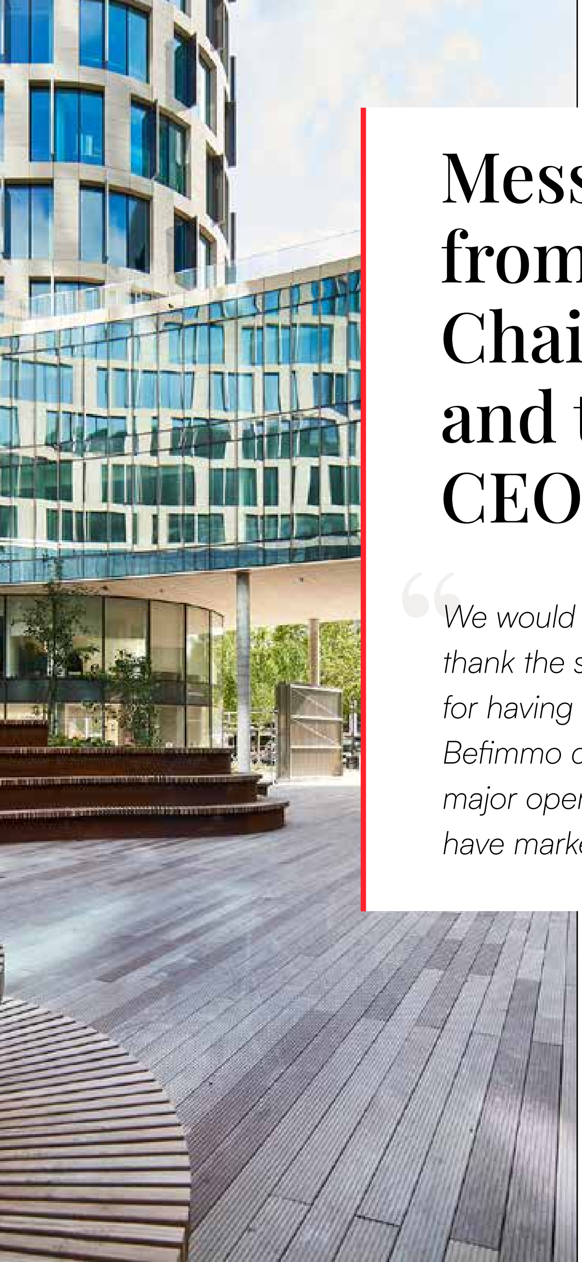
Annual Financial Report.

2022

→ BEFIMMO.BE



Message from the Chairman and the CEO

"We would like to warmly thank the shareholders for having followed Befimmo during the major operations that have marked its history."

Dear Shareholders, Dear Partners,

It is not without emotion that we take up our pen today to look back on this year 2022, which will undoubtedly have marked the existence of Befimmo.

As you know, Befimmo is turning over a page in its history. At the end of 2022, Alexandrite Monnet Belgian Bidco SA bought back 100% of Befimmo's shares following a public takeover bid.

This acquisition will enable us to be better prepared for the years to come, to deploy the clear and ambitious strategy that we have put in place since the beginning of 2022. Befimmo will thus be better positioned as a leading real-estate investor, developer and operator in the interests of its customers, employees and all other stakeholders.

27 years of stock market listing

In 1995, Befimmo was first listed on the stock exchange. This represents 27 years of trust and privileged relationships with all our partners. 27 years of growth, development, ambitious and exemplary projects. 27 years of being listed on the stock exchange. 27 years marked by all the people who have crossed our path.

The evolution that Befimmo has experienced since its creation would not have been possible without you.

We would like to thank the Directors for their support and devotion, as well as the entire team for its professionalism, which has enabled us to make Befimmo grow and become a key real-estate player in Belgium.

We would also like to warmly thank the shareholders for having followed Befimmo during the major operations that have marked its history.

Whether it was during a capital increase or during a major purchase or sale, you have always had confidence in Befimmo and its Management. We thank you for this.

Finally, we would like to thank all the other stakeholders; architects, experts, banks and long-standing partners. We are starting a new chapter and we sincerely hope to continue our collaboration, based on mutual respect and a long history together.

As we have always done since the creation of Befimmo, we will continue to be transparent about our activities (both financial and non-financial) and we will not fail to keep you informed of our Company's evolutions and developments.

Thank you for everything.
Brussels, April 2023.

Jean-Philip Vroninks
CEO

Vincent Querton
Chairman of the Board of Directors

Table of Content

Basis of consolidation

Any reference to Befimmo's portfolio, assets, figures or activities should be understood on a consolidated basis that includes those of its subsidiaries, except where clear from the context or expressly stated otherwise.

Befimmo has exclusive control of Silversquare Belgium SA and consequently Silversquare Belgium SA, and its subsidiary are included in the global consolidation as at 31 December 2022.

Befimmo's activities are presented in this Report by business segment (real-estate operator and coworking).

Real-estate, financial and environmental, social and governance (ESG) indicators

Befimmo's real-estate indicators are defined in Appendix II to this Report, and identified in a footnote the first time they occur.

With a view to improving the quality and comparability of the information presented, Befimmo has fully committed to standardising its financial and ESG reporting by adopting EPRA reporting guidelines and Global Reporting Initiative (GRI) Standards[1].

In the non-financial statements of this Report, all detailed information regarding Befimmo's 2030 Action Plan and all ESG indicators (set out in the GRI Content Index) can be consulted.

Alternative Performance Measures

The Alternative Performance Measures (APM) guidelines[2] 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 III to this Report.

The following explanatory icons are used in this Report:

- THIS ICON REFERS TO FURTHER INFORMATION AVAILABLE VIA A VIDEO.
- THIS ICON REFERS TO ANOTHER PAGE WITHIN THIS PDF.

1. www.globalreporting.org.
2. For further information please see the "Final Report - ESMA Guidelines on Alternative Performance Measures" on the ESMA website (www.esma.europa.eu).

01

Befimmo at a glance.

Profile of the Company

The Befimmo Group, including Befimmo and its subsidiaries, sister companies and affiliates (hereafter referred to as Befimmo) is a real-estate investor, operator and developer and includes certain companies with the status of a Specialised Real-Estate Investment Fund (FIIS/GVBF).

We aim to create, manage and build thriving work & life environments and animate communities for a sustainable future.

Our high-quality, performant and mixed-use portfolio is located in growing BeLux city centres. It is worth €2.7 billion and comprises around 40 office and mixed-use buildings as well as 10 coworking spaces, totalling more than 830,000 m² of space.

Our in-house coworking partner Silversquare and our recent partnership with Sparks allow us to deliver tailor-made coworking spaces and meeting venues.

Our hybrid offer includes traditional leases, fully flexible solutions, a mix of both, and our projects to come include work & life hubs. This network of hubs and the community that goes with it allows us to combine spaces in ways that promote creativity, innovation, and encounters.

Our user-centric business model is about operating inspiring spaces and related services and facilities in sustainable buildings. Both the ever-changing needs of the world of work and the significant growth in ESG criteria dictate our action and drives us towards flexibility and innovation.

We adopt a ***win-win,*** responsible ***approach,*** by which value creation is ***beneficial to all our stakeholders.***

01

Main results of the Company

High-quality portfolio

±40
Buildings

±830,000 M²
Workspace

9.5 YEARS
Duration of leases

€133 MILLION
Rental income

95.3%
Occupancy rate of properties available for lease

€2.7 BILLION
Fair value

Coworking operator

10
Coworking spaces

46,050 M²
Coworking space

88%
Occupancy rate of coworking spaces open since more than three years

€16 MILLION
Coworking turnover

Financial structure

46.9%
Debt ratio

43.1%
LTV ratio

2.3%
Average financing cost

Financial results

€2.44 per share
Consolidated EPRA earnings

€1.27 per share
Consolidated net result

€61.01 per share
Consolidated net asset value

Sustainability

38%
Reduction of absolute scope 1 & 2 GHG emissions (vs 2018)

81%
Construction waste diverted from landfill and incineration

Team

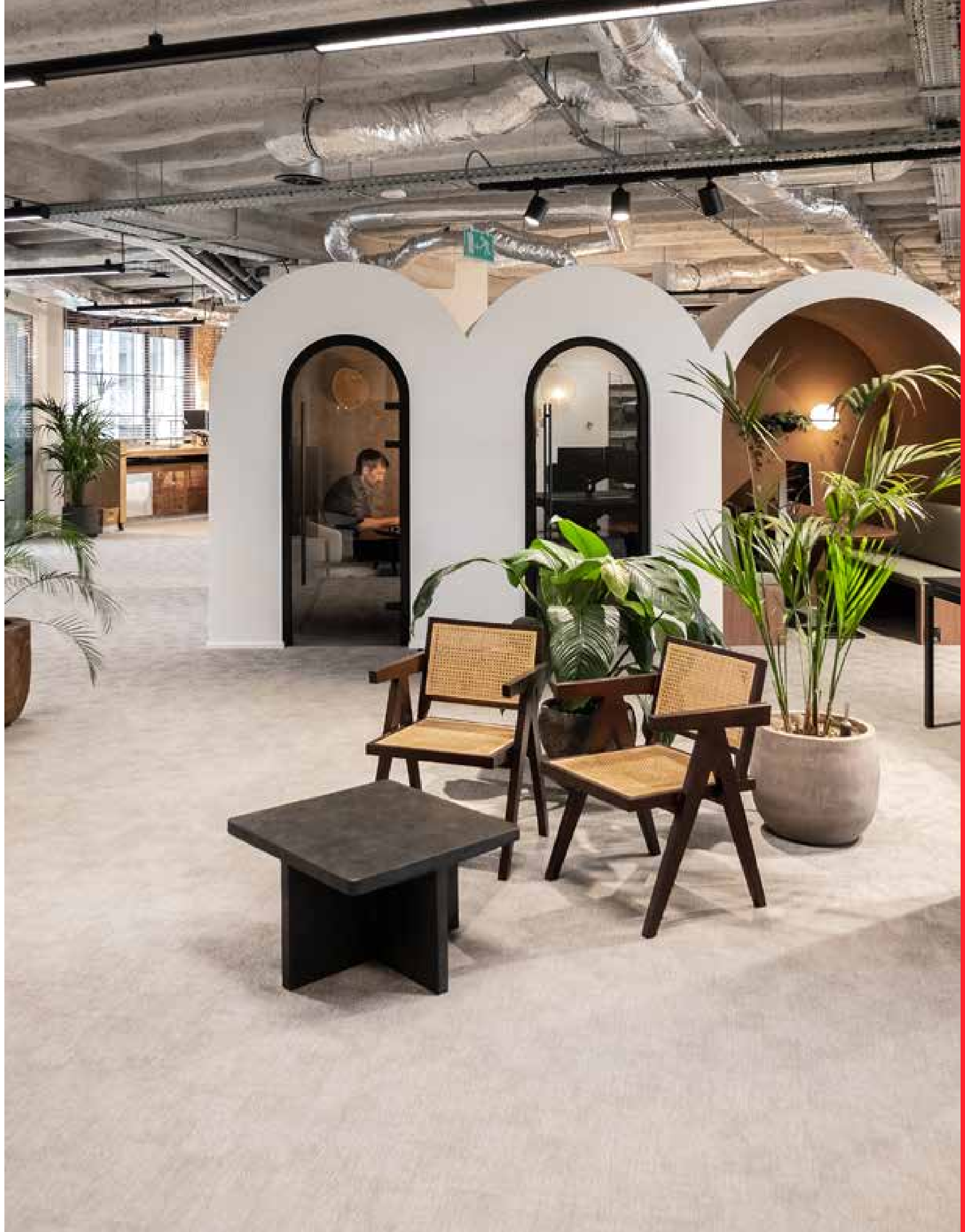
89
Team members

57% MEN 43% WOMEN
Gender diversity

33.7 HOURS
of training on average per employee

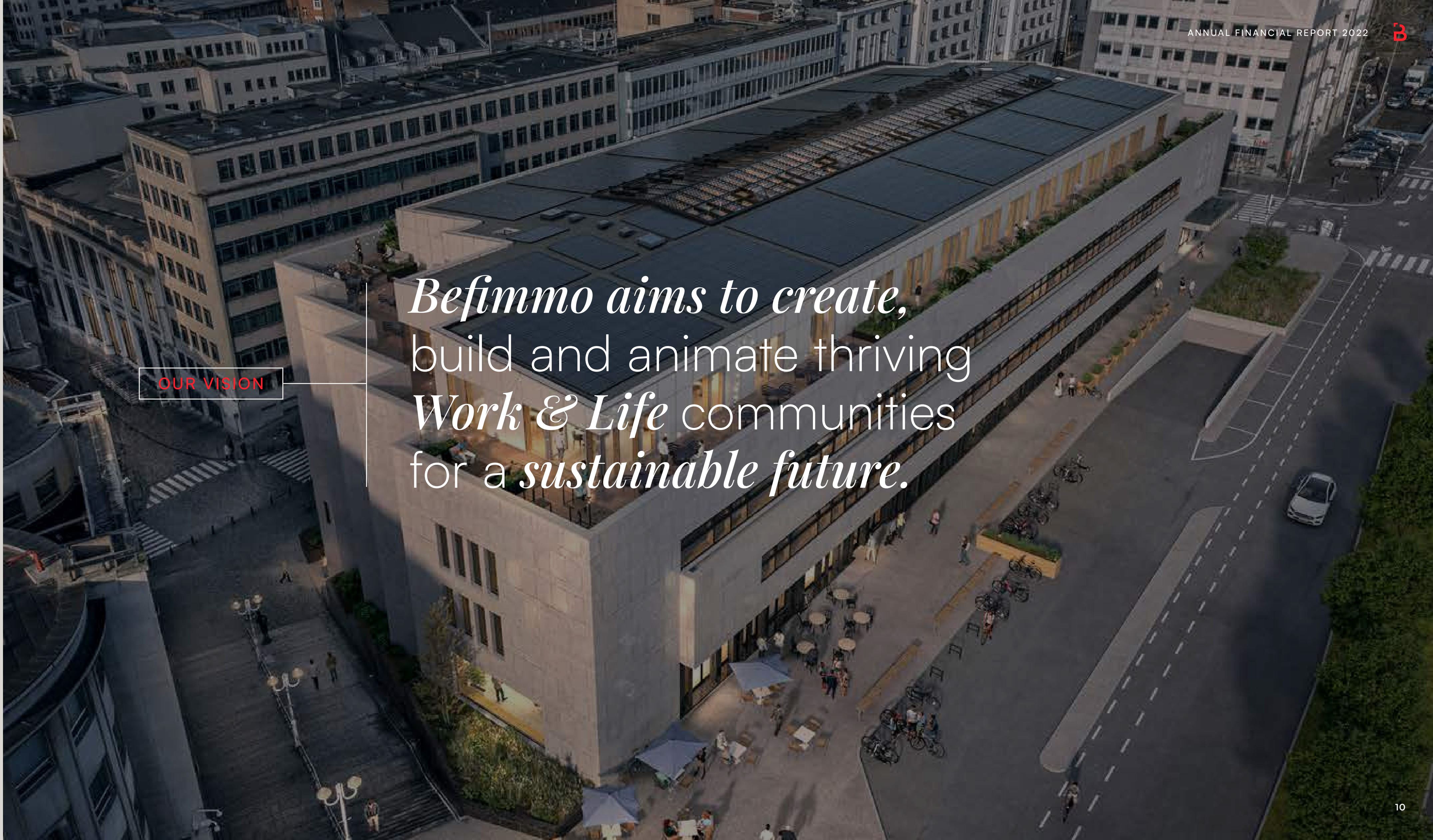
02

Management report.



MANAGEMENT REPORT

Vision, mission, strategy & business model



OUR VISION

Befimmo aims to create, build and animate thriving ***Work & Life*** communities for a ***sustainable future.***

Our vision

Befimmo aims to create, build and animate thriving work & life communities for a sustainable future.

Over time, Befimmo has the intention to diversify itself geographically, covering the major cities in the BeNeLux over the next years. Our ambition is to create and operate high-quality, mixed-use projects in growing economic, academic and research hubs.

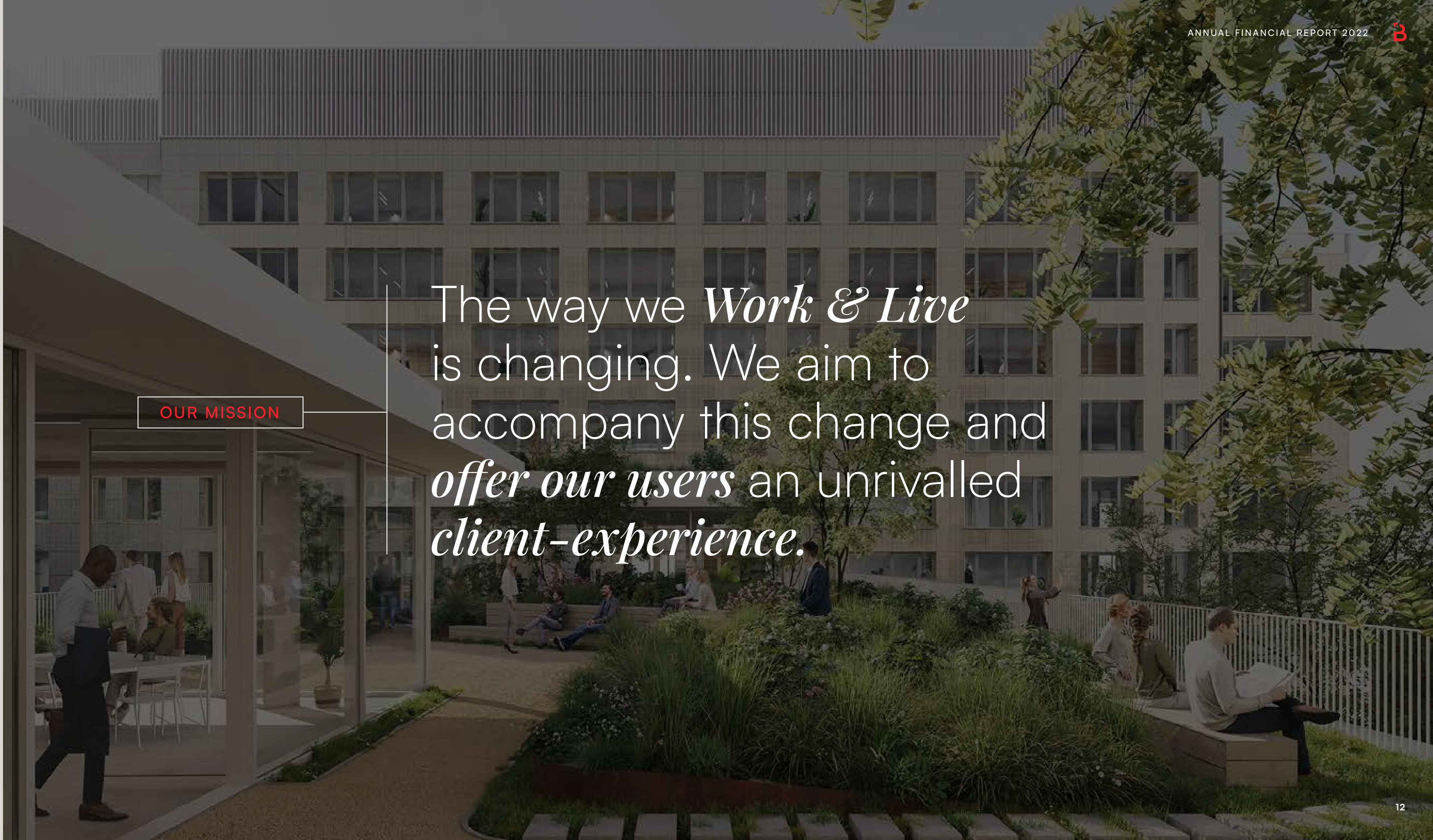
We want to accompany our clients throughout their real-estate journey, offering them an ultimate experience, as a one-stop-shop they can entrust with all their needs and expectations in terms of work and living space.

The user is at the heart of our business model and we mean to offer him an increased range of facilities and services to make his life easier.

We envision places where all users can enjoy a pleasant, safe and connected work experience, with a focus on hospitality as a booster of inspiration, well-being and productivity.

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

> Our ambition is to ***create and operate high-quality, mixed-use projects*** in growing economic, academic and research hubs.



OUR MISSION

The way we ***Work & Live*** is changing. We aim to accompany this change and ***offer our users*** an unrivalled ***client-experience.***

Our mission

Our mission is to invest in, develop and operate green work and life ecosystems in growth cities while creating value for our stakeholders.

Our buildings are user-centric, high-quality, ideally located, sustainable, mixed-use and respond to the highest standards in terms of performance and flexibility.

The "buy and hold" approach of real estate belongs to the past. We aim to provide "workspace-as-a service" to our users, through a wide range of solutions.

The way we work and live is changing. We aim to accompany this change and offer our users an unrivalled client experience.

Our buildings are ***user-centric, high-quality, ideally located, sustainable,*** and ***mixed-use.***

Our strategy & business model

SIX STRATEGIC OBJECTIVES

In order to achieve our vision, we will be accelerating our transformation journey towards our six strategic objectives we have adopted.

01
Activity-based operating model

02
Sector diversification

03
Adjusted footprint

04
Portfolio management

05
Client-centric organisation

06
Disciplined financial management

SIX STRATEGIC OBJECTIVES

01
Activity-based operating model

Befimmo is organised in an activity-based operational model structured into three separate business lines: Portfolio, Operator and Developer.

This allows each activity to maintain the focus on its core business with a full dedication to the final user. For each activity, we rely on the track record and existing expertise and competencies of our team.

02
Sector diversification

Befimmo also focuses on driving sectorial diversification and limits its exposure to traditional office buildings while driving towards faster growing segments.

The mid-term ambition is to have an increased share of mixed-use work, flex & life hubs and develop residential assets.

This will allow for a new balance in our portfolio and the subsequent revenue diversification.

03
Adjusted footprint

Over time, Befimmo has the intention to diversify itself geographically, covering the major cities in the BeNeLux over the next years.
Our ambition is to create and operate high-quality, mixed-use projects in growing economic, academic and research hubs.

04
Portfolio management

Befimmo accelerates capital recycling through asset rotation and value-creation in the portfolio thanks to a smart and sustainable investment strategy. The portfolio is continuously assessed with a view to divest mature buildings.

By accelerating the rotation, selling at maturity, reinvesting, and developing larger, inner-city and multi-modal assets with highest possible environmental and smart standards, we drive value creation through the entire asset cycle. The focus is maintained on total return, revenues, value creation and healthy LTV.

We aim to accelerate this trend in the coming years and provide Befimmo with a strong financial base to further develop its core strategy.

05
Client-centric organisation

We want to further develop our client-centric approach thanks to our Operator business line.

In order to offer our client an outstanding experience, our ambition is to develop into a one-stop-shop and stand close to our clients throughout their journey within our spaces. To develop this workspace-as-a-service approach, we brought together our in-house coworking activity by Silversquare, the tailor-made and user-centric meeting rooms by Sparks, and a dedicated advisory cell on office planning, which guides clients in defining, designing and building spaces that meet their expectations. The focus lays on hospitality, as a way to boost both well-being and productivity within our workspaces.

This strategic objective will develop new revenue streams with the expansion of Silversquare, Sparks and the creation of new design and build, hospitality- and community-based subsidiaries, which should also provide additional sources of income in the mid-term.

In the following years, we aim to keep expanding the Silversquare coworking network with the objective to reach a surface of 85,000 m². Moreover, in 2022, we opened our first meeting solutions concept Sparks, which represents a surface of 2,500 m² in a core location in front of the Central Station (other cities have been identified).

06
Disciplined financial management

Befimmo continuously aims to strengthen its financial management and to enhance its reporting structures. Our three-business-lines model allows us to drive synergies, improve cost management, deliver improved margins and offer more transparency.

Our new strategy accelerates capital recycling through assets rotation with a positive impact on the balance sheet. We want to adopt a strict financial discipline and limit our development risks.

THREE-BUSINESS-LINE MODEL

From the classic business model of the past, Befimmo is shifting to a user-centric business model.

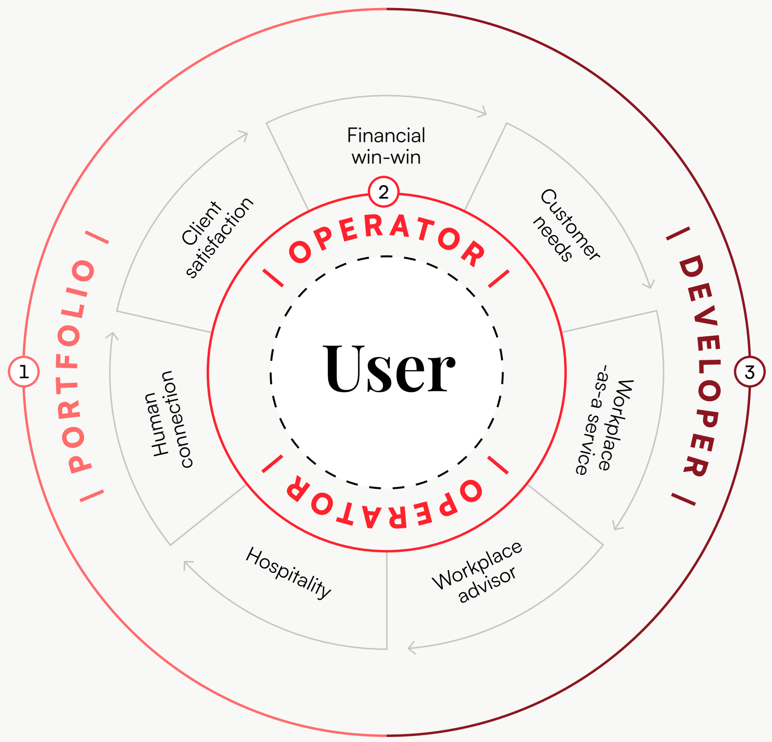
In the course of 2022, we re-organised Befimmo into three business lines:

1. **PORTFOLIO:** Creating value by investing in and managing work and life hubs in growth cities;
2. **OPERATOR:** Creating value by operating and designing work and life hubs that meet user needs and offer an ultimate experience;
3. **DEVELOPER:** Creating value by developing sustainable, SMART and high-performance buildings.

We aim at creating real proximity with our users through smart services, among others digital tools to connect us to our users, create a community and bring forward services related to coworking, meeting, mobility, catering or even leisure.

By adopting a user-centred behaviour, the customer is at the heart of the organisation and the B2B approach becomes a B2B2C approach. Our ambition is to observe, analyse and understand customers' ever-changing needs and to make it the starting point for all our actions.

We intend to achieve a strict financial management, enhance opportunities and limit risks for each individual business line.



FINANCIAL WIN-WIN
Offer a fair price & reasonable investments for all parties

CUSTOMER NEEDS
Observe, analyse & understand customers' ever-changing needs

WORKSPACE-AS-A SERVICE
Offer flexible, hybrid, or HQ workspace solutions and meetings to our clients

WORKSPACE ADVISOR
Define, design & build space meeting client expectations
Accompanying teams in change management

HOSPITALITY
Offer service & continuously enhance well-being, health & security

HUMAN CONNECTION
Animate the community, organising inspiring events and rich exchanges & encounters

CLIENT SATISFACTION
Measure & ensure the highest level of client satisfaction

Takeover offer

At the end of February 2022, Alexandrite Monnet Belgian Bidco SA, (the "Bidder"), an entity fully controlled by one of Brookfield's real-estate private funds, filed a formal notice with the FSMA with a view to launching an all-cash voluntary and conditional public offer to acquire all shares of Befimmo at an offer price of €47.50 per share.

The Board of Directors expressed its support for the transaction, subject to review of the final offer prospectus.

Befimmo's two largest shareholders, AXA Belgium and AG Finance, have each entered into a soft irrevocable undertaking to tender Befimmo shares, representing respectively 9.6% and 5.6% of Befimmo's share capital. Moreover, in August 2022, AG Real Estate, acting on behalf of its affiliate AG Finance, decided to tender the remaining stake of 3.5% in Befimmo that it had initially decided to retain. It ended the shareholders' agreement between the Bidder and AG Finance.

Three different acceptance periods have been opened between early June and October 2022 to allow existing Befimmo shareholders to sell their shares at the price offered. As a result, the Bidder owned 96.9% of the Befimmo shares (including treasury shares held by Befimmo).

Early October, the Bidder decided to proceed to a final reopening of the offer for acceptance given that he held (directly and indirectly) more than 95% of the Befimmo shares. This had the effect of a simplified squeeze-out and resulted in the delisting of Befimmo SA, which occurred after the end of 2022.

KEY EVENTS AFTER CLOSING, P.24

The prospectus relating to the Offer (including the response memorandum and the acceptance form) can be consulted on the corporate website: www.befimmo.be/en/takeover-offer.

CENTRAL

ESG, innovation & digitalisation

Environmental, Social and Governance (ESG) regulations have significantly expanded in the past years. Climate change is a global issue and is especially relevant for the real-estate sector, which contributes nearly 40% of carbon emissions globally and nearly 70% of emissions in urban areas.

Befimmo's 2030 Action Plan is aligned with global trends, as described in detail in the ESG section of this Report.

Befimmo's strategy maintains the focus on efficiency, sustainability and responsible value creation. In that context, ESG aspects are a natural extension to Befimmo's corporate strategy, focused on creating value for all its stakeholders, both now and in the long-term.

Accordingly, an acceleration in the strategic transformation of the Company goes along with a strong expansion of ESG considerations, next to the other, global, external trends and factors.

ESG aspects have become a source of innovation for the real-estate sector, to reinvent itself and move towards driving the solution rather than purely seeking conformity with official norms. That is why ESG and digitalisation are topics close to one another.

ESG REPORT, P.54

Our digitalisation strategy is oriented towards our tenants, our teams and our buildings:

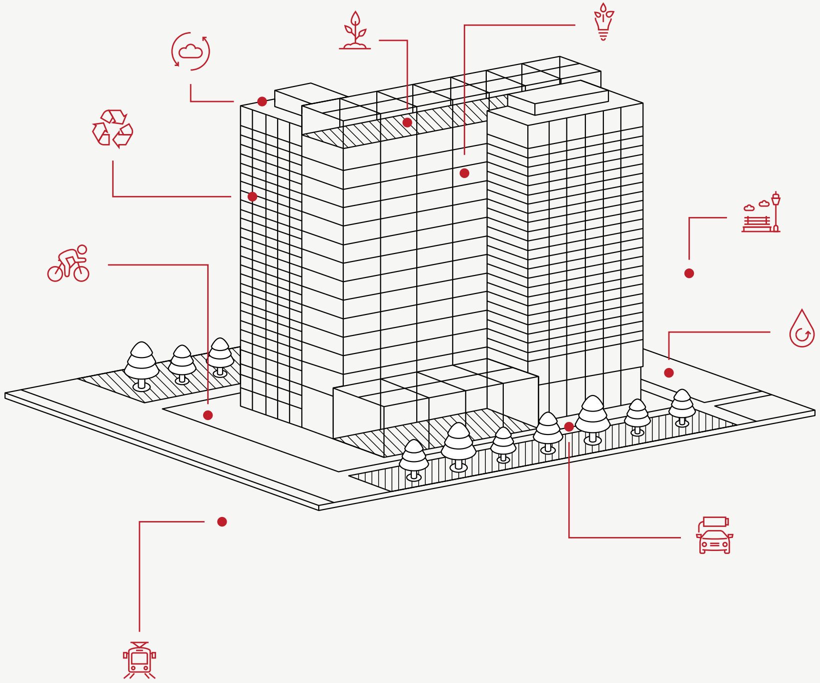
- It allows us to achieve our goals, measure the satisfaction of our customers, better understand and meet their ever-changing needs and communicate with our end-users;
- It allows our teams to focus on tasks with added value for our stakeholders, while automating processes and generating more agility;
- With the implementation of the Building Information Management (BIM), it contributes to an improved building performance, better cost management and the constant availability of building data throughout the building's life cycle;
- It makes buildings SMART, highly flexible, connected to an efficient network, offering an improved user experience and new services and facilities while allowing for a premium operational management and societal innovations thanks to data intelligence.

In Befimmo's vision, the building of the future is highly performant, user-centric and flexible. Accordingly, we have set up a series of targets we aim to achieve in the coming years.

> In Befimmo's vision, the building of the future is highly performant, user-centric & flexible.

BEFIMMO'S BUILDING VISION

High performance, user-centric & flexible



Accessible & integrating multimodality

- Inner-city location
- Public transport accessibility
- Green transport solutions
- Bicycle and scooter parks

Smart & highly performant

- SMART visitor and user access
- Opening windows linked to sensors with the ability to adjust ventilation
- Demand-controlled ventilation linked to sensors
- SMART energy & water consumption monitoring
- SMART car parks with electric charging stations
- SMART lighting

User-centric - work & life

- Sport facilities, showers and lockers
- Restaurants
- Hospitality services
- Comfort (daylight, sound insulation, demand-controlled ventilation and heat)
- Terrace for wellness and relaxation
- Specific amenities for occupiers and local communities

Connecting to communities

- Coworking, coliving, student housing, etc.
- Accessible outside space (to local communities)
- Connecting corporates to scale ups, entrepreneurs, enterprises, etc.
- Direct dialogue with the users through the Befimmo App
- Workspace-as-a-service (coworking, hybrid, meetings, etc.)

Sustainable

- Limiting soil sealing
- Enhanced biodiversity (green roofs)
- Water and energy-efficient installations
- Low emission building materials
- Well-insulated building envelope
- Rainwater recovery
- Geothermal heat pumps and photovoltaic panels
- Dedicated space for waste storage

Our value-creation model

Befimmo's business model aims to create value through each business line, in a long-term sustainable way, for all stakeholders.

INPUTS

HUMAN AND INTELLECTUAL CAPITAL

- 89 team members
- Expertise and training

FINANCIAL CAPITAL

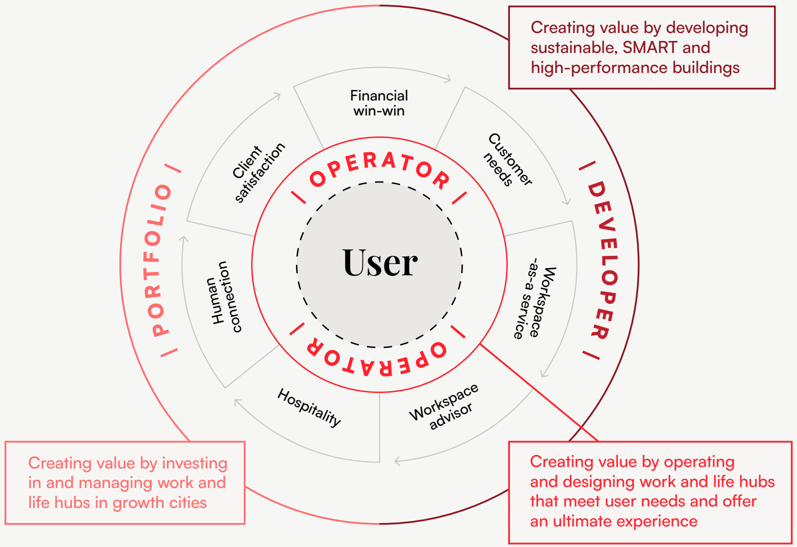
- Fair value of €2,750 million
- Confirmed credit facilities of €2,093 million (as of year-end 2022)

NATURAL CAPITAL

- 50.39 GWh of electricity consumption
- 49.42 GWh of fuel consumption
- 174,559 m³ of water consumption
- 2,119 tonnes of operational waste
- 2,824 tonnes of construction waste

INFRASTRUCTURE

- Around 40 buildings representing more than 830,000 m²
- 10 coworking centres representing 46,050 m²



OUTPUTS

HUMAN AND INTELLECTUAL CAPITAL

- Employee gender diversity: 57% (M) - 43% (F)
- Employee training: 33.7 hours/emp/year

FINANCIAL CAPITAL

- Consolidated EPRA earnings of €65.94 million

NATURAL CAPITAL

- 38% reduction of absolute scope 1 & 2 GHG emissions (vs 2018)
- 81% construction waste diverted from landfill and incineration

INFRASTRUCTURE

- 157,000 m² letting activity
- Around 170 corporate tenants
- 88% occupancy rate of coworking spaces open since more than three years

MAIN GLOBAL TRENDS → URBANISATION, CLIMATE EMERGENCY, GROWING POPULATION WORLDWIDE, EXPONENTIAL DIGITAL TECHNOLOGIES & NEW ECONOMIES

Our values

Our teams are driven, engaged, responsible, open, and determined to work in tomorrow's new hybrid world of work. Our positive outlook, trust in people, and executional thoroughness allow us to continue delivering value in real estate - with our values embedded at the heart of everything we do.

01 — *Professionalism*

We give every project or user, regardless of size, all the attention, thoroughness and professional dedication required, in line with best practices.

02 — *Team spirit*

Each member of our team works in a spirit of solidarity and shared responsibility, and is driven as much by achieving common goals as by personal success.

03 — *Commitment*

The team's dedication to Befimmo, its users, and its community means that everyone has a high level of involvement in their work, team, and projects.

04 — *Humanity*

We work with an enthusiastic approach that is resolutely human, caring, open and respectful of individuals.

05 — *Leading by example*

We share the benefit of our research with our users and partners, and we use our influence to foster positive developments in society.

06 — *Performance*

We aim for superior performance by increasing our customer-centric approach, cost control and focusing on added value processes and projects.

Key figures 2022

PROPERTY KEY FIGURES	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Fair value of portfolio (in € million)	2 749.9	2 835.9	2 714.0	2 788.6
Occupancy rate of properties available for lease (including future signed leases)[1] (in %)	95.3	95.5	97.1	95.9
Weighted average duration of current leases up to next break[1] (in years)	8.2	7.3	7.2	7.1
Weighted average duration of current leases up to final expiry[1] (in years)	9.0	7.9	7.7	7.8
Weighted average duration of current and future signed leases of investment properties up to next break[1] (in years)	9.5	8.8	8.6	-
Weighted average duration of current and future signed leases of investment properties up to final expiry[1] (in years)	10.2	9.4	9.0	-
Gross initial yield on properties available for lease[1] (in %)	5.1	4.8	5.3	5.4
Gross potential yield on properties available for lease[1] (in %)	5.4	5.2	5.6	5.6
Gross initial yield on investment properties[1] (in %)	4.3	4.2	4.3	4.6

FINANCIAL KEY FIGURES	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Net asset value (in € per share)	61.01	60.35	58.85	59.29
Consolidated net result (in € per share)	1.27	3.31	2.13	6.95
Net result real-estate operator (in € per share)	1.41	3.68	2.25	7.03
Shareholders' equity (in € million)	1 647.5	1 630.2	1 591.4	1 603.9
Return on shareholders' equity[2] (in € per share)	1.2	3.3	2.1	6.5
Return on shareholders' equity[2] (in %)	2.1	5.7	3.6	11.6
Debt ratio[3] (in %)	46.9	43.1	40.8	42.7
Loan-to-value[4] (in %)	43.1	40.9	36.8	39.0
Average financing cost[5] (in %)	2.3	1.8	2.0	2.0

COWORKING KEY FIGURES	31.12.2022	31.12.2021
Occupancy rate of coworking spaces over three years (in %)	88	75

ESG KEY FIGURES	31.12.2022	31.12.2021
GHG emissions from energy consumption of landlord-controlled buildings (in t CO_2e)	2 857	3 114
GHG emission intensity from building energy consumption (market-based) (in kg CO_2e/m^2)	14.2	17.3
Male and female employees (in %)	57% (M) - 43% (F)	54% (M) - 46% (F)
Average hours of training (in hours/employee/year)	33.7	34.9

EPRA KEY FIGURES	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Consolidated EPRA earnings (in € per share)	2.44	2.30	2.87[6]	3.29
EPRA earnings real-estate operator (in € per share)	2.48	2.38	2.95[6]	3.26

PACHECO

1. This is a real-estate indicator. For more information, please refer to Appendix II of this Report.
2. Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment, if applicable the participation in the optional dividend and, if applicable the participation in the capital increase. This is an Alternative Performance Measure. For more information, please refer to Appendix III of this Report.
3. The debt ratio is calculated in accordance with article 13 of the Royal Decree of 13 July 2014.
4. Loan-to-value (LTV) = (nominal financial debts — cash)/fair value of portfolio. This is an Alternative Performance Measure. For more information, please refer to Appendix III of this Report.
5. This is an Alternative Performance Measure. For more information, please refer to Appendix III of this Report.
6. Restated. For more information, please refer to page 95 of the Annual Financial Report 2021.

2022 in a nutshell

Q1

- In March, Befimmo was granted the Office Space of the Year 2022 award for its new headquarters: Central, located in the heart of Brussels. Everything comes together perfectly in this flagship building, which includes a coworking space, inspiring meeting rooms, a trendy restaurant, a rooftop terrace and many services available to all tenants.
- Befimmo sold two non-core buildings in Belgian provincial towns (Brugge and Torhout Burg).

Q2

- In April, Silversquare opened its ninth coworking space in the Quatuor complex in the North district of Brussels.
- The start-up Sparks opened its doors on 1 June. It has been launched in Brussels (in Central, Befimmo's headquarters) by five local entrepreneurs from the industry and aims to help companies meet and beat their meeting objectives.

Q3

- Following the comprehensive review of its carbon footprint and the integration of all of its subsidiaries in accordance with the GHG Protocol, Befimmo obtained the validation of its Science Based Targets (SBT). Via these targets, the Company undertakes to reduce absolute CO_2e emissions related to scopes 1 and 2 by 50% by 2030, compared to the base year 2018.
- In September, Silversquare opened its tenth coworking space in the Paradis Express in Liège. Just a stone's throw from the famous Guillemins train station.
- Also in September, Befimmo signed the early termination of the leasehold rights for the Choux building, located in the Centre of Brussels.

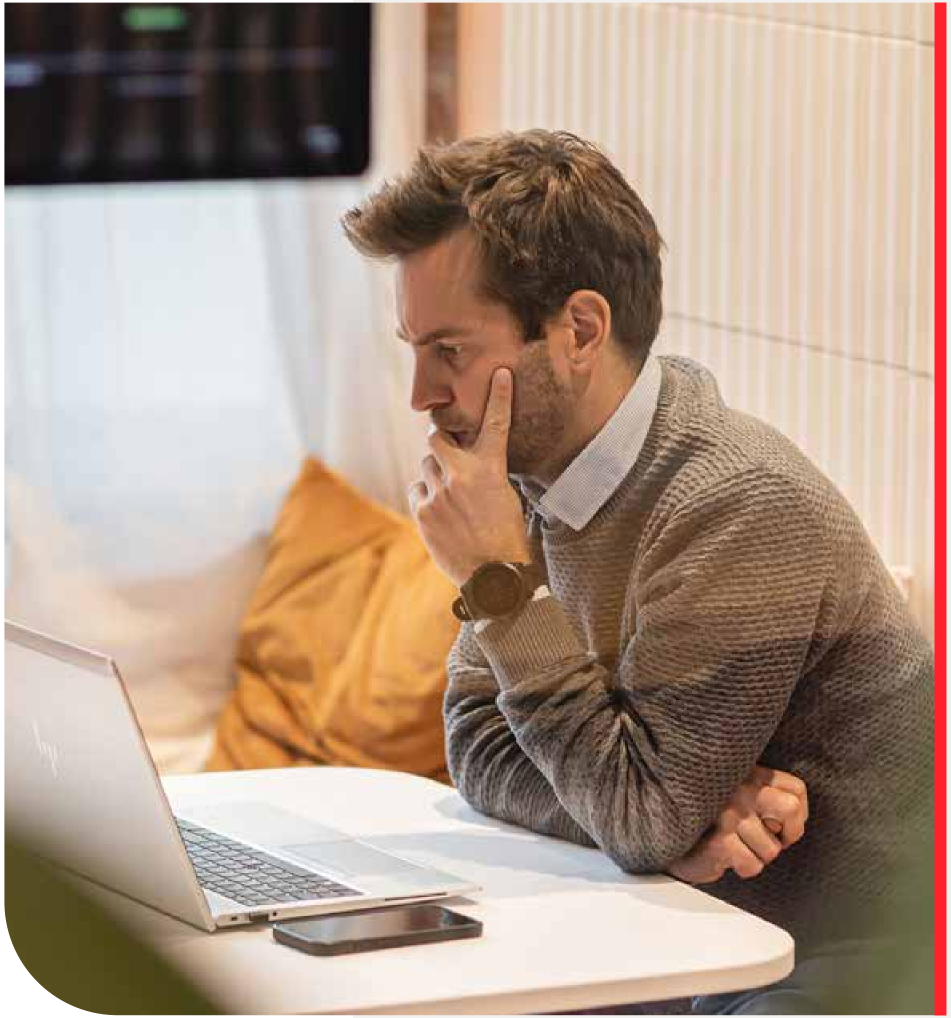
Q4

- In December, Befimmo sold full ownership of the Ocean House building, located in the Periphery of Brussels, to a private investor.

Key steps concerning the Takeover Bid throughout the year are described above in the present Report.

TAKEOVER OFFER, P.17

Key events after closing



TAKEOVER BID

Alexandrite Monnet Belgian Bidco SA - an entity wholly controlled by one of Brookfield's real-estate private funds - acquired control of 100% of Befimmo SA following the simplified squeeze-out and Befimmo SA has left the stock market on 3 January 2023 after close of trading.

TAKEOVER OFFER, P.17

MANAGEMENT REPORT

Property report

Office property markets

All of the following information, covering Brussels and Luxembourg, comes from Cushman & Wakefield's databases, analyses and market reports as at 31 December 2022.

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.


LOOM

CUSHMAN & WAKEFIELD

SUMMARY TABLE FOR THE BRUSSELS OFFICE PROPERTY MARKET

Brussels	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Stock (m²)	13 798 157	13 767 486	13 542 979	13 462 133
Take-up (m²)	314 778	438 510	263 618	542 737
Vacant space (m²)	1 073 051	1 052 878	973 650	1 018 792
Vacancy rate (%)	7.78%	7.65%	7.19%	7.57%
Prime rent (€/m²/year)	340	320	320	320
Average rent (€/m²/year)	185	181	190	180
Investment volume offices (€ million)	2 954	2 284	3 544	2 085
Prime yield (%)	4.10%	3.60%	4.00%	4.10%
Prime yield long term (%)	3.65%	3.20%	3.50%	3.55%

TABLE FOR THE BRUSSELS OFFICE PROPERTY MARKET PER DISTRICT

District	Stock (m²)	Availability (m²)	Vacancy rate (%)	Take-up (m²)	Under construction (m²)	Prime rent (€/m²/year)	Prime yield (%)
Leopold	3 399 405	151 909	4.47%	57 591	29 758	€340	4.10%
Centre	2 500 975	105 093	4.20%	63 054	66 885	€270	4.25%
North	1 659 263	75 477	4.55%	19 197	67 000	€250	5.00%
Louise	875 282	41 132	4.70%	21 851	32 600	€275	4.35%
Midi	602 844	20 433	3.39%	6 785	-	€195	5.10%
Decentralised	2 572 292	295 088	11.47%	36 148	123 310	€200	6.50%
Periphery	2 188 096	383 919	17.55%	110 108	88 813	€175	6.15%
Brussels (total)	**13 798 157**	**1 073 051**	**7.78%**	**314 778**	**408 366**	**€340**	**4.10%**

315,000 M²

Brussels take-up in 2022

CUSHMAN & WAKEFIELD

Take-up

In the fourth quarter of 2022, 84,000 m² of take-up has been recorded, which brings the total to 315,000 m². Office demand in Brussels has been significantly lower to its annual average levels with a decrease of 20% compared to five-years average of take-up recorded.

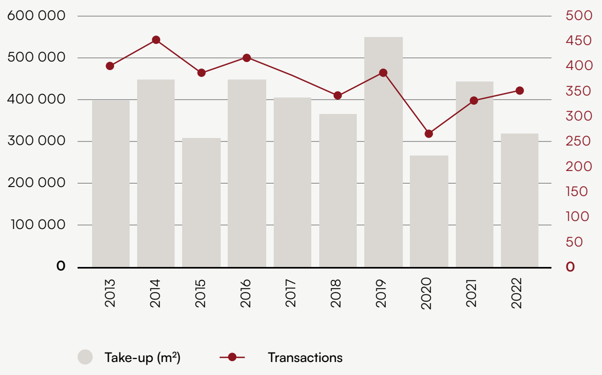
In a nutshell, occupier demand is experiencing hesitation in the aftermath of the conflict in Ukraine. Demand in Brussels can be essentially defined as existing players on the market in search for quality office (as much or less) spaces. Demand for these types of assets is reinforced by companies' ESG requirements.

Recent hand-overs and future projects

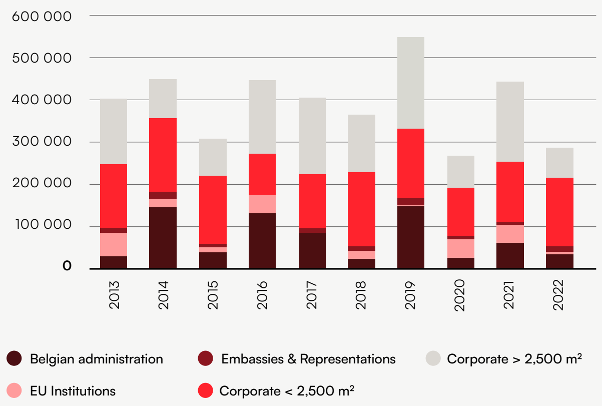
In 2022, more than 200,000 m² of new office buildings were delivered, the most important being the *BNP HQ* in the Pentagon (95,000 m² of which 100% let), the *Brucity* (30,000 m² of which 100% pre-let) and the *Park 7 — Onyx* (15,000 m²). Furthermore, no less than 150,000 m² will be delivered by the end of next year, meaning these two years will be a milestone in terms of new deliveries. The largest developments are *The Wings*, a 25,000 m² asset located in the Airport district planned for Q4 2023, and *Royale Belge*, a mixed-use project located in the South district planned for Q3 2023, both being pre-let.

The significant proportion of pre-let developments confirms occupiers' interest in ESG buildings. One thing is certain: the stock must be renewed to meet the new ESG requirements of public authorities and corporate tenants.

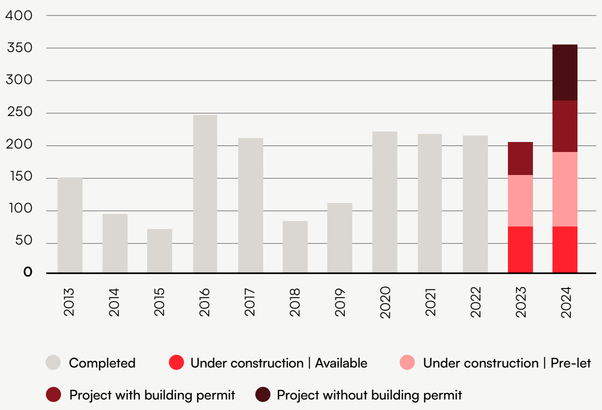
TAKE-UP AND NUMBER OF TRANSACTIONS



YEARLY TAKE-UP BY OCCUPANT TYPE (IN M²)[1]



DEVELOPMENT PROJECTS (IN M²)



1. Education, public and non-profit sectors are not included.

Evolution of rental vacancies

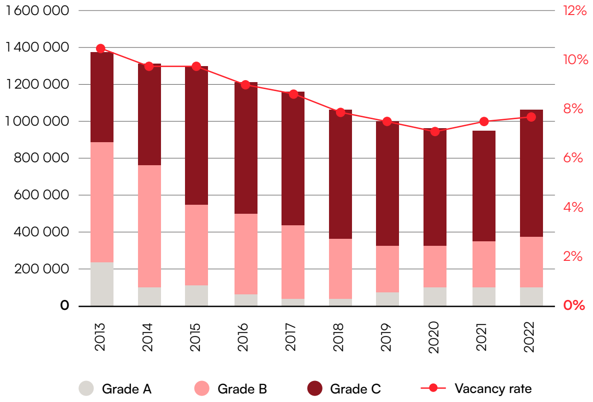
Due to the low level of activity, the vacancy rate increased in 2022 to stand at 7.78% at the end of the year. However, the large proportion of pre-let buildings entering the market limits the vacancy growth. Major differences continue to appear depending on the vicinity: the CBD (Leopold, Centre, North, South and Louise districts) has a vacancy rate around 4.4%, while the Decentralised and Periphery areas have vacancy rates of 11.5% and 17.5% respectively. The vacancy rate is falling in the Periphery. Thanks to the high level of activity, the various districts have witnessed a significant drop in vacancy. However, the Ring suffers from limited demand and records a vacancy rate of over 22%.

Evolution of rents

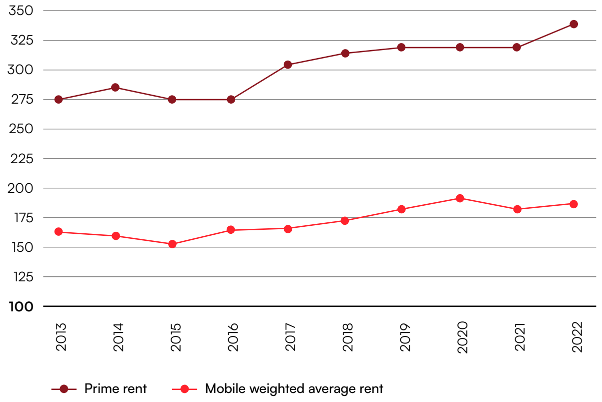
Following a rise in the third quarter of 2022, prime rents in the Leopold district remained stable in Q4, at €340/m²/year. Rents in other districts are also unchanged, ahead of a likely increase next year. Indeed, some projects, such as The Louise in the same-named district, are even demanding as much as €300 or more/m²/year, but it remains to be seen whether these can materialise as a trend, rather than an exception.

The average weighted rent is trending upwards at €185/m²/year, against €183/m²/year in 2021, due to the sheer weight of Grade A take-up.

RENTAL VACANCIES BY TYPE OF PROPERTY (IN M²) AND VACANCY RATE (IN %)



PRIME AND WEIGHTED AVERAGE RENT (IN €/M²/YEAR)



CUSHMAN & WAKEFIELD

Office investment market

Taking all sectors together, the investment volume in Belgium in 2022 amounted to more than €5.8 billion. This volume was boosted by some important transactions in the office sector and in the industrial sector with an investment volume of €3.5 billion and €1 billion respectively.

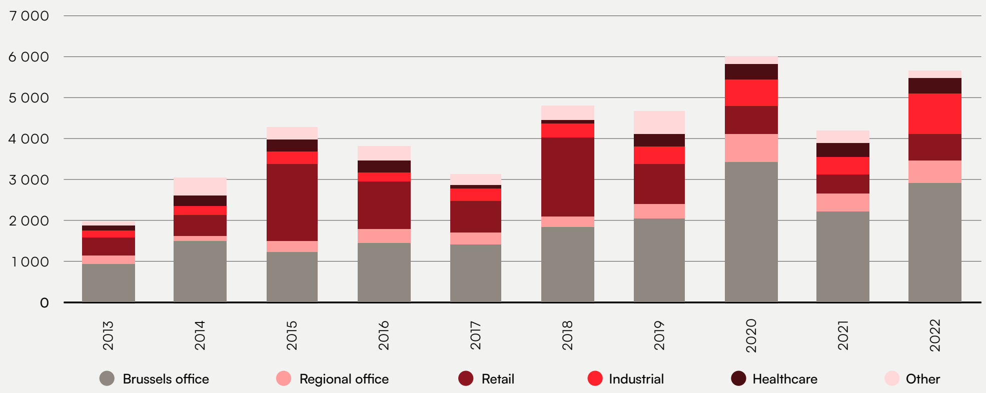
The Belgian office market recorded an investment volume of €3.5 billion, including €3 billion in the Brussels office market. Indeed, in Brussels, a total of five transactions in excess of €100 million were recorded in the office market. The most notable was the acquisition of the North Galaxy by KB Asset Management for €628 million followed by the sale of the Engie Towers by Whitewood (€392 million) and the acquisition of the Egmont for more than €385 million by UBP.

In 2022, foreign investors still represent a significant share of buyers. Some investors' strategies have evolved in response to a more uncertain economic climate. German investors, for example, have "paused" their investments and are returning to Germany. On the contrary, Belgians, particularly family offices, may be able to benefit from this to take advantage of some attractive positions, while the fall of the Euro may attract foreign investors despite the economic context.

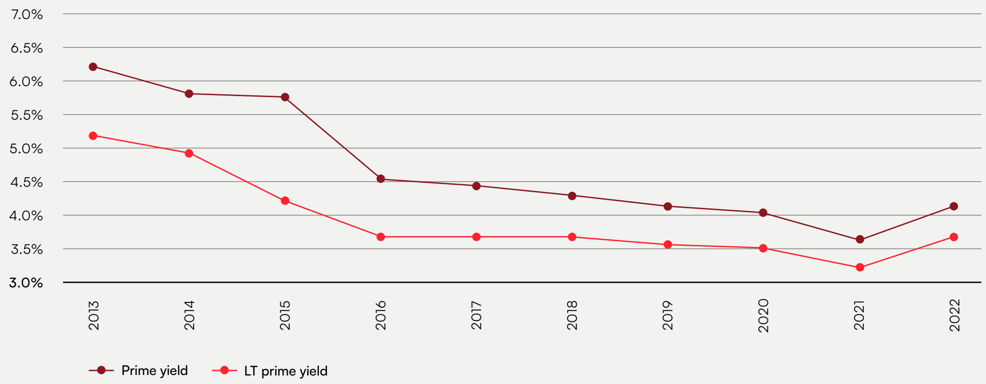
Triggered by rising inflation, the ECB has delivered consecutive rate hikes in recent months. As a result, prime office yields have been revised upwards to a year-end level of 4.10%. The very likely upcoming ECB interest rate hikes should lead to a further correction in prime yields, which could then rise to a new threshold of 4.55% in 2023.

CUSHMAN & WAKEFIELD

INVESTMENT VOLUME ON THE BELGIAN MARKET (IN € MILION)



PRIME YIELDS (IN %)



ANTWERP AND LIÈGE OFFICE PROPERTY MARKET

SUMMARY TABLE FOR THE ANTWERP OFFICE PROPERTY MARKET

Antwerp	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Stock (m²)	2 305 162	2 207 439	2 292 185	2 300 900
Take-up (m²)	109 297	95 002	69 563	125 390
Vacant space (m²)	304 635	239 000	130 000	148 580
Vacancy rate (%)	6.33%	10.81%	5.67%	6.46%
Prime rent (€/m²/year)	165	165	165	160
Average rent (€/m²/year)	132	126	119	126
Investment volume offices (€ million)	68	191	428	166
Prime yield (%)	5.60%	5.25%	5.50%	5.50%

SUMMARY TABLE FOR THE LIÈGE OFFICE PROPERTY MARKET

Liège	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Stock (m²)	564 123	516 000	495 043	459 290
Take-up (m²)	9 431	26 000	43 055	53 206
Vacant space (m²)	14 875	26 000	16 000	16 289
Vacancy rate (%)	2.64%	5.13%	3.23%	3.55%
Prime rent (€/m²/year)	160	160	160	155
Average rent (€/m²/year)	128	142	127	137
Investment volume offices (€ million)	1	2	0	42
Prime yield (%)	7.00%	6.75%	6.75%	6.75%

CUSHMAN & WAKEFIELD

CENTRAL

LUXEMBOURG OFFICE MARKET

SUMMARY TABLE FOR THE LUXEMBOURG OFFICE PROPERTY MARKET

Luxembourg	31.12.2022	31.12.2021	31.12.2020	30.12.2019
Stock (m²)	4 514 021	4 432 210	4 373 188	4 141 350
Take-up (m²)	206 775	376 768	352 174	266 820
Vacant space (m²)	187 824	183 286	152 107	123 085
Vacancy rate (%)	4.16%	4.10%	3.47%	2.97%
Prime rent (€/m²/month)	54	52	52	51
Investment volume offices (€ million)	742	1 325	874	1 268
Prime yield (%)	3.80%	3.40%	3.60%	4.00%

TABLE FOR THE LUXEMBOURG OFFICE PROPERTY MARKET PER DISTRICT

District	Stock (m²)	Availability (m²)	Vacancy rate (%)	Take-up (m²)	Under construction (m²)	Prime rent (€/m²/month)	Prime yield (%)
CBD	871 836	17 000	1.95%	25 124	33 051	€54	3.80%
Kirchberg	1 360 000	15 200	1.12%	19 814	199 223	€42	3.90%
Cloche d'Or	487 938	11 200	2.30%	57 018	24 309	€37	3.90%
Station	437 743	11 700	2.67%	17 854	11 063	€39	4.00%
Other inner districts	259 000	16 600	6.41%	6 310	18 031	€35	5.25%
Decentralised	474 311	45 124	9.51%	37 232	52 572	€30	5.75%
Periphery	613 193	71 000	11.39%	43 423	99 548	€26	5.75%
Luxembourg (total)	**4 514 021**	**187 824**	**4.16%**	**206 775**	**437 797**	**€54**	**3.80%**

CUSHMAN & WAKEFIELD

206,775 M²

Luxembourg take-up in 2022

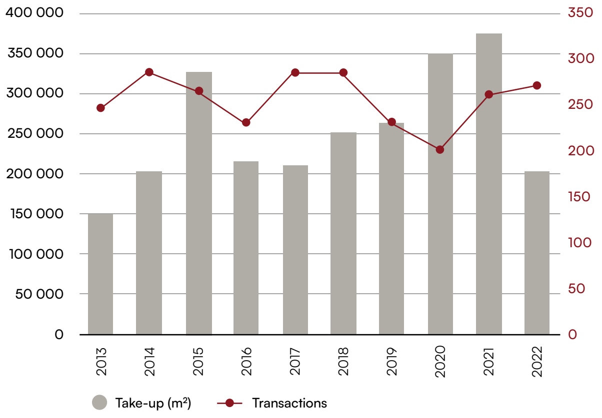
Take-up

As in Belgium, activity on the occupational market in Luxembourg has declined dramatically this year, falling 28% from the previous year's annual average. 2022 recorded a take-up of 206,775 m² and close to 270 transactions, indicating a market essentially based on small deals. Indeed, the average size has dropped from 1,400 m² last year to 630 m² this year.

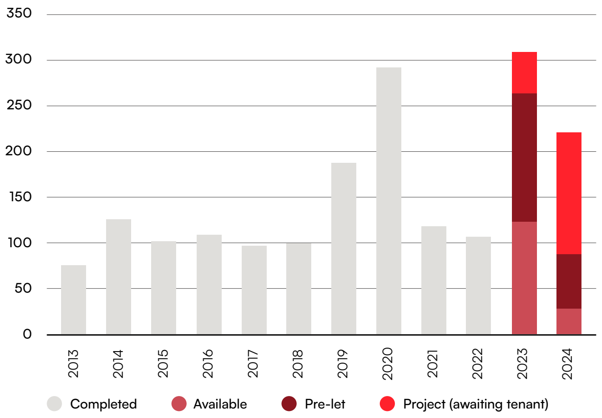
Since 2010, for the private sector, the letting activity is dominated by the banking and finance sector as well as the so-called "services firms" such as consultancy firms, services to business, etc. In 2022, these sectors have made space reductions. Indeed, Luxembourg labour regulations have changed, and employees now enjoy more remote working days.

After accounting for more than 40% of overall take-up in the previous two years, the public sector contributed just 20% this year, mainly led by the 9,400 m² letting transaction by the État du GDL in the property located on Rue Thomas Edison 2. The public sector was a muted player, which explains the lower activity this year.

TAKE-UP AND NUMBER OF TRANSACTIONS



DEVELOPMENT PROJECTS (IN M²)



Evolution of the office stock

The Luxembourg office stock witnesses a continuous increase and stands now close to 4,515,000 m².

In 2022, the most notable delivery were the Intesa Sanpalo, 11,000 m² in the Cloche d'Or, the Wooden and the Lot 8 — Gateway I, 10,000 m² and 8,000 m² respectively in the Periphery area. The office stock will continue to increase in the coming months as many projects are currently under construction.

Office pipeline

An important pipeline is taking shape for the coming years. For 2023 alone, nearly 250,000 m² are currently under construction, of which 52% is already pre-let. The largest developments are Jean Monnet, a 75,000 m² asset located in the Kirchberg planned for Q3 2023, and Skypark Business Center, a 30,000 m² project located in the Airport district planned for Q2 2023.

The significant proportion of pre-let developments confirms occupiers' interest in ESG buildings. One thing is certain: the stock must be renewed to meet the new ESG requirements of public authorities and corporate tenants.

CUSHMAN & WAKEFIELD

Evolution of rental vacancies

The vacancy rate has increased in Q4, to a level of 4.16%. Despite a lot of office space delivered this year, the large proportion of pre-let buildings entering the market limits the vacancy growth. In addition, an increasing number of conversion projects are now adapting to new ways of working, reducing office space in favour of a broader mix.

Due to the large number of deliveries and a decline in activity this year, the various districts have witnessed a considerable increase in vacancy, particularly those in the Periphery, Decentralised, and the other inner districts.

Evolution of rents

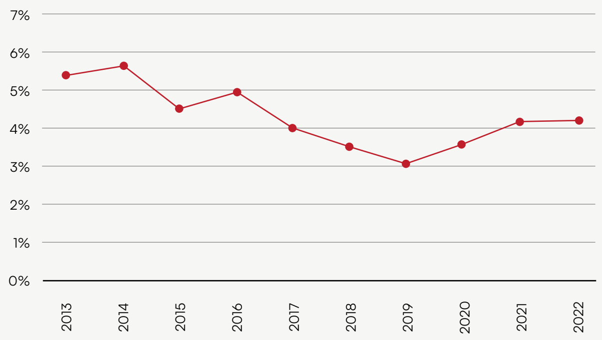
Owing to the combined effect of a low vacancy rate and rising take-up, prime rents are logically under pressure. Occupants are seeking the best locations and buildings. Prime rents in the CBD increase to €54/m²/month this year. Prime rents have risen in the other districts as well. Kirchberg, for example, is currently witnessing new transactions at record level of €42/m²/month, while prime rents in the Cloche d'Or and the station district are now €37/m²/month and €39/m²/month, respectively. Prime rents in Decentralised areas are rising to roughly €30/m²/month. Prime rates in the Periphery are now €26/m²/month.

Office investment market

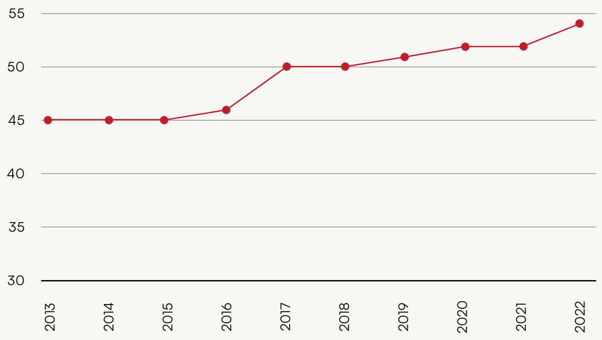
More than €110 million was invested in the Luxembourg office market in the fourth quarter of 2022, bringing the total volume spent for the year to roughly €750 million, a first since 2013, when less than €1 billion was invested yearly.

However, after two usual quarters, trading volumes have slowed down in H2. The rise in yields witnessed in Q3 and Q4 has significantly impacted the investment market this quarter, and trading volumes currently being lower. Although a theoretical yield adjustment is detected, the practical results are not. The disparities between districts are narrowing, and transactions are still being completed with uncorrected yields. RE Invest just acquired Bronze Gate in the Cloche d'Or for a yield of 3.60%.

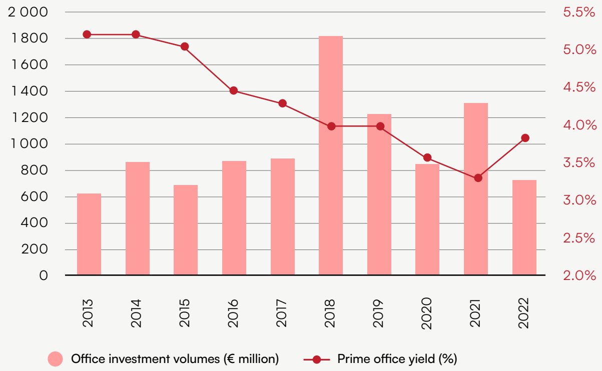
VACANCY RATE (IN %)



PRIME RENT (IN €/M²/MONTH)



INVESTMENT VOLUME (IN € MILION) AND PRIME YIELD (IN %)



CUSHMAN & WAKEFIELD

Real-estate operator activity

LETTING ACTIVITY

MORE THAN

157,000 m² let

13%
NEW LETTINGS (IN M²)

87%
RELETTING (IN M²)

55
TRANSACTIONS

Main transactions of the year

- **WTC 3, Tervuren, Tielt, Saint-Vith, Eupen, Torhout:** extension of the leasehold with the Building Agency (113,600 m²);
- **Vital (Flanders):** renewal of a 3/6/9 lease of 7,600 m² with BNP Paribas;
- **Ikaros (Brussels Periphery):** new leases for 1,400 m² and lease renewals and extensions for 8,800 m²;
- **A-Tower (Flanders):** in 2021, Befimmo acquired the office building of the A-Tower project, in state of future completion. This office building is now fully let to Silversquare (5,800 m²) for a 12-year term;
- **Quatuor (Brussels CBD, North district):** new leases for 3,500 m². Quatuor is now 86% let;
- **Triomphe (Brussels Decentralised):** renewal of a 3/6/9 lease of 3,200 m²;
- **Cubus (Luxembourg):** new leases for 2,600 m²;
- **Central (Brussels CBD, Centre):** new 12-year lease for 2,500 m² with Sparks.

OCCUPANCY RATE (OF PROPERTIES AVAILABLE FOR LEASE)

	31.12.2022	31.12.2021
Occupancy rate (including future signed leases)	95.3%	95.5%

COLLECTION AND DEFERRAL OF RENTS

- 99.6% collected rents for 2022 (at 08.02.2023, in line with previous years);
- €0.2 million payment deferrals (limited amount related to the pandemic).

PACHECO

DURATION OF LEASES

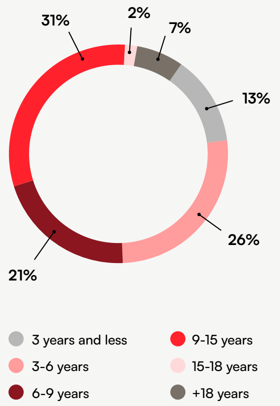
WEIGHTED AVERAGE DURATION OF LEASES

	31.12.2022	31.12.2021
Weighted average duration of current leases up to next break of properties available for lease	8.2 years	7.3 years
Weighted average duration of current leases up to final expiry of properties available for lease	9.0 years	7.9 years
Weighted average duration of current and future signed leases up to next break of investment properties	9.5 years	8.8 years
Weighted average duration of current and future signed leases up to final expiry of investment properties	10.2 years	9.4 years

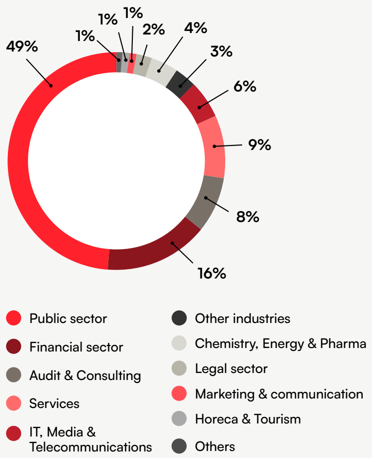
TENANTS OF PUBLIC SECTOR AND TOP-5 TENANTS OF THE PRIVATE SECTOR

	Weighted average duration up to next break (in years)	Percentage of the gross current rent from lease agreements (in %)	Rating
Belgian public sector	10.4	44.4%	AA (S&P rating)
European public sector	4.9	4.3%	
Total public-sector tenants	**9.9**	**48.7%**	
Deloitte Services & Investments NV		7.1%	
BNP Paribas and affiliated companies		5.4%	A+ (S&P rating)
Beobank (Crédit Mutuel Nord Europe)		4.5%	A (S&P rating)
Docler Services S.à.r.l.		3.1%	
McKinsey & Company		1.8%	-
Total private-sector top-5 tenants	**8.8**	**22.0%**	**-**
±170 other tenants	5.1	29.3%	
Total of portfolio	**8.2**	**100%**	

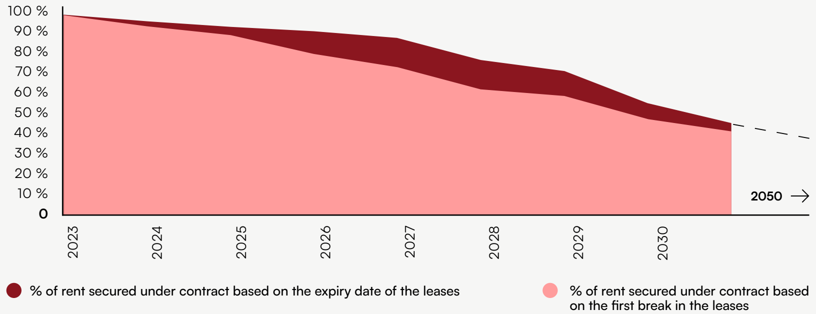
DURATION OF LEASES (BASED ON GROSS CURRENT RENT FROM LEASE AGREEMENTS AT 31.12.2022)



ACTIVITY SECTOR OF TENANTS (BASED ON GROSS CURRENT RENT FROM LEASE AGREEMENTS AT 31.12.2022)



PERCENTAGE OF RENT SECURED UNDER CONTRACT IN RELATION TO THE RESIDUAL DURATION OF LEASES IN THE CONSOLIDATED PORTFOLIO[1] (OF CURRENT AND FUTURE SIGNED LEASES, BUT EXCLUDING PROJECTS) (IN %)

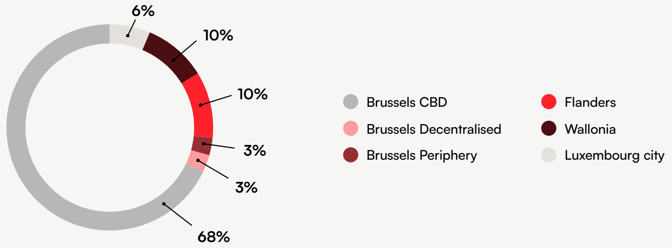


1. Rents for future years calculated on the basis of the present situation, assuming that each tenant leaves at the first break and that no further lease is agreed in relation to the current rent as at 31 December 2022.

FAIR VALUE OF THE PORTFOLIO

Offices	Change over the year[2] (in %)	Proportion of portfolio[3] (31.12.2022) (in %)	Fair value (31.12.2022) (in € million)	Fair value (31.12.2021) (in € million)
Brussels CBD and similar[4]	-1.3%	53.0%	1 457.8	1 495.9
Brussels Decentralised	-3.1%	2.3%	63.0	64.3
Brussels Periphery	-3.8%	2.7%	74.3	80.8
Flanders	-5.4%	9.5%	261.6	391.0
Wallonia	-5.0%	9.3%	256.1	221.3
Luxembourg city	-4.0%	6.3%	173.0	178.8
Properties available for lease	*-2.5%*	*83.1%*	*2 285.8*	*2 432.1*
Properties that are being constructed or developed for own account in order to be leased	*-6.7%*	*16.2%*	*446.3*	*390.7*
Investment properties[5]	**-3.2%**	**99.4%**	**2 732.1**	**2 825.6**
Properties held for sale	**-36.8%**	**0.6%**	**17.8**	**13.1**
Total	**-3.6%**	**100.0%**	**2 749.9**	**2 835.9**

GRAPHICAL BREAKDOWN OF THE PORTFOLIO[6]



FAIR VALUE[1]

As at 31 December 2022, the fair value of the portfolio was €2,749.9 million, as against €2,835.9 million as at 31 December 2021.

This change in value incorporates:
- Renovation or redevelopment works carried out in the portfolio;
- Disposals;
- The changes in fair value booked to the income statement (IAS 40).

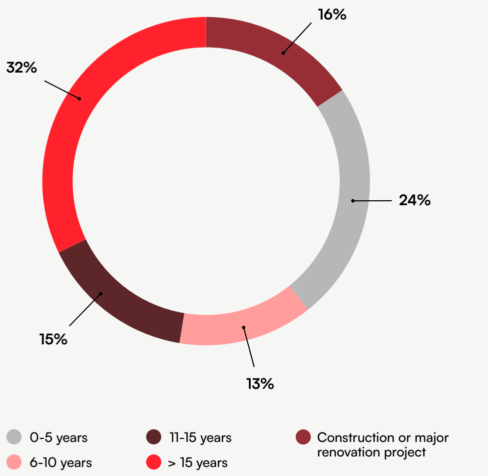
At constant perimeter, the value of the portfolio (excluding acquisitions, investments and divestments) decreased by 3.6% or €102 million over the year.

In 2022, the Paradis Express building moved to the category of properties available for lease, and the Pacheco building moved to the category of properties that are being constructed or developed for own account in order to be leased.

Fedimmo sold a portfolio of 19 properties in December 2022. Although the sale price of some buildings differs by more than 5% from their fair value, the sale price of the entire portfolio is in line with the cumulative fair value of these buildings.

1. 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.
2. The change over the year is the change in fair value between 1 January 2022 and 31 December 2022 (excluding acquisition, investments and divestments).
3. The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 31 December 2022.
4. Including the Brussels Airport zone, in which the Gateway building is situated.
5. Excluding rights to use lease agreements for office space and rights to use land (IFRS 16).
6. The proportions are expressed on the basis of the fair value of the investment properties as at 31 December 2022.

