

LEASINVEST REAL ESTATE SA: NOTES OF THE BOARD OF DIRECTORS ON THE PERIOD 01/01/2021-30/09/2021

Introduction

After the contribution in kind of Extensa Group on 19 July 2021 (see below), the Q3 results comprise the sum of 9 months of income statement of Leasinvest Real Estate and 3 months of income statement of Extensa Group.

Business combination with Extensa Group

On 19 July 2021, the extraordinary general meeting of shareholders of the Company (the "EGM") approved all decisions submitted to it, including the contribution in kind of the shares in Extensa and the shares in Leasinvest Real Estate Management NV ("LREM"), the former manager of the Company, by Ackermans & van Haaren. The contributions represent a combined contribution value of € 293,433,036 and were contributed in exchange for the issue of 4,075,458 new shares in Leasinvest Real Estate to Ackermans & van Haaren. As a result, the number of shares has increased from 5,946,622 to 10,002,102 shares since July 19, 2021 all of which are fully entitled to dividend for the entire 2021 financial year.

Since this business combination, the existing investment portfolio of Leasinvest Real Estate (spread over Belgium, Luxembourg and Austria) has been expanded with the historic buildings on the Tour & Taxis site in Brussels, which were previously held by Extensa. These consist of the iconic Gare Maritime (approx. 40,000 m²), Maison de la Poste (conference and event center of approx. 20,000 m²), the Sheds (event hall of approx. 20,000 m²) and Hotel des Douanes (approx. 5,000 m²). As a result, the investment portfolio reaches a fair value of around € 1,4 billion.

In addition, the development activities were taken over from the Extensa group, which mainly consist of residential developments on Tour & Taxis, in particular Park Lane phase I (largely sold), Park Lane phase II (346 apartments, of which the works are scheduled to start in the course of 2022) and the mixed Lake Side project (approx. 1,000 units and two office buildings in study phase).

Finally, Extensa also owns a 50% participation in the development of a new district in the southern part of Luxembourg City, being Cloche d'Or. This includes a mixed development project as well as apartments and retail.

The new shares are listed on the regulated market of Euronext Brussels since 21 July 2021.

For more information on these transactions we refer to the press release

https://leasinvest.be/media/documents/LRE_EGM_19_07_2021_ENG_Final.pdf.

KEY DATA Q3 2021

- The EPRA earnings from the investment portfolio (cfr. supra) increase from € 28.7 million end Q3 2020 to € 29.8 million
- The funding cost relating to the investment portfolio drops to 2.05% (end 2020: 2.35%)
- Important leases in Belgium and Luxembourg: prelease of the entire office project Monteco in the CBD of Brussels and new rental contracts in Mercator-High 5 and in shopping center Pommerloch in Luxembourg
- Park Lane Phase I and Park Lane Phase II on Tour & Taxis (cf. supra) progress positively: for Phase I 295 of the 319 apartments were already sold so the commercialisation for Phase II (346 apartments) will start soon
- On the development site Cloche d'Or in Luxembourg the fully leased office buildings Banca and Kockelscheuer are delivered and sold in the course of Q4 2021. Besides this, the apartments which were already sold on Ilôt D Sud are delivered, the last units on Ilôt D Nord are sold, and the commercialisation of Ilôt D5-D10 is at full speed.



MICHEL VAN GEYTE CEO:

“Nextensa will have a unique place as a developer-investor within the Belgian-Luxembourg landscape.”

ACTIVITY REPORT

Evolutions in the investment portfolio

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. Nextensa's ambition is to build the first high-rise building in a timber frame construction in Brussels and to be the reference for the new generation of sustainable "recyclable buildings". After finalizing the demolition works, after the construction leave, the preparation of the new building was started, with first the underground floors in concrete, and then the superstructure in wood. The completion of the new building is planned for Q4 2022. On 1 July 2021 a long-term lease was signed with Bank Nagelmackers NV for the entire building. The rental contract that starts at the delivery of the building has been concluded for a period of 12 years.

