

Interim statement of the Executive Board for the period 01.01.2023 to 31.03.2023

Summary

- **Further growth of the operational portfolio** to reach 272 M€ as of 31 March 2023 compared to 256 M€ as of 31 December 2022
- **Significant increase of the social impact of our real estate assets** with the purchase of a new reception centre for asylum seekers in Genappe (244 residents). In addition, the ASBL PASSAJE association started its operations (housing of 17 young children benefitting from social support outside of their family environment) in the building on Boulevard Lambermont in Brussels. The total housing capacity of our social infrastructure buildings increased from 518 to 779 individuals (+50%)
- In the **Affordable Housing** segment: acquisition of an existing building with 12 apartments in Sint Niklaas (Zwijgershoek). These apartments are leased to the Social Rental Agency Waasland. Introduction of a building permit within sight for a new project of 23 apartments in Anderlecht (project Vander Bruggen)
- **Occupancy rate** of 98.6% as of 31 March 2023
- **The Operating Result before result on the portfolio** grew from 1.1 M€ as of 31 March 2022 to 1.8 M€ as of 31 March 2023, this represents an increase of 56% over last year
- **Debt ratio** stands at 40.3% as of 31 March 2023
- **NAV per share** : 25.09 EUR as of 31 March 2023
- Payment of a gross dividend of 70 cents per share (netto dividend of 49 cents per share) on 26 May 2023 and **confirmation of the payment of a gross dividend of at least 75 cents per share for this calendar year**

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Lambermont 382 – Rented to ASBL P.A.S.S.A.J.E

Operating activities of the first quarter 2023

1.1. Buildings available for rent

Two existing buildings have been added to Inclusio's operating portfolio during the first quarter of this calendar year.

1.1.1. Affordable housing

Inclusio bought a building with 12 apartments located on the Zwijgershoekstraat in Sint-Niklaas. The building consists of 9 one bedroom apartments and 3 two bedrooms apartments. All units are leased to Social Rental Agency (SRA) Waasland.



Zwijgershoek, Sint-Niklaas

1.1.2. Social Infrastructure

On 15 March 2023 Inclusio purchased all shares of the company Immo Genappe which owns a center for asylum seekers operated by the Red Cross of Belgium in Genappe.



Lalieux, Genappe

The building offers a housing capacity of 244 residents and is operated by the Red Cross since April 2022.

Through this acquisition the Red Cross of Belgium becomes Inclusio's largest tenant (representing 10.3% of annual rental income) as they are also operating two buildings for asylum seekers in Jette (Brussels) as well as the center of Nonceveux (Aywaille) where extensive renovation works will be carried during the summer (replacement of the façade).

1.2. Evolution of the fair market of the real estate portfolio

The fair market value of Inclusio's real estate portfolio registered a new increase during the first quarter of 2023.

The capital gain amounted to 4.2 M€ and primarily reflects the rental increase booked during the first 3 months of 2023 due to the indexing of the rental contracts.

The gross rental yield on the operating portfolio (calculated on the fair market value) reached 4.5% as of 31 March 2023.

The occupancy rate of the portfolio remains very high (98.6 % as of 31 March 2023). Only a few parking spaces and two small retail units were vacant at the end of the first quarter.

2. Financial Results

2.1. Consolidated Income statement

In €	31/03/2023	31/03/2022
I Rental income	3.097.532	2.342.924
III Rental related expenses	-19.191	-2.142
NET RENTAL INCOME	3.078.341	2.340.782
V Recovery of property charges	239.434	234.768
VII Charges and taxes normally payable by the tenant on let properties	-512.047	-519.414
PROPERTY RESULT	2.805.729	2.056.136
IX Technical costs	-154.592	-80.193
X Commercial costs	-3.234	-2.265
XI Taxes on vacant properties	782	0
XII Property management costs	-115.853	-92.893
PROPERTY COSTS	-272.897	-175.351
PROPERTY RESULT AFTER DIRECT PROPERTY COSTS	2.532.831	1.880.785
XIV Corporate management costs	-740.094	-735.828
XV Other operating charges or income	-68	290
OPERATING RESULT (BEFORE RESULT ON PORTFOLIO)	1.792.670	1.145.247
XVIII Changes in the fair value of investment properties	4.211.799	3.231.334
XIX Other result on the portfolio	72.094	-5.714
OPERATING RESULT	6.076.562	4.370.867
XX Financial income	37.919	4
XXI Net interest charges	-408.099	-178.349
XXII Other financial charges	-2.837	-2.032
XXIII Change in the fair value of financial instruments	-466.058	1.786.879
FINANCIAL RESULT	-839.075	1.606.502
XXIV Share in the net result of associated companies and joint ventures	0	49.213
RESULT BEFORE TAX	5.237.487	6.026.582
XXV Corporate Income Tax	-35.478	0
CORPORATE INCOME TAX	-35.478	0
NET RESULT	5.202.009	6.026.582

