

HALF-YEAR FINANCIAL REPORT

# 2019

Regulated information  
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## MISSION STATEMENT

*“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.”*

## COMPANY PROFILE

Public regulated real estate company (B-REIT) Leasinvest Real Estate SCA invests in high quality and well-located retail and office buildings in the Grand Duchy of Luxembourg, in Belgium and in Austria.


At present the total fair value of the directly held real estate portfolio of Leasinvest amounts to € 1.06 billion spread across the Grand Duchy of Luxembourg (55%), Belgium (35%) and Austria (10%). Including the participation in B-REIT Retail Estates the fair value amounts to € 1.16 billion.

Moreover, Leasinvest is one of the largest real estate investors in the Grand Duchy of Luxembourg.

The real estate portfolio consists of offices (51%), retail (43%) and logistics (6%).

The public RREC is listed on Euronext Brussels and has a market capitalization of nearly € 650 million (value 20 August 2019).

## 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 half-year financial report are indicated by the symbol .

For the definition and the detailed calculation of the Alternative Performance Measures used, we refer to page 44 et seq of this half-year financial report.

## STATEMENT OF PERSONS RESPONSIBLE FOR THE CONTENT

Mr Michel Van Geyte, permanent representative of the statutory manager of Leasinvest Real Estate, declares, on behalf and for the account of the statutory manager, that, to his knowledge:

(i) the condensed financial statements, established in accordance with the applicable accounting standards for annual accounts, present a fair view of the assets, financial situation and the results of Leasinvest Real Estate and the companies included in the consolidation;

(ii) the interim management 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 which the company is confronted with.

MICHEL VAN GEYTE

Permanent representative

Leasinvest Real Estate Management SA

Schermerstraat 42

BE-2000 Antwerp

Statutory manager

## KEY FIGURES

Key figures real estate portfolio (1)	30/06/2019	31/12/2018
Fair value real estate portfolio (€ 1,000) (2)	1 055 094	1 037 083
Fair value investment properties, incl. participation Retail Estates (€ 1,000) (2)	1 162 351	1 128 899
Investment value investment properties (€ 1,000) (3)	1 076 865	1 058 509
Rental yield based on fair value (4) (5)	6.39%	6.45%
Rental yield based on investment value (4) (5)	6.26%	6.32%
Occupancy rate (5) (6)	94.66%	94.26%
Average duration of leases (years)	3.97	4.34

(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 30/06/2019.

(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, de Crombrughe&Partners and 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.

Key figures income statement	30/06/2019	30/06/2018
Rental income (€ 1,000)	32 377	27 858
Net rental result per share	5.46	5.64
EPRA Earnings ◄ (1)	22 124	13 968
EPRA Earnings ◄ per share (1)	3.73	2.83
Net result group share (€ 1,000)	25 305	19 683
Net result group share per share	4.27	3.99
Comprehensive income group share (€ 1,000)	15 113	19 082
Comprehensive income group share per share	2.55	3.86

(1) 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.

<b>Key figures balance sheet</b>	<b>30/06/2019</b>	<b>31/12/2018</b>
Net asset value group share (€ 1,000)	<b>464 431</b>	475 811
Weighted average number of shares after the capital increase on 4 October 2018	<b>5 926 644</b>	5 179 724
Number of shares at closing date	<b>5 926 644</b>	5 926 644
Net asset value group share per share	<b>78.4</b>	80.3
Net asset value group share per share based on investment val-ue	<b>82.0</b>	83.9
Net asset value group share per share EPRA	<b>89.1</b>	88.7
Total assets (€ 1,000)	<b>1 216 969</b>	1 156 107
Financial debt	<b>609 950</b>	595 400
Financial debt ratio (in accordance with BE-REIT/GVV-SIR RD)	<b>55.70%</b>	53.53%
Average duration credit lines (years)	<b>2.96</b>	3.11
Average funding cost (excl. fair value changes financial instruments)	<b>2.34%</b>	2.59%
Average duration hedges (years)	<b>6.61</b>	5.35

<b>EPRA Performance measures ◀ (1)</b>	<b>30/06/2019</b>	<b>30/06/2018</b>
EPRA Earnings ◀ (in € per share) (2)	<b>3.73</b>	2.83
EPRA NAV ◀ (in € per share) (3)	<b>89.07</b>	82.84
EPRA NNNAV ◀ (in € per share) (4)	<b>80.26</b>	75.46
EPRA Net Initial Yield ◀ (in %) (5)	<b>5.32%</b>	5.49%
EPRA Topped up Net Initial Yield ◀ (in %) (6)	<b>5.33%</b>	5.50%
EPRA Vacancy ◀ (in %) (7)	<b>5.16%</b>	5.54%
EPRA Cost ratio ◀ (incl. direct vacancy costs) (in %) (8)	<b>24.49%</b>	22.96%
EPRA Cost ratio ◀ (excl. direct vacancy costs) (in %) (8)	<b>21.90%</b>	21.09%

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

(2) De 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.

(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 NNNAV ◀ (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).

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# INTERIM ANNUAL REPORT



**EBBC BUSINESS PARK**

AIRPORT DISTRICT (LU)

*“**Michel Van Geyte, CEO:** “Since 1 July 2019 Leasinvest Real Estate is listed for 20 years on Euronext Brussels; in that same period its portfolio value rose from € 140 million to € 1.2 billion and its share price more than doubled. In the meantime, Leasinvest became a well-diversified real estate company with a unique presence in the Grand Duchy of Luxembourg, where we still are one of the main foreign real estate investors, as was also confirmed in this half-year with our additional acquisitions in the EBBC business park in the Airport district.”*

## Highlights first half-year 2019

**For the first half-year of the financial year 2019 we record the following key data:**

- ▶ The **EPRA earnings** ◀ increase from € 14.00 million end 1H 2018 to € 22.1 million (however including the dividend (€ 5.1 million) from the participation in BE-REIT Retail Estates received earlier in the course of this financial year unlike previous years when this was in July)
- ▶ Rise (+29%) of the **net result** from € 19.7 million end 1H 2018 to € 25.3million or € 4.27 per share
- ▶ The **rental income** received increases by 16% from € 27.9 million end 1H 2018 to € 32.4 million following the full contribution of the acquisitions from end 2018 and a positive like-for-like rental growth
- ▶ The **funding cost** again decreases considerably from 2.59% on 31/12/2018 to 2.34%
- ▶ The current **developments** in Belgium and Luxembourg progress as scheduled

## Activity report for the period 01/01/2019-30/06/2019

### INVESTMENTS

#### Grand Duchy of Luxembourg

##### AGREEMENT WITH IMMO LUX-AIRPORT SA FOR THE ACQUISITION OF THE BUILDINGS B AND E IN THE EBBC BUSINESS PARK IN LUXEMBOURG

Leasinvest Real Estate (through its 100% subsidiary Leasinvest Immo Lux) came to an agreement with the board of directors of the SA Immo Lux-Airport SA, issuer of the real estate certificates "Lux Airport", with regard to the transfer of the buildings B and E subjacent to the real estate certificates "Lux Airport", located in the EBBC Business park, route de Trèves 6, 2633 Senningerberg, in the Grand Duchy of Luxembourg. The acquisition price for these 2 buildings amounts to € 47.3 million. This price is in line with the valuation of the buildings by the independent expert of Leasinvest Real Estate. This acquisition was finalized on 27/06/2019.

Indirectly these 2 buildings were already partially held by Leasinvest as investment properties via a stake of 69.8% in the Lux Airport real estate certificates.

Together with the 3 buildings already owned by Leasinvest Real Estate – buildings A and C since 19 December 2018 and building D since 22 March 2006 – the company owns 5 of the 6 buildings on the site, following this acquisition.

Information on the certificate is available on the website [www.kbcrealestate.be](http://www.kbcrealestate.be).

#### Belgium

##### PARTICIPATION IN BE-REIT (GVV/SIR) RETAIL ESTATES – OPTIONAL DIVIDEND

In the course of 1H 2019 the company further invested (€ 9.2 million) in the listed BE-REIT (GVV/SIR) Retail Estates by subscribing the optional dividend and the purchase of an additional 75,000 shares in order to keep a stake of over 10%.

### DIVESTMENT

#### Grand Duchy of Luxembourg

##### SALE OF 2 FLOORS IN THE BUILDING KENNEDY (KIRCHBERG)

On 17 January 2019, the 2 floors in the office building Kennedy in the Grand Duchy of Luxembourg were sold for a total amount of € 15.9 million, which is higher than the fair value estimated by the independent real estate expert.

These buildings were already recorded in the item 'assets held for sale' on 31 December 2018.



## REDEVELOPMENTS

### Grand Duchy of Luxembourg

#### KNAUF SHOPPING CENTERS POMMERLOCH & SCHMIEDE

The already announced renovation works progress as scheduled in both shopping centers<sup>1</sup>.

### Belgium

#### OFFICE BUILDING MONTOYER 14: SMART BUILDING IN TIMBER FRAME CONSTRUCTION

The office building Montoyer 14 will become a project that will differentiate itself as to smart technology in combination with a timber frame construction.

It is Leasinvest's ambition to build, together with the Brussels' authorities, the first high building with a timber frame construction, and to become the reference for the new generation of "recyclable buildings". The building permit request for this project has been introduced end May 2019.



#### HANGAR 26/27 ANTWERP

In the meantime, 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 objective is to introduce the building permit request for this project at the beginning of 2020, in order to start the construction works in the course of Q4 2020.



<sup>1</sup> For more information on this, we refer to the press release of 20/05/2019 on the website [www.leasinvest.be](http://www.leasinvest.be).

## OCCUPANCY RATE AND LEASES

### Evolution occupancy rate

The occupancy rate slightly increased to 94.66% per end June 2019 (94.26% on 31/12/2018).

### Leases

#### GRAND DUCHY OF LUXEMBOURG

For the office building **Mercator** the CSSF announced not extending the lease and leaving the building at the end of August (5,500 m<sup>2</sup>). There are currently negotiations with potential tenants who would like to lease this space.

For the buildings **Monnet**, **EBBC** and **Esch**, suffering from a slight vacancy, new leases will be signed in the coming months, solving this rental vacancy.

In Shopping center **Knauf Schmiede** a C&A family store of 976 m<sup>2</sup> has opened end June, and the extension by 500 m<sup>2</sup> to a total surface of 760 m<sup>2</sup> of the Selexion shop was launched at the end of July.

#### BELGIUM

With 2 new rental contracts the office building **Treesquare** in the CBD of Brussels is now fully let, and this may be called a great success. With these transactions Leasinvest exceeded the historical prime rent of Brussels with an amount of € 330 /m<sup>2</sup>/year.

For **Tour & Taxis Royal Depot**, the building remains fully leased, thanks to a number of renegotiations and extensions.

For **Hangar 26/27** in Antwerp 2 of the 3 units under renovation have been leased at a rent of € 165/m<sup>2</sup>/year, or higher than the current Antwerp prime rent of € 150/155/m<sup>2</sup>. The interest for this iconic building is huge, demonstrated by other current promising negotiations.

