




INTERVEST

OFFICES & WAREHOUSES

BEYOND
REAL
ESTATE

ANNUAL REPORT 2017

Alternative performance measures and the term “EPRA earnings”

Alternative performance measures are criteria used by Intervest to measure and monitor its operational performance. This Annual Report 2017 uses the measures; however, 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 on the use and explanation of the alternative performance measures. The concepts which Intervest considers to be alternative performance measures are included in the last chapter of this Annual Report 2017, called “Terminology and alternative performance measures”. The alternative measures are indicated with a  and include a definition, objective and reconciliation as required by the ESMA guidelines.

A consequence of these guidelines is that the term used prior to this, “operating distributable result”, is no longer usable. For that reason, the label has been changed to “EPRA earnings”. However, with regard to content there is no difference with “operating distributable result”, the term used previously.

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. For more details on EPRA, please visit www.epra.com.



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Risk factors	4	Report of the management committee	78
History and milestones	18	The market for offices and logistics real estate	79
Key figures	22	Important developments in 2017	87
Letter to the shareholders	35	Financial results 2017	102
Report of the board of directors	40	Financial structure	108
Profile	41	Profit distribution 2017	118
Investment strategy	45	EPRA Best Practices	119
Corporate governance statement	49	Outlook 2018	126
Sustainable business and corporate social responsibility	68	Report on the share	136
		Stock market information	137
		Dividend and shares	141
		Shareholders	142
		Information pursuant to article 34 of the Royal Decree of 14 November 2007	144
		Financial calendar 2018	147



CONTENTS

Property report	150	General Information	274
Composition of the portfolio	151	Identification	275
Overview of the portfolio	166	Extract from the articles of association	278
Valuation of the portfolio by property experts	168	Statutory auditor	281
Description of the office portfolio	171	Liquidity provider	281
Description of the logistics properties	185	Property experts	281
		Property management	281
Financial report	208	RREC - legal framework	282
Index	209	RREC - tax status	283
Consolidated income statement	210	Tax system in the Netherlands	284
Consolidated statement of comprehensive income	211	Information related to the annual financial reports of 2015 and 2016	284
Consolidated balance sheet	212	Persons responsible for the registration document's content	284
Statement of changes in consolidated equity	214		
Consolidated cash flow statement	216	Terminology and alternative performance measures	288
Notes on the consolidated annual accounts	217		
Statutory auditor's report	256		
Statutory annual accounts Invest Offices & Warehouses nv	262		

Risk factors

1. Market risks
2. Operational risks
3. Financial risks
4. Regulatory risks

Most important risk factors and internal control and risk management systems

In 2017, the board of directors of Intervest Offices & Warehouses (referred to hereafter as “Intervest”) as always focused attention on the risk factors with which Intervest must contend: market risks, operational, financial and regulatory risks.

Permanent changes in the real estate and financial markets require continuous monitoring of the market, operational, financial and regulatory risks in order to safeguard the results and financial situation of Intervest.

This chapter describes the most important risks that the company faces. On the following pages, the first column states the risk. The second column describes its possible influence on the activities of Intervest, which can arise if the risk materialises. The third column provides an overview of the measures that Intervest takes in order to limit and control any potential negative impact of these risks to the highest extent possible¹.

The measures taken and the impact on the figures of these risks are described in detail in separate chapters of this Annual report.

Readers are reminded that these risks are continuously evaluated and that new risks can be identified. This list is therefore non-exhaustive and based on the information that was available at the time this report was published.

In addition, it should be noted that risk management is not an exercise that takes place with a certain frequency, but that it is integral to how the company is managed. This comprises daily financial and operational management, analysis of new investment files, formulating the strategy and objectives, but also establishing strict procedures for decision-making. Understanding of and defending against risks that arise from internal as well as external factors is essential for achieving a total return in the long term.

¹ The numbering under *Limiting factors and control* refers to the Potential impact in the adjacent column.

1. Market risks

Description of the risks	Potential impact	Limiting factors and control	Note
Economic climate Material deterioration of economic situation.	1. Decreased demand for offices, storage and distribution space. 2. Increased vacancy rate and/or lower lease rates when re-renting. 3. Decrease in fair value of the property and as a result also a decrease of the net value. 4. Possible bankruptcies of tenants.	<ul style="list-style-type: none"> Excellent location of the buildings. (2/3) Sectoral diversification of tenants and a low average contractual lease price. (4) Quality of tenant base with mainly big national and international companies and a limited annual provision for doubtful debtors. (1/4) 	Property report » 1. Composition of the portfolio
Rental market for office buildings and logistics real estate Declining demand for office buildings and logistics real estate, oversupply, weakened financial situation of tenants.	1. Rental income and cash flow affected by an increase of the vacancy rate and costs of re-rental. 2. Decreased solvency of tenant base and increase of doubtful debtors, causing a decrease in the collection ratio of rental income. 3. Decrease in fair value of the real estate portfolio, resulting in a decrease in the net value.	<ul style="list-style-type: none"> Diversified tenant base with a restriction on the maximum exposure to one tenant and good sectoral spread of tenants. (1/2) Deeply anchored in the market due to years of experience and own commercial teams. (1) Only sites at strategic logistical hubs or secondary locations with growth potential. (1/3) High level of construction-technical quality and sustainability that is in accordance with statutory norms and standards, implying versatility and multi-functionality. (1/3) Flexible real estate player who wishes to meet the changing needs of tenants. (1) 	Property report » 1. Composition of the portfolio Report of the board of directors » 2. Investment strategy
Type of real estate Decreased attractiveness of the investment properties due to matters such as deteriorating economic conditions, oversupply of certain real estate segments or changing standards for the sustainability standards of the buildings or in society.	1. Operating result and cash flow affected by lowered review of rental prices, increase of vacancy rate and commercial costs of re-rental. 2. Decrease in fair value of the investment properties and as a result also of the net value and increase of the debt ratio. 3. Not achieving the yield objectives of the investment properties.	<ul style="list-style-type: none"> Adequate sectoral and regional spread. Strategic choice for investments in the offices sector and the logistics sector. When making investment decisions, adequate sectoral spread is the aim, with a sufficient percentage of investments in liquid real estate markets, as well as a limitation of the exposure of investments in a certain place/region. (1/2/3) Proactive follow-up and years of experience. The investment properties are valued on a quarterly basis by independent property experts. In this way, trends in the real estate market become visible quickly and measures can be taken proactively. In addition, Intervest is deeply anchored in the market and possesses strong knowledge of the market stemming from years of experience and its own commercial teams. (1/2/3) 	Property report » 1. Composition of the portfolio Property report » 3. Valuation of the portfolio by property experts
Inflation An increase in economic activity leading to a general increase in prices.	1. Negative impact on the EPRA earnings and cash flow by additional financial costs (caused by a rise in the interest rates), which is higher or faster than the increase in rental income.	<ul style="list-style-type: none"> Standard clause included in the lease agreements in terms of which the indexation is linked to the heath index. (1) High level of hedging against fluctuations in interest rates by means of hedging instruments (such as Interest Rate Swaps). (1) 	Report of the management committee » Financial structure » 4.5 Hedge ratio Reputation risk ratio
Reputation risk The risk that negative publicity on the company or its employees undermines the confidence in the company's integrity.	1. Effect on the growth plans. 2. Impediment to access to the capital market.	<ul style="list-style-type: none"> Track record of over 15 years with experienced management committee having many years of experience. (1/2) Contact with all stakeholders to retain reputation. (1/2) Emphasis on acting with integrity by means of code of conduct. (1/2) 	/

Description of the risks	Potential impact	Limiting factors and control	Note
Time of investment and divestment Making a transaction (investing/divesting in real estate) entails the inherent risk that, if the transaction takes place at the wrong juncture within the economic cycle, a property could be purchased for a price that is higher than its fair value, or conversely, that it could be sold for a price that is lower than its fair value.	1. Operating result and cash flow affected by lowered review of rental prices, increase of vacancy rate and commercial costs of re-rental. 2. Decrease in fair value of the investment properties and as a result also of the net value and increase of the debt ratio. 3. Not achieving the yield objectives of the investment properties.	<ul style="list-style-type: none"> • Clear periods of economic boom lead to higher market prices which may, at a later date, be subject to negative adjustments. During this period of economic boom, a more moderate policy will be applied regarding investments. During periods of economic recession, the fair value and occupancy rate of investment properties usually decline. However, once the economy picks up again, a more active investment policy is followed in anticipation of the increasing value of investment properties and a more active rental market. In this regard, due care is taken to prevent the debt ratio of the company from rising above the legally permitted levels. (1/2/3) • Adequate sectoral and regional spread. (1/2/3) • Real estate that is to be purchased and sold must be valued before acquisition or sale by an independent property expert. (1/2/3) 	Report of the board of directors » 2. Investment strategy Property report » 1. Composition of the real estate portfolio
Deflation A decrease in economic activity leading to a general decrease in prices.	1. Decrease of rental income, among other things due to downward pressure on market lease levels and a decreased or negative indexation.	<ul style="list-style-type: none"> • Clause in most lease agreements that stipulates a minimum for the basic rent or states that negative indexation cannot take place. (1) 	/
Volatility of interest rates Future fluctuations in the leading short and/or long-term interest rates on the international financial markets.	1. Negative influence on the financial charges and thus on the cash flow in case of increased interest rates. 2. Fluctuations in the value of the financial instruments that serve to cover the debts. 3. Potential negative influence on the net value.	<ul style="list-style-type: none"> • High level of hedging against fluctuations in interest rates by means of derivative financial instruments (such as Interest Rate Swaps). (1) • Follow-up of the evolution of interest rates and monitoring its impact on the effectiveness of hedging those risks. (1) • The fluctuations in fair value of the hedging instruments concern a non-realised and non-cash item (if the products are held until due date and are not settled prematurely). (2/3) 	Report of the management committee » Financial structure » 4.5 Hedge ratio Financial report » Note 18 Financial instruments
Volatility on the financial markets External volatility and insecurity on the international markets.	1. More difficult access to the equity markets to raise new capital/equity capital and reduction of the options that concern debt financing. 2. Fluctuations in the share price. 3. Less liquidity available in the debt capital markets in relation to refinancing outstanding bond loans.	<ul style="list-style-type: none"> • Frequent dialogue with capital markets and financial counterparties as well as transparent communication with clear targets. (1/2/3) • Follow-up and management of all risks that could have a negative impact on the perception of investors and financiers of the company. (1/3) • Working towards building up long-term relationships with financial partners and investors. (1/3) 	Report of the management committee » 4. Financial structure
Share liquidity Sale of a large number of shares in the short term.	1. Decrease in the share price of the share.	<ul style="list-style-type: none"> • Agreement with a liquidity provider who makes continued efforts to increase share liquidity (1). 	General Information » 4. Liquidity provider

2. Operational risks

Description of the risks	Potential impact	Limiting factors and control	Note
Investment risk Risk of erroneous investment decisions and inappropriate policy choices.	<ol style="list-style-type: none"> 1. Operating result and cash flow affected by lowered review of rental prices, increase of vacancy rate and commercial costs of re-rental. 2. Decrease in fair value of investment properties, mainly caused by increasing vacancy rate, unpaid rents, decrease of the rental prices when concluding new lease agreements or when extending existing lease agreements, along with technical characteristics relating to real estate such as soil contamination and energy performance. 3. Decrease of the net value and increase of the debt ratio. 	<ul style="list-style-type: none"> • Internal checking measures: careful assessment of the risk profile based on market research, estimate of future yields, screening of existing tenants, study of environmental and permit requirements, analysis of tax risks, etc. (1/2/3) • Constant monitoring of changes in economic, real-estate specific and regulatory trends (for example, regarding tax legislation, regulations regarding RRECs, etc.). (1/2/3) • In accordance with article 49, §1 of the RREC Act, an independent property expert values each acquisition or sale of real estate. (2) • For each disposal, the assessment value determined by the independent property expert is an important guiding principle for the transaction value. (2) • Close supervision of the safeguards put in place during the transaction, regarding both duration and value. (1) • Technical, administrative, legal, accounting and tax due diligence for each acquisition based on continuous analysis procedures, usually with support from external specialised consultants. (1/2/3) • Experience of the management and supervision by the board of directors, during which a clear investment strategy is defined with a long-term vision and consistent management of the capital structure. (1/2/3) 	Report of the management committee » 2. Important developments in 2017 » 2.2 Investments in 2017
Negative changes in the fair value of the buildings Negative revaluation of the real estate portfolio.	<ol style="list-style-type: none"> 1. Negative influence of the net result and the net value. 2. Negative evolution of the debt ratio. 3. Impact on the ability to pay out a dividend if the cumulative variations exceed the distributable reserves. 	<ul style="list-style-type: none"> • The real estate portfolio is assessed every quarter by independent experts, so that trends become visible quickly and measures can be taken pro-actively. (1/2) • Investment policy that is aimed at high quality real estate at strategic logistical hubs and at locations with growth potential. (1) • Well diversified portfolio. (1) • Clearly defined and careful management of the capital structure. (2/3) • The fluctuations in the fair value of the investment properties relate to a non-materialised and non-cash item. (3) 	Report of the board of directors » 2. Investment strategy Property report » 3. Valuation of the portfolio by property experts

Description of the risks	Potential impact	Limiting factors and control	Note
<p>Rental risk</p> <p>The risk that a building will not be able to be rented for the previously calculated rent (which may or may not result in vacancy). This risk is influenced by the nature and location of the property, the extent to which it must compete with nearby buildings, the intended target group and users, the quality of the real estate, the quality of the tenant and the lease agreement.</p>	<ol style="list-style-type: none"> 1. Operating result and cash flow damaged by downward amendments to rental prices, increase of vacancy rate and commercial costs or re-rental, increase of property charges that are at the expense of the owner, such as service charges that cannot be passed on and property tax. 2. Decrease in fair value of the investment properties and as a result also of the net value and increase of the debt ratio. 3. Not achieving the intended yields. 	<ul style="list-style-type: none"> • Mitigating the impact of the economic situation on the results by <ul style="list-style-type: none"> ◦ Spreading the duration of lease agreements and conducting a periodic analysis of the vacancy risk by using a calendar of lease agreements' expiry dates. The company strives to maintain a balanced distribution of the duration of the lease agreements and timely anticipation of future lease terminations and agreement revisions, all in compliance with rules defined in the applicable leasing legislation. (1/3) ◦ Spreading the risk according to tenants and quality of the tenants, in order to limit the risk of bad debts and improve income stability. (1/3) ◦ Sectoral spreading of investment properties in which tenants are well spread across a large number of different economic sectors. (1/2/3) ◦ Location and quality of investment properties, with offices located on the Antwerp-Brussels axis, which is the most important and most liquid office region in Belgium, and a logistics portfolio at strategic logistical hubs in Belgium. (1/2/3) • Allocation of a risk profile to each investment property, which is regularly evaluated (based on the company's own local knowledge and data from external parties and/or property valuers). Depending on the risk profile, a certain yield must be realised over a certain period, which is compared with the expected yield based on the internal yield model. On the basis of this, an analysis is made of which objects require additional investment, where the tenant mix must be adapted and which premises are eligible for sale. (1/2/3) • Lease agreements contain protective elements such as rental deposits and/or bank guarantees of the tenants, clauses for automatic annual indexation of the rental prices in conformance with the health index and often a mandatory compensation payment from the tenant in case of early termination of the agreement. (1/3) 	<p>Property report » 1.Composition of the real estate portfolio</p> <p>Financial report » Note 4 Recovery of property charges</p>

Description of the risks	Potential impact	Limiting factors and control	Note
Cost control risk Risk of unexpected volatility and an increase in operating costs and maintenance investments.	1. Operating result and cash flow impacted, unexpected fluctuations in the property charges.	<ul style="list-style-type: none"> Periodic comparison of maintenance budgets with the current situation. (1) Approval procedures when entering into maintenance and investment obligations, in which one or multiple quotations are requested from various contractors based on the amount. The technical department then conducts a comparison of the price, quality and timing of the works. Depending on the size of the amount quoted for the works to be carried out, there are various levels of approval within the company. (1) Proactive policy regarding maintenance of the buildings and constant screening of the buildings by the technical managers and the commercial teams in their daily discussions with the tenants. (1) Timely drawing up and close monitoring of investment budgets over the long term for comprehensive renovations and upgrades. (1) 	Financial report » Note 5 Property charges
Risks relating to the deteriorated condition of the buildings and the risk of major works Risk of constructional and technical deterioration in the life cycle of buildings: the state of the buildings deteriorates due to wear and tear of various parts because of normal ageing and constructional and technical ageing.	1. Operating result and cash flow damaged by downward amendments to rental prices, increase of vacancy rate and commercial costs or re-rental, increase of property charges that are at the expense of the owner, such as service charges that cannot be passed on and property tax. 2. Maintenance and renovation costs and investments are necessary to achieve the rental price estimated beforehand. 3. Decrease in fair value of the investment properties and as a result also of the net value and increase of the debt ratio.	<ul style="list-style-type: none"> Proactive policy regarding maintenance of the buildings. (1) Constant monitoring of the investment plan in order to guarantee the quality of the portfolio. (1/2/3) Ad hoc redevelopment and renovation of outdated buildings alongside regular investments in quality and sustainability. (1/2/3) At the time of the termination of the lease agreement, the tenant (in accordance with the contractual agreements made in the lease agreement) must pay the company a refurbishment fee for rental damage. Rental damage is determined by an independent expert, who compares the incoming inventory of fixtures with the outgoing inventory of fixtures. This compensation for damages can be used to prepare the newly vacant space for occupation by the next tenant.(1) Sale of outdated buildings. (1/2/3) 	Report of the management committee » 2.Important developments in 2017 » 2.2 Investments and projects in 2017 2.4 Divestments
Insurance risk (destruction risk) The risk of inadequate insurance cover when buildings are destroyed by fire or other disasters.	1. Operating result and cash flow affected by loss of rental income and possible tenant loss. 2. Decrease in fair value of the investment properties and as a result also of the net value and increase of the debt ratio.	<ul style="list-style-type: none"> The real estate portfolio is insured for reconstruction value (which is the cost price for rebuilding to new state of the building), excluding the premises on which the buildings are located. (1/2) The insurance policies also include additional guarantees for the real estate becoming unfit for use, such as loss of rental income, costs for maintenance and cleaning up the property, claims of tenants and users and third-party claims. The lost rental income is reimbursed as long as the building has not been rebuilt. (1/2) Close supervision of the coverage and timely renewal of the insurance contracts. (1/2) 	Property report » Overview of the portfolio » 2.2 Insured value

Description of the risks	Potential impact	Limiting factors and control	Note
Debtor's risk The risk that the company decides it does not want to rent the building to a specific tenant for the rent which was estimated beforehand (resulting in a higher vacancy rate) or that the rent cannot (or can no longer) be collected due to solvency problems.	<ol style="list-style-type: none"> 1. Operating result and cash flow impacted by loss of rental income and write-off of uncollected trade receivables, as well as by an increase of the costs that cannot be passed on to the tenant due to vacancy and legal costs. 2. Decrease in fair value of the investment properties and as a result also of the net value and increase of the debt ratio. 	<ul style="list-style-type: none"> • Clear procedures for screening tenants when new lease agreements are concluded. (1/2) • Deposits or bank guarantees are always insisted upon when entering into lease agreements. In the standard lease agreement for offices, a rental deposit or bank guarantee is applied that equals 6 months of rent in value, and one that equals 4 months of rent in value for logistics buildings. (1) • Strict debtor management in order to safeguard timely collection of lease receivables and adequate follow-up of rent arrears. (1) • Rents are payable in advance on a monthly or quarterly basis. For rental charges and taxes which may be contractually passed on to the tenants, a quarterly provision is requested. (1) 	Financial report » Note 14 Current assets » Trade receivables and Note 4 Property result » Rental-related expenses
Legal and tax risks: contracts and corporate reorganisations Inadequate contracts concluded with third parties.	<ol style="list-style-type: none"> 1. Negative impact on operating result, cash flow and net value. 2. Not achieving the yield objectives of the investment properties. 3. Reputational damage. 	<ul style="list-style-type: none"> • If the complexity so requires, contracts to be concluded with third parties are checked by external consultants. (1/2/3) • Insurance against liability arising from the activities or investments by means of a third-party liability insurance that covers physical injury and material damage. In addition, the board members and members of the management committee are insured for board member liability. (1/2) • Corporate reorganisations (merger, demerger, partial demerger, contribution in kind, etc.) are always subject to due diligence activities, guided by external consultants to minimise the risk of legal and financial errors. (1/2/3) 	Property report » 2. Overview of the portfolio » 2.2 Insured value
Turnover of key staff Risk of key staff leaving the company.	<ol style="list-style-type: none"> 1. Negative influence on existing professional relationships. 2. Loss of decisiveness and efficiency levels in the management decision-making process. 	<ul style="list-style-type: none"> • Remuneration in line with the market. (1/2) • Working in teams, avoiding individuals being responsible for important and strategic tasks. (1/2) • Clear and consistent procedures and communication. (1/2) 	Financial report » Note 7 Personnel benefits

Description of the risks	Potential impact	Limiting factors and control	Note
Compliance risk The risk of an inadequate level of compliance with relevant legislation and regulations and the risk of employees not acting with integrity.	1. Negative influencing of the entire business and operations, the result, the profitability, the financial position and forecast. 2. Reputational damage.	<ul style="list-style-type: none"> Extra attention is paid to screening integrity when recruiting new staff. Awareness is created around this risk among staff, ensuring that they have sufficient knowledge about changes in the relevant legislation and regulations, supported by external legal advisers. To ensure a corporate culture of integrity, an internal code of conduct and whistle-blowing rules have been defined. (1/2) Adequate internal control mechanisms based on the "four eyes" principle. These mechanisms are intended to limit the risk of behaviour without integrity. (1/2) Presence of an independent compliance function (pursuant to article 17, §4 of the RREC Act) focused on examining and promoting compliance with the rules relating to the integrity of its business activities. The rules concern those resulting from the company's policy, the status of the company and other legal and regulatory provisions. In other words, this concerns an element of corporate culture, with an emphasis on honesty and integrity and adherence to high ethical standards in business. In addition, both the company and its employees must behave with integrity, i.e. honestly, reliably and in a trustworthy manner. (1/2) 	Report of the board of directors » 3. Corporate governance statement » 3.4 Other parties involved » Independent control functions
Risk of concentration Risk of concentration of (the activities of) the tenants or concentration of investments in one or several buildings.	1. EPRA earnings and cash flow affected by the departure of a tenant or if a specific sector is hit by economic decline. 2. Decrease in fair value of the real estate portfolio, resulting in a decrease in the net value.	<ul style="list-style-type: none"> Diversified tenant base with a restriction on the maximum exposure to one tenant and good sectoral spread of tenants. (1/2) Adequate sectoral and regional spread of the investment properties. (1/2) In accordance with the RREC Act, a maximum of 20% of the assets may be invested in real estate that forms one single property entity, with certain exceptions. (1/2) 	Property report » 1. Composition of the portfolio
IT risk Risk related to information technology, such as break-in on the IT network, cyber criminality, phishing, etc.	1. Negative impact on the functioning of the organisation. 2. Reputational damage caused by the loss of business-sensitive information. 3. Negative impact on the EPRA earnings caused by the loss of operational and strategic data.	<ul style="list-style-type: none"> Daily back-ups to limit data loss in time. (1/2/3) Preventive training on cyber criminality for the employees. (1/2/3) Investing in a secured IT environment. (1/2/3) Support for externally specialised IT-service related consultants. (1/2/3) 	/
Risk associated with internationalising the Group Risk that the investments abroad will lead to an increase in the operational and regulatory risks because of insufficient knowledge of the international context.	1. Increasing complexity of managing the daily activities (knowledge of the foreign market, physical, cultural and language barriers, etc.). 2. Increase in the regulatory risks in the various countries.	<ul style="list-style-type: none"> Relying on local consultants who provide assistance in international development relating to knowledge of the market and regulations. (1/2) Implementing the necessary structures and procedures to guarantee fluent international development (e.g. specialised acquisition team). (1/2) 	/

3. Financial risks

Description of the risks	Potential impact	Limiting factors and control	Note
Financing risk A relative increase in borrowed capital compared to shareholders' equity can result in a higher yield (known as "leverage"), but simultaneously brings increased risk.	<ol style="list-style-type: none"> 1. Being unable to meet interest and repayment obligations of borrowed capital and other payment obligations when yields from real estate are disappointing and when the fair value of investment properties decreases. 2. Not obtaining financing with new borrowed capital or only against very unfavourable terms. 3. The forced sale of investment properties against less favourable conditions in order to be able to meet payment obligations, with a negative impact on the results and net value. 	<ul style="list-style-type: none"> • Balanced ratio of shareholders' equity and borrowed capital for financing real estate while keeping the debt ratio between 45% and 50%. This may be temporarily derogated from should specific market conditions require it. (1/2/3) • A balanced spread of refinancing dates of the long-term financing with a weighted average duration ranging between 3,5 and 5 years. This may be temporarily derogated from should specific market conditions require it. (1/2) • Aiming at safeguarding access to the capital market through transparent provision of information, regular contacts with financiers and shareholders (and potential shareholders) and increasing the liquidity of the share. (1/2/3) 	Report of the management committee » 4. Financial structure
Banking covenant risk Risk of failure to comply with certain financial parameters within the framework of the credit facility agreements and to observe the legal requirements that apply to the company: the bank credit facility agreements are subject to compliance with financial ratios that mainly concern the consolidated financial debt level or the financial interest charges. These ratios limit the amount that might still be borrowed. In addition, there is a restriction on borrowing capacity due to the maximum debt ratio that the regulations on RRECs allow.	<ol style="list-style-type: none"> 1. Cancellation, renegotiation, termination or financing agreements which become due and payable at an accelerated rate by financial institutions when ratios imposed are no longer observed. 	<ul style="list-style-type: none"> • Careful financial policy with continuous monitoring in order to fulfil financial parameters. (1) • Follow-up of the changes in the debt ratio at regular intervals and prior analysis of the influence of every intended investment operation on the debt ratio. (1) • Drawing up a financial plan with an implementation scheme as soon as the consolidated debt ratio as defined in the RREC Royal Decree amounts to over 50%, pursuant to art. 24 of the RREC Royal Decree. (1) 	Report of the management committee » 4. Financial structure

Description of the risks	Potential impact	Limiting factors and control	Note
Liquidity risk Risk of insufficient cash flows not being able to meet daily payment obligations.	1. EPRA earnings and cash flow influenced by increase of the cost of debts due to higher bank margins. 2. Financing for interest payments, capital or operational costs being unavailable. 3. Impossibility to finance acquisitions or developments.	<ul style="list-style-type: none"> Limiting this risk by means of the measures mentioned under operational risks, which reduces the risk of loss of cash flows due to e.g., vacancy or tenant bankruptcy. (1) Sufficient credit margin with financiers to absorb fluctuations in liquidity requirements. In order for the company to avail itself of this credit margin, the conditions of credit facilities must be complied with on a continuous basis. (1/2/3) Constant dialogue with financing partners in order to build up a sustainable relationship with them. (2) Conservative and careful financing strategy with balanced distribution of due dates, diversification of the financing sources and financing partners. (1/2) 	Report of the management committee » 4. Financial structure » 4.1 Characteristics of the Financial structure
Interest rate risk As a result of financing with borrowed capital, the EPRA earnings and the yield are also dependent on future interest rate developments.	1. EPRA earnings and cash flow influenced by increase of the costs of debts.	<ul style="list-style-type: none"> A ratio of the borrowed capital of 20% with a variable interest and 80% of borrowed capital with a fixed interest rate when composing the credit facility portfolio. (1) Protection against the risk of increasing interest rates by using hedging instruments. Depending on how the interest rates develop, a temporary derogation is possible. (1) Aiming at a balanced distribution of interest reviewing dates and a duration of at least 3 years for long-term financing. This may be temporarily derogated from should specific market conditions require it. (1) 	Report of the management committee » 4. Financial structure Financial report » Note 18 Financial instruments
Risk associated with the use of financial derivatives In case of unfavourable market developments (for example a sharp decline in interest rates), derivatives receive a negative value in order to hedge the interest rate risk.	1. Complexity and volatility of the fair value of the hedging instruments and therefore also of the net result and net value. 2. Counterparty risk towards the party with whom the financial derivatives have been concluded (see also "Risk associated with banking counterparties").	<ul style="list-style-type: none"> Fluctuations in fair value of the hedging instruments allowed have no impact on the cash flow since these financial derivatives are kept until the due date of these contracts. Only settlement before the due date would result in extra charges. (1) All financial derivatives are only used for hedging purposes. No speculative instruments are used. (1) 	Report of the management committee » 4. Financial structure Financial report » Note 18 Financial instruments
Risk associated with banking counterparties / Credit risk The conclusion of financing contracts or the use of a hedging instrument with a financial institution gives rise to a counterparty risk if this institution remains in default.	1. EPRA earnings and cash flow impacted by additional financial costs and in some extreme circumstances termination of the refinancing contract or the hedging instrument. 2. Loss of deposits.	<ul style="list-style-type: none"> Relying on various reference banks in the market to ensure a certain diversification of sources of financing and interest rate hedges, with particular attention for the price-quality ratio of the services provided. (1/2) Regular revision of the banking relations and exposure to each of them. (1/2) Tight control of cash position so that the cash position at financial institutions is in principle limited and the cash surplus is used to reduce financial debts, unless it has already been designated for new investments. (2) 	Report of the management committee » 4. Financial structure Financial report » Note 17 Non-current and current financial debts

Description of the risks	Potential impact	Limiting factors and control	Note
<p>Risk associated with the debt capital markets</p> <p>The risk of being shut out of the international debt capital market should investors fear that the company's credit standing is too low to comply with the annual interest payment obligation and the repayment obligation on the expiry date of the financial instrument to be applied.</p> <p>Risk that the debt capital market will be too volatile to convince investors to purchase the company's bonds.</p>	<p>1. Financing of the day-to-day operations and further growth of the company being unavailable.</p>	<ul style="list-style-type: none"> Proactively maintaining good relations with current and potential bondholders and shareholders as well as with current and potential bankers by means of transparent disclosure of information, regular contacts with financiers and shareholders (and potential shareholders) and by increasing the liquidity of the share. (1) Policy to keep the debt ratio between 45% and 50% (regardless of the legal stipulation for RRECs allowing a debt ratio of 65%). (1) 	<p>Report of the management committee »</p> <p>4. Financial structure</p>
<p>Financial reporting risk</p> <p>Risk that the financial reporting of the company contains material inaccuracies that would lead to stakeholders being informed incorrectly regarding the operational and financial results of the company.</p> <p>Risk that the timing of financial reporting stipulated by regulations is not respected.</p>	<p>1. Reputational damage.</p> <p>2. Stakeholders making investment decisions that are not based on the right information, which in turn can result in claims being filed against the company.</p>	<ul style="list-style-type: none"> Each quarter, a complete closing and consolidation of the accounts is prepared and published. These quarterly figures are always analysed in detail and checked internally. (1/2) Discussion of these figures within the management committee and checking their completeness and correctness by, among others, analyses of rental incomes, operational costs, vacancy rate, leasing activities, change of the value of the buildings, outstanding debts, etc. Comparisons with forecasts and budgets are discussed. (1/2) The management committee presents the financial statements to the audit committee each quarter, along with a comparison of annual figures, budget, and explanations for derogations. (1/2) Checking of the half-yearly figures and the annual figures by the statutory auditor. (1/2) 	<p>Financial report »</p> <p>7. Statutory auditor's report</p>
<p>Financial budgeting and planning risk</p> <p>Risk that the forecast and intended growth will not be achieved due to incorrect assumptions.</p>	<p>1. Negative influence when making strategic decisions.</p> <p>2. Negative influence of the financial and operational management.</p> <p>3. Reputational damage.</p>	<ul style="list-style-type: none"> Quarterly updates on the budgeting model, including a comparison of the closing and consolidation of the accounts. (1/2/3) Testing the hypotheses in the budgeting model every quarter with any new circumstances and making adjustments where necessary. (1/2/3) Checking the budgeting model every quarter to detect any programming or human errors in good time. (1/2/3) Continuously monitoring the parameters that might influence the result and the budget. (1/2/3) 	<p>/</p>

4. Regulatory risks

Description of the risks	Potential impact	Limiting factors and control	Note
Status of public RREC (subject to the stipulations of the Act of 12 May 2014 on regulated real estate companies and the Royal Decree of 13 July 2014 on regulated real estate companies) amended from time to time. Risk of loss of recognition of the public RREC status. Exposure to the risk of future changes in the legislation governing RRECs.	<ol style="list-style-type: none"> 1. Loss of the beneficial tax system for RRECs. 2. Loss of recognition is viewed as an event that causes credit to become due before their due date. 3. Negative impact on the share price of the Intervest share. 	<ul style="list-style-type: none"> • Continuous attention of the board of directors and the management committee for regulations surrounding RRECs and retention of the public RREC status. As such, among other things the distribution requirement and funding limits are calculated or determined periodically and on an ad hoc basis when refinancing, investing and preparing the dividend proposal. (1/2/3) 	General Information » 7.RREC — legal framework
Legal and tax risks: tax-related Non-compliance with or changes to the rules required by the transparent tax regime of the RREC.	<ol style="list-style-type: none"> 1. Loss of tax status and mandatory repayment of certain credits in case of non-compliance with the rules. 2. Negative impact on the results and net value in case of any changes to the regime. 3. Reputational damage. 	<ul style="list-style-type: none"> • Constant monitoring of the legal requirements and their compliance, with the support of specialised external consultants. (1/2/3) 	General information » 7.RREC — legal framework 8.RREC — tax system
Legal and tax risks: regulation and administrative procedures The changes in regulations on urban planning and environmental protection can have an adverse effect on the long-term operation of a building.	<ol style="list-style-type: none"> 1. The strict enforcement and observance of urban planning regulations by municipal governments can negatively influence the attractiveness of an investment property and its fair value. 2. The introduction of new or stricter standards regarding soil pollution or energy consumption may have an influence on the costs incurred in order to facilitate its continued operation. 3. Negative impact on the results and the net value. 4. Not achieving the yield objectives of the investment properties. 	<ul style="list-style-type: none"> • Constant monitoring of the legal requirements and their compliance, for which, if required, specialised external consultants will be consulted. (1/2/3/4) 	/

Description of the risks	Potential impact	Limiting factors and control	Note
Changes to international accounting standards (IFRS) Changes to international reporting standards (IFRS).	1. Possible influence on reporting, capital requirements, use of derivative financial products, organisation of the company. 2. This can result in impact to transparency, on achieved yields and possibly also valuation.	<ul style="list-style-type: none"> Continuous evaluation of the changes regarding legal requirements and their compliance, with the support of specialised external consultants and the sectoral body. (1/2) 	Financial report » Note 2 Principles of financial reporting
Risk of expropriation Expropriation within the framework of public expropriations by competent government authorities.	1. Loss in value of the investments and forced sale at a loss. 2. Loss of income due to lack of reinvestment opportunities.	<ul style="list-style-type: none"> Continuous dialogue with the government in order to come to constructive solutions in the interest of all shareholders. (1/2) 	/
Changes to a variety of legislation New legislation and regulations could enter into force or possible changes in the existing legislation and regulations ¹ or their interpretation and application by agencies (including tax administration) or courts could occur.	1. Negative influence on the activities, the result, the profitability, the financial situation and the outlook.	<ul style="list-style-type: none"> Continuous monitoring of existing, any changes to or new future legislation, regulations and requirements and their compliance, with the support of specialised external consultants. (1) 	/
Dividend risk Article 617 of the Companies Code stipulates that no payout may be made if, as a result of the payout, the net assets of the company dropped or would drop to below the amount of the deposited sum, if this is higher, of the capital called for, increased by all the reserves which, according to the act or the articles of association, may not be paid out.	1. Partial or total incapacity to pay out a dividend if the cumulative negative changes in the fair value of investment properties exceed the available reserves. This leads to a lower dividend (yield) than expected for the shareholder or none at all. 2. Volatility in the share price. 3. Overall weakening of confidence in the share or in the company in general.	<ul style="list-style-type: none"> Interinvest has sufficient distributable reserves to ensure dividend distribution. (1) At least 80% of the adjusted positive net result, reduced by the net decrease in the debt burden during the course of the financial year must be paid out as return on capital. (2/3) Development of solid long-term relationships with investors and financial institutions that facilitates dialogue on a regular basis. (2/3) 	Financial report » 8. Statutory annual accounts » 8.6 Attachments to the statutory annual accounts

¹ As with existing practices within tax administration, in particular those mentioned in circular Ci.RH.423/567.729 of 23 December 2004 of the Belgian Ministry of Finances on calculating the exit tax, which, among others, specifies that the actual value of the real estate upon which the exit tax is calculated is determined by taking into account the registration fees or VAT that would be applied upon a sale of the real estate in question, which can differ from (which includes being lower than) the fair value of these assets as determined for IFRS purposes in the financial statements.

History and milestones

1996

Foundation

1999

Acquisition of the Atlas Park and Airway Park Office Buildings in the Brussels periphery

2001

Acquisition of office buildings in Antwerp, Mechelen (including Mechelen Business Tower) and the Brussels periphery (including Woluwe Garden)



2007

Acquisition of office buildings at Mechelen Campus (phase 3)

Acquisition of office building Exiten in the Brussels periphery

Divestment of 6 office buildings (such as Atlas Park and Airway Park)

Acquisition of logistics site Herentals Logistics 1



2008

Acquisition of logistics site Herentals Logistics 2

2010

Sale of office buildings in Ghent



2012

Partial redevelopment of Wilrijk 1 into Peugeot showroom

Acquisition of second logistics site in Oevel

Opening of 1st RE:flex at Mechelen Campus

2013

Construction of a new adjoining building that connects existing logistics sites in Oevel

Divestment of semi-industrial building in Kortenberg



2015

Acquisition of logistics site in Liège

Divestment of semi-industrial building in Duffel

2016

Opening of Greenhouse Antwerp, with 2nd RE:flex

Divestment of 5 non-strategic properties in the Brussels periphery

Acquisition at Generaal de Wittelaan 11C, Intercity Business Park



2002

Acquisition of logistics portfolio containing 18 properties

Acquisition of office buildings in the Brussels periphery and at Mechelen Campus (phase 1)

Acquisition of logistics sites in Puurs and Merchtem



2005

Acquisition of office buildings at Mechelen Campus (phase 2)

2011

Investment in logistics sites in Huizingen, Oevel and Houthalen

Construction of development project at Herentals Logistics 2

Divestment of semi-industrial building in Eigenlo in Sint-Niklaas

Name change, addition: "& Warehouses"



2014

Acquisition of logistics site in Opglabbeek

Divestment of semi-industrial building in Meer



2017

Acquisition of logistics sites in Oevel, Aarschot and Zellik.

New construction logistics development in Herentals 3

Acquisition of logistics sites in Tilburg and Raamsdonksveer (NL)





The background of the slide is a photograph of a large industrial warehouse. The structure is composed of blue metal beams and supports. In the foreground, a conveyor belt system is visible, with several grey trays or bins moving along it. The floor is a light-colored concrete. The lighting is bright, typical of an industrial setting. The text "THINKING ALONG WITH LONG-TERM PLANNING" is overlaid on the right side of the image in a large, blue, sans-serif font.

THINKING ALONG WITH LONG-TERM PLANNING

“Successful and quick expansion has an impact on the requirements for office and logistics space. A proactive approach in cooperation with our neighbours enabled us to secure future growth on the current location.”

Cedric Schalebroodt - Director Distribution Operations

Key Figures

1. About Intervest Offices & Warehouses
2. Real estate portfolio
3. Balance sheet information
4. Results 2017
5. EPRA Key figures
6. Financial calendar 2018

Liège - CooperVision Distribution



1. About Intervest Offices & Warehouses

Company

Intervest Offices & Warehouses (referred to hereafter as Intervest) is a public regulated real estate company (RREC) under Belgian law. The company has been listed on Euronext Brussels (INTO) since 1999. Intervest specialises in investments in office buildings and in high-quality logistics real estate. This real estate is strategically situated in good locations: the logistics real estate on the major logistics axes and the offices both in the city centre and on campuses outside the cities. As at 31 December 2017, the share of logistics real estate in the portfolio was 54% against 46% for offices.

The total leasable space amounts to 794.896 m² and represents a fair value of € 663 million. The portfolio has an occupancy rate of 86%. Occupancy rate of the portfolio without taking into account the Greenhouse BXL redevelopment project is 91%.

Intervest positions itself as a real estate company which does more than simply lease square metres. Intervest goes *beyond real estate*. By listening to the customer, brainstorming with them and making plans for the future, Intervest is able to “unburden” its customers and offer them added value.

The company is characterised by its high dividend yield and its sound financial structure.

Strategy

Intervest aims to have its real estate portfolio increase to € 800 million by the end of 2018 and, to this end, it continues to work on the strategic shift in emphasis that it launched to move towards a ratio of 60% logistics real estate and 40% office buildings.

Intervest's investment strategy is based on two pillars: increasing focus on logistics real estate and a solid grounding in the office market.

The strategy of Intervest for the logistics segment is aimed at investing in modern clustered logistics sites on locations with multimodal accessibility. The broad geographic intention of this is to maximise the synergy benefits for customers and Intervest alike.

The strategy of Intervest in the office market is targeted at investing in inspiring multi-tenant offices in easily accessible locations in the greater metropolitan areas of Flanders. Buildings where working and experience go hand in hand with a service-oriented and flexible approach to tenants.

Implementing the strategic growth plan based on the reorientation of the office portfolio and the further expansion of logistics real estate.



2. Real estate portfolio

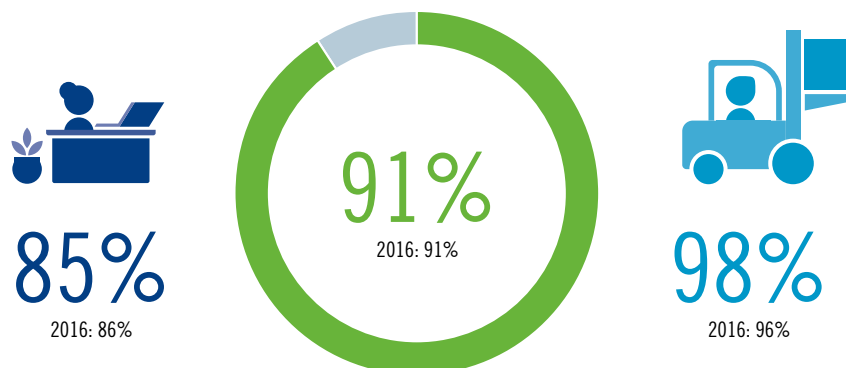
Nature of the real estate portfolio

A strategic emphasis shift to 60% logistics real estate: the ratio of the two segments at the end of 2017 is 54% logistics real estate and 46% office buildings.



Occupancy rate

As at 31 December 2017, the total occupancy rate amounted to 86%. Without the Greenhouse BXL redevelopment project, the total occupancy rate amounted to 91%, just like in 2016.



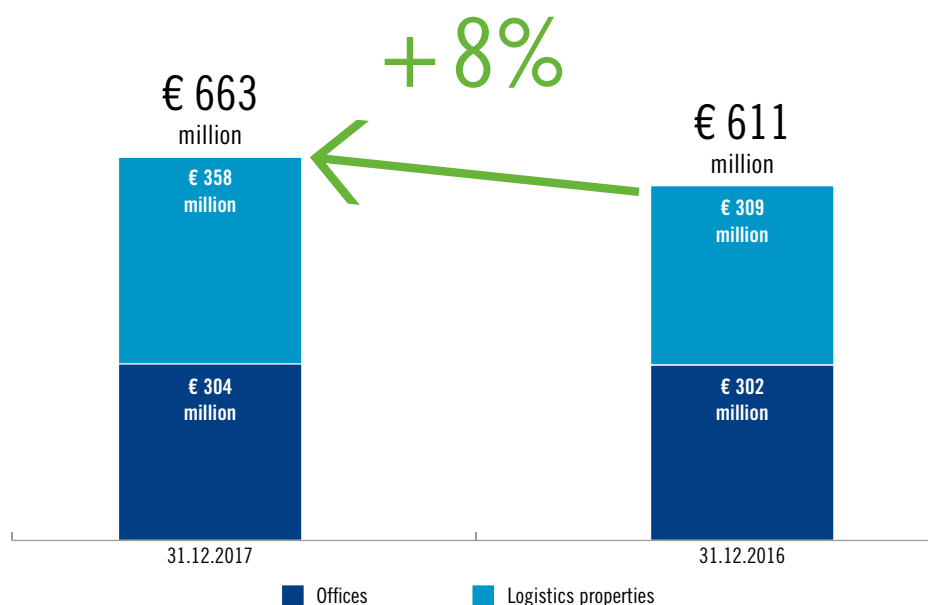
- The occupancy rate of the logistics portfolio rose by 2% to 98%.
- The occupancy rate of the office portfolio is 76%; 85% without Greenhouse BXL.

Growth in line with strategic plan

The total leasable space amounted to 794.896 m² as at 31 December 2017 (705.068 m² as at 31 December 2016).

+89.828 m²  13%

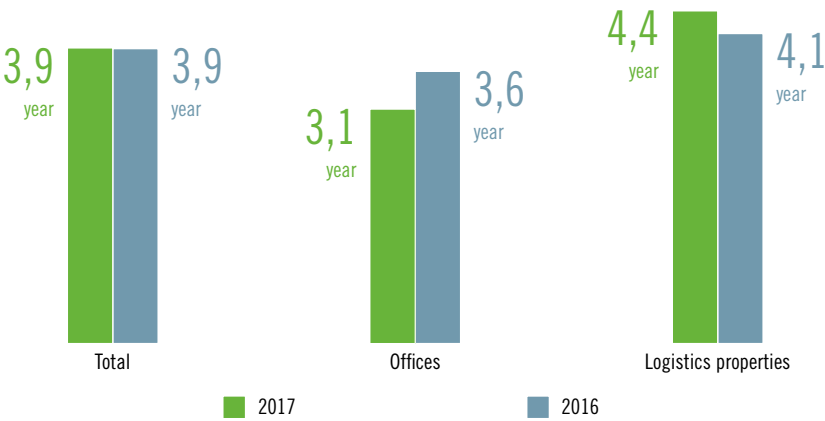
Evolution in the fair value of the investment properties from € 611 million to € 663 million as at 31 December 2017.



- Growth of 8% or € 52 million in line with the strategic growth plan, which is based on the reorientation of the office portfolio and the expansion of logistics real estate.
- Acquisition of three logistics sites in Belgium: in Oevel, Aarschot and Zellik (53.000 m²).
- The first step in the Netherlands: acquisition of a complex in Tilburg and a distribution centre in Raamsdonksveer (34.000 m²).
- Development potential of approximately 250.000 m² of logistics real estate upon the selection of Genk Green Logistics by the Flemish Government as the preferred bidder for the redevelopment of the Ford site.
- Construction work for Greenhouse BXL with third RE:flex according to plan. Commercialisation fully under way.

Average remaining duration of lease agreements

In 2017, 30 lease agreements were entered into or extended, representing 9% of the rental income.



Beyond real estate: Flexibility in both segments

In the logistics segment: anticipating changing current and future needs and building specifications.



Successful leasing of managed offices, fully equipped offices, including extensive service provision, in Greenhouse Antwerp.

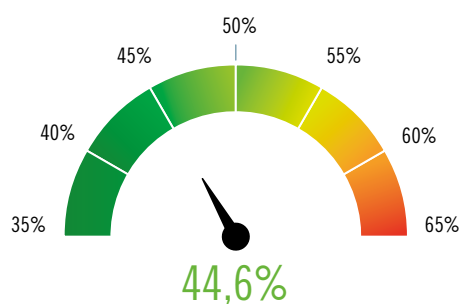


3. Balance sheet information

KEY FIGURES	31.12.2017	31.12.2016
Shareholders' equity (€ 000)	359.366	326.085
Borrowed capital (€ 000)	320.052	299.078
Debt ratio (%)	44,6%	45,7%
Market capitalisation (€ 000)	413.942	401.150

Strengthening of shareholders' equity by € 36 million through:

- € 9 million optional dividend for the 2016 financial year, with 55% of the shareholders opting for shares
- € 27 million contribution in kind of 3 logistics sites

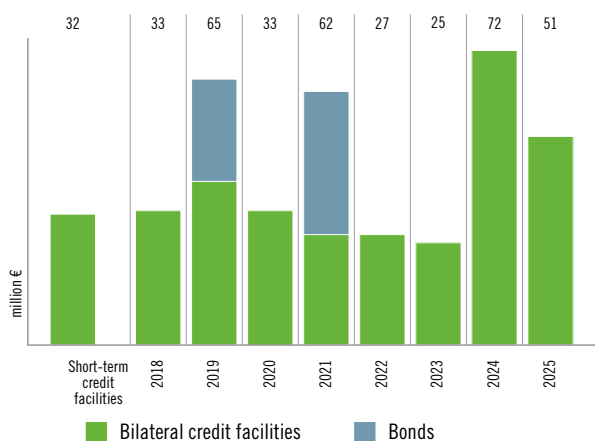


Limited debt ratio of 44,6% as at 31 December 2017 (45,7% as at 31 December 2016).

- Debt ratio of 44,6% implies an investment possibility involving borrowed capital of approximately € 75 million before reaching the top of the strategic range of 45% - 50% or approximately € 395 million without hereby exceeding the maximum debt ratio of 65% laid down for RRECs.
- Maximum debt ratio of 65% would only be exceeded if the value of the investment properties were to fall by approximately € 214 million or 32%.

KEY FIGURES PER SHARE	31.12.2017	31.12.2016
Number of shares at year-end	18.405.624	16.784.521
Number of shares entitled to dividend	17.740.407	16.784.521
Net value (fair value) (€)	19,52	19,43
Net value (investment value) (€)	20,35	20,37
Share price on closing date (€)	22,49	23,90
Premium with regard to net value (fair value) (%)	15%	23%

Expiry calendar financing



- Further optimisation of the financial structure by matters such as extending the average duration of long-term financing from 2,9 years to 4,6 years.
- Only 8% of the long-term financing needs to be refinanced in 2018.

Average interest rate of the financing

2,6% ▼ 0,5%

Decrease in average interest rate of the financing from 3,1% in 2016 to 2,6% in 2017.

4. Results 2017

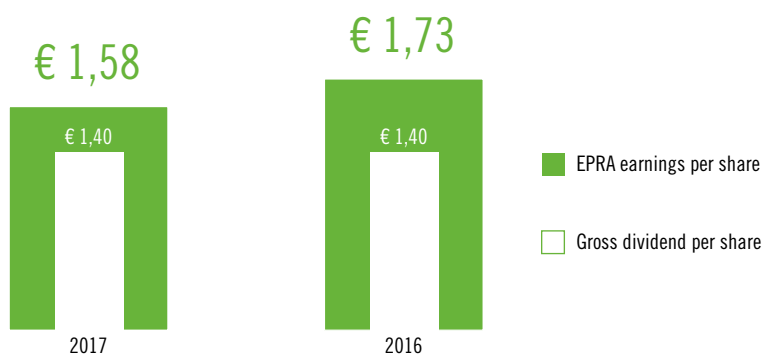
RESULTS (€ 000)	2017	2016
EPRA earnings	27.430	29.044
Result on portfolio	-7.363	-10.009
Changes in fair value of financial assets and liabilities (ineffective hedges)	1.119	1.547
Net result	21.186	20.582

RESULTS 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
EPRA earnings per share based on the weighted average number of shares (€)	1,58	1,73
EPRA earnings based on the number of dividend-entitled shares (€)	1,55	1,73
Pay-out ratio (%)	91%	81%
Gross dividend (€)	1,40	1,40
Net dividend (€)	0,98	0,98

The EPRA earnings amounted to € 1,58 per share in 2017 (€ 1,73 in 2016).



Dividend distribution: € 1,40 per share



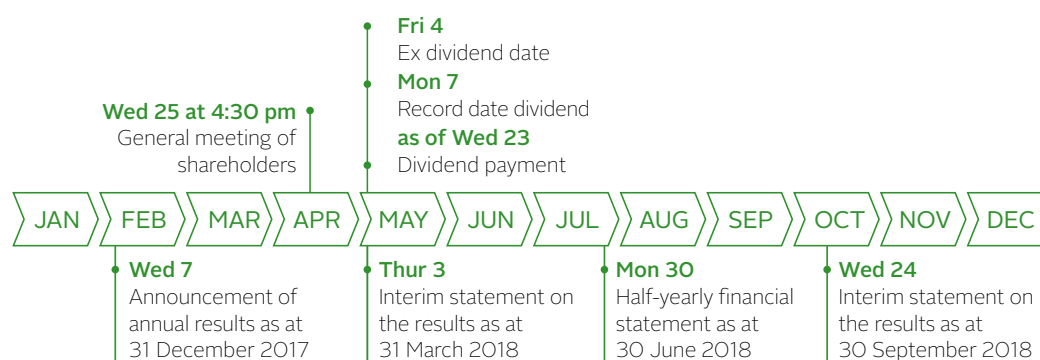
- The gross dividend of Intervest amounted to € 1,40 per share for financial year 2017, offering a gross dividend yield of 6,2% based on the share price on closing date as at 31 December 2017.
- Dividend pay-out ratio was 91% in 2017.



5. EPRA Key figures

EPRA KEY FIGURES PER SHARE	31.12.2017	31.12.2016
EPRA earnings (€)	1,58	1,73
EPRA NAV (€)	19,62	19,60
EPRA NNNNAV (€)	19,28	19,08
EPRA Net Initial Yield (NIY) (%)	6,0%	6,4%
EPRA Topped-up NIY (%)	6,2%	6,6%
EPRA Vacancy rate (%)	13,8%	9,4%
EPRA Cost Ratio (including direct vacancy costs) (%)	20,6%	16,8%
EPRA Cost Ratio (excluding direct vacancy costs) (%)	19,1%	15,8%

6. Financial calendar 2018¹



¹ Any changes to the financial calendar that might be required will be disclosed in a press release on the company website, www.intervest.be.



UNDER- STANDING AND INCORPORATING CUSTOMERS' *INDIVIDUALITY*

“Everything was refurbished just as we wanted it, which included keeping our own furniture.”

Martin Hofman - Managing Director &
Business Development Benelux





**GREEN
HOUSE**

Investment Offices & Warehouses
GVI Group
Railcar - Rail Logistics
Mercuri Unival
on Wagons Travel
LeasePlan
Media
Insurance
de Borg
Components
Capital

Greenhouse Antwerp

Dear Shareholders,

In 2017, Intervest Offices & Warehouses ("Intervest" hereafter) already made substantial **progress** in achieving its strategic growth plan, which is geared toward reorienting the office portfolio and expanding the logistics real estate portfolio.

To

€ 800 million

Fair value of real estate portfolio

€ 663 million

For

€ 59 million
of acquisitions
and expansions

2

acquisitions in
the Netherlands

Reorientation of
offices into inspiring,
innovative environments

Potential of

250.000 m²
Genk Green Logistics

More than
square metres

The company wants to **expand its real estate portfolio** to approximately € 800 million, spread over € 500 million in logistics real estate and € 300 million in offices by the end of 2018. The objective continues to be to make the strategic emphasis shift that was started a few years ago to a ratio of 60% of logistics real estate and 40% of office buildings. A shift of 15% of the offices portfolio towards the logistics real estate market has been achieved over the past 5 years. The ratio between the two segments as at the end of 2017 was 54% logistics buildings and 46% offices.

As at 31 December 2017 the fair value of the real estate portfolio amounted to **€ 663 million**, a € 52 million or 8% increase compared to the end of 2016. In 2017 the real estate portfolio expanded by approximately 90.000 m² and consisted of a total surface area of almost **800.000 m²** as at 31 December 2017.

In total, Intervest achieved a total of € 52 million **new acquisitions** and € 7 million of **expansions on existing sites** in 2017.

In **Belgium** the acquisition of the logistics sites in Oevel, Aarschot and Zellik contributed 53.000 m² to the growth of the logistics portfolio. Herentals Logistics 3, which is an own development project on one of the most important logistics corridors in Belgium, was also delivered in 2017.

Intervest's **international ambitions** are coming to fruition with the first step in **the Netherlands** through the acquisition of a complex in Tilburg and a modern distribution centre in Raamsdonksveer, both located in logistics hotspots in the Netherlands. The surface area of the Dutch portfolio amounted to 34.000 m² as at the end of 2017. In the meantime, Intervest has become known in the Netherlands as an active investor that reacts flexibly to investment opportunities, which reinforces its competitiveness for future acquisitions.

The redevelopment of Greenhouse BXL in Diegem is fully under way. This redevelopment is a perfect example of the reorientation of the **office portfolio**. The recurring theme here is **innovative, inspiring and service-oriented concepts** where working is a pleasant experience. It is expected that the building can be occupied again as from the middle of 2018. In the meantime, the first tenant is known and the candidate tenants' interest indicates that the Intervest concept meets the market's expectations.

The selection of '**Genk Green Logistics**' by the Flemish Government as the preferred bidder for the **redevelopment of the Ford site** in Genk makes for further growth potential. The Ford site is an exceptional investment opportunity because of its location, size and multi-modal accessibility. The site provides a development potential of approximately 250.000 m² of logistics buildings over a period of five years. With the complementary expertise of its partners, MG Real Estate and DEME Environmental Contractors, Genk Green Logistics, the joint venture between Intervest and Group Machiels that is to be set up, has all the trump cards in-house to develop one of the most large-scale sites into a state-of-the-art logistics reference project in Flanders.

In both its market segments, Intervest is positioning itself **beyond real estate** and is acting as a real estate partner which **does more than simply let square metres** of office or logistics space. Intervest can unburden its customers and offer them added value by listening to what they want, by thinking along with them and by thinking ahead. The many positive reactions from the customers to these **turn-key solutions** serve as an encouragement to Intervest in further expanding this approach.

In the logistics segment, this has led to anticipating changing current and future needs for space and building specifications together with the customer. For example, projects were developed in close cooperation with the customer, among others with Feeder One, Toyota Material Handling and Rogue Fitness, to adapt existing buildings to meet their specific requirements regarding interior design, layout, combination with offices, flexible spaces and the like. Developing Herentals Logistics 3 by adding the built-to-suit new construction of a new distribution centre in close consultation with the customer Schrauwen Sanitair en Verwarming is yet another example of this customer-driven approach.

*Tailoring logistics spaces
to customer preferences*

Greenhouse Antwerp, Intervest's innovating renovated office building in Berchem, is tailored to the current, new way of working, with a RE:flex space for start-ups and co-working, a vast range of flexible meeting rooms and a restaurant, the "Greenhouse Café". Managed offices, smaller and fully equipped offices that were leased in a jiffy, were also provided here during the course of 2017.

*Managed offices in
Greenhouse Antwerp
successful*

In 2017, 30 **long-term lease agreements** were entered into or extended, representing 9% of the rental income. The primary levels of the lease activity in the logistics segment are in extension and expansion. Moreover, in the office segment, 26 flexible agreements were entered into for RE:flex and managed offices in Mechelen and Berchem.

30
lease agreements
26
flexible contracts

The **occupancy rate** of the Intervest real estate portfolio was 86% as at 31 December 2017. Occupancy rate without taking into account the Greenhouse BXL **redevelopment project** was 91% as at 31 December 2017, which remained the same as compared to year end 2016. The occupancy rate for the office portfolio amounted to 76% as at 31 December 2017, and 85% without taking into account the Greenhouse BXL redevelopment project (86% as at 31 December 2016). The occupancy rate for the logistics portfolio increased by 2% as compared to 31 December 2016, to 98% as at 31 December 2017, due to the expansion of the real estate portfolio with sites that are fully let.

Occupancy rate
86%

The **fair value of the investment properties** (not taking into account investments and divestments) decreased by 1% or € 7 million in 2017. This decrease is in the logistics portfolio, and is primarily due to the expected future forecast of vacancy period in Puurs and the change of the rental situation in Wommelgem. The fair value of the office portfolio remained stable in 2017.

Fair value
-1%

The **EPRA earnings** of Intervest amounted to € 27,4 million for financial year 2017. The decrease in EPRA earnings of € 1,6 million as compared to 2016 was mainly as a result of the reduction in rental income due to the strategic reorientation in the office portfolio, and the increase in general and property costs, partly offset by new acquisitions in the logistics portfolio and the decrease in financing costs obtained through new interest rate swaps at lower interest rates.

*EPRA earnings
per share*
€ 1,58

Taking into account 17.409.850 shares (weighted average), this means that there are **EPRA earnings per share** of € 1,58 for financial year 2017, compared to € 1,73 last year.

Gross dividend

€ 1,40

Within the scope of its announced growth strategy, Intervest decided in March 2016 to plan a gross dividend of a minimum of € 1,40 per share for financial years 2016, 2017 and 2018. Therefore, we can offer you a **gross dividend** of € 1,40 for financial year 2017 (€ 1,40 for financial year 2016). This equals a pay-out ratio of 91% of the EPRA earnings. This represents a **gross dividend yield** of 6,2%, based on the closing share price as at 31 December 2017 (€ 22,49).

Duration long-term financing

4,6 years

In 2017, Intervest was successful in further optimising its **financial structure** by extending the average duration of long-term financing from 2,9 to 4,6 years by entering into new financing and extending the existing credit facilities having durations ranging from 5 up to and including 8 years for a total of € 165 million.

This (re)financing shows the confidence that financial institutions have in Intervest and its strategy. They have led to an adequate spread of the expiry calendar of the long-term financing between 2018 and 2025, while duly regarding balance between cost price, duration and diversification of the financing sources.

2,6%

average financing cost

The average duration of the interest rate swaps that Intervest has to cover its interest risk has also been extended from 2,5 years to 3,6 years by entering into new interest rate swaps for € 40 million at lower interest rates. This has caused a decrease in **average financing cost** from 3,1% in 2016 to 2,6% in 2017.

Buffer credit lines

€ 101 million

Moreover, at the end of 2017, a buffer of € 101 million of unused credit lines was available to finance the growth in 2018 with borrowed capital.

44,6%

debt ratio

This is possible as a result of the limited **debt ratio** of 44.6% as at 31 December 2017, due to which approximately € 75 million can still be invested with borrowed capital before reaching the top of the strategic range of 45%-50%.

55%

chose for optional dividend

This solid capital structure was achieved by creating € 36 million new **own shareholders' equity** by issuing 9,7% shares during the course of 2017 within the scope of three contributions in kind (logistics sites in Oevel, Aarschot and Zellik) for € 27 million and the optional dividend with a success rate of 55% for € 9 million. This reflects the market's confidence in Intervest.

You can count on us to facilitate Intervest's continued growth according to the roadmap set out. In this context, the trust that you and the clients continue to put in us is exceptionally important, as is the sustained commitment of our staff. We would like to take this opportunity to express our sincere gratitude and thanks to everyone.

The board of directors

Jean-Pierre Blumberg

Chairman of the board of directors

A blurred background image of a warehouse interior. In the foreground, a blue and yellow forklift is visible, with the word 'RUMBLE' printed vertically on its mast. The background shows tall industrial shelving units filled with various boxes and materials, creating a sense of a busy, organized storage or distribution center.

PROVIDE FLEXIBLE SOLUTIONS, EXPAND *TOGETHER*

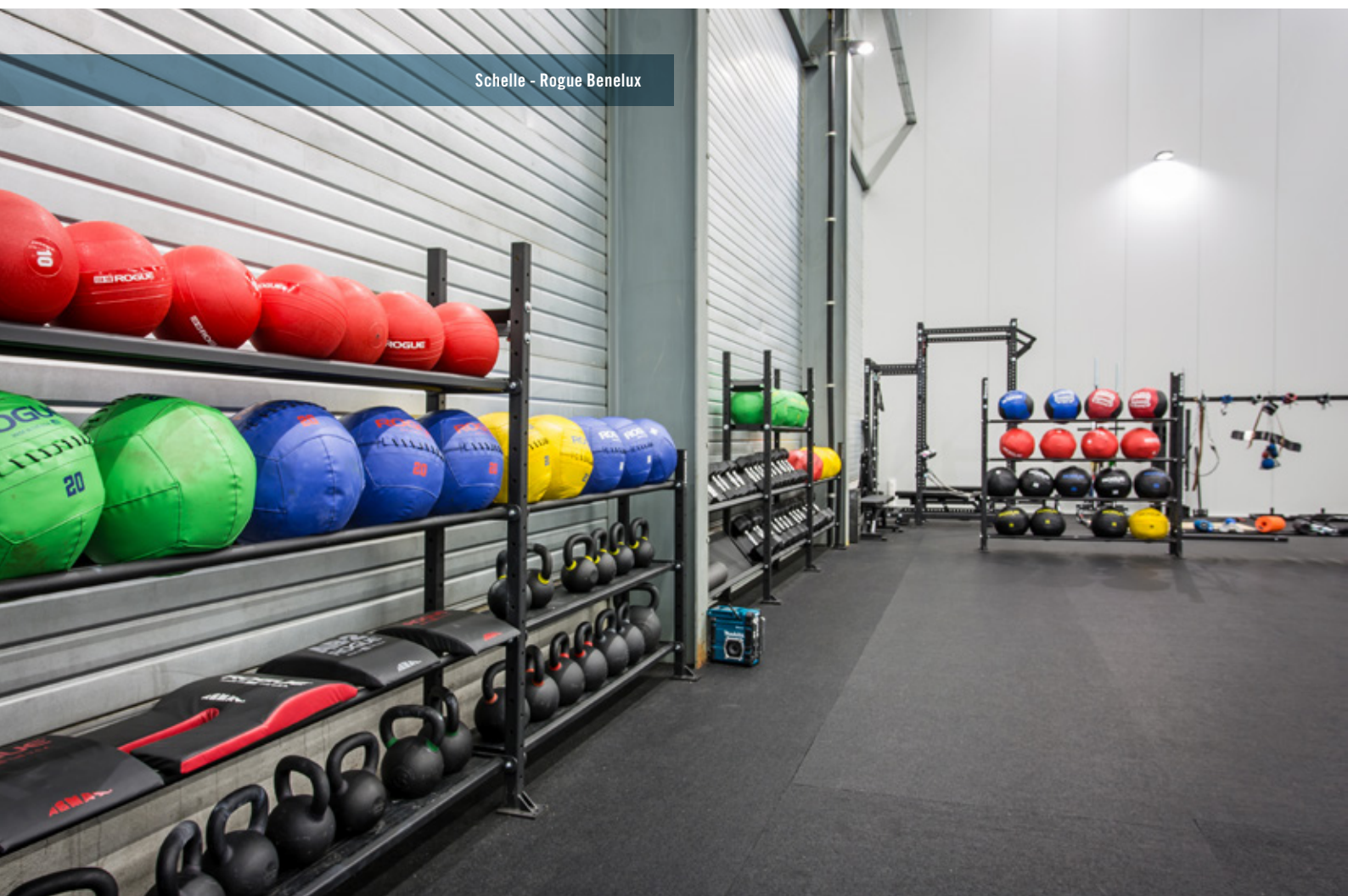
“Our site has been
substantially modernised,
taking into account our
specific needs and wishes.”

