



LEASINVEST
REAL ESTATE

2019

Annual
financial
report



Mission statement

Leasinvest is an out-of-the-box real estate investor driven by a diverse team of passionate professionals, managing a high-quality portfolio in sustainable markets. By creating inspiring environments, we generate added value and consistent returns for all of our stakeholders.

Following the entry into force of the 'ESMA directives on Alternative Performance Measures' of the European Securities and Market Authority (ESMA), the Alternative Performance Measures (APM) in this registration document are indicated by an asterisk (*). For the definition and the detailed calculation of the Alternative Performance Measures used, we refer to page 78 et seq of this registration document.

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Risk factors

1.





Hereafter, as a result of the entry into force of the Prospectus Regulation (Prospectusverordening) on 21 July 2019, only the risk factors identified by the Company as specific and of material importance for Leasinvest Real Estate will be described, taking into account their negative impact on the Company and their probability of occurrence. When determining the order of the risk factors in each (sub)category, the most material risk factors have been mentioned first. The risks and mitigating factors are discussed in the audit committee, which advises the Board of Directors. These risks are evaluated on an ongoing basis and new risks may be identified. The list below is therefore non-exhaustive and is based on the information available at the time of publication of this annual report.

1. Market conditions and business activities

1.1. Economic situation

1.1.1. RENTAL MARKET FOR OFFICE, RETAIL AND LOGISTICS REAL ESTATE

Description of risk

The rental market for offices, retail and logistics, in which Leasinvest Real Estate is active, may be negatively impacted by reduced demand for office, retail and logistics real estate, an oversupply or a deterioration of the tenants' financial situation.

Potential impact

1. Rental income and cash flow may be affected by an increase in vacancy and the costs of re-letting. Higher capex investments or other commercial concessions are often needed to attract new tenants. A 1% increase in vacancy means a decrease in the EPRA earnings of around 1%.
2. Reduced solvency of tenants, which increases the likelihood of uncollectible receivables.
3. Decrease in the fair value of the investment properties and therefore also of the NAV.
4. Long-term vacancy and associated charges for the owner.

Positioning of Leasinvest Real Estate

- ➔ Diversification of the real estate portfolio, both geographically (Luxembourg, Belgium and Austria) and in terms of asset class (46% offices, 48% retail and 6% logistics)
- ➔ Diversification by tenant sector. The main sectors are: retail & wholesale (58%), the services sector (19%), followed by financial institutions (4%) and the non-profit organisations and international professional associations (6%). The largest sector retail &

wholesale is then diversified on the basis of the type of products offered (clothes, DIY, food & beverage).

- ➔ Weighted average duration of the rental contracts amounts to 4.28 years compared with 4.34 years as at year end 2018.
- ➔ Close follow-up of tenants

1.1.2. INVESTMENT MARKET FOR OFFICE, RETAIL AND LOGISTICS REAL ESTATE

Description of risk

The investment market for office, retail and logistics real estate may be faced with reduced demand from investors for this asset class.

Potential impact

1. Decrease in the fair value of the investment properties and therefore also:
2. Decrease in the NAV and increase in debt ratio. Each 1% increase in the fair value of the real estate portfolio means a decrease of around 1% in the NAV and an increase of around 0.5% in the debt ratio.

Positioning of Leasinvest Real Estate

- ➔ Active portfolio management, as reflected in acquisition and divestment transactions realised
- ➔ Diversification of the real estate portfolio, both geographically and in terms of asset class

1.1.3. VOLATILITY OF INTEREST RATES

Description of risk

The international financial markets may be subject to significant changes in the leading short-term and/or long-term interest rates.

Potential impact

1. Negative impact on the financial charges and consequently on cash flows in the event of an increase in the interest rates

2. Significant changes in value of the financial instruments used to hedge the debts
3. Potential negative impact on the NAV. An increase of 100 base points in the Euribor interest rates has a negative impact of € 0.5 million on the EPRA earnings.

Positioning of Leasinvest Real Estate

- ➔ Introduction of a hedging policy to cover the risk of the increase in interest rates, consisting of financing of a portion of the debt at fixed interest rates and entering into financial instruments of the IRS or CAP option type on a portion of the debt at variable interest rates.
- ➔ Total financial debt as at 31/12/2019:
 - A debt of € 200 million (or 30% of the total debt) is financed at fixed interest rates
 - The balance of the debt is financed at variable interest rates, of which 52% is covered against an increase in the interest rates on the basis of futures (IRS) and optional instruments (CAP). A balance of 18% of the total debt is therefore not covered.

1.1.4. EROSION OF CONSUMER CONFIDENCE

Description of risk

If consumer confidence falls, this may have an impact on consumers' buying behaviour and therefore on retail real estate.

Potential impact

1. Lower rental turnover from retail tenants, resulting in pressure on rents in the retail portfolio and therefore a decrease in the fair value of investment properties and on NAV
2. A decrease in value of the financial participation in Retail Estates and an impact on NAV

Positioning of Leasinvest Real Estate

- ➔ Diversification of the real estate portfolio, both geographically and in terms of asset class
- ➔ Diversification of the tenants portfolio
- ➔ Intense contact with the tenants in order to closely follow up their sales turnover
- ➔ Permanent market analysis and due diligences of market data and location characteristics of the buildings in the retail portfolio.

1.2. Real estate portfolio

1.2.1. E-COMMERCE (RETAIL)

Description of risk

The physical retail sector has encountered competition from e-commerce in recent years, which means that traditional retailers are generating less turnover, are tending to reduce their commercial rental areas and are employing more rotation within the same rental area, while demand for retail buildings may be under pressure as a result.

Potential impact

1. Higher vacancy and lower rents
2. Decrease in the fair value of the Company's investment properties
3. Decrease in value of the financial participation in Retail Estates and an impact on shareholders' equity "NAV"

Positioning of Leasinvest Real Estate

- ➔ Diversification of the real estate portfolio, both geographically and in terms of asset class
- ➔ Within retail & wholesale, diversification on the basis of the type of products offered (clothes, DIY, food & beverage).
- ➔ Permanent market analysis

1.2.2. OPEN SPACES, CO-WORKING and other new ways of working (OFFICES)

Description of risk

Office space is used in an increasingly flexible and mobile way, partly because of technological process. Static working practices make way for more dynamic environments.

Potential impact

1. The ratio of the number of m² used per employee is declining and this may lead to a lower building occupancy rate.
2. Traditional working environments no longer meet expectations
3. The co-working business model is continuing to evolve

Positioning of Leasinvest Real Estate

The Company is implementing new ways of working – for example, by organising working areas on the basis of occupancy, the type of activity, the profile of the users, the location or the potential for mixed use.

1.2.3. VALUATION OF THE INVESTMENT PROPERTIES

Description of risk

The fair value of the investment properties of Leasinvest Real Estate is subject to changes and depends on various factors, a number of which are exogenous. Leasinvest Real Estate therefore has no possible control over these factors, which include declining demand or occupancy in the submarkets in which the Company is active, changes in the expected yields and changes in transaction costs for acquiring or selling real estate. In addition, the valuation of the real estate may also be influenced by a number of qualitative factors, such as the technical condition of a building, the commercial positioning, requirements relating to capex investments and sustainability. If new elements need to be taken into account or new assumptions need to be made in relation to the valuation of investment properties held

by Leasinvest Real Estate, adjusted valuations may lead to an increase in fair value attributed to this real estate. If these valuations lead to acute declines in fair value in comparison with previous valuation exercises, Leasinvest Real Estate would incur considerable losses in relation to this real estate, which could have a significant detrimental impact on the results and financial position of Leasinvest Real Estate.

Potential impact

We refer to note 33.4 in the financial section of the annual report for a sensitivity analysis including conclusions pertaining to the valuation of the real estate portfolio

Positioning of Leasinvest Real Estate

- ➔ Portfolio of diversified assets to which a number of valuation trends are applicable.
- ➔ The Company employs a strategy geared towards high-quality buildings in a good location, easily accessible with an adequate critical size, well equipped and flexible, and with potential for value creation.
- ➔ Rotation of the independent surveyors as prescribed by law. They are systematically brought up to date with any changes in the buildings' situations and visit buildings regularly. Their quarterly valuations allow any corrective measures to be implemented – e.g. by anticipating expiration dates or carrying out arbitrage on the portfolio.

1.2.4. (RE)DEVELOPMENTS FOR OWN ACCOUNT

Description of risk

(Re)developments may entail a risk for the Company if they relate to (in)capacity to obtain the necessary permits, delays in the work etc.

As at 31/12/2019, one project is in development, i.e. 1% of the total real estate portfolio of Leasinvest Real Estate.

Potential impact

1. Uncertainty over future income, costs and occupation
2. Incapacity to obtain the permits

3. Non-respect of budget, timing and intended quality
4. Not reaching the intended yield on the (re)developments

Positioning of Leasinvest Real Estate

- (Re)development activity limited to a maximum of 10% of the fair value of the total real estate portfolio in open development.
- Taking into account a risk premium.
- Internal specialised project management team with internal management system for follow-up of projects, with involvement of external specialised and carefully selected consultants for larger projects.
- Proactive, repeated dialogue with public bodies in connection with the permit applications
- A development is only launched if it is fully funded and there is sufficient certainty with regard to obtaining the necessary permits and lettings, should this not yet be the case at the start of the (re)development.

1.3. Participation in Retail Estates

Description of risk

Leasinvest Real Estate has a participation of 10.70% in GVV Retail Estates NV. This participation is regarded as a non-current financial asset that is measured on the basis of the fair value (i.e. share price on the balance sheet date), whereby the value fluctuations are passed through the income statement in accordance with IFRS 9. Given that the participation is greater than 10%, Leasinvest Real Estate enjoys an exemption from withholding tax, which is normally charged on the dividends of regulated real estate companies.

Potential impact

1. If the share price of the Retail Estates share falls, this decline will be reflected in a negative revaluation of the participation in Leasinvest Real Estate's income statement. As at 31 December 2019, Leasinvest Real Estate owns approximately 1.3 million shares in Retail Estates, which means that a price fall of EUR 10 per

share results in a negative revaluation of approximately EUR 13 million.

2. The exemption from withholding tax on dividends received is only granted on the condition that the participation has remained at a minimum of 10% for a full year. If Leasinvest Real Estate does not satisfy this condition, withholding tax of 30% is payable. In 2019, the dividend received amounted to EUR 5.1 million, which means that a potential amount of EUR 1.5 million could be levied as withholding tax.

Positioning of Leasinvest Real Estate

Permanent monitoring of the development of the share price and monitoring of RE activities (e.g. via the director's mandate that Michel Van Geyte – CEO of Leasinvest Real Estate – has held within the Board of Directors of Retail Estates since 18/05/2019).

1.4. Customers

1.4.1. CONCENTRATION RISK

Description of risk

Risk of concentration of the customer base, concentration of the customers or concentration of investments in one or more buildings or locations.

Potential impact

1. Heavy decline in income and cash flows in the event of the loss of a customer
2. Increased effect of a decline in the fair value of the real estate and, as a result, a decline in the NAV if there is a concentration of investments in one or more buildings

Positioning of Leasinvest Real Estate

- The breakdown per sector of our tenant portfolio remains good. The main sectors are: retail & wholesale (58%), the services sector (19%), followed by financial institutions (4%) and the non-profit organisations and international professional associations (6%). The largest sector retail & wholesale is itself diversified

on the basis of the type of products offered (clothes, DIY, food & beverage).

- ➔ Limited concentration of the most important tenants. The top 10 tenants account for 18% of total rental income.
- ➔ Limited concentration in one or more buildings: 26% (calculation based on the fair value) of the real estate portfolio is invested in buildings that individually represent more than 5% of the total portfolio, of which more than half are retail buildings with different tenants.

1.4.2. VACANCY

Description of risk

Non-extension or anticipated termination of the rental contracts or unforeseen circumstances such as bankruptcy, leading to vacancy.

Potential impact

1. Loss of rental income
2. Incurring costs that would normally be passed on (withholding tax, management costs etc.) and commercial costs relating to the re-letting and/or downward adjustment of the rents
3. Decrease in income and cash flows
4. Decrease in the value of the buildings

Positioning of Leasinvest Real Estate

- ➔ Proactive commercial and property management
- ➔ Efforts are being made to keep the spread of the largest tenants and the sectors they operate in as large as possible and to improve it in order to obtain a rental risk and income with an improved diversification, therefore limiting the vulnerability of the Company to the loss of one or more important tenants due to e.g. termination of the rental contract or bankruptcy.
- ➔ Relatively high average duration of the rental contracts (4.28 years)
- ➔ Better follow-up of tenants

2. Financial

2.1. Debt ratio and contractual covenants in funding agreements

Description of the risk

In recent years, Leasinvest has been characterised by a relatively high debt ratio. The board of directors' objective is to keep this figure within the 50–55% range, but this is still relatively high in comparison with other regulated real estate companies and certainly in comparison with foreign REITs. Although the aim is diversification, a significant proportion of the debt is made up of bilateral financing with Belgian banks (61.7% as at 31/12/19), in the form of bullet loans.

Potential impact

1. A debt ratio of more than 65% may result in the loss of the regulated real estate company status. Furthermore, most funding is linked to a covenant that caps the debt ratio at 60%.
2. A breach of one of the covenants may lead to a "cross default" or "cross acceleration", which means that other funding would also have to be repaid early.
3. Incapacity to finance acquisitions or renovation projects if the Belgian banks do not grant any more bilateral lines.
4. Higher financing costs if alternative sources of funding need to be found, resulting in a negative impact on the result and cash flows.

Positioning of Leasinvest Real Estate

- ➔ The financial policy closely corresponds to the Company's needs, with ongoing vigilance to ensure that any financial and other covenants concluded are respected.
- ➔ The evolution of the debt ratio is regularly monitored and the impact of each investment project on the debt ratio is always analysed beforehand.

→ In accordance with art. 24 of the RD of 13/07/2014 the Company draws up a financial plan if the consolidated debt ratio amounts to more than 50%. As at 31/12/2019, the consolidated debt ratio amounted to 54.78% in comparison with 53.53% on 31/12/2018. The statutory debt ratio amounted to 41.86% on 31/12/2019 compared with 42.01% end 2018.

2.2. Liquidity risk

Description of the risk

The Company is exposed to a liquidity risk in the event that its funding agreements are not renewed on the expiry date or in the event that it cannot obtain the necessary additional funding to meet its obligations.

Potential impact

1. New funding taken out at a higher cost price
2. Sale of certain assets under suboptimal conditions.

Positioning of Leasinvest Real Estate

Leasinvest Real Estate has a diversified credit portfolio, comprising bilateral bank funding from various banks in Belgium and Luxembourg, bond loans and commercial paper. The commercial paper is fully covered by unused bilateral credit lines, which means that if this short-term money market dries up, it will not create liquidity problems for Leasinvest Real Estate. As at 31 December 2019, the average duration of the loans is 3.88 years. We refer to note 33.4 in the financial section of the annual report for a detailed explanation of the liquidity risk.

3. Legislation

3.1. LEGISLATIVE FRAMEWORK OF THE GVV AND SICAV-SIF

Description of the risk

Non-observance of or changes to the regulations required by the fiscal transparency system.

In Belgium, Leasinvest Real Estate has the form of a GVV (regulated real estate company). The Luxembourg and Austrian activities in turn fall under the umbrella of Leasinvest Immo Lux SA (a 100% subsidiary of Leasinvest Real Estate Comm. VA), which has adopted the form of a SICAV-SIF. Both the status of a regulated real estate company and that of a SICAV-SIF place a number of restrictions on the activities that can be performed, including in the areas of debt ratio, concentration of buildings and tenants, real estate development, profit distribution, share ownership etc., in return for a transparent tax system.

Potential impact

1. Loss of fiscal status, and, in the case of a loss of the RREC status, the associated early repayment of certain loans and/or bonds
2. Negative impact on results or the NAV
3. In the event of a loss of the regulated real estate company status, the dividend income realised from the participation held by Leasinvest Real Estate in Retail Estates NV, also a GVV, will also become liable to corporation tax. In 2019, the dividend received from Retail Estates amounted to € 5.1 million.

Positioning of Leasinvest Real Estate

➔ Professionalism of the teams and the board of directors by supervision of strict compliance with the legal provisions, via the involvement of specialised external consultants.

3.2. Development of legislation**Description of risk**

The Company is exposed to the development of ever increasing and more complex legislation and regulations, as well as to possible changes in their interpretation or application by administrations and courts. This applies, for example, to the area of accounting, with respect to reporting, in tax matters, the environment, urban planning and public contracts.

Potential impact

Risk that the Company is held liable or is issued with fines, as well as the risk that permits are not issued or renewed. This could have a negative impact on the activity, results, profitability, financial situation and/or prospects of the Company.

Positioning of Leasinvest Real Estate

➔ Ongoing evaluation of the changes in legal requirements and compliance therewith, assisted by professional associations and external consultants.

4. Operational

4.1. Operational risk**Description of risk**

Risk of loss of profit or other loss as a result of failure or inadequacy of internal processes, persons, systems or external events (natural disaster, human error etc.)

Potential impact

Possible loss or theft of sensitive data, financial loss, disruption of activities due to system failure or inadequacy of processes.

Positioning of Leasinvest Real Estate

- ➔ Internal control monitoring by the Internal Auditor, Risk Manager and Compliance Officer, who are in turn monitored by the audit committee and Board of Directors
- ➔ In the event of a crisis, the necessary measures (functional and IT-related) are taken to allow the Company, albeit to a lesser extent, to continue its activities and essential services and subsequently resume activity.

4.2. RISK RELATED TO THE INTEGRITY OF INFORMATION SYSTEMS AND OF DATA**Description of risk**

Disruption to the information systems and cybercrime that could jeopardise the continuation of activities.

Potential impact

Possible disruption of the Company's activity.

Positioning of Leasinvest Real Estate

- ➔ In the event of a crisis, the necessary measures (functional and IT-related) are taken to allow the Company to continue its activities and essential

services, albeit to a lesser extent, and subsequently resume activity.

- Organisation of back-ups. Outsourced IT support.
- Awareness campaign for the team regarding the risks of cybercrime.

4.3. TURNOVER OF KEY PERSONNEL

Description of risk

Risk of specific key employees leaving the company.

Potential impact

1. Negative impact on current professional relationships
2. Loss of decisiveness and efficiency in the management decision-making process

Positioning of Leasinvest Real Estate

- Remuneration in line with market standards (benchmarking)
- Clear and consistent procedures and communication
- A focus on the management of the Company's internal network and the storage of information

Statements

2.





Statement on Universal registration document

The manager declares that:

- a) this annual financial report was filed as a Universal registration document with the FSMA on 30/03/2020, as the competent authority according to the Regulation (EU) 2017/1129, without prior approval, according to article 9 of the aforementioned Regulation;
- b) the Universal registration document can be used in view of a public offering of securities or admission of securities for trading on a regulated market, if, should the case arise, complemented by potential amendments and a Securities note and summary approved by the FSMA according to Regulation (EU) 2017/1129.

The information made available on the website is not part of this Universal registration document unless that information has been included by reference.

The annual financial report can be obtained at the Company office and can be consulted on the website www.leasinvest.be in 3 language versions (Dutch, French and English). A printed copy can be obtained by registering on www.leasinvest.be and on simple demand, at the administrative office of Leasinvest Real Estate, Schermersstraat 42, BE-2000 Antwerp.

Le Document d'enregistrement universel en français peut être obtenu au siège de la société et peut être téléchargé du site web www.leasinvest.be.

De Nederlandse versie van het Universeel Registratiedocument is beschikbaar op aanvraag op de maatschappelijke zetel van de vennootschap en kan gedownload worden van de website www.leasinvest.be.

Only the printed Dutch version of the annual financial report forms legal evidence. The digital version cannot be copied nor be made available anywhere, nor can any text be printed for further distribution.

Persons responsible for the content

The statutory manager of the company, Leasinvest Real Estate Management SA – represented by its permanent representative, Mr. Michel Van Geyte - is responsible for the information reproduced in this annual financial report and declares that, after having taken all measures to guarantee so, to his knowledge:

- the financial statements, established in accordance with the applicable accounting standards, present a fair view of the assets, financial situation and the results of Leasinvest Real Estate and the companies included in the consolidation;
- the annual financial report presents a fair overview of the development and the results of Leasinvest Real Estate and of the position of the company and the

companies included in the consolidation, and also comprises a description of the main risks and uncertainties, in accordance with the Regulation (EU) 2017/1129, which the company is confronted with.

- the information in this annual financial report, to his best knowledge, correspond to reality, and that no data have been omitted that should they be mentioned, would change the tenor of this annual financial report, subject to the press releases that have been published since editing this annual report.
- no events occurred after 31 December 2019 other than these referred to in the events after balance sheet date as foreseen on page 46 in the activity report and on page 188 note 40 financial statements.

Statements with regard to the directors and the management

The statutory manager of the company declares that, to the best of his knowledge:

- nor himself, one of the directors, the effective officers, nor any member of the executive committee, at least during the past five years,
 - (a) have ever been convicted for a fraud-related offence,
 - (b) have ever been subject to official and public accusations and/or sanctions by legal or supervisory authorities or that they have never been declared incapable to act as a member of a board, decision-making or supervising body of a company, or to act within the framework of managing or exercising activities of a company and
 - (c) have ever had a managerial function as senior manager or as a member of a board, decision-making or supervising body of a company, at the moment of a bankruptcy, receivership or judicial annulment;
- that until now no (employment) contracts have been concluded with the directors, nor with the company or its subsidiaries, nor with the statutory manager, which provide for the payment of a compensation for leaving upon termination of the contract, that exceed 12 months, except for the compensation for leaving

- of 16 months to Michel Van Geyte, executive director, approved by the general meeting of shareholders of Leasinvest Real Estate on 22/05/2018, in accordance with art. 7:92 of the Code on Companies and Associations;
- that the (employment) contracts concluded between the statutory manager, the company or its subsidiaries, and the effective officers do not provide in special payment of indemnities upon the termination of the employment, except for the usual cancellation clauses with the members of the effective direction and the member of the executive committee, in which case an indemnity is due in case the usual term for notice is not respected;
 - that no director, effective officer nor member of the executive committee owns any shares in Leasinvest Real Estate;
 - that until now no options on the company shares have been granted, nor to the directors, nor to the effective officers or members of the executive committee;
 - that there are no mutual family ties between the directors, the effective officers and the members of the executive committee.

Third-party information

The statutory manager confirms that the information obtained from third parties has been precisely reproduced, and that to his knowledge, and based on the information published by those third parties, no facts have been omitted which could result in the reproduced information being inaccurate or misleading.

The statutory manager confirms that the real estate experts and the auditor of the company granted their permission to reproduce their reports in this Universal registration document, respectively in the form of 'Conclusions of the real estate expert' in the Real estate report on page 119 and 'Report of the auditor to the general meeting of Leasinvest Real Estate SCA on the financial year closed on 31 December 2019' in the Financial statements on page 189.

The abovementioned provision also applies to the information on the real estate market, recorded in the Real estate report on page 102, where the sources are mentioned in the first paragraph.

Due to reasons of confidentiality, the integral report of the real estate experts is not recorded and cannot be consulted.

Forward-looking statements

As far as this annual financial report contains forward-looking statements, these statements involve unknown risks and uncertainties which may cause the actual results to be substantially different from the results that can be assumed by such forward-looking statements in this annual financial report. Important factors that can influence such results are namely changes in the economic, commercial, fiscal or environmental situation.

Statements with regard to legal procedures or arbitrages

The statutory manager of the company declares that no government interventions, proceedings or other arbitration procedures exist, which could (or) have influence(d), in a recent past, the financial position or the profitability of the company or its subsidiaries and that, to the best of his knowledge, there are no situations or facts which could give rise to such government interventions, proceedings or arbitration procedures.

Statements on historical financial information included by reference

The Annual financial reports for the financial years 2017 and 2018 to which is referred in this Annual financial report 2019, are available on www.leasinvest.be (investor relations/reports) and can be obtained, freely, upon simple request, at the registered office of the statutory manager Leasinvest Real Estate Management NV, at Schermersstraat 42, BE-2000 Antwerp.

All abovementioned historical financial information has been audited by the company auditor, and for each financial year he delivered an unqualified opinion.

Information included by reference

Item	Document	Part	Page numbers
Historical financial information - financial situation - auditor's reports	Annual financial report 2017	- Key figures	- p 30-33
		- Notes on the consolidated income statement and balance sheet	- p 46-47
	Annual financial report 2018	- Financial statements	- p 114-181
		- Auditor's report	- p 171-173
Activities	Annual financial report 2017	- Key figures	- p 26-29
		- Notes on the consolidated income statement and balance sheet	- p 44-45
	Annual financial report 2018	- Financial statements	- p 106-175
		- Auditor's report	- p 165-167
Investments	Annual financial report 2017	Activity report	p 36-44
	Annual financial report 2018	Activity report	P 32-42
Main markets	Annual financial report 2017	Activity report	p 37-39 and p 41-43
	Annual financial report 2018	Activity report	P 33-40
Elements influencing the competitive position	Annual financial report 2017	Financial statements – Note 3 Segment information	P 132-136
	Annual financial report 2018	Financial statements – Note 3 Segment information	P 126-130
Evolution of capital	Annual financial report 2017	Real estate report – real estate market	P 96-101
	Annual financial report 2018	Real estate report – real estate market	P 90-93
Evolution cash-flows	Annual financial report 2017	Financial statements – Note 31 Share capital, issue premiums, treasury shares and net result	p 153-156
	Annual financial report 2018	Financial statements – Note 31 Share capital, issue premiums, treasury shares and net result	p 147-149
Evolution cash-flows	Annual financial report 2017	Financial statements – Consolidated statement cash-flow statement	p 118-119
	Annual financial report 2018	Financial statements – Consolidated statement cash-flow statement	p 111

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Funding need and structure	Annual financial report 2017	Financial statements – Note 33 Information on financial instruments	p 156-167
	Annual financial report 2018	Financial statements – Note 33 Information on financial instruments	p 150-161
Dividend	Annual financial report 2017	Financial statements Note 32 – Note on number of shares, dividends and result per share	p 155
	Annual financial report 2018	Financial statements Note 32 – Note on number of shares, dividends and result per share	p 149
Conclusions of the real estate expert	Annual financial report 2017	Real estate report	p 110-111
	Annual financial report 2018	Real estate report	p 102-103
Personnel	Annual financial report 2017	Financial statements Note 10 – Property management costs and other property charges	p 139
	Annual financial report 2018	Financial statements Note 10 – Property management costs and other property charges	p 133
Related-party transactions	Annual financial report 2017	Financial statements Note 38 - Related-party transactions	p 168-169
	Annual financial report 2018	Financial statements Note 38 - Related-party transactions	p 163



3.

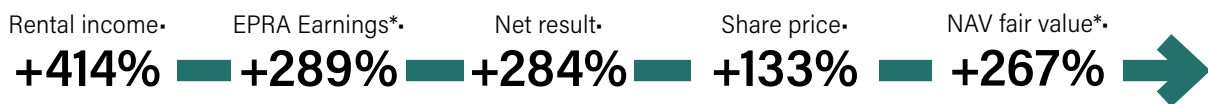
Profile and strategy

TOUR & TAXIS
ROYAL DEPOT
BRUSSELS (BE)



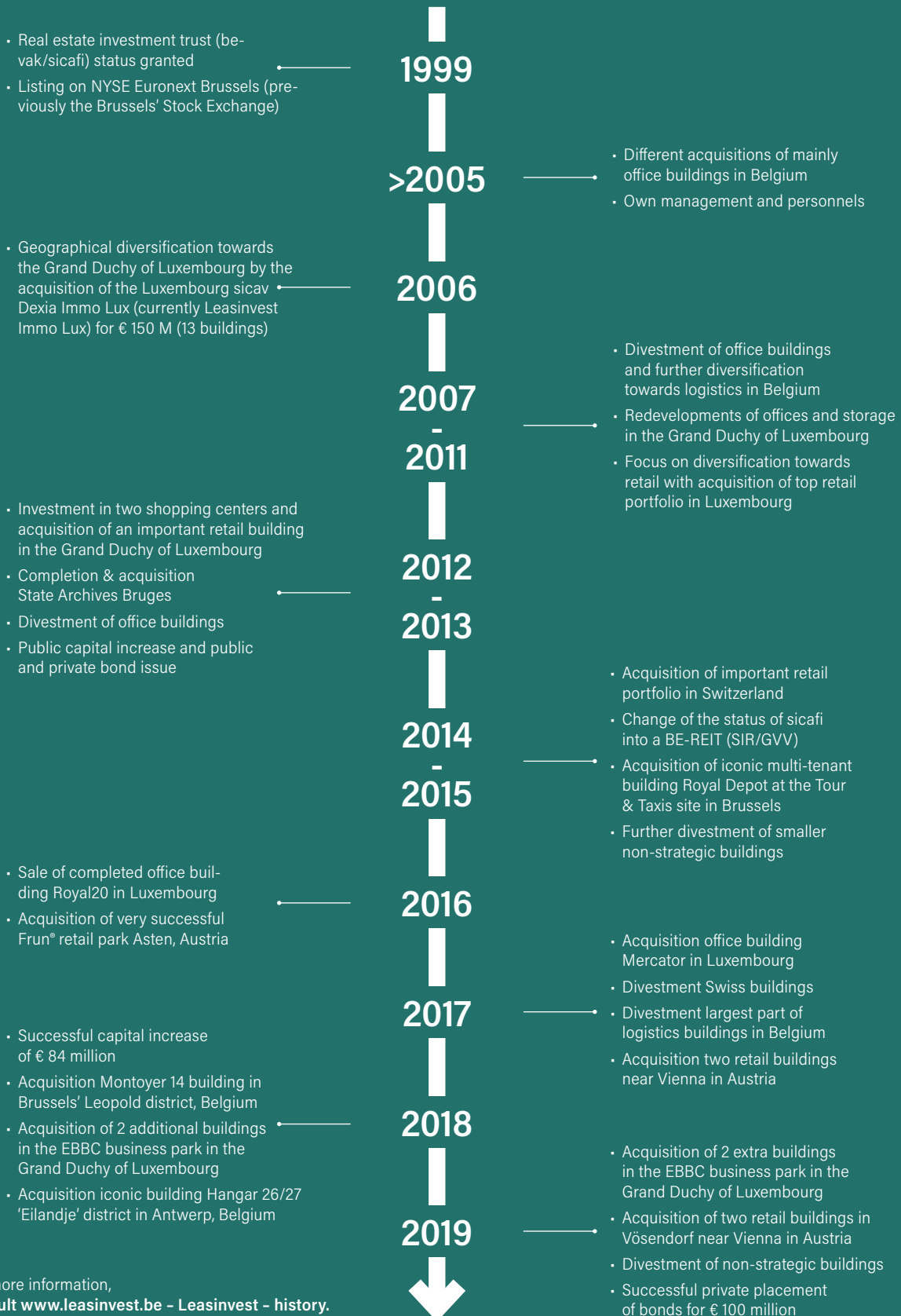
TOUR&TAXIS
Royal Depot
Brussels (BE)

"Leasinvest Real Estate's strategy is focused on well located and high-quality retail and office buildings. Geographically our buildings are located in the Grand Duchy of Luxembourg, Belgium and Austria".



*Period of 01/07/1999 to 31/12/2019

History



For more information, consult www.leasinvest.be - Leasinvest - history.

Creation of shareholder value resulting in a high dividend yield

by creating capital gains through

- active portfolio management
- dynamic investment and development policy
- divestment of non-strategic buildings

Generation of recurrent cash flow

through a dynamic commercial policy

- that responds to tenant's needs
- that is market-driven on a permanent basis
- striving for a high occupancy rate

Development of a high-quality real estate portfolio

by optimizing the portfolio

- redevelopment, enhancing sustainability and renovating of existing buildings
- strategic acquisitions

Limiting the risk profile

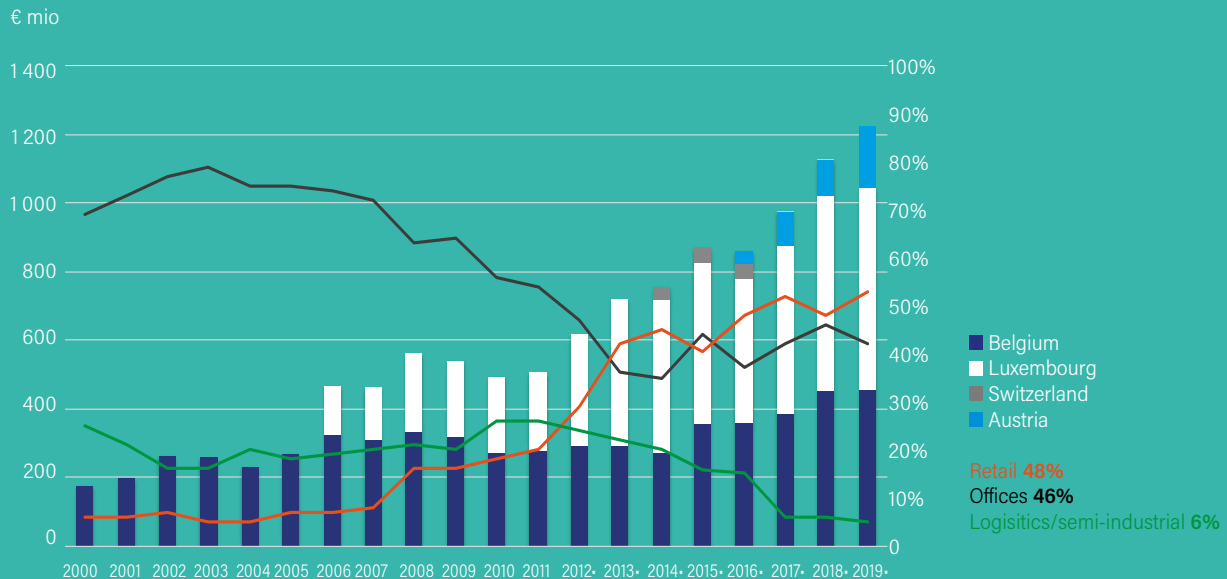
through diversification

- geographically: Grand Duchy of Luxembourg, Belgium and Austria
- asset classes: focus on retail and offices

Investor profile

Leasinvest Real Estate's investor profile consists of private investors, mainly in Belgium, and institutional investors in Belgium and abroad looking for acceptable dividend prospects in combination with limited risks in the medium term.

The diversification of the portfolio has evolved such as demonstrated by the graph below.



• Fair value including participation in Retail Estates. For more information we refer to the key figures of the real estate portfolio at page 28 and note 23 in the financial statements.

Our global strategy is based on 4 pillars :

01

Investment strategy

Leasinvest Real Estate's investment strategy is based on detecting interesting opportunities. Consequently, the composition of the real estate portfolio has strongly evolved over the years, in function of the evolution of the real estate and financial markets. For more information on the evolution of the real estate market over 2018, we refer to the Real estate report on page 102.

Leasinvest Real Estate uses the following investment criteria

- diversification geographically & per asset class
- countries: Luxembourg, Belgium & Austria
- focus on retail sector (retail parks/ medium sized shopping centers) in Luxembourg and Austria
- focus on offices at the best locations in Luxembourg and Belgium
- continue to look for redevelopment opportunities of well-located office buildings in CBD
- divestment of mainly non-strategic buildings

02

Development strategy

Leasinvest Real Estate has also been very successful in the redevelopment of buildings in view of further lease. Year after year buildings of the portfolio that can be taken into consideration for redevelopment are selected, taking into account our risk management policy (see Risk factors on page 4). The objective is to generate capital gains and continuously improve the portfolio's quality. Important examples of this policy are the buildings CFM, Bian, Montimmo, Royal20, shopping center Strassen and shopping center Knauf Schmiede in the Grand Duchy of Luxembourg, and The Crescent Anderlecht, Montoyer 63, Treesquare, Monteco (Montoyer 14) in the Leopold district of Brussels and De Mot in Malines and Hangar 26/27 in Antwerp.

03

Commercial strategy

Our commercial strategy aims at extending the average duration of the rental contracts and keeping the occupancy rate at a high level, in view of generating a continuous flow of recurring income. Our teams therefore operate in a proactive way, looking for possibilities and initiatives to optimally respond to our clients-tenants' needs, such as organizing a potential move, realizing an extension for extra space, or refurbishing (e.g. Co-working space De Mot in Malines).

04

Funding strategy

Despite the fact that the BE-REIT (SIR/GVV) legislation allows for a maximum debt ratio of 65%, the board of directors of the statutory manager of Leasinvest Real Estate opted for a more conservative funding policy, keeping the debt ratio within the 50-55% spread. End 2019, the debt ratio amounts to 54,78% in comparison with 53,53% on 31/12/2018.

The debt ratio is closely followed by management, the combination of the capital increase in 2018 and "capital recycling" over the past years having permitted to realize a number of interesting investments (cf. "investment strategy") by selling a number of non-strategic buildings.

For more information, we refer to note 33 of the financial statements.

The funding strategy also aims at keeping the funding cost as low as possible for the longest possible period, yet with the possibility to swiftly respond to potential investment files. The funding cost has in 2019 further dropped to 2.14% (2018: 2.59%). The weighted average duration of the funding on 31 December 2019 has increased to 3.88 years (2018: 3.11 years), also thanks to the private placement of bonds in November 2019, in replacement of the public bonds that came to maturity on 9 October. An important part of these credits are concluded at variable interest rates. In order to protect the company against increasing interest rates, a hedging strategy is implemented, entailing a hedge ratio of approximately 75% for the first 5 years and of approximately 50% for the next 5.

These 4 pillars of our strategy allow us to generate **a recurring dividend flow**.

4.

Letter to the Shareholders

EBBC
LUXEMBOURG (BE)



Michel Van Geyte • CEO - Jan Suykens • Chairman of the board of directors

The results for 2019 show a pleasing increase in comparison with 2018, in view of the fact that the € 84 million obtained from the capital increase in October 2018 was fully invested shortly afterwards.

The strategy

Our strategy remains focused on three countries, namely the Grand Duchy of Luxembourg, Belgium and Austria, and on two asset classes, retail and offices. Leasinvest Real Estate is essentially an “out-of-the-box” investor, always looking for interesting opportunities, respecting a balance between a financial and a real estate logic, paying equal attention to generating recurring income and creating capital gains in the long term.

Besides investing in new buildings, optimising its current real estate portfolio is also a priority. For top locations where Leasinvest Real Estate is present, the

redevelopment or extension potential is thoroughly analysed and translated into concrete pluriannual plans. Buildings that are no longer regarded as strategic are sold as soon as an opportunity presents itself.

We also remain proactive with regard to new market trends. For instance, Leasinvest Real Estate was one of the first real estate companies to launch a business centre concept at a number of its office buildings and responded immediately to the co-working trend. Now that Leasinvest Real Estate owns five of the six buildings at the EEBC site in the Grand Duchy of Luxembourg (see Activity report on p 39), close to the airport, these concepts will also be implemented there in order to optimally fulfil the needs of today’s office users.

The Grand Duchy of Luxembourg remains Leasinvest Real Estate's main investment market with a share of **53%** of the consolidated real estate portfolio.

The EPRA earnings* increased by **29.5%** end 2019.

The markets

The **Grand Duchy of Luxembourg** remains Leasinvest Real Estate's main investment market with a share of 53% of the consolidated real estate portfolio. In this market, the Company is one of the most important foreign real estate investors, in both offices and retail buildings. The Luxembourg economy performed very well in 2019 with GDP growth of 2.3%, making Luxembourg one of the top-performing EU countries once again. The take-up in the office market reached 267,000 m² in 2019, one of the highest levels ever, with prime rent increasing to € 51/m²/month in the CBD. The take-up in retail performed even better, reaching 122,000 m², the best year ever in Luxembourg. Prime rents remained stable in shopping centres and out-of-town stores, segments in which Leasinvest Real Estate has invested, amounting to € 115 and € 23/m²/month respectively.

Annual GDP growth in **Belgium** (now 31% of the consolidated real estate portfolio) stood at 1.4% in 2019. The total take-up on the Brussels office market amounts to an impressive 542,700 m² for 2019, the best rental year since 2006. The vacancy rate fell once again to 7.57%. Meanwhile, prime rents rose to € 320/m²/year and the weighted average rent recorded an increase to € 180/m²/year in 2019. The regional markets also performed well, with a take-up of 327,000 m², the second best year this century (including 223,000 m² in Flanders, -24% YoY). Prime rents in Antwerp grew to € 160/m²/year, while Leasinvest Real Estate was able to conclude various new rental contracts in the iconic building Hangar 26/27 at € 165/m²/year. The total investment volume for the Brussels office market reached a record figure since 2000, at just over € 2.08 billion. The top yield decreased further to 4.10% and now amounts to just 3.55% for long-term leased buildings. 2019 was also the second best year of this decade in the regional markets, with a total of € 369 million, of which € 327 million was generated in Flanders, resulting in the yield falling to 5.50%.

The **Austrian** economy (16% of the consolidated real estate portfolio since 2019) performed less strongly than in 2018, with growth of 1.6%, but still considerably better than the eurozone average. Retail sales and space per capita, however, remain the highest in Europe, and Vienna is still the number one city for quality of living, according to Mercer's ranking. The volume of handovers in shopping centres and retail parks remains low, but on the other hand, a high level of expansion was recorded in certain sectors, such as food, beauty, sport and discount stores.

Realisations 2019

End 2019, the fair value of the consolidated real estate portfolio, including development projects, amounted to € 1.11 billion (compared with € 1.04 billion end 2018). Including the participation in GVV Retail Estates NV, the fair value reached € 1.22 billion end 2019.

The EPRA earnings* (previously the net current result) stand at € 40.5 million (€ 6.83 per share) end 2019 and have increased significantly in comparison with the previous year (€ 31.3 million, i.e. € 6.03 per share). The net result over 2019 amounts to € 49.9 million compared with € 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 with € 7.37 on 31/12/2018.

The share and the dividend

The price of the Leasinvest Real Estate share fluctuated between € 87 and € 125.5 in 2019. The closing price at year-end amounted to € 113.0. The proposed gross dividend per share over the financial year 2019 amounts to € 5.25, which results in a gross dividend yield (based on the closing price) of 4.65% (financial year 2018: 5.84%).

Outlook 2020

Without these extraordinary circumstances, the rental income in 2020 would have reached a level comparable to that of the past year. Given the strict, limiting government measures taken within the framework of containing the spread of the Covid-19 virus since mid-March 2020 in the 3 countries Leasinvest Real Estate operates in, and depending on the duration of these measures, this can entail, especially in the retail segment, a substantial reduction in rents received and an increase in overdue rents, as an important part of the tenants were required to close their shops, and could ask Leasinvest Real Estate, as landlord of the buildings concerned, for compensation.

We wish to thank all our tenants, suppliers, real estate agents, banks, investors and shareholders in the Grand Duchy of Luxembourg, in Belgium and in Austria, for their confidence in Leasinvest Real Estate. We also would like to thank our employees for their continued efforts, which have led to achieving these results.

Drawn up in Antwerp on 27/03/2020

Michel Van Geyte

Managing director

Jan Suykens

Chairman of the board of directors



5.

Key figures

The key figures per 31 December 2019

At the end of 2018 Leasinvest Real Estate (LRE) fully consolidates the following participations: the Luxembourg SICAV-SIF Leasinvest Immo Lux SA, Leasinvest Services SA, RAB Invest SA, Haven Invest NV, NEIF Montoyer SPRL, Carver SPRL, S. Invest I SA, P Invest I SA, Porte des Ardennes Schmiede SA, Porte des Ardennes Pommerlach SA, EBBC A Sàrl, EBBC C Sàrl, Leasinvest Immo Austria GmbH, AE Starvilla Sieben GmbH & Co OG, Frun Park Asten GmbH, Kadmos Immobilien Leasing GmbH, and Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH Vösendorf Nordring 2-10 Vermietungsgesellschaft m.b.H and Vösendorf Nordring 16 Vermietungsgesellschaft m.b.H.

Following the entry into force of the 'ESMA directives on Alternative Performance Measures' of the European Securities and Market Authority (ESMA), the Alternative Performance Measures (APM) in this Annual financial report are indicated by *. For the definition and the detailed calculation of the Alternative Performance Measures used, we refer to page 78 et seq of this report.

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.

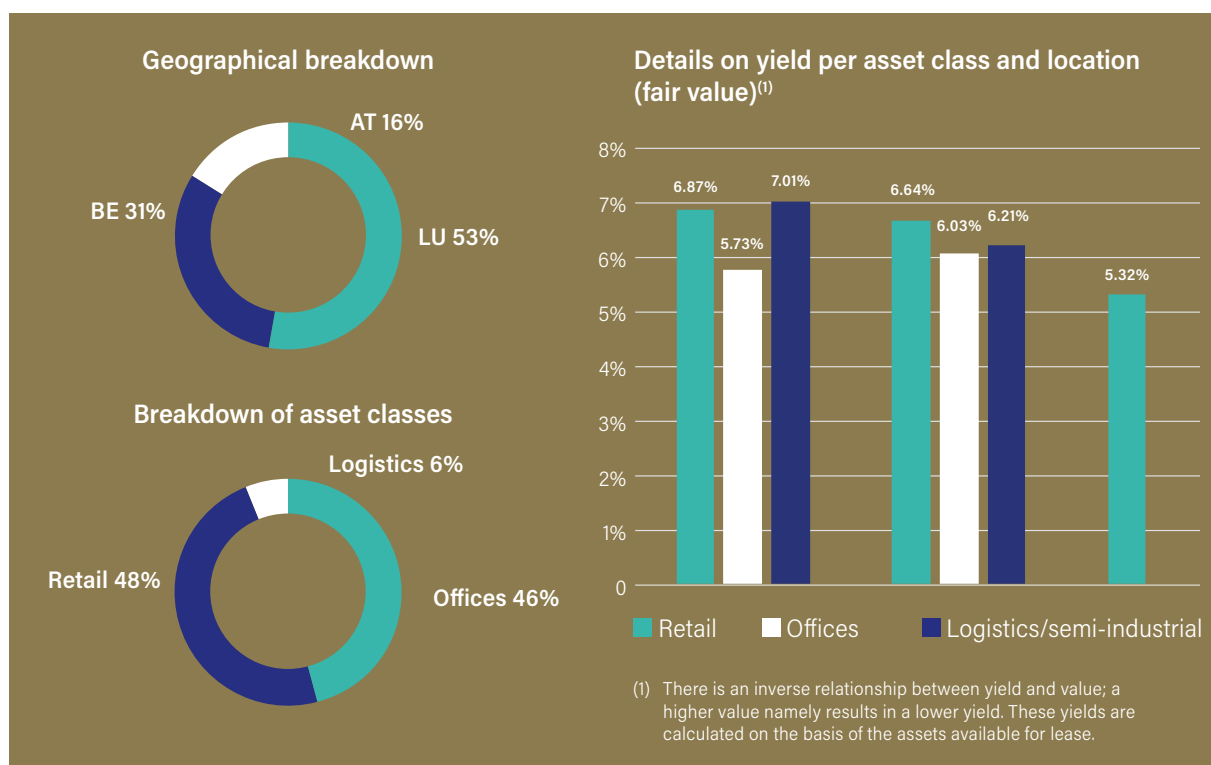
The consolidated direct real estate portfolio of Leasinvest Real Estate end 2019 comprises 29 sites (including development projects) with a total lettable surface area of 475,983 m². The real estate portfolio is geographically spread across the Grand Duchy of Luxembourg (53%), Belgium (31%) and Austria (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 (1)	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.

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, consist 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 into account 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.



6.

Annual report

LEOPOLD DISTRICT
BRUSSELS (BE)



“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.”

Michel Van Geyte
CHIEF EXECUTIVE OFFICER

Activity report

During the financial year 2019

HIGHLIGHTS

<p>EPRA earnings</p> <p>The EPRA earnings*¹ rise by 29.5% from € 31.3 million end 2018 to € 40.5 million (€ 6.83 per share vs € 6.03 per share)</p>	<p>Rental income</p> <p>Increase in rental income by € 9.1 million</p>	<p>Dividend</p> <p>Dividend rises from € 5.10 to € 5.25 gross per share</p>
<p>Funding cost</p> <p>The funding cost drops from 2.59% on 31/12/2018 to 2.14% end 2019</p>	<p>Private bond</p> <p>Successful placement of a private bond of € 100 million at 1.95% on 7 years fixed</p>	<p>Further optimization of the real estate portfolio</p> <p>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)</p>

(1) Alternative Performance Measures (APM) in the sense of the ESMA directive of 5 October 2015 in this Annual financial report are indicated with* and are further explained on page 78 et seq.



