



BEYOND  
REAL  
ESTATE

# Finance Avenue 20/11/2021

# Today's presenter

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Gunther Gielen

*ceo*

- Interinvest ceo since 2020
- Former Interinvest board of directors
- Former managing director Belfius Insurance Invest
- 24 years of industry experience



# Who we are

# 1

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Intervest 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

# Key facts 2021 Q3

Belgian B-REIT  
(GVV/SIR)

Euronext Brussels  
listed since 1999



€ 1,1 billion  
portfolio  
fair value  
€ 238 - € 281 million  
development  
pipeline



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



65% Logistics  
35% Offices



# 45  
in-house  
real estate team  
dedicated to  
sustainability



Debt ratio

42,9%



Average cost  
of debt

1,8%



Market cap

€ 622 million



EPRA NTA per share  
€ 23,80

EPRA EPS 2021E  
€ 1,70 – 1,72



DPS 2021E  
€ 1,53

DY 2021E  
6,5% (\*)



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

(\*) Based on the closing price as at 30 September 2021

# € 1,1 billion core logistics and value-add offices portfolio

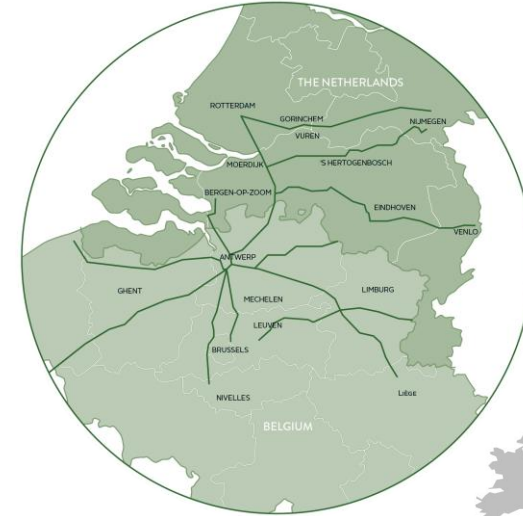


65%



## Logistics portfolio (NL & BE)

- The Netherlands 45%
- Belgium 55%
  - Antwerp - Limburg - Liège 31%
  - Antwerp - Brussels - Nivelles 20%
  - Antwerp - Ghent - Lille 4%



35%



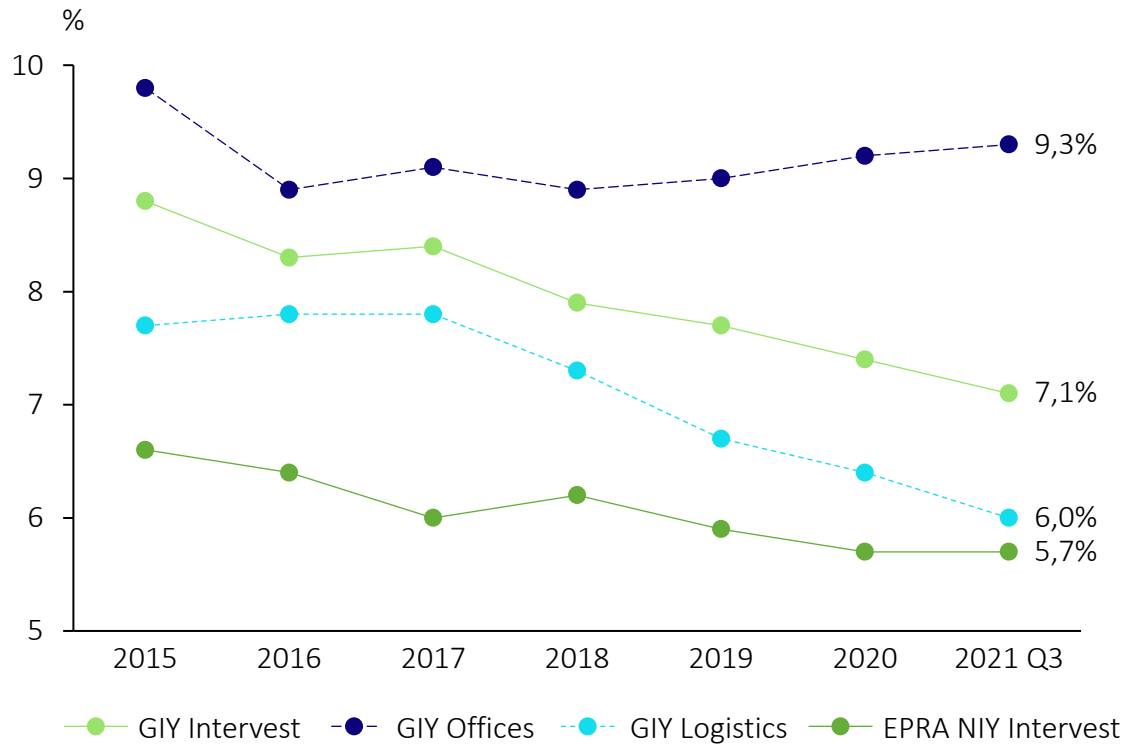
## Office portfolio (BE)