Other renegotiations and extensions were recorded in the **Brixton Business Park**, **Riverside Business Park** and **The Crescent Anderlecht**, with a move of 1 of the tenants of the Riverside Business Park to The Crescent Anderlecht.

#### AUSTRIA

For **Frun® Park Asten** and **Gewerbepark Stadlau** a couple of important extensions could again be concluded, the occupancy rate of the Austrian buildings remaining 100%..



## Consolidated results period 01/01/2019- 30/06/2019

The first half-year of 2019 is characterized by strongly risen net result and EPRA earnings in comparison with the same period of last year. On the one hand, this is due to the expected higher rental revenue and the lower funding cost, but also to the effect of the time of reception of the dividend from the participation in Retail Estates. In previous years this was always distributed in July, and consequently only recognized in the second half-year. This year however, the dividend was distributed in June, the related income (€ 5.1 million) already being recognized in the first half-year.

The **rental income** has strongly risen compared to the first half of the previous year: € 32.4 million in H1 2019 vs € 27.9 million in H1 2018. On the one hand, the like-for-like rental growth amounts to € 2.4 million, on the other hand, the acquisitions of end 2018 now fully contribute to the rental income of 2019.

The **gross rental yields** have slightly decreased in comparison with end 2018 and amount to 6.39% (6.45% end 2018) based on the fair value, and to 6.26% (6.32% end 2018) based on the investment value; the occupancy rate has increased from 94.26% end 2018 to 94.66% on 30/06/2019.

The **property charges** have increased (-€ 0.9 million) from - € 4.2 million in H1 2018 to - € 5.0 million in H1 2019, mainly because of higher vacancy costs (€ 0.3 million) and property management costs (€ 0.4 million), this within the context of the portfolio growth. The **general corporate charges** rise by € 0.3 million, mainly due to the higher subscription tax in function of the (risen) shareholders' equity. The **operating margin** (operating result before the portfolio result/rental income) increases from 73.9% end 2018 to 74.9% on 30 June 2019.

The **result on the sale of investment properties** (€ 0.8 million) relates to the gain realized on the sale of the Kennedy building in Luxembourg in January 2019.

The **changes in the fair value of investment properties** on 30/06/2019 amount to + € 214 thousand (30/06/2018: € 25 thousand). Capital gains were a/o recognized on the recently acquired buildings B and E of the EBBC Business Center near Luxembourg airport. Capital losses were mainly recorded on buildings in the Brussels' periphery. Moreover, a loss of € 0.4 million on the rights of use relating to some concession land was recorded following the first adoption of IFRS 16.

The **financial result (excluding revaluations of financial assets and liabilities)** amounts to € -1.7 million on 30/06/2019 in comparison with € -7.3 million for H1 2018. The main difference with the first half of the previous year is mainly due to the earlier recognition in the results of the dividend received from Retail Estates (€ 5.1 million). In the past, this dividend was received in July and consequently recognized in the second half-year. The decrease in financial costs by € 0.5 million is a consequence of the restructuring in 2018 of the derivatives portfolio that has now full effect on the income statement, also the reason why the funding cost dropped to 2.34%.

The changes in the fair value of the financial assets and liabilities (€ 2.2 million) comprise both the revaluation of the participation in Retail Estates (+€ 6.2 million) and that of the derivatives portfolio (-€ 4.0 million).

The **net result** over H1 2019 amounts to € 25.3 million (compared to € 19.7 million on 30/06/2018). In terms of net result per share this results in € 4.27 per share on 30/06/2019 compared to € 3.99 on 30/06/2018, whereby we need to take account of the fact that the 2019 result is distributed over 5.9 million shares following the capital increase of October 2018 instead of over 4.9 million shares in 2018.

The **EPRA Earnings** amount to € 22.1 million (€ 3.73 per share) end June 2019, which represents an important rise compared to 30/06/18 (€ 14.0 million or € 2.83 per share). After elimination of the effect of time of the reception of the dividend from Retail Estates (€ 5.1 million), there is still an increase of € 3.0 million.

At the end of the second quarter of the financial year 2019 **shareholders' equity**, group share (based on the fair value of the investment properties) amounts to € 464.4 million (end 2018 € 475.8 million). On 30 June 2019 a decrease of shareholders' equity of € 11.4 million is recorded because of the dividend distribution of € 26.5 million, partially compensated by a positive net result over the first half-year 2019 of € 25.3 million. Furthermore, there was a negative revaluation of the derivatives of € -10.2 million that was recorded directly in shareholders' equity.

The **net asset value per share** excluding the influence of fair value adjustments on financial instruments (EPRA NAV) amounts to € 89.1 end June 2019 compared to € 88.7 end 2018.

End June 2019 the net asset value including the impact of fair value adjustments on financial instruments (IAS 39) amounts to € 78.4 per share (31/12/18: € 80.3). The closing price of the Leasinvest Real Estate share on 30 June 2019 amounted € 103.00.

End June 2019 the **debt ratio** had increase to 55.70% in comparison with 53.53% end 2018, mainly due to a combination of the dividend distribution and the acquisition of the underlying buildings of the real estate certificate Immo Lux Airport.

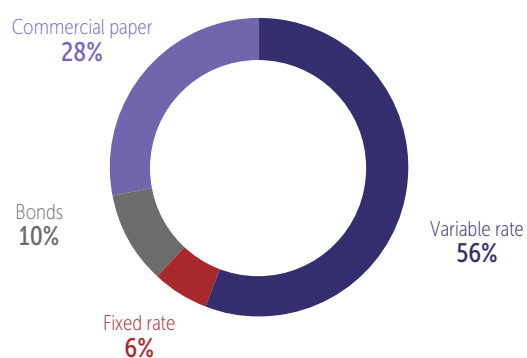
## Management of financial resources

Per 30/06/2019 the nominal financial debts recorded in the balance sheet amount to € 610.0 million compared to € 595.4 million on 31/12/2018. This increase is mainly attributable to the distribution of the dividend over the past financial year 2018 in combination with the sale of the Kennedy building in Luxembourg.

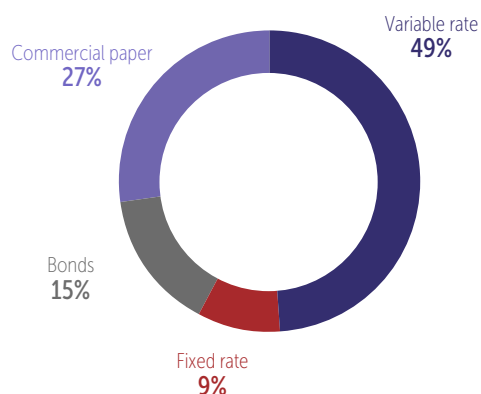
On 30/06/2019 these financial debts for an amount of € 610.0 million comprise € 296.6 million of bank credits at variable rate, € 55.0 million of bank credits at fixed rate, € 95,0 million of bonds and € 163.4 million of commercial paper issues.

The spread of the credit portfolio according to the type of funding sources and to the number of credit institutions (currently spread across 8 different credit institutions) is an important element to be able to count on a continuous funding base limiting to a maximum concentrations and counterparty risks. The withdrawals mentioned below are reproduced in a graph in combination with a presentation of the maturity dates of the credit lines.

### CREDIT LINES 30/06/2019



## CREDIT WITHDRAWALS 30/06/2019



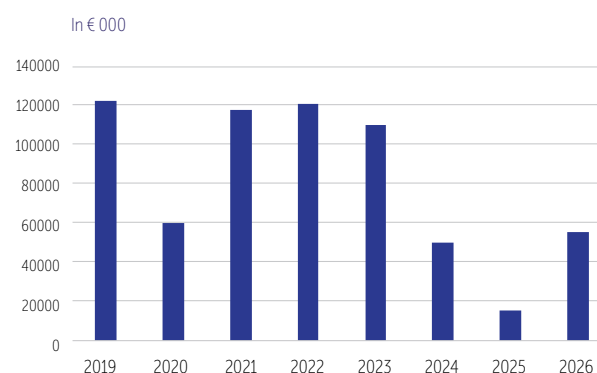
The commercial paper issues usually fluctuate around € 165 million, but given the highs and lows, the issues vary between € 140 and € 190 million. Given the short-term nature of this funding source, available, undrawn bank credits are at all time foreseen to cover the issued amount in the commercial paper programme. After deduction of this buffer, Leasinvest Real Estate still disposes of over € 41.6 million of available undrawn credit lines on 30/06/2019.

In January 2019 a new credit line of € 30 million was concluded. Furthermore, 2 credit lines that came to maturity in 2020 and 2022 were extended to respectively 2023 and 2026. Moreover, end 2019 2 other bank credits come to maturity. Discussions with the different banks to extend those credits are currently ongoing.

Next to that, the retail bond of € 75 million reaches maturity in October 2019. There are currently advanced negotiations between Leasinvest and different banks to refinance this amount.

The weighted average duration of the granted credit lines amounts to 3.0 years per 30/06/2019; this duration will increase after refinancing of the lines and the retail bond that fall due at the end of 2019.

## MATURITY DATES CREDIT LINES



The hedge ratio on 30/06/2019 amounts to 81% and is calculated based on the total nominal withdrawn hedge amount of the Interest Rate Swaps and Interest caps (€ 342.5 million), augmented by the credits at fixed rate including the bonds (€ 150.0 million) over the total withdrawn amount of financial debts per 30 June 2019 (€ 610.0 million). The weighted average duration of the hedges amounts to 6.6 years on 30/06/2019, which is significantly higher than the 5.35 years on 31 December 2018. Leasinvest took advantage of the historically low interest rates of the past months to conclude a number of forward starting interest rate swaps en cap contracts in order to secure the low interest rates for a longer term.

The weighted average funding cost has significantly dropped per 30 June 2019 to 2.34%, in comparison with 2.79% over the first half-year of 2018, following the restructuring of the Interest Rate Swaps in the course of 2018.

## Important events after the closing of the period 01/01/2019-30/06/2019

No important events took place after the closing of the first half-year of 2019.

## Corporate Governance

### COMPOSITION OF THE BOARD OF DIRECTORS OF THE STATUTORY MANAGER AND ITS SUBCOMMITTEES

At the general meeting of the statutory manager that took place on 20 May 2019 and with prior approval of the FSMA the following was decided:

- The nomination of Marcia De Wachter, Colette Dierick and Sigrid Hermans as independent directors for a term of 4 years, i.e. till the annual general meeting of May 2023;
- The renomination of Jean-Louis Appelmans as non-executive director for a term of 1 year, i.e. till the annual general meeting of May 2020;

At the demand of Mrs. Sonja Rottiers her mandate ended at this general meeting. Besides this, Mr. Nicolas Renders has also resigned as a director as of 17 May 2019.

