Press release

Regulated information
13 February 2020 | 5.40 PM

Annual results 31.12.2019

Good performance and solid prospects

- **Financial results (consolidated, group share)**
  - Net asset value of €59.29 per share
  - Net result of €6.95 per share
  - EPRA earnings of €3.29 per share (in line with forecasts)
- **Real-estate operator**
  - Intense rental activity: 131,000 m² let in 2019 including 70,000 m² in the ZIN project (Brussels) and 10,900 m² in the Paradis Express project (Liège)
  - Pre-let of 76% of the office space currently under construction and to be delivered by 2023
  - Important increase (+4.1%) in fair value of the portfolio (excluding acquisitions, investments and divestment)
  - Continued portfolio rotation:
    - acquisition of the Loi 44 building (Brussels CBD)
    - sale of the Pavilion building (Brussels CBD), Eagle building (Brussels periphery) and 3 Fedimmo buildings
  - EPRA earnings of €3.26 per share
- **Coworking**
  - Further development of the network: opening of Silversquare Zaventem in Ikaros Park
  - Contribution to the EPRA earnings (group share) of €0.03 per share
- **Financial structure**
  - Loan-to-Value ratio of 39.0%
  - €69 million raised following the private placement of 1,266,300 treasury shares
  - €11 million new funds raised through interim dividend
- **Share and dividends**
  - Return on share price of 18.7% for 2019 fiscal year
  - Confirmation of the proposed final dividend of €0.86 gross per share, payable as from 6 May 2020, bringing the total dividend for the fiscal year to €3.45 gross per share
  - Dividend outlook of €3.45 gross per share for the 2020 fiscal year

The Board of Directors of Befimmo SA met on 12 February 2020 to close the annual financial statements as at 31 December 2019.

Contents

Consolidation basis:
Since 1 January 2019, Befimmo has the sole control of Silversquare Holding SA, and as a result, Silversquare Holding and its subsidiaries are included in the overall consolidation as of 31 December 2019.
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 2019 (i.e. 25,676,219 shares).

Real-estate and financial indicators:
The definitions of those indicators are published in Appendix 4 to this press release. The real-estate indicators of Befimmo are identified with a footnote at their first mention in this press release.
Befimmo is fully committed to standardising its reporting - with a view to improving the quality and comparability of the information - by adopting the EPRA reporting guidelines.

Alternative Performance Measures:
The "Alternative Performance Measures (APM)" guidelines of the European Securities Markets Authority (ESMA) have been applicable since 3 July 2016. The APMs within this press release are identified with a footnote at the first mention of the APM. The full list of APMs, their definition, their utility and the related reconciliation tables are included in Appendix 2 and 3 to this press release and are published on the Befimmo website:
http://www.befimmo.be/en/investors/publications/alternative-performance-measures

Befimmo starts the new decade on a solid foundation

A clear vision, a strong ambition

As the main Belgian specialist in office property, Befimmo is a reference operator on its market.

For many years, Befimmo has been carefully studying the rapid evolution of the way of working and living.
The digital revolution, the search for flexibility and efficiency, and the attention we pay to the environment, and more generally to social responsibility, are important drivers for Befimmo's activities.

The collaboration with Silversquare, which began in 2017, was a pioneering step in the evolution of Befimmo's business model. Attention is increasingly being focussed on the customer, and Befimmo has set an ambitious goal: with Silversquare it intends to develop a BeLux network of interconnected workspaces in order to meet the increasingly demanding expectations of occupants in terms of flexibility, collaborative work and inspiration.

As the customers occupy a central place in the reflection process, Befimmo pays greater attention to the services and facilities to be offered to them. Today, workplaces are no longer chosen solely on the basis of a cost analysis. Employee well-being is also playing an increasingly crucial role in decision-making. Accordingly, Befimmo aims to create environments for working, meeting, sharing and living.

Befimmo's six strategic priorities (the world of work, setting an example, use of resources, dialogue, mobility and integration into the city) are at the centre of its activities. These priorities have been brought together in a global action plan1 for 2030, with precise key performance indicators (KPIs) (https://www.befimmo.be/en/investors/publications?type=76).

This approach, combined with its strong performance in 2019, is a solid foundation for a good start to the new decade, full of challenges - and hence solid prospects for Befimmo - as it prepares actively for it.

Real-estate operator business

Befimmo operates a portfolio of 76 quality office buildings with an overall value of €2.8 billion, located mainly in city centres near public transport. Befimmo manages its portfolio proactively so as to meet the expectations of its users. It takes care to make arbitrations within the portfolio in order to crystallise values and keep its portfolio at the highest level of quality by selling buildings that do not fit into the strategic framework.

Befimmo has a fine pipeline of strategic construction projects, with a remaining investment value of €492 million[2], up to 2023, when the ZIN project is due for handover. This pipeline contributes to organic growth, which creates value, in a period of fierce competition between investors looking for returns. Furthermore, Befimmo uses its development skills when buying office buildings that are of good quality but are nearing the end of their cycle (value add) with a view to redeveloping them upon expiry of the lease.

In 2019 Befimmo let, re-let or renegotiated nearly 131,000 m² compared with 52,700 m² of leases signed in 2018. Befimmo was thus the most active landlord on the Brussels rental market in terms of m² signed.

A little over half of these m² let (70,000 m²) is linked to the largest transaction carried out on the Brussels office market over the past 10 years, namely the award of the public development contract by the Flemish Government to Befimmo for the **ZIN** redevelopment project, located in the North area of Brussels. The lease agreed covers all the offices (70,000 m² in state of further completion). The 18-year fixed-term lease will commence in 2023. In January 2020, the ZIN project won the "be.exemplary 2019" prize, organised by the Brussels government ("urban.brussels"), in the "big private projects" category.

In Liège, the construction of the **Paradis Express** eco-neighbourhood continues. In 2019, Befimmo already pre-let 10,900 m² of the 21,000 m² of office space under construction. Marketing is progressing very well and all of the offices should therefore be

1 The 2020 action plan will be published at the same time as the Annual Financial Report 2019.

2 Calculated on the ongoing committed projects.

pre-let by the end of 2020. The handover of Paradis Express is scheduled for 2021.

These major transactions in the portfolio of redevelopment projects, boosted the **pre-letting rate** of the office projects to 76%.

Construction of the **Quatuor** building, also located in the North area of Brussels, is continuing, despite a slight delay owing to several unforeseen events during the demolition work. The Quatuor building is currently 30% pre-let to Beobank. The lease is due to commence by the end of January 2021. There is serious interest in the building now that the walls are going up above ground level. Accordingly, a marketing box has been installed on site and many visits are being organised.

Apart from ZIN and Paradis Express, Befimmo signed a significant number of leases, reflecting the **very dynamic market** for offices in 2019. Tenants are looking for quality office environments, in good locations that are easily accessible. The quality of the properties in Befimmo's portfolio, plus its projects, addresses these needs and the lack of Grade A buildings immediately available on the market.

Accordingly, the spot occupancy rate of the properties available for lease is 94.4% (compared with 94.5% at the year-end in 2018). EPRA like-for-like net rental growth amounted to 4.7% (compared with 2.4% in 2018). Most of this increase is a result of the combined effect of new leases and indexing.

In 2019 Befimmo also continued to **rotate its portfolio**.

In November, it acquired the **Loi 44** building, in the heart of the European quarter of Brussels (Central Business District). The location of Loi 44, near the Joseph II building, offers great potential for value creation. When the lease expires, a new innovative complex will be developed.

In April, Befimmo granted a leasehold on the **Pavilion** building, located in the European quarter of Brussels (Central Business District). The Pavilion has benefited from the compression of property yields in the office market. This transaction, earning a capital gain of €10.0 million (€0.39 per share) in relation to the fair value as the year opened, was carried out at the appropriate time in the life cycle of the building.

Befimmo also sold the **Eagle Building,** located in the Brussels periphery, earning a capital gain of €2.7 million (€0.11 per share) in relation to the fair value as the year opened. The sale of this mostly vacant property demonstrates Befimmo's aim to focus on its city-centre portfolio and to dispose of properties that do not fit with the strategic framework, particularly on account of their location.

As expected in the outlook and in accordance with the strategy of selling small Fedimmo properties located in the provinces, Fedimmo also sold **three buildings[3] that were nearing the end of their leases**, earning a capital gain of €0.5 million (€0.02 per share) in relation to the fair value as the fiscal year opened.

In the **Paradis Express** project in Liège Befimmo also sold (at the end of 2018) one of the five 5,400 m² residential buildings, in state of future completion, to a specialist operator, developing the Young Urban Style co-living concept. In November 2019, Befimmo and Matexi (residential developer) signed a cooperation agreement for the transfer of part of the land (0.6 ha) to be developed by Matexi. They will handle the development of the residential spaces, shops and hospitality businesses. Befimmo will develop the office part of the eco-neighbourhood currently under construction.

Coworking business

Befimmo and Silversquare are developing the Belux network of interconnected workspaces. Communities are being created within the network between start-ups, scale-ups and small and large businesses (through the organisation of events, presentations, brainstorming sessions, etc.). It is a unique way to stimulate creativity, innovation and interaction between all kinds of businesses and entrepreneurs. User well-being is key. Accordingly, Befimmo aims to create environments for working, meeting, sharing and living.

In late 2019, the Zaventem coworking space (2,800 m²) opened in Ikaros Park. Befimmo’s subsidiary **Silversquare** now operates six coworking spaces, two of which are in Befimmo buildings. In 2019, Silversquare's turnover was €7.4 million. Mature spaces[4] were 93% occupied as at 31 December 2019, which affirms the market's appetite for Silversquare’s product.

In the first half of 2020, Silversquare is to open the new “Bailli” space in the Platinum building (7,200 m²), located in the Brussels CBD (Louise district). In 2020 it will also expand the existing fully occupied spaces: "Europe" (from 2,300 m² to 4,100 m²) and "Stéphanie" (from 2,100 m² to 3,800 m²).

In Befimmo’s portfolio, several new coworking spaces are under development, notably the Central Gate building opposite the Central Station in Brussels, and in the Paradis Express project in Liège (Guillemins)

3 Namely the Menen, Izegem and Kortrijk Ijzerkaai buildings.

4 A space is considered mature when it has been open for three years.

and the Quatuor project in the North area of Brussels (both opening in 2021).

Financial structure

In December, Befimmo successfully made a **private placement** of 1,266,300 treasury shares at a price of €54.5 per share. This operation raised €69 million.

Befimmo also increased its equity by €11 million thanks to the **optional dividend** proposed to shareholders in December. In that context, 24% of the interim dividend for the 2019 fiscal year was distributed in the form of new shares (i.e. 206,929 new shares) at the price of €54.39 per share.

The net proceeds of these operations will be used to strengthen its growth in quality office space. Moreover, part of the proceeds will be used to develop the network of interconnected working environments.

The **consolidated intrinsic value (group share)** was €59.29 as at 31 December 2019.

The debt ratio (**LTV**) is 39.0%.

Financial results (consolidated group share)

The consolidated EPRA earnings (group share) was €3.29 per share.

The forecast consolidated EPRA earnings (group share) for fiscal year 2019, published in February 2019, was €3.36 per share like-for-like. Taking into account the sale of the Pavilion building, which realised a net capital gain of €0.30[5] per share during the current fiscal year, the amount available for distribution[6] for the fiscal year is €3.59 per share.