- Mechelen 45%
- Antwerp 24%
- Brussels 21%
- Leuven 10%

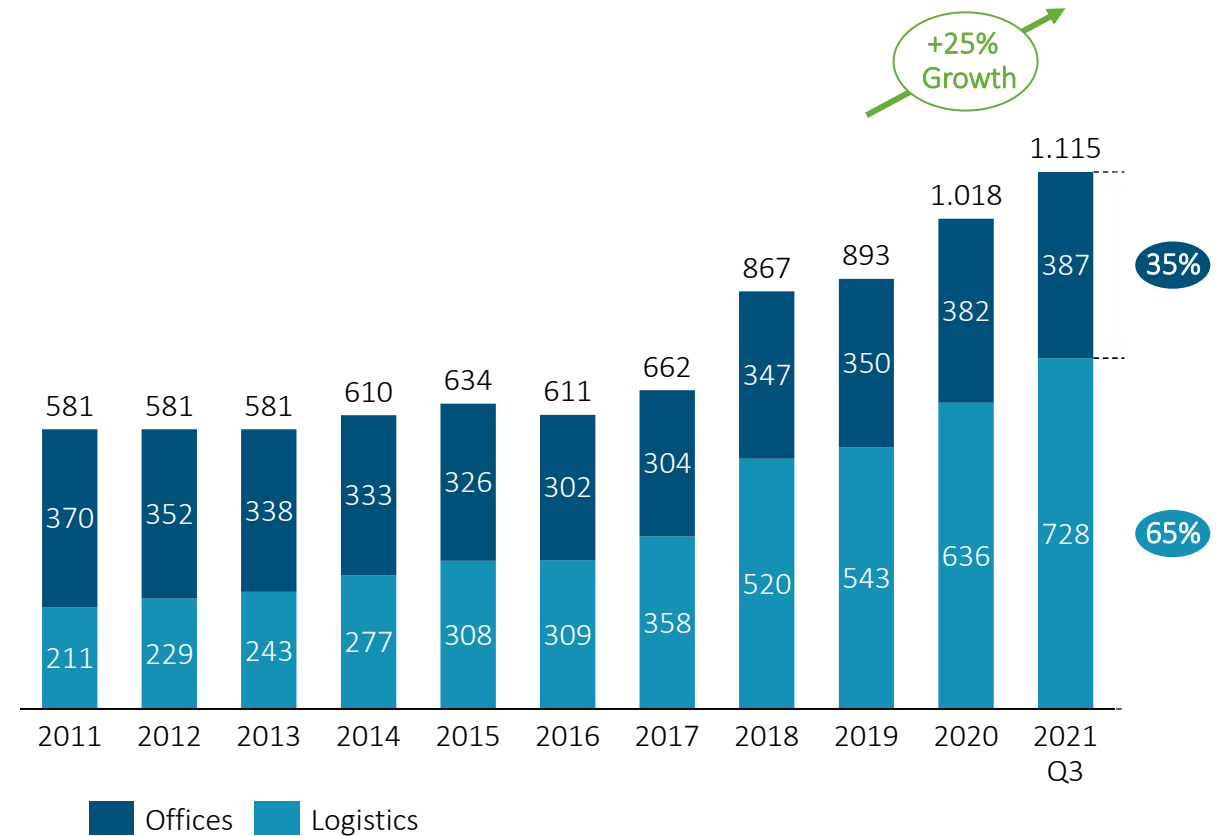


Percentages based on GAV

# Growing portfolio through acquisitions and yield compression

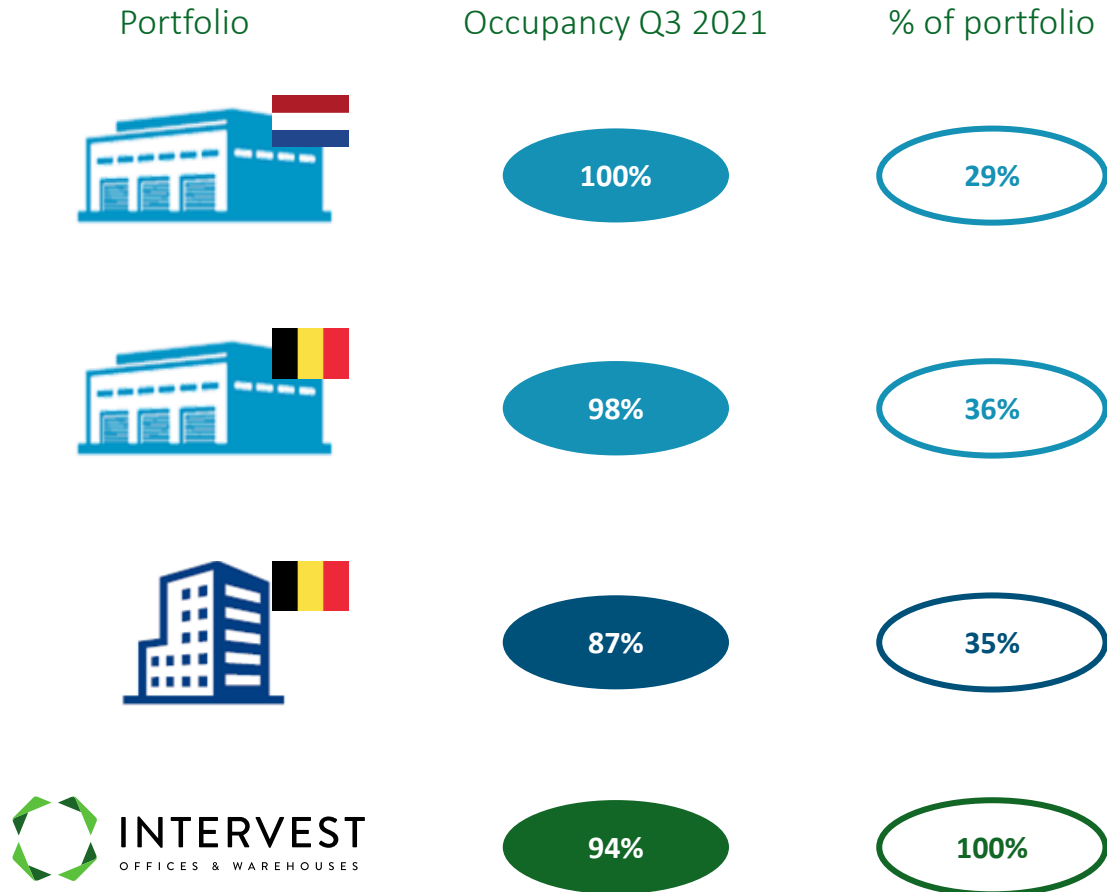


- › 5,7% EPRA Net Initial Yield
- › 7,1% Gross Initial Yield (including ERV vacancy)

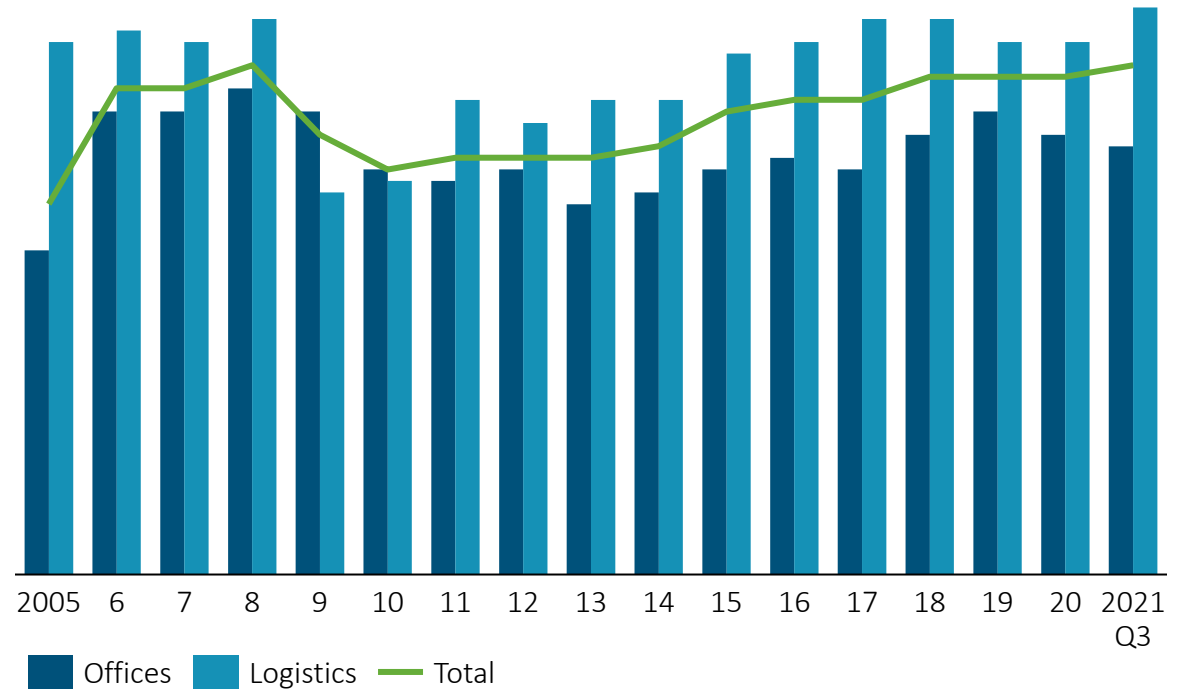


- › € 1,1 billion real estate portfolio as per Q3 2021
- › 25% portfolio growth since 2019, of which 20% resulting from acquisitions and project developments

# 99% logistics occupancy with growth potential in offices



Historical occupancy range



- > 90% Total 15-year average
- > 83 – 100% Logistics 15-year range
- > 82 – 92% Offices 15-year range



# Why we believe in logistics real estate



- 1 ➤ Globalizing supply chains and reshoring of manufacturing
- 2 ➤ Changing consumer demand to omni-channel
- 3 ➤ Evolution of retail and importance of hubs in last mile delivery
- 4 ➤ E-commerce growth, including food
- 5 ➤ Increasing importance of urban agglomerations





# Why we believe in office real estate



- 1 ➤ Changing life cycle to living - working - living together - leisure
- 2 ➤ Labor scarcity demanding inspiring workplaces for quality staff
- 3 ➤ Drivers of future demand: location, flexibility, quality, technology
- 4 ➤ Fading asset class boundaries, intertwining offices and logistics



