

# Annual Financial Results 2021

→ REGULATED INFORMATION



17 FEBRUARY 2022 | 5.40 PM

# Robust 2021 results, enabling the acceleration of Befimmo's strategic transformation as of 2022

## 2021 full year results

- > Consolidated EPRA earnings of €2.30 per share (group share) as per new way of calculating<sup>1</sup> (compared to €2.87 per share for 2020, on a restated basis). Consolidated net result of €3.31 per share (group share, up 55% versus 2020).
  - > Focused (re)development portfolio management. Delivery of Quatuor (>25% development margin) decreased pipeline to 13.8% of total portfolio value. Proactive occupancy risk management with office part 97% pre-let.
  - > Successful asset rotation strategy. Acquisition of 3 core assets for a total amount of €72 million and disposals of €115 million in full year 2021.
  - > Strong resilience seen in the coworking activity with turnover increase of 26% compared to 2020.
  - > Solid financial structure. Managed LTV ratio (40.9%) and low average financing cost of 1.8% (down 20bp). Net asset value growth of 2.5% year-on-year at €60.35 per share.
  - > Total dividend 2021 fiscal year confirmed at €1.84 gross per share, in line with the Group's dividend policy
- EPRA earnings outlook of approximately €2.40 to €2.45 per group share<sup>1</sup> for the 2022 fiscal year.

Jean-Philip Vroninks, CEO of Befimmo, commented:

*"2021 has been a robust year for Befimmo despite the continuing challenges caused by the pandemic. Over the course of the year we have witnessed strong letting activity, active asset management and positive resilience for our coworking segment all of which underline our strong portfolio fundamentals. We have also refocused our attention to accelerating our transformation initiatives in order to better cater to the evolving needs of our clients as we progress towards our goal of developing workspace-as-a-service.*

*Looking ahead, our priority is to accelerate our transformational activities whilst remaining committed to our digitalization and sustainability agenda. I am confident in our execution capacity and look forward to delivering value to all our stakeholders."*

## Capital Markets Day: announcing Befimmo's new strategic journey

- > 2022 is a turning point with the launch of a transformation plan focused on 6 objectives to maximise growth opportunities in a changing operational environment
- 6 strategic objectives centered around:
- **Activity based operating model**
  - **Sector diversification**
  - **Adjusting our footprint**
  - **Portfolio management**
  - **Client Centric Organisation**
  - **Disciplined Financial Management**
- > Repositioning Befimmo to cover the full real estate value chain (Investor, Operator & Developer)
  - > Capital Markets Day scheduled on 10 March 2022

---

<sup>1</sup> Restated. For more information, please refer to page 11 of this press release.

## TABLE OF CONTENTS

2021 Highlights .....	3
Property Report.....	4
Financial Report.....	11
ESG Performance .....	18
Share price.....	20
Dividend for the 2021 fiscal year.....	21
2022 Calendar.....	21
Capital Markets Day.....	22
Outlook and dividend forecast .....	23
APPENDIX 1.....	26
APPENDIX 2: “Alternative Performance Measures” .....	28
APPENDIX 3: Tables of the EPRA indicators .....	31
APPENDIX 4: Real-estate indicators .....	35

### **The Board of Directors met on 16 February 2022 to prepare the annual financial statements as at 31 December 2021.**

#### Consolidation basis:

The Befimmo businesses are presented in this press release by business sector (real-estate operator and coworking). The results presented in € per share are calculated based on the average number of shares not held by the group as at 31 December 2021. It stands at 27,027,104 shares.

#### Real-estate and financial indicators:

The definitions of Befimmo’s real-estate indicators are described in Appendix 4 to this press release. They are identified in a footnote the first time they occur. Befimmo has fully committed to standardising its financial and social-responsibility reporting - with a view to improving the quality and comparability of the information - by adopting the EPRA reporting guidelines.

#### Alternative Performance Measures:

The Alternative Performance Measures (APM) guidelines of the European Securities Markets Authority (ESMA) have been applicable since 3 July 2016. The APMs used in this 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 2 and Appendix 3 to this press release and are published on Befimmo’s website ([www.befimmo.be](http://www.befimmo.be)).

# 2021 Highlights

## Strong portfolio fundamentals

OCCUPANCY RATE

**95.5%**

LETTING ACTIVITY

**±69 000 m<sup>2</sup>**

DURATION OF LEASES

**8.8 yrs**

Focused (re)development  
portfolio management

**>25%**

QUATUOR DEVELOPMENT MARGIN

**↘13.8%**

PIPELINE WEIGHT

**97%**

PRE-LET (OFFICE PART)

Successful asset rotation

**€72 MILLION**

ACQUISITIONS (3 CORE ASSETS)

**€115 MILLION**

DISPOSALS

Strong resilience  
of coworking activity

**8<sup>TH</sup>** COWORKING CENTRE  
OPENED IN 2021

**3** OPENINGS PLANNED  
IN THE NEXT 6 MONTHS

**51 800 m<sup>2</sup>**

BY END 2022

**+26%**

TURNOVER Y-O-Y

### ESG

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

## Financials

**€2.30**

CONSOLIDATED  
EPRA EARNINGS  
PER SHARE\*

**€3.31**

CONSOLIDATED  
NET RESULT  
PER SHARE

**40.9%**

LTV RATIO

**1.8%**

AVERAGE FINANCING COST  
(down 20 bp y-o-y)

**€60.35**

NAV  
(2.5 growth y-o-y)

**€1.84**

PER GROUP SHARE

TOTAL  
DIVIDEND  
2021

**€2.40-€2.45**

PER GROUP SHARE

EPRA EARNINGS  
OUTLOOK  
2022

CAPITAL MARKETS DAY: **10 MARCH 2022**

\*Based on new calculation method

# Property Report

## Real estate operator activity

### OFFICE MARKET

**Brussels:** Take-up of 438,000 m<sup>2</sup> (increase of 66% year-on-year), dominated by corporates (68%). Prime yields recorded a further compression to 3.60%. Overall vacancy rate increased slightly to 7.65% (from 7.2%) while it remained low for the CBD at 4%. Limited construction pipeline for 2022 and 2023 at 330,000 m<sup>2</sup>, with high degree of prelet (70%)

**Luxembourg:** One of the most active years for the occupational market (377,000 m<sup>2</sup> of take-up). Prime yields remained stable at 3.4%. Overall vacancy rate remained low at 4.1%. In the CBD it even decreased below 2%. Limited construction pipeline for 2022 and 2023 at 347,000 m<sup>2</sup>, with high degree of prelet (42%)

### LETTING ACTIVITY

- > More than **69,000 m<sup>2</sup>** let
- > Approximately **50%** new lettings & **50%** reletting (in m<sup>2</sup>)
- > **54** transactions

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

The increase in like-for-like net rental result of 0.9% was offset by an increase in real estate charges resulting in a decrease in EPRA “like-for-like net rental growth” of -1.3%, mainly explained by:

- > Necessary improvement and renovation work realised in 2021
- > Agency commissions for the re-letting of empty spaces;
- > Costs related to empty space especially in the Quatuor and Goemaere building
- > One-off income recorded in 2020

### OCCUPANCY RATE (OF PROPERTIES AVAILABLE FOR LEASE)<sup>2</sup>

	31.12.2021	31.12.2020
“Spot” occupancy rate (excluding future signed leases) <sup>3</sup>	90.1%	95.2%
Occupancy rate (including future signed leases)	95.5%	97.1%
EPRA Vacancy Rate <sup>4</sup>	4.5%	2.9%

The decrease in occupancy rate is linked to Quatuor moving to the category “properties available for lease”.

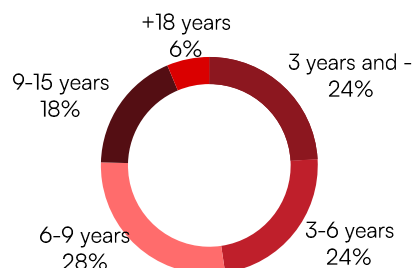
### COLLECTION AND DEFERRAL OF RENTS

- > **98.7% collected rents** for 2021 (at 10.02.2022, in line with previous years)
- > **€0.4 million payment deferrals** (limited amount related to the pandemic)

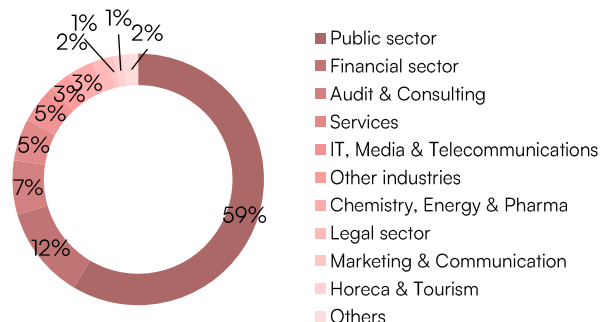
### DURATION OF LEASES<sup>2</sup>

	31.12.2021	31.12.2020
Weighted average duration of current leases up to next break of properties available for lease	7.3 years	7.2 years
Weighted average duration of current leases up to final expiry of properties available for lease	7.9 years	7.7 years
Weighted average duration of current and future signed leases up to next break of investment properties	8.8 years	8.6 years
Weighted average duration of current and future signed leases up to final expiry of investment properties	9.4 years	9.0 years

### Duration of leases (based on gross current rent from lease agreements at 31.12.2021)



### Activity sector of tenants (based on gross current rent from lease agreements at 31.12.2021)



<sup>2</sup> This is a real-estate indicator. For more information, see Appendix 4.

<sup>3</sup> This indicator will no longer be calculated as from Q1 2022 closing.

<sup>4</sup> This is an EPRA indicator. For more information, see Appendix 3.

