

Interim statement as at 31 March 2020

■ **Financial results:**

- Net asset value of €59.65 per share (group share)
- Net result of €0.38 per share (group share)
- Consolidated EPRA earnings of €0.77 per share (group share)

■ **Real-estate operator:**

- ZIN (Brussels, North area): building and environmental permits delivered
- Strong rental activity: 9,700 m² let since the beginning of the year
- Stability (+0.05%) of the fair value of the portfolio (excluding the amount of investments)
- Occupancy rate of 94.3% and weighted average duration of leases (up to next break) of 7.0 years

■ **Coworking:**

- Occupancy rate of mature spaces of 94%

■ **Financial structure:**

- Loan-to-Value ratio of 38.7%
- Financing needs covered until the end of 2021

■ **EPRA earnings outlook and dividend forecast:**

- Little impact of the COVID-19 pandemic crisis on the results of the first quarter of fiscal year 2020
- Given its business sector, Befimmo is relatively well positioned to face this crisis but due to the uncertainty linked to the COVID-19 pandemic the outlook and the dividend forecast published in the 2019 Annual Financial Report have been withdrawn
- At constant perimeter and on the basis of the information available on the date of publication, EPRA earnings forecast for fiscal year 2020 reviewed to around €2.70 per share
- Out of prudence, the dividend for fiscal year 2020 is reduced to at least the regulatory level

The Board of Directors of Befimmo SA met on 5 May 2020 to close the quarterly financial statements as at 31 March 2020.

Summary

1. Covid-19	3
2. Property report	4
Key event of the quarter	4
Real-estate operator business.....	5
Redevelopment projects	8
Coworking business.....	9
3. Financial report.....	10
Key figures	10
Consolidated net asset value as at 31 March 2020.....	11
Evolution of the results.....	12
Financial structure.....	14
4. Outlook and dividend forecast	15
5. Ordinary General Meeting 2020	15
6. Befimmo share.....	16
7. Forthcoming publications.....	16
8. Appendix 1	18
9. Appendix 2 : « Alternative Performance Measures »	20
10. Appendix 3 : Tables of the EPRA indicators	24

Consolidation basis:

Since 1 January 2019, Befimmo has the sole control of Silversquare Belgium SA, and as a result, Silversquare Belgium and its subsidiaries are included in the overall consolidation as at 31 March 2020.

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 31 March 2020 (i.e. 27,052,443 shares).

Real-estate and financial indicators:

The definitions of those indicators are published in Appendix 2 of the Annual Financial Report 2019. 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).

1. Covid-19

Since early March, the COVID-19 pandemic has affected the whole world in every respect. In these exceptional circumstances, Befimmo's attention is focused first and foremost on the health and safety of its staff, customers and all other stakeholders, while safeguarding the Group's business and the continuity of the services it provides to its customers.

On 3 April 2020, Befimmo published a press release (www.befimmo.be) with the aim of giving a preliminary overview of the measures taken and the potential impact of this health crisis on its business.

Within the framework of the gradual process towards the end of the lockdown announced by the Belgian Government, Befimmo has taken additional measures in its buildings and coworking spaces to safeguard the safety and health of its customers, employees and all other stakeholders.

The results for the first quarter of 2020, a period that suffered little impact from the coronavirus, indicate a strong performance. This interim statement includes an inventory of the current estimated impact of the crisis on Befimmo's various activities.

The consequences of the COVID-19 pandemic make the three-year EPRA earnings forecast (published in the 2019 Annual Financial Report) uncertain¹. The Befimmo Board of Directors has therefore decided to withdraw this outlook and will issue a revised dividend policy in due course. At constant perimeter and on the basis of the information available on the date of publication of this press release, there should be a relatively small impact on the EPRA earnings expected for fiscal year 2020 and it is expected to be around €2.70 per share (as against €2.88 per share initially foreseen). Given the uncertainties and out of prudence, Befimmo intends to set the dividend for fiscal year 2020 at least at the regulatory level. For more information, see the chapter "Outlook and dividend forecast" on page 15 of this press release.

"I did already sense it, but this crisis immediately confirmed that we have very motivated staff, a team capable of adapting quickly and playing very close to the ball. Regarding our businesses and our market, we find that this crisis will further speed up the evolution of our way of working (and living), including in the digital domain. We have been preparing for this for several years with our "hybrid" offering, which we launched with Silversquare. This allows us to meet our customers' need for flexibility. Befimmo has solid foundations to face up to this crisis." Benoît De Blieck, CEO of Befimmo.

¹ For more information, see page 100 of the Annual Financial Report 2019.

2. Property report

Key event of the quarter

ZIN (Brussels, North area): building and environmental permits delivered

Following a procedure initiated in June 2018, the permits for the redevelopment of the site of the WTC I and II towers, the ZIN project, were delivered to Befimmo on 19 March.

ZIN is the first building located in the North area to combine several functions in a very innovative way. The project is spread over 113,000 m²: 72,500 m² of offices, 5,000 m² of coworking space, 111 apartments, 240 hotel rooms, together with sports, leisure, catering and shopping areas. This blend of interwoven functions will create a building that is alive seven days a week. ZIN will make a full contribution to the development of a new dynamic in the North area.

