BEYOND
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# HALF-YEARLY FINANCIAL REPORT 2023

of the supervisory board for the period 01.01.2023 to 30.06.2023

Regulated information, embargo until 03.08.2023, 6.30 p.m.

INTERVEST
OFFICES & WAREHOUSES

# Focus areas 2023- 2025

Intervest will for the first time organise a capital markets day in October 2023 where the further update of the strategy will be explained to its stakeholders. The main focus areas on which the strategy will be built are:

- **Accelerated office sales**:
  - Office sales target by Q2 2025: 90% of leasable space (excluding offices with potential redevelopment to create a logistics site or located on a logistics site)
  - Separating Greenhouse operations (co-working and serviced offices) from Intervest operations
- **Strengthening the balance sheet position**:
  - Reduce the debt ratio, by repaying existing credit lines after selling the offices
  - Adjustment and evolution in dividend policy of historical high dividend level, in function of the accelerated sales of offices by Q2 2025, taking into account the minimum mandatory dividend payment under the RREC regime[1]: at least 80% of the adjusted result and net capital gains on the realisation of real estate not exempt from the mandatory payment, less debt reduction during the financial year
- **Organic growth** due to strong pipeline
  - 279,000 m² of potential projects in the logistics segment, with a future expected potential value increase of € 230 million, for which as at 30 June 2023, capex of circa € 195 million is still to be spent
  - Acquisition of additional development potential of around 70,000 m² in Liège via partial contribution in early August 2023 with neutral impact on debt ratio and limited impact on EPRA EPS.
- **An optimal platform for a pure logistics real estate player**:
  - Focus on operating margin (target: 85%) with an effective and efficient team for a pure logistics real estate investor. Further professionalisation through ongoing digitalisation and innovation.
- **Increased ESG & innovation commitment**
  - Update ESG strategy by early 2024 with the aim of increasing sustainable impact for our logistics customers, in-house team, shareholders and environment
  - Through innovation, the profitability of our sustainable actions will be increased

## Strategic targets 2023 - 2025

| | |
|---|---|
| Divestment of offices: | 90%[2] (by Q2 2025) |
| Operating margin: | 85% |
| Debt ratio between: | 45% - 47% |
| Logistics occupancy rate: | > 98% |
| Net debt / EBITDA: | < 10 |
| Hedge ratio: | > 90% |
| Yield on cost: | 6.5% |

[1] The amount eligible for distribution is determined in accordance with Article 13 §1 of the RREC Royal Decree and Chapter III of Annex C of the RREC Royal Decree: at least 80% of the sum of the adjusted result and net capital gains on the sale of real estate not exempted from the mandatory distribution must be distributed; however, the reduction in debt during the financial year may be deducted from the amount to be distributed.

[2] Calculation based on leasable space and excluding offices with potential redevelopment to create a logistics site or located on a logistics site.

# H1 2023

## Property portfolio

- **The logistics share of the portfolio is up to 75%** (72% as at year-end 2022) – Offices share: 25%
  - Expected entry in the EPRA Industrial property sector from next year after obtaining a 75% share in the logistics segment
- **Divestment of two office buildings** on the outskirts of Brussels for a total sale price of € 7.2 million, in line with the latest fair value: Park Rozendal in Hoeilaart and Inter Access Park in Dilbeek
- **Acquisition** of a strategic logistics production site of 22,200 m² with ancillary land in **Ghent seaport** through a sale-and-lease-back transaction with an investment value of € 14.25 million
- **Acquisition** of **sustainable logistics development potential**, five-hectare site in Saint-Georges-sur-Meuse, near Liège airport, on the E42 and Namur-Liège axis
- **Signature** of the lease agreement with Nippon Express for a **new unit to be built of circa 13,000 m² at Genk Green Logistics;** almost 52% of the total site is under development or already developed
- **Increase in fair value** of the total property portfolio of € 61 million or 5%, due to acquisitions, developments and sustainable investments in the logistics segment and a positive revaluation of the total portfolio:
- **Positive revaluation of the total portfolio of € 8.9 million** is a combined effect of:
  - positive revaluation in the logistics portfolio in Belgium of € 17.9 million or circa 3%, mainly a consequence of the revaluation of the remaining land position in Genk Green Logistics to fair value, the further completion of the already pre-let development projects and the inclusion of some sustainable observable increases in market rent for the most popular logistics locations currently being seen by the property experts in transactions, despite an average yield increase of 14 basis points. The average rental value estimated by the property expert increased to € 47/m² (€ 46/m² as at the end of 2022)
  - slightly negative revaluation in the logistics portfolio in the Netherlands of € 0.5 million or circa 0.1%, due to increase in the average applied capitalisation rates of 40 basis points, compensated by increase in the average rental value estimated by the property expert of € 8/m² to € 66/m²
  - negative revaluation in the office portfolio of € 8.5 million or circa 2%, due to an increase in the average applied capitalisation rate by 18 basis points
- **Increase in overall occupancy rate** of 3% points to 93%, due to a 2% points increase to 98% in the logistics portfolio in Belgium and a 3% points increase to 79% in the office portfolio
  - Additional lease transaction closed after 30 June 2023 in the office portfolio (in Greenhouse Collection) brings overall occupancy rate to 94% and occupancy rate of the office portfolio to 82%; consequently Greenhouse Collection occupancy rate increases to 72% (50% as at 30 June 2023)
- **Contractual annual rent of the total portfolio increased by 6%** compared to year-end 2022 due to major lease transactions mainly in Belgium's logistics portfolio and the indexation of lease agreements
- **Organic rental growth amounts to 18.5%,**[3] mainly (11%) from completed development projects in Zeebrugge, Genk, Herentals and 's-Hertogenbosch
- **Like-for-like rental growth is 8%,** mainly due to indexation
- **Strong pipeline**: 279,000 m² of potential projects in the logistics segment, with a future expected potential value increase of € 230 million, for which capex is yet to be spent of circa € 195 million as at 30 June 2023. Acquisition of additional development potential of approximately 70,000 m² in Liège via partial contribution in early August 2023 with neutral impact on debt ratio and limited impact on EPRA EPS.

[3] Without taking into account the one-off severance payment in 2022. The organic growth concerns rental income growth of the existing portfolio, including completed and leased projects, excluding acquisitions.

# Financial result

- **EPRA earnings** amount to € 20.1 million (€ 24.3 million for H1 2022): 18% decrease, due to the rising interest expenses and property costs, partly offset by higher rental income. Despite the elimination of the one-off severance payment received of € 2.9 million in 2022, rental income increases due to rental growth from completed projects and indexation.
- **Operating margin**
    - is 78% compared to 80% for H1 2022: 2% points decrease mainly explained by higher property management costs, price increases in utilities and other non-recoverable costs. For comparability, both margins exclude exceptional costs/income, such as severance fee paid to previous CEO in 2023 and severance fee received from previous tenant in 2022
    - Sustainable margin improvement is pursued through rationalisation and optimisations

# Financial structure

- **Increased cover ratio: 84% of debt** is hedged against long-term rising interest rates (average circa 4.4 years) by opening and extending the IRSs (72% as at year-end 2022)
- **Debt ratio is 50.1%**; development of the debt ratio is being closely monitored
- **Extension of the credit contract of € 20 million** with ING Belgium for five years with a new maturity of 2028
- **Sufficient liquidity buffer through € 134 million of non-withdrawn credit lines**

# Key figures H1 2023

## PROPERTY

**€ 1.4 billion**
Fair value of the portfolio

**93% Occupancy rate**
98% Logistics BE
100% Logistics NL
79% Offices

**4.6 years WALB**
4.9 years Logistics BE
6.2 years Logistics NL
2.8 years Offices

**6.2%**
Gross rental yield
5.6% Logistics BE
6.0% Logistics NL
7.5% Offices

## FINANCIAL

**€ 20.1 million**
EPRA earnings

**€ 22.49**
EPRA NTA per share

**2.9%**
Average interest rate of financing

**3.7 years**
Remaining term of long-term credit lines

**50.1%**
Debt ratio

**84%**
Hedge ratio

## SUSTAINABILITY

**30%**
Green Buildings

**100%**
Electricity from sustainable sources

**19%**
Green financing

**79%**
of the logistics property portfolio with solar panels: 37 MWp

**288**
Charging points for electric cars operational

## STOCK MARKET

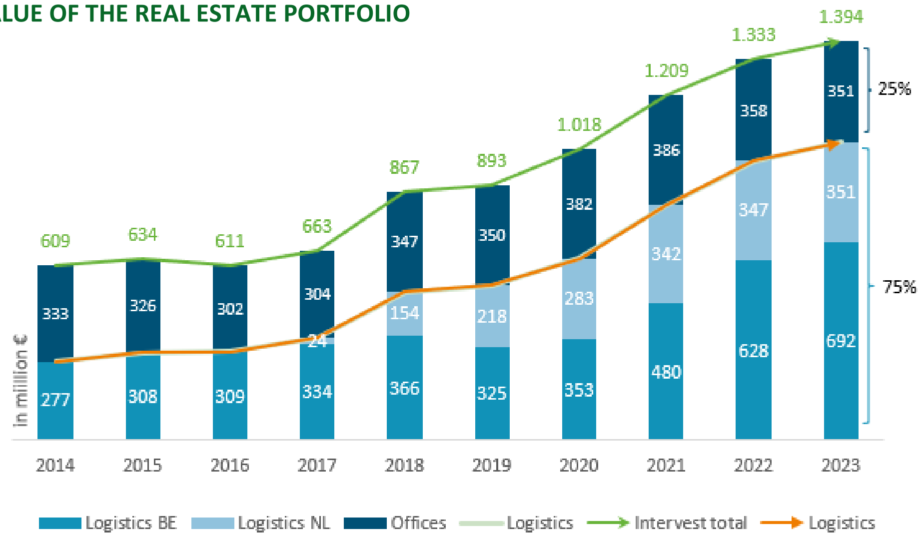
**€ 414 million**
Stock market capitalisation

## TEAM

**59**

58% 42%

## FAIR VALUE OF THE REAL ESTATE PORTFOLIO



# Comparative key figures

| in thousands € | **30-6-2023** | 31-12-2022 |
|---|---|---|
| **Real estate key figures** | | |
| Fair value of real estate | 1,393,972 | 1,333,418 |
| Fair value of real estate available for lease | 1,313,051 | 1,233,799 |
| Gross lease yield on real estate available for lease (in %) | 6.2% | 6.0% |
| Gross lease yield on real estate available for lease at 100% occupancy rate (in %) | 6.7% | 6.7% |
| Average remaining duration of lease contracts (until first expiry date) (in years) | 4.6 | 4.9 |
| Average remaining duration of lease contracts logistics portfolio BE (until first expiry date) (in years) | 4.9 | 5.3 |
| Average remaining duration of lease contracts logistics portfolio NL (until first expiry date) (in years) | 6.2 | 6.5 |
| Average remaining duration of lease contracts offices portfolio (until first expiry date) (in years) | 2.8 | 2.9 |
| Occupancy rate total portfolio (in %) | 93% | 90% |
| Occupancy rate logistics portfolio NL (in %) | 100% | 100% |
| Occupancy rate logistics portfolio BE (in %) | 98% | 96% |
| Occupancy rate offices (in %) | 79% | 76% |
| Gross leasable surface area (in thousands of m²) | 1,372 | 1,259 |

| in thousands € | **30-6-2023** | 31-12-2022 |
|---|---|---|
| **Financial key figures** | | |
| EPRA earnings | 20,055 | 45,467 |
| Result on portfolio - Group share | -1,625 | -26,010 |
| Changes in fair value of financial assets and liabilities | -720 | 32,257 |
| **Net result – Group share** | **17,710** | **51,714** |
| | | |
| Number of shares entitled to dividend | 29,880,473 | 29,235,067 |
| Weighted average number of shares | 29,370,567 | 26,664,878 |
| Share price on closing date (in €/share) | 13.84 | 19.24 |
| Net value (in €/share) | 22.63 | 23.72 |
| Premium/Discount with respect to fair net value (in %) | -38.9% | -18.9% |
| Market capitalisation (in million €) | 414 | 562 |
| Debt ratio (max. 65%) | 50.1% | 48.0% |
| Average interest rate of the financing (in %) | 2.9% | 2.0% |
| Average duration of long term credit lines (in years) | 3.7 | 4.0 |

| **EPRA key figures** | **30-6-2023** | 31-12-2022 | 30-6-2022 |
|---|---|---|---|
| EPRA earnings (€ per share) (Group share) | 0.68 | 1.71 | 0.92 |
| EPRA NTA (€ per share) | 22.49 | 23.50 | 25.38 |
| EPRA NRV (€ per share) | 24.62 | 25.64 | 27.60 |
| EPRA NDV (€ per share) | 23.26 | 24.41 | 25.12 |
| EPRA NIY (Net Initial Yield) (%) | 4.9% | 4.8% | 4.8% |
| EPRA topped-up NIY (%) | 5.2% | 5.1% | 4.9% |
| EPRA vacancy rate (%) | 7.2% | 9.9% | 6.0% |
| EPRA cost ratio (including direct vacancy costs) (%) | 23.4% | 18.0% | 18.4% |
| EPRA cost ratio (excluding direct vacancy costs) (%) | 20.9% | 16.5% | 17.1% |
| EPRA LTV (Loan-to-value) (%) | 50.2% | 47.9% | 50.2% |

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of the supervisory board for the period 01.01.2023 to 30.06.2023

Regulated information
Embargo until 03.08.2023, 6.30 p.m.

## Contents



Alternative performance measures are measures Intervest uses to measure and monitor its operational performance. The measures are used in this press release but are not defined in any law or generally accepted accounting principles (GAAP). The European Securities and Markets Authority (ESMA) has issued guidelines which, as of 3 July 2016, apply to the use and explanation of alternative performance measures. The terms Intervest considers as alternative performance measure are included in a lexicon on the website www.intervest.eu, called "Glossary of terms and alternative performance measures" and attached to this press release. The alternative measures are indicated with ★ and include a definition, objective and reconciliation as required by ESMA guidelines. EPRA (European Public Real Estate Association) is an organisation that promotes, helps develop and represents the European listed real estate sector, both in order to boost confidence in the sector and to increase investments in Europe’s listed real estate. For more information, please refer to www.epra.com.

# 1. Focus areas 2023 - 2025

As a leading real estate player, Intervest Offices & Warehouses (hereafter Intervest) has made the strategic choice to focus on the logistics real estate segment, driven by changing consumer and business needs. The main driving factors for this strategic choice are:

- **Changing macroeconomic environment**: The macroeconomic environment plays a crucial role in shaping investment strategies. Factors such as changes in economic indicators, interest rates, financing, inflation and market sentiment influence the performance of investment properties. This changed environment for property investments is leading to an accelerated revaluation of certain assets, especially offices, which are not core assets for Intervest.
- **Accelerating trends:**
    - Demand for traditional office space has shifted due to changing living and working patterns. The 'hotelification' of offices requires investors to rethink their offerings. After all, office users desire more services and want to be able to work and live within 15-minute. Flexibility is key for users, while it is difficult for an RREC to provide this flexibility given its long-term vision.
    - The sustainability of the industry and logistics sector is supported by several factors driving demand and thanks to increased barriers to new supply. The drivers of demand are diverse and include nearshoring, e-commerce and under-supplied markets. Increased barriers include the ever-greater scarcity of land and a tighter regulatory environment.
- **Increasing the professionalism of asset categories:** Different types of real estate have continued to evolve, due to trends such as climate impact, ESG compliance, scarce space, available workforce and digitisation. As a result, the expertise required to effectively maximise returns has become increasingly unique.

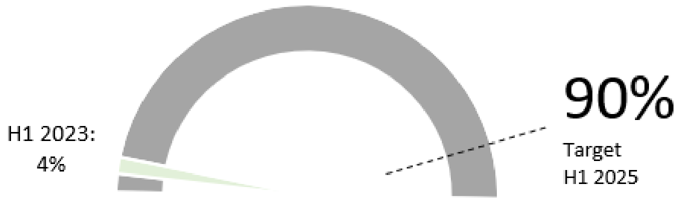
The focus areas for 2023 and 2025 were already explained in the beginning of this press release; to follow them up, several KPI targets were identified. Strategic update to follow in October 2023

The focus areas for 2023 and 2025 were explained up front, to follow up on these, several KPI targets were identified. Further explanation around the new strategy will be explained at the first capital markets day to be held in October 2023.

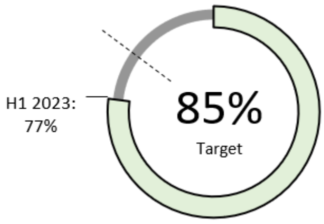
# 2. Targets 2023 - 2025

As indicated, Intervest's focus over the next two years is on office divestment. As the timing of the sales has a significant impact on EPRA earnings per share, a number of targets are set out in the longer term thereafter, specifically by the end of 2025.

## Office sales track[4]




**Operating margin**



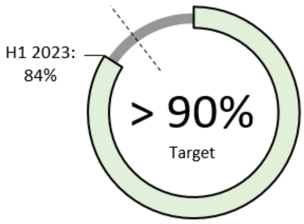

**Debt ratio**

45% - 47%

Target

H1 2023: 50%

**Hedge ratio**



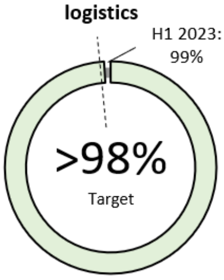

**Net debt/EBITDA**

< 10

Target

H1 2023: 10,9

**Occupancy rate logistics**




**Yield on cost**

6,5%

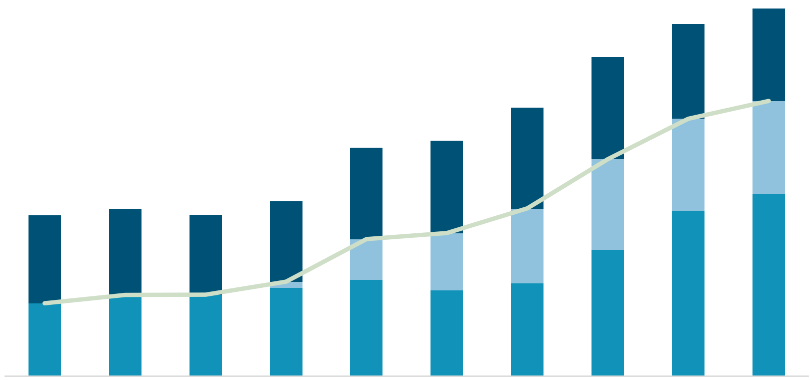
Target

[4] Calculation based on leasable space and excluding offices with potential redevelopment to create a logistics site or located on a logistics site.

# 3. Property report H1 2023

| KEY FIGURES | 30-6-2023 | | | | 31-12-2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Logistics BE** | **Logistics NL** | **Offices BE** | **TOTAL** | **Logistics BE** | **Logistics NL** | **Offices BE** | **TOTAL** |
| Fair value of investment properties (in thousands €) | 692,143 | 351,106 | 350,724 | **1,393,972** | 628,450 | 347,277 | 357,691 | **1,333,418** |
| Fair value of investment properties (%) | 50% | 25% | 25% | 100% | 47% | 26% | 27% | 100% |
| Fair value of real estate available for lease (in thousands €) | 640,847 | 347,756 | 324,448 | 1,313,051 | 565,502 | 337,611 | 330,686 | 1,233,799 |
| Contractual leases (in thousands €) | 36,336 | 20,963 | 24,310 | 81,609 | 34,488 | 19,722 | 22,627 | 76,837 |
| Contractual rents increased by the estimated rental value on vacancy (in thousands of €) | 36,978 | 20,963 | 30,077 | 88,018 | 35,845 | 19,722 | 29,287 | 84,854 |
| Gross lease yield on real estate available for lease (in %) | 5.6% | 6.0% | 7.5% | 6.2% | 5.8% | 5.7% | 6.8% | 6.0% |
| Gross lease yield (including estimated rental value of vacant properties) on real estate available for lease (in %) | 5.7% | 6.0% | 9.3% | 6.7% | 6.0% | 5.7% | 8.9% | 6.7% |
| Average remaining duration of lease agreements (until first expiry date) (in years) | 4.9 | 6.2 | 2.8 | 4.6 | 5.3 | 6.5 | 2.9 | 4.9 |
| Average remaining duration of lease agreements (until end of agreement) (in years) | 6.3 | 7.7 | 4.2 | 6.1 | 6.8 | 8.2 | 4.3 | 6.4 |
| Occupancy rate (EPRA) (in %) | 98% | 100% | 79% | 93% | 96% | 100% | 76% | 90% |
| Number of leasable buildings | 27 | 19 | 32 | 78 | 25 | 19 | 32 | 76 |
| Gross leasable surface area (in thousands m²) | 805 | 359 | 208 | 1,372 | 698 | 353 | 208 | 1,259 |

* All concepts and their calculations are included in a lexicon on the www.intervest.eu website, called "Terminology and alternative performance measures" and as an attachment to this press release.



