



BEYOND  
REAL  
ESTATE

# Press & analyst meeting

12 February 2021



- 
- 1 ➤ Company profile & property portfolio
  - 2 ➤ Financial Management
  - 3 ➤ Corporate governance
  - 4 ➤ Outlook
  - 5 ➤ Strategic vision update
  - 6 ➤ Vision to action
-



AUDITORIUM

# Company profile

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Interinvest Offices & Warehouses is a listed real estate company active in the market of offices and logistics buildings, with a robust growth plan, based on a reorientation of the offices portfolio and an expansion of the logistics portfolio in Belgium and the Netherlands.



B-REIT status  
(GVV/SIR) in  
Belgium

Euronext  
Brussels listed  
since 1999



€ 575 million  
market  
capitalization



€ 1.018 million  
portfolio  
fair value



> 1.000.000 m<sup>2</sup>  
GLA



# 48  
in-house  
real estate  
team

## Key Facts

- Founded in 1996
- Property investor, manager & operator
- 2 complementary segments:
  - › Offices
  - › Warehouses
- Focus on Belgium & the Netherlands



# Focus

1 Diversified portfolio



63% logistics real estate  
37% offices

2 Sustainable growth



60% portfolio growth  
since 2016

3 Development



Genk Green Logistics  
Herentals Logistics  
Greenhouse Singel

4 *Beyond real estate*



Turn-key solutions  
Greenhouse concept

5 Attractive yield



6,8% dividend yield\*

# Portfolio: geographical spread

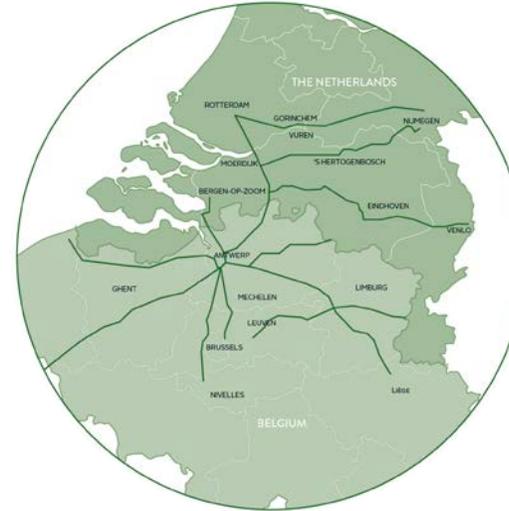


63%



## Logistics portfolio

- › Antwerp - Ghent - Lille 4%
- › Antwerp - Limburg - Liège 29%
- › Antwerp - Brussels - Nivelles 23%
- › the Netherlands 44%



