



# Leasinvest Real Estate

## 2018 – Capital Increase Investor presentation



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# Presenting team

## Michel Van Geyte

Chief Executive Officer

Michel Van Geyte (52) joined Leasinvest Real Estate in August 2004. He is CEO and executive director of Leasinvest Real Estate and Leasinvest Immo Lux.

**[michel.vangeyte@leasinvest.be](mailto:michel.vangeyte@leasinvest.be)**



## Tim Rens

Chief Financial Officer

Tim Rens (37) joined Leasinvest Real Estate as CFO in May 2017.

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**01/**  
**Key**  
**investment**  
**highlights**



# Key investment highlights



**1**

Unique exposure to the growing Luxembourg office and retail market



**2**

Diversified quality portfolio on the back of dynamic asset management



**3**

Proactive commercial approach translating into a high quality tenant base



**4**

Proven expertise in (re)development of buildings



**5**

Strong dividend track record



# 02/ Company profile & strategic vision



# Company profile

**€ 1 bn** Fair value portfolio (incl. participation in Retail Estates)

**~ € 490 m** Market capitalization 18/09/2018

## Shareholders

- Ackermans & van Haaren **30.01%**
- AXA Belgium **28.99%**
- AG Insurance **5.98%**
- Free float **35.02%**

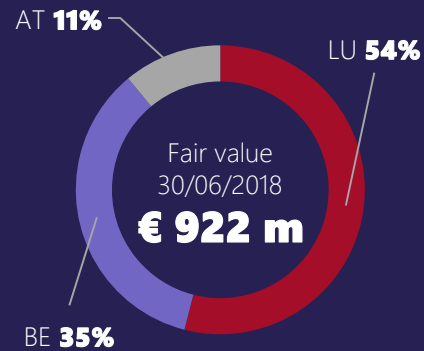
## Indices:

- BEL MID
- EPRA BELGIUM
- EPRA Eurozone

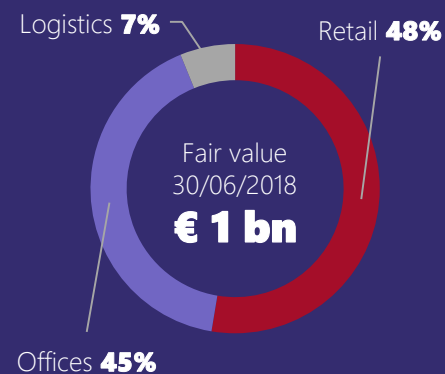
Listed on Euronext Brussels



2018 Capital Increase | Leasinvest  
Leasinvest.be



Excluding participation in Retail Estates



Including participation in Retail Estates

Occupancy

**94.44%**

Rental yield

**6.61%**

Average duration  
of leases

**4.19y**

Average cost of debt

**2.79%**

Average  
duration debt

**3.00y**

Debt ratio

**59.31%**

# Leasinvest's markets

## Office Market



## Luxembourg

Vacancy rate **< 5%** of which CBD **< 2%**

Prime rents ~ **€ 600/m²/yr**

Yields **< 4.25%**



## Belgium

Slowdown of take-up **(-27% YoY)**

Co-working takes up to **18%** of total

Higher rental prices

Prime rent **€ 305/m²/yr**  
(Treesquare at € 330/m²/yr)





# Leasinvest's markets

## Retail Market



### Luxembourg

Rental market: take-up at half-year 2018 already rivals take-up at end-year 2017

Investment market: low volumes due to lack of opportunities



### Austria

Vienna named **best city to live in 2018**

Investment market over **2.3 bn €**

Prime yields retail parks stable at **5.60%**

# Leasinvest's markets



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

Luxembourg has been an employment magnet for neighboring countries and beyond

Economic performance has remained strong in 2017, with a **GDP growth of 3.5%**

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

Financial sector performance remained strong.

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

## Credit Suisse renforcée au Luxembourg pour le Brexit

03 AOÛT 2018 07:38 | Par **Thierry Raizer**



La banque a choisi le Luxembourg pour devenir un de ses hubs dans la perspective d'un «hard Brexit». Madrid et Francfort complètent une architecture remodelée.

Les chiffres sont rares lorsque les déménagements pré-Brexit sont annoncés. Cette fois, une échelle est donnée aux mouvements prévus. Reuters rapporte en effet que Credit Suisse va entamer un réajustement de ses principaux métiers (banque d'investissement, gestion d'actifs et «wealth management») au sein de l'Union européenne, en prévision d'un scénario de «hard Brexit».



Credit Suisse compte maintenir une présence significative au sein du marché européen.  
(Photo: Licence C.C.)



## Luxembourg ranked 2nd in the EU in new financial centre index

05.09.2018

The inaugural edition of the New Financial International Financial Centres Index ranks Luxembourg as the 2nd financial centre in the European Union, after the UK. In terms of international activity, Luxembourg even ranks 3rd globally behind the US and UK but ahead of major European and Asian financial centres such as Hong Kong, Singapore, Germany or France.



## Luxembourg's financial centre ecosystem is supporting Brexit business

22.06.2018

Nicolas Mackel, CEO, Luxembourg for Finance discusses why Luxembourg is continuing to win Brexit business on Sky News with business presenter Ian King.



## China Everbright Bank : the seventh Chinese bank to choose Luxembourg as European hub

04.08.2017

China Everbright Bank (CEB) has received approval to set up its subsidiary in Luxembourg. This strategic move will strengthen CEB's operations in Europe and confirms Luxembourg's position as the main gateway for Chinese banks into the European market.

# Leasinvest's markets



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

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

Most of the attractive development locations are occupied.

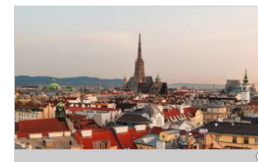
Shopping centres are focusing more on quality improvements instead of further expansion.

	2017	2018	2019
GDP growth (%yoy)	3.1	2.8	2.3
Headline inflation (%yoy)	2.2	2.1	2.0

## Vienna is the best place to live worldwide

Vienna is the best place to live worldwide

"The Economist" ranks Vienna in first place worldwide in terms of quality of life in 2018.



Vienna is the first European metropolis to be ranked first in the annual Global Liveability Index of the renowned British weekly "The Economist". The study compares 140 cities based on factors such as political stability, social security, access to health care and education.

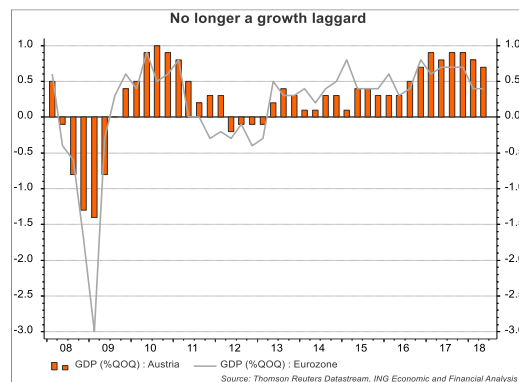
Vienna replaced Melbourne in 2018 after seven years at the top. Both cities received full points for health system, education, culture and infrastructure. According to the study, Vienna's

high social security, political stability and low crime rate were the decisive factors for the top ranking.

## The labour market has improved markedly



## Austria's economy is powering ahead





# Strategic vision

## 01 Investment strategy – Opportunity driven



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

2006



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



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

2008



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



2015

2012-2013

# Strategic vision

## 01 Investment strategy – Opportunity driven



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

2016



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



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

2017



**Montoyer Brussels CBD (BE)**  
reconstruction by 2018  
2016: 21y usufruct with EP

2018

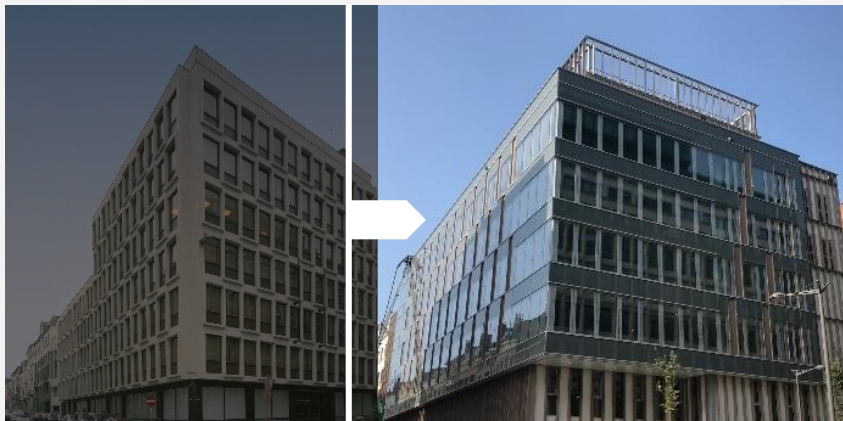


**Treesquare CBD (BE)**  
reconstruction by 2018  
64% pre-let by high quality tenants



# Strategic vision

## 02 Development strategy – Organic (re)developments



### **Montoyer Brussels CBD (BE)**

Reconstruction by 2018  
2016: 21y usufruct with EP



### **Boomerang Strassen (LU)**

2017-2020: redevelopment Strassen



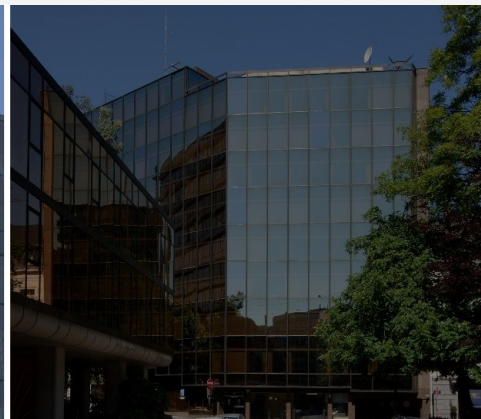


# Strategic vision

## 02 Development strategy – Organic (re)developments



**Royal 20 CBD (LU)**  
Reconstruction by 2015  
Let to China Merchant's bank  
Sold with capital gain of > **€ 20 m** on investment