Our strategy:  
#connect2022

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Value creation

Sustainability

#connect  
2022

#TeamIntervest

Customer oriented

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## Mission & Vision

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

# € 238-281 million portfolio growth through (re)developments

Site	Segment	Type	Country	Expected delivery	(Potential) GLA (m <sup>2</sup> )	BREEAM
Genk Green Logistics	Logistics	Development	BE	2021	10.000	Excellent
Genk Green Logistics	Logistics	Development	BE	2022	10.000	Excellent
Herentals Green Logistics	Logistics	Development	BE	2021	45.000	Excellent
Greenhouse Collection	Office	Redevelopment	BE	2022	15.000	Excellent
<b>Development projects</b>					<b>80.000</b>	
Genk Green Logistics	Logistics	Development	BE	2022-2025	205.000	Excellent
Herentals Green Logistics	Logistics	Development	BE		8.000	
's-Hertogenbosch Rietvelden	Logistics	Development	NL		8.500	Outstanding
Venlo	Logistics	Development	NL		10.000	Outstanding
<b>Development potential</b>					<b>231.500</b>	
Greenhouse Woluwe Garden (*)	Office	Redevelopment	BE	2023	23.700	Outstanding
<b>Future development projects</b>					<b>23.700</b>	
<b>TOTAL PROJECTS</b>					<b>335.200</b>	

› € 238 – 281 million potential future value creation of the real estate portfolio over a period Q4 2021 - 2025

# Sustainable projects under construction



Genk  
Green Logistics  
Redevelopment zone B



Herentals  
Green Logistics  
Cluster of  
offices & logistics



Greenhouse  
Collection

State-of-the-art smart  
office building

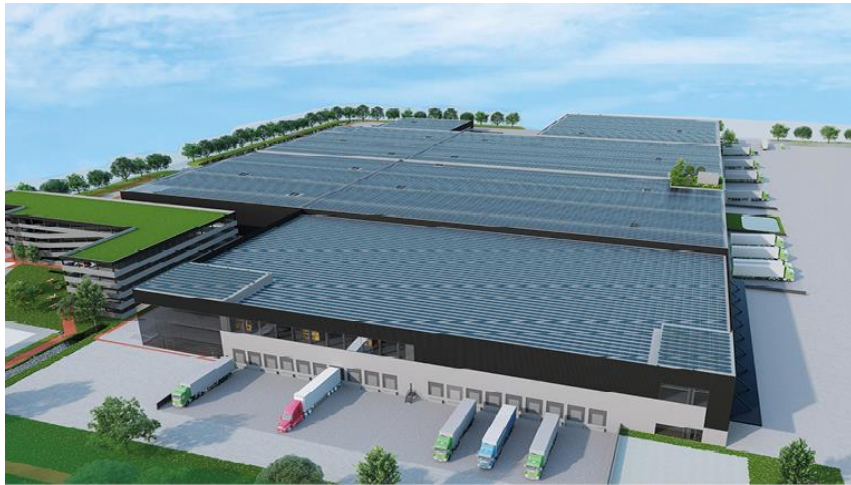
# Genk Green Logistics (BE)



- 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 and **leased in April 2021** by Eddie Stobart Logistics Europe
- **Two built-to-suit rental agreements for 10.000 m<sup>2</sup>** warehouses **signed** with resp. P&O Ferrymasters and with Neovia Logistics
- Clear focus on e-commerce, also open to other logistics needs or smart manufacturing
- Competitive rental conditions

# Herentals Green Logistics (BE)



- Large-scale logistics **redevelopment** on 18 ha site
- **Permit of 45.000 m<sup>2</sup>, delivery scheduled for end 2021:**
  - › Warehouses (+/- 42.000 m<sup>2</sup>) with cross-dock
  - › Offices (+/- 3.000 m<sup>2</sup>)
  - › Five-level parking tower (400 parking spaces)
  - › Lease agreement Schrauwen Sanitair en Verwarming for 22.000 m<sup>2</sup>
- **Creating unique sustainable cluster of offices and logistics of > 100.000 m<sup>2</sup>**
- Close to motorway exit 21 of E313
- Project coordinated with #TeamIntervest



- Sustainable value creation
  - › **BREEAM 'Excellent'**
  - › Solar panels: 4 MWp installation
    - › avoiding 1.300 tCO<sub>2</sub>
    - › energy requirement of +/- 1.030 households
  - › Gas free: cooling/heating by central heat pumps
  - › Energy efficient LED-lighting
  - › Daylight equally in warehouse spaces
  - › Extensive use of materials with limited ecological impact
  - › Green facade for both parking building and warehouses
  - › Outdoor landscaping with focus on biodiversity

# Greenhouse Collection (BE)



## Greenhouse Collection

at the Singel

Iconic building becomes even more iconic



- Acquired November 2020
- Future-oriented smart office project at prime location
- 6 floors
- **15.000 m<sup>2</sup> offices**
- more than 180 parking lots
- **Expected delivery in the beginning of 2022**
- **BREEAM 'Excellent'**
- Using high-end techniques
- Entirely in hands of #TeamInterinvest

- **Exclusive office experience**
  - › Diverse range of workspace solutions: private offices – coworking – serviced offices – fully-fledged meeting center – rooftop boardroom
  - › Intelligent meeting rooms and parking
  - › Premium service level by our Master of services
  - › Integration of culture, art and gastronomy





at the Singel  
Greenhouse  
Collection

# Greenhouse Collection

at the Singel

artist impression

# Greenhouse Collection

at the Singel



Quartier général  
artist impression



# Greenhouse Collection

at the Singel



Workspaces  
artist impression



# Greenhouse Collection

at the Singel



Meeting spaces  
artist impression



Value creation

Sustainability

#connect  
2022

Team Intervest

Customer oriented

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## Sustainability targets

- 100% sustainable electricity by 2022
- 80% solar PV on logistics assets by 2022
- 80% intelligent meters in portfolio by 2022
- 30% at least BREAAAM 'Very Good' by 2022
- Long-term relationships with all stakeholders

# Key targets sustainability

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At least  
BREEAM  
'Very Good'

2021 Q3  
26%

Target 2022  
30%

Solar panels  
logistics sites

2021 Q3  
66%

Target 2022  
80%

Intelligent meters  
in portfolio

2021 Q3  
54%

Target 2022  
80%

Sustainable  
electricity sources

2021 Q3  
100%

Target 2022  
100%

*Percentages based on GAV*

# Sustainable innovation initiatives

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## **BECOME**

- Business Energy Community is a local energy community
- Exchange of locally produced energy by our office/logistics assets, thereby maximizing local consumption of locally produced energy
- Cooperation between Intervest, ENGIE and Quares
- Intention to let third parties join the community and scale up to 50 members
- Creation of government-subsidized renewable energy project Living Lab:
  - Solar PV installations of 1,2 MWp increase renewable capacities by 10% - 35%
  - Targeting increase of own consumption from 70% to 100%
  - Optimizing energy usage through HVAC systems / charging stations
  - Re-usage of energy oversupply using battery storage

## **NEREOS**

- NEw REality Office Space in response to COVID-19 pandemic
- Separation of public and private circulation of people
- One-way traffic routes and reduced surface contacts enhancing safety
- Keeping distance through furniture, micro-architecture and smart lay-outing

# BECOME: sharing energy in a local community of assets

## BECOME



Business Energy Community

Local Energy Community (LEC)