BREAKDOWN OF THE PORTFOLIO BY AGE CLASS[1,2]



This graph shows the breakdown of the Befimmo portfolio (investment properties excluding land) by age group. The buildings are divided according to their year of construction or, where applicable, to the year in which they last underwent a major renovation, defined as substantial investment work on the building's envelope, structure and/or primary installations. During construction or major renovation, the building is considered a project. After a major renovation, the building is considered to begin a new life cycle.

1. The proportions are expressed on the basis of the fair value of the investment properties as at 31 December 2022.
2. Publication pursuant to Annex B to the Royal Decree of 13 July 2014.

ACQUISITION PRICE AND INSURED VALUE ON PROPERTIES OF BEFIMMO'S CONSOLIDATED PORTFOLIO

Offices	**Acquisition price (in € million)**	**Insured value[3] (31.12.2022) (in € million)**	**Fair value (31.12.2022) (in € million)**
Brussels CBD and similar	1 022.9	1 004.3	1 457.8
Brussels Decentralised	41.3	86.4	63.0
Brussels Periphery	60.9	162.4	74.3
Flanders	229.9	368.2	261.6
Wallonia	158.5	194.8	256.1
Luxembourg city	123.5	72.2	173.0
Properties available for lease	*1 636.9*	*1 888.2[4]*	*2 285.8*
Properties that are being constructed or developed for own account in order to be leased	*505.1*	*108.3*	*446.3*
Investment properties	**2 142.0**	**1 996.5**	**2 732.1**
Properties held for sale	**31.3**	**54.5**	**17.8**
Total	**2 173.3**	**2 051.1**	**2 749.9**

3. The insured value is the reconstruction value (exluding the land).
4. This amount includes the All-Risk Fire insurance. Befimmo is also covered by the kind of All-Risk Construction Site insurance.

OVERALL RENTAL YIELD

	31.12.2022	31.12.2021
Gross initial yield on properties available for lease	5.1%	4.8%
Gross potential yield on properties available for lease	5.4%	5.2%
Gross initial yield on investment properties[1]	4.3%	4.2%

OVERALL RENTAL YIELD GEOGRAPHICAL BREAKDOWN	Gross initial yield (31.12.2022)	Gross initial yield (31.12.2021)	Gross potential yield (31.12.2022)	Gross potential yield (31.12.2021)
Brussels CBD and similar	4.8%	4.0%	5.0%	4.7%
Brussels Decentralised	7.0%	6.2%	7.1%	6.6%
Brussels Periphery	9.1%	8.1%	10.6%	10.0%
Flanders	6.4%	6.7%	6.4%	6.7%
Wallonia	4.7%	5.1%	4.7%	5.1%
Luxembourg city	3.9%	4.0%	4.5%	4.2%
Properties available for lease	***5.1%***	***4.8%***	***5.4%***	***5.2%***
Total investment properties	**4.3%**	**4.2%**		

The increase in yields is due namely to the important indexation of rents in 2022 combined with a decrease in value of the portfolio. The decrease in Flanders and Wallonia is due to the sale of the Fedimmo portfolio (high yield properties).

1. Comprising properties that are being constructed or developed for own account in order to be leased.

DISPOSALS FOR €107 MILLION

Value crystallisation
- **Choux building (Brussels CBD):** disposal in September 2022.

Divesting from non-strategic assets
- **Ocean House building (Brussels Periphery):** disposal in December 2022;
- **22 non-core buildings** in Belgian provincial towns in Flanders and Wallonia.

Capital expenditure in properties available for lease

In 2022, Befimmo invested €17.6 million in its portfolio of properties available for lease. This figure is in line with 2021.

(Re)development projects

Befimmo invested €133 million in its (re)development projects in 2022.

With the progression of the ZIN, the development pipeline now accounts for 16% of the total value of the portfolio (compared with 12.5% on 30 June 2022).

The pipeline is composed of:
- The ZIN project (12%);
- The Pacheco project (0.4%);
- The remaining projects to be committed (4.5%).

As proven in the past, Befimmo has always attached great importance to the management of these projects, paying particular attention to the analysis of the market before launching at risk of occupancy and to maximising the pre-letting rate[1] before construction work begins. Currently, the pre-letting rate of office projects amounts to 88%.

Construction costs for all development projects have been updated, taking into account, among other things, building cost inflation and longer construction periods (linked to the pandemic).

MAIN RENOVATION AND CONSTRUCTION PROJECTS

	Investment in 2022 (in € million)	Total investment (in € million)	Yield on total investment (land included)	Percentage of completion	FORECASTS: Delivery of the project	FORECASTS: Investment in 2023 (in € million)	FORECASTS: Investment in 2024 (in € million)	FORECASTS: Investment in 2025 (in € million)	BREEAM[2]
Committed ongoing projects									
ZIN Brussels CBD, North district	126.9	465	±3.9%	56%	End 2023 (offices) 2024 (other functions)	175	26	0	Outstanding (offices) Excellent (ZEN) Very Good (hotel)
Pacheco Brussels CBD, Centre	0.6	42	±5.5%	7%	Q2 2024	16	23	0	Outstanding
Ongoing projects to be committed									
Livin[3] (WTC 4) Brussels CBD, North district	1.0	180	-	-	Development in case of pre-letting				Outstanding
PLXL Brussels Decentralised	2.8	53	±5.5%	14%	Q1 2025	16	20	10	Excellent
LOOM (redevelopment Loi 44, Joseph II, Loi 52) Brussels CBD, Leopold district	2.0	92	±5%	6%	2026	4	20	25	Outstanding

1. Calculated on the office portion on ongoing committed projects, excluding coworking.
2. BREEAM certifications aimed at for the (re)development projects.
3. New planning permission in preparation, in the same spirit as the ZIN project, open to the city and a mix of functions.

PARADIS EXPRESS

COMMENTS ON THE DELIVERED PROJECT

Paradis Express (Wallonia, Liège)
Strategically located in the heart of the city, between the Paradis Tower and Liège-Guillemins station, Paradis Express is a brand new, perfectly integrated site, enjoying a privileged location in Liège. It offers a mix of functions and meets the expectations of the city's inhabitants. Connected to each other by open and pedestrian spaces, the seven buildings of the project are harmoniously integrated into a neighbourhood undergoing major changes.

Offices, coworking, housing and coliving share the entire site.

The office part comprises two buildings located near the Paradis Tower. The first building, with a total surface area of 15,600 m², houses the Service Public de Wallonie (SPW) (spread over nine floors and 11,700 m²). A 10th Silversquare coworking space (3,800 m²) also opened its doors in September in the building on the lower floors, thus offering the entire site a wide range of services to the occupants. The second building, 5,600 m² on seven levels, houses Deloitte (3,330 m²) and the National Employment Office (ONEM) (2,300 m²).

The total construction costs of the office part amount to €58 million. The expected return on total investment of the office part is above 6%.

The residential part consists of five buildings. These consist of 115 flats in four buildings. The last building was sold and is operated by Yust, a coliving operator that offers short stay, long stay, events, a restaurant and an exhibition hall. Yust Liège opened its doors in May.

Paradis Express meets the highest standards of quality, innovation and environmental performance. A BREEAM Excellent certification was obtained in the Design phase.

The project was also awarded a prize at the 2016 MIPIM Awards, in the "Best Futura Project" category, out of 230 entries from 43 countries.

> Offices, coworking, housing and coliving share the entire site.

COMMENTS ON COMMITTED ONGOING PROJECTS

ZIN (Brussels CBD, North district)

ZIN is a multifunctional project that combines various functions in a unique sustainable and innovative way. The site will comprise approximately 110,000 m² and involves 73,600 m² of offices, 111 apartments, 200 hotel rooms and branded apartments and also sports areas, shops, a spectacular rooftop and a large, lush greenhouse accessible to the public. Moreover, ZEN is part of the ZIN's full services environment; it is an exclusive work environment with private entrance, equipped with every comfort.

70.000 m² (>95%) of the office part is already pre-let to the Flemish Authorities for a fixed term of 18 years. The project will serve as the Brussels' headquarters for the Flemish Authorities. In addition, the hotel part of the project will be operated by Standard International, the iconic brand in the lifestyle hotel sector.

A BREEAM Outstanding certification is aimed for the office part, Excellent for ZEN and Very Good for the hotel part.

The asbestos removal and deconstruction works were completed by the end of 2020, the construction phase of the new parts of the building have well progressed. On 16 December 2022, the highest point of the building was reached and the finishings of lower parts are ongoing. Due to the pandemic, the delivery date of the project has been postponed by approximately six months. Therefore, works for the office part will be completed by the end of 2023, for the remaining parts by mid-2024 and for the hotel by the end of 2024.

> On 16 December 2022, the highest point of the building was reached and the finishings of lower parts are ongoing.

The total construction costs amount to €465 million. Taking this budget into account, the gross return on the total investment value is expected to be around 3.9%.

The ZIN project can be considered as a reference in Belgium and Europe in terms of urbanisation and revitalisation of a neighbourhood, energy performance and circularity.

The ZIN project was selected as one of four finalists in the "Best Futura Project" category of the MIPIM Awards 2022.

SEE THE VIDEO

The site will comprise

±110,000 M²

ZIN

PACHECO

Pacheco (Brussels CBD, Centre)
The Pacheco building will be developed in the former building of the Royal Belgian Mint (Monnaie Royale) after the current lease ends.

Befimmo will transform this iconic 1970's industrial building into a multifunctional and flexible asset, designed to meet today's and tomorrow's requirements. The building is ideally located along Boulevard Pachéco, between the Central Station and the Brussels inner ring road, in a district that marks the connection between the upper and lower parts of the city.

The Pacheco will offer over 12,000 m² of multifunctional and flexible space, including office space, coliving, allocated to restaurants, bars or shops and, last but not least, a 250 m² rooftop area.

The construction costs are estimated at almost €42 million, with an expected yield on total investment of about 5.5%. The permits were obtained in March 2022 and works began on 9 January 2023.

Befimmo is aiming to gain BREEAM Outstanding certification for the Design phase.

>12,000 M² *multifunctional and flexible space*

> Befimmo will transform this iconic 1970's industrial building into a multifunctional and flexible asset, designed to meet today's and tomorrow's requirements.

COMMENTS ON PROJECTS TO BE COMMITTED[1]

PLXL (Brussels Decentralised)
Scheduled for completion by the end of 2025, PLXL is one of the most recent additions to Befimmo's portfolio of hybrid properties. A complete reinvention of the iconic Beobank building (15,180 m²) in the heart of Brussels' vibrant university district of Etterbeek, the project features the very latest trends in smart building, sustainable design and circularity.

The site enjoys an excellent location, next to the railway station and opposite the University of Brussels, and will offer a mix of functions. A bit more than half of the building will offer flexible workspaces including a modular auditorium, exceptional duplex volumes, a rooftop terrace, and a wide range of services. The other half will be transformed into a coliving space composed of 98 living units, which are spread between studios and smaller rooms organised around qualitative common areas. The ground floor will also offer a retail/horeca space. PLXL has more than 160 bike stations, nearly 50 e-bike stations and 100 car parking spaces, all with charging points.

An excellent location, next to the railway station and opposite the University of Brussels, and will offer a mix of functions.

User well-being and health are key elements of PLXL. It aims for a BREEAM Excellent certification for the Design phase. Smart energy monitoring and management systems, occupancy detection, adaptive lighting, smart water management, and charging systems are among the solutions that come with the property.

The estimated construction costs amount to €53 million. The expected yield on total investment is about 5.5%.

Permits approval is expected during Q2 2023 and the decision to start the works will be taken at that time, depending on market and pre-letting conditions.

P L X L

1. Images for illustrative purposes, images and project details subject to approval of permits.

LOOM (Brussels CBD, Leopold district)
With the redevelopment of the Joseph II building, after the end of the current lease, Befimmo aims to transform three existing buildings (Loi 44, Loi 52 and Joseph II) into a unique green and open island. These buildings in the heart of the European quarter offer extraordinary potential for value generation, and Befimmo will create an innovative and multifunctional complex that meets the needs of users looking for quality workspaces in the centre of Brussels.

LOOM will be an innovative mixed-use project of about 24,000 m² combining working spaces, around 50 residential units, a full range of services and a beautiful courtyard garden.

Befimmo is definitely applying the concepts of the circular economy to this project. The existing buildings will be reused, the structure will be preserved and the demolished or dismantled elements will be recovered, reused or recycled.

The projected construction costs amount to €92 million, with the yield on total investment expected to be around 5%.

Permits are expected to be approved by mid-2023 and the decision to start the works will be taken at that time, depending on market and pre-letting conditions.

Befimmo is aiming to obtain a BREEAM Outstanding certification for the Design phase, a DGNB Gold certification and a WELL ready Gold certification.

24,000 M²

of mixed-use project

These buildings in the heart of the European quarter offer extraordinary potential for value generation.

LIVIN

LIVIN (Brussels CBD, North district)

LIVIN (WTC 4) is a project to build an eco-friendly and open campus in the North district of Brussels, with the aim to create shared spaces that are accessible to a wide range of company types.

Located next to the railway station (Brussels North station), LIVIN will be highly accessible in an area that is developing into an attractive, diverse, green living and working environment.

At the heart of the project (level +3) will be a rooftop garden. This garden will be easy to access and will be a privileged meeting place for the building's occupants to meet at any time and day of the week.

The development of LIVIN, with a focus on circular economy, will allow recycling of materials and reducing carbon emissions.

The development is subject to securing a pre-let.

Befimmo is aiming to gain a BREEAM Outstanding certification for the Design phase, a DGNB Platinum certification and a WELL ready certification.

A project to build an eco-friendly and open campus in the North district of Brussels, with the aim to create shared spaces that are accessible to a wide range of company types.

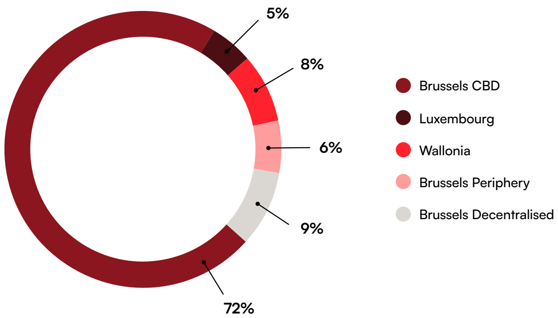
Coworking activity

PORTFOLIO OF COWORKING SPACES

10 spaces

± 46,050 M²

GEOGRAPHICAL BREAKDOWN OF THE COWORKING PORTFOLIO



Silversquare opened its tenth coworking space in the Paradis Express (Liège, Silversquare Guillemins) in September 2022.

The coworking activity accounted for about 12% of Befimmo's consolidated rental income as at 31 December 2022.

OCCUPANCY RATE

Opening of spaces	31.12.2022	31.12.2021
Over 3 years	88%	75%
Between 1 and 3 years	68%	52%
Less than 1 year	16%	51%
Total	**63%**	**59%**

The total occupancy rate stood at 63% as at 31 December 2022 (compared to 59% one year ago). Total turnover increased with 62% compared to last year and a very good momentum is seen since September. In 2022, Silversquare accounts 917 new signatures against 614 notices. In addition, Silversquare had a very good management of costs and charges during the year.

The Company remains convinced that its unique combined Befimmo and Silversquare flexible offer is a key solution in the new hybrid world of work, as demonstrated by the latest contracts with Nielsen IQ (100 memberships — Delta), Seco Group (40 memberships — Central) and the European Trade Union Confederation - ETUC (65 memberships — North).

SILVERSQUARE BAILLI

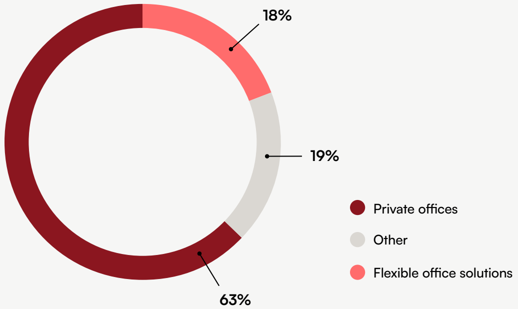
RECOVERY RATE ISSUED INVOICES

98.8%

(for monthly invoices issued in 2022)

There has been no material increase in doubtful debtors since the beginning of the year.

REVENUE SPLIT



The category “other” includes revenues from events, meeting rooms, lockers, IT options, consumables, parking, etc.

SILVERSQUARE CENTRAL

DEVELOPMENT PIPELINE

The coworking spaces planned in Befimmo buildings are generally fitted out by Befimmo (as real-estate operator) and handed over to Silversquare as "turnkey" premises at market price. 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 2022, Silversquare invested €2.6 million in its spaces. Befimmo (real-estate operator) has invested €8.8 million in 2022 of which €3.2 million in the Paradis Express, €2.6 million in Quatuor, €2.0 million in the A-Tower project and €1.1 million in Central. This is partially recharged to Silversquare through a rental uplift mechanism.

NEW OPENINGS FOR THE NEXT TWO YEARS

	Surface
Total portfolio end 2022	**46 050 m^2**
SQ A-Tower	+5 800 m^2
Total portfolio end 2023	**51 850 m^2**
SQ Louvain-La-Neuve	+4 000 m^2
Total portfolio end 2024	**55 850 m^2**

Taking into account the identified pipeline, Silversquare coworking spaces will account for 55,850 m^2 by the end of 2024.

Following the implementation of Silversquare's development plan the first significant accretive EPRA contributions are expected by 2024.

SPARKS

Sparks, the one-stop shop for meetings, opened its first location in Central (Befimmo's headquarters) in Brussels.

This start-up offers a special meeting environment featuring not only innovative meeting rooms, but also a range of complementary services and professional support. The start-up has 14 meeting rooms, each unique in terms of function and design: the place to be for meetings for up to 250 people.

Befimmo is a partner in this start up. With the launch of Sparks, Befimmo is continuing its investment in solutions for future working and is building further on a hybrid working world, which makes the lives of employees easier. In doing so, The Company is creating an ecosystem of workspace solutions, which facilitate better collaboration, nurture stronger teams, and enhance the organisational culture. Everything comes together in Central, Befimmo's flagship, which includes a restaurant and roof terrace, both at the disposal of Sparks customers.

www.sparks-meeting.eu

SPARKS

Buildings of Befimmo's consolidated portfolio[1]

	Construction year or year of the last renovation[2]	Floor area for lease (in m²)	Proportion of portfolio[3] (in %)	Occupancy rate[4] (in %)
Brussels Centre				
Brederode Corner - Rue Brederode and Rue de Namur, 1000 Brussels	2020	7 355	1.8%	100.0%
Central - Rue Ravenstein 50-70 and Cantersteen 39-55, 1000 Brussels	2012	28 984	5.1%	88.8%
Empereur - Boulevard de l'Empereur 11, 1000 Brussels	1963	5 700	1.1%	100.0%
Gouvernement Provisoire - Rue du Gouvernement Provisoire 15, 1000 Brussels	2005	2 954	0.6%	100.0%
Lambermont - Rue Lambermont 2, 1000 Brussels	2000	1 788	0.4%	100.0%
Montesquieu - Rue des Quatre Bras 13, 1000 Brussels	2009	16 931	4.5%	100.0%
Poelaert - Place Poelaert 2-4, 1000 Brussels	2001	12 557	2.6%	100.0%
		76 269	**16.0%**	**96.1%**
Brussels Leopold district				
Arts 28 - Avenue des Arts 28-30 and Rue du Commerce 96-112, 1000 Brussels	2005/-	16 793	4.3%	100.0%
Arts 56 - Avenue des Arts 56, 1000 Brussels	2007	22 138	4.3%	93.4%
Joseph II - Rue Joseph II 27, 1000 Brussels	1994	12 820	2.2%	100.0%
Science-Montoyer - Rue Montoyer 30, 1000 Brussels	2011	5 180	1.2%	100.0%
View Building - Rue de l'Industrie 26-38, 1040 Brussels	2001	11 075	1.9%	98.1%
		68 006	**14.0%**	**97.4%**
Brussels North district				
Quatuor - Boulevard Baudouin 30, 1000 Brussels	2021	61 613	9.3%	85.6%
World Trade Center - Tower 3 - Boulevard du Roi Albert II 30, 1000 Brussels	1983	76 810	12.1%	100.0%
		138 423	**21.4%**	**92.3%**
Brussels Airport				
Gateway - Brussels Airport - 1930 Zaventem	2017	38 070	7.0%	100.0%
		38 070	**7.0%**	**100.0%**

1. The fair value of every subportfolio is published on page 36 of this Report.
2. The year of the last renovation is indicated when dealing with a major renovation (investment work on the envelope, structure and main installations of the building).
3. The proportion of portfolio is calculated on the basis of the gross current rent from lease agreements as at 31 December 2022.
4. Estimated Rental Value (ERV) of occupied and pre-let space / ERV of the building.

	Construction year or year of the last renovation[1]	Floor area for lease (in m²)	Proportion of portfolio[2] (in %)	Occupancy rate[3] (in %)
Brussels Decentralised				
Goemaere - Chausée de Wavre 1945, 1160 Brussels	1997	6 950	0.9%	98.9%
Triomphe - Avenue Arnaud Fraiteur 15-23, 1050 Brussels	2014	18 577	2.9%	98.2%
		25 527	**3.7%**	**98.4%**
Brussels Periphery				
Fountain Plaza - Belgicastraat 1-3-5-7, 1930 Zaventem	2012	17 757	1.6%	84.2%
Ikaros Business Park (phases I to V) - Ikaroslaan, 1930 Zaventem	1990/2019[4]	45 821	3.8%	82.2%
Waterloo Office Park - Drève Richelle 161, 1410 Waterloo	1992	1 980	0.3%	99.6%
		65 558	**5.7%**	**83.5%**
Wallonia				
Eupen - Rathausplatz	2018	7 184	0.9%	100.0%
Liège - Tour Paradis - Rue Fragnée 2	2014	37 195	6.2%	100.0%
Liège - Paradis Express - Rue Paradis 1	2022	21 208	3.1%	100.0%
		65 587	**10.2%**	**100.0%**
Flanders				
Antwerpen - AMCA - Italiëlei 4	1991/1992	58 413	7.5%	100.0%
Antwerpen - Meir 48	19th century/1985	17 764	3.3%	100.0%
Leuven - Vital Decosterstraat 42-44	1993	16 719	2.0%	99.9%
Tervuren - Leuvensesteenweg 17	1980	20 408	1.3%	100.0%
		113 304	**14.1%**	**100.0%**
Grand Duchy of Luxembourg				
Axento - Luxembourg city, Avenue JF Kennedy 44	2009	12 247	4.9%	97.6%
Cubus - Rue Peternelchen, 2370 Howald	2010	4 955	0.8%	57.6%
		17 202	**5.6%**	**87.9%**
Properties available for lease		**607 946**	**97.8%**	**95.3%**

1. The year of the last renovation is indicated when dealing with a major renovation (investment work on the envelope, structure and main installations of the building).
2. The proportion of portfolio is calculated on the basis of the gross current rent from lease agreements as at 31 December 2022.
3. Estimated Rental Value (ERV) of occupied and pre-let space / ERV of the building.
4. Ikaros Business Park - Phase I (buildings 1-3, 2-4, 5-7 and 6-8).

	Construction year or year of the last renovation[1]	Floor area for lease (in m²)	Proportion of portfolio[2] (in %)	Occupancy rate[3] (in %)
A-Tower - Frankrijklei 5, 2018 Anvers	Under construction	5 805	0.0%	-
Courbevoie - Courbevoie 13, 1348 Louvain-La-Neuve	Under construction	8 332	0.0%	-
Knokke-Heist - Majoor Vandammestraat 4	Redevelopment project in preparation	3 979	0.0%	-
Loi 44 - Rue de la Loi 44, 1000 Brussels	Redevelopment project in preparation	6 290	0.0%	-
Loi 52 - Rue de la Loi 52, 1000 Brussels	Redevelopment project in preparation	3 821	0.0%	-
Pacheco - Boulevard Pachéco 32, 1000 Brussels	Redevelopment project in preparation	12 172	0.0%	-
PLXL - Bouleverad Général Jacques 263G, 1050 Brussels	Redevelopment project in preparation	15 180	0.0%	-
WTC 4 - Boulevard du Roi Albert II 30, 1000 Brussels	Implementation of the permit According to commercialisation	53 500	0.0%	-
ZIN - Boulevard du Roi Albert II 30, 1000 Brussels	Under construction	114 692	0.0%	-
Properties that are being constructed or developed for own account in order to be leased		**223 771**	**0.0%**	**-**
TOTAL INVESTMENT PROPERTIES		**831 717**	**97.8%**	**-**
Braine-l'Alleud - Rue Pierre Flamand 64	1977	2 340	0.3%	100.0%
Malmedy - Rue Joseph Werson 2	2000	2 757	0.3%	100.0%
Saint-Vith - Klosterstrasse 32	1988	3 621	0.2%	100.0%
Dendermonde - Sint-Rochusstraat 63	1987	6 453	0.9%	100.0%
Herentals - Belgiëlaan 29	1987	3 296	0.5%	100.0%
Seraing - Rue Haute 67	1971	2 109	0.0%	-
PROPERTIES HELD FOR SALE		**20 576**	**2.2%**	**-**
TOTAL		**852 293**	**100.0%**	**-**

1. The year of the last renovation is indicated when dealing with a major renovation (investment work on the envelope, structure and main installations of the building).
2. The proportion of portfolio is calculated on the basis of the gross current rent from lease agreements as at 31 December 2022.
3. Estimated Rental Value (ERV) of occupied and pre-let space / ERV of the building.

Conclusions of the real-estate expert coordinator

Befimmo

To the Board of Directors Befimmo SA
Cantersteen 47
1000 Brussels

Dear Mesdames, Dear Sirs,

Re : Valuation of the real-estate portfolio of Befimmo as at 31st December 2022.

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 31st December 2022. 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 31st December 2022, the cumulative fair value of the right-of-use asset amounts to €33,414,933. The fair value of the right of use of land amounts to €1,737,133.

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 12% 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 31st December 2022 amounts to a total of

€ 2,819,102,349 (Two billion eight hundred nineteen million one hundred and two thousand three hundred forty nine 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 31st December 2022 amounts to a total of

€ 2,749,904,217 (Two billion seven hundred forty-nine million nine hundred and four thousand two hundred seventeen Euros);

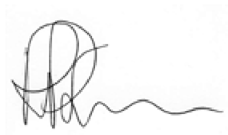
this amount includes the valuation of the buildings which have been carried out by Cushman & Wakefield and CBRE Valuation Services .

On this basis, the initial yield of the portfolio with properties available for lease stood at 5.09%. Should the vacant accommodation be fully let at estimated rental value, the initial yield is 5.36% for the same portfolio.

The occupation rate of the portfolio with properties available for lease is 95.33%. The property portfolio comprises.

Yours sincerely,

Brussels, 19th January 2023

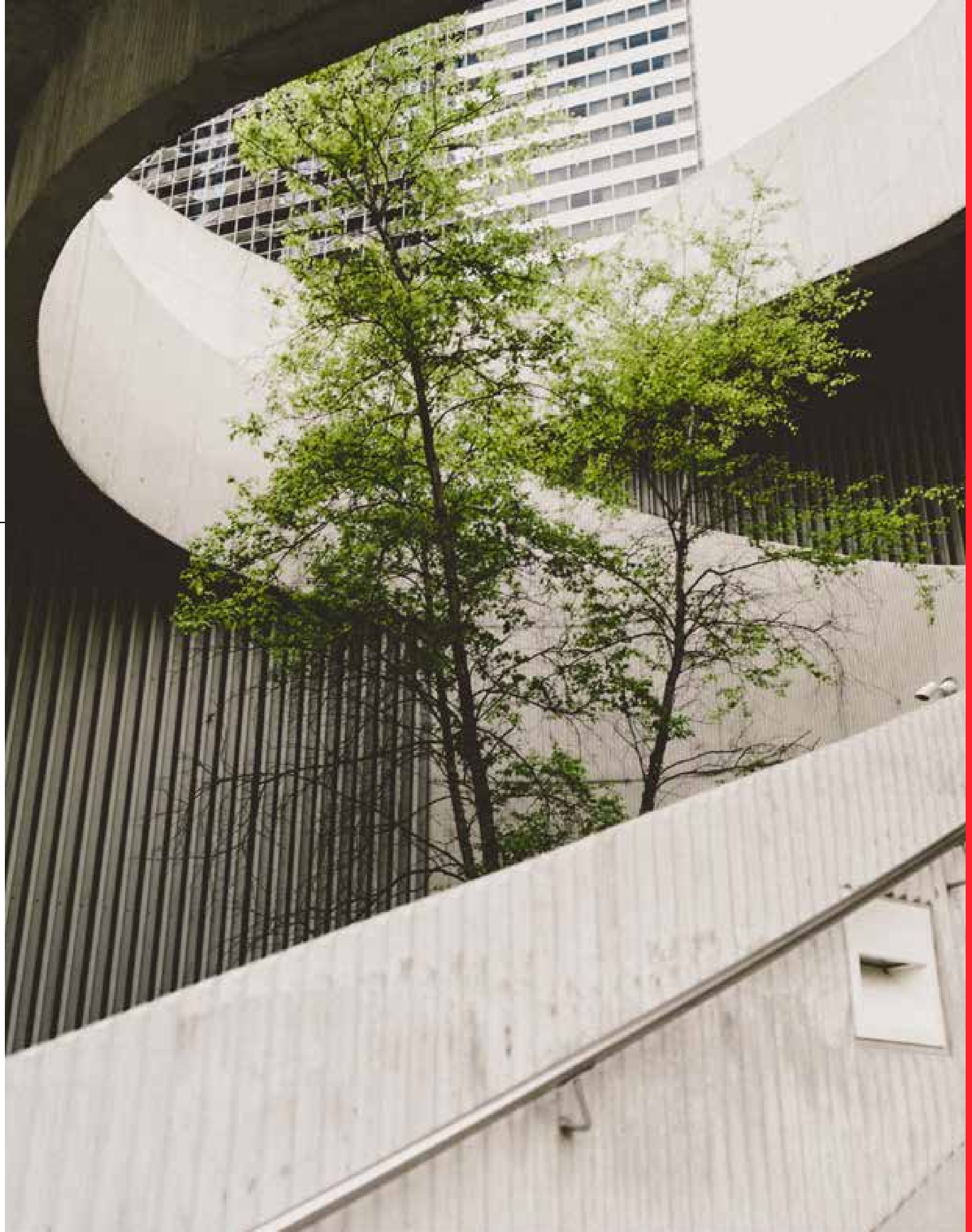


R.P. Scrivener FRICS
Co-Head Valuation Advisory Belux On behalf of Jones Lang LaSalle

THE PROPERTY PORTFOLIO COMPRISES

Offices	Fair Value (€ million)	%
Properties available for lease	**2 285.8**	**83.1%**
Brussels CBD and similar	1 457.8	53.0%
Brussels decentralised	63.0	2.3%
Brussels periphery	74.4	2.7%
Wallonia	256.1	9.3%
Flanders	261.6	9.5%
Luxembourg city	173.0	6.3%
Properties that are being constructed or developed for own account in order to be leased	446.4	16.2%
Properties held for sale	17.8	0.6%
Total buildings	**2 749.9**	**100.0%**
Right of use of leased offices (IFRS 16)[1]	33.4	
Right of use of land (IFRS 16)[1]	1.7	
Total of investment property	**35.2**	
Total	**2 785.1**	

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



Environmental, Social & Governance report

About this chapter

This ESG chapter needs to be read as the natural extension of the Annual Financial Report, translating Befimmo's vision that ESG aspects are an integral part of its strategy. The chapter is structured as follows:

- The section regarding Befimmo's **rationale to invest in ESG** summarises the link between the Company's history, DNA and purpose regarding ESG, but also the key market trends shaping the ESG strategy, and concludes with the ESG momentum for Befimmo.
- The **ESG approach** describes the decision-making process regarding ESG aspects and how priorities are determined on the basis of a risk analysis.
- **The environmental, social and governance sections** start from the ESG targets of the Action Plan in order to explain in practical terms the year's achievements and the future path to be followed.

Frameworks and regulations

The information disclosed in this chapter is aligned with the following well-known frameworks and standards:

- The Ten Principles of the UN Global Compact;
- 15 of the 17 UN Sustainable Development Goals[1];
- The EPRA Sustainability Best Practices Recommendations 2017;
- The reference to the GRI Standards 2021;
- The recommendations issued by the Task Force on Climate-Related Financial Disclosures (TCFD).

In addition, Befimmo is already working on integrating the requirements of the EU Taxonomy and the CSRD regulation into its non-financial reporting. By doing so, the Company does not only get prepared for regulations, but also defines a clear strategy to address questions from external stakeholders and other standardisation bodies and organisations to whom Befimmo discloses information on voluntary basis.

Assurance

Befimmo commissioned Deloitte to carry out a limited assurance review on the ESG data. Data markedwith the √ symbol have been audited as part of this review.

NON-FINANCIAL STATEMENTS: LIMITED ASSURANCE REPORT, P.243

1. SDG 2 (Zero Hunger) and 14 (Life below Water) were not considered as these SDGs are not directly or indirectly linked to Befimmo's business.

ESG rationale

BEFIMMO'S PURPOSE

Since its creation in 1995, Befimmo has continuously been investing in sustainable and quality buildings, with the target of offering its tenants attractive working spaces.

As from 2008, the focus on sustainability started being more formally operationalised with the creation of its first environmental policy. This policy was further developed into a CSR policy in 2013, focusing on the environment, the tenants, the team and governance. In 2018, social responsibility was integrated for the first time into the Company's overall strategy, and thus extended to Befimmo's vision.

For the upcoming years, Befimmo has set up ambitious targets to accelerate its sustainability focus, not only for the Company, but also for its property portfolio and its stakeholders.

This acceleration is the perfect illustration of Befimmo's ambition to further shape its vision, mission and purpose to create higher value for all its stakeholders.

2008
- First environmental policy

2013
- First CSR policy
- ISO 14001

2018
- First integration of CSR in overall strategy and alignment with SDGs and UNGC

2021
- Complete carbon footprint
- Energy intensity reduced by 40% for the Befimmo portfolio (vs 2008)

2022
- Submission of objectives, aligned with a 1.5°C scenario, to the Science Based Targets initiative:
  (1) reduction of absolute scope 1 and scope 2 GHG emissions by 50% by 2030 from a 2018 base year
  (2) measure and reduce its scope 3 emissions

2026
- Comply with CSRD reporting requirements
- Align business with the TCFD recommendations and incorporate TCFD disclosures to the 2023 reporting
- Assess 100% of significant suppliers

2030
- Reduce scope 1 and 2 emissions by 50% (vs 2018), validated 1.5°C Science Based Targets (SBT)
- Reduction of absolute scope 3 GHG emissions (except emissions related to acquisitions) by 30% by 2030 (vs 2018)

2050
- Contribute to the objective of making the EU climate-neutral by 2050 by maximising the reduction of scope 1, 2 and 3 emissions

KEY ESG MARKET TRENDS

The real-estate market is more than ever influenced by social and environmental aspects, including demographic evolutions, urbanisation, climate change, and a multitude of trends derived from the pandemic situation. Those trends amplify and accelerate certain strategic topics, including the push towards a more hybrid way of working and increasing remote working. Besides these global market trends (described more in detail in the strategy section of the present Report), some specific trends are directly related to ESG aspects in particular.

OUR STRATEGY, P.14

IMPACT RELEVANCE

Consider the double materiality

The notion of materiality to identify what is relevant to a company has become a core element of the corporate strategy. But even more important is the notion of double materiality, aiming to (1) understand the impacts of a company's activities on ESG aspects, and (2) understand how ESG aspects affect development, performance and the position of a company.

STRATEGY RESILIENCE

Navigate an increasingly volatile environment and gain competitive advantage

The concept of resilience addresses how to mitigate risk, anticipate issues and protect investments from negative impacts due to a highly and rapidly changing external environment. At the same time, resilience is much more than reacting to events; it also allows companies to identify and seize opportunities for their future sustainable growth.

PERFORMANCE

Define and implement ESG targets to drive performance

The move from shareholder to stakeholder value and the extension of the triple bottom line principle has brought ESG on the agenda of corporate governance. There are numerous environmental, social and governance factors driving expectations for performance. Buildings contribute to nearly 40% of global carbon emissions, which puts the real-estate sector at the centre of corporate and government initiatives and pushes companies to set up ambitious ESG targets to improve their performance.

HUMAN-CENTRICITY

Create human experiences to increase differentiation

An emerging trend is the focus on the end-customer in B2B markets, often called B2B2C, which puts focus on customer experience as part of the social aspects to address, next to the environmental aspects. This includes health, safety, well-being, and productivity, as well as aspects linked to the new way of working and living in a post pandemic era.

TECHNOLOGY-EMPOWERED SOCIETY

Use data and new technologies as foundations to run sustainable transformation

Operational, financial, environmental and social data are becoming keys in managing companies, both at operational and strategic levels. In the real-estate sector, this trend is even stronger, driving the evolution of buildings becoming "smarter", supported by advanced and more mature technologies like IoT and AI, allowing to operate buildings more efficiently, but also to reduce operational costs and increase tenants' comfort.

ESG MOMENTUM FOR BEFIMMO

Because ESG aspects are at the heart of Befimmo's business strategy, the acceleration of its execution also directly impacts its ESG momentum, next to all other external and internal factors described in this Report (i.e. global and ESG market trends).

The operating model and reinforced specialisation across Befimmo's three business lines will reinforce even further the need for the Company to consider the specific needs from its different stakeholders, impacting its clients' segmentation and the associated services levels offered.

The value creation will also be diversified further: next to the value created from the investing, operating and developing of its portfolio, the proportion of value created from additional, new, user-centric, high value, end-to-end hybrid work services, strongly driven by ESG considerations, will continue to increase over the years.

This vision, translated in Befimmo's value creation model described before, clearly position ESG aspects at the core of the Company's success, increasing the momentum for defining and meeting very ambitious ESG targets now and in the coming years.

OUR STRATEGY, P.14

CENTRAL

ESG approach

ESG MANAGEMENT

Unless expressly stated otherwise, the following reflects Befimmo's situation as at 31 December 2022.

At Board level

THE BOARD OF DIRECTORS

The Befimmo Board of Directors pursues sustainable value creation by setting the Company's strategy within the framework of the ESG policy that it defines, establishing effective, responsible and ethical leadership, and monitoring its performance. To do so, the Board develops an inclusive approach which balances the legitimate interests and expectations of its shareholding structure and those of other stakeholders.

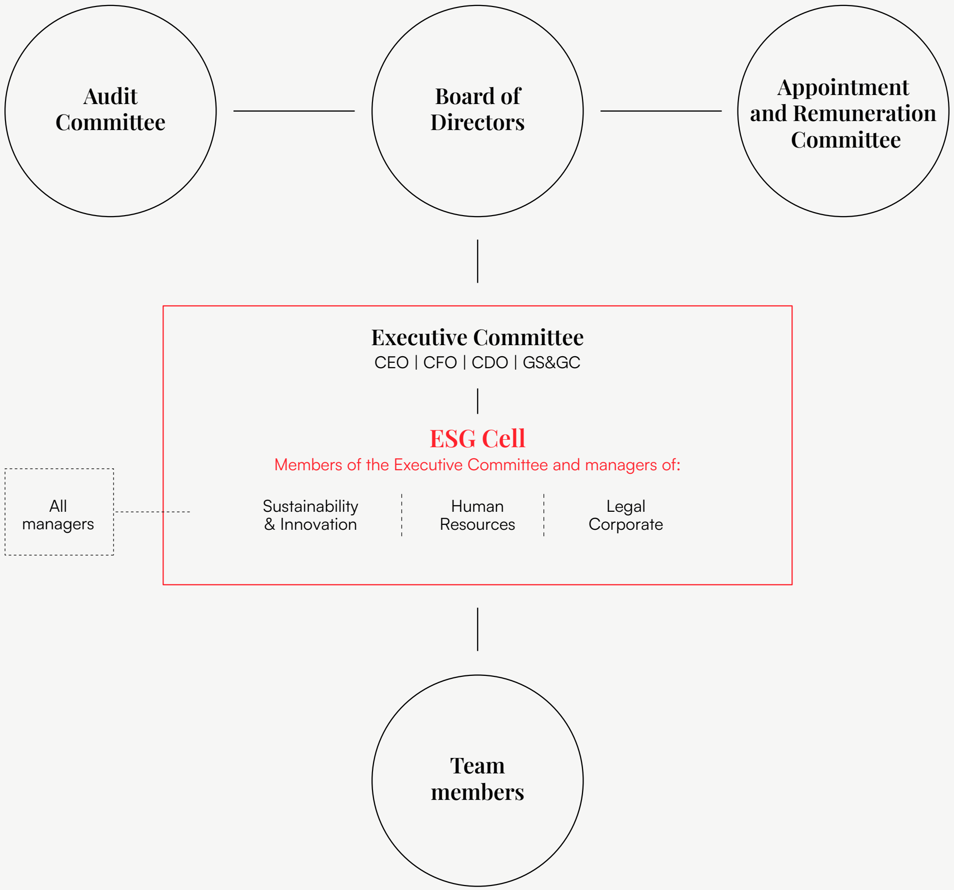
Befimmo has fully integrated the sustainability principles within its overall strategy and day-to-day operations by anticipating on environmental, social and governance evolutions. The Board of Directors has ultimate oversight of ESG risks and opportunities at a strategic level, alignment with business strategy and progress against most significant ESG commitments.

In line with this integrated strategy, the Board defines the environmental (including climate- and sustainability-related issues), social and governance orientations and strategic targets. It further approves budgets and major decisions related to this strategy.

THE AUDIT COMMITTEE

The Audit Committee is responsible, amongst others, for the monitoring of the Enterprise Risk Management and mitigation strategies.
The Committee also monitors the proper implementation of adequate and effective internal control systems, as well as compliance and ethics policies by the Executive Committee.

ESG GOVERNANCE STRUCTURE



THE APPOINTMENT AND REMUNERATION COMMITTEE

In the performance of its duties, the Appointment and Remuneration Committee pays specific attention to the ESG aspects both at the level of the appointment as at the level of the remuneration of the Directors and Officers.

Befimmo's remuneration policy aims to promote the creation of sustainable value within the Company, and to contribute to the implementation of its strategy, in particular by:

- Setting qualitative and quantitative performance criteria for the members of the Executive Committee, that are in line with Befimmo's long-term objectives;
- Implementing a long-term incentive plan spread over several years;
- Ensuring diversity is reflected in the composition of the team.

In accordance with its terms of reference, the Board of Directors carried out a self-assessment in 2021 and entrusted this task to an external expert in corporate governance, which conducted a thorough assessment of the composition and operation of the Board of Directors, its specialised Committees and the interaction between the Board of Directors and the Executive Officers. This self-assessment, which also aimed to gauge that Befimmo's governance efficiently supports its strategy and takes into account the evolving environment in which it operates, included reflections on Befimmo's internal ESG governance.

At strategic level

The ESG Cell is a cross-functional team that provides a forum for regular and in-depth discussions on ESG aspects. It is entrusted with the following responsibilities:

- Monitoring of and compliance with ESG regulations;
- Monitoring and analysing market trends and developments and share insights with key stakeholders;
- Developing proposals, coordinating the integration of ESG aspects into core activities and driving implementation;
- Reporting on implemented actions;
- Ensuring that operational projects are in line with the integrated strategy.

To mitigate the risk of separating ESG discussions from more general business, financial and strategy discussions, the Cell consists of eight strategic members:

- The Chief Executive Officer (CEO) (member of the Executive Committee);
- The Chief Financial Officer (CFO) (member of the Executive Committee);
- The Chief Development Officer (CDO) (member of the Executive Committee);
- The General Counsel & Secretary General (GC&SG) (member of the Executive Committee);
- The Chief Sustainability & Innovation Officer (CS&IO);
- The Chief Portfolio Officer (CPO);
- The Head of Environmental Management (HEM);
- The Head of Human Resources (HHR).

This Cell meets two times a year.

Sustainability topics are also discussed during Executive Committee and Managers' meetings.

At operational level

Sustainability topics are addressed on a weekly basis during department meetings of Sustainability & Innovation.

SUSTAINABILITY & INNOVATION

The Chief Sustainability & Innovation Officer, member of the ESG Cell, reports directly to the CEO. Her role is both strategic (developing strategy on ESG aspects, managing relations with stakeholders) and operational (coordinating and running sustainability projects, managing the 2030 Action Plan, acting as in-house consultant for other departments, and encouraging staff to embrace change). All activities related to social responsibility, innovation, digitalisation, and sustainability are achieved in co-operation with Befimmo's in-house Sustainability & Innovation team.

ENVIRONMENTAL MANAGEMENT

The Environmental Management team is part of the Sustainability & Innovation department and consists of five specialists with the task of improving the environmental performance of the portfolio. These specialists include the Green Adviser who monitors the effectiveness of energy investments on the ground while ensuring a high level of comfort for tenants. This team meets regularly in order to implement the 2030 Action Plan.

HUMAN RESOURCES

The Human Resources department is responsible for raising awareness amongst all members of the team to pay attention to sustainability, for following-up initiatives, and for continuing to develop Befimmo's strong corporate culture. HR is also responsible for monitoring social aspects like diversity and inclusion, talent retention, equal opportunities and global well-being among the team.

LEGAL CORPORATE

The Legal Corporate department closely monitors the ESG regulatory initiatives and collaborates in identifying and executing the action points, and defining priorities with regards to ESG aspects.

PROPERTY MANAGEMENT

Property Managers also have an important role to play in ensuring the health and well-being of occupants.

TEAM

Other team members are also entrusted with specific responsibilities relating to in ESG aspects, such as the Head of Legal Real Estate, Chief Portfolio Officer, Head of Investments, Internal Auditor, etc.

Generally speaking, the entire team is involved in the ESG approach of the Company, depending on the field of expertise, and is aware of the major impact of the real-estate sector on the environment. The targets described in the 2030 Action Plan for each department are the driving force towards a more sustainable reflection.

CENTRAL

ESG PRIORITIES

Befimmo constantly monitors external drivers that are shaping the Company's activities to select and prioritise its material topics and commitments.

This approach is a continuous process fed by the permanent dialogue maintained with Befimmo's stakeholders, aiming to maintain a solid connection with the way their expectations evolve over time and allowing Befimmo to adapt incrementally.

This approach helps Befimmo to determine its material topics, their positive and negative impact, and their relevance. The entire ESG strategy is then challenged according to these evolving material topics and adapted if necessary. The ESG strategy is monitored through the 2030 Action Plan, which includes ambitious targets to continue improving Befimmo's ESG performance.

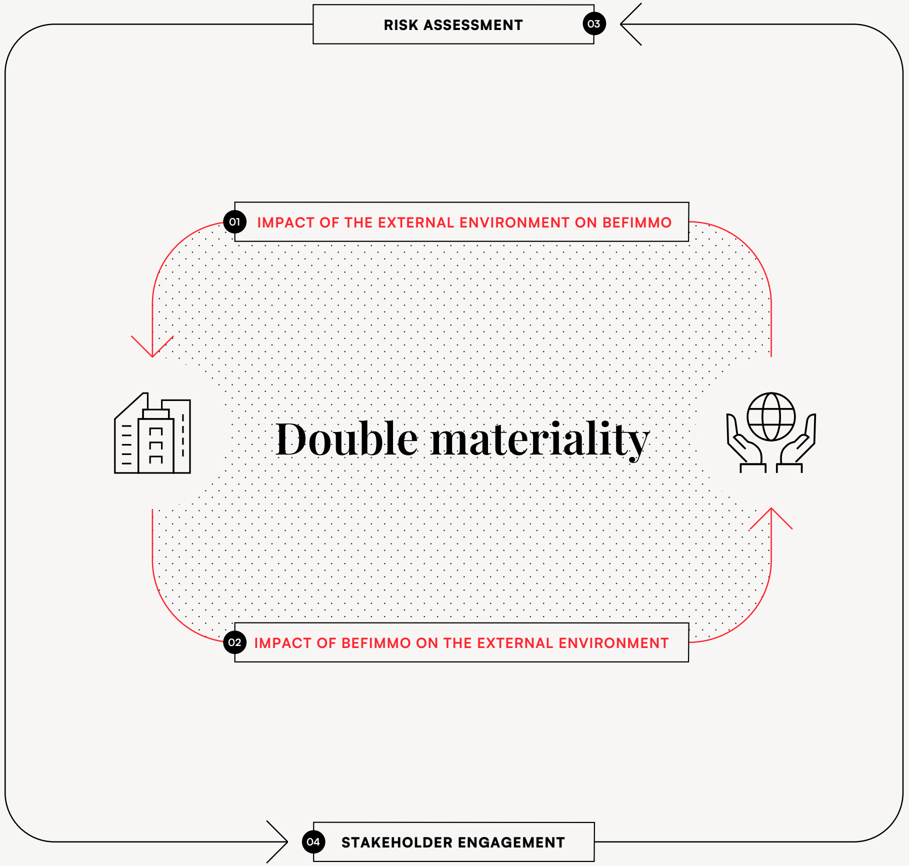
01. Impact of the external environment on Befimmo

Befimmo monitors external trends through market analysis, participation in ESG assessments (GRESB, CDP), and the analysis of frameworks and standards such as TCFD, GRI, EPRA, the SDGs and the UN Global Compact in order to understand the driving forces of the moment.

02. Befimmo's impact on the external environment

One of Befimmo's targets is to manage and minimise the impact an organisation's activities have on an environment, to mitigate risks of harmful effects on the natural environment and protect the health of human being but also to ensure compliance with laws and regulations. All specific initiatives taken by the Company to reduce its impact on the external environment are thoroughly described in the following sections of this chapter.

DOUBLE-MATERIALITY APPROACH



03. Risk assessment

Befimmo carried out a risk analysis in early 2019, which led to a full review of the risk matrix in late 2019. This risk matrix is reviewed annually as part of a three-year plan by the Audit Committee. The corporate risk rules provide for a formal update of the risk factors, twice a year when the half-yearly and annual financial reports are drafted. This update is then presented to and discussed in the Executive Committee. Finally, the document is transmitted to the Audit Committee for review, and to the Board of Directors for formal approval.

In 2021, Befimmo included climate change in its reporting and Enterprise Risk Management (ERM) process as part of a broader strategic risk focus on ESG aspects, alongside the two existing non-financial risks (environmental and social). These three risks are detailed in the Risk Factors chapter of this Report.

RISK FACTORS, P.145

In addition to the general risks, the table hereafter details all ESG risks according to the principle of double materiality, and shows the clear interaction between the risks related to the core activity of the Company and the ESG risks.

ESG RISKS - 1/4

Risks	Impact from the external environment on Befimmo	Befimmo's impact on the external environment	Actions
ENVIRONMENTAL RISKS			
Climate			
Physical risk			
- Acute: Extreme weather events (e.g. storms, floods, etc.); - Chronic: Changes in precipitation patterns and extreme variability in weather patterns (e.g. increased average temperatures, etc.).	- Possible reduction in the value of buildings (P1); - Costs of refurbishing the affected building (P2); - Degradation and obsolescence of buildings (P3); - Interruption or delay of construction works (S3).	/	- Contribute to climate change mitigation, p.69; - Contribute to climate change adaptation, p.75; - Use ESG regulations to accelerate the sustainability transition, p.99; - Promote green investment opportunities, p.101; - Maintain a transparent communication, p.102.

Risks	Impact from the external environment on Befimmo	Befimmo's impact on the external environment	Actions
ENVIRONMENTAL RISKS			
Climate			
Transition risks			
Current/Emerging regulation - Carbon pricing mechanisms; - Enhanced emissions-reporting obligations; - Mandates on and regulation of existing products and services.	- Possible reduction in the value of buildings (P1); - Higher expenses for reporting; - Degradation and obsolescence of buildings (P3).	/	- Contribute to climate change mitigation, p.69; - Contribute to climate change adaptation, p.75; - Use ESG regulations to accelerate the sustainability transition, p.99; - Promote green investment opportunities, p.101; - Maintain a transparent communication, p.102.
Legal - Exposure to litigation.	- One or more of the Company's properties does not immediately meet all the applicable new standards and regulations (R1).	/	
Technology - Substitution of existing products and services with lower emissions options.	- Degradation and obsolescence of buildings (P3).	/	
Market - Changing customer behaviour (sustainable buildings, sustainable company); - Increased cost of raw materials, waste treatment, energy, water.	- Possible reduction in the value of buildings (P1); - Degradation and obsolescence of buildings (P3); - Adjustment of rents (P4); - Decline in occupancy rates and a reduction in the operating results of the portfolio (S2); - Interruption or delay of construction works (S3); - Change in perception of the Company's credit risk profile (F2).	/	
Reputation - Increased stakeholder concern or negative stakeholder feedback.	- Adverse repercussions, notably when negotiating lease agreements or seeking financing.	/	

Risks	Impact from the external environment on Befimmo	Befimmo's impact on the external environment	Actions
ENVIRONMENTAL RISKS			
Sustainable buildings			
Non-performing buildings - High energy consumption and CO_2 emissions; - High water consumption; - Presence of polluting materials; - Lack of green spaces; - Lack of active mobility solutions.	Impact of transition risks: - Current/Emerging regulation; - Legal; - Technology; - Market; - Reputation.	- Contribution to climate change through CO_2 emissions; - Contribution to water resource pressure through water consumption and soil sealing; - Contribution to depletion of natural resources and climate change through use of raw materials; - Contribution to biodiversity loss through soil sealing and pollution; - Impacts on citizens' health and well-being (flooding, temperature control, air pollution); - Contribution to climate change, air pollution and traffic congestion through push to use the car.	- Contribute to climate change mitigation, p.69; - Contribute to climate change adaptation, p.75; - Contribute to the sustainable use and protection of water, p.76; - Contribute to the transition to a circular economy, p.77; - Contribute to pollution prevention and control, p.78; - Contribute to the protection and restoration of biodiversity, p.79; - Use certification systems to deliver sustainable assets, p.80; - Create innovative and sustainable buildings, p.81; - Provide buildings accessible through sustainable transport systems, p.82.
Poorly-located buildings - Building not accessible by public transport; - Presence of soil pollution.	Impact of transition risks: - Current/Emerging regulation; - Legal; - Technology; - Market; - Reputation.	- Contribution to climate change, air pollution and traffic congestion through push to use the car; - Causing environmental pollution, which generates potentially high costs for society: health costs, clean-up costs (waste treatment, soil remediation, etc.) and loss of ecosystems.	- Contribute to pollution prevention and control, p.78; - Provide buildings accessible through sustainable transport systems, p.82.

Risks	Impact from the external environment on Befimmo	Befimmo's impact on the external environment	Actions
SOCIAL RISKS			
External stakeholders - The building does not meet the expectations of the market in terms of comfort, services, safety and health.	Impact of transition risks: - Legal; - Market.	- Impact on the well-being and health.	- Build and animate communities, p.93; - Improve comfort, security and safety, p.94; - Integrate buildings into cities, p.96.
Team - Difficulty in attracting and retaining staff; - Lack of staff engagement or motivation.	- A loss of key skills in the Company could lead to a delay in achieving some of its objectives.		- Take care of the team and the community, p.87.
GOVERNANCE RISKS			
Ethics - Bribery and non-compliance with regulations on advocacy; - Money laundering; - Fraud and conflicts of interest; - Business partners with poor CSR practices.	Impact of transition risks: - Legal; - Reputation.	/	- Behave ethically, p.98; - Adopt a due diligence strategy, p.100.

Each of these non-financial risks is closely monitored throughout the year by specific departments who will implement mitigation and prevention actions whenever necessary. The departments concerned are mainly Environment, Human Resources, Property Management and Legal Corporate.

QUATUOR - ACT OF LOVE

04. Stakeholder engagement

BILATERAL COMMUNICATION METHOD

Befimmo brings together many players at the different stages of its buildings' life cycle. In order to best meet individual expectations and concerns of its stakeholders, Befimmo strives to offer a tailor-made communication for each stakeholder group. Each stakeholder is therefore approached differently, by a specific team member with the best knowledge of the subject matter, and using the most appropriate communication method.

Conducting a constant and proactive dialogue with its stakeholders ensures that the Company keeps in step with their expectations and a constantly changing society. Alongside electronic channels, the Company gives preference, whenever possible, to direct face-to-face contacts that strengthen human bonds and allow qualitative exchanges that transcend figures and surveys. Moreover, a close connection and a trust-based relationship are the best ways for Befimmo to move forward in a positive societal direction.

Therefore, the Company regularly takes part in seminars and conferences, gives interviews with journalists or presentations for associations.

But the Company is also open to communication and contacts from stakeholders. All stakeholder groups are included in the regular materiality exercise. Tenants have a dedicated hotline and Helpsite to get in touch with Property Management. Moreover, the Whistleblowing Policy enables Befimmo's staff to notify infringements to (1) the rules of EU law in the areas listed by the Directive 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law, and (2) in general, any other inringement of Befimmo's internal policies, to a central contact point within Befimmo, in complete confidentiality and without fear of reprisals in the broadest sense.

In 2022, no notifications were registered within the framework of the Whistleblowing Policy.

The detailed information on stakeholder engagement can be found in the Non-financial statements of the present Report.

NON-FINANCIAL STATEMENTS: STAKEHOLDER ENGAGEMENT, P.238

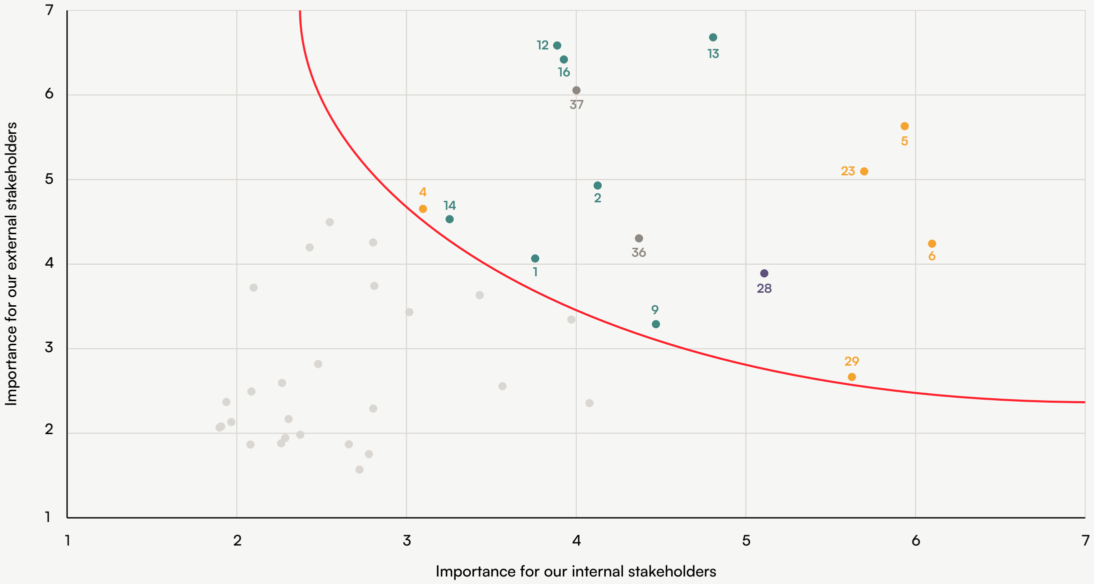
MATERIALITY EXERCISE

In 2020, Befimmo reviewed its materiality matrix to identify its ESG-related priorities. The Company therefore approached a diversified panel of external and internal stakeholders, who allowed the Company to gather various interesting points of view regarding its priorities through interviews, workshops or an online survey. Through this materiality matrix, Befimmo has then identified and prioritised the environmental, social and governance aspects, taking into account the expectations of all stakeholders. 15 of these ESG aspects were underlined as a priority for Befimmo to work on.

The results of the materiality assessment laid the foundations for the design of Befimmo's 2030 Action Plan, which will be detailed hereafter.

The next materiality exercise will take place in 2023.

MATERIALITY MATRIX



ENVIRONMENT		SOCIAL		GOVERNANCE	
1	Architectural quality	4	Participation of stakeholders in the project development process	28	Ethics and transparency
2	Mixed functions	5	Safety and health of occupants		
9	Flexibility and adaptability of the buildings	6	Comfort and well-being of occupants		
12	Biodiversity	23	Communication with occupants		
13	Energy consumption	29	Dialogue employee/employer		
14	Water consumption				
16	Circular economy				

TRANSVERSE ISSUES

36 Innovation

37 Integration of ESG challenges within the investments, management and risk control policy

Environment

This section is focusing on all the main environmental targets and actions that are planned and/or ongoing in order to have a direct impact on Befimmo's "E" performance, and thus supporting the Company's overall value creation. The first six environmental subjects are aligned with the EU Taxonomy.

The full 2030 Action Plan, comprising all environmental targets, can be consulted in the Non-financial statements of this Report.

NON-FINANCIAL STATEMENTS: 2030 ACTION PLAN, P.241

Contribute to climate change mitigation

2030 ACTION PLAN

38%
Reduction of absolute scope 1 & 2 GHG emissions
TARGET ⟶ REDUCTION OF 50% BY 2030 (VS 2018)

12%
Decrease of specific scope 1 & 2 GHG energy-related energy emissions
TARGET ⟶ REDUCTION OF 50% BY 2030 (VS 2018)

6%
Reduction of absolute scope 3 GHG emissions (except emissions related to acquisitions)
TARGET ⟶ REDUCTION OF 30% BY 2030 (VS 2018)

100%
Part of green electricity consumption of landlord-controlled buildings
TARGET ⟶ 100% BY 2023

1,194 kWp
Renewable installed capacity
TARGET ⟶ 2,200 KWP BY 2025

152 kWh/m²
Energy intensity of landlord-controlled buildings
TARGET ⟶ 116 KWH/M² BY 2030

WHY IS THIS RELEVANT?

The Paris Agreement and the recent IPCC 6th Assessment Report have highlighted the need to keep global warming within a 1.5°C temperature rise. Building operations and construction now account for nearly 40% (28% and 11%) of global energy-related CO_2e emissions.

Description and approach

In order to measure the efforts already made and those still to be made to achieve the targets of limiting global warming to 1.5°C set by COP21 and Europe, Befimmo uses two complementary approaches, namely the methodology proposed by the Science Based Targets initiative (SBTi) and that proposed by the CRREM tool. In January 2022, these two players joined forces and methodologies to ensure a major global approach to operational decarbonisation of buildings aligned with climate science with the ultimate goal of achieving net zero carbon by 2050.

Befimmo uses these two references as part of the implementation of its decarbonisation strategy which consists to develop an approach to reducing the energy consumption of the portfolio, increasing the use of self-generated renewable energy while reducing the amount of carbon incorporated into (re)development projects.

IN CONCRETE TERMS:

For (re)development projects

- Preference of renovation of existing buildings instead of demolition and reconstruction to minimise embodied carbon;
- Design and development of (re)development projects within a whole life approach by assessing, reducing and optimising construction principles and choices in such a way as to limit embodied carbon;
- Maximisation of the potential for renovation, future adaptation, dismantling, change of use and circularity to extend the life of buildings, and limit and postpone the end-of-life impact.

Befimmo's teams pay particular attention to the study and design phases of future projects, in terms of architectural choices, materials choices, and the optimisation of techniques to minimise energy consumption and reduce CO_2e emissions during the operational phase.

The choice of materials and techniques used for projects are based on the scope of the work to be carried out, with the help of BREEAM and DGNB frameworks and/or on minimum technical requirements developed in-house and integrated into a quality matrix. With this approach and target, Befimmo aims to achieve energy efficiency that exceeds statutory requirements.

For buildings in operation

- Reduction of operational carbon emissions by optimising energy demand and improving building efficiency;
- Avoidance of energy wastage while maintaining optimum comfort conditions for occupants;
- Development and maximisation of the share of self-generation of renewable energy;
- Planning and implementation of the elimination of fossil fuels in the portfolio.

The feasibility, profitability, and monitoring of environmental projects linked to the operation of the portfolio are assessed in-house by specialists who also assist the Project and Property Management teams in strategic choices and decisions relating to all environmental aspects of the portfolio.

In collaboration with the Company's real-estate divisions, they ensure that Befimmo's standards (consolidated in a quality matrix) guarantee energy performance and minimise environmental impacts. These teams can call upon the internal Green Adviser, who monitors the effectiveness of energy investments on the ground while ensuring a high level of comfort for tenants.

DEFINITION OF SCIENCE BASED TARGETS (SBTI)

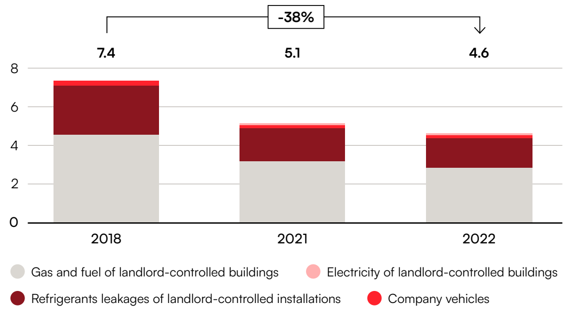
With the help of SBTi and following the complete revision of its carbon footprint in accordance with the GHG Protocol. Befimmo has set targets for reducing CO_2e emissions for each of the scopes.

Scopes 1 and 2

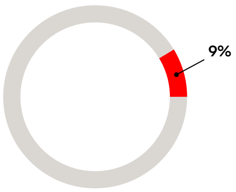
Befimmo confirms its commitment to the SBTi in order to reduce absolute CO_2e emissions related to scopes 1 and 2 by 50% by 2030, compared to the base year 2018.

In 2022, the total absolute reduction achieved compared to 2018 is 38% while absolute energy-related emissions over the same period have decreased by 34%.

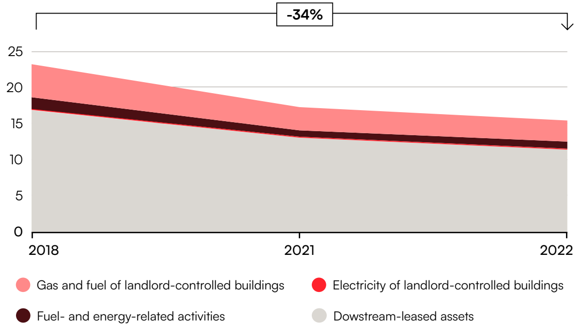
SCOPE 1 & 2 EMISSIONS (MARKET-BASED) (KT CO_2E)



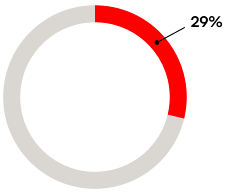
SCOPE 1 & 2 EMISSIONS
(% TOTAL CARBON FOOTPRINT IN 2022)

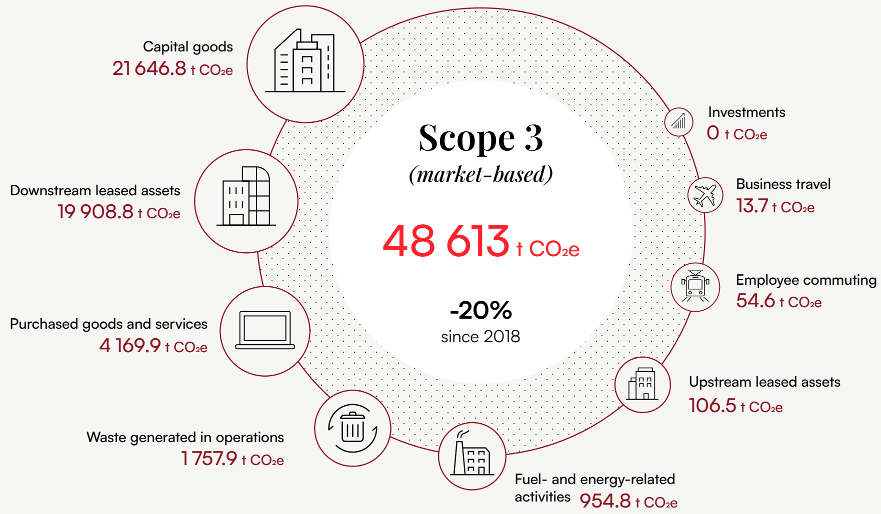


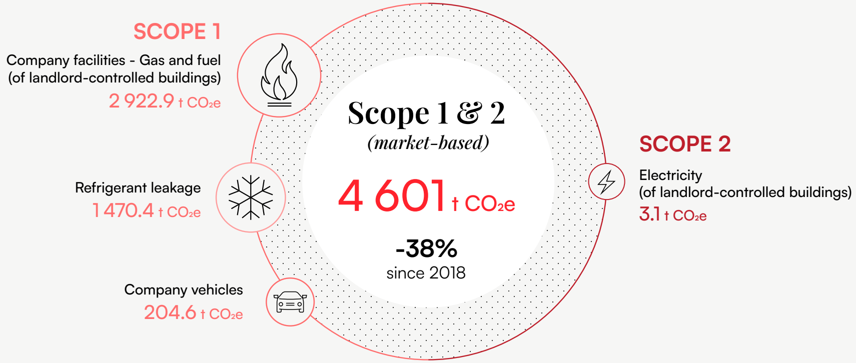
ENERGY-RELATED EMISSIONS (MARKET-BASED) (KT CO_2E)

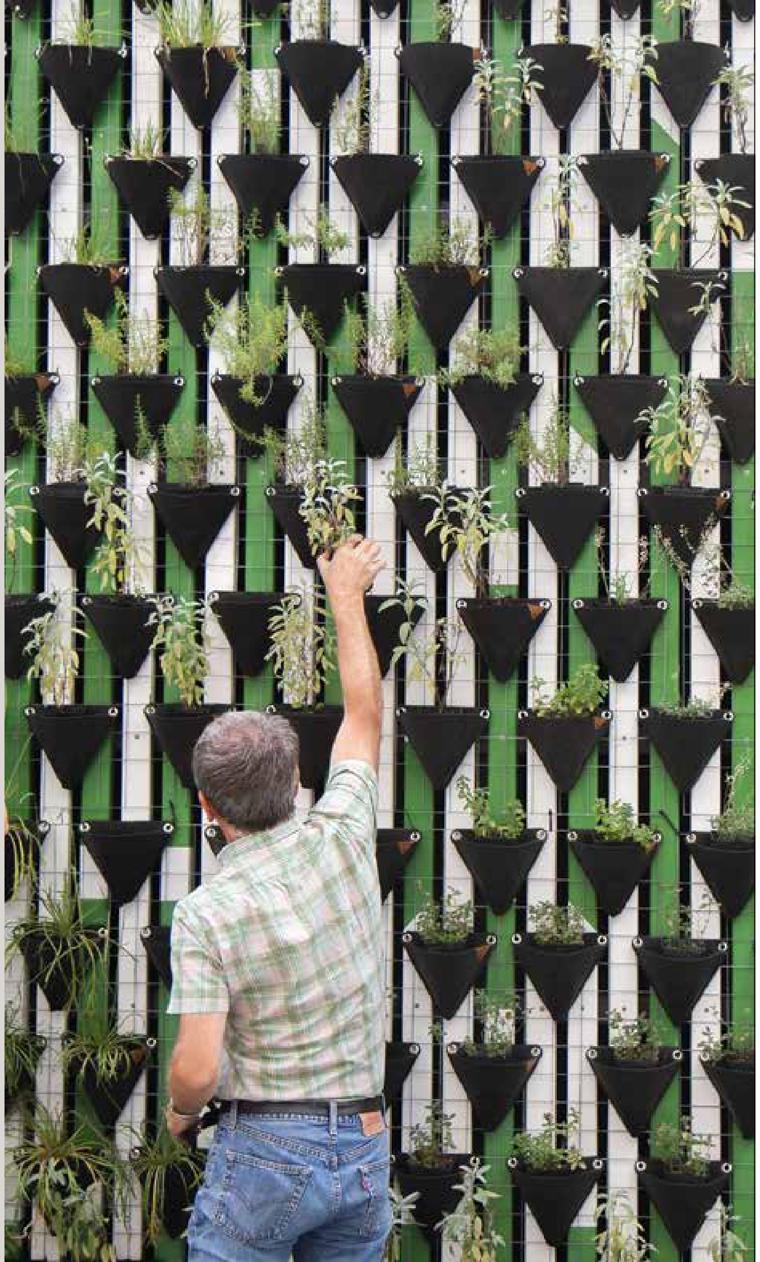


ENERGY-RELATED EMISSIONS
(% TOTAL CARBON FOOTPRINT IN 2022)









More specifically, this means achieving an average level of specific emissions linked to the energy consumption of buildings controlled by the owners (scopes 1 and 2) equal to 8 kg CO_2e/m^2.

The emissions for the base year 2018 have been updated on the basis of the new methodology. These have been adjusted, increased and newly distributed across the scopes due to:

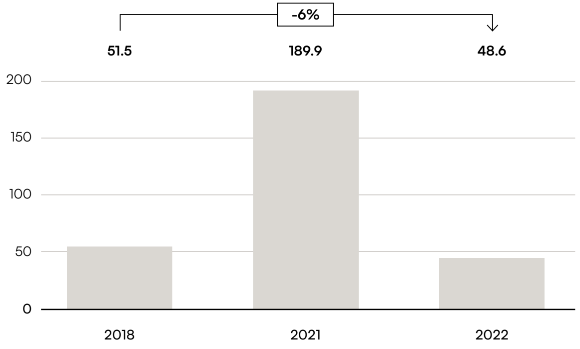
- The historical extrapolation of certain data (related to heating, electricity, operating waste, water consumption, use of back-up units, refrigerant losses, etc.) to cover all the buildings in the portfolio;
- The integration of data from Silversquare centres, including centres housed in buildings outside the Befimmo portfolio.

Scope 3

Given that a very large proportion of Befimmo's total emissions fall within scope 3, the Company is committed to reducing its absolute scope 3 GHG emissions (except emissions related to acquisitions) by 30% by 2030 (vs 2018).

In 2018 the total scope 3 emissions excluding emissions from acquisitions were 51.5 kt. In 2022 the total emissions are 48.6 kt, i.e. a reduction of 6%.

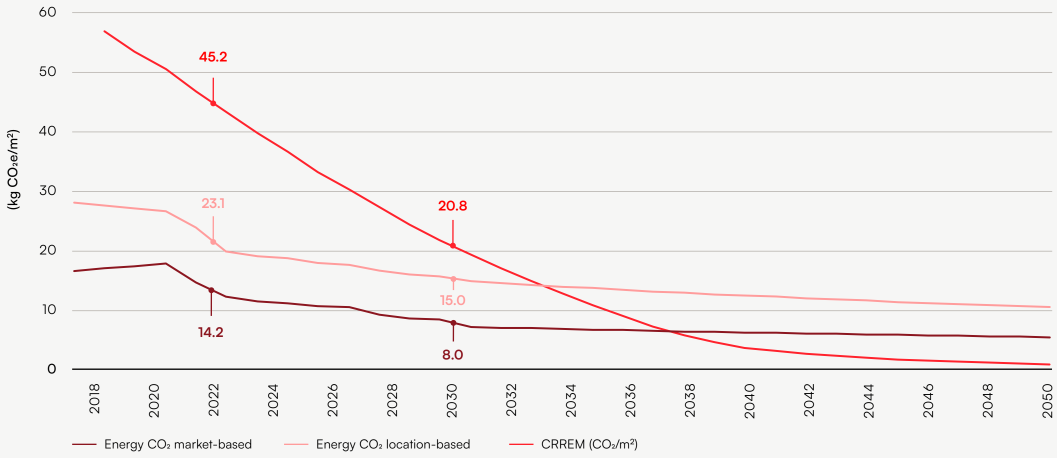
SCOPE 3 EMISSIONS (MARKED-BASED) (KT CO_2E) WITHOUT ACQUISITIONS



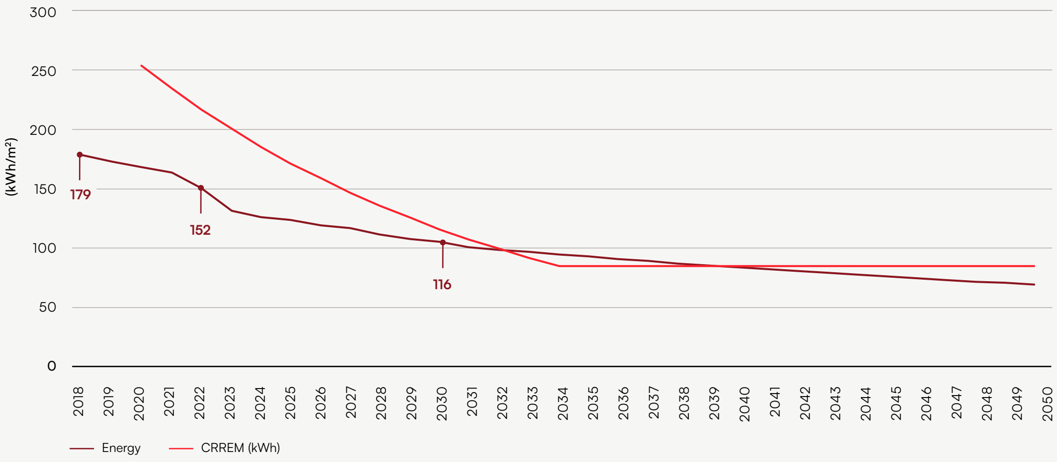
The significant emissions in 2021 are related to the new construction project of the Quatuor building (60,000 m²) which was received in 2022.

Befimmo is aware that a large part of its emissions is linked to the (re)development projects it initiates. It therefore systematically carries out life cycle analyses of its projects and uses the results of these analyses to reduce the carbon impact as much as possible over the entire life cycle of the buildings it puts on the market.

