

PRESS RELEASE

**NOTES OF THE
MANAGER ON
THE PAST
FINANCIAL YEAR 2019**

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NOTES OF THE MANAGER ON THE PAST FINANCIAL YEAR 2019

KEY DATA

For the financial year 2019 we record the following key data:

- The EPRA earnings¹ rise by 29.5% from **€ 31.3 million** end 2018 to **€ 40.5 million (€ 6.83 per share vs € 6.03 per share)**
- Increase in rental income by € 9,1 million
- Dividend rises from **€ 5.10** to **€ 5.25** gross per share
- The funding cost drops from 2.59% on 31/12/2018 to 2.14% end 2019
- Successful placement of a private bond of € 100 million at 1.95% on 7 years fixed
- Further optimization of the real estate portfolio: acquisition of 2 additional buildings in the EBBC Business Park in Luxembourg and of 2 retail parks near Vienna and sale of non-strategic buildings Kennedy (Luxembourg) and Riverside Business Park (Anderlecht)



MICHEL VAN GEYTE CEO:

"The results over 2019 show a nice increase in comparison with last year. After the capital increase of October 2018 the proceeds were immediately reinvested in our key markets. At the same time we continue working on optimizing our real estate portfolio, meaning, according to our Leasinvest-tradition, not only investing, but also not hesitating to sell non-strategic assets. The successful placement of the private bond end 2019 at a very interesting interest rate emphasizes the markets' trust in Leasinvest."

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

Investments and divestments

GRAND DUCHY OF LUXEMBOURG

Acquisition of the buildings B and E in the EBBC Business Park in Luxembourg

End June 2019 Leasinvest Real Estate acquired (through its 100% subsidiary Leasinvest Immo Lux) the buildings B and E located in the EBBC Business Park near Luxembourg airport. The acquisition price for these 2 buildings amounted to € 47.3 million and they were purchases from the real estate certificate Immo Lux Airport, in which Leasinvest already held nearly 70% of the certificates. The acquisition price was in line with the valuation of the building by Leasinvest Real Estate's independent expert.



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.

In 2020 refurbishment works and marketing will start in order to turn this park into a unique office campus offering services following today's new office experience.

Sale of 2 floors in the building Kennedy (Kirchberg)

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

This building was already recorded in the item 'assets held for sale' on 31 December 2018.

AUSTRIA

Acquisition 2 retail buildings near Shopping City Süd in Vösendorf near Vienna

On 28 August 2019, Leasinvest Real Estate, via its 100% subsidiary Leasinvest Immo Austria, acquired two important retail parks near the largest shopping complex in Austria, Shopping City Süd in Vösendorf, close to Vienna. Shopping City Süd is excellently located in the South of Vienna along the A23, with good connections to the main Austrian cities.



Via the take-over of 100% of the shares of the 2 companies concerned, Leasinvest Real Estate has become the owner of:

- Retailpark Nordring 2-10, situated in Vösendorf, with a surface area of 14,800 m² and 278 parking spaces, housing tenants such as Conrad Electronic, TK Maxx, Swiss Sense, Brendon/Betten Reiter (in 2020), Fit-One, Art-X, Kinderspielwelt, and
- Retailpark Nordring 16, also situated in Vösendorf, with a surface area of 11,350 m², 202 parking spaces and tenants such as Lidl, Pittarello, Action, Bipa and Farben-Partner.

Both retail buildings are fully leased and generate an annual rental income of circa € 4 million. These acquisitions represent an investment of € 71.8 million and are in line with the valuation of the independent real estate expert.

BELGIUM

Participation in BE-REIT (GVV/SIR) Retail Estates – optional dividend

In the course of 2019 the company further invested (€ 11.4 million) in the listed BE-REIT (GVV/SIR) Retail Estates by subscribing the optional dividend and the purchase of an additional 107,054 shares in order to keep a stake of over 10%.

Sale of Riverside Business Park

On 16 December 2019 the notarial deed has been signed for the sale of the Riverside Business Park, an office park in combination with some smaller logistics units located in Anderlecht, to Growners (through its subsidiaries), a Belgian player specialized in office buildings. The sales price is in line with the last valuation as recorded in the quarterly figures per 30 September 2019.

Developments

GRAND DUCHY OF LUXEMBOURG

Knauf Pommerloch

For the Knauf shopping center Pommerloch located in the North of the Grand Duchy of Luxembourg, nearby the Belgian border, the opening of the new parking (Bastogne entrance) is scheduled in April 2020. With this construction the increasing need for parking space is being met, and two new commercial spaces of 850 m² are also added to the existing shopping complex; they will also be delivered in April.