# 3.1 Divestment in H1 2023

## 3.1.1 Divestment of two office buildings on the outskirts of Brussels: Park Rozendal in Hoeilaart and Inter Access Park in Dilbeek

In the second quarter of 2023, Intervest divested itself of two office buildings on the outskirts of Brussels, Park Rozendal in Hoeilaart and Inter Access Park in Dilbeek. The sale price of the buildings is approximately € 7.2 million and is in line with the latest fair value (as at 31 March 2023) determined by Intervest's independent valuation expert. These transactions are consistent with the accelerated divestment strategy of offices in the Intervest portfolio and highlight the strategic focus on logistics real estate and improving the risk profile of the portfolio and balance sheet. The proceeds from these sales will be used to repay existing credit lines and will help reduce the debt ratio. Both buildings were already included on the balance sheet as properties intended for sale.

# 3.2 Acquisitions in H1 2023

## 3.2.1 Acquisition of investment properties

### Ghent (BE): strategic logistics site in Ghent seaport

In early 2023, Intervest concluded a sale-and-lease-back operation with Plasman Belgium NV on concession property for an investment value of €14.25 million[5]. The 56,000 m² site, strategically located on Skaldenstraat in Ghent seaport, includes a 22,200 m² production site on which Plasman carries out its operational activities. Intervest concluded a 10-year lease with Plasman, with two options to extend for five years each in line with market conditions.

A new concession agreement was negotiated with North Sea Port Flanders until 2053, with a unilateral option to extend until 2083. This acquisition represents an important expansion of the already existing cluster with which Intervest further strengthens its position in port of Ghent.

## 3.2.2 Acquisition of land reserves

### Saint-Georges-sur-Meuse (BE): strategic land position for sustainable logistics development

Intervest acquired a site of circa five hectares in a strategic location alongside the E42 in Saint-Georges-sur-Meuse, near Liège airport, for an acquisition value of € 10.4 million in the first quarter of 2023. This acquisition fits into the logistics segment's cluster strategy and further expands the Liège/Herstal cluster. This acquisition gives Intervest a strategic land position to develop a new sustainable logistics site. Talks with several prospective tenants for a bespoke development are ongoing.

[5] See press release dated 11 January 2023: "Intervest acquires strategic site in Ghent seaport through sale-and-lease-back".

## 3.3 Acquisition after balance sheet date 30 June 2023

### 3.3.1 Liège (Herstal) (BE): strategic logistics site with future sustainable redevelopment potential of 70,000 m²

Intervest entered into an agreement at 2 August 2023 for the phased acquisition of a strategic logistics site in Liège (Herstal) with a site area of circa 15,5 ha of which circa 66,000 m² is leasable space. This site offers the possibility of sustainable redevelopment of circa 70,000 m² in the future. It is conveniently located with multimodal access and forms a cluster with Intervest's adjacent property. This transaction confirms Intervest's ability to grow in strategic locations in the logistics segment.

For example, following the earlier acquisition of an adjacent site in 2022, the existing site will be expanded again with circa 16 ha becoming available for development and creates the opportunity to support existing tenants on the site in their growth plans. In addition, due to the scale created of almost 30 ha of land, additional synergies can be found in efficiency and management.

The site was fully leased upon acquisition, at an annual rent of € 1.27 million, with various terms to allow flexibility in responding to the location’s development potential.

#### Transaction structure

Intervest has acquired control of the patrimony company Industrial Logistic Warehousing Services SPRL (hereinafter 'ILWS'), owner of the entire logistics site in Herstal.

The acquisition will be completed in two phases. A control percentage of 74.35% of the company ILWS has already been acquired. The second part of the acquisition (the remaining 25.65%) is expected to be executed in 2024.

The acquisition of the logistics site with an overall real estate investment value of € 29 million, in line with the valuation by the company's property expert, has been partly financed through a non-cash contribution in the context of the authorised capital and through Intervest's existing credit lines with financial institutions and by taking over the credit facilities of the company ILWS for circa € 3.5 million.

This transaction, with potential for redevelopment in the future, has a neutral impact on Intervest's debt ratio and a limited impact on EPRA EPS.

For further explanation of the transaction structure, please refer to the press release dated 3 August 2023 "Intervest Offices & Warehouses acquires strategic logistics site with future sustainable redevelopment potential of 70,000 m² in Liège (Herstal)"

## 3.4 Projects under construction and development potential

In the first half of 2023, **Belgium's logistics portfolio** invested € 13.7 million in development projects. It involves almost full investment in Genk Green Logistics including further completion of units 18 and 19, together circa 30,000 m². These units were completed in the second quarter of 2023 and fully leased to Konings. The overall project Genk Green Logistics, a collaboration with Group Machiels, will comprise a total leasable space of 250,000 m² once completed. The development of new units will only be started when they are pre-let. As of 30 June 2023, with the signing of the lease agreement with Nippon Express in the first quarter of 2023 for a newly built unit of circa 13,000 m² extra, almost 52% of the total site is under development or already developed.

This completed project at Herentals Green Logistics provides an additional 8,000 m² logistics unit with 1,500 m² mezzanine and 500 m² of office space, on top of the already fully let and completed 42,000 m² site at Herentals Green Logistics. This 10,000 m² project was fully leased to Fox International Group (Rather Outdoors) on completion.

In **the Netherlands's logistics portfolio**, € 4.3 million was invested in the first half of 2023, to complete the high-end, built-to-suit warehouse of circa 10,000 m² in 's-Hertogenbosch for My Jewellery. This project was delivered in the second quarter of 2023.

### 3.4.1 Delivered project in Q2 2023: 100% leased

| | Segment | Type | GLA in m² | Delivery | BREAAM |
|---|---|---|---|---|---|
| Herentals Green Logistics 1B | Logistics BE | Development | 10,000 | Q1 2023 | Excellent |
| 's-Hertogenbosch | Logistics NL | Development | 9,700 | Q2 2023 | Excellent |
| Genk Green Logistics unit 18/19 | Logistics BE | Development | 30,000 | Q2 2023 | Excellent |

### 3.4.2 Overview of projects and land reserves

Based on current property market data, Intervest expects a potential fair value of circa € 320 million for the total of the projects listed below. This means a future expected potential increase in the value of the property portfolio of circa € 230 million over a period up to 2025. On the other hand, there is still capex to be spent amounting to € 195 million. Based on current property market data, the yield on cost for this development potential is circa 5.9%. The potential leasable space of development projects and land reserves as at 30 June 2023 is circa 279,000 m².

| | Segment | Type | (Potential) GLA in m² | Expected delivery | BREAAM |
|---|---|---|---|---|---|
| Genk Green Logistics unit 7 | Logistics BE | Development | 12,850 | Q1 2024 | Excellent |
| PROJECTS | | | 12,850 | | |
| Genk Green Logistics | Logistics BE | Development | 120,150 | 2023-2025 | Excellent |
| Puurs | Logistics BE | Development | 54,599 | 2024 | Excellent |
| 's-Hertogenbosch | Logistics NL | Development | 11,500 | 2025 | Excellent |
| Liège (Herstal) | Logistics BE | Development | 45,098 | 2025 | Excellent |
| Zellik | Logistics BE | Development | 24,596 | 2025 | Excellent |
| Venlo | Logistics NL | Development | 10,000 | 2025 | Outstanding |
| LAND RESERVES | | | 265,943 | | |
| TOTAL PROJECTS & LAND RESERVES | | | 278,793 | | |

# 3.5 Occupancy rate and leasing activity

## 3.5.1 As at 30 June 2023

The **occupancy rate** of the total portfolio available for lease increased by 3% points compared to year-end 2022 and is 93% as at 30 June 2023 (90%).

The **Netherlands' logistics portfolio** is also fully leased as at 30 June 2023, the occupancy rate remains stable at 100% (100% as at 31 December 2022).

In **Belgium's logistics portfolio**, the occupancy rate increased to 98%, up 2% points compared to 31 December 2022 (96%). The first half of 2023 was indeed successful in terms of lease transactions in the Belgian logistics segment, where a number of major transactions were recorded. In total, leases were recorded for leasable space of circa 188,000 m², with a total gross annual rent of € 6.8 million, representing 20% of the contractual annual rent at the end of 2022 for Belgium's logistics portfolio.

The main lease transactions in the first half of 2023 that were realised in Belgium's logistics portfolio are:

- Sale-and-lease-back-transaction with Plasman in Ghent for a production site of circa 22,000 m² with accompanying land for a period of ten years, extendable twice by five years, as explained above
- Extension and expansion of Delhaize in Puurs for three years until 2027, good for 20,500 m²
- Genk Green Logistics strengthened its cooperation with lessee Nippon Express and extended[6] the existing lease of circa 21,000 m² until mid-2029 and signed a new agreement for a unit of circa 13,000 m² yet to be built
- One-year extension with lessee Eddie Stobart Logistics Europe for circa 20,000 m² at Genk Green Logistics
- Temporary lease for Zellik of circa 23,000 m² with new lessee Axus, pending redevelopment of this site
- Lease at Zeebrugge Green Logistics to Aertssen Logistics, completed late last year, of circa 28,830 m², including circa 6,500 m² of storage space, circa 22,000 m² of outdoor storage (container yard) and circa 330 m² office space
- The future vacancy in Wilrijk due to the downsizing of Toyota Material Handling Europe Logistics AB was already re-let in the first half of the year to Partner NV for circa 4,000 m² and Halal food chakirs BV for circa 6,000 m² .

All transactions were concluded in line with market conditions.

[6] See the press release dated 6 April 2023: "Genk Green Logistics and Nippon Express strengthen cooperation with extension of existing lease agreement (21,000 m²) and contract for additional unit yet to be built (13,000 m²)."

The **office portfolio** occupancy rate rises to 79%, up 3% points from year-end 2022 (76%). Several transactions were also realised here. In total, circa 11,000 m² were renewed or extended with a gross annual rent of € 1.8 million. The main transactions in the office portfolio are:

- For Greenhouse Collection, four new agreements have been signed for the lease of private spaces with four leading tenants, a total of circa 4,400 m² and a gross annual rent of € 0.9 million. Besides the lease of this private space, six contracts for serviced offices were recorded. Greenhouse Collection's occupancy rate is 50% as at 30 June 2023 (19% as at 31 December 2022). Negotiations for the available space are in full swing, for transactions realised after 30 June 2023, please see below.
- The following transactions were realised in Mechelen Campus:
    - An extension has been signed with Unit-T for their leased space of circa 2,800 m². The lease agreement was extended with a new expiry date in mid-2032. Also, the first break date expires, pushing up the next termination date to 2026.
    - An extension has been concluded with Bluecrux International BV, with an expansion to circa 1,000 m².
    - A new agreement has been signed with Lifeworx Group NV for circa 900 m² with an initial termination date after six years.

## 3.5.2 After 30 June 2023

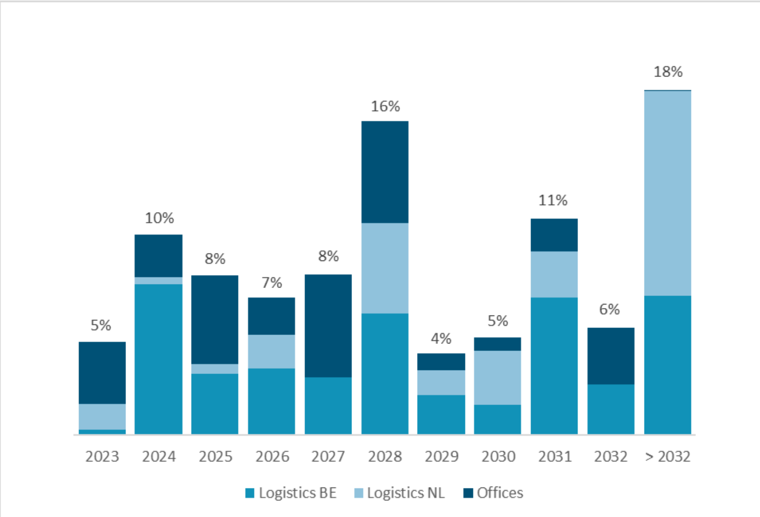
**The following transactions, in the office portfolio, were realised after 30 June 2023:**

- At Greenhouse Collection, a new lease was signed with a leading company to lease circa 3,573 m² of office space at a gross annual rent of € 0.8 million with an initial termination date after five years. This additional lease brings Greenhouse Collection's occupancy rate to 72% at the time of publication of this press release (50% as at 30 June 2023).
- In Mechelen Campus, the lease agreement with MC Square Belgium BV has been extended to 3,956 m² (previously 2,449 m²) with an interim termination date after six years. This extension is related to Intervest ceasing to operate co-working spaces in Greenhouse Mechelen. MC Square will use these spaces as part of their co-working services.
- In Intercity Business Park (Mechelen), an extension with SGS Belgium has been signed for their leased space of circa 6.200 m², with a new expiry date in end 2026.

The transaction at Greenhouse Collection increases the occupancy rate of the total portfolio to 94% at the time of publication of this press release (93% on 30 June 2023). The office portfolio occupancy rate rises to 82%, up 3% points compared to 30 June 2023 (79%).

# 3.6 Duration of lease agreements7

## 3.6.1 Expiry date of contracts in the entire portfolio



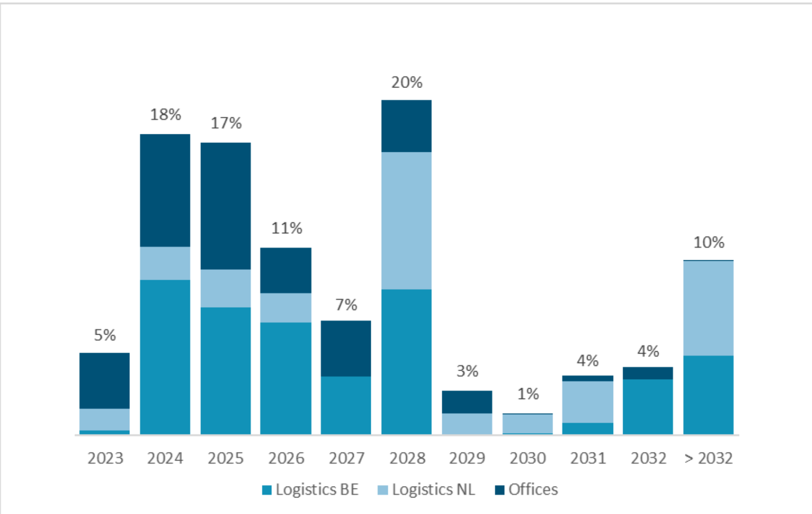

The expiry dates of long-term leases are well spread over the next few years. The expiry dates of 5% of the contracts, based on annual rental income, fall in the second half of 2023, of which 2% of the contracts have already been renewed. 10% have a final expiry date in 2024.

In the office portfolio, the expiry dates of 3% of the contracts, or an annual rent of € 2.6 million, fall in the second half of 2023, of which 2% of the contracts have already been renewed. In the logistics portfolio, the expiry dates of 2% of contracts, or an annual rent of € 1.3 million fall in 2023.

Intervest is anticipating these future expiry dates in a timely manner, and is currently exploring the various options in terms of extensions or relettings. 85% of all lease agreements expire after 2024.

## 3.6.2 Next expiry date of contracts in the entire portfolio

The following graph shows the progression of the next expiry date of all rental agreements (this could be a final expiry date or an interim expiry date). Since Intervest has a number of long-term agreements, not all contracts can be terminated within the customary three years.

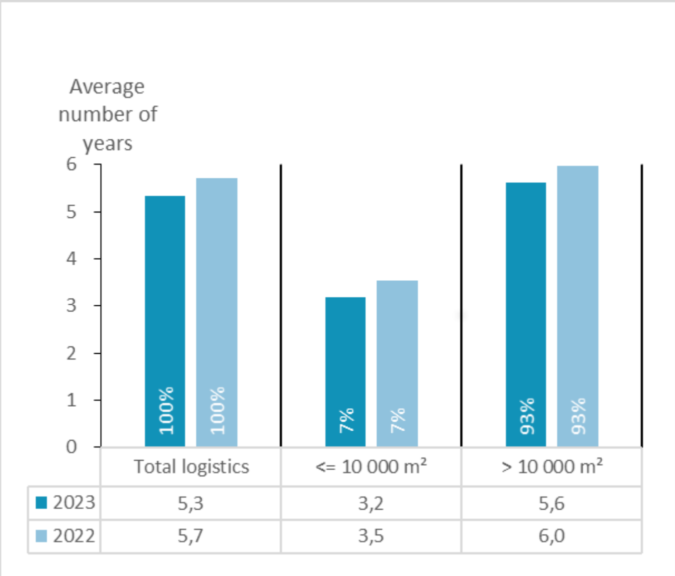



The graph shows the hypothetical scenario as at 30 June 2023 in which each tenant terminates its lease at the first interim expiry date. This is a worst-case scenario.

As at 30 June 2023 the next expiry date of 5% of contracts, based on annual rental income, falls in 2023, of which 2% of the contracts have already been renewed. This is a final expiry date as discussed above. The next termination date of 18% of contracts falls in 2024.

[7] Flexible contracts for co-working spaces and serviced offices are excluded from the calculation. They amount to less than 1% of the total contractual annual rent.

### 3.6.3 Average remaining contract duration to the next break date for logistics real estate

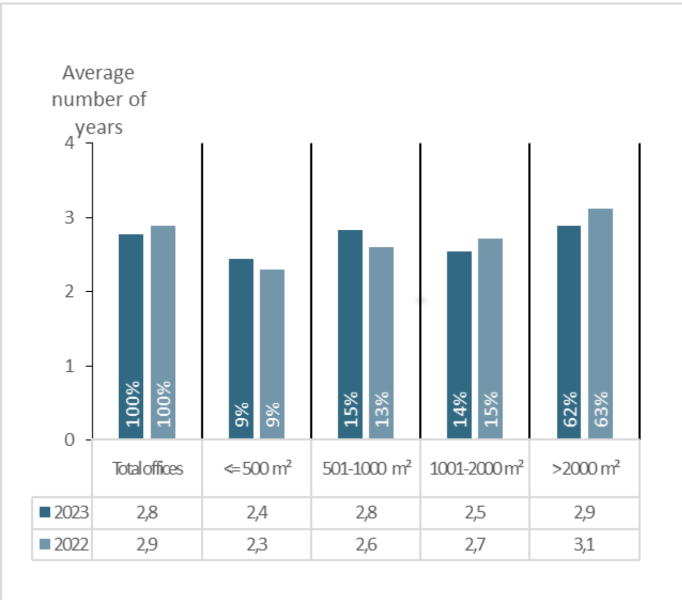



The average remaining contract duration to the next expiry date for the total logistics portfolio is 5.3 years as at 30 June 2023 (5.7 years as at 31 December 2022).

For the logistics portfolio located in Belgium, the average remaining contract duration to the next expiry date is 4.9 years as at 30 June 2023 (5.3 years as at 31 December 2022).