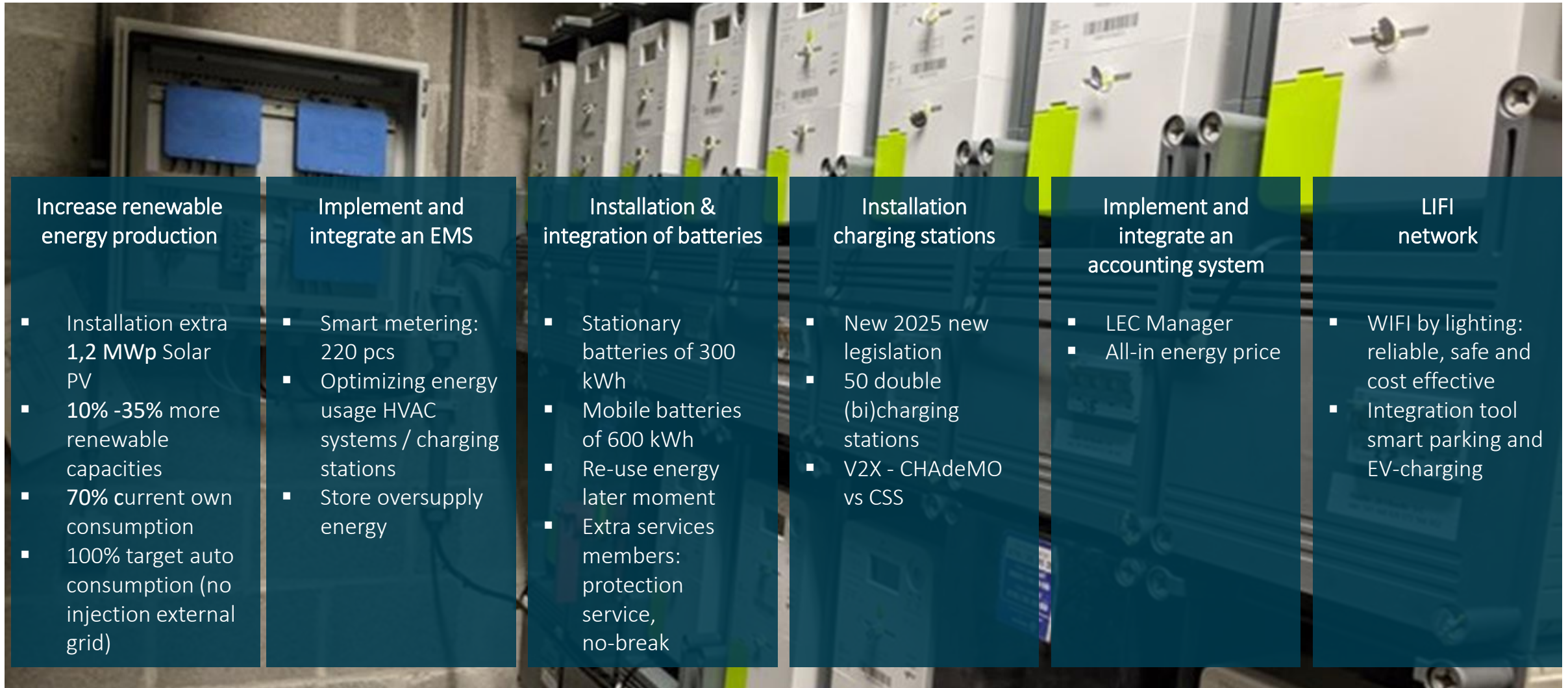
Goal maximize local consumption of locally produced energy

- › Production renewable electricity
- › EMS (**E**nergy **M**anagement **S**ystem) - 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



# BECOME: getting more out of renewable energy production



Increase renewable energy production	Implement and integrate an EMS	Installation & integration of batteries	Installation charging stations	Implement and integrate an accounting system	LIFI network
<ul style="list-style-type: none"><li>▪ Installation extra 1,2 MWp Solar PV</li><li>▪ 10% -35% more renewable capacities</li><li>▪ 70% current own consumption</li><li>▪ 100% target auto consumption (no injection external grid)</li></ul>	<ul style="list-style-type: none"><li>▪ Smart metering: 220 pcs</li><li>▪ Optimizing energy usage HVAC systems / charging stations</li><li>▪ Store oversupply energy</li></ul>	<ul style="list-style-type: none"><li>▪ Stationary batteries of 300 kWh</li><li>▪ Mobile batteries of 600 kWh</li><li>▪ Re-use energy later moment</li><li>▪ Extra services members: protection service, no-break</li></ul>	<ul style="list-style-type: none"><li>▪ New 2025 new legislation</li><li>▪ 50 double (bi)charging stations</li><li>▪ V2X - CHAdeMO vs CSS</li></ul>	<ul style="list-style-type: none"><li>▪ LEC Manager</li><li>▪ All-in energy price</li></ul>	<ul style="list-style-type: none"><li>▪ WIFI by lighting: reliable, safe and cost effective</li><li>▪ Integration tool smart parking and EV-charging</li></ul>

# NEREOS: getting more out of office space



Reducing surface contacts



One way traffic



1.5 m distance between seats



Personalized disinfection

Public/private  
circulation  
separation

One way traffic

Keeping distance

Reducing  
surface contacts

Using micro-  
architecture

Value creation

Sustainability

#connect  
2022

Team Interinvest

Customer oriented

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## Customer oriented targets

- Improve customer loyalty: total years loyal to Interinvest
- Net Promoter Score implementation
- Organization aligned with customer needs (turn-key solutions)

# Customer oriented: clients at the heart of decision making



## Team Asset

- Interdisciplinary work group
- Collaboration of commercial, administrative technical teams
- Translation of tenant needs into organization
- Respond fully to needs of tenants and users



## Team the Netherlands

- Dedicated team for the Dutch market
  - Robin Storms | asset manager
  - Maarten Storms | property manager
  - Nico Punter | property manager
  - Arno Snoeren | finance manager
- Operating from Intervest Eindhoven Office
- Currently 15 logistics sites in portfolio and commercialisation of two built-to-suit projects in the pipeline

Value creation

Sustainability

#connect  
2022

#TeamIntervest

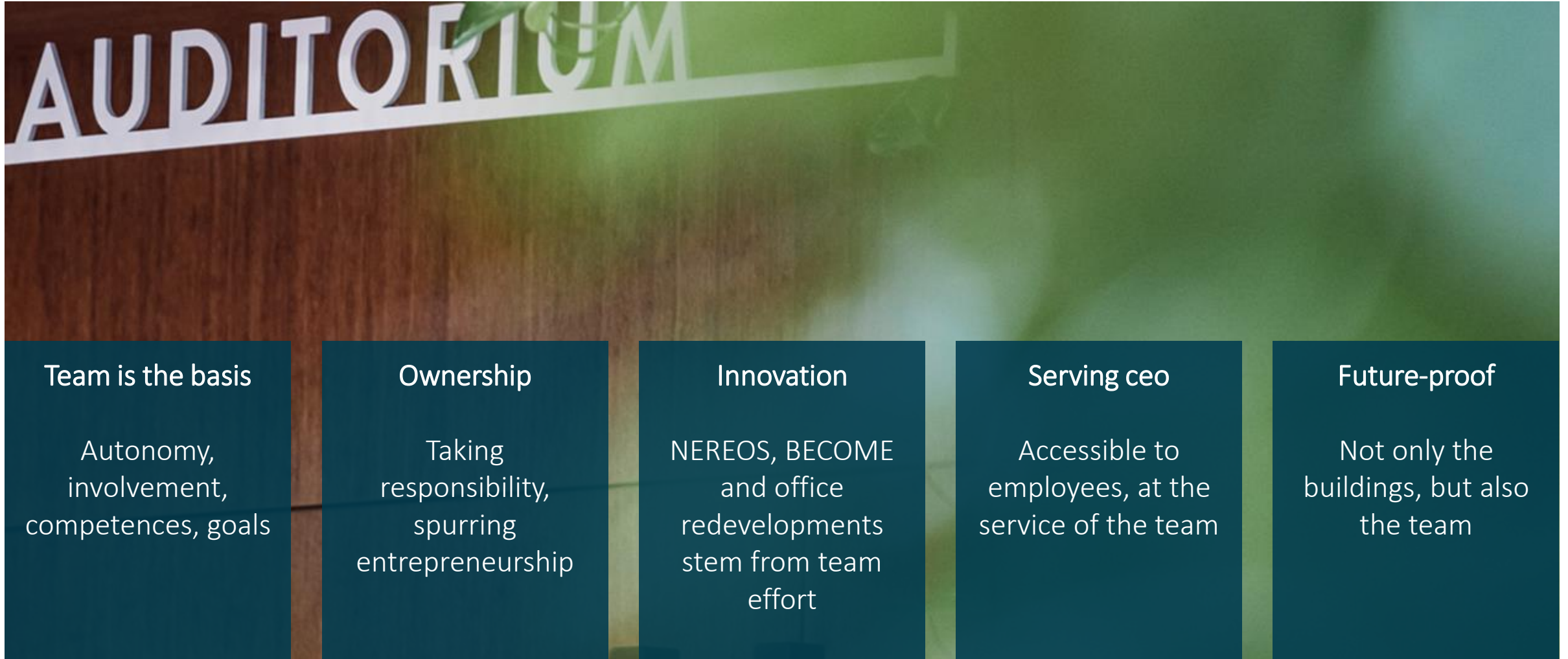
Customer oriented

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## #TeamIntervest

- In-house control over supply chain
- Sustainable employee motivation and well-being
- Attract & retain professional staff
- Entrepreneurship and responsibility