Outlook and dividend forecast

Befimmo's portfolio is currently in a transition period.

Two major long-term leases (accounting for around 15% of income) expired almost simultaneously, one at the start and the other at the end of 2018. The buildings concerned (the Quatuor and ZIN projects) are currently being redeveloped. The impact of the loss of income should gradually end between 2021 and 2023, when these projects will generate revenues again.

Moreover, Befimmo is developing the BeLux network of working environments with Silversquare. Even if the investments needed to extend the network postpone Silversquare's positive contribution to EPRA earnings, the first accretive consolidated EPRA earnings results are expected by 2023, based on the current plan.

In addition to the above projects, Befimmo aims to achieve growth through acquisitions. This will be financed with the proceeds of the private placement of shares executed at the end of 2019.

At constant perimeter, for 2020, EPRA earnings (consolidated, group share) are estimated at €2.88 per share. Compared to the forecast published in February 2019 (€3.13 per share), the difference is mainly explained by the sale of the Pavilion[7] building and the private placement carried out in December 2019 for accretive external growth.

On the basis of the above, Befimmo confirms its **dividend forecast** of **€3.45 gross per share** for fiscal year 2020. At constant perimeter, the dividend level will therefore temporarily exceed EPRA earnings, but this situation should end by 2024.

Befimmo will also continue to rotate its portfolio in order to crystallise its value and keep its portfolio at the highest level of quality, as defined in its strategic framework. The capital gains realised will contribute to the amount available for distribution which should exceed or at least match the dividend forecast.

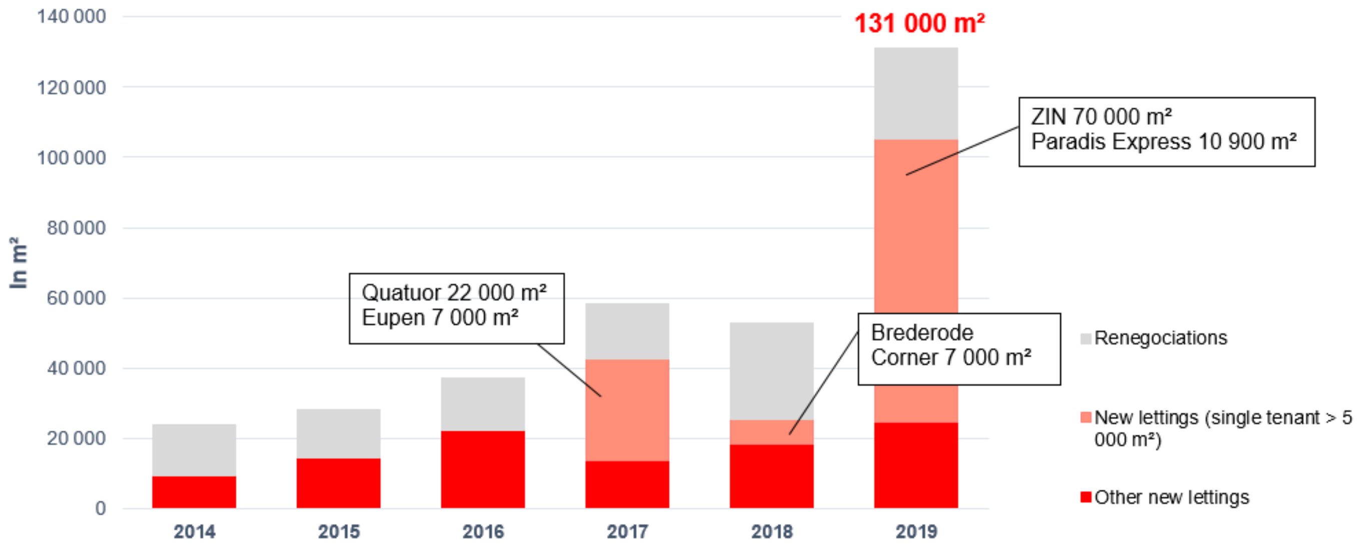
5 Net of the absence of income from the building in 2019.
6 Consolidated EPRA earnings plus capital gain realised (net of the absence of income from the building in 2019) of €0.30 per share.
7 For more information, please consult the press release of 29 April 2019, published on Befimmo's website.

ZIN | Brussels CBD, North area

1. Real-estate business

Real-estate operator business

1. Letting activity



During the 2019 fiscal year, Befimmo contracted new leases and renewals for a total surface area of 130,999 m² (including 117,178 m² of offices and 13,822 m² of retail and multipurpose spaces) compared to the 52,693 m² contracted in 2018. 80%[8] of the leased areas represent the signing of new leases (i.e. 42 transactions), while the balance concerns the renegotiation of existing leases (i.e. 28 transactions).

■ EPRA « like-for-like net rental growth »

The EPRA "like-for-like net rental growth" was 4.7% compared to 2.4% for the 2018 fiscal year. The increase in the operating result on a like-for-like basis is the result of the combined effect of new leases and indexing.

■ Main transactions:

Operating portfolio:

- **Blue Tower**: Signature of several extensions (of duration and surface) and new leases (7,800 m²).
- **Central Gate**: Signature of a lease with Mediahuis (2,300 m²). The lease will commence in mid-2020 and has a duration of 9 years. In addition, Befimmo has signed further new leases and extensions (6,000 m²). These letting in the Central Gate building confirm the market's appetite for this iconic building, located opposite Brussels Central Station. In this way, Befimmo has already re-let part of the space that Alpha Crédit (a tenant since 1997) vacated at the end of 2019. These spaces are being renovated.
- **Triomphe:** Signing of several new leases (4,500 m²). The success of the more flexible offering (combination of office floors with coworking space), community life and coworking café is reflected in an increase in the occupancy rate. After Boehringer Ingelheim's incorporation in 2020, the building is now fully leased.

Ongoing projects:

- **ZIN**: Signing of the lease with the Flemish Community for the take-up of all offices (70,000 m²) of the ZIN project (110,000 m²). The lease will commence in 2023 and has a duration of 18 years.
- **Paradis Express:** the pre-let of 10,900 m² to the Walloon Public Service. The lease will commence in 2021 and has a term of 18 years.

The strong letting activity over the fiscal year is a testament to Befimmo's dynamism and the quality of its portfolio.

8 Based on the number of square metres let.

2. Occupancy rate and « EPRA Vacancy Rate »

	31.12.2019	31.12.2018
"Spot" occupancy rate of properties available for lease[(a)]	94.4%	94.5%
EPRA Vacancy Rate[(b)]	4.1%	4.3%

(a) This is a real-estate indicator. For more information, please consult Appendix 4 of this press release.
(b) This is an EPRA indicator. For more information, please consult Appendix 3 of this press release.

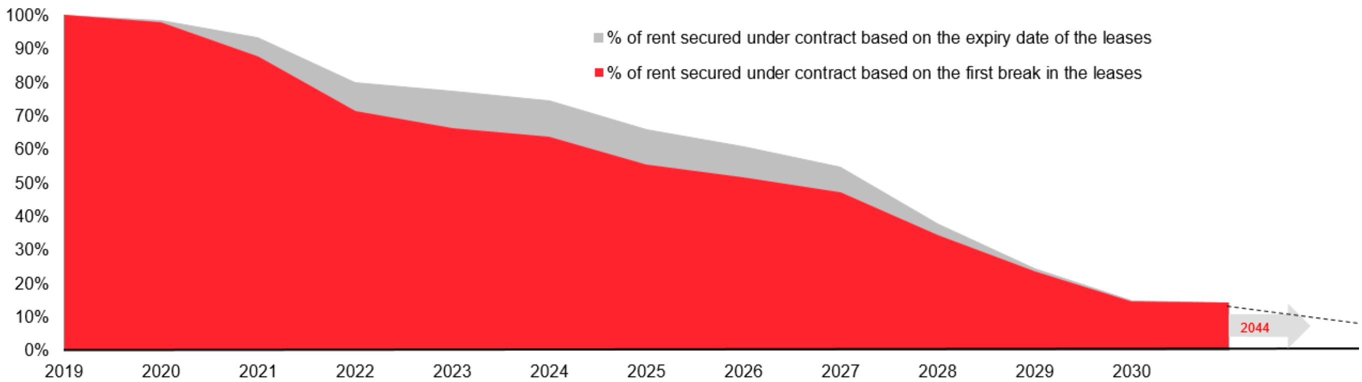
3. Weighted average duration of leases [9]

	31.12.2019	31.12.2018
Weighted average duration of current leases up to next break[(a)]	7.1 years	7.0 years[(b)]
Weighted average duration of current leases up to final expiry[(a)]	7.8 years	7.5 years

(a) This is a real-estate indicator. For more information, please consult Appendix 4 of this press release.
(b) Excluding the WTC 2, where the lease expired at the end of 2018, the weighted average duration of leases up to next break would be 7.8 years as at 31 December 2018.

The longer duration of leases compared with 31 December 2018 is related mainly to WTC 2 leaving the portfolio of properties available for lease. Note that it will be replaced by the ZIN (110,000 m²), the office part of which (70,000 m²) is already fully pre-let for a duration of 18 years. In accordance with the definitions, this duration will be reflected in the real estate indicators only from the commencement of the lease in 2023.

■ Percentage of rent secured under contract in relation to the residual duration of leases in the consolidated portfolio[10] (in %)



9 The weighted average duration of ongoing leases is calculated solely on the basis of the buildings available for lease ; the leases of buildings under construction that will only take effect on completion of the work, as is the case for the Quatuor project with the Beobank lease (15-year term), the Eupen project with the Régie des Bâtiments lease (25-year term) and the Brederode Corner project with the 6/9 lease from McKinsey & Company, are therefore not included in the calculation of this ratio.
10 Rents for future years calculated on the basis of the present situation, assuming that each tenant leaves at the first break and that no further lease is agreed in relation to the current rent as at 31 December 2019.

4. Fair value[11] per geographical zone

Offices	Change in 2019[(a)] (in %)	Proportion of portfolio[(b)] (31.12.2019) (in %)	Fair value (31.12.2019) (in € million)	Fair value (31.12.2018) (in € million)
Brussels CBD and similar[(c)]	1.0%	48.3%	1 346.1	1 440.6
Brussels decentralised	3.7%	3.0%	83.2	81.7
Brussels periphery	-2.2%	4.3%	121.1	116.5
Flanders	0.4%	17.0%	474.9	474.3
Wallonia	3.3%	8.3%	230.6	220.2
Luxembourg city	13.1%	5.0%	138.6	122.6
Properties available for lease	*1.6%*	*85.9%*	*2 394.5*	*2 455.8*
Properties that are being constructed or developed for own account in order to be leased	*22.1%*	*14.1%*	*394.1*	*199.5*
Investment properties	**4.1%**	**100.0%**	**2 788.6**	**2 655.3**
Total	**4.1%**	**100.0%**	**2 788.6[(d)]**	**2 655.3**

(a) The change over the year is the change in fair value between 1 January 2019 and 31 December 2019 (excluding the amount of acquisitions, investments and divestments).
(b) The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 31 December 2019.
(c) Including the Brussels airport zone, in which the Gateway building is situated.
(d) Excluding Gateway land (IFRS 16).