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

	Weighted average duration up to next break (in years)	Percentage of the gross current rent from lease agreements (in %)	Rating
Belgian public sector	7.8	54.8%	Rating S&P
European public sector	4.7	3.8%	
<b>Total public-sector tenants</b>	<b>7.6</b>	<b>58.6%</b>	
Deloitte Services & Investments NV		4.8%	-
BNP Paribas and affiliated companies		4.8%	A+
Beobank (Crédit Mutuel Nord Europe)		4.0%	A+
Docler Services S.à.r.l.		3.1%	-
McKinsey & Company		1.6%	-
<b>Total private-sector top-5 tenants</b>	<b>9.7</b>	<b>20.0%</b>	
+/- 170 other tenants	4.4	21.4%	
<b>Total of portfolio</b>	<b>7.3</b>	<b>100%</b>	

## FAIR VALUE<sup>5</sup>

Offices	Change over the year <sup>6</sup> (in %)	Proportion of portfolio <sup>7</sup> (31.12.2021) (in %)	Fair value (31.12.2021) (in € million)	Fair value (31.12.2020) (in € million)
Brussels CBD and similar <sup>8</sup>	7.2%	52.7%	1 495.9	1 191.9
Brussels decentralised	-3.9%	2.3%	64.3	82.2
Brussels periphery	-4.9%	2.9%	80.8	92.5
Flanders	-5.3%	13.8%	391.0	428.3
Wallonia	-4.5%	7.8%	221.3	233.0
Luxembourg city	0.9%	6.3%	178.8	147.1
Properties available for lease	2.7%	85.8%	2 432.1	2 175.1
Properties that are being constructed or developed for own account in order to be leased	-11.5%	13.8%	390.7	517.3
<b>Investment properties<sup>9</sup></b>	<b>0.4%</b>	<b>99.5%</b>	<b>2 825.6</b>	<b>2 692.4</b>
<b>Properties held for sale</b>	<b>-18.4%</b>	<b>0.5%</b>	<b>13.1</b>	<b>21.6</b>
<b>Total</b>	<b>0.3%</b>	<b>100.0%</b>	<b>2 835.9</b>	<b>2 714.0</b>

<sup>5</sup> These values are established in application of the IAS 40 standard which requires investment properties to be booked at "fair value". The fair value of a building is its investment value, including registration fees and other transaction costs (also known as "deed-in-hands value") as calculated by an independent expert, minus a standard allowance of 10% (Flanders) or 12.5% (Wallonia and Brussels) for buildings with an investment value of less than €2.5 million, and 2.5% for buildings with an investment value of more than €2.5 million. This 2.5% allowance represents the average transaction costs actually paid in these transactions and is derived from an analysis by independent experts of a large number of transactions observed on the market. This accounting treatment is detailed in the press release issued by BeAMA on 8 February 2006 and confirmed in the press release of the BE-REIT Association of 10 November 2016. This rule is also applied for determining the fair value of property located in the Grand Duchy of Luxembourg.

<sup>6</sup> The change over the year is the change in fair value between 1 January 2021 and 31 December 2021 (excluding acquisition, investments and divestments).

<sup>7</sup> The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 31 December 2021.

<sup>8</sup> Including the Brussels airport zone, in which the Gateway building is situated.

<sup>9</sup> Excluding rights of use lease agreements for office space and rights to use land (IFRS 16).

As at 31 December 2021, the fair value of the portfolio was €2,835.9 million, as against €2,714.0 million as at 31 December 2020.

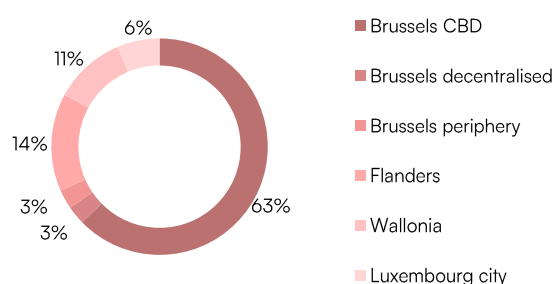
This change in value incorporates:

- > Renovation or redevelopment works carried out in the portfolio;
- > Disposals and acquisitions;
- > The changes in fair value booked to the income statement (IAS 40)

At constant perimeter, the value of the portfolio (excluding acquisitions, investments and divestments) remained stable over the year (change of +0.3% or €8.9 million).

In 2021, the Quatuor building moved to the category of properties available for lease.

#### Graphical breakdown of the portfolio<sup>10</sup>



#### NET INITIAL YIELD

	31.12.2021	31.12.2020
Gross initial yield on properties available for lease <sup>11</sup>	4.8%	5.3%
Gross potential yield on properties available for lease	5.2%	5.6%
Gross initial yield on investment properties <sup>12</sup>	4.2%	4.3%
EPRA Net Initial Yield (NIY) <sup>13</sup>	4.2%	5.0%
EPRA Topped-up NIY <sup>13</sup>	4.5%	5.2%

The decrease of the yield on properties available for lease is also due to the Quatuor moving to the category properties available for lease. Only the lease with Beobank has started at 31 December 2021, whereas the building is pre-let at 81%.

## 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.

### DISPOSALS FOR €115 MILLION

#### Value crystallisation

- > Wiertz building (Brussels CBD): disposal for €74.9 million with a net capital gain of €43.2 million on the investment value and an unleveraged IRR of 10.8%

#### Divesting from non-strategic assets

- > Planet 2 building (Brussels, periphery): disposal in October 2021 at a value in line with the latest fair value as estimated by the independent real estate expert
- > 6 non-core buildings in Belgian provincial towns (Deinze, Bilzen, Lokeren, Tienen, Diksmuide and Binche)

**Residential part Paradis Express:** Closing of the disposal for €18.9 million with a capital gain of €2.1 million on the latest fair value

### ACQUISITIONS FOR €72 MILLION

Befimmo invested in 3 core assets in 2021:

- > Acquisition of the Cubus building (5,000 m<sup>2</sup>) in the Grand Duchy of Luxembourg (Howald)
- > Acquisition<sup>14</sup> of the office building of the "Esprit Courbevoie" project (8,300 m<sup>2</sup>) in Louvain-la-Neuve
- > Acquisition of three floors (5,600 m<sup>2</sup>) in the Antwerp Tower.

Silversquare will operate in both Courbevoie and A-Tower to further expand the coworking network.

## Capital expenditure in properties available for lease

In 2021 Befimmo invested €19.9 million in its portfolio of properties available for lease. This figure is in line with 2020.

<sup>10</sup> The proportions are expressed on the basis of the fair value of the investment properties as at 31 December 2021.

<sup>11</sup> This is a real-estate indicator. For more information, see Appendix 4.

<sup>12</sup> Comprising properties that are being constructed or developed for own account in order to be leased. This is a real-estate indicator. For more information, see Appendix 4.

<sup>13</sup> This is an EPRA indicator. For more information, see Appendix 3.

<sup>14</sup> 94-year long lease. The deed is signed and the cash out amount is foreseen conform to work in progress.

## (Re)development projects

Befimmo invested €138.7 million in its (re)development projects in 2021.

With the delivery of the Quatuor, the development pipeline now accounts for 13.8% of the total value of the portfolio (compared with 22% on 30 June 2021).

The pipeline is composed of:

- > Paradis Express (2.5%) (delivery in Q1 2022)
- > ZIN project (6.9%)
- > The remaining to be committed projects (4.4%)

As proven in the past, Befimmo has always attached great importance to the management of these projects, paying

particular attention to the analysis of the market before launching at risk of occupancy and to maximising the pre-letting rate before construction work begins. Currently, the pre-letting rate<sup>15</sup> of office projects amounts to 97%.

Construction costs for all development projects have been updated, taking into account, among other things, building cost inflation and longer construction periods (linked to the pandemic).

For our to be committed projects, we aim for an estimated yield on total investment of at least 5%.

### Main renovation and construction projects

	Investment in 2021 (€ million)	Total investment (€ million)	Yield on total investment (land included)	Completion %	Delivery of the project	Forecasts			BREEAM <sup>16</sup>
						2022 Investment (€ million)	2023 Investment (€ million)	2024 Investment (€ million)	
<b>Committed ongoing projects</b>									
<b>Paradis Express (office part)</b> Wallonia, Liège	27.9	54	>6%	94%	Q1 2022	3.9	0.1	0.2	Excellent
<b>ZIN</b> Brussels CBD, North	58.2	465	±3.9%	29%	End 2023 (offices) 2024 (other functions)	191.2	124.9	17.7	Outstanding (offices) Excellent (other functions)
<b>Ongoing projects to be committed</b>									
<b>Livin<sup>17</sup> (WTC 4)</b> Brussels CBD, North	1.3	180	-	-		Development in case of pre-letting			Excellent
<b>PLXL</b> Brussels decentralised	1.8	54	±5.5%	9%	Q1 2025	2.0	24.6	22.4	Outstanding
<b>LOOM (Redevelopment Loi 44, Joseph II, Loi 52)</b> Brussels CBD, Leopold District	2.2	81	±5%	4%	2026	3.0	3.0	17.6	Outstanding
<b>Pacheco - Brussels CBD, Centre</b>	1.0	43	±5.5%	5%	Q2 2024	1.7	19.4	19.2	Outstanding

<sup>15</sup> Calculated on the office portion on ongoing committed projects, excluding coworking.

<sup>16</sup> BREEAM certifications aimed at for the (re)development projects (except Paradis Express, who obtained a BREEAM Excellent in the design phase).

<sup>17</sup> New planning permission in preparation, in the same spirit as the ZIN project, open to the city and a mix of functions.

## Comments on delivered project

### Quatuor

The Quatuor, a mixed-use project of 62,000 m<sup>2</sup>, was delivered in August 2021 and is more than 81% let at 31 December 2021.

Quatuor is a high quality project fully in line with today's hybrid working world. It offers a global solution with a combination of offices, dynamic coworking spaces and services.

Silversquare will open its ninth coworking space in Quatuor. The space will be called Silversquare North and will cover 7,350 m<sup>2</sup>.

Quatuor will also contribute to the redevelopment and transformation of Brussels' bustling Northern District.

The building added high-quality tenants in 2021 (Touring, Just Eat Takeaway.com, Sopra, Kone).

Quatuor received the "BREEAM OUTSTANDING" sustainability certification for the design phase, which takes into account the entire lifecycle of a building

#### **Key facts Quatuor:**

- > Potential yield on cost: 6.1%
- > Development margin: >25% (±€56 million)
- > Average lease length (up to next break): 11.3 years

## Comments on committed ongoing projects

### ZIN

ZIN is a multifunctional project that combines various functions in a unique sustainable and innovative way. The site will comprise approximately 110,000 m<sup>2</sup> and involves 73,600 m<sup>2</sup> of offices, 111 apartments, 200 hotel rooms and branded apartments and also sports areas, shops, a spectacular rooftop and a large, lush greenhouse accessible to the public.

70.000 m<sup>2</sup> (>95%) of the office part is already pre-let to the Flemish Authorities for a fixed term of 18 years. The project will serve as the Brussels' headquarters for the Flemish Authorities. In addition, the hotel part of the project will be operated by Standard International, the iconic brand in the lifestyle hotel sector.

A BREEAM "Outstanding" certification is aimed for the offices and "Excellent" for the other functions.

The asbestos removal and demolition works are completed, the construction phase of the new parts of the building are ongoing. Due to the pandemic, the delivery date of the project has been postponed by approximately six months. Therefore, works for the office part will be completed by the end of 2023 and for the remaining parts by mid-2024.

