

# Interim statement

30 September 2022

REGULATED INFORMATION



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The Board of Directors met on 7 November 2022 to prepare the consolidated quarterly financial statements as at 30 September 2022.

### CONSOLIDATION BASIS:

The Befimmo businesses are presented in press release by business sector (real-estate operator and coworking). The results presented in € per share are calculated based on the average number of shares not held by the group as at 30 September 2022. It concerns 27,003,495 shares.

### REAL-ESTATE AND FINANCIAL INDICATORS:

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

### ALTERNATIVE PERFORMANCE MEASURES :

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

# Summary Q3 2022

## Strong portfolio fundamentals

OCCUPANCY RATE

**95.4%**

LETTING ACTIVITY (INCLUDING LEASE EXTENSION BUILDING AGENCY)

**±146,000 m<sup>2</sup> YTD**

AVERAGE DURATION OF LEASES

**9.0 yrs**

Focused (re)development portfolio management

**14%**

PIPELINE WEIGHT

Successful asset rotation

**Choux building**

VALUE CRISTALLISATION

Strong resilience of coworking activity

**10<sup>TH</sup>** COWORKING CENTRE  
OPENED IN SEPT 2022

**95%**

PRE-LET (OFFICE PART)

**25 Fedimmo assets**

NON-STRATEGIC

**88%**

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

**+28%**

LIKE-FOR-LIKE TURNOVER (COMPARED TO FIRST NINE MONTHS 2021)

### ESG

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

## Financials

**+5.6%**

EPRA LIKE-FOR-LIKE NET RENTAL GROWTH

**€2.02**

CONSOLIDATED EPRA EARNINGS PER SHARE

**€4.16**

CONSOLIDATED NET RESULT PER SHARE

**42.2%**

LTV RATIO

**1.9%**

AVERAGE FINANCING COST

**€63.88**

NAV

Takeover: **96.90%** CONTROLLED BY ALXANDRITE MONNET BELGIAN BIDCO SA

# Highlights of the quarter

## ALEXANDRITE MONNET BELGIAN BIDCO SA ACQUIRED CONTROL OF 96.90% OF BEFIMMO SA AS OF 21 OCTOBER 2022

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

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

On 7 October 2022, the results of the additional acceptance period were published. During the additional acceptance period, 3,403,717 shares of Befimmo have been tendered to the Offer. As a result, Alexandrite Monnet Belgian Bidco SA acquires control of 96.90% of Befimmo SA.

As the Bidder now directly and indirectly holds more than 95% of the shares of Befimmo SA, the Bidder has exceeded the threshold required to launch a simplified Squeeze-out offer.

The Bidder will open a final Additional Acceptance Period at 9:00am CET on Tuesday 25 October 2022. This Additional Acceptance Period will close on Tuesday 3 January 2023 at 5:00pm CET. Shareholders who have not yet accepted the Offer will therefore be able to do so.

Shares that have not been tendered prior to closing of the final Additional Acceptance Period will be transferred to the Bidder by force of law and the relevant shareholders will have to request payment of the offer price for their shares at the Deposit and Consignment Office.

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

## SILVERSQUARE OPENS ITS TENTH COWORKING SPACE IN PARADIS EXPRESS, LIÈGE

In September Silversquare opened its tenth coworking space in the Paradis Express in Liège. Just a stone's throw from the famous Guillemins train station, in the new Paradis Express building, Silversquare Guillemins opened 3,280 m<sup>2</sup> of coworking space.

Silversquare has entrusted the creation of this space to a local artist, Jean-Paul Lespagnard.

## CHOUX BUILDING

In September 2022, Befimmo signed the early termination of the leasehold rights for the Choux building, located in the Centre of Brussels. As Befimmo owned the leasehold but as the freehold was still owned by the Flemish Authorities, it was in fact a deed of termination of a leasehold right by mutual consent.

This transaction frames in the strategy to divest mature buildings to crystallise its value.

## HIGH SCORES FOR NON-FINANCIAL COMMUNICATION

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

- EPRA Gold Award for both its 2021 Annual Financial Report and Sustainability Report
- GRESB Green Star: For this non-financial reporting, Befimmo achieved scores of 83/100 in the Standing Investments category and 90/100 in the Developments category. Befimmo thus once again won the 'Green Star' medal.

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

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

<sup>1</sup> <https://sciencebasedtargets.org/>



## Subsequent event after closing of the quarter

### **BEFIMMO OPTIMISES ITS PORTFOLIO BY SELLING 25 ASSETS FROM THE FEDIMMO PORTFOLIO**

On 28 October 2022, Befimmo signed a binding agreement to sell 25 regional buildings from the Fedimmo portfolio, of which some are subject to usual conditions precedent, for a total amount of €104 million, in line with the expected fair value at year end, all other things being equal. The buildings to be sold represent a total surface of approximately 115,000 m<sup>2</sup>.

This divestment is in line with Befimmo's strategy to sell buildings that are non-strategic and to focus on its sustainable and user-centric portfolio and projects in large inner-city locations. It is a perfect illustration of two of Befimmo's six strategic axes. On the one hand, focus on strong and growing urban areas and secondly, to accelerate the rotation of mature or non-core assets to maximize value creation within its portfolio.

# Property Report

## REAL-ESTATE OPERATOR ACTIVITY

### OFFICE MARKET

#### Brussels:

Take-up of 230,778 m<sup>2</sup>. Prime yields increase at 3.85%. Overall vacancy rate increased slightly to 7.95% (from 7.65% as at 31.12.2021). Dynamic construction pipeline for 2023 at 215,000 m<sup>2</sup>, with high degree of pre-let (64% for the 3 coming years).

#### Luxembourg:

Take-up of 170,757 m<sup>2</sup>. Prime yields increased to 3.6%. Overall vacancy rate increased slightly but remained low at 4.11%. Dynamic construction pipeline for 2023 at 325,000 m<sup>2</sup>.

### PORTFOLIO LETTING ACTIVITY IN 2022

- **146,479 m<sup>2</sup>** let (compared to 41,578 m<sup>2</sup> in the first nine months of 2021)
- **± 7%** new lettings & **93%** reletting (in m<sup>2</sup>)
- **44** transactions

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

The EPRA “like-for-like net rental growth” amounts to +5.6% as at 30 September 2022. This is explained by a like-for-like net rental result of 3.7%, partly due to the indexation of the lease contracts and partly to a decrease of the net property charges due to:

- a decrease in empty space costs following new lettings;
- less improvement and major renovation works than realised in 2021 (which was exceptionally high) as planned.