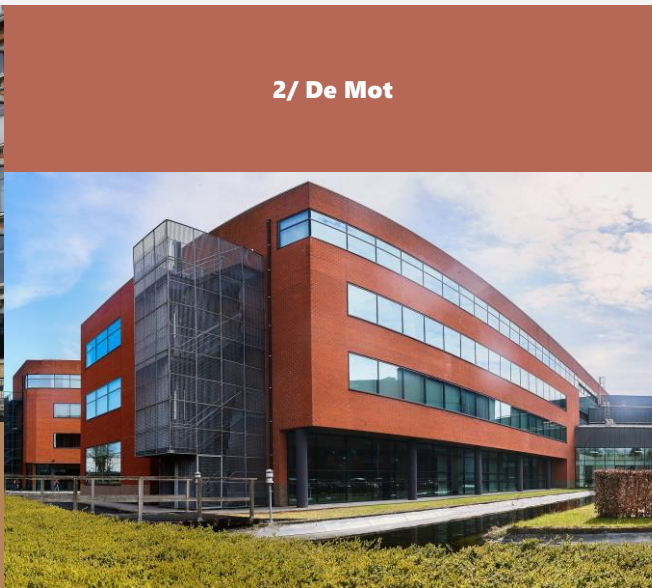
**Treesquare (BE)**  
Reconstruction by 2018  
Building of **~6,500 m²** Let to high end occupants

# Strategic vision

**03** Commercial strategy – Maximizing lease duration & occupancy rates



**1/ Tour & Taxis**



**2/ De Mot**



**3/ Mercator**

# Strategic vision

## 04 Dividend pay-out

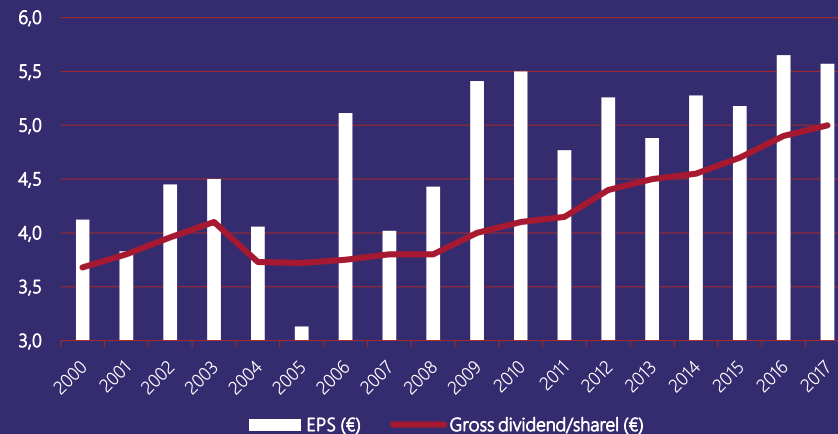
Gross dividend 2017 increased **+2.04%**  
to € 5.00 over 2017 (2016: € 4.90)

Net dividend 2017 amounts to **€ 3.50** (excl. 30% WHT),  
vs 2016 **€ 3.43** (excl. 30% WHT)

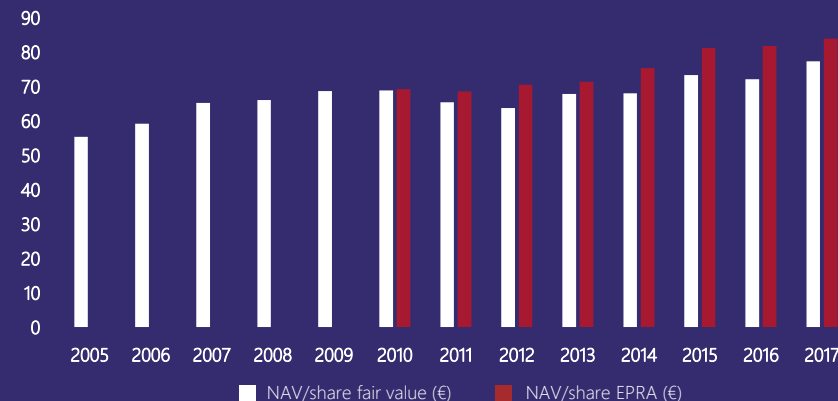
Gross dividend yield of **5.21%** (31/12/2017)

Consolidated pay-out ratio 2017: **89.77%**  
(2016: 86.90%)

### Long term EPS & Gross DPS evolution



### Long term NAV/Share evolution





# 03/ Portfolio overview



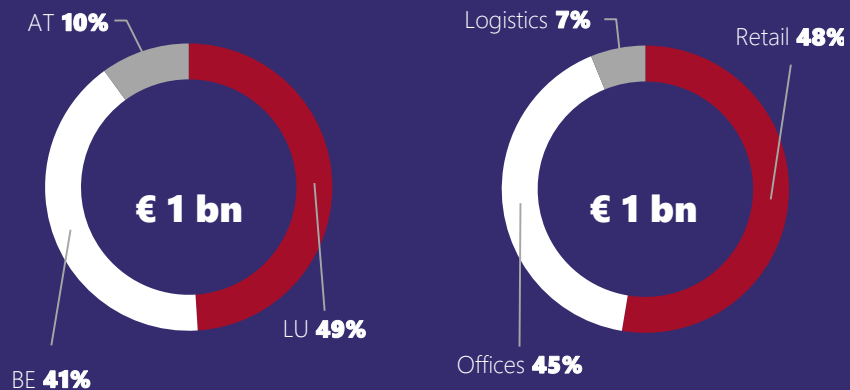


# Portfolio overview

**01** Focused on two segments in three countries

## Portfolio split – Fair value

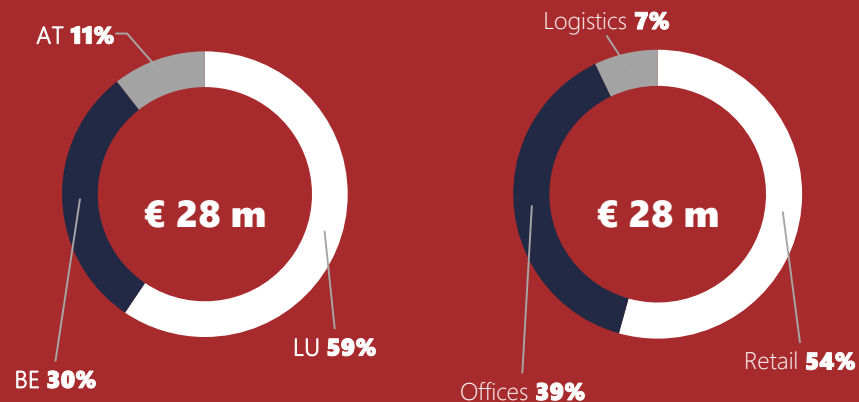
30/06/2018



Including stake in Retail Estates

## Portfolio split – Net income

30/06/2018



# Portfolio overview

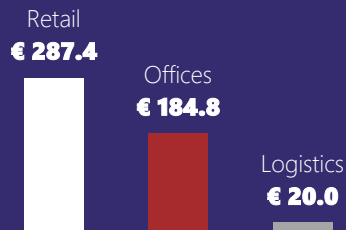
**02** A unique combination of market segments and geographical diversification



**LU**

FV | **€ 492.1 m**

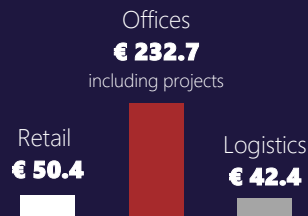
Yield | **7.02%**



**BE**

FV | **€ 325.5 m**

Yield | **6.37%**



**AT**

FV | **€ 104.1 m**

Yield | **5.30%**

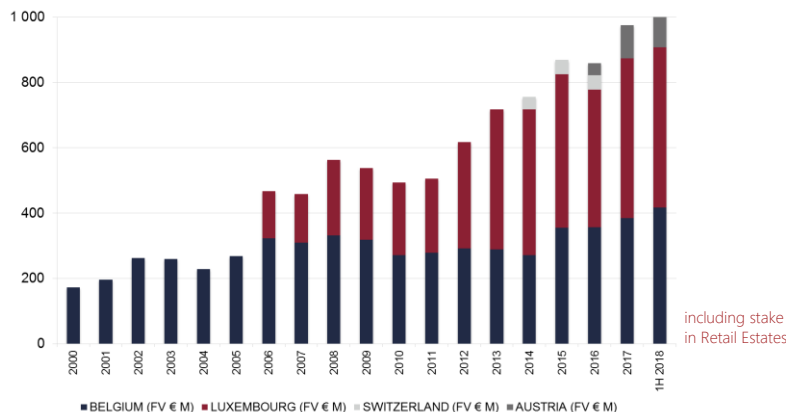


FV | **€ 921.8 m** | Yield | **6.61%**

# Portfolio overview

## 03 Demonstrating long term growth through a focused approach

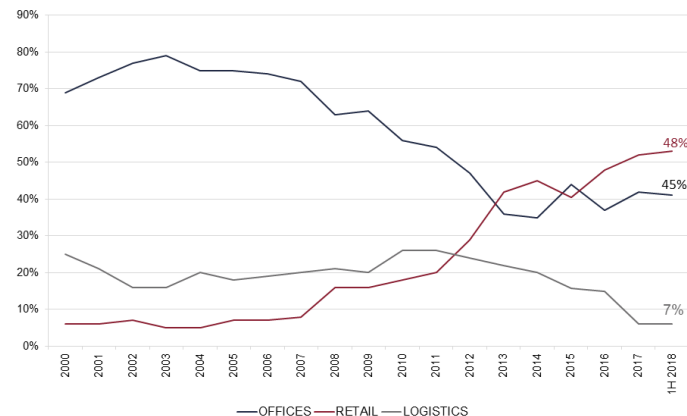
Evolution of portfolio fair value per country