Knauf Schmiede

For the shopping center Knauf Schmiede the renovation was continued and the works evolve as planned. The important renovation works, including an extension of ca. 8,000 m², are carried out in different phases, and the first phases are ongoing. The reception of this extension (comprising the realization of the largest Delhaize supermarket of the Belux) is foreseen mid-2021. The works comprise an extended commercial offer, a new catering concept and a zone for activities and leisure for families.



BELGIUM

Office building Monteco (Montoyer 14): smart building in timber frame construction

The office building Montoyer 14, rebranded 'Monteco', 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 sustainable "recyclable buildings".

After the building permit is received ,which is expected to be after the summer of 2020, the construction works will start.

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 in April/May 2020, in order to start the construction works in the course of Q4 2020.



Leases

EVOLUTION OCCUPANCY RATE

The occupancy rate has decreased to 90.46% per end 2019 (94.26% on 31/12/2018). The decrease is mainly due to temporary vacancy in the Luxembourg offices portfolio, which was to a large extent expected by Leasinvest. The company anticipated the higher vacancy in e.g. the EBBC-business park, which offers Leasinvest the possibility to relaunch the park in conformity with the needs of the contemporary office user.

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 m²). Negotiations with a potential tenant who wishes to lease the vacant space as of the second quarter of 2020 are ongoing. In the Titanium building in the district "Cloche d'Or" a rental contract was signed with Green Square for 1,129 m² at a rent of € 25/m², the occupancy rate having risen to 91.5 %. For the remaining space, a right of first refusal was granted to the current tenants.

Now that Leasinvest Real Estate has become the owner of 5 of the 6 buildings on the site, the EBBC Business park is currently being repositioned, meaning that besides optimizing legal conformity a rebranding including the start of offering services, is also carried out. Despite these works, +/- 2,000 m² of new rental contracts and extensions could be concluded for spaces not directly affected by the total project. Currently there is a slightly higher rental vacancy, offering the opportunity to refurbish a first part of the surface in conformity with the new rebranding.

In Shopping center Knauf Schmiede a C&A family store of 976 m² has opened, as well as an extension of the Selexion shop by 500 m² to a total surface of 760 m². Following the internal move of Selexion the extension of Delhaize could start, that will have its largest supermarket in the Belux in Schmiede after these works.

For Shopping center Knauf Pommerloch an important number of rental renewals were concluded in the last quarter of 2019.

Belgium

With 2 new rental contracts the office building Treesquare in the CBD of Brussels was fully let at the beginning of 2019, and this may be called a great success. With these transactions Leasinvest exceeded the historical prime rent of Brussels with an amount of € 330 /m²/year.

For Hangar 26/27 in Antwerp 2 of the 3 units under renovation have been leased at a rent of € 165/m²/year, or higher than the current Antwerp prime rent of € 150/155/m². The interest for this iconic building is huge, demonstrated by a recently concluded new rental contract and one under negotiation, at the same high rent.

For Tour & Taxis Royal Depot, the building remains fully leased, thanks to a number of rental renewals and extensions that could also be concluded in the last quarter of 2019.

Other rental renewals and extensions were recorded in the Brixton Business Park and The Crescent Anderlecht.

Austria

For Frun® Park Asten and Gewerbepark Stadlau a couple of important extensions could again be concluded. As the recently acquired retail parks in Vösendorf are fully let, the occupancy rate of the Austrian portfolio remains 100%.

Private placement of bonds for an amount of € 100 million

On 20/11/2019 Leasinvest Real Estate SCA successfully completed a private placement of bonds for an amount of € 100 million, in denominations of € 100,000, with a maturity of 7 years. The bonds offer a fixed annual coupon of 1.95% and have been placed with institutional investors in Belgium, France and Luxembourg.

BNP Paribas Fortis and Degroof Petercam were appointed as Global Coordinators of the transaction. BNP Paribas Fortis, Degroof Petercam and KBC acted as Joint Bookrunners.

The placement fits within Leasinvest Real Estate's strategy to arrange financing sources best suited to carry out its investment strategy both through acquisitions and redevelopment of existing core assets. The proceeds will, amongst other things, serve to refinance the € 75 million public bonds which matured on 9 October 2019 and contributes to an increase of the average duration of the total debt of Leasinvest Real Estate and a diversification of its funding sources.