### SPOT OCCUPANCY RATE AND EPRA VACANCY RATE<sup>2</sup>

	30.09.2022	31.12.2021
Occupancy rate (future signed leases included)	<b>95.4%</b>	95.5%
EPRA Vacancy Rate <sup>3</sup>	<b>4.6%</b>	4.5%

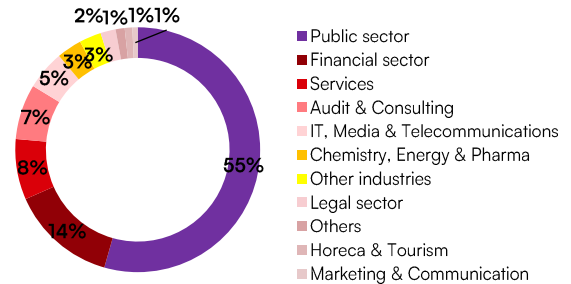
### COLLECTION AND DEFERRAL OF RENTS

- **99.3% collected rents** for the first nine months of 2022
- **€0.15 million** payment deferrals

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

	30.09.2022	31.12.2021
Weighted average duration of current leases up to next break of properties available for lease	7.8 years	7.3 years
Weighted average duration of current leases up to final expiry of properties available for lease	8.5 years	7.9 years
Weighted average duration of current and future signed leases up to next break of investment properties	9.0 years	8.8 years
Weighted average duration of current and future signed leases up to final expiry of investment properties	9.6 years	9.4 years

### Activity sector of tenants (based on gross current rent from lease agreements at 30.09.2022)



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

	Weighted average duration up to next break (in years)	Percentage gross current rent (in %)	Rating
Belgian public sector	8.9	51.2%	
European public sector	5.1	3.8%	
<b>Total public-sector tenants</b>	<b>8.6</b>	<b>55.0%</b>	
Deloitte Services & Investments NV		6.3%	-
BNP Paribas and affiliated companies		4.8%	A+
Beobank (Crédit Mutuel Nord Europe)		4.0%	A+
Docler Services S.à.r.l.		2.9%	-
McKinsey & Company		1.6%	-
<b>Total private-sector top-5 tenants</b>	<b>9.0</b>	<b>19.6%</b>	
+/- 170 other tenants	5.3	25.3%	
<b>Total of portfolio</b>	<b>7.8</b>	<b>100%</b>	

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

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

FAIR VALUE BY GEOGRAPHICAL AREA<sup>4</sup>

Offices	Change over the quarter <sup>5</sup> (in %)	Proportion of portfolio <sup>6</sup> (30.09.2022) (in %)	Fair value (30.09.2022) (in € million)	Fair value (30.06.2022) (in € million)	Fair value (31.12.2021) (in € million)
Brussels CBD and similar <sup>7</sup>	-2.0%	52.3%	1 506.1	1 544.9	1 495.9
Brussels decentralised	-1.2%	2.2%	63.7	64.3	64.3
Brussels periphery	-2.5%	2.6%	73.9	79.8	80.8
Flanders	-3.8%	12.5%	358.8	372.9	391.0
Wallonia	-3.1%	9.8%	282.2	289.0	221.3
Luxembourg city	-1.5%	6.2%	178.2	180.4	178.8
Properties available for lease	-2.4%	85.6%	2 462.9	2 531.3	2 432.1
Properties that are being constructed or developed for own account in order to be leased	-2.3%	14.0%	403.0	362.9	390.7
<b>Investment properties<sup>8</sup></b>	<b>-2.4%</b>	<b>99.6%</b>	<b>2 865.9</b>	<b>2 894.2</b>	<b>2 825.6</b>
<b>Properties held for sale</b>	<b>-7.6%</b>	<b>0.4%</b>	<b>11.6</b>	<b>7.8</b>	<b>13.1</b>
<b>Total</b>	<b>-2.4%</b>	<b>100.0%</b>	<b>2 877.6</b>	<b>2 902.0</b>	<b>2 835.9</b>

As at 30 September 2022, the fair value of the portfolio was €2,877.6 million, as against €2,835.9 million as at 31 December 2021.

This change in value (excluding rights of use IFRS 16) incorporates:

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

At constant perimeter, the fair value of the portfolio decreased over the first nine months of 2022 by 2.0% or €60 million.

## OVERALL RENTAL YIELD

	30.09.2022	31.12.2021
Gross initial yield on properties available for lease <sup>9</sup>	5.0%	4.8%
Gross potential yield on properties available for lease <sup>9</sup>	5.4%	5.2%
Gross initial yield on investment properties <sup>10</sup>	4.3%	4.2%
EPRA Net Initial Yield (NIY) <sup>11</sup>	4.4%	4.2%
EPRA Topped-up NIY <sup>11</sup>	4.9%	4.5%

4 These values are established in application of the IAS 40 standard which requires investment properties to be booked at "fair value". The fair value of a building is its investment value, including registration fees and other transaction costs (also known as "deed-in-hands value") as calculated by an independent expert, minus a standard allowance of 12% (Flanders) or 12.5% (Wallonia and Brussels) for buildings with an investment value of less than €2.5 million, and 2.5% for buildings with an investment value of more than €2.5 million. This 2.5% allowance represents the average transaction costs actually paid in these transactions and is derived from an analysis by independent experts of a large number of transactions observed on the market. This accounting treatment is detailed in the press release issued by BeAMA on 8 February 2006 and confirmed in the press release of the BE-REIT Association of 10 November 2016. This rule is also applied for determining the fair value of property located in the Grand Duchy of Luxembourg.

5 The change over the quarter is the change in fair value between 1 July 2022 and 30 September 2022 (excluding acquisition, investments and divestments).

6 The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 30 September 2022.

7 Including the Brussels airport zone, in which the Gateway building is situated.

8 Excluding rights of use lease agreements for office space and rights to use land (IFRS 16).

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

10 Comprising properties that are being constructed or developed for own account in order to be leased. This is a real-estate indicator. For more information, see Appendix 2.

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

## Asset rotation

Befimmo ensures a high-quality portfolio by investing in flexible office buildings in triple A locations with value-creating potential and divesting where it can crystallise the value of mature buildings or where buildings no longer fit its strategy.

- **Value crystallisation:** In September 2022, Befimmo signed the early termination of the leasehold rights for the Choux building, located in the Centre of Brussels. For additional information, see page 4.
- **Divesting from non-strategic assets:** After closing of the quarter, on 28 October 2022, Befimmo reached an agreement on the sale of 25 assets from the Fedimmo portfolio. Befimmo signed a binding agreement to sell 25 regional buildings from the Fedimmo portfolio, of which some are subject to usual conditions precedent, for a total amount of €104 million, in line with the expected fair value at year end, all other things being equal. The buildings to be sold represent a total surface of approximately 115.000 m<sup>2</sup>.

## Capital expenditure in properties available for lease

In Q3 2022 Befimmo invested €5.5 million in its portfolio of properties available for lease.

## Development projects

Befimmo invested €108.3 million in its (re)development projects during the first nine months of the year.

As at 30 September 2022, the development pipeline accounts for 14% of the total value of the portfolio.

