

WHERE BUSINESSES FIND A HOME



## INTERIM STATEMENT AS AT 30 SEPTEMBER 2021

### Press release

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Befimmo

befimmo.be



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## **Consolidation basis:**

Befimmo has the exclusive control of Silversquare Belgium SA, and consequently, Silversquare Belgium and its subsidiary are included in the overall consolidation as at 30 September 2021.

The Befimmo businesses are presented in this press release by business sector (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 30 September 2021 (i.e. 27,028,837 shares).

## **Real-estate and financial indicators:**

The definitions of those indicators are published in Appendix 2 of the Annual Financial Report 2020. They are identified with a footnote at their first mention in this press release.

Befimmo is fully committed to standardising its 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 within this press release are identified with a footnote at the first mention of the APM. The full list of APMs, their definition, their utility and the related reconciliation tables are included in Appendix 2 and 3 to this press release and are published on the Befimmo website ([www.befimmo.be](http://www.befimmo.be)).

# 1. Summary

## ■ Real-estate operator (93% of rental income):

- Important letting activity: 41,578 m<sup>2</sup> let since the beginning of the year
  - Q3, Befimmo leased and extended 6.743 m<sup>2</sup> of office space. A further 10,000 m<sup>2</sup> of space was let after the closing of the quarter, indicating continued momentum in letting activity in the portfolio
  - Quatuor was delivered at the end of August and more than 80% is already let (including signed leases and leases awaiting for signature) at closing of the quarter
  - The recently acquired "Esprit Courbevoie" project fully let to N-SIDE and Silversquare two years before delivery
- Operating portfolio:
  - Strong occupancy rate of 93.3%
  - Long weighted average duration of leases of 7.2 years (up to next break), and 8.5 years taking into account future signed leases of all investment properties
  - Rent collection rate year-to-date at 98%
- Ongoing developments:
  - Proactive occupancy management: office pre-letting rate at 97% for ZIN and Paradis Express.
  - In July, The Standard International, the leading hospitality company with iconic hotels across the globe, announced it will open its first hotel in continental Europe in the ZIN project
  - Delivery of the Paradis Express project, planned for December, will reduce the portfolio proportion of the development pipeline to ±14% by the end of the year
- Asset rotation:
  - Acquisition of three floors in the Antwerp Tower, strategically located next to Antwerp main train station, to extend Befimmo's hybrid offer and the Belux network of Silversquare
  - Next steps in the divesting of non-strategic assets with the disposal of Planet 2 in the Brussels periphery (after Q3 close) and the disposal of three non-core properties (in Belgian provincial towns).

## ■ Coworking (7% of rental income):

- Very good momentum in September with an increase in turnover and number of members
- Stable occupancy of mature space at 82%
- Central (6,800 m<sup>2</sup>) opened in September - total occupancy rate is already 46%

## ■ Financial results:

- Portfolio fair value increase (+0.3%) over Q3, stability over the first nine months (at constant perimeter, excluding investments, acquisitions and disposals)
- Consolidated net asset value of €61.1 per share (group share)
- Consolidated net result of €2.78 per share (group share)
- Consolidated EPRA earnings of €1.79 per share (group share)

## ■ Financial structure:

- Solid Loan-to-Value ratio of 38.4%
- Stable average cost of financing of 1.9%
- Financing needs are covered until the end of Q1 2023

## ■ EPRA earnings outlook and dividend forecast:

- Confirmation of the EPRA earnings outlook for the year: estimated at €2.10 per share
- Dividend forecast for the year: based on EPRA earnings estimated at €2.10 per share, a minimum of €1.68 gross per share

The Board of Directors of Befimmo SA met on 27 October 2021 to close the quarterly financial statements as at 30 September 2021.



**In August 2021 Befimmo moved to its brand new flagship offices in the Central building.**

Central, located on a triple A location in the very heart of Brussels, is a unique building both in terms of its history and its architecture.

Our offices showcase our vision on the evolution of the world of work, which aims to be more hybrid, more flexible and at the service of its users. Central is a Befimmo pilot project in which we include a new Silversquare, innovative solutions for meeting rooms and a large number of services and facilities.



## 2. Key events of the quarter

### Successful asset rotation strategy

#### Acquisition of three office floors in the Antwerp Tower

In September Befimmo announced the acquisition of the second, third, and fourth floors (5,600 m<sup>2</sup>) of the Antwerp Tower in which Silversquare will operate, as from mid-2022, its 10th coworking space. The Antwerp Tower is located in the CBD, in the heart of the city of Antwerp and just 500 m from the Central train station and has mixed use ground floors. With this transaction, Befimmo acquires its third property in Antwerp.

With this acquisition, Befimmo has paved the way for Silversquare's expansion to Antwerp. Mid-2022, after having opened Silversquare Kanal in the Quatuor building in Brussels, Silversquare will set up shop in Antwerp on this very strategic CBD location.

Silversquare will also open in Liège towards the end of the year. The new space in Louvain-La-Neuve is foreseen for 2023.

#### Disposal of non-strategic assets

In October, after the closing of the quarter, Befimmo announced the disposal of the Planet 2 building located in the Brussels periphery. The property was sold to a developer at a value in line with the latest fair value as estimated by the independent real estate expert. The occupancy of the building was about 80% based on 3/6/9 leases.

Befimmo also announced the sale of a Fedimmo property in Lokeren. Since the beginning of the year, and in line with the disposal plan, Befimmo sold four Fedimmo properties that had reached the end of their leases.

These transactions once again confirm Befimmo's strategy of divesting from non-strategic assets.

### Key letting activity

#### "Esprit Courbevoie" project in Louvain-La-Neuve fully pre-let 2 years before delivery

In October 2021, after closing of the quarter, Befimmo announced it will welcome N-SIDE to the future offices of the "Esprit Courbevoie" project in Louvain-la-Neuve. In February 2021 Befimmo acquired the office building of the "Esprit Courbevoie" project, in state of future completion. This office building showcases Befimmo's hybrid offer, with 8,300 m<sup>2</sup> of office space, now fully let to N-SIDE (4,300 m<sup>2</sup>) and Silversquare (4,000 m<sup>2</sup>).