Focus on three countries

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

Evolution of split in market segments



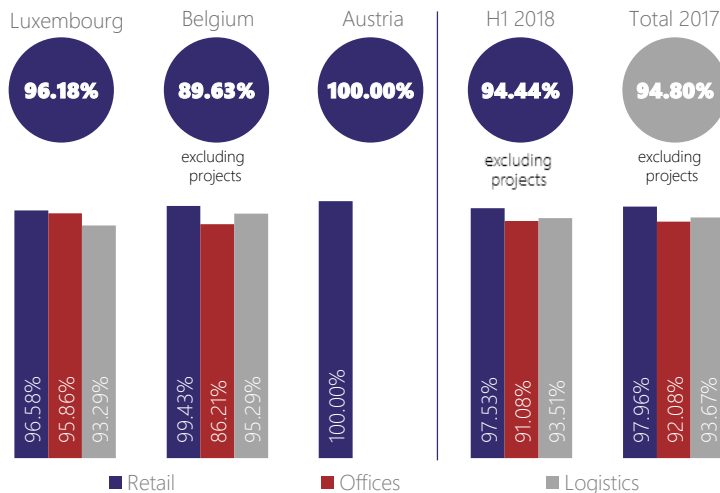
Focus on two asset classes

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

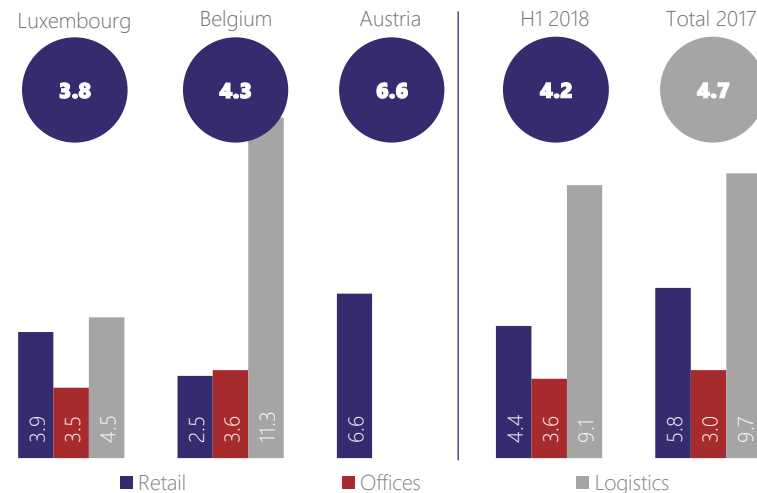
# Portfolio overview

## 04 On the back of solid occupancy rates

### Occupancy rates per 30 June



### Duration leases till first break per 30 June





# 04/ Activity overview



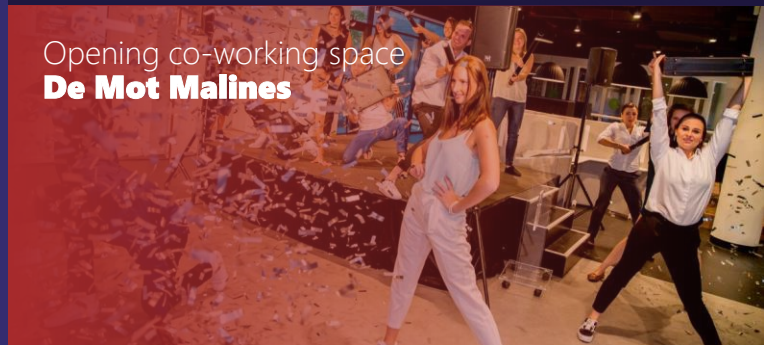
# Activity overview



Participation in  
capital increase of  
**Retail Estates**



Delivery & full lease of extension  
**Frun Park Asten**



Opening co-working space  
**De Mot Malines**

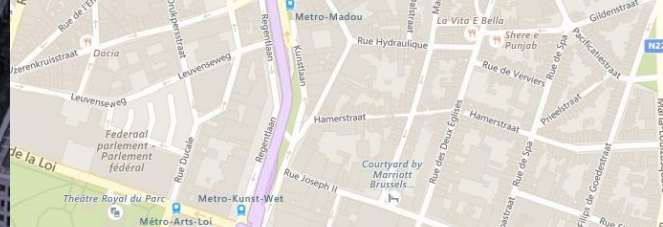


Letting to Mazars  
**CFM Building**

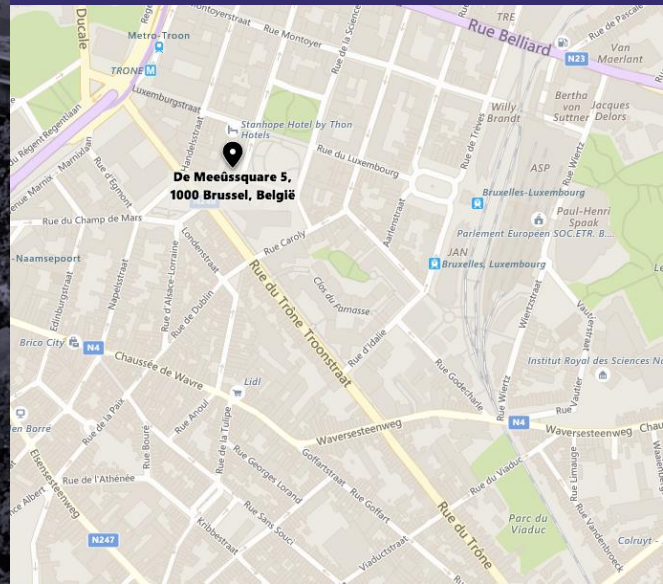


Delivery &  
leases of  
**Treesquare**





# Delivery Treesquare





# Redevelopment Treesquare (BE)

Office building of

**~6,500 m<sup>2</sup>**

with high end materials



Assar Architects  
(Brussels)



Heart of Europe  
in Brussels District



**High end occupants** as  
Deutsche Börse, Boeing, RWE,  
Embassy of Monaco, Norton  
Rose, Friends of Europe



**64%** is pre-let.  
64% on 30/06/2018  
and currently **75 %**



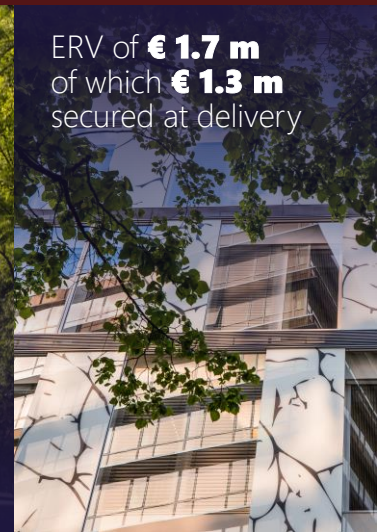
BREEAM  
'excellent'

Capex:

**€ 17.9 m**



Average Rent Price  
at **€ 285/m<sup>2</sup> from  
-1 at € 240/m<sup>2</sup> to  
€ 330/m<sup>2</sup>** for the  
top floors

