



# Kempen Virtual Seminar

26.05.21

a Befimmo presentation

**1.**

**Q1 2021 HIGHLIGHTS**

**2.**

**STRATEGY**

**3.**

**MARKET TRENDS**

**4.**

**OPERATIONAL  
PERFORMANCE**

**5.**

**FINANCIAL  
PERFORMANCE**

**6.**

**OUTLOOK**



**LAURENT CARLIER,**  
CFO of Befimmo since 2006

21 years of experience as Finance Director  
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(Belgian REITs)  
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Quatuor | Brussels

1.

Q1 2021 HIGHLIGHTS

# Q1 2021 RESULTS : 2021 EPRA EARNINGS FORECAST CONFIRMED



Financial results	<ul style="list-style-type: none"> <li>▪ At constant perimeter, slight decrease (-0.36% or – €9.9 million ) in the value of the portfolio</li> <li>▪ Net asset value of €59.98 per share (group share)</li> <li>▪ Net result of €1.15 per share (group share)</li> <li>▪ Consolidated EPRA earnings of €0.68 per share (group share)</li> </ul>
Operating portfolio	<ul style="list-style-type: none"> <li>▪ Slight increase of occupancy rate at 95.4%</li> <li>▪ Long average weighted duration of leases (up to next break) at 7.1 years</li> <li>▪ Rents collection year-to-date at 98.5%</li> </ul>
Ongoing developments	<ul style="list-style-type: none"> <li>▪ Developments under control with limited delays linked to COVID</li> <li>▪ Proactive occupancy risk management: pre-letting rate currently at 83%</li> </ul>
Asset rotation	<ul style="list-style-type: none"> <li>▪ Expansion in Luxembourg with the acquisition of the Cubus building (5,000 m<sup>2</sup> - Howald, Luxembourg)</li> <li>▪ Acquisition of a 94-year long lease on the office building of the "Esprit Courbevoie" project in Louvain-la-Neuve, to extend the hybrid offer and Belux network with Silversquare</li> <li>▪ Disposal of the Wiertz building (CBD Brussels) with a net capital gain of €43.2 million (on investment value) and an unleveraged IRR of 10.79%</li> </ul>
Coworking	<ul style="list-style-type: none"> <li>▪ Stable occupancy rate of mature space of 78%</li> </ul>
Financial structure	<ul style="list-style-type: none"> <li>▪ Loan-to-Value ratio of 36.18%</li> <li>▪ Financing needs covered until the end of Q3 2022</li> </ul>
Dividend and EPRA earnings forecast	<ul style="list-style-type: none"> <li>▪ All other things being equal we foresee a gross dividend in line with the earlier communicated dividend policy (at least 80% of EPRA earnings supplemented, as the case may be, by realised capital gains during the financial year in the framework of the asset rotation policy)</li> <li>▪ Confirmation of the EPRA earnings forecast for 2021 of € 2.10 per share published in the 2020 Annual Financial Report</li> </ul>



Silversquare Zaventem | Brussels

# 2.

## STRATEGY



Covid-19 upended our jobs. We've tried to adapt, but what about the long term? BBC Worklife asks dozens of experts to flag the biggest questions we should be asking in 2020 and beyond.

## Unknown Questions

Passed since the World Health Organization declared millions of people have lived through lockdowns. Shift to working from home; millions have lost jobs. The fact is we don't know when, or if, our societies might return to normal. How long will the pandemic will leave.

Experts spoke to dozens of experts, leaders and analysts to ask: what are the greatest unknowns we face? How will the post-pandemic future? How is Covid-19 reshaping the world?

Interviews from some of the top minds in business, public policy and technology over the next few weeks. We'll hear from Gates on gender equality, Zoom founder Eric Yuan on the future of work, Planet founder Tony Wheeler on what's next in travel and on the ethics of artificial intelligence.

At the issue of work: how the pandemic has reshaped that that might mean. Will we go to the office again – or will we act will a 'hybrid' way of working have on how we work? Will work-from-home be the great leveller in terms of opportunity? And what will work mean if our offices are virtual spaces of social interactions?

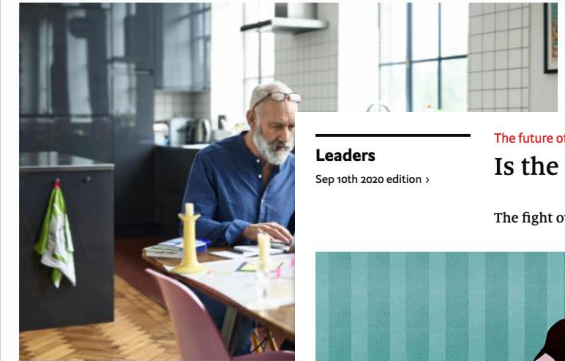
It opens to people who can't work from home as well as the steady flow of traffic into urban hubs. Can we learn from the safety nets for the most vulnerable workers? And if the pandemic leaves the sure swaths of the global population aren't left behind?

It may not be the same, even if we don't yet know all the ways the world will change. Slack co-founder and CEO Stewart Butterfield. But here's what our experts had to say.

## How To Deal With Covid-19 Burnout At Work

Next Avenue Contributor  
Next Avenue Contributor Group ©  
Retirement  
The PBS website for grown-ups who want to keep growing

By Nancy Collamer, Next Avenue Contributor



GETTY

Do you feel stressed, anxious or depressed? You're not alone.

A recent survey conducted by FlexJobs found that 75% of people have experienced burnout, saying they've felt it during the pandemic. A July MetLife report on the mental health of workers in three employers said they expect burnout to persist within three years.

Leaders  
Sep 10th 2020 edition >

### The future of work Is the office finished?

The fight over the future of the workplace



Stephanie Scholz

Sep 12th 2020

Editor's note: Some of our covid-19 coverage is free for readers of The Economist Today, our daily newsletter. For more stories and our pandemic tracker, see our hub

MOST PEOPLE associate the office with routine and conformity, but it is fast becoming a source of economic uncertainty and heated dispute. Around the world workers, bosses, landlords and governments are trying to work out if the office is obsolete—and are coming to radically different conclusions (see article). Some 84% of French office workers are back at their desks, but less than 40% of British ones are. Jack Dorsey, the head of Twitter, says the company's staff can work from home "forever" but Reed Hastings, the founder of Netflix, says home-working is "a pure negative". As firms dither, the \$30trn global commercial-property market is stalked by fears of a deeper slump. And while



## The 15-Minute City—No Cars Required—Is Urban Planning's New Utopia

From Paris to Portland, cities are attempting to give residents everything they need within a few minutes of their front doors. Can it work—without leaving anyone out?

By Feargus O'Sullivan and Laura Bliss  
From **New Economy**

The Minimes barracks in Paris don't look like the future of cities. A staid brick-and-limestone complex established in 1925 along a backstreet in the Marais district, it's the sort of structure you pass without a second glance in a place as

# CHANGE IS THE ONLY CONSTANT



OVER THE PAST YEAR LIVING ROOMS TURNED INTO OFFICES AND MEETINGS BECAME CALLS. IN THE MEANTIME, OFFICES HAVE NEVER BEEN THAT EMPTY.

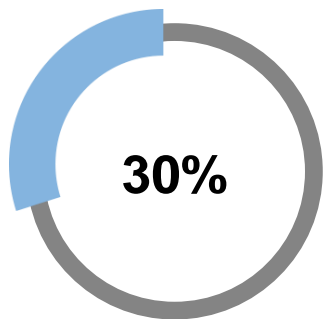


Offices will not become obsolete

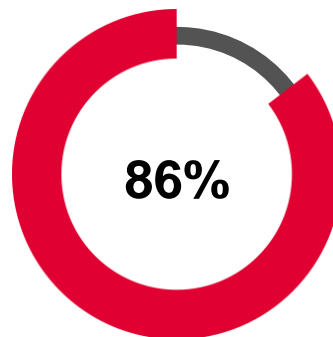
# They will serve a different purpose



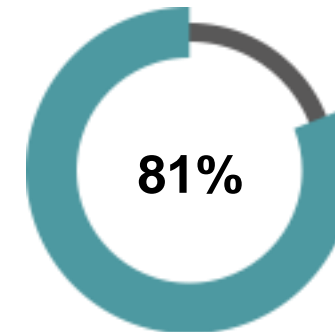
# WE ANTICIPATE CHANGE



PREDICTIONS ARE THAT 30% OF ALL OFFICE SPACE WILL BE FLEXIBLE BY 2030.

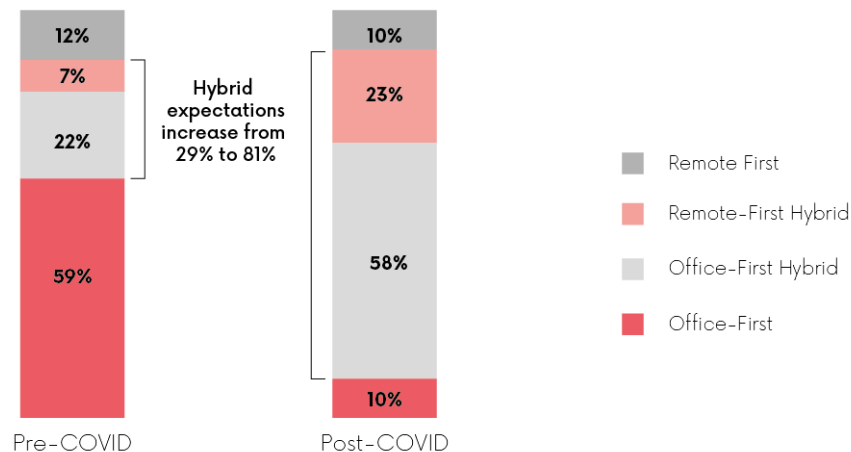


86% OF COMPANIES PLAN TO USE FLEXIBLE SPACE AS A KEY PART OF THEIR REAL ESTATE STRATEGIES.



81% OF ORGANIZATIONS ANTICIPATE MOST OF THEIR WORKFORCE TO UTILIZE THE OFFICE AS THEIR DESTINATION OF CHOICE – EVEN IF IT IS MORE FLUIDLY.

