



25

YEARS

BEFIMMO  
WHERE BUSINESSES  
FIND A HOME

# ANNUAL RESULTS 2020

Delivering resilient  
2020 results  
and anticipating  
changes

Befimmo

■ **Financial results**

- Solid fair value of the portfolio (+0.03%) (at constant perimeter, excluding investments, disposals and acquisition)
- Consolidated net asset value of €58.85 per share (group share)
- Consolidated net result of €2.13 per share (group share)
- Consolidated EPRA earnings of €2.81 per share (group share)

■ **Sound fundamentals of real-estate operator activity (94% of consolidated revenues)**

- 73,410 m<sup>2</sup> let in 2020 an 20% increase compared with 2019 (excluding ZIN)
- LOI for an additional lease of 3,500 m<sup>2</sup> in Quatuor signed beginning 2021
- Operating portfolio:
  - Increased and robust occupancy rate at 95.2%
  - Long average weighted duration of leases (up to next break) at 7.2 years
  - Rents collection year-to-date at 99.7%
- Ongoing developments:
  - Developments under control with limited delays linked to COVID
  - Proactive occupancy risk management: pre-letting rate currently at 83%
- Asset rotation:
  - €252 million in disposals realised globally at fair value, average unleveraged IRR of 6.2% and net capital gain of €57 million on investment

■ **Anticipating changes with coworking (6% of consolidated revenues) and workspace as a service:**

- Developing a Belux network, number of spaces will be doubled by 2022
- Currently 7 spaces in operation (28,000 m<sup>2</sup>)
- Occupancy rate of mature space at 75% (number of desks increased to 3,028 from 2,037)
- Year-to-date recovery rate for monthly invoices: 99.3%

■ **Healthy financial structure:**

- Asset rotation contributed to significant decrease of Loan-to-Value ratio to 36.8%
- Financing needs covered, no new financing required before end of Q3 2022

■ **2020 dividend:**

- The final gross dividend per share is confirmed at €0.57, bringing the total 2020 dividend €2.25 gross per share

■ **Forecast:**

- EPRA earnings outlook of €2.10 gross per share for the 2021 fiscal year

**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.**

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## **Basis of consolidation**

Any reference to the portfolio, assets, figures or activities of Befimmo should be understood on a consolidated basis, to include those of its subsidiaries, except where clear from the context or expressly stated otherwise. Befimmo has exclusive control of Silversquare Belgium SA and consequently Silversquare Belgium SA and its subsidiaries are included in the global consolidation at 31 December 2020. Befimmo's activities are presented in this press release by business segment (real-estate operator and coworking).

The results presented in € per share are calculated based on the average number of shares not held by the group as at 31 December 2020 (i.e. 27,048,907 shares).

## **Real-estate indicators and EPRA guidelines**

The definitions of Befimmo's real-estate indicators are described in Appendix 4 to this press release. They are identified in a footnote the first time they occur.

Befimmo has fully committed to standardising its financial and social-responsibility reporting - with a view to improving the quality and comparability of the information - by adopting the EPRA reporting guidelines.

## **Alternative Performance Measures**

The Alternative Performance Measures (APM) guidelines of the European Securities Markets Authority (ESMA) have been applicable since 3 July 2016. The APMs used in this press release are identified in a footnote the first time they occur. The full list of APMs, with their definitions, purpose, and relevant reconciliation tables are set out in Appendix 3 to this press release and published on Befimmo's website.

# Delivering resilient 2020 results and anticipating changes

## Befimmo is ready for the next page in its history built on solid foundations

2020 was an unprecedented year: the COVID-19 health crisis had immediate and abrupt worldwide consequences.

The debate on the future of the office remains intense and the long-term impact of the ongoing sanitary crisis on demand is still uncertain. We are however convinced that the office, an indispensable place for social and professional interaction, is the tool for adhering to the company and its values. More than ever the office will be dedicated to teamwork and collective efficiency, while individual work will be done wherever it suits the user best.

We were early adopters of this vision and are ready to answer to the changing needs of our users thanks to the quality of our assets and range of offers covering solutions from long term leases to flexible contracts combined with services and facilities.

### **Sound fundamentals of the real-estate operator activity**

In these unusual times, our attention remains first and foremost focused on the health and safety of our staff, customers, and all other stakeholders. After implementing safety measures and reinforcing our dialogue with customers, we've introduced our "[Breathe at Work](#)" initiative to continue to guarantee COVID-proof environments for all our stakeholders.

In 2020 the impact of the ongoing health crisis was limited in terms of operational performance. Our sound fundamentals and quality portfolio allowed occupancy rate to increase to 95.2% and to maintain our long average duration of leases at 7.2 years. Even if the overall letting activity has slowed down on the market, our teams have managed to sign new leases and lease renewals for 73.410 m<sup>2</sup>, a 20% increase compared with last year (excluding ZIN).

Our (re)development projects remain under control with limited delays linked to the health crisis. In 2020 we've secured additional leases in Paradis Express, now fully pre-let. We also let 3,950 m<sup>2</sup> to Touring in Quatuor and, after the agreement on an LOI for an additional lease of 3,500 m<sup>2</sup> beginning 2021, the project is now 56% pre-let. These transactions bring the total pre-letting rate for the office development projects currently to 83%, which means that the occupancy risk is almost fully covered. We are acting to continue at this pace in 2021.

99.7% of rents due for 2020 have been collected (real-estate operator) which is in line with normal years.

The target of €200 million in disposals set for 2020 and 2021 has been achieved. We've disposed of €252 million in assets at an average unleveraged IRR of

6.2% and a net capital gain of €57 million on the investment. These transactions confirm the ability of our teams, the continued investor appetite for the Brussels office market, and its resilience in times of crisis. As these disposals were executed in line with the latest IFRS values, they also confirm the reliability of the overall valuation of the portfolio.

More asset rotation is to follow. We've set a target of €220 million for 2021, consisting in a combination of small non-core buildings located in provincial cities and core Brussels buildings that have reached an optimum point in their life cycle. These additional divestments, especially the non-core buildings in provincial cities, will contribute to even further focus our portfolio on top quality assets with important value creating potential, their pace will depend on the investment opportunities that Befimmo can materialise.

In 2020 we successfully acquired the Loi 52 building (Brussels, Leopold area), which is equally as strategic as the Loi 44 building acquired a year previously, in that it is adjacent to the Joseph 2 building and allows for a particularly efficient and innovative redevelopment in the heart of the European district.

We're pleased to start 2021 with a new investments. We acquired the Cubus building in the Grand-Duchy of Luxembourg and are convinced of the value-creating potential of this market and the Cubus building in particular.

### **Anticipating changes with the coworking activity**

With the Bailli space opening in 2020, our subsidiary Silversquare now operates seven coworking spaces in Belgium and Luxembourg with a total space of 28,000 m<sup>2</sup>. In 2021, we will extend our network with new spaces opening in the Central Gate and Quatuor.

The coworking activity showed strong resilience with an overall increase in the number of members. However 2020 has not been an easy year with the second wave of the health crisis resulting overall in postponed decisions regarding take-up of private offices for medium size companies (68% of revenues) limiting consequently the growth of the activity. In this context, we're happy to see that the Bailli space is doing better than foreseen in terms of take-up.

The occupancy rate of our mature coworking space amounts to 75% and the recovery rate for monthly invoices issued amounts to 99.3%. More detailed information can be found on page 11 of this press release.

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.



## **Robust results**

The fair value of the portfolio (real-estate operator) amounts to €2.7 billion, stable (+0.03%) over the year (at constant perimeter, excluding investments, disposals and acquisition).

The consolidated net asset value amounts to €58.85 per share (group share). The consolidated net result amounts to €2.13 per share (group share) and the consolidated EPRA earnings to €2.81 per share (group share), which is slightly above the forecast published after the disposal of the Blue Tower in August 2020.

The final gross dividend per share for 2020 is confirmed at €0.57, bringing the total 2020 gross dividend at €2.25 per share not held by the group which presents a return on share price of 6.2%

## **Healthy financial structure**

The asset rotation contributed to a significant decrease of the Loan-to-Value ratio to 36.82% and the financing requirements are covered with no new financing required before end of Q3 2022.

In the present environment, Befimmo will ensure not to exceed an LTV ratio of around 45%.

## **Outlook for 2021 and beyond**

Based on the assumptions of the forecast (see page 24 of this press release), EPRA earnings (consolidated, group share) for 2021 is currently estimated at €2.10 per share.

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).

The projects under development will contribute gradually to EPRA earnings as from 2022.

In addition, the positive contribution of the mature coworking spaces will be used to finance the extension of the network based on the current plan. This leads to the first significant accretive contribution of the activity to the consolidated EPRA earnings being expected in 2023.

We will continue to rotate our portfolio in order to crystallise value and maintain the highest level of quality. The proceeds of the disposals contribute to managing the LTV ratio, the financing of ongoing development projects and ensure capacity for growth. The pace of these disposals will be aligned with the investment opportunities that Befimmo can materialise (currently not included in the forecast).

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.

## **2030 Action Plan**

In 2020 we decided to challenge and improve our integrated CSR strategy by re-analysing the priorities of our external stakeholders, experts, management, and staff, and revisiting the priorities set out in our materiality matrix. Our three commitments – ‘Provide and Rethink Workspaces’, ‘Transform Cities’ and ‘Be Responsible’ – form the basis of our ambitions summarised in our 2030 Action Plan.

Our efforts were rewarded with a 4-star GRESB Green star rating and a CDP A- leadership score.

We also joined the Belgian Alliance for Climate Action (BACA) in 2020. BACA is an alliance of organisations that take their climate ambitions seriously and choose the path of science-based targets. Our target is to reduce CO2e emissions linked to the energy consumption of our buildings to 18.1 Kg CO2e/m<sup>2</sup> by 2030 (-33% to compared to the reference year 2016).

This year we will publish (on 9 April 2021) a separate Sustainability Report including a detailed description of the Action Plan and our targets and ambitions.

## **A new chapter in Befimmo's history**

After the close of 2020, Jean-Philip Vroninks, currently Executive Director of Jones Lang Lasalle Belgium-Luxembourg, was appointed as new CEO. He shall succeed Benoît De Blicq, who's approaching the age of 65. Jean-Philip Vroninks will be joining us in the coming months. Benoît De Blicq will ensure the transition with Jean-Philip and will remain a Director of the Company until the end of his mandate in April 2022.

In addition, the Board has decided to elect Vincent Querton as new Chairman of the Company at the close of the 2021 General Shareholders' Meeting and after approval of the proposed renewal of his term of office. He will take over from the current Chairman, Alain Devos who will remain Director of the Company until April 2023, after approval of the proposed renewal of his term of office, in order to ensure a smooth transition with the new CEO and Chairman tandem.



# Real-estate operator business

## LETTING ACTIVITY

In 2020 Befimmo contracted new leases and renewals for a total space of 73,410 m<sup>2</sup> (including 68,210 m<sup>2</sup> of offices and 5,200 m<sup>2</sup> of retail and multipurpose spaces), a 20% increase compared to the 61,000 m<sup>2</sup> contracted in 2019 (excluding the 70,000 m<sup>2</sup> in ZIN). 58%<sup>1</sup> of the let space represented the signing of new leases (28 transactions), while the balance concerned the renegotiation of existing leases (18 transactions).

### Main transactions:

#### Properties available for lease :

- **Buildings Agency:** lease extension and terminations: we reached an agreement on the **Poelaert** building (Brussels city centre) to extend the lease for a fixed nine-year term starting from 19 December 2021. The agreement also provides for the early termination (full or partial) with compensation of ten leases in small buildings located in Belgian provinces (in 2020 and in 2021). The economic result of this operation amounts to some €14 million, and the impact on EPRA earnings in 2020, 2021 and 2022 is neutral. As planned in its strategy and outlook, Befimmo is currently in the process of selling these buildings.
- **Vital** building (Flanders): lease renewal (3,150 m<sup>2</sup>) for a six/nine-year term.
- **Arts 56** building (Brussels, Leopold area): lease renewal (2,924 m<sup>2</sup>) for a six/nine-year term.
- **Axento** building (Grand-Duchy of Luxembourg): new lease (2,335 m<sup>2</sup>) for a six/nine-year term.