The logistics portfolio in the Netherlands, where entering into long-term agreements is common, has an average remaining contract duration until the next expiry date, of 6.2 years (6.5 years as at 31 December 2022).

### 3.6.4 Average remaining contract duration until next break date for offices




For offices, the average rental period to the next expiry date (WALB) is 2.8 years as at 30 June 2023 (2.9 years at 31 December 2022).

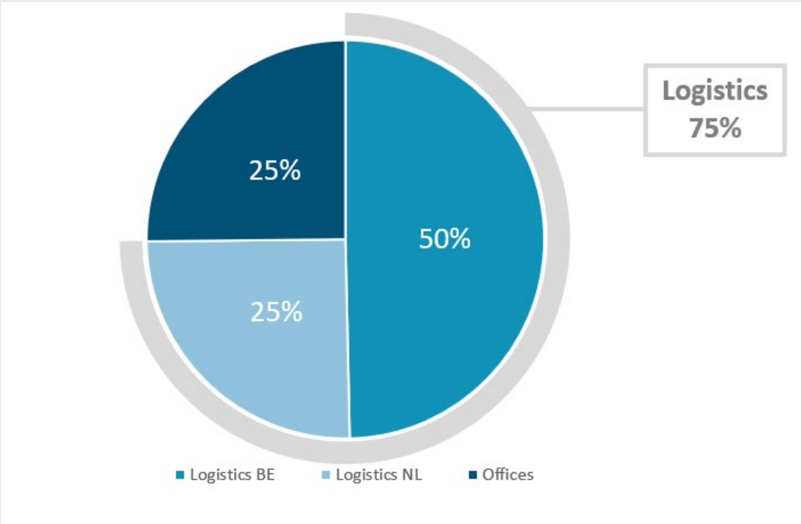
For larger tenants (exceeding 2,000 m²) which account for 62% of the remaining rental income flow, thus exerting a major impact on Intervest's results, the next expiry date is in 2.9 years (3.1 years as at 31 December 2022).

In the office segment, the classic 3-6-9 remains the standard but longer terms or penalty clauses for an initial break are also no exception.

# 3.7 Risk diversification

## 3.7.1 Portfolio risk diversification

**Logistics share: 75% - Offices share: 25%**




The strategy with a clear focus on the logistics real estate segment and intensified asset rotation with the divestment of office buildings in the first half of 2023, is translated proportionally between the two segments of the portfolio. The logistics share of the portfolio is up by 2% points to 75% (73% as at year-end 2022). The office portfolio accounts for 25% (27% as at year-end 2022).

Logistics real estate in Belgium accounts for 50% of the total portfolio, while the logistics portfolio in the Netherlands accounts for 25% of the total portfolio.

## 3.7.2 Geographic diversification

In **logistics** property, Intervest mainly holds sites in its portfolio in multimodal locations of critical size (> 25,000 m²). These sites are located on the main logistics axes in Belgium and in the Netherlands.

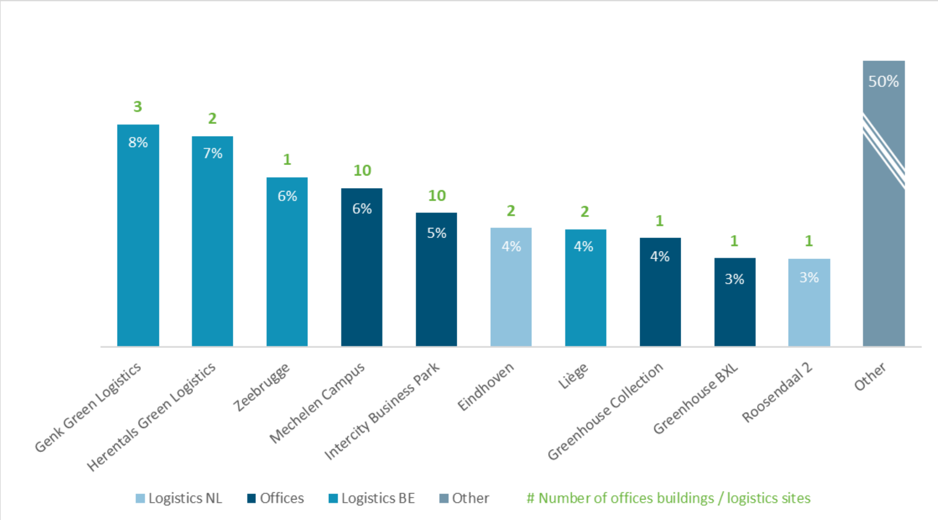
66% of the logistics portfolio is located in Belgium, on the axes Antwerp - Brussels - Nivelles, Antwerp - Limburg - Liège and Antwerp - Ghent - Bruges.

34% of the logistics portfolio is located in the Netherlands, on the logistics corridors in the south of the country.

The **office portfolio** is located on the Antwerp - Mechelen - Brussels axis, which remains the most important and liquid office region in Belgium.

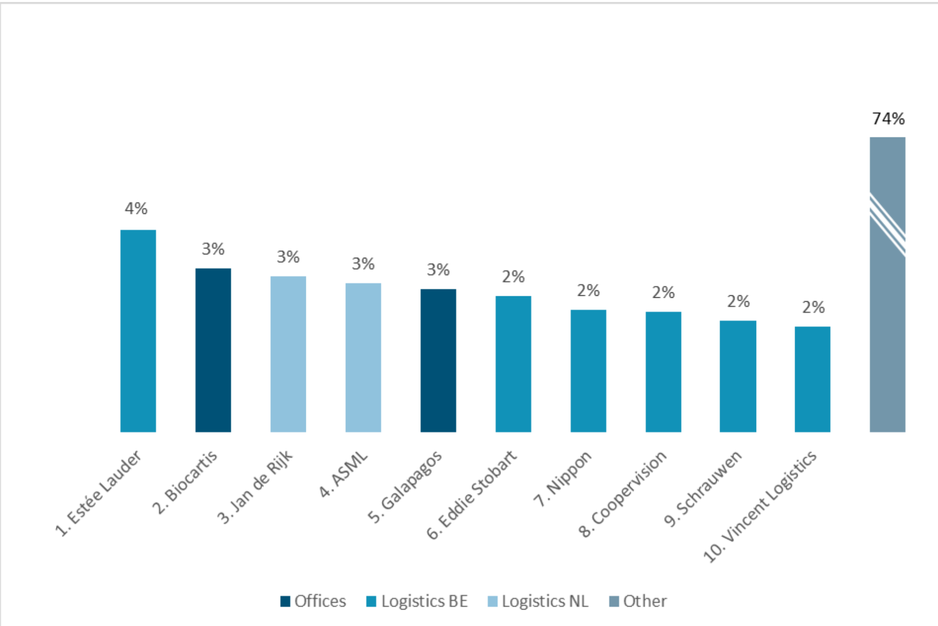
## 3.7.3 Risk diversification of buildings according to size[8]

Intervest aims for optimal risk diversification and strives to limit the relative share of individual buildings and complexes in the total portfolio.




## 3.7.4 Risk diversification according to tenants[9]

As at 30 June 2023 Intervest's rental income is spread across circa 214 different tenants, without taking into account flex-workers. This diversification reduces debtor risk and promotes revenue stability. The ten most important tenants represent 26% of rental income, are all leading companies in their sector and most are part of international groups.




[8] Percentages based on the fair value of investment properties on 30 June 2023.
[9] Percentages based on contractual annual rents as at 30 June 2023

# 3.8 Portfolio valuation

The property portfolio is valued on a quarterly basis by independent property experts, allowing trends to be quickly identified and proactive measures to be taken.

The property portfolio can be broken down as follows as at 30 June 2023:

| Property expert | Fair value (€ 000) | % | Investment value (€ 000) |
|---|---|---|---|
| Cushman & Wakefield Belgium | 339.918 | 24% | 348.416 |
| CBRE Valuation Services Belgium | 658.031 | 47% | 674.482 |
| JLL The Netherlands | 347.756 | 25% | 387.400 |
| **TOTAL Valuation reports** | **1.345.705** | **97%** | **1.410.298** |
| **RECONCILIATION WITH INVESTMENT PROPERTIES** | | | |
| Land reserves | 48.267 | | 48.267 |
| **Investment properties** | **1.393.972** | **100%** | **1.458.565** |

# 3.9 Logistics real estate and office market[10]

## 3.9.1 Logistics real estate

### Rental market

**Belgium**

Companies are increasingly focusing on the sustainability and cost optimisation of their operations and logistics process. This can often lead to a search for a new location or bespoke development. Besides property charges, transport and labour costs are also part of this scenario. If a business premises allows savings on transportation, energy or maintenance costs, companies can cope with and justify higher rents. Prime rents for logistics are currently around € 65-70/m². These levels are mainly achieved around Brussels and the Antwerp-Brussels axis.

Total take-up for the first quarter of this year saw a 17% decline compared to last year. This trend is also noticeable in all major markets in Europe. This decline is a result of falling demand for e-commerce. In addition, there is increased market volatility due to rising inflation and interest rates, as well as the geopolitical crisis in Ukraine.
First quarter take-up was around 140,000 m² and rates as the lowest volume in the past five years. Logically, this trend continued in a decline in the number of transactions. However, the average transaction size experienced a growth of 21% YoY and averaged 12,570 m².

Overall, the availability of ready-to-use and high-performance logistics spaces remains low. The vacancy rate is just 1.14%, as a result of which the availability of sustainable logistics buildings is rapidly decreasing.

[10] Sources: JLL Quarterly market update Industrial & Logistics Belgium Q1 2023, JLL European Logistics market update May 2023, CBRE Brussels Office Marketview Q4 2022, CBRE Mid-Year Market Outlook 2023 Nederland https://www.cbre.nl/insights/reports/mid-year-real-estate-market-outlook-2023. Savills, Logistieke huurgroei houdt aan in Nederland, ondanks daling opname: https://www.savills.nl/research_articles/251853/347325-0. Trade literature, interviews with property experts throughout the year and Intervest research.

**The Netherlands**

The Dutch rental market continued to record a strong performance in the first part of 2023. The market has largely been driven by 3PLs and online retailers performing strongly through e-commerce, which is now a trend in consumer shopping behaviour. Vacancy rates remain historically low compared to previous years at around 0.7%.

The top logistics regions are Tilburg/Waalwijk, Rotterdam, North Limburg/Venlo, Utrecht and Schiphol/Amsterdam. Emerging logistics regions include Almere - Lelystad, the A12 corridor, Arnhem - Nijmegen, Moerdijk and East Netherlands/Twente. With the increasing lack of space, operations also expanded in South Limburg, Heerlen - Kerkrade. Therefore, it seems the logistics property market is already broadening in terms of location in the Netherlands, which is also a result of the scarcity of large sites and available properties.

The prevailing trend in the rental market is expected to continue in the second half of 2023, provided sufficient rotation of buildings can take place. The investment market in the first half of 2023 was dominated by downgrades, recalibration of investment strategies and a search for a new price level. The scarcity is likely to increase, due to elements such as the debate regarding the expanding number of large logistics centres ('verdozing'), energy (capacity), and nitrogen issues, as well as the construction freeze in much of the Netherlands.
Take-up figures of logistics real estate fell 58% YoY in the Netherlands in Q1 2023 due to the slowing economy. Total take-up of logistics space at 455,000 m² was well below the average for the past eight years. The decline can be viewed as the result of the lack of available space and not just falling demand.
Prime rent in the Netherlands in first-rate locations is around € 75-85/m². At Schiphol airport, prime rent can be € 100/m². As there is a downturn in consumer spending partly due to inflation, there does seem to be more hidden vacancy, reducing the drive for expansion. While this is slowing down rental growth potential to a certain degree, due to scarcity the expectation remains that growth will continue to increase, albeit less strongly than in recent years.
Another key driver of prime rents is rising construction costs for new developments. Rent increases have mainly been seen in build-to-suit developments.

## Investment market

**Belgium**

Logistics real estate remains an attractive asset category for investors. Built-to-suit projects with long-term contracts remain by far the most popular with investors. However, due to the limited supply of core+ product, many investors are also looking at added value products, with or without redevelopment potential.

In Q1 2023, the investment volume decreased by 81% compared to Q1 2022. This decline can be explained by the exceptional year 2022. Volumes are back to pre-Covid-19 pandemic levels. This decline also resulted in fewer transactions.

The historically low 2022 yields rose to a prime yield of 4.5%. The reason for this can be found in the trends already cited. The rise in inflation and accompanying increase in interest rates combined with the geopolitical crisis in Ukraine. In addition, the ESG agenda remains a pull factor for sustainable buildings that meet the highest standards.

**The Netherlands**

The Dutch investment market experienced a historically low investment volume of € 3.2 billion in the first half of 2023, down 60% from the previous year. Nevertheless, there seems to be greater certainty in the second half of 2023. A fall in inflation is expected, as well as stabilising interest rates and clarity on the new price level on the property market.

After a more challenging second half of 2022, the logistics investment market appears to have regained its momentum. Investment volume in the first half of the year was € 1.4 billion, of which 44% was allocated to industrial and logistics real estate.

Staff shortages is still an issue for logistics companies. In addition, the government is going to tighten the rules regarding the issuance of business parks. Stricter requirements are being imposed on investors and users. The government is also setting stricter requirements on various ecological aspects such as nitrogen issues around Natura-2000 areas and on circularity.

This means international investors are currently operating more cautiously on the Dutch logistics real estate market, among other things due to uncertainty in the (economic) market, rising interest rates and stricter requirements imposed by municipalities.

Despite the above points, the Netherlands remains an interesting place for investors due to its positive business climate and, its favourable location with excellent infrastructure, and expectations are promising for the second half of 2023.

**Trends**

Locations near multimodal hubs (rail, barge, airport, etc.) on the main axes to the hinterland remain the optimal locations for traditional logistics activities such as European distribution centres, combined with central locations for national distribution. With the rise of e-commerce (fuelled by the Covid-19 crisis), there are also locations in strategic positions alongside major cities that often have very different requirements in terms of layout and available space.

Sustainability and total cost requirements are becoming increasingly stringent, meaning that many of today's properties no longer meet modern requirements. This is leading to a large number of bespoke development projects and the redevelopment of brownfield sites, as the amount of land available for projects remains extremely scarce. In recent years, development at risk is seriously gaining popularity due to the limited number of vacant properties and the enduring appetite of prospective tenants for good locations. The price of steel, among other things, is actually experiencing a steep downward trend, which can also greatly reduce construction costs.

The Covid-19 crisis has left its mark on logistics too, although the impact is diverse to say the least. One certainty is that a large number of FMCG-producers have scrutinised their supply chain and associated inventory shocks as a result of the crisis and have stockpiled a large amount of stock.

On the other hand, the crisis has led to the accelerated growth of e-commerce platforms, resulting in greater space requirements among these players.

The government has become more aware of the strategic importance of the logistics sector. The demand for sustainable buildings in multimodal locations that are ready for advanced automated operations will continue to grow. There is also a growing focus on urban distribution hubs. Cost efficiency is key, but well-being aspects are also emerging in this market segment.

**BREEAM 'Outstanding'**

Tenants' ESG agenda continues to extend to their choice of logistics centres. These sustainable buildings are still preferred for environmental considerations, concern for the well-being of their employees and cost efficiency.

The highest achievable sustainability rating for buildings, namely BREEAM 'Outstanding' is increasingly being achieved. Efforts are being made to bring pollutants such as $CO_2$ emissions, NOx emissions from the heating systems and general energy consumption below the legally permitted minimum specified in the Building Decree.

Sustainable centres have energy-efficient installations, heat pumps, solar panels to meet their own energy needs, heat-cold storage in the ground, use of rainwater and water-saving sanitary installations, etc. There is an increasing focus on circularity in which products can be dismantled after use and the materials reused.

Raw materials, components and products can thus retain their value. Sustainable and recyclable materials are used in construction with the lowest possible environmental impact.

The well-being, safety and health of employees are also key. The offices of logistics centres must be pleasant workplaces offering sufficient daylight, bright lighting, good acoustics, heating, ventilation and air quality.

Security around the building receives adequate attention through e.g. extra lighting, good circulation and camera surveillance.

**Automation and digitisation**

The demand for distribution centres that enable omnichannel distribution with the lowest possible cost structure is rising. Further automation and digitisation driven by new technology and developments will affect the design of logistics buildings. As goods can be stacked higher, logistics halls become taller and floor space decreases. Floors must have a higher load-bearing capacity.

Automation does not affect location. Multimodal locations near major approach roads, rail and water networks remain equally important for cost-efficient operations.

**Urban distribution hubs**

Online shopping has experienced huge growth as a result of the Covid-19 pandemic. This has led to the significant growth of urban distribution close to the consumer. Existing properties near the city outskirts, half an hour's drive from the delivery address, are being transformed into transhipment hubs. These hubs often serve a specific target group and are operated by third parties such as DHL or PostNL.

## 3.9.2 Offices

### Rental market

Annual office take-up in Belgium has been growing steadily since 2010, with the exception of 2020 and Brussels take-up in 2022. In 2022, take-up in the "big five cities" was around 200,000 m² compared to 2021 (circa 210,000 m²). The number of transactions declined slightly, from around 196 in 2021 to 178 in 2022. It is not expected to increase again in 2023. Interestingly, since 2016, the distribution of take-up between Brussels and regional office markets has changed from 60-40 to 33-67. Because of the shift from decentralisation to an office market with satellite offices, this trend is expected to continue. Most lease transactions can be found in the segment of floor space below 2,500 m². The office market in Flanders is performing well thanks, on the one hand, to a significant supply of new construction in the Flemish periphery around Brussels and, on the other, good performance of the Antwerp office market. Wallonia remains stuck at an average level; much of the public demand has already been realised and few new projects are available.

Meanwhile, the scarcity of new, sustainable developments is driving up rents. This price rise is particularly noticeable on the Brussels market.

The availability rate in Grade A buildings fluctuates around 1%, compared to a high vacancy rate of Grade C buildings in the Brussels periphery, around 18%. Circa 335,000 m² of Grade A buildings are expected in the Antwerp region between 2025 and 2030.

However, average rents in Brussels have not yet been affected by the financial crisis and continue to hover around € 200/m². Prime rents in the Leopold Quarter have risen to € 345/m² (+8%). Regional markets are performing at the same level as Brussels. 50% of lease transactions concern Grade A office buildings, further emphasising the focus on sustainability and the importance of attracting talent in modern office buildings. With rents hovering around € 165/m², the market expects the upward trend to continue. On the Antwerp market, prime rent for Grade A buildings sits at € 175/m² and for average buildings at circa € 132/m².

## Investment market

The investment market performed very well in 2022, with Brussels experiencing its best year ever at € 4.65 billion, compared to € 2.01 billion in 2021 and € 2.99 billion in 2020. The exceptionally high figure in 2022 is due to several exceptional transactions, namely the Conscience Building, IT Tower and Silver Building.

Due to rising interest rates, prime yields are expected to rise by 25 bps in Flanders and Wallonia to 5.25% and 6.75% respectively. The market is characterised by relatively high supply in contrast to a limited pool of investors, despite attractive prime yields relative to Brussels.

Overall, the impact of ESG and the government's new measures on asbestos and refurbishment obligations is expected to lead to an increase in the number of deals in 2023, mainly deals in Grade C buildings. As the supply of Grade A buildings is scarce and rents of these buildings are also high, a large number of transactions will be realised in Grade B and C buildings in 2023.

**Trends**

Working, living and relaxing is becoming much more intertwined. The mixed working environment with home working, teleworking from a regional hub, a co-working space, etc. has become a permanent feature of many organisations since the Covid-19 crisis.

The impact of the Covid-19 pandemic on the office property market is significant. The crisis is making a whole host of parties reflect on their property and business accommodation strategies.

The belief in a flexible working environment continues to grow, but more and more employees come and go to the corporate office more frequently, resulting in more traffic congestion and consequently reigniting the corporate debate of the ideal real estate and business accommodation strategy.

