Half-yearly Financial Report 2022

Befimmo

> LIVIN

Thursday 28 July 2022 | 5.40 PM | Regulated information
Half-yearly accounts for the period from 01.01.2022 to 30.06.2022

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The Board of Directors met on 27 July 2022 to prepare the consolidated half-yearly financial statements as at 30 June 2022.

CONSOLIDATION BASIS:

The Befimmo businesses are presented in this Half-yearly Financial Report 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 June 2022. It concerns 27,003,495 shares.

REAL-ESTATE AND FINANCIAL INDICATORS:

The definitions of Befimmo's real-estate indicators are described in Appendix 2 to the Half-yearly Financial Report 2022. They are identified in a footnote the first time they occur. Befimmo has fully committed to standardizing its financial and social-responsibility reporting - with a view to improving the quality and comparability of the information - by adopting the EPRA reporting guidelines.

ALTERNATIVE PERFORMANCE MEASURES :

The Alternative Performance Measures (APM) guidelines of the European Securities Markets Authority (ESMA) have been applicable since 3 July 2016. The APMs used in this Report are identified in a footnote the first time they occur. The full list of APMs, with their definitions, purpose and relevant reconciliation tables are set out in Appendix 3 and Appendix 4 to this Report and are published on Befimmo's website (www.befimmo.be).

Highlights of the semester

ALEXANDRITE MONNET BELGIAN BIDCO SA ACQUIRES CONTROL OF 84.94% OF BEFIMMO SA AS OF 27 JULY 2022

On 25 February 2022, RE Invest Belgium, an entity fully controlled by one of Brookfield's real estate private funds, filed a formal notice with the FSMA with a view to launching an all-cash voluntary and conditional public offer to acquire all shares of Befimmo at an offer price of €47.50 per share.

The Board of Directors expressed its support for the transaction, subject to review of the final offer prospectus.

Befimmo's two largest shareholders, AXA Belgium and AG Finance have each entered into a soft irrevocable undertaking to tender Befimmo shares, representing respectively 9.6% and 5.6% of Befimmo's share capital.

The initial acceptance period opened on 7 June 2022 and ended on 5 July 2022.

On 12 July 2022, the results of the initial acceptance period were published. During the initial acceptance period, 22,718,167 shares of Befimmo have been tendered to the Offer. As a result, Alexandrite Monnet Belgian Bidco SA acquires control of 84.94% of Befimmo SA and reopens the offer unconditionally.

The acceptance period for the Offer will be opened at 9:00am CET on Monday 29 August 2022. This subsequent acceptance period will close on Friday 16 September 2022 at 5:00pm CET. Shareholders who have not yet accepted the Offer will therefore be able to do so.

The prospectus relating to the Offer (including the response memorandum and the acceptance form) can be consulted on the website of Befimmo: www.befimmo.be/en/takeover-offer.

BRIDGE FACILITY

Befimmo has agreed to take over the Bridge Facility[1] negotiated by Alexandrite Monnet Belgian Bidco SA as part of the public offer. This financing facility may be used to repay Befimmo's current debt, which may be due as a result of Alexandrite Monnet Belgian Bidco SA taking a majority stake in Befimmo. Considering this financing, Befimmo has covered its financing needs for the next 18 months.

S&P RATING CHANGE

On 2 March 2022, Standard & Poor's issued a credit watch following the public offer announcement by Alexandrite Monnet Bidco Belgian SA. On 28 July 2022, Standard & Poor's changed the rating from BBB to BB+/outlook stable for Befimmo's long-term borrowings and B for its short-term borrowings. As a result, the credit watch is now lifted.

1 As the Bridge Facility has been finalised post HY closing, the financial figures do not consider this Bridge Facility.

LEASE EXTENSIONS WITH THE BUILDING AGENCY

During H1 2022, Befimmo successfully renegotiated the leases of WTC 3, Tervuren and 4 small provincial buildings (Eupen, Saint-Vith, Tielt and Torhout Elisabeth) with the Building Agency, as well as the early termination of the leases of some small Fedimmo buildings.

The lease for the WTC 3 (76,810 m²) has been extended for a six-year term (from 1 July 2028 to 2034) and the lease of Tervuren (25,113 m²) for a 9-year term (until the end of 2030).

The signature of those lease extensions brings the duration of leases to an average of 9.1 years (compared to 8.8 years as at 31 March 2022).

DISPOSAL OF 2 NON-STRATEGIC ASSETS

In the first quarter of 2022, Befimmo sold 2 non-core buildings in Belgian provincial towns (Brugge and Torhout Burg), at an amount in line with their latest fair value.

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

BEFIMMO WINS OFFICE SPACE OF THE YEAR AWARD

In March, Befimmo was granted the Office Space of the Year 2022 award. The contest rewards companies and coworking spaces that wish to attract and retain the best talents by offering them a qualitative working environment.

Befimmo submitted its application for its new headquarters: Central, located in the heart of Brussels. Everything comes together perfectly in the flagship building Central, which includes a coworking space, inspiring meeting rooms, a trendy restaurant, a rooftop terrace and many services available to all tenants. The aim is to provide a place where all users can enjoy a pleasant, safe and connected working experience, with a focus on hospitality, which stimulates inspiration, well-being and productivity.

APPOINTMENT OF THE NEW CFO

Befimmo announced in June the appointment of Philippe Berlamont as the new Chief Financial Officer (CFO). Mr Berlamont will join the team on 1 September 2022 and will also be a member of Befimmo's Executive Committee.

SILVERSQUARE OPENS ITS NINTH COWORKING SPACE IN QUATUOR BRUSSELS

In April Silversquare opened its ninth coworking space in the Quatuor complex in the North District of Brussels. With its 8,000 m², Silversquare North is now the largest coworking space in the capital. It is spread over four floors and offers no fewer than 800 workstations. The interior is inspired by a fairy tale written and illustrated by the artist Lous and the Yakuza.

Quatuor fits today's hybrid work world. It offers a global solution with a combination of offices, dynamic coworking spaces and a range of services. A building such as Quatuor contributes to Befimmo's ambition of becoming a unique place fulfilling all of its users' needs.

SPARKS, THE NEW ONE-STOP-SHOP FOR MEETINGS, OPENED ITS DOORS IN BRUSSELS

The start-up Sparks opened its doors on the 1st of June. It has been launched in Brussels (in Central, Befimmo's headquarters) by five local entrepreneurs from the industry and aims to help companies meet and beat their meeting objectives.

Outdated meeting practices and infrastructure no longer satisfy the needs of modern businesses. Sparks is keen to tackle this problem by offering flexibility in an optimal location combined with an innovative design from Cobra Studios, a dedicated team of experts, plus a fun and easy reservation system. Befimmo is a partner of this promising Brussels start-up

BEFIMMO OBTAINS VALIDATION OF ITS SCIENCE-BASED TARGETS (SBT)

Following the comprehensive review of its carbon footprint and the integration of all of its subsidiaries in accordance with the GHG Protocol, Befimmo obtained the validation of its Science Based Targets (SBT)[2]. Via these targets, the company undertakes to reduce absolute CO_2 emissions related to scopes 1 and 2 by 50% by 2030, compared to the base year 2018.

2 https://sciencebasedtargets.org/

Summary H1 2022

Strong portfolio fundamentals

OCCUPANCY RATE	LETTING ACTIVITY (INCLUDING LEASE EXTENSION BUILDING AGENCY)	AVERAGE DURATION OF LEASES
95. 2%	±137,000 m²	9.1 yrs

Focused (re)development portfolio management

12.5%
PIPELINE WEIGHT

95%
PRE-LET (OFFICE PART)

Sucessful asset rotation

2 Disposals
NON-CORE BUILDINGS

Strong resilience of coworking activity

9TH COWORKING CENTRE OPENED IN APRIL 2022

78%
TOTAL OCCUPANCY RATE SPACES OPEN OVER 3 YRS (VS. 75% AS AT 31 DECEMBER 2021)

+40%
LIKE-FOR-LIKE TURNOVER (COMPARED TO H1 2021)

ESG

AN AMBITIOUS & COMMITTED JOURNEY, ALIGNED WITH THE SBT INITIATIVE, TO CONTRIBUTE TO NET ZERO CARBON

Financials

+7.2% EPRA LIKE-FOR-LIKE NET RENTAL GROWTH

€1.34 CONSOLIDATED EPRA EARNINGS PER SHARE

€4.75 CONSOLIDATED NET RESULT PER SHARE

41.5%
LTV RATIO

1.6%
AVERAGE FINANCING COST (down 20bp vs 31.12.2021)

€64.46
NAV

€2.40–€2.45 PER GROUP SHARE
CONFIRMED EPRA EARNINGS OUTLOOK 2022

Interim Management Report

LOOM

PROPERTY REPORT

Real-estate operator activity

OFFICE MARKET

Brussels:

Take-up of 130,315 m^2 (in line with 5-year average). Prime yields remained stable at 3.6%. Overall vacancy rate increased slightly to 7.88% (from 7.65%). Limited construction pipeline for 2022 at 100,000 m^2, with high degree of pre-let (68%).

Luxembourg:

Take-up of 114,230 m^2. Prime yields remained stable at 3.4%. Overall vacancy rate increased slightly but remained low at 4.07% (from 3.99%) In the CBD it is stable at 1.84%. 50% of the development pipeline foreseen in the coming years is already pre-let.

PORTFOLIO LETTING ACTIVITY

- **137,060 m^2** let (compared to 34,835 m^2 in H1 2021)
- ± **5%** new lettings & **95%** reletting (in m^2)
- **31** transactions

During H1 2022, we signed new leases and renewals for a total surface of 137,060 m^2, compared to 33,492 m^2 over the same period of 2021. This increase is mainly explained by the successful lease renegotiation with the Building Agency for WTC 3, Tervuren and 4 small provincial buildings (Eupen, Saint-Vith, Tielt and Torhout Elisabeth). The lease for the WTC 3 (76,810 m^2) has been extended for a six-year term (from 1 July 2028 to 2034) and the lease of Tervuren (25,113 m^2) for a 9-year term (until the end of 2030).

EPRA « LIKE-FOR-LIKE NET RENTAL GROWTH »

The EPRA "like-for-like net rental growth" amounts to +7.2% as at 30 June 2022. This is explained by a like-for-like net rental result of 2.7%, mainly due to the indexation of the lease contracts and a decrease of the Net property charges due to:

- a decrease in empty space costs following new lettings;
- less improvement and major renovation works than realised in 2021 as planned.

SPOT OCCUPANCY RATE AND EPRA VACANCY RATE[3]

	30.06.2022	31.12.2021
Occupancy rate (future signed leases included)	95.2%	95.5%
EPRA Vacancy Rate[4]	4.8%	4.5%

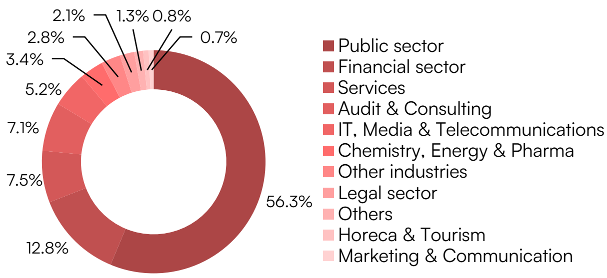
COLLECTION AND DEFERRAL OF RENTS

- **97.2% collected rents** for the first half of 2022 (including rents called on 1 July, covering Q3 2022, at 15.07.2022. in line with previous years)
- **€0.2 million** payment deferrals

DURATION OF LEASES[3]

	30.06.2022	31.12.2021
Weighted average duration of current leases up to next break of properties available for lease	7.9 years	7.3 years
Weighted average duration of current leases up to final expiry of properties available for lease	8.5 years	7.9 years
Weighted average duration of current and future signed leases up to next break of investment properties	9.1 years	8.8 years
Weighted average duration of current and future signed leases up to final expiry of investment properties	9.6 years	9.4 years

Activity sector of tenants (based on gross current rent from lease agreements at 30.06.2022)



Tenants of the public sector and top 5 tenants of the private sector

	Weighted average duration up to next break (in years)	Percentage gross current rent (in %)	Rating
Belgian public sector	8.9	52.7%	
European public sector	5.9	3.6%	
Total public-sector tenants	**8.7**	**56.3%**	
Deloitte Services & Investments NV		6.4%	-
BNP Paribas and affiliated companies		4.9%	A+
Beobank (Crédit Mutuel Nord Europe)		4.1%	A+
Docler Services S.à.r.l.		3.0%	-
McKinsey & Company		1.6%	-
Total private-sector top-5 tenants	**9.1**	**19.9%**	
+/- 170 other tenants	5.1	23.8%	
Total of portfolio	**7.9**	**100%**	

3 This is a real-estate indicator. For more information, see Appendix 2.

4 This is an EPRA indicator. For more information, see Appendix 4.

FAIR VALUE BY GEOGRAPHICAL AREA[5]

Offices	Change over the semester[6] (in %)	Proportion of portfolio[7] (30.06.2022) (in %)	Fair value (30.06.2022) (in € million)	Fair value (31.12.2021) (in € million)
Brussels CBD and similar[8]	3.4%	53.2%	1 544.9	1 495.9
Brussels decentralised	-0.4%	2.2%	64.3	64.3
Brussels periphery	-1.7%	2.7%	79.8	80.8
Flanders	-4.7%	12.9%	372.9	391.0
Wallonia	-2.3%	10.0%	289.0	221.3
Luxembourg city	0.9%	6.2%	180.4	178.8
Properties available for lease	*1.0%*	*87.2%*	*2 531.3*	*2 432.1*
Properties that are being constructed or developed for own account in order to be leased	*-3.8%*	*12.5%*	*362.9*	*390.7*
Investment properties[9]	**0.4%**	**99.7%**	**2 894.2**	**2 825.6**
Properties held for sale	**-19.7%**	**0.3%**	**7.8**	**13.1**
Total	**0.3%**	**100%**	**2 902.0**	**2 835.9**

As at 30 June 2022, the fair value of the portfolio was €2,902.0 million, as against €2,835.9 million as at 31 December 2021.
This change in value (excluding rights of use IFRS 16) incorporates:

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

At constant perimeter, the fair value of the portfolio increased over H1 (+0.34% or + €9.7 million).

The increase is mainly driven by the increase in value of the WTC 3, linked to the lease extension of 6 years with the Building Agency.

OVERALL RENTAL YIELD

	30.06.2022	31.12.2021
Gross initial yield on properties available for lease[10]	4.9%	4.8%
Gross potential yield on properties available for lease[10]	5.3%	5.2%
Gross initial yield on investment properties[11]	4.3%	4.2%
EPRA Net Initial Yield (NIY)[12]	4.3%	4.2%
EPRA Topped-up NIY[12]	4.7%	4.5%

5 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 12% (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.
6 The change over the year is the change in fair value between 1 January 2022 and 30 June 2022 (excluding acquisition, investments and divestments).
7 The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 30 June 2022.
8 Including the Brussels airport zone, in which the Gateway building is situated.
9 Excluding rights of use lease agreements for office space and rights to use land (IFRS 16).
10 This is a real-estate indicator. For more information, see Appendix 2.
11 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, see Appendix 2.
12 This is an EPRA indicator. For more information, see Appendix 4.

