

## Interinvest in 2018

- Growth of the real estate portfolio by 31% or € 204 million, to € 867 million
- Successful capital increase of 29% or € 99,9 million
- EPRA earnings per share rose by 3% to € 1,63
- Improvement of the occupancy rate by 2% to 93%
- Gross dividend confirmed at € 1,40 per share
- 2016-2018 strategic growth plan fully realised
- Growth plan 2019: further growth to a real estate portfolio of € 1 billion by the end of 2019 with increase of the EPRA earnings per share of 3% and minimum gross dividend of € 1,50 per share
- Substantial development potential for logistics real estate in the Netherlands and Belgium with pipeline and Genk Green Logistics
- Growth plan 2020-2021: further growth to a real estate portfolio of € 1,3 billion by the end of 2021

## Real estate portfolio

- **Growth in fair value of the real estate portfolio** by 31% or € 204 million due to acquisitions and redevelopments in line with the strategy.
- Strategic objective of **€ 800 million** achieved.
- As at 31 December 2018 the fair value of the total **real estate portfolio** amounted to € 867 million (€ 663 million as at 31 December 2017).
- The **fair value of the existing real estate portfolio** (excluding acquisitions) in 2018 slightly **increased** by 0,6%: - 1% for offices and +2% in logistics portfolio<sup>1</sup>.
- Ratio of **60% of logistics real estate and 40% office buildings** as at 31 December 2018 (54% and 46%, respectively, at the end of 2017).
- **Surface area of the portfolio** exceeds **1 million m<sup>2</sup>**.
- Continuation of the **strategic growth plan**, which is based on the reorientation of the office portfolio and the expansion of logistics real estate.
- Further development of **beyond real estate**.

<sup>1</sup> Compared to the fair value of the investment properties as at 31 December 2017, with unchanged composition of the portfolio.

## Acquisitions and development potential

- **Acquisitions** in the amount of € 186 million: eight sites, of which six logistics sites in the Netherlands, one logistics site in Belgium and one office site in Belgium.
- In **the Netherlands**: further expansion of the portfolio and the formation of clusters in the Southern Netherlands (Tilburg, Raamsdonksveer, Roosendaal, Vuren and Eindhoven).
- **Reorientation of the office portfolio** continued with an investment of € 8 million: in Greenhouse BXL with third Greenhouse Flex (coworking lounge) which is operational and of which 80% has been leased.
- **Future development potential** of approximately 250.000 m<sup>2</sup> of logistics real estate with the acquisition in 2018 of zone B on the former Ford site to redevelop. Creation of perimeter company Genk Green Logistics nv, as IRREC.
- **Committed developments in the pipeline** in the Netherlands which will be realised in 2019: three logistics sites in Roosendaal and Eindhoven for € 57 million.

## Rental activity

- Rise in the **occupancy rate** of the total real estate portfolio by 2% to 93% as at 31 December 2018 (91% as at 31 December 2017); office portfolio occupancy rate + 3% to 88% and logistics portfolio stable at 98% (85% and 98% respectively at the end of 2017).
- 38 **lease agreements** concluded or extended, which represents 15% of the annual rental income, activity mainly in the office portfolio where 21% of the annual rental income was extended or renewed.
- Additionally 38 **flexible agreements** were concluded for Greenhouse Flex and the serviced offices mainly in Mechelen and Berchem. Start of the commercialisation of Greenhouse Flex Brussels .
- the **WALL** (average remaining duration of the lease agreements until the next expiry date) of the entire portfolio amounted to 4,6 years (3,9 years as at 31 December 2017). The increase results from the acquisitions and extensions in the real estate portfolio.
- the **WALL offices** amounted to 3,5 years (3,1 years as at 31 December 2017). The **WALL logistics** amounted to 5,5 years (4,4 years as at 31 December 2017).

## Shareholders' equity

- **Capital increase** with irreducible allocation right in November 2018 in the amount of **€ 99,9 million**, by creating 29% new shares, to finance the acquisitions.
- **Strengthening of the equity** by € 10 million through optional dividend in May 2018, whereby 57,5% of the shareholders opted for shares.
- **Debt ratio**: 43,5% as at 31 December 2018 (44,6% as at 31 December 2017).
- The **net asset value (fair value)** amounted to € 19,62 as at 31 December 2018, compared to € 19,52 as at 31 December 2017. **EPRA NAV** amounted to € 19,88 as at 31 December 2018 compared to € 19,62 as at 31 December 2017.
- **Market capitalisation**: mark of € 500 million reached as at 31 December 2018.

## Financing

- Expansion of the financing portfolio by € 88 million or 22%.
- Issue of a **commercial paper programme** for a maximum amount of € 70 million (€ 30 million of which was used as at 31 December 2018).
- Decrease in the **financing costs**: average interest rate of the financing is 2,4% in 2018 (2,6% in 2017).
- Duration of the **long-term financing**: 4,4 years as at 31 December 2018 (4,6 years at the end of 2017).
- New interest rate swaps concluded in 2018 for a notional amount of € 100 million. **Hedging ratio** as at 31 December 2018: 84% (76% as at 31 December 2017).
- Buffer of available **credit lines**: € 113 million.

## Results

- Increase in the **EPRA earnings** by 14% in 2018, mainly due to higher rental income from acquisitions.
- Improvement in the **operating margin** by almost 2% from 81% in 2017 to 83% in 2018.
- The **EPRA earnings per share**: € 1,63 based on weighted average number of shares. (€ 1,58 in 2017), or an increase by 3%.

## Dividend

- The **gross dividend** was confirmed to be in accordance with the strategy announced: € 1,40 per share for financial year 2018 (€ 1,40 for 2017); gross dividend yield of 6,8%<sup>2</sup>.
- **Coupon detachment**: the in 2018, 5.397.554 issued new shares were issued without coupon no. 21 and participated in the result of the financial year 2018 as from 30 November 2018:
  - Coupon no. 21: detached as at 15 November 2018 entitles the holder to a pro rata temporis dividend to the value of € 1,28 per share for the period as from 1 January 2018 until 29 November 2018, inclusive.
  - Coupon no. 22: entitles the holder to a pro rata temporis dividend to the value of € 0,12 per share for the period as from 30 November 2018 until 31 December 2018, inclusive.The ex-dividend date for coupon no. 22 is expected to be 3 May 2019.

## Growth plan 2019

- Further increase of the **real estate portfolio to € 1 billion** by the end of **2019**.
- Growth in the **logistics portfolio** with maintenance of an essential part of office buildings in the portfolio.
- Substantial **development potential** for logistics real estate in the Netherlands and Belgium with pipeline and Genk Green Logistics
- Increase in the **EPRA earnings per share of 3%**.
- **Minimum gross dividend of € 1,50 per share** (€ 1,40 for 2016-2018); gross dividend yield of 7,3% based on the closing share price as at 31 December 2018.

## Growth plan 2020-2021


- Increase of the **real estate portfolio to € 1,3 billion** by the end of **2021**.

<sup>2</sup> Based on the closing rate as at 31 December 2018.

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### Alternative performance measures and the term EPRA earnings

Alternative performance measures are criteria used by Interinvest to measure and monitor its operational performance. The measures are used in this press release, but they are not defined by an act or in the generally accepted accounting principles (GAAP). The European Securities and Markets Authority (ESMA) issued guidelines which, as of 3 July 2016, apply on the use and explanation of the alternative performance measures. The concepts that Interinvest considers to be alternative performance measures are included in a lexicon on the [www.interinvest.be](http://www.interinvest.be) website called "Terminology and alternative performance measures". The alternative performance measures are marked with  and provided with a definition, objective and reconciliation as required by the ESMA guidelines. A consequence of these guidelines is that the term used prior to this, "operating distributable result", is no longer usable. For that reason, the label has been changed to "EPRA earnings". However, with regard to content there is no difference with "operating distributable result", the term used previously.

EPRA (European Public Real Estate Association) is an organisation that promotes, helps develop and represents the European listed real estate sector, both in order to boost confidence in the sector and increase investments in Europe's listed real estate. For more details, please visit [www.epra.com](http://www.epra.com).

## 1. Operating activities in 2018

### 1.1. 2018 in brief

Following the significant change in its shareholder structure in 2016, Interinvest Offices & Warehouses (hereinafter “Interinvest”) stipulated its own course and realised the growth plan that it had communicated at the start of 2016, based on the reorientation of the office portfolio and the expansion of the logistics portfolio, with an annual average growth rate of 12% in the real estate portfolio.

In 2018, Interinvest successfully continued its **strategic growth plan** and achieved a number of important milestones. After all, the real estate portfolio more than achieved the assumed value of € 800 million, the total leasable space has in the meantime extended to over 1 million m<sup>2</sup> and the company’s market capitalisation has exceeded the threshold of € 500 million.

#### Real estate portfolio

In 2018 the real estate portfolio experienced a growth of 31% or € 204 million, mainly due to acquisitions and redevelopments, in line with the strategy and, in this way, it grew from € 663 million as at 31 December 2017 to € 867 million as at the end of 2018. The strategic objective to enable the real estate portfolio to grow to € 800 million has therefore been more than achieved. In addition, Interinvest has committed developments in the pipeline in the Netherlands of € 57 million with three logistics projects in the Netherlands (Roosendaal and Eindhoven) that will be delivered in the course of 2019.

The **fair value of the existing real estate portfolio** (excluding acquisitions) increased slightly in 2018 by approximately € 4 million or 0,6%<sup>1</sup>. The offices experienced a decrease in value of 1% due to the adaptation of the yields. The fair value of the logistics portfolio increased by 2% as a result of the sharpening of the yields, both in Belgium and the Netherlands.

The ratio of the real estate segments in the portfolio at the end of the year 2018 corresponded to the strategy stated: **60%** was invested in **logistics real estate** and **40%** in **office buildings** (54% and 46% respectively at the end of 2017). In 2018, the real estate portfolio was expanded by approximately 230.000 m<sup>2</sup> and reached a significant threshold as at 31 December 2018 with a total leasable **space** of over 1 million m<sup>2</sup>.

#### Acquisitions and development potential

In 2018 Interinvest realised a total of eight **new acquisitions** for a total amount of € 186 million, of which six are logistics sites in the Netherlands, one in Belgium and an office site in Belgium.

The logistics real estate portfolio in the Netherlands was further expanded in its logistics hotspots, with the formation of clusters in the Southern Netherlands, namely in Tilburg, Raamsdonksveer, Roosendaal, Vuren and Eindhoven. The portfolio in the Netherlands now totals 196.000 m<sup>2</sup>, amounts to € 154 million and consists of eight sites, all of which have an occupancy rate of 100%.

<sup>1</sup> Compared to the fair value of the investment properties as at 31 December 2017, with unchanged composition of the portfolio.

The acquisitions in the logistics portfolio were a strategically intended mix of more expensive investments in finished buildings having long-term lease agreements, on the one hand, and, on the other hand, developments and built-to-suit projects where a better yield can be achieved, obviously always with due regard for and the limitation of the risks related to such developments. As a matter of fact, logistics real estate is becoming more expensive on the current market. Therefore, it is advisable to be careful regarding the acquisition route and investment yields must be closely monitored. Interinvest sees possibilities of investing at more attractive yields in the office market, on condition that the office buildings are suited to adjust to the Greenhouse concept where traditional office space is combined with the extensive service provision, serviced offices, coworking, shared meeting rooms and event spaces.

In 2018, successful developments were realised in **reorienting the office portfolio** through the Greenhouse concept, according to which the offices are used as pioneering, inspirational meeting places where working and well-being come together. The construction work of Greenhouse BXL in Diegem with a third Greenhouse Flex (coworking lounge) has been fully completed and the site is operational. Over 80% of the space is let. Many of these leases commence in 2019 and will generate rental income as from then. Commercialisation is fully under way.

Within this framework, Interinvest also acquired the service-oriented office complex Ubicenter in December 2018. Ubicenter is a contemporary multi-tenant office complex of 23.150 m<sup>2</sup> on Philipssite on the outskirts of Leuven. The office has a foyer, a company restaurant, an auditorium and a business centre operated by MC Square, which blends in perfectly with the Greenhouse flexible business hub concept of Interinvest in Antwerp, Mechelen and Brussels.

In both its market segments, Interinvest is positioning itself *beyond real estate* and is acting as a real estate partner which does more than simply let square metres of office or logistics space. Interinvest can unburden its customers and offer them added value by listening to what they want, by thinking along with them and by thinking ahead. The many positive reactions from the customers to these turn-key solutions serve as an encouragement to Interinvest in further expanding this approach.

