

BRUSSELS

BEFIMMO'S HALF-YEARLY RESULTS 2021

PRESENTATION



Befimmo
WHERE BUSINESSES FIND A HOME

SPEAKERS



Jean-Philip Vroninks
CEO



Laurent Carlier
CFO



Caroline Kerremans
HEAD OF IR & COMM

SUMMARY

1. Market trends
2. Operational performance
3. We moved to Central
4. CSR
5. Financial performance
6. Outlook
7. Summary H1 2021



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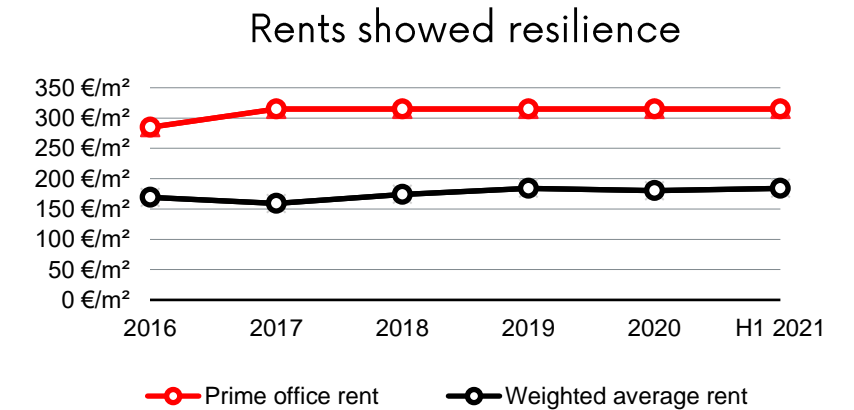
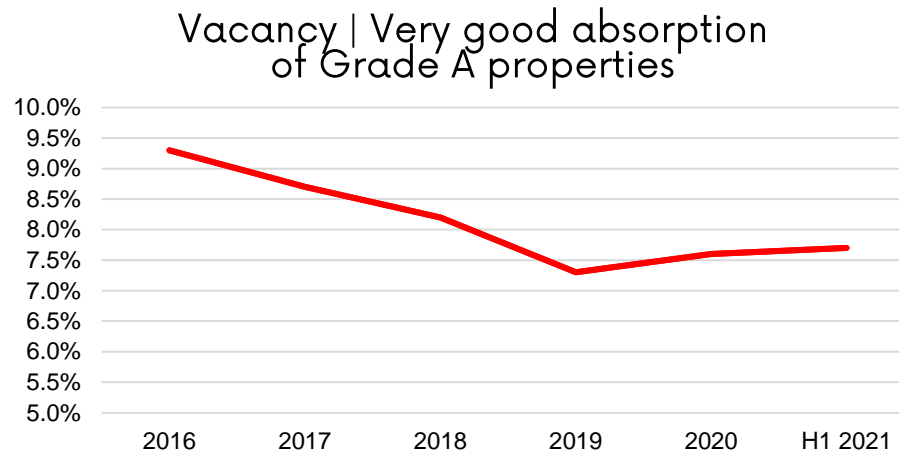
Market trends

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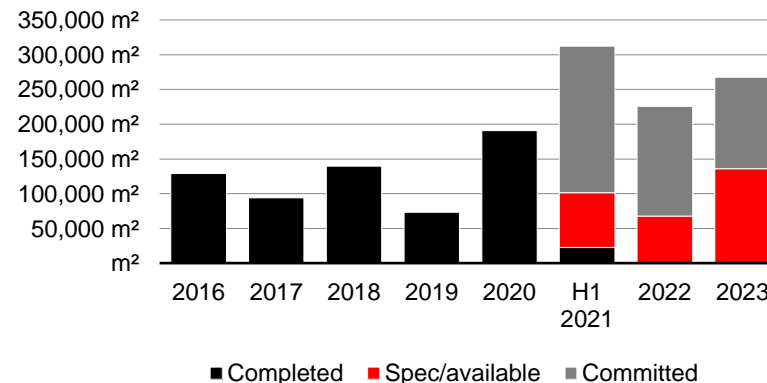
BRUSSELS OFFICE MARKET | HEALTHY TAKE-UP IN H1 2021

