

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, SOUTH AFRICA, CANADA, JAPAN, NOR IN ANY JURISDICTION WHERE SUCH RELEASE WOULD BE FORBIDDEN BY THE APPLICABLE LAW.

This announcement does not constitute an offer to purchase or subscribe for, nor a solicitation of an offer to purchase or subscribe for securities. An investment of the shares offered in the framework of the Offering (as further defined below) (the "Offered Shares") involves uncertainties and substantial economic and financial risks. A potential investor must be able to bear the economic risk of an investment in the Offered Shares and take into account, when taking the decision to invest, that he or she may lose all or part of his or her investment. Potential investors are invited to carefully consider the information contained in the prospectus related to the Offered Shares (the "Prospectus"), and in particular the "Risk Factors" section before investing in the Offered Shares. Inclusio will publish the Prospectus after the approval of the Belgian financial services and markets authority (the "FSMA"). The Prospectus will be made available later at the registered seat of Inclusio (Avenue Herrmann-Debroux 40, 1160 Auderghem) and on the websites of Inclusio (www.inclusio.be) and the Bookrunners (www.degroofpetercam.be and www.belfius.be).



Inclusio announces its intention to launch an Initial Public Offering on Euronext Brussels

Brussels (Belgium), 16 November 2020 – Inclusio SA (the "Company" or "Inclusio") is a real estate company with social purpose, mainly active in the residential segment. Inclusio has applied to be approved as a public Regulated Real Estate Company ("RREC"), and today announces its plans to launch an initial public offering on Euronext Brussels (the "IPO" or the "Offering"). The transaction is subject to market conditions, approval as a RREC and approval of the IPO prospectus by the FSMA. Prospective investors are invited to read the entire Prospectus before making an investment decision with respect to shares of Inclusio, in order to fully understand the potential risks and benefits associated with such an investment. Inclusio focuses specifically on the social real estate segment and is dedicated to the provision of housing (and other infrastructure) to people in precarious or vulnerable situations in order to help bridge the large gap between supply and demand in this segment. Inclusio targets quality, adapted, affordable surfaces with a concern for integration within local communities. Through its agreements with social partners, mainly the so-called Social Real Estate Agencies ("SREAs"), Inclusio benefits from a unique operational model and long-term contracts. Inclusio plans to continue its growth by combining both a social and a financial objective.

Real estate portfolio

Inclusio owns 49 sites (7 of which are under development), comprising 62 buildings for a total of 898 housing units, as well as social infrastructure units (a school, an office, a reception centre for asylum seekers and a nursery) and also some commercial units. Upon closing of the Offering and once the public RREC status is obtained, Inclusio will become the first public company exclusively active in real estate with a social character, with a real estate portfolio of 84,657 m² located across all 3 regions of the country. As of 31 August 2020, the fair value of Inclusio's real estate portfolio amounted to 141 million euros (including 123 million euros of assets in operation). Taking into account already signed contracts for new projects (mostly consisting of full and firm commitments with signed acquisition contracts, some of which are subject to a number of conditions precedent), the fair value of Inclusio's operational portfolio is expected to reach approximately 230 million euros by 2023. This expected value excludes other potential future

projects or acquisitions. The current average gross rental yield on the portfolio currently in operation amounts to 4.2%.

Mission

Inclusio's mission is to rent high-quality housing units and provide other social infrastructure to a vulnerable population at affordable rents and on a long-term basis, it being understood that buildings must also meet current and future challenges, particularly in terms of energy performance.

Inclusio is developing its portfolio along three investment pillars:

- Affordable rental housing: new or renovated residential buildings which are directly rented out to social partners (SREAs, municipalities, public social welfare centres, etc.), which in turn sublet these, housing per housing, as part of their social policy;
- Infrastructure adapted to people with disabilities: new or renovated buildings rented out to specialised organisations;
- Social infrastructure: schools, nurseries, reception centres for asylum seekers, etc.

This essential social objective is coupled with the search for a sufficient rental return, which depends on the social/societal aspect, the geographical location, the age of the building, the energy performance of the building, the tenant, lease characteristics and potential co-ownership structure.