#### (Re)development projects:

- **Quatuor** building (Brussels, North area): 3,950 m<sup>2</sup> pre-let in 2020 to Touring for a six/nine year term and an LOI for an additional lease of 3,500 m<sup>2</sup> signed beginning 2021. Quatuor is currently 56% pre-let.
- **Paradis Express** site (Liège): 3,100 m<sup>2</sup> pre-let to the ONEM and 2,540 m<sup>2</sup> to Deloitte. The project is entirely pre-let, one year before delivery.

## COLLECTION AND DEFERAL OF RENTS

Befimmo is aware of the challenges that some of its customers face and is monitoring the situation responsibly on a case-by-case basis. Most tenants in the retail sector (which accounts for about 1% of consolidated rental income), were granted rent rebates. For around 35 office tenants seriously affected by the crisis, deferred payments were allowed for the second to fourth quarter and rents were made payable on a monthly basis. These rent deferrals currently amount to around €0.5 million. Overall, demands for renegotiation of lease terms remain the exception.

As at 10 February 2021, 99.7% of rents due for 2020 have been collected; this percentage is in line with last year, and a limited proportion of late payments are directly related to the COVID-19 crisis.

## EPRA « LIKE-FOR-LIKE NET RENTAL GROWTH »

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.

## SPOT OCCUPANCY RATE AND « EPRA VACANCY RATE »

	31.12.2020	31.12.2019
“Spot” occupancy rate of properties available for lease <sup>(a)</sup>	95.2%	94.4%
EPRA Vacancy Rate <sup>(b)</sup>	2.9%	4.1%

<sup>(a)</sup> This is a real-estate indicator. For more information, please consult Appendix 4 of this press release.

<sup>(b)</sup> This is an EPRA indicator. For more information, please consult Appendix 3 of this press release.

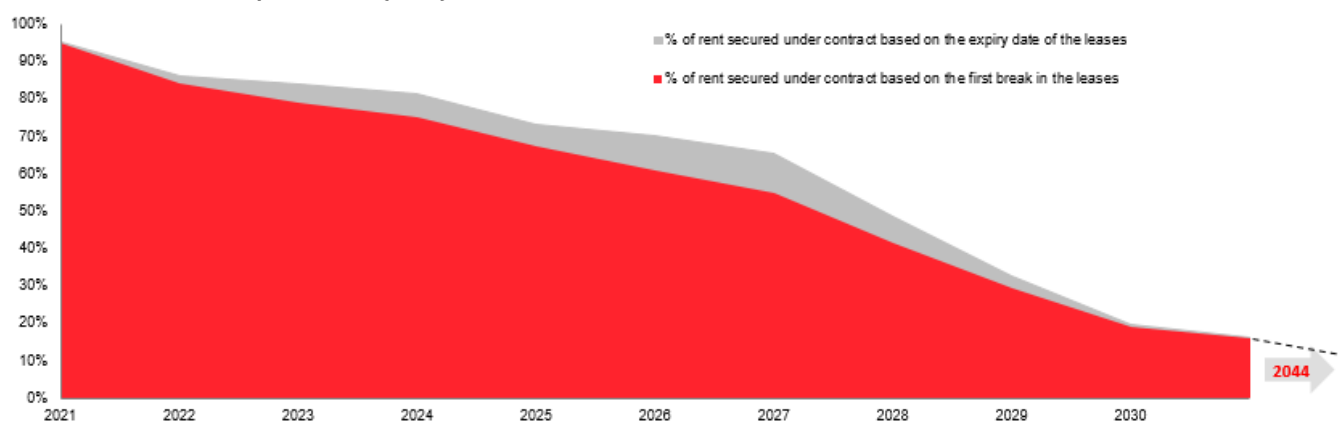
<sup>1</sup> Based on the number of m<sup>2</sup> let.

## WEIGHTED AVERAGE DURATION OF LEASES<sup>2</sup>

	31.12.2020	31.12.2019
Weighted average duration of current leases up to next break <sup>(a)</sup>	7.2 years	7.1 years
Weighted average duration of current leases up to final expiry <sup>(a)</sup>	7.7 years	7.8 years

<sup>(a)</sup> This is a real-estate indicator. For more information, please consult Appendix 4 of this press release.

- Percentage of rent secured under contract in relation to the residual duration of leases in the consolidated portfolio (in %)



## FAIR VALUE<sup>3</sup>

Offices	Change over the year <sup>(a)</sup> (in %)	Proportion of portfolio <sup>(b)</sup> (31.12.2020) (in %)	Fair value (31.12.2020) (in € million)	Fair value (31.12.2019) (in € million)
Brussels CBD and similar <sup>(c)</sup>	0.50%	43.9%	1 191.9	1 346.1
Brussels decentralised	-4.35%	3.0%	82.2	83.2
Brussels periphery	-2.12%	3.4%	92.5	121.1
Flanders	-3.92%	15.8%	428.3	474.9
Wallonia	0.94%	8.6%	233.0	230.6
Luxembourg city	6.14%	5.4%	147.1	138.6
<i>Properties available for lease</i>	<i>-0.30%</i>	<i>80.1%</i>	<i>2 175.1</i>	<i>2 394.5</i>
<i>Properties that are being constructed or developed for own account in order to be leased</i>	<i>3.09%</i>	<i>19.1%</i>	<i>517.3</i>	<i>394.1</i>
<b>Investment properties<sup>(d)</sup></b>	<b>0.33%</b>	<b>99.2%</b>	<b>2 692.4</b>	<b>2 788.6</b>
<b>Properties held for sale</b>	<b>-5.93%</b>	<b>0.8%</b>	<b>21.6</b>	<b>0.0</b>
<b>Total</b>	<b>0.03%</b>	<b>100.0%</b>	<b>2 714.0</b>	<b>2 788.6</b>

<sup>(a)</sup> The change over the year is the change in fair value between 1 January 2020 and 31 December 2020 (excluding acquisition, investments and divestments).

<sup>(b)</sup> The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 31 December 2020.

<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).

2 In accordance with the definitions, future signed leases are not taken into account in the calculation of the weighted average duration leases.

3 These values are established in application of the IAS 40 standard which requires investment properties to be booked at "fair value". The fair value of a building is its investment value, including registration fees and other transaction costs (also known as "deed-in-hands value") as calculated by an independent expert, minus a standard allowance of 10% (Flanders) or 12.5% (Wallonia and Brussels) for buildings with an investment value of less than €2.5 million, and 2.5% for buildings with an investment value of more than €2.5 million. This 2.5% allowance represents the average transaction costs actually paid in these transactions and is derived from an analysis by independent experts of a large number of transactions observed on the market. This accounting treatment is detailed in the press release issued by BeAMA on 8 February 2006 and confirmed in the press release of the BE-REIT Association of 10 November 2016. This rule is also applied for determining the fair value of property located in the Grand Duchy of Luxembourg.

As at 31 December 2020, the fair value of the portfolio was €2,714.0 million, as against €2,788.6 million as at 31 December 2019.

This change in value incorporates:

- renovation or redevelopment works carried out in the portfolio
- investments (Loi 52) and divestments (Blue Tower, Guimard, Froissart, Schuman 3, Schuman 11, Media, buildings)
- the changes in fair value booked to the income statement (IAS 40)

At constant perimeter, the value of the portfolio (excluding acquisition, investments and divestments) remained stable over the year (change of +0.03% or €0.8 million).

## ROTATION OF REAL-ESTATE EXPERTS

In accordance with the obligation to rotate the mandates of the real-estate experts, pursuant to the Royal Decree on BE-REITs of 13 July 2014, Befimmo has mandated, as from 2021 (first appraisal at 31 March 2021) and for a period of three years, Mr Christophe Ackermans (Head of Valuation - Cushman & Wakefield), M. Rod P. Scrivener (Jones Lang LaSalle Sprl, National Director) and M. Pieter Paepen (CBRE Valuation Services SPRL, Senior Director, Head of Valuation Services).

## RENTAL YIELD

The compression of the yield of investment properties is mainly linked to the additional investments realised over the year in the properties that are being constructed or developed for own account in order to be leased.

	Properties available for lease		Investment properties <sup>(a)</sup>	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Gross initial yield</b>	5.3%	5.4%	4.3%	4.6%
<b>Gross potential yield</b>	5.6%	5.6%		

<sup>(a)</sup> Comprising properties that are being constructed or developed for own account in order to be leased. This is a real-estate indicator. For more information, please consult Appendix 4 of this press release.

## ASSET ROTATION

Befimmo ensures a high-quality portfolio by investing in flexible office buildings in good locations with value-creating potential, and divesting where it can crystallise the value of mature buildings or where buildings no longer fit its strategy. The proceeds of the disposals contribute to managing the LTV ratio, the financing of ongoing development projects and ensure capacity for growth.

### Disposals for €252 million

- Value crystallisation:
  - **Blue Tower** building (Brussels, Louise area): disposal in October 2020 generating a net capital gain of some €22 million (based on investment value) and an unleveraged IRR on the investment of 7.1%
  - **Guimard, Froissart, and Schuman 3 and 11** buildings (Brussels, Leopold area): disposal in December 2020 generating a net capital gain of some €41.3 million (based on investment value) and an unleveraged IRR on the investment of 7.3%.
- Assets that no longer fit the strategic framework:
  - **Media** building (Brussels, periphery): disposal in December 2020 generating a net capital loss of some -€6.4 million (based on the investment value) and an unleveraged IRR on the investment of 3.8%

### Acquisition Loi 52

- **Loi 52** building (Brussels, Leopold area) adjacent to the Joseph 2 building, with value creating potential allowing a particularly efficient and innovative redevelopment in the heart of the European district (see page 9 of this press release for more information).



## Acquisition early 2021

- **Cubus** building (Howald, Luxembourg), acquired<sup>4</sup> through the subsidiary Kubissimmo sarl, located in the upcoming Howald area next to the Cloche d'Or, with good value creating prospects.

## CAPITAL EXPENDITURE IN PROPERTIES AVAILABLE FOR LEASE

In 2020 Befimmo invested €19.8 million in its portfolio of properties available for lease.

## (RE)DEVELOPMENT PROJECTS

Befimmo invested €138.2 million in its (re)development projects. As at 31 December 2020 these projects represent 19% of the total value of the portfolio. As proven in the past, Befimmo has always attached great importance to the management of these projects, paying particular attention to the analysis of the market before launching at risk of occupancy and to maximising the pre-letting rate before construction work begins. Currently, the pre-letting rate<sup>5</sup> of office projects amounts to 83%.

The developments are broadly on schedule. Limited delays of around six months linked to the ongoing health crisis have led to some cost increases, and will postpone the contribution to EPRA earnings of Quatuor, Paradis Express and ZIN.

Befimmo pays particular attention to decrease the weight of its portfolio in the North area of Brussels. By 2024, Befimmo wants to enter into a partnership in its subsidiary ZIN IN NO(O)RD whereby the partner should hold a minimum of 25 and a maximum of 75%.

	Investment realised in 2020 (in € million)	Total investment (in € million)	Percentage of completion	Yield on total investment (land included)	Forecast		
					Investment in 2021 (in € million)	Investment in 2022 (in € million)	Investment in 2023 (in € million)
<b>Committed ongoing projects</b>							
<b>Brederode Corner</b> Brussels CBD, Centre	5.1	22	100%	±5.5%	-	-	-
<b>Paradis Express (office part)</b> Wallonia, Liège	15.8	54	41%	>6%	32	-	-
<b>Quatuor</b> Brussels CBD, North	68.5	170	73%	>5.3%	46	-	-
<b>ZIN</b> Brussels CBD, North	39.4	411	19%	±4.3%	50	152	124
<b>Ongoing projects to be committed</b>							
<b>WTC 4<sup>(a)</sup></b> Brussels CBD, North	1.6	140	-	-	Development in case of pre-letting		
<b>PLXL (currently La Plaine)</b> Brussels decentralised	1.7	49	6%	±5.5%	6	26	14
<b>Redevelopment Joseph 2 (Joseph 2, Loi 44, Loi 52)</b> Leopold District	0.7	62	1%	±5%	3	14	23
<b>Pacheco,</b> Brussels CBD, Centre	0.7	37	4%	±5%	-	23	12
<b>Total</b>	<b>133.5</b>						

<sup>(a)</sup> New planning permission in preparation, in the same spirit as the ZIN project, open to the city and a mix of functions.

<sup>4</sup> See the press release of 17 February 2021 on the Befimmo website (<https://www.befimmo.be/en/investors/publications?type=21>).

<sup>5</sup> Calculated on the office portion of ongoing committed projects, excluding coworking.

