BEYOND
REAL
ESTATE

HALF-YEARLY FINANCIAL REPORT 2020

INTERVEST
OFFICES & WAREHOUSES

BEYOND REAL ESTATE

HALF-YEARLY FINANCIAL REPORT

Regulated information
Under embargo until 29.07.2020, 6 pm

ANTWERP, 29 JULY 2020

INTERVEST
OFFICES & WAREHOUSES

Key figures first semester 2020[1]

- **Real estate portfolio**
  € 961 million: growth of 8% or € 68 million
- **Yield**
  Remains stable in the full portfolio
- **EPRA earnings per share**
  € 0,76 (€ 1,03 first semester 2019, resp. € 0,83 excl. Medtronic)
- **EPRA NAV**
  € 21,06 per share (€ 21,79)
- **Occupancy rate**
  92% (93%)
- **WALL**
  4,3 years full portfolio (4,3 years)
- **Limited debt ratio**
  44% (39%)
- **Average interest rate of the financing**
  2,0% (2,3% first semester 2019)
- **Intended gross dividend per share for 2020**
  € 1,53 at the same level as for 2019
- **Expected EPRA earnings per share 2020** based on current forecasts between € 1,60 and € 1,65

1 Compared to 31 December 2019

Activities first semester 2020

- Realisation of important **rental transactions**: 14% of contractual annual rent extended or renewed; increase in occupancy rate for Belgium logistics segment to 99% due to rentals in Puurs; leasing of recent new-build construction Gold Forum in Eindhoven (NL)
- **Acquisitions and investments:**
  € 68 million in sustainable logistics sites (Eindhoven, Roosendaal and Merchtem) and in real estate with future development potential (Venlo, 's-Hertogenbosch, Herentals and Genk)
- **Strengthening of shareholders' equity** by € 16,3 million through the optional dividend, with 62% of shareholders opting for shares

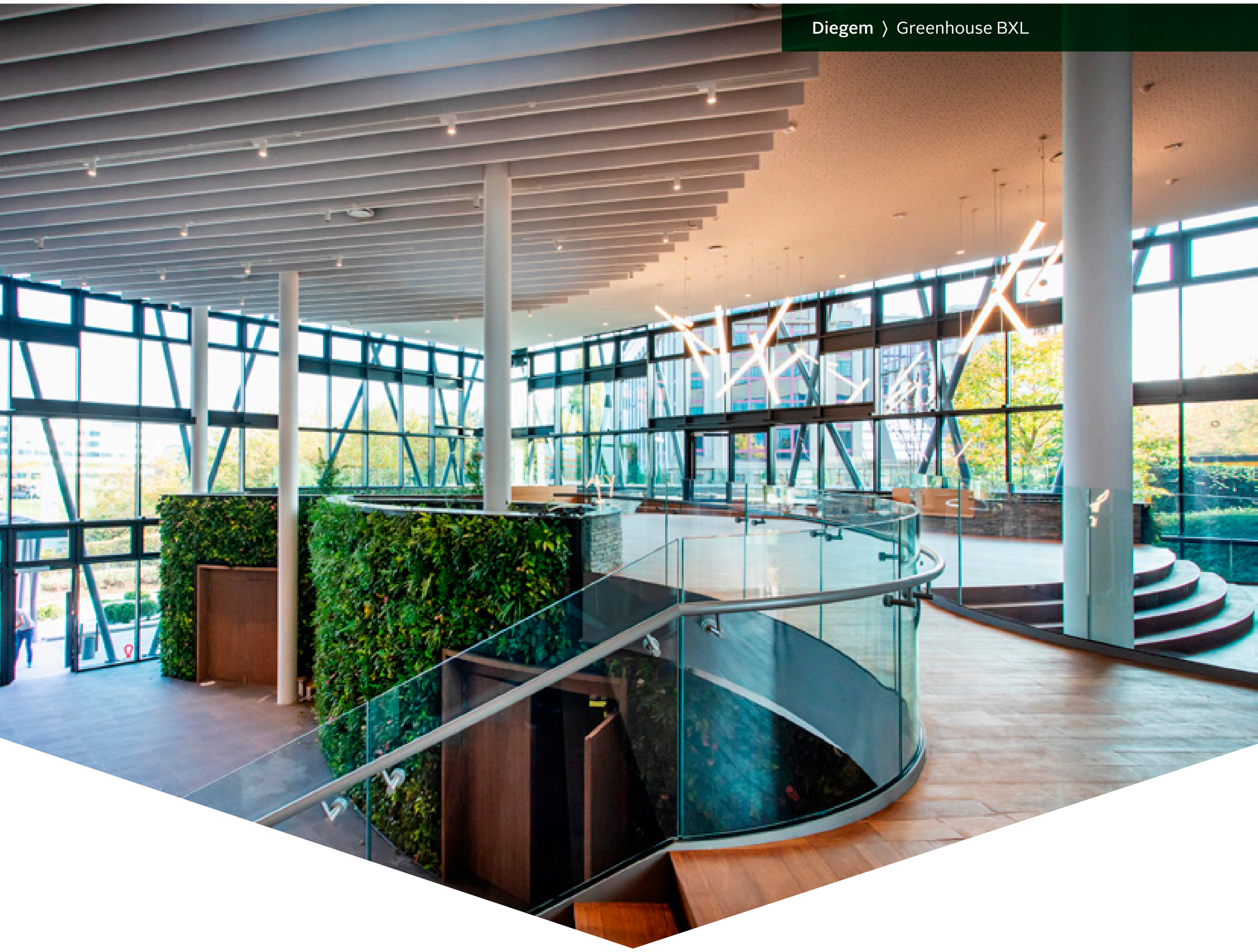
Future value creation

- **Sustainability**
  Active commitment to sustainability: 30% of buildings certified as at least 'BREEAM Very Good' in 2022; 17% already realised in first semester 2020
- **Development potential**
  Development potential for logistics real estate in Belgium with Genk Green Logistics of 250.000 m²; work on first building of approximately 25.000 m² is well advanced with completion in 2020 Q4

Corona impact

- **Solid basis** due to sectoral spread of tenants, € 84 million non-withdrawn credit lines and strong balance sheet with solid financial ratios
- Limited **payment deferments** granted mainly to logistics real estate tenants in the Netherlands
- **Team Intervest**
  Operational and available via teleworking

Contents



Diegem 〉 Greenhouse BXL

Alternative performance measures

Alternative performance measures are criteria used by Intervest 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 to the use and explanation of the alternative performance measures. The concepts that Intervest considers to be alternative performance measures are included in a lexicon on the **www.intervest.be**, website, called "Terminology and alternative performance measures". The alternative performance measures are indicated with a ✪ and include a definition, objective and reconciliation as required by the ESMA guideline.

1 Interim half-yearly report 2020

#connect2022

Under the heading **#connect2022**, Intervest presented the new strategy in June 2020, based on four closely linked pillars: value creation, customer focus, sustainability and Team Intervest. With #connect2022, Intervest has set out the lines for the coming years: realising a carefully thought out growth of 30% of the fair value of the real estate portfolio by the end of 2022, improving the quality of the real estate portfolio through asset rotation, realising the entire value chain from purchase (which can also include land purchase) to completion of the property with an in-house dedicated and motivated team and all this with an eye for sustainability with regard to both investment and financing. These give rise to #connect2022: the creation of value for all stakeholders with the respect for sustainability in different areas and the support of a powerful, customer-focused team are, after all, inextricably linked with each other.
With the new strategy, Intervest crystallises its further evolution and aims to become a reference for sustainable value creation in the real estate sector.

In the fourth quarter of 2019, Intervest realised asset rotation in its real estate portfolio through the sale of three logistics sites in Belgium (Houthalen, Oudsbergen and Aartselaar). With this, Intervest capitalised on the upturn in the logistics real estate market and realised an attractive value increase in 2019.

Sustainable
value creation

The financial resources freed up were invested in real estate in 2020 which satisfies two pillars of the #connect2022 strategy, namely sustainability and value creation through future development potential. The investments of the first half of 2020 in Venlo (NL), Roosendaal (NL), Eindhoven (NL), ’s-Hertogenbosch (NL), Herentals, Merchtem and Genk Green Logistics are all either in sustainable buildings or they have future development potential or both.

In Genk, the development of the sustainable **Genk Green Logistics project** for the redevelopment of zone B of the Ford site into a complex taking account of ‘BREEAM Outstanding’ standards, is proceeding as planned. After full development which will take several years, it will amount to over 250.000 m². The demolition and remediation works are ongoing and the new construction of a first state-of-the-art logistics building of approximately 25.000 m² is well advanced in the first half of 2020. The marketing of the site is under way.

Fair value
investment properties
€ 961 million

The **fair value of the investment properties** as at 30 June 2020 amounted to € 961 million, an increase of 8% or € 68 million compared to 31 December 2019 (€ 893 million). As at 30 June 2020, the real estate portfolio has a leasable surface area of more than 1 million m².

Occupancy rate
92%

The **occupancy rate** of the total real estate portfolio amounted to 92% as at 30 June 2020 and has remained almost stable compared with year-end 2019 (93%). The occupancy rate of the logistics portfolio was 95% as at 30 June 2020 (96% as at 31 December 2019). The occupancy rate of the logistics portfolio in Belgium rose by 5 percentage points compared to the end of 2019 to 99%, thanks to the leasing in Puurs to DPD Belgium and an expansion of Delhaize. The fall of 9 percentage points in the occupancy rate of the logistics portfolio in the Netherlands to 91% is due to the completion of the new-build complex in Roosendaal which, as of 30 June 2020, has not yet been leased.

The occupancy rate of the office portfolio as at 30 June 2020 fell by 2 percentage points to 88% compared to year-end 2019.

With regard to **rentals**, Intervest was very active in the first semester of 2020, which is evidenced by a number of important transactions. The rental activity is clearly visible in both segments. In the logistics segment, 21% of the contractual logistics annual rent has been extended or renewed. The principal transactions were concluded in Herentals with the extension of Nike Europe Holding and in Puurs with the expansion of Delhaize and the leasing to DPD Belgium.
In the Netherlands, a lease agreement was concluded with OneMed for the Gold Forum logistics new construction in Eindhoven.
In the office portfolio, agreements were concluded for a total of 5% of the contractual annual rent mainly extensions in Mechelen Business Tower and Mechelen Campus.

Due to the asset rotation, quality was added to the real estate portfolio and older buildings that were not future-proof have been replaced by future-oriented real estate. However, these investments in developments and redevelopments do not generate rental income immediately and thus do not yet contribute fully to the EPRA earnings for the first half of 2020 (such as Roosendaal Braak, Gold Forum in Eindhoven, Merchtem and Genk Green Logistics).

The Netherlands - Eindhoven 〉 Gold & Silver Forum

EPRA earnings as at 30 June 2020 fell by 25% compared to the first semester of last year. This decrease is mainly the combined effect of reduced rental income due to asset rotation and the one-off termination indemnity payment received from Medtronic in 2019, higher property charges and a decrease in financing costs.
The **EPRA earnings per share** for the first semester of 2020 amounted to € 0,76 compared to € 1,03 for the first semester of 2019 or € 0,83 excluding the one-off termination indemnity payment received from tenant Medtronic in 2019.

EPRA Earnings per share
€ 0,76

The **average interest rate for financing** amounted to 2,0% in the first semester of 2020, a decrease compared to financial year 2019 (2,3%). The debt ratio of the company amounted to 44% as at 30 June 2020

Average interest rate of the financing
2,0%

In the first semester of 2020, Intervest experienced a strengthening in the shareholders' equity by € 16,3 million as a result of the **optional dividend** with 62% of shareholders opting for shares.

Optional dividend
62%

Diegem - Greenhouse BXL 〉 Co-working space

1.1 Investments

In the first semester of 2020, Intervest invested € 68 million or 8% in the real estate portfolio in sustainable logistics sites as well as in real estate with future development and/or redevelopment potential. These investments fulfil two pillars of the #connect2022 strategy, namely sustainability and value creation through future development potential.

In **the Netherlands**, Intervest has purchased a sustainable logistics new construction in Eindhoven. Furthermore, the logistics real estate portfolio in the Netherlands has been expanded with the acquisition of three existing buildings with an option on a land position in Venlo as well as with the strategically located Rietvelden site in 's-Hertogenbosch.
The sustainable logistics new construction project in Roosendaal was also completed in the first semester of 2020.

In **Belgium**, an office building in Herentals with a strategic land position was acquired during the first half of 2020 that makes possible a large-scale logistics redevelopment project on the adjacent site Herentals Logistics.

In the existing logistics portfolio, new construction work has started on a sustainable built-to-suit expansion in Merchtem.

Investments in logistics real estate in the Netherlands

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

In the first semester of 2020, Intervest has acquired the prominent logistics building Gold Forum in Eindhoven.

Gold Forum, a state-of-the-art sustainable logistics building located in the Flight Forum business park near Eindhoven Airport, was delivered as at 30 January 2020 and transferred to Intervest for an investment sum of € 19 million.

state-of-the-art
sustainable
logistics building

The Netherlands - Eindhoven 〉 Gold & Silver Forum

This transaction, made via the conclusion of a turn-key purchase agreement, was previously announced by Intervest[1]. The building generates approximately € 1,2 million in rental income on an annual basis and was leased to OneMed for 10 years at the beginning of July 2020. The gross initial yield is 6,4%.

The prominent building with its striking gold-coloured curved façade forms a single entity with the Silver Forum business premises acquired by Intervest in 2018, with the result that one logistics complex of almost 50.000 m² in total has been created at a multi-modal location. The location and configuration of the building in the Eindhoven region also make it suitable as a city distribution warehouse.

This new construction further optimises the quality of the Dutch portfolio, since the building will be granted a 'BREEAM Very Good' certification and is equipped with a photovoltaic installation on the roof.

BREEAM
Very Good

Venlo: logistics site with option on land position

As part of the expansion of the logistics portfolio at strategic prime locations, in the first semester of 2020 Intervest acquired three existing buildings and an option on a land position in Venlo. This land position can be used in the future for a logistics development project.

Acquisition
logistics
site and land position

The transaction was concluded as a sale-and-lease-back transaction with Welsi, which is leasing part of the existing buildings for a period of five years. The three buildings were purchased for an investment sum of € 12,9 million, generating a gross initial yield of 6,2%.

The total surface area of the existing buildings is approximately 9.800 m² of warehouse space and 1.970 m² of office space. The buildings are now in use by several tenants active in the logistics sector. The site has an occupancy rate of 100%.

The site has trimodal access due to the location almost right next to the ECT rail terminal and at a short distance from the barge terminal, which is a unique asset compared to competing locations. Furthermore, the two largest buildings are equipped with a photovoltaic system, with the result that this transaction further improves the sustainability of Intervest's real estate portfolio.

The Netherlands - Venlo 〉 Logistics site

Given the limited availability of less large-scale areas in the Venlo region and the prime location of the site, the rental potential of the land position is assessed positively. As a result, the land position offers a strong potential for the additional development of a logistics building of approximately 10.000 m² in the short to medium term.

1 See press release dated. 5 November 2018 "Intervest expands its logistics position close to Eindhoven airport to almost 50.000 m² with Gold Forum development project."

Roosendaal, Borchwerf I - Braak: delivery of logistics new construction

In 2019, Intervest purchased a site of 3,9 hectares on the industrial site Borchwerf I in Roosendaal. In cooperation with the developer Van Dam Invest, Intervest then built a high-quality and sustainable logistics distribution centre of 28.000 m² on this site, the construction works of which were completed at the beginning of April 2020.