Juha Puonti - Managing Director



Report of the board of directors

1. Profile
2. Investment strategy
3. Corporate governance statement
4. Sustainable business and corporate social responsibility



Schelle - Rogue Benelux

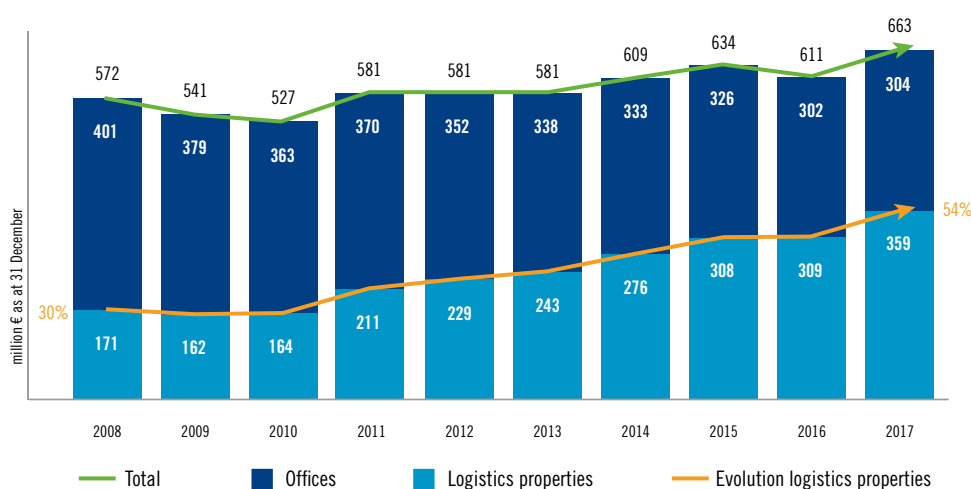
1. Profile

Intervest Offices & Warehouses nv (referred to hereafter as 'Intervest') is a public regulated real estate company (RREC) founded in 1996, of which the shares have been listed on Euronext Brussels (INTO) since 1999.

Intervest specialises in investments in office buildings and in high-quality logistics properties. This real estate is strategically situated in good locations. The office segment concentrates on the Antwerp - Mechelen - Brussels axis and is located both in the city centre and on campuses outside the city; the logistics properties are further expanding on the Antwerp - Brussels - Nivelles and Antwerp - Limburg - Liège axes, as well as in the direction of the Netherlands.

As at 31 December 2017, the portfolio comprised 46% offices and 54% logistics real estate. The total fair value of investment properties as of 31 December 2017 amounted to € 663 million.

1.1. Evolution of fair value of the real estate portfolio



As at 31 December 2017, the fair value of the real estate portfolio amounted to € 663 million and comprised 46% offices and 54% logistics real estate.

1.2. Risk spread

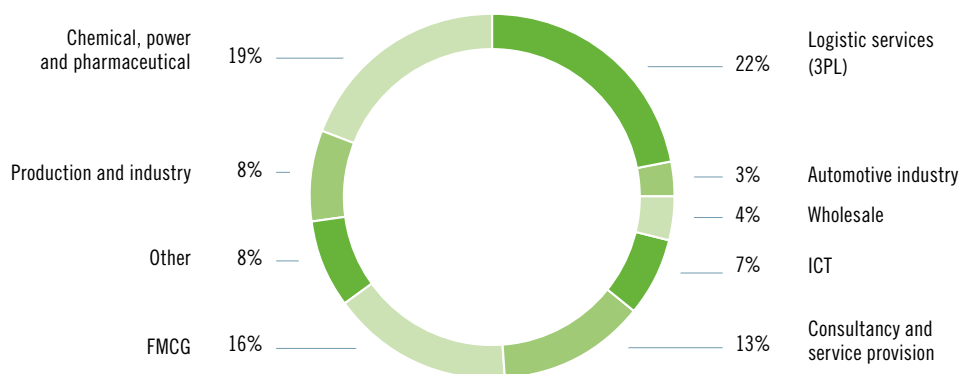
Intervest's investment strategy respects the criteria of risk diversification in the real estate portfolio based on building type, geographic location and sectoral spread of the tenants.

As at 31 December 2017 this risk spread was as follows.

Nature of the portfolio¹



Sectoral spread of the tenants²



Intervest endeavours to spread its risk in a variety of ways. For example, tenants often operate in widely divergent sectors of the economy, such as logistics, health, commerce, technology, research and development. In addition, the company takes great care to ensure that the interim expiry dates and the expiry dates of the lease agreements are well spread.

¹ Percentages based on the fair value of the investment properties as at 31 December 2017.

² Percentages based on the annual rental income.

Geographic spread of the total portfolio¹



Offices

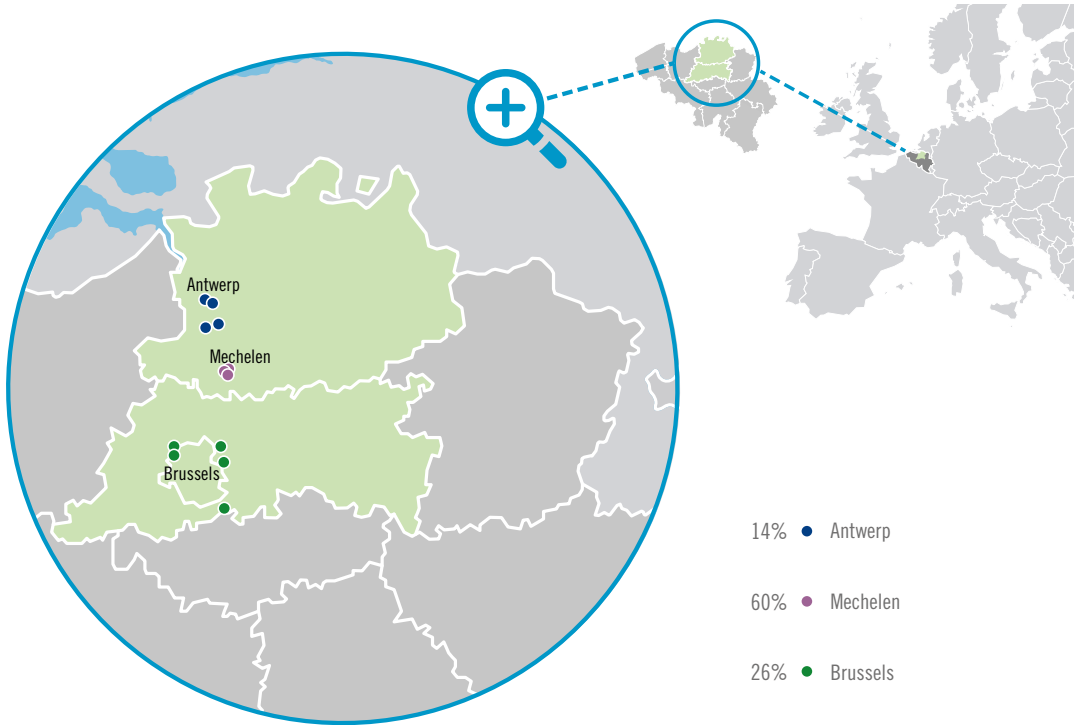
- 14% ● Antwerp
- 60% ● Mechelen
- 26% ● Brussels

Logistics properties

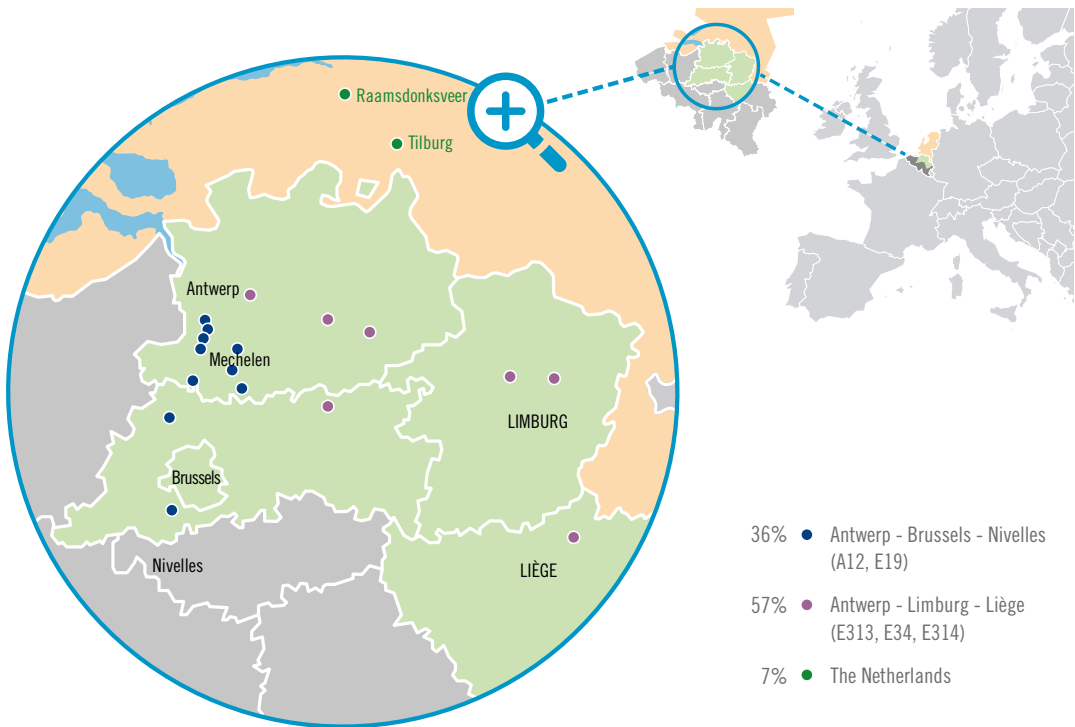
- 36% | Antwerp - Brussels - Nivelles (A12, E19)
- 57% | Antwerp - Limburg - Liège (E313, E34, E314)
- 7% ◆ The Netherlands

¹ Percentages based on the fair value of the investment properties as at 31 December 2017.

Geographic spread of offices



Geographic spread of logistics



2. Investment strategy

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

In line with this strategy, Intervest announced a strong **growth plan** in March 2016. The company is looking to expand its real estate portfolio to approximately € 800 million over a period of 3 years, so that it represents approximately € 500 million in logistics real estate and approximately € 300 million in offices by the end of 2018. In so doing, the strategic shift to a ratio of approximately **60% logistics real estate and 40% office buildings** continues to be the objective. There will be additional investments in logistics real estate at strategic locations and this will parallel the reorientation of the office portfolio, consisting of divesting non-strategic buildings and reinvesting in buildings having a distinctive character attributable to their multi-functional, architectural, sustainable and qualitative properties.

The rental markets and investment markets of office buildings and logistics real estate are subject to different dynamics. The office rental market is late-cyclical, whereas logistics real estate reacts more rapidly to **economic trends**. This means that the evolutions of office and real estate value experience different movements, which are also based on structural societal changes.

It has been proven in the past that combining the two segments generates **high dividend yield**. In future this will also continue to be one of the areas on which Intervest will focus, in addition to creating long-term value, both in the office segment and in logistics real estate.

In this regard, as a real estate partner, Intervest goes beyond investing in and merely letting square metres. The company focuses on **providing service and supplying flexible solutions** so that customers can focus on their core activities. Intervest can unburden its customers and offer them added value, *beyond real estate*, by listening to what they want, by thinking along with them and by thinking ahead.

By providing **turn-key solutions**, Intervest gives its customers the option of furnishing their space while taking into account the evolving ways of working, technological developments and the changing dynamics of their approach to the market. An in-house innovation team is responsible

for providing total tailored solutions, ranging from planning, organisation and the coordination of work to budget monitoring. Besides providing a pleasant and accessible working environment, delivering the necessary support **service provision** in both the business and private sectors is also key to “unburdening” the customer.

Intervest goes beyond real estate, beyond the square metres of office or logistics space.

A proactive **customer-oriented** service is reflected throughout the organisation. All critical functions required for the management of real estate customers and real estate are available in house: rental, finance and administration, operational services and facility management. A help-desk is available to customers 24/7 for day-to-day real estate management.

Logistics real estate portfolio: growth in logistics corridors in a radius of 150 km around Antwerp, which includes parts of both the Netherlands and Germany in the target area.

Geographically, Belgium and its neighbouring countries are optimally located as a **logistical hub in Europe**, because of the major European main ports in the Rhine Delta and the proximity of a service area with strong purchasing power within a radius of 500 km. This has also led to serious development of the logistics real estate market. Demand for logistics real estate will continue to increase as a result of overall growth in the European economy and e-commerce growth.

In Belgium, Intervest will continue to make its priority focus new acquisitions or developments on **the two most important logistics axes in Belgium**: Antwerp - Brussels - Nivelles and Antwerp - Limburg - Liège. The company already has a distinct, strong presence on these axes, making it an important discussion partner for its customers in these market segments. By further developing the positions on these axes, it is possible to anticipate the changing needs of current and new customers as regards surface area or location. Other locations in Belgium, the Netherlands and Germany connecting to these axes are also being considered.

Intervest aims to establish **building clusters**, i.e. various locations in close proximity to one another, in order to be able to offer customers efficient and optimal service provision. Not only does such clustering apply to existing locations, it will also play a role in the geographic growth of the portfolio as a logical complement to the current core areas.

The growth of Intervest in this area will be achieved by acquiring **high-quality real estate, developments of land positions preferably on multi-modal accessible locations and by developing its own portfolio**. In this way the company started developments on its own grounds in Herentals and Liège in 2016, and there are still opportunities to expand on a variety of logistics sites, among others in Opglabbeek in partnership with third parties. It is clear that such expansions offer both Intervest and current tenants major benefits in terms of synergy, thereby enabling the creation of added value.

The strategy of Intervest for the logistics segment is aimed at investing in modern clustered logistics sites on locations with multi-modal accessibility. The distinct geographic focus here is to maximise the synergy benefits for customers and Intervest alike.

Office portfolio: efficiently tapping into a changing rental market and reorientation of types of buildings

In the highly competitive environment of the office market, Intervest distinguishes itself by focusing on the constantly evolving needs of customers. They are no longer just looking for space. What they want is an **all-in-one solution** where **service provision** and **additional functionalities** make all the difference: shared meeting rooms, facilities to hold events, restaurant, gym, a general environment for experience and the like. Offering these facilities links up logically with the changing way of working and technology and the accompanying increasing need for flexibility and mobility to work anywhere and anytime.

Intervest actively taps into this by redeveloping existing office buildings with the **Greenhouse**

concept. Greenhouse is a concept that is aimed at encouraging people to meet and interact, in a professional atmosphere, with a high level of flexibility and extensive service provision while still paying due attention to well-being and energy efficiency.

With regard to the re-orientation relating to the office portfolio, Intervest will in future focus on strategic locations, both in the **city centre** and on **campuses outside the city** mainly on the Antwerp-Mechelen-Brussels axis. New investments in the office market will target buildings of a distinctive character, where working is an experience.

In the office segment, Intervest seeks to retain a critical mass. The robust development of Intervest's market position in **Mechelen** will be maintained in view of the fact that Mechelen is increasingly considered as an alternative to Brussels as a result of mounting mobility issues.

The strategy of Intervest in the office market is targeted at investing in inspiring multi-tenant offices in easily accessible locations in the greater metropolitan areas of Flanders. Buildings where working and experience go hand in hand with a service-oriented and flexible approach to tenants.

Portfolio properties

Intervest has a mixed real estate portfolio of € 663 million, which consisted of 46% office buildings and 54% logistics real estate (as at 31 December 2017).

A large portfolio clearly offers a number of benefits:

- It helps to spread the risk for the shareholders. After all, potential geographic fluctuations in the market can be absorbed by investing in real estate in different areas.
- The company is less dependent on one or a small number of major tenant(s) or project(s) and the risk is spread over a large number of tenants and properties. The tenants also operate in widely divergent sectors of the economy,

such as the pharmaceutical and computer industries, media, consultancy, telecommunications, the travel and food industries.

- The achieved economies of scale make it possible to manage the real estate portfolio more cost-efficiently. This relates, for instance, to costs of maintenance and repair, (long-term) renovation costs, consultancy fees, publicity costs, etc.
- The increase in the size of the total portfolio puts the management in a stronger negotiating position when discussing new lease terms and offering new services, alternative locations, etc.
- It makes it possible for a specialised management committee to use its knowledge of the market to pursue an innovative and creative strategy, resulting in an increase in shareholder value. It doesn't just generate growth in rental income, but also boosts the value of the portfolio itself. This kind of active management can lead to the renovation and optimisation of the portfolio, negotiations on new lease terms, an improvement in tenant quality, being able to offer new services, etc.

Every acquisition must be checked against real estate and financial criteria.

Real estate criteria:

- quality of the buildings (construction, finishing and number of parking spaces)
- location, accessibility, visibility and mobility
- quality of the tenants
- compliance with the statutory and regulatory provisions (permits, soil contamination, etc.)
- re-letting potential.

Financial criteria:

- sustainable contribution to the result per share
- exchange ratio based on investment value
- prevention of dilution of the dividend yield.

The free float of the share of Intervest was 83% as at 31 December 2017.

Share liquidity

Liquidity is determined by the extent to which the shares can be traded on the stock market. Companies with high liquidity are more likely to attract large investors, which improves growth opportunities.

High liquidity makes it easier to issue new shares (for increasing capital, contributions of property or mergers), which is also tremendously important for growth. To improve its liquidity, Intervest has concluded a liquidity agreement with ING Bank. The liquidity of most Belgian RRECs is fairly low. A major reason for this is that RRECs are often too small - in terms of both market capitalisation and free float - to gain the attention of international and professional investors.

In addition, shares in RRECs are generally purchased as long-term investments rather than on a speculative basis, which reduces the number of transactions.

MECHELEN CAMPUS



Aper' eau



Co-working conference



Rode Kruis blood collection



Opening Charging Plaza



3. Corporate governance statement

3.1. General

This corporate governance statement is in line with the provisions of the Belgian 2009 Corporate Governance Code ("2009 Code") and the Act of 6 April 2010 amending the Belgian Companies Code. The Royal Decree of 6 June 2010 stipulated the 2009 Code as the sole applicable code. This Code can be found on the Belgian Official Gazette website and at www.corporategovernancecommittee.be.

Intervest treats the Belgian Corporate Governance Code 2009 as a reference code.

Intervest's board of directors has laid down corporate governance principles in a number of guidelines:

- the Corporate Governance Charter
- the code of conduct
- the whistle-blowing rules
- the market abuse-prevention directive.

The complete Corporate Governance Charter, reviewed for the last time in July 2016, sets out the important internal procedures for the management entities of Intervest. The Corporate Governance Charter, as well as the other directives, are available on www.intervest.be.

The terms of the Belgian Corporate Governance Code 2009 may only be deviated from when specific circumstances require it.

If such an event occurs, the deviation is explained, in accordance with the 'comply or explain' principle, in the annual report. The board of directors of the company has deemed that it is sometimes justified for the company not to follow certain terms of the Corporate Governance Code 2009. According to the 'comply or explain' principle it is indeed

permitted to take into account the relatively small size and own characteristics of the company, particularly regarding the already rigid legislation relating to RRECs.

In 2017, the company deviated from the following stipulations of the Belgian Corporate Governance Code 2009 (explain):

Provisions 5.3 and 5.4 on the operation of committees (including appendices D and E)

The board of directors decided not to set up an appointment committee or a remuneration committee as the company fulfils two (average number of employees < 250 persons and annual net turnover < € 50 million) of the three criteria determined by article 526quater of the Belgian Companies Code. It is the opinion of the board that tasks of these committees are tasks of the full board of directors and this in derogation of clause 5.4/1 as recorded in Annex E of the Code 2009 which stipulates that the remuneration committee consists exclusively of non-executive directors. Consequently, the remuneration committee of the board of directors consists of all members of the board of directors. The limited size of the board makes an efficient debate on these subjects possible.

Clause 2.9 Company secretary

The board of directors has not designated a company secretary, who advises the board of directors regarding all administrative matters and takes care of the communications within and between the management entities of the company, as provided for by clause 2.9. The limited size of the company and the board of directors make such a position unnecessary.

3.2. Management entities

Board of directors

	Address	Mandate	Start	End	Attendance
Jean-Pierre Blumberg Chairperson, independent director	Plataandreef 7 2900 Schoten Belgium	First mandate	April 2016	April 2019	13/13
Chris Peeters Independent director	August Van Landeghemstraat 72 2830 Willebroek Belgium	Second mandate	April 2016	April 2019	12/13
Marleen Willekens Independent director	Edouard Remyvest 46, b1 3000 Leuven Belgium	First mandate	April 2016	April 2019	10/13
Jacqueline de Rijk - Heeren Independent director	Stationsstraat 33 2910 Essen Belgium	First mandate	April 2016	April 2019	11/13
Johan Buijs Director	IJsseldijk 438 2921 BD Krimpen a/d IJssel the Netherlands	Second mandate	April 2015	April 2018	11/13
Gunther Gielen Director	Korte Welvaart 57 3140 Keerbergen Belgium	First mandate	April 2016	April 2019	12/13

As at 31 December 2017, the board of directors comprised six members, four of whom are independent directors, all four fulfilling the conditions of article 526ter of the Belgian Companies Code.

The directors are appointed for a period of three years, but their appointment can be revoked at any time by the general meeting.

The directors are non-executive directors.



JEAN-PIERRE BLUMBERG

Chairperson, independent director

Jean-Pierre Blumberg was appointed independent director of the company by decision of the annual general meeting of 27 April 2016, with this mandate ending immediately after the annual general meeting that will be held in the year 2019 and at which the annual report of 31 December 2018 will be approved.

Employment history:

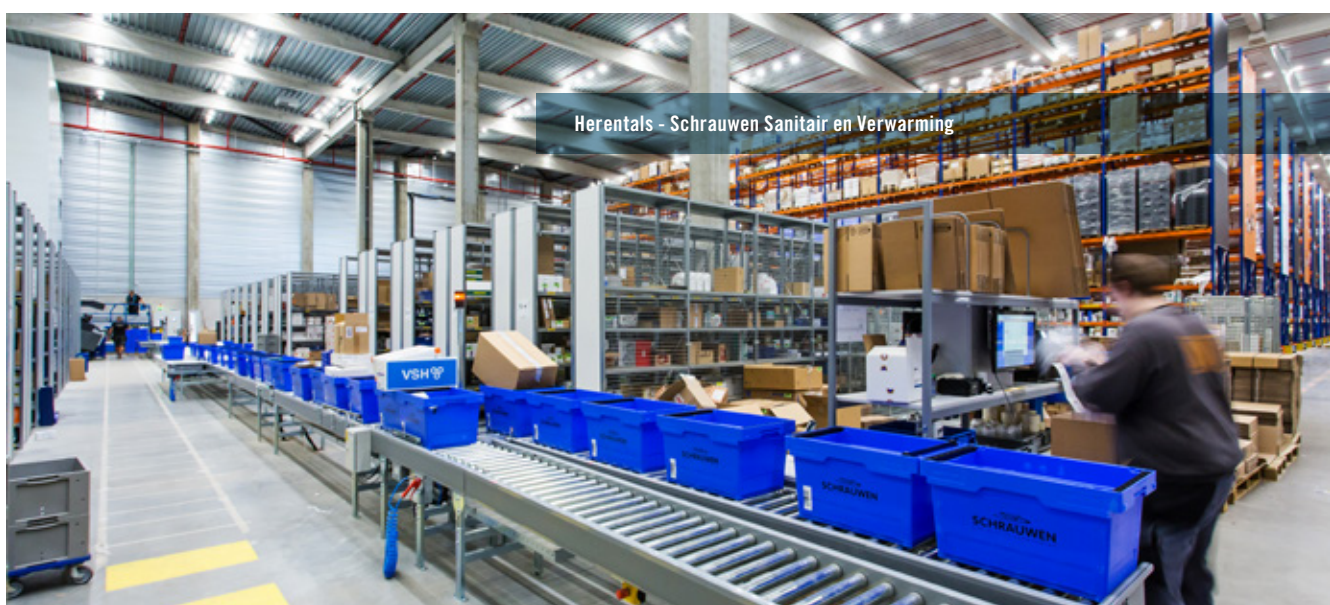
Jean-Pierre Blumberg, born in 1957, attained a licentiate in law at the KU Leuven and a Master of Laws, LL.M at Cambridge University. He started his career in 1982 as employee at De Bandt, van Hecke, Lagae (currently Linklaters), where he became partner in 1990. He was then National Managing Partner at Linklaters from 2001 to 2008. He was a member of the Executive Committee Linklaters LLP and Managing Partner Europe from 2008 to 2012. He was a member of the International Board of Linklaters LLP until 2016. In addition, he was Senior Partner in the Corporate and M&A Practice Group in Belgium and Co-head of global M&A, lecturer at the University of Antwerp, guest lecturer at the KU Leuven, ad hoc lecturer at the AMS Management School and member of the High Level Expert Group on the Future of the Belgian Financial Sector. Jean-Pierre Blumberg is an author and co-author of various articles in national and international legal and tax journals and has attained various distinctions.

Current mandates:

- chairperson of the board of directors and member of the audit committee of Intervest (listed)
- chairperson of the board of directors at Vastned Retail Belgium (listed)
- chairperson of the board of directors of TINC (listed).

Previous mandates during the past 5 years:

- Jean-Pierre Blumberg has already been an independent director of Intervest, for the period from 2001 to April 2013
- independent director of CMB (Compagnie Maritime Belge).





CHRIS PEETERS

Independent director

Chris Peeters was appointed independent director of the company in a personal capacity by decision of the annual general meeting of 27 April 2016, with this mandate ending immediately after the annual general meeting that will be held in the year 2019 and at which the annual report of 31 December 2018 will be approved.

Employment history:

Prof. Dr Chris Peeters was born in 1960. In 1982, he graduated in applied economic science (TEW, Toegepaste Economische Wetenschappen) and obtained a Ph.D. in TEW in 1990. He is affiliated with the University of Antwerp, where he teaches the courses Public Policy, Transport Economy and Logistics, and functions as an adviser for companies and government bodies both within and outside Europe. Prof. Dr Chris Peeters is an author and co-author of more than 30 books and a number of articles on strategy and policy. He is an internationally recognised expert concerning strategic decision-making and policy advice. He is the chairman/managing director and senior partner of Policy Research Corporation bv.

Current mandates:

- member of the board of directors and of the audit committee of Intervest (listed)
- chairman/managing director of J.P. Willebroek nv
- member of the advisory board of Limburgs Energie Fonds (NL)
- managing director of EMSO bvba, (European Maritime Surveys Organisation)
- chairman of the board of directors Policy Research Corporation bv
- chairman of Military Talent for Business Solutions bv
- chairman of the board of directors of vzw Cluster for Innovation in Defense, Safety and Security (Cidss.be).

Previous mandates during the past 5 years:

- member of the board of directors and of the audit committee of Vastned Retail Belgium (listed).

EMSO bvba, permanently represented by Chris Peeters, was admitted as a director as per the decision of the board of directors of 21 December 2007. As per decision of the general annual meeting of 2 April 2008, the co-opting decision of the board of directors of 21 December 2007 was enforced and EMSO bvba, permanently represented by Chris Peeters, was appointed independent director of Intervest starting from 1 January 2008, ending immediately after the general annual meeting that was held in the year 2011 and at which the annual accounts of 31 December 2010 were approved. Then, EMSO bvba, permanently represented by Chris Peeters, was reappointed independent director of Intervest by decision of the annual general meeting of 24 April 2013, with this mandate ending immediately after the annual general meeting that was held in the year 2016.

Second mandate

April 2016 - April 2019

Attendance: 12/13

Additional information about bankruptcies in which a director was involved during the past five years:

Chris Peeters is involved in the bankruptcy of Asopus Corporation nv as a managing director (date of bankruptcy: 26 September 2014) and Asopus Institute nv (date of bankruptcy: 26 September 2014). The trade activities of both of those companies concerned consultancy in the field of business management and operational management. Both companies already had a track record of almost 20 years, which in principle implied a successful business model. However, decreasing turnover and an increasingly heavy burden of expenses led to the two companies being declared bankrupt. The bankruptcy of Asopus Corporation nv and Asopus Institute nv did not lead to any liability of the boards of directors of the two companies at the date of this annual report's publishing. By way of a statement towards the company, Chris Peeters has confirmed to the company, under oath, that no error can be ascribed to the respective boards of directors in general and to him personally as a member of the respective boards of directors with regard to the bankruptcy of Asopus Corporation nv and Asopus Institute nv, and that he has not committed any grave errors that contributed to the bankruptcies of the two companies mentioned.

As a permanent representative of the managing director of nv EM, Achelos Enterprises bv, Chris Peeters is also involved in the bankruptcy of nv EM. This bankruptcy was declared on 19 November 2015. Due to the economic crisis the purchase/sale of luxury motor boats sharply declined, which ultimately led to bankruptcy of the company. Also in this context, the bankruptcy did not lead to any liability of Chris Peeters and/or the boards of directors of this company at the date of publishing this current report. Chris Peeters has confirmed to the company, under oath, that no error can be ascribed to him personally, nor as a member of board of directors with regard to the bankruptcy of nv EM.





MARLEEN WILLEKENS

Independent director

Marleen Willekens was appointed independent director of the company by decision of the annual general meeting of 27 April 2016, with this mandate ending immediately after the annual general meeting that will be held in the year 2019 and at which the annual report of 31 December 2018 will be approved.

Employment history:

Prof. Dr Marleen Willekens, born in 1965, attained a Master in Business Economics at Ghent University (1987) and then started her career in the financial sector, as an intern at Bank Brussels Lambert. She decided to start working in the academic world in 1989, where she attained a Ph.D. in Industrial and Business Studies at the University of Warwick. After having attained her doctorate, she was appointed lecturer in the Accountancy research group of the Faculty of Economics and Business at the KU Leuven in 1995, where she has been a full professor since 2009. She was professor at Tilburg University from 2006 to 2008 and she has also been a part-time professor of Auditing at the BI Norwegian Business School in Oslo since 2012. Marleen Willekens gives lectures on subjects such as Auditing, Financial Accounting and Accounting for managers at the KU Leuven, and gives guest lectures at numerous universities abroad, in MBA and executive programmes. She is also an author and co-author of various articles and books in the field of auditing and accounting. She has received various awards, both locally and abroad for her research in this field.

Current mandates:

- member of the board of directors and chairwoman of the audit committee of Intervest (listed)
- member of the board of directors and chairwoman of the audit committee of Aedifica (listed)
- chairwoman of the Dutch jury (NL3) of the examination board of qualifying examinations for statutory auditor.

Previous mandates during the past 5 years:

- member of the board of directors and former vice-chairwoman of the ICCI (Information Centre for Auditing)
- independent director DCL (Paris).





JACQUELINE DE RIJK – HEEREN

Independent director

Jacqueline de Rijk - Heeren was appointed independent director of the company by decision of the annual general meeting of 27 April 2016, with this mandate ending immediately after the annual general meeting that will be held in the year 2019 and at which the annual report of 31 December 2018 will be approved.

Employment history:

Jacqueline de Rijk - Heeren was born in 1952. She followed the professional skills training course for national and international professional goods transport and then trained as transport specialist of hazardous substances at the Stichting Scheepvaart en Transportonderwijs (Shipping and Transport College foundation). Since 1994, she has held the position of director/manager at Jan de Rijk nv (trade name Jan de Rijk Logistics). Since 1995 she has been a director at Euroute Holding nv and since 2005 she has been director at Europand bv and Euroroute Investment bv. She has been a member of the Economic Board West Brabant of REWIN West Brabant regional development company since the second half of 2017.

Current mandates:

- member of the board of directors of Intervest (listed)
- board member and treasurer of Nederland Distributieland
- vice-chairwoman of the sector council of the National and International Road Transport Organisation foundation
- board member of the Multimodaal Coördinatie- en adviescentrum Brabant (Multi-modal Coordination and Advice Centre Brabant).

Previous mandates during the past 5 years:

- director of Europand Eindhoven bv.

First mandate

April 2016 - April 2019

Attendance: 11/13





JOHAN BUIJS

Director

Johan Buijs was appointed non-independent director of the company as per decision of the extraordinary general annual meeting of 27 October 2011, for a term that ended immediately after the general annual meeting that was held on 29 April 2015. Subsequently, Johan Buijs was reappointed non-independent director of the company by decision of the annual general meeting of 29 April 2015, with this mandate ending immediately after the annual general meeting that will be held in the year 2018 and at which the annual report of 31 December 2017 will be approved. Until April 2016, Johan Buijs was a non-independent executive director and de facto manager of Intervest.

Second mandate

April 2015 - April 2018

Attendance: 11/13

Employment history:

Johan Buijs, born in 1965, studied civil engineering at the Delft University of Technology. He started his career in 1989 as a structural engineer at the D3BN Civil Engineers consultancy. Afterwards, he worked as a structural engineer/project manager at Royal Haskoning and as a project manager and director of D3BN Rotterdam and manager of D3BN infrastructure. He continued his career as the head of the building department and, as of January 2005, as statutory director of Wereldhave Management Holding bv. In 2006, Johan Buijs was appointed statutory director of Wereldhave nv. He was the general manager leading NSI nv until August 2016. He currently works as ceo and co-founder of Spark Real Estate bv.

Current mandates:

- member of the board of directors of Intervest (listed)
- member of the board of statutory auditors of Stadsherstel Historisch Rotterdam nv
- member of the board of statutory auditors of Matrix Innovation Centre.

Previous mandates during the past 5 years:

- director at IVBN, the Vereniging van Institutionele Beleggers in Vastgoed (Association of Institutional Real Estate Investors), the Netherlands.





GUNTHER GIELEN

Director

Gunther Gielen was appointed director of the company as representative of the shareholder Belfius. The appointment was ratified by decision of the annual general meeting of 27 April 2016, with this mandate ending immediately after the annual general meeting that will be held in the year 2019 and at which the annual report of 31 December 2018 will be approved.

Employment history:

Gunther Gielen, who was born in 1973, attained a business engineering degree at the KU Leuven, followed by a Master of Finance at the University of Antwerp. From 1997 to 1999 he was an analyst of advanced financial products and derivatives at Bacob. From 1999 to 2002 he was an equity analyst at Artesia Banking Corporation. From 2002 to 2006 he was senior risk manager of equities and real estate at Dexia and from 2006 to 2010 he was principal risk manager of ALM equities and real estate. From 2010 to 2013 he was head of the expertise centre risk management equities and real estate at Dexia conso (later Belfius conso). From 2013 to 2014 he was head of portfolio management at Belfius Insurance Invest. Since May 2014 he has held the position of Managing Director of Belfius Insurance Invest.

Current mandates:

- member of the board of directors of Intervest (listed)
- member of the board of directors of Auxipar (Belgium, holding company specialised in energy, pharmaceutical and financial shareholding)
- member of the board of directors of Technical Property Fund 2 SPICAV (France, logistics real estate)
- member of the board of directors of Coquelets S.A. (Belgium, real estate)
- member of the board of directors of Legros-Renier Les Amarantes Seigneurie de Loverval S.A. (Belgium, real estate)
- member of the board of directors of LFB S.A. (Belgium, real estate)
- member of the board of directors of Immo Malvoz SPRL (Belgium, real estate)
- member of the board of directors of Immo Zeedrift (Belgium, real estate)
- member of the board of directors of Belfius Insurance Invest
- member of the board of directors of L'Economie Populaire (Belgium, pharmacies)
- member of the board of directors of ImmoActivity S.A. (Belgium, real estate).

Previous mandates during the past 5 years:

- member of the board of directors of Promotion Leopold
- member of the board of directors of AIS Consulting.

First mandate

April 2016 - April 2019

Attendance: 12/13



Operation of the board of directors

To the extent necessary, it is specified that, during the past five years, not one of the directors:

- has been convicted in relation to fraud-related offences
- in his or her capacity as member of a board, management or supervisory body, or, as member of a board, has been involved in a bankruptcy, suspension of payment or liquidations, with the exception of Chris Peeters as outlined above
- has been the object of official and publicly voiced accusations and/or sanctions imposed by legal or supervisory authorities, or declared unfit by a legal institution to act as the member of a board, management or supervisory body of an issuing institution or unfit to act in the context of the management or performance of activities of an issuing institution.

There are no family relations extending to the second degree of kinship among the members of the board of directors.

The board of directors held thirteen meetings during the year 2017. The most important agenda items that the board of directors deliberated and decided upon in 2017 were:

- approval of the quarterly, half-yearly and annual figures
- approval of the annual accounts and statutory reports
- approval of the budgets for 2017 and the business plan for 2018
- discussion of the real estate portfolio (including investments and divestments, tenant matters, valuations and the like)
- capital increases within the framework of the authorised share capital by contribution in kind of three logistics sites
- capital increase by the issue of an optional dividend within the framework of the authorised capital.

Since the Act of 28 July 2011¹, quotas have been imposed in Belgium in order to ensure that women have a seat on the board of directors of listed companies (Article 518 of the Belgian Companies Code). As a result, Intervest ensured that at least one third of the members of the board of directors are female. In 2016, the composition of its board of directors was thoroughly analysed as a result of the then modified shareholders' structure. The profiles and competences needed and preferred were established based on this analysis, and suitable board members were selected.

Audit Committee

Three independent directors had a seat on the audit committee in 2017:

- Marleen Willekens (chairwoman) (attendance 5/5)
- Jean-Pierre Blumberg (attendance 5/5)
- Chris Peeters (attendance 5/5).

These independent directors fulfil all nine of the independence requirements of article 526ter of the Belgian Companies Code in 2017. The duration of their appointment on the audit committee has not been specified but coincides with the period of the director's mandate.

The audit committee is charged with following assignments:

- monitoring of financial reporting
- supervision of the internal control
- monitoring of the statutory audit of the annual accounts and the consolidated annual accounts, including the monitoring of questions and recommendations formulated by the statutory auditor
- assessment and monitoring of the independence of the statutory auditor, paying particular attention to the provision of additional services within the company.

The members of the audit committee are qualified. At least one member of the committee is qualified in the area of accountancy and/or auditing (Marleen Willekens). In addition, the audit committee is qualified as a whole. This is the case on two levels: in the field of Intervest's activities and in the field of accounting and audits.

The audit committee met five times in 2017. The most important agenda items of the audit committee in 2017 were:

- discussion of the quarterly, half-yearly and annual figures
- analysis of the annual accounts and statutory reports
- discussion of the budgets
- monitoring the statutory audit of the (consolidated) annual accounts and the analysis of the supervising statutory auditor's recommendations
- analysis of the efficiency of the internal control mechanisms and the company's risk management.

The committee reports its findings and recommendations directly to the board of directors.

¹ Act of 28 July 2011 amending the Act of 21 March 1991 on the reform of certain economic public companies, the Belgian Companies Code and the Act of 19 April 2002 rationalising the operation and management of the National Lottery to guarantee the presence of women on the boards of autonomous public enterprises, listed companies and the National Lottery.

Management committee



from left to right:
Jean-Paul Sols,
Inge Tas,
Marco Hengst

As at 31 December 2017, the management committee comprised:

- bvba Jean-Paul Sols, permanently represented by Jean-Paul Sols, chief executive officer, chairman of the management committee (mandate started 2006)¹
- Inge Tas, chief financial officer (mandate started 2006)
- Marco Hengst, chief investment officer (mandate started 1 May 2016).

Pursuant to article 524bis of the Belgian Companies Code and article 15 of the company's articles of association, the board of directors has delegated management authority. The rules pertaining to the composition and operation of the management committee are described in more detail in the company's Corporate Governance Charter that is available at www.intervest.be.

Chapter 6 of the Corporate Governance Charter explains the composition of the management committee, as well as the task allocation, the chairmanship, the manner of meeting, deliberating and voting, the competences, the reporting obligation and the method of assessment.

The members of the management committee are also the effective leaders of the company as referred to in article 14, §3 of the RREC Act.

The members of the management committee are appointed for an indefinite period.

¹ Executing a mandate as de facto manager in the form of a legal person for an indefinite period must be converted to a mandate for a natural person within a period that can amount to a maximum of four years (as from the date on which the RREC status is adopted).

Evaluation of management entities

Under the direction of the chairman, the board of directors periodically reviews its size, composition, operation and efficiency. It carries out the same review with respect to the audit committee and the interaction with the management committee. For the purposes of such reviews, the board of directors can be assisted by external experts.

During this evaluation process:

- the functioning and leadership of the board of directors is assessed
- whether major subjects are thoroughly prepared and discussed is verified
- the actual contribution and involvement of each director during discussions and decisions is assessed
- the composition of the board of directors with respect to the desired composition of the board is assessed
- the functioning and composition of the audit committee is discussed
- the collaboration and communication with the management committee is evaluated.

Should the aforementioned assessment procedures reveal certain points of weakness, the board of directors will need to offer appropriate measures to address this. This can lead to changes in the composition or the functioning of the board of directors or the audit committee.

Conflicts of interest

As far as the prevention of conflicts of interest is concerned, the company is subject to statutory rules (articles 523 and 524 of the Companies 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.

In this regard, article 17 of the articles of association of the company states the following:

“The directors, the persons charged with day-to-day management and the authorised agents of the company will respect the rules relating to conflicts of interests, as provided for by articles 36, 37 and 38 of the RREC Act and by the Belgian Companies Code as they may be amended.”

Conflicting interests of a proprietary nature of directors and members of the management committee

The board of directors, management committee and every member strictly undertake to exclude any possible conflict of interest, whether of a property-related, professional or of any other nature, and intend to carefully comply with the legal rule defined in article 523 of the Companies Code regarding conflicts of interest between the company and a director.

If, for example, a director of the company, due to other director mandates held by him or for any other reason, has a proprietary interest that is in conflict with a decision or transaction falling under the authority of the board of directors, Article 523 of the Belgian Companies Code shall be applicable and the director in question shall be requested not to participate in the deliberations on decisions or transactions or in the voting (article 523, §1 in fine).

If a director or member of the management committee, directly or indirectly, has a proprietary interest that is in conflict with a transaction or decision falling under the authority of the board of directors or the management committee, the member in question must inform the chairperson and the members of this in advance. In this case, the concerned member may not participate in the deliberations and voting on the transaction in question.

The statement as well as the justification for the conflict of interest shall be recorded in the minutes. With a view to its publication in the annual report, the nature of the decision or transaction is accounted for in the minutes. The minutes also outline the proprietary consequences for the company resulting from this decision. The report of the auditor, to be drawn up in accordance with article 143 of the Belgian Companies Code, contains a separate description of the financial implications for the company.

Conflict of interest regarding a major shareholder

In case of a potential conflict of interest with a major shareholder of the company, the procedure defined in article 524 of the Belgian Companies Code shall be applicable. Article 524 of the Belgian Companies Code requires that operations with related companies - with certain exceptions - must be submitted for advice to a committee of independent directors, assisted by an independent expert.

Conflict of interest regarding certain persons referred to in article 37 of the RREC Act

Likewise, article 37 of the RREC Act provides that the Financial Services and Markets Authority (FSMA) must be notified in advance by the RREC of activities planned by the RREC or one of its perimeter companies if one or more of the following persons directly or indirectly acts or act as counterparty to these transactions or derive any pecuniary advantage from it: the persons controlling the public RREC or possessing a participation in it; the promoter of the public RREC; the other shareholders of all perimeter companies of the public RREC; and the directors, managing directors, the members of the executive committee, the persons entrusted with the daily management, the actual managers or mandataries; and the persons linked to all of these parties.

These planned transactions must hold an interest for the public RREC, be in line with its strategy and must be executed under normal market conditions. These transactions must be promptly disclosed.

Pursuant to article 49, § 2 of the RREC Act, when a real estate transaction takes place with the above-mentioned persons, the company is bound by the valuation made by the real estate expert.

The provisions of articles 36 and 37 of the RREC Act do not apply to:

- transactions involving a sum that is less than the lowest amount of either 1% of the consolidated assets of the public RREC or € 2.500.000
- the acquisition of securities by the public RREC or one of its perimeter companies in the context of a public issue by a third-party issuer, for which a promoter or one of the persons referred to in article 37, §1 acts as intermediary within the meaning of article 2, 10° of the Act of 2 August 2002
- the acquisition of or subscription to the shares in the public RREC issued as a result of a decision by the general meeting by the persons referred to in article 37, §1
- transactions involving the liquid assets of the public RREC or one of its perimeter companies, provided the person acting as counterparty has the capacity of intermediary within the meaning of article 2, 10° of the Act of 2 August 2002 and these transactions are executed under normal market conditions.

Application in 2017

Within this context, the board of directors wishes to mention that the procedure to avoid conflicts of interests did not need to be applied in 2017.



3.3. Remuneration report

Appointment and remuneration committee

Intervest does not have an appointment and remuneration committee. The board of directors of the company is of the opinion that the relevant tasks of the appointment committee and remuneration committee should be regarded as a task for the entire board of directors. Herewith, Intervest derogates from the recommendations of the Belgian Corporate Governance Code 2009 (also see paragraph on 'Comply or Explain' principle). Indeed, the limited size of the Board makes it possible to deliberate efficiently on these topics. On the other hand, the issue of appointments or remuneration in the company requires too little additional attention to justify a separate committee and the related additional expenses that would go along with it.

Remuneration policy for the board of directors

The board of directors is responsible for implementing the remuneration policy for its members and for the members of management. The remuneration of the directors must be brought before the general meeting for approval.

The policy is based on the following principles:

- the remuneration policy for directors and members of the management committee is in accordance with all the applicable regulations and in particular with those contained in the RREC Act; the total remuneration level and structure should be such that qualified and competent persons can be recruited and retained
- the remuneration structure, in terms of fixed income and variable income, if any, is such that the interests of the company are promoted over the medium and long term
- the remuneration policy takes into account the responsibilities and time spent by directors and members of management.

Other things being equal, the remuneration policy shall remain applicable for the next two financial years.

Basic fees 2017

Directors

In 2017, the annual fixed remuneration of directors amounted to € 20.000 per year for a member of the board of directors (€ 25.000 per year for the chairperson of the board of directors, VAT excluded).

No additional allowances are paid for serving as a member or as a chairperson of a committee.

No employment contract has been concluded with any of the directors and no termination compensation is applicable. Pursuant to article 35 §1 of the RREC Act, the directors' fees are not related, either directly or indirectly, to the transactions carried out by the company. The directors do not own shares of the company nor have any options been granted to the directors on shares of the company.

Members of the management committee

The amount of the fixed remuneration granted as remuneration in 2017 to the three members of the management committee amounted to € 766.227, of which € 324.636 is for the chairman of the management committee, who is also the ceo of Intervest, and a total of € 441.591 for the other two members of the management committee (including reimbursement of expenses and pension plan).

The mandate of Luc Feyaerts bvba was terminated as per 31 March 2017. The company received a fixed remuneration of € 53.669 (including non-deductible VAT) for the first three months of 2017.

No options have been granted to the management committee on shares of the company.

VAT does not apply to these types of remuneration.

Bonus for 2016 paid out in 2017

The members of the management committee were able to be eligible for an annual combined bonus of maximum € 250.000. In 2016, the bonus criteria were in the area of implementing the growth strategy (10%), monitoring of the debt ratio (10%), optimisation of the organisation's operations (10%), achieving the figures budgeted for EPRA earnings and earnings per share (25%), gross rental income (10%) and operating result before result on portfolio (10%). Additionally, each management member had individual objectives (25%), which are linked to specific aspects for the deployment of the corporate strategy.

Based on targets achieved in 2016, a variable remuneration of € 197.591 (excluding VAT) was awarded. No reclamation rights are foreseen for the variable remuneration.

In addition to this regular variable remuneration, a member of management may be eligible for an additional annual variable remuneration, which may be granted for exceptional performance. No additional variable remuneration has been paid for 2016.

Overview of paid remuneration of the directors and members of the management committee

DIRECTORS in thousands €	2017 (to be paid in 2018)	2016 (paid in 2017)
Jean-Pierre Blumberg	25	25
Chris Peeters	20	20
Marleen Willekens	20	20
Jacqueline De Rijk - Heeren	20	20
Gunther Gielen	20	20
Johan Buijs	20	0*
TOTAL	125	105

* Johan Buijs held his office as director for no remuneration in 2016. He was remunerated for an amount of € 20,000, which is included in the general costs item, for his work in an internal working group which prepares investment decisions.

MEMBERS OF MANAGEMENT COMMITTEE in thousands €	2017	2016
Jean-Paul Sols bvba, ceo (60% until 1/8/2016, thereafter 100%)	389	263
Fixed remuneration	324	243
Variable remuneration (for previous financial year)	65	20
Pension obligations	0	0
Inge Tas, cfo (60% until 1/8/2016, thereafter 100%)	317	202
Fixed remuneration	226	164
Variable remuneration (for previous financial year)	59	20
Pension obligations	32	18
Marco Hengst, cio (100% as of 1/5/2016)	223	112
Fixed remuneration	160	99
Variable remuneration (for previous financial year)	39	0
Pension obligations	24	13
Luc Feyaerts bvba, coo (100%) (until 31/3/2017)	91	223
Fixed remuneration (including non-deductible VAT)	54	203
Variable remuneration (for previous financial year)	37	20
Pension obligations	0	0
TOTAL	1.020	800

The company has had fully dedicated management since 1 August 2016. The ceo, Jean-Paul Sols bvba, permanently represented by Jean-Paul Sols and the cfo, Inge Tas, ended their collaboration with the publicly regulated real estate company Vastned Retail Belgium and have been at the full disposal of Intervest since 1 August 2016. The management committee was expanded as at 1 May 2016 to include a cio (chief investment officer) and Marco Hengst took up this position. Luc Feyaerts bvba terminated its mandate as from 31 March 2017.

Basic remuneration 2018 and bonus for 2017

The annual fixed remuneration for directors remains unchanged compared to the above mentioned remunerations for 2017.

As at 1 January each year, the annual fixed remuneration of the members of the management committee is (i) indexed according to the normal index of consumer prices, where the basic index is that of the month preceding the month in which the agreement came into effect, and the new index that of the month preceding the month in which the indexation takes place (ii) increased by 1 percent. This represents an increase of 2,83% as at 1 January 2018.

The three members of the management committee may be eligible for an annual combined bonus of maximum € 200.000. In 2017, the bonus criteria were in the area of implementing the growth strategy (10%), monitoring of the debt ratio (10%), optimisation of the organisation's operations (10%), achieving the figures budgeted for EPRA earnings, operating result before result on portfolio and earnings per share (25%), achieving the figures budgeted for leases (20%) and achieving an occupancy rate objective (5%). Additionally, each management member has individual objectives (20%), which are linked to specific aspects for the deployment of the corporate strategy.

Based on targets achieved in 2017, a variable remuneration of € 178.550 was awarded. No reclamation rights are foreseen for the variable remuneration.

Variable long-term remuneration plan

In principle, the board of directors has decided to approve a variable long-term remuneration plan for all members of the management committee for the financial years 2017 to 2019 inclusive.

The variable long-term remuneration has the following characteristics:

- Period of 3 years (end date 31 December 2019)
- Remuneration in accordance with maximum amounts fixed in advance (maximum per year of between 25% and 30% of the fixed annual remuneration, including pension obligation for natural persons)
- Allocation criteria:
 - 70% based on the total shareholder's return of Intervest for the financial years 2017 to 2019 inclusive, graded, compared to the average total shareholder's return of a group belonging to the sector and determined in advance
 - 30% to be determined by the board of directors as it deems fit based on the services by the management committee, the company's particular situation and the market in general.
- Payment of the remuneration of 50% in cash and 50% in Intervest shares in the first quarter of 2020, whereby a lock-up period of 2 years applies for the shares.

Duration and conditions for termination

The members of the board of directors are appointed for a period of three years, but their appointment can be revoked at any time by the general shareholders' meeting. No termination compensation is applicable.

The members of the management committee are appointed for an indefinite period and the termination compensation is equivalent to twelve months' fixed remuneration (except for gross negligence or deliberate error, in which case no compensation will be payable).

3.4. Other parties involved

Statutory auditor

The statutory auditor, appointed by the general meeting of shareholders, is Deloitte Bedrijfsrevisoren bv o.v.v.e. CVBA (civil company in the form of a limited liability cooperative) and is represented by Rik Neckebroek, statutory auditor.

Property experts

The real estate portfolio is evaluated every quarter by three independent experts, namely: Cushman & Wakefield, CBRE Valuation Services (Belgium) and CBRE Valuation Advisory B.V. (the Netherlands), each for a part of the real estate portfolio, based on a rotation principle.

Independent control functions

As part of its internal controls, each public RREC must implement internal audit procedures, a risk management policy and an integrity policy. This is supervised by the person responsible for the internal audit function, the risk management function and the compliance function, respectively, in accordance with article 17, §§3, 4 and 5 of the RREC Act (known jointly as the “independent control functions”).

In the context of the conversion of the status of Intervest to an RREC, as at 27 October 2014 persons were appointed who are responsible for the internal audit function, the risk management function and the compliance function.

Independent internal audit function

The internal audit can be understood as an independent evaluation function, embedded in the organisation, aimed at examining and evaluating the proper operation, the effectiveness and the efficiency of the processes and procedures applied by the company in the carrying out of its activities. The person responsible for the internal audit can provide the various members of the organisation with analyses, recommendations, advice, evaluations and information concerning the activities examined in connection with the execution of their responsibilities.

This internal audit concerns, among other things, the operation, effectiveness and efficiency of processes, procedures and activities relating to:

- operational matters: quality and suitability of systems and procedures, organisational structures, policies and methods and resources used in relation to objectives
- financial matters: reliability of accounting, the financial statements and the financial reporting process, and compliance with applicable (accounting) regulations
- management matters: quality of the management function and staff services in the context of the company's objectives
- risk management and compliance.



Intervest has appointed the external consultant BDO (represented by its permanent representative, Lieven Van Brussel - Partner (BDO Risk & Assurance Services)) as the party responsible for the internal audit, with Johan Buijs, non-executive director of Intervest, being appointed to control the internal audit function as exercised by BDO from within the company. He is therefore to be regarded as having the final responsibility for the internal audit. The mandate of BDO as external consultant is for 4 years and, at Intervest's request, ended as at 31 December 2017. Intervest appointed PwC Bedrijfsrevisoren cvba at the start of 2018 as internal auditor for a period of 3 years, ending as at 31 December 2020.

Independent risk management function

In the context of the risk management policy, the company will ensure that the above risks to which it is exposed (market risks, operational, financial and regulatory risks) are assessed, controlled and monitored in an effective manner.

With this aim in mind, Intervest has charged a person with the risk management function who is responsible for, among other things, preparing, developing, monitoring, updating and implementing the risk management policy and risk management procedures.

Since the conversion of the status of the company to public RREC, the independent risk management function has been carried out by Inge Tas, member of the management committee and cfo. The mandate has an indefinite duration.

Independent compliance function

Rules regarding compliance and integrity are included in the function of the compliance officer. In accordance with principles 3.7 and 6.8 together with Annex B to the Belgian Corporate Governance Code 2009 of the Corporate Governance Commission, the company has appointed Inge Tas, member of the management committee and cfo, as compliance officer, responsible for supervising compliance with the rules on

market abuse as imposed by, among other things, the Act of 2 August 2002 on supervision of the financial sector and financial services and Directive 2003/6/EC on insider dealing and market manipulation. The compliance officer also ensures that the company complies with the laws, regulations and rules of conduct that apply to it. To ensure a corporate culture of integrity, Intervest Offices & Warehouses nv has defined an internal code of conduct and whistleblowing rules.

Article 17, §4 of the RREC Act stipulates that the public RREC *"must take the necessary measures to be able at all times to access an appropriate independent compliance function so as to ensure compliance by the public RREC, its directors, senior management, employees and agents with the laws relating to the integrity of the business of a public RREC"*. Article 6 of the Royal Decree on RRECs stipulates that the public RREC *"must take the necessary measures to be able to permanently access an appropriate independent compliance function. The compliance function is appropriate when it with reasonable certainty ensures compliance by the public RREC, its directors, senior managers, employees and agents with the laws relating to the integrity of the business of a public RREC"*.

The "independent compliance function" can be understood as an independent function within the company focused on examining, and promoting, compliance by the company with the rules relating to the integrity of its business activities. The rules concern those resulting from the company's policy, the status of the company and other legal and regulatory provisions. In other words, this concerns an element of corporate culture, with an emphasis on honesty and integrity and adherence to high ethical standards in business. In addition, both the company and its employees must behave with integrity, i.e. honestly, reliably and in a trustworthy manner.

Inge Tas, member of the management committee and cfo, was appointed head of the independent compliance function. The mandate has an indefinite duration.

4. Sustainable business and corporate social responsibility

Within the current social context, Intervest seeks a cohesive and sustainable social policy in line with the expectations of all interested parties: customers, employees, shareholders, suppliers and other stakeholders.

Intervest has implemented various measures in this regard relating to protection of the environment, concern for the welfare of customers and staff, and this including a focus on social engagement and sound corporate governance.

4.1. Concern for the environment

Sustainability performance of the buildings

Since 2009, Intervest has been gradually and systematically certifying the buildings in its portfolio based on their environmental performance. This certification takes place on the basis of the BREEAM-In-Use (Building Research Establishment Environmental Assessment Methodology-In-Use, or in short "BIU") methodology. BREEAM-In-Use methodology assesses the sustainability of existing buildings with respect to building physics, operational management and control, as well as the use of the building.

Due to a number of important modifications to the BIU audit methodology specific to real estate in continental Europe, various sites needed to be re-audited. In addition, the buildings previously already certified were reassessed in 2016, with new recertification carried out in accordance with BIU methodology; a result of this is that the certification process has been rolled out further. At the end of 2017, 33% of the total portfolio of Intervest was certified (33% of offices, 6 buildings; 32% of logistics real estate, 8 buildings).

Comparison of the BIU-certified buildings in the Intervest portfolio shows that especially large-scale buildings with single tenants score well. This is because a building's sustainability performance of a building is largely determined by the user's focus on this issue. The excellent score earned by the logistics building in Boom, which is run by CEVA Logistics, is an example of this.

The Intervest internal quality manager processes these analyses and converts them into meaningful, concrete measures and changes that contribute to the improvement of the quality and efficiency of the building. These measures improve the welfare of the tenant and, simultaneously, as a result of the increased performance of the building (improved energy efficiency), the operational costs for the tenants are demonstrably reduced.



Sustainable products and materials

Intervest has selected partners who work with sustainable products or materials to implement its turn-key solutions projects. It partners with Steelcase for furniture, for example. This global manufacturer of goods such as office furniture, with a renowned reputation for sustainability, uses the EMAS working method to deliver products that are as sustainable as possible. EMAS is based on three pillars: Material Chemistry, Life-Cycle Assessment and Designing for Disassembly. This working method guarantees that the chain from raw material to recycling involves as little negative impact on humans and the environment as possible. This is substantiated by an EPD (Environmental Product Declaration) for every Steelcase product. Intervest also uses Desso Cradle to Cradle carpets. 'Cradle to Cradle' is a business model that aims to design products in such a way that they are safe and can be reused from start to finish.



Greenhouse BXL

There is a strong emphasis on sustainability in the redevelopment of Greenhouse BXL, a campus consisting of two large buildings for which an adjoining atrium has been provided. Analogous to the green façade in Greenhouse Antwerp, the idea of the green wall has been applied to this project as well. The idea of a vertical garden will be applied both inside and outside and will cover a total surface area of 300 m². The difficulty level in this project lies in selecting the plants. The characteristics of the plants on the inside are different from the plants on the outside. However, they do need to be coordinated to create a uniform look. The green wall contains a total of 30.000 plants. There are many different benefits to the green façade. For example, research¹ shows that green city centres quickly cool down a few degrees during the summer. Green façades help curb the urban heat island effect. What's more, they provide more biodiversity and the plants absorb air-polluting substances, more specifically, ultra fine particles which are normally deeply inhaled into the airways. There is also a positive impact on the temperature inside the building, the control of the relative humidity, improved acoustics generated by the sound insulating effect, and the like. The vertical plant garden also has a positive effect on the living environment. The plants are watered using water recovered from the roof area. The garden as a whole is managed as one unit by an integrated operational system to supply water and nutrients. In addition to the green wall, various botanical gardens are also laid out both inside and outside the building. The roof has been constructed as a "green roof", which also serves as a terrace.

Energy conserving solutions were selected for the cooling/heating/ventilation techniques, without thereby losing sight of user comfort. The atrium is being equipped with a combination of intelligently controlled awnings and sashes that open automatically. This means that it is possible to keep the cooling load limited. The boiler room providing the heating for the building is being fully renovated and expanded. A combination of modulating high-yield gas boilers ensures that heat is generated in an energy-efficient way.

A 100% LED solution has been developed for all the lighting.

1 Hop, M.E.C.M.; Hiemstra, J.A. Ecosysteemdiensten van groene daken en gevels: een literatuurstudie naar diensten op het niveau van wijk en stad. [Literature review about the ecosystem services of green roofs and green façades at the scale of cities and city blocks.]

New builds

Intervest opts for sustainable and energy efficient solutions, also for new-build projects. For example, for the new-build logistics project in Liège (expansion for tenant Vincent Logistics), Intervest integrated a number of sustainable implementation techniques in the project, which go beyond the legal requirements.

Concrete TT elements were selected for the roof structure, which are not only stronger but also have great inertia. Temperature and humidity fluctuations are avoided in this way, which makes it possible to effortlessly execute logistics (cross-dock) operations for sensitive food products without additional climate control techniques.

Furthermore, among others, each LED strip light in the building was also fitted with motion detectors and daylight sensors, allowing for smart, optimal control of the lighting.

Roof renovation

Intervest invested in the renovation of a number of roofs in 2017. In the logistics segment, the roofs of the sites in Wommelgem and Opglabbeek were renewed (+/- 27.000 m²) and in the office segment, the roof of De Arend building A (+/- 800 m²) was renovated. It was also decided to fit additional insulation in each case during the renovation. This causes the heat resistance to increase by 4,5 W/m²K (R-value), which leads to a saving in energy.

Energy efficiency

Relighting

Intervest also carried out various relighting projects in 2017 to improve both the energy efficiency of the existing buildings and user comfort as well. In such cases, the original lighting (in older logistics buildings these are mainly mercury vapour lamps and mainly TL8 lighting fixtures in offices) was replaced by more energy efficient lighting such as LED systems. For such relighting projects, the new systems are combined with presence sensors and daylight detectors, which can reduce energy consumption for lighting by over 75%. At the same time, these systems have a much longer life span, which means that maintenance costs for such lighting is significantly reduced.

In Intervest's portfolio, relighting projects were carried out in 2017 in the office segment in Aartselaar and De Arend, and in both the warehouse space and the offices on the logistics site in Wommelgem.

The existing TL8 lighting was replaced by a 100% LED solution in the office building in Aartselaar, which yields savings of over 50%.

A DALI operating system was installed in the warehouse space in Wommelgem. This means that the strength of the lighting can be adjusted per corridor using a web browser and there is an indication of which bulbs are defective. The operating system also enables the user to check what lighting has been switched on and for how many hours, with the result that the shelves can be organised in the best way possible. Thanks to presence sensors, the lighting is automatically dimmed to 10% if there is no-one moving through the corridors.

Because the lifespan of LED lighting is so much longer, additional savings can also be had on maintenance costs.

Heating and cooling

Not just lighting, but heating and cooling in the Intervest buildings have an important environmental impact as well. That is why modern technology is used where possible when technical installations are replaced, in order to reduce consumption and improve efficiency. For example, heat exchangers are always introduced where HVAC systems are replaced in the offices and energy management systems are fitted in the logistics buildings to improve the efficiency of the current systems.

In addition, Intervest has installed an additional EMS system (Energy Management System) on the logistics site in Wommelgem, resulting in supplementary savings of 15%. High-efficiency condensing boilers have been installed in De Arend in Edegem, including a new system, and in Park Rozendal (Hoeilaart) where a new high-efficiency ice machine has been installed.

New gas-fired high-performance condensing air heaters have been installed for Toyota Material Handling in Wilrijk.