As at 31 December 2019, the fair value of the portfolio was €2,788.6 million, as against €2,655.3 million as at 31 December 2018.

This change in value incorporates:

- the renovation or redevelopment works carried out in the portfolio;
- the investments (Loi 44) and divestments made (the disposal of the buildings Pavilion, Eagle, Menen, Izegem and Kortrijk Ijzerkaai);
- the changes in fair value booked to the income statement (IAS 40).

At constant perimeter, the value of the portfolio (excluding the amount of investments and divestments) increased during the fiscal year (change of +4.1% or €110.2 million).

This increase in the value of the portfolio confirms the further compression of market yields and the quality of Befimmo's portfolio. Overall, the real estate expert has reviewed his parameters taking into account this market situation. For information, the signing of the lease in the ZIN project generated an initial increase in value of €49 million.

In general, increases in value for city-centre buildings (82% of the portfolio) on long-term leases are slightly offset by decreases in value on buildings with a lease approaching expiry and/or which have less good locations (a smaller proportion of the portfolio, i.e. 18%).

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

5. Overall rental yield

	31.12.2019	31.12.2018
Gross initial yield on properties available for lease[(a)]	5.4%	6.0%
Gross potential yield on properties available for lease[(a)]	5.6%	6.3%
Gross initial yield on investment properties[(b)]	4.6%	5.5%
EPRA Net Initial Yield (NIY)	4.9%	5.7%
EPRA Topped-up NIY[(c)]	5.1%	5.9%

(a) This is a real-estate indicator. For more information, please consult Appendix 4 of this press release.
(b) Comprising properties that are being constructed or developed for own account in order to be leased. This is a real-estate indicator. For more information, please consult Appendix 4 of this press release.
(c) As from 31 March 2019 the "Future rent on signed contracts" is no longer included in the calculation of the EPRA Topped-up NIY. The percentage as of 31 December 2018 has therefore been restated based on this change.

The decline in yields between 31 December 2018 and 31 December 2019 is due mainly to the WTC 2 building leaving the portfolio of properties available for lease, in early 2019, which had a very high yield at 31 December 2018, coupled with the increase in value of certain properties in the portfolio (see also page 8 for more details).

6. Rotation in portfolio

■ Acquisitions

In November 2019, Befimmo acquired the **Loi 44** building, the current Touring headquarters, located in the heart of the European Quarter of Brussels (Central Business District). The location in close proximity to the Joseph II building offers substantial potential for value creation. At the end of the occupancy, Befimmo will develop a new innovative complex on the basis of its in-house expertise and track record in that regard to meet the needs of occupants in search of new high-quality work environments in the centre of Brussels. This type of investment will create value in a market now characterized by high prices for new buildings.

■ Disposals

- In line with its dynamic portfolio management strategy, in the second quarter of the year, Befimmo sold the **Pavilion** building (18,000 m²), located in the Brussels CBD, generating a capital gain of €10.0 million (€0.39 per share) in relation to the fair value as the fiscal year opened;
- In line with its strategy of focusing on its city-centre portfolio, Befimmo also sold the **Eagle building** (7,400 m²), located in the Brussels periphery and mostly vacant, earning a capital gain of €2.7 million (€0.11 per share) compared with the fair value as the fiscal year opened;
- As foreseen in the outlook and in accordance with the strategy of selling small Fedimmo properties located in the provinces, Fedimmo sold **three buildings[12] during the period that were nearing the end of their leases**, earning a capital gain of €0.5 million (€0.02 per share) in relation to the fair value as the fiscal year opened.
- In the **Paradis Express** eco-neighbourhood (under construction), in late 2018 Befimmo sold off a residential building, in state of future completion, to specialist operator Gands, developing the Young Urban Style co-living concept. In 2019, it sold the rights in rem to Matexi (residential developer), allowing it to build the other four residential buildings on the site, together with retail and hospitality spaces. Befimmo will develop the office part on the Paradis Express site (52% of which is already pre-let). Marketing is progressing very well and all of the offices should therefore be pre-let by the end of 2020.

12 Namely the Menen, Izegem and Kortrijk Ijzerkaai buildings.

7. (Re)development projects

Over the 2019 fiscal year, Befimmo invested **€94.4 million** in its portfolio, of which €5.2 million related to the coworking projects (Zaventem (Ikaros Park) and Central Gate) delivered turnkey to Silversquare.

The main renovation and construction projects are listed in the table below.

In 2019 Befimmo completed several important transactions in its portfolio of (re)development projects, bringing the pre-let rate of its office projects (under construction) to 76%.

	Investment realised in 2019 (in € million)	Total investment (in € million)	Percentage of completion	Yield on total investment (land included)
Committed ongoing projects				
Brederode Corner Brussels CBD, Centre	12.5	22	77%	±5.5%
Eupen Courthouse[(a)] Wallonie, Eupen	3.1	14	100%	±5.4%
Paradis Express (offices) Wallonia, Liège	3.7	51	17%	*> 6%*
Quatuor Brussels CBD, North	32.1	158	34%	> 5.3%
ZIN Brussels CBD, North	23.1	375[(b)]	10%	±4.5% (all functions included)
Ongoing projects to be committed				
WTC 4 Brussels CBD, North	1.0	140	15%	
PLXL **(currently "La Plaine")** Brussels decentralised	1.2	50	3%	
Other investments	*17.7*			
Total	**94.4**			

(a) The first phase of the construction of the Courthouse in Eupen was completed in 2018 and the lease on that phase commenced.
(b) « All-in » construction cost (including other functions than offices).

▪ Summary of committed ongoing projects

Brederode Corner
- 7,000 m²
- Brussels CBD
- Completion in Q1 2020
- 100% pre-let
- McKinsey & Company, lease of 6/9 years
- Return on total investment value: ±5.5%
- BREEAM « Excellent » is obtained in the « Design » phase
- https://www.befimmo.be/en/portfolio/brederode-corner

Eupen | Courthouse
- 7,200 m²
- Eupen, Wallonia
- Completion of phase 1 in Q3 2018
- Completion of phase 2 in Q1 2020
- 100% pre-let, public works contract organised by the Buildings Agency (“Régie des Bâtiments”)
- Lease of 25 years as of 2018
- Return on total investment value: >5.0%
- https://www.befimmo.be/en/portfolio/eupen

Paradis Express

- 21,000 m²
- Liège, Wallonia
- Completion in 2021
- 52% pre-let
- Return on total investment value: >6.0%
- BREEAM « Excellent » is targeted in « Design » phase
- Services and facilities:
    - Silversquare coworking space of 4,300 m²
    - Development of an eco-neighbourhood: residential, co-living, restaurants, fitness, nursery, shops, etc.
- https://www.befimmo.be/en/portfolio/project-paradis-express

Quatuor

- 60,000 m²
- Brussels, North
- Completion in 2021
- 30% pre-let to Beobank, lease of 15 years
- Return on total investment value: >5.3%
- BREEAM «Outstanding » is obtained in the « Design » phase (building « The Cloud »)
- « The Cloud » shortlisted for the BREEAM Award 2020
- Services and facilities:
    - Silversquare coworking space of 10,000 m²
    - Fitness, restaurants, event space, indoor garden, roof terraces, ephemeral space, etc.
- https://www.befimmo.be/en/portfolio/quatuor-brussels

ZIN

- 110,000 m² (70,000 m² de bureaux)
- Brussels, North
- Completion in 2023
- Partie bureau 100% pré-loué
- Return on total investment value: ±4.5%[13]
- BREEAM « Excellent » is targeted in « Design » phase
- « be.exemplary award 2019 » category “big private projects”
- Services and facilities:
    - Silversquare coworking space of 5.000 m²
    - 127 apartments, 240 hotel rooms, as well as sports, leisure, restaurants and shopping areas
- https://www.befimmo.be/en/portfolio/zin

13 On the global investment value, all functions included.

Summary of projects to be committed

PLXL

Befimmo is preparing the future of the site of the current "La Plaine" building (15,180 m²), which Beobank will leave in the first half of 2021 to move into its new headquarters in the Quatuor building. La Plaine has served as the headquarters of Beobank (formerly Citibank) for 25 years and has reached the end of its first life cycle. The site enjoys a very good location, next to the Etterbeek railway station and opposite the Université Libre de Bruxelles. Befimmo is currently finalising the new project and will apply for the permit in the first half of 2020. The new PLXL building will enable Befimmo will carry out an innovative project. PLXL will strengthen the link with the urban fabric in which it is sited. It will offer flexible working environments including a coworking space, a modular auditorium, a restaurant, a rooftop space and a wide range of services and facilities (green spaces, showers, etc.). User well-being and health are key elements of PLXL. Befimmo is aiming for a BREEAM Outstanding in the Design phase for this project.

Image for illustrative purposes, permit to be applied for.

Coworking activity

1. Portfolio coworking spaces

Spaces	Surface	Location
Europe (since Q1 2013)	2 300 m²	Leopold district, Brussels CDB
Louise (since Q4 2014)	3 300 m²	Louise district, Brussels CDB
Luxembourg (since Q2 2018)	2 200 m²	Railway station district, Luxemburg city, Grand Duchy of Luxemburg
Stéphanie (since Q4 2016	2 100 m²	Leopold district, Brussels CDB
Triomphe (since Q2 2018)	4 300 m²	University district, Brussels decentralised
Zaventem (since Q4 2019)	2 600 m²	Brussels periphery
Total	**16 800 m²**	

2. Occupancy rate

Spaces	Number of occupied desks as at 31.12.2019 (A)	Number of available desks as at 31.12.2019 (B)	Occupancy rate as at 31.12.2019 (A/B)
« Mature » coworking spaces [a]	930	995	93%
All coworking spaces	1 429	2 037	70%

[a] A space is considered as mature after 3 years of existence.

3. Pipeline of coworking spaces

The coworking spaces planned in the buildings of the Befimmo portfolio are generally fitted out by Befimmo (as real-estate operator) and handed over to Silversquare as "turnkey" premises. 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 2019, Silversquare has invested €2.5 million in its coworking spaces. As stated above, Befimmo (the property operator) invested €5.2 million in 2019 in current turnkey projects (Zaventem and Central Gate), now handed over.

