

## GLOSSARY ON THE EPRA BEST PRACTICES RECOMMENDATIONS

| EPRA indicators                      | EPRA definition <sup>1</sup>   | Use <sup>1</sup>  |
|--------------------------------------|--|---|
| (1) EPRA earnings                    | Earnings from operational activities.  | A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.   |
| (2) EPRA NAV                         | Net Asset Value adjusted to include properties and other investment interests at fair value <sup>2</sup> and to exclude certain items not expected to crystallise in a long-term investment property business model.                                       | Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy. |
| (3) EPRA NNNAV                       | EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes.   | Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all the assets and liabilities within a real-estate company.  |
| (4) (i) EPRA Net Initial Yield (NIY) | Annualised rental income <sup>3</sup> based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value <sup>2</sup> of the property, increased with (estimated) purchasers' costs. | A comparable measure for portfolio valuations.<br><br>This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.                                     |
| (5) (ii) EPRA Topped-up NIY          | This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).  |   |
| (6) EPRA Vacancy Rate                | Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.   | A "pure" (%) measure of investment property space that is vacant, based on ERV.   |
| (7) EPRA cost ratio                  | Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.   | A key measure to enable meaningful measurement of the changes in a company's operating costs.   |
| (8) EPRA Like-for-Like               | Like-for-like net rental growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described.                                |   |

<sup>1</sup> Source: EPRA Best Practices ([www.epra.com](http://www.epra.com)).

<sup>2</sup> According to the BE-REIT legislation, the buildings of portfolio of Befimmo are booked at their fair value.

<sup>3</sup> For Befimmo, the annualised rental income is equivalent to the annual current rent at the closing date plus future rent on leases signed, as reviewed by the real-estate experts.