## Projects to be committed<sup>6</sup>

### PLXL (Brussels decentralised)

Scheduled for completion beginning 2024, PLXL is one of the most recent additions to Befimmo's portfolio of hybrid properties. A complete reinvention of the iconic Beobank building (15,180 m<sup>2</sup>) in the heart of Brussels' vibrant university district of Etterbeek, the 20,000 m<sup>2</sup> project features the very latest trends in smart building, sustainable design and circularity.

The site enjoys an excellent location, next to the railway station and opposite the University of Brussels, and will offer flexible workspaces including a Silversquare coworking, a modular auditorium, a restaurant, a rooftop terrace, and a wide range of services and facilities. PLXL has more than 160 bike stations, nearly 50 e-bike stations and 100 car parking spaces, all with charging points. User well-being and health are key elements of PLXL. It aims for the highest certification in its class (BREEAM "Outstanding"). Smart energy monitoring and management systems, occupancy detection, adaptive lighting, smart water management, and charging systems are among the solutions that come with the property.



The estimated construction cost amounts to €49 million. The expected yield on total investment is about 5.5%. Permits approval is expected by mid-2021 and the decision to start the works will be taken at that time, depending on market and pre-letting conditions.

### Pacheco



The Pacheco building will be developed in the former building of the Royal Belgian Mint after the current lease ends. Befimmo will transform this iconic 1970's industrial building into a multifunctional and flexible asset, designed to meet today's and tomorrow's requirements. The building is ideally located along Boulevard Pachéco, between the central station and the Brussels inner ring road, in a district that marks the connection between the upper and lower parts of the city.

The Pachéco will offer nearly 11,600 m<sup>2</sup> of multifunctional and flexible space, including 9,400 m<sup>2</sup> of office space, 1,050 m<sup>2</sup> of coliving, 1,150 m<sup>2</sup> allocated to restaurants/café or shops and, last but not least, a 250 m<sup>2</sup> rooftop area.

The construction costs are estimated at €37 million, with an expected yield on total investment of about 5.5%. Permits are expected to be approved end 2022 and the decision to start the works will be taken at that time, depending on market and pre-letting conditions.

Befimmo is aiming to gain BREEAM "Excellent" certification for the "Design" phase.

### Redevelopment of Joseph 2 (Brussels, Léopold area)

With the redevelopment of the Joseph 2 building, after the end of the current lease, Befimmo aims to transform three existing buildings (Rue de la Loi 44 & 52 and Rue Joseph II 27) into a unique green and open island. These buildings in the heart of the European quarter offer extraordinary potential for value generation, and Befimmo will create an innovative and multifunctional complex that meets the needs of users looking for quality workspaces in the centre of Brussels. The new complex will have 23,000 m<sup>2</sup> of space including a part dedicated to coliving.

Befimmo is definitely applying the concepts of the circular economy to this project. The existing buildings will be reused, with the structure retained, and elements that are demolished or removed being recovered, reused or recycled.

The projected construction cost amounts to €62 million, with the yield on total investment expected to be around 5%. Permits are expected to be approved mid-2022 and the decision to start the works will be taken at that time, depending on market and pre-letting conditions.

Befimmo is aiming to gain BREEAM "Outstanding" certification for the "Design" phase and a DGNB<sup>7</sup> "Platinum" certification.

<sup>6</sup> Images for illustrative purposes, images and project details subject to approval of permits.

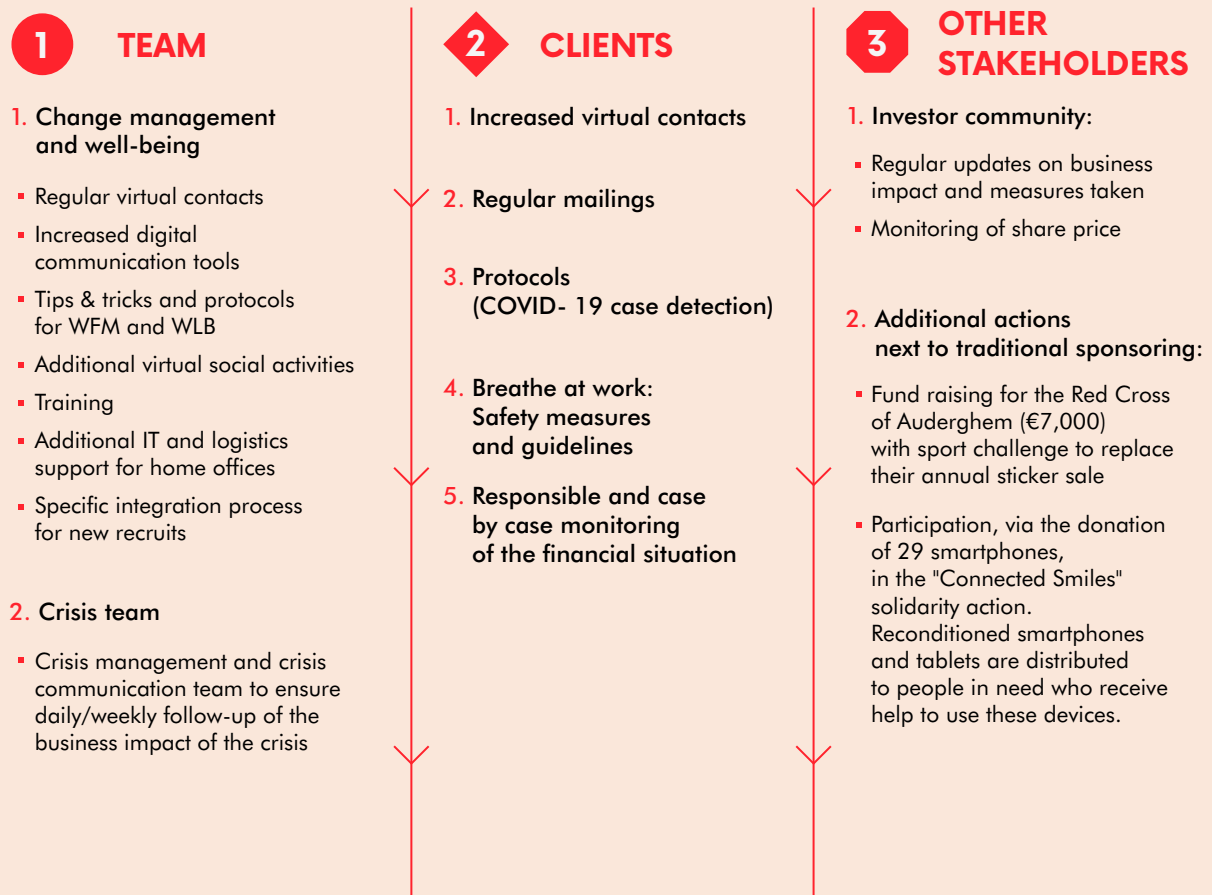
<sup>7</sup> <https://www.dgnb-system.de/en/system/>

## PARTNERSHIP WITH CO.STATION

In June 2020, Befimmo announced its new partnership with Co.Station and becomes its privileged real estate partner. Co.station is a unique innovation and entrepreneurship platform. Befimmo will also be one of the founding partners of the “co.building” innovation ecosystem, to be launched by Co.Station beginning 2021. This ecosystem will support more than 30 companies in designing intelligent and sustainable buildings together, placing environmental quality at the heart of housing and the workplace. This dialogue will bring many opportunities with it for Befimmo, because it is going to be a cutting-edge ecosystem open to themes, such as mobility, integration in the city, use of resources, etc., that have been built into our strategy since long.

[www.befimmo.be/en/news/befimmo-partnering-costation](http://www.befimmo.be/en/news/befimmo-partnering-costation)  
[www.co-station.com](http://www.co-station.com)

## COVID 19 : EXCEPTIONAL TIMES ASK FOR EXCEPTIONAL MEASURES



## 4 LESSONS LEARNED

1. Resilience and flexibility of the Befimmo team. | 2. Strategy: acceleration of the evolution of our ways of working and living, the further development of Befimmo's current positioning and 3 strategic axes is key. | 3. Agility and Change Management. | 4. Acceleration of team training to support/boost the business & digital transformation. | 5. Continuous improvement of the internal team functioning van het interne team. | 6. Internal questionnaire regarding COVID-19 to continue to innovate and improve.

# Coworking activity

## PORTFOLIO OF COWORKING SPACES



Spaces	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 Luxembourg	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 Triomphe	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>	

## RECOVERY RATE: ISSUED INVOICES

We cancelled membership fees for fully-flex and dedicated desks in the open space of the coworking spaces ( $\pm 14\%$  of Silversquare revenues) for the month of April and granted specific concessions on a case-by-case basis in order to foster loyalty.

The recovery rate for monthly invoices issued during 2020 is 99.3% as at 31 December 2020. There has been no material increase in doubtful debtors since the beginning of the year.

## REVENUES SPLIT

68% of revenues were generated in private offices used by small and medium-sized companies with a higher resilience potential than flex-desks.

## OCCUPANCY RATE

The occupancy rate of the mature coworking space was 75% as at 31 December 2020. The number of occupied desks in this category decreased due to the transfer of the Europe and Stéphanie spaces to the “non-mature” category following their extensions, the move of members to new spaces (mainly the Bailli), and the effect of the COVID-19 crisis. The second wave of the health crisis resulted overall in postponed decisions regarding take-up of private offices for medium size companies, limiting consequently the growth of the activity, which nevertheless showed strong resilience with a global increase in the number of members.

The recent openings of the Zaventem and Bailli spaces had an impact on the total occupancy rate, which stood at 51% as at 31 December 2020. The perimeter of mature and total spaces changes from period to period because Silversquare is in a development phase.

Spaces	Number of occupied desks as at 31.12.2020 (A)	Number of available desks as at 31.12.2020 (B)	Occupancy rate as at 31.12.2020 (A/B)
« Mature » coworking spaces <sup>(a)</sup>	244	326	75%
All coworking spaces	1 552	3 028	51%

<sup>(a)</sup> A space is considered as mature after three years of existence.




## COWORKING SPACES UNDER DEVELOPMENT

The coworking spaces planned in Befimmo buildings are generally fitted out by Befimmo (as real-estate operator) and handed over to Silversquare as "turnkey" premises at market price. Silversquare (as coworking operator) invests in the furniture and IT for these spaces.

For the spaces provided in third-party buildings, Silversquare invests in the fitting-out as well as in furniture and IT.

In 2020, Silversquare has invested €5.7 million in its coworking spaces. As stated above, Befimmo (the real-estate operator) invested €0.8 million in 2020 in current turnkey projects.

### New openings for the next two years:

<b>Spaces</b>		<b>Surface</b>	<b>Location</b>
 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>	



# Financial report

## KEY FIGURES

<b>Consolidated</b>		
	<b>31.12.2020</b>	<b>31.12.2019</b>
<i>Number of shares issued</i>	28 445 971	28 445 971
<i>Number of shares not held by the group</i>	27 040 351	27 052 443
<i>Average number of shares not held by the group during the period</i>	27 048 907	25 676 219
Shareholders' equity attributable to shareholders (in € million)	1 591.4	1 603.9
Net asset value (in € per share)	58.85	59.29
EPRA NRV (in € per share)	63.48	63.38
EPRA NTA (in € per share)	60.10	59.85
EPRA NDV (in € per share)	57.19	57.66
Net result (in € per share)	2.13	6.95
EPRA earnings (in € per share)	2.81	3.29
Average (annualised) financing cost <sup>(c)</sup> (in %)	2.0%	2.0%
Weighted average duration of the debt (in years)	4.9	4.4
Debt ratio as per the Royal Decree (in %)	40.8%	42.7%
Loan-to-value <sup>(d)</sup> (in %)	36.8%	39.0%
Return on shareholders' equity <sup>(e)</sup> (in € per share)	2.1	6.5
Return on shareholders' equity <sup>(e)</sup> (in %)	3.6%	11.6%
<b>Real-estate operator activity</b>		
	<b>31.12.2020</b>	<b>31.12.2019</b>
Net result (in € per share)	2.16	7.03
EPRA earnings (in € per share)	2.88	3.26
EPRA Like-for-Like Net Rental Growth <sup>(b)</sup> (in %)	-0.2%	4.7%

<sup>(a)</sup> This is an Alternative Performance Measure. For more information, please consult Appendix 3 of this press release.

<sup>(b)</sup> Trend of the rental income minus property charges at constant perimeter, calculated on the basis of EPRA Best Practices Recommendations.