Antwerp - Hangar 26/27

Together with the Danish architectural firm CF Moller 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, was designed, at this particular and unique location in the city. The last tenant has left the ground floor on 30 June 2021. In September 2021, the renovation of both the ground floor (1,000 m²) and the façade was started. Taking into account the different tenants in the building, the entire renovation will be carried out in phases, with an expected end date of June 2022. Nextensa will sponsor the Tall ships race in July 2022, a unique event where the largest sailing ships in the world will call at the port of Antwerp and where Hangar will be the perfect meeting place at the bend of the Scheldt.

Agreement with AB Inbev for the operation of the food court in Gare Maritime

Brewery AB InBev and Nextensa are joining forces for a brand new food concept. End November they will open a Food Market in Gare Maritime, the bustling commercial heart of Tour & Taxis. It will be an innovative culinary meeting place where everyone with a heart for tasty and healthy food can come and taste the richness of Belgian gastronomy. Sustainability and positive impact are paramount. The Gare Maritime Food Market will be the largest in Europe and will excel in qualitative details. The project offers space for 10 restaurants, cozy covered terraces and trendy food shops and the Victoria Flagship Bar.

In the office part of the Gare Maritime, a 12-year lease agreement was signed with Unicef for 900 m², starting from April 1, 2022, which perfectly matches the company's sustainability strategy.

Other lease agreements in Belgium

As far as the retail part of the Brixton Business park is concerned, a rental contract was signed with Juntoo (previously Overstock Home) based on a rent of € 180/m² for the entire space previously occupied by Megaworld (1,266 m²).

For Tour & Taxis Royal Depot a number of new rental contracts were concluded for retail premises on the ground floor. Moreover, negotiations are ongoing for important rental renewals.

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 three floors of the new car park are open.

This summer, Fressnapf has completed the commercial offer of the center with the opening of its store. This large German chain offers a wide range of products and food for pets. During the summer period, a McDonalds restaurant has opened in Pommerloch. The long-awaited Foot Locker opened its store on the weekend of 1 November. It is currently the store with the largest surface area of the brand in Luxembourg. Thanks to the various openings in 2021, we see a positive evolution in visitor numbers and the return of a younger audience. The last few months have increased compared to 2020, with the exception of the month of July with the impact of floods in Belgium and Luxembourg.

Shopping center Knauf Schmiede

The extension of the shopping center (approx. 8,500 m²) is on track and will be delivered in the summer of 2022. The extension will include a wider commercial offer as well as an innovative catering concept with an activity and relaxation zone for families. With the exception of 1 unit, the new phase is almost fully let, albeit in the form of letter of intents. At the moment, visitor numbers are under pressure due to the works as well as the flooding in the Liège-Verviers region.

EBBC business park, currently Moonar

The EBBC business park renamed Moonar will be completely repositioned and will become the new Campus of Luxembourg. A concept with an emphasis on community, green and outdoor environment, various places-to-meet such as libraries, a coffee bar and terraces. The estimated renovation budget is € 34 million and final reception 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. In the meantime the first negotiations with potential tenants have started.

Mercator, Route d'Arlon, currently High 5!

Mercator is being renamed High 5! and is undergoing a major renovation. This should lead to the letting of the last vacant floor (approx. 1,700 m²). Leasinvest Immo Lux occupies its new offices since the end of June.

AUSTRIA

Two new leases were concluded for the Frun Park in Asten. On the one hand, electronics chain Hartlauer will further diversify the tenant mix, on the other hand there will be a new coffee bar, which will strengthen the catering offer now that it reopened after Corona. Both rentals ensure that the occupancy rate at Frun Park in Asten remains consistently at 100%.

Evolutions in the development portfolio

BRUSSELS - TOUR & TAXIS

Residential: PHASE I & II

Phase I concerns 319 apartments of which 295 have already been sold, with completion of the Central building at the end of 2021. The remaining 4 buildings will be gradually completed in the course of 2022.

For phase II, the planned sale of 346 apartments will normally start in March 2022. The building permit was already obtained in October 2021. The first phase of the construction project consists of the construction of the underground car park of 350 units.

Lake Side

This project concerns a mixed urban development of apartments (1,000 units), and tailor-made offices with a mixed residential tower.

Lake Side will be an iconic example of the "5 minutes walking-neighbourhood".

In collaboration with the master builder, an architectural competition was organized in which 5 architects were selected. Effect, HUB Cobe, Polo and Binst and this under the coordination of MVRDV who has drawn up the master plan.