BEFIMMO'S GHG PERFORMANCE AGAINST THE CRREM BENCHMARK - LANDLORD-CONTROLLED BUILDINGS (KG CO_2E/M^2)



BEFIMMO'S ENERGY PERFORMANCE AGAINST THE CRREM BENCHMARK - LANDLORD-CONTROLLED BUILDINGS (kWh/M²)



Decarbonisation and energy reduction scenario analysis for the portfolio and by building (CRREM)

The CRREM tool developed by a European consortium allows Befimmo, in addition to providing an overall view of the performance of its portfolio, to have a framework for evaluating the transition risks for each building. The detailed analysis makes it possible to determine the "tipping point" indicating the moment when CO_2e emissions become greater than the maximum sustainable in the decarbonisation trajectory reflected in the Paris Agreement.

In this way, Befimmo has an environmental obsolescence risk indicator enabling it to take into account the prospects of renovations, improvements, sales and/or acquisitions of assets in its portfolio in accordance with its strategy.

The graph on the left illustrates the reduction trajectory followed by Befimmo to reduce the emissions of scopes 1 and 2 of the landlord-controlled buildings respectively in marked-based and location-based.

The latter is based on known (re)development projects up to 2030 and is aligned with the new CRREM trajectory up to that date. Beyond that, it is imperative that Befimmo develops and establishes a detailed action plan to verify its alignment with the net zero carbon objective by 2050. This plan is currently being drawn up and will be completed in 2023.

In 2022, the specific marked-based emissions (14.2 kg CO_2e/m^2) of landlord-controlled buildings are lower than in the 2018 base year (16.2 kg CO_2e/m^2). This is a decrease of 12%, while the target is set at -50% by 2030. This is due in particular to the end of the mandatory measures to over-ventilate buildings due to the pandemic, but also to the energy crisis.

In addition, the return of some efficient buildings after renovation also contributed to this result.

Befimmo complements its CO_2e reduction targets with a target to reduce the specific energy consumption of landlord-controlled buildings. In 2018, the value obtained is 179 kWh/m²; it is 152 kWh/m² in 2022 while its target is to reach 116 kWh/m² by 2030 in accordance with the CRREM recommendations.

Role and importance of energy performance

The energy performance of buildings plays a key role in achieving Befimmo's ambitious targets for reducing CO_2e emissions by 2030-50.

A key priority for Befimmo is to continue to reduce energy consumption by ensuring that operational buildings are well managed and that the comfort of the occupants is assured. The (re)development and marketing of new, high-performance buildings is essential for the Company to achieve the targets it has set itself. The teams are working together to address the challenges of rational energy use and CO_2e emission reduction across the business and the value chain.

Befimmo continuously invests to improve and optimise the existing technical installations.

Older buildings, which are less efficient despite previous improvements, will be gradually renovated and replaced in the long term by buildings that are more efficient than is required by law. Befimmo is thinking ahead and aligning itself with the European political vision for sustainable construction.

By 2026, approximately 20%[1] of the surface area of landlord-controlled buildings will be no more than five years old.

The total specific energy consumption of landlord-controlled buildings in 2022 is 8% lower than in 2021. This is mainly due to the fact that the year 2022 was significantly colder than 2021. The impact of the end of the pandemic measures was certainly offset by the energy crisis.

The specific electrical energy consumption in 2022 of landlord-controlled buildings is slightly (5%) higher than in 2022 but still significantly (19%) lower than in 2018.

> Befimmo continuously invests to improve and optimise the existing technical installations.

Reduce the use of fossil fuels and increase self-generation capacity in renewable energy

By 2030, Befimmo aims to reduce its direct CO_2e emissions linked to the purchase of heating fuels for landlord-controlled buildings by 50%.

In order to achieve this target, (re)development projects are designed to reduce heating demand as much as possible (high insulation performances, optimisation of external gains, etc.) by answering those needs with alternatives to the fossil fuel solutions such as geothermal energy and/or heat pumps, and by maximising renewable energy production.

Electricity supply contract for the portfolio

Befimmo has signed a green electricity supply contract for all landlord-controlled buildings. This does not prevent the Company from pursuing its initiatives and concrete actions to reduce consumption.

In order to ensure that, in addition to the green electricity supply contract that it has set up for landlord-controlled buildings, Befimmo encourages the occupants of the tenant-controlled buildings to take themselves out green electricity supply contracts. Another alternative is to offer them the opportunity to join the green contract set up by Befimmo.

This may imply, on the one hand, the implementation of network infrastructure work in some of its buildings and, on the other hand, the ongoing awareness raising of the occupants of certain sites over which Befimmo does not have control of energy supply.

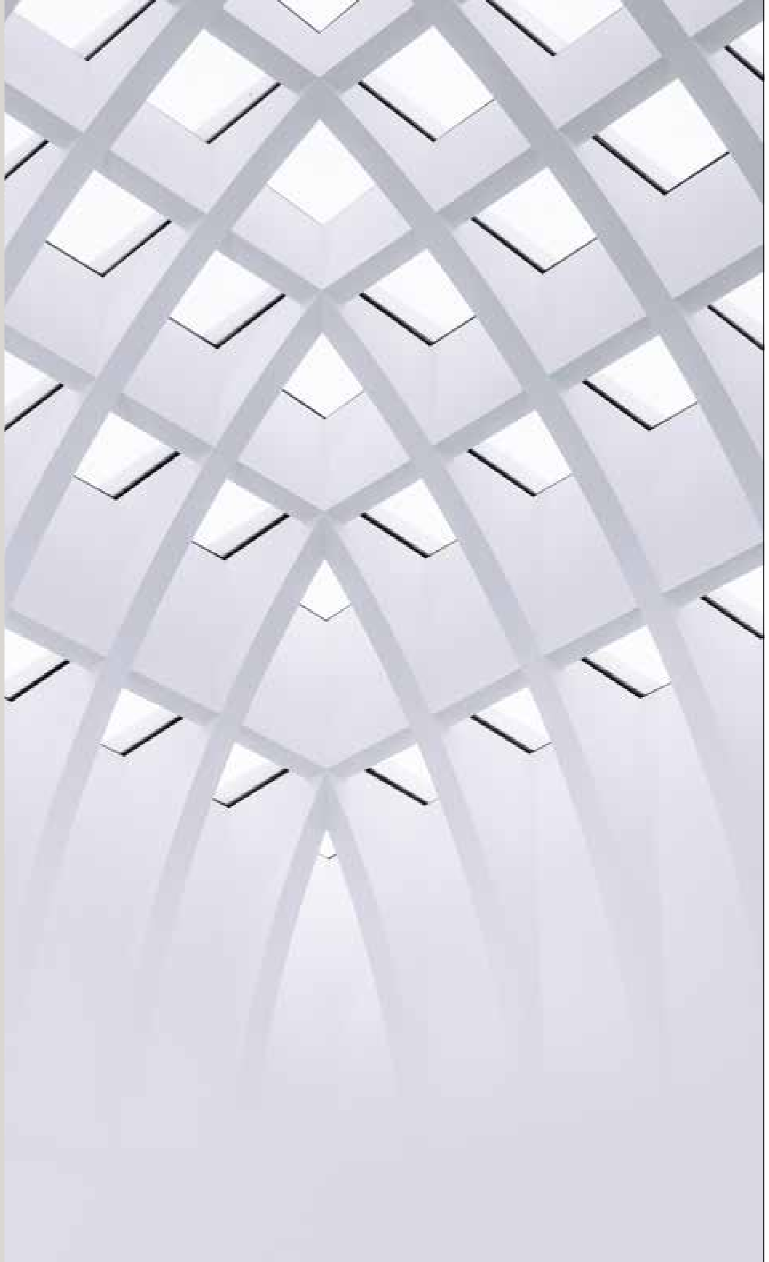
540 M²

of solar panels (113 kWp) for Paradis Express

7,072.95 M²

of solar panels (1,194 kWp) for the portfolio

1. Percentage calculated for the whole portfolio taking into account identified projects and renovations completed less than five years ago.



Optimising the operation of technical installations
In 2018, Befimmo installed new software in some of its buildings to analyse the data from regulation systems.

Initially, all the data from the programmable or other controllers in the network are recorded at regular intervals to create a "big data"[1] system. The software processes the data to present summarised and practical information so that the behaviour of the installations can be analysed in real time or at a later stage. It allows the exact functioning of the processes to be understood and any problems with design, regulation, or control of the installations to be detected. In the event of a problem, the tool can examine the chain of processes that led to the dysfunction and trace the cause. This makes it useful for limiting energy consumption and to improve tenant comfort. Befimmo will continue to roll out this solution in other buildings. The Company also invested in Building Management Systems (BMS) for some of its buildings that had not yet been equipped. These installations will enable further energy savings and better monitoring of comfort conditions.

Looking ahead

Befimmo will continue its long-term CO_2e reduction plan by developing and completing its strategy with the help of SBTi, CRREM and its carbon footprint.

All its (re)development projects include consideration for the integration of solar panels; by 2025 Befimmo aims to double the installed capacity (kWp). To possibly exceed this target, studies are also underway on the possibility of equipping certain existing buildings, either through self-financing or via a third-party investor. End 2022, for example, Befimmo made a commitment with a third-party investor in order to carry out a detailed study aiming to equip all the buildings in the Ikaros Park with photovoltaic installations for a total of at least 750 kWp. These installations should make it possible to cover around 30% of the Park's electricity consumption.

In parallel, even if the energy market does not currently allow it, Befimmo will continuously evaluate all possible ways of stimulating and supporting the production of renewable energy, in particular by setting up contracts for the supply of green electricity with a guarantee of origin from local producers.

Befimmo and Silversquare are working together on an integrated ESG strategy, taking into account specific aspects linked to coworking, and integrating Silversquare into the 2030 Action Plan. Both teams are working will continue to work together to reduce the carbon footprint of their activities.

Befimmo will continue its long-term CO_2e reduction plan by developing and completing its strategy with the help of SBTi, CRREM and its carbon footprint.

1. Depending on the size of the building and the number of technical installations, the number of measuring points is between 12,000 and 18,000.

Contribute to climate change adaptation

WHY IS THIS RELEVANT?

Implementing the TCFD recommendations helps the Company to contribute to climate change adaptation and have a business model and strategy compatible with the transition to a sustainable economy, with the limiting of global warming to 1.5°C that contributes to the target of making the EU climate-neutral by 2050, in line with the Paris Agreement.

2030 ACTION PLAN

ONGOING
Alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)
TARGET ⟶ **FULLY ALIGNED BY 2026**

Description and approach

In 2021, Befimmo started to implement the recommendations issued by the Task Force on Climate-Related Financial Disclosures (TCFD). This voluntary disclosure allows companies to incorporate climate-related risks and opportunities into their risk management and strategic planning processes.

Befimmo aims to reflect deeply about its long-term value creation in a context where climate change impacts will continue growing steadily at an increased speed. By understanding how the world might evolve across different long-term climate scenarios, and by retro-planning those in the shorter-term future, Befimmo will be able to enhance its 2030 Action Plan with fundamental investments, not only to mitigate the risk but also to build a profitable business model grasping the opportunities in this new future reality.

The TCFD structured its recommendations around four themes, namely governance, strategy, risk management, and metrics and targets. Since 2011, Befimmo has been disclosing its climate change information through the CDP (Carbon Disclosure Project), which provides a reporting mechanism in line with the TCFD's recommendations.

More details on the TCFD framework and implementations of the recommendations can be found in the Non-financial statements of the present Report.

NON-FINANCIAL STATEMENTS: TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES, P.229

Looking ahead

Befimmo aims to provide quantitative disclosure on climate-related topics as it incorporates the TCFD recommendations into its business.

LIVIN

Contribute to the sustainable use and protection of water

WHY IS THIS RELEVANT?

Population growth, urbanisation, pollution and the effects of climate change, such as persistent droughts, are putting a huge strain on Europe's water supplies and on its quality.

2030 ACTION PLAN

231.1 l/m²
Specific water consumption
TARGET ⟶ 226.5 L/M² BY 2030

Description and approach

During the life cycle of a building, its consumption has a significant ecological impact.

Where permeable surfaces are limited, the most obvious way to limit city water consumption and relieve the sewerage system is to install rainwater harvesting and management systems. Setting up water recovery systems for existing buildings is often complex and expensive.

Lack of space and the layout of the sanitary and drainage network can make such projects unprofitable and the overall environmental balance negative.

Befimmo therefore pays particular attention in each of its (re)development projects to incorporating rainwater recovery systems, stormwater retention systems, as well as greywater recycling systems, leak detection, and low-consumption appliances, following guidelines provided by the BREEAM framework, EU Taxonomy requirements and its own in-house quality standards.

In some projects, such as ZIN in Brussels, Befimmo will make the water from the groundwater drawdown available to public stakeholders. This permanently available water can be used for watering or cleaning public spaces. In this way, Befimmo intends to participate in the integration of its projects into the city and to reduce their impact on society.

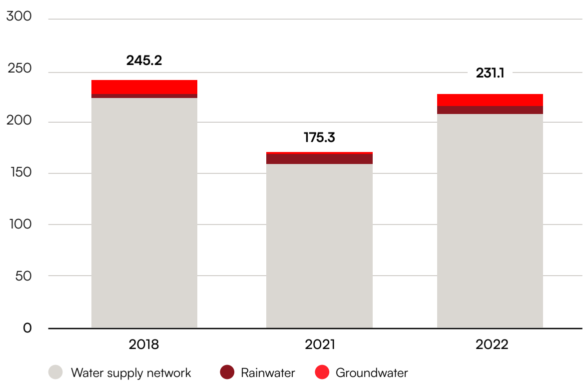
The specific water consumption of portfolio is significantly higher (+32%) in 2022 than in 2021. This increase is mostly explained by the end of the pandemic and the gradual return to building occupancy.

Looking ahead

Befimmo will continue to monitor consumption, replacing obsolete equipment with high-performance equipment, and raising awareness among users as well as maintenance companies.

The Company will also evaluate the possibilities to install leak detection devices complemented by presence and automatic shutdown detectors on the sanitary blocks, in accordance with the requirements of BREEAM and DGNB frameworks, in its operating portfolio and (re)development projects.

WATER CONSUMPTION INTENSITY (L/M²)



3,947 M³
of rainwater recovered
→ 2.26% OF TOTAL ANNUAL CONSUMPTION

23
buildings equipped with rain or ground drainage system
→ 25% OF PORTFOLIO (M²/M²)

Contribute to the transition to a circular economy

WHY IS THIS RELEVANT?

Buildings are one of the largest energy consumers responsible for 36% of energy related $CO_{2}e$ emissions, not including embodied emissions from production, construction, renovation and end-of-life. The building sector is also consuming 50% by weight of the materials we use in the EU and is responsible for 30% of the waste we generate[1].

2030 ACTION PLAN

100%
Part of the projects[2] subject to an inventory of materials
TARGET ⟶ 100% (PERMANENT TARGET)

100%
Part of adaptable projects[2]
TARGET ⟶ 100% BY 2030

Description and approach

One of Befimmo's pre-requisites for every renovation project is to carry out an inventory of the existing material with reuse potential. This inventory makes it possible to establish a reuse plan with the Design team aimed at maximizing reuse on or off site. This plan is considered in the establishment of the dismantling file.

Befimmo also requires the consideration of future adaptability of its (re)development projects to other functions, by paying special attention to the location and sizing of the vertical circulations and technical hoppers, as well as to the versatility of the envelope. In practice, for each project, the Design team draws up plans for functions other than those originally planned.

These two circularity requirements are part of Befimmo's approach to reduce the production of waste and the use of resources related to its activity, now and in the future.

In addition, Befimmo is committed to improving the sorting and the monitoring of waste, both operational and construction waste, to maximise the recycling rate.

In 2022, 51% of operational waste was diverted from landfill or incineration. For construction waste, the recycling rate was 81% and less than 1% was sent to landfill.

Looking ahead

Based on the experience gained through the implementation of inventories and reuse plans on projects in the design phase, Befimmo wants to consider establishing a minimum level of reuse to be reached for in each new project.

WTC RENOVATIONS

1. www.bpie.eu.
2. Projects: committed ongoing (re)development projects (ZIN, Pacheco).

Contribute to pollution prevention and control

WHY IS THIS RELEVANT?

Despite important improvements over the last decades, pollution continues to harm citizens and ecosystems. It causes multiple physical and mental diseases, and is one of the five main drivers of biodiversity loss. Pollution comes at a high price for society and ecosystems, including health-related costs, remediation costs (e.g.: waste treatment, soil decontamination, and loss of ecosystem services).

2030 ACTION PLAN

ONGOING
Strengthen and improve selection criteria for building materials
TARGET ⟶ PERMANENT TARGET

Description and approach

Choice of materials and products
Since 2017, Befimmo has developed a set of requirements that has to be taken into account for drawing up specifications. Some of those requirements relate to materials choice, for example:

- Consider the use of reused materials;
- Prioritise locally available raw materials
- Promote the use of materials and elements from sustainable production/exploitation (e.g.: FSC or PEFC certification for wood and wood-based materials);
- Use materials based on renewable raw materials;
- Favour products with recycled content
- Choose materials and elements with low impact on human health (e.g.: classification A+ or Ecolabel for paint, varnish, coating or glue);
- Use of TOTEM to compare the variants of choice of materials;
- Favour robust materials that are easy to maintain;
- Among the technically valid options: choose the material or product that is the most respectful of the environment and the health (of workers and occupants) (e.g.: C2C certification for carpet).

Those requirements are inspired by sustainability frameworks, best practices, etc. and evolves in line with technological progress and feedback from the field.

Soil management and protected areas
Regulations in Belgium address a large number of soil contamination-related aspects. As required by law Befimmo conducted an environmental assessment for all its (re)development projects including potentially contaminated sites (brownfields). These studies are also consistent with the expectations and criteria of the EU Taxonomy.

In addition, since 2021, Befimmo has drawn up a general mapping showing the soil condition of its portfolio. This mapping takes into account the presence of any potentially soil-hazardous activities as well as the historical information relating to each site. This valuable tool allows for effective risk management, the implementation of pollution prevention measures and, if necessary, the conduct of any specific required studies.

Looking ahead

In 2022, Befimmo pursued the study initiated in 2021 to improve and complete their minimal requirements related to the choice of materials in order to align them with the latest best practices set out, for example, in BREEAM, DNGB and WELL. Work will be completed in 2023 and will also include consideration of the EU Taxonomy criteria.

ARTS 56

Contribute to the protection and restoration of biodiversity

WHY IS THIS RELEVANT?

Access to nature in our cities has never been more important. Nature and natural environments offer many services and solutions from improving the health and well-being of citizens to addressing contemporary (urban) problems like flooding, temperature control, and tackling air pollution.

2030 ACTION PLAN

ONGOING

Study biodiversity management on portfolio

TARGET ⟶ 100% OF RECOMMENDED ACTIONS IMPLEMENTED BY 2025

Description and approach

The vast majority of Befimmo's buildings are in large cities or densely built-up urban areas. The plots of land on which the buildings are erected are mostly terraced and generally cover the entire available ground surface, leaving little empty space for nature and biodiversity. Befimmo limits its impact on the environment and contributes to improving biodiversity and the quality of life of building occupants by reserving a key place in its overall approach for nature and wildlife. In general, regulations in Belgium address many biodiversity-related aspects. As required by law, Befimmo conducted an environmental assessment for all its (re)development projects.

When it comes to considering biodiversity in (re)development projects, the Company relies in particular on BREEAM and DGNB frameworks, and calls on specialised ecologists and landscape architects. For all (re)development projects carried out in 2022 and subject to these certifications, a maximum of the credits allocated to "land use and ecology" are targeted. An ecologist analyses each project in detail and makes recommendations to maximise biodiversity potential. In its operational buildings, Befimmo pays particular attention to the development and proper management of green spaces (however small) through clauses in maintenance contracts, and by applying criteria for the preservation of biodiversity when carrying out small works.

During 2020, Befimmo carried out a study of the improvement of biodiversity potential of its entire portfolio. In the first phase, 29 sites with interesting potential were identified, from which Befimmo selected nine priority sites.

Six sites have been the subject of detailed studies by an ecologist highlighting the measures for the improvement of biodiversity, taking into account the technical and financial feasibility. The first measures, including an analysis of maintenance contracts for the surroundings, were implemented in 2021.

In 2022, Befimmo decided to change the maintenance contract for the Ikaros site, as this site has the largest green area of the portfolio. Pesticides have been prohibited, and the lawn areas will be transformed

IKAROS

into flowering meadows. It represents around 3,800 m² of welcoming area for biodiversity. Moreover, only indigenous species will be planted in the future on this site.

Looking ahead

During 2023, the maintenance contracts for the green spaces of other Befimmo sites will be adapted in order to eliminate, as far as possible, all herbicides, plant only indigenous species, and maximise flowering meadows.

In 2023, Befimmo will develop a roadmap and a corporate strategic thinking on biodiversity aligned with its sustainability approach. The recommendations of this roadmap will be analysed, validated and deployed in the portfolio according to a timetable yet to be defined.

For (re)development projects, Befimmo will systematically carry out environmental impact studies in accordance with the EU Taxonomy.

Use certification systems to deliver sustainable assets

WHY IS THIS RELEVANT?

Certifications provide an incentive to implement buildings and processes that are sustainable in the long term. They provide an target assessment and definition of the sustainability of buildings. Certifications give stakeholders a comparable indication of portfolio performance.

2030 ACTION PLAN

100%
Part of certified projects[1]
TARGET ⟶ 100% (PERMANENT TARGET)

44%
Part of "In-Use" certified portfolio
TARGET ⟶ 35% BY 2022

100%
Part of eligible portfolio[2] covered by an energy performance certificate
TARGET ⟶ 100% BY 2022

1. Projects: committed ongoing (re)development projects (ZIN, Pacheco).
2. Excluding a building under redevelopment, for which the certificate has expired and will be renewed after renovation.

Description and approach

Befimmo's approach in terms of environmental certification is situated at different levels.

AT THE COMPANY LEVEL:
Environmental Management System: ISO 14001 (2015)
Since 2010, Befimmo's Environmental Management System (EMS) is ISO 14001 (2015) certified to ensure a systematic approach and contribute to the sustainable implementation and monitoring of its commitments. EMS procedures cover the entire life cycle of a building.

In November 2022, due to the voluntary takeover bid by Alexandrite Monnet Belgian Bidco SA, Befimmo decided to suspend its EMS certification.

The objective is to recertify the EMS when the internal reorganisation is fully implemented.

AT THE PORTFOLIO LEVEL:
BREEAM, DGNB, WELL certifications
For (re)development projects, Befimmo wants its buildings to achieve an environmental performance that surpasses the regulatory requirements.

All its (re)development projects are therefore certified by acknowledged frameworks (BREEAM, DGNB, WELL).

Befimmo also applies these frameworks to its buildings in operation. All the buildings under its control were BREEAM certified in 2010-2011 and a five-year improvement programme has led to the achievement of a minimum Good level for the Asset part.

In 2022, Befimmo has made the strategic choice to re-certify all its core buildings according to BREEAM "In-Use". As such, 24 buildings have applied for certification with the BRE. 20 of them were actually re-certified in 2022.

NON-FINANCIAL STATEMENTS: ENVIRONMENTAL PERFORMANCE, P.218
EPRA SUSTAINABLE PERFORMANCE INDICATORS, P.213

Energy Performance Certifications
The energy performance of buildings is also reflected in their EPC level. Befimmo holds energy performance certificates for all its buildings in the Brussels Region and in Luxembourg[2].

NON-FINANCIAL STATEMENTS: ENVIRONMENTAL PERFORMANCE, P.218
EPRA SUSTAINABLE PERFORMANCE INDICATORS, P.213

Ecological label
Befimmo manages the green space of its Goemaere building in line with the principles of sustainable development and in compliance with the guidelines of Eve® (Ecological plant space - Espace Végétal Écologique) developed by ECOCERT. Befimmo is the only Belgian site to have this label (since 2011), and it was renewed in 2022. The relevant lessons from this certification are used for the implementation of improvement measures for sites with biodiversity improvement potential.

Looking ahead

In 2023, Befimmo will review some of the BREEAM In-Use certifications obtained in 2022 to determine an action plan to further improve the score. Furthermore, according to the new Flanders' regulation, Befimmo aims to obtain Energy Performance Certificates for all its buildings located this region by 2023.

PACHECO

Create innovative and sustainable buildings

WHY IS THIS RELEVANT?

(Re)development and operation of buildings require significant amounts of energy and resources, such as sand, gravel and cement. Buildings are responsible for about 40% of the EU's energy consumption, and 36% of greenhouse gas emissions from energy.

The creation of innovative projects aims to use available resources consciously, minimise energy consumption and preserve the environment. Digitalisation allows for cost control, improved building performance and tenant comfort.

2030 ACTION PLAN

100%
Part of innovative projects[1]
TARGET ⟶ 100% BY 2025

1. Projects: committed ongoing (re)development projects (ZIN, Pacheco).

Description and approach

Befimmo aims to create innovative projects through various techniques such as BIM and smart building.

Building Information Management (BIM)
Befimmo's digital transition was characterised by rolling out the Building Information Management to all (re)development projects.

The BIM approach consists of developing projects with the help of a 3D digital prototype of the building, using collaborative processes, and building a reliable standardised building database. The main benefits for Befimmo are controlling costs and improving the building's performance and the comfort of the tenants.

Through BIM and the digitalisation of processes, Befimmo's ambition is:
- To optimise collaboration and co-creation of (re)development projects from design to operation;
- To create a data continuum between design, execution, operation, and building management;
- To optimise the management of buildings by supplying reliable and up-to-date data (associated with digital plans), accessible to all and compatible with computerised building management tools;
- To ensure consistent digital management of its real-estate assets;
- To organise the production of data as the basis for innovations (IoT, smart building, etc.) and sustainable growth (circularity, consumption control, etc.).

LIVIN

Smart buildings
Digitalisation brings together a set of initiatives to make buildings "smart". Based on new technologies, data sharing, and user-centric design, smart buildings will allow Befimmo to invest, develop and operate a network of buildings that are socially and environmentally efficient.

In order to reach that efficiency, Befimmo:
- Collects and processes buildings' data through BIM methodology;
- Collects users and customers satisfaction feedbacks through a user-centric designed digital portal called "Befimmo App".

Those insights allow Befimmo to:
- Raise sustainability of buildings;
- Adapt its spaces in response to changes in the world of work and society;
- Bring forward services related to coworking, mobility, catering and leisure for building's stakeholders;
- Connect and enter in dialogue with Befimmo occupants and communities;
- Provide best-in-class operational management and relevant services, and contribute to societal innovations.

Finally, Befimmo aims to offer exemplary experiences of work, meet, share, and live while creating communities of people around spaces and interests.

Looking ahead

With a view to improving the circularity of projects and systematizing the implementation of materials passports, Befimmo initiated an analysis of several circular resource management platforms. This work should be completed on a strategy to be applied to all projects.

Provide buildings accessible through sustainable transport systems

WHY IS THIS RELEVANT?

Cities are the powerhouse of the modern economy and home to millions of people. 70% of the EU population live in cities today, this is projected to reach almost 84% in 2050; 23% of the EU's transport greenhouse gas emissions come from urban areas.

2030 ACTION PLAN

68%
Part of the portfolio that offers real mobility solutions
TARGET ⟶ 100% BY 2030

12%
Part of the portfolio equipped with at least 30% of car parking spaces with a charging point
TARGET ⟶ 100% BY 2030

Description and approach

To Befimmo, a building offers real mobility solutions when the frequency of public transport, diversity, and access to mobility solutions are all satisfactory.

Befimmo has no influence on existing public transport infrastructure, so it focuses on soft mobility and reception facilities, on alternatives to the car, and on applications that make it easier for workers to reach buildings. The first priorities are therefore the accessibility of the buildings by public transport, facilities for soft non-motorised mobility, and the optimisation of car parks, including electric charging stations. In 2022, 68% of the portfolio offered real mobility solutions.

A mobility roadmap for the entire Befimmo portfolio is being implemented, with a vision based on the 2030 Agenda. In 2022, Befimmo carried out mobility audits for 26 of its buildings, analysing their accessibility, both in terms of public transport and active mobility, as well as their mobility infrastructures and their quality. On this basis, Befimmo can develop its mobility roadmap into concrete actions for the buildings concerned.

Soft mobility
Befimmo is further installing exemplary soft mobility facilities, with showers and lockers, and well-designed bicycle parking that takes into account electric bikes, folding bikes, cargo bikes, and scooters. The bicycle parking at Central, inaugurated in November 2021, is the perfect example of the future of bicycle parking's and will serve as model for other buildings. Befimmo will also adapt existing infrastructure to better meet the needs of the active commuters.

Building on the success of the five shared bikes made available to the tenants of Central from 2021, Befimmo has increased the fleet of shared bikes to 20 bikes in 2022, which are available to tenants via an application and are spread over four buildings. Between June and December 2022, Befimmo can boast of almost 1,500 uses of its bikes by up to 170 different users per month. With more than 9,000 km travelled, the shared bikes will have avoided 1.5 t CO_2e emissions compared to travelling by car.

CENTRAL - BICYCLE PARKING

9 ACCESSIBILITY SHEETS DEVELOPED IN 2022

IKAROS - CHARGING STATIONS

This service is therefore a success, a practical, efficient, fast and useful mobility solution to reduce the impact of our tenants' transport.

Optimisation of car parks

As many users of Befimmo's buildings still travel by car, the optimisation of the car parks has been pursued, including, among others, digitising access.

After working on the digitalisation of its services in 2021, including the dematerialisation of the car park management in its smart buildings and after having integrated the parking management system into the Befimmo App, Befimmo has deployed the parking management system solution in four multi-tenant buildings. Thanks to this possibility, each tenant deploys its own parking policy according to its parking spaces and can thus improve the use of these spaces. In addition to this service, Befimmo offers even more options to its users in order to manage their parking spaces more efficiently (data, reporting, etc.) and to improve the user experience of their employees with, for example, automatic license plate recognition.

Charging stations

Electric vehicles are having a breakthrough moment, and Befimmo is playing its part and will anticipate the end of thermic motorisation in the coming decade. The first priority of Befimmo was and always will be the security of the occupants and the conformity with the actual regulations. The Company is part of a working group with the UPSI, the fire department of Brussel, the insurance company and other experts in order to analyse each opportunity to install charging stations.

In order to comply with the safety guidelines, Befimmo focused its actions in 2022 on preparing a strategy for the installation of charging stations, in accordance with the legal and regulatory texts. As a result, installation projects in existing indoor car parks have had to be suspended. On the other hand, in its outdoor car parks, Befimmo has put 44 charging points into operation at Triomphe[1] and is completing the installation of 92 charging points at Ikaros. In its (re)development projects, Befimmo keeps the target of 30% of the parking spaces being equipped with a charging point, by considering the technical and practical implications at the design stage.

Looking ahead

Befimmo will continue to improve the mobility around their buildings and also the mobility infrastructures:

- Implementation of quick wins based on the mobility audit in some buildings;
- Further deployment of the charging stations in the buildings with interior car park;
- Analysing and taking into account the needs in terms of accessibility for people with reduced mobility;
- Development of new bicycle parking and facilities based on the exemplary parking at Central;
- Extension of the shared bicycles ;
- Development of the functionalities of the parking management system: usage analyses, mutualisation of spaces, etc.;
- Provision of an efficient charging management system through the parking management system;
- Creation of additional accessibility sheets for the strategic buildings;
- Preparation of solutions to be compliant for the Cobrace legislation in Brussels.

> 450 *charging points in 23 buildings*

1. Linkedin | Befimmo & Allego partnership.

Reduce the environmental impact of the team

WHY IS THIS RELEVANT?

The team is part of an ecosystem consisting of the Company, its subsidiaries, suppliers and other stakeholders. Decarbonising our ecosystem is key to engaging the team and leading by example.

2030 ACTION PLAN

92%
Part of electronic incoming invoices
TARGET ⟶ 100% BY 2022

100%
Part of electronic outgoing invoices
TARGET ⟶ 100% BY 2022

36%
Part of the team who changed their mobility
TARGET ⟶ 40% BY 2025

43 kg/FTE
Quantity of waste
TARGET ⟶ 0 KG/FTE BY 2030

Description and approach

Mobility of the team
The relocation of Befimmo's head office to the centre of Brussels in its Central building, realised in 2021, is a perfect illustration of its strategy and the importance attached to multimodal accessibility of its workspaces, for building users and its own staff.

This move was also an opportunity for Befimmo to propose new ideas and solutions to its team to change their habits and improve their mobility.

Financial means:
- Introduction of the federal mobility budget since January 2021;
- Integration of mobility solutions through its cafeteria plan (mychoice@BEFIMMO);
- Refund of all costs related to travel by public transport.

Organisational means:
- Introduction of a parking policy;
- Use of parking management system to optimise the use of car parking spaces.

In practice:
- Information session around the federal mobility budget;
- Participation in the Bike Project;
- Organisation of some activities during the European mobility week.

For the team members who are eligible for a company car, already 36% have chosen a mobility budget or an electrical, hybrid or CNG vehicle. After one year in its new headquarters, 66% of the team use an active mobility to reach Central. Befimmo also decreased the number of parking spots available for his team by 39%.

Besides the fact that Befimmo encourages its team members to give up the use of the car, the Company continues the "greening" of its fleet.

In 2022, average emissions per vehicle (CO_2e/km) across the fleet were 23% lower than in 2016 - the result of applying an updated car policy to new and replacement vehicles.

Vehicle-related CO_2e emissions fell by 22%, from 296 tonnes in 2018 to 232 tonnes in 2022. A the end of 2022, Befimmo had no more thermic cars in order, but rather 53% plug-in hybrid and 47% electric vehicles.

16%

of team members chose the federal mobility budget

Energy consumption

Electricity and gas consumption increased overall in 2022 compared to 2021 despite a warmer year in 2022 and the savings measures taken by Befimmo due to the energy crisis. Water consumption has risen sharply and has returned to pre-pandemic levels.

In its headquarters, rather than ventilating and air conditioning everywhere, all the time, Befimmo opted for a flexible system. Comfort is ensured in occupied spaces, ventilation is reinforced according to the density of occupation, via CO_2 sensors. The user also has the possibility of opening the windows to take advantage of the natural ventilation and the freshness of the outside.

Under certain conditions, it is not advisable to ventilate naturally, as this presents a risk of energy destruction, and the user is not always aware of this. Therefore Befimmo has completed this system with an innovative communication plan developed internally. Data from all the building's sensors (presence detection, temperature, CO_2, humidity sensor, weather forecast) are analysed by an algorithm that helps the user adopt the appropriate behaviour. According to needs, the building encourages users to open the windows to limit ventilation and air conditioning needs, or it invites the user to keep the windows closed in order to guarantee the efficiency of the conditioning system. In the long term, Befimmo will carry out a more in-depth analysis of the occupant's response to the advice issued by the building and thus will test the effectiveness of this innovative solution.

Waste and paper use

In 2022, following the pandemic and its relocation, Befimmo re-established a detailed accounting of the waste produced by its team. If the 2022 data is compared with the 2019 data, and considering the number of full-time equivalents, the reduction in the total weight of waste is more than 20%, from 54 kg to 43 kg per person. With a total weight of waste equal to 3.8 tonnes of waste, we are still far from reaching the zero waste target set for 2030.

Befimmo is now sending 100% of its invoices electronically and has greatly raised the awareness of its suppliers, as 92% of them now also send their invoices electronically.

Looking ahead

Befimmo will continue to promote green mobility, no longer with a car policy but rather with a mobility policy and through its cafeteria plan, where all team members can manage their mobility according to their needs and in combination with other mobility alternatives (public transport, soft mobility, etc.). The Company will also keep pushing all partners and suppliers to drop paper invoices.

Social

This section is focusing on all the main social targets and actions that are planned and/or ongoing in order to have a direct impact on Befimmo's "S" performance, and thus supporting the Company's overall value creation.

The full 2030 Action Plan, comprising all social targets, can be consulted in the Non-financial statements of this Report.

NON-FINANCIAL STATEMENTS: 2030 ACTION PLAN, P.241

Take care of the team and the community

WHY IS THIS RELEVANT?

Taking care of Befimmo's team and investing in well-being solutions is of paramount importance for the overall motivation and productivity.

2030 ACTION PLAN

NOT CALCULATED[1]
Overall team satisfaction rate
TARGET ⟶ 95% (PERMANENT TARGET)

NOT CALCULATED[1]
Workload satisfaction
TARGET ⟶ 8/10 (PERMANENT TARGET)

NOT CALCULATED[1]
Work-life balance satisfaction
TARGET ⟶ 8/10 (PERMANENT TARGET)

1. Due to the organisational changes related to the takeover bid, Befimmo has exceptionally postponed its employee satisfaction survey to H1 2023. The indicators related to this survey where therefore not calculated in 2022.

Befimmo's HR pillars

Befimmo's teams have developed exceptional know-how while remaining open to the world of tomorrow and its evolution, whether it is linked to the world of work or lifestyles. Confidence in the future, combined with rigour and anticipation of tomorrow's world, are the strengths of the Befimmo team. The HR policy aims to support this team in its commitment, its development and its well-being.

The three pillars of the HR philosophy are explained hereafter.

TALENT AND PERFORMANCE

Investing in the ongoing development of the workforce, both individually and collectively, has built a team that is stable, highly motivated, expert, and aware of future challenges in its business evolution and relationships. In a world that is changing with increasing rapidity, it is essential to identify and attract the best talent, enabling the transformation and skills of tomorrow, and Befimmo encourages diversity as a source of interchange and creativity. What better than a diverse team to meet the evolving demands of tomorrow's world?

WELL-BEING

Well-being is a central pillar of tomorrow's world of work: physical well-being, in pleasant, ergonomic, well-equipped and safe environments; and psychosocial well-being, with the flexibility that allows everyone to achieve their own balance. Befimmo aims to go beyond these basic principles and create pleasant and inspiring environments in its buildings, so it makes sense to do so first and foremost for our own team.

COMMUNITY

At Befimmo, we understand the concept of community on two levels: Firstly, fostering sharing between team members on a daily basis and strengthening the ties that bind them to each other and to Befimmo; Secondly, the impact that Befimmo and its team have on the wider world, as responsible players in society.

Description and approach

TALENT AND PERFORMANCE

Develop the team individually and collectively
Maximising the talent of team members is key to Befimmo. In a lifelong learning perspective, the Company enables its team to access high-quality training courses and development opportunities in order to increase effectiveness within their work. Training can be:

- Business-oriented: specific real-estate related training or innovative topics;
- Based on soft skills: language or IT courses;
- Based on personal development: time management or mindfulness classes;
- Organised in-house training: IT courses, cybersecurity training, training on sustainability or environmental topics.

Since 2021, particular attention is being given to cybersecurity. Since then, the IT department has been organising regular training sessions to make all team members aware of the dangers.

Befimmo also organised an Insights Programme for its entire team in order to increase self-awareness and understanding of colleagues, therefore increasing good communication and efficiency internally.

Each team member or department can propose a training course at any time to its manager and the HR department.

All newcomers receive additional training to get to know Befimmo's way of working:

- The HR department welcomes new team members and shows them around all communication tools Befimmo is using to keep the staff up-to-date;
- The IT department gives all necessary information on the IT material, and the Back-Office Administrator explains all implemented security procedures;
- New team members receive a mandatory sustainability awareness and ISO 14001 training in the course of their onboarding year;
- They also meet with the Compliance Officer within the first week to receive a mandatory introduction to official governance documentation such as the Code of Ethics, Company policies and the EU General Data Protection Regulation.

Team members also have the possibility to participate in cross-cutting projects, which cover business topics, internal organisation, innovation and digital themes.

Besides ongoing dialogue, each team member receives an annual appraisal, oriented towards communication and staff development. Befimmo has integrated sustainability targets and achievements in its appraisal document for each team member, which reinforces the internal awareness of sustainability issues.

89 TEAM MEMBERS[1]
with employee status and a permanent contract

Gender diversity
57% MEN & **43%** WOMEN

42 YEARS
average age

2 NEW STAFF MEMBERS
- 1 man and 1 woman
- average age: 34
- EPRA new hire rate: 2.25%

13 DEPARTURES
- 5 men and 8 women
- 6 resignations, 2 retirements and 5 dismissals
- average age: 44
- EPRA turnover rate: 14.61%

33.7 HOURS
of training per person, with an average budget of €2,032.39/year (including IT and languages)

100%
of staff appraised every year

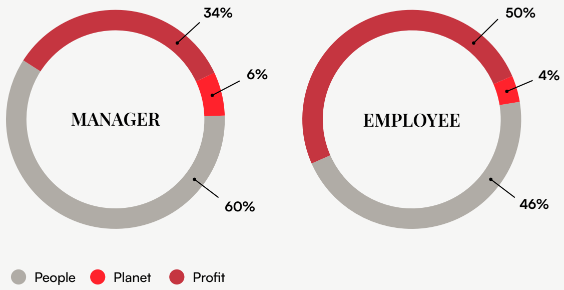
4 CASES
of internal mobility

7 CASES
of internal promotion

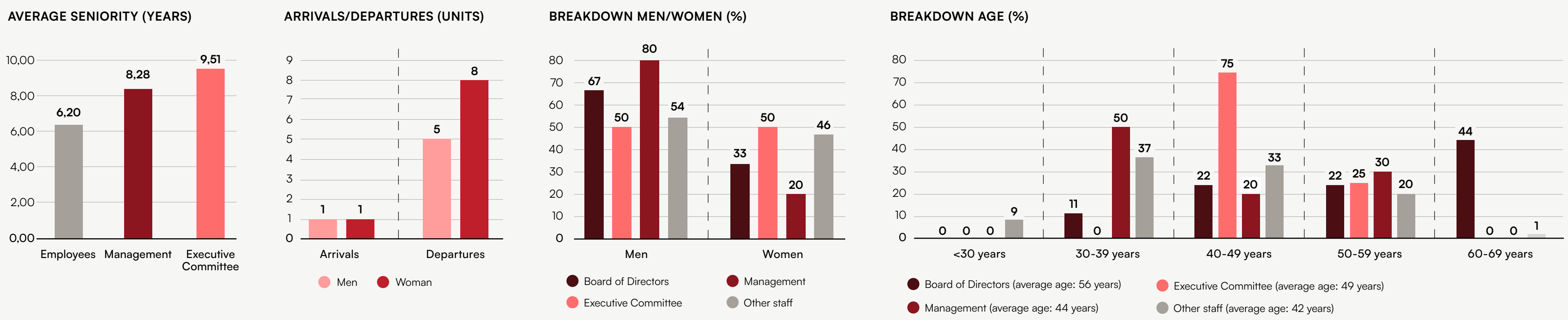
33.1%
WAGE GAP

6.4 YEARS
average seniority

BREAKDOWN OF TRAINING HOURS, EXCLUDING LANGUAGE AND IT TRAINING



1. Excluding the Executive Committee and consultants.



Identify, attract and retain talent

Befimmo's recruitment policy is based as much on shared values as on soft skills and technical capabilities. Moreover, during the entire recruitment process, from the publication of the job vacancies to the selection interviews, the Company does not express any judgement which might be considered discriminatory. Befimmo publishes its job vacancies on the corporate website, on LinkedIn and on the Intranet.

Befimmo has an aligned, open, and diversified pay policy, without any difference made based on gender, origin, belief, or sexual orientation. The salary package includes:

- A base salary related to the Joint Committee 200;
- A non-recurring bonus plan (Collective Bargaining Agreement 90) linked to the Company's results and efforts in terms of sustainability;
- A set of non-statutory benefits such as a comprehensive retirement provision, life insurance, broad health care coverage, disability and invalidity coverage and parental leave;
- Lunch allowances and eco vouchers;
- The necessary equipment for the perfect job execution such as the latest laptops and mobile phones;
- Mobility solutions such as company cars, folding electric bikes, pooled vehicles, and mobility packs (mobility@BEFIMMO) allowing team members to choose the mobility solution that best meets their needs;
- Fruit baskets, healthy breakfasts or lunches, and access to sport and well-being classes for a healthy body and spirit;
- A monthly premium of €50 for all team members due to increased homeworking;
- A system of exchanging part of the annual bonus for extra-legal benefits such as additional days off, IT tools, reimbursement of private pension insurance, bicycle leasing, a mobility card, etc. (mychoice@BEFIMMO).

This package counts for all fixed team members, who are all working from the head office in Brussels (i.e. significant location of operation).

In terms of internal mobility, whenever a vacancy occurs, the job description is published on the Intranet. This gives the opportunity to team members to change position without leaving the Company. Opportunities for internal mobility and talent management ensure staff turnover is limited and motivation remains high.

Ensure social dialogue

Befimmo complies with the rules set out in the Belgian labour law and other regulations, such as:

- The conventions of the International Labour Organization (ILO);
- The OECD Guidelines for Multinational Enterprises;
- The principles of the UN Global Compact.

These rules stipulated in the abovementioned laws and regulations include, among others, respect for human rights, respect for freedom of association, the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, the elimination of discrimination in employment, remuneration and occupation, and state clear conditions regarding minimum age for employment, minimum wage and working hours.

Befimmo aims to always keep a human-centred approach and open dialogue with its entire team on all subjects.

During 2022, the takeover bid by Brookfield led Befimmo to reorganise its legal structure. One of the consequences for the staff was to see 80% of the team transferred to another legal entity. This change was carried out under the terms of the Collective Labour Agreement 32 bis. The rules of information and respect for the working conditions of the employees were fully respected.

Finally, the right to freedom of association and collective bargaining is provided through mandatory social elections, which take place every four years. In 2020, this process was interrupted due to lack of candidates. The next elections will be held in 2024. During these social elections, the HR department informs all team members of their right to free association and collective bargaining.

During the reporting year, no cases of non-compliance with social and economic legislation and regulations were reported.

Encourage diversity, inclusion and equal opportunities

Diversity is seen as a source of knowledge sharing for Befimmo. Our recruitment policy is open to diversity and without selection criteria relating directly or indirectly to gender, age, disability, origin, belief or sexual orientation.

> ***Diversity***
>
> *The visible and non-visible characteristics of each individual*
>
> ***Inclusion***
>
> *Combining the different characteristics of each person in order to achieve a common goal*

Gender diversity

Befimmo has a good gender balance within its team (57%-43% M/W) and in its Executive Committee (50%-50% M/W). It supports equal treatment for men and women in terms of access to employment, training, promotion and working conditions. The pay policy guarantees fair treatment of men and women, based solely on non-gender criteria, such as internal consistency and sector benchmarks.

Age diversity

Befimmo has a very diversified age breakdown. 8% of the team members is younger than 30, while 22% is over 50. Befimmo is committed to keep attracting young talent as well as to keep older team members in employment and assisting them with their transition to retirement.

Zero discrimination and harassment

The Company practices explicit opposition to any form of discrimination through a Code of Ethics and the internal work regulations that demonstrate its commitment to transparent dialogue and non-discrimination. If the code is violated, team members can confidentially report any case of (suspected) harassment or discrimination to the HR department or the Compliance Officer. Every occurrence is investigated thoroughly and will be followed by a disciplinary sanction, as stated in the internal work regulations. During the 2022 fiscal year, there were no cases of discrimination reported.

As of 2022, Befimmo also appointed a trusted person. This person has a special legal status and a very strict code of conduct and confidentiality. He or she is at the service of employees to help them if they are victims or witnesses of harassment.

Social inclusion

For the past few years, Befimmo has set up multiple social actions. One of these actions is being member of the Be.Face association, which encourages the team members to help unemployed young people to find a job (the Bright Future initiative) or accompany motivated adults who have a real career plan and who are experiencing difficulties in accessing employment (the Job Academy initiative).

UNDERTAKE SOCIAL ACTIONS, P.92

Befimmo promotes the integration of young workers by taking on trainees. In the future, the Company would like to encourage each team to train one young worker per year. Several team members are active in higher education, either by giving lectures or by proposing moments of exchange with students.

QUATUOR - ATELIER CELESTE

0
COMPLAINTS ABOUT EMPLOYMENT

1
OCCUPATIONAL ACCIDENT

1.96% "SHORT-TERM" ABSENTEEISM RATE

> compared with the average rate of 3.43% for Belgium
> EPRA absenteeism rate: 4.92%

0.0%
INJURY RATE (EPRA)

0.0%
LOST DAY RATE (EPRA)

108.4 HOURS

of safety-related training (e.g.: training of first-responders, safety on site, BA4, first aid, asbestos prevention, etc.)

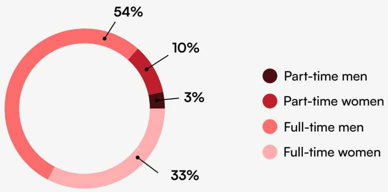
13% *part-time*

> contractual, part-time credit and partial parental leave
> including 3 men and 9 women
> with the same non-statutory benefits

4
FIRST-AIDERS
were given annual refresher training

1
Advisor
level-3 prevention advisor and one annual risk study

PART-TIME OCCUPATION



WELL-BEING

Well-being of team members is key for the general motivation and productivity. Befimmo understand the importance of happy staff, and therefore applies the Belgian law on the welfare of workers during the performance of their work as well as other initiatives to increase well-being at work, which are explained hereafter.

Create a pleasant working environment

As a specialist in creating working environments, Befimmo's head office must be an example for the exterior world. Its new offices illustrate 100% the vision that Befimmo defends every day with its customers. This move in 2020 brought the Company closer to Silversquare and Sparks, and allowed it to experience its hybrid model on a daily basis. But most of all, it enables the team members to balance between office time, nomadism in Silversquare centres and homeworking, creating the necessary flexibility for everyone.

All workstations are well-equipped, including the necessary IT material and the ergonomic aspects such as professional office chairs to meet the comfort needs of all team members.

Ensure occupational health and safety

The Company counts four first-aiders among its team, who are given annual refresher training. Befimmo also organises fire evacuation exercises at its head office for all team members.

Befimmo pays also close attention to mental well-being and stress signals within the team. Violence, bullying or sexual harassment are considered psychosocial risks and must be monitored, prevented and condemned at all costs. Therefore, team members struggling with psychosocial issues can get in touch with professionals from Pulso through the Employee Assistance Programme. This support programme offers confidential advice or support with professional or personal questions. It aims to avoid mental illnesses and keep absenteeism rate as low as possible. Information on this programme is given to each newcomer.

One person within the HR department is officially certified as a person of trust. Team members can approach the person of trust at all times in case of problems with supervisors, psychosocial issues, discrimination and harassment. In addition, the CESI (an external service for prevention and protection at work) can also be contacted for issues related to the well-being of team members. The person of trust examines the requests, advises team members and acts completely impartially. This person keeps an anonymous register of declarations of the team members.

Team members have access to yoga classes within the building. Moreover, fruit baskets and healthy lunches are arranged for all team members on a regular basis.

Maintain a healthy work-life balance

Befimmo offers solutions to its team members in order to optimise their work-life balance within the limits of business organisation.

Befimmo created a homeworking charter that allows everyone to find their balance in time and space. As the way people work is changing, Befimmo wants to encourage this evolution. By introducing structural homeworking, the Company wants to ensure that the teams can continue to work together smoothly while improving the comfort of its team members in terms of mobility and their work-life balance. The charter includes the possibility to work in a Silversquare coworking centre that might be closer to their home. The increase of remote working came with a training on cybersecurity, enabling team members to be more aware of digital dangers, and on the use of Microsoft Teams.

Team members are also able to organise their working hours in a somewhat more flexible way. The need to adapt their working hours or schedule can be discussed with their direct manager.

An internal campaign has also been launched regarding the right to disconnect. A charter has been set up and presented to all team members. This document stipulates the fact that no one should feel pressured to respond to emails before or after working hours. Tips were also given by the IT department on how to switch off certain notifications on team members' phones.

IMPLEMENT SERVICES IN THE PORTFOLIO, P.93

Sustain an ongoing dialogue
In order to be as transparent as possible towards the team, Befimmo pays special attention to internal communications, through the Intranet, information screens, informal channels such as Teams Flash Info, and regular presentations of achievements to the entire team. The Company also organises so-called Speakers Corners, where the Executive Committee and Managers answers all questions the team may have.

A "fresh eyes" process was also introduced in 2017, giving the opportunity to newcomers to give their all-round opinion after a few weeks at Befimmo. This process captures the first impressions of new team members.

COMMUNITY

Strengthen bonds and experience great things as a team
Comité B+, set up in 2011 at the initiative of the staff and with the support of the Executive Committee, organises all types of events for the team, such as sport challenges, cultural events, festive activities, quizzes, charity initiatives and family days.

In 2022, Comité B+ organised 12 activities for the team. Moreover, the whole month of September was dedicated to movement. Therefore, numerous sports and exercise activities were organised over four weeks to get the team to move collectively. Each effort generated money for a good cause.

Finally, cultural activities have been put into place every two months for the team under the name "Culture Club".

Undertake social actions
Befimmo chooses to give a greater support to some social activities by providing time and energy of team members rather than through direct financial donations and tries to favour local initiatives, as stated in its Philanthropy and Associative Partnership Policy. Therefore, Befimmo encourages its team to devote time to participate in actions the Company supports. As the case may be, the latter finances the participation of its team in these activities. In total, some 50 team members participated in social actions in 2022 and, next to non-financial donations, €7,000 has been spent on charity.

In practical terms:
- One blood donation day at its head office in collaboration with the Belgian Red Cross;
- The 20 km of Brussels, raising funds for L'Arche de Marie;
- Sport challenge for the Maison d'Enfants Reine Marie-Henriette ASBL using the AtlasGo app;
- Bags of chocolate (ordered at Make-A-Wish) offered to the children of the Maison d'Enfants Reine Marie-Henriette ASBL;
- A huge clothing collection for Solidarité Grands Froids;
- An entire month of volunteering every lunchtime at the Finistère church where meals were prepared for the homeless;
- A food collection and fundraising for Opération Thermos.

Befimmo is supporting local actors and partners with tenants to amplify the collective impact whenever possible.

QUATUOR - ATELIER CELESTE

Looking ahead

In 2023, the focus will be on young talent. A young worker engagement programme will be introduced. It consists of offering an apprenticeship contract to young graduates who want to take their first steps in the world of real estate. As such, these employees will be invited to choose a course of three departments over two years to be selected from six departments. The aim is to help them start their career and develop their skills.

In addition, at the end of 2023, social elections will be organised as every four years and as a legal obligation for every employer in Belgium.

Build and animate communities

WHY IS THIS RELEVANT?

As an answer to the global hybrid work trend, the main goal of this reflection is to connect the various buildings in the Befimmo's portfolio, give tenants more flexibility by offering them different working environments across interconnected buildings, and offer services throughout the portfolio to improve the user experience and create connections and communities.

2030 ACTION PLAN

46,050 m²
Coworking space
TARGET ⟶ 51,800 M² BY 2023 AND 85,000 M² BY 2025

22 (GOOD)
Tenant satisfaction rate (NPS)
TARGET ⟶ AT LEAST 30 (GREAT) (PERMANENT TARGET)

Description and approach

The environments conceived by Befimmo are designed and developed so all users can enjoy a pleasant, productive and more connected experience. Nowadays, tenants are looking for a landlord who offers them much more than just a premium building. They want to work in bright and pleasant spaces, with access to services that facilitate their daily lives, while enjoying a great deal of flexibility.

Implement services in the portfolio
In order to choose the right service for the right building, each building is being assessed on its existing services and the tenants are questioned on their needs. Therefore, the development of a CRM - a database that regroups the contact details of individual occupants - helps to carry out need assessments with a much broader audience. In 2022, Befimmo held its first satisfaction survey in the form of an NPS. For its first NPS, the Company included six multi-tenants buildings containing implemented services for the occupants. Taking into account a 7% tenant participation, the survey revealed a score of 22, which corresponds to GOOD according to the NPS respond scale. All feedback was sent to the Property Management in order to take action wherever necessary.

Extend the coworking network and meeting opportunities
The evolution of the world of work is now a fact, along with the increased digitalisation of society. Therefore, Befimmo offers a variety of work environments in a hybrid-office model, from conventional offices to buildings devoted entirely to coworking, and a mix of both. Users enjoy flexibility in the duration of their contract, the workspace they occupy (more or less space depending on their needs), and the meeting facilities they can use.

As a response, Befimmo, and its subsidiary Silversquare are developing a network of interconnected workspaces. Communities are being created within the network between start-ups, scale-ups and small and large businesses through the organisation of events, presentations, brainstorming sessions, etc. It is a unique way to stimulate creativity, innovation, and interaction between all kinds of businesses and entrepreneurs.

In 2022, Silversquare operated ten coworking spaces in Brussels, its Periphery, Wallonia and the Grand Duchy of Luxembourg, with a total space of 46,050 m².

Next to flexible and inspiring coworking environments, Befimmo is also partner of Sparks, offering a special meeting environment. At Sparks there are specific meeting rooms for specific purposes, whether it's an (in)formal meeting, spontaneous brainstorming session, conference, livestream, or hackathon. Sparks also provides support packages, typically meeting services and professional assistance, to take meetings to a higher level.

Looking ahead

Befimmo will continue to assess the service needs and satisfaction of the tenants within its portfolio thanks to the development of the NPS. The scope of the assessed buildings will be enlarged and the tenants will be able to participate once a year.

All (re)development projects will be designed to include the right services for occupants. In order to integrate its buildings into cities, the Company will open its service offer to the neighbourhood whenever possible.

Regarding the coworking network, several new coworking spaces are planned, notably on the second, third, and fourth floors of the A-Tower and in Louvain-La-Neuve.

SILVERSQUARE CENTRAL

Improve comfort, security and safety

WHY IS THIS RELEVANT?

Everyone wants to feel comfortable and safe in its working environment, whether it's in an office building or on a construction site. Ultimately, the environment people spend time in play a huge role in how we feel and how we perform.

2030 ACTION PLAN

9
Number of incidents involving people
TARGET ⟶ 0 (PERMANENT TARGET)

96%
Percentage of inspections on fire prevention, lifts, electricity and heating carried out
TARGET ⟶ 100% (PERMANENT TARGET)

Description and approach

Tenants and occupants
The comfort of occupants is a priority for Befimmo. The Project and Design teams pay attention to lighting giving priority to natural light, to limiting noise pollution through quieter equipment, reinforced insulation and absorbent materials, and to hygrothermal comfort by ensuring that technical installations such as heating systems are well designed, properly sized, and well regulated.

The Property Management team also plays an important role in ensuring tenant satisfaction and comfort. It offers regular and transparent communication, and tenants have access to a 24/7 telephone help desk, and an online incident management tool.

Since 2018, Befimmo installs software in some buildings to analyse data from the control systems for heating, cooling, and ventilation. This tool is useful for controlling energy consumption and improving occupant comfort. It also allows us to visualise the air quality of the buildings (CO_2 rate) and to adapt the ventilation accordingly.

Breathe
SAFE WORKPLACE BY BEFIMMO
at work

Within the framework of the Breathe at work initiative (launched in 2020 in the context of the pandemic), a campaign to measure the performance of ventilation and air conditioning systems has started in 2022 (according to the NBN EN 13779 and 12599 standards). The results of this campaign will enable actions to be taken to improve indoor air quality.

Moreover, Befimmo signed a pilot project of one year with TakeAir in one of its buildings. The TakeAir experience consists of the combination of Sea-Aeration and BioRemediation units to guarantee the best indoor air quality.

WTC RENOVATIONS

Befimmo continuously checks that the appropriate mandatory regulatory controls are in place and that any observations logged by its qualified personnel are dealt with. Based on the reports received by 31 December 2022, 96% of the multi-tenant portfolio was inspected during the year in four areas: fire prevention, lift, electricity, and heating.

In terms of first-aid, 75% of the multi-tenant buildings within the portfolio are equipped with defibrillators.

Finally, Befimmo is making sure all (re)development projects are accessible to people with disabilities.

Contractors and suppliers

(Re)development is one of Befimmo's main businesses. The Company must pay close attention to health, safety and security of the personnel present on the building sites, protecting them from all risks, as construction is an often hazardous. Respect for fundamental human rights (including effective abolition of child labour and elimination of forced or compulsory labour) is of major importance in projects involving many players of the value chain.

The contracts governing the work include clauses requiring contractors to take all legal or regulatory health and safety measures with regard to working conditions. Contractors must ensure that they are strictly observed by their personnel, their subcontractors or other third parties present on the building site.

Moreover, the law of 4 August 1996 on the welfare of workers during the performance of their work imposes specific measures concerning temporary or mobile construction sites and in particular the appointment of a health and safety coordinator prior to the opening of the worksite. The health and safety coordinator is responsible for drawing up a General Health and Safety Plan (GHSP) which contains an analysis of the risks to which workers are likely to be exposed to during the construction and operation of the building, and the measures to be to be taken by the various participants to prevent and avoid these risks.

The safety and health coordinator also carries out random checks on the site to verify that the prevention measures in the safety plans and regulations in this area are effectively respected. These visits are the subject of written reports distributed to all concerned.

Across all the (re)development projects in 2022, no fatalities were recorded and nine accidents on sites were reported.

Looking ahead

In order to better manage the comfort, safety and health of tenants, Befimmo aims to reduce the response time to incidents as much as possible, among other things by improving the incident management tool.

Integrate buildings into cities

WHY IS THIS RELEVANT?

Every (re)development project inevitably has an impact on the surrounding communities. This is why Befimmo studies the integration of buildings into their environment and why the Company remains in contact with the relevant stakeholders.

2030 ACTION PLAN

100%
Part of the projects[1] open to the city
TARGET ⟶ 100% (PERMANENT TARGET)

100%
Part of the projects[1] carried out in dialogue with stakeholders
TARGET ⟶ 100% (PERMANENT TARGET)

1. Projects: committed ongoing (re)development projects (ZIN, Pacheco).

Description and approach

Every building is part of a community and an environment. Befimmo wants every building to be integrated harmoniously into the neighbourhood where it is located. The integration is analysed and carried out in terms of:

- Architecture: The building must blend into its surroundings in terms of shape and aesthetics;
- Sustainability: In order to be a responsible user of urban space, the challenges for Befimmo are also to upgrade underused spaces, dedicate them to new functions, leave more space for green and recreational areas, and transform ordinary spaces into inspiring ones;
- Its communities: The Company wants to offer services to all communities of the buildings (tenants, but also residents of the neighbourhood).

One way of integrating buildings into cities is by opening them for all surrounding communities. This means that a building offers shared services such as a restaurant, a fitness centre or a terrace to everyone. The Company therefore provides mixed use spaces comprising coworking spaces, restaurants, and housing, creating movement and communities within and around the building, in order to maximise community interaction.

This leads to the second ambition Befimmo has regarding the integration of buildings into cities, namely the contact with involved stakeholders during (re)development projects. Befimmo maintains stable and lasting relationships with the local communities around its assets based on the creation of positive impacts and two-way communications using different channels. This enables the Company to identify their needs and expectations.

On the one hand, the Project and Communication departments work together to create a real communication plan for each (re)development project. This plan includes information sessions, through presentations regarding the project, workshops, but also communication campaigns via dedicated websites, newsletters and social media. On the other hand, local communities are informed on how they can get in touch with the Company for suggestions or questions. Feedback from local communities is massively important for Befimmo in order to develop the best possible projects for everyone.

ZEN

Any new project is considered in this light, in cooperation with administrations and architects. This is a collaborative effort between the various operational teams of Befimmo, which are coached and trained to that end through training courses, lectures, trips and visits to other sites and inspiring examples.

The Company calculated the EPRA Community Engagement indicator for the past four years. It takes account of the projects carried out in dialogue with stakeholders, and the public announcements, surveys, or consultations it organises when applying for environmental and urban planning permits. In 2022, this approach covered 22%[2] of the consolidated portfolio, compared to 32% in 2021.

Looking ahead

Befimmo wants every (re)development projects to open up to the city and to be executed in dialogue with stakeholders. It will keep working on both ambitions on its future projects to be committed and implement the necessary steps according to each individual project and its location. The main target of Befimmo is to contribute to sustainable cities in which it operates and create safe and attractive areas to work and live in for the surrounding communities.

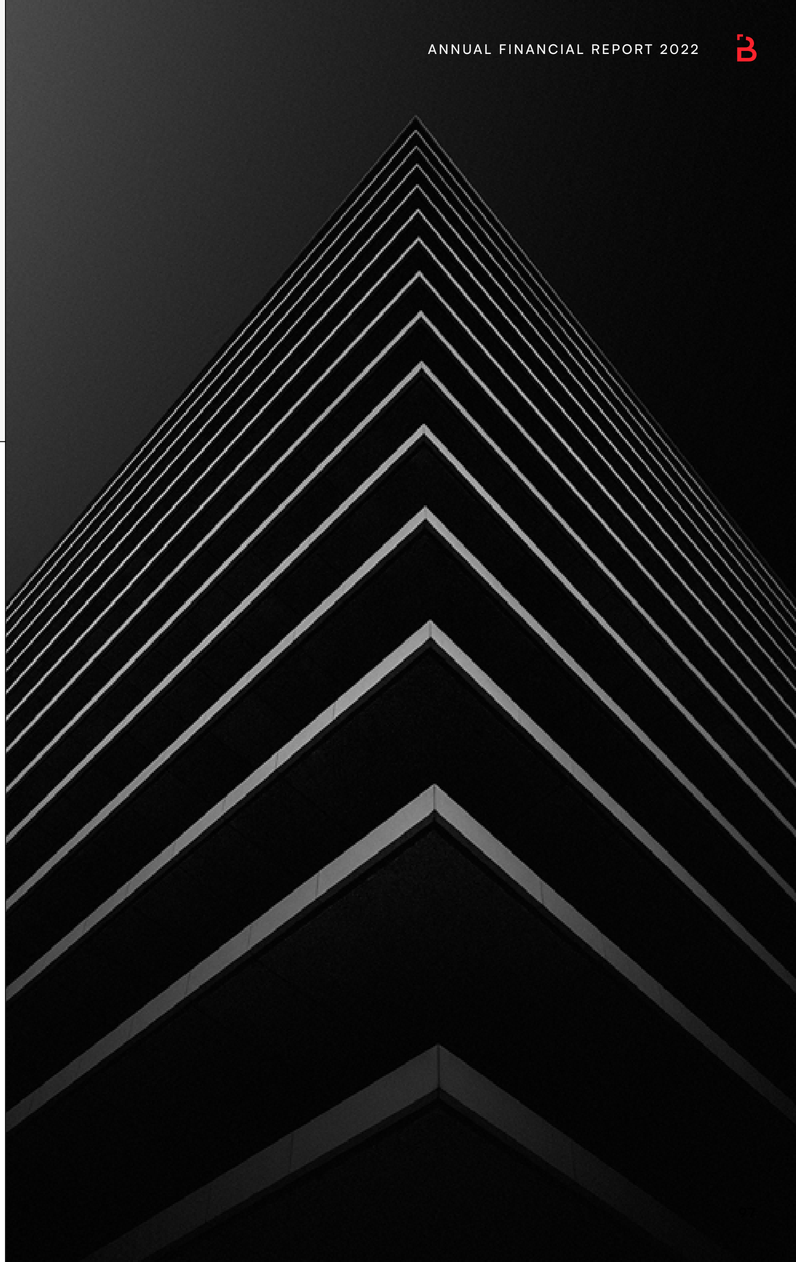
2. In particular, the value of the indicator is directly linked and/or influenced by the number of permit applications that are made based on projects under implementation and/or development.

Governance

The governance part of this chapter is composed of transverse topics and targets which contribute indirectly to the environmental and social performance.

The full 2030 Action Plan, comprising all governance targets, can be consulted in the Non-financial statements of this Report.

NON-FINANCIAL STATEMENTS: 2030 ACTION PLAN, P.241



Behave ethically

WHY IS THIS RELEVANT?

Ethical behaviour is of capital importance to run the organisation and conduct business in order to create a relation of trust with all stakeholders and keep reputation high.

2030 ACTION PLAN

ONGOING
Adoption of a Human Rights Policy
TARGET ⟶ PUBLISHED BY END 2023

100%
Part of digitalisation projects controlled within the framework of GDPR
TARGET ⟶ 100% (PERMANENT TARGET)

Description and approach

One of Befimmo's main goals is to uphold exemplary internal ethical standards, by putting in place the necessary means to prevent, detect and treat unethical behaviour.

In terms of ethics, Befimmo applies high standards which derive from its Company policy, its regulatory status and the environment in which it operates. Ethical conduct is an integral part of Befimmo's corporate culture, which emphasises honesty, integrity and the respect of high ethical standards in the performance of its activities.

Befimmo further abides by the principles of corporate governance laid down by the Belgian Code on Corporate Governance ("2020 Code").

Befimmo has established a set of policies and has taken measures to guarantee ethical standards at all levels of the Company:
- Corporate Governance Charter
- Code Of Ethics
- Dealing Code (2022)
- Whistleblowing Policy
- Anti-corruption Policy
- Client and Counterparty Acceptance Policy including preventions measures against the risk of anti-money laundering and terrorism financing
- Privacy Policy
- Policy on Diversity and Inclusion
- Philanthropy and Associative Partnership Policy
- Supplier Code of Conduct
- ESG Policy
- Signatory to the UN Global Compact

With the exception of the Client and Counterparty Acceptance Policy (which is not published for discretion reasons), the abovementioned policies are available on the Company's website (for external stakeholders) and on the Intranet (for team members). The General Counsel & Secretary General also gives regular presentations to the team covering these topics. In 2022, special training was provided to the team with regard to the updated Code of Ethics and the amended and newly adopted policies.

All abovementioned policies are a set of principles established to avoid any unwanted behaviour. The Chief Compliance Officer consistently ensures that stakeholders comply with these policies and, where applicable, takes appropriate action.

Looking ahead

Befimmo wants to increase transparency for its stakeholders, sharing statements on how Befimmo positions itself regarding ESG aspects.
In 2023, Befimmo will work on the analysis and revision, as the case may be, of its existing policies in order to meet the ethical standards of its sole shareholder. In addition, Befimmo intends to adopt a Human Rights Policy in the future.

Use ESG regulations to accelerate the sustainability transition

WHY IS THIS RELEVANT?

With the implementation of the new EU directives linked to non-financial reporting, the scope of companies required to report on ESG aspects will be increased. This is an important step in the acceleration of the transformation towards more transparency.

2030 ACTION PLAN

ONGOING

Alignment with future ESG regulations

TARGET ⟶ FULLY ALIGNED BY 2026

Description and approach

Non-financial reporting has drastically improved over the past years. However, there is still room for improvement with regard to, amongst others:

- Strengthening the completeness and transparency of information;
- The contribution to Europe's commitment to achieve carbon neutrality by 2050;
- The alignment of communication practices;
- The comparability of ESG performance between companies;
- The management of sustainability-related matters in own operations and value chains as regards social and human rights.

Therefore, Befimmo is preparing for future ESG regulations that will improve non-financial reporting even more.

The main regulations that concern (in)directly Befimmo are the Taxonomy Regulation, the Proposal for a Corporate Sustainability Reporting Directive (CSRD), the Proposal for a Sustainable Corporate Governance Directive, the Sustainable Finance Disclosure Regulation (SFDR), the Fit for 55 package and the Proposal for a European Green Bond Standard.

Looking ahead

By adopting new policies and amending existing ones (see above) and by setting a higher focus on its entire value chain (see hereafter), Befimmo aims at anticipating on the regulation. The Company will of course continue to closely monitor the ESG regulatory initiatives (on top of the above-mentioned regulations, in particular, the initiatives on a Social Taxonomy and regarding pay transparency) with a view to identifying the actions to be undertaken with regards to ESG aspects.

BEHAVE ETHICALLY, P.98

ADOPT A DUE DILIGENCE STRATEGY, P.100

ZIN

Adopt a due diligence strategy

WHY IS THIS RELEVANT?

Befimmo has a role to play to promote sustainable and ethical behaviour throughout its entire value chain. In order to establish strong partnerships with its stakeholders, they need to be onboarded in Befimmo's 2030 Action Plan.

2030 ACTION PLAN

36%
Part of the suppliers who signed the new code of conduct
TARGET ⟶ 100% BY 2023

TO BE INITIATED IN 2023
Part of the significant[1] suppliers assessed
TARGET ⟶ 100% BY 2024

TO BE INITIATED IN 2023
Part of the significant[1] suppliers engaged
TARGET ⟶ 100% BY 2030

1. Significant suppliers are suppliers having a potential risk on ESG aspects.

Description and approach

Tenants and occupants
Befimmo has developed and implemented a Client and Counterparty Acceptance Policy, including preventions measures against the risk of anti-money laundering and terrorism financing, with a view to the prior assessment of potential tenants and occupants before entering any business relationship with them.

CORPORATE GOVERNANCE, P.112

Suppliers
In an effort to reduce and minimise the negative impact on its external environment, Befimmo pursues its ESG strategy throughout its entire the value chain, which includes its providers and suppliers. In 2022, Befimmo adopted its Supplier Code of Conduct. By the end of the fiscal year, all suppliers were asked to sign the Code of Conduct and return it to Befimmo. New suppliers were asked to sign de Code of Conduct before entering the approved list of suppliers. As at 31 December 2022, 36% of Befimmo's suppliers signed the Supplier Code of Conduct.

Subsidiaries
Befimmo's ESG strategy is implemented at group level and thus including all of its subsidiaries.

Silversquare, which has an own team and management to run its coworking business is increasing efforts on ESG level. Befimmo and Silversquare have jointly started working on an integrated ESG strategy, taking into account specific aspects linked to coworking, and integrating Silversquare into the 2030 Action Plan.

Looking ahead

The due diligence process for tenants and occupants will be extended to the suppliers of the Company. In 2023, the Company will implement a supplier assessment process for all suppliers "at risk", according to its due diligence procedure. Befimmo has chosen the EcoVadis platform for this matter in an effort to align its entire supply chain to Befimmo's ESG values. Befimmo also participated in the EcoVadis certification and received the Platinum Medal, the highest award, which distinguishes the top 1% of companies active in the same industry sector as evaluated by the rating agency.

Befimmo will proactively inform all future subsidiaries on the ESG strategy on the Company, and the necessity to adopt their own strategy according to their activities.

SILVERSQUARE QUATUOR

Promote green investment opportunities

WHY IS THIS RELEVANT?

Promoting green investment opportunities is a clear commitment to making strategic investments in sustainable projects and creating long-term value for Befimmo's stakeholders.

2030 ACTION PLAN

ONGOING
Analyse the opportunity to implement a Sustainability Linked Loan Framework
TARGET ⟶ 2023

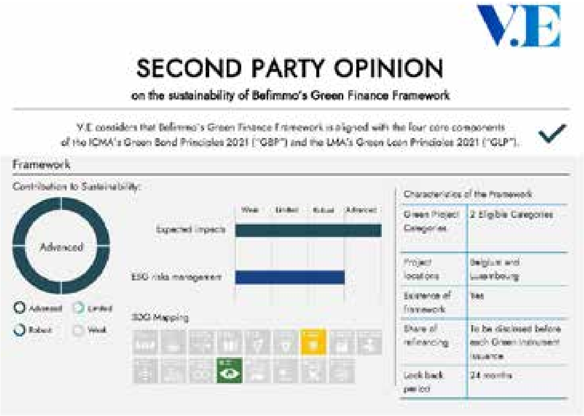
Description and approach

In 2021, Befimmo finalised its Green Financing 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.

As a whole, the framework sets out to provide the necessary information to evaluate the environmental impact of investments. Therefore, the Company defined a set of criteria for selecting projects eligible to be financed or refinanced by the proceeds of any financing issued under the framework. This framework was subject to a Second Party Opinion executed by Vigeo Eiris.

Looking ahead

Befimmo will continue its efforts to convert its traditional debt financing towards green and sustainable forms, backing up the sustainable commitments it makes on the operational side. Therefore, it aims to analyse a Sustainability Linked Bond & Loan Framework (complementary to the Green Financing Framework) which will set out the targets, aligned with the SBTs, and procedures for any sustainability-linked financing it intends to issue. Furthermore, it will monitor, and update where necessary, its Green Financing Framework to align with the EU Taxonomy.



Maintain a transparent communication

WHY IS THIS RELEVANT?

Non-financial reporting becomes increasingly important among clients, banks and regulators as they are looking for more standardisation in order to include non-financial drivers in their decision-making.

2030 ACTION PLAN

3

Number of annual participations in ESG assessments

TARGET ⟶ MIN. 2 VOLUNTARY ASSESSMENTS PER YEAR

Description and approach

For many years now, Befimmo has paid particular attention to the reliability of the reporting process, and rigorous, accurate and transparent financial and non-financial communication. The Company has seen a growing interest in ESG and sustainability topics which are increasingly integrated into investment processes.

Befimmo has aligned itself with the most ambitious and complete tools and frameworks for sustainable development, by adopting concrete targets, codes of conduct, and conventions on environmental, social and governance aspects.

EPRA SUSTAINABLE PERFORMANCE INDICATORS, P.213

NON-FINANCIAL STATEMENTS: GRI CONTENT INDEX, P.216

NON-FINANCIAL STATEMENTS: TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD), P.229

Thanks to its thorough, standardised and transparent way of communicating, the Company was able to gain recognition and to receive high ratings for its non-financial reporting.

Looking ahead

Befimmo aims to further analyse, develop and improve communication in line with the reference standards in force. It will maintain its participation level in various surveys high and use the scores as feedback to keep improving its sustainability initiatives.

FRAMEWORKS FOR SUSTAINABLE DEVELOPMENT

SUSTAINABLE DEVELOPMENT GOALS [1] · UN Global Compact · Paris 2015 · Committed member of the Belgian Alliance for Climate Action · BREEAM · ILO · Science Based Targets · SDG Compass · Belgian SDG Charter · GRI · DGNB · EPRA · TCFD · WELL · OECD · ISO

RECOGNITIONS

EPRA BPR: Gold

EPRA sBPR: Gold

CDP: B Management

Gaïa: 81/100

ISS ESG: C Prime

ecovadis: Platinum

MSCI ESG Ratings [2]: A

Morningstar Sustainalytics [3]: 9.5/100 Negligible Risk (22.06.2022)

GRESB: 83% Standing Investments, 90% Developments, Green Star status

1. Befimmo has integrated 15 of the 17 Sustainable Development Goals in its day-to-day business. SDG 2 (Zero Hunger) and 14 (Life below Water) were not considered as these SDGs are not directly or indirectly linked to Befimmo's business.
2. Disclaimer statement: the use by Befimmo of any MSCI ESG research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Befimmo by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided "as-is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.
3. Copyright ©2022 Sustainalytics. All rights reserved. This section contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at www.sustainalytics.com/legal-disclaimers.