37%

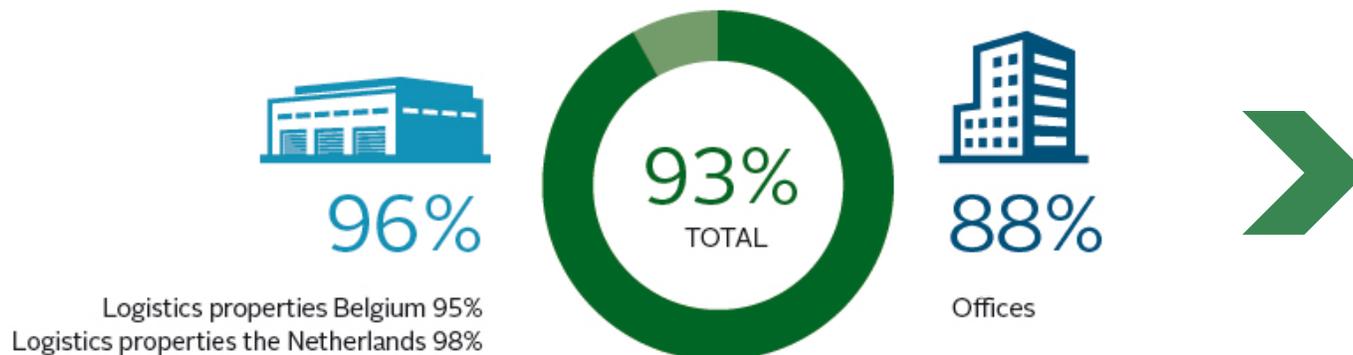


## Office portfolio

- › Antwerp 23%
- › Mechelen 45%
- › Brussels 22%
- › Leuven 10%



# Portfolio: occupancy rate



## Occupancy rate

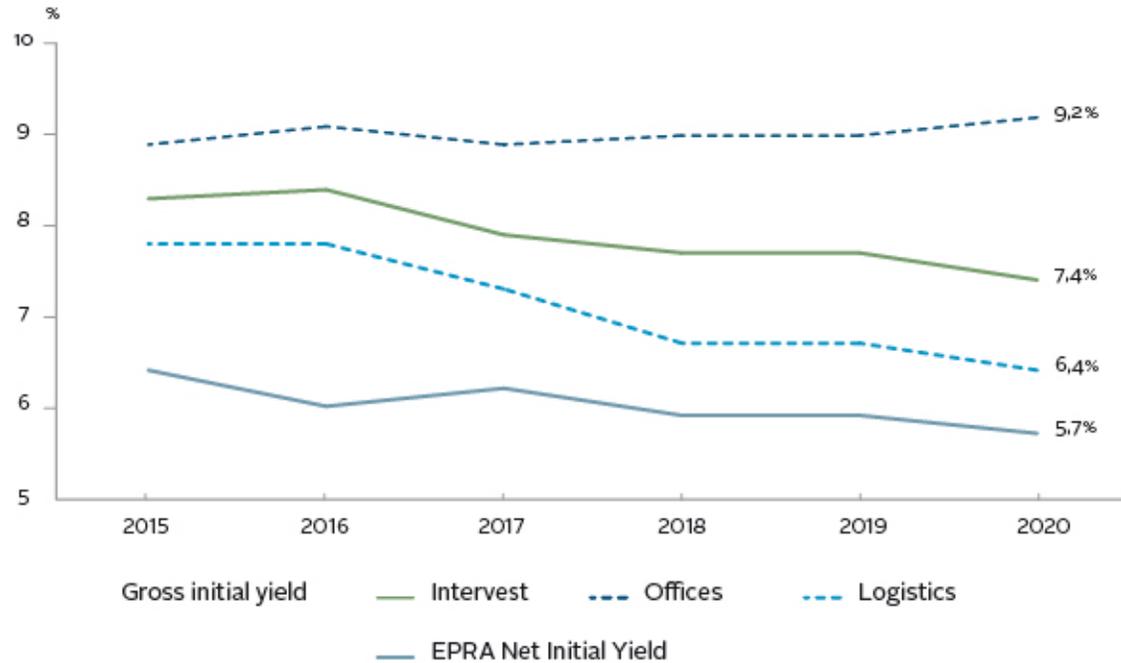
2020 FY: 93%  
2019 FY: 93%



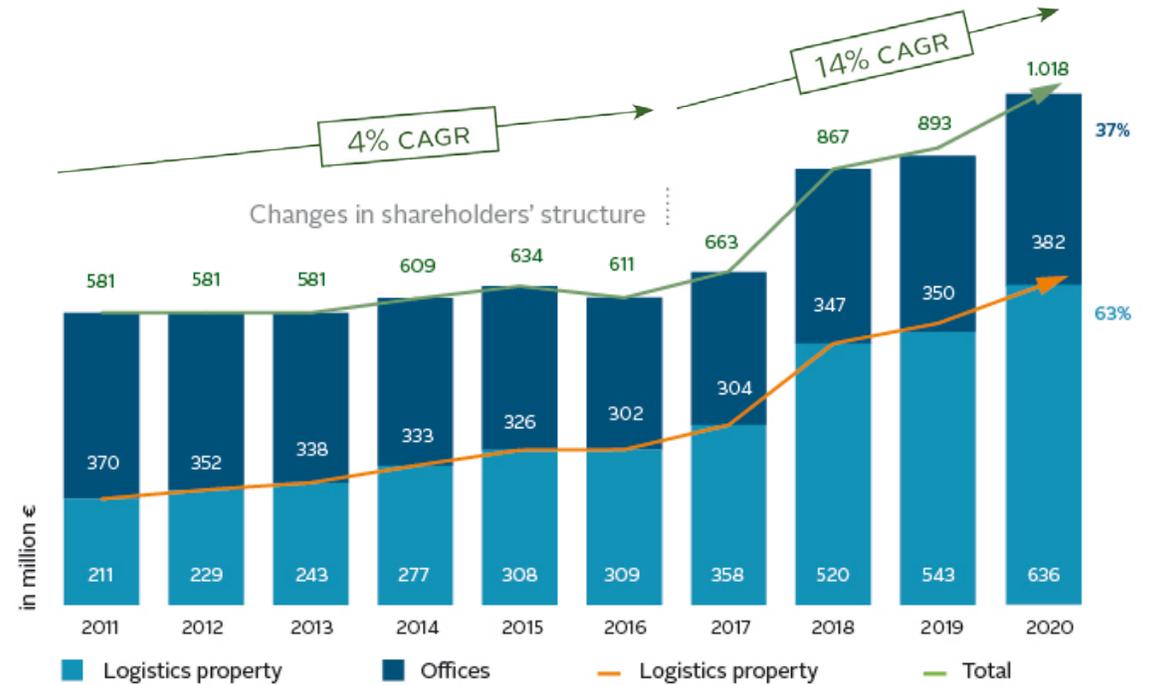
## Historical range

15Y Average: 89%  
15Y Logistics: 83% - 98%  
15Y Offices: 78% - 92%

# Portfolio: Yield & Value



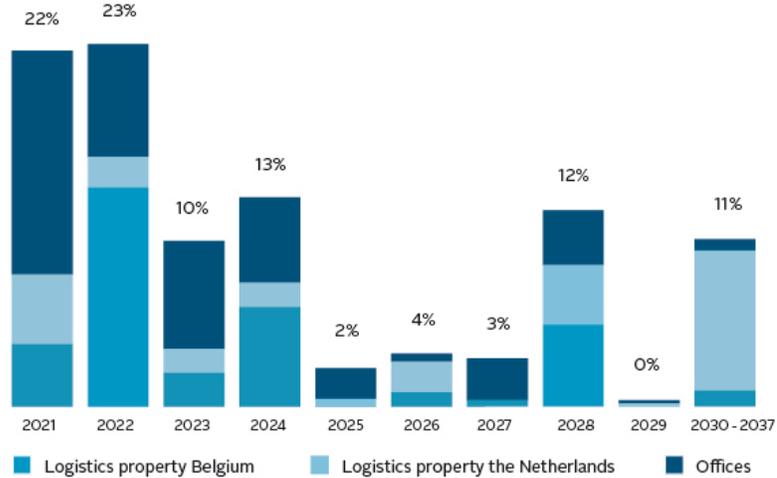
- › EPRA Net Initial Yield (NIY) 5,7%
- › Gross initial yield (including ERV vacancy) 7,4%



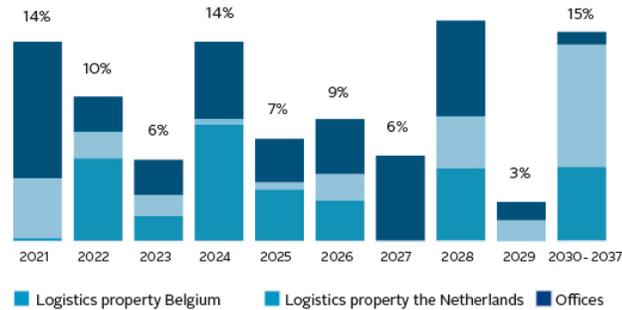
- › Real estate portfolio as at 31 December 2020: € 1.018 million

# Lease terms & major tenants

## Lease terms - first break dates

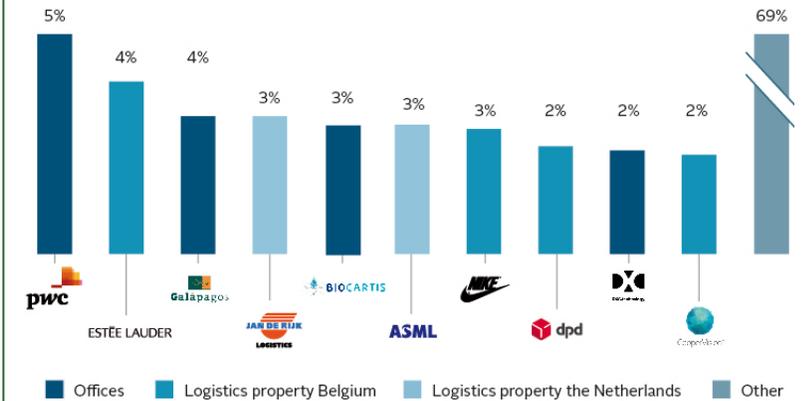


## Lease terms – final expiry dates



- › WALB: logistics 4,8 years  
offices 2,9 years

## Major tenants



- › Limited exposure to tenant concentration
- › 31% of rental income comprises 10 tenants



# Investments

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€ 110  
million  
investments

Strategy  
#connect  
2022

Sustainable  
investments

(Re)  
development  
potential

# Investments - Land reserve

Site	Segment	Country	GLA approx. (m <sup>2</sup> )	Total investment value (€ million)	Invested in 2020 (€ million)	GIY	Annual rent - 100% occupancy (€ million)	Occupancy	#connect2022: Sustainability Future development potential
<b>Investments</b>									
1. Eindhoven - Gold Forum	Logistics	NL	20.700	19	17	6,4%	1,2	100%	Cluster Silver Forum - BREEAM Very Good - Photovoltaic installation
2. Venlo	Logistics	NL	11.900	13	13	6,2%	0,8	100%	Photovoltaic installation - Development potential: option on land position
3. Roosendaal - Braak	Logistics	NL	28.300	20	1	7,2%	1,4	77% (*)	BREEAM Outstanding - Photovoltaic installation
4. Herentals (Gencor)	Offices	BE	7.800	12	12	9,1%	1,0	83%	Redevelopment potential entire site Herentals Logistics
5. 's-Hertogenbosch - Rietvelden	Logistics	NL	15.500	13	13	9,2%	1,2	100%	Development potential - cluster existing land position
6. Antwerpen – Greenhouse Singel	Offices	BE	16.500	33	33	5,4% - 5,8%	2,6 – 2,8	-	Prestigious office renovation project - In-house development
<b>TOTAL INVESTMENTS 2020</b>			<b>100.700</b>	<b>109</b>	<b>89</b>				
<b>Investments in development project</b>									
Genk Green Logistics - first complex	Logistics	BE	25.000	13	12	-	-		Sustainable value creation - Redevelopment zone B
Merchtem - expansion	Logistics	BE	7.000	6	4	6,3%	0,4		BREEAM Very Good - In-house development
<b>TOTAL DEVELOPMENT PROJECT 2020</b>			<b>32.000</b>	<b>19</b>	<b>16</b>				
<b>Investments in existing portfolio</b>									
Offices		BE			3				Greenhouse BXL (car parking building)
Logistics		BE			2				
<b>TOTAL INVESTMENTS IN EXISTING PORTFOLIO 2020</b>					<b>5</b>				
<b>Potentially GLA</b>									
Genk Green Logistics	Logistics	BE	225.000						
Herentals Logistics	Logistics	BE	45.000						
Venlo (option on land position)	Logistics	NL	10.000						
's-Hertogenbosch	Logistics	NL	8.500						
<b>TOTAL potentially GLA</b>			<b>288.500</b>						
<b>TOTAL INVESTED IN HY 2020</b>					<b>110</b>				

# Investments in logistics real estate in the Netherlands



Eindhoven  
Gold Forum



Roosendaal  
Braak



Venlo



's-Hertogenbosch  
Rietvelden

# Investments in real estate in Belgium



## Herentals

Office building



## Genk Green Logistics

Redevelopment zone B



## Merchtem

Built-to-suit expansion



## Greenhouse Singel



# Genk Green Logistics

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# Genk Green Logistics



- Planned redevelopment of 42 ha
- Zone B on former Ford site in Genk
- Strategically located,
- Large-scale and tri-modal access
- Proximity to gateways Antwerp and Liège
- Connectivity through Albert Canal
- Proximity to consumer markets
- Inbound activity
- Collaboration with Flemish Government

- 250.000 m<sup>2</sup> state-of-the-art logistics complex
- To be fully developed over several years
- BREEAM 'Excellent'
- First logistics building of approx. 25.000 m<sup>2</sup>
  - › delivered in Q4 2020
- Clear focus on e-commerce, also open to other logistics needs or smart manufacturing
- Competitive rental conditions