Logistics distribution centre
28.000 m²

With this new construction, the quality of the Dutch portfolio has been further optimised as the building meets the highest sustainability standards and will be 'BREEAM Outstanding' certified. The building is extensively insulated, has a photovoltaic installation, LED lighting and separate water drainage systems.

BREEAM
Outstanding


The Netherlands - Roosendaal 〉 Borchwerf I

The last tranche of approximately € 1,0 million was invested in the first semester of 2020. The total investment sum in this new construction is approximately € 19,5 million, which gives a gross initial yield of 7,2% when fully leased. It is currently estimated that the building will generate a rental income of approximately € 1,4 million on an annual basis. The marketing of the complex is currently under way.

's-Hertogenbosch: Rietvelden logistics site

Within the context of the strategic expansion of its logistics portfolio in the Netherlands, in June 2020, Intervest concluded an agreement with Pro Delta Real Estate for the purchase of the Rietvelden business park in 's-Hertogenbosch for a total investment amount of € 12,1 million. This site comprises four buildings and borders the existing land position that Intervest has, which improves the long-term development potential for the entire site.

The total surface area of the existing buildings amounts to approximately 5.500 m² of cross-docking space and over 10.000 m² of office space. The buildings are currently being used by two tenants active in the technology and logistics sector. The site has an occupancy rate of 100% and generates rental income of € 1,2 million on an annual basis, bringing the yield to approximately 9,9% with the current occupancy. The site is located on the A59 - Moerdijk - 's-Hertogenbosch - Nijmegen logistics axis and has good accessibility to the motorway with a fast connection to the inner city. The latter feature makes the location extremely suitable for last-mile and urban distribution activities. Moreover, the BCTN container terminal is just 1,6 km away, which provides a unique advantage.


The Netherlands - 's-Hertogenbosch 〉 Rietvelden

Investments in real estate in Belgium

Herentals: acquisition of an office building with strategic land position for a large-scale logistics redevelopment of the Herentals Logistics site

Intervest has acquired 100% of the shares of Gencor nv, a company with an office building and land position in Herentals adjacent to Intervest's existing properties, Herentals Logistics. This makes further development of the entire site possible.

The acquisition price of the real estate used to calculate the price of the shares is approximately € 11 million.

The high-quality office building in Herentals, located next to the E313, was built in 2007 and comprises approximately 7.300 m^2 of office space. The building consists of six floors and three wings, and 85% of it is leased to 11 tenants. It offers flexible office spaces and full services as well as traditional offices. The acquisition of the office building with a strategic land position fits in with the strategic growth plan and makes possible a large-scale redevelopment of the entire site in Herentals, with a unique sustainable integration of offices and logistics buildings. This is due to the fact that the site on which the office building is located is adjacent to the logistics buildings of Herentals Logistics, which already form part of Intervest's real estate portfolio.

Herentals 〉 Office building Atealaan

Merchtem: built-to-suit expansion on existing logistics site

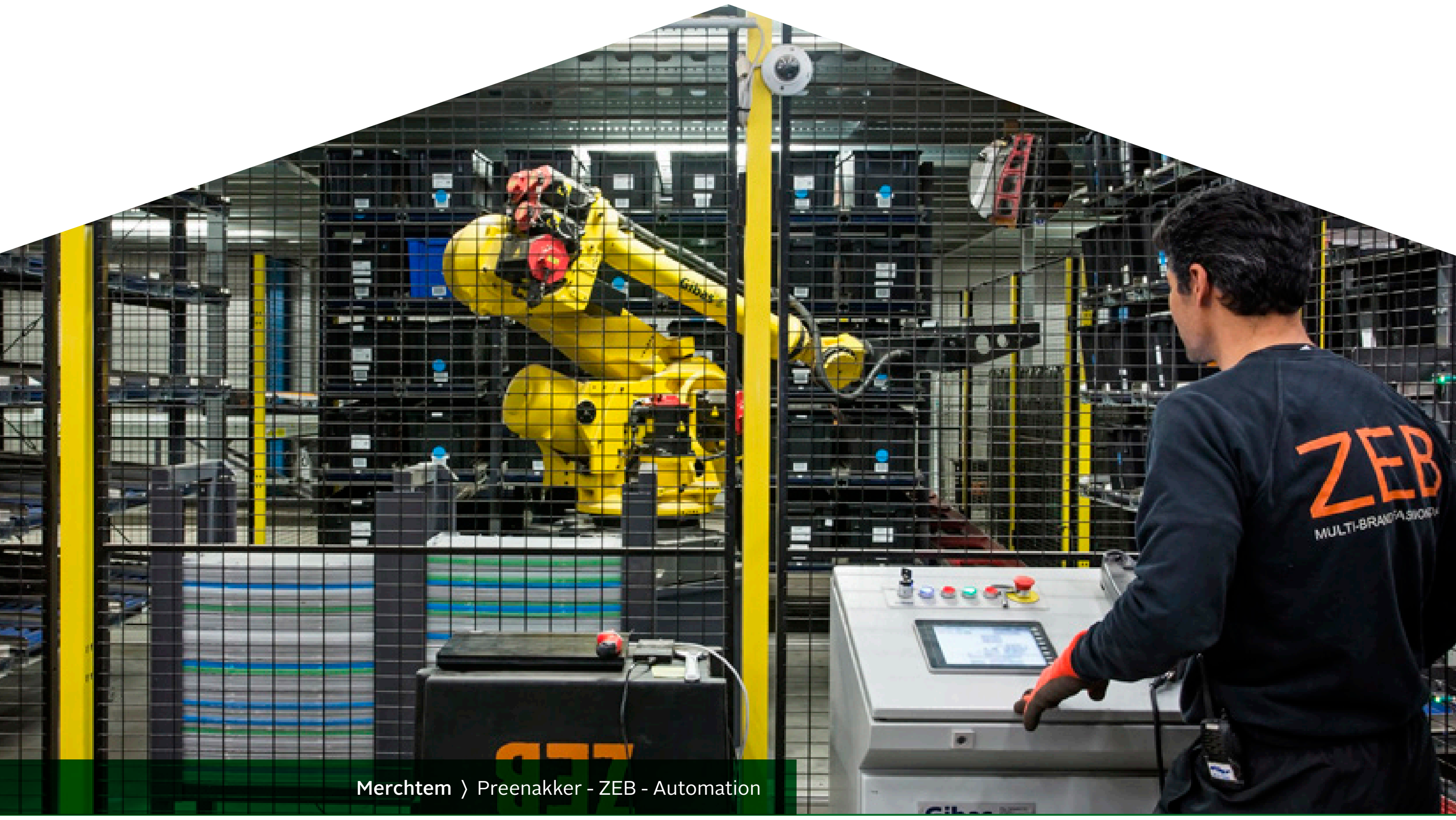
In the first quarter of 2020, the works at the Preenakker industrial site in Merchtem were started to expand a built-to-suit project directly adjacent to the current warehouse area of tenant ZEB, multi-brand fashion store. Thanks to the expansion, the existing logistics site of more than 7.000 m² will become a distribution warehouse of more than 14.000 m² with mezzanine. Intervest's total investment for the expansion amounts to approximately € 6,3 million. The entire site will be granted a 'BREEAM Very Good' certification.

Expansion
logistics site

BREEAM
Very Good

The delivery of the building, including the techniques, will be made in the course of 2020. From then on, a long-term rental agreement takes effect for the expansion that generates approximately € 0,4 million in rental income on an annual basis. The lease agreement for the existing building is being extended at the same time.

These works, which will be developed entirely in-house, fall within the scope of positioning Intervest as a real estate partner that flexibly responds to the needs of the customer and within the strategy to expand the logistics real estate portfolio further.



Merchtem 〉 Preenakker - ZEB - Automation

1.2 Development potential

In addition to the real estate available for lease, Intervest also has future development potential. For example, the company possesses a number of land reserves of which the 250.000 m² at the former Ford site in Genk is the most important.

Genk Green Logistics: redevelopment of zone B of the former Ford site launched

The further development of the Genk Green Logistics redevelopment project is continuing as planned and is in line with Intervest's strategy to create sustainable value. The first logistics complex of approximately 25.000 m² is currently under construction, taking account of "BREEAM Outstanding' standards, and will be delivered in the middle of Q4 2020.

The marketing of the large-scale state-of-the-art project of a total of 250.000 m² is in full swing. Although De Vlaamse Waterweg will still be carrying out demolition, remediation and infrastructure work in zone A in 2020 and 2021, Genk Green Logistics can simultaneously start the new-build developments on almost all of the site owned by Genk Green Logistics.

Genk Green Logistics 〉 Artist impression

1.3 Rental activities[1]

Despite the difficult circumstances and uncertainties resulting from the current global health crisis, Intervest was able to realise a number of important transactions in the first half of 2020 by committing itself to creating value by working in a customer-oriented manner. Rental activity is visible in both segments, with the rentals in Puurs in the logistics segment, leading to an occupancy rate of 99% for the logistics portfolio in Belgium.

In total, 14% of the contractual annual rent for offices and logistics buildings has been extended or renewed. 5% of this concerns new transactions and 9% are extensions and renewals with existing Intervest clients.

In the office segment, agreements have been concluded for a total of 12.054 m². With this, 5% of the contractual annual rent of the office portfolio or € 1,4 million has been extended or renewed. These are mainly extensions in Mechelen Business Tower and Mechelen Campus.

In the logistics segment, agreements have been concluded for a total of 171.226 m². With this, 21% of the contractual logistics annual rent, or € 7,0 million, has been extended or renewed. 9% relates to agreements with new tenants or existing tenants at new locations, 11% relates to extensions to existing agreements and 1% relates to an expansion on an existing agreement. The most important transactions were concluded in Herentals with the extension of Nike Europe Holding until the end of 2022 and in Puurs at the end of June 2020 with the expansion of Delhaize and the leasing to DPD Belgium. In the Netherlands, a lease agreement was concluded with OneMed for the Gold Forum logistics new construction in Eindhoven.

1 Figures and calculations based on the contractual annual rents as at 30 June 2020.

Mechelen Campus 〉 Tower - Greenhouse Mechelen

1.4 EPRA earnings

In the fourth quarter of 2019, Intervest realised asset rotation in its real estate portfolio through the sale of three logistics sites in Belgium (Houthalen, Oudsbergen and Aartselaar). With this, Intervest capitalised on the upturn in the logistics real estate market and realised an attractive value increase in 2019.

The financial resources freed up are being invested in real estate in 2020 which satisfies two pillars of the #connect2022 strategy, namely sustainability and value creation through future development and/or redevelopment potential. The investments of the first half of 2020 in Venlo, Roosendaal, Eindhoven, 's-Hertogenbosch, Herentals, Merchtem and Genk Green Logistics are all either in sustainable buildings or they have future development potential or both.

Due to this asset rotation, quality was added to the real estate portfolio and older buildings that were not future-proof have been replaced by future-oriented real estate. However, these investments in developments and redevelopments do not generate rental income immediately and thus do not yet contribute fully to the EPRA earnings for the first half of 2020 (Roosendaal Braak, Gold Forum in Eindhoven, Merchtem and Genk Green Logistics).

The **EPRA earnings** as at 30 June 2020 amounted to € 18,9 million and fell by 25% compared to the first semester of the previous year (€ 25,1 million). The main reasons for this fall are a combination of reduced rental income as a consequence of, on the one hand, the one-off termination indemnity payment received from tenant Medtronic in 2019 and, on the other hand, the aforementioned asset rotation in the first semester of 2020, higher property charges and a decrease in financing costs.

The **operating margin** fell from 82% in the first semester of 2019 (excluding the Medtronic termination indemnity payment) to 78% in the first semester of 2020 due to the above evolution in rental income and the increase in property charges.

The **average interest rate for financing** was 2,0% in the first semester of 2020, a decrease compared to financial year 2019 (2,3%) as a result of actively pursuing optimisation of the financing structure and the current low interest rates.

The **EPRA earnings per share** amounted to € 0,76 for the first semester of 2020 (€ 1,03 for the first semester of 2019 or € 0,83 excluding the one-off termination indemnity payment received from Medtronic).

1.5 Real estate portfolio

Overview of the portfolio

KEY FIGURES*	30.06.2020					31.12.2019				
	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 thousands €)	335.998	268.422	**604.420**	**356.769**	**961.189**	324.637	218.107	**542.744**	**350.069**	**892.813**
Fair value of real estate available for lease (in thousands €)	315.218	266.298	**581.516**	**356.769**	**938.286**	315.099	194.345	**509.444**	**350.069**	**859.513**
Contractual leases (in thousands €)	22.528	15.351	**37.879**	**29.418**	**67.297**	21.665	11.509	**33.174**	**28.339**	**61.513**
Gross rental yield on real estate available for lease (in %)	7,1%	5,8%	**6,5%**	**8,2%**	**7,2%**	6,9%	5,9%	**6,5%**	**8,1%**	**7,2%**
Gross rental yield (including estimated rental value of vacant properties) on real estate available for lease (in %)	7,2%	6,2%	**6,8%**	**9,3%**	**7,7%**	7,3%	5,9%	**6,7%**	**9,0%**	**7,7%**
Net rental yield (EPRA NIY) (in %)	6,1%	4,9%	5,6%	6,4%	**5,9%**	5,8%	5,0%	**5,5%**	**6,5%**	**5,9%**
Average remaining duration of lease contracts (until first expiry date) (in years)	3,4	7,9	**5,1**	**3,3**	**4,3**	3,2	9,3	**5,3**	**3,1**	**4,3**
Occupancy rate (EPRA) (in %)	99%	91%	95%	88%	**92%**	94%	100%	**96%**	**90%**	**93%**
Number of leasable sites	21	14	35	14	**49**	21	10	**31**	**13**	**44**
Gross leasable surface area (in thousands of m²)	474	310	784	246	**1.030**	474	234	**708**	**238**	**946**

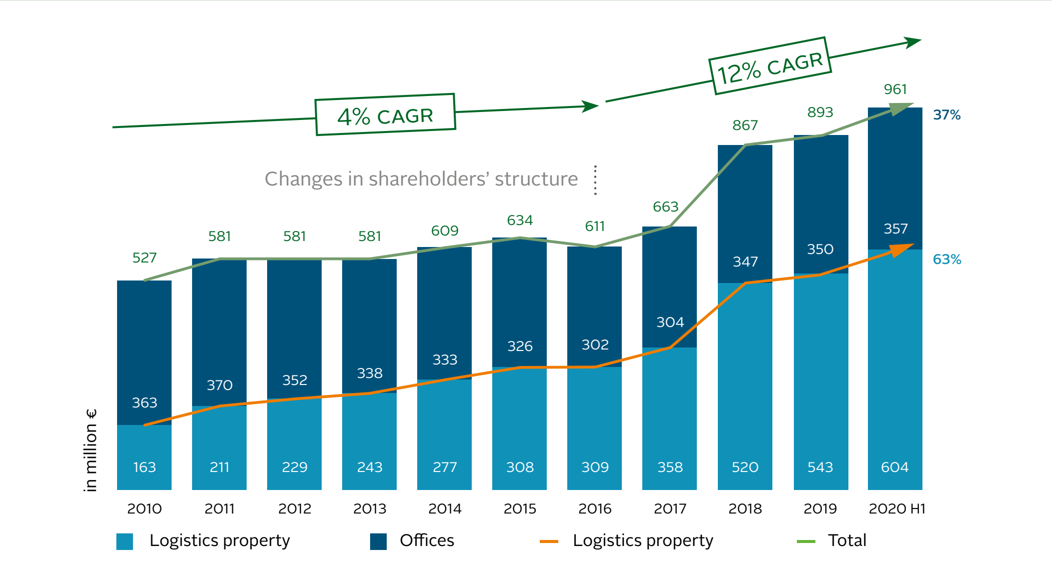
* All concepts and their calculations are included in a lexicon on the www.intervest.be website, called "Terminology and alternative performance measures".