Wommelgem - Feeder One



Aartselaar - Protime



Wilrijk - Toyota Material Handling

Energy policy

Intervest has an active purchase policy as regards energy (electricity and gas). This allows it to respond adequately to the energy markets, which have seen prices fall in recent years. The purchased electricity is 100% green, the origin of which is demonstrated by the necessary guarantees from the supplier. Besides reducing the cost of energy, Intervest is also focusing on constantly pushing down energy consumption. In the first half of 2016 electricity was purchased for 2017 and also partly for 2018 and 2019 already, taking advantage of the low prices. Through its proactive energy policy, the company succeeds in obtaining favourable rates for its customers.

Several roofs of the logistics buildings of Intervest have been equipped with solar electricity generating installations. In most cases the company has given specialised parties long-term right of superficies on the roofs, without the company itself owning the PV installation. In addition, Intervest has been running an installation itself since the acquisition of the logistics site in Liège. Photovoltaic equipment having a total installed capacity of 12,5 megawatts peak (MWp) has been installed on a total roof surface area of 253.000 m² spread over nine different sites. This delivers a total CO₂ reduction of around 3.100 tonnes per year.

Waste removal

Intervest is also implementing its sustainability efforts through its far-reaching approach to waste removal. For example, it is possible to separate other waste and PMD (plastic bottles, metal packaging and drink cartons) as well as residual waste and paper and cardboard waste. Options have also been provided for the recycling of less common types of waste such as batteries, ink cartridges, confidential documents, wood, glass and fluorescent tube lighting. Litter is systematically collected and removed during the green maintenance or on demand by the handyman service.

4.2. Attention to dialogue

Consultation with all stakeholders at regular intervals is planned. In this way, Intervest aims for a good relationship with its stakeholders based on trust and continual optimisation.

Each quarter a comprehensive press release on the financial position of the company is issued. The board of directors meets at least four times a year. Moreover, consultative sessions with employees are held on a frequent basis.

Concern for social welfare also takes tangible form through the facilities available to customers and their staff alike in and around buildings and in the building itself.

4.3. Attention to customers

Evacuation/internal emergency plan

Intervest organises joint evacuation drills in all 'multi-tenant' office and logistics buildings with the aim of being able to evacuate the building quickly and efficiently in the case of a disaster. These announced drills are directed by Intervest in consultation with the respective technical manager of the site and, if necessary, with the manager of the company appointed for safety and prevention. Afterwards, Intervest analyses the evacuation drill and provides its customers with a report containing the evacuation times and any recommendations or action points for the customer or Intervest. In addition, particular attention was paid in 2017 to assisting customers/tenants in drawing up the internal emergency plan, private evacuation plan, fire analysis and intervention file to comply with the Royal Decree of 28 March 2014 on fire prevention in the workplace.

Facility management

The 24/7 service for the day-to-day management of the buildings is much appreciated. Intervest has a modular offer, including matters such as cleaning and reception services, large and/or small chores, technical interventions, ironing service, gym, indoor plants, etc. In 2017 the service provision was further extended by offering shower facilities, a shuttle service and car rental.

Supported by Planon, an online tool, Intervest ensures that the various requests for a wide range of work are processed efficiently. With 'Planon self-service', the customer has the option of directly entering a notification in the system. The customer can then track the status of the work request in the web tool. This makes it possible for suppliers and partners to be monitored efficiently, and fine-tuned where necessary.

Community approach

On its Mechelen Campus site, Intervest has surrounded a 60m tall tower with 10 lower office buildings, linked by an underground car park. Between the buildings there is a beautiful garden with a picnic area and a water feature, an ideal setting for a relaxing break. In total, Mechelen Campus offers around 50.000 m² of office space.

Mechelen Campus was conceived as an interactive community in which Intervest and Quares, the on-site manager, provide a wide range of facilities to make the daily lives of the office users as pleasant and comfortable as possible. For example, there is a sandwich bar/restaurant, ironing service, a handyman service, crèche, fitness centre and seminar space with meeting rooms. In 2017 this offer was further expanded with a shuttle service, car rental, charging points and shower facilities.

Charging plaza

Intervest, together with Allego, has developed a network of charging points for electric cars at Mechelen Campus and Intercity Business Park. Six above-ground charging points were installed at Mechelen Campus. A charging plaza was installed in the underground car park. Twenty-two cars can be charged here simultaneously. Twelve charging points were fitted in Intercity Business Park.

Further development of the charging infrastructure in the portfolio has been scheduled for 2018.



Mechelen Campus - Charging plaza

Events

Through RE:flex, Intervest also regularly organises events at Mechelen Campus and Intercity Business Park, sometimes in cooperation with the current tenants or organisations such as VOKA, BNI, and the like.

For example, in 2017 Mechelen Campus played host to aper'eau Mechelen, an aperitif concept at which colleagues can end their working week in an informal, relaxed way and get to know the people from the companies around them. Food trucks offering tasty snacks and refreshing drinks to quench visitors' hunger and thirst respectively, all set to a soundtrack of summer beats, are the basic ingredients for this successful concept that delighted large crowds of people at Mechelen Campus.

Hundreds of people need blood transfusion every day. Only 3% of the population donates blood. That is why Intervest supports blood collection initiatives by the Red Cross and why it mobilised customers at Mechelen Campus to donate blood. Donating blood takes 10 minutes and is sufficient to help three patients. Red Cross Flanders was pleased with the turnout and Intervest plans to support this initiative further next year.

Intercity Business Park served as a pop-up location for Tesla and, for a whole week, people had the opportunity to find out more about the company and take a test drive. It was above all the latter option that proved very popular among the customers of Intercity Business Park.



Community building at Mechelen Campus - Rode Kruis blood donation

Commitments within the scope of sustainability

VOKA Charter on sustainable enterprise

Intervest has endorsed the VOKA sustainable enterprise charter. Seventeen of the UN sustainability objectives have been included in this. Attention is paid to People, Planet, Prosperity, Peace and Partnership. Various points of action were established in consultation with VOKA, 10 of which must be achieved in 2018.

Flux50

Intervest has also become a member of Flux50, the Flemish spearhead cluster encouraging collaboration between companies and organisations from different sectors and of different sizes, as well as with knowledge institutions, policy makers and even end consumers. Flux50 aims to initiate innovation trajectories in five topical domains or innovator zones - power havens, microgrids, multi-power applications for neighbourhoods, energy cloud applications and intelligent renovation. Smart Business Area of the Future is a 10-month long viability study in the microgrid innovator zone coordinated by Engie. Together with Quares, Engie and Continental, Intervest forms part of the business consortium that will analyse the possibilities on the Mechelen Campus office site and its immediate vicinity to create a smart grid environment in the long term to exchange power with one another.

4.4. Attention to employees

For each team and individual, Intervest provides training opportunities based on the needs of the individual or the team and its activities. The company is also working on a specific path tailored to so-called older employees adapted to the needs of the employee in question.

Besides the regular performance interviews each employee has an annual assessment, and this provides the perfect opportunity to align mutual expectations.

Intervest aims for a healthy balance between work and personal life and offers sufficient flexibility at work, taking individual circumstances into consideration.

Since burning a candle at both ends shouldn't be life's only feature, the necessary attention is also paid to social aspects of working together such as team building, incentives, etc., which also finds expression in the company's social commitment, as described below.

4.5. Attention to corporate governance

Intervest attaches considerable importance to honesty, integrity and openness in its business dealings, both in the internal environment and externally in relations with the various stakeholders.

The chapter on corporate governance describes in detail what has been arranged in this area.

4.6. Attention to social welfare

Run To Walk Again

To Walk Again is a foundation that collects funds for people with a physical disability to offer them post-rehabilitation and sports facilities. To Walk Again has organised the RunTWA for six years already. During this event, a team of runners runs seven marathons non-stop for two days. One of the marathons is completed by a disabled person in a handbike.

The Jasper on Wheels team has been able to count on Intervest's support for five years in a row now. Jasper on Wheels is the team formed around a basketball player who due to an unfortunate fall during a game suffered a spinal cord injury in the neck and is paralysed from the chest down. Intervest also supported two other teams in the 2017 edition, namely, Fartlek I and II, and employees and partners alike actively participated as runners and cyclists.

The funds collected are used among other things to purchase a robotic exoskeleton that is used in the post-rehabilitation process of people with a physical disability.



Vélo Afrique

Vélo Afrique wants to let enthusiastic mountain bikers get to know the magnificent African culture in a unique way. Bicycles are the ultimate means of transport to be able to enjoy nature and revel in the 'couleur locale'. Much adventure is often involved and that's certainly no bad thing, but it does mean that the MTB stages require reasonable physical condition and technical riding skills.

However, team spirit and an open mind are even more important than the participants' performance. The aim is to reach the finishing line together. This applies not only to the organisation but also to the co-cyclists and, above all, to the charitable cause.

Two Intervest employees collected money by participating in the Cameroon edition of Vélo Afrique in 2017.

This was a 10-day mountain biking adventure of seven bicycle stages and two days of rest. They cycled a total of 480 km, 95% of which was off-road, and a total elevation of 7.749 metres.

The funds raised by every participant will enable Vélo Afrique to invest in better education in Africa. Together with the local population, a total of five schools and education centres have already been built, in one of the poorest districts of Dakar, Medina, Gounass, Jaxaay and Pout respectively. These schools have in the meantime become an educational and social centre in the district and, for many, this is a beacon of light towards a better future.

The funds raised in the Cameroon edition are intended to be used to build a school in Foubot.



FLEXIBLY *CAPITALISING* ON CHANGING CIRCUMSTANCES

“It was a particularly smooth transition from the co-working space to a permanent office, all the while retaining flexibility, service provision and broad support.”

Gerry Appeltants - Managing Director BeLux





Report of the management committee

1. The market for offices and logistics real estate
2. Important developments in 2017
3. Financial results 2017
4. Financial structure
5. Profit distribution 2017
6. EPRA Best Practices
7. Outlook for 2018



1. The market for offices and logistics real estate

1.1. Offices¹

The rental market

Brussels and Periphery

The Brussels offices market, including Flemish Brabant and Walloon Brabant, continues to be the most important submarket in the country. More than half of all offices are commercialised in this market.

A total of 402.000 m² was commercialised in 363 transactions. This is a decline of 10% compared with 2016. The volumes of between 500.000 and 600.000 m² experienced during the top years of 2005-2007 are a thing of the past, especially following the tenants' increasingly efficient use of space and the rising success of co-working. There is a particular trend that originated earlier, namely the rise of co-working facilities and the so-called managed or serviced offices, i.e. the lease of ready-to-use offices. Approximately 10.000 m² consisting of such concepts were started up in the centre of Brussels and on the periphery in 2016 and 2017. In this way, Brussels is experiencing the trend which is increasing in other large cities as well.

Office availability on the Brussels periphery is lower than 15% (14,8%) and this is the first time that this has happened since 2008. Availability in the area of the airport is approximately 20%.

The various public authorities were less present (-20%). The companies were more active and were good for 66% of the take-up.

It is striking that over a quarter of all the 'Brussels' take-up was realised outside the actual territory of the Brussels-Capital Region. The north and the south of the periphery fared well (+69% and +18% respectively). The prime rent for Brussels amounts to € 305 /m²/year.

Regional markets

The most striking performance of the year was in Antwerp, where the take-up doubled to 197.000 m². This figure lies two-thirds above the ten-year average (117.000 m²). This leap is thanks to the mega deal with the local police, which represents a quarter of the total take-up. Even without these transactions, the Antwerp market achieved its highest level since 2008 in 2017. 2011 (141.600 m²) is the only one to come close to this figure. The prime rent for Antwerp has increased slightly because of new-build projects that are leased easily. The prime rent amounted to € 150 /m²/year.

On the other hand, the performance for Mechelen, where the take-up hardly reached 5.000 m², was disappointing.



Greenhouse Antwerp - Managed offices

¹ Sources:
C&W marketbeat Brussels Office Market H2 2017, JLL Research
Market Overview Q4, 2017

The investment market

As was the case in 2016, the prime yield for offices was historically low at approximately 3,65%. However, this applies to an extremely limited number of new high-quality buildings that have been leased to exceptionally stable tenants for very long periods.

The prime yield in the decentralised zone is approximately 7,25%.

Tenants' expectations

A strong international trend has started for more flexibility and service provision for offices. However, several real estate players have already begun tapping into this and modelling their business model on it. For many years, business centres (such as Regus) were unique, but in recent years a host of office investors have evolved in a similar direction. The office market is clearly right in the middle of a complete transition from the classic offer of office space by the square metre to offering more service-oriented solutions for office users. Among these solutions, leasing office space by the square metre is only a single element, in addition to offering accessible and pleasant living and working quality and any supportive service provision needed either in the business or a private context. However, by excelling in offering attractive environments (quality of life), turn-key solutions, flexibility as well as providing services, Intervest distinguishes itself not merely in quantity (price-technical) but also in quality elements.

This trend is being driven by the changing functions of the office environment. Technology makes it possible to work from any place, anywhere. This change is visible (mainly in smaller and innovative growth companies) where offices are increasingly becoming a networking environment. Especially smaller tenants that are looking for growth turn out to be interested in the potential synergistic effects.

Flexibility when it comes to duration and space play the biggest role for small start-up companies: no long-term commitments, little or no own investments and as few worries as possible. This ranges from co-working spaces to managed offices. For the time being, this remains a limited market segment in terms of rental income. However, this is a rapidly growing market segment and, in addition, use by the classic leading enterprises is on the rise.

To date, companies overwhelmingly remain rather traditionally minded when it comes to accommodation, both conceptually and with regard to rental periods. The most prevalent rental periods are still those of 3/6/9 years, 6/9 or longer periods (for large companies). For that reason, offices will still be 'traditionally' leased because leasing and yields from office space by the square metre remain the main activity of most owner-landlords. The change in what customers are looking for does, however, mean that in the future office tenants will increasingly be offered a complete array of services, from which each customer can choose which elements play the most important role. In this framework, the lessor can clearly play a role by supplying turn-key solutions on refurbishing offices and unbundling by offering additional à la carte service provision. Depending on the nature of the building, there may be additional possibilities to create a greater impact on the general concept (the ground floor may become an inspiring lobby, lounge or catering facility, for example).

However, in addition to capitalising on such new trends, high-quality property management continues to be of paramount importance to the relationship with the tenant. Intervest is convinced that, in its immediate relationship with the customer, it is important to manage such service provision with its own people.

Research by CBRE (To stay or not to stay, August 2015; research in the UK and the Netherlands) shows that (in 60% of the cases) an office user's main considerations to move or not depend on changing needs concerning a space. Besides that, the quality of the technical service provision appears to be more important than the quality of the lessor's commercial service provision.



Mechelen Campus - RE:flux

The most critical elements of the technical service provision (property management) are:

- clear and speedy solutions to any reported problems (17%)
- reliable lifts (12%)
- clear communication and monitoring reports on operations (12%)
- reliable air conditioning installations (11%)
- modern facilities for buildings (8%).

The most critical elements of the commercial service provision (asset management) are:

- clear charge of common costs without hidden costs
- correct communication and error-free rent requests
- clear procedures on persons to be contacted
- mature, excellent account manager who understands the tenant's business
- clear understanding of long-term building and tenant needs in the event of maintenance works.

The following additional conclusions have been taken from a recent study by the ULI (Urban Land Institute):

- real estate must become a 'service industry' instead of an 'asset industry'. Services include funding, coaching, networking and additional deliveries.
- one of the basic principles is ongoing adjustment, feedback and complexity. A new business model is needed, which comprises tailored solutions regarding office accessibility, location and lay-out.
- the interests of lessors and tenants must be coordinated and transparency must be developed to create a win-win situation.
- practical guidance (including legal and financial advice and networking options) must be provided).



Mechelen Campus - Garden

1.2. Logistics

The rental market in Belgium¹

In the logistics real estate market, 42 transactions for a total surface area of 491.000 m² were inventorised. In terms of surface area, this amounted to a decrease of over 40%. The take-up was 15% lower compared to the five-yearly average (580.000 m²). 56% of the transaction volume is in Flanders, 42% in Wallonia and 2% in Brussels.

Two-thirds less surface area was commercialised in Flanders, but the size of the market doubled in Wallonia. With 28 deals for 275.000 m², Flanders does still remain a fair size larger, but the difference with Wallonia became remarkably smaller.

The investment market in Belgium²

The lack of investment opportunities further forced down the prime yield of the logistics. Although there is little factual evidence to support it, the prime yield at the end of 2017 was estimated at 5,75%. Indeed, it is difficult to determine the prime yield since most transactions took place within a specific context where development must still be realised.

Logistics - leases/sales

	2017		2016	
	Number of transactions	Volumes in m ²	Number of transactions	Volumes in m ²
Belgium	42	490.968	67	843.818
Brussels	1	9.798	-	-
Flanders	15	274.817	60	728.951

¹ Source: Expertise News 540/12/01/2018 C&W marketbeat Brussels Office Market H2 2017.

² Source: C&W marketbeat Brussels Office Market H2 2017 JLL Research.

The rental market in the Netherlands¹

The market for logistics real estate in the Netherlands broke all records in 2017. The take-up of business space (which includes industrial real estate) amounted to approximately 4,5 million m² in 2017 (compared to 3,6 million m² in 2016), 2,5 million m² of which effectively belongs to the logistics segment. This means that the take-up of logistics real estate rose by 39% compared to 2016.

The vacancy rate of the total Dutch business space market is extremely low at approximately 2,8%. This corresponds with a total surface area of 7,8 million m², of which only 1,2 million m² is logistics real estate. The take-up of logistics real estate hereby exceeds the supply of existing buildings by a factor of two, which means that a large part of the logistics real estate take-up must be realised in new-build projects. The supply does not include as-yet-unstarted new-build plans or possible developments, but these new-build projects make the effective potential supply much larger.

The focus on new-build distribution centres is being further reinforced because the Netherlands has succeeded in attracting and retaining many logistics service providers that serve large European sales areas from European distribution centres. Partly because these sales areas are becoming larger, the need for large-scale logistics real estate, which is only available to an extremely limited extent within the existing supply, is on the increase. Consequently, these large transactions are being fulfilled by new-build projects and they are driving the take-up in the logistics real estate segment.

The emphasis on large-scale transactions has restricted the geographic spread of logistics real estate. Over 50% of the transactions were namely concluded in a limited number of logistics hotspots. The following are important trump cards of such logistics hotspots: consumer market accessibility, multi-modality, availability of land and logistics real estate, labour market potential and cooperation with the government. Cooperation with the government is important for permits, training courses and marketing of the region, where the focus is above all on a globally enterprise-friendly approach.

It is above all the logistics hotspots that have benefited from the need of end users - supermarket operators and e-tailers in particular - for large sustainable and preferably also visually attractive distribution centres. The logistics hotspots that succeeded in attracting the most users are the regions of West Brabant, Venlo-Venray and Tilburg-Waalwijk. These were therefore announced as top locations for 2017.

¹ Source: Cushman & Wakefield - "Nederland Compleet".

The investment market in the Netherlands

The investment market for real estate in the Netherlands also broke all records in 2017. Compared to 2016, the investment volume rose by € 6,2 billion to reach a total volume of € 20,2 billion. The previous record dates back to 2007, when a total volume of € 16,5 billion was traded. This followed strong annual economic growth of 3,3% of the Dutch economy (European average 2,4%), combined with the ECB's quantitative easing as from 2015. Foreign parties invested € 12,8 billion of the total real estate investment market.

The business space market was good for € 3,5 billion in the total investment market. This was due to a strong growth of e-commerce, with an explosion in the demand for logistics real estate as a result.

An excellent year is once again expected for 2018, even though it will not be as spectacular as 2017. This is because although demand still remains as strong as ever, there are hardly any logistics portfolio coming on to the market.



Tilburg

Tenants' expectations

The expectations of the tenants are closely related to tenant typology and also depend significantly on the tenant's specific activities.

The international third party logistics organisations are strongly focused on efficiency and cost reduction in order to be as commercially strong as possible compared to their competitors. This results in downward pressure on the rental prices for existing buildings, because their new-build activities can often be achieved at a lower cost due to their modern layout and energy efficiency. They tend to be extremely risk-averse and try to always fully cover financial risks within the minimum contract term with their customers (often 3 years or less). By clustering multiple customers at one location, they try to further improve efficiency levels and reduce costs.

Retails and retail manufacturers (such as Michael Kors, VF Europe, Nike, Estée Lauders, Sketchers, etc.) aim to guarantee the continuity of their logistics chain within an uniform logistics environment. They often choose for a new construction due to their specific seize and focus on the long term.

The demand for space by industrial producers that take care of their own logistics is often more specific than that of retailers due to the technical nature of their product. Focus on guaranteeing long-term continuity of their operations is however also paramount.

In general, shipper and distributor demand for surface area is limited; however, they require a very large number of loading gates for their buildings. They typically serve a very large number of customers from a single location, leading them to approach business operations from the medium-long term.

Atypical showroom users (such as, for example, Peugeot, Facq, Van Marcke and Metro) look for locations with excellent visibility.

However, various trends such as scaling-up and electronic commerce are still setting ever higher and different demands for logistics real estate. Such demands can only be met to a limited extent in the present buildings, which has led to an increased demand for new builds. This means that, despite the considerable increase in the take-up of logistics real estate, the vacancy of outdated current real estate is on the rise.

This is because a substantial part of the existing stock no longer meets the end users' current demands. For the sake of efficiency levels, distribution centres will be increasingly located at multi-modally accessible locations close to container terminals (barge) and large waterways (Albert Canal, Rhine). In this way incoming goods can be grouped and be supplied in large flows from the main ports to be later distributed (congestion-free) via a denser network towards the European regions with the most purchasing power (Ruhr area, Paris, Benelux). Taking the congestion issue into account, national distribution centres in the Benelux will be located on the Amsterdam-Brussels axis, and European distribution centres will more probably be located in the east of the Benelux region (North Brabant, Dutch Limburg, Belgian Limburg and Liège).

In order to scale up, there will be an ever-increasing number of logistics clusters for multiple customers. As a result, changing demands of individual customers at a location can be dealt with.

Due to growing e-commerce logistics, facilities for cross docking and city distribution centres will increasingly be located at the edges of the urban centres. If the delivery speed of e-commerce activities continues to rise, however, smaller-scale (and more environmentally friendly) warehouses will also be created inside city centres. In view of the fact that approximately 30% (compared to 10% now) of the total consumption will be spent through electronic commerce in 5 years' time, growth of both types of logistics centres is inevitable.



TURNKEY-SOLUTIONS PROJECT BLUEBEE



Luncheon room with relaxing space



Meeting room



Informal meeting corner



Open Work space - Bluebee at Mechelen Campus

2. Important developments in 2017

2.1. Occupancy rate and leases in 2017

The **occupancy rate** of the Intervest real estate portfolio was 86% as at 31 December 2017. Occupancy rate without taking into account the Greenhouse BXL redevelopment project was 91% as at 31 December 2017, which remained the same as compared to year end 2016.

The occupancy rate for the office portfolio amounted to 76% as at 31 December 2017, and 85% without taking into account the Greenhouse BXL redevelopment project (86% as at 31 December 2016).

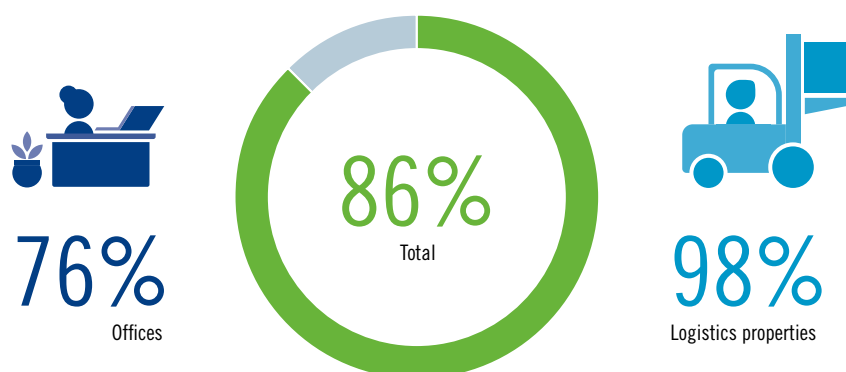
The occupancy rate for the logistics portfolio increased by 2% as compared to 31 December 2016, to 98% as at 31 December 2017, due to the expansion of the real estate portfolio with sites that have been fully leased.

With regard to **leases**, Intervest extended or renewed 9% of the annual net lease income. A total of 30 rental transactions for 83.926 m² were concluded with new or existing tenants. This was 24% of the net annual rental income in 2016, when there were 50 transactions representing 216.980 m².

The rental activity of Intervest in 2017 also focused primarily on the extensions and expansions of existing lease agreements. In 2017, a total of approximately 6% of the annual net rental income of the real estate company or 50.372 m² of existing rental agreements was extended or expanded as compared to 20% in 2016.

Leases to new tenants in 2017 amounted to 3% of the total net rental income of the company or 33.554 m², as against 4% in 2016.

In 2017, 30 lease agreements were entered into or extended, representing 9% of the rental income.



Rental activity in the office portfolio

The activity in the office portfolio is primarily focused on extensions and expansions with existing tenants, particularly in the office parks in Mechelen. The new tenants made up 2% of the annual rental income of this segment and extensions for existing tenants comprised 4%. A total of approximately 9.600 m² of rental transactions was concluded (out of a total office portfolio of approximately 210.000 m²).

New tenants

In 2017, new rental agreements were entered into in the office portfolio of Intervest for a total surface area of 3.968 m², with 10 new tenants attracted, mainly in Mechelen (there were 11 new tenants for a total area of 3.431 m² in 2016).

The most important transactions of 2017 were:

- Valesta at Mechelen Campus for 866 m²
- Cazimir at Diegem Greenhouse BXL for 700 m²
- Tecan at Mechelen Campus for 538 m²
- Fabricom at Aartselaar for 520 m²
- Plat4mation at Mechelen Campus for 318 m²
- T-Fitness Belgique at Gateway House for 301 m²

Renewals at end of lease, expansions and extensions of lease agreements

In 2017, in the office portfolio, ongoing lease agreements for a surface area of 5.665 m² were renegotiated or extended in 10 transactions. An area of 9.944 m² was renegotiated in 21 transactions during the same period in 2016.

The most important transactions of 2017 were:

- expansion of Mylan in Hoeilaart Park Rozendal for 1.916 m²
- expansion of Galapagos at Mechelen Campus for 866 m²
- expansion and extension of Mitiska REIM in Dilbeek Inter Access Park for 817 m²;
- extension of Info Support in Mechelen Intercity Business Park for 541 m²
- extension of Pebble Media at Mechelen Campus for 427 m²
- extension of Trend Micro at Mechelen Campus for 322 m²
- extension of Blue Crux at Mechelen Campus for 318 m²

EXTENSION
FEEDER ONE,
WOMMELGEM

24.180 m²



NEW TENANT
MIRKA,
OPGLABBEEK

14.660 m²





NEW TENANT
TECAN,
MECHELEN CAMPUS

538 m²



EXPANSION
MYLAN,
PARK ROZENDAL

1.916 m²

Rental activity in the logistics portfolio

With regard to Intervest's logistics portfolio, most of the activity was also above all focused on extensions and expansions with current tenants. The new tenants made up 5% of the annual rental income of this segment and extensions for existing tenants comprised 8%. A total of approximately 74.300 m² of rent transactions was concluded (out of a total logistics portfolio of approximately 584.000 m²).

New tenants

New rental agreements for a surface area of 29.586 m² in 5 transactions were concluded for Intervest's logistics portfolio in 2017. This was a surface area of 38.029 m² in 6 transactions in 2016.

The most important transactions of 2017 were:

- Mirka in Opglabbeek for 14.660 m²
- Iron Mountain in Boom for approximately 6.387 m²
- Feeder One in Duffel for 4.067 m²
- Wastic BVBA in Herentals for 2.770 m²

Renewals at end of lease, expansions and extensions of lease agreements

In 2017, in the logistics portfolio, lease agreements for an area of 44.707 m² were extended or expanded in 5 transactions. An area of 165.575 m² was renegotiated in 12 transactions during the same period in 2016.

The most important transactions of 2017 were:

- extension of Feeder One in Wommelgem for 24.180 m²
- extension of Covidien in Opglabbeek for 13.101 m²
- expansion of Toyota Material Handling Europe Logistics in Wilrijk for 7.065 m².

2.2. Investments in 2017

Intervest focused on the growth of the **logistics real estate portfolio** in 2017 and its strategic objective was to have the logistics portfolio increase until it reaches approximately 60% of the total real estate portfolio in due course. The ratio between the two segments as at the end of 2017 was 54% logistics buildings and 46% offices. In total, Intervest achieved a total of € 52 million **new acquisitions** and € 7 million of **expansions on existing sites** in 2017.

Three logistics sites in **Belgium** located in Oevel, Aarschot and Zellik have been added to the real estate portfolio. The delivery of the logistics **new building project** at Herentals Logistics 3 fully went according to plan during the second quarter of 2017.

The first step has been taken in **the Netherlands** with the acquisition of a logistics complex in Tilburg and a distribution centre in Raamsdonksveer.

In the **office portfolio**, the works to redevelop Greenhouse BXL with a third RE:flex are progressing according to plan and the first tenant has been brought in.

Acquisition of three logistics sites situated in Oevel, Aarschot and Zellik

The expansion of the logistics real estate portfolio with sites in Oevel and Aarschot in May 2017 and in Zellik in December 2017 represented an investment of € 28 million. The surface area of these sites together amounts to approximately 53.000 m². The occupancy rate of each site is 100%. The three sites generate a combined annual rental income of over € 2 million. These acquisitions have an average gross initial yield of 7,3%. These three transactions were performed by way of capital increases by contribution in kind with a total issue of 1,2 million Intervest shares. This has led to the strengthening of the company's equity position by € 27 million. The purchase value of these sites is in line with the valuation by the company's independent real estate expert.

Oevel

The site in Oevel provides an expansion in the logistics corridor along the E313 and E314 motorways between Antwerp - Limburg - Liège. It benefits from an excellent location along this motorway and forms a cluster with Intervest's current properties in Oevel and Herentals. Through this investment, Intervest is strengthening its market position on this important logistics axis.

The site in Oevel is a logistics building with a warehouse of 10.840 m², 410 m² of mezzanine and 410 m² of offices and is being leased until 2022 by Vos Logistics, a European logistics services provider. The company provides transport services for packaged and bulk goods and offers logistics and distribution solutions. The entire building is equipped with photovoltaic installations, for which Intervest has granted the commercial operator a right of superficies to the roof.



Aarschot

With the acquisition of the distribution hub in Aarschot, Intervest is planning ahead to take advantage of the increasing importance of rapid urban distribution. The building serves as last-minute distribution hub for the region. With this investment Intervest is responding to the increasing importance of distribution hubs, which are essential for the rapid growth of e-commerce.

The site in Aarschot consists of 2 logistics buildings together accounting for 11.570 m² of warehouse space, 600 m² of office space and 2 smaller storage spaces of 800 m² each. Since 1 January 2017, 80% of the site has been under a long-term lease to bpost for an up-to-date regional distribution centre. The average weighted duration of the lease agreements at this site is 5,9 years to the first possibility of termination.



Zellik

“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



The site in Zellik is a strategic location on the Brussels periphery, located on the Antwerp - Brussels - Nivelles axis. The Brussels periphery remains a top location for Belgian logistics, both for national distribution and for rapid urban distribution.

The site 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, a distributor of sanitary components. A part of the site is equipped with a photovoltaic installation.

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

Delivery of logistics redevelopment project at Herentals Logistics 3

At the beginning of 2017 works began at the Herentals Logistics 3 logistics site on the new construction of a distribution centre of 12.200 m² for Schrauwen Sanitair en Verwarming.

The site has formed part of the Intervest real estate portfolio since 2008 already and is located on one of the most important logistics corridors in Belgium, next to the slip road to the E313, from which one can see the site. Furthermore, it also offers further future expansion possibilities for an additional warehouse of approximately 8.000 m².

This investment in 2017 of approximately € 5 million falls within the scope of the growth strategy of Intervest. This consists of further developing its portfolio in logistics real estate in a customer-driven manner through, for example, developments in locations offering multi-modal access. With this, Intervest shows that, also in logistics real estate, it is more than just a provider of square metres.

A long-term lease agreement for 15 years has been signed with the lessee, with the first termination possibility after 9 years. The commissioning of the new building project fully went according to plan during the second quarter of 2017.

“This project fits in perfectly with the strategy in the logistics real estate segment, which also involves growth through redevelopments in our own portfolio. What’s more, this investment has been developed in close cooperation with the future customer, once again showing that Intervest looks beyond merely providing square metres and that it goes in search of customer-tailored solutions.”

JEAN-PAUL SOLS, CEO INTERVEST



Herentals - Schrauwen

First step in the Netherlands with the acquisition of two logistics complex in Tilburg and Raamsdonksveer

Intervest's first step in the Netherlands has been taken with the acquisition of a logistics complex in **Tilburg** and a distribution centre in **Raamsdonksveer**, both in **the Netherlands**. Through this acquisition, Intervest is pursuing its strategy of expanding its sphere of operations in a region of 150 km around Antwerp. This expansion of the logistics real estate portfolio within the Netherlands in 2017 represents an investment of € 24 million. The surface area of these sites together amounts to approximately 34.000 m². The occupancy rate of each site is 100%. The sites generate a combined annual rental income of over € 1,7 million. These two acquisitions have an average gross initial yield of 7,1%. These investments are financed by available credit lines with financial institutions and are structured for 100% by Intervest perimeter companies in the Netherlands. The purchase value of these sites is in line with the valuation by the company's independent real estate expert.



Tilburg - Dutch Bakery

“We see many points in common between the two parties: Intervest is an ambitious party clearly focused on logistics real estate, and that gives us the certainty that it fully understands how we work and what specific wishes we have regarding accommodation, now and in the future.”

ROB VERHOEF – GENERAL MANAGER, DUTCH BAKERY GROUP

Tilburg

The site in **Tilburg** is located at Industriezone Vossenbergh II, which connects to the A58 Eindhoven-Breda motorway via the ring road, and is part of the Tilburg-Waalwijk logistics hotspot. This is the largest industrial park in Tilburg with more than 200 enterprises and it is characterised by a large diversity with not only logistics and distribution companies located there but also a large number of production and assembly plants in all kinds of industrial branches.

The building has a surface area of 13.300 m² and consists of 11.400 m² of warehouse space, 1.200 m² of offices and 700 m² of mezzanine. The building has a free height of 8 metres and has 6 loading bays and 72 parking spaces. The industrial premises and the production facility are air-conditioned and have been furnished in full accordance with the HACCP guidelines for the food industry.

The tenant of the site is Dutch Bakery, a modern and innovative industrial manufacturer of bake-off bread products sold under the private labels of supermarkets. At this location, Dutch Bakery combines its industrial bakery activities with transport and logistics activities and employs a workforce of over 400.

The lease agreement commenced as at 1 January 2017 and has a fixed term of 15 years, based on a triple net agreement.

Raamsdonksveer

The distribution centre in the North Brabant city of **Raamsdonksveer** has a leasable surface area of 20.500 m² and is under a long-term lease with a furniture and home decoration retailer. It is easily accessible via the A27 (Breda-Almere) and the A59 (Moerdijk-Den Bosch) motorways and, with the nearby Oosterhout Container Terminal, has a direct link with the ports of Rotterdam and Antwerp.

The logistics complex was built-to-suit in 2010 for the tenant, which has centralised its distribution activities for the Netherlands and Belgium in Raamsdonksveer. From this site it supplies its 75 shops in the Benelux and also organises deliveries for the e-commerce activities.

The lease agreement with the tenant has a fixed term until mid-2031.

Greenhouse BXL redevelopment with third RE:flex

Following the successful and innovative reorientation of the office building Greenhouse Antwerp in 2016, Intervest started with the reorientation of the Diegem Campus in 2017, whereby it will clearly distinguish itself from the traditional offices offer as Greenhouse BXL.

At the beginning of 2017, after the departure of tenant Deloitte, the office buildings of Diegem Campus at Berkenlaan 6, 8a and 8b, became vacant. The building at Berkenlaan 6 was already divested in the first semester of 2016.

Given the location and the quality of the buildings, both these buildings offer an excellent opportunity for **repositioning** and a multi-tenant approach, to create an inspiring office building where work and experiencing go hand in hand with a service-oriented and flexible approach to the tenants.

With the third RE:flex and co-working lounge, this concept is aimed at stimulating meeting and interaction. It has a professional aura, stimulates cross-fertilisation, allows for a high level of flexibility, provides an air of tranquillity, focuses on service, is energy-efficient and aims for accessibility. A newly built patio will serve as a lively meeting place with the potential for organising events. The “new way of working” will be integrated in the complex by combining a co-working lounge and places fostering inspiration.

The interior fittings are also aimed at mutually encouraging interaction between visitors and users. For example, a Grand Café, a restaurant, larger shared meetings rooms and an auditorium have been provided. Users can also call on a service desk, which ensures a personalised approach when it comes to the customer’s needs.

The adjacent empty building at Berkenlaan 7 was purchased at its basic value of € 1,7 million in the first quarter of 2017. The intention is to demolish the current building and convert this site into an extra open space with a park, leisure opportunities and an underground car park adjacent to Greenhouse BXL.

The construction work for the redevelopment of the site into Greenhouse BXL began in the first quarter of 2017 and is expected to be finished in May 2018 to welcome its first customers. The budget for the entire planned investment amounts to approximately € 9 million (€ 1 million of which in financial year 2017 and € 8 million in financial year 2018). This investment will be financed from the company’s available credit lines.

In the meantime, the construction work for the patio with the auditorium does not impede the leasability of Greenhouse BXL. Cazimir, a team of specialised lawyers who help wealthy families and entrepreneurs with questions on legal matters and concerns regarding their assets, has opted for Greenhouse BXL as its new office location near Brussels. As from October 2018, Cazimir will lease an office surface area there of 700 m² for a fixed period of 9 years. Cazimir found Greenhouse BXL particularly appealing because it is one of the newest office projects in the Brussels periphery and is fully based on the concept of the “new way of working”. Various types of workplaces and meeting rooms, an auditorium for informative meetings, the large amount of green space, the good proportion of parking facilities for customers and employees and the opportunity to engage in sport and recreation are a few of the most important trump cards that played a role in Cazimir’s choice.

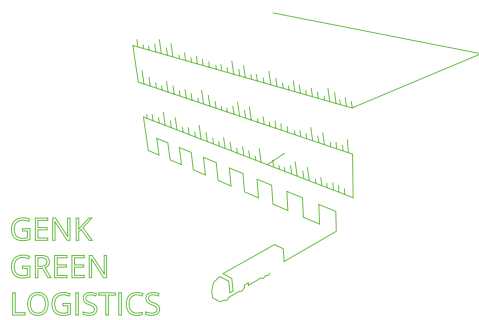


“We are delighted to be able to conclude the first lease agreement in Greenhouse BXL with Cazimir. The wide interest in the project indicates that this innovative office concept, where working and experiencing go hand in hand, meets market expectations.”

JEAN-PAUL SOLS, CEO INTERVEST

2.3. Development potential

Allocation of the redevelopment of the Ford site in Genk to 'Genk Green Logistics'



The selection of '**Genk Green Logistics**' by the Flemish Government as the preferred bidder for the redevelopment of the Ford site in Genk represents a new-build potential of approximately 250.000 m² of logistics real estate, a significantly large step forward in achieving Intervest's growth plan in the future.

Genk Green Logistics is a joint venture to be set up between Intervest, on the one hand, and Group Machiels, on the other, which in cooperation with developer MG Real Estate and DEME Environmental Contractors will be responsible for the redevelopment of one of the most large-scale tri-modal logistics hubs in Flanders. The Flemish Government has thus chosen to bundle complementary expertise regarding development of large-scale company premises to redevelop the Ford site in Genk into a logistics hotspot.

The site is **strategically located** in the important logistics corridor Antwerp-Limburg-Liège. The surface area of the entire Ford site is 133 hectares, 42 hectares of which is for zone B. The site has tri-modal access via the Albert Canal, rail and the proximity of the E314 and E313. The large scale of the site and its tri-modal access are unique trump cards to put Genk Green Logistics on the map as a logistics hotspot. Allocation to Genk Green Logistics includes zone B of the Ford site. Zone A is intended as public domain and for common purposes. Zone C is the property of De Vlaamse Waterweg.

Genk Green Logistics plans a **full new development project** at zone B, which will consist of state of the art logistics complex of approximately

250.000 m² after full development. This surface area is intended to be developed in phases, spread over different buildings, over an expected period of five years.

Detailed information on project financing, the yields and other preconditions will be communicated systematically as the different phases of the project progress. The negotiations to enter into a contractual agreement with the Flemish Government were started during the second half of 2017 and were still ongoing as at 31 December 2017.

To begin with, the required demolition and remediation works for the current buildings have been scheduled. The remediation of the soil and infrastructure will be coordinated by De Vlaamse Waterweg as an assignment for the Flemish Government. Meanwhile the development of substantial parts of the site can be started.

Genk Green Logistics stands for a development plan with a clear commercial focus on e-commerce. It expects that this will attract a broad range of users to the site, from e-commerce retail activities, e-fulfilment service providers to classic 3PL organisations. Genk Green Logistics will also be open to other logistics needs or the smart manufacturing industry.

As a reference project on sustainability and spatial quality, Genk Green Logistics will be completed as a logistics building complex with high sustainability principles. The buildings will be BREEAM certified and, among other things, will be equipped with extensive insulation, water recovery, energy efficient LED lighting, solar panels and CO₂ neutrality.

2.4. Divestments

Within the framework of Intervest's strategy, the performance of the entire real estate portfolio is constantly monitored and evaluated. If any worthwhile divestment opportunities occur, they are always considered and analysed where appropriate. No divestments were made in 2017, however.

BEYOND REAL ESTATE



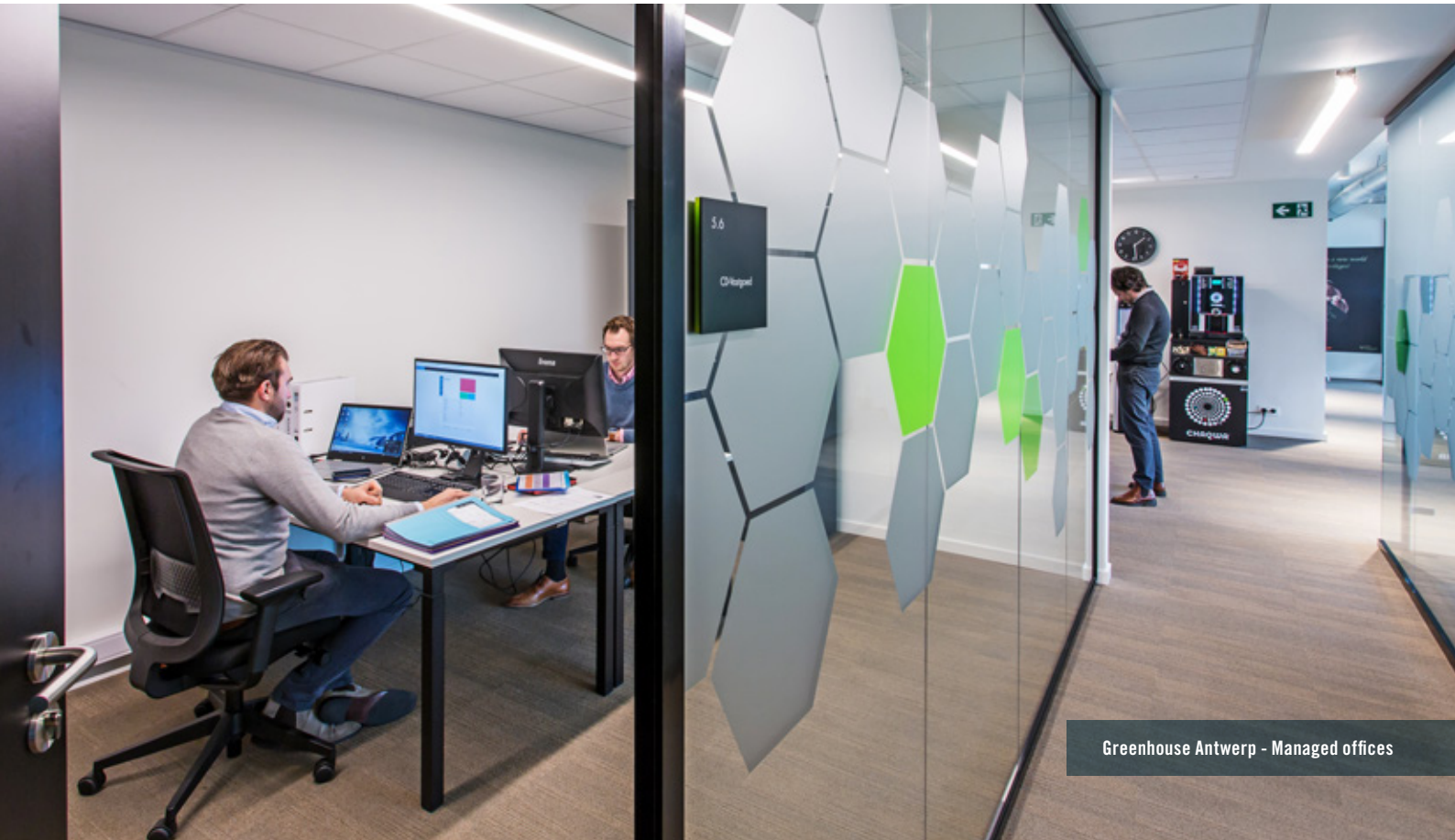
Mechelen Campus - E.ON



Greenhouse Antwerp - Greenhouse café



Mechelen Campus - RE:flex



Greenhouse Antwerp - Managed offices

2.5. Beyond real estate: from m² to 'unburdening'

In both its market segments, Intervest is positioning itself **beyond real estate** and is acting as a real estate partner which does **more than simply let square metres** of office or logistics space. Intervest can unburden its customers and offer them added value by listening to what they want, by thinking along with them and by thinking ahead. The many positive reactions from the customers to these **turn-key solutions** serve as an encouragement to Intervest in further expanding this approach.

In the logistics segment, this has led to anticipating changing current and future needs for **space and building specifications** together with the customer. For example, projects were developed in close cooperation with the customer, among others with Feeder One, Toyota Material Handling and Rogue Fitness, to adapt existing buildings to meet their specific requirements regarding interior design, layout, combination with offices, flexible spaces and the like. Developing Herentals Logistics 3 by adding the built-to-suit new construction of a new distribution centre in close consultation with the customer Schrauwen Sanitair en Verwarming is yet another example of this customer-driven approach.

Greenhouse Antwerp, Intervest's innovating renovated office building in Berchem, is tailored to the current, new way of working, with a RE:flex space for start-ups and co-working, a vast range of flexible meeting rooms and a restaurant, namely the "Greenhouse Café". **Managed offices**, smaller and fully equipped offices that were leased in a jiffy, were also provided here during the course of 2017. In addition, the service provision in Greenhouse Antwerp has been expanded by opening **Greenhouse Boardroom**, a modern, fully equipped meeting facility with its own catering.

At Mechelen Campus, the installation of two **smart charging plazas** for 34 electric cars is an added value for the customers.

Beyond real estate: turn-key solutions

With the **turn-key solutions**, a specialised and complementary team offers a fully bespoke solution, ranging from fitting-out plans and supervision of the works to coordination of the occupancy process, and closely monitors the pre-set timeframe and appointed budget.

For new leases as well as extensions, customers are making ever more use of these turn-key solutions for optimisation and use of their office or logistics space. This change clearly fits within the trend of 'unburdening' the customer.

Offices

In 2017, too, the Intervest team completed a substantial number of turn-key solutions projects both for existing and for new customers.

Projects have been developed or completed for existing customers such as at Sundio Group, where the technical space was refurbished, Borealis, where the coffee corner was converted into an inspiring meeting space and Bluebee where an entire floor was refurbished and connected to the parts already occupied. In addition, the open space was expanded with meeting rooms and additional offices. The employees relocated internally while the works were being carried out. The cleanroom project was completed for Biocartis.

Work was started on full office furnishing at Mylan. The whole ground floor and first floor were completely dismantled and rebuilt.

Moreover, in 2017 a number of new customers also used the turn-key solutions approach such as In2Food, E.ON, Tecan and Plat4mation.

Work was started on full office furnishing for In2Food. It resulted in a combination of open and closed spaces with a creative use of colours to separate the spaces visually. New door openings and a new supporting wall provide improved circulation and, in this way, optimum use was made of the surface area available.

A complete renovation was carried out at E.ON. The entire office was refurbished, which included adjusting the HVAC to the new situation. During this process, a few existing walls were however recovered, which were then integrated in the whole.

The refurbishment works at Tecan were completed within one month because the customer wanted to move within a very short period. A combination of open space and closed offices has been provided in the office part. A training centre and a storage space have been housed in the second wing. The entire space was decorated with fresh red accents in keeping with the company's branding.

In 2016, Plat4mation, the provider of solutions for service management in the cloud, moved into the RE:flex co-working office at Mechelen Campus, renting a space for two persons. In 2017, more than one year later, the IT company moved to its own office on the same campus and called on the turn-key solutions team to do the furnishing.

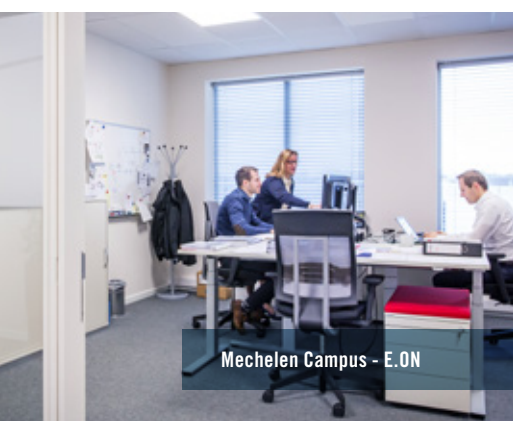
The turn-key solutions team was also active elsewhere in our buildings. An additional meeting room was provided in RE:flex Mechelen. Several so-called managed offices were installed in Greenhouse Antwerp: these are fully ready-to-use office spaces with extensive service provision. Greenhouse Boardroom was installed in the same location. The result is a fully equipped and modern meeting facility that has its own catering.



Hoeilaart - Mylan



Mechelen Campus - Borealis



Mechelen Campus - E.ON



Greenhouse Antwerp - Boardroom



Wommelgem - Feeder One - Offices before



Wommelgem - Feeder One - Offices after



Schelle - Rogue

Logistics

In the logistics segment, projects for Feeder One have been developed, and the project for Rogue Fitness, which was started up in 2016, was further completed in 2017.

Both the logistics and the office parts of the site were tackled for Feeder One. Sustainability and energy efficiency were the recurring theme of the adjustments in the logistics part: the most important components were the roof renovation, relighting, ADR space, renovation of the HVAC and the installation of an EMS system. The existing layout of the office segment was fully reviewed and refurbished, while everyone was able to continue working at their workplace.

During a first stage, a demonstration area and showroom for the products of Rogue Fitness Benelux were designed in its existing logistics space in Schelle, and these were combined with the necessary provisions for traditional storage activities. Offices and sanitary space were expanded and refreshed. These works were completed in 2017. The completion of the showroom and of the storage space for hazardous substances is planned during the course of 2018. Furthermore, Intervest thought along with the customer in its long-term planning and provided it with expansion possibilities.

The office segment of hall 1A at Toyota Material Handling Europe Logistics was completely stripped and was given a new floor, new LED lighting and new sanitary facilities. Additional windows were also fitted to allow for more sunlight.

Beyond real estate: extensive service provision

Unburdening the customer is central to Intervest's mission. Offering services at customer, building, site and portfolio levels makes it easier for customers to manage the working environment from day to day. Intervest coordinates, schedules, communicates and monitors the various services, is the central point of contact, and hereby ensures that there is an excellent guaranteed price/quality ratio. Intervest hereby fully or partially takes over the 'real estate care' from the customers and provides additional services for the employees of the customers, so that they can concentrate on their core activities.

Supported by Planon, an online tool, Intervest ensures that the various requests for a wide range of work are processed efficiently. With 'Planon self-service', the customer has the option of directly entering a notification in the system. In this way, the customer can then track the status of the work request in Planon. This makes it possible for suppliers and partners to be monitored efficiently, and fine-tuned where necessary. An upgrade of Planon was started in 2017 and it is planned to go live during the first quarter of 2018.



Mechelen Campus - RE:flex



Greenhouse Antwerp - Vergaderruimte

Beyond real estate: RE:flex and managed offices

RE:flex has several formulas with which it provides access to a flexible "(third) workstation" as well as a range of facilities and services that are charged on a per-use basis. Every RE:flex is also equipped with state-of-the-art conference and meeting facilities, which are also suited for seminars, receptions, product presentations, team meetings and the like.

The first RE:flex was installed at Mechelen Campus in mid-2012. The centralised location of Mechelen has proved to be an additional trump card (accessibility, parking facilities, fewer traffic issues, etc.). An additional floor with extra workplaces and meeting facilities was furnished at RE:flex Mechelen in mid-2015 to meet growing demand.

A second RE:flex with a co-working area and a wide range of meeting rooms was opened on the ground floor and a part of the first floor of Greenhouse Antwerp, the renovated office building in Berchem, in 2016. Here, too, RE:flex targets both small, starting companies and large companies which need meeting rooms or workplaces in Antwerp for temporary projects.

The opening of a third RE:flex is scheduled in Greenhouse BXL, the redevelopment of the site in Diegem, by mid-2018.

RE:flex is also a fine example of the turn-key solutions approach of Intervest. Indeed, every RE:flex was entirely elaborated and designed internally. A partnership with Steelcase was set up to provide the furniture. Steelcase is one of the largest manufacturers in the world of office furniture and is also a customer at Mechelen Campus.

Mechelen Campus Tower also houses a business centre on the eleventh, twelfth and fourteenth floors, where MC Square sublets small, fully-serviced office spaces to start-ups or smaller businesses.

In 2017 there was additional expansion in Greenhouse Antwerp, including individually fully refurbished office spaces, managed offices that can be flexibly rented and that were also be leased in a jiffy.



Access 24/7
RE:flex
GOLD members



Printing and
copying facilities



High speed
internet



Assigned telephone
number



Cleaning
service



Reception
services



Postal
services



Parcel
service



Meeting
rooms



Seminar
facilities



Coffee



Restaurant



Catering



Showers



Ironing service



Parking



Charging station
electrical cars



Shuttle
service



Rental
cars



Handyman
service

Beyond real estate - a broad scope of facilities and services

3. Financial results 2017

3.1. Consolidated income statement

in thousands €	2017	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 of financial assets and liabilities)	-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
Note:		
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

* Please see the Terminology for the calculation of the EPRA earnings.

Analysis of the results¹

Intervest's strategy is based on a reorientation of its office portfolio and a growth of the logistics real estate portfolio. For financial year 2017, the **rental income** of Intervest amounted to € 43,4 million, a decrease of € 1,9 million or 4% as compared to financial year 2016 (€ 45,3 million).

In 2017 the rental income in the office segment decreased by € 4,0 million or 9%, mainly due to the strategic reorientation of the office portfolio. This was the result, on the one hand, of the divestment of five non-strategic buildings in the Brussels periphery in June 2016 and, on the other, of the redevelopment of the office site in Diegem into Greenhouse BXL after the departure of tenant Deloitte in Diegem as at 31 January 2017, in consequence of which this site was not leased in 2017.

The decrease in the rental income in the office segment was partly compensated by the increase of € 2,1 million or 5% of the rental income in the logistics segment, primarily due to the acquisitions of five logistics sites concluded in 2017.

Increase in the rental income in the logistics portfolio by 5% due to acquisitions and decrease in the office portfolio by 9% due to strategic reorientation.

The **property charges** for financial year 2017 amounted to € 6,2 million (€ 5,2 million). The rise was caused primarily by the € 0,2 million increase in technical costs and the rise by € 0,6 million in the management costs of the real estate due to an expansion of the acquisition team and the reinforcing of the team for logistics real estate.

The **general costs and other operating income and costs** amounted to € 2,7 million for financial year 2017 (€ 2,1 million). The increase of € 0,6 million was attributable to higher personnel, accommodation and office costs, as a result of an expanded management committee and staff complement, as well as higher advisory costs within the scope of the company's growth.

The decrease in rental income, combined with the increase in general and property costs, means that the **operating profit before portfolio profit** fell by € 3,1 million or 8% to € 35,1 million in 2017 (€ 38,2 million). This means that the operating margin of Intervest is 81% for the 2017 financial year (84%).

Intervest did not divest any invest properties in the 2017 financial year. The **result on the sale of investment properties** in 2016 amounted to € -12,8 million due to the capital loss realised on the divestment of five buildings in the Brussels periphery in June 2016.

The **changes in the fair value of the investment properties** amounted to € -7,3 million in 2017 (€ 2,4 million) or a drop in the fair value of 1% compared to the close of 2016. These changes are mainly the combined effect of:

- the increase in the fair value of the existing office portfolio by € 1,4 million mainly in the Mechelen region
- the decrease by € -8,7 million in the fair value of the current logistics real estate portfolio, primarily due to the expected future vacancy period in Puurs and the change of the rental situation in Wommelgem.

The **financial result (excl. changes in fair value of financial assets and liabilities (ineffective hedges))** in 2017 amounts to € -7,5 million and is therefore € 1,6 million lower than in 2016 (€ -9,1 million). The decrease in financing costs is primarily due to the entering into force of interest rate swaps at lower interest rates. The average interest rate of the company financing for 2017 amounted to 2,6%, including bank margins, compared to 3,1% in 2016.

The average interest rate for financing amounted to 2,6%, including bank margins for financial year 2017 (3,1% in 2016).

¹ Comparable figures for financial year 2016 between brackets.

The **changes in fair value of financial assets and liabilities (ineffective hedges)** included the change in market value of the interest rate swaps which, in line with IAS 39, cannot be classified as cash flow hedging instruments, in the amount of € 1,1 million (€ 1,5 million).

The **net result** of Intervest for financial year 2017 amounted to € 21,2 million (€ 20,6 million) and can be divided into:

- the **EPRA earnings** of € 27,4 million (€ 29,0 million), or a decrease of € 1,6 million, mainly attributable to the reduction in rental income and the increase in general costs and property charges, partly offset by the decrease in financing costs obtained through new interest rate swaps at lower interest rates
- the **result on portfolio** of € -7,3 million (€ -10,0 million)
- the **changes in the fair value of financial assets and liabilities (ineffective hedges)** in the amount of € 1,1 million (€ 1,5 million).

This means EPRA earnings of € 27,4 million (€ 29,0 million) for Intervest for financial year 2017. Taking into account the 17.409.850 weighted average number of shares, this results in **EPRA earnings per share** of € 1,58 as compared to € 1,73 per share for financial year 2016. Taking into account the 17.740.407 dividend-entitled shares as at year end, this resulted in EPRA earnings of € 1,55 per share as compared to € 1,73 per share for the 2016 financial year.

Within the scope of its growth strategy, Intervest decided in March 2016 to plan a gross dividend of a minimum of € 1,40 per share for financial years 2016, 2017 and 2018.¹

Therefore, the shareholders can be offered a **gross dividend** of € 1,40 for financial year 2017 (€ 1,40 for the financial year of 2016). This equals a pay-out ratio of 91%² of the EPRA earnings. This represents a **gross dividend yield** of 6,2%, based on the closing share price as at 31 December 2017 (€ 22,49).

RESULTS 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 based on the weighted average number of shares (€)	1,58	1,73
EPRA earnings based on the number of dividend-entitled shares (€)	1,55	1,73
Pay-out ratio (%)	91%	81%
Gross dividend (€)	1,40	1,40
Percentage withholding tax*	30%	30%
Net dividend (€)	0,9800	0,9800

* The withholding tax on dividends of public regulated real estate companies was increased from 27% to 30% (except in case of certain exemptions) as from 1 January 2017 as a result of the Programme Act of 25 December 2016, published in the Belgian Official Gazette of 29 December 2016.

¹ Subject to approval by the annual general meetings to be held in 2018 and 2019.

² Intervest Offices & Warehouses is a regulated real estate company with a legal distribution obligation of at least 80% of the operating distributable result, adjusted to non-cash flow elements, realised capital gains and capital losses on property investments and debt reductions.

3.2. Consolidated balance sheet

in thousands €	31.12.2017	31.12.2016
ASSETS		
Non-current assets	663.846	612.373
Current assets	15.572	12.790
Total assets	679.418	625.163
SHAREHOLDERS' EQUITY AND LIABILITIES		
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 of the financial year	21.186	20.582
Minority interests	0	0
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

BALANCE SHEET INFORMATION PER SHARE¹	31.12.2017	31.12.2016
Number of shares at year-end	18.405.624	16.784.521
Number of shares entitled to dividend	17.740.407	16.784.521
Net value (fair value) (€)	19,52	19,43
Net value (investment value) (€)	20,35	20,37
Net asset value EPRA (€)	19,62	19,60
Share price on closing date (€)	22,49	23,90
Premium with regard to net value (fair value) (%)	15%	23%
Debt ratio (max. 65%)	44,6%	45,7%

¹ The definition of a few parameters in the table is reflected in the Terminology.

Assets¹

The fair value of the real estate portfolio as at 31 December 2017 amounted to € 663 million.

The **non-current assets** consist mainly of investment properties of Intervest. The **fair value of the real estate portfolio** of the company increased by approximately € 52 million in 2017, and as at 31 December 2017 it amounted to € 663 million (€ 611 million). The underlying fair value of the real estate portfolio underwent the following changes in 2017.

- The increase in fair value of the **logistics portfolio** by approximately € 49 million or 16% compared to the fair value as at 31 December 2016, mainly because of the combined effect of:
 - € 52 million acquisitions of five logistics properties, three in Belgium and two in the Netherlands
 - € -9 million or -3% due to the decrease in fair value of the current logistics real estate portfolio, primarily due to the forecast of the expected future vacancy period in Puurs and the change of the rental situation in Wommelgem
 - € 6 million due to investments and expansions in the existing logistics portfolio, mainly in Herentals Logistics 3
- The increase in fair value of the **office portfolio** by approximately € 2 million or 1% compared to the fair value as at 31 December 2016, mainly because of the combined effect of:
 - € 1 million or 1% due to the increase in fair value of the existing office portfolio, mainly in the Mechelen region
 - € 1 million investments in the existing office portfolio.

The **current assets** amounted to € 16 million and consisted mainly of trade receivables in the amount of € 10 million, € 7 million of which for advance invoicing for the first quarter of 2018, € 3 million from tax receivables and other current assets and € 2 million from deferred charges and accrued income.

Liabilities¹

The company's **shareholders' equity** increased by € 33 million in 2017, and as at 31 December 2017 it amounted to € 359 million (€ 326 million), represented by 18,405,624 shares (16,784,521 shares). This increase was primarily due to the net result of financial year 2017, the payment of the dividend for financial year 2016 and four capital increases.

- For the **dividend** distribution for financial year 2016, the shareholders of Intervest have opted for 55% of their shares for a contribution of their dividend rights in return for new shares instead of payment of the dividend in cash. This led as at 22 May 2017 to a strengthening of the shareholders' equity by € 9 million (capital increase and issue premium) through the creation of 420,847 new shares. The newly created shares provide an entitlement to dividend as from 1 January 2017.
- The acquisition of the logistics sites in Oevel and Aarschot as at 5 May 2017 was realised through capital increases by contribution in kind by the issue of 535,039 new shares for an amount of € 13 million. The shares created provide an entitlement to dividend as from 1 January 2017.

¹ Comparable figures for financial year 2016 between brackets.

- The acquisition of the logistics sites in Zellik as at 22 December 2017 was also realised through a capital increase by contribution in kind by the issue of 665.217 new shares for an amount of € 14 million. The shares created provide an entitlement to dividend as from 1 January 2018.

As a result of this capital increase, the **registered capital** of the company rose in 2017 by € 15 million to € 168 million (€ 153 million) and the **issue premiums** rose by € 21 million to € 112 million (€ 91 million).

The **reserves** of the company amounted to € 59 million (€ 62 million) and consist mainly of:

- the reserve for the balance of changes in fair value of real estate for € 38 million (€ 54 million), composed of the reserve for the balance of changes in the investment value of real estate for € 53 million (€ 70 million), and the reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties; indeed, in accordance with the interpretation of the RREC sector of IAS 40 (publication of the Belgian Association of Asset Managers of 8 February 2006 and the updated interpretation of the BE-REIT Association, published as at 10 November 2016), the real estate portfolio is valued at fair value; the difference with the investment value is shown separately in shareholders' equity; this difference amounted to € -15 million (€ -16 million) as at 31 December 2016
- a reserve for the balance of changes in fair value of authorised hedging instruments that were not subject to hedge accounting for an amount of € -3 million (€ -5 million)
- results carried forward from previous financial years and the other reserves subject to payment of € 24 million (€ 13 million).

As at 31 December 2017, the **net value (fair value)** of a share was € 19,52 (€ 19,43). As the stock exchange quotation of an Intervest share (INTO) was € 22,49 as at 31 December 2017, the share was listed at a premium of 15% on the closing date, compared to the fair value.

The **non-current liabilities** amounted to € 256 million (€ 224 million) and, on the one hand, comprised non-current financial debts in the amount of € 252 million (€ 220 million) which consisted of € 192 million long-term bank financing, the expiry date of which is after 31 December 2018 and the bond loans issued in March 2014 for € 60 million. On the other hand, the non-current liabilities also comprised the other long-term financial liabilities, representing the negative market value of € 2 million of the cash flow hedges concluded by the company to hedge the variable interest rates on the financial debts.

Current liabilities amounted to € 64 million (€ 75 million) and consisted mainly of € 47 million in current financial debts, i.e. bank loans with an expiry date before 31 December 2018 (€ 62 million), of € 2 million in trade debts and € 15 million in accrued charges and deferred income.