# Greenhouse Singel

Redevelop-  
ment at top  
location

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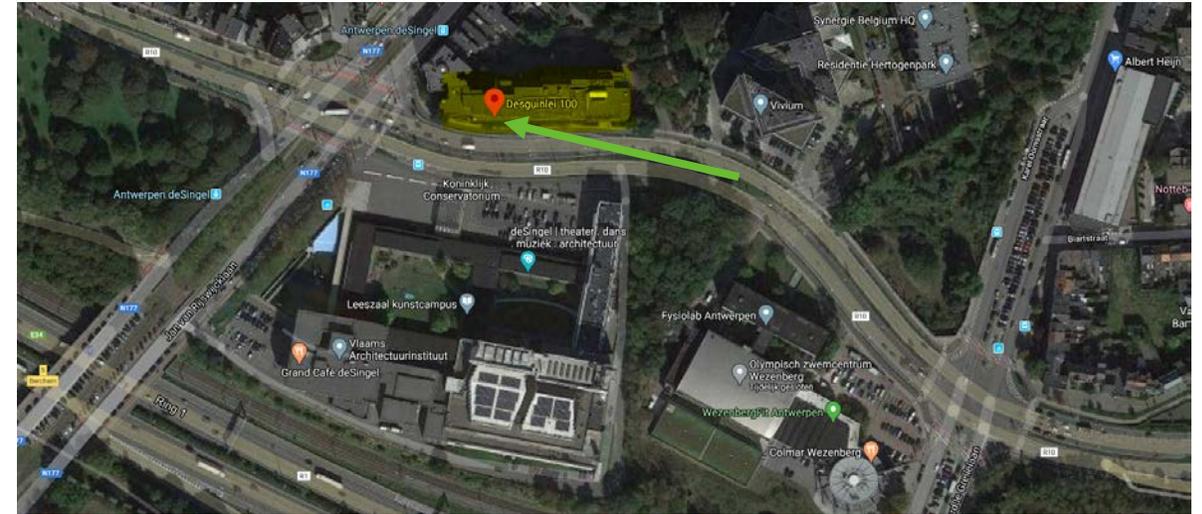
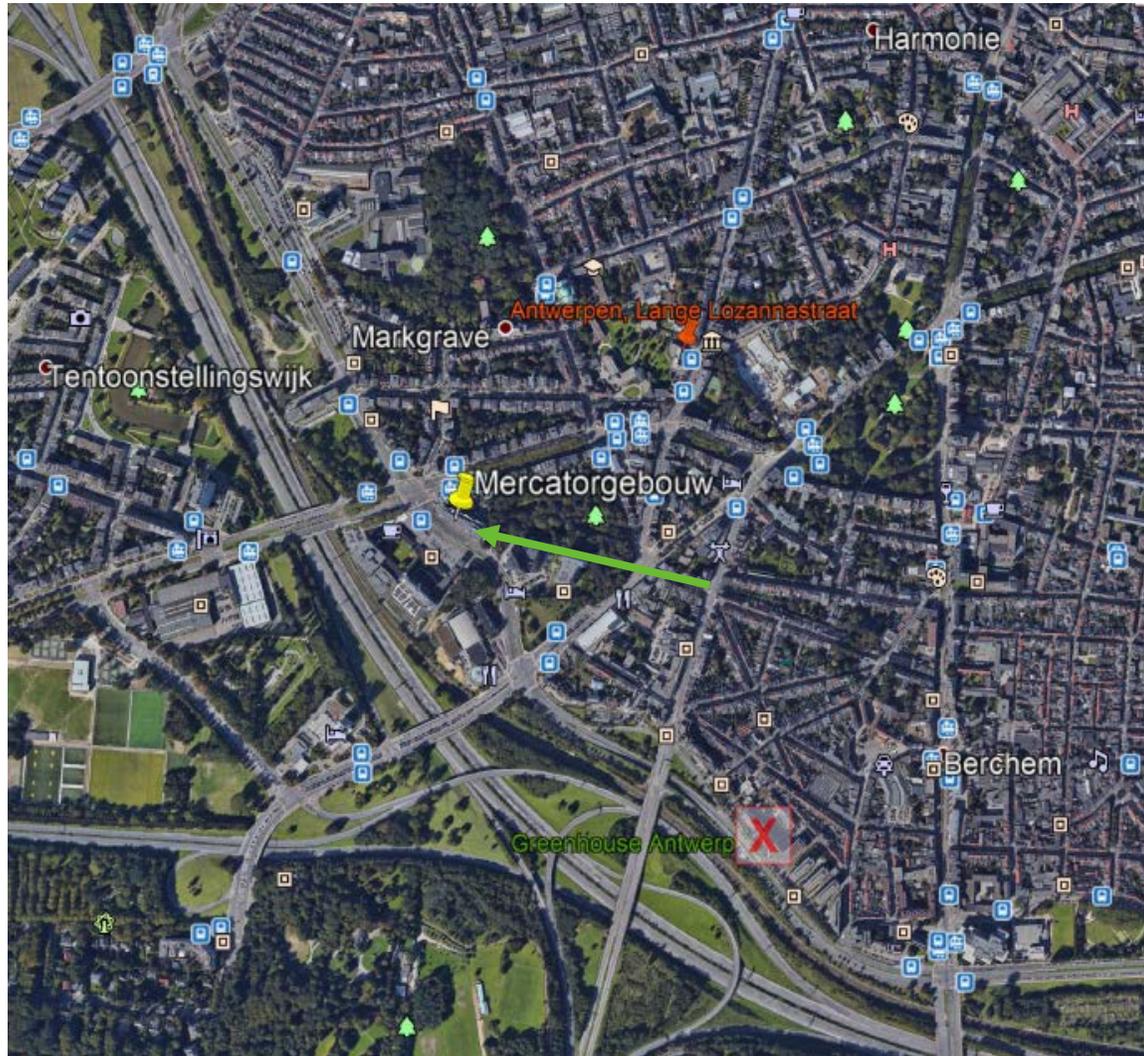
# Antwerp, Greenhouse Singel



- Acquired November 2020
- State-of-the-art office renovation project
- Expected delivery in the beginning of 2022
- 6 floors  
14.100 m<sup>2</sup> offices  
2.500 m<sup>2</sup> archive space  
more than 150 parking lots
- BREEAM 'Excellent'
- Entirely in hands of Team Intervest
- Expected gross rental yield 5,4% - 5,8%

Data as at 18 November 2020

# Location & environment



- Desguinlei 100, 2018 Antwerpen
- Situated in 1 km distance from Intervest opposite 'deSingel', cultural center Antwerp
- Convenient location near the Ring of Antwerp towards Ghent and the A12 towards Brussels
- Access public transport: tram Jan van Rijswijcklaan
- Extra parking in neighborhood: at Wezembek olympic swimming pool and Koninklijk Conservatorium Antwerpen

# Artist impression building



# Interior design

Artist Impressions



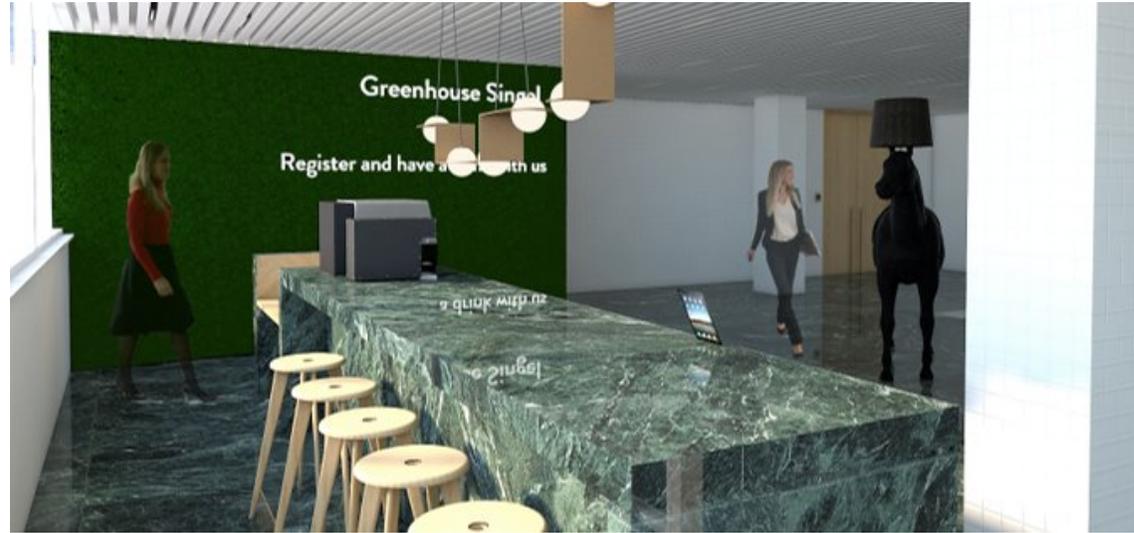
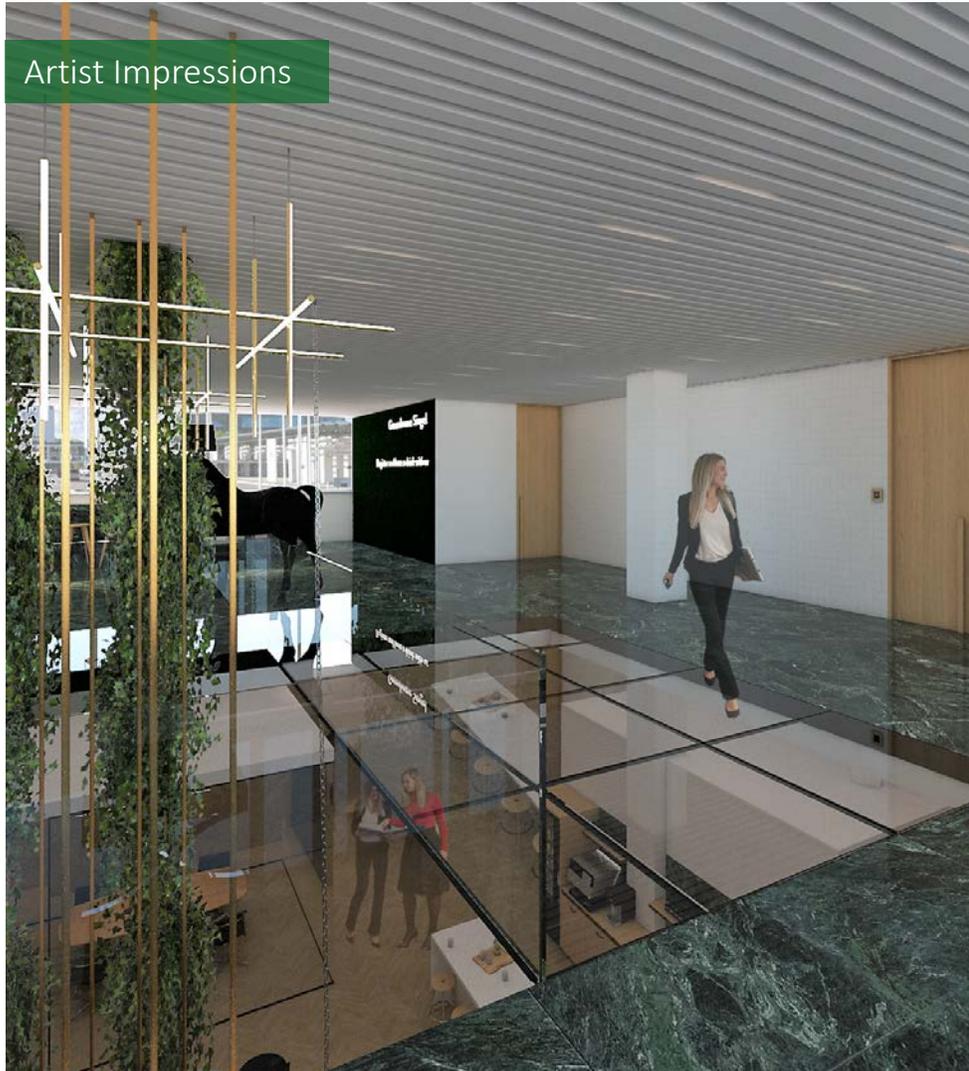
# Interior design