MANAGEMENT REPORT

Financial report

Financial key figures

KEY FIGURES

Consolidated	31.12.2022	31.12.2021
Number of shares not held by the group	27 003 495	27 011 100
Shareholders' equity attributable to shareholders (in € million)	1 647.5	1 630.2
Net asset value (in € per share)	61.01	60.35
Net result (in € per share)	1.27	3.31
Average (annualised) financing cost[1] (in %)	2.3%	1.8%
Debt ratio (in %)	46.9%	43.1%
Loan-to-value[2] (in %)	43.1%	40.9%

Real-estate operator business activity	31.12.2022	31.12.2021
Net result (in € per share)	1.41	3.68

EPRA EARNINGS

Consolidated	31.12.2022	31.12.2021
EPRA earnings (in € per share)	2.44	2.30
Real-estate operator business activity		
EPRA earnings (in € per share)	2.48	2.38

1. Including margin and hedging costs.
2. Loan-to-value (LTV) = (nominal financial debts — cash)/fair value of portfolio.

Consolidated net asset value and balance sheet

EVOLUTION OF THE NET ASSET VALUE

	(in € per share)	(in € million)	Number of shares not held by the group
Net asset value as at 31 December 2021 (group share)	**60.35**	**1 630.2**	**27 011 100**
Final dividend of the 2021 fiscal year		-15.7	
Other elements of comprehensive income - actuarial gains and losses on pension obligations		1.5	
Valuation of the put option held by minority shareholders. net of profit attributable to non-controlling interests		-1.3	
Net result (group share) as at 31 December 2022		34.2	
Other elements - mainly linked to liquidity contract and Performance Plan Stock Units		-1.4	
Net asset value as at 31 December 2022 (group share)	**61.01**	**1 647.5**	**27 003 495**

CONDENSED CONSOLIDATED BALANCE SHEET

(in € million)	31.12.2022	31.12.2021
Investment and held for sale properties	2 785.1	2 874.3
Other assets	298.2	108.0
Total assets	**3 083.3**	**2 982.3**
Shareholders' equity	1 647.5	1 630.2
Financial debts	1 320.2	1 211.4
non current	1 280.2	851.8
current[1]	40.0	359.7
Other debts	115.6	140.7
Total equity and liabilities	**3 083.3**	**2 982.3**
LTV	**43.1%**	**40.9%**

Comments on the condensed consolidated balance sheet

As at 31 December 2022, 90.3% of the asset side of the balance sheet consisted of investment properties at fair value, based on an assessment by independent real-estate experts in accordance with IAS 40.

The other assets consist mainly of hedging instruments (€127.3 million).

Shareholders' equity accounts for 53.4% of sources of finance. The financial debts comprise €1,271.5 million of debt and €41.9 million in IFRS 16 financial debts.

Other liabilities consist mainly of other payables linked to suppliers, received advances payments, withholding taxes and other taxes, totalling €59.3 million.

1. 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 PERIMETER

The perimeter of the real-estate business changed during the 2022 fiscal year owing mainly to:

- 2021 acquisitions (Cubus building, Courbevoie and three floors in the A-Tower);
- 2021 disposals (Wiertz building, the residential parts of the Paradis Express, the Planet 2 building and six non-strategic assets in Belgian provincial towns);
- 2022 disposals (Choux, Ocean House and 22 non-strategic assets in Belgian provincial towns).

The total number of shares not held by the group slightly decreased from 27,011,100 to 27,003,495, which is related to the shares bought within the framework of the liquidity programme.

COMMENTS ON THE RESULTS OF REAL-ESTATE OPERATOR ACTIVITY

Analysis of the results of real-estate operator activity

The Like-for-Like net rental result[1] is up by 3.5% compared with last year. This evolution is mainly due to the indexation of the rents.

The net rental result increases by 1.1% in relation to the same period last year. This is mainly explained by a non-recurring (one-off) payment of +€5.3 million in 2021 in relation to a global agreement with the Building Agency (Belgian State).

The new leases on the delivered projects have a positive impact of €8.0 million.

CONDENSED INCOME STATEMENT OF THE REAL-ESTATE OPERATOR ACTIVITY

(in € thousand)	**31.12.2022**	**31.12.2021**
Net rental result[1]	121 219	119 947
Net rental result excluding spreading	*114 091*	*114 518*
Spreading of gratuities/concessions	*7 128*	*5 429*
Net property charges[1]	-12 202	-18 001
Property operating result	**109 017**	**101 946**
Corporate overheads	-17 765	-21 603
Operating result before result on portfolio	**91 252**	**80 342**
Operating margin[1]	***75.3%***	***67.0%***
Financial result (excl. changes in fair value of financial assets and liabilities and close-out costs)[1]	-23 198	-15 117
Corporate taxes (excl. deferred taxes)[1]	-1 116	-1 003
EPRA earnings	**66 939**	**64 222**
EPRA earnings (in € per share)	**2.48**	**2.38**
Gains or losses on disposals of investment properties	-2 704	5 901
Other result on portfolio[2]	-9 760	-6 282
Deferred taxes	62	- 44
Changes in fair value of investment properties	-143 138	5 520
Changes in fair value of financial assets and liabilities and close-out costs	131 951	30 121
Corporate overheads - Non-recurring items	-5 294	-
Net result	**38 058**	**99 438**
Net result (in € per share)	**1.41**	**3.68**

1. This is an Alternative Performance Measure. For more information, please refer to Appendix III of this Report.
2. Since 31 December 2021, the recurring compensation for the effect of spreading rental gratuities granted and the goodwill impairment are booked under the heading "Other result on portfolio" and not anymore under the heading "Other operating income and charges". The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation. The Other result on portfolio consists of €7.1 million regarding the spreading of the rental gratuities, €2.2 million regarding close-out costs and €0.5 million regarding goodwill impairment.

Net property charges are down by €5.8 million. The decrease is mainly explained by the decrease in empty space costs following new lettings and less improvement and major renovation works than realised in 2021 (intensive period after the lockdown of 2020) (+€2.4 million). Another important impact is due to the change in accounting policy and activation of some costs in the (re)development projects (+€2.1 million).

Corporate overheads were €17.8 million as against €21.6 million last year. This decrease is mainly due to exceptional elements in 2021 related to the retirement of the previous CEO, the departure of the CFO and provisions related to the PSU[1] plan for the Executive Committee.

The operating result before result on portfolio was €91.3 million at the end of December 2022.

The financial result (excluding changes in the fair value of the financial assets and liabilities and close-out costs) was -€23.2 million compared to -€15.1 million last year.

The increase in financial charges is explained by the combined effect of the increase in the average volume of debt and a higher average financing cost of 2.3% compared to last year (1.8%).

EPRA earnings were €66.9 million as against €64.2 million last year. EPRA earnings per share stood at €2.48 at the end of 2022 in relation to €2.38 at the end of 2021.

Gains on the disposal of investment properties represent -€2.7 million at 31 December 2022 and correspond mainly to the capital losses (based on the latest fair value) realised on the disposal of the Fedimmo buildings (write-off goodwill). The disposals of the buildings were realised at a price in line with the latest fair value of the expert.

Other result on portfolio was -€9.8 million at 31 December 2022, compared to -€6.3 million last year. It includes the recurring compensation for the effect of spreading of rental gratuities granted and recorded in the top line. It also includes an impairment on goodwill and close-out costs regarding the end of the EUPP.

The change in fair value of investment properties of -€143.1 million compared to +€5.5 million last year is mainly due to the increase in the yields that occurs during the third and fourth quarter of 2022.

The Corporate overheads - Non-recurring items are reflecting the various fees of our counsels related to the voluntary public tender offer by Alexandrite Monnet Belgian Bidco SA.

The decrease in the net result, reaching €38.1 million at 31 December 2022, compared to €99.4 million at 31 December 2021, is mainly explained by the important negative change in fair value of investment properties, partially compensated by the positive change in the fair value of hedging instruments due to the increase of the interest rates curve over the period (+€132.0 million compared with +€30.6 million one year ago).

Net result per share stood at €1.41 at the end of 2022 compared to €3.68 at the end of 2021.

COMMENTS ON THE RESULTS FOR THE COWORKING BUSINESS

The turnover of the coworking business amounted to €16.4 million over the fiscal year. During the development phase, the coworking business has a negative contribution of -€0.04 per share (in 2022) to the consolidated EPRA earnings[2].

COMMENTS ON THE CONSOLIDATED RESULTS

Consolidated net rental result was €133.3 million.

The net result (group share) was €34.2 million, down by €55.2 million compared with 31 December 2021.

EPRA earnings per share were €2.44 per share as against €2.30 at 31 December 2021.

1. Performance Stock Unit.
2. Eliminating the effect of the application of IFRS 16 on leases signed by Silversquare with third party owners, contribution to consolidated EPRA earnings would be -€0.15 per share.

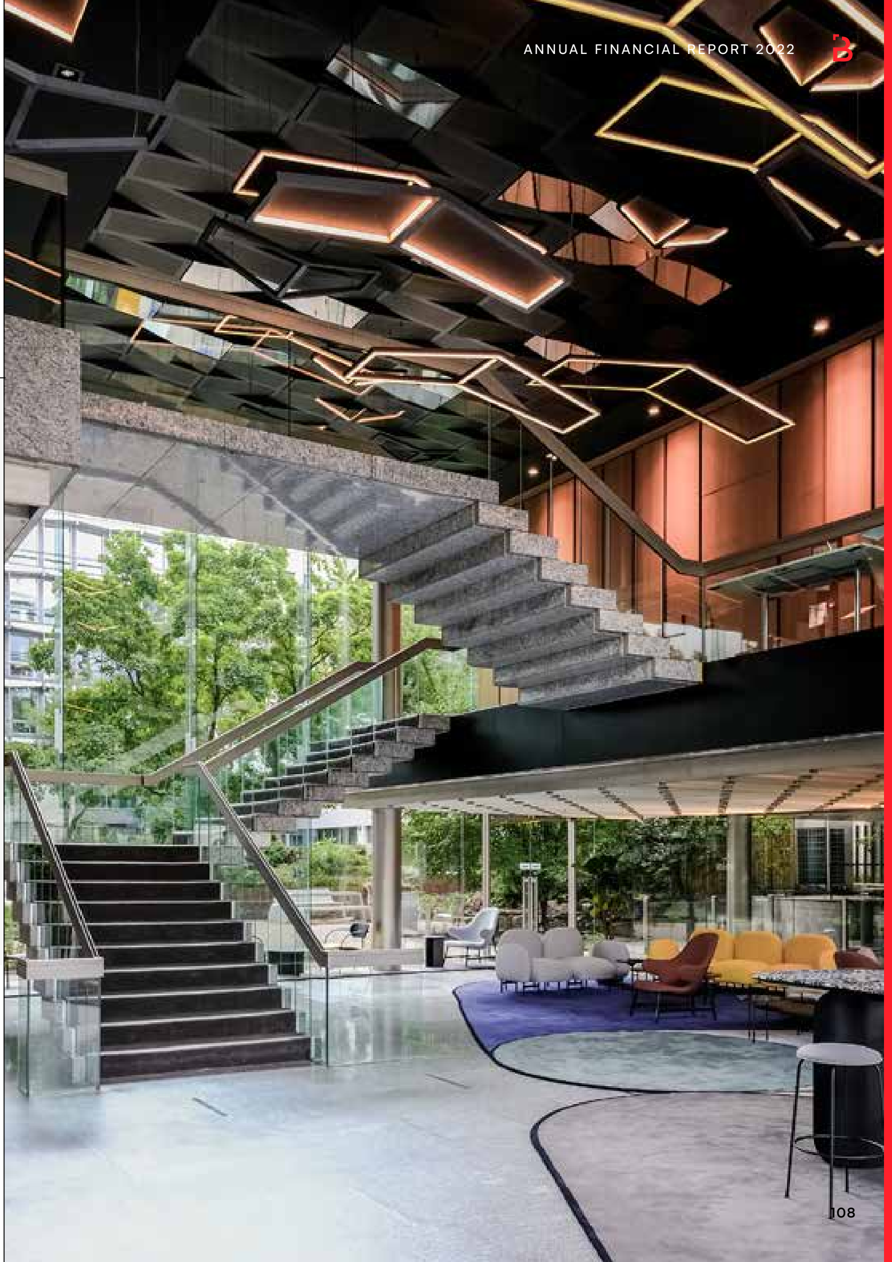
Financial structure & hedging policy

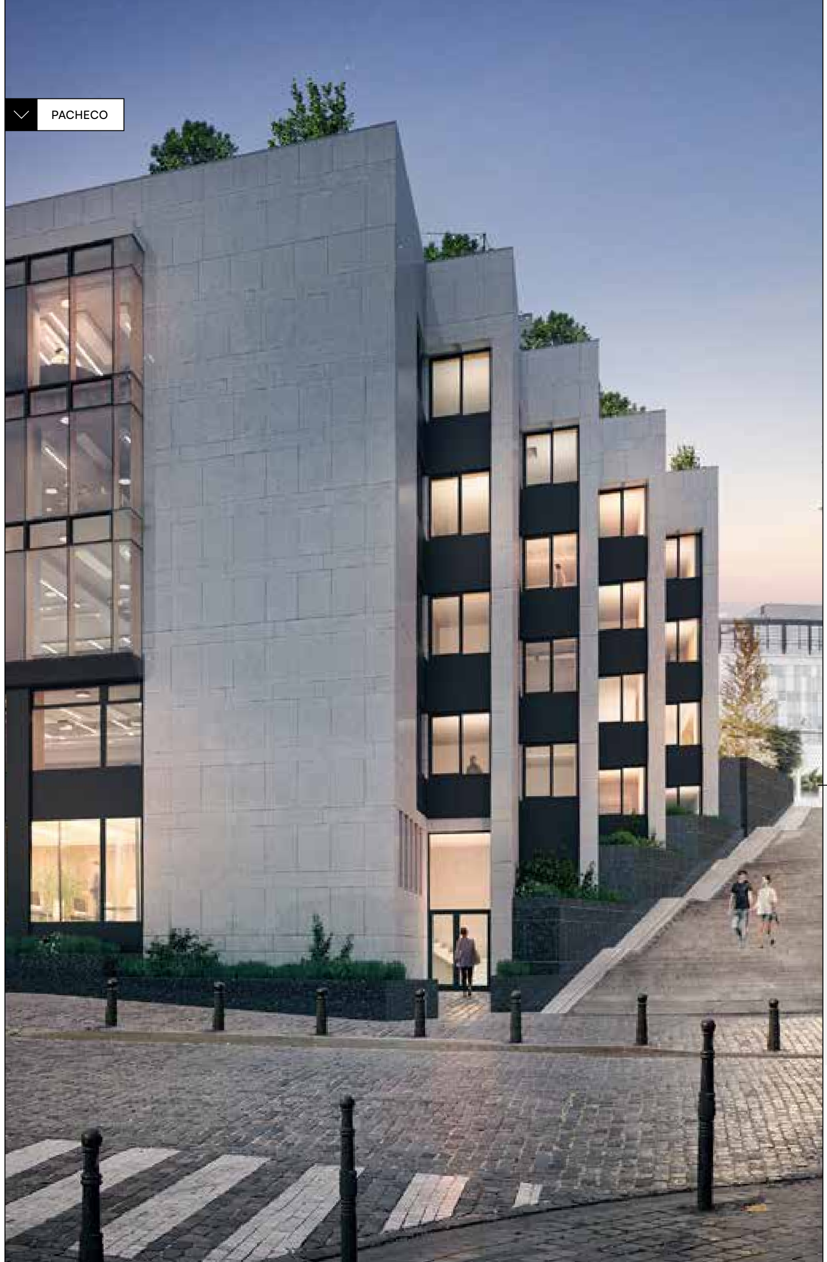
The Company arranges financing to maintain the best possible balance between cost, maturity, and diversification of funding sources.

MAIN CHARACTERISTICS OF THE FINANCIAL STRUCTURE

	31.12.2022	31.12.2021
Confirmed credit facilities[1] (in € million)	2 093	1 471
Of which bankloans	*98.3%*	*71.3%*
Of which in use	*1 276*	*1 161*
Used short-term CP programme (in € million)	-	284
Fixed-rate borrowings (including IRS)	41.5%	75.1%
Average (annualised) financing cost (all-in)	2.3%	1.8%
Debt ratio[2]	46.9%	43.1%
LTV ratio[3]	43.1%	40.9%
Hedge ratio[4]	49.3%	76.8%

1. The volume of unused lines is determined on the basis of the Company's liquidity criteria, taking account of the maturities of financing agreements and commitmentsplanned for the coming years.
2. The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.
3. Loan-to-value (LTV) = (nominal financial debts — cash)/fair value of portfolio.
4. Hedge ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAP)/total borrowings.





FINANCING ARRANGED DURING THE FISCAL YEAR

- Takeover of a €1,265 million Bridge Facility, negotiated by Alexandrite Monnet Belgian Bidco SA;
- Extension of a €30 million credit facility until December 2027;
- Extension of a €50 million credit facility, of which €25 million extended until end June 2027 and €25 million extended until end June 2028.

HEDGING THE INTEREST RATE AND EXCHANGE-RATE RISK

Befimmo holds a portfolio of instruments to hedge the interest-rate risk, consisting of IRS and CAP.

Operations carried out over the fiscal year:
- Extension of €20 million IRS by an additional six years until August 2032;
- Extension of €25 million IRS by an additional four years until January 2032;
- Extension of €25 million IRS by an additional five years until February 2032;
- Extension of €30 million IRS by an additional six years until February 2032;
- Mirror SWAP with an IRS payer with a maturity in 2032 and a IRS receiver with a maturity in 2025;
- Restructuring with €25 million IRS receiver (mirror of existing) and €55 million new IRS payer, reducing hedging period of seven years, and increasing of hedged amount by €30 million.

The overall notional amount of financial instruments in place results in a hedge ratio of 49.3% as at 31 December 2022.

STRONG INTEREST RATE HEDGING POSITION (INCL. FIXED RATE DEBTS)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	→	2040
Average nominal hedge (in € million)	666	604	581	629	631	518	430	405	379	→	15
Average interest rate on hedging	0.92%	0.90%	0.95%	0.92%	0.89%	0.83%	0.82%	0.83%	0.84%	→	0.54%

Appropriation of results (statutory accounts)

The net result for the fiscal year is €32,048,151.93[1].

Taking account of the result carried forward at 31 December 2021 of €262,881,248.45, the net result for the fiscal year, the result generated by the liquidity programme on own shares, and the appropriation to the reserves following the disposal of buildings during the year, the result to be appropriated is €208,343,703.31[1].

LOOM

The result for the fiscal year relates to 27,003,495 shares.

The slight decrease in the number of shares, compared to the previous fiscal year, is the result of a transaction of buyback of treasury shares in the context of a liquidity contract that came into force end 2020.

The Ordinary General Meeting will therefore be invited to:

1. approve the annual accounts at 31 December 2022 which, in accordance with the Royal Decree of 9 November 2016 on real-estate investment funds contain appropriations to the statutory reserves;

2. distribute, as return on capital, a dividend of €2.44 gross per share. This dividend would consist of an interim dividend of €11,715,000.00 net per existing share, declared on 17 January 2023, and a final dividend of €54,226,203.75;

3. carry forward again the balance of the remaining carried forward results, i.e. €118,014,148.04.

The final dividend shall be payable, under the terms and conditions to be defined by the Board, partly in cash in the amount of €24,270,000.00 and partly in kind, through the distribution of receivables amounting to €41,671,203.75 resulting from the recent reorganisation of Befimmo required to comply with legal requirements of the real-estate investment fund status acquired on 1st February 2023.

1. The Financial Services and Markets Authority published in May 2020 recommendations related to the distribution result's obligation, the appropriation of the result and the distribution result's limitation which Befimmo applies since the annual accounts of 31 December 2020. Extra explanations of these recommendations have been described in the financial statements of the annual report 2020 under the section ''Note on statutory shareholders' equity'', available on the website www.befimmo.be. The appropriation of the statutory reserves related to the buildings that have been sold during the year has to be performed for closing the annual account on 31 December 2022. Amount subject to the approval of the Ordinary General Meeting of 15 June 2023.

APPROPRIATION OF RESULTS (STATUTORY ACCOUNTS)

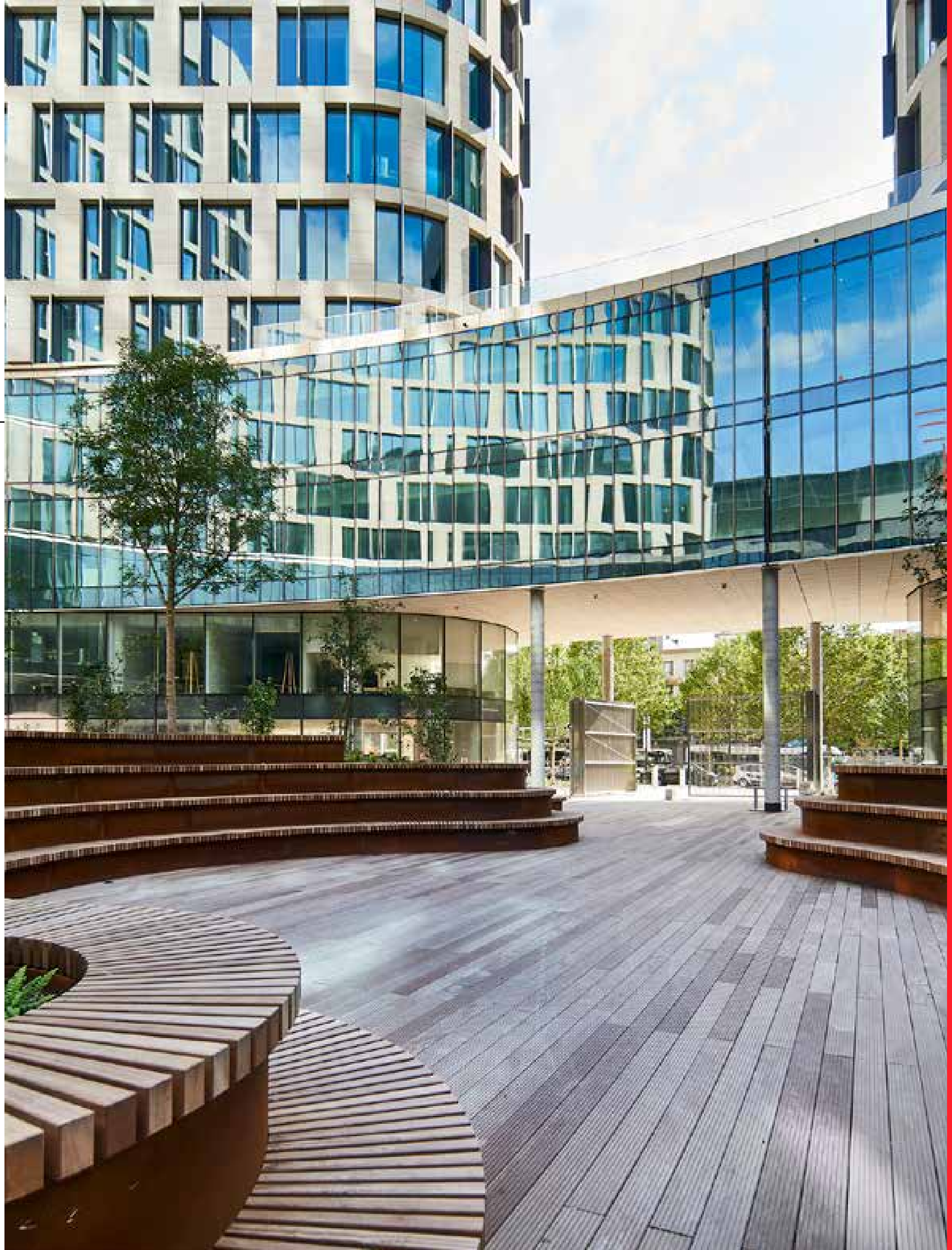
RESULT TO BE APPROPRIATED, PROPOSED APPROPRIATIONS AND WITHDRAWALS (IN €)

A. Net result	**32 048 151.9**
B. Transfer to/from reserves (±)	**-30 445 744.3**
Transfer to legal reserve (+)	-1 602 407.6
I. Transfer to/from reserve of balance (positive or negative) of changes in fair value of properties (±)	102 068 610.0
- Accounting year	102 068 610.0
- Previous fiscal years	
VI. Transfer from reserve or balance of changes in fair value of permitted hedging instruments to which hedging accounting as defined in IFRS is not applied (±)	-131 140 312.0
- Accounting year	-131 140 312.0
- Previous fiscal years	
Transfer to/from the reserve for the balance of the share in the profit or loss and other comprehensive income of investments booked using the equity method	6 546 588.9
Transfer to/from the reserve for actuarial gains and losses for the defined benefit pension plan	-260 830.8
XI. Transfer to/from result brought forward from previous fiscal years (±)	-7 659 800.4
C. Remuneration of capital	**-65 941 203.8**
- Interim dividend for the fiscal year paid out in February 2023	-11 715 000.0
- Final dividend for the fiscal year (payable after the Ordinary General Meeting of 15 June 2023)[1]	-54 226 203.8
D. Remuneration of capital apart from C	**0.0**

EXPLANATORY TABLE OF THE STATUTORY RESULT OF THE 2022 FISCAL YEAR[2] (IN €)

Result to bring forward as at 31 December 2020	**243 073 223.4**
Result for the 2021 fiscal year	90 369 902.2
Impact of the result from the liquidity program on own shares	-8 678.6
Transfer of reserves following the disposal of buildings - investment properties (FSMA circular)	14 544 037.9
Result to be appropriated as at 31 December 2021	**347 978 484.9**
Interim dividend for the 2021 fiscal year	-34 053 577.7
Impact of appropriation to reserves other than "(n) Result brought forward from previous years" (Royal Decree of 13 July 2014)	-35 381 631.6
Final dividend proposed for the 2021 fiscal year	-15 662 027.1
Result to bring forward as at 31 December 2021	**262 881 248.4**
Result for the 2022 fiscal year	32 048 151.9
Impact of the result from the liquidity program on own shares	17 037.1
Transfer of reserves following the disposal of buildings - investment properties (FSMA circular)	-86 602 734.1
Result to be appropriated as at 31 December 2022	**208 343 703.3**
Interim dividend for the 2022 fiscal year (paid out in February 2023)	-11 715 000.0
Impact of appropriation to reserves other than "(n) Result brought forward from previous years" (Royal Decree of 13 July 2014)	-24 388 351.5
Final dividend proposed for the 2022 fiscal year[3]	-54 226 203.8
Result to bring forward as at 31 December 2022	**118 014 148.0**

1. Amount subject to the approval of the Ordinary General Meeting of 15 June 2023.
2. Please see the note of the statutory shareholders' equity of the financial statements.
3. Amount subject to the approval of the Ordinary General Meeting of 15 June 2023.



MANAGEMENT REPORT

Corporate Governance statement

Context

Until 31 January 2023, Befimmo held the status of BE-REIT within the meaning of the Law of 12 May 2014 on BE-REITs (hereinafter, the “BE-REIT Law”). Following the completion of a simplified takeover bid and the settlement thereof on 6 January 2023, Befimmo is currently 100% owned by Alexandrite Monnet Belgian Bidco SA, an entity wholly controlled by one of Brookfield’s real estate private funds. The shares of Befimmo were delisted from the Euronext Brussels market on 3 January 2023 after close of trading. Since 1 February 2023, Befimmo has opted for the status of FIIS (specialised real-estate investment fund), within the meaning of the Act of 19 April 2014 and the Royal Decree of 9 November 2016[1].

Befimmo has complied with the governance rules specific to the status of listed Company and BE-REIT until 1 February 2023.

Unless expressly stated otherwise, the Governance Statement reflects Befimmo's situation as at 31 December 2022.

SPARKS

Principles

Befimmo applies the Belgian Code on Corporate Governance, which is the reference Code within the meaning of Article 3:6 §2,1° of the Code of Companies and Associations (hereinafter, the “2020 Code”). It is available on the website of the Belgian Official Gazette and on the website: www.corporategovernancecommittee.be.

On 31 December 2022, the Board of Directors has stated that, to its knowledge, its corporate governance practice is compliant with the 2020 Code.

The following documents, which give a detailed overview of the governance of the Company, are all published on the Befimmo website: the Corporate Governance Charter and its annexes :

- Terms of reference of the Board of Directors;
- Terms of reference of the Audit Committee;
- Terms of reference of the Appointment and Remuneration Committee;
- Terms of reference of the Executive Committee;
- Terms of reference of the internal audit;
- Remuneration Policy;
- Dealing Code;
- Code of Ethics, supplemented by the Whistleblowing Policy, the Anti-corruption Policy, the Privacy Policy, the Policy on Diversity and Inclusion and the Philanthropy and associative partnership Policy.

Most of these documents were last updated on 16 February 2022. The Remuneration Policy was last updated on 6 March 2020, and approved by the Ordinary General Meeting of 28 April 2020.

1. See press release of 6 January 2023.

Management Structure

Having opted for a "one-tier" governance structure, the Company is run by a Board of Directors empowered to carry out all acts necessary or useful to achieve its purpose, except those reserved by law or the articles of association to the General Meeting. The Board of Directors has delegated specific management powers to the Executive Officers of the Company, who act collectively, within the framework of an Executive Committee.

BOARD OF DIRECTORS

Composition of the Board of Directors

PRINCIPLES

In accordance with Befimmo's articles of association, the Company is administered by a Board of at least three Directors, appointed for no more than four years by the General Meeting, and must include at least three independent Directors who meet the criteria of Article 7:87 §1 of the Code of Companies and Associations and Article 3.5 of the 2020 Code. Directors may be re-elected.

The Company values complementarity in skills, experience, knowledge and age, and complies with Article 7:86 of the Code of Companies and Associations regarding gender diversity.

Since 28 April 2015, Befimmo has satisfied the provisions on gender diversity in Boards of Directors. As at 31 December 2022, the Board of Directors comprised nine members, including three women.

All Directors should also have the personal qualities required to carry out their duties in a flexible and collective manner, while retaining full independence of mind. They must have an impeccable reputation for integrity (notably in terms of confidentiality, prevention of conflicts of interest and insider trading), a critical mind, strong business sense, and the ability to develop a strategic vision. They must also have sufficient time to prepare for and attend meetings of the Board and any specialised committees of which they are a member.

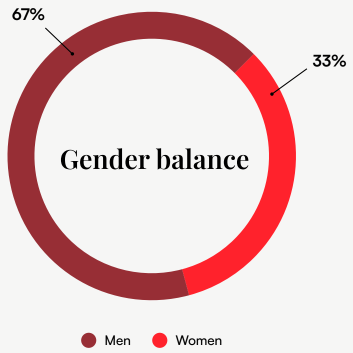
KEY FIGURES REGARDING THE BOARD OF DIRECTORS

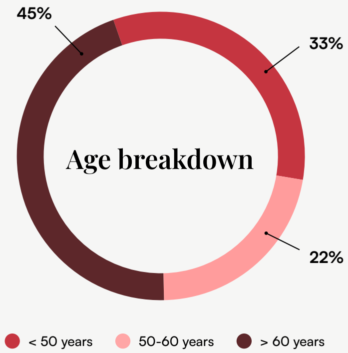
09 MEMBERS

01 *Executive CEO*

08 *Non-executive*

05 *Independent*





Composition of the Board of Directors as at 31 December 2022

On 31 December 2022, the Board consisted of ten Directors, specifically:
- One executive Director;
- Eight non-executive Directors, including five independent Directors who meet the criteria of Article 7:87 §1 of the Code of Companies and Associations and Article 3.5 of the 2020 Code, and two Directors linked to a shareholder.

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS DURING THE 2022 FISCAL YEAR

The mandates of the following Directors expired at the end of the Ordinary General Meeting of 26 April 2022:
- Mr Wim Aurousseau ;
- Mr Benoît De Blieck ;
- Mr Kurt De Schepper;
- Mr Etienne Dewulf

The same Ordinary General Meeting:
- Renewed the mandate of Mr Etienne Dewulf, as Independent Director, for a further term of one year;
- Appointed Mr Amand Benoît D'Hondt, as Non-Executive Director, for a term of one year;
- Appointed Mr Philippe de Martel, as Non-Executive Director, for a term of one year.

On 15 December 2022, the Extraordinary General Meeting confirmed the appointment of Mr Theodor Berklayd and Mr Benedict Annable as Non-Executive Directors, each for a term of one year. They were both co-opted by decision of the Board of Directors on 7 November 2022 following the resignation of respectively Mr Philippe de Martel on 27 July 2022 and Mr Amand Benoît D'Hondt on 26 October 2022.

A brief description of the professional background of each Director is included hereafter, together with a note of their mandates outside the Company during the five previous calendar years.

The Board of Directors met 17 times during the fiscal year.

COMPOSITION OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2022

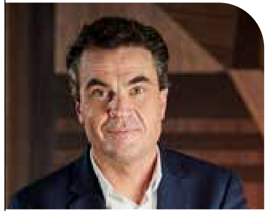
Position on the Board	First appointed	Expiry of current mandate
Vincent Querton - Chairman	April 2019	April 2025
Alain Devos - Non-executive Director	December 2012[1]	January 2023
Jean-Philip Vroninks - Executive Director	April 2021	April 2025
Anne-Marie Baeyaert - Independent non-executive Director	April 2018	January 2023
Sophie Goblet - Independent non-executive Director	April 2013	January 2023
Sophie Malarme-Lecloux - Independent non-executive Director	April 2015	January 2023
Etienne Dewulf - Independent non-executive Director	December 2012[2]	January 2023
Benedicte Annable - Non-executive Director	November 2022	June 2023
Theodor Berklayd - Non-executive Director	November 2022	June 2023

1. Mr Alain Devos was appointed for the first time as Director of the former statutory manager of Befimmo in October 2002.
2. Etienne Dewulf SRL, represented by its permanent representative, Mr Etienne Dewulf, was appointed for the first time as independent Director of the former statutory manager of Befimmo in March 2011.

Mr Vincent Querton

CHAIRMAN

Mr Vincent Querton, Chairman of the Board of Directors of Befimmo since May 2021, has been an independent Director and a member of the Appointment and Remuneration Committee since April 2019. He holds a law degree (UCL) and an MBA from INSEAD-CEDEP (Fontainebleau). Mr Querton has extensive experience in the banking and real-estate sectors in Belgium and abroad. He was Chief Operating Officer of Fortis Real Estate (later AGRE) from 1996 to 2002 (during which time he was Chairman of Devimo and a member of the Management Board of Interparking), and worked at Jones Lang Lasalle (JLL) from 2003 to February 2017 as International Director and CEO Benelux. Since October 2017, he has been CEO of Ascencio, a BE-REIT specialising in the retail sector (retail premises located mainly on the outskirts of cities).



Mr Jean-Philip Vroninks

EXECUTIVE DIRECTOR

Mr Jean-Philip Vroninks, is the Managing Director of Befimmo and the Chair of the Executive Committee. After obtaining his licenciate in Economic Sciences at EHSAL Brussels and a master in International Finance at London Middlesex University, Mr Vroninks began his career at Citibank in Brussels and then KPMG in London. In 2003, Mr Vroninks joined the Capital Markets department of King Sturge in Belgium (2003-2009). In 2009, he was promoted to Managing Director and, after the merger of King Sturge and JLL in 2011, became the head of the Belux Capital Markets team. At the beginning of 2017, he became the CEO of JLL in Belgium and Luxembourg. From 2020 on, he was also Head of Capital Markets Benelux at JLL. He was appointed Managing Director of Befimmo in May 2021.

Mrs Anne-Marie Baeyaert

INDEPENDENT DIRECTOR

Mrs Anne-Marie Baeyaert has been an independent Director of Befimmo since 14 December 2017. She holds a bachelor's degree in maritime sciences (BIBH Antwerp - 1981) and a post-graduate degree in finance and management (Vlerick Business School - 2000). She began her career in 1981 as Customer Service Representative at Best & Osterrieth, a shipping agency that now belongs to the Herfurth group. From 1985, Mrs Baeyaert held a number of leading functions at Katoen Natie Group (KTN), first as General Manager, Transport Division (1985-1995), then General Manager KTN Noordkasteel (1995-1998) and later as Managing Director KTN Bulkterminals (1998-2001). Mrs Baeyaert gained international experience from 2001 to 2005 as Country Administrative & Finance Director in Brazil for the same group. Then, from 2005 to 2013, Mrs Baeyaert served as Business Unit Manager for Port Operations & Repair for Katoen Natie Group. Mrs Baeyaert has been Director of Resigrass since 2013.

Mrs Sophie Goblet

INDEPENDENT DIRECTOR

Mrs Sophie Goblet has been an independent Director of Befimmo since 30 April 2013. She has been a member of the Audit Committee since April 2015, and has chaired the Committee since 30 April 2019. Mrs Goblet has a degree in economics from IAG (UCL). She began her career in 1988 at ABN AMRO Bank in Amsterdam and London, where she held various positions in corporate finance. In 1993, she joined Income International (a Deficom Group company) as a Senior Consultant in financial and corporate communication. Mrs Goblet was appointed group treasurer of GIB Group in 1993 and went on to become Financial Director of GIB IMMO SA in 1997. In 1999, she moved into the real-estate sector, joining the Executive Committee of Codic International, where she served as CFO and Corporate Secretary until 2012.

Mrs Sophie Malarme-Lecloux

INDEPENDENT DIRECTOR

Mrs Sophie Malarme-Lecloux has been an independent Director of Befimmo since 28 April 2015, and a member of the Audit Committee since April 2019, and was a member of the Appointment and Remuneration Committee until April 2019. Mrs Malarme-Lecloux holds a master's degree in business & administration from Solvay (Université libre de Bruxelles). She began her career in 1994 as a financial analyst at IBM Belgium before joining ING Brussels in 1998, as an account manager in Corporate Banking. In 2002 she continued her career at Sofina, where she held various positions for 14 years in the financial directorate and the investment team. In 2015, she founded the company FreeBE SRL, working in strategy, leadership and innovation, business coaching, and personal and organisational development. She has around 20 years' experience as a Board director.

Mr Alain Devos

NON-EXECUTIVE DIRECTOR

Mr Alain Devos is a Director of Befimmo and a member of the Appointment and Remuneration Committee. He was Chairman of Befimmo Board until May 2021. After studying as a Solvay commercial engineer at ULB (1975), Mr Devos began his business career as a budget analyst at Sperry New Holland-Clayson. From 1978 to 1989, he held the post of manager of the Real-Estate Development Department of CFE and went on to join Générale de Banque as head of real-estate finance within the corporate & investment banking department. From 1990 to 2003, he held a number of posts at AG Insurance), where his last post was as a member of the Executive Committee. He was CEO of AG Real Estate SA (formerly Fortis Real Estate) from 2003 to April 2012 and held various mandates in companies affiliated to AG Real Estate SA.

Mr Etienne Dewulf

INDEPENDENT DIRECTOR

Mr Etienne Dewulf has been an independent Director of Befimmo and a member of its Appointment and Remuneration Committee since March 2011, and has chaired the committee since 13 May 2014. He is a graduate in commercial and financial science (ICHEC). He began a career in sales at GB-INNO-BM (1981-1983) and Materne Confilux (1983-1985), before moving into corporate banking at Crédit Général (1985-1987), and from there into the construction industry, where he held a number of posts from 1987 to 2010: executive attaché at Maurice Delens SA (later Valens SA) in 1987, Managing Director of Soficom Development (1989), and Managing Director of Eiffage Benelux SA (1995-2010). Acting on behalf of Cassiopee SRL, Mr Dewulf currently works in consulting and daily management, mainly in real estate and construction.

Mr Benedict Annable

NON-EXECUTIVE DIRECTOR

Mr. Ben Annable is a Managing Director in Brookfield's Real Estate Group. In this role, he is responsible for the negotiation and legal aspects of the real estate group's European mergers and acquisitions activities, including deal structuring and execution. Prior to joining Brookfield in 2018, Mr. Annable was a partner at a leading U.K. law firm, where he focused on M&A and joint ventures. Mr. Annable holds a Graduate Diploma in Law from The University of Law and a Bachelor of Arts degree from Durham University.

Mr Theodor Berklayd

NON-EXECUTIVE DIRECTOR

Mr. Theodor Berklayd is a Senior Vice President of Brookfield's Real Estate Group. In this capacity, he is responsible for the management of the European real estate portfolio. He joined Brookfield in 2011 and holds a BS (Hons) Finance and Accounting degree from New York University, Stern School of Business.

Procedure for the appointment and renewal of Directors

Directors are appointed and their mandates are renewed by the General Meeting of Shareholders of Befimmo, on a proposal of the Board of Directors. Before formulating its proposals, the Board considers the opinions and recommendations of the Appointment and Remuneration Committee, notably regarding:

- The number of Directors that it deems appropriate, subject to the legal minimum;
- The suitability to the needs of the Board of the profile of the Director whose mandate is being considered for renewal;
- The Director profile being sought, based on general criteria for the selection of Directors, the Board's latest assessment of operation (including the skills, knowledge and experience available and needed within the Board), and any specific criteria for selection;
- The candidates already identified or interviewed by the Appointment and Remuneration Committee.

Before taking a decision, the Board may wish to conduct its own interviews of the candidates, examines their curriculum vitae and references, and asses them and finds out what other mandates they hold and assesses their profiles.

The Board ensures that adequate plans are in place for the succession of the Directors, the Chief Executive Officer, and the other members of the Executive Committee, and reviews these plans periodically. It ensures that any appointment of a Director or renewal of a mandate, whether for an executive or non-executive Director, will allow the Board and its specialised committees to continue their work, and will maintain the required balance of skills and experience.

If one or more mandates become vacant, the remaining Directors have the right to fill them provisionally, subject to the opinion of the Appointment and Remuneration Committee, until the next General Meeting, which will confirm (or not) the mandate of the co-opted Director(s).

CENTRAL

Election and role of the Chairman of the Board of Directors

ELECTION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Board elects its Chairman from among the non-executive members, on the basis of his/her knowledge, skills, experience, and mediation skills.

The terms of reference of the Board of Directors explicitly state that the same person may not hold the posts of both Chairman and Managing Director.

DUTIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman steers the activities of the Board. In his absence, Board meetings are chaired by a Director designated by the other Directors.

The Chairman endeavours to ensure that the Directors reach a consensus by discussing the items on the agenda in a critical and constructive way, and takes the necessary measures to develop a climate of trust within the Board of Directors by contributing to open discussions, and offering constructive dissent and support for the Board's decisions.

Finally, he strives to develop effective interaction between the Board of Directors and the Chief Executive Officer.

Duties of the Board of Directors

The Befimmo Board of Directors pursues sustainable value creation by setting the Company's strategy within the framework of the Corporate Social Responsibility policy that it defines, establishing effective, responsible and ethical leadership, and monitoring its performance.

To do so, the Board develops an inclusive approach which balances the legitimate interests and expectations of shareholders and those of other stakeholders.

The Board of Directors is empowered to perform all acts necessary or useful for the achievement of the Company's purpose, except those reserved to the General Meeting by law or by the articles of association.

The Board of Directors makes decisions on strategy, investments, disinvestments and long term financing.

It draws up the annual accounts and prepares the quarterly and half-yearly accounts of the Company; it establishes the management report, which includes the corporate governance statement; and convenes General Meetings of the shareholders.

It ensures the relevance, accuracy and transparency of communications to shareholders, financial analysts and the general public, such as prospectuses, the Annual Financial Report, half-yearly and quarterly statements, and press releases.

The Board is also the body that decides on the Company's executive management structure and determines the powers and duties of the members of the Company's Executive Committee.

Functioning of the Board of Directors

The Board of Directors is organised so as to ensure that it exercises its powers and responsibilities in the best possible way. In accordance with its terms of reference, it meets at least four times a year, and as often as necessary.

The Company's articles of association lay down the following rules concerning the decision-making process of the Board of Directors:

- Except in case of force majeure, the deliberations and resolutions of the Board of Directors are valid only if at least half of its members are present or represented. If this condition is not met, a new meeting must be convened, which, provided at least three Directors are present or represented, may make valid deliberations and resolutions on the topics on the agenda of the preceding meeting;
- Decisions of the Board shall be taken by absolute majority of the Directors present or represented and, where one or more of them abstain, by a majority of the other Directors. In the event of a tie, the chairman of the meeting has the casting vote;
- Decisions of the Board of Directors may be taken by unanimous decision of all the Directors, expressed in writing.

The decisions of the Board of Directors are recorded in the minutes, which must be approved by the Board and signed by at least two Directors, including the Chairman and any other Director who expresses an interest to do so.

Activities of the Board of Directors during the 2022 fiscal year

The Board of Directors met 17 times during the 2022 fiscal year.
In addition to items falling within its ordinary powers (monitoring results, approval of the budget, appraisal and remuneration of the members of the Executive Committee, preparing the management report), it made decisions on the following key topics and files:

- Strategy review, including the objectives of sustainable value creation and ESG key performance indicators;
- Budget and forecasts review;
- Dividend policy;
- Assessment of the take-over bid of Alexandrite Monnet Belgian Bidco SA and drawing up publication of the Response Memorandum to the Prospectus;
- Investment and divestment projects;
- Bids under tendering and public-procurement procedures;
- Terms of the most important rental offerings and major lease renewals;
- Construction, redevelopment and renovation projects;
- Key investments in the consolidated Befimmo portfolio, notably in sustainable development;
- Development of the coworking business;
- Financial management policy;
- Review of the Remuneration Report;
- Preparation and convening of the General Meetings;
- Internal Control, including main conclusions of internal audit reports and reporting of the Chief Compliance Officer.

SILVERSQUARE CENTRAL

The Board was regularly informed of the activities of the Audit Committee, the Appointment and Remuneration Committee, and the Executive Committee.

The Board also decided on Befimmo's position as a shareholder of Fedimmo, notably on the following dossiers:
- Fedimmo's participation in tenders;
- Follow-up of the Paradis Express project in Liège;
- The terms of the most important rental offerings and major lease renewals;
- The sale of some small buildings which no longer fit its strategy.

Self-assessment

In accordance with the 2020 Code and its terms of reference, every three years at least, the Board assesses its own composition, size, effectiveness and functioning, and its interaction with the Managing Director, the Executive Committee and its specialised committees.

This self-assessment exercise is carried out under the leadership of the Chairman and, where appropriate, with the support of the Appointment and Remuneration Committee. It has the following main objectives:
- To check whether the composition of the Board of Directors is in line with requirements;
- To appraise the functioning of the Board of Directors;
- To check whether important issues are properly prepared and discussed;
- To assess whether each Director makes an effective contribution by attending meetings of the Board of Directors and making a constructive commitment to discussions and decision-making;
- To evaluate whether the chosen governance structure remains appropriate.

When the issue of the renewal of a mandate arises, the Board assesses the contribution of each Director in the same way.

The Board may call upon external experts to assist in this assessment exercise.

The Board of Directors carried out its most recent self-assessment at the end of the 2021 fiscal year. The main conclusions of the self-assessment report were published on page 139 of the Annual Financial Report 2021.

ADVISORY AND SPECIALISED COMMITTEES

Principles

The Board of Directors may set up one or more committees, choosing members from within or outside the Board.

In accordance with the articles of association, it must establish at least an Audit Committee, an Appointment Committee and a Remuneration Committee (the Appointment Committee and the Remuneration Committee may be combined) and set out their duties, powers and composition in accordance with the provisions of the law and the recommendations of the 2020 Code on the composition and functioning of such committees.

The Board sets out the terms of reference of these committees and designates their members from among its own members, on a proposal of the Appointment and Remuneration Committee. When making these appointments, the Board ensures that the overall composition of each committee embodies the skills required for carrying out its duties.

Specific duties may also be assigned to one or more members designated by the Board, who then report to the Board on the conduct of their duties.

In accordance with the above, the Board set up two permanent specialised committees: the Audit Committee and the Appointment and Remuneration Committee.

The composition, duties and operating mode of these committees are described in their respective terms of reference, available on the Befimmo website and summarised hereafter.

Audit Committee

COMPOSITION

The Audit Committee members are appointed by the Board of Directors, on a proposal of the Appointment and Remuneration Committee, from among the non-executive Directors of Befimmo; at least two of whom are independent and satisfy the criteria of Article 7:87 §1 of the Code of Companies and Associations and Article 3.5 of the 2020 Code.

All members of the Audit Committee have expertise in accounting, auditing, and finance.

The Chairman of the Audit Committee may not also be the Chairman of the Board of Directors. The members of the Audit Committee appoint the Committee chairman from among its members.

The term of office of Audit Committee members may not exceed their terms of office as Directors.

Their terms of office may be renewed at the same time as their directorships.

At 31 December 2022, the members of the Audit Committee were:
- Mrs Sophie Goblet, independent Director and Chairwoman of the Audit Committee;
- Mrs Sophie Malarme-Lecloux, independent Director.

DUTIES

Without prejudice to any other tasks assigned to it, the Audit Committee assists the Board of Directors and the Executive Committee in ensuring the accuracy and truthfulness of Befimmo's accounts and financial information, and checks the relevance and effectiveness of the Company's internal-control and risk-management systems. It monitors internal auditing and the external controls operated by the Statutory Auditor, and is involved in appointing the latter and supervising the tasks entrusted to it over and above its statutory duties. It delivers opinions and recommendations to the Board of Directors and Executive Committee on these matters.

The Audit Committee meets at least four times a year and whenever circumstances require, at the request of its Chairman, one of its members, the Chairman of the Board of Directors, the Chief Executive Officer, or the Chief Financial Officer. It decides if and when the Chief Executive Officer, Chief Financial Officer, the Statutory Auditor(s), or others should attend its meetings.

It meets the Statutory Auditor(s) of Befimmo at least twice a year to exchange views on any issue relating to its duties or raised by the auditing process. At least twice a year the Committee meets the person(s) responsible for internal auditing in the Company.

After each Committee meeting, the Chairman of the Committee (or, in his absence, a specially-designated member of the Committee) reports on its work to the next meeting of the Board of Directors, notably after the meetings on the preparation of the quarterly accounts and on the preparation of financial statements for publication.

When reporting to the Board of Directors, the Audit Committee identifies the issues on which it considers that action or improvement is necessary and makes recommendations on the measures to be taken. Minutes of meetings must also be forwarded to the Board of Directors.

ARTS 56

OPERATION AND ACTIVITIES DURING THE 2022 FISCAL YEAR

The Committee met eight times in 2022.

The following main dossiers and topics were considered:

- Quarterly, half-yearly, and annual accounts, and financial reporting;
- Financing policy;
- Interest-rate hedging policy;
- Impact of investment or divestment project on financing and key ratios;
- Review of budgets and outlook for future years (including tests of sensitivity to certain assumptions, and stress tests);
- Accounting treatment of specific operations and application of IFRS;
- Review of Internal Audit reports and update of the multiannual Audit plan, in the presence of the Internal Auditor;
- Monitoring of risk management and internal control systems: monitoring of the implementation of recommendations made in the internal or external audit reports; review of the Executive management's Report on Internal control to the FSMA; review of the risk factors analysis; monitoring of developments in main legal proceedings; monitoring of internal control systems, etc.;
- Relations with the Statutory Auditor; independence test, and appointment/re-appointment of the Statutory Auditor for Befimmo and/or its subsidiaries;
- Monitoring of the main regulatory developments and analysis of their potential impact on Befimmo, its activities, or its reporting (changes in IFRS standards, FSMA circulars, etc.);
- Review of the KPI's for the business lines.

SELF-ASSEMENT

Every three years at least, the Committee assesses its own effectiveness, functioning, and interaction with the Board of Directors, reviews its terms of reference, and recommends any necessary amendments to the Board of Directors.

The Audit Committee carried out its most recent self-assessment in 2021 and commented on its self-assessment report to the Board of Directors. The key findings of the report are published on page 141 of the Annual Financial Report 2021.

Appointment and Remuneration Committee

COMPOSITION

The Appointment and Remuneration Committee is made up of at least three non-executive Directors, appointed by the Board of Directors on a proposal of the Committee, the majority of whom must be Independent Directors within the meaning of Article 7:87 §1 of the Code of Companies and Associations, and Article 3.5 of the 2020 Code.

The members of the Appointment and Remuneration Committee have collective competence in matters of remuneration.

The Board of Directors appoints the Chairman of the Committee, who may also be the Chairman of the Board of Directors.

The term of office of Committee members may not exceed that of their directorships. Committee members' terms of office may be renewed at the same time as their directorships.

If the Chairman of the Board of Directors of Befimmo is not also a member of the Committee, he may attend its meetings at his discretion, unless the Committee decides otherwise, or is voting on his remuneration or the renewal of his mandate as Chairman or Director. When the Committee is voting on the appointment of his successor, he may take part in the discussion, but may not chair the meeting.

The Managing Director takes part in meetings of the Committee when it has to discuss the appointment or remuneration of the other members of the Company's Executive Committee.

As at 31 December 2022, the composition of the Committee was as follows:

- Mr Etienne Dewulf, independent Director and Chairman of the Appointment and Remuneration Committee;
- Mr Vincent Querton, Chairman of the Board of Directors;
- Mr Alain Devos, non-executive Director.

DUTIES

Regarding appointments and renewals of mandates, the Committee assists the Board of Directors in:

- Drawing up profiles for Directors, members of the committees of the Board of Directors, the Chief Executive Officer (CEO), and the other members of Befimmo's Executive Committee;
- Seeking candidates for positions to be filled in the Board of Directors and the specialised committees of Befimmo and the Board of Directors of Fedimmo;
- Delivering an opinion and making recommendations about the candidates;
- The process of appointing or re-electing the Chairman of the Board of Directors of Befimmo;
- And procedures for the appointment, renewal, and periodic appraisals of the Directors, the CEO, and other members of the Executive Committee.

Regarding remuneration, the Committee assists the Board of Directors by making proposals on:

- The remuneration policy for non-executive Directors, members of the Board's committees, the CEO, and the other members of the Executive Committee, and on any periodic reviews of that policy;
- The individual remuneration of non-executive Directors, members of the Board's specialised committees, the CEO and the other members of the Executive Committee, including variable remuneration, benefits and length-of-service bonuses, related to shares or otherwise, severance grants, and, if appropriate, on any resulting proposals which the Board must submit to the General Meeting of Shareholders;
- The setting of performance targets for the CEO and other members of the Executive Committee, and the assessment of performance related to those targets;
- The proposals made each year by the Executive Committee on the overall budget for increasing (apart from indexing) the remuneration laid down for the Company's staff, and on the overall budget for the variable remuneration of the staff.

The Committee also prepares the remuneration report which is included in Befimmo's Corporate Governance Statement and presented to the General Meeting of Shareholders.

The Committee meets at least twice a year, and in any case:

- Prior to the approval of the agenda for any General Meeting of Befimmo, where that includes draft decisions that concern directorships;
- To draft the annual remuneration report.

After each meeting of the Committee, the Chairman (or in his absence a designated Committee member) reports to the Board of Directors on the exercise of the Committee's duties and submits its opinions and recommendations to the Board for decision. The minutes of the Committee's meetings are also available to the Board of Directors.

OPERATION AND ACTIVITIES DURING THE 2022 FISCAL YEAR

The Appointment and Remuneration Committee met seven times in the 2022 fiscal year.

The following main dossiers and topics were considered :

- Selection process for the Chief Financial Officer;
- Assessment of the Remuneration Policy with regard to regulatory evolutions, best governance practices and stakeholders' expectations;
- Proposals for the composition of the Board of Directors, taking account of the need to ensure that Directors' profiles are complementary in terms of knowledge, experience, age and gender balance, and to provide for mandate expiry dates to be staggered over time;
- Proposals for reappointments to the Board of Directors for submission to the General Meeting;
- Assessment and determination of performance targets and criteria for the Chief Executive Officer and other members of the Executive Committee;
- Changes in the Company payroll from 1 January 2023, and overall budget-allocation for the variable remuneration of staff (bonuses) for the 2022 fiscal year;
- Drafting the remuneration report published in the Annual Financial Report 2021.

SELF-ASSESSMENT

In accordance with the 2020 Code and its own terms of reference, every three years at least, the Committee assesses its own effectiveness, functioning, and interaction with the Board of Directors, reviews its terms of reference and recommends any necessary amendments to the Board. The Appointment and Remuneration Committee carried out its latest self-assessment in 2021 and commented on its self-assessment report to the Board of Directors. The key findings of the report are published on page 142 of the Annual Financial Report 2021.

SILVERSQUARE ZAVENTEM

EXECUTIVE COMMITTEE

Having opted for a “one-tier” governance structure, the Company is run by a Board of Directors empowered to carry out all acts necessary or useful to achieve its purpose, except those reserved by law or the articles of association to the General Meeting. The Board of Directors has delegated specific management powers to the Executive Officers of the Company, who act collectively, within the framework of an Executive Committee.

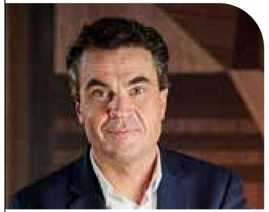
The effective management of the Company is entrusted by the Board of Directors to the members of the Executive Committee, who are referred to as “Executive Officers”.

The Executive Committee periodically reviews its terms of reference, and submits proposals to the Board of Directors to approve any revisions it deems desirable. The terms of reference are available on the Company website.

Composition

The members of the Executive Committee are appointed by the Board of Directors, on a proposal of the Appointment and Remuneration Committee.

As at 31 December 2022, the Executive Committee had four members:
- Mr Jean-Philip Vroninks, Managing Director, who is also the Chief Executive Officer (CEO) and chairs the Executive Committee;
- Mr Philippe Berlamont, Chief Financial Officer (CFO);
- Mrs Martine Rorif, Chief Development Officer (CDO);
- Mrs Aminata Kaké, General Counsel & Secretary General (GC&SG).



Mr Jean-Philip Vroninks

CHIEF EXECUTIVE OFFICER

Mr Jean-Philip Vroninks is the Managing Director of Befimmo and the Chair of the Executive Committee. After obtaining his licenciate in Economic Sciences at EHSAL Brussels and a master in International Finance at London Middlesex University, Mr Vroninks began his career at Citibank in Brussels and then KPMG in London. In 2003, Mr Vroninks joined the Capital Markets department of King Sturge in Belgium (2003-2009). In 2009, he was promoted to Managing Director and, after the merger of King Sturge and JLL in 2011, became the head of the Belux Capital Markets team. At the beginning of 2017, he became the CEO of JLL in Belgium and Luxembourg. From 2020 on, he was also Head of Capital Markets Benelux at JLL. He was appointed Managing Director of Befimmo in May 2021.

Mrs Aminata Kaké

GENERAL COUNSEL & SECRETARY GENERAL

Mrs Aminata Kaké holds a master's degree in law (Université Libre de Bruxelles, 2000), an executive certificate in Real Estate (Solvay Brussels School of Economics and Management, 2016), a post-graduate certificate in Cognitive Technologies, Artificial Intelligence and Law (Brussels School of Competition, 2019), and has completed a post-graduate programme for General Counsel (Mini-MBA - Oxford University and Harvard Faculty Club, 2014). She began her career in 2000 at Dexia Bank Belgium (now Belfius) as Legal Counsel in Corporate Banking and Structured Finance (2000-2004), before being appointed Deputy General Secretary of the bank (2004-2005), then Head of the Secretary General, Corporate & Regulatory Division, and Deputy General Secretary of Dexia SA, the listed financial holding company of the Dexia Group (2005-2012). Since 2012, she has been General Counsel, Secretary General and Chief Compliance Officer of Befimmo. Mrs Kaké is also Independent Director of CBC Banque SA, Director of the Belgian Association of Listed Companies (asbl), Director of the Belgian Corporate Governance Committee, and a member of the Advisory Council of the European Issuers Association, the Belgian Risk Management Association (BELRIM), and the Belgian Institute of Company Lawyers (IJE).

Mrs Martine Rorif

CHIEF DEVELOPMENT OFFICER

Mrs Martine Rorif is a civil engineer in construction - specialising in civil engineering (Université Libre de Bruxelles, 1990). She holds a post-graduate diploma from the Solvay Business School (CEPAC 2007), and began her career as a site engineer at Enterprises Jacques Delens (1990-1995). She moved to Devimmo Consult (1996) as a property manager, and joined Befimmo in 1997, holding the position of Project Manager until 2008, from when she has been Chief Operating Officer and is now appointed as Chief Development Officer.

Mr Philippe Berlamont

CHIEF FINANCIAL OFFICER

Mr Philippe Berlamont holds a commercial engineering degree from the Solvay Brussels School of Economics and Management (ULB). He is Certified European Financial Analyst (EFFAS). After starting his career as an auditor at Arthur Andersen he joined Deloitte where he became Audit Director and was appointed as a Statutory Auditor (CPA) by the Institut des Réviseurs d'Entreprises. He then turned to the real estate and construction sector, in which he has been active for more than 10 years. Mr Berlamont was Director of Finance & Controlling at CFE for seven years before becoming Chief Financial Officer of Willemen Groep, the largest family-owned construction group in Belgium. He joined Befimmo as Chief Financial Officer in September 2022.

Duties

The Executive Committee is entrusted with the following duties:
- Analysing the Company's general policy and strategy and making appropriate proposals in that regard to the Board of Directors;
- Implementing the Company's general policy and strategy, as decided by the Board of Directors and implementing the decisions of the Board of Directors;
- Identifying opportunities and needs in terms of investments, divestments, and financing, and making any appropriate proposals in that regard to the Board of Directors when the valuation of these exceed the amounts provided in the delegation of powers by the Board to the Executive Committee;
- Day-to-day management of the Company, including (but not limited to) the commercial, operational and technical management of the property portfolio;
- Leading the Company's operational team in accordance with its strategy and general policy;
- Supervising the exhaustive, specific, reliable, and precise preparation of financial statements in accordance with accounting standards and the Company's assessment rules;
- Presenting financial statements to the Board of Directors;
- Making a balanced and clear assessment of the Company's financial situation, budget and business plan;
- Submitting this assessment to the Board of Directors;
- Implementing internal controls (systems to identify, assess, manage, and monitor financial and other risks), without prejudice to the monitoring role of the Board of Directors and the Managing Director;
- Reporting to the Board of Directors, the competent authorities and Statutory Auditor(s);
- Preparing the publication of financial statements and other financial and non-financial information.

In this context, the Board of Directors has delegated specific decision-making and representation powers to the Executive Committee, which are updated regularly.

The Executive Committee exercises its duties without prejudice to the powers of the Board of Directors.

Activity Report to the Board of Directors

At each meeting of the Board of Directors, and at least quarterly, the Managing Director and the other members of the Executive Committee report to the Board on important aspects of operational management. They provide all relevant information concerning at least the following matters:
- Developments affecting the Company's business and any changes in its strategic context;
- Company forecasts and financial results and an assessment of its financial position;
- The main decisions of the Executive Committee;
- Current or potential major litigation;
- Regular follow-up on all questions falling within the competence of the Board of Directors.

Operating mode

The Executive Committee operates on a collegial basis, with decisions taken by the consensus of its members, who are collegially responsible. If a consensus cannot be reached, the item or file concerned is put on the agenda of the meeting of the Board of Directors for deliberation and decision.

The Executive Committee meets as often as necessary, under the chairmanship of the CEO, and in principle once a week. It can be convened at any time by the Chairman or at the request of at least two members of the Executive Committee.

In 2022, the Executive Committee met once a week on average.

On 31 December 2022, the Executive Committee led a team of 89 employees. It endeavours to optimise its operating costs.

Next to the Executive Committee, Befimmo has a Leadership Committee which meets every week to discuss ongoing projects and decide on actions to be taken. The Leadership Committee consists of all Executive Committee members, as well as the Chief Sustainability & Innovation Officer, the Chief Portfolio Officer and the Chief Operator Officer.

The heads of departments as of the day of this Report are Mr Olivier De Bisscop[1] (Chief Portfolio Officer), Mr Nicolas Nelis (Chief Project Officer), Mr Edouard Scarcez (Head of Investments), Mr Eric Jambor (Head of Property Management), Mr Arnaud Opsommer (Head of Building Administration, Business Data & Operations Budget), Mr Frédéric Tourné (Head of Environmental Management), Mrs Emilie Delacroix[2] (Chief Sustainability & Innovation Officer - Head of Communication (ad interim)), Mrs Petra Sobry (Head of Legal Real Estate), Mr Stéphane dos Santos (Chief Accountant), Mrs Florence Weemaels (Head of Human Resources) and Mr Jelle Defraye (Head of Technology & Data Solutions).

SILVERSQUARE ZAVENTEM

1. Through Jemecoh SRL.
2. Through Mil'Impact SRL.

Diversity Policy

Befimmo is convinced that diversity of thought, a source of exchange and creativity, is fundamental to optimal decision-making, leading to better results and a sustainable business. Consequently, Befimmo has codified its diversity & inclusion practices in its Policy on Diversity and Inclusion.

This Policy can be consulted on the Company's website.

DIVERSITY & INCLUSION WITHIN THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

Befimmo believes that a Board of directors and an Executive Committee with a variety of thought, backgrounds, cultures and experiences is a key element in meeting the evolving demands of Befimmo's business and expectations of its stakeholders.

During the 2022 fiscal year, Befimmo complied with the provisions of Article 7:86 of the Code of Companies and Associations with regard to gender diversity within the Board of Directors, and the recommendations of the 2020 Code on diversity and complementarity of profiles within its decision-making and advisory bodies.

Befimmo has put in place a number of procedures in the context of the appointment and renewal of the mandates of the Directors, the appointment of the members of its specialised committees and the Executive Committee, and the self-assessment process of its various bodies and committees.

These are designed to foster a complementarity of skills, experience, age, knowledge and profiles in the composition of these bodies, in addition to the expertise and professional integrity required to exercise their duties. For example, prior to any appointment, an assessment is made of the skills, knowledge, and experience available and needed within the Board of Directors or committee concerned. These procedures are set out in the terms of reference of the various bodies and committees, and more specifically in the terms of reference of the Appointment and Remuneration Committee.

The effect of these procedures is manifested in the composition of the Board of Directors, which comprised three women and six men as at 31 December 2022.

It is further reflected in the composition of the Executive Committee, which was equally composed of two women and two men as at 31 December 2022. It is also reflected in the biographies of the Directors (see pages 116 to 118) and the members of the Executive Committee (see pages 126 to 127), which demonstrate complementary career paths, professional experience, and skills.

DIVERSITY & INCLUSION WITHIN THE TEAM

Befimmo wishes to promote diversity and inclusion within its Team. Befimmo intends to respect the individuality of each person and to adopt a culture of plurality and difference.

Consequently, Befimmo has implemented a Policy on Diversity and Inclusion through which it aims to create a context where diversity is encouraged and all current team members or candidates are given equal opportunities.

Befimmo thus promotes differences in age, sexual orientation, civil status, birth, wealth, religious or philosophical conviction, political belief, trade union belief, language, current or future condition of health, disability, physical or genetic characteristic, social origin and any other characteristic of an individual.

Furthermore, Befimmo is committed to developing and promoting the team members regardless of any characteristic that would not relevant from a professional point of view.

For an understanding of how diversity is currently reflected in the composition of the team: see chapter "Taking care of the team and the community".

TAKING CARE OF THE TEAM AND THE COMMUNITY, P.87

Remuneration policy

The remuneration policy for Befimmo SA and its subsidiaries is established in accordance with the Code of Companies and Associations, with the Law transposing the Second Shareholder Rights Directive as regards the encouragement of long-term shareholder engagement[1], with the BE-REIT Law, and with the recommendations of the 2020 Code.

This remuneration policy, as approved by the Annual General Meeting of 28 April 2020, applied from 1 January 2020 to 31 December 2022. It is designed to reward those involved in running the Befimmo group in a way that allows it to attract, retain, and motivate selected staff, taking account of the Company's characteristics and challenges, properly and effectively managing risk, and keeping the costs of the various remunerations under control.

It also aims to promote the creation of sustainable value within the Company, and to contribute to the implementation of its strategy, in particular by:
- Setting qualitative and quantitative performance criteria for the members of the Executive Committee, that are in line with Befimmo's long-term objectives and including, in addition to financial performance criteria, additional measurable criteria related to its sustainable development policy and its commitments regarding social responsibility;
- Implementing a long-term incentive plan.

In this way, Befimmo's remuneration policy aims to create a close link between the interests of its Executives and those of the Company, its shareholders, and all other stakeholders.

The Company aims to remunerate its staff at a level that compares well with the remuneration paid by other companies of comparable size and activities for similar functions.

To keep up to date with market pay scales, the Company contributes to benchmarks organised by specialised consultants and market surveys.

This chapter refers to other chapters of the Corporate Governance Charter, which identify the different categories of remuneration recipients.

NON-EXECUTIVE DIRECTORS OF BEFIMMO SA

The remuneration of the non-executive Directors of Befimmo SA is set by the General Meeting of Befimmo SA, on a proposal of its Board of Directors, which itself received proposals from the Appointment and Remuneration Committee.

Remuneration is composed of:
- A fixed annual amount;
- Attendance tokens; these are awarded to the non-executive directors for attending meetings of the Board of Directors and, if applicable, for attending any meetings of the Committees set up by the Board of Directors.

Furthermore, specific remuneration may be awarded by the Board of Directors to Directors to whom it would assign specific tasks.

The non-executive Directors do not receive any performance-related pay, such as bonuses or stock options, nor do they receive any benefits in kind, or benefits associated with pension schemes. The Company does not award shares to non-executive Directors.

It considers that its general policy and mode of operation already meet the objective of recommendation 7.6 of the 2020 Code, which aims to promote long-term value creation. Befimmo has effectively integrated the principles of social responsibility into its strategy and day-to-day operations, by anticipating economic, societal and environmental developments, and by supervising the Company's long-term performance. To do so, the Board of Directors develops an inclusive approach that balances the legitimate interests and expectations of the shareholders and all stakeholders.

These principles are enshrined in particular in the Corporate Governance Charter and in the Terms of Reference of the Befimmo Board of Directors, to which each Befimmo director has subscribed.

The Directors may hold a directorship in the subsidiaries of Befimmo SA. Any remuneration received for holding such positions is set out in the Befimmo SA remuneration report.

The Directors exercise their functions as self-employed persons and may be revoked, ad nutum, without compensation.

1. Directive (EU) 2017/828 of the European Parliament.

THE CHIEF EXECUTIVE OFFICER OF BEFIMMO SA

The Managing Director of Befimmo SA - who is the only executive Director of Befimmo SA and is not remunerated as a Director of Befimmo SA - carries the function of Chief Executive Officer (CEO) and is a member of the Executive Committee of Befimmo SA. He is remunerated in that capacity, under a management agreement as a self-employed person.

Remuneration

The CEO's remuneration is set by the Board of Directors of Befimmo SA, on a proposal of the Appointment and Remuneration Committee.

The Appointment and Remuneration Committee is composed solely of non-executive Directors and the majority of its members are independent Directors.

This adequately rules out potential conflicts of interests concerning the determination, review, and implementation of the remuneration policy for the CEO. Moreover, the CEO is not present when the Appointment and Remuneration Committee decides on his remuneration. Furthermore, the legal provisions relating to conflicts of interests also apply.

His remuneration consists of a fixed portion, a variable portion and a long-term incentive plan.

- **Fixed portion:** the amount of the fixed annual remuneration is determined on the basis of comparisons with the fixed remunerations on the market for comparable positions in comparable companies. The fixed annual remuneration is paid monthly, in twelfths, at the end of the month.
- **Variable portion in cash:** the target amount of the annual variable remuneration, corresponding to a quality service that meets expectations in terms of results, professionalism, and motivation, is predetermined by the Board of Directors when setting the targets. It is a combination of personal qualitative targets and financial and qualitative targets for Befimmo SA, to which a weighting is applied.

  The Board avoids setting performance criteria that could encourage the CEO to give preference to short-term goals that influence his variable remuneration and would have an adverse impact on the Company in the medium and long term.
- **Long-term incentive plan:** as of the 2020 fiscal year, the CEO may be allocated a long-term incentive plan, creating a close link between the interests of the CEO and those of the Company and its shareholders.
- **Miscellaneous expenses:** Befimmo reimburses expenses incurred by the CEO in the course of his routine management, on presentation of supporting documents.

Apart from the provision of a laptop and mobile telephone that meet the standards of Befimmo SA (notably in terms of security), and of which he supports the telephone use, the CEO does not receive any benefits in kind.

THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE OF BEFIMMO SA

The members of the Befimmo SA Executive Committee other than the CEO are remunerated as self-employed persons under a management agreement with Befimmo SA.

Remuneration

The Board of Directors of Befimmo SA decides on the recruitment, promotion, and fixed and variable remuneration of each of the other members of the Executive Committee of Befimmo SA, on a proposal of the Appointment and Remuneration Committee, after it has first consulted the CEO. As stated above, the Appointment and Remuneration Committee is composed solely of non-executive Directors and the majority of its members are independent Directors. This adequately prevents potential conflicts of interests.

Their remuneration consists of a fixed portion, a variable portion and a long-term incentive plan.

- **Fixed portion:** the amount of the fixed remuneration is determined on the basis of information on levels of remuneration offered for comparable positions in comparable companies.

  The fixed remuneration is paid monthly, in twelfths, at the end of the month.

- **Variable portion in cash:** the target amount of the annual variable remuneration, corresponding to a quality service that meets expectations in terms of results, professionalism, and motivation, is predetermined by the Board of Directors when setting the targets. It is a combination of personal and collective targets relating to the operational responsibilities specific to each member of the Executive Committee (performance of special duties, performance of their team or department) and financial and qualitative targets for Befimmo SA, to which a weighting is applied.

  The Board avoids setting criteria that could encourage the members of the Executive Committee to give preference to short-term goals that influence their variable remuneration and would have an adverse impact on the Company in the medium and long term.

- **Long-term incentive plan :** as of the 2020 fiscal year, the other members of the Befimmo Executive Committee may also be allocated a long-term incentive plan, creating a close link between the interests of the CEO and those of the Company and its shareholders.

- **Miscellaneous expenses:** Befimmo reimburses the expenses incurred by the other members of the Executive Committee as part of their duties, upon presentation of supporting documents.

Apart from the provision of a laptop and mobile telephone that meet the standards of Befimmo SA (notably in terms of security), and of which they support the telephone use, the other members of the Executive Committee do not receive any benefits in kind.

PENSION

The members of the Executive Committee may choose to allocate part of their fixed remuneration to a supplementary pension plan through "personal pension scheme" insurance policy taken out with an approved insurer via a pension agreement. This agreement offers benefits in the event of retirement or of death before retirement. The pension plan consists of a defined-contribution scheme.

The life insurance provides for a life benefit to be created in the form of capital, payable to the beneficiary on the scheduled retirement date or, where applicable, on the deferred retirement date. The life benefit is equal to the result of the investment, in the fund provided, on the basis of the apportionment chosen by the beneficiary, of the life premiums and any profit sharing granted by the insurer. The amount of the life premiums is based on the calculation of the 80% rule which determines the maximum pension capital that can be accumulated within the framework of a personal pension scheme.

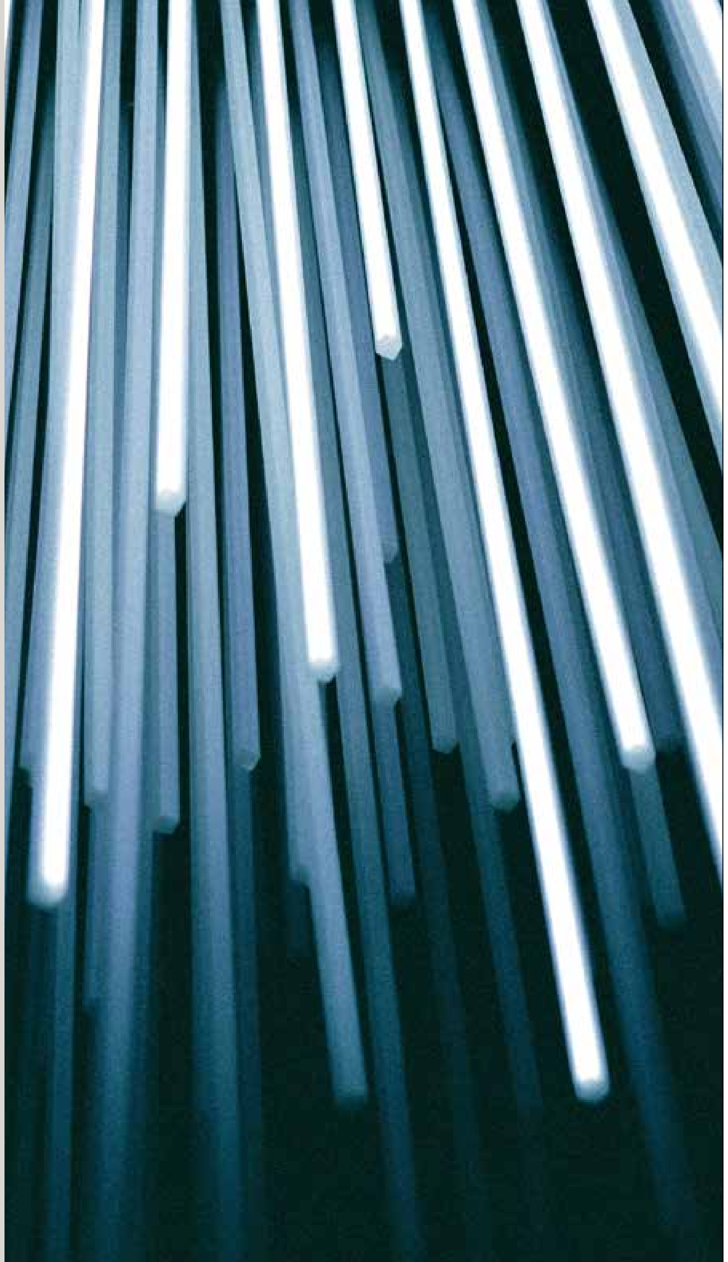
The death benefit provides for the payment of the reserve constituted to the beneficiary in the event of the death of the member before the scheduled retirement date.