### Future development potential

In 2018 Interinvest lay the foundation for the company's further growth with the development of '**Genk Green Logistics**'. This project has a **future development potential** of approximately 250.000 m<sup>2</sup> state-of-the-art logistics real estate on zone B on the former Ford-site, spanned over a period of five years. The Ford site is an exceptional investment opportunity because of its location, size and multi-modal accessibility.

This year, particular attention was paid to acquiring the site for an amount of € 3 million, developing the cooperation with Group Machiels, creating the company Genk Green Logistics and its accreditation as institutional RREC (IRREC) and the application to be accredited as brownfield site. It is expected that demolition will start in the first quarter of 2019 and that construction works for the first logistics building will start in the second semester of 2019.

## Rental activity

The **occupancy rate** of the total real estate portfolio of Interinvest amounted to 93% as at 31 December 2018, which means that there was an increase of 2% compared to the end of the year 2017 (91%). There was an increase of 3% to 88% in the occupancy rate for the office portfolio as at 31 December 2018 (85% at the end of the year 2017, 76% including Greenhouse BXL). The occupancy rate of the logistics portfolio remained stable at 98% as at 31 December 2018 (98% as at the end of the year 2017).

The increase in the occupancy rate was mainly due to the occupancy of 80% of the leased Greenhouse BXL, the lease of the entire Greenhouse Mechelen (tower building on Mechelen Campus) and the acquisition of various fully leased logistics sites.

It has been an active year for **lease transactions**. In 2018, a total of 38 **long-term lease agreements** were entered into or extended, representing 15% of the rental income. In the office portfolio, agreements for 32.600 m<sup>2</sup> or 21% of the rental income in the office segment were signed. 22.800 m<sup>2</sup> or 15% is made up of new leases or extensions. This caused the **WALL offices** (average remaining duration of the lease agreements until the next expiry date) to increase to 3,5 years (3,1 years as at 31 December 2017). Moreover, in the office segment, **38 flexible agreements** were entered into for Greenhouse Flex and serviced offices in Brussels, Mechelen and Berchem.

In the logistics segment, 72.200 m<sup>2</sup> were recorded, which represents 10% of the rental income of the logistics segment. 6% relates to new leases. In addition, **temporary agreements** for 35.200 m<sup>2</sup> or 9% of the rental income of the logistics segment were entered into or extended by an indefinite duration or by less than one year. The **WALL logistics** increased from 4,4 years as at 31 December 2017 to 5,5 years as at 31 December 2018. This is a consequence of the acquisitions in the Netherlands, which have an extended effect on the WALL logistics of 1,4 years.

## Shareholders' equity

In November 2018, Interinvest performed a successful **capital increase** with irreducible priority allocation right in the amount of € 99,9 million to finance the established investments in the pipeline in the amount of € 197 million. In December 2018, € 128 million of this amount in the pipeline was immediately converted into real estate investments generating immediate rental income.

Furthermore, the **shareholders' equity** was also reinforced by € 10 million in May 2018 due to the optional dividend, whereby 57,5% of the shareholders opted for shares.

The growth of the real estate portfolio was partly financed by the capital increase and partly by borrowed capital. This produced a strong balance sheet structure, whereby the **debt ratio** of Interinvest was 43,5% as at 31 December 2018 (44,6% as at 31 December 2017).

The capital increase in November 2018 caused the **market capitalisation** of Interinvest to reach the mark of € 500 million.

## Financing

Within the framework of financing the growth of the real estate portfolio, the financing portfolio of Interinvest also expanded by € 88 million or 22% in 2018. A **commercial paper programme** was hereby initiated for a maximum amount of € 70 million (€ 30 million of which was used as at 31 December 2018). This commercial paper contributed to the diversification of the financing sources and the further optimisation of the financing cost. In 2018, Interinvest also concluded new bilateral credit lines and extended financing with its financing partners. This caused the average duration of the long-term financing to remain almost stable at 4,4 years at the end of the year 2018.

In line with the expansion of the financing portfolio, additional rate swaps for a notional amount of € 100 million, each lasting between 5 and 7 years, were purchased as interest risk hedging. The hedging ratio amounted to 84% at the end of the year 2018 and was in line with the Interinvest strategy to have a **hedging ratio** of at least 80%. The average duration of the interest rate swaps was extended from 3,6 years to 4,2 years as at 31 December 2018.

This financing, interest hedging and optimisation have caused the **average financing cost** of Interinvest to decrease from 2,6% in 2017 to 2,4% in 2018.

At year-end 2018, a buffer of € 113 million of **non-withdrawn credit lines** was available to finance committed acquisition projects in the pipeline in the amount of € 57 million, the repayment of the bond loan in the amount of € 25 million, which will expire as at 1 April 2019 and the dividend payment in May 2019. In January 2019, Interinvest concluded additional financing for an amount of € 25 million for a duration of 7 years.

Because of the limited debt ratio of 43,5% as at 31 December 2018, Interinvest can still invest approximately € 120 million with borrowed capital before reaching the top of the strategic range of 45%-50%.

## Results

The **strategic growth plan** that is based on the reorientation of the office portfolio and the expansion of the logistics real estate was successfully continued in 2018 and led to the increase in the EPRA earnings in 2018.

The **EPRA earnings** for financial year 2018 rose by 14% compared to financial year 2017. The rental income increased by 11% pursuant to the acquisitions of financial years 2017 and 2018 and the leases in the existing real estate portfolio. The increase in the rental income is partly compensated by the limited increase in the property charges and the higher financing costs as a result of the growth of the real estate portfolio. The operating margin improved by almost 2% from 81% in 2017 to 83% in 2018. The average interest rate of the financing dropped from 2,6% in 2017 to 2,4% in 2018 because of credit renewals and the issue of a commercial paper.

The **EPRA earnings per share** rose by 3% and amounted to € 1,63 for 2018 compared to € 1,58 for 2017. This was despite a rise of 10% of the weighted average number of shares caused by the capital increase of November 2018 and the optional dividend in May 2018.



## Dividend

In accordance with the strategy announced, the **gross dividend** for financial year 2018 will amount to € 1,40 per share (€ 1,40 for 2017), which means that there is a **gross dividend yield** of 6,8% based on the closing rate for the Intervest share as at 31 December 2018, which amounted to € 20,60. The **net value** (fair value) amounted to € 19,62 as at 31 December 2018, compared to € 19,52 as at 31 December 2017, which means that the share was listed at a premium of 5% as at 31 December 2018.

The 5.397.554 new shares that were issued in the capital increase of November 2018, were issued without coupon no. 21 and participate in the result for the financial year 2018 as from 30 November 2018. Coupon no. 21 was already detached as at 15 November 2018 and entitles the holder to a pro rata temporis dividend to the value of € 1,28 per share for the period from 1 January 2018 until 29 November 2018, inclusive. Coupon no. 22 entitles the holder to a pro rata temporis dividend to the value of € 0,12 per share for the period from 30 November 2018 until 31 December 2018, inclusive. Both coupons will be paid in May 2019.



## 1.2. Real estate portfolio

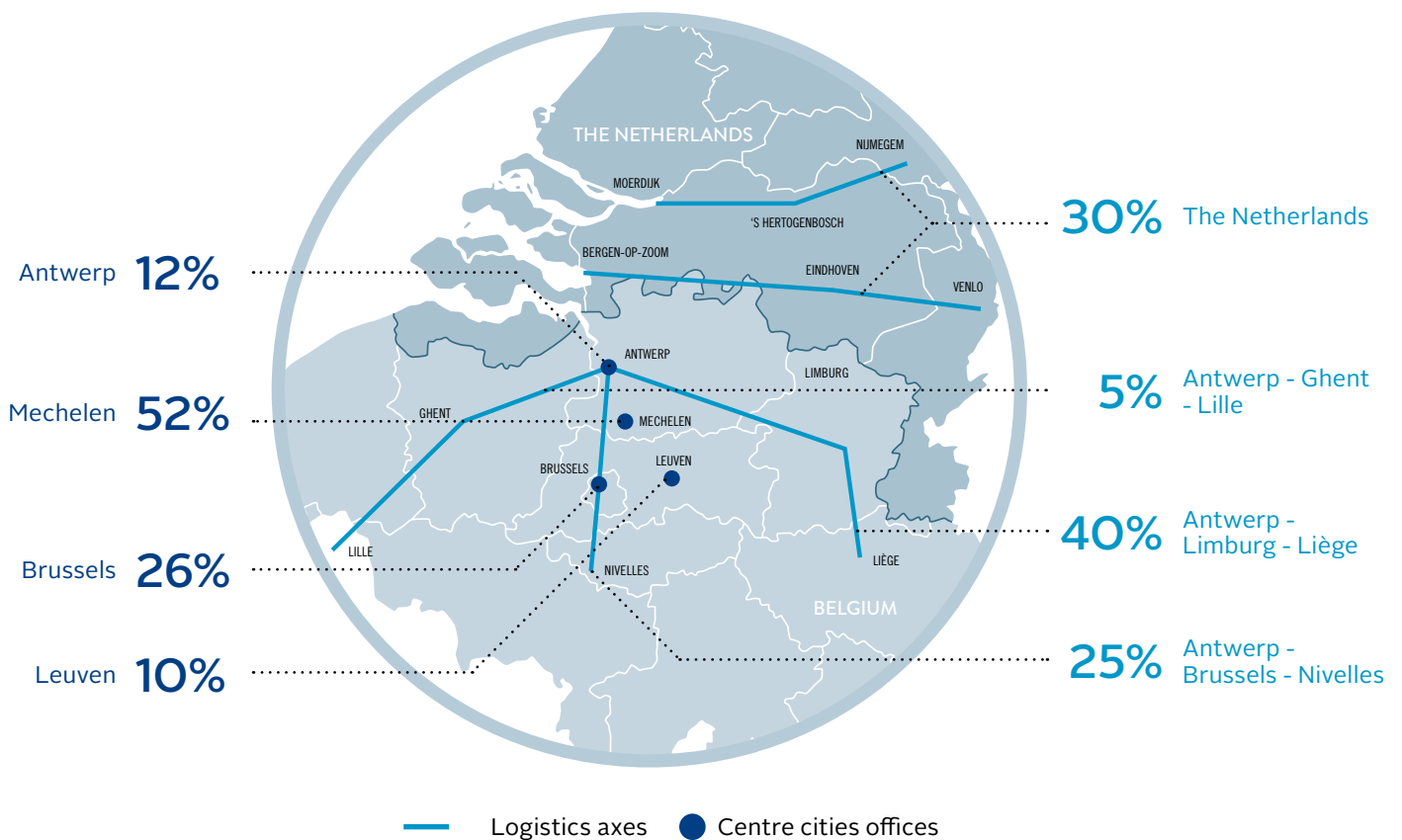
Key Figures*	31.12.2018					31.12.2017				
	Logistics			Offices	Total	Logistics			Offices	Total
	Belgium	The Netherlands	Total logistics	Total offices		Belgium	The Netherlands	Total logistics	Total offices	
Fair value of investment properties (in million €)	366	154	520	347	867	335	24	359	304	663
Real estate segment ratio	42%	18%	60%	40%	100%	50%	4%	54%	46%	100%
Contractual leases (in million €)	27	10	37	27	64	25	2	27	22	49
Gross rental yield on real estate available for lease (in%)	7,5%	6,3%	7,2%	7,8%	7,4%	7,7%	6,9%	7,7%	7,0%	7,3%
Gross rental yield (including vacant properties) on real estate available for lease (in%)	7,7%	6,3%	7,3%	8,9%	7,9%	7,9%	6,9%	7,8%	9,1%	8,4%
Net rental yield (EPRA NIY) (in%)	6,3%	5,6%	6,1%	6,3%	6,2%	6,7%	5,9%	6,6%	5,3%	6,0%
Average remaining duration of lease agreements (until first expiry date) (in years)	3,8	10,1	5,5	3,5	4,6	3,8	13,7	4,4	3,1	3,9
Occupancy rate (EPRA) (in%)	97%	100%	98%	88%	93%	97%	100%	98%	85%	91%
Number of leasable sites	24	8	32	13	45	23	2	25	12	37
Gross leasable space (in 000 m <sup>2</sup> )	589	196	785	238	1.023	550	34	584	211	795

\* All concepts and their calculations are included in a lexicon on the [www.intervest.be](http://www.intervest.be) website, called "Terminology and alternative performance measures".