Artist Impression



# Interior design

Artist Impressions



# Interior design

Artist Impression



# Interior design





# Financial Management

# 2

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Intervest is a high-quality, specialised player in both the office market and the logistics real estate segment. A unique combination on the Belgian market, with sufficient critical mass, which offers the advantage of a strong risk spread and which seeks attractive and long-term returns for shareholders.

# Key financial facts

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31 December 2020



EPRA NTA  
per share

€ 22,40



EPRA earnings  
per share

€ 1,60



Average  
interest rate of  
financing

2,0%



Intended gross  
dividend per  
share for 2020

€ 1,53

# Income statement

in thousands €	2020	2019
Rental income	61.303	66.143
Rental-related expenses	-51	-166
Property management costs and income	534	1.131
<b>Property result</b>	<b>61.786</b>	<b>67.108</b>
Property charges	-8.529	-7.529
General costs and other operating income and costs	-4.339	-3.688
<b>Operating result before result on portfolio</b>	<b>48.918</b>	<b>55.891</b>
Result on disposal of investment properties	1.670	5.364
Changes in fair value of investment properties	15.454	22.307
Other result on portfolio	-9.083	-5.661
<b>Operating result</b>	<b>56.959</b>	<b>77.901</b>
Financial result(excl. changes in fair value of financial assets and liabilities)	-7.924	-8.501
Changes in fair value of financial assets and liabilities	-2.311	-3.065
Taxes	-664	-587
<b>NET RESULT</b>	<b>46.060</b>	<b>65.748</b>
Minority interests	2.629	-17
<b>NET RESULT - Group share</b>	<b>43.431</b>	<b>65.765</b>
<b>Note:</b>		
EPRA earnings	40.355	46.820
Result on portfolio	5.387	22.010
Changes in fair value of financial assets and liabilities	-2.311	-3.065

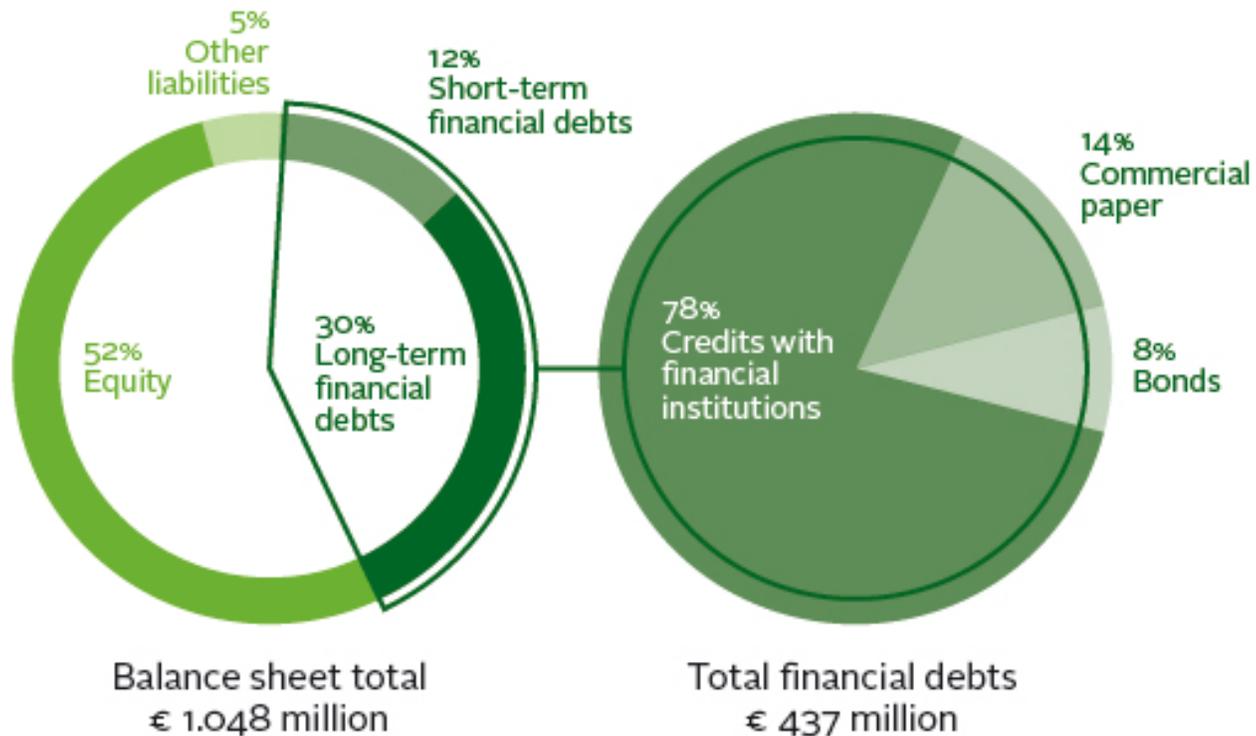
## YoY EPRA earnings - 14%:

- Rental income –7%:
  - › Termination indemnity Medtronic in 2019
  - › Asset rotation:
    - End 2019 divestment 3 logistics sites (Houthalen, Oudsbergen, Aartselaar)
    - 2020 investment in sustainable buildings and buildings with future (re)development potential  
-> do not generate rental income immediately
- Higher **property charges**: changes in workforce internal management real estate, property tax (NL) and one-off operating costs Greenhouse hubs
- Higher **general costs**: changes management board
- Lower **financial costs**: optimization

## Result on portfolio stable:

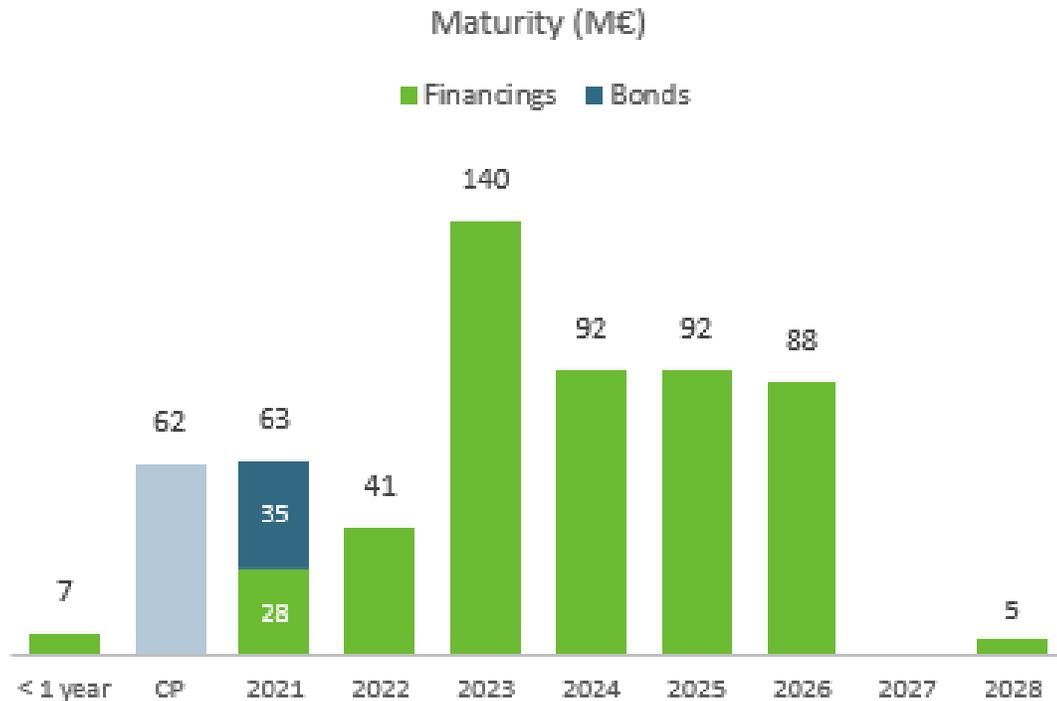
- Changes in fair value:
  - › Logistics portfolio +6% (€ 32,1 million)
  - › Office portfolio –5% (€ -16,6 million)

