



Annual Financial Report.

2021

World is evolving
at speed never seen
before, *impacting*
cities, the world
of *work and life.*



Befimmo

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
05

06

07

Befimmo's annual financial report on the financial statements as at 31 December 2021 presented to the annual general meeting of 26 April 2022 and approved by the board of directors on 7 March 2022. This report has been prepared in accordance with the royal decree of 14 November 2007 and the royal decree of 13 July 2014. It has been filed with the FSMA (competent authority under regulation (EU) 2017/1129) as a universal registration document without prior approval according to article 9 of regulation (EU) 2017/1129.

The following explanatory icons are used in this Report:

-  BEFIMMO MONOGRAM LEADS TO THE SUMMARY.
-  THIS ICON IS A GO TO SUBCHAPTER WITHIN THIS PDF.
-  THIS ICON REFERS TO FURTHER INFORMATION AVAILABLE VIA A VIDEO.
-  THIS ICON REFERS TO ANOTHER PAGE WITHIN THIS PDF.

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 2021.

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

Real-estate, financial & environmental, social & 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) Standards¹.

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) guidelines² 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, and also published on Befimmo's website.

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

KEY FIGURES 2021

06

07

Befimmo



PROFILE OF THE COMPANY

Befimmo.



Befimmo, Belgian Real-Estate Investment Trust (SIR-GVV), is a real-estate investor, operator and developer.

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 approx. €2.8 billion and comprises 60 office and mixed-use buildings and 8 coworking spaces, totaling approximately 965,000 m² of space. Our in-house coworking partner Silversquare and our recent partnership with Sparks will 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 are listed on Euronext Brussels. At 31 December 2021, our market capitalisation was almost €1 billion.

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

Key figures 2021.

High quality portfolio

#60
BUILDINGS

8
COWORKING SPACES

± 930,000 M²
OF WORKSPACE

34,900 M²
OF COWORKING SPACES

€128 MILLION
NET RENTAL REVENUES

€10 MILLION
COWORKING TURNOVER

95.5%
OCCUPANCY RATE OF PROPERTIES
AVAILABLE FOR LEASE

75%
OCCUPANCY RATE OF SPACES
OPEN SINCE MORE THAN 3 YEARS

8.8 YEARS
DURATION OF LEASES

Team

100
TEAM
MEMBERS

13
NEW
ARRIVALS

Gender diversity
(54% MEN, 46% WOMEN)

34.9 hours
OF TRAINING ON
AVERAGE PER EMPLOYEE

Governance

4 NEW ESG
POLICIES

Solid financial structure

BBB
STANDARD & POOR'S RATING

40.9%
LTV RATIO

1.8%
AVERAGE FINANCING COST

Share

€33.75
SHARE PRICE

5.5%
GROSS DIVIDEND YIELD

€0.96 BILLION
MARKET CAPITALISATION

Financial results

€2.30 per share
CONSOLIDATED EPRA
EARNINGS

€3.31 per share
CONSOLIDATED NET
RESULT

€60.35 per share
CONSOLIDATED NET
ASSET VALUE

Outlook

€2.40 – €2.45 EPRA EARNINGS
PER GROUP SHARE OUTLOOK 2022

Environment

26% REDUCTION OF ABSOLUTE SCOPE
1 & 2 GHG EMISSIONS (VS 2018)

93% CONSTRUCTION
WASTE RECYCLED



02

—
Message of
the Chairman
& the CEO.

Befimmo



The global context is changing rapidly and we are on the front foot anticipating and adopting these changes.

The Befimmo portfolio offers an excellent base for the challenges of the new world of work.

Dear Shareholders,

It is with a clear mind and much optimism that we take up the pen for the first time to write to you about your company.

We started our mandate within Befimmo less than a year ago. Now is the time to share our findings and reflections on one hand and our commitments and strategy for the future on the other.

The findings of these first months have strengthened our trust in Befimmo's fundamentals.

The level of skill and expertise of the Befimmo team is only equalled by its historic commitment & responsibility towards the company, its stakeholders and the context in which it evolves. It is probably Befimmo's best asset to face the challenges of an ever-changing world. Getting to know the team gives much confidence that great things can and will be achieved in the short and long-term.

Well-located, high-quality, flexible, designed to meet the most demanding criteria in terms of sustainability, performance and technology, the Befimmo portfolio offers a solid base for the evolution of the world of work that has been ongoing for a few years. Well before the public debate that arose these last two years, Befimmo was already transforming its real-estate business in a hybrid model, especially since the arrival of its subsidiary Silversquare, Befimmo's own coworking branch, with a view to providing the full range of solutions for tomorrow's needs in terms of work environment.

For these solid fundamentals, we want to thank our predecessors, who leave us with very sound foundations on which to build the New Befimmo.

The mandate of Mr Kurt De Schepper will end at the Ordinary General Meeting of 26 April 2022. The Board of Directors thanks him for his contribution to the development of the Company over many years.

A LOOK BACK ON 2021

As far as ongoing construction projects are concerned, the Quatuor Building was delivered in August with a pre-letting rate of 81%, which lowers the development pipeline of Befimmo to 13.8% of the total value of the portfolio.

The ZIN will be 6 months behind schedule, with the office part, 95% pre-let to the Flemish Authority, delivered end of 2023. This delay is mainly due to the Pandemic crisis and has also impacted the total construction cost. The new management plan foresees the finding of a financial partner for the subsidiary ZIN IN NO(O)RD by 2024. The Paradis Express in Liège, the office part of which is 100% pre-let, will be delivered in early 2022.

Befimmo's letting activity for 2021 is a good sign that premium buildings do find occupiers, in spite of the pandemic. Lease contracts were signed or renewed for a total of ±69,000 m². The occupancy rate of the portfolio at the end of 2021 was 95.5% and the average lease duration 8.8 years.

In 2021, we successfully acquired 3 core assets for a total of €72 million: The Cubus, in the Grand Duchy of Luxembourg, the office building in the "Esprit Courbevoie" project in Louvain-la-Neuve and three floors in the Antwerp Tower, where the first Antwerp Silversquare will operate as from mid-2022.

The development of the coworking activity further expanded in 2021 with the opening of the eighth coworking centre,

Central (where Befimmo now has its HQ). Three new coworking spaces, including the one in the Antwerp Tower, should open their doors in 2022 and bring the total coworking surface to 51,800 m² by the end of 2022. In 2021, Befimmo entered a partnership with Sparks, a new brand that will operate tailor-made meeting venues, with its first location opening in the Central.

In order to live by its vision, Befimmo moved its HQ to the Central in summer 2021. The new Befimmo offices, located at the Central Station in Brussels, reflect the new hybrid world of work. We do need real-life gatherings, informal contacts and flexible work contexts based on our activity.

As far as asset rotation is concerned, the disposals in 2021 amounted to €115 million, with the cession of the Wiertz (€43.2 million capital gain), a good example of value crystallisation, the divesting from 7 non-strategic assets in the Brussels periphery and provincial towns and the selling of the residential part of the Paradis Express project.

Finally, the 2021 financial results are in line with the forecasts, with a consolidated net result of €3.31 per share (up 55% versus 2020) and EPRA earnings of €2.30 per share (group share) as per new way of calculating¹ (compared to €2.87 per share for 2020, on a restated basis), which allows Befimmo to confirm its 2021 dividend of €1.84 gross per share.

Furthermore, we draw your attention to the key events after closing of the financial year on page 27.

1. For more information, please refer to page 95 of this Report.

GLOBAL TRENDS AND FUTURE STRATEGY

Increased urbanisation, digitalisation, sustainability requirements and changing demographics in the years to come are impacting rapidly the mix of working & living segments and stimulate the need for multipurpose neighbourhoods. These trends have been accelerated by the impact of the pandemic on consumer behaviour and outlook.

As a result, a significant shift towards hybrid work & meet ecosystems is expected to prevail over the longer term. Although this will lead to a change in traditional workspace requirements, the office will remain essential as a place for collaboration and face-to-face communication.

In addition, we expect an increased focus on service to be a key competitive advantage in attracting and retaining our evolving clientele.

Given the societal focus on environmental wellbeing and with cities being a major GHG emitter, it is clear there will need to be continual investments in driving positive change. With the latest proposals adopted by the EU on reducing and ultimately completely neutralizing emissions by 2050, making all buildings energy efficient will be a necessity. Buildings of the future will have to be smart, hyper-connected, digitally performant and sustainable, which will not only enable energy efficiency but also boost productivity and improve the urban quality of life.

Given our position as an innovative market leader we want to accelerate Befimmo's transformation to meet the needs of tomorrow, as from today.

Firstly, we aim to accelerate capital recycling through **asset rotation and value-creation** in the portfolio thanks to a smart and sustainable Investment Strategy.

Befimmo will develop an **inner-city approach** and will limit the Befimmo portfolio's exposure to non-core location risks.

By accelerating the rotation, selling at maturity, reinvesting, and developing in larger, inner-city and multi-modal assets with highest possible environmental & smart standards, we will drive value creation through the entire asset cycle.

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

As from this year on, Befimmo will be organized in an **activity-based operational model** with the creation of three separate Business Lines: **Investor, Operator and Developer**.

Our new operational business model will allow for **more transparency** as far as each activity is concerned, with a strict discipline and limited development risks.

Along with the new operating model, our ambition is to achieve a disciplined **financial management**. The three business lines will reflect the new operating model and are incentivized to optimise overheads and improve operational margins.

Befimmo will also focus on driving **sectorial diversification** and limit its exposure to traditional office buildings. The ambition is to create places where **you work, live or do both**. By that time, we aim to have an increased share of mixed-use work & life hubs and develop inner-city PRS¹ projects.

The hybrid model already offers a wide range of solutions to our clients, including traditional leases, full flexible

solutions and a mix of both. The coworking activity, or more recently, the partnership with Sparks, the one-stop shop for organizing meetings, are good examples of this approach. We want to further develop this **client-centric approach** with our **Operator business line**, create real proximity with our users, meet their satisfaction and be able to answer all their needs, with the further development of **workspace-as-a-service**: offices, coworking areas, meetings organisation and a dedicated advisory cell on office planning.

The global context is changing rapidly and we are on the front foot anticipating and adopting these changes.

With the experience and skills of the team, the portfolio, this fit strategy and clear priorities, we are confident that the path to growth lays right in front of us.

Brussels, March 7th 2022

Jean-Philip Vroninks

Vincent Querton



▼

Jean-Philip Vroninks
CEO



▼

Vincent Querton
Chairman of the Board
of Directors

Given our position as an innovative market leader *we want to accelerate Befimmo's transformation to meet the needs of tomorrow*, as from today.

1. PRS: Private Rented Sector

03

Management report.

Befimmo





03 Management report.



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→ OUR VISION

We aim to create, build & animate thriving Work & Life communities for a sustainable future.



Our Vision.

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

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

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 new 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 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 & 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 Strategy & Business Model.

→ SIX STRATEGIC OBJECTIVES

In order to achieve our new vision, we will be accelerating our transformation journey towards our 6 strategic objectives we have adopted.

01

**Activity based
Operating Model**

02

**Sector
Diversification**

03

**Adjust
Footprint**

04

**Portfolio
Management**

05

**Client Centric
Organisation**

06

**Disciplined Financial
Management**

01 Activity-Based Operating Model

As from this year on, Befimmo will be organized in an activity-based operational model with the creation of three separate business lines: Investor, Operator and Developer.

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

02 Activity & Sector Diversification

Befimmo will also focus on driving sectorial diversification and limit 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 (PRS¹).

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

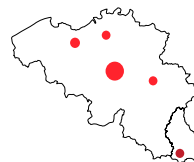
03 Adjust Footprint

Befimmo will develop an inner-city approach and concentrate its activities on 5 BeLux cities with economic growth and academic or research centers. This will reduce its exposure to non-core locations.

1. Private Rented Sector

The selected cities for this 5-city approach are:

- > Brussels Metropolitan Area
- > Antwerp
- > Ghent
- > Liège
- > Luxembourg Metropolitan Area



04 Portfolio Management

Befimmo intends to accelerate capital recycling through asset rotation and value-creation in the portfolio thanks to a smart and sustainable investment strategy. The portfolio will be 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 will drive value creation through the entire asset cycle. The focus will be 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

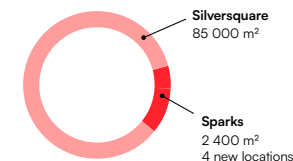
We want to further develop our client-centric approach thanks to our Operator business line.

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 will

bring 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 will guide clients in defining, designing and building spaces that meet their expectations. The focus will lay 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.

By 2025, we aim the total Silversquare coworking surface to reach 85,000 m², while Sparks would account for 2,400 m² in a first location at the front of the central station (4 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 will allow us to drive synergies, improve cost management, deliver improved margins and offer more transparency.

Our new strategy will accelerate 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 at a maximum of 10% of the balance sheet.

→ THREE-BUSINESS LINE MODEL

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

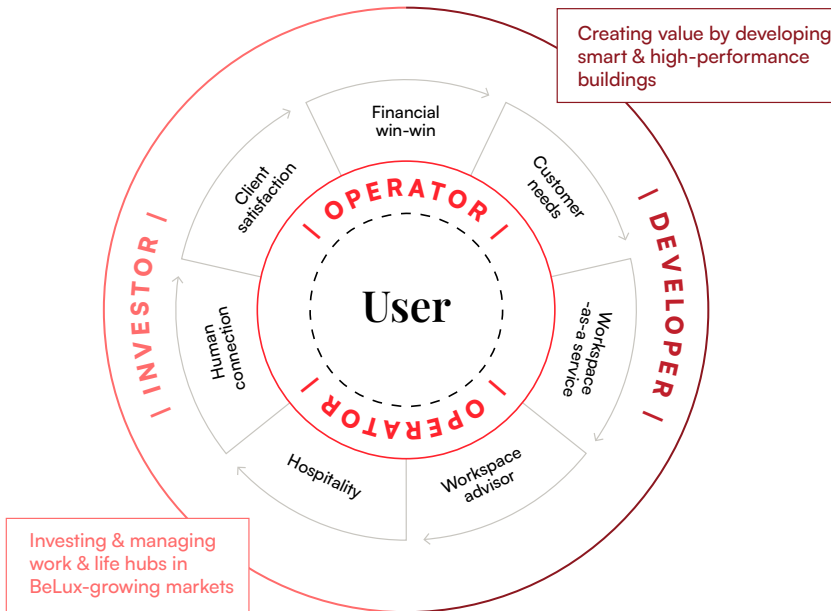
In the course of 2022, we will re-organize Befimmo in three business lines:

- > **INVESTOR:** Creating value by **investing in and managing** mixed-use first-class assets in prime locations
- > **OPERATOR:** Creating value by **operating** and designing work and life hubs that meet user needs and offer an ultimate experience
- > **DEVELOPER:** Creating value by **developing** high-quality work and life projects that match our investment criteria

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 co-working, 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.

Each business line will have separate financial and non-financial KPI's and a distinct reporting. This will allow us to drive synergies, improve cost management, deliver improved margins and offer more transparency. We intend to achieve a strict financial management, enhance opportunities and limit risks for each individual business line.



FINANCIAL WIN-WIN

The fair price & reasonable investments for all parties

CUSTOMER NEEDS

Observe, analyse & understand customers' ever-changing needs

WORKSPACE-AS-A SERVICE

Flexible, hybrid, or HQ workspace solutions and meetings offer 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

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 (see page 53).

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.

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 helps our teams focus on tasks with added value for our stakeholders, while automating processes and allowing for 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 lifecycle.
- 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 & flexible. Accordingly, we have set up a series of targets we aim to achieve in the coming years (see page 53 of this Report).

