

INTERVEST
OFFICES & WAREHOUSES

**BEYOND
REAL
ESTATE**



PRESS & ANALYST MEETING

ANNUAL RESULTS
8 February 2018



INTERVEST
OFFICES & WAREHOUSES





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Agenda

1. Nature of the portfolio
2. Important activities & developments in 2017
3. Financial results 31 December 2017
4. Property market
5. Outlook

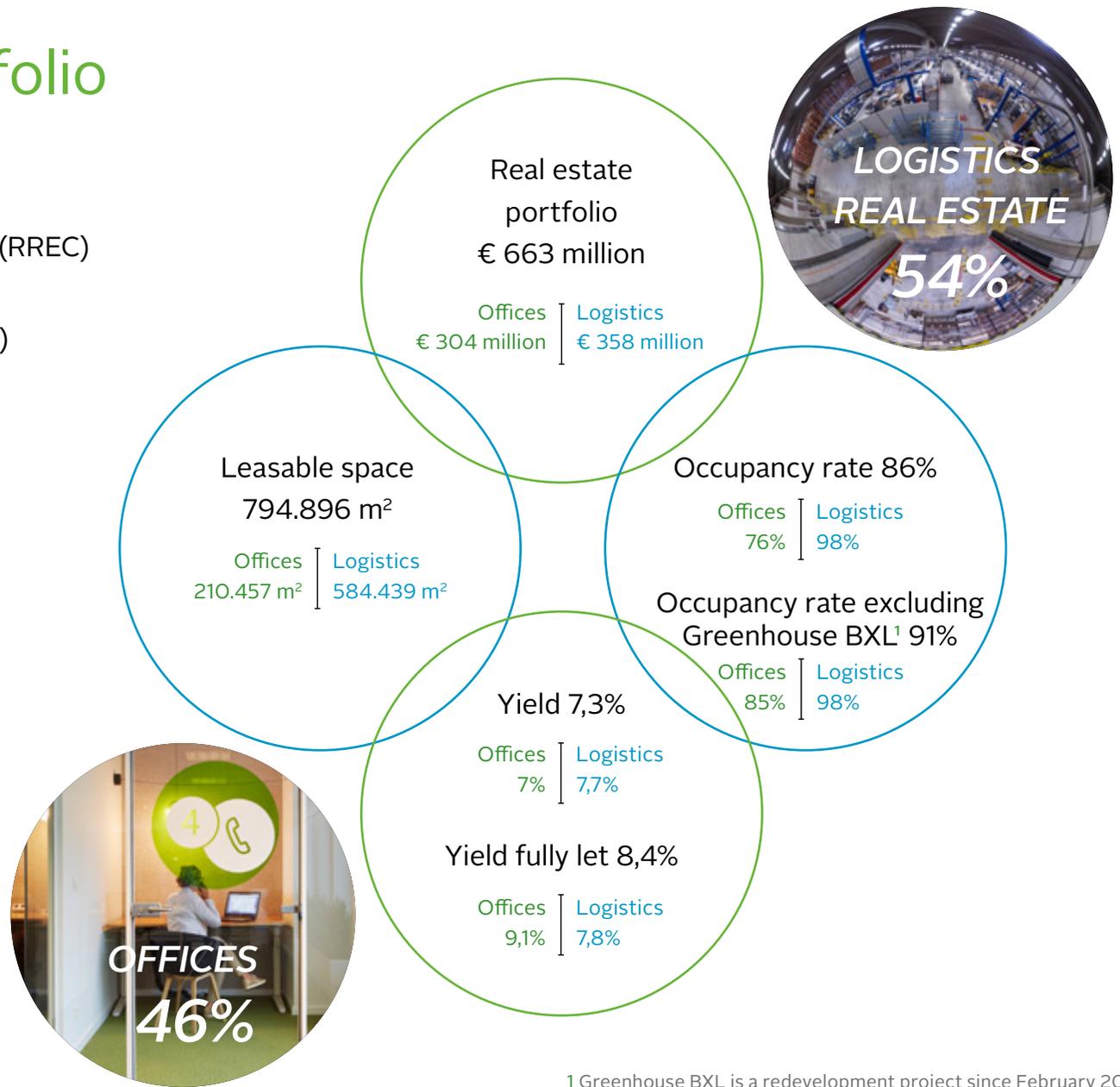
Oevel ►



Nature of the portfolio

Some key figures

- Public Regulated Real Estate Company (RREC)
- Listed on Euronext (INTO) - 1999
- Specialising in logistics real estate (54%) & offices (46%)



¹ Greenhouse BXL is a redevelopment project since February 2017.

Figures as at 31 December 2017

Nature of the portfolio

Strategy

- March 2016, announcement growth strategy
- Strong ambition: from € 611 million to € 800 million by the end of 2018
- Proportion 54% logistics and 46% offices
- Based on 2 pillars:
 - Expansion logistics real estate
 - Reorientation in offices portfolio
- Founded on policy choices regarding financing resources:
 - Gross dividend of € 1,40 for 2016, 2017 and 2018
 - Debt ratio between 45% and 50%



Nature of the portfolio

Offices & Warehouses

Nature of the real estate portfolio as at 31 December 2017:

- € 358 million logistics properties
- € 304 million offices



Nature of the portfolio

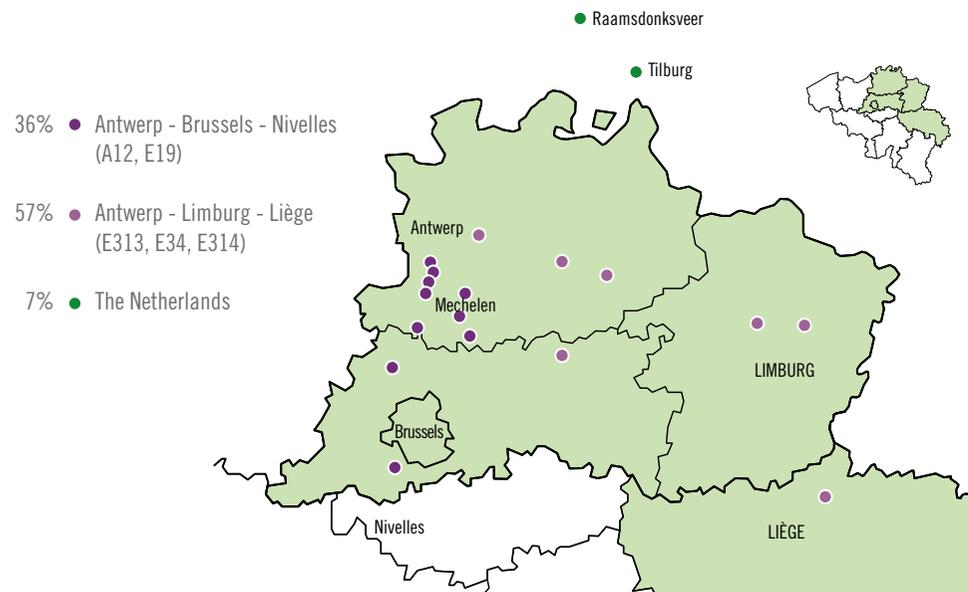
Geographical spread logistics

In Belgium focus on two major logistics axes:

- Antwerp - Brussels - Nivelles axis (E19 and A12) and
- Antwerp - Limburg - Liège axis (E313)

In the Netherlands focus on axes:

- Moerdijk - 's Hertogenbosch - Nijmegen
- Bergen-op-Zoom - Eindhoven - Venlo



Geographical spread offices

Strategic focus on axis Antwerp - Mechelen - Brussels with important share E19: 60%

-
- Legend for Offices:
- Antwerp - 14%
 - Mechelen - 60%
 - Brussels - 26%
- Map labels: Antwerp, Mechelen, Brussels.

