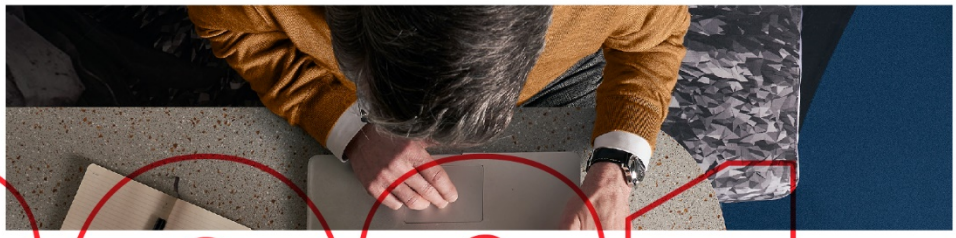
HALF-YEARLY FINANCIAL REPORT

WHERE BUSINESSES FIND A HOME



2021

25 YEARS

Thursday 29 July 2021 I 5.40 PM I Regulated information
Half-yearly accounts for the period from 01.01.2021 to 30.06.2021

- Market:
  - 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
- Real-estate operator (93% of rental income):
  - Best rental activity in the last two years: 34,800 m² let since the beginning of the year
  - Operating portfolio:
    - 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
    - Proactive occupancy management: office pre-letting rate at 83% and after H1 close an additional ±7,500 m² under LOI in the Quatuor project
    - Delivery of the Quatuor and Paradis Express projects planned in August and December respectively, which will decrease the portfolio proportion of the development pipeline from 22% in H1 2021 to ±13% by the end of the year
    - 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:
    - Expansion in the Grand-Duchy of Luxembourg (Howald): acquisition of the Cubus building (5,000 m²)
    - Acquisition in Louvain-la-Neuve: 94-year long lease on the office building (8,300 m²) of the "Esprit Courbevoie" project, to extend the hybrid offer and Belux network with Silversquare
    - Disposal of the Wiertz building (in Brussels CBD) with a 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
- Coworking (7% of rental income):
  - 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
  - New BREEAM "Excellent" and "Outstanding" certifications obtained for the projects Brederode Corner and Quatuor respectively
  - High scores obtained for non-financial reporting (MSCI, Gaïa and Vigeo)
  - Implementation of a Green Finance Framework to issue financing to drive sustainability targets
- Financial results:
  - Portfolio fair value increase (+0.1%) over Q2, change in value of -0.3% over H1 (at constant perimeter, excluding investments, acquisitions and disposals)
  - 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)
- Financial structure:
  - 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
- EPRA earnings outlook and dividend forecast:
  - 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

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The Board of Directors met on 28 July 2021 to prepare the consolidated half-yearly financial statements as at 30 June 2021.

Consolidation basis:
The Befimmo businesses are presented in this Half-yearly Financial Report 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 June 2021. It concerns 27,028,558 shares.

Real-estate and financial indicators:
The definitions of Befimmo's real-estate indicators are described in Appendix 2 to the Half-yearly Financial Report 2021. They are identified in a footnote the first time they occur. Befimmo has fully committed to standardising 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).

Executive summary

In the first half of 2021, the massive Belgian vaccination campaign was in full swing. Today, more than 76% of the Belgian adult population received a first dose and more than 61% have already been fully vaccinated. Belgium ranks in the top 4 of large European countries with the highest number of doses administrated by 100 people. Since July homeworking is therefore no longer obliged but only recommended by the Belgian government. We see light at the end of the tunnel.

We anticipate that the pandemic will change the way office space will be used. We are convinced that our COVID proof portfolio and the joint or "hybrid offer" of Befimmo and Silversquare, ranging from traditional office space to coworking and a mix of both solutions, meet the changing needs and allows users to combine several innovative workspaces that promote creativity and productivity in a BeLux network.

Our latest discussions with occupiers and investors show an increasing focus on CSR. Since 2013, CSR is a fully integrated part of our strategy. Our long-term focus on prime and sustainable buildings will ensure that our portfolio remains attractive today and in the future as it meets the more challenging needs of our users.

Even if there is still debate on the future of the office, we see consensus arising on the fact that working environments will continue to play an important role in attracting talent, creating strong brands, identity and value. One might use less space but there will be an increasing need for sustainable, attractive, flexible and adaptable working environments.

The importance of climate action was again highlighted in July 2021 when several regions in Belgium and Europe were hit by severe flooding. Our thoughts are with the people that were affected by the events. Our teams are working on initiatives to support the affected regions. Our portfolio has not suffered any serious damage and there is no delay in the delivery of Paradis Express.

H1 HIGHLIGHTS

REAL-ESTATE OPERATOR BUSINESS

The letting market starts to show signs of recovery with an increase in take-up compared to last year, mainly coming from corporates. In H1 2021, Befimmo let or renegotiated about 34,800 m², compared to 33,000 m² in H1 2020 and 20,000 m² in H1 2019 (excluding the ZIN transaction of 70,000 m² of office space).

Asset management

Befimmo's fundamentals provide a solid operational base. Accordingly, the spot occupancy rate of the properties available for lease is 94.9% at 30 June 2021 (compared with 95.2% at the end of 2020). The weighted average duration of the leases (until the next expiry) is 6.9 years.

At 14 July 2021, 97.6% of the rent due for H1 2021 has been collected. This percentage is in line with last year's percentage at the same date, and only a limited proportion of the arrears is directly related to the COVID-19 crisis.

Asset development

At 30 June 2021, the development pipeline accounts for 22% of Befimmo's portfolio. With the delivery of the Quatuor project (Brussels North area) planned in August and Paradis Express (Liège) scheduled for December, a first major milestone of the transition period is in sight. We expect the development part of our portfolio to decrease by the end of Q4 2021 to approximately 13% due to the provisional delivery of the Quatuor and Paradis Express. Note that this percentage is based on current fair values and could therefore fluctuate in the future.

The pre-letting rate of the office projects amounted to 83% at 30 June 2021. Several negotiations are ongoing and after H1 close we signed LOI's for an additional 7,500 m² in the Quatuor project. The reclassification of Quatuor in the category of properties available for lease (in Q3 2021) will however have a short term negative impact on the occupancy rate of our portfolio as most of the signed leases will start as from 2022.

In Liège, construction of the Paradis Express eco-neighbourhood continues and the project is fully prelet.

In Q2 2021, Befimmo has introduced a building permit application for the transformation of the Joseph 2, Loi 44 and Loi 52 buildings into LOOM, a unique green lung in the heart of the European district in Brussels. LOOM will be an innovative mixed use project of about 24,000 m² combining working spaces, ±50 residential units, a full range of services and facilities and a beautiful courtyard garden. In June 2021, we extended the lease in the Joseph 2 building. Thanks to this recent transaction, the expected issuance of the LOOM permit and the end of the lease in the Joseph 2 will coincide perfectly. The construction costs are estimated at €64 million, with the yield on total investment expected to be around 5%.

After H1 close, we were happy to announce that ZIN will be welcoming the Standard International, the leading hospitality company responsible for iconic hotels across the globe, from New York and Miami, to London and the Maldives. The Standard fits perfectly within the vision we have for ZIN and will amplify the dynamisation of the Brussels North area.

Our development pipeline allows us to continue to create value on prime locations whilst improving our portfolio, focusing on sustainability, well-being, customer centricity and digitalisation.

Asset rotation

In H1 2021, market investment volume reached a total of €1.35 billion in Belgium, which is in line with the 5-year average. Brussels offices accounted for almost 35% of this amount, highlighting the strong investor appetite.

We realised several transactions in H1 2021. We acquired the Cubus building in Howald in the Grand Duchy of Luxembourg for approximately €30 million "all in". This 5,000 m² building, located near the Cloche d'Or (Luxembourg city), offers an important value creating potential. We also acquired a 94-year long lease on the office building of the "Esprit Courbevoie" project, in state of future completion, for an amount of about €27 million. The building will provide about 3,300 m² of office space and 5,000 m² of Silversquare coworking space, a new step in the development of our Belux network. It is scheduled for completion at the end of 2023.

On the disposal side, in March, we handed over 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 well above (€4.7 million) the last fair value. The unleveraged internal rate of return (IRR) is exceptional at 10.79%.

After H1 close, we sold one - and made agreements on the disposal of two other - non-core properties in Belgian provincial towns, in line with the latest fair value.

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

COWORKING BUSINESS

Silversquare now operates seven coworking spaces in Brussels and the Grand Duchy of Luxembourg, with a total space of 28,000 m². The occupancy rate of the mature space is 78% at 30 June 2021. The occupancy rate of all spaces increased to 54%. In H1 2021, Silversquare's turnover was €4.4 million. The recovery rate for monthly invoices issued was 98.9% for H1 2021.

In Q3 2021 Silversquare will open its 8th coworking space in Befimmo's Central building in the Brussels CBD, presales are currently >50% occupancy for private offices. As of August, Central will also become Befimmo's new headquarter. We look forward to grouping our teams in our new flagship that will combine, in one building, all the flexible working solutions that Befimmo and Silversquare offer its users.

FINANCIAL STRUCTURE

The consolidated net asset value (group share) was €60.08 at 30 June 2021. The fair value of the portfolio amounts to €2,768.8 million compared to the value of € 2,714.0 million on 31 December 2020.

The loan-to-value (LTV) ratio was 37.5% at 30 June 2021. In the present environment, we will aim not to exceed an LTV ratio of around 45% throughout the implementation of our development pipeline.

On 21 June 2021, Standard & Poor's confirmed our BBB/Stable/A-2 rating.

After H1 close, we finalised our Green Finance Framework. It provides the supporting structure on which Befimmo can issue Green Bonds, Green Private Placements or Green Bank Financing to drive its sustainability targets.

FINANCIAL RESULTS

The EPRA earnings of the real estate operator business amounts to €1.20 per share, compared to €1.57 per share at 30 June 2020. For more detailed information, please consult the analysis of the net result of the real-estate operator business on page 26 of this Report.

The consolidated EPRA earnings (group share) amounts to €1.14 per share, compared to €1.53 per share at 30 June 2020.

OUTLOOK AND DIVIDEND FORECAST

On the basis of the information known at the date of publication of this Report, the Board of Directors confirms the EPRA earnings forecast of €2.10 per share for the 2021 fiscal year.

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 financial year in the framework of its asset rotation policy, i.e. for 2021 a minimum of €1.68 gross per share.

Befimmo has the intention to propose the distribution of the dividend in two phases (interim dividend in December and final dividend in May) and, as the case may be, in optional form.

"Having started on 1 June 2021, I would like to take the opportunity to thank Benoît De Blieck for his warm welcome and the wealth of knowledge he shared with me at my arrival. I was impressed by Benoît's passion, professionalism and commitment. I look forward to building on this solid foundation with a fantastic team." says Jean-Philip Vroninks, CEO of Befimmo

INTERIM MANAGEMENT REPORT

PROPERTY REPORT

REAL-ESTATE OPERATOR ACTIVITY

Rental activity[1]

During H1 2021, we signed new leases and renewals for a total surface of 34,835 m², compared to 33,492 m² over the same period of 2020 and 19,830 m² contracted in 2019 (excluding the 70,000 m² offices part of the ZIN project). 70% of the transactions consisted in lease renegotiations and the remainder were new leases signed.

Main transactions of the first half :

- Properties available for lease:
  - Ocean House building (Brussels periphery): renewal of a 3/6/9 lease of 1,870 m²
  - Ikaros site (Brussels periphery) : new 6/9 lease for 1,440 m²
  - Central building (Brussels centre) : new 9-year lease for 2,175 m² with Europ Assistance Belgium
  - Goemaere (Brussels decentralized) : renewal of a 3/6/9 lease for 1,668 m²
  - Joseph 2 (Brussels Leopold area) : extension of the leasehold with the European Commission (12.413 m²)

- Development projects
  - Paradis Express site (Liège) : additional 916 m² pre-let to the 'Service Public de Wallonie'. The project is entirely prelet, one year before delivery
  - Quatuor (Brussels North area) : new 9-year lease for 3,115 m². The project is 55% prelet and this moves to about 70% taking account of the 7,500 m² under LOI (after H1 close).

Quatuor, Brussels

[1] In accordance with the definitions, leases are not reflected in the real-estate indicators until the lease has started.

What our offer means for our customers

"We chose Central because it offers inspiring workspaces, with offices on a single floor, which will foster collaboration and discussions among colleagues. In addition to its historic character, the building benefits from an excellent location in terms of accessibility and is extremely well served by public transport. That's a major asset not only for our current colleagues, but also for attracting new young talents."

- Hilde Goethuys, HR Director at Europ Assistance.

"We are very pleased to welcome Europ Assistance to Central, in the very heart of the capital. It's a unique building both in terms of its history and its architecture, which we wanted to make more sustainable with a high-quality renovation, but above all in line with our vision of the evolution of the world of work, which aims to be more hybrid, more flexible and at the service of its tenants. Central is a Befimmo pilot project in which we will include a new Silversquare designed by Maniera, innovative solutions for meeting rooms, etc. We are delighted to move in alongside Europ Assistance. Finally, we are confident that Central will allow the employees of Europ Assistance to excel in achieving their ambitions and their future objectives."

- Cédric Mali, Chief Commercial Officer at Befimmo.

"We chose Quatuor because it offers our employees modern, flexible workspaces that perfectly suit the hybrid world of work of tomorrow. In addition to offering our employees a multitude of services, Quatuor is ideally located and so offers numerous mobility solutions."

- Guissou Nabavi, HR Director at Buy Way Personal Finance.

"We have chosen the Ikaros site for a workspace as it offers our employees a modern and flexible office environment, with a wide variety of amenities, as well as being a great location close to Brussels, the airport, the E40 and the outer ring road."

- Wikje Bosma, Site Lead Belgium at Smith & Nephew

Spot occupancy rate and EPRA vacancy rate

	30.06.2021	31.12.2020
"Spot" occupancy rate of properties available for lease[a]	94.9%	95.2%
EPRA Vacancy Rate[b]	2.4%	2.9%

[a] This is a real-estate indicator. For more information, please refer to Appendix 2 of this Report.
[b] This is an EPRA indicator. For more information, please consult the chapter "EPRA Best Practices" of this Report.

In accordance with the definitions, future signed leases are not taken into account in the calculation of the occupancy rate.

Weighted average duration of leases

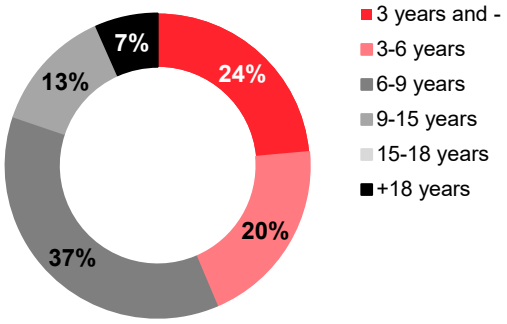
	30.06.2021	31.12.2020
Weighted average duration of current leases up to next break[a]	6.9 years	7.2 years
Weighted average duration of current leases up to final expiry[a]	7.4 years	7.7 years

[a] This is a real-estate indicator. For more information, please refer to Appendix 2 of this Report.

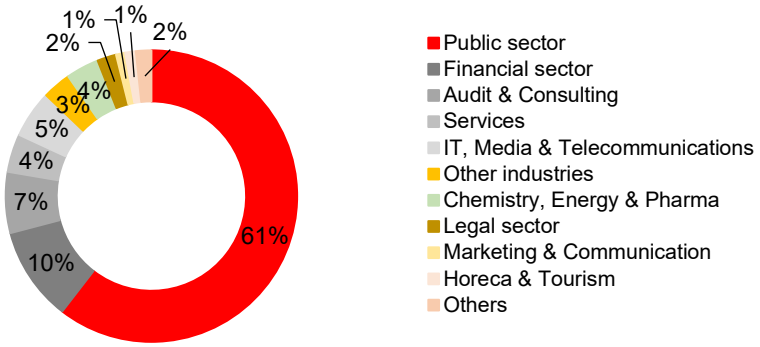
In accordance with the definitions, future signed leases are not taken into account in the calculation of the weighted average duration of leases.

Arts 56, Brussels

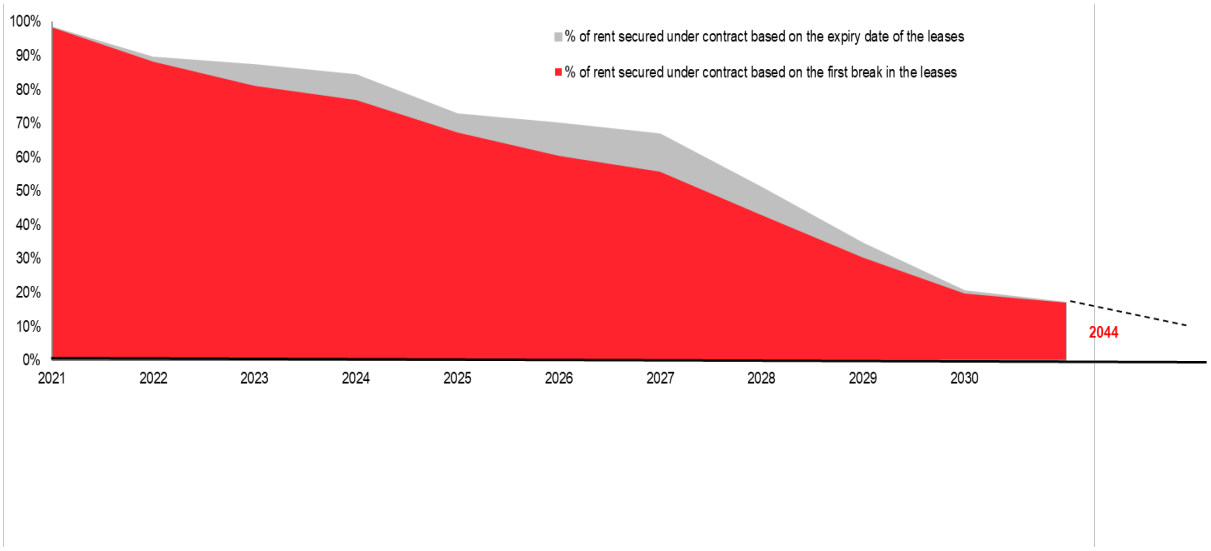
Duration of leases[2]



Tenants by activity sector[2]



The percentage of rent guaranteed under contract on the basis of the remaining term of the rent in the consolidated portfolio[3] (gross current rent from lease agreements) (in %)



[2] The proportions are expressed on the basis of the gross current rent from lease agreements as at 30 June 2021.

