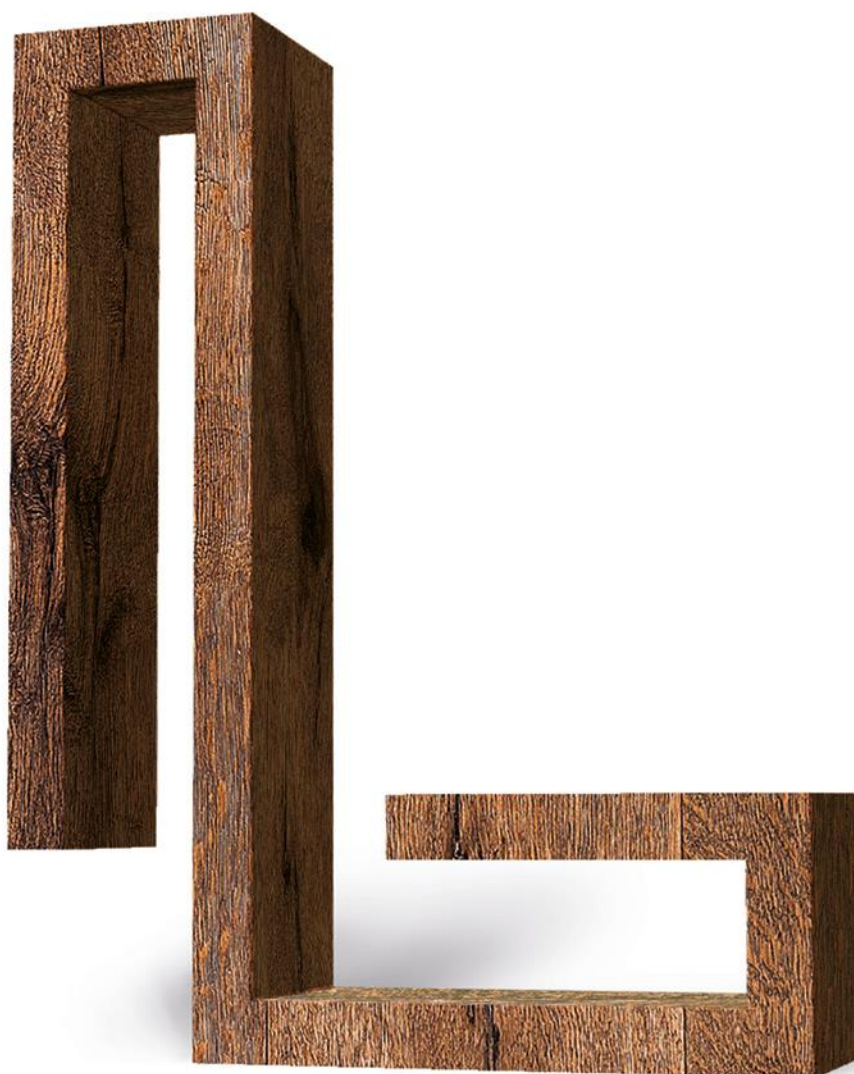


PRESS RELEASE

Notes of the manager on the
past financial year 2020



Regulated
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10/02/2021 – 17.40h



www.leasinvest.be

NOTES OF THE MANAGER ON THE PAST FINANCIAL YEAR 2020

KEY DATA

For the financial year 2020 we record the following key data:

- Corona-impact of -6.5% on rental turnover
- The EPRA earnings¹ decrease by 12% from € 40.5 million end 2019 to € 35.6 million (€ 6.01 per share vs € 6.83 per share)
- Financial headroom of € 83 million
- Dividend proposal maintained at € 5.25 gross per share
- Occupancy rate rises from 90.46% end 2019 to 91.62%
- Average funding cost is expected to substantially drop following the early repayment of derivatives



MICHEL VAN GEYTE CEO:

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

¹ Alternative Performance Measures (APM) in the sense of the ESMA directive of 5 October 2015 in this press release are indicated with an asterisk (*) and are further explained in the annexes to this press release.