# #TeamInterinvest: achieving more together





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# Outlook

# Outlook

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## Strategic priorities

- Review portfolio with strategic plan per building with a view on potential asset rotation completed:  
86% considered future-proof
- Financial review: cost audit and rollout of 2021-22 financing plan
- Ongoing developments: Greenhouse Collection, Herentals Green Logistics, Genk Green Logistics
- Expand network: strengthen customer relationships as value creation engine and accessing off-market deals
- Enhance sustainability: Green Finance Framework / ESG index, continue PV and BREEAM program roll-outs
- Build team: entrepreneurship and connection, motivation in COVID times



## Financial guidance 2021

- Expected EPRA EPS 2021: € 1,70 - € 1,72
  - › Increase of previously communicated € 1,65 - € 1,68
  - › Approx. 7% higher than 2020 (€ 1,60)
- € 1,53 gross dividend per share, stable versus 2020 (c. 6,5% yield 30 September 2021 closing price)



# Highlights

## Diversified REIT

- Unique combination of 2 segments: logistics (65%) offices (35%)
- Well-diversified portfolio and tenants

## #connect2022

- Value creation
- Customer oriented
- Sustainability
- #TeamIntervest

## *Beyond real estate*

- Reorientation offices
- Flexibility in logistics segment
- "Unburdening" the customer with #TeamIntervest

## Solid balance sheet & strong results

- 6,5% dividend yield
- 42,9% debt ratio

## #TeamIntervest

- Team is the basis
- Ownership
- Innovation
- Serving ceo
- Future-proof

Strong risk spread

Solid strategic growth plan

Dynamic inhouse asset management

Attractive yield & well-balanced financing

Achieving more together



As your real estate partner,  
Intervest goes *beyond real estate*



**INTERVEST**  
OFFICES & WAREHOUSES

# Disclaimer

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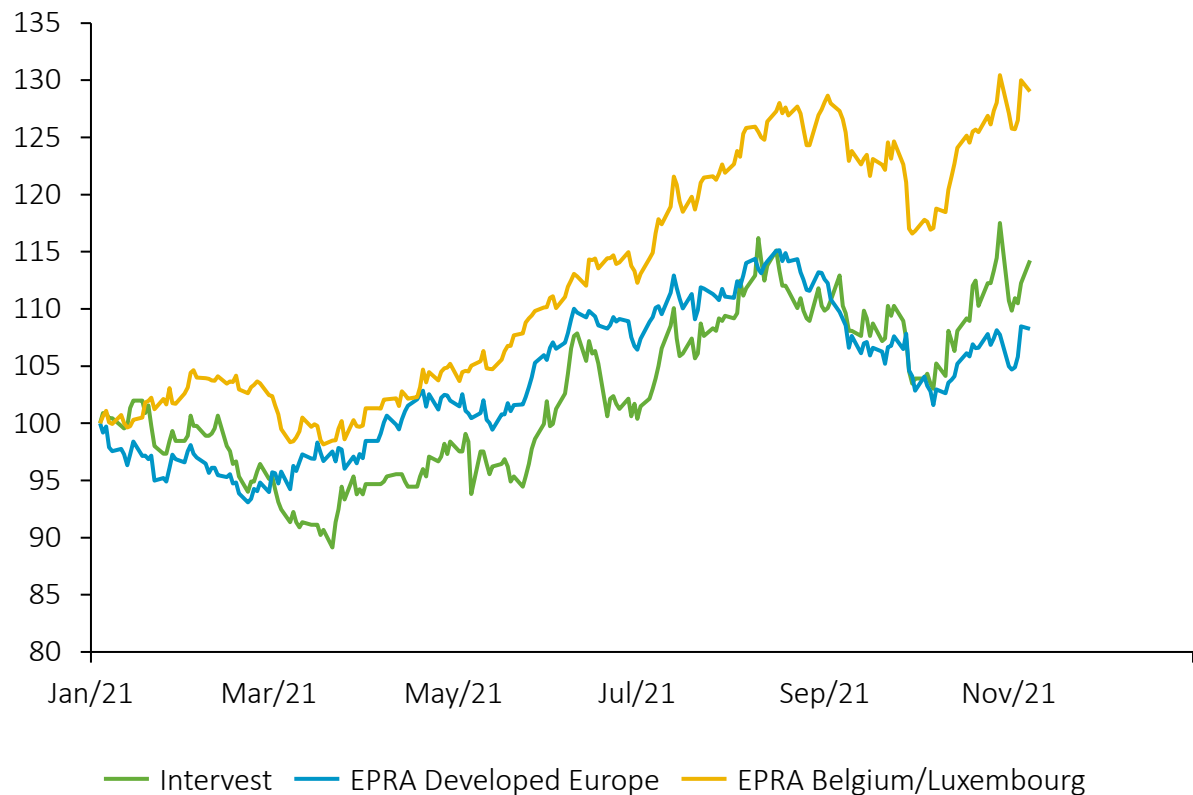
# Appendix

## 5

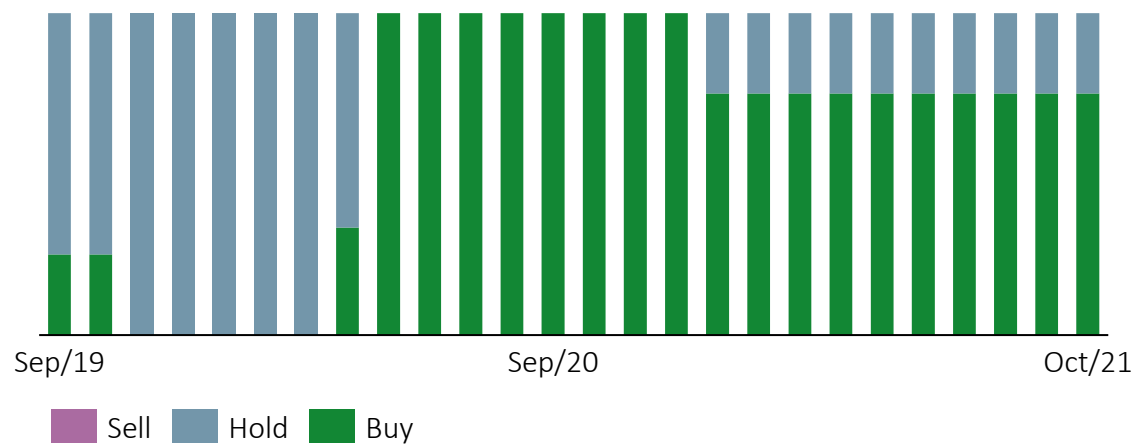
- Total return and analyst recommendations
- NEREOS:
  - › Separate public and private areas
  - › Cafeteria and informal area
- #TeamIntervest – Achievement important milestones in strategic growth plan  
#connect2022 – 2021 Q3
- Financial overview - 2021 Q3