[3] Rents for future years calculated on the basis of the present situation, assuming that each tenant leaves at the first break and that no further lease is agreed in relation to the current rent as at 30 June 2021.

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

Public sector	Weighted average duration up to next break (in years)	Percentage of the gross current rent from lease agreements (in %)	Rating
Federal		52.3%	AA (rating S&P)
Flemish Region		2.4%	AA (rating Fitch)
Belgian public sector	***8.2***	***54.7%***	***Rating S&P***
European Commission		4.1%	AAA
European Parliament		1.2%	AAA
Representations		0.6%	-
European public sector	***3.5***	***5.8%***	
Total public-sector tenants	**7.7**	**60.5%**	

Private sector - top 5	Weighted average duration up to next break (in years)	Percentage of the gross current rent from lease agreements (in %)	Rating S&P
Deloitte Services & Investments NV		6.4%	-
BNP Paribas and affiliated companies		5.0%	A+
Docler Services S.à.r.l.		3.2%	-
Beobank (Crédit Mutuel Nord Europe)		2.8%	A
McKinsey & Company		1.7%	-
Total private-sector top-5 tenants	**7.6**	**18.9%**	

Other tenants	Weighted average duration up to next break (in years)	Percentage of the gross current rent from lease agreements (in %)
+/- 180 tenants	3.9	20.6%
Total of portfolio	**6.9**	**100%**

Collection and deferral of rents

At 14 July 2021, about 98% of rents due for the first half of the year (including rents called on 1 July, covering Q3 2021) have been collected; this percentage is in line with the figure for last year on the same date, and only a limited proportion of late payments are directly related to the COVID-19 crisis. Very limited payment deferrals have been allowed for the second half of the fiscal year. These rent deferrals currently amount to around €0.3 million.

	Rents due 01/01/21 => 01/07/21		
Current position[(a)]	**Office**	**Retail/Fitness**	**Total**
Received to date	98.3%	50.9%	97.6%
Payment deferrals	0.3%	5.2%	0.4%
Outstanding	1.4%	6.0%	1.5%
Rent-free granted Covid	0.0%	37.8%	0.6%
Total	**100%**	**100%**	**100%**
Total (in €million)	**70.4**	**1.1**	**71.5**

[(a)] At 14 July 2021

Fair value[4] by geographical area

Offices	Change over the semestre[(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)]	1.4%	41.6%	1 151.1	1 191.9
Brussels decentralised	-0.5%	3.0%	82.9	82.2
Brussels periphery	-3.5%	3.2%	90.0	92.5
Flanders	-1.9%	14.7%	407.5	428.3
Wallonia	-3.0%	8.2%	226.0	233.0
Luxembourg city	0.7%	6.4%	178.3	147.1
Properties available for lease	*-0.1%*	*77.1%*	*2 135.8*	2 175.1
Properties that are being constructed or developed for own account in order to be leased	*-0.5%*	*22.0%*	*608.8*	*517.3*
Investment properties[(d)]	**-0.2%**	**99.1%**	**2 744.6**	**2 692.4**
Properties held for sale	**-11.3%**	**0.9%**	**24.1**	**21.6**
Total	**-0.3%**	**100.0%**	**2 768.8**	**2 714.0**

[(a)] The change over the semester is the change in fair value between 1 January 2021 and 30 June 2021 (excluding the amount of investments and divestments).
[(b)] The proportion of portfolio is calculated on the basis of the fair value of the portfolio as 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).

As at 30 June 2021, the fair value of the portfolio was €2,768.8 million, as against €2,714.0 million as at 31 December 2020.

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 increased over Q2 (+0.1%). The change in the fair value was -0.3% in H1 (-€7.7 million). Overall this change in value reflects minor parameters adjustments in the context of the rotation of the real-estate experts in Q1 2021 and the fact that the second tranche of indemnities (€5.3 million) has been received in the framework of the global agreement signed last year with the Buildings Agency (Belgian State) regarding the lease extension of the Poelaert building for a fixed nine-year term combined with the early termination (full or partial) with compensation of ten leases in small buildings located in Belgian provinces (in 2020 and in 2021).

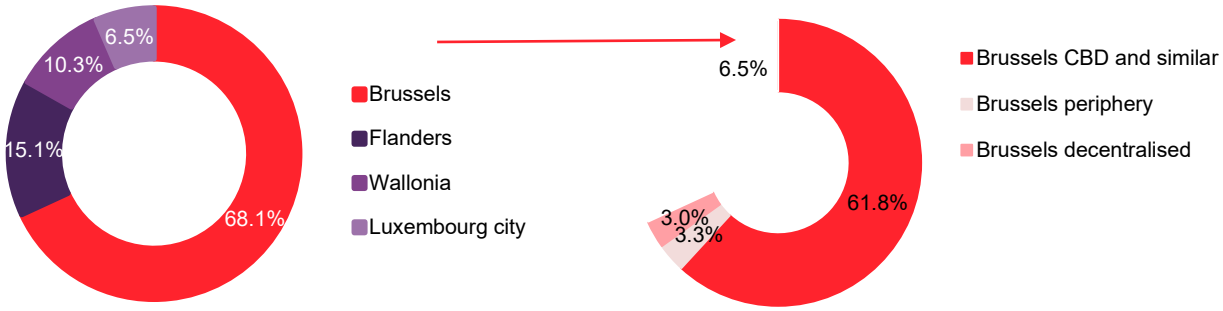
[4] These values are established in application of the IAS 40 standard which requires investment properties to be booked at "fair value". The fair value of a building is its investment value, including registration fees and other transaction costs (also known as "deed-in-hands value") as calculated by an independent expert, minus a standard allowance of 10% (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

Overall rental yield

	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)] Taking into account the properties that are being constructed or developed for own account in order to be leased, but excluding the IFRS 16 rights of use.

Geographical breakdown of the portfolio[5]



ASSET ROTATION

The disposals carried out year-to-date are the following:

- Disposal of the Wiertz building (in Brussels CBD) for €74.9 million with a net capital gain of €43.2 million on the investment value and an unleveraged IRR of 10.79%;
- Closing of the disposal of the residential part of Paradis Express for €18.9 million with a capital gain of €2.1 million on the latest fair value;
- 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.

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

On the acquisition site, we realised the following transactions:

- Acquisition of the Cubus building (5,000 m²) in the Grand-Duchy of Luxembourg (Howald)
- Acquisition[6] of the office building of the "Esprit Courbevoie" project in Louvain-la-Neuve

[5] The proportions are expressed on the basis of the fair value of the investment properties as at 30 June 2021.
[6] 94-year long lease.

CAPITAL EXPENDITURE IN PROPERTIES AVAILABLE FOR LEASE

In H1 2021, Befimmo invested €16.1 million in its portfolio of properties available for lease.

DEVELOPMENT PROJECTS

Over the first half of the year, Befimmo invested €109.3 million in its portfolio. The main renovation and construction projects are listed in the table below. All projects have a BREEAM "Excellent", "Outstanding" or equivalent certification in the Design phase.

Currently, the pre-letting rate[7] of office projects amounts to 83% and this moves to 90% including the 7,500 m² under LOI in the Quatuor project (after H1 close).

	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.

For more information on these projects, please consult pages 56 to 59 of the Annual Financial Report 2020 (www.befimmo.be).

[7] Calculated on the office portion of ongoing committed projects, excluding coworking.

COWORKING ACTIVITY

Coworking spaces portfolio

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

Silversquare now operates seven coworking spaces in Brussels and the Grand Duchy of Luxembourg.
The coworking business accounted for about 7% of Befimmo's consolidated rental income as at 30 June 2021.

Occupancy rate

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

[(a)] 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.

The occupancy rate of the mature coworking space was 78% as at 30 June 2021. The lockdowns combined with the openings of the Zaventem and Bailli spaces had an impact on the total occupancy rate, which stood at 54% as at 30 June 2021, however increasing since the beginning of the year. Overall the coworking activity showed strong resilience with a global increase in the number of members and an increase in turnover.

We remain convinced that our unique combined Befimmo & Silversquare flexible offer will play an important role in the post health crisis recovery period and will become a key solution in the new hybrid world of work.

Recovery rate issued invoices

The recovery rate for monthly invoices issued is 98.9% as at 30 June 2021.

Revenue split

64% of revenues were generated in private offices used by small and medium-sized companies with a higher resilience potential than flex-desks.

Pipeline of coworking spaces

The coworking spaces planned in the Befimmo portfolio are generally fitted out by Befimmo (as real-estate operator) and handed over to Silversquare as "turnkey" premises. Silversquare (as coworking operator) invests in the furniture and IT for these spaces. For the spaces provided in third-party buildings, Silversquare invests in the fitting-out as well as in furniture and IT. In H1 2021, Silversquare invested €1.8 million in its spaces. Befimmo (real-estate operator) has invested €12.6 million in 2021 of which €7.1 million in the Central building and €5.2 million in the Quatuor project. This is recharged to Silversquare through a rental uplift mechanism.

In Q3 2021 Silversquare will open its 8th coworking space in Befimmo's Central building in the Brussels CBD. The presales are currently >50% occupancy for private offices. As of August, Central will also become Befimmo's new

headquarter. It will be our new flagship, a clear example of the Befimmo's and Silversquare's vision on the new world of work as it will be combining - in one building - all the flexible working solutions we offer our users.

Current pipeline until 2022

Spaces	Surface - committed	Surface - not committed	Total surface
New openings 2021	*+ 6 800 m²[(a)]*	-	
Portfolio end 2021	**34 800 m²**	-	**34 800 m²**
New openings 2022	*+ 11 200 m²[(b)]*	*+ 5 800 m²*	
Portfolio end 2022	**46 000 m²**	**5 800 m²**	**51 800 m²**

[(a)] Central.
[(b)] Quatuor, Paradis Express and Flanders.

Following the implementation of Silversquare's development plan the first accretive contribution is expected in 2023.

OFFICE PROPERTY MARKETS

All of the following information, covering Brussels and Luxembourg, comes from databases, analyses and market reports from Belgian brokers with a thorough knowledge of the office market, on 30 June 2021.

THE BRUSSELS OFFICE MARKET

The Brussels office market relates to the area covered by the Brussels-Capital Region in the administrative sense of the term, along with part of Flemish Brabant and part of Walloon Brabant, which form the economic hinterland of Brussels. This area has a population of some 1,850,000 and provides more than a million jobs.

Take-up

Take-up during the first half of the year amounted to 251,000 m², almost as high as the full take-up in 2020 and better than the average take-up over the last five years. Corporates were the most active on the market, in Q2 the 10 largest deals together accounted for 40% of the total take-up.

The major transactions include:

- 25,500 m² rented by EU Conference Center in the *ReaLex* building (Leopold District);
- 17,000 m² rented by Total Energies in the *Multi* building (City centre);
- 15,000 m² in *The Wings* building (Periphery North East) by EY;
- 14,000 m² in the Copernicus building (Leopold District) by the European Commission;
- 5,500 m² rented by Working From Ennismore in the *Victoria* building (North District);
- 3,700 m² rented by Nagelmackers in the *Monteco* building (Leopold District);
- 3,000 m² rented by Emakina in the Royale Belge building (Decentralised South East);

Coworking

Ernst & Young and MeetDistrict are both moving in to the new The Wings building set to be delivered in 2023. MeetDistrict will be occupying around 10,000 m². Another notable coworking transaction was the take-up by Working From Ennismore in the Victoria tower. COVID has had an impact on coworking but these recent transactions do however show resilience in the sector.

Recent hand-overs and future projects

In 2021 around 315,000 m² will come onto the market of which only 90,000 m² on a speculative basis.

For 2022 and 2023 about 200,000 m² is under construction and available. If preletting continues as it did over H1 2021 (>**60% of all transactions were signed as prelets or in grade A buildings)**, the impact of the new deliveries on the vacancy rate might be weaker than expected. Tenants are seeking sustainability, quality and accessibility.

Changes in rental vacancies

Vacancy is at ±8% of total stock, with big differences per area. As at 30 June 2021, the vacancy rate stood at ±4% in the CBD. Vacancy levels in some decentralised and periphery areas are much higher, reaching double-digit levels. When entering the pandemic, the vacancy rate was at one of its lowest historical levels. It could see a slight increase in the near future in Grade B and C properties due to footprint reduction and relocation to Grade A properties. In recent months there has been very good absorption in Grade A properties.

Some 41,000 m² has been marked for reconversion in H1 2021. Most of the projects are located in the Brussels Decentralised and Periphery area and are planned to be reconverted into apartments and some retail.

Movements in rents

Excluding the notable exception of the Decentralised (+2.5% to €200/m²/year) rents showed resilience, remained stable in Q2 and amounted to €315/m²/year in the European District, €275/m²/year in the Louise, North and City Centre Districts and €165/m²/year in the Periphery.

Top quartile rents at city level decreased slightly by 1.5% q-o-q to €242/m²/year and weighted average rents declined sequentially to €187/m²/year. Average rents decreased by 1.8% vs. Q1 2021 to €165/m²/year.

Office investment market

Investment volume reached € 1.35 billion in Belgium in H1 2021, which is in line with the 5-year average. Brussels offices accounted for almost 35%, highlighting the strong and continued investor appetite. The comparison with last year should somewhat be put into perspective as the highest investment volume ever recorded was attained in 2020, which included the historic transaction on the *Finance Tower* (sold for around €1.3 billion).

Today, investors are clearly looking for sustainable properties. Several large ticket sales with BREEAM Excellent and Outstanding certifications were closed over the last 12 months and investors are willing to pay sharper yields if the ESG requirements have been met.

Prime yields continue to be compressed as a result of the European Central Bank's policy of low interest rates and of competition among investors for the best products. At present, prime yields for buildings with 6/9-year leases trade around 3.75% to 3.5%. For non CBD locations there has been no change, they remain at about 5.5%. Long-term prime yields are currently stable at 3.25% to 3%.

Conversely to other European cities where we may observe a yield increase (between 50 and 100 bps depending on the city) in the coming 12 to 24 months, Brussels should be more resilient with a prime yield forecasted to stabilise around 3.60% up to the end of 2024.

OFFICE MARKET IN LUXEMBOURG

Take-up

During the first half of 2021, there were 270,000 m² of take-up on the Luxembourg office market. This is a really high number of m² and even above recent annual take-up. It was influenced by the 127,000 m² transaction in the European Parliament's KAD2 building in Kirchberg (accounting for 47% of the take-up). The number of transactions is in line with the long term average.

Other significant transactions include:

- Armacell International let 1,130 m² in the Capellen area;
- Cronos International let 941 m² in the Capellen area;
- FWU let 1,094 m² in H2O in Howald;
- Swiss Life let 916 m² in K2 Ballade in Kirchberg;
- Throgmorton let 800 m² along Boulevard de la Pétrusse in the Station district;
- Ista let 714 m² along Rue des Bruyères in Howald;
- Maison Moderne let 705 m ²along Avenue de la Liberté in the Station district;
- CFL let 605 m² along Avenue Charles de Gaulle in the Station district.

Recent hand-overs and future projects

The development pipeline remains moderate with 108,000 m² still to be handed over in 2021 of which 71% is still available for lease. In 2022, 227,000 m² should come on the market of which about 57% is already committed.

Changes in rental vacancies

The vacancy rate in the Luxembourg market remains very low at 3.7%.

Significant differences exist between districts. The CBD is under 2%, the Kirchberg is also still around 2%, while vacancy in the Station area is slightly higher. The very peripheral areas have seen an increase in vacancy since the beginning of the year but all major submarkets remain below 10% vacancy.

Movements in rents

With the combined effect of low vacancy rate and an overall strong letting market, rental values remain solid. Occupants are seeking the best locations and buildings. These factors have driven up prime rents to €52/m²/month (over €600/m²/year) in the CBD, a record level. The Cloche d'Or has also seen an increase to €35/m²/month. Other major submarkets remain unchanged.

Office investment market

The office investment market was worth €300 million in the first half of 2021.
Significant transactions were:

- Atenor acquiring the Renault property for €120 million, to be transformed into a post-COVID work environment;
- Lone Star acquiring H2O in Howald;
- The acquisition of Melius by Generali in Cloche d'Or.

All sectors combined, the Luxembourg investment market attracted more than €651 million.

Prime yields decreased to 3.4%, with further compression possible in H2.

Arts 56, Brussels

CSR

2030 ACTION PLAN

Befimmo's mission is supported by non-financial objectives that relate specifically to its three commitments: 'Provide and rethink workspaces', 'Transform cities' and 'Be responsible'. These objectives form the 2030 Action Plan which is reported every six months to the Social Responsibility Team.

Our entire action plan and all sustainability projects Befimmo is working on are published in our Sustainability Report 2020 and are explained in this 2030 action plan movie.

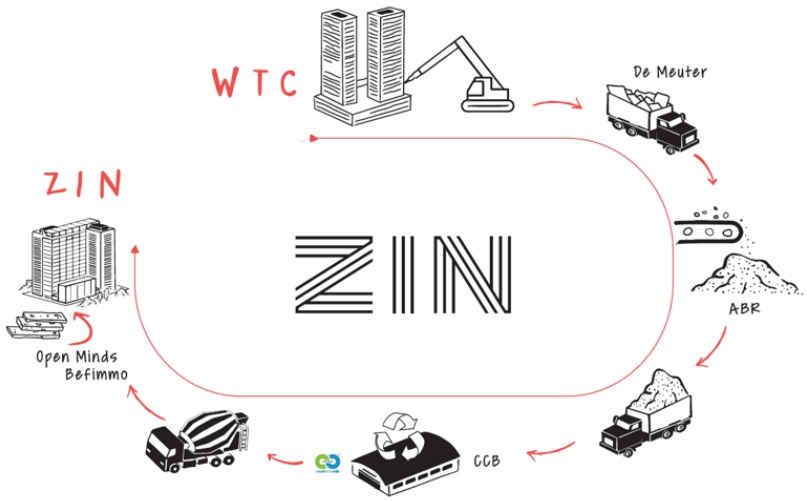
The importance of climate action was again highlighted in July 2021 when several regions in Belgium and Europe were hit by severe flooding. Our thoughts are with the people that were affected by the events. Our teams are working on initiatives to support the affected regions.

