



# COMMUNICATION

JUNE 2022

## BOARD OF DIRECTORS LETTER TO BEFIMMO SHAREHOLDERS

**Befimmo SA**  
**Public Limited Company**  
**Public regulated real estate company under Belgian law**  
**Cantersteen 47, 1000 Brussels**  
**0455.835.167**

Dear Shareholders,

As many of you may already know, on 25 February 2022, Befimmo announced that the Board of Directors confirmed its support for the voluntary tender offer by Alexandrite Monnet Belgian Bidco SA (then RE Invest Belgium SA), an entity fully controlled by one of Brookfield's real estate funds, to acquire all shares in Befimmo for **€47.50 per share** (the "Offer"), subject to review of the final Offer prospectus and each individual Board member's fiduciary duties.

A few months have passed and we are pleased to inform you that the Offer documents (prospectus, response memorandum and other related documents) have now officially been approved and were published on 1 June 2022. The initial acceptance period for the Offer will start on 7 June 2022.

This Offer provides Befimmo shareholders with an **attractive cash consideration at a compelling value** which is well above the trading levels of the majority of European REITs (*real estate investment trusts*) today. The COVID pandemic has had a severe impact on the share price of most EMEA REITs. Public investors reacted defensively to the crisis, causing share prices to decline. Today's trading levels reflect the bearish outlook that public equity investors continue to have, with limited near-term potential for recovery in valuations.

Befimmo was not immune to that public equity market sentiment. The lack of positive share price reaction following proactive asset management initiatives and the changes in leadership, as well as the downwards-trending broker target prices, would suggest there is limited potential for a significant improvement of Befimmo's share price in the near-to-medium term as a publicly traded company.

Considering the above, the Offer price constitutes a unique opportunity for Befimmo shareholders to obtain immediate and certain liquidity, with a highly attractive premium implied by the Offer price. The Offer values Befimmo at:

- 52% premium to the latest share price of €31.30 per share prior to the announcement of the Offer
- 45% premium to the 3-month volume-weighted average share price of €32.76 per share prior to the announcement of the Offer
- 29% premium to the 52-week high of €36.75 per share prior to the announcement of the Offer

Assuming a successful tender offer, Brookfield's objective is to enhance Befimmo's position as one of Benelux' main players in the prime office real estate market. Brookfield has developed a detailed plan centered on three strategic initiatives: i) proactive refocusing of the portfolio toward offices in prime locations with the highest promise of value creation, ii) reinforcing Befimmo's capabilities by capitalizing on the Brookfield Group's best practices and iii) preparing Befimmo for future growth by establishing an acquisition function and a restructured development function to effectively underwrite new opportunities.

Consistent with its fiduciary duties, Befimmo's Board of Directors has conducted a careful evaluation of the terms of the Offer and the prospectus. The Board of Directors has also conducted a thorough examination of the impact of the Offer on the interests of the Company, the shareholders, the creditors and the employees, and reviewed the strategic plans of the bidder for Befimmo.

After concluding this careful analysis, the **Board of Directors has confirmed its unanimous support for the Offer and recommended that shareholders tender their shares to the Offer**. It is convinced the Company will benefit from a strategic and financial partner to navigate the current dynamic environment for office real estate and to enable



the acceleration of Befimmo's capex initiatives to capture future growth opportunities, including through Befimmo's substantial development and repositioning pipeline.

The Board of Directors also wanted to bring to Befimmo shareholders' attention that AXA Belgium SA and AG Finance SA, as Befimmo's two largest shareholders, are supportive of the Offer and have each provided a soft irrevocable undertaking to support the Offer. The **support of the Offer by Befimmo's two largest shareholders further underpins the merit of the proposed transaction.**

Therefore, Befimmo invites all its shareholders to express their support to the Offer by tendering their shares during the **initial acceptance period that will start on 7 June 2022 at 9 a.m. CET and end on 5 July 2022 at 4 p.m. CET** (unless extended).

