of the type "fixed contribution" and covers a.o. additional pension, capital at death, disability and orphan's pension.

Other benefits include the traditional benefits in kind, amongst which a company car, smartphone, laptop, tablet computer and hospital insurance. The contributions to the hospital insurance are fully paid by the company.

The other members of the executive management receive no share options or other remunerations linked to the shares of the company.

For the financial year 2020, the following remuneration has been foreseen on an individual basis regarding the CEO and the other members of the executive management:

in €	Fixed remuneration		Variable remuneration	Group insurance	Total remuneration	Ratio fixed vs variable remuneration
	Main remuneration	Other benefits•				
Ceo						
Financial year 2020	302,994	NA	200,000	NA	502,994	60% vs 40%
Financial year 2019	272,994••	NA	250,000	NA	522,994	
Other members of the executive management						
Financial year 2020	126,519	10,415	35,000	11,387	183,321	81% vs 19%
Financial year 2019	118,647	10,415	35,000	9,206	173,268	

•Other benefits include the traditional benefits in kind - amongst which a company car, a smartphone, a tablet PC and the hospital insurance.
•• In the annual report of the financial year 2019 of the company was erroneously provided that the fixed remuneration amounted to € 425,004 for the financial year 2019, which also lead to an erroneously total remuneration of the CEO (€ 675,004), as the total remuneration of the CEO for the financial year 2019 amounted to € 522,994 (€ 272,994 + € 250,000).

End-of-service indemnities and claw-back mechanism regarding the CEO and the other members of the executive management

The agreements with the CEO and the members of the executive management were concluded for an indefinite period of time.

In the event of the early termination of those agreements, on the company's initiative, and with the exception of the cases provided contractually in which no indemnity is due, the CEO and other members of the executive management are contractually entitled to an end-of-service indemnity.
In the event of the early termination of the agreement with the CEO, on the company's initiative, the company must proceed to the notification of a notice period of 16 months.
For the other members of the executive management no particular notice period or end-of-service indemnity has been agreed upon in case of early termination of the agreement, on the company's initiative and the usual notice periods are applicable.

The Company applies a claw-back mechanism regarding the variable remuneration, fully or partially, that would have been granted to the CEO and the other members of the executive management, if it is established that this remuneration was granted on the basis of inaccurate financial data, for the amounts that were not due.

During the past financial year, no end-of-service indemnities nor claw-back mechanism were applicable.

EMPLOYEE REMUNERATION

The board of directors has entrusted the nomination and remuneration committee to examine and approve the proposals made annually by the CEO regarding the fixed and variable remuneration of the employees of the company, depending on the annual evaluation by the CEO of the responsibilities and experience of each of them.

The variable remuneration of the employees is linked to their individual objectives.

The ratio of the highest fixed remuneration of the CEO and the lowest amongst the employees, expressed on a FTE basis, is 1 to 9.

ANNUAL VARIATION OF THE OVERALL REMUNERATION (IN %)

	2016 vs 2015	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019
Remuneration of the manager	+11%	+4%	+5%	+13%	+5%
Remuneration of the non-executive directors▪					
1. Jan Suykens	NA	NA	NA	NA	NA
2. Piet Dejonghe	NA	NA	NA	NA	NA
3. Wim Aurousseau	NA	NA	NA	NA	NA
4. Dirk Adriaenssen (appointed on 22/05/2018)	NA	NA	NA	+44%	-18%
5. Jean-Louis Appelmans (as of 20/05/2019, paid mandate as non-executive director)	NA	NA	NA	NA	+66%
6. Marcia De Wachter (appointed on 20/05/2019)	NA	NA	NA	NA	+48%
7. Colette Dierick (appointed on 20/05/2019)	NA	NA	NA	NA	+53%
8. Sigrid Hermans (appointed on 20/05/2019)	NA	NA	NA	NA	+42%
9. Eric Van Dyck	0%	+19%	+0%	+46%	+0%
Total remuneration of the CEO▪▪ (as of 15/05/2017 CO-CEO and as of 22/05/2018, CEO)	NA	NA	+10%	+2%	-4%
Total average remuneration of the other members of the executive management▪▪▪	NA	NA	NA	NA	+5%
Total average remuneration of the employees, FTE▪▪▪▪	+5%	+10%	+20%	-10%	+3%
Performance of the company					
1. EPRA Earnings per share	+8%	-1.4%	+8%	+12%	-14%
2. Gross dividend per share	+4%	+2%	+2%	+3%	0%
3. Fair value of the property portfolio (x 1 000)	-1%	+5%	+13%	+7%	+3%

▪From the date of their appointment as non-executive director.
▪▪ Michel Van Geyte & Midhan SRL.
▪▪▪ In its current composition, applicable as of financial year 2019.
▪▪▪▪ The remuneration comprises the gross salary (incl. double holiday bonus and 13th month), group and hospital insurance, laptop, mobile phone, company car, fuel card, performance bonus, luncheon vouchers, fixed fees.

ADAPTATION OF THE REMUNERATION POLICY

On 17 May 2021 the ordinary general shareholders meeting of Leasinvest Real Estate will be proposed to approve a 'new' remuneration policy in order to adapt the existing policy to the new provisions of article 7:89/1 CSA and to the Code 2020. This remuneration policy shall be applicable as of the financial year 2021 until in principle 2024. This remuneration policy does not entail major amendments to the current policy but responds notably to the prescriptions of the Code 2020 as regards the 'comply or explain' principle, amongst which:

Claw-back-provisions

CODE 2020 – PROVISION 7.12 recommends the board of directors to include provisions allowing the company to recover variable remuneration paid and specifies the circumstances in which it would be appropriate.

COMPLY – The Company applies a claw-back mechanism regarding the variable remuneration, fully or partially, that would have been granted to the CEO and the other members of the executive management, if it is established that this remuneration was granted on the basis of inaccurate financial data, for the part of the amounts that were not due.

Share-based remuneration of non-executive directors

CODE 2020 – PROVISION 7.6 recommends that non-executive directors receive a part of their remuneration in the form of shares of the company.

EXPLAIN - Leasinvest Real Estate deviates from this provision and does not provide remuneration in shares to non-executive directors. Taking into account the form of the company (GVV/REIT) and the factual circumstances regarding its directors, the company is of the view that providing part of the remuneration in shares would not necessarily contribute to the objective to have the non-executive directors act with the perspective of a long-term shareholder. The remuneration of the non-executive directors are of this nature that the impact of this remuneration in shares would be very small and that the legal framework of the company and its strategy are in view of the board of directors sufficient to act from the perspective of a long-term shareholder of the company.

Minimum number of shares to be held by the executive management

CODE 2020 – PROVISION 7.9 recommends setting a minimum number of shares that are to be held by the members of the executive management.
EXPLAIN - Leasinvest Real Estate deviates from this provision. At present, no long-term-incentive plan or share options are granted to the executive management. If the company would consider eventually to propose shareholding to its executive management, this proposal would be submitted for approval to the general meeting. As a GVV/REIT, Leasinvest Real Estate strives for a maximum distribution of its dividends per share, in line with the perspective of a long-term shareholder. Since its listing, Leasinvest Real Estate has focused on creating stable cashflows over the long term which, in combination with its high disbursement obligation as a GVV/REIT, makes Leasinvest a fully fledged, profitable and liquid alternative to direct investments in properties based on rental income. This is the basis of its strategy, which is also clearly reflected in its operational implementation of this strategy by the members of the executive management. Leasinvest therefore believes that its remuneration policy establishes a clear link with the creation of stable long-term cashflows and thus ensures that the members of the executive management act from the perspective of a long-term shareholder.

Related-party transactions - Conflicts of interest

ARTICLE 7:96 CCA

The board of directors declares that, to its knowledge, no situations of conflicts of interest as defined by article 7:96 CCA occurred during the past financial year between the directors of the statutory manager or members of the effective leadership or executive management and the company, except for the assessment and definition of the remuneration of the CEO for the financial year 2020.

At the meeting of the Board of Directors of 9 February 2021, Michel Van Geyte, CEO, therefore did not participate in the deliberations and the decision on the assessment and determination of his remuneration for the financial year 2020. The extract from the minutes of this meeting is given below:
'Following the deliberations, the board of directors, with the exception of the deputy director who did not participate in the deliberations or in the decision-making on this item on the agenda, shall decide, in accordance with the positive opinion of the nomination and remuneration committee, to award the CEO a remuneration of € 200,000 as a variable remuneration for the financial year 2020, in addition to his fixed remuneration of € 302,994.'

In accordance with Article 7:96 of the CCA and subject to the exceptions provided for in paragraph 3 of the aforementioned article, a director, if he/she has a direct or indirect interest of a patrimonial nature, which is contrary to the interest of the company following a decision or an operation that falls within the competence of the board of directors, must inform the other directors before the board of directors takes a decision. His statement and explanation of the nature of this conflict of interest shall be recorded in the minutes of the meeting of the board of directors to take the decision. The board of directors may not delegate this decision. The board of directors shall record in the minutes the nature of the decision or operation and its patrimonial consequences for the company and justify the decision taken. This part of the minutes shall be included in its entirety in the annual report or in a document deposited together with the annual accounts. The company's auditor must be informed. The director with a conflict of interest may not participate in the deliberations of the board of directors on such operations or decisions, nor in the vote in that regard.

ARTICLE 7:97 CCA

During the past financial year no decisions were taken based on which the provisions of article 7:97 CCA had to be applied.

Where a listed company intends to carry out an operation with a related company (subject to certain exceptions), Article 7:97 of the CCA imposes the establishment of an ad hoc committee of 3 independent directors, assisted by an independent expert; this committee shall communicate a motivated assessment of the proposed operation to the board of directors, which may take its decision only after taking note of this report. The auditor shall draw up a report on the veracity of the information contained in the opinion of the Committee and in the minutes of the board of directors. The board of directors shall state in its minutes whether the procedure described above has been complied with and, where appropriate, on what grounds the opinion of the Committee is deviated from. The decision of the Committee, an extract from the minutes of the board of directors and the opinion of the auditor shall be included in the annual report.

ARTICLE 37 OF THE SIR/GVV LAW

During the past financial year no notifications had to be made to the FSMA within the framework of article 37 of the SIR/GVV law.

Article 37 of the SIR/GVV law foresees a preliminary notification to the FSMA when in the case of an operation with the public REIT (SIR/GVV) or one of its subsidiaries, some people mentioned in the article, directly or indirectly act as a counterparty or get a patrimonial benefit. In its notification to the FSMA the company has to demonstrate the interest of the planned operation for the company, and also that the planned operation fits within the normal course of the company strategy.

CORPORATE GOVERNANCE CHARTER

In its Corporate Governance Charter, the company has also foreseen a policy with regard to operations with a director that are not subject to the provisions of article 7:96 CCA.

There is such a conflict of interest other than a conflict of interest within the meaning of Article 7:96 of the CCA in the event that (1) a person closely associated with the director has an interest of a patrimonial nature contrary to a decision or an operation of the company or (2) a non-group company where the director or a closely related person performs a board or management function, has an interest of a patrimonial nature that is contrary to a decision or an operation of the Company.

Where, in the name of a director, a conflict of interest exists, other than a conflict of interest within the meaning of article 7:96 of the CCA in relation to a matter which falls within the competence of the board of directors and on which it is required to take a decision, the director concerned shall inform the other members of the board of directors in advance. They then decide whether or not the director concerned should abstain from voting on the matter to which the conflict of interest relates. However, the director concerned may participate in the deliberations in such a case.

In particular, the Corporate Governance Charter alerts each director to conflicts of interest that may arise between the company, its directors, its major or controlling shareholder(s) and other shareholders.

The directors proposed by (an) important or controlling shareholder(s) must ensure that the interests and intentions of this (these) shareholder(s) are sufficiently clear and are announced to the board of directors in a timely manner.

The board of directors shall act in such a way as to avoid a conflict of interest or the perception of such a conflict. Where there is a substantial conflict of interest, the board of directors carefully considers communicating as soon as possible about the procedure followed, the main considerations and the conclusions.

Where relevant, these provisions provided for in the Corporate Governance Charter also apply to the members of executive management.

In the past financial year, this policy provided for in the Corporate Governance Charter did not have to be applied.

RULES WITH REGARD TO CONFIDENTIALITY

The Corporate Governance charter further details the confidentiality that is expected from the directors with regard to information gathered within the framework of exercising their mandate and the confidentiality required in the case of privileged information. The Integrity Code of the Company more specifically treats the professional secrecy to which both the members of the company bodies and the members of staff are held, within the framework of their function.

Research and development

During the past financial year, no specific research and development activities were carried out, nor by the company, nor by the companies that are part of the consolidation scope of the company.

Code of conduct for financial transactions

The board of directors has published its policy regarding the prevention of market abuse in its Corporate governance Charter (www.leasinvest.be).

A procedure has been developed regarding transactions in Leasinvest Real Estate shares by the directors, the members of executive management or personnel. During the past financial year this procedure was not applied.

Relevant information in accordance with article 34 of the RD of 14 November 2007

regarding the obligations of issuers of financial instruments admitted to trading on a regulated market

STRUCTURE OF THE CAPITAL

The company is a partnership limited by shares (SCA) with one statutory manager, Leasinvest Real Estate Management SA. Its registered capital is divided in 5,926,644 shares with voting rights, with no-par value, which represent each 1/5,926,644 of the capital.

SHAREHOLDER STRUCTURE

For the shareholder structure and the transparency notifications we refer to Leasinvest Real Estate share on page 97.

LEGAL OR STATUTORY LIMITATIONS AS TO THE TRANSFER OF SECURITIES

There are no legal or statutory limitations as to the transfer of securities.

The statutory manager has a statutory right of veto according to article 29.1 of the articles of association for decisions of the general meeting relating to actions regarding the interests of the company versus third parties, such as dividend distribution and each decision affecting the assets of the company.

LEGAL OR STATUTORY LIMITATIONS AS TO EXERCISING THE VOTING RIGHT

Each share entitles to one voting right. No other securities granting voting rights have been issued. There are no legal and statutory limitations on the execution of the voting rights.

STOCK OPTION PLAN FOR EMPLOYEES

There is no stock option plan for employees.

SHAREHOLDER'S AGREEMENTS

No shareholder's agreements were concluded.

THE COMPETENCES OF THE MANAGING BODY, NAMELY WITH REGARD TO THE POSSIBILITY OF ISSUING OR REDEEMING SHARES

As to the authorization granted to the statutory manager to proceed to the issue of shares, we refer to article 7 of the articles of association of the company.

As to the authorization granted to the statutory manager to proceed to acquiring (or alienating) treasury securities, we refer to article 11 of the articles of association of the company.

THE RULES FOR NOMINATING AND REPLACING MEMBERS OF THE MANAGEMENT BODY AND FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE ISSUER

The procedure applied for the (re-)nomination of a director is detailed in the Corporate governance Charter. (art. 2.1.4).

As to the current agreements regarding the composition of the board of directors of the statutory manager and the majority rules in force within the board of directors, we refer to page 51 et seq.

The general meeting of the company can only lawfully deliberate and decide upon an amendment to the articles of association, if those attending the meeting represent at least half of the registered capital and given the presence of the statutory manager, without prejudice to more stringent legal dispositions.

An amendment to the articles of association is only adopted if previously approved by the FSMA and with ¾ of the votes attached to the present or represented shares and with the approval of the present or represented manager without prejudice to more stringent legal provisions.

IMPORTANT AGREEMENTS BY WHICH THE ISSUER IS A PARTY AND THAT ENTER INTO FORCE, UNDERGO AMENDMENTS OR END IN THE CASE OF A CHANGE OF CONTROL OVER THE ISSUER AFTER A PUBLIC TAKE-OVER BID

It is customary to incorporate a "Change of control"-clause in funding agreements allowing the bank to demand the repayment of the credit should a change in control over the company have a significant unfavourable effect ("Material Adverse Effect") on the company. The following banks incorporated such a clause relating to a change in control: ING Belgium NV, ING Luxembourg SA, KBC Bank, BNP Paribas Fortis, Belfius Bank and Argenta Spaarbank. This clause is also present in the commercial paper (also called "short and medium treasury notes programme") concluded by the company on 21 November 2017 for € 250,000,000.
Besides this, the agreement relating to the private placement of bonds issued on 20 November 2019 comprises a similar clause allowing the investors, under certain circumstances, to ask for an early repayment in the case of a change of control.

AGREEMENTS BETWEEN THE COMPANY AND ITS STATUTORY MANAGER, DIRECTORS OR EMPLOYEES THAT FORESEE COMPENSATIONS FOR LEAVING IN THE CASE OF A PUBLIC TAKE-OVER BID

Furthermore, no agreements are concluded between the company, its statutory manager or employees providing in compensations when, following a public take-over bid, the directors resign or have to leave without any valid reason, or the contract of employees is terminated.

Corporate Social Responsibility - ESG-policy

Leasinvest considers Corporate Social Responsibility to be an essential part of its strategy and has the ambition to focus on sustainability with the entire organization. This means that Leasinvest, co-managed and supported by the shareholders, strives to integrate sustainable development at all levels, business processes and in its real estate.

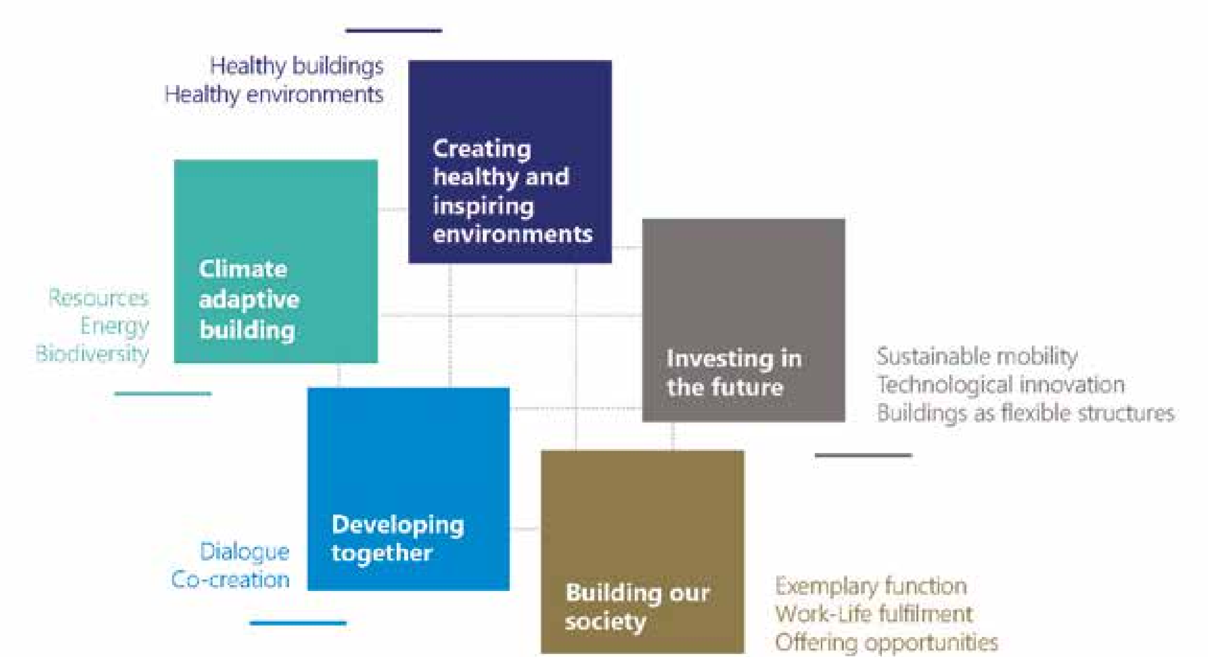
CSR strategy

HOLISTIC VIEW

Over the past year, Leasinvest has been working on developing its CSR strategy. This includes both the ecological, social and economic aspects. As a starting point for the development of the CSR strategy, workshops were organized with the Sustainability Team to investigate the impact of the company on the sustainability objectives of the United Nations; the 17 Sustainable Development Goals (SDGs) and their 169 sub-objectives. The SDGs are holistic and cover all societal challenges. These societal challenges can in turn be grouped around the 5 P's of sustainable development: People, Planet, Prosperity, Peace, Partnership. The team connected the activities carried out and ongoing to the various SDGs and brainstormed about possible new projects to create a positive impact, both ecologically, socially and economically. The clustering of the actions formed the basis for the 5 strategic themes and their 13 sub-themes.

LEASINVEST'S FIVE STRATEGIC THEMES

The various strategic themes are shown schematically below. This structure allows new actions to be added in the future within a clear strategic framework.



LIVABLE

Creating healthy and inspiring environments

Leasinvest thinks about the well-being and health of its tenants and employees. Both the mental and the physical aspects are taken into account. On the basis of checklists, the existing buildings and their surroundings are analysed. A targeted look at possible investments is also being looked at.

EVOLVING

Developing together

Stronger together.

Leasinvest engages in dialogue with stakeholders, tenants, governments and local residents to write a sustainable story together. We are looking for like-minded partners to exchange knowledge and experience and to co-create to strengthen each other.

ADAPTABLE

Climate adaptive building

Climate change is undeniable and obliges Leasinvest to respond now so that the company will remain relevant for the next few decades. For this purpose, we look at the energy consumption of the buildings and the materials used (resources). Checklists are used to look at the current buildings, which helps to make decisions. Leasinvest has started the baseline measurement of CO_2 emissions in order to determine KPIs in the next step to greatly reduce CO_2 emissions. Biodiversity suffers from climate change and the concreteing of green and open space. It is being investigated how the biodiversity value can be increased in existing and new projects.

SOCIETAL

Building our society

Within this theme we combine the actions around Leasinvest as an employer. We think of 'work-life fulfilment' in which Leasinvest focuses both on achieving satisfaction from the job and on the balance with private life. This includes offering opportunities, both to current employees and to young people, through internships or growth trajectories. Leasinvest wants to serve as an example and radiate this to the outside world.

INVESTMENTS

Investing in the future

Once a building is there, it's there for a long time. The social needs can change during the life of a building. Given the difficult predictable evolution of further technological and operational developments in real estate, Leasinvest takes into account the various possible uses and deploys them on buildings as flexible structures.

For the elaboration of these themes and the concrete realizations, we refer to the **sustainability report 2020** that is available on the website www.leasinvest.be (> Leasinvest > Sustainability).

Discharge to the manager and to the auditor

It is proposed to the general shareholders' meeting to discharge the statutory manager and the auditor for the exercise of their mandates during the financial year closed on 31/12/2020.

Drawn up in Antwerp on 09/02/2021

Michel Van Geyte
Managing director

Jan Suykens
Chairman of the board of directors

7. Alternative Performance Measures

As is customary in the BE-REIT (SIR/GVV) sector Leasinvest Real Estate presents in its financial results a number of Alternative Performance Measures (APMs) in accordance with the directives of the European Securities and Markets Authority (ESMA) of 5 October 2015. A number of these APMs are recommended by the European Public Real Estate Association (EPRA), other APMs are considered to be mainstream within the sector in order to provide better insight in the financial results and performances reported.

The APMs in this annual financial report are indicated by*; Performance measures defined by IFRS standards or physical or non-financial performance measures are not considered to be APMs. Moreover, the ESMA directives do not apply to APMs reported in the financial statements or reported in conformity with the current legislation.

In consultation with the sector it has been decided to replace the APM 'net current result' by 'EPRA Earnings*.

Details of the calculations of the EPRA performance measures

Leasinvest Real Estate received for its annual financial reports 2012-2019 an EPRA Gold Award.

The EPRA KPI's are communicated for information purposes only and are not required by the regulation on REIT (SIR/GVV) and are also not subject to any review by public bodies.
No EPRA performance measure was audited by the auditor, except for the EPRA Earnings, EPRA NAV, EPRA triple NAV EPRA NRV and EPRA NTA.

For the report of the real estate expert we refer to the Real estate report on page 121 and for more information on the real estate experts and their remuneration, we refer to the Permanent document on page 213.

EPRA BPR GOLD
FINANCIAL REPORTING

MONTIMMO (LU)

EPRA Earnings*

EPRA earnings (€ 1 000)	31/12/2020	31/12/2019
Net Result – Group share as mentioned in the financial statements	7 683	49 900
Net Result per share - Group share as mentioned in the financial statements (in €)	1.30	8.42
Adjustments to calculate the EPRA Earnings	-27 953	9 407
To exclude:		
(i) Changes in fair value of investment properties and assets held for sale	29 286	4 064
(ii) Result on the sale of investment properties	2 211	-413
(iii) Result on the sale of other real estate	0	0
(vi) Changes in fair value of financial instruments and non-current financial assets	-59 450	5 756
EPRA Earnings	35 636	40 493
Number of registered shares result of the period	5 926 644	5 926 644
EPRA Earnings per share (in €)	6.01	6.83

EPRA NRV*

EPRA NRV (€ 1 000)	31/12/2020	31/12/2019
NAV according to the financial statements	487 211	492 577
NAV per share according to the financial statements (in €)	82.2	83.1
NAV fair value	487 211	492 577
To exclude		
(V) deferred taks	19 933	14 406
(VI) fair value financial instruments	34 180	46 364
Subtotal	541 324	553 347
Including		
(Xi) Real estate transfer tax	23 711	23 279
NAV	565 035	576 626
Number of registered shares result of the period	5 926 644	5 926 644
EPRA NRV per share (in €)	95.34	97.29

EPRA NTA*

EPRA NTA (€ 1 000)	31/12/2020	31/12/2019
NAV according to the financial statements	487 211	492 577
NAV per share according to the financial statements (in €)	82.2	83.1
NAV fair value	487 211	492 577
To exclude		
(V) deferred tax	19 933	14 406
(VI) fair value financial instruments	34 180	46 364
Subtotal	541 324	553 347
Including		
(Xi) Real estate transfer tax	23 711	23 279
NAV	565 035	576 626
Number of registered shares result of the period	5 926 644	5 926 644
EPRA NTA per share (in €)	95.34	97.29

* The RETT was included cf. the valuation report of our real estate experts.

EPRA NDV*

EPRA NDV (€ 1 000)	31/12/2020	31/12/2019
NAV according to the financial statements	487 211	492 577
NAV per share according to the financial statements (in €)	82.2	83.1
NAV fair value	487 211	492 577
Including		
(IX) fair value debt at fixed interest rate	-4 076	-3 177
NAV	483 135	489 400
Number of registered shares result of the period	5 926 644	5 926 644
EPRA NDV per share (in €)	81.52	82.58

EPRA NAV*

EPRA NAV (€ 1 000)	31/12/2020	31/12/2019
NAV according to the financial statements	487 211	492 577
NAV per share according to the financial statements (in €)	82.2	83.1
To exclude		
(i) Fair value of the financial instruments	34 180	46 364
(v.a) Deferred tax	19 933	14 406
EPRA NAV	541 324	553 347
Number of registered shares result of the period	5 926 644	5 926 644
EPRA NAV per share (in €)	91.34	93.37

EPRA Triple Net Asset Value*

EPRA Triple Net Asset Value (€ 1 000)	31/12/2020	31/12/2019
EPRA NAV	541 324	553 347
Adjustments:		
(i) Fair value of the financial instruments	-34 180	-46 364
(ii) Revaluation of debts at FV	-4 076	-3 177
EPRA NNAV	503 068	503 806
Number of registered shares result of the period	5 926 644	5 926 644
EPRA NNAV per share (in €)	84.9	85.0

EPRA NIY & EPRA Topped Up NIY*

EPRA Net Initial Yield (NIY) and Topped up Net Initial Yield (topped up NIY) (€ 1 000)		31/12/2020	31/12/2019
Investment properties and assets held for sale		1 141 190	1 110 249
To exclude:			
Development projects		-36 715	-12 322
Real estate available for lease		1 104 475	1 097 927
Impact FV of estimated transfer rights and costs from disposal of investment properties		-	-
Estimated transfer rights and costs resulting from hypothetical disposal of investment properties		23 711	23 279
Investment value of properties available for lease	B	1 128 186	1 121 206
Annualized gross rental income		61 893	63 840
Annualized property charges		-11 116	-11 410
Annualized net rental income	A	50 777	52 430
Gratuities expiring within 12 months and other lease incentives		93	-224
Annualized and adjusted net rental income	C	50 870	52 206
EPRA NIY	A/B	4.50%	4.68%
EPRA Topped up NIY	C/B	4.51%	4.66%

EPRA Vacancy 2020*

EPRA Vacancy (€ 1 000)		31/12/2020			
		Offices	Logistics	Retail	Total
Rental surface (in m²)		144 313	99 151	215 568	459 032
Estimated Rental Value of vacant spaces	A	3.80	0.05	1.64	5.49
ERV of total portfolio	B	29.06	2.61	33.79	65.46
EPRA Vacancy	A/B	13.08%	1.92%	4.85%	8.39%

EPRA Vacancy 2019*

EPRA Vacancy (€ 1 000)		31/12/2019			
		Offices	Logistics	Retail	Total
Rental surface (in m²)		156 390	104 025	215 568	475 983
Estimated Rental Value of vacant spaces	A	5.53	0.12	0.86	6.51
ERV of total portfolio	B	31.12	4.04	33.17	68.33
EPRA Vacancy	A/B	17.77%	2.97%	2.59%	9.53%

EPRA Cost ratio*

EPRA Cost ratio (€ 1 000)		31/12/2020	31/12/2019
Other rental-related income and expenses		-1 886	-2 543
Property charges		-10 201	-10 078
General corporate overhead		-2 065	-3 013
Other operating charges and income		401	-48
EPRA costs including rental vacancy costs	A	-13 751	-15 682
Direct costs of rental vacancy		1 346	1 349
EPRA costs excluding rental vacancy costs	B	-12 405	-14 333
Rental income	C	61 572	65 280
EPRA Cost ratio (including direct vacancy)	A/C	-22.33%	-24.02%
EPRA Cost ratio (excluding direct vacancy)	B/C	-20.15%	-21.96%

Changes in gross rental income at constant portfolio (Like-For-Like)*

Changes in gross rental income at constant portfolio (like-for-like)	31/12/2020 vs 31/12/2019	31/12/2019 vs. 31/12/2018
Gross rental income at the end of the previous reporting period (€ 1 000)	65 824	56 513
Changes 2019 – 2020 to be excluded	-1 545	6 547
- Changes following acquisitions	2 894	7 433
- Changes following divestments	-4 439	-886
Gross rental income at closing date reporting period (€ 1000)	61 670	65 824
Change like for like (€ 1 000)	-2 609	2 764
Change like for like (%)	-4.0%	4.9%

Capex

2020 (€ 1 000)	Total Group*
Acquisitions	0
Development	1 535
Investment properties	27 228
incremental lettable space	11 422
no incremental lettable space	15 806
Total CapEx	**28 763**
Conversion from accrual to cash basis	0
Total CapEx on cash basis	**28 763**

2019 (€ 1 000)	Total Group*
Acquisitions	121 274
Development	8 355
Investment properties	8 243
incremental lettable space	2 142
no incremental lettable space	6 101
Total CapEx	**137 872**
Conversion from accrual to cash basis	0
Total CapEx on cash basis	**137 872**

* Leasinvest Real Estate has no joint ventures.

Detail of the calculations of the Alternative Performance Measures[1] (APMs) used by Leasinvest Real Estate

Result on the portfolio*

Result on the portfolio (€ 1 000)	31/12/2020	31/12/2019
Result on sale of investment properties	2 211	-413
Changes in fair value of investment properties	35 601	1 225
Latent taxes on portfolio result	-6 315	2 839
Result on the Portfolio	31 497	3 651

Net result – group share (amount per share)*

Net result – group share (amount per share)	31/12/2020	31/12/2019
Net Result - group share (€ 1 000)	7 683	49 900
Number of registered shares in circulation	5 926 644	5 926 644
Net Result - group share per share	1.30	8.42

Net Asset value based on fair value (amount per share)*

Net Asset value based on fair value (amount per share)	31/12/2020	31/12/2019
Shareholders' equity attributable to the shareholders of the parent company (€ 1 000)	487 211	492 577
Number of registered shares in circulation	5 926 644	5 926 644
Net Asset Value (FV) group share per share	82.2	83.1

1 Excluding the EPRA performance measures that are also considered as APM and are reconciled on p 82 above.

Net Asset Value based on investment value (amount per share)*

Net Asset Value based on investment value (amount per share)	31/12/2020	31/12/2019
Shareholders' equity attributable to the shareholders of the parent company (€ 1 000)	487 211	492 577
Investment value of the investment properties per 31/12 (€ 1 000)	1 165 816	1 133 836
Fair value of the investment properties per 31/12 (€ 1 000)	1 141 190	1 110 249
Difference Investment value – Fair value per 31/12 (€ 1 000)	24 626	23 587
TOTAL	511 837	516 164
Number of registered shares in circulation	5 926 644	5 926 644
Net Asset Value (IV) group share per share	86.4	87.1

Average funding cost in %*

Average funding cost in %	31/12/2020	31/12/2019
Interest charges on an annual basis (€ 1 000)	-14 811	-12 214
Commitment fees on an annual basis (€ 1 000)	-965	-1 156
Interest paid incl. commitment fees on an annual basis (€ 1 000)	-15 776	-13 370
Weighted average drawn debt (€ 1 000)	671 571	625 042
Average funding cost in %	2.35%	2.14%

Comprehensive income – Group share (amount per share)*

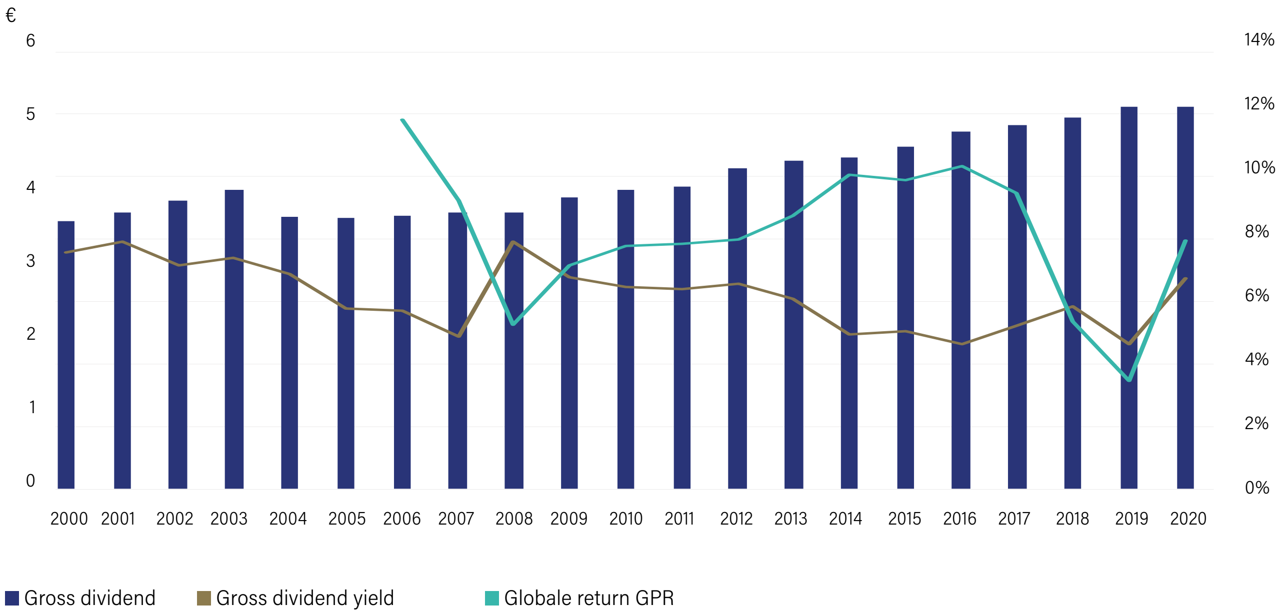
Comprehensive income – Group share (amount per share)	31/12/2020	31/12/2019
Net result - Group share (€ 1 000)	7 683	49 900
Other elements of comprehensive income	18 066	-6 642
Changes in the efficient part of the fair value of authorized cash flow hedges according to IFRS	18 066	-6 642
Comprehensive income – Group share	25 749	43 258
Number of registered shares in circulation	5 926 644	5 926 644
Comprehensive income – Group share per share	4.34	7.30

8. Leasinvest Real Estate share

MERCATOR
LUXEMBOURG (LU)

Dividend yield and shareholders’ return

The graph below reflects the evolution of the gross dividends paid and the gross dividend yield (calculated as the gross dividend divided by the closing price of the share), as well as the total return according to GPR. The gross dividend shows an increasing trend as from 2008.



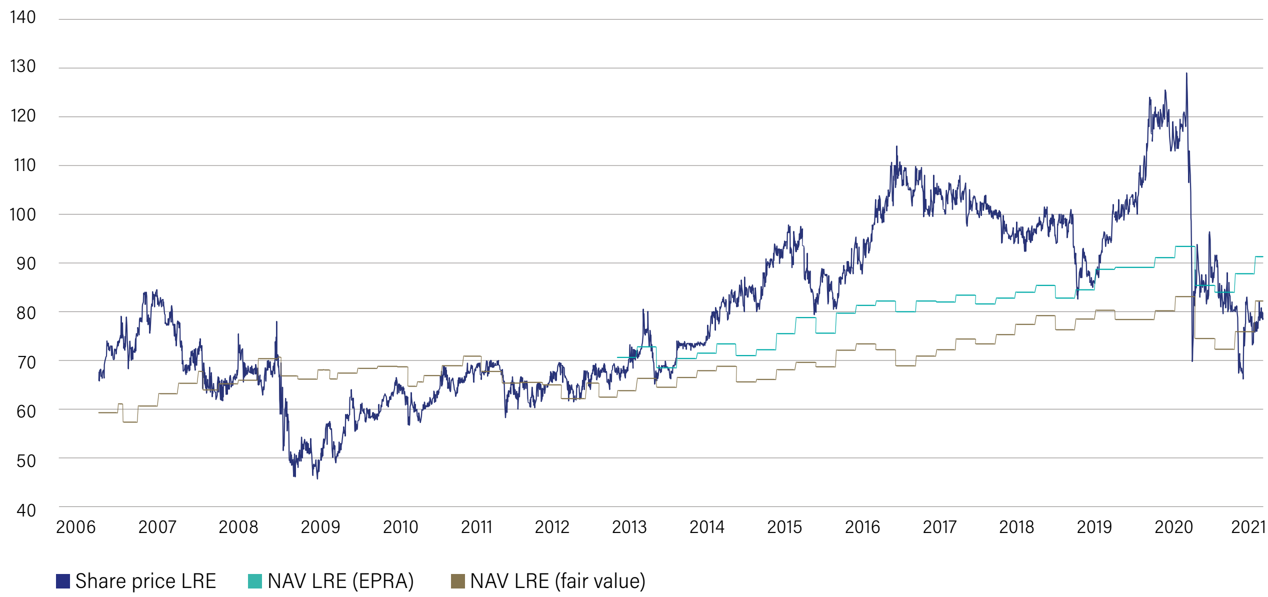
Gross dividend yield = gross dividend/closing price on 31/12.
Global return: source GPR: www.globalpropertyresearch.com
The return for the shareholders based on the global return GPR, is based on the nominal total returns, including reinvestment of the dividends. Returns are presented in the local currency and are based on the closing price of each month.