As at 30 June 2020, the real estate portfolio has a **leasable space** of more than 1 million m².

The **fair value of the investment properties** amounted to € 961 million as at 30 June 2020 (€ 893 million as at 31 December 2019). In addition to the real estate available for renting amounting to approximately € 938 million, this total value includes approximately € 7 million for development potential (Genk Green Logistics phase 1), approximately € 5 million for a development project in Merchtem and approximately € 11 million for land reserves (Genk, Herentals and 's-Hertogenbosch in the Netherlands).

The increase of € 68 million or 8% in the first semester of 2020 is mainly attributable to:

- the acquisition of three logistics sites in the Netherlands (Eindhoven, 's-Hertogenbosch and Venlo) with a total acquisition value of € 43 million
- the acquisition of shares of a real estate company with an office building in Herentals, the fair value of which is € 12 million
- the investments in development projects in Genk Green Logistics, Merchtem and Roosendaal Braak for a total of € 10 million
- the investments and expansions in the existing real estate portfolio for € 3 million, mainly in Greenhouse BXL (car park building)
- the transfer of the solar panels from the investment properties to tangible fixed assets in accordance with IAS 16 for an amount of € 2 million
- the increase in fair value of the real estate portfolio by € 2 million or 1%.



The total **occupancy rate** of the portfolio available for lease was 92% as at 30 June 2020 and has thus remained almost stable compared to year-end 2019 (93%).

The occupancy rate of the total **logistics portfolio** was 95% as at 30 June 2020 (96% as at 31 December 2019).The logistics portfolio in Belgium has an occupancy rate of 99% and has increased by 5 percentage points compared to the end of 2019 due to a leasing to DPD Belgium and an expansion of Delhaize in Puurs. The fall of 9 percentage points in the occupancy rate of the logistics portfolio in the Netherlands to 91% compared to the end of 2019 is due to the completion of the new-build complex in Roosendaal which, as of 30 June 2020, has not yet been leased. In the Netherlands, a lease agreement was also concluded with OneMed for the Gold Forum logistics new construction in Eindhoven. This new construction was delivered in the first semester of 2020.

The occupancy rate of the **office portfolio** as at 30 June 2020 fell by 2 percentage points to 88% compared to year-end 2019.

Risk spread of the portfolio

The ratio between the two real estate segments in the portfolio as at 30 June 2020 amounts to 63% logistics real estate and 37% office buildings, as compared with 61% and 39% respectively as at 31 December 2019. 28% of the total real estate portfolio is logistics real estate located in the Netherlands.

63%

Logistics properties Belgium 35%
Logistics properties the Netherlands 28%

37%

Offices

Diegem 〉 Greenhouse BXL

Geographical spread

Offices

The strategic focus for the **office portfolio** is on the Antwerp - Mechelen - Brussels axis, which is still the most significant and most liquid office region of Belgium.

Intervest strives for high-quality office buildings in attractive and easily accessible locations with a large student population, such as Antwerp (15%), Mechelen (49%), Brussels (25%) and Leuven (11%).

Geographical spread

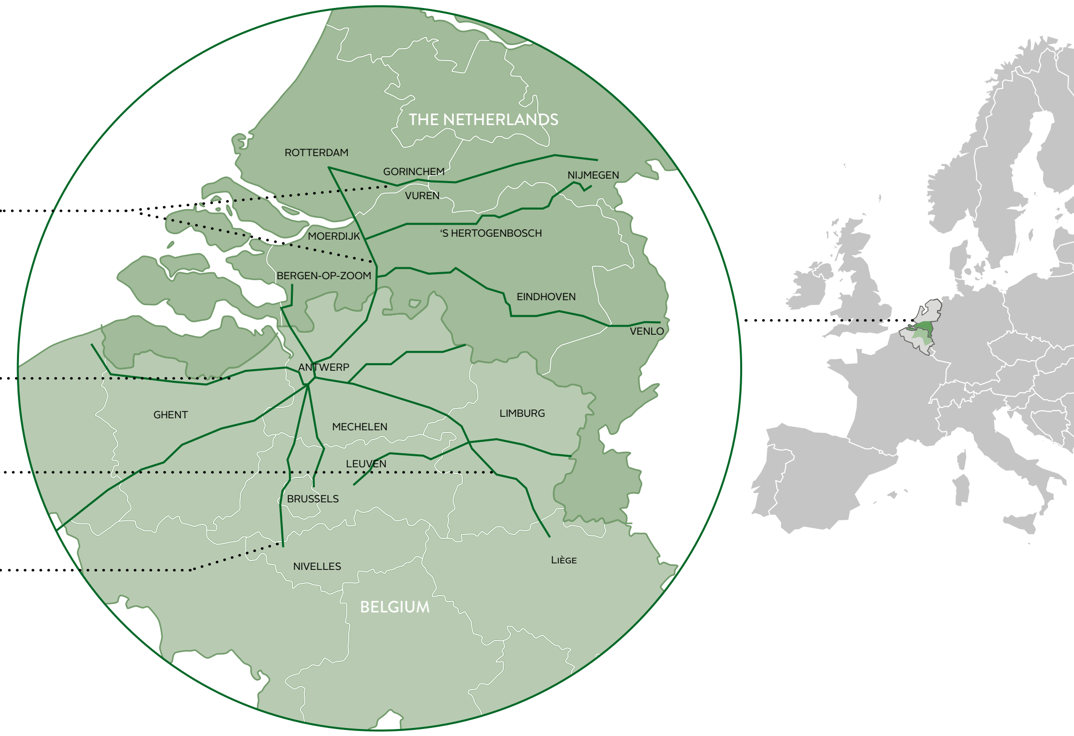
Logistics real estate

The Netherlands 44%

Antwerp - Ghent - Lille 4%

Antwerp - Limburg - Liège 29%

Antwerp - Brussels - Nivelles 23%

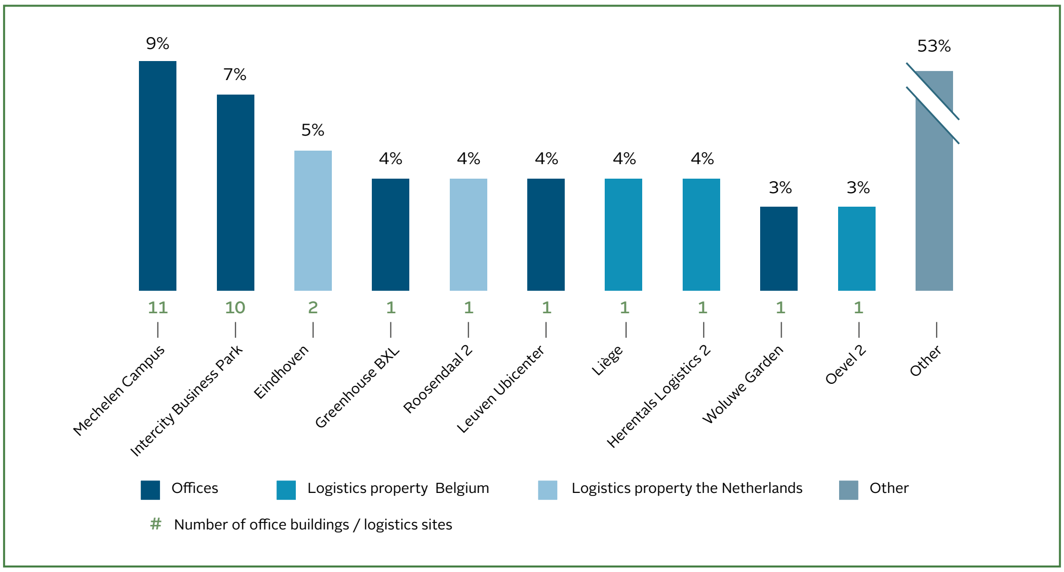


In **logistics real estate**, Intervest mainly has sites in its portfolio at multimodal locations of a critical size (> 25.000 m²). These sites are located on the most important logistics axes in Belgium and the Netherlands.

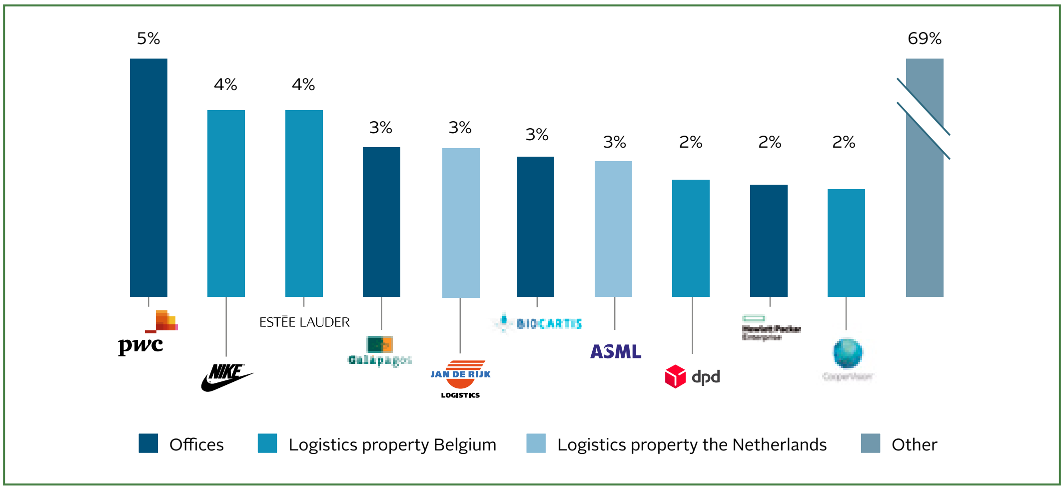
56% of the logistics portfolio is located in Belgium, on the Antwerp - Brussels - Nivelles, Antwerp - Limburg - Liège and Antwerp - Ghent - Lille axes. 44% of the logistic portfolio is located in the Netherlands, along the logistics corridors in the south of the Netherlands.

Risk spread of buildings by size[1]

Intervest aims to obtain an optimal risk spread and tries to limit the relative share of the individual buildings and complexes in the overall portfolio. The largest complex is Mechelen Campus, with a surface area of 58.000 m² and consisting of 11 separate buildings. Intercity Business Park also consists of a number of buildings.



Risk spread by tenants[2]



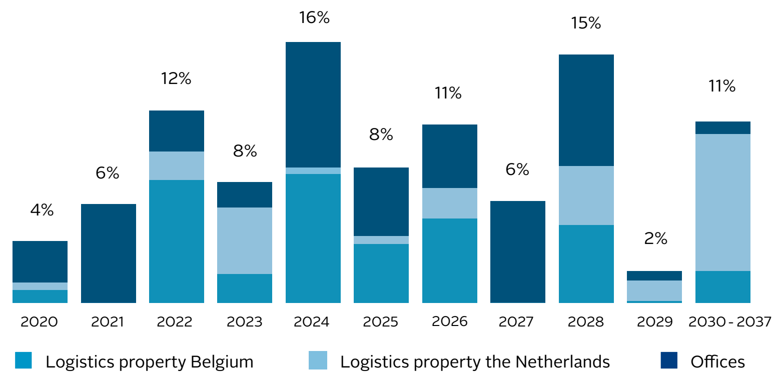
Intervest's rental income as at 30 June 2020 is spread across approximately 230 different tenants, which limits the risk of default and enhances the stability of the income. The ten most important tenants represent 31% of the rental income and are all prominent companies in their sector and part of international groups.

1 Percentages calculated on the basis of the fair value of the investment properties as at 30 June 2020.
2 Percentages based on the contractual annual rents.

Evolution of the portfolio[1]

Final expiry date of the agreements in the entire portfolio

The final expiry dates of the long-term lease agreements are well spread out over the coming years. Based on annual rental income, 4% of the agreements have a final expiry date in the second half of 2020 (9% as at 31 December 2019). 3% of these agreements belong to the office portfolio. Negotiations are already under way for the extension of a number of agreements, the largest of which is in Intercity Business Park (1%).



6% of the agreements in the office portfolio will reach the final expiry date in 2021. The lease agreement with PricewaterhouseCoopers in Woluwe Garden will expire as at 31 December 2021. This tenant, who represents 5% of Intervest's contractual rental income, will leave the site. As previously communicated, the future possibilities for this building, regarding both the redevelopment into a Greenhouse hub and divestment, are currently being further examined.

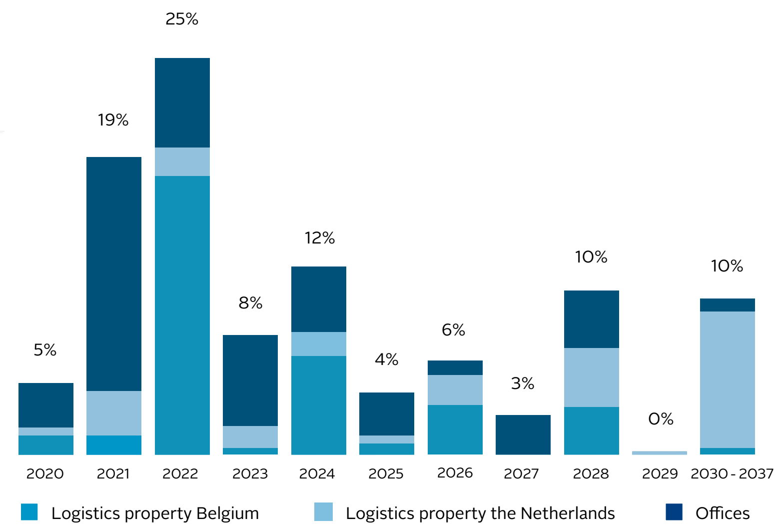
The end for the provisions with Nike Europe Holding in Herentals with an initial expiry date partly in 2020 and partly in 2021 has in the meantime been extended to 31 December 2022 with the possibility of early termination at the end of 2021. These agreements represent 4% of the contractual rental income.

Of the total number of lease agreements, 78% have a final expiry date after 2022.

1 The flexible contracts for co-working spaces and serviced offices have not been taken into account in the calculations. They currently amount to less than 1% of the total contractual annual rental.

Next expiry dates of the agreements in the entire portfolio

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, as is often common practice, however.

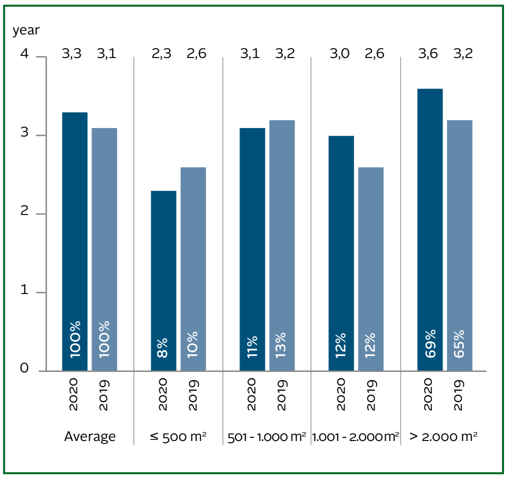


The graph shows the hypothetical scenario as at 30 June 2020 in which every tenant terminates its lease agreement on the next interim expiry date. This is a worst-case scenario. On average, the tenants who vacated in the first semester of 2020 only gave notice after a lease period of 9 years.