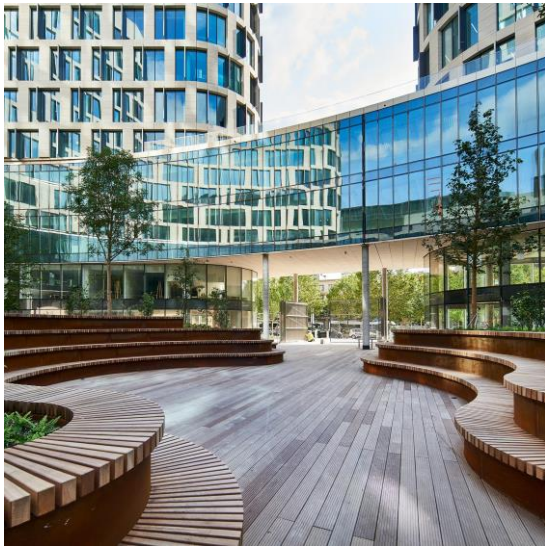
#### Key facts « Esprit Courbevoie »

- Surface: 8,300 m<sup>2</sup>
- Tenants: N-SIDE and Silversquare
- Pre-let at 30.09.2021: 100%
- Average lease length up to next break: 9.0 years



## Asset development

### Quatuor delivered: a real success story!



The Quatuor building was delivered in August 2021 and its first occupants arrived.

In October 2021, the building added a new high-quality tenant. As of March 2022, Just Eat Takeaway.com will move into 5,700 m<sup>2</sup> in Tower B – The Piano – of Quatuor.

Jean-Philip Vroninks, CEO of Befimmo: *"Our teams have succeeded in creating a working environment that is fully in line with today's hybrid working world. It offers a global solution with a combination of offices, dynamic coworking spaces and services. It is a true campus where ideas are born and where individuals and teams can develop their full potential. Quatuor will also contribute to the redevelopment and transformation of Brussels' bustling Northern District. I would like to congratulate all the teams involved in the completion of this very high quality project, of which we can be legitimately proud."*

[www.quatuor.brussels](http://www.quatuor.brussels)

### Key facts « Quatuor »

- Mixed-use project: 62,000 m<sup>2</sup>
- Main tenants: Beobank, Touring, Just Eat Takeaway.com
- Leased at 30.09.2021: 81%
- Potential yield on cost: 6.1%
- Potential yield on fair value: 4.8%
- Realised development margin: >25% (±€56 million)
- Average lease length (up to next break): 12.9 years

## ZIN welcomes new major occupier: The Standard Hotel

In July Befimmo announced that ZIN will welcome Standard International, the leading hospitality company responsible for iconic hotels across the globe. The Standard Hotel fits perfectly within the vision for ZIN and will amplify the dynamisation of the Brussels North area.

ZIN is an innovative multipurpose project accommodating housing, working, hospitality, and leisure in a single building integrated with the existing urban ecosystem. ZIN is a real reference, a new way of making a city.

The Standard Hotel, Brussels will have 180 rooms, 20 branded apartments, a lush ground floor greenhouse, and a spectacular rooftop, with bars and restaurants created for visitors and locals to enjoy, tapping into the city's deep cultural community.



ZIN

## Coworking

### Silversquare opens an eighth coworking location

One year after the opening of Silversquare Bailli, Silversquare Central is also open for business in a prime location opposite Brussels Central Station, right in the heart of the capital. 65% of the available private offices are already rented out, and as at 30 September 2021, the total occupancy rate stands at 46%.

*"We are more determined than ever to build a strong network right across Belgium over the next few years," says Axel Kuborn, one of Silversquare's founders. "Coworking has not yet reached its peak. We have seen a growth in the need for greater flexibility over the past year and are able to respond to this evolution perfectly, thanks to our broad range of office solutions. We will be opening a new location in Brussels' Northern Quarter in early 2022, followed by Liege, Antwerp and Louvain-La-Neuve".*



Silversquare Central

# 3. Property report

## Real-estate operator business

### Letting activity

During the first nine months of the fiscal year, Befimmo signed new leases and renewals for a total area of 41,578 m<sup>2</sup>, compared to 50,799 m<sup>2</sup> over the same period of 2020. In the first nine months of 2019, in the pre-COVID market, the Company let 27,302 m<sup>2</sup> of space (excluding 70,000 m<sup>2</sup> of offices in the ZIN project). This confirms that letting activity remains in line with and even above pre-COVID levels. The tenant's incentives are in line with pre-COVID transactions.

The main transactions in Q3 2021 are:

- Ikaros site (Brussels periphery): lease extensions signed for 2,900 m<sup>2</sup>
- The Cube (Luxembourg): lease extension of 2,100 m<sup>2</sup>

After closing of the quarter, the following transactions took place:

- Quatuor (Brussels, North): signing of a new lease of 5,700 m<sup>2</sup> with Just Eat Takeaway.com
- "Esprit Courbevoie" project (Brussels periphery): new lease of 4,300 m<sup>2</sup> with N-SIDE. The project is entirely prelet, more than two years before delivery

Tenants come from the service and technology sector, further diversifying the tenant base.

### New real-estate indicators

Until now, the Company's real-estate indicators did not include signed leases due to start at a later date.

After analysis, Befimmo will now calculate three new indicators:

- **Occupancy rate of properties available for lease:** The ratio between the estimated rental value of space occupied and pre-let space at the balance sheet date and the total estimated rental value of properties available for lease
- **Weighted average duration of current and future signed leases up to next break of investment properties:** The ratio of (i) the sum of the gross current and future rents from lease agreements for each lease of investment properties (properties available for lease and projects) multiplied by their respective remaining duration from the balance sheet date to their next break and (ii) the total gross current and future rent from lease agreements of investment properties
- **Weighted average duration of current and future signed leases up to final expiry of investment properties:** The ratio of (i) the sum of the gross current and future rents from lease agreements for each lease of investment properties (properties available for lease and projects) multiplied by their respective remaining duration from the balance sheet date to their final expiry and (ii) the total gross current and future rent from lease agreements of investment properties

These definitions can also be found on Befimmo's website: <http://www.befimmo.be/en/glossary>.



## Collection and deferral of rents

As of 19 October 2021, about 98% of rents due for the year have been collected, in line with the figure for last year on the same date. A limited proportion of late payments are directly related to the COVID-19 crisis. Payment deferrals have been allowed for the fourth quarter. These currently amount to around €0.6 million.