Office space will be redesigned to promote collaboration. While in the past, around 50% of the office space was still dedicated to individual work stations, this has now changed to 33%, with the remaining office space devoted to shared workplaces such as meeting rooms and facilities to enhance the community feel.

Offices are no longer an expense for companies but a means of motivating employees, attracting new employees and providing all employees with a place where they enjoy spending time. The hybrid way of working also benefits sustainability goals.

Technology, mobility and well-being at work are decisive for the locations of the future.

Companies are looking for smaller, pleasant 'green' offices in easily accessible locations that also benefit from related community services such as healthy food, an inspiring look and feel, etc.

Co-working spaces are currently experiencing a turbulent decade. Many co-working providers have closed their doors in less favourable locations to open hipper establishments in better locations, so there has been no change in absolute surface area, but an efficient improvement in quality.

This need for flexibility will ultimately lead to environments where working, housing, relaxing, shopping and living go hand in hand.

# 4. Financial report H1 2023

## 4.1 Analysis of results[11]

| in thousands € | 30-6-2023 | 30-6-2022 | Difference | |
|---|---|---|---|---|
| Rental income | 40,193 | 35,438 | *4,754* | *13%* |
| Rental-related expenses | -59 | 15 | *-74* | *-478%* |
| Property management costs and income | 142 | 366 | *-223* | *-61%* |
| **Property result** | **40,276** | **35,819** | *4,457* | *12%* |
| Property charges | -6,363 | -3,907 | *-2,456* | *63%* |
| General costs and other operating income and costs | -3,109 | -3,011 | *-98* | *3%* |
| **Operating result before result on portfolio** | **30,804** | **28,902** | *1,902* | *7%* |
| Result on disposals of investment properties | -4,123 | 72 | *-4,194* | *-5,849%* |
| Changes in fair value of investment properties | 8,924 | 29,014 | *-20,090* | *-69%* |
| Other result on portfolio | -1,612 | -6,440 | *4,828* | *-75%* |
| **Operating result** | **33,994** | **51,548** | *-17,554* | *-34%* |
| Financial result (excl.changes in fair value of financial assets and liabilities) | -9,244 | -3,750 | *-5,494* | *146%* |
| Changes in fair value of financial assets and liabilities | -720 | 20,400 | *-21,120* | *-104%* |
| Taxes | -750 | -407 | *-343* | *84%* |
| **NET RESULT** | **23,279** | **67,790** | *-44,511* | *-66%* |
| **Attributable to:** | | | | |
| Group Shareholders | 17,710 | 65,701 | *-47,991* | *-73%* |
| Third parties | 5,569 | 2,089 | *3,480* | *167%* |
| **NET RESULT - Group share** | | | | |
| **Note:** | | | | |
| EPRA earnings | 20,055 | 24,320 | *-4,264* | *-18%* |
| Result on portfolio | -1,625 | 20,981 | *-22,606* | *-108%* |
| Changes in fair value of financial assets and liabilities | -720 | 20,400 | *-21,120* | *-104%* |

In the first half of 2023 Intervest's **rental income** amounted to € 40.2 million (€ 35.4 million). This represents an increase of € 4.8 million or 13% compared to the first half of 2022, despite the severance payment included in the 2022 rental income in the amount of € 2.9 million received from lessee Enterprise Services Belgium early last financial year, following the early return of part of their rented area in Mechelen Business Tower. The organic rental growth, without taking this severance payment into account, amounts to € 6.6 million or 18.5% and is mainly driven, notably 11%, by the realised rental growth from the development projects in Zeebrugge, Genk Herentals and 's-Hertogenbosch delivered during 2022 and 2023, and by the indexation of the lease agreements, 7%.

The **property result** increased by 12% compared to the first half of 2022. Besides the increase in rental income, the property result includes an increase in reinstatement costs of € 0.2 million.

[11] The figures in brackets are the comparative figures for the financial year 2022.

The **operating result before the portfolio result** amounts to € 30.8 million (€ 28.9 million). This is an increase of € 1.9 million or 7% compared to the first half of 2022. The increase in property charges is the result of an increase in property management costs and price increases in utilities and other costs that cannot be recovered. The company is currently undergoing a strategic transformation, aligning the organisation with the strategy. In this context, a number of severance payments were made in the first half of 2023, including the severance payment made to Gunther Gielen. In addition, the internal focus is on the divestment of the office portfolio, which means that salary costs previously attributed to the acquisition and development pipeline are now borne by EPRA earnings. In addition, the index on salary and other costs and the filling of some vacancies outstanding in 2022 for property portfolio management, account for the increase in property charges.

The **operating margin** is 77% in the first half of 2023, compared to 82% for the same period last year. The 5% decrease is not entirely representative, considering both years contained exceptional costs or revenues. Without Gunther Gielen's severance fee paid in the first quarter of 2023, the operating margin would be 78%, and without the one-off severance fee received from lessee Enterprise Services Belgium included in the 2022 results, the Q2 2022 operating margin would be 80%. This results in a decrease of 2%, mainly explained by higher property management costs and price increases in utilities and other costs that cannot be recovered, as explained above. The application of IFRIC 21, whereby levies imposed by the government such as property tax and stock exchange tax, are fully recognised as debt and cost on the balance sheet and income statement at the beginning of the financial year significantly affects the level of the operating margin during the financial year.

The **result on sale of investment properties** in 2023 amounts to -€ 4 million. It concerns the result on the sale of two office sites, an office building in Hoeilaart and two office buildings in Dilbeek. Both sites, located on the outskirts of Brussels, were already included on the balance sheet as properties intended for sale. The office buildings are part of an office park of which Intervest did not own the whole site, making the future value potential rather limited.

**Variations in the fair value of investment properties** in the first half of 2023 amounted to € 8.9 million (€ 29.0 million). The positive variations in the fair value are the combined result of a positive revaluation of Belgium's logistics property portfolio amounting to € 17.9 million or approx. 3%, a slight negative revaluation of the logistics portfolio in the Netherlands amounting to € 0.5 million or approx. 0.1% and a negative revaluation in the office portfolio of € 8.5 million or 2%. For further details on these revaluations, please refer to the Consolidated balance sheet - Assets (infra) or to the Appendices in this press release (Notes to the consolidated condensed half-yearly figures - Evolution of investment properties).

The **other result on portfolio** in the first half of 2023 amounts to -€ 1.6 million (-€ 6.4 million) and mainly includes the change in deferred taxes on unrealised capital gains on the investment properties owned by Intervest's perimeter companies in the Netherlands and Belgium.

The **financial result (excluding variations in fair value of financial assets and liabilities)** for the first half of 2023 amounts to -€ 9 million compared to -€ 4 million in the first half of 2022. The increase of € 5 million is mainly due to higher average capital drawdown, € 660 million in S1 2023 compared to € 570 million in S1 2022, and the increase in Euribor rates, from -0.5% to 3.6% for 3-month Euribor, as well as lower drawdown in commercial paper. The average interest rate on financing increased from 2.0% at the end of 2022 to 2.9% for the first half of 2023 (1.7% as at 30 June 2022).

**Changes in the fair value of financial assets and liabilities** include the change in the market value of interest rate swaps that cannot be classified as a cash-flow hedging instrument, amounting to € -0.7 million (€ 20.4 million).

The **net result** for the first half of 2023 amounts to € 23.3 million (€ 67.8 million). The net result - Group shareholders for the first half of 2023 amounts to € 17.7 million (€ 65.7 million) and can be divided into:

- **EPRA earnings** of € 20.1 million (€ 24.3 million) or a decrease of -€ 4.3 million or -18% mainly a combination of a sharp increase in interest expenses and higher property charges partially recovered, despite the elimination of the one-off severance payment received in 2022, by an increase in rental income due to rental growth from the development projects delivered during 2022 and 2023 and the indexation of lease agreements.
- The **portfolio result - Group shareholders** of -€ 1.6 million (€ 21.0 million)
- **Changes in the fair value of financial assets and liabilities** for an amount of -€ 0.7 million (€ 20.4 million).

| NUMBER OF SHARES | 30-6-2023 | 31-12-2022 | 30-6-2022 |
|---|---|---|---|
| Number of shares at end of period | 29,880,473 | 29,235,067 | 26,577,334 |
| Number of shares entitled to dividend | 29,880,473 | 29,235,067 | 26,577,334 |
| Weighted average number of shares | 29,370,567 | 26,664,878 | 26,357,415 |
| **RESULT PER SHARE - Group share** | | | |
| Net result per share (€) | 0.60 | 1.94 | 2.49 |
| EPRA earnings per share (€) | 0.68 | 1.71 | 0.92 |
| **BALANCE SHEET DATA PER SHARE - Group share** | | | |
| Net value (€) | 22.63 | 23.72 | 24.72 |
| Net asset value EPRA | 22.50 | 23.51 | 25.48 |
| Share price on closing date (€) | 13.84 | 19.24 | 25.00 |
| Premium with respect to fair net value (in %) | -38.85% | -18.9% | 1.13% |

**EPRA earnings** for the first half of 2023 amount to € 20.1 million. Taking into account the 29,370,567 weighted average number of shares, **EPRA earnings per share** amount to € 0.68 (€ 0.92 for the same period with an average number of shares of 26,577,334). The decrease is explained by the severance fee received in 2022 (€ -0.10), the increase in underlying recurring rental income (€ 0.25), rising net interest expenses (€ -0.19), the change in the number of shares as a result of the discretionary dividend for the 2022 financial year and the ABB, carried out in December to strengthen equity (€ -0.08), and an increase in costs as explained above, such as, in particular, the severance payment made to Gunther Gielen, costs for reinstatements carried out in the first half of 2023 and higher personnel costs due to the wage index and the filling of some vacancies outstanding in 2022.

As at 30 June 2023 the **net value (fair value)** of the share amounted to € 22.63 (€ 23.72 as at 31 December 2022). As the Intervest share price (INTO) as at 30 June 2023 amounted to € 13.84 the share is quoted at a discount of -39% relative to its net value (fair value).

| **EPRA key figures** | **30-6-2023** | 31-12-2022 | 30-6-2022 |
|---|---|---|---|
| EPRA earnings (€ per share) (Group share) | 0.68 | 1.71 | 0.92 |
| EPRA NTA (€ per share) | 22.49 | 23.50 | 25.38 |
| EPRA NRV (€ per share) | 24.62 | 25.64 | 27.60 |
| EPRA NDV (€ per share) | 23.26 | 24.41 | 25.12 |
| EPRA NIY (Net Initial Yield) (%) | 4.9% | 4.8% | 4.8% |
| EPRA topped-up NIY (%) | 5.2% | 5.1% | 4.9% |
| EPRA vacancy rate (%) | 7.2% | 9.9% | 6.0% |
| EPRA cost ratio (including direct vacancy costs) (%) | 23.4% | 18.0% | 18.4% |
| EPRA cost ratio (excluding direct vacancy costs) (%) | 20.9% | 16.5% | 17.1% |
| EPRA LTV (Loan-to-value) (in %) | 50.2% | 47.9% | 50.2% |

The **EPRA NTA per share** as at 30 June 2023 amounted to € 22.49. This means a decrease of -€ 1.01 compared to € 23.50 as at 31 December 2022, mainly due to the combination of EPRA earnings generation, offset by the dividend payment for the financial year 2022 and the result on the sale of the two office sites.

The **EPRA NIY** and the **EPRA Topped-Up NIY** as at 30 June 2023 increase compared to last year mainly due to additional lettings in Greenhouse Collection.

The **rental vacancy rate** decreased compared to 31 December 2022 as a result of leases in the office portfolio, mainly in Greenhouse Collection where the building occupancy rate increased to 50% as at 30 June 2023 from 35% as at 31 December 2022.

The **EPRA cost ratio** is always higher during the course of a financial year than as at 31 December, given that, by application of IFRIC 21, the levies imposed by the government, such as property tax on buildings and the annual stock exchange tax, must be recognised in full as costs and debts on the balance sheet and income statement at the start of the financial year and significantly influence the level of the EPRA cost ratio during the year. The EPRA cost ratio shows an increase of 5% points compared to 30 June 2022. The main reasons for this increase were already explained under operating margin.

# 4.2 Consolidated balance sheet[12]

| in thousands € | 30-6-2023 | 31-12-2022 | Difference | |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Non-current assets | 1,440,985 | 1,381,476 | *59,509* | *4%* |
| Current assets | 50,991 | 47,304 | *3,686* | *8%* |
| **TOTAL ASSETS** | **1,491,976** | **1,428,780** | *63,195* | *4%* |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | |
| **Shareholders' equity** | **707,961** | **721,410** | *-13,450* | *-2%* |
| Share capital | 269,721 | 264,026 | *5,695* | *2%* |
| Share premiums | 223,838 | 219,354 | *4,484* | *2%* |
| Reserves | 165,013 | 158,257 | *6,756* | *4%* |
| Net result of financial year | 17,710 | 51,714 | *-34,004* | *-66%* |
| Minority interests | 31,678 | 28,059 | *3,620* | *13%* |
| **Liabilities** | **784,015** | **707,370** | *76,645* | *11%* |
| Non-current liabilities | 619,795 | 564,849 | *54,947* | *10%* |
| Current liabilities | 164,220 | 142,521 | *21,698* | *15%* |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **1,491,976** | **1,428,780** | *63,195* | *4%* |

## 4.2.1 Assets

**Non-current assets** amount to € 1,441 million as at 30 June 2023 (€ 1,381 million) and mainly consist of Intervest's investment properties. The fair value of the property portfolio as at 30 June 2023 amounts to € 1,394 million (€ 1,333 million). The increase of € 61 million or 5% compared to 31 December 2022 can be explained as follows:

**In Belgium's logistics portfolio - increase in fair value of € 64 million or 10%**

- Acquisitions of investment properties and land reserves of € 29.5 million
- € 13.7 million investment in ongoing development projects
- € 2.6 million investment in the existing portfolio
- Positive revaluation of € 17.9 million or circa 3%. A consequence of the revaluation of the remaining land position in Genk Green Logistics to fair value, the further completion of the already pre-let development projects and the inclusion of some sustainable observable increases in market rent for the most popular logistics locations currently being seen by the property experts in transactions, which despite an average yield increase of 14 basis points collectively ensure an increase in fair value. The average rental value estimated by the property expert increased to € 47/m² (€ 46/m² as at 31 December 2022). The average capitalisation rate applied by the property experts in the logistics portfolio is 5.4% (5.3% as at 31 December 2022).

[12] The figures in brackets are the comparative figures for the financial year 2022.

**In the Netherlands's logistics portfolio - increase in fair value of € 4 million or 1%**

- € 4.3 million investment in development projects
- Slightly negative revaluation of € 0.5 million or 0.1%. The increase in the average applied capitalisation rates of 40 basis points is offset by an increase in the average rental value estimated by the property expert of € 8/m² to € 66/m² (€ 58/m² as at 31 December 2022). The average capitalisation rate applied to the valuation of the Dutch property portfolio is 6.1% (5.7% as at 31 December 2022).

**In the office portfolio - decrease in fair value of -€ 7 million or -2%**

- € 1.5 million investment in existing investment properties and projects
- Negative revaluation of € 8.5 million or circa 2%, mainly explained by an increase in the applied capitalisation rate by 18 basis points on average (from 7.8% to 8.0%).

In addition to investment properties, non-current assets include € 47 million **other non-current assets**, notably € 32 million of financial non-current assets and € 15 million other tangible assets, mainly consisting of solar panels and charging stations.

**Current assets** amount to € 51 million (€ 47 million) and mainly consist of € 16 million of assets held for sale, € 12 million of trade receivables, € 2 million of tax receivables and other current assets, € 2 million of cash and € 19 million of deferred charges and accrued income.

The collection of rent and rent expense claims continues to follow a regular and consistent pattern, despite the current economic situation. For further explanation regarding the trade receivables, please refer to the Annexes.

## 4.2.2 Liabilities

The company **shareholders' equity** in the first half of 2023 shows a decrease of -€ 13.4 million or -2% and as at 30 June 2023 amounted to € 708 million (€ 721 million as at 31 December 2022), represented by 29,880,473 shares (29,235,067 shares as at 31 December 2022). The decrease is mainly due to the dividend payment for the financial year 2022, which as of 30 June is only partially offset by EPRA earnings generation for the first half of 2023.

**Non-current liabilities** amount to € 620 million (€ 565 million) and include non-current financial liabilities amounting to € 573 million (€ 525 million), other non-current financial liabilities of € 21 million (€ 15 million), a provision of € 23 million for deferred taxes (€ 22 million) and trade and other non-current liabilities amounting to € 3 million.

Non-current financial liabilities consist of € 470 million of bank loans and of € 102 million of other loans of which € 8 million commercial paper (medium-term notes), € 50 million USPP and a € 44 million green bond loan.

The other non-current financial liabilities include € 5 million negative market value of the cash flow hedges entered into by the company to cover the variable interest rates on the non-current financial liabilities, on the one hand, and € 16 million of debt relating to long-lease and concession fees to be paid in Oevel, Ghent and the development project in Zeebrugge acquired in 2022, on the other.

**Current liabilities** amount to € 164 million (€ 143 million) and mainly consist of € 120 million (€ 103 million) of current financial liabilities, of which € 88 million of bank loans and a commercial paper of € 32 million, of € 17 million of trade and other current liabilities, € 3 million other current liabilities and of € 25 million of deferred charges and accrued income.

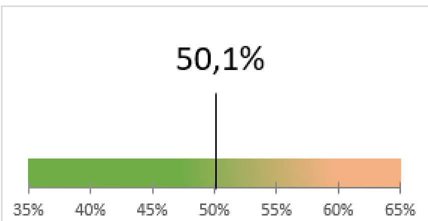
# 4.3 Financial structure

## 4.3.1 Developments in H1 2023

- The **cover ratio** was **raised to 84%** (72% as at year-end 2022). These credit facilities have fixed interest rates or are fixed by interest rate swaps. The average remaining maturity is 4.4 years as at 30 June 2023. The increase in the cover ratio came about by opening up and expanding IRSs through transactions with KBC Bank and ING Belgium. The notional amount was increased to € 410 million (€ 280 million as at year-end 2022).
- A five-year **extension** of the € 20 million **credit contract** with ING Belgium with a maturity date in April 2023, with a new maturity of 2028. This credit facility falls under Intervest's Green Finance Framework.
- As at 30 June 2023 Intervest's **total credit line** amounted to € 828 million with an average remaining maturity of the long-term credit lines of 3.7 years (4.0 years as at year-end 2022), of which circa € 134 million of undrawn committed credit lines (after hedging the issued commercial paper). These undrawn credit lines can be used to finance ongoing development projects. As at 30 June 2023 Intervest has € 155 million or 19% green financing.
- In the second half of 2023, another € 65 million of **financing is due to mature**, of which € 50 million at the end of December 2023. In the first half of 2024, credit facilities totalling € 32 million will lapse. Accordingly, as at 30 June 2023, € 97 million or 12% of financing has a maturity date within one year.
- Through the **commercial paper program** € 32 million drawn down in the short term and € 8 million in the long term as at 30 June 2023.
- The **average interest rate** of the financing is 2.9% including bank margins for the first half of 2023 (2.0% at 31 December 2022).

## 4.3.2 Notes on the development of the debt ratio

In order to ensure a proactive debt ratio policy, the public RREC, under Article 24 of the RREC Royal Decree, must compile a financial plan with an implementation schedule if its consolidated debt ratio and that of its perimeter companies exceeds 50% of consolidated assets. The financial plan describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of consolidated assets.