Key figures and graphs

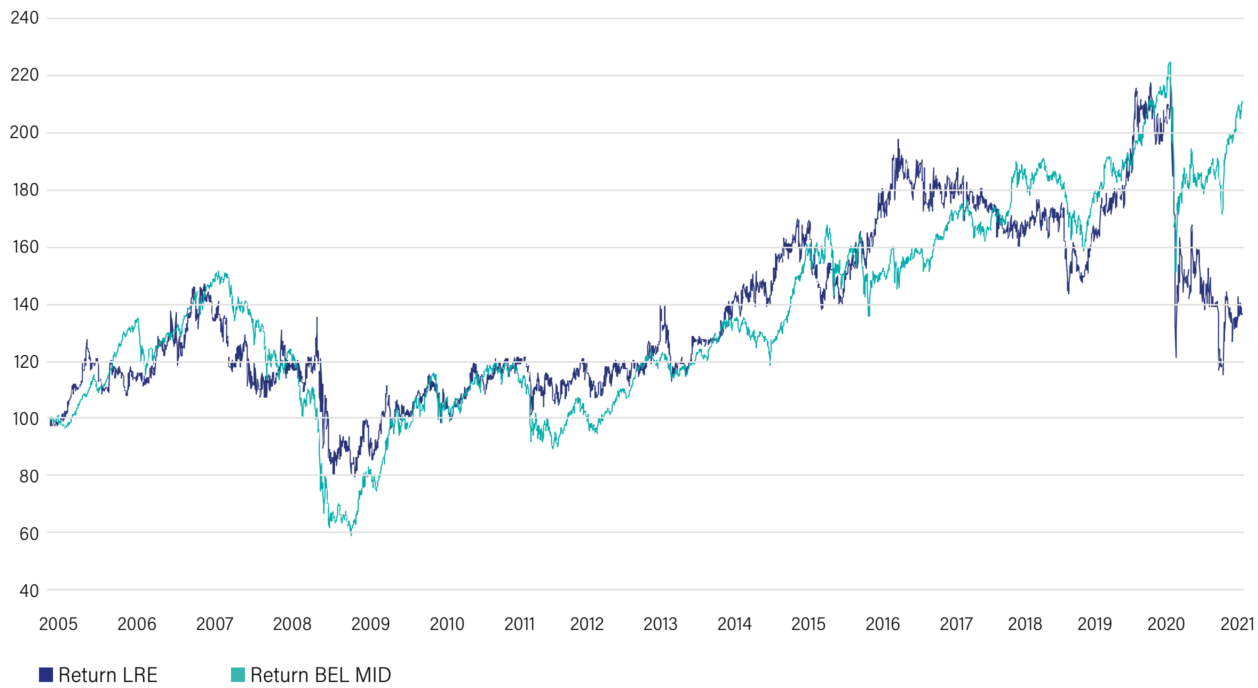
	31/12/2020	31/12/2019
Number of listed shares (#)	5 926 644	5 926 644
Number of issued shares (#)	5 926 644	5 926 644
Market capitalization based on closing price (€ million)	461	670
Free float (%)	36.05%	36.05%
Closing price (€)	77.80	113.00
Highest price (€)	129.00	125.50
Lowest price (€)	66.20	87.00
Average monthly traded volume (#)	51 252	44 142
Velocity (%) (1)	10.38%	8.94%
Free float velocity (%) (2)	28.79%	24.79%
Premium/discount based on closing price vs NAV (fair value)	-15%	21%
Gross dividend (€)	5.25	5.25
Net dividend ▪ (€)	3.675	3.675
Gross dividend yield (3)	6.75%	4.65%
Payout ratio (consolidated)	86.8%	76.9%

▪ Based on a withholding tax of 30%.
(1) Number of traded shares / total number of listed shares, calculated pro rata the number of shares.
(2) Number of traded shares / (total number of listed shares * free float), calculated pro rata the number of shares.
(3) Gross dividend / closing price.

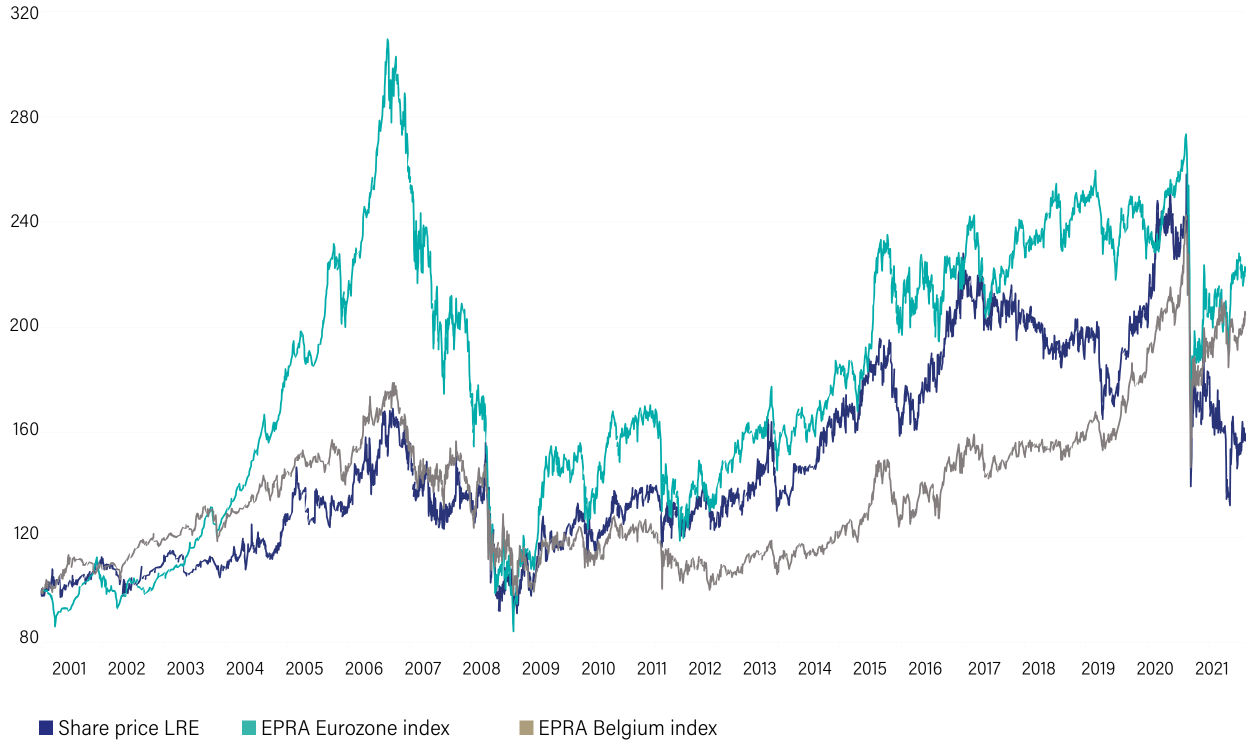
Price premium/discount Leasinvest Real Estate share price versus net asset value



Comparison of return of Leasinvest Real Estate with the return on BEL Mid index[1]



Comparison of Leasinvest Real Estate share price with the return of the EPRA indices (www.epra.com)[2]



1 Index to consult in the financial newspapers and on the internet (Euronext.com).
2 Information from EPRA, not verified by any authority.

The Leasinvest Real Estate share closed with a closing price of € 77.80 (2019: € 113.0) at 13/12/2020, resulting in a discount of -15% compared to the net asset value based on fair value (2019: premium of 21%). This evolution is due to the corona pandemic since the beginning of March 2020 in which, in addition to the effect of the lockdowns in the various countries in which Leasinvest operates, with a negative impact on the rental turnover of the retail tenants, there was also a negative stock market sentiment.

The average monthly transaction volume of the share increased again last financial year to 51,252 shares compared to 44,142 in 2019.

As shown in the graph, Leasinvest Real Estate shares follow the trend of the BEL MID index, which includes the stock since 21 March 2016. Until the end of 2017, Leasinvest Real Estate shares performed significantly better than the BEL MID index, which posted a higher return until the end of 2018, after which this difference decreased to follow a similar trend, with a higher return for the BEL MID index. In2020, this difference in return was further increased, explained by the fact that the composition of the BEL MID is based on, among other things, the market capitalisation, and not on the sector the shares represent. The share price of certain types of real estate shares (especially with investments in retail real estate) was particularly heavily impacted due to the ongoing uncertainty about the negative impact of the various lockdowns on the rental income from retail tenants.

The Leasinvest share is included in the EPRA Belgium Index, the index of the main listed real estate companies in Belgium and the EPRA Eurozone Index, the index of the main listed real estate companies in Europe. After the sharp fall in share prices at the start of the corona pandemic, we record a greater divergence between the EPRA indices and the Leasinvest share. The explanation can also be found here in the larger impact on certain types of real estate shares. We also note that the EPRA Eurozone Index again shows a better return than the EPRA Belgium Index.

Analysts' coverage

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Dividend policy

In accordance with article 13 of the RD on RREC, in case a profit is recorded for the financial year, at least the positive difference between the following amounts has to be paid out:

(i) 80% of the sum of the corrected result and the net realized gains on real estate not exempt of the mandatory distribution (always calculated according to the aforementioned RD) and

(ii) the net decrease of financial debt in the course of the financial year of the public REIT (SIR/GVV).

Furthermore, article art. 7:212 of the Companies and Associations Code also has to be taken into account.
The company aims to offer an acceptable dividend return to its shareholders, in combination with limited risks in the medium term.
The past financial years, and this without any future guarantees, it has always been the objective to distribute a dividend that exceeds the legal minima. For the concrete figures we refer to page 170 et seq of the Financial statements.

Liquidity Provider

Bank Degroof Petercam rendered services as liquidity provider of the company during the past financial year and receives a fixed remuneration of € 12,500 (excl. VAT) on an annual basis.

Shareholder structure
(based on transparency notification received)

	Percentage of participation
Ackermans & van Haaren	30.01%
AXA SA	26.58%
AG Insurance	7.36%
Free float	36.05%
Total	100%

Transparency notifications

Each shareholder exceeding a threshold of three per cent (3%) (statutory threshold) and/or exceeding (the legal) threshold of five per cent (5%) and multiples of five per cent (5%) of the total number of shares has to communicate to the company and the FSMA the number of shares he holds in accordance with the current legislation.
For more information on the transparency notifications, including the chains of control, we refer to www.leasinvest.be (investor relations – shareholders and transparency). During the financial year 2020 the company received no transparency notifications.
The statutory manager Leasinvest Real Estate Management SA holds 7 Leasinvest Real Estate shares. The shares in Leasinvest Real Estate Management SA are 100% held by Ackermans & van Haaren SA, exercising exclusive control over Leasinvest Real Estate.

Shareholders' calendar

31/03/2021	Annual financial report 2020
17/05/2021	Interim statement Q1 (31/03/2021)
17/05/2021	Annual meeting of shareholders
25/05/2021	Dividend payment
20/05/2021	Ex-date
21/05/2021	Record date
19/08/2021	Half-year financial report 2021
16/11/2021	Interim statement Q3 (30/09/2021)
16/02/2022	Annual results 2021 (31/12/2021)

With regard to practical formalities to attend the annual meetings of shareholders (annual general meetings and extraordinary general meetings) we refer to Chapter IV of the articles of association of the company and to the website www.leasinvest.be, where all documents to participate are published on the day indicated in the convening notice published in the Official Belgian Gazette and in a national newspaper.

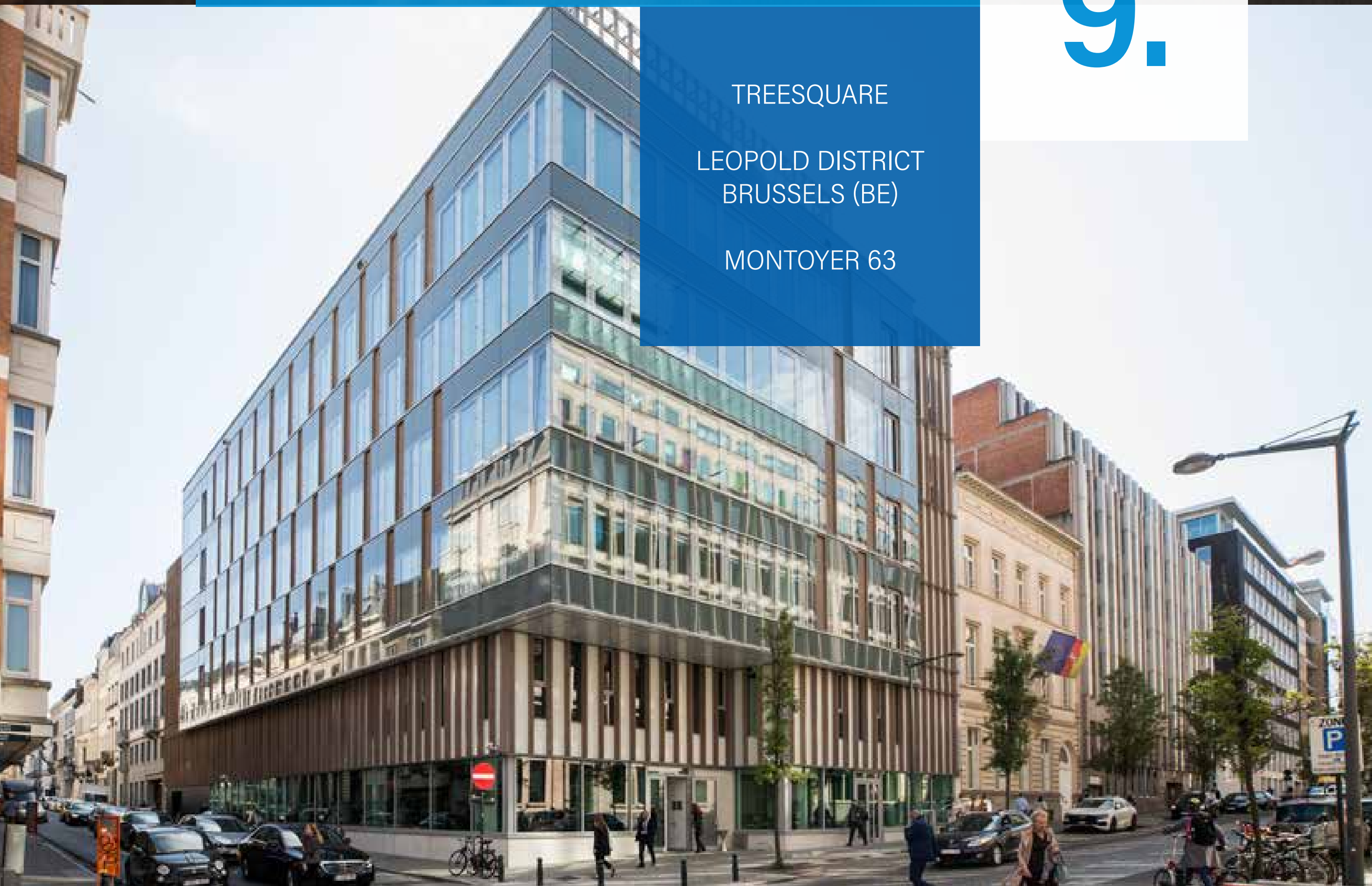
Real estate report

9.

TREESQUARE

LEOPOLD DISTRICT
BRUSSELS (BE)

MONTOYER 63



Main redevelopments

BELGIUM

Monteco, CBD Brussels

Monteco, situated at the angle of the rue Montoyer and rue de l'Industrie in 1000 Brussels, in the centre of the European district, is being entirely redeveloped into an office building, that will be the reference for sustainable 'recyclable buildings'. The new building will comprise 3,655 m2 state-of-the-art office space and will be delivered in Q1/Q2 2022. For Monteco, the objective is to obtain a BREAAM Excellent certificate.

Monteco will be the first high-rise wooden construction and will be a CO2 neutral passive office building and has been designed by Archi 2000 Architects. The building permit for this project was granted in 2020, after which the demolition works have started. End Q1 2021 the new construction starts.

In the meantime, the commercialization of the project has been launched. More information on www.monteco.be.

YEAR OF CONSTRUCTION: 2022 after reconstruction

3 655 m^2 office space

Total investment: € 23.5 million[1]

Rental yield (expected): 5%

(1) For a detailed overview of the capex we refer to the financial statements on page 162.

HANGAR 26/27

Hangar 26/27, Antwerp

The iconic building Hangar 26/27 is located in the trendy Eilandje district in Antwerp, with on the one hand, a direct view on the river Scheldt, and on the other hand, on the MAS museum (Museum aan de Stroom).

YEAR OF CONSTRUCTION: 2001

9 171 m^2 office space (current)

Occupancy rate: 80.33%

Total investment: € 47.1 million

Rental yield (average): 4.86%

The building has a surface area of 9,171 m^2 and is currently subject to phased renovation. For the renovation of the façade the building permit was granted in 2020, the works being carried out between April and October 2021. For the extension, the Danish architectural firm CF Moller has been appointed for developing a high-end mixed project, with extension of offices and retail, and a particular attention to the accessibility between the private spaces and the public space of the quays. The building permit request is currently being prepared.

The interest for this iconic building is huge, and a rent price of € 165/m^2/year is easily achieved, which is in line with the current Antwerp prime rent.

GRAND DUCHY OF LUXEMBOURG

Moonar (EBBC business park), Airport district

Moonar or the European Bank & Business Center (EBBC) consists of a total of 6 office buildings with a global surface area of +/- 26,000 m² and benefits from a strategic location in the Luxembourg Airport district, at walking distance of Luxembourg airport. Given the importance of this district, it is also included in the tram expansion zone, that will make the park easily accessible by public transportation, both from the city centre and the business district "Kirchberg".

Leasinvest Real Estate owns 5 of the 6 buildings on this site.

In 2020 the business park was renamed Moonar, a concept with an emphasis on community, green and outdoor environment, various places-to-meet such as book shops, coffee bar, and a new pavilion. The objective is to create a unique corona-proof office campus that fully meets the demands of current office users.

YEAR OF CONSTRUCTION: 1988

19 713 m² office space (A, B, C, D & E)

Occupancy rate: 83.30%

Total investment redevelopment: € 32 million

Rental yield (average): 5.64%

Shopping center Knauf Schmiede

At the end of 2018, the internal refresh and renovation of the Knauf shopping center Schmiede was started.

In 2020, the first phase of the renovation was completed. The completion of the extension is planned for Q1 2022. These works include a wider commercial offer, a new catering concept and a zone for activities and relaxation for families. Shoppingcenter Schmiede now has the largest Delhaize supermarket in the Belux. Several other brands have also entered the Schmiede shopping centre.

Objective of this repositioning is to strengthen the position of Knauf shopping center Schmiede as the largest shopping center in the North of Luxembourg.
In the meantime, the demolition works for zone 2 have progressed well in order to be able to start construction in the course of Q1 2021, for final completion in Q1 2022.

YEAR OF CONSTRUCTION: 1995

32 908 m² shops
2 776 m² offices
1 200 parking spaces

Occupancy rate: 88.13%

Total investment:
€ 31 million

Rental yield (average): 6.79%

Shopping center Knauf Pommerloch

The Knauf shopping center in Pommerloch, that is more recent, is located in the West of Luxembourg and attracts as many Luxembourg customers as Belgians. The tenants are also international retailers and local brands.

The works comprise, on the one hand, the opening of the new parking (Bastogne entrance) meeting the increasing need for parking space, and on the other hand, the construction of two new commercial spaces of 850 m² added to the existing shopping complex. The parking has since been partially completed, as was the entrance to the Bastogne-side gallery and the new commercial spaces. The final delivery of the parking is still foreseen in Q1 2021.

During the months of October and November 2020, 4 retailers were already able to move into their new/renewed premises (Adecco, C&A Family store, Jack & Jones, expansion Only). Furthermore, the company is in final negotiations with two major retail brands and we are actively preparing the opening of the 1,250 m² New Yorker store, proving that the shopping center is highly coveted by the retailers.

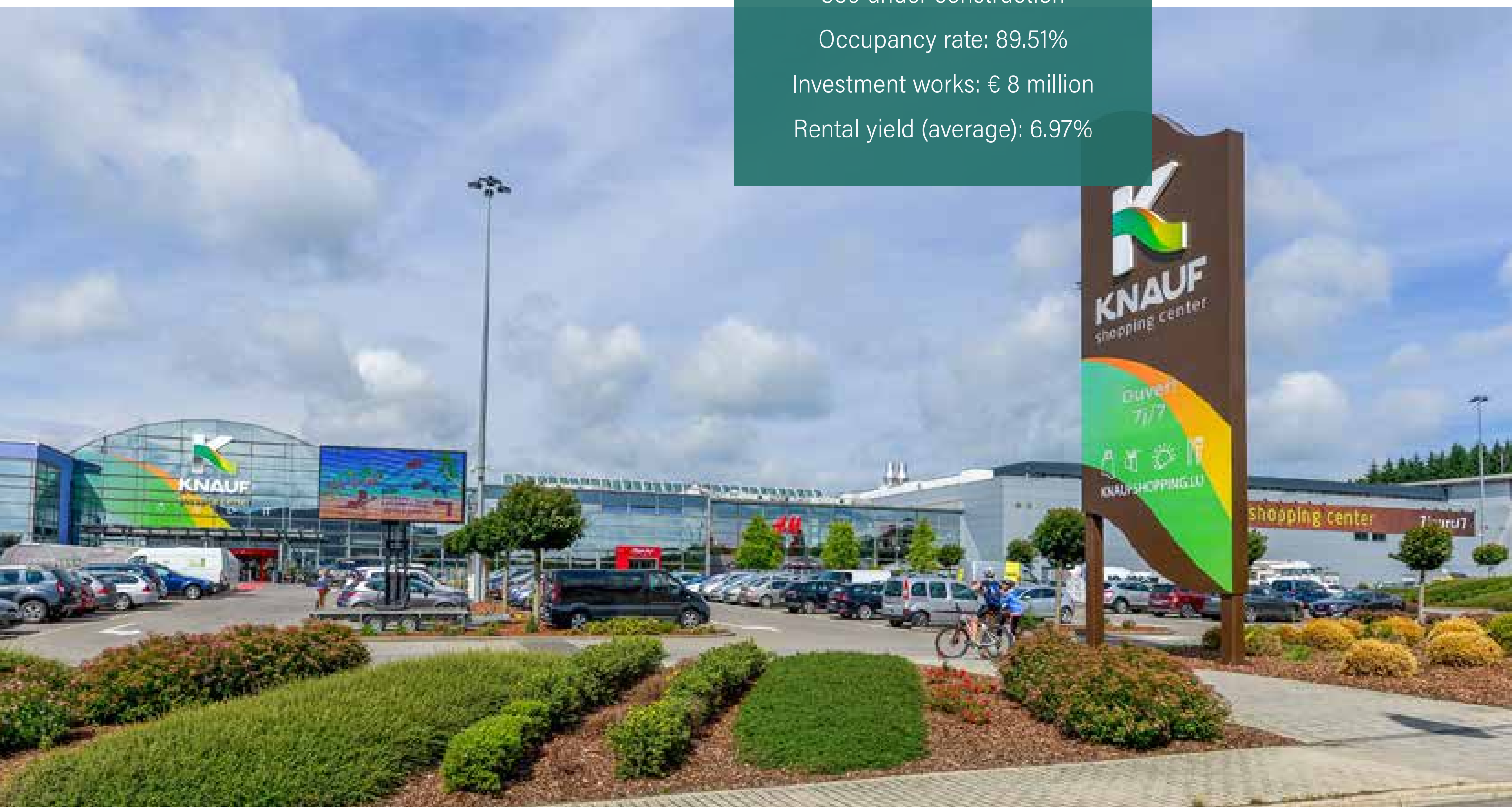
YEAR OF CONSTRUCTION: 2002-2011

25 096 m² shops
2 651 m² offices
1 013 parking spaces + 359 under construction

Occupancy rate: 89.51%

Investment works: € 8 million

Rental yield (average): 6.97%



High 5! (Mercator), Route d'Arlon

The Mercator building, which is part of Leasinvest's portfolio since 2017, comprises 8,641 m2 of office space, spread across 5 floors, and 104 parking spaces.
It is excellently located in Luxembourg's capital, along the Route d'Arlon, one of the main entrance roads to the city of Luxembourg.

Also for this building, given the occupancy rate, it was decided to reposition and renovate the building. Mercator, meanwhile, was renamed High 5! and will be adapted to the needs of a young and dynamic audience. The vacant floors are completely stripped and renewed. Leasinvest will set up a model office and establish its Luxembourg seat there.

High 5! (Mercator) is located near Luxembourg's main hospital, the 'Centre Hospitalier de Luxembourg', around which a large number of (para)medical companies are located. Leasinvest was therefore able to conclude a new lease for 1,560 m^2 with CHL in 2020.

YEAR OF CONSTRUCTION: 1998

8 641 m^2 office space
104 parking spaces

Occupancy rate: 52%

Investment redevelopment: € 5 million

Rental yield (average): 3.98%

Real estate market in 2020

The company's competitive position is primarily influenced by the development of the real estate markets in which it operates.

The information on the real estate market below comprises extracts from the real estate market reports of Cushman & Wakefield and JLL for the Grand Duchy of Luxembourg and Belgium, and of CBRE for Austria, reproduced with their consent, and of which the contents have not been verified.

OFFICE MARKET LUXEMBOURG

GDP

De decrease in GDP amounted to -1.3% in 2020.

Rental market

With 208 deals signed in 2020, for over 320,000 m² of Luxembourg office space, Luxembourg was the only EMEA country showing year over year growth in transaction volume (+25%), but almost half of this volume is made up of pre-let or pre-sold spaces.
Additionally, half of this space volume has been taken in buildings which are under construction or yet undergoing permit procedures.
But most interestingly, even if the "real" activity has in fact decreased, the pre-lettings allowed the Luxembourgish market to remain resilient in front of the sanitary crisis. And this is also an indication of the general market sentiment – while the current restrictions keep both investors and occupiers to act precariously in the short term, the general future perspective remains optimistic for Luxembourg.
The Public Administration sector has been the most active compared to other sectors throughout the year, having signed deals in total of over 91,000 m².

Overall, the prime rent remained stable at € 52/m²/month with upwards pressure in Cloche d'Or district. Vacancy rate increased to 4.0% and is justified by the delivery of over 47,000 m² of new office space.

In contrast of many European markets the impact of remote working on occupier needs should be limited. As a reminder, an important part of the employees in Luxembourg are cross border workers. They are authorized to work fully from home at least until June 2021 without being taxed twice. In normal times the maximum authorized per year is between 19 and 29 days home working, depending on the country of residence (Germany, Belgium or France). When the pandemic will be behind us, cross border workers will again be obliged to go back to the office in Luxembourg to avoid double taxation. It is unlikely that the government of Luxembourg will change this policy as it would be counter its own interest.

Occupiers' focus will more also than ever be on new, green-labelled properties. Moreover, on top of the sustainability criteria the well-being of employees is now considered as a must have.

Investment market

A total of € 1.3 billion was invested in Luxembourg commercial real estate during 2020, a decrease compared to 2019 explained by the absence of mega-transactions. When the current crisis emerged in the spring, the same devastating effects were feared as during the financial crisis of 2008, but real estate resisted much better to this health crisis, as demand remained sustained.
Offices remain popular - they account for 77% of the volume invested in the Grand Duchy in 2020.

Interest is concentrated on "Core" properties – new or recent properties located in one of the central office areas where demand has been stable for some time. The quality of the occupant is also important: ideally the property is fully leased to reputable tenants.
Sustained demand for quality office space has led to lower yields: the initial prime yield has fallen from 4.0% to 3.9%.

RETAIL MARKET LUXEMBOURG

Rental market

The Luxembourg retail market was already facing structural change when the pandemic brought a new dimension to the challenge. Lockdowns in neighbouring countries have been a blow to travel-based retail, on which much of the market relies, and with home working the 200,000 daily commuters stayed in their home countries.
Of the retail formats, retail parks have proven to be resilient due to its affordability, customer convenience and safety.

Investment market

On the investment market, appetite remains high for the best assets though investors are increasingly cautious.

OFFICE MARKET BELGIUM

GDP

Belgian GDP posted a 6.4% drop in 2020.

Rental market

In 2020 a total activity of 264,000 m^2 was recorded, the lowest level observed over the last 20 years. However, some larger transactions confirm the willingness of tenants to (re-) locate in qualitative buildings, offering a multitude of complementary services to the office.

Despite this low level of activity, prime rents remain very stable in the Leopold district at € 320/m^2/year and experienced increases in several other districts, namely the Louise and the North areas, respectively at € 275 and € 250/m^2/year.
Vacancy rate hit a historically low 7.2% end 2020. Situation should worsen in 2021 and 2022 as close to 200,000 m^2 of speculative surfaces are expected to enter the market.

The office market is entering a new age that will see big changes to the way offices are used, the workplace will become more important for creativity and innovation, collaboration and corporate culture.

As to the regional markets, in Flanders take up decreased dramatically by 39% in 2020, to total 142,000 m^2 its weakest year since 2011.
Prime rents remain stable at € 165/m2/year in Antwerp.

Investment market

An investment volume of € 3.5 billion represents a new record for the Brussels office market, thanks to remarkable transactions all over the year.
Appetite for office investments is still strong. However, the pandemic and the subsequent economic turmoil, contribute to a shift of investors' focus and cautiousness: core products in CBD locations where prime yields are and will remain at historically low levels in the coming months. The LT prime yield is still found at 3.50%.
€ 650 million have been invested in regional markets in 2020, the highest total since 2006. The prime yield in Antwerp and Ghent sharpens to 5.25% end 2020.

RETAIL MARKET BELGIUM

Rental market

Activity recorded better performances than expected. Throughout 2020, a plethora of articles depicted an apocalyptic situation for the retail sector: changes in consumption patterns, an explosion of online shopping, a dramatic drop in footfall in shopping streets and shopping centres, turnover plummeting, negotiations on rent discounts between tenants and landlords, etc.
In 2020, take up ended to 400,000 m2, 10% compared to 2019. However, there were important differences according to the sectors in question. The impact on rents is also very different. Out-of-town retail has shown great resilience and saw an increase in occupancy of almost 20% in 2020 with prime rents relatively stable.
The impact of the health crisis has led to less spending in the personal equipment sector and more in DIY/Deco, household equipment and sports equipment. The F&B sector is also amongst the most active despite the different closures of cafés & restaurants during the year. Out-of-town may be perfectly suited to the increased use of click & collect and the desire of retailers to get closer to their customers. Out of town retail could therefore play a decisive role in the realisation of an omni-channel strategy for retailers, in particular thanks to the increased storage possibilities.

Investment market

In 2020, around € 690 million have been invested on the Belgian retail market. This is 15% below last year. Despite the pandemic, some important deals were closed. Even if investors are more and more cautious for bigger volumes and shopping centres investment files, the retail investment market remains active when convenience stores, mixed-use projects and smaller volumes are concerned.

Prime yields are stable in the out-of-town retail at 5.25%. Assets with food retailers also record an increased interest form the different investors.

RETAIL MARKET AUSTRIA

As a result of the situation, comparatively little new space has been rented in 2020; the completion level of around 48,000 m^2 of new retail space in shopping centres and retail parks was similar to 2019. Rents in retail parks remained stable and the prime rent remained unchanged at € 14.00/ m^2/month.

In terms of prime yields for retail parks, a further decline is expected.

Retailers and operators will intensify their efforts to offer consumers a well thought out omni-channel experience. The physical shop makes a significant contribution to this, whether through click & collect spaces or even through direct online order fulfilment from in store inventory. The opening of a new physical shop leads to additional online sales, while the closing of a shop in turn leads to a decrease in online sales.
It can also be assumed that leases in the retail sector will be shorter and more flexible in the future.

Real estate portfolio

GRAND DUCHY OF LUXEMBOURG

All investment properties are held directly and indirectly by Leasinvest Immo Lux, a 100% subsidiary of Leasinvest Real Estate.

Shopping center Knauf, Schmiede

Shopping center with 45 shops, located in the North of the Grand Duchy of Luxembourg, on the border of the 3 countries Luxembourg, Belgium and Germany
Year of construction: 1995
Surface: 35 684 m²

Shopping center Knauf, Pommerloch

Shopping center with 65 shops, located in the North of the Grand Duchy of Luxembourg, near Bastogne in Belgium
Year of construction: 2002
Surface: 27 747 m²

Boomerang shopping center, Strassen

Shopping center located at one of the main entrance roads to the City of Luxembourg, the Route d'Arlon ▪ Redevelopment phase 1 2018
Year of construction: 1988
Surface: 22 721 m²

Hornbach, 31, Rue du Puits Romain, Bertrange

Retail site situated in Bertrange, Bourmicht
Year of construction: 2008
Surface: 12 153 m²

Rue du Cimetière/An der N7, Diekirch

Retail building situated at the N7 in Diekirch
Year of construction: 1996
Surface: 7 703 m²

Rue du Cimetière/An der N7, Diekirch

Construction additional retail building
Year of construction: 2011
Surface: 1 356 m²

Rue du Brill, Foetz

Retail building situated next to Cora
Year of construction: 1987
Surface: 4 219 m²

Place Schwarzenweg, Dudelange

Commercial building consisting of galleries, commercial spaces, bakeries, reserves, sales points, offices and a cafeteria
Year of construction: 1991
Surface: 3 759 m²

Rue du Curé, Diekirch
Co-ownership

Shopping arcade, part of a mixed building (commercial/residential) – Leasinvest Real Estate owns all commercial space except 1
Year of construction: 1994
Surface: 3 277 m²

Moonar (EBBC), Route de Trèves 6, Senningerberg
Co-ownership parking and parking zone

Is part of an office complex of six buildings at walking distance of Luxembourg airport – Leasinvest Real Estate is 100% owner of 5 of the 6 buildings on the site
Year of construction: 1988 • under redevelopment
Surface: 19 713 m²

(High 5!) Mercator, route d'Arlon, nr. 110 – 112, Luxembourg

Office building located in the capital of the Grand Duchy of Luxembourg, at the route d'Arlon, one of the main access roads to Luxembourg City
Year of construction: 1998 • under renovation
Surface: 8 641 m²

Rue Jean Monnet 4, Luxembourg

Flagship of the portfolio due to its location, architecture and excellent finishing • Partial renovation in 2011 • profound renovation in 2015
Year of construction: 1992
Surface: 3 866 m²

Montimmo, Avenue Monterey 35, Luxembourg

Situated in one of the most important streets of the Central Business District of the City of Luxembourg
Year of construction: 2009
Surface: 1 760 m²

Avenue Monterey 20, Luxembourg

Office building with standing, situated at the Boulevard Monterey, one of the most prestigious locations in Luxembourg
Year of construction: 2001
Surface: 1 555 m²

CFM, Rue Guillaume Kroll, Luxembourg

Industrial site which serves as service center, distributor, wholesale in sanitary fittings, on the one hand, and an office complex on the other hand • Renovated and extended in 2008
Year of construction: 1990
Surface: 19 987 m^2

BELGIUM

All investment properties recorded in the statutory accounts of Leasinvest Real Estate are indicated with an ▪.

Brixton Business Park / Brixtonlaan 1-30, Zaventem▪

Retail park alongside the E40 motorway ▪ Renovations executed in function of new tenants
Year of construction: 1975/88
Surface: 3 636 m^2

Royal Depot Tour & Taxis Brussels▪

Multi-functional and 'multi-tenant' building with 4 floors, spread across offices (32,076 m^2), commercial spaces (7,293 m^2) and archives (5,835 m^2)
Year of construction: 1910
Surface: 45 204 m^2

The Crescent, Lenniksebaan 451, Anderlecht▪

Office building in the Erasmus Science Park in Anderlecht ▪ Renovated into a 'green intelligent building' in 2010/2011
Year of construction: 2002
Surface: 15 611 m^2

Motstraat, Mechelen▪

Office complex ▪ Development business center/co-working in 2017
Year of construction: 2002
Surface: 13 927 m^2

Montoyerstraat 63, Brussels▪

Extremely well-located office building in the Leopold district
Year of construction: 2018
Surface: 6 052 m²

Treesquare, De Meeûssquare 5-6, Brussels▪

Multi-tenant office building with a unique location in the Leopold district
Year of construction: 2018
Surface: 6 503 m²

Monteco, Montoyerstraat 14, Brussels▪

Office project, very well-located in the Leopold district ▪ Reconstruction by Q2 2022
Year of construction: 1972
Surface: 3 655 m²

Hangar 26/27, Antwerp▪

Iconic building in the Eilandje district in Antwerp, with on the one hand, a direct view on the river Scheldt, and on the other hand, on the MAS museum (Museum aan de Stroom) ▪ under phased renovation
Year of construction: 2001
Surface: 9 171 m²

AUSTRIA

The investment properties in Austria are indirectly held via Leasinvest Immo Lux, of which Leasinvest Real Estate is the 100% shareholder.

Frun® Park Asten, handelsring 8-10, 4481 Asten

The Frun® retail park in Asten is situated at 200 km of Vienna and nearbly Linz and comprises 26 shops and 600 parking spaces
Year of construction: 2013
Surface: 18 300 m²

Hornbach Baumarkt Stadlauer str. 37, 1220 Vienna

Retail site with a high footfall and a leading position in the city of Vienna
Year of construction: 1997
Surface: 13 300 m²

Gewerbepark Stadlau Gewerbeparkstraße 2, 1220 Vienna

Very well-located retail site (10 shops) with a high footfall and a leading position in the city of Vienna
Year of construction: 2016
Surface: 11 000 m²

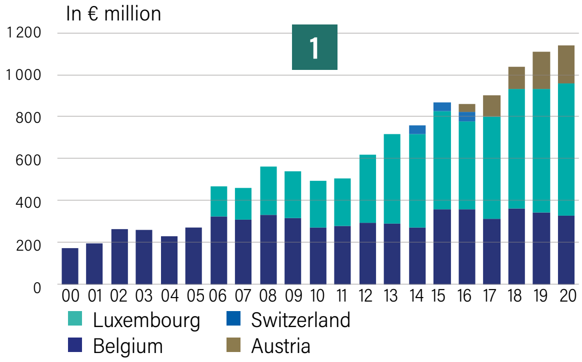
Nordring 2-10, Vösendorf

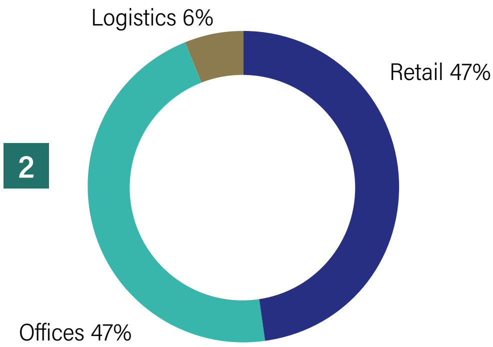
Very well-located retail building near Shopping City Süd in the South of Vienna
Year of construction: 2014
Surface: 14 800 m²

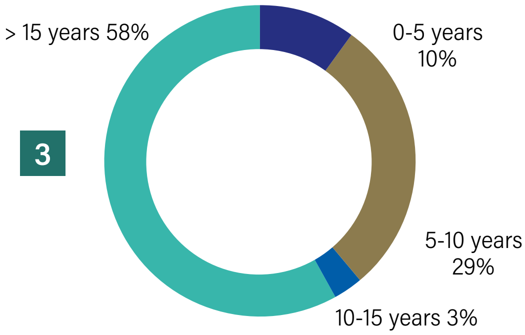
Nordring 16-18, Vösendorf

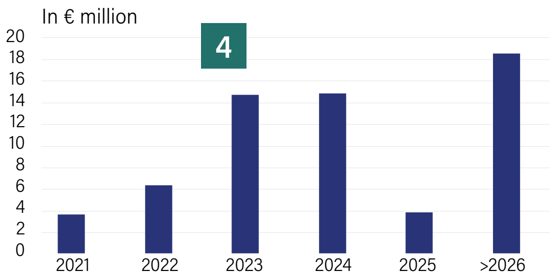
Very well-located retail building near Shopping City Süd in the South of Vienna
Year of construction: 2004
Surface: 11 350 m^2

Analysis of the real estate portfolio based on fair value









1. Evolution of fair value

End-2019 the fair value amounts to € 1.14 billion (2019: € 1.11 billion). This increase is mainly explained by revaluation in the Luxembourg portfolio and by the capex budgets invested in current projects and renovations. Leasinvest Real Estate focuses on 3 key countries, namely the Grand Duchy of Luxembourg (56%), Belgium (28%) and Austria (16%).