In March 2019², the Flemish Government awarded Befimmo the public works contract for the design, construction and provision of a building (70,000 m²) in the North area of Brussels. Some 3,900 Flemish civil servants will find ZIN to be an inspiring and sustainable new workplace, fully in line with the new ways of working.

For more information on the impact of COVID-19 on development projects, please see page 7 of this press release.



Consult the Annual Financial Report 2019, in which the ZIN project is highlighted, on the Befimmo website (www.befimmo.be).

² For more information, please see the press release of 12 March 2019 (www.befimmo.be).

Real-estate operator business

Letting activity³

During the first quarter of the fiscal year, Befimmo has signed new leases and renewals for a total surface area of 9,688 m², compared to a surface of 8,013 m² (excluding the letting of the office part of the 70,000 m² of the ZIN project) over the same period of fiscal year 2019.

The main transactions are :

- Paradis Express (Liège) : preletting of 3,100 m². Sales are progressing very well (85% of the project is pre-let). On the basis of the ongoing discussions, we are confident that we can pre-let all the offices by the end of 2020.
- Axento : signing of several lease extensions (3,000 m²) ;
- Blue Tower: signing of new leases (1,000 m²).

Comment impact COVID-19 :

The discussions and negotiations that began before the health crisis are still ongoing and some, as stated above, have been concluded. However, the lockdown is limiting new expressions of interest, as no site visits are allowed. The Belgian Government has decided that visits may in principle resume from 11 May 2020.

Occupancy rate and « EPRA Vacancy rate »

	31.03.2020	31.12.2019
“Spot” occupancy rate of properties available for lease ^(a)	94.3%	94.4%
EPRA Vacancy Rate ^(b)	4.7%	4.1%

^(a) This is a real-estate indicator. For more information, please consult Appendix II of the Annual Financial Report 2019.

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

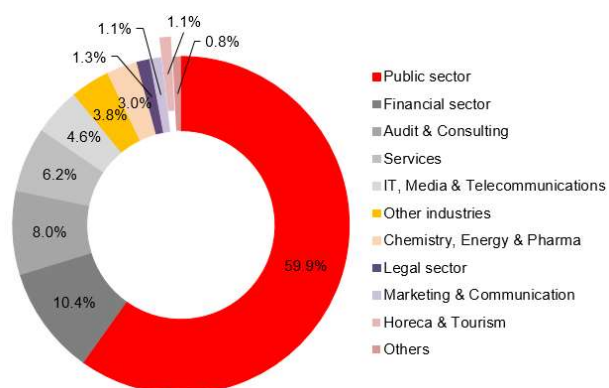
Weighted average duration of leases

	31.03.2020	31.12.2019
Weighted average duration of current leases up to next break ^(a)	7.0 years	7.1 years
Weighted average duration of current leases up to final expiry ^(a)	7.6 years	7.8 years

^(a) This is a real-estate indicator. For more information, please consult Appendix II of the Annual Financial Report 2019

³ In accordance with the definitions, leases are not reflected in the real estate indicators until the lease has started.

Sector of activity of the tenants



Tenants and rating

Public sector	Weighted average duration up to next break (in years)	Rating
Federal		AA (rating S&P)
Flemish Region		AA (rating Fitch)
Belgian public sector	8.5	S&P Rating
European Commission		AAA
European Parliament		AAA
Representations		-
European public sector	4.9	
Total public-sector tenants	8.0	

Private sector - top 5	Weighted average duration up to next break (in years)	S&P Rating
Deloitte Services & Investments NV		-
BNP Paribas and affiliated companies		A+
Beobank (Crédit Mutuel Nord Europe)		A
Docler Services S.à.r.l.		-
KPMG Luxembourg		-
Total private-sector top-5 tenants	8.2	

Other tenants	Weighted average duration up to next break (in years)	
+/- 230 tenants	3.7	
Total of portfolio	7.0	

Collection and deferral of rents

Comment impact COVID-19 :

Befimmo is aware of the challenges that some of its customers are facing and is monitoring the situation responsibly on a case-by-case basis. For tenants in the retail sector (accounting for some 1% of consolidated rental income), rent rebates are being granted for the duration of the lockdown. For around 30 office tenants seriously affected by the crisis linked to the COVID-19 pandemic, deferred

payments have been allowed for the second quarter. These rent deferrals currently amount to around €1.4 million.

As of 4 May 2020, about 97% of rents due for the second quarter of the fiscal year have been collected; this percentage is in line with the figure for last year on the same date, and a limited proportion of late payments are directly related to the COVID-19 crisis.