## Occupancy rate and « EPRA Vacancy rate »

	30.09.2021	31.12.2020
"Spot" occupancy rate of properties available for lease	89.7%	95.2%
Occupancy rate of properties available for lease	93.3%	97.1%
EPRA Vacancy Rate <sup>(a)</sup>	6.7%	2.9%

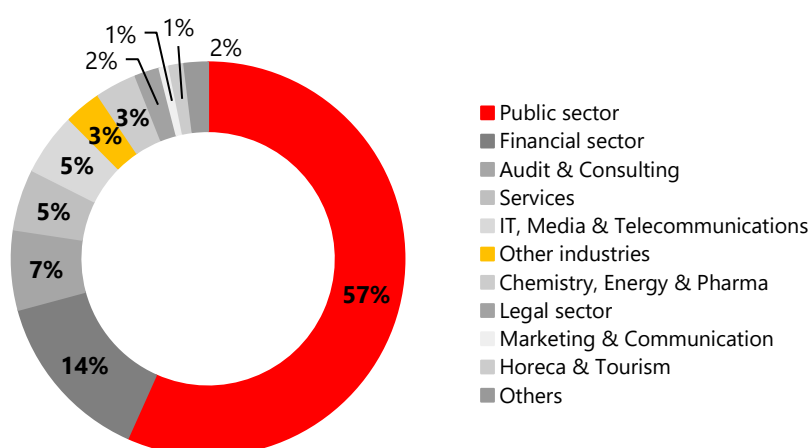
<sup>(a)</sup> Corresponding to the availability rate of properties available for lease, calculated based on the ERV, and taking account of the future signed contracts.

The decrease in the occupancy rate is mainly related to the reception of the Quatuor building, which was let 81%<sup>1</sup> at 30 September 2021.

## Weighted average duration of leases

	30.09.2021	31.12.2020
Weighted average duration of current leases up to next break of properties available for lease	7.2 years	7.2 years
Weighted average duration of current leases up to final expiry of properties available for lease	7.8 years	7.7 years
Weighted average duration of current and future leases up to next break of investment properties	8.5 years	8.6 years
Weighted average duration of current and future leases up to final expiry of investment properties	9.1 years	9.0 years

## Activity sector of tenants<sup>(a)</sup>



<sup>(a)</sup> The proportions are expressed on the basis of the gross current rent from lease agreements as at 30 September 2021. Public sector means Belgian public institutions (federal & regional) and European institutions.

<sup>1</sup> Including future signed leases and leases awaiting for signature.

## Tenants and rating

Public sector	Weighted average duration up to next break (in years)	Percentage of the gross current rent from lease agreements (in %)	Rating
Federal		50.6%	AA (rating S&P)
Flemish Region		2.3%	AA (rating Fitch)
<b>Belgian public sector</b>	<b>7.9</b>	<b>52.9%</b>	<b>Rating S&amp;P</b>
European Commission		2.1%	AAA
European Parliament		1.1%	AAA
Representations		0.6%	-
<b>European public sector</b>	<b>4.9</b>	<b>3.8%</b>	
<b>Total public-sector tenants</b>	<b>7.7</b>	<b>56.7%</b>	

Private sector - top 5	Weighted average duration up to next break (in years)	Percentage of the gross current rent from lease agreements (in %)	Rating S&P
Beobank (Crédit Mutuel Nord Europe		6.7%	A+
Deloitte Services & Investments NV		6.2%	-
BNP Paribas and affiliated companies		4.8%	A+
Docler Services S.à.r.l.		3.1%	-
McKinsey & Company		1.6%	-
<b>Total private-sector top-5 tenants</b>	<b>8.7</b>	<b>22.3%</b>	

Other tenants	Weighted average duration up to next break (in years)	Percentage of the gross current rent from lease agreements (in %)	
+/- 180 tenants	4.4	21.0%	
<b>Total of portfolio</b>	<b>7.2</b>	<b>100%</b>	

## Change in fair value<sup>2</sup> of the property portfolio

Offices	Change over the quarter <sup>(a)</sup> (in %)	Proportion of portfolio <sup>(b)</sup> (30.09.2021) (in %)	Fair value (30.09.2021) (in € million)	Fair value (30.06.2021) (in € million)	Fair value (31.12.2020) (in € million)
Brussels CBD and similar <sup>(c)</sup>	1.2%	51.2%	1 431.1	1 151.1	1 191.9
Brussels decentralised	-2.1%	2.9%	81.5	82.9	82.2
Brussels periphery	-0.5%	3.2%	89.7	90.0	92.5
Flanders	-0.7%	14.5%	405.0	407.5	428.3
Wallonia	-0.3%	8.1%	225.3	226.0	233.0
Luxembourg city	0.0%	6.4%	178.4	178.3	147.1
<i>Properties available for lease</i>	<i>0.5%</i>	<i>86.2%</i>	<i>2 410.9</i>	<i>2 135.8</i>	<i>2 175.1</i>
<i>Properties that are being constructed or developed for own account in order to be leased</i>	<i>-0.5%</i>	<i>13.1%</i>	<i>366.2</i>	<i>608.8</i>	<i>517.3</i>
<b>Investment properties<sup>(d)</sup></b>	<b>0.3%</b>	<b>99.3%</b>	<b>2 777.0</b>	<b>2 744.6</b>	<b>2 692.4</b>
<b>Properties held for sale</b>	<b>0.2%</b>	<b>0.7%</b>	<b>18.7</b>	<b>24.1</b>	<b>21.6</b>
<b>Total</b>	<b>0.3%</b>	<b>100.0%</b>	<b>2 795.7</b>	<b>2 768.8</b>	<b>2 714.0</b>

<sup>(a)</sup> The change over the first quarter of fiscal year 2021 is the change in fair value between 1 July 2021 and 30 September 2021 (excluding the amount of investments and disposals).

<sup>(b)</sup> The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 30 September 2021.

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

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

As at 30 September 2021, the fair value of the portfolio was €2,795.7 million, compared to €2,714.0 million as at 31 December 2020.

This change in value incorporates:

- renovation or redevelopment (investments) works carried out in the portfolio;
- disposals and acquisitions;
- changes in fair value booked to the income statement (IAS 40).

At constant perimeter, the fair value of the portfolio slightly increased over Q3 2021 (change of 0.3% or €8.9 million). In Q3, the Quatuor building moved to the category of properties available for lease.

2 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.

## Global rental yield

	30.09.2021	31.12.2020
Gross initial yield on properties available for lease <sup>(a)</sup>	4.9%	5.3%
Gross potential yield on properties available for lease <sup>(a)</sup>	5.4%	5.6%
Gross initial yield on investment properties <sup>(b)</sup>	4.3%	4.3%
EPRA Net Initial Yield (NIY)	4.7%	5.0%
EPRA Topped-up NIY	5.2%	5.2%

<sup>(a)</sup> This is a real-estate indicator. For more information, please consult Appendix 2 of the Annual Financial Report 2020.

<sup>(b)</sup> Comprising properties that are being constructed or developed on own account in order to be leased. This is a real-estate indicator. For more information, please consult Appendix 2 of the Annual Financial Report 2020.

## Capital expenditure in properties available for lease

In Q3 2021, Befimmo invested €8.4 million in its portfolio of properties available for lease, including Quatuor.