Percentages based on fair value of investment properties as at 31 December 2017



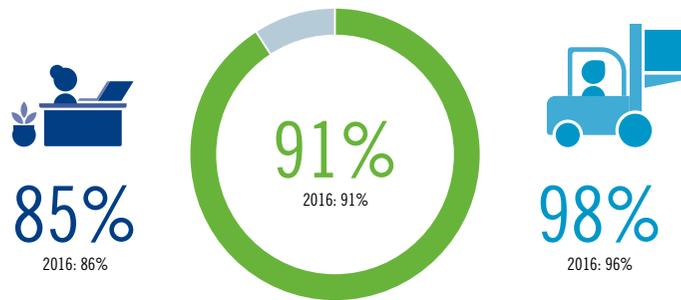
*Geographical scope,
150 km around Antwerp
(Belgium, the Netherlands
and Germany)*

Figures as at 31 December 2017

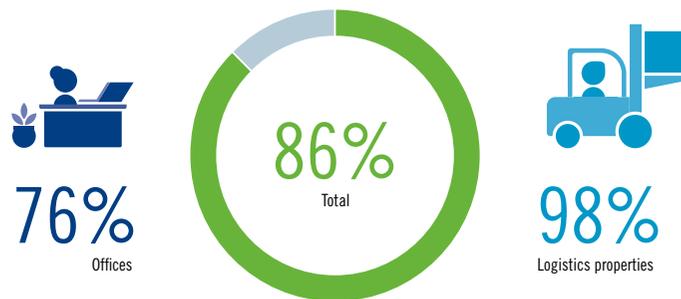
Nature of the portfolio

Occupancy rate

Real estate portfolio excluding Greenhouse BXL redevelopment project



Real estate portfolio



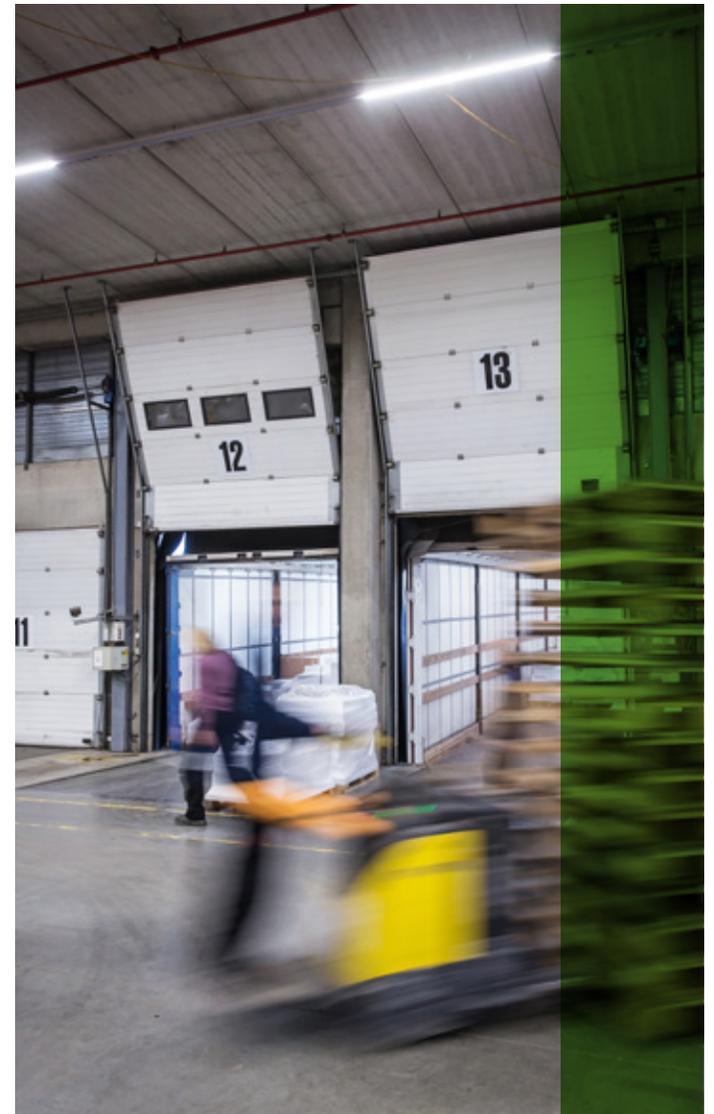
Figures as at 31 December 2017



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Wommelgem - Feeder One ▶



Important activities in 2017

Overview

- Acquisition logistics sites in **Belgium**: Oevel, Aarschot and Zellik
- Delivering of **Herentals Logistics 3**
- First step in the **Netherlands**: acquisition of Tilburg and Raamsdonksveer
- **Reorientation office portfolio**: Greenhouse BXL with third RE:flex
- **Development potential** of 'Genk Green Logistics'
- 30 **lease agreements** were entered into or extended
- 26 **flexible contracts** entered into for RE:flex and managed offices
- Beyond real estate and **services**: successful positioning

Herentals - Schrauwen ▶



Important activities in 2017

Acquisition logistics in Belgium

- Investment value: € 28 million
- Annual rental income: € 2 million
- Average gross initial yield: 7,3%
- Transactions include capital increase through a contribution in kind
- Total extension logistics portfolio: 53.000 m²
- Occupancy rate of each site: 100%

Oevel

- 10.840 m² storage space, 410 m² mezzanine, 410 m² offices
- 100% leased until 2022: Vos Logistics

▼ Oevel - Vos Logistics



Important activities in 2017

Acquisition logistics in Belgium

Aarschot

- 2 logistics buildings: 11.570 m² warehouse space, 600 m² office space, 1.600 m² small storage space
- 100% leased: key tenant is bpost
- Weighted average lease term: 5,9 years to first break

▼ Aarschot - bpost



Zellik

- 23.234 m² of storage space and 1.000 m² of office space, leased to NedCargo
- 1.344 m² with 336 m² of offices, leased to FACQ
- Part of the site is equipped with a photovoltaic installation
- Weighted average lease term to first break: 2,4 years
- Redevelopment necessary in 2020: opportunity for state-of-the-art construction of approximately 29.000 m²

▼ Zellik



Important activities in 2017

Delivering of Herentals Logistics 3

- Development of land reserve in Herentals: newly built distribution centre of 12.000 m² (built-to-suit)
- Works started first quarter 2017
- Investment: circa € 5 million
- Long-term lease agreement for 15 years with 1st termination possibility after 9 years with lessee Schrauwen Sanitair en Verwarming
- Delivery according to plan second quarter 2017

Herentals - Schrauwen Sanitair en Verwarming ►



Important activities in 2017

First step in the Netherlands, acquisition Tilburg and Raamsdonksveer

- Investment value: € 24 million
- Structured through subsidiaries of Intervest in the Netherlands
- Average gross initial yield: 7,1%
- Annual rental income: € 1,7 million
- Occupancy rate of each site: 100%

Tilburg

- 11.400 m² warehouse space, 1.200 m² offices, 700 m² mezzanine
- 100% leased to Dutch Bakery
(as from 01.01.2017 fixed term of 15 years, triple net agreement)

Raamsdonksveer

- 20.500 m² distribution centre in Raamsdonksveer
- Under long-term lease with a furniture and home decoration retailer

▼ Tilburg



▼ Raamsdonksveer



Important developments in 2017

Diegem Campus to become Greenhouse BXL

- Opportunity for repositioning and multi-tenant approach after departure Deloitte
- Clear distinction from traditional offices offer
- Inspiring office building with service-oriented and flexible approach: third RE:flex, co-working lounge, grand café, restaurant, large meeting rooms, auditorium and service desk
- Newly built patio: lively meeting space with potential for event organising
- Acquisition adjacent vacant building for conversion into extra open space and underground car park
- Construction started 1st quarter 2017, expected delivery may 2018
- First lease agreement signed with Cazimir