Asset rotation

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

DIVESTING FROM NON-STRATEGIC ASSETS

- 2 non-core buildings in Belgian provincial towns (Brugge and Torhout Burg) for an amount in line with the latest fair value.

Development projects

Befimmo invested €56.6 million in its (re)development projects during the first half of the year.

As at 30 June 2022, the development pipeline accounts for 12.5% of the total value of the portfolio, decreasing compared to 13.8% as at 31 December 2021.

Currently, the pre-letting rate[13] of office projects amounts to 95%.

Main renovation and construction projects

	Investment in H1 2022 (€ million)	Total investment (€ million)	Yield on total investment (land included)	Completion %	Delivery of the project	BREEAM[14]
Committed ongoing projects						
Paradis Express (office part) Wallonia, Liège	2.3	54	>6%	97%	Q3 2022	Excellent
ZIN Brussels CBD, North	47	465	±3.9%	39%	End 2023 (offices) 2024 (other functions)	Outstanding (offices) Excellent (other functions)
Ongoing projects to be committed						
Livin[15] (WTC 4) Brussels CBD, North	0.5	180	-	-	-	Excellent
PLXL Brussels decentralised	1.5	54	±5.5%	13%	Q1 2025	Outstanding
LOOM (Redevelopment Loi 44, Joseph II, Loi 52) Brussels CBD, Leopold District	1.5	81	±5%	5%	2026	Outstanding
Pacheco - Brussels CBD, Centre	0.2	43	±5.5%	6%	Q2 2024	Outstanding

For more information on these projects, please consult pages 41 to 44 of the Annual Financial Report 2021.

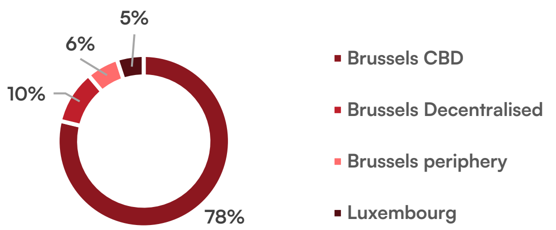
13 Calculated on the office portion on ongoing committed projects, excluding coworking.
14 BREEAM certifications aimed at for the (re)development projects (except Paradis Express, who obtained a BREEAM Excellent in the design phase).
15 New planning permission in preparation, in the same spirit as the ZIN project, open to the city and a mix of functions.

Coworking activity

For full details on our coworking activity please consult pages 45 and 46 of our Annual Financial Report 2021.

PORTFOLIO OF COWORKING SPACES

→ 9 spaces | ± 41,100 m²



Silversquare opened its ninth coworking space in the Quatuor (Silversquare North) in April 2022.

The coworking business accounted for about 11% of Befimmo's consolidated rental income as at 30 June 2022.

OCCUPANCY RATE

Opening space	30.06.2022	31.12.2021
Over 3 yrs	78%	75%
Between 1 and 3 yrs	64%	52%
Less than 1 yr	47%	51%
Total	**54%**	**59%**

The total occupancy rate stood at 54% as at 30 June 2022. Excluding Silversquare North, that opened in April, total occupancy rate amounts to 69%. The total turnover (€7.4 million for the first 6 months of 2022) increased with 67% compared to the same period last year. There's also an increase of the like-for-like turnover of 40.3% compared to H1 2021.

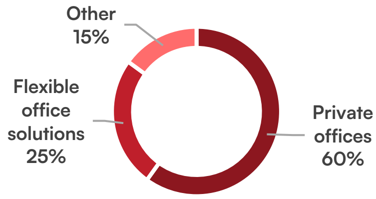
During the first half year of 2022, Silversquare accounts 480 new signatures against 211 notices.

RECOVERY RATE ISSUED INVOICES

→ 98.55% (for monthly invoices issued over the last 12 months)

There has been no material increase in doubtful debtors since the beginning of the year.

REVENUE SPLIT



The category "other" includes revenues from events, meeting rooms, lockers, IT options, consumables, parking, etc.

DEVELOPMENT PIPELINE

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

For the spaces provided in third-party buildings, Silversquare invests in the fitting-out as well as in furniture and IT. In H1 2022, Silversquare has invested €1.9 million in its spaces. Befimmo (real-estate operator) has invested €5.5 million in H1 2022 of which €1.6 million in the Quatuor project and €1.8 million in Paradis Express. This is recharged to Silversquare through a rental uplift mechanism.

New openings for the next two years

	Surface
Total portfolio June 2022	**41 100 m²**
SQ North (Brussels CBD, groundfloor)	+ 1 100 m²
SQ Guillemins (Liège)	+3 800 m²
Total portfolio end 2022	**46 000 m²**
SQ A-Tower	+5 800 m²
SQ Louvain-La-Neuve	+4 000 m²
Luxembourg	+4 000 m²
Flanders (2 spaces)	+7 000 m²
Total portfolio end 2023	**66 800 m²**

Taking into account the identified pipeline, Silversquare coworking spaces will account for 82,000 m² by the end of 2025.

Following the implementation of Silversquare's development plan the first significant accretive EPRA contributions are expected by 2024.

ESG

Environment

SCIENCE BASED TARGETS

Following the comprehensive review of its carbon footprint and the integration of all of its subsidiaries in accordance with the GHG Protocol, Befimmo is obtaining validation of its Science Based Targets (SBT). Via these targets, the company undertakes to reduce absolute CO_2e emissions related to scopes 1 and 2 by 50% by 2030, compared to the base year 2018. Befimmo is thus joining several Belgian companies in obtaining validation of its targets by the SBTi.

Befimmo has also committed to an absolute reduction of 2.5% per year until 2030 on 2/3^{rds} of its scope 3 emissions (compared to the reference year 2018), in conformity with the recommendations of the SBTi for the 1.5°C scenario.

Social

WELL-BEING AND PHILANTHROPY

- a blood donation at Befimmo's headquarters in collaboration with the Belgian Red Cross
- a collection of medicines, food and hygiene products to help Ukraine
- participation in the 20 km of Brussels to raise funds for the association L'Arche de Marie
- participation in the Bike Project, offering theoretical and practical training to improve soft mobility

Governance

ECOVADIS SCORING

For its first participation, Befimmo received the Platinum Medal, EcoVadis' highest award, which distinguishes the top 1% of companies active in the same industry sector as evaluated by the rating agency.
Together with an excellent score of 79%, this recognition places Befimmo as a leader in its sector and attests to its commitment to sustainability and Corporate Social Responsibility (CSR).

UPDATES AND NEW POLICIES

Befimmo has reviewed and established a set of policies and has taken measures to guarantee ethical standards at all levels of the Company. Befimmo has, among other things, created a Diversity and Inclusion Policy and has updated its Philanthropy and Associative Partnership Policy, its Supplier Code of Conduct and its ESG Policy.

NON-FINANCIAL INFORMATION

In the first half of 2022, Befimmo obtained high scores for the publication of its non-financial information:

Gaïa Rating	ISS ESG	MSCI ESG RATINGS [16]	S&P Global	SUSTAINALYTICS [17]
71/100	C Prime	A	38	9.5/100 Negligible Risk

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FINANCIAL REPORT

Key financial figures

Consolidated	30.06.2022	31.12.2021
Number of shares issued	28 445 971	28 445 971
Number of shares not held by the group	27 003 495	27 011 100
Shareholders' equity attributable to shareholders (in € million)	1 740.7	1 630.2
Net asset value (in € per share)	64.46	60.35
EPRA NRV (in € per share)	64.53	63.82
EPRA NTA (in € per share)	61.02	60.32
EPRA NDV (in € per share)	64.73	59.53
Average (annualised) financing cost[18] (in %)	1.6%	1.8%
Weighted average duration of the debt (in years)	3.8	4.1
Debt ratio as per the Royal Decree (in %)	44.2%	43.1%
Loan-to-value[19] (in %)	41.5%	40.9%
Total return on shareholders' equity[20] (in € per share)	6.2	3.3
Total return on shareholders' equity[20] (in %)	10.5%	5.7%
Real-estate operator business activity	**30.06.2022**	**30.06.2021**
EPRA Like-for-Like Net Rental Growth[21] (in %)	+7.2%	-4.2%

	30.06.2022	30.06.2021 (restated)[22]
Consolidated		
Net result (in € per share)	4.75	1.73
EPRA earnings (in € per share)	1.34	1.18
Real-estate operator business activity		
Net result (in € per share)	4.84	1.91
EPRA earnings (in € per share)	1.38	1.24

18 This is an Alternative Performance Measure. For more information, see Appendix 3.
19 Loan-to-value (LTV) = [(nominal financial debts-cash)/fair value of portfolio]. This is an Alternative Performance Measure. For more information, see Appendix 3.
20 Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment, if any, and the optional dividend participation.
21 Trend of the rental income minus property charges at constant perimeter, calculated on the basis of EPRA Best Practices Recommendations.
22 Since the 31st of December 2021, the recurring compensation for the effect of spreading rental gratuities granted and the Goodwill impairment are booked under the heading "Other result on portfolio" and not anymore under the heading "Other operating income & charges". The figures of 30 June 2021 were therefore adapted. The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation.

Consolidated net asset value and balance sheet

Evolution of the consolidated net asset value

	(in € per share)	(in € million)	Number of shares not held by the group
Net asset value as at 31 December 2021 (group share)	**60.35**	**1 630.2**	**27 011 100**
Valuation of the put option held by minority shareholders, net of profit attributable to non-controlling interests		- 2.7	
Net result (group share) as at 30 June 2022		128.4	
Final dividend of the 2021 fiscal year (coupon 43)		- 15.7	
Other elements of comprehensive income - actuarial gains and losses on pension obligations		1.3	
Other elements - mainly linked to liquidity contract and Performance Plan Stock Units		- 0.8	
Net asset value as at 30 June 2022 (group share)	**64.46**	**1 740.7**	**27 003 495**

	30.06.2022	31.12.2021
EPRA NRV	64.53	63.82
EPRA NTA	61.02	60.32
EPRA NDV	64.73	59.53

The calculation methods of the EPRA NRV, NTA and NDV are detailed on page 55 of this Report.

Condensed consolidated balance sheet

(in € million)	30.06.2022	31.12.2021
Investment and held for sale properties	2 938.8	2 874.3
Other assets	189.8	108.0
Total assets	**3 128.6**	**2 982.3**
Shareholders' equity	1 740.7	1 630.2
Financial debts	1 257.0	1 211.4
Non current	1 110.2	851.8
current[23]	146.8	359.7
Other debts	130.9	140.7
Total equity & liabilities	**3 128.6**	**2 982.3**
LTV	**41.5%**	**40.9%**

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

Financial results

Events changing the scope

Compared with H1 2021, the scope changed mainly following:

- 2021 acquisitions (Cubus building, Esprit Courbevoie and three floors in the Antwerp Tower);
- 2021 disposals (Wiertz building, the residential parts of the Paradis Express, Planet 2 building and 6 non-strategic assets in Belgian provincial towns);
- H1 2022 disposals (2 non-strategic assets in Belgian provincial towns).

Comments on the results of the real-estate operator activity

Condensed profit and loss statement real-estate operator activity

(in € thousand)	30.06.2022	30.06.2021 (restated)[25]	30.06.2021
Net rental result	60 218	62 653	62 653
Net rental result excluding spreading	*56 565*	*61 529*	*61 529*
Spreading of gratuities/concessions	*3 653*	*1 124*	*1 124*
Net property charges[24]	-6 541	-10 067	-10 067
Property operating result	**53 676**	**52 586**	**52 586**
Corporate overheads - excl. non-recurring items[24]	-8 506	-10 582	-10 582
Other operating income & charges	-	-	-1 124
Operating result before result on portfolio	**45 171**	**42 004**	**40 880**
Operating margin[24]	***75.0%***	***67.0%***	***65.2%***
Financial result (excl. changes in fair value of financial assets and liabilities and close-out costs)[24]	-7 143	-7 763	-7 763
Corporate taxes (excl. Deferred taxes)[24]	- 715	- 738	- 738
EPRA Earnings[25]	**37 313**	**33 503**	**32 379**
EPRA earnings (in € per share)	**1.38**	**1.24**	**1.20**
Gains or losses on disposals of investment properties	- 397	6 798	6 798
Other result on portfolio[24]	-4 114	-1 545	- 421
Deferred taxes	- 159	- 31	- 31
Changes in fair value of investment properties	9 652	-7 615	-7 615
Changes in fair value of financial assets and liabilities and close-out costs	93 856	20 506	20 506
Corporate overheads - Non-recurring items	-5 363	-	-
Net Result[26]	**130 788**	**51 615**	**51 615**
Net Result (in € per share)	**4.84**	**1.91**	**1.91**

24 This is an Alternative Performance Measure. For more information, please consult Appendix 3 to this Report.
25 Since the 31st of December 2021, the recurring compensation for the effect of spreading rental gratuities granted and the Goodwill impairment are booked under the heading "Other result on portfolio" and not anymore under the heading "Other operating income & charges". The figures of 30 June 2021 were therefore adapted. The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation.
26 The net result on 30 June 2021 and 30 June 2022 is restated, excluding the share in the profit or loss of investments booked using the equity method.

The **like-for-like net rental result** is up by 2.7% compared with last year. This evolution is mainly due to the indexation of the lease contracts.

The **net rental result** decreased by 3.9% in relation to the same period last year. This decrease is mainly due to a non-recurring (one-off) payment of +€5.3 million in 2021 in relation to a global agreement with the Building Agency (Belgian State).
The new leases on the delivered projects have a positive impact of €4.8 million, partially offset by the impact of the asset rotation programme (-€2.0 million).

Net property charges are down by €3.5 million. The decrease is mainly explained by the decrease in empty space costs following new lettings and less improvement and major renovation works than realised in 2021 (intensive period after the lock-down of 2020).

EPRA like-for-like net rental growth is therefore at +7.2% as at 30 June 2022.

Corporate overheads amounts to €8.5 million, which is a decrease of €2.1 million compared to the same period last year. This decrease is mainly explained by exceptional elements related to the retirement of the previous CEO and a provision related to the PSU package of the Executive Committee.

The **Operating result before result on portfolio** is €45.2 million at the end of June 2022.

The **Financial result** (excluding changes in the fair value of the financial assets and liabilities and close-out costs) was -€7.1 million compared to -€7.8 million last year. The decrease in financial charges is explained by less upfront fees payable in 2022, more capitalised interests and a lower financing reserve offsetting the increase of €151 million of the average volume of debt. The average (annualised) financing cost for the first semester is 1.6% compared to 1.9% as of 30 June 2021.

EPRA earnings were €37.3 million as against €33.5 million last year. **EPRA earnings per share** stood at €1.38 at the end of H1 2022.

Gains on the disposal of investment properties is related to the disposals on the Fedimmo buildings realised at a price in line with the latest fair value of the expert.