Where the reserve constituted is less than the minimum death benefit, the minimum benefit is guaranteed.

SPECIAL BONUSES

Subject to the agreement of the Board of Directors, on a proposal of the Appointment and Remuneration Committee, a special bonus may be paid out during the fiscal year to one or more members of the Executive Committee (including the CEO) or to the other persons referred to in point "All Staff" above, in the event of exceptional performance, without such a bonus affecting the payment of any variable remuneration for the same period. Where applicable, the award criteria shall be specified in the remuneration report; they shall comply with the guiding principles set out in the introduction to this policy.

SPARKS



Report on internal control and risk-management systems

Befimmo has organised the management of internal control and corporate risks by defining its control environment (general framework, inspired in particular by the “Enterprise Risk Management” model developed by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission), identifying and classifying the main risks to which it is exposed, analysing how far it controls those risks and organising a “control of control”. The Company also pays particular attention to the reliability of its financial reporting and communication processes.

CONTROL ENVIRONMENT

Company organisation

The Board of Directors has set up two internal committees (the Audit Committee and the Appointment and Remuneration Committee) and has established an Executive Committee.

The Company is organised into a number of departments as set out in an organisation chart.

Operational functions are carried out in Befimmo’s technical departments (project management, property management and environmental management), and its commercial, building administration and investment departments. Support functions are provided by the following departments: Accounting, Controlling, Treasury/Finance, Legal Real-Estate, General Secretary & Legal Corporate, IR & Communication, Sustainability & Innovation, Human Resources, and IT.

Each member of the team has a job description. There is a procedure for the delegation of authority for both internal matters (decision-making powers) and external matters (powers of signature and representation). The Board of Directors has delegated a number of powers of decision-making and representation to the Executive Committee. In this context, the Executive Committee has a power to sub-delegate, which it has exercised, while setting limits in terms of the acts and amounts concerned, defined by department and in line with the hierarchical position of the authorised employees. These sub-delegations include an internal procedure for approving orders and invoices. The principle of dual signatures is applied. There is also a specific procedure for authorising payments. All these powers are formalised in internal procedures.

Among the control functions, the compliance function is exercised by the General Counsel & Secretary General (Aminata Kaké). The CFO (Philippe Berlamont) is responsible for the risk-management function. Management control is the responsibility of the Controlling team.

The Internal Auditor (Pierre-Olivier Schmitz) is in charge of the internal audit. For the annual closing of accounts, the Company’s Directors and members of the Executive Committee fill in an individual questionnaire so that any transactions they have carried out with the Company as “related parties” can be identified.

The Human Resources Department ensures that the skills required for each role are defined and that the procedures are observed, notably for annual performance appraisal and pay review.

External players

Some external stakeholders also play a role in the control environment, most importantly the FSMA, the Statutory Auditor, and the Independent real-estate experts.

Organisation of internal control

The Audit Committee, composed of a majority of independent directors, has a specific duty to monitor the Company's internal control and risk management. In carrying out this duty, the Audit Committee makes use in particular of the work of the Internal Auditor and the outsourced internal auditors (consultants), who report directly to him. The role, composition and activities of the Audit Committee are described in this chapter, and in the terms of reference of the Audit Committee, which can be consulted on the Company website.

Ethics

The Board of Directors has drafted a Corporate Governance Charter, a Code of Ethics and a Dealing Code. The Code of Ethics is supplemented by the following policies: a Whistleblowing Policy, an Anti-corruption Policy, a Client and Counterparty Acceptance Policy, a Privacy Policy, and a Policy on Diversity and Inclusion and a Philanthropy and associative partnership policy. These documents, with the exception of the Client and Counterparty Acceptance Policy, can also be consulted on the Company's website.

Risk analysis and control activities

A risk analysis is carried out on a regular basis, when appropriate with the help of an external consultant leading to a full review of the Befimmo SA risk matrix to take account of changes in prospectus regulations and ESMA recommendations.

The risks are assessed on the basis of their potential impact, their level of control, their specific nature, and the appetite of the Company, and are then classified in order of decreasing from high to low potential impact.

This risk matrix provides a framework for the work of the internal audit service, and is reviewed annually as part of a three-year plan by the Audit Committee.

The corporate risk rules provide for a formal update of the risk factors, twice a year, when the half-yearly and annual financial reports are drafted. This is an in-depth risk analysis periodically carried out by the Risk Manager, in cooperation with the Internal Auditor and the Chief Compliance Officer. This update is then presented to and discussed in the Executive Committee. Finally, the document is transmitted to the Audit Committee for review, and to the Board of Directors for formal approval.

Financial information and disclosure

The process of establishing financial information is organised as follows: a retro- planning chart with deadlines sets out the tasks to be completed for the quarterly, half-yearly, and annual closing of accounts of the Company and its subsidiaries. The Company has a checklist of steps to be followed by the various departments and subsidiaries involved in the process. The accounts team produces the accounting figures using the accounting software, under the supervision of the Chief Accountant.

The Controlling Team checks the validity of the figures provided by accounts team and produces the quarterly reports. The figures are checked using the following techniques:
- Consistency tests, by comparison with historical and budget figures;
- Sample checks of transactions according to their materiality.

Financial reports is are prepared on a quarterly basis by the Controlling Team and discussed with the CEO. This reporting, together with notes on the Befimmo's operational activities, is then analysed by the Executive Committee.

A timetable of periodic publications for the year is proposed by the Executive Committee and approved by the Board of Directors. The quarterly, half-yearly, and annual reports and the relevant press releases/financial reports are submitted to and analysed by the Executive Committee, Audit Committee, and Board of Directors, which adopts them before publication. The Statutory Auditor conducts a limited review of the consolidated half-yearly financial statements, as at 30 June. At annual close, on 31 December of each year, it audits the statutory and consolidated accounts.

Data are protected, depending on their type, by redundant architecture (disk mirroring), daily backups on-line (external service provider), and weekly backups onto tape.

Players involved in the supervision and assessment of internal control

The quality of internal control is assessed throughout the fiscal year by:
- Internal audit, on the basis of cooperation between an internal auditor and an outsourced team of internal auditors: during the 2022 fiscal year, one internal audit was carried out, relating to payroll;
- The Audit Committee: over the 2022 fiscal year, the Audit Committee reviewed Befimmo's quarterly accounts closures, and the specific accounting methods. It reviewed, the ongoing litigations and examined the recommendations of the internal audit;
- The Statutory Auditor in the context of its review of the half-yearly and annual accounts.

The Board of Directors supervises the performance of the duties of the Audit Committee in that connection, notably through that Committee's reporting.

Other stakeholders

STATUTORY AUDITOR

The Statutory Auditor is appointed with the prior approval of the FSMA. He exercises two kinds of control. Firstly, in accordance with the Code of Companies and Associations, He checks and certifies the financial information in the annual accounts. Secondly, in accordance with the law, he cooperates with FSMA's controls. The FSMA may also ask him to confirm the accuracy of other information sent to the FSMA.

The Befimmo General Meeting of 28 April 2020 renewed the mandate of EY Bedrijfsrevisoren/Réviseurs d'entreprises BV/SRL as the Company's Statutory Auditor, with registered office at De Kleetlaan 2, 1831 Diegem, entered in the trade register under number 0466.334.711, RPM Brussels, represented by Mrs Christel Weymeersch, Partner, Auditor, for three fiscal years.

The Statutory Auditor's fees for the 2022 fiscal year amounted to €82,670.90 excluding VAT. In the 2022 fiscal year he also provided additional services as part of its statutory duties for a fee of €7,705 excluding VAT. Outside their statutory role, during the 2022 fiscal year, EY and affiliated companies provided services related to other non-auditing duties of €13,500 excluding VAT.

EY, represented by the same auditor, is also the Statutory Auditor of the Befimmo's subsidiaries. The fees of the Statutory Auditor for auditing the financial statements for the 2022 fiscal year of Fedimmo, ZIN in Noord, ZIN in Noord 2025, Loi 52, Befimmo Property Services, Meirfree, Vitalfree and Silversquare Belgium and its subsidiary totalled €89,229.34 excluding VAT.

Auditing for the Luxembourg subsidiaries, Axento SA and Kubissimmo SàRL, is performed by EY, with its registered office at Avenue John F. Kennedy 35E, 1855 Luxembourg, entered in the Luxembourg register of commerce and companies under number B 47.771 and with establishment licence No 00117514, represented by Mr René Ensch, Partner. The fees for auditing the accounts of Axento SA and Kubissimmo SàRL for the 2022 fiscal year amount to €22,583 excluding VAT.

Outside their statutory role, during the 2022 fiscal year, EY (Luxembourg) has not provided services related to other non-auditing duties.

The method of calculating the remuneration of the Statutory Auditor depends on the type of work performed:
- For auditing the accounts of companies in the group, a lump sum is established;
- For other work, the fees are determined on the basis of the number of hours worked multiplied by an hourly rate, depending on the seniority of the employee involved in the work.

The rule on the "Statutory Auditor's non-audit services ratio" was fully observed in respect of the Statutory Auditor's services.

REAL-ESTATE EXPERTS

For the 2022 fiscal year, Befimmo used three real-estate experts: Mr Rod P. Scrivener (JLL - avenue Marnix 23, 1000 Brussels), Mr Ardalan Azari (Cushman & Wakefield, company under Dutch Law, acting through its Belgian branch Wissinger & Associés SA - rue Royale 97, 1000 Brussels) and Mr Pieter Paepen (CBRE - Chaussée de Waterloo 160, 1000 Brussels). Mr Rod P. Scrivener also had the task of coordinating property valuations for the Company.

These mandates were granted in accordance with the provisions of the Royal Decree of 13 July 2014. The three-year appointment runs from 1 January 2021 to 31 December 2023.

For the 2022 fiscal year, the fees paid to these experts for their quarterly valuations amounted to:
- JLL - Rod P. Scrivener: €61.125,00 excluding VAT;
- C&W - Ardalan Azari: €72.332,90 excluding VAT;
- CBRE - Pieter Paepen: €78.600,00 excluding VAT.

No additional fees were paid to these experts in 2022 for occasional valuations.

FINANCIAL SERVICE

The Company's financial service is provided by ING Belgium, which received remuneration of €12,628,32 (including VAT) on that account in 2022. This remuneration is variable, depending on the amount of the dividend paid out and the realisation of a dividend in optional form.

Research and development

Over the fiscal year, Befimmo carried out R&D activities related to the potential of various markets, the changing working environment and new services to be offered to its tenants. Nevertheless, in 2022, a limited and lower budget compared to previous years was dedicated to innovation and R&D. This is due to the exceptional year and the important workload of the teams linked to the Takeover Bid which occurred at the beginning of 2022 and ended just after the closing, i.e. at the beginning of 2023.

In 2022, total resources devoted to research and development amount to €359,500.

Rules for preventing conflicts of interest

PRINCIPLES

During the 2022 fiscal year, Befimmo was, a.o. in its capacity of listed company and of BE-REIT simultaneously governed by the following rules regarding the prevention of conflicts of interest:

- The applicable legal provisions, common to listed companies, as per Articles 7:96 and 7:97 of the Code of Companies and Associations;
- A specific regime provided for by Article 37 of the BE-REIT Law, which provides in particular for the obligation to notify the FSMA prior to certain transactions planned with persons covered by that provision, to carry out such operations at normal market conditions and to disclose such operations to the public; and
- The additional rules specified in its Corporate Governance Charter.

These rules and their application throughout the 2022 fiscal year are described hereafter.

ARTICLE 7:96 OF THE CODE OF COMPANIES AND ASSOCIATIONS

Pursuant to Article 7:96 of the Code of Companies and Associations, if a director has a direct or indirect interest of financial nature that conflicts with a decision or transaction that falls to the Board of Directors (subject to certain exceptions), he/she shall notify the other members before itis discussed by the Board. His or her statement, as well as the explanation on the nature of such conflicting interest, must be included in the minutes of the meeting of the Board of Directors which is to take the decision.

The conflicted Director may not take part in the discussions of the Board of Directors relating to the transactions or decisions concerned, nor take part in the vote.

In its report on the annual accounts, the Statutory Auditor shall assess the financial consequences for the Company of the decisions of the Board of Directors for which there is a conflicting interest. In addition, the relevant part of the minutes shall be reproduced in the management report.

ARTICLE 7:97 OF THE CODE OF COMPANIES AND ASSOCIATIONS

Pursuant to Article 7:97 of the Code of Companies and Associations, if a listed company is contemplating a transaction with a related party (subject to certain exceptions), it must submit the envisaged transaction for consideration of an ad hoc Committee consisting of three independent directors. This Committee, if it deems it necessary, can be assisted by one or several independent expert(s). The ad hoc Committee must provide a detailed and reasoned opinion on the proposed transaction. The Board of Directors may only take its decision after having read such opinion and must substantiate this decision if it decides to derogate from the opinion of the ad hoc Committee.

The Statutory Auditor must deliver an opinion as to the accuracy of the financial information contained in the opinion of the ad hoc Committee and the minutes of the Board of Directors.

The above-mentioned transactions with a related party shall be publicly announced at the latest at the time the decision is made or the transaction is concluded, including the respective opinions of the ad hoc Committee and of the Statutory Auditor, as well as, if applicable, the reasons for deviating from the ad hoc Committee's opinion.

In addition, the management report shall contain an overview of all announcements made pursuant to article 7:97 of the Code of Companies and Associations during the past fiscal year.

ARTICLE 37 OF THE BE-REIT LAW AND ARTICLE 8 OF THE BE-REIT ROYAL DECREE

Articles 37 of the BE-REIT Law and Article 8 of the BE-REIT Royal Decree require, subject to certain exceptions, public BE-REITs to notify the FSMA in advance of any transaction that a public BE-REIT or a company within its perimeter[1] envisages to carry out with certain persons (a.o. persons having a shareholding in the public BE-REIT or in a company of its perimeter, affiliated persons, as well as directors or members of the Executive Committee of the public BE-REIT or a company of its perimeter), if these persons directly or indirectly act as a counterparty or obtain any benefit of a pecuniary nature in connection with the transaction.

When notifying the FSMA, the public BE-REIT must demonstrate that the envisaged transaction is (i) in its interest and (ii) in line with its strategy. The transaction must in addition be carried out under normal market conditions. If the transaction involves a property, the independent real-estate expert of the public BE-REIT must determine its fair value, which is the minimum price at which the asset may be disposed of or the maximum price at which it may be acquired.

The public BE-REIT must inform the public at the time the transaction is entered into and comment on this information in its annual financial report.

1. "Company within the perimeter" means a company in which the BE-REIT directly or indirectly holds more than 25% of the capital, including its subsidiaries, pursuant to Article 2(18) of the BE-REIT Law.

ADDITIONAL PREVENTIVE RULES PROVIDED FOR BEFIMMO'S CORPORATE GOVERNANCE CHARTER

Confidentiality in the Board of directors

Wherever it would be contrary to the interests of the shareholders of Befimmo for the director concerned to be informed of the terms under which Befimmo plans to complete a transaction, he/she will not be sent the preparatory notes; he/she will refrain from attending the Board's deliberation pertaining to such transaction, and the item will be added as an annex to the minutes of the Board meeting, that shall not be provided to him/her. These rules cease to apply when they are no longer relevant (i.e., generally after Befimmo has completed the transaction or decided not to pursue it).

Policy concerning transactions with Directors not covered by Article 7:96 of the Code of Companies and Associations

In the event Befimmo undertakes to conclude with a Director or a company controlled by the latter or in which he/she has a shareholding other than insignificant, a transaction not covered by Article 7:96 of the Code of Companies and Associations (for example, because it is an ordinary transaction complying with normal terms and conditions and guarantees of the market), Befimmo nonetheless considers necessary:

- That such Director notifies the other Directors prior to the Board's deliberation;
- That his/her statement as well as the reason for the non-application of Article 7:96 of the Code of Companies and Associations are added to the minutes of the Board of Directors who will make the decision;
- That the concerned Director refrains from attending the Board's deliberation related to such transaction, or from voting;
- That whenever it would be contrary to the interests of the shareholders of Befimmo for the Director concerned to be informed of the terms under which Befimmo plans to complete a transaction, he/she will not be sent the preparatory notes and the item will be added as an annex to the minutes, that shall not be provided to him/her.

In any case, the transaction must in any case be carried out at arm's length.

However, the minutes reporting the concerned transaction need not be reproduced in the Annual Report. Where this policy is applied a comment on it shall be included in the corporate governance statement of the Annual Report.

This policy also applies, mutatis mutandis, to transactions between a Director of Befimmo and a subsidiary of the latter.

Policy regarding transactions with a member of the Executive Committee

Under Befimmo's Corporate Governance Charter, the policy described in the previous paragraph also applies, mutatis mutandis, to transactions between, on the one hand, Befimmo and its subsidiaries and, on the other hand, the members of the Executive Committee. The concerned member will inform the Executive Committee of potential conflicts of interest, and, where necessary, refrain from discussing and voting on the relevant point. In addition, the point or file concerned by the conflict of interest is put on the agenda of the meeting of the Board of Directors for deliberation and decision; the concerned transaction must be concluded at arm's length.

Directors and corporate opportunities

Since Befimmo's Directors are appointed on the basis of their knowhow and experience in real estate, they frequently hold Directorships in other real-estate companies or in companies controlling real-estate companies. Consequently, it may happen that a transaction proposed to the Board of Directors (such as the purchase of a property at auction) could interest another company in which a Director holds a position. In that case, which may in certain circumstances give rise to a conflict of duties, Befimmo has decided to apply a procedure modelled closely on Article 7:96 of the Code of Companies and Associations relating to conflicts of interest.

The Director involved must immediately notify the Chairman of the Board of Directors and the Chief Executive Officer that such situation has arisen. Where possible, the Chief Executive Officer shall also verify that the situation effectively exists.

Once the risk has been identified, the concerned Director and the Chairman of the Board of Directors or the Chief Executive Officer shall consider together whether the "chinese walls" procedures adopted within the organisation that the Director belongs to are sufficient to allow him/her to attend, unchallenged and at his/her sole responsibility, the meetings of the Board of Directors. Where no such procedures have been put in place or where the Director concerned or the Board of Directors takes the view that it would be more sensible for that director not to attend, then he/she shall withdraw from the discussion and decision-making process: he/she shall not be provided the preparatory notes, he/she shall withdraw from the meeting of the Board of directors when the item is being discussed and such item will be included as an appendix to the minutes, which shall not be provided to him/her.

The minutes of the Board of Directors shall record that this procedure has been complied with or state the reason why it has not.

This procedure ceases to apply as soon as the risk no longer exists (for example, because either Befimmo or the competing company has decided not to make an offer). If necessary, this procedure should be combined with Article 7:96 of the Code of Companies and Associations where applicable (for example, when the Director has a financial interest opposed to that of the Company for the transaction to be entered into by a company other than Befimmo). In the latter case, all of the relevant extracts from the minutes of the Board of Directors must also be reproduced in the management report.

Befimmo has not detected any other scenarios of potential conflicts of interest.

MANDATORY DISCLOSURES PURSUANT TO THE CODE OF COMPANIES AND ASSOCIATIONS (ARTICLES 7:96 AND 7:97)

Over the 2022 fiscal year, one decision or transaction gave rise to the application of Article 7:96 of the Code of Companies and Associations.

At its meeting of 7 March 2022, the Board of Directors discussed (i) the determination of variable remuneration of Mr Jean-Philip Vroninks as CEO and of the other members of the Executive Committee for the 2021 fiscal year. Pursuant to Article 7:96 of the Code of Companies and Associations, Mr Vroninks did not take part in the discussions or decision of the Board of Directors on his remuneration. The relevant excerpt from the minutes is reproduced hereafter.

Excerpt from the minutes of the meeting of the Board of Directors of Befimmo SA of 7 March 2022[1]

"Before starting the discussion on this agenda item, Mr. Jean-Philip Vroninks, Chief Executive Officer, announced the existence of a potential conflict of interests of financial nature within the meaning of Article 7:96 of the Code of Companies and Associations (CCA). He states that the conflict of interest arises from the fact that part of the decisions to be taken relate to his variable remuneration for the 2021 fiscal year.

The Board of Directors takes note of this statement and notes that the Chief Executive Officer left the meeting during the deliberations and decisions on the items that concerned him.

The Appointment and Remuneration Committee reports on the Committee's work and sets out the Committee's recommendations which are then discussed as follows.

(...)

The members of the Appointment and Remuneration Committee present the proposals made by the Committee with regard to the variable remuneration of the members of the Executive Committee for the financial year 2021 and with regard to the performance criteria and the target variable remuneration for the financial year 2022. These proposals take into account the performance of the BE-REIT, as well as the achievement of both quantitative and qualitative objectives linked to its strategy.

5.3.1 Appraisal and determination of the variable remuneration of the Chief Executive Officer for the 2021 fiscal year - Performance criteria and target variable remuneration for the financial year 2022

Resolutions : *After having deliberated, the Board of Directors, with the exception of the Chief Executive Officer who does not take part in the deliberations or decisions relating to these items:*

- *Approves the proposal of the Appointment and Remuneration Committee to grant Mr Jean-Philip Vroninks, for his function as Chief Executive Officer of Befimmo SA in 2021 (i.e. for the period from 1 June to 31 December 2021), a variable remuneration of €90,000; in addition, on the basis of the performance of Befimmo Property Services SA ("BPS"), it will be proposed to the Board of Directors of the latter to grant a variable remuneration of €60,000 to its managing director, Revron GCV, represented by its permanent representative, Mr Jean-Philip Vroninks; this brings the total variable remuneration to €150,000 for the 2021 fiscal year;*
- *Sets the target amount of the variable annual remuneration attributable to the CEO for the financial year 2022 (...);*
- *Sets the main targets and performance criteria for the award of his variable remuneration relating to the 2022 fiscal year as follows: net current result per share (30%), operating margin (15%), occupancy rate of buildings (15%), cost of financing (20%) and ESG: well-being of the team (20%); this first set of criteria (directly linked to Befimmo's performance) will represent 75% of his variable remuneration. Additional individual targets, representing 25% of his variable remuneration, will be set, in line with the CEO's specific responsibilities."*

During the 2022 fiscal year, no decision or transaction gave rise to the application of Article 7:97 of the Code of Companies and Associations.

1. Free translation of the French version.

APPLICATION OF ARTICLE 37 OF THE BE-REIT LAW

Over the 2022 fiscal year, one decision or transaction gave rise to the application of Article 37 of the BE-REIT Law.

At its meeting of 7 November 2022, the Board of Directors discussed the transfer of 46,486 shares in ZIN in Noord SA held by Fedimmo SA to Befimmo SA in order to facilitate the conversion of ZIN in Noord SA from the BE-REIT-status to the FIIS status.

Prior to the deliberation, the Board of Directors noted that the envisaged transaction fell within the scope of the procedure for the prevention of conflicts of interest provided for in article 37 of the BE-REIT Law, given that Fedimmo SA and Befimmo SA were affiliated companies (Fedimmo SA being wholly-owned by Befimmo SA). Consequently, the Board of Directors noted that:

- Prior to the conclusion of the envisaged transaction (as the case may be), Befimmo SA must inform the FSMA of the envisaged transaction by establishing that this transaction (i) is of interest to it and (ii) is in the normal course of its corporate strategy; and
- The envisaged transaction must (as the case may be) be carried out under normal market conditions.

It noted that the envisaged transfer would be carried out under market conditions, in particular with regard to the price, as this is based on the most recent fair value as it emerges from the valuation report drawn-up by the expert valuer Jones Lang LaSalle with regard to the assets of ZIN in Noord SA on 30 September 2022.

Furthermore, the Board of Directors acknowledged that the envisaged transaction was part of the implementation of the first phase of the reorganisation process of the Befimmo Group planned by Alexandrite Monnet Belgian Bidco SA, a reorganisation that would benefit Befimmo SA and Fedimmo SA. Indeed, such a reorganisation had the potential to create important levers to enhance the value and potential of the Befimmo Group (to which Befimmo SA and Fedimmo SA belong) in the short and long term, not only in view of the experience and know-how of the Brookfield Group but also in view of a form of shareholder stability within Befimmo SA, which would favour its further development as well as that of its subsidiaries, amongst which Fedimmo SA.

Consequently, the Board of directors concluded that the envisaged transaction (i) was in the interest of both Befimmo SA and Fedimmo SA and (ii) was in the normal course of their respective strategies and resolved on the transfer of the 46,486 shares in ZIN in Noord SA held by Fedimmo SA to Befimmo SA, it being understood that this transaction would only be concluded after information of the FSMA.

The FSMA was informed of the envisaged transfer prior to its conclusion, which occurred on 8 November 2022.

TRANSACTIONS NOT COVERED BY THE STATUTORY PROVISIONSON CONFLICTS OF INTEREST, BUT COVERED BY BEFIMMO'S CORPORATE GOVERNANCE CHARTER

Pursuant to the rules for the prevention of conflicts of interest contained in Befimmo's Corporate Governance Charter:

- Mr Wim Aurousseau, Director linked to AXA Belgium SA, did not take part in the discussion or decisions relating to the preliminary phase of the voluntary public tender offer on all shares of Befimmo SA by an entity fully controlled by one of Brookfield's real estate private funds;
- Mr Kurt De Schepper, Director linked to AG Real Estate SA, did not take part in the discussions or decisions relating to the preliminary phase of the voluntary public tender offer on all shares of Befimmo SA by an entity fully controlled by one of Brookfield's real estate private funds;
- Mr Amand Benoit D'Hondt, Director linked to AG Real Estate SA, did not take part in the discussions or decisions relating to one project submission.

LOOM

Compliance

RULES TO PREVENT MARKET ABUSE

Principles

The Corporate Governance Charter embodies rules designed to prevent market abuses, applicable to the Directors, members of the Executive Committee, and staff of Befimmo, and anyone else who may have access to insider information through their involvement in the preparation of a particular transaction.

These rules have been supplemented by a code of conduct (the Dealing Code) designed to raise the awareness of the persons concerned of their principal obligations and to lay down internal procedures to be followed in that regard. The Dealing Code is laid down by the Board of Directors and all employees receive and sign a copy when taking up their post, as part of a training provided by the Chief Compliance Officer. The Dealing Code is regularly updated to take account of relevant regulatory developments, and is published on the Befimmo website.

The Chief Compliance Officer is responsible for ensuring these rules are complied with in order to reduce the risk of market abuses by insider trading. To that end, she makes and keeps up-to-date lists of persons having access to insider information, particularly in the context of specific transactions (in which case they may not disclose the information or carry out transactions on the financial instruments issued by Befimmo) and anyone likely to have such access on a regular basis. Where such persons plan to carry out transactions on financial instruments issued by Befimmo, they must first notify the Chief Compliance Officer in writing of their intention to carry out the transaction. Within 48 hours of receiving such notice, the Chief Compliance Officer has to inform the person concerned if there is any reason to believe that the projected transaction would amount to insider trading. If so, he or she will be advised not to carry out the transaction.

During so-called “closed” periods (a certain period preceding the publication of Befimmo’s annual, half-yearly and quarterly results) or “prohibited” periods (a limited period during which the Company and/or certain Directors, certain Officers or certain employees are in possession of Inside Information), Directors, members of the Executive Committee, and employees may not trade in Befimmo financial instruments.

These rules are applicable to all directors, members of the Executive Committee, employees, and certain consultants working on a regular basis with Befimmo. Furthermore, the directors and members of the Executive Committee must notify the FSMA of transactions conducted on their own account relating to the Company shares within three business days of the transaction concerned being carried out[1].

Application

Mrs Aminata Kaké holds the position of Chief Compliance Officer of Befimmo.

The Befimmo Dealing Code was updated most recently on 16 February 2022.

The above-mentioned rules were applied without giving rise to any difficulties.

CODE OF ETHICS

In accordance with its Code of Ethics, Befimmo undertakes always to act in the respect of the laws and regulations governing all the economic sectors of the country and in the respect of ethical values, whether in its dealings with clients, staff members, shareholders, partners or the public authorities.

Such Code of Ethics further verbalises Befimmo’s commitments with regard to the respect for human rights, the prevention of market abuse, the fight against corruption and money laundering, the protection of personal data, the promotion of diversity and inclusion and its philanthropic activities and associative partnerships.

This Code of Ethics has been supplemented with a Whistleblowing Policy, an Anti-corruption Policy, a Client and Counterparty Acceptance Policy, a Privacy Policy, a Policy on Diversity and Inclusion and a Philanthropy and Associative Partnership Policy.

Application

The Code of Ethics was updated most recently on 16 February 2022. On the same day, the Whistleblowing Policy, the Anti-corruption Policy, the Policy on Diversity and Inclusion and the Philanthropy and Associative Partnership Policy were either updated or codified.

In 2022, specific training was provided to the team with regard to the updated Code of Ethics and the amended and newly codified policies.

The above-mentioned rules were applied without giving rise to any difficulties.

PREVENTION OF RISKS OF MONEY LAUNDERING AND TERRORISM FINANCING

Befimmo has developed and implemented a Client and Counterparty Acceptance Policy (the "CAP"), enabling it to subject the entry into business relations with Clients or the conclusion of transactions with Counterparties to a prior assessment of potential money laundering, terrorist financing and reputation risks associated with the Client’s or Counterparty’s profile or with the considered transaction.

After entering into a business relationship, a continuous monitoring system is put in place.

Regular information and specific training sessions are provided by the Chief Compliance Officer and her team to operational staff members.

1. This obligation also applies to transactions carried out by natural or legal persons closely linked to them.

The CAP is assessed on a regular basis (and at least once a year), to take into account any relevant business or regulatory developments.

Application

The CAP was applied without any difficulties and the training or update sessions were provided to operational staff members.

The above-mentioned rules were applied without giving rise to any difficulties.

PERSONAL DATA PROTECTION

The General Data Protection Regulation (GDPR) was put into effect in 2018, aiming to protect individuals' fundamental right to protection of their personal data. In this framework, Befimmo has implemented a Privacy Policy covering all its activities. Specific Data Protection Agreements have been concluded with suppliers, subcontractors, counterparties, etc. Regular information and training sessions are provided by the Chief Compliance Officer and her team to operational staff members.

Moreover, Befimmo has opted for a “compliance-by-design” approach in the development of its activities.

The Befimmo Privacy Policy entered into force on 25 May 2018. It is regularly assessed, taking into account any relevant business or regulatory development.

Application

The above-mentioned rules were applied without giving rise to any difficulties.

WHISTLEBLOWING POLICY

Early 2022, Befimmo extended its pre-existing Whistleblowing Policy to all the business areas and fields of activities covered by the recently enacted EU Directive on the Protection of Persons who report breaches of Union law[1] (the “Directive”).

All Befimmo’s staff members are from now on able to report (via an internal procedure) infringements of the following rules:

- Infringement of the rules of EU law in the areas listed by the Directive (in particular in the following areas: public procurement, financial services, products and markets and the prevention of money laundering and terrorist financing, protection of privacy and personal data and security of networks and information systems, etc.) as well as in the fight against fraud and tax evasion; or
- In general, any other infringement of Befimmo's internal policies (e.g. Governance Charter, Code of Ethics, Dealing Code, Anti-corruption Policy, Client and Counterparty Acceptance Policy, Befimmo’s Labour Terms, Philanthropy and associative partnership Policy, Policy on Diversity and Inclusion, etc.)

The procedure provides a system aimed at giving each staff member the necessary means to report breaches to a central contact point within Befimmo, in complete confidentiality and without fear of reprisals in the broadest sense.

Application

The Whistleblowing Policy was applied without giving rise to any difficulties.

CYBERSECURITY

Internal and external audits are conducted on a regular basis within Befimmo concerning the IT security risks as a whole. The findings, recommendations and mitigation action plan to be taken in this context are reviewed by the Executive Committee, the Audit Committee and then reported to the Board of Directors.

Moreover, a cyber resilience program has been set up by Executive Committee, under the lead of the Head of Technology & Data Solutions and its progress is reviewed by the Executive Committee and Audit Committee on a regular basis.

1. Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law.

Share ownership, structure and organisation

SHARE OWNERSHIP

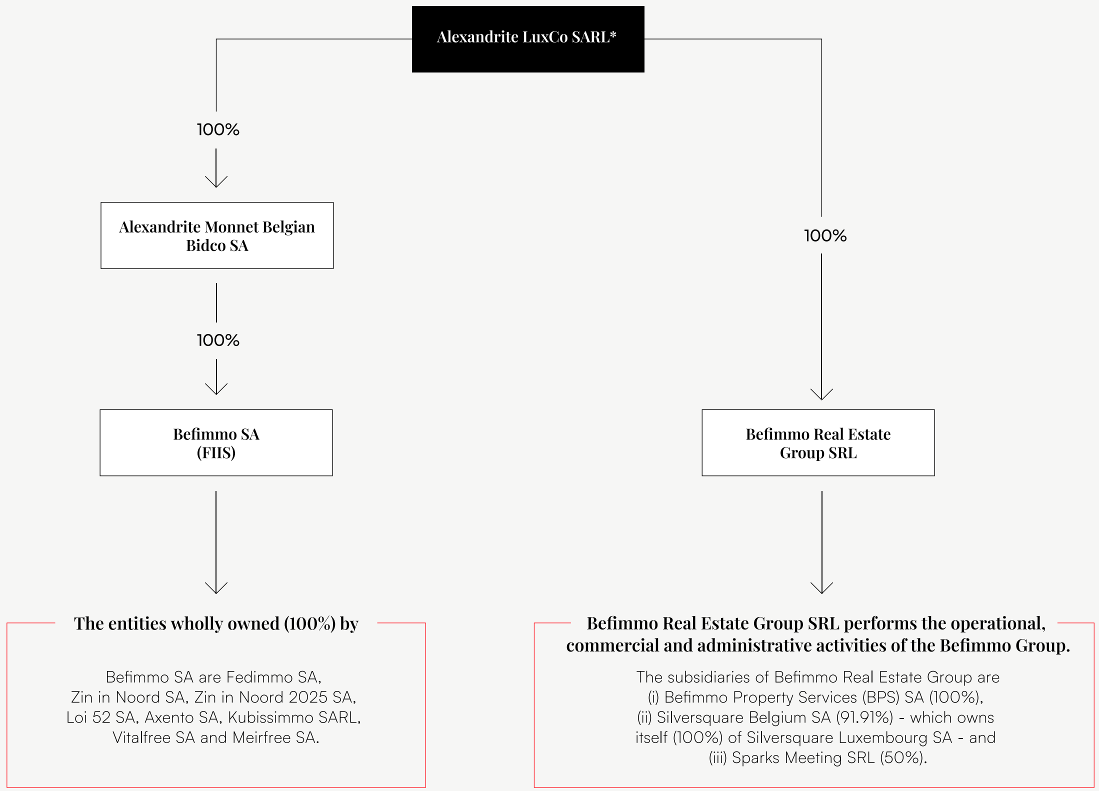
Following the completion the simplified takeover bid and the settlement thereof on 6 January 2023, Befimmo is currently 100% owned by Alexandrite Monnet Belgian Bidco SA, an entity wholly controlled by one of Brookfield's real estate private funds.

The shares of Befimmo were delisted from the Euronext Brussels market on 3 January 2023 after close of trading.

STRUCTURE AND ORGANISATION

Following the restructuring of the Befimmo group in the context of the simplified takeover bid, the structure of the Befimmo group is now as follows.

STRUCTURE AND ORGANISATION



* An entity fully controlled by one of Brookfield's real-estate private funds.

MANAGEMENT REPORT

Risk Factors

About this chapter

This chapter covers risks identified as potentially affecting the Company. The risks and impacts, which are described, already take into account the measures the Company has taken to anticipate them and mitigate their potential impact. 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. 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 at the time of writing this Annual Financial Report, and reflects only the specific and most material risk factors faced by the Company.

Risk Factors

We first present the risks related to the strategy, thereafter the risks related to the business, the financial risks, the ESG risks and finally the risks related to regulation. In each category, the risks are ranked in order of importance of the residual risk, according to the probability of their materialisation and the estimated extent of their negative impact on the Company.

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.

STRATEGIC (S)	PROPERTY PORTFOLIO (P)	FINANCIAL (F)	ESG (E)	REGULATIONS (R)
Evolving ways of working (S1)	Fair value of properties (P1)	Financial liquidity (F1)	Climate change (E1)	Non-compliance of the buildings with the applicable regulations (R1)
Rental vacancy (S2)	Inadequate insurance cover (P2)	Changing credit margins (F2)	Environmental risk (E2)	FIIS status (R2)
(Re)development activities (S3)	Deterioration and obsolescence of buildings (P3)	Changing interest rates (F3)	Social risk (E3)	
Segmental concentration (S4)	Inflation and deflation (P4)	Obligations contained in financing agreements (F4)		
Geographical concentration (S5)				
Default of tenants (S6)				

Main risks related to strategy

Description of risk	Potential impact
S1. RISK RELATED TO EVOLVING WAYS OF WORKING	
Office space is being used in increasingly flexible and mobile ways. New technology and digitalisation are facilitating the transformation from a static and "sequential" mode of operation to more dynamic business environments. Businesses are looking for pleasant and flexible working environments to help attract talent and develop collective intelligence. This risk was accentuated by the pandemic, that accelerated the shift in working patterns (increased homeworking). The coworking business model is still developing. As of 31 December 2022, the portfolio of Befimmo consists of nearly 100% of office buildings and coworking spaces. The revenues as real-estate operator represent 88% of the rental income and the coworking spaces 12%.	Tenants renting fewer square meters per employee) may lead to a decline in buildings' occupancy rates. See S2 for the impact of an increase in rental vacancy. Conventional office environments no longer meet expectations, which may result in greater investments to make the buildings attractive to the new requirements of the occupants (see S3 and P3). Increased investments to prevent cybersecurity attack.
S2. RISK 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. At 31 December 2022, the weighted average duration of Befimmo's current leases and future signed leases until the next expiry of investment properties was 9.5 years. The occupancy rate of the properties available for lease at 31 December 2022 was 95.3%, compared with 95.5% at 31 December 2021. PROPERTY REPORT, P.25	Decline in occupancy rates and a reduction in the operating results of the portfolio. On an annual basis as of 31 December 2022, a 1% fluctuation in the occupancy rate of the Company's portfolio would have an impact of some €1.7 million on its property operating results, -€0.06 on the net asset value per share, and +0.06% on the debt ratio. Direct costs related to rental vacancies, namely charges and taxes on unlet properties, are estimated on an annual basis at €1.9 million, equivalent to around 1.4% of total rental income. Higher marketing expenses for properties available for lease. Fall in the fair value of buildings (see P1).

Description of risk	Potential impact
S3. RISK RELATED TO (RE)DEVELOPMENT ACTIVITIES	
Risk associated with the renovation or (re)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: - Changes in ways of working and tenants' requirements between obtaining permits and the commercialisation of the building; - The choice of service providers (architects, contractors, specialist lawyers, etc.); - Possible delays in permit obtention; - Construction (costs, delays, environmental damage and organisational problems, compliance, etc.). (RE)DEVELOPMENT PROJECTS, P.39 As of 31 December 2022, the fair value of the buildings concerned by the mentioned projects represents 16% of the total fair value of the portfolio.	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.
S4. RISK OF SEGMENTAL CONCENTRATION	
The portfolio is almost entirely composed of office buildings and coworking spaces (with the exception of a few shops on the ground floor of some buildings).	Sensitivity in terms of occupancy (S2) and valuation of the portfolio (P1) to the evolution of the office and coworking property market.
S5. RISK OF GEOGRAPHICAL CONCENTRATION	
The portfolio is not very diversified in terms of geography. It consists of office buildings and coworking spaces, mainly located in Brussels and its economic hinterland (73.4%[1] of the portfolio as at 31 December 2022).	Sensitivity to developments in the Brussels office and coworking property market in terms of valuation (P1) and occupancy (S2) of the portfolio, which is characterised by a significant presence of European institutions and related activities.
S6. RISK RELATED TO THE DEFAULT OF TENANTS	
Risks related to insolvency of tenants, as well as non-payment of the rent and rental charges. In 2022, 99.6% of rents due for 2022 were collected. TENANTS, P.35 FINANCIAL STATEMENTS - NOTE 33A CREDIT RISK, P.188	Loss of rental income and increase in property charges due to non-recovery of rental charges and unexpected vacancy.

1. Calculated on the basis of the fair value of investment properties at 31 December 2022.

Main risks related to the property portfolio

Description of risk	Potential impact
P1. 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 undervaluing properties in relation to their actual market value. This risk is accentuated in market segments where a limited number of transactions provide few points of comparison: this holds true to some extent in the Decentralised areas and Periphery of Brussels (5.4%[1] of the portfolio), and more generally in the Belgian provincial towns. Risk accrued in case of an increase in rental vacancy (S2). CONCLUSIONS OF THE REAL-ESTATE EXPERT COORDINATOR, P.52	Impact on the Company's net results, equity, debt[2] and LTV[3] ratios. Impact on the Company's ability to distribute a dividend 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. APPROPRIATION OF RESULTS (STATUTORY ACCOUNTS), P.110 FINANCIAL STATEMENTS - SHAREHOLDERS' EQUITY THAT CANNOT BE DISTRIBUTED ACCORDING TO ARTICLE 7:212 OF THE COMPANY CODE, P.211 On the basis of the data as at 31 December 2022, a 1% decline in the value of the property assets would have an impact of around -€27.5 million on net results, entailing a change of around -€1.02 in the net asset value per share, around +0.44% in the debt ratio, and around +0.44% in the LTV ratio.
P2. RISK RELATED TO INADEQUATE INSURANCE COVER	
Risk of a major loss affecting Befimmo's buildings with inadequate cover, especially in view of emerging unforeseen events related to climate change (e.g. floods, wildfires, etc.) (E1). ACQUISITION PRICE AND INSURED VALUE ON PROPERTIES OF BEFIMMO'S CONSOLIDATED PORTFOLIO, P.37	Costs of refurbishing the affected building. Fall in operating results of the portfolio and in the fair value of the building (P1) following the termination of the lease on unused premises, and therefore an unexpected rental vacancy (S2).
P3. RISK OF DETERIORATION AND OBSOLESCENCE OF BUILDINGS	
Risk of wear and tear and obsolescence relating to increasingly stringent (legislative, societal or environmental) requirements. Befimmo's asset rotation strategy aims to crystallize the value of a property at an optimum point in the asset's life cycle. BUILDINGS OF BEFIMMO'S CONSOLIDATED PORTFOLIO, P.49 At 31 December 2022, 88% of Befimmo's consolidated portfolio was covered by "total guarantee" maintenance or omnium agreements[4].	Rental vacancies (S2). Investments needed for buildings to meet regulatory requirements (R1) and tenants' expectations (S1).

1. Calculated on the basis of the fair value of investment properties at 31 December 2022.
2. The debt ratio is calculated in accordance with the Royal Decree of 13 July 2014.
3. Loan-to-value (LTV) = (nominal financial debts - cash)/fair value of the portfolio.
4. These agreements cover repairs and replacement to the same or identical function of a number of technical equipment (HVAC, electricity, lifts, etc.) to maintain the installation in good working order and to ensure that performance is maintained.

Description of risk	Potential impact
P4. RISK OF INFLATION AND DEFLATION	
Risk of deflation on income, as Befimmo leases contain clauses indexing rents to changes in the Belgian health index. In line with general practice, 97.2%[1] of the leases in Befimmo's consolidated portfolio contain provisions with a view to mitigating the effects of any negative indexing: - 30.0% provide for a floor on the basic rent; - 67.2% contain a clause that sets the minimum at the level of the last rent paid. The remaining 2.8% of the leases do not provide for any minimum rent. 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 per percentage point change in the health index.

LIVIN

1. Based on the gross current rent as at 31 December 2022.

Main financial risks

Description of risk	Potential impact
F1. 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. As of 31 December 2022, the debt ratio provided by financing from banking institutions amounted to 98% spread over nine banks (Belfius, BNP Paribas Fortis, ING, KBC, BECM (CM-CIC group), Société Générale, Deutsche Bank AG, BNP Paribas S.A. and J.P. Morgan SE), representing €2,092.7 million of available credit lines. The remainder is provided by a number of private placements in Europe. As of 31 December 2022, the Company had confirmed unused credit lines of €816 million, 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 of 13 July 2014) amounted to 46.9% at 31 December 2022 (the statutory limit being 65%) compared to 43.1% as at 31 December 2021. All other things being equal, the Company has covered its financing needs for the next 12 months. FINANCIAL STRUCTURE, P.108	New financing arranged at a higher cost. Sale of assets under unfavourable conditions.
F2. 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 the net result. In 2023, an amount of €1.5 billion will have to be refinanced. An increase in margins by 10 bps will have an impact of €1.5 million.

Description of risk	Potential impact
F3. 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. Total borrowings as at 31 December 2022: - Borrowings of €529.7 million (41.5% of total debt) are financed at fixed rates (fixed rates specified in agreements or rates fixed by IRS); - The remainder of the debt, €746.6 million, is financed at floating rates, €100 million of which is hedged against rising interest rates by means of optional instruments (CAP). The remaining 50.7% of total borrowings is therefore unhedged. The counterparty banks for the hedging instruments are BECM (CM-CIC group), Belfius, BNP Paribas Fortis, ING, and KBC. As at 31 December 2022, the Company's debt ratio is 46.9% and its LTV ratio is 43.1%. A change in interest rates alters the value of the financial assets and liabilities carried at fair value. At 31 December 2022, the net fair value of all the hedging instruments was €110.2 million. Part of Befimmo's borrowings at 31 December 2022 are arranged at floating rates (96%), which therefore means that the debt does not change in value in line with changes in interest rates.	Increase in financial charges and drop in EPRA earnings and the net result. Without hedging, the impact of a rise in market rates of 0.25% would entail an increase in financial charges estimated at €3.2 million (annual amount calculated based on the debt structure as 31 December 2022). With the hedging arranged at 31 December 2022, the impact of a rise in market rates of 0.25% would entail an increase in financial charges estimated at €1.6 million (annual amount calculated based on the debt structure as at 31 December 2022). A change in interest rates could also have an impact, with a delayed effect, on valuations of the properties in the portfolio. Had the Euro interest rate curve been 0.5% lower than the reference rate curves at 31 December 2022, the change in fair value of the financial assets and liabilities would have been -€21.8 million. In the opposite case, the change in fair value would have been €20.6 million.
F4. 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 (or other obligations) it made when signing those agreements, notably regarding financial ratios. This could also include cross default. 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 unfavourable conditions.

Main environmental, social and governance risks

Description of risk	Potential impact
E1. RISK RELATED TO CLIMATE CHANGE	
Physical risk: - Extreme weather events (e.g., storms, floods, etc.); - Changes in precipitation patterns and extreme variability in weather patterns (e.g. increased average temperatures, etc.). ***Transition risk:*** - Increased cost of resources (water, energy) and building materials and techniques (e.g. recourse to geothermal energy, etc.); - Increasing regulatory requirements and stakeholder expectations regarding sustainability (energy efficiency, cost of carbon, circularity, etc.). CONTRIBUTE TO CLIMATE CHANGE MITIGATION, P.69 CONTRIBUTE TO CLIMATE CHANGE ADAPTATION, P.75	Deterioration of buildings (P3) and potential decrease in the value of buildings (P1). Interruption or slowing down of construction sites (S3). Obsolescence of buildings (P3) and potential decrease in the value of buildings (P1). Additional investments which entail higher costs for the Company in ongoing projects. Additional requirements to access financing (F1).
E1. RISK RELATED TO CLIMATE CHANGE	
During construction sites, there is a risk of water and soil pollution linked to the presence of hydrocarbons, chemicals, etc. There is also a risk of air pollution due to dust emissions, fine particles, etc. (Re)development projects may impact biodiversity due to the loss of vegetation as a result of soil sealing. CONTRIBUTE TO CLIMATE CONTRIBUTE TO POLLUTION PREVENTION AND CONTROL, P.78 CONTRIBUTE TO THE PROTECTION & RESTORATION OF BIODIVERSITY, P.79	Negative impact on the Company's reputation and risk of litigation. Loss of recognitions (certifications, etc.).
E3. SOCIAL RISK	
Despite the policies and procedures (e.g. charter, code of ethics, code of conduct for suppliers, etc.) it has put in place, Befimmo cannot totally exclude the risk that its counterparties may not fully comply with Befimmo's ethical standards. Risk linked to the health, safety and well-being of the team. TAKING CARE OF THE TEAM AND THE COMMUNITY, P.87 CORPORATE GOVERNANCE STATEMENT, P.112	Negative impact on the Company's reputation.

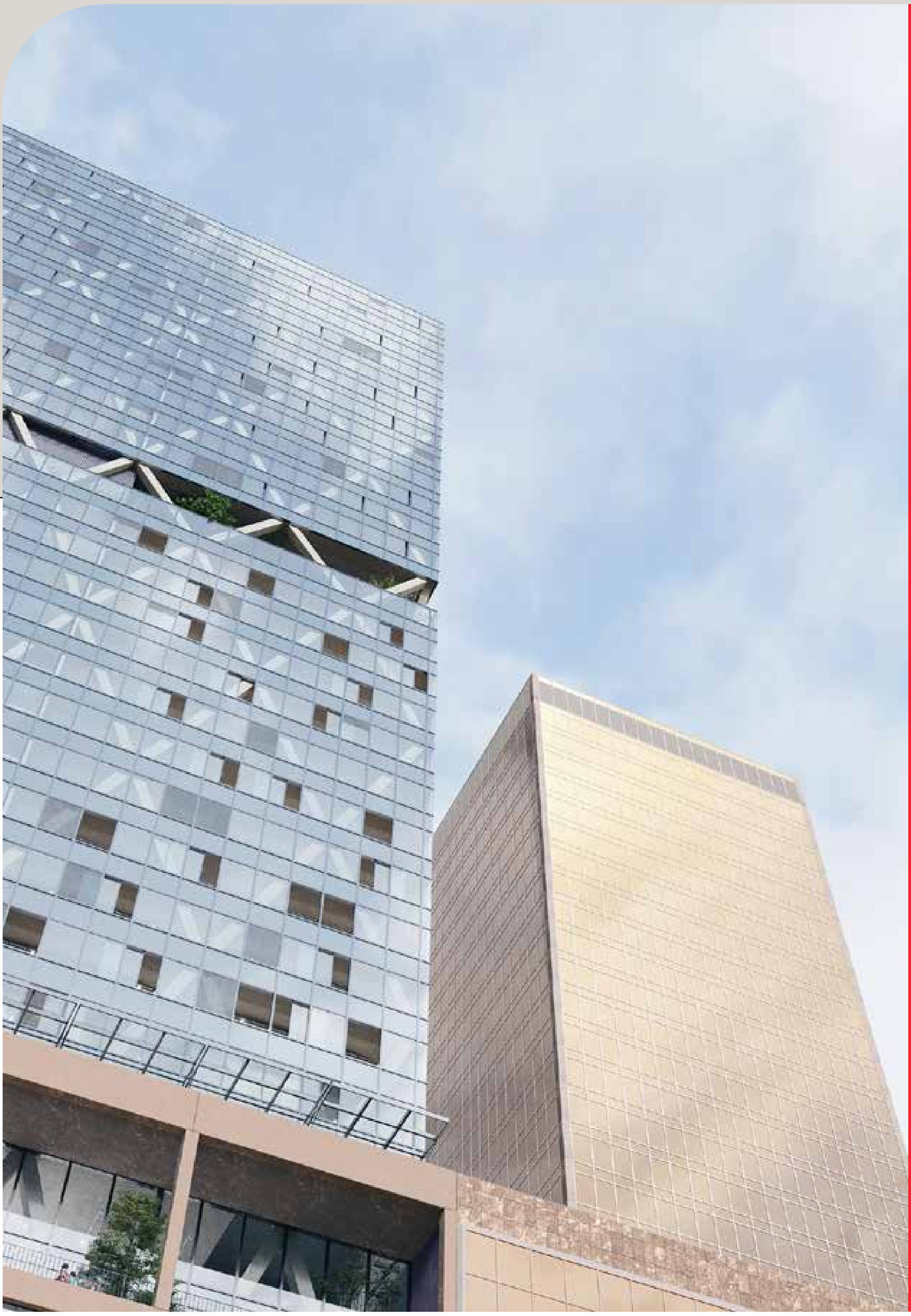
Main risks related to regulations

Description of risk	Potential impact
R1. RISK 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 (P1). The Company could be liable 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.
R2. RISK RELATED TO THE FIIS STATUS	
Risk of non-compliance with the regime of specialised real-estate investment fund (FIIS)[1]. Risk of future adverse changes to that regime, making it less attractive.	Loss of registration on the list of FIIS held by the FPS Finance, and no longer qualifying for the transparent tax regime applicable to FIIS. Adverse tax consequences of the exit of the FIIS status.

1. Please note that this does not apply to Befimmo's subsidiaries that do not have the FIIS status.

03

Financial statements.



03

Financial statements.

Consolidated statement of total comprehensive income (in € thousand)

		Notes	31.12.2022	31.12.2021
I.	(+) Rental income	5	132 998	129 244
III.	(+/-) Charges linked to letting	6	318	-914
NET RENTAL RESULT			**133 316**	**128 329**
IV.	(+) Recovery of property charges	7	8 878	12 125
V.	(+) Recovery of rental charges and taxes normally paid by tenants on let properties	8	23 585	21 104
VII.	(-) Rental charges and taxes normally paid by tenants on let properties	8	-35 117	-30 463
VIII.	(+/-) Other revenue and charges for letting	9	396	197
PROPERTY RESULT			**131 058**	**131 293**
IX.	(-) Technical costs	7	-10 530	-16 055
X.	(-) Commercial costs	7	-955	-2 824
XI.	(-) Charges and taxes on unlet properties	7	-1 900	-2 790
XII.	(-) Property management costs	7	-3 160	-3 049
XIII.	(-) Other property charges	7	-4 470	-4 843
	(+/-) Property charges		-21 015	-29 561
PROPERTY OPERATING RESULT			**110 043**	**101 732**
XIV.	(-) Corporate overheads	10	-26 387	-24 789
OPERATING RESULT BEFORE RESULT ON PORTFOLIO			**83 656**	**76 942**
XVI.	(+/-) Gains and losses on disposals of investment properties	11	-2 704	5 901
XVIII.	(+/-) Changes in fair value of investment properties	12	-146 254	-3 119
XIX.	(+) Other results on portfolio	13	-4 843	-5 839
OPERATING RESULT			**-70 145**	**73 885**
XX.	(+) Financial income	14	1 671	1 455
XXI.	(-) Net interest charges	14	-20 367	-14 893
XXII.	(-) Other financial charges	14	-8 200	-3 736
XXIII.	(+/-) Changes in fair value of financial assets and liabilities	14	131 951	30 579
	(+/-) Financial result		105 056	13 404
PRE-TAX RESULT			**34 911**	**87 289**
XXV.	(-) Corporation tax	15	-1 057	-1 051
	(+/-) Taxes		-1 057	-1 051
NET RESULT		**16**	**33 855**	**86 238**
NET RESULT (group share)			**34 195**	**89 370**
NET RESULT - NON-CONTROLLING INTERESTS			**-340**	**-3 132**
BASIC NET RESULT AND DILUTED (€/share)		**16**	**1.27**	**3.31**
Other comprehensive income - actuarial gains and losses - pension liabilities and others			498	2 484
Other comprehensive income (group share)			498	2 485
Other comprehensive income - non-controlling interests			0	-1
TOTAL COMPREHENSIVE INCOME			**34 353**	**88 722**
TOTAL COMPREHENSIVE INCOME (group share)			**34 693**	**91 855**
TOTAL COMPREHENSIVE INCOME - NON-CONTROLLING INTERESTS			**-340**	**-3 133**

Consolidated statement of financial position (in € thousand)

ASSETS		Notes	31.12.2022	31.12.2021
I.	**Non-current assets**		**2 933 303**	**2 914 490**
A.	Goodwill	17	12 415	16 299
B.	Intangible assets	19	2 355	6 176
C.	Investment properties	18	2 767 296	2 861 185
	Fair value of portfolio (excluding Silversquare)		2 733 881	2 824 655
	Right of use - Fair value of Silversquare leases		33 415	36 531
D.	Other property, plant and equipment	19	19 334	19 118
E.	Non-current financial assets	20	128 210	6 901
F.	Finance lease receivables	21	3 693	4 812
II.	**Current assets**		**149 972**	**67 798**
A.	Properties held for sale	18	17 759	13 133
B.	Current financial assets	20	143	7
C.	Finance lease receivables	21	-	149
D.	Trade receivables	22	34 564	35 217
E.	Tax receivables and other current assets	23	3 223	11 692
F.	Cash and cash equivalents	24	90 698	2 022
G.	Deferred charges and accrued income	25	3 586	5 578
TOTAL ASSETS			**3 083 275**	**2 982 289**

SHAREHOLDERS' EQUITY AND LIABILITIES		Notes	31.12.2022	31.12.2021
TOTAL SHAREHOLDERS' EQUITY			**1 647 477**	**1 630 170**
I.	**Equity attributable to shareholders of the parent company**		**1 647 477**	**1 630 170**
A.	Capital	26	398 357	398 357
B.	Share premium account	26	861 905	861 905
C.	Reserves	26	353 021	314 592
D.	Net result for the fiscal year		34 195	55 316
II.	**Non-controlling interests**		**-**	**-**
LIABILITIES			**1 435 798**	**1 352 118**
I.	**Non-current liabilities**		**1 302 261**	**888 539**
A.	Provisions	29	-	1 196
B.	Non-current financial debts	27	1 280 154	851 775
	a. Credit institution		1 224 776	440 155
	c. Other		55 378	411 620
C.	Other non-current financial liabilities	28	17 120	27 081
D.	Trade debts and other non-current debts	30	3 925	7 362
F.	Deferred Tax - Liabilities	15	1 062	1 125
II.	**Current liabilities**		**133 537**	**463 579**
A.	Provisions	29	2 172	3 709
B.	Current financial debts	27	40 024	359 653
	a. Credit institution		32 493	14 247
	c. Other		7 531	345 406
C.	Other current financial liabilities	28	0	392
D.	Trade debts and other current debts	30	59 267	61 584
E.	Other current liabilities	31	3 491	1 675
F.	Accrued charges and deferred income	32	28 583	36 566
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			**3 083 275**	**2 982 289**

Consolidated cash flow statement (in € thousand)

	Notes	31.12.2022	31.12.2021
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR		**2 022**	**2 439**
Operating activities (+/-)			
Net result for the period		33 855	86 238
Result on disposal of investment properties	12	2 704	-5 901
Items with no effect on cash flow to be extracted from earnings			
Fair value adjustment for investment buildings (+/-)	13	146 254	3 119
Fair value adjustment on non-current financial assets/liabilities booked to earnings (+/-)	16	-131 951	-30 579
IFRS 16 correction		572	576
Amortisation / Loss of (gain in) value on property, plant and equipment (+/-)	19	3 661	2 389
Goodwill impairment	17	462	852
Adjustments of provisions (+/-)	29	-1 259	1 279
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS		**54 297**	**57 974**
Change in assets items[1]		7 056	-21 068
Change in liabilities items[2]		-8 886	-23 888
CHANGE IN WORKING CAPITAL REQUIREMENTS		**-1 830**	**-44 956**
CASH FLOW FROM OPERATING ACTIVITIES		**52 467**	**13 018**
Investments (-) / Disposals (+)			
Investment properties			
Investments	18	-155 855	-158 561
Disposals	18	106 394	104 882
Acquisition of buildings	18	-6 811	-55 985
Other acquisitions (redevelopment projects, stake, etc.)	18	-5 272	-
Liquidity programme	29	34	-910
Other property, plant and equipment and intangible assets	19	1 315	-8 615
CASH FLOW FROM INVESTMENT ACTIVITIES		**-60 195**	**-119 188**
Financing (+/-)			
Increase (+) / Decrease (-) in financial debts	34	116 175	160 577
Reimbursement financial debt IFRS 16	34	-3 906	-2 657
Hedging instruments and other financial assets	34	-204	-2 705
Final dividend previous fiscal year (-)	26	-15 662	-15 407
Interim dividend Befimmo fiscal year (-)	26	-	-34 054
CASH FLOW FROM FINANCING ACTIVITIES		**96 404**	**105 754**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**88 675**	**-417**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**24**	**90 698**	**2 022**

1 This relates mainly to the changes in the headings "II.D. Trade receivables", "II.E Tax receivables and other current assets" and "II.G Deferred charges and accrued income" on the assets side of the balance sheet.
2 This relates mainly to the changes in the headings "II.D. Trade debts and other (non) current debts" and "II.F Accrued charges and deferred income" on the liabilities side of the balance sheet.

Consolidated 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
Notes	**26**	**26**	**26**	**16**			
EQUITY AS AT 31.12.2020	**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
Befimmo 2020 final dividend			*-15 407*		*-15 407*		*-15 407*
Dividend distributed				-34 054	-34 054		-34 054
Befimmo 2021 interim dividend				*-34 054*	*-34 054*		*-34 054*
Profit attributable to non-controlling interests			-3 132		-3 132		-3 132
Liquidity programme			-965		-965		-965
Performance Plan Stock Units			469		469		469
Net result (group share)				89 370	89 370		89 370
Other elements of comprehensive income			2 484		2 484		2 484
EQUITY AS AT 31.12.2021	**398 357**	**861 905**	**314 592**	**55 316**	**1 630 170**	**-**	**1 630 170**
Appropriation of the result			55 316	-55 316	-		-
Dividend distributed			-15 662		-15 662		-15 662
Befimmo 2021 final dividend			*-15 662*		*-15 662*		*-15 662*
Profit attributable to non-controlling interests			-340		-340		-340
Liquidity programme			-915		-915		-915
Performance Plan Stock Units			-469		-469		-469
Net result (group share)				34 195	34 195		34 195
Other elements of comprehensive income			498		498		498
EQUITY AS AT 31.12.2022	**398 357**	**861 905**	**353 021**	**34 195**	**1 647 477**	**-**	**1 647 477**

Notes to the consolidated financial statements

1. GENERAL BUSINESS INFORMATION

Befimmo ("the Company", registered with Banque Carrefour des Entreprises under number 0455.835.167) was 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 Cantersteen 47, 1000 Brussels (Belgium). As from 1 February 2023, Befimmo changed its status in a specialised real-estate investment fund (FIIS/GVBF) following the 100% control acquired by Alexandrite Monnet Belgian Bidco SA and the delisting.

The Company closes its 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 B 121993 in the Grand Duchy of Luxembourg), Kubissimmo SàRL (registered with the Luxembourg Trade and Companies Register under number B 251488 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) and Loi 52 SA (registered with the Banque Carrefour des Entreprises under number 0712.741.845). Befimmo holds directly a 91.91% stake in the Silversquare Belgium SA (registered with Banque Carrefour des Entreprises under number 0806.423.356) and indirectly in Silversquare Luxemburg SA. All the Befimmo subsidiaries close their fiscal years at 31 December. The Company and its affiliates constitute hereinafter the Group.

The Group is presenting consolidated financial statements as at 31 December 2022. The Board of Directors of Befimmo SA adopted the financial statements for this fiscal year on 20 April 2023.

The Group business focuses on office buildings and coworking spaces. The Group aims to create environments where people can work, meet, share and live. The Group is a facilitator of enterprises, entrepreneurs, and their teams. In partnership with the group’s specialised subsidiary Silversquare, we operate coworking spaces and are jointly developing a BeLux network of flexible workspaces. Our goal is to become a one-stop-shop that offers organisations, businesses, entrepreneurs and their teams different office combinations fully in line with their needs and provides the full range of solutions for tomorrow’s hybrid work environment.

At 31 December 2022, the high-quality portfolio is located in Brussels, the main Belgian towns and cities, and the Grand Duchy of Luxembourg. It comprises some 40 office buildings and 10 coworking spaces.

The Company was listed on Euronext Brussels until 4 January 2023. The description of key events after closing is detailed on page 24 of the management report.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The Group’s consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted within the European Union. Except where otherwise specified, they are denominated in thousands of euros, rounded to the nearest thousand. Accounting policies have been applied consistently to the fiscal years presented, except where explicitly stated otherwise.

In preparing its consolidated financial statements as at 31 December 2022, the Group has analysed and, where appropriate, applied the following new or amended standards and interpretations which entered into force during the fiscal year opening on 1 January 2022:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *Interest Rate Benchmark Reform — Phase 2*;
- Amendment to IFRS 16 *Leases*: *COVID-19-Related Rent Concessions* (applicable for annual periods beginning on or after 1 June 2020);
- Amendments to IFRS 4 *Insurance Contracts — Extension of the Temporary Exemption from Applying IFRS 9 to January 2023* (applicable for annual periods beginning on or after 1 January 2021);
- Amendment to IFRS 16 *Leases: COVID-19-Related Rent Concessions beyond 30 June 2021* (applicable for annual periods beginning on or after 1 April 2021);

- Amendments to IAS 16 *Property, Plant and Equipment: Proceeds before Intended Use* (applicable for annual periods beginning on or after 1 January 2022);
- Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract* (applicable for annual periods beginning on or after 1 January 2022);
- Amendments to IFRS 3 *Business Combinations: Reference to the Conceptual Framework* (applicable for annual periods beginning on or after 1 January 2022);
- Annual Improvements to IFRS Standards 2018—2020 (applicable for annual periods beginning on or after 1 January 2022).

Furthermore, the Group has chosen not to apply early the following new or amended standards or interpretations published before the date that the consolidated financial statements were closed, but with a date of entry into force later than the fiscal year closing at 31 December 2022, namely:
- IFRS 17 *Insurance Contracts* (applicable for annual periods beginning on or after 1 January 2023);
- Amendments to IFRS 17 *Insurance contracts: Initial Application of IFRS 17 and IFRS 9 — Comparative Information* (applicable for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 1 *Presentation of Financial* Statements: Classification of Liabilities as Current or Non-current and non-current liabilities with covenants (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU);
- Amendments to IAS 1 *Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies* (applicable for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 12 *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (applicable for annual periods beginning on or after 1 January 2023);
- Amendments to IFRS 16 *Leases: Lease Liability in a Sale and Leaseback* (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU).

2.2. General principles

2.2.1. GENERAL PRINCIPLES OF CONSOLIDATION

For reading the consolidated financial statements, the following definitions apply:

Subsidiary

A subsidiary is an entity controlled by the Group, in accordance with IFRS 10, i.e. where it:
- Has power over the entity;
- Is entitled to, or is exposed to, variable returns, because of its relationship with the entity, and
- Is able to exercise its power to influence the returns it obtains from the entity.

In assessing power over the entity, consideration is given to potential substantive voting rights, such as call options relating to the entity's securities.

Subsidiaries are consolidated by full incorporation from the date on which the Group obtains control. They are de-consolidated on the date on which that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with subsidiaries are fully eliminated. This is not the case for operations with associates and joint ventures that are eliminated in proportion of the Group's interest in such entities.

Unrealised losses are eliminated in the same way as unrealised gains, but only if there is no indication of any impairment.

Associates and joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of a joint ventures and associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, an investment in an associate or joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

A holding in a joint venture or associate is accounted using the equity method from the date on which the Group has joint control or significant influence, and until such time as that joint control or influence ceases.

2.2.2. GENERAL VALUATION PRINCIPLES

Most of the group's assets and liabilities are carried at fair value in the IFRS balance sheet. The balance sheet assets consist primarily of investment properties, valued by independent experts and carried at fair value. Most other asset items are short-term, so their carrying amount is almost equivalent to their fair value, except for interests in joint ventures and associates that are valued using equity method,

The balance sheet liabilities consist mainly of financial borrowings. Borrowings at floating rates have a carrying amount close to their fair value, while fixed-rate borrowings are either carried in the accounts at amortised cost (this applies to the European private placements and the debts related to the assignment of future rents), either recognised at fair value (estimated by calculating an update of future flows). The other liabilities items are short-term, so their carrying amount is almost equivalent to their fair value. Where is available, the fair value of financial liabilities is disclosed.

2.2.3. BUSINESS COMBINATIONS AND GOODWILL

Where the Group takes control of a "business" as defined in IFRS 3 — *Business Combinations*, identifiable assets and liabilities of the business acquired are recorded separately at fair value.

The difference between fair value of the consideration transferred to the vendor and the share of the fair value of the net asset acquired, is booked under goodwill on the assets side of the balance sheet. If that difference is negative, the bargain purchase is booked straight to the income statement, after confirmation of the values.

If the Group already had an interest in the acquired entity prior to the control (step acquisition), the difference between the fair value and the carrying amount of the existing interest is recorded in the income statement at the date that control was obtained. The goodwill is then calculated as the difference between:

- The sum of the consideration transferred to the seller, if any, to obtain an additional controlling interest and the fair value of the existing interest; and
- The share in the fair value of the net assets acquired.

When the acquired subsidiary is not wholly owned, the Group may, on a case-by-case basis, measure the minority interests at their fair value at the acquisition date, rather than as their share in the net assets acquired. In this case, the acquisition accounting shows the full goodwill.

Costs related with acquisition, such as fees paid to consultants, are expensed directly. Goodwill is subject to an impairment test carried out at least once a year in accordance with IAS 36 — *Depreciation of Assets*.

2.2.4. FOREIGN CURRENCY

Foreign currency transactions

Foreign currency transactions are recorded initially at the exchange rate prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are then re-measured at closing rate when the financial statements are prepared. Any losses or profits from re-measurement are recognised in the income statement.

Profits or losses arising from foreign currency transactions are recorded in the income statement under “Financial result”.

2.3. Intangible assets

Intangible assets are recognised only when it is probable that the expected future economic benefits associated with the asset will flow to the group and its cost can be measured reliably. They are initially measured at cost, then evaluated by subtracting accumulated depreciation and impairment losses from that cost.

Intangible assets are amortised using the straight-line method to allocate the cost over the best possible estimate of the useful life of the asset. The useful life and amortisation method of intangible assets are reviewed at least at each financial year end.

The useful life of software is three to five years.

2.4. Investment properties

2.4.1. GENERAL PRINCIPLES

Except in the case of a business combination where the assets acquired are measured at fair value, investment properties are initially measured at cost, including transaction costs and non-deductible VAT. For buildings acquired through a merger, split or contribution of a branch of activity, which are not business combinations, taxes due on the potential capital gains on the companies absorbed are included in the cost of the assets.

After initial recognition, investment property is carried at fair value. Fees and charges on an acquisition and any change in the fair value of the properties during the year are recognised directly in the income statement. The adjustment of fees and charges related to a subsequent change in the fair value of a property or to the realisation of a property is determined indirectly when allocating reserves.

Properties that are being constructed or developed for own account in order to be leased are also valued at fair value when the fair value can be readily determined.

The group values its property portfolio at fair value as determined by experts. The expert bases his valuation mainly on the present value of the net rental income in accordance with the International Valuation Standards, established by the International Valuation Standards Committee, as set out in the expert’s report. 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%[1] 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 rule is also applied for determining the fair value of property located in the Grand Duchy of Luxembourg.

1 This accounting treatment is detailed in the statement issued by BeAMA on 8 February 2006 and confirmed in the notice of the BE-REIT Association of 10 November 2016.

The independent expert establishes the investment value of the property portfolio in detail at the end of each fiscal year. At the end of each quarter, the expert updates the valuation in line with market developments and the specific characteristics of the properties. Any gain or loss arising from a change in fair value is posted in the income statement, including those arising from the first valuation.

2.4.2. COMMISSIONS PAID TO REAL-ESTATE AGENTS AND OTHER TRANSACTION COSTS

The initial carrying value of the assets includes the fees for the acquisition of investment properties. The same applies to the purchase of shares in a property company, a contribution in kind of a property in consideration for new shares, or a contribution of assets through a merger with or takeover of a property company. However, when the transaction establishes a business combination, the costs associated with the transaction are expensed directly in the income statement.

Commissions relating to property rentals are recorded as costs in the income statement.

2.4.3. WORKS CARRIED OUT ON INVESTMENT PROPERTIES

The accounting treatment of works carried out on investment properties depends on the type of work concerned:

Improvement works

This is occasional work to improve the functionality of a building or significantly improve comfort, in order to increase the rent and the estimated rental value.

The cost of this work is capitalised within the asset's carrying amount provided and to the extent that the independent expert recognises an appreciation in the value of the property as a result of the work done.

Example: installation of an air-conditioning system where one did not previously exist.

Major renovation works

This is work done at the end of a building's life cycle to carry out a thorough renovation of the building using modern techniques, generally retaining the existing structure.

These costs are capitalised within the asset's carrying amount.

In accordance with IAS 23 — *Borrowing Costs*, borrowing costs are capitalised and charged to the balance sheet under the heading "investment property", provided that the building in question does not generate income during this period. By the same logic, withholding taxes, levies other property charges on projects (properties that are being constructed or developed for own account) that are not earning income are recognised on the assets side of the balance sheet.

Maintenance and repair

Expenditure relating to maintenance and repair work which does not add any extra functionality to or increase the standard of comfort of the building is recorded as costs in the income statement.

2.4.4. INVESTMENT PROPERTY OCCUPIED BY OWNER

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

If the Group occupies only a minimal part of the property it owns, the whole property is recognised as an investment property at fair value.

2.4.5. RIGHT OF USE ASSET IN OFFICE LEASE AGREEMENTS

To host the coworking spaces Silversquare signs lease agreements as a tenant of office space. Silversquare does not own any buildings.

The right of use asset in leases as lessee of office space is classified under "Investment property" and measured at fair value. The fair value of right of use assets is determined by the real-estate expert, who bases his valuation, in particular, on rent flows remaining until the expiry of the lease, taking account of gratuities, benefits and other adjustments. The expert determines the fair value of the right of use asset at the commencement date of a lease agreement for office space. At the end of each quarter, the expert updates the valuation in line with market developments and the specific characteristics of the lease agreements. Any gain or loss arising from a change in fair value, including any arising from the first valuation, is booked to the income statement. The corresponding debt is recognised as a financial liability at amortised cost under the heading "Financial liabilities (non-) current".

2.5. Other property, plant and equipment

Other tangible assets are recorded at cost, less accumulated depreciation and impairment losses. This cost includes all direct costs and appropriate allocation of indirect costs incurred to bring the asset to working condition for its intended use.

The straight-line depreciation method is applied through the estimated useful life of the assets. The useful life and depreciation method are reviewed at least at each fiscal year end.

Useful life is defined as follows per main type of asset:
- Computer equipment: 3 years;
- Furniture and office equipment: 5 years;
- Office fixtures and fittings: 5-10 years;
- Leased equipment: the useful life of the leased asset.

The right-to-use assets under lease agreements such as for cars, copiers and parking spaces are recognised under the heading "Other property, plant and equipment" at cost and amortised on a straight-line basis over the contract term (or over the useful life if it is less). The right to use these assets is determined by the Group on the basis of the corresponding lease liability which is obtained by discounting future expected lease payments over the lease term. The lease liability is recognised as a financial liability at amortised cost under the heading "Financial liabilities (non-)current".

The Group uses the exemption provided by the standard IFRS 16 - *Leases* for low-value assets and short-term leases (leases expiring within 12 months from contract starting date). In these cases, leases are booked as short-term leases and the associated payments are recognised as an expense from short-term leases.

Investments in fixtures and furnishings in office space dedicated to coworking, bought from a third party, are booked under "Other property, plant and equipment".

2.6. Financial assets

Financial assets are classified in the balance sheet as current or non-current financial assets, according to whether or not they are to be realised within 12 months at the balance sheet date.

2.6.1. FINANCIAL ASSETS AT AMORTISED COST

These are non-derivative financial assets that satisfy the following two conditions laid down by IFRS 9 - *Financial instruments*:
- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash includes cash in hand and cash with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash, have maturity dates at acquisition of three months or less, and are subject to an insignificant risk of change in value.

These financial assets are measured at amortised cost, which is the nominal value minus an appropriate allowance for expected credit loss in accordance with the principles of IFRS 9.

2.6.2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

These assets include:

- Financial assets that do not satisfy the two conditions above; and
- Any financial assets that management decides to recognise under the fair value option under the conditions laid down by IFRS 9.

These two categories of financial assets are carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value are booked to the income statement in the period in which they arise.

2.7. Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to interest-rate and exchange-rate risks arising from the financing of its activities. The Group does not hold or issue derivative financial instruments for proprietary trading purposes.

The derivatives the Group uses are not, however, treated as hedge accounting as per IFRS 9. As a result, derivative financial instruments are recognised at fair value through profit or loss.

They are presented in the balance sheet as non-current and current financial assets when their fair value is positive and as other non-current and current financial liabilities when their fair value is negative.

2.8. Assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as assets held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as "held for sale" when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

2.9. Impairment of assets

The Group reviews the carrying amount of intangible and tangible assets other than investment properties at each balance sheet date to determine whether there is any indication of impairment, in which case an impairment test is carried out.

Such a test is carried out systematically every year on the cash-flow generating units (CGUs) or groups of CGUs to which the goodwill has been allocated in the context of a business combination.