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.

LRE now owns
5 of the 6 buildings
on the site

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 SCS 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.



**Retailpark
Nordring 2-10**

14,800 m²

**Retailpark
Nordring 16**

11,350 m²

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.



Montoyer 14

Redevelopment:
3,655 m²
of state-of-the-art
office space



Hangar 26/27

Development
potential of another
9,000 m²
for retail and offices

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:	Seat in the committee of independent directors:
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			X
Eric Van Dyck	Independent director			X
Marcia De Wachter	Independent director	X		X
Colette Dierick	Independent director			X
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, previously approved by the FSMA.

After the closing of the financial year 2019

No events took place after year-end that could influence the 2019 result.

Given the strict, limiting government measures taken within the framework of containing the spread of the Covid-19 virus since mid-March 2020 in the 3 countries Leasinvest Real Estate operates in, and depending on the duration of these measures, this can entail, especially in the retail segment, a substantial reduction in rents received and an increase in overdue rents, as an important part of the tenants were required to close their shops, and could ask Leasinvest Real Estate, as landlord of the buildings concerned, for compensation.

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.



Notes to the consolidated income statement and balance sheet of the financial year 2019

INCOME STATEMENT

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.

NOTES TO THE BALANCE SHEET

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.

Dividend

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.

Outlook financial year 2020

Without these extraordinary circumstances, the rental income in 2020 would have reached a level comparable to that of the past year.

Given the strict, limiting government measures taken within the framework of containing the spread of the Covid-19 virus since mid-March 2020 in the 3 countries Leasinvest Real Estate operates in, and depending on the duration of these measures, this can entail, especially in the retail segment, a substantial reduction in rents received and an increase in overdue rents, as an important part of the tenants were required to close their shops, and could ask Leasinvest Real Estate, as landlord of the buildings concerned, for compensation.

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.

Risk factors

All risk factors specific to Leasinvest Real Estate are mentioned in the separate section Risk factors in the front of this annual financial report on page 4.

Corporate Governance Statement

Reference code

For the 2019 financial year¹, the Belgian Corporate Governance Code 2009 (the "Code"), is applied as the reference code by Leasinvest Real Estate (the "Company"). This Code is available on the website of the Belgian official Gazette and of the Corporate Governance Committee (www.corporategovernancecommittee.be). Furthermore, the provisions of the applicable company law relating to corporate governance are complied with. During the financial year 2019, being the reference period for this Corporate governance statement, the old Company Code was applicable to the Company. In principle, the Company Code also remains applicable to Leasinvest Real Estate after 31 December 2019, till its conversion into a legal form according to the new Code on Companies and Associations ("BCCA"). Since 1 January 2020 however, the stringent provisions of the BCCA relating to public liability companies (SA/NV) are applicable to the Company (except for book 7, title 4, chapter 1).

The Corporate Governance Charter of the company aims to lay down the rules for efficient internal functioning and organization of the management structure of the company, without infringing the legal provisions regarding the functioning and powers of the board of directors of the statutory manager (including the legal oversight and management powers of each member of the board of directors) and the provisions of the legislation on regulated real estate companies (the "RREC" legislation" among which the "RREC law"² and the "RREC RD"³). The most recent version of the Charter can be found on the website (www.leasinvest.be).

The corporate governance principles, because of the specific management structure of the company, are mainly implemented in the management structure of the statutory manager.

COMPLY OR EXPLAIN - DEROGATIONS OF THE BELGIAN CORPORATE GOVERNANCE CODE 2009

The Code is based on a comply or explain system: Belgian listed companies are held to comply with the Code but can derogate from the provisions and guidelines (but not from the principles) provided they communicate the reasons for such derogation.

The company complies with the Code but is persuaded that certain derogations of its provisions are justified taken into account the its specific situation:

Composition of the board of directors - gender diversity

In accordance with provision 2.1. of the Code the board of directors has to be composed based on gender diversity and diversity in general.

Based on article 7:86 of the Code on Companies and Associations ("BCCA"), the board of directors has to, be composed of at least one third of female directors. Before 20 May 2019 the board of directors consisted of 7 men and only 1 woman, the company at that time benefiting from the exception to the aforementioned 1/3rd rule by having a free float lower than 50%, exception that was valid till the general meeting held die in 2019. Since the general meeting held on 20 May 2019, the board of directors has been modified and is currently composed of 6 men and 3 women with different, complementary knowledge and experience, which makes that it also meets the aforementioned provision 2.1 of the Code.

Remuneration report

There is a derogation from principle 9.3/2 of the Code as a compensation for leaving of 16 months was granted to the CEO Mr. Michel Van Geyte, with the approval of the general meeting on 22/05/2018, on the advice of the nomination and remuneration committee.

¹ As of the financial year 2020 the Belgian Corporate Governance Code 2020 is mandatorily applied.

² The law of 12 May 2014 with regard to regulated real estate companies, as modified.

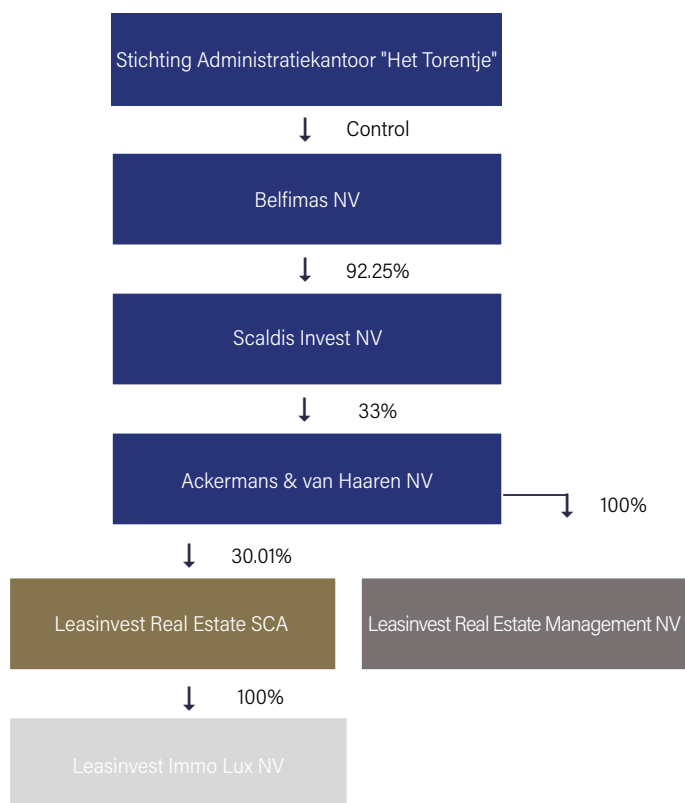
³ The Royal Decree of 13 July 2014 with regard to regulated real estate companies, as modified.

Governance structure and decision-making bodies

GROUP STRUCTURE

Control over the company is exercised by Ackermans & van Haaren NV, with registered office at Begijnenvest 113, 2000 Antwerp (more information: www.avh.be).

In application of article 74 §7 of the law of 1 April 2007 on public offerings Ackermans & van Haaren NV has communicated holding more than 30% of the securities with voting rights of the company.



STATUTORY MANAGER

The company is managed by its only statutory manager, Leasinvest Real Estate Management SA, with its registered office at 2000 Antwerp, Schermersstraat 42 (register of legal persons 0466.164.776), a 100% subsidiary of Ackermans & van Haaren SA, in the capacity of sole statutory manager and also permanently complies with the articles 14 and 15 of the RREC law.

The main activity of the statutory manager is managing Leasinvest Real Estate SCA.

Leasinvest Real Estate Management SA had a shareholders' equity of € 1,683,191 on 31/12/2019.

Term of the mandate

Leasinvest Real Estate Management SA was appointed in 1999 as the sole statutory manager for an indefinite term, with a minimum term of twenty-seven (27) years, which makes that its mandate is irrevocable until the annual general meeting of the company that will be held in 2026. After that date, the mandate of the statutory manager-legal person may be revoked provided that the attendance and majority conditions necessary to amend the articles of association are fulfilled, without the statutory manager-legal person having a right of veto on this point. The statutory manager may resign at any time.

The mandate of the manager may finally also be withdrawn under a court order as a result of a petition on lawful grounds, initiated by the general meeting of shareholders.

Competences

The statutory manager is empowered to perform all management operations that are necessary or useful to fulfill the company's objective, except for those operations for which only the general meeting of shareholders is competent in virtue of the law or the articles of association.

The statutory manager manages the company through its collegial board of directors, which has appointed a managing director and a representative for the daily management. Since 15/05/2018, Michel Van Geyte has been appointed sole managing director.

Remuneration

Besides entitlement to reimbursement of expenses directly related to its mission of running the company, the statutory manager is entitled to receive a fixed-rate remuneration pursuant to the articles of association of 0.415% of the consolidated assets of the company. For the past financial year, this remuneration was € 4,830,102.

No other remuneration is granted to the statutory manager.

BOARD OF DIRECTORS OF THE MANAGER

Composition⁴

At present, the board of directors of the statutory manager-legal person, Leasinvest Real Estate Management SA, is exclusively composed of physical persons and in that way, that the public RREC can be managed in accordance with article 4 of the RREC law. The composition of the board of directors also guarantees that the company is managed in the interest of the company.

All directors, the effective leadership, and the members of the executive committee dispose permanently of the required professional reliability and experience adequate for those functions, required within the RREC, taking into account their previous and current functions, their director's mandates and education.

The statutory manager was managed in the financial year 2019 by a board of directors of eight directors till 20 May 2019 and subsequently by nine directors, of which 5 independent directors and 4 directors nominated on the proposal of Ackermans & van Haaren SA.

The articles of association of the statutory manager include provisions relating to special majorities to be respected in the board of directors of the statutory manager, a/o with regard to decisions on the strategy (see below).

The board of directors of the statutory manager consists of at least three independent directors, who comply with the criteria foreseen in article 7:87 of the Code on companies and associations and in the Company's Corporate Governance Charter. In accordance with the Company's Corporate Governance Charter, their special mission is to watch over the interests of all shareholders of and ensure them an equal treatment.

In conformity with the Corporate Governance Charter the non-executive directors do not occupy more than 5 director's mandates in listed companies.

The board of directors appoints within its group a Chairman based on his/her knowledge, competence, experience and deliberation capabilities.

The Chairman is, besides his/her statutory missions, responsible for leading the meetings of the board of directors and for ensuring efficiency within the board of directors in all of its aspects. In particular, he/she takes all necessary measures in view of ensuring a climate of trust within the board of directors, that contributes to open discussions, constructive feedback and support for the decisions taken by the board of directors.

The responsibilities of the Chairman are detailed in the Corporate governance charter of the Company (article 2.4).

⁴ For the mandates in other companies, terminated mandates are indicated with a '+'; listed companies are indicated in bold.

CURRENT COMPOSITION



Jan Suykens
(° 1960)

Director on the proposal of Ackermans & van Haaren NV – non-executive director
Chairman of the board of directors of Leasinvest Real Estate Management NV
Chairman of the nomination and remuneration committee

Current function: **Chairman of the Executive committee of Ackermans & van Haaren NV**, Begijnenvest 113, 2000 Antwerp.

Mandates in other companies on 31/12/2019 and during the 5 previous financial years: **Aannemingsmaatschappij CFE NV**, Ackermans & van Haaren Coordination Center NV, **Ackermans & van Haaren NV**, Anfima NV, Anima Care NV, ABK Bank CVBA, Bank J.Van Breda & C° NV, BPI Real Estate Belgium NV, Delen Private Bank NV, Delen Private Bank Luxembourg S.A., Dredging, Environmental & Marine Engineering NV, Extensa Group NV, Extensa NV, FinAx NV, Finaxis NV, Gemini Natural Resources NV, Green Offshore NV, Grossfeld PAP, HPA NV, JM Finn & C° Ltd., Leasinvest Immo Lux SICAV-FIS SA, Media Core NV, Mediahuis NV, Mediahuis Partners NV, Oyens & Van Eeghen N.V., Profimolux S.A., Project T&T NV, Rent-A-Port NV, Residalya, Sofinim NV, T&T Koninklijk Pakhuis NV, T&T Openbaar Pakhuis NV, T&T Parking NV, Van Laere NV. Charity mandates: Antwerp Management School, De Vrienden van het Rubenshuis VZW, ING Antwerp branch.



Michel
Van Geyte
(° 1966)

Director on the proposal of Ackermans & van Haaren NV – executive director – effective officer

Since 22 May 2018: **Managing director of Leasinvest Real Estate Management NV**, Schermersstraat 42, 2000 Antwerp.

Mandates in other companies on 31/12/2019 and during the 5 previous financial years: Leasinvest Immo Lux SICAV-FIS SA, **Retail Estates NV**, Midhan BVBA, RAB Invest NV, KUL Alumni, Belgian Luxembourg Council of Shopping Centers (BLSC), ULI Belgium, Carver BV, Neif Montoyer BV, EBBC A Sàrl, EBBC C Sàrl, Canal Logistics Brussels NV, Orli Lux S.à.r.l., AE Starvilla Sieben GmbH & Co OG, Frun Park Asten GmbH, Leasinvest Immo Austria GmbH, Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH, Kadmos Immobilien Leasing GmbH, Vösendorf Nordring 2-10 Vermietungsgesellschaft mbH, Vösendorf Nordring 16 Vermietungsgesellschaft mbH. And as permanent representative of Midhan BVBA, with registered office in 8670 Koksijde, Duinenkranslaan 62: Haven Invest NV, Leasinvest Services NV, S. Invest I SA, P. Invest SA, Porte des Ardennes Pommerlach SA, Porte des Ardennes Schmiede SA, T&T Koninklijk Pakhuis NV, Mercator Sàrl.





Dirk
Adriaenssen
(° 1970)

Independent director- non-executive director
Till 20 May 2019: member of the audit committee

Current function: **Managing Director Redevco CH & CE**, Bäregasse 29, 8001 Postfach, 8021 Zürich (Switzerland)

Mandates in other companies on 31/12/2019 and during the 5 previous financial years: Redevco Liegenschaftsverwaltungs GmbH, Immoca Wirtschaftsgütervermietungsgesellschaft m.b.H, MITI Wirtschaftsgüter Vermietungsgesellschaft m.b.H., Arioso MH77 Liegenschaftsverwaltungs GmbH, Arioso GmbH, Redevco (Suisse) SA, Redevco Switzerland Asset Management Services AG, Arioso Czech s.r.p., V Prime Properties Korlátolt Felelősségű Társaság, Redevco Polska Delta Spolka Z Ograniczona Odpowiedzialnoscia, Seratos Expert SRL, Bengali NV, Redevco Retail Hungary Ingatlanhasznosito Kft, Redevco Polska Gamma Spolka s ograniczona odpowiedzialnoscia, Redevco Slovakia Petralka sro, Swifico AG, Redevco Polska Delta Spolka Z ograniczona odpowiedzialnoscia, Redevco Neun Liegenschaftsverwaltungs GmbH, S.C. SPV Develop One S.R.L., Redevco Iroda Ingatlanhasznosito Korlatolt Felelősségű Társasag "végelszámolás akatt", Claudi-ma AG, Cordima AG, Sitimco AG, Tecarla AG, Cofra Services AG, Arioso Czech Republic s.r.o., Redevco Switzerland Alpha AG, First Side Development AG, Jotta Wirtschaftsgütervermietungsgesellschaft mbH, Redevco RWP SA, Redevco RWP Villeneuve SA.



Jean-Louis
Appelmans
(° 1953)

Director on the proposal of Ackermans & van Haaren NV – non-executive director
Till 22 May 2018: executive director of Leasinvest Real Estate Management NV and effective officer

Current function: **director of companies**, Van Schoonbekestraat 36 bus 401, 2018 Antwerp 1.

Mandates in other companies on 31/12/2019 and during the 5 previous financial years: Canal Logistics Brussels NV, Granvelle Consultants & Co BV, Leasinvest Immo Lux SICAV-FIS SA, RAB Invest NV, **Retail Estates NV**, Orli Lux S.à.r.l., Frun Park Asten GmbH, Van Breda Immo Consult NV.

And as permanent representative of Granvelle Consultants & C° BV: Extensa Group NV, Haven Invest NV, Leasinvest Services NV, P. Invest SA, Porte des Ardennes Pommerlach SA, Porte des Ardennes Schmiede SA, S.Invest I SA, P. Invest SA, T&T Koninklijk Pakhuis NV, Kadmos Immobilien Leasing GmbH, Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH.



Piet Dejonghe
(° 1966)

Director on the proposal of Ackermans & van Haaren NV – non-executive director
Member of the audit committee

Current function: **member of the Executive committee of Ackermans & van Haaren NV**, Begijnenvest 113 in 2000 Antwerp.

Mandates in other companies on 31/12/2019 and during the 5 previous financial years: **Aannemingsmaatschappij CFE NV, Ackermans & van Haaren NV**, Ba-loise Belgium NV, Bank J.Van Breda & C° NV, Bâtiments et Ponts Construction SA, Bio Cap Invest SA, BPI Real Estate Belgium NV, BPI Real Estate Luxembourg S.A., Brinvest NV, CFE Bouw Vlaanderen NV, CFE Contracting NV, CFE Infra NV, CLE S.A., Delen Private Bank NV, Delen Private Bank Luxembourg S.A., Dredging, Environmental & Marine Engineering NV, Distriplus NV, Extensa Group NV, Financière Flo S.A., FinAx NV, Finaxis NV, GB-INNO-BM NV, GIB Corporate Services NV, Green Offshore NV, Groupe Financière Duval S.A., Groupe Flo S.A., HDP Charleroi SA, Holding Groupe Duval, Ligno Power NV, Mobix Engema NV, Profimolux S.A., Sofinim NV, Trasys Group NV, Van Laere NV, Voltis NV.

Charity mandates: SOS Kinderdorpen België VZW.



Marcia
De Wachter
(° 1953)

Independent director, member of the audit committee

Current function: **managing director at Trust @ Brain BV**, Boslaan 51 à 3090 Overijse.

Mandates in other companies on 31/12/2019 and during the 5 previous financial years:

Member of the executive committee of the **National Bank of Belgium**, MeDirect Bank Group Malta.



Colette Dierick
(° 1960)

Independent director

Current function: **CEO ING Luxembourg SA**. Place de la Gare 26, L-1616 Luxembourg.

Mandates in other companies on 31/12/2019 and during the 5 previous financial years: member of the board of directors of ING Luxembourg SA, chairman of the board of directors of the Pension fund ING Luxembourg ASBL, chairman of the board of directors of ING Lease Luxembourg SA, director at Bourse de Luxembourg SA, at ABBL (association of banks in Luxembourg) and at Erastys, managing director ING Belgium, director Record Bank, director Interhyp AG and chairman of the board of directors ING Contact Center.



Sigrid
Hermans
(° 1970)

Independent director, Chairman of the audit committee and member of the nomination and remuneration committee

Current function: **CFO LIFE group** in 2018 Antwerp, Mechelsesteenweg 271, box 21.

Mandates in other companies on 31/12/2019 and during the 5 previous financial years:

SOHO BV, NOLITA BV, FIVE POINTS BV, MITISKA NV, MITISKA REIM NV, FBBDT Helixir sas, Intercora Property SRL, Peppercorn 7 doo, Peppercorn 8 doo, OIY Czech sro, OCHM Invest sro, UZM Czech sro, Golden Smile System SL, Peppercorn 5 Sp zoo, Peppercorn 6 Sp zoo and Rent Polska Sp zoo.



Eric Van Dyck
(° 1962)

Independent director – non-executive director
Member of the nomination and remuneration committee

Current function: **Head of Antwerp Office at Cushman & Wakefield**, Jan Van Gentstraat 7, 2000 Antwerp.

Mandates in other companies on 31/12/2019 and during the 5 previous financial years: Redevco B.V., Arioso Investments Belgium N.V., Arlimmo N.V., Bengali N.V., Redevco France Développement Eurl, Redevco France Sasu, Starboard BVBA, Portside Property Investment BVBA, V Prime Properties Korlátolt Felelősségű Társaság, ImmoCa Wirtschaftsgütervermietungsgesellschaft m.b.H., Jotta Wirtschaftsgütervermietungsgesellschaft m.b.H., MITI Wirtschaftsgüter Vermietungsgesellschaft m.b.H., Redevco France Services, Redevco Holding France B.V., Redevco Holding France II B.V., Redevco Iroda Ingatlanhasznosító Korlátolt Felelősségű Társaság (Redevco Kft.), Redevco Liegenschaftsverwaltungs-GmbH, Redevco MH77 Liegenschaftsverwaltungs-GmbH, ARIOSO MH77 Liegenschaftsverwaltungs-GmbH, Redevco Polska Delta Spolka Z Ograniczona Odpowiedzialnoscia, Redevco Polska Spółka z ograniczona odpowiedzialnoscia, Redevco Prime SPPICAV, Redevco Retail Belgium Comm. V.

Mandates that ended in the course of the financial year 2019

Nicolas Renders

Director on the proposal of AXA NV – non-executive director

Start of mandate: 17/04/2018

End of mandate: 17/05/2019

Current function: Managing Director Belgium CIIAM Belgium – 11 avenue Delcassé - 75008 Paris.

Mandates in other companies on 31/12/2019 and during the 5 previous financial years: Aisela 10 BVBA, Alterimmo Belgium NV, Esi Arts 52 NV, European Selectiv Immo NV, Jouron BVBA, Ligne Invest NV, Poppy Caesar NV, Société Immobilière Du Wiltchers, Cabesa NV, Calar Cabesa Partners NV, Evere Square NV, Galaxy Properties NV, L Park NV, Bull's eye Property II Lux NV, PEF Kons Investment NV, Professional association of the real estate sector VZW.

Sonja Rottiers

Independent director, chairman of the audit committee and member of the nomination and remuneration committee

Start of mandate: 18/05/2015

End of mandate: 20/05/2019

Current function: CEO of Lloyd's Brussels & Regional Director for Europe, Middle East and Africa, Bastion Tower –floor 14, Marsveldplein 5 te 1050 Brussels

Mandates in other companies on 31/12/2019 and during the 5 previous financial years: Kinopolis NV Group, ING Bank Belgium, AXA Holdings Belgium, AXA Belgium, Belgian Finance Club, Servis, Touring Verzekeringen, Women on Board, SdL Advice BVBA.

Renewal and nomination of directors

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

- The nomination of Marcia De Wachter, Colette Dierick and Sigrid Hermans as independent directors for a period 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 period of 1 year, i.e. till the annual general meeting of May 2020.

Activity report of the board of directors

During the financial year 2019 the board of directors met 6 times, to discuss, in essence, the following items:

- The further development of the strategy of the company with all necessary attention for its further geographical extension in Belgium, the Grand Duchy of Luxembourg and Austria, with the linked (di)investments and important renovations and redevelopments;
- monitoring of the debt ratio;
- approval of the issue of a private placement of bonds for an amount of 100 M EUR (maturity 7 years, fixed coupon of 1.95% per year) and participation to subscription to optional dividend of Retail Estates NV;
- discussion and analysis of budgets and outlook;
- the renewal and negotiation of current bank credits within the framework of the funding strategy and control of linked derivatives;
- the composition of the board of directors and its different committees, paying attention to gender diversity;
- supervision on the management and functioning of the effective leadership, besides supervising the functioning of the internal control systems;
- operational and financial reporting, among which drawing up the interim statements and the annual and half-year financial reports;

The minutes of the meetings present a summary of the deliberations, specify the decisions taken and mention any reservations of certain directors. The minutes are held at the offices of the statutory manager.

Majorities

The decisions of the board of directors are validly taken with a simple majority of the votes casted, except for the decisions mentioned hereafter and insofar and to the extent they relate to the direction of the public RREC of which the company is the manager-legal person and for which special majorities are required, as mentioned below:

- a) Decisions with regard to defining the strategy of the company and decisions with regard to proposals to amend the articles of association can only be taken with a simple majority, always including a positive vote from
 - (i) at least the majority of the independent directors and
 - (ii) at least the majority of the directors nominated on the proposal of Ackermans & van Haaren SA,

providing that those directors have no conflict of interest with the company in the sense of article 7:96 of the Code on companies and associations. This qualified majority is also due to the exclusive control by Ackermans & van Haaren SA over the company as a consequence of the exclusive control over the statutory manager-legal person.

- b) Decisions with regard to each proposal for appropriation of the result of the company can only be taken by a special majority of 80% of the votes of the directors present or represented.

Evaluation

On the initiative of the chairman, the directors are regularly evaluated within the scope of the requirement that directors of a public RREC have to dispose of the professional reliability and adequate competence for the exercise of their function. Their education, their experience based on prior and current functions and directors' mandates in other companies are therefore taken into account, as well as their contribution to the further development of the company and their involvement in the deliberation and decision-making process.

The evaluation of the composition and functioning of the board of directors and its consultative committees takes place every two to three years, as foreseen by the Code. If necessary, advice of external professionals can be asked for.

Such an evaluation also takes into account the size of the board of directors, its composition and efficient functioning and that of the consultative committees, and the interaction with the effective officers, in order to check if all important subjects were sufficiently prepared and discussed.

Once a year, the non-executive directors, meeting without the presence of the effective officers, shall evaluate the relationship between the board of directors on the one hand, and the effective leadership/executive committee, on the other hand.

This evaluation procedure could lead to amendments to the composition of the board of directors, proposals for the nomination of new directors or non-re-nomination of acting directors.

CONSULTATIVE COMMITTEES

In accordance with the articles 7:98, 7:99 and 7:100 of the Code on companies and associations, the board of directors has currently 3 consultative committees as defined in the Code and further explained in the Corporate Governance Charter¹.

The consultative committees have a pure advisory function. They are in charge of examining specific matters and formulating advice to the board of directors.

After notifying the chairman, each consultative committee can, as far as it considers it useful, appoint one or more external advisers or experts, at the company's expenses, to support exercising its mission.

A meeting of a consultative committee can only be held validly if the majority of its members is present or represented and if at least half of the members are physically present. A member of a consultative committee that is prevented from assisting to a meeting can give a special mandate to another member of this committee. A member of a consultative committee can only represent one other member of the committee.

The committees preferably decide based on a consensus; if not, it is by simple majority of votes.

Audit Committee

The oversight mission of the audit committee and the related reporting duty relates to the company and its subsidiaries.

The audit committee sees to it that the financial reporting of the company presents a truthful, sincere and clear view of the situation and outlook of the company and checks in particular the annual and periodic financial statements before they are published and ensures correct and consistent application of the accounting standards and valuation rules of the company.

The audit committee evaluates, at least once a year, the internal control and risk management systems to ensure that the main risks (cf. chapter Risk factors in this annual financial report) have been properly identified, notified and managed according to the framework approved by

¹ The integral text of the last version of the Corporate Governance Charter can be found on the website www.leasinvest.be.

the board of directors.

The audit committee also evaluates the independence of the auditor and makes recommendations on internal and external audit.

The audit committee is also empowered, with regard to the statutory manager, as well as to the company, to decide that the auditor can provide other services than those assigned to him in virtue of the law and of which the remunerations exceed the thresholds mentioned in the Code on companies and associations (in accordance with article 3:64, §4 of the BCCA).

The tasks of the audit committee are carried out pursuant to article 7:99, §4 of the Code on companies and associations.

The audit committee was composed as follows during the past year:

1. **Sigrid Hermans** (since 20 May 2019), Chairman;
2. **Piet Dejonghe**, director on proposal of Ackermans & van Haaren;
3. **Marcia De Wachter** (since 20 May 2019), independent director;
4. **Sonja Rottiers** (till 20 May 2019), Chairman;
5. **Dirk Adriaenssen** (till 20 May 2019), independent director.

All members of the audit committee have the collective competences as to the activities of the company and at least one member has the necessary competences in accounting and audit matters as intended in article 7:99 §2 of the Code on companies and associations and provision C, point 5.2/4 of the Code.

The following points were among those discussed by the audit committee:

- quarterly financial reporting;
- risk management, internal control and regulation;
- follow-up of debt and hedge ratio of the company.

The auditor is invited to the meetings of the audit committee, and certainly for discussing the half-yearly and annual figures.

Unless the audit committee decides otherwise, the effective officers have the right to attend the meetings of the audit committee, which was indeed the case in the past financial year.

Nomination and remuneration committee

The nomination and remuneration committee ensures an objective and professional course of the nomination procedure and assists the board regarding the remuneration of the members of the board of directors and of the effective officers and makes recommendations regarding the remuneration policy.

The nomination and remuneration committee consists exclusively of non-executive directors and the majority of its members are independent directors. The composition of the nomination and remuneration committee has been adapted to the requirements of article 7:100 of the Code on companies and associations that, inter alia, foresees that the remuneration committee must consist of a majority of independent directors. The independent directors in this committee dispose of the necessary expertise in remuneration policies.

The members of the nomination and remuneration committee during the past financial year are:

1. **Jan Suykens** (Ackermans & van Haaren NV), chairman,
2. **Eric Van Dyck**, independent director;
3. **Sigrid Hermans** (since 20 May 2019), independent director;
4. **Sonja Rottiers**, (till 20 May 2019), independent director;

Except for the chairman, all other members being independent directors.

Unless the nomination and remuneration committee decides otherwise, the chairman of the board of directors and the managing director are entitled to attend the meetings of the nomination and remuneration committee.

Among other things, the following agenda items were considered to by the nomination and remuneration committee during the past financial year:

- the proposals for amendment of the board of directors – taking gender diversity into account - and in relation to the persons responsible for the independent control functions, in particular as to internal audit;
- the proposals for the remuneration of the effective officers, and of the CEO in particular, besides the staff and drawing up the remuneration report.

Committee of independent directors

The committee of independent directors is composed of all independent directors on the board of directors. The committee is chaired by one of its members, in principle, the member having most seniority in his function; it disposes of the competences defined in article 7:97 of the Code on companies and associations. This mission has been defined in article 9.5 of the articles of association of the statutory manager.

The committee is assisted by one (or more) independent expert(s) and draws up a reasoned report in writing to the board of directors on all matters for which it is competent. If the case arises, the board of directors shall record in the minutes, the grounds on which it deviated from the advice of the committee. The written advice shall remain appended to the minutes of the board of directors meeting.

In the financial year 2019, this committee met once, for the analysis of a dossier.

Presence at the different meetings of the board of directors and the consultative committees

Director	Start mandate	End mandate	Presence BoD	Presence AC	Presence NRC	Presence CID
Eric Van Dyck	16/05/11	16/05/22	6/6	-	3/3	-
Jean-Louis Appelmans	03/06/99	18/05/2020	6/6	-	-	-
Jan Suykens	03/06/99	16/05/22	6/6	-	3/3	-
Michel Van Geyte	19/03/13	16/05/22	6/6	-	-	-
Piet Dejonghe	18/08/16	16/05/22	6/6	4/4	-	-
Sonja Rottiers	18/05/15	20/05/19	3/3	2/2	1/1	-
Nicolas Renders	17/04/18	17/05/19	2/3	-	-	-
Dirk Adriaenssen	22/05/18	16/05/22	6/6	1/2		1/1
Colette Dierick	20/05/19	15/05/23	3/3		-	-
Marcia De Wachter	20/05/19	15/05/23	3/3	2/2	-	1/1
Sigrid Hermans	20/05/19	15/05/23	3/3	2/2	2/2	1/1

DAILY MANAGEMENT – EFFECTIVE OFFICERS

Daily management

Since May 2018 daily management is exclusively entrusted to Mr. Michel Van Geyte as sole managing director of Leasinvest Real Estate Management NV, and he is its permanent representative.

Effective officers

During the financial year 2019 effective leadership was composed of 2 persons: Michel Van Geyte and Tim Rens.

Michel Van Geyte (Chief Executive Officer), effective officer

Michel Van Geyte (54) was appointed as commercial manager of Leasinvest Real Estate Management SA in August 2004. He is currently managing director of Leasinvest Real Estate Management SA and its permanent representative. He is also managing director of a/o Leasinvest Immo Lux SA.

Previously he worked at Knight Frank SA as a managing partner and has more than 20 years of experience in real estate.

Tim Rens (Chief Financial Officer), effective officer

Tim Rens (39) works since 1/05/2017 as CFO for the company, is company auditor and has over 12 years of experience in audit at Deloitte, of which 4 years as Senior Audit Manager for a/o GVV's.

He fulfils different mandates in other companies at present and during the 5 past financial years: Carver BVBA, Haven Invest NV, Leasinvest Services NV, RAB Invest NV, Carver BV, Leasinvest Immo Lux SA, P Invest SA, Porte des Ardennes Pomerlach SA, Porte des Ardennes Schmiede SA, S Invest I SA, Leasinvest Immo Austria GmbH, Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH, Kadmos Immobilien Leasing GmbH, Vösendorf Nordring 2-10 Vermietungsgesellschaft mbH, Vösendorf Nordring 16 Vermietungsgesellschaft mbH and Frun Park Asten GmbH.

Both persons have been appointed as effective officers in accordance with the legal provisions in force and with FSMA approval.

Executive committee

During the financial year 2019 the executive committee consisted of 2 persons: Michel Van Geyte, CEO, and Tim Rens, CFO.

The Permanent Committee

The permanent committee meets regularly to discuss the current affairs of the company, to ensure adequate communication and to monitor the implementation of the decisions of the board of directors. The permanent committee consists of the Investment & Asset Manager, a commercial manager, a legal counsel, the Consolidation & Reporting Manager, an accountant, a property manager or one or more representatives of the technical management of the buildings.

For the current affairs of Leasinvest Immo Lux and Leasinvest Immo Austria separate meetings of the permanent committee are held, specifically aiming at the activities in the Grand Duchy of Luxembourg and Austria.

The investment committee

The investment committee can meet as the schedule requires, in function of the preparation of specific investment and divestment decisions, mandatorily taken by the board of directors. The investment committee is composed ad hoc in function of the agenda items and consists of one or more directors, (a member of) effective leadership, possibly assisted by external consultants for specific matters.

External representation – permanent representative

Statutory manager, Leasinvest Real Estate Management SA, represents the company in all judicial and extrajudicial affairs.

The statutory manager can appoint authorized representatives of the company. Only special and limited proxies for a certain or a number of well-defined legal acts are authorized. These authorized representatives commit the company within the boundaries of their proxy.

Pursuant to the provisions of article 2:49, §2, of the Code on companies and associations and article 14.6 of the articles of association of the company, the statutory manager has appointed a permanent representative among its directors, charged with the mandate of statutory manager of the public RREC, in the name and on behalf of Leasinvest Real Estate Management SA, and who is authorized to represent and legally bind the public RREC in relation to third parties, acting solely, but without infringing the RREC legislation.

Since 1 June 2018 Michel Van Geyte acts as permanent representative of van Leasinvest Real Estate Management NV.

Internal control, independent control functions and risk management

INTERNAL CONTROL

Under the responsibility of the board of directors, the Company has adopted an internal control system, to this effect, supported by the auditor, the audit committee and an independent internal auditor. The organization of the internal control system in the Company originates from the COSO 2013 model. The internal control comprises a set of means, activities, procedures and actions that are adapted to the specific characteristics of the Company and that contribute to controlling its activities, the efficiency of its operations and the efficient use of its resources, and allow it to adequately take into account important risks, whether they are operational or financial, or are related to compliance.

The internal control aims more specifically at:

- reliability and integrity of financial reporting;
- good and carefully organized management with well-defined targets;
- use of resources in an economically justified and efficient way;
- establishing internal management policies, plans and procedures;
- respecting laws and regulations.

In order to ensure that risk management and the control environment are dealt with in an efficient way, the board of directors and effective officers based their policy for these matters on international recommendations and good practices, and on the model of the following three lines:

- the first is that of the operations;
- the second is that of functions that were created to ensure that control of the risks and compliance are being followed up ("Risk manager and Compliance officer");
- the third is that of the independent guarantee ensured by the internal audit.

These functions are adequately and independently exercised, taking into account the size of the company and its resources, as described below.

In accordance with the law and the circular letter of the FSMA 2019_05 of 19 February 2019, the effective officers establish a report on the internal control for the FSMA and the auditor of the Company. This report describes namely the organization of the internal control, an overview of the main procedures in the Company, and finally, an assessment of these procedures.

Integrity policy

The company has established an appropriate integrity policy that is updated regularly and takes the necessary measures to continuously dispose of an appropriate, independent compliance function, as described below, supervising the integrity policy.

This policy comprises different aspects, among which preventing insider trading, conflicts of interest and the incompatibility of mandates, non-corruption and professional confidentiality.

The effective officers examine regularly which other domains and activities should be part of the scope of the compliance function.

INDEPENDENT CONTROL FUNCTIONS

Independent internal audit function

The company disposes of an adequate independent internal audit function. The responsible for this internal audit function is held to an independent and permanent evaluation of the activities of the company and also examines the quality and efficiency of existing procedures and methods for internal control.

Since 1 June 2018 the independent person responsible for the internal audit function is Tim Michel Van Geyte, CEO, who disposes hereto also of the required professional reliability and adequate expertise.

For this function, Mr. Van Geyte is assisted by the company BDO Bedrijfsrevisoren, as an external consultant, represented by Christophe Quiévreux. After approval by the audit committee, a planning is developed, with business cycles that will be analyzed by the internal auditor. The internal auditor reports its findings directly to the audit committee, in order to allow for a sound control by the latter.

Independent risk management function

Since 1 June 2018, the board of directors appointed Tim Rens, CFO of the company, risk manager. Tim Rens disposes of the required professional reliability and adequate expertise.

Independent compliance function

The responsibilities of the compliance function include ensuring compliance by the public BE-REIT (SIR/GVV), its statutory manager, directors, effective officers, members of the executive committee, employees and mandatories, with the legal provisions relating to the integrity of company activities. The mission of the compliance officer also includes supervising respect for rules of conduct and statements on transactions in Leasinvest Real Estate shares, for own account, by directors and other persons appointed by them, in order to limit the risk of abuse of inside information.

Since 1 June 2018 the board of directors appointed Paul Van Lierde, Senior Legal Counsel of the company, compliance officer for an unspecified term; he disposes of the required professional reliability and adequate expertise.

RISK MANAGEMENT POLICY

Investments and divestments

A(n) (dis)investment decision is taken by the board of directors of the statutory manager, based on a proposal elaborated by management and after ample deliberation in the board of directors. Should the case arise, a prior advice is given to the board of directors by one or more committees (e.g. the committee of independent directors within the framework of applying the procedure for preventing conflicts of interest, that can be assisted by external experts to that end).

Prior to each decision for investment – or divestment of property, a (technical, legal and fiscal) due diligence is carried out, of which the scope is defined in function of the object under review and the possible related risks. In most cases, external specialized consultants are appealed to.

Risk factors

The company is organized in such a way that if requested, besides the information that is published in the yearly and half-yearly reports, it can provide holders of securities additional information about the quantitative limits that apply to its risk management, about the methods used to enforce compliance with these limits and about the recent developments in relation to risks and returns on its assets.

The main risks the company is exposed to (as recorded in the chapter 'Risk factors' of this annual report) are assessed regularly, and at least once per quarter. The necessary procedures have been adopted to identify and monitor these risks, and to prevent their realization, and/or to estimate, control and follow up their potential impact.

This evaluation is carried out within the audit committee – at least four times a year (e.g. analysis of possible derogations to the budget/outlook, hedging policy) as well as by the board of directors of the statutory manager, and by the person responsible for the risk management function.

Remuneration report

Once the board of directors approves the remuneration report, based on the propositions and advice it received from the nomination and remuneration committee, this report is subsequently presented for approval to the general meeting of shareholders of the company.

PROCEDURE AND GENERAL PRINCIPLES OF THE REMUNERATION POLICY

The remuneration policy for the directors, the effective officers, the other leaders and persons in charge of daily management of the company is developed by the board of directors based on proposals and advice of the nomination and remuneration committee.

This remuneration policy is based on the following general principles:

- to the independent directors, no remuneration based on performance is granted, not in their capacity of director, nor in that of member of a committee, they only receive a fixed annual remuneration and attendance fees; no other financial advantages are granted besides their expense allowance within the framework of exercising their mandate.
- to the other non-executive directors, a fixed remuneration and/or attendance fees can be granted by the board of directors, based on the conditions defined on the proposal of the nomination and remuneration committee.
- to the executive director, effective officers, a variable remuneration is granted besides their fixed remuneration, based on the conditions defined by the board of directors on the proposal of the nomination and remuneration committee.

Once a year (usually at the end of the financial year) the nomination and remuneration committee assesses if and to what extent the remuneration policy needs to be amended for the following financial year.

The nomination and remuneration committee makes recommendations on the level of the remuneration of the directors, presented for approval to the board of directors and, subsequently, to the general meeting of the company.

The remuneration for the directors is compared with similar functions in other companies of the REIT (SIR/ GVV) sector to ensure that the remuneration is competitive and corresponds to the time invested in meetings of the board of directors and potentially the committees.

The fixed remuneration mainly consists of fixed remunerations in cash and can potentially be complemented by group and hospitalization insurances and/or other potential benefits in kind, such as a company car. The variable remuneration granted to the executive director is related to reaching the predefined objectives for the year, that are of both a qualitative and a quantitative nature (see hereafter).

The individual remuneration of the aforementioned persons, is defined as follows:

- i) for the independent directors the fixed remuneration and the attendance fees are individually defined based on a lump sum, moreover taking into account if the independent director is part of a committee (audit committee, nomination and remuneration committee and/or committee of independent directors);
- ii) to the other non-executive directors a fixed remuneration and/or attendance fees can be granted based on the conditions to be defined by the remuneration committee, by analogy with the remunerations granted to the independent directors;
- iii) for the executive director, the effective officers and other leaders, the remuneration (fixed and potential variable part) is individually defined by the board of directors on recommendation of the nomination and remuneration committee, after a recommendation by the CEO to this committee – except for his own remuneration.

The potential variable remuneration is defined in function of the general satisfaction on the yearly performance and whether the year objectives were met or not. The level of the variable remuneration of the effective officers can also be defined by an exceptional performance in the course of the financial year. The remuneration of the effective officers and other leaders is defined in view of attracting, motivating and retaining executive managers, and is geared to their respective responsibilities, required relevant experience and competences, and taking into account the market standards for similar functions.

In accordance with article 7:91 of the Code on companies and associations, except for other statutory provisions or explicit approval by the general meeting of shareholders, at least a fourth of the variable remuneration for an executive director, has to be based on previously defined and objectively measurable performance criteria over a period of at least two years, and another fourth at least has to be based on previously defined and objectively measurable performance criteria over a period of at least three years. This obligation is not required if the variable remuneration represents one fourth or less of the annual remuneration.

The effective officers and other leaders do not receive any remuneration that is based on the overall financial results of the company, nor do they receive a variable remuneration in cash based on the long-term.

Since 2017 the annual objectives for the effective officers are based on the following important criteria, weighted as follows:

- a) financial and portfolio criteria (33,33%) a/o EPRA Earnings* and EPS, control of debt ratio, funding, hedging and funding of further growth, control of occupancy rate, duration of leases, re-lettings of vacant buildings, responding to important lease breaks and elaborating (re)development projects.
- b) execution of the strategy (33,33%) a/o further divestment of less qualitative buildings within the framework of the continuous improvement of the quality of the portfolio (mainly (older) (office and logistics)) buildings and non-strategically located buildings, further search for potential investment opportunities in the 3 countries the company operates in.
- c) organizational & management capacities (33,33%) a/o further development of reporting, digital improvements, a long-term HR-plan for personnel management, besides optimizing investor relations.

The evaluation of the annual performance reached compared to the predefined objectives is on the one hand based on quantitative criteria, such as a/o

- reaching financial key figures,
- realizing projects agreed upon (e.g. obtaining an urban permit, successfully finalizing a renovation project)
- and, realizing qualitative criteria, a/o
 - collaboration with the rest of the personnel/team,
 - integration within the team,

- feedback of personnel the manager is responsible for,
- timely reaching internal and external deadlines in dossiers, etc.

The result of the predefined year objectives is individually discussed with the person concerned, at least once a year, usually at the end of the financial year, by the CEO, subsequently by the chairman of the board of directors (currently the same person as the chairman of the nomination and remuneration committee), based on an evaluation and functioning interview, of which the conclusions are first presented to the nomination and remuneration committee and afterwards to the board of directors.

The level of the remuneration is defined by the nomination and remuneration committee taking into account the global remuneration policy and according to internal procedures used by the remuneration committee a/o taking into account the remuneration granted in the past for similar functions and after a limited benchmark for the same functions in comparable companies.

SPECIFIC CONTRACTUAL REMUNERATIONS

A compensation for leaving of 16 months for Michel Van Geyte, CEO was agreed contractually.

As this compensation for leaving exceeds the maximum of 12 months as foreseen in article 7:92 of the Code on companies and associations, this compensation for leaving was approved separately by the general meeting of shareholders of the company held on 22 May 2018.

The contract with Tim Rens, other member of the executive committee contains the usual provisions with regard to remuneration (fixed and variable), non-competition and confidentiality. The contract is valid for an unspecified term and does not contain a specific compensation for leaving. This contract was concluded after 1 July 2009.

REMUNERATION POLICY FOR THE COMING YEARS

The remuneration policy for the financial years 2020 and 2021 is not expected to be amended in an important way, and the remuneration will to a large extent be defined on the same basis as that for 2019.

REMUNERATION FINANCIAL YEAR 2019

I. Total amount remuneration directors

With regard to the financial year 2019 the executive and non-executive directors of the statutory manager of the company received remunerations, directly and/or indirectly, for all services rendered, for a total amount of € 899,004 (excluding VAT).

Consequently, for the financial year 2019 the following remunerations were granted on an individual basis to the non-executive directors:

Director	Fixed remuneration BoD + attendance fees	Fixed remuneration AC + attendance fees	Fixed remuneration NRC + attendance fees	Fixed remuneration CID + attendance fees	Total financial year 2019 in €
Sonja Rottiers (till 20/05/2019)	10,000 (pro rata) + 7,500	2,000 (pro rata) + 5,000	2,000 (pro rata) + 2,500	1,000 (pro rata)	30,000
Nicolas Renders (till 17/05/2019)	-	-	-	-	-
Eric Van Dyck	20,000 + 15,000	-	4,000 + 7,500	2,000	48,500
Marcia De Wachter (since 20/05/2019)	10,000 (pro rata) + 7,500	2,000 (pro rata) + 5,000	-	1,000 (pro rata) + 2,500	28,000
Dirk Adriaenssen	20,000 + 15,000	2,000 (pro rata) + 5,000	-	2,000 + 2,500	46,500
Jan Suykens	-	-	-	-	-
Piet Dejonghe	-	-	-	-	-
Colette Dierick (since 20/05/2019)	10,000 (pro rata) + 7,500	-	-	1,000 (pro rata)	18,500
Sigrid Hermans (since 20/05/2019)	10,000 (pro rata) + 7,500	2,000 (pro rata) + 5,000	2,000 (pro rata) + 5,000	1,000 (pro rata) + 2,500	35,000
Jean-Louis Appelmans (since 20/05/2019)	10,000 (pro rata) + 7,500	-	-	-	17,500
Total					224,000

II. Remuneration individual directors

A. Non-executive directors

The remunerations paid to the independent directors and the non-executive directors as members of a committee are fixed on an annual basis. Consequently, the annual fixed fee for the financial year 2019 amounts to:

- € 20,000 for the board of directors,
- € 4,000 for the audit committee, resp. nomination and remuneration committee,
- € 2,500 for the committee of independent directors.

Besides this, attendance fees are granted (€ 2,500 per meeting), taking into account the number of meetings of the board of directors and its consultative committees. No benefits in kind were granted in the course of the financial year 2019.

B. Executive directors and 'other leaders' - effective officers - executive committee

With regard to the financial year 2019, the executive directors and 'other leaders' of the statutory manager of the company², namely the effective officers, i.e. Michel Van Geyte (CEO) and Tim Rens (CFO), also jointly forming the executive committee - received, directly and/or indirectly, for all services rendered on behalf of the statutory manager, remunerations for a global amount of € 1,072,272, among which:

- fixed remuneration in cash: € 767,651;
- variable remuneration (a/o in the form of bonuses): € 285,000;
- group insurance (type defined contribution): € 9,205;
- benefits in kind: € 10,415 as other components of remuneration.

C. Remuneration of the CEO, Michel Van Geyte

Fixed and variable remunerations are foreseen by the company, covering the functions of member of the board of directors and CEO.