New openings and extensions for the next 3 years:

Spaces		Surface	Location
Brussels		**10 700 m²**	
Bailli (building «The Platinum »)	*New space*	*7 200 m²*	*Louise district, Brussels CDB*
Europe	*Extension*	*+ 1 800 m²*	*Léopold district, Brussels CDB*
Stéphanie	*Extension*	*+ 1 700 m²*	*Louise district, Brussels CDB*
Flanders		**5 600 m²**	
Total 2020	**2 new openings and 2 extensions identified**	**16 300 m²**	
Central Gate	*New opening*	*9 000 m²*	*Centre , Brussels CDB*
Paradis Express	*New opening*	*4 300 m²*	*Liège, Wallonia*
Quatuor	*New opening*	*10 000 m²*	*North district , Brussels CDB*
Total 2021	**3 new openings identified**	**23 300 m²**	
Total 2022	**New opening(s) identified**	**5 000 m²**	

2. Financial report

Key figures

Consolidated		
	31.12.2019	**31.12.2018**
Number of shares issued	28 445 971	25 579 214
Number of shares not held by the group	27 052 443	25 579 214
Average number of shares not held by the group during the period	25 676 219	25 579 214
Shareholders' equity attributable to shareholders (in € million)	1 603.9	1 443.2
Net asset value (in € per share)	59.29	56.42
EPRA NAV[(a)] (in € per share)	60.80	57.02
EPRA NNNAV[(a)] (in € per share)	58.54	55.93
Net result (in € per share)	6.95	3.24
EPRA earnings (in € per share)	3.29	3.68
Average (annualised) financing cost [(c)] (in %)	2.0%	2.0%
Weighted average duration of the debt (in years)	4.4	4.8
Debt ratio as per the Royal Decree (in %)	42.7%	45.8%
Loan-to-value[(d)] (in %)	39.0%	43.6%
Return on shareholders' equity[(e)] (in € per share)	6.47	3.24
Return on shareholders' equity[(e)] (in %)	11.6%	5.8%
Real-estate operator activity		
	31.12.2019	**31.12.2018**
Net result (in € per share)	7.03	3.24
EPRA earnings (in € per share)	3.26	3.68
EPRA Like-for-Like Net Rental Growth[(b)] (in %)	4.7%	2.4%

(a) This is an Alternative Performance Measure. For more information, please consult Appendix 3 to this press release.
(b) Trend of the rental income minus property charges at constant perimeter, calculated on the basis of the “EPRA Best Practices Recommendations”.
(c) Including margin and hedging costs. This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.
(d) Loan-to-value (LTV) = [(nominal financial debts – cash)/fair value of portfolio]. This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.
(e) 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 participation of the optional dividend. This is an Alternative Performance Measure. For more information, please consult Appendix 2 to this press release.

Consolidated net asset value and balance sheet

As at 31 December 2019, Befimmo's total net asset value was €1,603.9 million.

The net asset value is €59.29 per share, compared with €56.42 per share as at 31 December 2018.

Evolution of the net asset value

	(in € per share)	(in € million)	Number of shares not held by the group
Net asset value as at 31 December 2018 (group share)	**56.42**	**1 443.2**	**25 579 214**
Final dividend of the 2018 fiscal year		-22.0	
Other elements of comprehensive income - actuarial gains and losses on pension obligations		- 1.6	
Valuation of the put option held by minority shareholders, net of profit attributable to non-controlling interests		- 7.0	
Private placement of 1,266,300 treasury shares[(a)]		67.9	
Interim dividend of the 2019 fiscal year net of capital increase[(a)]		- 55.1	
Net result (group share) as at 31 December 2019		178.5	
Net asset value as at 31 December 2019 (group share)	**59.29**	**1 603.9**	**27 052 443**

(a) Amounts net of transaction costs.

EPRA NAV and NNNAV

	31.12.2019	31.12.2018
EPRA NAV (in € per share) (groupshare)	60.80	57.02
EPRA NNNAV (in € per share) (groupshare)	58.54	55.93

Condensed consolidated balance sheet

(in € million)	31.12.2019	31.12.2018
Investment and held for sale properties	2 814.8	2 655.3
Other assets	97.4	79.8
Total assets	**2 912.3**	**2 735.1**
Shareholders' equity	1 603.9	1 443.2
Financial debts	1 134.7	1 178.5
non current	637.6	735.5
current[(a)]	497.2	443.0
Other debts	173.6	113.4
Total equity & liabilities	**2 912.3**	**2 735.1**
LTV	**39.0%**	**43.6%**

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

Financial results

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 scope

The scope of the real-estate business changed during fiscal year 2019 owing mainly to the Pavilion building leaving the portfolio.

Moreover, the comparison of the data per share is also affected by the placement of 1,266,300 treasury shares in December 2019, and the 206,929 new shares issued as part of the optional dividend in December 2019.

Comments on the results of the real-estate operator activity

The data given below cover the real-estate operator business. Since Befimmo did not have its own coworking business before 1 January 2019, these data are strictly comparable with the consolidated data presented as at 31 December 2018.

Condensed income statement of the real-estate operator activity

(in € thousand)	31.12.2019	31.12.2018
Net rental result	134 786	143 566
Net rental result excluding spreading	*133 604*	*143 119*
Spreading of gratuities/concessions	*1 182*	*447*
Net property charges[a]	-14 347	-13 588
Property operating result	**120 440**	**129 978**
Corporate overheads	-14 559	-14 282
Other operating income & charges	-1 177	- 447
Operating result before result on portfolio	**104 703**	**115 249**
Operating margin[a]	***77.7%***	***80.3%***
Gains or losses on disposals of investment properties	12 961	343
Net property result[a]	**117 664**	**115 592**
Financial result (excl. changes in fair value of financial assets and liabilities)[a]	-22 801	-20 545
Corporate taxes	- 741	- 566
Deferred taxes	- 472	- 219
Net result before changes in fair value of investment properties and financial assets and liabilities[a]	**93 650**	**94 263**
Changes in fair value of investment properties	109 882	-5 514
Changes in fair value of financial assets and liabilities	-22 921	-5 901
Changes in fair value of investment properties & financial assets and liabilities	**86 961**	**-11 415**
Net result	180 611	82 628
EPRA earnings	83 605	94 139
Net result (in € per share)	**7.03**	**3.24**
EPRA earnings (in € per share)	**3.26**	**3.68**

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

Analysis of the results of the real estate operator activity

The **like-for-like net rental result** is up 4.0% as a result of the combined effect of new leases and indexing. Following the expiry of the lease of the WTC 2 building, the total net rental result is down 6.1% year-on-year. The fall in net rental result was partially offset by compensation for termination of leases recorded in 2019 (higher than in 2018).

Net property charges rose from €13.6 million to €14.4 million. Befimmo benefited from a positive differential between flat-rate charges paid by the lessee and actual charges of the lessor for the lease of the WTC 2 building, which expired at the end of December 2018.

EPRA like-for-like net rental growth was 4.7% as at 31 December 2019.

Overheads amounted to €14.6 million as against €14.3 million in 2018. This change is explained mainly by the expansion of the teams and support missions for the digitisation of the businesses.

The **Operating result before result on portfolio** was €104.7 million at the end of December (-9.2%).

The **Net property result** was €117.7 million, up 1.8% on the back of the sale of the "Pavilion" building.

The **Financial result** (excluding changes in the fair value of the financial assets and liabilities) was -€22.8 million. The increase in financial charges mainly related to the increase in the average volume of debt by 1.5% is held in check by good control of the average cost of financing which was 2.0% (stable compared with fiscal year 2018). The increase in financial charges is due mainly to a one-off charge (€2.7 million) related to the termination of a fixed-rate assignment of credit on the Pavilion building, sold in May 2019. This financing deal has been restructured at a fixed rate in line with market conditions.

The **Net result** is very sharply up. It stood at €180.6 million compared with €82.8 million thanks to (i) the capital gain realised on the sale of the Pavilion building (€10.0 million, €0.39 per share) and (ii) the positive change in the fair value of the investment properties (€110 million, or 4.0%), partly offset by the negative change in fair value of the financial assets and liabilities (-€22.9 million) reflecting the continuing fall in interest rates.

EPRA earnings were €83.6 million as against €94.1 million last year. The average number of shares not held by the group during the period rose from 25,579,214 at the end of 2018 to 25,676,219 at the end of 2019. EPRA earnings per share which stood at €3.26 at the end of 2019 in relation to €3.68 at the end of 2018. The **net result per share** amounted to €7.03, a significant increase on last year (€3.24 per share).

Note on the results for the coworking business

The turnover for the coworkig business amounted to €7.4 million over the fiscal year. The coworking business contributed €0.03 per share to the consolidated EPRA earnings[14].

Note on the consolidated results

Consolidated net rental result was €141.9 million, slightly down on last year. The net result (group share) was €178.5 million, up €95.6 million compared with 31 December 2018, mainly on account of the positive change in the fair value of the investment properties. EPRA earnings per share were €3.29 per share as against €3.68 at 31 December 2018.

14 Eliminating the effect of the application of IFRS 16 on leases signed by Silversquare with third party owners, EPRA earnings would be - €0.01 per share.

Financial structure and hedging policy

The Company puts in place the necessary financing to maintain the best possible balance between cost, maturity and diversification of funding sources.

Main characteristics of the financial structure

- Confirmed credit facilities for a total amount of €1,421 million (66.6% of which were bank loans), €1,090 million of which were in use. The volume of unused lines is determined on the basis of the Company's liquidity criteria, taking account of the maturities of the financing agreements and commitments planned for the coming years;
- 95.4% of total borrowings at fixed rates (including IRS);
- An average (annualised) financing cost (including hedging margin and costs) of 2.0%, stable with fiscal year 2018;
- A weighted average duration of the debt of 4.4 years (as against 4.8 years as at 31 December 2018);
- A debt ratio of 42.7%[15] (compared with 45.8% as at 31 December 2018);
- An LTV ratio of 39.0%[16] (compared with 43.6% as at 31 December 2018);
- A hedge ratio[17] of 102.3% (compared with 92.7% as at 31 December 2018);

Financing arranged during the fiscal year

■ Private placement of 1,266,300 treasury shares

In December 2019, Befimmo successfully made a private placement of 1,266,300 treasury shares (4.5% of the outstanding shares) at a price of €54.5 per share.

This operation raised €69 million for Befimmo. The net funds raised will be used to strengthen its investment strategy in quality office space in Belgium and the Grand Duchy of Luxembourg, and to further develop its network of flexible working environments. The transaction also strengthened the Company's balance sheet, as the LTV ratio fell immediately by -2.5%[18] (in absolute terms).

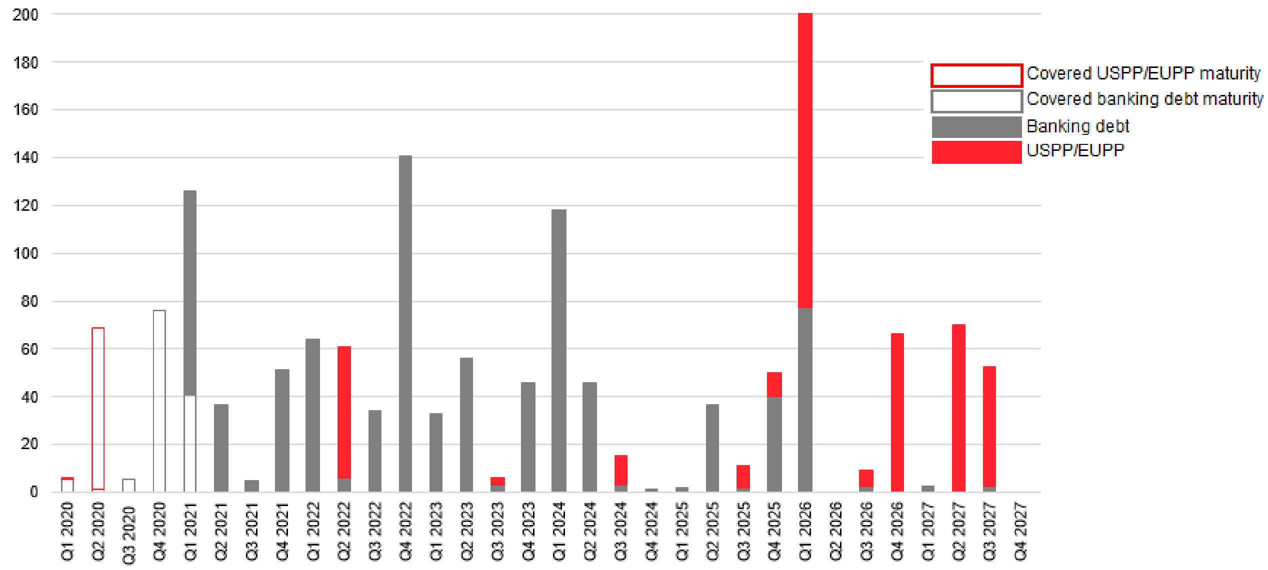
■ Other loans

- Substituion of a fixed-rate sale of receivables on the Pavilion building, sold in May 2019, by a sale of receivables on the "Wiertz" building. This restructured financing was arranged at a fixed rate in line with market conditions;
- Extension of a bilateral financing arrangement of €62.5 million for a further year (2024);
- Fixed-rate European private bond placement over 8 years for a notional amount of €50 million;
- Arrangement of bilateral financing of €40 million, including fixed-rate financing of €15 million and a revolving credit facility of €25 million;
- Since 31 December 2019, Befimmo has renewed a financing of €75 million for a further period of 6 years.