<sup>(c)</sup> Including margin and hedging costs. This is an Alternative Performance Measure. For more information, please consult Appendix 2 of this press release.

<sup>(d)</sup> Loan-to-value (LTV) = [(nominal financial debts – cash)/fair value of portfolio]. This is an Alternative Performance Measure. For more information, please consult Appendix 2.

<sup>(e)</sup> Calculated over a 12-month period ending at the closing of the fiscal year, taking into account gross dividend reinvestment, if any, and the participation of the optional dividend. This is an Alternative Performance Measure. For more information, please consult Appendix 2.

## CONSOLIDATED NET ASSET VALUE AND BALANCE SHEET

### Evolution of the net asset value

	(in € per share)	(in € million)	Number of shares not held by the group
<b>Net asset value as at 31 December 2019 (group share)</b>	<b>59.29</b>	<b>1 603.9</b>	<b>27 052 443</b>
Final dividend of the 2019 fiscal year		-23.3	
Other elements of comprehensive income - actuarial gains and losses on pension obligations		- 1.8	
Valuation of the put option held by minority shareholders, net of profit attributable to non-controlling interests		0.7	
Interim dividend of the 2020 fiscal year		- 45.4	
Liquidity contract - reserve for treasury shares		- 0.4	
Result on liquidity contract		0.1	
Net result (group share) as at 31 December 2020		57.7	
<b>Net asset value as at 31 December 2020 (group share)</b>	<b>58.85</b>	<b>1 591.4</b>	<b>27 040 351</b>

### EPRA NRV, NTA and NDV

In October 2019, EPRA published new Best Practice Recommendations for financial disclosures by listed real-estate companies. As from 2020 onwards, EPRA NAV and EPRA NNAV are replaced by three new Net Asset Valuation metrics: EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV).

The EPRA NAV metrics make adjustments to the IFRS NAV in order to provide stakeholders with the most relevant information on the fair value of the assets and liabilities. The three different EPRA NAV metrics are calculated based on the following rationales:

- EPRA NRV: assumes that entities never sell assets and aims to represent the value required to rebuild the entity.
- EPRA NTA: assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.
- EPRA NDV: represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

The full EPRA bridge, comparing current and former EPRA NAV measures, can be found in Appendix 3 of this press release.

in € per share	31.12.2020	31.12.2019
EPRA NRV	63.48	63.38
EPRA NTA	60.10	59.85
EPRA NDV	57.19	57.66

## 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>

<sup>(a)</sup> 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.

## FINANCIAL RESULTS

*The Auditor has confirmed that its revision of the consolidated financial statements has been substantially completed and has not revealed any material correction to be made to the financial information included in this press release.*

### Events changing the perimeter

The perimeter of the real-estate business changed during fiscal year 2020 owing mainly to the disposals (Blue Tower, Media, Froissart, Guimard, Schuman 3 and Schuman 11 buildings) and acquisition (Loi 52 building).

Due to the placement of shares realised in December 2019, the average number of shares not held by the group during the period rose from 25,676,219 at the end of 2019 to 27,048,907 at the end of 2020. The total number of shares not held by the group slightly decreased from 27,052,443 to 27,040,351 which is related to the shares bought in the framework of the liquidity program.

## Comments on the results of real-estate operator activity

### Condensed income statement of the real-estate operator activity

(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 <sup>(a)</sup>	-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<sup>(a)</sup></b>	<b>74.9%</b>	<b>77.7%</b>
Gains or losses on disposals of investment properties	306	12 961
<b>Net property result<sup>(a)</sup></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<sup>(a)</sup></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>

<sup>(a)</sup> This is an Alternative Performance Measure. For more information, please consult Appendix 2.

### Analysis of the results of real-estate operator activity

The **like-for-like net rental result** is down 1.7% compared with last year. This evolution is mainly due to the COVID impact of €1.1 million of which the major part is related to rent free periods granted to customers of the retail sector. The decrease in the rent of the Poelaert building linked to the extension of the lease is also contributing. In addition, part of the Central Gate building was vacated in 2020: renovation works on the floors concerned are under way and part of this space is already pre-let.

The **net rental result** decreased by 3.0% in relation to the same period last year. This is mainly explained by the effect of the loss of income linked to the disposals in 2020 (mainly Blue Tower) and the full-year impact of the disposal of the Pavilion building in 2019. Perceived compensations related to the anticipated end of leases have been higher in 2020 than in 2019.

**Net property charges** are up by €0.9 million. This rise is mainly explained by an increase in agency commissions related to leases agreed during the year and some COVID-related sanitary measures, with other recurring costs remaining stable over the two comparable periods. It is to be noted that Befimmo has benefited from non-recurrent income in 2019 as well as in 2020.

**EPRA like-for-like net rental growth** was -0.2% as at 31 December 2020.

**Overheads** amounted to €15.7 million as against €14.6 million in 2019. This change is explained mainly by the expansion of teams and support missions for the transformation, innovation and digitisation of the businesses.

The **Operating result before result on portfolio** was €98.0 million at the end of December (-6.4%).

The **Net property result** was €98.3 million, compared with €117.7 million last year when a realised capital gain of €13 million was recorded on the sale of the Pavilion building.

The **Financial result** (excluding changes in the fair value of the financial assets and liabilities) was -€19.5 million. The decrease in financial charges is mainly related to the one-off charge booked in 2019 (€2.7 million) related to the termination of a fixed-rate sales of receivables on the Pavilion building, which was sold in May 2019. The stability of the average financing cost (at 2.0%) reflects amongst other things the extension of the liquidity management target to 21 months.

The **Net result** was €58.4 million. This year, the fair value of the investments properties remained stable (compared with last year's significant increase of €110 million or 4.0%). The disposals in 2020 were realised at or close to their fair value while last year, the capital gain realised on the sale of the Pavilion building amounted to €10.0 million. The negative change in fair value of the financial assets and liabilities (-€20.8 million), reflecting the continuing decrease in interest rates, is slightly lower than last year (-€22.9 million).

**EPRA earnings** were €77.8 million as against €83.6 million last year. Due to the placement of shares realised in December 2019, the average number of shares not held by the group during the period rose from 25,676,219 at the end of 2019 to 27,048,907 at the end of 2020. EPRA earnings per share stood at €2.88 at the end of 2020 in relation to €3.26 at the end of 2019.

The **net result per share** amounted to €2.16.

### **Note on the results for the coworking business**

The turnover of the coworking business amounted to €8.0 million over the fiscal year. During the development phase, the coworking business has a negative contribution of -€0.06 per share (in 2020) to the consolidated EPRA earnings<sup>8</sup>.

### **Note on the consolidated results**

Consolidated net rental result was €137.7 million, slightly down on last year. The net result (group share) was €57.7 million, down €120.7 million compared with 31 December 2019, mainly on account of the positive change in the fair value of the investment properties recorded last year. EPRA earnings per share were €2.81 per share as against €3.29 at 31 December 2019.

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<sup>8</sup> Eliminating the effect of the application of IFRS 16 on leases signed by Silversquare with third party owners, contribution to consolidated EPRA earnings (group share) would be - €0.09 per share.



## FINANCIAL STRUCTURE AND HEDGING POLICY

The Company arranges financing to maintain the best possible balance between cost, maturity, and diversification of funding sources.

### Main characteristics of the financial structure

- Confirmed credit facilities for a total amount of €1,461 million (71.4% of which were bank loans), €1,002 million of which were in use. The volume of unused lines is determined on the basis of the Company's liquidity criteria, taking account of the maturities of the financing agreements and commitments planned for the coming years;
- 96.6% of total borrowings at fixed rates (including IRS);
- An average (annualised) financing cost (including hedging margin and costs) of 2.0%, stable in comparison with 2019;
- A weighted average duration of debt of 4.9 years (as against 4.4 years as at 31 December 2019);
- A debt ratio of 40.8%<sup>9</sup> (compared with 42.7% as at 31 December 2019);
- An LTV ratio of 36.8%<sup>10</sup> (compared with 39.0% as at 31 December 2019);
- A hedge ratio<sup>11</sup> of 98.6% (compared with 102.3% as at 31 December 2019).

### Financing arranged during the fiscal year

- A six year extension of a €75 million bilateral facility;
- A renewal of a €100 million bilateral facility with a maximum maturity of five years, two years at start with three options to extend one year, of which one was already exercised;
- A new €100 million bilateral facility with a maturity of four years;
- A six year extension of a €35 million bilateral facility;
- A nominal increase from €40 million to €80 million of a bilateral facility;
- An extension of a €60 million tranche of a bilateral facility, with €30 million extended until August 2025 and the remainder until August 2027;
- A €10 million private placement with a maturity of 15 years.

On this basis, and all other things being equal, the Company has covered its financing needs until 30 September 2022.

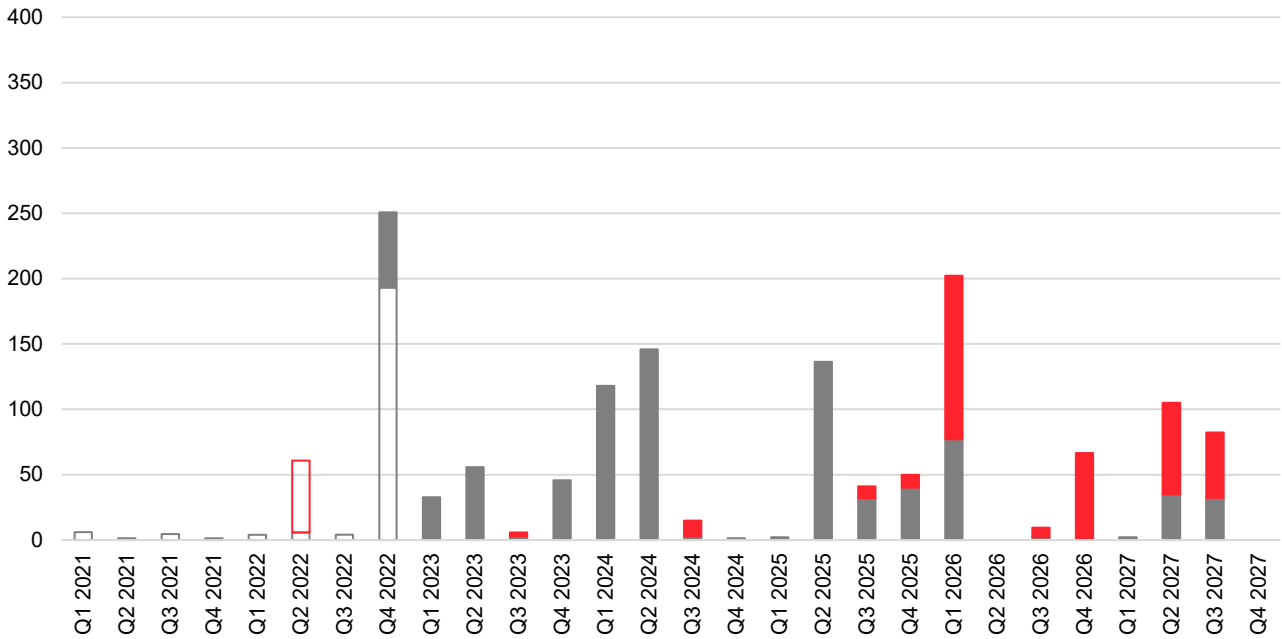
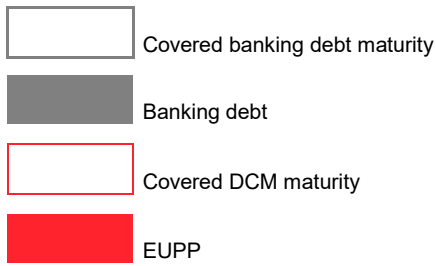
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<sup>9</sup> The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.

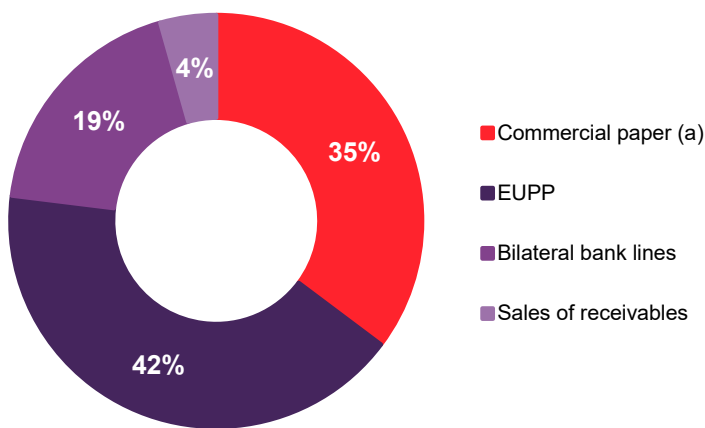
<sup>10</sup> Loan-to-value (LTV) = [(nominal financial debts – cash)/fair value of portfolio].