H1 HIGHLIGHTS

Innovative projects

In June 2021, the first ever pouring of circular concrete in the Benelux took place in our ZIN project. The upcycled rubble from the old WTC Towers is being redeployed in the innovative, multifunctional ZIN project in the North district of Brussels.

In deciding to make circularity central in its ZIN project, Befimmo now ranks as a pioneer in creating a greener building sector. 30,000 tons of rubble was collected, sorted, ground and re-constituted into 3,500 tons of A+ aggregate. This high-quality aggregate was in turn incorporated into newly made concrete, giving 30,000 tons of new, C2C Silver – certified concrete. More information on this project can be found on our website.



65% of the WTC structure is kept

95% of the new materials are certified C2C (or equivalent) (Vlaamse overheid)

30,000 tonnes of dismantled concrete will be reused in the new concrete of the ZIN project

15 km maximum distance of the different concrete partners

Environmental certifications

During the first half of 2021, Befimmo received BREEAM certifications for two of its (re)development projects:

- Brederode Corner obtained a "BREEAM Refurbishment – Excellent" certification
- Quatuor obtained a "BREEAM New Construction (design stage) – Outstanding" certification

Green Finance Framework

Befimmo finalised its Green Finance Framework. It provides the supporting structure on which Befimmo can issue Green Bonds, Green Private Placements or Green Bank Financing to drive its sustainability targets. The Framework is a natural and logical extension of all sustainability and environmental actions the Company undertakes.

Non-financial reporting

During H1 2021, Befimmo obtained high scores for non-financial reporting.

MSCI	Gaïa RATING	vigeoeiris
A	63	52/100 Robust

Furthermore, Befimmo completed and submitted the **GRESB** assessment at the beginning of July and is completing the **CDP** assessment by the end of this month. These scores will be published by the end of the year.

Well-being and philanthropy

- In H1 2021, Befimmo has organised **a blood donation** event and **a clothing collection** for the homeless in the framework of its long term relationship with the Belgium Red Cross and its local division in Auderghem.
- 28 team members also participated in the sport challenge **Let's Move for Parkinson**, organised by the Demoucelle Parkinson Charity. The goal was to complete a virtual route around Belgium and raise funds to find a cure for Parkinson's Disease. The teams walked or ran together for a total of 256 km.
- With the move of its headquarters in mind, our employees had the opportunity to discover **soft mobility solutions**, leading them to their future offices in the centre of Brussels. The participants became acquainted with various mobility solutions, such as (electrical) bikes, steps, shared cars, segways, etc. Fostering sustainable mobility is part of Befimmo's action plan and plays a major role in the way we (re)develop our buildings.

Circular concrete pouring at ZIN, Brussels

FINANCIAL REPORT

	30.06.2021	30.06.2020
Number of shares issued	28 445 971	28 445 971
Number of shares not held by the group	27 023 024	27 052 443
Average number of shares not held by the group during the period = calculation basis	27 028 558	27 052 443

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
Net asset value as at 31 December 2020 (group share)	**58.85**	**1 591.4**	**27 040 351**
Other elements of comprehensive income - actuarial gains and losses on pension obligations		2.4	
Valuation of the put option held by minority shareholders, net of profit attributable to non-controlling interests		- 1.6	
Net result (group share) as at 30 June 2021		46.8	
Final dividend of the 2020 fiscal year		- 15.4	
Other elements - mainly linked to liquidity contract and Performance Stock Units Plan		- 0.2	
Net asset value as at 30 June 2021 (group share)	**60.08**	**1 623.4**	**27 023 024**

	30.06.2021	31.12.2020
EPRA NRV	63.94	63.48
EPRA NTA	60.45	60,10
EPRA NDV	59.00	57.19

The calculation methods of the EPRA NRV, NTA and NDV are detailed on page 78 of this Report.

Condensed consolidated balance sheet

(in € million)	30.06.2021	31.12.2020
Investment and held for sale properties	2 812.7	2 761.2
Other assets	93.3	85.3
Total assets	**2 906.0**	**2 846.5**
Shareholders' equity	1 623.4	1 591.4
Financial debts	1 090.9	1 053.3
non current	621.8	684.6
current[(a)]	469.1	368.7
Other debts	191.7	201.8
Total equity & liabilities	**2 906.0**	**2 846.5**
LTV	**37.5%**	**36.8%**

[(a)] 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 H1 2020, the scope changed mainly following:

- the 2021 acquisitions (Cubus building)
- the H2 2020 disposals (Blue Tower, Media, Schuman 3 and 11, Froissart and Guimard)
- the 2021 disposals (Wiertz building and the residential parts of the Paradis Express).

Real-estate operator activity

Condensed income statement

(in € thousand)	30.06.2021	30.06.2020
Net rental result	62 653	69 384
Net rental result excluding spreading	*61 529*	*69 205*
Spreading of gratuities/concessions	*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. For more information, please consult Appendix 3 to this Report.

[(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.

Analysis of the net result of the real-estate operator business

The **like-for-like net rental income** slightly increased by 0.4%. This is explained by lease extensions and indexation which was partially compensated by some lease terminations (already negotiated PRE-COVID) and COVID related gratuities.

The **net rental result** is down 9.7% compared to the same period last year. This is mainly explained by the asset rotation program:

- loss of income resulting from the exit of the Blue Tower, Media, Schuman 3 and 11, Froissart and Guimard buildings in Q4 2020 and the exit of the Wiertz building in Q1 2021;
- compensated by the contribution of the newly acquired Cubus building in February 2021.

Compensation for the early termination of a lease received in Q1 2020 is partially offset by compensations received in H1 2021 related to the early termination (full or partial) of ten leases in small buildings located in Belgian provincial towns (in 2020 and in 2021) in the framework of the global agreement signed last year with the Buildings Agency (Belgian State) regarding the lease extension of the Poelaert building for a fixed nine-year term.

Net property charges are up by €2.5 million. This increase is mainly explained by the catching up of maintenance works realised this first half-year compared to the same period last year (linked to COVID and the lockdown in H1 2020) and the agency fees related to new lease contracts.

EPRA like-for-like net rental growth was -4.2% at 30 June 2021. This is explained by the factors mentioned regarding the like-for-like net rental income and by the catching up of maintenance works in the buildings. The EPRA like-for-like net rental growth does not integrate indemnities received in the context of the early termination of some leases, a.o. with the Buildings Agency (Belgian State).

Corporate overheads were €10.6 million as against €8.5 million last year. This increase is mainly explained by exceptional elements related to the retirement of the previous CEO, provision related to the PSU[8] package of the Executive Committee, the impact of the reinforcement of the team in 2020, and by innovation and digitalisation initiatives.

The **operating result before result on portfolio** was €40.5 million compared with €53.2 million last year.

The **change in fair value of investment properties** is -€ 7.6 million (-0.3 %) compared to +€ 0.1 million last year, reflecting minor parameters adjustments in the context of the rotation of the real-estate experts and the fact that the second tranche of indemnities (€5.3 million) has been received in the framework of the global agreement signed last year with the Buildings Agency (Belgian State) regarding the lease extension of the Poelaert building for a fixed nine-year term combined with the early termination (full or partial) with compensation of ten leases in small buildings located in Belgian provinces (in 2020 and in 2021).

The **gains on the disposal of investment properties** represent €6.8 million at 30 June 2021 and correspond to the capital gains (based on the latest fair value) realised on the exit of the Wiertz building and the residential parts of the Paradis Express.

The **financial result (excluding changes in the fair value of the financial assets and liabilities)** was -€8.2 million compared with -€10.2 million last year. The decrease in financial charges is due to the combined effect of the drop in the average volume of debt by 8.4% and a slightly lower average (annualised) cost of financing at 1.9% compared to last year.

The increase in the **net result**, reaching €51.6 million at 30 June 2021 compared to €25.6 million at 30 June 2020, is mainly explained by a positive change in the fair value of the hedging instruments (due to the increase of the interest rates curve over the period) (+€21.0 million compared with -€16.7 million one year ago).

[8] For more information see the remuneration report included in the Annual Financial Report 2020.

EPRA earnings amounts to €32.4 million as against €42.5 million last year. EPRA earnings per share is €1.20 in relation to €1.57 last year. The net result per share amounts to €1.91 compared with €0.95 per share last year.

Note on the results for the coworking business

The turnover for the coworking business amounted to €4.4 million over the first half of 2021, compared to €4.0 million the same period last year.

Note on the consolidated results

Consolidated net result was €45.3 million, compared to €24.3 million last year. The net result (group share) was €46.8 million. The consolidated EPRA earnings per share were €1.14 per share as against €1.53 at 30 June 2020.

FINANCIAL STRUCTURE AND HEDGING POLICY

Main characteristics

- 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. 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;
- Use of the short-term commercial paper programme up to €408 million;
- 84.2% of total borrowings at fixed rates (including IRS);
- An average (annualised) financing cost (including hedging margin and costs) of 1.9% for the first 6 months of the year, decreased compared to 2.0% at 31 December 2020;
- A weighted average duration of the debt of 4.6 years (as against 4.9 years as at 31 December 2020);
- A debt ratio of 41.9%[9] (compared with 40.8% as at 31 December 2020);
- An LTV ratio of 37.5%[10] (compared with 36.8% as at 31 December 2020);
- A hedge ratio[11] of 86.1% (compared with 98.6% as at 31 December 2020).

On 21 June 2021, Standard & Poor's confirmed our BBB/Stable/A-2 rating.

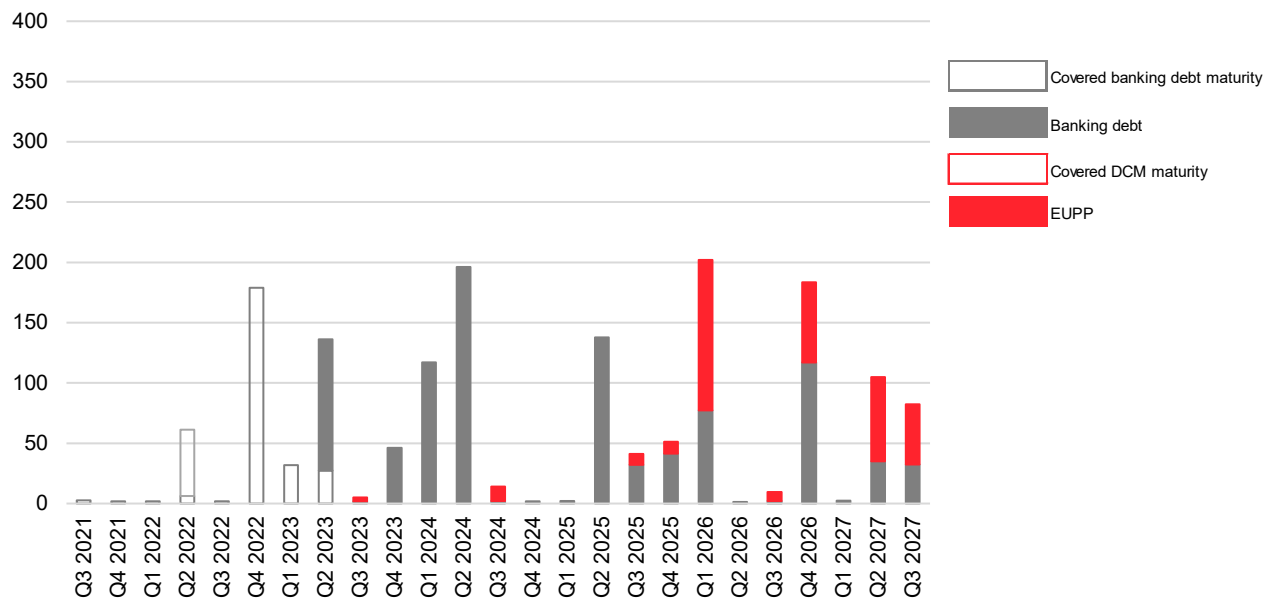
Financing arranged

- New bank financing for €50 million for a 3 year period with possible extensions up to 5 year;
- Renewal of a €130 million amortising financing for a period of 5 years and 5 months. Consisting of a €80 million revolving credit facility and a €50 million term loan;
- Placement of €5 million EU private placement with a 10 year maturity

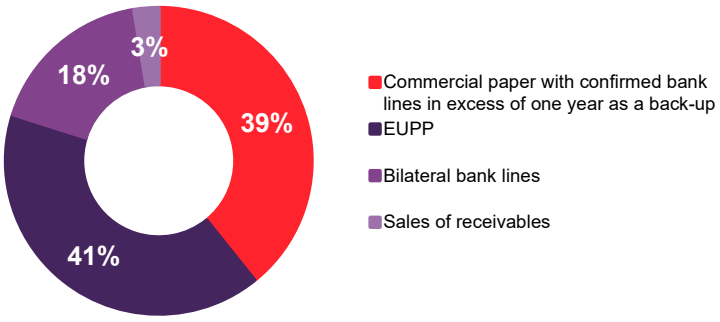
In this uncertain context due to the COVID-19 pandemic, the Company continued working to strengthen its financial structure. All other things being equal, the Company has covered its financing needs until the end of Q1 2023.

[9] The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.
[10] Loan-to-value (LTV) = [(nominal financial debts – cash)/fair value of portfolio].
[11] Hedge ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAPs)/total borrowings.

Maturities of commitments by quarter (as at 30.06.2021) (in € million)



Debt distribution (as at 30.06.2021)



To reduce its financing costs, Befimmo has a commercial paper programme of a maximum amount of €600 million, €408 million of which was in use at 30 June 2021 for short-term issues and €116.3 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 (i) the interest-rate risk, consisting of IRS and COLLARs[12].

Operations carried out:

- Extension of a €15 million IRS by an additional 4 years until November 2031;
- 2 partial cancellations for the period 2021-2022, with a €30 million nominal each;
- Placement of a €20 million receiver swap for the period 2021-2022;
- Extension of a €25 million swap by an addition 4 years until January 2032.

The package of instruments in place gives the Company a hedging ratio of 86.1% as at 30 June 2021. The hedge ratio remains above 50% until Q3 of 2026 inclusive.

[12] Subscription to a COLLAR places a ceiling on the rise in interest rates (CAP), but also involves an undertaking to pay a minimum rate (FLOOR).

Evolution of the portfolio of hedging instruments and fixed-rate debts (as at 30.06.2021)

Annual average		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
CAP	Notional (€ million)	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Average rate (in %)	1.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FLOOR	Notional (€ million)	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Average rate (in %)	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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	15
	[1] (in %)	0.8%	0.8%	0.8%	0.7%	0.8%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.4%	0.5%

[a] Average fixed rate excluding credit margin and including options on swaps (SWAPTIONS) considered at the maximum rate.

OUTLOOK AND DIVIDEND FORECAST

On the basis of the information known at the date of publication of this Report, the Board of Directors confirms the projected EPRA earnings of € 2.10 per share.

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 financial year in the framework of its asset rotation policy, i.e. for 2021 a minimum of €1.68 gross per share. The dividend yield amounts to 5% on the basis of the share price at 30 June 2021.

Befimmo has the intention to propose the distribution of the dividend in two phases (interim dividend in December and final dividend in May) and, as the case may be, in optional form.

EPRA BEST PRACTICES

The Statutory Auditor verified that the EPRA ratios were calculated in accordance with the definitions and that the financial data used for the calculation of these ratios correspond with the accountancy data, as included in the consolidated financial statements.

EPRA INDICATORS – REAL-ESTATE OPERATOR BUSINESS

EPRA indicators	EPRA definition [a]	EPRA use[a]		30.06.2021	30.06.2020
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.	in € thousand	32 379	42 477
			in € per share	1.20	1.57
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.	Incl. vacancy costs	32.9%	23.3%
			Excl. vacancy costs	29.9%	20.5%
EPRA Like-for-Like Net Rental Growth	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.	Provide information (in %) on the growth in net rental income (property charges deducted) at constant perimeter of the portfolio (excluding the impact of acquisitions and disposals)[b].	in %	-4.2%	-1.2%
EPRA indicators	**EPRA definition [a]**	**EPRA use[a]**		**30.06.2021**	**30.06.2020**
(i) EPRA Net Initial Yield (NIY)	Annualised rental income[d] based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value[c] of the property, increased with (estimated) purchasers' costs.	A comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.	in %	4.9%	4.7%
(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).		in %	5.0%	5.0%
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.	in %	2.4%	3.6%

[a] Source: EPRA Best Practices (www.epra.com).
[b] Because EPRA doesn't publish the use of the EPRA Like-for-Like, Befimmo wrote it.
[c] According to the BE-REIT legislation, the buildings of the portfolio of Befimmo are booked at their fair value.
[d] For Befimmo, the annualised rental income is equivalent to the gross annual current rent at the closing date plus future rent on leases signed, as reviewed by the real-estate experts.

EPRA INDICATORS - CONSOLIDATED

EPRA indicators	EPRA definition [a]	EPRA use[a]		30.06.2021	30.06.2020
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.	in € thousand	30 913	41 498
			in € per share	1.14	1.53

EPRA indicators	EPRA definition [a]	EPRA use[a]		30.06.2021	31.12.2020
EPRA NRV	Net Reinstatement Value (NRV) assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	The EPRA NAV metrics make adjustments to the IFRS NAV in order to provide stakeholders with the most relevant information on the fair value of the assets and liabilities.	in € thousand	1 727 854	1 716 486
			in € per share	63.94	63.48
EPRA NTA	Net Tangible Assets (NTA) assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	The EPRA NAV metrics make adjustments to the IFRS NAV in order to provide stakeholders with the most relevant information on the fair value of the assets and liabilities.	in € thousand	1 633 582	1 625 138
			in € per share	60.45	60.10
EPRA NDV	Net Disposal Value represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	The EPRA NAV metrics make adjustments to the IFRS NAV in order to provide stakeholders with the most relevant information on the fair value of the assets and liabilities.	in € thousand	1 594 358	1 546 515
			in € per share	59.00	57.19

[a] Source: EPRA Best Practices (www.epra.com).
[b] According to the BE-REIT legislation, the buildings of the portfolio of Befimmo are booked at their fair value.