Change in fair value⁴ of the property portfolio

Offices	Change over the quarter ^(a) (in %)	Proportion of the portfolio ^(b) (31.03.2020) (in %)	Fair value (31.03.2020) (in € million)	Fair value (31.12.2019) (in € million)
Brussels CBD and similar ^(c)	-0.30%	47.5%	1 345.1	1 346.1
Brussels decentralised	0.06%	3.0%	83.6	83.2
Brussels periphery	-0.29%	4.3%	121.0	121.1
Flanders	-0.62%	16.7%	472.1	474.9
Wallonia	0.37%	8.2%	231.9	230.6
Luxembourg city	3.34%	5.1%	143.2	138.6
<i>Properties available for lease</i>	<i>-0.08%</i>	<i>84.6%</i>	<i>2 396.9</i>	<i>2 394.5</i>
<i>Properties that are being constructed or developed for own account in order to be leased</i>	<i>0.76%</i>	<i>15.4%</i>	<i>437.3</i>	<i>394.1</i>
Investment properties	0.05%	100.0%	2 834.2	2 788.6
Total	0.05%	100.0%	2 834.2^(d)	2 788.6^(d)

^(a) The change over the year is the change in fair value between 1 January 2020 and 31 March 2020 (excluding the amount of investments).

^(b) The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 31 March 2020.

^(c) Including the Brussels airport zone, in which the Gateway building is situated.

^(d) Excluding Gateway land (IFRS 16).

As at 31 March 2020, the fair value of the portfolio was €2,834.2 million, as against €2,788.6 million as at 31 December 2019.

This change in value incorporates:

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

At constant perimeter, the value of the portfolio (excluding the amount of investments) was stable during the first quarter of the fiscal year (change of +0.05% or €1.5 million).

Market transactions carried out in the first quarter confirm the trend of a compression in yields to their lowest historic level.

Comment impact COVID-19 :

The experts point out that the valuations as at 31 March 2020 are reported on the basis of "material valuation uncertainty" as provided for in the RICS guidelines⁵.

4 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.

5 Royal Institute For Chartered Surveyors.

Global rental yield

	31.03.2020	31.12.2019
Gross initial yield on properties available for lease ^(a)	5.4%	5.4%
Gross potential yield on properties available for lease ^(a)	5.7%	5.6%
Gross initial yield on investment properties ^(b)	4.6%	4.6%
EPRA Net Initial Yield (NIY)	5.0%	4.9%
EPRA Topped-up NIY	5.1%	5.1%

^(a) This is a real-estate indicator. For more information, please consult Appendix II of the Annual Financial Report 2019.

^(b) 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 II of the Annual Financial Report 2019.

Redevelopment projects

In the course of the first quarter of the fiscal year, Befimmo invested €44 million in its portfolio, mainly in the projects Brederode Corner, Quatuor, Paradis Express and ZIN.

On the portfolio of redevelopment projects (office part, ±158,000 m²) a large volume is already secured, i.e. pre-let several years before the end of the works. The office pre-letting rate amounts to 78% as at 31 March 2020.

For more information on the projects, please refer to pages 57 and 58 of the 2019 Annual Financial Report available on Befimmo's website (www.befimmo.be).

Comment impact COVID-19:

Since 13 March, as a result of the lockdown linked to the pandemic, building sites have been gradually slowed down or suspended, although they have not been ordered to close. These sites are now gradually starting work again. The impact on the delivery date of the buildings will depend on the pace at which work resumes. In addition, the public authorities have suspended the rules of urban planning procedures.



Coworking business

Occupancy rate

	Number of occupied desks as at 31.03.2020 (A)	Number of available desks as at 31.03.2020 (B)	Occupancy rate as at 31.03.2020 (A/B)
« Mature » coworking spaces ^(a)	939	1 003	94%
All coworking spaces	1 528	2 045	75%

^(a) A space is considered as mature after 3 years of existence.

For more information on coworking, please see page 59 of the 2019 Annual Financial Report.

Comment impact COVID-19 :

The Silversquare coworking business accounted for about 6% of Befimmo's consolidated rental income as at 31 March 2020.

Like offices, coworking spaces are open and operational, although members are encouraged to work from home wherever possible. Normal services, apart from catering and events, are being provided.

With the aim of strengthening members' loyalty, the membership fees for "fully flex" and for "dedicated desks" in the "open space" of the coworking spaces (0.8% of consolidated rental income) were suspended for the month of April.

Since 13 March many "virtual" initiatives have been taken to maintain contact in the community through blogs, virtual afterwork sessions, etc. In the spaces, measures are being taken to safeguard the health and safety of members, staff and stakeholders.

In the current circumstances Befimmo expects a slowdown of the coworking activity.