Other result on portfolio was -€4.1 million at 30 June 2022 and includes the recurring compensation for the effect of spreading rental gratuities granted and recorded in the top line (-€3.7 million) and a Goodwill impairment (-€0.5 million).

The **change in fair value of investment properties** amounts to €9.7 million at 30 June 2022.

The **change in fair value of financial assets and liabilities** amounts to €94.3 million at 30 June 2022, reflecting the strong increase of the interest rate curve in the value of the hedging instruments since the beginning of the year.

The **Corporate overheads - Non-recurring items** include our best estimate at this moment in time of the various fees of our counsels related to the voluntary public tender offer by Alexandrite Monnet Belgian Bidco SA.

As a result of the above explained components, the **net result** reached €130.8 million at 30 June 2022, compared to €51.6 million at 30 June 2021. **Net result per share** stood at €4.84 in compared to €1.91 for the comparative period.

Note on the results for the coworking business

The turnover of the coworking business amounted to €7.4 million in H1 2022 period, compared to €4.4 million in H1 2021, representing an increase of 67%. Still being in the development phase, our coworking business has a negative contribution this first half year of -€0.04 per share to the consolidated EPRA earnings[27].

Note on the consolidated results

Consolidated net result was €126.9 million. The net result (group share) was €127.7 million, up €78.5 million compared with 30 June 2021. The consolidated EPRA earnings per share were €1.34 per share as against €1.18 at 30 June 2021[28].

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

28 Restated.

Financial structure and hedging policy

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

The Bridge Facility[29] is not considered in the financial figures, as it has been finalised post HY closing.

Main characteristics of the financial structure

	30.06.2022	31.12.2021
Confirmed credit facilities[30] (in € million)	1 408	1 471
Of which bankloans	73.9%	71.3%
Of which in use	1 208	1 161
Use short-term CP programme (in € million)	126	284
Fixed rate borrowings (including IRS)	75.4%	75.1%
Average (annualised) financing cost (all in)	1.6%	1.8%
Weighted average duration of debt	3.8 years	4.1 years
Debt ratio[31]	44.2%	43.1%
LTV ratio[32]	41.5%	40.9%
Hedge ratio[33]	83.6%	76.8%

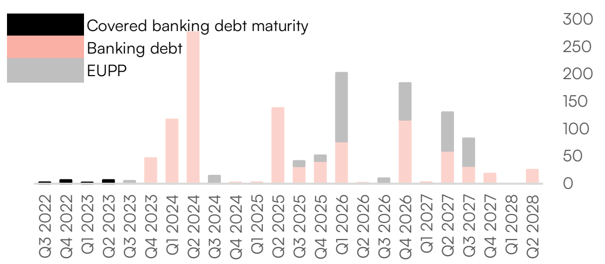
On 28 July 2022, Standard & Poor's changed the rating[34] from BBB to BB+/outlook stable for Befimmo's long-term borrowings and B for its short-term borrowings.

Financing arranged during H1 2022

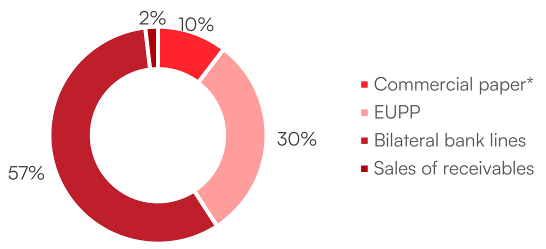
- Extension of a €30 million credit facility until December 2027;
- Extension of a €50 million credit facility. of which €25 million extended until end June 2027 and €25 million extended until end June 2028.

All other things being equal, Befimmo has covered its financing needs for the next 12 months (including the sales assumptions).

Maturities of commitments by quarter (in € million)



Debt distribution



*With confirmed banklines in excess of one year as a back-up.

To reduce its financing costs, Befimmo has a commercial paper programme of a maximum amount of €600 million, €126 million of which was in use as at 30 June 2022 for short-term issues and €96 million for long-term issues. For short-term issues, this programme has back-up facilities consisting of the various credit lines arranged. The documentation for this programme also covers the European private placements of debt.

Hedging the interest rate and exchange-rate risk

Befimmo holds a portfolio of instruments to hedge the interest-rate risk, consisting of IRS and CAPs.

Operations carried out over the half year:

- Extension of €20 million IRS by an additional 6 years until August 2032;
- Extension of €25 million IRS by an additional 4 years until January 2032;
- Extension of €25 million IRS by an additional 5 years until February 2032;
- Extension of €30 million IRS by an additional 6 years until February 2032;
- Mirror SWAP with an IRS Payer with a maturity in 2032 and a IRS Receiver with a maturity in 2025.

Operations carried out after the closing of the half year:

- Restructuring with €25 million IRS receiver (mirror of existing) and €55 million new IRS payer.
- Reducing hedging period of 7 years and increase of hedged amount by €30 million.

The current set of instruments gives the Company a hedge ratio of 83.6% as at 30 June 2022. The hedge ratio remains above 50% until Q4 of 2026 inclusive.

29 See page 3 for more information.
30 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.
31 The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.
32 Loan-to-value (LTV) = [(nominal financial debts — cash)/fair value of portfolio].
33 Hedge ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAPs)/total borrowings.
34 See page 3 for more information.

Strong interest rate hedging position (incl. fixed rate debts) above 50% up to Q4 2026

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		2040
Average nominal hedge (€ million)	898	1.039	978	933	851	693	533	445	420	389	→	15
Average interest rate on hedging	0.87%	0.83%	0.81%	0.84%	0.81%	0.83%	0.80%	0.79%	0.80%	0.81%	→	0.54%

Outlook and dividend forecast

On the basis of the information known at the date of publication of this Report, the Board of Directors confirms the projected EPRA earnings between €2.40 and €2.45 per share.

Befimmo's policy is to 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.

The Board of Directors reminds the shareholders that as published in the Prospectus, the Bidder Alexandrite Monnet Bidco SA intends, regardless of the regulatory status of the Company after the Bid, to maintain a dividend policy substantially in line with past practice (i.e., the regime applicable to, and dividend policy typically pursued by, a BE-REIT), as long as it does not hold all the Shares of the Company and as long as the undertaking related thereto in the shareholders' agreement heads of terms entered into between the Bidder and AG Finance remain in force.

Moreover, the Bidder states that there is no certainty that the current amount of the dividend in euros would be maintained upon completion of the Bid, since the refinancing of the debt and the restructuring of the real estate portfolio, as well as the intended investments, are factors likely to limit the available net profit, which would mechanically reduce the dividend (this being likely to happen in particular in the first years following the closing of the Bid, depending on market conditions and the execution speed of the strategy).

That being said, no additional information can be given at this point on the 2022 dividend. Additional information will be published subsequently.

EPRA BEST PRACTICES

The Statutory Auditor verified that the EPRA ratios were calculated in accordance with the definitions and that the financial data used for the calculation of these ratios correspond with the accountancy data, as included in the consolidated financial statements.

EPRA indicators – Real-estate operator business

EPRA indicators	EPRA definition[35]	EPRA use[35]		30.06.2022	30.06.2021
EPRA earnings	Earnings from operational activities.	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	in € thousand	37 313	33 503[36]
			in € per share	1.38	1.24[36]
EPRA Cost Ratio	Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a company's operating costs.	Incl. vacancy costs	24.2%	32.9%[36]
			Excl. vacancy costs	22.0%	29.9%[36]
EPRA Like-for-Like Net Rental Growth	Like-for-like net rental growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described.	Provide information (in %) on the growth in net rental income (property charges deducted) at constant perimeter of the portfolio (excluding the impact of acquisitions and disposals)[37].	in %	+7.2%	-4.2%

EPRA indicators	EPRA definition[35]	EPRA use[35]		30.06.2022	31.12.2021
(i) EPRA Net Initial Yield (NIY)	Annualised rental income[38] based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value[39] of the property, increased with (estimated) purchasers' costs.	A comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.	in %	4.3%	4.2%
(ii) EPRA Topped-up NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).		in %	4.7%	4.5%
EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A "pure" (%) measure of investment property space that is vacant, based on ERV.	in %	4.8%	4.5%

35 Source: EPRA Best Practices (www.epra.com).
36 Restated.
37 Because EPRA doesn't publish the use of the EPRA Like-for-Like, Befimmo wrote it.
38 For Befimmo, the annualised rental income is equivalent to the gross annual current rent at the closing date plus future rent on leases signed, as reviewed by the real-estate experts.
39 According to the BE-REIT legislation, the buildings of the portfolio of Befimmo are booked at their fair value.

EPRA indicators – consolidated

EPRA indicators	EPRA definition[40]	EPRA use[40]		30.06.2022	30.06.2021
EPRA earnings	Earnings from operational activities.	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	in € thousand	36 196	31 919[41]
			in € per share	1.34	1.18[41]

EPRA indicators	EPRA definition[40]	EPRA use[40]		30.06.2022	31.12.2021
EPRA NRV	Net Reinstatement Value (NRV) assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	The EPRA NAV metrics make adjustments to the IFRS NAV in order to provide stakeholders with the most relevant information on the fair value of the assets and liabilities.	in € thousand	1 742 566	1 723 832
			in € per share	64.53	63.82
EPRA NTA	Net Tangible Assets (NTA) assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax.	The EPRA NAV metrics make adjustments to the IFRS NAV in order to provide stakeholders with the most relevant information on the fair value of the assets and liabilities.	in € thousand	1 647 815	1 629 253
			in € per share	61.02	60.32
EPRA NDV	Net Disposal Value represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	The EPRA NAV metrics make adjustments to the IFRS NAV in order to provide stakeholders with the most relevant information on the fair value of the assets and liabilities.	in € thousand	1 748 036	1 607 846
			in € per share	64.73	59.53

40 Source: EPRA Best Practices (www.epra.com).
41 Restated.

BEFIMMO ON THE STOCK MARKET

Key figures

	30.06.2022	31.12.2021
Number of shares issued	28 445 971	28 445 971
Number of shares not held by the group	27 003 495	27 011 100
Highest share price (in €)	47.70	37.00
Lowest share price (in €)	31.30	31.30
Closing share price (in €)	47.20	33.75
Number of shares traded[42]	25 823 795	24 885 965
Average daily turnover[42]	203 337	97 211
Free float velocity[42]	152%	120%
Distribution ratio (in relation to the EPRA earnings)	80%	80%
Gross dividend[43] (in € per share)	To be confirmed[44]	1.84
Gross dividend yield[45]	To be confirmed[44]	5.5%
Total shareholder return[46]	47.4%	-2.0%

Comment on the Befimmo share

The Befimmo share closed at €47.2 on 30 June 2022, as against €33.75 at 31 December 2021. Assuming the dividend distributed in 2021, the total shareholder return amounts to 47.4%. Befimmo shares were trading with a discount of -26.8%. Befimmo's market capitalisation stood at €1.34 billion. Based on transactions recorded on all market platforms, Befimmo shares offer good liquidity, with an average daily volume of around 203,000 shares, which corresponds to a free-float velocity of 152% over the half year.

42 Source: Kempen & Co. Based on trading on all platforms.
43 Subject to a withholding tax of 30%.
44 See "Outlook and dividend forecast", page 17.
45 Gross dividend divided by the closing share price.
46 Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment, if any, and the optional dividend participation.

Corporate governance

In June, Befimmo announced the appointment of Philippe Berlamont as the new Chief Financial Officer (CFO). Mr Berlamont will join the team on 1 September 2022 and will also be a member of Befimmo's Executive Committee.

The Ordinary General Meeting was held on 26 April 2022. All agenda items were approved by a substantial majority of votes (>96%).

The composition of the Board as per 30 June 2022 is as follows:

Position on the Board	Directorship expiry date
Vincent Querton Chairman, non-executive Director, independent	Ordinary General Meeting 2025
Jean-Philip Vroninks Managing Director	Ordinary General Meeting 2025
Anne-Marie Baeyaert non-executive Director, independent	Ordinary General Meeting 2023
Sophie Goblet non-executive Director , independent	Ordinary General Meeting 2025
Sophie Malarme-Lecloux non-executive Director , independent	Ordinary General Meeting 2024
Philippe de Martel non-executive Director	Ordinary General Meeting 2023
Alain Devos non-executive Director	Ordinary General Meeting 2023
Etienne Dewulf non-executive Director , independent	Ordinary General Meeting 2023
Amand-Benoît D'Hondt non-executive Director	Ordinary General Meeting 2023

Key dates for shareholders

Interim statement as at 30 September 2022[47]	Tuesday 8 November 2022
Publication of the annual results as at 31 December 2022[47]	Thursday 16 February 2023
Online publication of the Annual Financial Report 2022	Friday 24 March 2023
Ordinary General Meeting of the fiscal year closing as at 31 December 2022	Tuesday 25 April 2023

47 Publication after closing of the stock exchange.

Shareholding structure

The Company introduced a statutory declaration threshold of 3% for the application of the legal rules relating to notification of large holdings in issuers whose shares are admitted for trading on a regulated market.

According to the transparency notifications received or based on the information received from the shareholder, the share ownership of Befimmo SA as at 30 June 2022 is structured as follows:

	Number of shares (declared) the day of the statement	Based on the transparency declarations or based on the information received from the shareholder	(in %)
Declarants			
AXA Belgium SA	2 741 438	30.04.2019	9.6%
Ageas and affiliated companies	2 641 047	30.04.2019	9.3%
UBS Group AG	1 722 972	01.07.2022	6.1%
Sand Grove Capital Management	1 212 205	01.03.2022	4.3%
Glazer Capital	891 334	09.03.2022	3.1%
BlackRock Inc.	848 297	20.11.2019	3.0%
Own shares			
Befimmo SA	1 442 476	25.02.2022	5.1%
Other shareholders under the statutory threshold	16 946 202	01.07.2022	59.6%
Total	**28 445 971**		**100%**

On the 27th of July 2022, Alexandrite Monnet Belgian Bidco SA became the controlling shareholder of Befimmo. See page 3 for more information.

PACHECO

Condensed Financial Statements

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME (IN € THOUSAND)

In order to enhance comparability versus peers, Befimmo decided to align its reporting with industry practice.

Since 31 December 2021, the recurring compensation for the effect of spreading “rental gratuities granted” and potential impairments of goodwill are being accounted for under the line item "Other result on portfolio" and will no longer be accounted for under "Other operating income & charges". To aid comparability and allow for proper interpretation of the 2021 figures, we provide restated 2021 figures.