The **debt ratio** of Intervest amounted to 44,6% as at 31 December 2017 (45,7% as at 31 December 2016). The decrease by 1,1% in the debt ratio was primarily caused by the strengthening of the shareholders' equity as a result of the optional dividend and the acquisitions in Oevel, Aarschot and Zellik realised by way of capital increases by contribution in kind with the issue of new shares.

4. Financial structure

The **financial policy** of Intervest is aimed at optimally financing the company's growth strategy. For this purpose, there is an attempt to achieve an equilibrium in the debt-shareholders' equity ratio, where the intention is to keep the debt ratio between 45% and 50%. Intervest ensures that there are enough resources available to finance current projects and to be able to follow up growth opportunities. Sound diversification of various financing sources is pursued, as is an adequate spread of the expiry dates of the financing agreements. Intervest continues to pay attention to actively managing the financial risks, including risk of interest, of liquidity and of financing.

In practice, in 2017 Intervest further **optimised its financing structure** by:

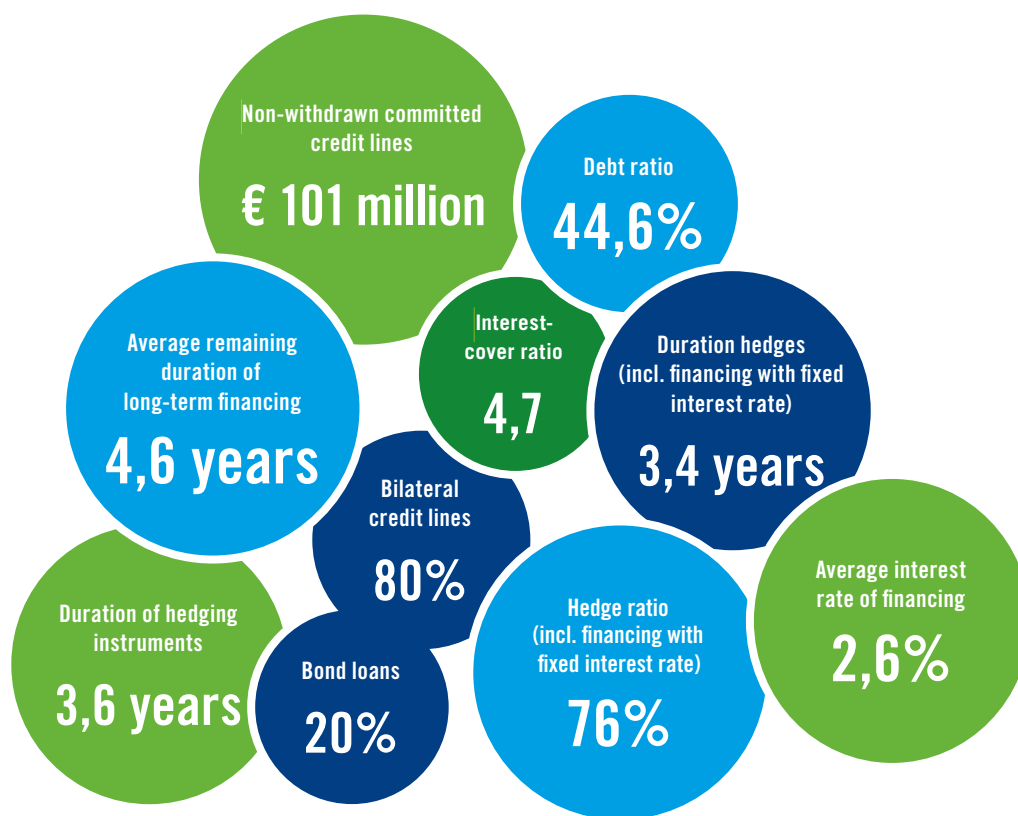
- Extending the average duration of long-term financing from 2,9 to 4,6 years by:
 - refinancing its credit portfolio with KBC Bank for € 75 million, spread over 3 tranches, with durations of 5, 6 and 7 years
 - entering into new financing of € 40 million with Belfius Bank, having a duration of 7 years
 - entering into a credit agreement with a new Belgian financing partner, Argenta Spaarbank, for € 50 million with a duration of 8 years.
- The diversification of its financing partners.
- Making its hedging strategies stronger through the current low interest rates: where the previous target hedge ratio was 66%, the aim was fixed at 80% as from the start of 2017. At the end of the year in 2017, the hedge ratio amounted to 76%
- The extension of the average duration of the interest rate swaps from 2,5 years to 3,6 years by entering into new interest rate swaps for € 40 million at lower interest rates.
- A decrease in average financing cost from 3,1% in 2016 to 2,6% in 2017.

This (re)financing shows the confidence that financial institutions have in Intervest and its strategy. They have led to an adequate spread of the expiry calendar of the long-term financing between 2018 and 2025, while duly regarding balance between cost price, duration and diversification of the financing sources.

Moreover, at the end of 2017, a buffer of € 101 million of unused credit lines was available to finance the growth in 2018 with borrowed capital.

This was possible as a result of the limited debt ratio of 44,6% as at 31 December 2017, due to which approximately € 75 million can still be invested with borrowed capital before reaching the top of the strategic range of 45%-50%.

This solid capital structure was achieved by creating new own equity by issuing 9,7% shares during the course of 2017 within the scope of three contributions in kind (logistics sites in Oevel, Aarschot and Zellik) for € 27 million and the optional dividend with a success rate of 55% for € 9 million.



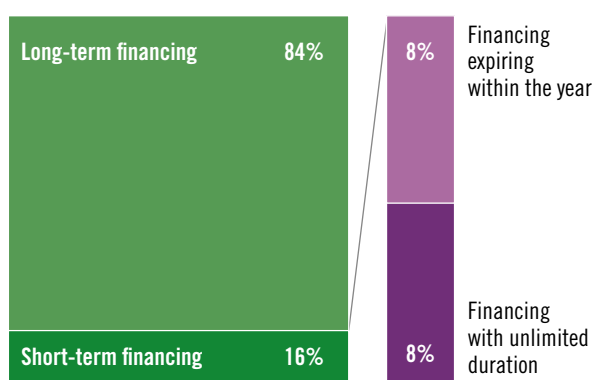
4.1. Financial structure characteristics

The most important **characteristics of the financial structure** as at the end of 2017 are:

- amount of financial debts: € 299 million (excluding the market value of financial derivatives)
- 84% long-term financing agreements with an average remaining duration of 4,6 years
- 16% short-term financing agreements, consisting of 8% of financing with an unlimited duration (€ 32 million), for 8% consisting of credit facilities expiring in 2018 (€ 33 million)
- 80% of the credit lines used are bilateral credit, 20% are bond loans
- spread of the expiry dates of credit facilities between 2018 and 2025
- spread of credit facilities over 7 European financial institutions and bond holders
- € 101 million non-withdrawn committed credit lines
- cover ratio: 57% of the credit lines have a fixed interest rate or are fixed by interest rate swaps, 43% have a variable interest rate; 76% of the withdrawn financing has a fixed interest rate or was fixed by interest rate swaps and 24% has a variable interest rate
- as at 31 December 2017, the weighted average remaining duration of the interest rate swaps was 3,6 years
- as at 31 December 2017, the weighted average interest rate of the interest rate swaps was 0,7%
- market value of financial derivatives: € 1,8 million negative
- average interest rate for 2017: 2,6% including bank margins (3,1% for 2016)
- debt ratio of 44,6% (statutory maximum: 65%) (45,7% as at 31 December 2016)
- interest cover ratio of 4,7 for 2017 (4,2 for 2016)
- no change in 2017 in the current contracted agreements
- as at 31 December 2017, the RREC fulfilled its agreements.

4.2. Balance between long-term and short-term financing

As at 31 December 2017, 84% of the available credit lines of Intervest were long-term financing and 16% were short-term financing, with 8% consisting of financing of an unlimited duration (€ 32 million) and 8% of credit facilities expiring in 2018 that need to be extended or refinanced (€ 33 million).



4.3. Duration and spreading of the expiry dates of long term financing

The weighted average remaining duration of the long-term credit facilities is 4,6 years as at 31 December 2017.

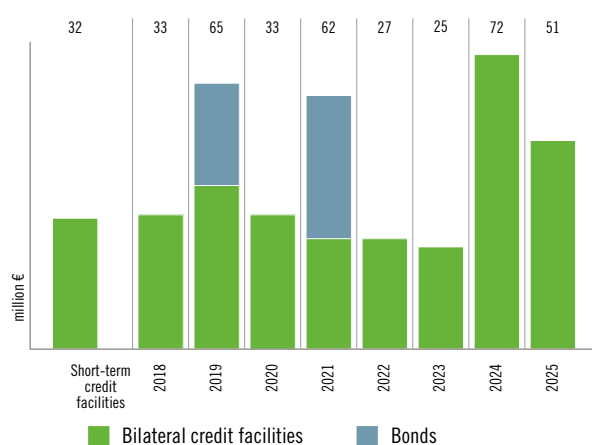
The strategy of Intervest is to keep the average duration of long-term financing between 3,5 and 5 years, but this can be derogated from temporarily if specific market conditions require.

In 2017, Intervest continued the process of optimising the spread of the expiry dates of its credit lines. Within this context, Intervest refinanced its credit facilities portfolio with KBC Bank for a total amount of € 75 million, spread over three tranches, with durations of 5, 6 and 7 years. Two new credit agreements were concluded in each case. On the one hand, there was a credit agreement with a new Belgian financing partner, Argenta Spaarbank, for € 50 million with a duration of 8 years and, on the other hand, a credit agreement of € 40 million with a duration of 7 years with Belfius Bank.

This has caused the weighted average remaining duration of the long-term credits to increase from 2,9 years as at 31 December 2016 to 4,6 years as at 31 December 2017.

Expiry dates calendar financing

The expiry dates calendar of financing as at 31 December 2017 is represented in the chart. In financial year 2018 Intervest only needs to refinance two credit facilities for an amount of € 33 million.



Only 8% of the credit lines will need to be refinanced in 2018.

4.4. Available credit lines

As at 31 December 2017, the company still had € 101 million of non-withdrawn committed credit lines with its lenders for financing future investments, for planned refinancing, to absorb fluctuations in liquidity requirements and for payment of the dividend of financial year 2017.

Intervest maintains a strict cash position so that, in principle, the cash position at financial institutions remains largely restricted and the cash balance can be applied for the reduction of financial debts. As at 31 December 2017, this cash position only amounted to € 0,7 million.

4.5. Hedge ratio

76% of the withdrawn credit facilities had a fixed interest rate or were hedged by financial derivatives.

Intervest stepped up its hedging strategy in 2017. For composition of the loan portfolio, Intervest's strategy previously consisted of aiming to achieve a ratio of one-third with a variable interest rate and two-thirds with a fixed interest rate. In view of the persistent low interest rates on the financial markets, Intervest increased the target for the cover ratio to 80% in 2017.

As at 31 December 2017 the bond loans for a total amount of € 60 million had a fixed interest rate and the company concluded interest rate swaps for a total notional amount of € 160 million. In addition, the company has a credit facility agreement with a fixed interest rate for an amount of € 7 million with an initial duration of 10 years.

76% of the withdrawn credits lines as at 31 December 2017 had a fixed interest rate or were fixed by interest rate swaps and 24% had a variable interest rate.

As at 31 December 2017, 57% of the credit lines of the company consisted of financing with a fixed interest rate or are fixed by interest rate swaps; 43% had a variable interest rate. The percentage difference with the financing drawn down resulted from the available credit lines.

As at 31 December 2017, the weighted average interest rate of the interest rate swaps is 0,7%.



4.6. Duration of fixed interest rates

As at 2 January 2017, the interest rate swaps amounted to a notional amount of € 60 million on the expiry date, with an average interest rate of 2,3%. In the first semester of 2017, Intervest concluded new hedging agreements (interest rate swaps) with durations of 6 and 7 years for € 30 million (see Note 18 of the Financial report for the overview and the fair value of financial derivatives as at 31 December 2017). In addition, an existing interest rate swap with a notional amount of € 10 million and an interest rate of 2,3425% was converted to an interest rate swap with a duration of 7 years at 0,85%.

As at 31 December 2017, the weighted average remaining duration of the interest rate swaps was 3,6 years.

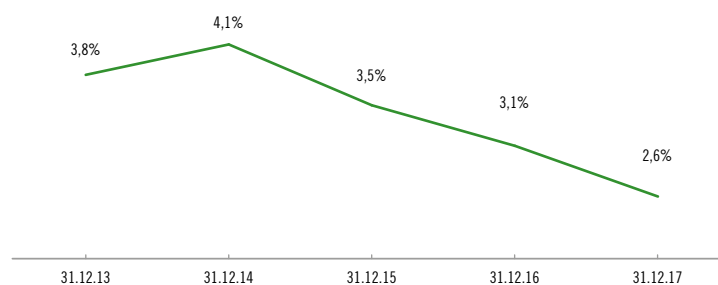
As at 31 December 2017, the interest rates on credit facilities of the company were fixed for a weighted average remaining duration of 3,4 years (interest rate swaps and credit facilities with fixed interest rate).

4.7. Average interest rate of the financing

For the financial year 2017, the average interest rate of the financing of Intervest was 2,6% including bank margins (3,1% in 2016). This decrease is primarily due to the entering into force of interest rate swaps at lower interest rates.

The average interest rate for the non-current financial debts amounted to 2,9% in 2017 (3,2% in 2016). The average interest rate for the current financial debts amounted to 1,8% in 2017 (3,0% in 2016).

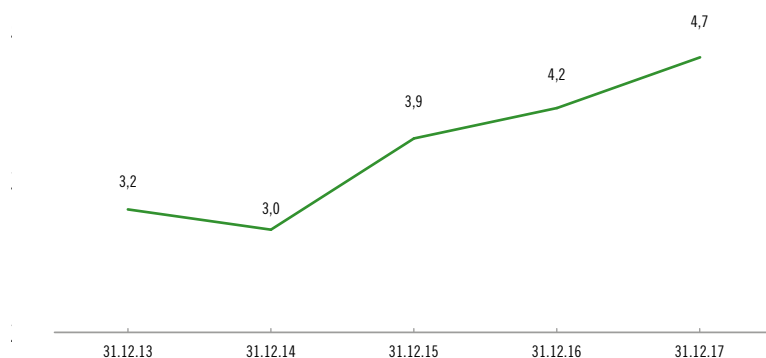
The average interest rate of the financing amounted to 2,6% in 2017 (3,1% in 2016).



4.8. Interest coverage ratio

The interest coverage 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 in accordance with IAS 39). For Intervest, this ratio amounted to 4,7 for financial year 2017 (4,2 for the financial year 2016), which is higher than the 2 to 2,5 required, a protocol established in the financing agreements of the company.

The interest coverage ratio was 4,7 for financial year 2017.



4.9. Interest rate sensitivity

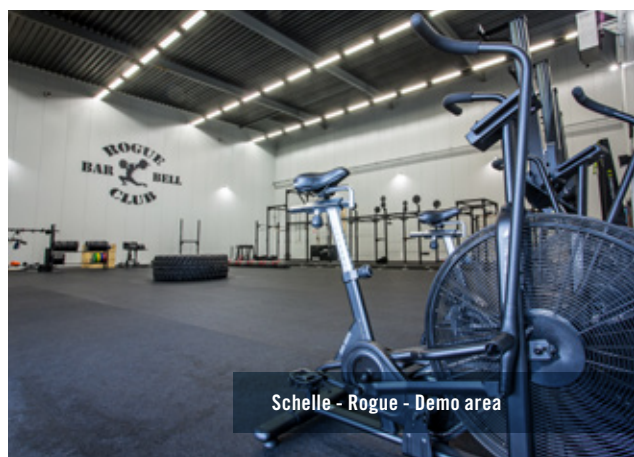
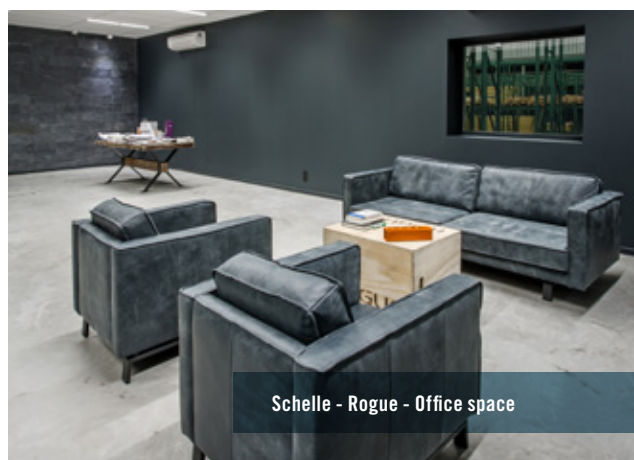
For financial year 2017, the effect on the EPRA earnings of a (hypothetical) increase in interest rate by 1% gives a negative result of approximately € 0,6 million (negative € 0,5 million in 2016).

4.10. Banking counterparties

The credit portfolio of Intervest is spread over 7 European financial institutions and bondholders.

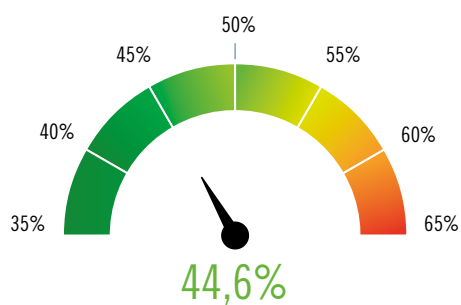
Intervest maintains business relations with:

- banks providing financing: KBC Bank nv, ING Belgium nv, Belfius Bank nv, BNP-Paribas Fortis nv, NIBC Bank nv, Bank Degroof Petercam and Argenta Spaarbank nv
- banks which are counterparties for the interest rate hedges: ING Belgium nv, KBC Bank nv, Belfius Bank nv and BNP-Paribas Fortis nv.



4.11. Debt ratio

The debt ratio amounted to 44,6% as at 31 December 2017 (45,7% as at 31 December 2016).

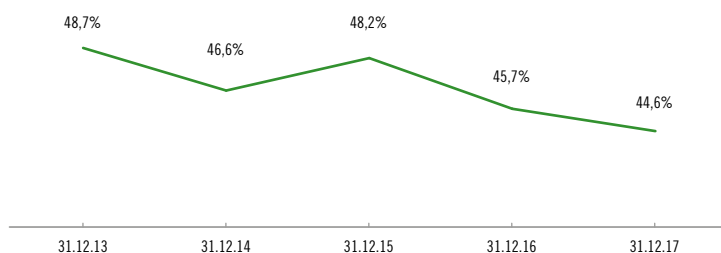


Note on the debt ratio evolution

In order to guarantee a proactive policy for the debt ratio, an RREC having a debt ratio higher than 50% must prepare a financial plan pursuant to article 24 of the RREC Act. This plan contains an implementation scheme describing the measures to be taken to avoid the debt ratio exceeding 65% of the consolidated assets.

Intervest's policy is to endeavour to maintain the debt ratio between 45% and 50%.

As at 31 December 2017 the consolidated debt ratio of Intervest amounted to 44,6% with the result that the threshold of 50% was not exceeded. Such an overrun occurred the first time as at 30 September 2011 with a debt ratio of 50,5%. Subsequently, the debt ratio has always fluctuated between 45% and 52%. Over the course of its history the debt ratio of Intervest has never exceeded the legal threshold of 65%.



The decrease by 1,1% of the debt ratio from 45,7% as at 31 December 2016 to 44,6% as at 31 December 2017 was primarily caused by the strengthening of the shareholders' equity as a result of the optional dividend and the acquisitions in Oevel, Aarschot and Zellik realised by way of capital increases by contribution in kind with the issue of new shares.

On the basis of the current 44,6% debt ratio as at 31 December 2017, Intervest still has an additional investment capacity of approximately € 395 million, without exceeding the maximum debt ratio of 65%. The capacity for further investments amounts to approximately € 262 million before exceeding the debt ratio of 60% and € 75 million before exceeding the threshold of 50%.

Valuations of the real estate portfolio also have an impact on the debt ratio. Taking into account the current capital structure, the maximum debt ratio of 65% would only be exceeded in case of a possible decrease in value of the investment properties by approximately € 214 million or 32% compared to the real estate portfolio of € 663 million as at 31 December 2017. In case of unchanged current rents, it means an increase of the yield, used to determine the fair value of the real estate properties, of 3,5% on average (from 7,3% on average to 10,8% on average). In case of unchanged yield used to determine the fair value of the real estate properties, it means a decrease of current rents of € 15,5 million or 32%.

Intervest believes that the current debt ratio is at an acceptable level, offering sufficient margin to absorb potential decreases in value of the real estate properties.

On the basis of the current financial plan it is supposed that the debt ratio of Intervest will fluctuate in the course of 2018 between 45% and 50%, compared to 44,6% as at 31 December 2017.

This assessment takes into account the following theoretical elements:

- no investments or divestments in 2018
- profit allocation which takes into account the expected profit for financial year 2017 and the dividend payment for financial year 2017
- an optional dividend in May 2018 whereby the investment capacity herewith liberated is used for the strengthening of the balance sheet
- a stable value of the real estate portfolio of the company.

This forecast can however be influenced by unforeseen circumstances. In this respect reference is made specifically to the chapter Risk factors.



5. Profit distribution 2017

The board of directors proposes that the result of the financial year 2017 of Intervest Offices & Warehouses SA be appropriated as follows:

in thousands €

Net result for financial year 2017¹	21.186
ALLOCATION TO/TRANSFER FROM RESERVES	
Allocation to/transfer from the reserves for the balance of changes in fair value ² of real estate properties:	
• Financial year	4.985
• Previous financial years	0
• Realisation real estate properties	0
Allocation to the reserve of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	2.378
Allocation to the reserve for the balance of changes in fair value of authorised hedging instruments that are not subject to hedge accounting	-1.119
Allocation to other reserves	0
Allocation to results carried forward from previous years	-2.593
Remuneration of capital	24.837

At the general meeting of shareholders as at 25 April 2018, it will be proposed that a gross dividend of € 1,40 per share be distributed.

The shareholders will be offered a gross dividend of € 1,40 per share for financial year 2017. This is equal to a net dividend of € 0,98 after deduction of the 30% withholding tax. Taking into account the 17.740.407 shares that will participate in the full result of financial year 2017, this means that a dividend of € 24.836.570 is available for distribution.

The pay-out of the EPRA earnings is pursuant to the RREC Act.

The dividend is payable as from 23 May 2018.

¹ The present profit distribution is based on the statutory figures (see 8.6 Annexes of the statutory annual accounts of the Financial report).

² Based on changes in the investment value of the investment properties.

6. EPRA Best Practices¹

In December 2014 the EPRA's Reporting and Accounting Committee published an update of the report entitled "Best Practices Recommendations ("BPR")². This BPR contains the recommendations for defining the main financial performance indicators applicable to the real estate portfolio. Intervest endorses the importance of reporting standardisation of performance indicators from the perspective of improving the comparability and the quality of information for its investors and other users of the annual report. For this reason, Intervest has decided to include the most important performance indicators in a separate chapter of the annual report.

6.1. EPRA gold, again

The Intervest 2016 Annual Report received the EPRA BPR GOLD AWARD for the third time running at the EPRA conference in London.

EPRA is the European Public Real Estate Association, and it issues recommendations to increase the transparency and consistency of financial reporting, the so-called BPR (Best Practices Recommendations). For the past year, EPRA reviewed approximately 120 annual reports from listed real estate companies across Europe, and it granted a Gold award to 65.

The Gold award for the 2016 Annual Report is an acknowledgement of the continuous effort that Intervest makes to ensure consistent and transparent financial reporting.



¹ These figures were not audited by the statutory auditor except the EPRA earnings, the EPRA NAV and the EPRA NNAV.

² The report can be consulted on the EPRA website: www.epra.com.

6.2. EPRA Key performance indicators

The auditor has verified if the “EPRA earnings”, “EPRA NAV” and “EPRA NNNAV” ratios are calculated according to the EPRA BPR definitions of December 2014, and if the financial data used for the calculation of these ratios correspond to the accounting data of the consolidated financial statement.

Table	EPRA indicators	Definitions EPRA*		31.12.2017	31.12.2016
1	EPRA earnings	Result derived from the strategic operational activities. Objective: to measure the result of the strategic operational activities, excluding (i) the changes in fair value of financial assets and liabilities (ineffective hedges), and (ii) the portfolio result (the profit or loss on investment properties that may or may not have been realised).	in thousands €	27,430	29,044
			€/share	1,58	1,73
2	EPRA NAV	Net Asset Value (NAV) adjusted to account for the fair value of investment properties and to the exclusion of certain elements that do not fit within the financial model for investment properties in the long term. Objective: after adjusting the net worth (fair value), the EPRA NAV provides the shareholder with relevant information about the fair value of the assets and liabilities within a real estate company with a long-term strategy.	in thousands €	361,207	329,046
			€/share	19,62	19,60
3	EPRA NNNAV	EPRA NAV adjusted to account for the fair value of the financial instruments, the debts and the deferred taxes. Objective: after adjusting the EPRA NAV, the EPRA NNNAV provides the shareholder with relevant information about the fair value of the assets and liabilities within a real estate company.	in thousands €	354,892	320,246
			€/share	19,28	19,08
4	(i) EPRA Net Initial Yield (NIY)	Annualised gross rental income based on the contractual rents passing as at the closing date of the annual accounts, less the investment properties, 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. Objective: an indicator for comparing real estate portfolios based on yield.		6,0%	6,4%

Table	EPRA indicators	Definitions EPRA*	31.12.2017	31.12.2016
	(ii) EPRA topped-up NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents). Objective: an indicator for comparing real estate portfolios based on yield.	6,2%	6,6%
5	EPRA vacancy-percentage	Estimated rental value (ERV) of vacant space divided by ERV of the portfolio in its entirety. Objective: to measure the vacancy of the investment properties portfolio based on estimated rental value (ERV).	13,8%	9,4%
6	EPRA Cost Ratio (including direct vacancy costs)	EPRA costs (including direct vacancy costs) divided by gross rental income less compensations for leasehold estate and long-lease rights. Objective: to measure significant changes in the company's general and operational costs.	20,6%	16,8%
	EPRA Cost Ratio (excluding direct vacancy costs)	EPRA costs (excluding direct vacancy costs) divided by gross rental income less compensations for leasehold estate and long-lease rights. Objective: to measure significant changes in the company's general and operational costs, without the effect of changes in vacancy costs.	19,1%	15,8%

* Source: EPRA Best Practices (www.epra.com).

6.3. Tables EPRA Key performance indicators

Table 1: EPRA earnings

in thousands €	31.12.2017	31.12.2016
Net result IFRS (group share)	21.186	20.582
Adjustments to calculate EPRA earnings		
To be excluded:		
I. Changes in fair value of investment properties	7.274	-2.425
II. Result on disposal of investment properties	0	12.798
VI. Changes in fair value of financial assets and liabilities	-1.119	-1.547
Other result on portfolio	89	-363
EPRA earnings (group share)	27.430	29.044
Weighted average number of shares	17.409.850	16.784.521
EPRA earnings (€/per share) (group share)	1,58	1,73

The EPRA earnings amounted to € 27,4 million for financial year 2017 compared to € 29 million for financial year 2016 or a decrease of € 1,6 million or 5.5%. This drop is mainly as a result of the decrease in rental income and the increase in general costs and property charges, partly offset by lower financing costs obtained through new interest rate swaps at lower interest rates. The EPRA earnings per share amounted to € 1,58 for financial year 2017 compared to € 1,73 for financial year 2016.

Tables 2 and 3: EPRA NAV and EPRA NNNAV

in thousands €	31.12.2017	31.12.2016
Net asset value (group share)	359.366	326.085
Net asset value per share (€) (group share)	19,52	19,43
Diluted net value, after the lifting of options, convertible debts and other shareholder equity instruments.	359.366	326.085
To be excluded:		
IV. IV. Fair value of financial instruments	1.841	2.960
EPRA NAV (group share)	361.207	329.046
Number of shares at year-end	18.405.624	16.784.521
EPRA NAV/share (€) (group share)	19,62	19,60
To be added:		
I. Fair value of financial instruments	-1.841	-2.960
II. Revaluations of the fair value of financing with fixed interest rate	-4.474	-5.839
EPRA NNNAV (group share)	354.892	320.247
Number of shares at year-end	18.405.624	16.784.521
EPRA NNNAV/share (€) (group share)	19,28	19,08

The EPRA NAV per share amounted as at 31 December 2017 to € 19,62 compared to € 19,60 as at 31 December 2016.

The EPRA NNNAV per share amounted as at 31 December 2017 to € 19,28 compared to € 19,08 as at 31 December 2016.

Table 4: EPRA Net Initial Yield (NIY) and EPRA topped-up NIY

in thousands €	31.12.2017	31.12.2016
Investment properties and properties held for sale	662.539	610.944
To be excluded:		
Reserve of land intended for lease*	-1.683	-3.062
Real estate properties available for lease	660.856	607.882
To be added:		
Estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	17.606	15.197
Investment value of properties available for lease (B)	678.462	623.079
Annualised gross rental income	46.801	45.011
To be excluded:		
Property charges**	-5.954	-5.414
Annualised net rental income (A)	40.847	39.597
Adjustments:		
Rent expiration of rent free periods or other lease incentives	1.026	1.325
Annualised "topped-up" net rental income (C)	41.873	40.922
(in%)		
EPRA NET INITIAL YIELD (NIY) (A/B)	6,0%	6,4%
EPRA "topped-up" NET INITIAL YIELD (NIY) (C/B)	6,2%	6,6%

* As at 31 December 2017 the company has an available reserve of land in Herentals on its site Herentals Logistics 3 for the potential future construction of an additional warehouse of approximately 8.000 m². At the end of 2017 this reserve of land is valued as clear for construction.

** The perimeter of the property charges to be excluded for the calculation of the EPRA Net Initial Yield is recorded in the EPRA Best Practices and does not correspond with the "Property charges" as presented in the consolidated IFRS accounts.

The EPRA Net Initial Yield and the EPRA Adjusted Net Initial Yield as at 31 December 2017 decreased slightly compared to 31 December 2016, mainly due to the strategic reorientation of the office portfolio with the redevelopment of the office site in Diegem into Greenhouse BXL.

Table 5: EPRA vacancy rate

Segment	Leasable space (in m ²)	Estimated rental value (ERV) on vacancy (in thousands €)	Estimated rental value (ERV) (in thousands €)	EPRA vacancy rate (in %)	EPRA vacancy rate (in %)
				31.12.2017	31.12.2016
Offices	210.457	6.615	27.043	24%	14%
Logistics real estate	584.439	580	25.119	2%	4%
Total real estate properties available for lease	794.896	7.195	52.162	14%	9%

The EPRA vacancy rate as at 31 December 2017 increased by 5% compared to 31 December 2016. The EPRA vacancy rate of the office portfolio increased by 10% as a result of the vacancy rate in Diegem after the departure of Deloitte in January 2017. The EPRA vacancy rate in the logistics portfolio decreased by 2%.

Tabel 6: EPRA cost ratios

in thousands €	31.12.2017	31.12.2016
General costs	2.722	2.232
Write-downs on trade receivables	36	136
Compensations for leasehold estate and long-lease rights	21	21
Property charges	6.162	5.242
To be excluded:		
Compensations for leasehold estate and long-lease rights	-21	-21
EPRA costs (including vacancy costs) (A)	8.920	7.610
Vacancy costs	-634	-475
EPRA costs (excluding vacancy costs) (B)	8.286	7.135
Rental income less compensations for leasehold estate and long-lease rights (emphyteusis) (C)	43.328	45.259
(in %)		
EPRA cost ratio (including vacancy costs) (A/C)	20,6%	16,8%
EPRA cost ratio (excluding vacancy costs) (B/C)	19,1%	15,8%

The increase of the general costs and property charges and the decrease of rental income led to an increase of the EPRA cost ratio (including vacancy costs) and of the EPRA cost ratio (excluding vacancy costs) as at 31 December 2017 compared to 31 December 2016.

Table 7: EPRA net rental income on steady comparison base

in thousands €		31.12.2017			31.12.2016		
Segment	Unchanged composition of the portfolio over two years	Acquisitions	Divestments	Total net rental income	Unchanged composition of the portfolio over two years	Changes in net rental income	Changes in net rental income (in %)
Offices	19.294	455	0	19.749	22.335	-3.041	-14%
Changes pursuant to indexation						101	0%
Changes in the occupancy rate						-3.062	-14%
Changes pursuant to renegotiation with current or new tenants						-87	0%
Changes to compensation for damages received						7	0%
Other changes						0	0%
Logistics	21.682	1.918	0	23.600	21.295	387	2%
Changes pursuant to indexation						58	0%
Changes in the occupancy rate						465	2%
Changes pursuant to renegotiation with current or new tenants						-204	-1%
Changes to compensation for damages received						68	0%
Other changes						0	0%
TOTAL RENTAL INCOME for unchanged composition	40.976	2.373	0	43.349	43.630	-2.654	-6%
Reconciliation with consolidated net rental income							
Rental-related expenses				-4			
NET RENTAL INCOME				43.345			

The above table shows the change in the EPRA rental income in an unchanged portfolio composition. The rental income relating to the buildings sold on the Brussels periphery in June 2016 was not taken into account in the rental income of 2016.

The additional rental income received as a result of the acquisition of five logistics buildings in 2017 was also not included in the comparison base.

The like for like of the EPRA rental income shows a decrease of 14% in the office portfolio. This is primarily due to the decrease in the occupancy rate as a result of the redevelopment of Greenhouse BXL. The like for like of the EPRA rental income shows an increase of 2% in the logistics portfolio.

Table 8: EPRA investment expenses on steady comparison base

in thousands €		31.12.2017		31.12.2016	
		Offices	Logistics	Offices	Logistics
Acquisition of investment properties ¹		0	51.539	7.319	0
Like-for-like portfolio		878	6.452	3.824	2.678
Total		878	57.991	11.143	2.678

¹ The acquisition of investment properties includes the investment expenses for the logistics sites in Aarschot, Oevel, Zellik, Tilburg (NL) and Raamsdonksveer (NL).

² The investment expenses mentioned in the "like for like portfolio" relate to investments and expansions in buildings owned by the company as at 31 December 2016.

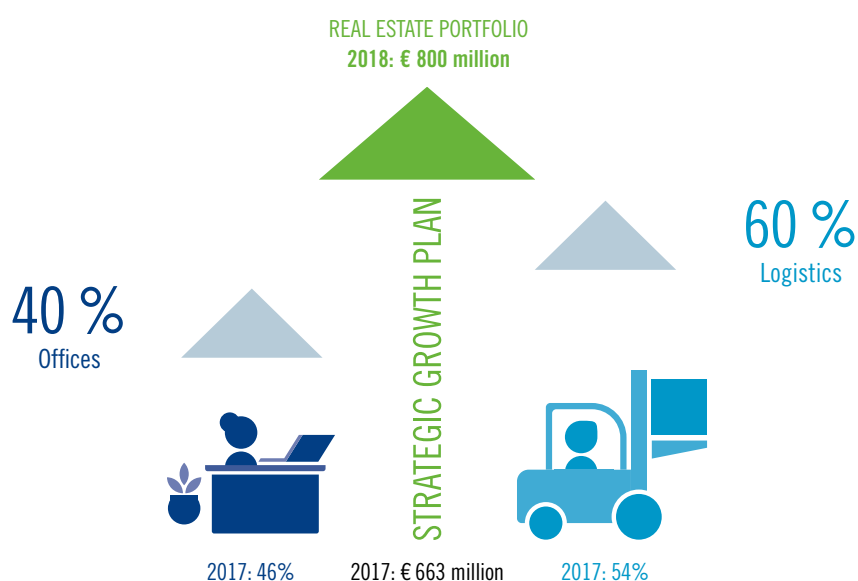
7. Outlook for 2018

Permanent changes in the real estate and financial markets are the reason why Intervest carefully adjusts its strategy and approach every year and refines it without affecting the essence in the process.

In 2017 Intervest ensured that the company was prepared for further growth, in addition to the acquisitions concluded. The basic focus in 2018 remains on expanding the logistics real estate and the reorientation towards inspiring office buildings.

Investments

Also in the second half of 2018 Intervest will continue to work on its strategic growth plan regarding the reorientation of its office portfolio and expansion of the logistics real estate portfolio. The intention in doing so is to have the real estate portfolio, which was € 663 million at the end of 2017, grow to € 800 million by the end of 2018.



The objective continues to be to make the strategic emphasis shift that was started a few years ago to a proportion of 60% of logistics real estate and 40% of office buildings. The ratio between the two segments as at the end of 2017 was 54% logistics buildings and 46% offices.

The real estate to be acquired will preferably be located in the most significant logistics axes where Intervest already operates, i.e. the Antwerp - Brussels - Nivelles axis and the Antwerp - Limburg - Liège axis. Other locations in Belgium, the Netherlands and Germany will also be considered. Preference goes to locations that have future potential and benefit from tri-modal access.

In view of investors' great interest for the logistics investment market and the relatively high prices as a result, Intervest aims to combine the acquisition of land positions with a view to build-to-suit projects, sale-and-lease-back operations and traditional investments so that it can achieve a sufficiently attractive yield.

Intervest currently has a promising set of potential acquisitions for logistics real estate in the pipeline, including in the Netherlands. In the meantime, Intervest has become known in the Netherlands as an active investor that reacts flexibly to investment opportunities, which reinforces its competitiveness for future acquisitions. Signature in January 2018 of the letter of intent for the development of a logistics project of approximately 28.000 m² in Roosendaal (the Netherlands) confirms this state of affairs.



The market in Germany is being further examined. Intervest will assess whether there are any possible investment opportunities that fit in with the strategy and that provide adequate added value.

Investments in the office market where buildings and locations are geared towards an inspiring unique working environment are being actively examined. In this regard, Intervest aims to make investments in office buildings having an exceptional character with regard to multi-functionality, architecture and/or sustainability.

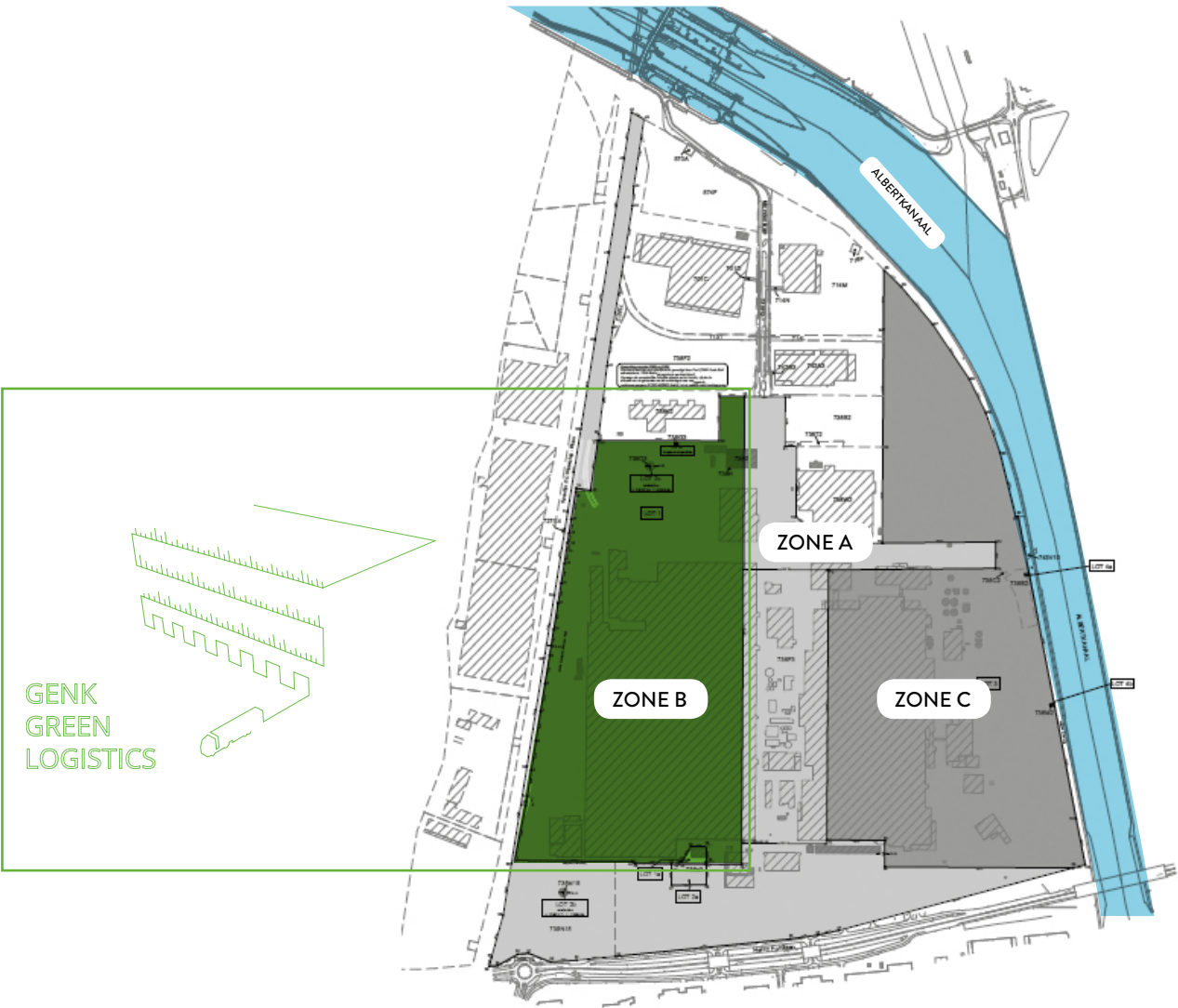
Genk Green Logistics



The Flemish Government's allocation as preferred bidder to "Genk Green Logistics" of the redevelopment of the Ford site in Genk contributes substantially to the future achievement of Intervest's growth plan.

'Genk Green Logistics', a joint venture to be created with Group Machiels in collaboration with MG Real Estate and DEME Environmental Contractors, has important complementary expertise regarding the development of large-scale industrial sites. The site provides a development potential of approximately 250.000 m² of logistics buildings over a period of five years.

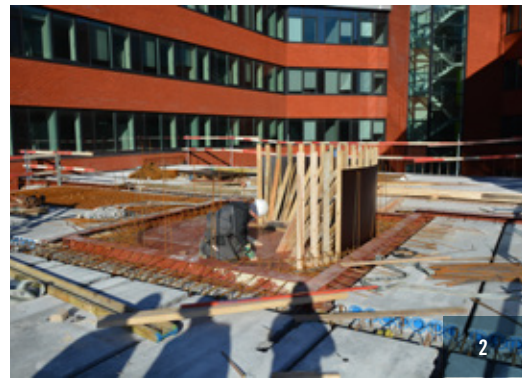
The contractual agreement with the Flemish Government to acquire the site is expected to be finalised in the first half of 2018. A start will be made to market the new construction development on the Ford site.



Zone B-Development potential 250.000 m²

Greenhouse BXL

The redevelopment of Greenhouse BXL in Diegem into an innovative, inspiring and service-oriented multi-tenant campus with a third RE:flex enjoys priority. The building works are expected to be finished in the second quarter of 2018. Marketing of the site is fully under way. After having attracted the first tenant in 2017, Intervest aims to be able to welcome more new tenants there in 2018.



Beyond real estate

Intervest continues to permanently tap into changing market circumstances, adapt accordingly and combine this with solid real estate experience.

In the strategic move away from the simple letting of square metres towards the provision of flexible solutions and extensive service provision, Intervest continues along that path with the concept of RE:flex and turn-key solutions, *beyond real estate*. Intervest can 'unburden' its customers and offer them added value by listening to what they want, by thinking along with them and by thinking ahead. In 2018 Intervest will again aim to enter new leases or to renew existing lease agreements and implement turn-key solutions: a fully bespoke solution, ranging from fitting-out plans and supervising the works to coordinating the relocation process, within a pre-set time frame and budget.



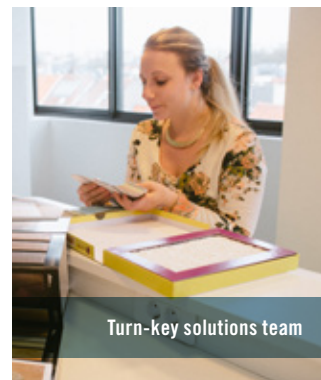
Mechelen Campus - RE:Flex



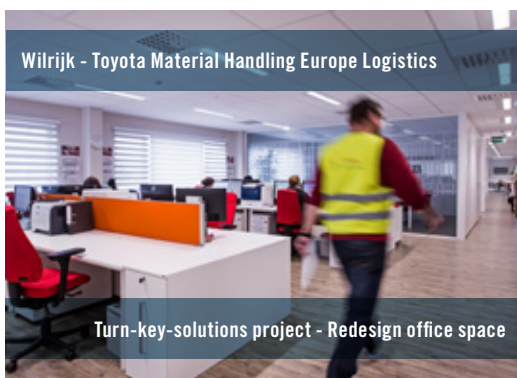
Turnkey-solutions project - Demo room Cochlear



BEYOND REAL ESTATE



Turn-key solutions team



Wilrijk - Toyota Material Handling Europe Logistics

Turn-key-solutions project - Redesign office space



Renewed logistics hall

Leases and occupancy rate

The occupancy rate of the Intervest real estate portfolio was 86% as at 31 December 2017. Without taking into account the Greenhouse BXL redevelopment project, the occupancy rate was 91% (85% for the office portfolio and 98% for the logistics portfolio).

Increasing tenant retention by extending lease duration continues to be the key challenge in the area of asset management, as does further stabilising and possibly improving the occupancy rate in the office segment. Besides these leases in Greenhouse BXL in Diegem, Intervest aims to keep the number of new leases, renewals and expansions in the office portfolio at a stable minimum.

The change in the occupancy rate in the logistics segment will significantly depend on the re-renting of the sites in Puurs and Boom.

Occupancy rate

*keep stable
at a minimum*

Gross dividend

Within the scope of its announced growth strategy, Intervest decided in March 2016 to plan a gross dividend of a minimum of € 1,40 per share¹ for financial years 2016, 2017 and 2018.

*Gross dividend
€ 1,40
per share*

Financing

In 2017, in the area of finance, Intervest improved and prepared its financing and balance sheet structure for the 2018 growth plan.

For example, Intervest extended the average duration of long-term financing from 2,9 to 4,6 years by entering into new financing and extending the existing credit facilities having durations ranging from 5 up to and including 8 years for a total of € 165 million. This has led to an adequate spread of the expiry calendar for long-term financing between 2018 and 2025, while duly regarding balance between cost price, duration and diversification of the financing sources. Intervest's average financing cost decreased from 3,1% in 2016 to 2,6% in 2017.

*Only 8% of the
credit lines to be
refinanced in 2018*

In 2018 only 8% of the credit lines will need to be refinanced for a total amount of € 33 million.

At the end of 2017, a buffer of € 101 million of non-withdrawn credit lines were available to finance the growth in 2018 with borrowed capital. This is possible as a result of the limited debt ratio of 44,6% as at 31 December 2017, due to which approximately € 75 million can still be invested with borrowed capital before reaching the top of the strategic range of 45% - 50%.

*€ 101 million
available for growth*

Furthermore, issues of debt instruments and share issues to finance further growth will be examined and, where possible, always geared towards the real estate investments pipeline.

¹ Subject to approval by the annual general meetings to be held in 2018 and 2019.

Sustainability

As in previous years, Intervest will keep up its efforts in the area of sustainability and environmentally-conscious planning.

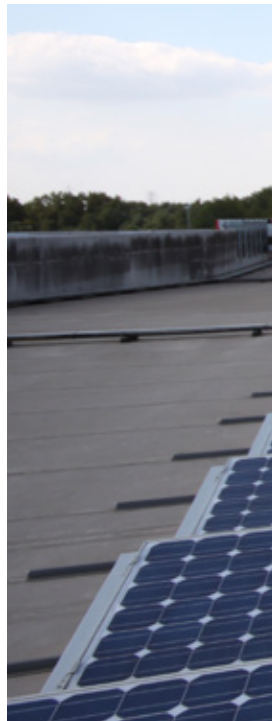
Intervest endorses the VOKA Charter on sustainable enterprise (VCDO) that is based on the 17 sustainable development goals of the UN formulated in five domains: peace, people, planet, prosperity and partnership.

By using this as the basis, for 2018 Intervest has developed a plan consisting of 10 practical points of action that can be monitored through the VCDO.

Intervest has also become a member of Flux50, the Flemish spearhead cluster encouraging collaboration between companies and organisations from different sectors and of different sizes, as well as with knowledge institutions, policy makers and even end consumers. Flux50 aims to initiate innovation trajectories in five topical domains or innovator zones: power havens, microgrids, multi-power applications for neighbourhoods, energy cloud applications and intelligent renovation.

Smart Business Area of the Future is a 10-month long viability study in the microgrid innovator zone coordinated by Engie. Together with Quares, Engie and Continental, Intervest forms part of the business consortium that will analyse the possibilities on the Mechelen Campus office site and its immediate vicinity to create a smart grid environment in the long term to exchange power with one another.

The company will present the buildings in its portfolio to BREEAM for certification. There is the intention to have a number of additional sites assessed according to the BREEAM-In-Use method in 2018. This method ("Building Research Establishment Environmental Assessment Methodology"-In-Use, or "BIU" for short) assesses the sustainability of existing buildings with respect to building physics, operational management and control, as well as the use of the building.







PROACTIVELY THINKING ALONG AND REALISING PLANS

“As a result of the professional approach we were able to implement our ambitious project successfully and in good time.”

Martine Naenen - Financial Director



SCHRAUWEN
KANTOOR EN VERKEER

OP WEG
NAAR
EEN LINGKE
BAKLAVER



SCHRAUWEN

Report on the share

1. Stock market information
2. Dividend and shares
3. Shareholders
4. Information pursuant to article 34
of the Royal Decree of 14 November 2007
5. Financial calendar 2018



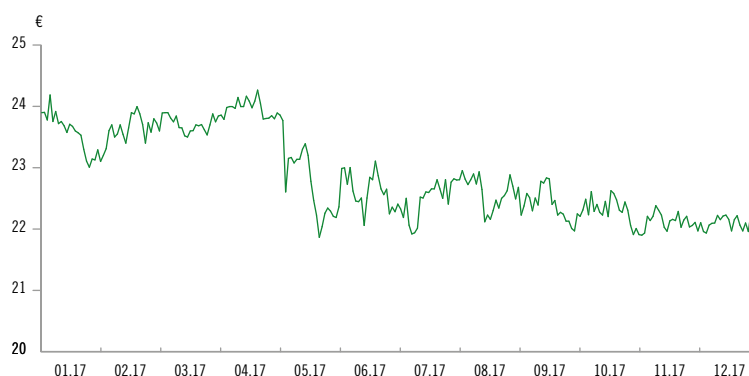
1. Stock market information

INTO
LISTED
EURONEXT

Intervest Offices & Warehouses (referred to hereafter as 'Intervest') has been listed on the continuous market of the Euronext Brussels stock exchange (INTO) since 1999.

The share is included in stock exchange indexes such as EPRA/NAREIT Developed Europe, EPRA/NAREIT Developed Europe REIT's and GPR 250 Europe.

1.1. Evolution of the share price in 2017



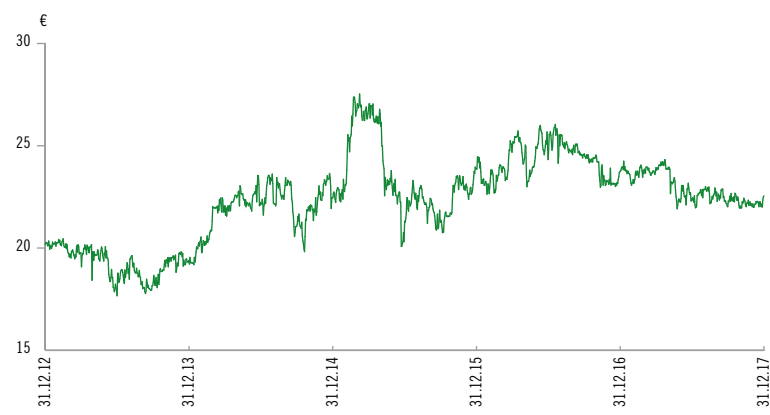
The share of Intervest closed the financial year as at 31 December 2017 at a share price of € 22,49, compared to € 23,90 as at 31 December 2016. The average share price of financial year 2017 amounted to € 22,85 compared to € 24,23 in financial year 2016. The share's lowest closing price was € 21,855 (as at 23 May 2017) and its highest closing price was € 24,27 (as at 20 April 2017).

The ex dividend date for the dividend covering financial year 2016 was as at 5 May 2017.

The market capitalisation of Intervest as at 31 December 2017 amounted to € 414 million.



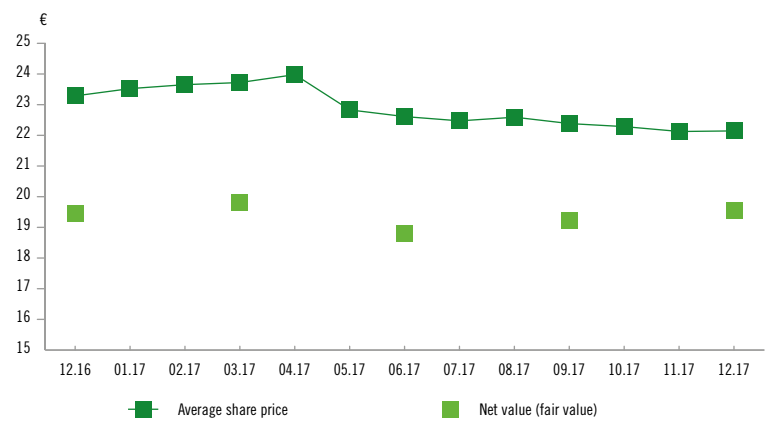
1.2. Evolution of the share price over 5 years



As at 31 December 2017, the share price amounted to € 22,49 compared to € 20,12 as at 31 December 2012. Consequently, the share price has risen by 12% during the past 5 years.

Taking into account the reinvestment of the dividends, which are paid out in these 5 years, the share has offered an annual return on share price of 9% over these 5 years.

1.3. Premium of the share price with regard to net value



The share of Intervest recorded an average premium of 18% compared to the net value (fair value) and 17% with regard to the EPRA NAV during financial year 2017.

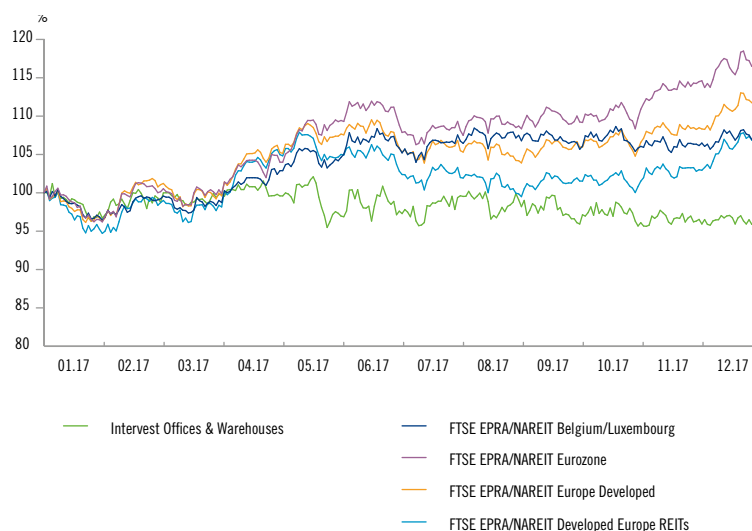
The premium as at year end 31 December 2017 amounted to 15% compared to the net value (fair value) and 15% with regard to the EPRA NAV. The net value included the dividend for the financial year 2017.

1.4. Comparison of Intervest with BEL 20 Close index



The share of Intervest performed lower than the BEL 20 as from March 2017.

1.5. Comparison of Intervest with EPRA/NAREIT indexes - Total return



During 2017, the performance of the Intervest share was lower than the FTSE EPRA/NAREIT Developed Europe REITs index and lower than the EPRA/NAREIT Belgium index.

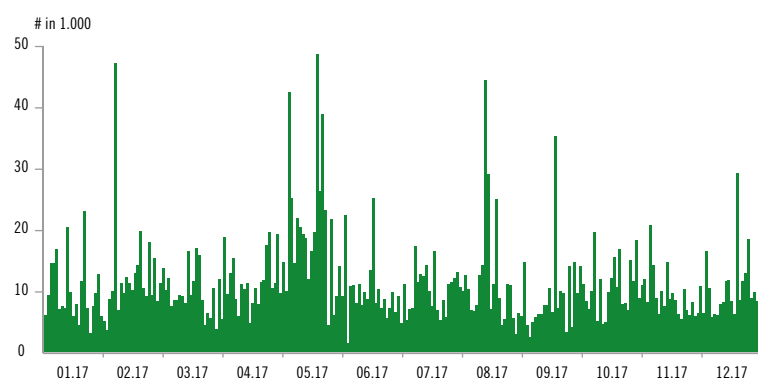
1.6. Comparison of Intervest with GPR indexes - Total return



This graph shows that in 2017 Intervest on average performed lower than the GPR 250 Europe index and lower than the GPR 250 Belgium index.

Additional information about the indexes can be requested from Euronext Brussels concerning the Euronext 100 and BEL 20, and from Global Property Research concerning the GPR 250 Europe (www.propertyshares.com) and GPR 250 Belgium.

1.7. Traded volume Intervest



The traded volumes in 2017 were at a lower level than in 2016 with an average of 11.323 shares a day (an average of 18.194 a day). The share turnover rate amounted to 15,7% in 2017 compared to 27,9% in 2016.

A liquidity agreement has been concluded with ING Bank in order to boost the marketability of the shares. In practice this happens by regularly submitting purchase and sale orders within certain margins.

2. Dividend and shares

The share price of an Intervest share was € 22,49 as at 31 December 2017, which means that the shareholders were offered a gross dividend return of 6,2%.

NUMBER OF SHARES	31.12.2017	31.12.2016	31.12.2015
Number of shares at the end of the period	18.405.624	16.784.521	16.239.350
Number of shares entitled to dividend	17.740.407	16.784.521	16.239.350
Free float (%)	83,4%	81,8%	74,4%
STOCK MARKET INFORMATION	31.12.2017	31.12.2016	31.12.2015
Highest closing share price (€)	24,27	25,99	27,48
Lowest closing share price (€)	21,86	22,57	20,02
Share price on closing date (€)	22,49	23,90	24,37
Premium to net value (fair value) (%)	15%	23%	23%
Average share price (€)	22,85	24,23	23,36
Number of shares traded per year	2.898.600	4.675.888	4.806.037
Average number of shares traded per day	11.323	18.194	18.847
Share turnover rate (%)	15,7%	27,9%	29,6%
DATA PER SHARE (€)	31.12.2017	31.12.2016	31.12.2015
Net value (fair value)*	19,52	19,43	19,81
Net value (investment value)	20,35	20,37	20,75
Net asset value EPRA	19,62	19,60	20,09
Market capitalisation (million)	414	401	396
Pay-out ratio (%)	91%	81%	90%
Gross dividend	1,40	1,40	1,71
Percentage withholding tax (%)	30%	30%	27%
Net dividend	0,9800	0,9800	1,2483
Gross dividend yield (%)	6,2%	5,9%	7,0%
Net dividend yield (%)	4,3%	4,1%	5,1%

* The net value (fair value) corresponds to the net value as defined in article 2, 23° of the RREC Act.

Change in the percentage of withholding tax on dividends

The withholding tax on dividends of public regulated real estate companies was increased from 27% to 30% (except in case of certain exemptions) as from 1 January 2017 as a result of the Programme Act of 25 December 2016, published in the Belgian Official Gazette of 29 December 2016.

3. Shareholders¹

As at 31 December 2017, the following shareholders' structure was known to the company:

Name	Number of shares	Date of transparency notifications	%
FPIM/SFPI (including Belfius Groep)	1.788.821	24 August 2016	9,72%
Federale Participatie- en Investeringsmaatschappij nv/ Société Fédérale de Participations et d'Investissement S.A. (FPIM/SFPI) Louizalaan 32-46A, 1050 Brussels (parent company of Belfius Bank nv)	0		0,00%
Belfius Verzekeringen nv	1.778.821		9,66%
Belfius Bank nv	10.000		0,05%
Allianz Koenigstrasse 28 - 80802 München, Germany (Allianz SE controls Allianz Europe BV which, in its turn, controls Allianz Benelux S.A.)	1.258.474	19 February 2016	6,84%
Allianz SE	0		0,00%
Allianz Europe BV	1.163.236		6,32%
Allianz Benelux S.A.	95.238		0,52%
Foyer Finance S.A. Rue Léon Laval 12 - 3372 Leudelange, Grand Duchy of Luxembourg	678.235	16 August 2016	3,68%
Foyer Finance S.A.	0		0,00%
Foyer S.A.	30.000		0,16%
Foyer Vie S.A.	100.000		0,54%
Foyer International S.A.	508.235		2,76%
Foyer Assurances S.A.	40.000		0,22%
Patronale Life Belliardstraat 3, 1040 Brussels	623.584	11 May 2017	3,39%
Fork Capital NV	296		0,00%
Patronale Life NV	623.288		3,39%
De Eik NV Eikelenbergstraat 20, 1700 Dilbeek	665.217	22 December 2017	3,61%
De Eik NV	665.217		3,61%
Other shareholders under the statutory threshold	13.391.293		72,76%
TOTAL	18.405.624		100%

¹ Number of shares based on the transparency notifications received up to and including 31 December 2017.

In 2017, the free float of the share of Intervest increased from 82% to 83% as at 31 December 2017.

Transparency notifications in 2017

As at 11 May 2017 Intervest received a transparency notification from Patronale Life nv which showed that, at that moment, the latter held 3,60% of the shares as a result of acquisitions or transfers of Intervest voting shares or voting rights.

As at 17 May 2017, Intervest received a transparency notification from Foyer Finance S.A. that indicates that the shareholding in Intervest of one of its perimeter companies, IWI International Wealth Insurer S.A., dropped to below the statutory threshold of 3% (exceeding passive threshold). At that moment, Foyer Finance S.A., Foyer S.A., Foyer Assurances S.A., Foyer Vie S.A. and IWI International Wealth Insurer S.A. jointly held 3,92% of Intervest's shares. As at 25 May 2017, Intervest received a second transparency notification from Foyer Finance S.A. pursuant to changes to the group structure, as a result of which the Intervest voting shares of IWI International Wealth Insurer S.A. ended up in the hands of the absorbing company Foyer Finance S.A.

Intervest received the fourth and last transparency notification from De Eik NV as at 22 December 2017. This showed that it held 3,61% of the shares as a result of acquisitions or transfers of Intervest voting shares or voting rights.

The complete notifications as well as the shareholders' structure may be consulted on the website of Intervest under the following heading: Shareholding Structure

<https://www.intervest.be/en/shareholders-structure>

In accordance with the applicable legal prescriptions, every natural or legal person that purchases or sells shares or other financial instruments of a company with a right to vote, be it representing capital or not, is obliged to notify the company as well as the Financial Services and Markets Authority (FSMA) of the number of financial instruments that he, she or it possesses whenever the right to vote connected to these shares reaches five percent (5%) or a multiple of five percent of the total number of voting rights at that moment or at the moment when circumstances occur that give reason for such notification to become obligatory.

Besides the legal threshold mentioned in the previous paragraph, the company also stipulates a statutory threshold of three per cent (3%).

Declaration is also obligatory in case of transfer of shares, if the number of voting rights increases above or decreases below the thresholds, stipulated above, as a result of this transfer.

The basis for these notifications within the framework of the transparency regulations was changed for the most recent time as at 22 December 2017 as a result of the capital increase and the issue of new shares within the context of contribution in kind of a building in Zellik.

4. Information pursuant to article 34 of the Royal Decree of 14 November 2007¹

Capital structure²

Ordinary shares (INTO)

Number	Capital (in €)	%
18.405.624	€ 167.719.793	100%

The share capital amounts to € 167.719.793,25 and is distributed among 18.405.624 shares that have been fully paid up, each of which represents an equal part of the shares. These are 18.405.624 ordinary shares without mention of the nominal value.

There are no legal or statutory restrictions on the transfer of securities, and none for the execution of voting rights either.

There are no securities to which special controlling powers have been attached.

The 665.217 new shares that were issued as at 22 December 2017 are shares without a dividend right for the financial year 2017. They became entitled to a dividend as from 1 January 2018.

Share option plan

The company has no share option plan.

The company has a variable long-term remuneration plan for the members of the management committee, as outlined in the Corporate Governance Statement in the Report of the board of directors. A part of this variable long-term remuneration plan will be paid in the form of Interest shares.

Shareholder agreements

To the Company's knowledge, no shareholders act in mutual consultation. The Company has no knowledge of any shareholder agreements that can give rise to a restriction of the transfer of securities and/or the execution of the right to vote.

Authorised capital

As at 15 May 2017, the Company's general meeting of shareholders granted the board of directors the authorisation to increase the company's registered capital in one or more times by an amount of:

- one hundred and fifty-two million nine hundred and forty-seven thousand six hundred and twenty euros and thirty-five cents (€ 152.947.620,35), (a) if the capital increase to be realised concerns a capital increase by cash contribution where the company shareholders have the possibility of exercising their preferential right, and (b) if the capital increase to be realised concerns a capital increase by cash contribution where the company shareholders have the possibility of exercising their priority allocation (as referred to in the Act of 12 May 2014 on regulated estate companies); and
- thirty million five hundred and eighty-nine thousand five hundred and twenty-four euros and seven cents (€ 30.589.524,07) for any form of capital increase other than those intended and approved in point I above, with a maximum of € 152.947.620,35 in total, effective for a period of five years from the date of the publication of the authorisation in the Appendices of the Belgian Official Gazette as at 8 June 2017. The authorisation applies until 8 June 2022.