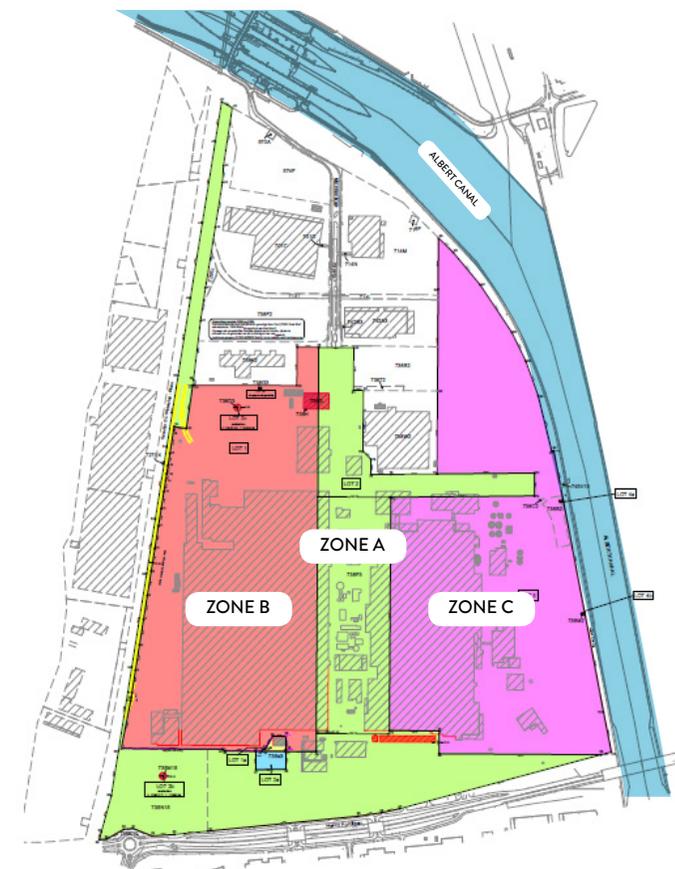
Diegem - Greenhouse BXL ▶



Important developments in 2017

Development potential of 'Genk Green Logistics'

- Selection of Genk Green Logistics as preferred bidder by Flemish Government
- Finalization of contractual agreement ongoing
- To be set up joint venture: complementary expertise
- Strategically located, large scale and tri-modal access
- Full new development project at zone B
- Phased development in five years
- Approximately 250.000 m² after full development
- Clear focus on e-commerce, also open to other logistics needs or smart manufacturing industry



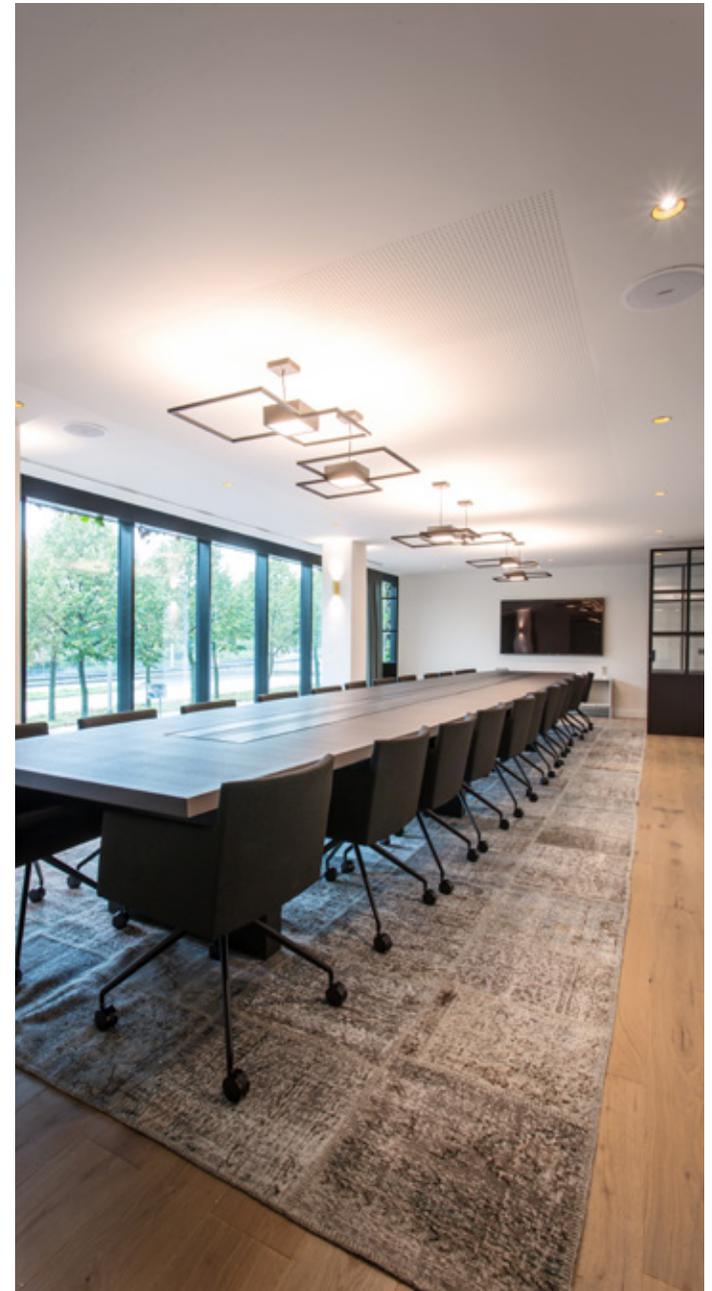
▲ Genk - Ford site layout

Important activities in 2017

Rental activity

- 22 lease agreements or 15% of the annual rental income had final expiry date in 2017 (Deloitte excl.)
- 14% extended: replaced by new lease agreements or complemented by extensions of existing lease agreements
- 7% of those extended, are short-term agreements (less than one year)
- 30 rental transactions for 83.926 m² with new or existing tenants (9% of annual rental income)
- Some 3% new tenants, for 33.554 m², and 6% relates to extensions and expansions of the existing agreements for 50.372 m²
- 26 flexible contracts for RE:flex and managed offices

Greenhouse Antwerp - Boardroom ▶



Important activities in 2017

Beyond real estate & services

- Offer added value in both segments: listening to, thinking along with and thinking ahead
- Positive reactions turn-key solutions
- RE:flex displays potential as entry formula: RE:flex user **Plat4mation becomes fixed tenant**
- Installation of **two smart charging plazas** at Mechelen Campus.
- Greenhouse Antwerp: **opening Greenhouse Boardroom**
- **Tailoring logistics spaces** to customer preferences
- **Managed offices** Greenhouse Antwerp all leased

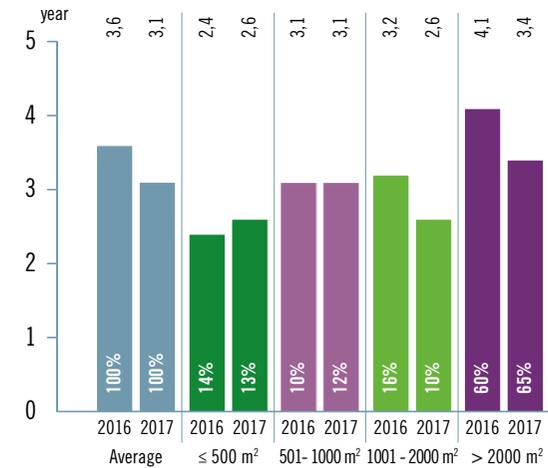
Greenhouse Antwerp - Managed offices ▶



Duration lease agreements per 31 December 2017

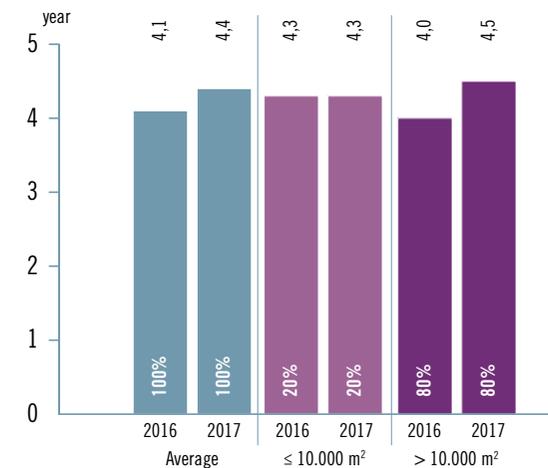
Portfolio offices

- Average remaining duration of the lease agreements in the offices portfolio: 3,1 years (3,6 years as at 31 December 2016)
- Leases > 2.000 m² (65% of the portfolio): 3,4 years (4,1 years as at 31 December 2016)



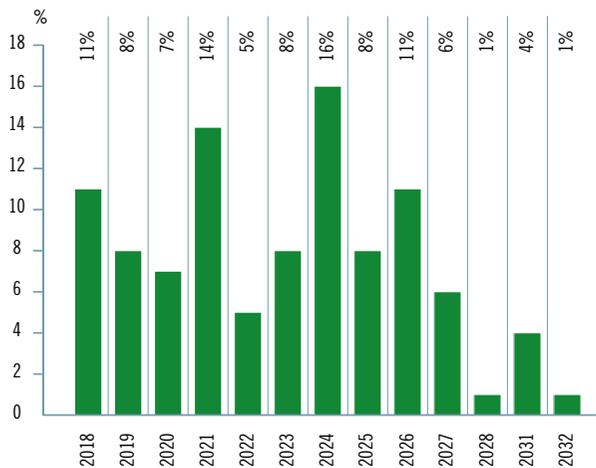
Portfolio logistics real estate

- Average remaining duration of the lease agreements in the logistics portfolio: 4,4 years (4,1 years as at 31 December 2016)
- Leases > 10.000 m² (80% of the portfolio): 4,5 years (4,0 years as at 31 December 2016)



Final expiry dates per 31 December 2017

- Final expiry dates well spread over the years
- 11% of the rental contracts has a final expiry date in 2018
- 7% are rental agreements with originally a final expiry date in 2017, being extended temporarily
- 8% of the rental contract has a final expiry date in 2019 and 7% in 2020.