### Nature of the portfolio

The ratio between the two segments as at the end of 2018 was 60% logistics buildings and 40% offices, as compared to 54% and 46%, respectively, as at 31 December 2017. With this, Intervest has achieved its strategic objective set to shift the composition of the portfolio towards logistics.

### Geographical spread of the portfolio



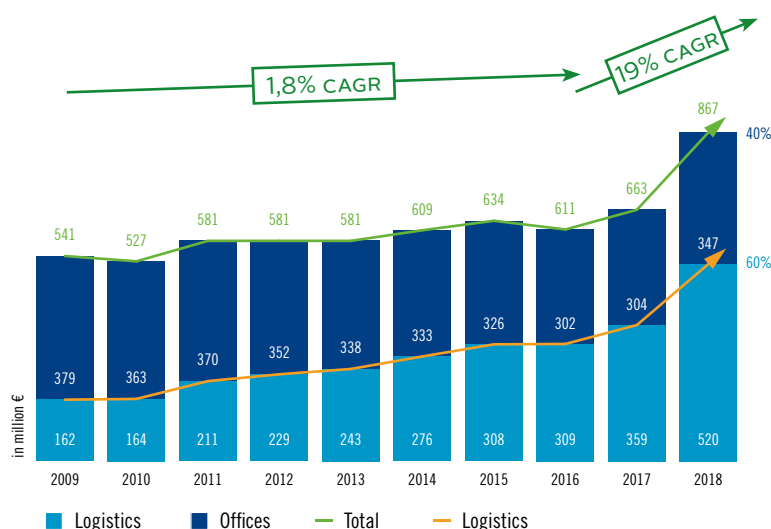
Intervest invests in high-quality office buildings in Belgium and in logistics properties in Belgium and the Netherlands that are leased to first-rate tenants. The real estate properties in which the company invests consist primarily of modern buildings that are strategically located, often in clusters. The office segment focuses on the Antwerp - Mechelen - Brussels axis and is located both in the city centre and on campuses outside the city. The logistics segment of the portfolio in Belgium is located on the Antwerp - Brussels - Nivelles, Antwerp - Limburg - Liège and Antwerp - Ghent - Lille axes and, in the Netherlands, focuses on the Moerdijk - 's Hertogenbosch - Nijmegen and Bergen-op-Zoom - Eindhoven - Venlo axes.

*“In just two years, Interinvest has succeeded not only in developing a Dutch logistics real estate portfolio of more than € 150 million, but also in immediately forming clusters in some of the most important logistics hubs in the Southern Netherlands. It is a strategy that we will resolutely pursue with the project developments in the pipeline in Roosendaal and Eindhoven.”*

- JEAN-PAUL SOLS, CEO INTERVEST

## Fair value of investment properties

The **fair value of the investment properties** of Interinvest increased by € 204 million in 2018, and amounted as at 31 December 2018 to € 867 million (€ 663 million as at 31 December 2017).



The investment properties are composed as follows:

Key figures (in million €)	31.12.2018			31.12.2017		
	Logistics	Offices	Total	Logistics	Offices	Total
Properties available for letting	513	347	860	357	304	661
Spare land	5	0	5	2	0	2
Real estate held by right of use	2	0	2	0	0	0
<b>Investment properties</b>	<b>520</b>	<b>347</b>	<b>867</b>	<b>359</b>	<b>304</b>	<b>663</b>

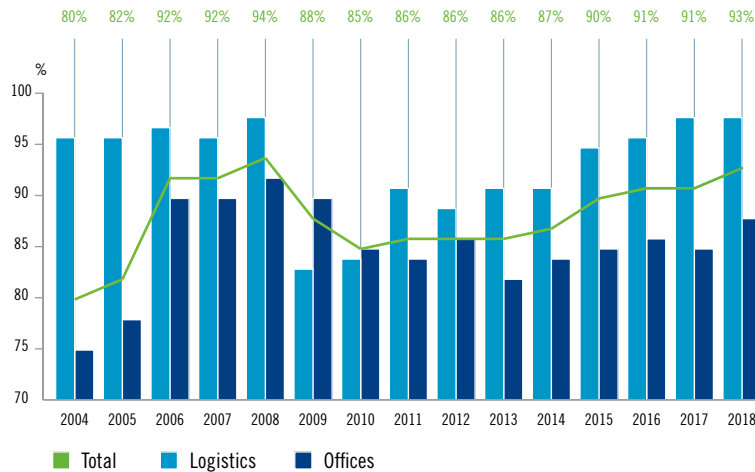
The fair value of the **logistics portfolio** increased in 2018 by € 161 million or 45% due to:

- the acquisition of six logistics sites in the Netherlands and one logistics site in Belgium, with a total purchase value of € 148 million
- the acquisition by Genk Green Logistics of zone B on the former Ford site in Genk for a purchase value of € 3 million
- the investments and expansions in the existing logistics portfolio for € 1 million
- an increase in fair value of 2% or € 6 million of the logistics portfolio as a result of the sharpening of the yields in the Netherlands and Belgium
- the increase in value on the acquisitions for € 1 million in 2018
- the accounting processing of the value of the user right for the 'real estate held by right of use' in the amount of € 2 million, in accordance with IFRS 16, which applies as from 1 January 2018.

The fair value of the **office portfolio** increased in 2018 by € 43 million or 14%, mainly due to:

- the acquisition of an office site in Belgium for € 34 million
- the investments and expansions in the existing real estate portfolio of € 9 million, mainly in Greenhouse BXL.
- a decrease in fair value by 1% or € 2 million of the existing office portfolio as a result of a general value decrease due to the adjustment of the yields, which was partly compensated by an increase in fair value of Greenhouse BXL and Mechelen Campus Tower caused by the leases that were concluded
- the increase in value in the amount of € 2 million on the acquisition in Leuven in 2018.

## Occupancy rate



The total **occupancy rate** of the portfolio experienced a positive evolution in 2018. The occupancy rate of the total real estate portfolio of Intervest amounted to 93% as at 31 December 2018, which means that there was an increase of 2% compared to the end of the year 2017 (91%).

There was an increase of 3% to 88% in the occupancy rate for the office portfolio as at 31 December 2018 (85% at the end of the year 2017, 76% including Greenhouse BXL).

The occupancy rate of the logistics portfolio remained stable at 98% as at 31 December 2018 (98% at the end of the year 2017).

The increase in the occupancy rate was mainly due to the occupancy of 80% of the leased Greenhouse BXL, the lease of the entire Greenhouse Mechelen (tower building on Mechelen Campus) and the acquisition of various fully leased logistics sites.

### 1.3. Investments

In 2016, Intervest set the strategic objective of making the real estate portfolio grow to over € 800 million and to take the ratio of the logistics portfolio to 60% of the total real estate portfolio. In 2018, this objective was achieved and the total real estate value amounts to € 867 million. The growth is focused on **logistics clusters** within a radius of 150 km from Antwerp and **contemporary, service-oriented office buildings** in easily accessible locations.

In **Belgium**, Intervest acquired a logistics site in Ghent and a multi-tenant office building in Leuven in 2018. Intervest also completed the works to redevelop Greenhouse BXL with a third Greenhouse Flex.

In **the Netherlands**, Intervest added six new logistics sites to the portfolio, located in Vuren, Tilburg, Raamsdonksveer, Roosendaal and Eindhoven. 30% of the logistics real estate portfolio is now located in the Netherlands.

In total, Intervest achieved a total of € 186 million in **new acquisitions** and € 10 million of **expansions** and **investments on existing** sites in 2018.

The recently acquired three have together a leasable space of approximately 227.200 m<sup>2</sup> and generate a rental income flow of over € 12 million annually. The acquisitions have an average gross initial yield of 6,4%.



## Logistics real estate in Belgium

Interinvest's investment strategy targets clusters on easily accessible logistics locations. The Flemish Havenbedrijf Gent - which merged into North Sea Port with the Dutch Zeeland Seaports at the end of 2017 - is an expansive logistics area on the Antwerp - Ghent - Lille axis that fits into this investment strategy. In 2018, Interinvest took its first step in this important logistics area.

### Ghent, Eddastraat 21: sale-and-lease-back in Ghent seaport

In Belgium, Interinvest expanded its logistics portfolio to the Ghent seaport area (part of North Sea Port) by achieving a sale-and-lease-back operation. Interinvest acquired the shares of the real estate company which owns a logistics site and is the concessionaire of the site, owned by Haven Gent. The easily accessible pharmaceutical site of 38.000 m<sup>2</sup> - of which approximately 40% was renovated in 2018 - is composed of three adjoining units and the roofs are fully equipped with a photovoltaic installation. From the time that it was acquired in December 2018, an international logistics service provider leased the entire site for a fixed period of 10 years.

The purchase value of the real estate owned by the real estate company amounted to € 23 million and generates annual rental income corresponding to a gross initial yield of 5,9%.

*“With this transaction in Ghent, Interinvest’s scope will be extended to the expansive North Sea Port area. This transaction therefore facilitates further growth possibilities for Interinvest, the objective being to set up a new logistics cluster here.”*

JEAN-PAUL SOLS, CEO INTERVEST





## Logistics real estate in the Netherlands

Interinvest focused in 2018 on forming logistics clusters in the Netherlands.

In 2018 West-Brabant was once again pronounced as the primary logistics hotspot<sup>2</sup> in the Netherlands.

Interinvest has taken up an important position in the expansive **Roosendaal** area and in **Raamsdonksveer** it extended its position in the Dombosch business park to a cluster of three sites.

In **Tilburg**, Interinvest expanded its investment properties on the Vossenbergh II industrial site with an additional site on the Katsbogten industrial site. Thanks to the centralised location, good infrastructure, accessibility and international-level entrepreneurial climate, Tilburg is the 2nd most important hub<sup>3</sup> in the Netherlands.

Interinvest also took up an important position in **Eindhoven**, which is ideally located for distribution activities in the south of the Netherlands, thanks to the various motorways, an airport for both passenger and freight transport and a railway node to be found there.

### Vuren, Hooglandseweg 6: built-to-suit pharmaceutical distribution centre

In June 2018, Interinvest acquired the shares of the Vastgoed Vuren bv real estate company, which is the owner of a built-to-suit distribution centre in Vuren, and the accompanying land. Vuren is easily accessible via the A15 and A27. The new construction project of 13.760 m<sup>2</sup> consists of various climate-controlled storage areas and a custom 2-storey office section for the pharmaceutical wholesaler The Medical Export Group (MEG). The warehouses are suitable for storing pharmaceutical products and temperature-sensitive goods. MEG has concluded a triple net lease agreement for a fixed period of 10 years starting from delivery in the third quarter of 2018.

The total purchase value of the real estate property amounted to € 12,8 million and provides an annual rental income of € 0,8 million, which corresponds to a gross initial yield of 6,5%.

### Raamsdonksveer, Zalmweg 41: first logistics cluster in the Netherlands

In July 2018, Interinvest purchased a second logistics site in Raamsdonksveer consisting of approximately 35.000 m<sup>2</sup> of warehouse and mezzanine and approximately 700 m<sup>2</sup> of offices. The distribution centre has been leased by Dome Vastgoed since 2015 and operated by Welzorg, the second largest provider of mobility aids in the Netherlands. This site borders the distribution centre acquired by Interinvest in 2017, and so a strategic building cluster originated at this location.

The purchase value amounted to € 24 million and the site generates an annual rental income of € 1,2 million which represents a gross initial yield of 5,1%.

This site was purchased together with Silver Forum in Eindhoven by way of a transaction subject to registration rights.

2 Source: [www.Logistiek.nl](http://www.Logistiek.nl) - <https://www.logistiek.nl/warehousing/nieuws/2018/05/west-brabant-prolongeert-logistieke-hotspot-nr-1-positie-101163402>

3 Source: [www.Logistiek.nl](http://www.Logistiek.nl) - <https://www.logistiek.nl/warehousing/nieuws/2018/05/west-brabant-prolongeert-logistieke-hotspot-nr-1-positie-101163402>

### Eindhoven, Flight Forum 1800 - 1950: Silver Forum distribution centre

Pursuant to the purchase of the Silver Forum distribution centre, Interinvest has acquired an important position on the strategically located and multi-modal easily accessible Flight Forum on the site of Eindhoven Airport .

Silver Forum includes a total leasable space of approximately 24.300 m<sup>2</sup> consisting of a warehouse and mezzanine, approximately 5.900 m<sup>2</sup> of separate offices and has approximately 200 parking spaces around the building. The building has a strikingly organic shape with a silver-coloured curved finish to the façade. Since 2002, the entire distribution centre has been leased to the listed high-tech company ASML, global leader in the manufacture of machines for semiconductors.