		Notes	30.06.2022	30.06.2021 (restated)	30.06.2021
I.	(+) Rental income		65 284	66 450	66 450
III.	(+/-) Charges linked to letting		653	66	66
NET RENTAL RESULT			**65 937**	**66 516**	**66 516**
IV.	(+) Recovery of property charges		3 816	9 158	9 158
V.	(+) Recovery of rental charges and taxes normally paid by tenants on let properties		20 259	19 182	19 182
VII.	(-) Rental charges and taxes normally paid by tenants on let properties		-27 016	-24 242	-24 242
VIII.	(+/-) Other revenue and charges for letting		394	4	4
PROPERTY RESULT			**63 390**	**70 617**	**70 617**
IX.	(-) Technical costs		-4 394	-11 568	-11 568
X.	(-) Commercial costs		- 242	- 600	- 600
XI.	(-) Charges and taxes on unlet properties		-1 279	-1 843	-1 843
XII.	(-) Property management costs		-1 817	-1 801	-1 801
XIII.	(-) Other property charges		-2 365	-3 034	-3 034
	(+/-) Property charges		**-10 097**	**-18 847**	**-18 847**
PROPERTY OPERATING RESULT			**53 293**	**51 770**	**51 770**
XIV.	(-) Corporate overheads		-15 360	-12 145	-12 145
XV.	(+/-) Other operating income and charges		-	-	-1 389
OPERATING RESULT BEFORE RESULT ON PORTFOLIO			**37 933**	**39 625**	**38 236**
XVI.	(+/-) Gains and losses on disposals of investment properties		- 397	6 798	6 798
XVIII.	(+/-) Changes in fair value of investment properties		8 125	-10 962	-10 962
XIX.	(+/-) Other result on portfolio		-3 033	-1 389	-
OPERATING RESULT			**42 629**	**34 072**	**34 072**
XX.	(+) Financial income	5	698	619	619
XXI.	(-) Net interest charges	5	-7 477	-7 401	-7 401
XXII.	(-) Other financial charges	5	-1 633	-2 225	-2 225
XXIII.	(+/-) Changes in fair value of financial assets and liabilities	5	94 286	20 961	20 961
	(+/-) Financial result		**85 873**	**11 953**	**11 953**
PRE-TAX RESULT			**128 502**	**46 026**	**46 026**
XXV.	(-) Corporation tax		- 875	- 775	- 775
	(+/-) Taxes		**- 875**	**- 775**	**- 775**
NET RESULT			**127 628**	**45 251**	**45 251**
TOTAL COMPREHENSIVE INCOME (group share)			128 372	46 802	46 802
NON-CONTROLLING INTERESTS			- 745	-1 551	-1 551
BASIC NET RESULT AND DILUTED (in € per share)			**4.75**	**1.73**	**1.73**
Other comprehensive income - actuarial gains and losses - pension liabilities and others			-694	2 364	2 364
TOTAL COMPREHENSIVE INCOME			**126 933**	**47 615**	**47 615**
TOTAL COMPREHENSIVE INCOME (group share)			127 674	49 166	49 166
NON-CONTROLLING INTERESTS			- 741	-1 551	-1 551

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION (IN € THOUSAND)

ASSETS		Notes	30.06.2022	31.12.2021
I.	**Non-current assets**		**3 060 606**	**2 914 490**
A.	Goodwill	6	15 702	16 299
B.	Intangible assets		4 933	6 176
C.	Investment properties	7	2 930 971	2 861 185
	Fair value of portfolio (Silversquare excluded)		2 895 967	2 824 655
	Right of use - Fair value of Silversquare leases		35 004	36 531
D.	Other property, plant and equipment		19 491	19 118
E.	Non-current financial assets	8	84 697	6 901
F.	Finance lease receivables		4 812	4 812
II.	**Current assets**		**67 987**	**67 798**
A.	Assets held for sale	7	7 846	13 133
B.	Current financial assets	8	37	7
C.	Finance lease receivables		150	149
D.	Trade receivables		45 067	35 217
E.	Tax receivables and other current assets		6 154	11 692
F.	Cash and cash equivalents		2 902	2 022
G.	Deferred charges and accrued income		5 831	5 578
TOTAL ASSETS			**3 128 593**	**2 982 289**

SHAREHOLDERS' EQUITY AND LIABILITIES		Notes	30.06.2022	31.12.2021
TOTAL SHAREHOLDERS' EQUITY			**1 740 676**	**1 630 170**
I.	**Equity attributable to shareholders of the parent company**		**1 740 676**	**1 630 170**
A.	Capital		398 357	398 357
B.	Share premium account		861 905	861 905
C.	Reserves		352 042	314 592
D.	Net result for the fiscal year		128 372	55 316
II.	**Non-controlling interests**		**-**	**-**
LIABILITIES			**1 387 916**	**1 352 118**
I.	**Non-current liabilities**		**1 127 604**	**888 539**
A.	Provisions		-	1 196
B.	Non-current financial debts	8	1 110 201	851 775
	a. Credit institution		700 250	440 155
	c. Other		409 951	411 620
C.	Other non-current financial liabilities		10 842	27 081
D.	Trade debts and other non-current debts		5 278	7 362
F.	Deferred tax - liabilities		1 284	1 125
II.	**Current liabilities**		**260 312**	**463 579**
A.	Provisions		2 593	3 709
B.	Current financial debts	8	146 847	359 653
	a. Credit institution		14 316	14 247
	c. Other		132 530	345 406
C.	Other current financial liabilities		99	392
D.	Trade debts and other current debts		82 350	61 584
E.	Other current liabilities		1 090	1 675
F.	Accrued charges and deferred income		27 333	36 566
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			**3 128 593**	**2 982 289**

CONSOLIDATED CONDENSED CASH FLOW STATEMENT (IN € THOUSAND)

	30.06.22	30.06.21
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR	**2 022**	**2 439**
Operating activities (+/-)		
Net result for the period (6 months)	127 628	45 251
Result on disposal of investment properties	397	-6 798
Financial result (excl. changes in fair value of financial assets and liabilites)	-	9 008
Interest paid (incl. Financial charges IFRS 16)	-	-11 560
Taxes	-	775
Taxes paid	-	- 335
Items with no effect on cash flow to be extracted from earnings		
Fair value adjustment for investment buildings (+/-)	-8 125	10 962
Fair value adjustment on non-current financial assets/liabilities booked to earnings (+/-)	-94 286	-20 961
Loss of (gain in) value on trade receivables (+/-)	-	96
IFRS 16 correction	270	288
Amortisation / Loss of (gain in) value on property, plant and equipment (+/-)	1 598	1 799
Goodwill impairment	462	421
Adjustments of provisions (+/-)	- 892	- 104
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS	**27 051**	**28 841**
Change in assets items	-4 567	-6 812
Change in liabilities items	11 394	-8 708
CHANGE IN WORKING CAPITAL REQUIREMENTS	**6 827**	**-15 519**
CASH FLOW FROM OPERATING ACTIVITIES	**33 877**	**13 321**
Investments (-) / Disposals (+)		
Investment properties		
Investments	-55 216	-92 493
Disposals	3 097	93 706
Acquisition of the projects Esprit Courbevoie	-4 517	-
Acquisition of the Cubus building	-	-29 973
Other acquisitions (redevelopment projects, stake,...)	-5 272	-
Liquidity program	34	- 465
Other property, plant and equipment and intangible assets	- 621	-3 789
CASH FLOW FROM INVESTMENT ACTIVITIES	**-62 494**	**-33 014**
Financing (+/-)		
Increase (+) / Decrease (-) in financial debts	102 348	33 344
European private bond placements	-55 000	5 000
Increase (+) / Decrease (-) in financial debts IFRS 16	-2 171	-1 400
Hedging instruments and other financial assets	- 19	-1 470
Final dividend previous fiscal year	-15 662	-15 407
CASH FLOW FROM FINANCING ACTIVITIES	**29 496**	**20 067**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**879**	**374**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (6 MONTHS)	**2 902**	**2 813**

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY (IN € THOUSAND)

	Capital	Share premium account	Reserves	Net result of the fiscal year	Equity: group share	Non controlling interests	Total shareholders' equity
EQUITY AS AT 31.12.20	**398 356**	**861 905**	**318 874**	**12 269**	**1 591 404**	**-**	**1 591 404**
Appropriation of the result			12 269	-12 269	-		-
Dividend distributed			-15 407		**-15 407**		**-15 407**
Final dividend of the 2020 fiscal year Befimmo			*-15 407*		***-15 407***		***-15 407***
Other elements - mainly linked to liquidity contract and Performance Plan Stock Units	0		- 171		**- 171**		**- 171**
Profit attributable to non-controlling interests			-1 551		**-1 551**		**-1 551**
Other elements of comprehensive income			2 364		**2 364**		**2 364**
Net result (group share) (6 months)				46 802	**46 802**		**46 802**
EQUITY AS AT 30.06.21	**398 357**	**861 905**	**316 377**	**46 802**	**1 623 441**		**1 623 441**
Interim dividend				-34 054	**-34.054**		**-34 054**
Befimmo 2021 interim dividend				*-34 054*	***-34.054***		***-34 054***
Profit attributable to non-controlling interests			-1 581		**-1.581**		**-1 581**
Other elements - mainly linked to liquidity contract and Performance Plan Stock Units			- 325		**-325**		**- 325**
Other elements of comprehensive income			121		**121**		**121**
Net result (group share) (6 months)				42 568	**42 568**		**42 568**
EQUITY AS AT 31.12.21	**398 357**	**861 905**	**314 592**	**55 316**	**1 630 170**	**-**	**1 630 170**
Appropriation of the result			55 316	-55 316	-		-
Dividend distributed			-15 662		**-15 662**		**-15 662**
Final dividend of the 2021 fiscal year Befimmo			*-15 662*		***-15 662***		***-15 662***
Other elements - mainly linked to liquidity contract and Performance Plan Stock Units			- 766		**- 766**		**- 766**
Profit attributable to non-controlling interests			- 745		**- 745**		**- 745**
Other elements of comprehensive income			- 694		**- 694**		**- 694**
Net result (group share) (6 months)				128 372	**128 372**		**128 372**
EQUITY AS AT 30.06.22	**398 357**	**861 905**	**352 042**	**128 372**	**1 740 676**		**1 740 676**

NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. GENERAL BUSINESS INFORMATION

Befimmo ("the Company", registered with Banque Carrefour des Enterprises under number 0455.835.167) is a Public Regulated Real-Estate Investment Trust under Belgian law (public BE-REIT). It is organised as a "Société Anonyme" (Limited-Liability Company). Its registered office is at Cantersteen 47, 1000 Brussels (Belgium).

The Company closes its fiscal year at 31 December. Befimmo has a 100% direct or indirect interest in its subsidiaries Axento SA (registered with the Luxembourg trade and companies register under number B121993 in the Grand Duchy of Luxembourg), Kubissimmo SàRL (registered with the Luxembourg Trade and Companies Register under number B 251488 in the Grand Duchy of Luxembourg), Befimmo Property Services SA (registered with Banque Carrefour des Entreprises under number 0444.052.241), Fedimmo SA (registered with Banque Carrefour des Entreprises under number 0886.003.839), Meirfree SA (registered with Banque Carrefour des Entreprises under number 0889.229.788), Vitalfree SA (registered with the Banque Carrefour des Entreprises under number 0899.063.306), Zin in Noord SA (registered with the Banque Carrefour des Entreprises under number 0742.736.225), Zin In Noord 2025 SA (registered with the Banque Carrefour des Entreprises under number 0759.620.955) and Loi 52 SA (registered with the Banque Carrefour des Entreprises under number 0712.741.845). Befimmo holds a 91.91% stake in Silversquare Belgium SA (registered with the Banque Carrefour des Entreprises under number 0806.423.356) and indirectly in Silversquare Luxemburg SA. Befimmo holds a stake of 50% in the capital of Sparks Meeting SRL (registered with the Banque Carrefour des Entreprises under number 0784.543.918) since April. Befimmo holds a stake of 12.5% in the capital of Co.Station Belgium SA (registered with the Banque Carrefour des Entreprises under number 0599.786.434). All the Befimmo subsidiaries close their fiscal years at 31 December. The Company and its affiliates constitute hereinafter the Group.
The Company is presenting condensed consolidated financial statements as at 30 June 2022. The Board of Directors of Befimmo SA adopted and authorised the publication of the financial statements on 27 July 2022.

The Group business focuses on office buildings and coworking spaces. The Group aims to create environments where people can work, meet, share and live. The Group is a facilitator of enterprises, entrepreneurs, and their teams. In partnership with the group's 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.

At 30 June 2022, the high-quality portfolio is located in Brussels, the main Belgian towns and cities, and the Grand Duchy of Luxembourg. It comprises 60 office buildings and 9 coworking spaces.

The Company is listed on Euronext Brussels.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted within the European Union. They should be read in conjunction with the consolidated financial statements closed at 31 December 2021 included in the 2021 Annual Financial Report.

The main accounting methods are identical to those used in the 2021 Annual Financial Report (pages 188 to 196), which is available on the Company's website (www.befimmo.be).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND MAIN SOURCES OF UNCERTAINTY REGARDING ESTIMATES

The significant accounting judgments and main sources of uncertainty regarding estimates are identical to those set out in the Annual Financial Report 2021 (page 197) which can be found on the Company's website (www.befimmo.be).

4. SEGMENT INFORMATION

The description of Befimmo's consolidated portfolio is set out in the chapter "Property report".

Befimmo's sectors of activity are the real estate operator activity and the coworking activity.