Take-up of 251,000 m² in Brussels offices in H1 2021

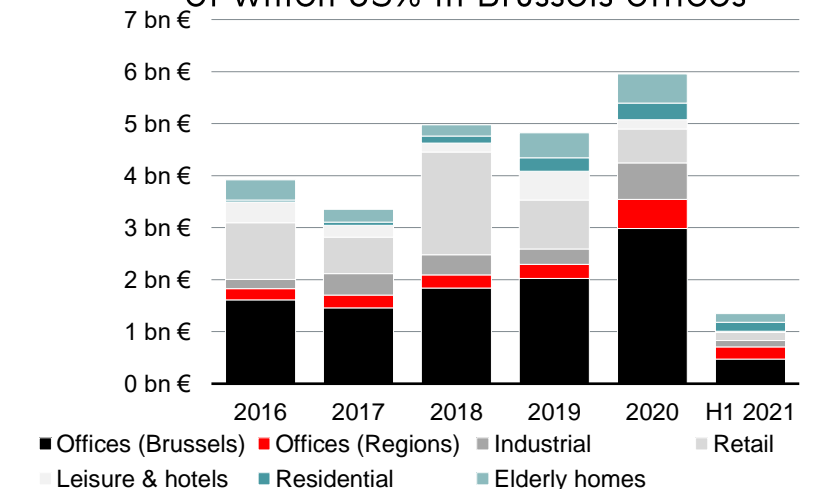
>60% as prelets or in Grade A



Preletting of pipeline is proceeding smoothly



€1.35 bn invested in Belgian CRE of which 35% in Brussels offices



Information based on databases, analyses and market reports from Belgian brokers with a thorough knowledge of the office market on 30 June 2021.

LUXEMBOURG OFFICE MARKET | HIGH TAKE-UP, LOW VACANCY

- Take-up of 270,000 m² on the Luxembourg office market, above recent annual take-up, driven by the EU Parliament (127,000 m²)
- The development pipeline remains moderate:
 - 108,000 m² in 2021 of which 71% is available for lease
 - 227,000 m² should come on the market in 2022 of which about 57% is already committed
- Vacancy rate very low at 3.7%
- Rental values remain solid due to low vacancy rate and overall strong letting market
 - Prime rents to a record €52/m²/month in the CBD
- Investment volume of €300 million in offices
- Prime yields decreased to 3.4%, with further compression possible in H2