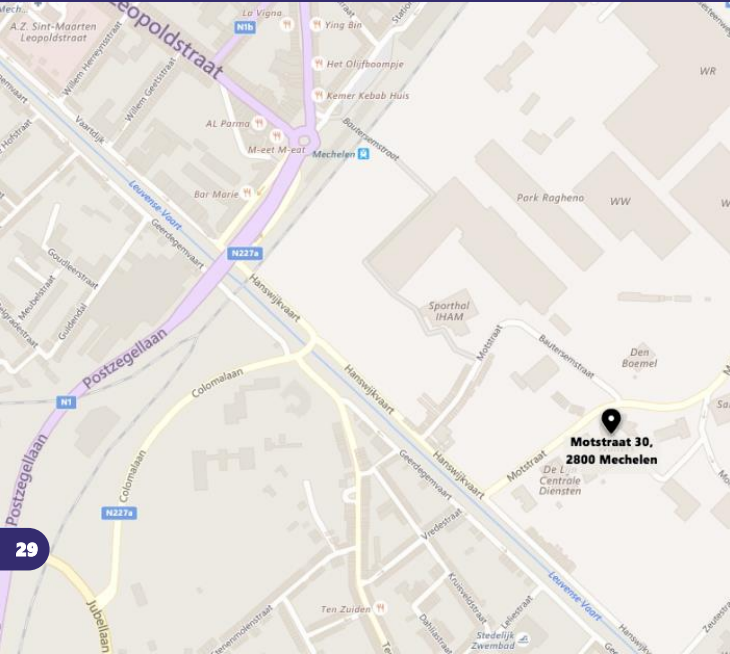


ERV of **€ 1.7 m**  
of which **€ 1.3 m**  
secured at delivery



# Redevelopment

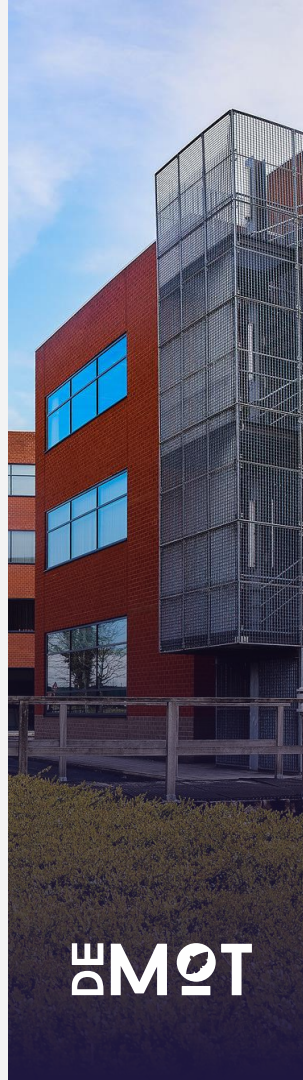
## Motstraat 30/32 (BE)





# Redevelopment

Motstraat 30/32 (BE)



**MOT**



Opening speech  
**mayor Somers**



Testimonial  
**CEO Exellys**



Testimonial  
**CEO WKB**

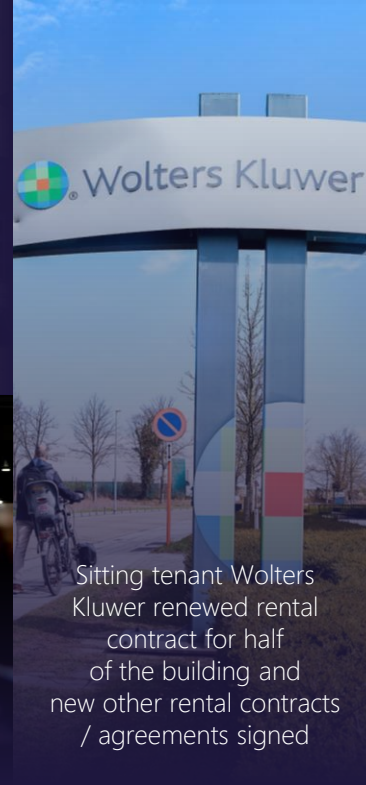




Office project of  
**14,174 m<sup>2</sup>**



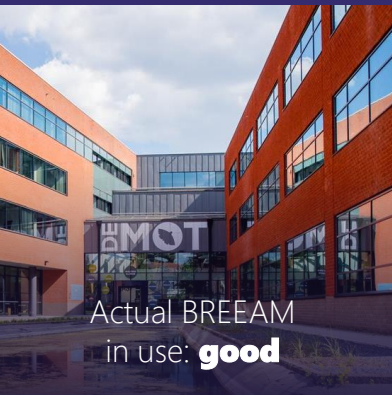
Occupancy stands at  
**> 86.4%**



Part of the remaining office space is installed as co-working space 'De Mot' based on our business center concept 'The Crescent' in Anderlecht and Ghent – concept is much appreciated by tenants & other users



## Value creation



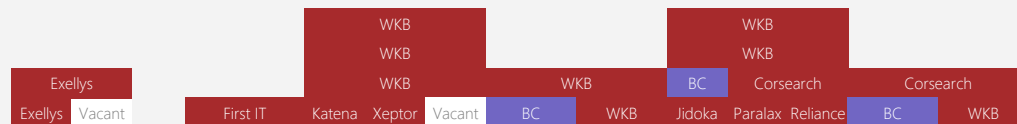
Actual BREEAM  
in use: **good**



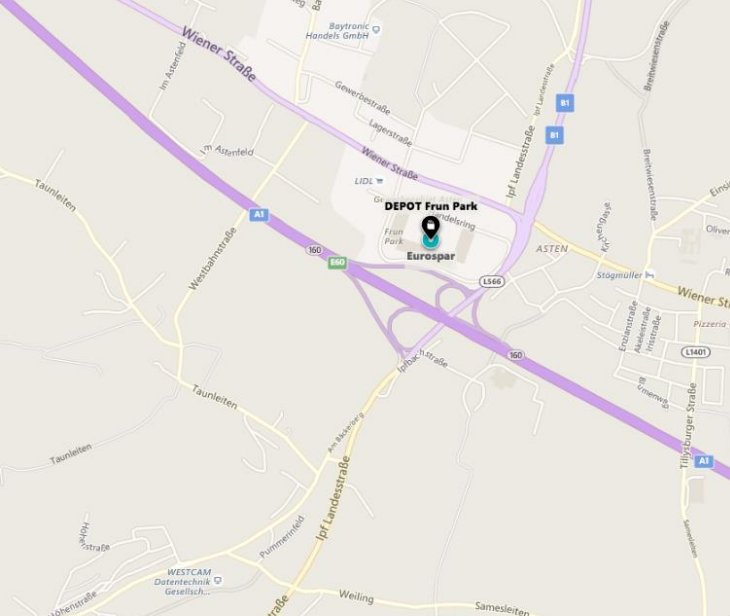
Opening reception with  
**Mayor Bart Somers** in July



Contacts with new tenants/users are ongoing and will **further increase occupancy**

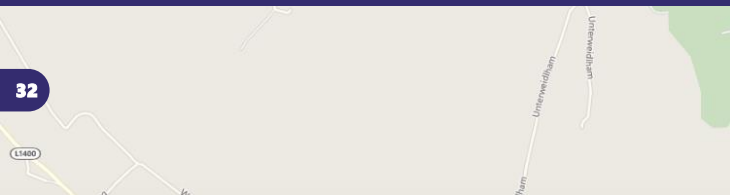






# Frun Park

## Asten (AT)





# Frun Park Asten (AT)



**100%**  
occupancy



Recent (2013) and very successful retail park;  
**26 shops and 600 parking spaces**;  
roof is equipped with solar panels



Acquisition  
**November 2016**



Total annual rent  
**€ 2.4 m**



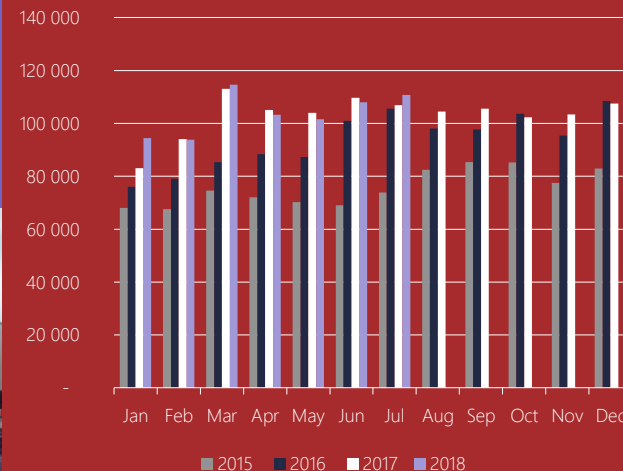
Retail concept:  
construction of a  
harmonious architectural  
ensemble surrounding a  
large, central, free  
parking area, and uniting  
a mix of national and  
international brands

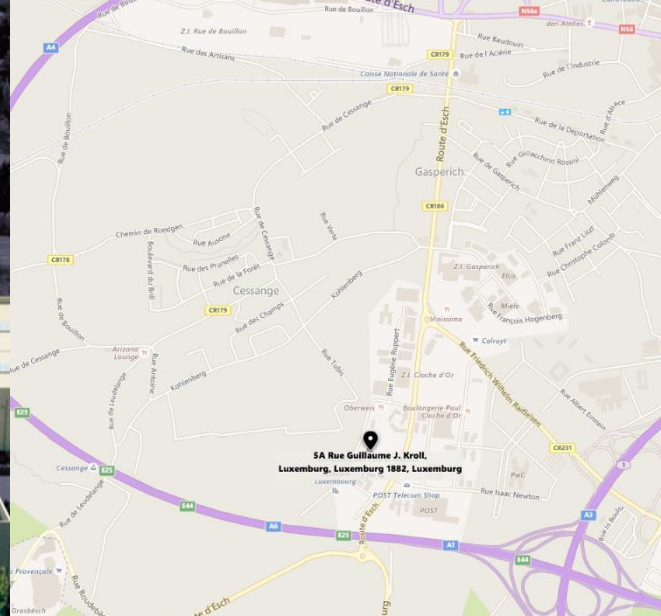


Extension finalized  
and entirely let

2017:  
**10% increase**  
in footfall

## Footfall





## Letting to Mazars

# CFM Building (Lu)



# Letting to Mazars

CFM (LU)

Alter domus will leave office building of **3,600 m<sup>2</sup>** in November 2018

Mazars will replace them for 2/3 (**2,200 m<sup>2</sup>** of the building with an option for the complete building