# Strong balance sheet & financial ratios

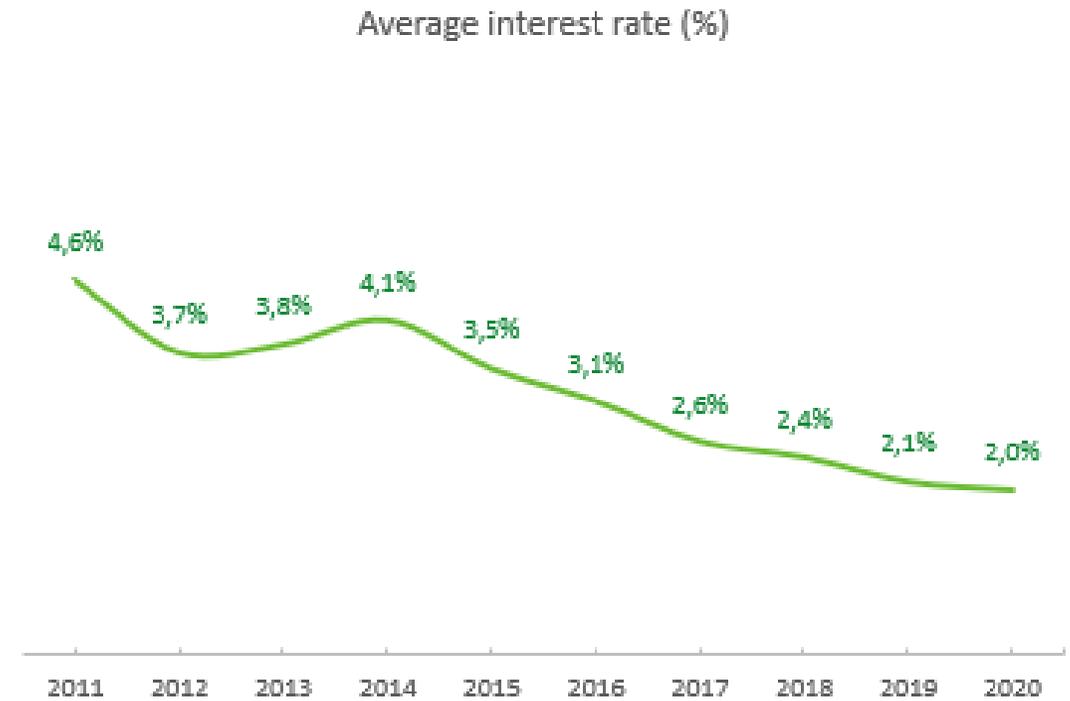


- › Good diversification
- › Debt ratio: 43%
- › Average interest rate: 2,0%
- › Non-withdrawn credit lines: € 150 million
- › CP with back-up bank lines

# Financial structure



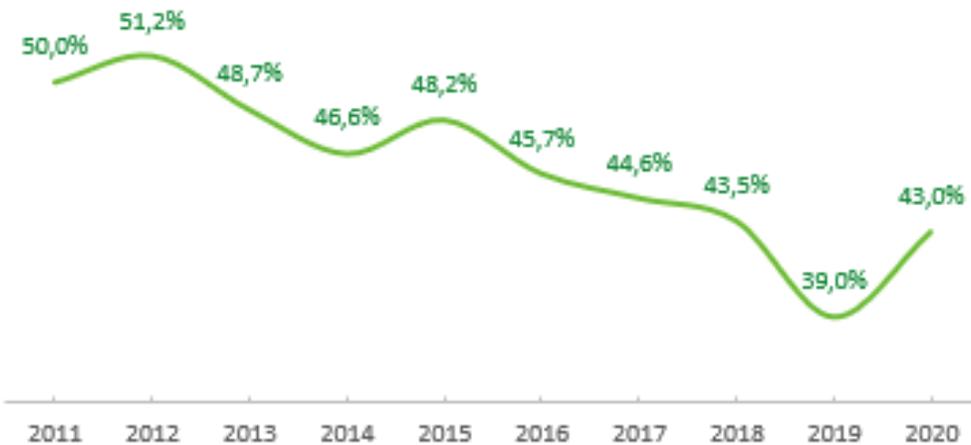
- › Weighted average duration of long-term financing: 3,8 years



- › Average interest rate 2,0%

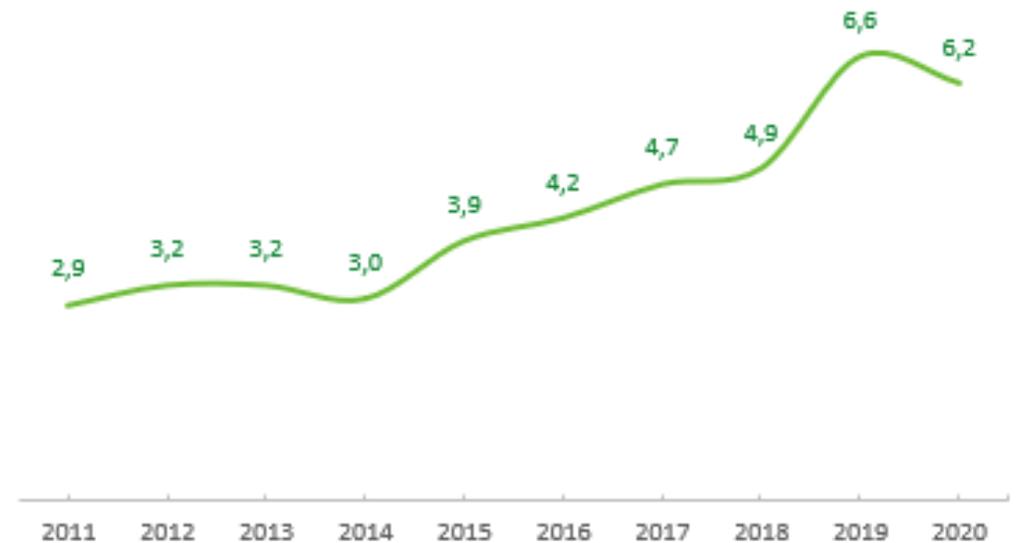
# Financial structure

Debt ratio (%)



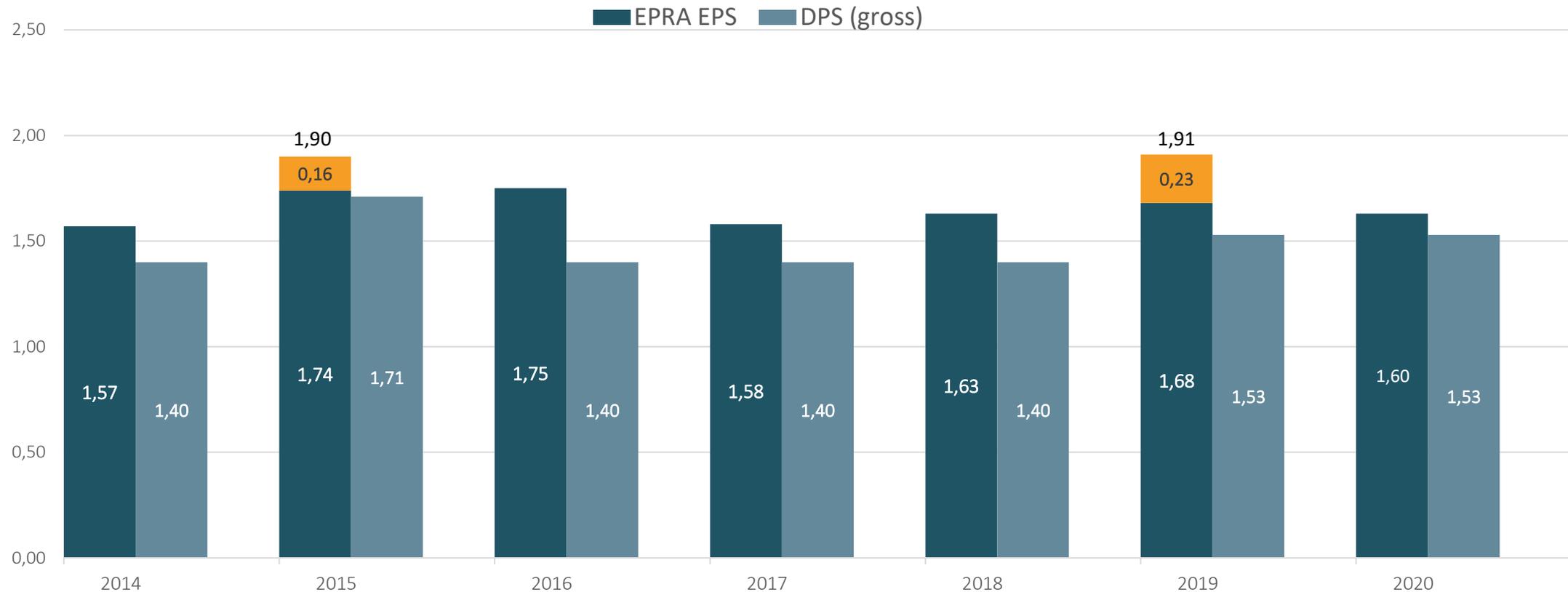
› Limited debt ratio 43%

Interest cover ratio



› Interest cover ratio 6,2

# EPRA EPS / DPS



2015: € 0,16 EPRA EPS was generated by a € 2,5 m refurbishment fee from departing tenant Deloitte