We have raised our initial estimation of the total construction to €465 million. This amount is higher than the previous budgeted amount mainly due to the time delay of 6 months caused by the pandemic, which has led a number of unexpected expenses. In addition, in the amount of €465 million, we have also included a provision for additional real estate taxes, which we intend to challenge.

Taking this new budget into account, the gross return on the total investment value is expected to be around 3.9%.

The new management plan foresees to seek a financial partner by 2024 for the subsidiary ZIN IN NO(O)RD whereby the partner should hold a minimum of 25% and a maximum of 75%.

The ZIN project can be considered as a reference in Belgium and Europe in terms of urbanization and revitalization of a neighbourhood, in terms of energy performance and circularity.

The ZIN project was selected as one of four finalists in the "Best Futura Project" category of the MIPIM Awards 2022. The winners will be announced at the ceremony on Thursday 17 March 2022.



### Paradis Express

The Paradis Express project involves the construction of an eco-neighbourhood providing a mix of office (21,000 m<sup>2</sup>), residential (15,600 m<sup>2</sup>) and local shops (395 m<sup>2</sup>) functions. A Silversquare coworking space (4,000 m<sup>2</sup>) will also open its doors in Q2 2022. With the Guillemins train station and a new tram line nearby, Paradis Express will be a perfectly integrated in the neighbourhood, enjoying a privileged location in Liege.

Befimmo has pre-let 100% of the office space and sold the residential space. The delivery of the Paradis Express project is scheduled for Q1 2022.

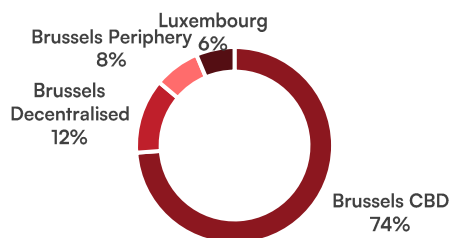
The cost of construction of the office part amounts to €54 million. The expected return on total investment of the office part is above 6%.

A BREEAM "Excellent" certification is obtained in the "Design" phase.

## Coworking activity

### PORTFOLIO OF COWORKING SPACES

8 spaces | ± 34 900 m<sup>2</sup>



Silversquare opened its eighth coworking space in Central (Befimmo's HQ) in September 2021.

The coworking activity accounted for about 8% of Befimmo's consolidated rental income as at 31 December 2021.

### Occupancy rate

	31.12.2021
over 3 yrs	75%
Between 1 and 3 yrs	52%
less than 1 yr	51%
<b>Total</b>	<b>59%</b>

We will no longer report on mature and non-mature spaces. As from now, the occupancy rate of the coworking spaces will be reported by using three categories; the spaces opened since more than 3 years, the spaces opened since more than 1 year but less than 3 years and the spaces open since less than 1 year. Spaces that are undergoing an extension will be considered again as new spaces and will be moved to the category 'spaces open since less than 1 year'.

The total occupancy rate stood at 59% as at 31 December 2021 (compared to 51% one year ago), even with the recent opening of Central in 2021. Total turnover increased with 26% compared to last year and a very good momentum is seen since September. Silversquare accounts 804 new signatures against 314 notices. In addition, Silversquare had a very good management of costs and charges during the year.

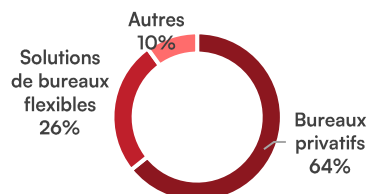
The Company remains convinced that its unique combined Befimmo and Silversquare flexible offer will play an important role in the post-pandemic recovery period and is becoming a key solution in the new hybrid world of work, as demonstrated by the latest contracts with Salesforce (250 members - SQ Central) and Xerox (130 members — SQ Zaventem in combination with space in Befimmo's portfolio, Ikaros Park).

## RECOVERY RATE ISSUED INVOICES

99.4% (for monthly invoices issued in 2021)

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 2021, Silversquare has invested €3.6 million in its spaces. Befimmo (real-estate operator) has invested €6.8 million in 2021 of which €4.3 million in the Central building and €2.5 million in the Quatuor project. This is recharged to Silversquare through a rental uplift mechanism.

### New openings for the next two years

	Surface
<b>Total portfolio 2021</b>	<b>34 900 m<sup>2</sup></b>
SQ North (Brussels CBD)	+7 350 m <sup>2</sup>
SQ Guillemins (Liège)	+3 800 m <sup>2</sup>
SQ A-Tower	+5 800 m <sup>2</sup>
<b>Total portfolio end 2022</b>	<b>51 800 m<sup>2</sup></b>
SQ Louvain-La-Neuve	+4 000 m <sup>2</sup>
Luxembourg	+4 000 m <sup>2</sup>
Flanders (2 spaces)	+7 000 m <sup>2</sup>
<b>Total portfolio end 2023</b>	<b>66 800 m<sup>2</sup></b>

Taking into account the identified pipeline, Silversquare coworking spaces will account for 85,000 m<sup>2</sup> by the end of 2025.

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

## **SPARKS**

Sparks, the new one-stop shop for meetings, launches in Central (Befimmo's headquarters) in Brussels. It will open its first location in next April. This start-up will offer a special meeting environment featuring not only innovative meeting rooms, but also a range of complementary services and professional support. The start-up has fourteen brand-new meeting rooms, each unique in terms of function and design: the place to be for meetings for up to 250 people.

Befimmo has become a partner in this start up. With the launch of Sparks, Befimmo is continuing its investment in solutions for future working and is building further on a hybrid working world, which makes the lives of employees easier. In doing so, Befimmo is creating an ecosystem of workspace solutions, which facilitate better collaboration, nurture stronger teams, and enhance the organisational culture. Everything comes together in Central, Befimmo's flagship which includes a restaurant and roof terrace, both at the disposal of Sparks customers.

[www.sparks-meeting.eu](http://www.sparks-meeting.eu)

# Financial Report

## EPRA Earnings – spreading of rental gratuities

In order to enhance comparability versus peers, as per full year 2021, 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 portfolio result” and will no longer be accounted for under “Other operating income & charges”. The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation. To aid comparability and allow for proper interpretation of the 2021 figures, we provide restated 2020 figures.

The consolidated EPRA earnings amounts to €2.30 per share (compared to €2.87 per share on a restated basis for 2020).

<b>(in € thousand)</b>	<b>31.12.2021</b>	<b>31.12.2021 Old calculation</b>	<b>31.12.2020 (restated)</b>	<b>31.12.2020 (not restated)</b>
<b>Net result IFRS (group share)</b>	<b>89 370</b>	<b>89 370</b>	<b>57 709</b>	<b>57 709</b>
<b>Net result IFRS (in € per share) (group share)</b>	<b>3.31</b>	<b>3.31</b>	<b>2.13</b>	<b>2.13</b>
Adjustments to calculate EPRA earnings	-27 158	-31 996	19 813	18 389
To exclude:				
I. Changes in fair value of investment properties and properties held for sale	5 454	5 454	237	237
II. Result on disposals of investment properties	-5 901	-5 901	-306	-306
V. Negative goodwill/goodwill impairment	1 202	1 202	700	700
VI. Changes in fair value of financial assets and liabilities and close-out costs	-30 121	-30 121	17 683	17 683
VIII. Deferred tax in respect of EPRA adjustments	44	44	390	390
X. Adjustments in respect of minority interests	-2 474	-2 675	-122	-315
XI. Recurring compensation for the effect of spreading rental gratuities granted	4 637	-	1 232	-
<b>EPRA earnings (group share)</b>	<b>62 212</b>	<b>57 374</b>	<b>77 522</b>	<b>76 097</b>
<b>EPRA earnings (in € per share) (group share)</b>	<b>2.30</b>	<b>2.12</b>	<b>2.87</b>	<b>2.81</b>

## Key financial figures

<b>Consolidated</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Number of shares issued	28 445 971	28 445 971
Number of shares not held by the group	27 011 100	27 040 351
Average number of shares not held by the group during the period	27 027 104	27 048 907
Shareholders' equity attributable to shareholders (in € million)	1 630.2	1 591.4
Net asset value (in € per share)	60.35	58.85
EPRA NRV (in € per share)	63.82	63.48
EPRA NTA (in € per share)	60.32	60.10
EPRA NDV (in € per share)	59.53	57.19
Net result (in € per share)	3.31	2.13
Average (annualised) financing cost <sup>18</sup> (in %)	1.8%	2.0%
Weighted average duration of the debt (in years)	4.1	4.9
Debt ratio as per the Royal Decree (in %)	43.1%	40.8%
Loan-to-value <sup>19</sup> (in %)	40.9%	36.8%
Total return on shareholders' equity <sup>20</sup> (in € per share)	3.3	2.1
Total return on shareholders' equity <sup>20</sup> (in %)	5.7%	3.6%
<b>Real-estate operator business activity</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Net result (in € per share)	3.68	2.25
EPRA Like-for-Like Net Rental Growth <sup>21</sup> (in %)	-1.3%	-0.2%

<b>Consolidated</b>	<b>31.12.2021</b>	<b>31.12.2020 (restated)</b>	<b>31.12.2020 (not restated)</b>
EPRA earnings (in € per share)	<b>2.30</b>	<b>2.87</b>	<b>2.81</b>
<b>Real-estate operator business activity</b>			
EPRA earnings (in € per share)	<b>2.38</b>	<b>2.95</b>	<b>2.88</b>

<sup>18</sup> This is an Alternative Performance Measure. For more information, see Appendix 3.

<sup>19</sup> Loan-to-value (LTV) = [(nominal financial debts-cash)/fair value of portfolio]. This is an Alternative Performance Measure. For more information, see Appendix 2.

<sup>20</sup> Including margin and hedging costs. This is an Alternative Performance Measure. For more information, see Appendix 2.

<sup>21</sup> Trend of the rental income minus property charges at constant perimeter, calculated on the basis of EPRA Best Practices Recommendations.