Corporate Governance

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

At the general meeting of the statutory manager held on 20 May 2019 and with 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 |

REPORT OF THE EXTRAORDINARY GENERAL MEETING OF 16 DECEMBER 2019

On 16 December 2019 an extraordinary general meeting took place, during which the following agenda items have been approved:

- The change of the company object following the amended law of 12 May 2014 on regulated real estate companies (GVV/SIR);
- The renewal of the mandate regarding the authorized capital and the mandate for the acquisition, holding in pledge and resale of own securities;

followed by the related amendments to the articles of association.

Miscellaneous

EPRA GOLD AWARD FOR ANNUAL FINANCIAL REPORT 2018



For the 7th time in a row, Leasinvest Real Estate has been granted an EPRA Gold Award for its Annual financial report 2018. 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) | 31/12/2019 | 31/12/2018 |
|--|------------------|------------|
| Fair value real estate portfolio (€ 1,000) (2) | 1 110 249 | 1 037 083 |
| Fair value investment properties, incl. participation Retail Estates (€ 1,000) (2) | 1 223 625 | 1 128 899 |
| Investment value investment properties (€ 1,000) (3) | 1 133 836 | 1 058 509 |
| Rental yield based on fair value (4) (5) | 5.84% | 6.45% |
| Rental yield based on investment value (4) (5) | 5.72% | 6.32% |
| Occupancy rate (5) (6) | 90.46% | 94.26% |
| Average duration of leases (years) | 4.28 | 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 31/12/2019.

(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, 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 2019 comprises 29 sites (including development projects) with a total lettable surface area of 475,983 m². The real estate portfolio is geographically spread across the Grand Duchy of Luxembourg (53%), Belgium (31%) and Austria (16%).

The fair value of the real estate portfolio amounts to € 1.11 billion end 2019 compared to € 1,04 billion end 2018. This increase is mainly explained by the acquisition of the EBBC buildings in the Grand Duchy of Luxembourg and the investment in the retail parks in Vösendorf Austria. On the other hand, there were the sales of the buildings Kennedy (Luxembourg) and Riverside Business Park (Belgium).

Consequently, end 2019, the company holds 46% of offices in portfolio, 48% of retail and 6% of logistics (compared to 51% of offices, 43% of retail and 6% of logistics end 2018).

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 2019.

The rental yield of the real estate portfolio in operation, based on the fair value, amounts to 5.84% (compared to 6.45% end 2018), and based on the investment value, to 5.72% (compared to 6.32% end of last year).

| Key figures balance sheet | 31/12/2019 | 31/12/2018 |
|---|------------------|------------|
| Net asset value group share (€ 1,000) | 492 577 | 475 811 |
| Number of issued shares before the capital increase | | 4 938 870 |
| Weighted average number of shares | 5 926 644 | 5 179 724 |
| Number of shares at closing date | 5 926 644 | 5 926 644 |
| Net asset value group share per share | 83.1 | 80.3 |
| Net asset value group share per share based on inv. value | 87.1 | 83.9 |
| Net asset value group share per share EPRA | 93.4 | 88.7 |
| Total assets (€ 1,000) | 1 248 012 | 1 156 107 |
| Financial debt | 659 100 | 595 400 |
| Financial debt ratio (in accordance with RD 13/07/2014) | 54.78% | 53.53% |
| Average duration credit lines (years) | 3.88 | 3.11 |
| Average funding cost (excl. fair value changes financial instruments) | 2.14% | 2.59% |
| Average duration hedges (years) | 5.54 | 5.35 |

| Key figures income statement | 31/12/2019 | 31/12/2018 |
|--|---------------|------------|
| Rental income (€ 1,000) | 65 280 | 56 209 |
| Net rental result per share | 11,01 | 10,81 |
| EPRA Earnings* (1) | 40 493 | 31 259 |
| EPRA Earnings* per share | 6,83 | 6,03 |
| Net result group share (€ 1,000) | 49 900 | 38 194 |
| Net result group share per share | 8,42 | 7,37 |
| Comprehensive income group share (€ 1,000) | 43 258 | 34 338 |
| Comprehensive income group share per share | 7,30 | 6,63 |

(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 net result, group share, amounts to € 49.9 million end 2019 compared to € 38.2 million end 2018. In terms of net result per share* this results in € 8.42 end 2019 compared to € 7.37 end 2018 (+14.2%).

The rental income has strongly risen to € 65.3 million (+ € 9.1 million) by a combination of like-for-like rental growth (+4.9%) and the acquisitions throughout the financial years 2018 and 2019. In 2019 there were only 2 divestments, of which the most important one was only realized mid-December 2019, strongly limiting the impact on the aforementioned rental income.