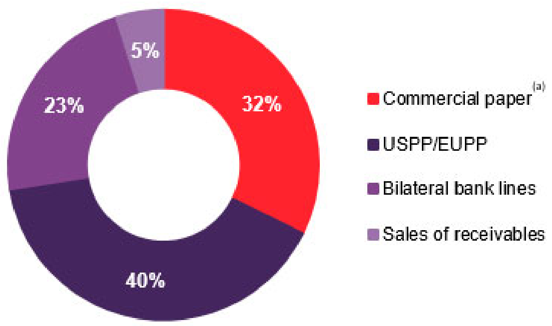
On this basis, and all other things being equal, the Company has covered its financing needs until 31 December 2020.

15 The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.
16 Loan-to-value (LTV) = [(nominal financial debts – cash)/fair value of portfolio].
17 Hedge ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAPs)/total borrowings. This ratio takes into account CAP-type optional hedging instruments that are close to maturity (July 2020) and that have become off-market as a result of the fall in interest rates (i.e. two CAP positions for a total notional amount of €55 million at hedging interest rates of 0.50% and 0.85%). Excluding these instruments, the hedge ratio would be 97.2%.
18 Calculation based on an LTV ratio of 39.5% as at 30 September 2019.

Maturities of commitments by quarter (in € million)



Debt distribution



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

On 12 September 2019, 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, €352 million of which was in use as at 31 December 2019 for short-term issues and €101.25 million for long-term issues. For short-term issues, this programme has back-up facilities consisting of the various credit lines arranged. The documentation for this programme also covers the European private placements of debt.

Hedging the interest rate and exchange-rate risk

Befimmo holds a portfolio of instruments to hedge (i) the interest-rate risk, consisting of IRS, CAPs and COLLARs[19,] and (ii) the exchange-rate risk on its fixed-rate United States private placement (USPP) by holding Cross Currency Swaps.

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

Operations carried out:

- arrangement of a new payer IRS for €50 million with a maturity of 10 years;
- arrangement of two payer IRSs with a total notional amount of €50 million and a total maturity of 18 years from January 2020;
- restructuring of an IRS for a notional amount of €25 million (extension of the coverage period).
- since 31 December 2019, arrangement of an IRS for €25 million from January 2022 until January 2040.

The package of instruments in place gives the Company a hedging ratio of 102.3%[20] as at 31 December 2019. The hedge ratio remains above 70% until the second quarter of 2022 and above 50% until the fourth quarter of 2025 inclusive.

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

Moyenne annuelle		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	→	2039
CAP	Notionnel (en millions €)	47	20	0	0	0	0	0	0	0	0	0	0	→	0
	Taux moyen (en %)	0.9%	1.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	→	0.0%
FLOOR	Notionnel (en millions €)	20	20	0	0	0	0	0	0	0	0	0	0	→	0
	Taux moyen (en %)	0.5%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	→	0.0%
Financements à taux fixe (incl. IRS)	Notionnel (en millions €)	1109	1072	1058	1000	933	856	716	520	227	125	100	100	→	37
	Taux moyen [(a)] (en %)	0.8%	0.8%	0.8%	0.8%	0.8%	0.9%	0.8%	0.9%	0.8%	0.7%	0.8%	0.8%	→	0.7%

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

19 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).

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

3. Corporate governance

Composition of the Board of Directors of Befimmo

During the Ordinary General Meeting of 30 April 2019, Mr Vincent Querton was appointed as Independent Director for a term of two years, ending at the closing of the 2021 Ordinary General Meeting.

The renewal of the following mandates has been proposed and approved during the Ordinary General Meeting of 30 April 2019:

- Renewal of the mandate of Mr Benoît De Blieck, as an Executive Director, for a period of three years, ending at the closing of the 2022 Ordinary General Meeting.
- Renewal of the mandate of Mr Benoît Godts, as a Director, linked to a shareholder, for a period of two years, ending at the closing of the 2021 Ordinary General Meeting.

Since 7 May 2019 the Audit Committee is composed of:

- Sophie Goblet, Chairman of the Audit Committee, Independent Director
- Sophie Malarme-Lecloux, Independent Director
- Benoît Godts, Non-Executive Director, linked to a shareholder

Since this same date, the Appointment and Remuneration Committee is composed of:

- Etienne Dewulf, Chairman of the Appointment and Remuneration Committee, Independent Director
- Alain Devos, Non-Executive Director, Chairman of the Board of Directors
- Vincent Querton, Independent Director

Extraordinary General Meeting of 19 December 2019

Befimmo's Extraordinary General Meeting of 19 December 2019 decided to apply early the Belgian Code on Companies and Associations, which has therefore been fully applicable to Befimmo since the start of fiscal year 2020, following the publication of the new Befimmo articles of association in the Belgian Official Gazette.

This Meeting also updated the authorised capital.

4. Befimmo share

Key figures

	31.12.2019	31.12.2018
Number of shares issued	28 445 971	25 579 214
Number of shares not held by the group	27 052 443	25 579 214
Average number of shares not held by the group during the period	25 676 219	25 579 214
Highest share price (in €)	59.40	54.60
Lowest share price (in €)	47.35	46.70
Closing share price (in €)	54.10	48.55
Number of shares traded[a]	17 395 988	12 356 776
Average daily volume[a]	67 953	48 458
Free float velocity[a]	87%	66%
Distribution ratio (in relation to the EPRA earnings)	106%	94%
Gross dividend[b] (in € per share)	3.45	3.45
Gross yield[c]	6.4%	7.1%
Return on share price[d]	18.7%	-2.9%

(a) Source: Kempen & Co. Based on trading on all platforms.
(b) Subject to a withholding tax of 30%.
(c) Gross dividend divided by the closing share price.
(d) Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment, if any, and the optional dividend participation.

Evolution of the share price

The Befimmo share closed on 31 December 2019 at €54.10, as against €48.55 one year previously. Assuming the reinvestment of the dividend distributed in 2019, the annual return on share price amounts to 18.7%.
On 12 February 2020 the share price closed at €56.40.

Over the 24 years since its listing, the share has offered a total annualised return of 7.3%[21].
As at 31 December 2019, the Befimmo share was trading with a discount of -8.8%. Befimmo's market capitalisation stood at €1.5 billion.

Based on transactions recorded on all market platforms, the Befimmo share offers good liquidity, with an average daily volume of around 68,000 shares, which corresponds to a free-float velocity of the order of 87% over the year.

21 Assuming the reinvestment of the gross dividend (source: Bloomberg).

5. Dividend of the 2019 fiscal year

Distribution of the interim dividend: 24% reinvested in new shares

In November 2019, Befimmo SA has decided[22] to offer its shareholders the choice of paying the interim dividend of €1.813 net per share (corresponding to €2.59 gross per share) in cash or in new shares, or a combination of both.

A proportion of 24% of the interim dividend for the financial year 2019 was distributed in the form of new shares (i.e. 206,929 new shares) at a price of € 54.39 per share, leading to an increase in the Company's shareholders' equity of € 11.3 million.

Final dividend of the 2019 fiscal year

The agenda of the Ordinary General Meeting of shareholders to be held on 28 April 2020, at which the accounts for the 2019 fiscal year are to be approved, will include a proposal for the distribution of a final dividend of €0.86 gross[21] per share.

This final dividend will supplement the interim dividend, bringing the total dividend for the fiscal year to €3.45 gross per share.

6. Calendar 2020

Online publication of the Annual Financial Report 2019	Friday 27 March 2020
Ordinary General Meeting of the fiscal year closing as at 31 December 2019	Tuesday 28 April 2020
Payment of the final[(a)] dividend of the 2019 fiscal year on presentation of coupon No 39	
- Ex-date	*Wednesday 6 May 2020*
- Record date	*Thursday 7 May 2020*
- Payment date	*Friday 8 May 2020*
Interim statement as at 31 March 2020	Thursday 7 May 2020
Publication of the half-yearly results and online publication of the Half-Yearly Financial Report 2020	Friday 24 July 2020
Interim statement as at 30 September 2020	Thursday 28 October 2020
Payment of the interim[(c)] dividend of the 2019 fiscal year on presentation of coupon No 40	
- Ex-date	*Wednesday 16 December 2020*
- Record date	*Thursday 17 December 2020*
- Payment date	*Friday 18 December 2020*
Publication of the annual results as at 31 December 2020	Thursday 18 February 2021
Online publication of the Annual Financial Report 2020	Friday 26 March 2021
Ordinary General Meeting of the fiscal year closing as at 31 December 2020	Tuesday 27 April 2021
Payment of the final[(a)] dividend of the 2019 fiscal year on presentation of coupon No 41	
- Ex-date	*Wednesday 5 May 2021*
- Record date	*Thursday 6 May 2021*
- Payment date	*Friday 7 May 2021*

(a) Subject to a decision of Ordinary General Meeting
(b) Publication after closing of the stock exchange.
(c) Subject to a decision of the Board of Directors.

22 Please consult the press release of 20 November 2019, published on Befimmo's website (https://www.befimmo.be/en/investors/publications?type=21).

7. Outlook and dividend forecast [23]

The Auditor has confirmed that its revision of the EPRA earnings budgeted for the years 2020, 2021 and 2022 has been completed as to the substance and has not revealed any material correction to be made to the information included in this press release.

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

EPRA earnings outlook

Since last year, Befimmo has been preparing its outlook on the basis of two business units:

- the real-estate operator business;
- the coworking business.

For the real-estate operator business, the outlook for its contribution to EPRA earnings is published over a period of three years. Regarding the coworking business, given its specific profile as a service activity, the outlook for its contribution to the Befimmo consolidated EPRA earnings group share is presented for one year, i.e. for this press release, fiscal year 2020.

