



Regarding the language of this document, the document is written in Dutch and French, neither language taking preference over the other; the English version is an unofficial translation.

Brussels, 20 November 2019

INFORMATION NOTE ON THE OPTIONAL DIVIDEND

OPTION PERIOD FROM 2 DECEMBER TO 13 DECEMBER 2019 (4.00 PM (CET)) INCLUSIVE

Regulated information - Information Note

The information included in this Information Note is regulated information in the sense of the Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a regulated market

DISCLAIMER

It is possible that shareholders from certain jurisdictions other than Belgium will not be able to opt for payment of the dividend in shares. For more information on these restrictions, please refer to chapter 2, section 6 of this Information Note.

Befimmo SA shall not be held responsible for the accuracy, completeness, or use of the information displayed on its website and accepts no liability for the update of the information included in this Information Note as well as on the website.

This information should not be read as advice or recommendation. In particular, the results and progress of Befimmo SA could significantly differ from the outlook or projections, opinions and expectations formulated in this Information Note or on the Befimmo SA website.

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1 INTRODUCTION

As announced in the Annual Financial Report 2018, the total forecast amount of the dividend of the fiscal year 2019 amounts to €3.45 gross per share. On 21 October 2019, the Board of Directors of Befimmo SA has decided to distribute, in December 2019, an interim dividend for the 2019 fiscal year. This interim dividend amounts to €2.59 gross per share not held by the group (or €1.813 net per share based on a 30%¹ withholding tax).

On 20 November 2019, this Board decided to offer to Befimmo SA shareholders, by means of an optional dividend, the opportunity to contribute their dividend entitlement, resulting from the distribution of the interim dividend, to the capital of Befimmo SA in exchange for the issuance of new shares (in addition to the option to receive the dividend in cash).

The general terms and conditions of this transaction are described in this Information Note.

2 MAIN CHARACTERISTICS OF THE OPTIONAL DIVIDEND

2.1 Possibilities for the shareholder

Regarding the optional dividend, the shareholder chooses between the following:

- contribution of its net dividend entitlement to the capital of Befimmo SA in exchange for new shares;
- payment of the interim dividend in cash; or
- a combination of both aforementioned options.

2.2 Issue price and ratio

The issue price per new share amounts to €54.39.

To receive a new share, a shareholder must provide the net dividend rights related to 30 coupons No 38.

2.3 Option period

The option period starts on 2 December 2019 and ends on 13 December 2019 at 4.00 PM (CET) inclusive. Shareholders who did not express a choice using the required method during the option period shall receive the interim dividend in cash.

2.4 Maximum amount of new shares to be issued

A maximum amount of 852.640 new shares shall be issued.

¹ Please refer to section 3.11 of this Information Note on the Belgian fiscal regime with regards to the dividend for more information.

2.5 Maximum amount of the capital increase

The maximum amount of the capital increase is €12,387,566.77. The total maximum amount of the issue premium for the new shares to be issued is €33,987,522.83.

2.6 Who can subscribe?

Subject to restrictions in the second paragraph hereafter, any shareholder who holds a sufficient number of coupons No 38 of the Befimmo SA share may opt for an interim dividend in shares.

Shareholders who do not hold the required number of coupons to subscribe to at least one share will be paid the interim dividend in cash. As from 28 November 2019 (ex-date), it will no longer be possible to purchase shares with coupon No 38 attached, as this coupon will be detached from that day on and will not have a stock exchange listing line.

Shareholders who do not hold a sufficient number of coupons No 38 to subscribe to a whole number of new shares may not complement the contribution of their right to dividend with a contribution in cash. For the balance of their coupons No 38, the shareholders will receive the interim dividend in cash.

Any shareholder is entitled to subscribe new shares with his coupons No 38 provided that, by doing so, he does not infringe any legal regulation applicable to his jurisdiction. If a shareholder is subject to a jurisdiction other than the Belgian jurisdiction, it is his responsibility to confirm that he is allowed to subscribe new shares with regard to the optional dividend without imposing additional legal obligations to Befimmo SA than those resulting from Belgian law, and that he abides by the laws of the jurisdiction he is subject to (including obtaining any government, regulatory or other authorisation that could be required).

2.7 How can I subscribe?

Shareholders wishing to contribute their rights to the interim dividend (in part or in whole) to the capital of Befimmo SA in exchange for new shares, should contact Befimmo SA regarding registered shares or the financial institution responsible for the safekeeping of their dematerialised shares.