# Consolidated net asset value and balance sheet

## Evolution of the net asset value

	(in € per share)	(in € million)	Number of shares not held by the group
<b>Net asset value as at 31 December 2020 (group share)</b>	<b>58.85</b>	<b>1 591.4</b>	<b>27 040 351</b>
Final dividend of the 2020 fiscal year		-15.4	
Other elements of comprehensive income - actuarial gains and losses on pension obligations		2.3	
Valuation of the put option held by minority shareholders, net of profit attributable to non-controlling interests		-3.0	
Interim dividend of the 2021 fiscal year		-34.1	
Net result (group share) as at 31 December 2021		89.4	
Other elements - mainly linked to liquidity contract and Performance Plan Stock Units		-0.5	
<b>Net asset value as at 31 December 2021 (group share)</b>	<b>60.35</b>	<b>1 630.2</b>	<b>27 011 100</b>

## EPRA NRV, NTA and NDV

in € per share	31.12.2021	31.12.2020
EPRA NRV	63.82	63.48
EPRA NTA	60.32	60.10
EPRA NDV	59.53	57.19

## Condensed consolidated balance sheet

(in € million)	31.12.2021	31.12.2020
Investment and held for sale properties	2 874.3	2 761.2
Other assets	108.0	85.3
<b>Total assets</b>	<b>2 982.3</b>	<b>2 846.5</b>
Shareholders' equity	1 630.2	1 591.4
Financial debts	1 211.4	1 053.3
non-current	851.8	684.6
current <sup>22</sup>	359.7	368.7
Other debts	140.7	201.8
<b>Total equity &amp; liabilities</b>	<b>2 982.3</b>	<b>2 846.5</b>
<b>LTV</b>	<b>40.9%</b>	<b>36.8%</b>

<sup>22</sup> According to IAS 1, commercial paper must be recorded as a current liability. It is important to note that the Company has confirmed bank lines in excess of one year as a back-up for its commercial paper.

## Financial Results

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

### EVENTS CHANGING THE PERIMETER

The perimeter of the real-estate business changed during fiscal year 2021 owing mainly to:

- > 2021 acquisitions (Cubus building, Esprit Courbevoie and three floors in the Antwerp Tower)
- > H2 2020 disposals (Blue Tower, Media, Schuman 3 and 11, Froissart and Guimard)
- > 2021 disposals (Wiertz building, the residential parts of the Paradis Express, Planet 2 building and 6 non-strategic assets in Belgian provincial towns).

The total number of shares not held by the group slightly decreased from 27,040,351 to 27,011,100 which is related to the shares bought in the framework of the liquidity program.

### COMMENTS ON THE RESULTS OF REAL-ESTATE OPERATOR ACTIVITY

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

(in € thousand)	31.12.2021	31.12.2020 (restated)	31.12.2020 (not restated)
Net rental result	119 947	130 782	130 782
<i>Net rental result excluding spreading</i>	114 518	128 941	128 941
<i>Spreading of gratuities/concessions</i>	5 429	1 841	1 841
Net property charges <sup>23</sup>	-18 001	-15 208	-15 208
<b>Property operating result</b>	<b>101 946</b>	<b>115 574</b>	<b>115 574</b>
Corporate overheads	-21 603	-15 746	-15 746
Other operating income & charges	-	-	-1 841
<b>Operating result before result on portfolio</b>	<b>80 342</b>	<b>99 828</b>	<b>97 987</b>
<b>Operating margin<sup>23</sup></b>	<b>67.0%</b>	<b>76.3%</b>	<b>74.9%</b>
Financial result (excl. changes in fair value of financial assets and liabilities and close-out costs) <sup>23</sup>	-15 117	-19 471	-19 471
Corporate taxes (excl. deferred taxes) <sup>23</sup>	-1 003	-689	-689
<b>EPRA Earnings<sup>24</sup></b>	<b>64 222</b>	<b>79 667</b>	<b>77 826</b>
<b>EPRA earnings (in € per share)</b>	<b>2.38</b>	<b>2.95</b>	<b>2.88</b>
Gains or losses on disposals of investment properties	5 901	306	306
Other result on portfolio <sup>24</sup>	-6 282	-1 841	-
Deferred taxes	- 44	-390	-390
Changes in fair value of investment properties	5 520	759	759
Changes in fair value of financial assets and liabilities and close-out costs	30 121	-17 683	-17 683
<b>Net Result<sup>25</sup></b>	<b>99 438</b>	<b>60 819</b>	<b>60 819</b>
<b>Net result (in € per share)</b>	<b>3.68</b>	<b>2.25</b>	<b>2.25</b>

<sup>23</sup> This is an Alternative Performance Measure. For more information, see Appendix 2.

<sup>24</sup> Since the 31 December 2021, the recurring compensation for the effect of spreading rental gratuities granted and concessions to tenants 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 31 December 2020 were therefore restated. For more information, see page 11. The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation.

<sup>25</sup> The net result on 31 December 2020 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 0.9% compared with last year. This evolution is mainly due to better rental results on the Axento, Central and Triomphe buildings, partially offset by a decrease in the rent of the Poelaert building linked to the lease extension.

The **net rental result** decreased by 8.3% in relation to the same period last year. This is mainly explained by the asset rotation programme:

- > the exit of the Blue Tower, Media, Schuman 3 and 11, Froissart and Guimard buildings in Q4 2020 and the disposal of the Wiertz, Planet 2 and 6 Fedimmo buildings in 2021
- > slightly compensated by the contribution of the newly acquired Cubus building in February 2021 and the start of the Beobank lease in the Quatuor project

This decrease was also partly due to a different comparison base. In 2020 we signed a global agreement with the Building Agency (Belgian State), that included the early termination of leases in buildings in Wallonia and Flanders and an extension of the Poelaert building lease for a fixed nine year term. This led to a positive non-recurring (one off) impact (payment) of €7.3 million in 2020 compared to only €5.3 million in 2021.

**Net property charges** are up by €2.8 million. The increase is mainly explained by the planned catch up in improvement and major renovation works realised in 2021, as the previous year was impaired by the pandemic, the increase in agency commissions for the re-letting of empty spaces, the increase in empty spaces costs and a non-recurring income related to the WTC 2 tower (+€0.6 million in 2021 and +€1.7 million in 2020).

**EPRA like-for-like net rental growth** was -1.3% as at 31 December 2021 while the like-for-like net rental result is positive at 0.9%, offset by an increase in real estate charges.

**Corporate overheads** were €21.6 million as against €15.7 million last year. This increase is mainly due to exceptional elements related to the retirement of the previous CEO, the departure of the CFO and provisions related to the PSU<sup>26</sup> plan for the Executive Committee.

The **Operating result before result on portfolio** was €80.3 million at the end of December 2021.

The **Financial result** (excluding changes in the fair value of the financial assets and liabilities and close-out costs) was -€15.1 million compared to -€19.5 million last year. The decrease in financial charges is explained thanks to the

combined effect of the drop in the average volume of debt by 6.0% and a lower average (annualised) financing cost of 1.8% compared to last year (2.0%).

**EPRA earnings** were €64.2 million as against €79.7 million<sup>28</sup> last year. **EPRA earnings per share** stood at €2.38 at the end of 2021 in relation to €2.95<sup>28</sup> at the end of 2020.

**Gains on the disposal of investment properties** represent €5.9 million at 31 December 2021 and correspond mainly to the capital gains (based on the latest fair value) realised on the disposal of the Wiertz building and the residential parts of the Paradis Express. The disposals on the Fedimmo buildings were realised at a price in line with the latest fair value of the expert.

**Other result on portfolio** was -€6.2 million at 31 December 2021, compared to -€1.8 million<sup>28</sup> last year. It includes the recurring compensation for the effect of spreading rental gratuities granted and recorded in the top line. It also includes an impairment on goodwill.

The **change in fair value of investment properties** of €5.5 million compared to +€0.7 million last year, reflects a substantial increase of fair value for CBD assets offset by decrease in fair value of non-CBD assets.

The increase in the **net result**, reaching €99.4 million at 31 December 2021, compared to €60.8 million at 31 December 2020, is mainly explained by a positive change in the fair value of hedging instruments due to the increase of the interest rates curve over the period (+€30.6 million compared with -€17.7 million one year ago).

**Net result per share** stood at €3.68 at the end of 2021 in compared to €2.25 at the end of 2020.

## NOTE ON THE RESULTS FOR THE COWORKING BUSINESS

The turnover of the coworking business amounted to €10.1 million over the fiscal year. During the development phase, the coworking business has a negative contribution of -€0.08 per share (in 2021) to the consolidated EPRA earnings<sup>27</sup>.

## NOTE ON THE CONSOLIDATED RESULTS

Consolidated net rental result was €128.3 million. The net result (group share) was €89.4 million, up €31.7 million compared with 31 December 2020. EPRA earnings per share were €2.30 per share as against €2.87<sup>28</sup> at 31 December 2020.

<sup>26</sup> Performance Stock Unit.

<sup>27</sup> Eliminating the effect of the application of IFRS 16 on leases signed by Silversquare with third party owners, contribution to consolidated EPRA earnings (group share) would be -€0.13 per share.

<sup>28</sup> Restated figures. Explanation see page 11.

## Financial structure and hedging policy

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

### MAIN CHARACTERISTICS OF THE FINANCIAL STRUCTURE

	31.12.2021	31.12.2020
Confirmed credit facilities <sup>29</sup> (in € million)	1 471	1 461
Of which bankloans	71.3%	71.4%
Of which in use	1 161	1 002
Use short-term CP programme (in € million)	284	353
Fixed rate borrowings (including IRS)	75.1%	96.6%
Average (annualised) financing cost (all in)	1.8%	2.0%
Weighted average duration of debt	4.1 years	4.9 years
Debt ratio <sup>30</sup>	43.1%	40.8%
LTV ratio <sup>31</sup>	40.9%	36.8%
Hedge ratio	76.8%	98.6%

### FINANCING ARRANGED DURING THE FISCAL YEAR

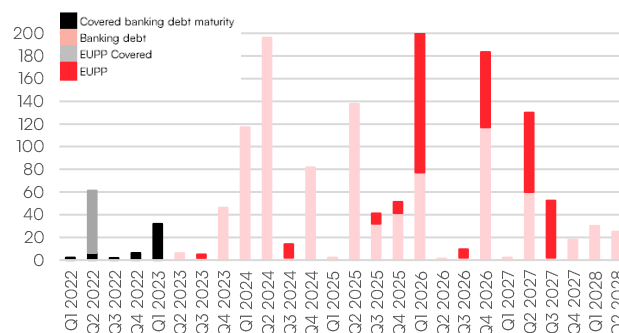
- > New bank financing for €50 million for a 3 year period with possible extensions up to 5 year
- > Renewal of a €130 million amortising financing for a period of 5 years and 5 months. Consisting of a €80 million revolving credit facility and a €50 million term loan
- > Placement of €5 million EU private placement with a 10 year maturity
- > A €50 million loan has been converted to a green loan following the publication of the Green Finance Framework. This is an important step in our 2030 action plan to financially support Befimmo's Sustainable Development
- > Extension of an €18 million revolving credit facility with an extra 5 years.