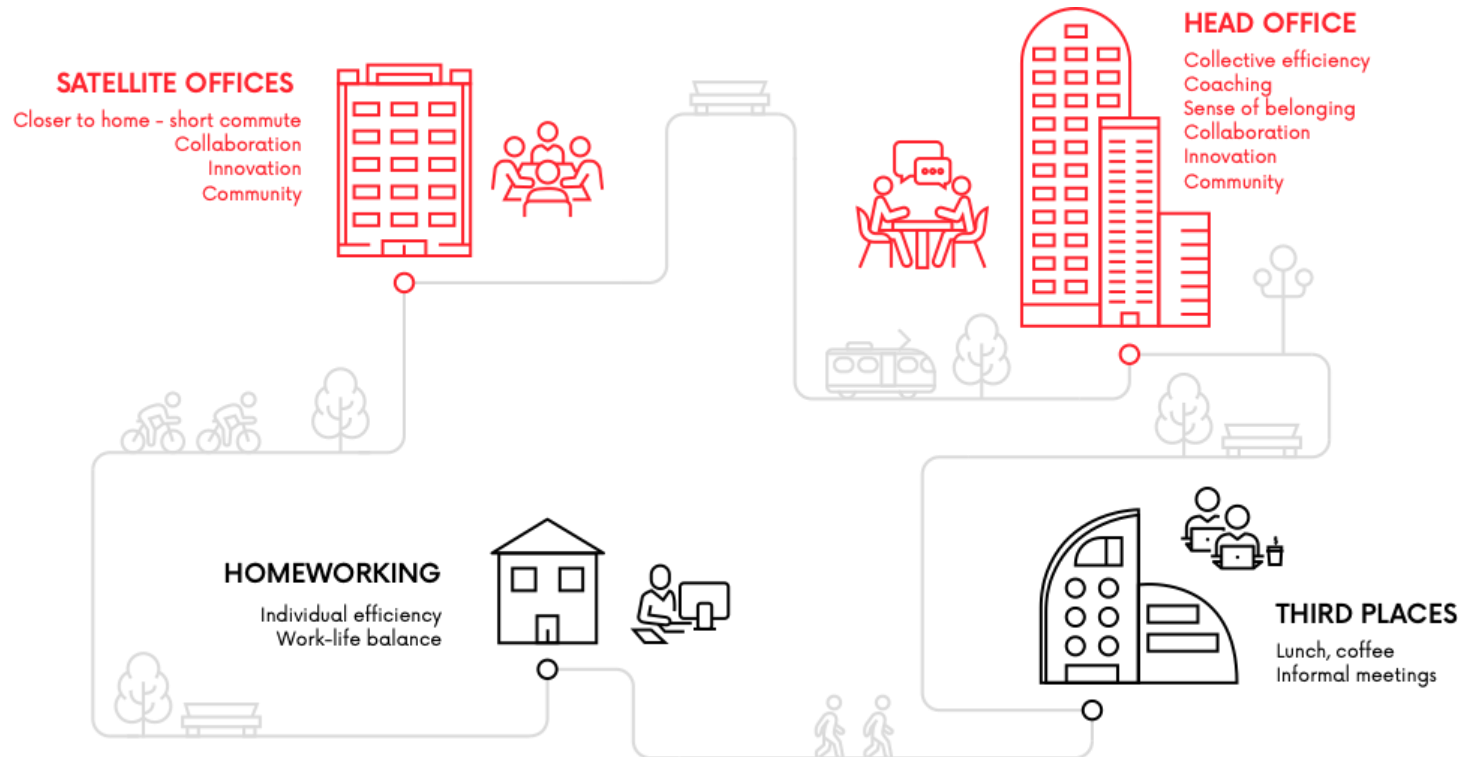
**"A BLEND OF OFFICE AND HOMEWORKING IS THE FUTURE" CHAIRMAN AND SENIOR PARTNER OF PWC UK "BUT THERE'S STILL VERY MUCH A PLACE FOR THE OFFICE."**



METROPOLISATION

ENVIRONMENTAL AWARENESS

THE NEW HYBRID WORLD OF WORK



BEFIMMO AIMS TO CREATE ENVIRONMENTS WHERE PEOPLE CAN WORK, MEET, SHARE AND LIVE.

Our ambition is to develop a BeLux network of workspaces for all types of users, whatever their scope or size. We want to support and **facilitate the working life of enterprises, entrepreneurs, and their teams**, large and small, to be a partner in growth, and to facilitate evolution in a flexible way. At Befimmo we keep our users at the centre of what we do and offer an increasing range of services and facilities to make their lives easier.



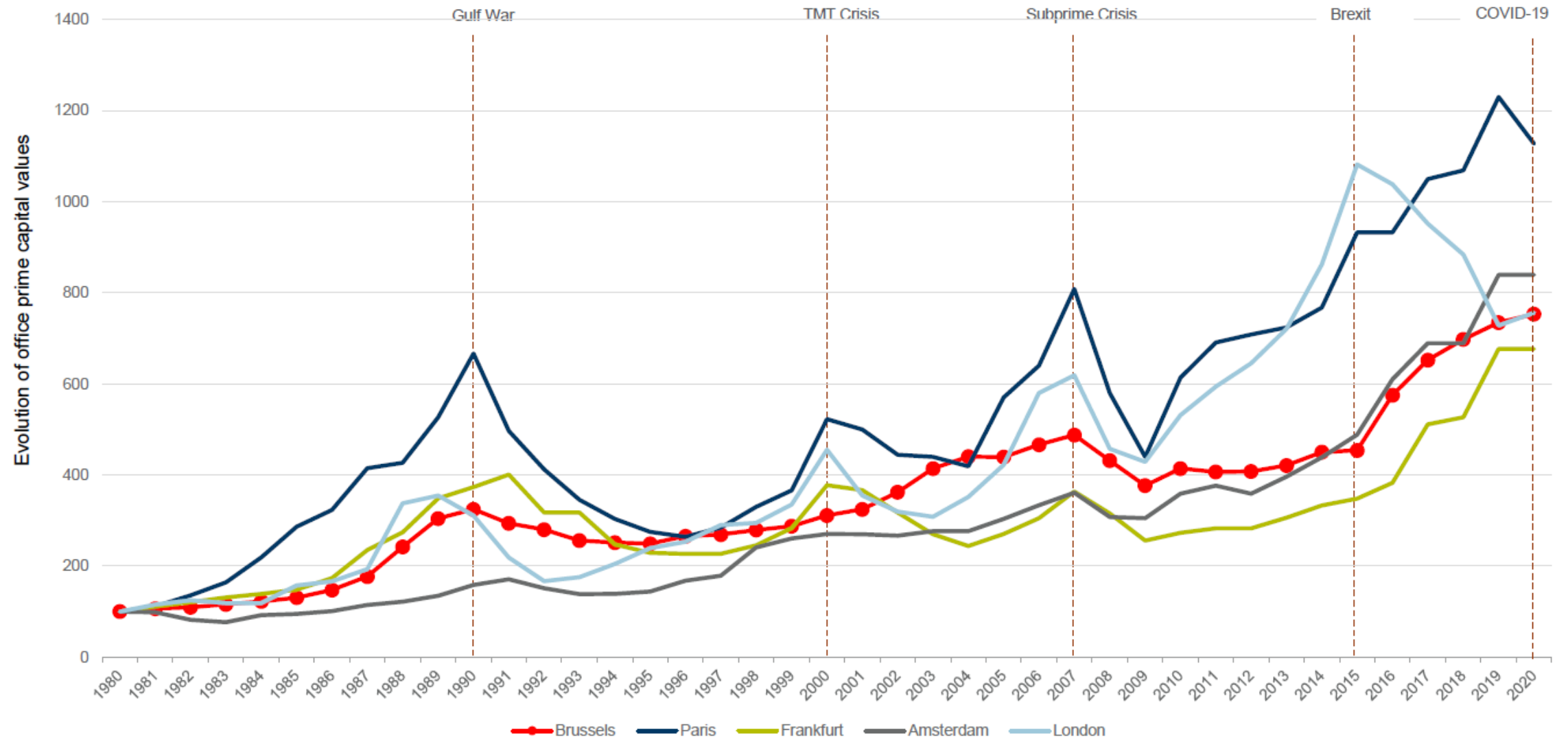
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Silversquare Zaventem | Brussels

3.

MARKET TRENDS

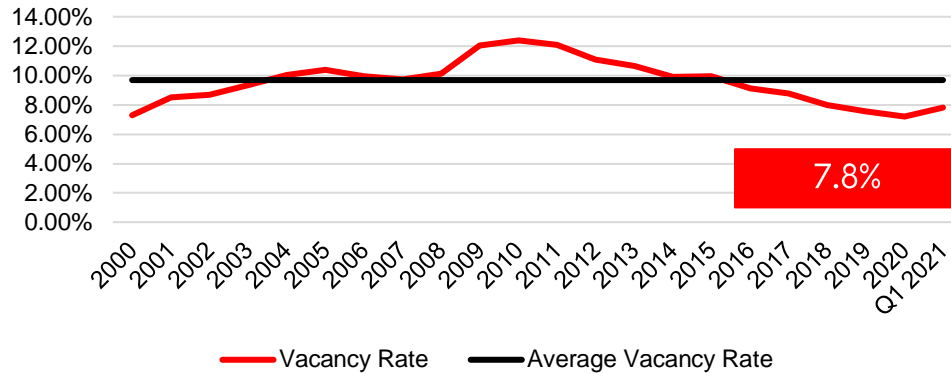
# BRUSSELS OFFICE MARKET RESILIENT IN TIMES OF CRISIS



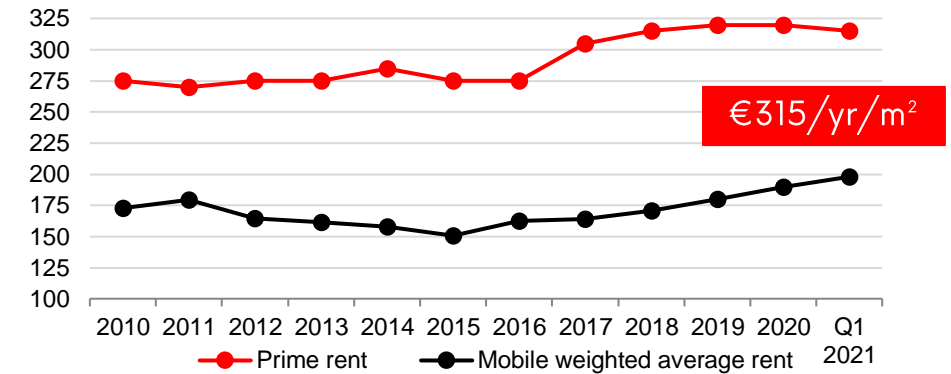
# BRUSSELS OFFICE MARKET | STEADY START OF 2021



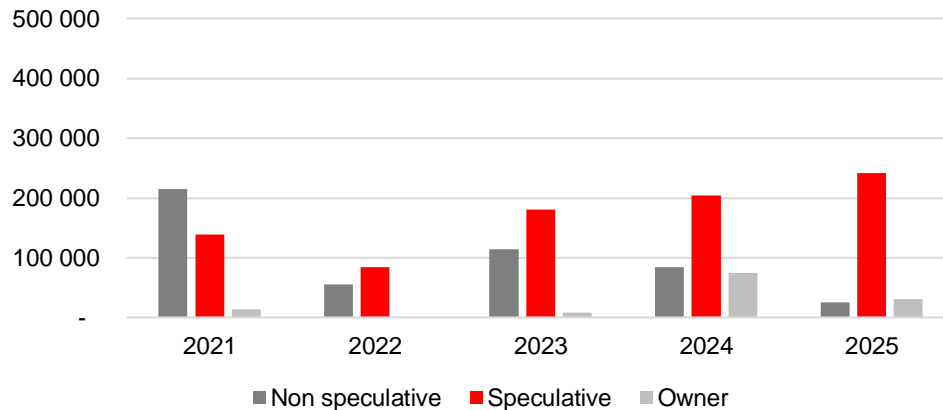
Vacancy rate (in %) still below historical average



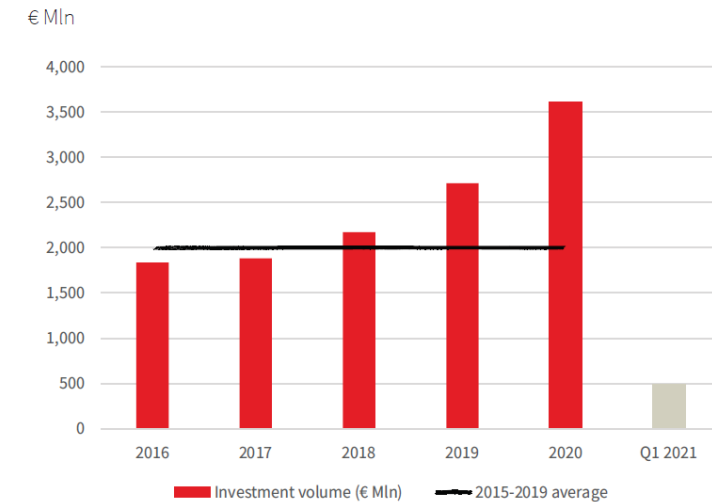
Prime rents (in €/yr/m<sup>2</sup>) picking up before the crisis



Office pipeline (in m<sup>2</sup>) | Speculative development seems limited



Investment volume (€ million) | Continued investor appetite



HEALTH CRISIS SLOWED DOWN ACTIVITY ON THE LETTING MARKET IN 2020 (COMPARED WITH IN 2019) | IN Q1 2021 VOLUME SURGED BY 54% YEAR-ON-YEAR TO 113,600 M<sup>2</sup>

Sources: Cushman & Wakefield & JLL as at 31 December 2020 and 31 March 2021



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Silversquare Bailli | Brussels

4.