The purchase value amounted to € 16,4 million and the site generates an annual rental income of € 1,8 million which represents a gross initial yield of 10,8%.

This site was purchased together with the site at Zalmweg 41 in Raamsdonksveer by way of a transaction subject to registration rights.

### Raamsdonksveer, Steurweg 2: cluster reinforcement due to sale-and-lease-back

In the middle of December 2018, Interinvest purchased a third site on the Dombosch industrial site in Raamsdonksveer by achieving a sale-and-lease-back operation for the primary establishment of Itsme bv, wholesaler and service provider for electronic and mechanical components. The distribution centre with separate accompanying office building has a surface area of approximately 14.500 m<sup>2</sup>. Itsme leases the entire site from the purchase date for a fixed term of 12 years under a triple net regime.

The total purchase value amounted to € 10,7 million and the site provides an annual rental income of € 0,8 million, which corresponds to a gross initial yield of 7,2%.

### Tilburg, Belle van Zuylenstraat 10-11: cluster formation due to sale-and-lease-back

At the end of 2018, Interinvest added a second site in Tilburg to its portfolio. Interinvest is the owner of the head office of home retailer Kwantum, part of Homefashion Group, by way of a sale-and-lease-back operation. The site is located on the Katsbogten industrial site and consists of a distribution centre with separate accompanying office building jointly spanning 28.000 m<sup>2</sup>. Kwantum has from the purchase date leased the entire site for a fixed period of 10 years under a triple net regime and will renovate the office building, make it more sustainable, expand it and simultaneously modernise the distribution centre during the first year of the agreement. Kwantum is the market leader in wall, window and floor products and has its own webshop and over 100 fully owned stores in the Benelux.

The total purchase value amounted to € 22,1 million and this site provides an annual rental income of € 1,3 million, which corresponds to a gross initial yield of 5,7%.

### Roosendaal, Leemstraat 15: sale-and-lease-back of extensive logistics complex

At the end of December, Intervest concluded a sale and lease-back agreement for a logistics site in Roosendaal of a total of approximately 38.200 m<sup>2</sup> of storage space and accompanying offices, located on a site of over 13 hectares on the industrial site of Majoppeveld Noord. The site accommodates the head office and one of the most important distribution centres of Jan de Rijk Logistics, a leading transport and logistics service provider.

The site will be fully leased by Jan de Rijk Logistics under a triple net regime for a fixed term of 15 years from the purchase date.

The total purchase value amounted to € 38,5 million and this site provides an annual rental income of € 2,1 million, which corresponds to a gross initial yield of 5,5%.

### Offices in Belgium

In 2018, Intervest further implemented its strategy to invest in inspiring multi-tenant offices at easily accessible locations in large agglomerations in Flanders.

#### Leuven, Philipssite 5: multi-tenant Ubicenter office building

Intervest acquired the service-oriented office complex Ubicenter in December 2018. Ubicenter is a contemporary office complex of 23.150 m<sup>2</sup> on Philipssite on the outskirts of Leuven, of which over 95% is leased to 12 tenants. The building features a foyer, a company restaurant, an auditorium and a business centre operated by MC Square. The office complex fits in with Intervest's Greenhouse flexible business hub concept, which combines traditional office spaces with extensive service provision, serviced offices, coworking, shared meeting rooms and event spaces in Antwerp, Mechelen and Brussels.

The total purchase value amounted to € 33,7 million and provides an annual rental income of € 2,8 million, which corresponds to a gross initial yield of 8,2%. The transaction is structured as a transfer of a long-lease right that runs until 2099, with the city of Leuven holding the residual property rights.



## Project realised in 2018

### Diegem, Berkenlaan 8: redevelopment of Greenhouse BXL with third Greenhouse Flex

Intervest positions itself as a real estate company which does more than simply lease square metres. Intervest goes *beyond real estate*. By listening to the customer, brainstorming with them and making plans for the future, Intervest is able to “unburden” its customers and offer them added value.

Greenhouse symbolises the ‘new way of working’ where custom offices, serviced offices and coworking lounges are combined with modern meeting and event rooms and additional services. The concept encourages interaction between visitors, fixed and flexible tenants.

In 2016, Intervest reoriented the Greenhouse Antwerp office building into a successful and innovative multi-tenant service-oriented and inspiring office building that combines traditional office space with flexible workspace. In Mechelen the office tower building on Mechelen Campus - where the flexible working concept was first introduced in 2012 - was renamed Greenhouse Mechelen. Flex-time workers can go to the three Greenhouse locations in: Antwerp, Mechelen and Brussels. In the second half of 2018 the number of flex-time workers strongly increased. In 2018 a total of 38 flexible agreements were concluded with coworkers or tenants of serviced offices.

The departure of the tenant in its building in Diegem at the start of 2017 also provided Intervest with the opportunity to achieve the same redevelopment of this high-quality building in an easily accessible location that is exceedingly suited for being **repositioned** into the Greenhouse concept. After being thoroughly renovated, Greenhouse BXL opened its doors in the fourth quarter of 2018. Greenhouse BXL is imposing with a glass entrance hall that functions as a multi-functional meeting place and event area. There are also various meeting and event rooms, including an auditorium that can accommodate 200 people. There are two restaurants in the building. The Grand Café ‘The Velvet Corner’ has a wide range of healthy club sandwiches and salads on offer. The company restaurant “The Greenery” has a more extensive menu. Tenants can call on a service desk, which ensures a personalised approach when it comes to their needs.

The first tenants Cazimir and Owens & Minor moved in in 2018 and at the start of 2019 Greenhouse BXL welcomed Essity, Konica Minolta and Goodyear. They will be joined by Roche at the end of 2019. The total occupancy rate as at 31 December 2018 amounted to 80% and only about 10% of the leasable space is still available for letting as traditional office space. The first tenants of the serviced offices have in the meantime also moved into the new office building.

The total investment in this redevelopment project amounted to € 10 million, of which € 8 million in 2018 and € 2 million in 2017.

At the start of 2017, Intervest also purchased the adjoining vacant building at Berkenlaan 7 at the land price for € 1,8 million, with the intention of demolishing the existing building and integrating the site with Greenhouse BXL with the creation of an additional open area with a park, opportunities to relax and an underground parking lot. In 2019 the reorientation works will further be developed and concreted.

## 1.4. Development potential for 2019

In Belgium, Interinvest is working on redeveloping zone B of the former Ford site in Genk and in the Netherlands, Interinvest has three committed logistics developments in the pipeline that will be completed in 2019. After they have been completed, these developments will expand the clusters that Interinvest intends to form in the Netherlands.

### Belgium

#### 'Genk Green Logistics': redevelopment of zone B of the former Ford site in Genk to start

Genk Green Logistics is the cooperative company between Interinvest, on the one hand, and Group Machiels, on the other, which together with developer MG Real Estate and DEME Environmental Contractors will be responsible for the redevelopment of one of the most large-scale accessible tri-modal logistics hubs in Flanders.

The site is **strategically located** in the important logistics corridor Antwerp - Limburg - Liège. The surface area of the entire Ford site is 133 hectares. The site has tri-modal access via the Albert Canal, rail and the proximity of the E314 and E313. The large scale of the site and its tri-modal access are unique trump cards to put Genk Green Logistics on the map as a logistics hotspot. Genk Green Logistics has purchased the site on zone B of the Ford site, which is 42 hectares. Zone A is to become a public domain reserved for community events. Zone C is the property of De Vlaamse Waterweg.

Genk Green Logistics plans a **full new construction project** at zone B, which will consist of a state of the art logistics complex of approximately **250.000 m<sup>2</sup>** after full development. This surface area is intended to be developed in phases, spread over different buildings, over an expected period of five years.

Genk Green Logistics stands for a development plan with a clear commercial focus on large scale operation and e-commerce. It expects that this will attract a broad range of users to the site, from e-commerce retail activities, e-fulfilment service providers to classic 3PL organisations. Genk Green Logistics will also be open to other logistics needs or the smart manufacturing industry.

Together with its partners, Genk Green Logistics pools expertise in the investment, development and remediation of large-scale industrial sites. The partners in and of Genk Green Logistics therefore also aim to develop the project in cooperation with all stakeholders into a total concept that will strengthen the wider region.

In the course of 2018, a few important steps will be taken in the redevelopment of the former Ford site in Genk:

- The private purchase-sale agreement with the Flemish government was concluded as at 25 May 2018 and the authentic deed was executed as at 24 September 2018, by virtue of which Genk Green Logistics became owner of zone B with the commitment to redevelop this zone into a logistics hub.
- As at 26 July 2018 the FSMA granted Genk Green Logistics a licence as institutional regulated real estate company (IRREC) in accordance with Belgian law. The public limited company Genk Green Logistics was founded as at 30 August 2018, with Intervest and Group Machiels as shareholders.
- Genk Green Logistics has started the commercialisation of the new build development in zone B.
- In August 2018, Genk Green Logistics submitted an application to 'Agentschap Innoveren en Ondernemen' to obtain a brownfield agreement in order to facilitate the redevelopment process. The application file was declared admissible and founded in December 2018.

De Vlaamse Waterweg will still be carrying out demolition, remediation and infrastructure works in zone A in the first few years but Genk Green Logistics can simultaneously start the construction works for the new build developments in large parts of zone B. Genk Green Logistics strongly believes in the commercial attractiveness of the region and the benefits that the large-scale project can offer the logistics service providers and it will also start the first building of approximately 20.000 m<sup>2</sup> without pre-leasing. The first building will be operational in 2020.

In the course of 2019 and 2020, Genk Green Logistics will pay its contribution in the amount of € 12 million to the demolition, remediation and infrastructure works in phases, based on the progress of the works. Intervest will systematically communicate detailed information regarding financing, yields and other preconditions as the various phases progress. Depending on the precise outcome, the final investment value of the entire project will vary between € 120 million and € 150 million.

## The Netherlands

### Roosendaal, Braak 1: acquisition of a site to develop logistics project

In January 2018, Intervest concluded a private agreement subject to the usual suspensive conditions for the purchase of a site of 3,9 hectares on the industrial site Borchwerf I in Roosendaal. In cooperation with a specialised developer, Intervest will build a state-of-the-art logistics complex on this site, consisting of over 24.100 m<sup>2</sup> of storage space, 3.200 m<sup>2</sup> of mezzanine and 600 m<sup>2</sup> of offices. The site will be transferred to Intervest in 2019, following demolition works and prepared for construction, after which the construction works can be started. Delivery is expected by the fourth quarter of 2019.

The complex is being commercialised. The final purchase price will depend on the rental situation at the time the building is delivered and will vary between € 18,3 million and € 20,9 million. At this point in time, it is estimated that the building will generate approximately € 1,3 million rental income per year and that the gross initial yield will vary between 7,1% and 6,2%, depending on the duration of the lease agreement to be concluded.

### Eindhoven, Flight Forum 1890: Gold & Silver Forum form cluster at Eindhoven Airport

Interinvest concluded a turn-key purchase agreement in November 2018 subject to the usual suspensive conditions for the purchase of a logistics development near the airport of Eindhoven, on a plot of approximately 33.000 m<sup>2</sup>.

Gold Forum is a state-of-the-art sustainable logistics project development of approximately 21.000 m<sup>2</sup> and will form one whole architectural and functional unit with the Silver Forum purchased in 2018, which will create a complete logistics complex of almost 50.000 m<sup>2</sup>. Just like Silver Forum, Gold forum will be given a strikingly organic shape but with a gold-coloured curved finish to the façade.

The logistics building is being developed by and at the risk of Kero Vastgoed, a Dutch property developer from the Eindhoven region. Delivery is expected by the third quarter of 2019, the moment at which Interinvest will acquire the building. Kero Vastgoed provides a rental guarantee of € 1,2 million per year for 2 years after the purchase date.

The total purchase value will amount to € 18,9 million and will provide an annual rental income of € 1,2 million, which corresponds to a gross initial yield of 6,2%.

### Roosendaal, Blauwhekken 2: third logistics site in Roosendaal

In November 2018, Interinvest entered into an agreement for the acquisition of a BREEAM Very Good certified new construction built-to-suit project on the Borchwerf II industrial site subject to the usual suspensive conditions. The new construction project of 17.800 m<sup>2</sup> for production and distribution activities will be delivered in the first quarter of 2019, at the moment at which Interinvest will become owner, and the triple net lease starts for a fixed period of 15 years.

The new warehouse will be given a striking look with a protruding awning at the front and glass spanning the entire height of the building. A photovoltaic installation will be fitted on the roof.