BEFIMMO ON THE STOCK MARKET

KEY FIGURES

	30.06.2021 (6 months)	31.12.2020 (12 months)
Number of shares issued	*28 445 971*	*28 445 971*
Number of shares not held by the group	*27 023 024*	*27 040 351*
Average number of shares not held by the group during the period	*27 028 558*	*27 048 907*
Highest share price (in €)	36.6	57.0
Lowest share price (in €)	32.9	32.1
Closing share price (in €)	33.5	36.3
Number of shares traded[(a)]	11 302 609	24 888 322
Average daily turnover[(a)]	89 703	70 693
Free float velocity[(a)]	54%	120%
Distribution ratio (in relation to the EPRA earnings)	-	80%
Gross dividend[(b)] (in € per share)	-	2.25
Gross yield[(c)]	-	6.2%
Return on share price[(d)]	-10.6%	-28.5%

[(a)] Source: Kempen & Co. Based on trading on all platforms.
[(b)] Subject to a withholding tax of 30%.
[(c)] Gross dividend divided by the closing share price.
[(d)] 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.

EVOLUTION OF THE BEFIMMO SHARE

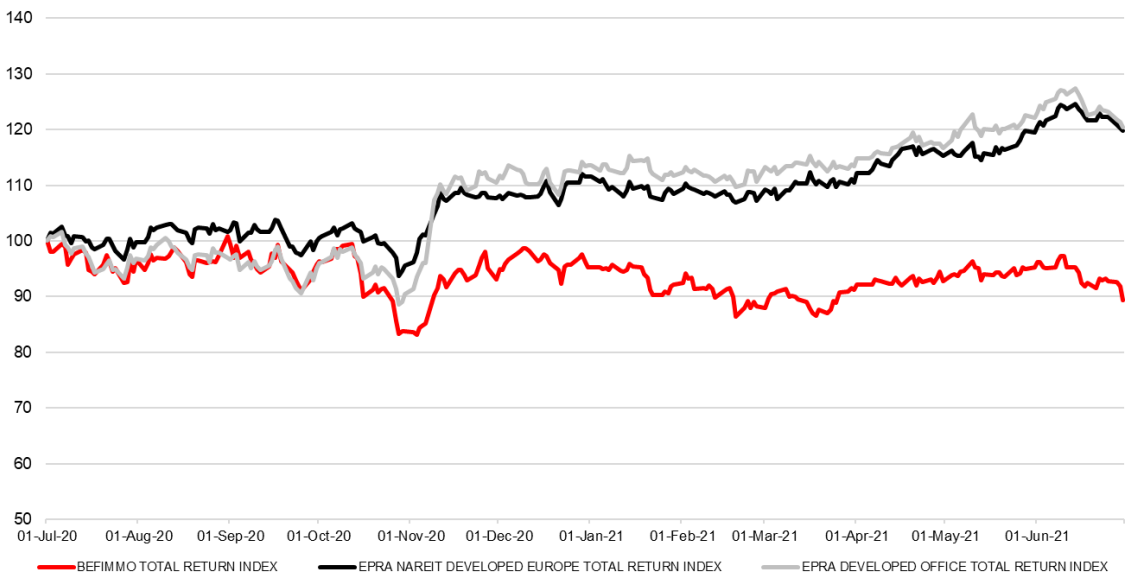
The Befimmo share closed at €33.5 on 30 June 2021, as against €36.30 at 31 December 2020. Befimmo's market capitalization stood at €952,940,028 at 30 June 2021. During H1 2021, the average daily trading volume on all platforms was around 89,703 shares.

The ongoing health crisis has had a significant impact on certain listed real-estate sector, the Befimmo share price is at a historically low level. At 30 June 2021, the Befimmo share closed at €33.5, a discount of -44% in relation to the net asset value.

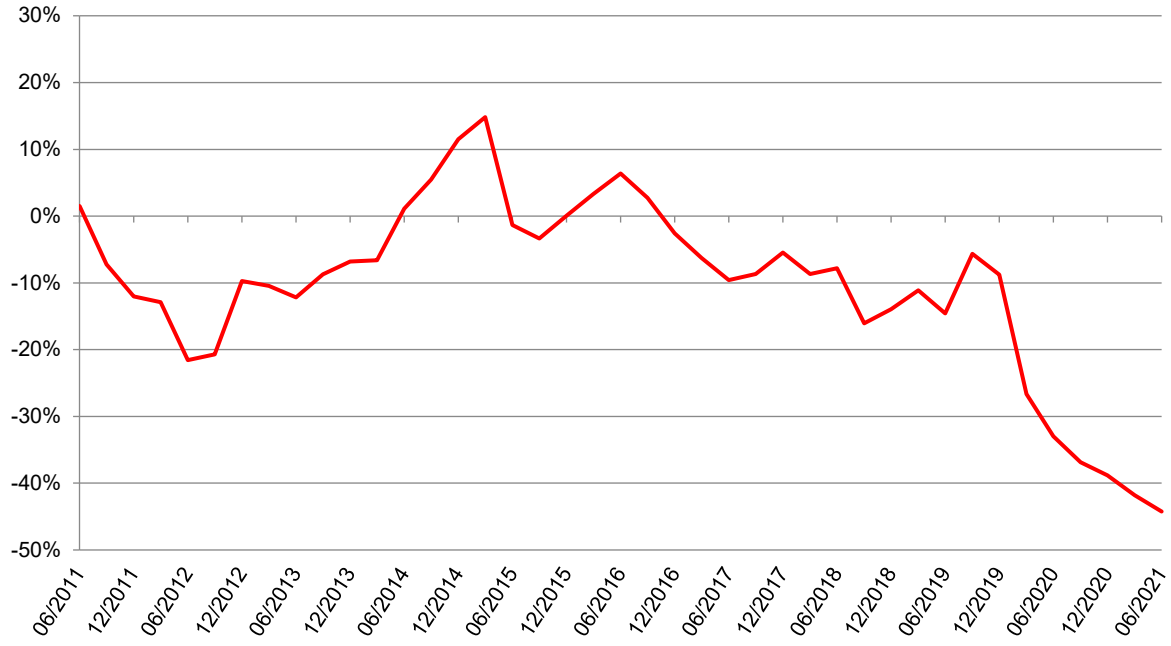
The return on the Befimmo share price is -10.6% over H1 2021.

Kepler Cheuvreux is entrusted with the implementation of a liquidity contract relating to Befimmo's ordinary shares admitted to trading on Euronext Brussels. This agreement provides for the purchase and sale by Kepler Cheuvreux of Befimmo shares. For more information, consult the press release of 5 October 2020.

Evolution of Befimmo's total return index compared to the total return index of the EPRA NAREIT and EPRA OFFICES indices[13]



Premium and discount of the share price in relation to the net asset value on a 10-year period



[13] Source : EPRA.

INFORMATION TO THE SHAREHOLDERS

Corporate governance

The renewal of the following mandates has been proposed and approved during the Ordinary General Meeting of 27 April 2021:

- Appointment of Jean-Philip Vroninks, as Executive Director, for a period of 4 years, ending at the Ordinary General Meeting of 2025;
- Renewal of the mandate of Mr Alain Devos, as an non-executive Director, for a period of 2 years, ending at the Ordinary General Meeting of 2023;
- Renewal of the mandate of Mrs Sophie Goblet, as Independent Director, for a period of 4 years, ending at the Ordinary General Meeting of 2025;
- Renewal of the mandate of Mrs Sophie Malarme-Lecloux, as Independent Director, for a period of 3 years, ending at the Ordinary General Meeting of 2024.
- Renewal of the mandate of Mr Vincent Querton, as Independent Director, for a period of 4 years, ending at the Ordinary General Meeting of 2025.

The composition of the Board is as follows:

Position on the Board	Directorship expiry date
Vincent Querton Chairman, non-executive Director, independent	Ordinary General Meeting 2025
Jean-Philip Vroninks Managing Director	Ordinary General Meeting 2025
Benoît De Blieck non-executive Director	Ordinary General Meeting 2022
Sophie Goblet non-executive Director , independent	Ordinary General Meeting 2025
Sophie Malarme-Lecloux non-executive Director , independent	Ordinary General Meeting 2024
Wim Aurousseau non-executive Director, linked to a shareholder	Ordinary General Meeting 2022
Kurt De Schepper non-executive Director, linked to a shareholder	Ordinary General Meeting 2024
Etienne Dewulf non-executive Director , independent	Ordinary General Meeting 2022
Alain Devos non-executive Director	Ordinary General Meeting 2023
Anne-Marie Baeyaert non-executive Director, independent	Ordinary General Meeting 2023

KEY DATE FOR SHAREHOLDERS

Publication[a] of the half-yearly results and online publication of the Half-Yearly Financial Report 2021	29 July 2021
Interim statement[a] as 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 as 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 as 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.

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 %)
Declarants			
AXA Belgium SA	2 741 438	30.04.2019	9.6%
Ageas and affiliated companies	2 641 047	30.04.2019	9.3%
BlackRock Inc.	848 297	20.11.2019	3.0%
Own shares			
Befimmo SA	1 418 975	01.07.2021	4.99%
Other shareholders under the statutory threshold	20 796 214	01.07.2021	73.1%
Total	**28 445 971**		**100%**

CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME (IN € THOUSAND)

		Notes	30.06.21	30.06.20
I.	(+) Rental income		66 450	73 166
III.	(+/-) Charges linked to letting		66	- 251
NET RENTAL RESULT			**66 516**	**72 916**
IV.	(+) Recovery of property charges		9 158	10 727
V.	(+) Recovery of rental charges and taxes normally paid by tenants on let properties		19 182	22 547
VII.	(-) Rental charges and taxes normally paid by tenants on let properties		-24 242	-26 983
VIII.	(+/-) Other revenue and charges for letting		4	159
PROPERTY RESULT			**70 617**	**79 366**
IX.	(-) Technical costs		-11 568	-10 644
X.	(-) Commercial costs		- 600	- 460
XI.	(-) Charges and taxes on unlet properties		-1 843	-1 978
XII.	(-) Property management costs		-1 801	-1 558
XIII.	(-) Other property charges		-3 034	-3 459
	(+/-) Property charges		**-18 847**	**-18 099**
PROPERTY OPERATING RESULT			**51 770**	**61 267**
XIV.	(-) Corporate overheads		-12 145	-9 732
XV.	(+/-) Other operating income and charges		-1 389	274
OPERATING RESULT BEFORE RESULT ON PORTFOLIO			**38 236**	**51 809**
XVI.	(+/-) Gains and losses on disposals of investment properties		6 798	-
XVIII.	(+/-) Changes in fair value of investment properties		-10 962	897
OPERATING RESULT			**34 072**	**52 706**
XX.	(+) Financial income	5	619	414
XXI.	(-) Net interest charges	5	-7 401	-10 049
XXII.	(-) Other financial charges	5	-2 225	-1 222
XXIII.	(+/-) Changes in fair value of financial assets and liabilities	5	20 961	-16 673
	(+/-) Financial result		**11 953**	**-27 531**
PRE-TAX RESULT			**46 026**	**25 175**
XXV.	(-) Corporation tax		- 775	- 843
	(+/-) Taxes		**- 775**	**- 843**
NET RESULT			**45 251**	**24 333**
TOTAL COMPREHENSIVE INCOME (group share)			46 802	24 733
NON-CONTROLLING INTERESTS			-1 551	- 401
BASIC NET RESULT AND DILUTED (in € per share)			**1.73**	**0.91**
Other comprehensive income - actuarial gains and losses - pension liabilities			2 364	- 323
TOTAL COMPREHENSIVE INCOME			**47 615**	**24 010**
TOTAL COMPREHENSIVE INCOME (group share)			49 166	24 410
NON-CONTROLLING INTERESTS			-1 551	- 401

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION (IN € THOUSAND)

ASSETS		Notes	30.06.2021	31.12.2020
I.	**Non-current assets**		**2 840 266**	**2 790 205**
A.	Goodwill	6	17 723	18 145
B.	Intangible assets		5 349	3 815
C.	Investment properties	7	2 788 565	2 739 649
	Fair value of portfolio (Silversquare excluded)		2 746 742	2 694 479
	Right of use - Fair value of Silversquare leases		41 824	45 170
D.	Other property, plant and equipment		15 745	15 355
E.	Non-current financial assets	8	8 063	8 421
F.	Finance lease receivables		4 821	4 822
II.	**Current assets**		**65 769**	**56 284**
A.	Assets held for sale	7	24 149	21 581
B.	Current financial assets	8	1 072	795
C.	Finance lease receivables		147	145
D.	Trade receivables		33 537	28 386
E.	Tax receivables and other current assets		142	479
F.	Cash and cash equivalents		2 813	2 439
G.	Deferred charges and accrued income		3 911	2 458
TOTAL ASSETS			**2 906 036**	**2 846 488**

SHAREHOLDERS' EQUITY AND LIABILITIES		Notes	30.06.2021	31.12.2020
TOTAL SHAREHOLDERS' EQUITY			**1 623 441**	**1 591 404**
I.	**Equity attributable to shareholders of the parent company**		**1 623 441**	**1 591 404**
A.	Capital		398 357	398 356
B.	Share premium account		861 905	861 905
C.	Reserves		316 377	318 874
D.	Net result for the fiscal year		46 802	12 269
II.	**Non controlling interests**		**-**	**-**
LIABILITIES			**1 282 594**	**1 255 084**
I.	**Non-current liabilities**		**671 540**	**760 104**
A.	Provisions		1 293	3 918
B.	Non-current financial debts	8	621 825	684 586
	a. Credit institution		198 462	219 677
	c. Other		423 363	464 909
C.	Other non-current financial liabilities		39 763	62 973
D.	Trade debts and other non-current debts		7 547	7 547
F.	Deferred tax - liabilities		1 112	1 081
II.	**Current liabilities**		**611 054**	**494 980**
A.	Provisions		2 321	2 526
B.	Current financial debts	8	469 091	368 697
	a. Credit institution		10 389	11 001
	c. Other		458 702	357 696
C.	Other current financial liabilities		662	-
D.	Trade debts and other current debts		114 270	93 130
E.	Other current liabilities		1 700	4 276
F.	Accrued charges and deferred income		23 010	26 351
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			**2 906 036**	**2 846 488**

CONSOLIDATED CONDENSED CASH FLOW STATEMENT (IN € THOUSAND)

	30.06.21	30.06.20
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR	**2 439**	**2 878**
Operating activities (+/-)		
Net result for the period (6 months)	45 251	24 333
Result on disposal of investment properties	-6 798	-
Financial result (excl. changes in fair value of financial assets and liabilites)	9 008	10 857
Interest paid (incl. Financial charges IFRS 16)	-11 560	-12 691
Taxes	775	843
Taxes paid	- 335	- 193
Items with no effect on cash flow to be extracted from earnings		
Fair value adjustment for investment buildings (+/-)	10 962	- 897
Fair value adjustment on non-current financial assets/liabilities booked to earnings (+/-)	-20 961	16 673
Loss of (gain in) value on trade receivables (+/-)	96	133
IFRS 16 correction	288	-
Amortisation / Loss of (gain in) value on property, plant and equipment (+/-)	1 799	1 057
Goodwill impairment	421	-
Adjustments of provisions (+/-)	- 104	- 870
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS	**28 841**	**39 244**
Change in assets items	-6 812	-16 948
Change in liabilities items	-8 708	21 957
CHANGE IN WORKING CAPITAL REQUIREMENTS	**-15 519**	**5 009**
CASH FLOW FROM OPERATING ACTIVITIES	**13 321**	**44 253**
Investments (-) / Disposals (+)		
Investment properties		
Investments	-92 493	-79 901
Disposals	93 706	-
Acquisition of the Cubus building	-29 973	-
Other acquisitions (redevelopment projects, stake,…)	- 465	- 534
Other property, plant and equipment and intangible assets	-3 789	-3 668
CASH FLOW FROM INVESTMENT ACTIVITIES	**-33 014**	**-84 103**
Financing (+/-)		
Increase (+) / Decrease (-) in financial debts	33 344	129 739
European private bond placements	5 000	-
Reimbursement USPP May 2019 and May 2020	-	-67 494
Increase (+) / Decrease (-) in financial debts IFRS 16	-1 400	-1 174
Hedging instruments and other financial assets	-1 470	- 294
Final dividend previous fiscal year	-15 407	-23 265
Cost capital increase	-	36
CASH FLOW FROM FINANCING ACTIVITIES	**20 067**	**37 548**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**374**	**-2 302**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (6 MONTHS)	**2 813**	**575**

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY (IN € THOUSAND)

	Capital	Share premium account	Reserves	Net result of the fiscal year	Equity: group share	Non controlling interests	Total share-holders' equity
EQUITY AS AT 31.12.19	**398 320**	**861 905**	**231 434**	**112 213**	**1603 872**	**-**	**1603 872**
Appropriation of the result			112 213	-112 213	**-**		**-**
Dividend distributed			-23 265		**-23 265**		**-23 265**
Final dividend of the 2019 fiscal year Befimmo			*-23 265*		***-23 265***		***-23 265***
Private placement of own shares on 3 December 2019	36				**36**		**36**
Profit attributable to non-controlling interests			- 401		**- 401**		**- 401**
Other elements of comprehensive income			- 323		**- 323**		**- 323**
Net result (group share) (6 months)				24 733	***24 733***		**24 733**
EQUITY AS AT 30.06.20	**398 356**	**861 905**	**319 658**	**24 733**	**1 604 653**	**-**	**1 604 653**
Interim dividend				-45 440	**-45 440**		**-45 440**
Befimmo 2020 interim dividend				*-45 440*	***-45 440***		***-45 440***
Profit attributable to non-controlling interests			- 715		**-715**		**- 715**
Valuation of the put option held by minority shareholders			1 773		**1 773**		**1 773**
Liquidity program			- 382		**-382**		**- 382**
Other elements of comprehensive income			-1 461		**-1 461**		**-1 461**
Net result (group share) (6 months)				32 976	**32 976**		**32 976**
EQUITY AS AT 31.12.20	**398 356**	**861 905**	**318 874**	**12 269**	**1 591 404**	**-**	**1 591 404**
Appropriation of the result			12 269	-12 269	**-**		**-**
Dividend distributed			-15 407		**-15 407**		**-15 407**
Final dividend of the 2020 fiscal year Befimmo			*-15 407*		***-15 407***		***-15 407***
Other elements - mainly linked to liquidity contract and Performance Stock Units Plan	0		- 171		**- 171**		**- 171**
Profit attributable to non-controlling interests			-1 551		**-1 551**		**-1 551**
Other elements of comprehensive income			2 364		**2 364**		**2 364**
Net result (group share) (6 months)				46 802	***46 802***		**46 802**
EQUITY AS AT 30.06.21	**398 357**	**861 905**	**316 377**	**46 802**	**1 623 441**		**1 623 441**

NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. GENERAL BUSINESS INFORMATION

Befimmo ("the Company", registered with banque carrefour des enterprises under number 0455.835.167) is a Public Regulated Real-Estate Investment Trust under Belgian law (public BE-REIT). It is organised as a "Société Anonyme" (Limited-Liability Company). Its registered office is at Chaussée de Wavre 1945, 1160 Brussels (Belgium).