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

Befimmo's building's vision: high performance, user-centric & flexible

ACCESSIBLE & INTEGRATING MULTIMODALITY

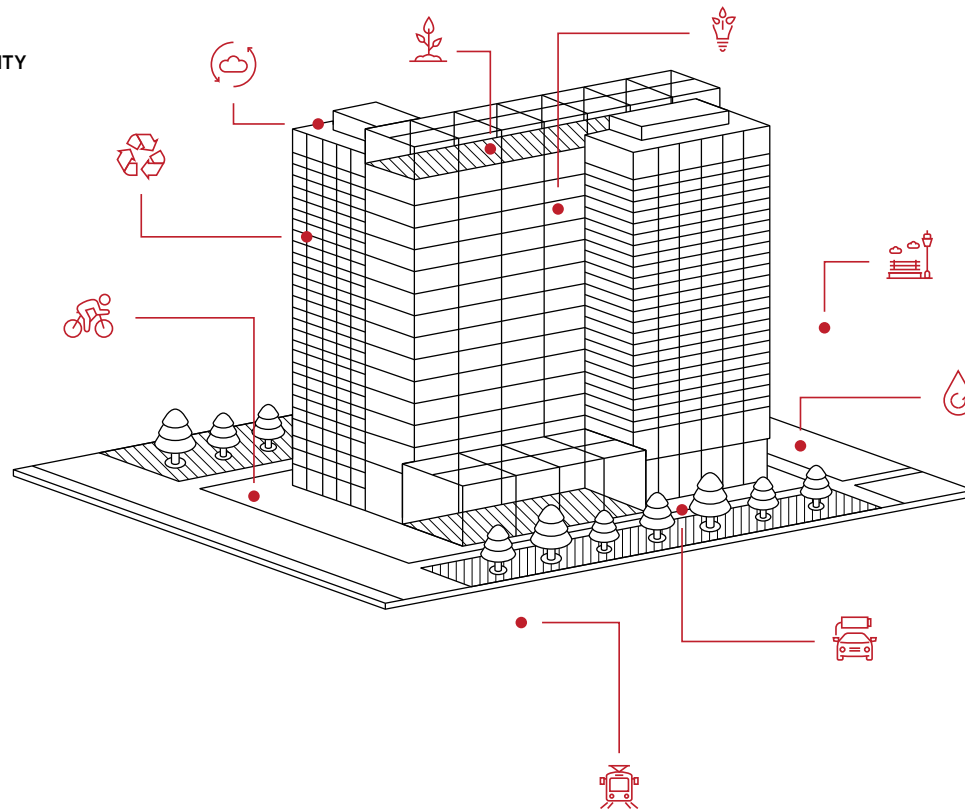
- > Inner-city location ("5 city-approach")
- > Public transport accessibility
- > Green transport solutions
- > Bicycle and scooter parkings

USER-CENTRIC - WORK & LIFE

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

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



SMART & HIGHLY PERFORMANT

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

COMMUNITIES CONNECTOR

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

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

- > 100 team members
- > Expertise and training

FINANCIAL CAPITAL

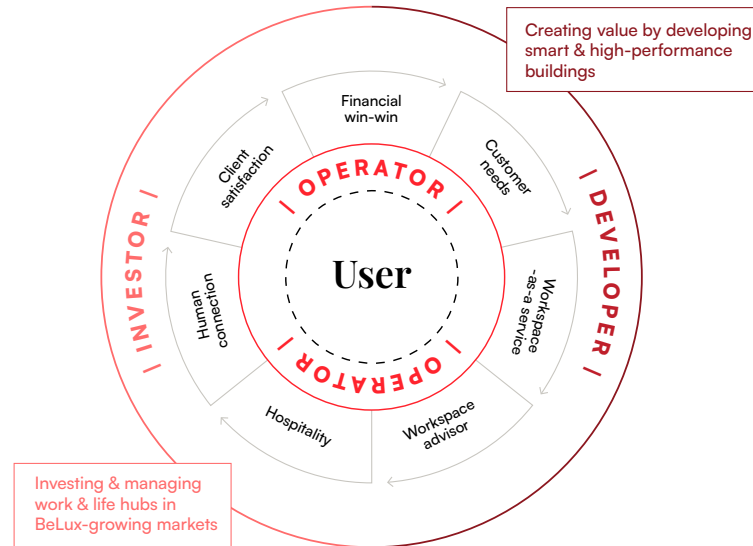
- > Fair value of €2,836 million
- > Confirmed credit facilities of €1,471 million
- > Market capitalisation of €0.96 billion

NATURAL CAPITAL

- > 41.86 GWh of electricity consumption
- > 2.19 GWh of district heating consumption
- > 58.18 GWh of fuel consumption
- > 103 867 m³ of water consumption
- > 728 t of operational waste
- > 36 670 t of construction waste

INFRASTRUCTURE

- > 60 buildings representing over 930,000 m²
- > 8 coworkingcentres representing 34,900 m²



OUTPUTS

HUMAN AND INTELLECTUAL CAPITAL

- > Growing team (+6%)
- > Employee gender diversity: 54% (M) - 46% (F)
- > Employee training: 34.9 hours/emp/year

FINANCIAL CAPITAL

- > Net result of €89.37 million
- > EPRA earnings of €62.21 million
- > Gross dividend of €1.84 per share

NATURAL CAPITAL

- > 26% reduction of absolute scope 1 & 2 GHG emissions (vs 2018)
- > 18% reduction of specific water consumption (vs 2020)
- > 93% construction waste diverted from landfill and incineration

INFRASTRUCTURE

- > 69,000 m² letting activity (2021)
- > Around 170 corporate tenants
- > Over 3,500 occupied desks in coworkingspaces

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.

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.

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.

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.

04 Humanity

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

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 2021 ¹⁻²

FINANCIAL KEY FIGURES

	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Net asset value (in € per share)	60.35	58.85	59.29	56.42
Consolidated net result (in € per share)	3.31	2.13	6.95	3.24
Net result real-estate operator (in € per share)	3.68	2.25	7.03	3.24
Shareholders' equity (in € million)	1 630.2	1 591.4	1 603.90	1 443.21
Return on shareholders' equity ¹ (in € per share)	3.3	2.1	6.5	3.2
Return on shareholders' equity ¹ (in %)	5.7	3.6	11.6	5.8
Debt ratio ² (in %)	43.1	40.8	42.7	45.8
Loan-to-value ³ (in %)	40.9	36.8	39.0	43.6
Average financing cost ⁴ (in %)	1.8	2.0	2.0	2.0
Weighted average duration of debts (in years)	4.1	4.9	4.4	4.8

KEY FIGURES ON BEFIMMO'S SHARE

	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Closing share price (in €)	33.75	36.30	54.10	48.55
Gross dividend ⁵ (in € per share)	1.84	2.25	3.45	3.45
Gross yield ⁶ (in %)	5.5	6.2	6.4	7.1
Total shareholder return ¹⁰ (in %)	-2.0	-28.5	18.7	-2.9
Number of outstanding shares	28 445 971	28 445 971	28 445 971	25 579 214
Shares not held by the group during the period	27 011 100	27 040 351	27 052 443	25 579 214
Average number of shares not held by the group during the period	27 027 104	27 048 907	25 676 219	25 579 214

EPRA KEY FIGURES

	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Consolidated EPRA earnings ⁵ (in € per share)	2.30	2.87 ⁵	3.29	3.68
EPRA earnings real-estate operator ⁵ (in € per share)	2.38	2.95 ⁵	3.26	3.68
EPRA NRV ⁶ (in € per share)	63.82	63.48	63.38	-
EPRA NTA ⁶ (in € per share)	60.32	60.10	59.85	-
EPRA NDV ⁶ (in € per share)	59.53	57.19	57.66	-
EPRA Net Initial Yield (NIY) ⁶ (in %)	4.2	5.0	4.9	5.7
EPRA Topped-up NIY ⁶ (in %)	4.5	5.2	5.1	5.9
EPRA Vacancy Rate (in %)	4.5	2.9	4.1	4.3
EPRA Like-for-Like Net Rental Growth ⁷ (in %)	-1.3	-0.2	4.7	2.4
EPRA cost ratio (including direct vacancy costs) (in %) ⁸	33.5	23.7	21.7	19.7
EPRA cost ratio (excluding direct vacancy costs) (in %) ⁸	31.2	22.2	20.0	17.8

1. 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 consult Appendix III to this Report.
2. The debt ratio is calculated in accordance with article 13 of the Royal Decree of 13 July 2014.
3. Loan-to-value ("LTV"): [(nominal financial debts – cash)/fair value of portfolio]. This is an Alternative Performance Measure. For more information, please consult Appendix III to this Report.
4. This is an Alternative Performance Measure. For more information, please refer to Appendix III of this Report.
5. Restated. For more information see page 95.
6. This is an Alternative Performance Measure. For more information, please consult the chapter "EPRA Best Practices" on page 105.
7. Trend of the net rental income at constant perimeter, calculated on the basis of the "EPRA Best Practices Recommendations". This is an Alternative Performance Measure. For more information, please consult the chapter "EPRA Best practices" on page 105.
8. Subject to a withholding tax of 30%.
9. Gross dividend divided by the closing share price.
10. 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.



Key figures 2021 ²⁻²

PROPERTY KEY FIGURES

	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Fair value of portfolio (in € million)	2 835.9	2 714.0	2 788.6	2 655.3
Spot occupancy rate of properties available for lease (excluding future signed leases) (in %) ^{1,2}	90.1	95.2	94.4	94.50
Occupancy rate of properties available for lease (including future signed leases) (in %) ¹	95.5	97.1	95.9	95.70
Weighted average duration of current leases up to next break (in years) ¹	7.3	7.2	7.1	7.0
Weighted average duration of current leases up to final expiry (in years) ¹	7.9	7.7	7.8	7.8
Weighted average duration of current and future signed leases up to next break of investment properties (in years) ¹	8.8	8.6	-	-
Weighted average duration of current and future signed leases up to final expiry of investment properties (in years) ¹	9.4	9.0	-	-
Gross initial yield on properties available for lease (in %) ¹	4.8	5.3	5.4	6.00
Gross potential yield on properties available for lease (in %) ¹	5.2	5.6	5.6	6.30
Gross initial yield of the investment properties (in %) ¹	4.2	4.3	4.6	5.50

AWARDS AND ESG BENCHMARKS

	Latest scoring
EPRA BPR	Gold
EPRA sBPR	Gold
CDP	B Management
GRESB	84% Standing Investments 84 Developments, Green Star status
MSCI	A
ISS-ESG	C Prime
Sustainalytics	16.3/100 Low Risk (01.02.2021)
Vigeo Eiris (Moody's ESG Solutions)	52/100 Robust

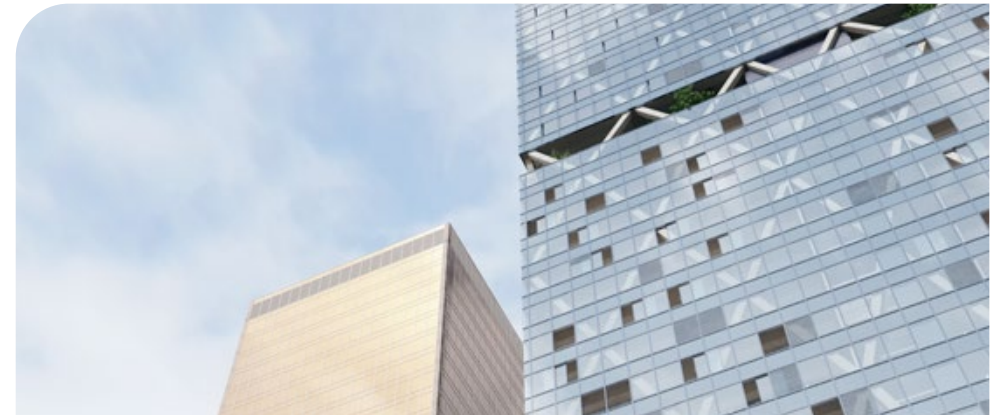
1. This is a real estate indicator. For more information, please refer to Appendix II of this Report.
2. As from Q1 2022, Befimmo will no longer publish the spot occupancy rate.

COWORKING KEY FIGURES

	31.12.2021
Occupancy rate of coworking spaces over 3 years (in %)	75

ESG KEY FIGURES

	Data 2021
GHG emissions from fuel consumption of landlord-controlled buildings (in tCO ₂ e)	3 242
GHG emission intensity from building energy consumption (market-based) (in kg CO ₂ e/m ²)	16.70
Male and female employees (in %)	54% (M) - 46% (F)
Average hours of training (in hours/year/employee)	34.9



2021 in a nutshell.

Q1

- > In February, Befimmo expanded its portfolio in the Grand Duchy of Luxembourg with the acquisition of the Cubus building (5,000 m² - Howald, Luxembourg). This 5,000 m² building, located near the Cloche d'Or (Luxembourg City), offers an important value creating potential. This second investment in the Grand Duchy demonstrates Befimmo's confidence in the Luxembourg market, which has been growing for several years.
- > Befimmo acquired a 94-year long lease on the office building of the "Esprit Courbevoie" project, in state of future completion, for an amount of approximately €27 million. The expected yield on investment is 5.6%. This office building is a good example of Befimmo's hybrid offer. It will offer approximately 4,300 m² of office space and 4,000 m² of Silversquare coworking space, a new step in the development of our BELUX network.
- > In March, Befimmo continued its successful asset rotation strategy with the disposal of the Wiertz building to its occupant, the European Parliament, for a total amount of €74.9 million. After a 20-year period of ownership, the operation generated a net capital gain of €43.2 million on the investment value and is realised slightly above (€ 4.7 million) the last fair value as estimated by the independent real-estate expert on 31 December 2020.

Q2

- > **New CEO**
On 27 April, the General Meeting of Shareholders approved the appointment of Jean-Philip Vroninks as Executive Director. On 1 June 2021, he officially began his mandate as CEO of Befimmo.
- > In June 2021, the first ever pouring of circular concrete in the Benelux took place in our ZIN project. The upcycled rubble from the old WTC Towers was redeployed in the innovative, multifunctional ZIN project in the North district of Brussels.
- > **Environmental certifications**
Befimmo received BREEAM certifications for two of its (re)development projects:
 - Brederode Corner obtained a "BREEAM Refurbishment — Excellent" certification
 - Quatuor obtained a "BREEAM New Construction (design stage) — Outstanding" certification
- > **Green Finance Framework**
Befimmo finalised its Green Finance Framework. It provides the supporting structure on which Befimmo can issue Green Bonds, Green Private Placements or Green Bank Financing to drive its sustainability targets. The Framework is a natural and logical extension of all sustainability and environmental actions the Company undertakes.

Q3

- > In August Befimmo moved to its brand new flagship offices in the Central building.
- > Befimmo was happy to announce that ZIN will be welcoming the Standard International, the leading hospitality company responsible for iconic hotels across the globe, from New York and Miami, to London and the Maldives. The Standard fits perfectly within the vision we have for ZIN and will amplify the dynamisation of the Brussels North area.
- > In September Befimmo acquired the office part (5,600 m²) of the Antwerp Tower in which Silversquare will operate, as from mid-2022, its 10th coworking space. The Antwerp Tower is located in the CBD, in the heart of the city of Antwerp and just 500 m from the Central train station and has mixed use ground floors. With this transaction, Befimmo acquired its third property in Antwerp.
- > The Quatuor building, an iconic and virtuous project in the heart of Brussel was delivered in August 2021 and its first occupants arrived.
- > Silversquare opens an eighth coworking location: Silversquare Central, a prime location next to the Brussels Central Station, right in the heart of the capital.

Q4

- > Befimmo became a strong partner of Sparks. The start-up Sparks aims to help businesses meet and even beat their meeting objectives. Outdated meeting routines and infrastructures no longer satisfy the needs of modern businesses. Sparks aims to tackle this problem by offering a special meeting environment featuring not only innovative meeting rooms, but also a range of complementary services and professional support.

Key events after closing.

Voluntary public tender offer by RE Invest Belgium¹

On February 25, 2022, RE Invest Belgium, 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.

Re Invest Belgium intends to launch the offer shortly after the approval of the prospectus and the response memorandum by the FSMA. It would offer Befimmo shareholders a cash consideration of €47.50 per Befimmo share, representing a premium of 51.8% over the closing share price of €31.30 on 24 February 2022 (i.e., the date prior to announcement of the offer). The offer will be subject to the following closing conditions: (i) a 50%+1 acceptance threshold and (ii) Belgian phase 1 merger approval.

Brookfield is a global alternative asset manager and one of the world's largest owners and operators of real estate. The offer reflects Re Invest Belgium's strong belief in the future of the Belux office market and, specifically, in the quality and potential of Befimmo's portfolio, management team and staff.

The offer was made after extensive discussions between the parties, underpins the 6 objectives of the new strategic plan developed by the management team, and will create significant levers to unlock long-term potential.

This will better position Befimmo as a leading Belux real estate investor, developer and operator in the interest of its clients, employees and all other stakeholders.

Brookfield has expressed its confidence in the management of Befimmo and intends to work together with the leadership to continue to develop and retain a best-in-class employee base.

Following careful evaluation of the main terms of the offer by the Board of Directors consistent with its fiduciary duties, Befimmo confirmed its support for the offer, subject to review of the final prospectus and each individual Board member's fiduciary duties. The Board of Directors will provide its formal opinion on the offer in its response memorandum.

AXA Belgium SA and AG Finance SA, as Befimmo's two largest shareholders, are supportive of the offer and have each provided a soft irrevocable undertaking to support the offer. AG Finance has committed to tender shares representing 5.6% of the share capital of Befimmo while AXA has undertaken to tender shares representing 9.6% of the share capital of Befimmo.

¹. See press release of February 25th 2022: https://www.befimmo.be/sites/default/files/imce/publications/befimmo_sa_-_announcement_voluntary_public_tender_offer_-_2022.02.25.pdf





MANAGEMENT REPORT

Property report.

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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 2021.

THE BRUSSELS OFFICE MARKET

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

SUMMARY TABLE FOR THE BRUSSELS OFFICE PROPERTY MARKET

	31.12.2018	31.12.2019	31.12.2020	31.12.2021
Stock (m ²)	13 467 886	13 462 133	13 542 979	13 767 486
Take-up (m ²)	360 742	542 737	263 618	438 510
Vacant space (m ²)	1 074 714	1 018 792	973 650	1 052 878
Vacancy rate (%)	7.98%	7.57%	7.19%	7.65%
Prime rent (€/m ² /year)	315	320	320	320
Average rent (€/m ² /year)	171	180	190	181
Investment volume offices (€ billion)	1 891	2 085	3 544	2 284
Prime yield (%)	4.25%	4.10%	4.00%	3.60%
Prime yield long term (%)	3.65%	3.55%	3.50%	3.20%
Properties held for sale	1 495.9	1 495.9	13.1	0.5%

Take-up

After a shaky Q1-Q3 period where occupiers were in a wait-and-see position, Q4 witnesses an outstanding activity, making it the best Q4 in 12 years. This bought the total for 2021 to 438,500 m². This represents an increase of almost 55% compared to 2020, which was an unprecedented year for Brussels due to the COVID-19 outbreak. Around 330 transactions were observed, an increase of 13% over the last year.