With this acquisition, Interinvest takes up a third position in Roosendaal and thus further develops its formation of clusters in the top logistics hotspot in West-Brabant.

The total purchase value will amount to € 16,8 million and will provide an annual rental income of € 1,0 million, which corresponds to a gross initial yield of 5,7%.

## 1.5. Rental activity

With regard to leases, Interinvest extended or renewed a total of **15% of rental income** in 2018 **for long-term rental income**. This was 9% in 2017. 38 rental transactions for 105.000 m<sup>2</sup> were concluded with new or existing tenants. The lease activity in 2018 focused mainly on agreements with new tenants, i.e. 8% of the rental income (3% in 2017) in 18 transactions. With regard to expansions and extensions, Interinvest concluded 20 transactions, which represent 45.400 m<sup>2</sup> or 6% of the rental income (6% in 2017).

In the **office portfolio**, Interinvest leased 32.600 m<sup>2</sup> in 30 transactions, which represents 21% of the rental income of the office segment. This was 6% in 20 transactions in 2017. This relates to a mix of new tenants (12% of the rental income for offices), including Roche, Goodyear, Konica Minolta, Owens & Minor, Essity and Cazimir who are moving in at Greenhouse BXL, as well as extensions and expansions with existing tenants (9% of the rental income for offices) such as Galapagos and Cochlear in Mechelen and Rexel in Zellik.

In the **logistics portfolio**, 72.200 m<sup>2</sup> were leased in eight transactions, which represents 10% of the rental income of the logistics segment. This was 12% in 10 transactions in 2017. Here, too, agreements were mainly entered into with new tenants, namely 6% of the logistics rental income, and, in this way, it was possible to provide for anticipatory occupancy of a few sites that were expected to become vacant, with the result that the degree of occupancy in the logistics segment remained stable compared to the end of 2017.

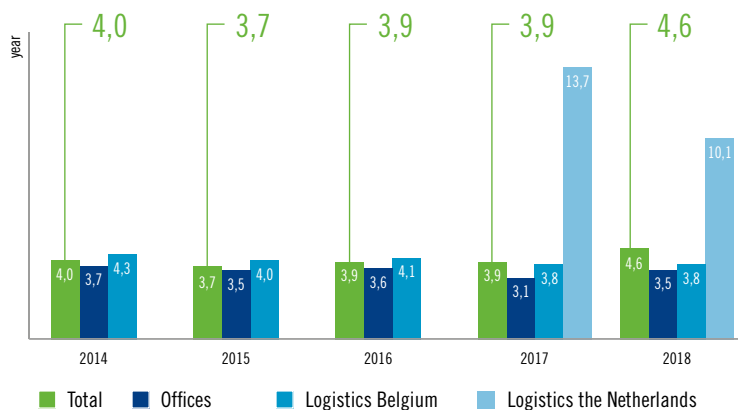
Besides these long-term leases and extensions, in the logistics segment, **temporary agreements** for 35.200 m<sup>2</sup> or 9% of the rental income of the logistics segment were also concluded or extended by an indefinite period or a period of less than one year. Moreover, in the office segment, **38 flexible agreements** were concluded for Greenhouse Flex and serviced offices in Brussels, Mechelen and Berchem, where the flexibility of the new Greenhouse Flex formula that provides the subscribers with the possibility of using the coworking lounges in the three Greenhouse locations in Antwerp, Brussels and Mechelen has led to an increase in the number of coworkers. The serviced offices in Greenhouse Antwerp were already previously fully leased and those in Brussels are being occupied from the start of 2019.





## 1.6. Duration of lease agreements in portfolio

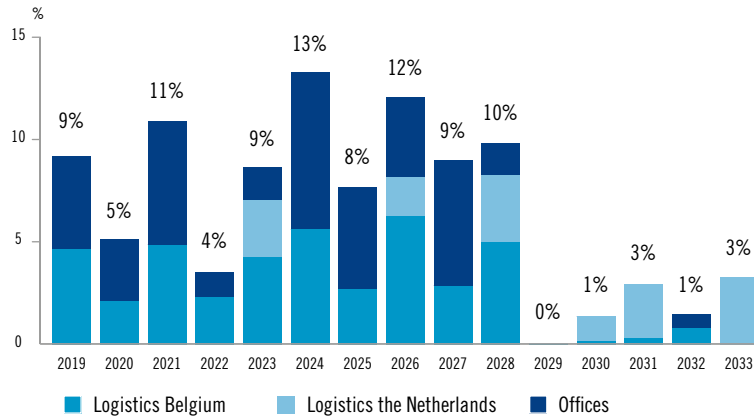
### Average remaining duration of the agreements until the next expiry date



For the offices, the average remaining lease period duration until the next expiry date (WALL) amounted to 3,5 years as at 31 December 2018, as compared to 3,1 years as at 31 December 2017. For large office tenants (above 2.000 m<sup>2</sup>), which comprise 67% of the overall remaining rental income flow, and which therefore have a great impact on Intervest's results, the next expiry date (as at 1 January 2019) is, on average, after 3,8 years, compared to 3,4 years at the of December 2017. This improvement in the average remaining lease period is mainly caused by the newly concluded lease agreements for Greenhouse BXL, often with a duration of 6 years or more, and, in this way they have a positive effect on the average remaining agreement duration of 0,4 year.

For the logistics properties, the average lease period duration until the next expiry date amounted to 5,5 years as at 31 December 2018, as compared to 4,4 years as at 31 December 2017. This increase is mainly due to the acquisition of five logistics sites that are leased for long terms. They increase the remaining agreement duration until the next expiry date by 1,4 years and provide a WALL logistics in the Netherlands which amounted to 10,1 years as at 31 December 2018.

Final expiry dates of the lease agreements in the entire portfolio



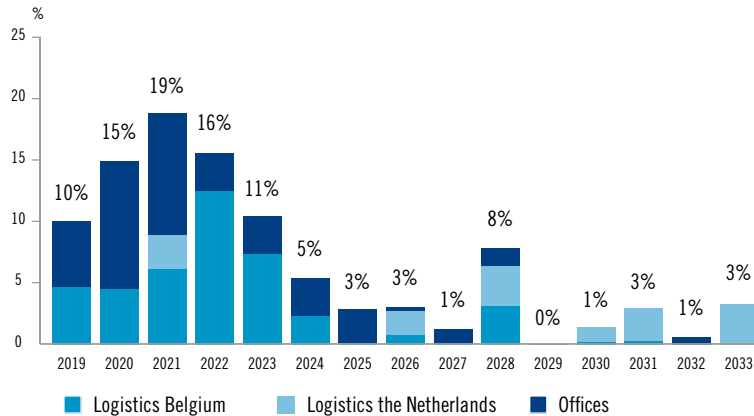
The final expiry dates of Intervest’s lease agreements are well-spread out over the coming years. Based on the contractual annual rent, 9% of the agreements have a final expiry date in 2019. Only 5% of the agreements will reach the final expiry date in 2020.

As at 16 February 2018, Intervest learned via the press of Medtronic’s intention of closing its logistics site in Opglabbeek. The annual rent for Medtronic represents 3% of Intervest’s total contractual rental income. The first possibility to give notice for the contract is 31 August 2022. In the meantime, the first discussions have been conducted with Medtronic to further examine the options regarding any re-rental and termination of the agreement in 2022.

The lease agreement with PricewaterhouseCoopers in Woluwe Garden, will expire as at 31 December 2021. In the meantime, it is clear to Intervest that this tenant, which represents 5% of Intervest’s total contractual rental income, does not want to conclude a new lease agreement after this expiry date and will leave the site by the end of 2021. With the successful repositioning of Greenhouse BXL, Intervest has already proven that any departure by an important tenant need not necessarily be negative. In the course of 2019 the future opportunities for this building will be further analysed, on the level of a redevelopment into a Greenhouse-hub site as well as on the level of divestment.

Also with regard to Nike Europe Holding, representing 4% of the contractual rental income, the company is currently not clear on the intention regarding whether or not the current availability agreement, which will partly expire in 2020 and partly in 2021, will be renewed.

Next expiry dates of the lease agreements in the entire portfolio



As agreements are often of the type 3/6/9, a large number of tenants have the possibility to end their lease agreements every three years. The graph gives the first expiry dates of all lease agreements (this can be the final expiry date or an interim expiry date). Because Intervest has several long-term agreements, not all lease agreements can be terminated after three years, however.

The graph shows the hypothetical scenario as at 31 December 2018 in which every tenant terminates its lease agreement on the next interim expiry date. This is a worst-case scenario; on average, the tenants who vacated in 2018 only gave notice after a lease period of almost 8 years, 14 years in 2017.

In 2019, 10% of the agreements reach their interim or final expiry date, of which 5% in the office portfolio and 5% in logistics real estate.



## 2. Financial annual results for 2018

### 2.1. Summary

Intervest's EPRA earnings for the financial year 2018 amounted to € 31,2 million. This result signifies an increase of 14% compared to the result of € 27,4 million in 2017. The EPRA earnings per share rose by 3% and amounted to € 1,63 for 2018 compared to € 1,58 for 2017. This was despite a rise of 10% of the weighted average number of shares caused by the capital increase of November 2018 and the optional dividend in May 2018.

This rise in the EPRA earnings was mainly due to the 11% rise in the rental income due to the acquisitions of financial years 2017 and 2018 and the leases in the existing real estate portfolio, partly compensated by the limited increase in the property charges and the higher financing costs as a result of the growth in the real estate portfolio.

The operating margin improved by almost 2% from 81% in 2017 to 83% in 2018. The average interest rate of the financing dropped from 2,6% in 2017 to 2,4% in 2018 because of credit renewals and the issue of a commercial paper programme.

### 2.2. Key figures

Number of shares	2018	2017
Number of shares at year-end	24.288.997	18.405.624
Number of shares entitled to dividend	24.288.997	17.740.407
<i>Number of shares entitled to dividend coupon 21</i>	18.891.443	n/a
<i>Number of shares entitled to dividend coupon 22</i>	24.288.997	n/a
Weighted average number of shares	19.176.981	17.409.850
<b>Result per share - the Group's share</b>		
Net result (€)	1,78	1,22
EPRA earnings based on the weighted average number of shares (€)	1,63	1,58
Pay-out ratio* (%)	86%	89%
Gross dividend** (€)	1,40	1,40
Percentage withholding tax	30%	30%
Net dividend (€)	0,9800	0,9800
<b>Balance sheet information per share - Group share</b>		
Net value (fair value) (€)	19,62	19,52
Net asset value EPRA (€)	19,88	19,62
Share price on closing date (€)	20,60	22,49
Premium with regard to fair net value (%)	5%	15%

\* Intervest Offices & Warehouses is a public regulated real estate company with a legal distribution obligation of at least 80% of the net result, adjusted to non-cash flow elements, realised capital gains and capital losses on investments properties and debt reductions.

\*\* Subject to approval by the annual general meeting to be held in 2019.

## 2.3. EPRA Key figures

EPRA key figures	31.12.2018	31.12.2017
EPRA earnings (in € per share) (Group share)	1,63	1,58
EPRA NAV (in € per share)	19,88	19,62
EPRA NNNAV (in € per share)	19,49	19,28
EPRA Net Initial Yield (NIY) (%)	6,2%	6,0%
EPRA Topped-up NIY (%)	6,4%	6,2%
EPRA Vacancy rate (%)	6,7%	13,8%
EPRA cost ratio (including direct vacancy costs)	17,4%	19,0%*
EPRA cost ratio (excluding direct vacancy costs)	16,2%	17,6%*

\* Figures after adaptation of the calculation of the EPRA Cost Ratio's after a thorough analysis of the EPRA definitions.

Figures as published in the Annual report 2017:

EPRA cost ratio (including direct vacancy costs): 20,6%

EPRA cost ratio (including direct vacancy costs): 19,1%

The EPRA NIY and the EPRA topped-up NIY increased as at 31 December 2018 as compared to 31 December 2017 as a result of the lettings in the existing portfolio, compensated by acquisitions during 2017 and 2018 at more sharpened yields.

The EPRA cost ratio as at 31 December 2018 decreased compared to 31 December 2017, as a result of the higher rental income from acquisitions and the limited increase of property charges.