The Company and its subsidiaires close their fiscal year at 31 December. Befimmo has a 100% direct or indirect interest in its subsidiaries Axento SA (registered with the Luxembourg trade and companies register under number B121993 in the Grand Duchy of Luxembourg), Befimmo Property Services SA (registered with Banque Carrefour des Entreprises under number 0444.052.241), Fedimmo SA (registered with Banque Carrefour des Entreprises under number 0886.003.839), Meirfree SA (registered with Banque Carrefour des Entreprises under number 0889.229.788), Vitalfree SA (registered with the Banque Carrefour des Entreprises under number 0899.063.306),Zin in Noord SA (registered with the Banque Carrefour des Entreprises under number 0742.736.225), Zin In Noord 2025 SA (registered with the Banque Carrefour des Entreprises under number 0759.620.955), Loi 52 SA (registered with the Banque Carrefour des Entreprises under number 0712.741.845) and Kubissimmo (registered with the Luxembourg trade and companies register under number B 251488 in the Grand Duchy of Luxembourg). Befimmo holds a 75.63% stake in Silversquare Belgium SA (registered with the Banque Carrefour des Entreprises under number 0806.423.356). Befimmo holds a stake of 12.5% in the capital of Co.Station Belgium SA (registered with the Banque Carrefour des Entreprises under number 0599.786.434).

The Company is presenting consolidated financial statements as at 30 June 2021. The Board of Directors of Befimmo SA adopted and authorised the publication of the financial statements on 28 July 2021.

The Group's business consists of providing office buildings, meeting rooms and coworking spaces to various users and the associated services.

At 30 June 2021, the premises provided consisted of quality office buildings and coworking spaces in Belgium, mainly in Brussels, other Belgian towns and cities, and the Grand Duchy of Luxembourg, two thirds of which are made available to public institutions and the remainder to multinationals, local companies and starters.
The Company is listed on Euronext Brussels.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted within the European Union. They should be read in conjunction with the consolidated financial statements closed at 31 December 2020 included in the 2020 Annual Financial Report.

The main accounting methods are identical to those used in the 2020 Annual Financial Report (pages 157 to 165), which is available on the Company's website (www.befimmo.be).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND MAIN SOURCES OF UNCERTAINTY REGARDING ESTIMATES

The significant accounting judgments and main sources of uncertainty regarding estimates are identical to those set out in the Annual Financial Report 2020 (page 165) which can be found on the Company's website (www.befimmo.be).

4. SEGMENT INFORMATION

The description of Befimmo's consolidated portfolio is set out in the chapter "Property report".

Befimmo's sectors of activity are the real estate operator activity and the coworking activity.

	Real-estate operator							
	Brussels CBD and similar		Brussels decentralised		Brussels periphery		Wallonia	
(in thousand €)	30.06.21 (6 months)	30.06.20 (6 months)	30.06.21 (6 months)	30.06.20 (6 months)	30.06.21 (6 months)	30.06.20 (6 months)	30.06.21 (6 months)	30.06.20 (6 months)
INCOME STATEMENT								
A. Rental income	28 077	35 737	3 434	3 385	3 404	4 408	5 576	5 526
B. Property operating result	23 907	30 957	2 543	3 089	2 662	3 965	4 723	4 821
C. Change in fair value of investment properties	17 364	13 659	- 433	- 1 103	- 3 236	- 1 117	- 9 372	8 043
D. Gains and losses on disposal of buildings	4 707	-	-	0	-	-	2 091	-
E. SEGMENT RESULT (= B+C+D)	**45 978**	**44 616**	**2 110**	1 986	**- 574**	**2 847**	**- 2 557**	**12 864**
Percentage by segment	96.6%	71.8%	4.4%	3.2%	-1.2%	4.6%	-5.4%	20.7%
F. Corporate overheads								
G. Other operating income and charges								
H. Financial result								
I. Income tax								
NET RESULT (= E+F+G+H+I)								
Net result (group share)								
Non controlling interests								
	30.06.21	31.12.20	30.06.21	31.12.20	30.06.21	31.12.20	30.06.21	31.12.20
BALANCE SHEET								
Assets								
Goodwill	2 607	2 607	-	-	-	-	1 018	1 329
Investment properties and assets held for sale	1 699 116	1 659 766	82 878	82 234	89 980	92 537	283 499	284 973
of which investments and acquisitions during the year	*92 119*	*182 037*	*1 079*	*2 790*	*679*	*1 230*	*14 641*	*- 16 403*
Other assets	3 396	3 343	-	-	-	-	1 572	1 624
TOTAL ASSETS	**1 705 118**	**1 665 716**	**82 878**	**82 234**	**89 980**	**92 537**	**286 089**	**287 926**
Percentage by segment	58.7%	58.5%	2.9%	2.9%	3.1%	3.3%	9.8%	10.1%
TOTAL LIABILITIES								
TOTAL SHAREHOLDERS' EQUITY								
Equity attributable to shareholders of the parent company								
Non controlling interests								
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY								

Real-estate operator				Coworking		Unallocated amounts / intercompagny eliminations		Total	
Flanders		Luxembourg city							
30.06.21 (6 months)	30.06.20 (6 months)	30.06.21 (6 months)	30.06.20 (6 months)	30.06.21 (6 months)	30.06.20 (6 months)	30.06.21 (6 months)	30.06.20 (6 months)	30.06.21 (6 months)	30.06.20 (6 months)
18 834	18 044	3 254	2 525	4 439	4 042	- 567	- 502	**66 450**	**73 166**
16 060	16 811	2 691	2 219	- 809	- 588	- 7	- 6	**51 770**	**61 267**
- 13 182	- 22 352	1 245	2 943	- 3 346	825	-	-	**- 10 962**	**897**
-	-	-	-	-	-	-	-	**6 798**	**-**
2 878	**- 5 541**	**3 935**	**5 162**	**- 4 155**	**237**	**- 7**	**- 6**	**47 607**	**62 164**
6.0%	-8.9%	8.3%	8.3%	-8.7%	0.4%	0.0%	0.0%	**100.0%**	**100.0%**
						- 12 145	- 9 732	**- 12 145**	**- 9 732**
						- 1 389	274	**- 1 389**	**274**
						11 953	- 27 531	**11 953**	**- 27 531**
						- 775	- 843	**- 775**	**- 843**
								45 251	**24 333**
								46 802	**24 733**
								- 1 551	**- 401**
30.06.21	31.12.20	30.06.21	31.12.20	30.06.21	31.12.20	30.06.21	31.12.20	30.06.21	30.06.20
5 198	5 308	-	-	8 900	8 900	-	-	**17 723**	**18 145**
437 115	449 467	178 302	147 083	41 824	45 170	-	-	**2 812 714**	**2 761 229**
831	*1 565*	*29 975*	*15*	-	-	-	-	***139 323***	***171 234***
-	-	-	-	-	-	70 630	62 147	**75 598**	**67 114**
442 313	**454 775**	**178 302**	**147 083**	**50 724**	**54 070**	**70 630**	**62 147**	**2 906 036**	**2 846 488**
15.2%	16.0%	6.1%	5.2%	1.7%	1.9%	2.4%	2.2%	**100%**	**100%**
						1 282 594	**1 255 084**	**1 282 594**	**1 255 084**
						1 623 441	**1 591 404**	**1 623 441**	**1 591 404**
						1 623 441	**1 591 404**	**1 623 441**	**1 591 404**
						-	**-**	**-**	**-**
						2 906 036	**2 846 488**	**2 906 036**	**2 846 488**

5. FINANCIAL RESULT

The financial result (excluding changes in fair value of financial assets and liabilities) was -€9.0 million in the first half of 2021 as against -€10.9 million in the first half of 2020.

"Financial income" includes mainly the compensation paid by investors on their commercial paper investments issued by Befimmo.

The decrease in the charge of €2.7 million in the sub-heading "Nominal interest on loans" is mainly explained by the decrease of the average debt between the first half of 2021 and the first half 2020. The decrease of the debt between the two compared periods is due to the disposals of buildings in the 4th quarter of 2020 and in the first semester of 2021, an increase of capitalised interest charges in 2021 for the ongoing projects Quatuor and ZIN, and the maturity of comparatively expensive USPP in 2020 . The sub-heading "Other interest charges" includes the interest charge on leases, recognised as per IFRS 16, amounting to -€0.8 million over the first six months of 2021 and to -€0.7 million over the first six months of 2020.

The increase in "Other financial charges" of €1.0 million is due to the termination of a fixed-rate sale of receivables on the Wiertz building sold in March 2021 and the increase in commitment fees following the increase in financing reserves to cover the ambitious capex program and an increased liquidity target during the pandemic.

The change in fair value of the financial assets and liabilities is €21.0 million as against -€16.7 million in the first six months of 2020.

(in € thousand)		30.06.21 (6 months)	30.06.20 (6 months)
(+)	**XX. Financial income**	**619**	**414**
(+)	Interests and dividends received	508	304
(+)	Fees for finance leases and similar	111	109
(+/-)	**XXI. Net interest charges**	**-7 401**	**-10 049**
(-)	Nominal interest on loans	-3 036	-5 744
(-)	Reconstitution of the face value of financial debts	- 134	- 128
(-)	Other interest charges	- 847	- 734
(+)	Proceeds of authorised hedging instruments	1 387	2 697
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*1 387*	*2 697*
(-)	Charges of authorised hedging instruments	-4 772	-6 139
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*-4 772*	*-6 139*
(-)	**XXII. Other financial charges**	**-2 225**	**-1 222**
(-)	Bank charges and other commissions	-1 771	-1 222
(-)	Net losses realised on sale of financial assets	- 3	-
(-)	Net capital losses realised on sale of finance lease receivables and similar	- 452	-
(+/-)	**XXIII. Changes in fair value of financial assets and liabilities**	**20 961**	**-16 673**
(+/-)	Authorised hedging instruments	20 995	-29 394
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*20 995*	*-29 394*
(+/-)	Others	- 34	12 720
(+/-)	**Financial result**	**11 953**	**-27 531**

6. GOODWILL

Befimmo's acquisition of Fedimmo in 2006 generated goodwill from the positive difference between the acquisition cost (including transaction costs) and Befimmo's share of the fair value of the net asset acquired. The method of recording this goodwill is described in the Annual Financial Report 2020 (page 174).

At 30 June 2021, the goodwill was subject to an impairment test, in accordance with the method described in the Annual Financial Report 2020 (page 175). The test results in an impairment of 421 k€, mainly due to the decrease in the value of buildings located in Flanders and Wallonia.

The consolidation of Silversquare since 1 January 2019 generated goodwill for Befimmo as a result of the difference between the acquisition cost and Befimmo's share in the fair value of the net assets acquired. The method of recording this goodwill is described in the 2020 Annual Financial Report (page 175).

The Company has no indication at 30 June 2021 of any material difference in the valuation of Silversquare below the impaired acquisition cost as at 31 December 2020. Therefore, no impairment has been recorded.

7. INVESTMENT PROPERTIES

(in € thousand)	
Carrying value as at 31.12.2019	**2 814 822**
of which: - Investment properties	*2 814 822*
Fair value of the portfolio excluding Silversqure	*2 790 778*
Fair value of the Silversquare leases (right of use)	*24 044*
- Assets held for sale	*-*
Acquisitions	13 228
Other investments	158 006
Reclassification goodwill WTC 3 and WTC 4 before contribution in kind	4 685
Disposals	- 251 396
Changes in fair value	860
IFRS 16 - Silversquare leases (right of use)	21 125
New leases contracted since 1 January 2020	*20 518*
Changes in fair value	*608*
IFRS 16 - rights of use of lands	- 101
Changes in fair value	*- 101*
Carrying value as at 31.12.2020	**2 761 229**
of which: - Investment properties	*2 739 649*
Fair value of the portfolio excluding Silversqure	*2 694 479*
Fair value of the Silversquare leases (right of use)	*45 170*
- Assets held for sale	*21 581*
Acquisitions	29 973
Other investments	109 350
Disposals	- 76 876
Changes in fair value	- 7 651
IFRS 16 - Silversquare leases (right of use)	- 3 346
Changes in fair value	*- 3 346*
IFRS 16 - rights of use of lands	36
Changes in fair value	*36*
Carrying value as at 30.06.2021	**2 812 714**
of which: - Investment properties	*2 788 565*
Fair value of the portfolio excluding Silversqure	*2 746 742*
Fair value of the Silversquare leases (right of use)	*41 824*
- Assets held for sale	*24 149*

During the fiscal year 2020, the main acquisition of Befimmo was the building Loi 52, located in the Léopold district of the CBD.

In the first half of 2021, Befimmo acquired the Cubus building, located in Luxembourg.

In 2020, €158.0 million were invested in works in the portfolio from which € 138.2 millions in properties constructed or developed for own account in order to be leased. The main investments were in the Quatuor project (€68.5 million),

the ZIN project (€39.4 million), the Paradis Express project (€15.8 million in the office part), the renovation of the Central building (€11.1 million) and the renovation of the Brederode Corner building completed in 2020 (€5.1 million).

In the first half of 2021, Befimmo invested €109,3 million in its portfolio. The investments were mainly in the Quatuor project (€42.5 million), the ZIN project (€33.5 million), the renovation of the Central building (€12,5 million) and the Paradis Express project (€14,6 million).

In fiscal year 2020, Befimmo granted a 99-year leasehold on the Blue Tower, Schuman 3, Schuman 11 and Guimard buildings in the Brussels CBD and sold the Media building in the Brussels periphery. Fedimmo sold the Froissart building in the Brussels CBD.

In the first half of 2021, Befimmo sold the Wiertz building in Brussels CBD. Fedimmo sold the residential part of Paradis Express to Matexi and Yust.

The heading “Assets held for sale” includes eleven buildings in the Fedimmo portfolio located in Flanders and Wallonia.

8. FINANCIAL ASSETS AND LIABILITIES

On a like-for-like basis, and all other things being equal, the Company has covered its financing needs until the end of Q1 2023. The chapter "Financial structure and hedging policy" on page 27 of this Report contains detailed information on the subject.

In order to limit the risks related to changes in interest and exchange rates, the Company buys hedging instruments. At 30 June 2021, the hedging ratio was 86.1%. The following table lists all the hedging instruments owned by the Company at 30 June 2021.

	Level in IFRS	Class in IFRS	Notional amount (millions)	€ Interest rate	Period of hedge		Reference interest rate
CAP bought	2	Option	1.15%	1.15%	Jan. 2016	Jan. 2022	Euribor 3 months
FLOOR[1] sold	2	Option	0.55%	0.55%	Jan. 2016	Jan. 2022	Euribor 3 months
Payer's IRS	2	Forward	25	0.82%	Oct. 2017	July 2021	Euribor 3 months
Payer's IRS	2	Forward	25	1.57%	Dec. 2017	Sept. 2022	Euribor 3 months
Payer's IRS	2	Forward	15	1.40%	July 2014	Jan. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0.72%	Jan. 2016	Jan 2024	Euribor 3 months
Payer's IRS	2	Forward	15	1.08%	Sept. 2015	Sept. 2024	Euribor 3 months
Payer's IRS	2	Forward	20	0.84%	Oct. 2015	Oct. 2024	Euribor 3 months
Payer's IRS	2	Forward	20	0.81%	Oct. 2015	Oct. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0.17%	June 2018	Dec. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0.71%	April 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.80%	April 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.65%	April 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0.66%	April 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.71%	Aug. 2018	Feb. 2025	Euribor 3 months
Payer's IRS	2	Forward	20	0.93%	Aug. 2018	Feb. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0.91%	Oct. 2015	Oct. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0.85%	Feb. 2016	Feb. 2026	Euribor 3 months
Payer's IRS	2	Forward	20	0.92%	Feb. 2025	Aug. 2026	Euribor 3 months
Payer's IRS	2	Forward	25	0.82%	Feb. 2017	Feb. 2027	Euribor 3 months
Payer's IRS	2	Forward	25	0.95%	April 2018	Oct. 2027	Euribor 3 months
Payer's IRS	2	Forward	25	0.77%	Oct. 2017	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.10%	Jan. 2025	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	30	1.14%	Jan. 2025	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.21%	Jan. 2025	April 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.21%	Dec. 2024	June 2028	Euribor 3 months
Payer's IRS	2	Forward	50	0.87%	Dec. 2018	Dec. 2028	Euribor 3 months
Payer's IRS	2	Forward	50	0.65%	Jan. 2022	July 2029	Euribor 3 months
Payer's IRS	2	Forward	25	0.74%	Jan. 2025	Jan. 2031	Euribor 3 months
Payer's IRS	2	Forward	15	0.77%	May 2021	Nov. 2031	Euribor 3 months
Payer's IRS	2	Forward	25	0.79%	July 2021	Jan 2032	Euribor 3 months
Payer's IRS	2	Forward	25	0.61%	Feb. 2025	Feb. 2032	Euribor 3 months
Payer's IRS	2	Forward	20	0.74%	Jan. 2023	Jan. 2038	Euribor 3 months
Payer's IRS	2	Forward	30	0.94%	Jan. 2023	Jan. 2038	Euribor 3 months
Payer's IRS	2	Forward	25	0.70%	Sept. 2019	July 2039	Euribor 3 months
Payer's IRS	2	Forward	25	0.66%	Jan . 2022	Jan. 2040	Euribor 3 months
Payer's IRS	2	Forward	25	-0.05%	Jan . 2022	Jan. 2040	Euribor 3 months
Payer's IRS	2	Forward	30	0.54%	Jan. 2023	July 2040	Euribor 3 months
Receiver's IRS	2	Forward	25	1.51%	March 2017	July 2021	Euribor 1 month
Payer's IRS	2	Forward	20	0.37%	Jan. 2020	Jan. 2022	Euribor 3 months
Receiver's IRS	2	Forward	20	0.37%	April 2021	Jan. 2022	Euribor 3 months
Payer's IRS	2	Forward	30	2.99%	Jan. 2018	Jan. 2022	Euribor 3 months
Receiver's IRS	2	Forward	30	2.99%	Jan. 2018	Jan. 2022	Euribor 3 months
Payer's IRS	2	Forward	20	0.54%	Jan. 2022	Jan. 2023	Euribor 3 months
Receiver's IRS	2	Forward	20	0.54%	Jan. 2022	Jan. 2023	Euribor 3 months
Payer's IRS	2	Forward	25	0.42%	Jan. 2016	July 2024	Euribor 3 months
Receiver's IRS	2	Forward	25	0.42%	Oct. 2017	July 2024	Euribor 3 months
Receiver's IRS	2	Forward	65	0.81%	March 2018	March 2026	Euribor 3 months
Payer's IRS	2	Forward	25	1.25%	Feb. 2025	Feb. 2028	Euribor 3 months
Receiver's IRS	2	Forward	25	1.25%	Feb. 2025	Feb. 2028	Euribor 3 months

[(a)] The sale of a FLOOR implies a commitment to pay a minimum interest rate. A FLOOR is sold only at the same time as a CAP is purchased, for the same notional amount and equivalent maturity. The combined purchase of a CAP and sale of a FLOOR is a COLLAR.