2. Asset classes

Retail and offices both represent 47% of the consolidated real estate portfolio. The logistics part was strongly reduced since 2017 and amounted to 6% end 2020.

3. Average age

By the redevelopments in the portfolio, the share of buildings between 0-5 years has substantially increased (relates mainly to offices), in conformity with the valuation rules of Leasinvest Real Estate. This criterion is less important for retail, as retailers take care themselves of their furnishings on the basis of their retail concept, making their choice mainly based on location.

4. Rental breaks (first break date) and contractually guaranteed rental income

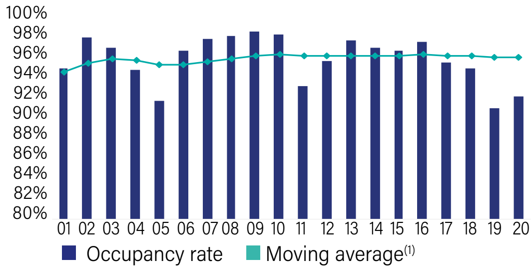
The graph is based on the first break date of the current rental contracts and on the contractual rents. The average remaining duration of the rental contracts amounts to 3.85 years (2019: 4.28 years).
40% of the annual contractual rents expire within 3 years.
In 2020 7% of the annual contractual rents expired. The contracts were for the largest part all renewed or filled-in by other tenants, at competitive conditions. The breaks in the coming years amount to, respectively 6% in 2021, 10% in 2022 and 24% in 2023.
For more information we refer to note 4 of the financial statements.

5. Occupancy rate

The occupancy rate amounts to 91.62%.

(1) A moving average is a type of average value based on a weight of the current occupancy rate and the previous occupancy rates.

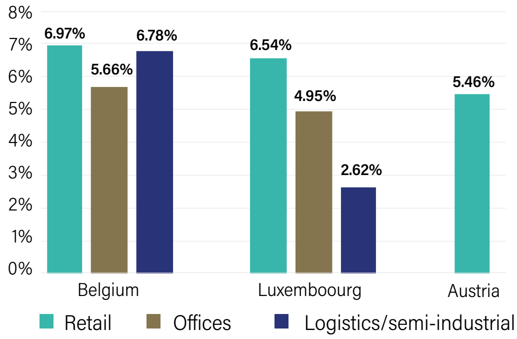
5



6. Details on yield per asset class and location(1)

(1) There is an inverse relationship between yield and value; a higher value namely results in a lower yield. These yields are calculated based on the assets available for lease.

6

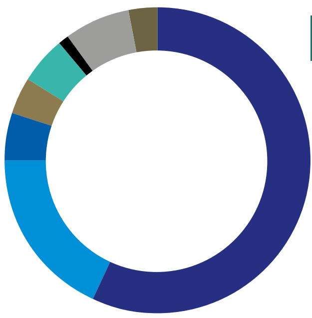


7. Type of tenants based on rental income

- 57% Retail & wholesale
- 18% Services
- 5% Financial sector
- 4% ICT
- 5% Industry
- 1% Medical & pharma
- 7% Government & non-profit
- 3% Transport & distribution

Retail and services account for 75% of the real estate portfolio.

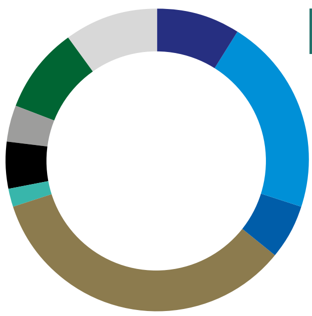
7



8. Breakdown by retail class

- 9% Deco home
- 21% DIY
- 6% Leisure, toys, pets
- 34% Fashion, shoes, beauty
- 2% Multimedia
- 5% Other
- 4% Restaurant
- 9% Services
- 10% Food

8



Composition of the real estate portfolio based on fair value

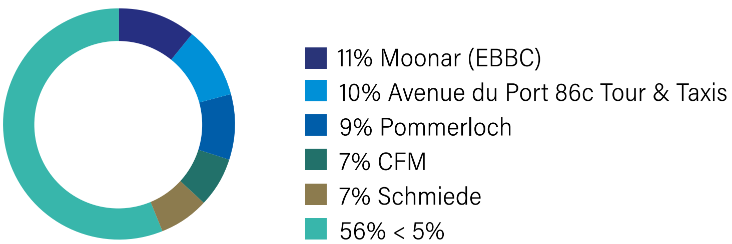
For more information on the segment information we refer to note 3 of the financial statements.

GEOGRAPHICAL CLASSIFICATION GRAND DUCHY OF LUXEMBOURG - BELGIUM - AUSTRIA

	Fair value (€ M)	Invest-ment value (€ M)	Share in portfolio (%) based on fair value	Contract-ual rent (€ M/ year)	Rental yield based on FV (%)	Rental yield based on IV (%)	Occu-pancy rate (%)	Duration
Grand Duchy of Luxembourg	609.51	620.71	53.61	33.64	5.52	5.42	93.87	3.39
Belgium	309.61	317.60	27.23	18.37	5.93	5.78	92.79	5.00
Austria	181.05	185.58	15.92	9.89	5.46	5.33	100.00	5.02
Real estate available for lease	**1 100.18**	**1 123.89**	**96.76**	**61.90**	**5.63**	**5.51**	**91.62**	**3.85**
Projects Luxembourg	23.79	24.38	2.09	0.00				
Projects Belgium	13.02	13.34	1.15	0.00				
Total investment properties	**1 136.99**	**1 161.61**	**100.00**	**61.90**				
IFRS 16 Right of use	4.21	0.00	0.00	0.00				
Total investment properties (Incl. IFRS 16)	**1 141.20**	**1 161.61**	**100.00**	**61.90**				

The contractual rent mentioned differs from the rental income recognized in the income statement, as the contractual rent annualizes the rental income of the acquisitions (while the effectively received rental income is only recorded in the financial statements as of the acquisition date) and does no longer take into account the rental income of the sold buildings.

OVERVIEW OF BUILDINGS WITH A SHARE OF MORE THAN 5% IN THE TOTAL REAL ESTATE PORTFOLIO



BREAKDOWN BY ASSET CLASS

	Fair value (€ M)	Invest-ment value (€ M)	Share in portfolio (%) based on fair value	Contract-ual rent (€ M/ year)	Rental yield based on FV (%)	Rental yield based on IV (%)	Occu-pancy rate (%)	Duration	Acquisi-tion value (€ M)	Insured value (€ M)
Retail										
Retail Grand Duchy of Luxembourg	298.59	302.04	26.26%	19.53	6.54%	6.47%	92.42%	3.61	264.71	262.25
Retail Belgium	50.21	51.47	4.42%	3.52	6.97%	6.80%	98.63%	3.13	35.07	30.72
Retail Austria	181.05	185.58	15.92%	9.89	5.46%	5.33%	100.00%	5.02	169.2	107.98
Total retail	**529.85**	**539.09**	**46.60%**	**32.94**	**6.22%**	**6.11%**	**95.16%**	**4.00**	**468.98**	**400.95**
Offices										
Offices Grand Duchy of Luxembourg	256.33	262.71	22.54%	12.70	4.95%	4.83%	82.81%	3.04	219.65	159.70
Offices Brussels	194.60	199.47	17.12%	10.62	5.46%	5.32%	93.51%	5.50	204.06	184.09
Offices rest of Belgium	47.40	48.58	4.17%	3.05	6.44%	6.29%	83.59%	2.60	71.69	43.97
Total offices	**498.33**	**510.76**	**43.83%**	**26.37**	**5.29%**	**5.16%**	**86.91%**	**3.98**	**495.40**	**387.76**
Logistics/Semi-industrial										
Logistics/Semi-industrial Belgium	17.40	18.08	1.53%	1.18	6.78%	6.52%	96.03%	2.93	8.74	17.75
Logistics/ Semi-industrial Grand Duchy of Luxembourg	54.59	55.96	4.80%	1.41	2.62%	2.56%	100.00%	2.19	13.40	6.23
Total Logistics/ Semi-industrial	**72.00**	**74.04**	**6.33%**	**2.59**	**3.60%**	**3.50%**	**98.19%**	**2.53**	**22.14**	**23.98**
Investment properties	**1 100.18**	**1 123.89**	**96.76%**	**61.90**	**5.63%**	**5.51%**	**91.62%**	**3.85**	**986.52**	**812.69**
Real estate available for lease	**1 100.18**	**1 123.89**	**96.76%**	**61.90**	**5.63%**	**5.51%**	**91.62%**	**3.85**	**986.52**	**812.69**
Rigth of use IFRS 16	**4.21**	**0.00**	**0.00%**							
Projects Belgium	13.02	13.34	1.14%						11.8	11.46
Projects Grand Duchy of Luxembourg	23.79	24.38	2.09%						16.57	15.35
Total investment properties	**1 141.20**	**1 161.61**	**100.00%**	**61.90**	**5.63%**	**5.51%**	**91.62%**	**3.85**	**1 014.89**	**839.50**

Insured value (situation on 31/12/2020)

In order to avoid a multitude of recourse claims and to benefit from favourable premiums, the standard rental contracts (and service agreements in the case of the business center activities) both in Belgium and Luxembourg, define that the insurance contract of the specific building is concluded by the lessor for its total reconstruction value (its 'insured value'), including the tenant risk and similar risks, mutually waived, and additionally a loss of rent cover of 36 months ('the global insurance policy LRE/LIL'). The recent restructuring of the portfolio in Luxembourg had no impact on the insurance contract as the buildings of subsidiaries (can) also be insured via the global insurance policy LRE/LIL. The Austrian rental contracts comprise a comparable provision with regard to the insurance duty of the lessor, including a waiver. Given the custom in Austria to conclude insurance contracts with a longer duration, each building has its own local fire insurance.

For respectively the site Hornbach Baumarkt AG (Bertrange, Grand Duchy of Luxembourg) the training center of the European Parliament (Montoyer 63, Brussels), both the owner's and tenant's risks are insured by the tenant, yearly having to provide an insurance certificate.

Real estate that is part of a co-ownership is insured by the syndic in the name and for the account of the co-ownerships and the co-owners. Also for those, an insurance certificate is yearly requested, with an overview of the (indexed) insured values.

Projects under (re)development are subject to an All risks on construction sites insurance (with first right coverage) during the construction period, to be subsequently included in the LRE/LIL policy (except if agreed upon differently with the end-user).

The buildings for which the VAT can fully be deducted, are insured at 'new construction' value excluding VAT. Given the recent important renovations, the buildings Motstraat, Mechelen and Hanger 26/27, Antwerp were again valued at their new construction value by an independent expert. For a number of buildings from the portfolio an extra coverage against terrorism (on top of TRIP) was concluded.

The premiums paid for 2020 within the framework of the global LRE/LIL insurance policies, incl. taxes, amount respectively to € 108,898.72 (i.e. including the project Montoyer 14, the sold buildings Brixton Unit 10 and State Archives Bruges and Hangar 26/27 (which is no longer part of a co-ownership policy) for Belgium and to € 157,192.17 for Luxembourg. The insurance premiums for 2020 for the 5 Austrian sites (Frun® Park Asten, Hornbach Baumarkt and Gewerbeparkstrasse, Nordring 2-10 and 16) amounted to € 122,909.09.

Conclusions of the real estate expert[1] [2]

VALUATION UPDATE AS AT 31/12/2020 OF THE LEASINVEST REAL ESTATE PORTFOLIO

REPORT BY THE EXTERNAL VALUER CUSHMAN & WAKEFIELD

We are pleased to report our valuation of the investment and fair values of the Leasinvest Real Estate SCA portfolio as at 31 December 2020.

Our valuation has been prepared on the basis of the information provided by Leasinvest Real Estate CVA. We assume this information is correct and complete, and that there are no undisclosed matters which could affect our valuation.

Our valuation methodology is the capitalisation of the market rent with corrections to take into account for the difference between the current rent and the market rent. We have also based ourselves on comparables that were available at the date of valuation.

The values were determined taking current market parameters into account.

We would like to draw your attention on the following points:

1. The portfolio consists of business parks, offices, semi-industrial buildings, distribution centres and shops, located in Belgium, in the Grand Duchy of Luxembourg and in Austria.

2. The total occupancy rate[3] of the portfolio (including the projects) is 91.62% (respectively 92.63%, 88.90% en 100% for the Belgian, the Luxembourg and the Austrian portfolio).

3. The total occupancy rate of the portfolio (excluding the projects) is 91.62% (respectively 92.63%, 88.90% en 100% for the Belgian, the Luxembourg and the Austrian portfolio).

4. In Q4 2020 the State Archives in Bruges (BE) were sold; consequently this building is no longer part of the valuation at 31/12/2020.

5. Also in Q4 2020, the building located Route d'Esch 25 (LU) was sold, and this also is no longer part of the valuation at 31/12/2020.

6. The remaining weighted average duration of the current leases for the whole portfolio equals to 15.40 quarters or 3.85 years. The projects and assets 'to be sold' were not taken into account in this parameter.

7. A total **investment value** of **€ 1,161,610,000** (one billion one hundred sixty-one million six hundred and ten thousand euro), with respectively investment values of € 330,940,000, € 645,090,000 and € 185,580,000 for the Belgian, Luxembourg and Austrian portfolio.

8. A total **fair value** of **€ 1,136,980,000** (one billion one hundred thirty-six million nine hundred and eighty thousand euro), with respectively fair values of € 322,630,000, € 633,300,000 and € 181,050,000 for the Belgian, Luxembourg and Austrian portfolio.

1 The conclusions of the valuation report have been reproduced with the agreement of Cushman & Wakefield.
2 The conclusions of the valuation report concern, unless mentioned differently, the real estate portfolio of Leasinvest Real Estate, including the development projects and the assets held for sale.

3 The occupancy rate is valid on the date of the valuation and does not take into account future availability (already known or not) nor with future new contracts (signed or not). This figure is calculated on the basis of the following formula: (market rent of all let areas) / (market rent of the complete portfolio).

9. IFRS 16: the value of 'the right of use/lease liability' of the 2 Belgian buildings this principle applies to, namely The Crescent in Anderlecht and Hangar 26/27 in Antwerp, is respectively € 1,851,038 and € 2,356,005. We refer to the annexes for detailed calculations.

On this basis, the initial yield of the complete portfolio (including the projects and assets 'to be sold') in terms of investment value is 5.33% (respectievelijk 5.55%, 5.21% en 5.33% for the Belgian, Luxembourg and Austrian portfolios) and the initial yield of the complete portfolio in terms of fair value is 5.44 % (respectievelijk 5.69%, 5.31% en 5.46% for the Belgian, Luxembourg and Austrian portfolio).

The COVID-19 outbreak, which was declared a 'global pandemic' by the World Health Organization on 11 March 2020, has and continues to affect many aspects of daily life and the global economy. Certain real estate segments experienced a lower level of transactional activity and liquidity. Many countries have imposed travel restrictions and applied "lockdowns" to varying degrees. Although the restrictions have now been lifted in some cases, local lockdowns can continue where necessary and significant outbreaks or a "second wave" may still occur.
The pandemic and the measures taken to address COVID-19 continue to affect economies and real estate markets worldwide. Nevertheless, some real estate markets have started to function again at the valuation date, with transaction volumes and other relevant parameters returning to levels where there is an adequate amount of market information, on which valuations can be based.

Material uncertainty clause

With respect to the retail sector, we are still facing an unprecedented set of circumstances due to COVID-19 and a lack of relevant/sufficient market information on which we can base our reviews on at valuation date. Our valuation of these properties is therefore reported as being subject to the 'material uncertainty clause' as set out in VPS 3 and VPGA 10 of the RICS Valuation - Global Standards. Consequently, less certainty - and a higher degree of caution - should be attached to our valuation in respect of these valuations than would normally be the case.
To avoid misunderstandings, this explanatory note, including the 'material uncertainty clause', does not mean that the valuation is unreliable. This explanatory note was added to ensure transparency and to provide a better understanding of the market context in which the valuation was drawn up. Aware that market conditions may change rapidly due to changes in the control or future spread of COVID-19, we stress the importance of the valuation date.

Gaetan Coppens
Senior Valuer
Valuation & Advisory

Gregory Lamarche MRICS
Partner
Valuation & Advisory

Operational management of the buildings – active management

The company aims at actively developing and managing its real estate, which implies that the company itself organizes the daily management of the real estate. To that effect, the company disposes, in accordance with the RREC legislation, over an operational team that is directed and managed by the effective officers in accordance with the decisions of the board of directors. That way, the company maintains direct relationships with its clients and suppliers.

Within the framework of its active management, the company also provides different supplementary services that constitute an added value to providing its real estate or to its users. The supplementary services comprise – except for collecting the rents and re-invoicing of common charges to the tenants – different services such as among other things the property management (with or without an available own helpdesk to rapidly solve the problems of clients-tenants), project management (such as the presence of engineers and/or architects to coordinate, with the contractors and/or subcontractors, the necessary renovation or adjustment works for new lettings) and facility management (such as providing extra services, e.g. catering, meeting rooms, computer systems, telecom, etc.).

These supplementary services are means to exercise its activities and constitute an added value, both for the real estate provided and its users. These services fit within the company strategy to answer to the needs of its clients and to be able to offer, in that way, tailor-made real estate solutions in the long term.

These supplementary services are provided by own staff or by third-party specialized companies, acting under the responsibility, control and coordination of the effective officers of the company.

The income from the other supplementary services are included in the rental income of the company. The "supplementary services" the company offers within the framework of its activities, are indeed inherent to the activities of the company, and cannot be presented by separate figures. These supplementary services are to be considered from a qualitative point of view, in which the "fee" (and thus income) for the supplementary services is translated in the fee the company receives in fine within the framework of providing the buildings.

The company Leasinvest Real Estate has no own personnel. The personnel is employed by the subsidiaries Leasinvest Services SA, Boomerang Strassen Sàrl and Porte des Ardennes Schmiede SA, as well as by the statutory manager Leasinvest Real Estate Management SA.

The entire operational team, responsible for general management, commercial contacts with tenants and real estate agents, accounting, legal counsel, administration and technical management of the buildings, consists of some 30 persons end 2020.

The company also appeals to subcontractors or external suppliers that effectively operate under the responsibility, the control and the coordination of the effective officers of the company.

Following article 19 of the RREC law, the company and its subsidiaries can entrust the management of their portfolio to a related company specialized in property management.

BELGIUM

For the buildings in Belgium, the technical management of the buildings is executed since 2007 by Leasinvest Services SA, (company number 0826.919.159), with registered office in 2000 Antwerp, Schermersstraat 42, a 100% subsidiary of the company.

The decision in 2007 to fully internally manage the Belgian portfolio was mainly inspired by the company's concern then to strengthen direct communication with its tenants. Leasinvest Services SA is dedicated to the property management and the project management of the company's buildings located in Belgium. Since 2015 a number of tasks are outsourced within the framework of the RREC legislation on the matter, for which the responsibility, coordination and control remain with the effective officers of the company.

The property management comprises administrative, financial and technical activities, for which the company disposes of an adequate accounting and technical organization.

The administrative and financial management consists of:

- verification of compliance with the leases and the internal regulations
- updating of rental tenancy schedules
- calculating, requesting and monitoring the payments of rents due and each tenant's share of common charges, property tax and insurance premiums and drawing up the annual final accounts of rent and charges, and if necessary, charging against the rental guarantees provided
- calculating and monitoring the establishment and updating of rental guarantees
- management of any overdue rent and charges
- arranging for reports on the state of the premises to be drawn up and monitoring them at the start and end of leases; recovery of any damage recorded from the tenant or the party liable
- managing the insurance portfolio

The technical management implies a/o:

- regular inspection of the buildings to maintain them in good rental condition
- maintenance of the common areas and the technical facilities
- taking the necessary protective measures
- handling claims with the insurance companies
- evaluating sustainability aspects

The managers of Leasinvest Services SA are the same persons as the managers of the company and the statutory manager, and dispose of adequate experience and the required professional reliability, namely Michel Van Geyte and Tim Rens, the effective officers of the company.

Leasinvest Services SA receives a remuneration of 3% (excluding 21% VAT) of the rental income of the buildings managed. For unlet premises a management fee of 1.5% (excluding 21% VAT) on the estimated rental income as defined by the real estate expert, is charged. This remuneration is included in the rental charges paid by the tenants.

Extra performances and/or services (e.g. facility management in case of moving) that are not included in the normal management may be charged by the property manager based on the scales produced by the Professional Institution.

Leasinvest Services SA also has the required professional competences to offer project management services exclusively to Leasinvest Real Estate.

The project management consists of technical assistance to the client (i.e. the company or one of its subsidiaries) within the framework of important renovations during the construction/renovation process, with activities going from the preparation of the specifications over the comparison of offers, the follow-up and planning of the construction, including managing the budgets.
This project management is remunerated separately in function of the specific project.

During the past financial year the company has paid a total remuneration of € 260,000.00 (excl. VAT), to Leasinvest Services.

GRAND DUCHY OF LUXEMBOURG

For technical assistance, as to the technical management and project management of the offices portfolio in Luxembourg, a management contract was concluded with an external property manager, Inowai SA (previously Property Partners SA) for the Luxembourg office portfolio.

The technical management and project management are supervised by a technical staff member and is controlled by the technical services in Belgium and by the commercial staff member in Luxembourg. Decisions on important matters are prepared by the property manager but are only taken by the company. Regular reporting and discussion are organized.

The past financial year, Leasinvest Immo Lux paid a fee of € 85,999.26 (excl. VAT) to Inowai.

For the Knauf shopping centers a dedicated shopping centre manager was hired.

All tasks of daily management are executed and/or supervised by staff members of Leasinvest Services SA and/or Leasinvest Real Estate Management SA and/or Porte des Ardennes Schmiede SA and/or by the shopping centre manager.

The end-responsibility, control and coordination of the real estate portfolios of offices and the shopping centres remains with the technical and/or commercial staff members of Leasinvest Services SA and/or the statutory manager of the company, controlled by the effective officers of Leasinvest Real Estate.

For all buildings in Luxembourg the financial, accounting, administrative and legal aspects of the activities are treated from the registered office of the statutory manager in Antwerp, Schermersstraat 42, where it has an implicit "shared service" organization. The investment decisions, risk analyses, target-setting and performance measurement are also organized from there.

AUSTRIA

For technical management and local assistance of the property management of the retail buildings, a management agreement was concluded with JAM Consulting GmbH & Co KG, represented by Mr Josef Anreiter.

This management is supervised by a staff member of Leasinvest Services and is supervised by the managers within Leasinvest Services SA who have the adequate experience and required professional reliability, namely Michel Van Geyte and Tim Rens, the effective officers of the company. Potential decisions on important matters are prepared by the property manager but are only taken by the company. Regular reporting and discussion are organized.

All other matters are being taken care of by the "shared service" organisation in Antwerp.

The property management of all the Austrian buildings is taken care of by CBRE. Since 1 January 2020, CBRE also ensures property management for the buildings in Vösendorf.

In the course of the previous financial year a remuneration of € 229,634.00 (excl. VAT) was paid to Josef Anreiter. In addition, a fee of € 7,196.69 was paid to CBRE in 2020.

10.

Financial statements

Consolidated financial statements and notes

The consolidated financial statements of Leasinvest Real Estate have been approved for publication by the statutory manager on 9 February 2021.

The management report of the statutory manager should be read jointly with the financial statements of Leasinvest Real Estate.

Consolidated statement of comprehensive income

(in € 1 000)	Note	31/12/2020	31/12/2019
Rental income	4	61 572	65 280
Rental-related expenses	4	-1 724	-530
NET RENTAL INCOME		**59 848**	**64 750**
Recovery of property charges	5	103	411
Recovery income of charges and taxes normally payable by tenants on let properties	6	3 748	5 315
Charges and taxes normally payable by tenants on let properties	6	-3 748	-5 315
Other rental-related income and expenditure	5	-1 886	-2 543
PROPERTY RESULT		**58 065**	**62 618**
Technical costs	7	-871	-1 082
Commercial costs	8	-970	-1 211
Charges and taxes on un-let properties	9	-1 346	-1 349
Property management costs	10	-6 410	-5 909
Other property charges	10	-604	-527
PROPERTY CHARGES		**-10 201**	**-10 077**
PROPERTY OPERATING RESULT		**47 864**	**52 541**
Corporate operating charges	11	-2 065	-3 013
Other operating charges and income	11	401	-48
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		**46 201**	**49 480**
Result on disposal of investment properties	12	2 211	-413
Changes in fair value of investment properties	13	29 286	4 064
OPERATING RESULT		**77 698**	**53 131**
Financial income	14	5 946	5 673
Net interest charges	15	-14 791	-12 780
Other financial charges	16	-1 240	-1 374
Changes in fair value of financial assets and liabilities	17	-59 450	5 756
FINANCIAL RESULT		**-69 535**	**-2 725**
PRE-TAX RESULT		**8 163**	**50 406**
Corporate taxes	18	-480	-505
TAXES		**-480**	**-505**
NET RESULT		**7 683**	**49 900**
Attributable to:			
Minority interests		0	0
Net result – Group share		7 683	49 900

(in € 1 000)	Note	31/12/2020	31/12/2019
OTHER ELEMENTS OF COMPREHENSIVE INCOME			
Changes in the efficient part of the fair value of authorized cash flow hedges according to IFRS		18 066	-6 642
Other elements of comprehensive income that will be reclassified later to the net result		**18 066**	**-6 642**
COMPREHENSIVE INCOME			
Attributable to:			
Minority interests		0	0
Comprehensive income – Group share		25 749	43 258
EPRA EARNINGS			
Net result		**7 683**	**49 900**
To be eliminated			
- Result on disposal of investment properties		-2 211	413
- Changes in fair value of investment properties		-29 286	-4 064
- Changes in fair value of financial assets and liabilities		59 450	-5 756
EPRA EARNINGS		**35 636**	**40 493**

RESULT PER SHARE (in €)	31/12/2020	31/12/2019
Comprehensive income per share, group share	4.34	7.30
Comprehensive income per share entitled to dividends	4.34	7.30
Result per share, group share	1.30	8.42
Result per share entitled to dividends	1.30	8.42
EPRA earnings per share	6.01	6.83

Consolidated balance sheet

(in € 1 000)	Note	31/12/2020	31/12/2019
I. NON-CURRENT ASSETS		**1 223 098**	**1 226 032**
Investment properties	20	1 141 190	1 092 529
Other tangible assets	22	1 554	1 133
Non-current financial assets	23	80 355	114 650
Finance lease receivables	24	0	17 720
II. CURRENT ASSETS		**17 450**	**21 981**
Trade receivables	27	10 229	13 945
Tax receivables and other current assets	28	3 217	2 000
Cash and cash equivalents	29	2 745	5 013
Deferred charges and accrued income	30	1 259	1 023
TOTAL ASSETS		**1 240 548**	**1 248 013**
LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY		**487 211**	**492 577**
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		**487 211**	**492 577**
Capital	31	65 178	65 178
Share premium account	31	194 189	194 189
Reserves	31	220 173	183 321
Purchase of treasury shares		-12	-12
Net result of the financial year	31	7 683	49 900
II. MINORITY INTERESTS		**0**	**0**
LIABILITIES		**753 337**	**755 436**
I. NON-CURRENT LIABILITIES		**519 135**	**492 019**
Provisions		11	11
Non-current financial debts	33	460 478	425 771
- Credit institutions		358 917	324 381
- Other		101 561	101 390
Other non-current financial liabilities	33	38 713	51 831
Deferred tax liabilities		19 933	14 406
II. CURRENT LIABILITIES		**234 201**	**263 417**
Current financial debts	33	205 022	235 149
- Credit institutions		83 051	15 028
- Other		121 971	220 121
Trade debts and other current debts	34	17 807	16 061
- Exit tax		0	273
- Other		17 807	15 788
Other current liabilities	35	1 672	1 564
Accrued charges and deferred income	36	9 701	10 643
TOTAL EQUITY AND LIABILITIES		**1 240 548**	**1 248 013**

Consolidated cash flow statement

(in € 1 000)	Note	31/12/2020	31/12/2019
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FIN. YEAR	**29**	**5 013**	**7 403**
1. Cash flow from operating activities		**54 933**	**45 463**
Net result		***7 683***	***49 900***
Adjustment of the profit for non-cash and non-operating elements		***44 090***	***-1 121***
Depreciations, write-downs and taxes		***1 630***	***131***
- Depreciations and write-downs on intangible and other tangible assets (+/-)		145	106
- Write-downs on current assets (-)	27	1 965	530
- Taxes	18	-480	-505
Other non-cash elements		***29 911***	***-9 417***
Changes in fair value of investment properties (+/-)	13	-29 286	-4 064
Phasing of gratuities (+/-)	4	0	87
Increase (+) / Decrease (-) in fair value of financial assets and liabilities	17	59 197	-5 440
Non-operating elements		***12 549***	***8 165***
Gains on disposals of non-current assets	12	2 211	0
Dividends received	14	-5 946	-5 068
Write-back of financial income and financial charges		16 284	13 233
Change in working capital requirements		***3 160***	***-3 316***
Movements in asset items		***2 212***	***-38***
Movements in liability items:		***948***	***-3 278***
2. Cash flow from investment activities		**5 925**	**-70 562**
Investments			
Investment properties in operation	20	-28 778	-104 973
Development projects	20	0	-323
Intangible and other tangible assets	20	-736	-89
Non-current financial assets	23	0	-6 627
Divestments		***35 439***	***41 450***
3. Cash flow from financing activities		**-63 126**	**22 487**
Change in financial liabilities and financial debts			
Increase (+) / Decrease (-) of financial debts		4 580	62 212
Increase (+) / Decrease (-) of other financial liabilities			
Financial charges paid		-36 591	-13 233
Change in shareholders' equity			
Dividend of the previous financial year	31	-31 115	-26 492
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**29**	**2 745**	**5 013**

Consolidated statement of changes in capital and reserves

(in € 1 000)	Capital	Share premium account
BALANCE SHEET UNDER IFRS ON 31/12/16	**54 315**	**121 091**
- Distribution closing dividend of previous financial year		
- Transfer net result 2016 to reserves		
- Comprehensive income financial year 2017 (12 months)		
BALANCE SHEET UNDER IFRS ON 31/12/17	**54 315**	**121 091**
- Distribution closing dividend of previous financial year		
- Transfer net result 2017 to reserves		
- Comprehensive income financial year 2018 (12 months)		
- Capital increase	10 863	73 098
BALANCE SHEET UNDER IFRS ON 31/12/18	**65 178**	**194 189**
- Distribution closing dividend of previous financial year		
- Transfer net result 2018 to reserves		
- Comprehensive income financial year (12 months)		
- Capital increase		
BALANCE SHEET UNDER IFRS ON 31/12/19	**65 178**	**194 189**
- Distribution closing dividend of previous financial year		
- Transfer net result 2019 to reserves		
- Comprehensive income financial year 2020 (12 months)		
- Capital increase		
BALANCE SHEET UNDER IFRS ON 31/12/20	**65 178**	**194 189**

Reserves	Net result of the financial year	Shareholders' equity attributable to the shareholders of the parent company	Minority interests	Total shareholders' equity
151 565	**29 436**	**356 407**	**0**	**356 407**
-24 184		-24 184		-24 184
29 436	-29 436	0		0
2 438	47 545	49 983	0	49 983
159 255	**47 545**	**382 206**	**0**	**382 206**
-24 694		-24 694		-24 694
47 545	-47 545	0		0
-2 213	38 194	35 981	0	35 981
-1 644		82 317		82 317
178 249	**38 194**	**475 811**	**0**	**475 811**
-26 492		-26 492		-26 492
38 194	-38 194	0		0
-6 642	49 900	43 258	0	43 258
0		0		0
183 309	**49 900**	**492 577**	**0**	**492 577**
-31 115		-31 115		-31 115
49 900	-49 900	0		0
25 749	0	25 749	0	25 749
0		0		0
227 843	**0**	**487 210**	**0**	**487 211**

Presented according to the items defined in the RD of 13/07/2014

(in € 1 000)	Capital	Share premium	Legal reserve	Reserve from the balance of changes in fair value of investment properties (+/-)	Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS
BALANCE SHEET UNDER IFRS ON 31/12/16	**54 315**	**121 091**	**5 431**	**43 104**	**-43 254**
Distribution closing dividend previous financial year					
Transfer net result 2016 to reserves				2 122	
Transfer historical revaluation sold buildings				-17 270	
Comprehensive income FY 2017 (12 months)					11 366
BALANCE SHEET UNDER IFRS ON 31/12/17	**54 315**	**121 091**	**5 431**	**27 956**	**-31 888**
Distribution closing dividend previous financial year					
Transfer net result 2017 to reserves				22 348	
Transfer historical revaluation sold buildings				5 782	
Comprehensive income FY 2018 (12 months)					-2 212
Capital increase	10 863	73 098			
Various					
BALANCE SHEET UNDER IFRS ON 31/12/18	**65 178**	**194 189**	**5 431**	**56 086**	**-34 100**
Distribution closing dividend previous financial year					
Transfer net result 2018 to reserves				1 627	
Transfer historical revaluation sold buildings					
Comprehensive income FY 2019 (12 months)					-6 642
Capital increase					
Various					
BALANCE SHEET UNDER IFRS ON 31/12/19	**65 178**	**194 189**	**5 431**	**57 713**	**-40 742**
Distribution closing dividend previous financial year					
Transfer net result 2019 to reserves				4 064	
Transfer historical revaluation sold buildings					
Comprehensive income FY 2020 (12 months)					18 066
Capital increase					
Various					
BALANCE SHEET UNDER IFRS ON 31/12/20	**65 178**	**194 189**	**5 431**	**61 777**	**-22 676**

Reserve from translation differences following the conversion of a foreign activity (+/-)	Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS (+/-)	Reserve for treasury shares	Reserve from the balance of changes in fair value of financial assets available for sale	Result carried forward	Net result of the financial year	Share-holders' equity attributable to the share-holders of the parent company	Minority interests	Total share-holders' equity
8	**-7 135**	**-293**	**29 184**	**124 521**	**29 436**	**356 407**	**0**	**356 407**
				-24 184		-24 184		-24 184
	-571			27 885	-29 436	0		0
				17 270		0		0
		282	-8 805	-405	47 545	49 983		49 983
8	**-7 706**	**-11**	**20 379**	**145 087**	**47 545**	**382 206**	**0**	**382 206**
				-24 694		-24 694		-24 694
	492			24 705	-47 545	0		0
				-5 782		0		0
					38 194	35 982		35 982
						83 961		83 961
			0	-1 644		-1 644		-1 644
8	**-7 214**	**-11**	**20 379**	**137 672**	**38 194**	**475 811**	**0**	**475 811**
				-26 492		-26 492		-26 492
	-127		5 555	31 139	-38 194	0		0
						0		0
					49 900	43 258		43 258
						0		0
			0			0		0
8	**-7 341**	**-11**	**25 934**	**142 319**	**49 901**	**492 577**	**0**	**492 577**
				-31 115		-31 115		-31 115
	-4 702		10 142	40 396	-49 900	0		0
						0		0
					7 683	25 749		25 749
						0		0
			0			0		0
8	**-12 043**	**-11**	**36 076**	**151 600**	**7 683**	**487 211**	**0**	**487 211**

Notes to the consolidated financial statements closed 31 December 2020

Comprehensive income

Balance sheet

NOTE 1
General information

Comprehensive income

Leasinvest Real Estate SCA ('LRE') is a public REIT (SIR/GVV) under Belgian Law and subject to the law of 12 May 2014 (RREC law) and the RD of 13 July 2014, with its administrative offices in Antwerp.

The consolidated financial statements of LRE for the financial year ending on 31 December 2020 comprise LRE and its subsidiaries. The statutory and consolidated financial statements were authorized for issue by the board of directors of the statutory manager of 9 February 2021 and will be presented to the annual general meeting of shareholders for approval on 17 May 2021. The statutory financial statements as well as the consolidated financial statements are prepared according to IFRS.
Leasinvest Real Estate is included in the consolidation of Ackermans & van Haaren SA.

NOTE 2
Significant accounting principles

2.1 IFRS valuation rules consolidated financial statements Leasinvest Real Estate SCA

A. STATEMENT OF COMPLIANCE

The consolidated annual accounts are prepared in accordance with International Reporting Standards and IFRIC interpretations, entering into force as of 31/12/2020, as adopted by the European Commission.

In the course of the past financial year, different new or modified standards and interpretations entered into force.

The applied accounting principles of financial reporting are consistent with those of the previous financial year, except for the following modifications.

The nature and the impact of each of the following new accounting rules, changes and/or interpretations, are described below:

New and amended standards and interpretations, effective for financial years starting on 1 January 2020

The Group applied for the first time certain standards and amendments, which are effective for financial years beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new and modified standards and interpretations have been applied for the first time in 2020, they had no material impact on the Group's financial statements.

Below the nature and the effect of the new and modified standards and interpretations are commented:
- Amendments to IAS 1 and IAS 8 Definition of material
- Amendments to IFRS 3 Business combinations: Definition of a company
- Amendments to IFRS 9, IAS 39 and IFRS 7 Reform of Reference rates – phase 1
- Amendments to references to the Conceptual framework in IFRS standards

Standards and interpretations that were published, yet not effective for the financial year starting on 1 January 2020:
- IFRS 17 Insurance contracts (applicable to financial years as of 1 January 2023, yet not adopted in the European Union)
- Amendments to IAS 1 Presentation of Financial statements: classification of liabilities as current or non-current (applicable to financial years as of 1 January 2023, yet not adopted in the European Union)
- Amendments to IAS 16 Property, plant and equipment: income from normal use (applicable to financial years as of 1 January 2022 yet not adopted in the European Union)
- Amendments to IAS 37 Provisions, conditional liabilities and conditional assets: loss-making contracts – Cost to meet the contract (applicable to financial years as of 1 January 2022 yet not adopted in the European Union)
- Amendments to IFRS 3 Business combinations: references to the conceptual framework (applicable to financial years as of 1 January 2022 yet not adopted in the European Union)
- Amendments to IFRS 4 Insurance contracts – postponement of IFRS 9 (applicable to financial years as of 1 January 2021)

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Reform of Reference rates – phase 2 (applicable to financial years as of 1 January 2021)
- Amendments to IFRS 16 Lease agreements: Rent concessions related to COVID-19 (applicable to financial years as of 1 June 2020)
- Annual improvements 2018–2020 (applicable to financial years as of 1 January 2022 yet not adopted in the European Union)

B. BASIS OF PREPARATION

The financial statements are presented in €, rounded to the nearest thousand. They have been prepared on the historical cost basis, except for investment properties, derivative financial instruments, investments held for sale and investments available for sale, stated at fair value.

Equity instruments or derivative financial instruments are stated on a historical cost basis when the instrument concerned has no market price in an active market and when other methods for defining its fair value in a reasonable way are unsuitable or unfeasible.

Hedged assets and liabilities are stated at fair value, taking into account the risk hedged.

The accounting principles have been consistently applied.

The consolidated financial statements are established before profit appropriation by the parent company LRE, as proposed to the general meeting of shareholders for approval.