Activity report

2020 was also a special year for Leasinvest. The Corona pandemic has had an impact on our results, both in terms of rental income and in terms of revaluation results on the participation in Retail Estates.

The various lockdowns, with associated mandatory store closures in the three countries in which Leasinvest operates, have led to several tenants from the retail segment approaching us with a demand for deferrals and/or temporary rent reductions. This resulted in a loss of turnover of € 4.2 million, of which € 2.5 million has already been definitively granted and the balance was recognized as a provision on turnover, as negotiations with various tenants are still ongoing.

As in the first lockdown, Leasinvest chooses to look at every situation tenant per tenant, since the impact of the pandemic differs based on the country, the sector, the financial capacity, etc. This way of working leads to the process taking longer, because of the very thorough analysis of each situation, with the aim of pursuing a long-term business relationship with our tenants.

Restructuring of Luxembourg activities

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

Early repayment of derivatives

Within the framework of its hedging strategy, it was decided to lower the hedge ratio from 90% to the previously defined percentage of 75% for the 5 following years.

In particular, interest rate swaps were repaid for a nominal amount of € 115 million, which corresponds to a payment of € 20 million. As a result, this negative value, which has always been recorded under *Other Comprehensive Income* in the past, was as a one-off recycled through the income statement (revaluation results on financial instruments). More importantly, however is that this will significantly reduce the future funding cost, as early as of the first quarter of 2021. An estimate depending on short-term interest rates will nevertheless lead to a reduction in the average funding cost to a level slightly below 2%, which corresponds to a saving of approximately € 3 million per year.

Divestments

BELGIUM

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

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

Sale of State Archives in Bruges

On 1 December 2020, the State Archives in Bruges were sold to the listed regulated real estate company (GVV/SIR) QRF, through the transfer of 100% of the shares of RAB Invest NV.

The building was sold at € 20.6 million, in line with the latest fair value estimated by the independent real estate experts on 30/09/2020. The annual rent of this building amounted to approximately € 1.3 million.

GRAND DUCHY OF LUXEMBOURG

Sale of Esch 25 in Luxembourg

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

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

Developments

GRAND DUCHY OF LUXEMBOURG

Shopping center Knauf Pommerloch

For the shopping center Knauf Pommerloch located in the north of the Grand Duchy of Luxembourg near the Belgian border, the new car park (partially), the entrance to the gallery Bastogne-side and the new commercial spaces were opened at the end of 2020. The final delivery of the car park remains scheduled in Q1 2021.

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



Shopping center Knauf Schmiede

For Shopping center Knauf Schmiede, the renovation was continued, and the works are almost back on track as the construction sites have been stationary for only 3 weeks due to the Corona crisis.

The major renovation works, with an extension of approximately 7,000 m², take place in 2 phases, the first of which was finalized and opened to the public with a gallery whose interior was renewed and in which 2 new kiosks, Fred's and Leonidas, were opened, in addition to a children's play area. The completion of the extension is foreseen in Q1 2022. These works include a broader commercial offer, a new catering concept and a zone for activities and relaxation for families.

In the meantime, the demolition works for zone 2 have progressed well in order to start construction in the course of Q1 2021, for final completion in Q1 2022.



EBBC business park, currently Moonar

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



Mercator, Route d’Arlon

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



BELGIUM

Brussels – Office building Monteco (Montoyer 14)

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



Leasinvest's ambition is to build the first high-rise building in a timber frame construction and to be the reference for the new generation of sustainable "recyclable buildings".

The building permit was granted at the end of July 2020. The demolition works have now started, so that the new construction can start at the end of Q1 2021. The reception of the new building is planned for Q1/Q2 2022.

In the meantime, the commercialization of this project was started.