OPERATIONAL PERFORMANCE



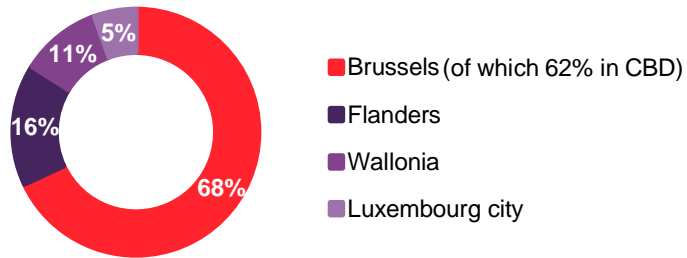
# 2020-2021 DISPOSAL TARGET | ACHIEVED



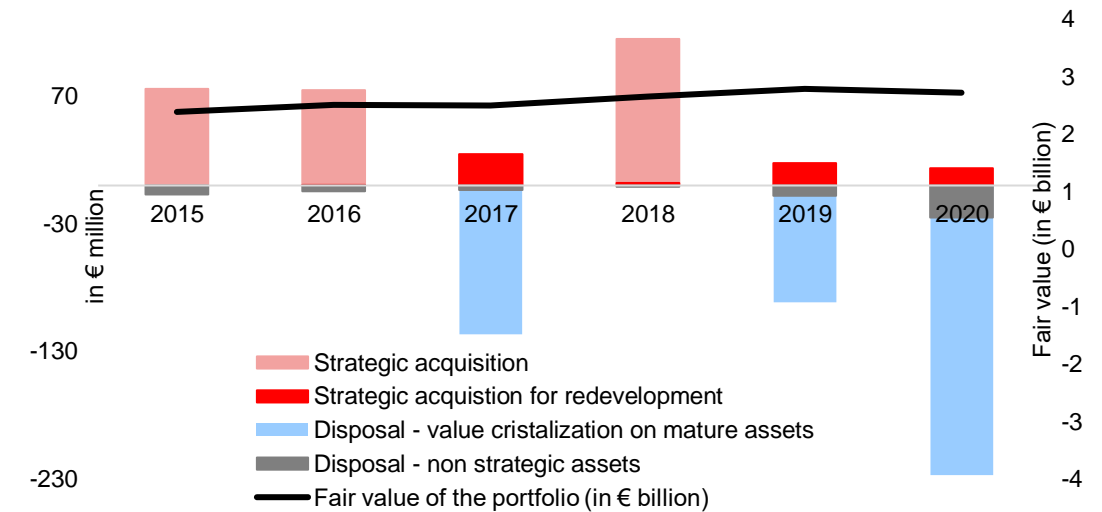
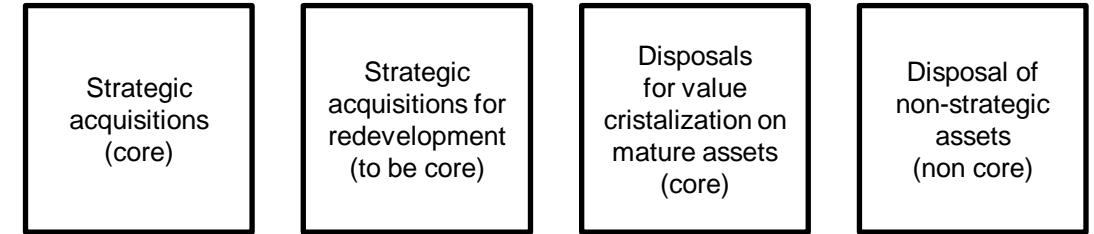
## Disposal target for 2020-2021 of €200 million :

- €252 million\* realised in 2020
- Transactions at or around fair value
- Unleveraged IRR: 6.2%
- Capital gain on investment value: €57 million

## Geographical spread of the portfolio:



## PILARS OF BEFIMMO'S ASSET ROTATION STRATEGY



\*Blue Tower, Guimard, Froissart, Schuman 3, Schuman 11, Media buildings.

## Target of €265 million in disposals in 2021-2022 (core and non core)

- Disposal of 30 non core buildings ( $\pm 140,000$  m<sup>2</sup>) in provinces by end 2022: optimising portfolio quality: the portfolio of the sale and lease back with the BE State in 2006 consisted of 62 buildings ( $\pm 380,000$  m<sup>2</sup>) in Brussels and in BE provinces (duration of 17 years), the buildings in BE provinces are being sold at the end of the lease or slightly earlier
- Disposal of 2 core buildings for value cristalization of mature assets :
  - first disposal finalized in Q1 2021 :Wiertz building for € 74.9 million

## Decreasing the portfolio exposure to the North area

- Befimmo wants to set up a partnership in its subsidiary ZIN IN NO(O)RD whereby the partner should hold a minimum of 25 and a maximum of 75% (search for partner launched in Q1 2021)

	2015	2020	Forecast 2025
# of assets	87	72	43
Average value per asset (in € thousand)	27 452	37 694	69 289
Core assets	76%	84%	90%
Non-core assets	24%	16%	10%
Developments for own account in order to be leased	7%	19%	2%

## Forecast assumptions

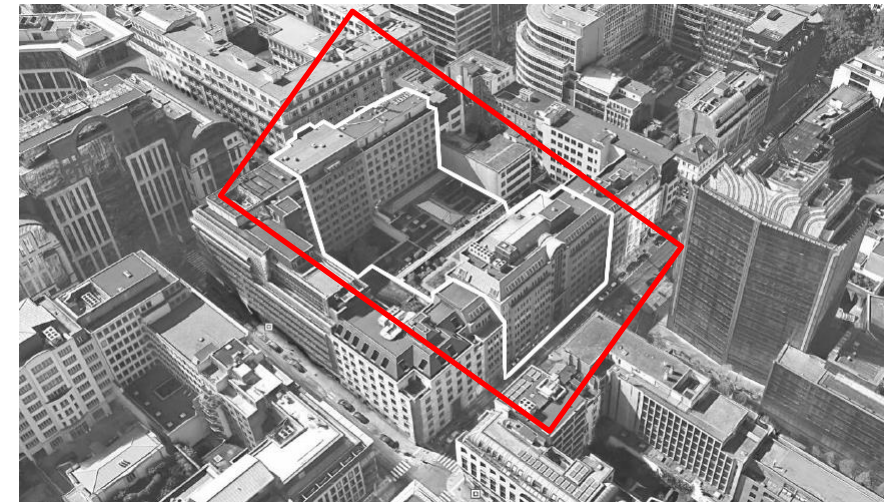
- Disposal target achieved
- No changes in fair value
- Development projects realised according to plan

THE PROCEEDS OF THE DISPOSALS CONTRIBUTE TO MANAGING THE LTV RATIO WHILE FINANCING THE ONGOING DEVELOPMENT PROJECTS AND ENSURE CAPACITY FOR GROWTH.  
THE PACE OF THESE DISPOSALS WILL BE ALIGNED WITH THE INVESTMENT OPPORTUNITIES THAT BEFIMMO CAN MATERIALIZE.

# GROWTH THROUGH ACQUISITIONS

## LOI 52 | STRATEGIC ACQUISITION FOR REDEVELOPMENT BRUSSELS LEOPOLD DISTRICT

- Preparing the future of Joseph 2 (12,800 m<sup>2</sup>)
- Transformation of Loi 44 (acquired in 2019), Loi 52 and Joseph 2 into a unique green and open island
- Located in the heart of the European quarter, extraordinary potential for value creating
- Innovative and multifunctional complex of 23,000 m<sup>2</sup> including coliving
- Construction cost: €62 million
- Yield on total investment: ±5%
- BREEAM “Outstanding” certification
- DGNB “Platinum” certification



# GROWTH THROUGH ACQUISITIONS

## CUBUS BUILDING | STRATEGIC ACQUISITION 5,000 M<sup>2</sup> - HOWALD, GRAND-DUCHY OF LUXEMBOURG

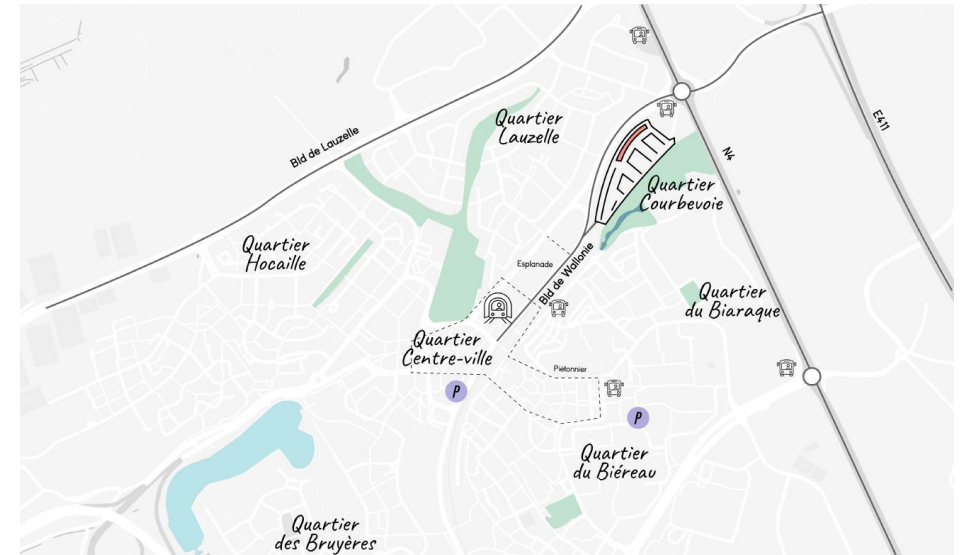
- Expansion in Luxembourg
- Located near the Cloche d'Or (Luxembourg City), important value creating potential
- Well served by public transport (train, tram, bus), to become major public transport hub in the south of the city with an intermodal connection
- Investment value: €30 million
- Return on investment: 5.6%