Starting in May 2019 for 9 years fix

Mazars is an international, integrated and independent organization, specializing in audit, accountancy, tax, legal and advisory services

Rent level raises from **€ 17/m<sup>2</sup>/month to € 24/m<sup>2</sup>/month**



# Retail Estates (BE)

Leasinvest (LRE) holds **10.47%** share in BE-REIT

Retail Estates (**€ 91 m** at 30/06/2018)

Subscription of capital increase for **€ 12.9 m**  
in April 2018 (198,736 new shares)

Real estate portfolio of **€ 1.38 bn** (30/06/2018)

Focus = clusters & retail parks (**81%** of total portfolio)

Portfolio breakdown: **BE 77% - NL 23%** (31/03/18)

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

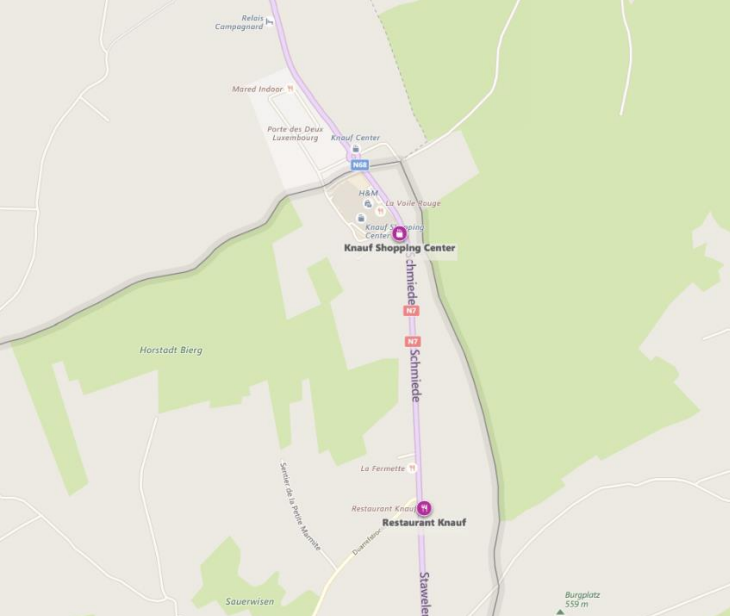


# **05/** **Use of proceeds**





- Strengthening equity with ca **€ 84 m** to fund investment pipeline and future growth while also maintaining a balanced capital structure with a loan- to-value ratio between **50-55%**.
- The current LTV has reached a level of **59.31%** (30/06/18) due to redevelopment projects as M63, Treesquare, Boomerang First Phase, and the acquisitions in Austria combined with the disposals of the Logistic Portfolio (Iopolease) and the desinvestment in Switzerland.
- Leasinvest is in negotiations for various investments in Luxembourg as well as in Brussels and will renovate some assets which makes a pipeline of **€ 127 m** of which **€ 65 m** is committed or announced in binding investments.
- Currently in the pipeline (committed or announced): Schmiede (**€ 30 m**), Pommerloch (**€ 3.5 m**), Montoyer 14 (**€ 23.5 m**) and Boomerang Strassen (**€ 8 m**). Another investment of **€ 62 m** is currently under due diligence
- A desinvestment of **€ 16 m** is planned to be closed in December 2018.
- The net proceeds of the offering combined with an increased lending capacity following the offer will offer the company the possibility to further finance its growth and redevelopment strategy and will lower the LTV to a ratio of circa **52%**.
- On the date of the announcement of the capital increase, the company had committed credit lines for an amount of **€ 646 m** of which **€ 44.6 m** was not used.



# Knauf shopping center **Schmiede (LU)**

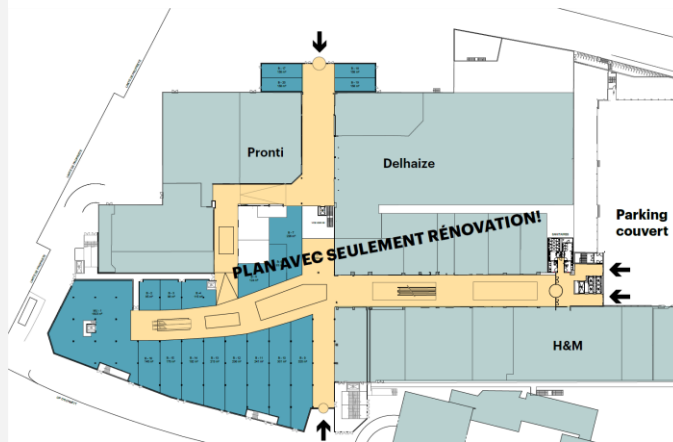


# Knauf shopping center Schmiede (LU)

In the course of Q1 2019 important renovation works will subsequently start, with an extension of **8,000 m<sup>2</sup>** in order to attract more restaurants (food court), shops and events for creating unique experiences (kids area)



Strengthening the position of Knauf Schmiede as **largest shopping center in the North of Luxembourg**, while maintaining its 'good deal' and family-oriented character



Foreseen Capex:  
**€ 30 m**

Reception  
**end 2020**



Revamping of the shopping center in order to meet consumers' expectations will **start in September**



# Knauf shopping center

Schmiede (LU)





# Montoyer 14

New acquisition in  
the **European Quarter**



ERV of **€ 1.2 m**



Investment Price:  
**€ 23.5 m**



Design:  
A2RC Architects  
(Brussels)



Study +  
Building Permit:  
**14 months**



Expected Rent Price  
**€ 275/m<sup>2</sup>**

Delivery:  
**16 months**  
Q1 2021

Office building of  
**4,000 m<sup>2</sup>**  
to redevelop

# Kennedy 43

## Luxembourg

Desinvestment  
**Kirchberg Luxembourg**



Current Rent  
of **€ 0.92 m**



Sales Price:  
**€ 16 m (5.25% yield)**



Acquired by Ceetrus  
(Group Auchan)



Transfer at  
31/12/2018



Expected  
Capital Gain  
**€ 2 m**

2 office floors  
**2,270 m²**



# RISK FACTORS

## Key risks that are specific to the Company and its activities

### Market risks

Risks related to an economic downturn in comparison with the current situation  
Risks related to a decrease in demand for the Company's real estate  
Risk of inflation/deflation  
Risks related to the splitting-up or disappearing of the monetary union and or political instability, Brexit,...  
Risks related to volatility and uncertainty on the capital markets and/or volatility of the interest rates  
Risks related to an erosion of consumer confidence

### Operational risks

Risks related to unsuitable policies that result in unsuitable investment or development options  
Risks related to own (re)developments  
Risks related to decreases in value of the real estate portfolio and property valuations  
Risks related to tenants, rents and vacancy of the buildings  
Risks related to an underestimated volatility in maintenance costs of the buildings  
Risks related to the destruction of the buildings by damage, terrorism, fire, natural disasters,...  
Risks related to break-in into the IT-network, cybercrime, phishing,...  
Risks related to concentration  
Risks related to the success of e-commerce

### Financial risks

Risks related to insolvency of financial or bank counterparties (counterparty risk)  
Risks related to the unavailability of funding or intended duration of the funding (liquidity risk) and drying up of the commercial paper market  
Risks related to a lack of working capital  
Risks related to the combination of unfavourable interest rate evolutions, increased risk premium on the stock exchange markets and the increase of the bank margin (cost of the capital)  
Risks related to the Company's debt ratio and contractual covenants in funding agreements  
Risk of derogation from the financial results of the outlook and legal demands  
Risk of fair value changes of financial derivatives or a relatively higher funding cost following chosen hedges in the case of decreasing interest rates  
Risks related to a limited distribution of dividends

### Regulatory and other risks

Risks related to non-compliance with the legal system on the regulated real estate company  
Risks related to the legal status of Leasinvest Immo Lux SA as SICAV-SIF and non-AIF  
Risks related to the evolution of regulation  
Risks related to changes in the fiscal climate in Luxembourg  
Risks related to the complexity of acquisition and divestment files  
Risks related to the turnover of key personnel  
Risks related to a limited free float of the Share





# RISK FACTORS

## Main risks associated with the Offer and the offered securities

Risks associated with the investment in the New Shares  
Liquidity of the Share  
Low liquidity of the market of Irreducible Allocation Rights  
Un(or incorrectly)exercised Irreducible Allocation Rights  
Risks associated with the fluctuations of the stock price of the Shares or the Irreducible Allocation Rights and sale of Shares by Existing Shareholders  
Dilution with regard to Existing Shareholders not exercising (all) their Irreducible Allocation Rights  
Possible future dilution for Shareholders  
No minimum amount for the Offer – Withdrawal of the Offer  
Withdrawal of the subscription  
Risks associated with securities and industry analysts  
Risks associated with clearing and settlement:  
Investors who are residents of countries other than Belgium  
Risks related to exchange rates  
Risks related to the financial transaction tax  
Risks related to the fact that shareholders' rights under Belgian legislation may be different from rights under other jurisdictions  
Risks related to take-over provisions in Belgian legislation  
Risks related to certain transfer and sale restrictions  
Risks related to the structure of a limited partnership by shares

**06/**  
**Highlights**  
—  
H1 2018



# Highlights

## H1 2018



Dividend forecast unchanged at  
**€ 5.00/share**



Weighted average  
lease term of  
**4.19 years**



Real estate portfolio  
of **€ 1.012 bn** including  
Retail Estates, an increase  
of **4%** compared to  
31/12/2017