Antwerp - Hangar 26/27

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

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



Leases

EVOLUTION OCCUPANCY RATE

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

LEASES

Grand duchy of Luxembourg

As already mentioned above, the Mercator/High 5! office building is undergoing a rebranding at the moment, with renovation of the common areas and the vacant offices. However, in the first half-year an additional lease of 461 m² could be signed for an existing customer. In Q3, a lease was concluded with CHL (Centre Hospitalier de Luxembourg) for the lease of the 4th floor (1 557 m²) from 1 October 2020, for a period of more than 6 years.

For the building CFM Titanium different leases were signed in the course of 2020, for a total of approximately 2,100 m² of office space.

The Building Monnet 4 is currently fully leased.

In Shopping center Knauf Pommerloch, in addition to a number of new leases and – extensions in the course of 2020, a new lease was concluded in Q3 with New-Yorker for 1,500 m², with opening in March 2021.

Belgium

For Hangar 26/27 in Antwerp a new lease of 500 m² could be concluded.

As far as the retail part of the Brixton Business park is concerned, no tenant has exercised his notice option as of 27/04/2021. However, 1 unit is subject to the consequences of the bankruptcy of Mega World; negotiations with prospective tenants are ongoing.

For Tour & Taxis Royal Depot we record an increase in occupancy rates following the conclusion of rental extensions and 3 new leases (respectively 223 m², 187 m² and 192 m²) and in Q4 a significant rental extension concerning 858 m² for a period of 6 years, or until 30/06/2028.

In The Crescent Anderlecht, an important new lease of 900 m² was recorded during the first half-year, increasing the total occupancy rate of the building from 70% to 80%.

Sustainability strategy

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

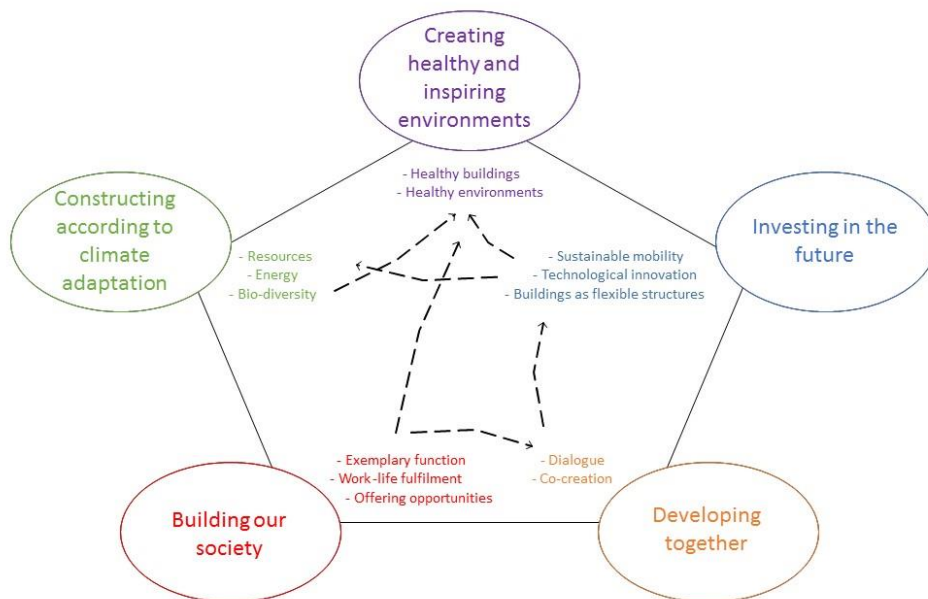
L IVEABLE

E VOLVING

A DAPTABLE

S OCIETAL

I NVEST MENTS



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

Corporate Governance

COMPOSITION OF THE BOARD OF DIRECTORS OF THE STATUTORY MANAGER

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

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

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

Miscellaneous

EPRA GOLD AWARD FOR ANNUAL FINANCIAL REPORT 2019



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

Consolidated Key figures

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

(1) The real estate portfolio comprises the buildings in operation, the development projects, the assets held for sale, as well as the buildings presented as financial leasing under IFRS.