2.8 Capital increase and payment

By notarial deed dated 17 December 2019, two Befimmo SA Directors or Executive Officers shall ascertain the effective completion of the capital increase of Befimmo SA and the issuance of new shares.

The cash dividend shall be paid as from 20 December 2019.

2.9 Stock exchange listing

In principle, the new shares, with coupon No 39, will be admitted for trading on the Euronext Brussels as at 20 December 2019.

2.10 Share in results

The new shares, with coupon No 39 attached, issued in the framework of the capital increase, are eligible for the final dividend of the 2019 fiscal year that would be granted, as the case may be, by the Ordinary General Meeting of shareholders of 28 April 2020.

3 DETAILED INFORMATION

3.1 Introduction

As announced in the Annual Financial Report 2018, the total forecast amount of the dividend of the fiscal year amounts to €3.45 gross per share and, on 21 October 2019, the Board of Directors of Befimmo SA has decided to distribute, in December 2019, an interim dividend for the 2019 fiscal year. This interim dividend amounts to €2.59 gross per share not held by the group (or €1.813 net per share based on a 30% withholding tax).

On 20 November 2019, this Board decided to offer the Befimmo SA shareholders, by means of an optional dividend, the opportunity to contribute their dividend entitlement resulting from the distribution of the interim dividend to the capital of Befimmo SA in exchange for the issuance of new shares (in addition to the option to receive the dividend in cash).

Within the framework of the authorised capital², the Board of Directors decided to increase, on 20 November 2019, the share capital by means of a contribution in kind of the net dividend entitlement of the shareholders who will opt for such contribution in order to receive shares in exchange for the (partial or full) contribution of their rights to the interim dividend. The terms and modalities of this transaction are described in more detail below.

3.2 Offer

With regards to the dividend related to the 2019 fiscal year, as decided by the Board of Directors, Befimmo SA invites the shareholders to choose between the following:

- contribution of their dividend entitlement to the capital of Befimmo SA in exchange for new shares;
- payment of the interim dividend in cash; or
- a combination of both aforementioned options.

3.3 Description of the transaction

Shareholders opting for the (partial or full) contribution of their rights to the interim dividend to the capital of Befimmo SA in exchange for new shares may subscribe to the capital increase during a specific period of time called “option period” (see hereafter).

² The authorisation to increase the share capital, in one or several stages, and in particular by the contribution of the right to a dividend (in accordance with articles 7 and 10.2 of the articles of association of the Company), up to a maximum of €334,464,491.53, was given to the Board of Directors of the Company, by a solution of the extraordinary shareholder’s meeting of the Company of 16 April 2016, for a period of five years from 13 May 2016. The total unused balance of the authorised capital at the time of writing is €297,301,776.71.

The dividend entitlement related to a specific number of existing shares of the same form carries the right to a new share, at an issue price per share described in more detail hereafter in this Information Note.

The security carrying the right to dividend is the coupon No 38.

Shareholders who do not hold a sufficient number of coupons No 38 linked to shares of the same form to subscribe to at least one new share shall be paid the interim dividend in cash.

As from 28 November 2019 (ex-date), it will no longer be possible to purchase shares with coupon No 38 attached, as this coupon will be detached from that day on and will not have a stock exchange listing line.

Shareholders who do not hold a sufficient number of coupons No 38 related to shares of the same form to subscribe to a whole number of new shares may not complement the contribution of their right to dividend with cash. The balance of coupons No 38 for the interim dividend will be paid to shareholders in cash.

If a shareholder holds shares of different forms (for example, registered shares and dematerialised shares), dividend entitlements related to such different forms of shares may not be combined in order to acquire a new share. At any time after the issue, shareholders can ask, at their own expense, for the conversion of shares in dematerialised or registered shares.

3.4 The issue price

The issue price per new share is €54.39.

It was set based on the average closing market share price during the reference period (from 6 November to 19 November 2019) on Euronext Brussels, minus the value of the gross dividend per share (or $€58.3 - €2.59 = €55.71$).

The result of this formula was then rounded down to a multiple of the net dividend of €1.813 (based on a 30% withholding tax) closest to the calculated issue price, which is €54.39.