The presentation of the financial statements according to IFRS standards requires estimates and assumptions which influence the amounts presented in the financial statements, namely:
- the measurement of investment properties at fair value;
- the amortization rhythm of non-current assets;
- the measurement of provisions and employee benefits;
- the measurement selected for impairment tests;
- the measurement of financial instruments at market value.

These estimates are based on a 'going-concern' principle and are defined in function of the information available at that moment. The estimates can be reviewed if the circumstances they were based on have evolved in the meanwhile or if new information became available. The final outcome can consequently differ from the estimate.

C. CONSOLIDATION PRINCIPLES

The consolidated financial statements comprise the financial statements of LRE and its subsidiaries.

I Subsidiaries

Subsidiaries are entities over which the company exercises control. There is control when the company, directly or indirectly, has the power to direct the financial and operational policy of an entity, in order to benefit from its activities. The financial statements of the subsidiaries are recorded in the consolidated financial statements as of the start date till the end date of the control.
If necessary, the valuation rules for subsidiaries are amended in order to guarantee coherence with the principles adopted by the Group. The financial statements of the subsidiaries recorded in the consolidation cover the same accounting period as that of the company.
Changes in interests of the Group in subsidiaries that do not lead to a loss of control are treated as transactions in shareholders' equity.
The book value of the interests of the Group or of third parties in subsidiaries is adjusted to take into account the changes of the respective interest levels. Each difference between the amount by which the minority interests are adjusted and the fair value of the paid or received remuneration is immediately recorded in shareholders' equity.

II Jointly controlled entities

Jointly controlled entities are associates and joint ventures over which the Group exercises a joint control, defined by contract of as a consequence of a distribution of the shares among a limited number of shareholders. The consolidated income statements comprise the Group share in the results of the associates and joint ventures according to the equity method. This share is calculated as of the start date till the end date of the joint control. The financial statements of the jointly controlled entities comprise the same accounting period as that of the company.

III Transactions eliminated in consolidation

Intra-group balances and transactions, and all profits from intra-group transactions, are not taken into account when preparing the consolidated financial statements. Profits from transactions with jointly controlled entities are eliminated in relation to the interest of the Group in those entities. Losses are eliminated in the same way as profits, but only if there is no indication of depreciation. A list of the Group companies is recorded in the notes to the consolidated financial statements.
The financial statements of subsidiaries are fully consolidated as from the date of acquisition until the date that such control ceases.

New acquisitions are accounted for by applying the purchase method, in accordance with IFRS 3. The cost of a business combination consists of the acquisition price, the minority interests and the fair value of the previously held interests (shares) in the company acquired. The transfer rights have to be passed through the income statement. If the assets acquired do not constitute a company based on the classification of the underlying transaction, the transaction is booked as an acquisition of investment properties according to IAS 40 (and potential other non-current assets according to IAS 16), and consequently, after their initial booking, the measurement at fair value according to IAS 40 is applied, as commented under section G. Investment properties.

D. GOODWILL

Goodwill is the excess of the cost of the business combination over the group's interest in the fair value of the identifiable acquired assets, liabilities and contingent liabilities of the subsidiaries at the time of the acquisition. The cost of the business combination includes the price of acquisition and all directly attributable transaction costs.

Goodwill is not amortized but has to be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Negative goodwill (badwill):
Negative goodwill equals the amount by which the stake of the party acquiring, in the fair value of the acquired identifiable assets, liabilities and contingent liabilities, exceeds the price of the business combination on the date of the transaction. This negative goodwill has to be recorded in the results, immediately, by the party acquiring.

E. INTANGIBLE ASSETS

Intangible assets with a finite useful life are carried at cost less any accumulated depreciation and any possible impairment losses.

Intangible assets are depreciated over their estimated useful life, i.e. 3 years, using the straight-line method. The estimated useful life, as well as the residual value is reviewed annually.

Intangible assets with an indefinite useful life also carried at cost, are not depreciated but are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Formation expenses are recognized as expense when incurred.

F. OTHER TANGIBLE FIXED ASSETS

The other tangible fixed assets, excluding real estate, are carried at acquisition value less any accumulated depreciation and any possible impairment losses.
Other tangible fixed assets are depreciated using the straight-line method over their economic useful life. The estimated economic useful life, as well as the residual value is reviewed annually.

The useful life of assets amounts to 20 years for solar panels, 5 years for furniture and 3 years for IT-equipment.

G. INVESTMENT PROPERTIES

Investment properties are properties held to earn rental income for the long term. Investment properties comprise the buildings ready for letting (investment properties in operation), as well as the buildings under construction or development for future use as an investment property in operation (development projects).

Investment properties are stated at fair value in accordance with IAS 40. After the acquisition of a building, every gain or loss arising from a change in fair value is recognized in profit or loss.

An external independent real estate valuer determines, upon request of management, every quarter, the investment value of the property, (this term corresponds to the previously used term 'investment value'), i.e. costs, transfer taxes and fees included. The valuers carry out their valuation on the basis of the following methods to define the fair value according to IFRS 13:

· Net present value of estimated rental income
The investment value is the result of the yield applied on the estimated rental value (capitalisation method or market approach) corrected by the net present value of the difference between the current rent and the estimated rental value at the valuation date, and this, for the period till the next break possibility of the current rental contracts.

· Discounted cash flow method
The DCF method consists in defining the present value of the future cash flows. The future rental income is estimated on the basis of the existing contractual rents and the real estate market outlook for each building in the following periods. Moreover, the future maintenance costs are also estimated and taken into account. The actualisation rate applied takes into account the risk premium for the object defined by the market. The obtained value is also compared to the market on the basis of the definition of the residual land value.

· Residual valuation
Buildings to renovate or in the course of renovation, or planned projects are valued based on the value after renovation, valued based on the value after renovation under deduction of the amount for the remainder of the work to be carried out, including costs, interests, vacancy and risk premium.

In accordance with the opinion of the working group of the Belgian Association of Asset Managers 'BEAMA', LRE applies the following principles to the investment value to determine the fair value:

(i) For transactions relating to buildings in Belgium with an overall value lower than € 2.5 million, transfer taxes of 10% need to be taken into account (Flemish Region) or 12.5% (Brussels-Capital and Walloon Region).
(ii) For transactions relating to buildings in Belgium with an overall value higher or equal to € 2.5 million, and considering the range of methods of property transfer that are used, the estimated transaction cost percentage for hypothetical disposal of investment properties is 2.5%.

It is the opinion of the statutory manager, Leasinvest Real Estate Management SA, that for the definition of the fair value of the real estate situated in the Grand Duchy of Luxembourg and in Austria with a value higher than € 2.5 million, the fixed transfer taxes of 2.5% applicable on real estate in Belgium, can be applied.

When acquiring real estate, the transfer rights are directly booked into the income statement.

Investment properties are no longer recorded on the balance sheet when the investment property is disposed of or permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property are recognized in profit or loss in the year during which the retirement or disposal occurs.

Real estate certificates
The valuation of the real estate certificates depends on whether there is a substantial interest or not in the issued certificates:

A. Possession of no substantial interest in the issued certificates (or less than 50%)
If the holder of the certificates does not possess a substantial interest (less than 50%) in the real estate certificate, the certificates are booked at closing date at the weighted average share price of the last 30 days, under the item Non-Current Financial Assets. When not listed, or when the share price of these real estate certificates as shown by the share price tables cannot be considered as being a reliable reference, taken into account the limited liquidity of this real estate certificate, the certificates are booked at closing date under the item Non-current Financial Assets, at historical issue price, minus potential reimbursements.

B. Possession of a substantial interest (more than 50%) in the issued certificates
If these certificates are not listed, or if the share price, as reflected by the price tables, cannot be considered as a reliable reference because of the limited liquidity of this real estate certificate, Leasinvest Real Estate wishes to revalue, at each closing of it accounts, its certificates in function of:
a) the fair value of the real estate of which the issuer is the owner and this, and this by analogy with the valuation of its own real estate. This occurs on the basis of a periodical valuation by its real estate expert.

If one or more buildings are sold by the issuer of the real estate certificate, the sales price will be taken into account for the valuation, till the moment of distribution of the sales proceeds.

b) the contractual rights of the holder of the real estate certificate according to the initial prospectus issued by the real estate certificate.
Although Leasinvest Real Estate is not the legal owner of this real estate, it considers itself to be its economic beneficiary, and this pro rata of its contractual rights as the owner of the real estate certificates. Moreover, an investment in real estate certificates, in application of the RD on RRECs, is considered as real estate. Taking these considerations into account, the certificates are booked under the investment properties at their acquisition value including additional costs. Profit or loss, resulting from changes in the fair value of an investment property, are recorded in the income statement in the period in which they originated and are attributed to the available reserves when the result is appropriated.

The treatment of the coupon also depends on whether there is a substantial interest or not in the issued certificates:

A. Possession of no substantial interest in the issued certificates (or less than 50%)
The fee received comprises a part for the capital reimbursement and a part for the interest. The latter is presented in the financial result when there is certainty on the fee, and this falls due.

B. Possession of a substantial interest (more than 50%) in the issued certificates
As holder of the real estate certificates, Leasinvest Real Estate has a contractual right pro rata of the real estate certificates in its possession, on a part of the operating balance realized by the issuer through the collection of the rents and payments for the operating and maintenance costs.

As the entire depreciation or value increase is treated via the revaluation of the real estate certificate, no part of the coupon relating to the operating balance should be considered to be a fee for the depreciation of the buildings of the issuer.

Consequently, the entire coupon (pro rata) is treated as net rental income and as operating income (turnover).

When a certain building from the issuer's portfolio is sold, it is treated as follows:
- the net revenue, potentially after deduction of withholding taxes due, is only booked as a realized capital gain at Leasinvest Real Estate for the difference between the book value of the real estate certificate at closing date, augmented by the net liquidation coupon, and the book value at the previous closing date.

Subsequent expenditure
The expenditure incurred by the owner to refurbish a property in operation is accounted for in two different manners, depending on their nature.

The expenses relating to repair and maintenance that do not add additional functions, nor raise the level of comfort of the building, are accounted for as expenses of the ordinary activities of the financial year and are therefore deducted from the operational result.

On the other hand, charges related to renovations and significant improvements adding a function to the investment property in operation or raising its level of comfort, in order to allow a raise of the rent and consequently of the estimated rental value, are capitalized and consequently recorded in the accounting value of the concerned asset as far as an independent real estate valuer acknowledges a corresponding increase in value of the building.

Regarding the development projects, all directly attributable costs including additional expenses such as registration charges and non-deductible VAT are capitalized. Interest costs related to the financing of the project shall also be capitalized, as far as they relate to the period prior to the accomplishment of the asset.

H. ASSETS HELD FOR SALE

The assets held for sale (investment properties) are presented separately in the balance sheet at a value corresponding to the fair value, decreased by the transfer rights.

IFRS 5 – Non-current assets held for sale only applies to the presentation of real estate held for sale. IAS 40 has to be applied to het measurement, as is the case for the other investment properties (at fair value)

I. IMPAIRMENT OF FIXED ASSETS (EXCL. INVESTMENT PROPERTIES)

Leasinvest Real Estate assesses at each reporting date whether there is any indication that an asset may be impaired. If such indication exists, an estimate will be made as to the recoverable amount of the asset.

An asset is impaired when the book value is higher than the recoverable value by reducing its book value with an exceptional depreciation amount to the respective recoverable value.

The recoverable value of an asset is defined as the highest of its fair value less sales costs (supposing a non-forced sale) or its value in use (based on the current value of the estimated future cash flows). The resulting impairment losses are recognized immediately in profit or loss.

The company value is the market value of the expected future cash flows. In order to define the company value, the expected future cash flows are discounted at an interest rate before taxes that reproduces both the current market interest rate and the specific risks with regard to the asset.
For assets that do not generate cash flows the recoverable value of the cash-generating entity they belong to, is defined.

Earlier booked impairment losses, except for goodwill and shares available for sale, are reversed through profit or loss if there has been a change in the valuation used to determine the recoverable value of the asset since the recognition of the last impairment loss. Earlier booked impairment losses for goodwill cannot be reversed, earlier booked impairment losses for shares available for sale can, depending on the type of instrument, be reversed through shareholder's equity or profit or loss.

J. FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities at fair value with changes in value passed through the income statement
The fair value changes of the financial assets and liabilities recorded at fair value through the results, are taken into the income statement, unless they were founded by 'hedge accounting' documentation (see K).

Financial assets available for sale
Financial assets available for sale and securities are recorded at fair value. The fair value changes are recognized in equity until the time of the sale or the impairment loss, whereby the cumulated revaluation is taken into profit or loss.

When a decline in fair value of a financial asset available for sale is recognized in equity and there is objective evidence that the asset is impaired, cumulative loss previously recognized in equity, has to be removed from equity and recognized in profit or loss.

Financial assets held to maturity
Financial assets held to maturity are measured at amortized cost.

Interest-bearing loans and receivables
Interest-bearing loans are measured at amortized cost using the effective interest method whereby the difference between acquisition cost and the reimbursement value is recognized pro rata temporis in profit or loss based on the effective interest rate.

Long-term receivables are valued based on their discounted value according to the current interest rate at the time of their emission.

Trade payables and receivables/ Other debts and receivables
These accounts are measured at par value, less impairment loss for uncollectible receivables.

Cash and cash equivalents
Cash and cash equivalents, consisting of cash at banks, cash in hand and short-term investments (< 3 months) are recognized at par value in the balance sheet.

K. DERIVATIVE FINANCIAL INSTRUMENTS

Leasinvest Real Estate uses financial instruments in order to hedge its exposure to the interest rate and exchange rate risks arising from the operational, financial and investment activities.

Derivative financial instruments are recognized initially at cost and are revaluated to fair value at the subsequent reporting date.

Changes in fair value of derivative financial instruments, which are not formally attributed as derivative financial instrument or do not qualify for hedge accounting or are fair value hedges, are taken into profit or loss.

IFRS 13 mentions an element in measurement, namely the obligation to record the own credit risk and that of the counterparty in the calculation. The correction of the fair value as a consequence of the application of the credit risk to the counterparty is called Credit Valuation Adjustment (CVA). Quantifying the own credit risk is called Debit Valuation Adjustment or DVA.

Cash flow hedges
The effective portion of gains or losses from fair value changes of derivative financial instruments (payer interest rate swaps), specifically attributed to hedge the exposure to variability in cash flows associated with a recognized asset or liability or a highly probable forecasted transaction, is recognized directly in equity. The ineffective portion is recognized in profit or loss.
The fair value of the 'swap' interest rates is the estimated value the company would receive or pay when exercising the swap at the balance sheet date, taking into account the current interest rates and the expected interest rates and the solvency of the counterparty of the swap.

The moment the forecasted transaction occurs, the cumulative gain or loss on the derivative financial instrument is taken out of equity and is reclassified into profit or loss.

Cumulative gains or losses related to expired derivative financial instruments remain included in equity, for as long as it is probable that the forecasted transaction will occur. Such transactions are accounted for as explained in the above paragraph. When the hedged transaction is no longer probable, all cumulative unrealized gains or losses at that time, are transferred from equity to profit or loss.

Fair value hedging
For each financial derivative covering the potential changes in fair value of a recorded receivable or debt, the profit or loss resulting from the revaluation of the hedge is recorded in the income statement. The value of the hedged element is also measured at the fair value attributable to the hedged risk. The related profits or losses are recorded in the income statement. The fair value of the hedged elements related to the hedged risk are the book values at the balance sheet date, calculated in euro at the exchange rate effective at the balance sheet date.

L. ISSUED CAPITAL AND RESERVES

Shares
The costs relating to a capital transaction with the issue of new shares are deducted from capitalt.

Redeeming of treasury shares
Redeemed treasury shares are deducted from equity at acquisition cost. A subsequent sale or disposal does not have an impact on result; gains and losses related to treasury shares are recognized directly in equity.

Dividends
Dividends are recognized as a liability when approved by the general meeting of shareholders.

M. PROVISIONS

If LRE or a subsidiary has a (legal or indirect) obligation as a result of a past event, and it is probable that the settlement of this obligation will require an outflow of resources, and the amount of the obligation can be reliably estimated, a provision is recognized on balance sheet date.

In case the difference between par value and present value is material, a provision is recognized for the present value of the estimated expenses based on the discount rate, and taking into account the current market assessments of the time value of money and the risks specific to the liability.

If LRE expects that (some or all of) a provision will be reimbursed, for example under an insurance contract, the reimbursement is only recognized as a separate asset when it is virtually certain that it will be received.

The expense relating to any provision is presented in the income statement, net of any reimbursement.

N. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are disclosed in the notes, if their impact is material.

O. TAXES

Income tax
Income tax on the profit or loss for the financial year comprises current and deferred tax. Both taxes are recognized in the income statement and under liabilities in the balance sheet, except to the extent that they relate to items recognized directly in equity, in which case they are recognized in equity. The tax amount is calculated based on the legal tax rates and tax legislation in force.

Deferred taxes are calculated using the balance sheet liability method, applied on the temporary differences between the book value of the recognized assets and liabilities and their fiscal value. Deferred taxes are recorded based on the expected taxes rates.

Deferred tax liabilities are recognized for all taxable temporary differences:
- except to the extent that the deferred tax liability arises from the original recognition of goodwill or the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction neither affects the accounting profit nor the taxable profit;
- except in respect to taxable temporary differences associated to investments in subsidiaries, branches and associates, where the group is able to control the timing of the reversal of temporary difference and it is probable that temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forwards of unused tax credits or tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be offset. The book value of the deferred income tax assets is assessed at each balance sheet date and deducted to the extent that is no longer probable that sufficient taxable profit is available against which all or some of the deferred taxes can be offset.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the year when the temporary differences will be realized or settled, based on tax rates that have been enacted or substantively enacted at balance sheet date.

Exit tax
The exit tax is the tax on gains arising upon the merger of an RREC with an entity that is not an RREC. When the latter first enters in the scope of consolidation, the exit tax is recorded as a liability. Every subsequent adjustment of this exit tax liability, following the evolution of the fair value and the accounting value between the moment of the incorporation in the consolidated accounts

of the acquired companies and the moment of the merger between the RREC and those companies, to the exit tax liability is recognized in the income statement.

P. DISCONTINUED OPERATIONS

The assets, liabilities and net results of discontinued operations are separately reported under one heading in the consolidated balance sheet and the consolidated income statement. The same reporting is also valid for assets and liabilities held-for-sale.

Q. EVENTS AFTER THE BALANCE SHEET DATE

It is possible that certain events that occur after balance sheet date provide additional evidence over the financial position of an entity (adjusting events). This information permits the improvement of estimates and allows to better reflect the current situation on balance sheet date. These events require an adjustment of the balance sheet and the result. Other events after balance sheet data are disclosed in the notes if their impact is potentially important.

R. EARNINGS PER SHARE

The group calculates both basic and diluted earnings per share in accordance with IAS 33. Basic earnings per share is calculated based on the weighted average number of outstanding shares during the period. For the calculation of the diluted profit per share, the profit or the loss that can be attributed and the holders of ordinary shares and the weighted average number of issued shares are corrected for the effects of all potential ordinary shares that will lead to dilution.

S. REVENUE

Rental income comprises the gross rental income. Costs of gratuities and advantages granted to tenants are recorded as deduction of the rental income (through ‘rent free periods’) for the duration of the lease, defined as the period between the start and the first break.

T. FINANCIAL RESULT

Financial income
Financial income comprises the interest received on investments, dividends, exchange rate income and income relating to hedges that is recorded in the income statement (excluding fair value adjustments).
Interests and dividends that originate from the use by third parties of company resources, are recorded when it is probable that the economic benefits related to the transaction will flow back to the company and the income can be defined in a reliable way.
Interests received are recorded when collected (taking into account the time elapsed and the effective return of the asset), unless there is any doubt on the collection.
Dividends are recorded in the income statement at the date of payment or when they were granted.

Net funding costs
The net funding costs comprise the interest payable on loans, calculated using the effective interest rate method, as well as the net interest due on derivative financial instruments that are recognized in the income statement (excluding fair value adjustments). Interest income is recognized in the income statement as it accrues, taking into account the effective yield of the asset.

Other financial charges
The other financial charges mainly comprise reservation fees due on unused confirmed credit lines.

U. SEGMENT REPORTING

The segment information is prepared taking into account the operating segments and the information used internally in order to take decisions. The "chief operating decision makers" (high-ranking officers) are the Effective officers of the company. The operational segments are defined, as there is evidence, in the long term, of similar financial performance as they have comparable economic characteristics, based on the estimated rental value, investment potential and residual value.

The segment information comprises the results, assets and liabilities that can, directly, or on a reasonable basis, be attributed to a segment.
LRE is split up in three geographic segments, namely Belgium, the Grand Duchy of Luxembourg, and Austria. The Luxembourg and Austrian segment correspond to the Leasinvest Immo Lux SICAV-SIF portfolio.
The "corporate" category comprises all unallocated fixed costs carried at group level, and the financing costs. In view of maximum transparency, the Austrian results are reported separately in de segment information presented hereafter.

NOTE 3
Segment information

3.1 Segment information - geographical

3.1.1 Consolidated statement of comprehensive income

(in € 1 000)	Belgium 31/12/2020	Belgium 31/12/2019
(+) Rental income (1)	19 922	22 622
(+) Write-back of lease payments sold and discounted		
(+/-) Related-rental expenses	-189	-530
NET RENTAL INCOME	**19 733**	**22 092**
(+) Recovery of property charges	87	134
(+) Recovery income of charges and taxes normally payable by tenants on let properties	2 584	4 639
(-) Charges and taxes normally payable by tenants on let properties	-2 584	-4 639
(+/-) Other rental related income and expenditure	-898	-1 844
PROPERTY RESULT	**18 922**	**20 382**
(-) Technical costs	-485	-551
(-) Commercial costs	-129	-238
(-) Charges and taxes on un-let properties	-101	-547
(-) Property management costs (2)	-5 483	-5 254
(-) Other property charges	-272	-344
PROPERTY CHARGES	**-6 470**	**-6 934**
PROPERTY OPERATING RESULT	**12 452**	**13 448**
(-) Corporate operating charges	-893	-1 375
(+/-) Other operating charges and income	3 676	136
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**15 235**	**12 209**
(+/-) Result on disposal of investment properties	-984	-1 208
(+/-) Changes in fair value of investment properties	1 975	-584
OPERATING RESULT	**16 226**	**10 417**
(+) Financial income		
(-) Net interest charges		
(-) Other financial charges		
(+/-) Changes in fair value of financial assets and liabilities		
FINANCIAL RESULT	**0**	**0**
PRE-TAX RESULT	**16 226**	**10 417**
(+/-) Corporate taxes		
TAXES	**0**	**0**
NET RESULT	**16 226**	**10 417**
Attributable to:		
Minority interests		
Group shareholders		

(1) There is no rental income from transactions with other operational segments.
(2) The property management costs consist a/o of the fee paid by Leasinvest Real Estate to the statutory manager Leasinvest Real Estate Management SA. This fee is calculated based on the consolidated real estate portfolio, i.e. including the portfolio situated in Luxembourg, the participation in Retail Estates SA & the real estate certificates held. Of the total fee paid by Leasinvest Real Estate during the financial year 2020 (12 months) € 3.31 million is related to the Luxembourg real estate portfolio (including the Austrian buildings).

Luxembourg		Austria		Corporate		TOTAL	
31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
32 052	35 260	9 598	7 398			61 572	65 280
						0	0
-585		-951				-1 725	-530
31 467	**35 260**	**8 647**	**7 398**	**0**	**0**	**59 847**	**64 750**
16	277	0	0			103	411
242	150	922	526			3 748	5 315
-242	-150	-922	-526			-3 748	-5 315
-981	-678	-7	-21			-1 886	-2 543
30 502	**34 859**	**8 640**	**7 377**	**0**	**0**	**58 064**	**62 618**
-196	-428	-189	-103			-870	-1 082
-626	-884	-216	-89			-971	-1 211
-1 244	-802	0	0			-1 345	-1 349
-610	-551	-317	-104			-6 410	-5 909
-290	-112	-42	-71			-604	-527
-2 966	**-2 777**	**-764**	**-367**	**0**	**0**	**-10 200**	**-10 078**
27 536	**32 082**	**7 876**	**7 010**	**0**	**0**	**47 864**	**52 540**
-776	-1 206	-395	-432			-2 064	-3 013
-2 887	-95	-388	-89			401	-48
23 873	**30 781**	**7 093**	**6 489**	**0**	**0**	**46 201**	**49 479**
3 195	795	0	0			2 211	-413
27 064	1 959	247	2 690			29 286	4 065
54 132	**33 535**	**7 340**	**9 179**	**0**	**0**	**77 698**	**53 131**
				5 946	5 673	5 946	5 673
				-14 791	-12 780	-14 791	-12 780
				-1 240	-1 374	-1 240	-1 374
				-59 450	5 755	-59 450	5 755
0	**0**	**0**	**0**	**-69 535**	**-2 726**	**-69 535**	**-2 726**
54 132	**33 535**	**7 340**	**9 179**	**-69 535**	**-2 726**	**8 163**	**50 405**
				-480	-505	-480	-505
0	**0**	**0**	**0**	**-480**	**-505**	**-480**	**-505**
54 132	**33 535**	**7 340**	**9 179**	**-70 015**	**-3 231**	**7 683**	**49 900**
						0	0
						7 683	49 900

3.1.2 Consolidated balance sheet (geographical segmentation)

	Belgium		Luxembourg		Austria		Corporate		TOTAL	
(in € 1 000)	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
ASSETS										
Investment properties (incl. development projects, excl. financial leasing)	326 839	325 827	633 302	587 042	181 049	179 660			1 141 190	1 092 529
Assets held for sale									0	0
Other assets	86 497	142 783	10 311	10 312	2 550	2 389			99 358	155 484
ASSETS PER SEGMENT	**413 336**	**468 610**	**643 613**	**597 354**	**183 599**	**182 049**	**0**	**0**	**1 240 548**	**1 248 013**
LIABILITIES										
Non-current financial debts							460 478	425 771	460 478	425 771
Current financial debts							205 022	235 149	205 022	235 149
Other liabilities							87 837	94 517	87 837	94 517
LIABILITIES PER SEGMENT							**753 337**	**755 437**	**753 337**	**755 437**
SHAREHOLDERS' EQUITY									**487 211**	**492 576**

Other segment information

The investment properties consist of the property available for lease as well as of the development projects.

	Belgium		Luxembourg		Austria		TOTAL	
(in € 1 000)	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Investment properties								
investments	5 256	4 651	23 385	30 534	121	73 342	28 762	108 527
divestments	-23 836	-25 605	-13 000	-15 845			-36 836	-41 450
Finance lease receivables							**0**	**0**
Assets held for sale							**0**	**0**
Other tangible assets (other)							**0**	**0**
investments		23			700	66	700	89
depreciations		-3			-38	-6	-38	-9
Net book value at the end of the financial year		4			662	60	662	64

The investments in and divestments of investment properties, the finance lease receivables and the assets held for sale are commented in respectively note 20, 24 and 25.
The other tangible assets are mainly not for own use (note 22).

3.1.3 Main key figures

The fair value and the investment value of the real estate portfolio comprise the buildings in operation, i.e. the buildings available for lease and the non-current assets held for sale, as well as the development projects. For the calculation of the other key figures (the yield, the total letting area, the occupancy rate and the weighted average duration) only the buildings in operation are taken into account, excluding the development projects and the assets held for sale. The yields concern gross yields.

	Belgium		Luxembourg		Austria		TOTAL	
(in € 1 000)	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Fair value of the real estate portfolio (1)	322 630	361 440	633 302	554 784	181 049	179 660	1 136 981	1 095 884
Investment value of the real estate portfolio	330 940	370 210	645 091	564 407	185 575	184 152	1 161 606	1 118 769
Gross yield (in fair value) of the segment (2)	5.69%	6.14%	5.31%	6.77%	5.46%	5.32%	5.44%	6.37%
Gross yield (in investment value) of the segment (2)	5.55%	6.00%	5.21%	6.65%	5.33%	5.19%	5.33%	6.25%
Total letting area (m²)	213 975	246 539	187 319	175 355	54 089	54 089	455 383	475 983
Occupancy rate (2)	92.63%	92.79%	88.90%	93.87%	100.00%	100.00%	91.62%	94.33%
Weighted average duration till first break possibility (# years)	4.29	5.00	3.33	3.39	5.02	5.55	3.85	4.34

(1) The fair value of the real estate portfolio end 2020 consists of the investment properties (€ 1,141,529 thousand). The fair value of the real estate portfolio end 2019 consists of the investment properties (€ 1,092,529 thousand) and the finance lease receivables (€ 17,720 thousand), or € 1,110,249 thousand in total.
(2) The calculation of the gross yield (in fair value and investment value) and the occupancy rate take into account all buildings, except for those recorded under 'assets held for sale' and 'development projects'.

3.2 Segment information – Key figures per asset class

	Retail		Offices		Logistics (and semi-industrial)		TOTAL	
(in € 1 000)	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Rental income (incl. lease receivables and excl. compensation for termination and incentives)	32 930	32 987	26 370	26 750	2 590	4 103	61 890	63 840
Fair value of the real estate portfolio	529 850	530 378	535 140	501 565	71 990	61 752	1 136 980	1 093 695
Investment value of the real estate portfolio	539 090	539 308	548 480	514 115	74 040	63 551	1 161 610	1 116 974
Occupancy rate	95.16%	97.40%	86.91%	82.23%	98.19%	96.83%	91.62%	90.46%
Rental yield (in fair value) of the segment	6.22%	6.22%	5.29%	5.33%	3.60%	6.64%	5.63%	5.84%
Rental yield (in investment value) of the segment	6.11%	6.12%	5.16%	5.20%	3.50%	6.46%	5.51%	5.72%
Weighted average duration till first break possibility (# years)	4.00	4.14	3.98	4.23	2.53	7.81	3.85	4.28

The rental income does not take into account the indemnities received for early termination of leases of € 10 thousand (€ 18 thousand end 2019).
The real estate portfolio comprises the buildings in operation and the non-current assets held for sale, as well as the development projects. For the calculation of the occupancy rate and the rental yield*, only the buildings in operation are taken into account, excluding the assets held for sale and the development projects. The yields concern gross yields.
With regard to the other assets, other than the real estate portfolio, it is irrelevant to apply the segmentation per type. Leasinvest Real Estate does not depend on major clients representing each more than 10% of the rental income.

COMPREHENSIVE INCOME

NOTE 4
Net rental result

(in € 1 000)	31/12/2020	31/12/2019
Rental income	**61 572**	**65 280**
Rents	59 938	63 995
Rent-free periods	0	-87
Rental incentives	368	-73
Indemnities for early termination of the leases	10	91
Income from finance leases and comparable items	1 256	1 354
Rental-related expenses	**-1 724**	**-530**
Write-downs on trade receivables	-1 724	-658
Write-backs of write-downs on trade receivables	0	128
Net rental result	**59 848**	**64 750**

Leasinvest Real Estate rents its investment properties on the basis of customary rental contracts.

The rental income amounts to € 61,572 thousand as of the end of 2020 compared to € 65,280 as of the end of 2019. The decrease stems from a combination of a decrease in turnover by Corona (- € 4.2 million, of which € 2.5 million has already been definitively granted) and the sale of a number of buildings in the course of 2019 and 2020. The decrease in turnover by Corona mainly has its effect on retail tenants. Belgium (- € 0.6 million), Luxembourg (- € 2.0 million) and Austria (- € 1.6 million). After the effect of the granted and estimated rental losses for 2020, we find that 97% of the rental income for 2020 has now been collected. Like-for-like rental income also decreased by € 2.6 million.

Costs of rent-free periods and rental incentives to tenants are deducted from the rental income (in the item "rent-free periods") over the duration of the lease, defined as the period between the start and the first break date. The rental incentives that were not yet recognized in the result are deducted from the fair value of the assets.
This implies, when entering a new rental period (after a break possibility or after the conclusion of a new rental contract) and in the case a rent-free period has been granted, no rent will be collected during that period, but rent will be recorded in this item. Consequently, ceteris paribus, this item has a positive balance. In the course of the rental period the rent received will be higher than the rent corrected with the rent-free period. This correction is recorded in this item and will, ceteris paribus, consequently have a negative balance, unless another rent-free period, exceeding this balance, is again granted in that period.

The table below indicates how much of the annual rental income could potentially be lost. If each tenant having a break possibility would actually leave the building and there would be no re-letting, this table show the loss of rental income.

(in € 1 000)	31/12/2020	31/12/2019
Within one year	6 895	3 966
Between one and five years	36 487	36 810
More than five years	16 327	28 426
TOTAL	**59 709**	**69 202**

Leasinvest Real Estate's portfolio mainly comprises players from the private sector and, to a lesser extent, of the public sector. Consequently, there are relatively more rental contracts with shorter fixed durations (type 3/6/9 years).

NOTE 5
Costs payable by tenants and borne by the landlord and other rental-related income and expenses

(in € 1 000)	31/12/2020	31/12/2019
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease		
Recovery of property charges	**103**	**411**
Compensations received for rental damage	103	411
TOTAL	**103**	**411**
Other rental-related income and expenses	-1 886	-2 543
TOTAL	**-1 886**	**-2 543**

The recovery of property charges only comprises the compensations received for rental damage.
The item "other rental-related income and expenses" amounts to € -1,886 thousand end 2020 in comparison with € -2,543 thousand end 2019. The decrease of these costs is mainly the consequence of lower operating costs (a/o personnel and maintenance costs) in The Crescent.

NOTE 6
Charges borne by the landlord on let properties

(in € 1 000)	31/12/2020	31/12/2019
Recovery income of charges and taxes normally payable by tenants on let properties	**3 748**	**5 315**
Rebilling of rental charges paid by the landlord	**1 572**	**2 182**
Rebilling of taxes on let properties	2 176	3 133
Rental charges and taxes normally payable by tenants on let properties	**-3 748**	**-5 315**
Rental charges paid by the landlord	**-1 572**	**-2 182**
Taxes on let properties	-2 176	-3 133
Rental charges borne by the landlord on let properties	**0**	**0**

Under usual lease terms these charges and taxes are borne by the tenants through rebilling by the landlord. They concern, among other things, the property taxes and other taxes on let buildings. In 2020 and 2019 all charges and taxes, contractually for the account of the tenant, have integrally been rebilled to the tenants concerned.

NOTE 7
Technical costs

(in € 1 000)	31/12/2020	31/12/2019
Recurring technical costs	**-871**	**-1 024**
Maintenance	-542	-580
Compensation for total guarantees	-256	-380
Insurance premiums	-73	-64
Non-recurring technical costs	**0**	**-58**
Major repairs (building contractors, architects, engineering, ...)	0	-3
Claims	0	-55
TOTAL	**-871**	**-1 082**

To ensure that the buildings keep responding to the increasing demands of comfort, image and sustainability maintenance and renovation works are regularly carried out. The item technical costs comprises both the recurrent and occasional costs of repair to the real estate portfolio, besides the fees with regard to the total guarantee and the insurance premiums related to the technical management of the buildings.

NOTE 8
Commercial costs

(in € 1 000)	31/12/2020	31/12/2019
Letting fees paid to real estate agents	-557	-586
Marketing expenses	-325	-513
Lawyer fees and legal expenses	-88	-112
TOTAL	**-970**	**-1 211**

The commercial costs decreased in comparison with last year, mainly because of lower publicity costs.

NOTE 9
Charges and taxes on un-let properties

(in € 1 000)	31/12/2020	31/12/2019
Charges on un-let properties of the financial year	-716	-721
Property taxes on un-let properties	-630	-628
TOTAL	**-1 346**	**-1 349**

The charges on un-let properties are the charges related to vacant spaces, which cannot be recovered from tenants and are consequently to be borne by the owner. The occupancy has increased in comparison with the previous year and we record a limited decrease in these costs in comparison with 2019 which is explained by the fact that we were able to re-invoice more to the steady tenants.

NOTE 10
Property management costs and other property costs

10.1 Property management costs

(in € 1 000)	31/12/2020	31/12/2019
External management costs	-5 429	-4 960
Costs of the internal management of the property	-981	-949
TOTAL PROPERTY MANAGEMENT COSTS	**-6 410**	**-5 909**

Leasinvest Real Estate SCA (on a statutory basis) has no own personnel. The statutory manager, Leasinvest Real Estate Management SA ('LREM'), is in charge of the management of the REIT (SIR/GVV) and had a staff of fifteen persons at the end of 2020 under the direction of the permanent representative (sixteen in total). The external management costs consist of the remuneration of the manager, which is defined at 0.415% of the investment value of the consolidated real estate portfolio, including the buildings of Leasinvest Immo Lux, the participation in Retail Estates and the real estate certificates held, according to the articles of association. The costs of the internal management of the real estate mainly consist of the personnel costs of Leasinvest Services, which takes care of the technical management of the buildings of the REIT (SIR/GVV) (personnel: 3 employees).

10.2 Other property costs

The other property costs amount to € -0.6 million at the end of 2020 and mainly comprise the valuers' fee (€ 226 thousand) and the fee paid within the framework of the external management (o/a Inowai & CBRE-PSM) and other diverse property costs (fees for situation surveys).

NOTE 11
General corporate charges and other operating income and charges

(in € 1 000)	31/12/2020	31/12/2019
UCI tax	-439	-412
Depositary	-168	-156
Auditor fees	-267	-289
Liquidity provider	-21	-14
Other expenses	-1 170	-2 142
TOTAL	**-2 065**	**-3 013**
Other operating income and charges	401	-48

The general corporate charges regroup the overhead costs of the company, which have as such nothing to do with the actual activity, namely generating rental income. These are, among other things, the costs carried by the REIT (SIR/GVV) as a legal, listed entity and are mainly related to all kinds of prescriptions/obligations regarding transparency, liquidity of the share and financial communication.
The general corporate charges decrease from € 3.0 million in 2019 to € 2.1 million in 2020. This decrease is mainly due to lower consultancy fees.

Other operating income and charges amount to € 0.4 million per 31 December 2020 and mainly consist of the final liquidation coupon of the real estate certificate Lux Airport.

NOTE 12
Result of disposal of investment properties

(in € 1 000)	31/12/2020	31/12/2019
Net gains on investment properties (sales price – transfer rights)	36 282	41 488
Book value of real estate sold (fair value)	-34 071	-41 901
TOTAL	**2 211**	**-413**

In 2020 three buildings were sold: in Luxembourg the office building Esch 25 was sold, and in Belgium the buildings Brixton Business Park Unit 10 and the State Archives in Bruges were sold. On these sales, a total capital gain of € 2.2 million was realized.

NOTE 13
Changes in fair value of investment properties

(in € 1 000)	31/12/2020	31/12/2019
Positive changes in fair value of investment properties	65 648	17 371
Negative changes in fair value of investment properties	-36 362	-13 307
TOTAL	**29 286**	**4 064**

The net portfolio result shows a total unrealized capital gain of € 29.3 million in 2020, or an increase of € 25.2 million compared to 2019.

Significant capital gains were recorded on the office portfolio in both Belgium and Luxembourg, partially offset by losses on the Knauf shopping centers. The capital gains recorded on the Luxembourg office portfolio are a direct result of the restructuring of the Luxembourg activities already explained earlier in this annual report.

NOTE 14
Financial income

(in € 1 000)	31/12/2020	31/12/2019
Interests and dividends received	5 946	5 100
Income from financial instruments for hedging	0	560
Authorized hedges subject to hedge accounting as defined by IFRS	0	560
Net realized capital gains on sale of finance lease receivables and comparable items	0	12
TOTAL	**5 946**	**5 673**

The 'interests and dividends received' consist of the dividends received of € 5.9 million (for the financial year 2019/2020) on the Retail Estates shares.