## Redevelopment projects

In Q3 2021, Befimmo invested €15.1 million in its portfolio of redevelopment projects. The main renovation and construction projects are listed on page 16 of the [2021 Half-Yearly Financial Report](#). All projects gained a BREEAM "Excellent", "Outstanding" or equivalent certification in the Design phase.

The pre-letting rate<sup>3</sup> of committed ongoing office projects currently amounts to 97% (corresponding to the pre-letting of ZIN and Paradis Express).

<sup>3</sup> Calculated on the office portion of ongoing committed projects.



## Coworking business



For full details on coworking activity please consult pages 17 and 18 of Befimmo's [2021 Half-Yearly Financial Report](#).

With the opening of the Central space, Silversquare now operates eight coworking spaces in Brussels and the Grand Duchy of Luxembourg. The coworking business accounted for about 7% of Befimmo's consolidated rental income as at 30 September 2021.

### Occupancy rate

	Number of occupied desks as at 30.09.2021 (A)	Number of available desks as at 30.09.2021 (B)	Occupancy rate as at 30.09.2021 (A/B)
« Mature » coworking spaces <sup>(a)</sup>	267	326	82%
All coworking spaces	2 003	3 569	56%

<sup>(a)</sup> A space is considered as mature three years after opening or material extension. The perimeter of mature and total spaces changes from period to period because Silversquare is in a development phase.

The occupancy rate of the mature coworking space was 82% as at 30 September 2021. COVID lockdowns combined with the openings of the Central, Zaventem and Bailli spaces had an impact on the total occupancy rate, which stood at 56% as at 30 September 2021, although this was higher than at the beginning of the year (50%). Overall, coworking activity is showing positive resilience in Q3 2021.

The Company remains convinced that its unique combined Befimmo and Silversquare flexible offer will play an important role in the post-pandemic recovery period and become a key solution in the new hybrid world of work, as demonstrated by the latest contract with Salesforce at Silversquare Central.

### Recovery rate issued invoices

The recovery rate for monthly invoices issued remains very high at 98.96% as at 30 September 2021.

### Revenues split

More than 65% of revenues were generated in private offices used by small and medium-sized companies. These have a higher resilience potential than flex-desks.

## 4. Financial report

### Key figures

Consolidated		
	30.09.2021	31.12.2020
Shareholders' equity (in € million)	1 651.7	1 591.4
Net asset value (in € per share)	61.11	58.85
EPRA NRV <sup>(a)</sup> (in € per share)	64.85	63.48
EPRA NTA <sup>(a)</sup> (in € per share)	61.30	60.10
EPRA NDV <sup>(a)</sup> (in € per share)	60.11	57.19
Average (annualised) financing cost <sup>(c)</sup> (in %)	1.9%	2.0%
Weighted average duration of debts (in years)	4.3	4.9
Debt ratio according to the Royal Decree (in %)	41.2%	40.8%
Loan-to-value <sup>(d)</sup> (in %)	38.4%	36.8%
	<b>30.09.2021 (9 months)</b>	<b>30.09.2020 (9 months)</b>
<i>Number of shares issued</i>	28 445 971	28 445 971
<i>Average number of shares not held by the group during the period</i>	27 028 837	27 048 907
Net result (in € per share) (group share)	2.78	2.01
EPRA earnings (in € per share) (group share)	1.79	2.24
Return on shareholders' equity <sup>(e)</sup> (in % per share)	2.96	4.18
Return on shareholders' equity <sup>(e)</sup> (in %)	5.03%	7.26%
Real-estate operator activity		
	30.09.2021	30.09.2020
Net result (in € per share)	3.01	2.06
EPRA earnings (in € per share)	1.85	2.29
EPRA Like-for Like Net Rental Growth <sup>(b)</sup> (in %)	-1.4%	-1.6%

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

<sup>(b)</sup> Trend of the rental income minus property charges at constant perimeter, calculated on the basis of the "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 to 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 to this press release.

<sup>(e)</sup> Calculated over a 12-month period ending at the closing of the period, taking into account the gross dividend reinvestment. This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.

## Consolidated net asset value as at 30 September 2021

### 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 2020 (group share)</b>	<b>58.85</b>	<b>1 591.4</b>	<b>27 040 351</b>
Other elements of comprehensive income - actuarial gains and losses on pension obligations		2.4	
Valuation of the put option held by minority shareholders, net of profit attributable to non-controlling interests		- 2.0	
Final dividend represented by coupon 41 (fiscal year 2020)		- 15.4	
Net result (group share) as at 30 September 2021		75.2	
Other elements - mainly linked to liquidity contract and Performance Plan Stock Units		0.1	
<b>Net asset value as at 30 September 2021 (group share)</b>	<b>61.11</b>	<b>1 651.7</b>	<b>27 028 347</b>

	30.09.2021	31.12.2020
EPRA NRV	64.85	63.48
EPRA NTA	61.30	60.10
EPRA NDV	60.11	57.19

Calculation methods for EPRA NRV, NTA and NDV are detailed in Appendix 3 of this press release.

## Evolution of the results

### Events changing the scope

Compared with Q3 2020, the main changes to the scope of the business were:

- 2021 acquisitions (Cubus building)
- H2 2020 disposals (Blue Tower, Media, Schuman 3 and 11, Froissart and Guimard)
- 2021 disposals (Wiertz building and the residential parts of the Paradis Express).

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

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

(in € thousand)	30.09.2021	30.09.2020
Net rental result	90 690	100 765
<i>Net rental result excluding spreading</i>	88 925	99 646
<i>Spreading of gratuities/concessions</i>	1 765	1 119
Net property charges <sup>(a)</sup>	-12 542	-10 249
<b>Property operating result</b>	<b>78 148</b>	<b>90 516</b>
Corporate overheads	-13 969	-11 818
Other operating income & charges	-2 186	-1 119
<b>Operating result before result on portfolio</b>	<b>61 992</b>	<b>77 580</b>
<b>Operating margin<sup>(a)</sup></b>	<b>68.4%</b>	<b>77.0%</b>
Gains or losses on disposals of investment properties	6 601	-
<b>Net property result<sup>(a)</sup></b>	<b>68 593</b>	<b>77 580</b>
Financial result (excl. changes in fair value of financial assets and liabilities) <sup>(a)</sup>	-11 738	-14 956
Corporate taxes	-1 039	- 775
Deferred taxes	- 36	- 301
<b>Net result before changes in fair value of investment properties and financial assets and liabilities<sup>(a)</sup></b>	<b>55 781</b>	<b>61 548</b>
Changes in fair value of investment properties	1 292	10 725
Changes in fair value of financial assets and liabilities	24 268	-16 417
<b>Changes in fair value of investment properties &amp; financial assets and liabilities</b>	<b>25 560</b>	<b>-5 691</b>
Net result	81 340	55 857
EPRA earnings	50 093	61 849
<b>Net result (in € per share)</b>	<b>3.01</b>	<b>2.06</b>
<b>EPRA earnings (in € per share)</b>	<b>1.85</b>	<b>2.29</b>

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



**Like-for-like net rental income** increased slightly by 0.6% due to lease extensions and indexation, partially compensated by some lease terminations negotiated pre-COVID.

