

BEYOND  
REAL  
ESTATE



REQUEST FOR  
PROPOSAL FOR  
AUDIT SERVICES

## Request for Proposal for audit services

Audit mandate for the period 2024 - 2026

Issue date: 29 september 2023



**INTERVEST**  
OFFICES & WAREHOUSES

INTERVEST Offices & Warehouses nv

Openbare Gereguleerde Vastgoedvennootschap naar Belgisch recht

Uitbreidingstraat 66, 2600 Antwerpen

Ondernemingsnummer 0458.623.918

RPR Antwerpen

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[www.intervest.eu](http://www.intervest.eu)

## 1. Scope

The mandate of the auditor of Intervest Offices & Warehouses (hereafter Intervest), Deloitte Bedrijfsrevisoren bv (represented by Kathleen De Brabander) will expire after the next general meeting for financial year 2023 to be held on 24 April 2024.

Intervest has launched a tender for the audit mandate for the financial period 2024 to 2026. The auditor will be appointed, by the general meeting, for the task of audit of the annual statutory and consolidated financial statements for a period of three years.

## 2. Introduction of Intervest Offices & Warehouses

Intervest is a public regulated real estate company (RREC) under Belgian law, listed on Euronext Brussels since 1999.

Intervest is a leading real estate player with a property portfolio of logistics buildings in Belgium (50%) and the Netherlands (25%) and high-quality office buildings in Belgium (25%), that are leased out to first-rate tenants. Driven by changing consumer and business needs Intervest has recently made the strategic choice to focus on the logistics real estate segment in the upcoming future. Intervest's investment strategy is based on a continued focus on the logistics segment and intensified asset rotation, within the framework of the ESG ambitions. Investments are made in up-to-date buildings and sustainable (re)development projects, located in strategic locations with an eye for cluster creation.

The main focus areas for Intervest for 2023 to 2025 on which the strategy of Intervest is built are:

- **Accelerated office sales:**
  - ✓ Office sales target by Q2 2025: 90% of leasable space (excluding offices with potential redevelopment to create a logistics site or located on a logistics site)
  - ✓ Separating Greenhouse operations (co-working and serviced offices) from Intervest operations
- **Strengthening the balance sheet position:**
  - ✓ Reduce the debt ratio, by repaying existing credit lines after selling the offices
  - ✓ Adjustment and evolution in dividend policy of historical high dividend level, in function of the accelerated sales of offices by Q2 2025, taking into account the minimum mandatory dividend payment under the RREC regime: at least 80% of the

adjusted result and net capital gains on the realization of real estate not exempt from the mandatory payment, less debt reduction during the financial year

- **Organic growth due to strong pipeline**
  - ✓ 279,000 m<sup>2</sup> of potential projects in the logistics segment, with a future expected potential value increase of € 230 million, for which as at 30 June 2023, capex of circa € 195 million is still to be spent
  - ✓ Acquisition of additional development potential of around 70,000 m<sup>2</sup> in Liège via partial contribution in early August 2023 with neutral impact on debt ratio and limited impact on EPRA EPS.
- **An optimal platform for a pure logistics real estate player:**
  - ✓ Focus on operating margin with an effective and efficient team for a pure logistics real estate investor. Further professionalization through ongoing digitalization and innovation.
- **Increased ESG & innovation commitment**
  - ✓ Update ESG strategy by early 2024 with the aim of increasing sustainable impact for our logistics customers, in-house team, shareholders and environment
  - ✓ Through innovation, the profitability of our sustainable actions will be increased

The total share capital of Intervest amounts to € 280,891,486.69 and is represented by 30,825,122 fully paid-up ordinary shares with no statement of nominal value.

The following shareholders' structure, based on the transparency notifications received, is known to the company.

Name	Number of shares (declared) on date of notification	Date transparency notification	(%)
Federale Participatie- en Investeringsmaatschappij nv/Société Fédérale de Participations et d'Investissement S.A. (FPIM/SFPI) (including Belfius Groep)	2.439.890	20.08.2019	7,92% <sub>1</sub>
Allianz	1.563.603	04.04.2019	5,07% <sub>1</sub>
Patronale Group NV	1.251.112	12.03.2020	4,06% <sub>1</sub>
Degroef Petercam Asset Management S.A.	773.480	19.03.2019	2,51% <sub>1</sub>
BlackRock - related companies	493.742	30.06.2015	1,60% <sub>1</sub>
Other shareholders under the statutory threshold	24.303.295		78,84%
<b>TOTAL</b>	<b>30.825.122</b>		100%

[1] Percentage of shares based on the transparency notification received through 3 August 2023, relative to the denominator at 3 August 2023. The percentage is calculated assuming that the number of shares has not changed since the most recent transparency notification and taking into account the total number of outstanding shares of Intervest.