	Real-estate operator												Coworking		Unallocated amounts / intercompagny eliminations		Total	
	Brussels CBD and similar		Brussels decentralised		Brussels periphery		Wallonia		Flanders		Luxembourg city							
(in thousand €)	30.06.22 (6 months)	30.06.21 (6 months)	30.06.22 (6 months)	30.06.21 (6 months)	30.06.22 (6 months)	30.06.21 (6 months)	30.06.22 (6 months)	30.06.21 (6 months)	30.06.22 (6 months)	30.06.21 (6 months)	30.06.22 (6 months)	30.06.21 (6 months)	30.06.22 (6 months)	30.06.21 (6 months)	30.06.22 (6 months)	30.06.21 (6 months)	30.06.22 (6 months)	30.06.21 (6 months)
INCOME STATEMENT																		
A. Rental income	31 290	28 077	1 734	3 434	3 261	3 404	6 750	5 576	13 513	18 834	3 018	3 254	7 433	4 439	-1 713	-567	**65 284**	**66 450**
B. Property operating result	28 574	23 907	1 536	2 543	2 788	2 662	5 753	4 723	12 193	16 060	2 832	2 691	-380	-809	-3	-7	**53 293**	**51 770**
C. Change in fair value of investment properties	43 758	17 364	-6 474	-433	-1 370	-3 236	-7 348	-9 372	- 20 460	- 13 182	1 547	1 245	- 1 527	- 3 346	-	-	**8 125**	**-10 962**
D. Gains and losses on disposal of buildings	-	4 707	-	-	-	-	-	2 091	-397	-	-	-	-	-	-	-	**-397**	**6 798**
E. SEGMENT RESULT (= B+C+D)	**72 332**	**45 978**	**-4 938**	**2 110**	**1 417**	**-574**	**-1 595**	**-2 557**	**-8 664**	**2 878**	**4 379**	**3 935**	**-1 907**	**-4 155**	**-3**	**-7**	61 022	47 607
Percentage by segment	118.5%	96.6%	-8.1%	4.4%	2.3%	-1.2%	-2.6%	-5.4%	-14.2%	6.0%	7.2%	8.3%	-3.1%	-8.7%	0.0%	0.0%	**100%**	**100%**
F. Corporate overheads															- 15 360	- 12 145	**- 15 360**	**-12 145**
G. Other operating income and charges															- 3 033	- 1 389	**- 3 033**	**- 1 389**
H. Financial result															85 873	11 953	**85 873**	**11 953**
I. Income tax															-875	-775	**-875**	**-775**
NET RESULT (= E+F+G+H+I)																	**127 628**	**45 251**
Net result (group share)																	**128 372**	**46 802**
Non-controlling interests																	**-745**	**-401**
	30.06.22	**31.12.21**	**30.06.22**	**31.12.21**	**30.06.22**	**31.12.21**	**30.06.22**	**31.12.21**	**30.06.22**	**31.12.21**	**30.06.22**	**31.12.21**	**30.06.22**	**31.12.21**	**30.06.22**	**31.12.21**	**30.06.22**	**31.12.21**
BALANCE SHEET																		
Assets																		
Goodwill	2 607	2 607	-	-	-	-	761	761	3 783	4 379	-	-	8 551	8 551	-	-	**15 702**	**16 299**
Investment properties and assets held for sale	1 872 164	1 771 167	64 293	79 249	79 805	80 829	304 047	302 617	403 114	425 146	180 390	178 780	35 004	36 531	-	-	**2 938 817**	**2 874 319**
of which investments and acquisitions during the year	*48 508*	*125 180*	*249*	*1 940*	*346*	*1 377*	*8 779*	*39 016*	*1 788*	*16 924*	*63*	*30 109*	-	-	-	-	***59 732***	***214 546***
Other assets	4 095	4 019	-	-	-	-	867	941	-	-	-	-	-	-	169 111	86 711	**174 073**	**91 671**
TOTAL ASSETS	**1 878 865**	**1 777 793**	**64 293**	**79 249**	**79 805**	**80 829**	**305 676**	**304 319**	**406 897**	**429 525**	**180 390**	**178 780**	**43 555**	**45 082**	**169 111**	**86 711**	**3 128 593**	**2 982 289**
Percentage by segment	60.1%	59.6%	2.1%	2.7%	2.6%	2.7%	9.8%	10.2%	13.0%	14.4%	5.8%	6.0%	1.4%	1.5%	5.4%	2.9%	**100%**	**100%**
TOTAL LIABILITIES															**1 387 916**	**1 352 118**	**1 387 916**	**1 352 118**
TOTAL SHAREHOLDERS' EQUITY															**1 740 676**	**1 630 170**	**1 740 676**	**1 630 170**
Equity attributable to shareholders of the parent company															1 740 676	1 630 170	**1 740 676**	**1 630 170**
Non-controlling interests															-	-	**-**	**-**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY															**3 128 593**	**2 982 289**	**3 128 593**	**2 982 289**

5. FINANCIAL RESULT

The financial result (excluding changes in fair value of financial assets and liabilities) was -€8.4 million in the first half of 2022 as against -€9.0 million in the first half of 2021.

"Financial income" includes mainly the compensation paid by investors on their commercial paper investments issued by Befimmo.

The sub-heading "Nominal interest on loans" slightly increased. An increase in the average debt between the first half of 2022 and the first half of 2021 (due to the important capex program) is compensated by a decrease in the Company's financing reserve (caused by the temporary transition period implied by the takeover bid). The sub-heading "Other interest charges" includes the interest charge on leases, recognised as per IFRS 16, amounting to -€0.7 million over the first six months of 2022 and to -€0.8 million over the first six months of 2021.

The decrease in "Other financial charges" of €0.6 million is mainly explained by a decrease of €0.4 million in the commitment fees mainly caused by the temporary transition period implied by the takeover bid. The financial charge of -€0.5 million in 2021 in the sub-heading "Net capital losses realised on sale of finance lease receivables and similar" relates to the termination of a fixed-rate sale of receivables on the Wiertz building sold in March 2021.

The change in fair value of the financial assets and liabilities is €94.3 million as against €21.0 million in the first six months of 2021.

(in € thousand)		30.06.22 (6 months)	30.06.21 (6 months)
(+)	**XX. Financial income**	**698**	**619**
(+)	Interests and dividends received	580	508
(+)	Fees for finance leases and similar	118	111
(+/-)	**XXI. Net interest charges**	**-7 477**	**-7 401**
(-)	Nominal interest on loans	-3 270	-3 036
(-)	Reconstitution of the face value of financial debts	- 94	- 134
(-)	Other interest charges	- 739	- 847
(+)	Proceeds of authorised hedging instruments	781	1 387
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*781*	*1 387*
(-)	Charges of authorised hedging instruments	-4 155	-4 772
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*-4 155*	*-4 772*
(-)	**XXII. Other financial charges**	**-1 633**	**-2 225**
(-)	Bank charges and other commissions	-1 203	-1 771
(-)	Net losses realised on sale of financial assets	- 1	- 3
(-)	Net capital losses realised on sale of finance lease receivables and similar	-	- 452
(-)	Others	- 430	-
(+/-)	**XXIII. Changes in fair value of financial assets and liabilities**	**94 286**	**20 961**
(+/-)	Authorised hedging instruments	93 885	20 995
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*93 885*	*20 995*
(+/-)	Others	401	- 34
(+/-)	**Financial result**	**85 873**	**11 953**

6. GOODWILL

Befimmo's acquisition of Fedimmo in 2006 generated goodwill from the positive difference between the acquisition cost (including transaction costs) and Befimmo's share of the fair value of the net asset acquired. The method of recording this goodwill is described in the Annual Financial Report 2021 (page 207).

At 30 June 2022, the goodwill was subject to an impairment test, in accordance with the method described in the Annual Financial Report 2021 (page 208). The test results in an impairment of €462 thousand, mainly due to the decrease in the value of buildings located in Flanders.

The consolidation of Silversquare since 1 January 2019 generated goodwill for Befimmo as a result of the difference between the acquisition cost and Befimmo's share in the fair value of the net assets acquired. The method of recording this goodwill is described in the 2021 Annual Financial Report (page 208).

The Company has no indication at 30 June 2022 of any material difference in the valuation of Silversquare below the impaired acquisition cost as at 31 December 2021. Therefore, no impairment has been recorded.

7. INVESTMENT PROPERTIES

(in € thousand)	
Carrying value as at 31.12.2020	**2 761 229**
of which: - Investment properties	2 739 649
Fair value of the portfolio excluding Silversqure	*2 694 479*
Fair value of the Silversquare leases (right of use)	*45 170*
of which: - Assets held for sale	21 581
Acquisitions	55 985
Other investments	158 561
Disposals	- 98 337
Changes in fair value	5 757
IFRS 16 - Silversquare leases (right of use)	- 8 639
Changes in fair value	*- 8 639*
IFRS 16 - rights of use of lands	- 237
Changes in fair value	*- 237*
Carrying value as at 31.12.2021	**2 874 319**
of which: - Investment properties	2 861 185
Fair value of the portfolio excluding Silversqure	*2 824 655*
Fair value of the Silversquare leases (right of use)	*36 531*
of which: - Assets held for sale	13 133
Acquisitions	4 517
Other investments	55 216
Disposals	- 3 359
Changes in fair value	9 707
IFRS 16 - Silversquare leases (right of use)	- 1 527
Changes in fair value	*- 1 527*
IFRS 16 - rights of use of lands	- 55
Changes in fair value	*- 55*
Carrying value as at 30.06.2022	**2 938 817**
of which: - Investment properties	2 930 971
Fair value of the portfolio excluding Silversqure	*2 895 967*
Fair value of the Silversquare leases (right of use)	*35 004*
of which: - Assets held for sale	7 846

During the first half of 2022, the acquisitions relate to construction in progress of the project Esprit Courbevoie located in Wallonia acquired end 2021.

During the fiscal year 2021, Befimmo acquired the Cubus building located in Luxembourg city and the project Esprit Courbevoie located in Wallonia and the project Antwerp Tower located in Flanders.

In the first half of 2022, Befimmo invested €55.2 million in its portfolio, from which €56.5 million in properties constructed or developed for own account in order to be leased. The main investments were in the ZIN project (€47.0 million), Paradis Express project (€4.1 million in the office part), the PLXL project (€1.6 million) and the project Antwerp Tower (€1.4 million).

In 2021, €158.6 million were invested in works in the portfolio from which €138.3 million in properties constructed or developed for own account in order to be leased. The main investments were in the ZIN project (€58.2 million), the Quatuor project (€46.3 million), the Paradis Express project (€28.6 million in the office part), the renovation of the Central building (€15.3 million).

In the first half of 2022, Fedimmo completed the sale of two buildings in Flanders: Torhout Burg and Brugge.

During the fiscal year 2021, Befimmo sold the Wiertz building in the Brussels CBD and the Planet 2 building in the Brussels periphery. Fedimmo sold the residential parts of the Paradis Express. Fedimmo also completed the sale of five buildings in Flanders and one in Wallonie: Bilzen, Deinze, Diksmuide, Lokeren, Tienen and Binche.

The heading "Assets held for sale" includes five buildings in the Fedimmo portfolio located in Flanders and Wallonia.

8. FINANCIAL ASSETS AND LIABILITIES

On a like-for-like basis, and all other things being equal, the Company has covered its financing needs for the next 12 months. The chapter "Financial structure and hedging policy" on page 16 of this Report contains detailed information on the subject.

In order to limit the risks related to changes in interest and exchange rates, the Company buys hedging instruments. At 30 June 2022, the hedging ratio was 83.6%. The following table lists all the hedging instruments owned by the Company at 30 June 2022.

	Level in IFRS	Class in IFRS	Notional amount (millions)	Interest rate	Period of hedge		Reference interest rate
CAP[48] bought	2	Option	50	0,2500%	Jan. 2022	Apr. 2024	Euribor 3 months
CAP bought	2	Option	50	0,2500%	Jan. 2022	Apr. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	1,5670%	Dec. 2017	Sept. 2022	Euribor 3 months
Payer's IRS	2	Forward	15	1,4030%	Jul. 2014	Jan. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0,7200%	Jan. 2016	Jan. 2024	Euribor 3 months
Payer's IRS	2	Forward	15	1,0750%	Sept. 2015	Sept. 2024	Euribor 3 months
Payer's IRS	2	Forward	20	0,8430%	Oct. 2015	Oct. 2024	Euribor 3 months
Payer's IRS	2	Forward	20	0,8100%	Oct. 2015	Oct. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0,7100%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0,8000%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0,6500%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0,6600%	Jan. 2023	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0,7100%	Aug. 2018	Feb. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0,9080%	Oct. 2015	Oct. 2025	Euribor 3 months
Payer's IRS	2	Forward	20	0,8260%	Jan. 2022	Aug. 2032	Euribor 3 months
Payer's IRS	2	Forward	30	1,3375%	May 2022	Feb. 2032	Euribor 3 months
Payer's IRS	2	Forward	25	1,1600%	May 2022	Feb. 2022	Euribor 3 months
Payer's IRS	2	Forward	25	0,9505%	Apr. 2018	Oct. 2027	Euribor 3 months
Payer's IRS	2	Forward	15	0,7650%	May. 2021	Nov. 2031	Euribor 3 months
Payer's IRS	2	Forward	25	0,7850%	July. 2021	Jan. 2032	Euribor 3 months
Payer's IRS	2	Forward	25	1,1020%	Jan. 2025	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	30	1,1429%	Jan. 2025	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1,2470%	Feb. 2025	Feb. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1,2138%	Jan. 2025	Apr. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1,2050%	Dec. 2024	June. 2028	Euribor 3 months
Payer's IRS	2	Forward	50	0,8650%	Dec. 2018	Dec. 2028	Euribor 3 months
Payer's IRS	2	Forward	50	0,6490%	Jan. 2023	Jul. 2029	Euribor 3 months
Payer's IRS	2	Forward	20	0,5350%	Jan. 2022	Jan. 2023	Euribor 3 months
Payer's IRS	2	Forward	30	0,9380%	Jan. 2023	Jan. 2038	Euribor 3 months
Payer's IRS	2	Forward	20	0,7380%	Jan. 2023	Jan. 2038	Euribor 3 months
Payer's IRS	2	Forward	25	0,6975%	Sept. 2019	Jul. 2039	Euribor 3 months
Payer's IRS	2	Forward	25	0,6640%	Jan . 2022	Jan. 2040	Euribor 3 months
Payer's IRS	2	Forward	25	-0,0450%	Jan . 2022	Jan. 2040	Euribor 3 months
Payer's IRS	2	Forward	30	0,5400%	Jan. 2023	Jul. 2040	Euribor 3 months
Payer's IRS	2	Forward	25	0,6065%	Feb. 2025	Feb. 2032	Euribor 3 months
Payer's IRS	2	Forward	25	0,7375%	Jan. 2025	Jan. 2031	Euribor 3 months
Payer's IRS	2	Forward	25	0,4154%	Jan. 2016	July. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0,9080%	Jan . 2022	Jan. 2032	Euribor 3 months
Payer's IRS	2	Forward	55	0,4890%	Apr. 2022	Jan. 2033	Euribor 3 months
Payer's IRS	2	Forward	30	1,4200%	Apr. 2022	Apr. 2032	Euribor 3 months
Receiver's IRS	2	Forward	25	1,2470%	Feb. 2025	Feb. 2028	Euribor 3 months
Receiver's IRS	2	Forward	25	0,4154%	Oct. 2017	July. 2024	Euribor 3 months
Receiver's IRS	2	Forward	20	0,5350%	Jan . 2022	Jan. 2023	Euribor 3 months
Receiver's IRS	2	Forward	65	0,8070%	Mar. 2018	Mar. 2026	Euribor 3 months
Receiver's IRS	2	Forward	30	0,9080%	Apr. 2022	Oct. 2025	Euribor 3 months
Receiver's IRS	2	Forward	25	-0,0450%	Apr. 2022	Jan. 2040	Euribor 3 months

48 The sale of a FLOOR implies a commitment to pay a minimum interest rate.
A FLOOR is sold only at the same time as a CAP is purchased, for the same notional amount and equivalent maturity. The combined purchase of a CAP and sale of a FLOOR is a COLLAR.

FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE

Befimmo does not practice hedge accounting for the financial hedging instruments it holds. These instruments are therefore regarded as trading instruments under IFRS, changes in their fair value are booked therefore directly and entirely to the income statement. Although the instruments in question are considered trading instruments under IFRS, they are intended solely for hedging the risk of rising interest and exchange rates, and not for speculative purposes.

The fair value of hedging instruments is defined using data that are indirectly observable, but which are not prices quoted on an active market. The IRS, and COLLAR contracts therefore belong to level 2 of the fair-value hierarchy, as defined in standard IFRS 13 — Fair Value Measurement.

These contracts are measured at fair value at the balance sheet date and include the credit value adjustment (CVA) and the debit value adjustment (DVA) in accordance with IFRS 13. The CVAs and DVAs of the financial hedging instruments are calculated on the basis of listed bonds or, alternatively, credit default swaps of counterparty banks and listed Befimmo bonds. Befimmo receives this information from an independent specialist company. The Company also verifies it using checks of consistency with the valuations received from counterparty financial institutions (fair value excluding CVAs and DVAs).