The **net rental result** is down 10.0% compared to the same period last year. This is mainly explained by the asset rotation programme:

- loss of income resulting from the exit of the Blue Tower, Media, Schuman 3 and 11, Froissart and Guimard buildings in Q4 2020 and the exit of the Wiertz building in Q1 2021;
- slightly compensated by the contribution of the newly acquired Cubus building in February 2021.

The decrease is also due to non-recurring items which contributed for €5.3 million in 2021 and €7.3 million in 2020. These impacts are mainly related to the global agreement signed last year with the Building Agency (Belgian State) consisting of the early termination of some leases in buildings in Wallonia and Flanders, and the lease extension of the Poelaert building for a fixed nine-year term.

**Net property charges** are up by €2.2 million. The increase is mainly explained by the (budgeted) catching up of maintenance works realised in 2021 compared to the same period last year (linked to COVID and the lockdown in H1 2020) and non-recurring items related to the WTC 2 tower (+€1.7 million in 2020 and +€0.6 million in 2021).

**EPRA like-for-like net rental growth** was -1.4% at 30 September 2021. This is explained by factors previously mentioned regarding like-for-like net rental income, and by catching up on maintenance works. The EPRA like-for-like net rental growth does not include indemnities received from the Buildings Agency (Belgian State) for the early termination of leases.

**Corporate overheads** were €14.0 million as against €11.8 million last year. This increase is mainly due to exceptional elements related to the retirement of the previous CEO, provisions related to the PSU<sup>4</sup> package for the Executive Committee, and the reinforcement of the team, and by innovation and digitalisation initiatives.

The **operating result before result on portfolio** was €62.0 million compared with €77.6 million last year.

The **change in fair value of investment properties** of €1.3 million (+0.0%) compared to +€10.7 million last year, mainly reflects minor parameter adjustments due to the rotation of real-estate experts.

**Gains on the disposal of investment properties** represent €6.6 million at 30 September 2021 and correspond mainly to the capital gains (based on the latest fair value) realised on the disposal of the Wiertz building and the residential parts of the Paradis Express.

The **financial result (excluding changes in the fair value of the financial assets and liabilities)** was -€11.7 million compared with -€15.0 million last year. The decrease in financial charges is due to the combined effect of the drop in the average volume of debt by 8.2% and a slightly lower average (annualised) cost of financing at 1.9% compared to last year (2.0%).

The increase in the **net result**, reaching €81.3 million at 30 September 2021, compared to €55.9 million at 30 September 2020, is mainly explained by a positive change in the fair value of hedging instruments due to the increase of the interest rates curve over the period (+€24.3 million compared with -€16.4 million one year ago).

**EPRA earnings** amount to €50.1 million as against €61.8 million last year. EPRA earnings per share is €1.85 compared to €2.29 last year. The net result per share is €3.01 as against €2.06 per share last year.

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4 For more information see the remuneration report included in the Annual Financial Report 2020.

## Note on the results for the coworking business

The turnover for the coworking business was €7.0 million for the first nine months of 2021, compared to €5.9 million last year.

## Note on the consolidated results

The consolidated net result was €73.3 million, compared to €53.6 million last year. The net result (group share) was €75.2 million. The consolidated EPRA earnings (group share) were €1.79 per share as against €2.24 at 30 September 2020.

## Financial structure and hedging policy

### Main characteristics as at 30 September 2021

- Confirmed credit facilities for a total amount of €1,473 million (71.3% of which were bank loans), €1,076 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 financing agreements and commitments planned for the coming years
- Use of the short-term commercial paper programme up to €433 million
- 78.8% of total borrowings at fixed rates (including IRS)
- An average (annualised) financing cost (all in) of 1.9% for the first 9 months of the year, down from 2.0% as at 31 December 2020
- A weighted average duration of the debt of 4.3 years (as against 4.9 years as at 31 December 2020);
- A debt ratio of 41.2%<sup>5</sup> (compared with 40.8% as at 31 December 2020)
- An LTV ratio of 38.4%<sup>6</sup> (compared with 36.8% as at 31 December 2020)
- A hedge ratio of 80.7% (compared with 98.6% as at 31 December 2020)

In the uncertain context of the COVID-19 pandemic, the Company continued working to strengthen its financial structure. All other things being equal, Befimmo has covered its financing needs until the end of Q1 2023.

### First green financing

A first green loan of €50 million has been put in place following the publication of the Green Finance Framework. This is an important step in our 2030 action plan to financially support Befimmo's Sustainable Development.

### Hedging operations carried out during the third quarter of fiscal year 2021

- Cancellation of a payer IRS with a nominal of €25 million and a maturity date of December 2024

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<sup>5</sup> The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.

<sup>6</sup> Loan-to-value (LTV) = [(nominal financial debts – cash)/fair value of portfolio].

## 5. Dividend and EPRA earnings forecast

On the basis of the information known at the date of publication of this press release, the Board of Directors confirms projected EPRA earnings of € 2.10 per share for the 2021 fiscal year.

Befimmo will propose a dividend 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, i.e. for 2021 a minimum of €1.68 gross per share.

The dividend yield amounts to 4.8% on the basis of the share price at 30 September 2021. Befimmo intends to propose the distribution of the dividend in two phases (interim dividend in December and final dividend in May).