Management and corporate governance

The Company's 4 executive directors are Xavier Mertens (CEO, until the end of 2020), Marc Brisack (Vice CEO and future CEO), Jean-Luc Colson (CFO) and Lionel Van Rillaer (COO). These individuals have an extensive experience in the real estate sector, RRECs and builders (Home Invest Belgium, Xior, Ascencio, CFE, etc.). Upon closing of the Offering, the Board of Directors will be composed of 9 members, 3 of which will represent the current reference shareholders (Julien Dessart, Matthieu de Posch and Christophe Demain, representing Intégrale, FIF-FSI and Belfius Insurance, respectively). There will also be 3 independent directors (André Bosmans (chairman), Sandrine Nelissen Grade and Marianne Wagner) and 3 other directors representing the future promoters of Inclusio (Adeline Simont, François de Borchgrave and Bart De Zutter, representing Imofig, Koïs and Re-Vive, respectively).

Comments on the current announcement:

Xavier Mertens, Chief Executive Officer (CEO) of Inclusio:

"In the current environment, we see that the residential real estate sector has proven to be very resilient and that there remains a strong demand. Furthermore, "meaningful" investments are on the rise. More and more citizens want their investments to contribute to a fairer society, while at the same time benefiting from the prospect of comfortable returns. Inclusio meets this dual demand very well."

Marc Brisack, future Chief Executive Officer (CEO) of Inclusio, added:

"This transaction will provide Inclusio with excellent access to the capital markets to finance its further growth. In addition to that, obtaining the RREC status and going public will give Inclusio superior visibility as a professional and credible player to all our partners."

Key considerations about Inclusio

Inclusio is a unique real estate player offering:

A real long-lasting social and environmental impact - Inclusio will be the only Belgian listed company exclusively active in the field of affordable rental housing. The segment's needs are recognized and there has been a profound imbalance between supply and demand for many years. Inclusio's social impact is very

strong and sustainable, as housing is crucial to maintain community integration, to bring people out of precariousness and to achieve social ambitions. Partnerships have been established with many SREAs, local governments and local social services providers. Furthermore, Inclusio aims to dedicate 25% of its residential portfolio to particularly vulnerable populations (not only because of their financial situation) such as homeless people, people with psychological disorders or migrants. Finally, as a developer of renovated or new housing that meets current energy standards, Inclusio contributes to the reduction of energy consumption of the housing stock across the 3 regions of the country, and also allows the occupying families to escape from energy precariousness.

An operating model offering stable and comfortable expected returns - Initial gross returns on assets acquired/developed by Inclusio are generally in the range of 3.8% to 4.6% (with a 4.2% average on the current operating portfolio). Inclusio favours a B2B and Buy & Hold strategy by signing long-term contracts with social partners offering fixed and indexed rents. As a result, Inclusio benefits from an exceptional visibility on its cash flows as it is not directly exposed to final occupants, which means that the risk of vacancy is virtually nil, and that certain costs linked to the rapid turnover of individual leases (refurbishment costs, risks of non-payment, agency commissions, internal costs, marketing, etc.) are avoided and reduces internal management costs. In addition, Inclusio benefits from certain other advantages such as reductions of or exemptions from the property tax applicable to housing rented to SREAs. All of the above elements offer Inclusio an excellent perspective for gaining comfortable net property returns.

A transparent and professional investment structure - As a future RREC, Inclusio will be subject to the numerous restrictions and obligations applicable to RRECs and listed companies (with respect to transparency, portfolio diversification, periodic valuations, debt limits, restrictions on permitted activities, etc.). Inclusio is led by an experienced management team with recognized know-how in the field of residential real estate, in the development of real estate projects and in the operational management of real estate portfolios.