The forecasts:

- assume a stable scope of the property assets and equity. However, it is assumed that, each year, the shareholders will exercise the option proposed in December of taking the dividend in new shares at the rate of 25% of the interim dividend net of withholding tax[24];
- only take account of the sale of buildings in the Fedimmo portfolio, which have become non-strategic and whose leases are nearing expiry (about €20.7 million expected in 2020, about €28.9 million in 2021, and about €6.6 million in 2022, on the basis of the estimated residual value at the time of the sale;
- do not take account of growth through acquisitions nor disposals.

23 This outlook may not be interpreted as a commitment on the part of Befimmo. Whether or not these forecasts will actually be achieved depends on a number of factors beyond Befimmo's control, such as developments on the real-estate and financial markets. Given the present context of economic uncertainty, the assumptions used may be highly volatile in the future. 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 the market trend, may differ substantially from these forecasts. Given these uncertainties, shareholders should not give undue credence to these forecasts. Moreover, these forecasts 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 of course 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.

24 The amount of the interim dividend used in the outlook (covering three quarters) is assumed to be constant at €2.59 gross per share.

Assumptions

A. Real-estate operator activity

General assumptions

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

	Realised	Assumptions		
	2019	2020	2021	2022
External assumptions on which the Company cannot exert any influence				
Evolution of the health index (annual average)	1.5%	1.4%	1.7%	1.8%
Average of Euribor 1- and 3-month interest rates	-0.4%	-0.4%	-0.4%	-0.4%
Internal assumptions on which the Company can at least exert a partial influence				
Impact of the health index on rents (on an annual basis)	1.8%	1.3%	1.7%	1.8%
Perception ratio of rents[a]	94.5%	93.8%	92.6%	96.1%
Average financing cost (including margin and hedging costs)	2.0%	2.1%	1.9%	1.8%

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

- 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 June 2019 and update of the short-term outlook in November 2019).
- The interest rates are the average of the forecast Euribor 1 and 3-month rates established by a major Belgian financial institution and market rates (forward rates) over the next three fiscal years. These forecasts were made end January 2020.
- Assumptions about perception ratio of rents are made on the basis of an individual assessment of each lease. This is the ratio of the net income realised (2019) or budgeted (2020 onwards) to potential income.
- The average financing cost covers all financial charges, including the theoretical linear amortisation of premiums paid for the purchase of hedging instruments.

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.).

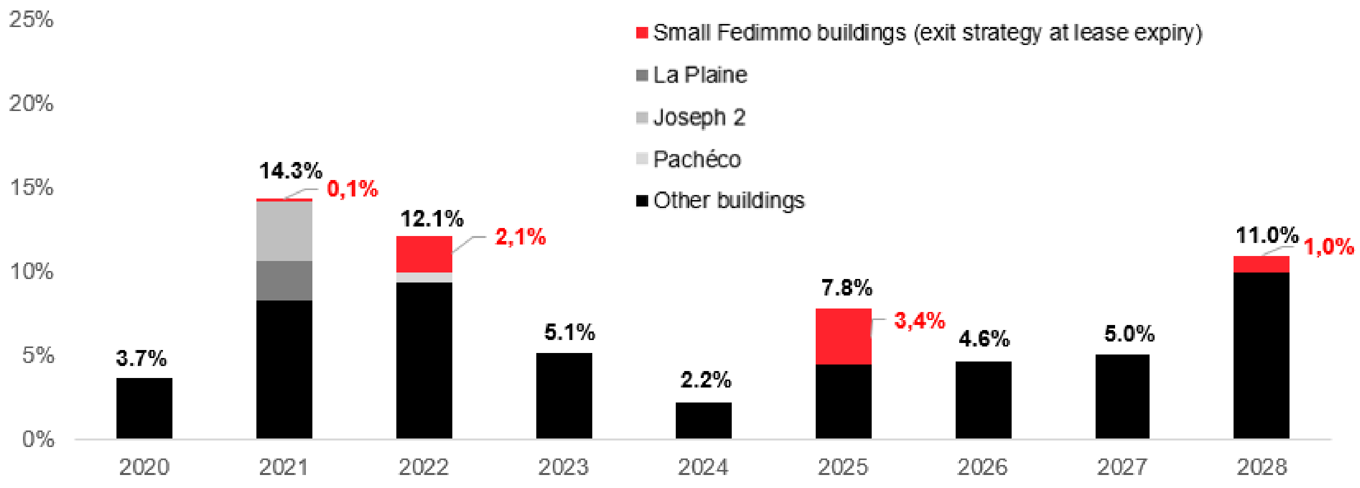
Expiry of leases

The graph hereafter illustrates the full-year impact (as %) of the lease expiries (first possible break) on current leases as at 31 December 2019. This impact is calculated on the basis of the annual current rent as at 31 December 2019. Each percentage corresponds to the sum of the annual rent for the leases that have an intermediate or final expiry date falling during the year[25].

The graph also illustrates the expiry dates of the leases (based on annual current rent) linked to the Fedimmo buildings expected to be sold (as included in the outlook).

25 The rents of leases expiring in December are included in the year following their expiry.

Expiry of leases (first possible break) – Full-year impact (in %)

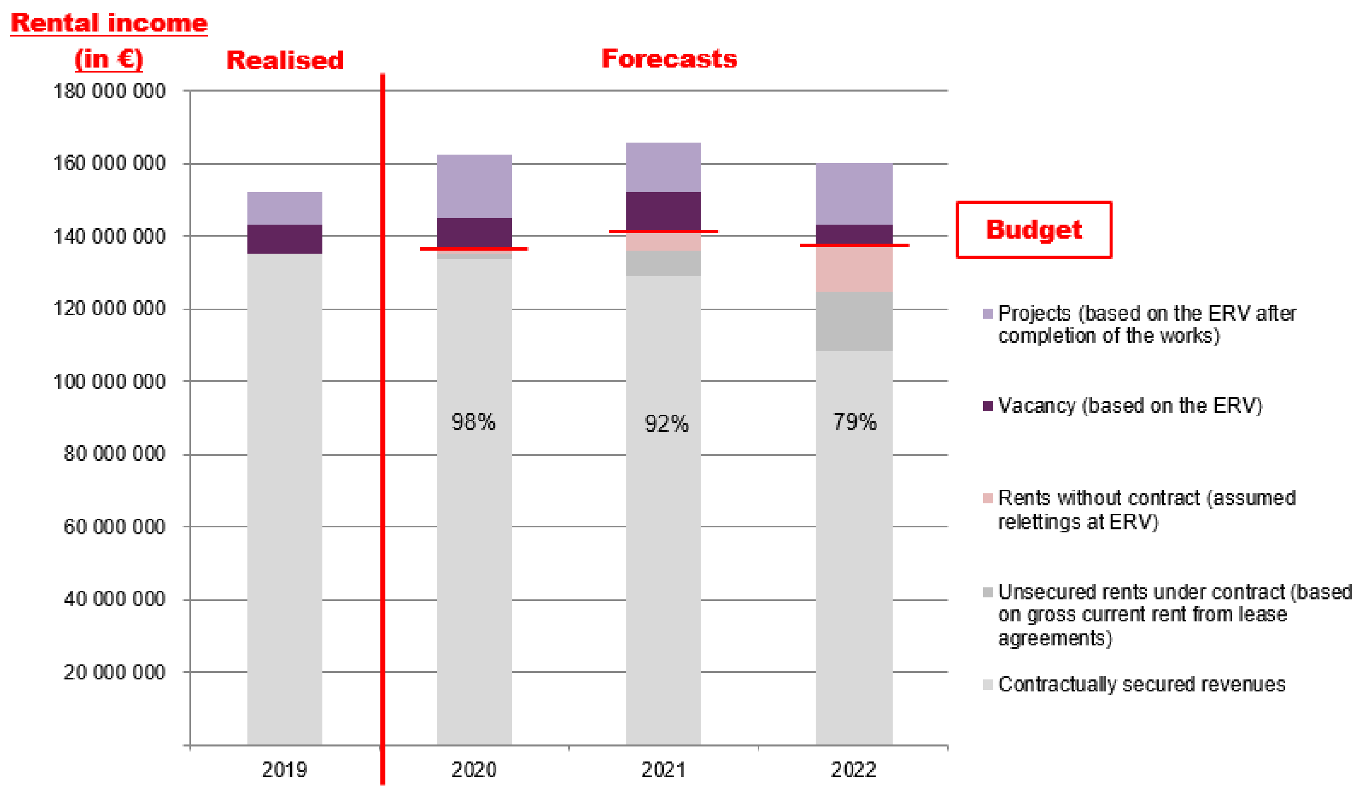


Income guaranteed under contract

The chart below illustrates the risks on income taken into account in the outlook. Rents potentially at risk (with an expiry over the next three years) have been included in the EPRA earnings outlook, based on an estimated probability of the tenant departing.

For example, for the 2020 fiscal year, this graph shows that the budgeted income is 98% guaranteed under contracts. In the same year, 2% of budgeted income is therefore under unsecured contracts (owing to an expiry) and/or based on reletting assumptions.

Income guaranteed under contract



Work planned over the next three years

	Rental space	Location	Type	Forecasts (in € million)		
				2020	2021	2022
Committed ongoing projects						
Brederode Corner	7 000 m²	Brussels CBD, Centre	Renovation	5.0	0.0	0.1
Paradis Express	35 000 m²	Liège, Wallonia	Construction	20.6	24.4	0.0 [(a)]
Quatuor	60 000 m²	Brussels CBD, North	Construction	74.5	29.6	0.0
ZIN	110 000 m²	Brussels CBD, North	Construction	49.1	67.1	128.6
Ongoing projects to be committed						
WTC 4	53 500 m²	Brussels CBD, North	Implementation of the permit According to commercialisation	1.8	5.6	0.0
PLXL (currently "La Plaine")	15 000 m²	Brussels decentralised	Redeveloppement	0.8	6.0	29.2
Pachéco	5 800 m²	Brussels CBD, Centre	Redeveloppement	0.2	0.4	23.3
Other investments				**57.5**	**31.3**	**32.3**
Total				**209.5**	**164.4**	**213.5**

(a) Construction cost of the office part.

As part of the development of the network of interconnected work environments, Befimmo is planning coworking spaces in certain ongoing projects[26]. Befimmo is handing over turnkey spaces to Silversquare for a total investment of €12.3 million in 2020 and €6.9 million in 2021. These amounts are included in the investments shown in the table above.

B. Coworking activity

For the 2020 fiscal year, the outlook shows the expected contribution (EPRA earnings group share) from the coworking business. The investments needed to expand the network differ from the positive contribution. Based on the current plan, the first accretive results are expected by 2023.

In addition to the projects listed above, in 2020 Silversquare plans to open two new spaces and two extensions in third-party buildings. The investments related to the fitting-out of these spaces and the furniture and IT for all the spaces amount to €8.7 million in 2020.

The gradual take-up of the new spaces has been taken into account.

Each space is analysed individually on the basis of its specific characteristics and the number of flex spaces, dedicated offices and meeting spaces made available to members. The structure of the operating costs is linked to it.

Borrowings and LTV

In normal operation, Befimmo's LTV ratio would be around 50%, as Befimmo takes care to control the use of its borrowing capacity. Finally, the forecast nominal net debt was €1,297 million at the end of 2020.