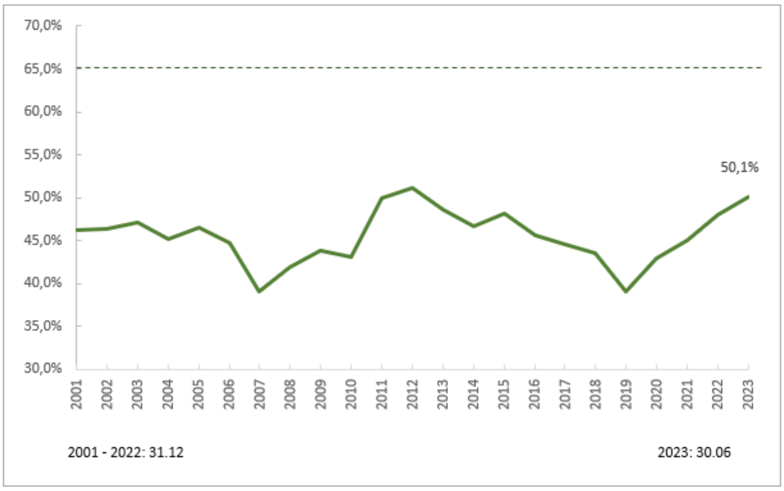

As at 30 June 2023 Intervest's consolidated debt ratio amounted to 50.1% exceeding the 50% threshold. The single debt ratio as at 30 June 2023 was 49.3%. A financial plan has been drawn up. A special report on the financial plan is being compiled by the auditor, confirming that the auditor has verified the manner in which the plan was drawn up, in particular as regards its economic bases, and that the figures it contains correspond to those in the public RREC's accounts.

The general guidelines of the financial plan are included in the annual and half-yearly financial reports. The annual and half-yearly financial reports describe and justify how the financial plan was implemented during the relevant period and how the public RREC will implement the plan in the future.

**Historical development of the debt ratio**

Throughout its history, Intervest's debt ratio has never exceeded the statutory threshold of 65% and since 2001 has fluctuated between 39% (31 December 2019) and 51.2% (31 December 2012) with an average of 45.6%.

The increase in the debt ratio of 48.0% as at 31 December 2022 to 50.1% as at 30 June 2023 can mainly be explained by the payment in May 2023 of the dividend for the financial year 2022.




**Development of the debt ratio in the longer term**

The company has a covenant with a number of banks stipulating that the debt ratio must not exceed 60%.

For each planned investment, the impact on the debt ratio is considered and it may not be retained if the investment concerned would have an overly negative effect on the debt ratio.

The debt ratio is 50.1% as at 30 June 2023. Based on this debt ratio, Intervest has an additional investment potential of circa € 623 million before reaching the maximum debt ratio for RRECs of 65%. The scope for further investment amounts to circa € 363 million before exceeding the 60% debt ratio.

**Development of the debt ratio in the short term**

Every quarter, the projection of the debt ratio for the next quarter is presented to the supervisory board and any discrepancies between the estimated and actual debt ratio of the previous quarter are discussed.

The projection of the debt ratio at 31 December 2023 takes into account the following assumptions:

- The assumptions for the second half of 2023, included in the 2023 budget and already approved by the supervisory board. These primarily consist of the generation of EPRA earnings for the second half of 2023 and planned investments in the existing portfolio amounting to € 29 million.
- The continued implementation of circa € 28 million of planned acquisitions, financed by debt and non-cash contributions.
- Asset rotation (divestment) amounting to € 31 million.
- Credit facilities that lapse are assumed to be refinanced for the same amount.
- A stable value of the RREC's existing property portfolio.

Taking these elements into account, the debt ratio at 31 December 2023 would be 49.4%. However, this expectation may be affected by the occurrence of unforeseen events. In this regard, specific reference is made to the ‘Risk Factors’ section in the 2022 Annual Report.

The valuation of the property portfolio also has an impact on the debt ratio. Taking into account the current capital base, the maximum debt ratio of 65% would only be exceeded in the event of a possible decrease in the value of the investment properties of about € 336 million or 24% compared to the property portfolio of € 1,394 million as at 30 June 2023. If current rents remain unchanged, this means an increase in yield, used in the property valuation, of 2% on average (from 6% average to 8% average). At constant yield, this means a € 20 million or 25% decrease in current rents.

A debt ratio of 60% would be reached in the event of a possible decrease in value of investment properties of about € 242 million or 17% compared to the property portfolio of € 1,394 million as at 30 June 2023. At unchanged current rents, this means an increase of the yield used in the valuations by 1.3%-points on average (from 6% average to 7.3% average). Assuming unchanged yields, this means a € 15 million decrease in current rents before a debt ratio of 60% is reached.

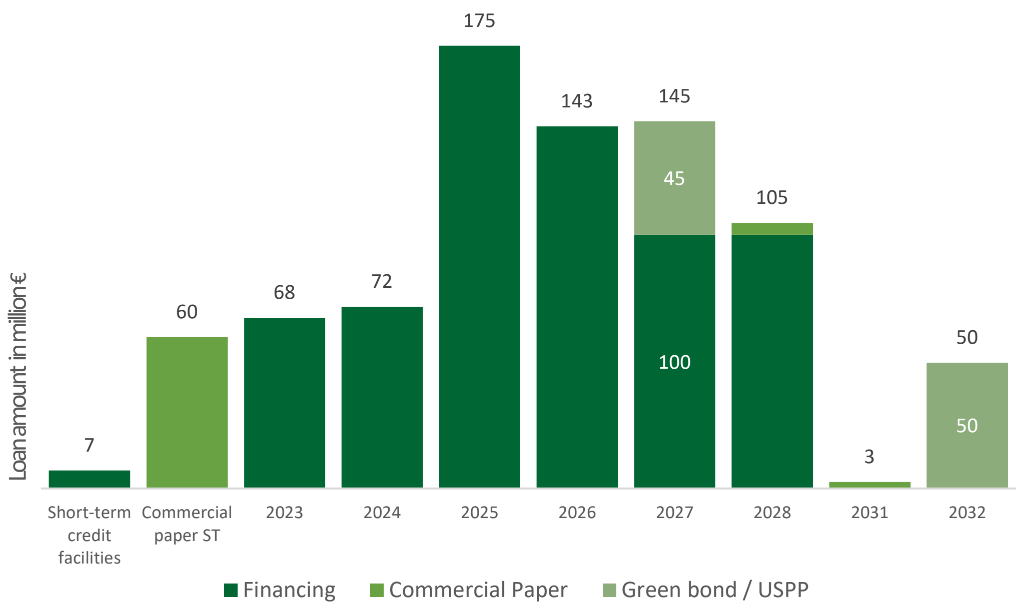
**Decision**

Intervest's supervisory board is of the opinion that the current debt ratio is at an acceptable level, provides sufficient margin to absorb any decreases in the value of the property, and will not exceed 65%. Accordingly, no additional measures need to be taken at present, due to the prevailing economic and property trends, the planned investment/divestment and the expected development of the RREC's shareholders' equity.

The RREC will closely monitor the development of the debt ratio, take the necessary protective measures should an unexpected event occur that has a relatively significant impact on the outlooks formulated in the plan and, if necessary, will communicate this immediately.

## 4.3.3 Calendar of credit lines' maturity dates

As at 30 June 2023 the calendar of the credit lines' maturity dates results in the scenario illustrated by the chart.



## 4.3.4 Overview on 30 June 2023

Other significant characteristics of the financial structure as at 30 June 2023.

**Credit lines**

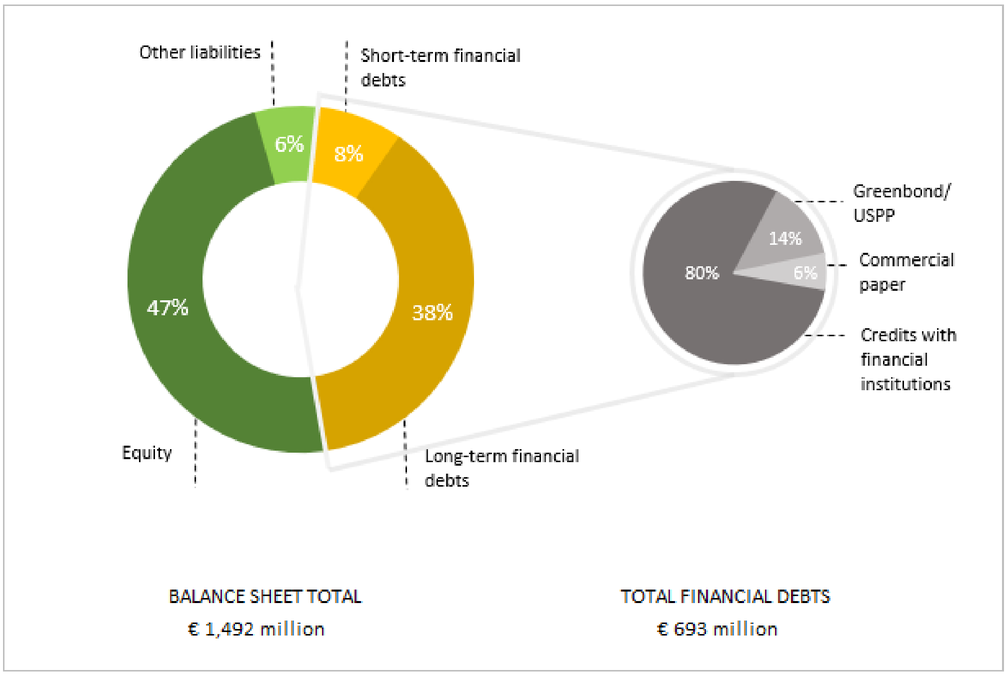
- 80 % long-term credit lines with a weighted average remaining maturity of 3.7 years (4.0 years as at year-end 2022) and 20% short-term credit lines (€ 167 million), of which:
  - › 36% (€ 60 million) commercial paper/back up line
  - › 58% (€ 97 million) credit maturing within the year
  - › 4% (€ 7 million) credit facilities with indefinite maturity
  - › 2% (€ 3 million) repayment loans
- 19% (€ 155 million) green financing based on the 'use of proceeds' condition
- Staggered maturity dates of credit lines between 2023 and 2032
- Spread of credit facilities across eleven European financial institutions, a Green Bond, USPP, and a commercial paper program.

**Interest cover ratio**

- Ratio of 3.3 for H1 2023: higher than the required minimum of 2 to 2.5 stipulated as a covenant in the company's financing agreements (5.4 for 2022).

**Cover ratio**

- Of the credit facilities drawn, 84% have a fixed interest rate or are fixed by interest rate swaps, 16% have a variable interest rate
- Of the credit lines drawn, 71%have a fixed interest rate or are fixed by interest rate swaps, 29% have a variable interest rate
- Market value of financial derivatives: € 27.1 million positive.



# 5. The Intervest share

INTO LISTED EURONEXT ISIN BE0003746600

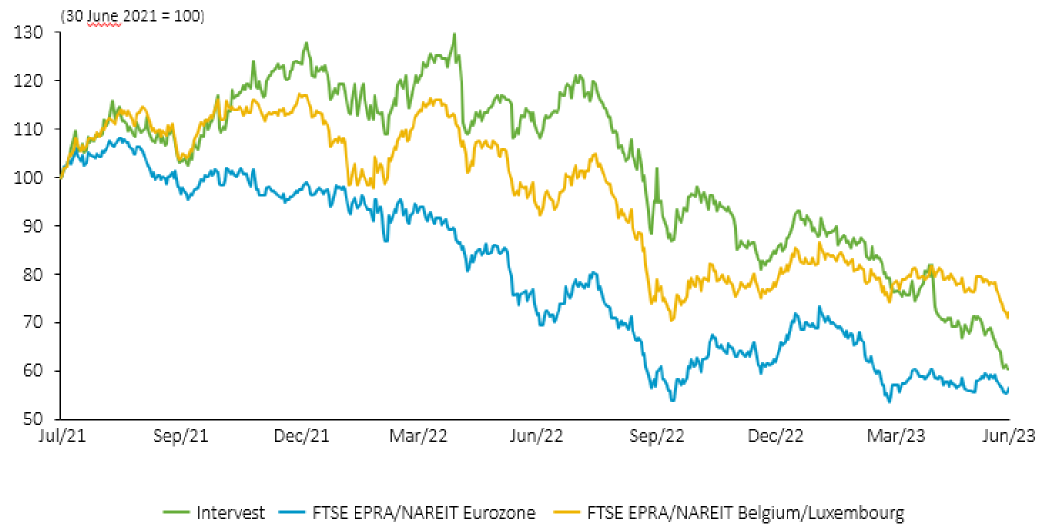
Intervest is listed on the Euronext Brussels stock exchange as a RECC since 1999.

The share of Intervest (INTO) as at 30 June 2023 closed the first half of 2023 at a price of € 13.84 and is quoted with a discount of -39%.

| KEY FIGURES | 30-6-2023 | 31-12-2022 | 30-6-2022 |
|---|---|---|---|
| Number of shares at end of period | 29,880,473 | 29,235,067 | 26,577,334 |
| Number of shares entitled to dividend at end of period | 29,880,473 | 29,235,067 | 26,577,334 |
| Weighted average number of shares | 29,370,567 | 26,664,878 | 26,357,415 |
| Free float (%) | 85% | 85% | 85% |
| Net value per share (in €) | 22.63 | 23.72 | 24.72 |
| Share price on closing date (in €/share) | 13.84 | 19.24 | 25.00 |
| Premium with respect to fair net value (in %) | -39% | -19% | 1% |
| Market capitalisation (in million €) | 414 | 562 | 664 |
| Number of shares traded | 4,005,429 | 8,136,081 | 4,683,654 |
| Average number of shares traded per day | 31,539 | 31,658 | 36,879 |
| Share turnover rate (in %) | 27% | 28% | 35% |

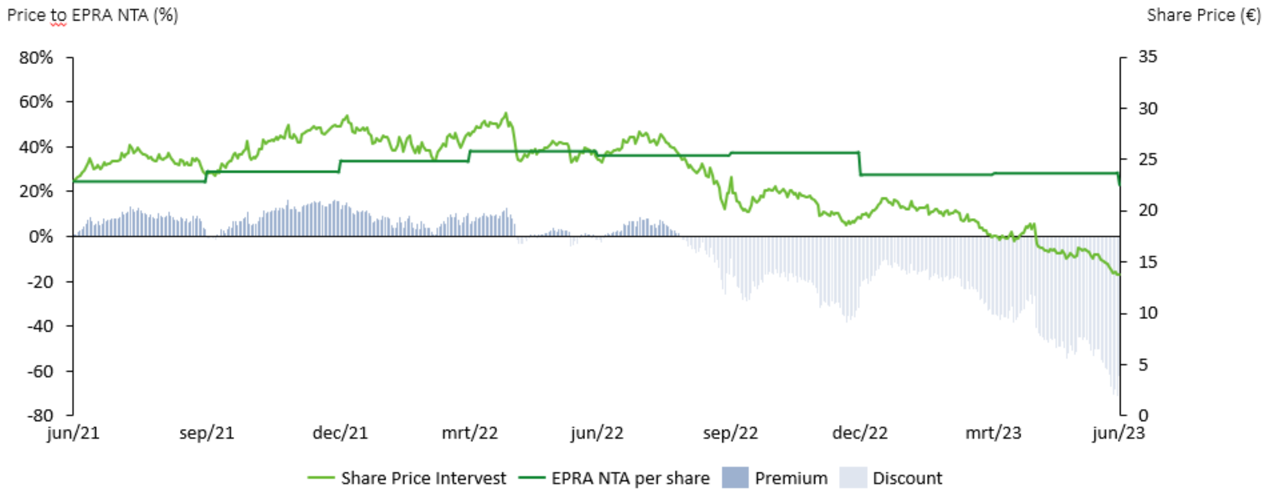
## 5.1 Evolution of share price H1 2023

### 5.1.1 Comparison of Intervest with EPRA/NAREIT indexes




EPRA conducts an annual company assessment of the latest published financial statements to determine in which Property sector a company is classified in the EPRA index. After obtaining more than a 75% share in the logistics segment, Intervest expects to enter the EPRA "Industrial" property sector next year. For more details on the EPRA Index Series, please refer to the Ground rules - FTSE EPRA Nareit Global Real Estate Index Series on EPRA's website.

### 5.1.2 Premium of the share price with regard to EPRA NTA




## 5.2 Shareholders' 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 2023, the following shareholders' structure is known to the company. According to the definition of Euronext, the free float of Intervest is 85%.

| Name | Number of (stated) shares at date of notification | Date of transparency notification | % shares based on denominator on date of notification (1) | % shares based on denominator on 30-06-2023 (2) |
|---|---|---|---|---|
| FPIM/SFPI (including Belfius Group) | 2,439,890 | 20/08/2019 | 9.90% | 8.17% |
| Allianz | 1,563,603 | 4/4/2019 | 6.44% | 5.23% |
| Patronale Group NV | 1,251,112 | 3/12/2020 | 5.07% | 4.19% |
| Degroof Petercam Asset Management | 773,480 | 3/19/2019 | 3.18% | 2.59% |
| BlackRock - related companies | 493,742 | 6/30/2015 | 3.04% | 1.65% |
| Other shareholders below the statutory threshold | 23,358,646 | | | 78.17% |
| **TOTAL** | **29,880,473** | | | 100.00% |

(1) The percentage of shares based on the denominator on the date of the transparency notification. This denominator may have changed in the meantime.

(2) Percentage of shares based on the transparency notification received through 30 June 2023, relative to the denominator as at 30 June 2023. The percentage is calculated assuming that the number of shares has not changed since the most recent transparency notification and taking into account the total number of outstanding shares of Intervest. Notified changes can be consulted at www.intervest.eu/en/shareholders-structure.

## 5.3 Optional dividend

Intervest has again decided to distribute a gross dividend for the financial year 2022 of € 1,53 (€ 1,071 net dividend) as an optional dividend. 33,1% of the optional dividend is being paid in shares instead of a payment in cash. For Intervest this leads to a strengthening of its shareholders' equity by € 10,4 million (capital and share premium) through the creation of 645.406 new shares. As a result, the total number of shares amounts to 29.880.473 as from 24 May 2023.

# 6. Corporate governance and risk factors

## 6.1 Corporate governance

The first half of 2023 saw a number of organisational changes in the company.. During the general meeting of shareholders held as at 26 April 2023, the co-optation by the supervisory board of Dirk Vanderschrick as a member of the supervisory board was ratified. Also in the same general meeting, Patricia Laureys was appointed as an independent member of the supervisory board.

Joël Gorsele was appointed as Intervest's new ceo as at 26 April 2023, following the departure of Gunther Gielen. Joël has more than 15 years of real estate experience within various management, commercial and financial positions. As chief investment officer (cio) of Intervest, Joël has led the investment team in recent years, resulting in the growth of the logistics property portfolio.

## 6.2 Risk factors for the remaining months of 2023

In In the first semester of 2023, as always the supervisory board of Intervest has focused attention on the risk factors to which Intervest is subject: 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 potential impact, as these are stated in the Annual Financial Report 2022, that can be consulted via www.intervest.eu.

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

# 7. Financial Calender

| | |
|---|---|
| 9 November 2023 | Interim statement on the results as at 30 September 2023 |
| 13 February 2024 | Announcement of annual results as at 31 December 2023 |
| 22 March 2024 | Publication annual report 2023 |
| 24 April 2024 | General meeting of shareholders |
| 29 April 2024 | Interim statement on the results as at 31 March 2024 |
| 3 May 2024 | Ex dividend date |
| 6 May 2024 | Record date dividend |
| 1 August 2024 | Half-yearly financial statement as at 30 June 2024 |
| 7 November 2024 | Interim statement on the results as at 30 September 2024 |

For potential changes, please refer to the financial calendar on the Intervest's website: www.intervest.eu.