## 2.4. Consolidated income statement

in thousands €	2018	2017
Rental income	47.920	43.349
Rental-related expenses	-53	-4
Property management costs and income	806	623
<b>Property result</b>	<b>48.673</b>	<b>43.968</b>
Property charges	-6.394	-6.162
General costs and other operating income and costs	-2.725	-2.729
<b>Operating result before result on portfolio</b>	<b>39.554</b>	<b>35.077</b>
Changes in fair value of investment properties	7.033	-7.274
Other result on portfolio	-2.472	-89
<b>Operating result</b>	<b>44.115</b>	<b>27.714</b>
Financial result (excl. changes in fair value of financial assets and liabilities)	-8.005	-7.467
Changes in fair value of financial assets and liabilities (ineffective hedges)	-1.615	1.119
Taxes	-390	-180
<b>NET RESULT</b>	<b>34.105</b>	<b>21.186</b>
Minority interests	-9	0
<b>NET RESULT - Group share</b>	<b>34.114</b>	<b>21.186</b>
<b>Note:</b>		
EPRA earnings	31.168	27.430
Result on portfolio	4.561	-7.363
Changes in fair value of financial assets and liabilities (ineffective hedges)	-1.615	1.119

### Analysis of the results <sup>1</sup>

Interinvest's strategy is based on a reorientation of its office portfolio and a growth of the logistics real estate portfolio. For financial year 2018, the **rental income** of Interinvest amounted to € 47,9 million, an increase of € 4,6 million or 11% as compared to financial year 2017 (€ 43,3 million).

The rental income in the logistics portfolio increased by € 4,0 million. This is an increase of 17% compared to 2017. The increase was mainly the result of investments in 2017 which contributed to the result for a full year in 2018, as well as new logistics acquisitions in 2018 in Vuren, Eindhoven, Raamsdonksveer, Roosendaal, Tilburg and Ghent, which caused the rental income to increase further. The expansions achieved in 2017 in the existing sites in Herentals and Herstal also contributed to the increase in rental income.

The rental income in the office segment increased slightly by € 0,6 as a result of new leases of vacant space in places such as Mechelen Campus Tower and Woluwe Garden. The leases in Greenhouse BXL will gradually contribute to the company's rental income during the course of 2019. The acquisition of the Ubicenter in Leuven in December 2018 will also contribute to the result for a full year in 2019.

<sup>1</sup> The figures between brackets are the comparable figures for financial year 2017.

*Rental income in the logistics real estate portfolio increased by 17% as a result of acquisitions in the Netherlands and by 2% in the office portfolio as a result of leases in the existing portfolio.*

The **property charges** for financial year 2018 amounted to € 6,4 million (€ 6,2 million). The limited rise of € 0,2 million was caused primarily by (i) the € 0,5 million increase in property management costs due to the expansion of the Intervest team as a result of the growth of the real estate portfolio, and (ii) partially compensated by lower technical costs.

The **general costs and other operating income and costs** amounted to € 2,7 million for financial year 2018 and have therefore remained at the same level as last year (€ 2,7 million).

The increase in rental income, combined with the limited increase in property costs and stable general costs, means that the **operating result before the result on portfolio** increased by € 4,5 million or 13% to € 39,6 million in 2018 (€ 35,1 million). This has caused an improvement from 81% in 2017 to 83% in Intervest's operating margin for financial year 2018.

Intervest did not divest any invest properties in financial year 2018.

The **changes in the fair value of investment properties** amounted to € 7,0 million in 2018 (€ -7,3 million). The positive changes in fair value are the result of:

- the increase in fair value of 2% or € 7,4 million of the logistics portfolio as a result of sharpened yields in the Netherlands and Belgium, as well as of the increase in value on the acquisitions of 2018
- the decrease in fair value of the office portfolio by € -0,4 million, consisting of a general decrease in value of 1% or € 2,3 million (due to the adjustment of the yields, partly compensated by an increase in fair value of Greenhouse BXL and Mechelen Campus Tower as a result of the leases achieved) and the increase on the acquisition in Leuven in 2018 in the amount of € 1,9 million.

In 2018, the **other result on portfolio** amounted to € -2,5 million (€ -0,1 million) and primarily comprised the provision for deferred tax on non-realised increases in value on the investment properties belonging to the perimeter companies of Intervest in the Netherlands and Belgium.

The **financial result (excl. changes in fair value of financial assets and liabilities (ineffective hedges))** amounted in 2018 to € -8,0 million (€ -7,5 million). The increase of the financing costs is a result of the growth of the real estate portfolio. The refinancing carried out in 2017 and 2018 to optimise the financing structure gives, together with the commercial paper programme that was implemented in July 2018, a partial compensation of the increased costs and a decrease of Intervest's average financing cost.

*The average interest rate for financing amounted to 2,4%, including bank margins for financial year 2018 (2,6% in 2017).*

The **changes in fair value of financial assets and liabilities (ineffective hedges)** include the change in market value of the interest rate swaps which, in line with IAS 39, cannot be classified as cash flow hedging instruments, in the amount of € -1,6 million (€ 1,1 million).

The **net result** of Interinvest for the 2018 financial year amounted to € 34,1 million (€ 21,2 million) and can be divided into:

- the **EPRA earnings** of € 31,2 million (€ 27,4 million); or an increase of € 3,7 million or 14% mainly due to the rise in the rental income due to the acquisitions of financial years 2017 and 2018 and the leases in the existing real estate portfolio, partly compensated by the limited increase in the real estate costs and the higher financing costs as a result of the growth in the real estate portfolio.
- the **result on portfolio** of € 4,6 million (€ -7,4 million)
- the **changes in the fair value of financial assets and liabilities (ineffective hedges)** in the amount of € -1,6 million (€ 1,1 million).

This means EPRA earnings of € 31,2 million (€ 27,4 million) for financial year 2018. Taking into account the 19.176.981 weighted average number of shares, this results in **EPRA earnings per share** of € 1,63 per share as compared to € 1,58 per share for financial year 2017.

Within the scope of its growth strategy, Interinvest decided in March 2016 to plan a gross dividend of a minimum of € 1,40 per share for financial years 2016, 2017 and 2018. The shareholders can be offered a **gross dividend** of € 1,40 for the financial year of 2018<sup>2</sup> (€ 1,40 for the financial year of 2017). This equals a pay-out ratio of 86% of the EPRA earnings. This represents a **gross dividend yield** of 6,8%, based on the closing share price as at 31 December 2018 (€ 20,60).

2 Subject to approval by the annual general meeting to be held in 2019



## 2.5. Consolidated balance sheet

in thousands €	31.12.2018	31.12.2017
<b>ASSETS</b>		
Non-current assets	867.582	663.846
Current assets	19.582	15.572
<b>Total assets</b>	<b>887.164</b>	<b>679.418</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>	<b>477.208</b>	<b>359.366</b>
Share capital	219.605	167.720
Share premiums	167.883	111.642
Reserves	55.015	58.818
Net result for the financial year	34.114	21.186
Minority interests	591	0
<b>Liabilities</b>	<b>409.956</b>	<b>320.052</b>
Non-current liabilities	297.951	255.584
Current liabilities	112.005	64.468
<b>Total shareholders' equity and liabilities</b>	<b>887.164</b>	<b>679.418</b>

### Assets <sup>3</sup>

*The fair value of the investment properties as at 31 December 2018 amounted to € 867 million.*

The **non-current assets** consisted mainly of the real estate investments of Interinvest. The **fair value of the real estate portfolio** in 2018 experienced a growth of 31% and increased by approximately € 204 million due to acquisitions and redevelopments, in keeping with the strategy. The fair value of the real estate portfolio as at 31 December 2018 amounted to € 867 million (€ 663 million). The underlying fair value of the real estate portfolio underwent the following changes in 2018:

- the acquisition of six logistics sites in the Netherlands and one logistics site in Belgium and an office site in Belgium, with a total purchase value of € 182 million
- the acquisition by Genk Green Logistics of the site on the former Ford site in Genk for a purchase value of € 3 million
- the investments and expansions in the existing portfolio of € 10 million, mainly in Greenhouse BXL.
- an increase in the fair value of the existing portfolio by 0,6% or € 4 million
- the increase in value on the acquisitions for € 3 million in 2018
- the accounting processing of the value of the right-of-use for the "real estate held by right-of-use" in the amount of € 2 million, in accordance with IFRS 16, which applies as from 1 January 2018.

<sup>3</sup> The figures between brackets are the comparable figures for financial year 2017.

The **current assets** amounted to € 20 million (€ 16 million) and consisted mainly of € 10 million trade receivables of which € 9 million for advance invoicing for the first quarter of 2019, € 5 million from tax receivables and other current assets, € 2 million from liquid assets and € 2 million from deferred charges and accrued income.

## Liabilities <sup>4</sup>

*Shareholders' equity in 2018 increased by € 118 million or 33%.*

The company's **shareholders' equity** increased by € 118 million or 33% in 2018, and as at 31 December 2018, it amounted to € 477 million (€ 359 million as at 31 December 2017), represented by 24.288.997 shares (18.405.624 shares as at 31 December 2017). This increase was primarily due to:

- the capital increase with irreducible allocation right in November 2018 in the amount of € 100 million, with a net yield of € 98 million (after costs had been deducted) and the issue of 5.397.554 new shares entitled to dividend as from 30 November 2018.
- the optional dividend for € 10 million in May 2018 whereby the shareholders of Interinvest opted, for the payment of the dividend for 57,5% of their shares for financial year 2017, for the contribution of their dividend rights in return for new shares instead of receiving payment of the dividend in cash. This led to the creation of 485.819 new shares entitled to dividend as from 1 January 2018.
- the dividend payment for financial year 2017 for an amount of € 25 million in May 2018
- the net result in the amount of € 34 million for financial year 2018.

As a result of these capital increases, the **share capital** of the company rose in 2018 by € 53 million to € 221 million (€ 168 million) and the **share premiums** rose by € 56 million to € 168 million (€ 112 million).

The company's **reserves** amounted to € 55 million (€ 59 million).

As at 31 December 2018, the **net value (fair value)** of a share was € 19,62 compared to € 19,52 as at 31 December 2017. The EPRA NAV per share amounted to € 19,88 as at 31 December 2018. This means that there was an increase of € 0,26 compared to the EPRA NAV per share of € 19,62 as at 31 December 2017 as a result of combining the EPRA result generation, the revaluation of the portfolio, and the dividend payment for financial year 2017.

As the share price of the Interinvest share (INTO) was € 20,60 as at 31 December 2018, the share was listed at a premium of 5% on the closing date, compared to the fair net value. In this regard account must be taken of the fact that as at 31 December 2018, the share was listed without coupon 21, which was detached as at 15 November 2018 and entitled the holder to a pro rata temporis dividend of € 1,28. Taking this into account, the share was quoted at a premium of 12%.

*Market capitalisation reached € 500 million as at 31 December 2018.*

<sup>4</sup> The figures between brackets are the comparable figures for financial year 2017.

The **non-current liabilities** amounted to € 298 million (€ 256 million) and, on the one hand, comprise non-current financial debts in the amount of € 289 million (€ 252 million) which consisted of € 254 million long-term financing, the expiry date of which is after 31 December 2019, and the bond loan issued in March 2014 for € 35 million. On the other hand, the non-current liabilities also comprised the other non-current financial liabilities, representing the negative market value of € 3 million of the cash flow hedges concluded by the company to hedge the variable interest rates on the financial debts. Furthermore, as at 31 December 2018, a reserve of € 3 million was set up for deferred taxes and an amount of € 2 million for the liabilities for real estate held by right-of-use, in accordance with IFRS 16.

**Current liabilities** amounted to € 112 million (€ 64 million) and consisted mainly of € 87 million (€ 47 million) in current financial debts (financing with an expiry date before 31 December 2019 and the bond loan of € 25 million issued in March 2014 for which the expiry date is as at 1 April 2019), of € 5 million in trade debts and other current debts, and of € 18 million in accrued charges and deferred income.

## 2.6. Financial structure

### Developments in 2018

The financial policy of Interinvest is aimed at optimally financing the company's growth strategy. For this purpose, there is an attempt to achieve an equilibrium in the debt-shareholders' equity ratio, where the intention is to keep the debt ratio between 45% and 50%. Interinvest ensures that there are enough resources available to finance current projects and to be able to follow up growth opportunities. Sound diversification of various financing sources is pursued, as is an adequate spread of the expiry dates of the financing agreements. Interinvest continues to pay attention to actively managing the financial risks, including risk of interest, of liquidity and of financing.