More details on the views of the Board of Directors are included in the **response memorandum** issued in accordance with applicable legal provisions and attached as annex V to the prospectus.

The prospectus, approved in French and translated in Dutch and English, is available on the websites of:

- Befimmo : <http://www.befimmo.be/fr/offre-dacquisition> (in French), [www.befimmo.be/nl/overnamebod](http://www.befimmo.be/nl/overnamebod) (in Dutch) et [www.befimmo.be/en/takeover-offer](http://www.befimmo.be/en/takeover-offer) (in English);
- the bidder : [www.befimmo-offer.be](http://www.befimmo-offer.be);
- BNP Paribas Fortis SA/NV : [www.bnpparibasfortis.be/epargneretplacer](http://www.bnpparibasfortis.be/epargneretplacer) (in French) et [www.bnpparibasfortis.be/sparenenbeleggen](http://www.bnpparibasfortis.be/sparenenbeleggen) (in Dutch).

A hard copy can be obtained, free of charge, at the counters of BNP Paribas Fortis SA/NV, the Paying Agent Bank, or ordered via telephone on +32 2 433 41 13.

Further information on how to tender your shares are available in the prospectus and on the website of Befimmo.

Thank you.

Sincerely,

The Befimmo Board of Directors



## Disclaimer

This letter contains forward-looking statements. Some of these statements are characterized by the use of terms such as (but not limited to): “believe”, “think”, “expect”, “anticipate”, “seek”, “suggest”, “may”, “would”, “plan”, “strategy”, “prospect”, “foresee”, “estimate”, “can”, “intend”, “target” and other words and terms of similar meaning.

Forward-looking statements are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific. Actual results, financial condition, performance or achievements of Befimmo or the industry may differ materially from any future results, performance or achievements described or implied by such statements. Unless required by law, Befimmo is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this letter, whether as a result of new information, future events or otherwise.

This letter does not constitute and shall not be considered as constituting, an offer to the public to acquire, sell or subscribe, or the solicitation of an order to sell, buy or subscribe, the shares of Befimmo, in any jurisdiction. The offer will only be made on the basis of the prospectus that has been approved in accordance with the Belgian law of 1 April 2007 on takeover bids. No steps will be taken to enable a public takeover bid in any jurisdiction other than in Belgium. Neither this letter nor any other information relating to the matters contained herein may be distributed in any jurisdiction where a registration, qualification or any other obligation is in force or would be with regard to the content hereof or thereof. Any failure to comply with these restrictions may constitute a violation of the financial laws and regulations of such jurisdiction.

Nothing in this letter should be interpreted as investment, tax, legal, financial, accounting or other advice. Shareholders should make their own assessment of the Bid before making any investment decision and are invited to seek professional advice to assist them in making such decision.

## About Befimmo:

Befimmo is a real-estate investor, operator and developer and a Belgian Real-Estate Investment Trust (SIR-GVV). Focused on offices and mixed-use buildings and coworking spaces, our high-quality and performant portfolio is located in growing BeLux city centres.

Befimmo aims to create, manage and build thriving work & life environments and animate communities for a sustainable future. Our ambition is to create and operate high-quality, mixed-use projects in growing economic, academic and research hubs in BeLux. Our in house coworking partner Silversquare and our partnership with Sparks will allow us to deliver tailor-made coworking spaces and meeting venues. We want to accompany our clients throughout their real estate journey, offering them an ultimate experience, as a one-stop-shop they can entrust with all their needs and expectations in terms of work and living space.

Befimmo’s value creation priority is about offering integrated hybrid, sustainable work & life solutions answering to the major trends shaping the world of tomorrow. ESG criteria have become a natural extension to this strategy and drives us towards innovation.

Its portfolio is worth about €2.8 billion (as at 31<sup>st</sup> March 2022) and comprises 60 offices and mixed-use buildings and 9 coworking spaces.



## Befimmo SA/NV

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