

Real Estate

BESIX RED, A RECORD YEAR IN 2021 THANKS TO A UNITED AND EFFICIENT TEAM

IMPACTED BY A SLOWDOWN IN THE PROCESS OF OBTAINING PERMITS AND URBAN PLANNING AUTHORISATIONS RELATED TO THE PERSISTENT PANDEMIC, BESIX REAL ESTATE DEVELOPMENT CLOSES THE YEAR WITH A TURNOVER OF 161.6 MILLION EUROS, A NET RESULT OF 22.6 MILLION EUROS, A SOLID RETURN ON EQUITY OF 22.3 %, AND A STRONG PIPELINE OF 36 PROJECTS UNDER DEVELOPMENT IN 19 PAN-EUROPEAN CITIES.



VIRIDIS, BRUSSELS

“Despite the difficulties related to the continuing health crisis, the slowdown in the permitting process and increasing construction costs, we have achieved excellent results in 2021, both from a geographical and sectoral perspective. These results testify to the cohesion and experience of our team.”

GABRIEL UZGEN,
CEO BESIX RED



The developer also took the opportunity to set the stage for its ESG commitments with a view to establishing in 2022 tangible and ambitious Key Performance Indicators for the future.

Finishing the year on a high note

The end of 2021, particularly, was marked by significant milestones across Europe for the real estate developer, including:

Belgium

PATRIZIA has concluded the largest single-asset multifamily deal ever seen on the Belgian investment market. PATRIZIA has acquired all the shares of Evenepoel Properties S.A., which is developing the Viridis project, for its Pan-European flagship residential fund Living Cities. Viridis is a 17,500 m² project in the Reyers district of Brussels comprising 115 residential units, retail and office space.

SLUSHUIS, AMSTERDAM



“This transaction - unique in its size for a new development in Belgium - demonstrates that the Belgian residential rental market has reached maturity for foreign institutional investors. This transaction also illustrates BESIX RED’s ability to develop real estate projects particularly relevant for ESG funds” comments Gabriel Uzgen.

Befimmo has finalised the acquisition of Esprit Courbevoie’s office building in Louvain-la-Neuve. The 8,500 m² office building, under construction, is already entirely rented to Silversquare, an affiliate company of Befimmo specialised in co-working, and to N-SIDE, an innovative software consulting company in advanced analytics.

SO Stockel, a new 27,000 m² residential micro-district in the heart of Woluwe-Saint-Lambert, obtained its enforceable permit, after an ongoing appeal had been rejected.

The City of Namur has issued a favourable opinion on the PRU (Plan de Remembrement Urbain, i.e. Land Reparcelling Plan) for the nearly 46,3000 m² mixed-use project Le Côté Verre at the Square Leopold.

Luxembourg

AG Real Estate, on behalf of its parent company AG Insurance, has finalised the signature of the contract to acquire 100% of the shares of B-9 S.A., owner of the ICÔNE office building in Belval. This emblematic and sustainable office project is already fully occupied by Société Générale Luxembourg for a 15-year lease even before its delivery.

Also in the Grand Duchy and in line with its policy of supporting major accounts, BESIX RED has signed a project management contract with the Ginion Group to support them in the development of the new Luxembourgish Ferrari headquarters.

Beyond the borders of Belgium and Luxembourg, BESIX RED continues its strategy of geographical diversification.

In **The Netherlands**, BESIX RED has acquired a second site in Amsterdam in partnership with ICN Development. The site foresees the development of a project comprising 37,500 m² of residential and 4,500 m² of office & retail.

In **France**, BESIX RED signed its second project. This upcoming 8,000 m² office concept, located in the Lille Metropolitan area, will place the well-being and health of its users at the centre of the experience. It will also be characterised by its innovation and exemplary environmental approach.

In **Portugal**, the developer increased its stake to 75% in Campus Oriente S.A., which owns Parque Oriente, a mixed-used project of approximately 38,800 m² comprising residential, office and retail space as well as F&B outlets in the prime area of Parque Das Nações in Lisbon.

“Our strategy is to consolidate our presence in the 19 cities and 5 countries where we are present today, while remaining open to new opportunities in dynamic markets with potential, but above all where there is a real desire to act from the public authorities” adds Gabriel Uzgen.

Commercial and operational results

In 2021, BESIX RED’s turnover was driven by the transactions on the Viridis project with PATRIZIA in Brussels, and ICÔNE with AG Real Estate in Luxembourg.

It was also supported by the sale of the Esprit Courbevoie office building to Befimmo and the sale of 100 residential units (Les Promenades d’Uccle and SO Stockel in Brussels, Esprit Courbevoie in Louvain-la-Neuve, Meadow in Herent and Sluishuis in Amsterdam).

In 2021, BESIX RED also reached an important milestone in Portugal with the commercialisation of the first phase of DUJO, its first residential project in the country. Developed in collaboration with the investment holding company Compagnie Du Bois Sauvage and designed by the Portuguese architectural firm Nuno Leónidas Arquitectos, DUJO is a high-end residential concept of 34,000 m² with 280 apartments, located in the heart of the popular Avenidas Novas district in Lisbon. The project has been a commercial success: in only 48 hours, more than 50% of the apartments were already reserved.