CLOCHE D'OR SITE

Banca

The preliminary reception of this entirely preleased office building of ca. 10,000 m² took place end October 2021. The sale of this project to Intesa SP bank will take place on 17 November 2021 at a sales price of € 88.5 million.

Kockelscheuer

The reception of the entire preleased office building of approximately 4,000 m² is planned for the end of November 2021, after which the sale will take place on 8 December 2021. The sales price of the building is € 48 million.

D-Nord

This project provides 194 housing units, including 20 social housing units, approved by the City of Luxembourg. For this project, 160 deeds have already been passed, including those for the 20 social housing units, out of a total of 194 housing units; 172 apartments have been reserved to date.

D5-D10

The commercialization of this project was started in May 2021 for the Curie and Faraday residences, with 40 reservations taking place out of a total of 68 housing units (of which 16 are social housing units). The Thales, D'Alembert and Hertz residences were offered for sale in September 2021, with 53 residential units reserved. All permits and financing have been completed so that the construction works can start in early 2022, so that they can be delivered in the course of 2024.

Darwin I

A lease agreement has already been signed with AtHome, which rents 55% of the building. For the remaining part of this office building of approximately 5,000 m², there are far-reaching discussions to sign a lease. Furthermore, the building has already been sold, under the condition precedent of completion, which is expected after the summer of 2022.

Darwin II

This office building of approximately 4,000 m² was developed at the request of the Luxembourg Ministry of Health and will be fully occupied by this ministry after completion scheduled for spring 2022.

Corporate Governance

EXTRAORDINARY GENERAL MEETING OF 29/11/2021

At this extraordinary general meeting it will a/o be proposed to change the name of the company in the articles of association into Nextensa.

More information on this general meeting:

https://leasinvest.be/media/documents/2021_10_28_LRE_EGM_Transparency_law_ENG_roarThf.pdf

Miscellaneous

EPRA GOLD AWARD FOR ANNUAL FINANCIAL REPORT LEASINVEST REAL ESTATE 2020



For the 9th 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)	30/09/2021	31/12/2020
Fair value real estate portfolio (€ 1,000) (2)	1 413 974	1 141 190
Fair value investment properties, incl. participation Retail Estates (€ 1,000) (2)	1 506 539	1 221 053
Investment value investment properties (€ 1,000) (3)	1 445 443	1 165 816
Rental yield based on fair value (4) (5)	5.19%	5.63%
Rental yield based on investment value (4) (5)	5.08%	5.51%
Occupancy rate (5) (6)	88.83%	91.62%
Average duration of leases (years)	4.06	3.85

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

(2) Fair value: the investment value as defined by an independent real estate expert and of which the transfer rights have been deducted. The fair value is the accounting value under IFRS. The fair value of Retail Estates has been defined based on the share price on 30/09/2021.

(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.

Since Leasinvest Real Estate and Extensa Group joined forces on 19 July 2021, the investment portfolio of Leasinvest Real Estate, which will change its name to Nextensa subject to a positive vote at the extraordinary general meeting of 29 November 2021, has grown to € 1.4 billion. After all, the historic buildings on the Tour&Taxis site in Brussels are considered as investment real estate, the rental income of which will contribute to the EPRA result of the investment portfolio.

The occupancy rate of the former Leasinvest portfolio remains stable at around 92%. However, the total occupancy rate has fallen to 89%, mainly due to the fact that the "retail" part in the Gare Maritime could hardly be commercialized due to Covid-19.

The investment portfolio of Leasinvest Real Estate NV at the end of Q3 2021 comprises 28 sites (including the development projects) with a total lettable surface area of 518,719 m². It is geographically spread across the Grand Duchy of Luxembourg (45%), Belgium (42%) and Austria (13%).

On 30/09/2021 the company has 51% offices in portfolio, 39% retail and 10% other, among which residential (compared to 47% offices, 47% retail and 6% logistics end 2020).

The rental yield of the real estate portfolio in operation, based on the fair value, amounts to 5.19% (compared to 5.63% end 2020), and based on the investment value, to 5.08% (compared to 5.51% end of last year).