(2) Fair value: the investment value as defined by an independent real estate expert and of which the transfer rights have been deducted. The fair value is the accounting value under IFRS. The fair value of Retail Estates has been defined based on the share price on 31/12/2020.

(3) The investment value is the value as defined by an independent real estate expert and of which the transfer rights have not yet been deducted.

(4) Fair value and investment value estimated by real estate experts Cushman & Wakefield, Stadim (BeLux) and Oerag (Austria).

(5) For the calculation of the rental yield and the occupancy rate only the buildings in operation are taken account of, excluding the assets held for sale and the development projects.

(6) The occupancy rate has been calculated based on the estimated rental value.

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

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

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

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

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

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

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

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

The decrease in rental income of € -3.7 million is largely due to the Corona pandemic. This is also manifested in lower EPRA earnings (by €-4.9 million), although the latter is also partly due to slightly higher funding costs.

The important decrease in net result (by €-42.2 million) is mainly due to the write-down on participation in Retail Estates (€-33.5 million), which was recorded at the share price at the balance sheet date in accordance with IFRS standards. In addition, a number of effective hedging instruments were also repaid early, resulting in a negative amount of € 20.3 million of *other comprehensive income* being recycled through the income statement.

Both negative effects were partially offset by a positive portfolio result (€ 31.5 million). As mentioned above, valuations of the real estate in Luxembourg were sharpened. The fact that the building "Esch 25" could be sold with a capital gain of € 2 million (+19%) compared to the fair value on 30 September 2020, is an illustration of the strong performing office market in Luxembourg.

On the other hand, an important loss (€-25 million) was booked on the Knauf shopping centers in Luxembourg. The Corona pandemic creates considerable uncertainty here because of the continuous risk of a mandatory closure of non-essential shops by the government, combined with a possible closure of the borders, which obviously does not contribute to cross-border shopping.

The comprehensive income group share* has decreased from € 43.3 million to € 25.7 million by a combination of a lower net result (€ -42.2 million) and a higher amount (€ +24.7 million) of other elements of comprehensive income.

The EPRA Earnings* (previously the net current result) end 2020 amount to € 35.6 million (or € 6.01 per share), compared to € 40.5 million (or € 6.83 per share) end 2019.

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

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

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

(3) EPRA 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.

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

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

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

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

Financial overview

Consolidated income statement (in € 1 000)

	31/12/2020	31/12/2019
(+) Rental income	61 572	65 280
(+/-) Related-rental expenses	-1 724	-530
NET RENTAL INCOME	59 848	64 750
(+) Recovery of property charges	102	411
(+) Recovery income of charges and taxes normally payable by tenants on let properties	3 748	5 315
(-) Charges and taxes normally payable by tenants on let properties	-3 748	-5 315
(+/-) Other rental-related income and expenditure	-1 886	-2 543
PROPERTY RESULT	58 064	62 618
(-) Technical costs	-871	-1 082
(-) Commercial costs	-970	-1 211
(-) Charges and taxes on un-let properties	-1 345	-1 349
(-) Property management costs	-6 410	-5 909
(-) Other property charges	-604	-527
PROPERTY CHARGES	-10 200	-10 078
PROPERTY OPERATING RESULT	47 864	52 540
(-) Corporate operating charges	-2 065	-3 013
(+/-) Other operating charges and income	401	-48
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	46 200	49 479
(+/-) Result on disposal of investment properties	2 211	-413
(+/-) Changes in fair value of investment properties	29 286	4 064
OPERATING RESULT	77 697	53 130
(+) Financial income	5 946	5 673
(-) Net interest charges	-14 791	-12 780
(-) Other financial charges	-1 240	-1 374
(+/-) Changes in fair value of financial assets and liabilities	-59 450	5 756
FINANCIAL RESULT	-69 534	-2 725
PRE-TAX RESULT	8 163	50 405
(+/-) Corporate taxes	-480	-505
TAXES	-480	-505
NET RESULT	7 683	49 900

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

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

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

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

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

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

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

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

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

The financial result (excluding revaluations) amounts to € -10.1 M on 31/12/2020 in comparison with € -8.5 M on 31/12/2019. The increase is mainly due to the increase in hedging costs. This increase was partially offset by a higher dividend from Retail Estates, € 5.9 M in comparison with € 5.1 M the previous year.