## 6. Befimmo share

### Key figures

	30.09.2021	31.12.2020
Closing price (in €)	34.65	36.30
Net asset value (in € per share)	61.11	58.85
Premium or discount compared to the asset value	-43.3%	-38.3%
Return on share price <sup>(a)</sup>	-3.4%	-28.5%

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

## 7. Forthcoming publications

Payment of the interim <sup>(a)</sup> dividend for 2021 fiscal year on presentation of coupon No 42	
- Ex-date	15 December 2021
- Record date	16 December 2021
- Payment date	17 December 2021
Publication of the annual results as at 31 December 2021 <sup>(b)</sup>	17 February 2022
Online publication of the Annual Financial Report 2021	25 March 2022
Ordinary General Meeting of the fiscal year closing as at 31 December 2021	26 April 2022
Payment of the final <sup>(c)</sup> dividend for 2021 fiscal year on presentation of coupon No 43	
- Ex-date	4 May 2022
- Record date	5 May 2022
- Payment date	6 May 2022

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

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

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

## KEY FIGURES

### High-quality portfolio

**#61**

BUILDINGS

**950,000 m<sup>2</sup>**

OF WORKSPACE

**€131 million**

YEARLY NET RENTAL  
RESULT

**93.3%**

OCCUPANCY RATE OF  
PROPERTIES AVAILABLE  
FOR LEASE

**#8**

COWORKING SPACES

**32,000 m<sup>2</sup>**

OF COWORKING SPACES

**€8 million**

ANNUAL TURNOVER

**82%**

OCCUPANCY RATE OF  
MATURE SPACES

### Resilient financial results

**€1.79 per share**

CONSOLIDATED EPRA EARNINGS

**€61.11 per share**

CONSOLIDATED NET ASSET VALUE

### Solid financial structure

**BBB**

STANDARD & POOR'S RATING

**38.4%**

LTV-RATIO

### Share

**€34.65**

SHARE PRICE

**4.8%**

DIVIDEND YIELD

**€1 billion**

MARKET CAPITALISATION

### Ambitious 2030 Action Plan

PROVIDE AND  
RETHINK WORKSPACES

BE  
RESPONSIBLE



TRANSFORM  
CITIES

\*FIGURES AS AT 30 SEPTEMBER 2021



Befimmo is a real-estate investor and operator and a Belgian Real-Estate Investment Trust (SIR-GVV). Focused on office buildings and coworking spaces, our high-quality portfolio is located in Brussels, the main Belgian towns and cities, and the Grand Duchy of Luxembourg. It is worth about €2.7 billion and comprises 61 office buildings and 8 coworking spaces.

Befimmo aims to create environments where people can work, meet, share and live. We are a facilitator of enterprises, entrepreneurs, and their teams. In partnership with our specialised subsidiary Silversquare, we operate coworking spaces and are jointly developing a Belux network of flexible workspaces. Our goal is to become a one-stop-shop that offers organisations, businesses, entrepreneurs and their teams different office combinations fully in line with their needs and provides the full range of solutions for tomorrow's hybrid work environment.

As an organisation that is human and responsible, we offer inspiring spaces and related services and facilities, in sustainable buildings. Our three commitments – 'Provide and Rethink Workspaces', 'Transform Cities' and 'Be Responsible' – form the basis of the integrated CSR ambitions summarised in our 2030 Action Plan.

## Contact :



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## 9. Appendix 1

### Consolidated income statement (in € thousand)

	30.09.2021	30.09.2020
I. (+) Rental income	96 655	106 182
III. (+/-) Charges linked to letting	- 130	- 303
<b>NET RENTAL RESULT</b>	<b>96 524</b>	<b>105 879</b>
IV. (+) Recovery of property charges	10 839	12 370
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	19 999	23 352
VII. (-) Rental charges and taxes normally paid by tenants on let properties	-27 267	-29 469
VIII. (+/-) Other revenue and charges for letting	196	2 005
<b>PROPERTY RESULT</b>	<b>100 291</b>	<b>114 137</b>
IX. (-) Technical costs	-13 172	-13 200
X. (-) Commercial costs	- 588	- 628
XI. (-) Charges and taxes on unlet properties	-2 268	-1 799
XII. (-) Property management costs	-2 467	-2 265
XIII. (-) Other property charges	-4 450	-6 247
<b>(+/-) Property charges</b>	<b>-22 944</b>	<b>-24 138</b>
<b>PROPERTY OPERATING RESULT</b>	<b>77 346</b>	<b>89 998</b>
XIV. (-) Corporate overheads	-16 300	-13 766
XV. (+/-) Other operating income and charges	-1 698	- 588
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>59 348</b>	<b>75 644</b>
XVI. (+/-) Gains and losses on disposals of investment properties	6 601	-
XVIII. (+/-) Changes in fair value of investment properties	-2 945	11 514
<b>OPERATING RESULT</b>	<b>63 005</b>	<b>87 158</b>
XX. (+) Financial income	997	548
XXI. (-) Net interest charges	-11 046	-14 755
XXII. (-) Other financial charges	-2 879	-1 829
XXIII. (+/-) Changes in fair value of financial assets and liabilities	24 268	-16 417
<b>(+/-) Financial result</b>	<b>11 341</b>	<b>-32 452</b>
<b>PRE-TAX RESULT</b>	<b>74 346</b>	<b>54 706</b>
XXV. (-) Corporation tax	-1 083	-1 080
<b>(+/-) Taxes</b>	<b>-1 083</b>	<b>-1 080</b>
<b>NET RESULT</b>	<b>73 263</b>	<b>53 626</b>
TOTAL COMPREHENSIVE INCOME (group share)	75 231	54 336
NON-CONTROLLING INTERESTS	-1 969	- 710
<b>BASIC NET RESULT AND DILUTED (in € per share)</b>	<b>2.78</b>	<b>2.01</b>
Other comprehensive income - actuarial gains and losses - pension liabilities	2 364	- 323
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>75 626</b>	<b>53 303</b>
TOTAL COMPREHENSIVE INCOME (group share)	77 595	54 013
NON-CONTROLLING INTERESTS	-1 969	- 710

## Consolidated balance sheet (in € thousand)

<b>ASSETS</b>	<b>30.09.2021</b>	<b>31.12.2020</b>
<b>I. Non-current assets</b>	<b>2 875 467</b>	<b>2 790 205</b>
A. Goodwill	17 478	18 145
B. Intangible assets	6 756	3 815
C. Investment properties	2 820 060	2 739 649
Fair value of portfolio (Silversquare excluded)	2 779 127	2 694 479
Right of use - Fair value of Silversquare leases	40 933	45 170
D. Other property, plant and equipment	18 609	15 355
E. Non-current financial assets	7 744	8 421
F. Finance lease receivables	4 821	4 822
<b>II. Current assets</b>	<b>71 137</b>	<b>56 284</b>
A. Properties held for sale	18 681	21 581
B. Current financial assets	1 690	795
C. Finance lease receivables	74	145
D. Trade receivables	40 884	28 386
E. Tax receivables and other current assets	3 508	479
F. Cash and cash equivalents	2 096	2 439
G. Deferred charges and accrued income	4 205	2 458
<b>TOTAL ASSETS</b>	<b>2 946 605</b>	<b>2 846 488</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>30.09.2021</b>	<b>31.12.2020</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1 651 687</b>	<b>1 591 404</b>
<b>I. Equity attributable to shareholders of the parent company</b>	<b>1 651 687</b>	<b>1 591 404</b>
A. Capital	398 357	398 356
B. Share premium account	861 905	861 905
C. Reserves	316 193	318 874
D. Net result for the fiscal year	75 231	12 269
<b>II. Non controlling interests</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>	<b>1 294 918</b>	<b>1 255 084</b>
<b>I. Non-current liabilities</b>	<b>669 277</b>	<b>760 104</b>
A. Provisions	1 210	3 918
B. Non-current financial debts	624 354	684 586
a. Credit institution	211 718	219 677
c. Other	412 637	464 909
C. Other non-current financial liabilities	35 049	62 973
D. Trade debts and other non-current debts	7 547	7 547
F. Deferred tax - liabilities	1 117	1 081
<b>II. Current liabilities</b>	<b>625 641</b>	<b>494 980</b>
A. Provisions	2 323	2 526
B. Current financial debts	502 110	368 697
a. Credit institution	7 914	11 001
c. Other	494 196	357 696
C. Other current financial liabilities	850	-
D. Trade debts and other current debts	75 383	93 130
E. Other current liabilities	1 658	4 276
F. Accrued charges and deferred income	43 317	26 351
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2 946 605</b>	<b>2 846 488</b>