3. Financial report

Key figures

Consolidated		
	31.03.2020	31.12.2019
Shareholders' equity attributable to shareholders (in € million)	1 613.7	1 603.9
Net asset value (in € per share)	59.65	59.29
EPRA NAV ^(a) (in € per share)	61.56	60.80
EPRA NNAV ^(a) (in € per share)	58.78	58.54
Average (annualised) financing cost (in %)	2.0%	2.0%
Weighted average duration of the debt (in years)	4.5	4.4
Debt ratio as per the Royal Decree (in %)	43.2%	42.7%
Loan-to-value ^(c) (in %)	38.7%	39.0%
	31.03.2020 3 months	31.03.2019 3 months
Number of shares issued	28 445 971	25 579 214
Number of shares not held by the group	27 052 443	25 579 214
Average number of shares not held by the group during the period	27 052 443	25 579 214
Net result (in € per share)	0.38	2.86
EPRA earnings (in € per share)	0.77	0.72
Return on shareholders' equity ^(d) (in € per share)	4.18	5.02
Return on shareholders' equity ^(d) (in %)	7.2%	9.0%
Real-estate operator business		
	31.03.2020	31.03.2019
Résultat net (in € par action)	0.42	2.84
EPRA earnings (in € per share)	0.79	0.72
EPRA Like-for-Like Net Rental Growth ^(b) (in %)	2.8%	4.4%

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

^(b) Trend of the rental income minus property charges at constant perimeter, calculated on the basis of the "EPRA Best Practices Recommendations".

^(c) 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.

^(d) 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. This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.

Consolidated net asset value as at 31 March 2020

As at 31 March 2020, Befimmo's total net asset value was €1,613.7 million.

The net asset value is €59.65 per share, compared with €59.29 per share as at 31 December 2019.

Evolution of the net asset value

	(in € per share)	(in € million)	Number of shares not held by the group
Net asset value as at 31 December 2019 (group share)	59.29	1 603.9	27 052 443
Valuation of the put option held by minority shareholders, net of result attributable to non-controlling interests		-0.5	
Net result (group share) as at 31 March 2020		10.3	
Net asset value as at 31 March 2020 (group share)	59.65	1 613.7	27 052 443

	31.03.2020	31.12.2019
EPRA NAV (in € per share) (groupshare)	61.56	60.80
EPRA NNNNAV (in € per share) (groupshare)	58.78	58.54

The calculation methods for the EPRA NAV and NNNNAV are detailed in Appendix 3 of this press release.

Evolution of the results

Events changing the scope

Compared with the first quarter of 2019, the scope changed mainly following the granting of a leasehold on the Pavilion building in April 2019, the private placement and the optional stock dividend of December 2019, and the resulting increase of 1,473,229 in the number of shares outstanding.

Comments on the results of the real-estate operator business

Condensed income statement of the real-estate operator business

(in € thousand)	31.03.2020	31.03.2019
Net rental result	35 438	33 710
<i>Net rental result excluding spreading</i>	35 320	33 022
<i>Spreading of gratuities/concessions</i>	118	688
Net property charges ^(a)	-3 906	-4 943
Property operating result	31 532	28 767
Corporate overheads	-4 613	-4 015
Other operating income & charges	-107	-688
Operating result before result on portfolio	26 812	24 064
Operating margin^(a)	75.7%	71.4%
Gains or losses on disposals of investment properties	-	292
Net property result^(a)	26 812	24 356
Financial result (excl. changes in fair value of financial assets and liabilities) ^(a)	-5 026	-5 387
Corporate taxes	-284	-248
Deferred taxes	-197	-408
Net result before changes in fair value of investment properties and financial assets and liabilities^(a)	21 305	18 313
Changes in fair value of investment properties	1 487	68 357
Changes in fair value of financial assets and liabilities	-11 547	-14 075
Changes in fair value of investment properties & financial assets and liabilities	-10 061	54 281
Net result	11 244	72 595
EPRA earnings	21 502	18 430
Net result (in € per share)	0.42	2.84
EPRA earnings (in € per share)	0.79	0.72

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

The **"like for like" net rental income** is broadly stable at -0.2%.

The net total rental result is up 5.1% on the same period last year. This increase is explained mainly by compensation for early termination of a lease received this first quarter of 2020 which more than offsets the loss of income arising from the 99-year leasehold granted on the Pavilion building.

Net property charges are down by €1.0 million. This drop is explained by a smaller number of minor works being carried out in the property portfolio this first quarter, in relation to 2019, and by lower costs incurred on project studies.

EPRA like-for-like net rental growth was +2.8% as at 31 March 2020.

Overheads were €4.6 million as against €4.0 million last year. This change is due mainly to the increase in ICT costs, the expansion of the teams and study costs related to external growth projects.

The **operating result before result on portfolio** was €26.8 million compared with €24.1 million last year, an increase of 11.4%.

The **financial result (excluding changes in the fair value of the financial assets and liabilities)** was -€5.0 million compared with -€5.4 million last year. The decrease in financial charges is due mainly to the drop in the average volume of debt of almost 5.0% over the periods compared; the average (annualised) cost of financing was stable at 2.0% as it has been secured over time.

The drop in the **net result**, down to €11.2 million at 31 March 2020 from €72.6 million at 31 March 2019, is mainly explained by a positive change in the fair value of investment properties that is lower than the figure for the first quarter of last year (€1.5 million compared with €68.4 million one year previously).

EPRA earnings were €21.5 million as against €18.4 million one year previously. EPRA earnings per share were €0.79 in relation to €0.72 last year. The net result per share amounted to €0.42, compared with €2.84 per share last year.

Note on the results for the coworking business

The turnover for the coworking business amounted to €2.2 million over the first 3 months of the fiscal year, compared to €1.6 million last year, still slightly below expectations.