# GROWTH THROUGH ACQUISITIONS

## COURBEVOIE | STRATEGIC ACQUISITION (8,300 M<sup>2</sup> - LOUVAIN LA NEUVE, UNIVERSITY AREA)

- A real example of the Silversquare and Befimmo hybrid offering, 5,000 m<sup>2</sup> of coworking and 3,300 m<sup>2</sup> of offices
- Unique and innovative area, ideally located close to the E411 highway and with direct access to the Louvain La Neuve railway station
- Acquisition in state of future completion
- Investment value: ±€27 million
- Expected yield on investment: 5.6%



**REAL-ESTATE OPERATOR**

**Asset  
management**  
—

**Asset  
development**  
—

**COWORKING**

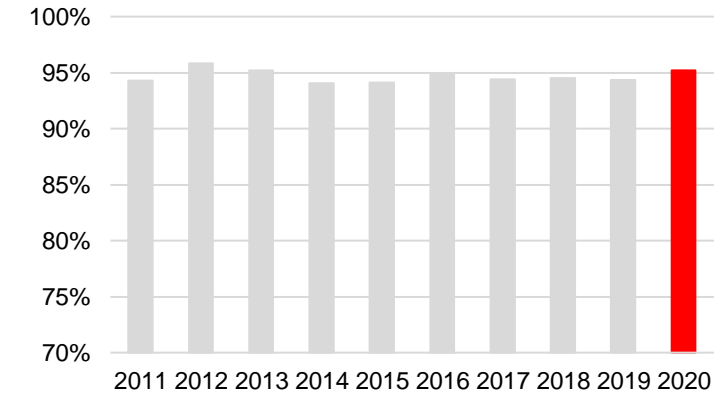
**Workspace  
as a service**  
—

# SOLID PORTFOLIO FUNDAMENTALS

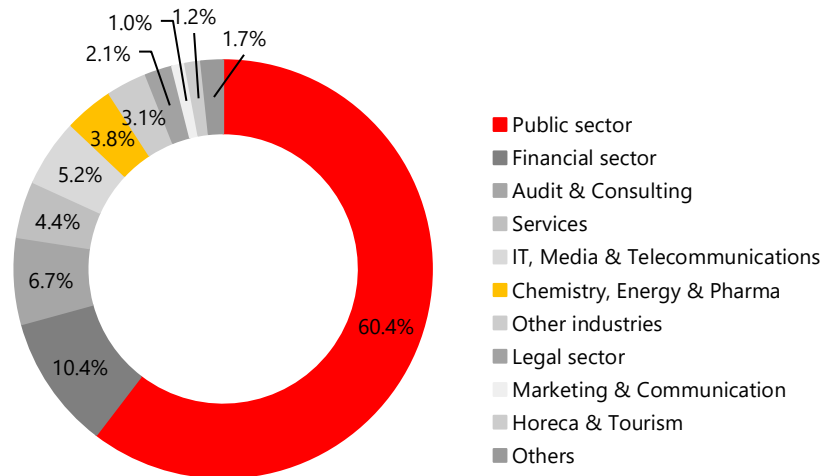


- 73,410 m<sup>2</sup> let in 2020 – 20% increase against 2019 (excl. ZIN)
- Rent collection year-to-date at 98.5%
- Stable occupancy rate of mature space of 78%
- Long duration of leases (up to next break) of 7.1 years
- Robust tenant profile:
  - 60.4% public sector, 7.9 years duration and AA or AAA rating (Fitch or S&P)
  - Granularity and high-quality counterparties
- Gross initial yield of properties available for lease at 5.2%

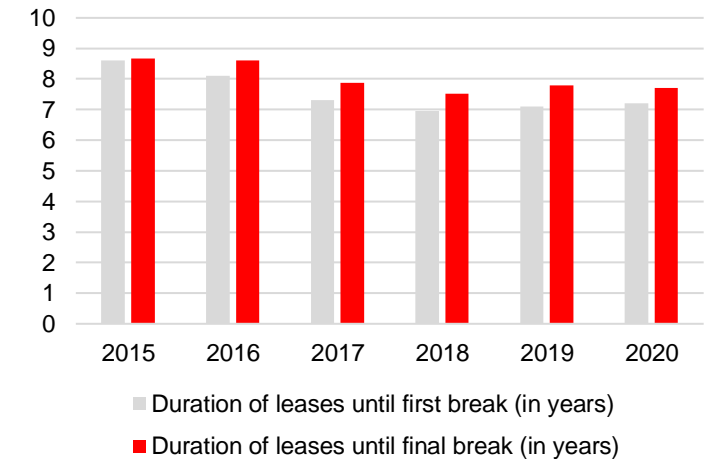
## High occupancy rate since 2011



## Tenants by sector



## Long average duration of leases



<sup>(1)</sup> The proportions are expressed on the basis of the gross current rent from lease agreements as at 31 March 2021. Public sector: Belgian public institutions (federal & regional) and European institutions.

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**Asset  
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**COWORKING**

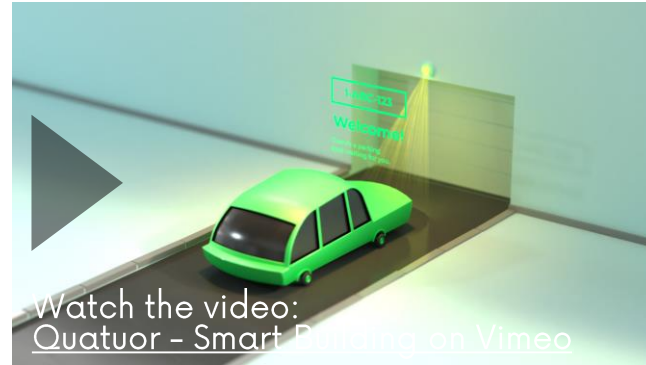
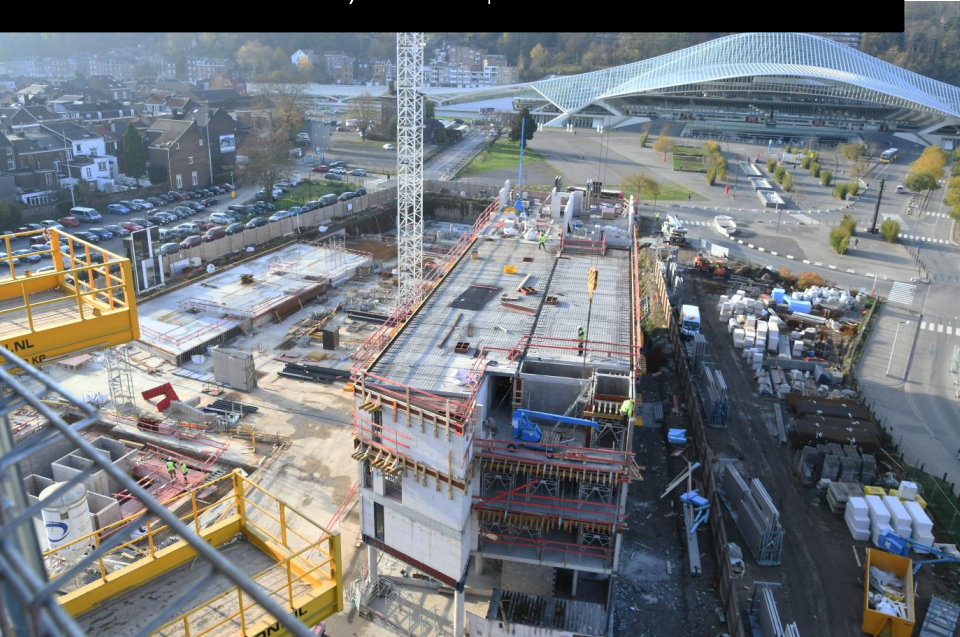
**Workspace  
as a service**  
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# AMBITIOUS PROJECTS PROMISING SOLID ORGANIC GROWTH



PARADIS EXPRESS – 100% PRELET  
35,000 M<sup>2</sup> | LIÈGE



QUATOR – 56% PRELET  
62,000 M<sup>2</sup> | BRUSSELS NORTH AREA



ZIN – OFFICES 100% PRELET  
110,000 M<sup>2</sup> | BRUSSELS NORTH AREA



Watch the video:  
ZIN - living building on Vimeo



# AMBITIOUS PROJECTS PROMISING SOLID ORGANIC GROWTH



	COMMITTED ONGOING PROJECTS		
	ZIN	PARADIS EXPRESS	QUATUOR
<b>Space</b>	110 000 m <sup>2</sup>	21 000 m <sup>2</sup> (offices)	62 000 m <sup>2</sup>
<b>Occupancy</b>	Offices 100% pre-let (18 years) Hotel negotiation in progress Residential commercialisation in 2023	100% pre-let	Now 56% pre-let After LOI for additional letting (3 500 m <sup>2</sup> ) signed beginning 2021 only 25,000 m <sup>2</sup> to let
<b>Coworking</b>	5 000 m <sup>2</sup> coworking	3 800 m <sup>2</sup> coworking	7 000 m <sup>2</sup> coworking
<b>Total investment (excl. land)</b>	€411 million	€54 million (offices)	€170 million
<b>Targeted yield on cost</b>	±4.3%	>6%	>5.3%
<b>Expected yield on fair value at completion and start of lease*</b>	±3.8%	±4.7%	±4.9%***
<b>Percentage of completion**</b>	19%	41%	73%
<b>Completion</b>	2023 - 2024	2021	2021
<b>Certification</b>	BREEAM Outstanding	BREEAM Excellent	BREEAM Excellent - Outstanding

**PROACTIVE OCCUPANCY RISK MANAGEMENT:  
83% OF OFFICE PIPELINE PRE-LET**

\*As estimated by the real-estate expert on 31 December 2020.

\*\*Invested amount/total investment.

\*\*\*Taking into account 28,500 m<sup>2</sup> to let (not considering the LOI of 3,500 m<sup>2</sup> signed in January 2021).