2019: € 0,23 EPRA EPS was generated by a € 5,7 million refurbishment fee from departing tenant Medtronic (Oudsbergen)

# Shares

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31 December 2020



Free float

80%



Market cap

€ 575  
million



Net value  
(fair value)

€ 21,46



EPRA  
NTA

€ 22,40



Premium  
(to net value)

5%

# Financial structure

Interinvest - BEL20 close index (%)



# Shares

Premium / discount of the share price with regard to net value (%)





# Shares & Equity

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Optional dividend as at  
26 May 2020

- Shareholder's equity strengthened by € 16,3 million
- 62% subscription in shares



# Corporate governance

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# Corporate governance

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## Two-tier management

- New Companies and Associations Code
- A supervisory board and a management board

## The supervisory board

- Accountable to the general meeting
- Assisted and advised by three committees:
  - › Audit and risk committee
  - › Appointment and remuneration committee
  - › Investment committee

## The management board

- Reports to the supervisory board
- New team: Gunther Gielen (ceo), Vincent Macharis, (cfo), Joël Gorsele (cio), Kevin De Greef (sgc)



# Outlook

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# Outlook 2021

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## Strategy and vision

#connect2022: as a team creating sustainable value for our customers

In 2021, Interinvest wishes to continue the line of the #connect2022 plan

## Main action points:

- Review office and logistics portfolio, strategic plan per building (possibly asset rotation within the office portfolio)
- In-house (re)developments: eg. Greenhouse Singel (offices) + Herentals Logistics + Genk Green Logistics
- Building on a network of our own customer relationships as a motor of value creation (eg through initiating off-market deals)
- Sustainability:
  - Green Finance Framework / ESG index
  - Continue to roll out the PV system program
  - Establishment of the Advisory Group Innovation, Digitization & Sustainability
  - Further roll-out of BREEAM "Very Good" certification

# Outlook 2021

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- Team Intervest: further encourage internal entrepreneurship + focus on connection / realizing motivation in times of corona
- Cost audit and further rollout / optimization in line with 2021-22 financing plan
- Marketing: linking customer orientation and digitization, with CRM systems, client portals and an app

## EPRA result and gross dividend 2021

- Expected limited growth EPRA EPS in 2021
- Expected gross dividend of minimum € 1,53 per share for 2021 (idem 2020)
- Corresponding to a gross dividend yield of 6,8% (based on closing price share as at 31 December 2020)



# Strategic vision

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#connect2022



# Market analysis: logistics real estate



1 → Globalization supply chain

2 → Changing consumer demand, omni-channel

3 → Evolution of retail and the importance of hubs – Last mile delivery

4 → E-commerce growth, including food

5 → Increasing importance of urban agglomerations logistics locations to be geared to it

6 → Demography; aging and availability of labor + Generation Z

7 → Impact technology on value chain - Manufacturing reshoring

8 → Impact on climate more frequently on each agenda



# Market analysis: offices

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1  Change life cycle to living - working - living together - leisure

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2  Labor is scarce. Only inspiring workplaces will attract enough suitable employees

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3  Technology and mobility determine the locations of the future

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4  Flagship buildings satisfy these new client expectations

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# Mission & Vision

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To create value for its stakeholders generating solid and recurring cash flows on a well diversified real estate investment portfolio with respect of ESG criteria

Client oriented to go *beyond real estate* and offer added value by unburdening clients

A trustful employer giving its employees a caring work environment where they can develop themselves to the full potential

Value creation

Sustainability

#connect  
2022

Team Interinvest

Customer oriented

# Strategic KPI's: #connect2022

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## Value creation

- 30% portfolio growth
- Grow EPRA EPS by 10%
- Increase avg. rental period > 5y
- Prolong debt duration



## Sustainability

- 100% sustainable electricity
- 80% logistics real estate with pv installations
- 80% portfolio equipped with intelligent meters
- 30% portfolio at least BREAAAM 'Very Good'



## Customer oriented

- Improve customer loyalty: total years loyal to Intervest
- Start measure NPS in 2020



## Team Intervest

- Establish sustainable employee motivation
- Attract & retain professional staff



# Vision to action

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Highlights 2020

# Strategic KPI's: #connect2022

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## Value creation

- 30% portfolio growth
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- Improve customer loyalty: total years loyal to Intervest
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## Team Intervest

- Establish sustainable employee motivation
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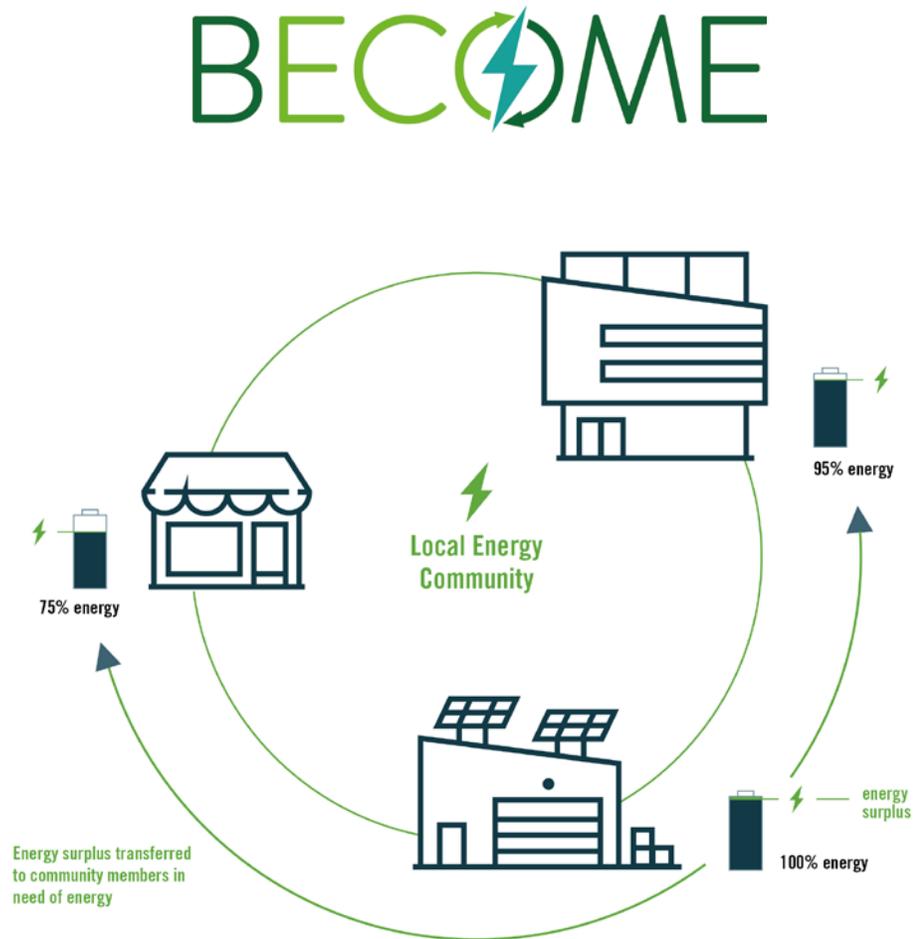


BECOME

Sustainability  
Project  
BECOME

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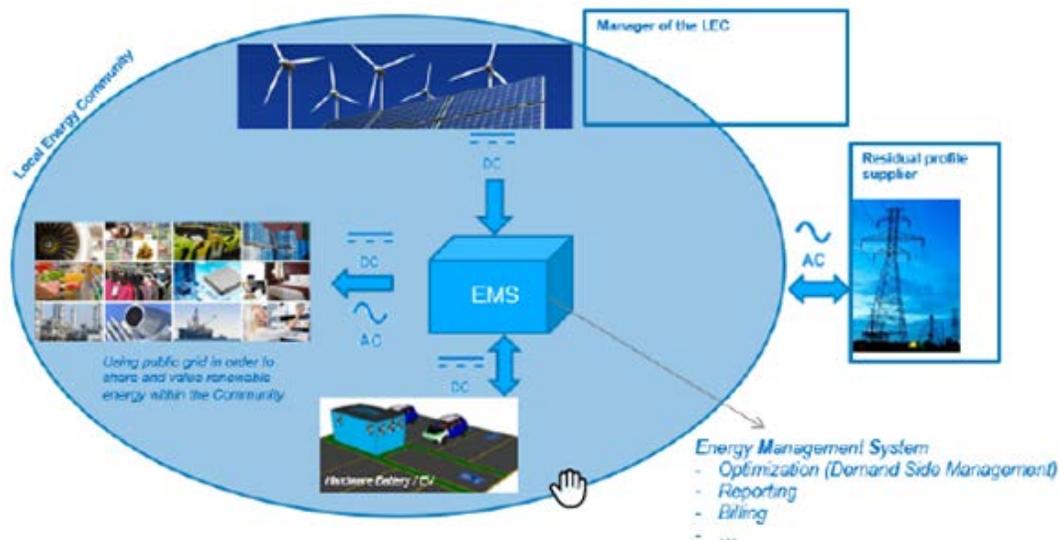
# Sustainable innovation



- **Business Energy COmmunity Mechelen**
- Local Energy Community (LEC)
- Goal maximize local consumption of locally produced energy
  - › Production renewable electricity
  - › EMS (Energy Management System) - smart IT system
    - EndDriven by smart metering data
      - Responsible flow renewable electricity
  - › Increase local consumption
    - HVAC
    - EV charging
    - Batteries
    - Tenants