Note on the consolidated results

Consolidated net rental result was €37.3 million, €1.9 million higher than last year. The net result (group share) was €10.3 million. The consolidated EPRA earnings per share were €0.77 per share as against €0.72 at 31 March 2019.

Financial structure

Main characteristics as at 31 March 2020

- Confirmed credit facilities for a total amount of €1,416 million (66% of which were bank loans), €1,099 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;
- Use of the short-term commercial paper programme up to €317 million
- 98.8% of total borrowings at fixed rates (including IRS);
- An average (annualised) financing cost (including hedging margin and costs) of 2.0% for the first 3 months of the year, stable compared to 2.0% as at 31 December 2019;
- A weighted average duration of the debt of 4.5 years (as against 4.4 years as at 31 December 2019);
- A debt ratio of 43.2% (compared with 42.7% as at 31 December 2019);
- An LTV ratio of 38.7% (compared with 39.0% as at 31 December 2019);
- A hedge ratio of 105.6%⁶ (compared with 102.3% as at 31 December 2019).

Financing arranged during the first quarter of fiscal year 2020

- Renewal of financing for €75 million for a 6 year period.

After the close of the quarter, in this uncertain context due to the COVID-19 pandemic, the Company continued working to strengthen its financial structure. All other things being equal, the Company has covered its financing needs until the end of 2021 and increased the weighted average duration of its debt to 4.8 years, by arranging the following financing:

- the extension of bank financing of €100 million for a year, with annual extension options for up to 3 additional years;
- the extension of bank financing of €35 million for a 6 year period, starting in June 2021;
- new bank financing of €100 million for a 4 year period,
- the increase by €30 million of a bank line for managing short-term needs, arranged for an indefinite period but which can be terminated with 23 months' notice.

Comment impact COVID-19 :

The COVID-19 pandemic has caused tensions on the financial markets. Spreads on the debt markets have increased significantly. The impact of this development on Befimmo is limited by means of the duration of the financing in place.

Moreover, the short-term commercial paper market is also experiencing tensions resulting in lower volumes of investment and higher margins. All of Befimmo's short-term commercial paper is covered by long-term bank back-up lines.

⁶ Hedge ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAPs)/total borrowings. This 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 100.6% as at 31 March 2020 and 97.2% as at 31 December 2019.

4. Outlook and dividend forecast

The consequences of the COVID-19 pandemic make the three-year EPRA earnings forecast published in the 2019 Annual Financial Report uncertain⁷, owing in particular to objective factors such as the likely delay in the delivery of ongoing projects, the volatility of the financial markets or a possible slowdown in the rental market and coworking.

In the context of a likely change in pricing and timing benchmarks, the Befimmo Board of Directors has decided to withdraw the published EPRA earnings forecast and will issue a revised dividend policy in due course.

The likely delays on construction sites and/or in take-up of available rental space should have little effect in 2020, while almost all financial charges are secured over the financial year. At constant perimeter and on the basis of information available on the date of publication of this press release, there should be a relatively small impact on the EPRA earnings expected for financial year 2020. It should be around €2.70 per share (as against €2.88 per share initially forecast).

The longer-term development of the economy is still very uncertain so far. Given these uncertainties and out of prudence, for fiscal year 2020 Befimmo intends to set the dividend at the regulatory level, i.e. at least 80% of the sum of the corrected result and net capital gains on the realisation of real estate not exempt from the distribution obligation, minus the net reduction in the Company's indebtedness over the year, as shown in the statutory accounts.

5. Ordinary General Meeting 2020

Given the exceptional circumstances of the COVID-19 pandemic, Befimmo's priority is to safeguard the health and safety of its shareholders, staff and partners. Consequently, in accordance with the Royal Decree of 9 April 2020 laying down various provisions in the area of company law in the context of the fight against the COVID-19 pandemic, it was decided to adapt the organisational procedures of the Ordinary General Meeting of Tuesday 28 April 2020. Accordingly, the Meeting took place on 28 April 2020 behind closed doors. 42.7% of the voting rights were represented at the Meeting. The items on the agenda were all approved by a substantial majority (>88%). Click this link to view the minutes: www.befimmo.be.

⁷ For more information, see page 100 of the Annual Financial Report 2019.

6. Befimmo share

Key figures of the share

	31.03.2020	31.12.2019
Closing price (in €)	43.75	54.10
Asset value (in € per share)	59.65	59.29
Premium or discount compared to the asset value	-26.7%	-8.7%
Return on share price ^(a)	-11.0%	18.7%

^(a) 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

On 27 March, 2020, Befimmo published its 2019 Annual Financial Report, available on its website: www.befimmo.be.

Publication of the Half-Yearly Financial Report 2020	Friday 24 July 2020 ^(a)
Interim statement as at 30 September 2020	Thursday 28 October 2020 ^(b)

^(a) Publication before opening of the stock market.

^(b) Publication after closing of the stock market.