The result of this rounding provides the basis for the exchange ratio (number of coupons required to subscribe to a new share). Applying this multiple makes it possible to determine the issue price with a discount on average price, ex-dividend gross represented by coupon No 38, of -2.37%.

A shareholder who does not wish to make a (partial or full) contribution of the net nominal value of his rights to dividend in exchange for new shares will incur, with regards to his current situation, a dilution of his financial rights (including the right to a dividend and the right to participate in the liquidation surplus, if any) and of his right to vote and preferential right.

In the event that 99% of the shareholders decide to contribute their rights to the dividend to the capital of Befimmo, an existing shareholder, holding 1% of the capital before the operation, who has not contributed his rights to the capital will suffer a dilution of about -2.9% of his financial, voting and preferential rights after the operation.

3.5 Option period

The option period during which shareholders may subscribe to the capital increase begins on 2 December and ends on 13 December 2019 at 4.00 PM (CET) inclusive.

Shareholders who do not express their choice during this option period or fail to use the required method to do so shall receive the interim dividend in cash.

3.6 Capital increase and dividend payment

The Board of Directors of Befimmo SA has decided on 20 November 2019 to increase the capital of Befimmo SA within the limits of the authorised capital and by means of a notarial deed, through the issuance of a maximum of 852,640 shares.

This is the number of shares that should be issued if all the holders of Befimmo SA³ shares contributed all of their rights to the (net) interim dividend to the capital of the Company. In such case, the capital of the Company would increase by €12,387,566.77, from €410,270,475.41 to €422,658,042.18 while the balance of the net interim dividend contribution for an amount of €33,987,522.83 would be recognised as "issue premium".

By means of a notarial deed dated 17 December 2019, two Befimmo SA Directors or Executive Officers shall ascertain the effective completion of the capital increase of Befimmo SA and issuance of the exact amount of new shares.

Taking into account the aforementioned issue price, a shareholder may subscribe to any new share to be issued, which shall be fully paid-up, by contributing his rights to a net dividend based on 30 existing shares of the same form, represented by coupon No 38.

This valuation method is considered appropriate for the optional dividend.

For shareholders benefiting from a withholding tax reduction or exemption, the contribution of the dividend entitlement shall amount to €1.813 net per share, as is the case for shareholders not entitled to such reduction or exemption, and the balance resulting from the withholding tax reduction or exemption shall be paid in cash as from 20 December 2019. Shareholders in this situation should provide the usual certificate, through their financial institution, to ING Belgium (the financial institution responsible for the financial service of the Befimmo SA share).

The amount of the capital increase will be equal to the number of newly issued shares multiplied by the accounting par value (or €14.528484 (rounded) per share) of Befimmo SA shares. The difference between the accounting par value and the issue price will be recognised as issue premium in a blocked account which, as for the capital, will be the third party guarantee and can only be reduced or removed by decision of the General Meeting deliberating in accordance with the requirements pertaining to amendments to the articles of association.

With the exception of existing registered shares, all new shares granted shall have the same form as existing shares held. Holders of existing registered shares who subscribe to the optional dividend shall receive registered or dematerialised shares as they choose. Shareholders may, at any time following the issuance, request, at their own expense, a conversion of shares into dematerialised or registered shares.

³ Excluding Befimmo SA, whose right to the interim dividend on its own shares for 2019 has been cancelled.

The new shares, with coupon No 39 attached, issued as a result of the capital increase, are eligible for the final dividend of the 2019 fiscal year that would be granted, as the case may be, by the General Meeting of shareholders on 28 April 2020.

As from 20 December 2019, in principle, the new shares with coupon No 39 attached shall be listed and traded on Euronext Brussels.

As from 20 December 2019, the dividend in cash shall also be paid to shareholders who: (i) opted for the contribution of their rights to the interim dividend in exchange to the issuance of new shares, although they did not reach the required whole number of shares (in which case the balance of the interim dividend shall be paid in cash); (ii) opted for the interim dividend in cash; (iii) opted for a combination, or (iv) did not express a choice.

3.7 Justification of this transaction

The contribution in kind of interim dividend entitlements to the capital of Befimmo SA in the framework of the optional dividend and the resulting capital increase will make it possible to increase the Company's equity in a flexible way and at limited cost for the Company. Moreover, this capital increase will result in a reduction of the Company's debt level.

This type of interim dividend distribution will also reinforce shareholders' loyalty by giving them the opportunity to acquire new Befimmo SA shares at an issue price under the average share price during the reference period.