The authorised capital cannot be used to increase the capital in application of article 607 of the Belgian Companies Code within the scope of a public bid to purchase the company's shares.

For every capital increase, the board of directors shall set the price, any issue premium and the conditions of issuance for the new shares, unless the general meeting itself should decide. The capital increases can lead to the issuance of shares with or without voting rights.

¹ With regard to the obligations of issuers of financial instruments who are allowed to trade on the regulated market -see also the Act of 1 April 2007 on public takeover bids.

² As at the closing date of this Annual Report.

If the capital increases decided upon by the board of directors as a result of this authorisation contain an issue premium, the amount of this share premium must be placed on a dedicated unavailable account, called “share premium”, which along with the capital constitutes the guarantee towards third parties and will not be able to be decreased or cancelled unless a meeting convened in accordance with the conditions of attendance and majority decides upon a capital decrease, with the exception of a conversion into capital as provided above.

Until now, the board of directors has made use of the authorisation provisionally given it to use amounts of the authorised capital for the purpose of:

- the capital increase by bringing in, in kind, (immovable property) that was decided upon as at 22 December 2017 amounting to € 6.061.737,31, excluding a share premium of € 7.708.254,59.

Thus, the board of directors can still increase the share capital by € 146.885.883,04 within the framework of the authorised capital (a) if the capital increase to be realised concerns a capital increase by cash contribution where the company shareholders have the possibility of exercising their preferential right, and (b) if the capital increase to be realised concerns a capital increase by a contribution in cash where the company shareholders have the possibility of exercising their priority allocation (as referred to in the act of 12 May 2014 on regulated estate companies) or € 24.527.786,76 for any other type of capital increase.

Capital increase

All capital increases will be implemented pursuant to articles 581 to 607 of the Belgian Companies Code, subject to that which is stated hereafter with respect to the pre-emptive right.

In addition, the company must comply with the stipulations concerning the public issue of shares stipulated in articles 26 and 27 of the RREC Act.

In case of a capital increase through a contribution in cash and without prejudice to articles 592 to 598 of the Belgian Companies Code, the pre-emptive right may only be limited or withdrawn if a priority allocation right is granted to the existing shareholders at the time of allocating new securities.

This priority allocation right satisfies the following conditions:

1. it is related to all newly issued securities
2. it is granted to the shareholders in proportion to the part of the capital represented by their shares at the time of the transaction
3. a maximum price per share is announced at the latest on the eve of the opening of the public subscription period
4. in such a case, the public subscription period must be at least three trading days.

Capital increases realised through contributions in kind are subject to the provisions of articles 601 and 602 of the Belgian Companies Code. Moreover, pursuant to article 26 §2 of the RREC Act, the following conditions must be met:

1. the identity of the contributor must be stated in the report referred to in article 602 of the Belgian Companies Code as well as in the notice of the general meeting convened with regard to the capital increase
2. the issue price may not be less than the lowest value of (a) a net value dating from not more than four months before the date of the contribution agreement or, at the discretion of the company, before the date of the capital increase deed, and (b) the average closing price during the thirty calendar days prior to this same date
3. for application of the previous sentence, it is permitted to subtract an amount from the amount in the sense of point (b) of the previous section that corresponds with the part of non-paid out gross dividend to which the new shares might not give a right, on condition that the board of directors specifically justifies the amount of the cumulated dividend that is to be subtracted in its special report and adds an explanation of the financial conditions of the transaction in its annual financial report
4. except if the issue price or exchange ratio and the related conditions are determined no later than on the working day following the conclusion of the contribution agreement and communicated to the public mentioning the time within which the capital increase will effectively be implemented, the capital increase deed shall be executed within a maximum period of four months
5. the report referred to under 1° must also explain the impact of the proposed contribution on the situation of former shareholders, particularly as far as their share of the profits, net value and capital is concerned, as well as the impact on the voting rights.

The above does not apply to the transfer of the right to dividends in the context of the distribution of an optional dividend, insofar as this is actually made available for payment to all shareholders.

Decision-making bodies

The mandates of the directors are revocable ad nutum. If one or multiple mandates are declared void, the remaining directors, convened in a meeting of the board of directors, can provide temporary replacement thereof until the following meeting of the general meeting of shareholders, which will then proceed to undertake final appointment.

For amendment of the articles of association, there is no regulation other than that stipulated by the Belgian Companies Code.

Purchase of shares

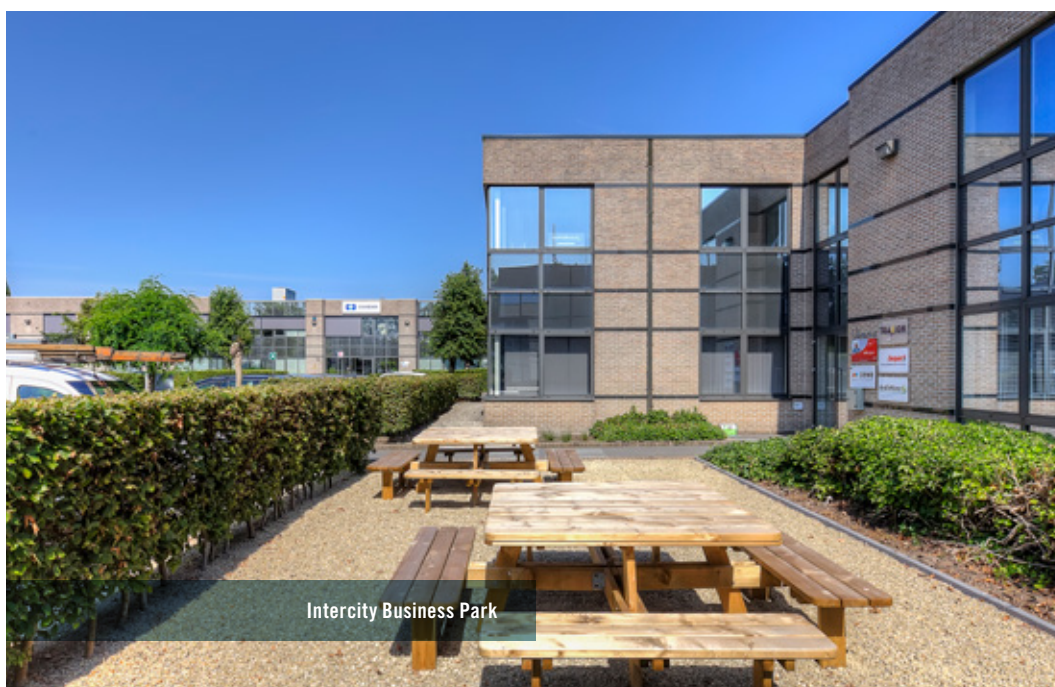
In accordance with article 9 of the articles of association, the company can acquire its own fully paid-up shares and keep them in pledge by virtue of the decision by the general meeting in accordance with the provisions of the Belgian Companies Code. This same general meeting can establish terms for the disposal of these shares.

In addition, the board of directors may, for a period of three years from the moment that the decision was published in the Appendices to the Belgian Official Gazette, i.e. as from 8 June 2017, acquire own company shares for the company's account where such acquisition is necessary to indemnify the company against serious and imminent harm. "Serious and imminent harm" does not however mean a public takeover bid of equity shares of the company in the sense of article 607 of the Belgian Companies Code.

Neither Intervest, nor its perimeter companies, owned any of its own shares as at 31 December 2017.

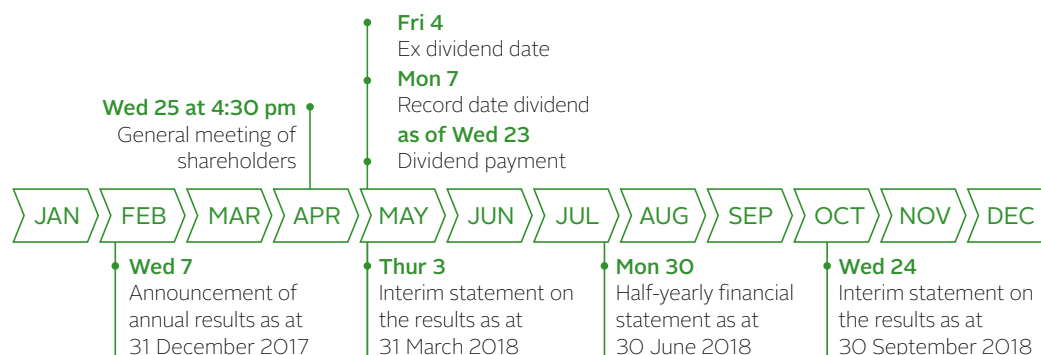
Agreements in case of changed control after a public takeover bid

There are no important agreements to which Intervest is a party and that enter into force, undergo amendments or end in the event that a change of control takes place over the company after a public takeover bid, with the exception of valid clauses contained in the financing agreements.



Intercity Business Park

5. Financial calendar 2018



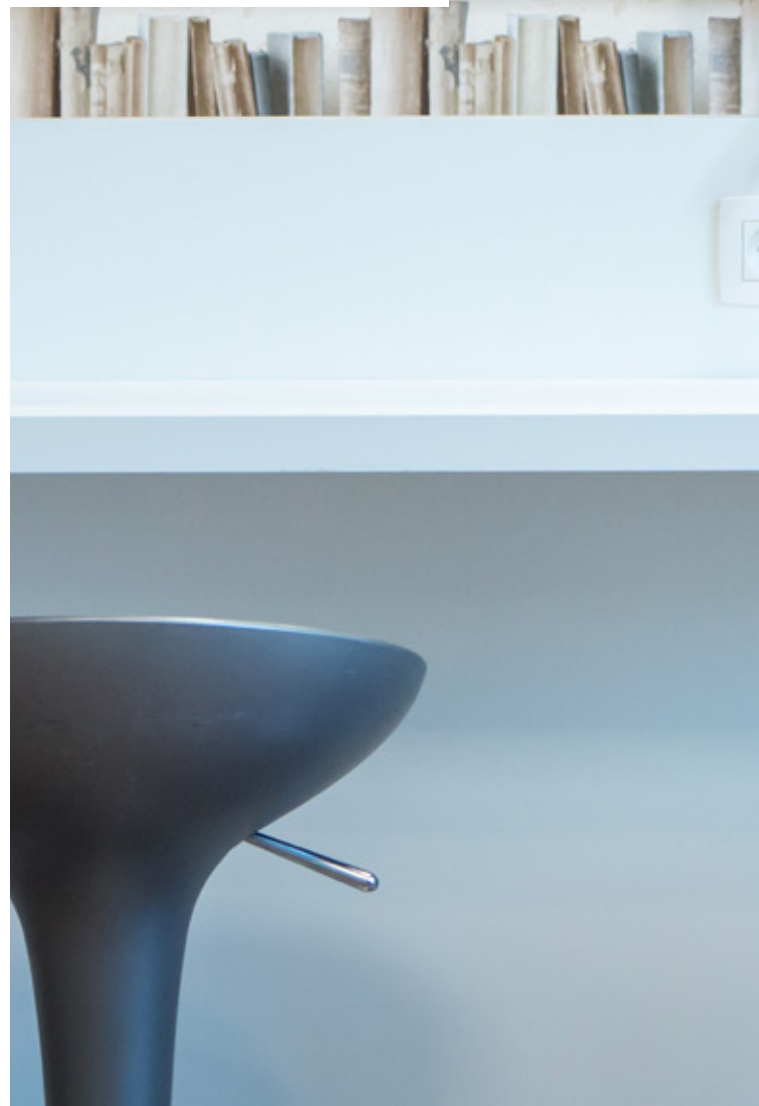
Any changes to the financial calendar that might be required will be disclosed in a press release on the company website, www.intervest.be.



ENCOURAGING *A PLEASANT* WORKING ATMOSPHERE

“Converting a limited
surface area into a pleasant,
unconventional coffee corner:
mission accomplished.”

Nathalie Rigouts - IT Manager Business Intelligence
Location Leader Mechelen





Property report

1. Composition of the portfolio
2. Overview of the portfolio
3. Valuation of the portfolio by property experts
4. Description of the office portfolio
5. Description of the logistics properties



Mechelen Campus - Borealis

1. Composition of the portfolio

The activities and results of Intervest Offices & Warehouses (referred to hereafter as "Intervest") depend, in part, on the evolution of the general economic climate. This is measured based on the level of growth or decline in the gross domestic product of Belgium and has an indirect impact on the occupation of commercial buildings by the private sector.

The impact of the economic situation on the results of Intervest is, however, mitigated by the composition of the portfolio, the duration of the lease agreements, the risk spread among tenants and the quality of tenants, the sectoral spreading of the portfolio and the location and quality of the buildings.

The operating and property management of all Intervest's buildings takes place entirely on an internal basis in order to insure a consistent and reliable relationship with clients. Thanks to the know-how of its own asset and property management teams, being exclusively at the service of the clients-tenants¹, the strategy is implemented in all investment segments. The company can rely on internal commercial, accounting, financial, human resources and communications services.

1.1. Real estate portfolio as at 31 December 2017

As at 31 December 2017 the real estate portfolio has a surface area of 794.896 m² (705.068 m² as at 31 December 2016).

The increase in the total leasable surface by 89.828 m² or 13% compared to the year-end of 2016 was primarily the result of the acquisition of five logistics sites, in particular, in Aarschot, Oevel and Zellik in Belgium, and in Tilburg and Raamsdonksveer in the Netherlands.

¹ Except the property management at Mechelen Campus that is carried out by Quares Property and Facility Management and for the Dutch properties which is carried out by Storms International Property Services.

Buildings

Logistics real estate in Belgium**Antwerp-Limburg-Liège**

Aarschot - Nieuwlandlaan 321 - 3200 Aarschot
 Herentals Logistics 1 - Atealaan 34b - 2200 Herentals
 Herentals Logistics 2 - Atealaan 34c - 2200 Herentals
 Herentals Logistics 3^e - Atealaan 34b - 2200 Herentals
 Liège - Première Avenue 32 - 4040 Liège
 Houthalen - Europark 1026 - 3530 Houthalen
 Oevel 1, 2, 3 en 4 - Nijverheidsstraat 8-9-9a-11 - 2260 Oevel
 Opglabbeek - Weg naar Zwartberg 231 3660 - Opglabbeek
 Wommelgem - Koralenhoeve 25 - 2160 Wommelgem

Antwerp-Brussels-Nivelles

Aartselaar - Dijkstraat 1A - 2630 Aartselaar
 Boom - Industrieweg 18 - 2850 Boom
 Duffel - Stocletlaan 23 - 2570 Duffel
 Mechelen 1- Oude Baan 12 - 2800 Mechelen
 Mechelen 2 - Dellingsstraat 57 - 2800 Mechelen
 Puurs - Koning Leopoldlaan 5 - 2870 Puurs
 Schelle - Molenberglei 8 - 2627 Schelle
 Wilrijk 1 - Boomsesteenweg 801-803 - 2610 Wilrijk
 Wilrijk 2 - Geleegweg 1-7 - 2610 Wilrijk
 Huizingen - Gustave Demeurslaan 69-71 - 1654 Huizingen
 Merchtem - Preenakker 20 - 1785 Merchtem
 Zellik - Brusselsesteenweg 464 - 1731 Zellik

Total Logistics real estate in Belgium**Logistics real estate in the Netherlands**

Tilburg - Kronostraat 2 - 5048 CE Tilburg
 Raamsdonksveer - Zalmweg 37 - 4941 SH Raamsdonksveer

Total Logistics real estate in the Netherlands**TOTAL LOGISTICS REAL ESTATE**

Year of construction or renovation	Year of latest extension or investment	Leasable space (m ²)	Occupancy rate ¹ (%)
		337.174	99%
2005		14.530	100%
2011		17.346	91%
2012		50.912	100%
2017		12.123	100%
2000 - 2009	2017	55.595	100%
2001	2016	26.995	100%
1995 - 2013		57.774	100%
1999 - 2012	2017	77.718	100%
1998	2017	24.181	100%
		213.429	95%
1994		9.865	100%
2000	2015	24.871	100%
1998		23.386	100%
2004		15.341	30%
1998	2010	5.969	100%
2001		43.534	100%
1993	2016	8.317	91%
1986	2013	5.364	100%
1989	2016	24.521	100%
1987	1993	17.548	100%
1992	2002	8.076	100%
1994	2008	26.637	100%
		550.603	98%
2004		13.308	100%
2010		20.528	100%
		33.836	100%
		584.439	98%

1 The occupancy rate is calculated as the ratio of the estimated rental value of the leased space and the estimated rental value of the total portfolio.

2 As at 31 December 2017 the company has an available reserve of land in Herentals on its site Herentals Logistics 3 for the potential future construction of an additional warehouse of approximately 8.000 m². At the end of 2017 this reserve of land is valued as clear for construction.

Buildings

Offices
Antwerp
Aartselaar - Kontichsesteenweg 54 2630 Aartselaar
Gateway House - Brusselstraat 59 / Montignystraat 80 - 2018 Antwerp
Greenhouse Antwerp - Uitbreidingstraat 66 - 2600 Berchem
De Arend - Prins Boudewijnlaan 45-49 - 2650 Edegem
Brussels
Greenhouse BXL - Berkenlaan 7, 8a en 8b - 1831 Diegem
Inter Access Park - Pontbeekstraat 2 & 4 - 1700 Dilbeek (Groot-Bijgaarden)
Park Rozendal - Terhulpsesteenweg 6A - 1560 Hoeilaart
Woluwe Garden - Woluwedal 18-22 - 1932 Sint-Stevens-Woluwe
Exiten - Zuiderlaan 91 - 1731 Zellik
Mechelen
Intercity Business Park - Generaal De Wittelaan 9-21 - 2800 Mechelen
Mechelen Business Tower - Blarenberglaan 2C - 2800 Mechelen
Mechelen Campus - Schaliënhoevedreef 20 A-J en T - 2800 Mechelen
TOTAL OFFICES
TOTAL INVESTMENT PROPERTIES

Year of construction or renovation	Year of latest extension or investment	Leasable space (m²)	Occupancy rate ¹ (%)
		27.838	84%
2000	2016	4.140	99%
2002	2016	11.172	60%
2016		5.595	100%
1997		6.931	100%
		56.706	61%
2000 - 2002	2017	20.175	4%
2000	2014	6.392	95%
1994	2005	2.830	85%
2000	2014	23.681	96%
2002		3.628	100%
		125.913	81%
1993 - 1999 / 2016	2015	54.190	84%
2001	2014	13.574	86%
2000 - 2005	2012 - 2015	58.149	78%
		210.457	76%
		794.896	86%

1 The occupancy rate is calculated as the ratio of the estimated rental value of the leased space and the estimated rental value of the total portfolio..

1.2. Nature of the portfolio¹



The ratio between the two segments in the portfolio as at the end of 2017 was 54% logistics buildings and 46% offices, as compared to 51% and 49%, respectively, as at 31 December 2016. This shift of 3% towards logistics is in keeping with the strategic emphasis shift that was started a few years ago to a proportion of 60% of logistics real estate and 40% of office buildings. A shift of 15% of the office portfolio towards the logistics real estate market has been achieved over the past five years.

In 2017, Intervest achieved a total of € 52 million new acquisitions and € 7 million of expansions on existing sites in 2017, primarily in the logistics segment.

Segment	Fair value	Contractual rent	Share in portfolio	Acquisition value*	Insured value
	(€ 000)	(€ 000)	(%)	(€ 000)	(€ 000)
Offices	304.250	21.157	46%	294.816	347.913
Logistics properties	358.289	27.431	54%	332.936	243.688
TOTAL	662.539	48.588	100%	627.752	591.601

* Including activated investments.

¹ Percentages based on the fair value of the investment properties as at 31 December 2017.



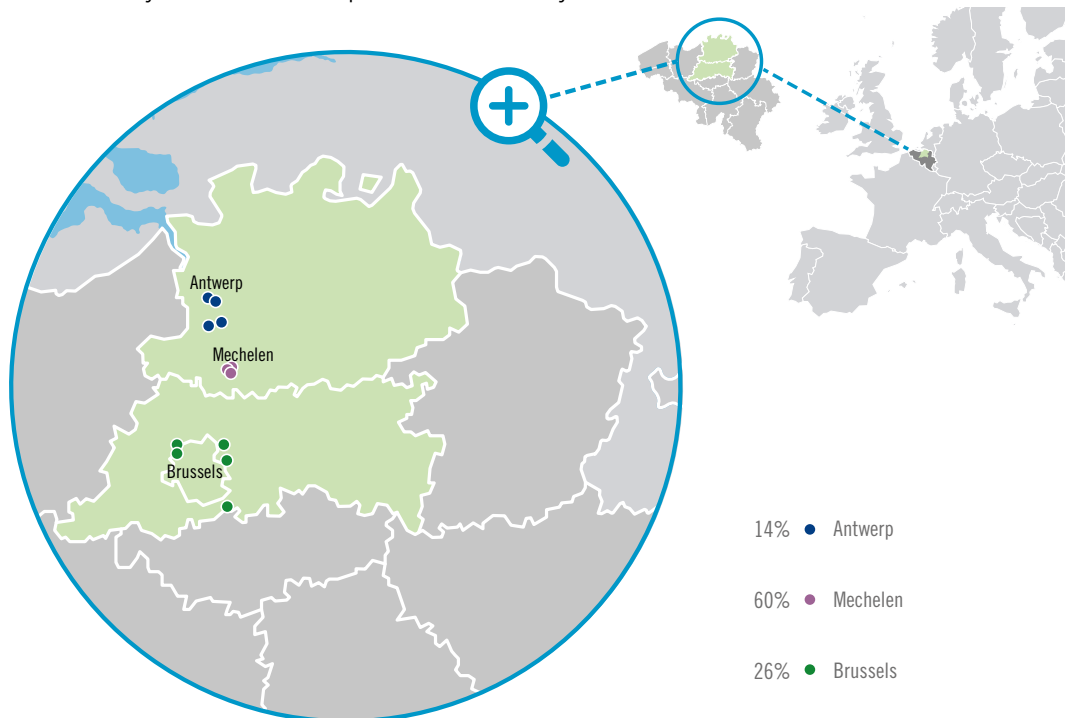
Herentals Logistics 3 - Schrauwen

1.3. Geographical spread of the portfolio¹

Intervest invests in high-quality office buildings and logistics properties that are leased to first-rate tenants. The real estate properties in which the company invests consist primarily of modern buildings that are strategically located.

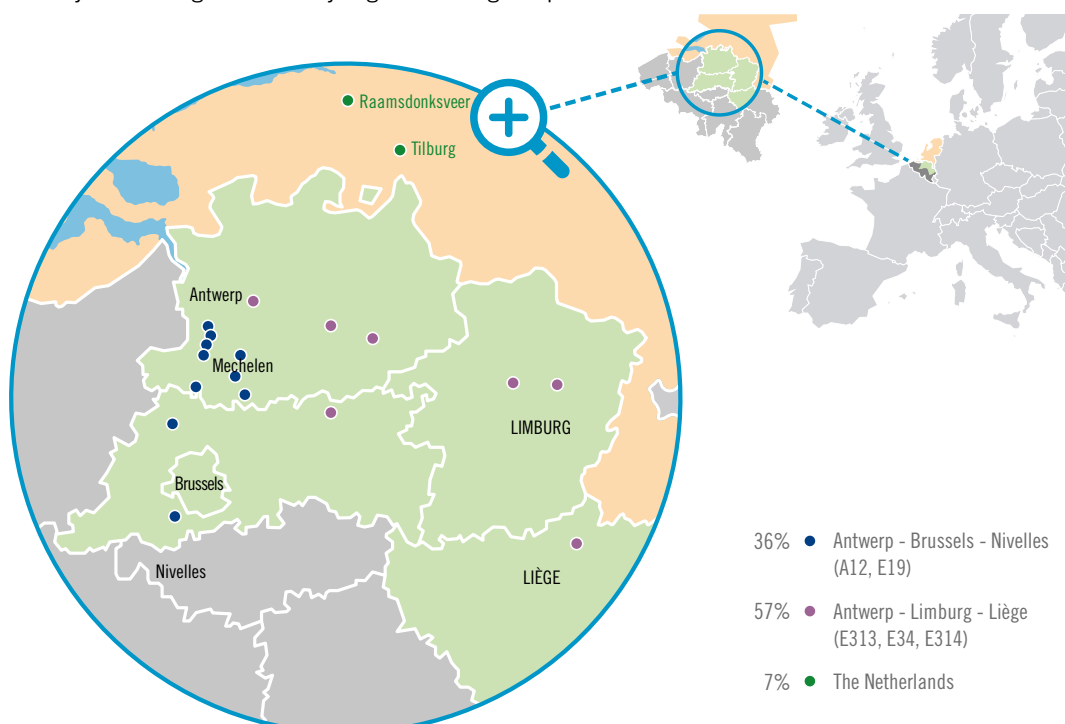
Offices

The office segment of the portfolio focuses on the Antwerp - Mechelen - Brussels axis, and is located both in the city centre and on campuses outside the city.



Logistics real estate

The logistics segment of the portfolio in Belgium is located on the Antwerp - Brussels - Nivelles (36%) and Antwerp - Limburg - Liège (57%) axes and, in the Netherlands, it focuses on the Moerdijk - 's Hertogenbosch - Nijmegen and Bergen-op-Zoom - Eindhoven - Venlo axes.



¹ Percentages based on the fair value of the investment properties as at 31 December 2017.

1.4. Sectoral spread of the portfolio¹

Offices

The tenants are well spread over different economic sectors, which reduces the risk of vacancy in case of fluctuations of the economy which could hit some sectors more than others.



Logistics real estate

Approximately 37% of the logistics portfolio is let to companies from outside the logistics sector, which improves the stability of the rental income, especially in periods with a less favourable economic situation.



¹ Percentages based on the contractual rents.

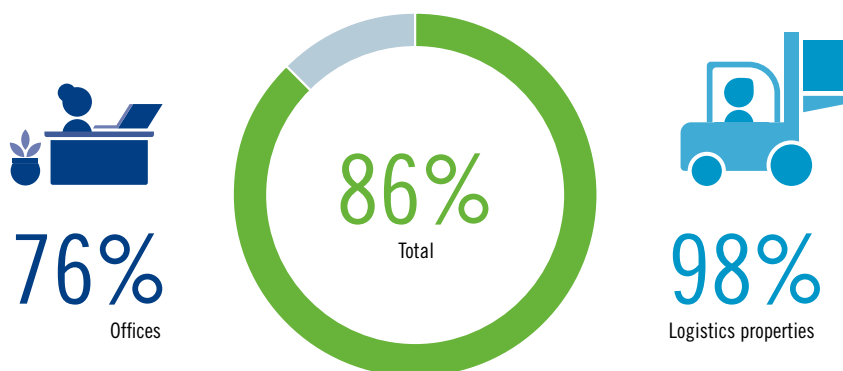
1.5. Occupancy rate

The occupancy rate of the Intervest real estate portfolio was 86% as at 31 December 2017. Occupancy rate without taking into account the Greenhouse BXL redevelopment project was 91% as at 31 December 2017, which remained the same as compared to year end 2016.

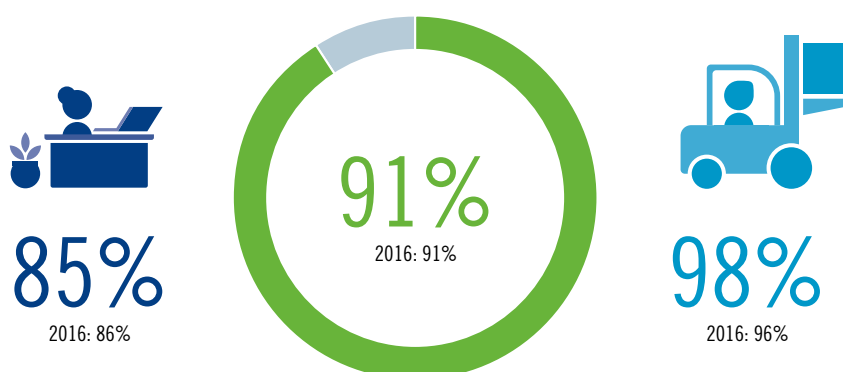
The occupancy rate for the office portfolio amounted to 76% as at 31 December 2017, and 85% without taking into account the Greenhouse BXL redevelopment project (86% as at 31 December 2016).

The occupancy rate for the logistics portfolio increased by 2% as compared to 31 December 2016, to 98% as at 31 December 2017, due to the expansion of the real estate portfolio with sites that have been fully leased.

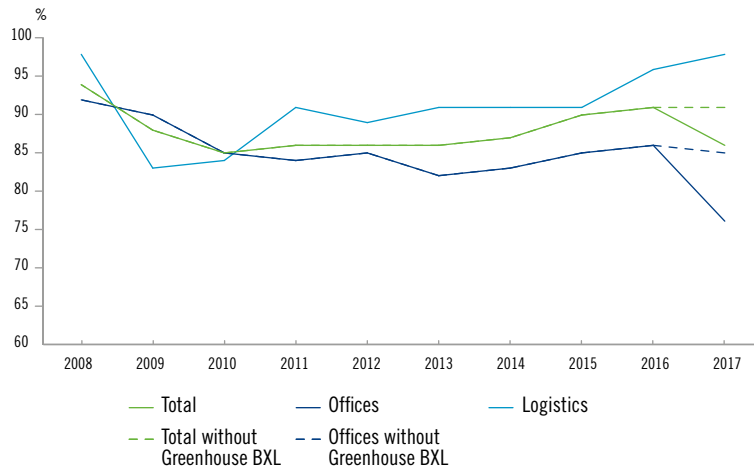
Real estate portfolio



Real estate portfolio excluding Greenhouse BXL redevelopment project



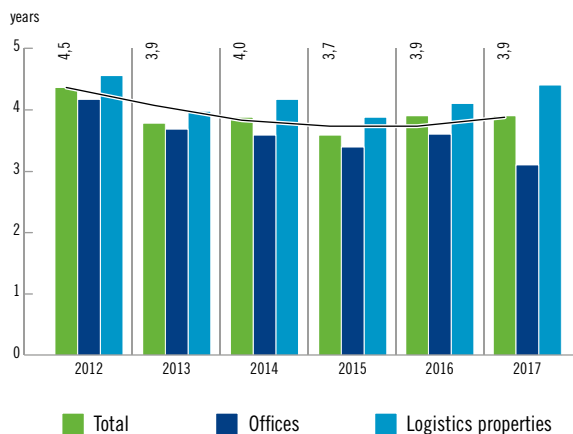
The average occupancy rate of the real estate portfolio of Intervest over the past ten years from 2008 until 2017 was 88% with a maximum of 94% (as at 31 December 2008) and with a minimum of 85% (as at 31 December 2010).



1.6. Duration of lease agreements in portfolio¹

Average remaining duration of the lease agreements of the entire portfolio until the next expiry date

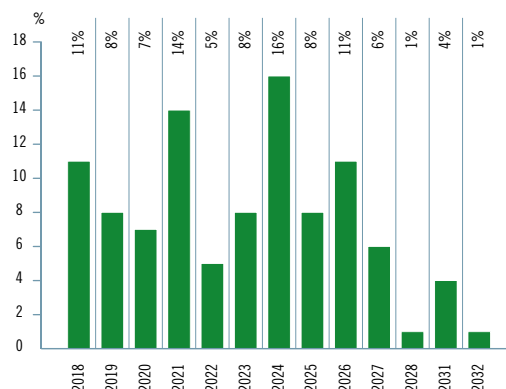
Entire portfolio



As at 31 December 2017, the average remaining duration of agreements in the entire portfolio was 3,9 years, and remained identical to the situation as at 31 December 2016.

¹ Calculated on the basis of contractual rents.

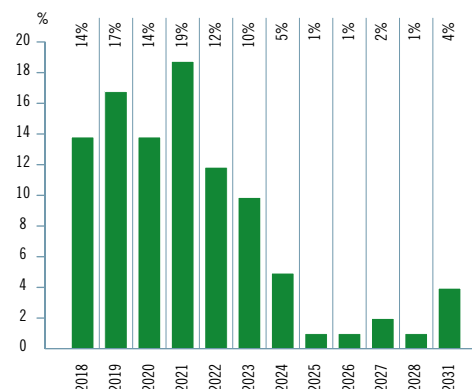
Final expiry dates of the lease agreements in the entire portfolio



The final expiry dates of Intervest's lease agreements are well-spread out over the coming years. Based on annual rent, 11% of the agreements have a final expiry date in 2018. The majority of these (7%) relate to lease agreements for which the original final expiry date was in 2017 and which were temporarily extended.

Only 8% of the agreements will reach the final expiry date in 2019 and only 7% in 2020.

Next expiry dates of the lease agreements in the entire portfolio

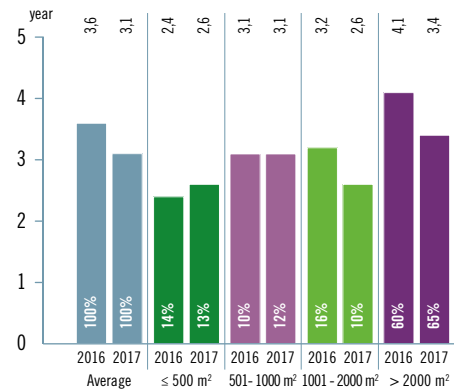


As most agreements are of the type 3/6/9, tenants have the possibility to end their lease agreements every three years. The graph gives the first expiry dates of all lease agreements (this can be the final expiry date or an interim expiry date). Because Intervest has several long-term agreements, not all lease agreements can be terminated after three years however.

The graph shows the hypothetical scenario as at 31 December 2017 in which every tenant terminates its lease contract on the next interim expiry date. This is a worst-case scenario; on average, the tenants who vacated in 2017 only gave notice after a lease period of almost 14 years.

In 2018, 14% of the agreements reach their interim or final expiry date, of which 4% in the office portfolio and 10% in logistics real estate.

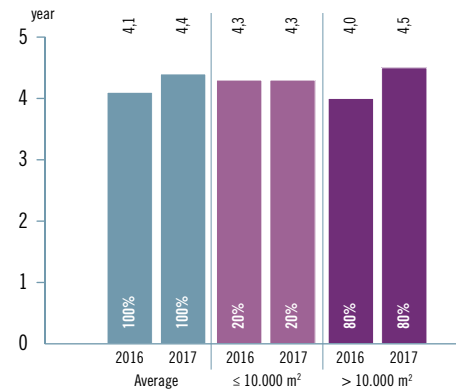
Offices



The average remaining lease period duration until the next expiry date amounted to 3,1 years as at 31 December 2017, as compared to 3,6 years as at 31 December 2016. For large office tenants (above 2.000 m²), which comprise 65% of the overall remaining rental income flow, and which therefore have a great impact on Intervest's results, the next expiry date (as at 1 January 2018) is, on average, after 3,4 years.

As at 31 December 2017, the average remaining duration of lease agreements in the office portfolio was 3,1 years as compared to 3,6 years as at 31 December 2016. For surface areas larger than 2.000 m², it was 3,4 years as compared to 4,1 years as at 31 December 2016.

Logistics real estate



For the logistics properties, the average lease period duration until the next expiry date amounted to 4,4 years as at 31 December 2017, as compared to 4,1 years as at 31 December 2016. This increase was mainly due to the acquisition of five logistics sites that are leased for long terms.

For major tenants (above 10.000 m² in storage space) the next expiry date, on average, was in 4,5 years (4,0 years as at 31 December 2016).

For the logistics portfolio, the average duration of the agreements is 4,4 years as at 31 December 2017 as compared to 4,1 years as at 31 December 2016.

Average retention of the portfolio in 2017

Although most lease agreements of the company are of the 3/6/9 type, it should be noted that a number of large agreements have a longer effective term.

In 2017, 23 lease agreements, or 22% of the annual rental income, were at their final expiry date, of which the departure of Deloitte in Diegem, announced back in 2016, was the most important.

Without taking the departure of tenant Deloitte into account, the extension or renewal of these 22 other lease agreements, representing 15% of the annual rental income, was on the agenda.

During the course of 2017, 17 agreements or 14% of the annual rental income were extended, replaced by new agreements or fulfilled by expansions of existing agreements.

A part of this, namely 7% of the annual rental income, consists of short-term agreements, the final expiry date of which has been extended to 2018, primarily because the current tenant has extended the agreement for a short period.

In the office segment, over and above Deloitte's agreement, 3% of the annual rental income (14 agreements) reached their final expiry date in 2017. Some 2% was extended, replaced by new agreements or fulfilled by extensions of existing agreements.

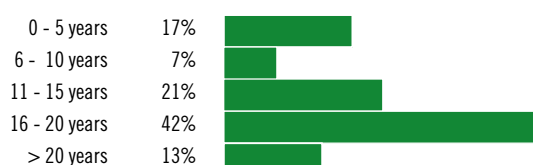
In the logistics segment, 8 agreements representing 12% of the annual rental income reached their final expiry date in 2017. These were all extended, replaced by new agreements or fulfilled by extensions of existing agreements. 7% of these extended agreements are short-term agreements having a duration of less than one year and a new final expiry date in 2018.

On average, the tenants who vacated in 2017 only gave notice after a lease period of approximately 14 years.

Increasing tenant retention by extending lease durations continues to be the key challenge in the area of asset management, as does further stabilising and possibly improving the occupancy rate in the office segment. Besides the leases in Greenhouse BXL in Diegem, Intervest aims to keep the number of new leases, renewals and expansions in the office portfolio stable at a minimum.

Intervest continues to permanently tap into changing market circumstances, adapt accordingly and combine this with solid real estate experience. In the strategic move away from the simple letting of square metres towards the provision of flexible solutions and extensive service provision, Intervest continues along that path with the concept of RE:flex and turn-key solutions, *beyond real estate*. Intervest can 'unburden' its customers and offer them added value by listening to what they want, by thinking along with them and by thinking ahead.

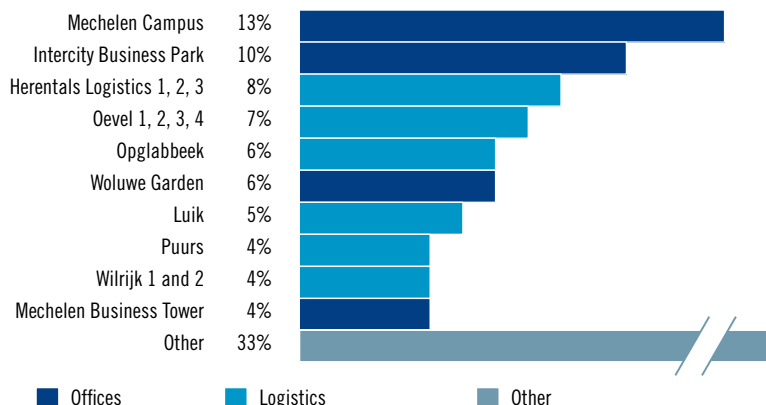
1.7. Average age of buildings¹



Intervest conducts a proactive policy regarding maintenance of the buildings, and the quality of the portfolio is guaranteed by way constant monitoring of the investment plan. In addition to regular investments in quality and sustainability, the sites are redeveloped and renovated to ensure the high quality of the office buildings and the logistics sites and to optimise the technical and economic life span of the buildings.

¹ Percentages are calculated based on the fair value of the investment properties as at 31 December 2017. The age is expressed with reference to the construction year, not taking minor renovation into account. On the other hand, the age is adjusted if a building is fully renovated.

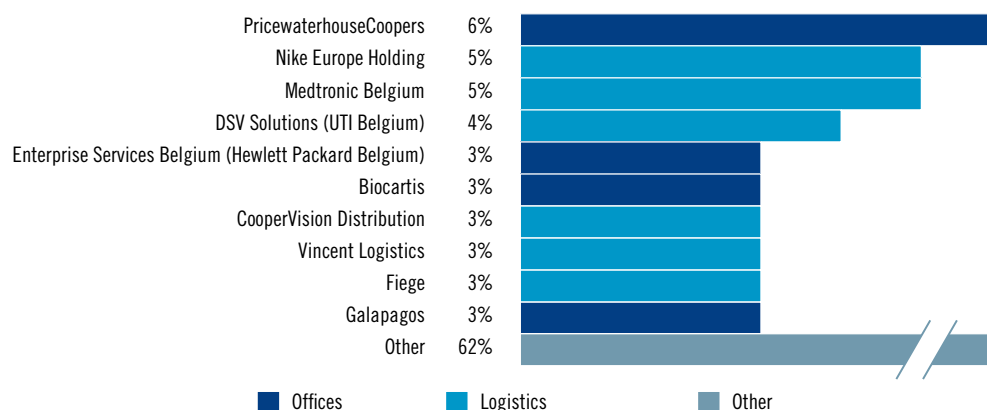
1.8. Risk spread of buildings¹



Intervest aims to obtain an optimal risk spread and tries to limit the relative share of the individual buildings and complexes in the overall portfolio.

The largest complex is Mechelen Campus with a surface area of 58.149 m², but it is made up of eleven separate buildings. Woluwe Garden and Intercity Business Park are also complexes consisting of different buildings.

1.9. Risk spread by tenants²



The ten most important tenants represent 38% of the rental income. These are all prominent companies in their sector and often form part of international groups. 15% of the top tenants are part of the office segment and 23% fall under the logistics segment.

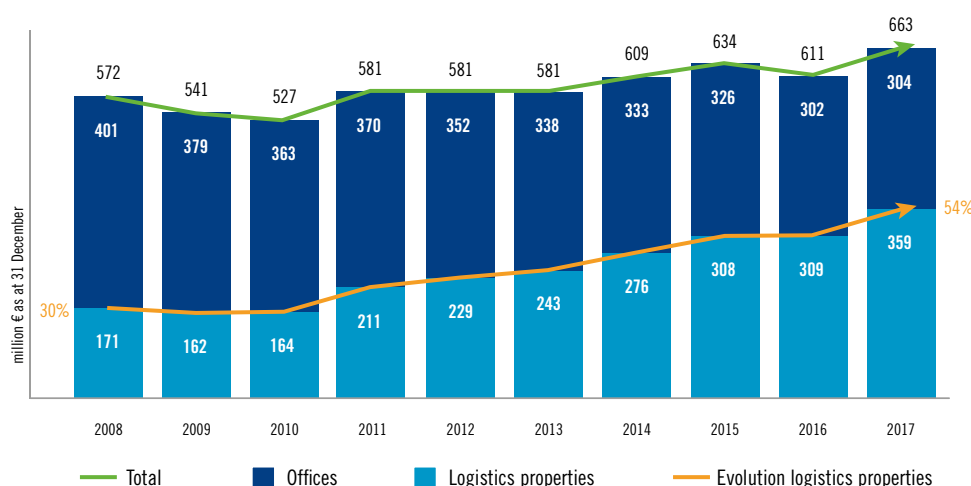
Intervest rental income is spread across 193 different tenants, limiting Intervest's debtor's risk and improving the stability of the rental income.

¹ Percentages based on the fair value of the investment properties as at 31 December 2017.

² Percentages based on the contractual rents.

1.10. Evolution of fair value of the real estate portfolio

Total fair value increased by € 91 million.



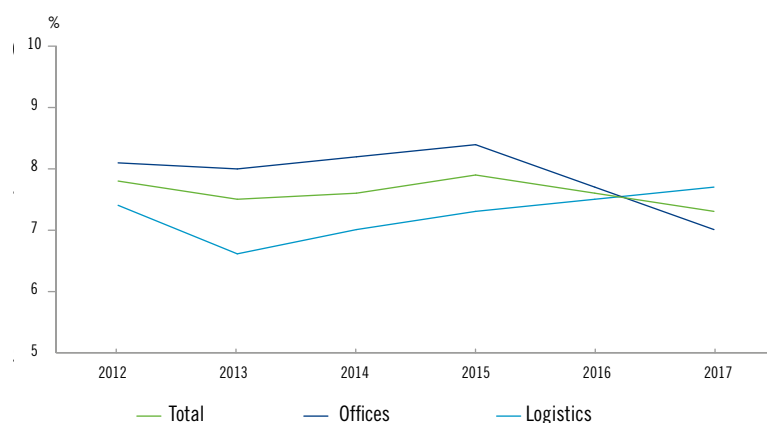
As at 31 December 2017, the fair value of the real estate portfolio amounted to € 663 million of which 54% consisted of logistics buildings and 46% of offices.

The real estate portfolio has increased by € 91 million and a shift of 24% of the office portfolio towards the logistics real estate market has been achieved over the past 10 years.

The logistics share in the total portfolio rose from 30% to 54% during the past ten years.

1.11. Evolution of the yield on the fair value

The calculation of the yield on the fair value in this graph was based on the company's contractual rents. The fall in the yield of the office portfolio and, consequently, also of the overall portfolio as at 31 December 2017, was caused by the lower occupancy rate. The yield on the fair value of the logistics portfolio increased in 2017 by 0,2%.



2. Overview of the portfolio

TOTAL PORTFOLIO	31.12.2017	31.12.2016	31.12.2015	31.12.2014	31.12.2013
Fair value of investment properties (€ 000)	662.539	610.944	634.416	609.476	580.709
Contractual rents (€ 000)	48.588	46.337	49.849	46.556	43.499
Yield on fair value (%)	7,3%	7,6%	7,9%	7,6%	7,5%
Contractual rents increased by the estimated rental value of vacant properties (€ 000)	55.783	50.871	55.689	53.807	50.868
Yield if fully let at fair value (%)	8,4%	8,3%	8,8%	8,8%	8,8%
Total leasable space (m ²)	794.896	705.068	717.073	674.156	604.428
Occupancy rate (%)	86%	91%	90%	87%	86%
Occupancy rate excl. Greenhouse BXL (%)	91%	90%*	89%*	86%*	85%*

As at 31 December 2017 the rental yield of the entire portfolio amounted to 7,3%.

2.1. By segment

OFFICES	31.12.2017	31.12.2016	31.12.2015	31.12.2014	31.12.2013
Fair value of investment properties (€ 000)	304.250	301.926	326.371	332.966	337.503
Contractual rents (€ 000)	21.157	23.179	27.311	27.254	26.902
Yield on fair value (%)	7,0%	7,7%	8,4%	8,2%	8,0%
Contractual rents increased by the estimated rental value of vacant properties (€ 000)	27.772	26.808	32.059	32.652	32.693
Yield if fully let at fair value (%)	9,1%	8,9%	9,8%	9,8%	9,7%
Total leasable space (m ²)	210.457	208.716	229.669	229.669	229.669
Occupancy rate (%)	76%	86%	85%	83%	82%
Occupancy rate excl. Greenhouse BXL (%)	85%	85%*	84%*	82%*	80%*
LOGISTICS REAL ESTATE	31.12.2017	31.12.2016	31.12.2015	31.12.2014	31.12.2013
Fair value of investment properties (€ 000)	358.289	309.018	308.045	276.510	243.206
Contractual rents (€ 000)	27.431	23.158	22.538	19.302	16.597
Yield on fair value (%)	7,7%	7,5%	7,3%	7,0%	6,8%
Contractual rents increased by the estimated rental value of vacant properties (€ 000)	28.011	24.063	23.630	21.155	18.175
Yield if fully let at fair value (%)	7,8%	7,8%	7,7%	7,7%	7,5%
Total leasable space (m ²)	584.439	496.352	487.404	444.487	374.759
Occupancy rate (%)	98%	96%	95%	91%	91%

* Recalculated occupancy rate, excluding Greenhouse BXL.

2.2. Insured value

The real estate portfolio of Intervest is insured for a total reconstruction value of € 592 million, excluding the premises on which the buildings are located, compared to a fair value of the investment properties of € 663 million as at 31 December 2017 (even though premises are included in that value).

The insured value of the offices is € 348 million and that of the logistics portfolio is € 244 million.

The insurance policies also include additional guarantees for the real estate becoming unfit for use, such as loss of rental income, costs for maintenance and cleaning up the property, claims of tenants and users and third-party claims. The lost rental income is reimbursed as long as the building has not been rebuilt, provided that this is done within a reasonable period as determined by the expert. With these additional guarantees, the insured value amounted to € 988 million. This insured value is split into € 684 million for the offices and € 304 million for the logistics portfolio.

Intervest is insured against liability arising from its activities or its investments under a third-party liability insurance policy covering bodily injury up to an amount of € 12,4 million and material damage (other than that caused by fire and explosion) of up to € 0,6 million. Furthermore, the directors and members of the management committee are insured for directors' liability, covering losses up to an amount of € 15 million.

2.3. Sensitivity analysis

In the case of a hypothetical negative adjustment of 1% (from 7,3% to 8,3% on average) to the yield used by property experts for determining the real estate portfolio of the company (yield or capitalisation rate), the fair value of the real estate would decrease by € 80 million or 12%. This would raise the debt ratio of the company by 6% to around 51%.

If this is reversed, and a hypothetical positive adjustment of 1% (from 7,3% to 6,3% on average) is made to this yield, the fair value of the real estate would increase by € 105 million or 16%. This would lower the debt ratio of the company by 6% to around 39%.

3. Valuation of the portfolio by property experts

As at 31 December 2017, the valuation of the current real estate portfolio of Intervest has been carried out by the following property experts:

- Cushman & Wakefield, represented by Kris Peetermans
- CBRE Valuation Services, represented by Pieter Paepen
- CBRE Valuation Advisory bv, represented by Willem Rodermond

The property experts analyse rental, sale and purchase transactions on a permanent basis. This makes it possible to correctly analyse real estate trends on the basis of prices actually paid and thus to put together market statistics.

For the assessment of real estate properties, the market, location and some **characteristics** of real estate are taken into account.

The market:

- supply and demand of tenants and buyers of comparable real estate properties
- yield trends
- expected inflation
- current interest rates and expectations in terms of interest rates.

The location:

- environmental factors
- parking availability
- infrastructure
- accessibility by private and public transport
- facilities such as public buildings, shops, hotels, restaurants, pubs, banks, schools, etc.
- (construction) development of similar real estate properties.

The real estate:

- operating and other expenses
- type of construction and level of quality
- state of maintenance
- age
- location and representation
- current and potential alternative uses.

Subsequently, there are 4 important **valuation methods** that are being applied: updating the estimated rental income, unit prices, discounted cash flow analysis and cost method.

Updating the estimated rental income

The investment value is the result of the yield (or capitalisation rate, that represents the gross yield required by a buyer) applied to the estimated rental value (ERV), adjusted for the net present value (NPV) of the difference between the current actual rent and the estimated rental value at the date of valuation for the period up to the first

opportunity to give notice under the current lease agreements.

For buildings that are partially or completely vacant, the valuation is made on the basis of the estimated rental value minus the vacancy and the costs (rental costs, publicity costs, etc.) for the vacant portions. The costs method is applied to buildings for which the property expert considers it more appropriate to do so.

Buildings to be renovated, buildings being renovated or planned projects are evaluated based on the value after renovation or after work has been finished, minus the amount of the remaining work to be done, the fees of architects and engineers, interim interest payments, the estimated vacancy rate and a risk premium.

Unit prices

The investment value is determined based on the unit prices of the object per m² for office space, storage space, archives, number of parking spaces, etc., all based on the market and building analysis described above.

Discounted cash flow analysis

The investment value is calculated based on the net present value of the net future rental income of every property. Thus, costs and provisions that are to be expected annually are taken into account for each property, as well as ongoing lease agreements, the expected completion time of the construction or renovation works, and their impact on the effective collection of the rents. This stream of income, as well as the selling value excluding transaction costs, are actualised (discounted cash flow) based on the interest rates on the capital markets, with a margin added that is specific to the type of the property investment (the liquidity margin). The impact of changing interest rates and expected inflation are thus taken account of in the estimate in a conservative way.

Costs method

This gives a value based on the estimated current costs of reproducing or creating a property of the same quality, utility and transferability, but with modern construction tools.

The real estate portfolio is divided as follows:

Property expert	Fair value (€ 000)	Investment value (€ 000)
Cushman & Wakefield	304.250	311.856
CBRE Valuation Services	334.190	342.545
CBRE Valuation Advisory	24.099	25.786
TOTAL	662.539	680.187

Finding of Cushman & Wakefield¹

For the part of the real estate portfolio of Intervest valued by Cushman & Wakefield, Cushman & Wakefield determined an investment value of € 311.856.198 and a fair value of € 304.249.949 as at 31 December 2017.

Fouad Ben Tato
Associate
Valuation & Advisory
Cushman & Wakefield

Kris Peetermans
Partner
Valuation & Advisory
Cushman & Wakefield

Finding of CBRE Valuation Services²

For the part of the real estate portfolio of Intervest valued by CBRE Valuation Services, CBRE Valuation Services determined an investment value of € 342.545.000 and a fair value of € 334.190.000 as at 31 December 2017.

Pieter Paepen, MRICS
RICS registered valuer
Senior Director
CBRE Valuation Services

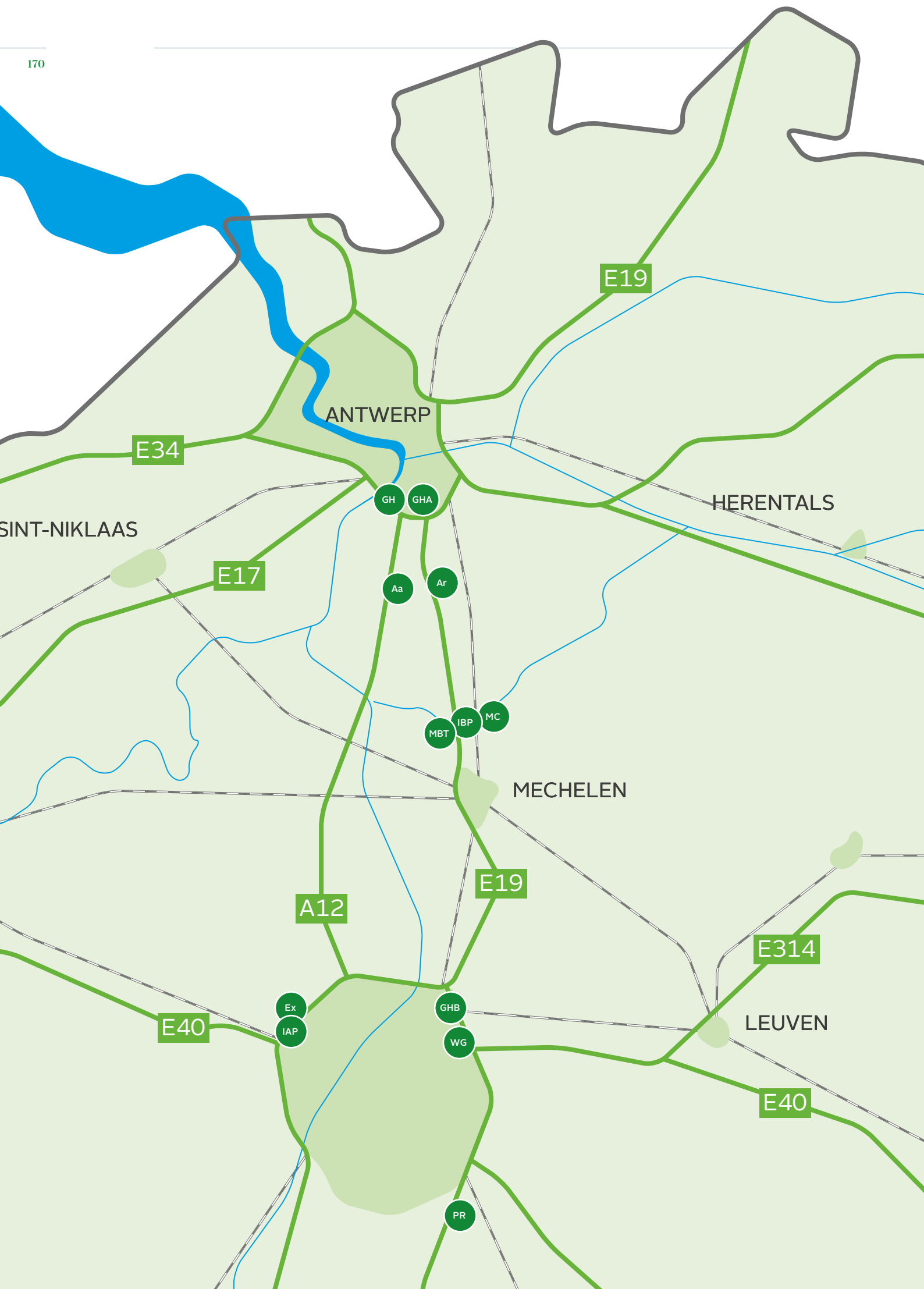
Kevin Van de Velde
Associate Director
CBRE Valuation Services

Finding of CBRE Valuation Advisory³

For the part of the real estate portfolio of Intervest valued by CBRE Valuation Advisory, CBRE Valuation Advisory determined an investment value of € 25.786.000 and a fair value of € 24.099.000 as at 31 December 2017.

Drs. H.W.B. Knol MSc MRICS RT
RICS registered valuer
Director

Drs. W.F.A. Rodermond MRE MRICS
RICS registered valuer
Senior Director



4. Description of the office portfolio

Office locations in Belgium¹

ANTWERP

GHA	Greenhouse Antwerp
GH	Gateway House
Ar	De Arend
Aa	Aartselaar

BRUSSELS

GHB	Greenhouse BXL
WG	Woluwe Garden
Ex	Exiten
IAP	Inter Access Park
PR	Park Rozendal

MECHELEN

MC	Mechelen Campus
IBP	Intercity Business Park
MBT	Mechelen Business Tower

¹ Classification per region on the Antwerp - Mechelen - Brussels axis



GREENHOUSE ANTWERP

Address

Uitbreidingstraat 66
2600 Berchem

Surface area

5.595 m²

Renovation year

2016

Occupancy rate

100%

GREENHOUSE ANTWERP RE:FLEX

Greenhouse Antwerp is tailored to the current, new way of working. RE:flex on the first two floors provides space for start-ups, co-working, overflow space for customers and shared meeting rooms. Besides the renovation of the technical systems and the interior, the outside of the building was given a completely renewed and unique appearance. The entire front façade has now been provided with a 'green façade' consisting of 50.000 living plants, which is one of the largest green façades in an office building in Belgium. The building has also been provided with a restaurant, Greenhouse Café, operated by Cook & Style, which is entirely in keeping with the style of the renovation by Intervest.



GREENHOUSE ANTWERP BOARDROOM

During the course of 2017, the service provision in Greenhouse Antwerp was expanded by the opening of Greenhouse Boardroom. This modern and fully equipped meeting facility with its own catering facilities offers the opportunity to hold meetings, deliberate or brainstorm in a peaceful and discreet setting.





GREENHOUSE ANTWERP MANAGED OFFICES

Managed offices, smaller, individual and fully equipped offices that can also be flexibly leased, were also provided in Greenhouse Antwerp during the course of 2017. Ready-to-use with extensive service provision, including reception and postal distribution. All these managed offices were leased in a jiffy after they had been installed.



*Meet, eat, work
and get inspired.*

GATEWAY HOUSE

Address

Brusselstraat 59
2018 Antwerpen

Surface area

11.172 m²

Renovation year

2002

Occupancy rate

60%

Stately building situated diagonally opposite the Antwerp Courthouse, a five-minute walk from the bustling, trendy “Het Zuid” neighbourhood. Extremely good access by public transport as well as by car.



*New tenant T-Fitness.
Interior redesign of technical space for Sundio Group.*



Offices Sundio Group



Offices Q8

DE AREND

Address

Prins Boudewijnlaan 45 - 49
2650 Edegem

Surface area

6.931 m²

Year constructed

1997

Occupancy rate

100%

Located at a stone's throw from the E19, at the Kontich exit. The office complex, surrounded by a green environment, consists of three buildings, each with three floors, efficient rectangular plateaus, benefiting from plenty of natural light.



AARTSELAAR

Address

Kontichsesteenweg 54
2630 Aartselaar

Surface area

4.140 m²

Year constructed

2000

Occupancy rate

99%

*New tenant Fabricom,
which causes the occupancy
rate to increase to 99%.*

Ideally located between the E19 and A12. Consists of an office section, warehouse and a very spacious car park. The site offers maximum visibility as it is directly situated on the Kontichsesteenweg.



MECHELEN CAMPUS

Address

Schalienhoevedreef 20 A - J and T
2800 Mechelen

Surface area

58.149m²

Year constructed

2000-2005

Occupancy rate

78%

Largest site in the portfolio.

*Makes up 13% of the total
portfolio's size.*

Mechelen Campus consists of a 60 meter high tower block surrounded by 10 lower office buildings, all connected by an underground car park. Between the buildings there is a beautiful garden with a picnic area and a water feature.

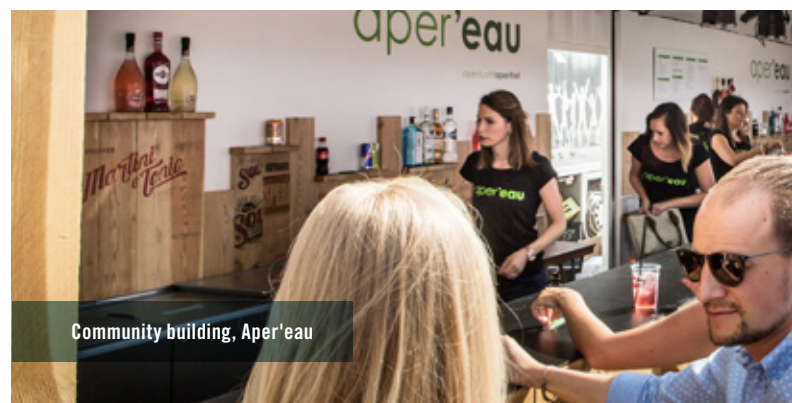
MECHELEN CAMPUS AS INTERACTIVE COMMUNITY

Mechelen Campus is conceived as an interactive community in which a wide range of facilities is provided to make the daily lives of the office users as pleasant and comfortable as possible.

For example, there is a sandwich bar/restaurant, ironing service, a handyman service, crèche, fitness centre and seminar space with meeting rooms.

OPENING CHARGING PLAZA

By opening the smart charging squares for electric cars, Charging Plazas, at Mechelen Campus, Intervest again goes beyond merely leasing m², *beyond real estate*. Tenants using the charging posts are, for example, On Semi and Allego.



Community building, Aper'eau





RE:flex: an ideal mix of modified spaces: offices, meeting rooms, event spaces events, including extensive service provision.

TURNKEY SOLUTIONS

Also in 2017, existing and new customers called in the turnkey solutions team to adjust, expand or refurbish their office space. The interior decoration of an entire floor was done for Bluebee. E.ON was renovated completely. At the request of one of the customers, Tecan Group, the interior decoration works were completed within one month.



INTERCITY BUSINESS PARK

Address

Generaal De Wittelaan 9 - 21
2800 Mechelen

Surface area

54.190 m²

Year constructed

1993 - 1999 (2016)

Occupancy rate

84%

Further expansion for Biocartis and Galapagos.

Located next to Belgium's main arterial road, the E19 Antwerp-Brussels. This business park comprises twelve office buildings. This site consists of around 54.000 m² of business space, leased to some 40 companies, including a number of large corporations in the life sciences sector such as Biocartis, Galapagos and SGS Belgium.

Forms 10% of the total portfolio, which makes it the second largest site.



Biocartis - Demo room



Intercity Business Park - Covidien



Biocartis - Informal working area

MECHELEN BUSINESS TOWER

Address

Blarenberglaan 2C
2800 Mechelen

Surface area

13.574 m²

Year constructed

2001

Occupancy rate

86%

Mechelen Business Tower is a landmark with a superb high visibility profile location along the E19 at Mechelen. Forms 4% of Intervest's total real estate portfolio.

Mechelen Business Tower was adjusted for multi-tenant leasing purposes in 2017.



GREENHOUSE BXL

Address

Berkenlaan 8A + 8B

Diegem

Surface area

20.175 m²

Year constructed

2000 - 2002

Occupancy rate

4%

*Intervest wants to provide
an inspiring environment
in which companies and talent
can grow.*



TWO BUILDINGS WITH GREAT POTENTIAL

Given the location of this site and the quality of the buildings, the office buildings at Berkenlaan 8a and 8b offer an excellent opportunity for repositioning and a multi-tenant approach. The building permit for this redevelopment was obtained during the fourth quarter of 2016; the works started in the first quarter of 2017 and are expected to be finished by mid-2018.



FIRST LEASE AGREEMENT WITH CAZIMIR

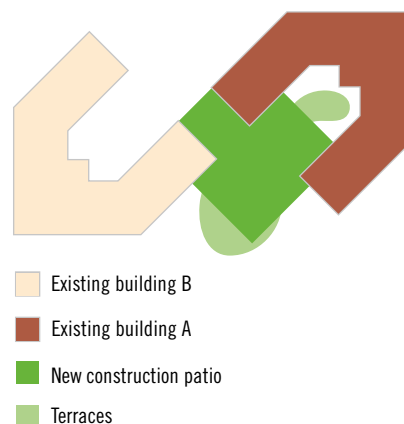
Cazimir, a team of specialised lawyers who help wealthy families and entrepreneurs with questions on legal matters and concerns regarding their assets, has opted for Greenhouse BXL as its new office location near Brussels. As from October 2018, Cazimir will lease an office surface area of 700 m² for a fixed period of 9 years.