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Operational
performance

BB

REAL-ESTATE OPERATOR

Asset
management

Asset
development

COWORKING

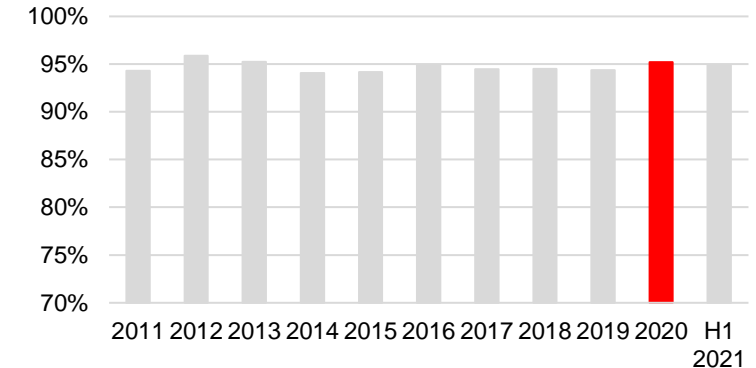
Workspace
as a service



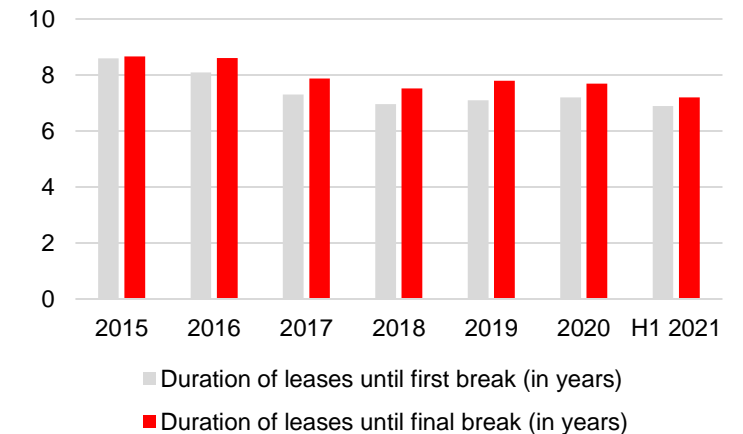
SOLID PORTFOLIO FUNDAMENTALS

- **Best letting activity** in 2 yrs: new leases and renewals for 34,835 m² compared to 33,492 in H1 2020 and 19,830 m² in H2 2019 (excluding ZIN)
- At 14 July 2021, about 98% of rents due for H1 2021 collected (including rents called on 1 July, covering Q3 2021)
- Strong “spot” occupancy rate of properties available for lease at **94.9%**
- EPRA vacancy rate down to **2.4%** from 2.9% (including signed future leases)
- Long **duration** of lease up to next break at **6.9 yrs**, up to final expiry at **7.2 yrs**
- **Gross initial yield** on properties available for lease at **5.2%**

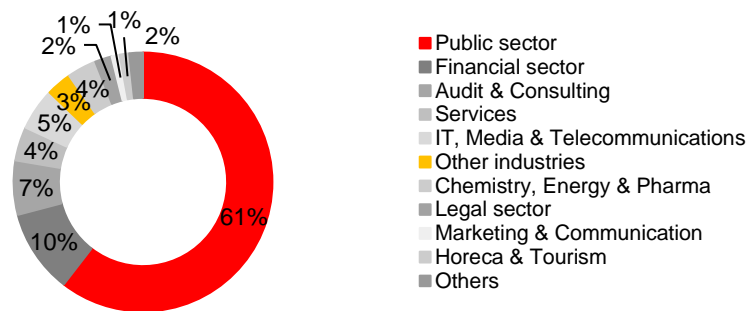
Strong “spot” occupancy



Long duration of leases



Granularity and high quality counterparties



ACTIVE ASSET ROTATION IN H1 2021

Disposals for €103 million

- Wiertz building (Brussels CBD): net capital gain of €43.2 million on the investment value and an unleveraged IRR of 10.79%
- Paradis Express project: closing of the disposal of the residential part for €18.9 million with a capital gain of €2.1 million on the latest fair value
- Non-core properties: after H1 close, disposal of one - and agreements on two other - properties in Belgian provincial towns, in line with the latest fair value

Acquisitions for €57 million

- Cubus building (5,000 m²) in the Grand-Duchy of Luxembourg (Howald)
- Office building (8,300 m²) of the "Esprit Courbevoie" project in Louvain-la-Neuve, in state of future completion

We continue our divestment program for selected Fedimmo properties during 2021 and 2022 in line with our earlier announced strategy. The majority will be realised in 2022 in order to benefit as much as possible from the remaining revenue.



Cubus building, Grand-Duchy of Luxembourg, Howald



Office building of the "Esprit Courbevoie" project
Belgium, Louvain-la-Neuve

REAL-ESTATE OPERATOR

Asset
management

Asset
development

COWORKING

Workspace
as a service



VALUE CREATING DEVELOPMENT PIPELINE

- Office development preletting rate at 83%
- After H1 close, LOI's signed for an additional 7,500 m² in Quatuor which would bring the preletting rate of Quatuor to about 70% and the overall office preletting rate to 90%