Financial assets and liabilities carried at fair value

Befimmo does not practice hedge accounting for the financial hedging instruments it holds. These instruments are therefore regarded as trading instruments under IFRS, changes in their fair value are booked therefore directly and entirely to the income statement. Although the instruments in question are considered trading instruments under IFRS, they are intended solely for hedging the risk of rising interest and exchange rates, and not for speculative purposes.

The fair value of hedging instruments is defined using data that are indirectly observable, but which are not prices quoted on an active market. The IRS, and COLLAR contracts therefore belong to level 2 of the fair-value hierarchy, as defined in standard IFRS 13 – *Fair Value Measurement*.

These contracts are measured at fair value at the balance sheet date and include the credit value adjustment (CVA) and the debit value adjustment (DVA) in accordance with IFRS 13. The CVAs and DVAs of the financial hedging instruments are calculated on the basis of listed bonds or, alternatively, credit default swaps of counterparty banks and listed Befimmo bonds.
Befimmo receives this information from an independent specialist company. The Company also verifies it using checks of consistency with the valuations received from counterparty financial institutions (fair value excluding CVAs and DVAs).

The fair values of the various classes of hedging instruments are set out below:

(in € thousand)		Balance sheet item as of 30.06.2021	
Classification by IFRS	**Level in IFRS**	**I.E.b. Assets at fair value through the result**	**I.C. & II.C.Other current and non current financial liabilities**
Option	2	-	- 113
Forward	2	7 852	-40 313
		7 852	**-40 426**

(in € thousand)		Balance sheet item as of 31.12.2020	
Classification by IFRS	**Level in IFRS**	**I.E.b. Assets at fair value through the result**	**I.C. & II.C.Other current and non current financial liabilities**
Option	2	-	- 224
Forward	2	7 924	-62 749
		7 924	**-62 973**

The Company does not offset the value of its financial instruments booked to the assets and liabilities in the balance sheet. The financial assets and financial liabilities shown in the financial situation are therefore gross amounts.

Financial assets and liabilities carried at amortised cost

As mentioned under Significant Accounting Policies, as set out in the Annual Financial Report 2020 (pages 161 to 163), the book value of the assets and liabilities approximates to their fair value, except for:

- the financing relating to the sales of receivables from future rents/future usufruct fees, structured at fixed rates, for a residual total at 30 June 2021 of €26.8 million;
- a bank line for a residual value at 30 June of €14.7 million;
- various fixed-rate European private placements (EUPP) totalling €377.0 million.

The fixed rates and margins set for these long-term borrowings may no longer correspond to the current market rates and margins, giving rise to a difference between the carrying amount of the liabilities on the face of the balance sheet and their fair values. The table below compares, for information purposes, the carrying amount of the fixed-rate borrowings with their fair value at the end of the first half of 2021.

The fair value of the sales of receivables for future rents/future usufruct fees and for the European private debt placement is estimated by updating the future expected cash flows using the 0-coupon yield curve as at 30 June 2021, plus a margin to take account of the Company's credit risk (level 2).

The fair value of this financing is given in the table below as an indication.

(in € thousand)	Level	Fair value	Book value
EUPP	2	384 795	376 974
Bank line	2	15 302	14 700
Assignment of receivables from future rents/ future usufruct fees	2	29 782	26 761

AUDITOR'S REPORT

STATUTORY AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF BEFIMMO SA ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AS AT 30 JUNE 2021 AND FOR THE SIX-MONTH PERIOD THEN ENDED

INTRODUCTION

We have reviewed the accompanying condensed consolidated statement of financial position of Befimmo SA and its subsidiaries as at 30 June 2021, the related consolidated condensed statement of comprehensive income, the consolidated condensed cash-flow statement, the consolidated condensed statement of changes in equity, for the six month period then ended and the notes to the consolidated condensed financial statements, collectively, the "Consolidated Condensed Financial Statements".
The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2021 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Brussels, 29 July 2021

EY Réviseurs d'Entreprises SRL
Statutory auditor
represented by

Christel Weymeersch*
Partner
* Acting on behalf of a BV/SRL

STATEMENT

STATEMENT BY PERSONS RESPONSIBLE

Mr Jean-Philip Vroninks, Managing Director, and Mr Laurent Carlier, Chief Financial Officer of the Company, declare for and on behalf of Befimmo SA, that to the best of their knowledge:

a) the intermediary financial statements, prepared in accordance with the applicable accounting standards, give an accurate picture of the assets, financial situation and the results of the Company and the businesses included in the consolidation;

b) the condensed management report contains an accurate account of the development of the business, results and situation of the Company and the businesses included in the consolidation, and a description of the main risks and uncertainties they face.

RISK FACTORS

This chapter covers risks identified as potentially affecting the Company, and the measures it has taken to anticipate them, mitigate their potential impact, and turn them into opportunities. Doing business involves taking risks: it is not possible to eliminate the potential impact of all risks identified, nor of any residual risk that may be borne by the Company and indirectly by its shareholders. The global economic and financial climate and current geopolitical context may accentuate certain risks related to Befimmo's business. This list of risks is based on information known (including from dialogue with all stakeholders) at the time of writing this Half-Yearly Financial Report, and reflects only the specific and most important risk factors faced by the Company.

The risks in each category are ranked in order of importance, according to probability and the estimated extent of their negative impact on the Company, without taking into account mitigation measures or Befimmo's positioning.

The list is not exhaustive: there may be other risks which are unknown, improbable, non-specific, or unlikely to have an adverse effect on the Company, its business, or its financial situation.

MAIN RISKS RELATED TO COVID-19

DESCRIPTION OF RISK	POTENTIAL IMPACT	BEFIMMO'S POSITION
RISK RELATED TO THE PANDEMIC CRISIS		
The measures imposed by the authorities in the context of the COVID-19 global pandemic have led, and could lead in future, to businesses being shut down, and to lockdowns. The crisis may accelerate the evolution of the world of work.	Reduced demand for office space. The interruption or slow-down of construction work for redevelopment projects. Tenants may face financial difficulties which have an impact on the Company's income and cash flow. Less easy access to financing and/or increased credit margins required by banks and financial markets, with a potential impact on liquidity. Liquidity risk. Lower projected EPRA earnings, and a delay in the contribution of development projects. A more volatile share price.	Befimmo is aware that the crisis may accelerate the evolution of the world of work. We have been monitoring trends in this area for several years. With our coworking business, we offer more flexibility in terms of contract duration, use of workspaces, and the type of equipment required, and make a hybrid[14] offering that allows corporate customers to combine several space solutions in a Belux network. The Company has a solid base of tenants, with 93% of revenues (real-estate operator) provided by long leases with Belgian and European public institutions. The remainder is spread among tenants from a range of sectors, including large companies, with a very limited share in the retail sector (7% of consolidated rental income). Our top five corporate clients account for 18.9% of revenues (real-estate operator). Our coworking business accounted for about 7% of consolidated revenues as at 30 June 2021. 64% of Silversquare revenues for the year were generated in "private offices" used by small and medium-sized companies which have a higher resilience potential than "flex desks". The weighted average duration of current leases (as a real-estate operator) until the next expiry was 6.9 years at 30 June 2021, and 7.4 years until final expiry. The occupancy rate (real-estate operator) was 94.9% as at 30 June 2021. 83% of office development projects in the pipeline are already pre-let. Financing needs are currently covered until the end of the 1st quarter of 2023. Loan-to-Value (LTV) was 37.45% as at 30 June 2021.

[14] Befimmo will offer a variety of workspace solutions in a hybrid-office model, ranging from conventional offices to buildings devoted entirely to coworking, or a mix of both solutions. Users will enjoy flexibility in terms of time (duration of their contract), workspace (they can easily occupy more or less space depending on their needs) and meeting facilities. They will be able to move from one place to another, according to their preferences and working hours.

MAIN RISKS RELATED TO EXTERNAL FACTORS

DESCRIPTION OF RISK	POTENTIAL IMPACT	BEFIMMO'S POSITION
RISK RELATED TO THE NEW WAYS OF WORKING		
Office space is being used in increasingly flexible and mobile ways. New technology is facilitating the transformation from a static and "sequential" mode of operation to more dynamic business environments. Businesses are looking for pleasant, stimulating and flexible working environments to help attract talent and develop collective intelligence.	Tenants renting fewer square metres per employee) may lead to a decline in buildings' occupancy rates. Conventional office environments no longer meet expectations. The coworking business model is still developing.	The Company: - is committed to a redesigned world of work where workspaces are organised according to the type of activity and the profile of the users - acquired a majority shareholding in a coworking company (Silversquare) - develops (with Silversquare) a Belux network of hybrid offices - integrates a mix of functions in new projects to ensure that the environment is conducive to the development of a genuine community life - develops projects integrated with the city, where the buildings become an ecosystem open to their urban environment, with a mix of functions
RISK ASSOCIATED WITH CHANGING INTEREST RATES		
Financial charges, the Company's main expense item, are largely influenced by the interest rates prevailing in the financial markets.	Increase in financial charges and drop in EPRA earnings and net results. In the context of current interest rates, the practice of some banks to set a 0% floor on Euribor, used as reference in financing con-tracts, has an adverse impact on financial charges. This practice can also create distortion between the floating rates used in financing contracts and IRS type hedging contracts. A change in interest rates could also have an impact, with a delayed effect, on valuations of the properties in the portfolio.	Implement a policy of hedging our interest-rate risk: finance part of borrowings at fixed rates and arrange IRS financial instruments or CAP and FLOOR options on part of borrowings at floating rates. Total borrowings as at 30 June 2021: - borrowings of €875.1 million (84.2% of total debt) are financed at fixed rates (fixed rates specified in agreements or rates fixed by IRS); - The remainder of the debt, €164.7 million, is financed at floating rates, €20 million of which is hedged against rising interest rates by means of optional instruments (collars[15]). The remaining 13.9% of total borrowings is therefore unhedged Without hedging, the impact of a rise in market rates of 0.25% would entail an increase in financial charges estimated at €1.4 million (annual amount calculated based on the debt structure as 30 June 2021). With the hedging arranged at 30 June 2021, the impact of a rise in market rates of 0.25% would entail an increase in financial charges estimated at €0.0 million (annual amount calculated based on the debt structure as at 30 June 2021. As at 30 June 2021, the Company's debt ratio is 41.90% and its LTV ratio is 37.45%. On 21 June 2021, Standard & Poor's confirmed a rating of BBB/outlook stable for Befimmo's long-term borrowings and A-2 for its short-term borrowings.

[15] Buying a COLLAR (buying a CAP and selling a FLOOR) places a ceiling (CAP) on the impact of a rise in interest rates, but also involves an undertaking to pay a minimum rate (FLOOR).

RISK RELATED TO CHANGING CREDIT MARGINS		
The Company's financing cost also depends on the credit margins charged by banks and financial markets. These financing margins change in line with risk appetite in financial markets and with regulations, particularly in the banking sector (the "Basel IV" requirements) and the insurance sector (known as "CRD IV"). They also reflect the perception of the Company's credit risk profile.	An increase in financial charges and hence an adverse effect on EPRA earnings and net results.	Spread financing maturity dates over time and diversify sources of financing. Optimise the use of financing by giving preference to financing with the lowest margins (e.g. depending on market conditions, a short-term commercial paper programme associated with long-term back-up lines or assignments of receivables from future rents).
RISK OF INFLATION AND DEFLATION		
Risk of deflation on income, as Befimmo leases contain clauses indexing rents to changes in the Belgian 'health index'. Risk of the costs the Company has to bear being indexed on a basis that changes faster than the health index.	The impact of the adjustment of rents can be estimated at €1.3 million on an annual basis (not including protection) per percentage point change in the health index.	In line with general practice, 95.2%[16] of the leases in Befimmo's consolidated portfolio are written to mitigate the effects of any negative indexing: - 45.3% provide for a ceiling on the basic rent - 49.9% contain a clause that sets the minimum at the level of the last rent paid The remaining 4.8% of the leases do not provide for any minimum rent. Costs controlled by contractual agreements with contractors.

MAIN RISKS RELATED TO STRATEGY

DESCRIPTION OF RISK	POTENTIAL IMPACT	BEFIMMO'S POSITION
RISKS RELATED TO RENTAL VACANCY		
Overall, the office property market is currently characterised by higher supply than demand, and by changing types of demand. The Company is exposed to the risks of its tenants leaving or renegotiating their leases: - risk of loss of and/or reduced income - risk of negative reversion of rents - risk of pressure on renewal conditions, and to grant rent-free periods - risk of loss of fair value of properties, etc.	Decline in spot occupancy rates and a reduction in the operating results of the portfolio. On an annual basis at 30 June 2021, a 1% fluctuation in the spot occupancy rate of the Company's portfolio would have an impact of some €2.0 million on its property operating results, -€ 0.07 on the net asset value per share, and +0.07% on the debt ratio. Direct costs related to rental vacancies, namely charges and taxes on unlet properties. They are estimated on an annual basis at €1.7 million, equivalent to around 1.3% of total rental income. Higher marketing expenses for properties available for lease. Fall in the value of buildings.	Befimmo's investment strategy is focused on (but not limited to): - quality office buildings, with a good location, good accessibility and a sufficient critical size - buildings that are well equipped and flexible, in an appropriate rental situation, and with potential for value creation The Company is committed to the new world of work: - a redesigned world of work where workspaces are organised according to activity and user profiles - expansion of the offering and potential targets with the acquisition of a majority shareholding in the Silversquare coworking company - develops (with Silversquare) a Belux hybrid office network - extensive and personalised range of services to make life easier for its tenants - a mix of functions in the new projects to ensure that the environment is conducive to the development of a genuine community life - projects integrated with the city, where the buildings become an ecosystem open to their urban environment, bringing together a mix of functions The Company has a professional commercial team dedicated to finding new tenants and actively managing its relationship with customers. Steady cash flow depends mainly on rental income being secured. The Company strives to spread rentals risks by ensuring that a large proportion of its portfolio is let on long-term leases and/or to multiple tenants.

[16] Based on the gross current rent as at 30 June 2021.

		At 30 June 2021, the weighted average duration of Befimmo's current leases until the next expiry was 6.9 years. The spot occupancy rate of the properties available for lease at 30 June 2021 was 94.9%, compared with 95.2% at 31 December 2020. The major projects in the North area are an opportunity for the Company to address the lack of Grade A[17] in Brussels.
RISK RELATED TO THE COMPANY'S REPUTATION		
Reputational risk in relation to stakeholders (current and prospective tenants, local residents, public authorities, current and potential investors, financial and other analysts, suppliers, etc.). Reputation is influenced by information disseminated by the media and on social networks.	Reputational damage to the Company could have adverse repercussions on share price, or when negotiating lease agreements or seeking financing.	Befimmo has a Corporate Governance Charter and a Code of Ethics drafted by the Board of Directors. The Code of Ethics requires ethical values to be observed in relations with customers, staff, partners and shareholders. In addition to its reporting requirements as a listed company and a BE-REIT, Befimmo communicates transparently and proactively with its stakeholders. The Company has a communication plan (internal and external) and a crisis communication plan. It commissions reputation analyses from specialist agencies. We monitor the media daily and issue any necessary corrections or clarifications.
RISKS RELATED TO (RE)DEVELOPMENT ACTIVITIES		
Risk associated with the renovation or construction of buildings. In preparation for a new life cycle, the buildings in the portfolio must undergo a major renovation or be rebuilt. In this context Befimmo is exposed to risks related to: - the choice of service providers (architects, contractors, specialist lawyers) - choice of use format - obtaining permits (difficulties, delays, changes in the law, etc.) - construction (costs, delays, compliance, etc.) - marketing	Construction and/or operating costs overrunning the budget. Absence of rental income on completion of the works and costs related to the vacancy. Pressure on marketing conditions and for granting rent-free periods. Negative impact on the occupancy rate of the portfolio.	We design innovative, sustainable and quality projects (incorporating the latest technologies) to satisfy market needs. Ongoing analysis of market needs: - a redesigned world of work where workspaces are organised according to the users' type of business and their profile - wide and personalised range of services to make life easier for its tenants - a mix of functions in new projects to ensure that the environment is conducive to the development of a genuine community life - projects integrated with the city, where the buildings become an ecosystem open to their urban environment, bringing together a mix of functions Proactive and repeated dialogue with the public authorities for permit applications. Choice of good quality services providers. Professional commercial team dedicated to finding new occupants.
RISKS RELATED TO MERGERS, DEMERGERS, ACQUISITIONS AND JOINT VENTURES		
Risk that the value of some assets has been over-estimated, or that hidden liabilities have been transferred to the Company during mergers, spin-offs or acquisitions, or joint ventures.	The need to revalue specific assets, or record liabilities that could entail a financial loss to the Company.	We take the usual precautions in operations of this type, mainly by carrying out full due-diligence exercises (real-estate, accounts, taxation, etc.) on properties contributed, and on absorbed or merged companies, that may involve obtaining guarantees. We take similar precautions in case of joint ventures.