# AMBITIOUS PROJECTS PROMISING SOLID ORGANIC GROWTH



	PROJECTS TO BE COMMITTED			
	PLXL	PACHÉCO	REDEVELOPMENT JOSEPH 2	WTC 4
<b>Space</b>	20 000 m <sup>2</sup>	11 600 m <sup>2</sup>	23 000 m <sup>2</sup>	55 000 m <sup>2</sup>
<b>Total investment (excl. land)</b>	€49 million	€37 million	€62 million	€140 million
<b>Targeted yield on cost</b>	±5.5%	±5%	±5%	-
<b>Planning permission to be obtained</b>	2021	2022	2022	-
<b>Completion</b>	2024	2024	2024	In case of preletting
<b>Certification</b>	BREEAM Outstanding	BREEAM Excellent	BREEAM Outstanding DGNB Platinum	-
<b>Comments</b>	Coworking space Current La Plaine: 15,180 m <sup>2</sup> redevelopment after the departure of the tenant	Multifunctional project in a prime location with coworking space and coliving Current Pachéco: 5,800 m <sup>2</sup> , redevelopment after the departure of the tenant	Redevelopment of Joseph 2 (12,800 m <sup>2</sup> ), with Loi 44 and Loi 52 acquisitions, a new complex for institutional occupants redevelopment after the the departure of the tenant	New planning permission in preparation, in the same spirit as the ZIN project

MARKET ANALYSIS BEFORE LAUNCHING PROJECTS AT RISK OF OCCUPANCY  
AND TO MAXIMISING THE PRE-LETTING RATE BEFORE THE START OF THE  
CONSTRUCTION WORKS

**REAL-ESTATE OPERATOR**

**Asset  
management**  
—

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development**  
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**COWORKING**

**Workspace  
as a service**  
—

# RESILIENCE OF THE COWORKING ACTIVITY

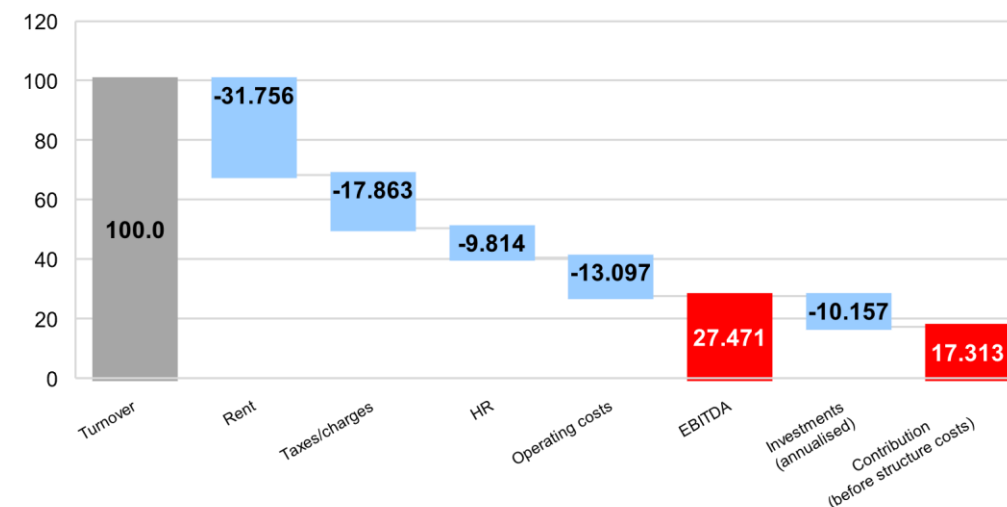


Spaces in operation	Area	Location
Silversquare Bailli	7 200 m <sup>2</sup>	Louise district, Brussels CDB
Silversquare Europe	4 600 m <sup>2</sup>	Leopold district, Brussels CDB
Silversquare Louise	3 300 m <sup>2</sup>	Louise district, Brussels CDB
Silversquare Liberté	2 200 m <sup>2</sup>	Railway station district, Luxembourg city, Grand Duchy of Luxembourg
Silversquare Stéphanie	3 800 m <sup>2</sup>	Louise district, Brussels CDB
Silversquare Delta	4 300 m <sup>2</sup>	University district, Brussels decentralised
Silversquare Zaventem	2 600 m <sup>2</sup>	Brussels periphery
<b>Total</b>	<b>28 000 m<sup>2</sup></b>	

- Strong resilience with an overall increase in the number of members
- Q1 2021 remains challenging with vaccination still ongoing and obliged homeworking: postponed decisions regarding take-up of private offices for medium size companies (65% of revenues) limiting growth
- The recovery rate for monthly invoices issued is 99.6% as at 31 March 2021. There has been no material increase in doubtful debtors since the beginning of the year.
- Occupancy rate mature coworking space: 78%
- Number of desks decreased to 1,589 from 3,028
- New Bailli space is doing better than foreseen in terms of take-up

	Number of occupied desks as at 31.03.2021 (A)	Number of available desks as at 31.03.2021 (B)	Occupancy rate as at 31.03.2021 (A/B)
« Mature » coworking spaces*	254	326	<b>78%</b>
All coworking spaces	1 589	3 028	<b>52%</b>

**Model of contribution of a mature coworking space (2019 pre-covid)**



**WE ARE CONVINCED THAT OUR COMBINED BEFIMMO & SILVERSQUARE FLEXIBLE OFFER WILL PLAY AN IMPORTANT ROLE IN THE POST HEALTH CRISIS RECOVERY PERIOD AND WILL BECOME A KEY SOLUTION IN THE NEW HYBRID WORLD OF WORK**




\*A space is considered as mature after three years of existence.

# DEVELOPING A BELUX NETWORK, M<sup>2</sup> TO BE DOUBLED BY 2022



## Clear governance

- Coworking spaces in Befimmo buildings:
  - Fitted out by Befimmo (real-estate operator) and handed over to Silversquare as "turnkey" premises
  - Silversquare (coworking operator) invests in furniture and IT
- Spaces in third-party buildings:
  - Silversquare invests in the fitting-out as well as in furniture and IT
  
- Total investment 2021 Befimmo: €13.1 million
- Total investment 2021 Silversquare: €3.4 million

Spaces		Surface	Location
 Central Gate	New opening	6 100 m <sup>2</sup>	Centre , Brussels CDB
 Quatuor	New opening	8 100 m <sup>2</sup>	North district , Brussels CDB
<b>Total 2021</b>		<b>14 200 m<sup>2</sup></b>	
Flanders	New opening	5 800 m <sup>2</sup>	
 Paradis Express	New opening	3 800 m <sup>2</sup>	Liège, Wallonia
<b>Total 2022</b>		<b>9 600 m<sup>2</sup></b>	

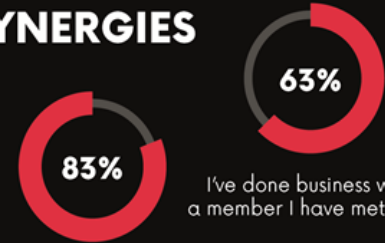
## HAPPY USERS AT SILVERSSQUARE | SURVEY RESULTS

### SERVICES



Silversquare's staff is always welcoming

### SYNERGIES



I've done business with a member I have met here

Networking events are important to me

### FACILITIES



The place fills me with good vibes

### WORKING HABITS



I sometimes work from another Silversquare's coworking space

### COMMUNITY



I feel confident to share my ideas here



Arts 56 | Brussels

5.

FINANCIAL PERFORMANCE

## Real-estate operator

In € million	FY 2020	Forecast FY 2020 Pre COVID	FY 2019	FY 2018
Net rental result	130.8	135.3	134.8	143.6
Financial result	-19.5	-20.3	-22.8	-20.5
Net result	58.4	-	180.6	82.6
Net result / share	€2.16	-	€7.03	€3.24
EPRA earnings	77.8	78.4	83.6	
EPRA earnings / share	€2.88	€2.89	€3.26	
		€2.76		

Post COVID and Blue  
Tower disposal

- The EPRA “like-for-like net rental growth” was -0.2%, compared to 4.7% for the 2019 fiscal year. This results from the combined effect of:
  - the impact of the health crisis (€1.1 million of which the major part is related to rent free periods granted to customers of the retail sector (1% of revenues))
  - rent renegotiations related to a lease extension
  - and some early terminations, partly compensated by the indexations of leases

## Coworking activity

- Turnover: €8.0 million
- During the development phase, negative contribution to consolidated EPRA earnings (of -€0.06 per share in 2020)

## Consolidated results

- Net rental result: €137.6 million
- Net result (group share): €57.7 million
- EPRA earnings per share: €2.81

**99.7%**  
RENT COLLECTION YTD 2020  
RE OPERATOR

**99.3%**  
RECOVERY RATE INVOICES ISSUED YTD 2020  
COWORKING ACTIVITY



# PORTFOLIO VALUATION OVER Q1 2021

Offices	Change over the quarter <sup>(a)</sup> (in %)	Proportion of portfolio <sup>(b)</sup> (31.03.2021) (in %)	Fair value (31.03.2021) (in € million)	Fair value (31.12.2020) (in € million)
Brussels CBD and similar <sup>(c)</sup>	1.46%	42.1%	1 145.2	1 191.9
Brussels decentralised	0.70%	3.1%	83.3	82.2
Brussels periphery	-3.40%	3.3%	90.0	92.5
Flanders	-1.28%	15.1%	409.9	428.3
Wallonia	-2.70%	8.3%	226.8	233.0
Luxembourg city	0.93%	6.6%	178.4	147.1
<i>Properties available for lease</i>	<i>0.18%</i>	<i>78.4%</i>	<i>2 133.6</i>	<i>2 175.1</i>
<i>Properties that are being constructed or developed for own account in order to be leased</i>	<i>-1.95%</i>	<i>20.7%</i>	<i>564.2</i>	<i>517.3</i>
<b>Investment properties<sup>(d)</sup></b>	<b>-0.27%</b>	<b>99.1%</b>	<b>2 697.8</b>	<b>2 692.4</b>
<b>Properties held for sale</b>	<b>-9.45%</b>	<b>0.9%</b>	<b>24.7</b>	<b>21.6</b>
<b>Total</b>	<b>-0.36%</b>	<b>100.0%</b>	<b>2 722.5</b>	<b>2 714.0</b>

<sup>(a)</sup> The change over the first quarter of fiscal year 2021 is the change in fair value between 1 January 2021 and 31 March 2021 (excluding the amount of investments, acquisitions and disposals).

<sup>(b)</sup> The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 31 March 2021.

<sup>(c)</sup> Including the Brussels airport zone, in which the Gateway building is situated.

<sup>(d)</sup> Excluding rights of use lease agreements for office space and rights to use land (IFRS 16).

	31.03.2021	31.12.2020
EPRA NRV	63.90	63.48
EPRA NTA	60.49	60.10
EPRA NDV	58.49	57.19

	31.03.2021	31.12.2020
Gross initial yield on properties available for lease	5.2%	5.3%
Gross potential yield on properties available for lease	5.5%	5.6%
Gross initial yield on investment properties <sup>(a)</sup>	4.2%	4.3%
EPRA Net Initial Yield (NIY)	4.9%	5.0%
EPRA Topped-up NIY	5.1%	5.2%

<sup>(a)</sup> Comprising properties that are being constructed or developed for own account in order to be leased.