VALUE CREATING DEVELOPMENT PIPELINE

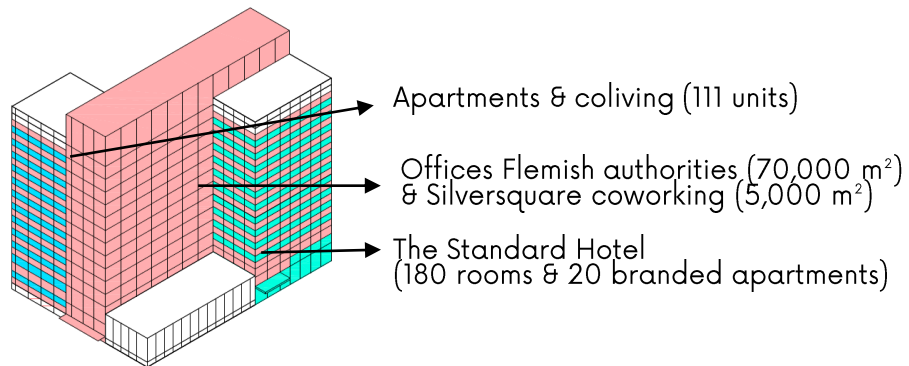
- In 2025 ZIN welcomes Standard International, the leading hospitality company responsible for iconic hotels across the globe, from New York and Miami, to London and the Maldives

"This property is a perfect step for The Standard in Europe,"
said Standard International CEO, Amar Lalvani.

"Once again, we will be completely and unexpectedly reinventing a property and transforming a neighborhood. We can't wait to surprise people and show them just how intriguing Brussels is and why we love it."



"This is the hippest place to sleep in a newly cool part of town."
Condé Nast Traveler review on The Standard, London



VALUE CREATING DEVELOPMENT PIPELINE

- LOOM permit application and extension of the lease in Joseph 2
 - Transformation of the Joseph 2, Loi 44 and Loi 52 buildings into an innovative mixed use project of $\pm 24,000$ m² combining working spaces, ± 50 residential units, a full range of services and facilities and a beautiful courtyard garden
 - June 2021: leasehold extension with the European Commission in Joseph 2 (13,000 m²), expected issuance of LOOM permit and end of lease should coincide perfectly
- High sustainability and well-being targets:
 - BREEAM "Outstanding" certification for the "Design" phase,
 - DGNB certification with a least a score "GOLD"
 - WELL ready certification with a least a score "GOLD"

'to appear in an impressively great way or form'



REAL-ESTATE OPERATOR

**Asset
management**

**Asset
development**

COWORKING

**Workspace
as a service**



RESILIENCE OF THE COWORKING ACTIVITY H1 2021

- Strong resilience with a global increase in the number of members and in turnover
- Recovery rate of invoices remains high at 98.9%
- Occupancy rate of mature space stable at 78%, overall occupancy increased to 54%
- Opening of new Central space in Q3, with solid presales currently >50% occupancy for private offices

Spaces	Surface	Location
Silversquare Bailli	7 200 m ²	Louise district, Brussels CDB
Silversquare Europe	4 600 m ²	Leopold district, Brussels CDB
Silversquare Louise	3 300 m ²	Louise district, Brussels CDB
Silversquare Liberté	2 200 m ²	Railway station district, Luxembourg city, Grand Duchy of Luxembourg
Silversquare Stéphanie	3 800 m ²	Leopold district, Brussels CDB
Silversquare Delta	4 300 m ²	University district, Brussels decentralised
Silversquare Zaventem	2 600 m ²	Brussels periphery
Total	28 000 m²	

Development pipeline 2022	Surface - committed	Surface - not committed	Total surface
New openings 2021	+ 6 800 m ²	-	
Portfolio end 2021	34 800 m ²	-	34 800 m ²
New openings 2022	+ 11 200 m ²	+ 5 800 m ²	
Portfolio end 2022	46 000 m ²	5 800 m ²	51 800 m ²

	Number of occupied desks (A)	Number of available desks (B)	Occupancy rate (A/B)
« Mature » coworking space	253	326	78%
All coworking spaces	1 647	3 028	54%

A space is considered as mature after 3 years of existence. The perimeter of mature and total spaces changes from period to period because Silversquare is in a development phase.
Development pipeline: opening 2021: Central - opening 2022: Quatuor, Paradis Express, Flanders.