# Total return and analyst recommendations

Total return (31 December 2020 = 100)



Analyst recommendations

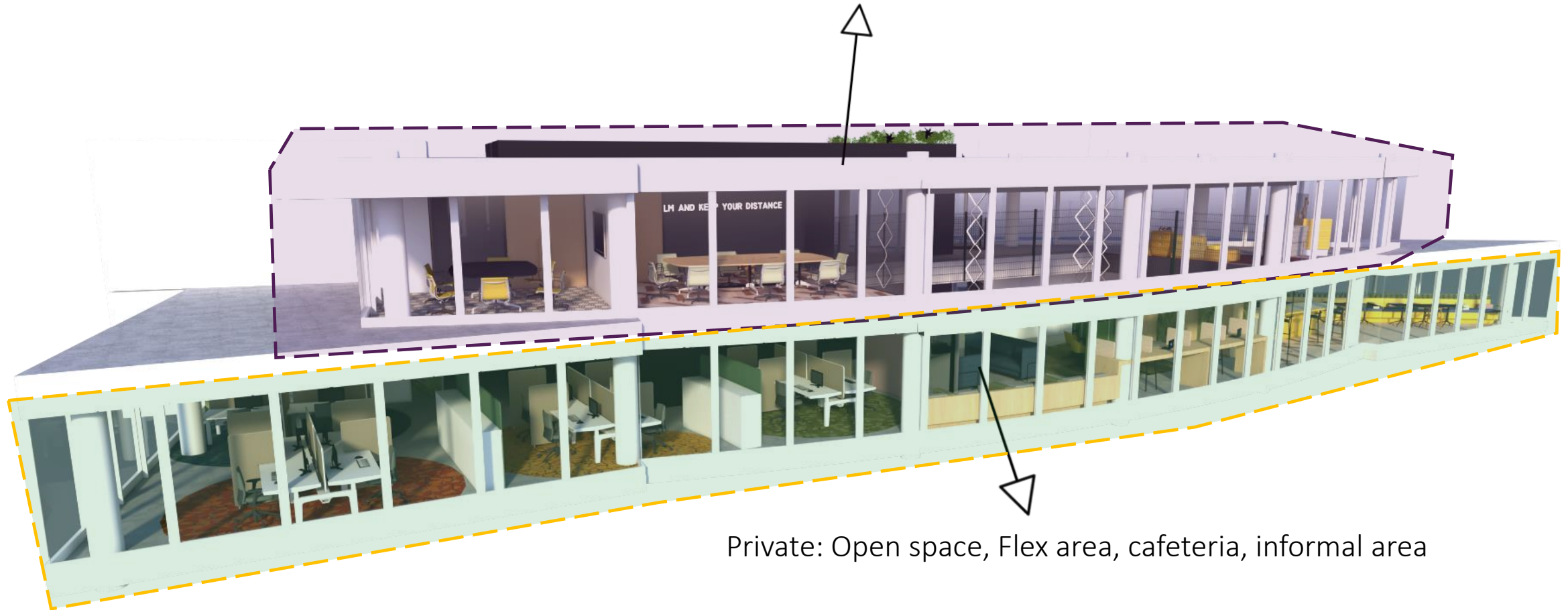


Bank	Recommendation	Price target (€)
KBC	Buy	33
Kempen	Neutral	25
Degroof Petercam	Buy	30
Kepler Cheuvreux	Buy	29

# NEREOS: separate public and private areas

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Public: Reception + meeting rooms




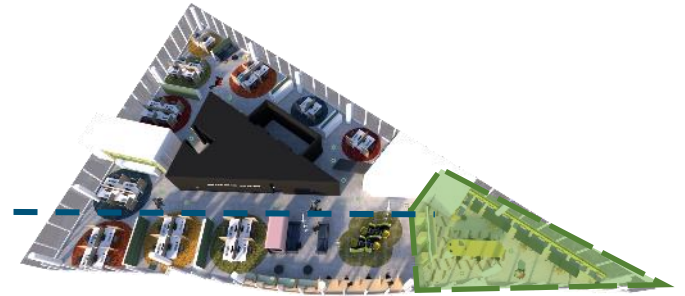
Private: Open space, Flex area, cafeteria, informal area

# NEREOS: cafeteria and informal area



Highlight circulation using different materials

 One way traffic



Dustbin with sensor



1m50 distance  
between seats



Personalized disinfection

# #TeamInterinvest – Achievement important milestones in strategic growth plan #connect2022 – Q3 2021

## Increase EPRA result

- EPRA EPS 9M2021 € 1,30 +10% y/y
- Expected EPRA EPS 2021: € 1,70 - € 1,72
  - › Increase vs previously communicated € 1,65 - € 1,68
  - › Approx. 7% > 2020 (€ 1,60)
- Confirmation target DPS 2021: € 1,53

## Value creation

- Fair value real estate portfolio +€ 97 million or +9,5%:
  - › € 32 million investments in sustainable project developments
  - › € 46 million positive change in fair value:
    - € 53 million or 8% increase in logistics portfolio
    - € 7 million or 2% decrease in office portfolio
  - › € 14 million acquisition of logistics site Breda (NL)
  - › € 5 million investments in existing portfolio

## Active rental policy

- Occupancy total portfolio +1% to 94%
- Organic growth rental income with 5%
- Important rental transactions:
  - › Genk Green Logistics (third tenant – Neovia Logistics)
  - › Herentals (Biscuiterie Thijs and 3PL Van de Poel)
  - › Herstal (Vincent Logistics)
  - › Oevel (PostNL Pakketten)
  - › Eindhoven (ASML) (in October 2021)

## Solid basis for future

- Two real estate segments, diversified tenants and strong balance sheet
- Realization of 25% growth of portfolio since 2019
- € 238 - € 281 million portfolio growth through (re)developments
- Further optimization of finance structure
- € 120 million unused credit lines





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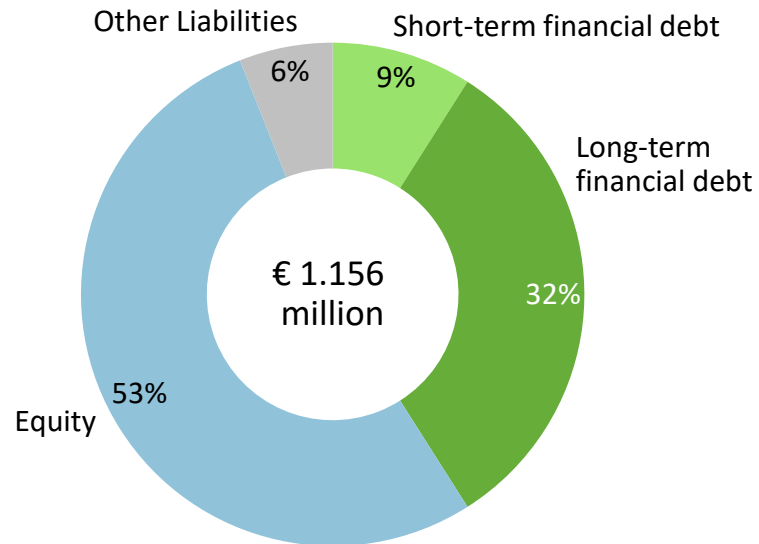
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# Financial overview