EPRA earnings  
increase by **5.3%** to **~€ 14.0 m**  
from **~€ 13.3 m** (H1 2017)



Important rise of net result  
**(+26%)** to **€ 19.7 m**  
**(€ 3.99/share)** from **€ 15.6 m**  
(H1 2017, **€ 3.16/share**)

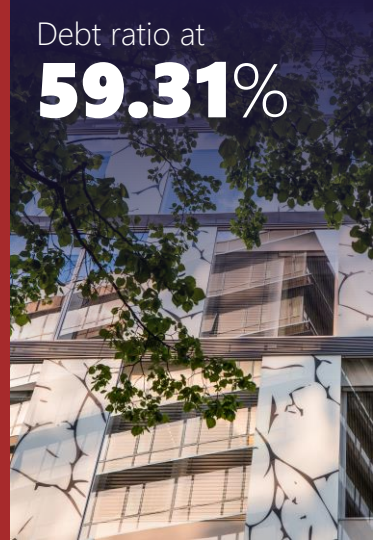


Occupancy rate at  
**94.44%** overall,  
**97.53%** in retail,  
**91.08%** in offices and  
**93.51%** in logistics

excluding projects

Debt ratio at

**59.31%**





# 07/ Financials & outlook



# Key consolidated financials

H1 2018

Key figures balance sheet	30/06/2018	31/12/2017
Net asset value group share (€ 1,000)	376 595	382 206
Number of issued shares	4 938 870	4 938 870
Number of shares entitled to the result of the period	4 938 870	4 938 870
Net asset value group share per share	76.3	77.4
Net asset value group share per share based on investment value	80.0	81.1
Net asset value group share per share EPRA	82.8	84.0
Total assets (€ 1,000)	1 036 886	999 293
Financial debt (€ 1,000)	594 550	540 440
Financial debt ratio (in accordance with RD 13/07/2014)	59.31%	57.14%
Average duration credit lines (years)	3.00	3.34
Average funding cost (excluding fair value adjustments fin. instruments)	2.79%	2.99%
Average duration hedges (years)	5.02	5.15

Key figures income statement	30/06/2018	30/06/2017
Rental income (€ 1,000)	27 858	28 084
Net rental result per share	5.64	5.69
EPRA Earnings (1) (€ 1,000)	13 968	13 261
EPRA Earnings per share (1)	2.83	2.69
Net result group share (€ 1,000)	19 683	15 595
Net result group share per share	3.99	3.16
Comprehensive income group share (€ 1,000)	19 082	32 243
Comprehensive income group share per share	3.86	6.53

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

# EPRA KPIs

## H1 2018

EPRA performance measures	30/06/2018	30/06/2017
EPRA Earnings* (in € per share) (1)	2.83	2.69
EPRA NAV* (in € per share) (2)	82.8	81.6
EPRA NNNNAV* (in € per share) (3)	75.5	73.1
EPRA Net Initial Yield* (in %) (4)	5.49%	5.39%
EPRA Topped up Net Initial Yield* (in %) (5)	5.50%	5.41%
EPRA Vacancy* (in %) (6)	5.54%	9.12%
EPRA Cost ratio* (incl. direct vacancy costs) (in %) (7)	22.96%	24.26%
EPRA Cost ratio* (excl. direct vacancy costs) (in %) (7)	21.09%	21.00%

(1) These figures were not audited by the auditor.

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

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

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

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

(6) EPRA Topped up Net Initial Yield corrects the EPRA Net Initial Yield with regard to the ending of gratuities and other rental incentives granted; see also [www.epra.com](http://www.epra.com)

(7) EPRA Vacancy is calculated on the basis of the Estimated Rental Value (ERV) of vacant surfaces divided by the ERV of the total portfolio; see also [www.epra.com](http://www.epra.com).

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



# Consolidated income statement



Fifth year in a row

Consolidated statement of realized and unrealized results (in 1,000 €)		30/06/2018	30/06/2017
(+)	Rental income	27 858	28 084
(+)	Write-back of lease payments sold and discounted	0	0
(+/-)	Related-rental expenses	0	0
<b>NET RENTAL INCOME</b>		<b>27 858</b>	<b>28 084</b>
(+)	Recovery of property charges	76	21
(+)	Recovery income of charges and taxes normally payable by tenants on let properties	1 524	1 184
(-)	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0
(-)	Charges and taxes normally payable by tenants on let properties	-1 524	-1 184
(+/-)	Other rental related income and expenditure	-903	-992
<b>PROPERTY RESULT</b>		<b>27 031</b>	<b>27 113</b>
(-)	Technical costs	-508	-750
(-)	Commercial costs	-371	-386
(-)	Charges and taxes on un-let properties	-520	-915
(-)	Property management costs	-2 555	-2 321
(-)	Other property charges	-222	-208
<b>PROPERTY CHARGES</b>		<b>-4 176</b>	<b>-4 580</b>
<b>PROPERTY OPERATING RESULT</b>		<b>22 855</b>	<b>22 533</b>
(-)	Corporate operating charges	-1 438	-1 515
(+/-)	Other operating charges and income	122	275
<b>OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO</b>		<b>21 539</b>	<b>21 293</b>
(+/-)	Result on disposal of investment properties	0	-1 924
(+/-)	Changes in fair value of investment properties	25	3 693
<b>OPERATING RESULT</b>		<b>21 564</b>	<b>23 062</b>
(+)	Financial income	59	59
(-)	Net interest charges	-6 803	-7 348
(-)	Other financial charges	-563	-539
(+/-)	Changes in fair value of financial assets and liabilities	5 690	565
<b>FINANCIAL RESULT</b>		<b>-1 617</b>	<b>-7 263</b>
<b>PRE-TAX RESULT</b>		<b>19 947</b>	<b>15 799</b>
(+/-)	Corporate taxes	-264	-204
(+/-)	Exit tax	0	0
<b>TAXES</b>		<b>-264</b>	<b>-204</b>
<b>NET RESULT</b>		<b>19 683</b>	<b>15 595</b>

# Consolidated balance sheet

ASSETS (in 1,000 euro)	30/06/2018	31/12/2017
<b>I. NON-CURRENT ASSETS</b>	<b>1 015 949</b>	<b>979 104</b>
Intangible assets	1	2
Investment properties	903 996	885 151
Other tangible assets	922	354
Non-current financial assets	93 190	75 757
Finance lease receivables	17 840	17 840
<b>II. CURRENT ASSETS</b>	<b>20 937</b>	<b>20 189</b>
Assets held for sale	0	0
Current financial assets	0	0
Trade receivables	12 859	11 471
Tax receivables and other current assets	2 566	2 533
Cash and cash equivalents	4 298	5 702
Deferred charges and accrued income	1 214	483
<b>TOTAL ASSETS</b>	<b>1 036 886</b>	<b>999 293</b>

LIABILITIES (in 1,000 euro)	30/06/2018	31/12/2017
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>376 595</b>	<b>382 206</b>
<b>I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY</b>	<b>376 595</b>	<b>382 206</b>
Capital	54 315	54 315
Share premium account	121 091	121 091
Purchase of treasury shares	-12	-12
Reserves	181 518	159 267
Net result of the financial year	19 683	47 545
Translation differences	0	0
<b>II. MINORITY INTERESTS</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>	<b>660 291</b>	<b>617 088</b>
<b>I. NON-CURRENT LIABILITIES</b>	<b>463 560</b>	<b>384 626</b>
Provisions - other	11	11
Non-current financial debts	427 413	348 156
- Credit institutions	328 693	251 168
- Other	98 720	96 988
Other non-current financial liabilities	33 364	33 696
Other non-current liabilities		
Deferred taxes	2 772	2 763
<b>II. CURRENT LIABILITIES</b>	<b>196 730</b>	<b>232 461</b>
Provisions		
Current financial debts	171 761	192 284
- Credit institutions	30 061	24 053
- Other	141 700	168 231
Other current liabilities	0	160
Trade debts and other current debts	13 290	28 193
- Exit tax	0	12 907
- Other	13 290	15 286
Other current liabilities	2 030	1 716
Accrued charges and deferred income	9 650	10 108
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 036 886</b>	<b>999 293</b>

# Funding

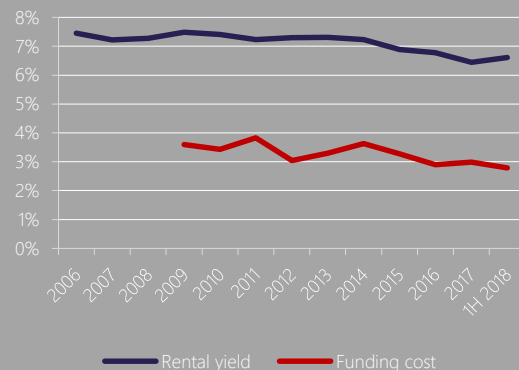
Cost of debt: decrease  
from **2.99%** (2017) to **2.79%** (H1 2018)

Total committed lines (incl. bonds)  
of **€ 646.5 m**

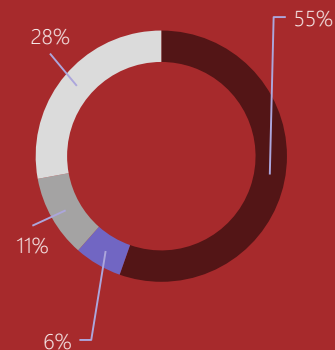
Duration credit facilities decreased  
from **3.34y** (2017) to **3.0y** (H1 2018)

