

PRESS RELEASE

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INTERVEST
OFFICES & WAREHOUSES

Intervest Offices & Warehouses purchases a logistics site of 26.000 m² in the Brussels periphery for € 13,8 million with a view to a complete redevelopment in 2020

As a result, the share of logistics real estate in the portfolio increases to 54%.

The transaction includes a capital increase through a contribution in kind.



“Large parcels of industrial land are not available or hardly available in the Brussels region, which makes this acquisition of older warehouse space to be redeveloped at competitive terms and conditions an opportunity. By acquiring this logistics site with potential added value after redevelopment, Intervest distinguishes itself on the Belgian market as an investor with a future vision of logistics”

JEAN-PAUL SOLS, CEO INTERVEST

Acquisition of a logistics site of 26.000 m² in the Brussels periphery with a view to completely redeveloping it in 2020.

Rationale

With the acquisition of this logistics site in the Brussels periphery, Intervest Offices & Warehouses (hereafter Intervest) continues to expand its logistics real estate portfolio.

In Belgium, Intervest's investment strategy focuses on the important logistics axes, including the Antwerp-Brussels-Nivelles axis. The acquired site is located on the Brussels periphery (in the industrial area in Zellik - Asse) near the Brussels ring road and the E40 and E19 motorways. The Brussels periphery remains a top location for Belgian logistics, both for national distribution and for rapid urban distribution.

Further to this € 13,8 million transaction, the fair value of Intervest's logistics real estate portfolio increases by approximately 4% to € 357 million, with logistics real estate now making up 54% of the total real estate portfolio of over € 660 million.

Real estate transaction

The logistics site at Brusselsesteenweg 464 in Zellik has a leasable surface area of approx. 26.000 m² and consists of 23.234 m² of storage space with 1.000 m² of office space, leased to NedCargo, a 3PL company, and a professional collection point of 1.344 m² with 336 m² of offices, which is leased to FACQ, distributor of sanitary components.

The occupancy rate of this site is currently 100%. The total annual rental income amounts to approximately € 1,1 million. This acquisition provides Intervest with a gross initial yield of approximately 8%.

A part of the site is equipped with a photovoltaic installation. This will become Intervest's property through a separate deed of purchase. This investment amounts to € 1,5 million.

The average weighted duration of the lease agreements at the site is 2,4 years to the first possibility of termination. The lease agreement with FACQ runs until May 2022, and NedCargo has the possibility of leaving the building in December 2019. The distribution centre of NedCargo no longer meets the requirements of a contemporary logistics centre and redevelopment will be necessary in 2020.

Intervest expects to accomplish at this location a new state-of-the-art construction of approximately 29.000 m² of warehouse space plus accompanying offices, after development. Taking into account the specificity of the location it will be possible to accommodate both smaller and larger entities. This redevelopment will provide Intervest with the possibility of creating added value in its own portfolio in the relatively short term.

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Structure and capital increase

The acquisition is taking place through a contribution in kind in exchange for new Intervest shares. The contributory value of this logistics site amounts to € 13,8 million, (which is in line with the valuation by the company's independent property expert).

This results in a strengthening of € 13,8 million in Intervest's shareholder equity, more specifically € 6,1 million in capital and € 7,7 million in issue premium. 665.217 new Intervest shares have been created. The issue price per share amounts to € 20,70.

Bearing in mind the dividend right for the 2017 financial year, to which the new shares are not entitled, this amounts to an issue price that is 8% higher than the net value (fair value) of Intervest as at 30 September 2017 and approximatively equal to the opening price of the share on 22 December 2017. The new shares provide an entitlement to dividend as from 1 January 2018.

This transaction has had a positive impact on the company's debt ratio, which will decrease by about 1% to approximately 45,7% (subject to, among other things, changes in the fair value of the existing real estate portfolio). With this, Intervest is creating more possibilities for additional investments in the logistics real estate segment.

CBRE acted as broker in this transaction.

Intervest Offices & Warehouses nv, (hereinafter Intervest), is a public regulated real estate company (RREC) founded in 1996 of which the shares are listed on Euronext Brussels (INTO) as from 1999. Intervest invests in high-quality Belgian office buildings and logistics properties that are leased to first-class tenants. The properties in which Intervest invests, consist primarily of up-to-date buildings that are strategically located in the city centre and outside municipal centres. The offices of the real estate portfolio are situated on the Antwerp - Mechelen - Brussels axis; the logistics properties on the Antwerp - Brussels - Nivelles and Antwerp - Limburg - Liège axis with further extensions in Belgium, the Netherlands and towards Germany. Intervest distinguishes itself when leasing space by offering more than square metres only. The company goes *beyond real estate* by offering 'turnkey solutions': a tailor-made global solution with the customer going from plans, design, coordination of works to budget monitoring.

For more information, please contact:

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