Currently, the pre-letting rate<sup>12</sup> of office projects amounts to 95%.

<sup>12</sup> Calculated on the office portion on ongoing committed projects, excluding coworking.

## COWORKING ACTIVITY

For more details on our coworking activity please consult page 10 of our Half-yearly Financial Report 2022.

### PORTFOLIO OF COWORKING SPACES

→ 10 spaces | ± 44.900 m<sup>2</sup>

Silversquare opened its tenth coworking space in the Paradis Express, Liège (Silversquare Guillemins) in September 2022.

The coworking business accounted for about 12% of Befimmo's consolidated rental income as at 30 September 2022.

### OCCUPANCY RATE

Opening space	30.09.2022	31.12.2021
Over 3 yrs	88%	75%
Between 1 and 3 yrs	63%	52%
Less than 1 yr <sup>13</sup>	10%	51%
<b>Total</b>	<b>60%</b>	<b>59%</b>

The total occupancy rate stood at 60% as at 30 September 2022. Excluding Silversquare North (opening in April) and Silversquare Guillemins (opening in September), total occupancy rate amounts to 75%. The total turnover (€11.5 million for the first 9 months of 2022) increased with 66% compared to the same period last year. There's also an increase of the like-for-like turnover of 28% compared to Q3 2021 YTD.

During the first nine months of 2022, Silversquare accounts 741 new signatures against 405 notices.

### RECOVERY RATE ISSUED INVOICES

→ 98.99% (for monthly invoices issued over the last 12 months)

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

<sup>13</sup> The low occupancy rate as at 30 September 2022 is explained by the recent opening of Silversquare Guillemins in September.



# Financial Report

## KEY FINANCIAL FIGURES

<b>Consolidated</b>	<b>30.09.2022</b>	<b>31.12.2021</b>
Number of shares issued	28 445 971	28 445 971
Number of shares not held by the group	27 003 495	27 011 100
Shareholders' equity attributable to shareholders (in € million)	1 725.1	1 630.2
Net asset value (in € per share)	63.88	60.35
EPRA NRV (in € per share)	62.56	63.82
EPRA NTA (in € per share)	59.08	60.32
EPRA NDV (in € per share)	64.69	59.53
Average (annualised) financing cost <sup>14</sup> (in %)	1.9%	1.8%
Weighted average duration of the debt (in years)	3.3	4.1
Debt ratio as per the Royal Decree (in %)	44.8%	43.1%
Loan-to-value <sup>15</sup> (in %)	42.2%	40.9%
Total return on shareholders' equity <sup>16</sup> (in € per share)	4.6	3.3
Total return on shareholders' equity <sup>16</sup> (in %)	7.7%	5.7%
<b>Real-estate operator business activity</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
EPRA Like-for-Like Net Rental Growth <sup>17</sup> (in %)	+5.6%	-1.4%
	<b>30.09.2022</b>	<b>30.09.2021 (restated)<sup>18</sup></b>
<b>Consolidated</b>		
Net result (in € per share)	4.16	2.78
EPRA earnings (in € per share)	2.02	1.84
<b>Real-estate operator business activity</b>		
Net result (in € per share)	4.29	3.01
EPRA earnings (in € per share)	2.07	1.92

<sup>14</sup> This is an Alternative Performance Measure. For more information, see Appendix 3.

<sup>15</sup> Loan-to-value (LTV) = [(nominal financial debts-cash)/fair value of portfolio]. This is an Alternative Performance Measure. For more information, see Appendix 3.

<sup>16</sup> 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.

<sup>17</sup> Trend of the rental income minus property charges at constant perimeter, calculated on the basis of EPRA Best Practices Recommendations.

<sup>18</sup> Since the 31<sup>st</sup> of December 2021, the recurring compensation for the effect of spreading rental gratuities granted and the Goodwill impairment are booked under the heading "Other result on portfolio" and not anymore under the heading "Other operating income & charges". The figures of 30 September 2021 were therefore adapted. The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation.

## CONSOLIDATED NET ASSET VALUE AND BALANCE SHEET

### Evolution of the consolidated net asset value

	(in € per share)	(in € million)	Number of shares not held by the group
<b>Net asset value as at 31 December 2021 (group share)</b>	<b>60.35</b>	<b>1 630.2</b>	<b>27 011 100</b>
Valuation of the put option held by minority shareholders, net of profit attributable to non-controlling interests		- 2.3	
Net result (group share) as at 30 September 2022		112.2	
Final dividend of the 2021 fiscal year (coupon 43)		- 15.7	
Other elements of comprehensive income - actuarial gains and losses on pension obligations		1.3	
Other elements - mainly linked to liquidity contract and Performance Plan Stock Units		- 0.7	
<b>Net asset value as at 30 September 2022 (group share)</b>	<b>63.88</b>	<b>1 725.1</b>	<b>27 003 495</b>
		<b>30.09.2022</b>	<b>31.12.2021</b>
EPRA NRV		62.56	63.82
EPRA NTA		59.08	60.32
EPRA NDV		64.69	59.53

The calculation methods of the EPRA NRV, NTA and NDV are detailed on page 23 of this press release.

### Condensed consolidated balance sheet

(in € million)	30.09.2022	31.12.2021
Investment and held for sale properties	2 913.6	2 874.3
Other assets	226.9	108.0
<b>Total assets</b>	<b>3 140.5</b>	<b>2 982.3</b>
Shareholders' equity	1 725.1	1 630.2
Financial debts	1 266.3	1 211.4
non current	1 098.5	851.8
current <sup>19</sup>	167.8	359.7
Other debts	149.1	140.7
<b>Total equity &amp; liabilities</b>	<b>3 140.5</b>	<b>2 982.3</b>
<b>LTV</b>	<b>42.2%</b>	<b>40.9%</b>

<sup>19</sup> According to IAS 1, the commercial paper needs to be recorded as a current liability. It is important to note that the Company has confirmed bank lines in excess of one year as a back-up for the commercial paper.