An impairment test consists of comparing the carrying amount of an asset or CGU (group of CGUs) with its recoverable amount being the higher of its fair value less costs to sell or its value in use. The value in use is the present value of the estimated future cash flows from the use of an asset or CGU (group of CGUs).

If the carrying amount of an asset or CGU (group of CGUs) exceeds its recoverable amount, the excess is recognised as an impairment loss recorded directly in costs (in “Other result on portfolio”) and charged as a priority as a reduction of the goodwill related to the CGU (group of CGUs), any remaining amount is allocated to the assets of CGU (group of CGUs).

An impairment loss is reversed if the recoverable amount of the asset or CGU (group of CGUs) exceeds the carrying amount, with the exception of impairment of goodwill, which is never reversed.

2.10. Capital

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity.

Dividends are recognised as a liability when they are declared by the General Meeting of Shareholders.

2.11. Provisions

A provision is recognised in the balance sheet when the following three conditions are met:

- There is a present obligation, legal or constructive, as a result of a past event;
- It is probable that an outflow of resources will be required to settle the obligation;
- A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12. Financial liabilities

Financial liabilities are classified in the balance sheet as current or non-current financial assets, according to whether they are to be realised within 12 months at the balance sheet date.

Financial liabilities are measured at amortised cost, with the exception of derivative instruments (see section 2.7 above) and financial liabilities for which management has opted for the fair value option under the conditions laid down by IFRS 9, in particular in the case of an accounting mismatch related to derivative instruments used for economic hedging of financial debt. In the latter case, the financial debt is also measured at fair value like the economic hedging derivative.

2.12.1. FINANCIAL DEBT

In general, borrowings are initially recognised for the amount of the proceeds received, net of transaction costs. Borrowings are subsequently stated at amortised cost. Any difference between the net proceeds and the redemption value is recognised in the income statement using the effective interest method.

Furthermore, when the Group issue loans denominated in foreign currencies, these are subject to economic hedging of the exchange rate (and possibly of the interest rate risk) through cross-currency swaps. In this case, the management opts for recognising loans at fair value in order to avoid an accounting mismatch with the derivative instruments used as an economic hedge.

Financial debts also include debts corresponding to leases, where the right-to-use assets are booked to the assets (see also sections 2.4.5 and 2.5.). In accordance with IFRS 16, the debt is determined by discounting future payments under the agreement at the implicit interest rates of the agreement where these are mentioned in the lease agreement (which is the case for leasing cars). In other cases, the debt is determined by discounting future payments under the lease at a discount rate related to the average (residual) duration of the lease. This discount rate is calculated by an external consultant, depending on the type of asset.

The Group uses the exemption provided by the standard for low-value assets and short-term leases (leases expiring within 12 months from contract starting date). In these cases, leases are booked as short-term leases and the associated payments are recognised as an expense from short-term leases.

2.12.2. OTHER FINANCIAL LIABILITIES

These are derivative financial instruments recognised at fair value through profit or loss and which are used in the context of an economic hedge of financial debts (see section 2.7. above).

2.12.3. TRADE AND OTHER PAYABLES

Trade and other payables are stated at amortised cost.

2.13. Employee benefits

The Group operates two types of supplementary pension schemes concurrently.

A. DEFINED-CONTRIBUTION SUPPLEMENTARY PENSION SCHEME

This group insurance involves employer contributions only. The fixed contributions paid under this new group insurance are recognised as expenses as they fall due, and as such are included in personnel costs.

Under the current Belgian legal framework, from a technical point of view, this scheme has to be treated as a defined-benefits plan, as the employer is legally bound to guarantee a minimum return for its employees.

B. DEFINED-BENEFITS SUPPLEMENTARY PENSION SCHEME

This pension plan funded by contributions paid by the Group to the insurance company and by payment to the same insurance company of defined contributions into a group insurance has been closed for the future.

The supplementary defined-benefit pension scheme is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, dependent on his or her years of service and remuneration.

Under this pension scheme, the fixed group insurance contributions were paid by the Group and by employees (above a certain remuneration level) to an insurance company. Contributions were recognised as expenses as they fall due, and as such were included in personnel costs.

The amount presented in the balance sheet for defined-benefit pension schemes is based on actuarial calculations (using the projected unit credit method). It is the present value of the defined benefit obligation minus the fair value of the plan assets.

If this amount is positive, a provision will be recorded on the liability side of the balance sheet, representing at this time the complement of the amount the Group would have to pay to its employees at their retirement. Conversely, if the amount is negative, in principle an asset is recognised in the balance provided that the Group can benefit in future by over-funding the plan in this way (asset ceiling). The current service cost during the fiscal year, together with the financial cost of the obligations and the expected yield rate of the plan assets and the financial cost of the asset ceiling are recognised in the net result for the fiscal year.

Actuarial gains and losses arising from changes in assumptions or related experience, performance of plan assets (net interest amount excluded) as well as the potential impact of the asset ceiling (net interest amount excluded) are recognised directly in equity via the other items of comprehensive income.

2.14. Income

Rental income from operating leases is recognised in income on a straight line basis over the lease term.

Rental gratuities and other incentives granted to customers are recognised over the first firm period of the lease term, on a straight-line basis. This spreading is offset under the heading " Other result on portfolio" of the income statement.

Revenue from maintenance services, management services, etc. (included in leases or in separate agreements) are recognised when the services are provided, which corresponds to a linear recognition over the year. The same applies to income from the coworking business. Revenue from the coworking business is recognised under "I. Rental Income - Rent". Rent reductions exceptionally granted during an economic crisis, such as the pandemic outbreak and the related lockdown, are accounted for as a deduction of the income, according to IFRS 9 (impairment loss).

2.15. Gain or loss on disposals of investment property

The result on disposals of investment property represents the difference between sales proceeds net of transaction costs and the latest reported fair value of the property sold. The result is realised at the time of the transfer of risks and rewards.

2.16. Income taxes

Income taxes for the fiscal year include both current tax and deferred tax. Taxes are recorded in the income statement except where they relate to items recorded directly in equity, in which case the related tax impact is recorded in equity as well.

Current tax is the expected tax payable on the taxable income of the year, and any adjustment to tax payable (or receivable) in respect of previous years. It is calculated using tax rates enacted at the balance sheet date.

Deferred taxes are calculated using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. This tax is measured using the tax rates expected to be applied when the asset is realised or the liability settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable earnings will be available against which deductible temporary differences or tax losses can be utilised.

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

3.1. Significant judgements regarding the Group's accounting policies

For buildings on a long-term lease, with limited exceptions, the Group considered that hardly any of the risks and benefits inherent in the ownership of the assets have been transferred to the tenant and, therefore, that these contracts are operating lease agreements according to IFRS 16 — *Leases*.

3.2. Main sources of uncertainty regarding estimates

3.2.1. ESTIMATE OF THE FAIR VALUE AND OF THE VALUE IN USE OF INVESTMENT PROPERTY

The fair value and, if appropriate, the value in use of investment property are estimated by independent experts in accordance with the principles set out in the significant accounting policies.

3.2.2. DISPUTES AND UNCERTAINTIES

The Group is a party to legal proceedings and may be involved in others in future. At the time of writing, Befimmo is involved, as defendant or plaintiff, in a number of legal proceedings which, on the whole (according to the information available at the date of this Report), are unlikely to have a major impact on Befimmo, as the potential losses are highly unlikely to materialise and/or are of insignificant amounts.

4. SEGMENT INFORMATION

Since 1 January 2019 following the incorporation of Silversquare into the consolidation scope, a new segment has been added: Coworking business. Segments categorised by geographical distribution are now grouped under "Real-estate operator business".

Befimmo owns a property portfolio consisting entirely of offices[1].

In terms of geographical distribution (based on the fair value of the properties, excluding assets held for sale and the fair values of the Silversquare leases (right of use)), most of Befimmo's property portfolio is located in Brussels (73.4%), the remaining 26.6% being in Flanders (10.4%), Wallonia (9.9%) and Luxembourg city (6.3%).

In the Brussels market, a distinction can be made between a number of sub-markets that have experienced different trends in recent years: CBD (Central Business District) and assimilated areas[2], Brussels Decentralised and Brussels Periphery.

The consolidated Befimmo portfolio is described in more detail in the "Property report" chapter of the management report.

1 Some retail businesses are nevertheless operating on the ground floor of some buildings, but to a very marginal extent.
2 Including the Brussels Airport area where the Gateway building is located.

	Real-estate operator business																	
	Brussels CBD and similar		Brussels decentralised		Brussels periphery		Wallonia		Flanders		Luxembourg city		Coworking business		Unallocated amounts / intercompany eliminations		Total	
(in € thousand)	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
INCOME STATEMENT																		
A. Rental income	63 620	57 277	3 667	6 052	6 202	6 587	13 941	11 802	27 150	32 298	6 322	6 837	16 437	10 115	- 4 341	- 1 725	132 998	129 244
B. Property operating result	57 981	48 577	2 919	4 765	5 074	5 001	12 281	9 674	25 405	28 368	5 358	5 562	1 038	- 230	- 12	16	110 043	101 732
C. Change in fair value of investment properties	- 38 855	56 355	- 8 380	- 4 924	- 3 645	- 5 154	- 27 249	- 14 177	- 57 795	- 28 168	- 7 213	1 588	- 3 116	- 8 639	-	-	- 146 254	- 3 119
D. Gains and losses on disposal of buildings	859	4 707	-	-	1 172	- 206	- 1 028	2 083	- 3 707	- 684	-	-	-	-	-	-	- 2 704	5 901
E. SEGMENT RESULT (= B+C+D)	**19 985**	**109 639**	**- 5 461**	**- 159**	**2 601**	**- 359**	**- 15 997**	**- 2 420**	**- 36 098**	**- 484**	**- 1 855**	**7 150**	**- 2 078**	**- 8 869**	**- 12**	**16**	**- 38 915**	**104 514**
Percentage by segment	-51.4%	104.9%	14.0%	-0.2%	-6.7%	-0.3%	41.1%	-2.3%	92.8%	-0.5%	4.8%	6.8%	5.3%	-8.5%	0.0%	0.0%	100%	100%
F. Corporate overheads															- 26 387	- 24 789	- 26 387	- 24 789
G. Other operating income and charges															- 4 843	- 5 839	- 4 843	- 5 839
H. Financial result															105 056	13 404	105 056	13 404
I. Income tax															- 1 057	- 1 051	- 1 057	- 1 051
NET RESULT (= E+F+G+H+I)																	**33 855**	**86 238**
Net result (group share)																	34 195	89 370
Non-controlling interests																	- 340	- 3 132

	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
BALANCE SHEET																		
Assets																		
Goodwill	2 607	2 607	-	-	-	-	325	761	933	4 379	-	-	8 551	8 551	-	-	12 415	16 299
Investment properties and assets held for sale	1 868 601	1 771 167	62 966	79 249	74 341	80 829	277 597	302 617	295 111	425 146	173 024	178 780	33 415	36 531	-	-	2 785 055	2 874 319
of which investments and acquisitions during the year	*140 575*	*125 180*	*701*	*1 940*	*1 781*	*1 377*	*13 252*	*39 016*	*4 901*	*16 924*	*1 457*	*30 109*	-	-	-	-	*162 666*	*214 546*
Other assets	3 693	4 019	-	-	-	-	-	941	-	-	-	-	-	-	282 111	86 711	285 805	91 671
TOTAL ASSETS	**1 874 901**	**1 777 793**	**62 966**	**79 249**	**74 341**	**80 829**	**277 922**	**304 319**	**296 043**	**429 525**	**173 024**	**178 780**	**41 966**	**45 082**	**282 111**	**86 711**	**3 083 275**	**2 982 289**
Percentage by segment	60.8%	59.6%	2.0%	2.7%	2.4%	2.7%	9.0%	10.2%	9.6%	14.4%	5.6%	6.0%	1.4%	1.5%	9.1%	2.9%	100%	100%
TOTAL LIABILITIES															**1 435 798**	**1 352 118**	**1 435 798**	**1 352 118**
TOTAL SHAREHOLDERS' EQUITY															**1 647 477**	**1 630 170**	**1 647 477**	**1 630 170**
Equity attribuable to shareholders of the parent company															1 647 477	1 630 170	1 647 477	1 630 170
Non-controlling interests															-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY															**3 083 275**	**2 982 289**	**3 083 275**	**2 982 289**

5. RENTAL INCOME

I. Rental income (in € thousand)	31.12.2022	31.12.2021
Rents	**138 494**	**127 646**
Cost of rent free periods	-4 660	-2 765
Concessions granted to tenants (incentives)	-451	-80
Indemnities for early termination of rental contracts	-385	4 442
Rental income	**132 998**	**129 244**

This table sets out the various components of rental income. Beside rents and revenue from leases with members of coworking spaces (€16.4 million in 2022 and €10.1 million in 2021), rental income also includes:

- Various items relating to the spread of rental gratuities granted and concessions to tenants, booked in accordance with IFRS standards, the effect of which is neutralised in heading XIX of the consolidated statement of the total comprehensive income;
- Compensations received, related to early termination of leases.

The table below gives details of future rents and revenues from coworking spaces that the Group is certain to receive under ongoing lease agreements and as from 2022 also the future signed lease agreements. These are unindexed rents and revenue that will be received before the next intermediate termination option provided for in the lease agreements and contracts with members of coworking spaces.

(in € thousand)	31.12.2022	31.12.2021
Less than one year	116 329	125 970
One to five years	386 554	405 210
More than five years	455 552	405 900
Rental income	**958 435**	**937 080**

The amounts Befimmo received for the annual indexing of rents were €4.7 million and €1.3 million for fiscal years 2022 and 2021 respectively. These amounts depend on the actual level of indexing.

The Befimmo standard lease

The vast majority of Befimmo's properties (not including those let to the Buildings Agency and occasionally certain other leases) are let under a standard lease, generally lasting nine years or more and allowing, as the case may be, for early termination at the end of the third or sixth year, subject to six months' notice before the end of the term.

The leases may not be terminated at any other time and may not generally be tacitly renewed.

Rent is generally payable quarterly or six-monthly in advance. Rents are indexed each year on the anniversary date of the coming into force of the lease, at Befimmo's request, with a minimum of the last rent.

In most cases, common and individual charges and insurance premiums are payable by tenants who, in order to cover the amount concerned, pay a quarterly (or half-yearly) provision at the same time as the rent. A statement of charges actually incurred is drawn up every year.

Generally speaking, all property and other taxes are also passed on to tenants.

When tenants enter the premises, a detailed inventory is drawn up by an expert. At the end of the lease, the tenants have to surrender the premises in the state described in the inventory, with allowance for normal wear and tear. The expert draws up a closing inventory. Tenants have to pay compensation covering the amount of any damage to and eventually unavailability of the premises during repair work.

Tenants may not transfer the lease or sublet the premises without the explicit prior agreement of the lessor. Where Befimmo agrees to the transfer of a lease, the transferor and the transferee remain jointly and severally liable of all obligations under the lease agreement to Befimmo.

Each lease is registered.

As a guarantee of performance of their obligations under the lease, most tenants provide an irrevocable bank guarantee (for an amount equivalent to six months' rent) that can be called in on demand.

The Fedimmo standard lease

Most of Fedimmo's buildings are let to the Belgian Government under a standard lease.

Leases may not be terminated before expiry and are generally long-term. Unless notice is given before the expiry of the term, they are tacitly renewed for a period that varies according to the lease.

The rent is payable six-monthly during the period and is subject to annual indexing, with a minimum of the base rent.

Rental charges are charged to the tenant under the special conditions and all taxes are payable solely by the tenant.

Inventories are drawn up on entry and departure by two experts, one designated by the lessor and the other by the tenant, with a view to determining, at the end of the lease, the amount of any compensation for damage payable by the tenant to the lessor.

The Belgian Government, as tenant, and some representations, are not required to provide a rental guarantee. If the lease is transferred to anyone other than a Government department, a rental guarantee must be provided.

The premises may be sublet or transferred by the tenant only with the lessor's consent, unless to a Government department. If the lease is sublet or transferred, the tenant and sub-tenant or transferee remain jointly and severally bound by all the obligations under the lease agreement.

Leases are registered.

6. CHARGES LINKED TO LETTING

III. Charges linked to letting (in € thousand)	31.12.2022	31.12.2021
Rents payable on rented premises	113	121
Write-downs on trade receivables	-617	-1 118
Write-back of write-downs on trade receivables	823	83
Charges linked to letting	318	-914

This tables includes the following amounts:
- Under "Rents payable on rented premises", rents paid for leased premises which were subsequently re-let to customers of the Group and depreciation on lease agreements, recognised in accordance with IFRS 16;
- Write-downs and write-backs on write-downs on trade receivables, realised and unrealised.

(in € thousand)	31.12.2022	31.12.2021
At less than one year	39	228
One to five years	144	383
At more than five years	173	224
Rent paid	**357**	**836**

This table gives details of future payments that Befimmo is certain to make under ongoing lease agreements signed by Befimmo as lessee (mainly rents of parkings), excluding leases subject to IFRS 16.

The rents shown are certain. The above table takes no account of the annual indexing of the rents. Note that the amounts Befimmo paid for indexing over the past two years are valued at less than €15,000 each year.

7. REAL-ESTATE CHARGES AND RECOVERY OF REAL-ESTATE CHARGES

31.12.2022 (in € thousand)

AT CHARGE		NET		RECOVERY
IX. Technical costs	**-10 530**		**8 878**	**IV. Recovery of property charges**
Recurrent	-7 083	-2 460	4 623	Recurrent
Repairs	-5 397	-1 689	3 707	Repairs
Total-guarantee charge	-1 197	-465	732	Total-guarantee charge
Insurance premiums	-489	-305	184	Insurance premiums
Non recurrent	-3 447	-551	2 896	Non recurrent
Major repairs (building companies, architects, engineering offices, etc.)	-1 797	-792	1 005	Recovery of major repair costs and compensation for damage by tenants
Damage expenses	-1 650	241	34	Recovery of damage expenses
			1 857	Compensation of damage by insurers
XII. Property management costs	**-3 160**	**-1 801**	**1 359**	Property management costs
Fees paid to (external) managers	-	1 359	1 359	Management fees received
(Internal) management fees of properties	-3 160	-3 160		
X. Commercial costs	**-955**	**-955**		
Letting fees paid to real-estate brokers	-681	-681		
Advertising	-27	-27		
Fees paid to lawyers and other experts	-247	-247		
XI. Charges and taxes on unlet properties	**-1 900**	**-1 900**		
XIII. Other property charges	**-4 470**	**-4 470**		
Property charges	**-21 015**	**-12 137**	**8 878**	**IV. Recovery of property charges**

31.12.2021 (in € thousand)

AT CHARGE		NET		RECOVERY
IX. Technical costs	**-16 055**		**12 125**	**IV. Recovery of property charges**
Recurrent	-5 934	-2 754	3 180	Recurrent
Repairs	-4 506	-1 828	2 678	Repairs
Total-guarantee charge	-961	-592	369	Total-guarantee charge
Insurance premiums	-467	-334	133	Insurance premiums
Non recurrent	-10 121	-2 097	8 024	Non recurrent
Major repairs (building companies, architects, engineering offices, etc.)	-9 963	-2 073	7 890	Recovery of major repair costs and compensation for damage by tenants
Damage expenses	-158	-24	27	Recovery of damage expenses
			107	Compensation of damage by insurers
XII. Property management costs	**-3 049**	**-2 128**	**921**	Property management costs
Fees paid to (external) managers	-	921	921	Management fees received
(Internal) management fees of properties	-3 049	-3 049		
X. Commercial costs	**-2 824**	**-2 824**		
Letting fees paid to real-estate brokers	-1 875	-1 875		
Advertising	-562	-562		
Fees paid to lawyers and other experts	-386	-386		
XI. Charges and taxes on unlet properties	**-2 790**	**-2 790**		
XIII. Other property charges	**-4 843**	**-4 843**		
Property charges	**-29 561**	**-17 436**	**12 125**	**IV. Recovery of property charges**

These tables set out, for fiscal years 2022 and 2021, the origins of the net real-estate charges borne by the Group. The net charge of "Repairs" and "Major repairs" decreased by €1.4 million (from -€3.9 million as at 31 December 2021 to -€2.5 million as at 31 December 2022) and is mainly explained by the catch up in improvements and major renovation works realised in 2021 as the previous year was impaired by the pandemic.

The letting fees paid to real-estate brokers decreased by €1.2 million (from -€1.9 million as at 31 December 2021 to -€0.7 million as at 31 December 2022) mainly explained by the letting of the delivered projects Quatuor and Paradis Express in 2021.

The decrease by €0.9 million in charges and taxes on unlet properties is mainly explained by the increased tenancy rate of the Central building and by the sale (in 2021 and 2022) of some empty properties of the Fedimmo portfolio.

8. RENTAL CHARGES AND TAXES NORMALLY PAID BY TENANTS ON LET PROPERTIES

(in € thousand)	31.12.2022	31.12.2021
V. Recovery of rental charges and taxes normally paid by tenants on let properties	**23 585**	**21 104**
Rebilling of rental charges invoiced to the landlord	3 710	2 977
Rebilling of withholding taxes and other taxes on let properties	19 875	18 127
VII. Rental charges and taxes normally paid by tenants on let properties	**-35 117**	**-30 463**
Rental charges invoiced to the landlord	-13 692	-10 574
Withholding taxes and other taxes on let properties	-21 425	-19 888
Total	**-11 532**	**-9 359**

Most lease agreements provide for rental charges and taxes to be borne by the tenant. Under some leases, however, the terms provide for flat-rate billing of charges, which the owner pays at its own risk, or make the owner liable for certain taxes.

These headings also include since 1 January 2019, the impact of the integration of Silversquare; the charge includes operational charges, withholding taxes and taxes for coworking spaces. Main operational costs of Silversquare are recorded at this level, which will therefore increase consequently with the expansion of the coworking network. At 31 December 2022, the impact of Silversquare on the rental charges and taxes equals to €9.4 million. In 2021 the rental charges and taxes of Silversquare amount to €7.7 million.

The net rental charges and taxes of the real estate activities amount therefore to €21.0 million in 2021 and to €23.4 million in 2022.

9. OTHER REVENUE AND EXPENDITURE LINKED TO RENTAL INCOME

This heading is mainly impacted, in 2022, by non-recurring items (bank account closing of the co-ownership WTC, as well as the selling of Green Certificates).

10. CORPORATE OVERHEADS

XIV. Corporate overheads (in € thousand)	31.12.2022	31.12.2021
Staff costs	-10 458	-14 228
Staff costs	*-7 398*	*-9 499*
Remuneration of Directors and members of the Executive Committee of Befimmo SA	*-3 060*	*-4 729*
Operating and communication costs	-3 601	-3 520
IT costs	-5 631	-4 084
Fees (project research, real-estate experts, legal advice, etc.)	-6 822	-2 598
FSMA and Euronext costs	-105	-141
Taxes and non-recoverable VAT	229	-219
Corporate overheads	**-26 387**	**-24 789**

The corporate overheads include all costs not directly chargeable either to the management, upkeep and maintenance of the properties in the portfolio or directly chargeable as an operational expense of a coworking space.

They include the staff costs of the Group's support teams (remuneration, social contributions, etc. of persons working in a business support function)[1], remuneration of the members of the Executive Committee and the Directors' remuneration, operating costs (office rents, office supplies, etc.), communication and IT costs, and fees paid to various external consultants (legal, technical, financial, fiscal, real estate, etc.), notably in the context of specific projects unrelated to the properties in the portfolio.

The "staff costs" decreased compared to 2021 by €3.8 million and is explained by the decrease in the number of persons of the Group's support teams in 2022.

At 31 December 2022, the "Operating and communication costs" are stable compared to 31 December 2021. These costs mainly include the facility and office management costs, the communications costs and the insurance costs.

[1] The personnel costs of the Company's real-estate teams and the coworking teams are recorded under Property charges.

The "IT costs" increased compared to 2021 mainly due to accelerated amortisation of projects (one-off effect).

The sub-heading "Fees", on recurrent basis, mainly includes the costs of experts for the valuation of the portfolio, consultants, lawyers and the fees of the auditor EY detailed below. This sub-heading therefore contains the fees related to current and non-current corporate projects. The increase by €4.2 million is explained by one-off counsel fees linked to the launch of a takeover offer on Befimmo by Brookfield.

The Statutory Auditor's fees for the 2022 fiscal year amounted to €82,670.90 excluding VAT. In the 2022 fiscal year, it also provided additional services as part of its statutory duties for a fee of €7,705 excluding VAT. Outside its statutory role, during the 2022 fiscal year, EY and affiliated companies provided services related to other non-auditing duties for a fee of €13,500 excluding VAT.

EY, represented by the same auditor, is also the Statutory Auditor of the Befimmo subsidiaries. The fees of the Statutory Auditor for auditing the financial statements for the 2022 fiscal year of Fedimmo, ZIN in Noord, ZIN in Noord 2025, Loi 52, Befimmo Property Services, Meirfree, Vitalfree and Silversquare Belgium and its subsidiaries totalled €89,229.34 excluding VAT.

Auditing for the Luxembourg subsidiary, Axento SA, is performed by EY, with its registered office at Avenue John F. Kennedy 35E, 1855 Luxembourg, entered in the Luxembourg register of commerce and companies under number B 47.771 and with establishment licence No 00117514, represented by Mr René Ensch, Partner. The fees for auditing the accounts of Axento SA and Kubissimmo SàRL for the 2022 fiscal year amount to €22,583 excluding VAT.

Outside its statutory role, during the 2022 fiscal year, EY (Luxembourg) has not provided services related to other non-auditing duties.

This heading also includes costs related to the listing of the Group on a public stock exchange (Euronext Brussels) and the costs of the Financial Services and Markets Authority (FSMA) and taxes inherent to the status of Real-Estate Investment Trust.

Befimmo was a listed Company till 4 January 2023 and the Company was under normal regularity review by the FSMA during the full year 2022, as previous years.

Group staff		**31.12.2022**	**31.12.2021**
Number of persons under a contract of employment		135	140
Of which:			
Real-estate team	Number of persons under a contract of employment	56	60
Support team	Number of persons under a contract of employment	33	37
Team coworking	Number of persons under a contract of employment	46	43
Average full-time equivalent during the year		130.3	138.1
Of which:			
Real-estate team	Average full-time equivalent during the year	54.7	58.8
Support team	Average full-time equivalent during the year	31.8	36.7
Team coworking	Average full-time equivalent during the year	43.8	42.6

11. GAINS OR LOSSES ON DISPOSALS OF INVESTMENT PROPERTIES

XVI. Gains and losses on disposals of investment properties (in € thousand)	**31.12.2022**	**31.12.2021**
Net sale of properties (selling price - transaction costs)	106 394	114 865
Book value of properties sold	-109 098	-108 964
Gains and losses on disposals of investment properties	**-2 704**	**5 901**

During the 2022 fiscal year, Befimmo sold the building Choux in the Brussels CBD and the building Ocean House in the Brussels Periphery. On its side, Fedimmo sold 21[1] properties located in Flanders and Wallonia (Brugge, Haacht, Diest, Eeklo, Halle, Ieper, Kortrijk Bloemistenstraat, Nieuwpoort, Oudenaarde, Roeselare, Sint-Niklaas, Sint-Truiden, Tielt, Tongeren, Torhout Elisabethlaan, Torhout Burg, Vilvoorde, Ath, Eupen Vervierserstrasse, La Louvière and Marche-en-Famenne).

1 Excluding Wandre, which is considered here as a financial asset.

In the 2021 fiscal year, Befimmo sold the Wiertz building in the Brussels CBD and sold the Planet 2 building in the Brussels Periphery. On its side, Fedimmo sold the buildings located in Deinze, Bilzen, Tienen, Diksmuide and Lokeren situated in Flanders and sold the building Binche situated in Wallonia.

The amount shown under the heading "Book value of properties sold" includes the amount of the latest fair value of the properties that left the portfolio and the amount of any goodwill allocated to the properties that left the portfolio.

12. CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

XVIII. Changes in fair value of investment properties (in € thousand)	**31.12.2022**	**31.12.2021**
Positive changes in fair value of investment properties	94 398	146 833
Negative changes in fair value of investment properties	-240 652	-149 952
Changes in fair value of investment properties	**-146 254**	**-3 119**

The changes in fair value of investment properties include the changes in fair value of the buildings in the portfolio of the Group as well as the fair value of Silversquare leases (right of use).

In 2022, the change in fair value of investment properties (excluding Silversquare leases) amounted to -€143.1 million and the change in the fair value of Silversquare leases amounted to -€3.1 million.

In 2021, these amounts were respectively of +€5.5 million for the buildings and of -€8.6 million for the leases.

13. OTHER RESULT ON PORTFOLIO

XV. Other result on portfolio (in € thousand)	**31.12.2022**	**31.12.2021**
Spread of rent free periods	-4 381	-4 637
Others	-462	-1 202
Other result on portfolio	**-4 843**	**-5 839**

This heading includes recurring compensation for the effect of spreading rental gratuities granted. Spreading of rental gratuities and concessions, recorded in accordance with IFRS standards under rental income, is neutralised here, so that the effect is zero on the Group’s net result. The other items under this heading are non-recurring. For the year 2022, it relates to a goodwill impairment on the participation in Fedimmo.

14. FINANCIAL RESULT

	(in € thousand)	**31.12.2022**	**31.12.2021**
(+)	**XX. Financial income**	**1 671**	**1 455**
(+)	Interests and dividends received	622	1 241
(+)	Fees for finance leases and similar	227	213
(+)	Net gains realised on sale of finance leases receivables and similar	823	-
(+/-)	**XXI. Net interest charges**	**-20 367**	**-14 893**
(-)	Nominal interest on loans	-12 874	-6 186
(-)	Reconstitution of the face value of financial debts	-1 851	-339
(-)	Other interest charges	-1 453	-1 619
(+)	Proceeds of authorised hedging instruments	2 201	2 622
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*2 201*	*2 622*
(-)	Charges of authorised hedging instruments	-6 390	-9 370
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*-6 390*	*-9 370*
(-)	**XXII. Other financial charges**	**-8 200**	**-3 736**
(-)	Bank charges and other commissions	-4 737	-3 278
(-)	Net losses realised on sale of financial assets	-1	-6
(-)	Net losses realised on sale of finance lease receivables and similar	-	-452
(-)	Others	-3 462	-
(+/-)	**XXIII. Changes in fair value of financial assets and liabilities**	**131 951**	**30 579**
(+/-)	Authorised hedging instruments	131 187	30 922
	Authorised hedging instruments not qualifying for hedge accounting under IFRS	*131 187*	*30 922*
(+/-)	Others	765	-344
(+/-)	**Financial result**	**105 056**	**13 404**

The financial result (excluding changes in the fair value of financial assets and liabilities) was -€26.9 million as at 31 December 2022, compared with -€17.2 million as at 31 December 2021.

The decrease in the subheading "Interests and dividends received" of the "Financial Income" is related to the increase of the interest rate combined with the decrease of the Commercial Paper volume during the year 2022.

The subheading "Net gains realised on sale of finance leases receivables and similar" of the "Financial Income" is related to the gain realised on the sale of the financial asset "Wandre" (accounted for in the heading "Finance lease" receivables in the "Balance sheet", see also note 21).

"Net interest charges" increases by €5.5 million due to the increase in average debt, the increase of the interest rates, the cost of the Bridge Facility concluded in the context of the voluntary public tender offer and the increase of the margin of existing facilities related to the S&P downgrade.

The impact of financial interest charges related to IFRS 16 debts under the sub-heading "Other interest charges" (mainly linked to the external leases of Silversquare) amounted to €1.4 million in 2022, compared to €1.5 million in the accounts at 31 December 2021.

The subheading "Others" in the heading "Other financial charges" is mainly due to close-out cost related to the early redemption of the EUPP due to the change of control (by Alexandrite Monnet Belgian Bidco SA) and the change of status.

The change in fair value of the financial assets and liabilities amounts to +€132.0 million for the 2022 fiscal year. The item "Authorised hedging instruments" includes gains recorded on the forward and option products (€131.2 million, including CVAs and DVAs), acquired under the Group's hedging policy.

The change in fair value of the financial assets and liabilities was +€30.6 million for the 2021 fiscal year. The item "Authorised hedging instruments" includes gains recorded on the forward products (+30.7 million, including CVAs and DVAs) and gains recorded on option products (€0.2 million, including CVAs and DVAs), acquired under the Group's hedging policy.

The hedging instruments are listed in note 33.B to these financial statements.

As required by IFRS 7 - *Financial Instruments: Disclosures*, the following table allows a distinction to be made between the types of financial assets and liabilities behind the financial charge or revenue reflected in the financial result of the fiscal year just closed:

(in € thousand)	Total		Financial assets or liabilities at fair value through profit or loss		Financial assets valued at amortised cost		Financial liabilities valued at amortised cost	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Financial income	1 671	1 455	-	-	1 058	214	613	1 241
Net interest charges	-20 367	-14 893	-3 291	-5 246	-77	-87	-16 998	-9 560
Other financial charges	-8 200	-3 736	-1	-6	-469	-	-7 730	-3 730
Changes in fair value of financial assets and liabilities	131 951	30 579	131 187	30 528	-	-	765	51
Total result on financial assets/liabilities	**105 056**	**13 404**	**127 896**	**25 275**	**512**	**126**	**-23 350**	**-11 997**

15. INCOME TAXES

The income tax burden is broken down as follows:

XXV. Corporation tax (in € thousand)	31.12.2022	31.12.2021
Current taxes for fiscal year	-1 119	-1 292
Adjustment of current taxes from previous periods	-	284
Deferred tax	62	-44
Corporation tax	**-1 057**	**-1 051**

Befimmo is a limited-liability company with the status of a public REIT during the year 2022[1]. This status entitles the Company to pay Belgian corporation tax (at the standard rate of 25.00% during 2022 and 2021) on a reduced tax base, i.e. mainly on its non-allowable expenses.

The subsidiaries Fedimmo SA, ZIN in Noord SA, ZIN in Noord 2025 SA and Loi 52 SA which have institutional REIT status[2], are therefore also subject to the same tax regime as Befimmo SA.

Befimmo Property Services SA, Meirfree SA, Vitalfree SA and Silversquare Belgium SA are subject to standard Belgian corporation tax. They are taxed at the standard rate of corporation tax (25.00% in 2022 and 2021) on their tax base.

Axento SA, Kubissimmo SàRL, and Silversquare Luxembourg SA (subsidiary of Silversquare Belgium SA) are subject to standard Luxembourg corporation tax. They are subject to the standard rate of corporation tax on their tax base.

"Current taxes for fiscal year" include the tax burden on the results of the current year. The amount included under "Adjustment of current taxes for previous years" concerns in 2021 the reversal of a provision for miscellaneous tax risks.

During 2022, the deferred tax liability recorded for Axento has been adjusted for a total amount of +€62 thousand, resulting from the recognition at fair value of properties located abroad as per IAS 40. The “Deferred tax” amounted to -€44 thousand in 2021.

16. RESULT PER SHARE

Result for the fiscal year (in € thousand)	**31.12.2022**		**31.12.2021**
NUMERATOR			
Net result for the fiscal period (group share)	34 195		89 370
DENOMINATOR			
Shares not held by the group at the end of the period (in units)	27 003 495		27 011 100
Weighted average of shares in circulation during the period (in units)	27 005 436		27 027 104
Net result per share (basic and diluted) (in €) (group share)	**1.27**		**3.31**
Dividend for the fiscal year			
Interim dividend (gross)	11 715	3	34 054
Final dividend (gross)	54 226	4	15 690
Gross dividend for the fiscal year	**65 941**		**49 744**
Total gross dividend per share not held by the group	2.44		1.84

The result per share is calculated by dividing the net result by the weighted average of the number of shares outstanding during the relevant period.

Since Befimmo has no diluting instruments, the basic and diluted results are identical.

17. GOODWILL

Goodwill Fedimmo

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. This goodwill, recorded on the assets side of the consolidated financial statements, represents the future financial advantages associated with the synergies, optimisations and development prospects of a geographically diversified portfolio. A reduction in goodwill of €3,422 thousand was recorded following the sale of 20 properties during the 2022 fiscal year. The goodwill associated with the buildings sold was reversed and incorporated into the calculation of the result of the sale. During the 2022 fiscal year, another reduction in the value of the goodwill of €462 thousand was recorded in the Flanders segment, following the impairment test explained hereafter. The table below illustrates the change in value of the goodwill over the fiscal year:

1 Due to the squeeze-out in January 2023, the Company changed his status to a specialised real-estate investment fund (FIIS/GVBF).
2 The companies changed their status to a specialised real-estate investment fund (FIIS/GVBF) on 1 February 2023.
3 Paid in February 2023.
4 Subject to the approval by the Ordinary General Meeting of shareholders of 15 June 2023.

(in € thousand)	31.12.2022	31.12.2021
COST		
Opening balance	**9 087**	**9 731**
Reductions linked to assets sold during the period	-3 422	-644
Closing balance	**5 666**	**9 087**
DECREASE IN VALUE		
Opening balance	**-1 339**	**-487**
Write-downs posted during the period	-462	-852
Closing balance	**-1 801**	**-1 339**
CARRYING AMOUNT		
Opening balance	**7 748**	**9 244**
Closing balance	**3 864**	**7 748**

The goodwill has been allocated to the groups of cash-flow generating units (CGUs) that will benefit from the synergies of the acquisition. In the case of the Fedimmo portfolio, this corresponds to the groups of properties broken down according to their geographical location. This breakdown of goodwill by geographical segment is illustrated in the table below.

Segment (in € thousand)	Goodwill	Carrying amount (including 100% goodwill and impairment of previous fiscal years)	Value in use	Impairment (of the fiscal year)
Brussels centre	597	30 345	30 491	-
Brussels Leopold district	2 010	117 841	118 727	-
Wallonia	325	7 293	7 595	-
Flanders	933	38 457	38 462	-462
Total portfolio	**3 864**	**193 935**	**195 275**	**-462**

IMPAIRMENT TEST

Each time the accounts are closed, the goodwill is subject to an impairment test (conducted on the groups of buildings to which it was allocated on the basis of geographical segment), comparing the carrying amount of the groups of buildings (including the goodwill allocated at 100%) with their value in use. The value in use of the groups of buildings is assessed by the real-estate expert on the basis of a calculation for updating the cash flows generated by these buildings, based on assumptions in accordance with standard IAS 36 — *Impairment of Assets*.

This value in use is less than the investment value of the properties for UGT Wallonia and for UGT Flanders. The result of the test carried out at 31 December 2022 (shown in the table above) indicates that an impairment of €462 thousand should be booked because the value in use for these sectors is less than the book value. This depreciation was booked at 31 December 2022.

SENSITIVITY TEST

The method for calculating the fair value of investment property by independent experts relies on making several specific assumptions, mainly the rate of updating the cash flows generated by the buildings and the residual value of each building.

The sensitivity was tested on the value of the goodwill to changes in the rates of updating the cash flows generated by the groups of buildings to which the goodwill was allocated. It appears that an extra impairment should be recorded for any decrease of the gross value of the portfolio (€1 extra impairment in case of a decrease in the gross value by €208). A further 1% increase in the rate above that level would lead to an impairment of the value of the goodwill of €9,329 of the value of the goodwill.

Goodwill Silversquare

The consolidation of Silversquare 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. This goodwill is recorded in the consolidated financial statements as at 1 January 2020.

IMPAIRMENT TEST

A valuation exercise (by an independent expert and using a discounted cash flow method) for the Silversquare group was carried out as part of the annual closure of the accounts. It showed that the value of the group was higher than the acquisition value and no impairment booking is required.

SENSITIVITY TEST

A sensitivity test was carried out on the two main components of the valuation of the Silversquare group namely, turnover and the estimated cash flow discount rate (WACC). Considering that the goodwill was not impaired for the closing of 2022, the sensitivity test looks irrelevant in this context.

18. INVESTMENT PROPERTIES AND ASSETS HELD FOR SALE

As required by standard IAS 40, properties that are being constructed or developed for own account in order to be leased are included under Investment properties. This category covers properties under construction or undergoing a major renovation, or those which by their nature do not generate income (land).

C. Investment properties (in € thousand)	**31.12.2022**	**31.12.2021**
Properties available for lease	2 320 954	2 470 491
Fair value of portfolio (excluding Silversquare)	2 287 539	2 433 960
Right of use - Fair value of Silversquare leases	33 415	36 531
Other - Properties that are being constructed or developed for own account in order to be leased	446 342	390 695
Investment properties	**2 767 296**	**2 861 185**

As at 31 December 2022, the heading "Other - Properties that are being constructed or developed for own account in order to be leased" includes the following buildings: Knokke, Loi 44 and Loi 52, Pacheco and PLXL and the projects Courbevoie, A-Tower, ZIN and WTC 4. As a comparison, a at 31 December 2021, the heading "Other - Properties that are being constructed or developed for own account in order to be leased" includes the following buildings: Knokke, Loi 44 and Loi 52 and PLXL and the projects Courbevoie, A-Tower, ZIN, Paradis Express and WTC 4.

A. Assets held for sale (in € thousand)	**31.12.2022**	**31.12.2021**
Investment properties	17 759	13 133
Assets held for sale	**17 759**	**13 133**

The heading “Assets held for sale” includes six buildings in the Fedimmo portfolio, of which two are located in Flanders and four in Wallonia.

(in € thousand)	
Carrying value as at 31.12.2020	**2 761 229**
of which: - Investment properties	2 739 649
Fair value of the portfolio excluding Silversquare	*2 694 479*
Fair value of the Silversquare leases (right of use)	*45 170*
of which: - Assets held for sale	21 581
Acquisitions	55 985
Other investments	158 561
Disposals	-98 337
Changes in fair value	5 757
IFRS 16 - Silversquare leases (right of use)	-8 639
Changes in fair value	*-8 639*
IFRS 16 - rights of use of lands	-237
Changes in fair value	*-237*
Carrying value as at 31.12.2021	**2 874 319**
of which: - Investment properties	2 861 185
Fair value of the portfolio excluding Silversquare	*2 824 655*
Fair value of the Silversquare leases (right of use)	*36 531*
of which: - Assets held for sale	13 133
Acquisitions	6 811
Other investments	155 855
Disposals	-105 676
Changes in fair value	-143 026
IFRS 16 - Silversquare leases (right of use)	-3 116
Changes in fair value	*-3 116*
IFRS 16 - rights of use of lands	-112
Changes in fair value	*-112*
Carrying value as at 31.12.2022	**2 785 055**
of which: - Investment properties	2 767 296
Fair value of the portfolio excluding Silversquare[1]	*2 733 881*
Fair value of the Silversquare leases (right of use)	*33 415*
of which: - Assets held for sale	17 759

1 €1,737 thousand of which correspond to a right to use land.

During the 2022 fiscal year, the acquisitions of €6.8 million relate to the progress in the construction of the project Courbevoie located in Wallonia.

During the 2021 fiscal year, Befimmo acquired the Cubus building located in Luxembourg city and the project Courbevoie located in Wallonia and the project A-Tower located in Flanders.

In 2022, €155.9 million were invested in works in the portfolio from which €148.2 million in properties constructed or developed for own account in order to be leased. The main investments were in the ZIN project (€126.9 million), the Quatuor project (€4.5 million), the A-Tower project (€4.2 million) the Paradis Express project (€5.5 million in the office part), the PLXL project (€2.8 million).

In 2021, €158.6 million were invested in works in the portfolio from which €138.3 million in properties constructed or developed for own account in order to be leased. The main investments were in the ZIN project (€58.2 million), the Quatuor project (€46.3 million), the Paradis Express project (€28.6 million in the office part), the renovation of the Central building (€15.3 million).

In the 2022 fiscal year, Befimmo sold the building Choux in the Brussels CBD and the building Ocean House in the Brussels Periphery. Fedimmo sold 21[1] properties located in Flanders and Wallonia (Brugge, Haacht, Diest, Eeklo, Halle, Ieper, Kortrijk Bloemistenstraat, Nieuwpoort, Oudenaarde, Roeselare, Sint-Niklaas, Sint-Truiden, Tielt, Tongeren, Torhout Elisabethlaan, Torhout Burg, Vilvoorde, Ath, Eupen Vervierserstrasse, La Louvière and Marche-en-Famenne).

The properties that left the portfolio in 2022 contributed €13.1 million to the property operating result in 2022.

During the 2021 fiscal year, Befimmo sold the Wiertz building in the Brussels CBD and the Planet 2 building in the Brussels Periphery. Fedimmo sold the residential parts of the Paradis Express. Fedimmo also completed the sale of five buildings in Flanders and one in Wallonie: Bilzen, Deinze, Diksmuide, Lokeren, Tienen and Binche.

Note 36 includes additional information on measuring the fair value of investment properties as per IFRS 13.

IFRS 16 came into effect on 1 January 2019. The rights to use in leases as a tenant of office space are valued at fair value (see Main accounting methods). The sub-heading "Other rights to use" includes the right to use land.

19. INTANGIBLE ASSETS AND OTHER TANGIBLE ASSETS

B. Intangible assets (in € thousand)	**31.12.2022**	**31.12.2021**
Intangible assets	2 355	6 176
Intangible assets	**2 355**	**6 176**

D. Other property, plant and equipment (in € thousand)	**31.12.2022**	**31.12.2021**
Property, plant and equipment for own use	3 514	3 973
Other	15 820	15 145
Other property, plant and equipment	**19 334**	**19 118**

At 31 December 2022, the Intangible Assets mainly include the costs related to the development of the digitalisation of the firm. The decrease is explained by the accelerated amortisation of projects.

The sub-heading “Property, plant and equipment for own use” includes mainly all the fixtures and fittings (net of depreciation). As from 2021, it also includes the rights to use in lease agreements for cars and copiers (see note 2.5 for the accounting rules applied to these financial statements).

The heading “Other” includes the rights to use in lease agreements for parking spaces (see note 2.5 for the accounting rules applied to these financial statements). As from 2021, it also includes the ICT developments carried out in the coworking spaces (net of depreciation).

1 Excluding Wandre, which is considered here as a financial asset.

20. NON-CURRENT AND CURRENT FINANCIAL ASSETS

E. Non-current financial assets (in € thousand)	**31.12.2022**	**31.12.2021**
Financial assets at fair value through profit and loss	127 807	6 514
Investments in associates or companies linked through a shareholding	500	-
Authorised hedging instruments - level 2	127 307	6 514
Option - CAP	*3 681*	*260*
Forward - IRS	*123 626*	*6 253*
Loans and receivables	17	-
Others	386	387
Non-current financial assets	**128 210**	**6 901**

B. Current financial assets (in € thousand)	**31.12.2022**	**31.12.2021**
Financial assets at fair value through profit and loss	-	6
Authorised hedging instruments - level 2	-	6
Forward - IRS	-	6
Loans and receivables	143	1
Current financial assets	**143**	**7**

The heading "Financial assets at fair value through profit or loss — authorised hedging investments" reflects the valuation at fair value of the financial derivatives as per IFRS 9 — *Financial Instruments*, which have a positive value. Otherwise, their value is entered in the equivalent heading under liabilities (see note 28 to these financial statements). Befimmo does not practice hedge accounting for the financial hedging instruments it holds. Accordingly, these instruments are regarded as trading instruments as per IFRS and the difference in value recorded over the fiscal year is recognised in the income statement under section XXIII of the financial result — “Changes in fair value of financial assets and liabilities”. The derivatives were valued as at 31 December 2022 taking account of the credit value adjustments (CVAs) and debit value adjustments (DVAs) as per IFRS 13, as described in note 33 to these financial statements. 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 Befimmo bonds.

The fair value of the financial instruments is determined purely using (directly or indirectly) observable data, but which are not prices quoted on an active market. The IRS, CCS and CAP contracts therefore belong to level 2 of the fair-value hierarchy, as defined in standard IFRS 13 — *Fair Value Measurement*.

The fair value of these contracts is determined at the balance sheet date. We receive this information from an independent specialist company. Befimmo also verifies it using checks of consistency with information received from counterparty financial institutions (fair value excluding CVAs and DVAs).

Finally, note that although the instruments in question are considered trading instruments under IFRS, they are intended solely for hedging the risk of changing interest and exchange rates, and not for speculative purposes.

The heading “Loans and receivables” includes various amounts to be recovered from counterparties of the Group.

21. FINANCE LEASE RECEIVABLES

F. Finance lease receivables (in € thousand)	**31.12.2022**	**31.12.2021**
Freehold on properties	3 693	4 019
Finance lease agreements	-	793
Non-current financial assets	**3 693**	**4 812**

C. Finance lease receivables (in € thousand)	**31.12.2022**	**31.12.2021**
Finance lease agreements	-	149
Current financial assets	**-**	**149**

This heading relates to finance lease agreements (as per standard IFRS 16) and the freehold of properties. The finance lease agreement relates on the asset embodied in the building in Wandre. The property Wandre has been sold in the 2022 fiscal year, generating a realised gain of €0.8 million (see note 15).

22. TRADE RECEIVABLES

Trade receivables arise through rents, or income from coworking space members' contracts or billing of taxes or rental charges. The quantitative description of the principal risks (see note 33.A to these financial statements) includes a section on the credit risk, which analyses the Group's exposure to such debts in terms of the counterparty or of the maturity.

23. TAX RECEIVABLES AND OTHER CURRENT ASSETS

E. Tax receivables and other current assets (in € thousand)	31.12.2022	31.12.2021
Taxes	3 134	11 622
Others	89	70
Tax receivables and other current assets	**3 223**	**11 692**

In 2022, the sub-heading "Taxes" consists mainly of the VAT to be recovered from the VAT authority on the development project Paradis Express. In 2021, the sub-heading "Taxes" consists mainly of the VAT to be recovered from the VAT authority on the development projects Quatuor and Paradis Express. The sub-heading "Taxes" also includes advance payments to the VAT authorities.

24. CASH AND CASH EQUIVALENTS

F. Cash and cash equivalents (in € thousand)	31.12.2022	31.12.2021
Cash equivalents	-	462
Available values	90 698	1 560
Total	**90 698**	**2 022**

As the Group is structurally indebted, available funds are limited, consisting mainly of positive balances in the Group's various bank accounts. The amount is exceptionally important at the 2022 closing balance due to the sale of a portfolio of Fedimmo buildings realised on 30 December 2022.

25. DEFERRED CHARGES AND ACCRUED INCOME — ASSETS

G. Deferred charges and accrued income (in € thousand)	31.12.2022	31.12.2021
Prepaid property charges	1 484	3 898
Others	2 102	1 680
Deferred charges and accrued income	**3 586**	**5 578**

This heading covers:

- prepaid property charges;
- under the sub-heading "Other": mainly the financial receivables related to IRS receivers (€1.4 million).

The characteristics of these instruments are set out in the table in note 33 to these financial statements.

26. CAPITAL AND RESERVES

(in € thousand)			31.12.2022	31.12.2021
A. Capital			**398 357**	**398 357**
(+)		Subscribed capital	413 277	413 277
(-)		Costs of capital increase	-14 920	-14 920
B. Share premium account			**861 905**	**861 905**
C. Reserves			**353 021**	**314 592**
(+)	(a)	Legal reserve	25	-
(+/-)	(b)	Reserve for the balance of changes in fair value of investment properties	279 657	182 316
(+/-)	(b2)	Reserve for the balance of the share in the profit or loss and other comprehensive income of investments booked using the equity method	-11 664	-1 903
(+/-)	(e)	Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting under IFRS	-20 953	-55 049
(-)	(h)	Reserve for own shares	-71 307	-70 375
(+/-)	(j)	Reserve for actuarial gains and losses for the pension plans	657	-817
(+/-)	(m)	Other reserves	14 159	12 084
(+/-)	(n)	Result brought forward from previous years	162 447	248 335

Reserves are presented before the appropriation of the result for the fiscal year.

In addition to the appropriation of the previous year's result (€55.3 million) and the payment of the final dividend for 2021 (-€15.7 million), the reserves were also impacted in 2022 by the result directly recognised in equity as per IAS 19 R (representing the actuarial gains and losses of the defined-benefit and defined-contribution pension scheme (impact of €1.5 million), by the Performance Stock Units plan[1] (-€0.5 million), by the liquidity programme of treasury shares (-€0.9 million), by the valuation of the put option held by the minority shareholders of Silversquare (-€1.3 million) and by the appropriation of the result following the disposals of buildings during the year.

The number of shares not held by the group decreased from 27,011,100 shares at 31 December 2021 to 27,003,495 shares at 31 December 2022, following the net purchase of treasury shares in the context of a liquidity contract put in place end 2020.

27. CURRENT AND NON-CURRENT FINANCIAL DEBTS

B. Non-current financial debts (in € thousand)	**31.12.2022**	**31.12.2021**
Credit institutions	1 224 776	440 155
Other	55 378	411 620
EUPP	*14 200*	*367 040*
Guarantees received	*3 863*	*3 417*
Financial debts IFRS 16	*37 315*	*41 164*
Non-current financial debts	**1 280 154**	**851 775**

B. Current financial debts (in € thousand)	**31.12.2022**	**31.12.2021**
Credit institutions	32 493	14 247
Other	7 531	345 406
Commercial papers	-	*284 000*
EUPP	-	*54 991*
Guarantees received	*2 979*	*2 198*
Financial debts IFRS 16	*4 552*	*4 218*
Current financial debts	**40 024**	**359 653**

Commercial paper must be booked to current liabilities as per IAS 1. The Group nevertheless has confirmed bank lines at more than one year as a back-up for the short-term commercial paper. The total Commercial Paper programme has been closed by the end of 2022 in order to respect to the new legal framework in preparation at the end of that same year and which became effective on 1 February 2023.

The headings “Credit institutions” (non-current and current) cover all the bank financing held by the Group. Therefore, these headings also include the financing deal involving the assignment of future receivables. At 31 December 2022, the use of bank financing increased mainly due to the repayment of the EUPP and the Commercial Paper.

As of 31 December 2022, the Company has a Bridge facility totalling €1.265 million, €576.3 million of which were in use at 31 December 2022. The remaining of the debt of the Company is drawn on the remaining existing Bank facilities.

The heading "Other - EUPP" includes debt related to European private placements of €14.2 million at fixed rates. Under IFRS, the costs related to the bond issues and the private placements are smoothed over the term of the financing.

The heading “Other — Guarantees received” covers the amount of rental guarantees received in cash from tenants and the coworking teams. Their carrying amount is equivalent to their fair value.
The heading “Other — Commercial paper” covers the outstanding commercial paper issued by the Group at the balance sheet date.

The heading “Other - Financial debts IFRS 16” includes the debt related to usage rights recorded on the assets side of the balance sheet as per IFRS 16, applicable since 1 January 2019.

As mentioned under Significant Accounting Policies, the value of the assets and liabilities approximates to their fair value, except for:

1 The plan has been cancelled during the 2022 fiscal year in line with the squeeze-out on 4 January 2023.

> The fixed-rate European private placements for an amount of €14.2 million;
> One bank line with a credit institution of €14.25 million; and
> The financing relating to the assignment of receivables from future rents, structured at fixed rates, of a residual total at 31 December 2022 of €20.8 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 and the total fixed-rate debt measured at fair value at the end of the 2022 fiscal year.

The fair value of the assigned 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 for 31 December 2022, plus a margin to take account of the Group's credit risk (level 2).

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

(in € thousand)	Level in IFRS	Fair value	Book value
EUPP	2	13 405	14 200
Bank line	2	13 451	14 250
Assignment of receivables from future rents	2	20 643	20 799

28. OTHER NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

C. Other non-current financial liabilities (in € thousand)	**31.12.2022**	**31.12.2021**
Authorised hedging instruments	17 120	27 081
Financial hedging instruments at fair value through profit and loss - level 2	17 120	27 081
Forward - IRS	*17 120*	*27 081*
Other non-current financial liabilities	**17 120**	**27 081**

C. Other current financial liabilities (in € thousand)	**31.12.2022**	**31.12.2021**
Authorised hedging instruments	*0*	*392*
Financial hedging instruments at fair value through profit and loss - level 2	*0*	*392*
Option - SWAPTION	-	*1*
Forward - IRS	*0*	*391*
Other current financial liabilities	**0**	**392**

The headings "Other non-current financial liabilities" and "Other current financial liabilities" reflect solely the fair value of the financial instruments, as per IFRS 9 — *Financial Instruments*, which have a negative value. Otherwise, their value is recognised in the equivalent category of the assets (see note 20 to these financial Statements). Befimmo does not practice hedge accounting for the financial hedging instruments it holds. Accordingly, these instruments are regarded as trading instruments as per IFRS and the difference in value recorded over the fiscal year is recognised in the income statement under section XXIII of the financial result — "Changes in fair value of financial assets and liabilities".

The derivatives were valued as at 31 December 2022 taking account of the credit value adjustments (CVAs) and debit value adjustments (DVAs) as per IFRS 13, as described in note 33 to these financial statements. 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 Befimmo bonds.

The fair value of the financial instruments is determined purely using (directly or indirectly) observable data, 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 IFRS 13 — *Fair Value Measurement*.
The fair value of these contracts is determined at the balance sheet date. The Group receives this information from an independent specialist company. Befimmo also verifies it using checks of consistency with information received from counterparty financial institutions (fair value excluding CVAs and DVAs).

Finally, note that although the instruments in question are considered trading instruments under IFRS, they are intended solely for hedging the risk of changing interest and exchange rates, and not for speculative purposes.

29. PROVISIONS

A. Non-current provisions (in € thousand)	31.12.2022	31.12.2021
Pensions	-	1 196
Non-current provisions	**-**	**1 196**

A. Current provisions (in € thousand)	31.12.2022	31.12.2021
Others	2 172	3 709
Current provisions	**2 172**	**3 709**

The sub-heading "Pensions" represents the difference between the up-to-date values of the pension obligations and the fair value of the assets.

The sub-headings “Other” (current) relate to ongoing litigation, compliance work and a provision related to the sale of six properties of the Fedimmo portfolio.

30. TRADE DEBTS AND OTHER DEBTS

D. Trade debts and other non-current debts (in € thousand)	31.12.2022	31.12.2021
Others	3 925	7 362
Trade debts and other non-current debts	**3 925**	**7 362**

D. Trade debts and other current debts (in € thousand)	31.12.2022	31.12.2021
Other	59 267	61 584
Suppliers	*37 329*	*40 690*
Tenants	*12 208*	*10 763*
Tax, salaries and social charges	*9 731*	*10 132*
Trade debts and other current debts	**59 267**	**61 584**

The heading "Other" of trade debts and other current debts consists of three subheadings:

- Suppliers: this covers the amounts owed to various suppliers of goods and service providers;
- Tenants: relates to amounts received as deposits for provisions for common charges prepaid by tenants;
- Taxes, salaries and social charges: consists mainly of the amounts of debts related to taxes and withholding charges owed by the Group.

The heading “Other” of trade debts and other non-current payables mainly includes the put option held by the minority shareholders of Silversquare (and valued at fair value).

31. OTHER CURRENT LIABILITIES

This item consists mainly of debts payable related to coupons for Befimmo shares and the attendance tokens of the Directors of the Company.

32. ACCRUED CHARGES AND DEFERRED INCOME

F. Accrued charges and deferred income (in € thousand)	31.12.2022	31.12.2021
Property income received in advance	21 258	19 469
Interest and other financial charges accrued and not yet due	6 568	7 003
Others	756	10 093
Accrued charges and deferred income	**28 583**	**36 566**

This heading consists principally of:

- Income from property received in advance, in accordance with the terms of the leases, including the amounts of rents received for subsequent periods;
- Financial interest and charges accrued but not yet due, notably on the fixed-rate financing and on financial hedging instruments; and
- Other deferred income.

At 31 December 2021, the heading “Others” relates mainly to a receivable toward the VAT Administration of VAT to be recovered on the development projects Quatuor and Paradis Express of €9.4 million.

33. QUANTITATIVE DESCRIPTION OF THE MAIN RISKS OF THE FINANCIAL ASSETS AND LIABILITIES

The quantitative description of the main risks below complements the chapter on "Risk factors" of this Report.

A. Credit risk

Please see page 35 of the management report for a breakdown of Befimmo’s portfolio of tenants.

The following tables show the maximum amounts of the Group’s exposure to credit risk, at the balance sheet date, by category of counterparty:

31.12.2022 (in € thousand)	TOTAL	Bank	Corporate	State	Other
Non-current financial assets					
E. Non-current financial assets	128 210	127 307	903	-	-
F. Finance lease receivables	3 693	-	-	-	3 693
Current financial assets					
B. Current financial assets	143	7	5	-	131
C. Finance lease receivables	-	-	-	-	-
D. Trade receivables	34 564	2 026	25 283	7 252	2
E. Other current assets	89	-	-	89	-
F. Cash and cash equivalents	90 698	90 698	-	-	-
Total financial assets	**257 396**	**220 037**	**26 191**	**7 341**	**3 826**

31.12.2021 (in € thousand)	TOTAL	Bank	Corporate	State	Other
Non-current financial assets					
E. Non-current financial assets	6 901	6 514	387	-	-
F. Finance lease receivables	4 812	-	-	793	4 019
Current financial assets					
B. Current financial assets	7	6	-	-	1
C. Finance lease receivables	149	-	-	149	-
D. Trade receivables	35 217	2 541	22 981	9 694	-
E. Other current assets	70	-	-	-	-
F. Cash and cash equivalents	2 022	2 022	-	-	-
Total financial assets	**49 177**	**11 083**	**23 369**	**10 706**	**4 020**

The main items in the sub heading “E. Non-current financial assets” and “B. Current financial assets” are financial hedging instruments (regarded as trading instruments under IFRS) which are recognised at fair value through the profit and loss. Note that the fair value of the financial instruments takes account of Befimmo's credit risk against its counterparty banks and that of its counterparties against Befimmo, as per IFRS 13.

Except for the financial hedging instruments, all the other financial assets in the above table are, as per IFRS 9, in the "Loans and receivables" category and belong to level 2 as per IFRS 13.

To limit the counterparty risk, in the context of its activity of real estate operator and coworking space operator and also for investment or disinvestment transactions or works, the Group has received the following guarantees:

(in € thousand)		31.12.2022	31.12.2021
Rental guarantees for leases	Blocked accounts/bank guarantees	21 214	17 943
Rental guarantees for leases	Guarantees received in cash	6 842	5 614
Guarantees for investment works	Blocked accounts	48 464	47 543
Guarantees received at the close of the fiscal year		**76 519**	**71 101**

The Group regularly monitors the recovery of its debts. The details of due dates for trade debts at the balance sheet date are as follows:

Aging balance of trade receivables (in € thousand)	> 3 months		1 to 3 months	< 1 months	Unexpired	Total
Receivables	2 356	1	1 010	3 795	28 591	35 751
Total write-off	-1 062		-67	-7	-51	-1 187
Reserve following "Expected credit loss model IFRS 9"	*-4*		*-2*	*-7*	*-51*	*-64*
Write-off	*-1 058*		*-65*	*-*	*-*	*-1 123*
As at 31.12.2022	**1 294**		**943**	**3 788**	**28 539**	**34 564**

Aging balance of trade receivables (in € thousand)	> 3 months		1 to 3 months	< 1 months	Unexpired	Total
Receivables	2 503	1	1 723	6 842	25 699	36 776
Total write-off	-854		-4	-647	-54	-1 559
Reserve following "Expected credit loss model IFRS 9"	*-5*		*-4*	*-14*	*-54*	*-77*
Write-off	*-849*		*-*	*-633*	*-*	*-1 482*
As at 31.12.2021	**1 649**		**1 728**	**6 195**	**25 645**	**35 217**

The Group checks, on an annual basis, that the total impairment loss recorded (€1,187 thousand) remains higher than the loss recorded following the “expected loss model” defined by IFRS 9 (€64 thousand). The Group bears the final risk of trade debts. A debt repayment plan can be arranged for certain tenants. At the end of 2022, there were no significant repayment plans.

Furthermore, write-downs of €617,479 were recorded during the 2022 fiscal year (as against €1,118,124 in 2021); while €822,907 of write-downs were written back in 2022 (as against €82,750 in 2021).

B. Risks related to finance, financial hedging instruments and their valuation

Please refer to the management report for a description of Befimmo's financial structure and especially its policy of refinancing and interest-rate and currency hedging.

(in € thousand)	31.12.2022	31.12.2021
Variable-rate borrowings	622 050	404 675
Bilateral credit lines	*622 050*	*404 675*
Fixed-rate borrowings	654 241	443 684
Bilateral credit lines	*585 712*	*14 682*
Assignment of receivables from future rents/ future usufruct fees	*17 014*	*20 799*
EUPP	*14 200*	*367 040*
Financial debts IFRS 16	*37 315*	*41 164*
Guarantees received	3 863	3 417
B. Non-current financial debts	**1 280 154**	**851 775**
Variable-rate borrowings	28 100	339 391
Bilateral credit lines	*28 100*	*10 400*
Commercial papers	*-*	*284 000*
EUPP	*-*	*44 991*
Fixed-rate borrowings	8 945	18 065
Assignment of receivables from future rents/ future usufruct fees	*3 785*	*3 614*
EUPP	*-*	*10 000*
Bilateral credit lines	*608*	*233*
Financial debts IFRS 16	*4 552*	*4 218*
Guarantees received	2 979	2 198
B. Current financial debts	**40 024**	**359 653**
Total borrowings	**1 320 177**	**1 211 429**

As at 31 December 2022, the funding available to the Group consisted mainly[2] of:

- Various bilateral credit lines totalling €792.28 million;
- A Bridge Facility, concluded in the context of the voluntary public tender offer, for an amount of €1.265 million;
- Fixed-rate European private bond placements in euros totalling €14.2 million;
- Various fixed-rate loans, with a residual total amount of €20.8 million, corresponding to the assignment of future rents (unindexed) on four buildings in the Fedimmo portfolio;
- Various bilateral credit lines at fixed rates with a total amount of €0.4 million with monthly amortisations until 2025.

1 Most of this amount is owed by public institutions.
2 The amounts given are the notional amounts, excluding the impact of smoothing the cost of issuing debt.

In addition, the application of the interest rate hedging policy, described on page 108 of the management report, has led the Group to acquire the following financial hedging instruments (as at 31 December 2022) from financial institutions:

	Level in IFRS	Class in IFRS	Notional amount (millions)	Interest rate	Period of hedge		Reference interest rate
CAP bought	2	Option	50	0.25%	Jan. 2022	Apr. 2024	Euribor 3 months
CAP bought	2	Option	50	0.25%	Jan. 2022	Apr. 2024	Euribor 3 months
Payer's IRS	2	Forward	15	1.4030%	Jul. 2014	Jan. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0.7200%	Jan. 2016	Jan. 2024	Euribor 3 months
Payer's IRS	2	Forward	15	1.0750%	Sept. 2015	Sept. 2024	Euribor 3 months
Payer's IRS	2	Forward	20	0.8430%	Oct. 2015	Oct. 2024	Euribor 3 months
Payer's IRS	2	Forward	20	0.8100%	Oct. 2015	Oct. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0.7100%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.8000%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.6500%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0.6600%	Jan. 2023	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.7100%	Aug. 2018	Feb. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0.9080%	Oct. 2015	Oct. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.9505%	Apr. 2018	Oct. 2027	Euribor 3 months
Payer's IRS	2	Forward	15	0.7650%	May. 2021	Nov. 2031	Euribor 3 months
Payer's IRS	2	Forward	25	0.7850%	Jul. 2021	Jan. 2032	Euribor 3 months
Payer's IRS	2	Forward	25	1.1020%	Jan. 2025	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	30	1.1429%	Jan. 2025	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.2470%	Feb. 2025	Feb. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.2138%	Jan. 2025	Apr. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.2050%	Dec. 2024	Jun. 2028	Euribor 3 months
Payer's IRS	2	Forward	50	0.8650%	Dec. 2018	Dec. 2028	Euribor 3 months
Payer's IRS	2	Forward	50	0.6490%	Jan. 2023	Jul. 2029	Euribor 3 months
Payer's IRS	2	Forward	20	0.5350%	Jan. 2022	Jan. 2023	Euribor 3 months
Payer's IRS	2	Forward	30	0.9380%	Jan. 2023	Jan. 2038	Euribor 3 months
Payer's IRS	2	Forward	20	0.7380%	Jan. 2023	Jan. 2038	Euribor 3 months
Payer's IRS	2	Forward	25	0.6975%	Sept. 2019	Jul. 2039	Euribor 3 months
Payer's IRS	2	Forward	25	0.6640%	Jan. 2022	Jan. 2040	Euribor 3 months
Payer's IRS	2	Forward	25	-0.0450%	Jan. 2022	Jan. 2040	Euribor 3 months
Payer's IRS	2	Forward	30	0.5400%	Jan. 2023	Jul. 2040	Euribor 3 months
Payer's IRS	2	Forward	25	0.6065%	Feb. 2025	Feb. 2032	Euribor 3 months
Payer's IRS	2	Forward	25	0.7375%	Jan. 2025	Jan. 2031	Euribor 3 months
Payer's IRS	2	Forward	25	0.4154%	Jan. 2016	Jul. 2024	Euribor 3 months
Payer's IRS	2	Forward	20	0.8260%	Jan. 2022	Aug. 2032	Euribor 3 months
Payer's IRS	2	Forward	30	1.3375%	May 2022	Feb. 2032	Euribor 3 months
Payer's IRS	2	Forward	25	1.1600%	May 2022	Feb. 2032	Euribor 3 months
Payer's IRS	2	Forward	25	0.9080%	Jan. 2022	Jan. 2032	Euribor 3 months
Payer's IRS	2	Forward	55	0.4890%	April 2022	Jan. 2033	Euribor 3 months
Payer's IRS	2	Forward	30	1.4200%	April 2022	April 2032	Euribor 3 months
Receiver's IRS	2	Forward	25	1.2470%	Feb. 2025	Feb. 2028	Euribor 3 months
Receiver's IRS	2	Forward	25	0.4154%	Oct. 2017	Jul. 2024	Euribor 3 months
Receiver's IRS	2	Forward	20	0.5350%	Jan. 2022	Jan. 2023	Euribor 3 months
Receiver's IRS	2	Forward	65	0.8070%	Mar. 2018	Mar. 2026	Euribor 3 months
Receiver's IRS	2	Forward	25	-0.0450%	April 2022	Jan. 2040	Euribor 3 months
Receiver's IRS	2	Forward	30	0.9080%	April 2022	Oct. 2025	Euribor 3 months

The hedging policy is implemented by recurring purchases of option or IRS type hedging instruments. As at 31 December 2022, the hedge ratio was 49.3%. The situation of the hedging instruments as at 31 December 2021 is set out below.

	Level in IFRS	Class in IFRS	Notional amount (millions)	Interest rate	Period of hedge		Reference interest rate
CAP bought	2	Option	20	1.15%	Jan. 2016	Jan. 2022	Euribor 3 months
CAP bought	2	Option	50	0.25%	Jan. 2022	Apr. 2024	Euribor 3 months
CAP bought	2	Option	50	0.25%	Jan. 2022	Apr. 2024	Euribor 3 months
FLOOR[1] sold	2	Option	20	0.55%	Jan. 2016	Jan. 2022	Euribor 3 months
Payer's IRS	2	Forward	25	1.5670%	Dec. 2017	Sept. 2022	Euribor 3 months
Payer's IRS	2	Forward	15	1.4030%	Jul. 2014	Jan. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0.7200%	Jan. 2016	Jan. 2024	Euribor 3 months
Payer's IRS	2	Forward	15	1.0750%	Sept. 2015	Sept. 2024	Euribor 3 months
Payer's IRS	2	Forward	20	0.8430%	Oct. 2015	Oct. 2024	Euribor 3 months
Payer's IRS	2	Forward	20	0.8100%	Oct. 2015	Oct. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0.7100%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.8000%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.6500%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0.6600%	Apr. 2018	Jan. 2022	Euribor 3 months
Payer's IRS	2	Forward	30	0.6600%	Jan. 2023	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.7100%	Aug. 2018	Feb. 2025	Euribor 3 months
Payer's IRS	2	Forward	20	0.9210%	Feb. 2025	Aug. 2026	Euribor 3 months
Payer's IRS	2	Forward	20	0.9300%	Aug. 2018	Feb. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0.9080%	Oct. 2015	Oct. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0.8500%	Feb. 2016	Feb. 2026	Euribor 3 months
Payer's IRS	2	Forward	25	0.8170%	Feb. 2017	Feb. 2027	Euribor 3 months
Payer's IRS	2	Forward	25	0.9505%	Apr. 2018	Oct. 2027	Euribor 3 months
Payer's IRS	2	Forward	15	0.7650%	May. 2021	Nov. 2031	Euribor 3 months
Payer's IRS	2	Forward	25	0.7660%	Oct. 2017	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	0.7850%	Jul. 2021	Jan. 2032	Euribor 3 months
Payer's IRS	2	Forward	25	1.1020%	Jan. 2025	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	30	1.1429%	Jan. 2025	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.2470%	Feb. 2025	Feb. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.2138%	Jan. 2025	Apr. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.2050%	Dec. 2024	Jun. 2028	Euribor 3 months
Payer's IRS	2	Forward	50	0.8650%	Dec. 2018	Dec. 2028	Euribor 3 months
Payer's IRS	2	Forward	50	0.6490%	Jan. 2023	Jul. 2029	Euribor 3 months
Payer's IRS	2	Forward	20	0.3700%	Jan. 2020	Jan. 2022	Euribor 3 months
Payer's IRS	2	Forward	20	0.5350%	Jan. 2022	Jan. 2023	Euribor 3 months
Payer's IRS	2	Forward	30	0.9380%	Jan. 2023	Jan. 2038	Euribor 3 months
Payer's IRS	2	Forward	20	0.7380%	Jan. 2023	Jan. 2038	Euribor 3 months
Payer's IRS	2	Forward	25	0.6975%	Sept. 2019	Jul. 2039	Euribor 3 months
Payer's IRS	2	Forward	25	0.6640%	Jan. 2022	Jan. 2040	Euribor 3 months
Payer's IRS	2	Forward	25	-0.0450%	Jan. 2022	Jan. 2040	Euribor 3 months
Payer's IRS	2	Forward	30	0.5400%	Jan. 2023	Jul. 2040	Euribor 3 months
Payer's IRS	2	Forward	25	0.6065%	Feb. 2025	Feb. 2032	Euribor 3 months
Payer's IRS	2	Forward	25	0.7375%	Jan. 2025	Jan. 2031	Euribor 3 months
Payer's IRS	2	Forward	30	2.9910%	Jan. 2018	Jan. 2022	Euribor 3 months
Payer's IRS	2	Forward	20	0.8260%	Jan. 2022	Aug. 2032	Euribor 3 months
Payer's IRS	2	Forward	25	0.4154%	Jan. 2016	Jul. 2024	Euribor 3 months
Receiver's IRS	2	Forward	25	1.2470%	Feb. 2025	Feb. 2028	Euribor 3 months
Receiver's IRS	2	Forward	30	2.9910%	Jan. 2018	Jan. 2022	Euribor 3 months
Receiver's IRS	2	Forward	25	0.4154%	Oct. 2017	Jul. 2024	Euribor 3 months
Receiver's IRS	2	Forward	20	0.5350%	Jan. 2022	Jan. 2023	Euribor 3 months
Receiver's IRS	2	Forward	20	0.3700%	Apr. 2021	Jan. 2022	Euribor 3 months
Receiver's IRS	2	Forward	65	0.8070%	Mar. 2018	Mar. 2026	Euribor 3 months

1 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;

Befimmo does not practice hedge accounting for the financial hedging instruments it holds. These instruments are therefore regarded as trading instruments under IFRS, and changes in their fair value are booked 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 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, CAP and COLLAR contracts therefore belong to level 2 of the fair-value hierarchy, as defined in standard IFRS 13 — *Fair Value Measurement*.

The fair value of these contracts is determined at the balance sheet date. The derivatives were valued as at 31 December 2022 taking account of the credit value adjustments (CVAs) and debit value adjustments (DVAs) as per 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. Befimmo also verifies it using checks of consistency with information 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 31.12.2022**	
Classification by IFRS	**Level in IFRS**	**I.E.b. & II.B.b. Assets at fair value through the result**	**I.C. & II.C. Other current and non-current financial liabilities**
Option	2	3 681	-
Forward	2	123 626	-17 120
		127 307	**-17 120**

(in € thousand)		**Balance sheet item as of 31.12.2021**	
Classification by IFRS	**Level in IFRS**	**I.E.b. & II.B.b. Assets at fair value through the result**	**I.C. & II.C. Other current and non-current financial liabilities**
Option	2	260	-1
Forward	2	6 259	-27 472
		6 520	**-27 473**

The Group 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.

The ISDA agreements with the counterparties for financial instruments provide for the offsetting between financial hedging instruments carried on the assets side and those carried on the liabilities side of the balance sheet in the event of default. No collateral has been exchanged between the parties. The potential effect of offsetting financial hedging instruments is summarised below:

Effect of enforceable netting agreements (in € thousand)	**I.E.b. & II.B.b. Assets at fair value through the result**		**I.C. & II.C. Other current and non-current financial liabilities**	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
Total financial hedging instruments recognised in balance sheet	131 952	6 848 [1]	18 874	28 083 [1]
Enforceable netting	-18 874	-6 848	-18 874	-6 848
Net amount	**113 079**	**-**	**-**	**21 235**

In accordance with the Significant Accounting Policies, changes in the value of the derivatives held by the Group taking place during the accounting year are described in the following table:

1 The amounts €131,952 thousand and €18,874 thousand are excluding CVA/DVA.

(in € thousand)	Initial fair value	Acquisitions and disposals during the period	Changes in fair value in profit and loss account	Net losses realised on sale of financial assets	Final fair value
31.12.2022 fiscal year	-20 953	-46	131 187	-1	110 187
31.12.2021 fiscal year	-55 050	3 174	30 922	-	-20 953

As part of its hedging policy, the Group carried out various operations on hedging instruments over the fiscal year:

- Extension of €20 million IRS by an additional six years until August 2032;
- Extension of €25 million IRS by an additional four years until January 2032;
- Extension of €25 million IRS by an additional five years until February 2032;
- Extension of €30 million IRS by an additional six years until February 2032;
- Mirror SWAP with an IRS Payer with a maturity in 2032 and a IRS Receiver with a maturity in 2025;
- Restructuring with €25 million IRS receiver (mirror of existing) and €55 million new IRS payer, reducing hedging period of seven years and increase of hedged amount of €30 million.