In practice, Interinvest extended its financing portfolio by € 88 million or 22% in 2018. The further optimisation of its financing structure was achieved by:

- the issue of a commercial paper in July 2018 for the further diversification of the financing sources for a maximum amount of € 70 million (€ 30 million of which was withdrawn as at 31 December 2018) with a duration of 3 months (maximum duration of 1 year). The withdrawal is fully hedged by back-up lines of the assisting banks (Belfius Bank and KBC Bank) serving as guarantee for re-financing if it appears that the placement or extension of the commercial paper is only partially possible or not possible at all. Moreover, another € 5 million additional back-up line is available to further expand this programme.
- the conclusion and extension of bank loans that have led to keeping the average duration of the long-term credit facilities almost stable at 4,4 years at the end of year 2018 (4,6 years at the end of year 2017) by:
  - entering into new financing of € 35 million with Belfius Bank, having a duration of 5 years
  - entering into new financing of € 25 million with KBC Bank, having a duration of 5 years
  - extending the financing of € 20 million with ING, having a duration of 4,5 years
  - extending the financing with Bank Degroof Petercam by increasing the credit line by € 5 million and extending the credit facilities by 5 years

- making its hedging strategies stronger through the current low interest rates: where the previous target hedge ratio in 2016 was still 66%, Interinvest increased the aim for the hedging ratio to at least 80%. The hedging ratio amounted to 84% at the end of the year 2018 (76% as at 31 December 2017) and is the result of closing the new interest rate swaps for € 100 million having durations of between 5 and 7 years.

This financing, interest hedging and optimisation have caused the average financing cost of Interinvest to decrease from 2,6% in 2017 to 2,4% in 2018.

This (re)financing shows the confidence that financial institutions have in Interinvest and its strategy. They have led to an adequate spread of the expiry calendar of the long-term financing between 2019 and 2026, while duly regarding balance between cost price, duration and diversification of the financing sources.

Moreover, at year-end 2018, a buffer of € 113 million of non-withdrawn credit lines was available to finance committed acquisition projects in the pipeline in the amount of € 57 million, the repayment of the bond loan in the amount of € 25 million, which will expire as at 1 April 2019 and the dividend payment in May 2019. In January 2019, Interinvest concluded additional financing with Triodos Bank, which is specialised in financing sustainable projects and undertakings, for an amount of € 25 million for a duration of 7 years.

The **debt ratio** of the company amounted to 43,5% as at 31 December 2018 (44,6% 31 December 2017). The decrease by 1,1% compared to 31 December 2017 was primarily the result of combining investments in the amount of € 195 million in investment properties, which amount was partly financed by borrowed capital and partly by financial resources from the capital increase and the optional dividend.

### *The debt ratio of Interinvest amounted 43,5% as at 31 December 2018.*

Because of this limited debt ratio of 43,5% as at 31 December 2018, approximately € 120 million can still be invested with borrowed capital before reaching the top of the strategic range of 45%-50%.

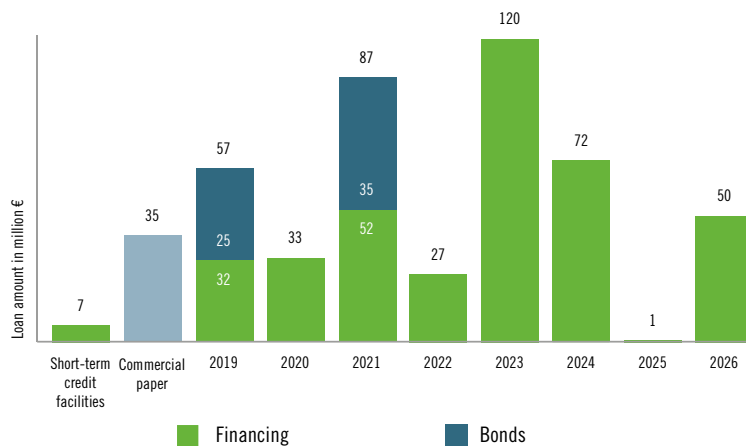
This solid capital structure was achieved by creating € 110 million in new capital by issuing 32% shares during the course of 2018 within the scope of the capital increase and the optional dividend with a success rate of 57,5%.

## Overview as at 31 December 2018

Other important characteristics of the financial structure as at the end of 2018 are:

### Credit lines

- 80% long-term credit lines with a weighted average remaining duration of 4,4 years (4,6 years at the end of year 2017); and 20% short-term credit lines (€ 100 million) consisting of:
  - 35% (€ 35 million) commercial paper
  - 30% (€ 30 million) credit facilities expiring within the year
  - 25% (€ 25 million) bond loan expiring as at 1 April 2019
  - 8% (€ 8 million) credit facilities with unlimited duration
  - 2% (€ 2 million) repayment credits
- financing sources
  - bilateral credit lines 69%
  - institutional financing facilities 12%
  - bond loans 12%
  - commercial paper 7%
- spread of the expiry dates of credit facilities between 2019 and 2026



- spread of credit facilities over seven European financial institutions and bond holders and a commercial paper program.

### Hedge ratio

- 84% of the withdrawn credits facilities had a fixed interest rate or were fixed by interest rate swaps and 16% had a variable interest rate
- 65% of the credit lines had a fixed interest rate or are fixed by means of interest rate swaps and 35% had a variable interest rate
- interest rate swaps for a total notional amount of € 250 million
- as at 31 December 2018, the weighted average remaining duration of the interest rate swaps was 4,2 years (3,6 in 2017)
- as at 31 December 2018, the weighted average interest rate of the interest rate swaps was 0,6% (0,7% in 2017)
- market value of financial derivatives: € 3,6 million negative.

### Interest covering ratio

- ratio of 4,9 for 2018 (4,7 for 2017).

### 3. Outlook for 2019

After having successfully achieved its objectives in 2018, Interinvest will continue to work on its strategic growth plan regarding the reorientation of its office portfolio and expansion of the logistics real estate portfolio in 2019, 2020 and 2021. Permanent changes in the real estate and financial markets are the reason why Interinvest carefully monitors its strategy and approach every year and refines it without affecting the essence in the process.

#### 3.1. Investments and development potential

In 2019, Interinvest will pursue its investment strategy and the company expects the real estate portfolio to expand to a **fair value of € 1 billion** by the end of **2019** and **€ 1,3 billion** by the end of **2021**.

In view of the great interest by investors in the logistics investment market and the relatively high prices in consequence of this, **acquisitions** in the logistics portfolio, will consist, just like in 2018, of a healthy mix of “more expensive” fully completed buildings with high-quality tenants having long-term lease agreements, and developments of real estate sites, which may or may not be fully leased in advance. The latter generate a higher yield in the portfolio, in which case, of course, the accompanying building and development risks will be closely monitored.

To achieve these developments, Interinvest will examine the possibility of setting up **spare land** in the vicinity of its clusters already in existence in Belgium and the Netherlands.

The ratio of the two **real estate segments** in the portfolio as at 31 December 2018 amounted to 60% logistics real estate and 40% office buildings. In future the growth of the real estate portfolio will be realised primarily in the logistics real estate, both in Belgium and in the Netherlands. However, the office buildings will always comprise an essential part of the portfolio.

For 2019, Interinvest already has three **development projects in the pipeline** in the Netherlands for an amount of € 57 million and an anticipated total rental income flow of approximately € 3,5 million per year (see chapter 1.4). These projects will be delivered over the course of 2019:

- Roosendaal Borchwerf I: a logistics complex of 24.100 m<sup>2</sup> of storage space, 3.200 m<sup>2</sup> mezzanine and 600 m<sup>2</sup> of offices.
- Roosendaal Borchwerf II: new construction built-to-suit industrial building on the industrial site of Borchwerf II of 17.900 m<sup>2</sup>. The site consists of a production area and distribution centre of approximately 15.200 m<sup>2</sup> and has approximately 600 m<sup>2</sup> of mezzanine and 2.100 m<sup>2</sup> of office space.
- Eindhoven - Gold Forum: extremely sustainable logistics development of 21.000 m<sup>2</sup>, adjacent to Silver Forum, the site that Interinvest has had in its portfolio since June 2018.

The logistics site in Zellik that Interinvest acquired in December 2017 also offers the possibility of being redeveloped in 2019 or later. The site in Zellik is a strategic location on the Brussels periphery, located on the Antwerp - Brussels - Nivelles axis. The Brussels periphery remains a top location for Belgian logistics, both for national distribution and for rapid urban distribution. Interinvest expects to accomplish a new state-of-the-art construction of approximately 29.000 m<sup>2</sup> of warehouse space plus accompanying offices.

In 2019 Interinvest will also focus on developing the **Genk Green Logistics** project which will substantially contribute to achieving Interinvest's growth plan in the future. The Vlaamse Waterweg will perform the remediation and demolition works there and set up the infrastructure. Interinvest has started the commercialisation of the site of a total of 250.000 m<sup>2</sup> of logistics real estate and expects that it can have the first logistics building of approximately 20.000 m<sup>2</sup> started in the second half of 2019.

The market for logistic real estate is being further examined in Germany. Interinvest will assess whether there are any possible investment opportunities that fit in with the strategy and that provide adequate added value.

With regard to the **office portfolio**, Interinvest will only invest opportunistically in office buildings if the initial yield is attractive enough and the buildings provide the possibility of implementing the Greenhouse concept. Also some existing Interinvest office buildings will in future also be converted into multi-tenant buildings with a service-targeted approach. In this way, Interinvest continues its strategy of reorienting the office buildings into service-targeted inspiring working environments where working is an experience.

The objective to let the portfolio grow to € 1 billion by 31 December 2019 and to € 1,3 billion by the end of 2021 is subject to asset rotation in the office portfolio whereby smaller, detached, non-optimal or outdated office buildings where the Greenhouse concept is impossible, will be divested if there are sufficiently worthwhile opportunities to do so. Interinvest also keeps the options open to divest logistics buildings that are not adequately suited for the current and future logistics market requirements of logistics players. After all, regular divestment is necessary to further improve the quality of the assets and to continuously rejuvenate the real estate portfolio.

### 3.2. Rental activity

The occupancy rate of the Interinvest real estate portfolio was 93% as at 31 December 2018, 88% for the office buildings and 98% in the logistics portfolio.

Increasing tenant retention by extending lease duration continues to be the key challenge in the area of asset management, as does further stabilising and possibly improving the occupancy rate in the office segment. Interinvest aims to keep the number of new leases, renewals and expansions in the office portfolio at a stable minimum. In January 2019, Interinvest learned that its tenant PwC will leave the Woluwe Garden office building by the end of 2021. During the course of 2019, Interinvest will examine the future possibilities for this building, regarding both the redevelopment into a Greenhouse site and divestment.

The evolution in the occupancy rate in the logistics segment will depend on matters such as the changes on the site in Opglabbeek. Tenant Medtronic has decided to close its logistics establishment in Opglabbeek. The annual rent for Medtronic represents 4% of Interinvest's total contractual rental income. The first possibility to give notice for the agreement is 31 August 2022. Discussions are being conducted with Medtronic to further examine the options regarding any re-rental and/or early termination with the buying off of the lease agreement.

### 3.3. Beyond real estate

Interinvest continues to permanently tap into changing market circumstances, adapt accordingly and combine this with solid real estate experience.

In the strategic move from the simple letting of square metres towards the provision of flexible solutions and extensive service provision, Interinvest continues along that path with the concepts Greenhouse-hub and turn-key solutions: *beyond real estate*. Interinvest can 'unburden' its customers and offer them added value by listening to what they want, by thinking along with them and by thinking ahead. Also in 2019 Interinvest will again aim to enter new leases or to extend existing lease agreements and implement turn-key solutions: a fully bespoke solution, ranging from fitting-out plans and supervising the works to coordinating the relocation process, within a pre-set time frame and budget.

### 3.4. Financing

In accordance with Interinvest's financing policy, the further growth of the real estate portfolio will be financed by a balanced combination of borrowed capital and shareholders' equity. In this regard, the debt ratio will remain within the strategic range of 45%-50% unless a distinct overheating of the logistics real estate market causes the fair value of the real estate portfolio to rise substantially, then the range will be adjusted downwards to 40%-45% for safety's sake.

At year-end 2018, Interinvest had a buffer of € 113 million of non-withdrawn credit lines available to finance committed acquisition projects in the pipeline in the amount of € 57 million, the repayment of the bond loan in the amount of € 25 million, which will expire as at 1 April 2019 and the dividend payment in May 2019.

In January 2019, Interinvest concluded additional financing with Triodos Bank, which is specialised in financing sustainable projects and companies, for an amount of € 25 million for a duration of 7 years. By doing so, further work is done to diversify financing sources and financing partners.

In 2019 only one loan that constitutes 6% of the credit facilities will need to be refinanced in the third quarter for a total amount of € 30 million.