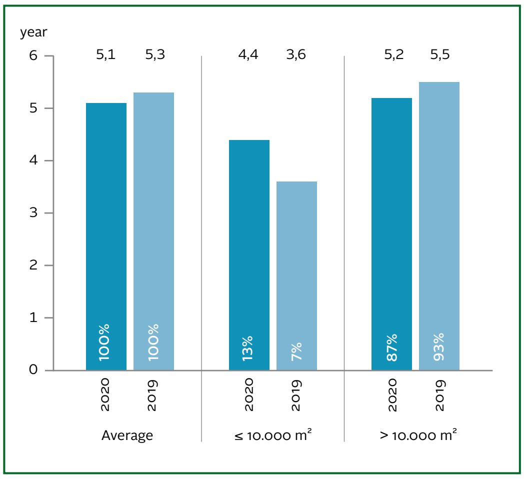
Based on the annual rental income, 5% of the agreements will reach the next expiry date in the second half of 2020.

As at 30 June 2020, the average remaining duration of the agreements in the entire portfolio was 4,3 years, identical to the situation as at 31 December 2019.

Average remaining duration of the office lease agreements until the next expiry date



Average remaining duration of the logistics lease agreements until the next expiry date



For the **offices** the average agreement duration until the next expiry date was 3,3 years as at 30 June 2020 (3,1 years as at 31 December 2019). The increase is a result of the new transactions in the first semester of 2020, the most important of which is a agreement with a fixed term of 9 years in Mechelen Business Tower.

For larger tenants (those above 2.000 m²), which comprise 69% of the remaining rental income flow and which therefore have a great impact on Intervest's results, the next expiry date is after 3,6 years (3,2 years as at 31 December 2019).

For the **logistics properties**, the average lease duration until the next expiry date was 5,1 years as at 30 June 2020 (5,3 years as at 31 December 2019).

For the logistics portfolio located in Belgium, the average remaining duration of the lease agreements until the next expiry date was 3,4 years as at 30 June 2020 (3,2 years as at 31 December 2019).

The logistics portfolio in the Netherlands, where it is fairly common practice to conclude long-term agreements, has an average remaining duration of the lease agreements until the next expiry date of 7,9 years (9,3 years as at 31 December 2019).

As at 30 June 2020, the average remaining duration of lease agreements in the office portfolio was 3,3 years (3,1 years as at 31 December 2019). For surface areas above 2.000 m², it was 3,6 years (3,2 years as at 31 December 2019).

For the logistics portfolio, the average remaining duration of the agreements is 5,1 years as at 30 June 2020 (5,3 years as at 31 December 2019).

Valuation of the portfolio

Valuation of the portfolio by property experts as at 30 June 2020.

PROPERTY EXPERT	Fair value (€ 000)	Investment value (€ 000)
Cushman & Wakefield Belgium	344.924	353.547
CBRE Valuation Services	332.259	340.565
CBRE Valuation Advisory	266.298	284.920
TOTAL	**943.481**	**979.032**

The real estate expert Cushman & Wakefield Belgium values the office portfolio for Intervest. The logistics portfolio of Intervest is valued by CBRE Valuation with CBRE Valuation Services for logistics real estate in Belgium and CBRE Valuation Advisory for logistics real estate in the Netherlands.

The total fair value of the real estate portfolio available for lease and the development projects under IAS 40, valued by the real estate experts, amounted to € 943 million.

The total real estate portfolio as at 30 June 2020 amounted to € 961 million. This value includes the valuation value by the real estate experts of € 943 million, increased by € 7 million for development projects and € 11 million for land reserves recognised on the balance sheet in accordance with IAS 16.

The Netherlands 〉 Nijmegen

Material uncertainty clause novel coronavirus (COVID-19) included in the valuation reports

The outbreak of COVID-19 caused by the novel coronavirus, which was declared a 'pandemic' by the World Health Organization as at 11 March 2020, is having a global impact on the financial markets. Many countries have imposed travel restrictions.

In many sectors, market activity is affected. On the valuation date, we can attach less weight to previous market data as a reference for the basis of a valuation. The current response to COVID-19 means that we face an unprecedented set of circumstances on which an opinion can be formed. Our valuation is therefore reported on the basis of 'material valuation uncertainty' in accordance with VPS 3 and VPGA 10 of the RICS Red Book Global. As a result, less certainty - and more caution - should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 could have on the real estate market, we recommend that the valuation of the real estate in question be regularly reviewed.

Properties that are valued on their commercial potential, including hotels, restaurants and cafés, as well as healthcare institutions and student accommodations, can experience a greater impact on the value compared to other categories of property. It is therefore advisable to review the valuations of these assets more frequently and more carefully than those of other types of real estate. With regard to hotels, there may be a risk to profitability (and therefore perhaps the value) as a result of declining occupancy rates, especially when there is a high dependence on inbound tourism or meetings and events.

To avoid misunderstandings, mentioning the 'material valuation uncertainty' clause does not mean that the valuation is unreliable. It is used to inform the parties in a clear and transparent professional manner that - in the light of the current exceptional circumstances - there is less certainty about the valuation than would otherwise be the case.

1.6 The real estate market[1]

1.6.1 The office market

Trends

The trend in the market for office real estate is difficult to predict after the first semester of 2020. The impact of the COVID-19 pandemic is leaving its mark at every level and has made a large number of parties think about their real estate and housing strategy.

Pleasant office environments in easily accessible locations provide an important advantage. The so-called 'student cities' or environments that combine a community and services also continue to be an important factor for companies in attracting and retaining good personnel. If the current location does not match this, users will be inclined to consider relocating. The COVID-19 outbreak has delayed this decision-making process somewhat for a number of reasons. On the one hand, there is the economic impact that makes a relocation financially difficult; on the other hand, there is the general concept of teleworking, which has received a (forced) boost.

This has also translated into the reduced number of transactions and take-up. The expectation is that the real impact on the office market will only manifest itself this autumn or in 2021. It is not unrealistic to think that the space requirements of companies will shrink (given the number of teleworkers) or that many may decentralise at strategic locations in order to circumvent the mobility issue. This of course brings with it the associated challenges - although this is also something that was already present before the crisis. Real estate developers were already responding to this need for trendy offices in prime locations and did not shy away from building at risk. Given the continued interest rate policy and sharp yield, this trend is likely to continue.

1 Sources: C&W Belgium Q1 & Q2 Office Marketbeat Brussels, Regional Q1 2020 Office Marketbeat; CBRE Logistics NL 2020; CBRE Market view Belgium Logistics 2020 Q2; Expertise News - No. 600 - 9 July 2020

Antwerp 〉 Greenhouse Antwerp

Rental market

The Brussels offices was relatively quiet in the first half of the year, with a take-up of approximately 142.000 m² in total, compared to 331.000 m² in the first half of 2019. This is, of course, partly due to the corona crisis, combined with a general low level of available spaces. Average rental prices have not yet been affected by the crisis and fluctuate around € 190/m². So far, the prime rents in the Leopoldwijk in Brussels are also remaining stable at € 320/m².

In the first half of the year, the regional markets performed at a similar level to Brussels. The prime rents at top locations in Antwerp, Ghent and Namur rose further to € 160/m², with the expectation of a rise to € 165/m² later in 2020. This is mainly due to a shortage of easily accessible office buildings.

In Flanders, Antwerp remains the most important office market with a take-up of 25.000 m² (down 60% compared to 2019) or 40% of the total take-up in Flanders.

Despite a number of transactions in the pipeline, experts expect the take-up to remain weak for some time to come. The exact impact of the corona crisis on the office market is likely to manifest itself in the second half of the year. For the time being, experts note that many decisions or relocations have been put 'on hold' due to increased uncertainty or because of additional requirements for financing imposed by banks. The take-up by co-working hubs is also slowing down considerably. As a result of the crisis and the increased volume of teleworking, many office users will be scrutinising their real estate strategy in the coming months - possibly resulting in further decentralisation or a boost for the co-working hubs.

Investment market

At € 2,4 billion, the first half of the year saw the highest investment volume ever in the Brussels office market. A large part of this was due to a single transaction, namely the sale of the Finance Tower (€ 1,3 billion). Nevertheless, the rest of the market also performed strongly, with a total of 45 transactions (a record number of deals in one semester). Most deals were initiated before the coronavirus outbreak and completed in Q1.

The impact of COVID-19 is being felt especially in the second quarter, with a limited volume of only € 340 million, including the sale of the Silver Tower by Ghelamco for € 200 million. For the time being, prime yields remain stable at 4% with peaks of up to 3,5% for long-term contracts.

In the regions, too, the investment market has followed a similar scenario with a number of large transactions such as the purchase of Post X by AG and the MG Business Centre by Belfius. Antwerp and Ghent remain attractive secondary markets for (mostly) Belgian investors.

Antwerp 〉 Greenhouse Antwerp

1.6.2 The logistics real estate market

Trends

Locations near multimodal hubs (rail, barge, airport, etc.) on the important axes to the hinterland remain the optimal locations for traditional logistics parties such as European distribution centres, in combination with central locations for national distribution. The ascension of e-commerce (exacerbated by the corona crisis) is also adding to locations in strategic positions along the major cities, and here the requirements in terms of layout and available space are often very different.

Demands with regard to sustainability and total costs are becoming increasingly stringent and many of the current buildings are no longer able to meet the modern requirements. This has led to a large number of tailored development projects and the redevelopment of brownfields. After all, the availability of project land remains very scarce. Development at risk has usually remained limited with a few outliers, for example in the north of Ghent.

The corona crisis has also left its mark on logistics in the first semester, although the impact can be described as diverse to say the least. One certainty is that a large number of FMCG producers will examine their supply chain in the coming months as a result of the crisis and the associated stock shocks - with possible consequences for the second half of the year or even later. On the other hand, the crisis has led to an accelerated growth of e-commerce platforms, which has led to a greater need for space for these players. The negative impact on suppliers to retail and the catering sectors, among others, is obliging landlords to show the necessary flexibility towards their tenants in order to guarantee the future.

Rental market

Companies are paying ever more attention to the sustainability and cost optimisation of their business operations and logistics process. This can often lead to a search for a new location or bespoke development. In addition to property charges, transport and labour costs are also part of this picture. If business premises allow a saving on transport, energy or maintenance costs, companies can bear and justify a higher rent level.

The total take-up in the first half of the year amounted to 291.000 m². This is about 40% less surface area than in 2019, but with a higher number of transactions. The logistics real estate market is traditionally driven by a number of larger transactions that influence the annual figures. However, due to the limited supply and the continuing demand, there is every indication that prime rates will continue to rise and that new developments (at risk or otherwise) will also continue to come along.

In **the Netherlands**, the total take-up in the first semester was 1,1 million m². This is significantly higher than for the Belgian market, but is a fall compared to last year. In addition to the corona crisis, the nitrogen issue and the discussion around spatial planning and 'boxing' of the landscape in the Netherlands, is probably the driving force behind this. These mainly concern built-to-suit projects in easily accessible locations in the South of the Netherlands.

The Netherlands 〉 Vuren

Investment market

Logistics real estate remains an attractive asset class for investors. The robustness of the sector has also been demonstrated during the corona crisis. Built-to-suit projects with long-term contracts naturally remain the most popular among investors, but due to the limited supply of core+ product, many investors are also looking at value-add products, with or without redevelopment potential.

With the continued demand and the proven robustness of logistics as an asset class, real estate experts expect a stabilisation or limited compression of the yields. In Belgium, these currently do not fall below 5%, but in the Netherlands this threshold has been breached for some time. This limit is also expected to be reached in Belgium in 2020. This is still a higher yield than prime products in office real estate.

The Netherlands - Tilburg 〉 Kwantum

1.7 Analysis of the results[1]

As indicated in part 1.4 EPRA earnings, the EPRA earnings for the first semester of 2020 have fallen compared to the first semester of 2019. This is mainly as a result of the one-off termination indemnity payment received from Medtronic in 2019, the asset rotation realised at the end of 2019 and the investments in sustainable buildings and in buildings with development and/or redevelopment potential that do not yet fully contribute to the EPRA earnings for the first semester of 2020.

As a consequence of the corona crisis, Intervest has granted limited rental discounts (as at 30 June 2020, less than 0,1%) to tenants and users of the serviced offices and the co-working lounges in the Greenhouse locations with a view to supporting potentially vulnerable business units. The impact of this on EPRA earnings for the first half of 2020 is not material. On the outstanding trade receivables side, as a result of the corona crisis, there is an increase compared to 31 December 2019, which can be explained by the proactive approach and interaction with tenants, whereby Intervest has managed to work out an extension of the payment term with a number of tenants (as at 30 June 2020 approximately 3%).

The **rental income** of Intervest in the first semester of 2020 amounts to € 29,5 million (€ 35,5 million). This decrease of 6,0 million or 17% compared to the first semester of 2019 is mainly caused, on the one hand, by a one-off termination indemnity payment of € 5,2 million received in 2019 following the early departure of tenant Medtronic in Oudsbergen and, on the other hand, by a fall in rental income for the logistics segment of € 1 million, caused predominantly by the divestment of three logistics sites at the end of 2019.

The **property charges** amounted to € 4,4 million for the first semester of 2020 (€ 3,7 million). The rise of € 0,7 million is mainly caused by the investments in the Netherlands where the property tax is partially borne by the owner and by the higher operating costs in the office segment.

The **general costs and other operating income** and costs amount to € 2,3 million and thereby remain at the same level as during the first semester of 2019 (€ 2,1 million).

The decrease in rental income, combined with the increase in property costs, means that the **operating result before the result on portfolio** fell by € 7,0 million or 23% to € 22,9 million (€ 29,9 million). Without taking into account the one-off effect of the termination indemnity received in 2019 from Medtronic (€ 5,2 million), the operating result before the result on portfolio fell by 7% as at 30 June 2020 compared to 30 June 2019.

The **operating margin** fell from 82% in the first semester of 2019 (excluding the termination indemnity payment from Medtronic) to 78% in the first semester of 2020.

The **changes in fair value of the investment properties** amounted to € 1,7 million in the first semester of 2020 (€ 4,6 million). The positive changes in fair value are the combined result of:

- the rise of € 10,0 million or approximately 2% in fair value of the logistics portfolio because of the further honing of the yields in the Netherlands and Belgium
- the fall in fair value of the existing office portfolio of € 8,3 million or approximately 3%, mainly as a result of the estimate made by the real estate experts in the current economic uncertainty caused by the coronavirus and the accompanying pandemic.

1 The figures between brackets are the comparable figures from the first semester of 2019.

In the first semester of 2020, the **other result on portfolio** amounts to € 2,0 million (€ 1,6 million) and includes the deferred taxes on unrealised 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)** amounts to € -3,9 million (€ -4,4 million) for the first semester of 2020. The fall in the net interest charges of € 0,5 million is the result of the refinancing of hedging instruments and the repayment of the bond loan in the course of 2019. As a result, the average interest rate for financing fell from 2,3% in the first semester of 2019 to 2,0% for the first semester of 2020.