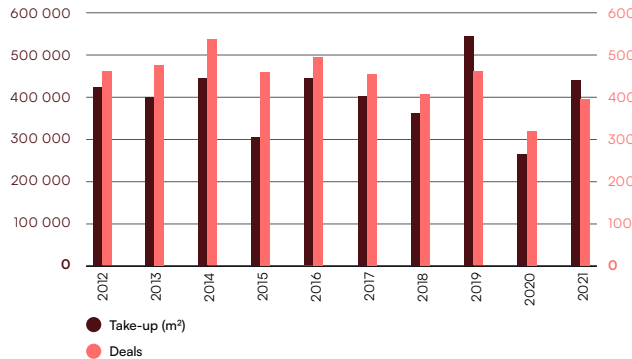
In contrast to 2020, the public sector was active in 2021, mainly driven by the Building Agency confirming the acquisition of the 34,000 m² Möbius II and of the 14,000 m² Networks Nor, and the European Commission purchasing the 25,500 m² Realex and pre-letting the 13,150 m² Copernicus. Demand from the private sector is also on the rise.



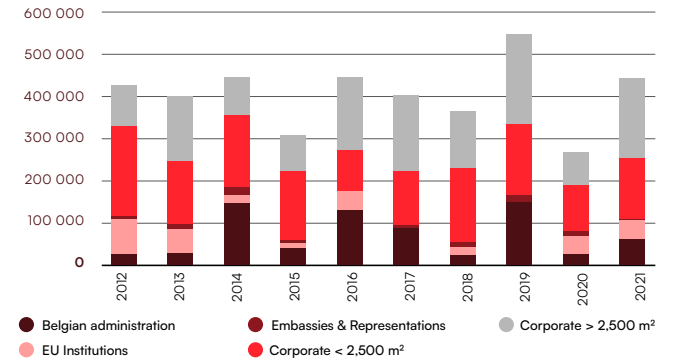
438,500 M²

Brussels take-up in 2021

TAKE-UP AND NUMBER OF TRANSACTIONS



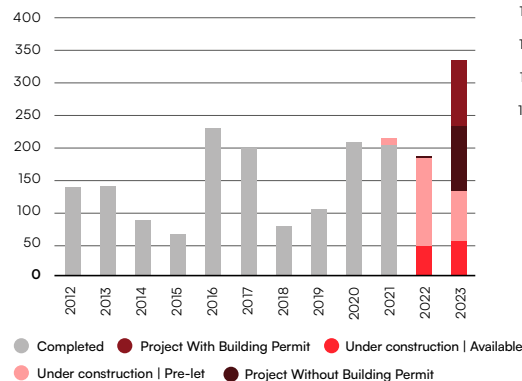
YEARLY TAKE-UP BY OCCUPANT TYPE (IN M²)



Recent hand-overs and future projects

In 2021, approximately 215,000 m² of new office buildings were delivered, the most important being the Quatuor in the North district (62,000 m² of which 81% let), the Multi Tower (42,000 m² of which 46% pre-let) and the Möbius II (34,000 m²) occupied by federal services. In addition, the pipeline for 2022 and 2023 is important, as the delivery of nearly 330,000 m² of new office space in Brussels is expected, of which 100,000 m² is still available at the end of 2021.

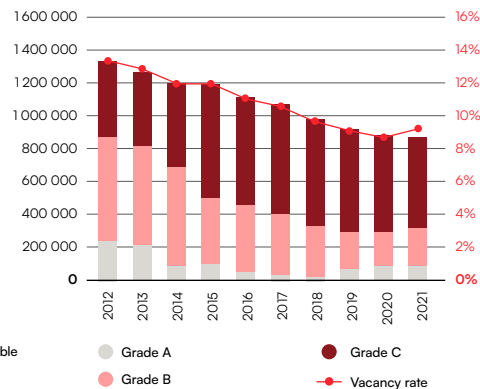
DEVELOPMENT PROJECTS (IN M²)



Evolution of rental vacancies

Despite the high level of activity, the vacancy rate increased in 2021 to stand at 7.65% at the end of the year. Major differences continue to appear depending on the neighbourhood: the CBD (Leopold, Centre, North, Midi and Louise neighbourhoods) has a vacancy rate around 4%, while the decentralised and periphery neighbourhoods have vacancy rates of 11% and 18.4% respectively. In the short term, the vacancy rate should rise because of new offices arriving empty on the market as well as occupier space reductions. By the end of 2022, the vacancy rate should reach 8.5% before experiencing a new decrease as the office market will adapt to its new paradigm. By the end of 2025, the vacancy rate should stand at 8%.

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



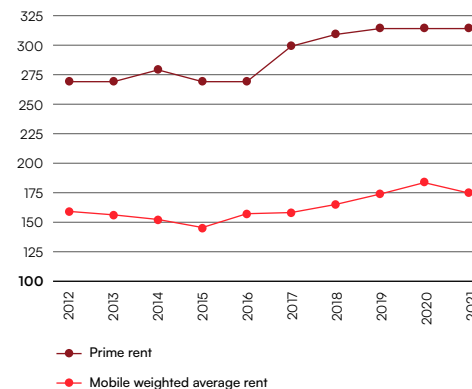
Evolution of rents

Prime office rents in Brussels have remained stable at €320/m²/year throughout 2021.

The North District however saw an increase in its prime rent from €225/m²/year to €230/m²/year in the last quarter of 2021 with Ageas letting 5,000 m² in the Manhattan Center and a 3,800 m² letting in the Quatuor by Sopra. In the decentralised districts, prime rents rose to €200/m²/year thanks to different transactions recorded in the Royale Belge. In the periphery, new developments such as The Wings tend to drive the rents upwards. They could reach €185/m²/year by the end of 2022.

Taking into account quality buildings that have recently been put on the market, or are expected to be put on the market in the coming months, prime rents could increase further to reach €325/m²/year by the end of 2022.

PRIME AND AVERAGE RENT (IN €/M²/YEAR)



Office investment market

Taking all sectors together, the investment volume in Belgium in 2021 amounted to more than €3.6 billion. This volume was boosted by some important transactions in the office sector, while the industrial sector and the commercial sector recorded a further decrease to a total volume of €450 million and €497 million respectively in 2021.

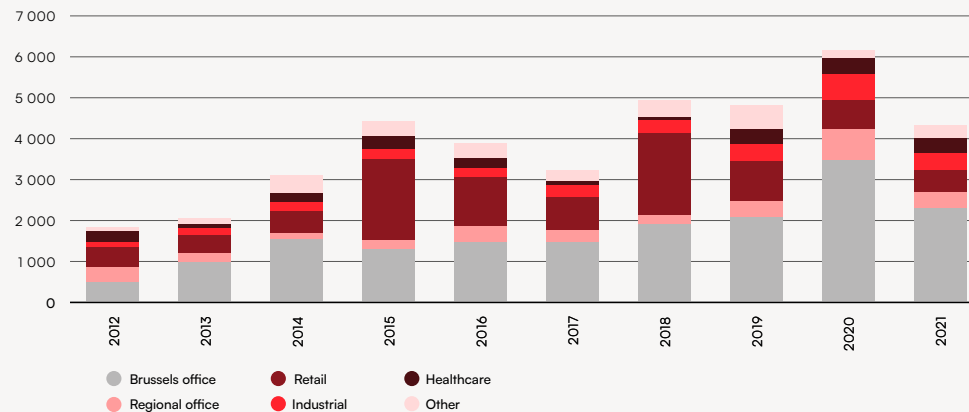
The Belgian office market recorded an investment volume of €2.68 billion, including €2.28 billion in the Brussels office market. Indeed, in Brussels, a total of 8 transactions in excess of €100 million were recorded in the office market. The most notable was the acquisition of the Realex by the European Commission for €256 million followed by the sale of the Astro Tower by FG Asset Management (€238 million) and the acquisition of the Möbius II for more than €215 million by the Building Agency.

Foreign investors still represent a significant share of buyers. International investors tend to focus on LT-Core, Core and Core+ products, while so-called "add-value" and redevelopment products are more reserved for Belgian investors.

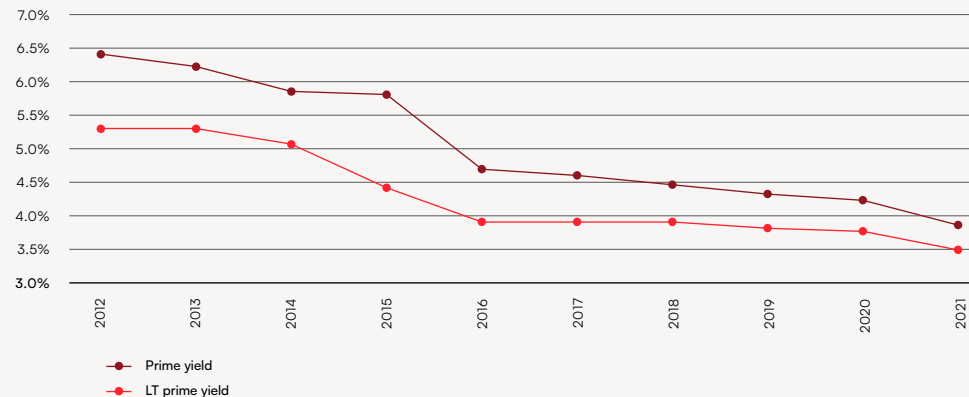
Investors' interest in core assets was confirmed in 2021. Due to this intense competition for core assets, prime yields recorded a further compression this year, to a new level of 3.60% for products with a 3/6/9 leases. In the longer term, it is expected that in 2022 the prime yield will continue to drop to 3.50% and the longer-term prime yield, standing at 3.20% in the end of 2021, is also expected to drop to 3.15% as soon as next year.



INVESTMENT VOLUME ON THE BELGIAN MARKET (IN € MILLION)



PRIME YIELDS (IN %)



ANTWERP AND LIÈGE OFFICE PROPERTY MARKET

SUMMARY TABLE FOR THE ANTWERP OFFICE PROPERTY MARKET

Antwerp	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021
Stock (m ²)	2 211 285	2 290 933	2 300 900	2 292 185	2 207 439
Take-up (m ²)	198 270	144 322	125 390	69 563	95 002
Vacant space (m ²)	219 253	146 841	148 580	130 000	239 000
Vacancy rate (%)	9.92%	6.41%	6.46%	5.67%	10.81%
Prime rent (€/m ² /year)	155	155	160	165	165
Average rent (€/m ² /year)	119	119	126	119	126
Investment volume offices (€ billion)	75	90	166	428	191
Prime yield (%)	6.25%	6.25%	5.50%	5.50%	5.25%

SUMMARY TABLE FOR THE LIÈGE OFFICE PROPERTY MARKET

Liège	31.12.2018	31.12.2019	31.12.2020	31.12.2021
Stock (m ²)	440 955	459 290	495 043	2 207 439
Take-up (m ²)	31 834	53 206	43 055	95 002
Vacant space (m ²)	18 054	16 289	16 000	239 000
Vacancy rate (%)	4.09%	3.55%	3.23%	10.81%
Prime rent (€/m ² /year)	150	155	160	165
Average rent (€/m ² /year)	122	137	127	126
Investment volume offices (€ billion)	12.35	42	0	191
Prime yield (%)	6.75%	6.75%	6.75%	5.25%



LUXEMBOURG OFFICE MARKET

SUMMARY TABLE FOR THE LUXEMBOURG OFFICE PROPERTY MARKET

Luxembourg	31.12.2018	30.12.2019	31.12.2020	31.12.2021
Stock (m²)	3 950 000	4 141 350	4 373 188	4 432 210
Take-up (m²)	252 133	266 820	352 174	376 768
Vacant space (m²)	135 000	123 085	152 107	183 286
Vacancy rate (%)	3.40%	2.97%	3.47%	4.10%
Prime rent (€/m²/month)	50	51	52	52
Investment volume offices (€ million)	1 880	1 268	874	1 325
Prime yield (%)	4.00%	4.00%	3.60%	3.40%

Take-up

Despite ramifications from the global health crisis, office activity soared to a record level of take-up recorded in 2021 with as much as 377,000 m² and close to 270 occupier transactions. Much is owed to a record H1, mainly driven by the public sector with 127,000 m² occupied by the European Parliament in the brand new K2.

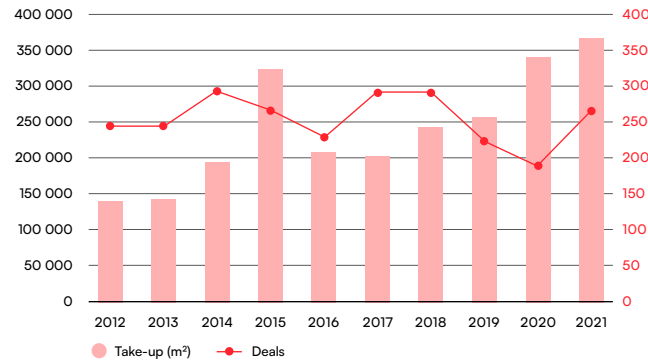
Since 2010, for the private sector, the letting activity is dominated by the banking & finance sector as well as the so-called “services firms” such as consultancy firms, services to business, etc. In 2021, these sectors represent nearly 25% of the total activity. This shows the strengths of this small office market and its resilience during economic uncertainties.

377,000 M²

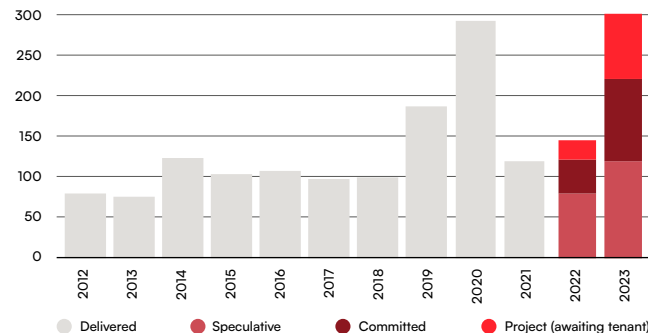
Luxembourg take-up in 2021

However, the COVID-19 outbreak continues to impact the occupational market and hybrid work is here to stay. Over the last two years, nearly 80% of transactions have related to surfaces inferior to 1,000 m². This trend leads to space reductions, with most occupiers nearing a break, opting for smaller offices.

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 4,430,000 m². In 2021 the most notable delivery were the Post project, 27,000 m² in the Station district, the Buzz building, the Maison des Laboratoires I & II, 16,500 m², 16,000 m² and 14,400 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 2022 alone, nearly 115,000 m² are currently under construction, of which 76,500 m² still available. The most notable projects are the development of the Connection (14,200 m², available) in the city of Hamm, the Am Bann BC C (12,750 m², available) in the periphery area and the construction of the Intensa Sanpaolo (10,800 m² completely pre-let) in the Cloche d'Or.

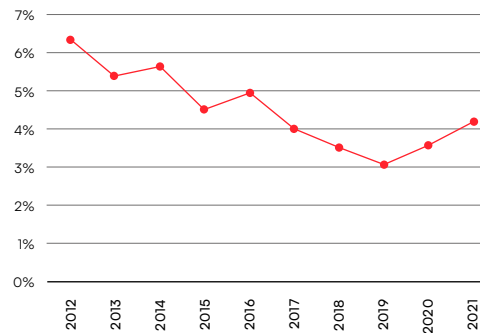
Furthermore, an additional 343,000 m² could enter the market between 2022 and 2024 as projects exist, though important uncertainties or cautiousness of the developers could delay their deliveries.

Evolution of rental vacancies

The vacancy rate for the overall market is currently at 4.10%, a slight increase compared to last year. The central districts record the best performance, with a vacancy rate standing below 2% in the CBD and even lower in the Kirchberg, around 1%. The Cloche d'Or district has a vacancy rate of approximately 3.2%. The low level of speculative developments, combined with the dynamic activity, contribute to this low vacancy rate.

In the periphery, other inner districts and decentralised areas the vacancy rate is higher. It currently stands around 9% in the decentralised areas, 5.3% in the other inner districts and 9% in the periphery.

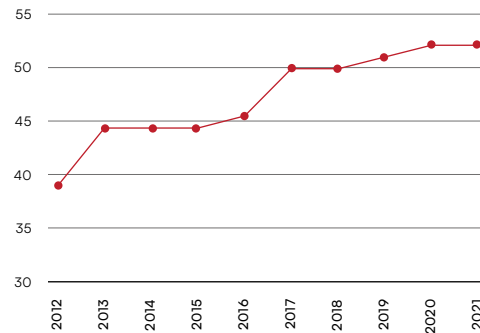
VACANCY RATE (IN %)



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 remain stable to €52/m²/month this year. Prime rents could witness a further increase in the coming months. No changes have been observed in the Station area since 2016, standing at €36/m²/month. The Kirchberg district saw different increases over the last years to stand at €41/m²/month at the end of 2021. The Cloche d'Or area recorded continuous increase since 2017 with currently a prime rent at €36/m²/month following the delivery of new qualitative office buildings. The decentralised districts have recorded stable prime rents since 2012, around €28.5 /m²/month. In the periphery, prime rents stand at €25.5/m²/month.