The fair values of the various classes of hedging instruments are set out below:

(in € thousand)		Balance sheet item as of 30.06.2022	
Classification by IFRS	**Level in IFRS**	**I.E.b. Assets at fair value through the result**	**I.C. & II.C.Other current and non-current financial liabilities**
Option	2	1 915	-
Forward	2	81 910	-10 940
		83 826	**-10 940**

(in € thousand)		Balance sheet item as of 31.12.2021	
Classification by IFRS	**Level in IFRS**	**I.E.b. Assets at fair value through the result**	**I.C. & II.C.Other current and non-current financial liabilities**
Option	2	260	- 1
Forward	2	6 259	-27 472
		6 520	**-27 473**

The Company does not offset the value of its financial instruments booked to the assets and liabilities in the balance sheet. The financial assets and financial liabilities shown in the financial situation are therefore gross amounts.

FINANCIAL ASSETS AND LIABILITIES CARRIED AT AMORTISED COST

As mentioned under Significant Accounting Policies, as set out in the Annual Financial Report 2021 (pages 193 to 195), the book value of the assets and liabilities approximates to their fair value, except for:

- the financing relating to the sales of receivables from future rents, structured at fixed rates, for a residual total at 30 June 2022 of €22.6 million;
- a bank line for a residual value at 30 June 2022 of €14.4 million;
- various fixed-rate European private placements (EUPP) totalling €367.1 million.

The fixed rates and margins set for these long-term borrowings may no longer correspond to the current market rates and margins, giving rise to a difference between the carrying amount of the liabilities on the face of the balance sheet and their fair values. The table below compares, for information purposes, the carrying amount of the fixed-rate borrowings with their fair value at the end of the first half of 2022.

The fair value of the sales of receivables for future rents/future usufruct fees and for the European private debt placement is estimated by updating the future expected cash flows using the 0-coupon yield curve as at 30 June 2022, plus a margin to take account of the Company's credit risk (level 2).

The fair value of this financing is given in the table below as an indication.

(in € thousand)	Level	Fair value	Book value
EUPP	2	353 610	367 104
Bank line	2	14 075	14 400
Assignment of receivables from future rents	2	23 367	22 625

Auditor's Report

STATUTORY AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF BEFIMMO SA ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AS AT 30 JUNE 2022 AND FOR THE SIX-MONTH PERIOD THEN ENDED

INTRODUCTION

We have reviewed the accompanying condensed consolidated statement of financial position of Befimmo SA and its subsidiaries as at 30 June 2022, the related consolidated condensed statement of comprehensive income, the consolidated condensed cash-flow statement, the consolidated condensed statement of changes in equity, for the six month period then ended and the notes to the consolidated condensed financial statements, collectively, the "Consolidated Condensed Financial Statements".

The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting"

as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2022 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Brussels, 28 July 2022

EY Réviseurs d'Entreprises SRL

Statutory auditor

represented by

Christel Weymeersch*

Partner

* Acting on behalf of a BV/SRL

23CW0018

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Statement

STATEMENT BY PERSONS RESPONSIBLE

Mr Jean-Philip Vroninks, Managing Director, and Mrs Martine Rorif, Chief Operating Officer of the Company, declare for and on behalf of Befimmo SA, that to the best of their knowledge:

a) the intermediary financial statements, prepared in accordance with the applicable accounting standards, give an accurate picture of the assets, financial situation and the results of the Company and the businesses included in the consolidation;
b) the condensed management report contains an accurate account of the development of the business, results and situation of the Company and the businesses included in the consolidation, and a description of the main risks and uncertainties they face.

Risk Factors

LOOM

This chapter covers residual risks identified as potentially affecting the Company. The risks and impacts, which are described, already take into account the measures the Company has taken to anticipate them and mitigate their potential impact. Doing business involves taking risks: it is not possible to eliminate the potential impact of all risks identified, nor of any residual risk that may be borne by the Company and indirectly by its shareholders. The global economic and financial climate and current geopolitical context may accentuate certain risks related to Befimmo's business. This list of risks is based on information known at the time of writing this Report, and reflects only the specific and most material risk factors faced by the Company.

We first present the risks related to the business, thereafter the financial risks, the ESG risks and finally the risks related to regulation. In each category, the risks are ranked in order of importance of the residual risk, according to the probability of their materialisation and the estimated extent of their negative impact on the Company. The list (see table on the right for a summary) is not exhaustive: there may be other risks which are unknown, improbable, non-specific, or unlikely to have an adverse effect on the Company, its business, or its financial situation.

STRATEGIC (S)	PROPERTY PORTFOLIO (P)	FINANCIAL (F)	ESG (E)	REGULATIONS (R)
Evolving ways of working (S1)	Fair value of properties (P1)	Financial liquidity (F1)	Climate change (E1)	Non-compliance of the buildings with the applicable regulations (R1)
Rental vacancy (S2)	Inadequate insurance cover (P2)	Volatility and share price (F2)	Environmental risk (E2)	BE-REIT status (R2)
(Re)development activites (S3)	Deterioration and obsolescence of buildings (P3)	Risk related to changing credit margins (F3)	Social risk (E3)	
Segmental concentration (S4)	Inflation and deflation (P4)	Risk associated with changing interest rates (F4)		
Geographical concentration (S5)		Obligations contained in financing agreements (F5)		
Default of tenants (S6)				

MAIN RISKS RELATED TO STRATEGY

DESCRIPTION OF RISK	POTENTIAL IMPACT
S1. EVOLVING WAYS OF WORKING	
Office space is being used in increasingly flexible and mobile ways. New technology and digitalisation are facilitating the transformation from a static and "sequential" mode of operation to more dynamic business environments. Businesses are looking for pleasant, stimulating and flexible working environments to help attract talent and develop collective intelligence. This risk is accentuated by the pandemic, that accelerated the shift in working patterns (increased homeworking). The coworking business model is still developing. As of 30 June 2022, the portfolio of Befimmo consists of about 100% of office buildings and coworking spaces. The revenues as real-estate operator represent 89% of the rental income and the coworking spaces 11%.	Tenants renting fewer square meters per employee) may lead to a decline in buildings' occupancy rates. See S2 for the impact of an increase in rental vacancy. Conventional office environments no longer meet expectations, which may result in greater investments to make the buildings attractive to the new requirements of the occupants (see S3 and P3). Increased investments to prevent cybersecurity attack.
S2. RISKS RELATED TO RENTAL VACANCY	
Overall, the office property market is currently characterised by higher supply than demand, and by changing types of demand. The Company is exposed to the risks of its tenants leaving or renegotiating their leases: • risk of loss of and/or reduced income	Decline in occupancy rates and a reduction in the operating results of the portfolio. On an annual basis as of 30 June 2022, a 1% fluctuation in the occupancy rate of the Company's portfolio would have an impact of some €1.8 million on its property operating

• risk of negative reversion of rents • risk of pressure on renewal conditions, and to grant rent-free periods • risk of loss of fair value of properties, etc. At 30 June 2022, the weighted average duration of Befimmo's current leases and future signed leases until the next expiry of investment properties was 9.1 years. The occupancy rate of the properties available for lease at 30 June 2022 was 95.2%, compared with 95.5% at 31 December 2021. We refer to the Property report for more information (p. 7).	results, -€0.06 on the net asset value per share, and +0.06% on the debt ratio. Direct costs related to rental vacancies, namely charges and taxes on unlet properties. They are estimated on an annual basis at €2.2 million, equivalent to around 1.7% of total rental income. Higher marketing expenses for properties available for lease. Fall in the fair value of buildings (see P1).
S3. RISKS RELATED TO (RE)DEVELOPMENT ACTIVITIES	
Risk associated with the renovation or (re)construction of buildings. In preparation for a new life cycle, the buildings in the portfolio must undergo a major renovation or be rebuilt. In this context Befimmo is exposed to risks related to: • changes in ways of working and tenants' requirements between obtaining permits and the commercialisation of the building • the choice of service providers (architects, contractors, specialist lawyers, etc.) • possible delays in permit obtention • construction (costs, delays, environmental damage and organisational problems, compliance, etc.), currently accentuated by the continued effect of post pandemic as well as by the effect of the ongoing war in Ukraine. We refer to the Property report for consultation of the main renovation and (re)development projects (p. 9). As of 30 June 2022, the fair value of the buildings concerned by the mentioned projects represents 13% of the total fair value of the portfolio.	Construction and/or operating costs overrunning the budget. Absence of rental income on completion of the works and costs related to the vacancy. Pressure on marketing conditions and for granting rent-free periods. Negative impact on the occupancy rate of the portfolio.
S4. RISKS OF SEGMENTAL CONCENTRATION	
The portfolio is almost entirely composed of office buildings and coworking spaces (with the exception of a few shops on the ground floor of some buildings).	Sensitivity in terms of occupancy (S2) and valuation of the portfolio (P1) to the evolution of the office and coworking property market.
S5. RISKS OF GEOGRAPHICAL CONCENTRATION	
The Axento building in Luxembourg, the AMCA building in Antwerp, the Paradis tower in Liège, the Gateway building at Brussels airport, the WTC Tower 3 in Brussels and the Quatuor and ZIN projects in Brussels, each account at least 5% of the fair value of the portfolio as at 30 June 2022. The portfolio is not very diversified in terms of geography. It consists of office buildings and coworking spaces, mainly located in Brussels and its economic hinterland (58% of the portfolio as at 30 June 2022).	Sensitivity to developments in the Brussels office and coworking property market in terms of valuation (P1) and occupancy (S2) of the portfolio, which is characterised by a significant presence of European institutions and related activities.
S6. RISKS RELATED TO THE DEFAULT OF TENANTS	
Risks related to insolvency of tenants, as well as non-payment of the rent and rental charges. In July 2022, 97.2% of rents due for 2022 were collected.	Loss of rental income; an increase in property charges where rental charges cannot be recovered; unexpected rental vacancies.

We refer to the Property report for an overview of the main tenants (p. 7) and to Note 34A of the Financial Statements for the Credit risk (p.216 - Annual Financial Report 2021) .	

MAIN RISKS RELATED TO THE PROPERTY PORTFOLIO

DESCRIPTION OF RISK	**POTENTIAL IMPACT**
P1. RISK RELATED TO THE FAIR VALUE OF PROPERTIES	
Risk of a negative change in the fair value of the portfolio. Risk of real-estate experts overvaluing or under-valuing properties in relation to their actual market value. This risk is accentuated in market segments where a limited number of transactions provide few points of comparison: this holds true to some extent in the decentralised areas and periphery of Brussels (5.0%[49] of the portfolio), and more generally in the Belgian provincial towns. Risk accrued in case of an increase in rental vacancy (S2). We refer to the Property report for consultation of the conclusions of the real-estate expert coordinator on the way the buildings have been valuated (p. 8).	Impact on the Company's net results, equity, debt[50] and LTV[51] ratios. Impact on the Company's ability to distribute a dividend[52] if the cumulative negative changes in fair value were to exceed the total value of distributable and non-distributable reserves and the distributable portion of share premiums. On the basis of the data as at 30 June 2022, a 1% decline in the value of the property assets would have an impact of around -€29.4 million on net results, entailing a change of around -€1.09 in the net asset value per share, around +€0.43 in the debt ratio, and around +0.42% in the LTV ratio.
P2. RISKS RELATED TO INADEQUATE INSURANCE COVER	
Risk of a major loss affecting Befimmo's buildings with inadequate cover, especially in view of emerging unforeseen events related to climate change (e.g. floods, wildfires, etc.) (E1). We refer to the Annual Financial Report 2021 more information on the insured value (p.38).	Costs of refurbishing the affected building. Fall in operating results of the portfolio and in the fair value of the building (P1) following the termination of the lease on unused premises, and therefore an unexpected rental vacancy (S2).
P3. RISK OF DETERIORATION AND OBSOLESCENCE OF BUILDINGS	
Risk of wear and tear and obsolescence relating to increasingly stringent requirements (legislative, societal or environmental). Befimmo's asset rotation strategy aims to crystallize the value of a property at an optimum point in the asset's life cycle. We refer to the Property report for an overview of the construction year or year of the last renovation per building (p.47 — Annual Report 2021). At 30 June 2022, 89% of Befimmo's consolidated portfolio was covered by "total guarantee" maintenance or omnium agreements[53].	Rental vacancies. (S2) Investments needed for buildings to meet regulatory requirements (R1) and tenants' expectations (S1).
P4. RISK OF INFLATION AND DEFLATION	
Risk of deflation on income, as Befimmo leases contain clauses indexing rents to changes in the Belgian "health index". In line with general practice, 97.7%[54] of the leases in Befimmo's consolidated portfolio contain provisions with a view to mitigating the effects of any negative indexing: • 39.3% provide for a floor on the basic rent	The impact of the adjustment of rents can be estimated at €1.3 million on an annual basis per percentage point change in the health index.

49 Calculated on the basis of the fair value of investment properties at 30 June 2022.
50 The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.
51 Loan-to-value ("LTV") = [(nominal financial debts - cash)/fair value of the portfolio.
52 Please refer to the chapter "Appropriation of results (statutory accounts)" on page 103 of the Annual Financial Report. In addition, we refer to the Financial statements for an overview of the equity that cannot be distributed according to article 7:212 of the Code of Companies and Associations (p. 242).
53 These agreements cover repairs and replacement to the same or identical function of a number of technical equipment (HVAC, electricity, lifts, ...) to maintain the installation in good working order and to ensure that performance is maintained.
54 Based on the gross current rent as at 30 June 2022.

• 58.4% contain a clause that sets the minimum at the level of the last rent paid. • The remaining 2.3% of the leases do not provide for any minimum rent. Risk of the costs the Company has to bear being indexed on a basis that changes faster than the health index.	

MAIN FINANCIAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT
F1. FINANCIAL LIQUIDITY RISK	
Befimmo is exposed to a liquidity risk related to the renewal of its financing as it reaches maturity, or for any additional funding needed to meet its commitments. The Company could also be exposed to this risk if its financing agreements were terminated. As of 30 June 2022, the ratio of debt provided by financing from banking institutions amounted to 73.9% spread over 8 banks (Belfius, BNP Paribas Fortis, ING, KBC, BECM (CM-CIC group), Agricultural Bank of China, Société Générale, ABN Amro), representing €1,040 million of available credit lines. The remainder is provided by a number of private placements in Europe. As of 30 June 2022, the Company had confirmed unused credit lines of €202.9 million including cash. The Company aims to continually anticipate its financing needs (notably for its investments) and keep a defined amount in confirmed unused lines at all times, so as to hedge this risk over a time frame of at least 12 months. The debt ratio (as per the Royal Decree of 13 July 2014) amounts to 44.2% at 30 June 2022 (the statutory limit being 65%) compared to 43.1% as at 31 December 2021. As of 30 June 2022, the weighted average duration of the debt is 3.8 years. All other things being equal, the Company has covered its financing needs for the next 12 months. Post-closing H1 2022, Befimmo SA signed a Bridge Facility negotiated by Alexandrite Monnet Belgian Bidco SA as part of the public offer. Considering this financing, Befimmo has covered its financing needs for the next 18 months. We refer to the Financial report for additional information on the Financial structure (p. 16).	New financing arranged at a higher cost. Sale of assets under unfavorable conditions.
F2. RISK LINKED TO VOLATILITY AND SHARE PRICE	
The Company is exposed to a significant discrepancy between the share price and the Company's net asset value. As of 30 June 2022, the discount of the share price compared to the net asset value is 27%.	More difficult access to new equity may limit development capacity. Adverse impact on the Company's reputation.
F3. RISK RELATED TO CHANGING CREDIT MARGINS	
The Company's financing cost also depends on the credit margins charged by banks and financial markets.	An increase in financial charges and hence an adverse effect on EPRA earnings and net results.