The property charges are € 1.3 million higher than in 2018, mainly due to higher property management and vacancy costs.

A loss of € -0.4 million was recorded on the sale of the buildings Kennedy and Riverside. On the other hand, there was a positive revaluation result on the existing portfolio of € 4.1 million.

The financial result improved for € 1.9 million compared to last year, mainly by the higher dividend received from Retail Estates and lower interest charges.

The comprehensive income group share* increased from € 34.3 million to € 43.3 million by a combination of a higher net result (+€ 11.7 million) and a lower amount (-€ 2.8 million) of other elements of comprehensive income.

The EPRA earnings* (previously the net current result) end 2019 amount to € 40.5 million (or € 6.83 per share) in comparison with € 31.3 million (or € 6.03 per share) end 2018.

| EPRA Performance measures | 31/12/2019 | 31/12/2018 |
|--|---------------|------------|
| EPRA Earnings* (in € per share) (1) | 6.83 | 6.03 |
| EPRA NAV* (in € per share) (2) | 93.4 | 88.69 |
| EPRA NNNAV* (in € per share) (3) | 85.0 | 82.27 |
| EPRA Net Initial Yield* (in %) (4) | 4.68% | 5.25% |
| EPRA Topped up Net Initial Yield* (in %) (5) | 4.66% | 5.23% |
| EPRA Vacancy* (in %) (6) | 9.53% | 5.73% |
| EPRA Cost ratio* (incl. direct vacancy costs) (in %) (7) | 24.02% | 26.06% |
| EPRA Cost ratio* (excl. direct vacancy costs) (in %) (7) | 21.96% | 24.45% |

(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)

| | 31/12/2019 | 31/12/2018 |
|--|----------------|---------------|
| (+) Rental income | 65 280 | 56 209 |
| (+) Write-back of lease payments sold and discounted | 0 | 0 |
| (+/-) Related-rental expenses | -530 | -212 |
| NET RENTAL INCOME | 64 750 | 55 997 |
| (+) Recovery of property charges | 411 | 173 |
| (+) Recovery income of charges and taxes normally payable by tenants on let properties | 5 315 | 5 421 |
| (-) 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 | -5 315 | -5 421 |
| (+/-) Other rental-related income and expenditure | -2 543 | -2 492 |
| PROPERTY RESULT | 62 618 | 53 677 |
| (-) Technical costs | -1 082 | -1 147 |
| (-) Commercial costs | -1 211 | -1 032 |
| (-) Charges and taxes on un-let properties | -1 349 | -907 |
| (-) Property management costs | -5 909 | -5 365 |
| (-) Other property charges | -527 | -297 |
| PROPERTY CHARGES | -10 078 | -8 749 |
| PROPERTY OPERATING RESULT | 52 540 | 44 928 |
| (-) Corporate operating charges | -3 013 | -2 798 |
| (+/-) Other operating charges and income | -48 | -610 |
| OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO | 49 479 | 41 520 |
| (+/-) Result on disposal of investment properties | -413 | 0 |
| (+/-) Changes in fair value of investment properties | 4 064 | 1 627 |
| OPERATING RESULT | 53 130 | 43 147 |
| (+) Financial income | 5 673 | 4 918 |
| (-) Net interest charges | -12 780 | -13 565 |
| (-) Other financial charges | -1 374 | -1 414 |
| (+/-) Changes in fair value of financial assets and liabilities | 5 756 | 5 428 |
| FINANCIAL RESULT | -2 725 | -4 633 |
| PRE-TAX RESULT | 50 405 | 38 514 |
| (+/-) Corporate taxes | -505 | -319 |
| (+/-) Exit tax | 0 | 0 |
| TAXES | -505 | -319 |
| NET RESULT | 49 900 | 38 194 |

The EPRA earnings* (previously the net current result) amount to € 40.5 million end 2019 (€ 6.83 per share) and have significantly risen in comparison with last year (€ 31.3 million or € 6.03 per share).

The rental income has strongly increased in comparison with last year: € 65.3 million in 2019 vs € 56.2 million in 2018. The increase is a combination of like-for-like rental growth of 4.9% (+€ 2.8 million) and growth following acquisitions of € 7.4 million, a/o by the acquisitions in Luxembourg (the EBBC business park) end 2018 and mid-2019, near Vienna (in Vösendorf) and in Antwerp (the Hangar). The sale of the buildings Kennedy and Riverside entailed a reduction in rental income of € 0.9 million.

the gross rental yields decrease, in line with the market situation, in comparison with end 2018 and amount to 5.84% (6.45% end 2018) based on fair value, and to 5.72% (6.32% end 2018) based on the investment value; the occupancy rate has decreased from 94.3% end 2018 to 90.5% on 31/12/2019.