The **changes in the fair values of financial assets and liabilities** include the change in the negative 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 € -2,2 million (€ -4,1 million).

Further fall in the average interest rate of the financing from 2,3% in the first semester of 2019 to 2,0% in the first semester of 2020.

The **net result** of Intervest for the first semester of 2020 amounts to € 16,4 million (€ 24,0 million) and can be divided into:

- **EPRA earnings** of € 18,9 million (€ 25,1 million) or a fall of € 6,2 million or 25%, due mainly to a combination of lower rental income as a result of the one-off termination indemnity payment received from tenant Medtronic and the divestments at the end of 2019 and higher property costs, partly compensated for by a fall in the financing costs; excluding the one-off termination indemnity payment received in 2019, the EPRA earnings fell by € 1,0 million or 5% compared to 30 June 2019
- the **result on portfolio** of € -0,3 million (€ 3,0 million)
- the **changes in the fair value of financial assets and liabilities** in the amount of € -2,2 million (€ -4,1 million).

The EPRA earnings amounted to € 18,9 million for the first semester of 2020. Taking into account a 24.823.883 weighted average number of shares, this means **EPRA earnings per share** of € 0,76 (€ 1,03) for the first semester of 2020.

KEY FIGURES	30.06.2020	31.12.2019	30.062019
Number of shares at end of period	25.500.672	24.657.003	24.657.003
Number of shares entitled to dividend	25.500.672	24.657.003	24.657.003
Weighted average number of shares	24.823.883	24.516.858	24.374.391
Net result per share (6 months/1 year/6 months) (€)	0,66	2,68	0,98
EPRA earnings per share (6 months/1 year/6 months) (€)	0,76	1,91	1,03
Net value (fair value) (€)	20,35	21,25	19,55
Net asset value EPRA (€)	21,06	21,79	20,04
Debt ratio (max. 65%)	43,8%	39,0%	45,2%

As at 30 June 2020, the **net value (fair value)** of the share was € 20,35 (€ 21,25 as at 31 December 2019). As the stock exchange quotation of an Intervest share (INTO) was € 22,85 as at 30 June 2020, the share is listed at a premium of 12% on the closing date compared with the net value (fair value).

The **shareholders' equity** of the company during the first semester of 2020 strengthened by € 16,3 million as a result of the optional dividend with 62% of the shareholders opting for shares for the contribution of the right to dividend in exchange for new shares instead of cash dividend payment. 843.669 new shares were created, as a result of which the total number of Intervest shares amounted to 25.500.672 as at 30 June 2020 (24.657.003 shares as at 31 December 2019). The new shares participated in the result of the company as from 1 January 2020.

The **non-current liabilities** amount to € 314 million (€ 274 million as at 31 December 2019) and primarily contain non-current financial debts. These consist mainly of € 287 million in credit facilities from financial institutions maturing after 30 June 2021. On the other hand, the non-current liabilities also comprise the other non-current financial liabilities, representing the negative market value of € 9 million of the cash flow hedges concluded by the company to hedge the variable interest rate on the non-current financial debts, and the liabilities relating to the long-term leases in Oevel and Ghent in the amount of € 2 million. As at 30 June 2020, a provision of € 9 million was set up for deferred taxes.

Current liabilities amount to € 166 million (€ 120 million as at 31 December 2019) and consist mainly of € 126 million in current financial debts (€ 53 million bank loans, a commercial paper of € 38 million and the bond loan of € 35 million for which the maturity date is 1 April 2021), of € 17 million in trade debts and other current debts and liabilities, and of € 22 million in accrued charges and deferred income.

Ghent 〉 Logistics building

EPRA - KEY FIGURES	30.06.2020	31.12.2019	30.06.2019
EPRA earnings (€ per share) (Group share)	0,76	1,91	1,03
EPRA NAV (in € per share)	21,06	21,79	20,04
EPRA NNNAV (€ per share)	20,25	21,14	19,42
EPRA NRV (€ per share) (new indicator)	22,46	23,01	21,27
EPRA NTA (€ per share) (new indicator)	21,04	21,77	19,99
EPRA NDV (€ per share) (new indicator)	20,25	21,14	19,42
EPRA NIY (Net Initial Yield) (%)	5,9%	5,9%	5,8%
EPRA topped-up NIY (%)	6,1%	6,1%	6,2%
EPRA vacancy rate (%)	8,0%	6,8%	9,2%
EPRA cost ratio (including direct vacancy costs) (%)	22,4%	15,5%	15,9%
EPRA cost ratio (excluding direct vacancy costs) (%)	21,1%	14,5%	14,9%

The EPRA NIY and the EPRA topped-up NIY fell as at 30 June 2020 compared to 31 December 2019 as a result of the rise in the fair value of the existing logistics portfolio. This is mainly the result of the delivery of Roosendaal Braak, which is still available for lease as at 30 June 2020, and the further sharpening of the yields in the logistics portfolio in the Netherlands and Belgium. Without taking Roosendaal Braak into account, the EPRA NIY and the EPRA topped-up NIY amounted to 5,9% and 6,1% respectively as at 30 June 2020 and thus remain at the same level as at 31 December 2019.

The EPRA cost ratio as at 30 June 2020 rose compared to 30 June 2019. This rise is due to the fall in rental income in the logistics portfolio as a result of the divestments at the end of 2019 and the one-off termination indemnity payment received in 2019 from Medtronic, combined with higher property charges.

Without taking into account the one-off termination indemnity payment received from Medtronic, the EPRA cost ratio including direct vacancy costs would amount to 18,3% as at 30 June 2019 and 17,2% excluding direct vacancy costs.

The EPRA cost ratio is always higher in the course of a financial year than as at 31 December, given that by applying IFRIC 21 the levies imposed by the government, such as the property tax on buildings and the annual stock exchange tax, need to be fully recognised as cost and debt on the balance sheet and in the income statement at the start of the financial year and therefore influence the EPRA cost ratio during a financial year to a significant extent.

1.8 Financial structure

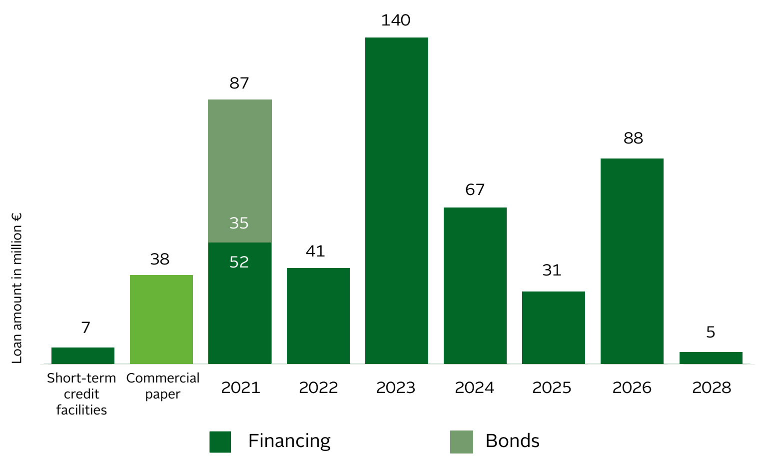
Intervest closed the first semester of 2020 with a solid capital structure with a good diversification of different sources of financing and an adequate spread of the expiry dates of the financing.

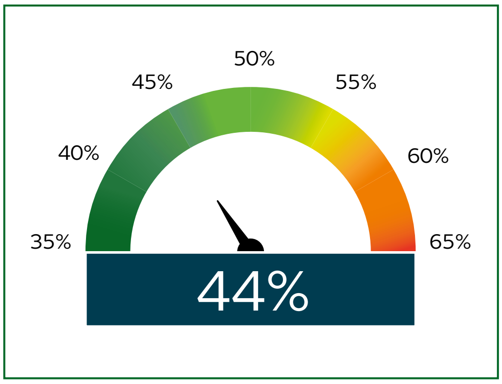
By means of an active policy of optimisation and by making use of the current low interest rates and interest rate hedging, the **average interest rate** of Intervest's financing for the first semester of 2020 amounts was 2,0% including bank margins (2,3% in the first semester of 2019).

As at 30 June 2020, Intervest had a buffer of € 84 million of unused credit lines available to finance project developments and future acquisitions. This buffer gives Intervest sufficient financing capacity to absorb possible future liquidity tensions as a consequence of the corona crisis, should a delay in rental income payments arise.

In 2020, there will be no more financing at maturity and the commercial paper programme is fully hedged with additional back-up lines.

The maturity schedule of the credit lines as at 30 June 2020 is shown in the chart.





The limited **debt ratio** vof 44% as at 30 June 2020 gives Intervest enough room to invest with borrowed capital before reaching the top of the strategic bandwidth of 45%-50%. On the basis of this debt ratio, Intervest still has an additional investment capacity of approximately € 120 million, without exceeding the maximum debt ratio of 50%.
The increase in the debt ratio of 5 percentage points compared to 31 December 2019 is predominantly the result of acquisitions and investments in investment properties and project developments and the payment of the dividend for the 2019 financial year, partly offset by the capital increase in the context of the optional dividend.

Other important **characteristics of the financial structure** as at 30 June 2020:

Credit lines

- 74% long-term credit lines with a weighted average remaining duration of 4,2 years (4,0 years at the end of year 2019) and 26% short-term credit lines (€ 133 million), consisting of:
  - 40% (€ 52 million) credit facilities falling due within one year and to be refinanced
  - 28% (€ 38 million) commercial paper
  - 26% (€ 35 million) bond loans falling due on 1 April 2021
  - 6% (€ 8 million) credits with <open-ended duration
- Spread of the expiry dates of credit lines between 2021 and 2028
- Spread of the credit over ten European financial institutions, bondholders and a commercial paper programme.

Interest cover ratio

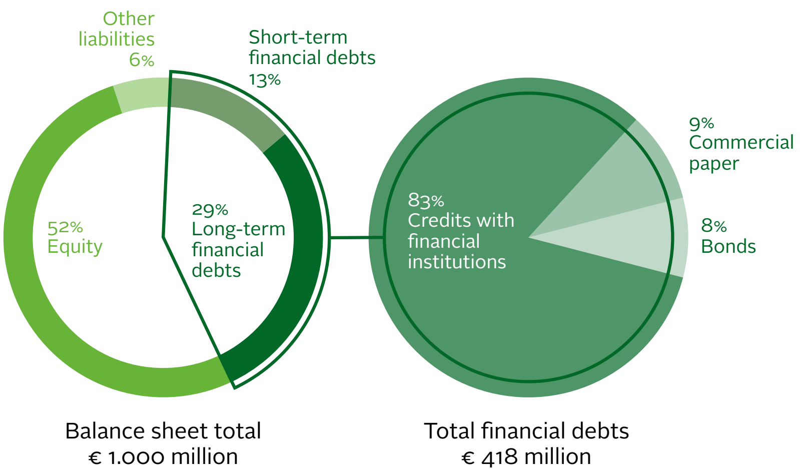
- A ratio of 5,9 for the first semester of 2020: higher than the required minimum of 2 to 2,5 laid down as covenant in the company's financing agreements (6,8 for the first semester of 2019).

Hedge ratio

- 77% of the credits drawn down have a fixed interest rate or are fixed by interest rate swaps and 23% had a variable interest rate
- 64% of the credit lines have a fixed interest rate or are fixed by means of interest rate swaps and 36% have a variable interest rate
- As at 30 June 2020, the weighted average remaining maturity of the interest rate swaps was 4,6 years (4,4 years as at 31 December 2019)
- Market value of financial derivatives: € 8,6 million negative.

Covenants

- In the first semester of 2020, no changes were made to the existing agreements contracted
- The RREC fulfils its agreements as at 30 June 2020.



44%
debt ratio

€ 84 million
non-withdrawn credit lines

2,0%
average interest rate

1.9 The Intervest share

Intervest has been listed on Euronext Brussels as a public regulated real estate company since 1999.

The share of Intervest (INTO) closed the first half of 2020 as at 30 June 2020 at a price of € 22,85 compared to € 25,60 as at 31 December 2019. The share quotes with a premium of 12% as at 30 June 2020.

KEY FIGURES	30.06..020	31.12.2019	30.06.2019
Number of shares at end of period	25.500.672	24.657.003	24.657.003
Number of shares entitled to dividend at end of period	25.500.672	24.657.003	24.657.003
Weighted average number of shares	24.823.883	24.516.858	24.374.391
Free float (%)	80%	85%	85%
Net value per share (fair value) (€)	20,35	21,25	19,55
Share price on closing date (€)	22,85	25,60	24,70
Premium with regard to fair net value (%)	12%	20%	26%
Market capitalisation (million €)	583	631	609
Number of shares traded (6 months/1 year/6 months)	4.390.165	6.960.147	4.405.829
Average number of shares traded per day	34.843	27.295	35.247
Share turnover rate* (%)	34%	28%	36%

* The turnover rate of the Intervest share is calculated as the ratio of the number of shares traded per year, divided by the total number of shares as at the end of the period.

Like many other shares, the share price of Intervest has been impacted by COVID-19. This impact is visible in the March 2020 period, after which the share price has recovered.

Evolution of share price first semester 2020

Shareholding Structure

The broad shareholder base, supported by multiple institutional shareholders, ensures access to capital markets and debt financing and increases the liquidity of the share.

As at 30 June 2020, the following shareholders' structure was known to the company. According to the definition of Euronext, the free float of Intervest is 80%.

NAME	Number of shares	Date of transparency notification	% on date transparency notification
% on date transparency notification	2.439.890	20/08/2019	9,90%
Allianz	1.563.603	04/04/2019	6,44%
Patronale Group nv	1.251.112	12/03/2020	5,07%
Degroof Petercam Asset Management	773.480	19/03/2019	3,18%
BlackRock	493.742	30/06/2015	3,04%
Other shareholders under the statutory threshold	18.978.845		
TOTAL	**25.500.672**		

1.10 Corporate governance

The Extraordinary General Meeting of Shareholders of 18 May 2020 amended the Articles of Association of the company to reflect the new Companies and Associations Code, including the choice for a two-tier management consisting of a supervisory board on the one hand and an executive board on the other. The supervisory board is assisted and advised by three committees: an audit and risk committee, an appointments and remuneration committee and an investment committee.

1.11 Risks for the remaining months of 2020

In the first semester of 2020, the supervisory board of Intervest has as always focused attention on the risk factors with which Intervest Offices & Warehouses must contend: market risks, operational, financial and regulatory risks. The supervisory board of Intervest confirms the validity of the risks with which the company can be confronted, their possible impact and the strategy used to mitigate any impact, as these are stated in the Annual Financial Report 2019, which can be consulted via **www.intervest.be**.

EHowever, on the date of publication of this half-year report, a number of risks have increased due to the economic impact of the outbreak of COVID -19. That said, it is not yet clear what the actual impact of this outbreak will be on Intervest. EIn the remaining months of 2020 and beyond, a protracted ongoing pandemic and a subsequent economic crisis can have a negative effect on, among other things, the fair value of the investment properties, the recoverability of the trade receivables, the EPRA earnings, the access to the capital markets and the timing of investments and divestments.

The current uncertainty for the real estate experts regarding the valuation of the real estate portfolio as a result of the corona crisis is described in point 1.5 of this report.

The supervisory board continuously monitors the ongoing developments within the property and financial markets in order to monitor the results and the financial situation of Intervest, with increased attention being paid to the measures that Intervest takes in order, as much as possible, to limit and to manage any negative impact of these risks.