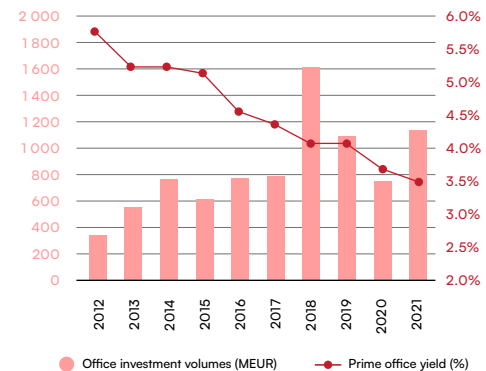
PRIME RENT (IN €/M²/MONTH)



Office investment market

In 2021, €1.325 billion were invested in offices in Luxembourg, a 51% increase compared to last year, as a result of the recovery from the COVID-19 outbreak. Activity is however expected to remain strong in the coming months as Luxembourg presents solid fundamentals and offers good value for money compared to other European markets. As a result of a maturing market and a higher attractiveness for international investors, competition is growing for the prime assets, resulting in a strong yield compression. Prime yields currently amount to 3.40% in the CBD, coming from 3.60% last year.

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



Real-estate operator activity

LETTING ACTIVITY

MORE THAN

69,000 m² let

APPROXIMATELY

50%

NEW LETTINGS (IN M²)

& 50%

RELETTING (IN M²)

54%

TRANSACTIONS

Main transactions of the year:

- > **Ocean House (Brussels periphery):** renewal of a 3/6/9 lease of 1,870 m²
- > **Ikaros (Brussels periphery):** new 6/9 leases for 4,732 m² and lease renewals and extensions for 7,200 m²
- > **Central (Brussels CBD, Centre):** new 9-year lease for 2,175 m² with Europ Assistance Belgium
- > **Goemaere (Brussels decentralised):** new 6/9 lease for 914 m² and renewal of a 3/6/9 lease for 1,668 m²
- > **Joseph 2 (Brussels CBD, Leopold area):** extension of the leasehold with the European Commission (12,413 m²)
- > **View Building (Brussels CBD, Leopold area):** 5-year lease extension for 4,059 m²

- > **Cubus (Luxembourg):** lease extension of 2,100 m²
- > **Arts 56 (Brussels CBD, Leopold area):** new 6/9 lease for 1,954 m²
- > **Quatuor (Brussels CBD, North):** new 6/9 leases for 15,573 m². Quatuor is now 81% pre-let
- > **“Esprit Courbevoie” (Louvain-La-Neuve):** In February 2021 Befimmo acquired the office building of the “Esprit Courbevoie” project, in state of future completion. This office building showcases Befimmo’s hybrid offer, with of office space now fully let to N-SIDE (4,300 m²) and Silversquare (4,000 m²) for a 9-year term

EPRA “LIKE-FOR-LIKE NET RENTAL GROWTH”

The increase in Like-for-Like net rental result of 0.9% was offset by an increase in real estate charges resulting in an decrease in EPRA “Like-for-Like Net Rental Growth” of -1.3%, mainly explained by:

- Necessary improvement and renovation work realised in 2021
- Agency commissions for the re-letting of empty spaces
- Costs related to empty space especially in the Quatuor and Goemaere building
- One-off income recorded in 2020

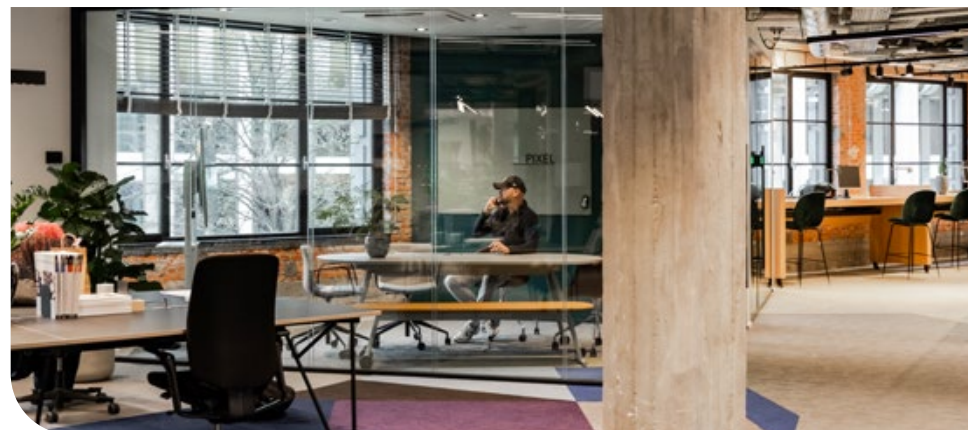
OCCUPANCY RATE (OF PROPERTIES AVAILABLE FOR LEASE)¹

	31.12.2021	31.12.2020
“Spot” occupancy rate (excluding future signed leases) ²	90.1%	95.2%
Occupancy rate (including future signed leases)	95.5%	97.1%
EPRA Vacancy Rate ³	4.5%	2.9%

The decrease in occupancy rate is linked to Quatuor moving to the category “properties available for lease”.

COLLECTION AND DEFERRAL OF RENTS

- > **98.7% collected rents** for 2021 (at 10.02.2022, in line with previous years)
- > **€0.4 million** payment deferrals (limited amount related to the pandemic)



1. This is a real-estate indicator. For more information, see Appendix II.
 2. This indicator will no longer be calculated as from Q1 2022 closing.
 3. This is an EPRA indicator. For more information, see chapter “EPRA Best Practices”.

DURATION OF LEASES¹

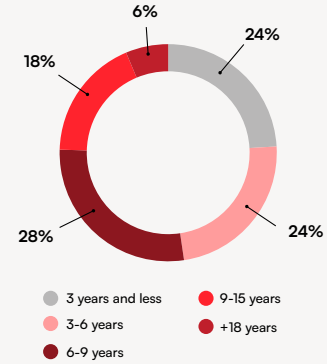
	31.12.2021	31.12.2020
Weighted average duration of current leases up to next break of properties available for lease	7.3 years	7.2 years
Weighted average duration of current leases up to final expiry of properties available for lease	7.9 years	7.7 years
Weighted average duration of current and future signed leases up to next break of investment properties	8.8 years	8.6 years
Weighted average duration of current and future signed leases up to final expiry of investment properties	9.4 years	9.0 years

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

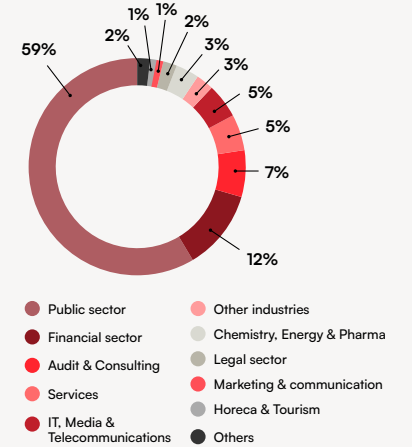
	Weighted average duration up to next break (in years)	Percentage of the gross current rent from lease agreements (in %)	Rating
Belgian public sector	7.8	54.8%	Rating S&P
European public sector	4.7	3.8%	
Total public-sector tenants	7.6	58.6%	
Deloitte Services & Investments NV	4.8%		-
BNP Paribas and affiliated companies	4.8%		A+
Beobank (Crédit Mutuel Nord Europe)	4.0%		A+
Docler Services S.à.r.l.	3.1%		-
McKinsey & Company	1.6%		-
Total private-sector top-5 tenants	9.7	20.0%	
+/- 170 other tenants	4.4	21.4%	
Total of portfolio	7.3	100%	

- This is a real-estate indicator. For more information, see Appendix II.
- 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 2021.

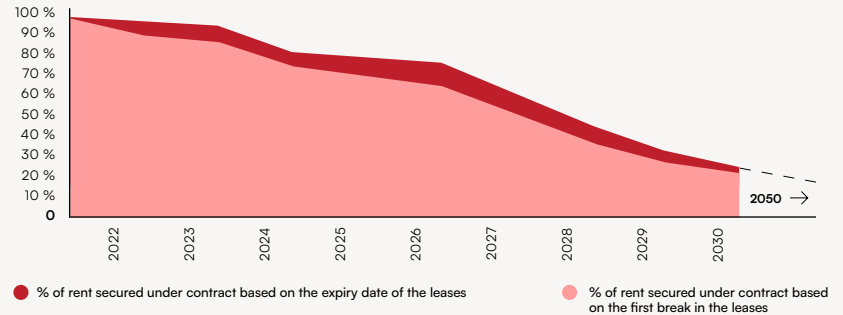
DURATION OF LEASES (BASED ON GROSS CURRENT RENT FROM LEASE AGREEMENTS AT 31.12.2021)



ACTIVITY SECTOR OF TENANTS (BASED ON GROSS CURRENT RENT FROM LEASE AGREEMENTS AT 31.12.2021)



PERCENTAGE OF RENT SECURED UNDER CONTRACT IN RELATION TO THE RESIDUAL DURATION OF LEASES IN THE CONSOLIDATED PORTFOLIO² (OF CURRENT AND FUTURE SIGNED LEASES, BUT EXCLUDING PROJECTS) (IN %)



FAIR VALUE ¹

Offices	Change over the year ² (in %)	Proportion of portfolio ³ (31.12.2021) (in %)	Fair value (31.12.2021) (in € million)	Fair value (31.12.2020) (in € million)
Brussels CBD and similar ⁴	7.2%	52.7%	1 495.9	1 191.9
Brussels decentralised	-3.9%	2.3%	64.3	82.2
Brussels periphery	-4.9%	2.9%	80.8	92.5
Flanders	-5.3%	13.8%	391.0	428.3
Wallonia	-4.5%	7.8%	221.3	233.0
Luxembourg city	0.9%	6.3%	178.8	147.1
Properties available for lease	2.7%	85.8%	2 432.1	2 175.1
Properties that are being constructed or developed for own account in order to be leased	-11.5%	13.8%	390.7	517.3
Investment properties⁵	0.4%	99.5%	2 825.6	2 692.4
Properties held for sale	-18.4%	0.5%	13.1	21.6
Total	0.3%	100.0%	2 835.9	2 714.0

As at 31 December 2021, the fair value of the portfolio was €2,835.9 million, as against €2,714.0 million as at 31 December 2020.

This change in value incorporates:

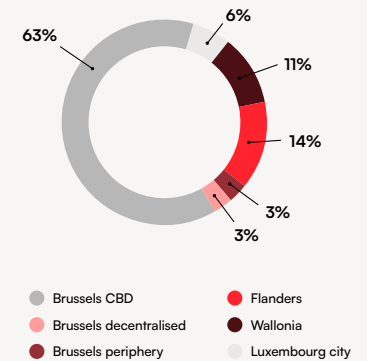
- Renovation or redevelopment works carried out in the portfolio
- Disposals and acquisitions
- The changes in fair value booked to the income statement (IAS 40)

As at 31 December 2021, the Axento building in Luxembourg, the AMCA building in Antwerp, the Paradis tower in Liège, the Gateway building at Brussels airport, the WTC Tower 3 in Brussels and the Quatuor and ZIN projects in Brussels, each account for between 5 and 10% of the fair value of the portfolio.

At constant perimeter, the value of the portfolio (excluding acquisitions, investments and divestments) remained stable over the year (change of +0.3% or €8.9 million).

In 2021, the Quatuor building moved to the category of properties available for lease.

GRAPHICAL BREAKDOWN OF THE PORTFOLIO ⁶



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 2021 and 31 December 2021 (excluding acquisition, investments and divestments).

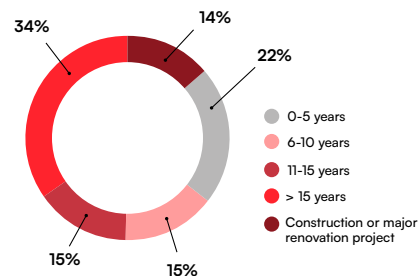
3. The proportion of portfolio is calculated on the basis of the fair value of the portfolio as at 31 December 2021.

4. Including the Brussels airport zone, in which the Gateway building is situated.

5. Excluding rights of 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 2021.

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.

ACQUISITION PRICE AND INSURED VALUE ON PROPERTIES OF BEFIMMO'S CONSOLIDATED PORTFOLIO (€ MILLION)

	Acquisition price (in million €)	Insured value ³ 31.12.2021 (in million €)	Fair value 31.12.2021 (in million €)	Estimated rental value (ERV) 31.12.2021 (in thousand €)	Gross initial yield ⁴ 31.12.2021 (in%)
Offices					
Brussels CBD and similar	1 048.1	954.1	1 495.9	71 643	4.0%
Brussels decentralised	41.3	129.2	64.3	4 343	6.2%
Brussels periphery	71.6	162.9	80.8	7 346	8.1%
Flanders	380.7	586.3	391.0	23 524	6.7%
Wallonia	157.2	238.0	221.3	10 317	5.1%
Luxembourg city	123.5	66.5	178.8	7 511	4.0%
<i>Properties available for lease</i>	<i>1 822.4</i>	<i>2 137⁵</i>	<i>2 432.1</i>	<i>124 684</i>	<i>4.8%</i>
<i>Properties that are being constructed or developed for own account in order to be leased</i>	<i>401.6</i>	<i>23.2</i>	<i>390.7</i>	<i>40 644</i>	<i>0.4%</i>
Investment properties	2 224.0	2 160.2	2 822.8	165 328	4.2%
Properties held for sale	-	-	13.1	1 879	1.2%
Total	2 255.1	2 160.2	2 835.9	167 207	4.1%

1. Publication pursuant to Annex B to the Royal Decree of 13 July 2014.

2. Breakdown based on the m² of the investment properties as at 31 December 2021.

3. The insured value is the reconstruction value (excluding the land).

4. The ratio between the current gross contractual rent and the deed-in-hand value of the properties available for rent. The complete overview of the overall rental yields can be found on page 39 of the Report.

5. This amount includes the All-Risk Fire insurance. Befimmo is also covered by the kind of All-Risk Construction Site insurance.

OVERALL RENTAL YIELD

	31.12.2021	31.12.2020
Gross initial yield on properties available for lease	4.8%	5.3%
Gross potential yield on properties available for lease ¹	5.2%	5.6%
Gross initial yield on investment properties ²	4.2%	4.3%
EPRA Net Initial Yield (NIY)³	4.2%	5.0%
EPRA Topped-up NIY²	4.5%	5.2%

OVERALL RENTAL YIELD GEOGRAPHICAL BREAKDOWN

	Gross initial yield (31.12.2021)	Gross initial yield (31.12.2020)	Gross potential yield (31.12.2021)	Gross potential yield (31.12.2020)
Brussels CBD and similar	4.0%	4.9%	4.7%	5.2%
Brussels decentralised	6.2%	8.8%	6.6%	8.8%
Brussels periphery	8.1%	7.9%	10.0%	9.7%
Wallonia	5.1%	4.7%	5.1%	4.7%
Flanders	6.7%	6.3%	6.7%	6.3%
Luxembourg city	4.0%	3.8%	4.2%	3.8%
Properties available for lease	4.8%	5.3%	5.2%	5.6%
Total investment properties	4.2%	4.3%		

The decrease of the yield on properties available for lease is also due to the Quatuor moving to the category properties available for lease. Only the lease with Beobank has started at 31 December 2021, whereas the building is pre-let at 81%.

1. This is a real-estate indicator. For more information, see Appendix II.

2. Comprising properties that are being constructed or developed for own account in order to be leased. This is a real-estate indicator. For more information, see Appendix II.

3. This is an EPRA indicator. For more information, see chapter "EPRA Best Practices".



Asset rotation

Befimmo ensures a high-quality portfolio by investing in flexible office buildings in triple A locations with value-creating potential, and divesting where it can crystallise the value of mature buildings or where buildings no longer fit its strategy. The proceeds of the disposals contribute to managing the LTV ratio, the financing of ongoing development projects and ensure capacity for growth.

DISPOSALS FOR €115 MILLION

Value crystallisation

- Wiertz building (Brussels CBD): disposal for €74.9 million with a net capital gain of €43.2 million on the investment value and an unleveraged IRR of 10.8%

Divesting from non-strategic assets

- Planet 2 building (Brussels, periphery): disposal in October 2021 at a value in line with the latest fair value as estimated by the independent real estate expert
- 6 non-core buildings in Belgian provincial towns (Deinze, Bilzen, Lokeren, Tienen, Diksmuide and Binche)

Residential part Paradis Express:

Closing of the disposal for €18.9 million with a capital gain of €2.1 million on the latest fair value

ACQUISITIONS FOR €72 MILLION

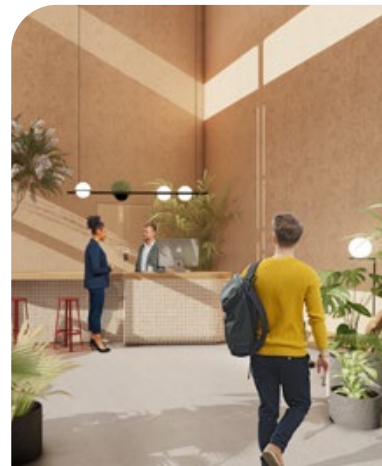
Befimmo invested in 3 core assets in 2021:

- Acquisition of the **Cubus** building (5,000 m²) in the Grand Duchy of Luxembourg (Howald)
- Acquisition¹ of the office building of the "**Esprit Courbevoie**" project (8,300 m²) in Louvain-la-Neuve
- Acquisition of the office part (5,600 m²) of the **Antwerp Tower**

Silversquare will operate in both Courbevoie and A-Tower to further expand the coworking network.