The following remuneration mentioned in the table below was granted, for the financial year 2019, to the CEO, directly and indirectly³.

The CEO did not receive any specific benefits in kind.

CEO	Fixed	Insur- ance	Variable	Total
Michel Van Geyte (financial year 2019)	€ 425,004	-	€ 250,000	€ 675,004

D. Global remuneration of the other members of the executive committee

The members of the executive committee, have no stock options, nor other share-related remunerations, in accordance with the remuneration policy of the company.

Their remuneration is broken down in:

- a fixed remuneration based on their capabilities and experience in various fields such as commercial, real estate-technical, legal, tax, financial, accounting and general policy;
- a variable remuneration defined in function of reaching the (annual) objectives or not and potential exceptional performances based on the criteria mentioned above. The nomination and remuneration committee yearly defines the form of the variable remuneration granted to the other members of the executive committee, which were mainly bonuses ("tantièmes") in the financial year 2019.

The global gross amount of the remuneration and other benefits, granted by the company or its subsidiaries in 2019 to the other members of the executive committee, totals € 173,268 (excluding VAT) and can be broken down as follows:

Fixed	Group in- surance	Benefits in kind	Variable	Total
€ 118,647	€ 9,206	€ 10,415	€ 35,000	€ 173,268

² In the sense of article 3:6 of the Code on companies and associations.

³ A/o via Midhan BV.

Related-party transactions - Conflicts of interest

ARTICLE 7:96 OF THE CODE ON COMPANIES AND ASSOCIATIONS

The board of directors declares that, to its knowledge, no situations of conflicts of interest as defined by article 7:96 of the Code on companies and associations occurred during the past financial year between the directors of the statutory manager or members of the effective leadership or executive committee and the company, except for the fact, that with regard to the procedure for the prevention of conflicts of interest in listed companies, Mr. Van Geyte did not take part in the deliberation and decision-making of the proposals with regard to his remuneration.

As to the consequences in terms of the assets of the company, please refer to the aforementioned details about remuneration.

ARTICLE 7:97 OF THE CODE ON COMPANIES AND ASSOCIATIONS

During the past financial year no decisions were made based on which the provisions of article 7:97 of the Code on companies and associations had to be applied.

ARTICLES 37 AND 38 OF THE SIR/GVV LAW

Article 37 of the SIR/GVV law foresees a preliminary notification to the FSMA when in the case of an operation with the public REIT (SIR/GVV) one of its subsidiaries, some people mentioned in the article, directly or indirectly act as a counterparty or get a patrimonial benefit. In its notification to the FSMA the company has to demonstrate the interest of the planned operation for the company, and also that the planned operation fits within the normal course of the company strategy. During the past financial year no notifications had to be made to the FSMA within that framework.

CORPORATE GOVERNANCE CHARTER

In its Corporate Governance Charter, the company has subscribed to the policy that a director or a member of the executive committee who, directly or indirectly, (i) have an interest non-related to the patrimony, that is opposed to, or, has a parallel interest, related or not to the patrimony, to a decision or operation of the company or (ii) has an interest of a patrimonial nature that is opposed to a decision or operation of the company but that is in principle not subject to the competences of the board of directors, that he/she should immediately inform the chairman of the board of directors. The chairman shall assess whether to report the matter to the board of directors.

During the past financial year the chairman received no notification requiring the application of this policy.

GENERAL COMMENTS REGARDING POTENTIAL CONFLICTS OF INTEREST OF THE DIRECTORS AND THE EFFECTIVE OFFICERS

The possibility that potential conflicts of interest could arise between the directors of the statutory manager or members of the executive committee and the company, due to, among other things, the functions they hold in other companies in the real estate sector, is estimated as being small.

A functional conflict of interest (to which the legal rules on conflicts of interest contained in article 7:96 of the Code on companies and associations do not apply) could arise with directors appointed on the proposal of Ackermans & van Haaren SA, if operations are carried out between the companies related to Ackermans & van Haaren SA and/or the statutory manager and the company or another company from the Leasinvest Real Estate Group.

A potential conflict of interest could occur between the company and the statutory manager or between the company and Leasinvest Services SA or between the company or Leasinvest Immo Lux SA and its subsidiaries within the framework of a potential further restructuring of the property management and/or amendment to the organization structure. In the past financial year no specific restructurings took place, nor was the organization structure amended in a way that a conflict of interest could have arose.

A potential conflict of interest could finally potentially arise with Michel Van Geyte, CEO of the company, and also director in the public REIT (SIR/GVV) Retail Estates SA or the part of the function of Eric Van Dyck within the framework of potential investments that could also be considered on account of his function with Cushman & Wakefield. This is also taken in account for Mrs. Sigrid Hermans, given her function within the L.I.F.E. group in Antwerp.

In the past financial year, no conflict of interest on the account of the function of director arose.

RULES WITH REGARD TO CONFIDENTIALITY

The Corporate Governance charter further details the confidentiality that is expected from the directors with regard to information gathered within the framework of exercising their mandate and the confidentiality required in the case of privileged information. The Ethical Code of the Company more specifically treats the professional secrecy to which both the members of the company bodies and the members of staff are held, within the framework of their function.

Research and development

During the past financial year, no specific research and development activities were carried out, nor by the company, nor by the companies that are part of the consolidation scope of the company.

Code of conduct for financial transactions

The board of directors has published its policy regarding the prevention of market abuse in its Corporate governance Charter (www.leasinvest.be).

A procedure has been developed regarding transactions in Leasinvest Real Estate shares by the directors, the members of the executive committee or personnel. During the past financial year this procedure was not applied.

Relevant information in accordance with article 34 of the RD of 14 November 2007

regarding the obligations of issuers of financial instruments admitted to trading on a regulated market

STRUCTURE OF THE CAPITAL

The company is a partnership limited by shares (SCA) with one statutory manager, Leasinvest Real Estate Management SA. Its registered capital is divided in 5,926,644 shares with voting rights, with no-par value, which represent each 1/5,926,644 of the capital.

SHAREHOLDER STRUCTURE

For the shareholder structure and the transparency notifications we refer to Leasinvest Real Estate share on page 93.

LEGAL OR STATUTORY LIMITATIONS AS TO THE TRANSFER OF SECURITIES

There are no legal or statutory limitations as to the transfer of securities.

The statutory manager has a statutory right of veto according to article 29.1 of the articles of association for decisions of the general meeting relating to actions regarding the interests of the company versus third parties, such as dividend distribution and each decision affecting the assets of the company.

LEGAL OR STATUTORY LIMITATIONS AS TO EXERCISING THE VOTING RIGHT

Each share entitles to one voting right. No other securities granting voting rights have been issued. There are no legal and statutory limitations on the execution of the voting rights.

STOCK OPTION PLAN FOR EMPLOYEES

There is no stock option plan for employees.

SHAREHOLDER'S AGREEMENTS

No shareholder's agreements were concluded.

THE COMPETENCES OF THE MANAGING BODY, NAMELY WITH REGARD TO THE POSSIBILITY OF ISSUING OR REDEEMING SHARES

As to the authorization granted to the statutory manager to proceed to the issue of shares, we refer to article 7 of the articles of association of the company.

As to the authorization granted to the statutory manager to proceed to acquiring (or alienating) treasury securities, we refer to article 11 of the articles of association of the company.

THE RULES FOR NOMINATING AND REPLACING MEMBERS OF THE MANAGEMENT BODY AND FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The procedure applied for the (re-)nomination of a director is detailed in the Corporate governance Charter. (art. 2.1.6).

As to the current agreements regarding the composition of the board of directors of the statutory manager and the majority rules in force within the board of directors, we refer to page 58.

The general meeting of the company can only lawfully deliberate and decide upon an amendment to the

articles of association, if those attending the meeting represent at least half of the registered capital and given the presence of the statutory manager, without prejudice to more stringent legal dispositions.

An amendment to the articles of association is only adopted if previously approved by the FSMA and with $\frac{3}{4}$ of the votes attached to the present or represented shares and with the approval of the present or represented manager without prejudice to more stringent legal provisions.

IMPORTANT AGREEMENTS BY WHICH THE ISSUER IS A PARTY AND THAT ENTER INTO FORCE, UNDERGO AMENDMENTS OR END IN THE CASE OF A CHANGE OF CONTROL OVER THE ISSUER AFTER A PUBLIC TAKE-OVER BID

It is customary to incorporate a "Change of control"-clause in funding agreements allowing the bank to demand the repayment of the credit should a change in control over the company have a significant unfavourable effect ("Material Adverse Effect") on the company. The following banks incorporated such a clause relating to a change in control: ING Belgium NV, ING Luxembourg SA, KBC Bank and BNP Paribas Fortis. This clause is also present in the commercial paper (also called "short and medium treasury notes programme") concluded by the company on 21 November 2017 for € 250,000,000.

Besides this, the agreements relating to the private placement of bonds issued on 4 December 2013 and on 20 November 2019 comprise a similar clause allowing the investors, under certain circumstances, to ask for an early repayment in the case of a change of control.

AGREEMENTS BETWEEN THE COMPANY AND ITS STATUTORY MANAGER, DIRECTORS OR EMPLOYEES THAT FORESEE COMPENSATIONS FOR LEAVING IN THE CASE OF A PUBLIC TAKE-OVER BID

Furthermore, no agreements are concluded between the company, its statutory manager or employees providing in compensations when, following a public take-over bid, the directors resign or have to leave without any valid reason, or the contract of employees is terminated.

LRE Corporate social responsibility - ESG policy

As a real estate investor, Leasinvest Real Estate strives for an adequate yield on its real estate portfolio and good relationships with all stakeholders, through sustainable (re)development of assets in the Grand Duchy of Luxembourg, Belgium and Austria. Long-term growth is achieved by pursuing innovation in every area of the organisation. The ultimate goal is to sustainably increase the value of the real estate portfolio through more, and more stable, cash flows.

On the basis of a materiality matrix, Leasinvest has worked with its stakeholders to identify the most material ESG (Environmental, Social, Governance) topic connected with its activities. The aim is to achieve the greatest impact for each specific asset, rather than a general approach that applies to all assets.

ENVIRONMENTAL

In past years, Leasinvest Real Estate has decided to have its assets BREEAM certified. BREEAM assesses the social, ecological and economic sustainability performance of the assets. This allows Leasinvest Real Estate to monitor the desired building performance and communicate with the various stakeholders on the basis of an international standard. Thanks to the experience Leasinvest Real Estate has had with BREEAM and the ongoing commitment to optimise the performance of each asset, the following BREEAM certificates have been obtained:

BREEAM New Construction:

- Montoyer 63 Brussels (BE): Excellent
- Treesquare Brussels (BE): Excellent

BREEAM In-Use:

- Monnet Luxembourg (LU): Refurbishment "Very good"
- The Crescent Anderlecht (BE): Excellent
- Motstraat Malines (BE): Good.

BREEAM Projects:

Monteco at Montoyerstraat 14 in Brussels, Belgium. The

structure of the building, with 3,655 m² state-of-the-art office space, will be largely made from wood in order to reduce the impact on the environment, setting trends immediately as the first wooden high-rise building in Belgium. In addition, this office building is equipped with the latest technologies and innovations, allowing Leasinvest Real Estate and its tenants to monitor and optimise its performance on an ongoing basis.

Other initiatives connected with the sustainable evolution of the real estate portfolio:

Redevelopments

Strategically well located buildings that become vacant because of their lease ending, or those where improvements can be made without any disruption to the tenant (e.g. installation of solar panels) are eligible for renovation. In 2020, this will also apply to the EBBC Business Park in Luxembourg, where Leasinvest Real Estate has been the owner of 5 of the 6 buildings since 2019. Monteco (Montoyerstraat 14 in Brussels 1000) and Hangar 26/27 in Antwerp are also being redeveloped.

Selective arbitrage on the portfolio

Older, less strategic buildings qualify for sale should an opportunity present itself. In 2019, this was the case for the two floors of the Kennedy building in Luxembourg and for the Riverside Business Park in Anderlecht (Brussels).

Intelligent electricity and gas meters

- Riverside Business Park, Anderlecht (BE) (sold)
- The Crescent Anderlecht (BE)

These meters are read remotely and act as a basis for distribution of the electricity among the tenants. This means that both the owner and the tenant have instant information on electricity consumption, which enables them to take immediate corrective action if necessary.

Energy from renewable sources and solar panels

Besides purchasing energy generated solely from renewable energy sources or from high-quality cogeneration plants, and reducing and monitoring energy consumption, Leasinvest Real Estate has also focused on its own production via solar panels for a number of years:

- Tour&Taxis site, with a section on the Royal Depot (BE)
- The Crescent Anderlecht (BE)
- Treesquare in Brussels (BE)

- Frun® retail park in Asten (AT)
- Gewerbepark Stadlau (AT)

Electric charging stations & vehicles

Charging stations for electric vehicles are available at the car parks of Motstraat Malines and The Crescent Anderlecht. At Motstraat Malines, power sockets for electric bikes are also provided in the bike storage facility. The tenants are encouraged to come to work by bike and can take a shower after their ride and dry their clothes in the closed lockers.

At the Knauf Pommerloch shopping centre, a self-driving and 100% electric bus has been launched to shuttle visitors from one side of the site to the other, a first in Luxembourg.

Smart Buildings

In The Crescent Anderlecht, Synaptiq Building is linked to the Building Management System. This smart software automatically controls cooling or heating based on smart data (weather forecast, sensors, ...), ensuring improved comfort for the tenants as well as a substantial saving in energy consumption.

BMS

In various buildings (Motstraat Malines, Treesquare Brussels and Montoyer Brussels), investments have been made in a Building Management System ("BMS"). This system collects all user data and any alarms from technical installations in order to map consumption and allow technical problems to be resolved much more quickly.

In The Crescent Anderlecht, for example, significant energy savings have been made since the HVAC installation has been controlled proactively.

Improved roof insulation

For Motstraat Malines, the decision was taken to renew the entire roof covering of the building and take advantage of this opportunity to substantially extend the current roof insulation and improve its performance, in order to realise considerable energy savings.

Geothermal energy

Montoyer 63 in Brussels is equipped with a geothermal energy installation that ensures an exchange of energy between the soil and the technical installations. As the building produces its own energy, energy consumption in the building is kept very limited. This is one reason why this brand new building has been certified as passive.

SOCIAL

Leasinvest Real Estate's social initiatives mainly relate to the HR policy and sponsoring projects.

1. HR policy

The HR policy places the emphasis on well-being, as well as respect and appreciation for all employees:

- onboarding procedure to welcome new colleagues and immediately integrate them into the team
- team days where employees can present their tasks and responsibilities and exchange ideas with colleagues
- a focus on infrastructure and equipment, to ensure everyone can do their job perfectly and in a pleasant environment – e.g. laptop with VPN connection for working from home or another location
- Slack app as an internal communication tool
- formal and informal team-building activities, such as Insights Discovery® workshops, Immorun, visit to Christmas markets
- hot and cold drinks and fruit available at all times
- small gifts at regular intervals: Sinterklaas and Easter gifts etc.

2. Sponsoring and partnership activities

For many years, Leasinvest Real Estate has supported Stichting Conservatorium Antwerpen (www.stichting-conservatorium.be) and Middelheim Open Air Sculpture Museum/Middelheim Promotors vzw (www.middelheimmuseum.be; www.middelheimpromotors.be). Each year, new and relevant initiatives are taken.

In 2019, these included:

- The Crescent/De Mot in Malines: sponsoring of a portion of the breakfast for Car Free Day, action day as part of Mobility Week in collaboration with catering firm Insieme and the tenants, participation in "De Warmste Week" in collaboration with Wolters Kluwer and many local initiatives from people who work in the building
- participation in the Donkey Parade to raise money for De Kampenhoeve STER vzw and City Pirates vzw
- "Run & Bike Solidaire" in the Grand Duchy of Luxembourg to raise money for Handicaps Solidaires Luxembourg

GOVERNANCE

Leasinvest Real Estate strictly observes all provisions of the legislation applicable to the company. In addition, as a listed company, LRE is subject to supervision by the FSMA.

For more information about the company's Governance policy, please see the Corporate Governance Declaration chapter on p 50.

Discharge to the manager and to the auditor

It is proposed to the general shareholders' meeting to discharge the statutory manager and the auditor for the exercise of their mandates during the financial year closed on 31/12/2019.

Drawn up in Antwerp on 27/03/2020

Michel Van Geyte
Managing director

Jan Suykens
Chairman of the board of directors



7.

Alternative
Performance Measures



As is customary in the BE-REIT (SIR/GVV) sector Leasinvest Real Estate presents in its financial results a number of Alternative Performance Measures (APMs) in accordance with the directives of the European Securities and Markets Authority (ESMA) of 5 October 2015. A number of these APMs are recommended by the European Public Real Estate Association (EPRA), other APMs are considered to be mainstream within the sector in order to provide better insight in the financial results and performances reported.

The APMs in this annual financial report are indicated by*; Performance measures defined by IFRS standards or physical or non-financial performance measures are not considered to be APMs. Moreover, the ESMA directives do not apply to APMs reported in the financial statements or reported in conformity with the current legislation.

In consultation with the sector it has been decided to replace the APM 'net current result' by 'EPRA Earnings*.

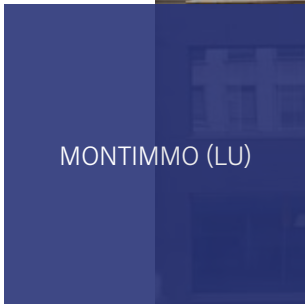
Details of the calculations of the EPRA performance measures

Leasinvest Real Estate received for its annual financial reports 2012-2018 an EPRA Gold Award.

The EPRA KPI's are communicated for information purposes only and are not required by the regulation on REIT (SIR/GVV) and are also not subject to any review by public bodies.

No EPRA performance measure was audited by the auditor, except for the EPRA Earnings, EPRA NAV and EPRA triple NAV.

For the report of the real estate expert we refer to the Real estate report on page 119 and for more information on the real estate experts and their remuneration, we refer to the Permanent document on page 209.



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) Changes in the fair value of financial instruments and non-current financial assets	-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%

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	31/12/2018
	vs 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%

CAPEX*

2019 (€ 1 000)	Group (excl. Joint Ventures)	Joint Ventures (proportion- nate share)	Total group
Acquisitions	121 274	0	121 274
Development	8 355	0	8 355
Investment properties	8 243	0	8 243
incremental lettable space	2 142	0	2 142
no incremental lettable space	6 101	0	6 101
Total CapEx	137 872	0	137 872
Conversion from accrual to cash basis	0	0	0
Total CapEx on cash basis	137 872	0	137 872

2018 (€ 1 000)	Group (excl. Joint Ventures)	Joint Ventures (proportion- nate share)	Total group
Acquisitions	99 086	0	99 086
Development	21 669	0	21 669
Investment properties	6 471	0	6 471
incremental lettable space	1 081	0	1 081
no incremental lettable space	5 390	0	5 390
Total CapEx	127 226	0	127 226
Conversion from accrual to cash basis	0	0	0
Total CapEx on cash basis	127 226	0	127 226

Details of the calculations of the Alternative Performance Measures ¹ (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

¹ Excluding the EPRA performance measures that are also considered as APM and are reconciled above on page 80.

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

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



Leasinvest Real Estate share

8.

MOTSTRAAT
MALINES (BE)



Dividend yield and shareholders' return

The graph below reflects the evolution of the gross dividends paid and the gross dividend yield (calculated as the gross dividend divided by the closing price of the share), as well as the total return according to GPR. The gross dividend shows an increasing trend as from 2008.



Gross dividend yield = gross dividend/closing price on 31/12.

Global return: source GPR: www.globalpropertyresearch.com

The return for the shareholders based on the global return GPR, is based on the nominal total returns, including reinvestment of the dividends. Returns are presented in the local currency and are based on the closing price of each month.

Key figures and graphs

	31/12/2019	31/12/2018
Number of listed shares (#)	5 926 644	5 926 644
Number of issued shares (#)	5 926 644	5 926 644
Weighted average number of shares after the capital increase on 04/10/2018		5 179 724
Market capitalization based on closing price (€ million)	670	518
Free float (%)	36.05%	36.05%
Closing price (€)	113.00	87.40
Highest price (€)	125.50	99.65
Lowest price (€)	87.00	82.60
Average monthly traded volume (#)	44 142	43 065
Velocity (%) (1)	8.94%	5.29%
Free float velocity (%) (2)	24.79%	14.66%
Premium/discount based on closing price vs NAV (fair value)	21%	-1.5%
Gross dividend (€)	5.25	5.10
Net dividend* (€)	3.675	3.57
Gross dividend yield (3)	4.65%	5.84%
Payout ratio (consolidated)	76.9%	84.6%

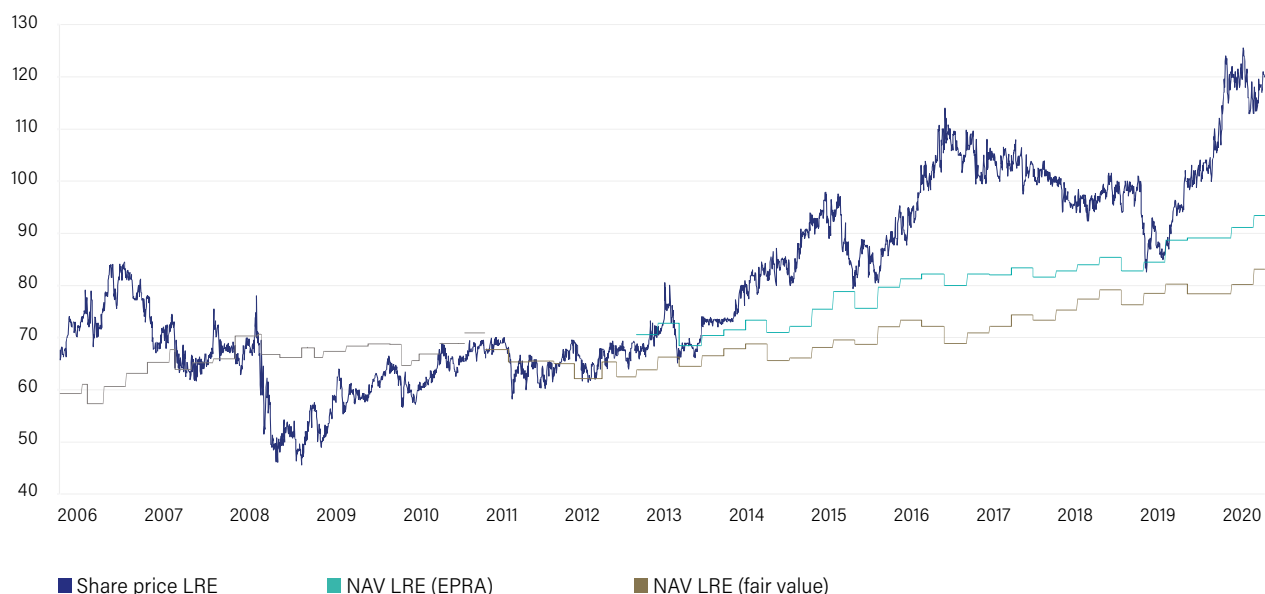
* Based on a withholding tax of 30%.

(1) Number of traded shares / total number of listed shares, calculated pro rata the number of shares before and after the capital increase of 4 October 2018.

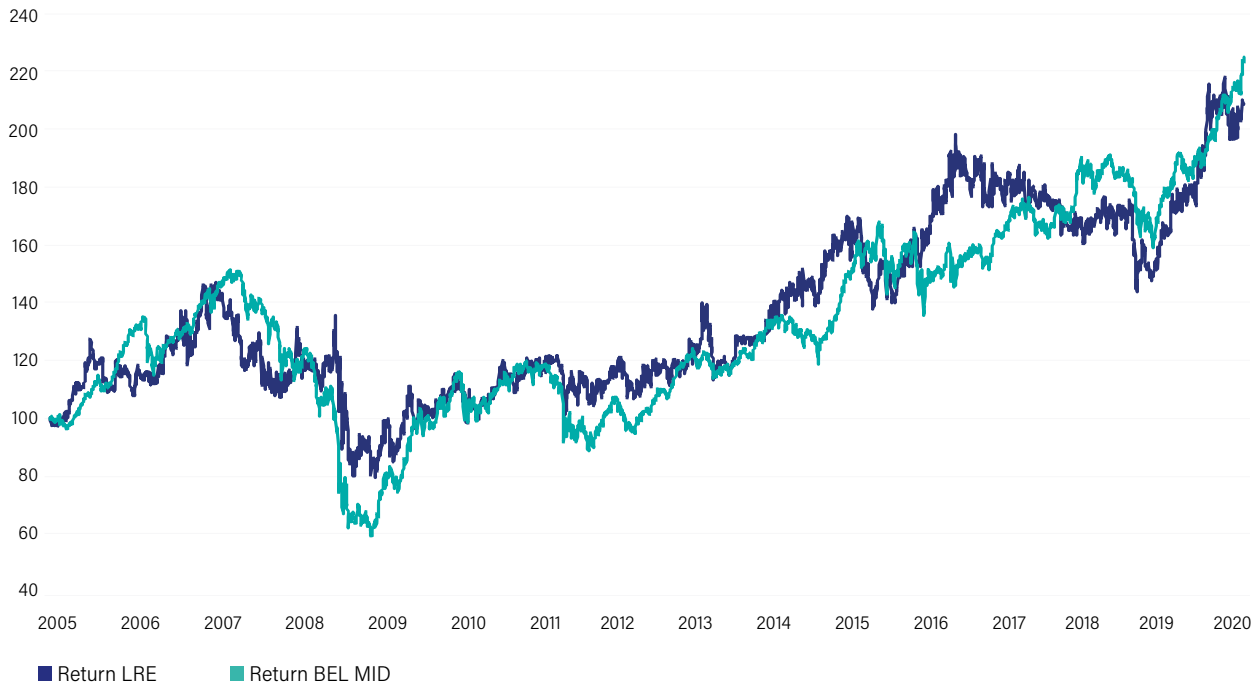
(2) Number of traded shares / (total number of listed shares * free float), calculated pro rata the number of shares before and after the capital increase of 4 October 2018.

(3) Gross dividend / closing price.

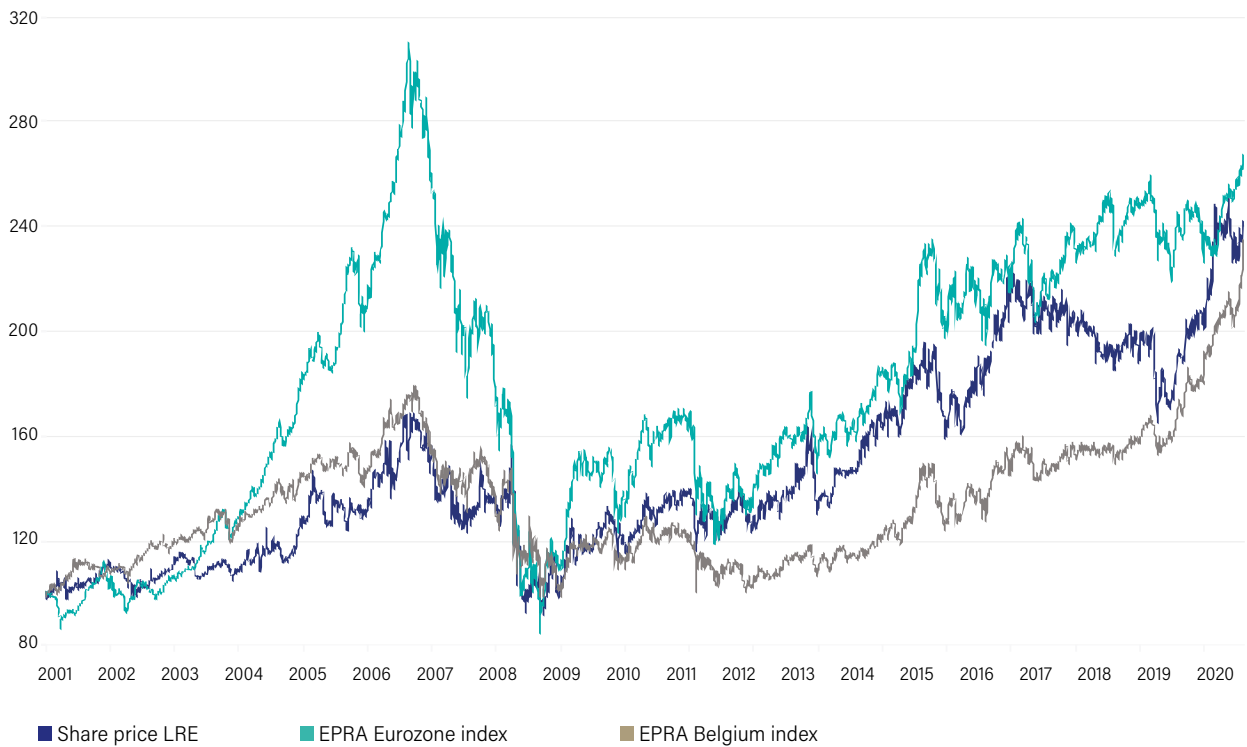
Price premium/discount Leasinvest Real Estate share price versus net asset value



Comparison of return of Leasinvest Real Estate with the return on BEL Mid index¹



Comparison of Leasinvest Real Estate share price with the return of the EPRA indices (www.epra.com)²



¹ Index to consult in the financial newspapers and on the internet.
² Information from EPRA, not verified by any authority.

The Leasinvest Real Estate share ended with a closing price of € 113.0 (2018: € 87.4) on 13/12/2019, which resulted in a share premium of 21% compared with the net asset value on the basis of fair value (2018: discount of –1.5% after the capital increase on 4 October 2018, whereby the number of shares issued increased to 5,926,644 and a coupon to the value of a proportional dividend of € 3.78/share was detached).

On 15/11/2019, the highest share price ever was recorded, with € 125.5.

The average monthly transaction volume of the share increased once again in the course of the past financial year to 44,142 shares in comparison with 43,065 in 2018.

As shown by the graph, the Leasinvest Real Estate share follows the trend of the BEL MID Index, the share being included since 21 March 2016. Until end 2017, the Leasinvest Real Estate share recorded a substantially better performance than the BEL MID index, which outperformed the Leasinvest Real Estate share until end 2018, after which this difference became smaller and the two shares followed a similar trend, with a higher return for the BEL MID index. From the start of August to the end of November 2019, the return of the Leasinvest Real Estate share was once again higher than that of the BEL MID index.

In comparison with the EPRA Belgium Index, the index of the main listed real estate companies in Belgium, the Leasinvest Real Estate share recorded a better trend. The EPRA Eurozone Index, the index of the main listed real estate companies in Europe, of which the Leasinvest Real Estate share is part, performed better than the Leasinvest Real Estate share in 2019, except for the period August to September, in which the Leasinvest Real Estate share achieved a better return.

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Dividend policy

In accordance with article 13 of the RD on RREC, in case a profit is recorded for the financial year, at least the positive difference between the following amounts has to be paid out:

- (i) 80% of the sum of the corrected result and the net realized gains on real estate not exempt of the mandatory distribution (always calculated according to the aforementioned RD) and
- (ii) the net decrease of financial debt in the course of the financial year of the public REIT (SIR/GVV).

Furthermore, article art. 7:212 of the Companies and Associations Code also has to be taken into account.

The company aims to offer an acceptable dividend return to its shareholders, in combination with limited risks in the medium term.

The past financial years, and this without any future guarantees, it has always been the objective to distribute a dividend that exceeds the legal minima. For the concrete figures we refer to page 171 et seq of the Financial statements.

Liquidity Provider

Bank Degroof Petercam rendered services as liquidity provider of the company during the past financial year and receives a fixed remuneration of € 12,500 (excl. VAT) on an annual basis.

Shareholder structure

(based on transparency notification received)

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

Transparency notifications

Each shareholder exceeding a threshold of three per cent (3%) (statutory threshold) and/or exceeding (the legal) threshold of five per cent (5%) and multiples of five per cent (5%) of the total number of shares has to communicate to the company and the FSMA the number of shares he holds in accordance with the current legislation.

For more information on the transparency notifications by AXA SA, including the chains of control, received in 2019, we refer to www.leasinvest.be (investor relations – shareholders and transparency).

The statutory manager Leasinvest Real Estate Management SA holds 7 Leasinvest Real Estate shares. The shares in Leasinvest Real Estate Management SA are 100% held by Ackermans & van Haaren SA, exercising exclusive control over Leasinvest Real Estate.

Shareholders' 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 2020 (31/12/2020)

With regard to practical formalities to attend the annual meetings of shareholders (annual general meetings and extraordinary general meetings) we refer to Chapter IV of the articles of association of the company and to the website www.leasinvest.be, where all documents to participate are published on the day indicated in the convening notice published in the Official Belgian Gazette and in a national newspaper.



Real estate report

9.

TREESQUARE
BRUSSELS (BE)



Main acquisitions and redevelopments



YEAR OF CONSTRUCTION:
2021 AFTER
RECONSTRUCTION

3 655 m² office space

Total investment:
€ 23.5 million

Rental yield (expected): 5%

BELGIUM

Monteco 14, CBD Brussels

Monteco, situated at the angle of the rue Montoyer and rue de l'Industrie in 1000 Brussels, in the centre of the European district, is being entirely redeveloped into an office building, being the reference for sustainable 'recyclable buildings'. The new building will comprise 3,655 m² state-of-the-art office space and will be delivered in Q3 2021.

Monteco will be the first high wooden construction and will be a co² neutral passive office building, and has been designed by Archi 2000 Architects. The building permit for this project is being awaited, to start the new construction after the 2020 summer.

Also for this new office building, the objective is to obtain a Breaam Excellent certificate.

(1) For a detailed overview of the capex we refer to the financial statements on page 160. The amount includes the transfer rights.

HANGAR | 26/27

Hangar 26/27, Antwerp

The iconic building Hangar 26/27 is located in the trendy Eilandje district in Antwerp, with on the one hand, a direct view on the river Scheldt, and on the other hand, on the MAS museum (Museum aan de Stroom).

The building has a surface area of 9,171 m² and is currently the object of a phased renovation (façade) with extension. In the meantime, the Danish architectural firm CF Møller 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.

The interest for this iconic building is huge, demonstrated by the conclusion of rental contracts for 2 of the 3 units under renovation at a rent of € 165/m²/year, or higher than the current Antwerp prime rent of € 150/155/m².

YEAR OF
CONSTRUCTION: 2001

9 171 m² office space

Occupancy rate: 82.34%

Total investment:
€ 47.1 million

Rental yield
(average): 4.89%



GRAND DUCHY OF LUXEMBOURG

EBBC Business Park, Airport district

End June 2019 the buildings B and E located in the EBBC Business Park near Luxembourg airport were acquired from the real estate certificate Immo Lux Airport, in which Leasinvest already held nearly 70% of the certificates.

European Bank & Business Center (EBBC) consists of a total of 6 office buildings with a global surface area of +/- 26,000 m² and benefits from a strategic location in the Luxembourg Airport district, at walking distance of Luxembourg airport. Given the importance of this district, it is also included in the tram expansion zone, that will make the park easily accessible by public transportation, both from the city centre and the business district "Kirchberg".

With this acquisition Leasinvest Real Estate now holds 5 of the 6 buildings on this site.

At present, the EBBC Business Park is being repositioned, meaning, besides optimizing legal conformity, it is the object of a rebranding including the start of offering services. The objective is to create a unique office campus that entirely responds to the needs of current office users.



YEAR OF CONSTRUCTION:
1988

19 713 m² office space

Occupancy rate: 77.21%

Total investment B & E:
€ 47.3 million

Rental yield
(average): 5.30%

Shopping center Knauf Schmiede

The revamping and the renovation works of the shopping center Knauf Schmiede started end-2018.

In 2019, the renovation continued and the works progress according to schedule. The profound renovation works, including an extension of 8,000 m², are phased; the first phases are now ongoing. The delivery of this extension (including the realization of the largest Delhaize supermarket in the Belux) is foreseen mid-2021. In the meanwhile, the

urban planning permit for these renovation works has been granted.

The Objective of this repositioning is to strengthen the position of Knauf shopping center Schmiede as largest shopping center in the North of Luxemburg. The works comprise an extended commercial offer, a new catering concept and a zone for activities and leisure for families.

YEAR OF
CONSTRUCTION: 1995

32 908 m² shops
2 776 m² offices
1 200 parking spaces

Occupancy rate: 93.45%

Investment
renovation: € 31 million

Rental yield
(average): 6.69%



Shopping center Knauf Pommerloch

The Knauf shopping center in Pommerloch, that is more recent, is located in the West of Luxembourg and attracts as many Luxembourg customers as Belgians. The tenants are also international retailers and local brands.

The works comprise, on the one hand, the opening of the new parking (Bastogne entrance) meeting the increasing need for parking, and on the other hand, the construction of two new commercial spaces of 850 m² added to the existing shopping complex. The delivery of these works is scheduled in April 2020.



YEAR OF
CONSTRUCTION: 2002-2011

25 096 m² shops

2 651 m² offices

1 013 parking spaces

+ 359 under construction

Occupancy rate: 95.34%

Investment works: € 8 million

Rental yield
(average): 6.67%

AUSTRIA

Retailpark Nordring 2-10 and Retailpark Nordring 16-18 in Vösendorf (Vienna)

At the end of 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.

RETAILPARK NORDRING 2-10

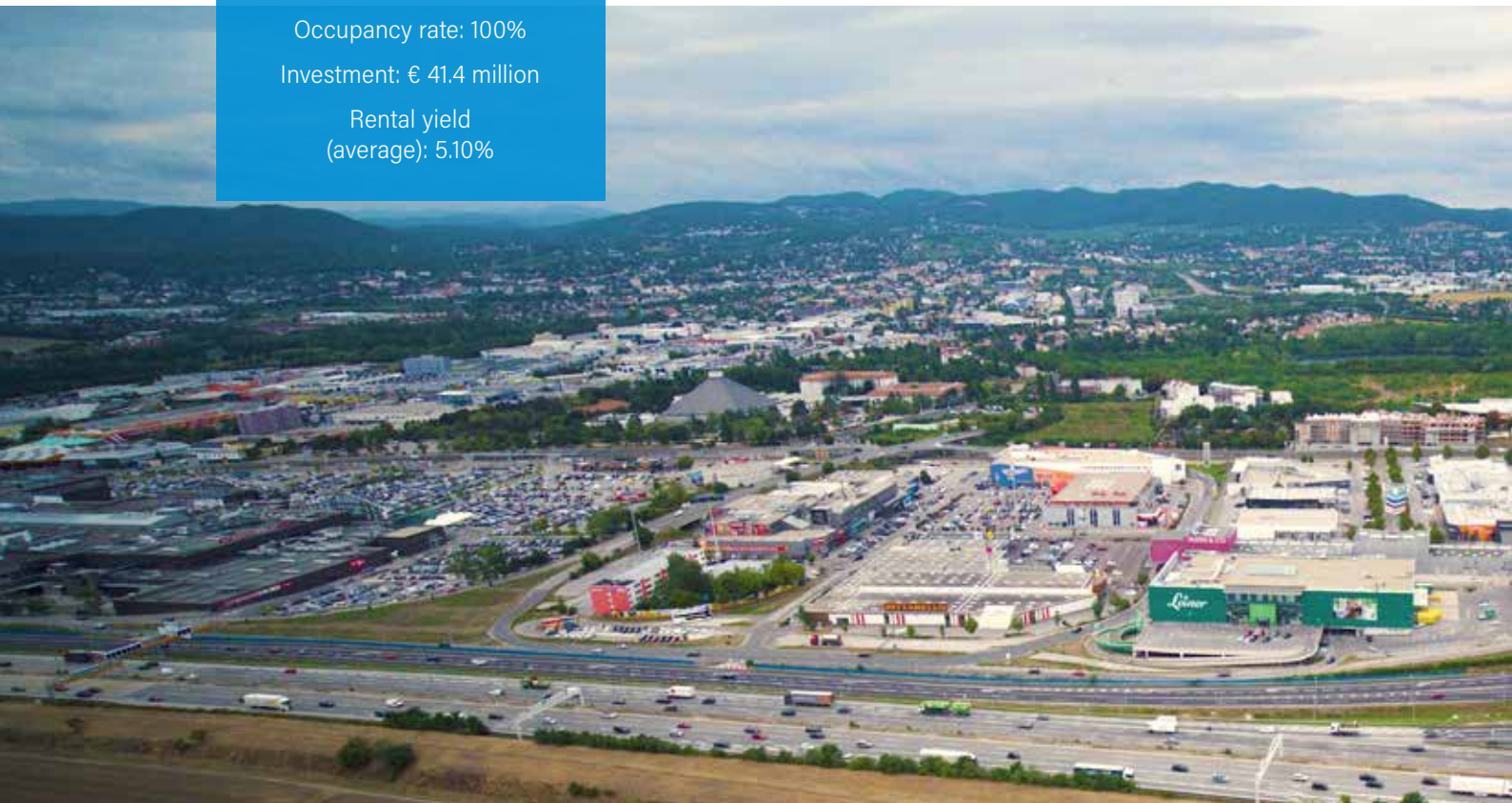
Year of construction: 2014

14 800 m² shops
278 parking spaces

Occupancy rate: 100%

Investment: € 41.4 million

Rental yield
(average): 5.10%



Retailpark Nordring 2-10 has 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.

Retailpark Nordring 16-18 has 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.

With these acquisitions, Austria represents 16% of the consolidated real estate portfolio end-2019.



RETAILPARK NORDRING 16-18

Year of construction: 2004

11 350 m² shops
202 parking spaces

Occupancy rate: 100%

Investment: € 31.6 million

Rental yield
(average): 5.42%

Real estate market in 2019

The company's competitive position is primarily influenced by the development of the real estate markets in which it is active.

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

OFFICE MARKET LUXEMBOURG

GDP growth

GDP growth amounted to 2.3% in 2019.

Rental market

Take-up ended at 267,000 m² in 2019, one of the highest levels ever. The public sector accounted for almost 35%. The vacancy rate for the entire Luxembourg office market remained at a historic low of 2.97%.

Prime rents rose to € 51/m²/month in the CBD and € 25.50/m²/month in the periphery.

Investment market

The total investment volume in offices in 2019 reached an impressive € 1.3 billion, with "only" 18 transactions. The average transaction in 2019 amounted to approximately € 70 million.

The top yield in the CBD remained unchanged at 4%, while the Station and Kirchberg districts recorded a decrease to 4.25%. The Cloche d'Or district also saw this figure fall to 3.75% (Deloitte sale).

SUBMARKET	BUILT STOCK (M ²)	AVAILABILITY (M ²)	VACANCY	YTD TAKE-UP	2020-2022 UNDER CON- STRUCTION (M ²)	PRIME RENT (€/m ² /month)	Top yield
CBD	862 000	7 500	0.9%	37 700	-	€ 51	4.00%
Kirchberg	1 190 000	11 000	0.90%	86 500	235 000	€ 37	4.25%
Station	421 000	16 000	3.8%	15 300	27 700	€ 36	4.25%
Cloche d'Or	452 000	19 500	4.3%	21 700	32 700	€ 32	4.50%
Other inner districts	249 000	17 400	7.0%	16 400	35 800	€ 33	5.25%
Decentralised districts	438 000	24 600	5.6%	54 200	38 700	€ 28.5	5.80%
Periphery	529 000	27 000	5.1%	35 000	94 800	€ 25.5	6.00%
Luxembourg (Overall)	4 141 000	123 000	2.97%	266 800	464 700	€ 51	4.00%

Source: Cushman & Wakefield

RETAIL MARKET LUXEMBOURG

Rental market

A take-up of over 122,000 m² was recorded in 2019, the best year ever in Luxembourg, thanks to a number of major openings such as Cloche d'Or (70,000 m²) and Hamilius (20,000m²).

Prime rents remained stable in shopping centres and out-of-town stores, amounting to € 115 and € 23/m²/month respectively.

Investment market

There was very little trading of retail assets in Luxembourg during 2019. The Belval Shopping Center (Esch Sur Alzette) was sold to Firce Capital in March 2020, which was the only large notified transaction.

Top yields remained stable compared with 2018 in the various sectors. The top yields for shopping centres amounted to 5.25% and for out-of-town stores, 6%.

SECTOR	Prime rents Q4 2019 (€/m ² /month)	TOP YIELDS
High streetn	160	3.25%
Out-of-town	23	6.00%
Shopping centers	115	5.25%

Source: Cushman & Wakefield

BELGIAN OFFICE MARKET

GDP growth

GDP growth for 2019 amounted to 1.4%.

Rental market

The total take-up on the Brussels office market amounts to an impressive 542,700 m² for 2019, the best rental year since 2006. The proportion of government transactions (31%) was higher than the 5-year average. At the same time, demand from the private sector has increased over the last six years and reached the highest level since 2007. The vacancy rate for the entire Brussels market fell to 7.57%.

Prime rents remained stable in Q4 at € 320/m²/year. The weighted average rent for 2019 also recorded an increase to € 180/m²/year.

Total take-up in 2019 for regional markets reached 327,000 m² (the second best year this century) with 223,000 m² in Flanders (-24% YoY).

Prime rents in Ghent and Antwerp grew to € 160/m²/year, with Leasinvest Real Estate already achieving a level of € 165/m²/year in the iconic building Hangar 26/27 in Antwerp.

SUBMARKET	BUILT STOCK (M ²)	AVAILABILITY (M ²)	VACANCY	YTD TAKE-UP	2020-2022 UNDER CON- STRUCTION (M ²)	PRIME RENT (€/m ² /year)	Top yield
Brussels (Leopold)	3 360 000	163 000	4.9%	61 800	32 000	€ 320	4.10%
Brussels (Centre)	2 330 000	65 000	2.8%	88 600	249 500	€ 275	4.30%
Brussels (North)	1 410 000	55 000	3.9%	135 800	347 500	€ 220	5.00%
Brussels (Louise)	890 000	37 000	4.2%	40 100	7 000	€ 250	4.50%
Brussels (Midi)	600 000	23 000	3.8%	13 900	-	€ 195	5.75%
Brussels (Decentralised)	2 780 000	320 000	11.5%	54 100	-	€ 185	6.50%
Brussels (Periphery)	2 090 000	350 000	16.7%	148 400	64 500	€ 185	6.50%
Brussel (Total)	13 460 000	1 013 000	7.57%	542 700	700 500	€ 320	4.10%

Source: Cushman & Wakefield

Investment market

The total investment volume for the Brussels office market for the full year reached the highest volume since 2002, at just over € 2.08 billion.

The top yield fell to 4.10% in Q4, reflecting the strong demand for investment in the office market. The long-term top yield currently stands at 3.55%.

2019 was the second best year of this decade in terms of registered investment volumes in the regional markets, with a total of € 369 million, of which € 327 million was generated in Flanders.

The renewed interest from investors in the regional markets, primarily in Flanders, led to a top yield that improved further to 5.50% (-65 base points YoY).

BELGIAN RETAIL MARKET

Rental market

Take-up of around 380,000 m² was recorded in 2019, a decrease compared with 2018, which was reflected in the various retail segments.

Rents remained relatively stable at the prime locations (high streets, shopping centres and out-of-town stores), while they are increasingly under pressure at second-rate locations, which are suffering from a decrease in the number of visitors and reduced attractiveness.

Investment market

Almost € 1 billion was invested in the retail sector in 2019, a significant decrease in comparison with 2018. However, there is a high level of activity in the out-of-town sector (in which Retail Estates, of which LRE holds more than 10%, is primarily active), particularly for locations with a supermarket or convenience store.

The top yields in the shopping centre sector remained stable, while those of retail parks declined further to 5.25% in comparison with 5.60% end 2018.

AUSTRIAN RETAIL MARKET

Economic fundamentals

In 2019, the Austrian economy grew by 1.6% YoY, considerably weaker than the previous year. Nevertheless, the growth exceeds the eurozone average, which amounted to 1.2%. In general, domestic demand remained strong throughout 2019, with total consumption growth of 0.3%. Retail sales and space per capita remain the highest in Europe.

This applies particularly to Vienna, the winner of Mercer's 2019 "Quality of Living" ranking for the tenth consecutive year.

Retail market

The volume of deliveries to Austrian shopping centres and retail parks was only slightly above the low level of 2018, around 50,000 m².