The funding cost has increased from 2.14% end December 2019 to 2.35% end December 2020. This increase can mainly be explained by an increase in the average hedge ratio throughout 2020 in combination with a decrease of the Euribor 3M. This increase is partially offset by lower interest rates on credits, mainly following the repayment of the expensive retail bond in October 2019.

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

Corporate taxes amount to € 0.5 M.

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

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

Consolidated Balance sheet (in € 1 000)

ASSETS	31/12/2020	31/12/2019
I. NON-CURRENT ASSETS	1 223 098	1 226 032
Investment properties	1 141 190	1 092 529
Other tangible assets	1 554	1 133
Non-current financial assets	80 355	114 650
Finance lease receivables	0	17 720
II. CURRENT ASSETS	17 449	21 980
Trade receivables	10 229	13 944
Tax receivables and other current assets	3 217	2 000
Cash and cash equivalents	2 745	5 013
Deferred charges and accrued income	1 259	1 023
TOTAL ASSETS	1 240 548	1 248 012

LIABILITIES	31/12/2020	31/12/2019
TOTAL SHAREHOLDERS' EQUITY	487 211	492 577
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	487 211	492 577
Capital	65 178	65 178
Share premium account	194 189	194 189
Purchase of treasury shares	-12	-12
Reserves	220 173	183 322
Net result of the financial year	7 683	49 900
II. MINORITY INTERESTS	0	0
LIABILITIES	753 337	755 435
I. NON-CURRENT LIABILITIES	519 135	492 019
Provisions - other	11	11
Non-current financial debts	460 478	425 771
- Credit institutions	358 917	324 381
- Other	101 561	101 390
Other non-current financial liabilities	38 713	51 831
Other non-current liabilities		
Deferred taxes	19 933	14 406
II. CURRENT LIABILITIES	234 202	263 417
Provisions		
Current financial debts	205 022	235 149
- Credit institutions	83 051	15 028
- Other	121 971	220 121
Trade debts and other current debts	17 807	16 061
- Exit tax	0	273
- Other	17 807	15 788
Other current liabilities	1 672	1 564
Accrued charges and deferred income	9 701	10 643
TOTAL EQUITY AND LIABILITIES	1 240 548	1 248 012

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

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

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

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

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

Management of financial resources

Begin December 2020 a private bond for an amount of € 20 million came to maturity. In order to maintain the headroom, an additional bank credit line of € 20 million was closed.

As regards bank financing, an amount of € 40 million of credit lines expired in the course of 2020, all of which were either extended or replaced by a line of credit with the same amount.

In addition, there were also maturity dates of credits in the course of Q1 2021 for an amount of € 35 million. All of these have already been extended, which means that the average duration of the credits currently amounts to 3.36 years.

The next expiry dates are for the second half of 2021, but the headroom of € 83 million is higher than the amount of these lines of credit, which gives us margin to settle the extensions in the coming months.

In the course of December 2020, a notional amount of € 115 million of efficient derivatives was repaid, for a value of € 20.3 million. All these derivatives had a *strike rate* of more than 2% and an average maturity of more than 5 years, which will significantly and sustainably reduce the future funding cost to levels below 2%. As a result, the hedge ratio drops from 82% to 70%.

In addition, a number of *blend & extends* were applied to the existing portfolio of derivatives, which extended these instruments over time, but reduced the *strike rate*. However, the average maturity of derivatives decreases from 5.54 years at the end of 2019 to 4.58 years at the year-end of 2020, as the early repayment of derivatives had a greater effect.

The average funding cost increased from 2.14% in 2019 to 2.35% over 2020. In the future, this average funding cost will decrease significantly, as both the cost of derivatives and interest charges are expected to be lower in 2020.