# HEALTHY FINANCIAL STRUCTURE

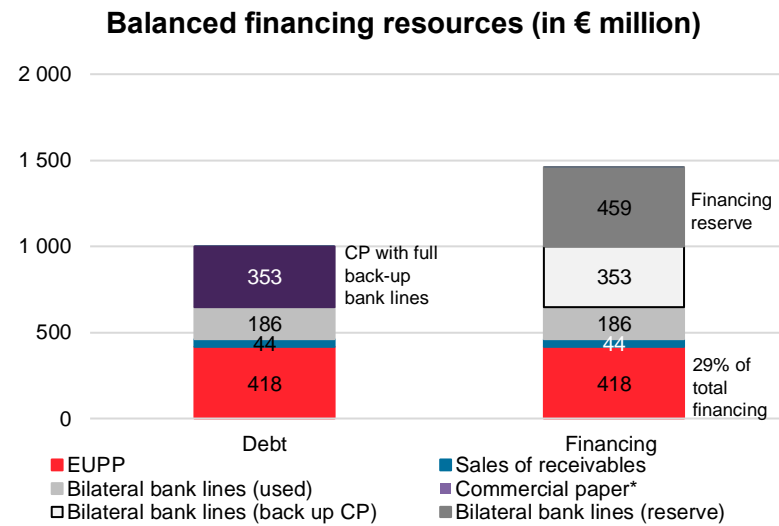


IN THE PRESENT ENVIRONMENT  
BEFIMMO WILL MAINTAIN AN LTV RATIO  
OF AROUND 45%

FINANCING NEEDS COVERED  
UNTIL UNTIL THE END OF Q3 2022

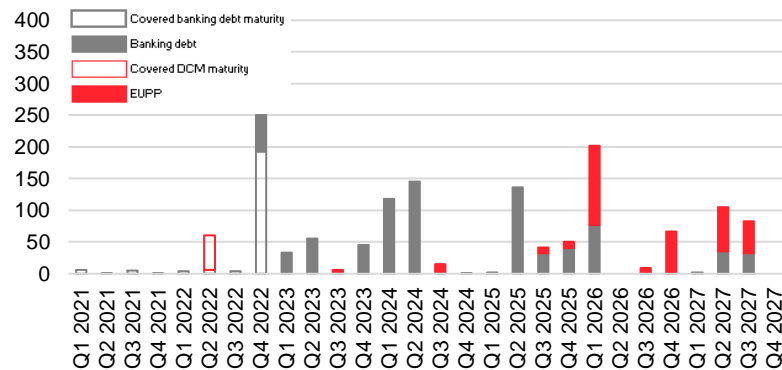
S&P BBB/OUTLOOK LONG-TERM  
BORROWINGS AND A-2 FOR ITS SHORT-  
TERM BORROWINGS

HEDGE RATIO OF 98.8%  
AT 31 MARCH 2021

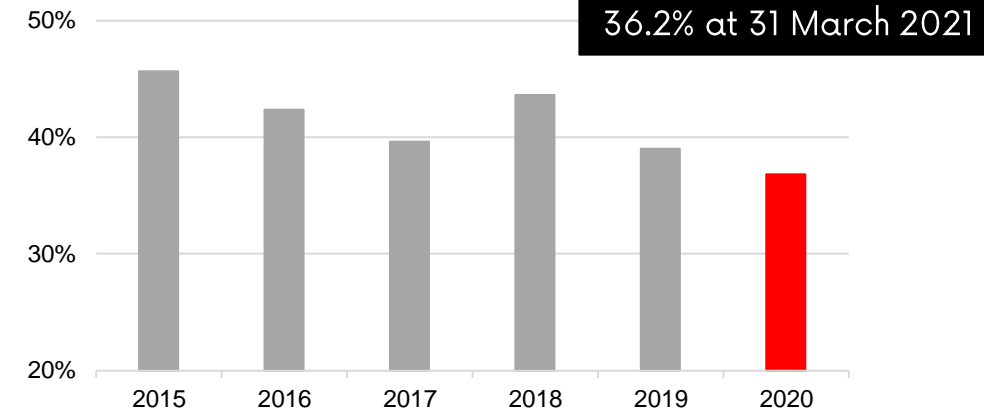


### Well spread maturities (in € million)

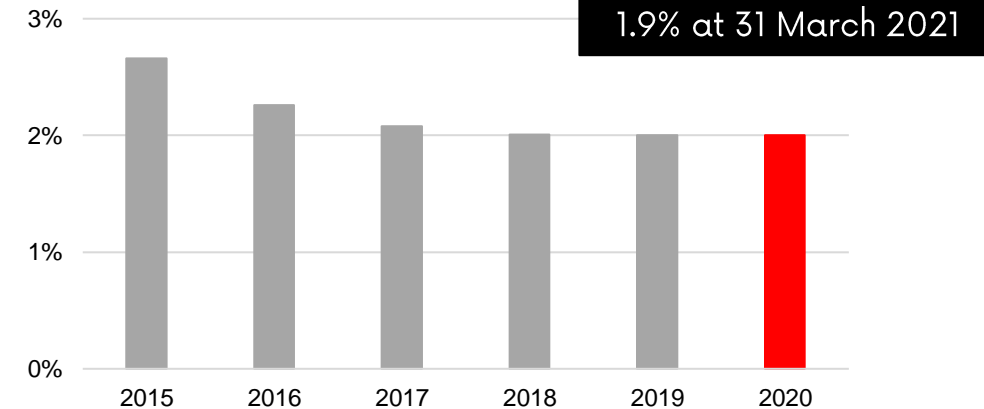
Weighted average duration of 4.9 yrs. at 31 Dec, 2020



### Asset rotation contributed to significant decrease of LTV



### Stable cost of debt



\*With confirmed back-up bank lines in excess of one year.  
Figures presented as at 31 December 2020 unless otherwise stated.



Brederode Corner | Brussels

6.

OUTLOOK

# OUTLOOK FOR 2021 AND BEYOND



ASSET MANAGEMENT & ASSET ROTATION	<ul style="list-style-type: none"><li>▪ Maintain quality portfolio with high occupancy rate and solid clients</li><li>▪ Continue (core and non core) asset disposals</li><li>▪ Materialise new investment opportunities (currently not included in the forecast)</li></ul>
ASSET DEVELOPMENT	<ul style="list-style-type: none"><li>▪ Increase preletting rate of projects under development (currently 83%) and ensure contribution to EPRA earnings, gradually foreseen as from 2022</li><li>▪ Launch additional value creating projects with focus on maximising preletting rates</li></ul>
WORKSPACE AS A SERVICE	<ul style="list-style-type: none"><li>▪ Develop a Belux network of flexible workspaces (52,000 m<sup>2</sup> by 2022), first significant accretive contribution of the coworking activity expected in 2023</li><li>▪ Customer excellence:<ul style="list-style-type: none"><li>▪ Extend range of offers, services and facilities</li><li>▪ Focus on satisfaction (NPS), well-being</li><li>▪ Ambitious digitalization process in progress focusing on improving user experience (Clients &amp; Teams), smart building (incl. BIM) and open innovation</li></ul></li></ul>
2030 ACTION PLAN	<ul style="list-style-type: none"><li>▪ Live by our three commitments “Provide and Rethink Workspaces”, “Transform Cities” and “Be Responsible” and achieve the qualitative ambitions and quantitative targets set out in the 2030 Action Plan, with a clear focus on reducing our CO<sub>2</sub>e emission by -33% (compared with reference year 2016)</li></ul>
HEALTHY FINANCIAL STRUCTURE	<ul style="list-style-type: none"><li>▪ Maintain an LTV ratio of around 45%</li></ul>
FORECAST	<ul style="list-style-type: none"><li>▪ EPRA earnings outlook of €2.10 per share for the 2021</li><li>▪ Gross dividend in line with dividend policy</li></ul>

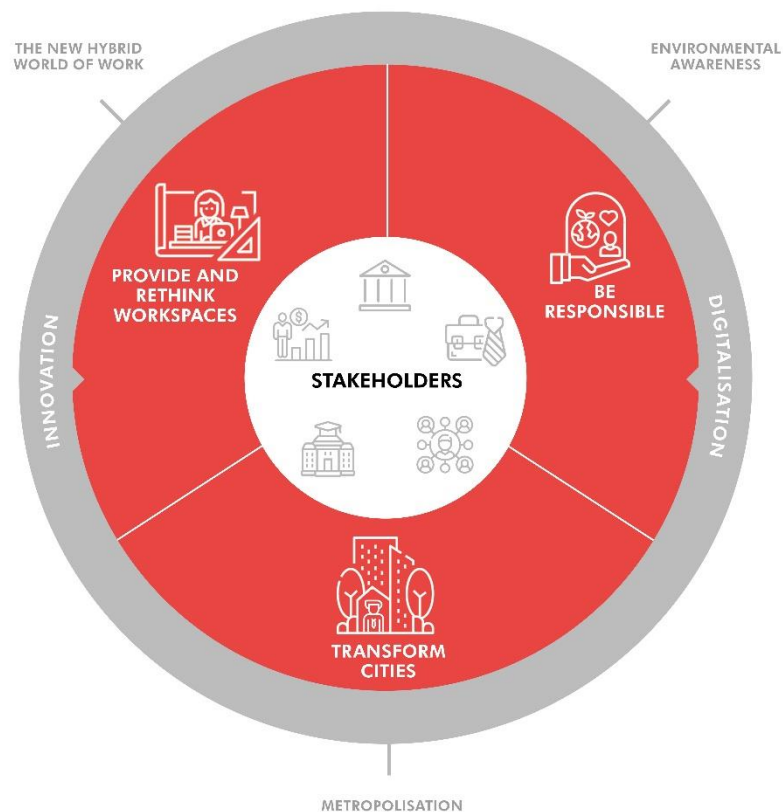
BEFIMMO IS ON TRACK FOR GROWTH IN EPRA EARNINGS.  
BASED ON THE CURRENT PLAN, EPRA EARNINGS SHOULD RISE UP TO A LEVEL  
BETWEEN €3 AND €3.20 PER SHARE BY 2025, POTENTIALLY IMPROVED BY ADDITIONAL INVESTMENTS.



# CLOSING REMARKS



# AMBITIOUS 2030 ACTION PLAN



## Transparent reporting

	2020	2019
<b>EPRA BPR<sup>(a)</sup></b>	Gold	Gold
<b>EPRA sBPR<sup>(a)</sup></b>	Gold	Gold
<b>CDP<sup>(a)</sup></b>	A- Leadership	C Awareness
<b>GRESB<sup>(a)</sup></b>	80% Standing investments 84% Developments Green Star <sup>(b)</sup>	83% Green Star
<b>MSCI</b>	A	A
<b>Sustainalytics</b>	19.2/100 Low Risk <sup>(c)</sup>	56/100

(a) Voluntary participation by Befimmo.

(b) As from 2020, GRESB has split its overall score into two different categories for the real-estate business: Standing Investments and Developments.

(c) The ESG Ratings Report has been replaced by a Risk Ratings Report which focuses primarily on showing the level of risk a company is exposed to, the closer to zero the better the score.