NOTE 15
Financial charges

(in € 1 000)	31/12/2020	31/12/2019
Nominal interest charges on loans	-7 998	-8 070
Interest charges on non-current financial debts	-5 278	-4 865
Interest charges on bond loans	-2 602	-3 052
Interest charges on current financial debts	-118	-153
Costs of financial instruments for hedging	-6 813	-4 705
Authorized hedges subject to hedge accounting as defined by IFRS	-6 813	-4 705
Other interest charges	-2	-5
Activated interest charges	23	0
TOTAL	**-14 791**	**-12 780**

The costs of authorized hedges comprise the fixed interest rate settlements paid by Leasinvest Real Estate within the framework of the interest rate payer swaps concluded.

The decrease in nominal interest charges on loans (both on non-current financial debts and bond loans) comes from lower interests on loans, mainly by the repayment of the expensive retail bond in October 2019.

In addition, an increase can be observed in the costs of financial instruments held for hedging purposes (+€ 2.11 million). These increased due to an increase in the average hedge ratio over 2020 combined with a decrease of Euribor 3M. The average funding cost (excluding the marked-to-market of the hedging instruments) after hedging is 2.35% at the end of 2020 (end 2019: 2.14%); before interest charges on the hedging portfolio, the average funding cost at the end of 2020 is 1.19% (at the end of 2019: 1.29%). At the end of 2020, limited funding costs were activated, namely € 23 thousand. At the end of 2019, no funding costs were activated.

NOTE 16
Other financial charges

(in € 1 000)	31/12/2020	31/12/2019
Bank costs and other commissions	-1 240	-1 374
TOTAL	**-1 240**	**-1 374**

The bank costs and other commissions mainly comprise the provisions for reservation due on the undrawn part of the credit portfolio. These costs have slightly decreased in 2020 (- € 134 thousand) in comparison with 2019.

NOTE 17
Changes in fair value of financial assets and liabilities

(in € 1 000)	31/12/2020	31/12/2019
Authorized hedges subject to hedge accounting as defined by IFRS and inefficient part of CF hedges	220	161
Revaluation participation in other GVV/SIR	-33 513	10 143
Authorized hedges not subject to hedge accounting as defined by IFRS	-25 904	-4 863
Adjustment of fair value bond loans	0	454
IFRS 16	-253	-139
TOTAL	**-59 450**	**5 756**

The changes in fair value of the authorized hedges subject to hedge accounting as defined by IFRS and the inefficient part of the cash flow hedges amounted to € 0.22 million in 2020. Besides this, the revaluation of participations in other GVV/SIR is also booked in this item. This year, a negative revaluation of € 33.5 million was booked on the participation in Retail Estates.

The changes in fair value of the authorized hedges subject to hedge accounting relating to the fair value hedge concern variations of the non-efficient interest rate swaps and the CAPs.

The changes in fair value of the bond loans concerned the part of the public bond loan for € 35 million, which ended in October 2019, and consequently had no impact on this financial year.

NOTE 18
Corporate taxes

(in € 1 000)	31/12/2020	31/12/2019
Parent company LRE	-230	-210
Pre-tax result	8 163	50 406
Result exempt from income tax due to the REIT (SIR/GVV) regime	8 163	50 406
Taxable result based on non-deductible costs	918	712
Tax rate of 25%	-230	-211
Subsidiaries	-250	-295
TOTAL	**-480**	**-506**

REIT (SIR/GVV) enjoy a special tax regime, which makes that corporate taxes are only applicable to non-deductible expenses (regional taxes) and, on abnormal and benevolent advantages and special amounts. Leasinvest Immo Lux, 100% subsidiary of Leasinvest Real Estate, enjoys, as a sicav, a special tax regime in Luxembourg. The other subsidiaries on the contrary, are subject to corporate taxes.

Total taxes remained constant at - € 0.5 million.

BALANCE SHEET

NOTE 19
Intangible assets

(in € 1 000)	31/12/2020	31/12/2019
Intangible assets	**0**	**0**
Movements in other tangible assets		
Balance at the end of the previous financial year	**0**	**0**
Gross amount	26	26
Accumulated depreciation (-)	-26	-26
Balance at the end of the financial year	**0**	**0**

NOTE 20
Investment properties (fair value method)

	Real estate available for lease		Development projects	
(in € 1 000)	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Balance at the end of the previous financial year	**1 080 207**	**992 510**	**12 322**	**11 727**
Investments	27 228	16 275	1 535	323
Divestments	-19 116	-54 668		
Acquisitions of property	0	121 274		
Transfer from/(to) other items	-23 740	0	23 740	
Increase/(decrease) in fair value	39 831	584	-792	272
Right to use IFRS 16	-24	4 231		
Balance at the end of the financial year	**1 104 385**	**1 080 207**	**36 805**	**12 322**

The real estate available for lease increases by € 24.3 million as a result of, among other things, booking important capital gains on the office portfolio in both Belgium and Luxembourg, partly compensated by losses on the Knauf shopping centers. The capital gains realised on the Luxembourg office portfolio are a direct result of the restructuring of the Luxembourg activities. In addition, three buildings were also sold, namely Esch 25, the State Archives in Bruges and part of the Brixton Business Park.

For more information about the property valuation, please refer to the real estate report on page 121.

Development projects are increasing by € 24.4 million as a result of the reclassification of the EBBC D buildings and part of EBBC E within the scope of the renovation project "Moonar".

	Total investment properties		Finance lease receivables		Total		Assets held for sale	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	1 092 529	**1 004 237**	**17 720**	**17 720**	**1 110 249**	**1 110 249**	**0**	**15 050**
	28 763	16 598			28 763	16 598		
	-19 116	-54 668	-17 720		-36 836	-54 668	0	-15 845
	0	121 274			0	121 275		
	0	0		-76	0	-76		
	39 039	856			39 039	856	0	795
	-24	4 231			-24	4 231		
	1 141 190	**1 092 529**	**0**	**17 720**	**1 141 190**	**1 110 249**	**0**	**0**

Capex overview 2020 and 2019

2020 in € 1 000	Total Group*
Acquisitions	0
Development	1 535
Investment properties	27 228
incremental lettable space	11 422
no incremental lettable space	15 806
Total CapEx	**28 763**
Conversion from accrual to cash basis	0
Total CapEx on cash basis	**28 763**

2019 in € 1 000	Total Group*
Acquisitions	121 274
Development	8 355
Investment properties	8 243
incremental lettable space	2 142
no incremental lettable space	6 101
Total CapEx	**137 872**
Conversion from accrual to cash basis	0
Total CapEx on cash basis	**137 872**

* Leasinvest Real Estate has no joint ventures.

Based on the fair value model according to IAS 40, investment properties are accounted for at fair value. This fair value corresponds to the amount for which a building could be sold between well-informed and ready parties acting under normal competitive circumstances. The fair value corresponds to the investment value as defined by an independent real estate expert, minus the transfer rights, the so-called 'mutation costs'. For more information on this matter we refer to the valuation rules. The investment value is the value as defined by an independent real estate expert, of which the transfer rights have not been deducted. This value corresponds to the price which a third party investor (or hypothetical buyer) would pay to acquire the real estate in order to benefit from the rental income and realize a return on his investment. The values have been defined by independent real estate experts.

The following methods were used to define the fair value according to IFRS 13:

- **Net present value of estimated rental income**

The investment value is the result of the yield applied on the estimated rental value (capitalisation method or market approach) corrected by the net present value of the difference between the current rent and the estimated rental value at the valuation date, and this, for the period till the next break possibility of the current rental contracts.

· **Discounted cash flow method**
The DCF method consists in defining the present value of the future cash flows. The future rental income is estimated on the basis of the existing contractual rents and the real estate market outlook for each building in the following periods. Moreover, the future maintenance costs are also estimated and taken into account. The actualisation rate applied takes into account the risk premium for the object defined by the market. The obtained value is also compared to the market on the basis of the definition of the residual land value.

· **Residual valuation**
Buildings to renovate or in the course of renovation, or planned projects are valued based on the value after renovation, valued based on the value after renovation under deduction of the amount for the remainder of the work to be carried out, including costs, interests, vacancy and risk premium.

Assets and liabilities valued at fair value after their initial booking can be presented in three levels (1-3), that each correspond to a different input level to observe the fair value:

· **Level 1** inputs are quoted prices in active markets for identical assets or liabilities.
· **Level 2** inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. deducted from prices).
· **Level 3** inputs are unobservable inputs for the asset or liability based on valuations techniques comprising data for the asset or liability.

The investment properties come under level 3.

For the total Leasinvest Real Estate SCA property, including the part of the portfolio estimated by the companies Stadim, Oerag, Cushman & Wakefield has defined at 31 December 2019,

1. an **investment value** of **€ 1,161,610,000** (one billion one hundred and sixty-one million six hundred and ten thousand euros), with an investment value of € 330,940,000, € 645,090,000 and € 185,580,000 respectively for the Belgian, Luxembourg and Austrian portfolios; and
2. a **fair value** of **€ 1,136,980,000** (one billion one hundred and thirty-six million nine hundred and eighty thousand euros), with a fair value of € 322,630,000, € 633,300,000 and € 181,050,000 respectively for the Belgian, Luxembourg and Austrian portfolios.
3. **IFRS 16**: the value of 'the right of use/lease liability' of the two Belgian buildings to which this principle applies, in particular The Crescent in Anderlecht and Hangar 26/27 in Antwerp, amounts to € 1,851,038 and € 2,356,005 respectively as of the end of 2020.

The real estate consists of business parks, offices, semi-industrial buildings, distribution centers and shops, spread across the Grand Duchy of Luxembourg, Belgium and Austria.

For more details, we also refer to the note Main key figures - (Other segment information).

The fair value of the real estate portfolio amounts to € 1,141.2 million end 2020 compared to € 1,110.2 million end December 2019.

The following table gives an overview of the valuation techniques applied per asset class, and of the main variables used
(excluding assets held for sale):

Asset class	Fair value 2020 (€ 1 000)	Fair value 2019 (€ 1 000)	Valuation technique	Important input data	31/12/2020 Min-Max (weighted average)	31/12/2019 Min-Max (weighted average)
Retail (Grand Duchy of Luxembourg & Belgium)	348 800	350 718	Actualization of estimated rental income	a) ERV spread b) Average weighted estimated rental value c) Capitalization rate spread d) Weighted average cap. rate e) Residual duration f) Number of m²	a) [9.34 €/m² - 18.04 €/m²] b) [12.53 €/m²] c) [5.29% - 7.84%] d) [6.70%] e) 3.65 years f) 153 245 m²	a) [9.34 €/m² - 18.46 €/m²] b) [12.74 €/m²] c) [5.58% - 7.35%] d) [6.66%] e) 3.60 years f) 153 245 m²
Retail Austria	181 050	179 661	DCF (discoun-ted cash flow)	a) Average weighted estimated rental value b) Capitalization rate spread c) Capitalization rate calculation end value after 10y d) Residual duration e) Number of m²	a) [11.84 €/m²] b) [4.97% - 5.90%] c) [5.44%] d) 5.07 years e) 69 533 m²	a) [11.45 €/m²] b) [4.97% - 5.59%] c) [5.35%] d) 5.60 years e) 69 533 m²
Offices Grand Duchy of Luxembourg	280 120	264 430	Actualization of estimated rental income	a) ERV spread b) Average weighted estimated rental value c) Capitalization rate spread d) Weighted average cap. rate e) Residual duration f) Number of m²	a) [12.49 €/m² - 49.81 € /m²] b) [25.60 €/m²] c) [3.75% - 6.25%] d) [5.36%] e) 2.96 years f) 41 306 m²	a) [7.53 €/m² - 49.33 € /m²] b) [22.89 €/m²] c) [4.95% - 7.50%] d) [6.19%] e) 3.20 years f) 48 059 m²
Offices Belgium	259 230	253 688	Actualization of estimated rental income	a) ERV spread b) Average weighted estimated rental value c) Capitalization rate spread d) Weighted average cap. rate e) Residual duration f) Number of m²	a) [8.33 €/m² - 27.52 €/m²] b) [13.02 €/m²] c) [3.75% - 8.75%] d) [5.46%] e) 5.58 years f) 87 590 m²	a) [8.27 €/m² - 27.09 €/m²] b) [13.30 €/m²] c) [4.10% - 7.70%] d) [5.72%] e) 6.74 years f) 93 564 m²
Logistics	71 990	61 752	DCF (discoun-ted cash flow or net present value of cash-flows at discount rate)	a) ERV spread b) Average weighted estimated rental value c) Average discount rate d) Economic life e) Residual duration f) Number of m²	a) [4.76 €/m² - 8.14 € /m²] b) [6.46 € /m²] c) 5.61% d) 30 years e) 2.35 years f) 32 748 m²	a) [4.88 €/m² - 7.70 €/m²] b) [6.17 € /m²] c) 7.25% d) 30 years e) 2.58 years f) 36 402 m²
Total investment properties	**1 141 190**	**1 110 249**				

To be noted that the table above does not individually mention vacancy, residual value and operating margin.
The vacancy hypothesis is partially incorporated based on location, rental contract, and partially in the yield. Top locations in the centre of Brussels and Luxembourg barely record any vacancy, while buildings located in the periphery do have to cope with rental vacancy. The Economic life cycle is not specifically reproduced for office buildings and retail parks because it is already comprised in the definition of the yield.

The current portfolio could absorb a potential decrease in fair value of € 179 million before exceeding the maximum debt ratio of 65%. Such decrease in value can be the consequence of an increase in yield (at constant rental values the yield should rise by 101 base points to exceed the maximum debt ratio of 65%) or of a decrease in rental income (at constant yields the rents should have to drop by 15.7% to exceed the maximum debt ratio of 65%).

NOTE 21
Acquisitions of subsidiaries

Acquisitions of subsidiaries did not take place in 2020, but a recent change in the law has led to the integration of Luxembourg activities in a number of Special Purpose Vehicles (SPVs) which are subject to the ordinary Luxembourg corporation tax.

NOTE 22
Other tangible assets

(in € 1 000)	31/12/2020	31/12/2019
Installations, machines and equipment	1 474	1 016
Furniture, office equipment and rolling stock	80	117
Other tangible assets	**1 554**	**1 133**
Changes in other tangible assets		
Balance at the end of the previous financial year	**1 133**	**1 263**
Gross amount	1 895	1 806
Accumulated depreciation (-)	-762	-543
Investments (+)/Divestments (-)	700	89
Amortizations (-)	-279	-219
Balance at the end of the financial year	**1 554**	**1 133**
Of which:		
Tangible assets for own use	80	117
Other	1 474	1 016

The other tangible assets are recorded at cost minus accumulated depreciation and possible impairments (in accordance with IAS 16).
These are written off in a linear way in function of their economic life cycle.

NOTE 23
Non-current financial assets

(in € 1 000)	31/12/2020	31/12/2019
Participations in other REIT (SIR/GVV)	79 863	113 376
Other	459	443
Hedges	33	831
TOTAL	**80 355**	**114 650**

The non-current financial assets decrease substantially because a depreciation of € 33.5 million is booked on 31 December on the participation in Retail Estates.

NOTE 24
Leasing

The item finance lease receivables is no longer relevant this year as the State Archives in Bruges were sold at the beginning of December 2020.

(in € 1 000)	31/12/2020				31/12/2019			
	< 1 year	1 year <> 5 years	> 5 years	Total	< 1 year	1 year <> 5 years	> 5 years	Total
1. Gross lease investments	0	0	0	0	2 150	6 831	28 660	37 641
2. Present value of minimum lease payments		0	0	0		815	16 904	17 719
3. Unearned finance income				0				19 922
4. Contingent rent recognised in income								
5. Unguaranteed residual values for the lessor								
6. Accumulated allowance for uncollectible lease payments receivable								

NOTE 25
Assets held for sale

(in € 1 000)	31/12/2020	31/12/2019
Balance at the end of the previous financial year	**0**	**15 050**
Divestments	0	-15 050
Balance at the end of the financial year	**0**	**0**

All assets held for sale are investment properties.

As the asset is an investment property accounted for according to the fair value model, it is valued at fair value, i.e. the accounting value minus the transfer rights, based on the valuation by the independent external real estate expert.

End 2020 there are no assets held for sale.

NOTE 26
Current financial assets

(in € 1 000)	31/12/2020	31/12/2019
TOTAL	**0**	**0**

NOTE 27
Trade receivables

(in € 1 000)	31/12/2020	31/12/2019
Trade receivables	9 145	12 482
To be invoiced	1 273	1 993
Doubtful receivables	-189	-530
TOTAL	**10 229**	**13 945**

Leasinvest Real Estate estimates that the accounting value of the trade receivables comes close to their fair value. Consequently, no corrections to the book value of the receivables were foreseen.

(in € 1 000)	31/12/2020					
	Total	not expired	expired < 30 d	expired < 60 d	expired < 120 d	expired > 120 d
Trade receivables	9 145	3 907	3 762	19	337	1 120
To be invoiced	1 273	1 273				
Doubtful receivables	-189					-189
TOTAL	**10 229**	**5 180**	**3 762**	**19**	**337**	**931**

(in € 1 000)	31/12/2019					
	Total	not expired	expired < 30 d	expired < 60 d	expired < 120 d	expired > 120 d
Trade receivables	12 482	8 722	2 365	144	25	116
To be invoiced	1 993	1 993				
Doubtful receivables	-530					-530
TOTAL	**13 945**	**10 715**	**2 365**	**144**	**25**	**-414**

Receivables and debts (in € 1 000)	31/12/2020	31/12/2019
Accumulated depreciation – opening balance	**-530**	**-496**
Impairment booked during the financial year	0	-34
Write-off of impairment during the financial year	341	0
Accumulated depreciation – ending balance	**-189**	**-530**

The part of the trade receivables come due, for which no provision has been created, is either covered by a bank guarantee on first request or is the object of an installment plan.

NOTE 28
Tax receivables and other current assets

(in € 1 000)	31/12/2020	31/12/2019
Taxes	1 772	1 303
Other	1 445	697
TOTAL	**3 217**	**2 000**

The item tax receivables mainly relates to property taxes to be recovered. The other current assets have increased by € 0.7 million and mainly comprise tax receivables.

NOTE 29
Cash and cash equivalents

(in € 1 000)	31/12/2020	31/12/2019
Cash	2 745	5 013
TOTAL	**2 745**	**5 013**

The cash and cash equivalents consist exclusively of bank accounts at financial institutions.
For the evolution of the cash and cash equivalents we refer to the cash flow statement.

NOTE 30
Deferred charges and accrued income – assets

(in € 1 000)	31/12/2020	31/12/2019
Prepaid property charges	893	447
OOther	366	576
TOTAL	**1 259**	**1 023**

The deferred charges and accrued income amount to € 1.3 million and mainly consist of prepaid property charges.

NOTE 31
Share capital, share premium, treasury shares and net result

31.1 Subscribed capital

a) Evolution subscribed capital since the creation of the REIT (SIR/GVV)

Date	(in € 1 000)	Issued capital	Number of shares
31/12/1998	Initial capital Brixton Zaventem	2 922	61 250
4/05/1999	New number of shares (1)		864 808
7/05/1999	Acquisition of treasury shares and annulment of the acquired shares		-24 603
8/06/1999	Contribution in kind of the 'Extensa buildings'	2 788	727 818
8/06/1999	Contribution in kind of the Vierwinden Business Park	9 370	191 574
	Total before the offering	15 080	1 759 597
1/07/1999	Capital increase	20 334	370 851
1/07/1999	Merger with Brixton Louise	7 561	394 672
1/07/1999	Merger with Kapex		4
1/07/1999	Decrease of the capital	-15 209	
	Capital and number of shares after the offering	27 765	2 525 124
28/06/2001	Contribution in kind buildings D4 and D5 of the Axxes Business Park	2 206	200 500
14/12/2001	Contribution in kind D2 of the Axxes Business Park	1 152	104 742
28/11/2003	Merger with Brussimmo		2
28/11/2003	Merger with Ekiport		3
	Issued capital and number of issued shares on 30/06/04	31 123	2 830 371
23/12/2004	Partial splitting-up (Montoyer 63)	4 606	418 850
	Issued capital and number of issued shares on 30/06/05	35 729	3 249 221
29/05/2006	Contribution in kind of buildings Extensa-portfolio	8 397	763 407
	Issued capital and number of issued shares on 30/06/06	44 126	4 012 628
29/12/2006	Merger with Square de Meeûs 5-6 SA	2	204
	Issued capital and number of shares on 30/06/07 & 31/12/11	44 128	4 012 832
25/06/2013	Capital increase	10 187	926 038
	Issued capital and number of issued shares on 31/12/2013	54 315	4 938 870
04/10/2018	Capital increase	10 863	987 774
	Issued capital and number of issued shares on 31/12/2020	**65 178**	**5 926 644**

(1) On 31/12/98 the registered capital of Brixton Zaventem amounted to € 2,921,652, represented by 61,250 shares. On 04/05/99 it has been decided to divide the capital of Brixton Zaventem into 864,808 shares.

b) Categories of shares:

Leasinvest Real Estate has only one category of shares, namely ordinary shares. Holders of ordinary shares are entitled to receive the declared dividend and to one vote per share at the annual general meetings of shareholders of Leasinvest Real Estate. All shares are fully paid. The shares are registered shares or dematerialized shares. For more information on the nature of the shares, see articles of association.

c) Authorized capital:

The statutory manager is authorized to increase the registered capital on the dates and subject to the conditions he will define, in one or more instalments, for a total amount of € 65,177,693.57. This authorization is valid for a term of five (5) years as of the publication of the minutes of the extraordinary general meeting of 16 December 2019. It is renewable. For more information on the authorized capital, we refer to the articles of association (article 7).

d) Costs related to capital increases:

Any costs related to capital transactions and, consequently, the issue of new shares shall be deducted from the reserves. This did not apply for the past 2 financial years.

31.2 Share premium accounts

Date	Operation	(in € 1 000)
28/06/2001	Contribution in kind buildings D4 and D5 of the Axxes Business Park	7 710
14/12/2001	Contribution in kind D2 of the Axxes Business Park	4 356
23/12/2004	Partial splitting-up (Montoyer 63)	19 214
	Share premium account on 30/06/05	31 280
29/05/2006	Contribution in kind of buildings Extensa-portfolio	39 331
	Share premium account on 30/06/06	70 611
29/12/2006	Merger with Square de Meeûs 5-6 SA	11
	Share premium account on 30/06/2007 & 31/12/2011	70 622
25/06/2013	Capital increase	50 469
	Share premium account on 31/12/2013	121 091
04/10/2018	Capital increase	73 098
	Share premium account on 31/12/2020	**194 189**

31.3 Result

(in € 1 000)	31/12/2020	31/12/2019
Result to be carried forward	-23 432	18 785
Proposed dividend	31 115	31 115
TOTAL	**7 683**	**49 900**

The consolidated net result, group share, of the past financial year 2020 amounted to € 7.7 million.
The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting to pay on 25 May 2021 a gross dividend per share of € 5.25 and net, free of withholding tax, € 3.675 (based on a withholding tax of 30%), or a dividend of € 31.11 million, which is the same dividend as for the financial year 2019.

Subject to the approval of the ordinary general shareholders' meeting of 17 May 2021, dividends will be paid out on presentation of coupon no 26.

31.4 Reserves

(in € 1 000)	31/12/2020	31/12/2019
Legal reserves	5 431	5 431
Reserves for the balance of the changes in fair value of property (+/-)	61 777	57 713
Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-)		0
Reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS	-22 676	-40 742
Reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS (+/-)	-12 043	-7 341
Reserves from translation differences coming from conversion of foreign activity (+/-)	0	8
Reserve for treasury shares	-11	-11
Reserve for the balance of changes in fair value of financial assets held for sale (+/-)	36 076	25 934
Result carried forward	15 600	142 319
Net result of the financial year	7 683	49 900

NOTE 32
Comments on the number of shares, dividends and profit per share

Changes in the number of shares

(in € 1 000)	31/12/2020 Number of shares	31/12/2019 Number of shares
Number of shares at the beginning of the financial year	5 926 644	5 926 644
Changes in the number of shares	0	0
Number of shares at the end of the financial year	5 926 644	5 926 644
Number of shares entitled to dividends	5 926 644	5 926 644
Number of treasury shares	0	0
Number of shares entitled to the result of the period	5 926 644	5 926 644
Number of shares entitled to a full dividend	5 926 644	5 926 644
Number of shares entitled to a pro rata dividend (after capital increase)	5 926 644	5 926 644

Calculation of the profit and dividend per share:

(in € 1 000)	31/12/2020	31/12/2019
Net result, group share (€ 1 000)	7 683	49 900
Number of shares entitled to the result of the period	5 926 644	5 926 644
Net result, group share, per share (€) (1)	1.30	8.42
Distributable result per share (€) (2)	6.01	6.83

(in € 1 000)	Proposal 2020	Proposal 2019
Gross dividend attributable to ordinary shareholders	31 115	31 115
Gross dividend per share (€)	5.25	5.25
Net dividend per share (€)	3.6750	3.6750

(1) The net profit per share is the net result, group share, as stated in the income statement, divided by the number of shares entitled to the result of the period.
(2) The distributable profit per share corresponds to the consolidated EPRA Earnings per share. This standard expresses well the cash result of the REIT (SIR/GVV), as revaluation results and other non-monetary effects are not taken into account.

NOTE 33
Information on financial instruments

33.1 Overview of financial instruments at book value

(in € 1 000)	31/12/2020			
	Loans and receivables (amortized cost)	Available for sale	FV hedge	Total
FINANCIAL ASSETS				
Non-current financial assets	458	79 863	33	80 353
Participation in other REIT (SIR/GVV)		79 863		79 863
Hedges			33	33
Other	458			458
Trade receivables	10 229			10 229
Tax receivables and other current assets	3 217			3 217
Cash and cash equivalents	2 745			2 745
TOTAL FINANCIAL ASSETS	**16 649**	**79 863**	**33**	**96 544**

(in € 1 000)	31/12/2020			
	FV through income statement	Financial liabilities at amortized cost	CF hedge	Total
FINANCIAL LIABILITIES				
Non-current financial debts	0	460 477	0	460 477
Credit institutions		358 917		358 917
Bond loans		99 571		99 571
Rental guarantees received		1 989		1 989
Other non-current financial liabilities - derivatives			34 213	34 213
Current financial debts		205 021		205 021
Credit institutions		83 050		83 050
Commercial paper		121 971		121 971
Trade debts and other current debts		17 807		17 807
Other current liabilities		1 672		1 672
TOTAL FINANCIAL LIABILITIES	**0**	**684 977**	**34 213**	**719 190**

(in € 1 000)	31/12/2019			
	Loans and receivables (amortized cost)	Available for sale	FV hedge	Total
FINANCIAL ASSETS				
Non-current financial assets	443	113 376	832	114 650
Participation in other REIT (SIR/GVV)		113 376		113 376
Hedges			832	832
Other	443			443
Finance lease receivables	17 720			17 720
Trade receivables	13 945			13 945
Tax receivables and other current assets	2 000			2 000
Cash and cash equivalents	5 013			5 013
TOTAL FINANCIAL ASSETS	**39 121**	**113 376**	**832**	**153 328**

(in € 1 000)	31/12/2019			
	FV through income statement	Financial liabilities at amortized cost	CF hedge	Total
FINANCIAL LIABILITIES				
Non-current financial debts	0	425 771	0	425 771
Credit institutions		324 381		324 381
Bond loans		99 475		99 475
Rental guarantees received		1 915		1 915
Other non-current financial liabilities - derivatives			47 196	47 196
Current financial debts		235 149		235 149
Credit institutions		15 028		15 028
Commercial paper		200 067		200 067
Bond loans		20 054		20 054
Trade debts and other current debts		16 061		16 061
Other current liabilities		1 564		1 564
TOTAL FINANCIAL LIABILITIES	**0**	**678 545**	**47 196**	**725 741**

33.2 Note on the financial debt

(in € 1 000)	31/12/2020	31/12/2019
Non-current financial debts	460 477	425 771
Credit institutions	358 917	324 381
Other	101 560	101 390
Bond loans	99 571	99 475
Rental guarantees received	1 989	1 915
Current financial debts	205 022	235 148
Credit institutions	83 051	15 027
Other	121 971	220 121
Other loans – commercial paper	121 971	200 067
Other loans - bond	0	20 054
TOTAL	**665 499**	**660 919**

The total financial debts increase by € 4.6 million in comparison with end 2019 and amount to € 665,500 thousand.

The item other non-current loans comprises for € 99.6 million the bond loan issued by Leasinvest in 2019. This relates to a private placement of € 100 million issued at a fixed interest rate of 1.95% with maturity on 28 November 2026. The drawdowns of bilateral bank credits amount to € 359.0 in the long term and € 83.1 million in the short term on 31/12/2020.

The 'other current financial debts' of € 122.0 million comprise the commercial paper issued at less than 1 year for an amount of € 122.0 million. The issued commercial paper has decreased over the past financial year by € 78.1 million following the decreased market demand by investors. The commercial paper issues are paid on the basis of a variable interest rate and all come to maturity within the year. These issues are fully covered by the available margin on bilateral credit lines, ensuring that these maturities can always be refinanced should the market demand for new issues decrease.

Besides this, another non-current financial debt was booked for the lease liability of Leasinvest for The Crescent in Anderlecht and Hangar 26-27 in Antwerp. For this, a total liability of € 4.5 million was booked. The incremental borrowing rate used, amounts to 5.0%.

The composition of the bilateral credit portfolio is as follows:

Number	Type of financing instrument	Maximum amount credit line	Start date credit	Maturity credit	Fixed interest rate (TF) or variable interest rate (TV) before hedging
1	Bilateral Revolving credit facility	20 000 000	09/11/2015	31/10/2022	TV
2	Bilateral Revolving credit facility	15 000 000	26/10/2018	30/09/2025	TV
3	Bilateral Revolving credit facility	38 000 000	28/10/2016	31/08/2021	TV
4	Bilateral Revolving credit facility	15 000 000	01/02/2016	31/01/2025	TV
5	Bilateral Revolving credit facility	25 000 000	01/12/2010	31/01/2024	TV
6	Bilateral Revolving credit facility	10 000 000	07/02/2013	21/02/2023	TV
7	Bilateral Revolving credit facility	10 000 000	01/02/2016	31/01/2027	TV
8	Bilateral Revolving credit facility	30 000 000	01/11/2016	15/01/2022	TV
9	Bilateral Term Loan	25 000 000	30/11/2016	29/11/2021	TV
10	Bilateral Revolving credit facility	25 000 000	19/08/2020	18/08/2022	TV
11	Bilateral Term Loan	25 000 000	08/12/2015	31/03/2024	TV
12	Bilateral Term Loan	25 000 000	08/12/2015	31/03/2026	TV
13	Bilateral Revolving credit facility	15 000 000	23/08/2013	27/08/2023	TV
14	Bilateral Revolving credit facility	50 000 000	23/12/2016	23/12/2023	TV
15	Bilateral Revolving credit facility	25 000 000	23/12/2019	23/12/2022	TV
16	Bilateral Revolving credit facility	25 000 000	03/01/2017	31/12/2023	TV
17	Bilateral Revolving credit facility	56 000 000	11/10/2017	10/10/2022	TV
18	Bilateral Revolving credit facility	30 000 000	17/01/2019	16/01/2026	TV
19	Bilateral Investment credit	50 000 000	26/08/2019	31/08/2026	TV
20	Bilateral Revolving credit facility	15 000 000	26/08/2019	31/08/2026	TV
21	Bilateral Revolving credit facility	15 000 000	01/11/2020	01/11/2025	TV
22	Bilateral Revolving credit facility	20 000 000	21/12/2020	21/12/2024	TV
Total variable interest rate credits		**564 000 000**			
23	Bilateral Term Loan	10 000 000	23/01/2013	23/01/2021	TF
24	Bilateral Investment credit	20 000 000	21/11/2015	21/11/2021	TF
25	Bilateral Investment credit	15 000 000	21/11/2015	21/11/2022	TF
26	Bilateral Investment credit	10 000 000	07/08/2014	07/08/2023	TF
27	Private bond 19	100 000 000	28/11/2019	28/11/2026	TF
28	Bilateral Term Loan	25 000 000	23/12/2019	23/12/2022	TF
Total fixed interest rate credits		**180 000 000**			

The total drawn down debt position at closing date amounts to € 665,500 thousand, of which € 1,989 thousand of rental guarantees received.

The bond loans are booked at amortized cost.

The book value of the private bond loans end 2020 amounts to € 99,571 thousand in comparison with € 119,529 thousand end 2019, following the maturity of the private bond loan of € 20 million from 2013 in the course of December 2020.

End 2020 the part fixed rate credits amounts to 27% or € 180 million of total drawn down debt excl. rental guarantees, of € 663.55 million, which is a slight decrease in comparison with end 2019 (30%).

Financial institutions grant credits to Leasinvest Real Estate based on the company's notoriety and different financial and other covenants. Not respecting these covenants can entail the premature termination of these credits. The concluded credits hold classic covenants mainly related to maintaining the REIT (SIR/GVV) status and the related maximum debt ratio.

Within the framework of the issue of the private bond loans, covenants were concluded that mainly relate to maintaining the REIT (SIR/GVV) status and the related maximum debt ratio.

The company complies with all its covenants with banks.

Within the framework of the additional obligations imposed by IAS 7, we announce that the movements on the balance sheet with regard to financial debts for both the financial year 2020 and 2019, exclusively consist of cash movements within the scope of withdrawal of credit lines.

Breakdown according to maturity of financial debts and credit lines

(in € 1 000)	31/12/2020 Debts with a residual duration of				31/12/2019 Debts with a residual duration of			
	< 1 year	> 1 year <= 5 years	> 5 years	Total	< 1 year	> 1 year <= 5 years	> 5 years	Total
Financial debts – credit institutions								
Credit lines	83 000	421 000	140 000	644 000	40 000	449 000	135 000	624 000
Credit draw-downs	83 000	258 560	99 900	441 460	15 000	214 000	110 000	339 000
Interests	51	10 054	2 970	13 075	423	12 587	3 210	16 220
% share (credit draw-downs/credit lines)	100.0%	63.8%	73.5%	70.6%	38.6%	50.5%	83.9%	56.9%
Bond loans			99 571	99 571	20 750		113 650	134 400
Commercial Paper program			250 000	250 000			250 000	250 000
Commercial Paper draw-downs	122 000			122 000	200 100			200 100
% share CP / credit lines				18.9%				32.1%
% share (credit draw-downs & CP / credit lines)				87.5%				86.4%
% Credit lines balance after CP hedging				12.5%				13.6%
Future costs derivatives	4 251	23 947	3 947	32 145	6 431	26 412	4 653	37 496
Future income derivatives	248	284	0	532	354	300	0	654

33.3 Fair Value Disclosures

Assets and liabilities valued at fair value after their initial booking can be presented in three levels (1-3), that each correspond to a different input level to observe the fair value:

- **Level 1** inputs are quoted prices in active markets for identical assets or liabilities.
- **Level 2** inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. deducted from prices).
- **Level 3** inputs are unobservable inputs for the asset or liability based on valuations techniques comprising data for the asset or liability.

per end 2020 (in € 1 000)	Level 1	Level 2	Level 3	Fair value	Book value
Non-current financial assets					
- Participations in other REIT (SIR/GVV)/real estate certificates	79 863	0		79 863	79 863
- Other derivative instruments qualified as fair value hedge		33		33	33
Finance-lease receivables			0	0	0
- Other	458			458	458
Current financial assets					
Trade receivables		10 229		10 229	10 229
Tax receivables and other current assets		3 217		3 217	3 217
Cash and cash equivalents	2 745			2 745	2 745
Deferred charges and accrued income		1 259		1 259	1 259
Non-current financial debts					
- Credit institutions		358 917		358 917	358 917
- Other		101 561		101 561	101 561
Other non-current financial liabilities					
- Financial derivatives through the income statement					
- Financial derivatives through other equity components		34 213		34 213	34 213
-IFRS 16		4 500		4 500	4 500
Current financial debts					
- Credit institutions		83 051		83 051	83 051
- Other		121 971		121 971	121 971
Other current financial liabilities					
Trade debts and other current debts					
- Other		17 806		17 806	17 806
Other current liabilities		1 672		1 672	1 672
Accrued charges and deferred income		9 701		9 701	9 701

per end 2019 (in € 1 000)	Level 1	Level 2	Level 3	Fair value	Book value
Non-current financial assets					
- Participations in other REIT (SIR/GVV)/real estate certificates	113 376	0		113 376	113 376
- Other derivative instruments qualified as fair value hedge		832		832	832
Finance-lease receivables			17 720	17 720	17 720
- Other	443			443	443
Current financial assets					
Trade receivables		13 945		13 945	13 945
Tax receivables and other current assets		2 000		2 000	2 000
Cash and cash equivalents	5 013			5 013	5 013
Deferred charges and accrued income		1 023		1 023	1 023
Non-current financial debts					
- Credit institutions		324 381		324 381	324 381
- Other		101 390		101 390	101 390
Other non-current financial liabilities					
- Financial derivatives through the income statement					
- Financial derivatives through other equity components		47 196		47 196	47 196
-IFRS 16		4 636		4 636	4 636
Current financial debts					
- Credit institutions		15 028		15 028	15 028
- Other		220 121		220 121	220 121
Other current financial liabilities					
Trade debts and other current debts					
- Exit tax		273		273	273
- Other		15 788		15 788	15 788
Other current liabilities		1 564		1 564	1 564
Accrued charges and deferred income		10 643		10 643	10 643

Concretely, the company appeals to comparable market data for the valuation of the credits, such as an approximation of the applied reference rate and an approximation of the evolution of the credit margin based on recent comparable observations.

With regard to the financial derivatives, the valuations of the different counterparty banks have been recorded. However, these instruments were classified under level 2 as we calculate a CVA or a DVA on these received valuations, and this on the basis of market data that are an approximation of the credit risk. The valuation of the private bond is based on an approximation of an observable CDS spread and the evolution of the Euribor 6M.

33.4 Management of capital and debt ratio

Calculation and further comments on the debt ratio (both calculated according to IFRS):

(in € 1 000)	Statutory balance sheet	Consolidated balance sheet
Total of the items 'Liabilities' of the balance sheet	**425 230**	**753 337**
I. Non-current liabilities	34 225	54 158
A. Provisions	11	11
C. Other non-current financial liabilities – Authorized hedges	34 214	34 214
F. Deferred taxes	0	19 933
II. Current liabilities	4 656	9 701
F. Deferred charges and accrued income	4 656	9 701
Total liabilities taken into account for the calculation of the debt ratio (numerator):	**386 349**	**689 478**
Total 'Assets' of the balance sheet	**912 518**	**1 240 548**
Authorized hedges recorded in the assets	33	33
Total assets taken into account for the calculation of the debt ratio (denominator):	**912 485**	**1 240 515**
Debt ratio	**42.34%**	**55.58%**

In accordance with art 24 of the RD of 13 July 2014, the public REIT (SIR/GVV) has to establish a financial plan with an execution calendar, whenever the consolidated debt ratio exceeds 50%. Herein it describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.
On the financial plan, a special report is drawn up by the auditor, in which is confirmed that the latter has verified the way the plan has been drawn up, namely with regard to its economic fundamentals, and that the figures comprised in this plan correspond to those of the accounts of the public REIT (SIR/GVV).

The general guidelines of the financial plan are recorded in the annual and half-year financial reports. In the annual and half-year financial reports is described and justified how the financial plan was executed in the course of the relevant period and how the public RREC will execute the plan in the future.