On the basis of total borrowings as at 31 December 2022, a debt of €529.7 million (41.5% of total debt) is financed at fixed rates (conventional fixed rates or rates fixed by IRS). The remainder of the debt, €746.6 million, is financed at floating rates, but is partially hedged against rising interest rates by means of two CAP for a nominal amount of €100 million. Without any hedging, the impact of a rise in market rates of 0.25% would entail an increase in financial charges estimated at €3.1 million (annual basis).

With the hedging arranged at 31 December 2022, the impact of a rise in market rates of 0.25% would entail an increase in financial charges estimated at €1.2 million (annual basis).

C. Financial liquidity risk

Please see page 150 of this Report for a description of the financial liquidity risk.

The tables below illustrate the maturities of the financial liabilities held by the Group.

LIABILITIES (31.12.2022)	Total	< 1 year	Between 1 to 5 years	> 5 years
Non-current financial liabilities				
B. Non-current financial debts	1 280 154	-	1 258 537	21 617
Of which Financial debts IFRS 16	*37 315*	-	*15 698*	*21 617*
D. Trade debts and other non-current debts	3 925	-	3 925	-
Current financial liabilities				
B. Current financial debts	40 024	40 024	-	-
Of which Financial debts IFRS 16	*4 552*	*4 552*	-	-
D. Trade debts and other current debts	51 757	51 757	-	-
E. Other current liabilities	3 491	3 491	-	-
Total financial liabilities	1 375 859	91 781	1 262 462	21 617

LIABILITIES (31.12.2021)	Total	< 1 year	Between 1 to 5 years	> 5 years
Non-current financial liabilities				
B. Non-current financial debts	851 775	-	650 148	201 628
Of which Financial debts IFRS 16	*41 164*	-	*15 790*	*25 374*
D. Trade debts and other non-current debts	7 362	-	7 362	-
Current financial liabilities				
B. Current financial debts	359 653	359 653	-	-
Of which Financial debts IFRS 16	*4 218*	*4 218*	-	-
D. Trade debts and other current debts	53 174	53 174	-	-
E. Other current liabilities	1 675	1 675	-	-
Total financial liabilities	1 273 639	414 502	657 510	201 628

The financial liabilities in the table above are of level 2 as per IFRS 13 and are carried at amortised cost. As per IFRS 13, debt carried at fair value is of level 2.

34. CHANGES IN DEBT RELATED TO FINANCING OPERATIONS

The following table is designed to improve disclosure on the change in debt related to financing transactions, whether or not this change comes from cash flow.

	I. E. et II.B. Non-current and current financial assets	I.C. et II.C. Other non-current and current financial liabilities	I.B. et II.B. Non-current and current financial debts	Net Liabilities
On 31 December 2020	**9 216**	**-62 973**	**-1 053 283**	**-1 107 040**
Changes due to cash flow from financing activities	**-453**	**3 159**	**-157 271**	**-154 566**
European private bond placements			-5 000	-5 000
Increase in financial debts			-155 370	-155 370
Hedging instruments and other financial assets	-453	3 159		2 705
Reimbursement financial debts IFRS 16			3 100	3 100
Changes due to items with no effect on cash flow	**-1 854**	**32 341**	**-875**	**29 612**
Fair value adjustment on financial assets/liabilities booked to earnings (+/-)	-1 854	32 341		30 487
Variation on activated debt-costs			-206	-206
Variation on financial debts IFRS 16 since 1 January 2021			-669	-669
On 31 December 2021	**6 908**	**-27 473**	**-1 211 429**	**-1 231 994**
Changes due to cash flow from financing activities	**611**	**-**	**-112 270**	**-111 659**
Repayment European private bond placements			407 831	407 831
Repayment Commercial Paper			284 000	284 000
Increase in financial debts			-808 006	-808 006
Hedging instruments and other financial assets	611			611
Reimbursement financial debts IFRS 16			3 906	3 906
Changes due to items with no effect on cash flow	**120 834**	**10 353**	**3 521**	**134 708**
Fair value adjustment on financial assets/liabilities booked to earnings (+/-)	120 834	10 353		131 187
Variation on activated debt-costs			3 912	3 912
Variation on financial debts IFRS 16 since 1 January 2022			-391	-391
On 31 December 2022	**128 353**	**-17 120**	**-1 320 177**	**-1 208 945**

35. EMPLOYEE BENEFITS

Employees recruited from 1 January 2016 have a supplementary pension scheme under a group defined-contribution insurance policy.

Employees in post on 31 December 2015 were offered the choice between continuing on the existing defined-benefits pension plan or switching to a defined-contribution type group insurance from 1 January 2016. In accordance with the law, employees who opted for the new defined-contribution scheme benefit from dynamic management of the defined-benefits commitment for their past career. The supplementary defined-benefits pension plan is being retained for employees who opted to continue in it.

A. Defined-contribution plan

Employers do not bear any direct financial or actuarial risks in a defined-contribution pension plan. Nevertheless, they are still exposed to various risks, primarily the return risk (Belgian legislation requires employers to guarantee a minimum return that may exceed the return obtained by the insurance company).

Accordingly, in accordance with IAS 19, the present value of the obligation and of the assets of such a “Defined-contribution” pension plan have also been assessed and any resulting actuarial gains or losses have been recognised directly in equity. As at 31 December 2022, the amount concerned was zero, the present value of the obligation being valued at €5,199 thousand and the plan assets equal.

The current value of the obligation and assets has evolved as follows:

(in € thousand)	Present Value of the Obligation	Fair Value of Plan assets	Total (Asset)/Deficit	Effect of asset ceiling[1]	Net (Asset)/ Liability
As at 31 December 2020	**3 990**	**-3 296**	**694**		**694**
Service cost in profit and loss					
Current service cost (net of employee contributions)	1 044		1 044		1 044
Past service cost (including effect of curtailments)					
Settlement (gain)/loss					
Net interest on the net liability/(asset) in profit and loss					
Interest cost on Defined Benefit Obligation/income on plan assets/ interest on asset ceiling	29	-22	7		7
Components of Defined Benefit Cost recognised in profit and loss	**1 074**	**-22**	**1 052**		**1 052**
Actuarial (gain)/loss arising from					
Changes in demographic assumptions					
Changes in financial assumptions	-272		-272		-272
Experience adjustments	160		160		160
Return on plan assets (excluding amounts in net interest)		-84	-84		-84
Change in effect of the asset ceiling (excluding amounts in net interest)					
Remeasurements of the net liability/(asset) in 'Other comprehensive income'	**-112**	**-84**	**-196**		**-196**
Defined benefit cost (total amount recognised in profit and loss and 'Other comprehensive income')	**962**	**-106**	**856**		**856**
Employee contributions					
Employer contributions		-1 015	-1 015		-1 015
Benefit payments from plan assets	-164	164	-		-
Direct benefit payments by employer					
Cash flows	**-164**	**-852**	**-1 015**		**-1 015**
As at 31 December 2021	**4 788**	**-4 254**	**534**		**534**
Service cost in profit and loss					
Current service cost (net of employee contributions)	1 180		1 180		1 180
Past service cost (including effect of curtailments)					
Settlement (gain)/loss					
Net interest on the net liability/(asset) in profit and loss					
Interest cost on Defined Benefit Obligation/income on plan assets/ interest on asset ceiling	53	-42	11		11
Components of Defined Benefit Cost recognised in profit and loss	**1 232**	**-42**	**1 191**		**1 191**
Actuarial (gain)/loss arising from					
Changes in demographic assumptions					
Changes in financial assumptions	-487		-487		-487
Experience adjustments	-173		-173		-173
Return on plan assets (excluding amounts in net interest)		-56	-56		-56
Change in effect of the asset ceiling (excluding amounts in net interest)					
Remeasurements of the net liability/(asset) in 'Other comprehensive income'	**-660**	**-56**	**-716**		**-716**
Defined benefit cost (total amount recognised in profit and loss and 'Other comprehensive income')	**573**	**-98**	**475**		**475**
Employee contributions					
Employer contributions		-1 010	-1 010		-1 010
Benefit payments from plan assets	-162	162			-
Direct benefit payments by employer					
Cash flows	**-162**	**-847**	**-1 010**		**-1 010**
As at 31 December 2022	**5 199**	**-5 199**	**-**		**-**

The expected contributions for the 2023 fiscal year are estimated at €1,082 thousand.

1 If a net asset exists, it will not be recognised.

B. Defined-benefit plan

This plan provides for the payment of a retirement pension and a survivor's pension. At the member's request, benefits may be paid as a lump sum. This pension plan is exposed to various risks, notably the interest rate risk, credit risk, liquidity risk, the risk associated with equity markets, currency risk, inflation risk, management risk, risk of changes in statutory pensions and the risk related to changing life expectancies. An actuarial valuation is made every year in accordance with IAS 19 by independent actuaries. The current value of the obligation and assets has evolved as follows:

(in € thousand)	Present Value of the Obligation	Fair Value of Plan assets	Total (Asset)/Deficit	Effect of asset ceiling[1]	Net (Asset)/ Liability
As at 31 December 2020	**12 140**	**-9 446**	**2 694**		**2 694**
Service cost in profit and loss					
Current service cost (net of employee contributions)	124		124		124
Past service cost (including effect of curtailments)					
Settlement (gain)/loss					
Net interest on the net liability/(asset) in profit and loss					
Interest cost on Defined Benefit Obligation/income on plan assets/ interest on asset ceiling	74	-57	17		17
Components of Defined Benefit Cost recognised in profit and loss	**198**	**-57**	**141**		**141**
Actuarial (gain)/loss arising from					
Changes in demographic assumptions					
Changes in financial assumptions	-716		-716		-716
Experience adjustments	-682		-682		-682
Return on plan assets (excluding amounts in net interest)		-755	-755		-755
Change in effect of the asset ceiling (excluding amounts in net interest)					
Remeasurements of the net liability/(asset) in 'Other comprehensive income'	**-1 398**	**-755**	**-2 153**		**-2 153**
Defined benefit cost (total amount recognised in profit and loss and 'Other comprehensive income')	**-1 200**	**-812**	**-2 012**		**-2 012**
Employee contributions	5	-5	-		-
Employer contributions		-20	-20		-20
Benefit payments from plan assets	-3	3	-		-
Direct benefit payments by employer					
Cash flows	**3**	**-23**	**-20**		**-20**
As at 31 December 2021	**10 942**	**-10 280**	**662**		**662**
Service cost in profit and loss					
Current service cost (net of employee contributions)	111		111		111
Past service cost (including effect of curtailments)					
Settlement (gain)/loss					
Net interest on the net liability/(asset) in profit and loss					
Interest cost on Defined Benefit Obligation/income on plan assets/ interest on asset ceiling	92	-85	7		7
Components of Defined Benefit Cost recognised in profit and loss	**203**	**-85**	**118**		**118**
Actuarial (gain)/loss arising from					
Changes in demographic assumptions					
Changes in financial assumptions	-2 603		-2 603		-2 603
Experience adjustments	-1 624		-1 624		-1 624
Return on plan assets (excluding amounts in net interest)		763	763		763
Change in effect of the asset ceiling (excluding amounts in net interest)					
Remeasurements of the net liability/(asset) in 'Other comprehensive income'	**-4 226**	**763**	**-3 463**		**-3 463**
Defined benefit cost (total amount recognised in profit and loss and 'Other comprehensive income')	**-4 024**	**678**	**-3 345**		**-3 345**
Employee contributions	5	-5	-		-
Employer contributions		-21	-21		-21
Benefit payments from plan assets	-1 673	1 673	-		-
Direct benefit payments by employer					
Cash flows	**-1 667**	**1 647**	**-21**		**-21**
As at 31 December 2022	**5 251**	**-7 955**	**-2 704**		**-2 704**

The cost of services provided is included under "Corporate overheads" in the IFRS income statement.
The effective rate of return of the assets for the 2022 fiscal year is -7.42%, calculated by weighting the rates of return on the group insurances (classes 23 and 21). The plan assets are broken down as follows:

- Group insurance (class 21) : €1,697 thousand (present value of funded insurance benefits);
- Group insurance (class 23): €6,258 thousand, invested in funds with assets broken down as follows: 39% equities, 52% bonds, 9% cash and other investments.

1 If a net asset exists, it will not be recognised.

The duration of the pension obligations for plan members is 20 years. The pension obligations are funded on the basis of the projected credit units method. The effective yield of the assets over the 2022 fiscal year was negative at -€676 thousand. For the 2021 fiscal year, it was positive at +€812 thousand. The main actuarial assumptions are summarised below:

	31.12.2022	31.12.2021
Discount rate	3.20%	0.90%
Expected rate of salary increase	3.30%	3.00%
Expected yield rate of plan assets	3.20%	0.90%
Expected rate of pension increase	2.30%	2.00%
Mortality table	MR-5/FR-5	MR-5/FR-5

Befimmo expects to contribute an estimated €19 thousand for the 2023 fiscal year.

We also analysed the sensitivity of the pension obligation to changes in the various assumptions:

Parameters	Hypothesis	Impact on the present value of the obligation
Discount rate	0,50%	-8.00%
Discount rate	-0,50%	9.21%
Inflation rate	0,50%	8.81%
Inflation rate	-0,50%	-7.49%
Growth rate of wages	0,50%	7.92%
Growth rate of wages	-0,50%	-7.43%
Life expectancy	+1 year	4.00%

36. ASSESSMENT OF THE FAIR VALUE OF INVESTMENT PROPERTIES: DISCLOSURE AS PER IFRS 13[1]

In line with IFRS, Befimmo values its property portfolio at fair value as determined by experts. 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[2] is derived from an analysis by independent experts of a large number of transactions observed on the market, and represents the average transaction costs actually paid in these transactions. This rule is also applied for determining the fair value of property located in the Grand Duchy of Luxembourg.

A. Measurement of fair value as at 31 December 2022

Investment properties (in € thousand)	Total	Level 3
Properties available for lease	**2 285 802**	**2 285 802**
Brussels CBD and similar	1 457 756	1 457 756
Brussels Decentralised	62 966	62 966
Brussels Periphery	74 341	74 341
Flanders	261 616	261 616
Wallonia	256 097	256 097
Luxembourg city	173 024	173 024
Properties that are being constructed or developed for own account in order to be leased	**446 342**	**446 342**
Properties held for sale	**17 759**	**17 759**
TOTAL INVESTMENT PROPERTIES	**2 749 903**	**2 749 903**

1 Excluding rights to use lease agreements for office space and rights to use land (IFRS 16).
2 Average level of expenses paid on transactions recorded by the experts on the Belgian market. This accounting treatment is detailed in the statement issued by BeAMA on 8 February 2006 and confirmed in the press release of the BE-REIT Association of 10 November 2016.

B. Valuation techniques used for level 3

All properties in the portfolio were classified from the first application of IFRS 13 in category level 3 (“fair value based primarily on unobservable inputs") as defined by the standard. The public BE-REIT’s independent experts[1] use several valuation techniques to determine the fair value of the properties in the portfolio of which the main characteristics are the following:

- The method of updating the future cash flows generated by the building: this technique requires the net rental income generated by the building to be valued on an annual basis for a given period. At the end of this period, a residual value is calculated taking into account the expected condition of the property. In Befimmo's panel of experts, this technique is applied in two variants:
  - A "conventional" method which estimates future income net of charges estimated by the expert, based on current leases and any assumptions about renegotiation, indexed annually according to an assumption based on market outlook and updated at a rate reflecting both the state of the property and financial markets and quality of the tenant. The residual value is calculated by capitalising an estimated income from reletting the building, minus an amount for works, rental vacancy and marketing costs estimated for reletting on the basis of the defined assumptions.
  - A method known as "Term & Reversion", involving the calculation of the present value of contractually secure income at the valuation date, and the residual value at the end of current contracts. The present value of the income is calculated on the basis of non-indexed income updated at a rate that excludes inflation, while the residual value is calculated for each individual area, similarly to the conventional method, also updated at a rate that excludes inflation.
- The income capitalisation method: this method involves capitalising the estimated rental value of the building using a capitalisation rate in line with the property market. The capitalisation rate is chosen on the basis of an analysis of comparable market data, including publicly available information for the sector concerned. The rate is the expected rate of return for potential investors on the valuation date. The resulting value is then adjusted for the (positive or negative) differential between the hypothetical rent used and the rent from current leases, as well as assumptions about works and/or anticipated rental vacancies in the building on the expiry of the current leases.

These valuation methods are applied to the properties in the portfolio on the assumption that they are used optimally ("highest and best use") in terms of allocation (e.g. an office building with a higher potential value for retail use is valued taking account of the creation of potential value related to that reallocation). Furthermore, the experts also took account in their valuation of the location of the property, the age and condition of the building, the remaining term of the current leases and the vacancy rate (on the basis of signed leases). All this information can be consulted in the management report on pages 34 to 38. In general, the results obtained using these various valuation methods are then compared with market benchmarks, particularly in terms of unit price per square metre or initial yields on ongoing leases. For projects under development and for some properties reaching the end of their life cycle, their value is generally calculated using a residual valuation approach, namely the capitalisation of an estimated rental value of the project after its renovation/construction is complete, possibly corrected by a rental gain or loss if the project is already pre-let, minus the amount of work still to be done before the building can be handed over, and where appropriate a margin reflecting the risk of the operation. When planned spaces are pre-let, the pre-let part and the lease term can be consulted on page 39 of this Report. Additional information about these projects, such as the estimated construction time and the residual cost of the work, is also available on pages 39 to 45 of this Report.

C. Changes in value of the portfolio over the fiscal year (level 3)

(in € thousand)	
Opening balance as of 31 December 2021	**2 835 939**
Changes in fair value	-143 026
Investments	155 855
Acquisitions	6 811
Disposals	-105 676
Opening balance as of 31 December 2022	**2 749 903**

No transfers between levels (1, 2 and 3) were made during the year.

1 For further information, please also see the conclusions of the coordinating real-estate expert, on pages 52 and 53.

D. Quantitative information regarding fair value measurement on the basis of "unobservable inputs"

Quantitative information on the valuation of the fair value based on unobservable data (Level 3)

OFFICES	Fair value as at 31.12.2022 (in € thousand)	Surfaces (en m²)	Valuation techniques	Unobservable data	(weighted average)
Brussels CBD and similar	1 436	307 947	Cashflow Discount	Annual rent / Rental value per m²	€236/m²
				Discount rate	5.67%
				Capitalisation rate	4.45%
Brussels decentralised and periphery	137	333 474	Cashflow Discount	Annual rent / Rental value per m²	€139/m²
				Discount rate	9.10%
				Capitalisation rate	8.54%
Other regions	518	178 891	Cashflow Discount	Annual rent / Rental value per m²	€165/m²
				Discount rate	5.79%
				Capitalisation rate	5.55%
Luxembourg city[1]			Cashflow Discount	Annual rent / Rental value per m²	
				Discount rate	
				Capitalisation rate	
Property being constructed or developed for own account in order to be leased	463	228 047	Residual Valuation	Annual rent / Rental value per m²	€207/m²
				Capitalisation rate	3.69%
			Cashflow Discount	Annual rent / Rental value per m²	€167/m²
				Discount rate	6.30%
				Capitalisation rate	5.06%
TOTAL		**1 048 360**			

1 The information has not been disclosed for the zones containing two assets or less.

E. Sensitivity of the valuation to changes in key "unobservable inputs"

A change of + or -50 basis points in the discount rate (used for the discounted future cash flows) would result in a change in the fair value of the portfolio of the order of -€91,8 million and +€96 million respectively.

A change of + or -50 basis points in the exit yield (used the discounted future cash flows method) would result in a change in fair value of the portfolio of the order of -€135,3 million and +€167,6 million respectively.

Note that the levels of discount rate and exit yield of buildings can influence one another. This correlation has not been taken into account in the above sensitivity test, however, which assumes that these two parameters rise and fall independently.

The properties under construction or development that are valued using a residual methodology are not included in this sensitivity analysis as the methodology uses different parameters. Properties held for sale are also not included.

F. Valuation process

To meet the requirements for preparing the Group's quarterly financial statements, the property portfolio is also valued on a quarterly basis as follows:

- At the end of the quarter, the Group sends the experts detailed information on the transactions carried out during the quarter, mainly in terms of rentals (area let, rents agreed, duration of leases, investments to be made, etc.) but also of any acquisitions or disposals of properties.
- The Group then meets each expert to discuss the information provided and their perceptions of the property market, and answer any questions that the experts might have about properties in the portfolio.
- The experts then incorporate this information into their valuation models. Based on their experience of the market and any transactions (leases, acquisitions, etc.) taking place on the market, they retain or adjust the valuation parameters used in their models, mainly in terms of estimated rental values, rates of return (discount and/or capitalisation rates), assumptions about rental vacancies or investments to be made in the buildings.
- The experts then give their individual valuations of the property portfolio based on these calculations. These are then subject to various checks in Befimmo's investment department, to help the Group understand the assumptions used by the experts in their calculations. These assumptions are also shared with the Befimmo management team.
- The summary table of the individual property valuations is passed on to the accounting department to enter the quarterly revaluation of the portfolio in the accounts.
- The values recorded are subject to checks by the Audit Committee and the auditors before Befimmo's Board of Directors closes the financial statements.

37. COMMITMENTS AS AT 31 DECEMBER 2022

37.1. Commitments to third parties

37.1.1. COMMITMENTS TO TENANTS

Befimmo undertakes, under various leases, to bear the costs of light renovation work. In 2022, renovation works amounting to €0.74 million (excl. VAT) were performed for the building Empereur. In 2025, renovation works amounting to €1.0 million (excl. VAT) will be done for building Poelaert. Additionally, for the AMCA building renovation works for an amount of €0.18 million (excl. VAT) per year will be done until December 2029.

Befimmo has undertaken, under the 18-year lease it agreed, to design, build and make available to the Flemish authorities, some 70,000 m² of office space in the ZIN project.

Befimmo has undertaken in the Paradis Express project in Liège:

- Under a 18-year lease agreement, to make some 11,500 m² of office space available to the Wallonia Public Service;
- Under a 15-year lease agreement, to make some 3,000 m² of office space available to ONEM;
- Under a 9-year lease agreement, to make available some 2,500 m² of office space to Deloitte.

The Belgian Government has an option to purchase the Finance Centre, Paradis Tower in Liège, on the expiry of the 27.5-year lease, ending on 15 June 2042.

The Buildings Agency has an option to purchase the Courthouse at Rathausplatz in Eupen, upon the expiry of the 25-year lease, ending on 30 September 2043.

The Flemish Community has a preferential right, for the duration of its lease, in the event of the sale of the leasehold on the building at rue aux Choux in Brussels.

BNP Paribas Fortis has a preferential right, for the duration of its respective leases, in the event of the sale of the leasehold on the properties located in the Meir in Antwerp and Vital De Costerstraat in Leuven.

Furthermore, some tenants have preferential rights to rent additional space in the buildings they occupy.

37.1.2. COMMITMENTS TO PURCHASERS OF PROPERTIES TO BE SOLD

None.

37.1.3. PURCHASE UNDERTAKING

As part of the equity investment in Silversquare Holding in December 2018, Befimmo has granted a put option on the remaining shares held by the shareholders. It also has a call option on those same shares.

Befimmo has received the usual guarantees from the shareholders for this type of transaction.

37.1.4. COMMITMENTS TO APPROVED BUILDING CONTRACTORS AND DESIGN TEAMS

Commitments entered into by Befimmo and its subsidiaries with approved building contractors

Befimmo's main contractual commitments with approved building contractors and design teams amount to some €227.8 million including VAT. These commitments relate mainly to the ZIN, the Quatuor and Paradis Express projects.

Commitments made by Befimmo Property Services on behalf of Befimmo or subsidiaries

The main commitments entered into by Befimmo Property Services relate to the various contracts for maintenance, upkeep and total guarantee, cleaning and guarding of the buildings it manages on behalf of Befimmo and its subsidiaries. These commitments vary in length depending on the contracts and account for some €6.1 million including VAT annually. These services are mostly billed to tenants under the heading of common charges.

37.1.5. LETTING MANDATES

Befimmo and its subsidiaries have given undertakings, in the context of leases and/or sales, to pay fees to various agents in line with standard market practice.

37.1.6. COMMITMENTS TO THIRD PARTIES

Befimmo and its subsidiaries might decide to make binding rental or investment offers that are still valid at the closing date of the fiscal year.

37.1.7. SILVERSQUARE'S COMMITMENTS TO THIRD PARTIES

Silversquare is committed to rent spaces from third parties in various buildings (Louise, Europe, Stéphanie, Bailli) for initial firm durations up to 12 years.

37.1.8. OTHER COMMITMENTS

Befimmo and its subsidiaries are also committed for periods of one to three years under specific contracts such as property surveying services (for the quarterly valuation of the property portfolio), property management services for the Axento and Cubus building, contracts for the provision of services in certain buildings, contracts for leasing parking spaces to third parties, and insurance policies.

37.2. Restrictions on assignment

None of the buildings in the Company's portfolio is mortgaged or subject to any other restriction on realisation or assignment, save only the standard provisions contained in several loan agreements. These restrictions have no impact on the value of the properties concerned.

Similarly, none of Befimmo's property assets is subject to any restriction on the recovery of its income.
However, to enable the Group to take advantage of attractive financing terms, future rents of three buildings have been

assigned to a financial institution. Ownership of these buildings may therefore not be transferred without the prior consent of the assignee of the rent or the early repayment of the financial liability. These are three buildings in Fedimmo's portfolio: Arts 28, Gouvernement Provisoire and Lambermont in Brussels.

37.3. Guarantees given

(in € thousand)		31.12.2022	31.12.2021
Guarantees for investment work	Bank guarantee	11 122	22 130
Pledges on goodwill and other assets	Real guarantee	1 300	1 300
Rental guarantees	Bank guarantee	1 730	1 700
Guarantees issued at the close of the fiscal year		**12 423**	**25 130**

Befimmo issued a bank guarantee for the sum of €0.5 million in favour of BAC to cover its commitments under the leasehold agreement for the Gateway building.

In 2020, Befimmo issued a guarantee for €8.4 million in favour of the Flemish Authorities to cover the proper execution of the design, building and leasing of some 70,000 m² of office space in the ZIN project.

In the context of the acquisition of the Courbevoie building, in 2021, Befimmo issued a bank guarantee for €1.7 million to cover the payment for the remaining constructions. The amount of the guarantee is reduced by the amount of the payments made.

Rental guarantees and pledges on stock-in-trade and other assets are provided by Silversquare in the context of lease agreements as lessee of office space and the financing of works in these spaces.

38. RELATED-PARTY TRANSACTIONS

The table hereafter sets out the remuneration of the Directors and members of the Executive Committee of Befimmo SA. Post-employment benefits are described in the note on employee benefits. The Company grants long-term benefits during fiscal years 2021 and 2022, in the form of a long-term incentive plan. For the description of this plan, please refer to pages 130 to 132 of the management report.

(in € thousand)	31.12.2022	31.12.2021
Remuneration of the Board of Directors		
Remuneration	536	649
Remuneration of the members of the Executive Committee		
Remuneration	1 807	1 886
Health insurance	5	7
Post-employment benefits (pension, etc.)	165	272
Total	**2 513**	**2 814**

Independent Auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE GENERAL MEETING OF BEFIMMO SA FOR THE YEAR ENDED 31 DECEMBER 2022

In the context of the statutory audit of the Consolidated Financial Statements of Befimmo SA (the "Company") and its subsidiaries (together the "Group"), we report to you as statutory auditor. This report includes our opinion on the consolidated statement of the financial position as at 31 December 2022, the consolidated statement of total comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 31 December 2022 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 28 April 2020, in accordance with the proposition by the Board of Directors. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2022. We performed the audit of the Consolidated Financial Statements of the Group during 6 consecutive years.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have audited the Consolidated Financial Statements of Befimmo SA, that comprise of the consolidated statement of the financial position on 31 December 2022, the consolidated statement of total comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity of the year and the disclosures, which show a consolidated balance sheet total of € 3,083,275 thousand and of which the consolidated income statement shows a profit for the year of € 33,855 thousand.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2022, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA's") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.
We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.
We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

Diegem, 27 April 2023

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

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

23CW0142

Statutory statement of comprehensive income (in € thousand)

		31.12.2022	31.12.2021
I.	(+) Rental income	65 533	59 277
III.	(+/-) Charges linked to letting	212	-406
NET RENTAL INCOME		**65 745**	**58 872**
IV.	(+) Recovery of property charges	6 836	11 583
V.	(+) Recovery of rental charges and taxes normally payable by tenants on let properties	15 774	12 978
VII.	(-) Charges and taxes normally paid by tenants on let properties	-16 249	-13 787
VIII.	(+/-) Other revenue and charges for letting	47	134
PROPERTY RESULT		**72 153**	**69 779**
IX.	(-) Technical costs	-7 607	-13 315
X.	(-) Commercial costs	-618	-2 126
XI.	(-) Charges and taxes on unlet properties	-1 472	-2 227
XII.	(-) Property management costs	-4 200	-4 202
XIII.	(-) Other property charges	-2 121	-2 159
	(+/-) Property charges	**-16 018**	**-24 028**
PROPERTY OPERATING RESULT		**56 135**	**45 750**
XIV.	(-) Corporate management costs	-16 660	-15 684
XV.	(+/-) Other operating income and charges	-	-
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**39 475**	**30 067**
XVI.	(+/-) Gains or losses on disposals of investment properties	2 031	4 501
XVIII.	(+/-) Changes in fair value of investment properties	-63 818	91 927
XIX.	(+) Other results on portfolio	-5 205	-4 899
OPERATING RESULT		**-27 517**	**121 596**
XX.	(+) Financial income	9 668	6 995
XXI.	(-) Interest charges	-23 155	-15 327
XXII.	(-) Other financial charges	-8 156	-3 703
XXIII.	(+/-) Changes in fair value of financial assets and liabilities	133 245	30 579
	(+/-) Financial result	**111 601**	**18 543**
	Share in the profit or loss of investments booked using the equity method	-51 603	-49 336
PRE-TAX RESULT		**32 482**	**90 803**
XXIV.	(-) Corporation tax	-434	-434
	(+/-) Taxes	**-434**	**-434**
NET RESULT		**32 048**	**90 370**
TOTAL BASIC NET RESULT AND DILUTED PER SHARE		**1.19**	**3.34**
Other comprehensive income - actuarial gains and losses - non-recyclable		1 208	2 034
TOTAL COMPREHENSIVE INCOME		**33 256**	**92 404**

Pursuant to Article 3:17 of the Code of Company Law, the Auditor's report on the statutory accounts is not published in this Report as only an abridged version of the statutory accounts is presented. The Statutory Auditor's report gives unqualified approval to the statutory accounts of Befimmo SA.

Statutory statement of financial position (in € thousand)

ASSETS		31.12.2022	31.12.2021
I.	**Non-current assets**	**2 934 111**	**2 779 802**
B.	Intangible assets	2 212	6 019
C.	Investment properties	1 512 234	1 569 521
D.	Other property, plant and equipment	3 964	4 607
E.	Non-current financial assets	462 996	210 104
F.	Finance lease receivables	3 619	3 949
I.	Investments in associates and joint ventures	949 086	985 604
II.	**Current assets**	**120 522**	**128 787**
B.	Current financial assets	10 667	87 174
D.	Trade receivables	19 721	25 250
E.	Tax receivables and other current assets	197	10 335
F.	Cash and cash equivalents	87 740	880
G.	Deferred charges and accrued income	2 196	5 147
TOTAL ASSETS		**3 054 633**	**2 908 589**

SHAREHOLDERS' EQUITY AND LIABILITIES		31.12.2022	31.12.2021
SHAREHOLDERS' EQUITY		**1 656 797**	**1 640 588**
A.	Capital	398 357	398 357
B.	Share premium account	861 905	861 905
C.	Reserves	364 487	324 010
D.	Net result for the fiscal year	32 048	56 316
LIABILITIES		**1 397 836**	**1 268 002**
I.	**Non-current liabilities**	**1 245 315**	**820 799**
A.	Provisions	-	987
B.	Non-current financial debts	1 226 769	790 750
	a. Credit institution	1 207 523	418 925
	c. Other	19 246	371 825
C.	Other non-current financial liabilities	17 120	27 081
D.	Trade debts and other non-current debts	1 426	1 981
II.	**Current liabilities**	**152 521**	**447 203**
A.	Provisions	571	2 795
B.	Current financial debts	97 422	379 429
	a. Credit institution	28 400	10 300
	c. Other	69 022	369 129
C.	Other current financial liabilities	0	392
D.	Trade debts and other current debts	29 297	32 053
	b. Other	29 297	32 053
E.	Other current liabilities	3 308	1 677
F.	Accrued charges and deferred income	21 923	30 857
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3 054 633**	**2 908 589**

Pursuant to Article 3:17 of the Code of Company Law, the Auditor's report on the statutory accounts is not published in this Report as only an abridged version of the statutory accounts is presented. The Statutory Auditor's report gives unqualified approval to the statutory accounts of Befimmo SA.

Note on statutory shareholders' equity

Pursuant to Article 3:17 of the Code of Company Law, the Auditor's report on the statutory accounts is not published in this Report as only an abridged version of the statutory accounts is presented. The Statutory Auditor's report gives unqualified approval to the statutory accounts of Befimmo SA.

Please see the chapter "Appropriation of result" on page 110 and 111 of the management report.

Befimmo applies, since 31 December 2020, the recommendations related to the distribution result's obligation, the appropriation of the result and the distribution result's limitation published by the Financial Services and Markets Authority in July 2020.

The full look through option is a method by which the parent company (Befimmo SA) considers the results of its subsidiaries as if it was its own direct results within the same fiscal year, including the appropriation to its statutory reserves, for the calculation of its statutory reserves and its distribution result's obligation.

The changes in equity before and after the proposed appropriation of the result for the 2022 fiscal year are as follows:

(in € thousand)	A. Capital	a. Subscribed capital (+)	b. Costs of capital increase (-)	B. Share premium account	C. Reserves	a. Legal reserve (+)	b. Reserve for the balance of changes in fair value of investment properties (+/-)	b2. Reserve for the balance of the share in the profit or loss and other comprehensive income of investments booked using the equity method	e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting under IFRS (+/-)	h. Reserve for own shares (-)	j. Reserve for actuarial gains and losses for the defined benefit pension plan (+/-)	m. Other reserves (+/-)	n. Result brought forward from previous years (+/-)	D. Result for the fiscal year	TOTAL SHAREHOLDERS' EQUITY
31.12.2020 SHAREHOLDERS' EQUITY (Before appropriation of result)	**398 356**	**413 277**	**- 14 920**	**861 905**	**325 530**	**0**	**180 967**	**470**	**- 40 643**	**- 78 477**	**- 2 888**	**21 113**	**244 987**	**12 340**	**1 598 131**
Appropriation of result 2020 in the reserves					12 340		15 893	- 2 373	- 14 405				13 493	- 12 340	
Payment of the final dividend of the 2020 fiscal year					- 15 407								- 15 407		
31.12.2020 SHAREHOLDERS' EQUITY (After appropriation of result)	**398 356**	**413 277**	**- 14 920**	**861 905**	**322 463**	**0**	**196 861**	**- 1 903**	**- 55 049**	**- 78 477**	**- 3 156**	**21 113**	**243 073**	**-**	**1 582 724**
Liquidity programm					- 965					- 956			- 9		
Other comprehensive income					2 043						2 043				
Interim dividend fiscal year 2021														- 34 054	
Appropriation of the statutory reserves related to the buildings that have been sold during the year (FSMA recommendations)					-		- 14 544						14 544		
Performance Plan Stock Units					469							469			
31.12.2021 SHAREHOLDERS' EQUITY (Before appropriation of result)	**398 357**	**413 277**	**- 14 920**	**861 905**	**324 010**	**0**	**182 316**	**- 1 903**	**- 55 049**	**- 79 433**	**- 1 114**	**21 583**	**257 609**	**56 316**	**1 640 588**
Appropriation of result 2021 in the reserves					56 316		10 738	- 9 762	34 095		310		20 935	- 56 316	
Payment of the final dividend of the 2021 fiscal year					- 15 662								- 15 662		
31.12.2021 SHAREHOLDERS' EQUITY (After appropriation of result)	**398 357**	**413 277**	**- 14 920**	**861 905**	**364 664**	**0**	**193 054**	**- 11 664**	**- 20 953**	**- 79 433**	**- 804**	**21 583**	**262 881**	**-**	**1 624 926**
Liquidity programme															
Other comprehensive income															
Appropriation of the statutory reserves related to the buildings that have been sold during the year (FSMA recommendations)					-		86 603						- 86 603		
Performance Plan Stock Units					- 469							- 469			
31.12.2022 SHAREHOLDERS' EQUITY (Before appropriation of result)	**398 357**	**413 277**	**- 14 920**	**861 905**	**364 487**	**0**	**279 657**	**- 11 664**	**- 20 953**	**- 80 365**	**404**	**21 113**	**176 296**	**32 048**	**1 656 797**
Appropriation of result 2022 in the reserves[1]					32 048	1 602	- 102 069	- 6 547	131 140		261		7 660	- 32 048	
Payment of the dividend of the 2022 fiscal year[1]					- 65 941								- 65 941		
31.12.2022 SHAREHOLDERS' EQUITY (After appropriation of result)	**398 357**	**413 277**	**- 14 920**	**861 905**	**330 594**	**1 602**	**177 588**	**- 18 211**	**110 187**	**- 80 365**	**665**	**21 113**	**118 014**	**-**	**1 590 856**

1 Subject to the approval of the Ordinary General Meeting of 15 June 2023.

The table below is presented after appropriation of the result to reserves.

Shareholders' equity that can not be distributed according to article 7:212 of the Company Code (in € thousand)		31.12.2022	
Net assets		**1 656 797**	
(+)	Paid-up capital or, if greater, subscribed capital	413 277	
(+)	Share premium account unavailable for distribution according to the articles of association	803 148	1
(+)	Reserve of the positive balance of the changes in fair value of the investment properties	177 588	2
(+)	Reserve of the positive balance of the share in the profit or loss and other comprehensive income of investments booked using the equity method	0	
(+/-)	Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting	110 042	
(+/-)	Reserve for actuarial gains and losses of the defined benefit pension plan	665	
(-)	Reserve for own treasury shares	-80 365	
(-)	Legal reserve	1 602	
TOTAL NON-DISTRIBUTABLE SHAREHOLDERS' EQUITY		**1 425 957**	
BALANCE		**230 840**	

Obligation to distribute dividends according to the Royal Decree of 09.11.2016 concerning real-estate investment funds (in € thousand)		31.12.2022
NET RESULT[3]		**11 525**
(+)	Depreciation	3 981
(+)	Write-downs	618
(-)	Writeback of write-downs	-823
(+/-)	Other non-cash elements	-90 414
(+/-)	Result on the disposal of property assets	-718
(+/-)	Changes in fair value of investment properties	143 138
CORRECTED RESULT (A)		**67 307**
LIMITATION LINKED TO ART. 7:212 OF THE SUBSIDIARIES (B)		**-42 732**
(+/-)	Realised gains and losses[4] on property assets during the year	-132 026
(-)	Realised gains and losses[4] on property assets during the year, exonerated from the obligation to distribute if reinvested within four years	0
(+)	Realised gains on property assets previously exonerated from the obligation to distribute and that were not reinvested within four years	0
NET GAINS ON REALISATION OF PROPERTY ASSETS NON-EXONERATED FROM THE DISTRIBUTION OBLIGATION (C)		**0**
TOTAL (A+B +C) X 80%		**19 660**
DECREASE IN BORROWINGS (-)		**0**
OBLIGATION TO DISTRIBUTE		**19 660**

The pay-out ratio (in relation to consolidated EPRA earnings) for 2022 is 80.0%, compared with 80.0% in 2021.

1 The amount of €803.148 thousand included in the calculation under article 7:212 represents the non-distributable issue premiums. The difference of €58.757 thousand in relation to the total amount of issue premiums was made distributable by the approval of the Meeting.
2 Calculated on the basis of the fair value of the properties, including the changes in fair value of the investment properties of the subsidiaries.
3 Net result of Befimmo SA and the set of subsidiaries for the application of the option full look through.
4 In relation to the acquisition value, increased by the capitalised renovation costs.

04

Non-financial statements.

ESG standards

EPRA SUSTAINABILITY PERFORMANCE INDICATORS

Befimmo reports according to the Sustainability Best Practices Recommendations of the EPRA[1]. These include performance data indicators on environmental, social, and governance measures, as summarised in the table hereafter.

The most recent EPRA Sustainability Best Practices Recommendations are largely based on the Global Reporting Initiative (GRI) Standards (2021 edition) and on the Construction and Real Estate Sector Supplement Disclosure, which means that all EPRA indicators included in the table are linked to a GRI Standard. The table points out where the actual published information can be found, through page number references.

Befimmo called on Deloitte to carry out a limited assurance assignment. The data with the symbol **V** were checked as part of this assignment.

SUMMARY TABLE OF EPRA SUSTAINABLE PERFORMANCE INDICATORS

External assurance	EPRA sustainability performance measures	GRI & CRESS	Data 2022	Data 2021	Page ref.
Environmental Sustainability Performance Measures					
V	Elec-Abs not normalised	302-1	50.39 GWh	49.17 GWh	69-74, 219-222
V	Elec-LfL not normalised	302-1	3.2%	-	69-74, 219-222
V	DH&C-Abs not normalised	302-1	0 GWh	0 GWh	69-74, 219-222
V	DH&C-LfL not normalised	302-1	0.0%	-	69-74, 219-222
V	Fuels-Abs not normalised	302-1	49.42 GWh	66.93 GWh	69-74, 219-222
V	Fuels-LfL not normalised	302-1	-23.4%	-	69-74, 219-222
V	Energy-Int not normalised	CRE1	148 kWh/m²	165 kWh/m²	69-74, 219-222
V	GHG-Dir-Abs	305-1	2 857 t CO_2e	3 114 t CO_2e	69-74, 219-222
V	GHG-Indir-Abs - landlord-controlled building	305-2	0 t CO_2e	0 t CO_2e	69-74, 219-222
V	GHG-Indir-Abs - tenant-controlled building	305-2	11 237 t CO_2e	14 413 t CO_2e	69-74, 219-222
	GHG-Dir-LfL	305-1	-18.7%	-	69-74, 219-222
	GHG-Indir-LfL - landlord-controlled building	305-2	0.0%	-	69-74, 219-222
	GHG-Indir-LfL - tenant-controlled building	305-2	-16.5%	-	69-74, 219-222
V	GHG-Int	CRE3	19.1 kg CO_2e /m²	20.9 kg CO_2e /m²	69-74, 219-222
V	Water-Abs	303-5	174 559 m³	119 901 m³	76, 223
V	Water-LfL	303-5	26.0%	-	76, 223
V	Water-Int	CRE2	231 l/m²	175 l/m²	76, 223
V	Waste-Abs	306-3	Recycled: 1 090 tons	Recycled: 977 tons	77-78, 224
V			Reused: 0 ton	Reused: 0 ton	77-78, 224
V			Composted: 0.14 ton	Composted: 0.74 ton	77-78, 224
V			Incinerated: 1 028 tons	Incinerated: 858 tons	77-78, 224
V			Buried or landfilled: 0.78 ton	Buried or landfilled: 0.46 ton	77-78, 224
V	Waste-LfL	306-3	Recycled: -50.1%	-	77-78, 224
V			Reused: 0.0%	-	77-78, 224
V			Composted: -75.0%	-	77-78, 224
V			Incinerated: 4.8%	-	77-78, 224
V			Buried or landfilled: 252.4%	-	77-78, 224

1 EPRA Sustainability Best Practices Recommendations Guidelines — Third version September 2017.

External assurance	EPRA sustainability performance measures	GRI & CRESS	Data 2022	Data 2021	Page ref.
V	Cert-Tot	CRE8	BREEAM New Construction/ Refurbishment | Outstanding | 4 buildings	BREEAM New Construction/ Refurbishment | Outstanding | 0 building	80, 225
V			BREEAM New Construction/ Refurbishment | Excellent | 5 buildings	BREEAM New Construction/ Refurbishment | Excellent | 3 buildings	80, 225
V			BREEAM New Construction/ Refurbishment | Very Good | 8 buildings	BREEAM New Construction/ Refurbishment | Very Good | 5 buildings	80, 225
V			BREEAM New Construction/ Refurbishment | Good | 3 buildings	BREEAM New Construction/ Refurbishment | Good | 1 building	80, 225
V			BREEAM New Construction/ Refurbishment | Not certified | 76 buildings	BREEAM New Construction/ Refurbishment | Not certified | 96 buildings	80, 225
V			BREEAM In-Use | Very Good | 4 buildings	BREEAM In-Use | Very Good | 0 building	80, 225
V			BREEAM In-Use | Good | 8 buildings	BREEAM In-Use | Good | 1 building	80, 225
V			BREEAM In-Use | Pass | 4 buildings	BREEAM In-Use | Pass | 0 building	80, 225
V			BREEAM In-Use | Acceptable | 3 buildings	BREEAM In-Use | Acceptable | 0 building	80, 225
V			BREEAM In-Use | Not certified | 77 buildings	BREEAM In-Use | Not certified | 104 buildings	80, 225
V			EPC | A | 1 building	EPC | A | 0 building	80, 225
V			EPC | B | 8 buildings[1]	EPC | B | 4 buildings	80, 225
V			EPC | C | 12 buildings	EPC | C | 11 buildings	80, 225
V			EPC | D | 2 buildings	EPC | C | 0 building	80, 225
V			EPC | Not certified | 73 buildings[2]	EPC | Not certified | 90 buildings	80, 225

1 One building included in the total with a surface area of ±5,000 m² has been sold in 2022.
2 Office buildings in Flanders and Wallonia were not eligible for the "sale and rental" certificate. In 2022. six buildings (one in Luxembourg and five in Flanders) do have a valid certificate but without a "class". They are therefore considered as not certified.

External assurance	EPRA sustainability performance measures	GRI & CRESS	Data 2022	Data 2021	Page ref.
Social Performance Measures					
V	Diversity-Emp (M/F)	405-1	57% (M) - 43% (F)	54% (M) - 46% (F)	88-89, 233
V	Executive Committee	405-1	50% (M) - 50% (F)	50% (M) - 50% (F)	88-89, 233
V	Management	405-2	80% (M) - 20% (F)	70% (M) - 30% (F)	88-89, 233
V	Other team members	405-2	54% (M) - 46% (F)	53% (M) - 47% (F)	88-89, 233
V	Diversity-Pay (M/F)	405-2	33.1%	30.2%	88, 235
V	Executive Committee	405-2	68.1%	70.1%	88, 235
V	Management	405-2	-9.4%	-8.9%	88, 235
V	Other team members	405-2	32.1%	32.3%	88, 235
V	Emp-Training	404-1	33.7 hours/year	34.9 hours/year	88, 235
V	Executive Committee	404-1	16 hours/year	87.8 hours/year	88, 235
V	Management	404-1	28 hours/year	116.0 hours/year	88, 235
V	Other team members	404-1	35 hours/year	24.0 hours/year	88, 235
V	Emp-Dev	404-3	100%	100%	88, 235
V	Executive Committee	404-3	100%	100%	88, 235
V	Management	404-3	100%	100%	88, 235
V	Other team members	404-3	100%	100%	88, 235
V	Emp-Turnover - New arrivals (total number)	401-1	2	13	88-89, 235
V	Emp-Turnover - New arrivals (rate)	401-1	2.2%	13.0%	88-89, 235
V	Emp-Turnover - Turnover (total number)	401-1	13	7	88-89, 236
V	Emp-Turnover - Turnover (rate)	401-1	14.6%	7.0%	88-89, 236
V	H&S Emp - Lost day rate	403-9	0.0%	0.0%	91, 236
V	H&S Emp - Injury rate	403-9	0.0%	3.0%	91, 236
V	H&S Emp - Absentee rate	403-9	4.9%	4.3%	91, 236
V	H&S Emp - Absentee rate (short term)	403-9	2.0%	1.4%	91, 236
V	H&S Emp - Number of work related fatalities	403-9	0	0	236
V	H&S-Asset	416-1	96%	87%	94-95, 237
V	H&S-Comp	416-2	9	2	94-95, 237
V	Comty-Eng[1]	413-1	22%	32%	96, 237
Governance Performance Measures					
V	Gov-Board	2-9	9	10	114-115, 233
n.a.	Gov-Select	2-10	*Narrative on process*	*Narrative on process*	119
n.a.	Gov-Col	2-15	*Narrative on process*	*Narrative on process*	136-139

1 The value of the indicator is notable directly related to and/or influenced by the number of permit applications that depend on ongoing and/or development projects.

GRI CONTENT INDEX

Statement of use	Befimmo has reported the information cited in this GRI content index for the period of 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure		Location	External assurance[1]	SDG
GRI 2: General Disclosures 2021	2-1	Organizational details	247		
	2-2	Entities included in the organization's sustainability reporting	250		
	2-3	Reporting period, frequency and contact point	250		
	2-4	Restatements of information	NA		
	2-5	External assurance	243	V	
	2-6	Activities, value chain and other business relationships	14, 34, 46		
	2-7	Employees	87, 233		
	2-8	Workers who are not employees	234		
	2-9	Governance structure and composition	114, 115		
	2-10	Nomination and selection of the highest governance body	119		5,16
	2-11	Chair of the highest governance body	119		16
	2-12	Role of the highest governance body in overseeing the management of impacts	119		
	2-13	Delegation of responsibility for managing impacts	119		
	2-14	Role of the highest governance body in sustainability reporting	58		
	2-15	Conflicts of interest	136		16
	2-16	Communication of critical concerns	133		
	2-17	Collective knowledge of the highest governance body	115		4,16
	2-18	Evaluation of the performance of the highest governance body	121		
	2-19	Remuneration policies	123, 130		
	2-20	Process to determine remuneration	130		
	2-21	Annual total compensation ratio	235		
	2-22	Statement on sustainable development strategy	18, 54		16
	2-23	Policy commitments	98		16
	2-24	Embedding policy commitments	98		16
	2-25	Processes to remediate negative impacts	66, 98, 122		16
	2-26	Mechanisms for seeking advice and raising concerns	66, 67, 133		16
	2-27	Compliance with laws and regulations	66, 89, 237		16
	2-28	Membership associations	239		17
	2-29	Approach to stakeholder engagement	238		17
	2-30	Collective bargaining agreements	90		8
GRI 3: Material Topics 2021	3-1	Process to determine material topics	61		
	3-2	List of material topics	67		
	3-3	Management of material topics	61, 241		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	103, 156		1,5,8
	201-2	Financial implications and other risks and opportunities due to climate change	62, 152, 229		8,13
	201-3	Defined benefit plan obligations and other retirement plans	194, 195, 196		8
	201-4	Financial assistance received from government	**€0**		8
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	98, 140		
	205-2	Communication and training about anti-corruption policies and procedures	98, 140		16
	205-3	Confirmed incidents of corruption and actions taken	**0 incident**		16
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	**0 legal action**		16
GRI 302: Energy 2016	302-1	Energy consumption within the organization	69, 219	V	7,8,12,13
	302-2	Energy consumption outside of the organization	69, 219		7,8,12,13
	302-3	Energy intensity	69, 219	V	7,8,12,13
	302-4	Reduction of energy consumption	69, 219		7,8,12,13
	302-5	Reductions in energy requirements of products and services	69, 219		7,8,12,13
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	76		6,12
	303-5	Water consumption	76, 223	V	6,12
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	218	V	3,12,13,15
	305-2	Energy indirect (Scope 2) GHG emissions	218	V	3,12,13,15
	305-3	Other indirect (Scope 3) GHG emissions	218	V	3,12,13,15
	305-4	GHG emissions intensity	218	V	13,15
	305-5	Reduction of GHG emissions	218		13,15
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	77		3,6,11,12
	306-2	Management of significant waste-related impacts	77		3,8,11,12
	306-3	Waste generated	224	V	3,6,11,12
	306-4	Waste diverted from disposal	224	V	3,11,12
	306-5	Waste directed to disposal	224	V	3,6,11,12
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	100		12
	308-2	Negative environmental impacts in the supply chain and actions taken	100		12

1 External assurance: In the context of the GRI reporting of its sustainable development indicators, Befimmo calls upon an external consultant to carry out a limited assurance review of the non-financial data. All data marked with a V has been verified by the auditor. The report can be found on page 243 of the present Report.

GRI 401: Employment 2016	401-1	New employee hires and employee turnover	88, 235, 236	V	5,8,10
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	89		3,5,8
	401-3	Parental leave	237		5,8
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	90		8
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	91		3,8
	403-2	Hazard identification, risk assessment, and incident investigation			3,8
	403-3	Occupational health services	91		3,8
	403-4	Worker participation, consultation, and communication on occupational health and safety	91		3,8,16
	403-5	Worker training on occupational health and safety	91		3,4,8
	403-6	Promotion of worker health	91		3
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	91		3,8
	403-8	Workers covered by an occupational health and safety management system	91, 236		3,8
	403-9	Work-related injuries	91, 236	V	3,8,16
	403-10	Work-related ill health	236		3,8,16
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	88, 235	V	4,5,8,10
	404-2	Programs for upgrading employee skills and transition assistance programs	88		8
	404-3	Percentage of employees receiving regular performance and career development reviews	235	V	5,8,10
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	88, 89, 233		5,8
	405-2	Ratio of basic salary and remuneration of women to men	88, 235	V	5,8,10
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	90		5,8,16
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	89, 94, 98, 100		8
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	89, 98, 100		5,8,16
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	89, 98, 100		5,8
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	96	V	4,17
	413-2	Operations with significant actual and potential negative impacts on local communities	96		1
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	100		5,8,16
	414-2	Negative social impacts in the supply chain and actions taken	100		5,8,16
GRI 415: Public Policy 2016	415-1	Political contributions	239		16,17
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	94, 237	V	3
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	94, 237	V	16
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labelling	80, 225		12
	417-2	Incidents of non-compliance concerning product and service information and labelling	**0 incidents**		16
	417-3	Incidents of non-compliance concerning marketing communications	**0 incidents**		16
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	98, 141		16

SECTOR-SPECIFIC DISCLOSURE: CONSTRUCTION & REAL ESTATE (CRESS)

Category	**Disclosure**		**Location**	**External assurance[1]**	**SDG**
Environment	CRE1	Building Energy Intensity	219	V	7,8,12,13
	CRE2	Building Water Intensity	223	V	6,8,12
	CRE3	Greenhouse gas emissions intensity from buildings	218, 219	V	13,15
Product Responsibility	CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	225	V	4,6,7,8, 10,11,12,13

1 External assurance: In the context of the GRI reporting of its sustainable development indicators, Befimmo calls upon an external consultant to carry out a limited assurance review of the non-financial data. All data marked with a V has been verified by the auditor. The report can be found on page 243 of the present Report.

Environmental performance

ENVIRONMENTAL INDICATORS

All data marked with a V has been verified by the auditor.

Carbon footprint

	GHG Protocol categories		GRI Standard	External assurance	2018 (t CO_2e)	2021 (t CO_2e)	2022 (t CO_2e)
Scope 1	1.1	Company facilities - Gas and fuel (of landlord-controlled buildings)	305-1	V	4 550.0	3 195.7	2 922.9
	1.2	Refrigerant leakage	305-1	V	2 591.2	1 698.8	1 470.4
	1.3	Company vehicles	305-1	V	257.6	213.9	204.6
Scope 2	2.1	Electricity (of landlord-controlled buildings) - Market-based	305-2	V	-	1.4	3.1
		Electricity (of landlord-controlled buildings) - Location-based	305-2	V	3 895.3	1 673.7	2 038.2
Scope 3	3.1	Purchased goods and services	305-3	V	4 690.9	5 083.5	4 169.9
	3.2	Capital goods	305-3	V	11 986.8	157 476.8	21 646.8
		Capital goods - New buildings acquisition	305-3	V	9 530.0	1 610.0	-
	3.3	Fuel- and energy-related activities - Market-based - Energy	305-3	V	1 672.5	920.1	910.0
		Fuel- and energy-related activities - Location-based - Energy	305-3	V	1 615.3	926.5	975.0
		Fuel- and energy-related activities - Market-based - Mobility	305-3	V	57.9	57.9	44.8
		Fuel- and energy-related activities - Location-based - Mobility	305-3	V	57.9	47.0	44.7
	3.5	Waste generated in operations (waste - exploitation)	305-3	V	3 616.8	1 250.5	1 440.9
		Waste generated in operations (waste - works)	305-3	V	2 807.0	2 420.0	317.0
	3.6	Business travel	305-3	V	55.7	8.9	13.7
	3.7	Employee commuting	305-3	V	63.2	56.8	54.6
	3.8	Upstream leased assets	305-3	V	48.8	106.5	106.5
	3.9	Downstream transportation and distribution	305-3	V	Excluded (not relevant)	Excluded (not relevant)	Excluded (not relevant)
	3.10	Processing of sold products	305-3	V	Excluded (not relevant)	Excluded (not relevant)	Excluded (not relevant)
	3.11	Use of sold products	305-3	V	Excluded (not relevant)	Excluded (not relevant)	Excluded (not relevant)
	3.12	End-of-life treatment of sold products	305-3	V	Excluded (not relevant)	Excluded (not relevant)	Excluded (not relevant)
	3.13	Downstream leased assets - Market-based - Energy	305-3	V	16 879.3	13 066.1	11 473.7
		Downstream leased assets - Location-based - Energy	305-3	V	15 111.4	11 943.8	10 379.9
		Downstream leased assets - Refrigerants	305-3	V	9 618.6	9 391.1	8 435.1
	3.14	Franchises	305-3	V	Excluded (not relevant)	Excluded (not relevant)	Excluded (not relevant)
	3.15	Investments	305-3	V	-	94.5	-

NON-FINANCIAL STATEMENTS

04

Energy consumption and related GHG emissions

All data marked with a V has been verified by the auditor.

Total portfolio		EPRA	GRI	2018	2021	2022		Low-Rise Office 2022	Mid-Rise Office 2022	High-Rise Office 2022
	GLA			909 687 m²	808 253 m²	**775 508 m²**		94 446 m²	421 181 m²	259 881 m²
Total - Absolute	Total building energy consumption			138.65 GWh	116.10 GWh	**99.81 GWh**		10.35 GWh	53.77 GWh	35.69 GWh
	Total fuel consumption	Fuels-Abs	302-1	68.69 GWh	66.93 GWh	**49.42 GWh**	V	6.03 GWh	25.14 GWh	18.25 GWh
	Total district heating and cooling	DH&C Abs	302-1	0.00 GWh	0.00 GWh	**0.00 GWh**	V	0.00 GWh	0.00 GWh	0.00 GWh
	Total building electricity consumption	Elec-Abs	302-1	69.95 GWh	49.17 GWh	**50.39 GWh**	V	4.33 GWh	28.63 GWh	17.44 GWh
	GHG emissions on total energy consumption (market-based)			19 190 t CO_2e	17 528 t CO_2e	**14 095 t CO_2e**		1 419 t CO_2e	7 427 t CO_2e	5 249 t CO_2e
	GHG emissions on total energy consumption (location-based)			21 166 t CO_2e	18 256 t CO_2e	**15 194 t CO_2e**		1 649 t CO_2e	8 140 t CO_2e	5 406 t CO_2e
Total - Intensity	*Perimeter*			*430 993 m²*	*321 986 m²*	***294 784 m²***		*34 633 m²*	*142 778 m²*	*117 373 m²*
	Building Energy consumption intensity	Energy-Int	CRE1	168.0 kWh/m²	165.3 kWh/m²	**148.2 kWh/m²**	V	126.6 kWh/m²	144.5 kWh/m²	159.1 kWh/m²
	Building Primary Energy intensity			291.4 kWh/m²	266.5 kWh/m²	**254.1 kWh/m²**		194.7 kWh/m²	264.3 kWh/m²	259.3 kWh/m²
	GHG emissions intensity from building energy consumption (market-based)	GHG-Int	CRE3	20.83 kg CO_2e/m^2	20.88 kg CO_2e/m^2	**19.10 kg CO_2e/m^2**	V	15.8 kg CO_2e/m^2	14.6 kg CO_2e/m^2	25.9 kg CO_2e/m^2
	GHG emissions intensity from building energy consumption (location-based)			25.58 kg CO_2e/m^2	25.70 kg CO_2e/m^2	**22.60 kg CO_2e/m^2**		20.7 kg CO_2e/m^2	21.5 kg CO_2e/m^2	24.5 kg CO_2e/m^2
	Perimeter			*272 482 m²*	*286 561 m²*					
Total - LfL	Total fuel consumption for related sites (year = 2022)			21.47 GWh	21.75 GWh					
	Total fuel consumption for related sites (year = column header)			24.70 GWh	28.40 GWh					
	Like-for-Like total fuel consumption	Fuels-LfL	302-1	-13.1%	-23.4%		V			
	Total DH&C consumption for related sites (year = 2022)			0.00 GWh	0.00 GWh					
	Total DH&C consumption for related sites (year = column header)			0.00 GWh	0.00 GWh					
	Like-for-Like total district heating & cooling consumption	DH&C-LfL	302-1	0.00 GWh	0.00 GWh		V			
	Total electricity consumption for related sites (year = 2022)			21.28 GWh	22.27 GWh					
	Total electricity consumption for related sites (year = column header)			22.00 GWh	21.57 GWh					
	Like-for-Like total electricity consumption	Elec-LfL	302-1	-3.3%	3.2%		V			

Landlord-controlled buildings		EPRA	GRI	2018	2021	2022		Low-Rise Office 2022	Mid-Rise Office 2022	High-Rise Office 2022
	GLA			343 431 m^2	252 776 m^2	**248 081 m^2**		47 801 m^2	121 962 m^2	78 318 m^2
Scope 1 - Absolute	*Perimeter*			*278 295 m^2*	*234 329 m^2*	***238 085 m^2***		*47 801 m^2*	*111 966 m^2*	*78 318 m^2*
	Total landlord obtained fuels			23.62 GWh	16.83 GWh	**15.44 GWh**		3.57 GWh	6.75 GWh	5.13 GWh
	of which gas			21.45 GWh	16.83 GWh	**15.44 GWh**		3.57 GWh	6.75 GWh	5.13 GWh
	of which heating oil (fuel)			2.18 GWh	0.00 GWh	**0.00 GWh**		0.00 GWh	0.00 GWh	0.00 GWh
	Total direct greenhouse gas (GHG) emissions	GHG-Dir-Abs	305-1	4 375 t CO_2e	3 114 t CO_2e	**2 857 t CO_2e**	V	660 t CO_2e	1 249 t CO_2e	949 t CO_2e
Scope 1 - Intensity	*Perimeter*			*252 676 m^2*	*182 394 m^2*	***146 745 m^2***		*33 909 m^2*	*101 761 m^2*	*11 075 m^2*
	Total landlord obtained fuels			85.4 kWh/m^2	79.7 kWh/m^2	**76.8 kWh/m^2**		80.5 kWh/m^2	62.4 kWh/m^2	198.5 kWh/m^2
	GHG direct emission			15.8 kg CO_2e/m^2	14.7 kg CO_2e/m^2	**14.2 kg CO_2e/m^2**		15 kg CO_2e/m^2	12 kg CO_2e/m^2	37 kg CO_2e/m^2
Scope 1 - LfL	*Perimeter*			*132 781 m^2*	*144 812 m^2*					
	Total landlord obtained fuels for related sites (year = 2022)			10.68 GWh	11.13 GWh					
	Total landlord obtained fuels for related sites (year = column header)			11.95 GWh	13.68 GWh					
	Like-for-Like evolution (kWh)			-10.6%	-18.7%					
	Total GHG direct emission for related sites (year = 2022)			1 975 t CO_2e	2 058 t CO_2e					
	Total GHG direct emission for related sites (year = column header)			2 215 t CO_2e	2 531 t CO_2e					
	Like-for-Like direct Greenhouse gas (GHG) emissions	GHG-Indir-LfL	305-1	-10.8%	-18.7%		V			

		EPRA	GRI	2018	2021	2022		Low-Rise Office 2022	Mid-Rise Office 2022	High-Rise Office 2022
Scope 2 - Absolute	*Perimeter*			*333 010 m²*	*234 329 m²*	***248 081 m²***		*47 801 m²*	*121 962 m²*	*78 318 m²*
	Heating network			0.00 GWh	0.00 GWh	**0.00 GWh**		0.00 GWh	0.00 GWh	0.00 GWh
	Total building electricity consumption			26.07 GWh	13.77 GWh	**16.68 GWh**		2.29 GWh	10.03 GWh	4.36 GWh
	Renewable electricity generated and consumed on-site by landlord			247 MWh	259 MWh	**562 MWh**		0 MWh	306 MWh	255 MWh
	Other electricity generated and consumed on-site by landlord (cogeneration)			430 MWh	298 MWh	**183 MWh**		0 MWh	0 MWh	183 MWh
	Renewable electricity generated on-site and exported by landlord			1 MWh	0 MWh	**0 MWh**		0 MWh	0 MWh	0 MWh
	Other electricity generated on-site and exported by landlord (cogeneration)			38 MWh	117 MWh	**61 MWh**		0 MWh	0 MWh	61 MWh
	Renewable electricity generated off-site and purchased by landlord			25 438 MWh	13 368 MWh	**16 105 MWh**		2 311 MWh	9 813 MWh	3 982 MWh
	Renewable electricity generated off-site, purchased by landlord, for mobility purpose			10 MWh	35 MWh	**108 MWh**		18 MWh	90 MWh	0 MWh
	Other electricity purchased by landlord			0 MWh	0 MWh	**0 MWh**		0 MWh	0 MWh	0 MWh
	GHG indirect emission (market-based)	GHG-Indir-Abs	305-2	0 t CO_2e	0 t CO_2e	**0 t CO_2e**	V	0 t CO_2e	0 t CO_2e	0 t CO_2e
	GHG indirect emission (location-based)			3 129 t CO_2e	1 644 t CO_2e	**1 981 t CO_2e**		284 t CO_2e	1 207 t CO_2e	490 t CO_2e
Scope 2 - Intensity	*Perimeter*			*242 014 m²*	*147 605 m²*	***144 915 m²***		*32 079 m²*	*101 761 m²*	*11 075 m²*
	Gross total			91.8 kWh/m²	70.4 kWh/m²	**74.4 kWh/m²**		48.6 kWh/m²	86.5 kWh/m²	37.3 kWh/m²
	GHG indirect emission (market-based)			0.00 kg CO_2e/m²	0.00 kg CO_2e/m²	**0.00 kg CO_2e/m²**		0.00 kg CO_2e/m²	0.00 kg CO_2e/m²	0.00 kg CO_2e/m²
	GHG indirect emission (location-based)			10.99 kg CO_2e/m²	8.32 kg CO_2e/m²	**8.90 kg CO_2e/m²**		6.0 kg CO_2e/m²	10.4 kg CO_2e/m²	3.2 kg CO_2e/m²
Scope 2 - LfL	*Perimeter*			*132 396 m²*	*142 982 m²*					
	Total for related sites (year = 2022)			9.75 GWh	10.74 GWh					
	Total for related sites (year = column header)			1 060.6%	1 013.1%					
	Like-for-Like evolution (kWh)			-8.1%	6.0%					
	Total GHG indirect emission for related sites (year = 2022)			0 t CO_2e	0 t CO_2e					
	Total GHG indirect emission for related sites (year = column header)			0 t CO_2e	0 t CO_2e					
	Like-for-Like evolution (market-based)	GHG-Indir-LfL	305-2	0%	0%		V			
	Like-for-Like evolution (location-based)			-5.9%	7.3%					
Scope 1+2 - Intensity	*Perimeter*			*240 419 m²*	*144 389 m²*	***141 699 m²***		*28 863 m²*	*101 761 m²*	*11 075 m²*
	Total operational energy			179.2 kWh/m²	164.6 kWh/m²	**151.6 kWh/m²**		129.0 kWh/m²	148.9 kWh/m²	235.8 kWh/m²
	GHG indirect emission (market-based)			16.16 kg CO_2e/m²	17.33 kg CO_2e/m²	**14.19 kg CO_2e/m²**		14.88 kg CO_2e/m²	11.54 kg CO_2e/m²	36.71 kg CO_2e/m²
	GHG indirect emission (location-based)			27.17 kg CO_2e/m²	25.71 kg CO_2/em²	**23.15 kg CO_2e/m²**		20.92 kg CO_2e/m²	21.95 kg CO_2e/m²	39.95 kg CO_2e/m²

Tenant-controlled buildings		EPRA	GRI	2018	2021	2022		Low-Rise Office 2022	Mid-Rise Office 2022	High-Rise Office 2022
	GLA			566 256 m^2	555 477 m^2	527 427 m^2		46 645 m^2	299 219 m^2	181 563 m^2
Scope 3 - Absolute	*Perimeter*			*551 820 m^2*	*547 678 m^2*	***478 270 m^2***		*36 896 m^2*	*259 811 m^2*	*181 563 m^2*
	Gross total			89 GWh	85 GWh	**68 GWh**		4 GWh	37 GWh	26 GWh
	Total tenant obtained fuels			45.07 GWh	50.10 GWh	**33.97 GWh**		2.46 GWh	18.39 GWh	13.12 GWh
	of which gas			45.07 GWh	50.10 GWh	**33.97 GWh**		2.46 GWh	18.39 GWh	13.12 GWh
	of which heating oil (fuel)									
	Total district heating and cooling									
	Total building electricity consumption			43.88 GWh	35.40 GWh	**33.71 GWh**		2.04 GWh	18.60 GWh	13.08 GWh
	renewable electricity generated and consumed on-site by tenant			183 MWh	168 MWh	**168 MWh**		0 MWh	18 MWh	150 MWh
	Other electricity generated and consumed on-site by tenant (cogeneration)			311 MWh	763 MWh	**373 MWh**		0 MWh	0 MWh	373 MWh
	renewable electricity generated on-site and exported by landlord			18 MWh	21 MWh	**20 MWh**		0 MWh	18 MWh	2 MWh
	Other electricity generated on-site and exported by tenant (cogeneration)			0 MWh	0 MWh	**0 MWh**		0 MWh	0 MWh	0 MWh
	renewable electricity generated off-site and purchased by tenant									
	Renewable electricity generated off-site, purchased by tenant, for mobility purpose			2 MWh	1 MWh	**7 MWh**		0 MWh	7 MWh	0 MWh
	Other purchased by tenant			43 411 MWh	34 490 MWh	**33 196 MWh**		2 037 MWh	18 603 MWh	12 557 MWh
	GHG indirect emission (market-based)	GHG-Indir-Abs	305-2	14 814 t CO_2e	14 413 t CO_2e	**11 237 t CO_2e**	V	759 t CO_2e	6 178 t CO_2e	4 300 t CO_2e
	GHG indirect emission (location-based)			13 662 t CO_2e	13 497 t CO_2e	**10 356 t CO_2e**		705 t CO_2e	5 684 t CO_2e	3 967 t CO_2e
Scope 3 - Intensity	*Perimeter*			*190 574 m^2*	*177 597 m^2*	***153 085 m^2***		*5 770 m^2*	*41 017 m^2*	*106 298 m^2*
	GHG indirect emission (market-based)			25.52 kg CO_2e/m^2	27.46 kg CO_2e/m^2	**23.92 kg CO_2e/m^2**		20.23 kg CO_2e/m^2	22.26 kg CO_2e/m^2	24.75 kg CO_2e/m^2
	GHG indirect emission (location-based)			23.57 kg CO_2e/m^2	25.69 kg CO_2e/m^2	**22.10 kg CO_2e/m^2**		19.5 kg CO_2e/m^2	20.5 kg CO_2e/m^2	22.9 kg CO_2e/m^2
Scope 3 - LfL	*Perimeter*			*141 681 m^2*	*146 795 m^2*					
	Total energy consumption for related sites (year = 2022)			19.97 GWh	21.03 GWh					
	Total energy consumption for related sites (year = column header)			22.21 GWh	25.01 GWh					
	Like-for-Like evolution (kWh)			-10.1 %	-15.9 %					
	Total GHG indirect emission for related sites (year = 2022)			3 284 t CO_2e	3 462 t CO_2e					
	Total GHG indirect emission for related sites (year = column header)			3 718 t CO_2e	4 145 t CO_2e					
	Like-for-Like evolution (market-based)	GHG-Indir-LfL	305-2	-11.7%	-16.5%		V			
	Like-for-Like evolution (location-based)			-12.6%	-17.9%					

Water consumption

All data marked with a V has been verified by the auditor.

Total portfolio		EPRA	GRI	2018	2021	2022		Low-Rise Office 2022	Mid-Rise Office 2022	High-Rise Office 2022
Water - Absolute	**GLA**			909 687 m^2	808 253 m^2	**775 508 m^2**		94 446 m^2	421 181 m^2	259 881 m^2
	Total water consumption	Water-Abs	303-5	224 542 m^3	119 901 m^3	**174 559 m^3**	V	19 024 m^3	81 667 m^3	73 867 m^3
	of which collected and stored rainwater			3 442 m^3	4 620 m^3	**3 947 m^3**		5 m^3	1 411 m^3	2 531 m^3
	of which groundwater			9 069 m^3	1 826 m^3	**4 562 m^3**			1 958 m^3	2 604 m^3
Water - Intensity	*Perimeter*			*729 823 m^2*	*511 275 m^2*	***438 814 m^2***		*16 743 m^2*	*246 364 m^2*	*175 707 m^2*
	Total water consumption	Water-Int	CRE2	245.25 litre/m^2	175.28 litre/m^2	**231.11 litre/m^2**	V	157.24 litre/m^2	184.60 litre/m^2	303.36 litre/m^2
	of which rainwater			4.66 litre/m^2	9.03 litre/m^2	**8.99 litre/m^2**		0.30 litre/m^2	5.73 litre/m^2	14.40 litre/m^2
	of which groundwater			12.43 litre/m^2	3.57 litre/m^2	**10.40 litre/m^2**		0.00 litre/m^2	7.95 litre/m^2	14.82 litre/m^2
Water - LfL	*Perimeter*			*418 159 m^2*	*379 664 m^2*					
	Total water for related sites (year = 2022)			96 829 m^3	93 993 m^3					
	Total water for related sites (year = column header)			115 544 m^3	74 574 m^3					
	Like-for-Like evolution (kWh)	Water-LfL	303-5	-16.2%	26.0%		V			

Waste

All data marked with a V has been verified by the auditor.