[17] A new building (new build or major renovation) meeting the latest environmental, technical and spatial layout standards (notably efficient floor space). Generally, a building that is new or less than 5 years old.

RISKS OF SEGMENTAL CONCENTRATION		
The portfolio is almost entirely composed of office buildings (with the exception of a few shops on the ground floor of some buildings).	Sensitivity to the evolution of the office property market.	The Company has an investment strategy focused on but not limited to: - quality office buildings, with a good location, good accessibility and a sufficient critical size - buildings that are well equipped and flexible, in an appropriate rental situation and with potential for value creation The Company is committed to the new world of work: - a redesigned world of work, where workspaces are organised according to the type of activity and the profile of the users - expansion of the offering and potential targets with the acquisition of a majority shareholding in the Silversquare coworking company - plans to develop (with Silversquare) a Belux hybrid office network - a mix of functions in the new projects to ensure that the environment is conducive to the development of a genuine community life - projects integrated with the city, where the buildings become an ecosystem open to their urban environment, bringing together a mix of functions
RISKS ASSOCIATED WITH TENANTS		
Risks related to insolvency of tenants.	Loss of rental income; an increase in property charges where rental charges cannot be recovered; unexpected rental vacancies. Risk of pressure on renewal conditions and to grant rental gratuities, etc.	Prior review of the financial health of potential customers. Private-sector tenants[18] are required to provide a rental guarantee. Befimmo has a procedure for regularly monitoring outstanding receivables.
RISKS OF GEOGRAPHICAL CONCENTRATION		
The portfolio is not very diversified in terms of geography. It comprises office buildings, mainly located in Brussels and its economic hinterland (70% of the portfolio as at 30 June 2020).	Sensitivity to developments in the Brussels office property market, which is characterised by a significant presence of European institutions and related activities.	Under its investment strategy, the Company seeks to avoid excessive concentration of the portfolio in a single area or asset. For example, the Axento building in Luxembourg, the AMCA building in Antwerp, the Paradis tower in Liège, the Gateway building at Brussels airport, the WTC Tower 3 in Brussels and the Quatuor and ZIN projects in Brussels, each account for between 5 and 10% of the fair value of the portfolio as at 30 June 2021.
RISKS RELATED TO THE COWORKING MARKET		
Risks related to the entry into a new and fast-developing market (control of the key factors of success, competition, etc.).	Profitability linked to the success of the underlying activity.	Taking a majority stake in a company (Silversquare) with broad experience in coworking. The impact is relatively limited on Befimmo as it is developing this business gradually.

[18] The public sector tenants (Belgian Federal State, Flemish Region and European institutions), which occupy a significant part of the Company's portfolio (60.5% at 30 June 2021), calculated on the basis of the gross current rent at 30 June 2021, generally do not provide rental guarantees but have a more limited risk profile.

MAIN RISKS IN THE PROPERTY PORTFOLIO

DESCRIPTION OF RISK	POTENTIAL IMPACT	BEFIMMO'S POSITION
RISK RELATED TO THE FAIR VALUE OF PROPERTIES		
Risk of a negative change in the fair value of the portfolio. Risk of real-estate experts overvaluing or under-valuing properties in relation to their true market value. This risk is accentuated in market segments where a limited number of transactions provides few points of comparison: this holds true to some extent in the decentralised areas and periphery of Brussels (6.37%[19] of the portfolio), and more generally in the Belgian provincial towns.	Impact on the Company's net results, equity, debt[20] and LTV[21] ratios. Impact on the Company's ability to distribute a dividend[22] if the cumulative negative changes in fair value were to exceed the total value of distributable and non-distributable reserves and the distributable portion of share premiums. On the basis of the data as at 30 June 2021, a 1% decline in the value of the property assets would have an impact of around -€27.7 million on net results, entailing a change of around -€1.02 in the net asset value per share, around +0.40% in the debt ratio, and around +0.38% in the LTV ratio.	The Company has an investment strategy focused on but not limited to: - quality office buildings, with a good location, good accessibility and an adequate critical size - buildings that are well equipped and flexible, in an appropriate rental situation and with potential for value creation The Company is committed to the new world of work: - a redesigned world of work, where workspaces are organised according to the type of activity and the profile of the users - expansion of the offering and potential targets with the acquisition of a majority shareholding in the Silversquare coworking company - plans to develop (with Silversquare) a Belux hybrid office network - extensive and personalised range of services to make life easier for its tenants - a mix of functions in the new projects to ensure that the environment is conducive to the development of a genuine community life - projects integrate with the city, where the buildings become an ecosystem open to their urban environment, bringing together a mix of functions Statutory rotation of independent experts, who are systematically informed of changes in the situation of the buildings, and regularly visit buildings.
RISKS RELATED TO INADEQUATE INSURANCE COVER		
Risk of a major loss affecting buildings with insufficient cover.	Costs of refurbishing the affected building. Fall in operating results of the portfolio and in the fair value of the building following the termination of the lease on unused premises, and therefore an unexpected rental vacancy.	Buildings are covered by a number of insurance policies (risk of fire, storm damage, water damage, etc.) covering loss of rent for a limited period (in principle for the time needed for reconstruction) and the cost of reconstruction, for a total sum (new reconstruction value, excluding the value of the land) of €1,905.8 million as at 31 December 2020. Buildings are covered by a policy insuring against acts of terrorism.
RISK OF DETERIORATION AND OBSOLESCENCE OF BUILDINGS		
Risk of wear and tear and obsolescence, relating to increasingly stringent requirements (legislative, societal or environmental).	Rental vacancies. Investments needed for buildings to meet regulatory requirements and tenants' expectations.	Property is kept in a good state of repair and maintained in line with good practice in terms of energy, technical, and other performance criteria, by making an inventory of preventive and corrective maintenance work to be carried out, and establishing a works programme. At 30 June 2021, 87% of Befimmo's consolidated portfolio was covered by "total guarantee" maintenance contracts. Close monitoring of developments in existing environmental legislation, anticipation of new measures, and analysis of sector studies, with a

[19] Calculated on the basis of the fair value of investment properties at 30 June 2021.
[20] The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.
[21] Loan-to-value ("LTV") = [(nominal financial debts - cash)/fair value of the portfolio].
[22] Please refer to the chapter "Appropriation of earnings (statutory accounts)" on page 77 of the Annual Financial Report.

		view to incorporating new technologies and management tools as soon as possible into renovation projects. Befimmo adopts an eco-responsible approach at every stage of a building's life, making optimal use of energy and natural resources.
RISKS RELATED TO PROJECT IMPLEMENTATION		
Risks of delays, budget overspending, environmental damage and organisational problems when erecting, redeveloping and carrying out major works in the buildings in the portfolio. Risk of insolvency and non-compliance with specifications by the contractors responsible for the works.	Adverse impact on the Company's results owing to a loss of rental income and/or an increase in charges. Adverse impact on the Company's reputation.	Site communication plan, dialogue with local residents, etc. Monitoring of technical, budgetary and planning aspects has been introduced to manage the risks associated with this work. Contracts with building contractors generally include measures to mitigate such risks (price ceilings, delay penalties, etc.). Regarding environmental issues, specific measures are incorporated into specifications and contracts with successful tenderers. Monitoring of compliance with these environmental measures while the works are in progress (notably by external environmental coordinators, ISO 14001 procedures, site audits, BREEAM assessors, etc.). Regular assessment of main suppliers and service providers, and checks that co-contractors have no unpaid social contributions or taxes.
ENVIRONMENTAL RISKS		
Environmental risks in terms of CO2 emissions and soil, water, air, and noise pollution. Risk of not achieving the Company's targets for improving its environ-mental performance and of losing certifications (BREEAM, ISO 14001, etc.).	Adverse environmental impact. High costs for Befimmo. Adverse impact on Befimmo's reputation with its stakeholders. In some cases, an adverse impact on the fair value of the portfolio.	A responsible approach: for many years, Befimmo has taken action to gradually reduce the environmental impact of the activities it directly controls and influences. Befimmo has implemented an ISO 14001-compliant Environmental Management System (EMS) which helps to anticipate environmental risks at both strategic level (acquisitions, major renovations, etc.) and operational level (building maintenance, use of buildings, etc.). We analyse on a yearly basis the environmental performance and potential for improvement of the portfolio, and its compliance with the requirements associated with certifications obtained. Befimmo adopts an eco-responsible approach at every stage of a building's life, making optimal use of energy and natural resources.

MAIN FINANCIAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	BEFIMMO'S POSITION
FINANCIAL LIQUIDITY RISK		
Befimmo is exposed to a liquidity risk related to the renewal of its financing as it reaches maturity, or for any additional funding needed to meet its commitments. The Company could also be exposed to this risk if its financing agreements were terminated.	New financing arranged at a higher cost. Sale of assets under unfavorable conditions.	Adoption of a financial policy which diversifies the sources and maturities of its financing. At 30 June 2021, the ratio of debt provided by financing from eight banking institutions was 71.3%. The remainder is provided by a number of private placements in Europe. At 30 June 2021, the Company had confirmed unused credit lines of €432.7 including cash. The Company aims to continually anticipate its financing needs (notably for its investments) and keep a defined amount in confirmed unused lines at all times, so as to hedge this risk over a time frame of at least 12 months. The debt ratio (as per the Royal Decree) amounts to 41.90% at 30 June 2021 (the statutory limit is 65%) compared to 40.80% as at 31 December 2020.
RISK RELATED TO A CHANGE IN THE COMPANY'S RATING		
The Company's financing cost is mainly influenced by its Standard & Poor's rating.	Any downgrade of the rating would make it harder to obtain new financing. A rating reduction of one notch, from BBB to BBB-, would entail an additional financing cost estimated at €0.8 million, based on the debt structure and current contracts as at 30 June 2021. Adverse impact on the Company's standing with investors.	Regular review of the criteria (ratios) used to determine its rating, analysis of the potential impact of the Company's decisions on any changes in the rating, and the forecast changes in those ratios. On 21 June 2021, Standard & Poor's confirmed a rating of BBB/outlook stable for Befimmo's long-term borrowings and A-2 for its short-term borrowings.
RISK RELATED TO COUNTERPARTY BANKS		
Arranging finance or a hedging instrument with a financial institution creates a counterparty risk of that institution defaulting.	The Company might be unable to access the financing arranged or the cash flows to which it is entitled through hedging instruments.	Diversifying our banking relationships and working with banks that have an adequate rating or an acceptable level of risk. As at 30 June 2021, the Company had a business relationship with several banks: - at 30 June 2021, Befimmo had credit lines of €1,052 million provided by: ABN Amro Bank, Agricultural Bank of China Luxembourg, Banque BECM (CM-CIC group), Belfius, BNP Paribas Fortis, ING, KBC, and Société Générale - the counterparty banks for the hedging instruments are BECM (CM-CIC group), Belfius, BNP Paribas Fortis, ING, KBC, and NatWest Markets PLC (RBS Group) The financial model is based on structural borrowing: the amount of cash deposited with financial institutions is structurally very limited, and was €2.8 million as at 30 June 2021 compared with €2.4 million at 31 December 2020.
RISK OF A CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE		
A change in interest alters the value of the financial assets and liabilities carried at fair value.	Had the euro interest rate curve been 0.5% lower than the reference rate curves at 30 June 2021, the change in fair value of the financial assets and liabilities would have been -€30.0 million. In the opposite case, the change in fair value would have been €28.1 million.	At 30 June 2021, the net fair value of all the hedging instruments was €-32.6 million. Part of Befimmo's borrowings at 30 June 2021 are arranged at floating rates (59.60%), which therefore means that the debt does not change in value in line with changes in interest rates.

RISK RELATED TO OBLIGATIONS CONTAINED IN FINANCING AGREEMENTS		
Risk of financing agreements being cancelled, renegotiated, or terminated early should the Company fail to abide by the covenants it made when signing those agreements, notably regarding financial ratios. Risk of a penalty if agreements are terminated prematurely. When the Company carries out a financing transaction on a foreign market, it is subject to laws and counterparties with which it is less familiar.	A challenge to a financing agreement would expose the Company to having to arrange additional financing at a potentially higher cost, or sell assets under unfavorable conditions.	Befimmo negotiates covenants with its counterparties at levels consistent with its estimated forecasts of changes in those indicators, and regularly analyses any changes in those forecasts. Befimmo calls upon external consultants specialised in the matter.
RISK LINKED TO VOLATILITY AND SHARE PRICE		
The Company is exposed to a significant discrepancy between the share price and the Company's net asset value.	More difficult access to new equity may limit development capacity. Adverse impact on the Company's reputation.	To devise and implement a value-creation strategy. Publish outlook and dividend policy. Regular, transparent, and proactive communication with financial analysts and current and prospective investors.

MAIN RISKS RELATED TO REGULATION

DESCRIPTION OF RISK	POTENTIAL IMPACT	BEFIMMO'S POSITION
RISKS RELATED TO NON-COMPLIANCE OF THE BUILDINGS WITH THE APPLICABLE REGULATIONS		
The Company runs the risk that one or more of its properties does not immediately meet all the applicable new standards and regulations.	Additional investments which entail higher costs for the Company and/or delays in ongoing projects (renovations, etc.). Fall in the fair value of a building. The Company is liable for civil, administrative or criminal fines. Liability of the Company for non-compliance (e.g. in case of fire for failing to comply with safety standards). An adverse impact on the Company's reputation, business and results.	Befimmo has introduced procedures to: - anticipate new standards and regulations (legislative and regulatory watch) - check the compliance of buildings, both newly-acquired (technical due diligence) and in the portfolio (product manager in charge of regulatory compliance, checks on compliance with standards and regulations, notably related to the environment) - bring the building concerned immediately into compliance by adopting these new standards and regulations (project management) Tenants are made aware of their obligations in this regard by a clause in the standard lease.
RISKS RELATED TO BE-REIT STATUS		
Risk of non-compliance with the BE-REIT regime. Risk of future adverse changes to that regime.	Loss of approval for BE-REIT status, and no longer qualifying for the transparent tax regime applicable to BE-REITs. Early repayment by acceleration of payment of loans taken out by the Company. Any future adverse changes in the BE-REIT regime could lead to a decline in results or net asset value, increase the debt ratio (e.g. by applying new accounting rules), reduce the maximum debt ratio, or affect how a BE-REIT must distribute dividends to shareholders.	A legal team with the necessary skills ensures strict compliance with current regulations and, as far as possible, anticipates changes in the law (legislation watch). The Company also calls upon external consultants.
RISK RELATED TO REGULATION		
The Company is exposed to changes in Belgian, European, and inter-national law, and increasingly numerous and complex regulations, and to possible changes in their interpretation or application by the authorities or the courts, notably accounting, reporting, fiscal, environmental, urban-development and public-procurement regulations.	Risk of adverse decisions and civil, criminal, or administrative liability, and the risk of not obtaining or renewing permits. This could adversely affect the Company's business, its results, profitability, financial situation and/or outlook.	A legal team with the necessary skills ensures strict compliance with current regulations and, as far as possible, anticipates changes in the law (legislation watch). The Company also uses external legal consultants.
TAX REGIME		
As a BE-REIT, the Company enjoys a specific tax regime. The legislator intended the BE-REIT to ensure a high degree of transparency for real-estate investments and distribute as much cash flow as possible while enjoying certain advantages. BE-REITs pay corporate tax on a reduced base as long as at least 80% of their cash flows are distributed (calculated on the basis of Article 13 of the Royal Decree of 13.07.2014). BE-REITs are exempt from corporation tax on their results (rental income and capital gains realised minus operating costs and financial charges)[23] The exit tax is calculated as per circular Ci.RH.423/567.729 of 23.12.2004, the interpretation or practical application of which is liable to change. The real value of a property, as referred to in that circular, is calculated after deducting registration fees and VAT, and differs from (and may be less than) the fair value of the property as set out in the BE-REIT's IFRS balance sheet. Any change to this circular could potentially entail an increase in the basis on which the exit tax is calculated. Befimmo complies in all respects with the regulations in force, and the provisions of the above-mentioned circular, for the calculation of exit taxes it owes in connection with the transactions on which the tax is due.		

[23] But this does not apply to its subsidiaries which are not institutional BE-REITs.

MAIN OPERATIONAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	BEFIMMO'S POSITION
OPERATIONAL RISK		
Risk of loss or loss of earnings resulting from inadequate or failed internal processes, people, and systems or from external events (natural disasters, human error, etc.). Risk linked to the health, safety and well-being of the team. Risk of departure of key members of staff.	The Company is exposed to the risk of the loss or theft of sensitive data, financial loss, and interruption of business in the event of a failure of systems or processes. A loss of key skills could lead to a delay in achieving some of the Company's objectives.	Befimmo has a Corporate Governance Charter and a Code of Ethics, drafted by the Board of Directors. The Code of Ethics requires ethical values to be observed in relations with customers, staff, partners and shareholders. Internal audits of Befimmo's processes are regularly performed. A business continuity plan has been devised, consisting of measures which, in the event of a crisis, allow essential operations and services to continue, possibly in degraded mode, and a planned resumption of business. The plan covers both functional and IT aspects. Special attention is paid to staff health, safety, wellbeing and motivation. Pay is in line with market rates (benchmarking). Befimmo recognises the importance of dialogue with the team and managing the skills of team members. A procedure for the induction of new employees (mentoring system, etc.). As far as possible, Befimmo prepares for departures and ensures that know-how is passed on.

APPENDICES

APPENDIX 1: CONCLUSIONS OF THE REAL-ESTATE EXPERT COORDINATOR

To the Board of Directors Befimmo SA
Parc Goemaere
Chaussée de Wavre 1945
1160 Brussels

Dear Mesdames,
Dear Sirs,

Re : Valuation of the real-estate portfolio of Befimmo as at 30th June 2021.