<sup>11</sup> Hedge ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAPs)/total borrowings. The 2019 hedge ratio takes into account CAP-type optional hedging instruments that are close to maturity (July 2020) and that have become off-market as a result of the fall in interest rates (i.e. two CAP positions for a total notional amount of €55 million at hedging interest rates of 0.50% and 0.85%). Excluding these instruments, the hedge ratio would be 97.2%.

▪ Maturities of commitments by quarter (in € million)



▪ Debt distribution



<sup>(a)</sup> With confirmed bank lines in excess of one year as a back-up.

On 1 July 2020, the Standard & Poor's rating agency confirmed the rating of BBB/outlook stable for Befimmo's long-term borrowings and A-2 for its short-term borrowings.

To reduce its financing costs, Befimmo has a commercial paper programme of a maximum amount of €600 million, €353 million of which was in use as at 31 December 2020 for short-term issues (stable in comparison with last year) and €111.25 million for long-term issues. For short-term issues, this programme has back-up facilities consisting of the various credit lines arranged. The documentation for this programme also covers the European private placements of debt.

## Hedging the interest rate and exchange-rate risk

Befimmo holds a portfolio of instruments to hedge the interest-rate risk, consisting of IRS, CAPs and COLLARs<sup>12</sup>.

In 2019 Befimmo extended the maximum duration of its hedging policy, with maturities of up to 20 years.

Operations carried out:

- Arrangement of two new payer IRS for €25 million each, with maturities of 18 years
- Arrangement of two new payer IRS with a total notional amount of €50 million and maturities of 18 years, with start dates in 2022
- Restructuring of a €25 million payer IRS to extend the maturity from 8 years to 12 years
- Restructuring of a payer IRS of €25 million with a forward start date in 2025 to extend the maturity from 2028 to 2031
- Restructuring of a payer IRS of €30 million to extend the maturity from 2028 to 2040
- Following the asset rotation realised end of 2020 four IRS were restructured for a total of €125 million covering 2021 and part of 2022

The package of instruments in place gives the Company a hedging ratio of 98.6%<sup>13</sup> as at 31 December 2020. The hedge ratio remains above 70% until the fourth quarter of 2022 and above 50% until the fourth quarter of 2025 inclusive.

### ▪ Evolution of the portfolio of hedging instruments and fixed-rate debts

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%

<sup>(a)</sup> Average fixed rate excluding credit margin, including swap options (SWAPTIONS) considered at the cap rate.

<sup>12</sup> Subscription to a COLLAR places a ceiling on the rise in interest rates (CAP), but also involves an undertaking to pay a minimum rate (FLOOR).

<sup>13</sup> Hedge ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAPs)/total borrowings.

# Corporate governance

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After the close of 2020, Jean-Philip Vroninks, currently Executive Director of Jones Lang Lasalle Belgium-Luxembourg, was appointed as new CEO. He shall succeed Benoît De Blicck, who's approaching the age of 65. Jean-Philip Vroninks will be joining Befimmo in the coming months.



After several years at Citibank in Brussels and KPMG in London, Jean-Philip joined the Capital Markets department of King Sturge in Belgium in 2003. In 2009, he was promoted to Managing Director and, after the merger of King Sturge and JLL in 2011, became the head of the Belux Capital Markets team. At the beginning of 2017, he became the Executive Director of JLL in Belgium and Luxembourg. Since 2020, he has also been Head of Capital Markets Benelux at JLL. Thanks to this career, Jean-Philip has built up a long experience in managing multidisciplinary teams in a service company. He has also managed various real estate activities, including investment and development in Belgium and internationally. In addition, under his management, JLL Belux has followed an excellent growth path with a focus on the creation of new activities, customer development and digital transformation.

Benoît De Blicck will ensure the transition with Jean-Philip and will remain Director of the Company until the end of his mandate in April 2022.

We thank Benoît De Blicck for his loyalty, his passionate commitment and his very important contribution to the development of the Company over the last 22 years.

In addition, the Board has decided to elect Vincent Querton as new Chairman of the Company at the close of the 2021 General Shareholders' Meeting and after approval of the proposed renewal of his term of office. He will take over from the current Chairman, Alain Devos who will remain Director of the Company until April 2023, after approval of the proposed renewal of his term of office, in order to ensure a smooth transition with the new CEO and Chairman tandem.

We thank Alain Devos for the openness, diplomacy and proficiency with which he has carried out his duties as Chairman for almost twenty years.

The Board of Directors, Alain Devos and Benoît De Blicck express their full confidence in Vincent Querton and Jean-Philip Vroninks.

# Share price

## KEY FIGURES

	31.12.2020	31.12.2019
Number of shares issued	28 445 971	28 445 971
Number of shares not held by the group	27 040 351	27 052 443
Average number of shares not held by the group during the period	27 048 907	25 676 219
Highest share price (in €)	57.00	59.40
Lowest share price (in €)	32.10	47.35
Closing share price (in €)	36.30	54.10
Number of shares traded <sup>(a)</sup>	24 888 322	17 395 988
Average daily turnover <sup>(a)</sup>	70 693	67 953
Free float velocity <sup>(a)</sup>	120%	87%
Distribution ratio (in relation to the EPRA earnings)	80%	106%
Gross dividend <sup>(b)</sup> (in € per share)	2.25	3.45
Gross yield <sup>(c)</sup>	6.2%	6.4%
Return on share price <sup>(d)</sup>	-28.5%	18.73%

<sup>(a)</sup> Source: Kempen & Co. Based on trading on all platforms.

<sup>(b)</sup> Subject to a withholding tax of 30%.

<sup>(c)</sup> Gross dividend divided by the closing share price.

<sup>(d)</sup> Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment, if any, and the optional dividend participation.

## EVOLUTION OF THE SHARE PRICE

Befimmo started 2020 with a share price of €54.10 after realising a private placement of €69 million at the end of 2019, a couple of months later, as soon as the COVID-19 crisis hit Europe, most stocks were impacted severely, including the Befimmo share price which closed on 31 December 2020 at €36.30.

Assuming the dividend distributed in 2020, the annual return on share price amounts to -28.5%. Over the 25 years since its listing, the share has offered a total annualised return of 5.3%<sup>14</sup>.

As at 31 December 2020, Befimmo shares were trading with a discount of -38.3%. Befimmo's market capitalisation stood at €1.0 billion.

Based on transactions recorded on all market platforms, Befimmo shares offer good liquidity, with an average daily volume of around 24,888,322 shares, which corresponds to a free-float velocity of 120% over the year.

In October 2020 Befimmo entrusted Kepler Cheuvreux with the task of implementing a liquidity contract relating to its ordinary shares admitted to trading on Euronext Brussels. This agreement provides for the purchase and sale by Kepler Cheuvreux of Befimmo shares. Kepler Cheuvreux is acting in the name and on behalf of Befimmo and within the framework of a discretionary mandate as authorised by the Extraordinary General Meeting of 26 April 2016. In accordance with the conditions specified by this General Meeting, the purchase price may not be less than 85% nor more than 115% of the closing price the day before the date of the transaction. To implement the programme, Befimmo is making €2 million available to Kepler Cheuvreux. On 15 February 2021, the balance of shares held by Befimmo under the liquidity contract was 26,446.

<sup>14</sup> Assuming the reinvestment of the gross dividend (source: Bloomberg).



# Dividend for the 2020 fiscal year

## FINAL DIVIDEND FOR THE 2020 FISCAL YEAR

The agenda of the Ordinary General Meeting of shareholders to be held on 27 April 2021, at which the accounts for the 2020 fiscal year are to be approved, will include a proposal for the distribution of a final dividend of €0.57 gross per share not held by the group. This final dividend will supplement the interim dividend, bringing the total dividend for the fiscal year to €2.25 gross per share not held by the group which represents a return on the share price of 6.2%.

## Calendar 2021

Publication of the Annual Financial Report 2020	Friday 26 March 2021
Ordinary General Meeting 2020	Tuesday 27 April 2021
Payment of the final <sup>(a)</sup> dividend on presentation of coupon No 41	
- <i>Ex-date</i>	<i>Wednesday 5 May 2021</i>
- <i>Record date</i>	<i>Thursday 6 May 2021</i>
- <i>Payment date</i>	<i>Friday 7 May 2021</i>
Interim statement as at 31 March 2021	Tuesday 11 May 2021
Publication of Half-Yearly Financial Report 2021	Thursday 29 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>	<i>Wednesday 15 December 2021</i>
- <i>Record date</i>	<i>Thursday 16 December 2021</i>
- <i>Payment date</i>	<i>Friday 17 December 2021</i>
Publication of annual results as at 31 December 2021	Thursday 17 February 2022
Publication of the 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>	<i>Wednesday 4 May 2022</i>
- <i>Record date</i>	<i>Thursday 5 May 2022</i>
- <i>Payment date</i>	<i>Friday 6 May 2022</i>

<sup>(a)</sup> Subject to a decision of the Ordinary General Meeting.

<sup>(b)</sup> Publication after closing of the stock exchange.

<sup>(c)</sup> Subject to a decision of the Board of Directors.

# Outlook and dividend forecast

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## DISCLAIMER

This outlook should not be interpreted as a commitment on the part of Befimmo. Whether or not these forecasts will be achieved depends on factors beyond Befimmo's control, such as developments in the real-estate and financial markets. Given the present context of the ongoing health crisis and economic uncertainty, the assumptions used may be highly volatile. The assumptions and risk assessments seemed reasonable at the time they were made but, since it is impossible to predict future events, they may or may not prove to be correct. Accordingly, Befimmo's actual results, financial situation, performance or achievements, or even general market trends, may differ substantially from these forecasts. Given these uncertainties, shareholders should not give undue credence to these forecasts, which are valid only at the time of writing of this press release. Befimmo does not undertake to update the forecasts, for example to reflect a change in the assumptions on which they are based, except as required by law: notably the law of 2 August 2002 on the surveillance of the financial sector and financial services, and the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Given the unprecedented economic uncertainties linked to the pandemic, Befimmo will no longer publish a detailed financial outlook for the next three financial years. However, this press release does present the financial outlook for the next financial year (2021) and an indication of the expected evolution of EPRA earnings over the next years.

The financial outlook is based on information available at the closure of the annual accounts (principally existing agreements) and on Befimmo's assumptions and assessments of certain risks.

## EPRA EARNINGS OUTLOOK 2021

### Scope and perimeter of the outlook:

Befimmo prepares its outlook on the basis of two business units:

- the real-estate operator business (94% of consolidated revenues as at 31 December 2020)
- the coworking business (6% of consolidated revenues as at 31 December 2020)

The outlook:

- assumes **stable equity**, but it is also assumed that the option to take the interim dividend (net of withholding tax<sup>15</sup>) in new shares is proposed each year in December, and that 25% of shareholders exercise it
- assumes **asset rotation** in core and non-core properties for an estimated amount of €220 million in 2021
- takes account of the **value-creating (re)development projects**, and the investments in properties available for lease, in the real-estate operator business, for a total investment volume of €195 million in 2021
- takes account of the **growth and further development** of the coworking business
- does not take account of growth through acquisitions<sup>16</sup>

### Assumptions: real-estate operator business

The real-estate operator business represents 94% of the consolidated rental income as at 31 December 2020.

### General assumptions

The following external and internal assumptions were made when preparing the outlook:

- the indexing rates applied to rents are based on forecast changes in the health index established by the planning office (Bureau du Plan: five-year plan published in September 2020 and update of the short-term outlook in November 2020)
- interest rates are the average of the forecast Euribor one and three-month rates established by a major Belgian financial institution and of the market rates (forward rates) over the next three fiscal years. These forecasts were made end January 2021
- assumptions about the perception ratio of rents are based on an individual assessment of each lease. (This is the ratio of the net income realised (2020) or budgeted (2021) to potential income)
- The average financing cost covers all financial charges, including the theoretical linear amortisation of premiums paid for the purchase of hedging instruments

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<sup>15</sup> The amount of the interim dividend used in the outlook is assumed to cover three quarters.