Befimmo, a Regulated Real-Estate Investment Trust (BE-REIT), listed on Euronext Brussels, is a real-estate operator specialising in office buildings, meeting centres and coworking spaces. Those Befimmo Environments are located in Brussels, the Belgian cities and the Grand Duchy of Luxembourg. With its subsidiary, Silversquare, Befimmo aims to develop a Belux network of interconnected workspaces.

As a company that is human, a corporate citizen, and responsible, Befimmo offers its occupants contemporary office spaces and related services in buildings that are sustainable in terms of architecture, location and respect for the environment.

By creating added value for its users, Befimmo also creates value for its shareholders. At 31 March 2020, the fair value of its portfolio was €2.8 billion.



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8. Appendix 1

Consolidated income statement (in € thousand)

	31.03.2020	31.03.2019
I. (+) Rental income	37 429	35 223
III. (+/-) Charges linked to letting	-143	132
NET RENTAL RESULT	37 286	35 355
IV. (+) Recovery of property charges	8 313	1 312
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	21 891	21 036
VII. (-) Rental charges and taxes normally paid by tenants on let properties	-24 574	-22 970
VIII. (+/-) Other revenue and charges for letting	0	139
PROPERTY RESULT	42 916	34 872
IX. (-) Technical costs	-7 884	-1 892
X. (-) Commercial costs	-287	-57
XI. (-) Charges and taxes on unlet properties	-1 616	-1 302
XII. (-) Property management costs	-744	-646
XIII. (-) Other property charges	-1 452	-1 743
(+/-) Property charges	-11 984	-5 641
PROPERTY OPERATING RESULT	30 933	29 231
XIV. (-) Corporate overheads	-5 240	-4 452
XV. (+/-) Other operating income and charges	167	- 688
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	25 861	24 091
XVI. (+/-) Gains and losses on disposals of investment properties	-	292
XVIII. (+/-) Changes in fair value of investment properties	1 299	69 228
OPERATING RESULT	27 159	93 610
XX. (+) Financial income	264	163
XXI. (-) Net interest charges	-4 986	-5 070
XXII. (-) Other financial charges	-617	-550
XXIII. (+/-) Changes in fair value of financial assets and liabilities	-11 547	-14 075
(+/-) Financial result	-16 886	-19 532
PRE-TAX RESULT	10 273	74 078
XXV. (-) Corporation tax	-483	-691
(+/-) Taxes	-483	-691
NET RESULT	9 790	73 387
TOTAL COMPREHENSIVE INCOME (group share)	10 253	73 082
NON-CONTROLLING INTERESTS	-463	306
BASIC NET RESULT AND DILUTED (in € per share)	0.38	2.86
Other comprehensive income - actuarial gains and losses - pension liabilities	-	-
TOTAL COMPREHENSIVE INCOME	9 790	73 387
TOTAL COMPREHENSIVE INCOME (group share)	10 253	73 082
NON-CONTROLLING INTERESTS	-463	306

Consolidated balance sheet (in € thousand)

ASSETS	31.03.2020	31.12.2019
I. Non-current assets	2 929 394	2 861 689
A. Goodwill	23 629	23 629
B. Intangible assets	1 814	1 729
C. Investment properties	2 879 946	2 814 822
Fair value of portfolio (Silversquare excluded)	2 836 399	2 790 778
Right of use - Fair value of Silversquare leases	43 547	24 044
D. Other property, plant and equipment	11 766	10 948
E. Non-current financial assets	8 953	7 296
F. Finance lease receivables	3 287	3 265
II. Current assets	77 711	50 563
B. Current financial assets	15 996	12 763
C. Finance lease receivables	72	142
D. Trade receivables	56 375	31 535
E. Tax receivables and other current assets	40	1 060
F. Cash and cash equivalents	1 976	2 878
G. Non-current assets	3 252	2 184
TOTAL ASSETS	3 007 105	2 912 251
SHAREHOLDERS' EQUITY AND LIABILITIES	31.03.2020	31.12.2019
TOTAL SHAREHOLDERS' EQUITY	1 613 660	1 603 872
I. Equity attributable to shareholders of the parent company	1 613 660	1 603 872
A. Capital	398 318	398 320
B. Share premium account	861 905	861 905
C. Reserves	343 184	231 434
D. Net result for the fiscal year	10 253	112 213
II. Non controlling interests	-	-
LIABILITIES	1 393 445	1 308 379
I. Non-current liabilities	826 326	696 157
A. Provisions	1 471	1 471
B. Non-current financial debts	754 499	637 567
a. Credit institution	298 640	201 446
c. Other	455 859	436 121
C. Other non-current financial liabilities	59 494	46 455
D. Trade debts and other non-current debts	9 974	9 974
F. Deferred tax - liabilities	888	691
II. Current liabilities	567 119	612 222
A. Provisions	2 240	3 155
B. Current financial debts	410 981	497 167
a. Credit institution	8 493	61 448
c. Other	402 488	435 719
D. Trade debts and other current debts	110 517	85 596
E. Other current liabilities	2 820	3 872
F. Accrued charges and deferred income	40 561	22 432
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3 007 105	2 912 251