2021 Q3

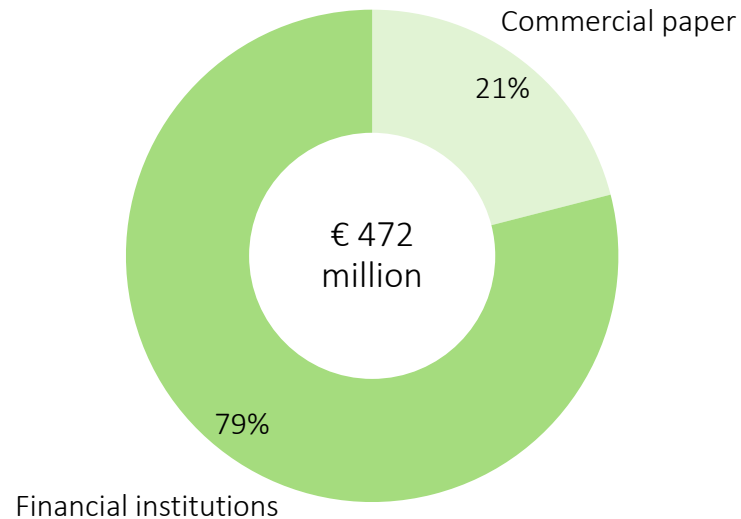
# Healthy balance sheet and well-spread debt profile

## Balance sheet



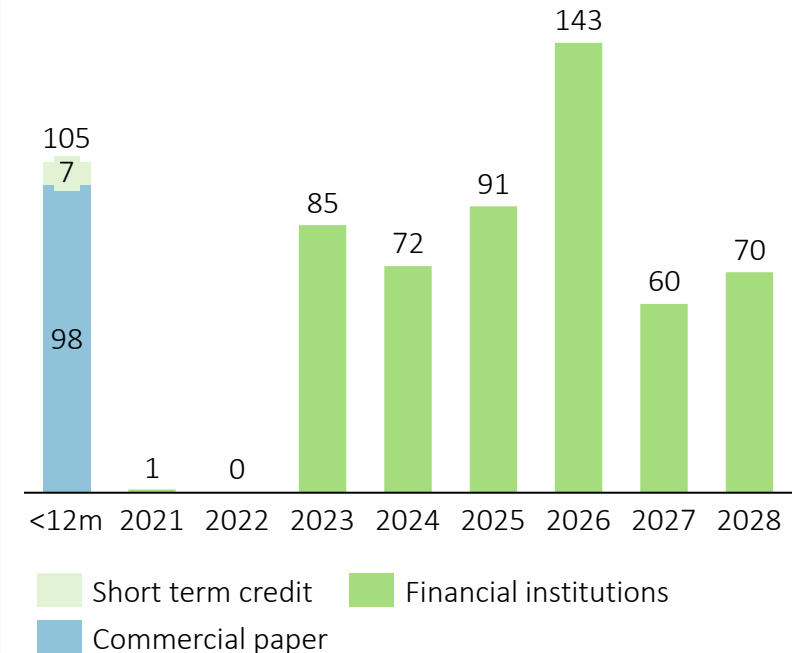
- › 42,9% debt ratio (target: 45% - 50%)

## Financing distribution



- › € 120 million undrawn credit facilities
- › No refinancing due until 2023

## Debt maturity calendar (€ million)



- › 4,3 years average maturity
- › Commercial paper covered by credit line

# Rental growth spurred by 5% organic growth

in thousands €	30.09.2021	30.09.2020
Rental income	48.534	45.396
Rental-related expenses	-95	-52
Property management costs and income	746	268
<b>PROPERTY RESULT</b>	<b>49.185</b>	<b>45.612</b>
Property charges	-6.244	-6.410
General costs and other operating income and costs	-3.187	-3.422
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>39.754</b>	<b>35.780</b>
Result on disposal of investment properties	198	1.470
Changes in fair value of investment properties	45.924	9.958
Other result on portfolio	-5.943	-5.347
<b>OPERATING RESULT</b>	<b>79.933</b>	<b>41.861</b>
Financial result (excl. changes in fair value of financial assets and liabilities)	-5.410	-5.907
Changes in fair value of financial assets and liabilities	1.771	-2.345
Taxes	-484	-410
<b>NET RESULT</b>	<b>75.810</b>	<b>33.199</b>
<b>Attributable to:</b>		
Third parties	1.972	-12
Group Shareholders	73.838	33.211
<b>NET RESULT – Group Shareholders</b>	<b>73.838</b>	<b>33.211</b>
<b>To be excluded:</b>		
Results on disposals of investment properties	198	1.470
Changes in the fair value of investment properties	45.924	9.958
Other result on portfolio	-5.943	-5.347
Changes in fair value of financial assets and liabilities	1.771	-2.345
Minority interest with respect to the above	-1.878	0
<b>EPRA EARNINGS</b>	<b>33.766</b>	<b>29.475</b>

## 15% increase in EPRA earnings year-on-year

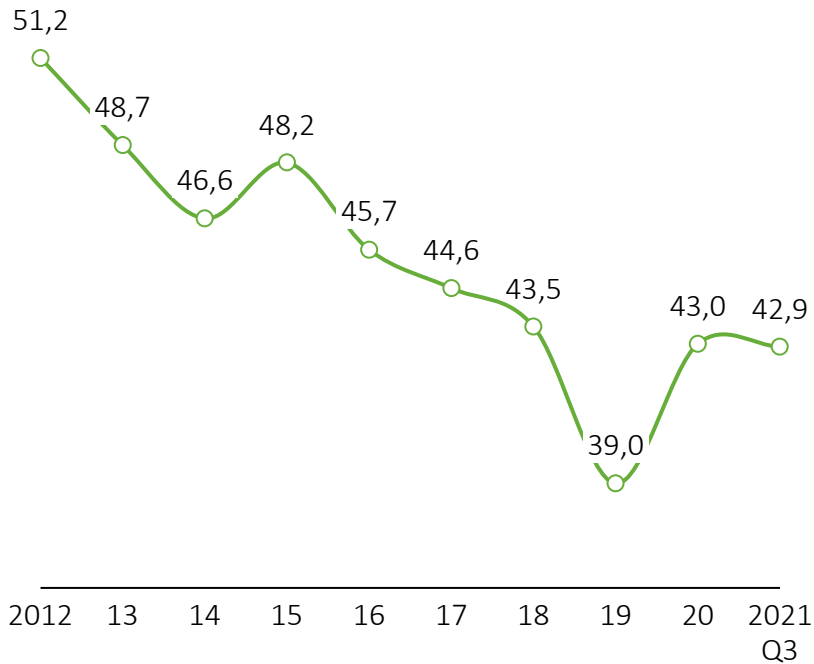
- Rental income +7%:
  - › Organic growth +5%
  - › Increase in logistics segment:
    - New leases
    - Developments
    - Acquisitions made in 2020
- Lower financial costs: refinancing hedging instruments, higher take-up commercial paper and repayment bond loan of € 35 million at the end of Q1 2021

## € 45,9 million changes in fair value of investment properties

- € 52,5 million (or 8%) increase in logistics portfolio
- € 6,6 million (or 2%) decrease in existing office portfolio

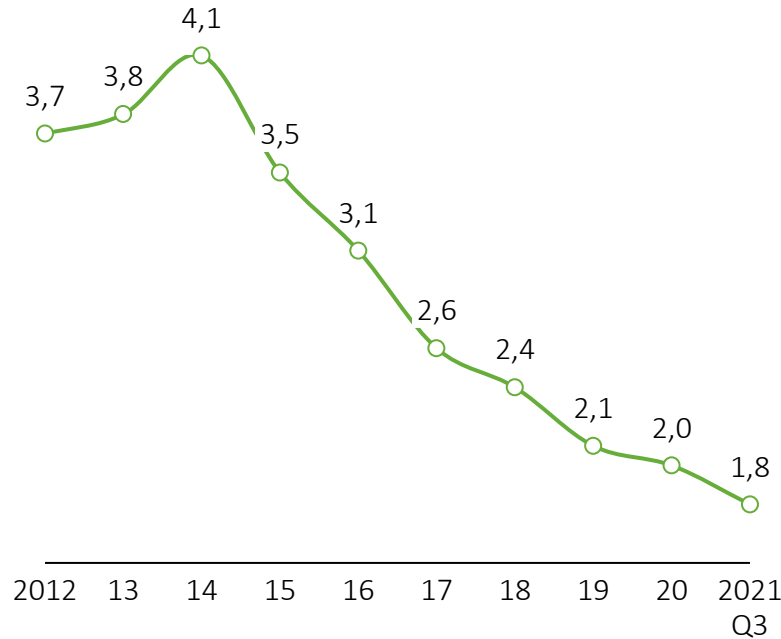
# Solid financial position with decreasing financing costs