## FINANCIAL RESULTS

### Events changing the scope

Compared with Q3 2021, the scope changed mainly following:

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

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

#### Condensed profit and loss statement real-estate operator activity

(in € thousand)	30.09.2022	30.09.2021 (restated) <sup>25</sup>	30.09.2021
Net rental result	91 266	90 690	90 690
<i>Net rental result excluding spreading</i>	86 042	88 925	88 925
<i>Spreading of gratuities/concessions</i>	5 224	1 765	1 765
Net property charges <sup>20</sup>	-8 621	-12 542	-12 542
<b>Property operating result</b>	<b>82 645</b>	<b>78 148</b>	<b>78 148</b>
Corporate overheads - excl. non-recurring items <sup>20</sup>	-11 902	-13 969	-13 969
Other operating income & charges	-	-	-2 186
<b>Operating result before result on portfolio</b>	<b>70 743</b>	<b>64 179</b>	<b>61 992</b>
<b>Operating margin<sup>20</sup></b>	<b>77.5%</b>	<b>70.8%</b>	<b>68.4%</b>
Financial result (excl. changes in fair value of financial assets and liabilities and close-out costs) <sup>19</sup>	-13 716	-11 282	-11 282
Corporate taxes (excl. Deferred taxes) <sup>20</sup>	-1 054	-1 039	-1 039
To exclude: negative goodwill/goodwill impairment	-	-	421
<b>EPRA Earnings<sup>21</sup></b>	<b>55 973</b>	<b>51 858</b>	<b>50 093</b>
<b>EPRA earnings (in € per share)</b>	<b>2.07</b>	<b>1.92</b>	<b>1.85</b>
Gains or losses on disposals of investment properties	462	6 601	6 601
Other result on portfolio <sup>21</sup>	-5 686	-2 186	-
Deferred taxes	- 9	- 36	- 36
Changes in fair value of investment properties	-60 422	1 292	1 292
Changes in fair value of financial assets and liabilities and close-out costs	130 847	23 812	23 812
Negative goodwill/goodwill impairment	-	-	- 421
Corporate overheads - Non-recurring items <sup>22</sup>	-5 250	-	-
<b>Net Result<sup>23</sup></b>	<b>115 916</b>	<b>81 340</b>	<b>81 340</b>
<b>Net Result (in € per share)</b>	<b>4.29</b>	<b>3.01</b>	<b>3.01</b>

20 This is an Alternative Performance Measure. For more information, please consult Appendix 3 to this Report.

21 Since the 31<sup>st</sup> of December 2021, the recurring compensation for the effect of spreading rental gratuities granted and the Goodwill impairment are booked under the heading "Other result on portfolio" and not anymore under the heading "Other operating income & charges". The figures of 30 September 2021 were therefore adapted. The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation.

22 Reflect the various fees of our counsels related to the voluntary public tender offer by Alexandrite Monnet Belgian Bidco SA.

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

The **like-for-like net rental result** is up by 3.7% compared with last year. This evolution is partly due to the indexation of the lease contracts and partly in a reduction in net property charges.

The **net rental result** increased slightly by 0.6% in relation to the same period last year. This evolution is explained by the indexation of the lease contracts (+€3.3 million) and the positive impact of new leases on the delivered projects of €7.9 million, partially offset by the impact of the start of new projects (-€2.9 million) and the impact of the asset rotation programme (-€2.3 million). In addition, a non-recurring (one-off) payment of +€5.3 million perceived in 2021 in relation to a global agreement with the Building Agency (Belgian State) contributes to the evolution.

**Net property charges** are down by €3.9 million. The decrease is mainly explained by the decrease in empty space costs following new lettings and less improvement and major renovation works than realised in 2021 (intensive period after the lock-down of 2020).

**EPRA like-for-like net rental growth** is therefore at +5.6% as at 30 September 2022.

**Corporate overheads** amounts to €11.9 million, which is a decrease of €2.1 million compared to the same period last year. This decrease is explained by a number of exceptional elements and by a stricter control of the general cost structure.

The **Operating result before result on portfolio** is €70.7 million at the end of September 2022 compared to €64.2 million last year.

The **Financial result** (excluding changes in the fair value of the financial assets and liabilities and close-out costs) was -€13.7 million compared to -€11.3 million last year. The increase in financial charges is mainly explained by the cost related to the Bridge Facility concluded in the context of the voluntary public tender offer and by the increase in the averaging financial debt.

**EPRA earnings** were €56.0 million as against €51.9 million last year. **EPRA earnings per share** stood at €2.07 at the end of September 2022.

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

**Other result on portfolio** was -€5.7 million at 30 September 2022 and includes the recurring compensation for the effect of spreading rental gratuities granted and recorded in the top line (-€5.2 million) and a Goodwill impairment (-€0.5 million).

The **change in fair value of investment properties** amounts to -€60.4 million at 30 September 2022.

The **change in fair value of financial assets and liabilities** amounts to €130.8 million at 30 September 2022, reflecting the strong increase of the interest rate curve in the value of the hedging instruments since the beginning of the year.

The **Corporate overheads - Non-recurring items** are reflecting the various fees of our counsels related to the voluntary public tender offer by Alexandrite Monnet Belgian Bidco SA.

As a result of the above explained components, the **net result** reached €115.9 million at 30 September 2022, compared to €81.3 million at 30 September 2021. **Net result per share** stood at €4.29 in compared to €3.01 for the comparative period.

### Note on the results for the coworking business

The turnover of the coworking business amounted to €11.6 million for the first nine months of 2022 period, compared to €7.0 million last year, representing an increase of 66%. Still being in the development phase, our coworking business has a negative contribution of -€0.05 per share to the consolidated EPRA earnings<sup>24</sup>.

### Note on the consolidated results

Consolidated net result was €111.9 million. The net result (group share) was €112.2 million, up €37.0 million compared with 30 September 2021. The consolidated EPRA earnings per share were €2.02 per share as against €1.84 at 30 September 2021<sup>25</sup>.

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

25 Restated.



## FINANCIAL STRUCTURE AND HEDGING POLICY

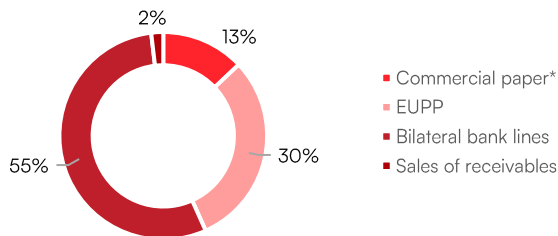
The Company arranges financing to maintain the best possible balance between cost, maturity, and diversification of funding sources.

### Main characteristics of the financial structure

	30.09.2022	31.12.2021
Confirmed credit facilities <sup>26</sup> excl. bridge facility (in € million)	1 183	1 471
<i>Of which bankloans</i>	68.9%	71.3%
<i>Of which in use</i>	1 218	1 161
Use short-term CP programme (in € million)	157	284
Fixed rate borrowings (including IRS)	72.6%	75.1%
Average (annualised) financing cost (all in)	1.9%	1.8%
Weighted average duration of debt	3.3 years	4.1 years
Debt ratio <sup>27</sup>	44.8%	43.1%
LTV ratio <sup>28</sup>	42.2%	40.9%
Hedge ratio <sup>29</sup>	80.8%	76.8%

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

#### Debt distribution



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

To reduce its financing costs, Befimmo has a commercial paper programme of a maximum amount of €600 million. €157 million of which was in use as at 30 September 2022 for short-term issues and €106 million for long-term issues. For short-term issues, this programme has back-up facilities consisting of the various credit lines arranged. The documentation for this programme also covers the European private placements of debt.