26 For more information, please see page 14 of the press release.

EPRA earnings forecast

	(in € thousand)	Realised 2019	2020	Forecasts 2021	2022
Real-estate operator	Rental income	135 203	135 939	141 046	137 717
	Charges linked to letting	- 417	- 620	- 625	- 630
	Net rental result	**134 786**	**135 318**	**140 421**	**137 088**
	Net property charges	-14 347	-16 313	-16 380	-14 115
	Property operating result	**120 440**	**119 005**	**124 041**	**122 972**
	Corporate overheads	-14 559	-15 932	-16 677	-17 115
	Other operating income and charges (excl. goodwill impairment)[(a)]	-1 177	-3 360	-9 305	-3 521
	Operating result before result on portfolio	**104 703**	**99 713**	**98 059**	**102 337**
	Financial result (excl. the changes in fair value of the financial assets and liabilities and close-out costs)	-20 358	-20 319	-21 111	-23 033
	Corporate taxes	- 741	-1 041	-1 239	-1 472
	EPRA earnings	**83 605**	**78 353**	**75 710**	**77 831**
	EPRA earnings (in € per share)	**3.26**	**2.89**	**2.78**	**2.83**
CW	**Contribution to the EPRA earnings of the coworking activity (in € per share) (group share)**	**0.03**	**-0.01**		
TOTAL	**Total EPRA earnings (in € per share) (group share)**	**3.29**	**2.88**		
	Average number of shares	*25 676 219*	*27 061 683*	*27 273 429*	*27 498 001*

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

EPRA earnings and dividend forecast for the 2020 fiscal year

Befimmo's portfolio is currently in a transition period.

Two major long-term leases (accounting for around 15% of income) expired almost simultaneously, one at the start and the other at the end of 2018. The buildings concerned (the Quatuor and ZIN projects) are currently being redeveloped. The impact of the loss of income should gradually end between 2021 and 2023, when these projects will generate revenues again.

Moreover, Befimmo is developing the BeLux network of working environments with Silversquare. Even if the investments needed to extend the network postpone Silversquare's positive contribution to EPRA earnings, the first significant accretive EPRA earnings results should arrive by 2023.

In addition to the above, Befimmo aims to achieve growth through acquisitions. This will be financed with the proceeds of the private placement of shares executed at the end of 2019.

At constant perimeter, for 2020, EPRA earnings (consolidated, group share) are estimated at €2.88 per share. Compared to the forecast published in February 2019 (€3.13 per share), the difference is mainly explained by the sale of the Pavilion[27] building and the private placement carried out in December 2019 for accretive external growth.

All other things being equal and based on the elements above, Befimmo foresees a gross **dividend** of **€3.45[28] per share** for the 2020 fiscal year. It may again be paid via an interim dividend of €2.59 gross per share in December 2020 and a final dividend of €0.86 gross per share in May 2021. Based on a share price of €54.10 and based on the net asset value of €59.29 as at 31 December 2019, this dividend would give a gross yield of 6.38% on share price and 5.82% on net asset value. At constant perimeter, the dividend level will therefore temporarily exceed

27 For more information, please consult the press release of 29 April 2019, published on Befimmo's website.
28 Subject to a decision of Ordinary General Meeting.

EPRA earnings, but this situation should end by 2024. The dividend in subsequent years will depend on the economic climate, the investment opportunities that the Company takes, and its degree of success in implementing projects as well as in the development of the coworking activity, while continuing to benefit from a stable income, thanks to the defensive nature of its property assets.

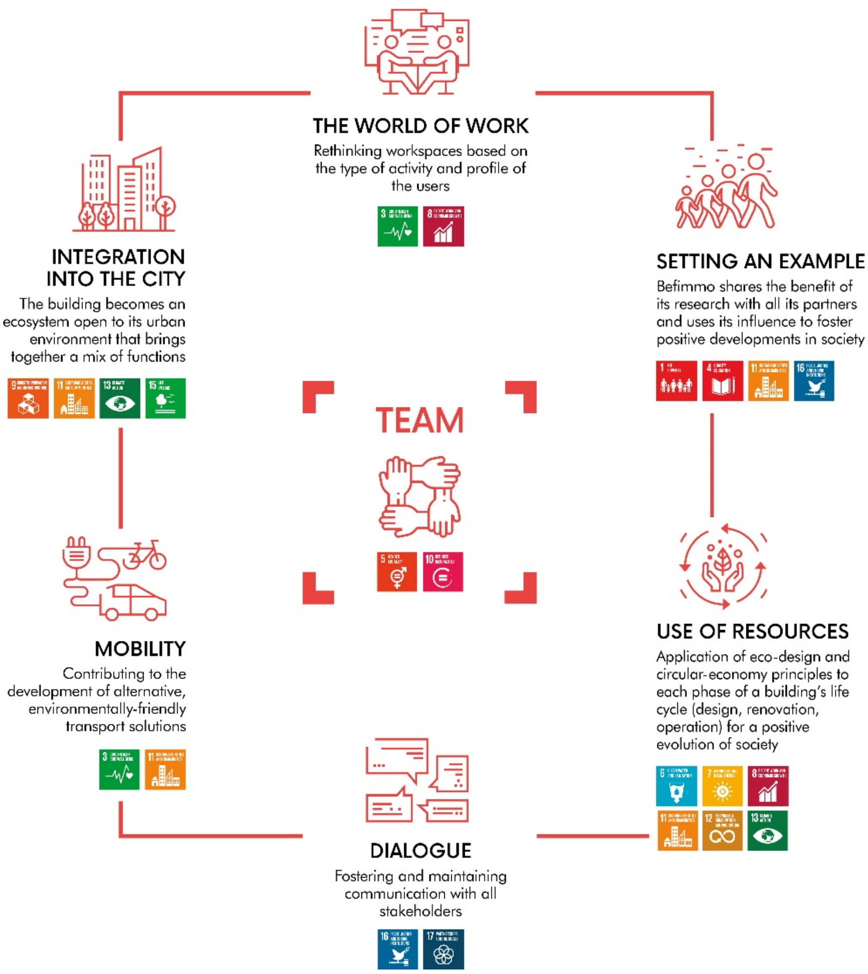
Befimmo will also continue to rotate its portfolio in order to crystallise its value and keep its portfolio at the highest level of quality, as defined in its strategic framework. The capital gains realised will contribute to the amount available for distribution which should exceed or at least match the dividend forecast.

8. CSR awards and benchmarks

	2019	2018
EPRA BPR[a]	Gold	Gold
EPRA sBPR[a]	Gold	Gold
CDP[a]	Awareness C	A- Leadership
GRESB[a]	83% Green Star	81% Green Star
MSCI	A	A
OEKOM	-	Prime C+
VIGEO EIRIS	Not publicly available	Not publicly available
Standard Ethics	-	EE-
Sustainalytics	56/100	64/100

[a] Voluntary participation of Befimmo.

For the full history please consult the Yearly Financial Report 2018 at page 28.



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

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

By creating added value for its users, Befimmo also creates value for its shareholders. At 31 December 2019, the fair value of its portfolio was €2.8 billion.

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9. Appendix 1

Consolidated income statement (in € thousand)

		31.12.2019	31.12.2018
I.	(+) Rental income	142 437	144 067
III.	(+/-) Charges linked to letting	- 514	- 501
NET RENTAL RESULT		**141 924**	**143 566**
IV.	(+) Recovery of property charges	14 992	9 771
V.	(+) Recovery of rental charges and taxes normally paid by tenants on let properties	24 300	30 852
VII.	(-) Rental charges and taxes normally paid by tenants on let properties	-29 752	-29 068
VIII.	(+/-) Other revenue and charges for letting	536	716
PROPERTY RESULT		**152 000**	**155 837**
IX.	(-) Technical costs	-17 055	-12 160
X.	(-) Commercial costs	-1 476	-1 998
XI.	(-) Charges and taxes on unlet properties	-2 268	-2 723
XII.	(-) Property management costs	-2 642	-2 618
XIII.	(-) Other property charges	-5 308	-6 360
	(+/-) Property charges	**-28 749**	**-25 858**
PROPERTY OPERATING RESULT		**123 251**	**129 978**
XIV.	(-) Corporate overheads	-16 504	-14 282
XV.	(+/-) Other operating income and charges	-1 028	- 447
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**105 719**	**115 249**
XVI.	(+/-) Gains and losses on disposals of investment properties	12 961	343
XVIII.	(+/-) Changes in fair value of investment properties	110 113	-5 514
OPERATING RESULT		**228 793**	**110 078**
XX.	(+) Financial income	782	889
XXI.	(-) Net interest charges	-19 117	-18 911
XXII.	(-) Other financial charges	-4 933	-2 522
XXIII.	(+/-) Changes in fair value of financial assets and liabilities	-25 539	-5 901
	(+/-) Financial result	**-48 807**	**-26 446**
PRE-TAX RESULT		**179 986**	**83 632**
XXV.	(-) Corporation tax	-1 228	- 785
	(+/-) Taxes	**-1 228**	**- 785**
NET RESULT		**178 757**	**82 847**
TOTAL COMPREHENSIVE INCOME (group share)		178 463	82 847
NON-CONTROLLING INTERESTS		294	-
BASIC NET RESULT AND DILUTED (in € per share)		**6.95**	**3.24**
Other comprehensive income - actuarial gains and losses - pension liabilities		-1 585	111
TOTAL COMPREHENSIVE INCOME		**177 172**	**82 958**
TOTAL COMPREHENSIVE INCOME (group share)		176 878	82 958
NON-CONTROLLING INTERESTS		294	-

Consolidated balance sheet (in € thousand)

ASSETS		31.12.2019	31.12.2018
I.	**Non-current assets**	**2 861 689**	**2 700 743**
A.	Goodwill	23 629	14 217
B.	Intangible assets	1 729	899
C.	Investment properties	2 814 822	2 655 324
	Fair value of portfolio (Silversquare excluded)	2 790 778	2 655 324
	Right of use - Fair value of Silversquare leases	24 044	-
D.	Other property, plant and equipment	10 948	1 021
E.	Non-current financial assets	7 296	27 497
F.	Finance lease receivables	3 265	1 784
II.	**Current assets**	**50 563**	**34 398**
A.	Properties held for sale	-	-
B.	Current financial assets	12 763	10 004
C.	Finance lease receivables	142	139
D.	Trade receivables	31 535	21 454
E.	Tax receivables and other current assets	1 060	52
F.	Cash and cash equivalents	2 878	591
G.	Deferred charges and accrued income	2 184	2 157
TOTAL ASSETS		2 912 251	2 735 140