Total portfolio		EPRA	GRI	2018	2021	2022		Low-Rise Office 2022	Mid-Rise Office 2022	High-Rise Office 2022
Waste - Absolute	**GLA**			909 687 m^2	808 253 m^2	**775 508 m^2**		94 446 m^2	421 181 m^2	259 881 m^2
	Total non-hazardous waste linked to works			52 340 tons	36 670 tons	**2 821 tons**		1 ton	55 tons	2 765 tons
	of which recycled			52 076 tons	34 028 tons	**2 296 tons**		0 ton	41 tons	2 255 tons
	of which re-used			41 tons	0 ton	**0 ton**		0 ton	0 ton	0 ton
	of which composted			0 ton	0 ton	**0 ton**		0 ton	0 ton	0 ton
	of which incinerated			223 tons	2 642 tons	**516 tons**		1 ton	5 tons	510 tons
	of which buried or landfilled			0 ton	0 ton	**10 tons**		0 ton	10 tons	0 ton
	Total non-hazardous waste linked to operational buildings	Waste-Abs	306-3	4 609 tons	1 829 tons	**2 105 tons**	V	271 tons	1 137 tons	697 tons
	of which recycled	Waste-Abs	306-4	3 203 tons	971 tons	**1 079 tons**	V	111 tons	603 tons	366 tons
	of which re-used	Waste-Abs	306-4	0 ton	0 ton	**0 ton**	V	0 ton	0 ton	0 ton
	of which composted	Waste-Abs	306-4	0 ton	1 ton	**0 ton**	V	0 ton	0 ton	0 ton
	of which incinerated	Waste-Abs	306-5	1 405 tons	857 tons	**1 026 tons**	V	160 tons	534 tons	331 tons
	of which buried or landfilled	Waste-Abs	306-5	0 ton	0 ton	**0 ton**	V	0 ton	0 ton	0 ton
	Total hazardous waste linked to works			234 tons	5 tons	**3 tons**		0 ton	2 tons	1 ton
	of which recycled			0 ton	1 ton	**1 ton**		0 ton	0 ton	1 ton
	of which re-used			0 ton	0 ton	**0 ton**		0 ton	0 ton	0 ton
	of which composted			0 ton	0 ton	**0 ton**		0 ton	0 ton	0 ton
	of which incinerated			197 tons	0 ton	**2 tons**		0 ton	2 tons	0 ton
	of which buried or landfilled			38 tons	4 tons	**0 ton**		0 ton	0 ton	0 ton
	Total hazardous waste linked to operational buildings	Waste-Abs	306-3	19 tons	8 tons	**14 tons**	V	3 tons	7 tons	5 tons
	of which recycled	Waste-Abs	306-4	17 tons	6 tons	**12 tons**	V	2 tons	5 tons	4 tons
	of which re-used	Waste-Abs	306-4	0 ton	0 ton	**0 ton**	V	0 ton	0 ton	0 ton
	of which composted	Waste-Abs	306-4	0 ton	0 ton	**0 ton**	V	0 ton	0 ton	0 ton
	of which incinerated	Waste-Abs	306-5	1 ton	1 ton	**2 tons**	V	0 ton	1 ton	1 ton
	of which buried or landfilled	Waste-Abs	306-5	0 ton	0 ton	**1 ton**	V	0 ton	0 ton	0 ton
Waste - Intensity	*Perimeter*			*94 559 m^2*	*198 219 m^2*	***248 081 m^2***		*47 801 m^2*	*121 962 m^2*	*78 318 m^2*
	Total waste linked to operational buildings			5 kg/m^2	2 kg/m^2	**3 kg/m^2**		3 kg/m^2	3 kg/m^2	2 kg/m^2
Waste - LfL	*Perimeter*			*56 344 m^2*	*187 942 m^2*					
	Total recycled for related sites (year = 2022)			212 tons	355 tons					
	Total recycled for related sites (year = column header)			2 098 tons	711 tons					
	LfL recycled	Waste-LfL	306-4	-89.88%	-50.07%		V			
	Total re-used for related sites (year = 2022)			0 ton	0 ton					
	Total re-used for related sites (year = column header)			0 ton	0 ton					
	LfL re-used	Waste-LfL	306-4	0%	0%		V			
	Total composted for related sites (year = 2022)			0 ton	0 ton					
	Total composted for related sites (year = column header)			0 ton	0 ton					
	LfL composted	Waste-LfL	306-4	0%	-74.98%		V			
	Total incinerated for related sites (year = 2022)			96 tons	314 tons					
	Total incinerated for related sites (year = column header)			299 tons	300 tons					
	LfL incinerated	Waste-LfL	306-5	-67.81%	4.82%		V			
	Total buried or landfilled for related sites (year = 2022)			0 ton	0 ton					
	Total buried or landfilled for related sites (year = column header)			0 ton	0 ton					
	LfL buried or landfilled	Waste-LfL	306-5	69.5%	252.43%		V			

Certification

BREEAM

Buildings under construction	BREEAM New Construction / Refurbishment		
Rating	Surface (m²)	# buildings	
Very Good	8 332	1	V
Not certified	120 497	2	V
Total	**128 829**	**3**	V

Buildings in operation	BREEAM New Construction / Refurbishment[1]			BREEAM In-Use[2]		
Rating	Surface (m²)	# buildings		Surface (m²)	# buildings	
Outstanding	61 613	4	V	-	-	V
Excellent	70 938	5	V	-	-	V
Very Good	66 104	8	V	61 613	4	V
Good	7 689	3	V	184 457	8	V
Pass	-	-	V	45 781	4	V
Acceptable	-	-	V	47 252	3	V
Not certified	569 164	76	V	436 405	77	V
Total	**775 508**	**96**	V	**775 508**	**96**	V

ENERGY PERFORMANCE CERTIFICATES

Buildings in operation			
Rating	Surface (m²)	# buildings	
A	16 983	1	V
B	82 892	8	V
C	221 786	12	V
D	6 743	2	V
Not certified	447 104	73	V
Total	**775 508**	**96**	V

1 Design certificates are not included, only Post Construction certificates.
2 Among these buildings, a large part has been certified BREEAM In-Use in 2010 and 2011, but certificates are no longer valid.

METHODOLOGY

Direct energy (gas and oil), indirect energy (electricity and district heating), water, greenhouse gas emissions

Since 2017, Befimmo has opted to report the data for the Befimmo portfolio in consolidated form. The previous years (2021 and the 2018 reference year) have been adapted to the new methodology (2022) explained hereafter.

GENERAL REMARKS

Some additional historical data, complete or partial, obtained after the publication of the last Annual Financial Report were verified and then integrated with previously published data. This could explain any differences with previous publications.

Other minor adjustments were also made to the data with a view to improving the quality and accuracy of the consolidated non-financial reporting data, notably:

- The verification of the conversion factors needed to calculate the CO_2e emissions;
- The alteration or adaptation of certain spaces following work and/or resurveying;
- The correction of missing or incorrect historical data, in particular following the receipt of credit notes or adjustment invoices for electricity and water.

INTERPRETATION OF DATA IN THE ENVIRONMENTAL REPORTING TABLES[1]

Befimmo intends to keep segmenting its reporting by the type of the buildings, by classifying the buildings as Low-Rise Office buildings with at most three floors, Mid-Rise Office buildings with at least four floors and at most eight floors, and High-Rise Office buildings with at least nine floors. This approach allows an analysis from a different angle and the exploitation of certain specific data.

Low-rise office	Mid-rise office	High-rise office
94 446 m²	421 181 m²	259 881 m²

MANAGEMENT AND PROCESSING OF CONSUMPTION DATA

The reporting data on gas and electricity consumption is largely automated and comes in order from the network operator and then from the energy suppliers. The consumption data is extrapolated by the energy suppliers for the small missing periods or by Befimmo on the basis of the relative consumption of the portfolio when data is not available at all. This approach makes it possible to cover all consumption and CO_2e emissions associated with the portfolio as a whole.

Data on water consumption is mainly obtained from meter readings provided by maintenance companies, while data on waste production for buildings in operation is available from a supplier whose services cover a large part of the portfolio.

Missing data on these two topics are also extrapolated on the same principle as for gas and electricity data, i.e. on the basis of the average consumption of the buildings in the portfolio.

2022 - PERCENTAGE OF DATA EXTRAPOLATION (BASED ON PORTFOLIO SURFACE AREA)

	Gas	Electricity	Water	Waste
Landlord-controlled	23%	21%	57%	2%
Tenant-controlled	65%	61%	31%	100%

Since 2015, Befimmo has been systematically using statistical models to refine the detection of abnormal electricity, water and gas consumption. These models for predicting future consumption are based on the energy signature of the building and working hours. More relevant than generic alarms triggered when a maximum threshold is exceeded, these models can detect very slight overconsumption in relation to total consumption.

1 The surfaces of the buildings sold or acquired during the year are included in the total surface of the portfolio used within the framework of environmental reporting.

REPORTING PERIMETER RELATED TO ENERGY, WATER CONSUMPTION, WASTE PRODUCTION AND ASSOCIATED CO_2E EMISSIONS

The Global Lettable Area mentioned above each table correspond to the areas of the buildings in use during the reporting year and covers the buildings owned by Befimmo. The reporting perimeter for specifics indicators is expressed as the area covered by the data obtained for the period. It is directly affected by any sales and/or acquisitions.

Data related to energy, water consumption, waste production and associated CO_2e emissions from Silversquare coworking spaces housed in buildings owned by Befimmo are included in the data. These tables do not include other CO_2e emissions included in the carbon footprint, such as purchased good an services, capital goods, refrigerant losses, emergency groups, mobility, etc.

CALCULATION AT CONSTANT PERIMETER

The calculation at constant perimeter (Like-for-Like (LfL)), expressed as a year-on-year percentage difference, helps to assess how an indicator changes over time. Indeed, by excluding variations due to changes in floor area (as a result of major renovations, acquisitions or sales), it is possible to analyse, compare and explain the results achieved in relation to the stated objectives. Note, however, that the calculation at constant perimeter does not take account of changes in the occupancy of the buildings.

The reporting perimeter for Like-for-Like indicators is expressed as the surface of buildings in use during the two complete periods which are compared and for which all data are obtained.

CALCULATION OF SPECIFIC CONSUMPTION (KWH/M^2 AND L/M^2) AND GREENHOUSE GAS EMISSIONS INTENSITY (KG CO_2E/M^2)

The following buildings are excluded from the scope:

- Buildings under construction and/or renovation;
- Buildings for which consumption data are completely missing and which have therefore been fully extrapolated for the absolute calculation;
- Building sold or acquired during the reporting year;
- Buildings with an average annual occupancy rate below 50%[1] (calculated on the basis of the quarterly occupancy history and the floor area occupied).

GLOBAL CARBON FOOTPRINT AND EMISSION FACTORS

Since 2018, data related to the activity of its subsidiaries, including Silversquare coworking spaces housed in buildings belonging to other owners, are also reported, specifically in the carbon footprint section.

When reporting CO_2e emissions related to its activities, Befimmo follows the recommendations and methodology of the Greenhouse Gas Protocol (GHG Protocol) including the use of ADEME, IEA and Ecoinvent factors for all data (including historical data) since 2022 instead of certain specific factors used in the past by energy suppliers.

The Greenhouse Gas Protocol is an international accounting method and is the one most used by government leaders and business to understand, quantify and manage greenhouse gas emissions.

1 Based on the long-term lease agreement with the Buildings Agency, the occupancy rate of Fedimmo buildings is considered to be 100%. However, on certain specific occasions, this rate may not reflect the actual occupancy of the building and the figures announced in these few cases may not be representative.

In practice, Befimmo distinguishes emissions as follows:

- "Directly-controlled" emissions, relating to fuels (gas, oil) purchased by the landlord for heating purposes and the operation of any back-up units. To these emissions must be added those linked to refrigerant gas leaks from refrigeration systems and/or heat pumps used for air conditioning in controlled buildings, to which a default annual loss coefficient of 15% is applied (ADEME recommendations). An extrapolation of losses based on the relative average according to the type of machine and the type of fluid in relation to the surface area of the portfolio is also applied for all machines not identified in the technical inventory;
- In addition to the emissions linked to Befimmo's buildings, there are also the direct emissions emitted by the company cars of the Befimmo and Silversquare employees;
- "Indirectly-controlled" emissions, relating to the electricity and heat purchased by the landlord for common and tenant areas;
- "Indirectly-uncontrolled" emissions, relating to the use of electricity, heat and fuels (gas, oil) purchased by tenants in buildings not under Company control. To these emissions must be added all other uncontrolled emissions (purchases of goods and services, waste production, capital goods, team community, etc.) in accordance with the GHG Protocol.

For the Silversquare coworking spaces located in buildings owned by Befimmo, the data required to establish the carbon footprint of each site is directly available internally. This information is supplemented by data from the other centres located outside the portfolio. The whole forms the consolidated carbon footprint of Befimmo and its subsidiaries.

TCFD RECOMMENDATIONS

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS AND TARGETS
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Disclose how the organisation identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Governance

BOARD OVERSIGHT

The Board of Directors guides the ESG strategy, including climate- and sustainability-related aspects. It sets and approves budgets and major decisions related to this strategy.

The Audit Committee is responsible for the monitoring of risk management, while the Appointment and Remuneration Committee is in charge of determining the variable remuneration of the Executive Committee members linked to ESG targets.

MANAGEMENT OVERSIGHT

The ESG Cell consists of seven people, including all four members of the Executive Committee (CEO, CFO, CDO and General Counsel & Secretary General). The Chief Sustainability & Innovation Officer (CS&IO), the Head of Environmental Management (HEM) and the Head of Human Resources (HHR) are also part of this Cell. This Cell meets two times a year. Sustainability topics are also discussed during Executive Committee meetings and Manager meetings.

RELEVANT DISCLOSURES

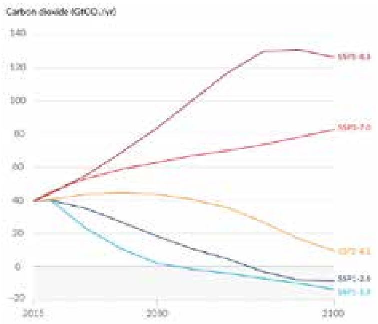
TCFD recommended disclosures	Befimmo disclosures
Governance	
a) Describe the board's oversight of climate-related risks and opportunities.	CDP question C1.1b ESG management, p.58
b) Describe management's role in assessing and managing climate-related risks and opportunities.	CDP questions C1.2, C1.2a ESG management, p.58

Strategy and risk management

Since the industrial revolution, the accumulation of greenhouse gases in the atmosphere at an unprecedented level has led to climate change with multiple consequences. Furthermore, in order to limit global warming to below 1.5°C and thus limit its consequences, policies are gradually being put in place to steer the economy towards a low-carbon transition.

These trends introduce two types of risks and opportunities:
- Physical: risks and opportunities related to exposure to the physical consequences of climate change (sea level rise, heat domes, droughts, etc.);
- Transitional: consequences of the transition to a low-carbon world (regulatory, political, market developments, etc.).

FUTURE ANNUAL CO_2 EMISSIONS ACROSS FIVE ILLUSTRATIVE SCENARIOS (SOURCE: 6TH IPCC REPORT / WORKING GROUP I)



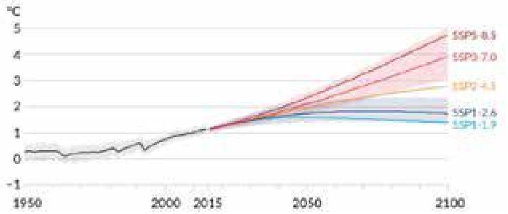
PHYSICAL RISKS AND OPPORTUNITIES

Befimmo's portfolio is increasingly exposed to extreme weather conditions such as floods, storms and hail. These weather conditions are becoming more frequent and harsh. This evolution pushes the Company to take preventive actions, as they both affect the robustness of the buildings and the safety of occupants.

In order to understand to what extend Befimmo's core portfolio is exposed to future weather patterns and natural hazards, the Company is currently conducting an analysis using the GRESB tool. This tool is using the "Munich Re" database as a source of information. The physical risk analysis is based on three scientific climate scenarios adopted by the Intergovernmental Panel on Climate Change (IPCC):

- RCP2.6: global average temperature increases by 1.3 to 2.4°C;
- RCP4.5: global average temperature increases by 2.1 to 3.5°C;
- RCP8.5: global average temperature increases by 3.3 to 5.7°C.

GLOBAL SURFACE TEMPERATURE CHANGE RELATIVE TO 1850-1900 (SOURCE: 6TH IPCC REPORT / WORKING GROUP I)



Befimmo's response to physical impacts is as follows:

- Conduct a physical climate risk assessments to determine which core assets need to be upgraded;
- For each critical asset, conduct an assessment to determine what measures need to be taken to mitigate the identified risks;
- Secure the risk through insurance policies covering the portfolio against loss of rent due to natural disasters like floods, fires and storms, with a total insured value at least as high as the balance sheet value of the assets.

TRANSITIONAL RISKS AND OPPORTUNITIES

The COP21 (2015) enabled to set a goal of stabilising global warming due to human activities "significantly below" 2°C by 2100 (relative to the temperature of the pre-industrial era) and even aim to limit this temperature rise to 1.5°C.

On 13 November 2021, COP26 concluded in Glasgow with all countries agreeing the Glasgow Climate Pact to keep 1.5°C alive and finalise the outstanding elements of the Paris Agreement.

The Glasgow Climate Pact, combined with increased ambition and action from countries, means that 1.5°C remains in sight and scales up action on dealing with climate impacts, but it will only be delivered with concerted and immediate global efforts.

Achieving these objectives at the European level would involve an 80-95% reduction in greenhouse gas emissions by 2050, compared to 1990 emission levels. However, Europe is struggling to maintain this ambitious objective, leading the European Council at the end of 2020 to raise the European objective of reducing greenhouse gases by 2030. This European target was initially set at -40% and was later adapted to -55% in order to achieve the objective of temperature rise limitation at 1.5°C. According to the European Commission's impact assessment, the greatest efforts to achieve the -55% target must come from the building and electricity production sectors. Belgium's commitment to this process has led to the development of a low carbon strategy for 2050. For the tertiary sector, each region aims to have an energy or carbon neutral building stock by 2050 in terms heating, hot water, cooling and lighting.

These European targets will certainly accelerate the renovations among building portfolios. A company which doesn't take climate risks into account may suffer reputational and financial loss. Assets would loose their attractiveness as occupants are no longer searching for just comfortable and nice-looking work spaces. The global tendency for occupants to challenge landlords in terms of environmental performance of their buildings is increasing rapidly. A decrease of the attractiveness of the assets could therefore lower rental potential of buildings, ultimately leading to a company's revenue and value decrease. Next to climate-change awareness, cost considerations following an increase in environmental taxes is also shaping occupants' behaviour.

Befimmo's response to transitional impacts is as follows:

- Ongoing monitoring and compliance with applicable laws and standards;
- Participate in industry bodies to monitor emerging legislation early on and analyse occupant preferences continuously;
- Assess the Company's carbon footprint across its value chain, define a strategy to reduce it, and identify action levers.

RELEVANT DISCLOSURES

TCFD recommended disclosures		Befimmo disclosures
Strategy		
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	CDP questions C2.1a, C2.3, C2.3a, C2.4, C2.4a
b)	Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.	CDP questions C2.3a, C2.4a, C3.1, C3.2a, C3.3, C3.4
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP questions C3.2, C3.2a Contribute to climate change mitigation, p.69
Risk management		
a)	Describe the organisation's processes for identifying and assessing climate-related risks.	CDP questions C2.1, C2.1a, C2.2, C2.2a
b)	Describe the organisation's processes for managing climate-related risks.	CDP questions C2.1, C2.1a, C2.2, C2.2a
c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	CDP questions C2.1, C2.1a, C2.2, C2.2a

Metrics and targets

Details on our emissions can be found in “Contribute to climate change mitigation” on pages 69 and 218 of the present Report. Our most recent CDP climate questionnaire has details of methodologies, climate mitigation and climate adaptation efforts. Both documents are available on the Befimmo website.

RELEVANT DISCLOSURES

TCFD recommended disclosures		Befimmo disclosures
Metrics and targets		
a)	Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.	CDP questions C4.2, C4.2b, C9.1
b)	Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	CDP questions C6.1, C6.3, C6.5 Contribute to climate change mitigation, p.69 Environmental indicators, p.218
c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	CDP questions C4.1, C4.1a, C4.1b, C4.2, C4.2b

Social performance

SOCIAL INDICATORS

All number of team members are expressed in headcount, expect for training hours and expenses, which are expressed in Full-Time head Equivalents (FTE). All data marked with a V has been verified by the auditor. All team members are based at the office of the Company in Belgium.

Talent and performance

TEAM BREAKDOWN

Team members (#)	EPRA SPM	GRI Standard	2022	2021	External assurance
Board of Directors		2-7	9	10	V
Executive Committee		2-7	4	4	
Management		2-7	10	10	
Other team members		2-7	79	90	

During the reporting year, Befimmo counts 89 members within its team (excluding external consultants and the Executive Committee).

GOVERNANCE BODIES DIVERSITY

Board diversity by gender (%)	EPRA SPM	GRI Standard	2022	2021	External assurance
Women	Diversity-Emp	405-1	33%	30%	V
Men	Diversity-Emp	405-1	67%	70%	V

Board diversity by age (%)	EPRA SPM	GRI Standard	2022	2021	External assurance
Under 30 years		405-1	0%	0%	
Between 30 and 50 years		405-1	33%	10%	
Over 50 years		405-1	67%	90%	

WORKFORCE DIVERSITY

Workforce diversity by gender per job category (%)	EPRA SPM	GRI Standard	2022	2021	External assurance
Executive Committee					
Women	Diversity-Emp	405-1	50%	50%	V
Men	Diversity-Emp	405-1	50%	50%	V
Management					
Women	Diversity-Emp	405-1	20%	30%	V
Men	Diversity-Emp	405-1	80%	70%	V
Other team members					
Women	Diversity-Emp	405-1	46%	47%	V
Men	Diversity-Emp	405-1	54%	53%	V

Globally, Befimmo has a good gender balance within its team (57%-43% M/W, compared to 54%-46% M/W in 2021).

Workforce diversity by age per job category (%)	EPRA SPM	GRI Standard	2022	2021	External assurance
Executive Committee (average age)			**49**	**50**	
Under 30 years		405-1	0%	0%	
Between 30 and 50 years		405-1	75%	50%	
Over 50 years		405-1	25%	50%	
Management (average age)			**44**	**44**	
Under 30 years		405-1	0%	0%	
Between 30 and 50 years		405-1	70%	70%	
Over 50 years		405-1	30%	30%	
Other team members (average age)			**42**	**41**	
Under 30 years		405-1	9%	12%	
Between 30 and 50 years		405-1	70%	68%	
Over 50 years		405-1	21%	20%	

Workforce diversity by nationality	EPRA SPM	GRI Standard	2022	2021	External assurance
Nationalities among team members (#)		405-1	4	4	
Nationalities among team members (%)		405-1	4%	4%	

SENIORITY

Average seniority (years)	EPRA SPM	GRI Standard	2022	2021	External assurance
Executive Committee			9.51	12.57	
Management			8.28	8.01	
Other staff members			6.20	5.02	

The global seniority of the team is 6.43 years, compared to 5.43 years in 2021.

INTERNAL ORGANISATION

Working time	EPRA SPM	GRI Standard	2022	2021	External assurance
Full-time team members		**2-7**	**77**	**85**	
Women (#)		2-7	29	35	
Men (#)		2-7	48	50	
Women (%)		2-7	33%	35%	
Men (%)		2-7	54%	50%	
Part-time team members		**2-7**	**12**	**15**	
Women (#)		2-7	9	11	
Men (#)		2-7	3	4	
Women (%)		2-7	10%	11%	
Men (%)		2-7	3%	4%	

Contract type	EPRA SPM	GRI Standard	2022	2021	External assurance
Fixed contracts (#)		**2-7**	**89**	**100**	
Women (#)		2-7	38	46	
Men (#)		2-7	51	54	
Women (%)		2-7	43%	46%	
Men (%)		2-7	57%	54%	
Temporary contracts (#)		**2-7**	**0**	**0**	
Women (#)		2-7	0	0	
Men (#)		2-7	0	0	
Women (%)		2-7	0%	0%	
Men (%)		2-7	0%	0%	
Non-guaranteed hours employees (#)		**2-7**	**0**	**0**	
Women (#)		2-7	0	0	
Men (#)		2-7	0	0	
Women (%)		2-7	0%	0%	
Men (%)		2-7	0%	0%	
Workers who are not employees (#)		**2-8**	**8**	**6**	
Trainees (#)			**3**	**0**	

Workers who are not employees include the members of the Executive Committee and external workers.

CAREER DEVELOPMENT

Workforce training and development	EPRA SPM	GRI Standard	2022	2021	External assurance
Employees receiving annual appraisal by gender					
Women (%)	Emp-Dev	404-3	100%	100%	V
Men (%)	Emp-Dev	404-3	100%	100%	V
Employees receiving annual appraisal by job category					
Executive Committee (%)	Emp-Dev	404-3	100%	100%	V
Management (%)	Emp-Dev	404-3	100%	100%	V
Other team members (%)	Emp-Dev	404-3	100%	100%	V
Hours of training per team member by gender					
Women (total hours)	Emp-Training	404-1	1 283 h	1 690 h	V
Men (total hours)	Emp-Training	404-1	1 665 h	2 090 h	V
Hours of training per team member by job category					
Executive Committee (average hours)	Emp-Training	404-1	16	88	V
Management (average hours)	Emp-Training	404-1	28	116	V
Other team members (average hours)	Emp-Training	404-1	35	24	V
Training expenses (in €)			€2 032.4	€2 352.9	
Permanent team members trained per year (#)			89	93	
Internal mobility cases (#)			4	3	
Internal promotion cases (#)			7	7	

On average, team members had 33.7 hours of training per person, compared to 34.9 in 2021.

ANNUAL TOTAL COMPENSATION

Ratio of the annual total compensation (%)	EPRA SPM	GRI Standard	2022	2021	External assurance
Annual total compensation ratio		2-21	2.2%	2.2%	
Change in the annual total compensation ratio		2-21	0%	0%	

WORKFORCE PAY RATIO

Gender pay gap (% women/men)	EPRA SPM	GRI Standard	2022	2021	External assurance
Executive Committee	Diversity-Pay	405-2	68.1%	70.1%	V
Management	Diversity-Pay	405-2	-9.4%	-8.9%	V
Other staff members	Diversity-Pay	405-2	32.1%	32.3%	V

The overall gender pay gap is 33.1%, compared to 30.2% in 2021.

WORKFORCE ARRIVALS

Arrivals by gender	EPRA SPM	GRI Standard	2022	2021	External assurance
Women (#)	Emp-Turnover	401-1	1	8	V
Women (%)	Emp-Turnover	401-1	1%	8%	V
Men (#)	Emp-Turnover	401-1	1	5	V
Men (%)	Emp-Turnover	401-1	1%	5%	V

Arrivals by age	EPRA SPM	GRI Standard	2022	2021	External assurance
Under 30 years (#)	Emp-Turnover	401-1	0	3	V
Under 30 years (%)	Emp-Turnover	401-1	0%	3%	V
Between 30 and 50 years (#)	Emp-Turnover	401-1	2	9	V
Between 30 and 50 years (%)	Emp-Turnover	401-1	2%	9%	V
Over 50 years (#)	Emp-Turnover	401-1	0	1	V
Over 50 years (%)	Emp-Turnover	401-1	0%	1%	V

The average age of new team members is 34 years, compared to 35 years in 2021.

Arrivals by region	EPRA SPM	GRI Standard	2022	2021	External assurance
Belgium (#)	Emp-Turnover	401-1	2	13	V
Belgium (%)	Emp-Turnover	401-1	2%	13%	V

WORKFORCE TURNOVER

Turnover by gender	EPRA SPM	GRI Standard	2022	2021	External assurance
Women (#)	Emp-Turnover	401-1	8	6	V
Women (%)	Emp-Turnover	401-1	9%	6%	V
Men (#)	Emp-Turnover	401-1	5	1	V
Men (%)	Emp-Turnover	401-1	6%	1%	V

Turnover by age	EPRA SPM	GRI Standard	2022	2021	External assurance
Under 30 years (#)	Emp-Turnover	401-1	1	0	V
Under 30 years (%)	Emp-Turnover	401-1	1%	0%	V
Between 30 and 50 years (#)	Emp-Turnover	401-1	8	6	V
Between 30 and 50 years (%)	Emp-Turnover	401-1	9%	6%	V
Over 50 years (#)	Emp-Turnover	401-1	4	1	V
Over 50 years (%)	Emp-Turnover	401-1	4%	1%	V

The average age of team members leaving the Company is 44 years, compared to 42 years in 2021.

Turnover by region	EPRA SPM	GRI Standard	2022	2021	External assurance
Belgium (#)	Emp-Turnover	401-1	13	7	V
Belgium (%)	Emp-Turnover	401-1	15%	7%	V

Turnover split	EPRA SPM	GRI Standard	2022	2021	External assurance
Number of voluntary leaves (#)	Emp-Turnover	401-1	6	3	
Number of voluntary leaves (%)	Emp-Turnover	401-1	7%	3%	
Number of dismissals (#)	Emp-Turnover	401-1	5	4	
Number of dismissals (%)	Emp-Turnover	401-1	6%	4%	
Number of retirements (#)	Emp-Turnover	401-1	2	0	
Number of retirements (%)	Emp-Turnover	401-1	2%	0%	

WORKFORCE RETENTION

Retention	EPRA SPM	GRI Standard	2022	2021	External assurance
Employee retention rate (%)			89%	106%	

In 2021, Befimmo increased the size of its team by 6% compared to 2020, hence the rate of over 100%.

Well-being

TEAM MEMBERS

Workforce health and safety	EPRA SPM	GRI Standard	2022	2021	External assurance
Absentee rate - short term (%)	H&S Emp	403-9	2.0%	1.4%	V
Absentee rate - long term (%)	H&S Emp	403-9	4.9%	4.3%	V
Injury rate (%)	H&S Emp	403-9	0.0%	0.0%	V
Lost day rate (%)	H&S Emp	403-9	0.0%	0.0%	V
Work-related fatalities (#)	H&S Emp	403-9	0	0	V
Work-related fatalities (%)	H&S Emp	403-9	0.0%	0.0%	V
Work-related accidents with serious consequences (excluding fatalities) (#)		403-9	0	0	
Work-related accidents with serious consequences (excluding fatalities) (%)		403-9	0.0%	0.0%	
Recordable work-related accidents (#)	H&S-Comp	403-9	1	3	V
Recordable work-related accidents (%)		403-9	1.0%	3.0%	
Total hours worked (hours)		403-9	120 514	144 155	
Staff members with disabilities (#)			1	1	
Fatalities due to occupational disease (#)		403-10	0	0	
Recordable occupational disease cases (#)		403-10	0	0	
Team members covered by medical insurance (%)			100%	100%	

The main types of accidents at work occurred on working sites and on the way to work. All team members are covered by medical insurance, i.e. all full-time and part-time workers.

Parental leave	EPRA SPM	GRI Standard	2022	2021	External assurance
Total number of employees that took parental leave over the year		**401-3**	**13**	**9**	
Women (#)		401-3	8	6	
Men (#)		401-3	5	3	
Total number of employees that returned to work in the reporting period after parental leave ended		**401-3**	**13**	**9**	
Women (#)		401-3	8	6	
Men (#)		401-3	5	3	
Return to work rate after parental leave (%)		**401-3**	**100%**	**100%**	

All team members entitled to parental leave have the opportunity to take it.

General satisfaction	EPRA SPM	GRI Standard	2022	2021	External Assurance
Strike action days (#)			0	0	

TENANTS

Tenant satisfaction	EPRA SPM	GRI Standard	2022	2021	External assurance
Tenant satisfaction rate (NPS)			22 (GOOD)	Not calculated	

ASSETS

Asset health and safety	EPRA SPM	GRI Standard	2022	2021	External assurance
Rate of asset health and safety assessments (%)	H&S-Asset	416-1	96%	87%	V
Non-compliance cases on asset health and safety (#)	H&S-Comp	416-2	9	2	V

There were no cases of non-compliance with regulations and/or voluntary codes concerning the safety and health impacts of products and services during the reporting period.

Community

Community engagement	EPRA SPM	GRI Standard	2022	2021	External assurance
Community engagement (%)	Comty-Eng	413-1	22%	32%	V
Charitable activities (#)			7	9	
Team members participating in charitable activities (#)			50	50	
Team members participating in charitable activities (%)			56%	50%	
Budget allocated to charitable activities (€)			€7 000	€18 280	

STAKEHOLDERS ENGAGEMENT

Befimmo has identified and mapped its external and internal stakeholders as follow:

Stakeholders	Expectations	Responses and communication mode	Frequency
Financial community	> Financial and strategic transparency > In line with corporate governance principles > Ethics > Business longevity > Financial performance	> Annual General meetings > Financial reports > Press releases > Roadshows, fairs and investor days > Information on the website and on social media (LinkedIn and Instagram) > Contact with the IR & Communication team	> Annually > Occasionally > Frequently
Public authorities and politics	> Compliance with legislation > Good relationship and open dialogue with various bodies	> Transparent and regular contact, mainly during (re)development projects	> Frequently
Associations, partnerships and multi-stakeholder forums	> Awareness of challenges > Information sharing, collaboration	> Engagement with projects > Meetings, workshops and seminars	> Occasionally
Tenants and occupants	> Comfort, well-being, security > Innovative solutions > Adaptable spaces and flexibility > Good contact with the Property Manager > Interesting service offer, including alternative mobility solutions	> Helpsite, contact service > Punctual satisfaction surveys > Newsletters > Regular contact with the Commercial and Property Management teams > Daily contact with the hospitality team of Silversquare	> Frequently
Suppliers and subcontractors	> Fair working practices > Security and well-being > Good relationship with the main contact > Compliance > Collaboration opportunities	> Charter of responsible procurement > Encounters > Regular communication	> Frequently
Local communities and residents	> Transparent communication relative to (re)development projects > Events and information sessions > Improvement of community life > Inclusive projects, open to city communities	> Accurate and timely communication on (future) projects in the neighbourhood	> Occasionally
Players involved in construction: architects, design offices, contractors, trades	> Clear and frequent communication relative to building sites > Security on-site	> Construction site meetings > Regular communication > Specification > Construction site visits	> Frequently
Followers of social media	> Information sharing > Regular spot information	> Posts and stories on LinkedIn and Instagram	> Frequently
Team members	> Good and fair working conditions > Professional development > Global and personal performance > Training > Comfort, well-being, security at work > Motivating compensation	> Permanent communication (through the Intranet, screens, Teams channels and Yammer) > Team events and afterworks > Transverse working groups (Comité B+, LynX programme) > Annual assessments and satisfaction surveys, Vox Collector > Employee Assistance Programme > Permanent training opportunities (language and IT courses, mindfulness, time management)	> Daily

External stakeholders

FINANCIAL COMMUNITY

The IR & Communication department is responsible for communicating transparently about the Company's activities and their follow-up. The information is published in the form of reports and press releases. The department organises events such as roadshows and investors days for investors, conference calls and presentations for analysts, and general meetings for shareholders. Befimmo also participates in financial fairs. Within this framework, the media are therefore also considered important stakeholders because of their role in relaying information to the population and to our key stakeholders.

Befimmo engages with banks for all its financings, and since 2021 for its sustainable financings following its Green Financing Framework.

PUBLIC AUTHORITIES AND POLITICS

- **European Union**: Befimmo is permanently monitoring developments in new EU legislation.
- **Brussels: Leefmilieu Brussel | Bruxelles Environnement**: Befimmo endeavours to maintain good relations and synergies with Bruxelles Environnement. This ensures follow-up of regional legislation and facilitates interactions during the design phase of (re)development projects.
- **Flanders:** all permit requests are made via the “Omgevingsloket” digital platform.
- **Wallonia:** contacts are made directly with the administrations.

ASSOCIATIONS, PARTNERSHIPS AND MULTI-STAKEHOLDER FORUMS

Befimmo is member of various associations, with the main aim of sharing information. These associations have no political purpose whatsoever and are not considered as a lobbying activity. In order to maintain a broad dialogue with multiple parties, Befimmo needs to foster connections with companies, associations, and multi-stakeholder forums.

UPSI

Befimmo remains committed to its relationship with the **Professional Union of the Real-Estate Sector** (UPSI). UPSI and Befimmo actively cooperated again in 2022 via working groups to incorporate federal and regional real-estate requirements. The CEO is a member of the UPSI board of directors. The Head of Environment is chairman of the Technical and Sustainability Commission.

The Shift

Befimmo is an active member of the Belgian network **The Shift** which brings together more than 560 organisations committed to sustainable development. Befimmo joined the **Belgian Alliance for Climate Action** (BACA) through The Shift. This alliance is a community of Belgian organisations that take their climate ambitions seriously and choose the path of Science Based Targets.

CBFI

The **Cercle Belge Des Femmes de L'immobilier** brings together women executives to create a space for exchange and good practice. The Chief Development Officer is co-founder of the CBFI.

TENANTS AND OCCUPANTS

Regular and transparent communication with tenants is key to keeping a good relationship. Tenants must know how to get in contact with Befimmo in order to ask questions or report issues. On the other hand, Befimmo communicates proactively towards its occupants regarding works or spot initiatives in the different buildings.

Targeted communication

The Commercial department is the one in charge of explaining all benefits of a building to the potential tenant. This is done through regular contact and building visits. Whenever the tenant signs the contract, the Property Manager of the building shows them around, explaining all practical and technical aspects of the building such as security topics, but also information on infrastructure and services. All necessary information is sent to the tenant as well.

Befimmo's Communication and Hospitality teams supports the Property Managers for spot events to provide clear and cohesive communication using channels such as newsletters, screens in entrance halls, surveys, events, and information sessions.

Helpsite

This powerful system helps the Property Manager plan, implement and monitor incidents and requests for intervention. It is an online collaborative application offering secure external access for tenants (and suppliers). The Helpsite enables the Property Management to optimise incident management and to offer tenants effective follow-up of their submitted requests. The Property Managers send the Helpsite user guide to each new tenant and provides the necessary explanation regarding this essential tool.

SUPPLIERS AND SUBCONTRACTORS

In an effort to integrate the sustainability approach even more in its supply chain, Befimmo developed a Supplier Code of Conduct to communicate its expectations clearly during supplier engagement.

LOCAL COMMUNITIES AND RESIDENTS

Befimmo aims to ensure that every building in its portfolio integrates harmoniously into the neighbourhood where it is located, in terms of its architecture, the pooled services it offers, and the activities taking place inside.

Befimmo wants to meet the expectations of the external community by designing buildings that are open to the city, giving the opportunity to residents to enjoy the services offered within the building.

PLAYERS INVOLVED IN CONSTRUCTION: ARCHITECTS, DESIGN OFFICES, CONTRACTORS, TRADES

- The **Project department** coordinates the various players in the planning and design stages for its (re)development projects;
- The **Property department** coordinates the players involved in improvement works in the buildings;
- The **Building Information Management (BIM)** guides the implementation of construction processes, facilitates the communication, exchange, and management of data, and involves all players of the (re)development project;
- Befimmo has been following up and applying **BRE Environmental Assessment Method** (BREEAM) certification since 2010 for all its portfolio, both operational buildings and (re)development projects;
- The **Up4North** association brings together about ten real-estate partners of the North area, and has continued its work notably under Befimmo's leadership. The main objective of this non-profit association is to transform the monofunctional district of Brussels North into a lively and inclusive district of Brussels.

FOLLOWERS ON SOCIAL MEDIA

With billions of people connected to social media, the online presence of Befimmo is key to attract new audiences and connect with followers. In recent years, Befimmo increased its visibility on LinkedIn and Instagram, counting respectively 9,304 and 691 followers at the end of 2022.

Internal stakeholders

The best way to ensure good relations with our internal stakeholders is by creating links and maintaining a regular dialogue. Befimmo's objective is to continually improve dialogue with its team, enhancing communication tools by adapting them to each person or situation while emphasising human contact.

THE TEAM

In addition to the day-to-day support work of the HR department, Befimmo has set up a number of internal communication and collaboration channels:

- The **Intranet** and the **Teams Flash Info** are the main communication channels for formal and informal information.
- To improve communication between departments and to facilitate transverse projects, **collaborative IT tools** were introduced (Teams, SharePoint, and other programs under consideration and/or in development).

BOARD OF DIRECTORS AND COMMITTEES

The **Board** take part in defining and approving budgets and taking major decisions on sustainability, especially at strategy meetings and at the quarterly meetings when the results are published.

The **Executive Committee** ensures the effective leadership and management of the operational activities of the Company. Every month, sustainability topics are discussed during Executive Committee meetings.

Finally, the **ESG Cell** is responsible for developing and monitoring the 2030 Action Plan, releasing adequate resources, and takes an active part in the annual Management Review of the ISO 14001 Environmental Management System.

2030 Action Plan

ENVIRONMENTAL TARGETS

SDGs	Ambition	Action	Result 2022	Target	Timeframe
13	Contribute to climate change mitigation	Reduce the absolute scope 1 & 2 GHG emissions (vs 2018)	38%	50%	2030
13	Contribute to climate change mitigation	Reduce the specific scope 1 & 2 GHG emissions (vs 2018)	12%	50%	2030
13	Contribute to climate change mitigation	Reduce the absolute scope 3 GHG emissions (except emissions related to acquisitions) (vs 2018)	6%	30% by 2030	2030
13	Contribute to climate change mitigation	Increase the part of green electricity of landlord-controlled buildings	100%	100%	2023
7, 13	Contribute to climate change mitigation	Increase renewable installed capacity	1 194 kWp	2 200 kWp	2025
13	Contribute to climate change mitigation	Reduce energy intensity of landlord-controlled buildings	152 kWh/m²	116 kWh/m²	2030
13	Contribute to climate change adaptation	Align with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)	Ongoing	Fully aligned	2026
6	Contribute to the sustainable use and protection of water	Reduce water consumption	231.1 l/m²	226.5 l/m²	2030
12	Contribute to the transition to a circular economy	Maintain existing elements and reuse materials by submitting projects[1] to an inventory of materials	100%	100%	Permanent target
12	Contribute to the transition to a circular economy	Build flexible and adaptable projects[1]	100%	100%	2030
13, 15	Contribute to pollution prevention and control	Strengthen and improve selection criteria for building materials	Ongoing	Qualitative target	Permanent target
15	Contribute to the protection and restoration of biodiversity	Study biodiversity management on portfolio	Ongoing	100%	2025
9	Use certification systems to deliver sustainable assets	Obtain certifications for projects[1]	100%	100%	Permanent target
9	Use certification systems to deliver sustainable assets	Obtain “In-Use” certifications for buildings	44%	35%	2022
9	Use certification systems to deliver sustainable assets	Cover the eligible portfolio2 with an energy performance certificate	100%	100%	2022
9	Create innovative and sustainable buildings	Create innovative projects[1]: promote sustainability, technical, and technological improvements	100%	100%	2025
11	Provide buildings accessible through sustainable transport systems	Invest near public transport hubs, Invest in mobility hubs if no public transport system is available	68%	100%	2030
11	Provide buildings accessible through sustainable transport systems	Equip the parking spaces with charging points	12%	100%	2030
12	Reduce the environmental impact of the team	Reduce paper use by asking for electronic incoming invoices	92%	100%	2022
12	Reduce the environmental impact of the team	Reduce paper use by sending electronic outgoing invoices	100%	100%	2022
11	Reduce the environmental impact of the team	Promote a flexible and sustainable mobility	36%	40%	2025
12	Reduce the environmental impact of the team	Reduce waste by composting organic waste and sorting of waste	43 kg/FTE	0 kg/FTE	2030

1 Projects: committed ongoing (re)development projects (ZIN, Pacheco).
2 Excluding a building under redevelopment, for which the certificate has expired and will be renewed after renovation.

SOCIAL TARGETS

SDGs	Ambition	Action	Result 2022	Target	Timeframe
3, 4, 5, 8, 10	Take care of the team and the community	Increase the overall team satisfaction	Not calculated1	95%	Permanent target
3, 4, 5, 8, 10	Take care of the team and the community	Increase workload satisfaction	Not calculated[1]	8/10	Permanent target
3, 4, 5, 8, 10	Take care of the team and the community	Improve work-life balance	Not calculated[1]	8/10	Permanent target
3, 8	Build and animate communities	Extend the coworking network and meeting opportunities	46 050 m^2	51 800 m^2 85 000 m^2	2023 2025
3	Build and animate communities	Decide on a method to rate the overall satisfaction of tenants	NPS score of 22 (GOOD)	NPS score of at least 30 (GREAT)	Permanent target
3, 9	Improve comfort, security and safety	Reduce the number of incidents involving people	9	0	Permanent target
3, 9	Improve comfort, security and safety	Improve safety through inspections on fire prevention, lifts, electricity and heating	96%	100%	Permanent target
11	Integrate buildings into cities	Open up projects[2] to the city and its community	100%	100%	Permanent target
4, 10	Integrate buildings into cities	Carrying out projects[2] in dialogue with stakeholders	100%	100%	Permanent target

GOVERNANCE TARGETS

SDGs	Ambition	Action	Result 2022	Target	Timeframe
5, 10, 16	Behave ethically	Create new Human Rights policy	Ongoing	Published	2023
16	Behave ethically	Control all digitalisation projects within the framework of GDPR	100%	100%	Permanent target
16	Use ESG regulation to accelerate the sustainability transition	Align with future ESG regulations	Ongoing	Fully aligned	2026
12	Adopt a due diligence strategy	Receive the new code of conduct signed by the suppliers	36%	100%	2023
12	Adopt a due diligence strategy	Assess significant[3] suppliers on ESG aspects	To be initiated in 2023	100%	2024
4, 12	Adopt a due diligence strategy	Engage significant[3] suppliers on ESG aspects	To be initiated in 2023	100%	2030
17	Promote green investment opportunities	Analyse the opportunity to implement a Sustainability Linked Loan framework	Ongoing	Implemented	2023
17	Maintain a transparent communication	Participate in voluntary investor assessments on an annual base	3	Min. 2	Permanent target

1 Due to the organisational changes related to the takeover bid, Befimmo has exceptionally postponed its employee satisfaction survey to H1 2023. The indicators related to this survey where therefore not calculated in 2022.
2 Projects: committed ongoing (re)development projects (ZIN, Pacheco).
3 Significant suppliers are suppliers having a potential risk on ESG aspects.

Limited assurance report

Independent assurance report on selected environmental, social and governance information published in the Annual Financial Report of Befimmo SA for the year ending 31 December 2022

To the board of directors,

We have been engaged by Befimmo SA ("the Company") to conduct a limited assurance engagement on selected environmental, social and governance information ("Selected Information") published in the Annual Financial Report of the Company for the year ending 31 December 2022. In preparing the Selected Information, Befimmo SA applied the Applicable Criteria set out in notes "EPRA Sustainability Performance Indicators" (page 213) and "GRI Content Index" (page 216) in the section ESG Standards of the Annual Financial Report. The Selected Information needs to be read and understood together with the Applicable Criteria.

The Selected Information in scope of our engagement is listed in the table below and is identified with V in the section "Non-Financial statements" of the Annual Financial Report.

Selected information			Applicable criteria
Category	**Indicator**	**Description**	
Energy	Elec-Abs	Total electricity consumption	EPRA sBPR
	Elec-LfL	Like-for-like total electricity consumption	EPRA sBPR
	DH&C-Abs	Total district heating & cooling consumption	EPRA sBPR
	DH&C-LfL	Like-for-like total district heating & cooling consumption	EPRA sBPR
	Fuels-Abs	Total fuel consumption	EPRA sBPR
	Fuels-LfL	Like-for-like total fuel consumption	EPRA sBPR
	Energy-Int	Building energy intensity	EPRA sBPR
GHG	GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	EPRA sBPR
	GHG-Indirect-Abs	Total indirect greenhouse gas (GHG) emissions	EPRA sBPR
	GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption	EPRA sBPR
Water	Water-Abs	Total water consumption	EPRA sBPR
	Water-LfL	Like-for-like total water consumption	EPRA sBPR
	Water-Int	Building water intensity	EPRA sBPR
Waste	Waste-Abs	Total weight of waste by disposal route	EPRA sBPR
	Waste-LfL	Like-for-like total weight of waste by disposal route	EPRA sBPR
Certification	Cert-Tot	Type and number of sustainably certified assets	EPRA sBPR
	GRI	General Disclosures on Management Approach	GRI
		Percentage and total volume of water recycled and reused	GRI
		Other indirect greenhouse gas (GHG) emissions (Scope 3)	GRI
		Reduction of greenhouse gas (GHG) emissions	GRI
		Reduction of energy consumption	GRI
Diversity	Diversity-Emp	Employee gender diversity in the Executive committee, management and other teams members	EPRA sBPR
	Diversity-Pay	Gender pay ratio in the Executive committee, management and other teams members	EPRA sBPR
Employees	Emp Training	Employee training and development per gender and job category	EPRA sBPR
	Emp-Dev	Employee performance appraisals per gender and job category	EPRA sBPR
	Emp-Turnover	New hires and turnover by age, gender and region (Belgium)	EPRA sBPR
Health and Safety	H&S-Emp	Employee health and safety	EPRA sBPR
	H&S-Asset	Asset health and safety assessments	EPRA sBPR
	H&S-Comp	Asset health and safety compliance	EPRA sBPR
Society	Community - Eng	Community engagement, impact assessments and development programs	EPRA sBPR
Governance	Gov-Board	Composition of the highest governance body	EPRA sBPR
	Gov-Select	Process for nominating and selecting the highest governance body	EPRA sBPR
	Gov-Col	Process for managing conflicts of interest	EPRA sBPR
GHG	Carbon Footprint	Emissions related to the production of waste	GHG Protocol

Based on our work done as described in this report, nothing has come to our attention that causes us to believe that the abovementioned Selected Information as published in Befimmo SA's Annual Financial Report, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The board of directors of Befimmo SA is responsible for the preparation of the Selected Information and the references made to it presented in the Annual Financial Report as well as for the declaration that its reporting meets the requirements of the Applicable Criteria.

The board of directors is also responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services.
- Confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.

OUR RESPONSIBILITIES

Our responsibility is to express a conclusion on the Selected Information based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB), in order to state whether anything had come to our attention that causes us to believe that the Selected Information have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the Selected Information do not contain material misstatements. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our work was performed on the data gathered and retained in the reporting scope by Befimmo SA as mentioned above. Our conclusion covers therefore only the abovementioned Selected Information and not all information included in the Annual Financial Report. The limited assurance on the Selected Information was only performed on the Selected Information covering the year ending 31 December 2022.

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Performed analytical review procedures and consider the risks of material misstatement of the Selected Information.
- Through inquiries of management, obtained an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and assess risks of material misstatement in the Selected Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
- Performed procedures over the activities of significant third parties that perform key controls relevant to the Selected Information.
- Performed procedures over the Selected Information, including recalculation of relevant formula used in manual calculations and assessment whether the data has been appropriately consolidated.
- Performed procedures over the Selected Information including assessing management's assumptions and estimates.
- Read the narrative accompanying the Selected Information with regard to the Applicable Criteria, and for consistency with our findings.

We apply International Standard on Quality Management 1 and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In conducting our engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

INHERENT LIMITATIONS OF THE SELECTED INFORMATION

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

USE OF OUR REPORT

This report is made solely to the board of directors of Befimmo SA in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the board of directors those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Company and its board of directors, we acknowledge that the board of directors may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Befimmo SA and its board of directors as a body, for our work, for this report, or for the conclusions we have formed.

Signed at Zaventem
The auditor

____

Deloitte Bedrijfsrevisoren/Réviseurs d’Entreprises BV/SRL
Represented by Rik Neckebroeck

05

General information.

Identification

NAME

Befimmo SA, a specialised real-estate investment fund (FIIS/GVBF) incorporated under Belgian law.

REGISTERED OFFICE, WEBSITE AND EMAIL

Cantersteen 47 in 1000 Brussels
Tel.: +32 (0)2 679 38 60
Website: www.befimmo.be
Company's email address: contact@befimmo.be

LEGAL FORM

Société Anonyme/Naamloze Vennootschap (Limited-Liability Company).

INCORPORATION

Befimmo SA was founded on 30 August 1995 as a Limited-Liability Company under the name "Woluwe Garden D" by a deed by Gilberte Raucq, notary public in Brussels. The Company was later converted into a Partnership Limited by Shares (Société en Commandite par Actions/Commanditaire Vennootschap op Aandelen), with the name "Befimmo", on 24 November 1995, again by a deed by notary Gilberte Raucq.

On 20 December 2012, the Extraordinary General Meeting of shareholders of Befimmo met to approve the transformation of the Partnership structure into a Limited-Liability Company. On that date, the Company was converted back into a Limited Liability Company under the same name of "Befimmo" by a deed by notary Damien Hisette. For further information, please see the Annual Financial Report 2012.

The articles of association have been amended several times, most recently on 1 February 2023 (coordinated on 2 February 2023). The coordinated articles of association are available on the Befimmo SA website: https://www.befimmo.be/en/befimmo-glance/group-structure/befimmo-sa.

DURATION

Befimmo SA has been established for an unlimited duration.

REGISTER FOR LEGAL ENTITIES

Befimmo SA is registered with the Register for Legal Entities under number 0455.835.167.

PLACE OF REGISTRATION

Brussels.

FISCAL YEAR

The financial year begins on 1 January and ends on 31 December of each year.

PLACES WHERE PUBLICLY ACCESSIBLE DOCUMENTS CAN BE CONSULTED

- The articles of association of Befimmo SA can be consulted at the Clerk's Office of the Brussels Court for Enterprises, at the registered office and on Befimmo's website: https://www.befimmo.be/en/befimmo-glance/group-structure/befimmo-sa;
- The annual accounts will be filed with the National Bank of Belgium and may be consulted at the Clerk's Office of the Brussels Court for Enterprises;
- They are also available on the Befimmo website: www.befimmo.be/en/investors/publications.

The other documents accessible to the public and referred to in the Annual Financial Report can be consulted at the registered office of Befimmo SA.

Capital

ISSUED CAPITAL

As at 31 December 2022, the capital totalled €413,276,840.12 and was represented by 28,445,971 fully paid no-par-value shares. As at 11 January 2023, the capital totalled € 392,319,850.35. It is represented by 27,003,495 fully paid no-par-value shares.

Identity of the founder of Befimmo SA

Befimmo SA was founded at the initiative of Bernheim-Comofi SA (now known as AG Real Estate SA) with registered office at avenue des Arts 58, 1000 Brussels.

Articles of association of Befimmo SA

The complete coordinated articles of association of Befimmo SA can be consulted at the Clerk's Office of the Brussels Court for Enterprises, at Befimmo's registered office and on its website: https://www.befimmo.be/en/befimmo-glance/group-structure/befimmo-sa.

Limited-Liability Company (Société Anonyme/ Naamloze Vennootschap)

The Extraordinary General Meeting of 20 December 2012 approved the conversion of Befimmo SCA into a Limited-Liability Company under the laws of Belgium (Société Anonyme/Naamloze Vennootschap).

Subsidiaries

As at 31 December 2022, Befimmo SA directly or indirectly held 100% of the shares of Axento SA, 100% of the shares of Befimmo Property Services SA, 100% of the shares of Fedimmo SA, 100% of the shares of Kubissimmo SàRL, 100% of the shares of Loi 52 SA, 100% of the shares of Meirfree SA, 91.9% of the shares of Silversquare Belgium SA, 91.9% of the shares of Silversquare Luxembourg SA, 100% of the shares of Vitalfree SA, 100% of the shares of ZIN in Noord SA and 100% of the shares of ZIN in Noord 2025 SA. It also held 50% of Sparks Meeting SRL.

As at 24 January 2023, Befimmo SA directly or indirectly held 100% of the shares of Axento SA, 100% of the shares of Fedimmo SA, 100% of the shares of Kubissimmo SàRL, 100% of the shares of Loi 52 SA, 100% of the shares of Meirfree SA, 100% of the shares of Vitalfree SA, 100% of the shares of ZIN in Noord SA and 100% of the shares of ZIN in Noord 2025 SA.

Name and qualifications of the real-estate experts

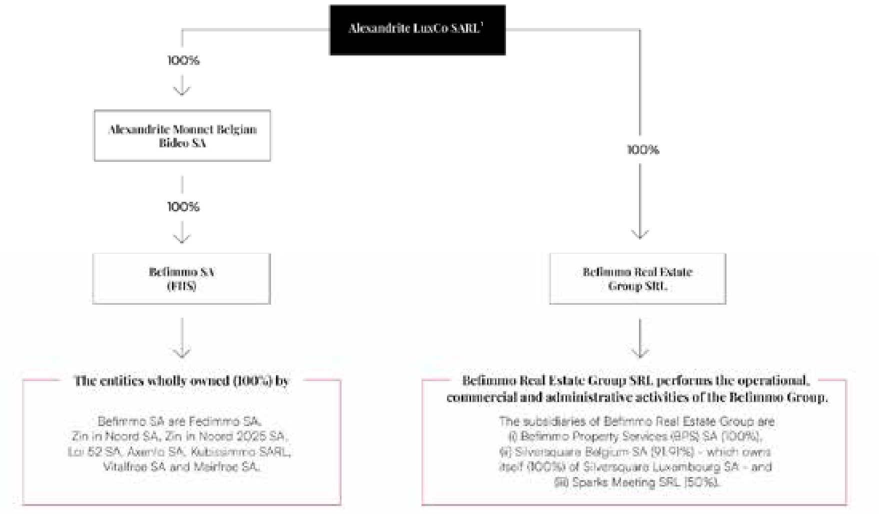
For the 2022 fiscal year, Befimmo used three real-estate experts: Mr Rod P. Scrivener (Jones Lang LaSalle SPRL), Mr Ardalan Azari (Cushman & Wakefield) and Mr Pieter Paepen (CBRE Valuation Services SPRL). Mr Rod P. Scrivener also has the task of coordinating the valuations.

These mandates were granted in accordance with the provisions of the Royal Decree of 13 July 2014. The three-year mission runs from 1 January 2021 to 31 December 2023.

These are companies of real-estate experts with an excellent knowledge of the market and which enjoy an international reputation.

Group structure

As at 1 February 2023, the group structure is the following:



Befimmo's subsidiaries are companies under the laws of Belgium, except for Axento SA and Kubissimmo SàRL, which are companies under the laws of Luxembourg.

Specialised real-estate investment fund (FIIS/GVBF)

On 1 February 2023, Befimmo converted from the BE-REIT (SIR/GVV) status to the status of specialised real-estate investment fund (FIIS/GVBF).

Subject to authorisation by the FPS Finance, the specialised real-estate investment fund (FIIS/GVBF) is subject to specific regulations. The imposed rules include a.o. the following:

- Take the form of a Limited-Liability Company or a Private Company Limited by Shares;
- An investment limited to real estate;
- An accounting according to IFRS rules, including the reference to the market value of the portfolio;
- An annual valuation of the real-estate portfolio by independent experts.

Statements

INFORMATION FROM THIRD PARTIES[2]

The real-estate experts Rod P. Scrivener (JLL), Ardalan Azari (Cushman & Wakefield) and Pieter Paepen (CBRE) have agreed that their assessment methods and the conclusions of the real-estate expert reports may be included in this Annual Financial Report.

1 An entity fully controlled by one of Brookfield's real-estate private funds.
2 Please consult the chapter "Corporate governance statement - Other stakeholders" on page 135 of the present Report for the identity of the Statutory Auditor and the real-estate experts.

The Statutory Auditor has agreed to the inclusion of its report of 27 April 2023 in this Annual Financial Report on the consolidated accounts closed as at 31 December 2022.

Deloitte has agreed to the inclusion of its limited review on selected environmental performance indicators of 21 April 2023.

The Company confirms that the information taken from the reports of the independent real-estate experts, and of the Statutory Auditor have been faithfully reproduced and that, to the best of the Company's knowledge and as far as it can ascertain in the light of the data published by these third parties, nothing has been omitted that would make the information reproduced inaccurate or misleading.

All of the information in the "Office property market" chapter comes from Cushman & Wakefield's databases, analyses and market reports.

ESG responsibility

GENERAL INFORMATION

Contact person & further information

Emilie Delacroix - Chief Sustainability & Innovation Officer
e.delacroix@befimmo.be - +32 2 679 38 63

Reference to external standards

For several years, Befimmo has followed the trend towards standardisation of its extra-financial reporting by adopting the indicators published by EPRA, and by referring to the GRI Standards and the specific real-estate sector guidelines GRI-CRESS. The summary table of all the EPRA indicators and the GRI content index can be found in the chapter "Non-financial statements" of this Report.

Moreover, since 2021, the Company started to implement the recommendations issued by the Task Force on Climate-Related Financial Disclosures (TCFD). All relevant disclosures are available in the Non-financial statements of this Report.

Reporting period

This Report covers activities over the 2022 fiscal year. The perimeter is as at 31 December 2022.

Reporting perimeter and changes since 1 January 2022

The scope of the Company changed during the 2022 fiscal year following to:

- 2021 acquisitions (Cubus building, Courbevoie and three floors in the A-Tower);
- 2021 disposals (Wiertz building, the residential parts of the Paradis Express, Planet 2 building and six non-strategic assets in Belgian provincial towns);
- 2022 disposals (Choux, Ocean House and 22 non-strategic assets in Belgian provincial towns).

The reporting perimeter for sustainable development activities covers the activities of Befimmo SA and its subsidiaries Befimmo Property Services SA, Fedimmo SA, Meirfree SA, Vitalfree SA, Axento SA, Kubissimmo SàRL, Loi 52 SA, ZIN in Noord SA, ZIN in Noord 2025 SA and Silversquare Belgium SA (only for the buildings of the Befimmo portfolio).

Befimmo's commitments to sustainable development apply to its whole portfolio. We would point out, however, that the policy implemented by Befimmo at operational level cannot be applied in the same way to the Fedimmo portfolio.

The Environmental Management System (EMS) covers the activities under Befimmo's direct control. Initially, the operational aspects of the EMS are being deployed for the common areas of the buildings. This does not preclude the implementation of activities for aspects over which Befimmo has less direct influence, notably tenants management of private areas.

External assurance

Befimmo commissioned Deloitte to carry out a limited assurance review. The Deloitte report can be found in the chapter “Non-financial statements” of this Report.

Methodology

The reporting methodology is described in the chapter “Non-financial statements” of this Report.

FURTHER INFORMATION

Befimmo’s website www.befimmo.be provides additional information that may be a helpful supplement to the ESG chapter of this Annual Financial Report. This includes:

- The ESG policy (March 2022);
- The ESG content from previous Annual Financial Reports (in the form of a dedicated chapter or a separate report);
- Previous Annual Financial Reports;
- The ISO 14001 certificate;
- The BREEAM certificates;
- ESG assessments.

06

Appendices.

Appendix I: Glossary

BEAMA

Belgian Asset Managers Association/Association Belge des Asset Managers.

BE-REIT ASSOCIATION

This professional association was founded by all Belgian BE-REITs (SIR/GVV) (also known as Belgian Real Estate Investment Trusts). Its purpose is to represent and promote the interests of the Belgian REIT sector towards various stakeholders.

BE-REIT (SIR/GVV)

The concept of BE-REIT was created in 2014 and pursues the same goals as a Real-Estate Investment Trusts (REIT) put in place in several countries (REIT (USA), SIIC (France) and FBI (Netherlands)). The legislator intended the BE-REIT to ensure a high degree of transparency for real-estate investments and distribute a large part of its cash flow while enjoying certain advantages. It is controlled by the FSMA and submitted to specific regulations.

BREAK

The first option to terminate a lease agreement by giving due notice.

BREEAM (BRE ENVIRONMENTAL ASSESSMENT METHOD)

BREEAM is the first global environmental performance and sustainability assessment method for buildings. It is a benchmark for best practice in sustainable design. It has become the most widely used benchmark of a building's environmental performance (www.breeam.com).

CAP

A CAP is a financial derivative instrument belonging to the options family. Purchasing a CAP provides protection against rising interest rates, to a preset maximum level (strike price). It enables to take advantage of declining rates. Purchasing a CAP involves the payment of a premium.

CBD (CENTRAL BUSINESS DISTRICT) AND SIMILAR

The centre, Leopold, Louise and North districts, as well as the Brussels airport.

CCS (CROSS CURRENCY SWAP)

A CCS is a contract whereby two parties exchange streams of interest charges and notional amounts denominated in two different currencies. Exchange interest flows may be agreed as fixed-against-fixed, floating-against-floating or floating-against-fixed (or vice versa).

CDP (CARBON DISCLOSURE PROJECT)

CDP is an independent, non-profit organisation that aims to reduce greenhouse-gas emissions by businesses and cities. It achieves this by means of a global database of greenhouse-gas emissions (www.cdp.net).

CODE 2020

Belgian Code of Corporate Governance issued on 9 May 2019 by the Corporate Governance Commission. The Code includes practices and provisions to be followed by Belgian listed companies. The 2020 Code replaces the previous version of 2009, and can be accessed on the GUBERNA website (www.guberna.be/fr).

COLLAR

A COLLAR is a combination of financial derivatives comprising the purchase of a CAP and sale of a FLOOR. This combination offers protection against rising interest rates (through the purchase of the CAP) with a premium fully or partially subsidised by the sale of a FLOOR (which involves a commitment to pay a minimum interest rate).

DEBT RATIO

[Liabilities - provisions - other financial liabilities (permitted hedging liability instruments) — deferred tax liabilities - accruals]/[total balance sheet assets — permitted hedging instruments, booked to the assets side of the balance sheet]. This ratio is calculated in accordance with the Royal Decree of 13 July 2014.

DGNB

Deutsche Gesellschaft für Nachhaltiges Bauen. The German Sustainable Building Council is a non-profit organisation that promotes change in the building and property market, engendering an appropriate understanding of quality as a foundation for responsible and sustainable action (www.dgnb.de).

ECONOMIC HINTERLAND

Brussels, Brussels decentralised, and periphery of Brussels.

EMS (ENVIRONMENTAL MANAGEMENT SYSTEM)

An EMS is a framework for managing environmental performance. It describes the policies and objectives to be implemented and monitored, challenges to be managed, and how the operation of various systems and strategies should be analysed and assessed.

EPRA (EUROPEAN PUBLIC REAL-ESTATE ASSOCIATION)

EPRA is the voice of European listed real-estate companies and represents more than €690 billion in real-estate assets (www.epra.com).

EPRA EARNINGS

Earnings from operational activities. This is an Alternative Performance Measure.

ESTIMATED RENTAL VALUE (ERV)

The estimated rental value of vacant premises as reviewed by the real-estate expert.

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.

FLOOR

A FLOOR is a financial derivative instrument belonging to the options family. The sale of a floor earns a premium, though it means that the borrower foregoes the benefit of a fall in interest rates below a preset level (the strike price). See also the definition of the COLLAR.

FREE FLOAT

The percentage of shares held by the public. These are the shares for which Befimmo has received no transparency declaration from a third party or which are not held by Befimmo or its subsidiaries.

FSMA (FINANCIAL SERVICES AND MARKETS AUTHORITY)

The independent regulator of the financial and insurance markets in Belgium.

GRESB (GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK)

GRESB is an initiative to assess the environmental and social performance of public and private real-estate investments. The benchmark serves as a starting point for engagement and forms the basis for a collective effort towards a more resource efficient real estate industry (www.gresb.com).

GRI (GLOBAL REPORTING INITIATIVE)

GRI is the organisation behind the establishment of a globally recognised reporting standard on Social Responsibility. It is committed to its continuous improvement and application worldwide (www.globalreporting.org).

HEDGE RATIO

Hedge ratio = (nominal fixed-rate borrowings + notional rate of IRS and CAPs)/total borrowings.

IAS (INTERNATIONAL ACCOUNTING STANDARDS)

International accounting standards developed by the International Accounting Standards Board.

IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS)

International financial reporting standards developed by the International Accounting Standards Board.

INVESTMENT VALUE

The investment value is defined by the expert as the most likely value under normal conditions of sale between the fully informed and consenting parties, on the date of valuation, before deducting transaction costs.

IRS (INTEREST RATE SWAP)

An interest rate swap contract (most commonly fixed against floating or vice versa) is a commitment between two parties to exchange financial flows based on a particular notional amount, frequency and duration.

IRS “PAYER”

An IRS (fixed rate) payer is an IRS for which a fixed rate is paid to the counterparty in exchange for a floating rate.

IRS “RECEIVER”

An IRS (fixed rate) receiver is an IRS for which a floating rate is paid to the counterparty in exchange for a fixed rate.

ISO 14001

The international environmental management standard ISO 14001 defines the accepted requirements for environmental management systems. It focuses on a process of continuous improvement in the implementation of environmental objectives within companies and other institutions. These may have their environmental management systems certified according to ISO 14001 by independent auditors.

LAW OF 12 MAY 2014

Law on BE-REITs (SIR/GVV).

LTV (LOAN-TO-VALUE)

LTV = (nominal financial debts — cash)/fair value of portfolio. This is an Alternative Performance Measure.

LEASEHOLD

Temporary right in rem entitling its holder, for at least 27 years and up to 99 years, to the full use of a property belonging to another owner, in consideration of the payment to the owner of an annual fee in cash or in kind, known as the “ground rent”, in consideration of its right of ownership. Throughout the duration of the leasehold, the leaseholder exercises all the rights deriving from the ownership of the property, but may not do anything that reduces its value.

MARKET CAPITALISATION

Closing stock price multiplied by the total number of shares outstanding at that date.

NET RESULT

Result established in accordance with IFRS accounting standards. It is the profit or loss for the period.

OPERATING MARGIN

Operating result before result on portfolio divided by the rental income (excluding spreading of gratuities). This is an Alternative Performance Measure.

PAY-OUT RATIO

The pay-out ratio is calculated by dividing the gross dividend by EPRA earnings.

PRIVATE PLACEMENT

Funds raised from a limited number of (institutional) investors without soliciting the public.

PROPERTY MANAGEMENT

Property management is the supervision of the activities of technical maintenance, accounting for rents and accounting for property-related charges, to be passed on to tenants.

RATING

Befimmo's credit rating assigned by the Standard & Poor's rating agency.

REIT (REAL-ESTATE INVESTMENT TRUST)

Fixed-capital investment company in the United States.

RICS

Royal Institution of Chartered Surveyors (www.rics.org).

ROYAL DECREE OF 14 NOVEMBER 2007

Royal Decree on the obligations of financial option writers admitted to trading on a regulated market.

ROYAL DECREE OF 13 JULY 2014

Royal Decree on BE-REITs.

RPM

Register of corporate bodies.

SICAFI

Fixed-capital real-estate investment trust. The Sicafi regime was created in 1995 to promote collective investment in real estate.

SWAPTION

Option negotiated on an interest rate swap. It gives entitlement to contract a call swaption, to be able to enter into a "receiver's" IRS, or a put swaption, for which the counterparty can force Befimmo to enter into a "payer's" IRS.

TAKE-UP

Take-up of office space.

TCFD

The Task Force on Climate Related Financial Disclosures (TCFD) provides information to investors about what companies are doing to mitigate the risks of climate change, as well as be transparent about the way in which they are governed (www.fsb-tcfd.org).

UPSI

Professional Union of the Real-Estate Sector (www.upsi.be).

VELOCITY

Velocity is an indicator of the speed of movement of shares on the regulated market and is calculated by dividing the total number of shares traded during the fiscal year by the average number of shares outstanding during the period.

WELL

The WELL Building Standard™ is a vehicle for buildings and organisations to deliver more thoughtful and intentional spaces that enhance human health and well-being through, among others, improving the quality of air, water and light (www.wellcertified.com).

WITHHOLDING TAX

Dividends are income taxable in Belgium. The withholding tax deducted from such income is in most cases the final tax payable.

Appendix II: 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.

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.

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 POTENTIAL YIELD ON PROPERTIES AVAILABLE FOR LEASE

The ratio between the potential rent 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.

OCCUPANCY RATE OF PROPERTIES AVAILABLE FOR LEASE

The ratio between the estimated rental value of space occupied and pre-let space at the balance sheet date and the total estimated rental value of properties available for lease.

WEIGHTED AVERAGE DURATION OF CURRENT LEASES OF PROPERTIES AVAILABLE FOR LEASE UP TO 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 OF PROPERTIES AVAILABLE FOR LEASE UP TO 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.

WEIGHTED AVERAGE DURATION OF CURRENT AND FUTURE SIGNED LEASES OF INVESTMENT PROPERTIES UP TO NEXT BREAK

The ratio of (i) the sum of the gross current and future rents from lease agreements for each lease of investment properties (properties available for lease and projects) multiplied by their respective remaining duration from the balance sheet date to their next break and (ii) the total gross current and future rent from lease agreements of investment properties

WEIGHTED AVERAGE DURATION OF CURRENT AND FUTURE SIGNED LEASES OF INVESTMENT PROPERTIES UP TO FINAL EXPIRY

The ratio of (i) the sum of the gross current and future rents from lease agreements for each lease of investment properties (properties available for lease and projects) multiplied by their respective remaining duration from the balance sheet date to their final expiry and (ii) the total gross current and future rent from lease agreements of investment properties.

Appendix III: Alternative Performance Measures

REAL-ESTATE OPERATOR ACTIVITY

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.
Operating margin	“Operating result before result on portfolio” divided by “net rental result”.	Used to assess the Company’s operating performance.
Financial result (excluding changes in fair value of financial assets and liabilities and close-out costs)	“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 and share in the profit or loss of investments	“Net result” minus heading XVIII “Changes in fair value of investment property” and heading XXIII “Changes in fair value of financial assets and liabilities” and heading “Changes in the share in the profit or loss of investments accounted for using the equity method”.	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.
Corporate taxes (excl. deferred taxes)	Heading XXV “Corporate taxes” minus the recorded deferred tax.	Gives an overview of effective incurred and due taxes.

Reconciliation tables for the Alternative Performance Measures

NET RENTAL RESULT IN “LIKE-FOR-LIKE”

(in thousand €)	31.12.2022	31.12.2021
Net rental result (A)	121 219	119 947
Net rental result linked to changes in perimeter (B)	16 845	7 445
Net rental result on properties not available for lease (C)	11 544	8 937
Non-recurring element to extract from the "Like-for-Like" (D)	319	-1 018
Net rental result in "Like-for-Like" (A-B-C-D)	**92 511**	**104 584**

NET RESULT BEFORE CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES AND FINANCIAL ASSETS AND LIABILITIES AND SHARE IN THE PROFIT OR LOSS OF INVESTMENTS

(in thousand €)	31.12.2022	31.12.2021
Net result (A)	31 516	89 663
XVIII. Changes in fair value of investment properties (B)	-143 138	5 520
XXIII. Changes in fair value of financial assets and liabilities (C)	131 951	30 579
Changes in the share in the profit or loss of investments accounted for using the equity method (D)	-6 541	-9 775
Net result before changes in fair value of investment properties and financial assets and liabilities and share in the profit or loss of investments (A-B-C-D)	**49 244**	**63 339**

FINANCIAL RESULT (EXCL. THE CHANGES IN FAIR VALUE OF THE FINANCIAL ASSETS AND LIABILITIES AND CLOSE-OUT COSTS)

(in thousand €)	31.12.2022	31.12.2021
Financial result (A)	106 584	15 003
XXIII. Changes in fair value of financial assets and liabilities (B)	131 951	30 579
Close-out costs	-2 170	- 458
Financial result (excl. the changes in fair value of the financial assets and liabilities and close-out costs) (A-B)	**-23 198**	**-15 117**

OPERATING MARGIN

(in thousand €)	31.12.2022	31.12.2022
Operating result before result on portfolio (A)	91 252	80 342
Net rental result (B)	121 219	119 947
Operating margin (A/B)	**75.3%**	**67.0%**

NET PROPERTY CHARGES

(in thousand €)	31.12.2022	31.12.2021
IV. Recovery of property charges	8 879	12 127
V. Recovery of rental charges and taxes normally paid by tenants on let properties	25 223	22 039
VII. Rental charges and taxes normally paid by tenants on let properties	-25 675	-22 803
VIII. Other revenue and charges for letting	396	197
IX. Technical costs	-10 530	-16 055
X. Commercial costs	- 955	-2 824
XI. Charges and taxes on unlet properties	-1 900	-2 790
XII. Property management costs	-3 160	-3 049
XIII. Other property charges	-4 479	-4 843
Net property charges	**-12 202**	**-18 001**

CORPORATE TAXES (EXCL. DEFERRED TAXES)

(in thousand €)	31.12.2022	31.12.2021
XXV. Corporate taxes (A)	-1 053	-1 047
Deferred taxes	62	- 44
Corporate taxes (excl. deferred taxes) (A-B)	**-1 116**	**-1 003**

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 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.
Total 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 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 for the Alternative Performance Measures

LOAN-TO-VALUE

(in thousand €)	31.12.2022	31.12.2021
Nominal financial debts (A)	1 276 245	1 161 297
II. F. Cash and cash equivalents (B)	90 698	2 022
I. C. Investment properties[1] (D)	2 732 144	2 822 806
II. A. Assets held for sale (E)	17 759	13 133
Fair value of portfolio at the closing date (C = D+E)	**2 749 903**	**2 835 939**
Loan-to-value (A-B)/C	**43.11%**	**40.88%**

AVERAGE (ANNUALISED) FINANCING COST

(in thousand €)	31.12.2022	31.12.2021
Interest paid	28 520	19 416
Annualised interest paid (A)	28 520	19 416
Annualised nominal financial debts (B)	1 220 410	1 058 729
Average (annualised) financing cost (A/B)	**2.3%**	**1.8%**

TOTAL RETURN ON SHAREHOLDERS' EQUITY (IN € PER SHARE AND IN %)

	31.12.2022	31.12.2021
Return on shareholders' equity (in € per share)	1.24	3.33
Return on shareholders' equity (in %)	2.1%	5.7%

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

Appendix IV: Spread of the buildings of the consolidated portfolio[1] per subsidiary

AXENTO

GRAND DUCHY OF LUXEMBOURG

Axento

BEFIMMO

BRUSSELS AIRPORT

Gateway

BRUSSELS CENTRE

Brederode Corner
Central
Empereur
Montesquieu
Poelaert

BRUSSELS LEOPOLD DISTRICT

Arts 56
View Building

BRUSSELS NORTH DISTRICT

Quatuor

BRUSSELS DECENTRALISED

Goemaere
PLXL
Triomphe

BRUSSELS PERIPHERY

Fountain Plaza
Ikaros Park
Waterloo Office Park

FLANDERS

AMCA
Antwerp Tower
Antwerpen — Meir (leasehold)
Leuven — Vital Decosterstraat (leasehold)

WALLONIA

Esprit Courbevoie

FEDIMMO

BRUSSELS CENTRE

Gouvernement Provisoire
Lambermont
Pacheco

BRUSSELS LEOPOLD DISTRICT

Arts 28
Science-Montoyer

WALLONIA

Liège Paradis Tower - Rue Fragnée
Paradis Express

FLANDERS

Knokke-Heist
Tervuren

KUBISSIMMO

GRAND DUCHY OF LUXEMBOURG

Cubus

LOI 52

BRUSSELS LEOPOLD DISTRICT

Joseph II
Loi 44
Loi 52

MEIRFREE

FLANDERS

Antwerpen - Meir

VITALFREE

FLANDERS

Leuven — Vital Decosterstraat

ZIN IN NOORD

BRUSSELS NORTH DISTRICT

ZIN

ZIN IN NOORD 2025

BRUSSELS NORTH DISTRICT

LIVIN (permit implemented)
WTC 3

---

1 Excluding properties held for sale. For more information, please consult the buildings of the consolidated portfolio on pages 49 to 51 of this Report.

Befimmo SA/NV

Registered office:
Cantersteen 47, 1000 Brussels

Register of Corporate Bodies (RPM - RPR):
0455.835.167

T: +32 2 679 38 60
contact@befimmo.be

→ BEFIMMO.BE

Befimmo

For further information

Emilie Delacroix
Head of Communication
e.delacroix@befimmo.be

Photos

Jean-Michel Byl, Filip Dujardin, Alix Bramoprod, Catherine De Saegher, Jean-Jacques De Neyer, Save as Studio, Jules Césure, Philippe Piraux.

Translations

Dit Jaarlijks Financieel Verslag is ook verkrijgbaar in het Nederlands.

Ce Rapport Financier Annuel est également disponible en français.

This Annual Financial Report has been written in English. In the event of any inconsistency between the English version and its translations, the English version shall prevail.

Creation, concept, design and production

Tom Point & Vincent Van Meerbeeck — www.TomPoint.be
Befimmo’s team