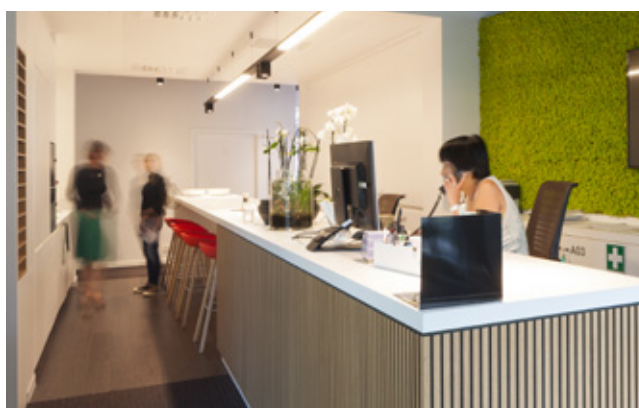
GROUND FLOOR SHAPE: U-SHAPED DIMENSIONS: +/- 1.400 M²

A patio will serve as a lively meeting place with the potential for organising events. The interior fittings are also aimed at mutually encouraging interaction between visitors and users. For example, a Grand Café, a restaurant, larger shared meetings rooms and an auditorium have been provided. Users can also call on a service desk, which provides a personalised approach when it comes to the customer's needs.



RE:FLEX FLEXIBLE BUSINESS HUB

The “new way of working” will be integrated in the complex by combining a co-working lounge and places fostering inspiration. Greenhouse BXL provides all the functionality entailed in Intervest's familiar RE:flex concept: flexible offices, meeting rooms and overflow space for the customers' employees.



WOLUWE GARDEN

Address

Woluwedael 18 - 22
1932 Sint-Stevens-Woluwe

Surface area

23.681 m²

Year constructed

2000

Occupancy rate

96%

Woluwe Garden lies on the outskirts of Brussels, on Flemish soil.

An impressive lobby leads to three wings, each offering eight floors.

6% of the total real estate portfolio.

Houses PricewaterhouseCoopers,

Intervest's largest tenant (6%).



EXITEN

Address

Zuiderlaan 91
1731 Zellik

Surface area

3.628 m²

Year constructed

2002

Occupancy rate

100%

Exiten, which is named after exit 10 of the Brussels ring road, located nearby, offers outstanding visibility. The rectangular floors provide the optimal layout for office design.



INTER ACCESS PARK

Address

Pontbeekstraat 2 & 4
1700 Dilbeek

Surface area

6.392 m²

Year constructed

2000

Occupancy rate

95%



Expansion and extension for tenant Mitiska.

Inter Access Park consists of two identical office buildings that offer excellent access by public transport (Sint-Agatha-Berchem station) as well as by car (E40 motorway and RO ring road). Each building has a large, prestigious lobby and tenants can lease an entire floor or a part of it.

PARK ROZENDAL



Address

Terhulpsesteenweg 6A
1560 Hoeilaart

Surface area

2.830 m²

Year constructed

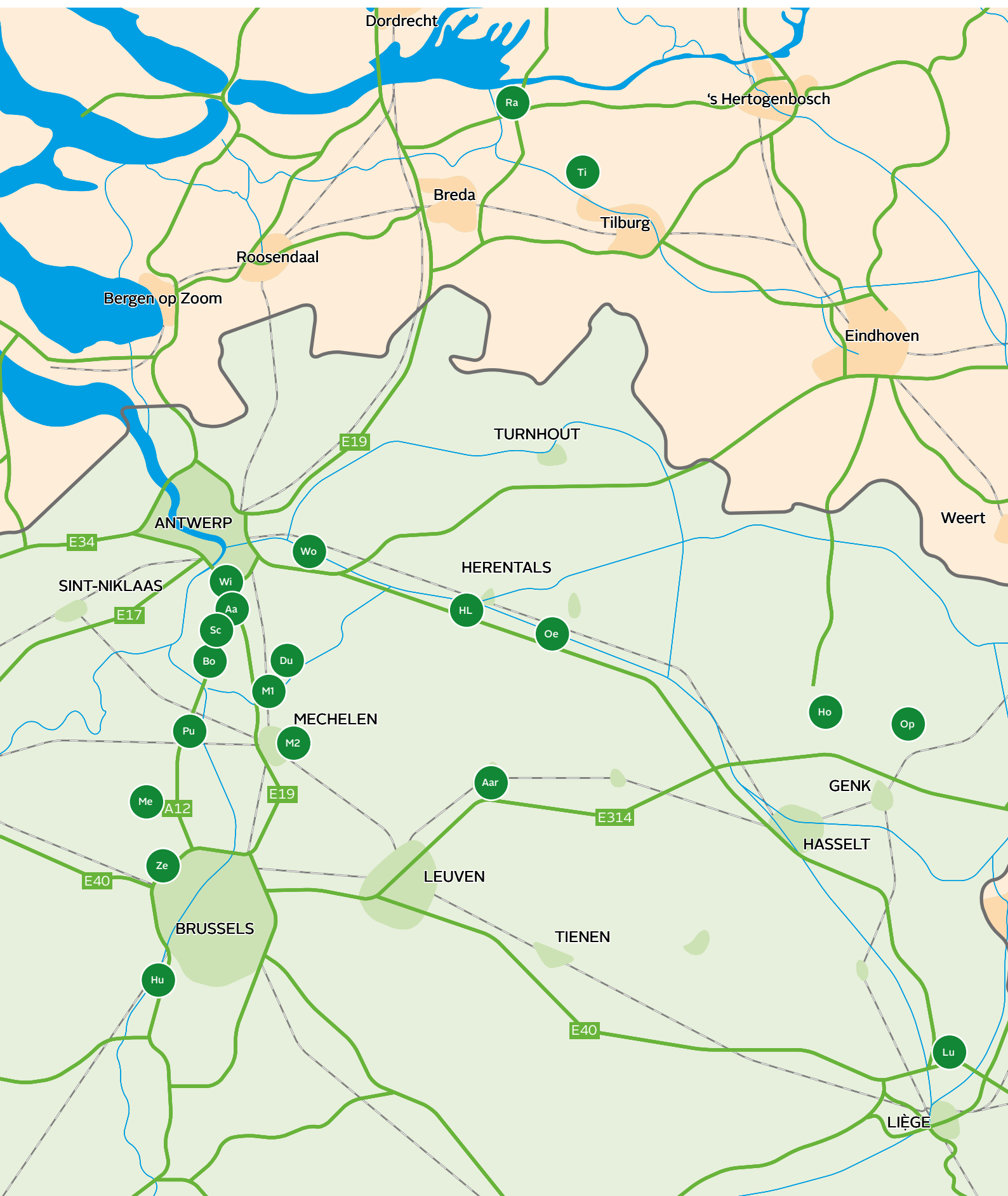
1994

Occupancy rate

85%

The expansion of Mylan through a turnkey solution generated an increase in the occupancy rate.

Park Rozendal, located in an oasis of greenery, yet still close to the capital of Brussels, has excellent accessibility with a train station nearby and the Brussels ring road only a few minutes away. The luxurious lobby provides a distinguished air and the rectangular floors provide the optimal layout for designing your office.





5. Description of the logistics properties

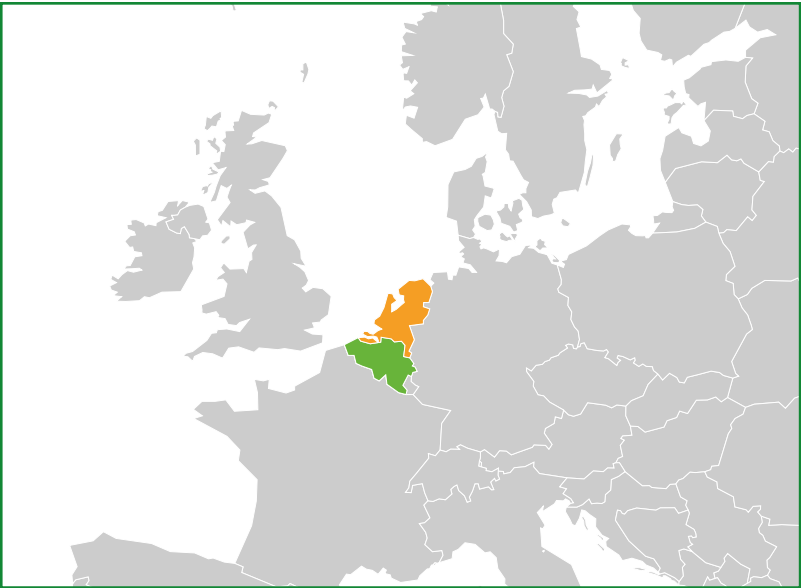
Location of the logistics properties in Belgium¹

Antwerp - Limburg - Liège		Antwerp - Brussels - Nivelles	
Wo	Wommelgem	Wi	Wilrijk
HL	Herentals Logistics	Aa	Aartselaar
Oe	Oevel	Sc	Schelle
Aar	Aarschot	Bo	Boom
Ho	Houthalen	Du	Duffel
Op	Opglabbeek	M1	Mechelen 1
Lu	Luik	Pu	Puurs
		M2	Mechelen 2
		Me	Merchtem
		Ze	Zellik
		Hu	Huizingen

¹ Classification per logistics axis: Antwerp - Limburg - Liège and Antwerp - Brussels - Nivelles

Location of the logistics properties in the Netherlands

Ra	Raamsdonksveer
Ti	Tilburg



LOGISTICS PROPERTIES IN BELGIUM

HERENTALS LOGISTICS

Largest logistics site, making up 8% of the fair value of the portfolio.

HERENTALS LOGISTICS 1

Address

Herentals Logistics 1 - Atealaan 34b, 2200 Herentals

Surface area

17.346 m²

Renovation year 2011

Occupancy rate 91%

This extensively renovated logistics building offering spacious office facilities is situated in the Antwerp-Liège logistics corridor and has an excellent connection to the E313. The property's many loading bays make it ideal for cross-dock activities.



HERENTALS LOGISTICS 2

Address

Herentals Logistics 2 - Atealaan 34c, 2200 Herentals

Surface area

50.912 m²

Renovation year 2008 and 2012

Occupancy rate 100%

Herentals Logistics 2 is a state-of-the-art logistics building occupying a stunning high-profile location along the E313, Antwerp - Liège. In addition to circa 40.000 m² of storage space, this property comes with a spacious mezzanine that spans the entire length of the building, and the necessary office and parking facilities. There is a photovoltaic installation on the roof.

Houses Nike Europe Holding, the biggest logistics tenant (5%).



HERENTALS LOGISTICS 3

Address

Herentals Logistics 3 - Atealaan 34b, 2200 Herentals

Surface area

12.123 m²

Year constructed 2017

Occupancy rate 100%

A new, state-of-the-art logistics distribution centre of 12.000 m² (incl. offices and social space) has been constructed for Schrauwen Sanitair en Verwarming at Herentals Logistics 3. The building along the Antwerp - Liège corridor has an excellent high visibility profile.



Top location with extremely good visibility, located immediately at the E313 exit.



OEVEL

OEVEL 1 + 3

Address
Nijverheidsstraat 9a + 11, 2260 Oevel

Surface area
33.955 m²

Year constructed
2007 (Expansion in 2013)

Occupancy rate
100%



Second-largest logistics site, making up 7% of the fair value of the total portfolio, with visibility location next to the E313 on the Antwerp - Limburg - Liège axis.

OEVEL 2



Address
Nijverheidsstraat 9, 2260 Oevel

Surface area
12.159 m²

Renovation year
2004

Occupancy rate
100%

The site is highly automated. It houses Estée Lauder, near one of its production facilities and DSV. It is closely affiliated with the Herentals Logistics-related cluster.

There is a photovoltaic installation on the roof.

OEVEL 4

Address

Nijverheidsstraat 8, 2260 Oevel

Surface area

Oevel 4 - 11.660 m²

Year constructed

1995

Occupancy rate

100%

Site with an excellent location along the E313-E314. It forms a cluster with Intervest's existing properties in Oevel and Herentals.



By acquiring this logistics space, Intervest is consolidating its position in the logistics corridor along the E313-E314.

LIÈGE

Address

Première Avenue 32
4040 Liège

Surface area

55.595 m²

Year constructed

2000 - 2017

Occupancy rate

100%



In 2017 Hall Z was delivered and expansion was also completed for Vincent Logistics. The lease agreements have been extended with both CooperVision Distribution and Vincent Logistics.

The site consists of a modern logistics complex of storage halls with the related office facilities and a spacious external area. The complex was developed in several phases and offers extremely easy access to the E313, E40, E42 and E25. Bierset cargo airport is located nearby and the TriLogiPort container terminal is also situated in the immediate vicinity.

The site has a good location in Liège, oriented towards the European hinterland. Forms 5% of the fair value of the real estate portfolio.



Vincent Logistics



CooperVision Distribution

HOUTHALEN

Address

Europark 1026
3530 Houthalen

Surface area

26.995 m²

Year constructed

2001

Occupancy rate

100%

Modular warehouse for European distribution with spacious parking area for passenger cars and trailers. This modern logistics building is located in the Antwerp - Limburg - Liège logistics corridor along the E314. The building has recently been fitted with LED lighting.



ZELLIK

Intervest expects to accomplish a new state-of-the-art construction of approximately 29.000 m² of warehouse space plus accompanying offices after redevelopment.

Taking into account the specificity of the location, it will be possible to accommodate both smaller and larger entities there. This redevelopment will offer the company the possibility of creating added value in its own portfolio in the relatively short term. With this acquisition, Intervest distinguishes itself on the Belgian market as an investor with a future vision of logistics.

Address

Brusselsesteenweg 464
1731 Zellik

Surface area

26.637 m²

Year constructed

1994

Occupancy rate

100%



OPGLABBEK

Address

Weg naar Zwartberg 231
3660 Opglabbeek

Surface area

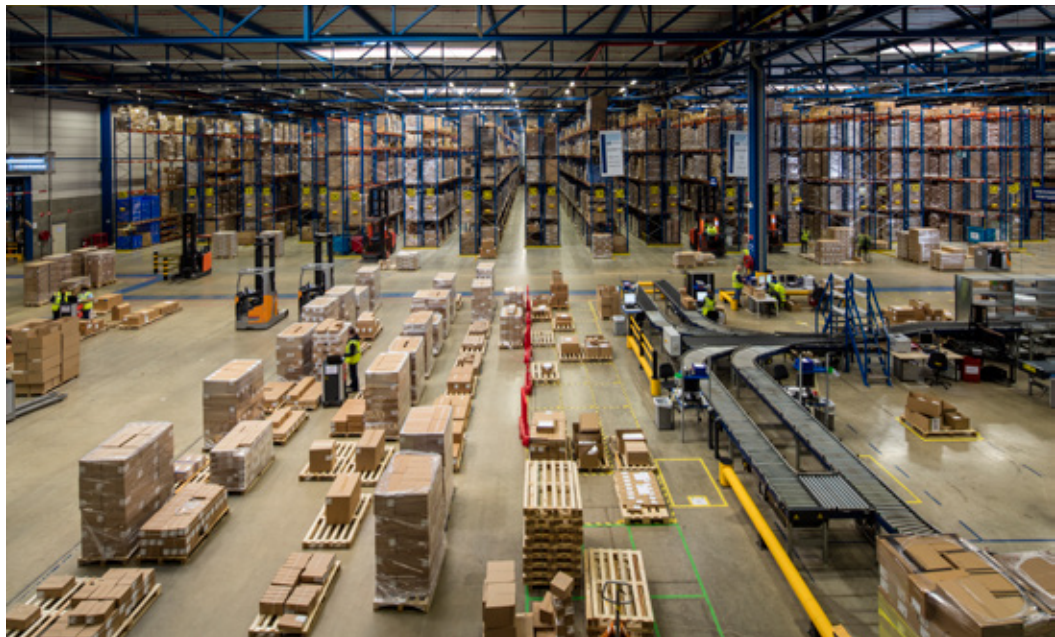
77.718 m²

Year constructed

1999 - 2012

Occupancy rate

100%



Third-largest logistics site, 6% of the fair value of the total real estate portfolio, highly automated, especially with regard to fine picking.

This site lies in the Antwerp - Limburg - Liège logistics corridor and offers easy access via the E314. What's more, approximately half the total surface area of the roof is fitted with photovoltaic installations. Diverse opportunities for expansion are still available at the site. The roof was renovated in 2017.



BOOM

Address

Industrieweg 18 , 2850 Boom

Surface area

24.871 m²

Year constructed

2000 (partial Renovation in 2015)

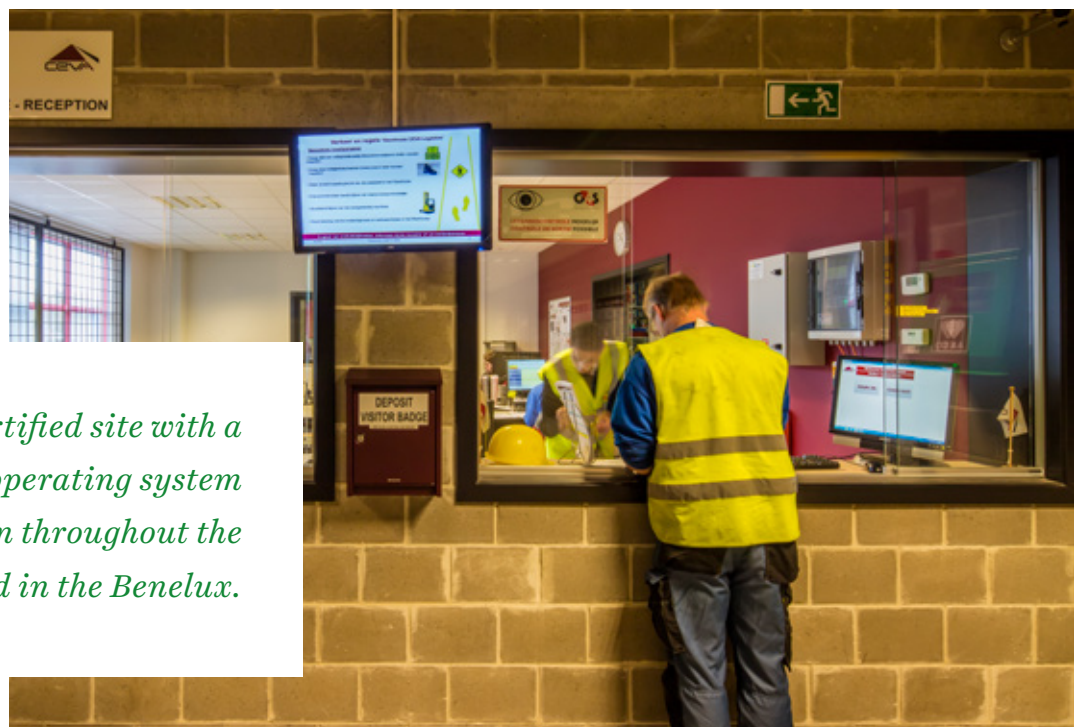
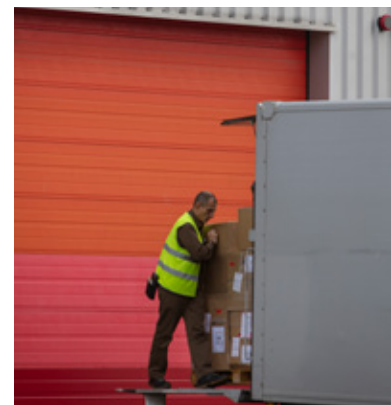
Occupancy rate

100%



This modern logistics property, located in the Krekelenberg industrial zone, offers excellent access via the A12. Besides the large storage hall, which offers limited options for dividing the space, the property has spacious office facilities and communal areas.

In 2015 the site was fully customised with regard to technology and sustainability, including site-wide relighting and redesign with a modern lay-out. The building's user can consume energy directly generated by the photovoltaic system installed on the roof.



A TAPA-A certified site with a modern and efficient operating system targeting distribution throughout the country and in the Benelux.

PUURS

Address

Koning Leopoldlaan 5
2870 Puurs

Surface area

43.534 m²

Year constructed

2001

Occupancy rate

100%

The logistics complex in Puurs is a modern logistics building occupying a fantastic high visibility profile location along the A12. The entire roof is provided with a photovoltaic installation. The site in Puurs forms 4% of the fair value of the real estate portfolio and houses the fresh food e-commerce platform of Delhaize Belgium and the logistics service provision activities for Fiege's fast-moving consumer goods.



*Top location with
extremely good visibility
along the A12,
exceedingly well suited
for distribution
throughout the country.*

MECHELEN 1

Address

Oude Baan 12
2800 Mechelen

Surface area

15.341 m²

Renovation year

2004

Occupancy rate

30%



The logistics building in Mechelen 1 is equipped and used as a pharmaceutical warehouse, benefiting from air-conditioning throughout the storage area. The building occupies an excellent location with direct access to the E19. The site is equipped with a photovoltaic installation.

Temperature regulated and divisible warehouses for pharmaceutical products.

WILRIJK 1

Address

Boomssesteenweg 801 - 803
2610 Wilrijk

Surface area

5.364 m²

Year constructed

2013

Occupancy rate

100%



Top location for automotive distributor, with showroom at the A12, furnished in close consultation with customer, Peugeot.

WILRIJK 2

Address

Geleegweg 1 - 7
2610 Wilrijk

Surface area

24.521 m²

Year constructed

1989 (Renovation in 2016)

Occupancy rate

100%

Ideal location for urban distribution located on the outskirts of Antwerp.

Wilrijk 2 is an easily accessible logistics complex alongside the A12. The location on the outskirts of Antwerp is ideal for distribution activities.

A turnkey solution project was completed for Toyota Material Handling Europe Logistics in 2017. The office section was given a new floor, LED lighting, the same was done for the sanitary facility and additional windows were fitted for more sunlight.

Together with Wilrijk 1, it makes up 4% of the fair value of the real estate portfolio.



AARTSELAAR

Address

Dijkstraat 1A
2630 Aartselaar

Surface area

9.865 m²

Year constructed

1994

Occupancy rate

100%



This semi-industrial building is located between the A12 and the E19 and is equipped with a large number of loading bays. Due to its easy access this building is perfectly suited for distribution activities.

MERCHTEM

Address

Preenakker 20
1785 Merchtem

Surface area

8.076 m²

Year constructed

1992 (Expansion in 2002)

Occupancy rate

100%



This logistics building is located in the Merchtem Preenakker SME zone in the triangle between the E40 Brussels - Ostend, the A12 and the Brussels ring road. The building houses Zeb Logistics, clothing distribution involving a high degree of automation.

HUIZINGEN

Address

Gustave Demeurslaan 69 - 71
1654 Huizingen

Surface area

17.548 m²

Year constructed

1987 - 1993
(Several renovations)

Occupancy rate

100%



This logistics building lies to the south of Brussels and is arranged as an air-conditioned pharmaceutical distribution warehouse. The user, Pharma Logistics, has also installed laboratories in the building.

MECHELEN 2

Address

Dellingstraat 57
2800 Mechelen

Surface area

5.969 m²

Year constructed

1998
(Expansion in 2010)

Occupancy rate

100%



This multi-functional semi-industrial property is located at walking distance from the station and Mechelen city centre and can be accessed by road by the E19. The building has a large covered area for outdoor storage and spacious office facilities.

DUFFEL

Address

Stocletlaan 23

2570 Duffel

Surface area23.386 m²**Year constructed**

1998

Occupancy rate

100%

A modern logistics building located a few kilometers from the E19. The site is fully fenced and the roof is fitted with a photovoltaic installation.

*Fully leased
at the end of the
year in 2017.*



Sofidel conveyor system

SCHELLE

Address
Molenberglei 8
2627 Schelle
Surface area
8.317 m²
Year constructed
1993
Occupancy rate
91%



This logistics building, benefiting from many loading and unloading bays offers excellent access from the A12. In 2017, the turnkey solutions project was further developed whereby a product demonstration area and showroom for Rogue Fitness Benelux were designed in its existing logistics space, and these were combined with the necessary provisions for traditional storage activities. Offices and sanitary space were expanded and revamped.

The occupancy rate of Schelle increased by 30% during 2017, which means that it amounted to 91% at year-end 2017.



AARSCHOT

Address

Nieuwlandlaan 321
3200 Aarschot

Surface area

14.530 m²

Year constructed

2005

Occupancy rate

100%



With the acquisition of the distribution hub in Aarschot, Intervest is planning ahead to take advantage of the increasing importance of rapid urban distribution. Thanks to its location near Leuven, just 4 km from the slip road to the E314, the building is ideally located for last-mile distribution activities.



The acquisition is a response to the increasing importance of distribution hubs, which are essential for the rapid growth of e-commerce.

WOMMELGEM

Address

Koralenhoeve 25
2160 Wommelgem

Surface area

24.181 m²

Renovation year

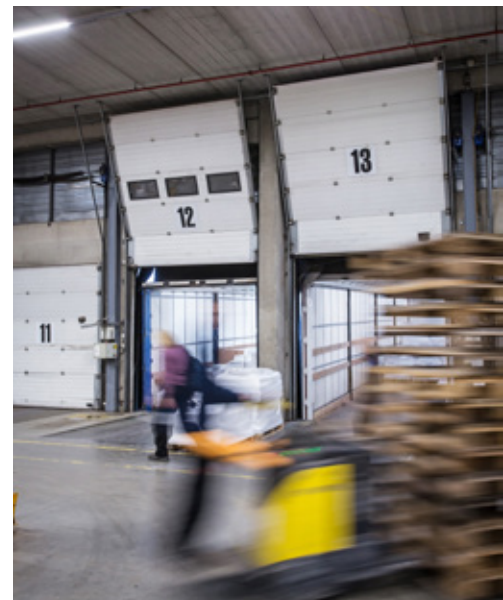
1998 (Renovation in 2017)

Occupancy rate

100%

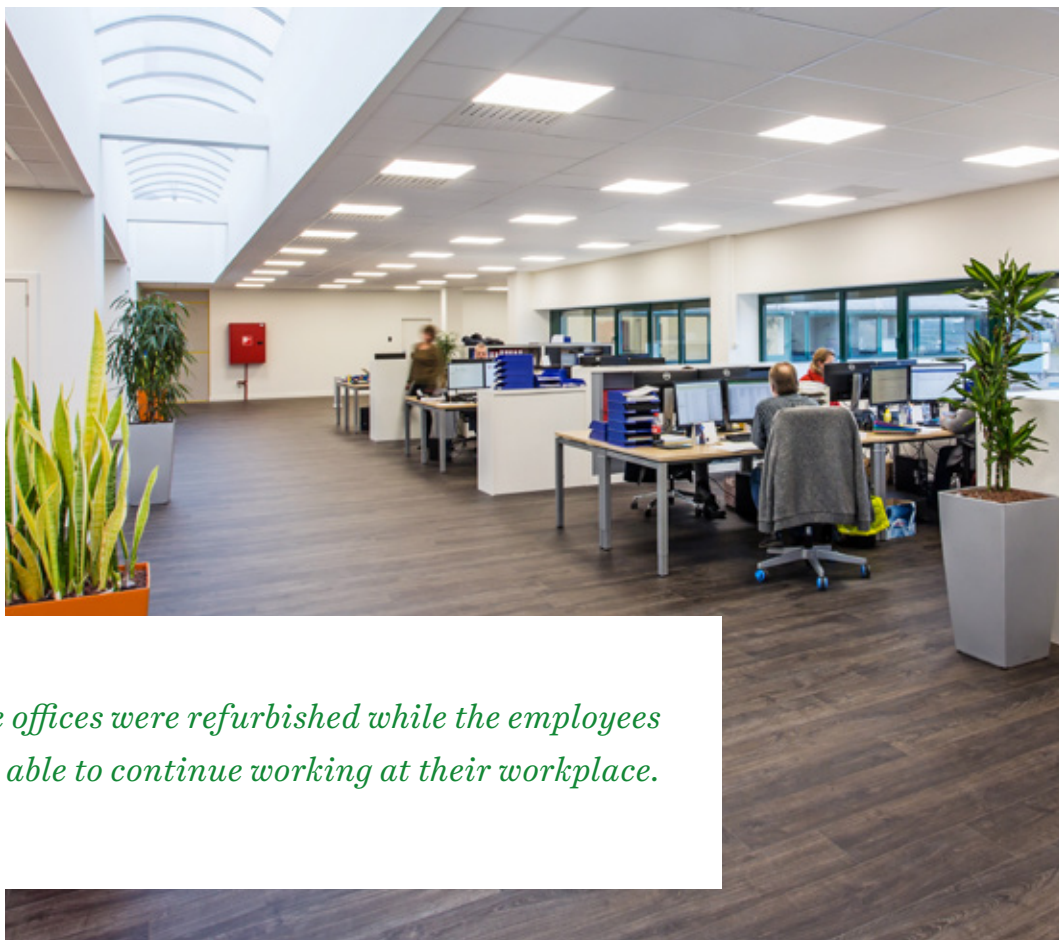
This modern distribution complex has a superb high-profile location along the E313/E34 and is situated on the outskirts of Antwerp. Comprehensive renovation work was done to the building in 2017.

Sustainability and energy efficiency were the recurring theme of the adjustments in the logistics part: roof renovation, relighting, renovation of the HVAC and the installation of an EMS system. The current layout was fully reviewed and refurbished in the office segment.



Extension of the lease agreement with Feeder One and turnkey solutions project, which included the logistics and office segments.





The offices were refurbished while the employees were able to continue working at their workplace.

LOGISTICS PROPERTIES IN THE NETHERLANDS

RAAMSDONKSVEER

Address
Zalmweg 37
4941 SH Raamsdonksveer

Surface area
20.528 m²

Year constructed
2010

Occupancy rate
100 %



The logistics complex was built-to-suit in 2010 for a furniture and home decoration retailer which has centralised the distribution activities for the Netherlands and Belgium in Raamsdonksveer. From this site the company supplies the shops in the Benelux and also organises deliveries for the e-commerce activities.



*Distribution centre that is easily accessible
via the A27 (Breda - Almere) and the A59
(Moerdijk - Den Bosch).
Near Oosterhout Container Terminal.*

TILBURG

Address

Kronosstraat 2
5048 CE Tilburg

Surface area

13.308 m²

Year constructed

2004 (Renovation in 2011)

Occupancy rate

100 %



The building has a free height of 8 metres and has 6 loading bays and 72 parking spaces. The industrial premises and the production facility are air-conditioned and have been furnished in full accordance with the HACCP guidelines for the food industry. This site houses Dutch Bakery, a modern and innovative industrial manufacturer of bake-off bread products. Here Dutch Bakery combines its industrial bakery activities with transport and logistics activities.



Located at Industriezone Vossenbergh II in Tilburg, with a direct connection to the A58 Eindhoven - Breda motorway, and forming part of the Tilburg-Waalwijk logistics hotspot.



EFFICIENT, MODERN AND INSPIRING *RENOVATION* WORK

“A successful effort at
adapting our site to meet
modern logistical operational
requirements as well
as demand for
inspiring office spaces.”

René Oud - Director Operations

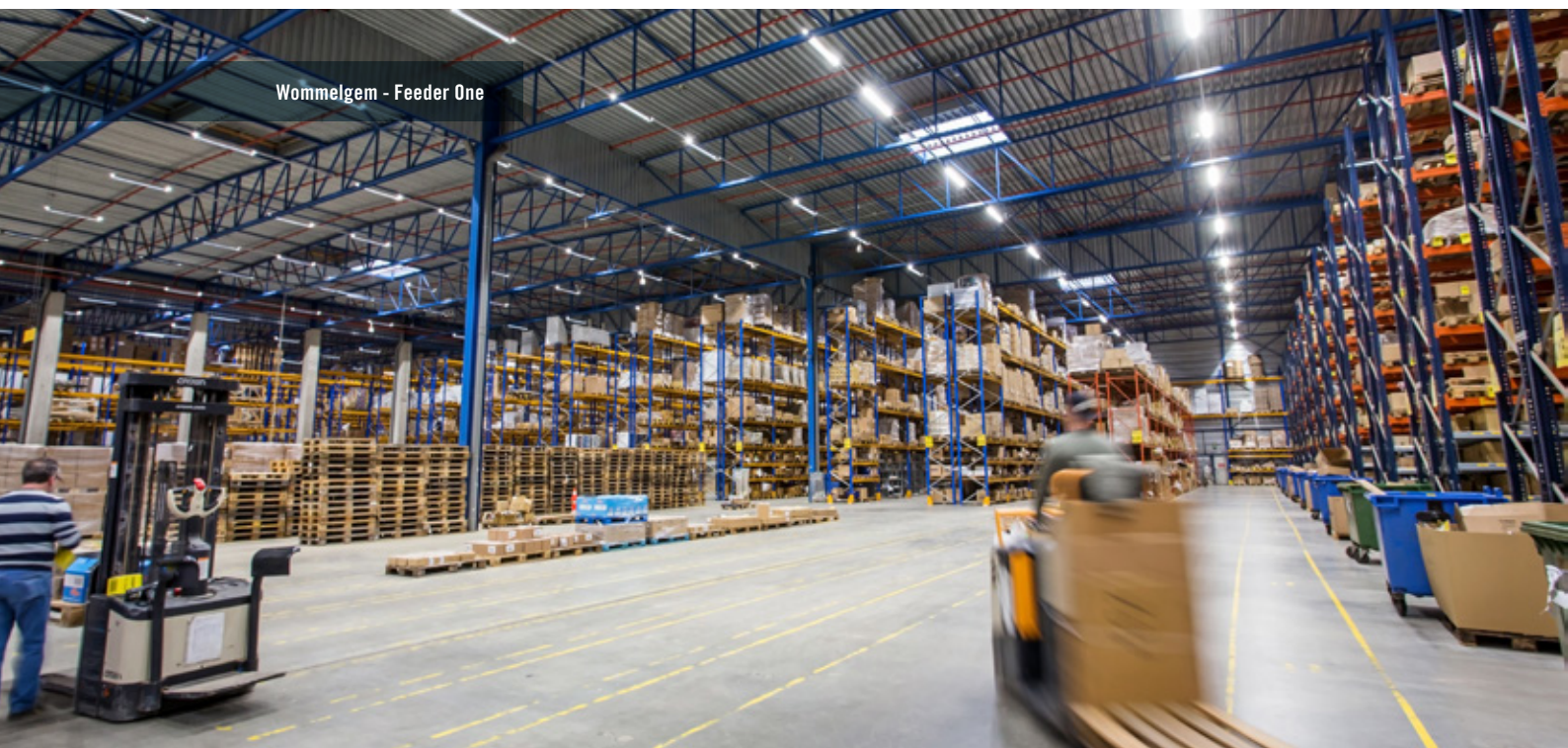


Financial report ¹

1. Consolidated income statement
2. Consolidated statement of comprehensive income
3. Consolidated balance sheet
4. Statement of changes in consolidated equity
5. Consolidated cash flow statement
6. Notes on the consolidated annual accounts
7. Statutory auditor's report
8. Statutory annual accounts

Intervest Offices & Warehouses nv

¹ The annual financial reports, the reports of the board of directors and the reports of the statutory auditor on financial years 2017, 2016 and 2015, and the interim declarations and half-yearly financial report (including reports of the statutory auditor) can be consulted on the website of the company (www.intervest.be). They can also be obtained from the registered office on request.



Index

1. Consolidated income statement	210	Note 12. Taxes	236
2. Consolidated statement of comprehensive income	211	Note 13. Non-current assets	237
3. Consolidated balance sheet	212	Note 14. Current assets	241
4. Statement of changes in consolidated equity	214	Note 15. Shareholders' equity	243
5. Consolidated cash flow statement	216	Note 16. Current liabilities	246
6. Notes on the consolidated annual accounts	217	Note 17. Non-current and current financial debts	247
Note 1. Scheme for annual accounts of regulated real estate companies	217	Note 18. Financial instruments	249
Note 2. Principles of financial reporting	217	Note 19. Deferred tax and liabilities	253
Note 3. Segmented information	226	Note 20. Calculation of debt ratio	253
Note 4. Property result	228	Note 21. Related parties	253
Note 5. Property charges	231	Note 22. List of consolidated companies	254
Note 6. General costs	232	Note 23. Fee of the statutory auditor and entities affiliated with the statutory auditor	254
Note 7. Employee benefits	233	Note 24. Conditional obligations	255
Note 8. Result on disposals of investment properties	234	Note 25. Events after the balance sheet date	255
Note 9. Changes in fair value of investment properties	234	7. Statutory auditor's report	256
Note 10. Other result on portfolio	235	8. Statutory annual accounts Intervest Offices & Warehouses nv	262
Note 11. Net interest charges	235		

1. Consolidated income statement

in thousands €	Note	2017	2016
Rental income	4	43.349	45.280
Rental-related expenses	4	-4	-157
NET RENTAL INCOME		43.345	45.123
Recovery of property charges	4	881	683
Recovery of rental charges and taxes normally payable by tenants on let properties	4	12.864	7.880
Costs payable by tenants and borne by the landlord for rental damage and refurbishment		-375	-412
Rental charges and taxes normally payable by tenants on let properties	4	-12.864	-7.880
Other rental-related income and expenses	4	117	219
PROPERTY RESULT		43.968	45.613
Technical costs	5	-1.325	-1.084
Commercial costs	5	-252	-337
Charges and taxes on unlet properties	5	-634	-475
Property management costs	5	-3.544	-2.979
Other property charges	5	-407	-367
Property charges		-6.162	-5.242
OPERATING PROPERTY RESULT		37.806	40.371
General costs	6	-2.722	-2.232
Other operating income and costs		-7	87
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		35.077	38.226
Result on disposals of investment properties	8	0	-12.798
Changes in fair value of investment properties	9	-7.274	2.425
Other result on portfolio	10	-89	363
OPERATING RESULT		27.714	28.216
Financial income		161	196
Net interest charges	11	-7.621	-9.329
Other financial charges		-7	-14
Changes in fair value of financial assets and liabilities (ineffective hedges)	18	1.119	1.547
Financial result		-6.348	-7.600
RESULT BEFORE TAXES		21.366	20.616
Taxes	12	-180	-34
NET RESULT		21.186	20.582

in thousands €	Note	2017	2016
NET RESULT		21.186	20.582
Note:			
EPRA earnings		27.430	29.044
Result on portfolio	8-10	-7.363	-10.009
Changes in fair value of financial assets and liabilities (ineffective hedges)	18	1.119	1.547
Attributable to:			
Shareholders of the parent company		21.186	20.582
Minority interests		0	0

RESULT PER SHARE	Note	2017	2016
Number of shares at year-end	8.6	18.405.624	16.784.521
Number of shares entitled to dividend	8.6	17.740.407	16.784.521
Weighted average number of shares	8.6	17.409.850	16.784.521
Net result (€)		1,22	1,23
Diluted net result (€)		1,22	1,23
EPRA earnings based on weighted average number of shares (€)		1,58	1,73
EPRA earnings based on number of shares entitled to dividend (€)		1,55	1,73

2. Consolidated statement of comprehensive income

in thousands €	2017	2016
NET RESULT	21.186	20.582
Other components of comprehensive income (recyclable through income statement)	0	0
COMPREHENSIVE INCOME	21.186	20.582
Attributable to:		
Shareholders of the parent company	21.186	20.582
Minority interests	0	0

3. Consolidated balance sheet

ASSETS in thousands €	Note	31.12.2017	31.12.2016
NON-CURRENT ASSETS		663.846	612.373
Intangible assets		501	331
Investment properties	13	662.539	610.944
Other tangible assets		611	702
Non-current financial assets	18	182	383
Trade receivables and other non-current assets		13	13
CURRENT ASSETS		15.572	12.790
Trade receivables	14	9.609	6.601
Tax receivables and other current assets	14	3.471	3.913
Cash and cash equivalents		728	412
Deferred charges and accrued income	14	1.764	1.864
TOTAL ASSETS		679.418	625.163

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	Note	31.12.2017	31.12.2016
SHAREHOLDERS' EQUITY		359.366	326.085
Shareholders' equity attributable to shareholders of the parent company		359.366	326.085
Share capital	15	167.720	152.948
Share premium	15	111.642	90.821
Reserves	15	58.818	61.734
Net result of the financial year		21.186	20.582
Minority interests	22	0	0
LIABILITIES		320.052	299.078
Non-current liabilities		255.584	223.953
Non-current financial debts	17	252.371	219.703
<i>Credit institutions</i>		192.675	160.142
<i>Bond loan</i>		59.696	59.561
Other non-current financial liabilities	18	2.020	3.330
Other non-current liabilities		1.001	920
Deferred tax - liabilities	19	192	0
Current liabilities		64.468	75.125
Current financial debts	17	46.805	62.012
<i>Credit institutions</i>		46.805	62.012
Other current financial liabilities	18	3	13
Trade debts and other current debts	16	2.290	2.655
Other current liabilities	16	217	232
Deferred income and accrued charges	16	15.153	10.213
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		679.418	625.163

DEBT RATIO in %	Note	31.12.2017	31.12.2016
Debt ratio (max. 65%)	20	44,6%	45,7%

NET VALUE PER SHARE in €	31.12.2017	31.12.2016
Net value (fair value)	19,52	19,43
Net value (investment value)	20,35	20,37
Net asset value EPRA	19,62	19,60

4. Statement of changes in consolidated equity

In thousands €	Share capital	Share premium	Reserves		
			Legal reserves	Reserve for the balance of changes in the fair value of real estate	
				Reserve for the balance of changes in investment value of real estate properties	Reserve for the impact on the fair value*
Balance sheet as at 31 December 2015	147.980	84.220	90	74.345	-15.236
Comprehensive income of 2016					
Transfers through result allocation 2015:					
• Transfer to the reserves for the balance of changes in investment value of real estate properties				-4.839	
• Transfer of impact on fair value of estimated transactions rights and costs resulting from the hypothetical disposal of investment properties					-625
• 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					
• Transfer from results carried forward from previous years					
Issue of shares for optional dividend financial year 2015	4.968	6.601			
Acquisition remaining minority interest in perimeter companies					
Dividend financial year 2015					
Balance sheet as at 31 December 2016	152.948	90.821	90	69.506	-15.861
Comprehensive income of 2017					
Transfers through result allocation 2016:					
• Transfer to the reserves for the balance of changes in investment value of real estate properties				-15.980	
• Transfer of the impact on fair value of estimated transactions rights and costs resulting from the hypothetical disposal of investment properties					587
• 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					
• Transfer from results carried forward from previous years					
Issue of shares for optional dividend financial year 2016	3.835	5.238			
Issue of shares by to the contribution in kind of real estate located in Aarschot (5 May 2017)	1.969	3.181			
Issue of shares by the contribution in kind of real estate located in Oevel (5 May 2017)	2.906	4.694			
Issue of shares by the contribution in kind of real estate located in in Zellik (22 December 2017)	6.062	7.708			
Dividend financial year 2016					
Balance sheet as at 31 December 2017	167.720	111.642	90	53.526	-15.274

* of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties.

	Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	Other reserves	Results carried forward from previous financial years	Total reserves	Net result of the financial year	Minority interests	TOTAL SHAREHOLDERS' EQUITY
	-5.066	650	8.766	63.549	25.954	33	321.736
					20.582		20.582
				-4.839	4.839		0
				-625	625		0
	558			558	-558		0
			3.091	3.091	-3.091		0
							11.569
						-33	-33
					-27.769		-27.769
	-4.508	650	11.857	61.734	20.582	0	326.085
					21.186		21.186
				-15.980	15.980		0
				587	-587		0
	1.547			1.547	-1.547		0
			5.546	5.546	-5.546		0
							9.073
							5.150
							7.600
							13.770
					-23.498		-23.498
	-2.961	6.034	17.403	58.818	21.186	0	359.366

5. Consolidated cash flow statement

in thousands €	Note	2017	2016
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		412	598
1. Cash flow from operating activities		30.113	30.112
Operating result		27.714	28.216
Interest paid		-7.802	-9.229
Other non-operating elements		-25	148
Adjustment of result from non-cash flow transactions		7.816	13.159
• Depreciations on intangible and other tangible assets		350	274
• Result on disposals of investment properties	8	0	12.798
• Changes in fair value of investment properties	9	7.274	-2.425
• Spread of rental discounts and rental benefits granted to tenants	10	103	375
• Other result on portfolio	10	89	-363
• Allocated refurbishment fee		0	2.500
Change in working capital		2.410	-2.182
Movement of assets		-2.491	-2.301
Movement of liabilities		4.901	119
2. Cash flow from investment activities		-32.778	9.387
Investments in and extensions of existing investment properties	13	-7.330	-6.502
Income from disposal of investment properties	8	0	26.920
Paid exit tax for merger of real estate companies		0	-3.173
Acquisition of investment properties		-25.019	-7.319
Acquisitions of intangible and other tangible assets		-429	-518
Acquisition of shares of real estate companies		0	-21
3. Cash flow from financing activities		2.981	-39.685
Repayment of loans	17	-74.908	-83.628
Drawdown of loans	17	92.233	60.135
Repayment /take-up of financial lease liabilities	17	0	-4
Receipts from non-current liabilities as guarantee		81	13
Dividend paid		-14.425	-16.201
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		728	412

In 2017, Intervest generated a cash flow of € 30 million from operating activities. Credit withdrawals for a net amount of € 17 million were made. They were both used to acquire logistics sites, investments and expansions in the existing portfolio and payment of the dividend covering financial year 2016.

The total acquisition of investment properties for financial year 2017 amounted to € 52 million (see Note 13), € 25 million of which was financed with borrowed capital and € 27 million by issuing new shares.

6. Notes on the consolidated annual accounts

Note 1.

Scheme for annual accounts of regulated real estate companies

As a listed regulated real estate company under Belgian law, Intervest Offices & Warehouses nv has prepared its consolidated annual accounts in accordance with the "International Financial Reporting Standards" (IFRS) as accepted by the European Union. In the Royal Decree of 13 July 2014 on regulated real estate companies a scheme for both statutory annual accounts and consolidated annual accounts of the RREC is contained in Annex C.

The scheme principally means that the result on the portfolio is presented separately in the income statement. This result on the portfolio includes all movements in the real estate portfolio and mainly consists of:

- realised profits or losses on the disposal of investment properties
- changes in fair value of investment properties as a result of the valuation by property experts, being non-realised increases and/or decreases in value.

The result on portfolio will not be allocated to the shareholders, but transferred to, or from, the reserves.

Note 2.

Principles of financial reporting

Statement of conformity

Intervest is a public regulated real estate company having its registered office in Belgium. The consolidated annual accounts of the company as at 31 December 2017 include the company and its perimeter companies (the "Group"). The Intervest annual accounts have been prepared and released for publication by the board of directors as at 8 March 2018 and will be submitted for approval to the general meeting of shareholders on 25 April 2018.

The consolidated annual accounts have been prepared in compliance with the "International Financial Reporting Standards" (IFRS) as approved by the European Union and according to the Royal Decree of 13 July 2014. These standards comprise all new and revised standards and interpretations published by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ('IFRIC'), to the extent to which they are applicable to the Group's activities and effectively start for financial years as from 1 January 2017.

New or amended standards and interpretations effective for the financial year starting as at 1 January 2017

The following amended standards by the IASB and published standards and interpretations by the IFRIC are effective for the current period, but do not affect the disclosure, notes or financial results of the company: IAS 7 Statement of cash flows - Amendments as result of the Disclosure initiative (1/1/2017); IAS 12 Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses (1/1/2017).

Published standards and interpretations not yet applied in 2017

Intervest did not apply the following new standards, amendments to standards and interpretations that are not yet in force but that may be applied sooner: IFRS 2 Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions (1/1/2018); IFRS 9 Financial Instruments and subsequent amendments (1/1/2018); IFRS 15 Revenue from Contracts with Customers (1/1/2018); Amendments resulting from Annual Improvements 2014-2016 Cycle (1/1/2018); IFRS 16 Leases (1/1/2019); Amendments resulting from Annual Improvements 2015-2017 Cycle (1/1/2019); IAS

28 Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates and joint ventures (1/1/2019); IFRS 4 Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9 (1/1/2019); IAS 40 Investment Property - Amendments to clarify transfers or property to, or from, investment property (1/1/2018); IFRS 17 Insurance contracts (1/1/2021).

The Group is currently deciding what the consequences of implementing the aforementioned amendments could be. The following amendments are the most relevant for Intervest.

IFRS 9 – Financial instruments

IFRS 9 was finalised and published by IASB in July 2014 and endorsed by the EU in November 2016. IFRS 9 sets the requirements for the classification and measurement of financial assets and financial liabilities, the impairment of financial assets, and the general hedge accounting. IFRS 9 will replace most parts of IAS 39 – Financial Instruments: Recognition and Measurement.

Based on an analysis of the Intervest's situation as at 31 December 2017, IFRS 9 is not expected to have a material impact on the consolidated financial statements. With respect to the impairment of financial assets measured at amortised cost, including trade receivables, the initial application of the expected credit loss model under IFRS 9 will result in earlier recognition of credit losses compared to the incurred loss model currently applied under IAS 39. Considering the relatively limited amount of trade receivables combined with the low associated credit risk Intervest does however not anticipate a material impact on the consolidated financial statements.

IFRS 15 – Revenue from contracts with customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Upon its effective date IFRS 15 will replace IAS 18 which covers revenue arising from the sale of goods and the rendering of services and IAS 11 which covers construction contracts and the related interpretations.

IFRS 15 is not expected to have a material impact on the consolidated financial statements of Intervest as lease contracts are excluded from the scope of the standard and represent the main source of income for Intervest. The principles of IFRS 15 are still applicable to the non-lease components that may be contained in lease contracts or in separate agreements, such as maintenance related services charged to the lessee. Considering however that such non-lease components are relatively limited in amount and mostly represent services recognised over time under both IFRS 15 and IAS 18, Intervest does not anticipate a material impact in that respect.

IFRS 16 – Lease agreements

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It will supersede IAS 17 – Leases and related interpretations upon its effective date. IFRS 16 has not yet been endorsed at the EU level.

Significant changes to lessee accounting are introduced by IFRS 16, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

In view of the fact that Intervest acts almost exclusively as lessor (and did not opt to make a reassessment as to whether a contract is or contains a lease agreement compared to IAS 17), IFRS 16 is not expected to have any significant impact on the consolidated annual accounts. A user right and accompanying obligation must be recognised in the consolidated annual accounts in the limited cases where Intervest is the lessee in lease agreements classified as operational leases under IAS 17 and these contracts do not fall under the exceptions as laid down in IFRS 16.

Presentation basis

The consolidated annual accounts are expressed in thousands of €, rounded to the nearest thousand. The consolidated annual accounts are presented before profit distribution.

The accounting principles are applied consistently.

Consolidation principles

Perimeter companies

A perimeter company is an entity over which another entity has control (exclusively or jointly). Control is having power over the entity, having the rights to the changing income from involvement in the entity, and having the possibility to use power over the entity to influence the amount of income. A perimeter company's annual accounts are recognised in the consolidated annual accounts by means of the full consolidation method from the time that control arises until such time as it ceases. If necessary, the financial reporting principles of the perimeter companies have been changed in order to arrive at consistent principles within the Group. The reporting period of the perimeter company coincides with that of the parent company.

Eliminated transactions

All transactions between the Group companies, balances and unrealised profits and losses from transactions between Group companies will be eliminated when the consolidated annual accounts are prepared. The list of perimeter companies is included in Note 22.

Business combinations and goodwill

When the Group takes control of an integrated combination of activities and assets corresponding to the definition of business according to IFRS 3 - Business combinations, assets, liabilities and any contingent liabilities of the business acquired are recognised separately at fair value on the acquisition date. The goodwill represents the positive change between the sum of the acquisition value, the previous interest in the entity which had not been previously controlled (if applicable) and the recognised minority interest (if applicable), and the fair value of the acquired net assets on the other hand. If the difference is negative ("negative goodwill"), it is immediately recognised in the result after confirmation of the values. All transaction costs are immediately charged and do not represent a part of the determination of the acquisition value.

In accordance with IFRS 3, the goodwill can be determined on a provisional basis at acquisition date and to be adjusted within the 12 following months.

After initial take-up, the goodwill is not amortised but submitted to an impairment test carried out at least every year for cash-generating units to which the goodwill was allocated. If the carrying amount of a cash-generating unit exceeds its value in use, the resulting impairment is recognised in the result and first allocated in reduction of the possible goodwill and then to the other assets of the unit, proportional to their carrying value. An impairment loss recognised on goodwill is not to be reversed during a subsequent year.

In the event of the disposal of or in the event that control for a partial disposal of a perimeter company be lost, the amount of goodwill that is allocated to this entity is included in the determination of the result of the disposal.

When the Group acquires an additional interest in a perimeter company, which had previously been controlled by the Group at some point, or when the Group sells a part of the interest in a perimeter company without loss of control, the goodwill, recognised at the time at which control is acquired, is not influenced. The transaction with minority interests has an influence on the transferred results of the Group.

Foreign currencies

Foreign currency transactions are recognised at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currency are valued at the final rate in force on the balance-sheet date. Exchange rate differences deriving from foreign currency transactions and from the conversion of monetary assets and liabilities denominated in foreign currency are recognised in the income statement in the period when they occur. Non-monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate valid at the transaction date.

Property result

Income is valued at the fair value of the compensation received or to which title has been obtained. Income will only be recognised if it is likely that the economic benefits will be reaped by the entity and can be determined with sufficient certainty.

Rental income, the received operational lease payments and the other income and costs are recognised linearly in the income statement for the periods to which they refer.

Rental discounts and incentives are spread over the period running from the start of the lease agreement to the next possibility of terminating an agreement.

The compensation paid by tenants for early termination of lease agreements is immediately taken into result for the period in which it is definitively obtained.

Property charges and general charges

The costs are valued at the fair value of the compensation that has been paid or is due and are recognised in the income statement for the periods to which they refer.

Result on disposal and changes in fair value of investment properties

The result from the disposal of investment properties is equal to the difference between the selling price and the carrying amount (i.e. the fair value determined by the property expert at the end of the previous financial year) less the selling expenses.

The changes in fair value of investment properties are equal to the difference between the actual carrying amount and the previous fair value (as estimated by the independent property expert). This type of comparison is made at least four times a year for the full investment property portfolio. Movements in fair value of the real estate properties are included in the income statement for the period in which they occur.

Financial result

The financial result consists of interest charges on loans and additional financing costs, less the income from investments.

Taxes on the result and property tax

Taxes on the result of the financial year consist of the taxes due and recoverable for the reporting period and previous reporting periods, as well as the exit tax due. The tax expense is included in the income statement unless it relates to elements that are immediately recognised in equity. In the latter case, taxes are also recognised as a charge against equity.

When calculating the taxation on the taxable profit for the year, the tax rates in force at the end of the period are used.

Withholding taxes on dividends are recognised in equity as part of the dividend until such time as payment is made.

The exit tax owed by companies that have been taken over by the real estate company is deducted from the revaluation surplus at the moment of the merger and is recognised as a liability.

Tax receivables and tax liabilities are valued at the tax rate used during the period to which they refer.

IFRIC 21 - Levies (applicable as from 1/7/2014) indicates under which circumstances a levy imposed by government must be booked in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. This

interpretation has no significant impact on the consolidated annual accounts of the Group but does affect the development of the result during the financial year due to the point in time at which the property tax is recognised: with the application of IFRIC 21 the property tax is recognised fully as debt and cost as at 1 January of every financial year and the charging on of this property tax to the tenants and the recovery of property tax on vacant buildings from the government is fully recognised as receivable and income as at 1 January of every financial year. The net impact on the income statement therefore remains limited to the non-rechargeable/recoverable property tax that is fully recognised as at 1 January as a cost instead of being spread over the financial year.

Deferred taxes

Deferred tax receivables and liabilities are recognised on the basis of the debt method ('liability method') for all provisional differences between the taxable basis and the carrying amount for financial reporting aims with respect to both assets and liabilities. Deferred tax receivables are only recognised if it is probable that there will be taxable profit against which the deferred tax claim can be offset. The deferred taxes are included under the "Other result on portfolio" in the income statement.

Ordinary and diluted net result per share

The ordinary net result per share is calculated by dividing the net result as shown in the income statement by the weighted average of the number of outstanding ordinary shares (i.e. the total number of issued shares less own shares) during the financial year.

To calculate the diluted net result per share, the net result that is due to the ordinary shareholders and the weighted average of the number of outstanding shares is adapted for the effect of potential ordinary shares that may be diluted.

Intangible assets

Intangible assets are recognised at cost, less any accumulated depreciation and exceptional impairment losses, if it is likely that the expected economic benefits attributable to the asset will flow to the entity, and if the cost of the asset can be measured reliably. Intangible assets are amortised linearly over their expected duration of use. The depreciation periods are reviewed at the end of every financial year at a bare minimum.

Investment properties (including mutation rights)

Definition

Investment properties comprise all buildings and lands that are leasable and generate rental income (wholly or in part), including the buildings where a limited part is kept for own use.

Initial recognition and valuation

Initial recognition in the balance sheet takes place at the acquisition value including transaction costs such as professional fees, legal services, registration charges and other property transfer taxes. The exit tax due from companies absorbed by the company is also included in the acquisition value.

Commission fees paid for acquisitions of buildings must be considered as additional costs for these acquisitions and added to the acquisition value.

If the acquisition takes place through the acquisition of shares of a real estate company, through the non-monetary contribution of a building against the issue of new shares or by merger through takeover of a real estate company, the deed costs, audit and consultancy costs, reinvestment fees and release costs of the financing of the absorbed companies and other costs of the merger are also capitalised.

Valuation after initial recognition

After initial recognition, investment properties are valued at fair value in accordance with IAS 40. The fair value 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. The fair value is thus obtained by deducting an appropriate portion of the registration fees from the investment value:

- The investment value is the price at which the site will probably be traded between buyers and sellers who are well informed in the absence of information asymmetries and who wish to perform such a transaction, without taking into account any special agreement between them. This value is the investment value when it matches the total price to be paid by the buyer, plus any registration fees or VAT if the purchase is subject to VAT.
- Concerning the amount of the registration fees, on 8 February 2006 the Belgian Asset Managers Association (BEAMA) published a press release on the subject (see www.beama.be - publications - press releases: "First application of IFRS accounting rules").

A group of independent property experts, who carry out the periodic valuation of the buildings

of RRECs, judged that for transactions relating to buildings in Belgium with an overall value of less than € 2,5 million, registration fees of 10,0% to 12,5% must be taken into account depending on the region where these properties are located. For transactions relating to buildings with an overall value of more than € 2,5 million and given the range of methods of transfer of ownership used in Belgium, these same experts - based on a representative sample of 220 transactions performed on the market between 2002 and 2005 and representing a total of € 6,0 billion - valued the weighted average of the fees at 2,5%.

At this time it was also decided that such percentage would be reviewed per 0,5% increment. During the course of 2016 a panel of property experts¹ and the BE-REIT Association² jointly decided to update this calculation in accordance with the methodology that was applied in 2006. The de facto global effect was calculated based on transactions executed by institutional parties and companies. The analysis comprises 305 larger or institutional transactions for over € 2,5 million covering the 2013, 2014, 2015 and Q1 2016 period. The volume of the analysed transactions consists of over 70% (€ 8,2 billion) of the estimated total investment volume during that period. The panel of property experts decided that the threshold of 0,5% had not been exceeded. Consequently, the percentage of 2,5% will be maintained. The percentage will be scrutinised every 5 years or, whenever there is a significant change in the tax context. The percentage will only be adjusted if the threshold of 0,5% is exceeded.

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).

The transfer costs in the Netherlands amount to 6,0%. Intervest charges an additional 1% for the other costs (such as notary fees). For the investment properties located in the Netherlands and kept through the Dutch perimeter companies, this means that the fair value of the investment properties is equal to the investment value divided by 1,07.

1 Consisting of Pieter Paepen (CBRE), Pierre van der Vaeren (CBRE), Christophe Ackermans (Cushman & Wakefield), Kris Peetermans (Cushman & Wakefield), Rod Scrivener (Jones Lang LaSalle), Jean-Paul Ducarme (PWC), Celine Janssens (Stadim), Philippe Janssens (Stadim), Luk van Meenen (Troostwijk-Roux Expertises) and Guibert de Crombrughe (de Crombrughe & Partners).

2 The BE-REIT Association is an association consolidating the 17 Belgian RRECs and was founded to further the interests of the RREC sector.

The transfer costs in the Netherlands amount to 6,0%. Intervest charges an additional 1% for the other costs (such as notary fees). For the investment properties located in the Netherlands and kept through the Dutch perimeter companies, this means that the fair value of the invest properties is equal to the investment value divided by 1,07.

The difference between the fair value of property and the investment value of the property as determined by the independent property experts is taken up when acquiring the property in the income statement in the section XVIII. "Changes in fair value of investment properties."

After approval of the result allocation by the general meeting of shareholders (in April of the next financial year) this difference between the fair value of real estate properties and the investment value of real estate properties is attributed to the reserve "c. Reserve for the impact on fair value of estimated transfer duties and costs resulting from the hypothetical disposal of investment properties" in shareholders' equity.

Holding of real estate and valuation process

Investment properties are valued by the independent property experts at investment value. For this, the investment properties are valued each quarter on the basis of the present value of market rents and/or effective rental income, where appropriate after deduction of associated costs in accordance with the International Valuation Standards 2001 published by the International Valuation Standards Committee. Valuations are produced by updating the annual net rent received from the tenants, less the associated costs. The updating takes place on the basis of the yield factor, which depends on the inherent risk of the relevant property.

Profits or losses arising from the variation in the fair value of an investment property are taken up in the income statement in section XVIII. "Variations in the fair value of investment properties" in the period in which they arise and when profits are distributed in the following year are allocated to the reserve "b. Reserve for the balance of changes in the fair value of real estate". When this allocation is made, within this reserve for the balance of the variations in the fair value of real estate a distinction is made between

variations in the investment value of the real estate and the estimated transaction costs resulting from hypothetical disposal so that this last section always matches the difference between the investment value of the real estate and the fair value of the real estate.

Disposal of an investment property

Upon disposal of an investment property the realised profits and losses on the disposal are recorded in the income statement of the reporting period under the item "Result on disposals of investment properties". The transfer duties are charged against the income statement after disposal. The commission fees paid to real estate agents for the sale of buildings and obligations made as a result of transactions are reduced from the obtained sales price in order to determine the realised profit or loss.

Up to and including financial year 2016, these realised profits or losses were attributed to reserve "b. Reserve for the balance of changes in fair value of investment properties" with the profit appropriation of the following year. When this allocation is made, within this reserve for the balance of the variations in the fair value of real estate a distinction is made between variations in the investment value of the real estate and the estimated transaction costs resulting from hypothetical disposal so that this last section always matches the difference between the investment value of the real estate and the fair value of the real estate.

As from financial year 2017, these realised profits or losses on the sale of investment properties as compared to the original purchase value of such investment properties are allocated under the heading "m. Other reserves" upon profit appropriation. In this way, the realised profits or losses on the sale of investment properties are regarded as available reserves instead of as unavailable reserves.

Assets held for sale

Assets held for sale refer to real estate properties whose carrying amount will be realised through divestment and not through continued use. The buildings held for sale are valued in accordance with IAS 40 at fair value.

Other tangible assets

Definition

The non-current assets under the entity's control that do not meet the definition of investment property are classified as "Other tangible assets".

Valuation

Other tangible assets are initially recorded at cost and thereafter valued according to the cost model.

Additional costs are only capitalised if the future economic benefits related to the tangible assets increase.

Depreciation and exceptional impairment losses

Other tangible assets are depreciated using the linear depreciation method.

Depreciation begins at the moment the asset is ready for use as foreseen by the management. The following percentages apply on an annual basis:

- | | |
|--|-----|
| • installations, machinery and equipment | 20% |
| • furniture and vehicles | 25% |
| • ITC equipment | 33% |
| • real estate for own use | |
| • land | 0% |
| • buildings | 5% |
| • other tangible non-current assets | 16% |

If there are indications that an asset may have suffered impairment, its carrying amount is compared to the realisable value. If the carrying amount is greater than the realisable value, an exceptional impairment loss is recognised.

Disposal and decommissioning

When tangible non-current assets are sold or retired, their carrying amount ceases to be recorded on the balance sheet and the profit or loss is taken up in the income statement.

Impairment losses

The carrying amount of the assets of the company is reviewed periodically to determine whether there is an indication of impairment. Special impairment losses are recognised in the income statement if the carrying amount of the asset exceeds the realisable value.

Financial instruments

Trade receivables

Trade receivables are initially recorded at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for impairment losses are taken up in profit or loss for estimated non-realisable amounts when there is objective evidence that the asset is exceptionally impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial take-up.

Investments

Investments are taken up or no longer recorded on the transaction date when the purchase or sale of an investment is under a contract whose terms require delivery of the asset within the time frame generally established or agreed by the market concerned. They are initially measured at fair value, plus directly attributable transaction costs.

Debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are valued at amortised cost using the effective interest rate method, less any special impairment loss recognised to reflect irrecoverable amounts. Such a special impairment loss is taken up in the income statement when and only when there is objective evidence that an asset has been exceptionally impaired. Special impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the write-off took place, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been taken up.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and do not entail any material risk of change in value.

Financial liabilities and shareholder's equity

Financial liabilities and equity instruments issued by the Group are classified according to the economic reality of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The principles of financial reporting related to specific financial liabilities and equity instruments are set out below.

Interest-bearing bank loans

Interest-bearing bank loans and credit overdrafts are initially valued at fair value and are subsequently valued at amortised cost, using the effective interest rate method. Any difference between the proceeds (after transaction costs) and the settlement or repayment of a loan is taken up over the term of the loan in accordance with principles of financial reporting related to financing costs, applied by the Group.

Trade debts

Trade debts are initially valued at fair value and are subsequently valued at amortised cost using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded in the proceeds received (after deduction of direct issue costs).

Derivatives

The Group uses derivatives to hedge its exposure to unfavourable interest rate risks arising from operational, financing and investment activities. The Group does not engage in speculative transactions nor does it issue or hold derivatives for trading purposes.