The abovementioned amendments entail the adjustment of the different subcommittees of the board of directors, as presented below:

	Seat in the BoD as:	Seat in the audit committee:	Seat in the nomination and remuneration committee:
Jan Suykens	Chairman, non-executive director		X (chairman)
Michel Van Geyte	Managing director		
Piet Dejonghe	Non-executive director	X	
Jean-Louis Appelmans	Non-executive director		
Dirk Adriaenssen	Independent director		
Eric Van Dyck	Independent director		X
Marcia De Wachter	Independent director	X	
Colette Dierick	Independent director		
Sigrid Hermans	Independent director	X (chairman)	X

The abovementioned general meeting has also reviewed the remuneration of the independent directors. On top of the basic annual fixed fee (€ 20.000 for the board of directors and € 4.000 per committee), a remuneration of € 2.500 is granted per meeting of the board of directors and the committee they are a member of. All of this also applies to Jean-Louis Appelmans.

## Overview of main related-party transactions

In the period 01/01/2019-30/06/2019 no related-party transactions, which had material consequences with regard to the financial position or the results of Leasinvest Real Estate, took place.

## Main risks and uncertainties for the remaining months of the financial year

For an overview of the main risks and uncertainties we refer to the financial risk management in the condensed financial statements.

## Outlook financial year 2019

As already mentioned in the annual financial report 2018, subject to extraordinary circumstances, LRE expects a higher rental income in comparison with 2018, while the financial costs are expected to be in line with those of the previous year. However, we have to take into account that the number of shares has increased after the capital increase of October 2018, the results of 2019 having to be divided over 5.9 million shares vs 5.2 million shares in 2018, being the weighted average number of shares throughout 2018. Within this scope, a dividend is forecasted that will at least be equal to the dividend over the financial year 2018, namely € 5.10 gross per share.



# LEASINVEST REAL ESTATE ON THE STOCK EXCHANGE



**HANGAR 26/27**

ANTWERP (BE)







## Shareholder structure

The Leasinvest Real Estate shares are listed in Belgium on Euronext Brussels (BEL MID). Extensa Group SA (Ackermans & van Haaren Group) was the founder and promoter of the public B-REIT (GVV/SIR). Ackermans & van Haaren SA holds 100% of the shares of the statutory manager, Leasinvest Real Estate Management SA.

## Number of listed shares (5,926,644)

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

## Comments on key figures and graphs

In the first half-year of 2019 the price of the Leasinvest Real Estate share increased to € 103.00 nearly without any impact of the distribution of the dividend over the financial year 2018 in May 2019. The premium compared to the net asset value (based on fair value) amounted to +31% on 30/06/2019.

The average monthly traded volume of the share over the first half of 2019 increased and amounted to 45 114 shares (31/12/2018: 43 065). The velocity for 6 months (5.62% over the first half of 2019) also increased but is relatively limited due to the limited free float of the share (36.05%). If we only take account of the freely traded shares, the free float velocity for six months amounts to 15.60% over the first half-year of 2019.

Since the beginning of 2016 (31/03/2016: inclusion of the Leasinvest Real Estate share in the BEL MID index), we record a permanently higher return of the share in comparison with the index, till end 2017. Since the beginning of 2019 the return of the Leasinvest Real Estate share again follows the return of the BEL MID, with a slightly higher return for the BEL MID index.

In comparison with the EPRA Belgium index the Leasinvest Real Estate share still records a higher return. The return of the EPRA Eurozone Index showed an important rise in the first half-year of 2017 and recorded a substantially higher return than the Leasinvest Real Estate share, while at the end of the first half-year 2019 both converge.

## Key figures

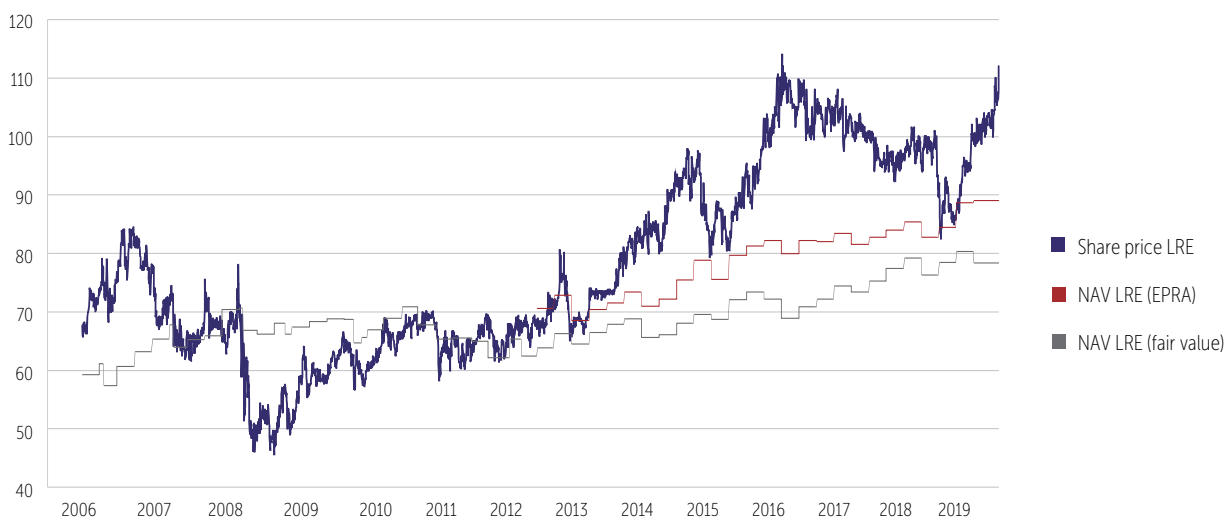
	30/06/2019	31/12/2018
Number of listed shares (#)	5 926 644	5 926 644
Number of issued shares (#)	5 926 644	5 926 644
Weighted average number of shares after capital increase on 4 October 2018 (#)	5 926 644	5.179.724
Market capitalisation based on closing price (€ million)	610	518
Free float (%)	36.05%	36.05%
Closing price (€) (1)	103.00	87.4
Highest price (€) (1)	104.00	99.65
Lowest price (€) (1)	87.00	82.60
Average monthly volume (#) (1)	45 114	43 065
Velocity (%) (1) (2)	5.62%	5.29%
Free float velocity (%) (1) (3)	15.60%	14.66%
Premium based on closing price vs NAV (fair value)	31%	-1.5%

(1) For the financial year 31/12/2018 the data are calculated over a period of 12 months and for 30/06/2019 over a period of 6 months.

(2) Number of traded shares / total number of listed shares.

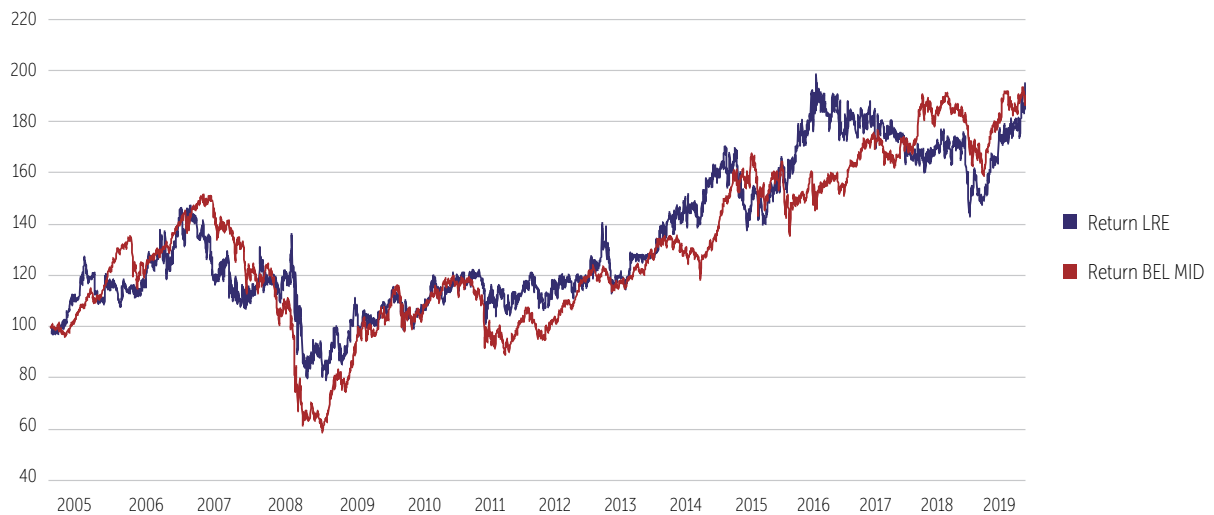
(3) Number of traded shares / (total number of listed shares \* free float).

## Price premium/discount Leasinvest Real Estate share price versus net asset values<sup>1</sup>



<sup>1</sup> Data till 09/08/2019 included.

## Comparison of return on the Leasinvest Real Estate share versus return BEL MID<sup>1 2</sup>



## Comparison of return on Leasinvest Real Estate share versus return on the EPRA indices (www.epra.com)<sup>3</sup>



<sup>1</sup> Indices to consult in the financial papers or on the internet.

<sup>2</sup> Data till 09/08/2019 included.

<sup>3</sup> Information from EPRA, not verified by any authority.



# REAL ESTATE REPORT



**MONTOYER 14**

CBD BRUSSELS (BE)

## Real estate market over the first half-year of 2019

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

### GRAND DUCHY OF LUXEMBOURG

#### OFFICE MARKET

Total H1 take-up reached 41,334 m<sup>2</sup>, Banking and Finance representing 46% of the transactions, Flex operators, also known as co-working and business centers, 21% and Business Services 14%.

Despite the robust economic health of Luxembourg, office take-up seems to have slowed down in the first half of this year. The Global context is an important factor to consider, and companies might want to wait to see how the current chaotic situation will evolve before taking any decisions to move offices.

Vacancy rates are still very low despite increasing slightly from 3.4% to 3.6%.

In terms of rents, we see an upward pressure in the CBD where we see some transactions approaching € 52/m<sup>2</sup> in the coming months. The same upward pressure exists on the Cloche d'Or and Kirchberg where prime rents could increase again in the next quarters.

Total Investment volume reached 629 million. Office transactions (99%) stay the main driver of growth in Luxembourg with a prime office yield of 3.75%.

#### RETAIL MARKET

Total full take-up (Retail Warehouse, Shopping Center and High Street) for the first 6 months of 2019 reached 14,261 m<sup>2</sup>, below the 29,133 m<sup>2</sup>, of H1 2018. Take-up in Shopping Centers grew by 50% versus the last 5-year H1 average and represents 50% of the total take-up, clearly linked to the completion of several projects, among which Cloche d'Or (70,000 m<sup>2</sup>). Among the biggest transactions there was Action in the Boomerang Shopping Center in Strassen (1,093 m<sup>2</sup>) and C&A in Knauf Schmiede (976 m<sup>2</sup>).

Prim rents remain stable in all categories.