After year end, the Company continued working to strengthen its financial structure. It signed two extensions, which demonstrates the trust and confidence our banks and lenders have in Befimmo:

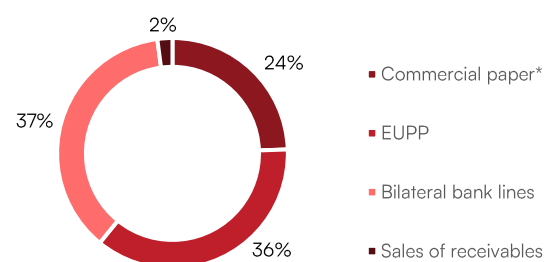
- > Extension of a €30 million credit facility until December 2027
- > Extension of a €50 million credit facility, of which €25 million extended until end June 2027 and €25 million extended until end June 2028.

All other things being equal, Befimmo has covered its financing needs for the next 12 months.

### Maturities of commitments by quarter (in € million)



### Debt distribution



\* With confirmed bank lines in excess of one year as a back-up.

On 21 June 2021, the Standard & Poor's rating agency confirmed the rating of BBB/outlook stable for Befimmo's long-term borrowings and A-2 for its short-term borrowings.

To reduce its financing costs, Befimmo has a commercial paper programme of a maximum amount of €600 million, €284 million of which was in use as at 31 December 2021 for short-term issues and €116 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.

29 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.

30 The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.

31 Loan-to-value (LTV) = [(nominal financial debts — cash)/fair value of portfolio].

## HEDGING THE INTEREST RATE AND EXCHANGE-RATE RISK

Befimmo holds a portfolio of instruments to hedge the interest-rate risk, consisting of IRS, CAPs and COLLARs<sup>32</sup>.

Operations carried out over the fiscal year:

- > Extension of a €15 million IRS by an additional 4 years until November 2031
- > 2 partial cancellations for the period 2021-2022, with a €30 million nominal each
- > Placement of a €20 million receiver swap for the period 2021-2022
- > Extension of a €25 million swap by an addition 4 years until January 2032
- > Cancellation of €25 million payer swap with an original maturity of December 2024

- > 2 partial cancellations of payer swaps over 2022, with a total of €80 million nominal
- > 2 new CAPs for €50 million each covering the period January 2022 to April 2024

Operations carried out after fiscal year close:

- > Extension of €20 million payer swap with an additional 6 years, until August 2032
- > Extension of €25 million payer swap with an additional 4 years, until January 2032

The package of instruments in place gives the Company a hedging ratio of 76.8% as at 31 December 2021. The hedge ratio remains above 50% until Q3 of 2026 inclusive.

### Strong interest rate hedging position (incl. fixed rate debts), above 50% up to Q3 2026

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2040
Average nominal hedge (€ million)	975	1109	973	896	763	581	417	330	305	274	→ 15
Average interest rate on hedging	0.77%	0.74%	0.74%	0.79%	0.75%	0.75%	0.69%	0.64%	0.64%	0.64%	→ 0.54%

<sup>32</sup> Subscription to a COLLAR places a ceiling on the rise in interest rates (CAP), but also involves an undertaking to pay a minimum rate (FLOOR).

# ESG Performance

Befimmo's priority is about offering integrated hybrid, sustainable work & life solutions answering to the major trends shaping already today, the World of tomorrow. In that context, Environmental, Social and Governance (ESG) aspects are natural extensions of Befimmo's corporate strategy, focused on creating value for all its stakeholders, both now and in the long-term. The way the company defines its ESG objectives and associated commitments translates this ambition:

	ENVIRONMENT	SOCIAL	GOVERNANCE
Why	<p>Meet very ambitious climate GHG reduction in line with the EU carbon-neutral target by 2050, benefiting both Society as a whole and its clients directly.</p> <p>This includes the reductions within its current real estate portfolio, the influence of its supply chain, as well as the reduction of embodied GHG emissions in new development project through the maintenance of existing elements &amp; the reuse of materials.</p>	<p>Offer innovative, hybrid, healthy, user-centric and multi-stakeholders' end-to-end real estate solutions reinforcing social cohesion and people's well-being.</p> <p>Drive climate positive changes in its ecosystem and use its position to influence its partners consequently.</p>	<p>Run and improve continuously its governance driven by leading edge ethics, financial and non-financial reporting standards, and transparency principles.</p> <p>Embed a multi-stakeholder's perspective at the core of its governance and associated decision-making processes.</p>
Objectives	<p>Aligned with a 1.5°C scenario, to the SBTi<sup>33</sup>: (i) Reduction of GHG emissions <b>50% by 2030</b> (scope 1<sup>34</sup> &amp; scope 2<sup>35</sup> - base year 2018) and (ii) commitment to measure &amp; reduce its scope 3<sup>36</sup> emissions</p>	<p><b>51 800 m<sup>2</sup></b> of coworking space in 2023</p> <p>Achieve the highest level of tenant satisfaction (target to be set from 2022)</p>	<p><b>Leading edge Governance</b> as a strategic foundation supporting our strategy</p>
2021 Achievements	<ul style="list-style-type: none"> <li>&gt; About <b>-27%</b><sup>37</sup> of GHG emissions reduction since 2018 (absolute)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; <b>34 900 m<sup>2</sup></b> of coworking space in 2021</li> <li>&gt; <b>89%</b> satisfaction rate of Befimmo's team</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Supplier code of conduct and assessment process (100% by 2023)</li> <li>&gt; Set of ESG policies to guarantee ethical standards at all levels</li> <li>&gt; Define a roadmap to anticipate the EU regulatory framework (TCFD, Taxonomy and CSRD)</li> </ul>

For Befimmo, **communicating about its ESG progress in a transparent and standard manner** is as important as defining ambitious targets. In that perspective, Befimmo has been working on the following key reporting and governance initiatives:

## Climate change resilience:

Implement the recommendations issued by the Task Force on Climate-Related Financial Disclosures (TCFD), which allow the company to incorporate climate-related risks and opportunities into its risk management and strategic planning processes. Befimmo aims to reflect deeply about its long-term value creation in a context where climate change

<sup>33</sup> Complete file will be submitted to SBTi (SME procedure) by the end of February 2022.

<sup>34</sup> Directly controlled emissions.

<sup>35</sup> Indirectly controlled emissions.

<sup>36</sup> Emissions from the upstream and downstream operations across the supply chain of a company, including any caused by customers' use of those products.

<sup>37</sup> Accurate data under audit and to be confirmed in the 2021 Annual Financial Report.

impacts will continue growing steadily at an increased speed. By understanding how the overall World might evolve across different long-term climate scenarios, and by retro-planning those in the shorter-term future, Befimmo will be able to enhance its 2030 action plan with fundamental investments, not only to mitigate the risk but also to build a profitable business model grasping the opportunities in this new future reality.

Compliance to EU regulation:

Anticipate future evolutions of the European regulatory framework, linked to the introduction of the European Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy.

Value chain engagement:

the company has started to create a global framework for all its suppliers, which includes the creation of an improved supplier code of conduct and the implementation of an ESG

assessment process. The aim is to assess 100% of Befimmo's main suppliers by 2023.

As result of its strong focus on ESG, combined with its standardised and transparent way of communicating, Befimmo was able to continue the strong position towards various rating frameworks and achieve recognitions:

	2021
<b>EPRA BPR</b>	Gold
<b>EPRA sBPR</b>	Gold
<b>CDP</b>	B Management
<b>GRESB</b>	84% Standing Investments 84% Developments Green Star status
<b>MSCI<sup>38</sup></b>	A
<b>ISS-ESG</b>	C Prime
<b>Sustainalytics<sup>39</sup></b>	16.3/100 Low risk (01.02.2021)
<b>Vigeo Eiris (Moody's ESG Solutions)</b>	52/100 Robust

38 Disclaimer statement: the use by Befimmo of any MSCI ESG research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Befimmo by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

39 Copyright ©2022 Sustainalytics. All rights reserved. This publication contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

# Share price

	31.12.2021	31.12.2020
Number of shares issued	28 445 971	28 445 971
Number of shares not held by the group	27 011 100	27 040 351
Average number of shares not held by the group during the period	27 027 104	27 048 907
Highest share price (in €)	37.00	57.00
Lowest share price (in €)	31.30	32.10
Closing share price (in €)	33.75	36.30
Number of shares traded <sup>40</sup>	24 885 965	16 265 676
Average daily turnover <sup>40</sup>	97 211	63 291
Free float velocity <sup>40</sup>	120%	78%
Distribution ratio (in relation to the EPRA earnings)	80%	80%
Gross dividend <sup>41</sup> (in € per share)	1.84	2.25
Gross dividend yield <sup>42</sup>	5.5%	6.2%
Total shareholder return <sup>43</sup>	-2.0%	-28.5%

## EVOLUTION OF THE SHARE PRICE

The Befimmo share closed on 31 December 2021 at €33.75, as against €36.30 one year previously.

Assuming the dividend distributed in 2021, the total shareholder return amounts to -2.0%.

As at 31 December 2021, Befimmo shares were trading with a discount of -44%. Befimmo's market capitalisation stood at €0.96 billion.

Based on transactions recorded on all market platforms, Befimmo shares offer good liquidity, with an average daily volume of around 97,000 shares, which corresponds to a free-float velocity of 120% over the year.

## LIQUIDITY PROGRAM

In October 2020 Befimmo entrusted Kepler Cheuvreux with the task of implementing a liquidity contract relating to its ordinary shares admitted to trading on Euronext Brussels. This agreement provides for the purchase and sale by Kepler Cheuvreux of Befimmo shares. Kepler Cheuvreux is acting in the name and on behalf of Befimmo and within the framework of a discretionary mandate as authorised by the Extraordinary General Meeting of 26 April 2016. In accordance with the conditions specified by this General Meeting, the purchase price may not be less than 85% nor more than 115% of the closing price the day before the date of the transaction. To implement the programme, Befimmo made €2 million available to Kepler Cheuvreux. On 16 February 2022, the balance of shares held by Befimmo under the liquidity contract was 43,444.

40 Source: Kempen & Co. Based on trading on all platforms.

41 Subject to a withholding tax of 30%.

42 Gross dividend divided by the closing share price.

43 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.

# Dividend for the 2021 fiscal year

## FINAL DIVIDEND FOR THE 2021 FISCAL YEAR

The agenda of the Ordinary General Meeting of shareholders to be held on 26 April 2022, at which the accounts for the 2021 fiscal year are to be approved, will include a proposal for the distribution of a final dividend of €0.58 gross per share not held by the group. This final dividend will supplement the interim dividend, bringing the total dividend for the fiscal year to €1.84 gross per share not held by the group which represents a gross dividend yield of 5.5%.