Available headroom credit facilities **€ 56 m**

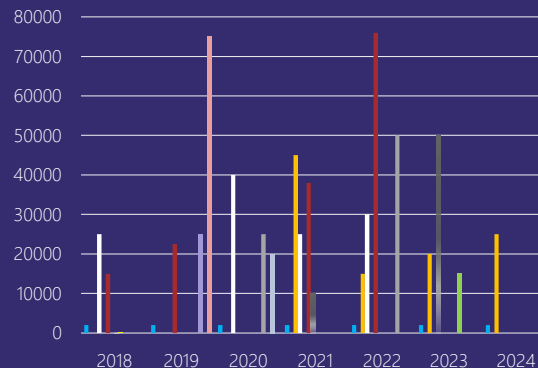
Rental yield vs funding cost



Funding diversification



Run-off credits - bonds - in € K



- Bilateral variable rate
- Bilateral fixed rate
- Bonds
- Commercial paper



# Funding

Debt financing – **63%** fixed ratio

Hedge ratio (30/06/2018) – **71%** (currently **74%** due to start 2 IRS for notional amount **€ 20 m** as of 15 July)

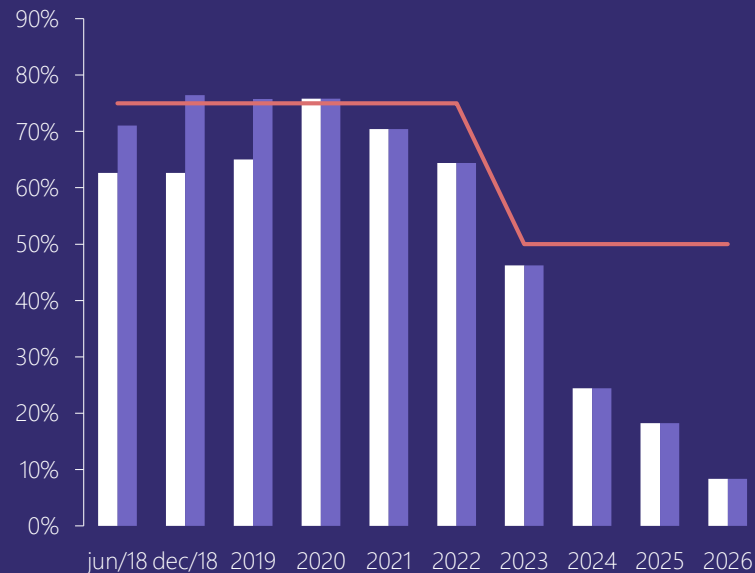
Fixed rate debt, incl. bonds (**25%**) and interest rate swaps/Caps (**46%**)

Duration hedges: **5.0y** (H1 2018) **vs 5.15y** (2017)

Restructuring for **€ 80 m**: cancelled IRS replaced by forward starting IRS as of Q4 2019

Temporary decrease in hedge ratio compensated by interest CAP options **0%** with maturity Q4 2019

## Hedge ratio



Fix ratio    Hedge ratio    strategy

# Outlook

## FY 2018

Except for extraordinary and unexpected events, Leasinvest Real Estate expects for 2018 that the EPRA Earnings per share will remain at least stable compared to 2017 (€ 5.57/share) and that the dividend will remain at least at the same level as last year (€ 5.00 gross per share).

The dividend is still subject to approval of the general shareholders meeting related to the financial year 2018. The newly created shares will be entitled to the pro rata temporis result of 2018, starting as of 4 October 2018.



**08/**  
**Transaction  
summary**



# Transaction Summary FY 2018

## KEY TRANSACTION CHARACTERISTICS

Transaction structure	<ul style="list-style-type: none"> <li>Capital increase with cancellation of the preferential subscription rights but with attribution of irreducible allocation rights (tradable on the regulated market of Euronext Brussels) to existing shareholders</li> <li>Public offering for subscription to new shares in Belgium, followed by the private placement of non-exercised irreducible allocation rights through an accelerated bookbuilding in Belgium, the European Economic Area and Switzerland in accordance with Regulation S of the US Securities Act</li> </ul>
Transaction size	Up to € 84 m within the authorized capital, represented by 987,774 new shares
Issue price	The issue price of the offered shares is € 85,00
Subscription ratio	Ratio of 1 new share for 5 coupons N° 22
Listing	Euronext Brussels
Syndicate	Joint Global Coordinators & Joint Bookrunner: Bank Degroof Petercam & ING Belgium Joint bookrunners: Belfius Bank
Pre-commitment	Ackermans & Van Haaren SA, holder of 30.01% of the share capital, has committed to exercise all its irreducible allocation rights and AXA Belgium SA holder of 28.99% of the share capital has committed to exercise 50% of its irreducible allocation rights
Subscription period	From 20 September 2018 (9h00 Belgian time) 2018 to 1 October 2018 (16h00 Belgian time) 2018 (included)
Coupon and dividend	<ul style="list-style-type: none"> <li>The new shares shall be issued with coupon 24 and seq. attached</li> <li>The new shares confer rights to dividends pro rata temporis for the financial year 2018 as from 4 October 2018</li> <li>Leasinvest Real Estate expects a gross dividend per existing share for 2018 of € 5.00</li> </ul>
Payment & settlement	Payment, delivery and listing of the new shares: 4 October 2018
Risk factors	An investment in shares entails significant risks. The investors are encouraged to read the Prospectus and in particular the risk factors set forth in Chapter 1 "Risk factors", such as the risks associated with the qualified working capital statement set forth in points 1.1.3.3 and 4.1 of this Securities Note (p. 7 up to and including 24). Any decision to invest in securities in the framework of the offering must be based on all information provided in the Prospectus, and any supplements thereto, as the case may be. This Presentation does not contain all the information that may be important for investors.
Costs	The subscription requests can be submitted directly and free of charge to the local offices of Bank Degroof Petercam, ING Belgium NV, and Belfius Bank and/or via any other financial intermediary. The investors are invited to gain information on any costs these other financial intermediaries may charge.



# Financial calendar and analyst coverage

## Financial calendar

19 November 2018	Interim statement Q3 (30/09/2018)
20 February 2019	Annual results 2018 (31/12/2018)
29 March 2019	Annual financial report 2018
20 May 2019	Annual meeting of shareholders & Interim statement Q1 (31/03/2019)
27 May 2019	Dividend payment
21 August 2019	Half-year financial report 2019

## Analyst coverage

Bank Degroef Petercam	Herman van der Loos
ING Bank	Pieter Runneboom
KBC Securities	Jan Opdecam

# Appendices

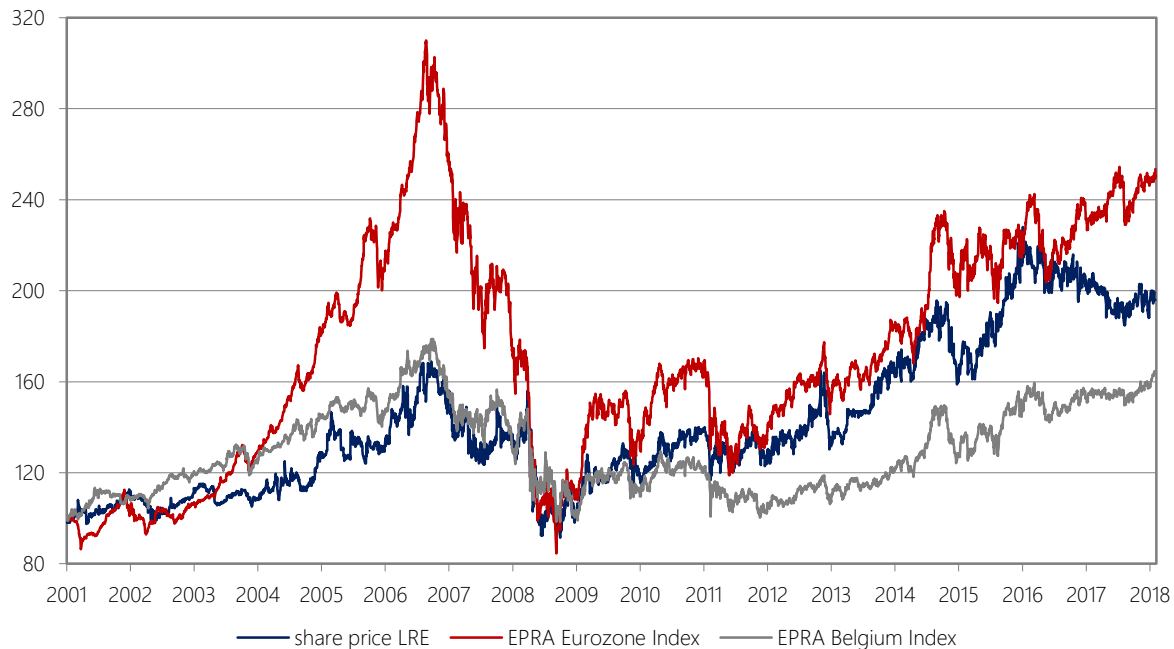
Knauf Shopping  
Center Schmiede (LU)