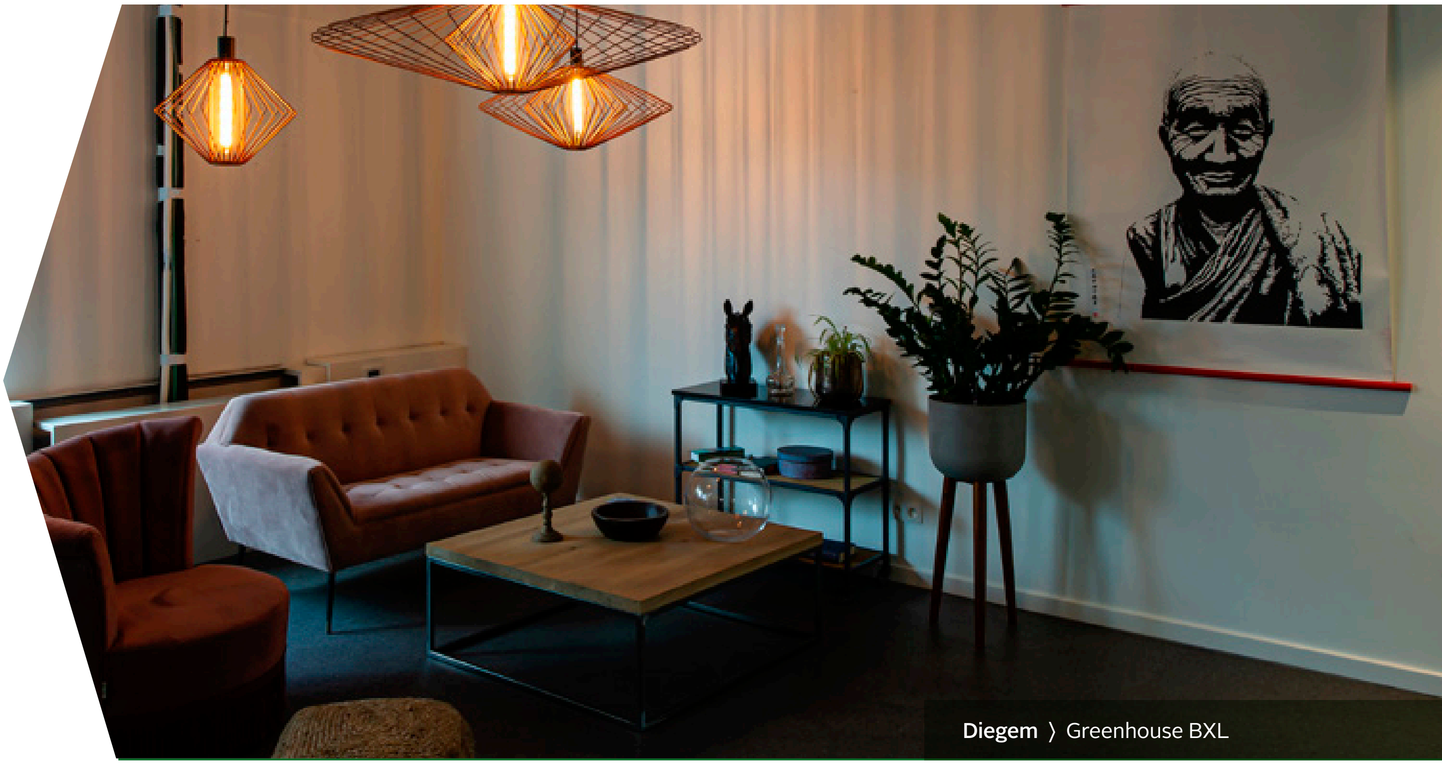
1.12 Outlook for 2020

Strategy and vision

Despite these uncertain times, Intervest considers it important not only to tackle the current crisis, but also to continue to look ahead. With #connect2022, based on four closely linked pillars: value creation, customer focus, sustainability and team Intervest, Intervest is crystallising its further evolution and wants to become a reference for sustainable value creation in the real estate sector.

#connect2022 sets out the lines for the coming years: realising a carefully thought out growth of 30% of the fair value of the real estate portfolio by the end of 2022, improving the quality of the real estate portfolio through asset rotation, realising the entire value chain from purchase (which can also include land purchase) to completion of the property with an in-house dedicated and motivated team and all this with an eye for sustainability with regard to both investment and financing. Hence #connect2022: as a team creating sustainable value for customers.

> **The important thing is not to grow just for the sake of growing, but asset rotation with a view to improving the risk profile and the total quality of the real estate portfolio, whereby we keep the entire value chain in-house.**
>
> Gunther Gielen - CEO



Diegem 〉 Greenhouse BXL

#connect2022: value creation

Intervest is committed to creating value for its stakeholders by generating solid and recurring cash flows from a well-diversified real estate portfolio, with respect for sustainability, social aspects and good governance. With this, the company wants to extract agile advantage from the respective investment cycles and the underlying rental market in offices and logistics, the two segments of the real estate portfolio. For the office segment, this means striving for high-quality properties in attractive and easily accessible places with a large student population. In logistics real estate, it means acquiring sites of a critical size (>25.000 m^2) at multimodal locations on the main axes in Belgium, the Netherlands and northwest Germany.

#connect2022: customer focus

Customer focus is crucial, externally and internally. Intervest is a real estate partner that goes beyond just letting square metres of office space or logistics space, '*beyond real estate*'. In other words, we listen to the needs of the customers, think along with them and think ahead in order to "unburden" them and to offer added value. This translates into an extensive service provision and flexible solutions and it demands the dedication of a strong and motivated team in which employees also work for and with each other in a customer-focused manner.

#connect2022: team Intervest

Intervest wants to be a reliable employer that offers its employees a caring working environment in which they can develop their full potential. The values of the company and the company culture are an important guideline for integrating customer-focused thinking within the day-to-day operations. Covering the entire value chain from land acquisition to long-term rental with our own knowledge and experience also means creating a working environment that facilitates the further development of a motivated and dedicated team of employees.

#connect2022: sustainability

Intervest wants to pursue the highest standards of sustainability on both the investment and financing fronts. After all, Intervest employs a very broad vision regarding sustainability and is committed to building a long-term relationship with all of its stakeholders.

Sustainability is also about the well-being of our own employees, our customers and their employees. Intervest, for example, does not just go for "quick wins" with regard to BREEAM. For new investments or developments, it will always start with the well-being of the user, even in the current challenging circumstances.

In terms of sustainability, we have already taken steps in the last few years. The intention is to continue along this path and to play a pioneering role with regard to both the portfolio and the financing. The 2019 Sustainability Report reports on the broader sustainability framework, the activities of the past year and the pre-defined objectives and it can be found on www.intervest.be.

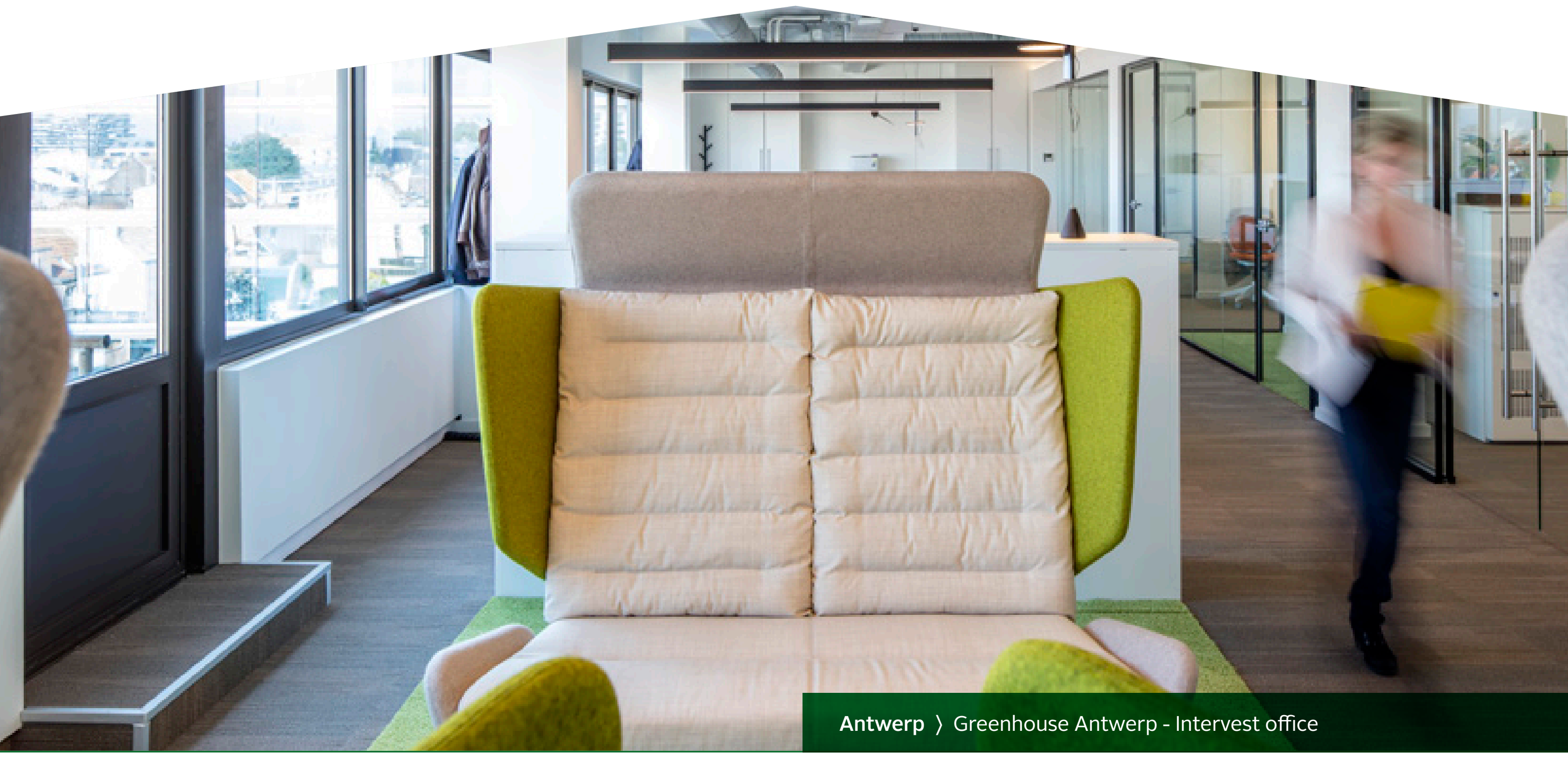
> **All this means that sustainability is not just a temporary focus. Sustainability forms part of Intervest's DNA.**
>
> GUNTHER GIELEN, CEO

As a result of the outbreak of the coronavirus and the subsequent crisis situation, the government has come up with various guidelines and measures to safeguard the safety of its citizens and to maintain the proper functioning of the economy. Intervest is therefore closely following and applying the prescribed guidelines and measures.

It is not yet clear what the final consequences of this pandemic will be. The investment properties, which consist partly of offices in Belgium and partly of logistics sites located in Belgium and the Netherlands, are not as sensitive to closure for the purposes of containing the pandemic. Moreover, the relative share of individual buildings and complexes is limited and there is sound customer diversity spanning various sectors. Intervest currently also has sufficient financing capacity to absorb possible future liquidity tensions should a delay in rental income payments arise.

In the current context, measures have been taken to ensure that team Intervest is and can remain operational via teleworking in order to continue to assist customers through extensive service provision and flexible solutions. By using the technology available, the employees continue to be interconnected and consultation for the benefit of all stakeholders remains possible.

1 See also the pPress rRelease dated 18 June 2020 - "Intervest Offices & Warehouses presents the #connect2022 strategy".



Antwerp 〉 Greenhouse Antwerp - Intervest office

Investment properties and leasing activities

In 2020, Intervest will also focus on the further development of the Genk Green Logistics project. The new construction of the first state-of-the-art logistics building of 25.000 m² is well advanced and will be completed in the course of the second semester of 2020.
Furthermore, Intervest will carry out an investigation into a large-scale logistics redevelopment at the Herentals Logistics site. This opportunity arose in the first half of 2020, after the acquisition of the adjoining office building with additional land position. The site on which the office building is located is adjacent to the logistics buildings of Herentals Logistics and offers the opportunity of a sustainable new logistics construction development at a top location along the E313.

Stabilise and possibly improve the occupancy rate

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 and in the logistics segment in the Netherlands. In the current circumstances, as a consequence of the COVID-19 pandemic, Intervest is taking into account the possibility of delays in the leasing of vacant units. In the first half of 2020, Intervest was able to realise a number of important rental transactions as a result of which the occupancy rate of the logistics portfolio in Belgium has increased to almost 100%. In the logistics portfolio in the Netherlands, only the new-build complex in Roosendaal, completed in the first semester of 2020, is still available for letting.

In the office segment, in 2019, Intervest learned that its tenant PwC will be vacating the Woluwe Garden office building by the end of 2021. During the course of 2020, Intervest will further examine the future possibilities for this building, regarding both the redevelopment into a Greenhouse hub and divestment.

Limited debt ratio of
44%

A protracted pandemic and a subsequent economic crisis could in the future have a negative effect on the fair value of the investment properties and on Intervest's EPRA earnings. With a limited debt ratio of 44% as at 30 June 2020, Intervest has adequate capacity to deal with the resulting impact.
With its proactive customer-focused approach and interaction with tenants, in the first semester of 2020, Intervest has managed to work out an extension of the payment term with a number of tenants (currently approximately 3%). These are mainly tenants of logistics property in the Netherlands. In doing so, Intervest is trying to temporarily "unburden" these customers and to listen to the needs of its customers and to act '*beyond real estate*' in this area.

EPRA earnings and gross dividend

As indicated in the discussion of the EPRA earnings (point 1.4), in this half-yearly financial report, Intervest realised asset rotation in its real estate portfolio in the fourth quarter of 2019 through the sale of three logistics sites in Belgium. With this, Intervest capitalised on the upturn in the logistics real estate market and realised an attractive capital gain in 2019.

The financial resources freed up are being invested in real estate in 2020 which satisfies two pillars of the #connect2022 strategy, namely sustainability and value creation through future development and/or redevelopment potential. In the first half of 2020, Intervest has already invested in either sustainable buildings, buildings with future development potential or both.

Due to this asset rotation, quality was added to the real estate portfolio and older buildings that were not future-proof have been replaced by future-oriented real estate. However, these investments in developments and redevelopments do not generate rental income immediately and thus do not yet contribute fully to the EPRA earnings for 2020 (Roosendaal Braak, Gold Forum in Eindhoven, Merchtem and Genk Green Logistics).

The expected EPRA earnings per share for financial year 2020 will amount to between € 1,60 and € 1,65, based on the current estimates and forecasts, compared to € 1,68 for 2019 (excluding the one-off termination indemnity payment received from tenant Medtronic).

For financial year 2020, Intervest is still expecting to distribute a **gross dividend** at the same level as for the financial year 2019, namely € 1,53[1] per share.. This represents a gross dividend yield of 7% based on the closing price of 30 June 2020.

This intended gross dividend and the expected EPRA earnings per share are based on the current knowledge and estimate of the possible effects of the corona crisis.