Derivatives do not qualify for hedge transactions because they do not meet the IAS 39 criterion. They are initially valued at cost price and are valued after initial take-up at fair value. Changes in the fair value of each derivative that does not qualify for hedge accounting are immediately recorded in the income statement.

Own shares

When own shares are purchased, the amount paid, including attributable direct costs, is accounted for as a deduction of shareholders' equity.

Provisions

A provision is an obligation of uncertain size or of an undefined time element. The amount recorded is the best estimate of the expenditure required to settle the existing liability by the balance sheet date.

Provisions are only taken up when there is a current obligation (legal or constructive) as a result of a past event that is likely to bring an outflow of resources whereby a reliable estimate of the amount of the obligation can be made.

Post-employment benefits

Contributions to "agreed contribution" type group insurance contracts are recorded as an expense for the reporting period during which employees rendered services entitling them to contributions. According to law, the employer must guarantee a minimum payment whereby the company has the obligation to pay additional contributions if the pension fund no longer has sufficient assets to pay the pensions of all employees for the services they have rendered.

Dividend distribution

Dividends comprise part of the reserves until such time that the general meeting of shareholders approves the dividends. The dividends are therefore recorded as a liability in the annual accounts for the period in which the dividend distribution is approved by the general meeting of shareholders.

Events after the balance sheet date

Events after the balance sheet date are events, both favourable and unfavourable, that take place between the balance sheet date and the date the financial statements are authorised for issue. Events providing information of the actual situation on the balance sheet date are incorporated in the result of the income statement.

Significant estimates and major sources of uncertainty regarding estimates

Fair value of investment properties

The fair value of the investment properties of Intervest is valued on a quarterly basis by independent property experts. The intent of this valuation by property experts is to determine the market value of a building on a certain date according to the evolution of the market and the characteristics of the buildings in question.

The property experts use the principles described in the chapter "Valuation of the portfolio by property experts" in the Property report and in "Note 13. Non-current assets: investment properties" of the Financial report. The real estate portfolio is recorded in the consolidated annual accounts at fair value determined by the property experts.

Financial derivatives

The fair value of the financial derivatives of Intervest is valued on a quarterly basis by the issuing financial institute. A comprehensive description can be found in "Note 18. Financial instruments" in the Financial report.

Disputes

The company is currently involved in legal procedures, and may be again in the future. In 2017 Intervest was involved in a procedure before the Court of Appeal in Antwerp, fiscal chamber, as well as in an appeal procedure for the regional director of the large corporations control centre regarding the billing of the exit tax assessment year 1999 special.

However, in its judgement dated 25 April 2017, the Antwerp Court of Appeal declared Intervest's appeal unfounded. The judgement was served as at 10 November 2017. As at 29 January 2018 Intervest filed a cassation appeal against the above-mentioned judgement of the Antwerp Court of Appeal dated 25 April 2017 (see Note 24 "Conditional obligations" of the Financial report). The company is of the opinion that this procedure will not have a significant impact on the results of the company.

Note 3. Segmented information

Segmentation by business segment

The two business segments comprise the following activities:

- The category of "offices" includes the properties that are let to companies for professional purposes as office space.
- The category of "logistics properties" includes those premises with a logistical function, storage facilities and high-tech buildings.

The category of "corporate" includes all non-allocated fixed costs borne at Group level.

Income statement

BUSINESS SEGMENT	Offices		Logistics real estate		Corporate		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016
in thousands €								
Rental income	19.749	23.740	23.600	21.540			43.349	45.280
Rental-related expenses	18	-31	-22	-126			-4	-157
<i>Net rental income</i>	<i>19.767</i>	<i>23.709</i>	<i>23.578</i>	<i>21.414</i>			<i>43.345</i>	<i>45.123</i>
Property management costs and income	507	402	116	88			623	490
<i>Property result</i>	<i>20.274</i>	<i>24.111</i>	<i>23.694</i>	<i>21.502</i>			<i>43.968</i>	<i>45.613</i>
Operating result before result on portfolio	16.699	20.955	21.107	19.284	-2.729	-2.013	35.077	38.226
Result on disposals of investment properties	0	-11.296	0	-1.502			0	-12.798
Changes in fair value of investment properties	1.446	-1.354	-8.720	3.779			-7.274	2.425
Other result on portfolio	21	195	-110	168			-89	363
Operating result of the segment	18.166	8.500	12.277	21.729	-2.729	-2.013	27.714	28.216
Financial result					-6.348	-7.600	-6.348	-7.600
Taxes					-180	-34	-180	-34
NET RESULT	18.166	8.500	12.277	21.729	-9.257	-9.647	21.186	20.582

For the description of the risk spread according to tenants by segment, please see the Property report.

The operating result before result on portfolio for the **offices** decreased by € 4 million. This is primarily the result of the departure of Deloitte at the end of January 2017 and the sale of five non-strategic buildings in mid-2016. On the other hand, the operating result of the office segment increased by € 9 million as a consequence of the result from disposals including a capital loss of € -11 million in 2016, which was realised on the divestment of the five non-strategic buildings.

The operating result before result on portfolio of the **logistics** segment increased by € 2 million as a result of the acquisition of five logistics buildings during the course of 2017. The drop of the operating result of the logistics segment is the result of the decrease in fair value of the existing logistics real estate portfolio, primarily due to the expected future vacancy period in Puurs and the change in the rental situation in Wommelgem.

Key Figures

BUSINESS SEGMENT	Offices		Logistics real estate		TOTAL	
	2017	2016	2017	2016	2017	2016
in thousands €						
Fair value of real estate properties	304.250	301.926	358.289	309.018	662.539	610.944
Investments and expansions during the financial year (fair value)	878	3.824	6.452	2.678	7.330	6.502
Acquisition of investment properties	0	7.319	51.539	0	51.539	7.319
Divestments during the fiscal year (fair value)	0	34.234	0	5.484	0	39.718
Investment value of real estate properties	311.856	309.474	368.331	316.743	680.187	626.217
Total leasable space (m ²)	210.457	208.716	584.439	496.352	794.896	705.068
Occupancy rate (%)	76%	86%	98%	96%	86%	91%
Occupancy rate excl. redevelopment project Greenhouse BXL (%)	85%	85%	98%	96%	91%	90%

Geographic segmentation

The geographic segmentation shows the operating result and the key figures divided according to the country in which they were achieved. The category of "corporate" includes all non-allocated fixed costs borne at Group level.

Income statement

GEOGRAPHIC SEGMENTATION	Investment properties Belgium		Investment properties the Netherlands		Corporate		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016
in thousands €								
Rental income	42.539	45.280	810	0			43.349	45.280
Rental-related expenses	-4	-157	0	0			-4	-157
<i>Net rental income</i>	<i>42.535</i>	<i>45.123</i>	<i>810</i>	<i>0</i>			<i>43.345</i>	<i>45.123</i>
Property management costs and income	623	490	0	0			623	490
<i>Property result</i>	<i>43.158</i>	<i>45.613</i>	<i>810</i>	<i>0</i>			<i>43.968</i>	<i>45.613</i>
Operating result before result on portfolio	37.012	40.239	794	0	-2.729	-2.013	35.077	38.226
Result on disposals of investment properties	0	-12.798	0	0			0	-12.798
Changes in fair value of investment properties	-7.819	2.425	545	0			-7.274	2.425
Other result on portfolio	103	363	-192	0			-89	363
Operating result of the segment	29.296	30.229	1.147	0	-2.729	-2.013	27.714	28.216

Key Figures

GEOGRAPHIC SEGMENTATION	Investment properties Belgium		Investment properties the Netherlands		TOTAL	
	2017	2016	2017	2016	2017	2016
in thousands €						
Fair value of real estate properties	638.440	610.944	24.099	0	662.539	610.944
Investments during the financial year (fair value)	7.330	6.502	0	0	7.330	6.502
Acquisition of investment properties	27.985	7.319	23.554	0	51.539	7.319
Divestments during the financial year (fair value)	0	39.718	0	0	0	39.718
Investment value of real estate properties	654.401	626.217	25.786	0	680.187	626.217
Total leasable space (m ²)	761.060	705.068	33.836	0	794.896	705.068
Occupancy rate (%)	86%	91%	100%	0	86%	91%
Occupancy rate excl. redevelopment project Greenhouse BXL (%)	91%	90%	100%	0	91%	90%

Note 4. Property result

Rental income

in thousands €	2017	2016
Rents	45.128	46.679
Rental discounts	-1.888	-1.686
Rental benefits ("incentives")	-101	-36
Compensation for early termination of lease agreements	210	323
Total rental income	43.349	45.280

Rental income comprises rents, income from operational lease agreements and directly associated revenues, such as rent securities granted and compensation for early terminated lease agreements minus any rental discounts and rental benefits (incentives) granted. Rental discounts and incentives are spread over the period running from the start of the lease agreement to the next possibility of terminating a lease agreement by the tenant.

Intervest's rental income is spread across 193 different tenants, limiting Intervest's debtor's risk and improving the stability of the income. The top ten tenants represent 38% (42% in 2016) of annual rent, and are often leading companies in their sector and often belong to international concerns. As at 31 December 2017, the chief tenant, which belongs to the office segment, represented 6% of annual rent (7% in 2016). In 2017, there were 3 tenants whose annual rent on an individual basis represented more than 5% of the total annual rental income of Intervest (3 tenants in 2016). For more information on the biggest tenants, please see the Property report - Risk spread by tenants.

For financial year 2017, the rental income of Intervest amounted to € 43,4 million and this has decreased by 4% as compared to the financial year of 2016 (€ 45,3 million). The reduction by € 1,9 million was mainly due to the divestment of a portfolio of five non-strategic buildings in the Brussels periphery in June 2016 and the announced end of the leases with Deloitte in Diegem as at 31 January 2017. This decrease was partially compensated by the acquisitions realised in the logistics segment in 2017.

For the conclusion of new lease agreements during financial year 2017, for 78% of the agreement value, a rental discount was granted (91% in 2016). In 2017 rental discounts of an average of 9% of the annual rent were granted for new agreements (8% in 2016).

It is moreover generally stipulated that the tenant has to pay back the rent for rental discount, either partially or in full, in the event of choosing to terminate the agreement at the agreement's first break option.

For lease agreements that were extended and/or renewed during financial year 2017, for 73% on average of the agreement value, a rental discount was granted (23% in 2016). In 2017 rental discounts of an average of 5% of the annual rent were granted for expansions and/or extensions of contracts (2% in 2016).

Overview of future minimum rental income

The cash 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 €	2017	2016
Receivables with a remaining duration of:		
No more than one year	45.114	42.449
Between one and five years	105.369	97.969
More than five years	36.167	28.965
Total of future minimum rental income	186.650	169.383

The increase of the future minimum rental income by € 17 million compared to 31 December 2016 was mainly the result of the acquisitions in the logistics segment.

Rental-related expenses

in thousands €	2017	2016
Rent for leased assets and leasehold remunerations	-21	-21
Write-downs on trade receivables	-36	-136
Reversal of write-downs on trade receivables	53	0
Total rental-related expenses	-4	-157

The rental-related expenses consisted mainly of write-downs and reversal of write-downs on trade receivables that are recorded in the result if the carrying amount exceeds the estimated realisation value. This section also comprises the costs of lease for land and buildings by the company in order to continue leasing to its tenants.

The losses on lease receivables (with recovery) for the period 2007 - 2017 represent only 0,1% of total turnover. A sharp deterioration in the general economic climate can result in an increase in losses on lease receivables. The real estate company limits this risk by means of rental guarantees or bank guarantees from the tenants. The possible bankruptcy of a major tenant can represent a significant loss for the property investment fund, as can an unexpected vacancy and even a re-rental of the vacant space at a price lower than the price stated in the agreement which has not been respected.

Recovery of property charges

in thousands €	2017	2016
Obtained compensations on rental damage	398	119
Other	483	564
<i>Management fees received from tenants</i>	483	564
Total recovery of property charges	881	683

The recovery of property charges is mainly related to the taking into result of the compensation received from tenants for rental damage when leaving the let spaces and also the management fees that Intervest receives from its tenants for the management of let buildings and the rebilling of rental charges to the tenants, as shown in the following tables.

Recovery of rental charges and taxes

Recovery of rental charges and taxes normally payable by tenants on let properties

in thousands €	2017	2016
Recovery of rental charges borne by the landlord	8.824	4.166
Recovery of advance levies and taxes on let properties	4.040	3.714
Total recovery of rental charges and taxes normally payable by tenants on let properties	12.864	7.880

Rental charges and taxes normally payable by tenants on let properties

in thousands €	2017	2016
Rental charges borne by the landlord	-8.824	-4.166
Advance levies and taxes on let properties	-4.040	-3.714
Total rental charges and taxes normally payable by tenants on let properties	-12.864	-7.880
Total amount of recovered rental charges and taxes	0	0

Rental charges and taxes on let buildings and the recovery of these charges refer to costs for which, by law or custom, the tenant or lessee are liable.

These costs primarily comprise property taxes, electricity, water, cleaning, window cleaning, technical maintenance, garden maintenance, etc. The owner is responsible for the management of the buildings (office buildings) or has these activities contracted out to external property managers (for Mechelen Campus).

Depending on the contractual agreements with the tenants, the landlord may or may not charge the tenants for these services. Settlement takes place on a half-yearly basis, except for some office buildings for which settlement is processed on a quarterly basis. During the financial year, advances are billed to the tenants.

As a result of a one-off shift in the settlement time, the rental charges borne by the owner and the recovery of rental charges borne by the owner in 2017 consisted additionally of the costs and income of the second semester of 2016 over and above the costs and income relating to financial year 2017. This change does not have any financial impact on Intervest or its tenants.

Other rental-related income and expenses

in thousands €	2017	2016
Received coordination fees turnkey solutions	19	22
Expenses and income regarding exploitation RE:flex	-210	-41
Other	308	238
Total other rental-related income and expenses	117	219

The costs and income relating to the operation of RE:flex comprised all operational costs such as catering (except for personnel costs) and the partial recovery of such costs. The income from the lease agreements with co-workers and users of managed offices and the income from leasing the RE:flex meeting rooms are included in rental income and amounted to € 0,3 million (€ 0,1 million for 2016).

The increase in the costs and income relating to the operation of RE:flex was the result of the opening of Greenhouse Antwerp in 2016.

Note 5. Property charges

Technical costs

in thousands €	2017	2016
Recurrent technical costs	-1.311	-1.087
Maintenance and repair	-1.266	-998
Insurance premiums	-45	-89
Non-recurrent technical costs	-14	3
Claims	-14	3
<i>Claims (expenses)</i>	-151	-129
<i>Claims (income)</i>	137	132
Total technical costs	-1.325	-1.084

Technical costs increased by € 0,2 million as a result of a more extensive maintenance budget and comprised, among other things, maintenance costs, repair costs and insurance premiums.

Maintenance costs that can be seen as renovation of an existing building because they improve yield or rent are not recognised as costs but are capitalised.

Commercial costs

in thousands €	2017	2016
Brokers' fees	0	-115
Publicity	-166	-136
Lawyers' fees and legal costs	-86	-86
Total commercial costs	-252	-337

Commercial costs, which include brokers' fees among other things. The brokers' fees paid to brokers after a period of vacancy are capitalised as the property experts, after a period of vacancy, reduce the estimated fees from the estimated value of the real estate property. Brokers' fees paid after an immediate re-letting, without vacancy period, are not capitalised and are recognised in the result as the property experts do not take this fee into account at the moment of valuation.

Charges and taxes on unlet properties

in thousands €	2017	2016
Vacancy charges for the financial year	-680	-644
Property tax on vacant properties	-696	-521
Recovery of property tax on vacant properties	622	484
Recovery of property tax on vacant properties for previous financial year	120	206
Total charges and taxes on unlet properties	-634	-475

Charges and taxes on unlet properties were higher for financial year 2017 than for financial year 2016, primarily as a result of the departure of tenant Deloitte in January 2017 and the consequential redevelopment of Greenhouse BXL in 2017. Vacancy costs for financial year 2017 represented approximately 1,5% of the total rental income of the company (1,0% in 2016).

Intervest recovers a majority of the property tax calculated on vacant parts of buildings through objections submitted to the Flanders Tax Administration.

Property management costs

in thousands €	2017	2016
External property management fees	-16	-14
(Internal) property management fees	-3.528	-2.965
Employee benefits	-2.318	-2.001
Property expert	-143	-140
Other costs	-1.067	-824
Total property management costs	-3.544	-2.979

Property management costs are costs that are related to building management. These include personnel costs and indirect costs with respect to the management committee and the staff (such as office costs, operating costs, etc.) responsible for managing the portfolio and the leases, and also depreciations and impairments on tangible assets used for such management and other business expenses that can be allocated to the management of the real estate properties.

The management costs of the real estate increased by € 0,6 million due to the increased (internal) property management costs following a larger staff component within the scope of the company's growth plan.

Other property charges

in thousands €	2017	2016
Charges borne by the landlord	-106	-141
Property taxes contractually borne by the landlord	-234	-210
Other property charges	-67	-16
Total other property charges	-407	-367

The other property charges often relate to expenses chargeable to the Group on the basis of contractual or commercial agreements with tenants. These are largely restrictions on the payment of common charges. For financial year 2017, these commercial interventions amounted to approximately € 0,4 million on an annual basis or 0,9% of total rental income of the company (€ 0,4 million or 0,8% in financial year 2016).

Note 6. General costs

in thousands €	2017	2016
Subscription tax	-302	-298
Auditor's fee	-76	-77
Directors' remunerations	-63	-51
Liquidity provider	-15	-15
Financial service	-36	-40
Employee benefits	-1.332	-1.052
Consultancy fees	-285	-190
Other costs	-613	-509
Total general costs	-2.722	-2.232

General costs are all costs related to the management of the company and costs that cannot be allocated to property management. These operating costs include general administration costs, cost of personnel engaged in the management of the company as such, depreciations and impairments on tangible assets used for this management and other operating costs.

The general costs amounted to € 2,7 million and increased by € 0,5 million compared to 2016 (€ 2,2 million), which was primarily attributable to higher personnel, accommodation and office costs, as a result of an expanded management committee and staff complement, as well as higher advisory costs within the scope of the company's growth plan.

For additional details on the auditor's fee, please see Note 23.

An overview of the remuneration paid to the directors is provided in the report of the board of directors - Remuneration report.

50% of the remuneration to the directors is included in the general costs, the other 50% of their work is regarded as property management costs.

Note 7. Employee benefits

	2017			2016		
in thousands €						
	Charges for internal property management	Charges related to company management	TOTAL	Charges for internal property management	Charges related to company management	TOTAL
Remuneration of employees and independent staff	1.812	818	2.630	1.535	718	2.253
Salary and other benefits paid within 12 months	1.284	624	1.908	1.100	593	1.693
Pensions and post-employment benefits after termination	47	22	69	42	17	59
Social security	278	130	408	248	99	347
Variable remunerations	59	27	86	62	25	87
Termination benefits	28	4	32	0	0	0
Other charges	116	11	127	83	-16	67
Remuneration of the management committee	506	514	1.020	466	334	800
Chairman of the management committee	194	195	389	131	132	263
Fixed remuneration	162	162	324	121	122	243
Variable remuneration	32	33	65	10	10	20
Other members of the management committee	312	319	631	335	202	537
Fixed remuneration	212	228	440	302	164	466
Variable remuneration	76	59	135	20	20	40
Pension obligations	24	32	56	13	18	31
Total employees benefits	2.318	1.332	3.650	2.001	1.052	3.053

The number of employees and self-employed personnel at year-end 2017, expressed in FTE is 26 staff members for the internal management of the property (20 in 2016) and 11 staff members for the management of the company (10 in 2016). The management team comprised 3 persons as at 31 December 2017 (4 persons as at year end 2016).

Remuneration, supplementary benefits, termination benefits and severance compensation, and post-employment benefits for personnel in permanent employment are regulated by the Act on the Labour Agreements of 4 July 1978, the Annual Holiday Act of 28 June 1971, the joint committee for the sector that the company falls under and the collective labour agreements that have been recognised in the income statement for the period to which they refer.

Pensions and remunerations after termination of employment include pensions, contributions for group insurance policies, life and disability insurance policies and hospitalisation insurance policies. Intervest has taken out a group insurance contract of the "agreed contribution" type at an external insurance company for its employees with a permanent contract. Due to the legislation that was amended at the end of December 2015 (the Act to ensure sustainability and the social nature of the additional pensions and to strengthen its supplementary nature in relation to the retirement pensions was approved), the employer must guarantee a minimum return and therefore this contract must be classed as a "defined benefit" plan. The company contributes to this fund, which is independent from the company. Contributions for the insurance policy are financed by the company. This group insurance contract complies with the Vandenbroucke Act on pensions. The contribution obligations are included in the income statement for the period to which they pertain. For financial year 2017, these amounts are € 125.000 (€ 89.000 in 2016). As at 31 December 2017, the insurance company has confirmed that the deficit to guarantee the minimum return is not of material nature.

The remuneration for the management committee is explained in the Report of the board of directors - Remuneration report.

Note 8. Result on disposals of investment properties

in thousands €	2017	2016
Acquisition value	0	41.300
Accumulated gains and extraordinary impairment losses	0	-1.582
Carrying amount (fair value)	0	39.718
Sales price	0	27.000
Sales costs	0	-80
Net sales revenue	0	26.920
Total result on disposals of investment properties	0	12.798

There were no divestments in 2017.

Note 9. Changes in fair value of investment properties

in thousands €	2017	2016
Positive changes in fair value of investment properties	9.022	10.020
Negative changes of investment properties	-16.296	-7.595
Total changes in the fair value of investment properties	-7.274	2.425

The changes in the fair value of investment properties were negative in 2017 and amounted to € -7,3 million, which was a decrease by 1% of the fair value of the current real estate portfolio (without taking into account new acquisitions and divestments). This negative change in fair value of investment properties were primarily due to the following:

- the € 1,4 million increase in fair value of the existing office portfolio by approximately 1%
- the decrease by € -8,7 million or 2,4% in fair value of the current logistics real estate portfolio, mainly due to the expected future vacancy period in Puurs and the change of the rental situation in Wommelgem.

Note 10. Other result on portfolio

in thousands €	2017	2016
Deferred taxes	-192	-16
Result on portfolio as a result of merger operations and assimilated operations	0	4
Other	103	375
<i>Changes to the spread of rental discounts and benefits granted to tenants</i>	103	437
<i>Taking into result of the future spread of rental discounts and benefits granted to tenants through the sale of investment properties</i>		-62
Total other result on portfolio	-89	363

In 2017, the other result on portfolio mainly comprised changes to the spread of rental discounts and the benefits granted to tenants, as well as a provision for deferred taxes on non-realised increases on the investment properties belonging to the perimeter companies and the Group in the Netherlands.

Note 11. Net interest charges

in thousands €	2017	2016
Nominal interest charges on loans	-5.884	-6.188
Loans at financial institutions	-3.243	-3.553
<i>With fixed interest rate</i>	-319	-320
<i>With variable interest rate</i>	-2.924	-3.233
Bond loans	-2.277	-2.277
Interest charges on non-withdrawn credit facilities	-364	-358
Costs of authorised hedging instruments	-1.568	-2.883
Authorised hedging instruments that are not subject to hedge accounting according to IFRS	-1.568	-2.883
Income from authorised hedging instruments	91	7
Authorised hedging instruments that are not subject to hedge accounting according to IFRS	91	7
Other interest charges	-260	-265
Total net interest charges	-7.621	-9.329

In 2017, the net interest charges amounted to € -7,6 million compared to € -9,3 million in 2016. The decrease in net interest charges was primarily due to the entering into force of interest rate swaps at lower interest rates.

Net interest charges classified by credit line expiry date

in thousands €	2017	2016
Net interest charges on non-current financial debts	-6.195	-6.364
Net interest charges on current financial debts	-1.426	-2.965
Total net interest charges	-7.621	-9.329

For 2017, the total average interest rate amounted to 2,6% including bank margins and interest hedging instruments, compared to 3,1% in 2016. The total average interest rate before impact of the interest hedging instruments amounted to 2,1% in 2017 (2,1% in 2016).

The average interest rate for the non-current financial debts, including bank margins, amounted to 2,9% in 2017 (3,2% in 2016). The average interest rate for the current financial debts, including bank margins, amounted to 1,8% in 2017 (3,0% in 2016).

The (hypothetical) future cash outflow for 2017 of the interest charges from the loans drawn down as at 31 December 2017 at a fixed interest rate or a variable interest rate as at 31 December 2017 amounted to € 6,9 million (€ 7,2 million in 2016).

For financial year 2017, the effect on the EPRA earnings of a (hypothetical) increase in interest rate by 1% gave a negative result of approximately € -0,6 million (€ -0,5 million in 2016). A (hypothetical) increase in interest rate by 0,5% would have an effect of approximately € -0,1 million.

Note 12. Taxes

in thousands €	2017	2016
<i>Result before taxes</i>	21.366	20.616
Result exempted from taxes as a result of the RREC system	-21.366	-20.616
Taxable result related to rejected expenses	148	118
Tax at the rate of 33,99%	-50	-40
Provision for various fiscal risks	-75	0
Adjustment previous financial years	-13	-10
Parent company	-138	-50
Perimeter companies	-42	16
Corporate tax	-180	-34

With the RREC Act (formerly the Royal Decree of 7 December 2010 and the Royal Decree of 10 April 1995), the legislator gave a favourable tax status to RRECs. If a company converts its status into that of an RREC, or if an (ordinary) company merges with a RREC, it must pay a one-off tax (exit tax). After that, the RREC is only subject to taxes on very specific elements, such as "rejected expenses". No corporate tax is therefore paid on the majority of the profit that comes from lettings and added value on disposals of investment properties.

Belgian perimeter companies are subject to the ordinary system of Belgian corporate taxation. Dutch perimeter companies do not have an FBI system and are subject to the ordinary system of Dutch corporate tax.

The increase in corporate tax for financial year 2017 was the consequence of the results of the Dutch directly and indirectly held perimeter companies and a provision for various tax risks.

Note 13. Non-current assets

Research and development, patents and licences

No own activities were developed by the company in the area of research and development.

Investment and revaluation table investment properties

in thousands €	2017			2016		
	Offices	Logistics real estate	Total	Offices	Logistics real estate	Total
Balance sheet as at 1 January	301.926	309.018	610.944	326.371	308.045	634.416
• Acquisition of investment properties	0	51.539	51.539	7.319	0	7.319
• Investments and extensions in existing investment properties	878	6.452	7.330	3.824	2.678	6.502
• Disposals of investment properties	0	0	0	-34.234	-5.484	-39.718
• Changes in fair value of investment properties	1.446	-8.720	-7.274	-1.354	3.779	2.425
Balance sheet as at 31 December	304.250	358.289	662.539	301.926	309.018	610.944
OTHER INFORMATION						
Investment value of real estate properties	311.856	368.331	680.187	309.474	316.743	626.217

The investment properties consisted of:

in thousands €	2017	2016
Real estate properties held for lease	660.856	607.882
Other: reserves of land	1.683	3.062
Total investment properties	662.539	610.944

As at 31 December 2017, Intervest had no development projects nor assets for own use except for the space in Greenhouse Antwerp where the registered office of Intervest is located. In accordance with IAS 40.10 this space is recorded as an investment property. The redevelopment of Greenhouse BXL has been entered under offices, in accordance with IAS 40.

For additional details on the changes in the fair value of investment properties, please see Note 9.

The **fair value of the investment properties** of Intervest increased by € 52 million in 2017, and as at 31 December 2017 it amounted to € 663 million (€ 611 million as at 31 December 2016).

In 2017 the fair value of the **logistics portfolio** increased by approximately € 49 million or 16%, by € 52 million in acquisitions of five logistics buildings, € 6 million attributable to investments and expansions in the existing logistics portfolio and € -9 million due to the decrease in fair value of the existing portfolio, primarily as a result of the expected future vacancy period in Puurs and the change of the rental situation in Wommelgem.

In 2017, the fair value of the **office portfolio** increased by approx. € 2 million or 1%, mainly due to investments and expansions in Greenhouse BXL. The fair value of the existing office portfolio remained stable in 2017.

As at the end of 2017, the company has a remaining reserve of land of approximately 8.000 m² on its site Herentals Logistics 3 which offers an additional possibility of expansion for an extra warehouse. This reserve of land is valued as clear for construction.

As at 31 December 2017, there were no investment properties mortgaged as security for withdrawn loans and credit facilities at financial institutions. For the description of the legal mortgage established in order to guarantee the outstanding tax debt on the logistics property located in Aartselaar on Dijkstraat, please refer to Note 24.

IFRS 13

IFRS 13 introduced a standardised framework for valuation of fair value and a disclosure requirement regarding fair value measurement when this valuation principle is required or permitted by virtue of other IFRS standards. IFRS 13 specifically defines fair value as the price that would be received for the sale of an asset or that would have to be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The disclosure requirement in IFRS 13 regarding fair value valuations also serves to replace or expand upon the requirements imposed by other IFRS standards, including IFRS 7 Financial Instruments: Disclosures.

Investment properties 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.

The fair value of investment properties recorded in the balance sheet is exclusively the result of the valuation of the portfolio by the independent property experts.

For the value determination of fair value of the investment properties, the nature, the characteristics and the risks of the buildings and the available market information were analysed.

Due to market liquidity and difficulties in obtaining transaction information in a comparatively uncontrollable manner, the appraisal level of the fair value of the Intervest buildings according to IFRS 13 standard is equal to level 3 and this for the portfolio in its entirety.

Valuation of investment properties

The fair value of all of the company's investment properties is appraised each quarter by independent property experts. The fair value is based on the market value (i.e. adjusted for the 2,5% purchasing fees for Belgium and 7% purchasing fees for the Netherlands as described in the "Principles of financial reporting - Investment properties" - see above), which is the estimated amount for which an investment property can be sold at the measurement date by a seller to a willing buyer in a business-like, objective transaction preceded by sound negotiations among knowledgeable and willing parties.

If no current market prices are available in an active market, the valuations are made on the basis of a calculation of gross returns in which the gross market rents are capitalised. The valuations obtained are adjusted for the net present value (NPV) of the difference between the current actual rent and the estimated rental value at the date of valuation for the period up to the first opportunity to give notice under the current lease contracts. Rental discounts are also taken into consideration. For buildings that are partially or completely vacant, the valuation is made on the basis of the estimated rental value minus the vacancy and the costs (rental costs, publicity costs, etc.) for the vacant portions.

The yields used are specific to the type of property, location, state of maintenance and the leasability of each property. The basis used to determine the yields is formed by comparable transactions and supplemented with knowledge of the market and of specific buildings. Comparable transactions in the market are also taken into account for the valuation of properties.

The yields described in the Property report are calculated by dividing the contractual rent increased by the estimated rental value of vacant properties by the fair value of the investment property expressed as a percentage. The average gross yield of the total real estate portfolio in case of complete lease as per 31 December 2017 came to 8,4% (8,3% as at 31 December 2016).

Assumptions are made per property, per tenant and per vacant unit concerning the likelihood of lease/re-lease, number of months vacant, incentives and rental costs.

The most important hypotheses regarding the valuation of the investment properties are:

	2017	2016
Average contractual rent increased by the estimated rental value of vacant property per m² (€)		
• Offices	132	128
• Logistics real estate	48	48
Average gross yield (%)	7,3%	7,6%
• Offices	7,0%	7,7%
• Logistics real estate	7,7%	7,5%
Average gross yield if fully let (%)	8,4%	8,3%
• Offices	9,1%	8,9%
• Logistics real estate	7,8%	7,8%
Average net yield if fully let (%)	7,2%	7,4%
• Offices	7,5%	7,8%
• Logistics real estate	7,0%	7,0%
Vacancy rate (%) inclusive Greenhouse BXL	14%	9%
Vacancy rate (%) exclusive Greenhouse BXL	9%	

* The average contractual rent per building or building complex is calculated and contains various types of surfaces.

In the case of a hypothetical negative adjustment of 1% (from 7,3% to 8,3% on average) to the yield used by property experts for determining the real estate portfolio of the company (yield or capitalisation rate), the fair value of the real estate would decrease by € 80 million or 12%. This would raise the debt ratio of the company by 6% to around 50%.

If this is reversed, and a hypothetical positive adjustment of 1% (from 7,3% to 6,3% on average) is made to this yield, the fair value of the real estate would increase by € 105 million or 16%. This would lower the debt ratio of the company by 6% to around 39%.

In the case of a hypothetical decrease in the contractual rents of the property investment fund (assuming a constant yield) of € 1 million (from € 48,6 million to € 47,6 million), the fair value of the real estate would decrease by € 14 million or 2%. This would raise the debt ratio of the company by 1% to around 46%. In the reverse case of a hypothetical increase of the current rents of the company (assuming a constant yield) of € 1 million (from € 48,6 million to € 49,6 million), the fair value of the real estate properties would increase by € 14 million or 2%. This would lower the debt ratio of the company by 1% to around 44%.

A correlation exists between evolutions in the contractual rents and the yields that are used to evaluate the real estate, however, this was not factored into the sensitivity analysis above.

Valuation process for investment properties

Investment properties are recorded in the accounts on the basis of valuation reports drawn up by independent and expert property assessors. These reports have been based on information that has been provided by the company and also on assumptions and valuation models used by the property experts.

Information supplied by the company, such as current rents, periods and conditions of lease agreements, service charges, investments, etc. comprise information that originates with the company's financial and management system and is subject to the company's universally applicable audit system.

These assumptions and valuation models used by the property experts relate mainly to the market situation, such as yields and discount rates. They are based on their professional assessment and observation of the market.

For a detailed description of the valuation method used by the property experts, please refer to the section of the Property Report entitled "Valuation of the portfolio by property experts".

The information provided to the property experts, as well as the assumption and the valuation models, are reviewed internally. This involves an examination of the changes in fair value during the relevant period.

Non-observable parameters (input as at 31.12)	Range		Weighted average	
	2017	2016	2017	2016
Estimated rental value (in €/m²)*				
• Offices	100-155 €/m ²	96 – 145 €/m ²	126 €/m ²	126 €/m ²
• Logistics real estate	37-53 €/m ²	36 – 83 €/m ²	43 €/m ²	44 €/m ²
Yield used by the property experts (in%)*				
• Offices	7,8%-10,3%	7,8% – 9,9%	8,9%	8,7%
• Logistics real estate	5,9%-8,1%	6,1% – 8,2%	7,0%	7,1%

* Above information contains the weighted average by building or building complex, In the description of the range, the highest and the lowest number is eliminated each time

Note 14. Current assets

Trade receivables

in thousands €	2017	2016
Trade receivables	1.724	2.050
Advance billing of rents	6.657	3.823
Invoices to issue	1.003	640
Doubtful debtors	350	425
Provision doubtful debtors	-350	-372
Other trade receivables	225	35
Total trade receivables	9.609	6.601

Intervest maintains clear procedures for screening tenants when new lease agreements are concluded. Deposits or bank guarantees are also always insisted upon when entering into lease contracts. As at 31 December 2017, the actual weighted average duration of the rental deposits and bank guarantees for offices was approximately 6,1 months (or about € 10,4 million). As at 31 December 2017, the actual weighted average duration of the rental deposits and bank guarantees for the logistics portfolio was approximately 4,3 months (or about € 9,8 million).

Intervest has applied a standard payment period of 30 days for all its outgoing invoices as from financial year 2017. In view of the fact that, according to contract, the rent is payable on the first day of the period, all lease agreements will from now on be invoiced in advance. This explains the increase of € 3 million for the advance invoicing not yet due. The advance invoicing not yet due relates to invoicing for the first quarter of 2018.

Ageing analysis of trade receivables

in thousands €	2017	2016
Receivables < 30 days	1.033	1.164
Receivables 30-90 days	452	446
Receivables > 90 days	239	440
Total outstanding trade receivables	1.724	2.050

For monitoring of the debtor's risk used by Intervest, please see the description of the chapter "Risk factors" (Operating risks - debtor's risks).

Tax receivables and other current assets

in thousands €	2017	2016
Taxes (retained following the tax situation of the Group)	3.455	3.893
VAT to be reclaimed	0	408
Recoverable corporate tax	185	215
Recoverable exit tax	459	459
Recoverable withholding tax on dividends paid and on liquidation bonuses	2.811	2.811
Other	16	20
Total tax receivables and other current assets	3.471	3.913

For the description of the Group's tax situation, please see Note 24.

Deferred charges and accrued income

in thousands €	2017	2016
Incurring, non-expired property income	1.038	921
<i>Recoverable property tax</i>	1.029	871
<i>Recoverable claims</i>	9	50
Prepaid property charges	357	534
Prepaid interest and other financial costs	262	288
Other	107	121
Total deferred charges and accrued income	1.764	1.864

Intervest recovers a majority of the property tax calculated on vacant parts of buildings through objections submitted to the Flanders Tax Administration.

Note 15. Shareholders' equity

EVOLUTION OF THE SHARE CAPITAL

		Share capital movement	Total outstanding share capital after transaction	Number of shares issued	Total number of shares
Date	Transaction	in thousands €		in units	
08.08.1996	Foundation	62	62	1.000	1.000
05.02.1999	Capital increase by contribution in kind (Atlas Park)	4.408	4.470	1.575	2.575
05.02.1999	Capital increase by incorporation of issue premium and reserves and capital reduction through the incorporation of losses carried forward	-3.106	1.364	0	2.575
05.02.1999	Share split	0	1.364	1.073.852	1.076.427
05.02.1999	Capital increase by contribution in cash	1.039	2.403	820.032	1.896.459
29.06.2001	Merger by absorption of the limited liability companies Catian, Innotech, Greenhill Campus and Mechelen Pand	16.249	18.653	2.479.704	4.376.163
21.12.2001	Merger by absorption of companies belonging to the VastNed Group	23.088	41.741	2.262.379	6.638.542
21.12.2001	Capital increase by contribution in kind (De Arend, Sky Building and Gateway House)	37.209	78.950	1.353.710	7.992.252
31.01.2002	Contribution of 575.395 Siref shares	10.231	89.181	1.035.711	9.027.963
08.05.2002	Contribution of max. 1.396.110 Siref shares in the context of the bid	24.824	114.005	2.512.998	11.540.961
28.06.2002	Merger with Siref sa; exchange of 111.384 Siref shares	4.107	118.111	167.076	11.708.037
23.12.2002	Merger by absorption of the limited liability companies Apibi, Pakobi, PLC, MCC and Mechelen Campus	5.016	123.127	1.516.024	13.224.061
17.01.2005	Merger by absorption of the limited liability companies of Mechelen Campus 2, Mechelen Campus 4, Mechelen Campus 5 and Perion 2	3.592	126.719	658.601	13.882.662
18.10.2007	Merger by absorption of the limited liability companies Mechelen Campus 3 and Zuidinvest	6	126.725	18.240	13.900.902
01.04.2009	Merger by absorption of the limited liability company Edicorp	4	126.729	6.365	13.907.267
25.05.2012	Capital increase through optional dividend financial year 2011	2.666	129.395	292.591	14.199.858
23.05.2013	Capital increase through optional dividend financial year 2012	2.051	131.447	225.124	14.424.982
28.05.2014	Capital increase through optional dividend financial year 2013	3.211	134.657	352.360	14.777.342
22.12.2014	Capital increase through contribution in kind in the framework of and including a transaction equated with demerger or partial demerger (article 77 of the Belgian Companies Code)	12.453	147.110	1.366.564	16.143.906
28.05.2015	Capital increase through optional dividend	870	147.980	95.444	16.239.350
25.05.2016	Capital increase through optional dividend	4.968	152.948	545.171	16.784.521
05.05.2017	Capital increase through contribution in kind of real estate located in Aarschot	1.969	154.917	216.114	17.000.635
05.05.2017	Capital increase through contribution in kind of real estate located in Oevel	2.906	157.823	318.925	17.319.560
22.05.2017	Capital increase through optional dividend	3.835	161.658	420.847	17.740.407
22.12.2017	Capital increase through contribution in kind of real estate located in Zellik	6.062	167.720	665.217	18.405.624

As at 31 December 2017, the share capital amounted to € 167.719.793 and was divided among 18.405.624 fully paid-up shares with no statement of nominal value.

In financial year 2017 there were four capital increases by contribution in kind in application of article 26, § 2, first paragraph, 2°, second sentence, of the RREC Act, subject to the following financial conditions:

- 5 May 2017: acquisition of the logistics site in Aarschot with the issue of 216.114 new shares for an amount of € 5,2 million, in particular, € 2,0 million in capital and € 3,2 million in issue premium. The issue price was € 23,83 per share, which was approximately 29% higher than the net value (fair value) of Intervest as at 31 March 2017, and is 6% lower than the opening price of the share as at 4 May 2017. The shares created provided an entitlement to dividend as from 1 January 2017.
- 5 May 2017: acquisition of the logistics site in Oevel with the issue of 318.925 new shares for an amount of € 7,6 million, in particular, € 2,9 million in capital and € 4,7 million in issue premium. The issue price was € 23,83 per share, which was approximately 29% higher than the net value (fair value) of Intervest as at 31 March 2017, and is 6% higher than the opening price of the share as at 4 May 2017. The shares created provided an entitlement to dividend as from 1 January 2017.
- 22 May 2017: optional dividend over financial year 2016 with the issue of 420.847 new shares for an amount of € 9,1 million, in particular, € 3,8 million in capital and € 5,2 million in issue premium. The issue price was € 21,56 per share, which was approximately 9% higher than the net value (fair value) of Intervest as at 31 March 2017, and was 4% lower than the opening price of the share as at 3 May 2017. The shares created provide an entitlement to dividend as from 1 January 2017.
- 22 December 2017: acquisition of the logistics site in Zellik with the issue of 665.217 new shares for an amount of € 13,8 million, in particular, € 6,1 million in capital and € 7,7 million in issue premium. The issue price was € 20,70 per share, which was approximately 8% higher than the net value (fair value) of Intervest as at 30 September 2017, and almost equal to the opening price of the share as at 22 December 2017. The shares created provide an entitlement to dividend as from 1 January 2018.

Share premium

SHARE PREMIUM EVOLUTION in thousands €		Capital increase	Contribution in cash	Value	Share premium
Date	Transaction				
05.02.99	Capital increase by contribution in cash	1.039	0	20.501	19.462
21.12.01	Settlement of the accounting losses as a result of the merger by acquisition of the companies belonging to the VastNed Group	0	0	0	-13.747
31.01.02	Contribution of 575.395 Siref shares	10.231	1.104	27.422	16.087
08.05.02	Contribution of max. 1.396.110 Siref shares in the context of the bid	24.824	2.678	66.533	39.031
25.05.12	Capital increase through optional dividend	2.666	0	5.211	2.545
23.05.13	Capital increase through optional dividend	2.051	0	3.863	1.812
28.05.14	Capital increase through optional dividend	3.211	0	7.075	3.864
22.12.14	Capital increase through contribution in kind in the framework of and including a transaction equated with demerger or partial demerger (article 677 of the Belgian Companies Code)	12.453	0	26.183	13.730
28.05.15	Capital increase through optional dividend	870	0	2.305	1.436
25.05.16	Capital increase through optional dividend	4.968	0	11.569	6.601
05.05.17	Capital increase through contribution in kind of real estate located in Aarschot	1.969	0	5.150	3.181
05.05.17	Capital increase through contribution in kind of real estate located in Oevel	2.906	0	7.600	4.694
22.05.17	Capital increase through optional dividend	3.835	0	9.074	5.238
22.12.17	Capital increase through contribution in kind of real estate located in Zellik	6.062	0	13.770	7.708
Total share premium					111.642

The share premium amounted to € 112 million as at 31 December 2017.

Reserves

For the movement of the reserves during financial year 2017, please see the statement of changes in equity.

The reserves are composed as follows:

in thousands €	2017	2016
Legal reserves	90	90
Reserve for the balance of changes in the fair value of real estate properties	38.252	53.645
<i>Reserve for the balance of changes in investment value of real estate properties</i>	<i>53.526</i>	<i>69.506</i>
<i>Reserve for the impact on fair value of estimated transactions rights and costs resulting from the hypothetical disposal of investment properties</i>	<i>-15.274</i>	<i>-15.861</i>
Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting according to IFRS	-2.961	-4.508
Other reserves	6.034	650
Results carried forward from previous financial years	17.403	11.857
Total reserves	58.818	61.734

Reserve for the impact on fair value of estimated transactions rights and costs resulting from the hypothetical disposal of investment properties

in thousands €	2017	2016
Balance at the end of the preceding financial year	-15.861	-15.236
Changes in the investment value of investment properties	-241	36
Acquisitions of investment properties for the preceding financial year	-165	-753
Disposal of investment properties for the preceding financial year	993	92
Total reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-15.274	-15.861

The difference between the fair value of the real estate property (in accordance with IAS 40) and the investment value of the real estate property as determined by the independent property experts is taken up in this item.

Note 16. Current liabilities

Trade debts and other current debts

in thousands €	2017	2016
Other	2.290	2.655
Suppliers	1.375	2.205
Tenants	304	82
Taxes, remunerations and social charges	611	368
Total trade debts and other current debts	2.290	2.655

Other current liabilities

in thousands €	2017	2016
Dividends payable on previous financial years	179	183
Miscellaneous debts	38	49
Total other current liabilities	217	232

Accrued charges and deferred income

in thousands €	2017	2016
Property income received in advance	12.171	6.696
Liabilities related to the compensation received for early termination of lease agreements	1.250	1.250
Received compensations for refurbishment	21	21
Rental income invoiced in advance	9.058	4.503
Provisions invoiced in advance	732	73
Other - invoiced in advance	104	0
Other deferred income	1.006	849
Incurred, unexpired interests and other charges	2.840	3.282
Interests on bond loans	1.710	1.710
Other interests and financial charges	649	989
Accrued charges related to real estate properties	481	583
Other	142	235
Other accrued charges	142	235
Total accrued charges and deferred income	15.153	10.213

The accrued charges and deferred income as at 31 December 2017 comprised € 12,2 million in property income received in advance. This concerned mainly advance invoicing for rental income and provisions for the first quarter of the following financial year, which add up to a total of € 10 million.

The incurred, unexpired interests and other charges amounted to € 2,8 million in 2017, and comprised, among others, the interests on the bond loan due as at 1 April 2018 on the bond loan issued in March 2014.

Note 17. Non-current and current financial debts

For the description of the Financial structure of the company, please see the Report of the management committee.

Classification by expiry date of withdrawn credit facilities

	2017					2016				
	Debts with a remaining duration of			Total	Percentage	Debts with a remaining duration of			Total	Percentage
	< 1 year	> 1 year and < 5 years	> 5 years			< 1 year	> 1 year and < 5 years	> 5 years		
Credit institutions: withdrawn credit facilities	46.805	119.984	72.691	239.480	80%	62.012	152.475	7.667	222.154	79%
Bond loan	0	59.696	0	59.696	20%	0	59.561	0	59.561	21%
TOTAL	46.805	179.680	72.691	299.176	100%	62.012	212.036	7.667	281.715	100%
Percentage	16%	60%	24%	100%		22%	75%	3%	100%	

Guarantees regarding financing

In addition to the requirement to maintain the RREC status and the fulfilment of financial ratios imposed by the RREC Act, the credit facility agreements of Intervest are subject to compliance with financial ratios which are primarily related to the company's consolidated financial debt or its financial interest charges, the prohibition on the mortgaging or pledging of investment properties and the pari passu treatment of creditors. The financial ratios limit the amount that could still be borrowed by Intervest.

For the purpose of the financing of the company, no mortgage registrations were made and no mortgage authorisations were permitted as per 31 December 2017.

For most financing, credit institutions generally require an interest coverage ratio of more than 2 (see description of the Financial structure in the Report of the management committee).

These ratios were respected as at 31 December 2017. If Intervest were no longer to respect these ratios, the financial institutions could demand that the financing agreements of the company be cancelled, renegotiated, terminated or prematurely repaid.

Classification by expiry date of credit lines

	2017						2016					
	Debts with a remaining duration of			Total	Percentage		Debts with a remaining duration of			Total	Percentage	
	< 1 year	> 1 year and < 5 years	> 5 years				< 1 year	> 1 year and < 5 years	> 5 years			
Credit institutions withdrawn credit facilities	46.805	119.984	72.691	239.480	60%		62.012	152.475	7.667	222.154	69%	
Non-withdrawn credit lines	19.300	7.150	75.000	101.450	25%		0	38.175	0	38.175	12%	
Bond loan	0	59.696	0	59.696	15%		0	59.561	0	59.561	19%	
TOTAL	66.105	186.830	147.691	400.626	100%		62.012	250.211	7.667	319.890	100%	
Percentage	16%	47%	37%	100%			19%	78%	3%	100%		

The table above "Classification by expiry date of credit lines" comprised an amount of € 101 million of non-withdrawn credit lines (€ 38 million as at 31 December 2016). At the closing date, these did not form any actual debt, but are only potential debt in the shape of an available credit line. The percentage is calculated as the ratio of each component to the sum of the withdrawn credit lines, the non -withdraw credit lines and the outstanding bond loan.

Classification by variable or fixed character of withdrawn credit facilities at financial institutions and the bond loan

	2017		2016	
	Total	Percentage	Total	Percentage
Credit facilities with variable interest rate	72.480	24%	25.154	9%
Credit facilities covered by interest rate swaps and/or floors	160.000	54%	190.000	67%
Credit facilities with fixed interest rate	66.696	22%	66.561	24%
TOTAL	299.176	100%	281.715	100%

In the above table "Classification by variable or fixed character of withdrawn credit facilities at financial institutions and of the bond loan" the percentage is calculated as the ratio of each component to the sum of withdrawn credit facilities.

Characteristics of the bond loans:

Private placement of bonds of € 60 million

As at 19 March 2014 Intervest achieved the successful private placement of bonds for a total amount of € 60 million. The bonds have a term of 5 years (€ 25 million) and 7 years (€ 35 million) respectively, and expire respectively as at 1 April 2019 and 1 April 2021. The bonds with expiry date 1 April 2019 generate a fixed annual gross return of 3,430%, while the bonds with expiry date as at 1 April 2021 generate a fixed annual gross return of 4,057%.

The issue price of the bonds was equal to their nominal amount, being € 100.000. The bonds were placed with institutional investors.

Note 18. 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) and floor.

SUMMARY OF FINANCIAL INSTRUMENTS			2017		2016	
in thousands €	Categories	Level	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL INSTRUMENTS ON ASSETS						
Non-current assets						
Non-current financial assets	C	2	182	182	383	383
Trade receivables and other non-current assets	A	2	13	13	13	13
Current assets						
Trade receivables	A	2	9.609	2.952	6.601	6.601
Tax receivables and other current assets	A	2	3.471	3.471	3.913	3.913
Cash and cash equivalents	B	2	728	728	412	412
FINANCIAL INSTRUMENTS ON LIABILITIES						
Non-current liabilities						
Non-current financial debts (interest-bearing)	A	2	252.371	256.845	219.703	225.542
Other non-current financial liabilities	C	2	2.020	2.020	3.330	3.330
Other non-current liabilities	A	2	1.001	1.001	920	920
Deferred tax - liabilities	C	2	192	192	0	0
Current liabilities						
Current financial debts	A	2	46.805	46.805	62.012	62.012
Other current financial liabilities	C	2	3	3	13	13
Trade debts and other current debts	A	2	2.290	2.290	2.655	2.655
Other current liabilities	A	2	217	217	232	232

The categories correspond to the following financial instruments:

- A. financial assets or liabilities (including receivables and loans) held to maturity and valued at amortised cost
- B. investments held to maturity and valued at amortised cost
- C. assets and liabilities held at fair value via the income statement, with the exception of financial instruments defined as hedging instruments.

Financial instruments are recorded at fair value. The fair value is determined based on one of the following levels of the fair value 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.

The financial instruments of Intervest correspond to level 2 of the fair value hierarchy. The following techniques are used to appraise the fair value of level 2 financial instruments:

- for the items “Financial non-current assets”, “Other non-current financial liabilities” and “Other current financial liabilities”, which apply to the interest rate swaps and the floor, the fair value is determined by means of observable data, namely the forward interest rates that apply to active markets, which are generally supplied by financial institutions
- the fair value of the remaining level 2 financial assets and liabilities is practically the same as their carrying amount, either because they have a short-term maturity (such as trade receivables and debts) or because they carry a variable interest rate
- when the fair value of the interest-bearing financial liabilities is calculated, the financial liabilities with a fixed interest rate are taken into account, and the future cash flows (interest and capital redemption) are discounted with a market-based yield.

Intervest employs interest rate swaps and floors to hedge potential changes in the interest charges on a portion of the financial liabilities that have a variable interest rate (the short-term Euribor rate). These interest rate swaps and floors are classified as a cash flow hedge. Intervest does not apply hedge accounting. The fluctuations in the fair value of the financial instruments are included in the income statement on the line “Changes in the fair value of financial assets and liabilities (ineffective hedges)” in the financial result.



Fair value of financial derivatives

As at 31 December 2017, the company was in possession of the following financial derivatives:

		Starting date	End date	Interest rate	Contractual notional amount	Hedge accounting	Fair value	
in thousands €						Yes/No	2017	2016
1	IRS	02.01.2012	02.01.2017	2,3350%	50.000	No	0	-11
2	IRS	02.01.2012	01.01.2017	2,1400%	10.000	No	0	-2
3	IRS	02.01.2012	01.01.2018	2,3775%	10.000	No	-3	0
<i>Authorised hedging instruments</i>							-3	-13
Other current financial liabilities							-3	-13
1	IRS	02.01.2012	01.01.2018	2,3775%	10.000	No	0	-274
2	IRS	02.01.2012	01.01.2018	2,3425%	10.000	No	0	-271
3	IRS	30.04.2014	30.04.2019	1,2725%	10.000	No	-210	-362
4	IRS	30.04.2014	30.04.2019	1,2725%	10.000	No	-210	-362
5	IRS	18.06.2015	18.06.2022	0,7800%	15.000	No	-423	-661
6	IRS	30.06.2015	30.06.2020	0,4960%	15.000	No	-241	-368
7	IRS	18.06.2015	18.06.2021	0,6300%	15.000	No	-331	-506
8	IRS	26.06.2015	26.06.2019	0,3300%	15.000	No	-137	-219
9	IRS	01.12.2016	01.12.2021	0,1200%	15.000	No	-24	-143
10	IRS	01.12.2016	01.12.2022	0,2200%	15.000	No	-2	-164
11	IRS	22.03.2017	22.03.2024	0,8500%	10.000	No	-302	0
12	IRS	22.03.2017	22.03.2024	0,4500%	10.000	No	-49	0
13	IRS	22.03.2017	22.03.2024	0,4675%	10.000	No	-53	0
14	IRS	22.03.2017	22.03.2023	0,3300%	10.000	No	-38	0
<i>Authorised hedging instruments</i>							-2.020	-3.330
Other non-current financial liabilities							-2.020	-3.330
1	Floor	01.12.2016	01.02.2021	0,0%	27.500	No	182	383
Non-current financial assets							182	383
Total fair value of financial derivatives							-1.841	-2.960
Accounting process as at 31 December:								
• In shareholders' equity: Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting							-2.960	-4.507
• In the income statement: Changes in fair value of financial assets and liabilities (ineffective hedges)							1.119	1.547
Total fair value of financial derivatives							-1.841	-2.960

As at 31 December 2017, the interest rate swaps had a negative market value of € -1,8 million (contractual notional amount of € 160 million), which was determined by the issuing financial institution on a quarterly basis.

In January 2017, the interest rate swaps amounted to a notional amount of € 60 million on the expiry date, with an average interest rate of 2,3%. In the first semester of 2017, new interest swaps amounting to a notional amount of € 30 million were purchased, with an average interest rate of 0,4% (maturity at 6 and 7 years). In addition, an existing interest rate swap with a notional amount of € 10 million and an interest rate of 2,3425% was converted to an interest rate swap with a maturity of 7 years at 0,85%.

Management of financial risks

The major financial risks of Intervest are the financing risk, liquidity risk and the interest rate risk.

Financing risk

For the description of this risk and the way it is managed, please see the “Financing risk” chapter in the description of the Major risk factors and internal control and risk management systems in the Report of the board of directors.

For financing real estate, Intervest always strives for a balance between shareholders' equity and borrowed capital. In addition, Intervest aims to safeguard its access to the capital market through the transparent disclosure of information, by maintaining regular contacts with financiers and (potential) shareholders and by increasing the liquidity of the share. Finally, with respect to long-term financing, it aims for a balanced spread of refinancing dates and a weighted average duration between 3,5 and 5 years. This may be temporarily derogated from should specific market conditions require it. The average remaining duration of the long-term credit facility agreements as at 31 December 2017 is 4,6 years. Intervest has also diversified its funding sources through by using seven European financial institutions and issuing bond loans.

More information on the composition of the credit facilities' portfolio of Intervest can be found in the section entitled “Financial structure” in the Report of the management committee and also in “Note 17. Non-current and current financial debts” in the Financial report.

Liquidity risk

For the description of this risk and the way it is managed, please see the “Liquidity risks” chapter in the description of the Major risk factors and internal control and risk management systems in the Report of the board of directors.

The credit facility agreements of Intervest are subject to compliance with financial ratios, which are primarily related to the consolidated financial debt level of Intervest or its financial interest charges. In order to avail itself of this credit margin, the conditions of credit facilities must be complied with on a continuous basis. As at 31 December 2017, the company still had € 101 million in non-withdrawn credit lines with its lenders for the purpose of absorbing fluctuations in liquidity requirements.

More information on the composition of the credit portfolio of Intervest can be found in the section entitled “Financial structure” in the Report of the management committee and also in “Note 17. Non-current and current financial debts” in the Financial report.

Interest rate risk

For the description of this risk and the way it is managed, please refer to the section entitled “Interest rate risk” in the description of the major risk factors and internal control and risk management systems in the Report of the board of directors.

As a result of financing with borrowed capital, the yield is also dependent on interest rate developments. In order to reduce this risk, when composing the loan portfolio, the fund aims for a ratio of one third borrowed capital with a variable interest rate and two thirds borrowed capital with a fixed interest rate. Depending on how the interest rates develop, a temporary derogation is possible. Furthermore, for long-term borrowed capital, a balanced spread of interest rate review dates and a minimum duration of 3 years are targeted. As at 31 December 2017, the interest rates on the hedges (including financing with fixed interest rate) of the company remain fixed for a remaining average duration of 3,4 years.

More information on the composition of the credit portfolio of Intervest can be found in the section entitled “Financial structure” in the Report of the management committee and also in “Note 17. Non-current and current financial debts” and “Note 11. Net interest charges” in the Financial report.

Note 19. Deferred tax and liabilities

in thousands €	2017	2016
Provision for deferred taxes	192	0

The deferred taxes contained a provision for deferred taxes on non-realised increases on the investment properties belonging to the perimeter companies and the Group in the Netherlands.

Note 20. Calculation of debt ratio

in thousands €	Note	2017	2016
Non-current financial debts	17	252.371	219.703
Other non-current liabilities		1.001	920
Current financial debts	17	46.805	62.012
Trade debts and other current debts	16	2.290	2.655
Other current liabilities	16	217	232
Total liabilities for calculation of debt ratio		302.684	285.522
Total assets (excl. financial derivatives)		679.236	624.780
Debt ratio		44,6%	45,7%

For the further description of the evolution of the debt ratio, please see the explanation of the Financial structure in the Report of the management committee.

Note 21. Related parties

The company's related parties are its shareholders and its affiliated companies as well as its perimeter companies (see Note 22), and its directors and members of the management committee.

Directors and members of the management committee

Remuneration of the directors and the members of the management committee is recognised in the items "Property management costs" and "General costs" (see Notes 5 and 6). More details of the composition of the remuneration of the members of the management committee can be found in "Note 7. Employee benefits".

in thousands €	2017	2016
Directors	125	105
Members of the management committee	1.020	800
Total	1.145	905

The directors and members of the management committee do not receive additional benefits on the account of the company.

Note 22. List of consolidated companies

The companies below are consolidated by the method of full consolidation:

Company name	Address	Enterprise number	Shareholding percentage (in %)	Value of the participation in the statutory accounts	Minority interests (in thousands €)	
					2017	2016
Aartselaar Business Center nv	Uitbreidingstraat 66 2600 Berchem	BE 0466.516.748	€ -287.891	100%	0	-1
Mechelen Business Center nv	Uitbreidingstraat 66 2600 Berchem	BE 0467.009.765	€ 3.081.360	100%	0	32
Mechelen Research Park nv	Uitbreidingstraat 66 2600 Berchem	BE 0465.087.680	€ 1.865.037	100%	0	2
Stockage Industriël sa	Uitbreidingstraat 66 2600 Berchem	BE 0438.634.295		100%	0	0
Perimeter companies of Intervest Nederland Coöperatief U.A.						
Intervest Tilburg 1 bv	Verlengde Poolseweg 16 4818 CL Breda The Netherlands	NL857541122B01	100%			
Intervest Raamsdonksveer 1 bv	Verlengde Poolseweg 16 4818 CL Breda The Netherlands	NL857780001B01	100%			
Total minority interests					0	0

As a result of the expansion of Intervest's real estate portfolio in the Netherlands, Intervest Nederland Coöperatief U.A. was incorporated during the first semester of 2017. Intervest Tilburg 1 bv and Intervest Raamsdonksveer 1 bv are perimeter companies of Intervest Nederland Coöperatief U.A. and hold the real estate properties.

Note 23. Fee of the statutory auditor and entities affiliated with the statutory auditor

in thousands €	2017	2016
Excl. VAT		
Statutory auditor's fee	66	65
Fee for exceptional activities or special assignments within the company by the statutory auditor regarding		
Other control assignments	19	4
Tax advice assignments	5	8
Other assignments apart from audit assignments	0	0
Total fee of the statutory auditor and entities affiliated with the statutory auditor	90	77

Note 24.

Conditional obligations

Disputed tax assessments

With the RREC Act (formerly the Royal Decree of 7 December 2010 and the Royal Decree of 10 April 1995), the legislator gave a favourable tax status to RRECs. If a company converts its status into that of an RREC, or if an (ordinary) company merges with a RREC, it must pay a one-off tax (exit tax). After that, the RREC is only subject to taxes on very specific elements, such as “rejected expenses”. No corporate tax whatsoever is thus paid for the majority of the profit that is gained from leases and added value gained from the sale of immovable property. Since 1 January 2005, this exit tax has been set at 16,995% (16,5% + 3% crisis tax).

According to the tax legislation, the taxable basis is to be calculated as the difference between the actual value of the company's assets and the (fiscal) book value. The Minister of Finance has decided by circular (dated 23 December 2004) that the transfer costs related to the transaction need not be taken into account when determining the fair value, but specifies that the securitisation premium remains subject to company tax. Tax assessments based on the securitisation premium would therefore indeed be owed. Intervest disputes this interpretation and has notices of objection that are pending, amounting to a total of about € 4 million.

According to the assessment register, pending tax payments plus late payment interest charges total approximately € 6,7 million. That said, an exemption has not yet been granted concerning the specific provision (since the circular letter dated 23 December 2004) that stipulates that the value of the property when transfer costs are paid by the buyer must apply when calculating the exit tax, as opposed to the value of the property when transfer costs are paid by the seller. In the opinion of Intervest, the only real tax dispute centres around the standpoint that the securitisation premium must be taken into consideration when determining the exit tax (the total tax debt then comes to roughly € 4 million instead of roughly € 6,7 million).

As at 2 April 2010, in a lawsuit between another Belgian public RREC (at the time property investment fund) and the Belgian State concerning this issue, the Court of First Instance in Leuven ruled that there is no reason “why the actual value of the company's assets on the date that it is recognised as a property investment fund by the Financial Markets and Services Authority (FSMA) could not be lower than the price of the shares that were offered to the public.”

These additional tax debts, amounting to roughly € 4 million, are being guaranteed by Siref's two

former promoters. As a result of Siref's recognition as a property investment fund, and within the scope of the approval of the prospectus of the Siref property investment fund for purposes of obtaining approval to become exchange-listed, these promoters submitted a unilateral declaration dated 8 February 1999 to the FSMA in which they state that they will pay the exit tax that will be owed in the case of an amendment to the return. That said, in a letter dated 24 May 2012, one of these promoters disputes that Intervest can claim rights from this declaration.

In 2008, the tax authorities (the Recipient of direct taxes) took out a legal mortgage on a single logistics property on the Dijkstraat in Aartselaar as a guarantee against the outstanding tax debt. No provision was made for these disputed tax declarations.

In 2013, the tax authorities refused one of the notices of objection and Intervest submitted a petition to the Court of First Instance in Antwerp. The Court of First Instance rejected the petition of Intervest in a verdict as at 3 April 2015. The company appealed against this verdict, where, in its judgement dated 25 April 2017, the Court of Appeal declared the appeal of Intervest Offices & Warehouses unfounded, however, and ratified the disputed judgement dated 3 April 2015. The judgement was served as at 10 November 2017. As at 29 January 2018 Intervest Offices & Warehouses filed a cassation appeal against the above-mentioned judgement of the Antwerp Court of Appeal dated 25 April 2017.

The processing of the other objections has been provisionally suspended.

Off-balance sheet obligations

Within the scope of its new-build projects and expansions, Intervest has investment obligations of approximately € 8 million. This relates to investment expenses that were concluded but had not yet been executed as at balance sheet date.

Note 25.

Events after the balance sheet date

As at 16 February 2018 Intervest heard from the press that Medtronic had the intention to close its logistics branch in Opglabbeek. Up till now there was no formal initiative from Medtronic and the existing lease agreement remains in full force. The annual rent of Medtronic represents 4,7% of the total contractual rental income of Intervest. The agreement has a first expiry date as at 31 August 2022.

