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## **Befimmo continues successful asset rotation strategy Disposal of the Wiertz building in Brussels, with a net capital gain of €43.2 million**

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**Befimmo hands over the Wiertz building for a total amount €74.9 million and generates a net capital gain of €43.2 million (on the investment value). Through this transaction Befimmo crystallizes the value of the property at an optimum point in the asset's life cycle.**

Following the 2020 transactions, Befimmo continues its successful asset rotation strategy with the disposal of the Wiertz building to its occupant, the European Parliament, for a total amount of €74.9 million. After a 20-year period of ownership, the operation generates a net capital gain of €43.2 million on the investment value and is realised slightly above (€4.7 million) the last fair value as estimated by the independent real-estate expert on 31 December 2020. The transaction thus reconfirms the reliability of Befimmo's real-estate asset valuations in these uncertain times. The global gross initial exit yield is 4.97% and the unleveraged internal rate of return (IRR) is 10.79%.

The Wiertz building (10.100 m<sup>2</sup>) is located in the Brussels Leopold district and is let to the European Parliament for a residual duration of 6 years. The total gross current rent<sup>1</sup> amounts to €3.7 million.

Through this transaction Befimmo crystallizes the value of the property at an optimum point in the asset's life cycle.

The proceeds will be used to maintain the LTV at a maximum level of around 45% while financing ongoing development projects and ensuring a capacity for growth. The impact on the LTV ratio is -1.9% (in absolute terms, based on the LTV of 36.8% as at 31 December 2020). Following the transaction the average weighted duration of leases<sup>2</sup> remains stable at 7.2 years and the occupancy rate<sup>3</sup> passes to 95.1% (from 95.2% as at 31 December 2020). The impact on EPRA earnings is estimated at €-0.08 per share on an annual basis and is already included in the 2021 EPRA earnings forecast<sup>4</sup>.

This is an important milestone in the disposal program foreseen for 2021, as announced in the framework of the 2021 EPRA earnings forecast<sup>4</sup>. As a reminder, this forecast doesn't take account of growth through acquisitions. The pace of the further disposals should however be aligned with the potential investment opportunities Befimmo can materialize.

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<sup>1</sup> The annualized total rent of the current lease as at 31 December 2020.

<sup>2</sup> 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 as at 31 December 2020 to their next break and (ii) the total gross current rent from lease agreements of properties available for lease.

<sup>3</sup> The ratio between the estimated rental value of space occupied at 31 December 2020 and the total estimated rental value of properties available for lease.

<sup>4</sup> For further information, consult the chapter "Outlook and dividend policy" on page 93 of the Annual Financial Report 2020 ([www.befimmo.be](http://www.befimmo.be)).

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

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

By creating added value for its users, Befimmo also creates value for its shareholders. At 31 December 2020, the fair value of its portfolio was €2.7 billion.



## Contact:



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