To guarantee the company's further growth, issues of debt instruments and share issues for financing purposes will be examined and, where possible, will always be geared towards the real estate investments pipeline.



### 3.5. EPRA earnings and gross dividend

The gross dividend of € 1,40 per share that Interinvest announced within the scope of its 2016-2018 growth strategy is confirmed and will be presented to the general meeting of shareholders as at 24 April 2019.

Based on the current 2019-2021 strategic plan, Interinvest expects that the real estate portfolio will grow to € 1 billion by the end of 2019 and to € 1,3 billion by the end of 2021, with due regard of the possible divestment to improve the quality of the real estate portfolio.

For financial year 2019 Interinvest foresees an annual growth of the EPRA earnings per share of 3%. Also from a strategic point of view, Interinvest wants to keep sufficient liquid assets from the operational activities available in the company to develop the Greenhouse concept and other innovations and renovations in its buildings. It is for this reason that Interinvest has decided to plan a gross dividend of minimum € 1,50<sup>1</sup> per share. This means a gross dividend yield of 7,3% based on the closing price of the share as at 31 December 2018, which amounted to € 20,60 and offers an average pay-out ratio of approximately 90%<sup>2</sup> of the expected EPRA earnings.

This planned gross dividend can be increased if the circumstances relating to the planned investments and/or additional leases in the real estate portfolio, which lead to a further increase in the EPRA earnings, make it possible and expedient.

<sup>1</sup> Subject to approval by the annual general meetings to be held in 2020.

<sup>2</sup> Interinvest Offices & Warehouses is a public regulated real estate company with a legal distribution obligation of at least 80% of the EPRA earnings, adjusted to non-cash flow elements. The gross dividend will always amount to 80% of this amount so that the RREC always comply to its legal obligations.

### 3.6. Sustainability

Also in 2019, Interinvest focuses on sustainability in managing its plots and in conducting its own operations and it pays additional attention to the “5 Ps for sustainable enterprise”: Planet, Peace, Partnership, Prosperity & People: attention for the environment, a care-free society, good understanding, technological progress and a healthy living environment.

Since 2009, Interinvest has been systematically certifying the environmental performance of its buildings step by step, based on the internationally recognised BREEAM-In-Use assessment method. In 2019, Interinvest will check which existing certificates can be renewed or what actions need to be taken to certify buildings that have not yet been certified.

Every effort is being made to achieve a BREEAM excellent to outstanding classification for new construction building projects in the Netherlands in which Interinvest was involved from the start of the construction works already, such as in Roosendaal Braak or Gold Forum Eindhoven. With regard to the plots newly acquired in 2017 and 2018, Interinvest is examining to what extent energy can be generated by photovoltaic installations on roofs.

In 2019, Interinvest will also cooperate in Flux50, the joint venture between the Flemish government, the research sector and industry to make Flanders a “smart energy region”. Together with, for example, Quares, Engie and Continental, Interinvest forms part of the business consortium that will analyse the possibilities on the Mechelen Campus office site and its immediate vicinity to create a smart grid environment in the long term to be able to exchange power with one another.

With its Greenhouse formula, Interinvest focuses on the community feeling in all Greenhouse locations between coworkers, tenants of serviced offices and traditional offices, as well as employees from the surrounding offices. The community events in the three Greenhouse locations will be further reinforced in 2019 by, for example, referring to an app that announces Greenhouse activities and that is also a CRM tool that provides the possibility to establish contact with new business relations. Interinvest also plans to involve the Ubicenter office complex in Leuven, which was acquired in 2018, in the Greenhouse community feeling.

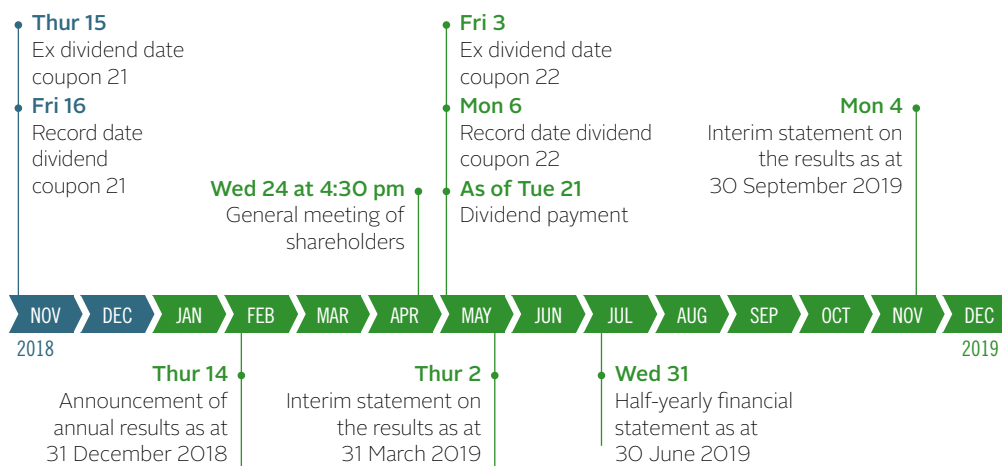


Zellik - Photovoltaic installations



Berchem - Greenhouse Antwerp - Serviced offices

## 4. Financial calendar 2019



5.397.554 new Intervest shares have been issued pursuant to the capital increase in November 2018. All shares participate, in the same manner, in the results of Intervest and entitle the holders to the dividends granted by Intervest. However, the new shares were issued without coupon no. 21.

Coupon no. 21 was already detached as at 15 November 2018 and entitles the holder to a pro rata temporis dividend to the value of € 1,28 per share for the period from 1 January 2018 until 29 November 2018, inclusive.

Coupon no. 22 entitles the holder to a pro rata temporis dividend to the value of € 0,12 per share for the period from 30 November 2018 until 31 December 2018, inclusive. The ex-dividend date for coupon no. 22 is scheduled as at 3 May 2019.

Both coupons will, as expected and subject to approval by the general meeting of shareholders, be paid out from 21 May 2019.

The annual report for the financial year of 2018 will be available on the company's website ([www.intervest.be](http://www.intervest.be)) as from 22 March 2019.

**Intervest Offices & Warehouses nv, (hereinafter Intervest)**, is a public regulated real estate company (RREC) founded in 1996 of which the shares are listed on Euronext Brussels (INTO) as from 1999. Intervest invests in high-quality Belgian office buildings and logistics properties that are leased to first-class tenants. The properties in which Intervest invests, consist primarily of up-to-date buildings that are strategically located in the city centre and outside municipal centres. The offices of the real estate portfolio are situated on the Antwerp - Mechelen - Brussels axis; the logistics properties on the Antwerp - Brussels - Nivelles and Antwerp - Limburg - Liège axis with further extensions in Belgium, the Netherlands and towards Germany. Intervest distinguishes itself when leasing space by offering more than square metres only. The company goes *beyond real estate* by offering 'turnkey solutions' (a tailor-made global solution for and with the customer), extensive services provisioning, co-working and serviced offices.

**For more information, please contact:**

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Jean-Paul SOLS - ceo or Inge TAS - cfo, T. + 32 3 287 67 87.

<https://www.intervest.be/en>

Annexes: Financial statements<sup>1</sup>

## Consolidated income statement

in thousands €	2018	2017
Rental income	47.920	43.349
Rental-related expenses	-53	-4
<b>NET RENTAL INCOME</b>	<b>47.867</b>	<b>43.345</b>
Recovery of property charges	729	881
Recovery of rental charges and taxes normally payable by tenants on let properties	9.919	12.864
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-529	-375
Rental charges and taxes normally payable by tenants on let properties	-9.919	-12.864
Other rental-related income and expenses	606	117
<b>PROPERTY RESULT</b>	<b>48.673</b>	<b>43.968</b>
Technical costs	-1.059	-1.325
Commercial costs	-166	-252
Charges and taxes on un-let properties	-587	-634
Property management costs	-4.019	-3.544
Other property charges	-563	-407
<b>Property charges</b>	<b>-6.394</b>	<b>-6.162</b>
<b>OPERATING PROPERTY RESULT</b>	<b>42.279</b>	<b>37.806</b>
General costs	-2.749	-2.722
Other operating income and costs	24	-7
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>39.554</b>	<b>35.077</b>
Changes in fair value of investment properties	7.033	-7.274
Other result on portfolio	-2.472	-89
<b>OPERATING RESULT</b>	<b>44.115</b>	<b>27.714</b>
Financial income	45	161
Net interest charges	-8.039	-7.621
Other financial charges	-11	-7
Changes in fair value of financial assets and liabilities (ineffective hedges)	-1.615	1.119
<b>Financial result</b>	<b>-9.620</b>	<b>-6.348</b>
<b>RESULT BEFORE TAXES</b>	<b>34.495</b>	<b>21.366</b>
Taxes	-390	-180
<b>NET RESULT</b>	<b>34.105</b>	<b>21.186</b>

- <sup>1</sup> The statutory auditor has confirmed that his full audit, which has been substantially completed, has not revealed material adjustments which would have to be made to the accounting information disclosed in this press release and that an unqualified auditor's report will be issued.

in thousands €	2018	2017
<b>NET RESULT</b>	<b>34.105</b>	<b>21.186</b>
Minority interests	-9	0
<b>NET RESULT - Group share</b>	<b>34.114</b>	<b>21.186</b>
<b>Note:</b>		
EPRA earnings	31.168	27.430
Result on portfolio	4.561	-7.363
Changes in fair value of financial assets and liabilities (ineffective hedges)	-1.615	1.119
<b>RESULT PER SHARE</b>	<b>2018</b>	<b>2017</b>
Number of shares at year-end	24.288.997	18.405.624
Number of dividend-entitled shares	24.288.997	17.740.407
Number of shares entitled to dividend coupon 21	18.891.443	n/a
Number of shares entitled to dividend coupon 22	24.288.997	n/a
Weighted average number of shares	19.176.981	17.409.850
Net result (€)	1,78	1,22
Diluted net result (€)	1,78	1,22
EPRA result (€)	1,63	1,58

## 2. Consolidated statement of comprehensive income

in thousands €	2018	2017
<b>NET RESULT</b>	<b>34.105</b>	<b>21.186</b>
Other components of comprehensive income (recyclable through income statement)	0	0
<b>COMPREHENSIVE INCOME</b>	<b>34.105</b>	<b>21.186</b>
<b>Attributable to:</b>		
Shareholders of the parent company	34.114	21.186
Minority interests	-9	0

### 3. Consolidated balance sheet

ASSETS in thousands €	31.12.2018	31.12.2017
<b>NON-CURRENT ASSETS</b>	<b>867.582</b>	<b>663.846</b>
Intangible assets	508	501
Investment properties	866.504	662.539
Other tangible assets	400	611
Financial non-current assets	156	182
Trade receivables and other non-current assets	14	13
<b>CURRENT ASSETS</b>	<b>19.582</b>	<b>15.572</b>
Trade receivables	10.120	9.609
Tax receivables and other current assets	5.092	3.471
Cash and cash equivalents	1.972	728
Deferred charges and accrued income	2.398	1.764
<b>TOTAL ASSETS</b>	<b>887.164</b>	<b>679.418</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>477.208</b>	<b>359.366</b>
<b>Shareholders' equity attributable to shareholders of the parent company</b>	<b>476.617</b>	<b>359.366</b>
Share capital	219.605	167.720
Share premium	167.883	111.642
Reserves	55.015	58.818
Net result financial year	34.114	21.186
<b>Minority interests</b>	<b>591</b>	<b>0</b>
<b>LIABILITIES</b>	<b>409.956</b>	<b>320.052</b>
<b>Non-current liabilities</b>	<b>297.951</b>	<b>255.584</b>
Non-current financial debts	288.573	252.371
<i>Credit institutions</i>	253.725	192.675
<i>Bond loan</i>	34.848	59.696
Other non-current financial liabilities	3.460	2.020
Other non-current liabilities	3.010	1.001
Deferred taxes - liabilities	2.908	192
<b>Current liabilities</b>	<b>112.005</b>	<b>64.468</b>
Current financial debts	87.282	46.805
<i>Credit institutions</i>	30.631	46.805
<i>Commercial Paper</i>	30.000	0
<i>Bond loan</i>	24.983	0
<i>Financial lease</i>	1.668	0
Other current financial liabilities	152	3
Trade debts and other current debts	5.249	2.290
Other current liabilities	1.774	217
Accrued charges and deferred income	17.548	15.153
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>887.164</b>	<b>679.418</b>