### Hedging the interest rate and exchange-rate risk

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

Operations carried out in 2022:

- Extension of €20 million IRS by an additional 6 years until August 2032;
- Extension of €25 million IRS by an additional 4 years until January 2032;
- Extension of €25 million IRS by an additional 5 years until February 2032;
- Extension of €30 million IRS by an additional 6 years until February 2032;
- Mirror SWAP with an IRS Payer with a maturity in 2032 and a IRS Receiver with a maturity in 2025; Restructuring with €25 million IRS receiver (mirror of existing) and €55 million new IRS payer, reducing hedging period of 7 years and increase of hedged amount by €30 million.

The current set of instruments gives the Company a hedge ratio of 80.8% as at 30 September 2022.

### Financing arranged during 2022

- Extension of a €30 million credit facility until December 2027;
- Extension of a €50 million credit facility, of which €25 million extended until end June 2027 and €25 million extended until end June 2028;
- Take over of a Bridge Facility, negotiated by Alexandrite Monnet Belgian Bidco SA, for an amount of €1,265 million.

### Events post control takeover by Alexandrite Monnet Belgian BidCo

Due to the combined effect of a Change of Control and a material adverse effect (S&P downgrade to Non-Investment Grade BB+), bank facilities have been cancelled and/or repaid for a total amount of €223 million.

After Q3 closing, Bondholders have also exercised their right of early repayment for an amount of €209.3 million.

26 The volume of unused lines is determined on the basis of the Company's liquidity criteria, taking account of the maturities of financing agreements and commitments planned for the coming years.  
27 The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.

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

29 Hedge ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAPs)/total borrowings.

## OUTLOOK AND DIVIDEND FISCAL YEAR 2022

On the basis of the information known at the date of publication of this Press release, le Conseil d'administration confirme que les perspectives d'EPRA earnings pour 2022 restent inchangées (entre 2,40 et 2,45 € par action).

Alexandrite Monnet Bidco SA intended, regardless of the regulatory status of the Company after the Bid, to maintain a dividend policy substantially in line with past practice (i.e., the regime applicable to, and dividend policy typically pursued by, a BE-REIT), as long as it did not hold all the Shares of the Company.

As the Bidder now directly and indirectly holds more than 95% of the shares of Befimmo SA, the Bidder launches a simplified Squeeze-out offer, to close on January 3<sup>d</sup>, 2023.

That being said, there's no certainty that the dividend in euros will be maintained. Additional information will be published subsequently.

## Information to the shareholders

### CORPORATE GOVERNANCE

On 27 July 2022, Mr Philippe de Martel resigned from its position as Non-executive Director, linked to a shareholder (Axa).

On 26 October 2022, Mr. Amand-Benoît D'Hondt resigned from its position as Non-executive Director, linked to a shareholder (Ageas).

We wish to recognize the importance and quality of their work and thank them for their constructive contributions.

At its meeting of 7 November 2022, the Board of Directors provisionally co-opted Mr Benedict Annable and Mr Theodor Berklay, as Non-executive Directors linked to a shareholder (Brookfield) to provisionally replace Mr Philippe de Martel and Mr Amand-Benoît D'Hondt, until the next General Shareholders' Meeting.

### BEFIMMO SHARE

	30.09.2022	31.12.2021
Closing share price (in €)	46.70	33.75
Net asset value (€ per share)	63.88	60.35
Premium or discount compared to the net asset value	-27%	-44%
Total shareholder return <sup>30</sup>	41.5%	-2.0%

### FORTHCOMING PUBLICATION

Online publication of the Annual Financial Report 2022	March 2023
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<sup>30</sup> 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.

## SHAREHOLDING STRUCTURE

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

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

	Number of shares (declared) the day of the statement	Based on the transparency declarations or based on the information received from the shareholder	(in %)
<b>Declarants</b>			
<b>Brookfield Asset Management Inc.</b>	<b>27 564 360</b>	<b>21.10.2022</b>	<b>96.90%</b>
<i>of which Alexandrite Monnet Belgian Bidco SA</i>	<i>26 121 884</i>	<i>21.10.2022</i>	<i>91.83%</i>
<i>of which Befimmo SA (own shares)</i>	<i>1 442 476</i>	<i>21.10.2022</i>	<i>5.07%</i>
<b>Other shareholders under the statutory threshold</b>	<b>881 611</b>	<b>21.10.2022</b>	<b>3.10%</b>
<b>Total</b>	<b>28 445 971</b>		<b>100%</b>

# Appendices

## APPENDIX 1: CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET

### Consolidated income statement<sup>31</sup> (in € thousand)

	30.09.2022	30.09.2021 (restated)	30.09.2021
I. (+) Rental income	99 558	96 655	96 655
III. (+/-) Charges linked to letting	452	- 130	- 130
<b>NET RENTAL RESULT</b>	<b>100 010</b>	<b>96 524</b>	<b>96 524</b>
IV. (+) Recovery of property charges	6 026	10 839	10 839
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	22 459	19 999	19 999
VII. (-) Rental charges and taxes normally paid by tenants on let properties	-31 551	-27 267	-27 267
VIII. (+/-) Other revenue and charges for letting	396	196	196
<b>PROPERTY RESULT</b>	<b>97 341</b>	<b>100 291</b>	<b>100 291</b>
IX. (-) Technical costs	-7 228	-13 172	-13 172
X. (-) Commercial costs	- 414	- 588	- 588
XI. (-) Charges and taxes on unlet properties	-1 587	-2 268	-2 268
XII. (-) Property management costs	- 2 412	- 2 467	- 2 467
XIII. (-) Other property charges	-3 098	-4 450	-4 450
<b>(+/-) Property charges</b>	<b>-14 738</b>	<b>-22 944</b>	<b>-22 944</b>
<b>PROPERTY OPERATING RESULT</b>	<b>82 603</b>	<b>77 346</b>	<b>77 346</b>
XIV. (-) Corporate overheads	-19 480	-16 300	-16 300
XV. (+/-) Other operating income and charges	-	-	- 1 698
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>63 123</b>	<b>61 046</b>	<b>59 348</b>
XVI. (+/-) Gains and losses on disposals of investment properties	462	6 601	6 601
XVIII. (+/-) Changes in fair value of investment properties	- 62 739	- 2 945	- 2 945
XIX. (+/-) Other result on portfolio	- 3 814	- 1 698	-
<b>OPERATING RESULT</b>	<b>-2 967</b>	<b>63 005</b>	<b>63 005</b>
XX. (+) Financial income	749	997	997
XXI. (-) Net interest charges	- 12 684	- 11 046	- 11 046
XXII. (-) Other financial charges	-3 399	-2 879	-2 879
XXIII. (+/-) Changes in fair value of financial assets and liabilities	131 277	24 268	24 268
<b>(+/-) Financial result</b>	<b>115 945</b>	<b>11 341</b>	<b>11 341</b>
<b>PRE-TAX RESULT</b>	<b>112 977</b>	<b>74 346</b>	<b>74 346</b>
XXV. (-) Corporation tax	- 1 064	- 1 083	- 1 083
<b>(+/-) Taxes</b>	<b>-1 064</b>	<b>-1 083</b>	<b>-1 083</b>
<b>NET RESULT</b>	<b>111 913</b>	<b>73 263</b>	<b>73 263</b>
<b>NET RESULT (group share)</b>	<b>112 237</b>	<b>75 231</b>	<b>75 231</b>
<b>NET RESULT - NON-CONTROLLING INTERESTS</b>	<b>- 324</b>	<b>-1 969</b>	<b>-1 969</b>
<b>BASIC NET RESULT AND DILUTED (€/share)</b>	<b>4.16</b>	<b>2.78</b>	<b>2.78</b>
Other comprehensive income - actuarial gains and losses - pension liabilities	- 694	2 364	2 364
Other comprehensive income - others			
Other comprehensive income (group share)	- 696	2 364	2 364
Other comprehensive income - Non-controlling interests	1	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>111 219</b>	<b>75 626</b>	<b>75 626</b>
<b>TOTAL COMPREHENSIVE INCOME (group share)</b>	<b>111 541</b>	<b>77 595</b>	<b>77 595</b>
<b>TOTAL COMPREHENSIVE INCOME - NON-CONTROLLING INTERESTS</b>	<b>- 323</b>	<b>-1 969</b>	<b>-1 969</b>