Net Rental Income

The net rental income progressed from 2.3 M€ in 2022 to 3.1 M€ in 2023. The Middelweg building inaugurated in December 2022 generated more than 0.2 M€ rental income during the first quarter as the progressive take-up of these buildings by two Social Rental Agencies contributed to a full occupation on 31 March 2023.

Property result

In compliance with the IFRIC 21 regulation, the property taxes as well as the annual tax on Collective Placement Organisms are completely accounted for as of 1 January. This translates into a negative impact on the first quarter of operations. However, the property result increased to 2.8 M€ as of 31 March 2023 (against 2.1 M€ in 2022).

Property charges

The technical expenses and property management costs have risen over last year due to the expansion of the operating portfolio and reached 273 k€ as of 31 March 2023. The operating margin progresses significantly from 80.4% at the end of March 2022 to 82.3% at the end of March 2023.

Corporate overheads

Corporate overheads remained stable (740 k€ for the first quarter of 2023).

Operating result before result on portfolio

The operating result before result on portfolio amounted to 1.8 M€ as of 31 March 2023, a 56% increase over the previous calendar year.

Change in the fair market value of investment properties

The change in the fair market value of investment properties resulted in an unrealized capital gain of 4.2 M€ (+1.64%) during the first quarter of 2023.

Financial result

The financial result of the first quarter amounted to -839 k€.

The financial income of 38k€ results from the reclassifying of Ecole Active as a financial lease at the close of 2022.

The net interest charges have more than doubled (going from 180 k€ to 408 k€) as a result of the significant increase of the bank debt to finance the latest acquisitions on the one hand and the increase of interest rates on the other hand (average cost of debt was 2.16% during the first quarter of 2023 against an average of 1.56% for the entire 2022 calendar year).

A negative change of 466 k€ was recorded during the first quarter on the fair market value of financial instruments.

Net Result

The consolidated net result reached 5.2 M€ as of 31 March 2023 compared to 6 M€ for the previous calendar year but the distributable income improved from 1.0 M€ to 1.4 M€ over last year.

2.2. Consolidated Balance Sheet

In €	31/03/2023	31/12/2022
I Non-current Assets	305.677.264	288.735.254
I B Intangible Assets	25.326	30.336
I C Investment Properties	291.616.778	274.234.324
I D Other tangible assets	142.866	112.623
I E Non-current financial assets	5.596.685	6.062.360
I F Financial lease receivables	8.295.610	8.295.610
II Current Assets	3.046.972	1.519.282
II D Trade receivables	134.818	52.461
II E Tax receivables and other current assets	316.027	321.272
II F Cash and cash equivalents	2.035.875	593.077
II G Accrued charges and deferred income	560.253	552.472
TOTAL ASSETS	308.724.237	290.254.536
SHAREHOLDER EQUITY	186.204.521	186.248.933
A Capital	142.916.788	142.916.788
B Share Premium Account	8.750.150	8.750.150
C Reserves	29.335.574	12.352.094
D Net result of the financial year	5.202.009	22.229.900
LIABILITIES	122.519.716	104.005.603
I Non-current liabilities	82.618.439	83.700.000
I B Non-current financial debts	82.618.439	83.700.000
II Current Liabilities	39.901.277	20.305.603
II B Current financial debts	28.760.618	15.567.878
II C Other current debts	5.199.843	0
II D Trade payables and other current debts	5.614.374	4.425.698
II F Accrued charges and deferred income	326.441	312.028
TOTAL EQUITY AND LIABILITIES	308.724.237	290.254.536
Number of shares	7.428.347	7.428.347
Number of shares in auto control	6.890	0
Net asset value per share	25.09	25.08
Debt ratio (Royal Decree - RREC) ¹	40.30%	36.48%