# Share price performance



# Share performance





# Share performance



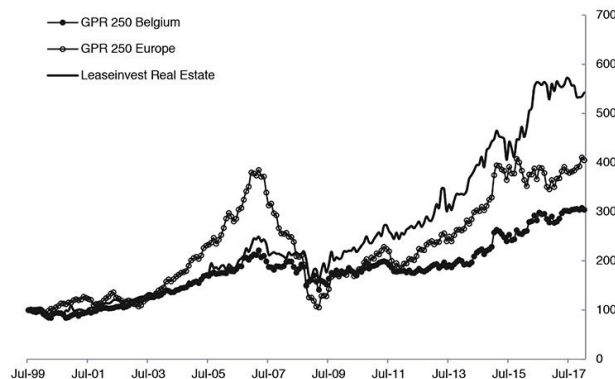
# Share performance

## Leasinvest Real Estate

Performance report June 2018

Performance comparison	Companies	1 month	3 month	6 month	YTD	1 year	3 year	5 year	Inception	Volatility	Sharpe
	Leasinvest Real Estate	0.42%	4.80%	5.02%	5.02%	-1.88%	11.43%	13.22%	9.49%	12.82%	3.92
	Belimmo	-1.12%	2.19%	0.19%	0.19%	8.04%	5.27%	8.21%	5.61%	13.77%	3.28
	Cofinimmo	2.84%	8.89%	4.58%	4.58%	6.62%	10.34%	11.50%	6.33%	11.40%	4.26
	Intervest Offices & Warehouses	1.88%	0.11%	2.61%	2.61%	3.02%	7.02%	10.72%		15.58%	3.06
	Retail Estates	-1.80%	6.79%	4.90%	4.90%	1.24%	6.63%	11.85%	11.59%	12.43%	3.93
	Warehouses de Pauw	1.88%	12.06%	21.14%	21.14%	23.00%	21.92%	23.47%	16.34%	13.08%	4.62
<b>Indices</b>											
	GPR 250 Europe	0.50%	5.67%	2.68%	2.68%	10.35%	4.94%	11.91%	11.76%	16.23%	3.01
	GPR 250 Belgium	2.90%	8.92%	4.61%	4.61%	6.65%	10.35%	11.45%	9.73%	14.06%	3.45

Performance graph



The table above presents returns for different time horizons up to 30 June 2018. All calculations are based on nominal total returns with reinvestment of dividends. Returns are compounded and denominated in local currency and based on the closing price of each month. Inception date is the start date of Leasinvest Real Estate which is 7/31/99. Volatility is calculated as the 5-year annualized standard deviation of monthly returns. The Sharpe ratio is calculated with the 5-year annualized return, the volatility and the 1-month Euribor.

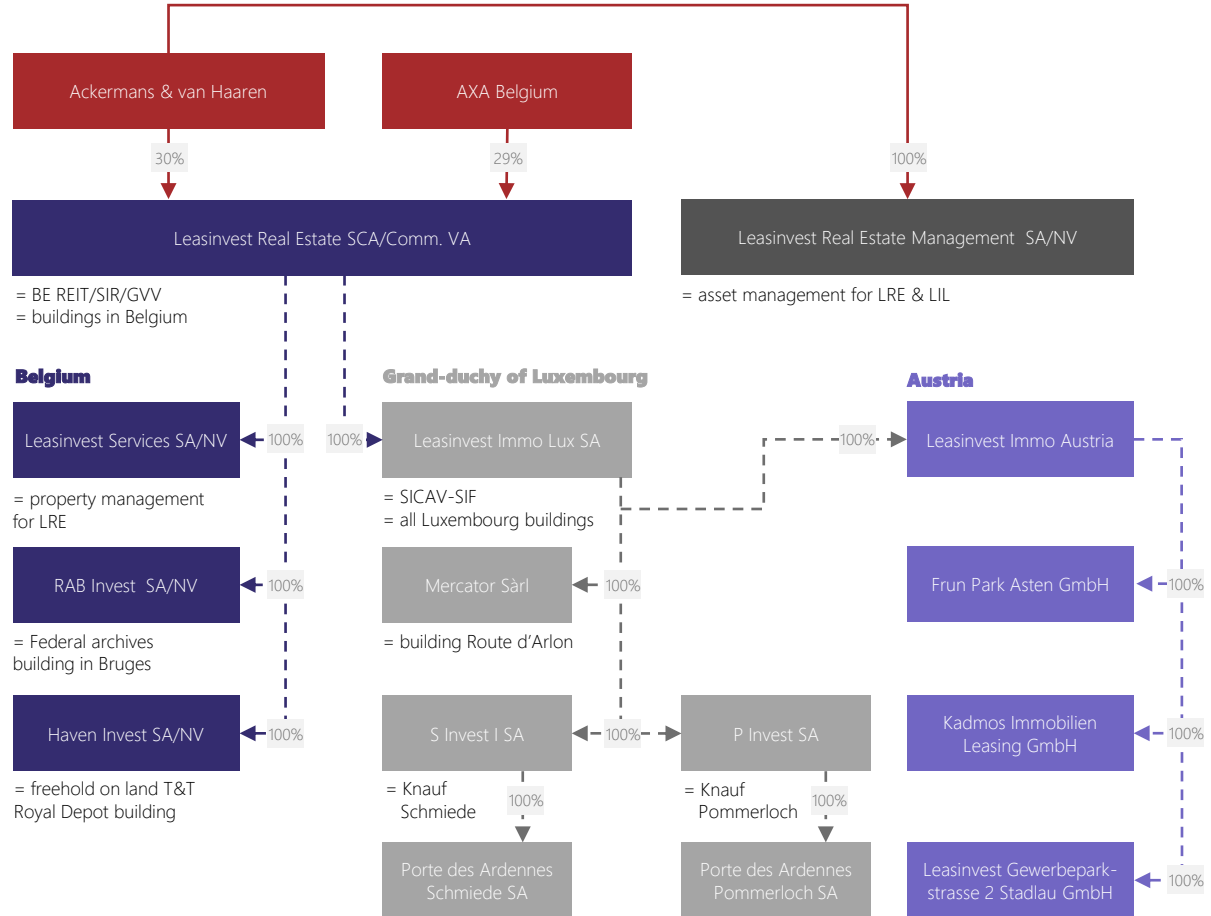
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Global Property Research, July 2018

# Structure & Corporate governance



# Corporate Structure



AE Starvilla Sieben GmbH is a 100% subsidiary of Leasinvest Immo Austria and subsequently owns 10% of the other 3 Austrian SPV's (remaining 90% owned by Leasinvest Immo Austria)



# Board of Directors & Management

as per 30/06/2018

## Directors nominated by AvH

**Jan Suykens**  
Chairman  
CEO & chairman  
Executive Committee  
Ackermans & van Haaren

**Piet Dejonghe**  
Director  
member Executive  
Committee  
Ackermans & van Haaren



**Michel Van Geyte**  
Executive director  
CEO Leasinvest Real Estate

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

## Other non-executive director

## Independent directors



**Nicolas Renders**  
Other non-executive director  
AXA REIM - Head of Asset Management Belux, Real Assets

**Sonja Rottiers**  
Independent director  
director of companies, different director mandates (e.g. ING Belgium)



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

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

## Executive committee

**Michel Van Geyte**  
Chief Executive Officer  
25 years of real estate experience of which 3 years as managing partner at Knight Frank Belgium and of which 13 years as COO/CIO with LRE



**Tim Rens**  
Chief Financial Officer  
12 years of audit experience at Deloitte of which 4 years as Senior Audit Manager - Joined LRE in 05/2017 – effective officer



**Sven Janssens**  
Chief Operating Officer  
20 years of experience in property management of which over 10 years with LRE

# Main assets

Treesquare (BE)





# Main assets in Luxembourg

RETAIL

**Shopping center  
Knauf** Pommerloch  
North of Luxembourg  
Acquisition: 2013



OFFICES & WAREHOUSE

**CFM**

3,600 m<sup>2</sup> Offices and 10,000 m<sup>2</sup>  
Warehouse

RETAIL

**Batself & Siemes** Diekirch  
Acquisition: 2008



OFFICE

**Montimmo**

Avenue Monterey, CBD  
Acquisition: 2008



RETAIL

**Shopping center Knauf** Schmiede  
North of Luxembourg / Acquisition: 2012

RETAIL

**Strassen**

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



OFFICE

**Kennedy** Kirchberg

Acquisition:  
part of initial portfolio 2006



RETAIL

**Hornbach** Bertrange  
Acquisition: 2013

OFFICE

**Monnet** Kirchberg

Acquisition: part of  
initial portfolio 2006



OFFICE

**Monterey**

Avenue Monterey, CBD

Acquisition: part  
of initial portfolio  
2006



# Main assets in Belgium



OFFICE  
**Motstraat**  
Motstraat 30,  
Mechelen  
Acquisition: 2002

OFFICE  
**The Crescent**  
Anderlecht  
Lenniksebaan 451,  
Anderlecht  
Acquisition: 2004



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



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



OFFICE  
**Treesquare** Square de Meeûs 5-6, Brussels  
Acquisition: 2005



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



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





# Main assets in Austria



RETAIL

**Frun© Park Asten**

Linz - 200 KM from Vienna

Acquisition: 2016

RETAIL

**Hornbach Baumarkt** Stadlau (22<sup>nd</sup> district Vienna)

Acquisition: 2017



RETAIL

**Gewerbepark Stadlau** Stadlau (22<sup>nd</sup> district Vienna)

Acquisition: 2017