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We moved to Central!

B

WE MOVED TO CENTRAL

Since 2 august 2021 you can find us at Central!

Central is our new flagship combining, in one building, all our flexible working solutions:

- a brand new Silversquare coworking (6,800 m²) will open its doors
- an innovative concept offering meeting solutions will soon be introduced
- Central already offers a wide range of services and facilities, and the presence of Bambino Canteen Club will complete this offer



WE MOVED TO CENTRAL

This move is fully in line with Befimmo's strategy and responds to the rapidly changing world of work, which is becoming more hybrid and more flexible.



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CSR

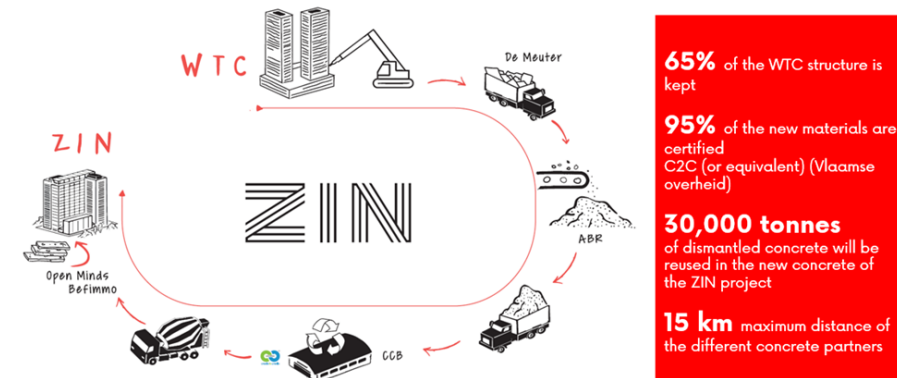
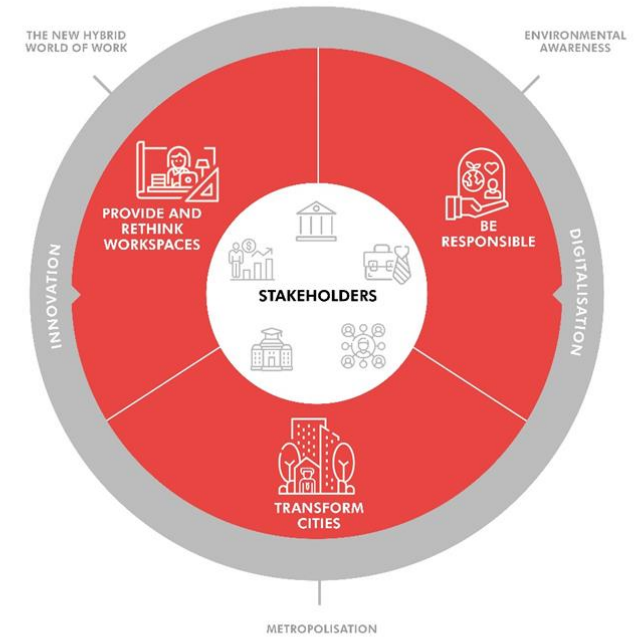
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FULLY INTEGRATED CSR STRATEGY

- Befimmo's mission is supported by non-financial objectives that relate to its three commitments that form the 2030 Action Plan
- The importance of climate action was again highlighted in July 2021 when several regions in Belgium and Europe were hit by severe flooding. We are supporting a non-profit organisation in one of the affected regions.

