

Real Estate

BESIX RED SEIZED EVERY OPPORTUNITY TO REINVENT ITSELF IN 2020

MARKED BY AN UNPRECEDENTED PERIOD OF UNCERTAINTY DUE TO THE OUTBREAK OF COVID-19, BESIX RED'S MAIN PRIORITY HAS BEEN THE HEALTH AND SAFETY OF ITS TEAM MEMBERS, CLIENTS AND PARTNERS AS WELL AS ENSURING THE CONTINUITY OF ITS ACTIVITIES THROUGHOUT 2020.

THE BESIX RED TEAM HAS PROVEN ITS ADAPTABILITY, DETERMINATION AND COMMITMENT BY TURNING THESE CHALLENGING TIMES INTO OPPORTUNITIES TO RETHINK ITS REAL ESTATE DEVELOPMENT PROGRAMS IN DEPTH, STRENGTHEN ITS RELATIONSHIPS WITH ITS KEY ACCOUNTS, DEVELOP A NEW STRATEGIC AXIS IN ORDER TO POSITION ITSELF AS AN «INVESTMENT ADVISOR» FOR FAMILY OFFICES AND INSTITUTIONAL INVESTORS AND ACCELERATE ITS DIGITAL TRANSFORMATION WITH THE LAUNCH OF BESIX RED 2.0.

IN THIS VERY PARTICULAR YEAR 2020, WE BRAVED THE STORM TOGETHER. WE WERE ABLE TO SEIZE EVERY 'BREEZE' AND TRANSFORM IT INTO AN OPPORTUNITY. MORE THAN EVER, THE CRISIS PUT PEOPLE AT THE HEART OF THE VALUE CHAIN AND REVEALED THE STRENGTH OF A TEAM. I WOULD LIKE TO THANK AND HIGHLIGHT THE DETERMINATION, COHESION AND ADAPTABILITY OF THE BESIX RED TEAM AND OUR PARTNERS. //

**GABRIEL UZGEN,
CEO BESIX RED**



OXYGEN, BRUSSELS, BELGIUM

With financial results below expectations, BESIX Real Estate Development (BESIX RED) nevertheless closes the year with a turnover of 92.8 million euros, a return on equity of 10.4% and a strong pipeline of 27 projects under development representing a future sales value of more than 1 billion euros. Impacted by a slowdown in the process of obtaining permits and urban planning authorisations, the company has taken advantage of this period to reinvent itself and seize new opportunities.

2020, A CATALYST FOR TRANSFORMATION

As soon as the health crisis started, BESIX RED set up working groups to thoroughly rethink its development programs for residential, with larger developments offering outdoor space, as well as offices and retail projects.

Despite the challenges, BESIX RED remained fully operational and committed to its clients by organising regular meetings via Zoom and Teams to accompany them as much



ICÔNE, BELVAL, LUXEMBOURG

as possible during this difficult period and investing in new tools to allow them to visit properties remotely, even during lockdown periods.

BESIX RED also took the opportunity to develop a new strategic axis by positioning itself as an "Investment Advisor" for family offices and institutional investors such as European Fund Managers.

Early 2020, BESIX RED 2.0 was also launched and its deployment is ongoing, with the objective of:

- facilitating remote collaboration between team members, with the implementation of Teams, Planner, OneDrive and SharePoint
- simplifying processes and increasing productivity with the development of PFP, a unique and customised platform for project management
- and guaranteeing the continuity of its activities with its customers by adopting a digital signature tool for secure remote transactions.

COMMERCIAL AND OPERATIONAL RESULTS

The company's turnover of 92.8 M € was driven by the sales of residential properties (Sluishuis in Amsterdam, Les Promenades d'Uccle, So Stockel, The Cosmopolitan and Oxygen in Brussels, Esprit Courbevoie in Louvain-la-Neuve, Dunant Gardens in Ghent and Meadow in Herent), but also offices and retail, mainly located in Luxembourg with the Quatuor project and in Brussels with Oxygen's commercial and office space.

This proves that BESIX RED's diversification strategy, both geographical and sectoral, helps to mitigate the risk and remains a sustainable growth lever.

Despite the difficult context, BESIX RED was able to deliver more than 80,000 m² of residential and tertiary projects in 2020, including :

- Oxygen (Brussels): a mixed-use project of more than 11,100 m² in Auderghem comprising 89 apartments, a commercial ground floor and an office space hosting the regional headquarters of KBC
- Quatuor (Luxembourg): 4,600 m² office space sold to Monceau Assurances
- Soho (Luxembourg): the third phase of this residential project of 4,212 m² comprises 35 apartments
- Esprit Courbevoie (Louvain-la-Neuve) : the first phase of this new district residential covers 22,500 m², which corresponds to 215 units
- Kaai District - Public Part (Aalst) : 24,300 m² project delivered to NMBS and including 900 parking spaces for commuters as well as offices and a bicycle parking