<sup>16</sup> However three ongoing transactions have been taken into account for an amount of €58 million.

## Real-estate assumptions

In addition to general market trends, Befimmo has incorporated into its forecasts the actual characteristics of its buildings, mainly in terms of rental situation (notably the residual duration of the leases), potential reversion of the rents, and the need to renovate and redevelop the buildings (technical and environmental performance, etc.).

Our assumptions reflect our current assessment of the impact of the ongoing health crisis on our activities (for example, delay in construction projects, slowdown of commercial activities, etc.).

	Realised	Assumptions
	2020	2021
<b>External assumptions on which the Company cannot exert any influence</b>		
Evolution of the health index (annual average)	1.0%	1.1%
Average of Euribor 1- and 3-month interest rates	-0.5%	-0.6%
<b>Internal assumptions on which the Company can at least exert a partial influence</b>		
Impact of the health index on rents (on an annual basis)	1.0%	0.9%
Perception ratio of rents <sup>(a)</sup>	93.9%	92.4%
Average financing cost (including margin and hedging costs)	2.0%	2.1%

<sup>(a)</sup> The perception ratio of rents is calculated by dividing all rents actually received during the fiscal year by all rents that would have been received during that period had not only the let space but also the vacant space been let throughout the period at the estimated rental value (ERV).

### Income guaranteed under contract

For the 2021 fiscal year, the budgeted income is 97.5% guaranteed under contracts and 2.5% of budgeted income is under unsecured contracts (owing to an expiry) and/or based on reletting assumptions.

### Property charges

When budgeting for maintenance and repair of buildings, total guarantee maintenance fees, incoming and outgoing inventories borne by the Company, and other miscellaneous expenses, the following main assumptions are made:

- common charges, taxes, property tax, and management fees for vacant premises are borne by Befimmo. Charges are generally allocated on the basis of floor area (amount per m<sup>2</sup>), but other systems for allocating charges may be used
- whenever a property is re-let, allowance is made for real-estate agent's commission, the amount of which depends on the annual rent and the expected difficulty of finding a tenant (e.g. commissions are higher in the periphery). Real-estate agent's commission is generally a percentage of the annual rent
- when a tenant leaves a building, the vacated areas are renovated. The budgets for renovation work in the vacated space are borne by the Company and established on the basis of a flat rate per square metre
- when tenants vacate a space, they are liable to pay compensation consisting of estimated rental damages and one month of unavailability for lease

### (Re)development projects

In 2021 Befimmo will invest €195 million in its (re)development projects and in properties available for lease. For more information, please consult page 5 of the press release.

Befimmo (real-estate operator) is planning coworking spaces in certain developments<sup>17</sup>. Befimmo is handing over turnkey spaces to Silversquare (coworking business) at market conditions. A total investment of €13.1 million is foreseen in 2021 in those spaces.

### Asset rotation

We ensure a high-quality portfolio by investing in flexible office buildings in good locations with value-creating potential, while divesting where we can crystallise the value of mature buildings or where buildings no longer fit our strategy.

<sup>17</sup> For more information, please see page 12 of the press release.

As mentioned above, this forecast assumes asset rotation in core and non-core properties for an estimated amount of €220 million in 2021 but does not take account of growth through acquisitions<sup>18</sup>.

In terms of non-core assets, Befimmo will focus in 2021 and 2022 on the disposal of buildings in provincial towns. In 2006, we concluded a strategic "sale and lease back" transaction with the Belgian State. The portfolio we acquired consisted of 62 buildings (±380,000 m<sup>2</sup>) in the centre of Brussels and in Belgian provincial towns, let for an average duration of 17 years. 42 buildings (± 308,000 m<sup>2</sup>) from that transaction remain in the portfolio. Some have already been redeveloped and relet but most of the buildings in provincial towns are being sold at the end of the lease or slightly earlier because they no longer fit with our strategy.

### Financial assumptions

The estimated financial result is based on the following main financing and refinancing assumptions:

- use of the commercial paper programme of up to some €250 million in 2021, based on the outstanding amount of €353 million and €352 million as at 31 December 2020 and 31 December 2019 respectively
- a financing reserve of minimum €100 million for a period of 6 months and strict liquidity management to be ensured over a 24-month period
- refinancing of bilateral banklines at maturity by a floating rate bank loan with a margin (including any exposure fees) and a given non-use fee, based on the banks' current requirements. The notional amount of this line therefore changes in line with the maturities of the bilateral lines, and also in accordance with changes in the forecast debt level, to maintain the financing reserve and liquidity defined above
- new instruments on the private or public debt market (bond issues or private placements) in order to achieve a disintermediation of borrowings of around 30%. These instruments are assumed to be concluded for a 10-year period, with a margin in relation to the current market conditions (for corporate bonds of equivalent rating) plus a fixed rate (equal to the IRS 10-year forward rate defined on the basis of the interest rate curve end January 2021)
- the expenses connected with financing are estimated on the basis of the financial assumptions set out above and the conditions of the most recent financing arranged. These expenses are spread over the duration of the financing
- in order to limit the risk of fluctuating interest rates on its financial debts at floating rates, Befimmo has acquired financial instruments (CAP, FLOOR and IRS), but these do not qualify as hedging instruments under IFRS 9 on financial instruments

### Assumptions: coworking business

In 2021 Silversquare plans to open two new spaces (Central Gate and Quatuor). The investments related to fitting-out, furniture, and IT for these spaces amount to €3.4 million in 2021. As mentioned above, for the coworking spaces planned in its portfolio, Befimmo (real-estate operator) is handing over turnkey spaces to Silversquare (coworking business) for a total investment of €13.1 million in 2021.

Each space is analysed individually on the basis of its specific characteristics and the number of flex spaces, dedicated offices, and meeting spaces made available to members. The structure of the operating costs is linked to this. The forecast takes into account a gradual take-up of the new spaces and the slower pace of take-up currently resulting from the ongoing health crisis. In the normal course of business, a coworking space is considered to reach maturity after three years in operation and is break-even at an occupancy rate of about 75%.

The investments needed to expand the Silversquare network postpone the positive contribution of the business. Based on the current plan, the first significant accretive results are expected by 2023.

### Borrowings and LTV

In the present environment, Befimmo will ensure not to exceed an LTV ratio of around 45%.

In addition to value crystallisation, asset rotation should make it possible to fund the developments in progress and ensure a capacity for growth.

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<sup>18</sup> However three ongoing transactions have been taken into account for an amount of €58 million.

The forecast nominal net debt is €990 million at the end of 2021 reflecting amongst others the assumptions on asset rotation.

## EPRA earnings outlook for the 2021 fiscal year

### Description of the headings in the EPRA earnings outlook table

(in € thousand)		Realised 2020	Forecasts 2021
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>

<sup>(a)</sup> This is an Alternative Performance Measure. For more information, please consult Appendix 2 of this press release.

#### ▪ Rental income, charges linked to letting and net property charges

These revenues and charges are estimated for each building individually, based on current leases for both rents and rental charges (insurance policies, total guarantee, etc.). Other property charges are estimated on the basis of the experience of Befimmo in managing and maintaining its property portfolio.

Assumptions about re-letting are made in line with market practices and based on Befimmo's experience. They also have an impact on estimates of agent's commission and expenses for vacant premises, which are also included in the Company's non-recurring property charges. Property charges also include the total staff costs of the real-estate department, and all research costs related to existing buildings (cost of lawyers, tax experts, due diligence, or agents' commissions for the legal, fiscal, financial, or technical analysis of a project).

The decrease in income in 2021 is mainly due to Befimmo's asset rotation program. As indicated above, we've set a target of €220 million for 2021, consisting in a combination of small non-core buildings located in provincial cities and core Brussels buildings that have reached an optimum point in their life cycle. These additional divestments, especially the non-core buildings in provincial cities, will contribute to even further focus on top quality assets in our portfolio with important value creating potential, their pace will depend on the investment opportunities that Befimmo can materialise (currently not included in the forecast).

- **Corporate overheads**

Corporate overheads are estimated line-by-line using the data from previous years and recent and expected developments in the Company. Most of these are subject to indexing. Staff costs vary at a pace that takes account of expected changes in the size of the team.

- **Other operating income and charges**

The forecast for other operating income and charges relates primarily to the restatement of the effect of the spreading of rental gratuities applied to rental income in accordance with IFRS.

- **Financial result**

The financial result consists of:

- financial charges on floating-rate borrowings, calculated by applying the interest-rate assumptions described above, plus the relevant margins
- financial charges on fixed-rate borrowings
- interest earned or charged on derivative instruments
- other financial results, consisting primarily of expenses associated with bank financing lines (commitment fees on credit lines, exposure fees, and debt issuance costs) and other service costs charged by banks

The financial result is also impacted by the activation of interim interest calculated on the basis of the Company's average financing rate for the fiscal year concerned.

- **Other items of the net result**

Befimmo does not publish forecasts of changes in the fair value of its properties or financial assets and liabilities.

As an indication and on the basis of data as at 31 December 2020, it can be estimated that a 1% change in the fair value of the property portfolio (IAS 40) would have an impact of around €27.6 million on the net result, thereby generating a change of the order of -€1.02 in the net asset value per share and 0.38% in the LTV<sup>19</sup>.

Furthermore, a change in the forecast movements of interest rates could alter the fair value of the financial assets and liabilities (IFRS 9). Based on the fair value as at 31 December 2020, it can be estimated that if the Euro interest rate curve had been 0.5% lower than the curves for 31 December 2020, the change in fair value of the financial assets and liabilities carried at fair value would have been -€32.9 million. In the opposite case, the change would have been €30.8 million.

Such changes have no impact on the Company's EPRA earnings.

## **EPRA earnings and dividend outlook for 2021**

For 2021 EPRA earnings (consolidated, group share) are estimated at €2.10 per share.

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) which may be paid via an interim dividend in December 2021 and a final dividend in May 2022.

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<sup>19</sup> Loan-to-value ("LTV") = [(nominal financial debts – cash)/fair value of portfolio].

## EPRA earnings and dividend outlook beyond 2021

Befimmo's portfolio is currently in a transition period with value-creating development projects of which the offices are 83% pre-let. These projects will contribute gradually to EPRA earnings as from 2022.

Befimmo is also developing a Belux network of workspaces. The positive contribution of mature coworking spaces will be used to finance the extension of the network, with the first significant accretive contribution of the activity to EPRA earnings results expected in 2023.

Befimmo will continue to rotate its portfolio in order to crystallise its value and keep its portfolio at the highest level of quality, as defined in its strategic framework. The proceeds of the disposals contribute to managing the LTV ratio, the financing of ongoing development projects and ensure capacity for growth. The pace of these disposals will be aligned with the investment opportunities that Befimmo can materialise.

In the present environment, Befimmo will ensure not to exceed an LTV ratio of around 45%.

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.

Befimmo will propose a dividend in line with the earlier communicated dividend policy of at least 80% of the EPRA earnings for the year, supplemented, as the case may be, by realised capital gains during the financial year in the framework of its asset rotation policy.

The dividend in subsequent years will depend on the economic climate, the investment opportunities that the Company takes, its degree of success in implementing projects, and in the development of the coworking business, while it continues to benefit from a stable income, thanks to the defensive nature of its property assets.



# 2030 Action plan

## REVIEW OF OUR PRIORITIES

Since 2017, Social Responsibility has been fully integrated into the Company's overall strategy. A full exercise was carried out, leading to 6 strategic axes and the integration of 15 of the 17 Sustainable Development Goals in our day-to-day business.

However, within the framework of continuous improvement, Befimmo decided to review its priorities in 2020, with the aim of challenging our most recent materiality matrix.

To do this, we approached a carefully chosen and diversified list of external and internal stakeholders with different backgrounds. Their varied points of view enabled us to identify our challenges for 2020 onwards in our materiality matrix, and prioritise our environmental, social, and governance commitments under three headings.

### Provide and rethink workspaces

- Safety & health of occupants
- Communication with tenants and occupants
- Comfort & well-being of occupants
- Innovation
- Architectural quality
- Flexibility/Adaptability of the buildings

### Transform cities

- Mixed functions
- Participation of stakeholders in the project development process

### Be responsible

- Energy consumption
- Biodiversity
- Circular economy
- Integration of ESG challenges within the investment, management and risk control policy
- Ethics and transparency
- Employee/employer dialogue
- Water consumption



To support these aims, Befimmo has put into place non-financial objectives that relate specifically to the three commitment categories, and other internal objectives that ensure the integration of this mission into our day-to-day operations.