However, in 2019, the food, beauty, entertainment, F&B and sport sectors, and in particular discount stores, recorded a high level of expansion. For example, the Dutch discounter Action has already opened 57 stores in Austria since its market launch in 2015, including one at Nordring 16–18 in Vösendorf, purchased by Leasinvest Real Estate in 2019.

Real estate portfolio

GRAND DUCHY OF LUXEMBOURG

All investment properties are held directly and indirectly by Leasinvest Immo Lux, a 100% subsidiary of Leasinvest Real Estate.

Shopping center Knauf, Schmiede

Shopping center with 40 shops, located in the North of the Grand Duchy of Luxembourg, on the border of the 3 countries Luxembourg, Belgium and Germany
Year of construction: 1995
Surface: 35 684 m²



Shopping center Knauf, Pommerloch

Shopping center with 60 shops, located in the North of the Grand Duchy of Luxembourg, near Bastogne in Belgium
Year of construction: 2002
Surface: 26 251 m²



Boomerang shopping center, Strassen

Shopping center located at an important entrance to the City of Luxembourg, namely the Route d'Arlon • Redevelopment phase 1 2018
Year of construction: 1988
Surface: 22 721 m²



Hornbach, 31, Rue du Puits Romain, Bertrange

Retail site situated in Bertrange, Bourmicht
Year of construction: 2008
Surface: 12 153 m²





Rue du Cimetière/An der N7, Diekirch

Retail building situated at the N7 in Diekirch
 Year of construction: 1996
 Surface: 7 703 m²



Rue du Cimetière/An der N7, Diekirch

Construction additional retail building
 of 1,356 m² in 2011
 Year of construction: 2011
 Surface: 1 356 m²



Rue du Brill, Foetz

Retail building situated next to Cora
 Year of construction: 1987
 Surface: 4 219 m²



**Place Schwarzenweg,
 Dudelange**

Commercial building consisting of galle-
 ries, commercial spaces, bakeries, reser-
 ves, sales points, offices and a cafeteria
 Year of construction: 1991
 Surface: 3 759 m²



**Rue du Curé, Diekirch
 Co-ownership**

Shopping arcade, part of a mixed building (com-
 mercial/residential) – Leasinvest Real Esta-
 te owns all commercial space except 1
 Year of construction: 1994
 Surface: 3 277 m²

**EBBC, Route de Trèves 6, Senningerberg
Co-ownership parking and parking zone**

Is part of an office complex of six buildings at walking distance of Luxembourg airport – Leasinvest Real Estate is 100% owner of 5 of the 6 buildings on the site
Year of construction: 1988
Surface: 19 713 m²



Mercator, route d'Arlon, nr. 110 - 112, Luxembourg

Office building located in the capital of the Grand Duchy of Luxembourg, at the route d'Arlon, one of the main access roads to Luxembourg City
Year of construction: 1998
Surface: 8 641 m²



Rue Jean Monnet 4, Luxembourg

Flagship of the portfolio due to its location, architecture and excellent finishing • Partial renovation in 2011
• profound renovation in 2015
Year of construction: 1992
Surface: 3 866 m²



Route d'Esch 25, Luxembourg

Situated nearby Banque Internationale du Luxembourg's head offices at the route d'Esch
Year of construction: 1992
Surface: 1 839 m²



Montimmo, Avenue Monterey 35, Luxembourg

Situated in one of the most important streets of the Central Business District of the City of Luxembourg
Year of construction: 2009
Surface: 1 760 m²





Avenue Monterey 20, Luxembourg

Office building with standing, situated at the Boulevard Monterey, one of the most prestigious locations in Luxembourg

Year of construction: 2001

Surface: 1 555 m²



CFM, Rue Guillaume Kroll, Luxembourg

Industrial complex which serves as service center, distributor, wholesale in sanitary fittings, on the one hand, and an office complex on the other hand • Renovated and extended in 2008

Year of construction: 1990

Surface: 19 987 m²

BELGIUM

All investment properties recorded in the statutory accounts of Leasinvest Real Estate are indicated with an •.

Brixton Business Park / Brixtonlaan 1-30, Zaventem•

Business park alongside the E40 motorway, consisting of 6 semi-industrial buildings and 1 large retail site •
Renovations executed in function of new tenants
Year of construction: 1975/88
Surface: 22 424 m²



Royal Depot Tour & Taxis Brussels•

Multi-functional and 'multi-tenant' building with 4 floors, spread across offices (32,076 m²), commercial spaces (7,293 m²) and archives (5,835 m²)
Year of construction: 1910
Surface: 45 204 m²



The Crescent, Route de Lennik 451, Anderlecht•

Office building in the Erasmus Science Park in Anderlecht • Renovated into a 'green intelligent building' in 2010/2011
Year of construction: 2002
Surface: 15 611 m²



Motstraat, Malines•

Office complex • Development business center in 2017
Year of construction: 2002
Surface: 13 927 m²





Rue Montoyer 63, Brussels-

Extremely well-located office building in the Leopold district
Year of construction: 2018
Surface: 6 052 m²



Treesquare 5-6, Brussels-

Office building with a unique location in the Leopold district
Year of construction: 2018
Surface: 6 503 m²



Monteco, Rue Montoyer 14, Brussels

Office project, very well-located in the Leopold district • Reconstruction by Q3 2021
Year of construction: 1972
Surface: 3 655 m²



Hangar 26/27, Antwerp

Iconic building in the Eilandje district in Antwerp, with on the one hand, a direct view on the river Scheldt, and on the other hand, on the MAS museum (Museum aan de Stroom) • under phased renovation
Year of construction: 2001
Surface: 9 171 m²



State Archives, Predikherenrei 4, Bruges

Building with 29 linear kilometers of archives
Year of construction: 2012
Surface: 6 097 m²

AUSTRIA

The investment properties in Austria are indirectly held via Leasinvest Immo Lux, of which Leasinvest Real Estate is the 100% shareholder.

Frun® Park Asten, handelsring 8-10, 4481 Asten

The Frun® retail park in Asten is situated at 200 km of Vienna and nearby Linz and comprises 26 shops and 600 parking spaces
Year of construction: 2013
Surface: 18 300 m²



Hornbach Baumarkt Stadlauer str. 37, 1220 Vienna

Retail site with a high footfall and a leading position in the city of Vienna
Year of construction: 1997
Surface: 13 300 m²



Gewerbepark Stadlau Gewerbeparkstraße 2, 1220 Vienna

Very well-located retail site (10 shops) with a high footfall and a leading position in the city of Vienna
Year of construction: 2016
Surface: 11 000 m²



Nordring 2-10, Vösendorf

Very well-located retail building near Shopping City Süd in the South of Vienna
Year of construction: 2014
Surface: 14 800 m²

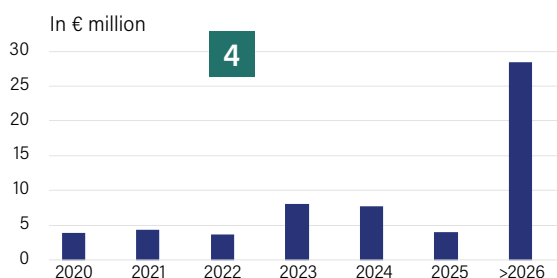
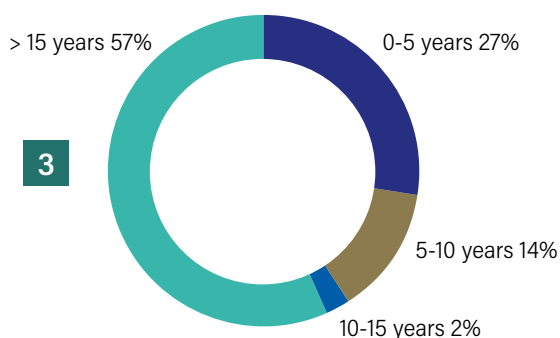
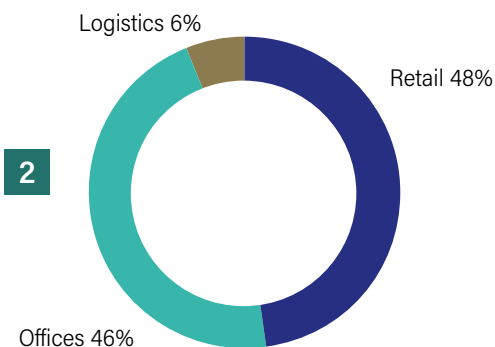
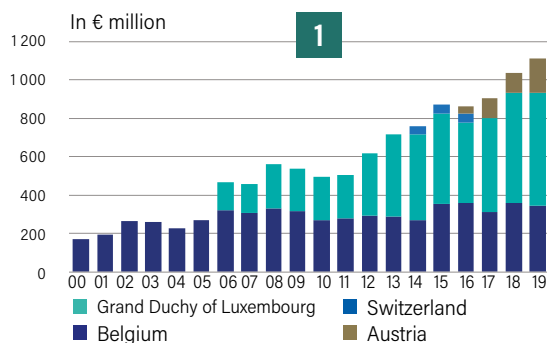




Nordring 16-18, Vösendorf

Very well-located retail building near Shopping City Süd in the South of Vienna
Year of construction: 2004
Surface: 11 350 m²

Analysis of the real estate portfolio based on fair value



1. Evolution of fair value

End-2019 the fair value amounts to € 1.11 billion following additional investments in the Grand Duchy of Luxembourg and in Austria. Leasinvest Real Estate focuses on 3 key countries, namely the Grand Duchy of Luxembourg (53%), Belgium (31%) and Austria (16%).

2. Asset classes

Retail again became the most important asset class thanks to the additional investments in Austria, with a share of 48%, followed by offices (46%). Logistics was strongly reduced in 2017 and currently amounts to only 6%.

3. Average age

By the redevelopments in the portfolio, the share of buildings between 0-5 years has substantially increased (relates mainly to offices), in conformity with the valuation rules of Leasinvest Real Estate. This criterion is however less important for retail, as retailers take care themselves of their furnishings on the basis of their retail concept, making their choice mainly based on location.

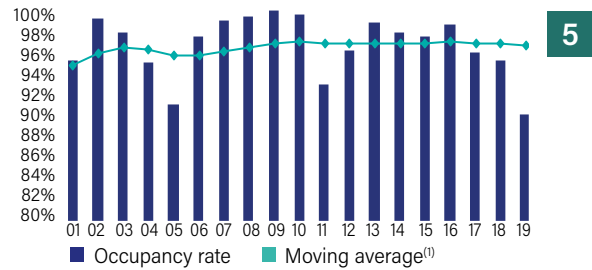
4. Rental breaks (first break date) and contractually guaranteed rental income

The graph is based on the first break date of the current rental contracts and on the contractual rents. The average remaining duration of the rental contracts amounts to 4.28 years (2018: 4.34 years). 20% of the annual contractual rents expire within 3 years. In 2019 17% of the annual contractual rents expired. Except for the buildings Mercator and EBBC, the contracts were for the largest part all renewed or filled-in by other tenants, at competitive conditions. The breaks in the coming years amount to, respectively 7% in 2020, 7% in 2021 and 6% in 2022. For more information we refer to note 4 of the financial statements.

5. Occupancy rate

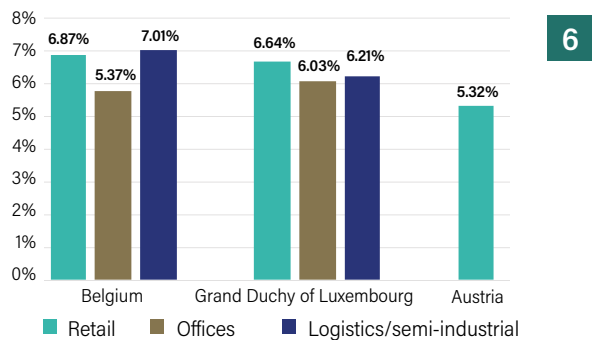
The occupancy rate amounts to 90.46%.

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



6. Details on yield per asset class and location (fair value) (1)

(1) There is an inverse relationship between yield and value; a higher value namely results in a lower yield. These yields are calculated based on the assets available for lease.



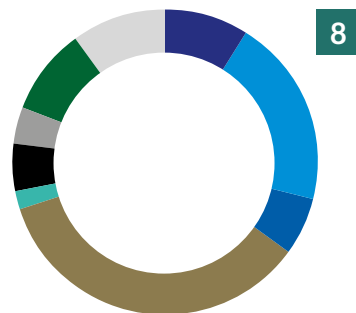
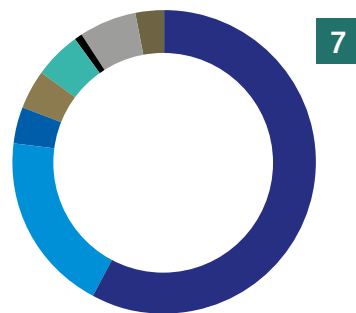
7. Type of tenants based on rental income

- 58% Retail & wholesale
- 19% Services
- 4% Financial sector
- 4% ICT
- 5% Industry
- 1% Medical & pharma
- 6% Government & non-profit
- 3% Transport & distribution

Retail and services account for 77% of the real estate portfolio.

8. Breakdown as to type of retail

- 9% Deco home
- 20% DIY
- 6% Leisure, toys, pets
- 35% Fashion, shoes, beauty
- 2% Multimedia
- 5% Other
- 4% Restaurant
- 9% Services
- 10% Food



Composition of the real estate portfolio based on fair value

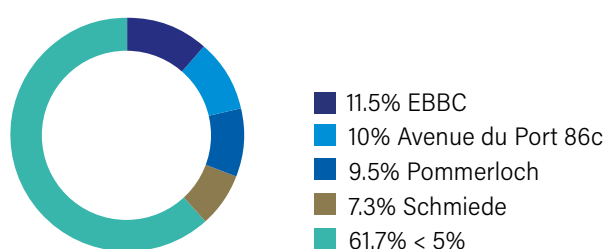
For more information on the segment information we refer to note 3 of the financial statements.

GEOGRAPHICAL CLASSIFICATION

	Fair value (€ M)	Investment value (€ M)	Share in portfolio (%) based on fair value	Contractual rent (€ M/year)	Rental yield based on FV (%)	Rental yield based on IV (%)	Occupancy rate (%)	Duration
Grand Duchy of Luxembourg	587.04	597.39	53.08	34.48	5.87	5.77	93.87	3.39
Belgium	326.99	335.43	29.56	19.81	6.06	5.91	92.79	5.00
Austria	179.66	184.15	16.24	9.55	5.32	5.19	100.00	5.55
Real estate available for lease	1.093.69	1.116.97	98.89	63.84	5.84	5.72	90.46	4.28
Assets held for sale	0.00	0.00	0.00	0.00				
Projects Belgium	12.32	12.63	1.11	0.00				
Total investment properties	1.106.01	1.129.60	100.00	63.84				
IFRS 16 Rights of use	4.23	0.00	0.00	0.00				
Total investment properties (incl. IFRS 16)	1.110.24	1.129.60	100.00	63.84				

The contractual rent mentioned differs from the rental income recognized in the income statement, as the contractual rent annualizes the rental income of the acquisitions (while the effectively received rental income is only recorded in the financial statements as of the acquisition date) and does no longer take into account the rental income of the sold buildings.

OVERVIEW OF BUILDINGS WITH A SHARE OF MORE THAN 5% IN THE TOTAL REAL ESTATE PORTFOLIO



BREAKDOWN BY ASSET CLASS

	Fair value (€ M)	Investment value (€ M)	Share in portfolio (%) based on fair value	Contractual rent (€ M/year)	Rental yield based on FV (%)	Rental yield based on IV (%)	Occupancy rate (%)	Duration	Acquisition value (€ M)	Insured value (€ M)
Retail										
Retail Grand Duchy of Luxembourg	300.35	303.53	27.16%	19.96	6.64%	6.58%	96.06%	3.81	264.71	251.32
Retail Belgium	50.37	51.63	4.55%	3.48	6.87%	6.70%	98.45%	1.65	35.07	29.71
Retail Austria	179.66	184.15	16.24%	9.55	5.32%	5.19%	100.00%	5.55	169.20	101.68
Total retail	530.38	539.31	47.95%	32.99	6.22%	6.12%	97.40%	4.14	468.98	382.71
Offices										
Offices Grand Duchy of Luxembourg	264.43	271.05	23.91%	13.19	4.99%	4.87%	74.14%	3.23	242.39	174.42
Offices Brussels	191.63	196.42	17.33%	10.56	5.51%	5.38%	94.04%	5.81	204.06	178.08
Offices rest of Belgium	45.50	46.64	4.11%	3.00	6.59%	6.43%	84.48%	2.93	71.69	42.81
Total offices	501.56	514.11	45.35%	26.75	5.33%	5.20%	82.23%	4.23	518.14	395.31
Logistics/Semi-industrial										
Logistics/Semi-industrial Belgium	39.49	40.74	3.57%	2.77	7.01%	6.80%	98.20%	9.86	27.65	33.01
Logistics/Semi-industrial Grand Duchy of Luxembourg	22.26	22.81	2.01%	1.33	6.21%	6.06%	93.92%	3.00	13.40	5.86
Total Logistics/Semi-industrial	61.75	63.55	5.58%	4.10	6.64%	6.45%	96.83%	7.81	41.05	38.87
Investment properties	1.093.69	1.116.97	98.88%	63.84	5.84%	5.72%	90.46%	4.28	1.028.17	816.89
Assets held for sale	0.00	0.00	0.00%	0.00	0.00%	0.00%	0.00%	0.00	0	0.00
Real estate available for lease	1.093.69	1.116.97	98.88%	63.84	5.84%	5.72%	90.46%	4.28	1.028.17	816.89
IFRS 16 Rights of use	4.23	0.00	0.00%	N/A	N/A	N/A	N/A	N/A	0	0
Projects Belgium	12.32	12.63	1.11%	N/A	N/A	N/A	N/A	N/A	11.8	11.08
Total investment properties	1.110.24	1.129.60	100.00%	63.84	5.84%	5.72%	90.46%	4.28	1.039.97	827.97

Insured value (situation on 31/12/2019)

In order to avoid a multitude of recourse claims and to benefit from favourable premiums, the standard rental contracts (and service agreements within the framework of the business center activities) of both Leasinvest Real Estate (LRE) and Leasinvest Immo Lux (LIL), define that the insurance contract of the specific building is concluded by the lessor for its total reconstruction value (its 'insured value'), including the tenant risk and similar risks, mutually waived, and additionally a loss of rent cover of 36 months ('the global insurance policy LRE/LIL'). The Austrian rental contracts comprise a comparable provision with regard to the insurance duty of the lessor, including a waiver. Given the custom in Austria to conclude insurance contracts with a longer duration, each building has its own fire insurance.

For respectively the site Hornbach Baumarkt AG (Bertrange, Grand Duchy of Luxembourg) the training center of the European Parliament (Montoyer 63, Brussels), both the owner's and tenant's risks are insured by the tenant, yearly delivering an insurance certificate. Real estate that is part of a co-ownership is insured by the syndic in the name and for the account of the co-ownerships and the co-owners. Also for those, an insurance certificate is yearly requested, with an overview of the (indexed) insured values.

Projects under (re)development are subject to an All risks on construction sites insurance (with first right coverage) during the construction period, to be subsequently included in the LRE/LIL policy (except if agreed upon differently with the end-user).

The buildings for which the VAT can fully be deducted, are insured at 'new construction' value excluding VAT. For a number of buildings from the portfolio an extra coverage against terrorism (on top of TRIP) was concluded.

The premiums paid for 2019 within the framework of the global LRE/LIL insurance policies, incl. taxes, amount respectively to € 120,470.88 (including project Montoyer 14 and Riverside, excluding Hangar 26/27 (part of a co-ownership policy)) for Belgium and to € 145,957 for Luxembourg. The insurance premiums for 2019 for the 5 Austrian sites (Frun® Park Asten, Hornbach Baumarkt and Gewerbeparkstrasse, Nordring 2-10 and 16) amounted to € 116,605.23 in total.

Conclusions of the real estate expert^{1 2}

VALUATION UPDATE AS AT 31 DECEMBER 2019 OF THE LEASINVEST REAL ESTATE PORTFOLIO

REPORT BY THE EXTERNAL VALUER CUSHMAN & WAKEFIELD

We are pleased to report our valuation of the investment and fair values of the Leasinvest Real Estate SCA portfolio as at 31 December 2019.

Our valuation has been prepared on the basis of the information provided by Leasinvest Real Estate CVA. We assume this information is correct and complete, and that there are no undisclosed matters which could affect our valuation.

Our valuation methodology is the capitalisation of the market rent with corrections to take into account for the difference between the current rent and the market rent. We have also based ourselves on comparables that were available at the date of valuation.

The values were determined taking current market parameters into account.

We would like to draw your attention on the following points:

1. The portfolio consists of business parks, offices, semi-industrial buildings, distribution centres and shops, located in Belgium, in the Grand Duchy of Luxembourg and in Austria.

2. The total occupancy rate³ of the portfolio (including the projects) is 90.46% (respectively 93.61%, 86.50% and 100% for the Belgian, the Luxembourg and the Austrian portfolio).

3. The total occupancy rate of the portfolio (excluding the projects) is 90.46% (respectively 93.61%, 86.50% and 100% for the Belgian, the Luxembourg and the Austrian portfolio).

4. The remaining weighted average duration of the current leases for the whole portfolio equals to 17.12 quarters or 4.28 years. The projects and assets 'to be sold' were not taken into account in this parameter.

5. A **total investment value of € 1,129,600,000** (one billion one hundred twenty-nine million six hundred thousand euro), with respectively investment values of € 348,060,000, € 597,390,000 and € 184,150,000 for the Belgian, Luxembourg and Austrian portfolio.

A total **fair value of € 1,106,020,000** (one billion one hundred and six million twenty thousand euro), with respectively fair values of 339,320,000, € 587,040,000 and € 179,660,000 for the Belgian, Luxembourg and Austrian portfolio.

6. In the course of Q4 2019, the 'Riverside Business Park' in Anderlecht was sold, and is consequently no longer part of the portfolio at the valuation date.

¹ The conclusions of the valuation report have been reproduced with the agreement of Cushman & Wakefield.

² The conclusions of the valuation report concern, unless mentioned differently, the real estate portfolio of Leasinvest Real Estate, including the development projects and the assets held for sale.

³ The occupancy rate is valid on the date of the valuation and does not take into account future availability (already known or not) nor with future new contracts (signed or not). This figure is calculated on the basis of the following formula: (market rent of all let areas) / (market rent of the complete portfolio).

7. IFRS 16: the value of 'the right of use/lease liability' of the 2 Belgian buildings this principle applies to, namely The Crescent in Anderlecht and Hangar 26/27 in Antwerp, is respectively € 1,853,880 and € 2,377,557. We refer to the annexes for detailed calculations.

On this basis, the initial yield of the complete portfolio (including the projects and assets 'to be sold') in terms of investment value is 5.65% (respectively 5.69%, 5.77% and 5.19% for the Belgian, Luxembourg and Austrian portfolios) and the initial yield of the complete portfolio in terms of fair value is 5.77% (respectively 5.84%, 5.87% and 5.32% for the Belgian, Luxembourg and Austrian portfolio).



Gaetan Coppens
Senior Valuer
Valuation & Advisory



Ardalan Azari
Associate
Valuation & Advisory

Operational management of the buildings – active management

The company aims at actively developing and managing its real estate, which implies that the company itself organizes the daily management of the real estate. To that effect, the company disposes, in accordance with the RREC legislation, over an operational team that is directed and managed by the effective officers in accordance with the decisions of the board of directors. That way, the company maintains direct relationships with its clients and suppliers.

Within the framework of its active management, the company also provides different supplementary services that constitute an added value to providing its real estate or to its users. The supplementary services comprise – except for collecting the rents and re-invoicing of common charges to the tenants – different services such as among other things the property management (with or without an available own helpdesk to rapidly solve the problems of clients-tenants), project management (such as the presence of engineers and/or architects to coordinate, with the contractors and/or subcontractors, the necessary renovation or adjustment works for new lettings) and facility management (such as providing extra services, e.g. catering, meeting rooms, computer systems, telecom, etc.).

These supplementary services are means to exercise its activities and constitute an added value, both for the real estate provided and its users. These services fit within the company strategy to answer to the needs of its clients and to be able to offer, in that way, tailor-made real estate solutions in the long term.

These supplementary services are provided by own staff or by third-party specialized companies, acting under

the responsibility, control and coordination of the effective officers of the company.

The income from the other supplementary services are included in the rental income of the company. The "supplementary services" the company offers within the framework of its activities, are indeed inherent to the activities of the company, and cannot be presented by separate figures. These supplementary services are to be considered from a qualitative point of view, in which the "fee" (and thus income) for the supplementary services is translated in the fee the company receives in fine within the framework of providing the buildings.

The company Leasinvest Real Estate has no own personnel. The personnel is employed by the subsidiaries Leasinvest Services SA, Leasinvest Immo Lux SA and Porte des Ardennes Schmiede SA, as well as by the statutory manager Leasinvest Real Estate Management SA.

The entire operational team, responsible for general management, commercial contacts with tenants and real estate agents, accounting, legal counsel, administration and technical management of the buildings, consists of some 30 persons end 2019.

The company also appeals to subcontractors or external suppliers that effectively operate under the responsibility, the control and the coordination of the effective officers of the company.

Following article 19 of the RREC law, the company and its subsidiaries can entrust the management of their portfolio to a related company specialized in property management.

BELGIUM

For the buildings in Belgium, the technical management of the buildings is executed since 2007 by Leasinvest Services SA, (company number 0826.919.159), with registered office in 2000 Antwerp, Schermersstraat 42, a 100% subsidiary of the company.

The decision in 2007 to fully internally manage the Belgian portfolio was mainly inspired by the company's concern then to strengthen direct communication with its tenants. Leasinvest Services SA is dedicated to the property management and the project management of the company's buildings located in Belgium. Since 2015 a number of tasks are outsourced within the framework of the RREC legislation on the matter, for which the responsibility, coordination and control remain with the effective officers of the company.

The property management comprises administrative, financial and technical activities, for which the company disposes of an adequate accounting and technical organization.

The administrative and financial management consists of:

- verification of compliance with the leases and the internal regulations
- updating of rental tenancy schedules
- calculating, requesting and monitoring the payments of rents due and each tenant's share of common charges, property tax and insurance premiums and drawing up the annual final accounts of rent and charges, and if necessary, charging against the rental guarantees provided
- calculating and monitoring the establishment and updating of rental guarantees
- management of any overdue rent and charges

- calculating and monitoring the establishment and updating of rental guarantees
- management of any overdue rent and charges
- arranging for reports on the state of the premises to be drawn up and monitoring them at the start and end of leases; recovery of any damage recorded from the tenant or the party liable
- managing the insurance portfolio

The technical management implies a/o:

- regular inspection of the buildings to maintain them in good rental condition
- maintenance of the common areas and the technical facilities
- taking the necessary protective measures
- handling claims with the insurance companies
- evaluating sustainability aspects

The managers of Leasinvest Services SA are the same persons as the managers of the company and the statutory manager, and dispose of adequate experience and the required professional reliability, namely Michel Van Geyte and Tim Rens, the effective officers of the company.

Leasinvest Services SA receives a remuneration of 3% (excluding 21% VAT) of the rental income of the buildings managed. For unlet premises a management fee of 1.5% (excluding 21% VAT) on the estimated rental income as defined by the real estate expert, is charged. This remuneration is included in the rental charges paid by the tenants.

Extra performances and/or services (e.g. facility management in case of moving) that are not included in the normal management may be charged by the property manager based on the scales produced by the Professional Institution.

Leasinvest Services SA also has the required professional competences to offer project management services exclusively to Leasinvest Real Estate.

The project management consists of technical assistance to the client (i.e. the company or one of its subsidiaries) within the framework of important renovations during the construction/renovation process, with activities going from the preparation of the specifications over the comparison of offers, the follow-up and planning of the construction, including managing the budgets.

This project management is remunerated separately in function of the specific project.

During the past financial year the company has paid a total remuneration of € 264,346.53 (excl. VAT), to Leasinvest Services.

GRAND DUCHY OF LUXEMBOURG

For technical assistance, as to the technical management and project management of the offices portfolio in Luxembourg, a management contract was concluded with an external property manager, Inowai SA (previously Property Partners SA) for the Luxembourg office portfolio.

The technical management and project management are supervised by a technical staff member of Leasinvest Immo Lux SA (100% subsidiary of the company) and is controlled by the technical services in Belgium and by the commercial staff member in Luxembourg. Decisions on important matters are prepared by the property manager but are only taken by the company. Regular reporting and discussion are organized.

The past financial year, Leasinvest Immo Lux paid a fee of € 51,070.39 (excl. VAT) to Inowai.

For the Knauf shopping centers a dedicated shopping centre manager was hired by Leasinvest Immo Lux.

All tasks of daily management are executed and/or supervised by staff members of Leasinvest Services SA and/or Leasinvest Real Estate Management SA and/or

Porte des Ardennes Schmiede SA and/or by the shopping centre manager.

The end-responsibility, control and coordination of the real estate portfolios of offices and the shopping centres remains with the technical and/or commercial staff members of Leasinvest Services SA and/or the statutory manager of the company, controlled by the effective officers of Leasinvest Real Estate.

For all buildings in Luxembourg the financial, accounting, administrative and legal aspects of the activities of Leasinvest Immo Lux SA are treated from the registered office of the statutory manager in Antwerp, Schermersstraat 42, where it has an implicit "shared service" organization. The investment decisions, risk analyses, target-setting and performance measurement are also organized from there.

AUSTRIA

For technical management and local assistance of the property management of the retail buildings, a management agreement was concluded with JAM Consulting GmbH & Co KG, represented by Mr Josef Anreiter.

This management is supervised by a staff member of Leasinvest Services and is supervised by the managers within Leasinvest Services SA who have the adequate experience and required professional reliability, namely Michel Van Geyte and Tim Rens, the effective officers of the company. Potential decisions on important matters are prepared by the property manager but are only taken by the company. Regular reporting and discussion are organized.

All other matters are being taken care of by the "shared service" organisation in Antwerp.

The property management in the Frun® Park Asten is taken care of by CBRE, which is since 1 January 2018 also the case for the buildings in Stadlau. As of 1 January 2020, CBRE also ensures property management for the buildings in Vösendorf.

In the course of the previous financial year Frun Park Asten GmbH has paid a remuneration of € 72,625.55 (excl. VAT to Josef Anreiter. Property management of the Frun® Park Asten costed € 87,131.85 in 2019, which was however to a large extent re-invoiced to the tenants and only for an amount of € 8,554.84 at the expense of Frun Park Asten GmbH.

A blurred background image showing a group of people in business attire walking through a modern office hallway. The lighting is bright, and the motion is out of focus, creating a sense of activity and movement.

10.

Financial
statements



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Consolidated financial statements and notes

The consolidated financial statements of Leasinvest Real Estate have been approved for publication by the statutory manager on **13 February 2020**.

The management report of the statutory manager should be read jointly with the financial statements of Leasinvest Real Estate.

Consolidated statement of comprehensive income

(in € 1 000)	Note	31/12/2019	31/12/2018
Rental income	4	65 280	56 209
Rental-related expenses	4	-530	-212
NET RENTAL INCOME		64 750	55 997
Recovery of property charges	5	411	173
Recovery income of charges and taxes normally payable by tenants on let properties	6	5 315	5 421
Charges and taxes normally payable by tenants on let properties	6	-5 315	-5 421
Other rental-related income and expenditure	5	-2 543	-2 492
PROPERTY RESULT		62 618	53 677
Technical costs	7	-1 082	-1 147
Commercial costs	8	-1 211	-1 032
Charges and taxes on un-let properties	9	-1 349	-907
Property management costs	10	-5 909	-5 365
Other property charges	10	-527	-297
PROPERTY CHARGES		-10 077	-8 749
PROPERTY OPERATING RESULT		52 541	44 928
Corporate operating charges	11	-3 013	-2 798
Other operating charges and income	11	-48	-610
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		49 480	41 520
Result on disposal of investment properties	12	-413	0
Changes in fair value of investment properties	13	4 064	1 627
OPERATING RESULT		53 131	43 147
Financial income	14	5 673	4 918
Net interest charges	15	-12 780	-13 565
Other financial charges	16	-1 374	-1 414
Changes in fair value of financial assets and liabilities	17	5 756	5 428
FINANCIAL RESULT		-2 725	-4 633
PRE-TAX RESULT		50 406	38 513
Corporate taxes	18	-505	-319
TAXES		-505	-319
NET RESULT		49 900	38 194
Attributable to:			
Minority interests		0	0
Net result – Group share		49 900	38 194

(in € 1 000)	Note	31/12/2019	31/12/2018
OTHER ELEMENTS OF COMPREHENSIVE INCOME			
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS		-6 642	-2 212
Costs capital increase		0	-1 644
Other elements of comprehensive income that will be reclassified later to the net result		-6 642	-3 856
COMPREHENSIVE INCOME			
Attributable to:			
Minority interests		0	0
Comprehensive income – Group share		43 258	34 338
EPRA EARNINGS			
Net result		49 900	38 194
To be eliminated			
- Result on disposal of investment properties		413	0
- Changes in fair value of investment properties		-4 064	-1 627
- Result on disposal of other real estate		0	120
- Changes in fair value of financial assets and liabilities		-5 756	-5 428
EPRA EARNINGS		40 493	31 259
RESULT PER SHARE			
(in €)		31/12/2019	31/12/2018
Comprehensive income per share, group share		7.30	6.63
Comprehensive income per share entitled to dividends		7.30	6.63
Result per share, group share		8.42	7.37
Result per share entitled to dividends		8.42	7.37
EPRA earnings per share		6.83	6.03

Consolidated balance sheet

(in € 1 000)	Note	31/12/2019	31/12/2018
I. NON-CURRENT ASSETS		1 226 032	1 116 270
Investment properties	20	1 092 529	1 004 237
Other tangible assets	22	1 133	1 262
Non-current financial assets	23	114 650	92 974
Finance lease receivables	24	17 720	17 796
II. CURRENT ASSETS		21 981	39 837
Assets held for sale	25	0	15 050
Trade receivables	27	13 945	13 167
Tax receivables and other current assets	28	2 000	3 303
Cash and cash equivalents	29	5 013	7 403
Deferred charges and accrued income	30	1 023	915
TOTAL ASSETS		1 248 013	1 156 107
LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY		492 577	475 811
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		492 577	475 811
Capital	31	65 178	65 178
Share premium account	31	194 189	194 189
Reserves	31	183 321	178 262
Purchase of treasury shares		-12	-12
Net result of the financial year	31	49 900	38 194
II. MINORITY INTERESTS		0	0
LIABILITIES		755 436	680 296
I. NON-CURRENT LIABILITIES		492 019	385 013
Provisions		11	11
Non-current financial debts	33	425 771	334 509
- Credit institutions		324 381	312 359
- Other		101 390	22 150
Other non-current financial liabilities	33	51 831	35 625
Deferred tax liabilities		14 406	14 868
II. CURRENT LIABILITIES		263 417	295 283
Current financial debts	33	235 149	264 198
- Credit institutions		15 028	47 533
- Other		220 121	216 665
Trade debts and other current debts	34	16 061	17 698
- Exit tax		273	0
- Other		15 788	17 698
Other current liabilities	35	1 564	2 048
Accrued charges and deferred income	36	10 643	11 339
TOTAL EQUITY AND LIABILITIES		1 248 013	1 156 107

Consolidated cash flow statement

(in € 1 000)	Note	31/12/2019	31/12/2018
CASH AND CASH EQUIVALENTS AT THE START OF THE FINANCIAL YEAR	29	7 403	5 702
1. Cash flow from operating activities		45 684	37 096
<i>Net result</i>		49 900	38 194
<i>Adjustment of the profit for non-cash and non-operating elements</i>		-1 121	2 943
<i>Depreciations, write-downs and taxes</i>		131	-29
- Depreciations and write-downs on intangible and other tangible assets (+/-)		106	78
- Write-downs on current assets (-)	27	530	212
- Taxes	18	-505	-319
<i>Other non-cash elements</i>		-9 417	-7 192
Changes in fair value of investment properties (+/-)	13	-4 064	-1 627
Phasing of gratuities (+/-)	4	87	-137
Increase (+) / Decrease (-) in fair value of financial assets and liabilities	17	-5 440	-5 428
<i>Non-operating elements</i>		8 165	10 164
Dividends received	14	-5 068	-4 293
Write-back of financial income and financial charges		13 233	14 457
<i>Change in working capital requirements</i>		-3 095	-4 041
<i>Movements in asset items</i>		-38	3 722
<i>Movements in liability items</i>		-3 278	-7 763
2. Cash flow from investment activities		-70 562	-136 729
<i>Investments</i>			
Investment properties in operation	20	-104 973	-111 539
Development projects	20	-323	-12 026
Intangible and other tangible assets	20	-89	-1 051
Non-current financial assets	23	-6 627	-13 234
<i>Divestments</i>		41 450	1 121
3. Cash flow from financing activities		22 487	101 333
<i>Change in financial liabilities and financial debts</i>			
Increase (+) / Decrease (-) of financial debts		62 212	58 156
Increase (+) / Decrease (-) of other financial liabilities			
Financial income received		0	10
Financial charges paid		-13 233	-14 457
<i>Change in shareholders' equity</i>			
Change of capital and share premium account (+/-)		0	83 961
Changes in reserves		0	-1 644
Dividend of the previous financial year	31	-26 492	-24 693
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	29	5 012	7 402

Consolidated statement of changes in capital and reserves

(in € 1 000)	Capital	Share premium account
BALANCE SHEET UNDER IFRS ON 31/12/16	54 315	121 091
- Distribution closing dividend of previous financial year		
- Transfer net result 2016 to reserves		
- Comprehensive income financial year 2017 (12 months)		
BALANCE SHEET UNDER IFRS ON 31/12/17	54 315	121 091
- Distribution closing dividend previous financial year		
- Transfer net result 2017 to reserves		
- Comprehensive income financial year 2018 (12 months)		
- Capital increase	10 863	73 098
BALANCE SHEET UNDER IFRS ON 31/12/18	65 178	194 189
- Distribution closing dividend previous financial year		
- Transfer net result 2018 to reserves		
- Comprehensive income of the financial year 2019 (12 months)		
- Capital increase		
BALANCE SHEET UNDER IFRS ON 31/12/19	65 178	194 189

Reserves	Net result of the financial year	Shareholders' equity attributable to the shareholders of the parent company		Total shareholders' equity
		Minority interests		
151 565	29 436	356 407	0	356 407
-24 184		-24 184		-24 184
29 436	-29 436	0		0
2 438	47 545	49 983	0	49 983
159 255	47 545	382 206	0	382 206
-24 694		-24 694		-24 694
47 545	-47 545	0		0
-2 213	38 194	35 981	0	35 981
-1 644		82 317		82 317
178 249	38 194	475 811	0	475 811
-26 492		-26 492		-26 492
38 194	-38 194	0		0
-6 642	49 900	43 258	0	43 258
0		0		0
183 309	49 900	492 577	0	492 577

Presented according to the items defined in the RD of 13/07/2014

(in € 1 000)	Capital	Share premium	Legal reserve	Reserve from the balance of changes in fair value of investment properties (+/-)	Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS
BALANCE SHEET UNDER IFRS ON 31/12/15	54 315	121 091	5 431	33 555	-34 189
Distribution closing dividend previous financial year					
Transfer net result 2015 to reserves				9 549	
Comprehensive income financial year 2016 (12 months)					-9 065
Various					
BALANCE SHEET UNDER IFRS ON 31/12/16	54 315	121 091	5 431	43 104	-43 254
Distribution closing dividend previous financial year					
Transfer net result 2016 to reserves				2 122	
Transfer historical revaluation sold buildings				-17 270	
Comprehensive income financial year 2017 (12 months)					11 366
BALANCE SHEET UNDER IFRS ON 31/12/17	54 315	121 091	5 431	27 956	-31 888
Distribution closing dividend previous financial year					
Transfer net result 2017 to reserves				22 348	
Transfer historical revaluation sold buildings				5 782	
Comprehensive income financial year 2018 (12 months)					-2 212
Capital increase	10 863	73 098			
Various					
BALANCE SHEET UNDER IFRS ON 31/12/18	65 178	194 189	5 431	56 086	-34 100
Distribution closing dividend previous financial year					
Transfer net result 2018 to reserves				1 627	
Transfer historical revaluation sold buildings					
Comprehensive income financial year 2019 (12 months)					-6 642
Capital increase					
Various					
BALANCE SHEET UNDER IFRS ON 31/12/19	65 178	194 189	5 431	57 713	-40 742

Reserve from translation differences following the conversion of a foreign activity (+/-)	Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS (+/-)	Reserve for treasury shares	Reserve from the balance of changes in fair value of financial assets available for sale	Result carried forward	Net result of the financial year	Shareholders' equity attributable to the shareholders of the parent company	Minority interests	Total shareholders' equity
8	-1 920	-293	32 363	121 426	30 618	362 404	4	362 409
				-23 197		-23 197		-23 197
	-5 215			26 284	-30 618	4	-4	0
			-3 179	0	29 436	17 192		17 192
				8		8		8
8	-7 135	-293	29 184	124 521	29 436	356 407	0	356 407
				-24 184		-24 184		-24 184
	-571			27 885	-29 436	0		0
				17 270		0		0
		282	-8 805	-405	47 545	49 983		49 983
8	-7 706	-11	20 379	145 087	47 545	382 206	0	382 206
				-24 694		-24 694		-24 694
	492			24 705	-47 545	0		0
				-5 782		0		0
					38 194	35 982		35 982
						83 961		83 961
			0	-1 644		-1 644		-1 644
8	-7 214	-11	20 379	137 672	38 194	475 811	0	475 811
				-26 492		-26 492		-26 492
	-127		5 555	31 139	-38 194	0		0
						0		0
					49 900	43 258		43 258
						0		0
			0			0		0
8	-7 341	-11	25 934	142 319	49 901	492 577	0	492 577

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Comprehensive income

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NOTE 1 General information

Comprehensive income

Leasinvest Real Estate SCA ('LRE') is a public REIT (SIR/GVV) under Belgian Law and subject to the law of 12 May 2014 (RREC law) and the RD of 13 July 2014, with its administrative offices in Antwerp.

The consolidated financial statements of LRE for the financial year ending on 31 December 2019 comprise LRE and its subsidiaries. The statutory and consolidated financial statements were authorized for issue by the board of directors of the statutory manager of 13 February 2020 and will be presented to the annual general meeting of shareholders for approval on 18 May 2020. The statutory financial statements as well as the consolidated financial statements are prepared according to IFRS.

Leasinvest Real Estate is included in the consolidation of Ackermans & van Haaren SA.

NOTE 2 Significant accounting principles

2.1 IFRS valuation rules consolidated financial statements Leasinvest Real Estate SCA

A. STATEMENT OF COMPLIANCE

The consolidated annual accounts are prepared in accordance with International Reporting Standards and IFRIC interpretations, entering into force as of 31/12/2019, as adopted by the European Commission.

In the course of the past financial year, different new or modified standards and interpretations entered into force.

The applied accounting principles of financial reporting are consistent with those of the previous financial year, except for the following modifications.

The nature and the impact of each of the following new accounting rules, changes and/or interpretations, are described below:

New and amended standards and interpretations, effective for financial years starting on 1 January 2019

The Group applied for the first time certain standards and amendments, which are effective for financial years beginning on or after 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new and modified standards and interpretations have been applied for the first time in 2019, they had no material impact on the Group's financial statements.

Below the nature and the effect of the new and modified standards and interpretations are commented:

- IFRIC 23 Uncertainty on the fiscal treatment of revenue
- Amendment to IAS 19 Changes in plans, limitations and treatment
- Amendment to IAS 28 Long term investments in associates and joint ventures
- Amendment to IFRS 9 Characteristics of early repayment with negative compensation
- Annual improvements IFRS 2015-2017 cycle

IFRS 16 - Leases

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It will supersede IAS 17 - Leases and related interpretations upon its effective date.

Significant changes to lessee accounting are introduced by IFRS 16, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Considering that Leasinvest Real Estate is the lessee of the land in Anderlecht (The Crescent) and of the land in Antwerp (Hangar 26-27), an asset and a liability was booked for these leases per 1 January 2019. In total an asset and a liability of € 4.7 million was booked per 1 January 2019. Per 31 December 2019 the revalued value

of the asset amounts to € 4.2 million and the value of the liability amounts to € 4.6 million resulting in the P&L impact amounting to -€ 0.1 million per 31 December 2019.

Standards and interpretations that were published, yet not effective for the financial year starting on 1 January 2019:

- Amendments to IAS 1 and IAS 8 Definition of material (applicable to financial years as of 1 January 2020)
- Amendments to IFRS 3 Business combinations (applicable to financial years as of 1 January 2020, yet not adopted in the European Union)
- Amendments to IFRS 9, IAS 39 and IFRS 7 Reform of the reference interest rates (applicable to financial years as of 1 January 2020)
- Amendments to references to the Conceptual framework in IFRS standards (applicable to financial years as of 1 January 2020)
- IFRS 17 Insurance contracts (applicable to financial years as of 1 January 2021, yet not adopted in the European Union)

B. BASIS OF PREPARATION

The financial statements are presented in €, rounded to the nearest thousand. They have been prepared on the historical cost basis, except for investment properties, derivative financial instruments, investments held for sale and investments available for sale, stated at fair value.

Equity instruments or derivative financial instruments are stated on a historical cost basis when the instrument concerned has no market price in an active market and when other methods for defining its fair value in a reasonable way are unsuitable or unfeasible.

Hedged assets and liabilities are stated at fair value, taking into account the risk hedged.

The accounting principles have been consistently applied.

The consolidated financial statements are established before profit appropriation by the parent company LRE, as proposed to the general meeting of shareholders for approval.

The presentation of the financial statements according to IFRS standards requires estimates and assumptions which influence the amounts presented in the financial statements, namely:

- the measurement of investment properties at fair value;
- the amortization rhythm of non-current assets;
- the measurement of provisions and employee benefits;
- the measurement selected for impairment tests;
- the measurement of financial instruments at market value.

These estimates are based on a 'going-concern' principle and are defined in function of the information available at that moment. The estimates can be reviewed if the circumstances they were based on have evolved in the meanwhile or if new information became available. The final outcome can consequently differ from the estimate.

C. CONSOLIDATION PRINCIPLES

The consolidated financial statements comprise the financial statements of LRE and its subsidiaries.

I Subsidiaries

Subsidiaries are entities over which the company exercises control. There is control when the company, directly or indirectly, has the power to direct the financial and operational policy of an entity, in order to benefit from its activities. The financial statements of the subsidiaries are recorded in the consolidated financial statements as of the start date till the end date of the control.

If necessary, the valuation rules for subsidiaries are amended in order to guarantee coherence with the principles adopted by the Group. The financial statements of the subsidiaries recorded in the consolidation cover the same accounting period as that of the company. Changes in interests of the Group in subsidiaries that do not lead to a loss of control are treated as transactions in shareholders' equity.

The book value of the interests of the Group or of third parties in subsidiaries is adjusted to take into account the changes of the respective interest levels. Each difference between the amount by which the minority interests are adjusted and the fair value of the paid or received remuneration is immediately recorded in shareholders' equity.

II Jointly controlled entities

Jointly controlled entities are associates and joint ventures over which the Group exercises a joint control, defined by contract or as a consequence of a distribution of the shares among a limited number of shareholders. The consolidated income statements comprise the Group share in the results of the associates and joint ventures according to the equity method. This share is calculated as of the start date till the end date of the joint control. The financial statements of the jointly controlled entities comprise the same accounting period as that of the company.

III Transactions eliminated in consolidation

Intra-group balances and transactions, and all profits from intra-group transactions, are not taken into account when preparing the consolidated financial statements. Profits from transactions with jointly controlled entities are eliminated in relation to the interest of the Group in those entities. Losses are eliminated in the same way as profits, but only if there is no indication of depreciation. A list of the Group companies is recorded in the notes to the consolidated financial statements. The financial statements of subsidiaries are fully consolidated as from the date of acquisition until the date that such control ceases.

New acquisitions are accounted for by applying the purchase method, in accordance with IFRS 3. The cost of a business combination consists of the acquisition price, the minority interests and the fair value of the previously held interests (shares) in the company acquired. The transfer rights have to be passed through the income statement. If the assets acquired do not constitute a company based on the classification of the underlying transaction, the transaction is booked as an acquisition of investment properties according to IAS 40 (and potential other non-current assets according to IAS 16), and consequently, after their initial booking, the measurement at fair value according to IAS 40 is applied, as commented under section G. Investment properties.