Key figures balance sheet	30/09/2021	31/12/2020
Net asset value group share (€ 1.000)	771 874	487 211
Weighted average number of shares after capital increase on 19/07/2021	7 768 974	5 926 644
Number of shares at closing date	10 002 102	5 926 644
Net asset value group share per share	77.2	82.2
Net asset value group share per share based on inv. value	80.3	86.4
Total assets (€ 1.000)	1 867 227	1 240 548
Loan to value of the investment portfolio	56.27%	54.34%
Average duration credit lines of the investment portfolio (years)	3.00	3.36
Average funding cost relating to the investment portfolio (excl. fair value changes financial instruments)	2.05%	2.35%
Average duration hedges (years)	4.24	4.58

Key figures income statement	30/09/2021	30/09/2020
Rental income (€ 1,000)	47 700	45 661
EPRA Earnings related to the investment portfolio	29 837	28 678
EPRA Earnings related to the investment portfolio per share (*)	3.84	4.84

(*) divided by the weighted average number of shares

CONSOLIDATED RESULTS PERIOD 01/01/2021 – 30/09/2021

After the contribution in kind of Extensa Group on 19 July 2021 (see below), the Q3 results comprise the sum of 9 months of income statement of Leasinvest Real Estate and 3 months of income statement of Extensa Group. This complicates the comparability with the results of the previous year.

The net rental income increases from € 45.7 million per 30 September 2020 to € 47.7 million per 30 September 2021. This is the result of a like-for-like rental growth of 5%, largely due to the smaller impact of Covid-19 in the first 9 months of 2021 versus 2020, combined with a positive contribution of € 1.9 million in rental income from the Extensa investment portfolio. On the other hand, there is the negative effect of the sale of the Esch 25 buildings in December 2020 and Brixton Logistics in February 2021.

The property charges of the former Leasinvest portfolio are in line with the costs of last year. With regard to the investment properties that have been added from Extensa, being the historic buildings on Tour & Taxis excluding the Royal Depot (already previously owned by Leasinvest Real Estate), the costs are relatively higher since the retail part of the Gare Maritime is still largely empty for the time being and because of the restrictions that were still in force on organizing events in the Sheds, among other things. This leads to an operating result of the investment portfolio before the portfolio result of € 38.3 million. Brixton Logistics was already sold in the first quarter of 2021, resulting in a realised capital gain of € 3.2 million. There was also a negative revaluation result of the real estate portfolio of € 4.8 million. This leads to an operating result of the investment portfolio of € 36.8 million.

The development activities, which include both the residential developments on the Tour&Taxis site and the results from the Luxembourg joint venture developing the new city district "Cloche d'Or", contribute € 5.6 million to the results of the third quarter of 2021. On Tour&Taxis this concerns the currently under construction buildings of Park Lane I, being 319 apartments of which 166 have already been sold (deed passed) and in addition another 129 reserved. At Cloche d'Or, the Office buildings Banca (10,000 m²) and Kockelscheuer (4,000 m²) are almost completely finished with a provisional reception in the course of the last quarter of 2021, after which they will be sold immediately. The sales agreements were already signed for this purpose in 2020. The Darwin I (5,000 m²) and Darwin II (4,700 m²) office buildings are progressing according to plan and will be completed in Q3 and Q1 of 2022 respectively. As for the residential part, the 84 apartments on Ilôt D Sud, all of which have already been sold, are in reception phase; 11 retail units remain available for sale. The 194 apartments of Ilôt D Nord are still under construction with expected completion in 2023. For this project, 160 deeds have already been passed, including those for the 20 social housing units, out of a total of 194 housing units; in addition, 12 apartments were also reserved. Overhead costs are higher than last year, as Extensa was integrated from this quarter onwards.

As expected, the financing costs related to the investment portfolio continue to decrease to a level of 2.05% (over 2020: 2.35%), although the decrease is somewhat less pronounced compared to the first half of the year, since reservation commissions were paid on the back-up financing for the bank financing and the private bond. Since both the bonds and the bank financings were reconfirmed, the back-up financings were cancelled again in the course of Q3 2021, so that this cost will no longer be incurred in the last quarter of 2021. In the course of the third quarter of 2021, the dividend from Retail Estates was also received, i.e. € 6.1 million. In addition, interest income was also received on the financing of the joint venture relating to Cloche d'Or for an amount of € 0.6 million.