As shown in the table below, the debt ratio of Leasinvest Real Estate has in general historically remained below 50% till 2011 included, but structurally exceeded, since 2012 the 50%-threshold as a consequence of the investment programme executed over the past years, defined a/o by:

- the development and later sale of the office building Bian in Luxembourg;
- the investment in the real estate certificates issued by Porte des Ardennes Schmiede SA and Porte des Ardennes Pommerlach SA for the financing of the shopping centers Knauf situated in Schmiede and in Pommerloch;
- the acquisition of the building Tour & Taxis Royal Depot;
- the development of the completed project Royal20;
- the acquisition of Frun® retail park in Asten Austria;
- the acquisition of the building Mercator in Luxembourg;
- the acquisition of 2 retail buildings in Stadlau (Austria);
- the current redevelopment projects Montoyer 63, Treesquare and Retail park Strassen;
- the acquisition of the building Montoyer 14 in Brussels;
- the acquisition of the buildings EBBC A and EBBC C in Luxembourg;
- the acquisition of the building Hangar 26-27 in Antwerp;
- the acquisition of the buildings Vösendorf 2-10 and Vösendorf 16 in Austria.

2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
55.58%	54.78%	53.53%	57.14%	58.05%	58.03%	54.27%	53.53%	56.19%	47.29%

2010	2009	2008	2007	2006	2005	2004	2003	2002
44.13%	47.61%	52.06%	40.93% (•)	44.15% (•)	32.23% (•)	41.06% (•)	41.38% (•)	44.94% (•)

(•) Closing 30/6

In the course of the financial year 2020 the debt ratio has increased from 54.78% per end 2019 to 55.58% on 31 December 2020.
The board of directors considers a debt ratio of maximum 50%-55% as being optimal for, and in the interest of the shareholders of Leasinvest Real Estate, and this both with regard to return, net result per share and to mitigating the liquidity and solvency risks.
For each investment the impact on the debt ratio is analysed, and the investment is potentially not selected should it unilaterally influence the debt ratio in a too negative way.

Based on the debt ratio of 55.58% end December 2020 Leasinvest Real Estate has a proportional investment potential based on debt financing of € 333 million without exceeding the 65%-debt ratio and an investment potential of € 136 million without exceeding the 60%-debt ratio.

The valuation of the portfolio also has a direct impact on the debt ratio.
On the office portfolio, especially in Luxembourg, an important positive revaluation was booked on 31 December 2020. On the other hand, a depreciation of € 25 million was made on the Knauf shopping centers on 31 December 2020. This proves that by diversifying Leasinvest Real Estate's portfolio both in terms of assets and geographically, the risk is also mitigated. The existing portfolio could suffer a possible decrease in fair value of € 179 million before exceeding the maximum debt ratio of 65%. Such a decrease in value may be due to an increase in yield (with the same rental values, the yield would have to increase by 101 basis points in order to achieve the maximum debt ratio of 65% or a decrease in rental income (with the same yields, rents would have to decrease by 15.7% to exceed the maximum debt ratio of 65%).

Should substantial value decreases take place in a certain asset class or in a region, with the risk that the debt ratio would exceed 65%, Leasinvest Real Estate can proceed to the sale of a number of its buildings. Leasinvest Real Estate has indeed a strong track record in the sale of buildings, which has again been demonstrated by the sale of three buildings in the financial year 2020 and the sale of the Brixton Logistics Park at the end of February 2021.

It is the opinion of company that no additional measures are necessary to avoid the debt ratio from exceeding 65%. The debt ratio has reached a temporary high level and will decrease again over the coming quarters to the level proposed by the board of directors of 55% maximum.

33.5 Note on the financial derivatives

In order to limit the risks of a rise of the variable interest rates, Leasinvest Real Estate has partially hedged its credits by the conclusion of the financial products below:

Type of hedge	Notional amount	IFRS qualification	Maturity	Interest rate Paying leg	Interest rate Receiving leg
Current hedges					
SWAPS					
IRS payer	40 000 000	Cashflow hedge	2023	1.13%	EUR 3M
IRS payer	10 000 000	Cashflow hedge	2021	1.81%	EUR 3M
IRS payer	15 000 000	Cashflow hedge	2023	1.76%	EUR 3M
IRS payer	25 000 000	Cashflow hedge	2022	1.85%	EUR 3M
IRS payer	15 000 000	Cashflow hedge	2021	1.30%	EUR 3M
IRS payer	10 000 000	Cashflow hedge	2024	1.33%	EUR 3M
IRS payer	15 000 000	Cashflow hedge	2021	1.79%	EUR 3M
IRS payer	15 000 000	Cashflow hedge	2024	1.97%	EUR 3M
IRS payer	30 000 000	Cashflow hedge	2025	1.93%	EUR 3M
IRS payer	10 000 000	Cashflow hedge	2026	2.94%	EUR 3M
IRS payer	12 500 000	Cashflow hedge	2026	2.01%	EUR 3M
IRS payer	10 000 000	Fair Value hedge	2026	-0.44%	EUR 3M
IRS payer	10 000 000	Fair Value hedge	2026	-0.46%	EUR 3M
Total notional amount	**217 500 000**				
CAPS					
CAP at 0%	25 000 000	Fair Value hedge	2022		0.00%
CAP at 0.25%	25 000 000	Fair Value hedge	2022		0.25%
CAP at 0%	10 000 000	Fair Value hedge	2021		0.00%
CAP at 0%	10 000 000	Fair Value hedge	2021		0.00%
Total notional amount	**70 000 000**				

Type of hedge	Notional amount	IFRS qualification	Maturity	Interest rate Paying leg	Interest rate Receiving leg
Starting in the future					
SWAPS					
Forward IRS payer	15 000 000	Cashflow hedge	2027	1.10%	EUR 3M
Forward IRS payer	20 000 000	Cashflow hedge	2029	1.45%	EUR 3M
Forward IRS payer	10 000 000	Cashflow hedge	2029	1.83%	EUR 3M
Forward IRS payer	10 000 000	Cashflow hedge	2026	1.57%	EUR 3M
Forward IRS payer	10 000 000	Cashflow hedge	2026	0.88%	EUR 3M
Forward IRS payer	10 000 000	Cashflow hedge	2026	1.51%	EUR 3M
Forward IRS payer	10 000 000	Cashflow hedge	2026	1.60%	EUR 3M
Forward IRS payer	10 000 000	Cashflow hedge	2029	1.83%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2025	0.86%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2025	0.86%	EUR 3M
Forward IRS payer	30 000 000	Fair Value hedge	2025	1.00%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2028	1.01%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2028	1.00%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2028	0.73%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2028	0.75%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2029	0.72%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2029	0.74%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2029	0.46%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2029	0.45%	EUR 3M
Forward IRS payer	10 000 000	Fair Value hedge	2026	-0.52%	EUR 3M
Forward IRS payer	10 000 000	Fair Value hedge	2026	-0.46%	EUR 3M
Total notional amount	**395 000 000**				
CAPS					
CAP at 0.50%	25 000 000	Fair Value hedge	2024		0.50%
CAP at 0.50%	25 000 000	Fair Value hedge	2024		0.50%
Total notional amount	**50 000 000**				

At the end of the financial year 2020 the notional amount of the current net payer IRS-contracts amounts to € 217.5 million and the future payer IRS to € 395 million.

De hedge ratio end 2020 amounted to 70% (fix ratio 60%), in comparison with 82% (fix ratio 71%) end 2019.
The relation between the debts at variable interest rates of € 483,550 thousand, on the one hand, and on the other hand, the debt at fixed interest rates (€ 180,000 thousand), the corresponding IRS hedge (€ 217,500 thousand) and the current CAPS (€ 70,000 thousand) is the hedge position and is thus calculated on the basis of the notional amount of current active hedges at that moment. For this calculation the future hedges are not taken into account, as they do not offer any 'protection' at that moment against an increasing interest rate. In the table below is explained how the hedge ratio and the fix ratio are calculated at the closing date.

Calculation hedge ratio (in € 1 000)		31/12/2020
Nominal amount of the drawn down financial liabilities excluding accr. Interest	A	663 550
Nominal amount of the debts at fixed interest rates	B	180 000
Nominal amount of the financial instruments IRS Payer	C	217 500
Nominal amount of the financial instruments IRS Receiver	D	0
Nominal amount of the financial instruments Interest CAPS	E	70 000
Fix ratio	**((B+C-D))/A**	**60%**
Hedge ratio	**(B+C+E-D)/A**	**70%**

Derivative financial instruments are valued at fair value, which corresponds to the marked-to-market calculated by financial institutions. With regard to interest rate swaps, hedge accounting is applied to a part of it and the efficiency of the hedges has been proven; another part is subject to inefficient hedge accounting. They relate to cash flow hedges on the one hand, IRS Payer swaps being used to hedge drawn down credit lines at variable interest rates, including the commercial paper issued at variable interest rates, with price adjustments at short-term intervals (typically three months or less).
In practice, this means that the effective part is revalued in equity and the inefficient part in the income statement. The efficient part of the cash flow hedges is attributed to the "reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS", and the inefficient part of the cash flow hedges, together with the fair value hedges is recorded in the " reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS".

The **fair value** of the hedges at closing date is composed as follows:

	31/12/2020		31/12/2019				
(in € 1 000)	Assets	Liabilities	Assets	Liabilities	Change in assets	Change in liabilities	Net change
Caps bought			278		-278		-278
Floors sold	33		554		-521	0	-521
Interest Rate Swaps		-34 213		-47 196	0	12 983	12 983

The balance of the liabilities of -€ 34.2 million is presented in the item "Other non-current liabilities" and "Other current liabilities" and the balance of the assets of € +34 thousand is presented in "Non-current financial assets" (note 23).

The **changes in fair value of the hedges**:

Efficient part of fair value presented in "Reserves for the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS".

Efficient part of the fair value (cf. Item in reserves) (in € 1 000)	
Balance on 31/12/2012	**-23 727**
Change in the efficient part of the fair value of derivative financial instruments	8 427
Balance on 31/12/2013	**-15 300**
Change in the efficient part of the fair value of derivative financial instruments	-21 890
Balance on 31/12/2014	**-37 191**
Change in the efficient part of the fair value of derivative financial instruments	3 003
Balance on 31/12/2015	**-34 188**
Change in the efficient part of the fair value of derivative financial instruments	-9 065
Balance on 31/12/2016	**-43 253**
Change in the efficient part of the fair value of derivative financial instruments	11 366
Balance on 31/12/2017	**-31 887**
Change in the efficient part of the fair value of derivative financial instruments	-2 213
Balance on 31/12/2018	**-34 100**
Change in the efficient part of the fair value of derivative financial instruments	-6 642
Balance on 31/12/2019	**-40 742**
Change in the efficient part of the fair value of derivative financial instruments	18 066
Balance on 31/12/2020	**-22 676**

The changes in the efficient part of the fair value of authorized hedges subject to hedge accounting as defined in IFRS of +€ 18.07 million concern changes in value of the hedges, largely as a consequence of the early repayment of a large part of efficient derivatives in December 2020.

Inefficient part of the fair value (in € 1 000)	
Balance on 31/12/2012	**-3 671**
Change in the inefficient part of the fair value of derivative financial instruments	1 031
Balance on 31/12/2013	**-2 640**
Change in the inefficient part of the fair value of derivative financial instruments	720
Balance on 31/12/2014	**-1 920**
Change in the inefficient part of the fair value of derivative financial instruments	-5 216
Balance on 31/12/2015	**-7 136**
Change in the inefficient part of the fair value of derivative financial instruments	-571
Balance on 31/12/2016	**-7 707**
Change in the inefficient part of the fair value of derivative financial instruments	-55
Balance on 31/12/2017	**-7 762**
Change in the inefficient part of the fair value of derivative financial instruments	-238
Balance on 31/12/2018	**-8 000**
Change in the inefficient part of the fair value of derivative financial instruments	-110
Balance on 31/12/2019	**-8 110**
Change in the inefficient part of the fair value of derivative financial instruments	-24
Balance on 31/12/2020	**-8 134**

The changes in the inefficient part of the fair value of the derivatives of -€ 24 thousand (end 2019: - € 0.1 million) is directly passed through the results (see also note 17).

33.6 Information on financial risk management

33.6.1 Financial management

The financial policy is intended at optimising the costs of the capital and limiting the financing, interest rate, liquidity, cash flow, counterparty and covenant risks.
We refer, for the note on financial risk management, the potential impact, the mitigating factors and measures, to the note with regard to the risks, as described in the Risk factors, recorded in the annual financial report on page 4.

33.6.2 Specific note on Liquidity risk

Per 31 December 2020 the weighted average duration of the credit portfolio has evolved from 3.88 years (end 2019) to 3.36 years. For a more detailed presentation of the maturity analysis, we refer to the note with regard to the financial debts.
The weighted average duration of the hedges has decreased from 5.54 years (end 2019) to 4.58 years end 2020.
The liquidity risk inherent to the difference in the average remaining durations of the financial liabilities and the financial derivative liabilities is monitored in function of the refinancing expectations of the credit and the estimated future extra funding needs of the company. The liquidity risk concerns the unavailability of extra financing to refinance the maturity dates in the credit portfolio or to meet extra credit needs. On the one hand, this risk is mitigated by a balanced spread of the maturity dates of the credits and by the diversification of the funding sources. Moreover, the buildings owned by the REIT (SIR/GVV) are considered to be held, in principle, to generate rental income and be able to pay the mandatory dividend. This allows to suppose that it is highly probable that certain cash flows will be

realized (rent & dividend) and, by consequence can be defined, what kind of debt financing and hedges have to be drawn down. Consequently, the operations concluded can, according to Leasinvest, not be considered as speculative.

33.6.3 Market risk sensitivity analysis

In the table below an overview is given of the different types of market risks to which the company is exposed at the end of the reporting period and with the potential influence of changes in the different risk variables to which the company is exposed, on the company's shareholders' equity.

	Impact on shareholders' equity	
Change of market risk	**DECREASE**	**INCREASE**
Estimated rental value	negative	positive
Inflation	negative	positive
Capitalization rate	positive	negative
Remaining duration rental contract	negative	positive
Occupancy rate	negative	positive
Maintenance cost	positive	negative
Interest rate financing	positive	negative
Other funding costs	positive	negative

The average funding cost (excluding the marked-to-market of the hedges) after hedging amounts to 2.35% end 2020 (end 2019: 2.14%); before hedging it amounts to 1.19% end 2020 (end 2019: 1.29%).
End 2020 € 23 thousand (end 2019: no) of funding costs for development projects were activated.

An increase of the variable interest rate by 100bps, calculated with the current hedge rate, would have an impact on the financial charges of € 1.2 million.

33.6.4 Tenant and credit risk

Efforts are being made to reduce the relative importance of the largest tenants and obtain a better spread both in terms of the number of tenants and the sectors in which these tenants are active in order to obtain a rental risk and income with an improved diversification therefore limiting the dependency of the REIT (SIR/GVV) to the fall-out of one or more important tenants due to termination of the rental contract or bankruptcy.
The top 10 of the most important tenants amounts to approximately 18%. The breakdown per sector of our tenant portfolio remains good.
The creditworthiness of our tenants' portfolio is still very good, which is proven by the fact that barely any write-downs of doubtful receivables were booked by Leasinvest Real Estate over the last couple of years, not in Belgium, nor in the Grand Duchy of Luxembourg or Austria. On the other hand, this year, within the framework of Covid-19, a provision was created for a total amount of € 4.2 million.
For an analysis of the trade receivables we refer to note 27.

NOTE 34
Trade debts and other current debts

(in € 1 000)	31/12/2020	31/12/2019
Exit tax	0	273
Other		
Suppliers	14 391	14 929
Taxes, salaries and social security	3 416	859
TOTAL	**17 807**	**16 061**

The item Suppliers has slightly decreased to € 14.4 million.

NOTE 35
Other current liabilities

(in € 1 000)	31/12/2020	31/12/2019
Other current liabilities	1 672	1 564
Total	**1 672**	**1 564**

The item comprises the dividends to be paid, provisions relating to rental guarantees and rental guarantees received in cash.

NOTE 36
Accrued charges and deferred income – liabilities

(in € 1 000)	31/12/2020	31/12/2019
Property income received in advance	8 013	8 939
Interests and other charges accrued and not due	1 270	934
Other	418	770
TOTAL	**9 701**	**10 643**

NOTE 37
Deferred taxes

The deferred taxes of € 19.9 million mainly relate to the newly created Luxembourg companies in which an important part of the Luxembourg portfolio was included, and to the Austrian portfolio.

NOTE 38
Related-party transactions

The statutory manager Leasinvest Real Estate Management SA employs the personnel and receives an annual management fee of 0.415% on the consolidated investment value of the portfolio, including the real estate portfolio of Leasinvest Immo Lux. The remuneration for the financial year 2020 (12 months) amounted to € 5.1 million.
For more information on the control chain we refer to the website www.leasinvest.be (investor relations – shareholders and transparency).

As tot the remuneration of the auditor: an overview of the audit and non-audit services rendered during the financial year 2020 in the permanent document on page 212 of this annual report.

As in the remuneration report below only the remuneration of the CEO is presented on and individual basis, and on a global basis that of the 'other leaders', which are the (other) members of the executive committee, i.e. Tim Rens, CFO, jointly ensuring day-to-day management, and who is also an effective officer.
As explained above, the effective officers are Michel Van Geyte, CEO of Leasinvest Real Estate Management and managing director, and Tim Rens, CFO, since 1 June 2018.

In accordance with the company's remuneration policy, the effective officers do not receive any stock options or other share-based payments.

For the past financial year, they received the following amounts:

effective officers (in €)	fixed	insurance	benefits in kind	variable	total
Michel Van Geyte	302 994	0	0	200 000	502 994
Other leaders	126 519	11 387	10 415	35 000	183 321
Total	**429 513**	**11 387**	**10 415**	**235 000**	**686 315**

The effective officers – executive directors – are granted fixed and variable remunerations as defined above in the remuneration report.

NOTE 39
Consolidation scope

The subsidiaries mentioned below are all part of the consolidation scope using the full consolidation method. This consists in incorporating the entire assets and liabilities, as well as the results of the subsidiaries. The minority interests are recorded under a separate caption in the balance sheet and the income statement. The consolidated financial statements are established at the same date as the date on which the subsidiaries establish their financial statements.

Name & address of the administrative office	Country of origin/ branch	VAT or national number	Direct or indirect part of the capital held and voting rights (in%)	
(in € 1 000)			31/12/2020	31/12/2019
Leasinvest Services NV Schermersstraat 42 - 2000 Antwerp	Belgium	BE 0826.919.159	100%	100%
Leasinvest Immo Lux SA 6 D, Route de Trèves - L-2633 Senningerberg	GD Luxembourg	LU 1637 2655	100%	100%
Rab Invest NV Schermersstraat 42 - 2000 Antwerp	Belgium	BE 0820.897.736	0%	100%
Haven Invest NV Schermersstraat 42 - 2000 Antwerp	Belgium	BE 0644.563.317	100%	100%
S INVEST S.A.	GD Luxembourg	LU B174218	100%	100%
PDA Schmiede S.A.	GD Luxembourg	LU B171588	100%	100%
P INVEST S.A.	GD Luxembourg	LU B174188	100%	100%
PDA Pommerloch S.A.	GD Luxembourg	LU B171587	100%	100%
AE Starvilla Sieben GmbH & Co OG	Austria	FN 456562s	100%	100%
Leasinvest Immo Austria	Austria	FN 456512t	100%	100%
Frun Park Asten GmbH	Austria	FN 379973i	100%	100%
Mercator S.à.r.l.	GD Luxembourg	LU B158571	100%	100%
Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH (*)	Austria	FN 439942z	100%	100%
Kadmos Immobilien Leasing GmbH	Austria	FN 139265b	100%	100%
Neif Montoyer SPRL (*2)	Belgium	0549.979.409	0%	100%
Carver BVBA (*2)	Belgium	0859.557.481	0%	100%
EBBC A Sarl	GD Luxembourg	B112831	100%	100%
EBBC C Sarl	GD Luxembourg	B104717	100%	100%
Vösendorf Nordring 2-10 Vermietungsgesellschaft m.b.H.	Austria	FN 319994F	100%	100%
Vösendorf Nordring 16 Vermietungsgesellschaft m.b.H.	Austria	FN 488672K	100%	100%
GK 5 S.à.r.l.	GD Luxembourg	B249239	100%	0%
Retail South S.à.r.l.	GD Luxembourg	B249275	100%	0%
Boomerang Strassen S.à.r.l.	GD Luxembourg	B249236	100%	0%
Leasinvest Offices Luxemburg S.à.r.l.	GD Luxembourg	B249242	100%	0%
RDA 110 S.à.r.l.	GD Luxembourg	B249241	100%	0%

(*) Adrestos Beteiligungsverwaltung GmbH.
(*2) Both companies were merged with Leasinvest Real Estate per 31/12/2019.

Leasinvest Services NV, RAB Invest NV (sold on 1 December 2020) en Haven Invest NV were created in Belgium, while Leasinvest Immo Lux SA, S Invest SA, PDA Schmiede SA, P. Invest SA, PDA Pommerloch SA, EBBC A Sàrl, EBBC C Sàrl were established in Luxembourg. AE Starvilla Sieben GmbH & C° OG, Leasinvest Immo Austria GmbH, Frun Park Asten GmbH, Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH and Kadmos Immobilien Leasing GmbH, Vösendorf Nordring 2-10 Vermietungsgesellschaft mbH and Vösendorf Nordring 16 Vermietungsgesellschaft mbH are all companies under Austrian law. Following the legal restructuring five Luxembourg companies were created, namely Retail South Sàrl, GK 5 Sàrl, Boomerang Strassen Sàrl, Leasinvest Offices Luxemburg Sàrl and RDA 110 Sàrl.

The group structure and Leasinvest Real Estate's position in it is commented on page 51.

NOTE 40
Important events after balance sheet date

On 21 January 2021, a sales agreement was concluded for the semi-industrial part of the Brixton Business Park. The deed of sale was passed at the end of February 2021.

Independent auditor's report to the general meeting of Leasinvest Real Estate Comm VA for the year ended 31 December 2020

As required by law and the Company's by-laws, we report to you as statutory auditor of Leasinvest Real Estate Comm VA (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated balance sheet as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in capital and reserves and the consolidated cash flow statement for the year ended 31 December 2020 and the disclosures (all elements together the "Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.
We have been appointed as statutory auditor by the shareholders meeting of 22 May 2018, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders meeting that will deliberate on the annual accounts for the year ending 31 December 2020. We performed the audit of the Consolidated Financial Statements of the Group during 21 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Leasinvest Real Estate Comm VA, which consists of the consolidated balance sheet as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in capital and reserves and the consolidated cash flow statement for the year ended 31 December 2020 and the disclosures, which show a consolidated balance sheet total of € 1,240,548 thousand and of which the consolidated income statement shows a profit for the year of € 7,683 thousand.
In our opinion the Consolidated Financial Statements of the Group give a true and fair view of the consolidated net equity and financial position as at 31 December 2020, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the consolidated financial statements" section of our report.
We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect of independence.
We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Valuation of the investment properties

• Description of the matter and audit risk:
Investment property represents 92% of the assets of the Group. As at 31 December 2020, the investment properties on the assets of the balance sheet amount to € 1,141,190 thousand.
In accordance with the accounting policies and IAS 40 standard "Investment property", investment property is valued at fair value, and the changes in the fair value of investment property are recognized in the income statement.
The fair value of investment properties belongs to the level 3 of the fair value hierarchy defined within the IFRS 13 standard "Fair Value Measurement", some parameters used for valuation purposes being based on unobservable data (discount rate, future occupancy rate, ...).

The external appraisers draw in their report the attention on an important uncertainty with regard to the impact of Covid-19 on the future valuation of the investment properties.
The audit risk appears in the valuation of these investment properties.

▪ Summary of audit procedures performed:
The Group uses external experts to make an estimate of the fair value of its buildings. We have assessed the valuation reports of the external experts (with the support of our internal experts). More precisely, we have:
- assessed the objectivity, the independence and the competence of the external appraisers,
- tested the integrity of source data (contractual rentals, maturities of the rental contracts, ...) used in their calculations,
- reviewed the models, assumptions and parameters used in their reports (discount rates, future occupancy rates, ...), as well as the impact of Covid-19 on these assumptions and parameters;
- and verified if the uncertainty as expressed by the external appraisers was disclosed appropriately in the annual report and in the notes of the Consolidated Financial Statements.

Finally, we have assessed the appropriateness of the information on the fair value of the investment properties disclosed in note 20 of the Consolidated Financial Statements.

Valuation of financial instruments
▪ Description of the matter and audit risk:
The Group uses interest rate swaps (IRS) to hedge the interest rate risk on the variable rate debts. The measurement of the derivatives at fair value is an important source of volatility of the result and/or the shareholders' equity. As a matter of fact, in accordance with IFRS 9 "Financial Instruments: Recognition and Measurement", these derivatives are valued at fair value (considered to belong to the level 2 of the fair value hierarchy defined by IFRS 13 "Fair Value Measurement"). The changes in fair value are recognized in the income statements except for some IRS for which the Group applies hedge accounting ("cash-flow hedging"), which allows to record most of the changes in fair value in the caption of the shareholders' equity ("Reserve for the balance of changes in fair value of authorized hedging instruments qualifying for hedge accounting as defined under IFRS"). The audit risk appears on the one hand in the valuation of these derivatives and on the other hand in the application of hedge accounting.

▪ Summary of audit procedures performed:
▪ We have compared the fair values of the derivatives with the values communicated by the counterparties and the credit risk adjustments calculated by an external specialist. We have assessed the most important assumptions and the calculations performed by this external specialist.
- Regarding the correct application of hedge accounting, we have reviewed the effectiveness tests performed by the external specialist involved by the Group and we have compared the volume of derivatives subject to hedge accounting with the volume of the variable rate debts projected on the future accounting years in order to identify any potential overhedging which could potentially jeopardize the application of hedge accounting.

Finally, we have assessed the appropriateness of the information on the financial instruments disclosed in note 33.5 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements
The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium. This responsibility involves implementing internal controls relevant to the preparation of the Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.
As part of the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit, in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the Company or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company or Group to cease to continue as a going-concern;
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and of whether these financial statements reflect the underlying transactions and events in a true and fair view.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report, and to report on any matters.

Aspects relating to Board of Director's report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Director's report, the Board of Director's report on the Consolidated Financial Statements is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Companies and Associations Code.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Director's report on the and other information included in the annual report, being:

- Alternative performance measures p 80-90

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported. In addition, we do not provide reasonable assurance regarding the Board of Directors' report and other information included in the annual report.

Independence matters

Our auditor's office has not performed any services that are not compatible with the audit of the Consolidated Financial Statements and has remained independent of the Company and the Group during the course of our mandate.

The fees for additional services that are compatible with the audit of the Consolidated Financial Statements intended by article 3:65 of the Companies and Associations Code have been correctly disclosed and detailed in the disclosures to the Consolidated Financial Statements.

Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Brussels, 30 March 2021

EY Bedrijfsrevisoren bv
Statutory auditor
Represented by

Joeri Klaykens (Signature)

Digitaal ondertekend door Joeri Klaykens (Signature)
DN: cn=Joeri Klaykens (Signature), c=BE
Datum: 2021.03.30 11:35:39 +02'00'

Joeri Klaykens*
Partner
* Acting on behalf of a bv

Statutory financial statements

Hereafter an abbreviated version of the statutory financial statements (also according to IFRS) of Leasinvest Real Estate is presented. The complete financial statements together with the annual report and the report of the auditor are filed with the National Bank of Belgium and these documents may be consulted at the company's office and can be obtained for free, upon simple request.
The auditor has approved the statutory financial statements without reservations.

Statutory income statement

(in € 1 000)	(Period) 31/12/2020	(Period) 31/12/2019
Rental income (+)	18 666	19 843
Related-rental expenses (+/-)	-189	-530
NET RENTAL RESULT	**18 477**	**19 313**
Recovery of property charges (+)	87	134
Recovery income of charges and taxes normally payable by tenants on let properties (+)	2 270	3 417
Charges and taxes normally payable by tenants on let properties (+)	-2 270	-3 417
Other rental-related income and expenditure (+/-)	-1 291	-2 203
PROPERTY RESULT	**17 273**	**17 244**
Technical costs (-)	-478	-480
Commercial costs (-)	-122	-204
Charges and taxes on un-let properties (-)	-101	-489
Property management costs (-)	-5 003	-4 746
Other property charges (-)	-433	-382
PROPERTY CHARGES	**-6 136**	**-6 301**
PROPERTY OPERATING RESULT	**11 137**	**10 942**
Corporate operating charges (-)	-668	-692
Other operating charges and income (-)	3 677	3 308
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**14 146**	**13 558**
Result on disposal of investment properties (+/-)	120	-1 208
Changes in fair value of investment properties (+/-)	1 211	1 323
OPERATING RESULT	**15 477**	**13 672**
Financial income (+)	9 273	8 334
Net interest charges (-)	-3 161	-8 526
Other financial charges (-)	-790	-826
Changes in fair value of financial assets and liabilities (+/-)	-12 806	37 382
FINANCIAL RESULT	**-7 484**	**36 364**
PRE-TAX RESULT	**7 994**	**50 037**
Corporate taxes (+/-)	-230	-210
TAXES	**-230**	**-210**
NET RESULT	**7 764**	**49 826**

Statement of comprehensive income

(in € 1 000)	(Period) 31/12/2020	(Period) 31/12/2019
Net result	**7 764**	**49 826**
Other elements of comprehensive income	**18 066**	**-6 642**
Changes in the efficient part of the fair value of authorized cash flow hedges according to IFRS	18 066	-6 642
Comprehensive income	**25 830**	**43 184**
RESULT PER SHARE		
Result per share	1.31	8.41

Statutory balance sheet

(in € 1 000)	Period 31/12/2020	Period 31/12/2019
ASSETS		
NON-CURRENT ASSETS	**888 355**	**908 903**
Investment properties	316 432	280 135
Other tangible assets	4 207	0
Non-current financial assets	567 716	628 768
CURRENT ASSETS	**24 163**	**26 883**
Current financial assets	9 299	14 312
Trade receivables	12 399	6 831
Tax receivables and other current assets	630	3 797
Cash and cash equivalents	661	905
Deferred charges and accrued income	1 175	1 038
TOTAL ASSETS	**912 518**	**935 786**
LIABILITIES		
TOTAL SHAREHOLDERS' EQUITY	**487 287**	**492 703**
Capital	65 178	65 178
Share premium account	194 189	194 189
Reserves	220 157	183 510
- Legal reserve	5 431	5 431
- Reserve from the balance of changes in fair value of investment properties	61 777	57 713
- Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS	-22 674	-40 742
- Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS (+/-)	-6 752	-2 239
- Reserve for treasury shares	-12	-12
- Reserve from the balance of changes in fair value of financial assets available for sale	36 077	25 934
- Other reserves	146 309	137 425
Net result of the financial year	7 764	49 826
LIABILITIES	**425 231**	**443 209**
NON-CURRENT LIABILITIES	**268 819**	**205 042**
Provisions	11	11
Non-current financial debts	230 095	155 602
Other non-current financial liabilities	38 713	49 429
CURRENT LIABILITIES	**156 412**	**238 168**
Current financial debts	141 971	221 667
Trade debts and other current debts	8 393	10 663
Other current liabilities	1 392	1 214
Accrued charges and deferred income	4 656	4 624
TOTAL EQUITY AND LIABILITIES	**912 518**	**935 786**

Statutory appropriation of the result

(in € 1 000)	31/12/2020	31/12/2019
A. Net result	**7 764**	**49 826**
B. Addition to/withdrawals from reserves (-/+)	**23 351**	**-18 711**
1. Addition to/withdrawals from the reserves from the (positive or negative) balance of the changes in fair value of the property (-/+)	-31 497	-3 651
- financial year	-29 286	-4 064
- previous financial years		
- sale of property	-2 211	413
2. Addition to/withdrawals from the reserves from estimated transfer rights and costs from hypothetical disposal of investment properties (-/+)	0	0
3. Addition to the reserves for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined by IFRS (-)		
- financial year		
- previous financial years		
4. Withdrawals from the reserves for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined by IFRS (+)		
- financial year		
- previous financial years		
5. Addition to the reserves for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined by IFRS (-)		
- financial year		
- previous financial years		
6. Withdrawals from the reserves for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined by IFRS (+)	25 853	4 362
- financial year	25 853	4 362
- previous financial years		
7. Addition to/withdrawals from the reserves for the balance of exchange rate differences on monetary assets and liabilities (-/+)		
8. Addition to/withdrawals from de reserves for tax latencies with regard to property located abroad (-/+)		
9. Addition to/withdrawals from de reserves for dividends received, intended for the reimbursement of financial debts (-/+)		
10. Addition to/withdrawals from other reserves (-/+)	28 995	-19 422
11. Addition to/withdrawals from results carried forward from previous financial years (-/+)	0	0
C. Remuneration of the capital according to article 13, § 1, subparagraph 1	**28 658**	**0**
D. Remuneration of the capital – other than C	**2 457**	**31 115**
Dividend for distribution	**31 115**	**31 115**

Mandatory dividend distribution according to RD of 13 July 2014 on REIT (SIR/GVV) (art. 13 §1, 1st subparagraph)

(in € 1 000)	31/12/2020	31/12/2019
A. Corrected result		
Net result according to the statutory accounts	7 764	49 826
+ Amortization	0	0
+ Depreciation	189	530
+/- Write-back of depreciation		
+ Dividends received from participations	29 212	12 043
+/- Write-back of lease payments sold and discounted		
+/- Other non-monetary elements (1)	59 366	-5 782
+/- Result sale of property	-2 211	1 208
+/-Result participations booked according to the equity method (2)	-29 212	-31 601
+/- Changes in fair value of property	-29 286	-1 323
Corrected result (A)	35 822	24 901
B. Net capital gains on the sale of property non-exempt from mandatory distribution		
+/- Realized capital gains and losses on investment property (capital gains and losses versus acquisition cost augmented by capitalized investment costs) during the financial year	10 821	-24 927
- Realized capital gains on investment property in the course of the financial year, exempt from mandatory distribution subject to their reinvestment within 4 years (capital gains and losses versus acquisition cost augmented by capitalized investment costs)	-10 821	-2 860
+ Realized capital gains on investment property previously exempt from mandatory distribution that were not reinvested within 4 years (+)		
B. Net capital gains on the sale of property not exempt from mandatory distribution	**0**	**-27 787**
TOTAL (A) + (B)	**35 822**	**-2 886**
Mandatory distributable result 80%	**28 658**	**0**

(1) Other non-monetary elements relate to changes on hedging instruments.

(2) This relates to changes in the participations in related parties and companies with a relation of participation.

Non-distributable shareholders' equity according to art. 7:212 of the Code on companies and associations

(in € 1 000)	31/12/2020	31/12/2019
- Paid up capital or should this be higher, the called-up capital	65 178	65 178
- Share premium account non-distributable according to the articles of association	194 189	194 189
- Reserves for the positive balance of the changes in fair value of property (+)	100 853	60 333
- Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-)		
- Reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS (+/-)	-22 674	-40 741
- Reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS (+/-)	-12 383	-12 142
- Reserve for the balance of exchange rate differences on monetary assets and liabilities (+)	0	0
- Reserve from translation differences resulting from the conversion of a foreign activity (+/-)	0	0
- Reserve for the balance of changes in fair value of financial assets held for sale (+/-)	2 563	36 077
- Reserve for the actuarial gains and losses on defined benefit pension plans (+)	0	0
- Reserve for tax latencies with regard to property located abroad (+)	0	0
- Reserve for dividends received aimed at reimbursing financial debts (+)	0	0
- Other reserves declared unavailable by the general meeting (+)	11	11
- Legal reserve (+)	5 431	5 431
Total undistributable	**333 168**	**308 335**
Net assets of the company	**487 293**	**492 578**
Proposed dividend	**31 115**	**31 115**
Net assets after distribution	**456 178**	**461 463**
Balance of the margin after distribution	**123 010**	**153 128**

Statement of changes in capital and reserves

(in € 1 000)	Capital	Share premium account	Legal reserve	Reserve from the balance of changes in fair value of investment properties (+/-)
BALANCE SHEET UNDER IFRS ON 31/12/16	**54 315**	**121 091**	**5 431**	**43 158**
Adjustment reserves on 31/12/16				7 136
Distribution closing dividend of the previous FY				
Transfer net result 2016 to reserves				2 122
Transfer historic revaluation buildings sold				-17 270
Comprehensive income FY 2017 (12 months)				
BALANCE SHEET UNDER IFRS ON 31/12/17	**54 315**	**121 091**	**5 431**	**35 146**
Adjustment reserves on 31/12/2017				
Distribution closing dividend of the previous FY				
Transfer net result 2017 to reserves				22 348
Transfer historic revaluation buildings sold				-5 782
Comprehensive income FY 2018 (12 months)				
Capital increase	10 863	73 098		
Various				
BALANCE SHEET UNDER IFRS ON 31/12/18	**65 178**	**194 189**	**5 431**	**51 712**
Adjustment reserves on 31/12/2018				
Distribution closing dividend of the previous FY				
Transfer net result 2018 to reserves				
Transfer historic revaluation buildings sold				
Comprehensive income FY 2019 (12 months)				
Capital increase	0	0		
Various				
BALANCE SHEET UNDER IFRS ON 31/12/19	**65 178**	**194 189**	**5 431**	**57 713**
Distribution closing dividend of the previous FY				
Transfer net result 2019 to reserves				4 064
Transfer historic revaluation buildings sold				
Comprehensive income FY 2020 (12 months)				
Capital increase	0	0		
Various				
BALANCE SHEET UNDER IFRS ON 31/12/20	**65 178**	**194 189**	**5 431**	**61 777**
Result appropriation 2020 before dividend distribution				31 497
Total	**65 178**	**194 189**	**5 431**	**93 274**

	Reserve from the impact on fair value of estimated transfer costs and rights resulting from hypothetical disposal of investment properties (-)	Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS	Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS (+/-)	Reserve for treasury shares	Reserve from the balance of changes in fair value of financial assets available for sale	Result carried forward	Net result of the financial year	Total shareholders' equity
	-8 723	**-43 253**	**-7 136**	**-293**	**29 184**	**124 094**	**29 884**	**356 476**
					-7 136			0
						-24 184		-24 184
		0	-571	0		28 334	-29 884	0
						17 270	0	0
		11 367		282	-1 669	0	40 005	49 983
		-31 886	**-7 708**	**-11**	**20 379**	**145 514**	**40 005**	**382 275**
								0
						-24 694		-24 694
			5 469			12 189	-40 006	0
						5 782		0
		-2 213					38 200	35 987
								83 961
						-1 644		-1 644
	0	**-34 100**	**-2 239**	**-11**	**20 379**	**137 147**	**38 200**	**475 886**
								0
						-26 492		-26 492
			0		5 555	32 570	-38 125	0
		-6 642					49 826	43 184
								0
								0
	0	**-40 742**	**-2 365**	**-11**	**25 934**	**137 425**	**49 826**	**492 577**
						-31 115		-31 115
			-4 387		10 143	40 006	-49 826	0
								0
		18 068					7 764	25 832
								0
								0
	0	**-22 674**	**-6 752**	**-11**	**36 077**	**146 316**	**7 764**	**487 287**
			-25 853		-33 513	35 633	-7 764	
		-22 674	**-32 605**	**-11**	**2 564**	**181 949**	**0**	**487 287**

Financial covenants

Financial institutions grant credits to Leasinvest Real Estate based on the company's notoriety and different financial and other covenants. Not respecting these covenants can entail the premature termination of these credits. The concluded credits hold classic covenants mainly related to maintaining the REIT (SIR/GVV) status and the related maximum debt ratio.
Within the framework of the issue of the public and private bond loans, covenants were also concluded that mainly relate to maintaining the REIT (SIR/GVV) status and the related maximum debt ratio.
The company complies with all its covenants with banks.
Besides that, and in accordance with the RD of 13/072014, Leasinvest Real Estate establishes, internally, a financial plan with an execution calendar, whenever the consolidated debt ratio as defined in that same RD, exceeds 50%. Herein it describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.
The statutory debt ratio of Leasinvest Real Estate is under control and amounted to 42.34% (2019: 41.86%) on 31 December 2020, which is lower than the legally maximum authorized debt ratio of 65% as defined by the RD of 13/07/2014.