7. Statutory auditor's report¹



Intervest Offices & Warehouses NV/SA, Public regulated real estate company under Belgian law |
31 december 2017

Statutory auditor's report to the shareholders' meeting of Intervest Offices & Warehouses NV/SA for the year ended 31 December 2017

In the context of the statutory audit of the consolidated financial statements of Intervest Offices & Warehouses NV/SA, Public regulated real estate company under Belgian law ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report to you. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These reports are one and indivisible.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 27 April 2016 in accordance with the proposal of the board of directors issued upon recommendation of the Audit Committee. Our mandate will expire on the date of the shareholders' meeting approving the consolidated financial statements for the year ending 31 December 2018. We have performed the statutory audit of the consolidated financial statements of Intervest Offices & Warehouses NV/SA for 17 subsequent years.

Report on the audit of the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the company and its subsidiaries, which comprise the consolidated balance sheet as at 31 December 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 679 418 (000) EUR and the consolidated income statement shows a consolidated profit for the year then ended of 21 186 (000) EUR.

In our opinion, the consolidated financial statements of Intervest Offices & Warehouses NV/SA, Public regulated real estate company under Belgian law give a true and fair view of the group's net equity and financial position as of 31 December 2017 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

¹ The statutory auditor has agreed to the inclusion of its report in this Annual Report. The information has been presented correctly and, to Intervest's best knowledge and insofar as it was able to deduce from the information published by the statutory auditor, no facts have been omitted that could cause the information presented to be incorrect or misleading.

Intervest Offices & Warehouses NV/SA, Public regulated real estate company under Belgian law |
31 december 2017

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p>1. Valuation of investment properties</p> <ul style="list-style-type: none"> Investment properties measured at fair value (662 539 (000) EUR) represent 98% of the consolidated balance sheet total as at 31 December 2017. Changes in the fair values of the investment properties have a significant impact on the consolidated net result for the period and equity. The portfolio includes completed investments and properties under construction. Acquisitions and divestments of investment properties are individually significant transactions. The Group uses professionally qualified external valuers to fair value the Group's portfolio at three-monthly intervals. The valuers are engaged by the Directors and performed their work in accordance with the Royal Institute of Chartered Surveyors ('RICS') Valuation – Professional Standards. The valuers used by the Group have considerable experience in the markets in which the Group operates. The portfolio is valued by the investment method of valuation with development properties valued by the same methodology with a deduction for all costs necessary to complete the development together with a remaining allowance for risk. The key inputs into the valuation exercise are yields and current market rent, which are influenced by prevailing market forces, comparable transactions and the specific characteristics of each property in the portfolio. Therefore, the audit risk appears in the assumptions and critical judgment linked to those key inputs. 	<ul style="list-style-type: none"> We considered the internal control implemented by management and we carried out testing relating to the design and implementation of controls over investment properties. We assessed the competence, independence and integrity of the external valuers. We discussed and challenged the valuation process, performance of the portfolio and significant assumptions and critical judgement areas, including occupancy rates, yields and development milestones. We benchmarked and challenged the key assumptions to external industry data and comparable property transactions, in particular the yield. We performed audit procedures to assess the integrity and completeness of information provided to the independent valuers relating to rental income, key rent contract characteristics and occupancy. We agreed the amounts per the valuation reports to the accounting records and from there we agreed the related balances through to the financial statements. As part of our audit procedures performed on the acquisitions and divestments of investment properties we examined significant contracts and documentation on the accounting treatment applied to these transactions. Furthermore, we assessed the appropriateness of the disclosures provided on the fair values of investment properties.

Intervest Offices & Warehouses NV/SA, Public regulated real estate company under Belgian law |
31 december 2017

Reference to disclosures

We refer to the consolidated financial statements, including notes to the consolidated financial statements: Note 2, Principles of financial reporting; Note 13, non-current assets.

2. Valuation of derivative financial instruments

- The Group employs derivative instruments that are recognised at fair value. Intervest Offices & Warehouses NV/SA uses derivative contracts to hedge interest rate risks. The fair value of the derivatives as at 31 December 2017 amounts to -1 841 (000) EUR compared to a fair value of -2 960 (000) EUR as at 31 December 2016.
- Derivative transactions can be complex in nature and their valuation can be affected by a large number of variables.
- Proper disclosures of the use of derivative financial instruments is relevant to the reader of the financial statements.
- Therefore, the key audit matter appears in the valuation of these derivatives.

Reference to disclosures

We refer to the consolidated financial statements, including notes to the consolidated financial statements: Note 2, Principles of financial reporting; Note 18, Financial Instruments.

- We considered the internal control implemented by management and we carried out testing relating to the design and implementation of controls over derivatives financial instruments.
- We have validated the completeness of the derivative financial instruments by obtaining confirmations from all banks with whom Intervest Offices & Warehouses NV/SA has engaged in this type of transactions.
- We have reconciled the marked-to-market values as calculated by the banks to the financial statements.
- We have engaged Deloitte's valuation experts to independently test the valuation of a sample of derivative financial instruments, based on their contract terms.
- Furthermore, we assessed the appropriateness of the disclosures provided on derivative financial instruments.

Responsibilities of the board of directors for the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements the board of directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Intervest Offices & Warehouses NV/SA, Public regulated real estate company under Belgian law |
31 december 2017

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated those charged with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes any public disclosure about the matter.

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Intervest Offices & Warehouses NV/SA, Public regulated real estate company under Belgian law |
31 december 2017

Report on other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements and other matters disclosed in this report.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian (revised) standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify the director's report on the consolidated financial statements and other matters disclosed in the annual report, in all material respects.

Aspects regarding the directors' report on the consolidated financial statements and other matters disclosed in this report

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, the directors' report on the consolidated financial statements is consistent with the consolidated financial statements for the same year and it has been established in accordance with the requirements of article 119 of the Companies Code.

In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements is free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.

Statements regarding independence

We did not perform any services that are incompatible with the statutory audit of the consolidated financial statements and remained independent from the company during the performance of our mandate.

The fees for the non-audit services compatible with the statutory audit of the consolidated financial statements as defined in article 134 of the Companies Code have been properly disclosed and disaggregated in the disclosures to the consolidated financial statements.

Intervest Offices & Warehouses NV/SA, Public regulated real estate company under Belgian law |
31 december 2017

Other statements

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Zaventem, 8 March 2018

The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Rik Neckebroeck

Deloitte.

Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
Société civile sous forme d'une société coopérative à responsabilité limitée
Registered Office: Gateway building, Luchthaven Nationaal 1 J, B-1930 Zaventem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited

8. Statutory annual accounts Intervest Offices & Warehouses nv

The statutory annual accounts of Intervest Offices & Warehouses nv are prepared according to the IRFS standards and in accordance with the RREC Royal Decree of 13 July 2014. The entire version of the statutory annual accounts of Intervest Offices & Warehouses nv, along with the annual report and the report of the statutory auditor, will be deposited within the legal time frame at the National Bank of Belgium and can be obtained for free through the website of the company (www.intervest.be) or on demand at the registered office.

The statutory auditor has issued an unqualified opinion on the statutory annual accounts of Intervest Offices & Warehouses nv.

8.1. Income statement

in thousands €	2017	2016
Rental income	42.540	44.930
Rental-related expenses	-103	-164
NET RENTAL INCOME	42.437	44.766
Recovery of property charges	881	700
Recovery of rental charges and taxes normally payable by tenants on let properties	12.852	7.873
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-375	-412
Rental charges and taxes normally payable by tenants on let properties	-12.852	-7.873
Other rental-related income and expenses	116	215
PROPERTY RESULT	43.059	45.269
Technical costs	-1.322	-1.093
Commercial costs	-252	-336
Charges and taxes on unlet properties	-634	-475
Property management costs	-3.470	-2.978
Other property charges	-399	-301
Property charges	-6.077	-5.183
OPERATING PROPERTY RESULT	36.982	40.086
General costs	-2.655	-2.218
Other operating income and costs	-5	87
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	34.322	37.955
Result on disposals of investment properties	0	-12.798
Changes in fair value of investment properties	-7.819	2.424
Other result on portfolio	103	368
OPERATING RESULT	26.606	27.949

in thousands €	2017	2016
OPERATING RESULT	26.606	27.949
Financial income	597	419
Net interest charges	-7.621	-9.327
Other financial charges	-5	-10
Changes in fair value of financial assets and liabilities (ineffective hedges)	1.119	1.547
Changes in fair value of financial non-current assets	628	55
Financial result	-5.282	-7.316
RESULT BEFORE TAXES	21.324	20.633
Taxes	-138	-51
NET RESULT	21.186	20.582
Note:		
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

RESULT PER SHARE	2017	2016
Number of shares at year-end	18.405.624	16.784.521
Number of shares entitled to dividend	17.740.407	16.784.521
Weighted average number of shares	17.409.850	16.784.521
Net result (€)	1,22	1,23
Diluted net result (€)	1,22	1,23
EPRA earnings based on weighted average number of shares (€)	1,58	1,73
EPRA earnings based on dividend entitled shares (€)	1,55	1,73

8.2. Comprehensive income

in thousands €	2017	2016
NET RESULT	21.186	20.582
Other components of comprehensive income (recyclable through income statement)	0	0
COMPREHENSIVE INCOME	21.186	20.582

8.3. Balance sheet

ASSETS in thousands €	Note	31.12.2017	31.12.2016
NON-CURRENT ASSETS		659.212	608.223
Intangible assets		501	331
Investment properties	8.6	629.632	602.136
Other tangible assets		578	702
Financial non-current assets	8.6	28.488	5.041
Trade receivables and other non-current assets		13	13
CURRENT ASSETS		19.614	16.865
Trade receivables		9.575	6.601
Tax receivables and other current assets		7.790	7.989
Cash and cash equivalents		501	411
Deferred charges and accrued income		1.748	1.864
TOTAL ASSETS		678.826	625.088
SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €		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 of the financial year		21.186	20.582
LIABILITIES		319.460	299.003
Non-current liabilities		255.392	223.953
Non-current financial debts		252.371	219.703
<i>Credit institutions</i>		192.675	160.142
<i>Bond loan</i>		59.696	59.561
Other non-current financial liabilities		2.020	3.330
Other non-current liabilities		1.001	920
Current liabilities		64.068	75.050
Current financial debts		46.805	62.012
<i>Credit institutions</i>		46.805	62.012
Other current financial liabilities		3	13
Trade debts and other current debts		2.136	2.655
Other current liabilities		217	232
Deferred income and accrued charges		14.907	10.138
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		678.826	625.088
DEBT RATIO in %		31.12.2017	31.12.2016
Debt ratio (max. 65%)		44,6%	45,7%
NET VALUE PER SHARE in €		31.12.2017	31.12.2016
Net value (fair value)		19,52	19,43
Net value (investment value)		20,35	20,36
Net asset value EPRA		19,62	19,60

8.4. Result allocation (according to the scheme recorded in Section 4 of Part 1 of Chapter 1 of Annex C of the RREC Royal Decree of 13 July 2014)

in thousands €	2017	2016
A. NET RESULT	21.186	20.582
B. ALLOCATION TO/TRANSFER FROM RESERVES	3.651	2.916
1. Allocation to/transfer from the reserves for the balance of changes in fair value* of real estate properties (-/+):		
• Financial year	4.985	-3.194
• Previous financial years	0	5.384
• Realisation real estate properties	0	13.790
2. Allocation to/transfer from the reserve of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties (-/+)	2.378	-587
5. Allocation to the reserve for the balance of changes in fair value of allowed hedging instruments that are not subject to hedge accounting (-)	-1.119	-1.547
10. Allocation to/transfer from other reserves (-/+)	0	-5.384
11. Allocation to/transfer from results carried over from previous financial years (-/+)	-2.593	-5.546
C. REMUNERATION OF CAPITAL pursuant to article 13, §1, paragraph 1 of the RREC Royal Decree	0	0
D. REMUNERATION OF CAPITAL, other than C	24.837	23.498

* Based on the changes in investment value of investment properties.

8.5. Statement of changes in statutory shareholder equity

In thousands €	Capital	Share premium	Reserves		
			Legal reserves	Reserve for the balance of changes in the fair value of real estate	
				Reserve for the balance of changes in investment value of real estate properties	Reserve for the impact on the fair value *
Balance sheet as at 31 December 2015	147.980	84.220	90	73.695	-15.015
Comprehensive income of 2016					
Transfers through result allocation 2015:					
• Transfer to the reserves for the balance of changes in investment value of real estate properties				-5.872	
• Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties					138
• 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					
• Transfer from results carried forward from previous years					
Issue of shares for optional dividend financial year 2015	4.968	6.601			
Fusion with perimeter company Stockage Industriel nv				1.033	-763
Dividend financial year 2015					
Balance sheet as at 31 December 2016	152.948	90.821	90	68.856	-15.640
Comprehensive income of 2017					
Transfers through result allocation 2016:					
• Transfer to the reserves for the balance of changes in investment value of real estate properties				-15.980	
• Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties					587
• 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					
• Transfer from results carried forward from previous years					
• Transfer to other reserves					
Issue of shares by the contribution in kind of real estate located in Aarschot (5 May 2017)	1.969	3.181			
Issue of shares by the contribution in kind of real estate located in Oevel (5 May 2017)	2.906	4.694			
Issue of shares for optional dividend financial year 2016	3.835	5.238			
Dividend financial year 2016					
Issue of shares by the contribution in kind of real estate located in Zellik (22 December 2017)	6.062	7.708			
Balance sheet as at 31 December 2017	167.720	111.642	90	52.876	-15.053

* from estimated transfer duties and costs resulting from the hypothetical disposal of investment properties.

					Net result of the financial year	TOTAL SHAREHOLDERS' EQUITY
	Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	Other reserves	Results carried forward from previous financial years	Total reserves		
	-5.066	427	9.419	63.550	25.954	321.704
					20.582	20.582
				-5.872	5.872	0
				138	-138	0
	558			558	-558	0
			3.361	3.361	-3.361	0
						11.569
			-270	0		0
					-27.769	-27.769
	-4.508	427	12.510	61.734	20.582	326.085
					21.186	21.186
				-15.980	15.980	0
				587	-587	0
	1.547			1.547	-1.547	0
			5.546	5.546	-5.546	0
		5.384		5.384	-5.384	0
						5.150
						7.600
						9.073
					-23.498	-23.498
						13.770
	-2.961	5.811	18.056	58.818	21.186	359.366

8.6. Annexes to the statutory annual accounts

Movements of the number of shares

	2017	2016
Number of shares at the beginning of the financial year	16.784.521	16.239.350
Number of shares issued pursuant to the contribution of Aarschot as at 5 May 2017	216.114	0
Number of shares issued pursuant to the contribution of Oevel as at 5 May 2017	318.925	0
Number of shares distributed as optional dividend as at 22 May 2017	420.847	545.171
Number of dividend entitled shares	17.740.407	16.784.521
Number of shares issued pursuant to the contribution of real estate located in Zellik as at 22 December 2017 (entitled to dividend as of financial year 2018)	665.217	0
Number of shares at the end of the financial year	18.405.624	16.784.521
Adjustments for calculation of the weighted average of the number of shares	-995.774	0
Weighted average number of shares	17.409.850	16.784.521

The shares issued pursuant to the contribution by Zellik as at 22 December 2017 were issued without coupon 19 and were only entitled to dividends as from 1 January 2018. Consequently, the number of shares entitled to dividend as per 31 December 2017 was different from the number of shares at year-end.

Investment properties

in thousands €

	2017			2016		
	Offices	Logistics real estate	Total	Offices	Logistics real estate	Total
Balance sheet as at 1 January	293.118	309.018	602.136	317.563	277.518	595.081
• Merger Stockage Industriel SA as at 17 February 2016	0	0	0		30.527	30.527
• Acquisition of real estate properties	0	27.985	27.985	7.319	0	7.319
• Investments and expansions in existing real estate properties	878	6.452	7.330	3.824	2.678	6.502
• Disposals of investment properties	0	0	0	-34.234	-5.484	-39.718
• Changes in fair value of investment properties	1.446	-9.265	-7.819	-1.354	3.779	2.425
Balance sheet as at 31 december	295.442	334.190	629.632	293.118	309.018	602.136
OTHER INFORMATION						
Investment value of real estate	302.828	342.545	645.373	300.446	316.743	617.189

The investment properties consisted of:

in thousands €	2017	2016
Real estate held for letting	627.949	599.074
Other: reserve of land	1.683	3.062
Total investment properties	629.632	602.136

As at 31 December 2017, Intervest had no development projects nor assets for own use except for the space in Greenhouse Antwerp where the registered office of Intervest is located. In accordance with IAS 40.10 this space is recorded as an investment property. For additional details on the changes in the fair value of investment properties, please see Note 9.

The fair value of the investment properties of Intervest increased by € 27 million in 2017, and as at 31 December 2017 it amounted to € 630 million (€ 602 million as at 31 December 2016).

In 2017 the fair value of the logistics portfolio increased by approximately € 25 million or 8%, by € 28 million in acquisitions of three logistics buildings, € 6 million attributable to investments and expansions in the existing logistics portfolio and € -9 million due to the decrease in fair value of the existing portfolio, primarily as a result of the expected future vacancy period in Puurs and the change of the rental situation in Wommelgem.

In 2017, the fair value of the office portfolio increased by approx. € 2 million or 1%, mainly due to investments and expansions in Greenhouse BXL. The fair value of the existing office portfolio remained stable in 2017.

As at the end of 2017, the company has a remaining reserve of land of approximately 8.000 m² on its site Herentals Logistics 3 which offers an additional possibility of expansion for an extra warehouse. This reserve of land is valued as clear for construction.

As at 31 December 2017, there were no investment properties mortgaged as security for withdrawn loans and credit facilities at financial institutions. For the description of the legal mortgage established in order to guarantee the outstanding tax debt on the logistics property located in Aartselaar on Dijkstraat, please refer to Note 24.

Financial non-current assets

	2017	2016
Participation Aartselaar Business center	-350	-288
Participation Mechelen Research Park	1.921	1.865
Participation Mechelen Business Center	2.974	3.081
Participation Intervest Nederland Coöperatief U.A.	7.783	0
Fair value financial derivatives	182	383
Claims against affiliated companies	15.978	0
Total non-current financial assets	28.488	5.041

The non-current financial assets comprised as at 31 December 2017 the value of the participations in the perimeter companies at the end of the financial year, the fair value of a financial derivative (floor) and the recovery on Intervest Nederland Coöperatief U.A.

Recoveries on affiliated companies consist of intra-group loans that originated to finance the acquisitions of the real estate located in Tilburg and Raamsdonksveer.

Determination of the amount of obligatory dividend payment

The amount that is eligible for payment has been determined in accordance with article 13, §1, of the RREC Royal Decree and Chapter III of annex C of the RREC Royal Decree.

in thousands €	2017	2016
Net result	21.186	20.582
Adjustment for non-cash flow transactions included in the net result:		
• Write-downs	350	274
• Depreciations	36	136
• Reversal of depreciations	-54	0
• Other non-monetary elements	-1.472	889
• Result on disposals of investment properties	0	12.798
• Changes in fair value of investment properties	7.819	-2.425
Corrected result (A)	27.865	32.254
Profits and losses* realised on real estate during the financial year	0	-14.378
Net gains for realisation of real estate properties non-exempted from mandatory distribution (B)	0	-14.378
Total (A + B) x 80%	22.292	14.301
Debt reduction (-)	0	-22.453
Distribution requirement	22.292	0

* Profits and losses in respect of the purchase value increased by the capitalised investment costs.

Intervest has a minimum payout obligation of € 22,3 million for financial year 2017.

Calculation of the result per share

	2017	2016
Net result (€ 000)	21.186	20.582
Weighted average number of shares	17.409.850	16.784.521
Ordinary net result per share (€)	1,22	1,23
Diluted net result per share (€)	1,22	1,23
EPRA earnings (€ 000)	27.430	29.044
Number of shares entitled to dividend	17.409.850	16.784.521
EPRA earnings per share (€)	1,58	1,73

Proposed dividend per share

The shareholders will be offered a gross dividend of € 1,40 per share for financial year 2017, which is exactly the same as for financial year 2016. This gross dividend offers shareholders a gross dividend yield of 6,2% based on the closing share price as at 31 December 2017 (€ 22,49).

	2017	2016
EPRA earnings per share (€) based on weighted average number of shares	1,58	1,73
EPRA earnings per dividend entitled share (€)	1,55	1,73
Dividend payment expressed as a percentage of the statutory EPRA earnings (%)	91%	81%
Gross dividend per share (€)	1,40	1,40
Remuneration of capital (€ 000)	24.837	23.498

Following the close of the financial year, the board of directors proposed the following dividend distribution. This will be presented for approval to the general shareholders' meeting on 25 April 2018. In accordance with IAS 10, the dividend distribution is not included as an obligation and has no impact on the tax on profits.

Determination of the amount pursuant to article 617 of the Belgian Companies Code

The amount, as referred to in article 617 of the Belgian Companies Code, of paid-up capital or, if this amount is higher, of the requested capital, plus all the reserves that may not be distributed according to the law or the articles of association is determined in Chapter 4 of attachment C of the RREC Royal Decree of 7 December 2010.

in thousands €	2017	2016
Non-distributable elements of shareholder's equity for distribution of profits		
Paid-up capital	167.720	152.948
Unavailable issue premiums, according to the articles of association	111.642	90.821
Reserve for the positive balance of changes in fair value of real estate	37.823	53.216
<i>Reserve for the positive balance of changes in the investment value of real estate</i>	52.876	68.856
<i>Reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties</i>	-15.053	-15.640
Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	-2.961	-4.508
Legal reserves	90	90
Result distribution which, pursuant to Chapter I of annex C of the Royal Decree of 13 July 2014, is to be allocated to non-distributable reserve		
Changes in fair value of investment properties*	-4.985	-2.190
<i>Financial year</i>	-4.985	3.194
<i>Previous financial years</i>	0	-5.384
Changes in fair value** of investment properties due to disposal of investment properties	0	-13.791
Estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-2.378	587
Changes in fair value of financial assets and liabilities (ineffective hedges)	1.119	1.547
Total non-distributable shareholder's equity	308.070	278.720
Statutory shareholder's equity	359.366	326.085
Planned dividend distribution	24.837	23.498
Number of shares	17.740.407	16.784.521
Gross dividend per share (€)	1,40	1,40
Shareholder's equity after dividend distribution	334.529	302.587
Remaining reserves after distribution	26.459	23.867

* Based on the changes in investment value of investment properties.

** Based on the changes in investment value of investment properties.

For financial year 2017, €1,40 is paid out per share. The remaining reserve after payment increased by € 2,6 million compared to the previous financial year.



A modern office interior featuring a wall with large, light-colored geometric panels. A white office chair is visible in the foreground. The lighting is soft and even.

INVESTING IN *INSPIRING*, *INNOVATIVE* AND *UNIQUE* OFFICE ENVIRONMENTS

“A fully equipped office, including everything: all types of services, furniture and utilities. I was able to start working immediately.”

Cédric Clybouw - real estate agent/broker

General information

1. Identification
2. Extract from the articles of association
3. Statutory auditor
4. Liquidity provider
5. Property experts
6. Property managers
7. RREC - legal framework
8. RREC - tax system
9. Tax system in the Netherlands
10. Information related to the annual financial reports of 2015 and 2016
11. Persons responsible for the content of the annual report



1. Identification

Name

Intervest Offices & Warehouses nv is a public RREC under Belgian law.

As at 27 October 2011 the name of the company changed from "Intervest Offices" into "Intervest Offices & Warehouses".

In the Annual Report 2017, Intervest Offices & Warehouses is shortened to "Intervest" to refer to the company.

legal form was converted from a limited partnership with share capital to a limited liability company and its name was changed to "Intervest Offices". By deed executed before Eric de Bie, notary in Antwerp-Ekeren on 27 October 2011, and published in the Appendices to the Belgian Official Gazette as at 21 November 2011 under number 2011-11-21/O174565, the name was changed into "Intervest Offices & Warehouses".

The articles of association were amended by deed executed by notary Eric De Bie as at 27 October 2014, published in the Appendices of the Belgian Official Gazette under number 2014-11-14/O207173, whereby the corporate objective was changed because the company has become a public regulated real estate company in the sense of article 2, 2° of the RREC Act (and is therefore no longer a public property investment fund) and whereby also other changes to the articles of association were implemented in order to refer to the RREC instead of property investment funds legislation.

Registered office

Uitbreidingstraat 66, 2600 Antwerp-Berchem.

Reachable by phone on +32 3 287 67 67.

As at 15 March 1999, Intervest Offices was recognised as a "public property investment fund with fixed capital under Belgian law", abbreviated to "property investment funds under Belgian law". Taking into account the entry into force of the Act of 19 April 2014 regarding the alternative institutions for collective investments and their managers (the "AIFMD Act"¹), the company has opted to apply for the status of public regulated real estate company, as implemented by the RREC Act, instead of the status of public property investment fund. In this context, the company submitted its permit application as public regulated real estate company to the FSMA as at 17 July 2014. The company was subsequently granted the status of public regulated real estate company by the FSMA pursuant to articles 9, §3 and 77 of the RREC Act as at 9 September 2014, under the suspensive condition of a change in the articles of association of the company and compliance with the stipulations of article 77, §2 and following of the RREC Act. Finally, as at 27 October 2014, the extraordinary general meeting of shareholders in the company approved, with 99,99% of the votes, the change in the corporate objective regarding the change of status from property investment fund to public regulated real estate company, pursuant to the RREC Act. Considering that at the above-mentioned extraordinary general meeting of shareholders no right of abstention whatsoever was executed, and all suspensive conditions were fulfilled to which the change in the articles of association by the extraordinary general meeting of shareholders and the permit granted by the FSMA were subject, Intervest enjoys the status of public regulated real estate company as from 27 October 2014. As a public regulated real estate company, the company is no longer subjected to the stipulations of the Royal Decree of 7 December 2010

Company number (RPR Antwerp)

The company is registered at the Crossroads Bank for Enterprises under company number 0458.623.918.

Legal form, foundation, publication

Intervest Offices & Warehouses nv (referred to hereafter as "Intervest") was founded as at 8 August 1996 as a limited liability company under the name of "Immo-Airway", by deed executed before the civil-law notary Carl Ockerman, in Brussels as published in the Appendices to the Belgian Official Gazette of 22 August 1996 under no. BBS 960822-361.

By deed executed before Eric Spruyt, notary in Brussels, and Max Bleeckx, notary in Sint-Gillis-Brussels, executed as at 5 February 1999 and published in the Appendices to the Belgian Official Gazette of 24 February 1999 under number BBS 990224-79, the company's legal form was converted from a limited liability company to a limited partnership with share capital and its name was changed to "PeriFund".

By deed executed before Eric De Bie, notary in Antwerp-Ekeren, with the intervention of Carl Ockerman, notary in Brussels, executed as at 29 June 2001 and published in the Appendices to the Belgian Official Gazette of 24 July 2001 under number BBS 20010724- 935, the company's

¹ This act forms the transposition of the European Directive to Belgian law with regard to alternative investment funds managers with the result that this Directive is known as the "AIFMD Directive" and this law as the "AIFMD Act".

regarding property investment funds and the Act of 3 August 2012 regarding certain forms of collective management of investment portfolios, but since 27 October 2014 the applicable legislation consists of the RREC Act and the RREC Royal Decree.

The articles of association were modified most recently by decision of 22 December 2017, drawn up in a deed executed by notary Eric De Bie and deposited at the Registry of the Commercial Court in Antwerp for announcement in the Appendices of the Belgian Official Gazette under number 2018-01-18/0012998, whereby the board of directors increased the capital by contribution in kind within the context of the authorised capital.

The company is registered at the Financial Services and Markets Authority (FSMA).

The company draws publicly on the savings system in the sense of article 438 of the Belgian Companies Code.

Duration

The company is founded for an indefinite period.

Financial year

The financial year commences on 1 January and ends on 31 December of each year.

Inspection of documents

- The articles of association of Intervest are available for inspection at the Office of the Clerk of the Commercial Court in Antwerp, and at the company's registered office.
- The annual accounts are filed with the balance sheet centre of the National Bank of Belgium.
- The annual accounts and associated reports are sent annually to holders of registered shares and to any other person who requests them.
- The decisions regarding the appointment and dismissal of the members of the company's bodies are published in the Appendices to the Belgian Official Gazette.
- Financial announcements and notices convening the general meetings are published in the financial press.
- Relevant public company documents are available on the website www.intervest.be.

The other publicly accessible documents that are mentioned in the prospectus are available for inspection at the company's registered office.

Purpose of the company

Article 4 of the articles of association

4.1. The company has the exclusive objective of:

- a. either directly, or by means of a company in which it possesses a stake pursuant to the provisions of the RREC Act and the decisions and regulations made for the execution of same, to make real estate available to users; and,
 - b. within the bounds of the applicable legislation on regulated real estate companies, to possess real estate properties as mentioned in article 2, 5°, vi to x of the RREC Act.
- c. Real estate in the sense of article 2, 5° of the RREC Act includes:
- I. *real estate as defined in articles 517 and following of the Civil Code, and rights in rem on real estate, with the exclusion of real estate of an architectural, agricultural or mining nature;*
 - II. *voting shares issued by real estate companies managed exclusively or jointly by the company;*
 - III. *option rights to property;*
 - IV. *shares of public or institutional regulated real estate companies, provided that the latter are jointly or exclusively managed by the company;*
 - V. *rights arising from contracts under which one or more properties have been placed under a rental arrangement with the company, or any other similar rights of usufruct have been granted;*
 - VI. *shares of public property investment funds;*
 - VII. *units in foreign undertakings for collective investment in real estate registered on the list referred to in article 260 of the Act of 19 April 2014 on alternative undertakings for collective investment and their managers;*
 - VIII. *units in undertakings for collective investment in real estate located in another Member State of the European Economic Area and which are not registered on the list referred to in article 260 of the Act of 19 April 2014 on alternative undertakings for collective investment and their managers, insofar as they are subject to a similar supervision as public real estate investment funds;*
 - IX. *shares issued by companies (i) with the status of a legal entity; (ii) resorting under the jurisdiction of another Member State of the European Economic Area; (iii) of which the shares have been admitted for trading on a regulated market and/or that are subject to a prudential control regime; (iv) of which the main activity consists of the acquisition or establishment of real estate with a view to making the same available to users, or the direct or indirect possession of holdings in companies with similar activities; and (v) which are exempt from tax on profit income arising from the activity intended by the stipulation under (iv) above, provided certain legal obligations are complied with, and which are*

- X. *at least mandatory for the distribution of a portion of their income among their shareholders (hereinafter "Real Estate Investment Trusts" (or "REITs"); property certificates as defined in article 5, §4 of the Act of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on a regulated market.*

In the context of making available real estate, the company may execute all activities related to the establishment, rebuilding, renovation, development, acquisition, disposal, management and exploitation of real estate.

The company develops a strategy enabling it to position itself in all stages of the value chain of the real estate sector. To this end, the company acquires and disposes of real estate and rights in rem with regard to real estate with the objective of making the same available to its users, however the company may also manage its development, (the renovation, development, expansion, establishment, etc.), and the daily management of real estate in its possession. It may be a building manager for real estate of which it is co-owner or "property manager" of a building complex of which it is one of the owners. In this context it may execute all other activities that provide added value to its real estate or to its users (facility management, the organisation of events, caretaker services, renovation activities adapted to the specific needs of the tenant, etc.). The company may also offer customised real estate solutions whereby the real estate is adapted to the specific needs of its users.

For that purpose:

- a. the company exercises its activities independently, without delegating such activities to a third party other than an affiliated company in any way whatsoever, pursuant to articles 19 and 34 of the RREC Act, by which means the asset management cannot be delegated;
- b. it maintains direct relationships with its clients and suppliers;
- c. has, with a view to the execution of its activities in the manner stipulated by this article, operational teams at its disposal, which form a significant proportion of its workforce.

4.2. The company may incidentally or temporarily invest in securities that are not real estate in the sense of the applicable legislation on regulated real estate companies. These investments will be executed in accordance with the risk management policy adopted by the company and will be diversified, thus guaranteeing an appropriate risk diversification. The company may also own unallocated liquid assets in any currency in the form of demand deposit accounts or term deposit accounts, or in the form of any other easily negotiable monetary instrument.

The company may also conclude transactions in connection with hedging instruments, insofar as these are exclusively intended to cover interest and exchange rate risks in the context of the financing and management of the company's real estate and to the exclusion of any transactions of a speculative nature.

4.3. The company may lease or rent one or more real estate properties (as referred to in the IFRS standards). The activity of leasing real estate with a purchase option (referred to in the IFRS standards) may only be carried out as an incidental activity, unless such real estate is intended for a purpose that serves the general interest, including social housing and education (in this case the activity may be executed as the main activity).

4.4. Pursuant to intermediate legislation on the regulated real estate companies, the company may be involved in:

- purchasing, renovation, furnishing, rental, subletting, managing, exchanging, selling, subdividing the property or placing it under the system of joint ownership as described above;
- granting mortgages or other securities or guarantees only in the context of the financing of its real estate activities, pursuant to article 43 of the RREC Act;
- granting credits and providing securities or guarantees in favour of a perimeter company of the company pursuant to article 42 of the RREC Act.

4.5. The company may acquire, rent or rent out, carry over or exchange all movable or immovable property, materials and accessories and generally, pursuant to the applicable legislation on regulated real estate companies, perform all commercial or financial actions that are directly or indirectly related to its objective and the exploitation of all intellectual rights and commercial properties related to it.

Insofar as it is compatible with the articles of association of regulated real estate companies, the company may, through contributions in cash or in kind, mergers, subscriptions, participations, financial interventions or other means, participate in all existing companies or enterprises, or those yet to be formed, in Belgium or abroad, the corporate objective of which is identical to its own or the nature of which is such that it promotes its objective.

2. Extract from the articles of association¹

Capital - Shares

Article 7 — Authorised capital

The board of directors is expressly authorised to increase the nominal capital on one or more occasions by an amount of (i) € 152.947.620,35), (a) if the capital increase to be realised concerns a capital increase by cash contribution where the company shareholders have the possibility of exercising their preferential right, and (b) if the capital increase to be realised concerns a capital increase by cash contribution where the company shareholders have the possibility of exercising their priority allocation (as referred to in the RREC Act); and (ii) € 30.589.524,07 for any form of capital increase other than those intended and approved in point (i) above; for a period of five years to be calculated from the publication of the relevant enabling provisions of the General Meeting in the Appendices to the Belgian Official Gazette. This authorisation may be renewed.

The board of directors is authorised to increase the capital through contributions in cash or in kind or, if necessary, through incorporation of reserves or issue premiums, or by issuing convertible bonds or warrants, subject to compliance with the rules prescribed in the Belgian Companies Code, these articles of association and by the applicable legislation on regulated real estate companies. This authorisation is only related to the amount of authorised share capital and not to the issue premium.

For every capital increase, the board of directors shall propose the price, any issue premium and the issue conditions for the new shares, unless the general meeting should decide otherwise.

Article 8 — Nature of the shares

The shares are registered or in the form of dematerialised securities. A record of the registered shares, which each shareholder is entitled to inspect, is maintained at the company's registered office. Registration certificates shall be issued to the shareholders.

Any transfer inter vivos or pursuant to death, and any exchange of securities, shall be indicated in the above-mentioned register.

Shareholders may request the conversion of registered shares into dematerialised shares and vice versa, in writing, at any time and at their own cost.

Article 11 — Transparency regulations

In accordance with the applicable legal prescriptions, every natural or legal person that purchases or sells shares or other financial instruments of a company with a right to vote, be it representing capital or not, is obliged to notify the company as well as the Financial Services and Markets Authority (FSMA) of the number of financial instruments that he, she or it possesses whenever the right to vote connected to these shares reaches five per cent (5%) or a multiple of five percent of the total number of voting rights at that moment or at the moment when circumstances occur that give reason for such notification to become obligatory.

Besides the legal threshold mentioned in the previous paragraph, the company also stipulates a statutory threshold of three per cent (3%).

This declaration is also compulsory in the event of the transfer of shares, if as a result of this transfer the number of voting rights rises above or falls below the thresholds specified in the first or second paragraph.

¹ These articles are not complete, nor are they a literal rendering of the articles of association. The full articles of association may be consulted at the registered office of the company and on the website www.intervest.be.

Administration and supervision

Article 12 — Nomination - dismissal - vacancy

The company is managed by a board of directors consisting of at least three directors, who may or may not be shareholders. They will be appointed for a maximum of six years by the general meeting of shareholders, and their appointment may be revoked at any time by the latter. In the event that one or more directors' positions become vacant, the remaining directors have the right to fill the vacancy on a provisional basis until the next general meeting, when a definitive appointment will be made.

In application of what is determined by article 13 of the RREC Act, the board of directors is composed in such way that the company can be managed pursuant to article 4 of the RREC Act.

At least three independent directors within the meaning of article 526ter of the Belgian Companies Code must sit on the board of directors.

The senior management of the public regulated real estate company must be consigned to at least two persons.

All directors and their representatives must satisfy the requirements in terms of professional reliability, experience and correct expertise, as specified by article 14 §1 of the RREC Act. They may not fall under the application of the prohibitions referred to in article 20 of the Act of 25 April 2014 related to the statute for and supervision of credit institutions.

The members of the board of directors and the persons in charge of the senior management must satisfy the requirements of articles 14 and 15 of the RREC Act.

Notwithstanding the transitional stipulations as provided for by article 38, the members of the board of directors and the persons with a senior management mandate are exclusively natural persons.

Article 15 — Delegation of authority

In application of article 524bis of the Belgian Companies Code, the board of directors can put together a management committee, whose members are selected from inside or outside the board. The powers to be transferred to the management committee are all managerial powers with the exception of those managerial powers that might relate to the company's general policy, actions reserved to the board of directors on the basis of statutory provisions or actions and transactions that could give rise to the application of article 524 of the Belgian Companies Code. If a management committee is appointed, the board of directors is charged with the supervision of this

committee.

The board of directors determines the conditions for the appointment of the members of the management committee, their dismissal, their remuneration, any severance pay, the term of their assignment and working methods.

If a management committee is appointed, it can only delegate day-to-day management of the company.

If no management committee is appointed, the board of directors can only delegate day-to-day management as provided for by article 13, fourth paragraph of the current articles of association.

The board of directors, the management committee and the managing directors charged with the day-to-day management may also, within the context of this day-to-day management, assign specific powers to one or more persons of their choice, within their respective areas of competence.

The board can determine the remuneration of each mandate-holder to whom special powers are assigned, all in accordance with the applicable legislation on regulated real estate companies.

Notwithstanding the transitional stipulations as provided by article 38, the members of the management committee are exclusively natural persons and must comply with articles 14 and 15 of the RREC Act.

Article 17 — Conflicts of interest

The directors, the persons charged with day-to-day management and the authorised agents of the company will respect the rules relating to conflicts of interests, as provided for by articles 36, 37 and 38 of the RREC Act and by the Belgian Companies Code as they may be amended.

Article 18 — Audit

The task of auditing the company's transactions will be assigned to one or more statutory auditors, appointed by the general meeting from the members of the Belgian Institute of Company Auditors for a renewable period of three years. The statutory auditor's remuneration will be determined at the time of his/her appointment by the general meeting.

The statutory auditor(s) also audits (audit) and certifies (certify) the accounting information contained in the company's annual accounts.

The statutory auditor's task may only be consigned to one or more recognised statutory auditors' companies, recognised by the FSMA. Prior approval is required from the FSMA for the appointment of auditors to the company. This approval is also required for the renewal of an assignment.

General meeting

Article 19 — General, special and extraordinary general meeting

The ordinary general meeting of shareholders, known as the annual meeting, must be convened every year on the last Wednesday of April at 4:30 p.m.

If this day is a public holiday, the meeting will be held on the next working day.

An extraordinary general meeting can be convened at any time to deliberate and decide on any matter that falls within its competence and that does not relate to amendments to the articles of association. An extraordinary general meeting can be convened before a notary at any time to deliberate and decide on amendments to the articles of association.

The general meetings are held at the company's registered office or at another location in Belgium, as announced in the notice convening the meeting.

Article 22 — Participation in the general meeting

The right to participate in the general meeting and to exercise voting rights there depends on the accounting registration of the registered shares of the shareholder on the 14th day prior to the date of the general meeting at 12 midnight (referred to hereafter as the "registration date"), either by means of their registration in the company's shareholder register or by their registration in the accounts of a certified account holder or settlement institution, irrespective of the number of shares held by the shareholder on the date of the general meeting.

The owners of dematerialised shares who wish to participate in the meeting must submit a certificate, issued by their financial intermediary or certified account holder, indicating how many dematerialised shares were registered in the name of the shareholder in their accounts on the registration date and for which the shareholder has declared he, she or it would like to participate in the general meeting. This certificate must be filed no later than six days prior to the date of the general meeting at the company's registered office or with the institutions referred to in the invitation.

The owners of registered shares who wish to participate in the meeting must inform the company of their intention to do so by regular post, fax or e-mail no later than six days prior to the date of the meeting.

Article 26 — Voting rights

Each share gives the holder the right to one vote.

If one or more shares are jointly owned by different persons or by a legal entity with a representative body consisting of several members, the associated rights may only be exercised vis-à-vis the company by a single person who has been appointed in writing to do so by all the persons holding rights. Until such a person has been appointed, all of the rights associated with those shares remain suspended.

If a share is encumbered with a usufruct, the voting rights associated with the share are exercised by the usufructuary, subject to an objection from the bare owner.

Social documents — result allocation

Article 30 — Appropriation of profit

Pursuant to article 45, 2° of the RREC Act the company distributes annually as capital at least 80% of the result as determined by the RREC Act and the decisions taken and regulations observed regarding its implementation. This obligation is not detrimental to article 617 of the Belgian Companies Code.

3. Statutory auditor

As at 27 April 2016, Deloitte Bedrijfsrevisoren, bv under the form of a CVBA, member of the Institute of Registered Auditors which is represented by Rik Neckebroeck, IBR membership AO1529, having an office in 1930 Zaventem, Luchthaven Nationaal 1 J, was reappointed as statutory auditor of Intervest for financial years 2016, 2017 and 2018. The mandate of the statutory auditor will end immediately after the annual meeting to be held in 2019.

The remuneration paid to the statutory auditor is determined based on market rates and independent of Intervest, in accordance with the ethical requirements and the standards of the Belgian Institute of Registered Auditors and in accordance with the applicable stipulations relating to the independence of the statutory auditor contained in the Belgian Companies Code.

The remuneration of the statutory auditor amounts to € 66.000 (excl. VAT) as from the financial year commencing as at 1 January 2017 for the survey of the statutory and consolidated annual accounts.

4. Liquidity provider

In 2003, a liquidity contract was concluded with ING Bank, Avenue Marnix/Marnixlaan 24, 1000 Brussels, to promote the liquidity of the shares. In practice this happens by regularly submitting purchase and sale orders within certain margins.

The remuneration has been set at a fixed amount of € 15.000 a year.

5. Property experts

As at 31 December 2017, the property experts of the real estate company are:

- Cushman & Wakefield, 1000 Brussels, Avenue des Arts/Kunstlaan 56. The company is represented by Fouad Ben Tato and Kris Peetermans. They evaluate the office portfolio. The remuneration for financial year 2017 amounted to € 71.258 (excluding VAT).
- CBRE Valuation Services BVBA, Avenue Lloyd George/Lloyd Georgelaan 7, 1000 Brussels, represented by Pieter Paepen and Kevin Van de Velde. They evaluate the logistics properties. The remuneration for financial year 2017 amounted to € 40.250 (excluding VAT).
- CBRE Valuation Advisory, Symphony Offices - Gustav Mahlerlaan 405, 1082 MK Amsterdam, represented by H.W.B. Knol and W.F.A. Rodermond. They evaluate the properties in the Netherlands. The remuneration for financial year 2017 amounted to € 6.000 (excluding VAT).

The Company's property experts confirmed as at 21 December 2017 that, in view of the general economic situation and the condition of this property, no new valuation was required within the scope of the issue of the New Shares and the permission to trade the New Shares on a regulated market.

In accordance with the RREC Act, they value the portfolio four times a year. The fee of the property experts is independent of the value of the property and calculated on the basis of an annual fixed amount per building.

6. Property managers

Intervest performs its activities itself and does not delegate the execution of its activities to third parties, apart from the facility management at Mechelen Campus that is managed by the external manager Quares Property and Facility Management nv. This facility management is supervised by the coo of Intervest and as from March 2017, by the technical department, which has built in the necessary controls.

7. RREC — legal framework

The status of regulated real estate company (RREC) is stipulated in the Act of 12 May 2014 regarding 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) in order to encourage public investments in real estate. The concept is very similar to that of the Real Estate Investment Trusts (REIT-USA), the Fiscale Beleggingsinstellingen (FBI-Netherlands), the Sociétés d'Investissement Immobilier Côtées (SIIC - France) and the REITs in the United Kingdom and Germany.

As a public real estate company with a separate REIT status, the RREC is subject to strict legislation with a view to the protection of its shareholders and financiers. The status provides both financiers and private investors with the opportunity of gaining access in a balanced, cost-effective and fiscally transparent manner to a diversified property portfolio.

It is the legislator's intention that RRECs guarantee optimum transparency with regard to investment properties and ensure the pay-out of maximum cash flow, while the investor enjoys a wide range of benefits.

The RREC is monitored by the Financial Services and Markets Authority (FSMA) and is subject to specific regulations, the most notable provisions of which are as follows:

- adopt the form of a limited liability company or a limited partnership with a share capital with a minimum capital of € 1.200.000
- a company with fixed capital and a fixed number of shares
- mandatorily listed with an obligatory distribution of at least 30% of the shares to the public
- the public RREC's sole objective is (a) either directly, or by means of a company in which it possesses a stake pursuant to the provisions of the RREC Act and the decrees and regulations made for the execution of the same, to make real estate available to users; and (b) where appropriate and within the bounds of Article 7 (b) of the RREC Act, to possess real estate as mentioned in article 2, 5°, vi to x of the RREC Act; the RREC thus has no statutorily anchored investment policy, but develops a strategy in which its activities may extend across the entire value chain of the real estate sector
- limited options for taking out mortgages
- a debt ratio limited to 65% of the total assets; if the debt ratio exceeds 50%, a financial plan has to be drawn up pursuant to the provisions of article 24 of

the RREC Royal Decree. In case of a dispensation authorised by the FSMA based on article 30, §3 and §4 of the RREC Act, the consolidated debt ratio of the public RREC pursuant to the provisions of article 30 §4 of the RREC Act may not exceed 33%.

- the annual financial interest costs arising from the debt burden may in no case exceed the threshold of 80% of the operating result before the result on the portfolio increased by the financial income of the company
- strict rules relating to conflicts of interest
- the portfolio must be recorded at market value without the possibility of depreciation
- a quarterly estimate of the real estate assets by independent experts, who are subjected to a three-year rotation system
- risk spread: investing up to 20% of the assets in real estate that forms one single property entity, with certain exceptions
- a RREC may not engage in "development activities" unless this is only on an occasional basis; this means that an RREC cannot act as a property developer with the intention of erecting buildings in order to sell them afterwards and collect a development profit
- the opportunity to establish perimeter companies which can take the form of an "institutional RREC", in which the public RREC directly or indirectly holds over 25% of the authorised capital in order to be able to implement specific projects with a third party, and the financial instruments of which may only be held by the following persons: (i) qualifying investors or (ii) natural persons, on condition that the minimum amount of the subscription or of the price or performance in exchange on the part of the purchaser is determined by the King by means of a decision made at the recommendation by the FSMA, and to the extent that the subscription or the transfer is done in accordance with the above-mentioned rules, who act for their own account in both cases, and the shares of which may only be acquired by such investors;
- at least three independent directors in the sense of article 526ter of the Belgian Companies Code sit on the board of directors
- the fixed fees of directors and the actual managers may not depend on the operations and transactions carried out by the public RREC or its subsidiaries: this therefore prohibits them being granted a fee based on the turnover. This rule also applies to the variable fee. If the variable remuneration is determined according to the result, only the consolidated EPRA earnings may be used as a basis for this.

These rules aim to limit the risk for shareholders.

8. RREC — tax system

With the RREC Act the legislator has given RRECs a favourable tax status.

A RREC is subject to the normal corporate tax rate, however this only applies to a limited taxable basis, consisting of the sum of (1) the abnormal or benevolent benefits it has received (2) expenses and costs that are not deductible as professional expenses, other than depreciations and losses on shares. The results (rental income and gain from sale minus the operating expenses and financial charges) are thus exempt from corporate tax on condition that at least 80% of the operating distributable profit is paid out in accordance with article 13 §1 of the RREC Royal Decree and Chapter III of Annex C of the RREC Royal Decree. It can also be subjected to the special secret commissions tax on commissions and remunerations paid that are not properly documented in individual pay sheets and a summary statement.

The withholding tax on the dividends that are paid out by a public RREC equals 30% as from 1 January 2017, to be withheld when paying the dividend (subject to certain exemptions).

This is a discharging withholding tax for private individuals who are residents of Belgium.

If a company converts to the status of RREC, or if a (normal) company merges with an RREC or splits part of its immovable assets with a transfer to an RREC, it must pay a one-time tax (the so-called exit tax) of 16,995% (16,5% plus a crisis contribution of 3%). After that, the RREC is only subject to taxes on very specific elements, such as rejected expenses and abnormal benefits.

As from assessment year 2019, the exit tax is being set at 12,5% but will be increased again to 15% as from assessment year 2021. Pursuant to the additional crisis contribution, this rate will amount to 12,75% as from assessment year 2019.

This exit tax is the fiscal price that such companies must pay in order to leave the normal tax system. In terms of the tax system, this transfer is treated as a (partial)

division of the company's assets by the company to the RREC. When dividing the company's assets, a company must treat the difference between the payments in cash, in securities or in any other form and the revalorised value of the paid-up capital (in other words the gain that is present in the company) as a dividend.

The Income Tax Code states that the sum paid out equals the actual value of the company's assets on the date when this transaction has taken place (art. 210, §2 Income Tax Code 1992). The difference between the actual value of the company's assets and the revalorised value of the paid-up capital is equated with a dividend paid out. The reserves that have already been taxed may be subtracted from this difference. As a rule, the remainder forms the taxable basis that is subject to the 16,995% rate.

The exit tax is calculated with due observance of the Circular Letter Ci.RH.423/567.729 of the Belgian tax administration of 23 December 2004, of which the interpretation of the practical application could always change. The "actual tax value", as the circular letter refers to it, is calculated by deducting registration fees or VAT (which would apply in case of sale of the assets) and can differ from the fair value of the property as listed on the public RREC balance sheet (in accordance with IAS 40).

It is true that the tax authority still considers (see point 3 of the circular letter of 23 December 2004) that the actual value of the company's assets on the date that it is recognised as a RREC cannot be less than an amount corresponding to the value of the company's assets as would be determined in comparison with the value of the issued shares, or the price of the shares acquired or offered to the public, less the registration fees and VAT that are included in the property valuation reports. It is the intention to include the so-called securitisation premium in the taxable base of the exit tax. The securitisation premium is the premium that investors in an RREC are prepared to pay on top of the net assets reflected by the expected added value resulting from the recognition of the RREC by the FSMA. As described in Note 24 of the Financial report, Intervest disputes this interpretation.

9. Tax system in the Netherlands

Intervest incorporated a Dutch cooperatively based association named Intervest Nederland Coöperatief U.A. as at 28 April 2017 to realise real estate investments in the Netherlands. Intervest structured its Dutch investment properties in Dutch private limited companies. Together with Intervest Nederland Coöperatief U.A., these entities form a tax unit for the levying of corporate tax and turnover tax purposes.

The above-mentioned cooperatively based Dutch association named Intervest Nederland Coöperatief U.A., as well as the Dutch private limited companies, are subject to corporate tax (20%/25%) as domestic taxpayers. Profit payments by the Dutch private limited companies to the Dutch cooperatively based association are not taxed because they fall under contribution exemption.

10. Information related to the annual financial reports of 2015 and 2016

- Consolidated annual accounts 2015: p. 169 to p. 220 of the 2015 annual financial report
- Management report covering 2015: p. 41 to p. 167 of the 2015 annual financial report
- Auditor's report covering 2015: p. 221 to p. 223 of the 2015 annual financial report
- Key figures 2015: p. 25 to p. 33
- Consolidated annual accounts 2016: p. 198 to p. 249 of the 2016 annual financial report
- Management report covering 2016: p. 40 to p. 195 of the 2016 annual financial report
- Auditor's report covering 2016: p. 250 to p. 251 of the 2016 annual financial report
- Key figures 2016: p. 22 to p. 31

PERSONS RESPONSIBLE FOR THE CONTENT OF THE ANNUAL REPORT

Pursuant to article 13 §2 of the Royal Decree of 14 November 2007, the board of directors, composed of Jean-Pierre Blumberg (chairman), Marleen Willekens, Chris Peeters, Jacqueline de Rijk-Heeren, Johan Buijs and Gunther Gielen, declares that after taking all reasonable measures and according to its knowledge:

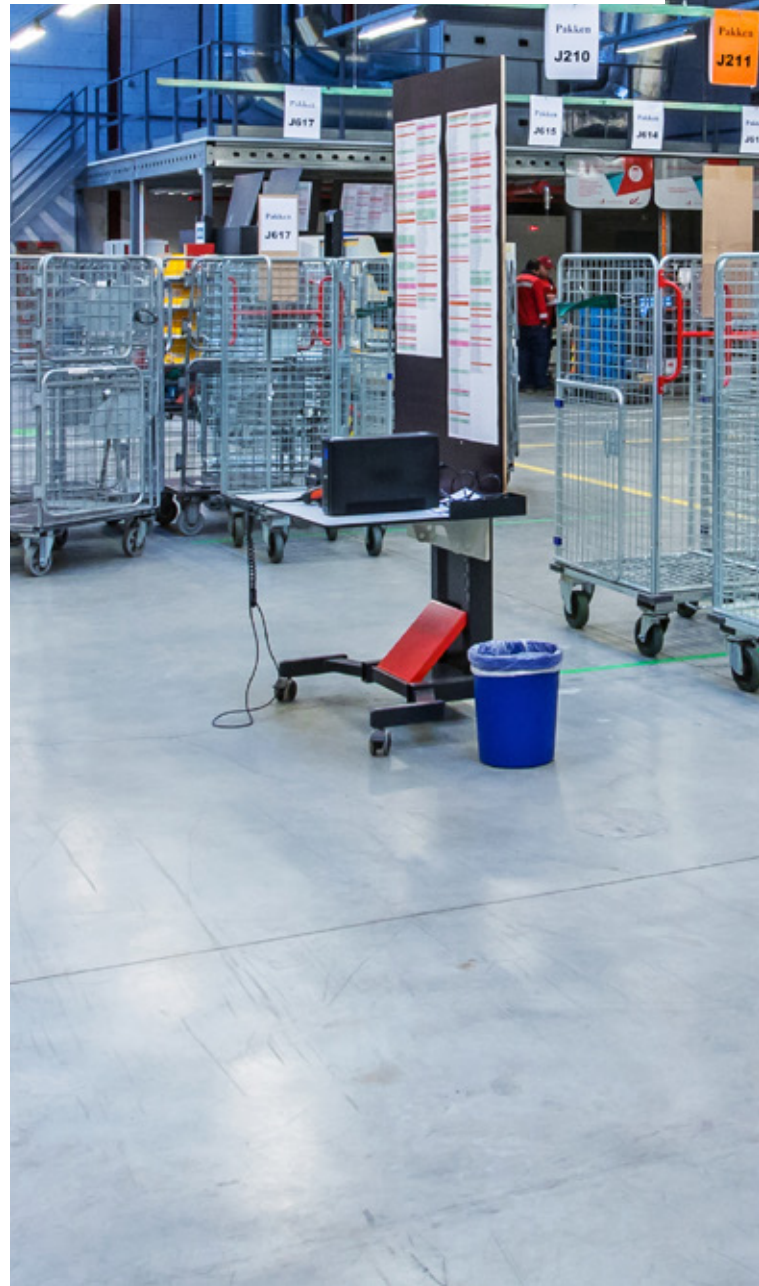
- a. the annual accounts, prepared in accordance with the "International Financial Reporting Standards" (IFRS) as accepted by the European Union and in accordance with the Act of 12 May 2014 on regulated real estate companies, give a true and fair view of the equity, the financial position and the results of Intervest Offices & Warehouses nv and the companies included in the consolidation
- b. the annual report gives a true statement of the main events which occurred during the current financial year, their influence on the annual figures, the main risk factors and uncertainties regarding the remaining months of the financial year with which Intervest Offices & Warehouses nv is confronted, as well as the main transactions between related parties and their possible effect on the annual figures if these transactions should entail significant meaning and were not concluded at normal market conditions
- c. the information in the annual report coincides with the reality and no information has been omitted whereby the statement could modify the purpose of the annual report.



PROFESSIONAL & TRANSPARENT COMMUNICATION

“Everything is done particularly professionally and proactively. We are very satisfied with the cooperation and the result in Aarschot.”

Christophe Arnould - Head of Real Estate





Terminology and 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 on the use and explanation of the alternative performance measures. The concepts which Intervest considers to be alternative performance measures are included in this chapter of the Annual Report 2017, called "Terminology and alternative performance measures". The alternative measures are indicated with a 🟢 and include a definition, objective and reconciliation as required by the ESMA guidelines.

Acquisition value of an investment property

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

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, 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.)).

Application - 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 €		31.12.2017	31.12.2016
Net interest charges	A	7.616	9.329
Weighted average debt for the period	B	292.129	293.098
Average interest rate of the financing (based on 360/365) (%)	=A/B	2,6%	3,1%

Contractual rents

These are the gross indexed annual rents, laid down contractually in the rental agreements on the date on which the latter are concluded 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 paragraph of the Royal Decree of 13 July 2014. In this Royal Decree, the maximum debt ratio for the 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.

EPRA and EPRA terminology

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.

In December 2014 the EPRA's Reporting and Accounting Committee published an update of the report entitled "Best Practices Recommendations ("BPR")¹. This BPR contains the recommendations for defining the main financial performance indicators applicable to the real estate portfolio. A number of these indicators are regarded as alternative performance criteria in accordance with the ESMA guidelines. The numerical reconciliation of these alternative performance criteria can be found in a completely different chapter in this annual report, i.e. chapter 6 of the Report of the management committee.

EPRA earnings 	Result derived from the strategic operational activities.
EPRA Net Asset Value 	Net Asset Value (NAV) adjusted to account for the fair value of investment properties and to the exclusion of certain elements that do not fit within the financial model for investment properties in the long term. In practice: total shareholders' equity attributable to the shareholders of the parent company, adjusted for the fair value of financial instruments and deferred taxes, divided by the number of shares at the end of the year.
EPRA NNNAV 	EPRA NAV adjusted to account for the fair value of the financial instruments, the debts and the deferred taxes.
EPRA Net Initial Yield (NIY)	Annualised gross rental income based on the contractual rents passing as at the closing date of the annual accounts, less the investment properties, divided by the market value of the portfolio, increased by the estimated transfer duties and costs in the event of hypothetical disposal of investment properties.
EPRA topped-up NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).
EPRA vacancy rate	Estimated market rental value (ERV) of vacant space divided by ERV of the whole portfolio available upon rental.
EPRA Cost ratio (including direct vacancy costs) 	EPRA costs (including direct vacancy costs) divided by gross rental income less compensations for leasehold estate and long-lease rights.
EPRA Cost ratio (excluding direct vacancy costs) 	EPRA costs (excluding direct vacancy costs) divided by gross rental income less compensations for leasehold estate and long-lease rights.
EPRA net rental growth based on an unchanged portfolio composition 	Is also referred to as EPRA Like-for-like Net Rental Growth. EPRA net rental growth based on an unchanged portfolio composition compares the growth of the net rental growth of the investment properties not being developed for two full years preceding the financial year closing date and that were available for rent for the entire period. The like-for-like based changes to the gross rental income provide an insight into the changes to the gross rental income that are not the result of changes to the real estate portfolio (investments, divestments, major renovation works, etc.).

¹ This report can be consulted on www.epra.com

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 treated as hedge accounting in accordance with IAS 39) and other non-distributable elements based on the statutory annual account of Intervest nv.

Application - The EPRA earnings measure the result of the strategic operational activities, excluding (i) the changes in fair value of financial assets and liabilities (ineffective hedges), and (ii) the portfolio result (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.

Reconciliation in thousands €	31.12.2017	31.12.2016
Net result	21.186	20.582
Eliminated from the net result (+/-):		
• 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
• Changes in fair value of financial assets and liabilities (ineffective hedges)	-1.119	-1.547
• Other non-distributable elements based on the statutory annual account of Intervest nv.	0	0
EPRA earnings	27.430	29.044

EPRA earnings per share based on the number of shares entitled to dividend[Ⓢ]

Definition - The EPRA earnings per share are the EPRA earnings divided by the number of shares entitled to dividend at year-end.

Application - The EPRA earnings per share measure the EPRA earnings per share entitled to dividend and makes it possible to compare these with the gross dividend per share.

Reconciliation		31.12.2017	31.12.2016
EPRA earnings (in thousands €)	A	27.430	29.044
Number of dividend entitled shares	B	17.740.407	16.784.521
EPRA earnings per share (in €)	=A/B	1,55	1,73

EPRA earnings per share based on the weighted average number of shares[Ⓢ]

Definition - The EPRA earnings per share are the EPRA earnings divided by the weighted average number of shares at year-end.

Application - The EPRA earnings per share measure the EPRA earnings per weighted average number of shares and makes it possible to compare these with the gross dividend per share.

Reconciliation		31.12.2017	31.12.2016
EPRA earnings (in thousands €)	A	27.430	29.044
Weighted average number of shares	B	17.409.850	16.567.048
EPRA earnings per share (in €)	=A/B	1,58	1,75

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 invest 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 located in the Netherlands and kept through the Dutch perimeter companies, this means that the fair value of the invest properties is equal to the investment value divided by 1,07.

Free float

Free float is the number of shares circulating freely on the stock exchange and therefore not publicly owned. 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.

Intervest

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

Interest coverage ratio

The interest coverage 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).

Investment value of a real estate property

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

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 was increased from 27% to 30% (except in case of certain exemptions) as from 1 January 2017 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 result per share⁹

Definition - The net result per 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.

Reconciliation		31.12.2017	31.12.2016
Net result (in thousands €)	A	21.186	20.582
Weighted average number of shares	B	17.409.850	16.784.521
Net result per share (in €)	=A/B	1,22	1,23

Net value (investment value) per share⁹

Definition - Total shareholders' equity attributable to the equity holder of the parent company (therefore, after deduction of the minority interests) increased with the reserve for the impact on the fair value of estimated transfer duties and costs resulting from the hypothetical disposal of investment properties, divided by the number of shares at the end of the year (possibly after deduction of own shares).

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

Reconciliation		31.12.2017	31.12.2016
Shareholders' equity attributable to the shareholders of the parent company (in thousands €)	A	359.366	326.085
Reserve for the impact on fair value of estimated transfer duties and costs resulting from the hypothetical disposal of investment properties (in thousands €)	B	15.274	15.862
Shareholders' equity attributable to the shareholders of the parent company - investment value (in thousands €)	C=A+B	374.640	341.947
Number of shares at year-end	D	18.405.624	16.784.521
Net value (investment value) per share (in €)	=C/D	20,35	20,37

Net value (fair value) per share

Total shareholders' equity attributable to the equity holder 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 (fair 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

The net yield is calculated as the ratio of the contractual rent, increased by estimated rental value on vacancy, less the allocated property charges, and the fair value of investment properties.

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.

Operating margin^o

Definition - The operating margin is the operating profit before result on portfolio, divided by the rental income.

Application - 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 €		31.12.2017	31.12.2016
Operating profit before result on portfolio	A	35.077	38.226
Rental income	B	43.349	45.280
Operating margin (%)	=A/B	81%	84%

Portfolio result^o

Definition - The result on portfolio comprises (i) the result on the sale of investment properties, (ii) the changes in the fair value of investment properties, and (iii) the other result on portfolio.

Application - 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 the current financial year.

Reconciliation in thousands €		31.12.2017	31.12.2016
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
Result on portfolio		-7.363	-10.009

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 (RREC Act) and by the Royal Decree of 13 July 2014 on regulated real estate companies (RREC Royal Decree) in order to stimulate joint investments in real estate properties.

RREC Act

The Act of 12 May 2014 on regulated real estate companies, as amended from time to time.

RREC Royal Decree

The Royal Decree of 13 July 2014 on regulated real estate companies, as amended from time to time.

Share liquidity

The ratio between the numbers of shares traded daily and the number of capital shares.

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.

Yield

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. It concerns a gross yield, without taking into account the allocated costs.

Yield of a share

The yield of a share in a certain period is equal to the gross yield. This gross yield 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).

Notes

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Comments or remarks? Queries?

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This annual report is not a registration document in the sense of art. 28 of the Act of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on a regulated market.

Intervest Offices & Warehouses has drawn up its annual report in Dutch. However, Intervest Offices & Warehouses has also produced a translation of this annual report in French and English. The Dutch, French and English versions of this annual report are all legally binding. Intervest Offices & Warehouses, represented by its board of directors, is responsible for the translation and conformity of the Dutch-language, French-language and English-language versions. However, in the event of a conflict between the versions in different languages, the Dutch-language version shall always take precedence.

The Dutch-language version of this annual report and its French and English translations are available on the company's website (www.intervest.be).

Ce rapport annuel est également disponible en français.

Dit jaarverslag is ook beschikbaar in het Nederlands.



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OFFICES & WAREHOUSES



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