## DIVIDEND POLICY

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

## 2022 Calendar

Capital Markets Day	Thursday 10 March 2022
Online publication of the Annual Financial Report 2021	Friday 25 March 2022
Ordinary General Meeting of the fiscal year closing as at 31 December 2021	Tuesday 26 April 2022
Payment of the final <sup>44</sup> dividend of the 2021 fiscal year on presentation of coupon No 43	
- Ex-date	Wednesday 4 May 2022
- Record date	Thursday 5 May 2022
- Payment date	Friday 6 May 2022
Interim statement as at 31 March 2022 <sup>45</sup>	Tuesday 17 May 2022
Publication of the half-yearly results and online publication of the Half-Yearly Financial Report 2022 <sup>37</sup>	Thursday 28 July 2022
Interim statement as at 30 September 2022 <sup>37</sup>	Tuesday 8 November 2022
Payment of the interim <sup>46</sup> dividend of the 2022 fiscal year on presentation of coupon No 44	
- Ex-date	Tuesday 20 December 2022
- Record date	Wednesday 21 December 2022
- Payment date	Thursday 22 December 2022
Publication of the annual results as at 31 December 2022	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
Payment of the final <sup>46</sup> dividend of the 2022 fiscal year on presentation of coupon No 45	
- Ex-date	Wednesday 3 May 2023
- Record date	Thursday 4 May 2023
- Payment date	Friday 5 May 2023

44 Subject to a decision of the Ordinary General Meeting.

45 Publication after closing of the stock exchange.

46 Subject to a decision of the Board of Directors.

# Capital Markets Day

Six strategic objectives centered around:



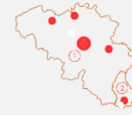
## Activity based Operating Model

Expand our scope of business to cover the operator activities



## Sector Diversification

Reduce exposure to pure offices in our portfolio



## Adjust Footprint

Concentrate on key growing cities in line with sector realignment & growth opportunities



## Portfolio Management

Accelerate asset rotation with a focus on fewer but larger assets in order to drive earnings potential (smart & sustainable portfolio)



## Client Centric Organisation

Build an organisation for the future with a focus on efficiency, sustainability and responsible value creation



## Disciplined Financial Management

Matching Befimmo's ambitions and strategic directions

# Outlook and dividend forecast

## Disclaimer

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

This press release does present the financial outlook for the next financial year (2022).

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

## Scope and perimeter of the outlook

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

- > the real-estate operator business (92% of consolidated revenues as at 31 December 2021)
- > the coworking business (8% of consolidated revenues as at 31 December 2021)

The outlook:

- > assumes stable equity
- > assumes asset rotation in non-core properties for an estimated amount of €167 million in 2022
- > takes account of the value-creating redevelopment projects, and the investments in properties available for lease, in the real-estate operator business, for a total investment volume of €264 million in 2022
- > takes account of the growth and further development of the coworking business
- > does not take account of growth through acquisitions

## Assumptions — external factors

### Indexation rate

The indexing rates applied to rents are based on forecast changes in the health index established by the planning office (Bureau du Plan: five-year plan published in July 2021 and update of the short-term outlook in January 2022). The annual average health index applied in the 2022 outlook amounts to 4.93%.

### Interest rate

Interest rates applied in the outlook for floating-rate debt are the average of the forecast Euribor one and three-month rates established by a major Belgian financial institution and of the market rates (forward rates) which amounts to -0.49% in our forecast.

The average financing cost covers all financial charges, including the theoretical linear amortisation of premiums paid

for the purchase of hedging instruments and amounts in our forecast at 1.6%

## Assumptions: real-estate operator business

The real-estate operator business represents 92% of the consolidated rental income as at 31 December 2021.

### Real-estate assumptions

In addition to general market trends, Befimmo has incorporated into its forecasts the actual characteristics of its buildings, mainly in terms of rental situation (notably the residual duration of the leases), potential reversion of the rents, and the need to renovate and redevelop the buildings (technical and environmental performance, etc.). Our assumptions reflect our current assessment of the impact of the ongoing health crisis on our activities (for example, delay in construction projects, slowdown of commercial activities, etc.).

### RENTAL INCOME

The assumptions about the perception ratio of rents are based on an individual assessment of each lease. This is the ratio of the net income budgeted (2022) to potential income. For the 2022 fiscal year, the budgeted income is 98.7% guaranteed under contracts and 1.3% of budgeted income is under unsecured contracts (owing to an expiry) and/or based on reletting assumptions.

### PROPERTY CHARGES

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

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

## CORPORATE OVERHEAD

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

## FINANCIAL RESULT

The financial result consists of financial charges on floating-rate (based on interest assumption) and fixed rate borrowings, of interest earned or charged on derivative instruments and of other financial results, consisting primarily of expenses associated with bank financing lines (commitment fees on credit lines, exposure fees, and debt issuance costs) and other service costs charged by banks. The financial result is also impacted by the activation of interim interest calculated on the basis of the Company's average financing rate for the fiscal year concerned.

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

- > use of the commercial paper programme for an average amount of €350 million in 2022
- > a financing reserve of 18 months to ensure liquidity conform to internal policy
- > refinancing all financing at maturity with either bilateral bank lines, either new instruments on the private or public debt market (bond issues or private placements) in order to achieve a disintermediation of borrowings of around 30%

In order to limit the risk of fluctuating interest rates on its financial debts at floating rates, Befimmo has acquired financial instruments (CAP and IRS).

## (RE)DEVELOPMENT PROJECTS

In 2022 Befimmo will invest €264 million in its (re)development projects and in properties available for lease. For more information, please consult the chapter "Property Report".

Befimmo (real-estate operator) is planning coworking spaces in certain developments<sup>47</sup>. Befimmo is handing over turnkey spaces to Silversquare (coworking business) at market conditions. A total investment of €8.7 million is foreseen in 2022 in those spaces.

## ASSET ROTATION

We ensure a high-quality portfolio by investing in flexible office buildings in good locations with value-creating potential, while divesting where we can crystallise the value of mature buildings or where buildings no longer fit our strategy. As mentioned above, this forecast assumes asset rotation of non-core properties mainly in provincial towns and for an estimated amount of €167 million in 2022 and does not take account of growth through acquisitions for 2022. The

concerned assets are sold at the end of the lease or slightly earlier because they no longer fit with our strategy.

The pace of these disposals will be aligned with the investment opportunities that Befimmo can materialise.

## Assumptions: coworking business

In 2022 Silversquare plans to open three new spaces (North (Quatuor), Guillemins (Paradis Express) and A-Tower). The investments related to fitting-out, furniture, and IT for these spaces amount to €4.7 million in 2022. As mentioned above, for the coworking spaces planned in its portfolio, Befimmo (real-estate operator) is handing over turnkey spaces to Silversquare (coworking business) for a total investment of €8.7 million in 2022.

The forecast takes into account a gradual take-up of the new spaces and the slower pace of take-up currently resulting from the pandemic. In the normal course of business, a coworking space is considered to reach maturity after three years in operation and is breakeven at an occupancy rate of about 75%.

The investments needed to expand the Silversquare network postpone the positive contribution of the business. Based on the current plan, the first significant accretive EPRA contributions are expected by 2024.

## BORROWINGS AND LTV

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

In addition to value crystallisation, our asset rotation programme contributes to fund the developments in progress and ensure a capacity for growth.

The forecast nominal net debt is €1,257 million at the end of 2022 reflecting amongst others the assumptions on asset rotation.

## CONSOLIDATED EPRA EARNINGS OUTLOOK

Based on the projected real-estate operator business and coworking business assumptions detailed above, and barring major unforeseen events, Befimmo expects to reach a gross rental income, including turnover of the coworking activity, of €134 million and an EPRA earnings per group share between €2.40 and €2.45 per share in 2022.

<sup>47</sup> For more information, please see the chapter "Property Report".

## EPRA EARNINGS AND DIVIDEND POLICY FOR 2022

Considering the 2022 EPRA earnings outlook (consolidated, group share) and all other things being equal, we foresee a gross dividend in line with the earlier communicated dividend policy (at least 80% of EPRA earnings supplemented, as the case may be, by realised capital gains during the financial year in the framework of the asset rotation policy<sup>48</sup>) which may be paid via an interim dividend in December 2022 and a final dividend in May 2023.

## SENSITIVITY OF FORECASTS

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

As an indication and on the basis of data as at 31 December 2021, it can be estimated that a 1% change in the fair value of the property portfolio (IAS 40) would have an impact of around €28.7 million on the net result, thereby generating a change of the order of -€1.06 in the net asset value per share and 0.42% in the LTV<sup>49</sup>.

Furthermore, a change in the forecast movements of interest rates could alter the fair value of the financial assets and liabilities (IFRS 9). Based on the fair value as at 31 December 2021, it can be estimated that if the Euro interest rate curve had been 0.5% lower than the curves for 31 December 2021, the change in fair value of the financial assets and liabilities carried at fair value would have been -€27.5 million. In the opposite case, the change would have been €26.0 million.

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

Finally, a change in the forecast Euribor one and three-month rates used in our outlook (see above, -0.49%) would also alter the financial charges. It can be estimated that if forecast Euribor one and three-month rates were on average 0.5% above, the impact on our 2022 EPRA earnings would be around -€ 1.0 million €, generating a change of the order of -€0.04 in the net asset value per share.

---

<sup>48</sup> Subject to the legal obligations set out in the Royal Decree of July 13<sup>th</sup> 2014 regarding REIT's.

<sup>49</sup> Loan-to-value ("LTV") = [(nominal financial debts — cash)/fair value of portfolio].