The property charges have increased (+€ 1.3 million) from € -8.7 million end 2018 to € -10.1 million end 2019, mainly due to higher property management and vacancy costs. The corporate overheads exceed last year's by € 0.2 million, mainly due to higher subscription taxes after the capital increase of Q4 2018. The operating margin (operating result before the portfolio result/rental income) rises from 73.9% on 31/12/2018 to 75.8% on 31/12/2019.

The result on the sale of investment properties (€ -0.4 million) comprises the result on the sale of the buildings Kennedy and Riverside.

The changes in fair value of the investment properties on 31/12/2019 amount to € +4.1 million (31/12/2018: € +1.6 million) (or € +2.5 million). Besides a general positive effect of decreasing yields on the total portfolio, this portfolio result also comprises a one-off effect of the acquisition of the buildings in Vösendorf.

The financial result amounts to € -2.7 million on 31/12/2019 in comparison with € -4.6 million for 2018. This result is composed as follows:

- Financial income of € 5.7 million on 31/12/2019 vs. € 4.9 million on 31/12/2018, which is entirely due to the higher dividend received from Retail Estates.
- Interest and other funding-related costs for an amount of € -14.2 million on 31/12/2019 vs € -15.0 million on 31/12/2018. On the one hand, the restructuring of the derivatives portfolio results in an important drop in related costs. On the other hand, the retail bond from 2013 reached maturity in 2019 and was refinanced in the form of a private bond at a lower interest rate. There is also a one-off positive effect of cheap bridge financing in the period between the maturity date of the retail bond (with a coupon of 3.75%) and the placement of the private bond (with a coupon of 1.95%).
- Changes in fair value of the financial assets and liabilities: € +5.8 million on 31/12/2019 vs € +5.4 million on 31/12/2018. This amount largely consists of the revaluation gain of the participation in Retail Estates (€ 10.1 million) and the revaluation of the derivatives portfolio (€ -4.8 million).

Corporate taxes amount to € -0.5 million.

The net result over 2019 amounts to € 49.9 million compared to € 38.2 million on 31/12/2018.

In terms of net result per share, this results in € 8.42 per share on 31/12/2019 compared to € 7.37 on 31/12/2018.

Consolidated Balance sheet (in € 1 000)

| ASSETS | 31/12/2019 | 31/12/2018 |
|--|------------------|------------------|
| I. NON-CURRENT ASSETS | 1 226 032 | 1 116 270 |
| Investment properties | 1 092 529 | 1 004 237 |
| Other tangible assets | 1 133 | 1 262 |
| Non-current financial assets | 114 650 | 92 974 |
| Finance lease receivables | 17 720 | 17 796 |
| II. CURRENT ASSETS | 21 980 | 39 837 |
| Assets held for sale | 0 | 15 050 |
| Trade receivables | 13 944 | 13 167 |
| Tax receivables and other current assets | 2 000 | 3 303 |
| Cash and cash equivalents | 5 013 | 7 403 |
| Deferred charges and accrued income | 1 023 | 915 |
| TOTAL ASSETS | 1 248 012 | 1 156 107 |

| LIABILITIES | 31/12/2019 | 31/12/2018 |
|---|-------------------|-------------------|
| TOTAL SHAREHOLDERS' EQUITY | 492 577 | 475 811 |
| I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY | 492 577 | 475 811 |
| Capital | 65 178 | 65 178 |
| Share premium account | 194 189 | 194 189 |
| Purchase of treasury shares | -12 | -12 |
| Reserves | 183 322 | 178 262 |
| Net result of the financial year | 49 900 | 38 194 |
| II. MINORITY INTERESTS | 0 | 0 |
| LIABILITIES | 755 435 | 680 296 |
| I. NON-CURRENT LIABILITIES | 492 019 | 385 013 |
| Provisions - other | 11 | 11 |
| Non-current financial debts | 425 771 | 334 509 |
| - Credit institutions | 324 381 | 312 359 |
| - Other | 101 390 | 22 150 |
| Other non-current financial liabilities | 51 831 | 35 625 |
| Other non-current liabilities | | |
| Deferred taxes | 14 406 | 14 868 |
| II. CURRENT LIABILITIES | 263 417 | 295 283 |
| Provisions | | |
| Current financial debts | 235 149 | 264 198 |
| - Credit institutions | 15 028 | 47 533 |
| - Other | 220 121 | 216 665 |
| Trade debts and other current debts | 16 061 | 17 698 |
| - Exit tax | 273 | 0 |
| - Other | 15 788 | 17 698 |
| Other current liabilities | 1 564 | 2 048 |
| Accrued charges and deferred income | 10 643 | 11 339 |
| TOTAL EQUITY AND LIABILITIES | 1 248 012 | 1 156 107 |