It maintained the continuity of the construction works of :

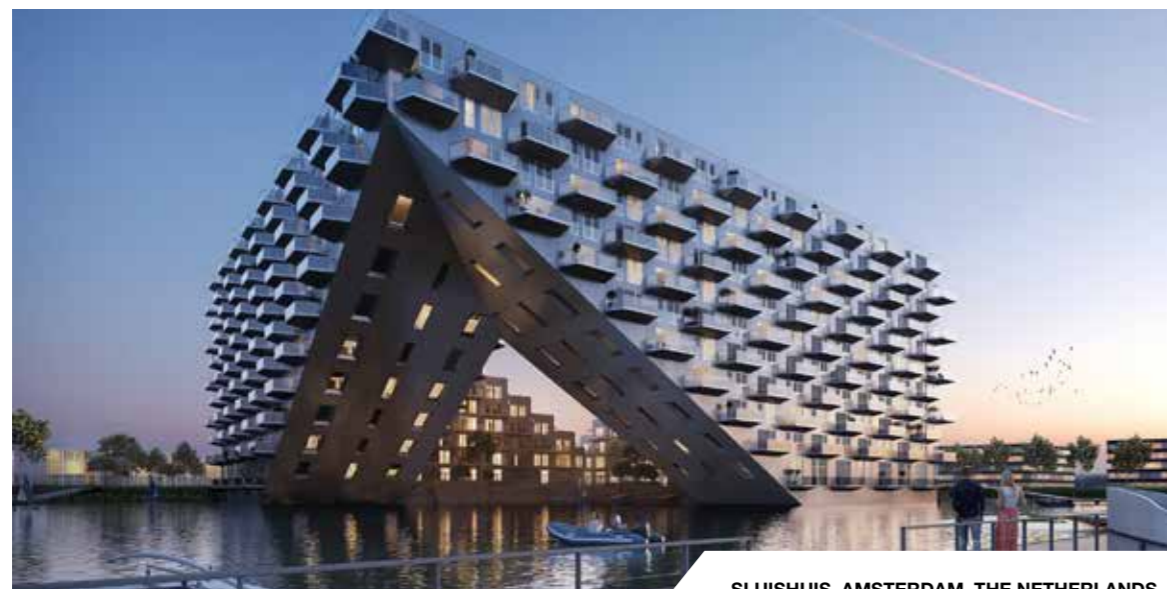
- Sluishuis (Amsterdam): an architecturally ambitious residential project of 39,500 m² comprising 450 units in the new district of IJburg
- Meadow (Herent): the second phase of this residential project in the village of Herent, near Leuven, comprises 7,500 m² with 64 units
- So Stockel (Brussels): the first phase of this residential project, close to the green promenade, counts 15,000 m² including 138 units

It has been able to launch the construction of the following projects:

- Les Promenades d'Uccle (Brussels): a residential project of which the second phase includes 12,800 m² with 81 units
- Esprit Courbevoie (Louvain-la-Neuve): the second phase of this new district connected to the Louvain-la-Neuve train station includes 201 residential units and 8,500 m² of offices
- Icône (Belval, Luxembourg): this landmark project includes nearly 17,300 m² of office space and an additional 1,500 m² of shops and restaurants.



KAAI DISTRICT, AALST, BELGIUM



SLUSHUIS, AMSTERDAM, THE NETHERLANDS



ESPRIT COURBEVOIE, LOUVAIN-LA-NEUVE, BELGIUM



DUUO, LISBON, PORTUGAL

BESIX RED has also made progress in the elaboration of programs for the purpose of permit submission of significant and large-scale projects such as Cours Saint-Michel in Etterbeek, Le Côté Verre in Namur, Faiencerie and Walferdange in Luxembourg.

The company was also very pleased to see its iconic landmark, The Cosmopolitan, making it to the final stage of the prestigious MIPIM Awards. At the end of the year, the same project was selected for the next EU Prize for Contemporary Architecture - Mies van der Rohe Award, which will take place in 2022.

OUTLOOK

BESIX RED's growth perspectives are positive with several transactions in the process of being finalised in several European cities and a pipeline of 27 projects (more than 724,000 sqm), corresponding to more than one billion euros in commercial value.

In addition to its consolidation strategy in Belgium and Luxembourg, BESIX RED wants to seize the opportunities for expansion on a pan-European scale. In Portugal, the group's first residential project in the country, named DUUO, has obtained its architecture licence and is about to be commercialised. New projects are actively being studied on the Dutch market. In France, the company is looking into the possibility of acquiring or partnering up with other real estate developers.

Finally, leveraging on its expertise and new strategic axis as "Investors Advisors", BESIX RED intends to accompany upstream more family offices and institutional investors such as European Fund Managers in their real estate investment projects, taking a joint stance and sharing the development risk, and success.