# 8. Annexes

## 8.1 Condensed consolidated half-yearly figures

### 8.1.1 Condensed consolidated income statement

| in thousands € | 30-6-2023 | 30-6-2022 |
|---|---|---|
| Rental income | 40,193 | 35,438 |
| Rental-related expenses | -59 | 15 |
| **NET RENTAL INCOME** | **40,134** | **35,454** |
| Recovery of property charges | 686 | 627 |
| Recovery of rental charges and taxes normally payable by tenants on let properties | 21,959 | 13,566 |
| Costs payable by tenants and borne by the landlord for rental damage and refurbishment | -810 | -589 |
| Rental charges and taxes normally payable by tenants on let properties | -21,959 | -13,566 |
| Other rental-related income and expenses | 267 | 328 |
| **PROPERTY RESULT** | **40,276** | **35,819** |
| Technical costs | -478 | -302 |
| Commercial costs | -54 | -235 |
| Charges and taxes on unleased properties | -987 | -478 |
| Property management costs | -3,735 | -1,938 |
| Other property charges | -1,108 | -954 |
| **Property charges** | **-6,363** | **-3,907** |
| **OPERATING PROPERTY RESULT** | **33,913** | **31,913** |
| General costs | -2,684 | -2,811 |
| Other operating income and costs | -425 | -200 |
| **OPERATING RESULT BEFORE RESULT ON PORTFOLIO** | **30,804** | **28,902** |
| Result on disposals of investment properties | -4,123 | 72 |
| Changes in fair value of investment properties | 8,924 | 29,014 |
| Other result on portfolio | -1,612 | -6,440 |
| **OPERATING RESULT** | **33,994** | **51,548** |
| Financial income | 261 | 2 |
| Net interest charges | -9,201 | -3,672 |
| Other financial charges | -305 | -80 |
| Changes in fair value of financial assets and liabilities | -720 | 20,400 |
| **Financial result** | **-9,965** | **16,650** |
| **RESULT BEFORE TAX** | **24,029** | **68,198** |
| **Taxes** | -750 | -407 |
| **NET RESULT** | **23,279** | **67,790** |

| in thousands € | 30-6-2023 | 30-6-2022 |
|---|---|---|
| **NET RESULT** | **23,279** | **67,790** |
| **Attributable to:** | | |
| Group Shareholders | 17,710 | 65,701 |
| Third parties | 5,569 | 2,089 |

| in thousands € | 30-6-2023 | 30-6-2022 |
|---|---|---|
| **NET RESULT - Group Shareholders** | **17,710** | **65,701** |
| **To be excluded:** | | |
| – Result on disposals of investment properties | -4,123 | 72 |
| – Changes in fair value of investment properties | 8,924 | 29,014 |
| – Other result on portfolio | -1,612 | -6,440 |
| – Changes in fair value of financial assets and liabilities | -720 | 20,400 |
| – Minority interests with respect to the above | -4,814 | -1,665 |
| **EPRA EARNINGS** | **20,055** | **24,320** |

| RESULT PER SHARE - GROUP | 30-6-2023 | 30-6-2022 |
|---|---|---|
| Number of shares entitled to dividend | 29,880,473 | 26,577,334 |
| Weighted average number of shares | 29,370,567 | 26,357,415 |
| Net result (in €) | 0.60 | 2.49 |
| Diluted net result (in €) | 0.60 | 2.49 |
| EPRA earnings ( in €) | 0.68 | 0.92 |

## 8.1.2 Condensed consolidated statement of comprehensive income

| in thousands € | 30-6-2023 | 30-6-2022 |
|---|---|---|
| **NET RESULT** | **23,279** | **67,790** |
| **Other components of comprehensive income** | **-920** | **2,338** |
| Revaluation of other non-current tangible assets | -920 | 2,338 |
| **COMPREHENSIVE INCOME** | **22,359** | **70,129** |
| **Attributable to:** | | |
| Shareholders of the parent company | 17,478 | 67,705 |
| Minority interests | 4,881 | 2,423 |

## 8.1.3 Condensed consolidated balance sheet

| **ASSETS** in thousands € | Note | **30-6-2023** | 31-12-2022 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | **1,440,985** | **1,381,476** |
| Non-current intangible assets | | 276 | 284 |
| Investment properties | 8.2.5 | 1,393,972 | 1,333,418 |
| Other non-current tangible assets | | 15,026 | 15,124 |
| Non-current financial assets | | 31,673 | 32,608 |
| Trade receivables and other non-current assets | | 37 | 41 |
| **CURRENT ASSETS** | | **50,991** | **47,304** |
| Assets held for sale | | 16,156 | 27,277 |
| Trade receivables | 8.2.4 | 11,764 | 2,126 |
| Tax receivables and other current assets | 8.2.7 | 1,674 | 4,937 |
| Cash and cash equivalents | | 2,380 | 3,053 |
| Deferred charges and accrued income | | 19,017 | 9,911 |
| **TOTAL ASSETS** | | **1,491,976** | **1,428,780** |

| **SHAREHOLDERS' EQUITY AND LIABILITIES** in thousands € | Note | **30-6-2023** | 31-12-2022 |
|---|---|---|---|
| **SHAREHOLDERS' EQUITY** | | **707,961** | **721,410** |
| **Shareholders' equity attributable to shareholders of the parent company** | | **676,282** | **693,352** |
| Share capital | | 269,721 | 264,026 |
| Share premiums | | 223,838 | 219,354 |
| Reserves | | 165,013 | 158,257 |
| Net result of financial year | | 17,710 | 51,714 |
| **Minority interests** | | **31,678** | **28,059** |
| **LIABILITIES** | | **784,015** | **707,370** |
| **Non-current liabilities** | | **619,795** | **564,849** |
| Non-current financial debts | | 572,787 | 525,115 |
| *Credit institutions* | | *470,352* | *422,734* |
| *Other* | | *102,435* | *102,382* |
| Other non-current financial liabilities | 8.2.8 – 8.2.9 | 20,755 | 15,162 |
| Trade debts and other non-current liabilities | | 2,990 | 2,810 |
| Deferred tax - liabilities | | 23,264 | 21,761 |
| **Current liabilities** | | **164,220** | **142,521** |
| Current financial debts | | 119,594 | 102,646 |
| *Credit institutions* | | *88,094* | *64,646* |
| *Commercial paper* | | *31,500* | *38,000* |
| Other current financial liabilities | 8.2.9 | 39 | 35 |
| Trade debts and other current debts | | 16,502 | 25,680 |
| Other current liabilities | | 2,858 | 3,811 |
| Deferred charges and accrued income | | 25,227 | 10,349 |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **1,491,976** | **1,428,780** |

## 8.1.4 Condensed consolidated cash flow statement

| in thousands € | 30-6-2023 | 30-6-2022 |
|---|---|---|
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR** | **3,053** | **3,537** |
| **1. Cash flow from operating activities** | **18,784** | **23,928** |
| **Operating result** | **33,994** | **51,548** |
| **Interests paid** | **-9,813** | **-3,503** |
| **Other non-operating elements** | **-794** | **-487** |
| **Adjustment of result for non-cash flow transactions** | **-2,885** | **-21,428** |
| − Depreciations on intangible and other tangible non-current assets | 565 | 379 |
| − Result on disposal of investment properties | 4,123 | -78 |
| − Changes in fair value of investment properties | -8,924 | -29,014 |
| − Spread of rental discounts and rental benefits granted to tenants | -232 | 119 |
| − Other result on portfolio | 1,584 | 7,166 |
| **Change in working capital** | **-1,718** | **-2,202** |
| Movement of assets | -6,648 | -3,382 |
| Movement of liabilities | 4,929 | 1,180 |
| **2. Cash flow from investment activities** | **-49,609** | **-118,374** |
| Investments and expansions in existing investment properties | -3,638 | -1,231 |
| Acquisition of investment properties | -23,716 | -34,844 |
| Proceeds from the sale of investment properties | 6,999 | 0 |
| Acquisition of shares of real estate companies | 0 | -44,876 |
| Investments in project developments | -28,026 | -35,026 |
| Acquisitions of intangible and other tangible assets | -1,227 | -2,397 |
| **3. Cash flow from financing activities** | **30,152** | **95,453** |
| Repayment of loans | -24,720 | -29,320 |
| Drawdown of loans | 89,242 | 158,213 |
| Costs with regard to capital increase 2022 and optional dividend 2023 | -188 | 0 |
| Receipts from non-current liabilities as guarantee | 180 | -27 |
| Dividend paid | -34,361 | -33,413 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR** | **2,380** | **4,544** |

## 8.1.5 Condensed statement of changes in consolidated equity

| in thousands € | Share capital | Share premiums | Reserves | Net result of financial year (Group Shareholder) | Minority interests | Total shareholders' equity |
|---|---|---|---|---|---|---|
| **INITIAL STATE 1 JANUARY PREVIOUS FINANCIAL YEAR** | **237,930** | **189,819** | **96,662** | **98,100** | **14,023** | **636,535** |
| Comprehensive income previous financial year | | | 2,004 | 65,701 | 2,423 | 70,129 |
| Transfers pursuant to result distribution of financial year 2 years ago: | | | | | | |
| – Transfer to the reserves for the balance change in investment value of real estate properties | | | 48,510 | -48,510 | | |
| – 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 | | | 4,217 | -4,217 | | |
| – Allocation to results carried forward from previous financial years | | | 4,936 | -4,936 | | |
| – Allocation to other reserves | | | 198 | -198 | | |
| Dividends for financial year 2 years ago | | | | -40,239 | -277 | -40,517 |
| Issue of shares for optional dividend financial year 2 years ago | 2,519 | 4,585 | | | | 7,104 |
| **BALANCE SHEET AS AT 30 JUNE 2022** | **240,449** | **194,404** | **156,528** | **65,701** | **16,169** | **673,251** |

| in thousands € | Share capital | Share premiums | Reserves | Net result of financial year (Group Shareholder) | Minority interests | Total shareholders' equity |
|---|---|---|---|---|---|---|
| **INITIAL STATE 1 JANUARY CURRENT FINANCIAL YEAR** | **264,026** | **219,354** | **158,257** | **51,714** | **28,059** | **721,410** |
| Comprehensive income for current financial year | | | -232 | 17,710 | 4,881 | 22,359 |
| Transfers pursuant to result distribution of previous financial year: | | | | | | |
| – Transfer to the reserves for the balance change in investment value of real estate properties | | | -27,128 | 27,128 | | |
| – 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 | | | 32,257 | -32,257 | | |
| – Allocation to results carried forward from previous financial years | | | 1,023 | -1,023 | | |
| – Allocation to other reserves | | | 836 | -836 | | |
| Dividends of previous financial year | | | | -44,726 | -1,259 | -45,986 |
| Issue of shares for optional dividend for previous financial year | 5,881 | 4,484 | | | | 10,365 |
| Costs with regard to capital increase perimeter company Genk Green Logistics | -2 | | | | -2 | -5 |
| Costs with regard to issue of shares (private placement 2022 and optional dividend 2023) | -184 | | | | | -184 |
| **Balance sheet as at 30 June of current financial year** | **269,721** | **223,838** | **165,013** | **17,710** | **31,678** | **707,961** |

# 8.2 Notes to the consolidated condensed half-yearly figures

## 8.2.1 Condensed consolidated segmented income statement

| | 30-6-2023 | | | | | 30-6-2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| in thousands € | Logistics BE | Logistics NL | Offices BE | Corporate | TOTAL | Logistics BE | Logistics NL | Offices BE | Corporate | TOTAL |
| Net rental income | 17,835 | 10,452 | 11,848 | | 40,134 | 12,723 | 8,826 | 13,906 | | 35,454 |
| Property management costs and income | 435 | 54 | -347 | | 142 | 421 | 96 | -151 | | 366 |
| **Property result** | **18,270** | **10,506** | **11,500** | | **40,276** | **13,144** | **8,922** | **13,754** | | **35,819** |
| Property charges | -1,527 | -845 | -3,992 | | -6,363 | -1,104 | -797 | -2,006 | | -3,907 |
| General costs and other operating income and costs | -247 | -32 | -86 | -2,744 | -3,109 | -215 | -32 | | -2,764 | -3,011 |
| **Operating result before result on portfolio** | **16,497** | **9,628** | **7,423** | **-2,744** | **30,804** | **11,825** | **8,093** | **11,748** | **-2,764** | **28,902** |
| Result on disposals of investment properties | -9 | | -4,113 | | -4,123 | | | 72 | | 72 |
| Changes in fair value of investment properties | 17,898 | -504 | -8,470 | | 8,924 | 9,996 | 24,431 | -5,413 | | 29,014 |
| Other result on portfolio | -539 | -859 | -214 | | -1,612 | 647 | -7,377 | 290 | | -6,440 |
| **Operating result** | **33,846** | **8,266** | **-5,374** | **-2,744** | **33,994** | **22,468** | **25,147** | **6,697** | **-2,764** | **51,548** |
| Financial result (excl. changes in fair value of financial assets and liabilities) | | | | -9,244 | -9,244 | | | | -3,750 | -3,750 |
| Changes in fair value of financial assets and liabilities | | | | -720 | -720 | | | | 20,400 | 20,400 |
| Taxes | | | | -750 | -750 | | | | -407 | -407 |
| **NET RESULT** | **33,846** | **8,266** | **-5,374** | **-13,459** | **23,279** | **22,468** | **25,147** | **6,697** | **13,478** | **67,790** |

| **BUSINESS SEGMENTATION/ KEY FIGURES** in thousands € | 30-06-2023 | | | | 31-12-2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Logistics BE | Logistics NL | Offices BE | TOTAL | Logistics BE | Logistics NL | Offices BE | TOTAL |
| Fair value of investment properties | 692,143 | 351,106 | 350,724 | 1,393,972 | 628,450 | 347,277 | 357,691 | 1,333,418 |
| Total leasable space (000 m2) | 805 | 359 | 208 | 1,372 | 698 | 353 | 208 | 1,259 |
| Occupancy rate (%) | 98% | 100% | 79% | 93% | 96% | 100% | 76% | 90% |

## 8.2.2 Principles for preparation of half-yearly figures

### Declaration of compliance

Intervest is a public regulated real estate company with its registered office in Belgium. The consolidated condensed half-yearly figures of the company as at 30 June 2023 include the company and its perimeter companies (the "Group"). These condensed half-yearly figures were approved for publication by the supervisory board on 2 August 2023.

The consolidated condensed half-yearly figures are prepared on the basis of the principles for financial reporting in accordance with IFRS as accepted within the European Union and in accordance with IAS 34 - Interim financial reporting. The IFRS includes all new and revised standards and interpretations published by the IASB and the IFRIC. Furthermore, these condensed half-yearly figures have been prepared in accordance with the Royal Decree of 13 July 2014.

In these condensed half-yearly figures, the same principles of financial reporting and calculation methods are used as those used for the consolidated annual accounts as at 31 December 2022, with the addition of the following.

### New or amended standards and interpretations effective for the financial year beginning on 1 January 2023

- IFRS 17 Insurance contracts: Initial application of IFRS 17 and IFRS 9 - Comparative info.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies.
- Amendments to IAS 8 Accounting policies, changes in accounting estimates and errors: Definition of estimates.
- Amendments to IAS 12 Income taxes: Deferred taxes relating to assets and liabilities arising from a single transaction.
- Amendments to IAS 12 Income taxes: International tax reform - Pillar Two Model Rules (immediately applicable but not yet adopted within the European Union - disclosures are required for financial years on or after 1 January 2023).

These new or amended standards have no significant impact on Intervest’s financial results.

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

Intervest has not yet applied the following new standards, amendments to standards or interpretations that are not yet in force in 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 2023 and beyond. The standards summarised below have not yet been adopted within the EU.

- Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current and Non-current Liabilities with Covenants (applicable for financial years from 1 January 2024, but not yet approved within the European Union)
- Amendments to IFRS 16: Leases: Lease obligation in a Sale and Leaseback (applicable for financial years from 1 January 2024 but not yet approved within the European Union).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Financing arrangements for Suppliers (applicable for financial years from 1 January 2024 but not yet approved within the European Union).

## 8.2.3 Consolidated income statement

For an explanation of the significant movements on the income statement, please refer to the Financial Report (supra) in this press release.

## 8.2.4 Trade receivables

| in thousands € | 30-6-2023 | 31-12-2022 |
|---|---|---|
| Trade receivables | 10,230 | 1,292 |
| Invoices to issue | 1,099 | 527 |
| Doubtful debtors | 607 | 549 |
| Provision for doubtful debtors | -607 | -549 |
| Other trade receivables | 435 | 307 |
| **TOTAL TRADE RECEIVABLES** | **11,764** | **2,126** |

As at 30 June 2023 the outstanding trade receivables amount to € 12 million, compared to € 2 million as at 31 December 2022.

The increase is largely due to an increase in trade receivables and to a lesser extent to an increase in "invoices to be prepared". The increase in trade receivables is circa € 9 million and is largely due to invoices issued but not yet due.

| in thousands € | 30-6-2023 | 31-12-2022 |
|---|---|---|
| Receivables not yet due | 6,478 | 0 |
| Receivables < 30 days | 1,340 | 832 |
| Receivables 30-90 days | 1,837 | 402 |
| Receivables > 90 days | 575 | 58 |
| **TOTAL TRADE RECEIVABLES** | **10,230** | **1,292** |

The increase in liabilities due in less than 30 days relates to one substantial invoice being reissued, amounting to circa € 1 million, for works. Intervest does not foresee any problems in collecting this amount. The increase in the 30 to 90-day outstanding liabilities is mainly due to the bankruptcy of Easy Log. However, Intervest received a sufficient cash guarantee from this tenant to offset the outstanding liabilities as at 30/06/2023.

Intervest closely monitors the payment terms and the increased risk surrounding debtors today and in the further course of the current economic situation and has sufficient financing capacity to absorb any possible strain on liquidity should there be any further delay in the payment of the rental income.

For the determination of the provisions for doubtful debts, an estimate of the expected losses on the outstanding trade receivables is made on a quarterly basis and write-downs are applied accordingly. In this way, the carrying amount of trade receivables approximates to their fair value. The creditworthiness of the tenant base is regularly screened. Also when entering into lease contracts, deposits or bank guarantees are always negotiated.

Given the quality of the tenants on the one hand, and the low credit risk associated with financial lease receivables established on the basis of an analysis of historical credit losses on the other, the model of expected credit losses under IFRS 9 has no material impact on the Group.

## 8.2.5 Evolution of investment properties

| in thousands € | | 30-6-2023 | | | | 31-12-2022 | | |
|---|---|---|---|---|---|---|---|---|
| | Logistics BE | Logistics NL | Offices BE | TOTAL | Logistics BE | Logistics NL | Offices BE | TOTAL |
| **BALANCE SHEET AS AT 1 JANUARY** | 628,450 | 347,277 | 357,691 | **1,333,418** | 480,239 | 342,282 | 386,423 | **1,208,944** |
| Acquisition of investment properties | 19,124 | 0 | 0 | **19,124** | 4,627 | 30,222 | 0 | **34,849** |
| Acquisition of shares in real estate companies | 0 | 0 | 0 | **0** | 60,566 | 0 | 0 | **60,566** |
| Acquisition of land reserve | 10,375 | 0 | 0 | **10,375** | 0 | 0 | 0 | **0** |
| Investments in project developments | 13,667 | 4,277 | 547 | **18,492** | 75,426 | 5,749 | 6,666 | **87,841** |
| Investments in existing investment properties | 2,627 | 56 | 956 | **3,638** | 1,414 | 575 | 935 | **2,924** |
| Divestment of investment properties | 0 | 0 | 0 | **0** | -8,095 | 0 | 0 | **-8,095** |
| Transfer to real estate available for sale | 0 | 0 | 0 | **0** | 0 | 0 | -27,504 | **-27,504** |
| Changes in fair value of investment properties | 17,898 | -504 | -8,470 | **8,924** | 14,274 | -31,552 | -8,829 | **-26,106** |
| **BALANCE SHEET AS AT 30 JUNE/31 DECEMBER** | 692,143 | 351,106 | 350,724 | **1,393,972** | 628,450 | 347,277 | 357,691 | **1,333,418** |
| Share of portfolio | 50% | 25% | 25% | **100%** | 47% | 26% | 27% | **100%** |

**The fair value of the investment properties as at** 30 June 2023 amounts to € 1.394 million (€ 1.333 million as at 31 December 2022). The increase in fair value of investment properties of € 61 million or 5% compared to 31 December 2022 can be explained as follows.