These financing margins change in line with risk appetite in financial markets and with regulations, particularly in the banking sector (the "Basel IV" requirements) and the insurance sector (known as "CRD IV"). They also reflect the perception of the Company's credit risk profile. The graph exposing the maturity dates of the financing can be found on page 16 of this Report. The margins can also be affected by a change in the company's Standard & Poor's rating. On 28 July 2022, Standard & Poor's changed the rating from BBB to BB+/outlook stable for Befimmo's long-term borrowings and B for its short-term borrowings.	In the next year, an amount of €16 million will have to be refinanced. An increase in margins by 10 bps will have an impact of €9.3 thousands. Any downgrade of the rating would make it harder to obtain new financing. A rating reduction will entail additional financing costs. Adverse impact on the Company's standing with investors.
F4. RISK ASSOCIATED WITH CHANGING INTEREST RATES	
Financial charges, the Company's main expense item, are largely influenced by the interest rates prevailing in the financial markets. Total borrowings as at 30 June 2022: • borrowings of €910.4 million (75.4% of total debt) are financed at fixed rates (fixed rates specified in agreements or rates fixed by IRS); • The remainder of the debt, €297.6 million, is financed at floating rates, €100 million of which is hedged against rising interest rates by means of optional instruments (collars[55]). The remaining 16.4% of total borrowings is therefore unhedged. The counterparty banks for the hedging instruments are BECM (CM-CIC group), Belfius, BNP Paribas Fortis, ING, KBC, and NatWest Markets PLC (RBS Group). As at 30 June 2022, the Company's debt ratio is 44.2% and its LTV ratio is 41.5%. A change in interest rates alters the value of the financial assets and liabilities carried at fair value. At 30 June 2022, the net fair value of all the hedging instruments was +€72.9 million.	Increase in financial charges and drop in EPRA earnings and net results. In the context of current interest rates, the practice of some banks to set a 0% floor on Euribor, used as reference in financing contracts, has an adverse impact on financial charges. This practice can also create distortion between the floating rates used in financing contracts and IRS type hedging contracts. Without hedging, the impact of a rise in market rates of 0.25% would entail an increase in financial charges estimated at €1.4 million (annual amount calculated based on the debt structure as 30 June 2022). With the hedging arranged at 30 June 2022, the impact of a rise in market rates of 0.25% would entail an increase in financial charges estimated at -€9.3 thousand (annual amount calculated based on the debt structure as at 30 June 2022. A change in interest rates could also have an impact, with a delayed effect, on valuations of the properties in the portfolio. Had the euro interest rate curve been 0.5% lower than the reference rate curves at 30 June 2022, the change in fair value of the financial assets and liabilities would have been -€24.9 million. In the opposite case, the change in fair value would have been €23.6 million.
F5. RISK RELATED TO OBLIGATIONS CONTAINED IN FINANCING AGREEMENTS	
Risk of financing agreements being cancelled, renegotiated, or terminated early should the Company fail to abide by the covenants (or other obligations) it made when signing those agreements, notably regarding financial ratios. This could also include cross default. Risk of a penalty if agreements are terminated prematurely. When the Company carries out a financing transaction on a foreign market, it is subject to laws and counterparties with which it is less familiar.	A challenge to a financing agreement would expose the Company to having to arrange additional financing at a potentially higher cost, or sell assets under unfavorable conditions

55 Buying a CAP places a ceiling (CAP) on the impact of a rise in interest rates.

MAIN ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

<table>
<tr><th>DESCRIPTION OF RISK</th><th>POTENTIAL IMPACT</th></tr>
<tr><td colspan="2">E1. RISK RELATED TO CLIMATE CHANGE</td></tr>
<tr><td>Physical risk:
• Extreme weather events (e.g., storms, floods, etc.)
• Changes in precipitation patterns and extreme variability in weather patterns (e.g. increased average temperatures, etc.)

Transition risk:
• Increased cost of resources (water, energy) and building materials and techniques (e.g. recourse to geothermal energy, etc.)
• Increasing regulatory requirements and stakeholder expectations regarding sustainability (energy efficiency, cost of carbon, circularity, etc.)

We refer to pages 70-76 of the 2021 Annual Financial Report for a description of the actions undertaken of the Company for combatting climate change.</td><td>Deterioration of buildings (P3) and potential decrease in the value of buildings (P1). Interruption or slowing down of construction sites (S3).

Obsolescence of buildings (P3) and potential decrease in the value of buildings (P1). Additional investments and costs which entail higher costs for the Company in ongoing projects. Additional requirements to access financing (F1).</td></tr>
<tr><td colspan="2">E2. ENVIRONMENTAL RISK</td></tr>
<tr><td>During construction sites, there is a risk of water and soil pollution linked to the presence of hydrocarbons, chemicals, etc.

There is also a risk of air pollution due to dust emissions, fine particles, etc.

Redevelopment projects may impact biodiversity due to the loss of vegetation as a result of soil sealing. We refer to the Sustainability report for a description of the actions undertaken of the Company to reduce pollution and pressure on biodiversity (2021 Annual Financial Report p. 79-80).</td><td>Negative impact on the Company's reputation and risk of litigation.

Loss of recognitions (certifications, etc.).</td></tr>
<tr><td colspan="2">E3. SOCIAL RISK</td></tr>
<tr><td>Despite the policies and procedures (e.g. charter, code of ethics, code of conduct for suppliers, etc.) it has put in place, Befimmo cannot totally exclude the risk that its counterparties may not fully comply with Befimmo's ethical standards.

Risk linked to the health, safety and well-being of the team.

We refer to the Corporate Governance Statement (2021 Annual Financial Report p. 129) and to the chapter “Taking care of our team” (2021 Annual Financial Report p. 85) for additional information.</td><td>Negative impact on the Company’s reputation</td></tr>
</table>

MAIN RISKS RELATED TO REGULATIONS

DESCRIPTION OF RISK	POTENTIAL IMPACT
R1. RISKS RELATED TO NON-COMPLIANCE OF THE BUILDINGS WITH THE APPLICABLE REGULATIONS	
The Company runs the risk that one or more of its properties does not immediately meet all the applicable new standards and regulations.	Additional investments which entail higher costs for the Company and/or delays in ongoing projects (renovations, etc.). Fall in the fair value of a building (P1). The Company could be liable for non-compliance (e.g. in case of fire for failing to comply with safety standards). An adverse impact on the Company's reputation, business and results.
R2. RISKS RELATED TO BE-REIT STATUS	
Risk of non-compliance with the BE-REIT[56] regime. Risk of future adverse changes to that regime becoming less attractive to investors.	Loss of approval for BE-REIT status, and no longer qualifying for the transparent tax regime applicable to BE-REITs. Adverse tax consequences of the exit of the BE-REIT status. Early repayment by acceleration of payment of loans taken out by the Company. Any future adverse changes in the BE-REIT regime could lead to a decline in results or net asset value, increase the debt ratio (e.g. by applying new accounting rules), reduce the maximum debt ratio, or affect how a BE-REIT must distribute dividends to shareholders.

56 But this does not apply to its subsidiaries which are not institutional BE-REITs.

Company profile

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Befimmo is a real-estate investor, operator and developer and a Belgian Real-Estate Investment Trust (SIR-GVV). Focused on offices and mixed-use buildings and coworking spaces, our high-quality and performant portfolio is located in growing BeLux city centres. Befimmo aims to create, manage and build thriving work & life environments and animate communities for a sustainable future.

Our ambition is to create and operate high-quality, mixed-use projects in growing economic, academic and research hubs in BeLux. Our in-house coworking partner Silversquare and our partnership with Sparks will allow us to deliver tailor-made coworking spaces and meeting venues.

We want to accompany our clients throughout their real estate journey, offering them an ultimate experience, as a one-stop-shop they can entrust with all their needs and expectations in terms of work and living space. Befimmo's value creation priority is about offering integrated hybrid, sustainable work & life solutions answering to the major trends shaping the world of tomorrow.

ESG criteria have become a natural extension to this strategy and drives us towards innovation. Its portfolio is worth about €2.9 billion and comprises 60 offices and mixed-use buildings and 9 coworking spaces (as at 30 June 2022).

Appendices

APPENDIX 1: CONCLUSION OF THE REAL-ESTATE EXPERT COORDINATOR

Conclusions of the real-estate expert coordinator

Befimmo
To the Board of Directors Befimmo SA
Cantersteen 47
1000 Brussels

Dear Mesdames,
Dear Sirs,

Re : Valuation of the real-estate portfolio of Befimmo as at 30th June 2022.

Context

In accordance with Chapter III, Section F of the law of 12th of May 2014 on B-REITs, Befimmo has instructed an independent valuer to provide an opinion of value for its portfolio as at 30th June 2022. We have been mandated to value part of the Befimmo and Fedimmo portfolios while Cushman and Wakefield and CBRE valuation Services have been mandated to value other parts of the Befimmo and Fedimmo portfolios.

The part valued by Jones Lang LaSalle is principally the single let part in Brussels as well as development projects. Furthermore, we have consolidated the results of the valuation of which the main conclusions are listed hereunder. We are also responsible for determining the fair value of the right of use arising from leases under which Befimmo and/or Silversquare have obligations in their capacity as lessee. This request arises from the publication by the International Accounting Standards Board (IASB) of IFRS 16, effective for annual reporting periods beginning on or after 1 January 2019, which requires the lessee to recognise in the balance sheet a right-of-use asset and lease liability representing its obligation to make lease payments. This fair value, as defined in IFRS 16, is obtained by updating rent flows remaining until the end of the agreement, taking account of gratuities, benefits and other adjustments. As at 30th June 2022, the cumulative fair value of the right-of-use asset amounts to €35,004,249. The fair value of the right of use of land amounts to €1,794,086.

Jones Lang LaSalle has been active in Belgium since 1965 and has a long track record in valuing professional real estate. Cushman & Wakefield also indicate that they benefit from sufficient knowledge of the property markets in which Befimmo and Fedimmo are active, as well as the required professional qualifications and recognition to fulfil this assignment. The mission of the valuers has been carried out in full independence.

Consistently with market practice, our mission has been carried out on the basis of information provided by Befimmo, in particular relating to tenancy situation, costs and taxes borne by the landlord, works to be carried out, as well as any other element which could have an influence on the assets' value. We have assumed this information to be correct and complete. As specifically mentioned in our reports, our valuation does not constitute in any way a quality or technical survey of the properties, nor an analysis of the possible presence of deleterious materials. These elements are well known by Befimmo, which carries out a technical and legal due diligence prior to the acquisition of each property.

Opinion

The investment value is defined as the most likely value that could reasonably be obtained on the date of valuation in normal sales conditions between willing and well-informed parties before deduction of transaction costs.

As our principal valuation method, we have adopted a static capitalisation approach and also carried out a simple "sanity check" in terms of price per square meter.

The static capitalisation is carried out in the form of a "Term and Reversion" valuation, with the current income based on contractual rents capitalised until the end of the current contract, and the ERV capitalised in perpetuity and brought to a net present value. It should be noted that this method
of valuation applies a multiplier to the current and future expected rent that is based on analysis of sales of comparable properties in the market. The multiplier depends on the yield that investors require when acquiring in this market. The yield reflects the risks intrinsic to the sector (future voids, credit risk, maintenance obligations, etc.). Where there are unusual factors specific to the property, then an explicit correction is made either, for example:

- Non-recovered charges or taxes in a market where recovery from the tenant is usual;
- Renovation work or deferred repairs necessary at the date of valuation in order to continue to receive the rent;
- Unusual outgoing costs.

It is important to understand the distinction between this "capitalisation" approach and the discounted cash flow method where future growth and inflation are explicit. This difference is why discount rates in a discounted cash flow valuation are higher than yields in a static capitalisation approach.

The yields used are based on the valuer's judgement in comparison with evidence of comparable sales. Factors in the market that determine yield are numerous, and different factors are of importance to different buyers. The following criteria are often taken into account : the quality of the tenant and duration of the lease, the location, the state of repair, the age and the architectural quality of the building and also the efficiency of the building (gross to net ratio/parking ratio).

Ultimately it is supply and demand in the investment market that determines the price. For the financial accounting of a B-REIT and in accordance with the IAS/IFRS norms it is common practice to use the fair value. Following a press release of the Belgian Association of Asset Managers (BEAMA), dated 8 February 2006 and as confirmed in the press release of the BE-REIT Association dated 10 November 2016, the fair value can be obtained by subtracting 2.5% transaction costs from properties with an investment value of more than € 2,500,000. For properties with an investment value under € 2,500,000 registration duties of 10% or 12.5% should be subtracted, depending on the region where they are situated.

In the light of all comments mentioned above, we confirm that the investment value of the consolidated Befimmo property portfolio as at 30tH June 2022 amounts to a total of

€ 2,975,493,076
(Two billion nine hundred seventy five million four hundred ninety three thousand seventy six Euros)

this amount includes the valuation of the buildings which have been carried out by Cushman & Wakefield and CBRE Valuation Services.

The most likely sale value corresponding to the fair value of the consolidated Befimmo property portfolio as at 30TH June 2022 amounts to a total of

€ 2,902,048,370

(Two billion nine hundred two million forty eight thousand three hundred and seventy Euros);

this amount includes the valuation of the buildings which have been carried out by Cushman & Wakefield and CBRE Valuation Services .

On this basis, the initial yield of the portfolio with properties available for lease stood at 4.90%. Should the vacant accommodation be fully let at estimated rental value, the initial yield is 5.26% for the same portfolio.

The occupation rate of the portfolio with properties available for lease is 95,18%.