### 3. Overview real estate portfolio

Intervest's real estate is strategically situated in good locations: the logistics real estate on the major logistics axes and the offices in both the inner cities and on campuses outside the cities.

In logistics property, Intervest mainly holds sites in its portfolio in multimodal locations of critical size (> 25,000 m<sup>2</sup>). These sites are located on the main logistics axes in Belgium and in the Netherlands. 66% of the logistics portfolio is located in Belgium, on the axes Antwerp - Brussels - Nivelles, Antwerp - Limburg - Liège and Antwerp - Ghent - Bruges. 34% of the logistics portfolio is located in the Netherlands, on the logistics corridors in the south of the country. The office

portfolio is located on the Antwerp - Mechelen - Brussels axis, which remains the most important and liquid office region in Belgium. Intervest aims for optimal risk diversification and strives to limit the relative share of individual buildings and complexes in the total portfolio.

The total real estate portfolio has a total value of € 1,4 billion.

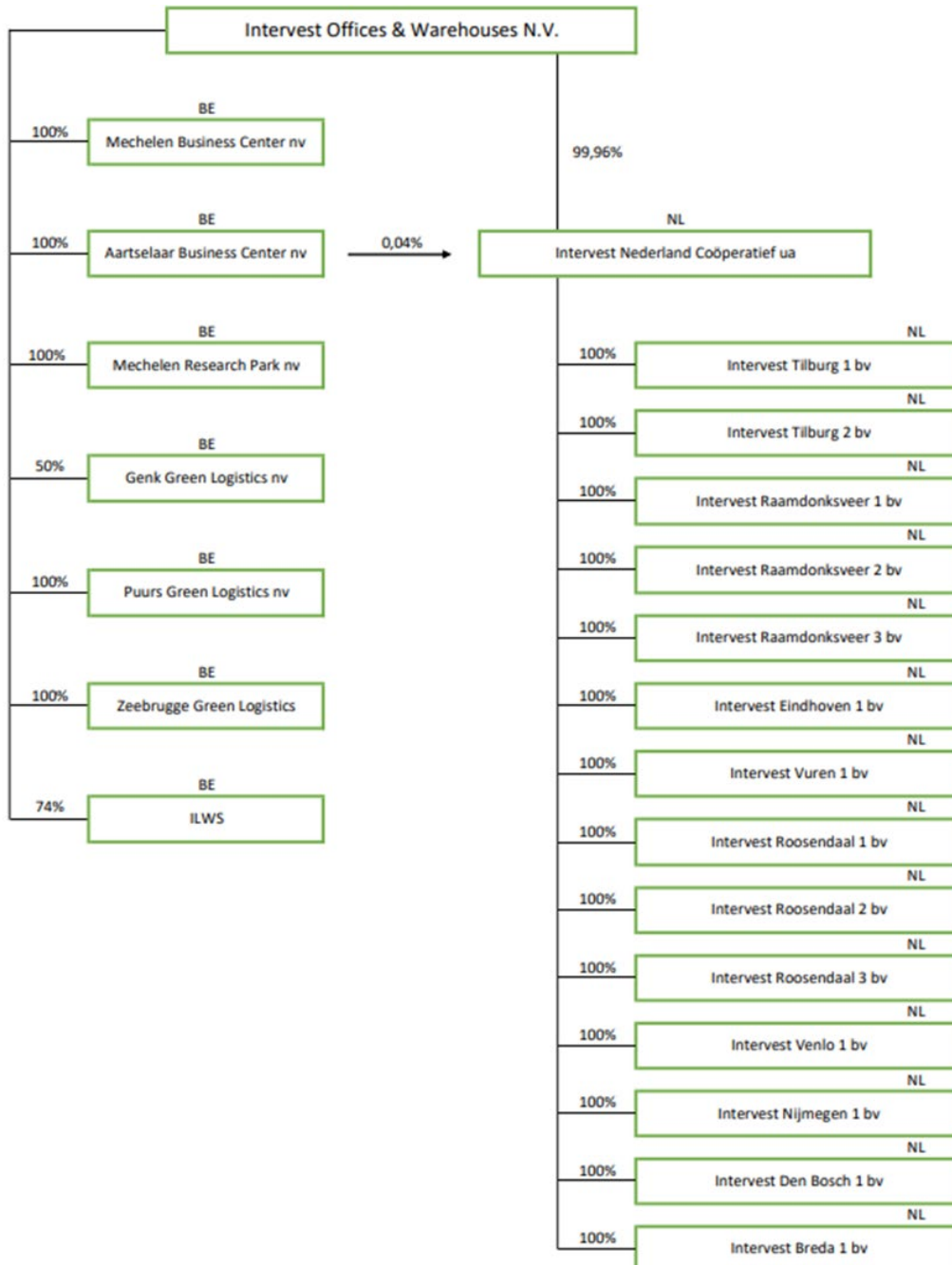
in thousands €	30-6-2023	31-12-2022
<b>Breakdown of investment properties per type</b>		
Real estate available for lease	1,313,051	1,233,799
Project developments	80,921	99,619
<i>Project developments under construction</i>	32,654	72,210
<i>Land reserves</i>	48,267	27,410
<b>TOTAL INVESTMENT PROPERTIES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