▪ H1 HIGHLIGHTS

- Innovative projects
 - First ever pouring of circular concrete in the Benelux in ZIN
- Environmental certifications
 - Brederode Corner: "BREEAM Refurbishment – Excellent"
 - Quatuor: "BREEAM New Construction (design stage) – Outstanding"
- Green Finance Framework
 - Implementation of a Green Finance Framework in order to issue financing to drive sustainability targets
- Non-financial reporting



MSCI	Gaia RATING	vigeo eiris
A	63	52/100 robust



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Financial
performance

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RESILIENT FINANCIAL RESULTS H1 2021

Real-estate operator

In € million	H1 2021	H1 2020
Net rental result	62.7	69.4
Net result	51.6	25.6
Net result / share	€1.91	€0.95
EPRA earnings	32.4	42.5
EPRA earnings / share	€1.20	€1.57

- Like-for-like rental income: +0.4%
- EPRA like-for-like net rental growth: -4.2%

97.6%

RENT COLLECTION H1 2021
RE OPERATOR

Coworking activity

- Turnover: €4.4 million H1 2021 vs €4.0 million H1 2020

Consolidated results

- Net result: €45.3 million H1 2021 vs €24.3 million H1 2020
- Net result (group share): €46.8 million
- EPRA earnings per share: €1.14

98.9%

RECOVERY RATE INVOICES ISSUED H1 2021
COWORKING ACTIVITY

SOLID PORTFOLIO VALUATION H1 2021

Offices	Change over the semester ^(a) (in %)	Proportion of portfolio ^(b) (30.06.2021) (in %)	Fair value (30.06.2021) (in € million)	Fair value (31.12.2020) (in € million)
Brussels CBD and similar ^(c)	1.40%	41.6%	1 151.1	1 191.9
Brussels decentralised	-0.52%	3.0%	82.9	82.2
Brussels periphery	-3.47%	3.2%	90.0	92.5
Flanders	-1.90%	14.7%	407.5	428.3
Wallonia	-3.05%	8.2%	226.0	233.0
Luxembourg city	0.70%	6.4%	178.3	147.1
<i>Properties available for lease</i>	<i>-0.07%</i>	<i>77.1%</i>	<i>2 135.8</i>	<i>2 175.1</i>
<i>Properties that are being constructed or developed for own account in order to be leased</i>	<i>-0.49%</i>	<i>22.0%</i>	<i>608.8</i>	<i>517.3</i>
Investment properties^(d)	-0.17%	99.1%	2 744.6	2 692.4
Properties held for sale	-11.32%	0.9%	24.1	21.6
Total	-0.28%	100.0%	2 768.8	2 714.0

^(a) The change over the year is the change in fair value between 1 January 2021 and 30 June 2021 (excluding acquisition, investments and divestments).

^(b) The proportion of portfolio is calculated on the basis of the fair value of the portfolio at 30 June 2021.

^(c) Including the Brussels airport zone, in which the Gateway building is situated.

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

	Properties available for lease		Investment properties ^(a)	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Gross initial yield	5.2%	5.3%	4.0%	4.3%
Gross potential yield	5.4%	5.6%		

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

in €/share	30.06.2021	31.12.2020
EPRA NRV	63.94	63.48
EPRA NTA	60.45	60.10
EPRA NDV	59.00	57.19

HEALTHY FINANCIAL STRUCTURE H1 2021

- Confirmed credit facilities for a total amount of €1,475 million (71.3% of which were bank loans), €1,040 million of which were in use.
- Use of the short-term commercial paper programme up to €408 million
- An average (annualised) financing cost (including hedging margin and costs) of 1.9%, decreased compared to 2% at 31 December 2020;
- Weighted average duration of the debt of 4.6 years (as against 4.9 years at 31 December 2020)
- Debt ratio of 41.9% (compared with 40.8% at 31 December 2020)
- LTV ratio of 37.5% (compared with 36.8% at 31 December 2020)
- Hedge ratio of 86.1% (compared with 98.6% at 31 December 2020)
- Financing needs until the end of Q1 2023
- On 21 June 2021, Standard & Poor's confirmed our BBB/Stable/A-2 rating

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.