Important events after the closing of the financial year 2020

On 21 January 2021, a sales agreement was concluded for the semi-industrial part of the Brixton Business Park. The deed of sale will in principle be passed in the course of this month.

Outlook for the financial year 2021

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

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

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

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

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

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

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

Appropriation of the result – dividend payment

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

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

The Ex-date is 20/05/2021 and the Record date is 21/05/2021.

Statement without reservation of the auditor

The auditor Ernst & Young Réviseurs d'entreprises, represented by Mr. Joeri Klaykens, has confirmed that his audit of the consolidated financial statements, established according to the International Financial Reporting Standards as adopted by the European Union, has been fully completed and has not shown any important corrections, which should be made to the accounting data, adopted from the consolidated financial statements, and presented in this press release.

Financial calendar

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

Annual financial report

The annual financial report regarding the financial year 2020 in the form of a brochure, which comprises the annual financial statements, the annual report and the report of the auditor, is available as from 31/03/2021 (PDF online on the website) and can be obtained, on simple demand, at the following address:

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On LEASINVEST REAL ESTATE SCA

Leasinvest Real Estate SCA is a Public BE-REIT (SIR/GVV) that invests in high quality and well-located retail buildings and offices in the Grand Duchy of Luxembourg, Belgium and Austria.

At present, the total fair value of the directly held real estate portfolio of Leasinvest amounts to € 1.14 billion, spread across the Grand Duchy of Luxembourg (56%), Belgium (28%) and Austria (16%).

Moreover, Leasinvest is one of the most important real estate investors in Luxembourg.

The public BE-REIT is listed on Euronext Brussels and has a market capitalization of € 462 million (value on 9 February 2021).

ANNEX 1:

Detail of the calculations of the EPRA performance indicators

EPRA EARNINGS

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

EPRA NRV

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

EPRA NTA

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

EPRA NDV

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

EPRA NAV

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

EPRA TRIPLE NET ASSET VALUE

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

EPRA NIY & EPRA TOPPED UP NIY

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

EPRA VACANCY 2020

EPRA Vacancy (€ 1 000)		31/12/2020			
		Offices	Logistics	Retail	Total
Rental surface (in m ²)		144 313	99 151	215 568	459 032
Estimated Rental Value of vacant spaces	A	3.80	0.05	1.64	5.49
ERV of total portfolio	B	29.06	2.61	33.79	65.46
EPRA Vacancy	A/B	13.08%	1.92%	4.85%	8.39%

EPRA VACANCY 2019

EPRA Vacancy (€ 1 000)		31/12/2019			
		Offices	Logistics	Retail	Total
Rental surface (in m ²)		156 390	104 025	215 568	475 983
Estimated Rental Value of vacant spaces	A	5.53	0.12	0.86	6.51
ERV of total portfolio	B	31.12	4.04	33.17	68.33
EPRA Vacancy	A/B	17.77%	2.97%	2.59%	9.53%

EPRA COST RATIO

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

ANNEX 2:

Detail of the calculations of the Alternative Performance Measures² (APMs) used by Leasinvest Real Estate

RESULT ON THE PORTFOLIO

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

NET RESULT – GROUP SHARE (AMOUNT PER SHARE)

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

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

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

² Excluding the EPRA performance measures that are also considered as APM and are reconciled in Annex 1 Detail of the calculations of the EPRA performance measures above.

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

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

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

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

AVERAGE FUNDING COST IN %

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

COMPREHENSIVE INCOME – GROUP SHARE (AMOUNT PER SHARE)

Comprehensive income – Group share (amount per share)	31/12/2020	31/12/2019
Net result - Group share (€ 1 000)	7 683	49 900
Other elements of comprehensive income	18 066	-6 642
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS	18 066	-6 642
Comprehensive income – Group share	25 749	43 258
Number of registered shares in circulation	5 926 644	5 926 644
Comprehensive income – Group share per share	4,34	7.30