3.8 Suspension/cancellation of the transaction

The Board of Directors reserves the right to suspend or cancel any capital increase if, during the period from 21 November to 17 December 2019 inclusive, the share price on Euronext Brussels rises or falls significantly or in case of occurrence, during the same period, of one or more events of economic, political, military, monetary or social nature, likely to negatively and significantly affect the capital market.

Such suspension or cancellation decision would immediately be the object of a press release.

3.9 Financial service

Shareholders wishing to contribute their rights on the interim dividend (in part or in whole) to the capital of Befimmo SA in exchange for new shares, should contact Befimmo SA regarding registered shares or the financial institution responsible for the safekeeping of their dematerialised shares.

This service is offered to registered shareholders free of charge.

The Befimmo SA financial service is performed by ING Belgium.

3.10 Costs

All legal and administrative costs resulting from the capital increase shall be borne by Befimmo SA.

Certain costs such as those related to the modification in the share form and/or coupons No 38 shall remain payable by the shareholder. The latter is requested to consult his financial institution regarding this matter.

3.11 Fiscal consequences

The paragraphs hereafter summarise the Belgian fiscal regime with regards to the optional dividend referred to in this Information Note. They are based on Belgian legal provisions and fiscal administrative interpretations applicable at the date of this Information Note. This summary does not take into account, and by no means pertains to, fiscal laws applicable in other countries, nor does it take into account any individual circumstances of investors. The information included in this Information Note should not be read as investment advice, legal advice, or fiscal advice. Shareholders are invited to consult their own fiscal advisor regarding the fiscal consequences in Belgium and in other countries with regards to their own specific situation.

Withholding tax

The shareholders' entitlement to opt for the payment of the interim dividend in cash, to take their dividend rights in the form of new shares, or a combination of both, has no impact on the calculation of the withholding tax. This means that, regardless of the shareholders' choice, a withholding tax of 30% will be deducted from the gross interim dividend of €2.59 (rounded) per share, unless they are entitled to an exemption or a reduction of the withholding tax.

Resident and non-resident shareholders who, under Belgian law or a double taxation agreement, are entitled to an exemption or a reduction of the withholding tax, must produce the relevant supporting documents to the financial institution holding their dematerialised securities or to Befimmo, in the case of registered shares, no later than 26 December 2019.

For the shareholders who are entitled to an exemption or a reduction of the withholding tax, the contribution of the dividend entitlement, just like the shareholders who aren't entitled to such reduction or exemption, will amount to €1.813 net per share. The balance resulting from the exemption or reduction of the withholding tax will be paid out as from 20 December 2019.

3.12 Dissemination of information

Pursuant to article 1.4 (h) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, it is not required to draft a prospectus for share offer and admission to trading with regards to an optional dividend, provided a document including information on the number and nature of the shares, as well as the reasons and modalities of the offer and admission, is made available to the public. This Information Note has been drafted and published according to the aforementioned article.

This Information Note is available on the Befimmo SA website (<https://www.befimmo.be/en/investors/publications?type=25>).

The Special Report of the Board of Directors of 20 November 2019 and the Auditor's Special Report on the contribution in kind, drafted in compliance with article 602 of the Code of Company Law are also available on the Company's website (<https://www.befimmo.be/en/investors/publications?type=25>).

3.13 Contact

For additional information on this transaction, shareholders with dematerialised shares may contact the financial institution in charge of the safekeeping of their shares, or ING Belgium (the paying agent for Befimmo SA).

Holders of registered shares shall receive, in the course of this transaction, a letter indicating the contact person to call as well as an email address.

4 APPENDIX: EXAMPLE

The example below shows the options available to Befimmo SA shareholders with regards to the optional dividend. For this purpose, the withholding tax is set at 30%.

The issue price amounts to €54.39. One may subscribe to any new share to be issued by means of a contribution of net dividend claims related to 30 existing shares of the same form represented by a coupon No 38.

A shareholder may exchange net dividend rights related to 70 shares represented by a coupon No 38 in exchange for:

- The net amount of €126.91 (*interim dividend fully paid in cash*);
- 2 new shares (= *the maximum possible*) + €18.13 net in cash (*the balance of the interim dividend*); or
- 1 new share (a number of new shares lower than what he could obtain) and €72.52 net in cash (balance equal to 40 coupons No 38).

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