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Outlook

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OUTLOOK & DIVIDEND FORECAST

- On the basis of the information known to date, the Board of Directors confirms the projected EPRA earnings of € 2.10 per share for 2021
- Befimmo will propose a dividend of at least 80% of the EPRA earnings for the year, supplemented, as the case may be, by realised capital gains during the year in the framework of its asset rotation policy, i.e. for 2021 a minimum of €1.68 gross per share
- The return dividend yield amounts to 5% on the basis of the share price at 30 June 2021



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Summary H1 2021

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SUMMARY H1 2021 | ON TRACK

MARKET TRENDS	<ul style="list-style-type: none"> Brussels: healthy take-up in H1, dominated by large corporate transactions in Q2 2021, take-up of ±250,000 m² Grand-Duchy of Luxembourg: high take-up driven by the EU, economic growth revised upwards
SOLID PERFORMANCE OF THE REAL-ESTATE OPERATOR BUSINESS	<ul style="list-style-type: none"> Best rental activity in the last two years: 34,800 m² let since the beginning of the year Operating portfolio: <ul style="list-style-type: none"> Strong "spot" occupancy rate of 94.9% Long weighted average duration of leases of 6.9 years (up to next break) Rent collection rate year-to-date at 97.6% Ongoing developments: <ul style="list-style-type: none"> Proactive occupancy management: office pre-letting rate at 83%, after H1 close an additional ±7,500 m² under LOI in Quatuor Delivery of Quatuor & Paradis Express planned in Q4, decrease of the portfolio proportion in development from 22% in H1 to ±13% in Q4 2021 After H1 close, The Standard International, the leading hospitality company with iconic hotels across the globe, and Befimmo announced their partnership in ZIN Asset rotation: <ul style="list-style-type: none"> Acquisition of Cubus (5,000 m²) in the Grand-Duchy of Luxembourg (Howald) Acquisition of the office building (8,300 m²) of the "Esprit Courbevoie" project in Louvain-la-Neuve Disposal of the Wiertz building in Brussels CBD, net capital gain of €43.2 million on investment value and an unleveraged IRR of 10.79% After H1 close, disposal of one - and agreements on two other - non-core properties in Belgian provincial towns, in line with the latest fair value
RESILIENCE OF THE COWORKING BUSINESS	<ul style="list-style-type: none"> Overall strong resilience with a global increase in the number of members and an increase in turnover Stable occupancy of mature space at 78% Opening Central (6,800 m²) scheduled for Q3 2021: presales currently >50% occupancy for private offices
CSR	<ul style="list-style-type: none"> BREEAM "Excellent" and "Outstanding" certifications obtained for Brederode Corner and Quatuor respectively High scores obtained for non-financial reporting (MSCI, Gaïa and Vigeo) Implementation of a Green financing framework to issue financing to drive sustainability targets
HEALTHY FINANCIAL STRUCTURE	<ul style="list-style-type: none"> Solid Loan-to-Value ratio of 37.45% Average cost of financing decreased to 1.9% Financing needs covered until the end of Q1 2023
FINANCIAL RESULTS	<ul style="list-style-type: none"> Portfolio fair value increase (+0.1%) over Q2, change in value of -0.3% over H1 Consolidated net asset value of €60.08 per share (group share) Consolidated net result of €1.73 per share (group share) Consolidated EPRA earnings of €1.14 per share (group share)
EPRA EARNINGS OUTLOOK AND DIVIDEND FORECAST	<ul style="list-style-type: none"> Confirmation of the EPRA earnings outlook for the year: estimated at €2.10 per share Dividend forecast for the year: based on EPRA earnings estimated at €2.10 per share, a minimum of €1.68 gross per share