(in € 1 000)	31/12/2020	31/12/2019
Total of the items 'Liabilities' of the balance sheet	**425 230**	**443 209**
I. Non-current liabilities		
A. Provisions	11	11
C. Other non-current financial liabilities – Authorized hedges	34 213	47 196
F. Deferred taxes		
II. Current liabilities		
A. Provisions		
C. Other current financial liabilities – Authorized hedges	0	0
F. Deferred charges and accrued income	4 656	4 624
Total liabilities taken into account for the calculation of the debt ratio (numerator)	**386 350**	**391 379**
Total 'Assets' of the balance sheet	**912 518**	**935 789**
Authorized hedges recorded in the assets	33	832
Total assets taken into account for the calculation of the debt ratio (denominator)	**912 485**	**934 958**
Debt ratio	**42.34%**	**41.86%**

11. Permanent document

Identification Leasinvest Real Estate

Official and trade name

Leasinvest Real Estate SCA, public Regulated Real Estate Company under Belgian law, or abbreviated 'public SIR/GVV under Belgian law' or 'SIRP/OGVV under Belgian law'.

Legal entity and legislation

Leasinvest Real Estate has the legal form of a Partnership limited by shares (SCA) under Belgian law.
The company is subject to a/o the Company code, as modified by the Belgian Code on Companies and Associations, the Law of 12 May 2014 on regulated real estate companies, as modified by the Law of 22 October 2017 (the "RREC Law") and the Royal Decree of 13 July 2014 on regulated real estate companies, as modified by the Royal Decree of 23 April 2018 (the "RREC RD") (together "the RREC legislation").
Currently, the company has the legal form of an SCA, legal form repealed by the new Belgian Code on Companies and Associations – as published in the official Belgian Gazette per 4 April 2019. The company will gradually make all necessary amendments to implement this new Code. As to its legal form, the company will be automatically converted into the most comparable remaining legal form (i.e.: a public liability company (SA/NV).

Registered office, phone number and website

Registered office
Route de Lennik 451, in 1070 Brussels.
Administrative office
Schermersstraat 42 in 2000 Antwerp.
Phone number
+32 3 238 98 77
Website
www.leasinvest.be

The information made available on the website is not part of this Universal registration document unless that information has been included by reference.

Date and country of constitution & term

Leasinvest Real Estate was founded as an "Aktiengesellschaft" under Swiss Law on 21/11/1973, after which the registered office has been moved (17/11/1988) to Belgium where it was established that the company assumed the legal status of a public limited company (SA) and is a legal person under Belgian law, subject to the Belgian law.
On 8/06/1999 the company name was modified into Leasinvest Real Estate and the company was transformed into a public real estate investment trust (sicafi/bevak) under Belgian law with the legal form of a partnership limited by shares (SCA), for an unspecified term, under a deed recorded by notary public Frank Celis in Antwerp, and announced in the appendices to the Official Belgian Gazette on 26/06/99, under number 990626-330.
On 06/11/2014 the status of the company was changed into a public regulated real estate company under Belgian law, recorded by a deed by notary public Frank Liesse in Antwerp, and published in the Appendices to the Official Belgian Gazette on 03/12/2014 under number 20141203-14216372.
The articles of association were modified several times, and the last time on 16/12/2019. The latest version of the coordinated articles of association is available on the website (www.leasinvest.be) and in this annual report.

Location of registration, company number and legal entity identifier code

Leasinvest Real Estate is registered in the register of legal entities in Brussels and has been allocated the company number 0436.323.915.
Its legal entity identifier code is (LEI) is 549300BPHBCHEODTG670.

Listing

The shares of Leasinvest Real Estate are listed on Euronext Brussels (Bel Mid).

Type of shares

We refer to article 9 of the coordinated articles of association.
In accordance with article 7:155 of the Code on Companies and Associations (old article 560 of the Companies Code), the rights of the shareholders can only be modified by a general meeting.

Object

We refer to article 4 of the coordinated articles of association.
As a public regulated real estate company (SIRP/OGVV) the company is subject to the Law of 12 May 2014 on regulated real estate companies, as modified (the "RREC Law") and the Royal Decree of 13 July 2014 on regulated real estate companies, as modified (the "RREC RD") (jointly "the RREC legislation"). This entails a number of limitations, o/a that its activities consist mainly of making real estate available to users, that a maximum of 20% of its consolidated assets may be invested in 1 real estate complex and that the debt ratio is limited to 65% of its assets, of which the main characteristics are detailed hereafter in the "tax regime".
With the approval of the extraordinary general meeting held on 16/12/2019 and the FSMA, the company object was modified following the RREC Law, as modified by the law of 22/10/2017, mainly to allow regulated real estate companies to exercise new activities and to extend collaboration possibilities with other regulated real estate companies or third parties.

Registered capital and number of shares

The registered capital of the company amounts to sixty-five million one hundred and seventy-seven thousand six hundred and ninety tree euro fifty-seven cents (€ 65,177,693.57). It is fully paid-up.
It is divided over five million nine hundred twenty-six thousand six hundred and fourty-four (5,926,644) shares, with no par value, each representing 1/5,926,644 of the capital. Leasinvest Real Estate SCA has no treasury shares in portfolio. In accordance with the transparency notification of Ackermans & van Haaren dated 6 April 2017, the shareholder Ackermans & van Haaren helds 1,482,169 shares of the company, 204 shares are held by Leasinvest Services NV, a 100% subsidiary of Leasinvest Real Estate SCA and 7 shares are held by the statutory manager. For more information, we refer to www.leasinvest.be – investor relations – shareholders and transparency.

Authorized capital

We refer to article 7 of the coordinated articles of association.
The manager is authorized to increase the capital at the dates and conditions he will define, in one or more instalments, for an amount that does not exceed sixty-five million one hundred seventy-seven thousand six hundred ninety-three euro fifty-seven cent (€ 65,177,693.57) in accordance with the applicable legislation.
This authorization is valid for a duration of five (5) years as of the publishing date of the minutes of the extraordinary general meeting of 16 December 2019. It is renewable.
These capital increases can be realized by contribution in cash (with or without applying the preferential or irrevocable allocation rights), in kind, and with the possibility to offer the shareholders a special kind of remuneration by proposing them an optional dividend, and to proceed to any other form of capital increase, in respect of the mandatory provisions of the Company Law, as modified from time to time, and the RREC legislation.

The authorized capital technique is a/o used to offer the manager a certain flexibility and a possibility of swift execution, each time this would be necessary to ensure an optimal management of the company, e.g., but not limited to this, within the framework of the global investment strategy of the company, and in particular, in the scope of potential global investment agreements the company would have entered into with third parties, in order to, both administratively and legally, in the short term and without extra costs for convening and organising an extraordinary general meeting of shareholders of the company, proceed to raising new capital in view of funding real estate in an efficient and cost-friendly manner, or to the direct contribution of real estate to the company, being real estate that fits within the company strategy, according to the articles of association of the company and the RREC legislation.
The authorized capital can, within legal and statutory boundaries, also be used in all cases in which the circumstances ask for quickly and adequately responding to potential opportunities for the company following favourable market evolutions, and thus benefiting in the best possible way of the interest of investors and being able to benefit in general of all opportunities to strengthen the company's shareholders' equity and adapt its financial structure and strength to current development needs of its activities, and if necessary, also to legal and regulatory requirements.

Limitations to the use of capital

For potential limitations to the use of capital of the company we refer to the articles 6 to 12 of the coordinated articles of association.
Within this scope, we wish to remind the limitations applicable to the company's debt ratio, legally limited to 65% of the consolidated assets of the company in accordance with the RREC RD.
Financial institutions grant credits to Leasinvest Real Estate based on the company's notoriety and different financial and other covenants. Non-respect of these covenants can entail the early termination of these credits. The credits concluded contain the classic covenants, mainly related to maintaining the RREC status and the related maximum debt ratio.
The company complies with all these covenants.

Dividend distribution is made based on the statutory figures. These have been included in an abbreviated form on page 196.

Control of the company

We refer to article 13 of the coordinated articles of association.

Financial year

The financial year of Leasinvest Real Estate starts on 1 January and ends on 31 December.

Available documents

The manager declares that, at least for the duration of the Universal registration document, the following documents can be consulted on the website www.leasinvest.be:

a) The up-to-date constitutional deed and the articles of association of Leasinvest Real Estate;
b) The annual financial reports;
c) The reports, respectively the conclusions of the auditor and the real estate experts;
d) The press releases and the mandatory financial information;
e) The Corporate Governance Charter and the Integrity Code;
f) The obligations of the Company and the rights of the shareholders as to the general meeting are extensively mentioned in the investor relations section of the website of Leasinvest Real Estate as from the publication of the convening notice to the announcement of the votes.

This information is available on the website during a period of at least 5 years as of the date of the general meeting they relate to.

The annual accounts are filed with the National Bank of Belgium.
The decisions relating to the nomination and resignation of members of the board of directors of the statutory manager are published in the annexes to the official Belgian Gazette.

The historical financial information of all subsidiaries of Leasinvest Real Estate can be consulted at the administrative office of Leasinvest Real Estate.
Financial communication and convening notices to the shareholders for general meetings are also published, as far as mandatory, in the financial press.

Identification Leasinvest Immo Lux

Since the extraordinary general meeting of Leasinvest Immo Lux of 18/12/2008 Leasinvest Immo Lux is a SICAV-specialized investment fund ('SICAV-FIS'), subject to the Luxembourg law of 13 February 2007 regarding specialized investment funds.
Leasinvest Real Estate is the 100% shareholder of Leasinvest Immo Lux.

On 31 December 2020 the investment properties of Leasinvest Immo Lux represent 72% of the consolidated real estate portfolio of Leasinvest Real Estate.

On 31 December 2020 Leasinvest Immo Lux owned 15 sites in ownership or co-ownership, with a surface area of 173,510 m² located in the Grand Duchy of Luxembourg and 5 retail parks in Austria (54,089 m²). The buildings in Luxembourg and Austria are mostly multi-tenant.
The portfolio consists of retail (61%), offices (32%) and logistics (7%).
Represent each more than 5% of the consolidated portfolio of Leasinvest Real Estate: the EBBC Business Park (11%), the shopping center Knauf in Pommerloch (9%), the shopping center Knauf in Schmiede (7%) and CFM (7%).

At the end of 2020 a restructuring took place of the activities in Luxembourg in response to a law reform and new companies were established.

On 31 December 2020 Leasinvest Immo Lux has the following subsidiaires in Luxembourg:
- S. Invest I SA, in its turn 100% owner of Porte des Ardennes Schmiede SA, the legal owner of the shopping center Schmiede;
- P Invest SA, in its turn 100% owner of Porte des Ardennes Pommerlach SA, the legal owner of the shopping center Pommerloch;
- EBBC A Sàrl, owner of building A and B of the EBBC site;
- EBBC C Sàrl, owner of building C, D and E of the EBBC site;
- GK5 Sàrl, owner of the CFM building;
- RDA 110 Sàrl, owner of the Mercator building;
- Boomerang Strassen Sàrl, owner and service provider regarding the Boomerang Retail Park;
- Retail South Sàrl, owner of the properties Hornbach, Diekirch Match, Diekirch Batiself, Diekirch Siemes, Dudelange, Foetz and Pommerloch and;
- Leasinvest Offices Luxembourg Sàrl, owner of the properties Monnet, Monterey, Central Park and Montimmo.

Besides these, Leasinvest Immo Lux has a subsidiary in Austria, i.e. Leasinvest Immo Austria Gmbh, in its turn owner of the following subsidiaries:
- AE Starvilla Sieben GmbH & Co OG
- Frun Park Asten GmbH
- Kadmos Immobilien Leasing GmbH
- Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH
- Vösendorf Nordring 2-10 Vermietungsgesellschaft mbH
- Vösendorf Nordring 16 Vermietungsgesellschaft mbH.

Name
Leasinvest Immo Lux SA, "Société d'Investissement à Capital Variable (SICAV immobilière) - Fonds d'Investissement Spécialisé (FIS) de droit luxembourgeois". Real estate investment trust with variable capital-specialized investment fund under Luxembourg Law'.

Legal entity
'Société anonyme' (SA) under Luxembourg Law.

Office
6D route de Trèves, LU-2633 Senningerberg.

Constitution and term
Leasinvest Immo Lux has been established on 14/01/1991 under the form of a public limited company (SA). It is subject to the Luxembourg Law of 10 August 1915 on commercial companies ("loi du 10 août 1915 relative aux sociétés commerciales"), as amended, and the Luxembourg Law of 13 February 2007 on specialized investment funds ("loi du 13 février 2007 concernant les fonds d'investissement spécialisés"), as amended.
The articles of association have been modified different times and for the last time on 28/09/2012 (published in the Mémorial C, Reueil des Sociétés et Associations du Grand-Duché de Luxembourg" on 23/11/2012).

'Registre de commerce et des sociétés'
Leasinvest Immo Lux is listed in the "Registre de Commerce et des Sociétés du Luxembourg" under the number B 35.768.

Listing
The listing of the shares on the Luxemburg stock exchange has been deleted at the beginning of 2009 and on Euronext Brussels as of 16 September 2006.

Purpose of the company (Article 3 of the articles of association – free translation from French):
'The main purpose of the company is the direct or indirect investment in buildings in the Grand Duchy of Luxembourg, in Belgium and abroad, aiming at the diversification of its investment risks and to let its shareholders benefit from the results of its asset management. The company can furthermore take on participations, subscribe to real estate certificates, own all moveable assets that can be traded on a stock exchange or on a regulated market, invest its cash and execute all actions, necessary to fulfil or develop its purpose within the limits imposed by the law of 13 February 2007 on specialized investment funds.'

Board of directors
The board of directors of Leasinvest Immo Lux, the 100% subsidiary of the company currently holding indirectly the Luxembourg portfolio and the Austrian buildings, is at present composed of the following:
- Mr. **Jan Suykens**, chairman of the board of directors of Leasinvest Immo Lux and non-executive director;
- Mr. **Michel Van Geyte**, executive director and managing director;
- Mr. **Piet Dejonghe**, non-executive director;
- Mr. **Tim Rens**, executive director.

Depositary
Since 01/01/2015 IQ EQ S.A. (company number B 65.906, with its office at L-2086 Luxembourg, 412F, route d'Esch, subject to the supervision of the 'Commission de Surveillance du Secteur Financier', was appointed as depositary of Leasinvest Immo Lux SA in accordance with the applicable Luxembourg legislation (RCS Luxembourg B47192).
In its capacity of depositary, IQ EQ is bound to comply with the provisions imposed, including a.o. the Luxembourg law of 13 February 2007 on specialized investment funds. In that capacity, the depositary is put in possession of, among other things, all official documents and deeds relating to changes in the assets of the company and of a number of documents in virtue of corporate law.
For the past financial year total remunerations of circa € 167,239 (excl. VAT) were paid to IQ EQ by Leasinvest Immo Lux.

Investment advice Luxembourg
Between Leasinvest Immo Lux SICAV-FIS and Leasinvest Real Estate, after approval by the CSSF, an investment advice agreement was concluded. The agreement has been concluded for an unspecified term and can be terminated by each party provided that a notice of six months is given.
Based on this agreement, Leasinvest Real Estate has to submit an investment plan for real estate and other values, to Leasinvest Immo Lux, in accordance with the investment policy defined by the board of directors of Leasinvest Immo Lux. The mission includes proposing real estate that fits within the defined investment policy, as well as making divestment proposals for buildings.
Furthermore, Leasinvest Immo Lux has to be kept informed of the developments on the financial markets and the company is assisted by means of advice and recommendations with regard to managing its investment properties, including the definition of its investment policy.

For these services Leasinvest Immo Lux pays an annual remuneration of:
- 0.75%, payable in four parts, at the end of each quarter, and calculated on the gross value of the real estate assets of Leasinvest Immo Lux, as estimated, at the end of each year, by the independent real estate experts;
- a maximum of 0.50%, payable in four parts, at the end of each quarter, calculated on the average net value of the other assets of Leasinvest Immo Lux at the end of each year;
- besides that, a premium is due, equal to 5% of the net gain on buildings sold by Leasinvest Immo Lux.

The past year, Leasinvest Real Estate received a remuneration of € 3,337,936 from Leasinvest Immo Lux.

In case of termination of the investment advice agreement, Leasinvest Immo Lux needs to pay a cancellation fee of 3% of the sales price of the buildings at market value.

Financial year
The financial year of Leasinvest Immo Lux starts on 1 January and ends on 31 December.

Registered capital
The capital of Leasinvest Immo Lux is at any moment equal to the value of the net assets, as calculated in accordance with article 18 of the articles of association of the company. The minimum capital of Leasinvest Immo Lux amounts to € 1,250,000.

Auditor in charge of legal audit

The auditor, appointed by the general meeting of shareholders, audits the financial statements and the half-year reports.

For the last 3 financial years and today, Ernst & Young Bedrijfsrevisoren SRL, with registered office at De Kleetlaan 2, 1831 Diegem (company number - RPR Brussels 446.334.711), registered with the 'Instituut van de Bedrijfsrevisoren', under the number B00160, act as auditor, represented by Mr. Joeri Klaykens.
The mandate of Ernst & Young bedrijfsrevisoren, represented by Mr. Joeri Klaykens, comes to an end after the annual meeting in 2021. Hence, there will be proposed at the annual general meeting of shareholders on 17 May 2021 to renew this mandate for a new period of 3 years, until the general meeting to be held in 2024.

The remuneration of the auditor for auditing the financial statements of the company and its Belgian subsidiaries for the past financial year stands at € 59,661 (excl. VAT), or € 53,615 for the company and € 6,046 for auditing its subsidiaries Leasinvest Services SA, RAB Invest SA (until 1/12/2020, date of transfer of RAB Invest) and Haven Invest SA. The remuneration of the auditor for auditing the financial statements of the statutory manager, Leasinvest Real Estate Management SA, amounted to € 3,173.

Next to that, remunerations of € 14,640 (excluding VAT) were paid to the auditor for extraordinary missions relating to the company Leasinvest Real Estate (namely within the framework of auditor's reports for FSMA, reporting on the financial plan/ evolution of the debt ratio, report within the framework of the internal control, EMIR questionnaire) that were approved by the audit committee in accordance with the procedure intended in article 3:64 of the Code of companies and associations.

At the annual general meeting held in 2020, the mandate of the auditor Ernst & Young (Luxembourg), with its registered office at 35 E, avenue J.F. Kennedy 2, L-1855-Luxembourg, represented by René Esch was renewed for a period of one year (which is usual practice for Leasinvest Immo Lux SA).

The remuneration of the auditor for auditing the financial statements of Leasinvest Immo Lux and its subsidiaries for the past financial year amounted to € 173,170 (excl. VAT), or € 59,400 for Leasinvest Immo Lux and € 113,770 for Porte des Ardennes Schmiede SA, Porte des Ardennes Pommerloch SA, P Invest SA, S Invest I SA, EBBC A, EBBC C, Leasinvest Immo Austria Gmbh, AE Starvilla Sieben GmbH & Co GO, Frun Park Asten GmbH, Kadmos Immobilien Leasing GmbH, Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH, Vösendorf Nordring 2-10 Vermietungsgesellschaft mbH and Vösendorf Nordring 16 Vermietungsgesellschaft mbH. Next to that, a remuneration was paid by Leasinvest Immo Lux for an amount of € 7,000 and € 27,000 by the Austrian companies within the framework of tax & finance.

Agreements relating to the (fixed) remuneration of the auditor of the company are contractually defined with the auditor and are, for the remuneration relating to the audit mission, approved by the general meeting of shareholders.

Valuation of the portfolio

In conformity with the applicable regulation on RREC, the real estate expert values all buildings of the RREC and its subsidiaries at the end of each financial year. The accounting value of the buildings included in the balance sheet is adapted to these values.
Moreover, the independent real estate expert actualizes the total valuation established at the end of the previous year, at the end of each of the first three quarters of the financial year, based on market evolutions and characteristics of the buildings concerned. The expert values the real estate of the RREC and its subsidiaries, also whenever the RREC wishes to proceed to an operation of issuing shares or a merger.

In the past financial year, the quarterly valuations of the real estate portfolio were conducted by 3 independent valuers: Cushman & Wakefield VOF, Oerag and Stadim.

In the event of a conflict of interest arising between the real estate agent's activity and that of property surveyor, another expert shall make the valuation.

The valuation of the Luxembourg portfolio is conducted by Cushman & Wakefield, that of Belgium by Cushman & Wakefield (offices and retail) and by Stadim (logistics), and that in Austria by Oerag.

For the past financial year, a total remuneration of € 157,860 (excl. VAT) was foreseen, of which

- € 58,056 to Cushman & Wakefield for the valuation of the Belgian retail and offices portfolio and € 16,804 for the valuation of the Belgian logistics portfolio;
- € 59,000 to Cushman & Wakefield for the valuation of the Luxembourg portfolio and
- € 24,000 to Oerag for the valuation of the real estate in Austria for Leasinvest Immo Austria.

An expert can be charged with the valuation of a certain property for a maximum of three years. After this term of three years, the same expert can only value the aforementioned property, till after the end of a term of three years after the previous term. Should the expert be a legal person, these rules are exclusively applicable to the physical persons representing the legal person, providing that the expert proves that an adequate functional independence exists between these physical persons.

In accordance with article 24 § 1 of the RREC law the remuneration of the surveyor shall not be linked, either directly or indirectly, to the value of the real estate subject to his valuation. The remuneration mentioned above has been defined based on a fixed amount per m2. The remuneration is contractually defined with the real estate expert.
The physical persons representing the real estate expert as experts in the sense of article 24 §1 of the RREC law, have to define their valuation in complete independence. This is also valid when these physical persons follow each other up within or after the maximum term of three years defined in article 24 §1 of the RREC law, in which an expert can value a defined real estate.

Additional valuation reports were made up in the framework of the restructuring of the activities in Luxembourg as realized in December 2020 by Cushman & Wakefield for which they received a fee of € 7,950 (excl VAT) and by CBRE for which they also received a fee of € 36,500 (excl VAT).

Valuation of the real estate in Belgium/Luxembourg

Cushman & Wakefield VOF is a subsidiary of the offices in The Netherlands ('General partnership existing under the laws of The Netherlands'), with its registered office at Amstelveenseweg 760, 1081 JK Amsterdam, The Netherlands. The administrative and registered offices of Cushman & Wakefield VOF are established at Avenue des Arts 58, 1000 Brussels (company number 418 915 383). Since the foundation on 04/12/1978 of the office in Belgium, there has always been a valuation department. In Luxembourg the registered office of Cushman & Wakefield S.a.r.l. is situated in the 'Serenity Building', Route d'Arlon 19-21, L-8008 Strassen.

The company values offices, retail and industrial properties in Belgium and Luxembourg.
Cushman & Wakefield is not supervised by any official body, yet is regulated by the RICS (Royal Institute of Chartered Surveyors).
Both Cushman & Wakefield Belgium and Cushman & Wakefield Luxembourg are represented by Koen Nevens, MRICS. The valuation is carried out by Gregory Lamarche, Account Manager – Surveyor for both the Luxembourg portfolio of Leasinvest Real Estate and for its retail and offices located in Belgium.

Stadim CVBA (company number 0458.797.033) has its registered office in 2018 Antwerp, Mechelsesteenweg 180.
Stadim is represented by Philippe Janssens. The company values both residential and professional real estate (offices, retail, logistics and nursing homes) all over Belgium and Luxembourg. Stadim is not supervised by any official body, but is regulated by the RICS (Royal Institute of Chartered Surveyors).
The valuation of the logistics real estate in Belgium is done by Nicolas Janssens.

Valuation of the real estate in Austria

The valuations of the Austrian portfolio are carried out by Oerag (company number FN 89590), with registered office in A-1010 Vienna, Herrengasse 17. The company renders independent real estate services and is subject to Austrian law but is not supervised by any official body. The valuation is carried out by Michael Buchmeier, MRICS.

Financial service providers

The financial service during the past financial year was entrusted to Bank Delen SA as the main paying agent in the context of the introduction of ESES (Euroclear Settlement for Euronext-zone Securities). A remuneration of approximately € 29,000 (excl. VAT) was foreseen for this.

Tax regimes

Regulated real estate company (RREC) – main characteristics

In accordance with the law of 12/05/2014 – as modified by the law of 22/10/2017 – and the RD of 13/07/2014 – as modified by the RD of 23/04/2018:

- stock exchange listing
- company with fixed capital and a fixed number of participation rights
- activities mainly consist of making real estate available to users, additionally, RREC can invest their assets in securities
- risk diversification: no more than 20% of the consolidated assets may be invested in a single property. In certain cases a derogation can be obtained by the FSMA; such a derogation has until present not been granted to Leasinvest Real Estate.
- the consolidated debt ratio of the regulated real estate company and its subsidiaries, and the statutory debt ratio of the regulated real estate company is limited to 65% of the consolidated or statutory assets, after deduction of the authorized hedges
- quarterly valuation of the real estate portfolio by an independent real estate expert (fair value)
- valuation of the properties at fair value - no depreciation
- distribution, in the case of profit, of at least the positive difference between
  - Minimum 80% of the sum of the corrected result and the net capital gains on the sale of properties, that are not exempt from mandatory distribution and
  - the net decrease of the debts of the company during the financial year
- taxable basis for corporate taxes consists of the sum of the disallowed expenses and abnormal and benevolent advantages; otherwise, there are no company taxes on results and capital gains
- withholding tax of 30% on dividend
- a regulated real estate company cannot grant loans unless to subsidiaries
- supervision by the FSMA (www.fsma.be)

SICAV-Specialized investment fund (Leasinvest Immo Lux, Grand Duchy of Luxembourg) – main characteristics

- open-ended real estate investment fund with variable capital
- only well-informed investors ('investisseurs avertis'), in the sense of article 2 of the law of 13/02/07 regarding specialized investment funds are admitted as shareholders
- no mandatory stock exchange listing
- mainly real estate investments
- Risk diversification: maximum 30% of the consolidated assets can be invested in one building/complex, or in securities issued by one same company. In certain cases derogation can be granted by the CSSF
- debt ratio of maximum 50% except for derogations granted by the CSSF in certain cases; Leasinvest Immo Lux has been granted a derogation by the CSSF for a debt ratio up to 65%
- annual valuation by an independent real estate expert
- valuation of the real estate assets at fair value – no depreciation
- no minimum distribution of the operating result
- no corporate taxes on result nor gains regarding the fiscal year 2020; as of 1st January 2021, taxation (20%) of rents and gains; since 15 December 2020 however, Leasinvest Immo Lux is no longer the direct owner of real estate assets, this taxation is therefore not applicable to the company;
- no withholding tax on dividends (in case the dividends are paid in favour of the RREC)
- supervision by the "Commission de Surveillance du Secteur Financier" www.cssf.lu

Coordinated articles of association dated 16/12/2019

CHAPTER I – NAME – LEGAL FORM– OFFICE – PURPOSE OF THE COMPANY – TERM

ARTICLE 1. NAME - LEGAL FORM

1.1 The company has the legal form of a partnership limited by shares (hereafter "the Company").
It has the name "LEASINVEST REAL ESTATE".
1.2. The Company is a public regulated real estate company under Belgian law (abbreviated "public RREC under Belgian law" or "PRREC under Belgian law") as intended by article 2, 2° of the law of 12 May 2014 with regard to regulated real estate companies (hereafter the "RREC law") of which the shares are admitted to trading on a regulated market and that attracts is financial resources in Belgium or abroad via a public offer of shares.
The name of the Company is always immediately followed by the words "public regulated real estate company under Belgian law" or "public RREC under Belgian law" or "PRREC under Belgian law"; those same words are mentioned in all documents issued by the Company.
The Company is subject to the RREC law an to the Royal Decree of 13 July 2014 on regulated real estate companies (herafter the "RREC RD") as well as to all other potential executory decrees and regulations of the RREC law, at any given time, (this law and its executory decrees and regulations together with any other regulation, at any given time, applicable to PRRECs under Belgian law are referred to hereafter as the "RREC legislation").
The Company is moreover subject to the provisions of these articles of association (hereafter the "Articles of association"). Each project to modify the Articles of association has to be preliminary submitted to the "Financial Services and Markets Authority", abbreviated "FSMA", hereafter always referred to by its abbreviation "FSMA").
1.3. The Company attracts its financial resources in Belgium or abroad via a public offer of shares, and appeals to public savings in the sense of article 438 of the Company Code (abbeviated "C.Code.").

ARTICLE 2. MANAGING AND LIMITED PARTNERS

2.1. By reason of its legal form, the Company always has, mandatorily, one or more jointly responsible partners, called managing partners, and one or more limited partners, having the capacity of shareholder.
2.2. The Company has namely one (1) managing partner, severally and unlimitedly liable for all agreements of the Company and that also acts as the manager of the Company; this manager/managing partner is indicated in article 13 of the Articles of association.
2.3. The limited partners (also referred to as "shareholders") are responsible for the debts and losses of the Company, only proportionally to their contribution, providing that they do not exercise any management activity. They can however act in the capacity of mandatory of the Company, following a special proxy.

ARTICLE 3. OFFICE

3.1. The registered office of the Company is situated in Brussels (Anderlecht), Route de Lennik 451.
The registered office and the general board always have to be established in Belgium. They can be moved by a simple decision by the manager, as far as this decision has no influence on the applicable language regime in accordance with the legislation on the use of languages. The manager has full authority, following that kind of move, to have every modification of the Articles of association certified, as well as to have every move of the registered office, and consequently amended text of the Articles of association, filed for publication.
3.2. By a simple decision of the manager, the Company can establish branches or agencies, both in Belgium and abroad.

ARTICLE 4. PURPOSE

4.1. The exclusive purpose of the Company is:
(a) to make real estate available to users, directly or via a company in which it holds a participation, in accordance with the provisions of the RREC legislation and the executory decrees and regulations; and
(b) to, within the limits of the RREC legislation, posses real estate in the sense of the RREC law.
"Real estate" is defined as follows:
i. real estate as defined in article 517 et seq of the Civil Code, and the rights in rem on real estate, excluding real estate of forestry, agricultural or mining nature;

ii. the shares with voting rights issued by real estate companies, in which the Company holds, directly or indirectly, more than 25% of the capital;
iii. pre-emptive rights to real estate;
iv. the shares of public or institutional regulated real estate companies, providing that, in the latter case, the Company holds, directly or indirectly, more than 25% of the capital;
v. rights arising from contracts giving the company leasehold of one or several real estate assets or other similar rights of use;
vi. the participation rights in public and institutional real estate investment trusts;
vii. the participation rights in foreign undertakings for collective investment in real estate registered in the list intended by article 260 of the law of 19 April 2014 with regard to alternative undertakings for collective investment and their managers;
viii. the participation rights in undertakings for collective investment in real estate established in another member state of the European Economic Area and that are not registered in the list intended by article 260 of the aforementioned law of 19 April 2014, as far as they are subject to an equivalent supervision as public sicafi;
ix. the shares or participation rights issued by companies (i) that are legal entities; (ii) governed by the law of another member state of the European Economic Area; (iii) of which the shares are admitted or not to trading on a regulated market and that are subject or not to a regime of prudential supervision; (iv) of which the main activity is acquiring or constructing real estate in view of making it available to users, or the direct or indirect possession of shares the capital of companies with a similar activity; and (v) that are exempt from tax on income from the profits resulting from the activity referred to in clause (iv) above, subject to compliance with certain legal obligations, and that are at least required to distribute part of their income to their shareholders (the "Real Estate Investment Trusts" (abbreviated "REIT's"));
x. real estate certificates, in the sense of the law of 11 July 2018;
xi. participation rights in a SREIT;
xii. and all other assets, shares or rights defined as real estate by the RREC legislation.
The real estate as intended in vi., vii., viii., ix. and xi. That relates to participation rights in an alternative investment vehicle as intended by European regulation, cannot qualify as shares with voting rights issued by real estate companies, regardless the amount held by the Company, directly or indirectly.

(c) concluding in the long term, directly or via a company in which it holds a participation according to the provisions of the RREC legislation, potentially in cooperation with third parties, with a public client, or join one or more:
i. DBF-agreements, the so-called "Design, Build, Finance" agreements;
ii. DB(F)M- agreements, the so-called "Design, Build, (Finance) and Maintain" agreements;
iii. DBF(M)O- agreements, the so-called "Design, Build, Finance, (Maintain) and Operate" agreements; and/or
iv. agreements for concession of public works relating to buildings and/or other real estate infrastructure and related services, based on which:

- it is responsible for making available, maintenance and/or operation on behalf of a public entity and/or civilian as end-user, for responding to a social need and/or allowing public services; and
- the related financial, availability, demand and/or operating risk, on top of the potential construction risk, can entirely of partially be borne by it, without in that case disposing of rights in rem; and

(d) in the long term, directly, or via a company in which it holds a participation according to the provisions of the RREC legislation, potentially in cooperation with third parties, developing, having developed, creating, having created, managing, having managed, operating, having operated or making available of:
i. installations and storage for transportation, distribution or storage of electricity, gas, fossil or non-fossil fuels and energy in general and related goods;
ii. utilities for transportation, distribution, storage or purification of water and related goods;
iii. installations for generation, storage and transportation of renewable or non-renewable energy and related goods; or
iv. waste and incineration installations and related goods.
(e) initially holding less than 25% of the capital of a company in which the activities mentioned in art. 4.1, (c) above are exercised, as far as this participation is converted into a participation in accordance with the provisions of the RREC legislation, within two years, or each longer period that the public entity with which the contract is concluded requires in this context, after completion of the construction phase of the PPS-project (in the sense of the RREC legislation), following a transfer of shares.

Should the RREC legislation be modified in the future and allow the Company to exercise new activities, the Company will also be authorized to exercise those additional activities.
4.2. Within the framework of making real estate available, the Company can exercise all activities related to the foundation, the construction (without prejudice to the prohibition of acting as a property developer, except for occasional operations), the alteration, the design, the renovation, the development, the alienation, the lease, the sub-lease, the exchange, the contribution, the transfer, the allotment, the bringing of real estate assets into a system of co-ownership or joint ownership, granting or receiving the right of superficies, usufruct, long-term lease or other real or personal rights on real estate, management and running of real estate assets.
4.3. Providing conformity with the RREC legislation, the Company can also invest additionally or temporarily in securities that are not real estate in the sense of the RREC legislation. These investments will be made in accordance with the risk management policy adopted by the Company and will be diversified, so that they ensure an adequate risk diversification. The Company can also posses unallocated cash in all currencies in the form of deposits on demand, term deposits, or any money-market instrument that can be easily traded.
4.4. Providing conformity with the RREC legislation, the Company is authorized to subscribe authorized hedges, except for speculative operations. The acquisitions and disposals have to fit within the financial risk hedging policy of the Company.
4.5. Providing conformity with the RREC legislation, the Company is authorized to grant mortgages or other sureties or grant guarantees within the framework of funding the activities of the Company and companies that are part of its consolidation scope, within the limits defined by the RREC legislation to that effect.
4.6. Providing conformity with the RREC legislation, the Company is authorized to take or give in lease one or more properties. The activity of giving in lease with purchase option of real estate assets can only be exercised as an accessory activity, unless these real estate assets are destined for a purpose of general interest, including social housing and education (in this case, the activity can be exercised as main activity).
4.7. Providing conformity with the RREC legislation, the Company is authorized to grant credits within the limits defined by the RREC legislation to that effect.
4.8 Providing conformity with the RREC legislation, the Company can, through a contribution in cash or in kind, a merger, splitting-up or any other restructuring, subscription, participation, financial or other intervention, according to Company Law, acquire a share and any possible form of participation or membership in all existing or to be founded companies, associations or enterprises, in Belgium or abroad, of which the purpose is similar to its own, or that fits within the realization of, or facilitates, its purpose.
4.9 Providing conformity with the RREC legislation, the Company can, in general, acquire, rent, lease, transfer or exchange all moveable or real estate assets, all materials and necessities, and in general, take all civil, commercial or financial actions that are, directly or indirectly, related to its purpose and exercising all related intellectual rights and commercial properties.
4.10 Next to that, the Company may, providing conformity with the RREC legislation, do anything relevant or necessary to realize its purpose, also including all activities relating to, directly or indirectly the development and daily management of its real estate assets and all other activities with an added value to its real estate assets and to its users, such as offering services that are complementary to making the related real estate available.

ARTICLE 5. TERM

5.1. The term of the Company is unspecified. It can be dissolved by a resolution of the general meeting deliberating in accordance with the conditions and forms required for amending the articles of association, without prejudice to the application of other more stringent legal provisions.
5.2. The Company shall not be dissolved as a result of the dismissal, expulsion, revocation, withdrawal, purchase, declaration of incompetence, prevention, dissolution or declaration of bankruptcy of the managing partner.

CHAPTER II – CAPITAL – SHARES – OTHER SECURITIES

ARTICLE 6. CAPITAL

6.1 The company's registered capital amounts to sixty-five million one hundred seventy-seven thousand six hundred ninety-three euros and fifty-seven cents (€ 65.177.693,57). It is paid up in full.
6.2 It is divided into five million nine hundred twenty-six thousand six hundred forty-four (5.926.644) shares, of no-par value, each one representing 1 / 5.926.644 of the capital.

ARTICLE 7. AUTHORISED CAPITAL

The manager is empowered to increase the capital on dates and under conditions specified by the manager, in one or more instalments, by an amount that does not exceed sixty-five million one hundred seventy-seven thousand six hundred ninety-three euro fifty-seven cent (€ 65,177,693.57) in conformity with the applicable legislation.
This authorization is valid for a term of (5) five years as from the publication of the minutes of the extraordinary general meeting that approves the authorization. It is renewable.
These capital increases can be carried out by a contribution in cash, by a contribution in kind, or by the conversion of reserves including profits carried forward and issue premiums as well as all equity components under the statutory IFRS annual accounts of the company (drawn up according to the RREC legislation) that are available for conversion into capital, and with, or without, the issue or creation of shares or other securities (of any or existing type), according to the provisions prescribed by the applicable company law, the RREC legislation and Articles of association.
Should the case arise, the issue premiums will be booked in one or more separate equity accounts in the liabilities section of the balance sheet.
The manager is authorized to limit or abolish the preferential right of shareholders, also when this occurs in favour of one or more persons that are not members of personnel of the Company or its subsidiaries, as far as – to the extent that this is required by the RREC legislation - an irreducible right of attribution is granted to the current shareholders in the case of attribution of new securities. In that case, this irreducible right of attribution meets the requirements of the RREC legislation and of article 8.2 of the articles of association.
The manager is authorized to amend the articles of association of the company in accordance with the capital increase(s) realized within the framework of the authorized capital.
Capital increases by a contribution in kind are realized in accordance with the RREC legislation and in accordance with the conditions recorded in article 8.3 of the articles of association. Such contributions in kind can also relate to the dividend rights in the context of the distribution of an optional dividend.