A low-risk market - Inclusio is active in an inherently low-risk sector: affordable housing where there remains a structural supply/demand deficit. The COVID-19 pandemic had little impact on Inclusio, with the main consequence being a two-month delay in the delivery of the worksites, following an interruption of the works during the first lockdown period. In addition, Inclusio's business model allows the risks to be limited: (1) the model offers the prospect of stable and indexed returns, (2) Inclusio's main tenants (i.e. SREAs) benefit from subsidies from the public authorities on a regular basis, (3) the rents perceived by Inclusio are below market rents, and (4) the exposure to obsolescence risks is reduced in the short to medium term as investments are mainly carried out in renovated or new assets.

An exposure to "mega-trends" in the residential sector - Inclusio will benefit in the long term from the major trends that are supporting the residential sector and the rental of adapted and affordable housing. These include: (1) the population growth in Belgium, (2) the ongoing social shifts of decreasing household size and increasing urbanisation, (3) the changes in energy standards and (4) the changes in social housing policies, i.e. the shift towards a more subsidized model.

About the Offering

The Offering will consist of an offering of new shares for a maximum amount of 60 million euros and will consist of (i) a public offering in Belgium and (ii) an offering to qualified investors in the European Economic Area (excluding Belgium), Switzerland and the United Kingdom. Inclusio intends to use the net proceeds of the Offering to finance the growth of its real estate portfolio at an accelerated pace through the development of projects and the acquisition of already identified real estate assets.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, SOUTH AFRICA, CANADA, JAPAN, NOR IN ANY JURISDICTION WHERE SUCH RELEASE WOULD BE FORBIDDEN BY THE APPLICABLE LAW.

Based on the assumption that economic and financial conditions will remain unchanged and on the assumption that the forecasts made will be achieved, the management estimates that the gross dividend to be distributed for the financial year ending 31 December 2021 will provide a yield of approximately 2% (being subject to the general meeting's approval). The debt ratio and dividend are expected to increase significantly in subsequent years, in line with future acquisitions and delivery of new projects. For the financial year ending 31 December 2020, the Company does not foresee to distribute any dividend.

In the context of the Offering, qualified investors have pre-committed to the Offering for an aggregate amount of approximately 10.5 million euros. Market-practice lock-up agreements will be entered into by the current reference shareholders (Belfius Insurance, Intégrale and FIF-FSI), the historical shareholder (Bank Degroof Petercam SA/NV), these new qualified investors and the promoters.

Bank Degroof Petercam SA/NV has been appointed as Global Coordinator and, together with Belfius Bank SA/NV, will also act as Joint Bookrunner in connection with the Offering. Subject to the approval of the prospectus by the FSMA and market conditions, it is expected that the details of the Offering will be published in the Belgian financial press at the launch of the Subscription Period. Upon its approval by the FSMA, the prospectus will be available at the Company's registered office (Avenue Herrmann-Debroux 40, 1160 Auderghem) and on the websites of Inclusio (www.inclusio.be) and of the Joint Bookrunners (www.degroofpetercam.be and www.belfius.be).

< End >

For more information, please contact:

Xavier Mertens

Chief Executive Officer
xavier.mertens@inclusio.be
T +32 2 227 58 95
M +32 477 56 16 33

Marc Brisack

Vice Chief Executive Officer
marc.brisack@inclusio.be
T +32 2 675 78 82
M +32 475 200 194

For media enquiries, please contact Backstage Communication:

Gunther De Backer

Partner
gunther@backstagecom.be
M +32 475 903 909

Kenneth De Kegel

Senior PR Consultant
kenneth@backstagecom.be
M +32 491 729 945

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, SOUTH AFRICA, CANADA, JAPAN, NOR IN ANY JURISDICTION WHERE SUCH RELEASE WOULD BE FORBIDDEN BY THE APPLICABLE LAW.