# 10. Appendix 2 : "Alternative Performance Measures"

## REAL-ESTATE OPERATOR BUSINESS

### Glossary of the "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</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'.	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 "Alternatives Performance Measures"

#### Net rental result in "like-for-like"

(in thousand €)	30.09.2021	30.09.2020	Evolution
Net rental result (A)	90 690	100 765	
Net rental result linked to changes in perimeter (B)	5 721	15 525	
Net rental result on properties not available for lease (C)	3 761	1 181	
Non-recurring element to extract from the "Like-for-Like" (D)	- 264	3 110	
<b>Net rental result in « Like-for-Like » (A-B-C-D)</b>	<b>81 472</b>	<b>80 949</b>	<b>0.6%</b>



## Net result before changes in fair value of investment properties and financial assets and liabilities

(in thousand €)	30.09.2021	30.09.2020
Net result (A)	81 340	55 857
XVIII. Changes in fair value of investment properties (B)	1 292	10 725
XXIII. Changes in fair value of financial assets and liabilities (C)	24 268	-16 417
<b>Net result before changes in fair value of investment properties and financial assets and liabilities (A-B-C)</b>	<b>55 781</b>	<b>61 548</b>

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

(in thousand €)	30.09.2021	30.09.2020
Financial result (A)	12 530	-31 372
XXIII. Changes in fair value of financial assets and liabilities (B)	24 268	-16 417
<b>Financial result (excl. the changes in fair value of the financial assets and liabilities) (A-B)</b>	<b>-11 738</b>	<b>-14 956</b>

## Net property result

(in thousand €)	30.09.2021	30.09.2020
Operating result before result on portfolio	61 992	77 580
XVI. Gains or losses on disposals of investment properties	6 601	-
<b>Net property result</b>	<b>68 593</b>	<b>77 580</b>

## Operating margin

(in thousand €)	30.09.2021	30.09.2020
Operating result before result on portfolio (A)	61 992	77 580
Net rental result (B)	90 690	100 765
<b>Operating margin (A/B)</b>	<b>68.4%</b>	<b>77.0%</b>

## Other operating income and charges (excluding goodwill impairment)

(in thousand €)	30.09.2021	30.09.2020
XV. Other operating income and charges (A)	-2 186	-1 119
Goodwill impairment (B)	- 421	-
<b>Other operating income and charges (excluding goodwill impairment) (A-B)</b>	<b>-1 765</b>	<b>-1 119</b>

## Net property charges

(in thousand €)	30.09.2021	30.09.2020
IV. Recovery of property charges	10 839	12 370
V. Recovery of rental charges and taxes normally paid by tenants on let properties	20 647	23 824
VII. Rental charges and taxes normally paid by tenants on let properties	-21 279	-24 309
VIII. Other revenue and charges for letting	196	2 005
IX. Technical costs	-13 172	-13 200
X. Commercial costs	- 588	- 628
XI. Charges and taxes on unlet properties	-2 268	-1 799
XII. Property management costs	-2 467	-2 265
XIII. Other property charges	-4 450	-6 247
<b>Net property charges</b>	<b>-12 542</b>	<b>-10 249</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 the 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 the 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 €)	30.09.2021	31.12.2020
Nominal financial debts (A)	1 075 564	1 001 620
II. F. Cash and cash equivalents (B)	-2 096	-2 439
I. C. Investment properties (D)	2 777 039	2 692 393
II. A. Assets held for sale (E )	18 681	21 581
<b>Fair value of portfolio at the closing date (C = D+E)</b>	<b>2 795 719</b>	<b>2 713 974</b>
<b>Loan-to-value (A-B)/C</b>	<b>38.4%</b>	<b>36.8%</b>

### Average (annualised) financing cost

(in thousand €)	30.09.2021	30.09.2020
Interest paid	14 632	17 113
Annualised interest paid (A)	19 510	22 817
Annualised nominal financial debts (B)	1 045 771	1 138 847
<b>Average (annualised) financing cost (A/B)</b>	<b>1.9%</b>	<b>2.0%</b>

### Return on shareholder's equity (in € per share and in %)

	30.09.2021	30.09.2020
Return on shareholders' equity(e) (in € per share)	2.96	4.18
Return on shareholders' equity(e) (in %)	5.03%	7.26%

# 11. Appendix 3 : Tables of the EPRA indicators<sup>7</sup>

## EPRA INDICATORS – REAL-ESTATE OPERATOR

### EPRA earnings

(in € thousand)	30.09.2021	30.09.2020
<b>Net result IFRS</b>	<b>81 340</b>	<b>55 857</b>
<b>Net result IFRS (in € per share)</b>	<b>3.01</b>	<b>2.06</b>
Adjustments to calculate EPRA earnings		
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	- 1 292	- 10 725
II. Result on disposals of investment properties	- 6 601	-
V. Negative goodwill/goodwill impairment	421	-
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 23 812	16 417
VIII. Deferred tax in respect of EPRA adjustments	36	301
<b>EPRA earnings</b>	<b>50 093</b>	<b>61 849</b>
<b>EPRA earnings (in € per share)</b>	<b>1.85</b>	<b>2.29</b>

### EPRA Vacancy rate

(in € thousand)	30.09.2021	31.12.2020
Estimated rental value (ERV) on vacant space (A)	8 621	3 203
Estimated rental value (ERV) (B)	128 548	111 322
<b>EPRA Vacancy rate of properties available for lease (A)/(B)</b>	<b>6.7%</b>	<b>2.9%</b>

<sup>7</sup> The definitions of the EPRA indicators are published in the Annual Financial Report 2020 on page 80. Source: EPRA Best Practices ([www.epra.com](http://www.epra.com)).