D. GOODWILL

Goodwill is the excess of the cost of the business combination over the group's interest in the fair value of the identifiable acquired assets, liabilities and contingent liabilities of the subsidiaries at the time of the acquisition.

The cost of the business combination includes the price of acquisition and all directly attributable transaction costs.

Goodwill is not amortized but has to be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Negative goodwill (badwill):

Negative goodwill equals the amount by which the stake of the party acquiring, in the fair value of the acquired identifiable assets, liabilities and contingent liabilities, exceeds the price of the business combination on the date of the transaction. This negative goodwill has to be recorded in the results, immediately, by the party acquiring.

E. INTANGIBLE ASSETS

Intangible assets with a finite useful life are carried at cost less any accumulated depreciation and any possible impairment losses.

Intangible assets are depreciated over their estimated useful life, i.e. 3 years, using the straight-line method. The estimated useful life, as well as the residual value is reviewed annually.

Intangible assets with an indefinite useful life also carried at cost, are not depreciated but are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Formation expenses are recognized as expense when incurred.

F. OTHER TANGIBLE FIXED ASSETS

The other tangible fixed assets, excluding real estate, are carried at acquisition value less any accumulated depreciation and any possible impairment losses. Other tangible fixed assets are depreciated using the straight-line method over their economic useful life. The estimated economic useful life, as well as the residual value is reviewed annually.

The useful life of assets amounts to 20 years for solar panels, 5 years for furniture and 3 years for IT-equipment.

G. INVESTMENT PROPERTIES

Investment properties are properties held to earn rental income for the long term. Investment properties comprise the buildings ready for letting (investment properties in operation), as well as the buildings under construction or development for future use as an investment property in operation (development projects).

Investment properties are stated at fair value in accordance with IAS 40. After the acquisition of a building, every gain or loss arising from a change in fair value is recognized in profit or loss.

An external independent real estate valuer determines, upon request of management, every quarter, the investment value of the property, (this term corresponds to the previously used term 'investment value'), i.e. costs, transfer taxes and fees included. The valuers carry out their valuation on the basis of the following methods to define the fair value according to IFRS 13:

• Net present value of estimated rental income

The investment value is the result of the yield applied on the estimated rental value (capitalisation method or market approach) corrected by the net present value of the difference between the current rent and the estimated rental value at the valuation date, and this, for the period till the next break possibility of the current rental contracts.

• Discounted cash flow method

The DCF method consists in defining the present value of the future cash flows. The future rental income is estimated on the basis of the existing contractual rents and the real estate market outlook for each building in the following periods. Moreover, the future maintenance costs are also estimated and taken into account. The actualisation rate applied takes into account the risk premium for the object defined by the market. The obtained value is also compared to the market on the basis of the definition of the residual land value.

• Residual valuation

Buildings to renovate or in the course of renovation, or planned projects are valued based on the value after renovation, valued based on the value after renovation under deduction of the amount for the remainder of the work to be carried out, including costs, interests, vacancy and risk premium.

In accordance with the opinion of the working group of the Belgian Association of Asset Managers 'BEAMA', LRE applies the following principles to the investment value to determine the fair value:

- (i) For transactions relating to buildings in Belgium with an overall value lower than € 2.5 million, transfer taxes of 10% need to be taken into account (Flemish Region) or 12.5% (Brussels-Capital and Walloon Region).
- (ii) For transactions relating to buildings in Belgium with an overall value higher or equal to € 2.5 million, and considering the range of methods of property transfer that are used, the estimated transaction cost percentage for hypothetical disposal of investment properties is 2.5%.

It is the opinion of the statutory manager, Leasinvest Real Estate Management SA, that for the definition of the fair value of the real estate situated in the Grand Duchy of Luxembourg and in Austria with a value higher than € 2.5 million, the fixed transfer taxes of 2.5% applicable on real estate in Belgium, can be applied.

Investment properties are no longer recorded on the balance sheet when the investment property is disposed of or permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property are recognized in profit or loss in the year during which the retirement or disposal occurs.

Real estate certificates

The valuation of the real estate certificates depends on whether there is a substantial interest or not in the issued certificates:

A. Possession of no substantial interest in the issued certificates (or less than 50%)

If the holder of the certificates does not possess a substantial interest (less than 50%) in the real estate certificate, the certificates are booked at closing date at the weighted average share price of the last 30 days, under the item Non-Current Financial Assets. When not listed, or when the share price of these real estate certificates as shown by the share price tables cannot be considered as being a reliable reference, taken into account the limited liquidity of this real estate certificate, the certificates are booked at closing date under the item Non-current Financial Assets, at historical issue price, minus potential reimbursements.

B. Possession of a substantial interest (more than 50%) in the issued certificates

If these certificates are not listed, or if the share price, as reflected by the price tables, cannot be considered as a reliable reference because of the limited liquidity of this real estate certificate, Leasinvest Real Estate wishes to revalue, at each closing of its accounts, its certificates in function of:

a) the fair value of the real estate of which the issuer is the owner and this, and this by analogy with the valuation of its own real estate. This occurs on the basis of a periodical valuation by its real estate expert.

If one or more buildings are sold by the issuer of the real estate certificate, the sales price will be taken into account for the valuation, till the moment of distribution of the sales proceeds.

b) the contractual rights of the holder of the real estate certificate according to the initial prospectus issued by the real estate certificate.

Although Leasinvest Real Estate is not the legal owner of this real estate, it considers itself to be its economic beneficiary, and this pro rata of its contractual rights as the owner of the real estate certificates. Moreover, an investment in real estate certificates, in application of the RD on RRECs, is considered as real estate. Taking these considerations into account, the certificates are booked under the investment properties at their acquisition value including additional costs. Profit or loss, resulting from changes in the fair value of an investment property, are recorded in the income statement in the period in which they originated and are attributed to the available reserves when the result is appropriated.

The treatment of the coupon also depends on whether there is a substantial interest or not in the issued certificates:

A. Possession of no substantial interest in the issued certificates (or less than 50%)

The fee received comprises a part for the capital reimbursement and a part for the interest. The latter is presented in the financial result when there is certainty on the fee, and this falls due.

B. Possession of a substantial interest (more than 50%) in the issued certificates

As holder of the real estate certificates, Leasinvest Real Estate has a contractual right pro rata of the real estate

certificates in its possession, on a part of the operating balance realized by the issuer through the collection of the rents and payments for the operating and maintenance costs.

As the entire depreciation or value increase is treated via the revaluation of the real estate certificate, no part of the coupon relating to the operating balance should be considered to be a fee for the depreciation of the buildings of the issuer.

Consequently, the entire coupon (pro rata) is treated as net rental income and as operating income (turnover).

When a certain building from the issuer's portfolio is sold, it is treated as follows:

- the net revenue, potentially after deduction of withholding taxes due, is only booked as a realized capital gain at Leasinvest Real Estate for the difference between the book value of the real estate certificate at closing date, augmented by the net liquidation coupon, and the book value at the previous closing date.

Subsequent expenditure

The expenditure incurred by the owner to refurbish a property in operation is accounted for in two different manners, depending on their nature.

The expenses relating to repair and maintenance that do not add additional functions, nor raise the level of comfort of the building, are accounted for as expenses of the ordinary activities of the financial year and are therefore deducted from the operational result.

On the other hand, charges related to renovations and significant improvements adding a function to the investment property in operation or raising its level of comfort, in order to allow a raise of the rent and consequently of the estimated rental value, are capitalized and consequently recorded in the accounting value of the concerned asset as far as an independent real estate valuer acknowledges a corresponding increase in value of the building.

Regarding the development projects, all directly attributable costs including additional expenses such as registration charges and non-deductible VAT are capitalized. Interest costs related to the financing of the project shall also be capitalized, as far as they relate to the period prior to the accomplishment of the asset.

IFRS 16

Considering that Leasinvest Real Estate is the lessee of the land in Anderlecht (The Crescent) and of the land in Antwerp (Hangar 26-27), an asset was booked for these leases per 1 January 2019. In total an asset of € 4.7 million was booked per 1 January 2019. Per 31 December 2019 the revalued value of the asset amounts to € 4.2 million. The decrease of € 0.5 million was booked in the portfolio result per 31 December 2019.

H. ASSETS HELD FOR SALE

The assets held for sale (investment properties) are presented separately in the balance sheet at a value corresponding to the fair value, decreased by the transfer rights.

IFRS 5 – Non-current assets held for sale only applies to the presentation of real estate held for sale. IAS 40 has to be applied to the measurement, as is the case for the other investment properties (at fair value).

I. IMPAIRMENT OF FIXED ASSETS (EXCL. INVESTMENT PROPERTIES)

Leasinvest Real Estate assesses at each reporting date whether there is any indication that an asset may be impaired. If such indication exists, an estimate will be made as to the recoverable amount of the asset.

An asset is impaired when the book value is higher than the recoverable value by reducing its book value with an exceptional depreciation amount to the respective recoverable value.

The recoverable value of an asset is defined as the highest of its fair value less sales costs (supposing a non-forced sale) or its value in use (based on the current value of the estimated future cash flows). The resulting impairment losses are recognized immediately in profit or loss.

The company value is the market value of the expected future cash flows. In order to define the company value, the expected future cash flows are discounted at an interest rate before taxes that reproduces both the current market interest rate and the specific risks with regard to the asset.

For assets that do not generate cash flows the recoverable value of the cash-generating entity they belong to, is defined.

Earlier booked impairment losses, except for goodwill and shares available for sale, are reversed through profit or loss if there has been a change in the valuation used to determine the recoverable value of the asset since the recognition of the last impairment loss. Earlier booked impairment losses for goodwill cannot be reversed, earlier booked impairment losses for shares available for sale can, depending on the type of instrument, be reversed through shareholder's equity or profit or loss.

J. FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities at fair value with changes in value passed through the income statement

The fair value changes of the financial assets and liabilities recorded at fair value through the results, are taken into the income statement, unless they were founded by 'hedge accounting' documentation (see K).

Financial assets available for sale

Financial assets available for sale and securities are recorded at fair value. The fair value changes are recognized in equity until the time of the sale or the impairment loss, whereby the cumulated revaluation is taken into profit or loss.

When a decline in fair value of a financial asset available for sale is recognized in equity and there is objective evidence that the asset is impaired, cumulative loss previously recognized in equity, has to be removed from equity and recognized in profit or loss.

Financial assets held to maturity

Financial assets held to maturity are measured at amortized cost.

Interest-bearing loans and receivables

Interest-bearing loans are measured at amortized cost using the effective interest method whereby the difference between acquisition cost and the reimbursement value is recognized pro rata temporis in profit or loss based on the effective interest rate.

Long-term receivables are valued based on their discounted value according to the current interest rate at the time of their emission.

Trade payables and receivables/ Other debts and receivables

These accounts are measured at par value, less impairment loss for uncollectible receivables.

Cash and cash equivalents

Cash and cash equivalents, consisting of cash at banks, cash in hand and short-term investments (< 3 months) are recognized at par value in the balance sheet.

K. DERIVATIVE FINANCIAL INSTRUMENTS

Leasinvest Real Estate uses financial instruments in order to hedge its exposure to the interest rate and exchange rate risks arising from the operational, financial and investment activities.

Derivative financial instruments are recognized initially at cost and are revaluated to fair value at the subsequent reporting date.

Changes in fair value of derivative financial instruments, which are not formally attributed as derivative financial instrument or do not qualify for hedge accounting or are fair value hedges, are taken into profit or loss.

IFRS 13 mentions an element in measurement, namely the obligation to record the own credit risk and that of the counterparty in the calculation. The correction of the fair value as a consequence of the application of the credit risk to the counterparty is called Credit Valuation Adjustment (CVA). Quantifying the own credit risk is called Debit Valuation Adjustment or DVA.

Cash flow hedges

The effective portion of gains or losses from fair value changes of derivative financial instruments (payer interest rate swaps), specifically attributed to hedge the exposure to variability in cash flows associated with a recognized asset or liability or a highly probable forecasted transaction, is recognized directly in equity. The ineffective portion is recognized in profit or loss.

The fair value of the 'swap' interest rates is the estimated value the company would receive or pay when exercising the swap at the balance sheet date, taking

into account the current interest rates and the expected interest rates and the solvency of the counterparty of the swap.

The moment the forecasted transaction occurs, the cumulative gain or loss on the derivative financial instrument is taken out of equity and is reclassified into profit or loss.

Cumulative gains or losses related to expired derivative financial instruments remain included in equity, for as long as it is probable that the forecasted transaction will occur. Such transactions are accounted for as explained in the above paragraph. When the hedged transaction is no longer probable, all cumulative unrealized gains or losses at that time, are transferred from equity to profit or loss.

Fair value hedging

For each financial derivative covering the potential changes in fair value of a recorded receivable or debt, the profit or loss resulting from the revaluation of the hedge is recorded in the income statement. The value of the hedged element is also measured at the fair value attributable to the hedged risk. The related profits or losses are recorded in the income statement. The fair value of the hedged elements related to the hedged risk are the book values at the balance sheet date, calculated in euro at the exchange rate effective at the balance sheet date.

L. ISSUED CAPITAL AND RESERVES

Shares

The costs relating to a capital transaction with the issue of new shares are deducted from capital.

Redeeming of treasury shares

Redeemed treasury shares are deducted from equity at acquisition cost. A subsequent sale or disposal does not have an impact on result; gains and losses related to treasury shares are recognized directly in equity.

Dividends

Dividends are recognized as a liability when approved by the general meeting of shareholders.

M. PROVISIONS

If LRE or a subsidiary has a (legal or indirect) obligation as a result of a past event, and it is probable that the settlement of this obligation will require an outflow of resources, and the amount of the obligation can be reliably estimated, a provision is recognized on balance sheet date.

In case the difference between par value and present value is material, a provision is recognized for the present value of the estimated expenses based on the discount rate, and taking into account the current market assessments of the time value of money and the risks specific to the liability.

If LRE expects that (some or all of) a provision will be reimbursed, for example under an insurance contract, the reimbursement is only recognized as a separate asset when it is virtually certain that it will be received.

The expense relating to any provision is presented in the income statement, net of any reimbursement.

N. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are disclosed in the notes, if their impact is material.

O. TAXES

Income tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Both taxes are recognized in the income statement and under liabilities in the balance sheet, except to the extent that they relate to items recognized directly in equity, in which case they are recognized in equity. The tax amount is calculated based on the legal tax rates and tax legislation in force.

Deferred taxes are calculated using the balance sheet liability method, applied on the temporary differences between the book value of the recognized assets and liabilities and their fiscal value. Deferred taxes are recorded based on the expected taxes rates.

Deferred tax liabilities are recognized for all taxable temporary differences:

- except to the extent that the deferred tax liability arises from the original recognition of goodwill or the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction neither affects the accounting profit nor the taxable profit;
- except in respect to taxable temporary differences associated to investments in subsidiaries, branches and associates, where the group is able to control the timing of the reversal of temporary difference and it is probable that temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forwards of unused tax credits or tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be offset. The book value of the deferred income tax assets is assessed at each balance sheet date and deducted to the extent that is no longer probable that sufficient taxable profit is available against which all or some of the deferred taxes can be offset.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the year when the temporary differences will be realized or settled, based on tax rates that have been enacted or substantively enacted at balance sheet date.

Exit tax

The exit tax is the tax on gains arising upon the merger of an RREC with an entity that is not an RREC. When the latter first enters in the scope of consolidation, the exit tax is recorded as a liability. Every subsequent adjustment of this exit tax liability, following the evolution of the fair value and the accounting value between the moment of the incorporation in the consolidated accounts of the acquired companies and the moment of the merger between the RREC and those companies, to the exit tax liability is recognized in the income statement.

P. DISCONTINUED OPERATIONS

The assets, liabilities and net results of discontinued operations are separately reported under one heading in the consolidated balance sheet and the consolidated income statement. The same reporting is also valid for assets and liabilities held-for-sale.

Q. EVENTS AFTER THE BALANCE SHEET DATE

It is possible that certain events that occur after balance sheet date provide additional evidence over the financial position of an entity (adjusting events). This information permits the improvement of estimates and allows to better reflect the current situation on balance sheet date. These events require an adjustment of the balance sheet and the result. Other events after balance sheet data are disclosed in the notes if their impact is potentially important.

R. EARNINGS PER SHARE

The group calculates both basic and diluted earnings per share in accordance with IAS 33. Basic earning per share is calculated based on the weighted average number of outstanding shares during the period. For the calculation of the diluted profit per share, the profit or the loss that can be attributed and the holders of ordinary shares and the weighted average number of issued shares are corrected for the effects of all potential ordinary shares that will lead to dilution.

S. REVENUE

Rental income comprises the gross rental income. Costs of gratuities and advantages granted to tenants are recorded as deduction of the rental income (through 'rent free periods') for the duration of the lease, defined as the period between the start and the first break.

T. FINANCIAL RESULT

Financial income

Financial income comprises the interest received on investments, dividends, exchange rate income and income relating to hedges that is recorded in the income statement (excluding fair value adjustments).

Interests and dividends that originate from the use by third parties of company resources, are recorded when it is probable that the economic benefits related to the transaction will flow back to the company and the income can be defined in a reliable way.

Interests received are recorded when collected (taking into account the time elapsed and the effective return of the asset), unless there is any doubt on the collection.

Dividends are recorded in the income statement at the date of payment or when they were granted.

Net funding costs

The net funding costs comprise the interest payable on loans, calculated using the effective interest rate method, as well as the net interest due on derivative financial instruments that are recognized in the income statement (excluding fair value adjustments). Interest income is recognized in the income statement as it accrues, taking into account the effective yield of the asset.

Other financial charges

The other financial charges mainly comprise reservation fees due on unused confirmed credit lines.

U. SEGMENT REPORTING

The segment information is prepared taking into account the operating segments and the information used internally in order to take decisions. The "chief operating decision makers" (high-ranking officers) are the Effective officers of the company. The operational segments are defined, as there is evidence, in the long term, of similar financial performance as they have comparable economic characteristics, based on the estimated rental value, investment potential and residual value.

The segment information comprises the results, assets and liabilities that can, directly, or on a reasonable basis, be attributed to a segment.

LRE is split up in three geographic segments, namely Belgium, the Grand Duchy of Luxembourg, and Austria. The Luxembourg and Austrian segment correspond to the Leasinvest Immo Lux SICAV-SIF portfolio.

The "corporate" category comprises all unallocated fixed costs carried at group level, and the financing costs. In view of maximum transparency, the Austrian results are reported separately in de segment information presented hereafter.

NOTE 3

Segment information

3.1 Segment information - geographical

3.1.1 Consolidated statement of comprehensive income

(in € 1 000)	Belgium	
	31/12/2019	31/12/2018
(+) Rental income (1)	22 622	18 640
(+) Write-back of lease payments sold and discounted		
(+/-) Related-rental expenses	-530	-207
NET RENTAL INCOME	22 092	18 433
(+) Recovery of property charges	134	173
(+) Recovery income of charges and taxes normally payable by tenants on let properties	4 639	4 685
(-) Charges and taxes normally payable by tenants on let properties	-4 639	-4 685
(+/-) Other rental related income and expenditure	-1 844	-1 924
PROPERTY RESULT	20 382	16 682
(-) Technical costs	-551	-530
(-) Commercial costs	-238	-309
(-) Charges and taxes on un-let properties	-547	-494
(-) Property management costs (2)	-5 254	-4 603
(-) Other property charges	-344	-185
PROPERTY CHARGES	-6 934	-6 121
PROPERTY OPERATING RESULT	13 448	10 561
(-) Corporate operating charges	-1 375	-1 117
(+/-) Other operating charges and income	136	-653
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	12 209	8 791
(+/-) Result on disposal of investment properties	-1 208	0
(+/-) Changes in fair value of investment properties	-584	-2 114
OPERATING RESULT	10 417	6 677
(+) Financial income		
(-) Net interest charges		
(-) Other financial charges		
(+/-) Changes in fair value of financial assets and liabilities		
FINANCIAL RESULT	0	0
PRE-TAX RESULT	10 417	6 677
(+/-) Corporate taxes		
TAXES	0	0
NET RESULT	10 417	6 677
Attributable to:		
Minority interests		
Group shareholders		

(1) There is no rental income from transactions with other operational segments.

(2) The property management costs consist a/o of the fee paid by Leasinvest Real Estate to the statutory manager Leasinvest Real Estate Management SA. This fee is calculated based on the consolidated real estate portfolio, i.e. including the portfolio situated in Luxembourg, the participation in Retail Estates SA & the real estate certificates held. Of the total fee paid by Leasinvest Real Estate during the financial year 2019 (12 months) € 2,99 million is related to the Luxembourg real estate portfolio (including the Austrian buildings).

Luxembourg		Austria		Corporate		TOTAL	
31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
35 260	31 747	7 398	5 822			65 280	56 209
						0	0
			-5			-530	-212
35 260	31 747	7 398	5 817	0	0	64 750	55 997
277	0	0	0			411	173
150	452	526	283			5 315	5 420
-150	-452	-526	-283			-5 315	-5 420
-678	-477	-21	-92			-2 543	-2 493
34 859	31 270	7 377	5 725	0	0	62 618	53 677
-428	-485	-103	-132			-1 082	-1 147
-884	-540	-89	-183			-1 211	-1 032
-802	-414	0	0			-1 349	-908
-551	-692	-104	-70			-5 909	-5 365
-112	-112	-71	0			-527	-297
-2 777	-2 243	-367	-385	0	0	-10 078	-8 749
32 082	29 027	7 010	5 340	0	0	52 540	44 928
-1 206	-1 197	-432	-484			-3 013	-2 798
-95	110	-89	-67			-48	-610
30 781	27 940	6 489	4 789	0	0	49 479	41 520
795	0	0	0			-413	0
1 959	1 730	2 690	2 011			4 065	1 627
33 535	29 670	9 179	6 800	0	0	53 131	43 147
				5 673	4 918	5 673	4 918
				-12 780	-13 565	-12 780	-13 565
				-1 374	-1 415	-1 374	-1 415
				5 755	5 428	5 755	5 428
0	0	0	0	-2 726	-4 634	-2 726	-4 634
33 535	29 670	9 179	6 800	-2 726	-4 634	50 405	38 513
				-505	-319	-505	-319
0	0	0	0	-505	-319	-505	-319
33 535	29 670	9 179	6 800	-3 231	-4 953	49 900	38 194
						0	0
						49 900	38 194

3.1.2 Consolidated balance sheet (geographical segmentation)

	Belgium		Luxembourg		Austria		Corporate		TOTAL	
	(in € 1 000)		31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
ASSETS										
Investment properties (incl. development projects, excl. financial leasing)	325 827	343 226	587 042	554 436	179 660	106 530			1 092 529	1 004 237
Assets held for sale				15 050					0	15 050
Other assets	142 783	123 088	10 312	11 128	2 389	2 605			155 484	136 821
ASSETS PER SEGMENT	468 610	466 314	597 354	580 614	182 049	109 135	0	0	1 248 013	1 156 108
LIABILITIES										
Non-current financial debts							425 771	334 509	425 771	334 509
Current financial debts							235 149	264 198	235 149	264 198
Other liabilities							94 517	81 589	94 517	81 589
LIABILITIES PER SEGMENT							755 437	680 296	755 437	680 296
SHAREHOLDERS' EQUITY									492 576	475 812

Other segment information

The investment properties consist of the property available for lease as well as of the development projects.

	Belgium		Luxembourg		Austria		TOTAL	
	(in € 1 000)		31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Investment properties								
investments	4 651	51 681	30 534	73 886	73 342	1 660	108 527	127 227
divestments	-25 605		-15 845				-41 450	0
Finance lease receivables							0	0
Assets held for sale							0	0
Other tangible assets (other)							0	0
investments	23	5			66	1 115	89	1 120
depreciations	-3	-1			-6	-200	-9	-201
Net book value at the end of the financial year	4	4			60	915	64	919

The investments in and divestments of investment properties, the finance lease receivables and the assets held for sale are commented in respectively note 20, 24 and 25.

The other tangible assets are mainly not for own use (note 22).

3.1.3 Main key figures

The fair value and the investment value of the real estate portfolio comprise the buildings in operation, i.e. the buildings available for lease and the non-current assets held for sale, as well as the development projects. For the calculation of the other key figures (the yield, the total letting area, the occupancy rate and the weighted average duration) only the buildings in operation are taken into account, excluding the development projects and the assets held for sale. The yields concern gross yields.

(in € 1 000)	Belgium		Luxembourg		Austria		TOTAL	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Fair value of the real estate portfolio (1)	361 440	361 067	554 784	569 486	179 660	106 530	1 095 884	1 037 083
Investment value of the real estate portfolio	370 210	369 808	564 407	579 508	184 152	109 193	1 118 769	1 058 509
Gross yield (in fair value) of the segment (2)	6.14%	6.04%	6.77%	6.72%	5.32%	5.39%	6.37%	6.37%
Gross yield (in investment value) of the segment (2)	6.00%	5.90%	6.65%	6.61%	5.19%	5.26%	6.25%	6.25%
Total letting area (m ²)	246 539	279 519	175 355	188 459	54 089	43 404	475 983	511 382
Occupancy rate (2)	92.79%	91.38%	93.87%	94.31%	100.00%	100.00%	94.33%	94.33%
Weighted average duration till first break possibility (# years)	5.00	5.18	3.39	3.56	5.55	6.37	4.34	4.34

(1) The fair value of the real estate portfolio end 2019 consists of the investment properties (€ 1,092,529 thousand) and the finance lease receivables (€ 17,720 thousand), or € 1,110,249 thousand in total. The fair value of the real estate portfolio end 2018 consists of the investment properties (€ 1,004,237 thousand), the finance lease receivables (€ 17,796 thousand) and the assets held for sale (€ 15,050 thousand), or € 1,037,083 thousand in total.

(2) The calculation of the gross yield (in fair value and investment value) and the occupancy rate take into account all buildings, except for those recorded under 'assets held for sale' and 'development projects'.

3.2 Segment information - Key figures per asset class

(in € 1 000)	Retail		Offices		Logistics (and semi-industrial)		TOTAL	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Rental income (incl. lease receivables and excl. compensation for termination and incentives)	32 987	29 354	26 750	22 424	4 103	4 398	63 840	56 176
Fair value of the real estate portfolio	530 378	449 605	501 565	498 601	61 752	62 100	1 093 695	1 010 306
Investment value of the real estate portfolio	539 308	456 612	514 115	511 067	63 551	63 380	1 116 974	1 031 059
Occupancy rate	97.40%	97.59%	82.23%	91.23%	96.83%	94.67%	90.46%	94.33%
Rental yield (in fair value) of the segment	6.22%	6.53%	5.33%	6.32%	6.64%	6.88%	5.84%	6.37%
Rental yield (in investment value) of the segment	6.12%	6.43%	5.20%	6.17%	6.46%	6.74%	5.72%	6.25%
Weighted average duration till first break possibility (# years)	4.14	4.26	4.23	4.04	7.81	8.94	4.28	4.34

The rental income does not take into account the indemnities received for early termination of leases of € 18 thousand (€ 39 thousand end 2018).

The real estate portfolio comprises the buildings in operation and the non-current assets held for sale, as well as the development projects. For the calculation of the occupancy rate and the rental yield*, only the buildings in operation are taken into account, excluding the assets held for sale and the development projects. The yields concern gross yields.

With regard to the other assets, other than the real estate portfolio, it is irrelevant to apply the segmentation per type. Leasinvest Real Estate does not depend on major clients representing each more than 10% of the rental income.

COMPREHENSIVE INCOME

NOTE 4 Net rental result

(in € 1 000)	31/12/2019	31/12/2018
Rental income	65 280	56 209
Rents	63 995	54 707
Rent-free periods	-87	137
Rental incentives	-73	-99
Indemnities for early termination of the leases	91	132
Income from finance leases and comparable items	1 354	1 332
Rental-related expenses	-530	-212
Write-downs on trade receivables	-658	-212
Write-backs of write-downs on trade receivables	128	0
NET RENTAL RESULT	64 750	55 997

Leasinvest Real Estate rents its investment properties on the basis of customary rental contracts.

The rental income has risen from € 56,209 thousand to € 65,280 thousand. This is the result of a couple of acquisitions end 2018 that have now contributed for an entire year to the results of 2019 and the acquisition of a number of buildings in the course of 2019. Like-for-like the rental income has also increased by € 2.8 million.

Costs of rent-free periods and rental incentives to tenants are deducted from the rental income (in the item "rent-free periods") over the duration of the lease, defined as the period between the start and the first break date. The rental incentives that were not yet recognized in the result are deducted from the fair value of the assets. This implies, when entering a new rental period (after a break possibility or after the conclusion of a new rental contract) and in the case a rent-free period has been granted, no rent will be collected during that period, but rent will be recorded in this item. Consequently, ceteris paribus, this item has a positive balance. In the course of the rental period the rent received will be higher than the rent corrected with the rent-free period. This correction is recorded in this item and will, ceteris paribus, consequently have a negative balance, unless another rent-free period, exceeding this balance, is again granted in that period.

The table below indicates how much of the annual rental income could potentially be lost. If each tenant having a break possibility would actually leave the building and there would be no re-letting, this table show the loss of rental income.

(in € 1 000)	31/12/2019	31/12/2018
Within one year	3 966	8 082
Between one and five years	36 810	37 252
More than five years	28 426	15 313
TOTAL	69 202	60 647

Leasinvest Real Estate's portfolio mainly comprises players from the private sector and, to a lesser extent, of the public sector. Consequently, there are relatively more rental contracts with shorter fixed durations (type 3/6/9 years).

NOTE 5

Costs payable by tenants and borne by the landlord and other rental-related income and expenses

(in € 1 000)	31/12/2019	31/12/2018
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease		
Recovery of property charges	411	173
Compensations received for rental damage	411	173
TOTAL	411	173
Other rental-related income and expenses	-2 543	-2 492
TOTAL	-2 543	-2 492

The recovery of property charges only comprises the compensations received for rental damage.

The item "other rental-related income and expenses" amounts to € -2,543 thousand end 2019 in comparison with € -2,492 thousand end 2018. The increase of these costs is mainly the consequence of higher operating costs (a/o personnel and maintenance costs) in The Crescent.

NOTE 6

Charges borne by the landlord on let properties

(in € 1 000)	31/12/2019	31/12/2018
Recovery income of charges and taxes normally payable by tenants on let properties	5 315	5 421
Rebilling of rental charges paid by the landlord	2 182	3 700
Rebilling of taxes on let properties	3 133	1 721
Rental charges and taxes normally payable by tenants on let properties	-5 315	-5 421
Rental charges paid by the landlord	-2 182	-3 700
Taxes on let properties	-3 133	-1 721
Rental charges borne by the landlord on let properties	0	0

Under usual lease terms these charges and taxes are borne by the tenants through rebilling by the landlord. This concerns, among other things, the property taxes and other taxes on let buildings. In 2019 and 2018 all charges and taxes, contractually for the account of the tenant, have integrally been rebilled to the tenants concerned.

NOTE 7 Technical costs

(in € 1 000)	31/12/2019	31/12/2018
Recurring technical costs	-1 024	-1 139
Maintenance	-580	-788
Compensation for total guarantees	-380	-296
Insurance premiums	-64	-55
Non-recurring technical costs	-58	-8
Major repairs (building contractors, architects, engineering, ...)	-3	-8
Claims	-55	0
TOTAL	-1 082	-1 147

To ensure that the buildings keep responding to the increasing demands of comfort, image and sustainability maintenance and renovation works are regularly carried out. The item technical costs comprises both the recurrent and occasional costs of repair to the real estate portfolio, besides the fees with regard to the total guarantee and the insurance premiums related to the technical management of the buildings.

NOTE 8 commercial costs

(in € 1 000)	31/12/2019	31/12/2018
Letting fees paid to real estate agents	-586	-476
Marketing expenses	-513	-476
Lawyer fees and legal expenses	-112	-81
TOTAL	-1 211	-1 032

The commercial costs increased in comparison with last year, mainly because of higher publicity costs, mainly as a consequence of more "branding" actions for the Knauf shopping centers.

NOTE 9 Charges and taxes on un-let properties

(in € 1 000)	31/12/2019	31/12/2018
Charges on un-let properties of the financial year	-721	-502
Property taxes on un-let properties	-628	-405
TOTAL	-1 349	-907

The charges on un-let properties are the charges related to vacant spaces, which cannot be recovered from tenants and are consequently to be borne by the owner. The occupancy has decreased in comparison with the previous year and we record an increase in these costs in comparison with 2018 which is explained by the fact that we were able to re-invoice less to the steady tenants.

NOTE 10 Property management costs and other property costs

10.1 Property management costs

(in € 1 000)	31/12/2019	31/12/2018
External management costs	-4 960	-4 331
Costs of the internal management of the property	-949	-1 034
TOTAL PROPERTY MANAGEMENT COSTS	-5 909	-5 365

Leasinvest Real Estate SCA (on a statutory basis) has no own personnel. The statutory manager, Leasinvest Real Estate Management SA ('LREM'), is in charge of the management of the REIT (SIR/GVV) and had a staff of fifteen persons at the end of 2019 under the direction of the permanent representative (sixteen in total). The external management costs consist of the remuneration of the manager, which is defined at 0.415% of the investment value of the consolidated real estate portfolio, including the buildings of Leasinvest Immo Lux, the participation in Retail Estates and the real estate certificates held, according to the articles of association. The costs of the internal management of the real estate mainly consist of the personnel costs of Leasinvest Services, which takes care of the technical management of the buildings of the REIT (SIR/GVV) (personnel: 3 employees).

10.2 Other property costs

The other property costs amount to € -0.5 million at the end of 2019 and mainly comprise the valuers' fee (€ 175 thousand) and the fee paid within the framework of the external management (o/a Inowai & CBRE-PSM) and other diverse property costs (fees for situation surveys).

NOTE 11 General corporate charges and other operating income and charges

(in € 1 000)	31/12/2019	31/12/2018
UCI tax	-412	-335
Depositary	-156	-148
Auditor fees	-289	-242
Liquidity provider	-14	-18
Other expenses	-2 142	-2 055
TOTAL	-3 013	-2 798
Other operating income and charges	-48	-610

The general corporate charges regroup the overhead costs of the company, which have as such nothing to do with the actual activity, namely generating rental income. These are, among other things, the costs carried by the REIT (SIR/GVV) as a legal, listed entity and are mainly related to all kinds of prescriptions/obligations regarding transparency, liquidity of the share and financial communication.

The general corporate charges increase from € 2.8 million in 2018 to € 3.0 million in 2019. This increase is mainly due to a higher subscription tax, defined in function of shareholders' equity.

Other operating income and charges have decreased by € 0.6 million due to the fact that the rental guarantee that was granted on buildings sold in the past till 2018 included ended.

NOTE 12 Result of disposal of investment properties

(in € 1 000)	31/12/2019	31/12/2018
Net gains on investment properties (sales price – transfer rights)	41 488	0
Book value of real estate sold (fair value)	-41 901	0
TOTAL	-413	0

In 2019 two buildings were sold: in Luxembourg the office building Kennedy was sold, and in Belgium the building Riverside was sold. On these sales, a total capital loss of € 0.4 million was realized.

NOTE 13 Changes in fair value of investment properties

(in € 1 000)	31/12/2019	31/12/2018
Positive changes in fair value of investment properties	17 371	14 904
Negative changes in fair value of investment properties	-13 307	-13 278
TOTAL	4 064	1 627

The net portfolio result shows a total unrealized capital gain of € 4.1 million in 2019, or an increase of € 2.4 million compared to 2018.

This variation in the unrealized changes in fair value of the investment properties is explained by an increase in value of € 1.2 million and a positive effect on the deferred taxes of € 2.9 million.

NOTE 14 Financial income

(in € 1 000)	31/12/2019	31/12/2018
Interests and dividends received	5 100	4 346
Income from financial instruments for hedging	560	571
Authorized hedges subject to hedge accounting as defined by IFRS	560	571
Net realized capital gains on sale of finance lease receivables and comparable items	12	0
TOTAL	5 673	4 917

The 'interests and dividends received' consist of the dividends received of € 4.3 million (for the financial year 2019) on the Retail Estates shares on the one hand, and of interests from temporary, short term deposits of cash surpluses on the other hand. The dividend received from Retail Estates has risen by a higher dividend distribution per share as well as by an increase in the number of shares held by Leasinvest Real Estate following the purchase of additional Retail Estates shares in the course of 2019 (from 1,192,418 shares per end 2018 to 1,351,320 shares per end 2019).

The income from financial instruments (€ 0.6 million) consists of variable interests received from interest rate receiver swaps, within the framework of the current bond loans, and from interest rate payer swaps for which Leasinvest Real Estate always pays a fixed interest rate and receives the variable interest rate. This fixed payer interest rate can be found under the item 'Costs of authorized hedges' in the item Financial charges (see note 15).

NOTE 15 Financial charges

(in € 1 000)	31/12/2019	31/12/2018
Nominal interest charges on loans	-8 070	-7 777
Interest charges on non-current financial debts	-4 865	-4 068
Interest charges on bond loans	-3 052	-3 518
Interest charges on current financial debts	-153	-191
Costs of financial instruments for hedging	-4 705	-6 330
Authorized hedges subject to hedge accounting as defined by IFRS	-4 705	-6 330
Other interest charges	-5	-10
Activated interest charges	0	552
TOTAL	-12 780	-13 565

The costs of authorized hedges comprise the fixed interest rate settlements paid by Leasinvest Real Estate within the framework of the interest rate payer swaps concluded.

The increase in nominal interest charges on loans (both on non-current financial debts and bond loans) comes from a higher average credit withdrawal (+ € 60 million), however at lower interest curves and, on average, lower credit margins paid, limiting the increase to € 0.3 million.

Besides this a decrease in the costs of financial instruments held for hedging can be recorded (-€ 1.63 million). These have dropped following the full entry into force of the effects of restructuring the SWAPS, due to which the

average hedging costs drop from 1.02% per end 2018 to 0.66% end 2019.

The average funding cost (excluding the marked to market of the hedges) after hedging amounts to 2.14% (end 2018: 2.59%) end 2019; before interest charges on the hedging portfolio the average funding cost amounts to 1.29% end 2019 (end 2018: 1.38%).

End 2019 no (end 2018: € 552 thousand) funding costs were activated.

NOTE 16 Other financial charges

(in € 1 000)	31/12/2019	31/12/2018
Bank costs and other commissions	-1 374	-1 294
Net realized losses on the sale of non-current financial assets	0	-120
Net realized losses on the sale of finance lease receivables and similar		
TOTAL	-1 374	-1 414

The bank costs and other commissions mainly comprise the provisions for reservation due on the undrawn part of the credit portfolio. These costs have increased in 2019 in comparison with 2018 because of the lower average withdrawal of bank credits due to the increased use of commercial paper.

NOTE 17 Changes in fair value of financial assets and liabilities

(in € 1 000)	31/12/2019	31/12/2018
Authorized hedges subject to hedge accounting as defined by IFRS and ineffective part of CF hedges	161	278
Revaluation participation in other GVV/SIR	10 143	5 555
Authorized hedges not subject to hedge accounting as defined by IFRS	-4 863	-516
Adjustment of fair value bond loans	454	111
IFRS 16	-139	0
TOTAL	5 756	5 428

The changes in fair value of the authorized hedges subject to hedge accounting as defined by IFRS and the ineffective part of the cash flow hedges amounted to € 161 thousand in 2019. Besides this, since this year, the revaluation of participations in other GVV/SIR is also booked in this item. This year, an amount of € 10.1 million was booked for the revaluation of Retail Estates.

The changes in fair value of the authorized hedges subject to hedge accounting relating to the fair value hedge concern variations of the receiver swaps concluded as fair value hedges within the framework of the bond loans at a fixed interest rate.

The changes in fair value of the bond loans concerns the part of the public bond loan for € 35 million, which ended in October 2019, that is subject to hedge accounting and resulted in a positive effect in the course of the past financial year of € 454 thousand.

NOTE 18 Corporate taxes

(in € 1 000)	31/12/2019	31/12/2018
Parent company LRE	-210	-120
Pre-tax result	50 406	38 514
Result exempt from income tax due to the REIT (SIR/GVV) regime	50 406	38 514
Taxable result based on non-deductible costs	712	355
Tax rate of 29.58%	-211	-121
Subsidiaries	-295	-199
TOTAL	-506	-320

REIT (SIR/GVV) enjoy a special tax regime, which makes that corporate taxes are only applicable to non-deductible expenses (regional taxes) and, on abnormal and benevolent advantages and special amounts. Leasinvest Immo Lux, 100% subsidiary of Leasinvest Real Estate, enjoys, as a sicav, a special tax regime in Luxembourg. The other subsidiaries on the contrary, are subject to corporate taxes.

Total taxes have increased from - € 0.3 million in 2018 to - € 0.5 million in 2019.

BALANCE SHEET

NOTE 19 Intangible assets

(in € 1 000)	31/12/2019	31/12/2018
Intangible assets	0	0
Movements in other tangible assets		
Balance at the end of the previous financial year	0	0
Gross amount	26	26
Accumulated depreciation (-)	-26	-24
Accumulated impairment	0	0
Investments (+) / Divestments (-)	0	0
Acquisitions through business combinations		
Disposals through retirement (-)	0	0
Disposals through splitting-up (-)		
Depreciations (-)	0	-2
Balance at the end of the financial year	0	0

NOTE 20 Investment properties (fair value method)

(in € 1 000)	Real estate available for lease		Development projects	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Balance at the end of the previous financial year	992 510	830 754	11 727	54 400
Investments	16 275	27 793	323	347
Divestments	-54 668	0		
Acquisitions of property	121 275	87 408		11 679
Transfer from/(to) other items	0	39 350		-54 400
Increase/(decrease) in fair value	584	7 205	272	-299
Right to use IFRS 16*	4 231			
Balance at the end of the financial year	1 080 207	992 510	12 322	11 727

The real estate available for lease rises by € 87.7 million following a/o the acquisitions of EBBC B-E (+ € 47.4 million), Vösendorf Nordring 16 (+ € 31.6 million) and Vösendorf Nordring 2-10 (+ € 41.4 million). Besides this, the building Riverside was sold for an amount of € 25.6 million and the building Kennedy for an amount of € 15.8 million.

The development projects increase by € 0.6 million following investments made in the course of 2019 and an increase in fair value.

	Total investment properties		Finance lease receivables		Total		Assets held for sale	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	1 004 237	885 154	17 796	17 841	1 022 033	902 995	15 050	0
	16 598	28 140			16 598	28 140		
	-54 668	0			-54 668	0	-15 845	
	121 275	99 087			121 275	99 087		
	0	-15 050	-76	-45	-76	-15 095		15 050
	856	6 906			856	6 906	795	
	4 231				4 231			
	1 092 529	1 004 237	17 720	17 796	1 110 249	1 022 033	0	15 050

Capex overview 2019

2019 in € 1 000	Group (excl. Joint Ventures)	Joint Ventures (propertio- nate share)	Total Group
Acquisitions	121 274	0	121 274
Development	8 355	0	8 355
Investment properties	8 243	0	8 243
incremental lettable space	2 142	0	2 142
no incremental lettable space	6 101	0	6 101
Total CapEx	137 872	0	137 872
Conversion from accrual to cash basis	0	0	0
Total CapEx on cash basis	137 872	0	137 872

2018 in € 1 000	Group (excl. Joint Ventures)	Joint Ventures (propertio- nate share)	Total Group
Acquisitions	99 086	0	99 086
Development	21 669	0	21 669
Investment properties	6 471	0	6 471
incremental lettable space	1 081	0	1 081
no incremental lettable space	5 390	0	5 390
Total CapEx	127 226	0	127 226
Conversion from accrual to cash basis	0	0	0
Total CapEx on cash basis	127 226	0	127 226

Based on the fair value model according to IAS 40, investment properties are accounted for at fair value. This fair value corresponds to the amount for which a building could be sold between well-informed and ready parties acting under normal competitive circumstances. The fair value corresponds to the investment value as defined by an independent real estate expert, minus the transfer rights, the so-called 'mutation costs'. For more information on this matter we refer to the valuation rules. The investment value is the value as defined by an independent real estate expert, of which the transfer rights have not been deducted. This value corresponds to the price which a third party investor (or hypothetical buyer) would pay to acquire the real estate in order to benefit from the rental income and realize a return on his investment. The values have been defined by independent real estate experts.

The following methods were used to define the fair value according to IFRS 13:

- **Net present value of estimated rental income**

The investment value is the result of the yield applied on the estimated rental value (capitalisation method or market approach) corrected by the net present value of the difference between the current rent and the estimated rental value at the valuation date, and this, for the period till the next break possibility of the current rental contracts.

- **Discounted cash flow method**

The DCF method consists in defining the present value of the future cash flows. The future rental income is estimated on the basis of the existing contractual rents and the real estate market outlook for each building in the following periods. Moreover, the future maintenance costs are also estimated and taken into account. The actualisation rate

applied takes into account the risk premium for the object defined by the market. The obtained value is also compared to the market on the basis of the definition of the residual land value.

• **Residual valuation**

Buildings to renovate or in the course of renovation, or planned projects are valued based on the value after renovation, valued based on the value after renovation under deduction of the amount for the remainder of the work to be carried out, including costs, interests, vacancy and risk premium.

Assets and liabilities valued at fair value after their initial booking can be presented in three levels (1-3), that each correspond to a different input level to observe the fair value:

- **Level 1** inputs are quoted prices in active markets for identical assets or liabilities.
- **Level 2** inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. deducted from prices).
- **Level 3** inputs are unobservable inputs for the asset or liability based on valuations techniques comprising data for the asset or liability.

The investment properties come under level 3.

For the total Leasinvest Real Estate SCA property, including the part of the portfolio estimated by the companies Stadim, Oerag, Cushman & Wakefield has defined at 31 December 2019,

1. an **investment value of € 1,133,836,000** (one billion one hundred thirty-three million eight hundred and thirty-six thousand euro), with respectively investment values of € 352,292,000, € 597,391,000 and € 184,152,000 for the Belgian, the Luxembourg and Austrian portfolios; and
2. a **fair value of € 1,110,249,000** (one billion one hundred ten million two hundred forty-nine thousand euro), with respectively fair values of € 343,546,000, € 587,042,000 and € 179,660,000 for the Belgian, the Luxembourg and Austrian portfolios.

The property consists of business parks, offices, semi-industrial buildings, distribution centers and shops, spread across the Grand Duchy of Luxembourg, Belgium and Austria.

For more details, we also refer to the note Main key figures - (Other segment information).

The fair value of the real estate portfolio amounts to € 1,110.2 million end 2019 compared to € 1,037.1 million end December 2018.