Capital expenditure in properties available for lease

In 2021 Befimmo invested €19.9 million in its portfolio of properties available for lease. This figure is in line with 2020.



1. 94-year long lease. The deed is signed and the cash out amount is foreseen conform to work in progress.

(Re)development projects

Befimmo invested €138.7 million in its (re)development projects in 2021.

With the delivery of the Quatuor, the development pipeline now accounts for 13.8% of the total value of the portfolio (compared with 22% on 30 June 2021).

The pipeline is composed of:

- Paradis Express (2.5%) (delivery in Q1 2022)
- ZIN project (6.9%)
- The remaining to be committed projects (4.4%)

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 rate¹ before construction work begins. Currently, the pre-letting rate of office projects amounts to 97%.

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).

For our to be committed projects, we aim for an estimated yield on total investment of at least 5%.

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

MAIN RENOVATION AND CONSTRUCTION PROJECTS

	Investment in 2021 (€ million)	Total investment (€ million)	Yield on total investment (land included)	Completion (%)	Delivery of the project	Forecasts			BREEAM ²
						2022 Investment (€ million)	2023 Investment (€ million)	2024 Investment (€ million)	
Committed ongoing projects									
Paradis Express (office part) Wallonia, Liège	27.9	54	>6%	94%	Q1 2022	3.9	0.1	0.2	Excellent
ZIN Brussels CBD, North	58.2	465	±3.9%	29%	End 2023 (offices) 2024 (other functions)	191.2	124.9	17.7	Outstanding (offices) Excellent (other functions)
Ongoing projects to be committed									
Livin³(WTC 4) Brussels CBD, North	1.3	180	-	-	Development in case of pre-letting			Excellent	
PLXL Brussels decentralised	1.8	54	±5.5%	9%	Q1 2025	2.0	24.6	22.4	Outstanding
LOOM (Redevelopment Loi 44, Joseph II, Loi 52) Brussels CBD, Leopold District	2.2	81	±5%	4%	2026	3.0	3.0	17.6	Outstanding
Pacheco Brussels CBD, Centre	1.0	43	±5.5%	5%	Q2 2024	1.7	19.4	19.2	Outstanding

COMMENTS ON DELIVERED PROJECT

Quatuor

The Quatuor, a mixed-use project of 62,000 m², was delivered in August 2021 and is more than 81% let at 31 December 2021.

Quatuor is a high quality project fully in line with today's hybrid working world. It offers a global solution with a combination of offices, dynamic coworking spaces and services.

Silversquare will open its ninth coworking space in Quatuor. The space will be called Silversquare North and will cover 7,350 m².

Quatuor will also contribute to the redevelopment and transformation of Brussels' bustling Northern District.

The building added high-quality tenants in 2021 (Touring, Just Eat Takeaway.com, Sopra, Kone).



Quatuor received the "BREEAM OUTSTANDING" sustainability certification for the design phase, which takes into account the entire lifecycle of a building

Key facts Quatuor:

- Potential yield on cost: 6.1%
- Development margin: >25% (±€56 million)
- Average lease length (up to next break): 11.3 years

3,067 M²

OF SOLAR PANEL (566 KWC) COVERING THE ELECTRICITY NEEDS EQUIVALENT TO THE ANNUAL CONSUMPTION OF ABOUT 133 HOUSEHOLDS

COMMENTS ON COMMITTED ONGOING PROJECTS

ZIN

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.

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 offices and "Excellent" for the other functions.

The asbestos removal and demolition works are completed, the construction phase of the new parts of the building 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 and for the remaining parts by mid-2024.

We have raised our initial estimation of the total construction to €465 million. This amount is higher than the previous budgeted amount mainly due to the time delay of 6 months caused by the pandemic, which has led a number of unexpected expenses. In addition, in the amount of €465 million, we have also included a provision for additional real estate taxes, which Befimmo intends to challenge.



Taking this new budget into account, the gross return on the total investment value is expected to be around 3.9%.

The new management plan foresees to seek a financial partner by 2024 for the subsidiary ZIN IN NO(O)RD whereby the partner should hold a minimum of 25% and a maximum of 75%.

The ZIN project can be considered as a reference in Belgium and Europe in terms of urbanization and revitalisation of a neighbourhood, in terms of 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. The winners will be announced at the ceremony on Thursday 17 March 2022.

[SEE THE VIDEO](#)



Paradis Express

The Paradis Express project involves the construction of an eco-neighbourhood providing a mix of office (21,000 m²), residential (15,600 m²) and local shops (395 m²) functions. A Silversquare coworking space (4,000 m²) will also open its doors in Q2 2022. With the Guillemins train station and a new tram line nearby, Paradis Express will be perfectly integrated in the neighbourhood, enjoying a privileged location in Liege.

Befimmo has pre-let 100% of the office space and sold the residential space. The delivery of the Paradis Express project is scheduled for Q1 2022.

The cost of construction of the office part amounts to €54 million. The expected return on total investment of the office part is above 6%.

A BREEAM “Excellent” certification is obtained in the “Design” phase.

>6%

Expected return on total investment



PROJECTS TO BE COMMITTED¹

PLXL (Brussels decentralised)

Scheduled for completion beginning 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 20,000 m² 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 flexible workspaces including a Silversquare coworking, a modular auditorium, a restaurant, a rooftop terrace, and a wide range of services and facilities. PLXL has more than 160 bike stations, nearly 50 e-bike stations and 100 car parking spaces, all with charging points.

User well-being and health are key elements of PLXL. It aims for the highest certification in its class (BREEAM “Outstanding”). 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 cost amounts to €54 million. The expected yield on total investment is about 5.5%.

Permits approval is expected by end 2022 and the decision to start the works will be taken at that time, depending on market and pre-letting conditions.

± 18,000 t
of avoided waste foreseen



Pacheco (Brussels CBD, Centre)

The Pacheco building will be developed in the former building of the Royal Belgian Mint 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 Pachéco will offer nearly 11,600 m² of multifunctional and flexible space, including 9,400 m² of office space, 1,050 m² of coliving, 1,150 m² allocated to restaurants/café or shops and, last but not least, a 250 m² rooftop area.

The construction costs are estimated at €43 million, with an expected yield on total investment of about 5.5%. Permits are expected to be approved end 2022 and the decision to start the works will be taken at that time, depending on market and pre-letting conditions.

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

11,600 M²

Multifunctional and flexible space

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 2 building, after the end of the current lease, Befimmo aims to transform three existing buildings (Rue de la Loi 44 & 52 and Rue Joseph II 27) 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, ±50 residential units, a full range of services and facilities and a beautiful courtyard garden.

Befimmo is definitely applying the concepts of the circular economy to this project. The existing buildings will be reused, with the structure retained, and elements that are demolished or removed being recovered, reused or recycled.



The projected construction cost amounts to €81 million, with the yield on total investment expected to be around 5%.

Permits are expected to be approved mid-2022 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 “Gold” WELL ready certification.

**LIVIN (Brussels CBD, North area)**

LIVIN (WTC 4) is the project to build an ecofriendly and open campus in the North area of Brussels, with the aim to create shared spaces for the different communities of the neighbourhood.

Located next to the railway station (Brussels, North station), LIVIN will be highly accessible in an area that’s developing into an attractive, diverse, green living and working environment. At the heart of the project will be a rooftop garden. This garden will be easy to access and will become a true destination for people 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 prelet.

Befimmo is aiming to gain BREEAM “Excellent” certification for the “Design” phase.

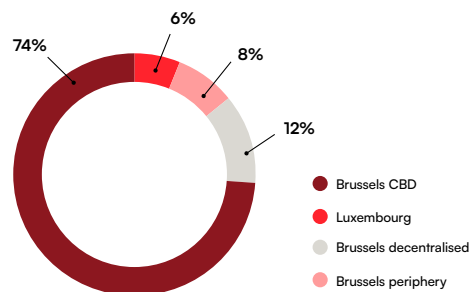
Coworking activity

PORTFOLIO OF COWORKING SPACES

8 Spaces

± 34,900 M²

GEOGRAPHICAL BREAKDOWN OF THE COWORKING PORTFOLIO



Silversquare opened its eighth coworking space in Central (Befimmo's HQ) in September 2021.

The coworking activity accounted for about 8% of Befimmo's consolidated rental income as at 31 December 2021.

OCCUPANCY RATE

	31.12.2021
over 3 years	75%
Between 1 and 3 years	52%
less than 1 year	51%
Total	59%

We will no longer report on mature and non-mature spaces. As from now, the occupancy rate of the coworking spaces will be reported by using three categories; the spaces opened since more than 3 years, the spaces opened since more than 1 year but less than 3 years and the spaces open since less than 1 year. Spaces that are undergoing an extension will be considered again as new spaces and will be moved to the category "spaces open since less than 1 year".

The total occupancy rate stood at 59% as at 31 December 2021 (compared to 51% one year ago), even with the recent opening of Central in 2021. Total turnover increased with 26% compared to last year and a very good momentum is seen since September. In 2021, Silversquare accounts 804 new signatures against 314 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 will play an important role in the post-pandemic recovery period and is becoming a key solution in the new hybrid world of work, as demonstrated by the latest contracts with Salesforce (250 members - SQ Central) and Xerox (130 members - SQ Zaventem in combination with space in Befimmo's portfolio, Ikaros Park).



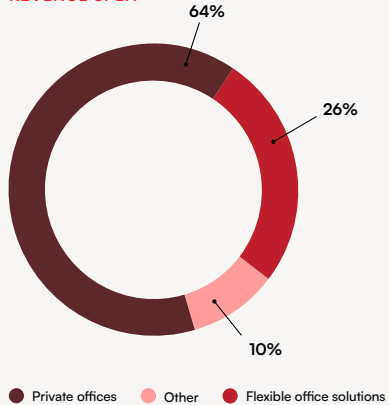
RECOVERY RATE ISSUED INVOICES

99.4%

(for monthly invoices issued in 2021)

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.

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 2021, Silversquare has invested €3.6 million in its spaces. Befimmo (real-estate operator) has invested €6.8 million in 2021 of which €4.3 million in the Central building and €2.5 million in the Quatuor project. This is recharged to Silversquare through a rental uplift mechanism.

NEW OPENINGS FOR THE NEXT TWO YEARS

	Surface
Total portfolio 2021	34 900 m²
SQ North (Brussels CBD)	+7 350 m ²
SQ Guillemins (Liège)	+3 800 m ²
SQ A-Tower	+5 800 m ²
Total portfolio end 2022	51 800 m²
SQ Louvain-La-Neuve	+4 000 m ²
Luxembourg	+4 000 m ²
Flanders (2 spaces)	+7 000 m ²
Total portfolio end 2023	66 800 m²

Taking into account the identified pipeline, Silversquare coworking spaces will account for 85,000 m² by the end of 2025.

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

SPARKS

Sparks, the new one-stop shop for meetings, launches in Central (Befimmo's headquarters) in Brussels. It will open its first location in next April. This start-up will offer a special meeting environment featuring not only innovative meeting rooms, but also a range of complementary services and professional support. The start-up has fourteen brand-new meeting rooms, each unique in terms of function and design: the place to be for meetings for up to 250 people. Befimmo has become 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, Befimmo 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 portfolio¹

	Construction year or year of the last renovation ²	Floor area for lease (in m ²)	Proportion of portfolio ³ (in %)	Rent billed during the fiscal year ⁴ (€ thousand)	Spot occupancy rate ⁵ (in %)	Occupancy rate ⁶ (in %)
Brussels centre						
Brederode Corner - Rue Brederode and Rue de Namur, 1000 Brussels	2020	7 355	1.7%	687	99.8%	99.8%
Central - Rue Ravenstein 50-70 and Cantersteen 39-55, 1000 Brussels	2012	28 984	4.7%	2 657	88.0%	95.1%
Choux - Rue aux choux 35, 1000 Brussels	1993	5 114	1.1%	1 257	100.0%	100.0%
Empereur - Boulevard de l'Empereur 11, 1000 Brussels	1963	5 700	1.0%	1 146	100.0%	100.0%
Gouvernement Provisoire - Rue du Gouvernement Provisoire 15, 1000 Brussels	2005	2 954	0.6%	684	100.0%	100.0%
Lambermont - Rue Lambermont 2, 1000 Brussels	2000	1 788	0.3%	396	100.0%	100.0%
Montesquieu - Rue des Quatre Bras 13, 1000 Brussels	2009	16 931	4.2%	5 089	100.0%	100.0%
Pachéco - Boulevard Pachéco 32, 1000 Brussels	1976	5 770	0.7%	807	100.0%	100.0%
Poelaert - Place Poelaert 2-4, 1000 Brussels	2001	12 557	2.5%	2 957	100.0%	100.0%
		87 153	16.7%	15 680	96.6%	98.6%
Brussels Leopold district						
Arts 28 - Avenue des Arts 28-30 and Rue du Commerce 96-112, 1000 Brussels	2005/-	16 793	4.0%	4 553	100.0%	100.0%
Arts 56 - Avenue des Arts 56, 1000 Brussels	2007	22 138	4.1%	4 168	89.9%	89.9%
Joseph II - Rue Joseph II 27, 1000 Brussels	1994	12 820	2.0%	3 134	100.0%	100.0%
Science-Montoyer - Rue Montoyer 30, 1000 Brussels	2011	5 180	1.1%	1 337	100.0%	100.0%
View Building - Rue de l'Industrie 26-38, 1040 Brussels	2001	11 075	1.8%	1 917	98.1%	98.1%
		68 006	13.0%	15 109	96.2%	96.2%
Brussels North district						
Quatuor - Boulevard Baudouin 30, 1000 Brussels	2021	6163	4.0%	363	36.8%	79.8%
World Trade Center - Tower 3 - Boulevard du Roi Albert II 30, 1000 Brussels	1983	76 810	11.3%	-	100.0%	100.0%
		138 423	15.3%	363	65.4%	88.9%
Brussels Airport						
Gateway - Brussels Airport - 1930 Zaventem	2017	38 070	6.4%	7 356	100.0%	100.0%
		38 070	6.4%	7 356	100.0%	100.0%

1. The fair value of every subportfolio is published on page 37 on this Report.

2. Construction year and year of the last renovation: 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 2021.

4. It is the collected rent in accordance with Appendix B of the Royal Decree of 13 July 2014.

5. Estimated Rental Value (ERV) of the rented surfaces / ERV of the building.

6. Estimated Rental Value (ERV) occupied and pre-let space / ERV of the building.

	Construction year or year of the last renovation ¹	Floor area for lease (in m ²)	Proportion of portfolio ² (in %)	Rent billed during the fiscal year ³ (€ thousand)	Spot occupancy rate ⁴ (in %)	Occupancy rate ⁵ (in %)
Brussels decentralised						
Goemaere - Chaussée de Wavre 1945, 1160 Brussels	1997	6 950	0.8%	813	82.7%	88.0%
Triomphe - Avenue Arnaud Fraiteur 15-23, 1050 Brussels	2014	18 577	2.6%	2 962	96.6%	96.6%
		25 527	3.4%	3 775	93.2%	94.5%
Brussels periphery						
Fountain Plaza - Belgicastraat 1-3-5-7, 1930 Zaventem	2012	17 757	1.6%	1 648	87.9%	87.9%
Ikaros Business Park (phases I to V) - Ikaroslaan, 1930 Zaventem	1990/2019 ⁶	45 821	3.6%	3 239	78.0%	83.4%
Ocean house - Belgicastraat 17, 1930 Zaventem	2012	4 623	0.2%	237	41.0%	41.0%
Waterloo Office Park - Drève Richelle 161, 1410 Waterloo	1992	1 980	0.3%	291	99.6%	99.6%
		70 181	5.6%	5 415	78.9%	82.2%
Wallonia						
Ath - Place des Capucins 1	1995	4 256	0.5%	626	100.0%	100.0%
Braine-l'Alleud - Rue Pierre Flamand 64	1977	2 340	0.2%	284	100.0%	100.0%
Eupen - Vervierserstrasse 8	1989	2 240	0.3%	315	100.0%	100.0%
Eupen - Rathausplatz	2018	7 184	0.8%	988	100.0%	100.0%
La Louvière - Rue Ernest Boucqueau 15	1997	6 116	0.8%	953	100.0%	100.0%
Liège - Rue Fragnée 2 - Paradis Tower	2014	37 195	5.7%	6 526	100.0%	100.0%
Malmedy - Rue Joseph Werson 2	2000	2 757	0.3%	367	100.0%	100.0%
Marche-en-Famenne - Avenue du Monument 25	1988	3 720	0.5%	575	100.0%	100.0%
Saint-Vith Klosterstrasse 32	1988	3 621	0.4%	403	100.0%	100.0%
		69 429	9.6%	11 037	100.0%	100.0%

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5. Estimated Rental Value (ERV) occupied and pre-let space / ERV of the building.
6. Ikaros Business Park - Phase II (buildings) 1-3, 2-4, 5-7 and 6-8.