In 2021, BESIX RED delivered the following residential projects:

- Meadow (Herent): the second phase of this residential project in the village of Herent, near Leuven, corresponding to 64 apartments and covering 6,570 m² was successfully delivered. This phase is entirely sold.
- SO Stockel (Woluwe-Saint-Lambert): 65 out of 138 apartments and one commercial unit, totalling 7,079 m² out of 13,844 m², were delivered. All of the apartments were sold before the deliveries even started.

Construction work has progressed for:

- Meadow (Herent): the third phase of this residential project comprises of 8,218 m² with 68 apartments. This phase is already 40% sold.
- Esprit Courbevoie (Louvain-la-Neuve): plots 706 and 708 (22,165 m² residential) and plot 707 (8,500 m² offices) of this new district are under construction.
- Les Promenades d'Uccle (Brussels): at the end of October, the construction of the houses M19-M31 (2,700 m²) was launched. Besides, the construction of 69 apartments totalling 7,450 m² was continued.
- Sluishuis (Amsterdam): this ambitious residential project of 39,500 m² comprising 442 units, a two-story underground carpark below water-level, houseboat lots, berths for pleasure crafts, catering facilities, as well as commercial areas in the new district of IJburg is set to be delivered during Summer 2022.
- ICÔNE (Belval): this landmark project includes nearly 17,300 m² of office space and an additional 1,500 m² of shops and restaurants. Its delivery is expected for January 2023.

BESIX RED has also made progress in the development of programmes for the introduction of permits for significant and large-scale projects such as:

- Belgium: Cours Saint Michel in Etterbeek, Matisse in Evere, Meyvaert in Ghent, Gelatines in Hasselt, Le Côté Verre and Le Cocq in Namur and Croisée des Champs in Gembloux.
- Luxembourg: Faiencerie, Kayl and Walferdange.
- Portugal: Parque Oriente.

ICÔNE, LUXEMBOURG



Recognitions

The Cosmopolitan project consisted of the renovation of an obsolete office building into a residential tower with 158 apartments and 1,500 m² of office space in the heart of Brussels. A reference project for BESIX RED and finalist at the MIPIM Awards 2020, the project was awarded once more, this time with the International Prize for the transformation of offices into housing (special mention) by the Maison de l'Architecture d'Ile de France and the Greater Paris Investment Agency.

Congratulations to Casa Ferrero and the Ferrero International team for being awarded 'Office Space of the Year 2021' and 'Best Healthy Office' at the annual Paperjam-CBRE Luxembourg Office Space contest.

"Casa Ferrero is a unique and tailor-made office concept where it feels good to work and live. It has been conceived with the wellbeing of Ferrero's employees and the company's Italian heritage at heart" says Pierre Govare, Project Director at Ferrero Group World Headquarters.

Finally, Gabriel Uzgen was appointed Chair of the Urban Land Institute Belgium & Luxembourg for a voluntary two-year term. ULI is a recognised global non-profit organisation that provides leadership in the responsible use of land. This appointment shows the trust ULI has in BESIX RED to move things forward for an industry facing key challenges and priorities, especially ESG.

// Outlook 2022

BESIX RED's growth prospects look positive with several transactions on the agenda and the acquisition of promising projects in several European cities. The developer has a solid pipeline, corresponding to more than 1.8 billion euros in market value.

"We are positive about our growth prospects. However, we remain attentive to the current socio-geopolitical context and the impact it could have on the real estate market" concludes Gabriel Uzgen.

ESPRIT COURBEVOIE, LOUVAIN-LA-NEUVE



// Investor Relations focus

Interview with Bernard Van Essche, Pan European Investment Advisory Director at BESIX RED and Rami Badr, Partner at Orion Capital Managers.

What's BESIX RED role as 'Investor advisor'?

Bernard Van Essche: As a Pan-European real estate actor with an ambition to pursue our growth, co-developing projects with investment partners is a priority. Our objective is to build such partnerships as early as possible in our real estate developments.

With an experience of more than 30 years and a deep understanding of real estate-related risks, we are able to identify very specific opportunities for every investment partner, across Europe and through different types of activities such as residential, offices, retail and services, including hotels. These frameworks offer win-win operations with significant ROI, to all potential partners.

Who do you target?

Bernard Van Essche: Whether in terms of development types, development size or geography, we cover a broad spectrum of activities. When it comes to geography, we can identify opportunities in the 5 countries where we operate today but also in high-potential cities.

Therefore, we can build partnerships with big investment funds, family offices, institutional investors or under club deals of different partners.

What differentiates BESIX RED as a partner?

Rami Badr: BESIX RED has a deep knowledge of both the investment market and real estate development, which is the perfect combination to support Orion's ambitions.

In addition to being highly reactive and flexible, their team is very friendly, which my team and I really appreciate.

What are Orion's ambitions and targets in terms of real estate investment for the future?

Rami Badr: We look forward to bringing to the market, through ground field development or refurbishment, the new generation of high-class assets complying with the highest ESG standards and users' needs. And obviously we intend to do this together with BESIX RED.