**Belgian  
Alliance for  
Climate  
Action**

# BEFIMMO CAN RELY ON A NUMBER OF STRENGTHS



UNDERLYING BRUSSELS REAL-ESTATE MARKET  
VOLATILITY BELOW THE EUROPEAN AVERAGE

QUALITY PORTFOLIO  
LOYAL AND DEDICATED TEAM

TENANTS LESS EXPOSED TO THE ECONOMIC CRISIS  
SIGNIFICANT PUBLIC SECTOR EXPOSURE

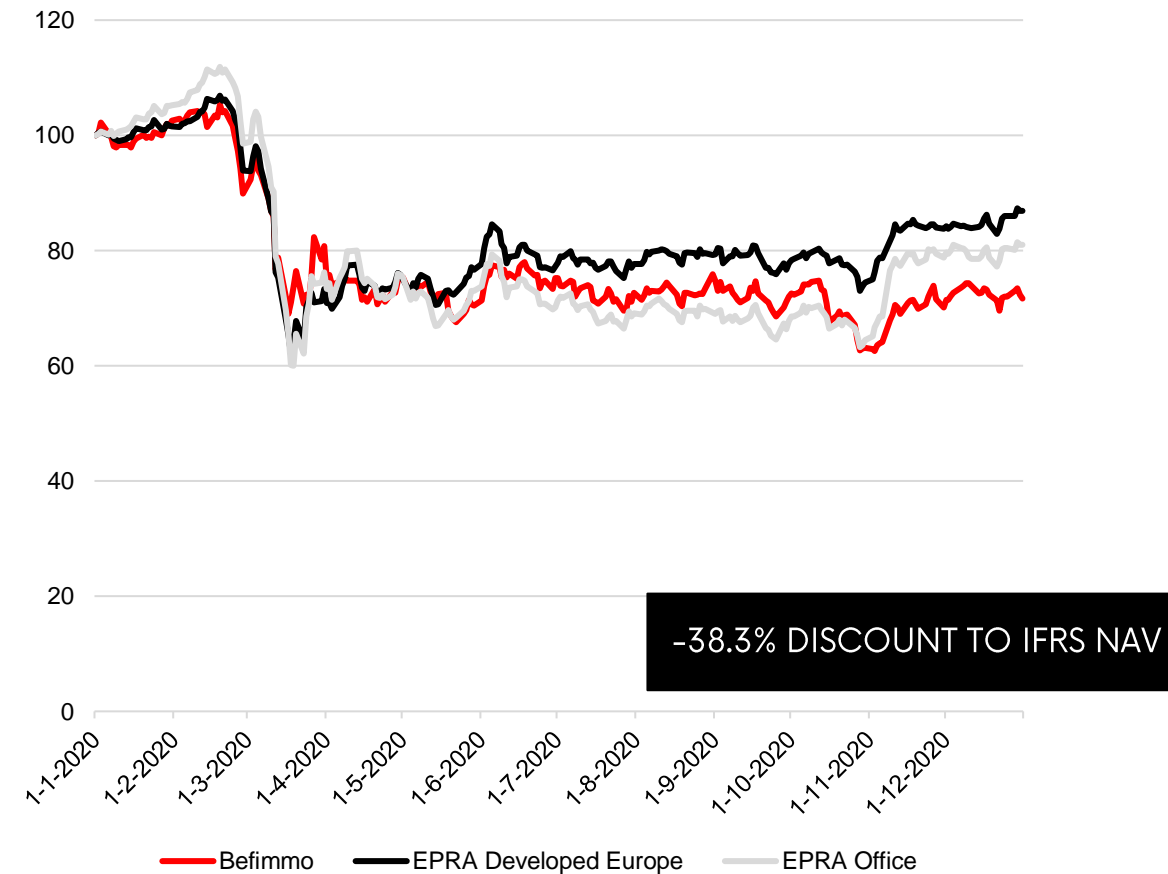
STRONG VISIBILITY ON THE PORTFOLIO REVENUES

EARLY STRATEGIC MOVES (SILVER SQUARE PARTNERSHIP IN 2017) TO  
ANTICIPATE MARKET CHANGES ACCELERATED BY THE HEALTH CRISIS

VALUE CREATING PROJECTS  
PROACTIVE OCCUPANCY RISK MANAGEMENT OF THE DEVELOPMENTS

STRONG AND SOUND FINANCIAL STRUCTURE

Evolution of the Befimmo share price vs. EPRA indices



-38.3% DISCOUNT TO IFRS NAV



Thank you!

Happy to answer  
your questions!