	Construction year or year of the last renovation ¹	Floor area for lease (in m ²)	Proportion of portfolio ² (in %)	Rent billed during the fiscal year ³ (€ thousand)	Spot occupancy rate ⁴ (in %)	Occupancy rate ⁵ (in %)
Flanders						
Antwerpen - Amca - Italiëlei 4	1991/1992	58 413	6.8%	7 879	100.0%	100.0%
Antwerpen - Meir 48	19th century/1985	17 764	3.1%	3 737	100.0%	100.0%
Dendermonde - Sint-Rochusstraat 63	1987	6 453	0.9%	980	100.0%	100.0%
Diest - Koning Albertstraat 12	1995	2 869	0.4%	443	100.0%	100.0%
Halle - Zuster Bernardastraat 32	1985	7 440	1.0%	1 185	100.0%	100.0%
Herentals - Belgiëlaan 29	1987	3 296	0.4%	488	100.0%	100.0%
Ieper - Arsenaalstraat 4	1994	5 421	0.6%	689	100.0%	100.0%
Kortrijk - Bloemistenstraat 23	1995	12 137	1.5%	1 713	100.0%	100.0%
Leuven - Vital Decosterstraat 42-44	1993	16 719	1.8%	2 073	99.9%	99.9%
Oudenaarde - Marlboroughlaan 4	1963	4 701	0.5%	543	100.0%	100.0%
Roeselare - Rondekomstraat 30	1987	6 873	0.7%	862	100.0%	100.0%
Sint-Niklaas - Driekoningenstraat 4	1992	6 897	0.9%	986	100.0%	100.0%
Tervuren - Leuvensesteenweg 17	1980	20 408	1.2%	1 424	100.0%	100.0%
Tielt - Tramstraat 48	1982	4 180	0.4%	550	100.0%	100.0%
Tongeren - Verbindingsstraat 26	2002	7 710	1.1%	1 261	100.0%	100.0%
Torhout - Elisabethlaan 27	1985	1 284	0.1%	172	100.0%	100.0%
Vilvoorde - Groenstraat 51	1995	6 117	0.8%	969	100.0%	100.0%
		188 682	22.3%	25 954	100.0%	100.0%
Grand Duchy of Luxembourg						
Axento - Luxembourg city, Avenue JF Kennedy 44	2010	4 955	1.4%	1 468	93.6%	93.6%
Cubus - Rue Peternelchen, 2370 Howald Luxembourg	2010	4 955	1.4%	1 468	93.6%	93.6%
		17 202	6.1%	7 054	96.7%	96.7%
Properties available for lease		702 673	98.4%	91 743	90.1%	95.5%

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5. Estimated Rental Value (ERV) occupied and pre-let space / ERV of the building.

	Construction year or year of the last renovation ¹	Floor area for lease (in m ²)	Proportion of portfolio ² (in %)	Rent billed during the fiscal year ³ (€ thousand)	Spot occupancy rate ⁴ (in %)	Occupancy rate ⁵ (in %)
Antwerp Tower - Frankrijklei 5, 2018 Antwerp	Under construction	5 784	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%	-	-	-
PLXL - Boulevard Général Jacques 263G, 1050 Bruxelles	Redevelopment project in preparation	15 180	0,0%	2 481	-	-
Loi 44 - Rue de la loi 44, 1000 Brussels	End of occupancy mid-2021 Redevelopment project in preparation	6 290	0,0%	484	-	-
Loi 52 - Rue de la loi 52, 1000 Brussels	Redevelopment project in preparation	3 821	0,0%	-	-	-
Paradis Express - Rue Paradis 1, 4000 Liège	Under construction	21 208	1,5%	563	-	-
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%	13 021	-	-
Properties that are being constructed or developed for own account in order to be leased		232 786	1,5%	16 549	-	-
TOTAL INVESTMENT PROPERTIES		935 459	99,9%	108 292	-	-
Brugge - Boninvest 1	1996	2844	0,1%	169	-	-
Eeklo - Raamstraat 18	1993	3155	0,0%	432	-	-
Haacht - Remi van de Sandelaan 1	1985	2 744	0,0%	-	-	-
Nieuwpoort - Juul Filliaertweg 41	1982	2 868	0,0%	-	-	-
Seraing - Rue Haute 67	1971	2109	0,0%	253	-	-
Sint-Truiden - Abdijstraat 6	1984	3 932	0,0%	-	-	-
Torhout - Burg 28	1973	1 720	0,0%	-	-	-
PROPERTIES HELD FOR SALE		19 372	0,1%	854	-	-
TOTAL		954 831	100,0%	109 146	-	-

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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 2021.

CONTEXT

In accordance with Chapter III, Section F of the law of 12th of May 2014 on B-REITs, Befimmo has instructed an independent valuer to provide an opinion of value for its portfolio as at 31st December 2021. We have been mandated to value part of the Befimmo and Fedimmo portfolios while Cushman and Wakefield and CBRE valuation Services have been mandated to value other parts of the Befimmo and Fedimmo portfolios.

The part valued by Jones Lang LaSalle is principally the single let part in Brussels as well as development projects. Furthermore, we have consolidated the results of the valuation of which the main conclusions are listed hereunder. We are also responsible for determining the fair value of the right of use arising from leases under which Befimmo and/or Silversquare have obligations in their capacity as lessee. This request arises from the publication by the International Accounting Standards Board (IASB) of IFRS 16, effective for annual reporting periods beginning on or after 1 January 2019, which requires the lessee to recognise in the balance sheet a right-of-use asset and lease liability representing its obligation to make lease payments. This fair value, as defined in IFRS 16, is obtained by updating rent flows remaining until the end of the agreement, taking account of gratuities, benefits and other adjustments. As at 31st December 2021, the cumulative fair value of the right-of-use asset amounts to €36,530,944. The fair value of the right of use of land amounts to €1,848,795.

Jones Lang LaSalle has been active in Belgium since 1965 and has a long track record in valuing professional real estate. Cushman & Wakefield also indicate that they benefit from sufficient knowledge of the property markets

in which Befimmo and Fedimmo are active, as well as the required professional qualifications and recognition to fulfil this assignment. The mission of the valuers has been carried out in full independence.

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

OPINION

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

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

The static capitalisation is carried out in the form of a "Term and Reversion" valuation, with the current income based on contractual rents capitalised until the end of the current contract, and the ERV capitalised in perpetuity and brought to a net present value. It should be noted that this method of valuation applies a multiplier to the current

and future expected rent that is based on analysis of sales of comparable properties in the market. The multiplier depends on the yield that investors require when acquiring in this market. The yield reflects the risks intrinsic to the sector (future voids, credit risk, maintenance obligations, etc.). Where there are unusual factors specific to the property, then an explicit correction is made either, for example:

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

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

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

Ultimately it is supply and demand in the investment market that determines the price. For the financial accounting of a B-REIT and in accordance with the IAS/IFRS norms it is

✓

∨ common practice to use the fair value. Following a press release of the Belgian Association of Asset Managers (BEAMA), dated 8 February 2006 and as confirmed in the press release of the BE-REIT Association dated 10 November 2016, the fair value can be obtained by subtracting 2.5% transaction costs from properties with an investment value of more than €2,500,000. For properties with an investment value under €2,500,000 registration duties of 10% or 12.5% should be subtracted, depending on the region where they are situated.

In the light of all comments mentioned above, we confirm that the investment value of the consolidated Befimmo property portfolio as at 31st December 2021 amounts to a total of

€2,907,481,126 (Two billion nine hundred seven million four hundred eighty one thousand hundred and twenty-six 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 2021 amounts to a total of

€2,835,980,332 (Two billion eight hundred thirty five million nine hundred eighty thousand three hundred and thirty-two 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 4.75%. Should the vacant accommodation be fully let at estimated rental value, the initial yield is 5.25% for the same portfolio.

The occupation rate of the portfolio with properties available for lease is 95.54%.

Yours sincerely,

Brussels, 31st January 2022



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	2432.2	85.8%
Brussels CBD and similar	1 495.9	52.7%
Brussels decentralised	64.3	2.3%
Brussels periphery	80.9	2.9%
Wallonia	221.3	7.8%
Flanders	391.0	13.8%
Luxembourg city	178.8	6.3%
Properties that are being constructed or developed for own account in order to be leased	390.7	13.8%
Properties held for sale	13.1	0.5%
Total buildings	2 836.0	100.0%
Right of use of leased offices (IFRS 16)	36.5	
Right of use of land (IFRS 16) ¹	1.8	
Total of investment property	38.4	
Total	2 874.4	

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



MANAGEMENT REPORT

Environmental, Social & Governance report.

ESG RATIONALE

55

ESG FOUNDATIONS: STRATEGY AND GOVERNANCE (INDIRECT IMPACT)

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ENVIRONMENTAL AND SOCIAL PERFORMANCE (DIRECT IMPACT)

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ESG report.

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 in three sections:

- › **Befimmo's rationale** to invest in ESG summarises the link between the Company's history, DNA, purpose and ESG aspects, but also the key market trends shaping ESG strategy, and concludes with the ESG momentum for Befimmo.
- › **ESG foundations** explains the key "ESG enablers" that Befimmo has put in place, and will continue to reinforce, in order to reach ambitious environmental and social targets. Those enablers have an indirect impact on environmental (E) and social aspects (S), such as the governance structure (G), the non-financial reporting and the approach to define ESG priorities. In addition, this part includes the foundations 2030 Action Plan, i.e. all governance ambitions and achievements.
- › **The environmental and social performance** part is structured by means of concrete ambitions and achievements, therefore having a direct impact on the Company's overall performance. This chapter includes the second part of the 2030 Action Plan, including all E and S actions.

In this chapter, the reader is regularly referred to other pages within this Report for more information.



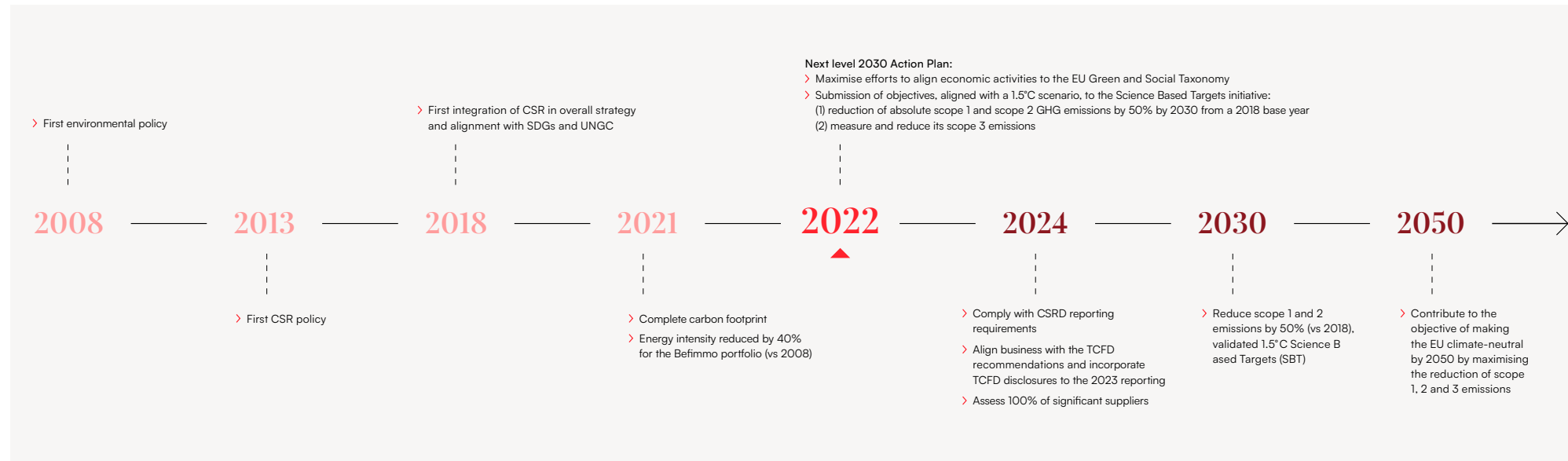
ESG rationale

BEFIMMO'S HISTORY, DNA AND PURPOSE

Since its creation in 1995, Befimmo has continuously been investing in sustainable and quality buildings, with the objective of offering its tenants attractive working spaces on the one hand, and a healthy dividend to its shareholders, of a yield level that is balanced in relation to its risk profile, on the other hand.

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 objectives 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.



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 financial part of the present Report), some specific trends are directly related to ESG aspects in particular.

» [OUR STRATEGY, P.17](#)

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).

As an illustration, the new operating model and reinforced specialisation across Befimmo's three new 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.17](#)



ESG foundations: strategy & governance (indirect impact)

ESG GOVERNANCE STRUCTURE

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 shareholders 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 objectives. 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, including ESG risks. 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.

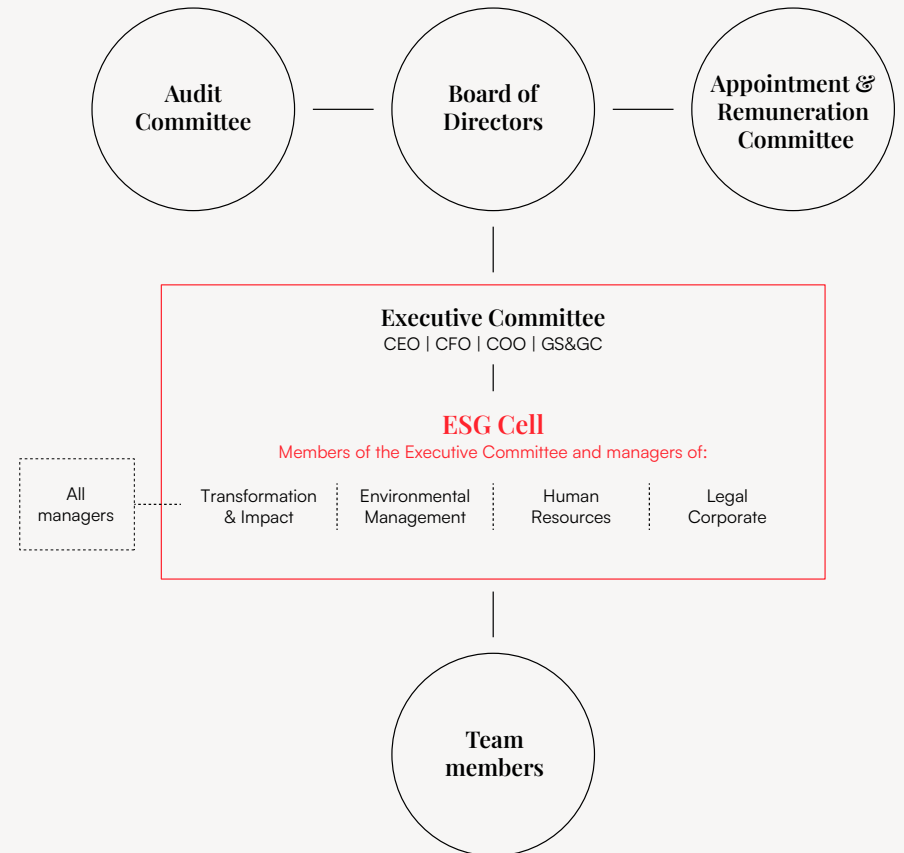
THE APPOINTMENT AND REMUNERATION COMMITTEE

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 and including, in addition to financial performance criteria, supplementary and measurable criteria related to its ESG policy and its commitments regarding climate change and corporate responsibility (setting up of specific ESG targets and metrics and conducting the assessment of performance related to those targets)
- implementing a long-term incentive plan spread over several years and rewarding the members of the Executive Committee with shares, subject to an obligation to hold them until the end of a waiting period, coupled with the obligation to hold a minimum number of shares for the duration of their mandate

→ ESG GOVERNANCE STRUCTURE





- ensuring diversity within the Board of Directors, the Executive Committee and following how diversity is reflected in the composition of the team

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.

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 the 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 seven strategic members:

- the Chief Executive Officer (CEO) (member of the Executive Committee)
- the Chief Financial Officer (CFO) (member of the Executive Committee)
- the Chief Operating Officer (COO) (member of the Executive Committee)
- the General Counsel & Secretary General GC&SG) (member of the Executive Committee)
- the Head of Environmental Management (HEM)
- the Head of Transformation & Impact (HT&I)
- the Head of Human Resources (HHR) (as from 2022)

This Cell meets at least three times a year.

Sustainability topics are also discussed every two weeks during Executive Committee and Manager meetings.

At the operational level

Sustainability topics are addressed on a weekly basis during department meetings of Transformation & Impact and Environmental Management.

TRANSFORMATION & IMPACT

The Head of Transformation & Impact, 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 Transformation & Impact team.

ENVIRONMENTAL MANAGEMENT

The Environmental Management team 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, Chief Commercial 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 objectives described in the 2030 Action Plan for each department are the driving force towards a more sustainable reflection.

NON-FINANCIAL REPORTING

Befimmo 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](#)
- a reference to the [GRI Standards 2021](#)
- the recommendations issued by [the Task Force on Climate-Related Financial Disclosures \(TCFD\)](#)

Today, Befimmo is also already aligning with future ESG legislation, namely the Corporate Sustainability Reporting Directive (CSRD), as it adopts the double materiality principle in its non-financial reporting.

CSRD as well as the EU Taxonomy will become the foundation for sustainability reporting. CSRD will enter into application for a large number of companies as from January 2023 (reporting year). Today, Befimmo is already working on integrating the requirements into its non-financial reporting. By doing so, the Company does not only get prepared for future regulations, but also defines a clear strategy to address questions from external stakeholders, which include rating agencies, investors and asset managers (through their regulatory obligations, namely the Sustainable Finance Disclosure Regulation - SFDR), and other standardisation bodies and organisations to whom Befimmo discloses information on voluntary basis. All future ESG regulations are described in detail in the Non-financial statements of the present Report.

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

✗ [NON-FINANCIAL STATEMENTS, 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.

APPROACH TO DEFINE 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 not a "one-off" exercise but rather 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 objectives to continue improving Befimmo's ESG performance.