### BELGIUM

#### OFFICE MARKET

H1 2019 was the best one in history with a take-up of 347,000 m<sup>2</sup> (+120% YoY), of which 55% in projects. The vacancy rate is down, close to a twenty-year low at 7.6%, vs. 8.0% in Q1, with only 3.3% in the CBD (vs. 3.7% in Q1, an all-time low). Outside the CBD the vacancy rate stands at 14.8% vs. 15.3%. However, vacant volume fell below 1 million m<sup>2</sup> for the first time since Q4 2002.

The prime rent stabilised at its highest level ever of € 315/m<sup>2</sup>/ year.

The Investment volume recorded in six months amounted to € 2.4 billion, down 7% from the record 2018, of which € 1.2 billion were invested in offices, or +7% YoY.

Prime yields compressed further to 4.15% for a 6/9 lease and long-term lease yields compressed to 3.5%.

As to regional markets, Antwerp is the largest and most dynamic market in Flanders, with the vacancy rate dropping at a fast pace. The prime rent amounts to € 150/155/m<sup>2</sup>/year, whereas Leasinvest succeeded in concluding new leases in its iconic Hangar 26/27 building at € 165/m<sup>2</sup>/ year.

#### RETAIL MARKET

The retail occupier market performs rather well on the demand-side despite the e-commerce headwinds, however the key issue is the evolution of rental values, even for prime locations. Variable rents are becoming one of the market practices, especially for international retailers like H&M and the Inditex group which links rent to turnover or other creative solutions.

From an investors point of view, many prefer underweighting retail assets in their portfolio while increasing logistics and alternatives.

Pricing has been adapted accordingly, prime yields trade 25 bps higher than 3 months ago at 4.25% for shopping centers, 3.5% for high street and 5.5% for retail warehousing.

## AUSTRIA

Increasing online sales lead to a stagnation of retail spaces. However, both retail sales and retail space per capita in Austria are among the highest in Europe. The further development path of turnover and sales area will be supported by expected population and income growth over the next five years.

## Composition & analysis of the real estate portfolio

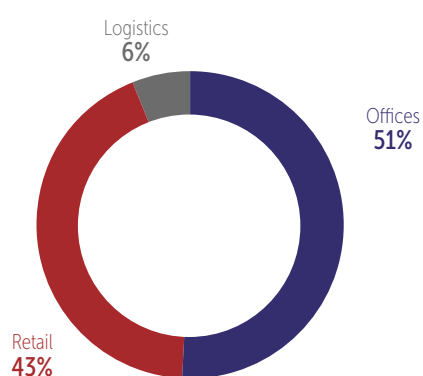
### GEOGRAPHICAL BREAKDOWN GRAND DUCHY OF LUXEMBOURG – BELGIUM - AUSTRIA

	Fair value (€ M)	Investment value (€ M)	Share in portfolio (%) < FV	Contractual rent (€ M/year)	Rental yield ◀ < FV (%)	Rental yield ◀ < IV (%)	Occupancy rate (%)	Duration
Grand Duchy of Luxembourg	581.46	591.75	55	37.85	6.51	6.40	93.87	3.39
Belgium	350.26	358.76	33	22.68	6.48	6.32	92.79	5.00
Austria	107.34	110.02	10	5.81	5.41	5.28	100.00	6.28
<b>Real estate available for lease</b>	<b>1 039.06</b>	<b>1 060.53</b>	<b>99</b>	<b>66.34</b>	<b>6.38</b>	<b>6.26</b>	<b>94.66</b>	<b>3.97</b>
<b>Assets held for sale</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>				
Projects Belgium	11.80	12.09	1	0.00				
<b>Total investment properties</b>	<b>1 050.86</b>	<b>1 072.62</b>	<b>100</b>	<b>66.34</b>				
IFRS 16 Right of use	4.24	0.00	0	0.00				
<b>Total investment properties (Incl. IFRS 16)</b>	<b>1 055.10</b>	<b>1 072.62</b>	<b>100</b>	<b>66.34</b>				

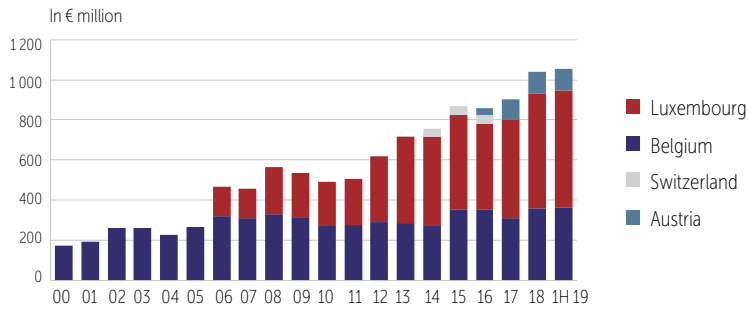
## BREAKDOWN ACCORDING TO ASSET CLASSES

	Fair value (€ M)	Investment value (€ M)	Share in portfolio (%) < FV	Contractual rent (€ M/year)	Rental yield ◀ < FV (%)	Rental yield ◀ < IV (%)	Occupancy rate (%)	Duration
<b>Retail</b>								
Retail Grand Duchy of Luxembourg	294.77	297.88	28	20.15	6.84	6.76	95.14	3.69
Retail Belgium	50.65	51.91	5	3.57	7.05	6.88	99.90	2.06
Retail Austria	107.34	110.02	10	5.81	5.41	5.28	100.00	6.28
<b>Total retail</b>	<b>452.76</b>	<b>459.81</b>	<b>43</b>	<b>29.53</b>	<b>6.52</b>	<b>6.42</b>	<b>96.58</b>	<b>4.04</b>
<b>Offices</b>								
Offices Grand Duchy of Luxembourg	264.47	271.10	25	16.37	6.19	6.04	93.41	2.47
Offices Brussels	211.73	217.03	20	13.02	6.15	6.00	92.33	4.54
Offices rest of Belgium	45.20	46.33	4	3.14	6.95	6.78	89.60	2.88
<b>Total offices</b>	<b>521.40</b>	<b>534.46</b>	<b>50</b>	<b>32.53</b>	<b>6.24</b>	<b>6.09</b>	<b>92.87</b>	<b>3.35</b>
<b>Logistics/Semi-industrial</b>								
Logistics/Semi-industrial Belgium	42.68	43.49	4	2.95	6.91	6.78	96.05	10.78
Logistics/Semi-industrial Grand Duchy of Luxembourg	22.22	22.77	2	1.33	5.99	5.84	93.92	3.51
<b>Total Logistics/Semi-industrial</b>	<b>64.90</b>	<b>66.26</b>	<b>6</b>	<b>4.28</b>	<b>6.59</b>	<b>6.46</b>	<b>94.82</b>	<b>8.28</b>
<b>Investment properties</b>								
Assets held for sale	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00
<b>Real estate available for lease</b>	<b>1 039.06</b>	<b>1 060.53</b>	<b>99</b>	<b>66.34</b>	<b>6.38</b>	<b>6.26</b>	<b>94.66</b>	<b>3.97</b>
Righth of use IFRS 16	4.24	0.00	0	0.00				
Projects Belgium	11.80	12.09	1	0.00				
<b>Total investment properties (Incl. IFRS 16)</b>	<b>1 055.10</b>	<b>1 072.62</b>	<b>100</b>	<b>66.34</b>				

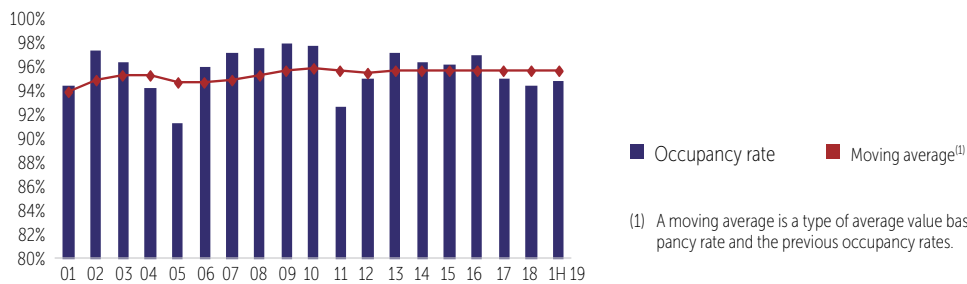
## ASSET CLASSES



## EVOLUTION OF THE FAIR VALUE

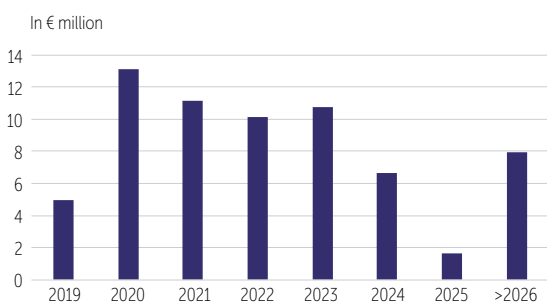


## OCCUPANCY RATE

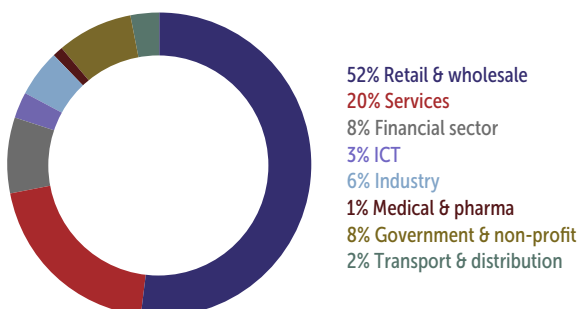


(1) A moving average is a type of average value based on a weight of the current occupancy rate and the previous occupancy rates.

## RENTAL BREAKS (FIRST BREAK DATE)



## TYPE OF TENANTS





## Conclusions of the real estate expert<sup>1</sup>

### 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 30 June 2019.

Our valuation has been prepared on the basis of the information provided by Leasinvest Real Estate SCA. We assume this information is correct and complete.

Our valuation methodology is the capitalisation of the market rent with corrections to take account of 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 and semi-industrial buildings, distribution centres and shops, located in Belgium, in the Grand Duchy of Luxembourg and in Austria.
2. The total occupancy rate<sup>2</sup> of the portfolio (including the projects) is 94.66% (respectively 93.82%, 94.35% and 100% for the Belgian, the Luxembourg and the Austrian portfolios).
3. The total occupancy rate of the portfolio (excluding the projects) is 94.66% (respectively 93.82%, 94.35% en 100% for the Belgian, the Luxembourg and the Austrian portfolios).
4. The remaining weighted average duration of the current leases for the whole portfolio equals to 15.87 quarters or 3.97 years. The projects and assets 'to be sold' were not taken into account in this parameter.
5. A total **investment value** of **€ 1,072,620,000** (one billion seventy-two million six-hundred and twenty thousand euro) has been determined, with respectively € 370,850,000, € 591,750,000 and € 110,020,000 as investment values for the Belgian, Luxembourg and Austrian portfolios.