The following table gives an overview of the valuation techniques applied per asset class, and of the main variables used

(excluding assets held for sale):

Asset class	Fair value 2019 (€ 1000)	Fair value 2018 (€ 1000)	Valuation technique	Important input data	31/12/2019 Min-Max (weighted average)	31/12/2018 Min-Max (weighted average)
Retail (Grand Duchy of Luxembourg & Belgium)	350 718	343 076	Actualization of estimated rental income	a) ERV spread b) weighted average estimated rental value c) Capitalization rate spread d) Weighted average capitalization rate e) Residual duration f) Number of m ²	a) [9.34 €/m ² - 18.46 €/m ²] b) [12.74 €/m ²] c) [5.58% - 7.35%] d) [6.66%] e) 3.60 years f) 153 245 m ²	a) [9.34 €/m ² - 18.77 €/m ²] b) [12.85 €/m ²] c) [5.70% - 7.02%] d) [6.59%] e) 3.74 years f) 153 245 m ²
Retail Austria	179 661	106 530	DCF (discounted cash flow)	a) weighted average estimated rental value b) Capitalization rate spread c) Capitalization rate calculation end value after 10y d) Residual duration e) Number of m ²	a) [11.45 €/m ²] b) [4.97% - 5.59%] c) [5.35%] d) 5.60 years e) 69 533 m ²	a) [11.18 €/m ²] b) [4.97% - 5.67%] c) [5.26%] d) 6.37 years e) 43 404 m ²
Offices Grand Duchy of Luxembourg	264 430	241 860	Actualization of estimated rental income	a) ERV spread b) weighted average estimated rental value c) Capitalization rate spread d) Weighted average capitalization rate e) Residual duration f) Number of m ²	a) [4.49 €/m ² - 49.33 €/m ²] b) [21.15 €/m ²] c) [4.95% - 7.50%] d) [6.19%] e) 3.20 years f) 48 059 m ²	a) [11.54 €/m ² - 48.25 €/m ²] b) [27.64 €/m ²] c) [5.00% - 8.65%] d) [6.27%] e) 3.63 years f) 48 657 m ²
Offices Belgium	253 688	268 467	Actualization of estimated rental income	a) ERV spread b) weighted average estimated rental value c) Capitalization rate spread d) Weighted average capitalization rate e) Residual duration f) Number of m ²	a) [8.27 €/m ² - 27.09 €/m ²] b) [13.30 €/m ²] c) [4.10% - 7.70%] d) [5.72%] e) 6.74 years f) 93 564 m ²	a) [8.42 €/m ² - 22.02 €/m ²] b) [10.64 €/m ²] c) [4.10% - 9.35%] d) [6.05%] e) 6.71 years f) 130 013 m ²
Logistics	61 752	62 100	DCF (discounted cash flow) or net present value of cash-flows at discount rate	a) ERV spread b) weighted average estimated rental value c) Average discount rate d) Economic life e) Residual duration f) Number of m ²	a) [4.88 €/m ² - 7.70 €/m ²] b) [6.17 €/m ²] c) 7.25% d) 30 years e) 2.58 years f) 36 402 m ²	a) [4.79 €/m ² - 7.64 €/m ²] b) [6.06 €/m ²] c) 7.83% d) 30 years e) 3.25 years f) 33 979 m ²
Total investment properties	1 110 249	1 022 033				

To be noted that the table above does not individually mention vacancy, residual value and operating margin. The vacancy hypothesis is partially incorporated based on location, rental contract, and partially in the yield. Top locations in the centre of Brussels and Luxembourg barely record any vacancy, while buildings located in the periphery do have to cope with rental vacancy. The Economic life cycle is not specifically reproduced for office buildings and retail parks because it is already comprised in the definition of the yield.

The forecasted long-term inflation applied to the valuation techniques amounts to 1%.

The current portfolio could be subject to a potential decrease in fair value of € 195.6 million before exceeding the maximum debt ratio of 65%. Such decrease in value can be the consequence of an increase in yield (at constant rental values the yield should rise by 283 base points to exceed the maximum debt ratio of 65%) or of a decrease in rental income (at constant yields the rents should have to drop by 32.9% to exceed the maximum debt ratio of 65%).

NOTE 21 Acquisitions of subsidiaries

On 28 August 2019 Leasinvest Real Estate, via its 100% subsidiary Leasinvest Immo Austria, has acquired 100% of the shares of Vösendorf Nordring 2-10 Vermietungsgesellschaft m.b.H. and Vösendorf Nordring 16 Vermietungsgesellschaft m.b.H; these companies are the owners of 2 retail buildings in Austria.

NOTE 22 Other tangible assets

(in € 1 000)	31/12/2019	31/12/2018
Installations, machines and equipment	1 016	1 121
Furniture, office equipment and rolling stock	117	142
Other tangible assets	1 133	1 263
Changes in other tangible assets		
Balance at the end of the previous financial year	1 263	354
Gross amount	1 806	841
Accumulated depreciation (-)	-543	-664
Investments (+)/Divestments (-)	89	1 160
Amortizations (-)	-219	-74
Balance at the end of the financial year	1 133	1 263
Of which:		
Tangible assets for own use	117	142
Other	1 016	1 121

The other tangible assets are recorded at cost minus accumulated depreciation and possible impairments (in accordance with IAS 16).

These are written off in a linear way in function of their economic life cycle.

NOTE 23 Non-current financial assets

(in € 1 000)	31/12/2019	31/12/2018
Participations in other REIT (SIR/GVV)	113 376	91 817
Other	443	461
Derivative financial instruments	831	696
TOTAL	114 650	92 974

The non-current financial assets increase substantially because € 11.5 million of extra Retail Estates shares were acquired to keep on exceeding the 10% threshold, resulting in no withholding tax being due on the dividends received. On 31 December 2019 a capital gain of € 10.1 million was booked following the positive evolution of the share price of the Retail Estates share.

NOTE 24 Leasing

The item finance lease receivables for € 17.7 million comprises the State Archives in Bruges that are presented as a financial leasing in conformity with IFRS. The initial duration was 25 years, of which already six years have passed. The implicit interest rate based on the present value of minimum lease payments amounts to 3.22% for 2019 and 3.45% for 2018.

(in € 1 000)	31/12/2019				31/12/2018			
	< 1 year	1 year <> 5 years	> 5 years	Total	< 1 year	1 year <> 5 years	> 5 years	Total
1. Gross lease investments	2 150	6 831	28 660	37 641	1 409	5 926	31 002	38 337
2. Present value of minimum lease payments		815	16 904	17 719		684	17 112	17 796
3. Unearned finance income				19 922				20 541
4. Contingent rent recognised in income								
5. Unguaranteed residual values for the lessor								
6. Accumulated allowance for uncollectible lease payments receivable								

NOTE 25

Assets held for sale

(in € 1 000)	31/12/2019	31/12/2018
Balance at the end of the previous financial year	15 050	0
Investments	0	0
Divestments	-15 050	0
Transfer from/(to) other items	0	15 050
Spreading of gratuities	0	0
Increase/(decrease) of fair value	0	0
Balance at the end of the financial year	0	15 050

All assets held for sale are investment properties.

As the asset is an investment property accounted for according to the fair value model, it is valued at fair value, i.e. the accounting value minus the transfer rights, based on the valuation by the independent external real estate expert.

End 2019 there are no assets held for sale.

NOTE 26

Current financial assets

(in € 1 000)	31/12/2019	31/12/2018
Assets held to maturity		
Assets available for sale	0	0
Assets at fair value through profit or loss		
Loans and receivables	0	0
Other	0	0
TOTAL	0	0

NOTE 27

Trade receivables

(in € 1 000)	31/12/2019	31/12/2018
Trade receivables	12 482	12 151
To be invoiced	1 993	1 512
Doubtful receivables	-530	-496
TOTAL	13 945	13 167

Leasinvest Real Estate estimates that the accounting value of the trade receivables comes close to their fair value. Consequently, no corrections to the book value of the receivables were foreseen.

(in € 1 000)	31/12/2019					
	Total	not expired	expired < 30 d	expired < 60 d	expired < 120 d	expired > 120 d
Trade receivables	11 422	8 722	2 365	144	25	116
To be invoiced	1 993	1 993				
Doubtful receivables	530					530
TOTAL	13 945	10 715	2 365	144	25	646

(in € 1 000)	31/12/2018					
	Total	not expired	expired < 30 d	expired < 60 d	expired < 120 d	expired > 120 d
Trade receivables	11 159	5 032	1 423	1 685	1 607	1 412
To be invoiced	1 512	1 512				
Doubtful receivables	496					496
TOTAL	13 167	6 544	1 423	1 685	1 607	1 908

Receivables and debts (in € 1 000)	31/12/2019	31/12/2018
Accumulated depreciation – opening balance	-496	-345
Impairment booked during the financial year	-34	-151
Accumulated depreciation – ending balance	-530	-496

The part of the trade receivables come due, for which no provision has been created, is either covered by a bank guarantee on first request or is the object of an installment plan.

NOTE 28 Tax receivables and other current assets

(in € 1 000)	31/12/2019	31/12/2018
Taxes	1 303	1 058
Other	697	2 245
TOTAL	2 000	3 303

The item tax receivables mainly relates to property taxes to be recovered. The other current assets have decreased by € 1.5 million due to the recovery in 2019 of the sums to be recovered relating to the Swiss portfolio (€ 1.2 million).

NOTE 29 Cash and cash equivalents

(in € 1 000)	31/12/2019	31/12/2018
Cash	5 013	7 403
TOTAL	5 013	7 403

The cash and cash equivalents consist exclusively of bank accounts at financial institutions. For the evolution of the cash and cash equivalents we refer to the cash flow statement.

NOTE 30 Deferred charges and accrued income - assets

(in € 1 000)	31/12/2019	31/12/2018
Prepaid property charges	447	262
Other	576	653
TOTAL	1 023	915

The deferred charges and accrued income amount to € 1.0 million and mainly consist of prepaid property charges.

NOTE 31

Share capital, share premium, treasury shares and net result

31.1 Subscribed capital

a) Evolution subscribed capital since the creation of the REIT (SIR/GVV)

Date	(in € 1 000)	Issued capital	Number of shares
31/12/1998	Initial capital Brixton Zaventem	2 922	61 250
4/05/1999	New number of shares (1)		864 808
7/05/1999	Acquisition of treasury shares and annulment of the acquired shares		-24 603
8/06/1999	Contribution in kind of the 'Extensa buildings'	2 788	727 818
8/06/1999	Contribution in kind of the Vierwinden Business Park	9 370	191 574
	Total before the offering	15 080	1 759 597
1/07/1999	Capital increase	20 334	370 851
1/07/1999	Merger with Brixton Louise	7 561	394 672
1/07/1999	Merger with Kapex		4
1/07/1999	Decrease of the capital	-15 209	
	Capital and number of shares after the offering	27 765	2 525 124
28/06/2001	Contribution in kind buildings D4 and D5 of the Axxes Business Park	2 206	200 500
14/12/2001	Contribution in kind D2 of the Axxes Business Park	1 152	104 742
28/11/2003	Merger with Brussimmo		2
28/11/2003	Merger with Ekiport		3
	Issued capital and number of issued shares on 30/06/04	31 123	2 830 371
23/12/2004	Partial splitting-up (Montoyer 63)	4 606	418 850
	Issued capital and number of issued shares on 30/06/05	35 729	3 249 221
29/05/2006	Contribution in kind of buildings Extensa-portfolio	8 397	763 407
	Issued capital and number of issued shares on 30/06/06	44 126	4 012 628
29/12/2006	Merger with Square de Meeûs 5-6 SA	2	204
	Issued capital and number of shares on 30/06/07 & 31/12/11	44 128	4 012 832
25/06/2013	Capital increase	10 187	926 038
	Issued capital and number of issued shares on 31/12/2013	54 315	4 938 870
04/10/2018	Capital increase	10 863	987 774
	Issued capital and number of issued shares on 31/12/2019	65 178	5 926 644

(1) On 31/12/98 the registered capital of Brixton Zaventem amounted to € 2,921,652, represented by 61,250 shares. On 04/05/99 it has been decided to divide the capital of Brixton Zaventem into 864,808 shares.

b) Categories of shares:

Leasinvest Real Estate has only one category of shares, namely ordinary shares. Holders of ordinary shares are entitled to receive the declared dividend and to one vote per share at the annual general meetings of shareholders of Leasinvest Real Estate. All shares are fully paid. The shares are registered shares or dematerialized shares. For more information on the nature of the shares, see articles of association.

c) Authorized capital:

The statutory manager is authorized to increase the registered capital on the dates and subject to the conditions he will define, in one or more instalments, for a total amount of € 65,177,693.57. This authorization is valid for a term of five (5) years as of the publication of the minutes of the extraordinary general meeting of 16 December 2019. It is renewable. For more information on the authorized capital, we refer to the articles of association (article 7).

d) Costs related to capital increases:

Over the financial year 2018 € 1,644 thousand of costs related to the abovementioned capital transactions, and consequently to the issue of new shares, were deducted from the reserves.

31.2 Share premium accounts

Date	Operation	(in € 1 000)
28/06/2001	Contribution in kind buildings D4 and D5 of the Axxes Business Park	7 710
14/12/2001	Contribution in kind D2 of the Axxes Business Park	4 356
23/12/2004	Partial splitting-up (Montoyer 63)	19 214
	Share premium account on 30/06/05	31 280
29/05/2006	Contribution in kind of buildings Extensa-portfolio	39 331
	Share premium account on 30/06/06	70 611
29/12/2006	Merger with Square de Meeûs 5-6 SA	11
	Share premium account on 30/06/2007 & 31/12/2011	70 622
25/06/2013	Capital increase	50 469
	Share premium account on 31/12/2013	121 091
04/10/2018	Capital increase	73 098
	Share premium account on 31/12/2019	194 189

31.3 Result

(in € 1 000)	31/12/2019	31/12/2018
Result to be carried forward	18 785	11 702
Proposed dividend	31 115	26 492
TOTAL	49 900	38 194

The consolidated net result, group share, of the past financial year 2019 amounted to € 49.9 million.

The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting to pay on 25 May 2020 a gross dividend per share of € 5.25 and net, free of withholding tax, € 3.675 (based on a withholding tax of 30%), or a dividend of € 31.11 million. This implies an increase of 2.9% compared to the dividend of last year.

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.

31.4 Reserves

(in € 1 000)	31/12/2019	31/12/2018
Legal reserves	5 431	5 431
Reserves for the balance of the changes in fair value of property (+/-)	57 713	56 086
Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-)		
Reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS	-40 742	-34 100
Reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS (+/-)	-7 341	-7 215
Reserves from translation differences coming from conversion of foreign activity (+/-)	8	8
Reserve for treasury shares	-11	-11
Reserve for the balance of changes in fair value of financial assets held for sale (+/-)	25 934	20 379
Result carried forward	142 319	137 672
Net result of the financial year	49 900	38 194

NOTE 32

Comments on the number of shares, dividends and profit per share

Changes in the number of shares

(in € 1 000)	31/12/2019 Number of shares	31/12/2018 Number of shares
Number of shares at the beginning of the financial year	5 926 644	4 938 870
Changes in the number of shares	0	987 774
Number of shares at the end of the financial year	5 926 644	5 926 644
Number of shares entitled to dividends	5 926 644	5 926 644
Number of treasury shares	0	0
Number of shares entitled to the result of the period	5 926 644	5 926 644
Number of shares entitled to a full dividend	5 926 644	4 938 870
Number of shares entitled to a pro rata dividend (after capital increase)	5 926 644	5 179 724

Calculation of the profit and dividend per share:

(in € 1 000)	31/12/2019	31/12/2018
Net result, group share (€ 1 000)	49 900	38 194
Number of shares entitled to the result of the period	5 926 644	5 179 724
Net result, group share, per share (€) (1)	8.42	7.37
Distributable result per share (€) (2)	6.83	6.03

(in € 1 000)	Proposal 2019	Proposal 2018
Gross dividend attributable to ordinary shareholders (€ 1 000)	31 115	26 492
Gross dividend per share (€)	5.25	5.10
Net dividend per share (€)	3.6750	3.5700

(1) The net profit per share is the net result, group share, as stated in the income statement, divided by the number of shares entitled to the result of the period.

(2) The distributable profit per share corresponds to the consolidated EPRA Earnings per share. This standard expresses well the cash result of the REIT (SIR/GVV), as revaluation results and other non-monetary effects are not taken into account.

NOTE 33 Information on financial instruments

33.1 Overview of financial instruments at book value

(in € 1 000)	31/12/2019			
	Loans and receivables (amortized cost)	Available for sale	FV hedge	Total
Financial assets				
Non-current financial assets	443	113 376	832	114 650
Participation in other REIT (SIR/GVV)		113 376		113 376
Hedging instruments			832	832
Other	443			443
Finance lease receivables	17 720			17 720
Trade receivables	13 945			13 945
Tax receivables and other current assets	2 000			2 000
Cash and cash equivalents	5 013			5 013
TOTAL FINANCIAL ASSETS	39 121	113 376	832	153 328

(in € 1 000)	31/12/2019			
	FV through income statement	Financial liabilities at amortized cost	CF hedge	Total
Financial liabilities				
Non-current financial debts	0	425 771	0	425 771
Credit institutions		324 381		324 381
Bond loans		99 475		99 475
Rental guarantees received		1 915		1 915
Other non-current financial liabilities - derivatives			47 196	47 196
Current financial debts		235 149		235 149
Credit institutions		15 028		15 028
Commercial paper		200 067		200 067
Bond loans		20 054		20 054
Trade debts and other current debts		16 061		16 061
Other current liabilities		1 564		1 564
TOTAL FINANCIAL LIABILITIES	0	678 545	47 196	725 741

33.2 Note on the financial debt

(in € 1 000)	31/12/2019	31/12/2018
Non-current financial debts	425 771	334 509
Credit institutions	324 381	312 359
Other	101 390	22 150
Bond loans	99 475	20 508
Rental guarantees received	1 915	1 642
Current financial debts	235 148	264 198
Credit institutions	15 027	47 533
Other	220 121	216 665
Other loans – commercial paper	200 067	141 018
Other loans - bond	20 054	75 647
TOTAL	660 919	598 707

The total financial debts increase by € 62.2 million in comparison with end 2018 and amount to € 660,919 thousand.

The item other non-current loans comprises for € 99.5 million the bond loan issued by Leasinvest in 2019. This relates to a private placement of € 100 million issued at a fixed interest rate of 1.95% with maturity on 28 November 2026. The drawdowns of bilateral bank credits amount to € 324.8 million in the long term and € 15.0 million in the short term on 31/12/2019.

The 'other current financial debts' of € 220.1 million comprise the commercial paper issued at less than 1 year for an amount of € 200.1 million. The issued commercial paper has decreased over the past financial year by € 59.0 million

following the increased market demand by investors. The commercial paper issues are paid on the basis of a variable interest rate and all come to maturity within the year. These issues are fully covered by the available margin on bilateral credit lines, ensuring that these maturities can always be refinanced should the market demand for new issues decrease. Besides this, the public bond loan of € 20 million is also recorded as 'current' end 2019 given its maturity date of 4 December 2020.

Besides this, another non-current financial debt was booked for the lease liability of Leasinvest for The Crescent in Anderlecht and Hangar 26-27 in Antwerp. For this, a total liability of € 4.6 million was booked. The incremental borrowing rate used, amounts to 5.0%.

The composition of the bilateral credit portfolio is as follows:

Number	Type of financing instrument	Maximum amount credit line	Start date credit	Maturity credit	Fixed interest rate (TF) or variable interest rate (TV) before hedging
1	Bilateral Revolving credit facility	20 000 000	09/11/2015	31/10/2022	TV
2	Bilateral Revolving credit facility	15 000 000	26/10/2018	30/09/2025	TV
3	Bilateral Revolving credit facility	38 000 000	28/10/2016	31/08/2021	TV
4	Bilateral Revolving credit facility	15 000 000	01/02/2016	31/01/2021	TV
5	Bilateral Revolving credit facility	25 000 000	01/12/2010	31/01/2024	TV
6	Bilateral Revolving credit facility	10 000 000	07/02/2013	21/02/2023	TV
7	Bilateral Revolving credit facility	10 000 000	01/02/2016	31/01/2021	TV
8	Bilateral Revolving credit facility	30 000 000	01/11/2016	15/01/2022	TV
9	Bilateral Term Loan	15 000 000	31/12/2015	31/12/2020	TV
10	Bilateral Term Loan	25 000 000	30/11/2016	29/11/2021	TV
11	Bilateral Revolving credit facility	25 000 000	31/01/2016	31/12/2020	TV
12	Bilateral Term Loan	25 000 000	08/12/2015	31/03/2024	TV
13	Bilateral Term Loan	25 000 000	08/12/2015	31/03/2026	TV
14	Bilateral Revolving credit facility	15 000 000	23/08/2013	27/08/2023	TV
15	Bilateral Revolving credit facility	50 000 000	23/12/2016	23/12/2023	TV
16	Bilateral Revolving credit facility	25 000 000	12/09/2019	12/09/2022	TV
17	Bilateral Revolving credit facility	25 000 000	03/01/2017	31/12/2023	TV
18	Bilateral Revolving credit facility	56 000 000	11/10/2017	10/10/2022	TV
19	Bilateral Revolving credit facility	30 000 000	17/01/2019	16/01/2026	TV
20	Bilateral Investment credit	50 000 000	26/08/2019	31/08/2026	TV
21	Bilateral Revolving credit facility	15 000 000	26/08/2019	31/08/2026	TV
Total variable interest rate credits		544 000 000			
22	Bilateral Term Loan	10 000 000	23/01/2013	23/01/2021	TF
23	Bilateral Investment credit	20 000 000	21/11/2015	21/11/2021	TF
24	Bilateral Investment credit	15 000 000	21/11/2015	21/11/2022	TF
25	Bilateral Investment credit	10 000 000	07/08/2014	07/08/2023	TF
26	Private bond 19	100 000 000	28/11/2019	28/11/2026	TF
27	Private bond	20 000 000	04/12/2013	04/12/2020	TF
28	Bilateral Term Loan	25 000 000	23/12/2019	23/12/2022	TF
Total fixed interest rate credits		200 000 000			

The total drawn down debt position at closing date amounts to € 660,919 thousand, of which € 1,915 thousand of rental guarantees received.

Taking into account the hedging policy of the company, as described in the risk factors, the company striving at a hedging percentage of 75%, i.e. the relation between the fixed rate debt augmented by the variable interest rate debt swapped for a fixed rate debt through interest rate swaps, compared to the total debt. The corresponding part, or € 35 million of the public bond loan was not booked at amortized cost, but at fair value, and recognized in the financial results as a positive change of € 454 thousand (2018: € 111 thousand); this public bond loan came to maturity in the course of 2019.

The bond loans are booked at amortized cost.

The book value of the private bond loans end 2019 amounts to € 119,529 thousand in comparison with € 96,155 thousand end 2018.

End 2019 the part fixed rate credits amounts to 30% or € 200 million of total drawn down debt excl. rental guarantees, of € 650.92 million, which is a slight increase in comparison with end 2018 (25%).

Financial institutions grant credits to Leasinvest Real Estate based on the company's notoriety and different financial and other covenants. Not respecting these covenants can entail the premature termination of these credits. The concluded credits hold classic covenants mainly related to maintaining the REIT (SIR/GVV) status and the related maximum debt ratio.

Within the framework of the issue of the public and private bond loans, covenants were concluded that mainly relate to maintaining the REIT (SIR/GVV) status and the related maximum debt ratio.

The company complies with all its covenants with banks.

Within the framework of the additional obligations imposed by IAS 7, we announce that the movements on the balance sheet with regard to financial debts for both the financial year 2019 and 2018, exclusively consist of cash movements within the scope of withdrawal of credit lines, except for € 0.4 million (€ 0.1 million in 2018) linked to the limited part of the bond debt valued at fair value, as commented above.

Breakdown according to maturity of financial debts and credit lines

(in € 1 000)	31/12/2019				31/12/2018			
	Debts with a residual duration of				Debts with a residual duration of			
	< 1 year	> 1 year <= 5 years	> 5 years	Total	< 1 year	> 1 year <= 5 years	> 5 years	Total
Financial debts - credit institutions								
Credit lines	40 000	449 000	135 000	624 000	47 500	439 000	40 000	526 500
Credit draw-downs	15 000	214 000	110 000	339 000	47 500	294 000	17 850	359 350
Interests	423	12 587	3 210	16 220	555	15 409	1 370	17 334
% share (credit draw-downs/credit lines)	38.6%	50.5%	83.9%	56.9%	101.2%	70.5%	48.1%	71.5%
Bond loans	20 750		113 650	134 400	77 203	21 380		98 583
Commercial Paper program			250 000	250 000			250 000	250 000
Commercial Paper draw-downs	200 100			200 100	141 050			141 050
% share CP / credit lines				32.1%				26.8%
% share (credit draw-downs & CP / credit lines)				86.4%				95.0%
% Credit lines balance after CP hedging				13.6%				5.0%
Future costs derivatives	6 431	26 412	4 653	37 496	7 356	29 958	2 936	40 250
Future income derivatives	354	300	0	654	562	401	0	963

33.3 Fair Value Disclosures

Assets and liabilities valued at fair value after their initial booking can be presented in three levels (1-3), that each correspond to a different input level to observe the fair value:

- **Level 1** inputs are quoted prices in active markets for identical assets or liabilities.
- **Level 2** inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. deducted from prices).
- **Level 3** inputs are unobservable inputs for the asset or liability based on valuations techniques comprising data for the asset or liability.

per end 2019 (in € 1 000)	Level 1	Level 2	Level 3	Fair value	Book value
Non-current financial assets					
- Participations in other REIT (SIR/GVV)/real estate certificates	113 376	0		113 376	113 376
- Other derivative instruments qualified as fair value hedge		832		832	832
Finance-lease receivables			17 720	17 720	17 720
- Other	443			443	443
Current financial assets					
Trade receivables		13 945		13 945	13 945
Tax receivables and other current assets		2 000		2 000	2 000
Cash and cash equivalents	5 013			5 013	5 013
Deferred charges and accrued income		1 023		1 023	1 023
Non-current financial debts					
- Credit institutions		324 381		324 381	324 381
- Other		101 390		101 390	101 390
Other non-current financial liabilities					
- Financial derivatives through the income statement					
- Financial derivatives through other equity components		47 196		47 196	47 196
-IFRS 16		4 636		4 636	4 636
Current financial debts					
- Credit institutions		15 028		15 028	15 028
- Other		220 121		220 121	220 121
Other current financial liabilities					
Trade debts and other current debts					
- Exit tax		273		273	273
- Other		15 788		15 788	15 788
Other current liabilities		1 564		1 564	1 564
Accrued charges and deferred income		10 643		10 643	10 643

per end 2018 (in € 1 000)	Level 1	Level 2	Level 3	Fair value	Book value
Non-current financial assets					
- Participations in other REIT (SIR/GVV)/real estate certificates	91 816	0		91 816	91 816
- Other derivative instruments qualified as fair value hedge		696		696	696
Finance-lease receivables					
- Other	461		17 796	461	461
Current financial assets					
Trade receivables		13 167		13 167	13 167
Tax receivables and other current assets		3 303		3 303	3 303
Cash and cash equivalents	7 403			7 403	7 403
Deferred charges and accrued income		915		915	915
Non-current financial debts					
- Credit institutions		312 359		312 359	312 359
- Other		20 603		20 603	20 507
Other non-current financial liabilities					
- Financial derivatives through the income statement					
- Financial derivatives through other equity components		35 625		35 625	35 625
Current financial debts					
- Credit institutions		47 533		47 533	47 533
- Other		217 023		217 023	216 665
Other current financial liabilities					
Trade debts and other current debts					
- Exit tax					
- Other		17 698		17 698	17 698
Other current liabilities		2 048		2 048	2 048
Accrued charges and deferred income		11 339		11 339	11 339

Concretely, the company appeals to comparable market data for the valuation of the credits, such as an approximation of the applied reference rate and an approximation of the evolution of the credit margin based on recent comparable observations.

With regard to the financial derivatives, the valuations of the different counterparty banks have been recorded. However, these instruments were classified under level 2 as we calculate a CVA or a DVA on these received valuations, and this on the basis of market data that are an approximation of the credit risk. The valuation of the private bond is based on an approximation of an observable CDS spread and the evolution of the Euribor 6M.

The financial leasing is valued based on a discounted cash flow that takes into account an indexed rental value (2% index on a rental value of approximately € 1.2 million), an effective interest rate (3.7%) and the period (25 years).

33.4 Management of capital and debt ratio

Calculation and further comments on the debt ratio (both calculated according to IFRS):

(in € 1 000)	Statutory balance sheet	Consoli- dated balance sheet
Total of the items 'Liabilities' of the balance sheet	443 209	755 436
I. Non-current liabilities	47 207	61 613
A. Provisions	11	11
C. Other non-current financial liabilities – Authorized hedges	47 196	47 196
F. Deferred taxes	0	14 406
II. Current liabilities	4 624	10 643
F. Deferred charges and accrued income	4 624	10 643
Total liabilities taken into account for the calculation of the debt ratio (numerator):	391 378	683 180
Total 'Assets' of the balance sheet	935 786	1 248 013
Authorized hedges recorded in the assets	832	832
Total assets taken into account for the calculation of the debt ratio (denominator):	934 954	1 247 181
Debt ratio	41.86%	54.78%

In accordance with art 24 of the RD of 13 July 2014, the public REIT (SIR/GVV) has to establish a financial plan with an execution calendar, whenever the consolidated debt ratio exceeds 50%. Herein it describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.

On the financial plan, a special report is drawn up by the auditor, in which is confirmed that the latter has verified the way the plan has been drawn up, namely with regard to its economic fundamentals, and that the figures comprised in this plan correspond to those of the accounts of the public REIT (SIR/GVV).

The general guidelines of the financial plan are recorded in the annual and half-year financial reports. In the annual and half-year financial reports is described and justified how the financial plan was executed in the course of the relevant period and how the public RREC will execute the plan in the future.

As shown in the table below, the debt ratio of Leasinvest Real Estate has in general historically remained below 50% till 2011 included, but structurally exceeded, since 2012 the 50%-threshold as a consequence of the investment programme executed over the past years, defined a/o by:

- the development and later sale of the office building Bian in Luxembourg;
- the investment in the real estate certificates issued by Porte des Ardennes Schmiede SA and Porte des Ardennes Pommerlach SA for the financing of the shopping centers Knauf situated in Schmiede and in Pommerloch;
- the acquisition of the building Tour & Taxis Royal Depot;
- the development of the completed project Royal20;
- the acquisition of Frun® retail park in Asten Austria;
- the acquisition of the building Mercator in Luxembourg;
- the acquisition of 2 retail buildings in Stadlau (Austria);
- the current redevelopment projects Montoyer 63, Treesquare and Retail park Strassen;
- the acquisition of the building Montoyer 14 in Brussels;
- the acquisition of the buildings EBBC A and EBBC C in Luxembourg;
- the acquisition of the building Hangar 26-27 in Antwerp;
- the acquisition of the buildings Vösendorf 2-10 and Vösendorf 16 in Austria.

2019	2018	2017	2016	2015	2014	2013	2012	2011
54.78%	53.53%	57.14%	58.05%	58.03%	54.27%	53.53%	56.19%	47.29%
2010	2009	2008	2007	2006	2005	2004	2003	2002
44.13%	47.61%	52.06%	40.93% (*)	44.15% (*)	32.23% (*)	41.06% (*)	41.38% (*)	44.94% (*)

(*) Closing per 30/6

In the course of the financial year 2019 the debt ratio has increased from 53.53% per end 2018 to 54.78% on 31 December 2019.

The board of directors considers a debt ratio of maximum 50%-55% as being optimal for, and in the interest of the shareholders of Leasinvest Real Estate, and this both with regard to return, net result per share and to mitigating the liquidity and solvency risks.

For each investment the impact on the debt ratio is analysed, and the investment is potentially not selected should it unilaterally influence the debt ratio in a too negative way.

Based on the debt ratio of 54.78% end December 2019 Leasinvest Real Estate has a proportional investment potential based on debt financing of € 364.1 million without exceeding the 65%-debt ratio and an investment potential of € 164.9 million without exceeding the 60%-debt ratio.

The valuation of the portfolio also has a direct impact on the debt ratio. Currently there are no indications in the market of strong negative evolutions. Through the diversification of the portfolio of Leasinvest Real Estate, both in terms of assets and geographically, the risk is also mitigated. The existing portfolio could undergo a potential decrease in fair value of € 195.6 million before exceeding the maximum debt ratio of 65%. Such a decrease in value could be the consequence of an increase of the yield (at constant rental values the yield should increase by 283 base points to exceed the maximum debt ratio of 65%) or of a decrease of the rental income (at constant yields the rents should decrease by 32.9% to exceed the maximum debt ratio of 65%). At present, there are no indications in the market that a significant increase of the yields or a decrease of the rental income is near.

Should substantial value decreases take place in a certain asset class or in a region, with the risk that the debt ratio would exceed 65%, Leasinvest Real Estate can proceed to the sale of a number of its buildings. Leasinvest Real Estate has indeed a strong track record in the sale of buildings and has divested for € 443 million over the period 2007 to 31 December 2019.

It is the opinion of company that no additional measures are necessary to avoid the debt ratio from exceeding 65%. The debt ratio now lies within the predefined long-term spread of 50%-55%.

33.5 Note on the financial derivatives

In order to limit the risks of a rise of the variable interest rates, Leasinvest Real Estate has partially hedged its credits by the conclusion of the financial products below:

Type of hedge	Notional amount	IFRS qualification	Maturity	Interest rate Paying leg	Interest rate Receiving leg
Current hedges					
SWAPS					
IRS-payer	40 000 000	Cashflow hedge	2023	1.13%	EUR 3M
IRS payer	10 000 000	Cashflow hedge	2023	1.81%	EUR 3M
IRS payer	15 000 000	Cashflow hedge	2023	1.76%	EUR 3M
IRS payer	25 000 000	Cashflow hedge	2022	1.85%	EUR 3M
IRS payer	30 000 000	Cashflow hedge	2025	2.71%	EUR 3M
IRS payer	15 000 000	Cashflow hedge	2021	1.30%	EUR 3M
IRS payer	25 000 000	Cashflow hedge	2027	2.31%	EUR 3M
IRS payer	10 000 000	Cashflow hedge	2024	1.33%	EUR 3M
IRS payer	15 000 000	Cashflow hedge	2024	1.79%	EUR 3M
IRS payer	10 000 000	Cashflow hedge	2024	1.97%	EUR 3M
IRS payer	10 000 000	Cashflow hedge	2025	1.93%	EUR 3M
IRS payer	10 000 000	Cashflow hedge	2026	2.50%	EUR 3M
IRS payer	10 000 000	Cashflow hedge	2026	2.94%	EUR 3M
IRS payer	12 500 000	Cashflow hedge	2026	2.01%	EUR 3M
IRS payer	20 000 000	Cashflow hedge	2026	1.99%	EUR 3M
IRS payer	10 000 000	Cashflow hedge	2026	2.03%	EUR 3M
Total notional amount	267 500 000				
CAPS					
CAP at 0%	25 000 000	Fair Value hedge	2022		0.00%
CAP at 0.25%	25 000 000	Fair Value hedge	2022		0.25%
CAP at 0%	20 000 000	Fair Value hedge	2020		0.00%
Total notional amount	70 000 000				

Type of hedge	Notional amount	IFRS qualification	Maturity	Interest rate Paying leg	Interest rate Receiving leg
Starting in the future					
SWAPS					
Forward IRS payer	10 000 000	Cashflow hedge	2026	1.57%	EUR 3M
Forward IRS payer	10 000 000	Cashflow hedge	2026	1.51%	EUR 3M
Forward IRS payer	10 000 000	Cashflow hedge	2026	1.60%	EUR 3M
Forward IRS payer	10 000 000	Cashflow hedge	2026	2.31%	EUR 3M
Forward IRS payer	20 000 000	Cashflow hedge	2026	2.09%	EUR 3M
Forward IRS payer	30 000 000	Cashflow hedge	2028	2.27%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2025	0.86%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2025	0.86%	EUR 3M
Forward IRS payer	30 000 000	Fair Value hedge	2025	1.00%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2028	1.01%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2028	1.00%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2028	0.73%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2028	0.75%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2029	0.72%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2029	0.74%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2029	0.46%	EUR 3M
Forward IRS payer	25 000 000	Fair Value hedge	2029	0.45%	EUR 3M
Forward IRS payer	10 000 000	Fair Value hedge	2026	-0.52%	EUR 3M
Forward IRS payer	10 000 000	Fair Value hedge	2026	-0.46%	EUR 3M
Forward IRS payer	10 000 000	Fair Value hedge	2026	-0.44%	EUR 3M
Forward IRS payer	10 000 000	Fair Value hedge	2026	-0.46%	EUR 3M
Total notional amount	410 000 000				
CAPS					
CAP at 0.50%	25 000 000	Fair Value hedge	2024		0.50%
CAP at 0.50%	25 000 000	Fair Value hedge	2024		0.50%
CAP at 0%	10 000 000	Fair Value hedge	2021		0.00%
CAP at 0%	10 000 000	Fair Value hedge	2021		0.00%
Total notional amount	70 000 000				

At the end of the financial year 2019 the notional amount of the current net payer IRS-contracts amounts to € 267.5 million and the future payer IRS to € 410 million.

De hedge ratio end 2019 amounted to 82% (fix ratio 71%), in comparison with 74% (fix ratio 54%) end 2018. The relation between the debts at variable interest rates of € 459,100 thousand, on the one hand, and on the other hand, the debt at fixed interest rates (€ 200,000 thousand), the corresponding IRS hedge (€ 267,500 thousand) and the current CAPS (€ 70,000 thousand) is the hedge position and is thus calculated on the basis of the notional amount of current active hedges at that moment. For this calculation the future hedges are not taken into account, as they do not offer any 'protection' at that moment against an increasing interest rate. In the table below is explained how the hedge ratio and the fix ratio are calculated at the closing date.

Calculation hedge ratio (in € 1 000)		31/12/2019
Nominal amount of the drawn down financial liabilities excluding accr. Interest	A	659 100
Nominal amount of the debts at fixed interest rates	B	200 000
Nominal amount of the financial instruments IRS Payer	C	267 500
Nominal amount of the financial instruments IRS Receiver	D	0
Nominal amount of the financial instruments Interest CAPS	E	70 000
Fix ratio	((B+C-D))/A	71%
Hedge ratio	(B+C+E-D)/A	82%

Derivative financial instruments are valued at fair value, which corresponds to the marked-to-market calculated by financial institutions. With regard to interest rate swaps, hedge accounting is applied to a part of it and the efficiency of the hedges has been proven; another part is subject to non-effective hedge accounting. They relate to cash flow hedges on the one hand, IRS Payer swaps being used to hedge drawn down credit lines at variable interest rates, including the commercial paper issued at variable interest rates, with price adjustments at short-term intervals (typically three months or less).

In practice, this means that the effective part is revalued in equity and the ineffective part in the income statement. The effective part of the cash flow hedges is attributed to the "reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS", and the ineffective part of the cash flow hedges, together with the fair value hedges is recorded in the "reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS".

The **fair value** of the hedges at closing date is composed as follows::

(in € 1 000)	31/12/2019		31/12/2018	
	Assets	Liabilities	Assets	Liabilities
Caps bought	278		132	
Floors sold	554		564	
Interest Rate Swaps		-47 196		-35 625

The balance of the liabilities of -€ 47.2 million is presented in the item "Other non-current liabilities" and "Other current liabilities" and the balance of the assets of € +0.8 million is presented in "Non-current financial assets" (note 23).

The changes in **fair value** of the hedges:

Effective part of fair value presented in "Reserves for the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS".

Effective part of the fair value (cf. Item in reserves) (in € 1 000)	
Balance on 31/12/2012	-23 727
Change in the effective part of the fair value of derivative financial instruments	8 427
Balance on 31/12/2013	-15 300
Change in the effective part of the fair value of derivative financial instruments	-21 890
Balance on 31/12/2014	-37 191
Change in the effective part of the fair value of derivative financial instruments	3 003
Balance on 31/12/2015	-34 188
Change in the effective part of the fair value of derivative financial instruments	-9 065
Balance on 31/12/2016	-43 253
Change in the effective part of the fair value of derivative financial instruments	11 366
Balance on 31/12/2017	-31 887
Change in the effective part of the fair value of derivative financial instruments	-2 213
Balance on 31/12/2018	-34 100
Change in the effective part of the fair value of derivative financial instruments	-6 642
Balance on 31/12/2019	-40 742

The changes in the effective part of the fair value of authorized hedges subject to hedge accounting as defined in IFRS van -€ 6.6 million concern changes in value of the hedges as a consequence of the evolution of the swap curve, passed through the reserves.

Ineffective part of the fair value (in € 1 000)	
Balance on 31/12/2012	-3 671
Change in the ineffective part of the fair value of derivative financial instruments	1 031
Balance on 31/12/2013	-2 640
Change in the ineffective part of the fair value of derivative financial instruments	720
Balance on 31/12/2014	-1 920
Change in the ineffective part of the fair value of derivative financial instruments	-5 216
Balance on 31/12/2015	-7 136
Change in the ineffective part of the fair value of derivative financial instruments	-571
Balance on 31/12/2016	-7 707
Change in the ineffective part of the fair value of derivative financial instruments	-55
Balance on 31/12/2017	-7 762
Change in the ineffective part of the fair value of derivative financial instruments	-238
Balance on 31/12/2018	-8 000
Change in the ineffective part of the fair value of derivative financial instruments	-110
Balance on 31/12/2019	-8 110

The changes in the ineffective part of the fair value of the derivative instruments of -€ 0.1 million (end 2018: - € 0.2 million) is directly passed through the results (see also note 17).

33.6 Information on financial risk management

33.6.1 Financial management

The financial policy is intended at optimising the costs of the capital and limiting the financing, interest rate, liquidity, cash flow, counterparty and covenant risks.

We refer, for the note on financial risk management, the potential impact, the mitigating factors and measures, to the note with regard to the risks, as described in the Risk factors, recorded in the annual financial report on page 4.

33.6.2 Specific note on Liquidity risk

Per 31 December 2019 the weighted average duration of the credit portfolio has evolved from 3.11 years (end 2018) to 3.88 years. For a more detailed presentation of the maturity analysis, we refer to the note with regard to the financial debts.

The weighted average duration of the hedges has increased from 5.35 years (end 2018) to 5.54 years end 2019. The liquidity risk inherent to the difference in the average remaining durations of the financial liabilities and the financial derivative liabilities is monitored in function of the refinancing expectations of the credit and the estimated future extra funding needs of the company. The liquidity risk concerns the unavailability of extra financing to refinance the maturity dates in the credit portfolio or to meet extra credit needs. On the one hand, this risk is mitigated by a balanced spread of the maturity dates of the credits and by the diversification of the funding sources. Moreover, the buildings owned by the REIT (SIR/GVV) are considered to be held, in principle, to generate rental income and be able to pay the mandatory dividend. This allows to suppose that it is highly probable that certain cash flows will be realized (rent & dividend) and, by consequence can be defined, what kind of debt financing and hedges have to be drawn down. Consequently, the operations concluded can, according to Leasinvest, not be considered as speculative.

33.6.3 Market risk sensitivity analysis

In the table below an overview is given of the different types of market risks to which the company is exposed at the end of the reporting period and with the potential influence of changes in the different risk variables to which the company is exposed, on the company's shareholders' equity.

Change of market risk	Impact on shareholders' equity	
	DECREASE	INCREASE
Estimated rental value	negative	positive
Inflation	negative	positive
Capitalization rate	positive	negative
Remaining duration rental contract	negative	positive
Occupancy rate	negative	positive
Maintenance cost	positive	negative
Interest rate financing	positive	negative
Other funding costs	positive	negative

The average funding cost (excluding the marked-to-market of the hedges) after hedging amounts to 2.14% end 2019 (end 2018: 2.59%); before hedging it amounts to 1.29% end 2019 (end 2018: 1.38%).

End 2019 no (end 2018: € 552 thousand) funding costs for development projects were activated.

An increase of the variable interest rate by 100bps, calculated with the current hedge rate, would have an impact on the financial charges of € 0.5 million.

33.6.4 Tenant and credit risk

Efforts are being made to reduce the relative importance of the largest tenants and obtain a better spread both in terms of the number of tenants and the sectors in which these tenants are active in order to obtain a rental risk and income with an improved diversification therefore limiting the dependency of the REIT (SIR/GVV) to the fall-out of one or more important tenants due to termination of the rental contract or bankruptcy.

The top 10 of the most important tenants amounts to approximately 18%. The breakdown per sector of our tenant portfolio remains good.

The creditworthiness of our tenants' portfolio is still very good, which is proven by the fact that barely any write-downs of doubtful receivables were booked by Leasinvest Real Estate over the last couple of years, not in Belgium, nor in the Grand Duchy of Luxembourg or Austria.

For an analysis of the trade receivables we refer to note 27.

NOTE 34 Trade debts and other current debts

(in € 1 000)	31/12/2019	31/12/2018
Exit tax	273	0
Other		
Suppliers	14 929	15 115
Taxes, salaries and social security	859	2 583
TOTAL	16 061	17 698

The amount of the exit tax of € 0.3 million refers to the tax liability related to the acquisition and the merger of the company Carver BVBA with Leasinvest Real Estate SCA.

The item Suppliers has slightly decreased to € 14.9 million.

NOTE 35 Other current liabilities

(in € 1 000)	31/12/2019	31/12/2018
Other current liabilities	1 564	2 048
TOTAL	1 564	2 048

The item comprises the dividends to be paid, provisions relating to rental guarantees and rental guarantees received in cash.

NOTE 36 Accrued charges and deferred income - liabilities

(in € 1 000)	31/12/2019	31/12/2018
Property income received in advance	8 939	9 650
Interests and other charges accrued and not due	934	834
Other	770	855
TOTAL	10 643	11 339

NOTE 37 Deferred taxes

The deferred taxes for an amount of € 14.4 million mainly come from the take-overs of EBBC A, EBBC C and the Austrian portfolio.

NOTE 38 Related-party transactions

The statutory manager Leasinvest Real Estate Management SA employs the personnel and receives an annual management fee of 0.415% on the consolidated investment value of the portfolio, including the real estate portfolio of Leasinvest Immo Lux. The remuneration for the financial year 2019 (12 months) amounted to € 4.8 million.

For more information on the control chain we refer to the website www.leasinvest.be (investor relations – shareholders and transparency).

As to the remuneration of the auditor: an overview of the audit and non-audit services rendered during the financial year 2019 in the permanent document on page 208 of this annual report.

As in the remuneration report below only the remuneration of the CEO is presented on an individual basis, and on a global basis that of the 'other leaders', which are the (other) members of the executive committee, i.e. Tim Rens, CFO, jointly ensuring day-to-day management, and who is also an effective officer.

As explained above, the effective officers are Michel Van Geyte, CEO of Leasinvest Real Estate Management and managing director, and Tim Rens, CFO, since 1 June 2018.

In accordance with the company's remuneration policy, the effective officers do not receive any stock options or other share-based payments.

For the past financial year, they received the following amounts:

effective officers (in €)	fixed	insurance	benefits in kind	variable	total
Michel Van Geyte	425 004	0	0	250 000	675 004
Other leaders	118 647	9 206	10 415	35 000	173 268
Total	543 651	9 206	10 415	285 000	848 272

The effective officers – executive directors – are granted fixed and variable remunerations as defined above in the remuneration report.

NOTE 39 Consolidation scope

The subsidiaries mentioned below are all part of the consolidation scope using the full consolidation method. This consists in incorporating the entire assets and liabilities, as well as the results of the subsidiaries. The minority interests are recorded under a separate caption in the balance sheet and the income statement. The consolidated financial statements are established at the same date as the date on which the subsidiaries establish their financial statements.

Name & address of the administrative office (in € 1 000)	Country of origin/ branch	VAT or national number	Direct or indirect part of the capital held and voting rights (in%)	
			31/12/2019	31/12/2018
Leasinvest Services NV Schermersstraat 42 - 2000 Antwerp	Belgium	BE 0826.919.159	100%	100%
Leasinvest Immo Lux SA 6 D, Route de Trèves - L-2633 Senningerberg	Grand Duchy of Luxembourg	LU 1637 2655	100%	100%
Rab Invest NV Schermersstraat 42 - 2000 Antwerp	Belgium	BE 0820.897.736	100%	100%
Haven Invest NV Schermersstraat 42 - 2000 Antwerp	Belgium	BE 0644.563.317	100%	100%
S INVEST S.A.	Grand Duchy of Luxembourg	LU B174218	100%	100%
PDA Schmiede S.A.	Grand Duchy of Luxembourg	LU B171588	100%	100%
P INVEST S.A.	Grand Duchy of Luxembourg	LU B174188	100%	100%
PDA Pommerloch S.A.	Grand Duchy of Luxembourg	LU B171587	100%	100%
AE Starvilla Sieben GmbH & Co OG	Austria	FN 456562s	100%	100%
Leasinvest Immo Austria	Austria	FN 456512t	100%	100%
Frun Park Asten GmbH	Austria	FN 379973i	100%	100%
Mercator S.à.r.l.	Grand Duchy of Luxembourg	LU B158571	100%	100%
Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH (*)	Austria	FN 439942z	100%	100%
Kadmos Immobilien Leasing GmbH	Austria	FN 139265b	100%	100%
Neif Montoyer SPRL (*2)	Belgium	0549.979.409	100%	100%
Carver BVBA (*2)	Belgium	0859.557.481	100%	100%
EBBC A Sarl	Grand Duchy of Luxembourg	B112831	100%	100%
EBBC C Sarl	Grand Duchy of Luxembourg	B104717	100%	100%
Vösendorf Nordring 2-10 Vermietungsgesellschaft m.b.H.	Austria	FN 319994F	100%	0%
Vösendorf Nordring 16 Vermietungsgesellschaft m.b.H.	Austria	FN 488672K	100%	0%

(*) Adrestos Beteiligungsverwaltung GmbH.

(*2) Both companies were merged with Leasinvest Real Estate per 31/12/2019.