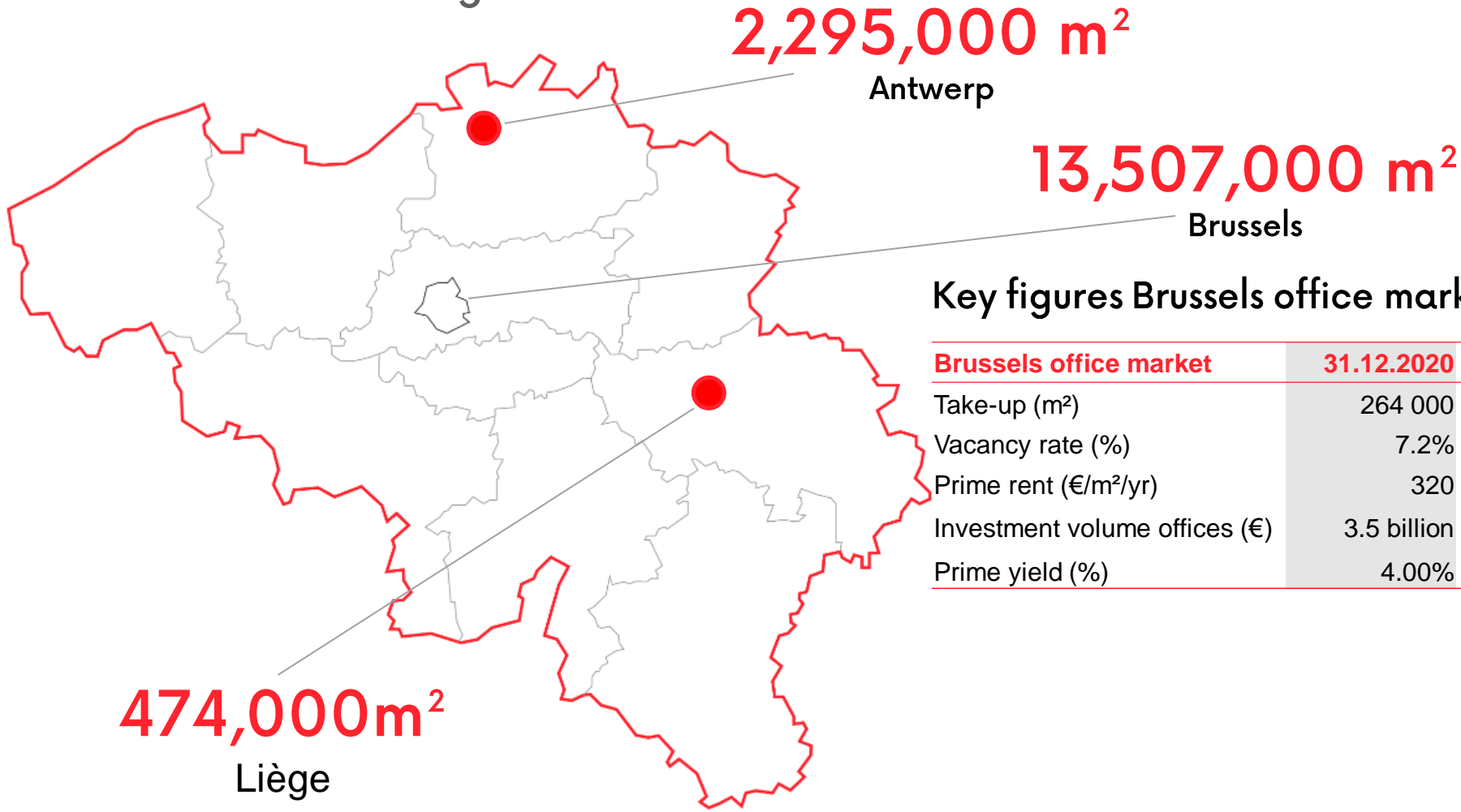




# APPENDICES



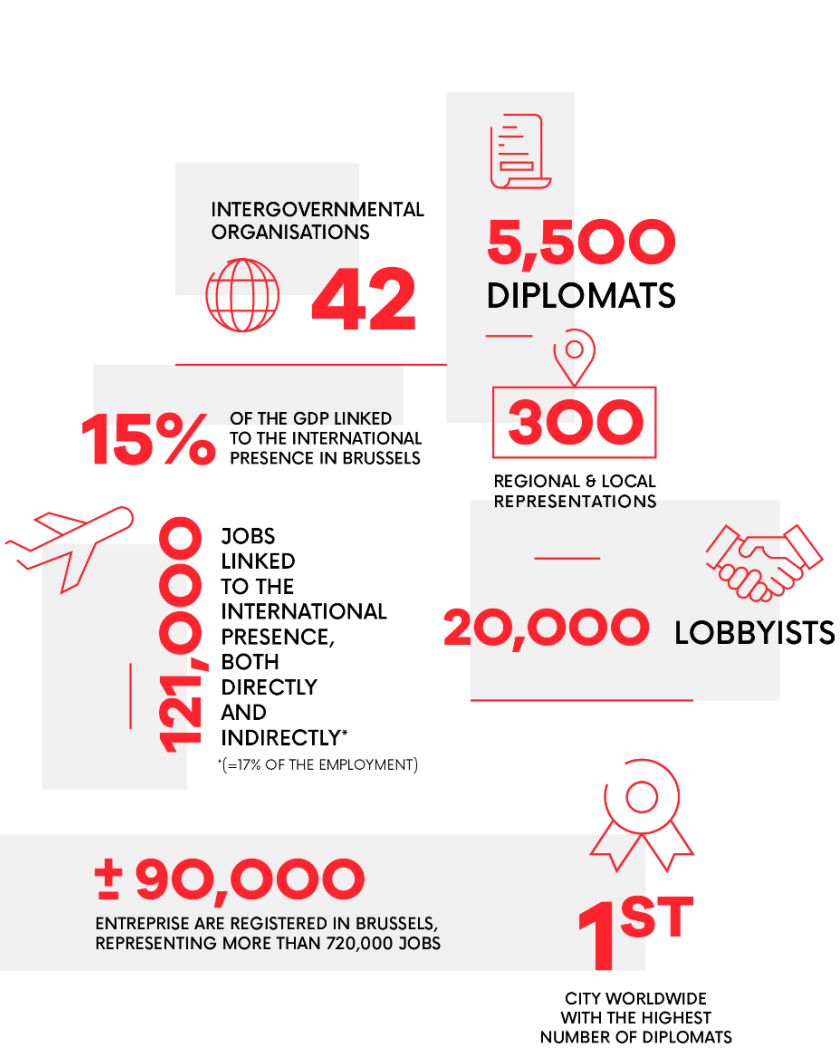
## Overview of our Belgian markets



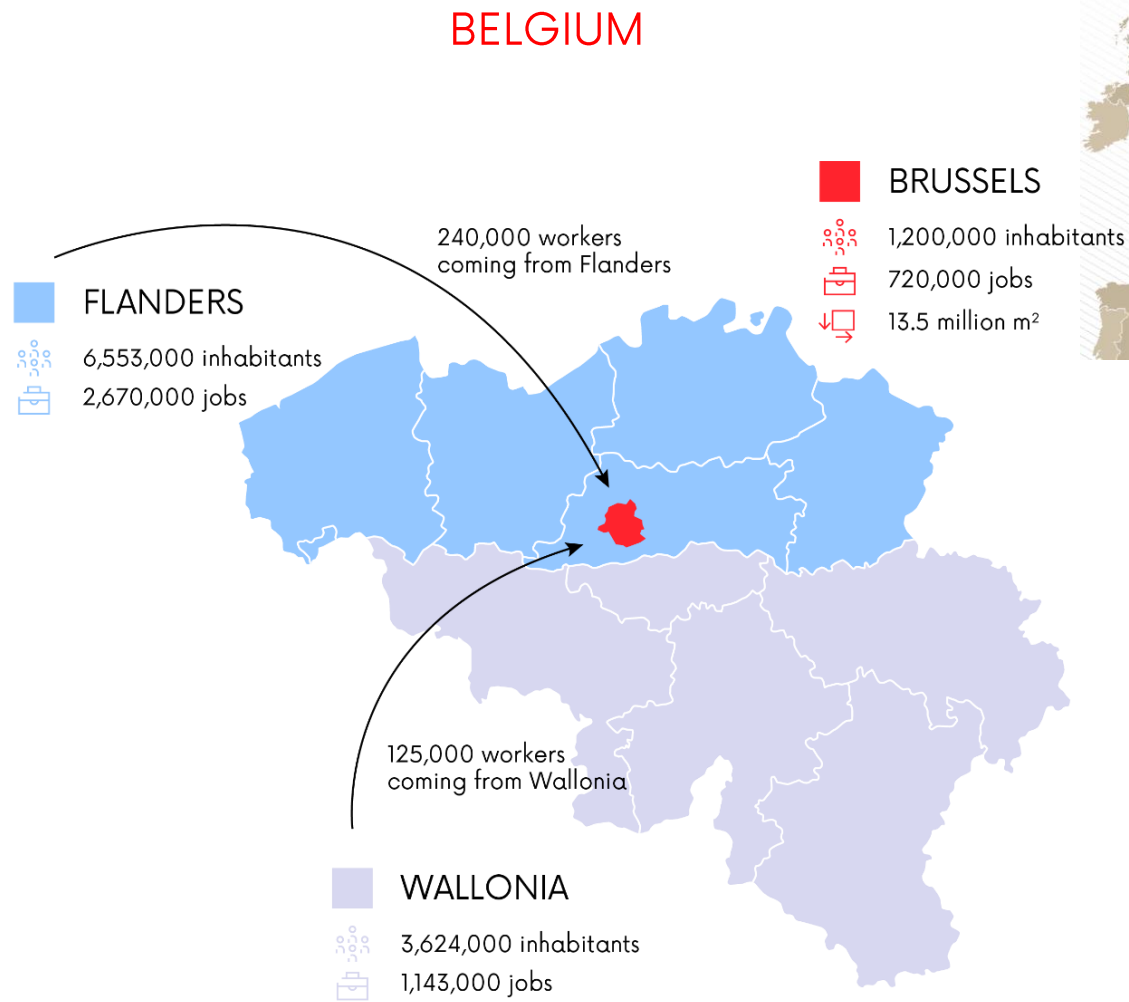
### Key figures Brussels office market

Brussels office market	31.12.2020	31.12.2019	31.12.18	31.12.2017
Take-up (m <sup>2</sup> )	264 000	543 000	361 000	399 513
Vacancy rate (%)	7.2%	7.6%	8.0%	8.8%
Prime rent (€/m <sup>2</sup> /yr)	320	320	315	305
Investment volume offices (€)	3.5 billion	2.1 billion	1.9 billion	1.4 billion
Prime yield (%)	4.00%	4.10%	4.25%	4.40%

# APPENDIX | OVERVIEW BRUSSELS OFFICE MARKET



**1<sup>ST</sup>**  
CITY WORLDWIDE WITH THE HIGHEST NUMBER OF DIPLOMATS



# APPENDIX | CONDENSED INCOME STATEMENT OF THE REAL-ESTATE OPERATOR ACTIVITY 2020

(in € thousand)	31.12.2020	31.12.2019
Net rental result	130 782	134 786
<i>Net rental result excluding spreading</i>	128 941	133 604
<i>Spreading of gratuities/concessions</i>	1 841	1 182
Net property charges	-15 208	-14 347
<b>Property operating result</b>	<b>115 574</b>	<b>120 440</b>
Corporate overheads	-15 746	-14 559
Other operating income & charges	-1 841	-1 177
<b>Operating result before result on portfolio</b>	<b>97 987</b>	<b>104 703</b>
<b>Operating margin</b>	<b>74.9%</b>	<b>77.7%</b>
Gains or losses on disposals of investment properties	306	12 961
<b>Net property result</b>	<b>98 293</b>	<b>117 664</b>
Financial result (excl. changes in fair value of financial assets and liabilities) <sup>(a)</sup>	-19 472	-22 801
Corporate taxes	- 689	- 741
Deferred taxes	- 390	- 472
<b>Net result before changes in fair value of investment properties and financial assets and liabilities and share in the profit or loss of investments</b>	<b>77 742</b>	<b>93 650</b>
Changes in fair value of investment properties	759	109 882
Changes in fair value of financial assets and liabilities	-17 682	-22 921
Share in the profit or loss of investments booked using the equity method	-2 373	-
<b>Changes in fair value of investment properties &amp; financial assets and liabilities and share in the profit or loss of investments</b>	<b>-19 296</b>	<b>86 961</b>
Net result	58 446	180 611
EPRA earnings	77 826	83 605
<b>Net result (in € per share)</b>	<b>2.16</b>	<b>7.03</b>
<b>EPRA earnings (in € per share)</b>	<b>2.88</b>	<b>3.26</b>

# APPENDIX | CONDENSED INCOME STATEMENT OF THE REAL-ESTATE OPERATOR ACTIVITY Q1 2021

(in € thousand)	31.03.2021	31.03.2020
Net rental result	34 099	35 438
<i>Net rental result excluding spreading</i>	33 602	35 320
<i>Spreading of gratuities/concessions</i>	497	118
Net property charges	-5 203	-3 906
<b>Property operating result</b>	<b>28 896</b>	<b>31 532</b>
Corporate overheads	-4 510	-4 613
Other operating income & charges	- 497	- 107
<b>Operating result before result on portfolio</b>	<b>23 889</b>	<b>26 812</b>
<b>Operating margin</b>	<b>70.1%</b>	<b>75.7%</b>
Gains or losses on disposals of investment properties	6 158	-
<b>Net property result</b>	<b>30 047</b>	<b>26 812</b>
Financial result (excl. changes in fair value of financial assets and liabilities)	-4 412	-5 026
Corporate taxes	- 448	- 284
Deferred taxes	- 29	- 197
<b>Net result before changes in fair value of investment properties and financial assets and liabilities</b>	<b>25 159</b>	<b>21 305</b>
Changes in fair value of investment properties	-9 812	1 487
Changes in fair value of financial assets and liabilities	19 272	-11 547
<b>Changes in fair value of investment properties &amp; financial assets and liabilities</b>	<b>9 461</b>	<b>-10 061</b>
Net result	34 620	11 244
EPRA earnings	19 483	21 502
<b>Net result (in € per share)</b>	<b>1.28</b>	<b>0.42</b>
<b>EPRA earnings (in € per share)</b>	<b>0.72</b>	<b>0.79</b>

# APPENDIX | CONDENSED CONSOLIDATED BALANCE SHEET

<b>(in € million)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Investment and held for sale properties	2 761.2	2 814.8
Other assets	85.3	97.4
<b>Total assets</b>	<b>2 846.5</b>	<b>2 912.3</b>
Shareholders' equity	1 591.4	1 603.9
Financial debts	1 053.3	1 134.7
non current	684.6	637.6
current <sup>(a)</sup>	368.7	497.2
Other debts	201.8	173.6
<b>Total equity &amp; liabilities</b>	<b>2 846.5</b>	<b>2 912.3</b>
<b>LTV</b>	<b>36.8%</b>	<b>39.0%</b>

(a) According to IAS 1, commercial paper must be recorded as a current liability. It is important to note that the Company has confirmed bank lines in excess of one year as a back-up for its commercial paper.

# APPENDIX | HEDGING POLICY

Annual average		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	→	2040
CAP	Notional (€ million)	20	0	0	0	0	0	0	0	0	0	0	0	→	0
	Average rate <sup>(a)</sup> (in %)	1.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	→	0.0%
FLOOR	Notional (€ million)	20	0	0	0	0	0	0	0	0	0	0	0	→	0
	Average rate <sup>(a)</sup> (in %)	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	→	0.0%
Fixed-rating financing (incl. IRS)	Notional (€ million)	973	1064	1035	968	891	751	555	328	240	215	190	167	→	15
	Average rate <sup>(a)</sup> (in %)	0.8%	0.8%	0.8%	0.7%	0.8%	0.8%	0.8%	0.7%	0.6%	0.6%	0.6%	0.6%	→	0.5%

<b>(in € thousand)</b>		<b>Realised 2020</b>	<b>Forecasts 2021</b>
Real-estate operator	Rental income	130 753	120 635
	Charges linked to letting	30	- 695
	<b>Net rental result</b>	<b>130 782</b>	<b>119 939</b>
	Net property charges	-15 208	-18 162
	<b>Property operating result</b>	<b>115 574</b>	<b>101 777</b>
	Corporate overheads	-15 746	-18 494
	Other operating income and charges (excl. goodwill impairment) <sup>(a)</sup>	-1 841	-5 847
	<b>Operating result before result on portfolio</b>	<b>97 987</b>	<b>77 437</b>
	Financial result (excl. the changes in fair value of the financial assets and liabilities and close-out costs)	-19 081	-17 334
	Corporate taxes	-1 079	-1 453
	<b>EPRA earnings</b>	<b>77 826</b>	<b>58 649</b>
	<b>EPRA earnings (in € per share)</b>	<b>2.88</b>	<b>2.17</b>
CW	<b>Contribution to the EPRA earnings of the coworking activity (in € per share) (group share)</b>	<b>-0.06</b>	<b>-0.06</b>
TOTAL	<b>Total EPRA earnings (in € per share) (group share)</b>	<b>2.81</b>	<b>2.10</b>
	<i>Average number of shares</i>	<i>27 048 907</i>	<i>27 052 443</i>



# APPENDIX | FINANCIAL CALENDAR



Publication of the Annual Financial Report 2020	Friday 27 March 2021
Ordinary General Meeting 2020	Tuesday 26 April 2021
Payment of the final <sup>(a)</sup> dividend on presentation of coupon No 41	
- <i>Ex-date</i>	Wednesday 5 May 2021
- <i>Record date</i>	Thursday 6 May 2021
- <i>Payment date</i>	Friday 7 May 2021
Interim statement as at 31 March 2021	Thursday 11 May 2021
Publication of Half-Yearly Financial Report 2021	Friday 22 July 2021
Interim statement as at 30 September 2021	Thursday 28 October 2021
Payment of the 2021 interim <sup>(c)</sup> dividend on presentation of coupon No 42	
- <i>Ex-date</i>	Wednesday 15 December 2021
- <i>Record date</i>	Thursday 16 December 2021
- <i>Payment date</i>	Friday 17 December 2021
Publication of annual results as at 31 December 2021	Thursday 18 February 2022
Publication of Annual Financial Report 2021	Friday 25 March 2022
Ordinary General Meeting 2021	Tuesday 26 April 2022
Payment of the final <sup>(a)</sup> dividend of the 2021 fiscal year on presentation of coupon No 43	
- <i>Ex-date</i>	Wednesday 4 May 2022
- <i>Record date</i>	Thursday 5 May 2022
- <i>Payment date</i>	Friday 6 May 2022

(a) Subject to a decision of the Ordinary General Meeting.

(b) Publication after closing of the stock exchange.

(c) Subject to a decision of the Board of Directors.

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This presentation contains statements and estimates about anticipated future performances. These statements and estimates are not to be construed as implying a commitment from Befimmo to achieve them. Whether or not they will actually be achieved depends on a number of factors which are beyond the reach of Befimmo's control, such as developments in the real estate and financial markets.

Such statements and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors, which were deemed reasonable when made but may or may not prove to be correct.

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