THANK
YOU

**HAPPY TO ANSWER
YOUR QUESTIONS!**

Befimmo



Befimmo SA

jp.vroninks@befimmo.be
l.carlier@befimmo.be
c.kerremans@befimmo.be

Tel.: +32 (0)2 679 38 13
www.befimmo.be



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APPENDIXES

Befimmo



APPENDIX | VALUE CREATING DEVELOPMENT PIPELINE

	Investment ^(a) realised in 2021 (in € million)	Total investment ^(a) (in € million)	Percentage of completion	Yield on total investment (land included)
Committed ongoing projects				
Paradis Express (office part) Wallonia, Liège	14.1	54	64%	>6%
Quatuor Brussels CBD, North	42.5	170	93%	>5.3%
ZIN Brussels CBD, North	33.5	411	26%	±4.3%
Ongoing projects to be committed				
WTC 4^(b) Brussels CBD, North	0.6	140	-	-
PLXL (currently La Plaine) Brussels decentralised	1.0	49	-	±5.5%
LOOM (currently Joseph 2, Loi 44, Loi 52) Leopold District	2.1	64	-	±5%
Pacheco, Brussels CBD, Centre	0.5	37	-	±5%
Total	94.3			

^(a)Excluding first installation works for tenants and Silversquare.

^(b) Development in case of pre-letting.

APPENDIX | CONDENSED INCOME STATEMENT OF THE RE OPERATOR ACTIVITY

(in € thousand)	30.06.2021	30.06.2020
Net rental result	62 653	69 384
<i>Net rental result excluding spreading</i>	61 529	69 205
<i>Spreading of gratuities/concessions</i>	1 124	179
Net property charges ^(a)	-10 067	-7 523
Property operating result	52 586	61 861
Corporate overheads	-10 582	-8 473
Other operating income & charges	-1 545	- 179
Operating result before result on portfolio	40 459	53 209
Operating margin^(a)	64.6%	76.7%
Gains or losses on disposals of investment properties	6 798	-
Net property result^(a)	47 257	53 209
Financial result (excl. changes in fair value of financial assets and liabilities) ^(a)	-8 218	-10 177
Taxes	- 769	- 839
Net result before changes in fair value of investment properties and financial assets and liabilities^(a)	38 270	42 192
Changes in fair value of investment properties	-7 615	73
Changes in fair value of financial assets and liabilities ^(b)	20 961	-16 673
Changes in fair value of investment properties & financial assets and liabilities	13 345	-16 601
Net result	51 615	25 591
Net result (in € per share)	1.91	0.95
EPRA earnings (in € per share)	1.20	1.57

^(a) This is an Alternative Performance Measure.

^(b) The net result on 30 June 2020 is restated, excluding the share in the profit or loss of investments booked using the equity method.

APPENDIX | HEDGING POLICY

Annual average		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
CAP	Notional (€ million)	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Average rate (in %)	1.15%	1.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FLOOR	Notional (€ million)	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Average rate (in %)	0.55%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fixed-rate financing (incl. IRS)	Notional (€ million)	891	980	1,034	971	896	756	561	373	285	260	229	167	165	165	162	155	155	105	92
	Average rate ⁽¹⁾ (in %)	0.84%	0.80%	0.77%	0.74%	0.78%	0.75%	0.75%	0.67%	0.61%	0.60%	0.60%	0.56%	0.56%	0.56%	0.57%	0.59%	0.59%	0.47%	0.44%

APPENDIX | FINANCIAL CALENDAR

Publication^(a) of the half-yearly results and online publication of the Half-Yearly Financial Report 2021	29 July 2021
Interim statement^(a) at 30 September 2021	28 October 2021
Payment of the interim^(b) dividend of the 2021 fiscal year on presentation of coupon No 42	
- Ex-date	15 December 2021
- Record date	16 December 2021
- Payment date	17 December 2021
Publication^(a) of the annual results at 31 December 2021	17 February 2022
Online publication of the Annual Financial Report 2021	25 March 2022
Ordinary General Meeting of the fiscal year closing at 31 December 2021	26 April 2022
Payment of the final^(c) dividend of the 2021 fiscal year on presentation of coupon No 43	
- Ex-date	4 May 2022
- Record date	5 May 2022
- Payment date	6 May 2022

^(a) Publication after closing of the stock exchange.

^(b) Subject to a decision of the Board of Directors.

^(c) Subject to a decision of Ordinary General Meeting.