At the end of the financial year 2019 shareholders' equity, group share (based on the fair value of the investment properties) amounts to € 492.6 million (year-end 2018 € 475.8 million). The net asset value per share excl. the influence of fair value adjustments to financial instruments and deferred taxes (EPRA)* stands at € 93.4 end 2019 in comparison with € 88.7 end 2018.

The changes in fair value of the financial assets and liabilities (IAS 39) passed through equity have dropped by € 6.6 million following a lower swap curve throughout 2019. The negative market value of the hedges passed through equity amounts to € -40.7 million end 2019 compared to € -34.1 million at the end of the previous financial year.

End 2019 the net asset value per share stands at € 83.1 (31/12/2018: € 80.3). The EPRA NAV on the other hand, amounts to € 93.4 (2018: € 88.7) and the closing price of the Leasinvest Real Estate share on 31 December 2019 amounted to € 113.00, or a premium of 21%.

End 2019 the debt ratio amounts to 54.8% (53,5% end 2018).

This means that the nominal financial debts recorded in the balance sheet per 31/12/2019 amount to € 659.1 million, representing an increase by € 63.7 million in comparison with € 595.4 million at the end of the previous financial year.

Management of financial resources

At the beginning of October 2019 a retail bond for an amount of € 75 million reached maturity. Instead of that, a private bond with a fixed interest rate of 1.95% on 7 years was placed for an amount of € 100 million with institutional investors.

With regard to bank financing, credit lines for an amount of € 47.5 million came to maturity in the course of 2019. One credit line of € 25 million was extended for 3 years and also doubled in amount to € 50 million. Another line of € 22.5 million was not extended, but instead, a new credit line of € 65 million for 7 years was concluded. Finally, at the beginning of 2019 another new credit line of € 30 million was concluded with a maturity of 7 years.

All of this led to the average duration increasing from 3.11 years on 31/12/2018 to 3.88 years on 31/12/2019.

In the course of 2019 in the derivatives portfolio there was a combination of restructurings of existing derivatives and the purchase of new instruments. That way, Leasinvest aims at clicking the extremely low interest rates for a maximum period. Consequently, the average duration of the derivatives rises from 5.35 years at the end of 2018 to 5.54 years end-2019.

The combination of purchasing and restructuring derivatives on the one hand, and the recent lower credit withdrawal due to the sale of the Riverside Business Park in Anderlecht, led to the hedge ratio increasing from 74% end-2018 to 82% end-2019. As a number of *forward starting* derivatives also enter into force at the beginning of 2020, the hedge ratio is expected to increase another percentage points.

The average funding cost dropped from 2.59% over 2018 to 2.14% over 2019. This decrease is a consequence of different restructurings in the derivatives portfolio in combination with the cheaper refinancing of the retail bond via the private bond of end November 2019. The decrease was even strengthened by the one-off effect of cheaper bridge financing between the maturity date of the retail bond and the placement of the private bond. Due to this and to a higher hedge ratio, the average funding cost in 2020 will probably be higher than in 2019.

Important events after the closing of the financial year 2019

There are no important events after the closing of the financial year 2019.

Outlook for the financial year 2020

Subject to extraordinary circumstances and taking into account a constant portfolio, LRE expects a comparable level of rental income in comparison with 2019, while the funding costs, at a constant credit withdrawal in 2020, are expected to be slightly higher than in 2019.

Within this scope, a dividend is forecasted that will at least be equal to the dividend over the financial year 2019, namely € 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 (2018: € 5.10), and net, free of withholding tax of 30%, € 3.675 (2018: € 3.57) to the 5,926,644 shares entitled to dividends.

Subject to the approval of the ordinary general shareholders' meeting of 18 May 2020 dividends will be paid out on presentation of coupon no 25 as of 25 May 2020 at the financial institutions Bank Delen (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof.

The Ex-date is 21/05/2020 and the Record date is 22/05/2020.