6. A total **fair value** of **€ 1,050,850,000** (one billion fifty million eight-hundred and fifty thousand euro) has been determined, with respectively € 362,050,000, € 581,460,000 en € 107,340,000 as fair values for the Belgian, Luxembourg and Austrian portfolios.
7. In the course of Q2 2019, 2 new assets were acquired in Luxembourg, namely the buildings EBBC B and EBBC E, for a total estimated fair value of € 45,990,000. Both assets are office buildings in the office park European Bank & Business Center. An existing house with a fair value of € 781,882 was also purchased in view of the extension of Pommerloch.
8. IFRS 16: the value of 'the right of use/lease liability of 2 Belgian buildings to which this principle applies, namely The Crescent in Anderlecht and Hangar 26/27 in Antwerp, is respectively € 1,855,248 and € 2,387,917.  
We refer to the annexes for details on these 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 6.19% (respectively 6.12%, 6.65% and 5.28% for the Belgian, Luxembourg and Austrian portfolios) and the initial yield of the complete portfolio in terms of fair value is 6.31% (respectively 6.40%, 6.51% and 5.41% for the Belgian, Luxembourg and Austrian portfolios).



**GAETAN COPPENS**  
SENIOR VALUER  
VALUATION & ADVISORY



**ARDALÁN AZARI**  
ASSOCIATE  
VALUATION & ADVISORY

<sup>1</sup> The conclusions of the valuation report were reproduced with the agreement of Cushman & Wakefield.

<sup>2</sup> 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).

**CONDENSED  
FINANCIAL STATEMENTS**

The condensed consolidated financial statements of Leasinvest Real Estate have been approved for publication by the board of directors on **19 August 2019**.

The half-year report of the board of directors should be read jointly with the condensed financial statements of Leasinvest Real Estate. The condensed financial statements have been subject to a limited review by the auditor.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € 1 000)	30/06/2019	30/06/2018
Rental income	32 377	27 858
Write-back of lease payments sold and discounted	0	0
Related-rental expenses	-202	0
<b>NET RENTAL INCOME</b>	<b>32 175</b>	<b>27 858</b>
Recovery of property charges	2	76
Recovery income of charges and taxes normally payable by tenants on let properties	2 856	1 524
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0
Charges and taxes normally payable by tenants on let properties	-2 856	-1 524
Other rental-related income and expenditure	-1 170	-903
<b>PROPERTY RESULT</b>	<b>31 007</b>	<b>27 031</b>
Technical costs	-469	-508
Commercial costs	-478	-371
Charges and taxes on un-let properties	-838	-520
Property management costs	-2 905	-2 555
Other property charges	-348	-222
<b>PROPERTY CHARGES</b>	<b>-5 037</b>	<b>-4 176</b>
<b>PROPERTY OPERATING RESULT</b>	<b>25 969</b>	<b>22 855</b>
Corporate operating charges	-1 716	-1 438
Other operating charges and income	-7	122
<b>OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO</b>	<b>24 246</b>	<b>21 539</b>
Result on disposal of investment properties	795	0
Changes in fair value of investment properties	214	25
<b>OPERATING RESULT</b>	<b>25 255</b>	<b>21 564</b>
Financial income (1)	5 167	59
Net interest charges	-6 238	-6 803
Other financial charges	-656	-563
Changes in fair value of financial assets and liabilities	2 173	5 690
<b>FINANCIAL RESULT</b>	<b>446</b>	<b>-1 617</b>
<b>PRE-TAX RESULT</b>	<b>25 701</b>	<b>19 947</b>
Corporate taxes	-396	-264
Exit tax	0	0
<b>TAXES</b>	<b>-396</b>	<b>-264</b>
<b>NET RESULT</b>	<b>25 305</b>	<b>19 683</b>
Attributable to:		
Minority interests	0	0
<b>Net result - Group share</b>	<b>25 305</b>	<b>19 683</b>

(1) As the dividend from Retail Estates was already distributed in June – unlike previous financial years –, the corresponding income of € 5.1 million was already recognized in the first half-year.

## OTHER ELEMENTS OF COMPREHENSIVE INCOME

(in € 1 000)	30/06/2019	30/06/2018
<b>OTHER ELEMENTS OF COMPREHENSIVE INCOME</b>		
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS	-10 193	-601
<b>Other elements of comprehensive income</b>	<b>-10 193</b>	<b>-601</b>
Minority interests		
Other elements of comprehensive income – Group share	-10 193	-601
<b>Comprehensive income</b>	<b>15 113</b>	<b>19 082</b>
Attributable to:		
Minority interests	0	0
Comprehensive income – Group share	15 113	19 082
<b>NET RESULT</b>	<b>25 305</b>	<b>19 683</b>
To be eliminated		
- Result on disposal of investment properties	795	0
- Changes in fair value of investment properties	214	25
- Changes in fair value of financial assets and liabilities	2 173	5 690
<b>EPRA EARNINGS</b>	<b>22 124</b>	<b>13 968</b>

RESULTS PER SHARE (in €) (1)	30/06/2019	30/06/2018
	(6 months)	(6 months)
Comprehensive income per share, group share (1)	2.55	3.86
Comprehensive income per entitled share	2.55	3.86
Net result per share, group share (1)	4.27	3.99
Net result per entitled share	4.27	3.99
EPRA Earnings per share	3.73	2.83

(1) Based on the number of shares at closing date (30/06/2019).

## CONSOLIDATED BALANCE SHEET

(in € 1 000)	30/06/2019	31/12/2018
<b>ASSETS</b>		
<b>I. NON-CURRENT ASSETS</b>	<b>1 192 662</b>	<b>1 116 270</b>
Intangible assets	0	0
Investment properties	1 037 334	1 004 237
Other tangible assets	1 036	1 262
Non-current financial assets	136 527	92 974
Finance lease receivables	17 765	17 796
<b>II. CURRENT ASSETS</b>	<b>24 307</b>	<b>39 868</b>
Assets held for sale	0	15 050
Trade receivables	15 545	13 197
Tax receivables and other current assets	3 316	3 303
Cash and cash equivalents	4 178	7 403
Deferred charges and accrued income	1 268	915
<b>TOTAL ASSETS</b>	<b>1 216 969</b>	<b>1 156 107</b>
<b>LIABILITIES</b>		
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>464 430</b>	<b>475 811</b>
<b>I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY</b>	<b>464 430</b>	<b>475 811</b>
Capital	65 178	65 178
Share premium account	194 189	194 189
Purchase of treasury shares	-12	-12
Reserves	179 770	178 262
Net result of the financial year	25 305	38 194
Translation differences	0	0
<b>II. MINORITY INTERESTS</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>	<b>752 538</b>	<b>680 297</b>
<b>I. NON-CURRENT LIABILITIES</b>	<b>393 968</b>	<b>385 013</b>
Provisions	11	11
Non-current financial debts	325 723	334 509
- Credit institutions	304 384	312 359
- Other	21 339	22 150
Other non-current financial liabilities	53 549	35 625
Deferred taxes - liabilities	14 686	14 868
<b>II. CURRENT LIABILITIES</b>	<b>358 569</b>	<b>295 283</b>
Provisions	0	0
Current financial debts	288 173	264 198
- Credit institutions	47 500	47 533
- Other	240 673	216 665
Other current financial liabilities	0	0
Trade debts and other current debts	14 339	17 698
- Exit tax	0	0
- Other	14 339	17 698
Other current liabilities	44 938	2 048
Accrued charges and deferred income	11 119	11 339
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 216 968</b>	<b>1 156 107</b>

## CONSOLIDATED CASH FLOW STATEMENT

(in € 1 000)	30/06/2019 (6 months)	30/06/2018 (6 months)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>7 403</b>	<b>5 702</b>
<b>1. Cash flow from operating activities</b>	<b>15 871</b>	<b>3 757</b>
<b>Net result</b>	<b>25 305</b>	<b>19 683</b>
<b>Adjustment of the profit for non-cash and non-operating elements</b>	<b>-1 620</b>	<b>1 397</b>
<b>Depreciations, write-downs and taxes</b>	<b>-168</b>	<b>-195</b>
- Depreciations and write-downs on intangible and other tangible assets (+/-)	27	70
- Write-downs on current assets (-)	201	0
- Taxes	-296	-215
- Taxes paid	-100	-50
<b>Other non-cash items</b>	<b>-2 385</b>	<b>-5 715</b>
- Changes in fair value of investment properties (+/-)	-214	-25
- Increase (+) / Decrease (-) in fair value of financial assets and liabilities	-2 171	-5 690
<b>Non-operating elements</b>	<b>933</b>	<b>7 307</b>
- Gains on disposals of non-current assets	-794	0
- Dividends received	-5 068	0
- Write-back of financial income and financial charges	6 795	7 307
<b>Change in working capital requirements</b>	<b>-7 814</b>	<b>-17 323</b>
Movements in asset items	-2 915	-2 153
Movements in liability items	-4 899	-15 170
<b>2. 2. Cash flow from investment activities</b>	<b>-1 809</b>	<b>-31 711</b>
<b>Investments</b>	<b>-17 654</b>	<b>-31 711</b>
Investment properties in operation	-13 498	-6 343
Development projects		-11 793
Intangible and other tangible assets		-637
Non-current financial assets	-4 155	-12 938
<b>Divestments</b>	<b>15 845</b>	<b>0</b>
<b>3. Cash flow from financing activities</b>	<b>-17 287</b>	<b>26 550</b>
<b>Change in financial liabilities and financial debts</b>	<b>16 000</b>	<b>58 734</b>
Increase (+) / Decrease (-) of financial debts	16 000	58 734
Increase (+) / Decrease (-) of other financial liabilities	0	0
Financial income received	99	59
Financial charges paid	-6 894	-7 550
<b>Change in shareholders' equity</b>	<b>-26 492</b>	<b>-24 693</b>
Changes in reserves	0	0
Increase (+) / Decrease (-) of treasury shares	0	0
Dividend of the previous financial year	-26 492	-24 693
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>4 178</b>	<b>4 298</b>

## CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL AND RESERVES

(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
<b>IFRS BALANCE SHEET 31/12/18</b>	<b>65 178</b>	<b>194 189</b>	<b>5 431</b>	<b>56 086</b>	<b>-34 100</b>
Distribution closing dividend of previous financial year					
Transfer net result 2018 to reserves				1 627	
Comprehensive income financial year 2019 (6 months)					-10 193
<b>IFRS BALANCE SHEET 30/06/19</b>	<b>65 178</b>	<b>194 189</b>	<b>5 431</b>	<b>57 713</b>	<b>-44 293</b>

End June 2019 shareholders' equity, group share (based on the fair value of the investment properties) amounts to € 464.43 million (31/12/2018: € 475.81 million) or € 78.4 per share (31/12/2018: € 80.3).