<sup>31</sup> Since the 31st of December 2021, the recurring compensation for the effect of spreading rental gratuities granted and the Goodwill impairment are booked under the category "Other result on portfolio" and not anymore under the category "Other operating income & charges". The figures 30 September 2021 were therefore restated.



## Consolidated balance sheet (in € thousand)

ASSETS	30.09.2022	31.12.2021
<b>I. Non-current assets</b>	<b>3 073 799</b>	<b>2 914 490</b>
A. Goodwill	15 702	16 299
B. Intangible assets	4 614	6 176
C. Investment properties	2 901 927	2 861 185
Fair value of portfolio (excluding Silversquare)	2 498 902	2 824 655
Right of use - Fair value of Silversquare leases	403 025	36 531
D. Other property, plant and equipment	19 317	19 118
E. Non-current financial assets	127 428	6 901
F. Finance lease receivables	4 812	4 812
<b>II. Current assets</b>	<b>66 656</b>	<b>67 798</b>
A. Properties held for sale	11 644	13 133
B. Current financial assets	608	7
C. Finance lease receivables	76	149
D. Trade receivables	44 207	35 217
E. Tax receivables and other current assets	2 764	11 692
F. Cash and cash equivalents	2 240	2 022
G. Deferred charges and accrued income	5 119	5 578
<b>TOTAL ASSETS</b>	<b>3 140 455</b>	<b>2 982 289</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>30.09.2022</b>	<b>31.12.2021</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1 725 057</b>	<b>1 630 170</b>
I. Equity attributable to shareholders of the parent company	1 725 057	1 630 170
A. Capital	398 357	398 357
B. Share premium account	861 905	861 905
C. Reserves	352 558	314 592
D. Net result for the fiscal year <sup>32</sup>	112 237	55 316
II. Non controlling interests	-	-
<b>LIABILITIES</b>	<b>1 415 399</b>	<b>1 352 118</b>
I. Non-current liabilities	1 121 504	888 539
A. Provisions	-	1 196
B. Non-current financial debts	1 098 477	851 775
a. Credit institution	689 331	440 155
c. Other	409 146	411 620
C. Other non-current financial liabilities	16 616	27 081
D. Trade debts and other non-current debts	5 278	7 362
F. Deferred Tax - Liabilities	1 134	1 125
II. Current liabilities	293 895	463 579
A. Provisions	2 565	3 709
B. Current financial debts	167 775	359 653
a. Credit institution	3 486	14 247
c. Other	164 289	345 406
C. Other current financial liabilities	31	392
D. Trade debts and other current debts	76 899	61 584
E. Other current liabilities	1 501	1 675
F. Accrued charges and deferred income	45 123	36 566
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3 140 455</b>	<b>2 982 289</b>

<sup>32</sup> The interim dividend is the difference between the "Net result for the fiscal year" in the Consolidated statement of financial position and the "Net result" in the Consolidated statement of comprehensive income (as per 31.12.2021).

## APPENDIX 2: GLOSSARY OF THE REAL-ESTATE INDICATORS

### **Gross current rent from lease agreements**

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

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

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

### **Gross initial yield on investment properties**

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

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

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

### **Potential rent**

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

### **Spot occupancy rate of properties available for lease**

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

### **Weighted average duration of current leases until their next break**

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

### **Weighted average duration of current leases until final expiry**

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

## APPENDIX 3: ALTERNATIVE PERFORMANCE MEASURES

### Real-estate operator activity

#### GLOSSARY OF THE “ALTERNATIVE PERFORMANCE MEASURES”

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

#### RECONCILIATION TABLES OF THE “ALTERNATIVE PERFORMANCE MEASURES”

##### Net rental result « like-for-like »

(in thousand €)	30.09.2022	30.09.2021	Evolution
Net rental result (A)	91 266	90 690	
Net rental result linked to changes in perimeter (B)	2 085	7 899	
Net rental result on properties not available for lease (C)	7 896	5 054	
Non-recurring element to extract from the "Like-for-Like" (D)	396	- 268	
<b>Net rental result in "Like-for-Like" (A-B-C-D)</b>	<b>80 889</b>	<b>78 005</b>	<b>+3.7%</b>

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

(in thousand €)	30.09.2022	30.09.2021
Net result (A) <sup>33</sup>	115 916	81 340
XVIII. Changes in fair value of investment properties (B)	-60 422	1 292
XXIII. Changes in fair value of financial assets and liabilities (C)	131 277	24 268
Changes in the share in the profit or loss of investments accounted for using the equity method (D)	-6 349	-6 152
<b>Net result before changes in fair value of investment properties and financial assets and liabilities and share in the profit or loss of investments (A-B-C-D)</b>	<b>51 410</b>	<b>61 933</b>

<sup>33</sup> The net result on 30 September 2021 and on 30 September 2022 is restated, excluding the share in the profit or loss of investments booked using the equity method.