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

(€ thousand)	30.09.2021	31.12.2020
Investment properties and properties held for sale	2 795 719	2 713 974
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	- 366 168	- 517 289
Properties held for sale	- 18 681	- 21 581
Properties available for lease	2 410 871	2 175 104
To include:		
Allowance for estimated purchasers' cost	- 220 891	54 957
<b>Investment value of properties available for lease (B)</b>	<b>2 189 979</b>	<b>2 230 061</b>
Annualised cash passing rental income	108 963	114 032
To exclude:		
Property charges <sup>(a)</sup>	- 5 323	- 2 799
<b>Annualised net rents (A)</b>	<b>103 640</b>	<b>111 234</b>
To include:		
- Notional rent expiration of rent free periods or other lease incentives	10 577	4 896
<b>Topped-up annualised net rents (C)</b>	<b>114 217</b>	<b>116 130</b>
<b>(in %)</b>		
<b>EPRA Net Initial Yield (A/B)</b>	<b>4.7%</b>	<b>5.0%</b>
<b>EPRA Topped-up Net Initial Yield (C/B)</b>	<b>5.2%</b>	<b>5.2%</b>

<sup>(a)</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.

## EPRA cost ratio

(in € thousand)	30.09.2021	30.09.2020
<b>Net administrative and operating expenses in the income statement</b>	<b>-26 633</b>	<b>-22 360</b>
III. (+/-) Rental charges	- 122	- 294
Net property charges	-12 542	-10 249
XIV. (-) Corporate overheads	-13 969	-11 818
XV. (+/-) Other operating income and charges	-2 186	-1 119
Exclude:		
i. Impact of the spreading of gratuities	1 765	1 119
ii. Negative goodwill/impairment of goodwill	421	-
<b>EPRA costs (including direct vacancy costs) (A)</b>	<b>-26 633</b>	<b>-22 360</b>
XI. (-) Charges and taxes on unlet properties	2 268	1 799
<b>EPRA costs (excluding direct vacancy costs) (B)</b>	<b>-24 366</b>	<b>-20 561</b>
I. (+) Rental income	90 812	101 059
<b>Gross rental income (C)</b>	<b>90 812</b>	<b>101 059</b>
<b>EPRA Cost ratio (including direct vacancy costs) (A/C)<sup>(a)</sup></b>	<b>29.3%</b>	<b>22.1%</b>
<b>EPRA Cost ratio (excluding direct vacancy costs) (B/C)<sup>(a)</sup></b>	<b>26.8%</b>	<b>20.3%</b>

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

## EPRA like-for-like net rental growth

Segment	30.09.2021						30.09.2020						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 CBD and similar	38 096		881		1 398	40 376	37 795		7 574		1 250	46 619	0.8%
Brussels decentralised	4 422					4 422	4 725					4 725	-6.4%
Brussels periphery	4 243					4 243	4 896		1 503			6 399	-13.3%
Wallonia	8 048		- 29		- 45	7 973	8 079				- 225	7 853	-0.4%
Flanders	18 422		225	- 502	- 50	18 096	19 181		340	394	349	20 264	-4.0%
Luxembourg city	3 767	1 028				4 795	3 441					3 441	9.5%
<b>Total</b>	<b>76 998</b>	<b>1 028</b>	<b>1 077</b>	<b>- 502</b>	<b>1 303</b>	<b>79 905</b>	<b>78 116</b>	<b>-</b>	<b>9 418</b>	<b>394</b>	<b>1 374</b>	<b>89 302</b>	<b>-1.4%</b>
<b>Reconciliation to the consolidated IFRS income statement</b>													
<b>Net rental income related to:</b>													
- Properties booked as financial leases (IFRS 16)						- 13						- 7	
- Non recurring element:						5 051						8 919	
<b>Other property charges</b>						<b>- 6 795</b>						<b>- 7 697</b>	
<b>Property operating result in the consolidated IFRS income statement</b>						<b>78 148</b>						<b>90 516</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.

# EPRA INDICATORS - CONSOLIDATED

## EPRA earnings

(in € thousand)	30.09.2021	30.09.2020
<b>Net result IFRS (group share)</b>	<b>75 231</b>	<b>54 336</b>
<b>Net result IFRS (in € per share) (group share)</b>	<b>2.78</b>	<b>2.01</b>
Adjustments to calculate EPRA earnings		
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	4 637	- 10 411
II. Result on disposals of investment properties	- 6 601	-
V. Negative goodwill/goodwill impairment	421	-
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 23 812	16 417
VIII. Deferred tax in respect of EPRA adjustments	36	301
X. Adjustments for non-controlling interests	- 1 445	- 100
<b>EPRA earnings (group share)</b>	<b>48 468</b>	<b>60 543</b>
<b>EPRA earnings (in € per share) (group share)</b>	<b>1.79</b>	<b>2.24</b>

## EPRA NRV, NTA & NDV

	30.09.2021			31.12.2020		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
	Net Reinstatement Value	Net tangibles Assets	Net Disposal Value	Net Reinstatement Value	Net tangibles Assets	Net Disposal Value
<b>IFRS Equity attributable to shareholders</b>	<b>1 651 687</b>	<b>1 651 687</b>	<b>1 651 687</b>	<b>1 591 404</b>	<b>1 591 404</b>	<b>1 591 404</b>
To include:						
Revaluation of tenant leases held as finance leases	77	77	77	104	104	104
<b>Diluted NAV at fair value</b>	<b>1 651 764</b>	<b>1 651 764</b>	<b>1 651 764</b>	<b>1 591 508</b>	<b>1 591 508</b>	<b>1 591 508</b>
To exclude:						
Fair value of financial instruments	28 714	28 714		55 049	55 049	
Deferred tax in relation to fair value gains of investment property	1 117	558		1 081	540	
Goodwill as per IFRS balance sheet		- 17 478	- 17 478		- 18 145	- 18 145
Intangibles as per IFRS balance sheet		- 6 756			- 3 815	
To include:						
Fair value of fixed interest rate debt <sup>(a)</sup>			- 9 544			- 26 848
Real-estate transfer tax	71 164	-		68 848	-	
<b>NAV</b>	<b>1 752 759</b>	<b>1 656 802</b>	<b>1 624 742</b>	<b>1 716 486</b>	<b>1 625 138</b>	<b>1 546 515</b>
<b>NAV (€/share)</b>	<b>64.85</b>	<b>61.30</b>	<b>60.11</b>	<b>63.48</b>	<b>60.10</b>	<b>57.19</b>

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