Context

In accordance with Chapter III, Section F of the law of 12th of May 2014 on B-REITs, Befimmo has instructed an independent valuer to provide an opinion of value for its portfolio as at 30TH June 2021. We have been mandated to value part of the Befimmo and Fedimmo portfolios while Cushman and Wakefield and CBRE valuation Services have been mandated to value other parts of the Befimmo and Fedimmo portfolios.

The part valued by Jones Lang LaSalle is principally the single let part in Brussels as well as development projects. Furthermore we have consolidated the results of the valuation of which the main conclusions are listed hereunder. We are also responsible for determining the fair value of the right of use arising from leases under which Befimmo and/or Silversquare have obligations in their capacity as lessee. This request arises from the publication by the International Accounting Standards Board (IASB) of IFRS 16, effective for annual reporting periods beginning on or after 1 January 2019, which requires the lessee to recognise in the balance sheet a right-of-use asset and lease liability representing its obligation to make lease payments. This fair value, as defined in IFRS 16, is obtained by updating rent flows remaining until the end of the agreement, taking account of gratuities, benefits and other adjustments. As at 30th June 2021, the cumulative fair value of the right-of-use asset amounts to €41,823,571. The fair value of the right of use of land amounts to €2,121,394.

Jones Lang LaSalle has been active in Belgium since 1965 and has a long track record in valuing professional real estate. Cushman & Wakefield also indicate that they benefit from sufficient knowledge of the property markets in which Befimmo and Fedimmo are active, as well as the required professional qualifications and recognition to fulfil this assignment. The mission of the valuers has been carried out in full independence.

Consistently with market practice, our mission has been carried out on the basis of information provided by Befimmo, in particular relating to tenancy situation, costs and taxes borne by the landlord, works to be carried out, as well as any other element which could have an influence on the assets' value. We have assumed this information to be correct and complete. As specifically mentioned in our reports, our valuation does not constitute in any way a quality or technical survey of the properties, nor an analysis of the possible presence of deleterious materials. These elements are well known by Befimmo, which carries out a technical and legal due diligence prior to the acquisition of each property.

Opinion

The investment value is defined as the most likely value that could reasonably be obtained on the date of valuation in normal sales conditions between willing and well-informed parties before deduction of transaction costs.

As our principal valuation method, we have adopted a static capitalisation approach and also carried out a simple "sanity check" in terms of price per square meter.

The static capitalisation is carried out in the form of a "Term and Reversion" valuation, with the current income based on contractual rents capitalised until the end of the current contract, and the ERV capitalised in perpetuity and brought to a net present value. It should be noted that this method of valuation applies a multiplier to the current and future expected rent that is based on analysis of sales of comparable properties in the market. The multiplier depends on the yield that investors require when acquiring in this market. The yield reflects the risks intrinsic to the sector (future voids, credit risk, maintenance obligations, etc.). Where there are unusual factors specific to the property, then an explicit correction is made either, for example:

- Non-recovered charges or taxes in a market where recovery from the tenant is usual;
- Renovation work or deferred repairs necessary at the date of valuation in order to continue to receive the rent;
- Unusual outgoing costs.

It is important to understand the distinction between this "capitalisation" approach and the discounted cash flow method where future growth and inflation are explicit. This difference is why discount rates in a discounted cash flow valuation are higher than yields in a static capitalisation approach.

The yields used are based on the valuer's judgement in comparison with evidence of comparable sales. Factors in the market that determine yield are numerous, and different factors are of importance to different buyers. The following criteria are often taken into account : the quality of the tenant and duration of the lease, the location, the state of repair, the age and the architectural quality of the building and also the efficiency of the building (gross to net ratio/parking ratio).

Ultimately it is supply and demand in the investment market that determines the price. For the financial accounting of a B-REIT and in accordance with the IAS/IFRS norms it is common practice to use the fair value. Following a press release of the Belgian Association of Asset Managers (BEAMA), dated 8 February 2006 and as confirmed in the press release of the BE-REIT Association dated 10 November 2016, the fair value can be obtained by subtracting 2.5% transaction costs from properties with an investment value of more than € 2,500,000. For properties with an investment value under € 2,500,000 registration duties of 10% or 12.5% should be subtracted, depending on the region where they are situated.

In the light of all comments mentioned above, we confirm that the investment value of the consolidated Befimmo property portfolio as at 30TH June 2021 amounts to a total of

€ 2,838,803,644
(Two billion eight hundred and thirty-eight million eight hundred and three thousand six hundred and forty-four Euros);

this amount includes the valuation of the buildings which have been carried out by Cushman & Wakefield and CBRE Valuation Services.

The most likely sale value corresponding to the fair value of the consolidated Befimmo property portfolio as at 30TH June 2021 amounts to a total of

€ 2,768,789,840
(Two billion seven hundred and sixty-eight million seven hundred and eighty nine thousand eight hundred and forty Euros);

this amount includes the valuation of the buildings which have been carried out by Cushman & Wakefield and CBRE Valuation Services .

On this basis, the initial yield of the portfolio with properties available for lease stood at 5.15%. Should the vacant accommodation be fully let at estimated rental value, the initial yield is 5.42% for the same portfolio.

The occupation rate of the portfolio with properties available for lease is 94.93%.

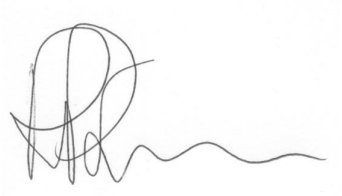
The property portfolio comprises:

Offices	Fair Value (€ million)	%
Properties available for lease	*2135.8*	*77.1%*
Brussels CBD and similar	1151.1	41.6%
Brussels decentralised	82.9	3.0%
Brussels periphery	90.0	3.3%
Wallonia	226.0	8.2%
Flanders	407.5	14.7%
Luxembourg city	178.3	6.4%
Properties that are being constructed or developed for own account in order to be leased	*608.8*	*22.0%*
Properties held for sale	*24.1*	*0.9%*
Total buildings	*2768.8*	**100.0%**
Right of use of leased offices (IFRS 16)	41.8	
Right of use of land (IFRS 16)*	2.1	
Total of investment property	**43.9**	
Total	**2812.7**	

**A debt related to these rights of use has been recognized in the balance sheet liabilities.*

Yours sincerely,

Brussels, 28 July 2021



R.P. Scrivener FRICS
Head of Valuation and Consulting
On behalf of Jones Lang LaSalle

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 BUSINESS

Glossary of the "Alternative Performance Measures"

Alternative Performance Measure	Definition	Use
Net property charges	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.
Other operating income and charges (excluding goodwill impairment)	Heading XV 'Other operating income and charges' minus any goodwill impairment.	Used to compare forecasts and actual figures in heading XV 'Other operating income and charges'. Any goodwill impairment is not budgeted.
Operating margin	'Operating result before result on portfolio' divided by 'Net rental result'.	Used to assess the Company's operating performance.
Net property result	'Operating result before result on portfolio' plus heading XVI 'Gains and losses on disposals of investment properties'.	Used to identify the operating profit before changes in the fair value of investment property.
Financial result (excluding changes in fair value of financial assets and liabilities)	'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.
Net result before changes in fair value of investment properties and financial assets and liabilities	'Net result' minus heading XVIII 'Changes in fair value of investment property' and heading XXIII 'Changes in fair value of financial assets and liabilities'.	Used to identify the net result before changes in the fair value of investment property and of the financial assets and liabilities.
"Like-for-Like" net rental result	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.

Reconciliation tables of the "Alternative Performance Measures"

Net rental result « like-for-like »

(in thousand €)	30.06.2021	30.06.2020	Evolution
Net rental result (A)	62 653	69 384	
Net rental result linked to changes in perimeter (B)	5 159	11 617	
Net rental result on properties not available for lease (C)	3 211	532	
Non-recurring element to extract from the "Like-for-Like" (D)	- 77	3 097	
Net rental result in « Like-for-Like » (A-B-C-D)	**54 359**	**54 139**	**0.4%**

Net results before changes in fair value of investment properties and financial assets and liabilities

(in thousand €)	30.06.2021	30.06.2020
Net result (A)	51 615	25 591
XVIII. Changes in fair value of investment properties (B)	- 7 615	73
XXIII. Changes in fair value of financial assets and liabilities (C)	20 961	- 16 673
Net result before changes in fair value of investment properties and financial assets and liabilities (A-B-C)	**38 270**	**42 192**

Financial result (excl. the changes in fair value of the financial assets and liabilities)

(in thousand €)	30.06.2021	30.06.2020
Financial result (A)	12 743	- 26 851
XXIII. Changes in fair value of financial assets and liabilities (B)	20 961	- 16 673
Financial result (excl. the changes in fair value of the financial assets and liabilities) (A-B)	**- 8 218**	**- 10 177**

Net property result

(in thousand €)	30.06.2021	30.06.2020
Operating result before result on portfolio	40 459	53 209
XVI. Gains or losses on disposals of investment properties	6 798	-
Net property result	**47 257**	**53 209**

Operating margin

(in thousand €)	30.06.2021	30.06.2020
Operating result before result on portfolio (A)	40 459	53 209
Net rental result (B)	62 653	69 384
Operating margin (A/B)	**64.6%**	**76.7%**

Other operating income and charges (excluding goodwill impairment)

(in thousand €)	30.06.2021	30.06.2020
XV. Other operating income and charges (A)	-1 124	- 179
Goodwill impairment (B)	- 421	-
Other operating income and charges (excluding goodwill impairment) (A-B)	**-1 545**	**- 179**

Net property charges

(in thousand €)	30.06.2021	30.06.2020
IV. Recovery of property charges	9 158	10 727
V. Recovery of rental charges and taxes normally paid by tenants on let properties	19 718	22 820
VII. Rental charges and taxes normally paid by tenants on let properties	- 20 100	-23 136
VIII. Other revenue and charges for letting	4	159
IX. Technical costs	- 11 568	-10 644
X. Commercial costs	- 600	- 460
XI. Charges and taxes on unlet properties	- 1 843	-1 978
XII. Property management costs	- 1 801	-1 558
XIII. Other property charges	- 3 034	-3 453
Net property charges	**- 10 067**	**-7 523**

CONSOLIDATED

Glossary of the "Alternative Performance Measures"

Alternative Performance Measure	Definition	Use
Loan-to-value ("LTV")	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.
Average (annualised) financing cost	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.
Return on shareholders' equity (in € per share)	The return obtained by an investor over a 12-month period ending at the close of the period, assuming the reinvestment of dividends and the 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.
Return on shareholders' equity (in %)	The internal rate of return earned by an investor over a 12-month period ending at the close of the period, assuming the reinvestment of dividends and the 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 %) 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 €)	30.06.2021	31.12.2020
Nominal financial debts (A)	1 039 757	1 001 620
II. F. Cash and cash equivalents (B)	- 2 813	- 2 439
I. C. Investment properties (D)	2 744 620	2 692 393
II. A. Assets held for sale (E)	24 149	21 581
Fair value of portfolio at the closing date (C = D+E)	**2 768 769**	**2 713 974**
Loan-to-value (A-B)/C	**37.5%**	**36.8%**

Average (annualised) financing cost

(in thousand €)	30.06.2021	31.12.2020
Interest paid	9 917	22 643
Annualised interest paid (A)	19 834	22 643
Annualised nominal financial debts (B)	1 031 465	1 126 483
Average (annualised) financing cost (A/B)	**1.9%**	**2.0%**

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

	30.06.2021	30.06.2020
Return on shareholders' equity(e) (in € per share)	3.01	3.66
Return on shareholders' equity(e) (in %)	5.2%	6.3%

APPENDIX 4: TABLES OF THE EPRA INDICATORS[24]

EPRA INDICATORS – REAL-ESTATE OPERATOR BUSINESS

EPRA earnings

(in € thousand)	30.06.2021	30.06.2020
Net result IFRS	**51 615**	**25 591**
Net result IFRS (in € per share)	**1.91**	**0.95**
Adjustments to calculate EPRA earnings		
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	7 615	- 73
II. Result on disposals of investment properties	-6 798	-
V. Negative goodwill/goodwill impairment	421	-
VI. Changes in fair value of financial assets and liabilities and close-out costs	-20 506	16 673
VIII. Deffered tax in respect of EPRA adjustments	31	285
EPRA earnings	**32 379**	**42 477**
EPRA earnings (in € per share)	**1.20**	**1.57**

EPRA Vacancy rate

(in € thousand)	30.06.2021	31.12.2020
Estimated rental value (ERV) on vacant space (A)	2 784	3 203
Estimated rental value (ERV) (VLE) (B)	114 454	111 322
EPRA Vacancy rate of properties available for lease (A)/(B)	**2.4%**	**2.9%**

[24] The definitions of the EPRA indicators are published on pages 31 and 32 of this Report. Source: EPRA Best Practices (www.epra.com).

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

(€ thousand)	30.06.2021	31.12.2020
Investment properties and properties held for sale	2 768 769	2 713 974
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	- 608 813	- 517 289
Properties held for sale	- 24 149	- 21 581
Properties available for lease	2 135 807	2 175 104
To include:		
Allowance for estimated purchasers' cost	54 172	54 957
Investment value of properties available for lease (B)	**2 189 979**	**2 230 061**
Annualised cash passing rental income	111 653	114 032
To exclude:		
Property charges[a]	- 4 991	- 2 799
Annualised net rents (A)	**106 661**	**111 234**
To include:		
- Notional rent expiration of rent free periods or other lease incentives	3 874	4 896
Topped-up annualised net rents (C)	**110 535**	**116 130**
(in %)		
EPRA Net Initial Yield (A/B)	**4.9%**	**5.0%**
EPRA Topped-up Net Initial Yield (C/B)	**5.0%**	**5.2%**

[a] 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)	30.06.2021	30.06.2020
Net administrative and operating expenses in the income statement	**-20 575**	**-16 238**
III. (+/-) Rental charges	74	- 241
Net property charges	-10 067	-7 523
XIV. (-) Corporate overheads	-10 582	-8 473
XV. (+/-) Other operating income and charges	-1 545	- 179
Exclude:		
i. Impact of the spreading of gratuities	1 124	179
vi. Investment Property depreciation	421	-
EPRA costs (including direct vacancy costs) (A)	**-20 575**	**-16 238**
XI. (-) Charges and taxes on unlet properties	1 843	1 978
EPRA costs (excluding direct vacancy costs) (B)	**-18 732**	**-14 260**
I. (+) Rental income	62 578	69 626
Gross rental income (C)	**62 578**	**69 626**
EPRA Cost ratio (including direct vacancy costs) (A/C)[a]	**32.9%**	**23.3%**
EPRA Cost ratio (excluding direct vacancy costs) (B/C)[a]	**29.9%**	**20.5%**

[a] This is an Alternative Performance Measure.

EPRA like-for-like net rental growth

Segment	30.06.2021						30.06.2020						Evolution
(in € thousand)	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed[a]	Total net rental income[b]	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed[a]	Total net rental income[b]	Properties owned throughout 2 consecutive years
Brussels CBD and similar	24 965		881		766	26 612	25 577		5 106		539	31 222	-2.4%
Brussels decentralised	2 783					2 783	3 235					3 235	-14.0%
Brussels periphery	2 775					2 775	3 142		1 007			4 148	-11.7%
Wallonia	5 251			- 32	- 45	5 174	5 389			0	- 97	5 292	-2.6%
Flanders	11 968			- 257	- 32	11 679	12 803			397	233	13 433	-6.5%
Luxembourg city	2 498	620				3 118	2 320					2 320	7.6%
Total	**50 240**	**620**	**881**	**- 289**	**688**	**52 142**	**52 466**	**-**	**6 113**	**397**	**675**	**59 651**	**-4.2%**
Reconciliation to the consolidated IFRS income statement													
Net rental income related to:													
- Properties booked as financial leases (IFRS 16)						- 11						- 6	
- Non recurring element:						5 239						7 191	
Other property charges						- 4 784						- 4 975	
Property operating result in the consolidated IFRS income statement						**52 586**						**61 861**	

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

[b] 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.

EPRA INDICATORS – CONSOLIDATED

EPRA earnings

(in € thousand)	30.06.2021	30.06.2020
Net result IFRS (group share)	**46 802**	**24 733**
Net result IFRS (in € per share) (group share)	**1.73**	**0.91**
Adjustments to calculate EPRA earnings	- 16 311	16 764
To exclude:		
I. Changes in fair value of investment properties and properties held for sale	12 041	- 251
II. Result on disposals of investment properties	- 6 798	-
V. Negative goodwill/goodwill impairment	421	-
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 20 506	16 673
VIII. Deffered tax in respect of EPRA adjustments	31	285
X. Adjustments in respect of minority interests	- 1 079	57
EPRA earnings (group share)	**30 913**	**41 498**
EPRA earnings (in € per share) (group share)	**1.14**	**1.53**

EPRA NRV, NTA & NDV

	30.06.2021			31.12.2020		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
	Net Reinstatement Value	Net tangibles Assets	Net Disposal Value	Net Reinstatement Value	Net tangibles Assets	Net Disposal Value
IFRS Equity attributable to shareholders	**1 623 441**	**1 623 441**	**1 623 441**	**1 591 404**	**1 591 404**	**1 591 404**
To include:						
Revaluation of tenant leases held as finance leases	84	84	84	104	104	104
Diluted NAV at fair value	**1 623 525**	**1 623 525**	**1 623 525**	**1 591 508**	**1 591 508**	**1 591 508**
To exclude:						
Fair value of financial instruments	32 573	32 573		55 049	55 049	
Deferred tax in relation to fair value gains of investment property	1 112	556		1 081	540	
Goodwill as per IFRS balance sheet		- 17 723	- 17 723		- 18 145	- 18 145
Intangibles as per IFRS balance sheet		- 5 349			- 3 815	
To include:						
Fair value of fixed interest rate debt[(a)]			- 11 443			- 26 848
Real-estate transfer tax	70 644	0		68 848	0	
NAV	**1 727 854**	**1 633 582**	**1 594 358**	**1 716 486**	**1 625 138**	**1 546 515**
NAV (€/share)	**63.94**	**60.45**	**59.00**	**63.48**	**60.10**	**57.19**

[(a)] Excluding financial debt linked to IFRS 16.

FURTHER INFORMATION

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