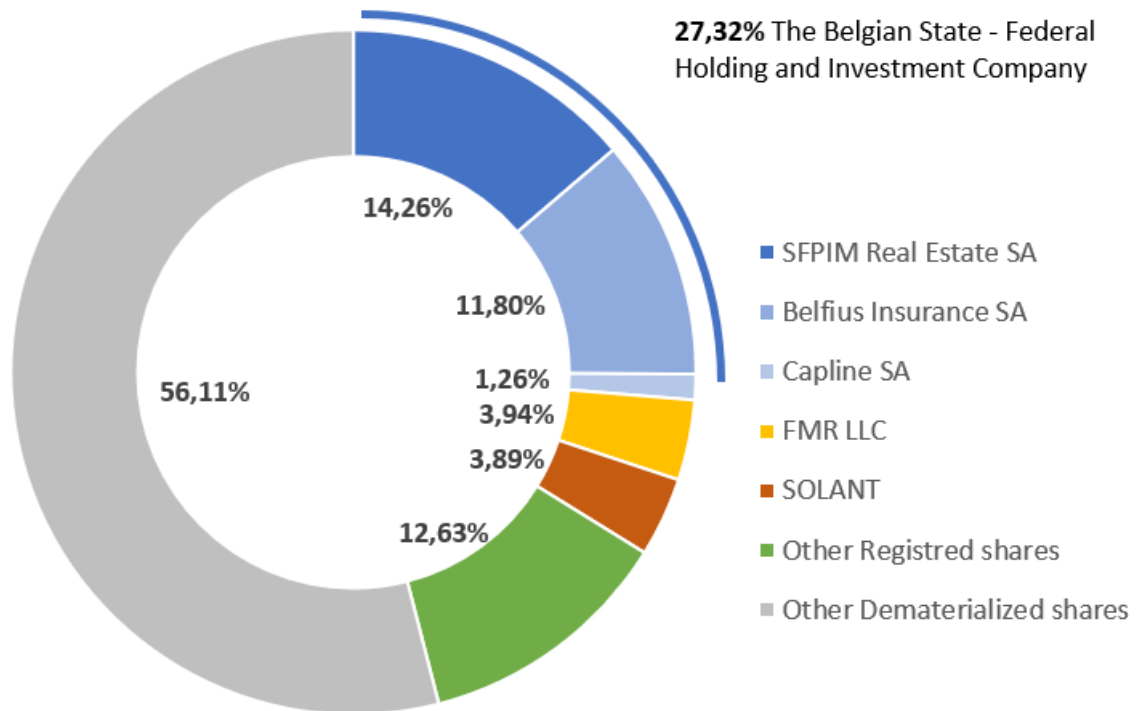
¹ This debt ratio is calculated in accordance with the RREC Royal Decree

Shareholder Equity

As of 31 March 2023, the consolidated shareholder equity reached 186.2 M€, in line with the end of 2022 level despite the fact that the 2022 dividend is now recognized in the current liabilities.

It is important to remind all stakeholders of the significant change in the share ownership that took place during the first quarter of 2023. SFPIM Real Estate and Belfius Insurance increased their holdings in Inclusio by purchasing additional shares that belonged to Monument Insurance Belgium.

As of 1 April 2023, the shareholding structure is as follows :



The total number of shares is 7.428.347 of which 6.890 are detained by Inclusio in the frame of the liquidity contract put in place with Kepler Cheuvreux at the end of 2022. The net asset value (NAV) per share amounted to 25.09 EUR as of 31 March 2023.

Debt ratio and financing agreements

The current and non-current financial liabilities are reaching close to 110 M€ as of 31 March 2023.

The debt ratio calculated in accordance with the Royal Decree – RREC stands now at 40.3%.

Dividend

The General Assembly of 17 May 2023 will have to approve the payment of coupon n°2. The gross dividend of 70 cents per share for the calendar year 2022 (translating into a net dividend of 49 cents per share after deduction of the withholding tax of 30%) will be paid on 26 May 2023.

For the calendar year 2023 Inclusio confirms its intention to distribute a gross dividend of at least 75 cents per share barring unforeseen adverse events.

3. Financial calendar

	Date
Ordinary General Shareholders' Assembly	17 May 2023
Payment of the 2022 gross dividend	26 May 2023
Publication of half year 2023 results	30 August 2023
Publication of 30 September 2023 results	30 November 2023
Publication of 2023 Annual Results	26 February 2024

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About Inclusio

Inclusio is a Belgian REIT. It has a special focus on social real estate and more specifically active in the three following sectors :

- affordable housing
- facilities and care for people with disabilities
- social infrastructure with buildings such as centers for asylum seekers, homeless people, schools, nurseries and offices for non-profit organizations, etc.

Since December 2020 Inclusio is listed on Euronext Brussels under the name « INCLU ».