The real estate available for lease amounts to € 1,3 billion, contains 78 buildings and has a leasable area of 1,4 million m<sup>2</sup> as at 30 June 2023. Based on the current property market data, Intervest expects a potential fair value of circa € 320 million for the total of its project developments. This means a future expected potential increase in the value of the property portfolio of circa € 230 million over a period up to 2025. On the other hand, there is still capex to be spent amounting to € 195 million. Based on current property market data, the yield on cost for this development potential is circa 5.9%. The potential leasable space of development projects and land reserves as at 30 June 2023 is circa 279,000 m<sup>2</sup>.

We refer to the annual report 2022 or the half yearly report 2023 for more information about the real estate portfolio.

## 4. Overview of the legal entity structure

The Intervest group includes the following companies:



## 5. Overview of the governance structure

In terms of directors and risk management Intervest applies the corporate governance principles as laid down by law. Intervest has developed a corporate governance structure that optimally supports its activities, meets the needs of its stakeholders and ensures that it complies with the relevant laws and regulations. On the basis of the Belgian Companies and Associations Code (CAC), Intervest has opted for a two-tier governance structure consisting of a supervisory board on the one hand and a management board on the other. The supervisory board is accountable to the general meeting. The management board reports to the supervisory board.

Intervest's supervisory board consists of 6 members, 4 of whom are independent members. In accordance with Article 7:87 of the CAC, the independent members all meet the nine independence criteria set out in provision 3.5 of the Belgian Corporate Governance Code 2020. The management board consists of 3 members, each of whom is responsible for a specific area.

The supervisory board is assisted by three committees which are composed of members of the company's supervisory board: the audit and risk committee (3 members of which 2 independent), the appointment and remuneration committee (3 members of which 2 independent) and the investment committee (4 members of which 2 independent).

For further details regarding the composition of the management bodies and the different committees within the supervisory board we refer to the Corporate Governance Chapter of the Annual Report 2022 or our website [www.intervest.be/en/corporate-governance](http://www.intervest.be/en/corporate-governance).

## 6. Audit services to be performed

Your proposal is expected to cover the following audit services:

1. Limited review of the IFRS consolidated financial statements for the six-month period ended June 30, 2024, two consecutive years thereafter, including review of the related Press Release, and meeting with the audit and risk committee.
2. Annual audit of the IFRS consolidated financial statements for the year ended December 31, 2024, two consecutive years thereafter, including review of the related Press Release, and meeting with the audit and risk committee.
3. Statutory audit of Intervest Offices and all its subsidiaries (where required)
4. Reporting to the FSMA

5. Review of the ESEF Report that will be submitted to FSMA
6. Management letter need to be prepared
7. Availability throughout the year to provide advice and guidance on internal audit, financial accounting, and reporting issues
8. In addition (and optional) an estimation for your fees regarding EMIR reporting, allocation reporting, sustainability reporting, etc.

## 7. Request for proposal for external audit services

In order to create your proposal, we recommend you to consult the public available information published on the website of Intervest (<https://www.intervest.be/en>) and our annual reports and press releases. Additional questions can be raised and we refer to the timetable below for more information. When submitting your proposal, we expect that the following information is included.

### EXECUTIVE SUMMARY

A summary of up to 4 pages of the most important messages in your proposal, including your main motivations for adding Intervest to your client portfolio.