9. Appendix 2 : "Alternative Performance Measures"

REAL-ESTATE OPERATOR BUSINESS

Glossary of the “Alternative Performance Measures”

Alternative Performance Measure	Definition	Use
Net property charges	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.
Other operating income and charges (excluding goodwill impairment)	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.
Operating margin	'Operating result before result on portfolio' divided by 'Net rental result'.	Used to assess the Company's operating performance.
Net property result	'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.
Financial result (excluding changes in fair value of financial assets and liabilities)	'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.
Net result before changes in fair value of investment properties and financial assets and liabilities	'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.
“Like-for-Like” net rental result	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 of the “Alternatives performance measures”

Net rental result in “like-for-like”

(in € thousand)	31.03.2020	31.03.2019
Net rental result (A)	35 438	33 710
Net rental result linked to changes in perimeter (B)	182	1 236
Net rental result on properties not available for lease (C)	-27	42
Non-recurring element to extract from the "Like-for-Like" (D)	3 197	287
Net rental result in « Like-for-Like » (A-B-C-D)	32 086	32 145

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

(in € thousand)	31.03.2020	31.03.2019
Net result (A)	11 244	72 595
XVIII. Changes in fair value of investment properties (B)	1 487	68 357
XXIII. Changes in fair value of financial assets and liabilities (C)	-11 547	-14 075
Net result before changes in fair value of investment properties and financial assets and liabilities (A-B-C)	21 305	18 313

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

(in € thousand)	31.03.2020	31.03.2019
Financial result (A)	-16 574	-19 462
XXIII. Changes in fair value of financial assets and liabilities (B)	-11 547	-14 075
Financial result (excl. the changes in fair value of the financial assets and liabilities) (A-B)	-5 026	-5 387

Net property result

(in € thousand)	31.03.2020	31.03.2019
Operating result before result on portfolio	26 812	24 064
XVI. Gains or losses on disposals of investment properties	-	292
Net property result	26 812	24 356

Operating margin

(in € thousand)	31.03.2020	31.03.2019
Operating result before result on portfolio (A)	26 812	24 064
Net rental result (B)	35 438	33 710
Operating margin (A/B)	75.7%	71.4%

Other operating income and charges (excluding goodwill impairment)

(in € thousand)	31.03.2020	31.03.2019
XV. Other operating income and charges (A)	-107	-688
Goodwill impairment (B)	-	-
Other operating income and charges (excluding goodwill impairment) (A-B)	-107	-688

Net property charges

(in € thousand)	31.03.2020	31.03.2019
IV. Recovery of property charges	8 313	1 312
V. Recovery of rental charges and taxes normally paid by tenants on let properties	22 168	20 875
VI. Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-	-
VII. Rental charges and taxes normally paid by tenants on let properties	-22 406	-21 630
VIII. Other revenue and charges for letting	0	139
IX. Technical costs	-7 884	-1 892
X. Commercial costs	-287	-57
XI. Charges and taxes on unlet properties	-1 616	-1 302
XII. Property management costs	-744	-646
XIII. Other property charges	-1 450	-1 741
Net property charges	-3 906	-4 943

CONSOLIDATED

Glossary of the “Alternative Performance Measures”

Alternative Performance Measure	Definition	Use
Loan-to-value (“LTV”)	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.
Average (annualised) financing cost	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.
Return on shareholders’ equity (in € per share)	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.
Return on shareholders’ equity (in %)	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)	31.03.2020	31.03.2019
Nominal financial debts (A)	1 099 062	1 090 344
II. F. Cash and cash equivalents (B)	1 976	2 878
I. C. Investment properties (D)	2 834 185	2 788 591
II. A. Assets held for sale (E)	-	-
Fair value of portfolio at the closing date (C = D+E)	2 834 185	2 788 591
Loan-to-value (A-B)/C	38.7%	39.0%

Average (annualised) financing cost

(in € thousand)	31.03.2020	31.03.2019
Interest paid	5 659	5 821
Annualised interest paid (A)	22 636	23 284
Annualised nominal financial debts (B)	1 113 784	1 172 163
Average (annualised) financing cost (A/B)	2.0%	2.0%

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

	31.03.2020	31.03.2019
Return on shareholders' equity (in € per share)	4.18	5.02
Return on shareholders' equity (in %)	7.2%	9.0%

10. Appendix 3 : Tables of the EPRA indicators⁸

EPRA INDICATORS – REAL-ESTATE OPERATOR

EPRA earnings

(in € thousand)	31.03.2020	31.03.2019
Net result IFRS	11 244	72 595
Net result IFRS (in € per share)	0.42	2.84
Adjustments to calculate EPRA earnings		
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	-1 487	-68 357
II. Result on disposals of investment properties	-	-292
VI. Changes in fair value of financial assets and liabilities and close-out costs	11 547	14 075
VIII. Deferred tax in respect of EPRA adjustments	197	408
EPRA earnings	21 502	18 430
EPRA earnings (in € per share)	0.79	0.72

EPRA Vacancy rate

(in € thousand)	31.03.2020	31.12.2019
Estimated rental value (ERV) on vacant space (A)	5 981	5 166
Estimated rental value (ERV) (VLE) (B)	125 180	124 846
EPRA Vacancy rate of properties available for lease (A)/(B)	4.7%	4.1%

⁸ The definitions of the EPRA indicators are published in the Annual Financial Report 2019 on page 86. Source: EPRA Best Practices (www.epra.com).