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Liège - CooperVision ▶

Financial annual results 2017

Consolidated income statement

- Rental income decrease:
sale of 5 buildings June 2016 and
vacancy Greenhouse BXL (Deloitte)
- More property charges: technical
costs and larger work force
- More general costs: dedicated
management committee and
increase of staff/advisors
- Changes in fair value of investment
properties: increase offices portfolio
(€ 1,4 million) and decrease logistics
portfolio (€ -8,7 million)
- Decrease financial result: new
interest rate swaps with lower
interest rate

in thousands €	31.12.2017	31.12.2016
Rental income	43.349	45.280
Rental-related expenses	-4	-157
Property management costs and income	623	490
PROPERTY RESULT	43.968	45.613
Property charges	-6.162	-5.242
General costs and other operating income and costs	-2.729	-2.145
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	35.077	38.226
Result on disposals of investment properties	0	-12.798
Changes in fair value of investment properties	-7.274	2.425
Other result on portfolio	-89	363
OPERATING RESULT	27.714	28.216
Financial result (excl. changes in fair value)	-7.467	-9.147
Changes in fair value of financial assets and liabilities (ineffective hedges)	1.119	1.547
Taxes	-180	-34
NET RESULT	21.186	20.582
EPRA earnings	27.430	29.044
Result on portfolio	-7.363	-10.009
Changes in fair value of financial assets and liabilities (ineffective hedges)	1.119	1.547

Financial annual results 2017

Consolidated balance sheet

Non current assets € 664 million:

Fair value real estate portfolio increased by € 52 million to € 663 million:

- € 52 million acquisitions logistics buildings
- € -9 million (3%) decrease existing logistics portfolio
- € 1 million (1%) increase existing offices portfolio
- € 7 million investments and expansions

Shareholders' equity increased by 33 million or 10%:

- Contribution in kind Oevel & Aarschot € 13 million
- Contribution in kind Zellik € 14 million
- Contribution dividend rights € 9 million

Non current liabilities € 256 million:

- Long-term bank financing € 193 million
- Bond loans € 60 million
- Negative market value cash flow hedges € -2 million

Current liabilities € 64 million:

- Current financial debts € 62 million
- Trade debts € 2 million
- Deferred / accrued income € 15 million

in thousands €

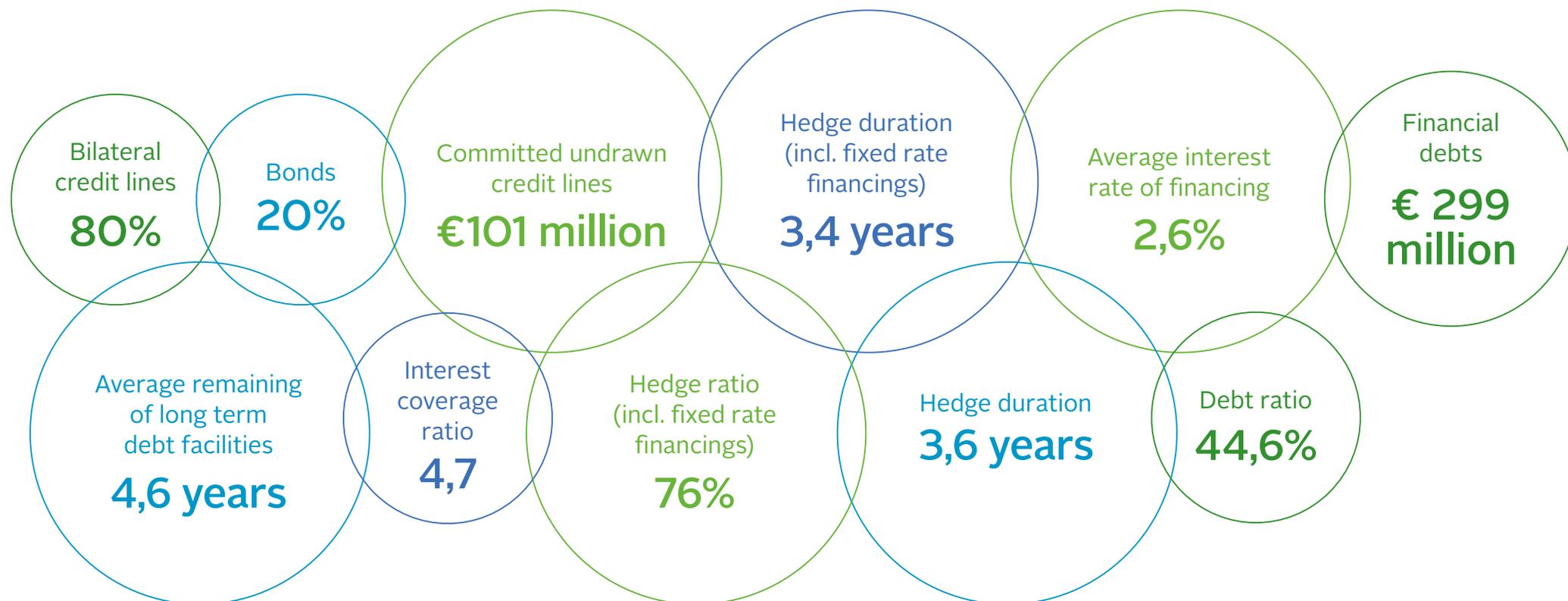
ASSETS	31.12.2017	31.12.2016
Non-current assets	663.846	612.373
Current assets	15.572	12.790
TOTAL ASSETS	679.418	625.163
SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.2017	31.12.2016
SHAREHOLDERS' EQUITY	359.366	326.085
Share capital	167.720	152.948
Share premium	111.642	90.821
Reserves	58.818	61.734
Net result financial year	21.186	20.582
LIABILITIES	320.052	299.078
Non-current liabilities	255.584	223.953
Current liabilities	64.468	75.125
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	679.418	625.163

Financial annual results 2017

Financial KPI's

DATA PER SHARE	2017	2016
Number of shares at year-end	18.405.624	16.784.521
Number of dividend-entitled shares	17.740.407	16.784.521
Weighted average number of shares	17.409.850	16.784.521
Net result (€)	1,22	1,23
EPRA earnings per share	1,58	1,73
Net value (fair value) (€)	19,52	19,43
Net asset value EPRA (€)	19,62	19,60
Market capitalisation	414	401
Share price on closing date (€)	22,49	23,90
Premium to net value (fair value) (%)	15%	23%