The decrease in shareholders' equity in comparison with end 2018 is attributable to the dividend distribution over 2018, in May 2019, for an amount of € 26.49 million. On the other hand, there was a positive net result over the first half of 2019 of € 25.31 million. Furthermore, there was a negative revaluation of the derivatives held within the framework of effective hedging, of € 10.19 million. That revaluation is booked directly in shareholders' equity in conformity with IAS 39.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1 Basis for presentation

These interim condensed consolidated financial statements have been established in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. These interim condensed consolidated financial statements are in accordance with IAS 34 'Interim financial reporting'.

For establishing the interim condensed consolidated financial statements, the same accounting standards and methods have been used as for the financial statements per 31 December 2018, as described in note 2 to the financial statements in the Annual financial report 2018, to be consulted on the website [www.leasinvest.be](http://www.leasinvest.be).

Since 1 January 2019 the following standards modified by IASB and interpretations issued by IFRIC are applicable in the current period, but without a material impact on the presentation, the notes or the results of the company: Amendments to IFRS 9 Financial instruments; Amendments to IAS 19 Employee Benefits; Amendments to IAS 28 Investments in Associates and Joint Ventures; IFRIC 23 Uncertainty over Income Tax Treatments; Annual improvements of IFRS - cycle 2015-2017.

IFRS 16 Leases is applicable since 1 January 2019. IFRS 16 sets out the principles for the recognition, evaluation presentation and comments on leases and requires that lessees treat all leases according to one model in the balance sheet. At the start date of a lease the lessee recognizes a liability to make lease payments and an asset that represents the right to use the underlying asset during the lease term. Lessees are held to recognize the interest on the lease liability and the amortization on the right of use separately. Lessees are also held to reevaluate the lease liability in the case of certain events. In general, the lessee will recognize the amount of the reevaluation of the lease liability as an adjustment to the right of use.



RESERVES									
	Reserve for translation differences from 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	Other reserves	Result carried forward	Net result of the financial year	Shareholders' equity attributable to the shareholders of the parent company	Minority interests	Total shareholders' equity
	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
						25 305	15 112		15 112
	8	-7 341	-11	25 933	142 319	25 305	464 430	0	464 430

This standard had an impact on the balance sheet of Leasinvest Real Estate on 1 January 2019 for an amount of € 4.7 million, entirely relating to the investment properties.

The following amendments that enter into force as of next year or later are expected not to have any material impact on the presentation, comments or results of the GVV/SIR: IFRS 3 Business combinations; IFRS 17 Insurance contracts; amendments to IAS 1 Presentation of financial statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

## 2 Segment reporting

### CONDENSED CONSOLIDATED INCOME STATEMENT (GEOGRAPHICAL SEGMENTATION)

(in € 1 000)

(+) Rental income
(+) Write-back of lease payments sold and discounted
(+/-) Related-rental expenses
<b>NET RENTAL INCOME</b>
(+) Recovery of property charges
(+) Recovery income of charges and taxes normally payable by tenants on let properties
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease
(-) Charges and taxes normally payable by tenants on let properties
(+/-) Other rental-related income and expenditure
<b>PROPERTY RESULT</b>
(-) Technical costs
(-) Commercial costs
(-) Charges and taxes on un-let properties
(-) Property management costs (1)
(-) Other property charges
<b>PROPERTY CHARGES</b>
<b>PROPERTY OPERATING RESULT</b>
(-) Corporate operating charges
(+/-) Other operating charges and income
<b>OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO</b>
(+/-) Result on disposal of investment properties
(+/-) Changes in fair value of investment properties
<b>OPERATING RESULT</b>
(+) Financial income
(-) Interest charges
(-) Other financial charges
(+/-) Changes in fair value of financial assets and liabilities
<b>FINANCIAL RESULT</b>
<b>PRE-TAX RESULT</b>
(+/-) Corporate taxes
(+/-) Exit tax
<b>TAXES</b>
<b>NET RESULT</b>
Attributable to:
Minority interests
Group share

(1) The property management costs consist a/o of the fee paid by Leasinvest Real Estate and its Belgian subsidiaries to the statutory manager Leasinvest Real Estate Management SA. Of the total fee paid by Leasinvest Real Estate for the first 6 months of the financial year 2019 (€ 2.3 million) € 1.2 million is related to the Luxembourg real estate portfolio. The fee is however fully recorded in the Belgian segment because Leasinvest Real Estate is the actual debtor.

Belgium		Luxembourg		Austria		Corporate		TOTAL	
30/06/2019	30/06/2018	30/06/2019	30/06/2018	30/06/2019	30/06/2018	30/06/2019	30/06/2018	30/06/2019	30/06/2018
11 254	8 363	18 088	16 558	3 034	2 937			32 377	27 858
-202								-202	0
<b>11 052</b>	<b>8 363</b>	<b>18 088</b>	<b>16 558</b>	<b>3 034</b>	<b>2 937</b>	<b>0</b>	<b>0</b>	<b>32 175</b>	<b>27 858</b>
2	76							2	76
2 485	1 071	131	170	239	283			2 856	1 524
0		0		0		0		0	0
-2 485	-1 071	-131	-170	-239	-283			-2 856	-1 524
-805	-597	-328	-220	-38	-86			-1 170	-903
<b>10 249</b>	<b>7 842</b>	<b>17 761</b>	<b>16 338</b>	<b>2 996</b>	<b>2 851</b>	<b>0</b>	<b>0</b>	<b>31 007</b>	<b>27 031</b>
-280	-229	-104	-212	-84	-67			-469	-508
-183	-178	-257	-100	-37	-92			-478	-370
-422	-409	-417	-112	0	0			-838	-521
-2 579	-2 298	-278	-257	-48	0			-2 905	-2 555
-212	-177	-92	-45	-43	0			-348	-222
<b>-3 676</b>	<b>-3 291</b>	<b>-1 148</b>	<b>-726</b>	<b>-212</b>	<b>-159</b>	<b>0</b>	<b>0</b>	<b>-5 037</b>	<b>-4 176</b>
<b>6 573</b>	<b>4 551</b>	<b>16 613</b>	<b>15 612</b>	<b>2 784</b>	<b>2 692</b>	<b>0</b>	<b>0</b>	<b>25 969</b>	<b>22 855</b>
-1 264	-777	-330	-422	-122	-240			-1 716	-1 439
-63	-314	78	12	-22	425			-7	123
<b>5 247</b>	<b>3 460</b>	<b>16 360</b>	<b>15 202</b>	<b>2 639</b>	<b>2 877</b>	<b>0</b>	<b>0</b>	<b>24 246</b>	<b>21 539</b>
		795						795	0
-2 901	52	2 882	-451	233	424			214	25
<b>2 346</b>	<b>3 512</b>	<b>20 037</b>	<b>14 751</b>	<b>2 872</b>	<b>3 301</b>	<b>0</b>	<b>0</b>	<b>25 255</b>	<b>21 564</b>
						5 167	59	5 167	59
						-6 238	-6 803	-6 238	-6 803
						-656	-563	-656	-563
						2 173	5 690	2 173	5 690
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>446</b>	<b>-1 617</b>	<b>446</b>	<b>-1 617</b>
<b>2 346</b>	<b>3 512</b>	<b>20 037</b>	<b>14 751</b>	<b>2 872</b>	<b>3 301</b>	<b>446</b>	<b>-1 617</b>	<b>25 701</b>	<b>19 947</b>
						-396	-264	-396	-264
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-396</b>	<b>-264</b>	<b>-396</b>	<b>-264</b>
<b>2 346</b>	<b>3 512</b>	<b>20 037</b>	<b>14 751</b>	<b>2 872</b>	<b>3 301</b>	<b>50</b>	<b>-1 881</b>	<b>25 305</b>	<b>19 683</b>
								0	0
								<b>25 305</b>	<b>19 683</b>

## CONDENSED CONSOLIDATED BALANCE SHEET (GEOGRAPHICAL SEGMENTATION)

(in € 1 000)	Belgium	
	30/06/2019	31/12/2018
<b>ASSETS</b>		
Intangible assets	0	0
Investment properties (incl. development projects, excl. financial leasing)	348 535	343 271
Assets held for sale		0
Other assets	139 196	123 088
<b>ASSETS PER SEGMENT</b>	<b>487 731</b>	<b>466 359</b>
<b>LIABILITIES</b>		
Non-current financial debts		
Current financial debts		
Other liabilities		
<b>LIABILITIES PER SEGMENT</b>		
<b>SHAREHOLDERS' EQUITY</b>		

## SEGMENTATION PER ASSET CLASS (MAIN KEY FIGURES)

The real estate portfolio comprises both the buildings in operation and the development projects and the rights of use for certain concessions, recognized at the beginning of 2019 following the adoption of IFRS 16. For the calculation of the other key figures (rental income, rental yield, occupancy rate and weighted average duration of the leases) only the buildings in operation are taken into account.

(in € 1 000)	Retail		Offices		Logistics (and semi-industrial)		TOTAL	
	30/06/19	30/06/18	30/06/19	30/06/18	30/06/19	30/06/18	30/06/19	30/06/18
Rental income (incl. fee and leasing and excl. compensation for termination and incentives)	14 542	14 526	15 694	11 337	2 141	1 995	32 377	27 858
Fair value of the real estate portfolio	452 755	441 960	537 437	417 439	64 902	62 437	1 055 094	921 836
Investment value of the real estate portfolio	459 812	448 858	550 791	427 910	66 261	63 717	1 076 864	940 485
Occupancy rate	96.58%	97.53%	92.87%	91.08%	94.82%	93.51%	94.66%	94.44%
Rental yield (in fair value) of the segment	6.52%	6.53%	6.24%	6.68%	6.59%	6.76%	6.39%	6.61%
Rental yield (in investment value) of the segment	6.42%	6.43%	6.09%	6.51%	6.46%	6.62%	6.26%	6.48%
Weighted average duration till first break (# years)	4.04	4.35	3.35	3.56	8.28	9.13	3.97	4.19

Luxembourg		Austria		Corporate		TOTAL	
30/06/2019	31/12/2018	30/06/2019	31/12/2018	30/06/2019	31/12/2018	30/06/2019	31/12/2018
						0	0
581 462	554 436	107 337	106 530			1 037 334	1 004 237
	15 050					0	15 050
38 127	11 128	2 311	2 605			179 635	136 821
<b>619 589</b>	<b>580 614</b>	<b>109 648</b>	<b>109 135</b>	<b>0</b>	<b>0</b>	<b>1 216 969</b>	<b>1 156 108</b>
				325 723	334 509	325 723	334 509
				288 173	264 198	288 173	264 198
				138 642	81 589	138 642	81 589
				<b>752 538</b>	<b>680 296</b>	<b>752 538</b>	<b>680 296</b>
						<b>464 431</b>	<b>475 811</b>

### 3 Net rental result

The rental income has strongly risen to € 31.7 million compared to € 27.2 million on 30 June 2018. The increase in rental income is due, on the one hand, to a like-for-like rental growth of 8.5% mainly realized on the Belgian portfolio. On the other hand, the acquisitions of end 2018 (Hangar 26-27 and EBBC buildings A&C) fully contributed to the rental income of the first half of 2019.