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

(in € thousand)	31.03.2020	31.12.2019
Investment properties and properties held for sale	2 834 185	2 788 591
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	-437 288	-394 130
Properties held for sale	-	-
Properties available for lease	2 396 897	2 394 461
To include:		
Allowance for estimated purchasers' cost	60 143	60 089
Investment value of properties available for lease (B)	2 457 040	2 454 550
Annualised cash passing rental income	127 951	128 033
To exclude:		
Property charges ^(a)	-5 826	-6 915
Annualised net rents (A)	122 125	121 118
To include:		
- Notional rent expiration of rent free periods or other lease incentives	4 032	3 383
Topped-up annualised net rents (C)	126 157	124 501
(in %)		
EPRA Net Initial Yield (A/B)	5.0%	4.9%
EPRA Topped-up Net Initial Yield (C/B)	5.1%	5.1%

^(a) 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)	31.03.2020	31.03.2019
Net administrative and operating expenses in the income statement	-8 643	-8 826
III. (+/-) Rental charges	-135	132
Net property charges	-3 906	-4 943
XIV. (-) Corporate overheads	-4 613	-4 015
XV. (+/-) Other operating income and charges	-107	-688
Exclude:		
i. Impact of the spreading of gratuities	118	688
EPRA costs (including direct vacancy costs) (A)	-8 643	-8 826
XI. (-) Charges and taxes on unlet properties	1 616	1 302
EPRA costs (excluding direct vacancy costs) (B)	-7 027	-7 523
I. (+) Rental income	35 573	33 578
Gross rental income (C)	35 573	33 578
EPRA Cost ratio (including direct vacancy costs) (A/C)^(a)	24.3%	26.3%
EPRA Cost ratio (excluding direct vacancy costs) (B/C)^(a)	19.8%	22.4%

EPRA like-for-like net rental growth

Segment	31.03.2020					31.03.2019					Evolution
	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties that are being constructed or developed ^(a)	Total net rental income ^(b)	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties that are being constructed or developed ^(a)	Total net rental income ^(b)	Properties owned throughout 2 consecutive years
(in € thousand)											
Brussels CBD and similar	15 366	181		35	15 581	15 693		1 134	27	16 854	-2.1%
Brussels decentralised	1 535				1 535	554				554	177.1%
Brussels periphery	1 907		1		1 908	2 006		7		2 012	-4.9%
Wallonia	2 610			-97	2 513	2 592				2 592	0.7%
Flanders	7 648				7 648	7 308		26		7 334	4.7%
Luxembourg city	1 311				1 311	1 403				1 403	-6.6%
Total	30 377	181	1	-62	30 497	29 556	0	1 167	27	30 750	2.8%
Reconciliation to the consolidated IFRS income statement											
Net rental income related to:											
- Properties booked as financial leases (IFRS 16)					-3					0	
- Non recurring element					3 197					287	
Other property charges					-2 159					-2 270	
Property operating result in the consolidated IFRS income statement					31 532					28 767	

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

^(b) 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)	31.03.2020	31.03.2019
Net result IFRS (group share)	10 253	73 082
Net result IFRS (in € per share) (group share)	0,38	2,86
Adjustments to calculate EPRA earnings	10 590	- 54 884
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	- 999	- 69 076
II. Result on disposals of investment properties	-	- 292
VI. Changes in fair value of financial assets and liabilities and close-out costs	11 547	14 075
VIII. Deferred tax in respect of EPRA adjustments	197	408
X. Adjustments in respect of non-controlling interests	- 155	277
EPRA earnings (group share)	20 843	18 475
EPRA earnings (in € per share) (group share)	0.77	0.72

EPRA NAV & NNNAV

(in € thousand)	31.03.2020	31.12.2019
Net asset value (group share)	1 613 660	1 603 872
Net asset value (in € per share) (group share)	59.65	59.29
To include:		
II. Revaluation at fair value of finance lease credit	115	115
To exclude:		
IV. Fair value of financial instruments	50 626	39 984
V. a. Deferred tax	888	691
To include/exclude :		
Adjustments in respect of non-controlling interests	-	-
EPRA NAV (group share)	1 665 289	1 644 662
EPRA NAV (in € per share) (group share)	61.56	60.80
To include:		
I. Fair value of financial instruments	-50 626	-39 984
II. Revaluations at fair value of fixed-rate loans ^(a)	-23 525	-20 383
III. Deferred tax	-888	-691
To include/exclude :		
Adjustments in respect of non-controlling interests	-	-
EPRA NNNAV (group share)	1 590 250	1 583 604
EPRA NNNAV (in € per share) (group share)	58.78	58.54

^(a) Excluding financial debt linked to IFRS 16.