**In Belgium's logistics portfolio - increase in fair value of** € 64 **million or 10%**

- Acquisitions of investment properties and land reserves of € 29.5 million
- € 13.7 million investment in ongoing development projects, mainly in Genk Green Logistics
- € 2.6 million investment in the existing portfolio
- Positive revaluation of € 17.9 million or circa 3%. A consequence of the revaluation of the remaining land position in Genk Green Logistics to fair value, the further completion of the already pre-let development projects and the inclusion of some sustainable observable increases in market rent for the most popular logistics locations currently being seen by the property experts in transactions, which despite an average yield increase of 14 basis points collectively ensure an increase in fair value. The average rental value estimated by the property expert increased to € 47/m² (€ 46/m² as at 31 December 2022). The average capitalisation rate applied by the property experts in the logistics portfolio is 5.4% (5.3% as at 31 December 2022).

**In the Netherlands' logistics portfolio - increase in fair value of** € 4 **million or 1%**

- € 4.3 million investment in development projects
- Slightly negative revaluation of € 0.5 million or 0.1%. The increase in the average applied capitalisation rates of 40 basis points is offset by an increase in the average rental value estimated by the property expert of € 8/m² to € 66/m² (€ 58/m² at 31 December 2022). The average capitalisation rate applied to the valuation of the Dutch property portfolio is 6.1% (5.7% as at 31 December 2022).

**In the office portfolio - decrease in fair value of -€ 7 million or -2%**

- € 1.5 million investment in existing investment properties and projects
- Negative revaluation of € 8.5 million or circa 2%. Mainly explained by an increase in the average applied capitalisation rate by 18 basis points (from 7.8% to 8.0%).

## Breakdown of investment properties per type

| in thousands € | **30-6-2023** | 31-12-2022 |
|---|---|---|
| **Breakdown of investment properties per type** | | |
| Real estate available for lease | 1,313,051 | 1,233,799 |
| Project developments | 80,921 | 99,619 |
| *Project developments under construction* | *32,654* | *72,210* |
| *Land reserves* | *48,267* | *27,410* |
| **TOTAL INVESTMENT PROPERTIES** | **1,393,972** | **1,333,418** |

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

IFRS 13 classifies investment properties as level 3.

# 8.2.6 Overview of future minimum rental income

The value of the future minimum rental income until the first expiry date of the non-cancellable lease agreements is subject to the following collection terms.

| in thousands € | **30-6-2023** | 30-6-2022 |
|---|---|---|
| Receivables with a remaining duration of: | | |
| No more than one year | 40,373 | 35,778 |
| Between one and five years | 208,081 | 188,960 |
| More than five years | 123,323 | 125,998 |
| **TOTAL OF FUTURE MINIMUM RENTAL INCOME** | **371,776** | **350,736** |

For further explanation of the change in the future minimum rental income as at 30 June 2023 please refer to the Property Report H12023(supra) of this half-yearly financial report.

## 8.2.7 Non-current and current liabilities

| in thousands € | 30-6-2023 | 31-12-2022 |
|---|---|---|
| Taxes to be reclaimed | 212 | 121 |
| *VAT to be reclaimed* | *33* | *69* |
| *Recoverable corporate tax in the Netherlands* | *179* | *52* |
| Taxes (retained following the tax situation of the Group) | 144 | 3,469 |
| Other | 1,318 | 1,347 |
| **TOTAL TRADE RECEIVABLES** | **1,674** | **4,937** |

Following the judgment of the Ghent Court of Appeal on 28 June 2022 in favour of Intervest, that was served on 4 August 2022, several deductions on disputed assessments were released by the tax authorities and repaid to the company during 2023.

## 8.2.8 Non-current and current liabilities

An update of the financial structure of Intervest as at 30 June 2023 is provided in the Financial Report H12023 (supra) of this half-yearly financial report.

### Concession fee payable in Skaldenstraat, Ghent

Intervest does not fully own some of the investment properties, but only has usufruct through a concession, long lease or similar. This also applies to the site in Skaldenstraat, Ghent, acquired in the first half of 2023.

More specifically, a financial liability was recognised for the Ghent concession fee payable in the first half of 2023, in accordance with IFRS 16. This financial liability represents the current value of all future lease payments. In determining the current value of these future lease payments, a number of assessments and valuations are performed. In particular, in determining the duration of the concession (depending on the contractual renewal options of the concession on the one hand and the economic life span of the building that the property valuer takes into account in the fair value assessment on the other hand) and in determining the incremental interest rate as the discount rate of the lease payments.

The discount rate used in determining the new liability for Ghent was based on a combination of the interest curve plus a spread in relation to Intervest's credit risk, both in line with the term of the underlying right of use. The interest curve is based on observable market data. The spread is also based on a recent Intervest transaction, taking into account the longer duration of the underlying right of use in Ghent, the upper margin of the range has been retained when calculating the discount.

Total debt on the balance sheet as at 30 June 2023 relating to the Ghent concession fee to be paid amounts to almost € 5 million. In addition to the concession fee payable from Ghent, Intervest has concession fees payable to third parties from other sites. Total debt for concession fees to third parties is circa € 16 million as at 30 June 2023. For further details, please refer to Annual Report 2022 - Note 20. Other non-current and current financial liabilities.

## 8.2.9 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** | | | **30-6-2023** | | 31-12-2022 | |
|---|---|---|---|---|---|---|
| in thousands € | **Categorie** | **Level** | **Carrying amount** | **Fair value** | **Carrying amount** | **Fair value** |
| **FINANCIAL INSTRUMENTS ON ASSETS** | | | | | | |
| **Non-current assets** | | | | | | |
| Non-current financial assets | C | 2 | 31,673 | 31,673 | 32,608 | 32,608 |
| Trade receivables and other non-current assets | A | 2 | 37 | 37 | 41 | 41 |
| **Current assets** | | | | | | |
| Current financial assets | C | 2 | | | | |
| Trade receivables | A | 2 | 11,764 | 11,764 | 2,126 | 2,126 |
| Cash and cash equivalents | B | 2 | 2,380 | 2,380 | 3,053 | 3,053 |
| **FINANCIAL INSTRUMENTS ON LIABILITIES** | | | | | | |
| **Non-current liabilities** | | | | | | |
| Non-current financial debts | A | 2 | 572,787 | 554,136 | 525,115 | 504,942 |
| Other non-current financial liabilities | | | 20,755 | 20,755 | 15,162 | 15,162 |
| *Authorised hedging instruments* | *C* | *2* | *4,549* | *4,549* | *4,793* | *4,793* |
| *Other non-current financial liabilities* | *A* | *3* | *16,205* | *16,205* | *10,369* | *10,369* |
| Trade debts and other non-current liabilities | A | 2 | 2,990 | 2,990 | 2,810 | 2,810 |
| **Current liabilities** | | | | | | |
| Current financial debts | A | 2 | 119,594 | 119,547 | 102,646 | 102,646 |
| Other current financial liabilities | A | 3 | 39 | 39 | 35 | 35 |
| Trade debts and other current debts | A | 2 | 16,502 | 16,502 | 25,680 | 25,680 |
| Other current liabilities | A | 2 | 2,858 | 2,858 | 3,811 | 3,811 |

The categories correspond to the following financial instruments:

a. financial assets or liabilities amortised at cost
b. assets or liabilities held at fair value via the income statement.

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

- level 1: appraisal is based on quoted market prices in active markets
- level 2: appraisal is based on (externally) observable information, either directly or indirectly
- level 3: appraisal 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 2022 annual report in Note 20 Financial instruments.

As at 30 June 2023 these interest rate swaps had a positive market value of € 27 million (contractual notional amount of € 410 million) which, on a quarterly basis, is determined by the issuing financial institution.

| | | Starting date | End date | Interest rate | Contractual notional amount | Hedge accounting | Fair value | |
|---|---|---|---|---|---|---|---|---|
| in thousands € | | | | | | Ja/Nee | 30-6-2023 | 31-12-2022 |
| 1 | IRS | 30.06.2021 | 30.06.2028 | 0.7200% | 25,000 | No | -2,062 | -2,273 |
| 2 | IRS | 30.06.2021 | 30.06.2027 | 0.6900% | 35,000 | No | -2,234 | -2,520 |
| 3 | IRS | 09.03.2023 | 09.03.2030 | 3.1891% | 10,000 | No | -123 | 0 |
| 4 | Floor | 17.05.2023 | 17.05.2023 | 2.4300% | 20,000 | No | -131 | 0 |
| **Recogniced under Other non-current financial liabilities** | | | | | | | **-4,549** | **-4,793** |
| 1 | IRS | 10.07.2019 | 10.07.2024 | -0.2975% | 15,000 | No | 633 | 797 |
| 2 | IRS | 01.02.2021 | 01.02.2028 | 0.0030% | 30,000 | No | 4,075 | 4,365 |
| 3 | Floor | 30.06.2021 | 30.06.2027 | -1.0000% | 35,000 | No | 5,661 | 6,054 |
| 4 | Floor | 30.06.2021 | 30.06.2028 | -1.0500% | 25,000 | No | 4,904 | 5,258 |
| 5 | IRS | 06.04.2021 | 03.04.2028 | 0.6120% | 25,000 | No | 0 | 3,022 |
| 6 | IRS | 01.04.2021 | 03.04.2028 | 0.6770% | 10,000 | No | 1,114 | 1,175 |
| 7 | IRS | 24.06.2019 | 22.06.2026 | 0.6425% | 10,000 | No | 807 | 822 |
| 8 | IRS | 20.12.2021 | 18.06.2027 | 0.7975% | 15,000 | No | 1,395 | 1,440 |
| 9 | IRS | 15.06.2020 | 15.01.2027 | 0.5850% | 15,000 | No | 1,397 | 1,439 |
| 10 | IRS | 15.06.2020 | 15.06.2026 | 0.5200% | 10,000 | No | 837 | 859 |
| 11 | IRS | 16.11.2022 | 16.11.2028 | 1.9080% | 25,000 | No | 1,458 | 1,541 |
| 12 | IRS | 14.12.2022 | 14.12.2025 | 1.1800% | 35,000 | No | 1,981 | 1,977 |
| 13 | IRS | 13.05.2019 | 13.05.2026 | 0.2870% | 10,000 | No | 875 | 917 |
| 14 | IRS | 18.08.2021 | 30.06.2028 | 0.2366% | 20,000 | No | 2,730 | 2,935 |
| 15 | Floor | 18.08.2021 | 18.08.2024 | 0.0000% | 20,000 | No | 7 | 7 |
| 16 | IRS | 28.02.2023 | 27.02.2026 | 1.2410% | 50,000 | No | 2,943 | 0 |
| 17 | IRS | 09.05.2023 | 09.05.2028 | 2.8548% | 10,000 | No | 124 | 0 |
| 18 | IRS | 09.05.2023 | 09.05.2029 | 2.8759% | 10,000 | No | 88 | 0 |
| 19 | IRS | 15.05.2023 | 15.05.2028 | 2.8519% | 10,000 | No | 124 | 0 |
| 20 | CAP | 17.05.2023 | 17.05.2026 | 3.5000% | 20,000 | No | 286 | 0 |
| 21 | IRS | 02.06.2023 | 02.06.2028 | 2.9110% | 10,000 | No | 97 | 0 |
| 22 | IRS | 14.06.2023 | 14.06.2028 | 2.9802% | 10,000 | No | 64 | 0 |
| 23 | IRS | 27.06.2023 | 27.06.2028 | 3.0651% | 15,000 | No | 38 | 0 |
| 24 | IRS | 28.06.2023 | 28.06.2023 | 2.9221% | 10,000 | No | 35 | 0 |
| **Recognised under Non-current financial assets** | | | | | | | **31,673** | **32,608** |
| **TOTAL FAIR VALUE OF FINANCIAL DERIVATIVES** | | | | | | | **27,123** | **27,815** |
| Accounting processing as at 30 June/31 December | | | | | | | | |
| – In shareholders' equity: Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting | | | | | | | 27,815 | -4,489 |
| – In the income statement: Changes in fair value of financial assets and liabilities | | | | | | | -691 | 32,304 |
| **TOTAL FAIR VALUE OF FINANCIAL DERIVATIVES** | | | | | | | **27,124** | **27,815** |

Intervest did not classify any interest rate swaps whatsoever as cash flow hedge as at 30 June 2023. The value fluctuations of all existing interest rate swaps are directly included in the income statement.

## 8.2.10 Related parties

No modifications have occurred during the first semester of 2023 regarding the type of transactions with related parties as described in Note 23 of the Financial statements in the 2022 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.

## 8.2.11 Off-balance sheet rights and obligations

For Intervest's disputed assessments, please refer to Note 26 of the 2022 Annual Report. In addition, as at 30 June 2023 Intervest has the following liabilities or obligations:

Investment commitments of circa € 9 million for the further construction of Genk Green Logistics

In addition, Intervest, along with JM Construct, has jointly and severally guaranteed payment to De Vlaamse Waterweg by Genk Green Logistics (GGL) of infrastructure construction costs for an amount of € 0.6 million.

Furthermore, indirectly, through its 50% shareholding in Genk Green Logistics, Intervest has an obligation of result to guarantee minimum employment in the context of the GGL project. Compliance with this obligation of result will be assessed at two points in time, namely 31 December 2030 and 31 December 2036, increased by the number of calendar days of delay regarding the completion of the Zone A infrastructure works by De Vlaamse Waterweg contractually paid on 31 December 2021 but not yet taken place. Failure to comply with the obligation of result may lead to a fine of up to € 2 million at the level of Genk Green Logistics.

## 8.2.12 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 2023, other than the acquisition in Liège (Herstal) of a strategic logistics site with future sustainable development potential. For more details on this acquisition after 30 June 2023, please refer to the Property Report (supra) in this press release.

# 8.3 Statutory auditor's report

## 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 2023

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 2023, 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 12.

#### 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 consolidated condensed balance sheet shows total assets of 1.491.976 (000) EUR and the consolidated condensed income statement shows a net profit (group share) for the period then ended of 17.710 (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 of the consolidated interim financial information in accordance with International Standard on Review Engagements (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. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

#### 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.

Signed at Zaventem.

**The statutory auditor**

**Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL**
Represented by Kathleen De Brabander

## 8.4 Statement regarding the half-yearly report

Pursuant to article 13 §2 of the Royal Decree of 14 November 2007, the supervisory board, composed of Ann Smolders (chairman), Johan Buijs, Patricia Laureys, Marc Peeters, Dirk Vanderschrick and Marleen Willekens, 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 have been approved for publication by the supervisory board as at 2 August 2023.

## 8.5 EPRA Key Performance Indicators

EPRA (European Public Real Estate Association) is an organisation that promotes, helps develop and represents the European listed real estate sector, both in order to boost confidence in the sector and increase investments in Europe's listed real estate.

### EPRA earnings★

**Definition** - The EPRA earnings are the operating result before result on portfolio minus the financial result and taxes and excluding changes in fair value of financial derivatives (which are not treated as hedge accounting in accordance with IAS 39) and other non-distributable elements based on the statutory annual account of Intervest Offices & Warehouses NV. The EPRA earnings per share are the EPRA earnings divided by the weighted average number of shares. This alternative performance measure is calculated on the basis of the company's consolidated annual accounts.

**Purpose** - The EPRA earnings measure the result of the strategic operational activities, excluding (i) the changes in fair value of financial assets and liabilities, and (ii) the result on portfolio (the profit or loss on investment properties that may or may not have been realised). This amounts to the result that is directly influenced by the real estate and the financial management of the company, excluding the impact accompanying the volatility of the real estate and financial markets. The EPRA earnings per share measure the EPRA earnings per weighted average number of shares and make it possible to compare these with the gross dividend per share.

| **Reconciliation** in thousands € | | **30-6-2023** | 31-12-2022 | 30-6-2022 |
|---|---|---|---|---|
| NET RESULT - Group share | | 23,279 | 57,280 | 67,790 |
| − Minority interests | | -5,569 | -5,566 | -2,089 |
| Net result (Group share) | | 17,710 | 51,714 | 65,701 |
| Eliminated from the net result (Group share) (+/-) | | | | |
| − Result on disposals of investment properties | | -4,123 | 478 | 72 |
| − Changes in fair value of investment properties | | 8,924 | -26,106 | 29,014 |
| − Other result on portfolio | | -1,612 | 3,920 | -6,440 |
| − Changes in fair value of financial assets and liabilities | | -720 | 32,257 | 20,400 |
| − Minority interests with respect to the above | | -4,814 | -4,302 | -1,665 |
| EPRA earnings | A | 20,055 | 45,467 | 24,320 |
| Weighted average number of shares | B | 29,370,567 | 26,664,878 | 26,357,415 |
| EPRA earnings per share (in €) | =A/B | 0.68 | 1.71 | 0.92 |

## EPRA Net Asset Value (NAV) indicators★

**Definition** - Net Asset Value (NAV) adjusted in accordance with the Best Practice Recommendations (BPR) Guidelines published by EPRA in October 2019 for application as from 2020.

**Purpose** - Makes adjustments to the NAV per the IFRS financial statements to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under three different scenarios:

> EPRA Net Reinstatement Value (NRV) provides an estimation of the value required to rebuild the company through the investment markets based on its current capital and financing structure, including real estate transfer taxes.
> EPRA Net Tangible Assets (NTA) assumes that the company buys and sells assets, thereby crystallising certain levels of unavoidable deferred tax.
> EPRA Net Disposal Value (NDV) represents the value accruing to the company's shareholders under an asset disposal scenario, resulting in the settlement of deferred taxes, the liquidation of financial instruments and the recognition of other liabilities for their maximum amount, net of any resulting tax.

| in thousands € | | 30-6-2023 | | | 31-12-2022 | | |
|---|---|---|---|---|---|---|---|
| | | EPRA NRV | EPRA NTA | EPRA NDV | EPRA NRV | EPRA NTA | EPRA NDV |
| **IFRS Equity attributable to shareholders of the parent company** | | **676,282** | **676,282** | **676,282** | **693,352** | **693,352** | **693,352** |
| **Diluted NAV at fair value** | | 676,282 | 676,282 | 676,282 | 693,352 | 693,352 | 693,352 |
| To be excluded: | (-) | 3,850 | 4,135 | | 6,039 | 6,337 | |
| − Deferred taxes in respect of the revaluation at fair value of investment properties | | -23,273 | -23,264 | | -21,775 | -21,761 | |
| − Fair value of financial instruments | | 27,123 | 27,123 | | 27,814 | 27,814 | |
| − Non-current intangible assets according to the IFRS balance | | | 276 | | | 284 | |
| To be added: | (+) | 63,235 | | 18,698 | 62,353 | | 20,174 |
| + Fair value of debts with fixed interest rate | | | | 18,698 | | | 20,174 |
| + Real estate transfer taks | | 63,235 | | | 62,353 | | |
| NAV | | 735,667 | 672,147 | 694,980 | 749,666 | 687,015 | 713,525 |
| Diluted number of shares | | 29,880,473 | 29,880,473 | 29,880,473 | 29,235,067 | 29,235,067 | 29,235,067 |
| NAV per share (in €) | | 24.62 | 22.49 | 23.26 | 25.64 | 23.50 | 24.41 |

## EPRA Net Initial Yield (NIY) and EPRA adjusted NIY

**Definition**

> The EPRA NIY is the annualised gross rental income based on the contractual rents at the closing date of the annual accounts, less the property charges, divided by the market value of the portfolio increased by the estimated transaction rights and costs in the event of hypothetical disposal of investment properties.

> The EPRA adjusted NIY incorporates a correction to the EPRA NIY for the expiration of rent-free periods (or other unexpired rent incentives such as a discounted rent period and tiered rents).