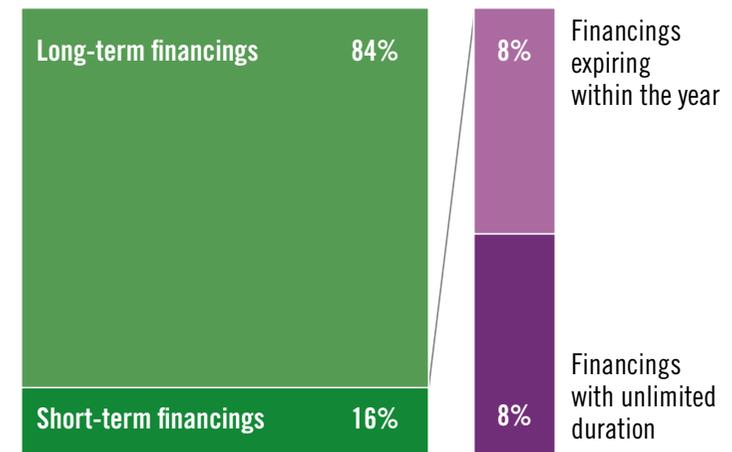
Financial structure 31 December 2017



Figures as at 31 December 2017

Financial structure 31 December 2017

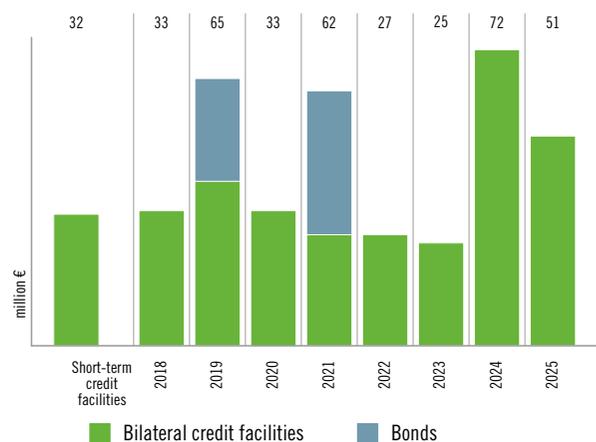
- 84% long-term financing agreements with average remaining duration of 4,6 years
- 16% short-term financing agreements, 8% consisting of financings with unlimited duration (€ 32 million) and for 8% of financings expiring within the year (€ 33 million)