About Inclusio

Inclusio is a company established under Belgian law active in the field of real estate of a social nature in Belgium. The project took its concrete shape at the end of 2014 at initiative of three partners, which reunited their social real estate ambitions: Bank Degroof Petercam SA/NV (through a subsidiary), Kois and Re-Vive, which will become the promoters of the Company, once the latter has obtained its public RREC status. Inclusio is the result of the transformation at the end of 2014 of the company Bon Pasteur SA, incorporated in October 2011 (by Degroof Petercam). Following the construction and delivery of a first residential project called Bon Pasteur located in Evere, Inclusio carried out various fundraisings between 2015 and 2019, raising 92 million euros of equity in total (with last round being carried out in April 2019). The Company's shareholder base has gradually opened up to a large number of investors, including public and private institutional investors, non-profit organizations and individuals. Its equity capital, combined with lines of credit, has enabled it to develop its investment activities, mainly in affordable housing, the disability sector and social infrastructure, to reach a portfolio value of 141 million euros as of 31 August 2020.

For more information, please visit the website www.inclusio.be.

Inclusio, Avenue Herrmann-Debroux 40, 1160 Brussels
BE 0840.020.295

Important notice

The information contained in this announcement is for informational purposes only and does not purport to be full or complete. This announcement does not constitute, or form part of, an offer or invitation to sell or issue, or any solicitation of an offer to purchase or subscribe for shares of the Company. Any purchase of, subscription for or application for, shares in the Company to be issued in connection with the intended offering should only be made on the basis of information contained in the prospectus in connection with the intended offering and any supplements thereto, as the case may be (the "**Prospectus**"). This announcement is not a prospectus. Investors should not subscribe for any securities referred to in this document except on the basis of information contained in the Prospectus that the Company expects to publish after its approval by the Belgian Financial Services Markets Authority. The Prospectus will contain detailed information about the Company and its business, management, risks associated with investing in the Company, as well as financial statements and other financial data. This announcement cannot be used as basis for any investment decision.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

This announcement and the information contained herein do not constitute an offer to sell nor a solicitation to buy securities of the Company, and are not for publication, distribution or release in, or into the United States of America, Australia, South Africa, Canada, Japan or any other country where to do so would be prohibited by the applicable law.

Acquiring securities to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested. Persons considering such investments should consult an authorized person specializing in advising on such investments. This announcement does not constitute a recommendation concerning the intended offering. The value of the shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the intended offering for the person concerned.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, SOUTH AFRICA, CANADA, JAPAN, NOR IN ANY JURISDICTION WHERE SUCH RELEASE WOULD BE FORBIDDEN BY THE APPLICABLE LAW.

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in such countries into which it is released, published or distributed, should inform themselves about, and observe, such restrictions. The issue, the subscription for or purchase of shares of the Company can be subject to special legal or statutory restrictions in certain jurisdictions. The Company is not liable if the aforementioned restrictions are not complied with by any person.

The contents of this announcement include statements that are, or may be deemed to be, "forward-looking statements". In some cases, forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "plans", "continue", "ongoing", "potential", "predict", "project", "target", "seek" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. Forward-looking statements include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, its results of operations, prospects, growth, strategies and dividend policy and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties. New risks can emerge from time to time, and it is not possible for the Company to predict all such risks, nor can the Company assess the impact of all such risks on its business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Forward-looking statements are not guarantees of future performance. Given these risks and uncertainties, the reader should not rely on forward-looking statements as a prediction of actual results. Without prejudice to the Company's obligations under applicable law in relation to disclosure and ongoing information, the Company does not intend, and does not assume any obligation, to update forward-looking statements.

Certain financials data included in this announcement are "non IFRS financial measures". Those non IFRS financial measures may not be compared to measures with a similar title presented by other entities, and may not be interpreted as an alternative to other financial measures determined in accordance with international reporting financial standards. Although the Company is of the opinion that those non IFRS financial measures provide useful information to the users to assess the performance and the financial situation of its business, the users are warned against an excessive reliance in the non IFRS financial measures or the ratios included in this announcement.

Bank Degroof Petercam NV and Belfius Bank NV/SA (the "**Bookrunners**") are acting for the Company only in relation to the intended offering, and will not be responsible to anyone other than the Company for providing the protections offered to their respective clients nor for providing advice in relation to the intended offering.

The Company assumes responsibility for the information contained in this announcement. None of the Bookrunners or any of their respective affiliates or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. Nothing in this announcement will be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Bookrunners and each of their respective affiliates accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this announcement or any such statement or information.