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

| | |
|------------|---|
| 30/03/2020 | Annual financial report 2019 |
| 18/05/2020 | Interim statement Q1 (31/03/2020) & report Annual meeting |
| 18/05/2020 | Annual meeting of shareholders |
| 25/05/2020 | Dividend payment |
| 21/05/2020 | Ex-date |
| 22/05/2020 | Record date |
| 20/08/2020 | Half-year financial report 2020 |
| 17/11/2020 | Interim statement Q3 (30/09/2020) |
| 17/02/2021 | Annual results 2019 (31/12/2020) |

Annual financial report

The annual financial report regarding the financial year 2019 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 30/03/2020 (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 € 1.11 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 € 711 million (value on 18 February 2020).

ANNEX 1:

Detail of the calculations of the EPRA performance indicators

EPRA EARNINGS

| EPRA earnings (€ 1 000) | 31/12/2019 | 31/12/2018 |
|--|------------------|------------|
| Net Result – Group share as mentioned in the financial statements | 49 900 | 38 194 |
| Net Result per share - Group share as mentioned in the financial statements (in €) | 8.42 | 7.37 |
| Adjustments to calculate the EPRA Earnings | -9 407 | -6 935 |
| To exclude: | | |
| (i) Changes in fair value of investment properties and assets held for sale | -4 064 | -1 627 |
| (ii) Result on the sale of investment properties | 413 | 0 |
| (iii) Result on the sale of other real estate | 0 | 120 |
| (vi) | -5 756 | -5 428 |
| EPRA Earnings | 40 493 | 31 259 |
| Number of registered shares result of the period | 5 926 644 | 5 179 724 |
| EPRA Earnings per share (in €) | 6.83 | 6.03 |

EPRA NAV

| EPRA NAV (€ 1 000) | 31/12/2019 | 31/12/2018 |
|--|------------------|------------|
| NAV according to the financial statements | 492 577 | 475 811 |
| NAV per share according to the financial statements (in €) | 83.1 | 80.3 |
| To exclude | | |
| (i) Fair value of the financial instruments | 46 364 | 34 929 |
| (v.a) Deferred tax | 14 406 | 14 868 |
| EPRA NAV | 553 347 | 525 608 |
| Number of registered shares result of the period | 5 926 644 | 5 926 644 |
| EPRA NAV per share (in €) | 93.37 | 88.7 |

EPRA TRIPLE NET ASSET VALUE

| EPRA Triple Net Asset Value (€ 1 000) | 31/12/2019 | 31/12/2018 |
|--|------------------|------------|
| EPRA NAV | 553 347 | 525 608 |
| Adjustments: | | |
| (i) Fair value of the financial instruments | -46 364 | -34 936 |
| (ii) Revaluation of debts at FV | -3 177 | -3 087 |
| EPRA NNAV | 503 806 | 487 592 |
| Number of registered shares result of the period | 5 926 644 | 5 926 644 |
| EPRA NNAV per share (in €) | 85.0 | 82.3 |

EPRA NIY & EPRA TOPPED UP NIY

| EPRA Net Initial Yield (NIY) and Topped up Net Initial Yield (topped up NIY) (€ 1 000) | | 31/12/2019 | 31/12/2018 |
|---|------------|-------------------|------------|
| Investment properties and assets held for sale | | 1 110 249 | 1 037 083 |
| To exclude: | | | |
| Development projects | | -12 322 | -11 727 |
| Real estate available for lease | | 1 097 927 | 1 025 356 |
| 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 | | 23 279 | 21 426 |
| Investment value of properties available for lease | B | 1 121 206 | 1 046 782 |
| Annualized gross rental income | | 63 840 | 65 170 |
| Annualized property charges | | -11 410 | -10 209 |
| Annualized net rental income | A | 52 430 | 54 961 |
| Gratuities expiring within 12 months and other lease incentives | | -224 | -257 |
| Annualized and adjusted net rental income | C | 52 206 | 54 704 |
| EPRA NIY | A/B | 4.68% | 5.25% |
| EPRA Topped up NIY | C/B | 4.66% | 5.23% |