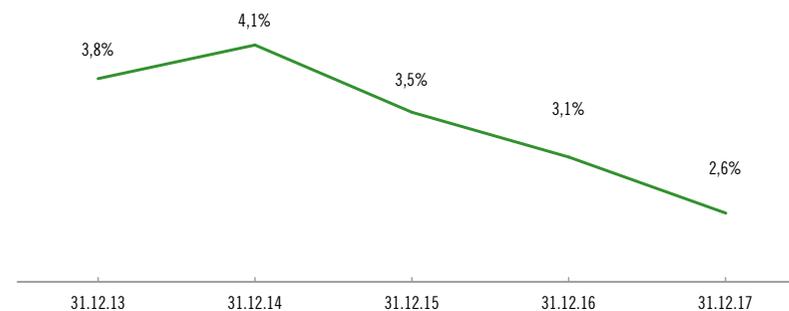
Figures as at 31 December 2017

Financial results 31 December 2017

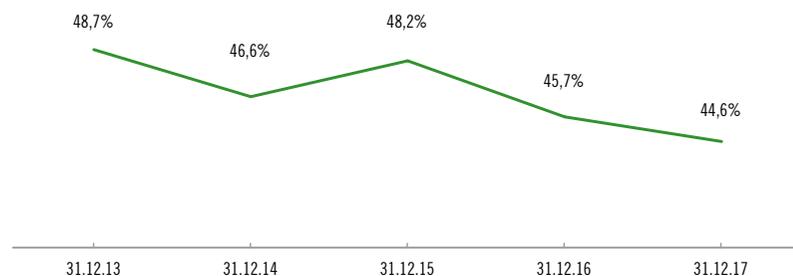
Debt maturities



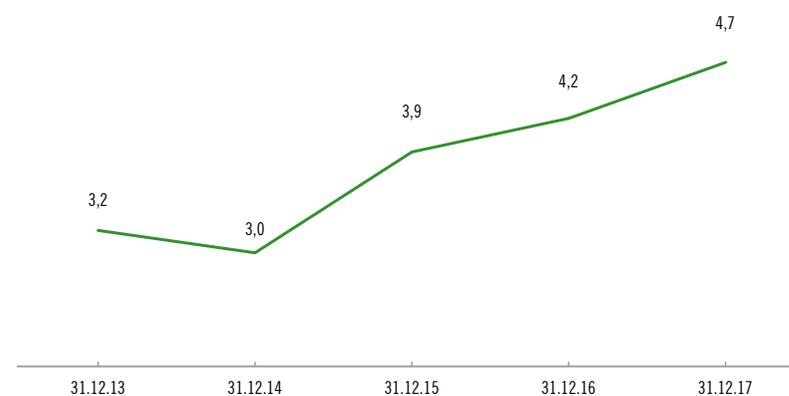
Evolution average cost of debt



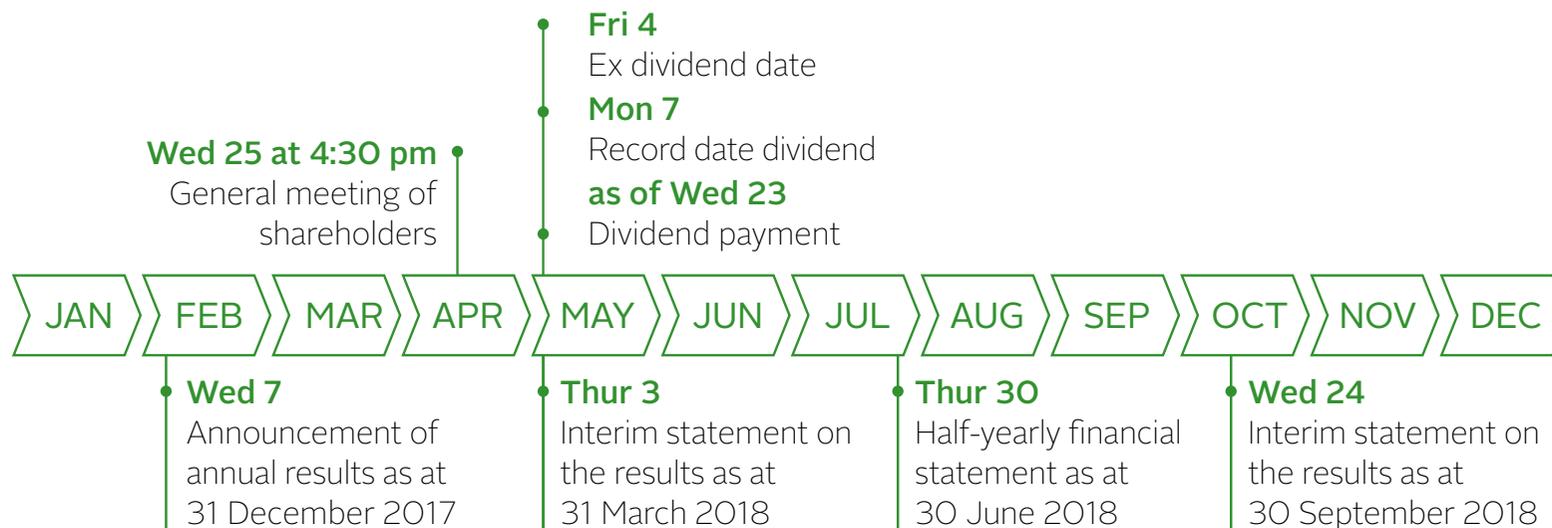
Evolution debt ratio



Evolution interest cover ratio



Financial calendar





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Mechelen Campus - RE:flex ▶

Agenda



Property market

Offices

Rental market

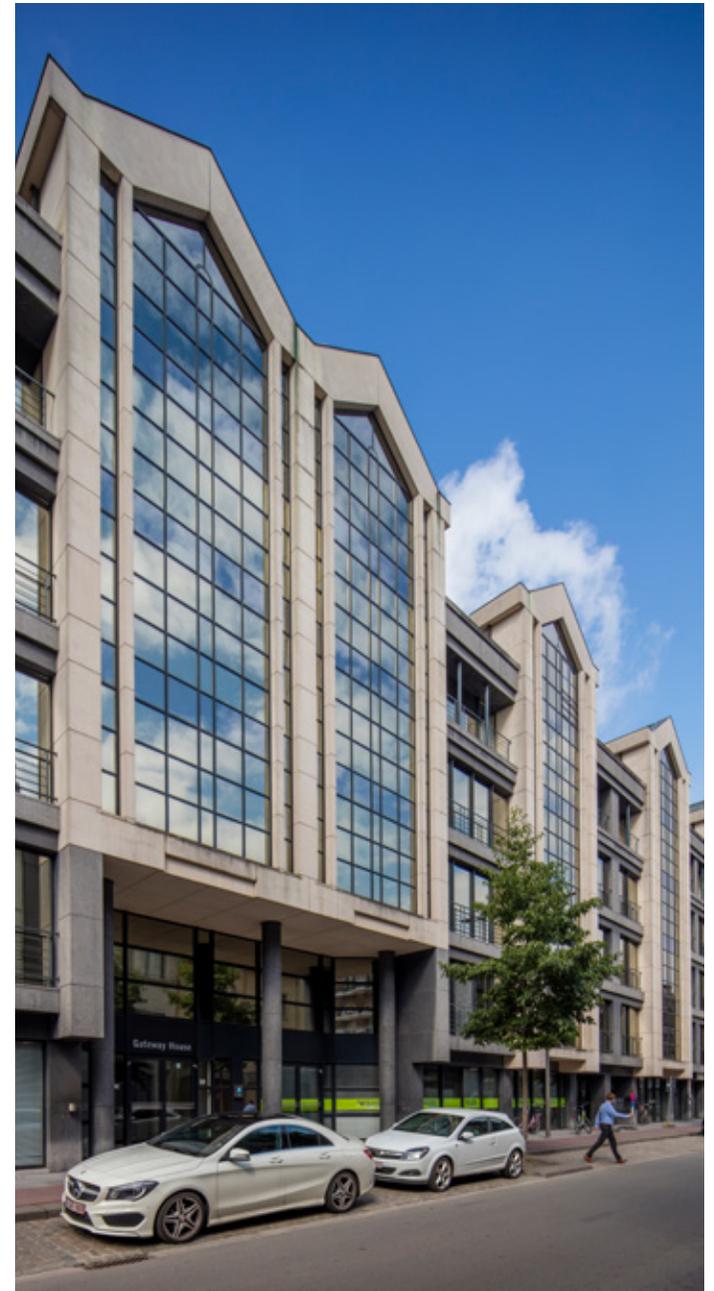
Brussels & periphery

- Brussels (including both Brabants) remains most important segment of the offices market
- Decrease of 10% due to
 - more efficient use of office space and
 - upcoming success of co-working
- In BCD and periphery +/- 10.000 m² co-working spaces created in 2016-2017
- Availability periphery below 15%, first time since 2008
- Availability surroundings airport: +/- 20%
- Take up public services: minus 20%
- Private sector: 66% of total take up

Regional markets

- Doubling of take up in Antwerp: +2/3 above 10 year average
- Local Police counts for ¼ of total take up
- Prime rent Antwerp: slight increase
- Take up Mechelen: disappointing (5.000 m²)

Antwerp - Gateway house ▶



Property market

Offices

Investment market

- Prime yields historically low like in 2016: +/- 3,65%
- In decentralised zones: +/- 7,25%

Expectations customers

- Market evolves from asset industry to services industry
- Needs are broader than m²: accessibility, atmosphere, supporting services
- Technology driven: location of place to work is less important
- Success of co-working
- Main activity remains rental of m² office space
- Owner of office space becomes director of services provisioning and made to measure solutions (turnkey solutions)
- Technical assistance and service more important than commercial

Mechelen Campus - RE:flex ▶



Property market

Logistics real estate - Belgium

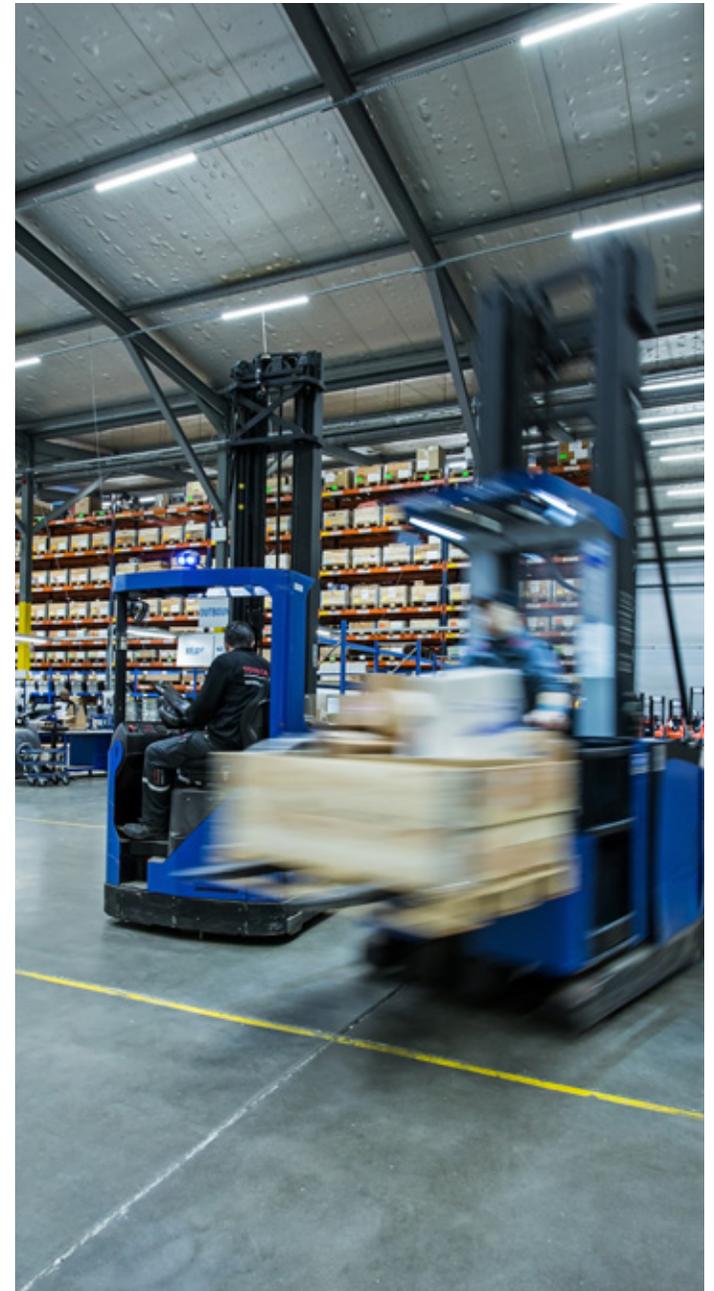
Rental market

- 42 transactions with a total of 491.000 m², decrease of +40%
- Take up compared to 5 year average 15% lower
- Transaction volume by region:
 - Flanders: 56%
 - Wallonia: 42% (doubling in size)
 - Brussels: 2%

Investment market

- Prime yields further down due to lack of investment opportunities
- Estimated at 5,75% at year end