Leasinvest Services NV, RAB Invest NV, Haven Invest NV, Neif Montoyer SPRL (merged with Leasinvest Real Estate on 31 December 2019) and Carver BVBA (merged with Leasinvest Real Estate on 31 December 2019) were created in Belgium, while Leasinvest Immo Lux SA, S Invest SA, PDA Schmiede SA, P. Invest SA, PDA Pommerloch SA, EBBC A Sàrl, EBBC C Sàrl and Mercator Sàrl (merged with Leasinvest Immo Lux SA in January 2019) were established in Luxembourg. AE Starvilla Sieben GmbH & C° OG, Leasinvest Immo Austria GmbH, Frun Park Asten GmbH, Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH and Kadmos Immobilien Leasing GmbH, Vösendorf Nordring 2-10 Vermietungsgesellschaft mbH and Vösendorf Nordring 16 Vermietungsgesellschaft mbH are all companies under Austrian law.

The consolidation scope was extended as follows:

The companies Vösendorf Nordring 2-10 Vermietungsgesellschaft mbH and Vösendorf Nordring 16 Vermietungsgesellschaft mbH were acquired on 28 August 2019.

The group structure and Leasinvest Real Estate's position in it is commented on page 51.

NOTE 40

Important events after balance sheet date

No events took place after year-end that could influence the 2019 result.

Given the strict, limiting government measures taken within the framework of containing the spread of the Covid-19 virus since mid-March 2020 in the 3 countries Leasinvest Real Estate operates in, and depending on the duration of these measures, this can entail, especially in the retail segment, a substantial reduction in rents received and an increase in overdue rents, as an important part of the tenants were required to close their shops, and could ask Leasinvest Real Estate, as landlord of the buildings concerned, for compensation.

Independent auditor's report to the general meeting of Leasinvest Real Estate Comm VA for the year ended 31 December 2019

As required by law and the Company's by-laws, we report to you as statutory auditor of Leasinvest Real Estate Comm VA (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated balance sheet as at 31 December 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in capital and reserves and the consolidated cash flow statement for the year ended 31 December 2019 and the disclosures (all elements together the "Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as statutory auditor by the shareholders meeting of 22 May 2018, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders meeting that will deliberate on the annual accounts for the year ending 31 December 2020. We performed the audit of the Consolidated Financial Statements of the Group during 20 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Leasinvest Real Estate Comm VA, which consists of the consolidated balance sheet as at 31 December 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in capital and reserves and the consolidated cash flow statement for the year ended 31 December 2019 and the disclosures, which show a consolidated balance sheet total of € 1,248,013 thousand and of which the consolidated income statement shows a profit for the year of € 49,900 thousand.

In our opinion the Consolidated Financial Statements of the Group give a true and fair view of the consolidated net equity and financial position as at 31 December 2019, as well as its consolidated results and its consoli-

dated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the consolidated financial statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect of independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Valuation of the investment properties

• Description of the matter and audit risk:

Investment property represents 88% of the assets of the Group. As at 31 December 2019, the investment properties on the assets of the balance sheet amount to € 1,092,529 thousand.

In accordance with the accounting policies and IAS 40 standard "Investment property", investment property is valued at fair value, and the changes in the fair value of investment property are recognized in the income statement. The fair value of investment properties belongs to the level 3 of the fair value hierarchy defined within the IFRS 13 standard "Fair Value Measurement", some parameters used for valuation purposes being based on unobservable data (discount rate, future occupancy rate, ...). The audit risk appears in the valuation of these investment properties.

• Summary of audit procedures performed:

The Group uses external experts to make an estimate of the fair value of its buildings. We have assessed the valuation reports of the external experts (with the support of our internal experts). More precisely, we have:

- assessed the objectivity, the independence and the competence of the external appraisers,
- tested the integrity of source data (contractual rentals, maturities of the rental contracts, ...) used in their calculations,
- reviewed the models, assumptions and parameters used in their reports (discount rates, future occupancy rates, ...).

Finally, we have assessed the appropriateness of the information on the fair value of the investment properties disclosed in note 20 of the Consolidated Financial Statements.

Valuation of financial instruments

• Description of the matter and audit risk:

The Group uses interest rate swaps (IRS) to hedge the interest rate risk on the variable rate debts. The measurement of the derivatives at fair value is an important source of volatility of the result and/or the shareholders' equity. As a matter of fact, in accordance with IFRS 9 "Financial Instruments: Recognition and Measurement", these derivatives are valued at fair value (considered to belong to the level 2 of the fair value hierarchy defined by IFRS 13 "Fair Value Measurement"). The changes in fair value are recognized in the income statements except for some IRS for which the Group applies hedge accounting ("cash-flow hedging"), which allows to record most of the changes in fair value in the caption of the shareholders' equity ("Reserve for the balance of changes in fair value of authorized hedging instruments qualifying for hedge accounting as defined under IFRS"). The audit risk appears on the one hand in the valuation of these derivatives and on the other hand in the application of hedge accounting.

• Summary of audit procedures performed:

- We have compared the fair values of the derivatives with the values communicated by the counterparties and the credit risk adjustments calculated by an external specialist. We have assessed the most important assumptions and the calculations performed by this external specialist.
- Regarding the correct application of hedge accounting, we have reviewed the effectiveness tests performed by the external specialist involved by the Group and we have compared the volume of derivatives subject to hedge accounting with the volume of the variable rate debts projected on the future accounting years in order to identify any potential overhedging which could potentially jeopardize the application of hedge accounting.

Finally, we have assessed the appropriateness of the information on the financial instruments disclosed in note 33.5 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium. This responsibility involves implementing internal controls relevant to the preparation of the Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guar-

antee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit, in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the Company or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company or Group to cease to continue as a going-concern;
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and of whether these financial statements reflect the underlying transactions and events in a true and fair view.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report, and to report on any matters.

Aspects relating to Board of Director's report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Director's report, the Board of Director's report on the Consolidated Financial Statements is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Companies and Associations Code (former article 119 of the Companies Code).

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Director's report on the and other information included in the annual report, being:

• Alternative performance measures p. 81 contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported. In addition, we do not provide reasonable assurance regarding the Board of Directors' report and other information included in the annual report.

Independence matters

Our auditor's office has not performed any services that are not compatible with the audit of the Consolidated Financial Statements and has remained independent of the Company and the Group during the course of our mandate.

The fees for additional services that are compatible with the audit of the Consolidated Financial Statements intended by article 3:65 of the Companies and Associations Code have been correctly disclosed and detailed in the disclosures to the Consolidated Financial Statements.

Other communications

• This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Brussels, 30 March 2020

EY Bedrijfsrevisoren bv
Statutory auditor
Represented by



Joeri Klaykens*
Partner
*Acting on behalf of a bv

Statutory financial statements

Hereafter an abbreviated version of the statutory financial statements (also according to IFRS) of Leasinvest Real Estate is presented. The complete financial statements together with the annual report and the report of the auditor are filed with the National Bank of Belgium and these documents may be consulted at the company's office and can be obtained for free, upon simple request.

The auditor has approved the statutory financial statements without reservations.

Statutory income statement

(in € 1 000)	(Period) 31/12/2019	(Period) 31/12/2018
Rental income (+)	19 843	17 132
Related-rental expenses (+/-)	-530	-207
NET RENTAL RESULT	19 313	16 924
Recovery of property charges (+)	134	173
Recovery income of charges and taxes normally payable by tenants on let properties (+)	3 417	4 032
Charges and taxes normally payable by tenants on let properties (+)	-3 417	-4 032
Other rental-related income and expenditure (+/-)	-2 203	-2 480
PROPERTY RESULT	17 244	14 616
Technical costs (-)	-480	-530
Commercial costs (-)	-204	-314
Charges and taxes on un-let properties (-)	-489	-493
Property management costs (-)	-4 746	-4 111
Other property charges (-)	-382	-448
PROPERTY CHARGES	-6 301	-5 897
PROPERTY OPERATING RESULT	10 942	8 720
Corporate operating charges (-)	-692	-994
Other operating charges and income (-)	3 308	2 176
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	13 558	9 902
Result on disposal of investment properties (+/-)	-1 208	0
Changes in fair value of investment properties (+/-)	1 323	-105
OPERATING RESULT	13 672	9 797
Financial income (+)	8 334	17 382
Net interest charges (-)	-8 526	-9 896
Other financial charges (-)	-826	-897
Changes in fair value of financial assets and liabilities (+/-)	37 382	21 858
FINANCIAL RESULT	36 364	28 447
PRE-TAX RESULT	50 037	38 245
Corporate taxes (+/-)	-210	-120
TAXES	-210	-120
NET RESULT	49 826	38 125

Statement of comprehensive income

(in € 1 000)	(Period) 31/12/2019	(Period) 31/12/2018
Net result	49 826	38 125
Other elements of comprehensive income	-6 642	-3 857
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS	-6 642	-2 213
Costs capital increase	0	-1 644
Comprehensive income	43 184	34 267
RESULT PER SHARE		
Result per share	8.41	7.36

Statutory balance sheet

(in € 1 000)	Period 31/12/2019	Period 31/12/2018
ASSETS		
NON-CURRENT ASSETS	908 903	870 481
Investment properties	280 135	300 879
Non-current financial assets	628 768	569 602
CURRENT ASSETS	26 883	20 161
Current financial assets	14 312	9 520
Trade receivables	6 831	8 849
Tax receivables and other current assets	3 797	943
Cash and cash equivalents	905	596
Deferred charges and accrued income	1 038	253
TOTAL ASSETS	935 786	890 642
LIABILITIES		
TOTAL SHAREHOLDERS' EQUITY	492 579	475 886
Capital	65 178	65 178
Share premium account	194 189	194 189
Reserves	183 384	178 320
- Legal reserves	5 431	5 431
- Reserves for the balance of the changes in fair value of property	51 712	54 642
- Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties .		
- Reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS	-40 742	-34 100
- Reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS (+/-)	-2 365	-2 239
- Reserves for treasury shares	-12	-12
- Reserve for the balance of changes in fair value of financial assets held for sale	25 934	20 379
- Other reserves	137 425	134 218
Net result of the financial year	49 826	38 200
LIABILITIES	443 209	414 756
NON-CURRENT LIABILITIES	225 096	182 583
Provisions	11	11
Non-current financial debts	175 656	146 974
Other non-current financial liabilities	49 429	35 625
Other non-current liabilities		
CURRENT LIABILITIES	218 114	232 172
Current financial debts	201 613	217 522
Trade debts and other current debts	10 663	8 110
Other current liabilities	1 214	1 319
Accrued charges and deferred income	4 624	5 221
TOTAL EQUITY AND LIABILITIES	935 786	890 642

Statutory appropriation of the result

(in € 1 000)	31/12/2019	31/12/2018
A. Net result	49 826	38 125
B. Addition to/withdrawals from reserves (-/+)	-18 711	-11 633
1. Addition to/withdrawals from the reserves from the (positive or negative) balance of the changes in fair value of the property (-/+)	-3 651	-1 507
- financial year	-4 064	-1 627
- previous financial years		
- sale of property	413	120
2. Addition to/withdrawals from the reserves from estimated transfer rights and costs from hypothetical disposal of investment properties (-/+)	0	0
3. Addition to the reserves for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined by IFRS (-)		
- financial year		
- previous financial years		
4. Withdrawals from the reserves for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined by IFRS (+)		
- financial year		
- previous financial years		
5. Addition to the reserves for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined by IFRS (-)		
- financial year		
- previous financial years		
6. Withdrawals from the reserves for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined by IFRS (+)	4 362	127
- financial year	4 362	127
- previous financial years		
7. Addition to/withdrawals from the reserves for the balance of exchange rate differences on monetary assets and liabilities (-/+)		
8. Addition to/withdrawals from de reserves for tax latencies with regard to property located abroad (-/+)		
9. Addition to/withdrawals from de reserves for dividends received, intended for the reimbursement of financial debts (-/+)		
10. Addition to/withdrawals from other reserves (-/+)	-19 422	-10 253
11. Addition to/withdrawals from results carried forward from previous financial years (-/+)	0	0
C. Remuneration of the capital according to article 13, § 1, subparagraph 1	0	13 263
D. Remuneration of the capital - other than C	31 115	13 229
Dividend for distribution	31 115	26 492

Mandatory dividend distribution according to RD of 13 July 2014 on REIT (SIR/GVV) (art. 13 §1, 1st subparagraph)

(in € 1 000)	31/12/2019	31/12/2018
A. Corrected result		
Net result according to the statutory accounts	49 826	38 200
+ Amortization	0	0
+ Depreciation	530	207
+/- Write-back of depreciation		
+ Dividends received from participations	12 043	
+/- Write-back of lease payments sold and discounted		
+/- Other non-monetary elements (1)	-5 782	-5 428
+/- Result sale of property	1 208	120
+/- Result participations booked according to the equity method (2)	-31 601	-16 430
+/- Changes in fair value of property	-1 323	105
Corrected result (A)	24 901	16 774
B. Net capital gains on the sale of property non-exempt from mandatory distribution		
+/- Realized capital gains and losses on investment property (capital gains and losses versus acquisition cost augmented by capitalized investment costs) during the financial year	-24 927	-120
- Realized capital gains on investment property in the course of the financial year, exempt from mandatory distribution subject to their reinvestment within 4 years (capital gains and losses versus acquisition cost augmented by capitalized investment costs)	-2 860	0
+ Realized capital gains on investment property previously exempt from mandatory distribution that were not reinvested within 4 years (+)		
B. Net capital gains on the sale of property not exempt from mandatory distribution	-27 787	-120
TOTAL (A) + (B)	-2 886	16 654
Mandatory distributable result 80%	0	13 323

(1) Other non-monetary elements relate to changes on hedging instruments.

(2) This relates to changes in the participations in related parties and companies with a relation of participation.

Non-distributable shareholders' equity according to art. 7:212 of the Code on companies and associations

(in € 1 000)	31/12/2019	31/12/2018
- Paid up capital or should this be higher, the called-up capital	65 178	65 178
- Share premium account non-distributable according to the articles of association	194 189	194 189
- Reserves for the positive balance of the changes in fair value of property (+)	60 333	56 269
- Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-)		
- Reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS (+/-)	-40 741	-34 099
- Reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS (+/-)	-12 142	-7 780
- Reserve for the balance of exchange rate differences on monetary assets and liabilities (+)	0	0
- Reserve from translation differences resulting from the conversion of a foreign activity (+/-)	0	0
- Reserve for the balance of changes in fair value of financial assets held for sale (+/-)	36 077	25 934
- Reserve for the actuarial gains and losses on defined benefit pension plans (+)	0	0
- Reserve for tax latencies with regard to property located abroad (+)	0	0
- Reserve for dividends received aimed at reimbursing financial debts (+)	0	0
- Other reserves declared unavailable by the general meeting (+)	11	11
- Legal reserve (+)	5 431	5 431
Total un-distributable	308 335	305 132
Net assets of the company	492 578	475 886
Proposed dividend	31 115	26 492
Net assets after distribution	461 463	449 394
Balance of the margin after distribution	153 128	144 262

Statement of changes in capital and reserves

(in € 1 000)	Capital	Share premium account	Legal reserve	Reserve from the balance of changes in fair value of investment properties (+/-)
BALANCE SHEET UNDER IFRS ON 31/12/15	54 315	121 091	5 431	42 278
Distribution closing dividend financial year				
Transfer net result 2015 to reserves				9 549
Comprehensive income financial year 2016 (12 months)				
Various				
BALANCE SHEET UNDER IFRS ON 31/12/16	54 315	121 091	5 431	43 158
Adjustment reserves on 31/12/16				7 136
Distribution closing dividend financial year				
Transfer net result 2016 to reserves				2 122
Transfer historic revaluation buildings sold				-17 270
Comprehensive income financial year 2017 (12 months)				
BALANCE SHEET UNDER IFRS ON 31/12/17	54 315	121 091	5 431	27 956
Adjustment reserves on 31/12/17				
Distribution closing dividend financial year				
Transfer net result 2017 to reserves				22 348
Transfer historic revaluation buildings sold				5 782
Comprehensive income financial year 2018 (12 months)				
Capital increase	10 863	73 098		
Various				
BALANCE SHEET UNDER IFRS ON 31/12/18	65 178	194 189	5 431	56 086
Adjustment reserves on 31/12/18				
Distribution closing dividend financial year				
Transfer net result 2018 to reserves				1 627
Transfer historic revaluation buildings sold				
Comprehensive income financial year 2019 (12 months)				
Capital increase	0	0		
Various				
BALANCE SHEET UNDER IFRS ON 31/12/19	65 178	194 189	5 431	57 713

Reserve from the impact on fair value of estimated transfer costs and rights resulting from hypothetical disposal of investment properties (-)	Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS	Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS (+/-)	Reserve for treasury shares	Reserve from the balance of changes in fair value of financial assets available for sale	Result carried forward	Net result of the financial year	Total shareholders' equity
-8 723	-34 188	-1 921	-293	32 363	121 450	30 618	362 423
					-23 197		-23 197
		-5 216			26 285	-30 618	0
0	-9 066			-3 179		29 884	17 640
					-444	0	-444
-8 723	-43 253	-7 136	-293	29 184	124 094	29 884	356 476
				-7 136			0
					-24 184		-24 184
	0	-571	0		28 334	-29 884	0
					17 270	0	0
	11 367		282	-1 669	0	40 005	49 983
	-31 886	-7 708	-11	20 379	152 704	40 005	382 275
							0
					-24 694		-24 694
		5 469			12 189	-40 006	0
					-5 782		0
	-2 213					38 200	35 987
							83 961
					-1 644		-1 644
0	-34 100	-2 239	-11	20 379	132 773	38 200	475 886
							0
					-26 492		-26 492
		-126		5 555	31 145	-38 199	0
							0
	-6 642					49 826	43 184
							0
							0
0	-40 742	-2 365	-11	25 934	137 425	-49 826	492 579

Financial covenants

Financial institutions grant credits to Leasinvest Real Estate based on the company's notoriety and different financial and other covenants. Not respecting these covenants can entail the premature termination of these credits. The concluded credits hold classic covenants mainly related to maintaining the REIT (SIR/GVV) status and the related maximum debt ratio.

Within the framework of the issue of the public and private bond loans, covenants were also concluded that mainly relate to maintaining the REIT (SIR/GVV) status and the related maximum debt ratio.

The company complies with all its covenants with banks.

Besides that, and in accordance with the RD of 13/072014, Leasinvest Real Estate establishes, internally, a financial plan with an execution calendar, whenever the consolidated debt ratio as defined in that same RD, exceeds 50%. Herein it describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.

The statutory debt ratio of Leasinvest Real Estate is under control and amounted to 41.86% (2018: 42.01%) on 31 December 2019, which is lower than the legally maximum authorized debt ratio of 65% as defined by the RD of 13/07/2014.

(in € 1 000)	31/12/2019	31/12/2018
Total of the items 'Liabilities' of the balance sheet	443 209	414 756
I. Non-current liabilities		
A. Provisions	11	11
C. Other non-current financial liabilities – Authorized hedges	47 196	35 625
F. Deferred taxes		
II. Current liabilities		
A. Provisions		
C. Other current financial liabilities – Authorized hedges	0	0
F. Deferred charges and accrued income	4 624	5 222
Total liabilities taken into account for the calculation of the debt ratio (numerator)	391 379	373 898
Total 'Assets' of the balance sheet	935 789	890 642
Authorized hedges recorded in the assets	832	696
Total assets taken into account for the calculation of the debt ratio (denominator)	934 958	889 946
Debt ratio	41.86%	42.01%

11.

Permanent
document



Identification Leasinvest Real Estate

Official and trade name

Leasinvest Real Estate SCA, public Regulated Real Estate Company under Belgian law, or abbreviated 'public SIR/GVV under Belgian law' or 'SIRP/OGVV under Belgian law'

Legal entity and legislation

Leasinvest Real Estate has the legal form of a Partnership limited by shares (SCA) under Belgian law.

The company is subject to a/o the Company code, as modified by the Belgian Code on Companies and Associations, the Law of 12 May 2014 on regulated real estate companies, as modified by the Law of 22 October 2017 (the "RREC Law") and the Royal Decree of 13 July 2014 on regulated real estate companies, as modified by the Royal Decree of 23 April 2018 (the "RREC RD") (together "the RREC legislation").

Currently, the company has the legal form of an SCA, legal form repealed by the new Belgian Code on Companies and Associations – as published in the official Belgian Gazette per 4 April 2019 -. The company will gradually make all necessary amendments to implement this new Code. As to its legal form, the company will be automatically converted into the most comparable remaining legal form (i.e.: a public liability company (SA/NV)).

Registered office, phone number and website

Registered office

Route de Lennik 451, in 1070 Brussels.

Administrative office

Schermerstraat 42 in 2000 Antwerp.

Phone number

+32 3 238 98 77

Website

www.leasinvest.be

The information made available on the website is not part of this Universal registration document unless that information has been included by reference.

Date and country of constitution & term

Leasinvest Real Estate was founded as an "Aktiengesellschaft" under Swiss Law on 21/11/1973, after which the registered office has been moved (17/11/1988) to Belgium where it was established that the company assumed the legal status of a public limited company (SA) and is a legal person under Belgian law, subject to the Belgian law.

On 8/06/1999 the company name was modified into Leasinvest Real Estate and the company was transformed into a public real estate investment trust (sicafi/bevak) under Belgian law with the legal form of a partnership limited by shares (SCA), for an unspecified term, under a deed recorded by notary public Frank Celis in Antwerp, and announced in the appendices to the Official Belgian Gazette on 26/06/99, under number 990626-330.

On 06/11/2014 the status of the company was changed into a public regulated real estate company under Belgian law, recorded by a deed by notary public Frank Liesse in Antwerp, and published in the Appendices to the Official Belgian Gazette on 03/12/2014 under number 20141203-14216372.

The articles of association were modified several times, and the last time on 16/12/2019. The latest version of the coordinated articles of association is available on the website (www.leasinvest.be).

Location of registration, company number and legal entity identifier code

Leasinvest Real Estate is registered in the register of legal entities in Brussels and has been allocated the company number 0436.323.915.

Its legal entity identifier code is (LEI – legal entity identifier) is 549300BPHBCHEODTG670.

Listing

The shares of Leasinvest Real Estate are listed on Euronext Brussels (Bel Mid).

Type of shares

For this, we refer to article 9 of the coordinated articles of association of 16/12/2019 (available on the website www.leasinvest.be – Investor relations/articles of association, and hereafter as of page 212).

In accordance with article 7:155 of the Code on Companies and Associations, the rights of the shareholders can only be modified by an extraordinary general meeting.

Object

For this, we refer to article 4 of the coordinated articles of association of 16/12/2019 (available on the website www.leasinvest.be – Investor relations/ articles of association, and hereafter as of page 212).

As a public regulated real estate company (SIRP/OGVV) the company is subject to the Law of 12 May 2014 on regulated real estate companies, as modified (the "RREC Law") and the Royal Decree of 13 July 2014 on regulated real estate companies, as modified (the "RREC RD") (jointly "the RREC legislation"). This entails a number of limitations, o/a that its activities are limited to real estate investments, that a maximum of 20% of its consolidated assets may be invested in 1 real estate complex, and that the debt ratio is limited to 65% of its assets, of which the main characteristics are detailed on page 211 et. Seq. hereafter.

With the approval of the extraordinary general meeting held on 16/12/2019 and the FSMA, the company object was modified following the RREC Law, as modified by the law of 22/10/2017, mainly to allow regulated real estate companies to exercise new activities and to extend collaboration possibilities with other regulated real estate companies or third parties.

Registered capital and number of shares

The registered capital of the company amounts to sixty-five million one hundred and seventy-seven thousand six hundred and ninety three euro fifty-seven cents (€ 65.177.693,57). It is fully paid-up.

It is divided over five million nine hundred twenty-six thousand six hundred and forty-four (5.926.644) shares, with no par value, each representing 1/5,926,644 of the capital. Leasinvest Real Estate SCA has no treasury shares in portfolio. However, besides the 1,482,169 held by shareholder Ackermans & van Haaren, 204 shares are held by Leasinvest Services NV, a 100% subsidiary of Leasinvest Real Estate SCA. For more information, we refer to the transparency notification of

Ackermans & van Haaren of 6 April 2017 on the website www.leasinvest.be – investor relations – shareholders and transparency.

Authorized capital

At the extraordinary general meeting of 16 December 2019 the authorization to the manager to increase the authorized capital was renewed and extended.

Thus, the manager is authorized to increase the capital at the dates and conditions he will define, in one or more instalments, for an amount that does not exceed sixty-five million one hundred seventy-seven thousand six hundred and ninety-three euro fifty-seven cent (€ 65,177,693.57) in accordance with the applicable legislation.

This authorization is valid for a duration of five (5) years as of the publishing date of the minutes of the extraordinary general meeting of 16 December 2019. It is renewable.

These capital increases can be realized by contribution in cash (with or without applying the preferential or irrevocable allocation rights), in kind, and with the possibility to offer the shareholders a special kind of remuneration by proposing them an optional dividend, and to proceed to any other form of capital increase, in respect of the mandatory provisions of the Company Law, as modified from time to time, and the RREC legislation.

The authorized capital technique is a/o used to offer the manager a certain flexibility and a possibility of swift execution, each time this would be necessary to ensure an optimal management of the company, e.g., but not limited to this, within the framework of the global investment strategy of the company, and in particular, in the scope of potential global investment agreements the company would have entered into with third parties, in order to, both administratively and legally, in the short term and without extra costs for convening and organising an extraordinary general meeting of shareholders of the company, proceed to raising new capital in view of funding real estate in an efficient and cost-friendly manner, or to the direct contribution of real estate to the company, being real estate that fits within the company strategy, according to the articles of association of the company and the RREC legislation.

The authorized capital can, within legal and statutory boundaries, also be used in all cases in which the circumstances ask for quickly and adequately responding to potential opportunities for the company following favourable market evolutions, and thus benefiting in the best possible way of the interest of investors and being able to benefit in general of all opportunities to strengthen the company's shareholders' equity and adapt its financial structure and strength to current development needs of its activities, and if necessary, also to legal and regulatory requirements.

At the extraordinary general meeting of 16/12/2019 amendments to article 11 of the articles of association were also approved, by adopting new authorizations relating to the purchase, giving in pledge and sale of Company shares and related certificates, for a new period of five (5) years, and to authorize the Manager to proceed to the acquisition and sale of treasury shares of the Company without prior decision of the general meeting, whenever this acquisition or sale is necessary to prevent the Company of being subject to serious imminent harm for a new period of three (3) years.

Limitations to the use of capital

For potential limitations to the use of capital of the company we refer to the articles 6 to 12 (included) of the coordinated articles of association of 16/12/2019 that can be found on the website www.leasinvest.be (Investor relations – articles of association) and hereafter.

Furthermore, within this scope, we wish to remind the limitations applicable to the company's debt ratio, legally limited to 65% of the consolidated assets of the company in accordance with the RREC RD.

Financial institutions grant credits to Leasinvest Real Estate based on the company's notoriety and different financial and other covenants. Non-respect of these covenants can entail the early termination of these credits. The credits concluded contain the classic covenants, mainly related to maintaining the RREC status and the related maximum debt ratio.

The company complies with all covenants.

Dividend distribution is made based on the statutory figures. These have been included in an abbreviated form on page 192.

Control of the company

For this, we refer to article 13 of the coordinated articles of association as reproduced below.

Financial year

The financial year of Leasinvest Real Estate starts on 1 January and ends on 31 December.

Documents disponibles

The manager declares that, at least for the duration of the Universal registration document, the following documents can be consulted on the website www.leasinvest.be:

- a) The up-to-date constitutional deed and the articles of association of the issuer;
- b) The annual financial reports;
- c) The reports, respectively de conclusions of the auditor and the real estate experts;
- d) The press releases and the mandatory financial information;
- e) The Corporate Governance Charter and the Integrity Code;
- f) The obligations of the Company and the rights of the shareholders as to the general meeting are extensively mentioned in the investor relations section of the website of Leasinvest Real Estate as from the publication of the convening notice to the announcement of the votes.

This information is available on the website during a period of at least 5 years as of the date of the general meeting they relate to.

The annual accounts are filed with the National Bank of Belgium.

The decisions relating to the nomination and resignation of members of the board of directors of the statutory manager are published in the annexes to the official Belgian Gazette.

The historical financial information of all subsidiaries of Leasinvest Real Estate can be consulted at the administrative office of Leasinvest Real Estate. Financial communication and convening notices to the shareholders for general meetings of shareholders are also published, as far as mandatory, in the financial press.

Identification Leasinvest Immo Lux

Since the extraordinary general meeting of Leasinvest Immo Lux of 18/12/2008 Leasinvest Immo Lux is a SICAV-specialized investment fund ("SICAV-FIS"), subject to the Luxembourg law of 13 February 2007 regarding specialized investment funds.

Leasinvest Real Estate is, directly and indirectly, the 100% shareholder of Leasinvest Immo Lux.

On 31 December 2019 the investment properties of Leasinvest Immo Lux represent 53% of the consolidated real estate portfolio of Leasinvest Real Estate.

On 31 December 2019 Leasinvest Immo Lux owned 16 sites in ownership or co-ownership, with a surface area of 175,355 m² located in the Grand Duchy of Luxembourg and 5 retail parks in Austria (54,089 m²). The buildings in Luxembourg and Austria are mostly multi-tenant. The portfolio consists of retail (48%), offices (46%) and logistics (6%). Represent each more than 5% of the consolidated portfolio of Leasinvest Real Estate: the EBBC Business Park (11.47%), the shopping center Knauf in Pommerloch (9.51%) and the shopping center Knauf in Schmiede (7.3%).

On 31 December 2019 Leasinvest Immo Lux has the following subsidiaries in Luxembourg:

- S. Invest I SA, in its turn 100% owner of Porte des Ardennes Schmiede SA, the legal owner of the shopping center Schmiede;
- P Invest SA, in its turn 100% owner of Porte des Ardennes Pommerlach SA, the legal owner of the shopping center Pommerloch;
- EBBC A Sàrl, owner of building A of the EBBC site and
- EBBC C Sàrl, owner of building C of the EBBC site.

Besides these, Leasinvest Immo Lux has a subsidiary in Austria, i.e. Leasinvest Immo Austria GmbH, in its turn owner of following subsidiaries:

- AE Starvilla Sieben GmbH & Co OG
- Frun Park Asten GmbH
- Kadmos Immobilien Leasing GmbH
- Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH
- Vösendorf Nordring 2-10 Vermietungsgesellschaft mbH;
- Vösendorf Nordring 16 Vermietungsgesellschaft mbH.

Name

Leasinvest Immo Lux SA, "Société d'Investissement à Capital Variable (SICAV immobilière) - Fonds d'Investissement Spécialisé (FIS) de droit luxembourgeois".

Real estate investment trust with variable capital-specialised investment fund under Luxembourg Law'.

Legal entity

'Société anonyme' (SA) under Luxembourg Law.

Office

6D route de Trèves, LU- 2633 Senningerberg.

Constitution and term

Leasinvest Immo Lux has been established on 14/01/1991 under the form of a public limited company (SA). It is subject to the Luxembourg Law of 10 August 1915 on commercial companies ("loi du 10 août 1915 relative aux sociétés commerciales"), as amended, and the Luxembourg Law of 13 February 2007 on specialized investment funds ("loi du 13 février 2007 concernant les fonds d'investissement spécialisés"), as amended. The articles of association have been modified different times and for the last time on 28/09/2012 (published in the Mémorial C, Reueil des Sociétés et Associations du Grand-Duché de Luxembourg" on 23/11/2012).

'Registre de commerce et des sociétés'

Leasinvest Immo Lux is listed in the "Registre de Commerce et des Sociétés du Luxembourg" under the number B 35.768.

Listing

The listing of the shares on the Luxembourg stock exchange has been deleted at the beginning of 2009 and on Euronext Brussels as of 16 September 2006.

Purpose of the company

(Article 3 of the articles of association – free translation from French)

'The main purpose of the company is the direct or indirect investment in buildings in the Grand Duchy of Luxembourg, in Belgium and abroad, aiming at the diversification of its investment risks and to let its shareholders benefit from the results of its assets management. The company can furthermore take on participations, subscribe to real estate certificates, own all moveable assets that can be traded on a stock

exchange or on a regulated market, invest its cash and execute all actions, necessary to fulfil or develop its purpose within the limits imposed by the law of 13 February 2007 on specialised investment funds.'

Board of directors

The board of directors of Leasinvest Immo Lux, the 100% subsidiary of the company currently holding the Luxembourg portfolio and the Austrian buildings (directly or indirectly), is at present composed of the following:

- Mr. **Jan Suykens**, chairman of the board of directors of Leasinvest Immo Lux and non-executive director;
- Mr. **Michel Van Geyte**, executive director and managing director;
- Mr. **Piet Dejonghe**, non-executive director;
- Mr. **Tim rens**, executive director.

Depository

Since 01/01/2015 IQ EQ S.A. (company number B 65.906, with its Office at L-2086 Luxembourg, 412F, route d'Esch, subject to the supervision of the 'Commission de Surveillance du Secteur Financier', was appointed as depository of Leasinvest Immo Lux SA in accordance with the applicable Luxembourg legislation (RCS Luxembourg B47192).

In its capacity of depository, IQ EQ is bound to comply with the provisions imposed, including the Luxembourg law of 13 February 2007 on specialized investment funds.

In that capacity the depository is put in possession of, among other things, all official documents and deeds relating to changes in the assets of the company and of a number of documents in virtue of corporate law.

For the past financial year total remunerations of circa € 154,993 (excl. VAT) were paid to IQ EQ by Leasinvest Immo Lux.

Investment advice Luxembourg

Between Leasinvest Immo Lux SICAV-FIS and Leasinvest Real Estate, after approval by the CSSF, an investment advice agreement was concluded. The agreement has been concluded for an unspecified term and can be terminated by each party provided that a notice of six months is given.

Based on this agreement, Leasinvest Real Estate has to submit an investment plan for real estate and other values, to Leasinvest Immo Lux, in accordance with the investment policy defined by the board of directors of Leasinvest Immo Lux. The mission includes proposing

real estate that fits within the defined investment policy, as well as making divestment proposals for buildings. Furthermore, Leasinvest Immo Lux has to be kept informed of the developments on the financial markets and the company is assisted by means of advice and recommendations with regard to managing its investment properties, including the definition of its investment policy.

For these services Leasinvest Immo Lux pays an annual remuneration of:

- 0.75%, payable in four parts, at the end of each quarter, and calculated on the gross value of the real estate assets of Leasinvest Immo Lux, as estimated, at the end of each year, by the independent real estate experts;
- a maximum of 0.50%, payable in four parts, at the end of each quarter, calculated on the average net value of the other assets of Leasinvest Immo Lux at the end of each year;
- besides that, a premium is due, equal to 5% of the net gain on buildings sold by Leasinvest Immo Lux.

The past year, Leasinvest Real Estate received a remuneration of € 3,011,802 from Leasinvest Immo Lux.

In case of termination of the investment advice agreement, Leasinvest Immo Lux needs to pay a cancellation fee of 3% of the sales price of the buildings at market value.

Financial year

The financial year of Leasinvest Immo Lux starts on 1 January and ends on 31 December.

Registered capital

The capital of Leasinvest Immo Lux is at any moment equal to the value of the net assets, as calculated in accordance with article 18 of the articles of association of the company. The minimum capital of Leasinvest Immo Lux amounts to € 1,250,000.

Auditor in charge of legal audit

The auditor, appointed by the general meeting of shareholders, audits the financial statements and the half-year reports.

For the last 3 financial years, this is Ernst & Young Bedrijfsrevisoren SRL, with registered office at De Kleetlaan 2, 1831 Diegem (company number - RPR Brussels 446.334.711), registered with the 'Instituut van de Bedrijfsrevisoren', under the number B00160, the auditor being represented by Mr. Joeri Klaykens.

The ordinary general meeting of 22 May 2018 has approved the renewal of the mandate of Ernst & Young bedrijfsrevisoren, represented by Mr. Joeri Klaykens, and this for a term of 3 years, i.e. till after the annual meeting to be held in 2021.

The remuneration of the auditor for auditing the financial statements of the company and its Belgian subsidiaries for the past financial year stands at € 71,256 (excl. VAT), or € 53,213 for the company and € 18,043 for auditing its subsidiaries Leasinvest Services SA, RAB Invest SA, Haven Invest SA, Neif Montoyer SPRL and Carver SRL. The remuneration of the auditor for auditing the financial statements of the statutory manager, Leasinvest Real Estate Management SA, amounted to € 3,150.

Next to that, remunerations of € 31,919 (excluding VAT) were paid to the auditor for extraordinary missions relating to the company Leasinvest Real Estate (namely within the framework of auditor's reports for FSMA, reporting on the financial plan/ evolution of the debt ratio, report within the framework of the internal control, EMIR questionnaire) that were approved by the audit committee in accordance with the procedure intended in article 3:64 of the Code of companies and associations.

At the annual general meeting held in April 2019, the mandate of the auditor Ernst & Young (Luxembourg), with its registered office at 35 E, avenue J.F. Kennedy 2, L-1855- Luxembourg, represented by René Esch was renewed for a period of one year (which is usual practice for Leasinvest Immo Lux SA).

The remuneration of the auditor for auditing the financial statements of Leasinvest Immo Lux and its subsidiaries for the past financial year amounted to € 173,100 (excl. VAT), or € 59,400 for Leasinvest Immo Lux and

€ 113,770 for Porte des Ardennes Schmiede SA, Porte des Ardennes Pommerloch SA, P Invest SA, S Invest SA, EBBC A, EBBC C, Leasinvest Immo Austria GmbH, AE Starvilla Sieben GmbH & Co GO, Frun Park Asten GmbH, Kadmos Immobilien Leasing GmbH, Leasinvest Gewerbeparkstrasse 2 Stadlau GmbH, Vösendorf Nordring 2-10 Vermietungsgesellschaft mbH and Vösendorf Nordring 16 Vermietungsgesellschaft mbH. Next to that, a remuneration was paid by Leasinvest Immo Lux for an amount of € 12,500 and € 68,511 by the Austrian companies within the framework of the financial & tax due diligence.

Agreements relating to the (fixed) remuneration of the auditor of the company are contractually defined with the auditor and are, for the remuneration relating to the audit mission, approved by the general meeting of shareholders.

Valuation of the portfolio

In conformity with the applicable regulation on RREC, the real estate expert values all buildings of the RREC and its subsidiaries at the end of each financial year. The accounting value of the buildings included in the balance sheet is adapted to these values. Moreover, the independent real estate expert actualizes the total valuation established at the end of the previous year, at the end of each of the first three quarters of the financial year, based on market evolutions and characteristics of the buildings concerned. The expert values the real estate of the RREC and its subsidiaries, also whenever the RREC wishes to proceed to an operation of issuing shares or a merger.

In the past financial year, the quarterly valuations of the real estate portfolio were conducted by 4 independent valuers, Cushman & Wakefield VOF, Oerag, Stadim and de Crombrughe & Partners (till 31/03/2019).

In the event of a conflict of interest arising between the real estate agent's activity and that of property surveyor, another expert shall make the valuation.

The valuation of the Luxembourg portfolio is made by Cushman & Wakefield (except for the underlying buildings of the real estate certificate Lux Airport, valued till Q1 2019 by de Crombrughe & Partners), in conformity with the date these buildings were directly recorded in Leasinvest's portfolio after the acquisition, that of Belgium by Cushman & Wakefield (offices and retail) and Stadim (logistics) and that of Austria by Oerag.

For the past financial year, a total remuneration of € 217,229 (excl. VAT) was foreseen, of which

- € 80,144 to Cushman & Wakefield for the valuation of the Belgian retail and offices portfolio and € 21,385 for the valuation of the Belgian logistics portfolio;
- € 95,100 to Cushman & Wakefield for the valuation of the Luxembourg portfolio and € 1,400 to de Crombrughe & Partners for the real estate certificate Lux Airport, and
- € 19,200 to Oerag for the valuation of the real estate in Austria for Leasinvest Immo Austria.

An expert can be charged with the valuation of a certain property for a maximum of three years. After this term of three years, the same expert can only value the aforementioned property, till after the end of a term of three years after the previous term. Should the expert be a legal person, these rules are exclusively applicable to the physical persons representing the legal person, providing that the expert proves that an adequate functional independence exists between these physical persons.

In accordance with article 24 § 1 of the RREC law the remuneration of the surveyor shall not be linked, either directly or indirectly, to the value of the real estate subject to his valuation. The remuneration mentioned above has been defined based on a fixed amount per m2. The remuneration is contractually defined with the real estate expert.

The physical persons representing the real estate expert as experts in the sense of article 24 §1 of the RREC law, have to define their valuation in complete independence. This is also valid when these physical persons follow each other up within or after the maximum term of three years defined in article 24 §1 of the RREC law, in which an expert can value a defined real estate.

Valuation of the real estate in Belgium/Luxembourg

Cushman & Wakefield VOF is a subsidiary of the offices in The Netherlands ('General partnership existing under the laws of The Netherlands'), with its registered office at Amstelveenseweg 760, 1081 JK Amsterdam, The Netherlands. The administrative and registered offices of Cushman & Wakefield VOF are established at Avenue des Arts 58 box 7, 1000 Brussels (company number 418 915 383). Since the foundation on 04/12/1978 of the office in Belgium, there has always been a valuation department. In Luxembourg the registered office of Cushman & Wakefield S.a.r.l. is situated in the 'Serenity Building', Route d'Arlon 19-21, L-8008 Strassen.

The company values offices, retail and industrial properties in Belgium and Luxembourg. Cushman & Wakefield is not supervised by any official body, yet is regulated by the RICS (Royal Institute of Chartered Surveyors).

Both Cushman & Wakefield Belgium and Cushman & Wakefield Luxembourg are represented by Koen Nevens, MRICS. The valuation is carried out by Gregory Lamarche, Account Manager – Surveyor for both the Luxembourg portfolio of Leasinvest Real Estate and for its retail and offices located in Belgium.

Stadim CVBA (company number 0458.797.033), with registered office in 2018 Antwerp, Mechelsesteenweg 180.

Stadim is represented by Philippe Janssens. The company values both residential and professional real estate (offices, retail, logistics and nursing homes) all over Belgium and Luxembourg. Stadim is not supervised by any official body, but is regulated by the RICS (Royal Institute of Chartered Surveyors).

The valuation of the logistics real estate in Belgium is done by Yannick Stolk.

De Crombrugghe & Partners (company number 0462.107.802) has its registered office in 1160 Brussels, boulevard du Triomphe 172.

The office has an extensive experience in valuation reporting for nearly all types of real estate, spread across Belgium and also in Luxembourg. De Crombrugghe & Partners is an independent real estate services provider and is subject to Belgian law, but is not supervised by any official body. The valuation of the real estate of the Lux Airport certificates was carried out by Patrizia Tortolani, MRICS, till the direct acquisition of the underlying buildings in Q1 2019.

Valuation of the real estate in Austria

Since 30 June 2017 the valuations of the Austrian portfolio are carried out by Oerag (company number FN 89590), with registered office in A-1010 Vienna, Herrengasse 17. The company renders independent real estate services and is subject to Austrian law but is not supervised by any official body. The surveyor remains Michael Buchmeier, MRICS.

Financial service providers

The financial service during the past financial year was entrusted to Bank Delen SA as the main paying agent in the context of the introduction of ESES (Euroclear Settlement for Euronext-zone Securities). A remuneration of approximately € 26,000 (excl. VAT) was foreseen for this.

Tax regimes

Regulated real estate company (RREC) – main characteristics

In accordance with the law of 12/05/2014 – as modified by the law of 22/10/2017 – and the RD of 13/07/2014 – as modified by the RD of 23/04/2018:

- stock exchange listing
- company with fixed capital and a fixed number of participation rights
- activities mainly consist of making real estate available to users, additionally, RREC can invest their assets in securities
- risk diversification: no more than 20% of the consolidated assets may be invested in a single property. In certain cases a derogation can be obtained by the FSMA; such a derogation has until present not been granted to Leasinvest Real Estate.
- the consolidated debt ratio of the regulated real estate company and its subsidiaries, and the statutory debt ratio of the regulated real estate company is limited to 65% of the consolidated or statutory assets, after deduction of the authorized hedges
- quarterly valuation of the real estate portfolio by an independent real estate expert (fair value)
- properties carried at fair value - no depreciation
- distribution, in the case of profit, of at least the positive difference between
 - Minimum 80% of the sum of the corrected result and the net capital gains on the sale of properties, not exempt from mandatory distribution and
 - the net decrease of the debts of the company during the financial year
- taxable basis for corporate taxes consists of the sum of the disallowed expenses and abnormal and benevolent advantages; otherwise, there are no company taxes on results and capital gains
- withholding tax of 30% on dividend
- a regulated real estate company cannot grant loans unless to subsidiaries
- supervision by the FSMA (www.fsma.be)

SICAV-Specialized investment fund (Leasinvest Immo Lux, Grand Duchy of Luxembourg) – main characteristics

- open-ended real estate investment fund with variable capital
- only well-informed investors ('investisseurs avertis'), in the sense of article 2 of the law of 13/02/07 regarding specialized investment funds are admitted as shareholders
- no mandatory stock exchange listing
- mainly real estate investments
- Risk diversification: maximum 30% of the consolidated assets can be invested in one building/complex, or in securities issued by one same company. In certain cases derogation can be granted by the CSSF
- debt ratio of maximum 50% except for derogations granted by the CSSF in certain cases; Leasinvest Immo Lux has been granted a derogation by the CSSF for a debt ratio up to 65%
- annual valuation by an independent real estate expert
- real estate assets carried at fair value – no amortizations
- no minimum distribution of the operating result
- no corporate taxes on result nor gains
- no withholding tax on dividends (in case the dividends are paid in favour of the RREC)
- supervision by the "Commission de Surveillance du Secteur Financier" www.cssf.lu

Coordinated articles of association dated 16/12/2019

CHAPTER I - NAME - LEGAL FORM- OFFICE - PURPOSE OF THE COMPANY - TERM

ARTICLE 1. NAME - LEGAL FORM

1.1 The company has the legal form of a partnership limited by shares (hereafter "the Company").

It has the name "LEASINVEST REAL ESTATE".

1.2. The Company is a public regulated real estate company under Belgian law (abbreviated "public RREC under Belgian law" or "PRREC under Belgian law") as intended by article 2, 2° of the law of 12 May 2014 with regard to regulated real estate companies (hereafter the "RREC law") of which the shares are admitted to trading on a regulated market and that attracts is financial resources in Belgium or abroad via a public offer of shares.

The name of the Company is always immediately followed by the words "public regulated real estate company under Belgian law" or "public RREC under Belgian law" or "PRREC under Belgian law"; those same words are mentioned in all documents issued by the Company.

The Company is subject to the RREC law an to the Royal Decree of 13 July 2014 on regulated real estate companies (hereafter the "RREC RD") as well as to all other potential executory decrees and regulations of the RREC law, at any given time, (this law and its executory decrees and regulations together with any other regulation, at any given time, applicable to PRRECs under Belgian law are referred to hereafter as the "RREC legislation").

The Company is moreover subject to the provisions of these articles of association (hereafter the "Articles of association"). Each project to modify the Articles of association has to be preliminary submitted to the "Financial Services and Markets Authority", abbreviated "FSMA", hereafter always referred to by its abbreviation "FSMA").

1.3. The Company attracts its financial resources in Belgium or abroad via a public offer of shares, and appeals to public savings in the sense of article 438 of the Company Code (abbreviated "C.Code").

ARTICLE 2. MANAGING AND LIMITED PARTNERS

2.1. By reason of its legal form, the Company always has, mandatorily, one or more jointly responsible partners, called managing partners, and one or more limited partners, having the capacity of shareholder.

2.2. The Company has namely one (1) managing partner, severally and unlimitedly liable for all agreements of the Company and that also acts as the manager of the Company; this manager/managing partner is indicated in article 13 of the Articles of association.

2.3. The limited partners (also referred to as "shareholders") are responsible for the debts and losses of the Company, only proportionally to their contribution, providing that they do not exercise any management activity. They can however act in the capacity of mandatory of the Company, following a special proxy.

ARTICLE 3. OFFICE

3.1. The registered office of the Company is situated in Brussels (Anderlecht), Route de Lennik 451.

The registered office and the general board always have to be established in Belgium. They can be moved by a simple decision by the manager, as far as this decision has no influence on the applicable language regime in accordance with the legislation on the use of languages. The manager has full authority, following that kind of move, to have every modification of the Articles of association certified, as well as to have every move of the registered office, and consequently amended text of the Articles of association, filed for publication.