Exchange of locally produced energy on community level

# Members



- **Steering committee consists of 3 partners**

- › Intervest
- › Engie
- › Quares

- **Members**

- › Possibility for every tenant at Intervest Mechelen Noord
- › Other companies, property owners
- › Objective: a minimum of 50 participants in the community

Potential gains by getting a group of individual companies together, forming a Local Energy Community



# It's unique

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## New/non-existing concept in Belgium

- Currently no legislation
- No approval to exchange energy between several tenants (EAN number)
- Feasibility study to size and implement BECOME
  - › Technical and economical sharing energy is profitable
  - › Improvement congestion level
  - › Decrease energy price for members
  - › Participation in renewable electricity
  - › Decrease peak capacity

Subsidy to start up Living Lab



# Scope Living Lab

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## Increase implementation of renewable energy production

- Installation extra PV installation 1,2 MWp
- Increase renewable capacities: 10% - 35%
- Currently our own consumption is 70%
- Auto consumption of 100% (no injection external grid)
- Win-Win

## Implement and integrate an EMS

- Smart metering: 220 pcs
- Optimizing energy usage HVAC systems / charging stations
- Store oversupply energy

# Scope Living Lab

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## Installation & integration of batteries

- Stationary batteries of 300 kWh
- Mobile batteries of 600 kWh
- Re-use energy later moment
- Extra services members: protection service, no-break

## Installation charging stations

- New 2025 new legislation
- 50 double (bi)charging stations
- V2X - CHAdeMO vs CSS

## Implement and integrate an accounting system

- LEC Manager
- All-in energy price

## LIFI network

- WIFI by lighting: reliable, safe and cost effective
- Integration tool smart parking and EV-charging



# In a nutshell - key highlights

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Smart exchange of locally produced energy on community level

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Sustainable research project with members of our own team

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Added value for both tenants as Interinvest