Debt ratio (%)



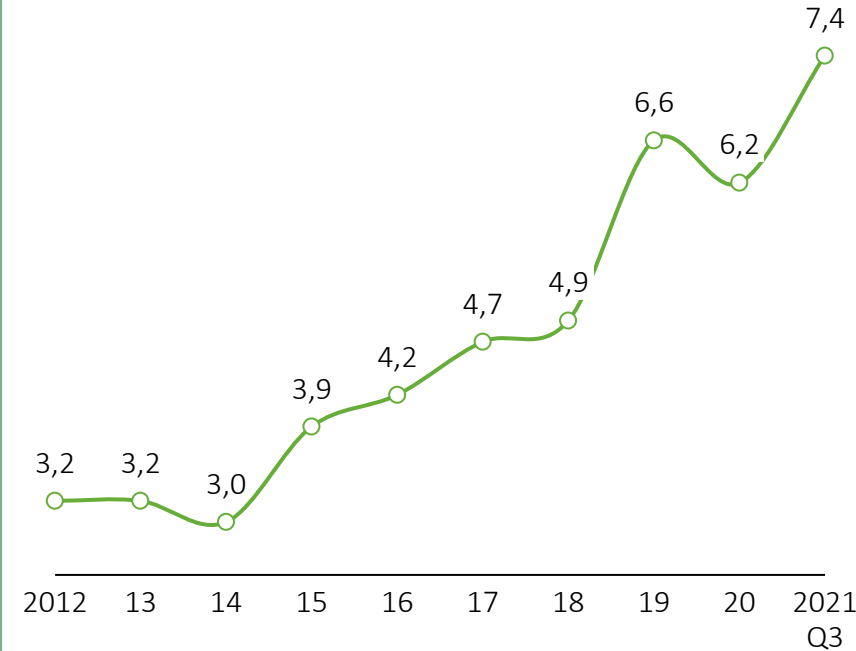
› 42,9% debt ratio per Q3 2021

Average interest rate (%)



› 1,8% average interest rate per Q3 2021

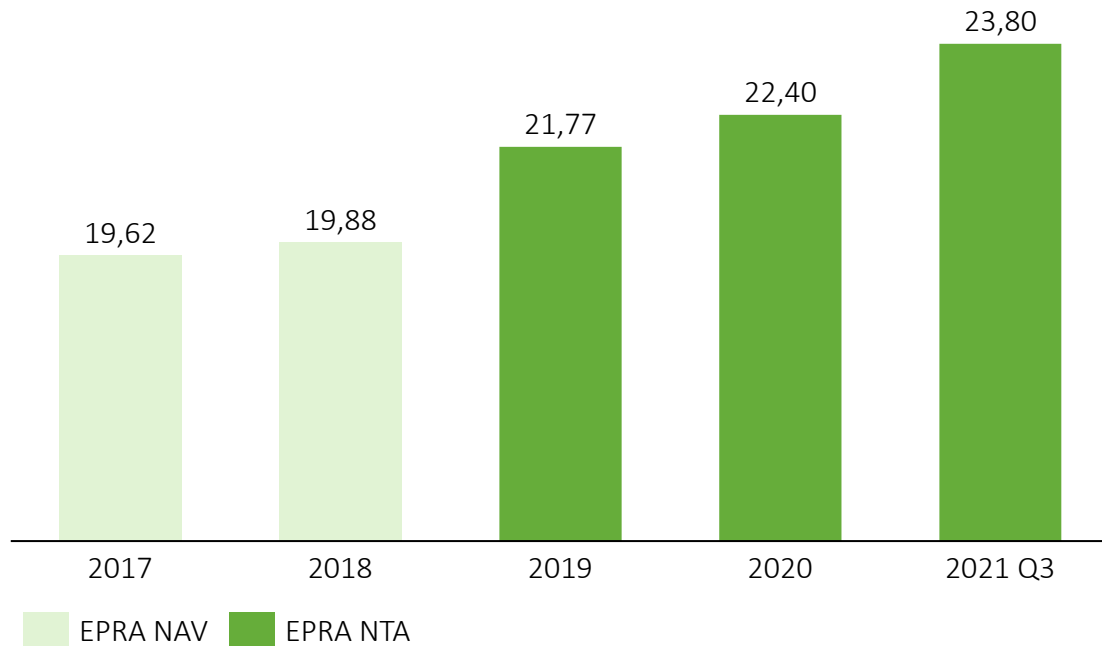
Interest coverage ratio



› 7,4x interest coverage ratio per Q3 2021

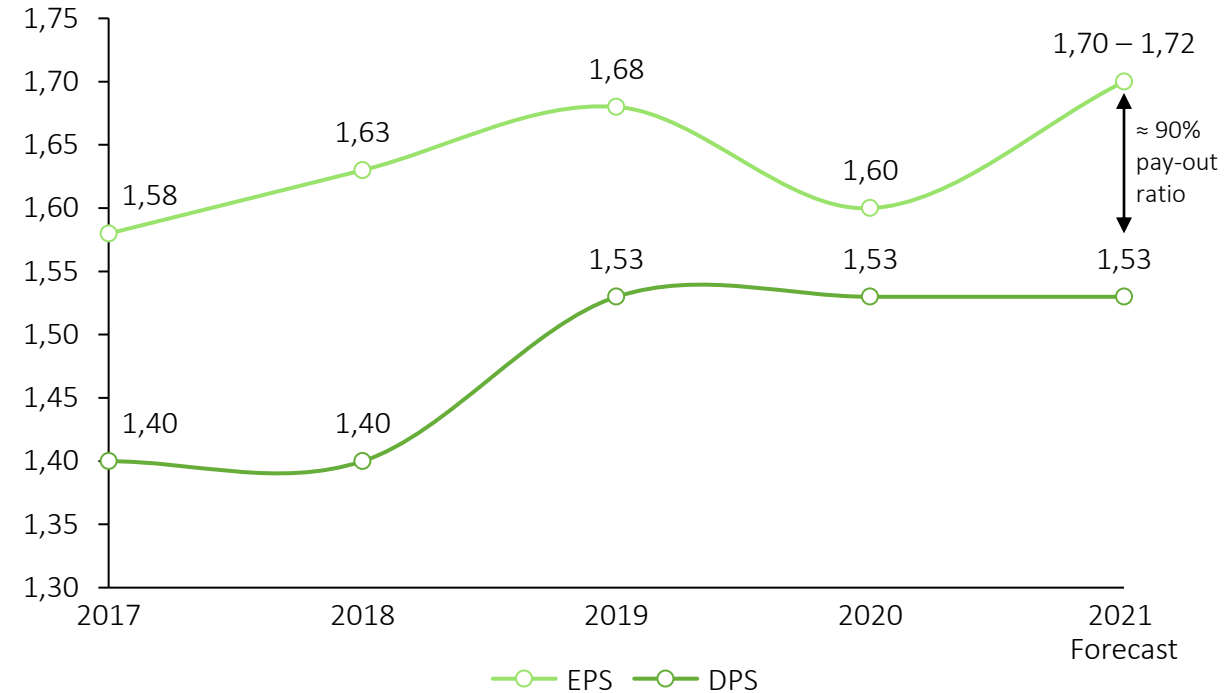
# Compelling equity returns spurred by increasing earnings

EPRA NTA per share (€)



- › Growing EPRA NTA through increasing portfolio value

EPRA EPS<sup>1</sup> and Dividend per share (€)



- › Growing earnings enabling growing dividends
- › EPS and DPS increased after € 100 million rights issue in 2018