Wilrijk - Toyota Material Handling Europe ▶



Property market

Logistics real estate - the Netherlands

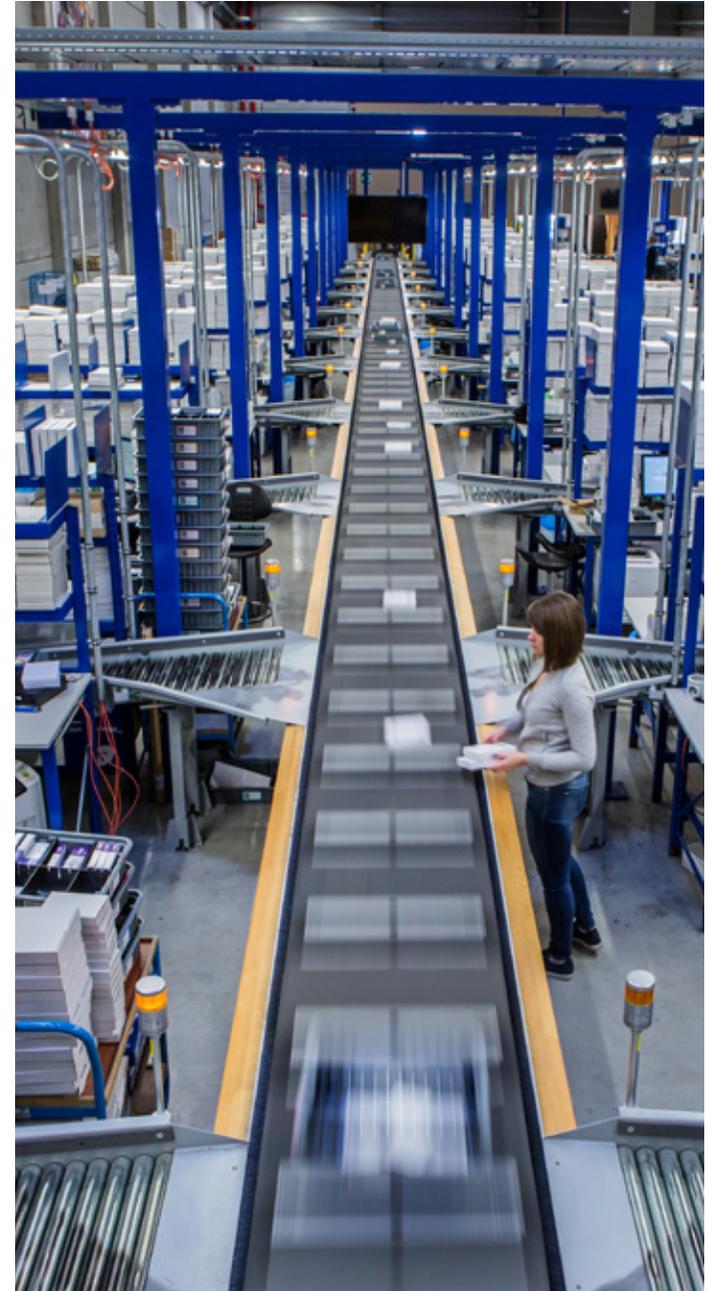
Rental market

- Record year
- Take up total industrial segment 4,5 million m² compared to 3,6 million m² in 2016
- Take up logistics segment 2,5 million m², increase of 39% vs 2016
- Vacancy rate total industrial segment: 2,8%
- Take up logistics segment larger than availability which creates need for new to built projects
- Equally influenced by positioning of the Netherlands as logistic hotspot for European distribution centres

Investment market

- Record year
- Investment volume increased with € 6,2 billion to a total of € 20,2 billion
- Previous record in 2007: € 16,5 billion
- Total industrial segment accounted for € 3,5 billion, mainly through substantial growth of e-commerce

Liège - CooperVision ▶



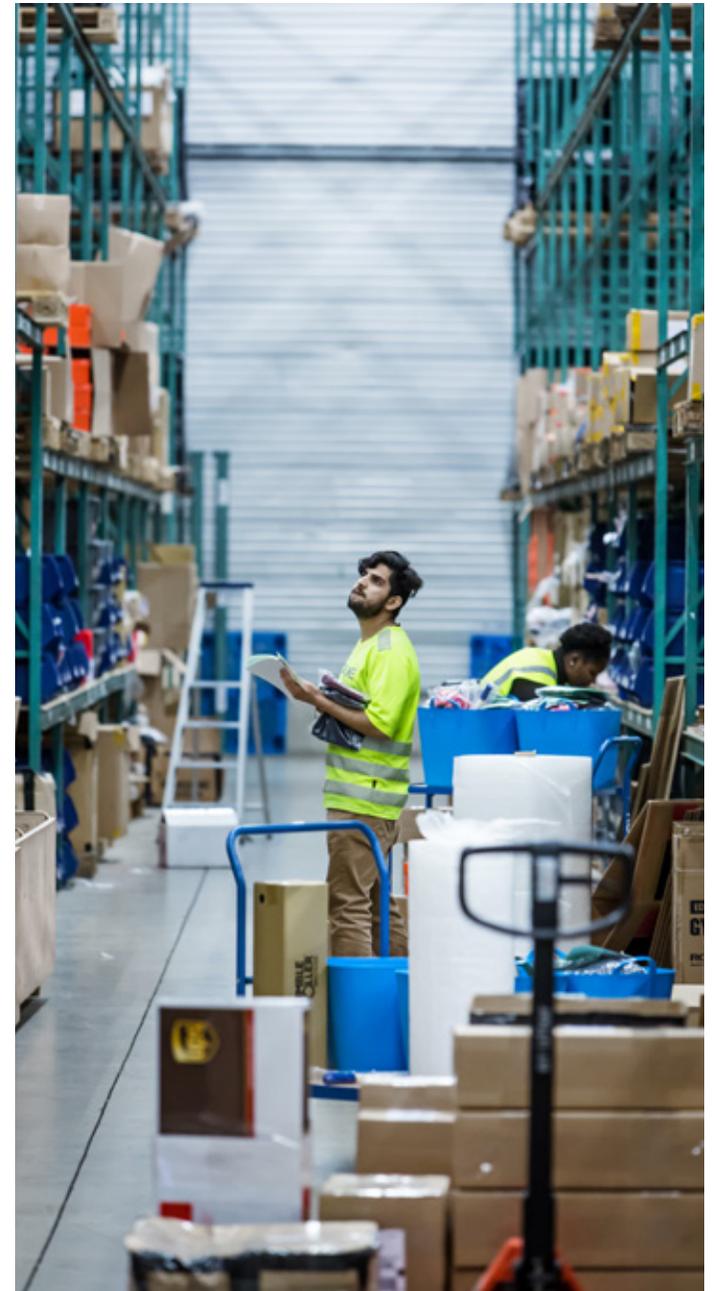
Property market

Logistics real estate

Tenants' expectations

- Closely related to tenant typology or specific tenant activity
- General: strong trend towards efficiency, scaling up and e-commerce
- Distribution centres most often on multi-modally accessible locations close to container terminals and large canals
- For Benelux: axis Amsterdam-Brussels
- European distribution centres in east of Benelux region (Dutch and Belgian Limburg and Liège)
- e-commerce will require extra facilities for cross docking and city distribution centres at the edges of urban centres

Schelle - Rogue Fitness ▶

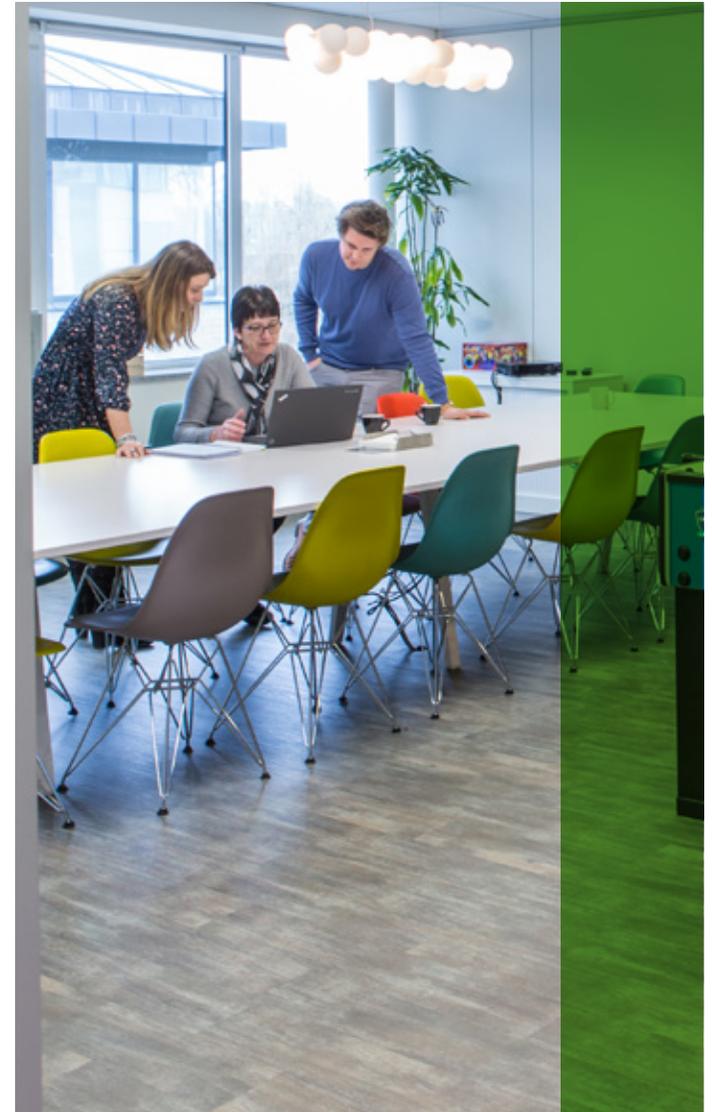




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Inter Access Park - Edwards ▶

