

PRESS RELEASE

Update Covid-19-impact



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UPDATE COVID-19-IMPACT

The measures to limit the spread of the Covid-19 virus had an important impact on the global economy, and consequently on our company.

As practically all shops of our retail tenants have in the meantime reopened, we have a clearer view on the impact up until now.



"Congratulations to all our teams that led many negotiations over the past months and continue to do so, to reach the best possible solutions together with our tenants. Thanks to their efforts we are able to define a clear trend in the concessions that will help us all progress in all our activities."

Diversified real estate portfolio, different markets

Leasinvest Real Estate has a well-diversified real estate portfolio spread across the Grand Duchy of Luxembourg (53%), Belgium (31%) and Austria (16%), and is present in the asset classes offices (46%), retail (48%) and logistics (6%).

AUSTRIA

The assets in Austria are exclusively retail assets. As it was the case in Belgium, all essential shops, such as supermarkets, pharmacies, etc. remained all the time open (31% of our Austrian rental turnover). Since 14 April, DIY-shops and retail spaces below 400 sqm have been reopened, in their turn representing 24%. The other stores followed on 1 May and since 15 May the catering sector is also finally operational again. The footfall in Frunpark Asten reached 65% on average in March and April in comparison with 2019, while a rise of 6% was recorded in May, compared to May 2019, and an ex-aequo for the month of June.

GRAND DUCHY OF LUXEMBOURG

The impact on our Luxembourg real estate portfolio is mainly situated in the retail segment, of which food (incl. food for pets) and DIY however represent over 30%. As it was the case in Belgium, DIY-stores could reopen as of 20 April, representing 19% of the Luxembourg retail rents. The rest of the stores could also reopen as of 11 May, and catering finally as of 29 May. The borders remained however closed, refraining mainly our Knauf shopping centers, located in the Northern frontier zones, from reaching cruising speed till 15 June, date at which borders were reopened in practically all European countries. Since that date, an important rise in footfall compared to 2019 was also here recorded.

BELGIUM

The real estate portfolio in Belgium mainly comprises long-term leased office buildings, that explains the very limited impact (some retail buildings and business centers).

Impact on the rental turnover

Leasinvest already announced that different tenants, mainly in the retail segment, asked for a compensation to bridge the difficult lockdown period. Leasinvest always had a constructive approach and entered into consultations with tenants that requested rent reductions for solid reasons. The negotiations have been finalized for a large part of the tenants, but are still ongoing for another part. In total, the negative impact on the rental income of the second quarter of 2020 is estimated at ca. € 4 million. This amount is expected to slightly increase in the third quarter, as a limited number of sectors (e.g. catering) are clearly more heavily hit than others.

Valuation of 10%-participation in the public BE-REIT Retail Estates

It has become clear that retail parks have proven their strength during the corona crisis. On the one hand, because of the feeling of security, and on the other hand, because of their particular range of products and the speed of shopping, specific to retail parks.

The participation of Leasinvest in Retail Estates is valued at the closing price of each quarter, which led to a depreciation of € 49.3 million recorded on this participation in the first quarter of 2020. This valuation was based on a closing price of € 47.40, while the price of the Retail Estates-share has recovered over the last couple of weeks to a level of € 59.90, allowing the company to reverse on 30 June 2020 an important part of the depreciation booked on 31 March, namely € 16.9 million.

Impact on the debt ratio

Traditionally, the debt ratio is the highest on 30 June throughout the financial year, because of the dividend payment in May, which causes a temporary increase in debt ratio by ca. 2.5 per cent points. The debt ratio remains below the 60%-threshold because of the recovery of the price of the Retail Estates-share (cf. supra) and the fact that no major changes in value on the real estate portfolio are expected.

The half-year financial report 2020 will be published on 19 August 2020 after closing of the stock exchange, and will as of then be available on the website www.leasinvest.be.

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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.

On 31/03/2020, the total fair value of the directly held real estate portfolio of Leasinvest amounts to € 1.11 billion, spread across the Grand Duchy of Luxembourg (53%), Belgium (31%) 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 € 542 million (value on 1 July 2020).