(in € 1 000)	30/06/2019	30/06/2018
<b>Rental income</b>		
Rents	31 729	27 248
Guaranteed income	0	0
Rent-free periods	73	-119
Rental incentives	-152	0
Indemnities for early termination of the leases	53	67
Income from finance leases and comparable items	674	662
<b>TOTAL</b>	<b>32 377</b>	<b>27 858</b>
<b>Write-back of lease payments sold and discounted</b>	<b>0</b>	<b>0</b>
<b>Rental-related expenses</b>		
Rent payable on rented premises	0	0
Write-downs on trade receivables	-202	0
Write-backs of write-downs on trade receivables	0	0
<b>TOTAL</b>	<b>-202</b>	<b>0</b>
<b>NET RENTAL RESULT</b>	<b>32 175</b>	<b>27 858</b>

### 4 Investment properties and assets held for sale

The fair value<sup>1</sup> of the directly held real estate portfolio has increased and amounts to € 1 055.1 million end June 2019 compared to € 1 037.1 million end December 2018.

(in € 1 000)	Real estate available for lease		Development projects	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
<b>BALANCE AT THE END OF THE PREVIOUS FINANCIAL YEAR</b>	<b>992 510</b>	<b>830 754</b>	<b>11 727</b>	<b>54 400</b>
Investments	8 614	27 793	138	347
Divestments				
Translation effects	0			
Acquisitions of real estate	48 201	87 408		11 679
Transfer from/(to) other items**	-28 552	39 350		-54 400
Increase/(decrease) in fair value	523	7 205	-70	-299
Rights of use (IFRS 16)*	4 243			
<b>BALANCE AT THE END OF THE PERIOD</b>	<b>1 025 539</b>	<b>992 510</b>	<b>11 795</b>	<b>11 727</b>

\*Initial booking per 01/01/2019, revaluation 30/06/2019

\*\* Transfer from investment properties to Non-current financial assets with regard to "Immo Lux Airport"

<sup>1</sup> 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.

Total Investment properties		Finance lease receivables		Total investment properties and finance lease receivables		Assets held for sale		Total investment properties, finance lease receivables and assets held for sale	
30/06/2019	31/12/2018	30/06/2019	31/12/2018	30/06/2019	31/12/2018	30/06/2019	31/12/2018	30/06/2019	31/12/2018
1 004 237	885 154	17 796	17 841	1 022 033	902 995	15 050	0	1 037 083	902 995
8 752	28 140			8 752	28 140			8 752	28 140
0	0			0	0	-15 050		-15 050	0
0	0			0	0			0	0
48 201	99 087			48 201	99 087			48 201	99 087
-28 552	-15 050			-28 552	-15 050		15 050	-28 552	0
453	6 906	-31	-45	422	6 861			422	6 861
4 243				4 243	0			4 243	
1 037 334	1 004 237	17 765	17 796	1 055 099	1 022 033	0	15 050	1 055 099	1 037 083

## 5 Information on the financial debt

On 30/06/2019 the financial debts of € 15.2 million have increased in comparison with end 2018. This increase can be explained by the dividend distribution in May 2019 (€ 26.5 million) and the acquisition of the underlying buildings of the real estate certificate "Immo Lux Airport". On the other hand, the building "Kennedy" was sold in January 2019.

The item other loans (non-current and current) comprises for € 97.8 million the bond loans issued by Leasinvest Real Estate in 2013.

The confirmed credit lines (excl. the € 97.3 million bond loans and € 163.2 million of commercial paper) amount to € 556.5 million (end 2018: € 556.5 million) at the end of June 2019.

## 6 Calculation and further comments on the debt ratio

In accordance with art 24 of the RD of 13 July 2014, the public RREC 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 RREC.

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.

### DEBT RATIO OVERVIEW

As commented in the table below, historically, Leasinvest Real Estate's debt ratio has in general remained below 50% till 2011, but crossed the 50%-threshold as of 2012 as a consequence of the investment programme that was executed over the past years (more specifically within the framework of the development and later sale of the Bian office building in Luxembourg, the investment in the real estate certificates issued by Porte des Ardennes Schmiede SA and Porte des Ardennes Pommerlach SA for the refinancing of the shopping centers Knauf located in Schmiede and in Pommerloch, the acquisition of the building Tour & Taxis Royal Depot, the development of the completed project Royal20, the acquisition of the Mercator building, the acquisition of the buildings in Stadlau and the additional investment in the BE-REIT (GVV/SIR) Retail Estates and the development projects Montoyer 63, Treesquare and retail park Strassen). In 2018 there was a capital increase of € 84 million, which had a positive effect on the debt ratio. However, additional investments were realized with the acquisitions of Montoyer 14, EBBC A&C, Hangar 26/27 and the underlying buildings of "Immo Lux Airport". On the other hand, the building Kennedy was sold at the beginning of 2019.



(\*) Closing per 30/06

Financial year	Debt ratio	Note
2019	55.70%	(*)
2018	53.53%	
2017	57.14%	
2016	58.05%	
2015	58.03%	
2014	54.27%	
2013	53.53%	
2012	56.19%	
2011	47.29%	
2010	44.13%	
2009	47.61%	
2008	52.06%	
2007	40.93%	(*)
2006	44.15%	(*)
2005	32.23%	(*)
2004	41.06%	(*)
2003	41.38%	(*)
2002	44.94%	(*)

#### EVOLUTION OF THE DEBT RATIO IN THE LONG TERM

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 55.70% on 30 June 2019 Leasinvest Real Estate has a proportional investment potential based on debt financing of € 323.5 million without exceeding the 65%-debt ratio, and an investment potential of € 131.5 million without exceeding the 60%-debt ratio.

#### EVOLUTION OF THE DEBT RATIO IN THE SHORT TERM

Each quarter a projection of the debt ratio is presented to the board of directors in the scope of the presentation of the budget, in function of the forecasted results and the planned acquisitions and sales. Based on these elements, a projection is made for the coming years.

In the coming months we expect a decrease of the debt ratio. By the end of 2019 we expect to liquidate the real estate certificate "Immo Lux Airport", which can decrease the debt financing.

## OTHER ELEMENTS INFLUENCING THE DEBT RATIO

The valuation of the real estate portfolio has a direct impact on the debt ratio.

At present there are no indications in the market of strong negative evolutions. Through the diversification of the portfolio of Leasinvest Real Estate, both in terms of assets as geographically, the risk is also mitigated.

Should substantial value decreases take place in the real estate portfolio, with the risk that the debt ratio would exceed 65%, Leasinvest Real Estate can proceed to the sale of a number of its buildings to solve that issue.

It is the opinion of the board of directors that no additional measures are necessary to avoid the debt ratio from exceeding 65%.

## 7 Definition of the fair value of assets and liabilities per level

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 (non-adjusted) 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.

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, meaning that a detailed description of these data, as required by level 3, is not possible. 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 data, that are an approximation of the underlying credit risk. The valuation of the private bond is based on an approximation of an observable CDS spread and the evolution of the corresponding Euribor rate.

The financial leasing is valued based on a discounted cash flow principle.

## FAIR VALUE DISCLOSURES:

There were no transfers between items in 2019 in comparison with 31/12/2018.

(in € 1 000) per 30 June 2019	Level 1	Level 2	Level 3	fair value	book value
Non-current financial assets					
- Participations in other BE-REIT (GVV/SIR)/real estate certificates	135 809			135 809	135 809
- Other derivative instruments non-qualified as cash flow hedge				0	0
- Other derivative instruments qualified as fair value hedge		257		257	257
Finance-lease receivables			17 653	17 653	17 653
Current financial assets					
Trade receivables		15 545		15 545	15 545
Tax receivables and other current assets		3 316		3 316	3 316
Cash and cash equivalents	4 178			4 178	4 178
Deferred charges and accrued income		1 268		1 268	1 268
Non-current financial debts					
- Credit institutions		306 751		306 751	304 384
- Other		21 221		22 355	22 355
- Non-current financial debts (leasing)		4 532		4 532	4 532
Other non-current financial liabilities					
- Other financial derivatives through the income statement					
- Other financial derivatives through other equity components		49 017		49 017	49 017
Current financial debts					
- Credit institutions		47 500		47 500	47 500
- Other	75 330	165 343		242 377	240 673
Other current financial liabilities					
- Other financial derivatives through other equity components				0	
Trade debts and other current debts					
- Exit tax					
- Other		13 322		13 322	13 322
Other current liabilities		44 938		44 938	44 938
Accrued charges and deferred income		11 339		11 339	11 339

(in € 1 000) per end 2018	Level 1	Level 2	Level 3	fair value	book value
Non-current financial assets					
- Participations in other BE-REIT (GVV/SIR)/real estate certificates	91 816	0		91 816	91 816
- Other derivative instruments non-qualified as cash flow hedge				0	0
- Other derivative instruments qualified as fair value hedge		696		696	696
Finance-lease receivables			17 796	17 796	17 796
Current financial assets					
Trade receivables		13 167		13 167	13 167
Tax receivables and other current assets		3 303		3 303	3 303
Cash and cash equivalents	7 403			7 403	7 403
Deferred charges and accrued income		915		915	915
Non-current financial debts					
- Credit institutions		312 359		312 359	312 359
- Other		20 603		20 603	20 507
Other non-current financial liabilities					
- Other financial derivatives through the income statement					
- Other financial derivatives through other equity components		35 625		35 625	35 625
Current financial debts					
- Credit institutions		47 533		47 533	47 533
- Other		217 023		217 023	216 665
Other current financial liabilities					
- Other financial derivatives through other equity components		0		0	0
Trade debts and other current debts					
- Exit tax					
- Other		17 698		17 698	17 698
Other current liabilities		2 048		2 048	2 048
Accrued charges and deferred income		10 108		10 108	10 108

## 8 Important events after the closing of the period 01/01/2019-30/06/2019

No important events took place since the closing of the 2019 half-year.

## 9 Overview of the main related-party transactions

In the period 01/01/2019-30/06/2019 no transactions with related parties, which had material consequences with regard to the financial position or the results of Leasinvest Real Estate, took place.

## 10 Risks and uncertainties

With regard to the risks and uncertainties, management refers to the Annual Financial Report 2018, and more specifically to pages 6-15.