Outlook

Growth plan

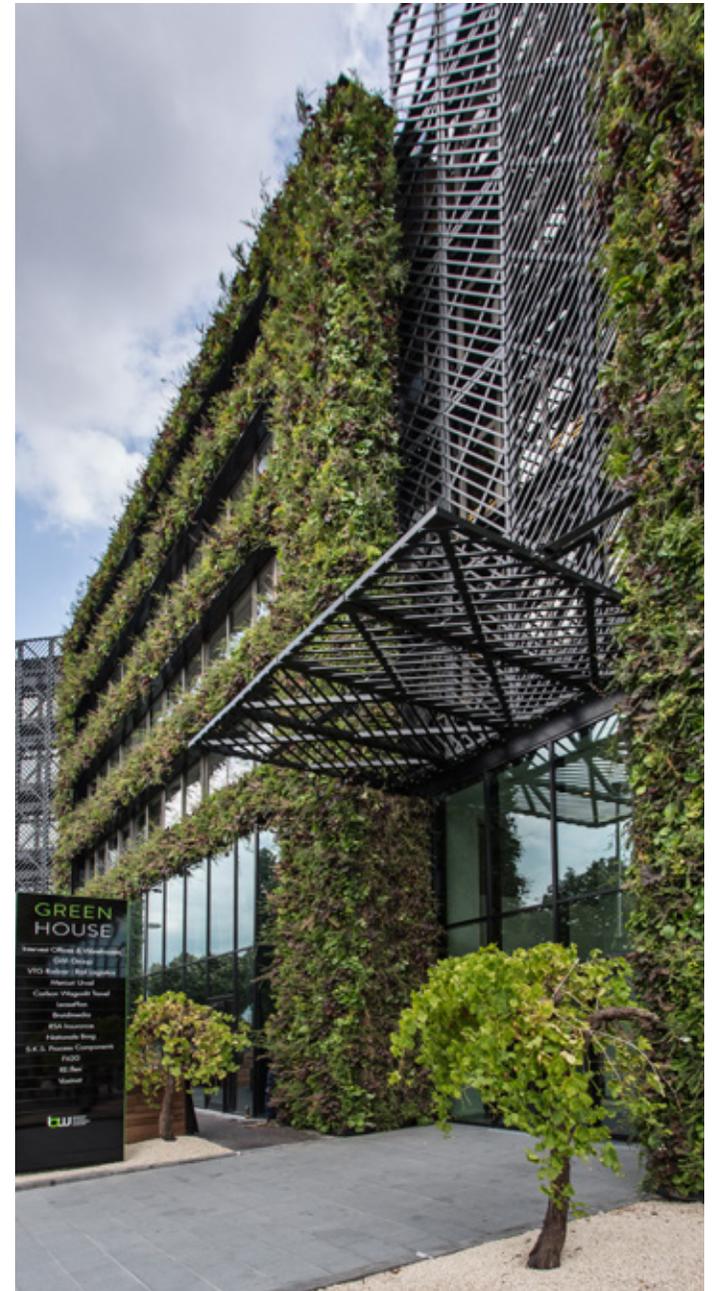
Continued focus on growth plan based on reorientation in offices portfolio and expansion of logistics real estate.

Office segment

- Examine investments with inspiring unique working environment
- Finish redevelopment Greenhouse BXL second quarter 2018

Logistics segment

- Signature letter of intent Roosendaal (NL) January 2018
- Combination of built-to-suit projects, sale-and-lease-back operations and traditional investments
- Promising pipeline
- German market is being further examined
- Genk Green Logistics: finalisation negotiations for contractual agreement with Flemish Government and start commercialisation



Greenhouse Antwerp ►

Outlook

Financing

- Only 8% of credit lines to be refinanced in 2018
- Buffer of € 101 million available to finance growth
- Debt ratio 44,6% as at 31 December 2017 means investment capacity of € 75 million
- Issues of debt instruments and shares issues to finance further growth

Letting

Increasing tenant retention by extending lease duration key challenge

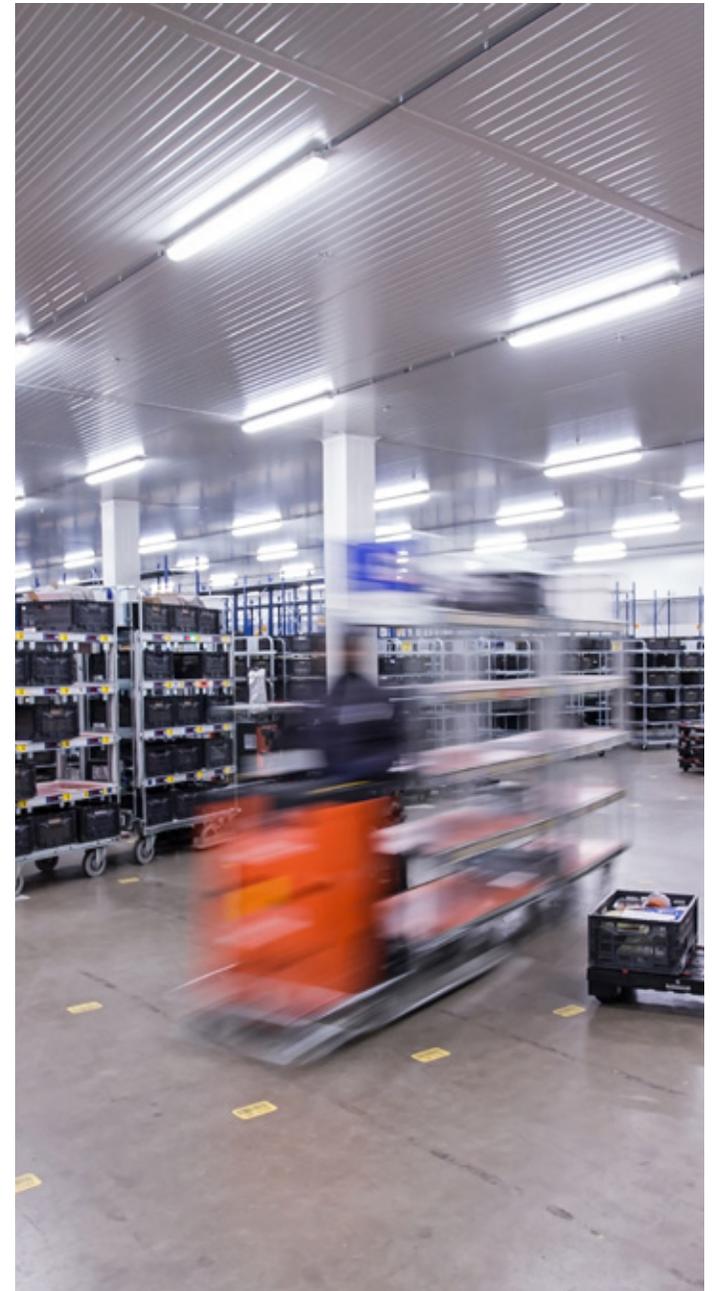
Office segment

- Further stabilisation and possible improving occupancy rate
- Keep number of leases at a stable minimum (Greenhouse BXL excl.)
- Implement turnkey solutions by new and renewed leases

Logistics segment

- Evolution occupancy rate in logistics segment depending on re-renting of Puurs and Boom.

Puurs - Delhaize Group ▶



Outlook

Gross dividend 2018

- Gross dividend of minimum € 1,40 per share for 2018

Sustainability

- BREEAM certification of buildings
- Continued installing of energy monitoring systems
- VOKA Charter of Duurzaam Ondernemen based on UN goals
- Member of Flux50: Flemish cluster of various private and public players working on projects in sustainable energy domain

Intercity Business Park - Biocartis ▶



THANK YOU



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