The property portfolio comprises:

Offices	**Fair Value (€ million)**	**%**
Properties available for lease	*2 531.3*	*87.2%*
Brussels CBD and similar	1 544.9	53.2%
Brussels decentralised	64.3	2.2%
Brussels periphery	79.8	2.8%
Wallonia	289.0	10.0%
Flanders	372.9	12.9%
Luxembourg city	180.4	6.2%
Properties that are being constructed or developed for own account in order to be leased	*362.9*	*12.5%*
Properties held for sale	*7.8*	*0.3%*
Total buildings	*2 902.0*	**100.0%**
Right of use of leased offices (IFRS 16)	35.0	
Right of use of land (IFRS 16)*	1.8	
Total of investment property	**36.8**	
Total	**2 938.8**	

*A debt related to these rights of use has been recognized in the balance sheet liabilities.
Yours sincerely,
Brussels, 7th July 2022

R.P. Scrivener FRICS
Co-Head Valuation Advisory Belux
On behalf of Jones Lang LaSalle

APPENDIX 2: GLOSSARY OF THE REAL-ESTATE INDICATORS

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

Gross initial yield on properties available for lease
The ratio between the gross current rent from lease agreements and the “deed-in-hands” value of properties available for lease.

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

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

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

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

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

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

APPENDIX 3: ALTERNATIVE PERFORMANCE MEASURES

Real-estate operator activity

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.
Operating margin	'Operating result before result on portfolio' divided by 'net rental result'.	Used to assess the Company's operating performance.
Financial result (excluding changes in fair value of financial assets and liabilities and close-out costs)	'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 and share in the profit or loss of investments	'Net result' minus heading XVIII 'Changes in fair value of investment property' and heading XXIII 'Changes in fair value of financial assets and liabilities' and heading 'Changes in the share in the profit or loss of investments accounted for using the equity method'.	Used to identify the net result before changes in the fair value of investment property and of the financial assets and liabilities.
"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.
Corporate taxes (excl. deferred taxes)	Heading XXV "Corporate taxes" minus the recorded deferred tax.	Gives an overview of effective incurred and due taxes.

RECONCILIATION TABLES OF THE "ALTERNATIVE PERFORMANCE MEASURES"

Net rental result « like-for-like »

(in thousand €)	30.06.2022	30.06.2021	Evolution
Net rental result (A)	60 218	62 653	
Net rental result linked to changes in perimeter (B)	564	5 803	
Net rental result on properties not available for lease (C)	4 796	4 127	
Non-recurring element to extract from the "Like-for-Like" (D)	646	- 52	
Net rental result in "Like-for-Like" (A-B-C-D)	**54 212**	**52 775**	**+2.7%**

Net results before changes in fair value of investment properties and financial assets and liabilities and share in the profit or loss of investments

(in thousand €)	30.06.2022	30.06.2021
Net result (A)[57]	130 788	51 615
XVIII. Changes in fair value of investment properties (B)	9 652	-7 615
XXIII. Changes in fair value of financial assets and liabilities (C)	94 286	20 961
Changes in the share in the profit or loss of investments accounted for using the equity method (D)	-4 232	-4 856
Net result before changes in fair value of investment properties and financial assets and liabilities and share in the profit or loss of investments (A-B-C-D)	**31 082**	**43 126**

57 The net result on 30 June 2021 en on 30 June 2022 is restated, excluding the share in the profit or loss of investments booked using the equity method.

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

(in thousand €)	30.06.2022	30.06.2021
Financial result (A)	86 713	12 743
XXIII. Changes in fair value of financial assets and liabilities (B)	94 286	20 961
Close out costs (C)	- 430	- 455
Financial result (excl. the changes in fair value of the financial assets and liabilities and close out costs) (A-B-C)	**-7 143**	**-7 763**

Operating margin

(in thousand €)	30.06.2022	30.06.2021 (restated)	30.06.2021
Net rental result	60 218	62 653	62 653
Net property charges	-6 541	-10 067	-10 067
Corporate overheads - excl. non-recurring items	-8 506	-10 582	-10 582
Other operating income & charges	-	-	-1 545
Operating result before result on portfolio (A)	45 171	42 004	40 459
Net rental result (B)	60 218	62 653	62 653
Operating margin (A/B)	**75.0%**	**67.0%**	**64.6%**

Net property charges

(in thousand €)	30.06.2022	30.06.2021
IV. Recovery of property charges	3 817	9 158
V. Recovery of rental charges and taxes normally paid by tenants on let properties	21 193	19 718
VII. Rental charges and taxes normally paid by tenants on let properties	-21 849	-20 100
VIII. Other revenue and charges for letting	394	4
IX. Technical costs	-4 394	-11 568
X. Commercial costs	- 242	- 600
XI. Charges and taxes on unlet properties	-1 279	-1 843
XII. Property management costs	-1 817	-1 801
XIII. Other property charges	-2 365	-3 034
Net property charges	**-6 541**	**-10 067**

Corporate taxes (excl. deferred taxes)

(in thousand €)	30.06.2022	30.06.2021
XXV. Corporate taxes (A)	- 874	- 769
Deferred taxes	- 159	- 31
Corporate taxes (excl. Deferred taxes) (A-B)	**- 715**	**- 738**

Corporate overheads (excl. non-recurring items)

(in thousand €)	30.06.2022	30.06.2021
XIV. Corporate overheads (A)	-13 868	-10 582
Non-recurring items	-5 363	-
Corporate overheads (excl. non-recurring items) (A-B)	**-8 506**	**-10 582**

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)	'Financial result' minus heading XXIII 'Changes in fair value of financial assets and liabilities'.	Used to measure the profitability over 12 months (in €/share) of a shareholder's investment on the basis of the value of shareholders' equity.
Total return on shareholders' equity (in %)	The return obtained by an investor over a 12-month period ending at the close of the period, assuming the reinvestment of dividends and participation in operations to strengthen the Company's capital. The calculation is based on the average number of shares not held by the group over a 12-month period.	Used to measure the profitability over 12 months (in €/share) of a shareholder's investment on the basis of the value of shareholders' equity.

RECONCILIATION TABLES OF THE "ALTERNATIVE PERFORMANCE MEASURES"

Loan-to-value

(in thousand €)	30.06.2022	31.12.2021
Nominal financial debts (A)	1 208 035	1 161 297
II. F. Cash and cash equivalents (B)	2 902	2 022
I. C. Investment properties (D)	2 894 173	2 822 806
II. A. Assets held for sale (E)	7 846	13 133
Fair value of portfolio at the closing date (C = D+E)	**2 902 019**	**2 835 939**
Loan-to-value (A-B)/C	**41.5%**	**40.9%**

Average (annualised) financing cost

(in thousand €)	30.06.2022	31.12.2021
Interest paid	9 641	19 416
Annualised interest paid (A)	19 282	19 416
Annualised nominal financial debts (B)	1 183 021	1 058 729
Average (annualised) financing cost (A/B)	**1.6%**	**1.8%**

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

	30.06.2022	30.06.2021
Return on shareholders' equity (in € per share)	6,22	3,01
Return on shareholders' equity (in %)	10.5%	5.2%

Corporate overheads (excl. non-recurring items)

(in thousand €)	30.06.2022	30.06.2021
XIV. Corporate overheads (A)	-15 360	-12 145
Non-recurring items	-5 363	-
Corporate overheads (excl. non-recurring items) (A-B)	**-9 997**	**-12 145**

APPENDIX 4: TABLES OF THE EPRA INDICATORS

EPRA indicators – consolidated

EPRA earnings

(in € thousand)	30.06.2022	30.06.2021 (restated)[58]	30.06.2021
Net result IFRS (group share)	**128 372**	**46 802**	**46 802**
Net result IFRS (in € per share) (group share)	**4.75**	**1.73**	**1.73**
Adjustments to calculate EPRA earnings	- 92 176	- 16 311	- 16 311
To exclude:			
I. Changes in fair value of investment properties and properties held for sale	- 6 872	12 041	12 041
II. Result on disposals of investment properties	397	- 6 798	- 6 798
V. Negative goodwill/goodwill impairment	462	421	421
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 93 856	- 20 506	- 20 506
VIII. Deferred tax in respect of EPRA adjustments	159	31	31
X. Adjustments in respect of minority interests	- 400	- 1 041	- 1 079
XI. Recurring compensation for the effect of spreading rental gratuities granted	2 571	968	-
XII. Corporate overheads - non-recurring items	5 363	-	-
EPRA earnings (group share)	**36 196**	**31 919**	**30 913**
EPRA earnings (in € per share) (group share)	**1.34**	**1.18**	**1.14**

EPRA NRV, NTA & NDV

	30.06.2022			31.12.2021		
	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
IFRS Equity attributable to shareholders	**1 740 676**	**1 740 676**	**1 740 676**	**1 630 170**	**1 630 170**	**1 630 170**
To include:						
Revaluation of tenant leases held as finance leases	17	17	17	41	41	41
Diluted NAV at fair value	**1 740 694**	**1 740 694**	**1 740 694**	**1 630 212**	**1 630 212**	**1 630 212**
To exclude:						
Fair value of financial instruments	- 72 885	- 72 885		20 953	20 953	
Deferred tax in relation to fair value gains of investment property	1 284	642		1 125	562	
Goodwill as per IFRS balance sheet		- 15 702	- 15 702		- 16 299	- 16 299
Intangibles as per IFRS balance sheet		- 4 933			- 6 176	
To include:						
Fair value of fixed interest rate debt[59]			23 045			- 6 067
Real-estate transfer tax	73 474	-		71 542	-	
NAV	**1 742 566**	**1 647 815**	**1 748 036**	**1 723 832**	**1 629 253**	**1 607 846**
NAV (€/share)	**64.53**	**61.02**	**64.73**	**63.82**	**60.32**	**59.53**

58 Since the 31st of December 2021, the recurring compensation for the effect of spreading rental gratuities granted and the Goodwill impairment are booked under the heading "Other result on portfolio" and not anymore under the heading "Other operating income & charges". The figures of 30 June 2021 were therefore adapted. 'The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation. The figures of 30 June 2021 were therefore adapted.
59 Excl. IFRS 16.

EPRA INDICATORS — REAL-ESTATE OPERATOR BUSINESS

EPRA earnings

(in € thousand)	31.03.2022	30.06.2021 (restated)[60]	30.06.2021
Net result IFRS[61]	**130 788**	**51 615**	**51 615**
Net result IFRS (in € per share)	**4.84**	**1.91**	**1.91**
Adjustments to calculate EPRA earnings	- 93 475	- 18 113	- 19 236
To exclude:			
I. Changes in fair value of investment properties and properties held for sale	- 9 652	7 615	7 615
II. Result on disposals of investment properties	397	- 6 798	- 6 798
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 93 856	- 20 506	- 20 506
VIII. Deferred tax in respect of EPRA adjustments	159	31	31
XI. Recurring compensation for the effect of spreading rental gratuities granted	3 653	1 124	-
XII. Corporate overheads (exceptional elements)	5 363	-	-
EPRA earnings	**37 313**	**33 503**	**32 379**
EPRA earnings (in € per share)	**1.38**	**1.24**	**1.20**

EPRA Vacancy rate

(in € thousand)	30.06.2022	31.12.2021
Estimated rental value (ERV) on vacant space (A)	6 249	5 565
Estimated rental value (ERV) (VLE) (B)	129 544	124 684
EPRA Vacancy rate of properties available for lease (A)/(B)	**4.8%**	**4.5%**

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

(€ thousand)	30.06.2022	31.12.2021
Investment properties and properties held for sale	2 902 019	2 835 939
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	- 362 885	- 390 695
Properties held for sale	- 7 846	- 13 133
Properties available for lease	2 531 288	2 432 111
To include:		
Allowance for estimated purchasers' cost	63 695	60 866
Investment value of properties available for lease (B)	**2 594 983**	**2 492 977**
Annualised cash passing rental income	115 184	111 659
To exclude:		
Property charges[62]	- 4 678	- 6 321
Annualised net rents (A)	**110 506**	**105 339**
To include:		
- Notional rent expiration of rent free periods or other lease incentives	12 287	7 202
Topped-up annualised net rents (C)	**122 794**	**112 540**
EPRA Net Initial Yield (A/B)	**4.3%**	**4.2%**
EPRA Topped-up Net Initial Yield (C/B)	**4.7%**	**4.5%**

60 Since the 31st of December 2021, the recurring compensation for the effect of spreading rental gratuities granted and the Goodwill impairment are booked under the heading "Other result on portfolio" and not anymore under the heading "Other operating income & charges". The figures of 30 June 2021 were therefore adapted. The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation.
61 The net result on 30 June 2021 and 30 June 2022 is restated, excluding the share in the profit or loss of investments booked using the equity method.
62 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)	30.06.2022	30.06.2021 (restated)	30.06.2021
Net administrative and operating expenses in the income statement	**-14 393**	**-20 575**	**-20 575**
III. (+/-) Rental charges	654	74	74
Net property charges	-6 541	-10 067	-10 067
XIV. (-) Corporate overheads - excl. non-recurring items[63]	-8 506	-10 582	-10 582
XV. (+/-) Other operating income and charges	-	-	-1 545
Exclude:			
i. Impact of the spreading of gratuities	-	-	1 124
ii. Negative goodwill/goodwill impairment	-	-	421
EPRA costs (including direct vacancy costs) (A)	**-14 393**	**-20 575**	**-20 575**
XI. (-) Charges and taxes on unlet properties	1 279	1 843	1 843
EPRA costs (excluding direct vacancy costs) (B)	**-13 114**	**-18 732**	**-18 732**
I. (+) Rental income	59 564	62 578	62 578
Gross rental income (C)	**59 564**	**62 578**	**62 578**
EPRA cost ratio (including direct vacancy costs) (A/C)[63]	**24.2%**	**32.9%**	**32.9%**
EPRA cost ratio (excluding direct vacancy costs) (B/C)[63]	**22.0%**	**29.9%**	**29.9%**

63 This is an Alternative Performance Measure.

EPRA like-for-like net rental growth

Segment			30.06.2022						30.06.2021				Evolution
(in € thousand)	**Properties owned throughout 2 consecutive years**	**Acquisitions**	**Disposals**	**Properties held for sale**	**Properties that are being constructed or developed[64]**	**Total net rental income[65]**	**Properties owned throughout 2 consecutive years**	**Acquisitions**	**Disposals**	**Properties held for sale**	**Properties that are being constructed or developed[64]**	**Total net rental income[65]**	**Properties owned throughout 2 consecutive years**
Brussels CBD and similar	26 855				3 571	30 427	25 650		881		81	26 612	4.7%
Brussels decentralised	1 390				60	1 450	1 205				1 578	2 783	15.4%
Brussels periphery	2 916					2 916	2 519		256			2 775	15.8%
Wallonia	5 582			-65	1 253	6 770	5 126		-32	125	-45	5 174	8.9%
Flanders	13 070		-1	-290	2	12 781	11 752		10	-51	- 32	11 679	11.2%
Luxembourg city	2 422	357				2 779	2 498	620				3 118	-3.0%
Total	**52 235**	**357**	**-1**	**-355**	**4 886**	**57 122**	**48 749**	**620**	**1 116**	**73**	**1 583**	**52 142**	**7.2%**
Reconciliation to the consolidated IFRS income statement													
Net rental income related to:													
- Properties booked as financial leases (IFRS 16)						-7						- 11	
- Non recurring element						688						5 239	
Other property charges						**- 4 127**						**- 4 784**	
Property operating result in the consolidated IFRS income statement						**53 676**						**52 586**	

64 These are properties that are being constructed or developed for own account in order to be leased.
65 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.

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