1 Subject to approval by the annual general meeting to be held in 2021.

2 Condensed consolidated half-yearly figures

2.1 Condensed consolidated income statement

in thousands €	30.06.2020	30.06.2019
Rental income	29.531	35.519
Rental-related expenses	-33	-110
NET RENTAL INCOME	**29.498**	**35.409**
Recovery of property charges	321	326
Recovery of rental charges and taxes normally payable by tenants on let properties	9.443	9.479
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-473	-257
Rental charges and taxes normally payable by tenants on let properties	-9.443	-9.479
Other rental-related income and expenses	258	197
PROPERTY RESULT	**29.604**	**35.675**
Technical costs	-484	-265
Commercial costs	-173	-173
Charges and taxes on unlet properties	-395	-335
Property management costs	-2.422	-2.349
Other property charges	-900	-538
Property charges	**-4.374**	**-3.660**
OPERATING PROPERTY RESULT	**25.230**	**32.015**
General costs	-2.200	-2.128
Other operating income and costs	-128	1
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**22.902**	**29.888**
Result on disposal of investment properties	-16	0
Changes in fair value of investment properties	1.677	4.595
Other result on portfolio	-1.988	-1.554
OPERATING RESULT	**22.575**	**32.929**
Financial income	29	48
Net interest charges	-3.875	-4.447
Other financial charges	-10	-8
Changes in fair value of financial assets and liabilities	-2.172	-4.138
Financial result	**-6.028**	**-8.545**
RESULT BEFORE TAXES	**16.547**	**24.384**
Taxes	-193	-427
NET RESULT	**16.354**	**23.957**

in thousands €	30.06.2020	30.06.2019
NET RESULT	**16.354**	**23.957**
- Minority interests	**-4**	**-9**
NET RESULT - Group share	**16.358**	**23.966**
Note:		
EPRA earnings	18.857	25.063
Result on portfolio	-327	3.041
Changes in fair value of financial assets and liabilities	-2.172	-4.138

RESULT PER SHARE	30.06.2020	30.06.2019
Number of shares entitled to dividend	25.500.672	24.657.003
Weighted average number of shares	24.823.883	24.374.391
Net result (€)	0,66	0,98
Diluted net result (€)	0,66	0,98
EPRA earnings (€)	0,76	1,03

2.2 Condensed consolidated statement of comprehensive income

in thousands €	30.06.2020	30.06.2019
NET RESULT	**16.354**	**23.957**
Other components of comprehensive income (not recyclable through income statement)	**128**	**0**
Revaluation of solar panels	128	0
COMPREHENSIVE INCOME	**16.482**	**23.957**
Attributable to:		
Shareholders of the parent company	16.486	23.966
Minority interests	-4	-9

2.3 Condensed consolidated balance sheet

ASSETS in thousands €	30.06.2020	31.12.2019
NON-CURRENT ASSETS	**964.573**	**894.262**
Intangible assets	507	465
Investment properties	961.189	892.813
Other tangible assets	2.624	714
Non-current financial assets	91	252
Trade receivables and other non-current assets	162	18
CURRENT ASSETS	**35.259**	**24.601**
Financial current assets	68	0
Trade receivables	15.197	11.962
Tax receivables and other current assets	5.358	5.974
Cash and cash equivalents	6.674	2.156
Accrued charges and deferred income	7.962	4.509
TOTAL ASSETS	**999.832**	**918.863**

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	30..06.2020	31.12.2019
SHAREHOLDERS' EQUITY	**519.455**	**524.433**
Shareholders' equity attributable to shareholders of the parent company	**518.885**	**523.859**
Share capital	230.645	222.958
Share premiums	181.683	173.104
Reserves	90.199	62.032
Net result for the financial year	16.358	65.765
Minority interests	**570**	**574**
LIABILITIES	**480.377**	**394.430**
Non-current liabilities	**314.025**	**274.065**
Provisions	937	1.875
Non-current financial debts	292.064	255.472
Credit institutions	*287.064*	*220.556*
Other	*5.000*	*34.916*
Other non-current financial liabilities	10.777	8.627
Trade debts and other non-current debts	1.271	1.211
Deferred tax - liabilities	8.976	6.880
Current liabilities	**166.352**	**120.365**
Provisions	*2.310*	1.875
Current financial debts	125.589	88.137
Credit institutions	*53.140*	*23.137*
Other	*72.449*	*65.000*
Other current financial liabilities	1	68
Trade debts and other current debts	10.178	7.785
Other current liabilities	6.348	3.970
Deferred charges and accrued income	21.926	18.530
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**999.832**	**918.863**

2.4 Condensed consolidated cash flow statement

in thousands €	30.06.2020	30.06.2019
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**2.156**	**1.972**
1. Cash flow from operating activities	19.806	19.628
Operating result	**22.575**	**32.929**
Interest paid	**-4.396**	**-5.726**
Other non-operating elements	**-174**	**-387**
Adjustment of result for non-cash flow transactions	**239**	**-3.461**
▪ Depreciations on intangible and other tangible assets	409	179
▪ Revaluation of solar panels recognised in the result	21	0
▪ Changes in fair value of investment properties	-1.677	-4.595
▪ Spread of rental discounts and rental benefits granted to tenants	-502	-599
▪ Other result on portfolio	1.988	1.554
Change in working capital	**1.562**	**-3.727**
Movement of assets	-5.989	-5.711
Movement of liabilities	7.551	1.984
2. Cash flow from investment activities	-67.881	-38.208
Investments in existing investment properties	-4.050	-3.607
Acquisition of investment properties	-42.679	-23.985
Acquisition of shares of real estate companies	-10.880	0
Investments in development projects	-9.611	-10.222
Acquisitions of intangible and other tangible assets	-661	-394
3. Cash flow from financing activities	52.593	19.586
Repayment of loans	-50.304	-26.969
Drawdown of loans	124.315	65.010
Receipts from non-current liabilities as guarantee	43	67
Dividend paid	-21.461	-18.522
CASH AND CASH EQUIVALENTS AT THE END OF THE SEMESTER	**6.674**	**2.978**

2.5 Condensed statement of changes in consolidated equity

in thousands €	Share capital	Share premiums	Reserves	Net result for the financial year	Minority interests	TOTAL SHARE-HOLDERS' EQUITY
BALANCE SHEET AS AT 31 DECEMBER 2018	**219.605**	**167.883**	**55.015**	**34.114**	**591**	**477.208**
Comprehensive income of first semester 2019				23.967	-9	23.957
Transfers through result allocation 2018:						
▪ Transfer to the reserves for the balance of changes in investment value of real estate properties			15.308	-15.308		0
▪ Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties			-10.747	10.747		0
▪ Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting			-1.615	1.615		0
▪ Allocation to results carried forward from previous financial years			4.071	-4.071		0
Issue of shares for optional dividend financial year 2018	3.353	5.221				8.575
Dividends financial year 2018				-27.097		-27.097
BALANCE SHEET AS AT 30 JUNE 2019	**222.958**	**173.104**	**62.032**	**23.967**	**582**	**482.643**
BALANCE SHEET AS AT 31 DECEMBER 2019	**222.958**	**173.104**	**62.032**	**65.765**	**574**	**524.433**
Comprehensive income of first semester 2020				16.358	-4	16.354
Transfers through result allocation 2019:						
▪ Transfer to the reserves for the balance of changes in investment value of real estate properties			13.703	-13.703		0
▪ Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties			-1.814	1.814		0
▪ Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting			-3.065	3.065		0
▪ Allocation to results carried forward from previous financial years			9.095	-9.095		0
▪ Allocation to other reserves and minority interests			10.121	-10.121		0
Revaluation of solar panels			128			128
Issue of shares for optional dividend financial year 2019	7.687	8.578				16.265
Dividends financial year 2019				-37.725		-37.725
BALANCE SHEET AS AT 30 JUNE 2020	**230.645**	**181.682**	**90.200**	**16.358**	**570**	**519.455**

2.6 Notes to the consolidated condensed half-yearly figures

2.6.1 Condensed consolidated segmented income statement

BUSINESS SEGMENTATION in thousands €	Offices		Logistics real estate		Corporate		TOTAL	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Rental income	12.920	12.590	16.611	22.929			29.531	35.519
Rental-related expenses	-11	-1	-23	-109			-34	-110
Property management costs and income	-168	140	275	126			107	266
PROPERTY RESULT	**12.741**	**12.729**	**16.863**	**22.946**			**29.604**	**35.675**
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**10.089**	**10.750**	**15.033**	**21.265**	**-2.220**	**-2.127**	**22.902**	**29.888**
Result on disposal of investment properties			-16	0			-16	0
Changes in fair value of investment properties	-8.338	-849	10.015	5.444			1.677	4.595
Other result on portfolio	554	-235	-2.542	-1.319			-1.988	-1.554
OPERATING RESULT OF THE SEGMENT	**2.305**	**9.666**	**22.490**	**25.390**	**-2.220**	**-2.127**	**22.575**	**32.929**
Financial result					-6.028	-8.545	-6.028	-8.545
Taxes					-193	-427	-193	-427
NET RESULT	**2.305**	**9.666**	**22.490**	**25.390**	**-8.441**	**-11.099**	**16.354**	**23.957**

BUSINESS SEGMENTATION: KEY FIGURES in thousands €	Offices		Logistics real estate		TOTAL	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Fair value of investment properties	356.769	350.069	604.420	542.744	961.189	892.813
Total leasable space (000 m^2)	246	238	784	708	1.030	946
Occupancy rate (%)	88%	90%	95%	96%	92%	93%

GEOGRAPHIC SEGMENTATION in thousands of €	Investment properties Belgium		Investment properties the Netherlands		Corporate		TOTAL	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Rental income	23.192	30.409	6.339	5.110			29.531	35.519
Rental-related expenses	-34	-110	0	0			-34	-110
Property management costs and income	85	265	22	1			107	266
PROPERTY RESULT	**23.244**	**30.564**	**6.360**	**5.111**			**29.604**	**35.675**
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**19.410**	**27.109**	**5.712**	**4.906**	**-2.220**	**-2.127**	**22.902**	**29.888**
Result on disposal of investment properties	-16	0	0				-16	0
Changes in fair value of investment properties	-4.884	-701	6.561	5.296			1.677	4.595
Other result on portfolio	402	-458	-2.390	-1.096			-1.988	-1.554
OPERATING RESULT OF THE SEGMENT	**14.912**	**25.950**	**9.883**	**9.106**	**-2.127**	**-2.127**	**22.575**	**32.929**

GEOGRAPHIC SEGMENTATION: KEY FIGURES in thousands €	Investment properties Belgium		Investment properties the Netherlands		TOTAL	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Fair value of investment properties	692.767	674.706	268.422	218.107	961.189	892.813
Total leasable space (000 m^2)	720	712	310	234	1.030	946
Occupancy rate (%)	92%	92%	91%	100%	92%	93%

2.6.2 Principles for preparation of half-yearly figures

The condensed consolidated half-yearly figures are prepared on the basis of the principles of financial reporting in accordance with IFRS and in accordance with IAS 34 "Interim financial reporting". In these condensed half-yearly figures, the same principles of financial information and calculation methods are used as those used for the consolidated annual accounts as at 31 December 2019, with the addition of the following.

Solar panels

The solar panels are valued based on the revaluation model in accordance with IAS 16 Tangible assets. After initial recognition, an asset whose fair value can be reliably determined must be booked at the revalued value, i.e. the fair value at the moment of the revaluation less any subsequently accumulated depreciation and subsequently accumulated impairment losses. The fair value is determined based on the discounting method for future income.

The useful life of the solar panels is estimated at 25 years without taking into account any residual value.

The increase in value generated upon the start-up of a new site are entered in a separate component of the shareholders' equity. Decreases in value are also recognised in this component, unless they have been realised or unless the fair value falls below the original cost less accumulated depreciation. In the latter cases they are included in the results.

New or amended standards and interpretations effective for the financial year as from 1 January 2020

- Amendments to IFRS 3 Business Combinations: clarification of the definition of a company
- Amendments to IAS 1 and IAS 8: Definition of equipment
- Amendments to IFRS 9, IAS 39 and IFRS 7 Financial Instruments relating to pre-replacement issues under the IBOR reform
- Amendments to the references to the Conceptual framework in IFRS standards.

New or amended standards and interpretations not yet in force for the current financial year

Intervest has not yet applied the following new standards, amendments to standards or interpretations that are not yet in force for the current financial year but that may be applied sooner. Insofar as these new standards, amendments and interpretations are relevant to Intervest, an indication is given below of how their application can affect the consolidated annual accounts of 2020 and beyond. The standards summarised below have not yet been adopted within the EU.

- Amendments to IFRS 16 Lease agreements to grant lessees an exemption to assess whether a lease concession related to COVID-19 is a lease adjustment (applicable for financial years as from 1 June 2020)
- Annual improvements to IFRS 2018-2020 cycle (applicable for financial years from 1 January 2022)

- Amendments to IFRS 2: Update of a reference to the Conceptual framework (applicable for financial years as from 1 January 2022)
- Amendments to IAS 16 Lease agreements that prohibit a company from reducing the proceeds from the sale of items produced while preparing the asset for its intended use from the cost of tangible non-current assets (applicable for financial years as from 1 January 2022)
- Amendments to IAS 1: classification of liabilities (applicable for financial years as from 1 January 2022)
- Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets relating to the costs to be included in the assessment of whether a contract is onerous (applicable for financial years as from 1 January 2022)
- Amendments to IFRS 4: expiration date of the deferred approach (the deadline for temporary exemption for adoption of IFRS 9 is now 1 January 2023)
- IFRS 17 Insurance contracts and amendments to address concerns and implementation issues after IFRS 17 was published (adoptable for financial years as from 1 January 2023).

2.6.3 Trade receivables

in thousands €	30.06.2020	31.12.2019
Trade receivables	5.208	1.579
Advance invoicing not yet due	9.234	9.889
Invoices to issue	1.022	742
Recognised write-downs on doubtful debtors	-531	-500
Other trade receivables	265	252
TOTAL TRADE RECEIVABLES	**15.198**	**11.962**

With its the proactive approach and interaction with tenants when coronavirus broke out and the subsequent crisis situation, Intervest has managed to work out an extension of the payment term with a number of tenants (currently approximately 3%). As a result, the amount for trade receivables on the balance sheet as at 30 June is significantly higher. As at 30 June 2020, the outstanding trade receivables amount to € 4,7 million, compared to € 1 million as at 31 December 2019.

Intervest is closely monitoring these payment terms and the increased risk surrounding debtors today and in the further course of this pandemic. Intervest has sufficient financing capacity to absorb possible liquidity tensions should a further delay in rental income payments arise.

A clear procedure is used to determine the provisions to be made for doubtful debtors, whereby an estimate is made on a quarterly basis of the expected losses on the outstanding trade receivables and corresponding write-downs are applied. In this way, the carrying amount of trade receivables approximates to their fair value. The creditworthiness of the tenant base is regularly screened.