The revaluation of the financial assets and liabilities (€ 7.7 million) includes the positive revaluation of the participation in Retail Estates for € 5.5 million, supplemented by a positive revaluation of the derivatives portfolio of € 2.2 million.

Finally, income taxes amount to € 5.6 million, most of which are deferred taxes.

IMPORTANT EVENTS AFTER 30 SEPTEMBER 2021

At the end of October, the property "Diekirch Match" was sold to Forum Estates.

On 15 November 2021, under conditions precedent, a sales agreement was signed with Codic for 100% of the shares of the Luxembourg company GK5 Sàrl, which owns site "Titanium" located west of the Cloche d'Or site. The shares will only be transferred at the end of 2022, which means that the rental income of 2022 (approx. € 2.6 M) will still contribute in full to the net result of 2022.

OUTLOOK

Based on these results, EPRA earnings on the investment portfolio of € 29.8 million were realized over the first 3 quarters of 2021. This is the measure of the recurring income stream of the combined real estate investment and development group, of which 40 to 60% will be distributed as dividends, possibly supplemented by a part of the development gains and the profit from the sale of investment real estate.

With regard to the last quarter of the 2021 financial year, no major changes are expected in the investment portfolio nor in terms of developments.

The former Leasinvest portfolio is expected to contribute consistently to the results compared to the previous quarters, apart from the (limited) impact of the sale of the building "Diekirch Match" in October 2021. In addition, we notice that the number of organized events is increasing again in the last quarter in the Sheds and Maison de la Poste, although the pre-corona level is not yet reached. The opening of the Food Court in the Gare Maritime at the end of November is also expected to have a positive effect on the number of visitors to the Tour & Taxis site, and thus also on the revenue from parking tickets. It is expected that this increasing activity in the Gare Maritime will also have a positive impact on the realisation of several discussions that are currently ongoing regarding the letting of retail spaces.

The developments will also contribute positively to the results of the coming quarters. The 319 apartments of Park Lane I, currently under construction, are expected to be delivered, partly in Q4 2021 and the largest part in Q2 and Q3 of 2022.

At the beginning of 2022, the commercialisation of Park Lane II, a project of 345 apartments for which all permits have been obtained, will start. Construction work is expected to start in the second half of 2022.

At Cloche d'Or construction work is at full speed. In the course of Q4 2021 the sales of the finished and 100% pre-let office buildings Banca (10,000 m²) and Kockelscheuer (4,000 m²) will be finalised. The Darwin II office building (4,700 m²), fully pre-let by the Luxembourg state, is expected to be completed at the end of March 2022. The Darwin II office building (5,000 m²) is expected to be completed at the end of September 2022. This building is already 50% pre-let and there are currently discussions ongoing with a potential second tenant to completely let the building. As soon as the building is fully let, a buyer will be sought for the building.

In terms of residential development, only 22 units out of 194 are still for sale on the Ilôt D Nord, as a result of which the commercialisation of D5-D10, a project of 185 new-build apartments (15,000 m²), started earlier this year, of which currently 93 units have already been reserved. The construction works will start in the first half of 2022, so that the first deliveries can take place at the end of 2023. In addition, the permit has also been requested for an additional residential sub-project on the Ilôt D, namely D Tours, which includes a plinth on which 3 residential

towers will be developed, with a total of 370 units and a surface area of 33,000 m². The permit is expected this year, so that these construction works can also start in the course of 2022.

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ON LEASINVEST REAL ESTATE NV

Since 19 July 2021 Leasinvest Real Estate NV is a mixed real estate investor and developer.

The investment portfolio is spread across the Grand Duchy of Luxembourg (45%), Belgium (42%) and Austria (13%); on 30/09/2021 its total value amounted to approximately € 1.41 billion.

Leasinvest is one of the largest real estate investors in Luxembourg.

The development portfolio is spread across the Sites of Tour&Taxis and Cloche d'Or, on which mixed developments (residential and offices) are ongoing and on which new subprojects will be launched in the coming years. The total value of this development portfolio amounted to € 0.3 billion on 30/09/2021.

The Company is listed on Euronext Brussels and has a market capitalisation of € 770 million (value 15 November 2021).

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