### DESCRIPTION OF YOUR ORGANIZATION

In the proposal, we expect you to provide a description of:

- Your organization, its mission, vision, beliefs and culture
- Experience with (listed) real estate companies; and
- Viewpoint, strategy and approach regarding the upcoming non-financial audit regulations (ESG – CSRD)

### COMPOSITION OF THE TEAM

The proposal should contain information about the proposed team and their experiences. It is important that the team members have specific experience with listed real estate companies and that the signing partner obtains the necessary credentials from FSMA for signing. If you are planning to make use of specialists (e.g. valuation experts, IFRS-desk, etc...), we also expect you to list the resume of these specialists.



When describing the team, we also expect a clear overview of the different roles and responsibilities with a clear indication of the expected time per team member – both in absolute (hours) and relative (percentage) terms.

Finally, we would like to understand how you ensure continuity on all staff levels.

## KNOWLEDGE AND UNDERSTANDING OF THE BUSINESS

Intervest is a BE-REIT and needs to comply with specific laws and regulations. The proposal should include a description of what you consider to be the most important topics, challenges and needs for Intervest. For each of these topics, we expect a short description of how you will approach these topics and what will be the additional value that you bring towards Intervest.

## AUDIT APPROACH AND MATERIALITY

The proposal should contain a clear overview of your audit approach and should cover the following topics:

- Specific risks and areas of attention for Intervest;
- Topics that deserve specific attention during the audit and how you plan to address them such as:
  - Your view on the need for a separate auditor for our Dutch subsidiaries;
  - Your approach in terms of challenging our external and internal valuations;
  - Any issues or disagreements with a particular point of view or approach in our public information (valuation rules, consolidation methods, etc...)
  - ...
- Planned materiality levels;
- Your approach regarding the use of specialists, IT, data analytics and shared service centers;
- Deliverables, including audit plan, management letter and auditor's report;
- Timing of activities (planning) considering that the half-year figures are published in the first week of August and the annual figures are published in the second week of February. The annual report itself is published in the third week of March;
- Collaboration with management and the audit and risk committee of Intervest; and
- Communication plan;



## INDEPENDENCE

Please confirm independence of your organization towards Intervest and ensure that there are no conflicts of interest.

Furthermore, we would like to receive more information on the following topics:

- Your overall approach and performance in the field of quality assurance;
- Actual and potential conflicts of interest and how to deal with these;
- Your view on auditor independence, rotation and the scope of services provided by auditors;
- Your approach to partner rotation and succession;
- Your confirmation of compliance with the codes of conduct of Intervest; and
- Your confirmation of the professional liability insurance coverage.

## TRANSITION APPROACH

Your proposal should contain your proposed approach for a smooth transition process.

## AUDIT FEES

The proposal should contain an overview of the fee structure for the different audit services that need to be performed. The fee structure needs to be provided for each year and for the different services that need to be performed.

Furthermore, you should give clear indication if your audit fee includes or excludes out-of-pockets expenses and if indexation will be applied during the audit mandate.

Finally, we expect an overview of the hourly rate that will be applied for each level. If the rate for additional work – that falls out of the audit mandate – differs from the work within the audit mandate, then you should provide both rates for comparability.

It would be appreciated if the proposal could also include a price indication for each subsidiary for when the audit engagement would be extended to Intervest's Belgian subsidiaries.

## 8. Time table

Activity	Responsible	Deadline
RFP distribution	Intervest	Fri - 29/09/2023
Confirmations of participation	RFP participants	Fri - 20/10/2023
Written questions or clarifications sent to Intervest	RFP participants	Fri - 27/10/2023
Answer from Intervest to written questions	Intervest	Fri - 10/11/2023
Submit proposal in pdf towards Intervest	RFP participants	Fri - 08/12/2023
Evaluation of the proposals	Intervest	Fri - 15/12/2023
Presentation of the proposals	RFP participants	Mon - 08/01 till Fri - 09/02/2024
Preliminary discussions in the audit and risk committee	Intervest	Mon - 18/03/2024
Final approval by the supervisory board	Intervest	Tue - 19/03/2024
Approval by the general meeting	Intervest	Wed - 24/04/2024

## 9. Confidentiality

By accepting to take part in this proposal process, you agree to keep in confidence all information disclosed to you by Intervest during the process, not to disclose it to third parties, and not to use it for any other purpose than for participation in the proposal process.

## 10. Additional information

Please inform Vincent Macharis ([Vincent.Macharis@intervest.eu](mailto:Vincent.Macharis@intervest.eu)) and Ellen Selis ([Ellen.Selis@intervest.eu](mailto:Ellen.Selis@intervest.eu)) by 28 September 2023 if you would like to take part in this proposal process.