External environment impact 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.

In addition, the Company 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, next to the two existing non-financial risks (environmental and social). These three risks are detailed in the Risk factors chapter of the present Report.

➤ [RISK FACTORS, P.172](#)

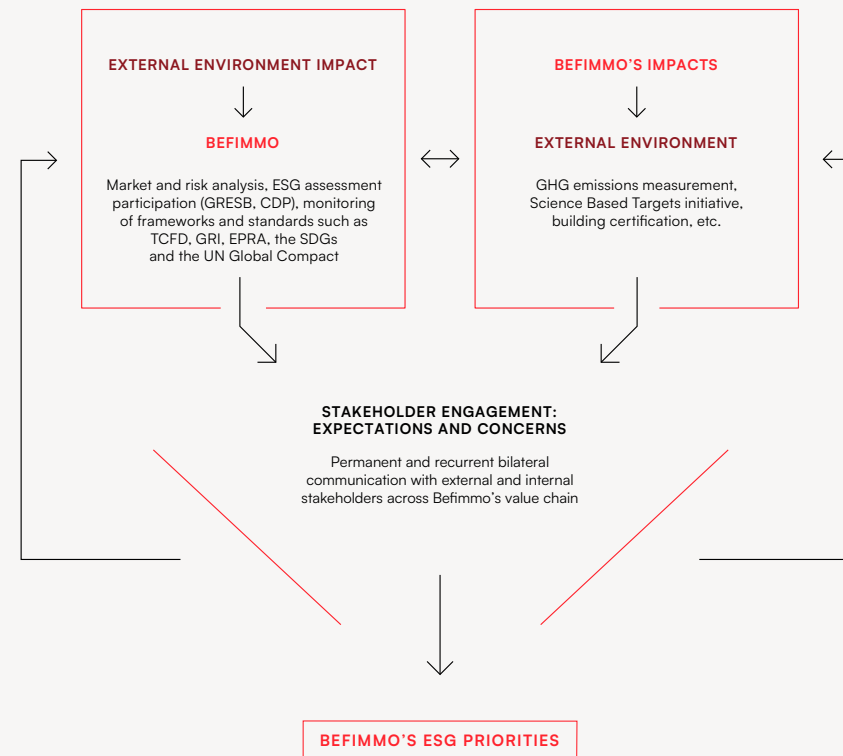
Each of these non-financial risks is closely monitored throughout the year by specific departments who will implement mitigation and prevention actions whenever necessary. The departments concerned are mainly Environment, Human Resources, Property Management and Legal Corporate.

Befimmo's impact on its external environment

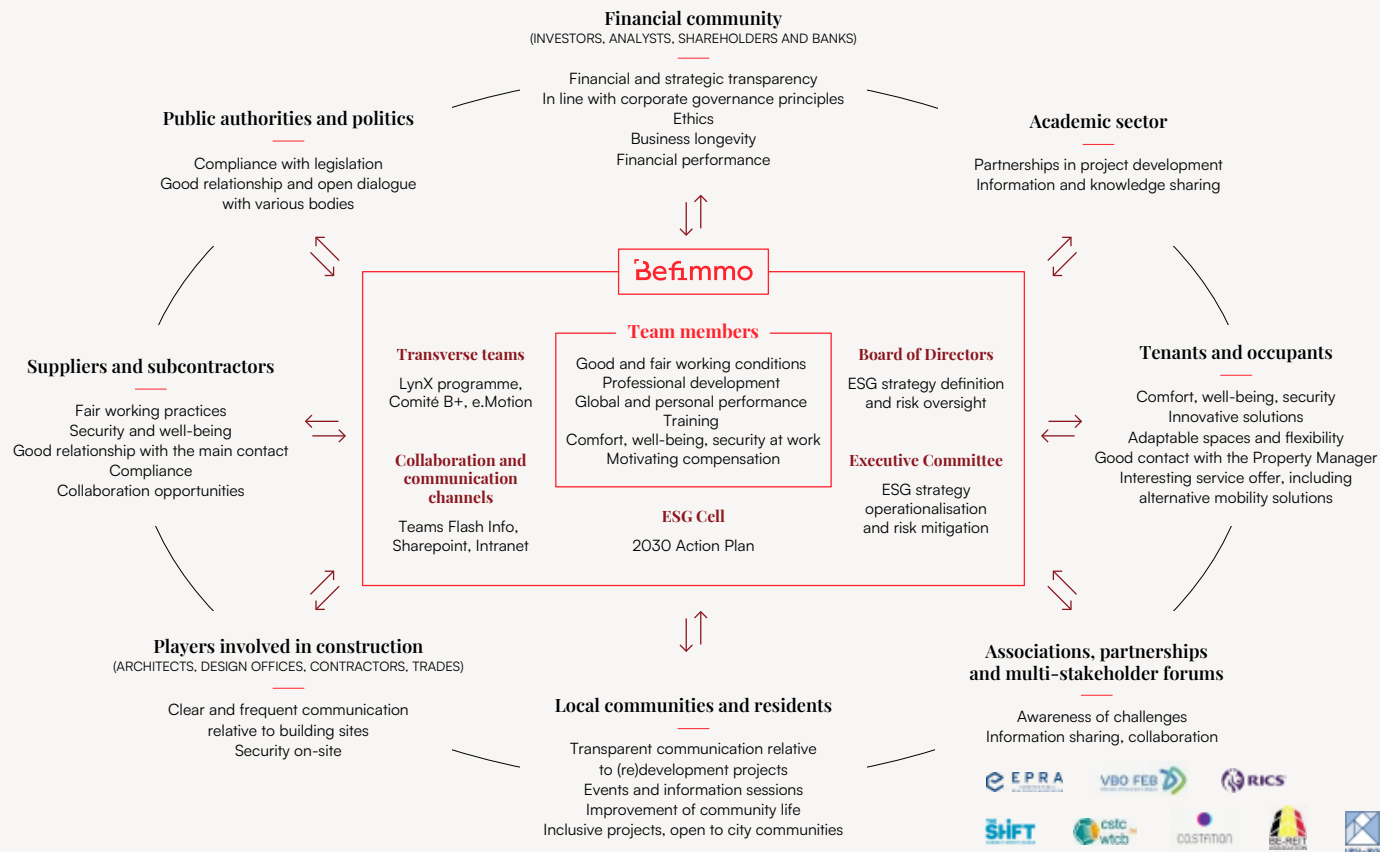
One of Befimmo's objectives is to manage and minimise the impact an organisation's activities have on an environment, to mitigate risks of harmful effects on the natural environment and protect the health of human being but also to ensure compliance with laws and regulations.

Befimmo firmly believes that the impact the organisation has on the economy, the environment and people is an integral part of its corporate communication and reporting framework. This includes a rigorous process of defining relevant topics, measure and report on performance indicators.

DOUBLE-MATERIALITY APPROACH



STAKEHOLDER AND COMMUNICATION APPROACH



In this context, Befimmo has always been a leading player in anticipating future evolutions, and adopting best practices from the market.

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.

But the Company is also open to communication and contacts from stakeholders. In addition to Befimmo's general contact data, the materiality exercises and the communication channels specific to certain stakeholders (such as the Helpsite for tenants), the Company has developed a new version of its whistleblowing policy early 2022. Its scope was extended to enable 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 infringement 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 2021, 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.264](#)

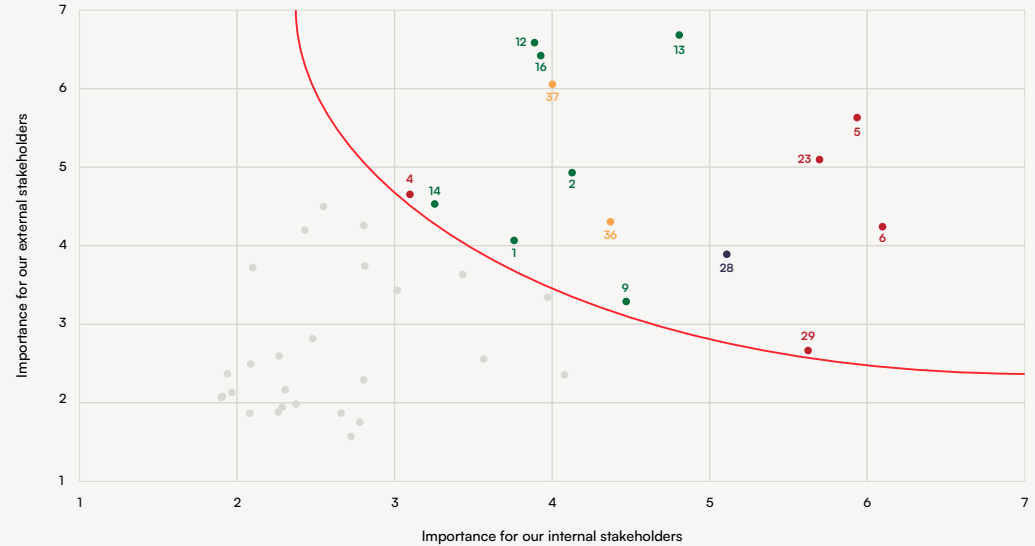
MATERIALITY EXERCISE

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.



MATERIALITY MATRIX



ENVIRONMENT

- 1 Architectural quality
- 2 Mixed functions
- 9 Flexibility and adaptability of the buildings
- 12 Biodiversity
- 13 Energy consumption
- 14 Water consumption
- 16 Circular economy

SOCIAL

- 4 Participation of stakeholders in the project development process
- 5 Safety and health of occupants
- 6 Comfort and well-being of occupants
- 23 Communication with occupants
- 29 Dialogue employee/employer

GOVERNANCE

- 28 Ethics and transparency

TRANSVERSE ISSUES

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

2030 ACTION PLAN: FOUNDATIONS

The foundations 2030 Action Plan is composed of priority enablers that address the governance dimension of the ESG strategy. It has mostly rather qualitative targets and contributes indirectly (i.e. through their enablement) to improve the environmental and social performance, described hereafter.



GOVERNANCE

- | BEHAVE ETHICALLY
- | USE ESG REGULATIONS TO ACCELERATE THE SUSTAINABILITY TRANSITION
- | ADOPT A DUE DILIGENCE STRATEGY
- | PROMOTE GREEN INVESTMENT OPPORTUNITIES
- | MAINTAIN A TRANSPARENT COMMUNICATION

The full 2030 Action Plan can be consulted in the Non-financial statements of this Report.

▮ [NON-FINANCIAL STATEMENTS: 2030 ACTION PLAN, P.274](#)



Behave ethically

WHY IS THIS IMPORTANT?

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.

ACTION(S)

- Publication of four new policies
- Preparation of the future Human Rights policy

2030 ACTION PLAN

ONGOING

Creation of a Human Rights policy
> Target: published by end 2022

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 BE-REIT 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
- 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 on 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.

LOOKING AHEAD

Befimmo wants to increase transparency for its stakeholders, sharing statements on how Befimmo positions itself regarding ESG aspects. In 2022, Befimmo will work on the implementation and training of the policies that were amended or newly adopted:

- Whistleblowing Policy (extended early 2022)
- Anti-Corruption Policy (adopted early 2022)
- Diversity and Inclusion Policy (codified early 2022)
- Philanthropy and Associative Partnership Policy (amended early 2022)

In addition, Befimmo intends to adopt a Human Rights Policy in the near future.



Use ESG regulations to accelerate the sustainability transition

WHY IS THIS IMPORTANT?

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.

ACTION(S)

Preparation and gradual alignment of non-financial reporting according to future ESG regulation requirements

2030 ACTION PLAN

ONGOING

Alignment with future ESG regulations
> Target: fully aligned by 2024

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.

❏ [NON-FINANCIAL STATEMENTS: GOVERNANCE, P.273](#)

❏ [PROMOTE GREEN INVESTMENT OPPORTUNITIES, P.67](#)

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 upcoming 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.



Adopt a due diligence strategy

WHY IS THIS IMPORTANT?

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.

ACTION(S)

- Creation of a new supplier code of conduct
- Development of a supplier assessment process

2030 ACTION PLAN

NEW OBJECTIVES

Part of the suppliers who signed the new code of conduct

> **Target: 100% by 2023**

Part of the significant¹ suppliers assessed

> **Target: 100% by 2024**

Part of the significant¹ suppliers engaged

> **Target: 100% by 2030**

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.166](#)

Suppliers

To further integrate the sustainability approach into its supply chain, Befimmo has drafted a sustainable procurement charter to clearly communicate the commitments it expects from its suppliers. This charter was published on the Befimmo website in early 2018 and adherence is included in the standard terms and conditions required of all suppliers.

Next to raising awareness among its supply chain, Befimmo also assessed its 200 most important suppliers (representing 80% of the overall purchases) in 2020, in order to determine if they are on the same page regarding environmental, social, and governance aspects. Befimmo gained valuable information which it analysed thoroughly. This first exercise prepared the Company to work on a global framework for all its suppliers. This global framework included the reflection, in 2021, on the adoption of a

[Supplier Code of Conduct](#) and the implementation of an assessment process for the Befimmo suppliers.

Subsidiaries

Befimmo's ESG strategy is implemented at group level. The following subsidiaries are thus already fully aligned with Befimmo's ESG strategy: Befimmo Property Services SA/NV, Fedimmo SA/NV, Axento SA, Meirfree SA/NV, Vitalfree SA/NV, Loi 52 SA/NV, ZIN in Noord SA/NV, ZIN In Noord 2025 SA/NV and Kubissimmo SARL.

Silversquare, another subsidiary of Befimmo, operates coworking centres and jointly develops a Belux network of flexible workspaces, allowing users to combine work locations in ways that promote creativity, innovation and networking. It is core to Befimmo's strategy, answering to the increasing interest of companies in hybrid workspace solutions.

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 2022, Befimmo will finalise its new supplier code of conduct and determine the best way to disseminate the documents to all suppliers. The Company will also implement a supplier

assessment process for all suppliers "at risk", according to its due diligence procedure. The tool for this supplier assessment will be determined in 2022 as well.

Regarding the onboarding of subsidiaries in the global ESG strategy, a first concrete action will be put into place with Silversquare in the course of 2022. The company has been working with an external partner in order to determine and analyse the carbon footprint of its activities.

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, starting with Sparks.

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

Promote green investment opportunities

WHY IS THIS IMPORTANT?

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

ACTION(S)

- First investment within the Green Financing Framework
- Preparation of a Sustainability Linked Loan Framework

2030 ACTION PLAN

NEW OBJECTIVE

Implementation of a Sustainability Linked Loan Framework

> **Target: implemented in 2022**

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.

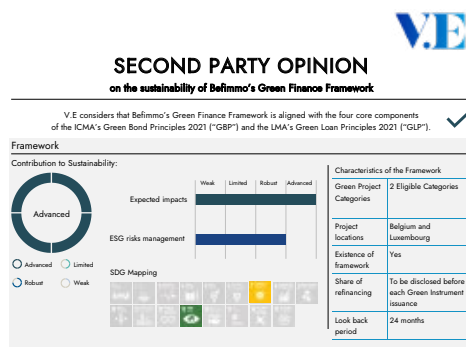
As a whole, the framework sets out to provide the investors with the necessary information to evaluate the environmental impact of their investment. Therefore, the Company defined a set of criteria for selecting projects eligible to be financed or refinanced by the proceeds of any financing issued under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

At yearend, Befimmo had €376 million in eligible projects and at least an additional €355 million of eligible projects in its development pipeline.

In 2021, Befimmo issued its first green financing for a total amount of €50 million. The proceeds have been used to finance part of the Quatuor project.

LOOKING AHEAD

In the course of 2022, 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 to its investors. Therefore, it aims to introduce 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.



Project	Quatuor	Paradis Express	ZIN	Total eligible projects
Surface	61 613 m ²	21 208 m ²	114 692 m ²	197 513 m ²
Project start date	01/01/2018	01/06/2019	01/10/2020	-
Project delivery date	31/03/2022	31/03/2022	30/04/2024	-
Capex spent	€168.7 million	€50.2 million	€135.3 million	€354.2 million
Capex to spend	€10.9 million	€9.5 million	€334.6 million	€355.0 million
Certification	BREEAM Outstanding in Design phase	BREEAM Excellent in Design phase	-	n.a.

Maintain a transparent communication

WHY IS THIS IMPORTANT?

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

ACTION(S)

- Permanent analysis of all relevant investor assessments
- Increased participation in stakeholder assessments and therefore improve Befimmo's transparency in terms of ESG aspects

2030 ACTION PLAN

3

Number of annual participations in investor 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 from investors 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.116](#)

✗ [NON-FINANCIAL STATEMENTS: GRI CONTENT INDEX, P.245](#)

✗ [NON-FINANCIAL STATEMENTS: TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES \(TCFD\), P.248](#)

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



RECOGNITIONS



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.