**Purpose** - an indicator for comparing real estate portfolios on the basis of yield.

| **Reconciliation** in thousands € | | **30-6-2023** | 31-12-2022 | 30-6-2022 |
|---|---|---|---|---|
| Investment properties and properties held for sale | | 1,410,128 | 1,360,696 | 1,377,945 |
| To be excluded: | (-) | 80,921 | 99,619 | 190,509 |
| *– Project developments intended for lease* | | *80,921* | *99,619* | *190,509* |
| **Real estate available for rental** | | **1,329,207** | **1,261,076** | **1,187,436** |
| To be added: | (+) | 63,777 | 61,170 | 54,246 |
| *+ Estimated transaction rights and cost resulting from the hypothetical disposal of investment properties* | | *63,777* | *61,170* | *54,246* |
| **Investment value of properties available for lease - including property held by right of use** | (B) | **1,392,984** | **1,322,247** | **1,241,681** |
| Annualised gross rental income | | 77,348 | 72,614 | 66,684 |
| To be excluded: | | | | |
| – Property charges | | -9,652 | -9,194 | -7,361 |
| **Annualised net rental income** | **(A)** | **67,695** | **63,421** | **59,323** |
| Adjustments: | | | | |
| Rent expiration of rent free periods or other lease incentives | | 4,372 | 3,996 | 2,042 |
| **Annualised “topped-up” net rental income** | **(C)** | **72,068** | **67,417** | **61,365** |
| EPRA NET INITIAL YIELD (IN %) | (A/B) | 4.9% | 4.8% | 4.8% |
| EPRA ADJUSTED NET INITIAL YIELD (IN %) | (C/B) | 5.2% | 5.1% | 4.9% |

## EPRA vacancy rate

**Definition** - The EPRA vacancy rate is the estimated rental value (ERV) of vacant space divided by ERV of the portfolio in its entirety.

**Purpose** - The EPRA vacancy rate measures the vacancy of the investment properties portfolio based on estimated rental value (ERV).

| Segment | Leasable space (in thousands m²) | Estimated rental value (ERV) on vacancy (in thousands €) | Estimated rental value (ERV) (in thousands €) | **30-6-2023** EPRA vacancy rate (in %) | 31-12-2022 EPRA vacancy rate (in %) |
|---|---|---|---|---|---|
| Offices | 208,251 | 5,767,254 | 27,782,585 | 20.8% | 24.1% |
| Logistics real estate in Belgium | 804,573 | 641,201 | 37,579,590 | 1.7% | 4.2% |
| Logistics real estate in the Netherlands | 359,147 | 0 | 23,829,364 | 0.0% | 0.0% |
| **TOTAL PROPERTIES available for lease** | **1,371,971** | **6,408,455** | **89,191,539** | **7.2%** | **9.9%** |

## EPRA cost ratios★

**Definition -** The EPRA cost ratios are the administrative and operational expenditures (IFRS) (including and excluding direct vacancy costs) divided by gross rental income less compensations for leasehold estate and long-lease rights.

**Purpose -** The EPRA cost ratios measure significant changes in the company's general and operational costs.

| **Reconciliation** in thousands € | | **30-6-2023** | 31-12-2022 | 30-6-2022 |
|---|---|---|---|---|
| Administrative and operational expenditures (IFRS) | | 9,389 | 12,888 | 6,537 |
| *Rental-related expenses* | | *59* | *19* | *-15* |
| *Recovery of property charges* | | *-686* | *-1,249* | *-627* |
| *Recovery of rental charges* | | | | |
| *Cost payable by tenants and borne by the landlord for rental damage en refurbishment* | | *810* | *1,629* | *589* |
| *Other rental-related income and expenses* | | *-267* | *-939* | *-328* |
| *Property charges* | | *6,363* | *8,566* | *3,907* |
| *General costs* | | *2,684* | *4,387* | *2,811* |
| *Other operating income and costs* | | *425* | *475* | *200* |
| To be excluded: | | | | |
| – Compensations for leasehold estate and long-lease rights | | | -9 | |
| **EPRA costs (including vacancy cost)** | **(A)** | **9,388** | **12,879** | **6,536** |
| Vacancy cost | | -987 | -1,086 | -478 |
| **EPRA cost (excluding vacancy cost)** | **(B)** | **8,401** | **11,794** | **6,058** |
| **Rental income less compensations for leasehold estate and long-lease rights** | **(C)** | **40,192** | **71,465** | **35,438** |
| EPRA cost ratio (including vacancy costs) (in %) | (A/C) | 23.4% | 18.0% | 18.4% |
| EPRA cost ratio (excluding vacancy costs) (in %) | (B/C) | 20.9% | 16.5% | 17.1% |

## EPRA Loan-to-value (LTV)

**Definition** - The nominal financial debts, plus, where appropriate, the net debts/claims minus the cash and cash equivalents, constitutes the net debt (a). This is offset against the fair value of the property portfolio (including property held for sale) and intangible assets which together constitute the total property value (b).

The EPRA LTV provides some changes to IFRS reporting, the main concepts introduced are as follows:

- in case of doubt, any capital that is not equity is considered as debt (regardless of its IFRS classification);
- assets are recorded at fair value;
- net debt is recorded at face value;
- no adjustment related to IFRS16 is proposed, as these balances generally appear on both sides of the calculation;
- the EPRA LTV is calculated on a proportional consolidation basis, i.e. the EPRA LTV includes the Group's share of net debt and net assets of joint ventures or material associates.

**Purpose** - The EPRA Loan-to-Value measures the ratio of debt to market value of the property portfolio. (a/b).

| in thousands € | | | 30-6-2023 | |
|---|---|---|---|---|
| | | Reported | Minority interest | Group share |
| **To be added:** | | | | |
| – Loans from credit institutions | | 558,446 | 31,065 | 527,380 |
| – Commercial Paper | | 39,500 | | 39,500 |
| – Green Bond/USPP | | 94,435 | | 94,435 |
| – Net debts/receivables | | 25,119 | 1,991 | 23,128 |
| To be excluded: | | | | |
| – Cash and cash equivalents | (-) | -2,380 | -109 | -2,270 |
| **EPRA Net debt** | **(A)** | **715,120** | **32,947** | **682,173** |
| To be added: | | | | |
| – Property available for lease (incl. solar pannels etc.) | | 1,327,646 | 53,372 | 1,274,274 |
| – Property available for sale | | 16,156 | | 16,156 |
| – Project developments and land reserves | | 80,921 | 13,063 | 67,858 |
| – Intangible assets | | 276 | 2 | 275 |
| – Financial assets | | 2,916 | 1,458 | 1,458 |
| **EPRA Total property value** | **(B)** | **1,427,915** | **67,895** | **1,360,021** |
| EPRA LTV (a/b) | =(A/B) | 50.1% | | 50.2% |

| in thousands € | | | 31-12-2022 | |
|---|---|---|---|---|
| | | Reported | Minority interest | Group share |
| **To be added:** | | | | |
| - Loans from credit institutions | | 487,380 | 20,656 | 466,724 |
| - Commercial Paper | | 46,000 | | 46,000 |
| - Greenbond/USPP | | 94,382 | | 94,382 |
| - Net debts/receivables | | 35,600 | 8,021 | 27,579 |
| **To be excluded:** | | | | |
| - Cash and cash equivalents | (-) | -3,053 | -222 | -2,831 |
| **EPRA Net debt** | **(A)** | **660,309** | **28,455** | **631,854** |
| **To be added:** | | | | |
| - Property available for lease (incl solar pannels etc.) | | 1,248,391 | 40,617 | 1,207,774 |
| - Property available for sale | | 27,277 | | 27,277 |
| - Project developments and land reserves | | 99,619 | 14,598 | 85,021 |
| - Intangible assets | | 284 | 2 | 282 |
| **EPRA Total property value** | **(B)** | **1,375,572** | **55,217** | **1,320,355** |
| EPRA LTV (a/b) | =(A/B) | 48.0% | | 47.9% |

# 8.6 Alternative performance measures

Alternative performance measures are criteria used by Intervest to measure and monitor its operational performance. The measures are used in the financial reporting, 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 alternative measures are indicated with ★ and include a definition, objective and reconciliation as required by the ESMA guidelines. The EPRA indicators that are considered as APM are included in the chapter "EPRA Key Performance Indicators".

## Average interest rate of the financing★

**Definition** - The average interest rate of the financing of the company is calculated by the (annual) net interest charges and the capitalized intercalary interest, divided by the weighted average debt for the period (based on the daily withdrawal from the financing (credit facilities from financial institutions, bond loans, etc.)). This alternative performance measure is calculated on the basis of the company's consolidated annual accounts.

**Purpose** - The average interest rate of the financing measures the average financing cost of the debts and makes it possible to follow how it evolved in time, within the context of the developments of the company and of the financial markets.

| **Reconciliation** in thousands € | | **30-6-2023** | 31-12-2022 | 30-6-2022 |
|---|---|---|---|---|
| Net interest charges | (A) | 9,201 | 10,655 | 3,672 |
| Capitalized intercalary interests | (B) | 471 | 1,647 | 1,113 |
| Average debt for the period | (C) | 660,250 | 620,034 | 569,315 |
| Average interest rate of the financing (based on 360/181 or 360/365) (%) | =(A+B)/C | 2.9% | 2.0% | 1.7% |

## Net debt / EBITDA

**Definition** - The Net debt-EBITDA ratio is calculated by dividing long-term and short-term financial liabilities (less cash) by the operating result (before portfolio result) adjusted by depreciation.

**Purpose** - Net debt / EBITDA indicates how many years it will take the company to repay its financial debt, assuming financial debt and EBITDA remain constant

| **Reconciliation** in thousands € | | **30-6-2023** | 31-12-2022 | 30-6-2022 |
|---|---|---|---|---|
| Financial debts | | 693,348 | 628,826 | 651,348 |
| Cash and cash equivalents | | -2,380 | -3,053 | -4,544 |
| Net debt (IFRS) | A | 690,968 | 625,773 | 646,804 |
| OPERATING RESULT BEFORE RESULT ON PORTFOLIO | | 30,804 | 58,586 | 28,902 |
| Depreciations | | 551 | 773 | 345 |
| EBITDA (IFRS) | B | 31,355 | 59,359 | 29,247 |
| Net debt / EBITDA | =(A/B) | 10.9 | 10.5 | 11.0 |

## Net result per share (Group share)★

**Definition** - The net result per share (Group share) is the net result as published in the income statement, divided by the weighted average number of shares (i.e. the total amount of issued shares less the own shares) during the financial year. This alternative performance measure is calculated on the basis of the company's consolidated annual accounts.

| **Reconciliation** | | **30-6-2023** | 31-12-2022 | 30-6-2022 |
|---|---|---|---|---|
| Net result (Group share) (in thousands €) | (A) | 17,710 | 51,714 | 65,701 |
| Weighted average number of shares | (B) | 29,370,567 | 26,664,878 | 26,357,415 |
| Net result per share (Group share) (in €) | =(A/B) | 0.60 | 1.94 | 2.49 |

## Net value per share★

**Definition** - Total shareholders' equity attributable to the equity holders of the parent company (therefore, after deduction of the minority interests) divided by the number of shares at the end of the year (possibly after deduction of own shares). This alternative performance measure is calculated on the basis of the company's consolidated annual accounts.

**Purpose** - The net value per share measures the value of the share based on the fair value of the investment properties and makes it possible to make a comparison with the stock exchange quotation.

| **Reconciliation** in thousands € | | **30-6-2023** | 31-12-2022 | 30-6-2022 |
|---|---|---|---|---|
| Shareholders' equity attributable to the shareholders of the parent company (in thousands €) | (A) | 676,282 | 693,352 | 657,082 |
| Number of shares at year-end | (B) | 29,880,473 | 29,235,067 | 26,577,334 |
| Net value per share (in €) | =(A/B) | 22.63 | 23.72 | 24.72 |

## Operating marge★

**Definition** - The operating margin is the operating result before result on portfolio, divided by the rental income. This alternative performance measure is calculated on the basis of the company's consolidated annual accounts.

**Purpose** - The operating margin provides an indication of the company's possibility of generating profit from its operational activities, without taking the financial result, the taxes or the result on portfolio into account.

| **Reconciliation** in thousands € | | **30-6-2023** | 31-12-2022 | 30-6-2022 |
|---|---|---|---|---|
| Operation profit before result on portfolio | (A) | 30,804 | 58,586 | 28,902 |
| Rental income | (B) | 40,193 | 71,474 | 35,438 |
| Operating margin (%) | =(A/B) | 77% | 82% | 82% |

## Result on portfolio and result on portfolio (Group share)★

**Definition** - The result on portfolio comprises (i) the result on disposals of investment properties, (ii) the changes in fair value of investment properties, and (iii) the other result on portfolio. This alternative performance measure is calculated on the basis of the company's consolidated annual accounts.

**Purpose** - The result on portfolio measures the realised and non-realised profit and loss related to the investment properties, compared with the valuation of the independent property experts at the end of previous financial year.

| **Reconciliation** in thousands € | **30-6-2023** | 31-12-2022 | 30-6-2022 |
|---|---|---|---|
| Result on disposals of investment properties | -4,123 | 478 | 72 |
| Changes in fair value of investment properties | 8,924 | -26,106 | 29,014 |
| Other result on portfolio | -1,612 | 3,920 | -6,440 |
| Result on portfolio | 3,190 | -21,708 | 22,646 |
| Minority interest | -4,814 | -4,302 | -1,665 |
| Result on portfolio (Group share) | -1,625 | -26,010 | 20,981 |

# 8.7 Terminology

### Acquisition value of a real estate property

This term is used to refer to the value at the purchase or the acquisition of a real estate property. If transfer costs are paid, they are included in the acquisition value.

### Capitalization factor

The capitalisation factor is the required rate of return determined by the property expert in the valuation report of an investment property.

### Contractual rents

These are the gross indexed annual rents, laid down contractually in the lease agreements, as at closing date, and before rental discounts or other benefits granted to tenants have been deducted.

### Corporate governance

Corporate governance as such is an important instrument for the ongoing improvement of management of the real estate company and for the safeguarding of the shareholders' interest.

### Debt ratio

The debt ratio is calculated as the ratio of all obligations (excluding provisions, deferred charges and accrued income) excluding the negative variations in the fair value of the hedging instruments in relation to the total of the assets. The calculation method of the debt ratio is in accordance with Article 13 §1 second subparagraph of the Royal Decree of 13 July 2014. In this Royal Decree, the maximum debt ratio for the real estate company is set at 65%.

### Diluted net result per share

The diluted net result per share is the net result as published in the income statement, divided by the weighted average of the number of shares adapted before the effect of potential ordinary shares that result in dilution.

### Estimated rental value (ERV)

The estimated rental value is the rental value determined by the independent property experts.

### Fair value of an investment property

This is equal to the amount at which a building could be exchanged between well-informed parties, in agreement and acting in conditions of normal competition. From the seller's point of view, this must be understood as subject to deduction of registration fees and any costs. Specifically, this means that the fair value of the investment properties is equal to the investment value divided by 1,025 (for buildings with a value of more than € 2,5 million) or the investment value divided by 1,10/1,125 (for buildings with a value of less than € 2,5 million). For the investment properties of Intervest located in the Netherlands and kept through the Dutch subsidiaries, this means that the fair value of the investment properties is equal to the investment value divided by 1,09.

### Free float

Free float is the percentage of shares owned by the public. According to the EPRA and Euronext definition it concerns all shareholders possessing individually less than 5% of the total number of shares.

### Gross dividend yield

The gross dividend yield is the gross dividend divided by the share price on closing date.

### Gross yield (at full letting)

Yield is calculated as the ratio of contractual rents (whether or not increased by the estimated rental value of unoccupied rental premises) and the fair value of investment properties available for rent. It concerns a gross yield, without taking into account the allocated costs.

### Institutional regulated real estate company (IRREC)

The institutional RREC is stipulated in the Act of 12 May 2014 concerning regulated real estate companies, as amended from time to time (the RREC Act) and in the Royal Decree of 13 July 2014 concerning regulated real estate companies, as amended from time to time (the RREC Royal Decree). It is a lighter form of the public RREC. It offers the RREC the possibility to extend specific tax aspects of its system to its perimeter companies and to realise partnerships and specific projects with third parties.

### Interest cover ratio

The interest cover ratio is the ratio between the operating result before result on portfolio and the financial result (excluding the changes in fair value of financial derivatives).

## Intervest

Intervest is the abridged name for Intervest Offices & Warehouses, the full legal name of the company.

## Investment value of a real estate property

This is the value of a building estimated by the independent property expert, and including the transfer costs without deduction of the registration fees. This value corresponds to the formerly used term “value deed in hand”.

## Liquidity of the share

Ratio of the number of traded shares on one day and the number of shares.

## Net dividend

The net dividend equals the gross dividend after deduction of 30% withholding tax. The withholding tax on dividends of public regulated real estate companies amounts to 30% (except in case of certain exemptions) as a result of the Programme Act of 25 December 2016, published in the Belgian Official Gazette of 29 December 2016.

## Net dividend yield

The net dividend yield is equal to the net dividend divided by the share price on closing date.

## Net value per share

Total shareholders’ equity attributable to the equity holders of the parent company (therefore, after deduction of the minority interests) divided by the number of shares at the end of the year (possibly after deduction of own shares). It corresponds to the net value as defined in article 2, 23° of the RREC Act.
The net value per share measures the value of the share based on the fair value of the investment properties and makes it possible to make a comparison with the stock exchange quotation.

## Net yield (at full letting)

The net yield is calculated as the ratio of the contractual rent (whether or not increased by estimated rental value on vacancy), less the allocated property charges, and the fair value of investment properties available for rent.

## Occupancy rate

The occupancy rate is calculated as the ratio between the estimated rental value (ERV) of the rented space and the estimated rental value of the total portfolio available for rent as at closing date.

## Organic Growth

The organic growth concerns the rental income growth of the existing portfolio, including the completed and leased projects, excluding acquisitions.

## Regulated real estate company (RREC)

The status of regulated real estate company is regulated by the Act of 12 May 2014 on regulated real estate companies, as modified from time to time (RREC Act) and by the Royal Decree of 13 July 2014 on regulated real estate companies, as modified from time to time (RREC Royal Decree) in order to stimulate joint investments in real estate properties.

## Return of a share

The return of a share in a certain period is equal to the gross return. This gross return is the sum of (i) the difference between the share price at the end and at the start of the period and (ii) the gross dividend (therefore, the dividend before deduction of the withholding tax).

## RREC Act

The Act of 12 May 2014 on regulated real estate companies.

## RREC Legislation

The RREC Act and the RREC Royal Decree.

## RREC Royal Decree

The Royal Decree of 13 July 2014 on regulated real estate companies.

## Specialised real estate investment fund (SREIF)

The Specialised Real Estate Investment Fund falls under the Royal Decree of 9 November 2016 with regard to specialised real estate investment funds. This system allows real estate investments in flexible and efficient funds.

### Turnover rate

The turnover rate of a 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.

BEYOND
REAL
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OFFICES & WAREHOUSES

# HALF-YEARLY FINANCIAL REPORT

of the supervisory board for the period 01.01.2023 to 30.06.2023

Regulated information
Embargo until 03.08.2023, 6.30 p.m.

Photo cover: Raamdonksveer 〉 The Netherlands



Intervest Offices & Warehouses NV (referred to hereafter as "Intervest") is a public regulated real estate company (RREC) under Belgian law, founded in 1996, of which the shares have been listed on Euronext Brussels (INTO) since 1999. Intervest invests in logistics real estate in Belgium and The Netherlands and in office buildings in Belgium. Investments are focused on up-to-date buildings and sustainable (re)development projects, located in strategic locations, with an eye on cluster formation and is aimed at first-rate tenants. The logistics segment of the portfolio in Belgium is located on the Antwerp - Brussels - Nivelles, Antwerp - Limburg - Liège, and Antwerp - Ghent - Bruges axes and, in the Netherlands, on the Moerdijk - 's Hertogenbosch - Nijmegen, Rotterdam - Gorinchem - Nijmegen and Bergen-op-Zoom - Eindhoven - Venlo axes. The office segment of the real estate portfolio focuses on the central cities with an important student population of Antwerp, Mechelen, Brussels and Leuven and their surroundings.
Intervest distinguishes itself in renting space by going beyond merely renting m². The company goes *beyond real estate*.

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