2.6.4 Evolution of investment properties

in thousands €	30.06.2020				31.12.2019			
	Offices	Logistics real estate		TOTAL	Offices	Logistics real estate		TOTAL
		BE	NL			BE	NL	
BALANCE SHEET AS AT 1 JANUARY	**350.069**	**324.637**	**218.107**	**892.813**	**346.769**	**366.093**	**153.642**	**866.504**
▪ Acquisition of investment properties	0	0	42.679	**42.679**	0	0	23.953	**23.953**
▪ Investments in development projects and land reserves	0	8.627	984	**9.611**	0	6.180	23.414	**29.594**
▪ Divestment of investment properties	0	0	0	**0**	0	-57.665	0	**-57.665**
▪ Acquisition via shares of real estate companies	11.951	0	0	**11.951**	0	0	0	**0**
▪ Investments and expansions in existing investment properties	3.087	873	90	**4.050**	6.803	920	397	**8.120**
▪ Transferring solar panels to tangible assets	0	-1.591	0	**-1.591**	0	0	0	**0**
▪ Changes in fair value of investment properties	-8.338	3.452	6.562	**1.676**	-3.503	9.109	16.701	**22.307**
BALANCE SHEET AS AT 30 JUNE / 31 DECEMBER	**356.769**	**335.998**	**268.422**	**961.189**	**350.069**	**324.637**	**218.107**	**892.813**

The fair value of the logistics portfolio increased in 2020 by € 62 million or 8%, primarily due to:

- the acquisition of three logistics sites in the Netherlands with a total acquisition value of € 43 million
- the investments in development project in Genk Green Logistics (BE), Merchtem (BE) and Roosendaal Braak (NL) for a total of € 10 million
- the investments and expansions in the existing logistics portfolio for € 1 million
- the transfer of the solar panels from the investment properties to tangible assets in accordance with IAS 16 for an amount of € 2 million
- an increase of 2% or € 10 million in the fair value of the logistics portfolio as a result of the sharpening of the yields in the Netherlands and Belgium.

The fair value of the office portfolio increased in 2020 by € 7 million or 2%, mainly due to:

- the investments and expansions in the existing real estate portfolio of € 3 million, mainly in Greenhouse BXL
- the acquisition of shares of a real estate company with an office building in Herentals, the fair value of which is € 12 million
- a decrease in the fair value of the existing office portfolio of 2% or € 8 million, mainly as a result of the estimate made by the real estate experts in the current economic uncertainty caused by the coronavirus and the associated pandemic.

Breakdown of investment properties per type

in thousands €	30.06.2020	31.12.2019
Real estate available for lease	938.286	859.513
Construction & development projects under IAS 16	6.487	21.518
Construction & development projects under IAS 40	5.195	0
Reserves of land	11.221	11.781
TOTAL INVESTMENT PROPERTIES	**961.189**	**892.812**

Investment properties available for lease are recorded at fair value.
The fair value is determined on the basis of one of the following levels of the hierarchy:

- level 1: measurement is based on quoted market prices in active markets
- level 2: measurement is based on (externally) observable information, either directly or indirectly
- level 3: measurement is based either fully or partially on information that is not (externally) observable.

IFRS 13 classifies investment properties as level 3.

2.6.5 Overview of future minimum rental income

For an update of the future minimum rental income as at 30 June 2020, please refer to the description of the leasing activities and the evolution of the portfolio in paragraphs 1.3. and 1.5. (supra) of the interim management report.

2.6.6 Non-current and current liabilities

An update of the financial structure of Intervest as at 30 June 2020 is provided in paragraph 1.8 (supra) of the interim annual report.

2.6.7 Financial instruments

The main financial instruments of Intervest consist of financial and commercial receivables and debts, cash and cash equivalents as well as interest rate swaps (IRS).

SUMMARY OF FINANCIAL INSTRUMENTS			30.06.2020		31.12. 2019	
in thousands €	Categories	Level	Carrying amount	Fair value	Carrying value	Fair value
FINANCIAL INSTRUMENTS ON ASSETS						
Non-current assets						
Non-current financial assets	C	2	91	91	252	252
Trade receivables and other non-current assets	A	2	162	162	18	18
Current assets						
Trade receivables	A	2	15.197	15.197	11.962	11.962
Cash and cash equivalents	B	2	6.674	6.674	2.156	2.156
FINANCIAL INSTRUMENTS ON LIABILITIES						
Non-current liabilities						
Non-current financial debts (interest-bearing)	A	2	292.064	293.778	255.472	258.154
Other non-current financial liabilities	C	2	10.777	10.777	8.627	8.627
Other non-current liabilities	A	2	1.271	1.271	1.211	1.211
Current liabilities						
Current financial debts (interest-bearing)	A	2	125.589	126.394	88.137	88.137
Other current financial liabilities	C	2	1	1	68	68
Trade debts and other current debts	A	2	10.178	10.178	7.785	7.785
Other current liabilities	A	2	6.348	6.348	3.970	3.970

The categories correspond to the following financial instruments:

A. financial assets or liabilities amortised at cost
B. investments held to maturity and measured at amortised cost
C. assets and liabilities held at fair value via the income statement, with the exception of financial instruments defined as hedging instruments.

Financial instruments are recorded at fair value. The fair value is determined based on one of the following levels of the fair value hierarchy:

- level 1: measurement is based on quoted market prices in active markets
- level 2: measurement is based on (externally) observable information, either directly or indirectly
- level 3: measurement is based wholly or partially on information that is not (externally) observable.

The financial instruments of Intervest correspond to level 2 of the fair value hierarchy. The valuation techniques relating to the fair value of level 2 financial instruments are mentioned in the 2019 Annual report in Note 19 Financial instruments.

As at 30 June 2020, these interest rate swaps had a negative market value of € -8,6 million (contractual notional amount of € 250 million), which is determined by the issuing financial institution on a quarterly basis.

		Starting date	End date	Interest rate	Contractual notional amount	Hedge accounting	FAIR VALUE	
in thousands €						Yes/No	30.06.2020	31.12.2019
1	IRS	30.06.2015	30.06.2020	0,4960%	15.000	No	0	-68
Authorised hedging instruments included in other current financial liabilities							**0**	**-68**
1	IRS	18.06.2015	18.06.2021	0,6300%	15.000	No	0	-225
2	IRS	01.12.2016	01.12.2021	0,1200%	15.000	No	-125	-141
3	IRS	01.12.2016	01.12.2022	0,2200%	15.000	No	-256	-238
4	IRS	22.03.2017	22.03.2024	0,8500%	10.000	No	0	-469
5	IRS	22.03.2017	22.03.2024	0,4500%	10.000	No	-349	-296
6	IRS	22.03.2017	22.03.2023	0,3300%	10.000	No	-224	-207
7	IRS	15.06.2018	15.01.2025	0,6600%	15.000	No	-776	-640
8	IRS	15.06.2018	17.06.2024	0,5950%	10.000	No	-429	-360
9	IRS	01.10.2018	01.10.2025	0,8520%	10.000	No	-400	-390
10	IRS	27.09.2018	27.09.2023	0,3930%	10.000	No	-287	-254
11	IRS	27.09.2018	27.09.2025	0,6800%	10.000	No	-597	-492
12	IRS	28.09.2018	30.09.2025	0,7050%	10.000	No	0	-496
13	IRS	28.09.2018	29.09.2023	0,4350%	10.000	No	-301	-267
14	IRS	02.01.2019	02.01.2026	0,7275%	25.000	No	-858	-802
15	IRS	18.06.2019	18.06.2025	0,6675%	15.000	No	-700	-571
16	IRS	26.06.2019	26.06.2025	0,6425%	10.000	No	-549	-408
17	IRS	13.05.2019	13.05.2026	0,2870%	10.000	No	-418	-262
18	IRS	13.05.2019	13.05.2026	0,2780%	10.000	No	-323	-158
19	IRS	26.06.2019	26.06.2025	-0,1770%	10.000	No	-196	0
20	IRS	10.07.2019	10.07.2024	-0,2975%	10.000	No	-101	0
21	IRS	08.01.2020	08.01.2027	0,4200%	35.000	No	-1.903	0
Authorised hedging instruments included in other non-current financial liabilities							**-8.792**	**-6.676**
1	Floor	01.12.2016	01.02.2021	0,000%	27.500	No	0	117
2	IRS	26.06.2019	26.06.2025	-0,1770%	10.000	No	0	3
3	IRS	10.07.2019	10.07.2024	-0,2975%	10.000	No	0	45
4	Floor	13.05.2019	13.05.2026	0,2870%	10.000	No	91	87
Authorised hedging instruments included in non-current financial assets							**91**	**252**
1	Floor	01.12.2016	01.02.2021	0,000%	27.500	No	68	0
Authorised hedging instruments included in financial current assets							**68**	**0**
TOTAL FAIR VALUE OF FINANCIAL DERIVATIVES							**-8.633**	**-6.492**

Intervest did not classify any interest rate swaps whatsoever as cash flow hedge as at 30 June 2020. The value fluctuations of all existing interest rate swaps are directly included in the income statement.

Related parties

No modifications have occurred during the first semester of 2020 regarding the type of transactions with related parties as described in Note 22 of the Financial report of the 2019 annual report.

As far as the prevention of conflicts of interest is concerned, the company is subject to statutory rules (Articles 7:115 to 7:117 of the Belgian Companies and Associations Code and Articles 36 to 38 of the RREC Act) and to the rules set out in its articles of association and its Corporate Governance Charter.

Off-balance sheet rights and obligations

As at 30 June 2020, Intervest had the following liabilities or obligations:

Investment commitments of approximately € 2 million for the built-to-suit expansion at the existing logistics site in Merchtem and approximately € 5 million for the construction of the first logistics complex in Genk Green Logistics.

Furthermore, Intervest, together with JM Construct, has also undertaken to jointly and severally stand surety vis-à-vis De Vlaamse Waterweg that GGL will pay the costs of the soil remediation and construction of infrastructure for an amount of € 7 million.

Furthermore, via its 50% shareholding in Genk Green Logistics (GGL), Intervest indirectly has an obligation to achieve the result of providing minimum employment in the context of the GGL project. Compliance with such obligation to achieve a specific result is measured on two points in time, namely 31 December 2030 and 31 December 2036. In the event of non-compliance, a penalty of a maximum € 2 million can be imposed for Genk Green Logistics.

Events after the balance sheet date

There are no significant events to be mentioned that occurred after the closing of the accounts as at 30 June 2020.

2.7 Statutory auditor's report[1]

Intervest Offices & Warehouses SA, public regulated real estate company under Belgian law

Report on the review of the consolidated interim financial information of Intervest Offices & Warehouses SA, public regulated real estate company under Belgian law for the six-month period ended 30 June 2020

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the condensed consolidated balance sheet as at 30 June 2020, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed statement of changes in consolidated equity and the condensed consolidated cash flow statement for the period of six months then ended, as well as selective notes 1 to 7.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Intervest Offices & Warehouses SA, public regulated real estate company under Belgian law ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

The condensed consolidated balance sheet shows total assets of 999.832 (000) EUR and the condensed consolidated income statement shows a consolidated profit (group share) for the period then ended of 16.358 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard ISRE 2410, "Review of interim financial information", performed by the independent auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially more limited than that of an audit performed in accordance with the International Standards on Auditing. Consequently, the review does not provide us with the assurance that we will come to know all the materially significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

1 The original text of this report is in Dutch/French

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Intervest Offices & Warehouses SA, public regulated real estate company under Belgian law has not been prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Emphasis of matter - valuation of investment property

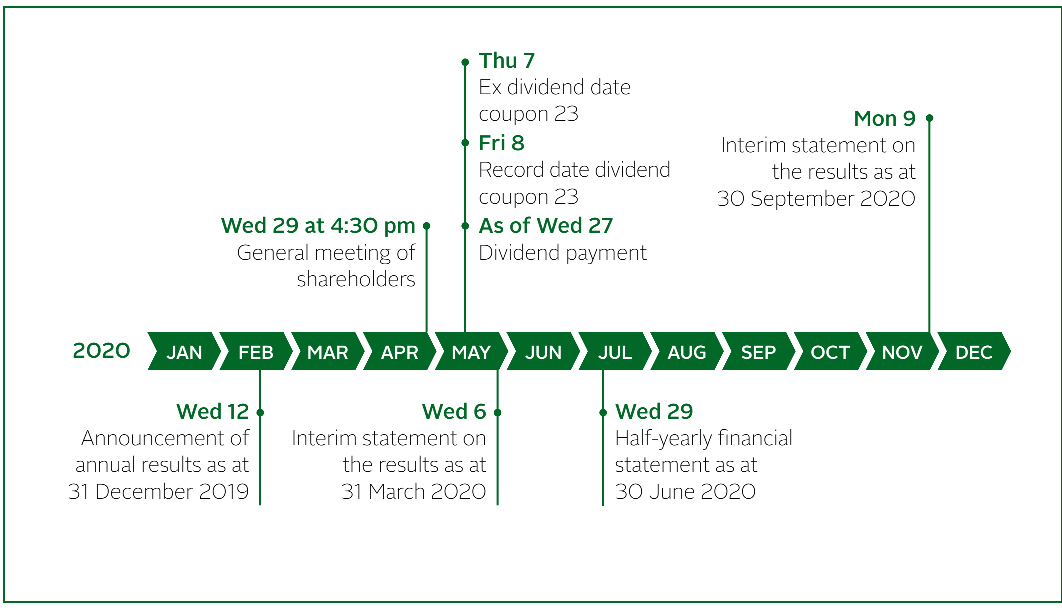
We draw your attention to note 1.5 'Real estate portfolio' of the consolidated interim financial statements, which describes the effect of the uncertainties created by the coronavirus pandemic (COVID-19) on the valuation of the investment property portfolio. The pandemic has severely disrupted business and economic activity and the resulting uncertainties have increased the estimation uncertainty regarding the fair value of the investment property portfolio at the balance sheet date. Our opinion does not contain any reservations with regard to this matter.

Signed at Zaventem, on 29 July 2020

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by Rik Neckebroeck

2.8 Financial calendar 2020



3 Statement regarding the half-yearly financial report

Pursuant to article 13 §2 of the Royal Decree of 14 November 2007, the supervisory board, composed of Jean-Pierre Blumberg (chairman), Marleen Willekens, Jacqueline de Rijk-Heeren and Johan Buijs, declares that after taking all reasonable measures and according to its knowledge:

a. the condensed half-yearly figures, prepared on the basis of the principles of financial reporting in accordance with IFRS and in accordance with IAS 34 "Interim financial information" as accepted by the European Union, give a true and fair view of the equity, the financial position and the results of Intervest Offices & Warehouses nv and of the companies included in the consolidation
b. the interim annual report gives a true statement of the main events which occurred during the first six months of the current financial year, their influence on the condensed half-yearly figures, the main risk factors and uncertainties regarding the remaining months of the financial year, as well as the main transactions between related parties and their possible effect on the condensed half-yearly figures if these transactions should have a significant importance and were not concluded under normal market conditions
c. the information in the interim annual report coincides with reality and no information has been omitted the statement of which could modify the purpose of the interim annual report.

These condensed half-yearly figures were approved for publication by the supervisory board as at 29 July 2020.

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 in and around centre cities such as Antwerp, Mechelen, Brussels and Leuven; the logistics properties are located on the Antwerp - Brussels - Nivelles, Antwerp - Limburg - Liège, and Antwerp - Ghent - Lille axes and concentrated in the Netherlands on the Moerdijk - 's-Hertogenbosch - Nijmegen, Rotterdam - Gorinchem - Nijmegen and Bergen-op-zoom - Eindhoven - Venlo axes. Intervest distinguishes itself when leasing space by offering more than square metres only. The company goes beyond real estate by offering 'turn-key solutions' (a tailor-made global solution for and with the customer), extensive services provisioning, co-working and serviced offices.

For more information, please contact Intervest Offices & Warehouses nv,
public regulated real estate company under Belgian law, Gunther Gielen - CEO or Inge Tas - CFO,
T. + 32 3 287 67 87. https://www.intervest.be/en