# APPENDIX 1

## Consolidated income statement (in € thousand)<sup>50</sup>

	31.12.2021	31.12.2020 (restated)	31.12.2020 (not restated)
I. (+) Rental income	129 244	137 652	137 652
III. (+/-) Charges linked to letting	-914	-14	-14
<b>NET RENTAL RESULT</b>	<b>128 329</b>	<b>137 638</b>	<b>137 638</b>
IV. (+) Recovery of property charges	12 125	16 081	16 081
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	21 104	24 947	24 947
VII. (-) Rental charges and taxes normally paid by tenants on let properties	-30 463	-32 760	-32 760
VIII. (+/-) Other revenue and charges for letting	197	2 171	2 171
<b>PROPERTY RESULT</b>	<b>131 293</b>	<b>148 077</b>	<b>148 077</b>
IX. (-) Technical costs	-16 055	-18 520	-18 520
X. (-) Commercial costs	-2 824	-1 736	-1 736
XI. (-) Charges and taxes on unlet properties	-2 790	-1 867	-1 867
XII. (-) Property management costs	-3 049	-2 830	-2 830
XIII. (-) Other property charges	-4 843	-7 928	-7 928
(+/-) Property charges	-29 561	-32 880	-32 880
<b>PROPERTY OPERATING RESULT</b>	<b>101 732</b>	<b>115 197</b>	<b>115 197</b>
XIV. (-) Corporate overheads	-24 789	-18 596	-18 596
XV. (+/-) Other operating income and charges	-	-	-1 932
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>76 942</b>	<b>96 601</b>	<b>94 669</b>
XVI. (+/-) Gains and losses on disposals of investment properties	5 901	306	306
XVIII. (+/-) Changes in fair value of investment properties	-3 119	1 367	1 367
XIX. (+/-) Other result on portfolio	-5 839	-1 932	-
<b>OPERATING RESULT</b>	<b>73 885</b>	<b>96 342</b>	<b>96 342</b>
XX. (+) Financial income	1 455	745	745
XXI. (-) Net interest charges	-14 893	-19 125	-19 125
XXII. (-) Other financial charges	-3 736	-2 579	-2 579
XXIII. (+/-) Changes in fair value of financial assets and liabilities	30 579	-17 682	-17 682
(+/-) Financial result	<b>13 404</b>	<b>-38 642</b>	<b>-38 642</b>
<b>PRE-TAX RESULT</b>	<b>87 289</b>	<b>57 700</b>	<b>57 700</b>
XXV. (-) Corporation tax	-1 051	-1 107	-1 107
(+/-) Taxes	<b>-1 051</b>	<b>-1 107</b>	<b>-1 107</b>
<b>NET RESULT</b>	<b>86 238</b>	<b>56 593</b>	<b>56 593</b>
NET RESULT (group share)	89 370	57 709	57 709
NET RESULT - NON-CONTROLLING INTERESTS	-3 132	-1 116	-1 116
<b>BASIC NET RESULT AND DILUTED (€/share)</b>	<b>3.31</b>	<b>2.13</b>	<b>2.13</b>
Other comprehensive income - actuarial gains and losses - pension liabilities	2 476	-1 784	-1 784
Other comprehensive income - others	135	-	-
Other comprehensive income (group share)	2 476	-1 781	-1 781
Other comprehensive income - Non-controlling interests	-1	-3	-3
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>88 714</b>	<b>54 809</b>	<b>54 809</b>
TOTAL COMPREHENSIVE INCOME (group share)	91 846	55 928	55 928
TOTAL COMPREHENSIVE INCOME - NON-CONTROLLING INTERESTS	-3 133	-1 119	-1 119

<sup>50</sup> Since 31 December 2021, the recurring compensation for the effect of spreading rental gratuities granted and the Goodwill impairment are booked under the rubric "Other result on portfolio" and not anymore under the rubric "Other operating income & charges". The figures of 31 December 2020 were therefore adapted.

**Consolidated balance sheet (in € thousand)**

<b>ASSETS</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>I. Non-current assets</b>	<b>2 914 490</b>	<b>2 790 205</b>
A. Goodwill	16 299	18 145
B. Intangible assets	6 176	3 815
C. Investment properties	2 861 185	2 739 649
Fair value of portfolio (excluding Silversquare)	2 824 655	2 694 479
Right of use - Fair value of Silversquare leases	36 531	45 170
D. Other property, plant and equipment	19 118	15 355
E. Non-current financial assets	6 901	8 421
F. Finance lease receivables	4 812	4 822
<b>II. Current assets</b>	<b>67 798</b>	<b>56 284</b>
A. Properties held for sale	13 133	21 581
B. Current financial assets	7	795
C. Finance lease receivables	149	145
D. Trade receivables	35 217	28 386
E. Tax receivables and other current assets	11 692	479
F. Cash and cash equivalents	2 022	2 439
G. Deferred charges and accrued income	5 578	2 458
<b>TOTAL ASSETS</b>	<b>2 982 289</b>	<b>2 846 488</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1 630 170</b>	<b>1 591 404</b>
<b>I. Equity attributable to shareholders of the parent company</b>	<b>1 630 170</b>	<b>1 591 404</b>
A. Capital	398 357	398 356
B. Share premium account	861 905	861 905
C. Reserves	314 592	318 874
D. Net result for the fiscal year <sup>51</sup>	55 316	12 269
<b>II. Non controlling interests</b>	-	-
<b>LIABILITIES</b>	<b>1 352 118</b>	<b>1 255 084</b>
<b>I. Non-current liabilities</b>	<b>888 539</b>	<b>760 104</b>
A. Provisions	1 196	3 918
B. Non-current financial debts	851 775	684 586
a. Credit institution	440 155	219 677
c. Other	411 620	464 909
C. Other non-current financial liabilities	27 081	62 973
D. Trade debts and other non-current debts	7 362	7 547
F. Deferred Tax - Liabilities	1 125	1 081
<b>II. Current liabilities</b>	<b>463 579</b>	<b>494 980</b>
A. Provisions	3 709	2 526
B. Current financial debts	359 653	368 697
a. Credit institution	14 247	11 001
c. Other	345 406	357 696
C. Other current financial liabilities	392	-
D. Trade debts and other current debts	61 584	93 130
E. Other current liabilities	1 675	4 276
F. Accrued charges and deferred income	36 566	26 351
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2 982 289</b>	<b>2 846 488</b>

<sup>51</sup> The interim dividend is the difference between the "Net result for the fiscal year" in the Consolidated statement of financial position and the "Net result" in the Consolidated statement of comprehensive income.

# APPENDIX 2: “Alternative Performance Measures”

## REAL-ESTATE OPERATOR ACTIVITY

### Glossary of Alternative Performance Measures

Alternative Performance Measure	Definition	Use
<b>Net property charges</b>	The sum of various property charges, net of amounts recoverable from tenants (corresponds to the sum of headings IV to XIII of the consolidated statement of total comprehensive income).	Gives an overview of all net property charges.
<b>Operating margin</b>	‘Operating result before result on portfolio’ divided by ‘net rental result’.	Used to assess the Company’s operating performance.
<b>Financial result (excluding changes in fair value of financial assets and liabilities and close-out costs)</b>	‘Financial result’ minus heading XXIII ‘Changes in fair value of financial assets and liabilities’.	Used to compare forecasts and actual figures in the financial results.
<b>Net result before changes in fair value of investment properties and financial assets and liabilities and share in the profit or loss of investments</b>	‘Net result’ minus heading XVIII ‘Changes in fair value of investment property’ and heading XXIII ‘Changes in fair value of financial assets and liabilities’ and heading ‘Changes in the share in the profit or loss of investments accounted for using the equity method’.	Used to identify the net result before changes in the fair value of investment property and of the financial assets and liabilities.
<b>“Like-for-Like” net rental result</b>	Net rental result of properties available for lease at constant perimeter for two consecutive periods. The ‘Like-for-Like’ scope is calculated on the basis of the EPRA definition.	Used to measure the change in rental income of properties available for lease at constant floor area for two consecutive periods.
<b>Corporate taxes (excl. deferred taxes)</b>	Heading XXV “Corporate taxes” minus the recorded deferred tax.	Gives an overview of effective incurred and due taxes.

### Reconciliation tables for Alternative Performance Measures

#### Net rental result in “Like-for-Like”

(in thousand €)	31.12.2021	31.12.2020
Net rental result (A)	119 947	130 782
Net rental result linked to changes in perimeter (B)	7 445	19 329
Net rental result on properties not available for lease (C)	8 937	4 074
Non-recurring element to extract from the "Like-for-Like" (D)	-1 018	3 751
<b>Net rental result in "Like-for-Like" (A-B-C-D)</b>	<b>104 584</b>	<b>103 628</b>

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

(in thousand €)	31.12.2021	31.12.2020
Net result (A)	89 663	58 446
XVIII. Changes in fair value of investment properties (B)	5 520	759
XXIII. Changes in fair value of financial assets and liabilities (C)	30 579	-17 682
Changes in the share in the profit or loss of investments accounted for using the equity method (D)	-9 775	-2 373
<b>Net result before changes in fair value of investment properties and financial assets and liabilities and share in the profit or loss of investments (A-B-C-D)</b>	<b>63 339</b>	<b>77 742</b>

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

<b>(in thousand €)</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Financial result (A)	15 003	-37 154
XXIII. Changes in fair value of financial assets and liabilities (B)	30 579	-17 682
Close-out costs	-458	-1
<b>Financial result (excl. the changes in fair value of the financial assets and liabilities and close-out costs) (A-B)</b>	<b>-15 117</b>	<b>-19 471</b>

**Operating margin**

<b>(in thousand €)</b>	<b>31.12.2021</b>	<b>31.12.2020 (restated)</b>	<b>31.12.2020 (not restated)</b>
Operating result before result on portfolio (A)	80 342	99 828	97 987
Net rental result (B)	119 947	130 782	130 782
<b>Operating margin (A/B)</b>	<b>67.0%</b>	<b>76.3%</b>	<b>74.9%</b>

**Net property charges**

<b>(in thousand €)</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
IV. Recovery of property charges	12 127	16 083
V. Recovery of rental charges and taxes normally paid by tenants on let properties	22 039	25 469
VII. Rental charges and taxes normally paid by tenants on let properties	-22 803	-26 051
VIII. Other revenue and charges for letting	197	2 171
IX. Technical costs	-16 055	-18 520
X. Commercial costs	-2 824	-1 736
XI. Charges and taxes on unlet properties	-2 790	-1 867
XII. Property management costs	-3 049	-2 830
XIII. Other property charges	-4 843	-7 928
<b>Net property charges</b>	<b>-18 001</b>	<b>-15 208</b>

**Corporate taxes (excl. deferred taxes)**

<b>(in thousand €)</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
XXV. Corporate taxes (A)	-1 047	-1 079
Deferred taxes	-44	-390
<b>Corporate taxes (excl. deferred taxes) (A-B)</b>	<b>-1 003</b>	<b>-689</b>

## CONSOLIDATED

### Glossary of the « Alternative Performance Measures »

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

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

#### Loan-to-value

(in thousand €)	31.12.2021	31.12.2020
Nominal financial debts (A)	1 161 297	1 001 620
II. F. Cash and cash equivalents (B)	2 022	2 439
I. C. Investment properties (D) <sup>52</sup>	2 822 806	2 692 393
II. A. Assets held for sale (E)	13 133	21 581
<b>Fair value of portfolio at the closing date (C = D+E)</b>	<b>2 835 939</b>	<b>2 713 974</b>
<b>Loan-to-value (A-B)/C</b>	<b>40.9%</b>	<b>36.8%</b>

#### Average (annualised) financing cost

(in thousand €)	31.12.2021	31.12.2020
Interest paid	19 416	22 643
Annualised interest paid (A)	19 416	22 643
Annualised nominal financial debts (B)	1 058 729	1 126 483
<b>Average (annualised) financing cost (A/B)</b>	<b>1.8%</b>	<b>2.0%</b>

#### Total return on shareholders' equity (in € per share and in %)

	31.12.2021	31.12.2020
Total return on shareholders' equity (in € per share)	3.33	2.11
Total return on shareholders' equity (in %)	5.7%	3.6%

<sup>52</sup> Excluding rights of use lease agreements for office space and rights to use land (IFRS 16).