These objectives, prepared together with the management and its team, are included in an Action Plan which is supervised by the CSR Team, reported semi-annually to the Befimmo Social Responsibility Team, and published on the corporate website.

## AWARDS AND BENCHMARKS

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

<sup>(a)</sup> Voluntary participation by Befimmo.

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

<sup>(c)</sup> 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 the score is to zero, the better.

# Appendix 1

## CONSOLIDATED INCOME STATEMENT (IN € THOUSAND)

	31.12.20	31.12.19
I. (+) Rental income	137 652	142 437
III. (+/-) Charges linked to letting	- 14	- 514
<b>NET RENTAL RESULT</b>	<b>137 638</b>	<b>141 924</b>
IV. (+) Recovery of property charges	16 081	14 992
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	24 947	24 300
VII. (-) Rental charges and taxes normally paid by tenants on let properties	-32 760	-29 752
VIII. (+/-) Other revenue and charges for letting	2 171	536
<b>PROPERTY RESULT</b>	<b>148 077</b>	<b>152 000</b>
IX. (-) Technical costs	-18 520	-17 055
X. (-) Commercial costs	- 1 736	- 1 476
XI. (-) Charges and taxes on unlet properties	-1 867	-2 268
XII. (-) Property management costs	- 2 830	- 2 642
XIII. (-) Other property charges	-7 928	-5 308
<b>(+/-) Property charges</b>	<b>-32 880</b>	<b>-28 749</b>
<b>PROPERTY OPERATING RESULT</b>	<b>115 197</b>	<b>123 251</b>
XIV. (-) Corporate overheads	-18 596	-16 504
XV. (+/-) Other operating income and charges	- 1 932	- 1 028
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>94 669</b>	<b>105 719</b>
XVI. (+/-) Gains and losses on disposals of investment properties	306	12 961
XVIII. (+/-) Changes in fair value of investment properties	1 367	110 113
<b>OPERATING RESULT</b>	<b>96 342</b>	<b>228 793</b>
XX. (+) Financial income	745	782
XXI. (-) Net interest charges	- 19 125	- 19 117
XXII. (-) Other financial charges	-2 579	-4 933
XXIII. (+/-) Changes in fair value of financial assets and liabilities	- 17 682	- 25 539
<b>(+/-) Financial result</b>	<b>-38 642</b>	<b>-48 807</b>
<b>PRE-TAX RESULT</b>	<b>57 700</b>	<b>179 986</b>
XXV. (-) Corporation tax	- 1 107	- 1 228
<b>(+/-) Taxes</b>	<b>-1 107</b>	<b>-1 228</b>
<b>NET RESULT</b>	<b>56 593</b>	<b>178 757</b>
NET RESULT (group share)	57 709	178 463
NET RESULT - NON-CONTROLLING INTERESTS	-1 116	294
<b>BASIC NET RESULT AND DILUTED (€/share)</b>	<b>2.13</b>	<b>6.95</b>
Other comprehensive income - actuarial gains and losses - pension liabilities	- 1 784	- 1 585
Other comprehensive income (group share)	- 1 781	- 1 585
Other comprehensive income - Non-controlling interests	- 3	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>54 809</b>	<b>177 172</b>
TOTAL COMPREHENSIVE INCOME (group share)	55 928	176 878
TOTAL COMPREHENSIVE INCOME - NON-CONTROLLING INTERESTS	-1 119	294

## CONSOLIDATED BALANCE SHEET (IN € THOUSAND)

ASSETS	31.12.20	31.12.19
<b>I. Non-current assets</b>	<b>2 790 205</b>	<b>2 861 689</b>
A. Goodwill	18 145	23 629
B. Intangible assets	3 815	1 729
C. Investment properties	2 739 649	2 814 822
Fair value of portfolio (excluding Silversquare)	2 694 479	2 790 778
Right of use - Fair value of Silversquare leases	45 170	24 044
D. Other property, plant and equipment	15 355	10 948
E. Non-current financial assets	8 421	7 296
F. Finance lease receivables	4 822	3 265
<b>II. Current assets</b>	<b>56 284</b>	<b>50 563</b>
A. Properties held for sale	21 581	0
B. Current financial assets	795	12 763
C. Finance lease receivables	145	142
D. Trade receivables	28 386	31 535
E. Tax receivables and other current assets	479	1 060
F. Cash and cash equivalents	2 439	2 878
G. Deferred charges and accrued income	2 458	2 184
<b>TOTAL ASSETS</b>	<b>2 846 488</b>	<b>2 912 251</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>31.12.20</b>	<b>31.12.19</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1 591 404</b>	<b>1 603 872</b>
I. Equity attributable to shareholders of the parent company	1 591 404	1 603 872
A. Capital	398 356	398 320
B. Share premium account	861 905	861 905
C. Reserves	318 874	231 434
D. Net result for the fiscal year <sup>(a)</sup>	12 269	112 213
<b>II. Non controlling interests<sup>(b)</sup></b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>	<b>1 255 084</b>	<b>1 308 379</b>
<b>I. Non-current liabilities</b>	<b>760 104</b>	<b>696 157</b>
A. Provisions	3 918	1 471
B. Non-current financial debts	684 586	637 567
a. Credit institution	219 677	201 446
c. Other	464 909	436 121
C. Other non-current financial liabilities	62 973	46 455
D. Trade debts and other non-current debts	7 547	9 974
F. Deferred Tax - Liabilities	1 081	691
<b>II. Current liabilities</b>	<b>494 980</b>	<b>612 222</b>
A. Provisions	2 526	3 155
B. Current financial debts	368 697	497 167
a. Credit institution	11 001	61 448
c. Other	357 696	435 719
C. Other current financial liabilities	0	0
D. Trade debts and other current debts	93 130	85 596
E. Other current liabilities	4 276	3 872
F. Accrued charges and deferred income	26 351	22 432
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2 846 488</b>	<b>2 912 251</b>

<sup>(a)</sup> The interim dividend is the difference between the "Net result for the fiscal year" in the Consolidated statement of financial position and the "Net result" in the Consolidated statement of comprehensive income.

<sup>(b)</sup> As the amount of minority interests is negative, it is deducted from "Equity attributable to shareholders of the parent company".

## Appendix 2: « Alternative Performance Measures »

### REAL-ESTATE OPERATOR ACTIVITY

#### Glossary of Alternative Performance Measures

Alternative Performance Measure	Definition	Use
<b>Net property charges</b>	The sum of various property charges, net of amounts recoverable from tenants (corresponds to the sum of headings IV to XIII of the consolidated statement of total comprehensive income).	Gives an overview of all net property charges.
<b>Other operating income and charges (excluding goodwill impairment)</b>	Heading XV 'Other operating income and charges' minus any goodwill impairment.	Used to compare forecasts and actual figures in heading XV 'Other operating income and charges'. Any goodwill impairment is not budgeted.
<b>Operating margin</b>	'Operating result before result on portfolio' divided by 'net rental result'.	Used to assess the Company's operating performance.
<b>Net property result</b>	'Operating result before result on portfolio' plus heading XVI 'Gains and losses on disposals of investment properties'.	Used to identify the operating profit before changes in the fair value of investment property.
<b>Financial result (excluding changes in fair value of financial assets and liabilities)</b>	'Financial result' minus heading XXIII 'Changes in fair value of financial assets and liabilities'.	Used to compare forecasts and actual figures in the financial results.
<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>	'Net result' minus heading XVIII 'Changes in fair value of investment property' and heading XXIII 'Changes in fair value of financial assets and liabilities' and heading 'Changes in the share in the profit or loss of investments accounted for using the equity method'.	Used to identify the net result before changes in the fair value of investment property and of the financial assets and liabilities.
<b>"Like-for-Like" net rental result</b>	Net rental result of properties available for lease at constant perimeter for two consecutive periods. The 'Like-for-Like' scope is calculated on the basis of the EPRA definition.	Used to measure the change in rental income of properties available for lease at constant floor area for two consecutive periods.

#### Reconciliation tables for Alternative Performance Measures

- Net rental result in "Like-for-Like"

(in thousand €)	31.12.2020	31.12.2019
Net rental result (A)	130 782	134 786
Net rental result linked to changes in perimeter (B)	14 382	16 061
Net rental result on properties not available for lease (C)	- 318	3 092
Non-recurring element to extract from the "Like-for-Like" (D)	3 737	669
<b>Net rental result in "Like-for-Like" (A-B-C-D)</b>	<b>112 982</b>	<b>114 963</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

(in thousand €)	31.12.2020	31.12.2019
Net result (A)	58 446	180 611
XVIII. Changes in fair value of investment properties (B)	759	109 882
XXIII. Changes in fair value of financial assets and liabilities (C)	-17 682	-22 921
Share in the profit or loss of investments booked using the equity method (D)	-2 373	-
<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 (A-B-C-D)</b>	<b>77 742</b>	<b>93 650</b>

- Financial result (excl. the changes in fair value of the financial assets and liabilities)

(in thousand €)	31.12.2020	31.12.2019
Financial result (A)	-37 154	-45 722
XXIII. Changes in fair value of financial assets and liabilities (B)	-17 682	-22 921
<b>Financial result (excl. the changes in fair value of the financial assets and liabilities) (A-B)</b>	<b>-19 472</b>	<b>-22 801</b>

- Net property result

(in thousand €)	31.12.2020	31.12.2019
Operating result before result on portfolio	97 987	104 703
XVI. Gains or losses on disposals of investment properties	306	12 961
<b>Net property result</b>	<b>98 293</b>	<b>117 664</b>

- Operating margin

(in thousand €)	31.12.2020	31.12.2019
Operating result before result on portfolio (A)	97 987	104 703
Net rental result (B)	130 782	134 786
<b>Operating margin (A/B)</b>	<b>74.9%</b>	<b>77.7%</b>

- Other operating income and charges (excluding goodwill impairment)

(in thousand €)	31.12.2020	31.12.2019
XV. Other operating income and charges (A)	-1 841	-1 177
Goodwill impairment (B)	-	-
<b>Other operating income and charges (excluding goodwill impairment) (A-B)</b>	<b>-1 841</b>	<b>-1 177</b>

- Net property charges

(in thousand €)	31.12.2020	31.12.2019
IV. Recovery of property charges	16 083	14 992
V. Recovery of rental charges and taxes normally paid by tenants on let properties	25 469	24 321
VII. Rental charges and taxes normally paid by tenants on let properties	-26 051	-25 633
VIII. Other revenue and charges for letting	2 171	536
IX. Technical costs	-18 520	-17 055
X. Commercial costs	-1 736	-1 473
XI. Charges and taxes on unlet properties	-1 867	-2 268
XII. Property management costs	-2 830	-2 642
XIII. Other property charges	-7 928	-5 125
<b>Net property charges</b>	<b>-15 208</b>	<b>-14 347</b>

## CONSOLIDATED

### Glossary of the « Alternative Performance Measures »

Alternative Performance Measure	Definition	Use
<b>Loan-to-value (LTV)</b>	Nominal financial debt minus balance sheet heading II.F. 'Cash and cash equivalents', divided by the sum of balance sheet headings I.C. "Investment property" and II.A. 'Properties held for sale'. Nominal financial debts are the accounting financial debts excluding IFRS adjustments, in other words excluding the reassessment at fair value of financial assets and liabilities and the smoothing of debt issuance costs.	This is the debt ratio calculated on the basis of the fair value of the property portfolio.
<b>Average (annualised) financing cost</b>	Annualised interest paid over the reporting period, including the credit margin, the cost of the hedging instruments and liquidity cost, divided by the average nominal financial debt over the period concerned.	Used to measure the average cost of the Company's financial debt.
<b>Return on shareholders' equity (in € per share)</b>	The return obtained by an investor over a 12-month period ending at the close of the period, assuming the reinvestment of dividends and participation in operations to strengthen the Company's capital. The calculation is based on the average number of shares not held by the group over a 12-month period.	Used to measure the profitability over 12 months (in €/share) of a shareholder's investment on the basis of the value of shareholders' equity.
<b>Return on shareholders' equity (in %)</b>	The internal rate of return earned by an investor over a 12-month period ending at the close of the period, assuming the reinvestment of dividends and participation in operations to strengthen the Company's capital. The calculation is based on the average number of shares not held by the group over a 12-month period.	Used to measure the profitability over 12 months (in %) of a shareholder's investment on the basis of the value of shareholders' equity.