SHAREHOLDERS' EQUITY AND LIABILITIES		31.12.2019	31.12.2018
TOTAL SHAREHOLDERS' EQUITY		**1 603 872**	**1 443 214**
I.	**Equity attributable to shareholders of the parent company**	**1 603 872**	**1 443 214**
A.	Capital	398 320	357 871
B.	Share premium account	861 905	792 641
C.	Reserves	231 434	276 104
D.	Net result for the fiscal year	112 213	16 597
II.	**Non controlling interests**	-	-
LIABILITIES		**1 308 379**	**1 291 926**
I.	**Non-current liabilities**	**696 157**	**760 478**
A.	Provisions	1 471	728
B.	Non-current financial debts	637 567	735 519
	a. Credit institution	201 446	297 319
	c. Other	436 121	438 200
C.	Other non-current financial liabilities	46 455	21 881
D.	Trade debts and other non-current debts	9 974	2 130
F.	Deferred tax - liabilities	691	219
II.	**Current liabilities**	**612 222**	**531 448**
A.	Provisions	3 155	5 039
B.	Current financial debts	497 167	443 012
	a. Credit institution	61 448	13 674
	c. Other	435 719	429 338
C.	Other current financial liabilities	-	2 140
D.	Trade debts and other current debts	85 596	54 289
E.	Other current liabilities	3 872	4 099
F.	Accrued charges and deferred income	22 432	22 870
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2 912 251	2 735 140

10. Appendix 2: « Alternative Performance Measures »

Real-estate operator activity

Glossary of the « Alternative Performance Measures »

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

Reconciliation tables of the "Alternative Performance Measures"

Net rental result in "Like-for-Like"

(in thousand €)	31.12.2019	31.12.2018
Net rental result (A)	134 786	143 566
Net rental result linked to changes in perimeter (B)	7 116	10 103
Net rental result on properties not available for lease (C)	3 790	14 362
Net rental result in « Like-for-Like » (A-B-C)	**123 880**	**119 100**

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

(in thousand €)	31.12.2019	31.12.2018
Net result (A)	180 611	82 847
XVIII. Changes in fair value of investment properties (B)	109 882	-5 514
XXIII. Changes in fair value of financial assets and liabilities (C)	-22 921	-5 901
Net result before changes in fair value of investment properties and financial assets and liabilities (A-B-C)	**93 650**	**94 263**

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

(in thousand €)	31.12.2019	31.12.2018
Financial result (A)	-45 722	-26 446
XXIII. Changes in fair value of financial assets and liabilities (B)	-22 921	-5 901
Financial result (excl. the changes in fair value of the financial assets and liabilities) (A-B)	**-22 801**	**-20 545**

Net property result

(in thousand €)	31.12.2019	31.12.2018
Operating result before result on portfolio	104 703	115 249
XVI. Gains or losses on disposals of investment properties	12 961	343
Net property result	**117 664**	**115 592**

Operating margin

(in thousand €)	31.12.2019	31.12.2018
Operating result before result on portfolio (A)	104 703	115 249
Net rental result (B)	134 786	143 566
Operating margin (A/B)	**77.7%**	**80.3%**

Other operating income and charges (excluding goodwill impairment)

(in thousand €)	31.12.2019	31.12.2018
XV. Other operating income and charges (A)	-1 177	- 447
Goodwill impairment (B)	-	-
Other operating income and charges (excluding goodwill impairment) (A-B)	**-1 177**	**- 447**

Net property charges

(in thousand €)	31.12.2019	31.12.2018
IV. Recovery of property charges	14 992	9 771
V. Recovery of rental charges and taxes normally paid by tenants on let properties	24 321	30 852
VI. Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-	-
VII. Rental charges and taxes normally paid by tenants on let properties	-25 633	-29 068
VIII. Other revenue and charges for letting	536	716
IX. Technical costs	-17 055	-12 160
X. Commercial costs	-1 473	-1 998
XI. Charges and taxes on unlet properties	-2 268	-2 723
XII. Property management costs	-2 642	-2 618
XIII. Other property charges	-5 125	-6 360
Net property charges	**-14 347**	**-13 588**

Consolidated

Glossary of the « Alternative Performance Measures »

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

Reconciliation tables of the « Alternatives Performance Measures »

Loan-to-value

(in thousand €)	31.12.2019	31.12.2018
Nominal financial debts (A)	1 090 344	1 158 792
II. F. Cash and cash equivalents (B)	-2 878	591
I. C. Investment properties (D)	2 788 591	2 655 324
II. A. Assets held for sale (E)	-	-
Fair value of portfolio at the closing date (C = D+E)	**2 788 591**	**2 655 324**
Loan-to-value (A-B)/C	**39.0%**	**43.6%**

Average (annualised) financing cost

(in thousand €)	31.12.2019	31.12.2018
Interest paid	22 134	22 137
Annualised interest paid (A)	22 134	22 137
Annualised nominal financial debts (B)	1 120 728	1 103 790
Average (annualised) financing cost (A/B)	**2.0%**	**2.0%**

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

	31.12.2019	31.12.2018
Return on shareholders' equity[e] (in € per share)	6.47	3.24
Return on shareholders' equity[e] (in %)	11.6%	5.8%

11. Appendix 3: Tables of the EPRA indicators[29]

Real-estate operator activity

EPRA earnings

(in € thousand)	31.12.2019	31.12.2018
Net result IFRS	**180 611**	**82 847**
Net result IFRS (in € per share)	**7,03**	**3,24**
Adjustments to calculate EPRA earnings	- 97 006	11 292
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	- 109 882	5 514
II. Result on disposals of investment properties	- 12 961	- 343
VI. Changes in fair value of financial assets and liabilities and close-out costs	25 365	5 901
VIII. Uitgestelde belasting met betrekking tot EPRA aanpassingen	472	219
EPRA earnings	**83 605**	**94 139**
EPRA earnings (in € per share)	**3.26**	**3.68**

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

(€ thousand)	31.12.2019	31.12.2018
Investment properties and properties held for sale	2 788 591	2 655 324
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	- 394 130	- 199 512
Properties held for sale	-	-
Properties available for lease	2 394 461	2 455 813
To include:		
Allowance for estimated purchasers' cost	60 089	61 777
Investment value of properties available for lease (B)	**2 454 550**	**2 517 590**
Annualised cash passing rental income	128 033	147 928
To exclude:		
Property charges[(a)]	- 6 915	- 4 685
Annualised net rents (A)	**121 118**	**143 243**
To include:		
- Notional rent expiration of rent free periods or other lease incentives	3 383	2 710
- Future rent on signed contracts[(b)]	-	-
Topped-up annualised net rents (C)	**124 501**	**145 953**
(in %)		
EPRA Net Initial Yield (A/B)	**4.9%**	**5.7%[(b)]**
EPRA Topped-up Net Initial Yield (C/B)	**5.1%**	**5.8%[(b)]**

(a) The scope of the property charges to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to "property charges" as presented in the consolidated IFRS accounts.
(b) Since 31 March 2019, Befimmo no longer includes the rent "Future rent on signed contracts" in the calculation of the EPRA Topped-up NIY. The percentage as of 31 December 2018 has therefore been restated based on this change.

29 The definitions of the EPRA indicators are published in the Annual Financial Report 2018 on page 79. Source: EPRA Best Practices (www.epra.com).

EPRA Vacancy rate

(in € thousand)	31.12.2019	31.12.2018
Estimated rental value (ERV) on vacant space (A)	5 166	5 994
Estimated rental value (ERV) (VLE) (B)	124 846	140 145
EPRA Vacancy rate of properties available for lease (A)/(B)	**4.1%**	**4.3%**

EPRA Cost ratio

(in € thousand)	31.12.2019	31.12.2018
Net administrative and operating expenses in the income statement	**-29 318**	**-28 371**
III. (+/-) Rental charges	- 417	- 501
Net property charges	-14 347	-13 588
XIV. (-) Corporate overheads	-14 559	-14 282
XV. (+/-) Other operating income and charges	-1 177	- 447
Exclude:		
i. Impact of the spreading of gratuities	1 182	447
EPRA costs (including direct vacancy costs) (A)	**-29 318**	**-28 371**
XI. (-) Charges and taxes on unlet properties	2 268	2 723
EPRA costs (excluding direct vacancy costs) (B)	**-27 050**	**-25 648**
I. (+) Rental income	135 203	144 067
Gross rental income (C)	**135 203**	**144 067**
EPRA Cost ratio (including direct vacancy costs) (A/C)[a]	**21.7%**	**19.7%**
EPRA Cost ratio (excluding direct vacancy costs) (B/C) [a]	**20.0%**	**17.8%**

[a] This is an Alternative Performance Measure.

EPRA Like-for-Like net rental growth

Segment	31.12.2019						31.12.2018						Evolution
(in € thousand)	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed[a]	Total net rental income[b]	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed[a]	Total net rental income[b]	Properties owned throughout 2 consecutive years
Brussels CBD and similar	61 329	4 839	1 535		4 735	72 438	58 052	4 954	4 555		16 493	84 053	5.6%
Brussels decentralised	4 119					4 119	3 620					3 620	13.8%
Brussels periphery	7 458		160			7 618	6 279		204			6 483	18.8%
Wallonia	9 757				76	9 833	9 506				147	9 652	2.6%
Flanders	29 200		- 2			29 198	28 900		222			29 122	1.0%
Luxembourg city	4 838					4 838	5 112					5 112	-5.4%
Total	**116 701**	**4 839**	**1 693**	**-**	**4 811**	**128 044**	**111 469**	**4 954**	**4 981**	**-**	**16 639**	**138 043**	**4.7%**
Reconciliation to the consolidated IFRS income statement													
Net rental income related to:													
- Properties previously sold												- 109	
- Properties booked as financial leases (IFRS 16)						- 12						- 12	
- Non recurring element: restitution of reserve funds in 2018												602	
Other property charges						**- 7 592**						**- 8 546**	
Property operating result in the consolidated IFRS income statement						**120 440**						**129 978**	

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

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

Consolidated

EPRA earnings

(in € thousand)	31.12.2019	31.12.2018
Net result IFRS (group share)	**178 463**	**82 847**
Net result IFRS (in € per share) (group share)	**6.95**	**3.24**
Adjustments to calculate EPRA earnings	- 94 086	11 292
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	- 109 392	5 514
II. Result on disposals of investment properties	- 12 961	- 343
VI. Changes in fair value of financial assets and liabilities and close-out costs	27 983	5 901
VIII. Uitgestelde belasting met betrekking tot EPRA aanpassingen	472	219
X. Aanpassingen voor minderheidsbelangen	- 189	-
EPRA earnings (group share)	**84 377**	**94 139**
EPRA earnings (in € per share) (group share)	**3.29**	**3.68**

EPRA NAV & NNNAV

(in € thousand)	31.12.2019	31.12.2018
Net asset value (group share)	**1 603 872**	**1 443 214**
Net asset value (in € per share) (group share)	**59.29**	**56.42**
To include:		
II. Revaluation at fair value of finance lease credit	115	115
To exclude:		
IV. Fair value of financial instruments	39 984	14 941
V. a. Deferred tax	691	219
To include/exclude:		
Adjustments in respect of non-controlling interests	-	-
EPRA NAV (group share)	**1 644 662**	**1 458 489**
EPRA NAV (in € per share) (group share)	**60.80**	**57.02**
To include:		
I. Fair value of financial instruments	- 39 984	- 14 941
II. Revaluations at fair value of fixed-rate loans[(a)]	- 20 383	- 12 593
III. Deferred tax	- 691	- 219
To include/exclude:		
Adjustments in respect of non-controlling interests	-	-
EPRA NNNAV (group share)	**1 583 604**	**1 430 736**
EPRA NNNAV (in € per share) (group share)	**58.54**	**55.93**

(a) Excluding financial debt linked to IFRS 16.

12. Appendix 4: Glossary of 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.

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

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

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