# APPENDIX 3: Tables of the EPRA indicators<sup>53</sup>

## REAL-ESTATE OPERATOR ACTIVITY

### EPRA earnings<sup>54</sup>

(in € thousand)	31.12.2021	31.12.2020 (restated)	31.12.2020 (not restated)
<b>Net result IFRS</b>	<b>99 438</b>	<b>60 819</b>	<b>60 819</b>
<b>Net result IFRS (in € per share)</b>	<b>3.68</b>	<b>2.25</b>	<b>2.25</b>
Adjustments to calculate EPRA earnings	-35 215	18 849	17 008
To exclude:			
I. Changes in fair value of investment properties and properties held for sale	-5 520	-759	-759
II. Result on disposals of investment properties	-5 901	-306	-306
V. Negative goodwill/goodwill impairment	852	-	-
VI. Changes in fair value of financial assets and liabilities and close-out costs	-30 121	17 683	17 683
VIII. Deferred tax in respect of EPRA adjustments	44	390	390
XI. Recurring compensation for the effect of spreading rental gratuities granted	5 429	1 841	-
<b>EPRA earnings</b>	<b>64 222</b>	<b>79 667</b>	<b>77 826</b>
<b>EPRA earnings (in € per share)</b>	<b>2.38</b>	<b>2.95</b>	<b>2.88</b>

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

(€ thousand)	31.12.2021	31.12.2020
Investment properties and properties held for sale	2 835 939	2 713 974
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	-390 695	-517 289
Properties held for sale	-13 133	-21 581
Properties available for lease	2 432 111	2 175 104
To include:		
Allowance for estimated purchasers' cost	60 866	54 957
<b>Investment value of properties available for lease (B)</b>	<b>2 492 977</b>	<b>2 230 061</b>
Annualised cash passing rental income	111 659	114 032
To exclude:		
Property charges <sup>55</sup>	-6 321	-2 799
<b>Annualised net rents (A)</b>	<b>105 339</b>	<b>111 234</b>
To include:		
- Notional rent expiration of rent free periods or other lease incentives	7 202	4 896
<b>Topped-up annualised net rents (C)</b>	<b>112 540</b>	<b>116 130</b>
(in %)		
<b>EPRA Net Initial Yield (A/B)</b>	<b>4.2%</b>	<b>5.0%</b>
<b>EPRA Topped-up Net Initial Yield (C/B)</b>	<b>4.5%</b>	<b>5.2%</b>

<sup>53</sup> The definitions of the EPRA indicators are published in the Annual Financial Report 2020 on page 79. Source: EPRA Best Practices (www.epra.com).

<sup>54</sup> Since the 31 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 31 December 2020 were therefore restated. The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation. The net result on 31 December 2020 is restated, excluding the share in the profit or loss of investments booked using the equity method.

<sup>55</sup> The scope of the property charges to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to "property charges" as presented in the consolidated IFRS accounts.

## EPRA Vacancy rate

(in € thousand)	31.12.2021	31.12.2020
Estimated rental value (ERV) on vacant space (A)	5 565	3 203
Estimated rental value (ERV) (B)	124 684	111 322
<b>EPRA Vacancy rate of properties available for lease (A)/(B)</b>	<b>4.5%</b>	<b>2.9%</b>

## EPRA Cost ratio

(in € thousand)	31.12.2021	31.12.2020 (restated)	31.12.2020
<b>Net administrative and operating expenses in the income statement</b>	<b>-40 511</b>	<b>-30 924</b>	<b>-30 924</b>
III. (+/-) Rental charges	- 906	30	30
Net property charges	-18 001	-15 208	-15 208
XIV. (-) Corporate overheads	-21 603	-15 746	-15 746
XV. (+/-) Other operating income and charges	-	-	-1 841
Exclude:			
i. Impact of the spreading of gratuities	-	-	1 841
<b>EPRA costs (including direct vacancy costs) (A)</b>	<b>-40 511</b>	<b>-30 924</b>	<b>-30 924</b>
XI. (-) Charges and taxes on unlet properties	2 790	1 867	1 867
<b>EPRA costs (excluding direct vacancy costs) (B)</b>	<b>-37 721</b>	<b>-29 058</b>	<b>-29 058</b>
I. (+) Rental income	120 853	130 753	130 753
<b>Gross rental income (C)</b>	<b>120 853</b>	<b>130 753</b>	<b>130 753</b>
<b>EPRA cost ratio (including direct vacancy costs) (A/C)</b>	<b>33.5%</b>	<b>23.7%</b>	<b>23.7%</b>
<b>EPRA cost ratio (excluding direct vacancy costs) (B/C)</b>	<b>31.2%</b>	<b>22.2%</b>	<b>22.2%</b>

EPRA Like-for-Like net rental growth

Segment	31.12.2021						31.12.2020						Evolution Properties owned throughout 2 consecutive years
	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed <sup>56</sup>	Total net rental income <sup>57</sup>	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed <sup>56</sup>	Total net rental income <sup>57</sup>	
<b>(in € thousand)</b>													
Brussels CBD and similar	50 730		880		2 448	54 059	50 662		9 111		1 033	60 807	0.1%
Brussels decentralised	2 720				2 422	5 141	3 099				3 076	6 176	-12.2%
Brussels periphery	4 870		416			5 287	5 509		2 470			7 978	-11.6%
Wallonia	10 469	-213	-30	203	517	10 947	10 388			240	-225	10 403	0.8%
Flanders	24 257		209	-32	-67	24 366	25 332		1 127	332	466	27 256	-4.2%
Luxembourg city	5 272	1 347				6 618	4 655					4 655	13.2%
<b>Total</b>	<b>98 317</b>	<b>1 134</b>	<b>1 476</b>	<b>171</b>	<b>5 320</b>	<b>106 418</b>	<b>99 645</b>	<b>-</b>	<b>12 708</b>	<b>573</b>	<b>4 350</b>	<b>117 276</b>	<b>-1.3%</b>
<b>Reconciliation to the consolidated IFRS income statement</b>													
<b>Net rental income related to:</b>													
- Properties booked as financial leases (IFRS 16)						-15						-9	
- Non recurring element						4 312						6 718	
<b>Other property charges</b>						-8 769						-8 411	
<b>Property operating result in the consolidated IFRS income statement</b>						<b>101 946</b>						<b>115 574</b>	

<sup>56</sup> These are properties that are being constructed or developed for own account in order to be leased.

<sup>57</sup> The total "Net rental income" defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the "Property operating result" of the consolidated IFRS accounts.

## CONSOLIDATED

### EPRA Earnings<sup>58</sup>

(in € thousand)	31.12.2021	31.12.2020 (restated)	31.12.2020 (not restated)
<b>Net result IFRS (group share)</b>	<b>89 370</b>	<b>57 709</b>	<b>57 709</b>
<b>Net result IFRS (in € per share) (group share)</b>	<b>3.31</b>	<b>2.13</b>	<b>2.13</b>
Adjustments to calculate EPRA earnings	- 27 158	19 813	18 389
To exclude:			
I. Changes in fair value of investment properties and properties held for sale	5 454	237	237
II. Result on disposals of investment properties	-5 901	-306	-306
V. Negative goodwill/goodwill impairment	1 202	700	700
VI. Changes in fair value of financial assets and liabilities and close-out costs	-30 121	17 683	17 683
VIII. Deferred tax in respect of EPRA adjustments	44	390	390
X. Adjustments in respect of minority interests	-2 474	-122	-315
XI. Recurring compensation for the effect of spreading rental gratuities granted	4 637	1 232	-
<b>EPRA earnings (group share)</b>	<b>62 212</b>	<b>77 522</b>	<b>76 097</b>
<b>EPRA earnings (in € per share) (group share)</b>	<b>2.30</b>	<b>2.87</b>	<b>2.81</b>

### EPRA NRV, NTA, NDV

	31.12.2021			31.12.2020		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
	Net Reinstatement Value	Net tangibles Assets	Net Disposal Value	Net Reinstatement Value	Net tangibles Assets	Net Disposal Value
<b>IFRS Equity attributable to shareholders</b>	<b>1 630 170</b>	<b>1 630 170</b>	<b>1 630 170</b>	<b>1 591 404</b>	<b>1 591 404</b>	<b>1 591 404</b>
To include:						
Revaluation of tenant leases held as finance leases	41	41	41	104	104	104
<b>Diluted NAV at fair value</b>	<b>1 630 212</b>	<b>1 630 212</b>	<b>1 630 212</b>	<b>1 591 508</b>	<b>1 591 508</b>	<b>1 591 508</b>
To exclude:						
Fair value of financial instruments	20 953	20 953		55 049	55 049	
Deferred tax in relation to fair value gains of investment property	1 125	562		1 081	540	
Goodwill as per IFRS balance sheet		-16 299	- 16 299		-18 145	-18 145
Intangibles as per IFRS balance sheet		- 6 176			-3 815	
To include:						
Fair value of fixed interest rate debt <sup>59</sup>			- 6 067			-26 848
Real-estate transfer tax	71 542	-		68 848	-	
<b>NAV</b>	<b>1 723 832</b>	<b>1 629 253</b>	<b>1 607 846</b>	<b>1 716 486</b>	<b>1 625 138</b>	<b>1 546 515</b>
<b>NAV (€/share)</b>	<b>63.82</b>	<b>60.32</b>	<b>59.53</b>	<b>63.48</b>	<b>60.10</b>	<b>57.19</b>

<sup>58</sup> Since the 31 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 31 December 2020 were therefore restated. The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation. The net result on 31 December 2020 is restated, excluding the share in the profit or loss of investments booked using the equity method.

<sup>59</sup> Excluding IFRS 16.

# APPENDIX 4: 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.

## **Potential rent**

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

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

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

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

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

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

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

## **Occupancy rate of properties available for lease**

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

## **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 of properties available for lease**

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 of properties available for lease**

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.

## **Weighted average duration of current and future signed leases up to next break of investment properties**

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

## **Weighted average duration of current and future signed leases up to final expiry of investment properties**

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



## **Befimmo SA**

Isaline Van den Berghe | Investor Relations Officer  
Cantersteen 47 Cantersteen | 1000 Brussels  
T: +32 2 679 38 08 | [i.vandenbergh@befimmo.be](mailto:i.vandenbergh@befimmo.be) | [www.befimmo.be](http://www.befimmo.be)