### Reconciliation tables of the « Alternatives Performance Measures »

#### ▪ Loan-to-value

(in thousand €)	31.12.2020	31.12.2019
Nominal financial debts (A)	1 001 620	1 090 344
II. F. Cash and cash equivalents (B)	-2 439	-2 878
I. C. Investment properties (D) <sup>(a)</sup>	2 692 393	2 788 591
II. A. Assets held for sale (E)	21 581	-
<b>Fair value of portfolio at the closing date (C = D+E)</b>	<b>2 713 974</b>	<b>2 788 591</b>
<b>Loan-to-value (A-B)/C</b>	<b>36.82%</b>	<b>39.00%</b>

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

#### ▪ Average (annualised) financing cost

(in thousand €)	31.12.2020	31.12.2019
Interest paid	22 643	22 134
Annualised interest paid (A)	22 643	22 134
Annualised nominal financial debts (B)	1 126 483	1 120 728
<b>Average (annualised) financing cost (A/B)</b>	<b>2.0%</b>	<b>2.0%</b>

▪ Return on shareholders' equity (in € per share and in %)

	31.12.2020	31.12.2019
Return on shareholders' equity (in € per share)	2.11	6.47
Return on shareholders' equity (in %)	3.6%	11.6%



# Appendix 3: Tables of the EPRA indicators<sup>20</sup>

## REAL-ESTATE OPERATOR ACTIVITY

### ▪ EPRA earnings

(in € thousand)	31.12.2020	31.12.2019
<b>Net result IFRS</b>	<b>58 446</b>	<b>180 611</b>
<b>Net result IFRS (in € per share)</b>	<b>2.16</b>	<b>7.03</b>
Adjustments to calculate EPRA earnings	19 381	- 97 006
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	- 759	- 109 882
Changes in the share in the profit or loss of investments accounted for using the equity method	2 373	-
II. Result on disposals of investment properties	- 306	- 12 961
VI. Changes in fair value of financial assets and liabilities and close-out costs	17 683	25 365
VIII. Deferred tax in respect of EPRA adjustments	390	472
<b>EPRA earnings</b>	<b>77 826</b>	<b>83 605</b>
<b>EPRA earnings (in € per share)</b>	<b>2.88</b>	<b>3.26</b>

### ▪ EPRA Net Initial Yield (NIY) & Topped-up (NIY)

(€ thousand)	31.12.2020	31.12.2019
Investment properties and properties held for sale (excluding IFRS 16) <sup>(a)</sup>	2 713 974	2 788 591
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	- 517 289	- 394 130
Properties held for sale	- 21 581	-
Properties available for lease	2 175 104	2 394 461
To include:		
Allowance for estimated purchasers' cost	54 957	60 089
<b>Investment value of properties available for lease (B)</b>	<b>2 230 061</b>	<b>2 454 550</b>
Annualised cash passing rental income	114 032	128 033
To exclude:		
Property charges <sup>(b)</sup>	- 2 799	- 6 915
<b>Annualised net rents (A)</b>	<b>111 234</b>	<b>121 118</b>
To include:		
- Notional rent expiration of rent free periods or other lease incentives	4 896	3 383
- Future rent on signed contracts <sup>(c)</sup>	0	-
<b>Topped-up annualised net rents (C)</b>	<b>116 130</b>	<b>124 501</b> <sup>(b)</sup>
<b>(in %)</b>		
<b>EPRA Net Initial Yield (A/B)</b>	<b>5.0%</b>	<b>4.9%</b>
<b>EPRA Topped-up Net Initial Yield (C/B)</b>	<b>5.2%</b>	<b>5.1%</b> <sup>(b)</sup>

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

<sup>(b)</sup> The scope of the property charges to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to "property charges" as presented in the consolidated IFRS accounts.

<sup>(c)</sup> Since 31 March 2019, Befimmo no longer includes the rent "Future rent on signed contracts" in the calculation of the EPRA Topped-up NIY. The percentage as of 31 December 2018 has therefore been restated based on this change.

- EPRA Vacancy rate

(in € thousand)	31.12.2020	31.12.2019
Estimated rental value (ERV) on vacant space (A)	3 203	5 166
Estimated rental value (ERV) (B)	111 322	124 846
<b>EPRA Vacancy rate of properties available for lease (A)/(B)</b>	<b>2.9%</b>	<b>4.1%</b>

- EPRA Cost ratio

(in € thousand)	31.12.2020	31.12.2019
<b>Net administrative and operating expenses in the income statement</b>	<b>-30 924</b>	<b>-29 318</b>
III. (+/-) Rental charges	30	- 417
Net property charges	-15 208	-14 347
XIV. (-) Corporate overheads	-15 746	-14 559
XV. (+/-) Other operating income and charges	-1 841	-1 177
Exclude:		
i. Impact of the spreading of gratuities	1 841	1 182
<b>EPRA costs (including direct vacancy costs) (A)</b>	<b>-30 924</b>	<b>-29 318</b>
XI. (-) Charges and taxes on unlet properties	1 867	2 268
<b>EPRA costs (excluding direct vacancy costs) (B)</b>	<b>-29 058</b>	<b>-27 050</b>
I. (+) Rental income	130 753	135 203
<b>Gross rental income (C)</b>	<b>130 753</b>	<b>135 203</b>
<b>EPRA cost ratio (including direct vacancy costs) (A/C)<sup>(a)</sup></b>	<b>23.7%</b>	<b>21.7%</b>
<b>EPRA cost ratio (excluding direct vacancy costs) (B/C)<sup>(a)</sup></b>	<b>22.2%</b>	<b>20.0%</b>

<sup>(a)</sup> This is an Alternative Performance Measure.

## EPRA Like-for-Like net rental growth

Segment	31.12.2020						31.12.2019						Evolution
(in € thousand)	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed <sup>(a)</sup>	Total net rental income <sup>(b)</sup>	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed <sup>(a)</sup>	Total net rental income <sup>(b)</sup>	Properties owned throughout 2 consecutive years
Brussels CDB and similar	54 394	726	5 380		307	60 807	58 208	32	8 627		1 885	68 752	-6.6%
Brussels decentralised	6 176					6 176	4 119					4 119	49.9%
Brussels periphery	6 021		1 958			7 978	5 228		2 077			7 305	15.2%
Wallonia	10 628				- 225	10 403	10 342			- 1	- 508	9 833	2.8%
Flanders	26 639			618		27 256	25 961	- 2	3 262			29 221	2.6%
Luxembourg city	4 655					4 655	4 853					4 853	-4.1%
<b>Total</b>	<b>108 513</b>	<b>726</b>	<b>7 337</b>	<b>618</b>	<b>82</b>	<b>117 276</b>	<b>108 710</b>	<b>32</b>	<b>10 702</b>	<b>3 261</b>	<b>1 377</b>	<b>124 082</b>	<b>-0.2%</b>
<b>Reconciliation to the consolidated IFRS income statement</b>													
<b>Net rental income related to:</b>													
- Properties booked as financial leases (IFRS 16)						- 9						- 12	
- Non recurring element:						6 718						3 962	
<b>Other property charges</b>						<b>- 8 411</b>						<b>- 7 592</b>	
<b>Property operating result in the consolidated IFRS income statement</b>						<b>115 574</b>						<b>120 440</b>	

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

<sup>(b)</sup> The total "Net rental income" defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the "Property operating result" of the consolidated IFRS accounts.

## CONSOLIDATED

### ▪ EPRA earnings

<b>(in € thousand)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Net result IFRS (group share)</b>	<b>57 709</b>	<b>178 463</b>
<b>Net result IFRS (in € per share) (group share)</b>	<b>2.13</b>	<b>6.95</b>
Adjustments to calculate EPRA earnings	<b>18 389</b>	<b>- 94 086</b>
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	237	- 109 392
II. Result on disposals of investment properties	- 306	- 12 961
V. Negative goodwill/goodwill impairment	700	-
VI. Changes in fair value of financial assets and liabilities and close-out costs	17 683	27 983
VIII. Deferred tax in respect of EPRA adjustments	390	472
X. Adjustments in respect of minority interests	- 315	- 189
<b>EPRA earnings (group share)</b>	<b>76 097</b>	<b>84 377</b>
<b>EPRA earnings (in € per share) (group share)</b>	<b>2.81</b>	<b>3.29</b>

▪ EPRA NRV, NTA, NDV

On 31.12.2020	2020					2019 - Proforma				
	New metrics			Old metrics		New metrics			Old metrics	
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNAV	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NAV	EPRA NNAV
	Net Reinstatement Value	Net Tangibles Assets	Net Disposal Value	Net Asset Value	Triple Net Asset Value	Net Reinstatement Value	Net Tangibles Assets	Net Disposal Value	Net Asset Value	Triple Net Asset Value
<b>IFRS Equity attributable to shareholders</b>	<b>1 591 404</b>	<b>1 591 404</b>	<b>1 591 404</b>	<b>1 591 404</b>	<b>1 591 404</b>	<b>1 603 872</b>	<b>1 603 872</b>	<b>1 603 872</b>	<b>1 603 872</b>	<b>1 603 872</b>
To include:										
Revaluation of tenant leases held as finance leases	104	104	104	104	104	115	115	115	115	115
<b>Diluted NAV at fair value</b>	<b>1 591 508</b>	<b>1 591 508</b>	<b>1 591 508</b>			<b>1 603 987</b>	<b>1 603 987</b>	<b>1 603 987</b>		
To exclude:										
Fair value of financial instruments	55 049	55 049		55 049		39 984	39 984		39 984	
Deferred tax in relation to fair value gains of investment property	1 081	540		1 081	1 081	691	345		691	691
Goodwill as per IFRS balance sheet		- 18 145	- 18 145				- 23 629	- 23 629		
Intangibles as per IFRS balance sheet		- 3 815					- 1 729			
To include:										
Fair value of fixed interest rate debt <sup>(a)</sup>			- 26 848		- 26 848			- 20 383		- 20 383
Deferred tax in relation to fair value gains of investment property					- 1 081					- 691
Real-estate transfer tax	68 848	0				70 003	0			
<b>NAV</b>	<b>1 716 486</b>	<b>1 625 138</b>	<b>1 546 515</b>	<b>1 647 637</b>	<b>1 564 660</b>	<b>1 714 665</b>	<b>1 618 960</b>	<b>1 559 975</b>	<b>1 644 662</b>	<b>1 583 604</b>
<b>NAV (€/share)</b>	<b>63.48</b>	<b>60.10</b>	<b>57.19</b>	<b>60.93</b>	<b>57.86</b>	<b>63.38</b>	<b>59.85</b>	<b>57.66</b>	<b>60.80</b>	<b>58.54</b>

<sup>(a)</sup> Excluding IFRS 16.

## Appendix 4: Glossary of real-estate indicators

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### **Gross current rent from lease agreements**

The annualised total of the rents of current leases at the balance sheet date, not taking account of current gratuities or rents under leases commencing after the balance sheet date concerned.

### **Potential rent**

The gross current rent from lease agreements as defined above, plus the estimated rental value of unoccupied space at the balance sheet date.

### **Gross current yield on properties available for lease**

The ratio between the gross current rent from lease agreements and the "deed-in-hands" value of properties available for lease.

### **Gross potential yield on properties available for lease**

The ratio between the potential rent and the "deed-in-hands" value of properties available for lease.

### **Current gross yield on investment properties**

The ratio between the gross current rent from lease agreements and the "deed-in-hands" value of investment properties.

### **Spot occupancy rate of properties available for lease**

The ratio between the estimated rental value of space occupied at the balance sheet date and the total estimated rental value of properties available for lease.

### **Weighted average duration of current leases until their next break**

The ratio of (i) the sum of the gross current rents from lease agreements for each lease of properties available for lease multiplied by their respective remaining duration from the balance sheet date to their next break and (ii) the total gross current rent from lease agreements of properties available for lease.

### **Weighted average duration of current leases until final expiry**

The ratio of (i) the sum of the gross current rents from lease agreements for each lease of properties available for lease multiplied by their respective remaining duration from the balance sheet date to their final expiry date and (ii) the total gross current rent from lease agreements of properties available for lease.

## Contact:



### **Befimmo SA**

Caroline Kerremans | Head of IR & Communication

Chaussée de Wavre 1945 - 1160 Bruxelles | 1945 Waversesteenweg - 1160 Brussel

T: +32(0)2 679 38 60 | [c.kerremans@befimmo.be](mailto:c.kerremans@befimmo.be) | [www.befimmo.be](http://www.befimmo.be)