# NEREOS NEw REality Office Space

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1

Separation  
of the public  
and private  
circulation

2

One way  
traffic

3

Keeping  
distance

4

Reducing  
contact  
surfaces

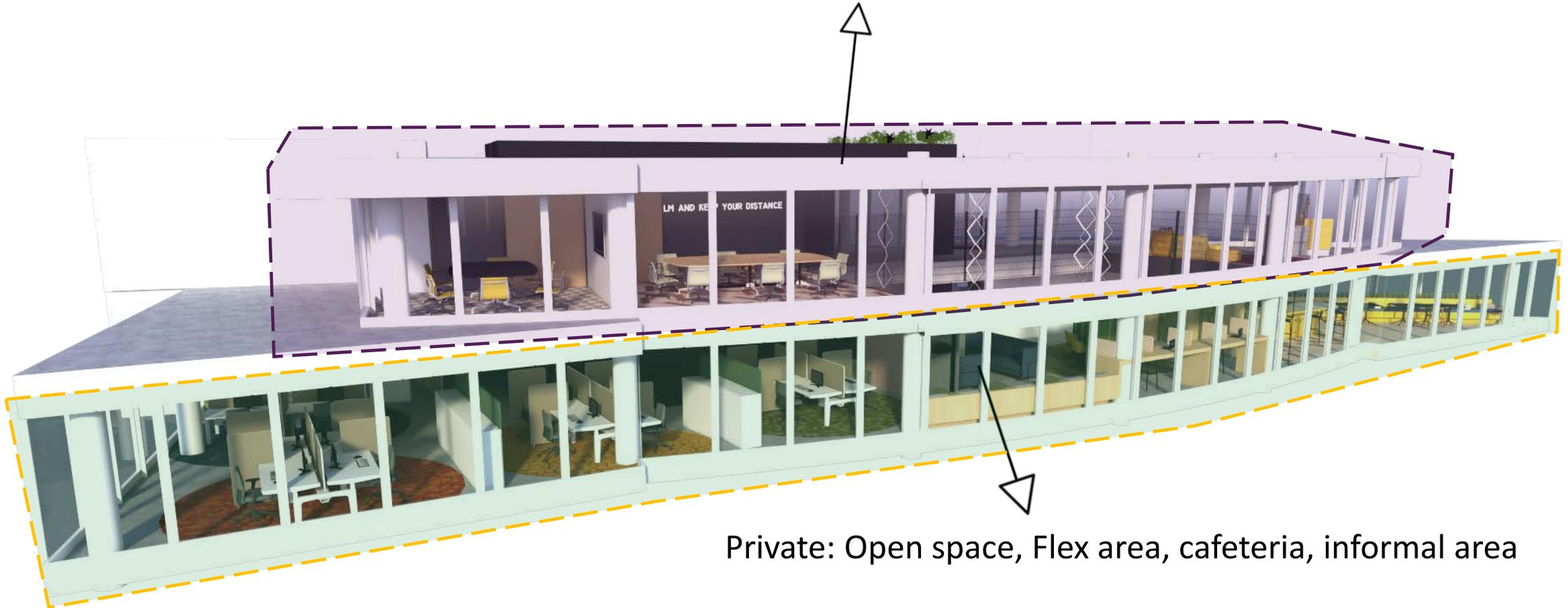
5

Using Micro-  
Architecture

ENJOY AND KEEP DISTANCE

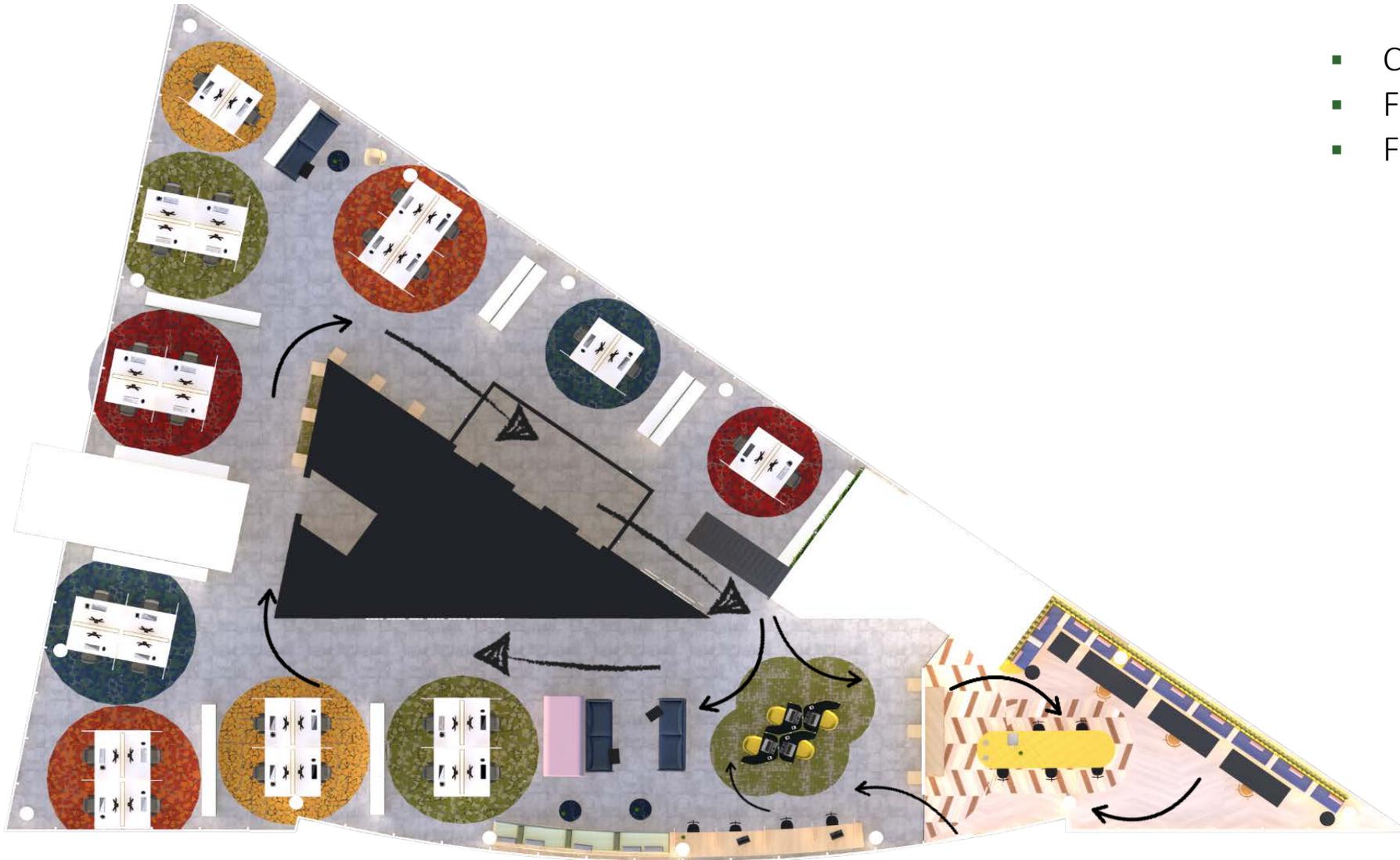
# Separate public and private areas

Public: Reception + meeting rooms



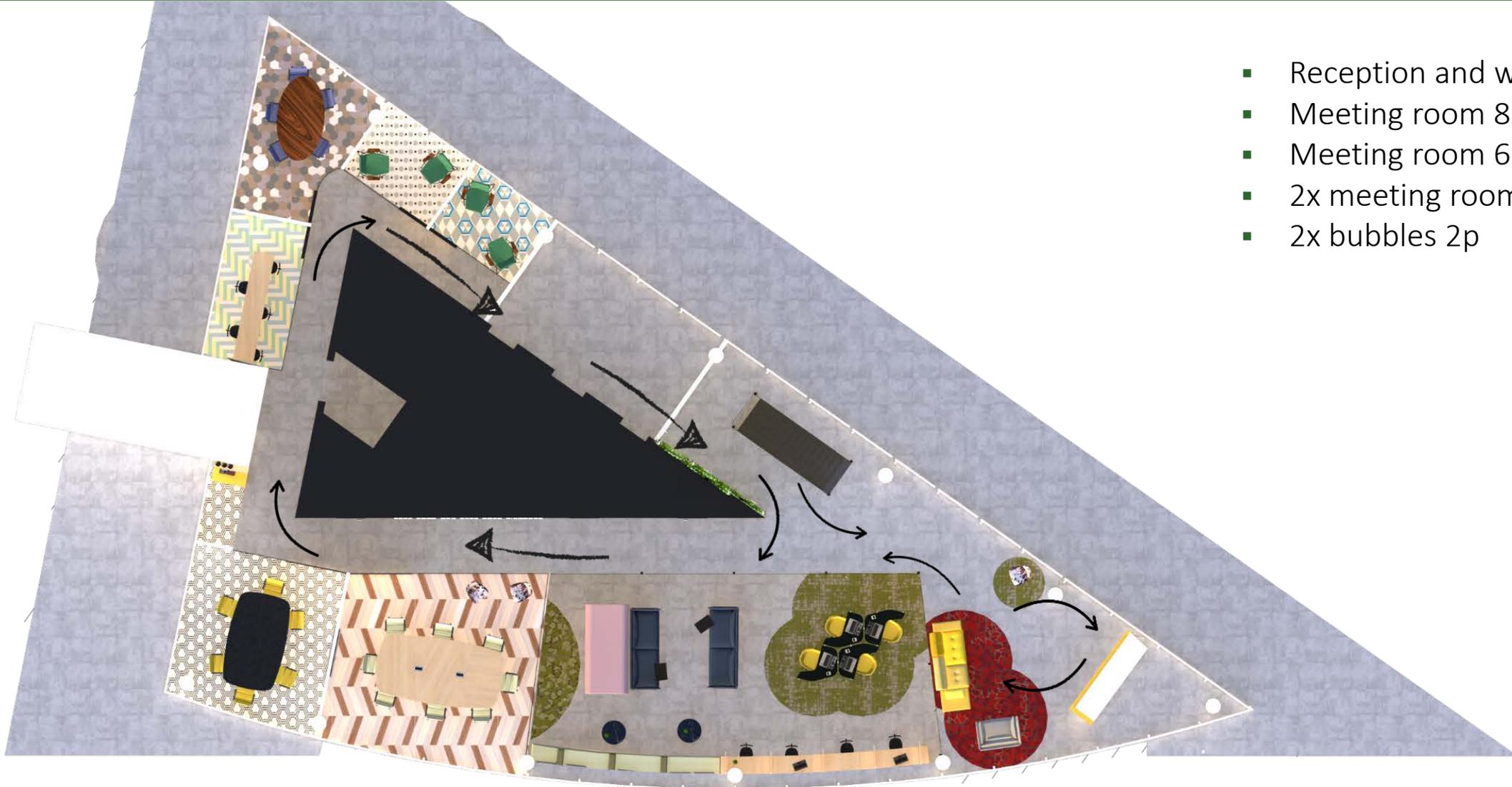
Private: Open space, Flex area, cafeteria, informal area

# One way - private area



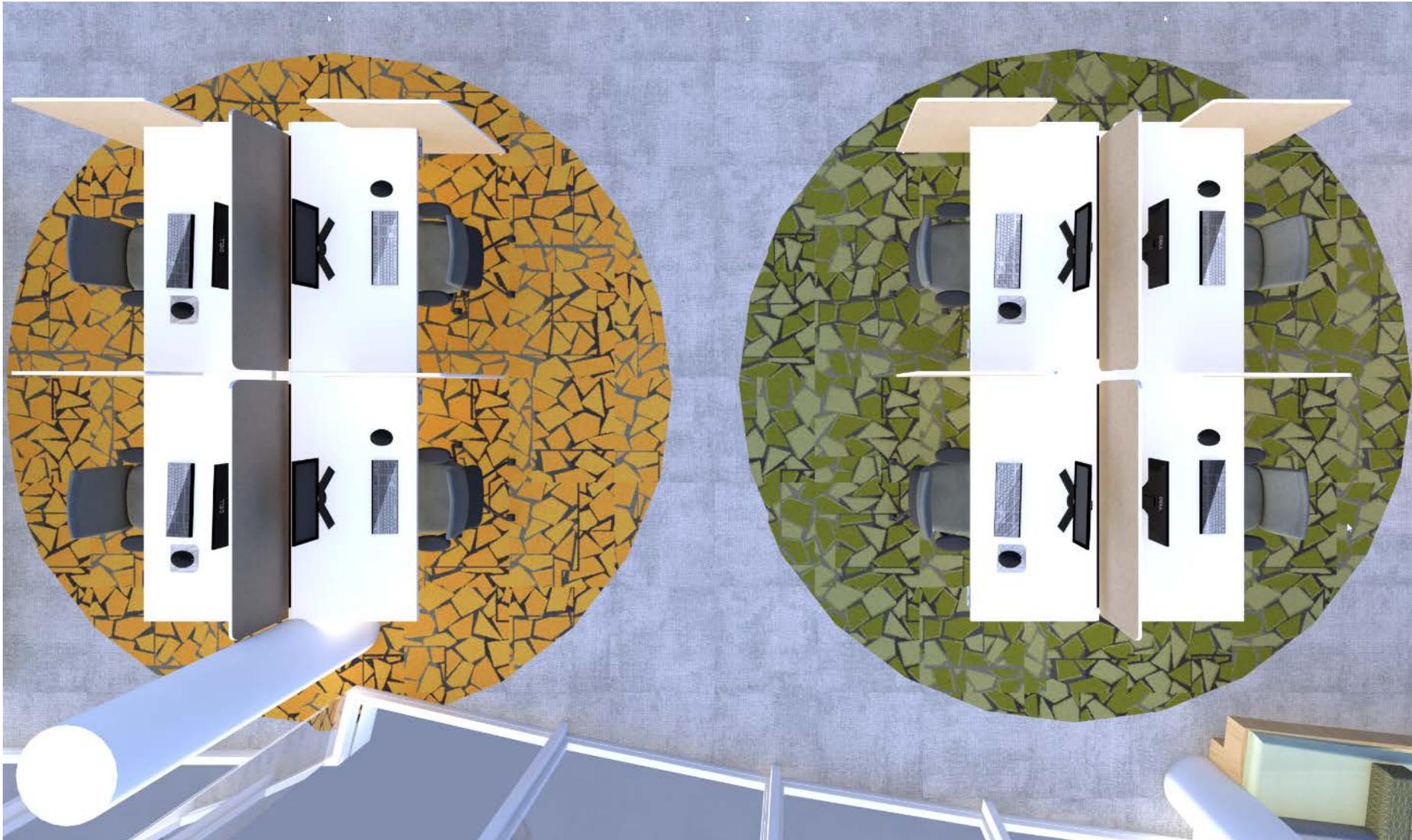
- Cafeteria 17p
- Flex area 16p
- Fixed working places 38p

# One way - public area



- Reception and waiting area
- Meeting room 8p
- Meeting room 6p
- 2x meeting room 5p
- 2x bubbles 2p

# Distance - open space



# Reducing contact surfaces

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Dust-bin with sensor



Adapted door handles/ automatic doors

# Micro-architecture

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# Cafeteria - informal area



Highlight circulation using different materials



One way traffic



Dustbin with sensor

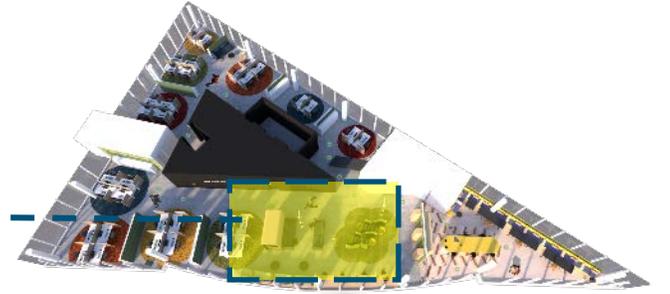


1m50 distance between seats



Personalised disinfection

# Flex area - formal area



Reducing contact surfaces



1m50 distance  
between seats



Personalised disinfection

Furniture as micro-architecture



One way traffic

Highlight 1,5 m

# AUDITORIUM



B-REIT status  
(GVV/SIR) in  
Belgium

Euronext  
Brussels listed  
since 1999



€ 575 million  
market  
capitalization



€ 1.018 million  
portfolio fair  
value



> 1.000.000 m<sup>2</sup>  
GLA



# 48  
in-house real  
estate team

## Q&A

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# Disclaimer

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