## REPORT OF THE STATUTORY AUDITOR TO THE SHAREHOLDERS OF LEASINVEST REAL ESTATE SCA ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2019 AND FOR THE SIX-MONTH PERIOD THEN ENDED

### Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Leasinvest Real Estate SCA (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2019 and the related interim condensed consolidated income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the cash flow statement for the six-month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated balance sheet total of € 1,216,969 thousand and a consolidated profit for the six-month period of € 25,306 thousand. The board of directors is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34") as adopted by the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements are not prepared, in all material aspects, in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

Brussels, 20 August 2019

Ernst & Young Bedrijfsrevisoren cvba/Ernst & Young Réviseurs d'Entreprises scrl

Statutory auditor

represented by



Partner

\* Acting on behalf of a bvba/sprl

## ANNEX I: Reconciliation tables EPRA APMs per 30/06/2019<sup>1</sup>

### EPRA WINST ◀

EPRA Earnings (€ 1 000)	30/06/2019	30/06/2018
Net Result – Group share as mentioned in the financial state-ments	25 305	19 683
Net Result per share - Group share as mentioned in the financial statements (in €)	4.27	3.99
Adjustments to calculate the EPRA Earnings	-3 182	-5 715
To exclude:		
(i) Changes in fair value of investment properties and assets held for sale	-214	-25
(ii) Result on the sale of investment properties	-795	0
(vi) Changes in fair value of financial instruments and non-current financial assets	-2 173	-5 690
EPRA Earnings	22 124	13 968
Number of registered shares in the result of the period	5 926 644	4 938 870
EPRA Earnings per share (in €)	3.73	2.83

### EPRA NAV ◀

EPRA NAV (€ 1 000)	30/06/2019	31/12/2018
NAV according to the financial statements	464 431	475 811
NAV per share according to the financial statements (in €)	78.4	80.3
To exclude		
(i) Fair value of the financial instruments	48 761	34 936
(v.a. Deferred tax)	14 686	14 868
EPRA NAV	527 878	525 615
Number of registered shares in the result of the period	5 926 644	5 926 644
EPRA NAV per share (in €)	89.07	88.7

### EPRA TRIPLE NET ASSET VALUE ◀

EPRA Triple Net Asset Value (€ 1 000)	30/06/2019	31/12/2018
EPRA NAV	527 878	525 615
Corrections:		
(i) Fair value of the financial instruments	-48 761	-34 936
(ii) Revaluation of debts at FV	-3 419	-3 087
EPRA NNNAV	475 698	487 592
Number of registered shares in the result of the period	5 926 644	5 926 644
EPRA NNNAV per share (in €)	80.3	82.3

<sup>1</sup> These figures were not audited by the auditor.

## EPRA NIY ◀ & EPRA TOPPED UP NIY ◀

EPRA Net Initial Yield (NIY) and Topped up Net Initial Yield (topped up NIY) (€ 1 000)		30/06/2019	31/12/2018
Investment properties and assets held for sale		1 055 094	1 037 083
To exclude:			
Development projects		-11 795	-11 727
Real estate available for lease		1 043 299	1 025 356
Impact FV of estimated transfer rights and costs resulting from hypothetical disposal of investment properties		-	-
Estimated transfer rights and costs resulting from hypothetical disposal of investment properties		21 476	21 426
Investment value of properties available for lease	B	1 064 775	1 046 782
Annualized gross rental income		66 340	65 170
Annualized property charges		-9 655	-10 209
Annualized net rental income	A	56 685	54 961
Gratuities expiring within 12 months and other lease incentives		73	-257
Annualized and adjusted net rental income	C	56 758	54 704
EPRA NIY	A/B	5.32%	5.25%
EPRA Topped up NIY	C/B	5.33%	5.23%

## EPRA VACANCY ◀ 2019

EPRA Vacancy (€ 1 000)		30/06/2019			
		Offices	Logistics	Retail	Total
Rental surface (in m <sup>2</sup> )		159 978	108 931	189 439	456 749
Estimated Rental Value of vacant spaces	A	2.19	0.19	1.09	3.47
Estimated Rental Value of total portfolio	B	33.36	4.18	29.76	67.30
EPRA Vacancy	A/B	6.56%	4.55%	3.66%	5.16%

## EPRA VACANCY ◀ 2018

EPRA Vacancy (€ 1 000)		31/12/2018			
		Offices	Logistics	Retail	Total
Rental surface (in m <sup>2</sup> )		167 070	108 931	184 605	460 606
Estimated Rental Value of vacant spaces	A	2.93	0.20	0.70	3.83
Estimated Rental Value of total portfolio	B	33.33	4.18	29.30	66.81
EPRA Vacancy	A/B	8.79%	4.78%	2.39%	5.73%

**EPRA COST RATIO ◀**

<b>EPRA cost ratio (€ 1 000)</b>		<b>30/06/2019</b>	<b>31/12/2018</b>
Other rental-related income and expenses		-1 170	-2 492
Property charges		-5 037	-8 749
General corporate overhead		-1 716	-2 798
Other operating charges and income		-7	-610
EPRA costs including rental vacancy costs	A	-7 930	-14 649
Direct costs of rental vacancy		838	907
EPRA costs excluding rental vacancy costs	B	-7 092	-13 742
Rental income	C	32 377	56 209
EPRA Cost ratio (including direct vacancy)	A/C	-24.49%	-26.06%
EPRA Cost ratio (excluding direct vacancy)	B/C	-21.90%	-24.45%

**ANNEX II: Reconciliation tables other APMs per 30/06/2019<sup>1</sup>****RESULT ON THE PORTFOLIO ◀**

<b>Result on the portfolio (€ 1 000)</b>	<b>30/06/2019</b>	<b>30/06/2018</b>
Result on sale of investment properties	795	-
Changes in fair value of investment properties	37	268
Latent taxes on portfolio result	177	-243
Result on the Portfolio	1 009	25

**NET RESULT – GROUP SHARE (AMOUNT PER SHARE) ◀**

<b>Net result – group share (amount per share)</b>	<b>30/06/2019</b>	<b>30/06/2018</b>
Net Result - group share (€ 1 000)	25 305	19 683
Number of registered shares in circulation	5 926 644	4 938 870
Net Result - group share per share	4.27	3.99

**NET ASSET VALUE BASED ON FAIR VALUE (AMOUNT PER SHARE) ◀**

<b>Net Asset value based on fair value (amount per share)</b>	<b>30/06/2019</b>	<b>31/12/2018</b>
Shareholders' equity attributable to the shareholders of the parent company (€ 1 000)	464 431	475 811
Number of registered shares in circulation	5 926 644	5 926 644
Net Asset Value (FV) group share per share	78.4	80.3

<sup>1</sup> These figures were not audited by the auditor.



**NET ASSET VALUE BASED ON INVESTMENT VALUE (AMOUNT PER SHARE) ◀**

<b>Net Asset Value based on investment value (amount per share)</b>	<b>30/06/2019</b>	<b>31/12/2018</b>
Shareholders' equity attributable to the shareholders of the parent company (€ 1 000)	464 431	475 811
Investment value of the investment properties per 31/12 (€ 1 000)	1 076 865	1 058 509
Fair value of the investment properties per 31/12 (€ 1 000)	1 055 094	1 037 083
Difference Investment value – Fair value per 31/12 (€ 1 000)	21 771	21 426
TOTAL	486 202	497 237
Number of registered shares in circulation	5 926 644	5 926 644
Net Asset Value (IV) group share per share	82.0	83.9

**CHANGES IN GROSS RENTAL INCOME AT CONSTANT PORTFOLIO (LIKE-FOR-LIKE) ◀**

<b>Changes in gross rental income at constant portfolio (like-for-like)</b>	<b>30/06/2019 vs. 30/06/2018</b>	<b>30/06/2018 vs. 30/06/2017</b>
Gross rental income at the end of the previous reporting period (€ 1 000)	27 911	27 842
2018 – 2019 changes to be excluded	2 111	83
- Changes following acquisitions	2 447	3 878
- Changes following divestments	-336	-3 795
Gross rental income at closing date reporting period (€ 1 000)	32 402	27 911
Change like for like (€ 1 000)	2 380	-14
Change like for like (%)	8.5%	-0.1%

**AVERAGE FUNDING COST ◀ IN %**

<b>Average funding cost in %</b>	<b>30/06/2019</b>	<b>31/12/2018</b>
Interest charges on an annual basis (€ 1 000)	-12 418	-13 545
Commitment fees on an annual basis (€ 1 000)	-1 175	-1 095
Interest paid incl. commitment fees on an annual basis (€ 1 000)	-13 593	-14 640
Weighted average drawn debt (€ 1 000)	580 259	564 746
Average funding cost in %	2.34%	2.59%

**COMPREHENSIVE INCOME – GROUP SHARE (AMOUNT PER SHARE) ◀**

<b>Comprehensive income – group share (amount per share)</b>	<b>30/06/2019</b>	<b>30/06/2018</b>
Net Result – group share (€ 1 000)	25 305	19 683
Other elements of comprehensive income	-10 193	-601
Impact on fair value of estimated transfer rights and costs for hypothetical disposal of investment properties	0	
Changes in the effective part of the fair value of authorized hedges in cash-flow hedging as defined IFRS	-10193	-601
Comprehensive income – group share	15 113	19 083
Number of registered shares in circulation	5 926 644	4 938 870
Comprehensive income – group share per share	2.55	3.86

## IDENTITY CARD

### LEASINVEST REAL ESTATE

<b>Public REIT (SIR/GVV) under Belgian Law</b>	Leasinvest Real Estate SCA
<b>Legal entity</b>	Limited partnership by shares (SCA)
<b>Registered office</b>	Route de Lennik 451, 1070 Brussels, Belgium
<b>Administrative office</b>	Schermersstraat 42, 2000 Antwerp, Belgium
<b>Contact</b>	T +32 3 238 98 77 – F +32 3 237 52 99
<b>E-mail</b>	investor.relations@leasinvest.be
<b>Web</b>	<a href="http://www.leasinvest.be">http://www.leasinvest.be</a>
<b>Register of legal entities</b>	Brussels
<b>VAT</b>	BE 0436.323.915
<b>Established</b>	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)
<b>Term</b>	Unspecified
<b>Financial year</b>	1 January – 31 December
<b>Listing</b>	Euronext Brussels, BEL Mid
<b>Liquidity provider</b>	Bank Degroof Petercam
<b>Financial service</b>	Main paying agent Bank Delen
<b>Auditor</b>	Ernst & Young Réviseurs d'entreprises, represented by Joeri Klaykens, certified auditor
<b>Real estate experts</b>	Cushman & Wakefield – Stadim – Oerag – de Crombrugge & Partners
<b>Supervision</b>	FSMA

## FINANCIAL CALENDAR

21/08/2019	Half-year financial report 2019
14/11/2019	Interim statement Q3 (30/09/2019)
19/02/2020	Annual results 2019 (31/12/2019)
30/03/2020	Annual financial report 2019
18/05/2020	Interim statement Q1 (31/03/2020)
18/05/2020	Annual meeting of shareholders
25/05/2020	Dividend payment
20/08/2020	Half-year financial report 2020

## CONTACT INVESTOR RELATIONS

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This half-year financial report is available on:

[www.leasinvest.be](http://www.leasinvest.be) - **investor relations - reports - half-year results.**

You can request a printed copy via registration on [www.leasinvest.be](http://www.leasinvest.be).

Concept and design: [www.theimagecompany.be](http://www.theimagecompany.be)



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