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

<b>(in thousand €)</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
Financial result (A)	117 131	12 530
XXIII. Changes in fair value of financial assets and liabilities (B)	131 277	24 268
Close out costs (C)	- 430	- 455
<b>Financial result (excl. the changes in fair value of the financial assets and liabilities and close out costs) (A-B-C)</b>	<b>-13 716</b>	<b>-11 283</b>

**Operating margin**

<b>(in thousand €)</b>	<b>30.09.2022</b>	<b>30.09.2021 (restated)</b>	<b>30.09.2021</b>
Net rental result	91 266	90 690	90 690
Net property charges	-8 621	-12 542	-12 542
Corporate overheads - excl. non-recurring items	-11 902	-13 969	-13 969
Other operating income & charges	-	-	-2 186
Operating result before result on portfolio (A)	70 743	64 179	61 992
Net rental result (B)	91 266	90 690	90 690
<b>Operating margin (A/B)</b>	<b>77.5%</b>	<b>70.8%</b>	<b>68.4%</b>

**Net property charges**

<b>(in thousand €)</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
IV. Recovery of property charges	6 028	10 839
V. Recovery of rental charges and taxes normally paid by tenants on let properties	23 884	20 647
VII. Rental charges and taxes normally paid by tenants on let properties	-24 181	-21 279
VIII. Other revenue and charges for letting	396	196
IX. Technical costs	-7 228	-13 172
X. Commercial costs	- 414	- 588
XI. Charges and taxes on unlet properties	-1 587	-2 268
XII. Property management costs	-2 412	-2 467
XIII. Other property charges	-3 107	-4 450
<b>Net property charges</b>	<b>-8 621</b>	<b>-12 542</b>

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

<b>(in thousand €)</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
XXV. Corporate taxes (A)	-1 063	-1 075
Deferred taxes	- 9	- 36
<b>Corporate taxes (excl. Deferred taxes) (A-B)</b>	<b>-1 054</b>	<b>-1 039</b>

**Corporate overheads (excl. non-recurring items)**

<b>(in thousand €)</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
XIV. Corporate overheads (A)	-17 152	-13 969
Non-recurring items	-5 250	-
<b>Corporate overheads (excl. non-recurring items) (A-B)</b>	<b>-11 902</b>	<b>-13 969</b>



# Consolidated

## GLOSSARY OF THE “ALTERNATIVE PERFORMANCE MEASURES”

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

## RECONCILIATION TABLES OF THE “ALTERNATIVE PERFORMANCE MEASURES”

### Loan-to-value

(in thousand €)	30.09.2022	31.12.2021
Nominal financial debts (A)	1 217 678	1 161 297
II. F. Cash and cash equivalents (B)	2 240	2 022
I. C. Investment properties <sup>34</sup> (D)	2 865 947	2 822 806
II. A. Assets held for sale (E)	11 644	13 133
<b>Fair value of portfolio at the closing date (C = D+E)</b>	<b>2 877 590</b>	<b>2 835 939</b>
<b>Loan-to-value (A-B)/C</b>	<b>42.2%</b>	<b>40.9%</b>

### Average (annualised) financing cost

(in thousand €)	30.09.2022	31.12.2021
Interest paid	17 503	19 416
Annualised interest paid (A)	23 338	19 416
Annualised nominal financial debts (B)	1 200 827	1 058 729
<b>Average (annualised) financing cost (A/B)</b>	<b>1.9%</b>	<b>1.8%</b>

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

	30.09.2022	31.12.2021
Return on shareholders’ equity (in € per share)	4.61	3.33
Return on shareholders’ equity (in %)	7.7%	5.7%

<sup>34</sup> Excluding rights of use lease agreements for office space and rights to use land (IFRS 16).

**Corporate overheads (excl. non-recurring items)**

<b>(in thousand €)</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
XIV. Corporate overheads (A)	-19 480	-16 300
Non-recurring items	-5 250	-
<b>Corporate overheads (excl. non-recurring items) (A-B)</b>	<b>-14 230</b>	<b>-16 300</b>

## APPENDIX 4: TABLES OF THE EPRA INDICATORS

### EPRA indicators – consolidated

#### EPRA earnings

(in € thousand)	30.09.2022	30.09.2021 (restated) <sup>35</sup>	30.09.2021
<b>Net result IFRS (group share)</b>	<b>112 237</b>	<b>75 231</b>	<b>75 231</b>
<b>Net result IFRS (in € per share) (group share)</b>	<b>4.16</b>	<b>2.78</b>	<b>2.78</b>
Adjustments to calculate EPRA earnings	- 57 688	- 26 642	- 26 763
To exclude:			
I. Changes in fair value of investment properties and properties held for sale	64 747	4 637	4 637
II. Result on disposals of investment properties	- 462	- 6 601	- 6 601
V. Negative goodwill/goodwill impairment	462	421	421
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 130 847	- 23 812	- 23 812
VIII. Deferred tax in respect of EPRA adjustments	9	36	36
X. Adjustments in respect of minority interests	- 199	- 1 323	- 1 445
XI. Recurring compensation for the effect of spreading rental gratuities granted	3 352	1 277	-
XII. Corporate overheads - non-recurring items	5 250	-	-
<b>EPRA earnings (group share)</b>	<b>54 549</b>	<b>49 866</b>	<b>48 468</b>
<b>EPRA earnings (in € per share) (group share)</b>	<b>2.02</b>	<b>1.84</b>	<b>1.79</b>

#### EPRA NRV, NTA & NDV

	30.09.2022			31.12.2021		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
	<b>Net Reinstatement Value</b>	<b>Net tangibles Assets</b>	<b>Net Disposal Value</b>	<b>Net Reinstatement Value</b>	<b>Net tangibles Assets</b>	<b>Net Disposal Value</b>
<b>IFRS Equity attributable to shareholders</b>	<b>1 725 057</b>	<b>1 725 057</b>	<b>1 725 057</b>	<b>1 630 170</b>	<b>1 630 170</b>	<b>1 630 170</b>
To include:						
Revaluation of tenant leases held as finance leases	- 14	- 14	- 14	41	41	41
<b>Diluted NAV at fair value</b>	<b>1 725 042</b>	<b>1 725 042</b>	<b>1 725 042</b>	<b>1 630 212</b>	<b>1 630 212</b>	<b>1 630 212</b>
To exclude:						
Fair value of financial instruments	- 109 877	- 109 877		20 953	20 953	
Deferred tax in relation to fair value gains of investment property	1 134	567		1 125	562	
Goodwill as per IFRS balance sheet		- 15 702	- 15 702		- 16 299	- 16 299
Intangibles as per IFRS balance sheet		- 4 614			- 6 176	
To include:						
Fair value of fixed interest rate debt <sup>36</sup>			37 413			- 6 067
Real-estate transfer tax	72 971	-		71 542	-	
<b>NAV</b>	<b>1 689 270</b>	<b>1 595 416</b>	<b>1 746 753</b>	<b>1 723 832</b>	<b>1 629 253</b>	<b>1 607 846</b>
<b>NAV (€/share)</b>	<b>62.56</b>	<b>59.08</b>	<b>64.69</b>	<b>63.82</b>	<b>60.32</b>	<b>59.53</b>

35 Since the 31<sup>st</sup> of December 2021, the recurring compensation for the effect of spreading rental gratuities granted and the Goodwill impairment are booked under the heading "Other result on portfolio" and not anymore under the heading "Other operating income & charges". The figures of 30 September 2021 were therefore adapted. The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation.