3.2. By a simple decision of the manager, the Company can establish branches or agencies, both in Belgium and abroad.

ARTICLE 4. PURPOSE

4.1. The exclusive purpose of the Company is:

- (a) to make real estate available to users, directly or via a company in which it holds a participation, in accordance with the provisions of the RREC legislation and the executory decrees and regulations; and
- (b) to, within the limits of the RREC legislation, possess real estate in the sense of the RREC law.

"Real estate" is defined as follows:

- i. real estate as defined in article 517 et seq of the Civil Code, and the rights in rem on real estate, excluding real estate of forestry, agricultural or mining nature;

ii. the shares with voting rights issued by real estate companies, in which the Company holds, directly or indirectly, more than 25% of the capital;

iii. pre-emptive rights to real estate;

iv. the shares of public or institutional regulated real estate companies, providing that, in the latter case, the Company holds, directly or indirectly, more than 25% of the capital;

v. rights arising from contracts giving the company leasehold of one or several real estate assets or other similar rights of use;

vi. the participation rights in public and institutional real estate investment trusts;

vii. the participation rights in foreign undertakings for collective investment in real estate registered in the list intended by article 260 of the law of 19 April 2014 with regard to alternative undertakings for collective investment and their managers;

viii. the participation rights in undertakings for collective investment in real estate established in another member state of the European Economic Area and that are not registered in the list intended by article 260 of the aforementioned law of 19 April 2014, as far as they are subject to an equivalent supervision as public sicaf;

ix. the shares or participation rights issued by companies (i) that are legal entities; (ii) governed by the law of another member state of the European Economic Area; (iii) of which the shares are admitted or not to trading on a regulated market and that are subject or not to a regime of prudential supervision; (iv) of which the main activity is acquiring or constructing real estate in view of making it available to users, or the direct or indirect possession of shares the capital of companies with a similar activity; and (v) that are exempt from tax on income from the profits resulting from the activity referred to in clause (iv) above, subject to compliance with certain legal obligations, and that are at least required to distribute part of their income to their shareholders (the "Real Estate Investment Trusts" (abbreviated "REIT's"));

x. real estate certificates, in the sense of the law of 11 July 2018;

xi. participation rights in a SREIT;

xii. and all other assets, shares or rights defined as real estate by the RREC legislation.

The real estate as intended in vi., vii., viii., ix. and xi. That relates to participation rights in an alternative investment vehicle as intended by European regulation, cannot qualify as shares with voting rights issued by real estate companies, regardless the amount held by the Company, directly or indirectly.

(c) concluding in the long term, directly or via a company in which it holds a participation according to the provisions of the RREC legislation, potentially in cooperation with third parties, with a public client, or join one or more:

i. DBF-agreements, the so-called "Design, Build, Finance" agreements;

ii. DB(F)M- agreements, the so-called "Design, Build, (Finance) and Maintain" agreements;

iii. DBF(M)O- agreements, the so-called "Design, Build, Finance, (Maintain) and Operate" agreements; and/or

iv. agreements for concession of public works relating to buildings and/or other real estate infrastructure and related services, based on which:

- it is responsible for making available, maintenance and/or operation on behalf of a public entity and/or civilian as end-user, for responding to a social need and/or allowing public services; and
- the related financial, availability, demand and/or operating risk, on top of the potential construction risk, can entirely or partially be borne by it, without in that case disposing of rights in rem; and

(d) in the long term, directly, or via a company in which it holds a participation according to the provisions of the RREC legislation, potentially in cooperation with third parties, developing, having developed, creating, having created, managing, having managed, operating, having operated or making available of:

- i. installations and storage for transportation, distribution or storage of electricity, gas, fossil or non-fossil fuels and energy in general and related goods;
- ii. utilities for transportation, distribution, storage or purification of water and related goods;
- iii. installations for generation, storage and transportation of renewable or non-renewable energy and related goods; or
- iv. waste and incineration installations and related goods.

(e) initially holding less than 25% of the capital of a company in which the activities mentioned in art. 4.1, (c) above are exercised, as far as this participation is converted into a participation in accordance with the provisions of the RREC legislation, within two years, or each longer period that the public entity with which the contract is concluded requires in this context, after completion of the construction phase of the PPS-project (in the sense of the RREC legislation), following a transfer of shares.

Should the RREC legislation be modified in the future and allow the Company to exercise new activities, the Company will also be authorized to exercise those additional activities.

4.2. Within the framework of making real estate available, the Company can exercise all activities related to the foundation, the construction (without prejudice to the prohibition of acting as a property developer, except for occasional operations), the alteration, the design, the renovation, the development, the alienation, the lease, the sub-lease, the exchange, the contribution, the transfer, the allotment, the bringing of real estate assets into a system of co-ownership or joint ownership, granting or receiving the right of superficies, usufruct, long-term lease or other real or personal rights on real estate, management and running of real estate assets.

4.3. Providing conformity with the RREC legislation, the Company can also invest additionally or temporarily in securities that are not real estate in the sense of the RREC legislation. These investments will be made in accordance with the risk management policy adopted by the Company and will be diversified, so that they ensure an adequate risk diversification. The Company can also possess unallocated cash in all currencies in the form of deposits on demand, term deposits, or any money-market instrument that can be easily traded.

4.4. Providing conformity with the RREC legislation, the Company is authorized to subscribe authorized hedges, except for speculative operations. The acquisitions and disposals have to fit within the financial risk hedging policy of the Company.

4.5. Providing conformity with the RREC legislation, the Company is authorized to grant mortgages or other sureties or grant guarantees within the framework of funding the activities of the Company and companies that are part of its consolidation scope, within the limits defined by the RREC legislation to that effect.

4.6. Providing conformity with the RREC legislation, the Company is authorized to take or give in lease

one or more properties. The activity of giving in lease with purchase option of real estate assets can only be exercised as an accessory activity, unless these real estate assets are destined for a purpose of general interest, including social housing and education (in this case, the activity can be exercised as main activity).

4.7. Providing conformity with the RREC legislation, the Company is authorized to grant credits within the limits defined by the RREC legislation to that effect.

4.8 Providing conformity with the RREC legislation, the Company can, through a contribution in cash or in kind, a merger, splitting-up or any other restructuring, subscription, participation, financial or other intervention, according to Company Law, acquire a share and any possible form of participation or membership in all existing or to be founded companies, associations or enterprises, in Belgium or abroad, of which the purpose is similar to its own, or that fits within the realization of, or facilitates, its purpose.

4.9 Providing conformity with the RREC legislation, the Company can, in general, acquire, rent, lease, transfer or exchange all moveable or real estate assets, all materials and necessities, and in general, take all civil, commercial or financial actions that are, directly or indirectly, related to its purpose and exercising all related intellectual rights and commercial properties.

4.10 Next to that, the Company may, providing conformity with the RREC legislation, do anything relevant or necessary to realize its purpose, also including all activities relating to, directly or indirectly the development and daily management of its real estate assets and all other activities with an added value to its real estate assets and to its users, such as offering services that are complementary to making the related real estate available.

ARTICLE 5. TERM

5.1. The term of the Company is unspecified. It can be dissolved by a resolution of the general meeting deliberating in accordance with the conditions and forms required for amending the articles of association, without prejudice to the application of other more stringent legal provisions.

5.2. The Company shall not be dissolved as a result of the dismissal, expulsion, revocation, withdrawal, purchase, declaration of incompetence, prevention, dissolution or declaration of bankruptcy of the managing partner.

CHAPTER II - CAPITAL - SHARES - OTHER SECURITIES

ARTICLE 6. CAPITAL

6.1 The company's registered capital amounts to sixty-five million one hundred seventy-seven thousand six hundred ninety-three euros and fifty-seven cents (€ 65.177.693,57). It is paid up in full.

6.2 It is divided into five million nine hundred twenty-six thousand six hundred forty-four (5.926.644) shares, of no-par value, each one representing 1 / 5.926.644 of the capital.

ARTICLE 7. AUTHORISED CAPITAL

The manager is empowered to increase the capital on dates and under conditions specified by the manager, in one or more instalments, by an amount that does not exceed sixty-five million one hundred seventy-seven thousand six hundred ninety-three euro fifty-seven cent (€ 65,177,693.57) in conformity with the applicable legislation.

This authorization is valid for a term of (5) five years as from the publication of the minutes of the extraordinary general meeting that approves the authorization. It is renewable.

These capital increases can be carried out by a contribution in cash, by a contribution in kind, or by the conversion of reserves including profits carried forward and issue premiums as well as all equity components under the statutory IFRS annual accounts of the company (drawn up according to the RREC legislation) that are available for conversion into capital, and with, or without, the issue or creation of shares or other securities (of any or existing type), according to the provisions prescribed by the applicable company law, the RREC legislation and Articles of association.

Should the case arise, the issue premiums will be booked in one or more separate equity accounts in the liabilities section of the balance sheet.

The manager is authorized to limit or abolish the preferential right of shareholders, also when this occurs in favour of one or more persons that are not members of personnel of the Company or its subsidiaries, as far as – to the extent that this is required by the RREC legislation – an irreducible right of attribution is granted to the current shareholders in the case of attribution of new securities. In that case, this irreducible right of attribution meets the requirements of the RREC legislation and of article 8.2 of the articles of association. The manager is authorized to amend the articles of

association of the company in accordance with the capital increase(s) realized within the framework of the authorized capital.

Capital increases by a contribution in kind are realized in accordance with the RREC legislation and in accordance with the conditions recorded in article 8.3 of the articles of association. Such contributions in kind can also relate to the dividend rights in the context of the distribution of an optional dividend.

ARTICLE 8. CHANGE OF THE REGISTERED CAPITAL

8.1 Except for the possibility to increase the capital using the authorized capital by a decision of the statutory manager, an increase or decrease in the registered capital can only be decided at an extraordinary general meeting of the shareholders in the presence of a notary public and with the approval of the manager. Furthermore, the company will always have to take the RREC legislation into account in this context. Should the general meeting decide to ask for the payment of an issue premium within the framework of a capital increase, this has to be booked in one or more separate equity accounts in the liabilities section of the balance sheet.

8.2. In the case of a capital increase by a contribution in cash following a decision of the general meeting or within the framework of the authorized capital as defined in article 7 of the articles of association, and without prejudice to the applicable Company Law and the RREC legislation, the preferential right of the shareholder can only be limited or lifted as far as, to the extent that this is required by the RREC legislation, the current shareholder is granted an irreducible right of attribution when granting new securities. In this case, that irreducible right of attribution at least meets the following conditions of the RREC legislation:

- 1° it is related to all newly issued securities;
- 2° it is granted to the shareholders in correspondence with the share of the capital represented by their shares at the moment of the operation;
- 3° at latest the eve of the opening of the public subscription period a maximum price per share is announced; and
- 4° the public subscription period has to last at least three (3) listing days.

That irreducible right of attribution is, should the case arise, applicable to the issue of shares, convertible bonds and warrants.

In accordance with the RREC legislation, this has in any

case not to be granted in the case of a capital increase by contribution in cash realized under the following conditions:

1° the capital increase is realized by using the authorized capital;

2° the accumulated amount of the capital increases, in conformity with this subparagraph, are realized over a period of 12 months, does not amount to more than 10% of the amount of the capital at the moment the capital increase is decided on.

Without prejudice to the applicable company law, the irreducible right of attribution does also not have to be granted in the case of a contribution in cash where the preferential right is limited or lifted, complementary to a contribution in kind within the framework of the distribution of an optional dividend, as far as the distribution of that optional dividend is effectively made payable to all shareholders.

8.3. The capital increases by a contribution in kind are subject to the provisions of the applicable company law. Furthermore, in accordance with the RREC legislation, the following conditions have to be met in the case of a contribution in kind:

1° the identity of the contributor has to be mentioned in the report on the contribution in kind and, if necessary, in the invitation to the general meeting convened for the capital increase;

2° the issue price cannot be less than the lowest value of (a) a net value per share dated no more than four (4) months prior to the date of the contribution agreement or, up to the choice of the company, prior to the date of the capital increase deed, and (b) the average closing price during thirty (30) calendar days prior to that same date.

For the application of what is mentioned above sub point 2°, it is allowed to deduct an amount that corresponds to the part of the non-distributed gross dividend to which the new shares would eventually not entitle, from the amount defined sub point (b) of point 2°, provided that the manager specifically motivates the amount to be deducted from the cumulated dividend in his special report and explains the financial conditions of the operation in his annual financial report;

3° except if the issue price, or, in the case defined in article 8.4 hereafter, the exchange rate, and the related modalities are defined and communicated to the public at latest the working day following the conclusion of the contribution agreement, mentioning the term in which the capital increase will effectively take place, the capital

increase deed is recorded within a maximum term of four (4) months; and

4° the report mentioned in point 1° must also explain the impact of the proposed contribution on the situation of the former shareholders, more specifically with regard to their share in the profit, in the net value per share and in the capital, including the impact at the level of the voting rights.

The special conditions described above, in accordance with the RREC legislation, are in any case not applicable in the case of a contribution of the right to dividends within the framework of the distribution of an optional dividend, as far as the distribution of that dividend is effectively made payable to all shareholders.

8.4. The special rules with regard to capital increases by contribution kind recorded in article 8.3 above are mutatis mutandis applicable to mergers, split-ups and similar operations as defined in the RREC legislation. In that case, the "date of the contribution agreement" refers to the date the merger or split-up proposal is filed.

ARTICLE 9. NATURE OF THE SHARES

9.1. The Company has only one type of shares, that all have the same rights.

9.2. The shares of the Company are nominative or dematerialized, and this according to the choice of their owner or holder (hereafter the "Holder") and in accordance with legal limitations. Each Holder of shares can at any given time, and at his own expenses, ask for the conversion of his nominative shares into dematerialized shares, or vice versa.

9.3. For nominative shares, ownership is exclusively proven by inscription in the register of shares of the Company held at its office; the register of shares may potentially be held in an electronic form.

9.4. Dematerialized shares are represented by booking into an account, at the name of the owner or holder, with a clearing institution.

ARTICLE 10. OTHER SECURITIES

With the exception of profit-sharing certificates and similar securities and subject to the specific provisions of the RREC legislation, the Company may issue the securities intended by article 460 of the Company Code in accordance with the rules prescribed by the Company Code, the RREC legislation and these Articles of association.

ARTICLE 11. PURCHASE, HOLDING IN PLEDGE AND ALIENATION OF TREASURY SHARES

11.1. The Company can acquire treasury shares, hold them in pledge and alienate them in accordance with the formalities and conditions prescribed by the applicable company law.

11.2. The manager is authorized to proceed to the purchase, holding in pledge or alienation of treasury shares, at a price he defines, without prior decision of the general meeting, whenever this purchase, holding in pledge or alienation is necessary to safeguard the Company against serious and threatening disadvantage. These authorizations are valid for three (3) years as of the publication of the amendments to the articles of association of 16 December 2019 and are renewable for an equal period.

11.3. The manager is authorized, in virtue of a decision taken by the general meeting of 16 December 2019 according to the applicable company law, to (a) acquire the maximum number of treasury shares that is allowed in conformity with the applicable company law, or hold them in pledge (b) at a minimum price per share that corresponds to the lowest of the last twenty (20) closing prices of the share of the Company on a regulated market on which they are listed, before the acquisition date, decreased by fifteen percent (15%) and at a maximum price per share that corresponds to the highest of the last twenty (20) closing prices of the share of the Company at the regulated market on which they are listed, before the acquisition date, augmented by fifteen percent (15%).

This authorization is valid for a term of five (5) years as of the date mentioned above on which this decision was approved. This authorization is also valid for the acquisition of shares by the Company on a regulated market by its directly controlled subsidiaries in accordance with the applicable company law.

11.4. The manager is also authorized, according to the applicable company law, to proceed to, in respect of the conditions and terms defined by law, the alienation of treasury shares held by the Company (including the alienation to one or more specific persons other than personnel), subject to the following condition: the alienation of a share in virtue of this authorization has to occur (a) or at a minimum price per share that corresponds to the lowest of the last twenty (20) closing prices of the share of the Company on a regulated market on which they are listed, before the alienation date, minus fifteen percent (15%) and at a maximum

price per share that corresponds to the highest of the twenty (20) last closing prices of the share before the alienation date, augmented by fifteen percent (15%) or (b) when this alienation occurs within the framework of the company's stock option plan, the execution price of the options. In the latter case, the manager is authorized to alienate the shares, with the approval of the beneficiaries of the stock option plan, outside the stock exchange.

The manager is finally authorized to, without prior consent by the general meeting, in accordance with article 622, §2, second subparagraph, 1° of the Company Code, and at a price he defines, proceed to the alienation of treasury shares, as far as these shares are alienated on a regulated market the shares are listed on. These authorizations are valid without any end term. These authorizations are also valid for the alienation of shares of the Company on a regulated market by its directly controlled subsidiaries and, as far as necessary, for the indirectly controlled subsidiaries of the Company and, as far as necessary, for each third party acting in its own name but for the account of the company.

The manager is finally explicitly authorized, without prior consent of the general meeting, and at a price he defines, to proceed to the purchase, holding in pledge or alienation of treasury shares as far as a statutory authorization or authorization by the general meeting is not, or no longer required.

ARTICLE 12. LISTING ON THE STOCK EXCHANGE AND NOTIFICATION OF IMPORTANT PARTICIPATIONS

12.1 The shares of the company must be admitted to trading on a Belgian regulated market, in accordance with the RREC legislation.

12.2 Each holder of shares must notify the company and the FSMA of the number of securities with voting rights, voting rights or similar financial instruments of the company he owns, in accordance with the legislation on the disclosure of important participations in issuers of which the shares are admitted for trading on a regulated market.

The thresholds of which exceeding results in a mandatory notification following the special aforementioned legislation of the disclosure of important participations are fixed at three per cent (3%), five per cent (5%) and multiples of five per cent (5%) of the total number of voting rights.

12.3 Except for exceptions foreseen by the Company Law, nobody can participate to a voting at a general

meeting of shareholders of the company with a number of votes that is higher than the number of votes related to the securities he has reported holding, at least twenty (20) days prior to the date of that general meeting.

CHAPTER III - MANAGEMENT AND REPRESENTATION - CONTROL

ARTICLE 13. NOMINATIONS - DISMISSALS - VACANCIES

13.1 The company is directed by a statutory manager, who must have the capacity of a limited (managing) partner and who must permanently comply with the articles 14 and 15 of the RREC legislation.

13.2 The public limited company "LEASINVEST REAL ESTATE MANAGEMENT", (register of legal persons Antwerp, section Antwerp 0466.164.776), with registered office in 2000 Antwerp, Schermersstraat 42, is the (only) managing partner intended by article 2.2 of the Articles of association and is in virtue of this article appointed as the first and sole statutory manager of the Company (hereafter the "Manager-Legal person"). It is appointed for an indefinite period, in the understanding that the minimal duration of its mandate has been fixed at twenty-seven (27) years, which makes that its mandate is irrevocable until the date of the annual meeting, which will be held in 2026. After this date the mandate of the Manager-Legal person is revocable under the attendance and majority conditions required for a change of the Articles of Association, without any right of veto for the manager on this point.

The board of directors of the Manager-Legal person has to be composed as prescribed by the RREC legislation and as settled in article 14 of the Articles of association below.

13.3 Despite the aforementioned (article 13.2) concerning the first manager, the manager is appointed for a definite or indefinite period at the general meeting of shareholders, which decides under the attendance and majority conditions required for a change of the Articles of Association.

13.4 The statutory manager's tasks can only be revoked by a judicial decision after a claim submitted by the general meeting on lawful grounds. The general meeting of shareholders must make this decision with a majority equal to the majority for the amendment of the Articles of Association and the statutory manager cannot participate in the vote. The statutory manager will continue to carry out his tasks until his removal is

passed by a peremptory decree.

13.5 The statutory manager can resign at any time.

The statutory manager is obliged, after his resignation, to further fulfill his task until a replacement can reasonably be provided for him. In view of that a general meeting has to be convened within one (1) months after his resignation with the nomination of a new manager on the agenda; that general meeting has to take place in any case within two (2) months after the resignation.

13.6 The decease, the declaration of incompetence, the dissolution, the bankruptcy or any similar procedure, the dismissal, the deposition of the manager by judicial decision for whatever reason, will not have the consequence of the company being dissolved, but he will be succeeded by the newly appointed manager, by a decision of the extraordinary shareholders general meeting, that also accepts to become a limited (managing) partner of the company. If a manager is a legal person, the merger, the split up, the conversion or any other form of company reorganization whereby the legal personality of the manager is continued according to the applicable law, does not lead to the dismissal or the replacement of the manager.

ARTICLE 14. SPECIAL PROVISIONS WITH REGARD TO THE MANAGER-LEGAL PERSON AND THE EFFECTIVE OFFICERS OF THE COMPANY

14.1. The provisions of this article 14 below are valid for the Manager-Legal person as long as it manages the Company as a public RREC. The Manager-Legal person acts to that effect via its board of directors, its permanent representative and the persons it appointed for the effective leadership of the Company. The directors of the Manager-Legal person and the persons it appointed for the effective leadership of the Company cannot personally be manager nor managing partner of the Company. Moreover, they have to comply, on a permanent basis, with the articles 14 and 15 of the RREC law.

14.2. The board of directors of the Manager-Legal person is always composed in that way, that the Company can be managed in accordance with article 4 of the RREC law.

14.3. The board of directors of the Manager-Legal person consists at least of three (3) independent members in the sense of article 526ter of the Company Code, for which the respect of the criteria intended by the aforementioned article is also evaluated as if the concerned independent member of the board of

directors of the Manager-Legal person would be a director in the Company.

14.4. The members of the board of directors of the Manager-Legal person and the persons it appointed for the effective leadership of the Company are exclusively physical persons and have to dispose, on a permanent basis, of the required professional reliability and adequate competences, required for exercising their function. They cannot find themselves in one of the cases foreseen by article 20 of the law of 25 April 2014 on the status of supervision on credit institutions.

14.5. The effective leadership of the Company has to be entrusted to at least two (2) physical persons, of which at least one (1) has to be a member of the board of directors of the Manager-Legal person.

14.6. One of the persons intended by article 14.5 above that is also a member of the board of directors of the Manager-Legal person, is appointed as permanent representative of the Manager-Legal person in the sense of article 61, §2, of the Company Code, that is entrusted with exercising the mandate of manager in the Company in the name of and for the account of the Manager-Legal person and that is more specifically authorized to, acting alone, represent and commit the Company versus third parties, but without prejudice to the applicable provisions of the RREC legislation. The Manager-Legal person cannot dismiss its permanent representative without appointing a successor at the same time.

14.7. Within the framework of and specifically in view of the internal management of the Company intended by article 16 of the Articles of association, the board of directors of the Manager-Legal person can, among his members and under his responsibility, in accordance with the articles 522, 526bis en 526quater of the Company Law, establish one or more consultative committees, such as e.g. a remuneration committee and an audit committee. These committees, established within the board of directors of the Manager-Legal person, also function if the case arises, as a remuneration committee, if any, audit committee for the Company with mutatis mutandis the same powers that those committees respectively have within the Manager-Legal person. The conditions for the appointment of the members of the consultative committees, their dismissal, their remuneration, the term of their mandate and the procedure of these committees as well as the description of their tasks, are defined by the board of directors of the Manager-Legal person at the moment of their creation and they can also be modified afterwards

by that same board of directors of the Manager-Legal person in compliance with the applicable regulations.

ARTICLE 15. SALARY

15.1. The manager will carry out his mandate with remuneration.

15.2. The remuneration is equal to zero point four hundred fifteen per cent (0.415%) of the consolidated assets of the Company. The remuneration is due during the financial year, but only payable after the approval of the financial statements.

15.3. The manager is entitled to the repayment of the costs that are directly related to his assignment.

ARTICLE 16. COMPETENCES OF THE MANAGER – INTERNAL MANAGEMENT

16.1. The manager has the most extended powers to perform all acts of internal management necessary or useful for realizing the purpose of the Company, except for those acts for which only the general meeting is competent, in virtue of the law or the Articles of association.

The manager takes all decisions it deems appropriate.

16.2. The manager draws up the half-year reports, as well as the annual report project in accordance with the RREC legislation. The manager appoints the real estate experts in accordance with the RREC legislation.

16.3. The deliberations and decisions of the manager – should the case arise, taken at the level of the board of directors of the Manager-Legal person in accordance with the rules for deliberation and decision-making as defined in the articles of association of the Manager-Legal person – are reproduced in the minutes that are signed by the manager or the acting directors of the Manager-Legal person. These minutes are recorded in a special register.

The copies of or the extracts of those minutes, that have to be presented lawfully or elsewhere, are signed by the manager in accordance with its external representation power, except for copies and extracts of the minutes that were registered in an authentic deed and that are signed by the notary public.

ARTICLE 17. EXTERNAL REPRESENTATIVE POWER

17.1 The manager represents the company in all judicial and extra-judicial affairs.

17.2 The Manager-Legal person acts externally towards third parties via its permanent representative, all this, in accordance with the RREC legislation.

17.3 In all deeds committing the Company, the capacity in which the person representing the Company acts has to be stated, immediately before or after his signature.

ARTICLE 18. EXCEPTIONAL AUTHORITIES

The statutory manager can appoint proxies for the company.

Only special and limited powers for specific or for a series of specific legal acts are permitted. The proxies legally bind the company within the bounds of their conferred mandate, without diminishing the responsibility of the statutory manager in the case of an excessive power.

The manager defines the remuneration of each representative who was granted special powers, all of this in conformity with the RREC legislation.

ARTICLE 19. RESPONSIBILITY OF THE STATUTORY MANAGER

19.1 The statutory manager is personally, severally and unlimitedly bound to the obligations of the company.

19.2 The permanent representative of the Manager-Legal person is however not personally liable for the undertakings made by the Company.

ARTICLE 20. CONTROL

20.1. The audit of the Company is entrusted to a company auditor or auditor's company certified by the FSMA, that exercises the mission of auditor as defined in the Company Code and in the RREC legislation.

In the case of the appointment of a certified auditor's company as auditor, this company will appeal to a certified company auditor that it appoints, for the exercise of its mission as auditor; it can eventually also appoint a substitute among its members that comply with the appointment conditions.

20.2. Moreover, the Company is subject to supervision by the FSMA in accordance with the RREC legislation.

CHAPTER IV - GENERAL MEETING

ARTICLE 21. POWER OF THE GENERAL MEETING

21.1 The lawfully composed general meeting of the shareholders of the Company represents the entirety of the shareholders. The decisions of the general meeting that were validly taken are binding upon all shareholders, even for those who were absent or for those who voted against a proposal.

21.2 The general meeting has the power a/o to deliberate and to decide on the following matters, namely:

- the conclusion of the annual accounts;
- the appropriation of the result;
- the nomination and the dismissal of the auditor;
- the determination of the auditor's salary;
- the filing of the company action or the giving discharge to the manager and to the auditor.

The general meeting is also authorized to make changes to the Articles of Association, namely to decide to the nomination of a manager, to the increase or decrease of the capital, to powers with regard to the authorized capital by decision of the manager, to conversion of the company into a company with a different legal status, to decide to an early dissolution of the company, to the distribution of interim dividends or optional dividends, to the issue of convertible (or not) bonds or warrants, to the merger or an equal operation with one or more companies.

ARTICLE 22. ORDINARY GENERAL MEETING

22.1. The general meeting is held at the registered office or at the address indicated in the convening notice.

22.2. The ordinary general meeting, also called annual meeting, is held each year the third Monday of the month of May at sixteen hours or, should this day be a legal holiday, the next working day at the same hour.

ARTICLE 23. CONVENING

23.1 The manager and every auditor can convene both an ordinary general meeting (annual meeting) and an exceptional or extraordinary general meeting. They have to convene the annual meeting on the day as determined by the articles of association.

The manager and every auditor are obliged to convene an exceptional or extraordinary meeting when one or more shareholders who represent, individually or collectively, a fifth (1/5th) of the registered capital request for it.

23.2 The convocations to the general meeting take place in accordance with the formalities and other provisions of the Company Law. The convocations mention the agenda, listing the subjects to be treated and the proposals for decision, and all other data that are mandatory to be included in virtue of the law.

23.3 One or more shareholders representing together at least three per cent (3%) of the registered capital of the company, in accordance with the provisions of the

Company Law, can have subjects to treat added to the agenda of the general meeting and introduce proposals for decision with regard to items on the agenda or those that were added. The company should receive these requests at latest the twenty-second (22nd) day prior to the date of the general meeting. The subjects to be treated and the related proposals for decision that could be added to the agenda, should the case arise, will be published according to the modalities prescribed by the Company Law. The subjects to be treated and proposals for decision that were added to the agenda in application of the previous paragraph are only discussed if all related provisions of the Company Law were respected.

ARTICLE 24. CONDITIONS FOR ADMITTANCE TO THE GENERAL MEETINGS

24.1 A shareholder can only participate to the general meeting and exercise his voting right based on the recording of his shares in book-entry form in his name, at the registration date, or by inscription in the register of nominative shares of the company, or by inscription in the accounts of an authorized account holder or clearing organisation, or upon presentation of the bearer shares to a financial intermediary, regardless of the number of shares the shareholder owns at the general meeting. The fourteenth (14th) day prior to the general meeting, at twenty-four hours (24h00 CET) applies as the registration date.

24.2 Holders of dematerialized shares who want to participate to the general meeting, must present a certificate issued by an authorized account holder or the settlement body, stating how many dematerialized shares are registered in their accounts at the registration date, in the name of the shareholders, and for which the shareholder has indicated wanting to participate to the general meeting. This filing has to take place at latest the sixth (6th) day prior to the date of the general meeting at the registered office or at the institutions mentioned in the convocation.

Holders of registered shares who wish to participate to the meeting, must inform the company by ordinary mail, fax or e-mail at latest the sixth (6th) day prior to the meeting date of their intention to participate to the meeting.

24.3 The manager will keep a register for each shareholder having communicated his wish to participate to the general meeting, stating his name and address or registered office, the number of shares

he owned at the registration date and for which he has indicated wishing to participate to the general meeting, and a description of the documents that prove that he was holder of the shares at that registration date.

ARTICLE 25. PARTICIPATION IN THE MEETING – REPRESENTATION

25.1 A shareholder of the company may only appoint (1) one proxy for a specific general meeting. Derogation to this principle is only possible in accordance with the related rules of the Company Law.

A person acting as an authorized representative can have proxies of more than one shareholder. In the case an authorized representative has proxies from several shareholders, he can vote differently in the name of one shareholder than in the name of another shareholder. The appointment of a proxy by a shareholder is done in writing or via an electronic form and has to be signed by the shareholder, should the case arise, with an advanced electronic signature in the sense of article 4, §4, of the Law of 9 July 2001 with respect to certain rules regarding the legal framework for electronic signatures and certification services, or with an electronic signature that meets the conditions of article 1322 of the Civil Law.

25.2 The notification of the proxy has to be done in writing to the company. This notification can also take place electronically, at the address mentioned in the convocation.

The company has to receive the proxy at latest the sixth (6th) day prior to the meeting date.

25.3 Without prejudice to the possibility, in accordance with article 549, second paragraph, of the Company Law to derogate from the instructions under certain circumstances, the authorized representative expresses his vote in accordance with the potential instructions of the shareholder. The authorized representative has to hold a register for at least (1) year of the voting instructions and confirm, at the request of the shareholder, that he respected the voting instructions. In the case of a potential conflict of interest as defined in article 547bis, §4, of the Company Law between the shareholder and the authorized representative he has appointed, the authorized representative has to disclose the precise facts that are of interest to the shareholder to judge if the danger exists that the authorized representative promotes any other interest than that of the shareholder. Moreover, the authorized representative can only vote in the name of the shareholder provided

that he has specific voting instructions for each agenda item.

25.4 In the case of an addition to the agenda, in accordance with article 23.3 of the articles of association, and if a proxy has already been communicated to the company before the publication of the amended agenda, the authorized representative has to respect the related provisions of the Company Law.

ARTICLE 26. CHAIRMANSHIP – BUREAU

26.1 Every general meeting is in general presided by manager of the Company. For as long as the Manager-Legal person manages the Company, the chairman of its Board of Directors or, in case the chairman is unable to attend, another director of the Manager-Legal person presides the general meeting.

26.2 The chairman of the meeting appoints a secretary and one or more vote counters, who do not need to be (a) shareholder(s). The chairman, the secretary and the vote counters altogether form the bureau.

ARTICLE 27. MEETING PROCEDURE

27.1 The deliberation and voting at the general meeting are directed by the chairman of the meeting and take place in accordance with the habitual rules of proper meeting techniques.

27.2 The manager answers the questions of the shareholders asked during the meeting or in writing, with regard to his report or the agenda items, as far as the communication of data or facts is not detrimental to the company's business interests or to confidentiality rules the company or the manager have committed to. The auditors answer the questions of the shareholders that are asked during the meeting or in writing, with regard to their report, as far as the communication of data or facts is not detrimental to the company's business interests or to confidentiality rules the company, the manager or the auditors have committed to. They have the right to speak at the general meeting with regard to the fulfillment of their mission. If different questions are related to the same subject, the manager and the auditors are allowed to respond to these with one answer. As soon as the convocation is published, the shareholders can ask the aforementioned questions in writing, in accordance with the related provisions of the Company Law.

27.3 The manager is entitled to adjourn each ordinary, exceptional or extraordinary general meeting one single time for five (5) weeks, unless the meeting has been

convened at the request of one or more shareholders, representing at least one fifth (1/5th) of the capital, or by the auditor. Such adjournment does not prejudice the other decisions that were taken, except if the general meeting decides otherwise on this matter.

27.4 The general meeting can only validly deliberate or decide on the items recorded or implicitly stated in the agenda. There can only be a deliberation on items that were not included in the agenda if all persons that are to be invited according to the Company Law are present or represented by their body or permanent representative and nobody objects to extending the agenda. The required agreement is definite if no protest has been recorded in the minutes of the meeting.

ARTICLE 28. VOTING RIGHT

28.1. Every share gives the right to one vote.

28.2. When one or more shares belong to several people in joint ownership or to a legal person with a collegial body of representation, the connected rights to it can only be exercised towards the company by one single person who has been appointed in writing by all entitled persons, respectively those who can represent the legal persons externally. As long as such an appointment has not been delivered, all the rights connected to the shares remain suspended.

28.3. If a share is encumbered with a usufruct, the exercise of the connected voting rights is reserved for the usufructuary, unless the nude owner has previously opposed to it in writing. The execution of the pre-emptive right in the case of a capital increase belongs to the nude owner.

ARTICLE 29. DECISION-MAKING – RIGHT OF VETO FOR THE STATUTORY MANAGER

29.1 The normal and the exceptional general meeting's deliberations and decisions are valid irrespective of the number of present or represented shares, yet in the presence of the statutory manager.

If he is not at present, then a second meeting can be convened to deliberate and decide, even if the statutory manager is absent. The decisions are taken by a simple majority of votes, but with the approval of the present or represented statutory manager regarding proceedings, which deal with the interests of the company towards third parties, such as the payment of dividends as well as each decision whereby the company assets are affected. Abstinance or blank votes and invalid votes are neglected in the calculation of the majority. In the case

of equality of votes, the proposal is rejected.

29.2 At each general meeting minutes are taken during the meeting.

29.3 The extraordinary general meeting must be held in the presence of a notary public who draws up an authentic official report. The general meeting can only then lawfully deliberate and decide on a change in the Articles of Association, when those who participate in the meeting represent at least half (1/2) of the companies' capital and when the statutory manager is at present, notwithstanding more stringent legal stipulations. If the aforementioned quorum is not reached or if the statutory manager is not at present, then a new summons in virtue of Article 558 of the Company Law is required; the second meeting deliberates and decides validly, irrespective of the present or represented part of the capital and irrespective of the potential absence of the statutory manager.

29.4 An amendment to the Articles of Association is only then accepted if it has previously been approved by the FSMA and if it they have got three quarters (3/4) of the votes bound to the shareholders that are present or represented and with approval of the present or represented statutory manager notwithstanding more stringent legal stipulations.

The votes of those who abstain, or the blank or invalid votes, are considered to be votes against the proposal in the calculation of the required majority.

CHAPTER V - FINANCIAL YEAR - APPROPRIATION OF THE RESULT

ARTICLE 30. FINANCIAL YEAR – ANNUAL ACCOUNTS – ANNUAL REPORT

30.1 The financial year of the company always commences on the first of January and ends on the thirty first of December. At the end of each financial year the accounts and records are closed and the statutory manager draws up the inventory, including the annual accounts, and is further proceeded as specified in Article 92 and following of the Company Law and of the applicable provisions of the RREC legislation.

Furthermore, the statutory manager draws up an annual report in which he renders account for his policy, as prescribed by the Company code and the RREC legislation.

The annual report also comprises a corporate governance statement that is a specific part of it and

which comprises a remuneration report.

30.2 After the approval of the balance sheet the general meeting decides on the discharge to be given, by separate vote, to the manager and to the auditor(s).

30.3 The annual and half-year financial reports of the company, comprising the statutory and consolidated annual and half-year accounts of the company and the report of the auditor(s), are made available to the shareholders according to the provisions that are applicable to issuers of financial instruments admitted to trading on a regulated market and the RREC legislation. The annual and half-year reports of the company, the report of the auditor(s) and the articles of association of the company are published on the website of the company. The shareholders can obtain a copy of the aforementioned documents for free at the registered office of the manager.

ARTICLE 31. APPROPRIATION OF THE PROFIT

It is mandatory for the company, within the limits of the Company Law and the RREC legislation, to distribute a dividend as a remuneration of the capital to its shareholders, of which the minimum amount is defined in accordance with article 13 of the RREC RD.

ARTICLE 32. INTERIM DIVIDENDS

The statutory manager has the power to pay out interim dividends on the results of the financial year. This payment can only be taken from the profit of the current financial year, as when the occasion arises decreased by the transferred loss or increased by the transferred profit, without any withdrawal from the reserves which are or must be build up by means of a legal or statutory decree. Further action is made by reference to the requirements of Article 618 of the Company Law and the relevant provisions of the RREC legislation.

CHAPTER VI - DISSOLUTION - LIQUIDATION

ARTICLE 33. NOMINATION AND CAPACITY OF LIQUIDATORS

33.1 In case of dissolution of the company for whatever reason and at whatever time, the liquidation is being carried out by a liquidator or a board of liquidators appointed by the general meeting in accordance with the legal provisions on the matter. The liquidators only take up their mission after the confirmation of their appointment by a competent commercial court. If no liquidator is appointed, the manager in function is

considered to be the liquidator towards third parties.
 33.2 The liquidators have the most extended powers in accordance with the Articles 186, 187 and 188 of the Company Law, unless the general meeting decides otherwise by a normal majority of votes.
 33.3 The liquidation of the company is settled in accordance with the provisions of the Company Law.

ARTICLE 34. LIQUIDATION BALANCE

The balance after liquidation is distributed to the shareholders in proportion to their rights in the Company.

CHAPTER VII - MISCELLANEA - CHOICE OF LOCATION

ARTICLE 35. CHOICE OF LOCATION

35.1 The manager and the liquidators, whose place of residence is unknown, are supposed to have chosen their address at the registered office of the company, where all subpoenas, services and notifications concerning the companies' affairs can be delivered.
 35.2. The regulation in article 35.1 above is mutatis mutandis also valid for the directors of the Manager-Legal person and the persons in charge of effective direction of the Company and the persons responsible for the internal control functions of the Company.

ARTICLE 36. JURISDICTION

36.1 Exclusive jurisdiction is given to the courts of the company seat for all disputes between the company on the one hand, and its manager, its holders of securities and/or its liquidators on the other hand, regarding the company matters and the implementation of the current Articles of Association, unless the company expressly renounces to it.
 36.2 The regulation in article 36.1 above is mutatis mutandis also valid for all disputes between the Company, on the one hand, and the directors of the Manager-Legal person, the persons in charge of effective direction of the Company and the people responsible for the internal control functions of the Company.

ARTICLE 37. APPLICABLE LAW

For everything that is not explicitly defined in these articles of association, or with regard to the legal provisions that were not validly derogated from in these articles of association, the provisions of (a) the Company Law and its executory decrees and regulations, (b) the RREC legislation and (c) the other legal provisions, decrees and regulations under Belgian law are applicable, as far as they apply to the Company due to its status as a public RREC.
 Moreover, the provisions of these articles of association that would unlawfully have derogated from the provisions of the laws, decrees and regulations mentioned in the previous paragraph, are considered not to be recorded in the current articles of association and the clauses that would be opposed to the mandatory provisions of these laws, decrees and regulations shall be deemed as not written.

Lexicon

ALTERNATIVE PERFORMANCE MEASURES

Following the entry into force of the 'ESMA directives on Alternative Performance Measures' of the European Securities and Market Authority (ESMA), the Alternative Performance Measures (APM) in this annual financial report are indicated by*. For the definition and the detailed calculation of the Alternative Performance Measures used, we refer to page 78 et seq of this report.

BADWILL

Badwill or negative goodwill equals the amount by which the stake of the party acquiring, in the fair value of the acquired identifiable assets, liabilities and contingent liabilities, exceeds the price of the business combination on the date of the transaction.

BULLET LOAN

A loan which is reimbursed in one time at the end of the duration.

CAP

Financial instrument of the option-type, for which the underlying, in the case of Leasinvest Real Estate, is the short-term interest rate. As a buyer, Leasinvest Real Estate has acquired the right, within a predefined period, to exercise its option. At that moment Leasinvest Real Estate pays the capped interest rate (= CAP) instead of the (higher) short term interest rate. For the acquisition of this right, the buyer pays a premium to the seller. Via this interest rate hedging, Leasinvest Real Estate hedges against unfavourable interest rate increases.

CONTRACTUAL ANNUAL RENTS

The indexed basis rents as contractually defined in the leases in force per 31/12/2019.

CORPORATE GOVERNANCE

Sustainable management of the company. These principles, such as transparency, integrity and balance between the responsible parties, are based on the recommendations of the Belgian Corporate Governance Code as published by the Corporate Governance Committee on 12/03/2009 (www.corporategovernancecommittee.be).

DEBT RATIO

All items of the "Liabilities" in the balance sheet, except for the items: "I. Non-current liabilities – A. Provisions", "I. Non-current liabilities – C. Other non-current financial liabilities – Derivative financial instruments", "I. Non-current liabilities – F. Deferred taxes – Liabilities", "II. Short term liabilities – A. Provisions", "II. Current liabilities – C. Other current financial liabilities – Derivative financial instruments" and "II. Current liabilities – F. Accrued charges and deferred income", divided by the balance sheet total.

DIVIDEND YIELD

Gross dividend / closing price of the financial year concerned.

DURATION

Weighted average duration of the leases, for which the weight is equal to the relation of the rental income to the total rental income of the portfolio.

EPRA COST RATIO*

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.

EPRA EARNINGS*

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.

EPRA NET ASSET VALUE* (NAV) & EPRA NNNAV* (TRIPLE NET ASSET VALUE*)

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.

EPRA NNNAV* (triple Net Asset Value*): consists of the EPRA NAV*, adjusted to take into account the fair value of the financial instruments, the debts and the deferred taxes; see also www.epra.com.

EPRA NET INITIAL YIELD* & EPRA TOPPED UP NET INITIAL YIELD*

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.

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.

EPRA VACANCY*

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.

EXIT TAX

Companies applying for approved Regulated real estate company status, or which merge with a Regulated real estate company are subject to what is known as an exit tax. This tax is equivalent to a liquidation tax on net unrealized gains and on tax-exempt reserves, and amounts to 12.75% for the financial year 2019.

FAIR VALUE

The fair value is the investment value as defined by an independent real estate expert, from which, the transfer rights have been deducted; the fair value is the accounting value under IFRS.

FLOOR

Financial instrument of the option-type, for which the underlying, in the case of Leasinvest Real Estate, is the short-term interest rate. As a seller, Leasinvest Real Estate has the obligation to, within a predefined period, deliver the floor (minimum interest rate). In exchange for this, Leasinvest Real Estate, as the seller, receives a premium from the buyer. The received premium on the floor limits in this way the premium paid on the CAP.

FREE FLOAT

The free float is the number of shares freely tradable on the stock exchange.

GOODWILL

Goodwill equals the amount by which the cost of the business combination exceeds, at the transaction date, the interest in the fair value of the identifiable assets, liabilities and conditional liabilities taken over from the acquiring party.

IAS-STANDARDS

The international accounting standards (IAS, International Accounting Standards/IFRS, International Financial Reporting Standards) have been drawn up by the International Accounting Standards Board (IASB), which develops the international standards for preparing the annual accounts. The listed companies in Europe must apply these rules to their consolidated accounts for the financial years starting as from 01/01/05. In accordance with the RD of 21/06/2006, substituted by the RD of 13/07/2014, Leasinvest Real Estate applies these rules to its statutory annual accounts, already as from the financial year beginning on 01/07/2006.

INTEREST RATE SWAP

Financial instrument by which parties agree contractually to swap interest payments over a defined term. This allows parties to swap fixed interest rates for floating interest rates and vice versa.

INVESTMENT VALUE

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.

LIQUIDITY PROVIDER

Liquidity providers are members of Euronext who signed an agreement with Euronext in which they, amongst other things, agree to, continually, make a bilateral market, composed of buy and sell rates, to guarantee a minimum turnover and furthermore to make the market within a maximum 'spread'.

NET ASSET VALUE PER SHARE

NAV (Net Asset Value): shareholder's equity attributable to the shareholders of the parent company, divided by the number of shares (excluding the consolidated number of treasury shares).

NET CASH FLOW

Net cash flow = net result plus additions to amortizations, depreciations on trade debtors and the additions to and withdrawals on provisions minus negative and positive changes in the fair value of investment properties minus the other non-cash elements.

OCCUPANCY RATE

The occupancy rate takes into account all buildings, except those carried under 'assets held for sale' and 'development projects' and is calculated in function of the estimated rent as follows: (estimated rent – estimated rent on vacancy) / estimated rent.

REGULATED REAL ESTATE COMPANY

Is an ordinary operational company that has to act according to its purpose (which includes taking into account other interests than the exclusive interest of the shareholders, such as the interests of its clients, users of the buildings). It has a general commercial purpose: offering real estate to users.

This company pursues a company strategy and not an investment policy; it can make a public appeal to savings, but to use those funds for its company purpose in general, in function of the needs arising from its strategy, and not to invest them in accordance with a statutory investment policy with regard to managing those funds in view of generating a "pooled return" for investors.

SWAPTION

A swaption is an option on an interest rate swap. There are 2 types: a payer swaption and a receiver swaption. A payer swaption grants a right to the buyer to conclude an interest rate swap in the future, for which the buyer pays the fixed interest rate and receives the variable interest rate. A receiver swaption grants a right to the buyer to conclude an interest rate swap in the future, for which the buyer pays the variable interest rate and receives the fixed interest rate.

TAKE-UP

The total number of square meters which are rented in the real estate market.

VELOCITY

Represents how many shares are traded on an annual basis, or in other words, the annual traded volume of shares divided by the total number of listed shares.

Identity card Leasinvest Real Estate

Public REIT (SIR/GVV) under Belgian Law	Leasinvest Real Estate SCA
Legal entity	Limited partnership by shares
Registered office	Route de Lennik 451, 1070 Brussels, Belgium
Administrative office	Schermersstraat 42, 2000 Antwerp, Belgium
Contact	T +32 3 238 98 77 – F +32 3 237 52 99
E-mail	investor.relations@leasinvest.be
Web	http://www.leasinvest.be
Register of legal entities	Brussels
VAT	BE 0436.323.915
Established	8 June 1999, publication MB 26 June 1999 (conversion into real estate investment trust) (nr. 990626-330) 6 November, publication Official Belgian Gazette 3 December 2014 (change into a regulated real estate company) (no 20141203-14216372)
Term	Unspecified
Financial year	1 January – 31 December
Listing	Euronext Brussels, BEL Mid
Liquidity provider	Bank Degroof Petercam
Financial service	Main paying agent Bank Delen
Auditor	Ernst & Young Réviseurs d'entreprises, represented by Joeri Klaykens, certified auditor
Real estate experts	Cushman & Wakefield – Stadim – Oerag
Supervision	FSMA

Creative concept: square.be

Electronic layout: theimagecompany.be



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