ARTICLE 8. CHANGE OF THE REGISTERED CAPITAL

8. 1 Except for the possibility to increase the capital using the authorized capital by a decision of the statutory manager, an increase or decrease in the registered capital can only be decided at an extraordinary general meeting of the shareholders in the presence of a notary public and with the approval of the manager. Furthermore, the company will always have to take the RREC legislation into account in this context.
Should the general meeting decide to ask for the payment of an issue premium within the framework of a capital increase, this has to be booked in one or more separate equity accounts in the liabilities section of the balance sheet.
8.2. In the case of a capital increase by a contribution in cash following a decision of the general meeting or within the framework of the authorized capital as defined in article 7 of the articles of association, and without prejudice to the applicable Company Law and the RREC legislation, the preferential right of the shareholder can only be limited or lifted as far as, to the extent that this is required by the RREC legislation, the current shareholder is granted an irreducible right of attribution when granting new securities. In this case, that irreducible right of attribution at least meets the following conditions of the RREC legislation:
1° it is related to all newly issued securities;
2° it is granted to the shareholders in correspondence with the share of the capital represented by their shares at the moment of the operation;
3° at latest the eve of the opening of the public subscription period a maximum price per share is announced; and
4° the public subscription period has to last at least three (3) listing days.
That irreducible right of attribution is, should the case arise, applicable to the issue of shares, convertible bonds and warrants.

In accordance with the RREC legislation, this has in any case not to be granted in the case of a capital increase by contribution in cash realized under the following conditions:
1° the capital increase is realized by using the authorized capital;
2° the accumulated amount of the capital increases, in conformity with this subparagraph, are realized over a period of 12 months, does not amount to more than 10% of the amount of the capital at the moment the capital increase is decided on.
Without prejudice to the applicable company law, the irreducible right of attribution does also not have to be granted in the case of a contribution in cash where the preferential right is limited or lifted, complementary to a contribution in kind within the framework of the distribution of an optional dividend, as far as the distribution of that optional dividend is effectively made payable to all shareholders.
8.3. The capital increases by a contribution in kind are subject to the provisions of the applicable company law. Furthermore, in accordance with the RREC legislation, the following conditions have to be met in the case of a contribution in kind:
1° the identity of the contributor has to be mentioned in the report on the contribution in kind and, if necessary, in the invitation to the general meeting convened for the capital increase;
2° the issue price cannot be less than the lowest value of (a) a net value per share dated no more than four (4) months prior to the date of the contribution agreement or, up to the choice of the company, prior to the date of the capital increase deed, and (b) the average closing price during thirty (30) calendar days prior to that same date.
For the application of what is mentioned above sub point 2°, it is allowed to deduct an amount that corresponds to the part of the non-distributed gross dividend to which the new shares would eventually not entitle, from the amount defined sub point (b) of point 2°, provided that the manager specifically motivates the amount to be deducted from the cumulated dividend in his special report and explains the financial conditions of the operation in his annual financial report;
3° except if the issue price, or, in the case defined in article 8.4 hereafter, the exchange rate, and the related modalities are defined and communicated to the public at latest the working day following the conclusion of the contribution agreement, mentioning the term in which the capital increase will effectively take place, the capital increase deed is recorded within a maximum term of four (4) months; and
4° the report mentioned in point 1° must also explain the impact of the proposed contribution on the situation of the former shareholders, more specifically with regard to their share in the profit, in the net value per share and in the capital, including the impact at the level of the voting rights.
The special conditions described above, in accordance with the RREC legislation, are in any case not applicable in the case of a contribution of the right to dividends within the framework of the distribution of an optional dividend, as far as the distribution of that dividend if effectively made payable to all shareholders.
8.4. The special rules with regard to capital increases by contribution kind recorded in article 8.3 above are mutatis mutandis applicable to mergers, split-ups and similar operations as defined in the RREC legislation. In that case, the "date of the contribution agreement" refers to the date the merger or split-up proposal is filed.

ARTICLE 9. NATURE OF THE SHARES

9.1. The Company has only one type of shares, that all have the same rights.
9.2. The shares of the Company are nominative or dematerialized, and this according to the choice of their owner or holder (hereafter the "Holder") and in accordance with legal limitations. Each Holder of shares can at any given time, and at his own expenses, ask for the conversion of his nominative shares into dematerialized shares, or vice versa.
9.3. For nominative shares, ownership is exclusively proven by inscription in the register of shares of the Company held at its office; the register of shares may potentially be held in an electronic form.
9.4. Dematerialized shares are represented by booking into an account, at the name of the owner or holder, with a clearing institution.

ARTICLE 10. OTHER SECURITIES

With the exception of profit-sharing certificates and similar securities and subject to the specific provisions of the RREC legislation, the Company may issue the securities intended by article 460 of the Company Code in accordance with the rules prescribed by the Company Code, the RREC legislation and these Articles of association.

ARTICLE 11. PURCHASE, HOLDING IN PLEDGE AND ALIENATION OF TREASURY SHARES

11.1. The Company can acquire treasury shares, hold them in pledge and alienate them in accordance with the formalities and conditions prescribed by the applicable company law.
11.2. The manager is authorized to proceed to the purchase, holding in pledge or alienation of treasury shares, at a price he defines, without prior decision of the general meeting, whenever this purchase, holding in pledge or alienation is necessary to safeguard the Company against serious and threatening disadvantage. These authorizations are valid for three (3) years as of the publication of the amendments to the articles of association of 16 December 2019 and are renewable for an equal period.
11.3. The manager is authorized, in virtue of a decision taken by the general meeting of 16 December 2019 according to the applicable company law, to (a) acquire the maximum number of treasury shares that is allowed in conformity with the applicable company law, or hold them in pledge (b) at a minimum price per share that corresponds to the lowest of the last twenty (20) closing prices of the share of the Company on a regulated market on which they are listed, before the acquisition date, decreased by fifteen percent (15%) and at a maximum price per share that corresponds to the highest of the last twenty (20) closing prices of the share of the Company at the regulated market on which they are listed, before the acquisition date, augmented by fifteen percent (15%).
This authorization is valid for a term of five (5) years as of the date mentioned above on which this decision was approved. This authorization is also valid for the acquisition of shares by the Company on a regulated market by its directly controlled subsidiaries in accordance with the applicable company law.
11.4. The manager is also authorized, according to the applicable company law, to proceed to, in respect of the conditions and terms defined by law, the alienation of treasury shares held by the Company (including the alienation to one or more specific persons other than personnel), subject to the following condition: the alienation of a share in virtue of this authorization has to occur (a) or at a minimum price per share that corresponds to the lowest of the last twenty (20) closing prices of the share of the Company on a regulated market on which they are listed, before the alienation date, minus fifteen percent (15%) and at a maximum price per share that corresponds to the highest of the twenty (20) last closing prices of the share before the alienation date, augmented by fifteen percent (15%) or (b) when this alienation occurs within the framework of the company's stock option plan, the execution price of the options. In the latter case, the manager is authorized to alienate the shares, with the approval of the beneficiaries of the stock option plan, outside the stock exchange. The manager is finally authorized to, without prior consent by the general meeting, in accordance with article 622, §2, second subparagraph, 1° of the Company Code, and at a price he defines, proceed to the alienation of treasury shares, as far as these shares are alienated on a regulated market the shares are listed on.
These authorizations are valid without any end term. These authorizations are also valid for the alienation of shares of the Company on a regulated market by its directly controlled subsidiaries and, as far as necessary, for the indirectly controlled subsidiaries of the Company and, as far as necessary, for each third party acting in its own name but for the account of the company.
The manager is finally explicitly authorized, without prior consent of the general meeting, and at a price he defines, to proceed to the purchase, holding in pledge or alienation of treasury shares as far as a statutory authorization or authorization by the general meeting is not, or no longer required.

ARTICLE 12. LISTING ON THE STOCK EXCHANGE AND NOTIFICATION OF IMPORTANT PARTICIPATIONS

12.1 The shares of the company must be admitted to trading on a Belgian regulated market, in accordance with the RREC legislation.
12.2 Each holder of shares must notify the company and the FSMA of the number of securities with voting rights, voting rights or similar financial instruments of the company he owns, in accordance with the legislation on the disclosure of important participations in issuers of which the shares are admitted for trading on a regulated market.
The thresholds of which exceeding results in a mandatory notification following the special aforementioned legislation of the disclosure of important participations are fixed at three per cent (3%), five per cent (5%) and multiples of five per cent (5%) of the total number of voting rights.

12.3 Except for exceptions foreseen by the Company Law, nobody can participate to a voting at a general meeting of shareholders of the company with a number of votes that is higher than the number of votes related to the securities he has reported holding, at least twenty (20) days prior to the date of that general meeting.

CHAPTER III – MANAGEMENT AND REPRESENTATION - CONTROL

ARTICLE 13. NOMINATIONS – DISMISSALS – VACANCIES

14.1 The company is directed by a statutory manager, who must have the capacity of a limited (managing) partner and who must permanently comply with the articles 14 and 15 of the RREC legislation.
14.2 The public limited company "LEASINVEST REAL ESTATE MANAGEMENT", (register of legal persons Antwerp, section Antwerp 0466.164.776), with registered office in 2000 Antwerp, Schermersstraat 42, is the (only) managing partner intended by article 2.2 of the Articles of association and is in virtue of this article appointed as the first and sole statutory manager of the Company (hereafter the "Manager-Legal person"). It is appointed for an indefinite period, in the understanding that the minimal duration of its mandate has been fixed at twenty-seven (27) years, which makes that its mandate is irrevocable until the date of the annual meeting, which will be held in 2026. After this date the mandate of the Manager-Legal person is revocable under the attendance and majority conditions required for a change of the Articles of Association, without any right of veto for the manager on this point.
The board of directors of the Manager-Legal person has to be composed as prescribed by the RREC legislation and as settled in article 14 of the Articles of association below.
13.3 Despite the aforementioned (article 13.2) concerning the first manager, the manager is appointed for a definite or indefinite period at the general meeting of shareholders, which decides under the attendance and majority conditions required for a change of the Articles of Association.
13.4 The statutory manager's tasks can only be revoked by a judicial decision after a claim submitted by the general meeting on lawful grounds. The general meeting of shareholders must make this decision with a majority equal to the majority for the amendment of the Articles of Association and the statutory manager cannot participate in the vote. The statutory manager will continue to carry out his tasks until his removal is passed by a peremptory decree.
13.5 The statutory manager can resign at any time. The statutory manager is obliged, after his resignation, to further fulfill his task until a replacement can reasonably be provided for him. In view of that a general meeting has to be convened within one (1) months after his resignation with the nomination of a new manager on the agenda; that general meeting has to take place in any case within two (2) months after the resignation.
13.6 The decease, the declaration of incompetence, the dissolution, the bankruptcy or any similar procedure, the dismissal, the deposition of the manager by judicial decision for whatever reason, will not have the consequence of the company being dissolved, but he will be succeeded by the newly appointed manager, by a decision of the extraordinary shareholders general meeting, that also accepts to become a limited (managing) partner of the company. If a manager is a legal person, the merger, the split up, the conversion or any other form of company reorganization whereby the legal personality of the manager is continued according to the applicable law, does not lead to the dismissal or the replacement of the manager.

ARTICLE 14. SPECIAL PROVISIONS WITH REGARD TO THE MANAGER-LEGAL PERSON AND THE EFFECTIVE OFFICERS OF THE COMPANY

14.1. The provisions of this article 14 below are valid for the Manager-Legal person as long as it manages the Company as a public RREC. The Manager-Legal person acts to that effect via its board of directors, its permanent representative and the persons it appointed for the effective leadership of the Company. The directors of the Manager-Legal person and the persons it appointed for the effective leadership of the Company cannot personally be manager nor managing partner of the Company. Moreover, they have to comply, on a permanent basis, with the articles 14 and 15 of the RREC law.
14.2. The board of directors of the Manager-Legal person is always composed in that way, that the Company can be managed in accordance with article 4 of the RREC law.
14.3. The board of directors of the Manager-Legal person consists at least of three (3) independent members in the sense of article 526ter of the Company Code, for which the respect of the criteria intended by the

aforementioned article is also evaluated as if the concerned independent member of the board of directors of the Manager-Legal person would be a director in the Company.
14.4. The members of the board of directors of the Manager-Legal person and the persons it appointed for the effective leadership of the Company are exclusively physical persons and have to dispose, on a permanent basis, of the required professional reliability and adequate competences, required for exercising their function. They cannot find themselves in one of the cases foreseen by article 20 of the law of 25 April 2014 on the status of supervision on credit institutions.
14.5. The effective leadership of the Company has to be entrusted to at least two (2) physical persons, of which at least one (1) has to be a member of the board of directors of the Manager-Legal person.
14.6. One of the persons intended by article 14.5 above that is also a member of the board of directors of the Manager-Legal person, is appointed as permanent representative of the Manager-Legal person in the sense of article 61, §2, of the Company Code, that is entrusted with exercising the mandate of manager in the Company in the name of and for the account of the Manager-Legal person and that is more specifically authorized to, acting alone, represent and commit the Company versus third parties, but without prejudice to the applicable provisions of the RREC legislation. The Manager-Legal person cannot dismiss its permanent representative without appointing a successor at the same time.
14.7. Within the framework of and specifically in view of the internal management of the Company intended by article 16 of the Articles of association, the board of directors of the Manager-Legal person can, among his members and under his responsibility, in accordance with the articles 522, 526bis en 526quater of the Company Law, establish one or more consultative committees, such as e.g. a remuneration committee and an audit committee. These committees, established within the board of directors of the Manager-Legal person, also function if the case arises, as a remuneration committee, if any, audit committee for the Company with mutatis mutandis the same powers that those committees respectively have within the Manager-Legal person. The conditions for the appointment of the members of the consultative committees, their dismissal, their remuneration, the term of their mandate and the procedure of these committees as well as the description of their tasks, are defined by the board of directors of the Manager-Legal person at the moment of their creation and they can also be modified afterwards by that same board of directors of the Manager-Legal person in compliance with the applicable regulations.

ARTICLE 15. SALARY

15.1. The manager will carry out his mandate with remuneration.
15.2. The remuneration is equal to zero point four hundred fifteen per cent (0.415%) of the consolidated assets of the Company. The remuneration is due during the financial year, but only payable after the approval of the financial statements.
15.3. The manager is entitled to the repayment of the costs that are directly related to his assignment.

ARTICLE 16. COMPETENCES OF THE MANAGER – INTERNAL MANAGEMENT

16.1. The manager has the most extended powers to perform all acts of internal management necessary or useful for realizing the purpose of the Company, except for those acts for which only the general meeting is competent, in virtue of the law or the Articles of association.
The manager takes all decisions it deems appropriate.
16.2. The manager draws up the half-year reports, as well as the annual report project in accordance with the RREC legislation. The manager appoints the real estate experts in accordance with the RREC legislation.
16.3. The deliberations and decisions of the manager – should the case arise, taken at the level of the board of directors of the Manager-Legal person in accordance with the rules for deliberation and decision-making as defined in the articles of association of the Manager-Legal person – are reproduced in the minutes that are signed by the manager or the acting directors of the Manager-Legal person. These minutes are recorded in a special register.
The copies of or the extracts of those minutes, that have to be presented lawfully or elsewhere, are signed by the manager in accordance with its external representation power, except for copies and extracts of the minutes that were registered in an authentic deed and that are signed by the notary public.

ARTICLE 17. EXTERNAL REPRESENTATIVE POWER

17.1 The manager represents the company in all judicial and extra-judicial affairs.
17.2 The Manager-Legal person acts externally towards third parties via its permanent representative, all this, in accordance with the RREC legislation.
17.3 In all deeds committing the Company, the capacity in which the person representing the Company acts has to be stated, immediately before of after his signature.

ARTICLE 18. EXCEPTIONAL AUTHORITIES

The statutory manager can appoint proxies for the company.
Only special and limited powers for specific or for a series of specific legal acts are permitted. The proxies legally bind the company within the bounds of their conferred mandate, without diminishing the responsibility of the statutory manager in the case of an excessive power. The manager defines the remuneration of each representative who was granted special powers, all of this in conformity with the RREC legislation.

ARTICLE 19. RESPONSIBILITY OF THE STATUTORY MANAGER

19.1 The statutory manager is personally, severally and unlimitedly bound to the obligations of the company.
19.2 The permanent representative of the Manager-Legal person is however not personally liable for the undertakings made by the Company.

ARTICLE 20. CONTROL

20.1. The audit of the Company is entrusted to a company auditor or auditor's company certified by the FSMA, that exercises the mission of auditor as defined in the Company Code and in the RREC legislation.
In the case of the appointment of a certified auditor's company as auditor, this company will appeal to a certified company auditor that it appoints, for the exercise of its mission as auditor; it can eventually also appoint a substitute among its members that comply with the appointment conditions.
20.2. Moreover, the Company is subject to supervision by the FSMA in accordance with the RREC legislation.

CHAPTER IV – GENERAL MEETING

ARTICLE 21. POWER OF THE GENERAL MEETING

21.1 The lawfully composed general meeting of the shareholders of the Company represents the entirety of the shareholders. The decisions of the general meeting that were validly taken are binding upon all shareholders, even for those who were absent or for those who voted against a proposal.
21.2 The general meeting has the power a/o to deliberate and to decide on the following matters, namely:
- the conclusion of the annual accounts;
- the appropriation of the result;
- the nomination and the dismissal of the auditor;
- the determination of the auditor's salary;
- the filing of the company action or the giving discharge to the manager and to the auditor.

The general meeting is also authorized to make changes to the Articles of Association, namely to decide to the nomination of a manager, to the increase or decrease of the capital, to powers with regard to the authorized capital by decision of the manager, to conversion of the company into a company with a different legal status, to decide to an early dissolution of the company, to the distribution of interim dividends of optional dividends, to the issue of convertible (or not) bonds or warrants, to the merger or an equal operation with one or more companies.

ARTICLE 22. ORDINARY GENERAL MEETING

22.1. The general meeting is held at the registered office or at the address indicated in the convening notice.
22.2. The ordinary general meeting, also called annual meeting, is held each year the third Monday of the month of May at sixteen hours or, should this day be a legal holiday, the next working day at the same hour.

ARTICLE 23. CONVENING

23.1 The manager and every auditor can convene both an ordinary general meeting (annual meeting) and an exceptional or extraordinary general meeting. They have to convene the annual meeting on the day as determined by the articles of association.
The manager and every auditor are obliged to convene an exceptional or extraordinary meeting when one or more shareholders who represent, individually or collectively, a fifth (1/5th) of the registered capital request for it.

23.2 The convocations to the general meeting take place in accordance with the formalities and other provisions of the Company Law. The convocations mention the agenda, listing the subjects to be treated and the proposals for decision, and all other date that are mandatory to be included in virtue of the law.
23.3 One or more shareholders representing together at least three per cent (3%) of the registered capital of the company, in accordance with the provisions of the Company Law, can have subjects to treat added to the agenda of the general meeting and introduce proposals for decision with regard to items on the agenda or those that were added. The company should receive these requests at latest the twenty-second (22nd) day prior to the date of the general meeting. The subjects to be treated and the related proposals for decision that could be added to the agenda, should the case arise, will be published according to the modalities prescribed by the Company Law. The subjects to be treated and proposals for decision that were added to the agenda in application of the previous paragraph are only discussed if all related provisions of the Company Law were respected.

ARTICLE 24. CONDITIONS FOR ADMITTANCE TO THE GENERAL MEETINGS

24.1 A shareholder can only participate to the general meeting and exercise his voting right based on the recording of his shares in book-entry form in his name, at the registration date, or by inscription in the register of nominative shares of the company, or by inscription in the accounts of an authorized account holder or clearing organisation, or upon presentation of the bearer shares to a financial intermediary, regardless of the number of shares the shareholder owns at the general meeting. The fourteenth (14th) day prior to the general meeting, at twenty-four hours (24h00 CET) applies as the registration date.
24.2 Holders of dematerialized shares who want to participate to the general meeting, must present a certificate issued by an authorized account holder or the settlement body, stating how many dematerialized shares are registered in their accounts at the registration date, in the name of the shareholders, and for which the shareholder has indicated wanting to participate to the general meeting. This filing has to take place at latest the sixth (6th) day prior to the date of the general meeting at the registered office or at the institutions mentioned in the convocation.
Holders of registered shares who wish to participate to the meeting, must inform the company by ordinary mail, fax or e-mail at latest the sixth (6th) day prior to the meeting date of their intention to participate to the meeting.
24.3 The manager will keep a register for each shareholder having communicated his wish to participate to the general meeting, stating his name and address or registered office, the number of shares he owned at the registration date and for which he has indicated wishing to participate to the general meeting, and a description of the documents that prove that he was holder of the shares at that registration date.

ARTICLE 25. PARTICIPATION IN THE MEETING – REPRESENTATION

25.1 A shareholder of the company may only appoint (1) one proxy for a specific general meeting. Derogation to this principle is only possible in accordance with the related rules of the Company Law.
A person acting as an authorized representative can have proxies of more than one shareholder. In the case an authorized representative has proxies from several shareholders, he can vote differently in the name of one shareholder than in the name of another shareholder.
The appointment of a proxy by a shareholder is done in writing or via an electronic form and has to be signed by the shareholder, should the case arise, with an advanced electronic signature in the sense of article 4, §4, of the Law of 9 July 2001 with respect to certain rules regarding the legal framework for electronic signatures and certification services, or with an electronic signature that meets the conditions of article 1322 of the Civil Law.
25.2 The notification of the proxy has to be done in writing to the company. This notification can also take place electronically, at the address mentioned in the convocation.
The company has to receive the proxy at latest the sixth (6th) day prior to the meeting date.
25.3 Without prejudice to the possibility, in accordance with article 549, second paragraph, of the Company Law to derogate from the instructions under certain circumstances, the authorized representative expresses his vote in accordance with the potential instructions of the shareholder. The authorized representative has to hold a register for at least (1) year of the voting instructions and confirm, at the request of the shareholder, that he respected the voting instructions.

In the case of a potential conflict of interest as defined in article 547bis, §4, of the Company Law between the shareholder and the authorized representative he has appointed, the authorized representative has to disclose the precise facts that are of interest to the shareholder to judge if the danger exists that the authorized representative promotes any other interest than that of the shareholder. Moreover, the authorized representative can only vote in the name of the shareholder provided that he has specific voting instructions for each agenda item.
25.4 In the case of an addition to the agenda, in accordance with article 23.3 of the articles of association, and if a proxy has already been communicated to the company before the publication of the amended agenda, the authorized representative has to respect the related provisions of the Company Law.

ARTICLE 26. CHAIRMANSHIP – BUREAU

26.1 Every general meeting is in general presided by manager of the Company. For as long as the Manager-Legal person manages the Company, the chairman of its Board of Directors or, in case the chairman is unable to attend, another director of the Manager-Legal person presides the general meeting.
26.2 The chairman of the meeting appoints a secretary and one or more vote counters, who do not need to be (a) shareholder(s). The chairman, the secretary and the vote counters altogether form the bureau.

ARTICLE 27. MEETING PROCEDURE

27.1 The deliberation and voting at the general meeting are directed by the chairman of the meeting and take place in accordance with the habitual rules of proper meeting techniques.
27.2 The manager answers the questions of the shareholders asked during the meeting or in writing, with regard to his report or the agenda items, as far as the communication of data or facts is not detrimental to het company's business interests or to confidentiality rules the company or the manager have committed to.
The auditors answer the questions of the shareholders that are asked during the meeting or in writing, with regard to their report, as far as the communication of data or facts is not detrimental to het company's business interests or to confidentiality rules the company, the manager or the auditors have committed to. They have the right to speak at the general meeting with regard to the fulfillment of their mission.
If different questions are related to the same subject, the manager and the auditors are allowed to respond to these with one answer. As soon as the convocation is published, the shareholders can ask the aforementioned questions in writing, in accordance with the related provisions of the Company Law.
27.3 The manager is entitled to adjourn each ordinary, exceptional or extraordinary general meeting one single time for five (5) weeks, unless the meeting has been convened at the request of one or more shareholders, representing at least one fifth (1/5th) of the capital, or by the auditor. Such adjournment does not prejudice the other decisions that were taken, except if the general meeting decides otherwise on this matter.
27.4 The general meeting can only validly deliberate or decide on the items recorded or implicitly stated in the agenda. There can only be a deliberation on items that were not included in the agenda if all persons that are to be invited according to the Company Law are present or represented by their body or permanent representative and nobody objects to extending the agenda. The required agreement is definite if no protest has been recorded in the minutes of the meeting.

ARTICLE 28. VOTING RIGHT

28.1. Every share gives the right to one vote.
28.2. When one or more shares belong to several people in joint ownership or to a legal person with a collegial body of representation, the connected rights to it can only be exercised towards the company by one single person who has been appointed in writing by all entitled persons, respectively those who can represent the legal persons externally. As long as such an appointment has not been delivered, all the rights connected to the shares remain suspended.
28.3. If a share is encumbered with a usufruct, the exercise of the connected voting rights is reserved for the usufructuary, unless the nude owner has previously opposed to it in writing. The execution of the pre-emptive right in the case of a capital increase belongs to the nude owner.

ARTICLE 29. DECISION-MAKING – RIGHT OF VETO FOR THE STATUTORY MANAGER

29.1 The normal and the exceptional general meeting's deliberations and decisions are valid irrespective of the number of present or represented shares, yet in the presence of the statutory manager.
If he is not at present, then a second meeting can be convened to deliberate and decide, even if the statutory manager is absent. The decisions are taken by a simple majority of votes, but with the approval of the present or represented statutory manager regarding proceedings, which deal with the interests of the company towards third parties, such as the payment of dividends as well as each decision whereby the company assets are affected. Abstinence or blank votes and invalid votes are neglected in the calculation of the majority. In the case of equality of votes, the proposal is rejected.
29.2 At each general meeting minutes are taken during the meeting.
29.3 The extraordinary general meeting must be held in the presence of a notary public who draws up an authentic official report. The general meeting can only then lawfully deliberate and decide on a change in the Articles of Association, when those who participate in the meeting represent at least half (1/2) of the companies' capital and when the statutory manager is at present, notwithstanding more stringent legal stipulations. If the aforementioned quorum is not reached or if the statutory manager is not at present, then a new summons in virtue of Article 558 of the Company Law is required; the second meeting deliberates and decides validly, irrespective of the present or represented part of the capital and irrespective of the potential absence of the statutory manager.
29.4 An amendment to the Articles of Association is only then accepted if it has previously been approved by the FSMA and if it they have got three quarters (3/4) of the votes bound to the shareholders that are present or represented and with approval of the present or represented statutory manager notwithstanding more stringent legal stipulations.
The votes of those who abstain, or the blank or invalid votes, are considered to be votes against the proposal in the calculation of the required majority.

CHAPTER V - FINANCIAL YEAR - APPROPRIATION OF THE RESULT

ARTICLE 30. FINANCIAL YEAR – ANNUAL ACCOUNTS – ANNUAL REPORT

30.1 The financial year of the company always commences on the first of January and ends on the thirty first of December. At the end of each financial year the accounts and records are closed and the statutory manager draws up the inventory, including the annual accounts, and is further proceeded as specified in Article 92 and following of the Company Law and of the applicable provisions of the RREC legislation.
Furthermore, the statutory manager draws up an annual report in which he renders account for his policy, as prescribed by the Company code and the RREC legislation. The annual report also comprises a corporate governance statement that is a specific part of it and which comprises a remuneration report.
30.2 After the approval of the balance sheet the general meeting decides on the discharge to be given, by separate vote, to the manager and to the auditor(s).
30.3 The annual and half-year financial reports of the company, comprising the statutory and consolidated annual and half-year accounts of the company and the report of the auditor(s), are made available to the shareholders according to the provisions that are applicable to issuers of financial instruments admitted to trading on a regulated market and the RREC legislation.
The annual and half-year reports of the company, the report of the auditor(s) and the articles of association of the company are published on the website of the company. The shareholders can obtain a copy of the aforementioned documents for free at the registered office of the manager.

ARTICLE 31. APPROPRIATION OF THE PROFIT

It is mandatory for the company, within the limits of the Company Law and the RREC legislation, to distribute a dividend as a remuneration of the capital to its shareholders, of which the minimum amount is defined in accordance with article 13 of the RREC RD.

ARTICLE 32. INTERIM DIVIDENDS

The statutory manager has the power to pay out interim dividends on the results of the financial year. This payment can only be taken from the profit of the current financial year, as when the occasion arises decreased by the transferred loss or increased by the transferred profit, without any withdrawal from the reserves which are or must be build up by means of a legal or statutory decree. Further action is made by reference to the requirements of Article 618 of the Company Law and the relevant provisions of the RREC legislation.

CHAPTER VI – DISSOLUTION – LIQUIDATION

ARTICLE 33. NOMINATION AND CAPACITY OF LIQUIDATORS

33.1 In case of dissolution of the company for whatever reason and at whatever time, the liquidation is being carried out by a liquidator or a board of liquidators appointed by the general meeting in accordance with the legal provisions on the matter. The liquidators only take up their mission after the confirmation of their appointment by a competent commercial court.
If no liquidator is appointed, the manager in function is considered to be the liquidator towards third parties.
33.2 The liquidators have the most extended powers in accordance with the Articles 186, 187 and 188 of the Company Law, unless the general meeting decides otherwise by a normal majority of votes.
33. 3 The liquidation of the company is settled in accordance with the provisions of the Company Law.

ARTICLE 34. LIQUIDATION BALANCE

The balance after liquidation is distributed to the shareholders in proportion to their rights in the Company.

CHAPTER VII – MISCELLANEA - CHOICE OF LOCATION

ARTICLE 35. CHOICE OF LOCATION

35. 1 The manager and the liquidators, whose place of residence is unknown, are supposed to have chosen their address at the registered office of the company, where all subpoenas, services and notifications concerning the companies' affairs can be delivered.
35.2. The regulation in article 35.1 above is mutatis mutandis also valid for the directors of the Manager-Legal person and the persons in charge of effective direction of the Company and the persons responsible for the internal control functions of the Company.

ARTICLE 36. JURISDICTION

36.1 Exclusive jurisdiction is given to the courts of the company seat for all disputes between the company on the one hand, and its manager, its holders of securities and/or its liquidators on the other hand, regarding the company matters and the implementation of the current Articles of Association, unless the company expressly renounces to it.
36.2 The regulation in article 36.1 above is mutatis mutandis also valid for all disputes between the Company, on the one hand, and the directors of the Manager-Legal person, the persons in charge of effective direction of the Company and the people responsible for the internal control functions of the Company.

ARTICLE 37. APPLICABLE LAW

For everything that is not explicitly defined in these articles of association, or with regard to the legal provisions that were not validly derogated from in these articles of association, the provisions of (a) the Company Law and its executory decrees and regulations, (b) the RREC legislation and (c) the other legal provisions, decrees and regulations under Belgian law are applicable, as far as they apply to the Company due to its status as a public RREC.
Moreover, the provisions of these articles of association that would unlawfully have derogated from the provisions of the laws, decrees and regulations mentioned in the previous paragraph, are considered not to be recorded in the current articles of association and the clauses that would be opposed to the mandatory provisions of these laws, decrees and regulations shall be deemed as not written.

Lexicon

ALTERNATIVE PERFORMANCE MEASURES

Following the entry into force of the 'ESMA directives on Alternative Performance Measures' of the European Securities and Market Authority (ESMA), the Alternative Performance Measures (APM) in this annual financial report are indicated by*. For the definition and the detailed calculation of the Alternative Performance Measures used, we refer to page 80 et seq of this report.

BADWILL

Badwill or negative goodwill equals the amount by which the stake of the party acquiring, in the fair value of the acquired identifiable assets, liabilities and contingent liabilities, exceeds the price of the business combination on the date of the transaction.

BULLET LOAN

A loan which is reimbursed in one time at the end of the duration.

CAP

Financial instrument of the option-type, for which the underlying, in the case of Leasinvest Real Estate, is the short-term interest rate. As a buyer, Leasinvest Real Estate has acquired the right, within a predefined period, to exercise its option. At that moment Leasinvest Real Estate pays the capped interest rate (= CAP) instead of the (higher) short term interest rate. For the acquisition of this right, the buyer pays a premium to the seller. Via this interest rate hedging, Leasinvest Real Estate hedges against unfavourable interest rate increases.

CONTRACTUAL ANNUAL RENTS

The indexed basis rents as contractually defined in the leases in force per 31/12/2020.

CORPORATE GOVERNANCE

Sustainable management of the company. These principles, such as transparency, integrity and balance between the responsible parties, are based on the recommendations of the Belgian Corporate Governance Code 2020 as published on www.corporategovernance-comittee.be.

DEBT RATIO

All items of the "Liabilities" in the balance sheet, except for the items: "I. Non-current liabilites – A. Provisions", "I. Non-current liabilites – C. Other non-current financial liabilities – Derivative financial instruments", "I. Non-current liabilites – F. Deferred taxes – Liabilities", "II. Short term liabilities – A. Provisions", "II. Current liabilities – C. Other current financial liabilities – Derivative financial instruments" and "II. Current liabilities – F. Accrued charges and deferred income", divided by the balance sheet total.

DIVIDEND YIELD

Gross dividend / closing price of the financial year concerned.

DURATION

Weighted average duration of the leases, for which the weight is equal to the relation of the rental income to the total rental income of the portfolio.

EPRA COST RATIO*

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

EPRA EARNINGS*

The EPRA Earnings*, previously net current result, consists of the net result excluding the portfolio result* and the changes in fair value of the ineffective hedges - www.epra.com.

EPRA NET ASSET VALUE* (NAV) & EPRA NNNAV* (TRIPLE NET ASSET VALUE*)

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 - www.epra.com.
EPRA NNNAV* (triple Net Asset Value*): consists of the EPRA NAV*, adjusted to take into account the fair value of the financial instruments, the debts and the deferred taxes - www.epra.com.

EPRA NDV*

EPRA Net Disposal Value reflects a scenario of the sale of the company's assets, leading to the realisation of deferred taxes and the liquidation of debt and financial instruments - www.epra.com.

EPRA NRV*

Reflects what would be needed to re-assemble the company through the investment market and on the basis of the current capital and financing structure, including real estate transfer taxes- www.epra.com.

EPRA NTA*

The NAV has been adjusted to include real estate and other investments at their fair value that excludes certain items that are not expected to materialise in a long-term business model with real estate investments- www.epra.com.

EPRA NET INITIAL YIELD* & EPRA TOPPED UP NET INITIAL YIELD*

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 - www.epra.com.
EPRA Topped up Net Initial Yield* corrects the EPRA Net Initial Yield* with regard to the ending of gratuities and other rental incentives granted - www.epra.com.

EPRA VACANCY*

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

EXIT TAX

Companies applying for approved Regulated real estate company status, or which merge with a Regulated real estate company are subject to what is known as an exit tax. This tax is equivalent to a liquidation tax on net unrealized gains and on tax-exempt reserves and amounts to 15% for the financial year 2020.

FAIR VALUE

The fair value is the investment value as defined by an independent real estate expert, from which, the transfer rights have been deducted; the fair value is the accounting value under IFRS.

FLOOR

Financial instrument of the option-type, for which the underlying, in the case of Leasinvest Real Estate, is the short-term interest rate. As a seller, Leasinvest Real Estate has the obligation to, within a predefined period, deliver the floor (minimum interest rate). In exchange for this, Leasinvest Real Estate, as the seller, receives a premium from the buyer. The received premium on the floor limits in this way the premium paid on the CAP.

FREE FLOAT

The free float is the number of shares freely tradable on the stock exchange.

GOODWILL

Goodwill equals the amount by which the cost of the business combination exceeds, at the transaction date, the interest in the fair value of the identifiable assets, liabilities and conditional liabilities taken over from the acquiring party.

IAS-STANDARDS

The international accounting standards (IAS, International Accounting Standards/IFRS, International Financial Reporting Standards) have been drawn up by the International Accounting Standards Board (IASB), which develops the international standards for preparing the annual accounts. The listed companies in Europe must apply these rules to their consolidated accounts for the financial years starting as from 01/01/05. In accordance with the RD of 21/06/2006, substituted by the RD of 13/07/2014, Leasinvest Real Estate applies these rules to its statutory annual accounts, already as from the financial year beginning on 01/07/2006.

INTEREST RATE SWAP

Financial instrument by which parties agree contractually to swap interest payments over a defined term. This allows parties to swap fixed interest rates for floating interest rates and vice versa.

INVESTMENT VALUE

The investment value is the value as defined by an independent real estate expert, and of which, the transfer rights have not yet been deducted.

LIQUIDITY PROVIDER

Liquidity providers are members of Euronext who signed an agreement with Euronext in which they, amongst other things, agree to, continually, make a bilateral market, composed of buy and sell rates, to guarantee a minimum turnover and furthermore to make the market within a maximum 'spread'.

NET ASSET VALUE PER SHARE

NAV (Net Asset Value): shareholder's equity attributable to the shareholders of the parent company, divided by the number of shares (excluding the consolidated number of treasury shares).

NET CASH FLOW

Net cash flow = net result plus additions to amortizations, depreciations on trade debtors and the additions to and withdrawals on provisions minus negative and positive changes in the fair value of investment properties minus the other non-cash elements.

OCCUPANCY RATE

The occupancy rate takes into account all buildings, except those carried under 'assets held for sale' and 'development projects' and is calculated in function of the estimated rent as follows: (estimated rent – estimated rent on vacancy) / estimated rent.

REGULATED REAL ESTATE COMPANY

Is an ordinary operational company that has to act according to its purpose (which includes taking into account other interests than the exclusive interest of the shareholders, such as the interests of its clients, users of the buildings). It has a general commercial purpose: offering real estate to users.
This company pursues a company strategy and not an investment policy; it can make a public appeal to savings, but to use those funds for its company purpose in general, in function of the needs arising from its strategy, and not to invest them in accordance with a statutory investment policy with regard to managing those funds in view of generating a "pooled return" for investors.

SWAPTION

A swaption is an option on an interest rate swap. There are 2 types: a payer swaption and a receiver swaption. A payer swaption grants a right to the buyer to conclude an interest rate swap in the future, for which the buyer pays the fixed interest rate and receives the variable interest rate. A receiver swaption grants a right to the buyer to conclude an interest rate swap in the future, for which the buyer pays the variable interest rate and receives the fixed interest rate.

TAKE-UP

The total number of square meters which are rented in the real estate market.

VELOCITY

Represents how many shares are traded on an annual basis, or in other words, the annual traded volume of shares divided by the total number of listed shares.

Identity card
Leasinvest Real Estate

Public REIT (SIR/GVV) under Belgian Law	Leasinvest Real Estate SCA
Legal entity	Limited partnership by shares
Registered office	Route de Lennik 451, 1070 Brussels, Belgium
Administrative office	Schermersstraat 42, 2000 Antwerp, Belgium
Contact	T +32 3 238 98 77 – F +32 3 237 52 99
E-mail	investor.relations@leasinvest.be
Web	http://www.leasinvest.be
Register of legal entities	Brussels
VAT	BE 0436.323.915
Established	8 June 1999, publication MB 26 June 1999 (conversion into real estate investment trust) (nr. 990626-330) 6 November, publication Official Belgian Gazette 3 December 2014 (change into a regulated real estate company) (no 20141203-14216372)
Term	Unspecified
Financial year	1 January – 31 December
Listing	Euronext Brussels, BEL Mid
Liquidity provider	Bank Degroof Petercam
Financial service	Main paying agent Bank Delen
Auditor	Ernst & Young Réviseurs d'entreprises, repre-sented by Joeri Klaykens, certified auditor
Real estate experts	Cushman & Wakefield – Stadim – Oerag
Supervision	FSMA

Creative concept: square.be
Electronic layout: theimagecompany.be

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