36 Excl. IFRS 16.

## EPRA INDICATORS — REAL-ESTATE OPERATOR BUSINESS

### EPRA earnings

(in € thousand)	30.09.2022	30.09.2021 (restated) <sup>37</sup>	30.09.2021
<b>Net result IFRS<sup>38</sup></b>	<b>115 916</b>	<b>81 340</b>	<b>81 340</b>
<b>Net result IFRS (in € per share)</b>	<b>4.29</b>	<b>3.01</b>	<b>3.01</b>
Adjustments to calculate EPRA earnings	- 59 943	- 29 482	- 31 247
To exclude:			
I. Changes in fair value of investment properties and properties held for sale	60 422	- 1 292	- 1 292
II. Result on disposals of investment properties	- 462	- 6 601	- 6 601
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 130 847	- 23 812	- 23 812
VIII. Deferred tax in respect of EPRA adjustments	9	36	36
XI. Recurring compensation for the effect of spreading rental gratuities granted	5 224	1 765	-
XII. Corporate overheads (exceptional elements)	5 250	-	-
<b>EPRA earnings</b>	<b>55 973</b>	<b>51 858</b>	<b>50 093</b>
<b>EPRA earnings (in € per share)</b>	<b>2.07</b>	<b>1.92</b>	<b>1.85</b>

### EPRA Vacancy rate

(in € thousand)	30.09.2022	31.12.2021
Estimated rental value (ERV) on vacant space (A)	5 907	5 565
Estimated rental value (ERV) (VLE) (B)	128 137	124 684
<b>EPRA Vacancy rate of properties available for lease (A)/(B)</b>	<b>4.6%</b>	<b>4.5%</b>

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

(€ thousand)	30.09.2022	31.12.2021
Investment properties and properties held for sale	2 877 590	2 835 939
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	- 403 025	- 390 695
Properties held for sale	- 11 644	- 13 133
Properties available for lease	2 462 922	2 432 111
To include:		
Allowance for estimated purchasers' cost	61 936	60 866
<b>Investment value of properties available for lease (B)</b>	<b>2 524 858</b>	<b>2 492 977</b>
Annualised cash passing rental income	116 429	111 659
To exclude:		
Property charges <sup>39</sup>	- 4 882	- 6 321
<b>Annualised net rents (A)</b>	<b>111 547</b>	<b>105 339</b>
To include:		
- Notional rent expiration of rent free periods or other lease incentives	12 887	7 202
<b>Topped-up annualised net rents (C)</b>	<b>124 434</b>	<b>112 540</b>
<b>EPRA Net Initial Yield (A/B)</b>	<b>4.4%</b>	<b>4.2%</b>
<b>EPRA Topped-up Net Initial Yield (C/B)</b>	<b>4.9%</b>	<b>4.5%</b>

<sup>37</sup> Since the 31<sup>st</sup> of December 2021, the recurring compensation for the effect of spreading rental gratuities granted and the Goodwill impairment are booked under the heading "Other result on portfolio" and not anymore under the heading "Other operating income & charges". The figures of 30 September 2021 were therefore adapted. The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation.

<sup>38</sup> The net result on 30 September 2021 and 30 September 2022 is restated, excluding the share in the profit or loss of investments booked using the equity method.

<sup>39</sup> The scope of the property charges to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to "property charges" as presented in the consolidated IFRS accounts.

**EPRA cost ratio**

(in € thousand)	30.09.2022	30.09.2021 (restated)	30.09.2021
<b>Net administrative and operating expenses in the income statement</b>	<b>-20 070</b>	<b>-26 633</b>	<b>-26 633</b>
III. (+/-) Rental charges	453	- 122	- 122
Net property charges	-8 621	-12 542	-12 542
XIV. (-) Corporate overheads - excl. non-recurring items <sup>40</sup>	-11 902	-13 969	-13 969
XV. (+/-) Other operating income and charges	-	-	-2 186
Exclude:			
i. Impact of the spreading of gratuities	-	-	1 765
ii. Negative goodwill/goodwill impairment	-	-	421
<b>EPRA costs (including direct vacancy costs) (A)</b>	<b>-20 070</b>	<b>-26 633</b>	<b>-26 633</b>
XI. (-) Charges and taxes on unlet properties	1 587	2 268	2 268
<b>EPRA costs (excluding direct vacancy costs) (B)</b>	<b>-18 483</b>	<b>-24 366</b>	<b>-24 366</b>
I. (+) Rental income	90 813	90 812	90 812
<b>Gross rental income (C)</b>	<b>90 813</b>	<b>90 812</b>	<b>90 812</b>
<b>EPRA cost ratio (including direct vacancy costs) (A/C)<sup>40</sup></b>	<b>22.1%</b>	<b>29.3%</b>	<b>29.3%</b>
<b>EPRA cost ratio (excluding direct vacancy costs) (B/C)<sup>40</sup></b>	<b>20.4%</b>	<b>26.8%</b>	<b>26.8%</b>

<sup>40</sup> This is an Alternative Performance Measure.

## EPRA like-for-like net rental growth

Segment	30.09.2022					30.09.2021					Evolution		
	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed <sup>41</sup>	Total net rental income <sup>42</sup>	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale		Properties that are being constructed or developed <sup>41</sup>	Total net rental income <sup>42</sup>
<b>(in € thousand)</b>													
Brussels CBD and similar	39 920		960		6 379	47 259	38 257		1 815		303	40 376	4.3%
Brussels decentralised	2 154				60	2 214	2 066				2 356	4 422	4.3%
Brussels periphery	3 982			286		4 268	3 795	389	59			4 243	4.9%
Wallonia	8 349			- 75	1 841	10 116	7 861	- 29	187	- 45		7 973	6.2%
Flanders	19 743			- 329	1	19 416	18 099	100	- 54	- 50		18 096	9.1%
Luxembourg city	3 840	522				4 362	3 767	1 028				4 795	1.9%
<b>Total</b>	<b>77 988</b>	<b>522</b>	<b>960</b>	<b>- 117</b>	<b>8 281</b>	<b>87 635</b>	<b>73 844</b>	<b>1 028</b>	<b>2 275</b>	<b>192</b>	<b>2 565</b>	<b>79 905</b>	<b>5.6%</b>
<b>Reconciliation to the consolidated IFRS income statement</b>													
<b>Net rental income related to:</b>													
						- 10						- 13	
						471						5 051	
<b>Other property charges</b>						<b>- 5 450</b>						<b>- 6 795</b>	
<b>Property operating result in the consolidated IFRS income statement</b>						<b>82 646</b>						<b>78 148</b>	

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

42 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.

INTERIM STATEMENT AS AT  
30 SEPTEMBER 2022

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