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 VACANCY 2018

| EPRA Vacancy (€ 1 000) | | 31/12/2018 | | | |
|---|------------|------------|-----------|---------|----------------|
| | | Offices | Logistics | Retail | Total |
| Rental surface (in m ²) | | 167 070 | 108 931 | 184 605 | 460 606 |
| Estimated Rental Value of vacant spaces | A | 2.93 | 0.20 | 0.70 | 3.83 |
| ERV 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

| EPRA cost ratio (€ 1 000) | | 31/12/2019 | 31/12/2018 |
|--|------------|-------------------|------------|
| Other rental-related income and expenses | | -2 543 | -2 492 |
| Property charges | | -10 078 | -8 749 |
| General corporate overhead | | -3 013 | -2 798 |
| Other operating charges and income | | -48 | -610 |
| EPRA costs including rental vacancy costs | A | -15 682 | -14 649 |
| Direct costs of rental vacancy | | 1 349 | 907 |
| EPRA costs excluding rental vacancy costs | B | -14 333 | -13 742 |
| Rental income | C | 65 280 | 56 209 |
| EPRA Cost ratio (including direct vacancy) | A/C | -24.02% | -26.06% |
| EPRA Cost ratio (excluding direct vacancy) | B/C | -21.96% | -24.45% |

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) | 31/12/2019 | 31/12/2018 |
|--|------------|------------|
| Result on sale of investment properties | -413 | - |
| Changes in fair value of investment properties | 1 225 | 6 498 |
| Latent taxes on portfolio result | 2 839 | -4 871 |
| Result on the Portfolio | 3 651 | 1 627 |

NET RESULT – GROUP SHARE (AMOUNT PER SHARE)

| Net result – group share (amount per share) | 31/12/2019 | 31/12/2018 |
|---|------------|------------|
| Net Result - group share (€ 1 000) | 49 900 | 38 194 |
| Number of registered shares in circulation | 5 926 644 | 5 179 724 |
| Net Result - group share per share | 8.42 | 7.37 |

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

| Net Asset value based on fair value (amount per share) | 31/12/2019 | 31/12/2018 |
|---|------------|------------|
| Shareholders' equity attributable to the shareholders of the parent company (€ 1 000) | 492 577 | 475 811 |
| Number of registered shares in circulation | 5 926 644 | 5 926 644 |
| Net Asset Value (FV) group share per share | 83.1 | 80.3 |

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) | 31/12/2019 | 31/12/2018 |
| Shareholders' equity attributable to the shareholders of the parent company (€ 1 000) | 492 577 | 475 811 |
| Investment value of the investment properties per 31/12 (€ 1 000) | 1 133 836 | 1 058 509 |
| Fair value of the investment properties per 31/12 (€ 1 000) | 1 110 249 | 1 037 083 |
| Difference Investment value – Fair value per 31/12 (€ 1 000) | 23 587 | 21 426 |
| TOTAL | 516 164 | 497 237 |
| Number of registered shares in circulation | 5 926 644 | 5 926 644 |
| Net Asset Value (IV) group share per share | 87.1 | 83.9 |

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

| | | |
|--|-------------------------------------|------------------------------|
| Changes in gross rental income at constant portfolio (like- for-like) | 31/12/2019 vs 31/12/2018 | 31/12/2018 vs. 31/12/2017 |
| Gross rental income at the end of the previous reporting period (€ 1 000) | 56 513 | 56 892 |
| Changes 2018 – 2019 to be excluded | 6 547 | -2 035 |
| - Changes following acquisitions | 7 433 | 4 371 |
| - Changes following divestments | -886 | -6 406 |
| Gross rental income at closing date reporting period (€ 1000) | 65 824 | 56 513 |
| Change like for like (€ 1 000) | 2 764 | 1 656 |
| Change like for like (%) | 4.9% | 2.9% |

AVERAGE FUNDING COST IN %

| Average funding cost in % | 31/12/2019 | 31/12/2018 |
|--|----------------|------------|
| Interest charges on an annual basis (€ 1 000) | -12 214 | -13 545 |
| Commitment fees on an annual basis (€ 1 000) | -1 156 | -1 095 |
| Interest paid incl. commitment fees on an annual basis (€ 1 000) | -13 370 | -14 640 |
| Weighted average drawn debt (€ 1 000) | 625 042 | 564 746 |
| Average funding cost in % | 2.14% | 2.59% |

COMPREHENSIVE INCOME – GROUP SHARE (AMOUNT PER SHARE)

| Comprehensive income – Group share (amount per share) | 31/12/2019 | 31/12/2018 |
|--|------------------|------------|
| Net result - Group share (€ 1 000) | 49 900 | 38 194 |
| Other elements of comprehensive income | -6 642 | -3 856 |
| Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS | -6 642 | -2 212 |
| Comprehensive income – Group share | 43 258 | 34 338 |
| Number of registered shares in circulation | 5 926 644 | 5 179 724 |
| Comprehensive income – Group share per share | 7.30 | 6.63 |