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Environmental & Social performance (direct impact)

2030 ACTION PLAN

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



ENVIRONMENT

- | CONTRIBUTE TO CLIMATE CHANGE MITIGATION
- | CONTRIBUTE TO CLIMATE CHANGE ADAPTATION
- | CONTRIBUTE TO THE SUSTAINABLE USE AND PROTECTION OF WATER
- | CONTRIBUTE TO THE TRANSITION TO A CIRCULAR ECONOMY
- | CONTRIBUTE TO POLLUTION PREVENTION AND CONTROL
- | CONTRIBUTE TO THE PROTECTION & RESTORATION OF BIODIVERSITY
- | USE CERTIFICATION SYSTEMS TO DELIVER SUSTAINABLE ASSETS
- | CREATE INNOVATIVE AND SUSTAINABLE BUILDINGS
- | PROVIDE BUILDINGS ACCESSIBLE THROUGH SUSTAINABLE TRANSPORT SYSTEMS
- | REDUCE THE ENVIRONMENTAL IMPACT OF THE TEAM



SOCIAL

- | TAKE CARE OF THE TEAM AND THE COMMUNITY
- | BUILD AND ANIMATE COMMUNITIES
- | IMPROVE COMFORT, SECURITY AND SAFETY
- | INTEGRATE BUILDINGS INTO CITIES

The full 2030 Action Plan can be consulted in the Non-financial statements of this Report.

▣ [NON-FINANCIAL STATEMENTS: 2030 ACTION PLAN, P.274](#)



ENVIRONMENTAL PERFORMANCE

Contribute to climate change mitigation

WHY IS THIS IMPORTANT?

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 CO₂e emissions.

ACTION(S)

- Finalisation of a complete carbon footprint of the activity
- Submission of objectives for scope 1 and 2 emissions to SBTi
- Integration of the CRREM Tool in the Enterprise Risk Management

DESCRIPTION AND APPROACH

In order to measure the efforts already made and those still to be made to achieve the objectives 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 CO₂e 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 [DGNE](#) frameworks and/or on minimum technical requirements developed in-house and integrated into a quality matrix. With this approach and objective, 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 by the Environmental Technical Team, composed of five 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.

2030 ACTION PLAN

26%

Reduction of absolute scope 1 & 2 GHG emissions
> **Target: reduction of 50% by 2030 (vs 2018)**

21%

Increase of specific scope 1 & 2 GHG emissions
> **Target: reduction of 50% by 2030 (vs 2018)**

NEW OBJECTIVE

Reduction on 2/3 of absolute scope 3 GHG emissions
> **Target: reduction of 2.5% per year until 2030 (vs 2018)**

88%

Part of green electricity consumption of landlord-controlled buildings
> **Target: 100% by 2023**

1,124 kWp

Renewable installed capacity
> **Target: 2,200 kWp by 2025**

175 kWh/m²

Energy intensity of landlord-controlled buildings
> **Target: 95 kWh/m² by 2030 (vs 2018)**

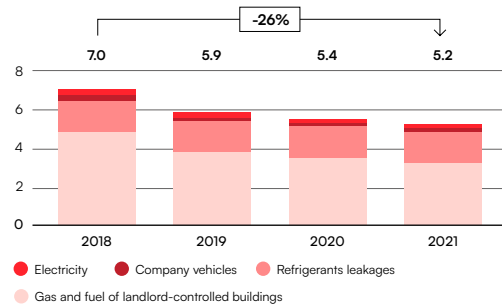
Definition of Science Based Targets (SBTi)

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 CO₂e emissions for each of the scopes.

Scopes 1 and 2

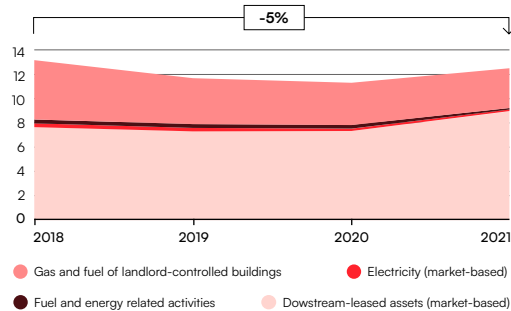
Befimmo confirms its commitment to SBT in order to reduce absolute CO₂e emissions related to scopes 1 and 2 by 50% by 2030, compared to the base year 2018.

SCOPE 1 & 2 EMISSIONS (MARKET-BASED) ktCO₂e

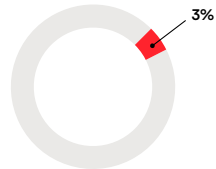


In 2021, the total absolute reduction achieved compared to 2018 is 26% while energy-related emissions over the same period have decreased by 5% despite an increase in emissions from tenant-controlled buildings.

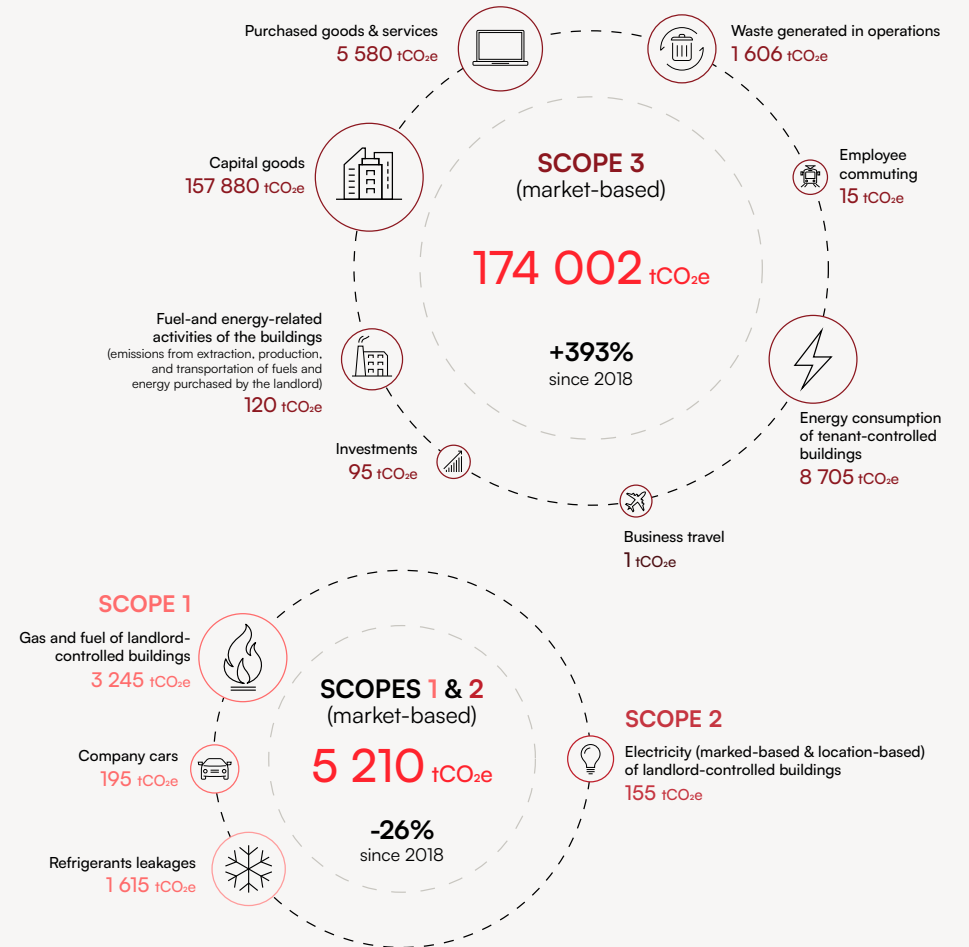
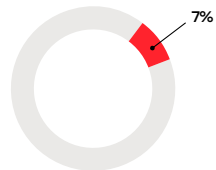
ENERGY-RELATED EMISSIONS (MARKET-BASED) ktCO₂e



SCOPE 1 & 2 EMISSIONS (% TOTAL CARBON FOOTPRINT IN 2021)



ENERGY-RELATED EMISSIONS (% TOTAL CARBON FOOTPRINT IN 2021)





The reduction target of 33% of specific energy-related emissions for its portfolio (scopes 1, 2 and 3) disclosed since 2017 was also revised to contribute to the main 50% reduction target for overall scope 1 and 2 absolute emissions by 2030 (adjustment of scopes and base year from 2016 to 2018).

Befimmo is therefore committed to achieving an average level of specific emissions related to the energy consumption of landlord-controlled buildings (scopes 1 and 2) equal to 8 kg CO₂e/m², i.e. a reduction of 50% compared to 2018.

The specific emission reduction target is composed of two sub-targets:

1. 50% reduction of CO₂e emissions linked to fuel (gas, oil) of landlord-controlled buildings
2. 100% reduction of CO₂e emissions linked to electricity and heat of landlord-controlled buildings

Scope 3

Given that a very large proportion of Befimmo's total emissions fall within scope 3, the Company is committed to reducing them by 2.5% per year until 2030, compared to 2018, on two thirds of its absolute emissions in scope 3, in accordance with the SBT recommendations for the 1.5°C scenario.

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.

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 CO₂e 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 right clearly illustrates the fact that Befimmo began reducing the scope 1 and 2 emissions of the buildings under its control in 2008. The efforts made over many years are visible and the reduction curves are perfectly aligned with the trajectories envisaged by CRREM to aim for net zero carbon by 2050.

Befimmo, on the basis of its strategy and known projects up to 2030, is confident in its ability to maintain and achieve its objectives, even if the proposed trajectories were to be revised to accelerate the transition to a low-carbon economy.

In 2021, the specific emissions (18.9 kg CO₂e/m²) of landlord-controlled buildings are higher than in the base year 2018 (15.6 kg CO₂e/m²). This return to earlier values in 2021 is due to the pandemic (obligation to over-ventilate buildings) and the retroactive update of the CO₂e emission factors. The prediction model was revised at the end of 2021 in order to take account of Befimmo's strategic decisions. A return to values in line with the reduction targets is expected from 2022 onwards, in particular due to the return to the portfolio of certain high-performance buildings.

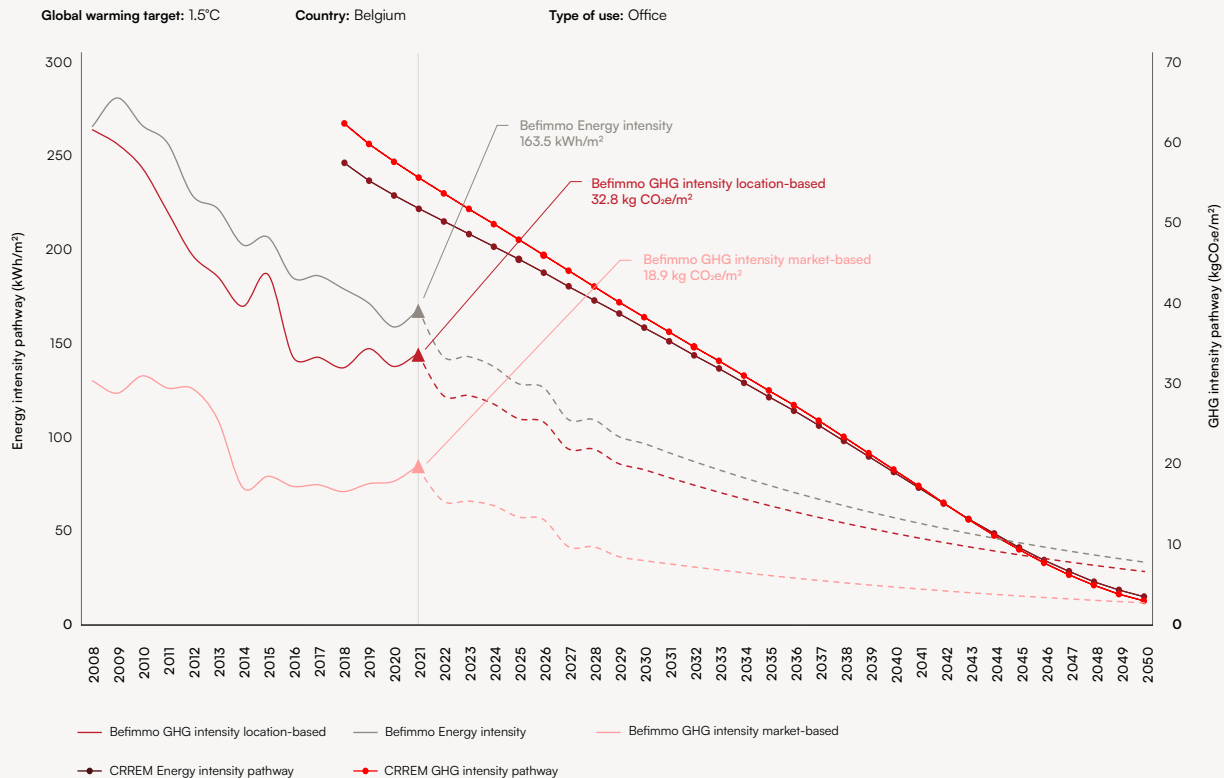
Befimmo complements its CO₂e reduction targets with a target to reduce the specific energy consumption of landlord-controlled buildings. In 2018 the value obtained is 175 kWh/m² while its objective is to reach 95 kWh/m² by 2030.

Role and importance of energy performance

The energy performance of buildings plays a key role in achieving Befimmo's ambitious targets for reducing CO₂e emissions by 2030-50.



BEFIMMO'S ENERGY AND GHG PERFORMANCE AGAINST THE CRREM BENCHMARK



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 CO₂e 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 50% 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 2021 is 6% higher than in 2020. This is mainly due to higher fuel consumption for heating buildings. The latter were over-ventilated in order to address the pandemic, while the need for heat was greater due to less favourable weather conditions compared to 2020.

The specific electrical energy consumption in 2021 of landlord-controlled buildings is stable and in line with 2020. The latter were abnormally low due to the pandemic and the lower use of the premises.

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

By 2030, Befimmo aims to reduce its direct CO₂e emissions linked to the purchase of heating fuels for landlord-controlled buildings by 50%.

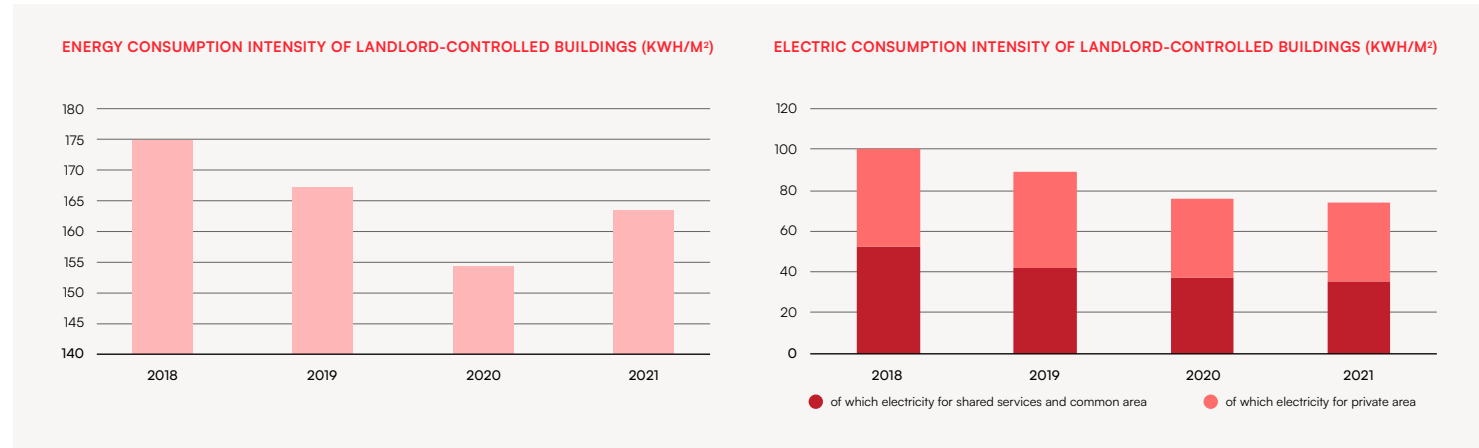
In order to achieve this target, (re)development projects are designed to reduce heating demand as much as possible (high insulation performances, optimisation of external gains, etc.) by answering those needs with alternatives to the fossil fuel solutions such as geothermal energy and/or heat pumps,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

Electricity supply contract for the portfolio

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

To ensure that the electricity consumed in all the buildings under its control is green, Befimmo has set itself the objective, as soon as technically and administratively possible, of taking over the meters of private electrical installations it does not control and bringing them under a green energy contract that already covers more than 88% of the total portfolio consumption.

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



3,067 M²
of solar panel (566 kWp) and 460 kWth closed loop geothermal system for Quatuor

6,877 M²
of solar panel (1,124 kWp) for the portfolio



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 CO₂e reduction plan by developing and completing its strategy with the help of SBTi, CRREM and its carbon footprint.

Most of its (re)development projects include solar panels; by 2025 Befimmo aims to double the installed capacity (kWp). To possibly exceed this objective, studies are also underway on the possibility of equipping certain existing buildings, either through self-financing or via a third-party investor.

In parallel, Befimmo will 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 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. Both teams are working will continue to work together to reduce the carbon footprint of their activities.

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 objective of making the EU climate-neutral by 2050, in line with the Paris Agreement.

ACTION(S)

First implementation of the TCFD recommendations in order to contribute to the objective 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 2023**

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.248

LOOKING AHEAD

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



Contribute to the sustainable use & protection of water

WHY IS THIS IMPORTANT?

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.

ACTION(S)

Installation of a leak detection device complemented by motion and automatic shutdown detectors on the sanitary blocks for the Arts 56 building - reduction of water consumption by over 50%

2030 ACTION PLAN

175.8 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.

22 BUILDINGS

equipped with rain or ground drainage system

→ 24% of portfolio (m²/m²)

The specific water consumption of portfolio is significantly lower (-18%) in 2021 than in 2020. The low level of consumption is mainly due to a decrease in building occupancy as a result of the pandemic.

LOOKING AHEAD

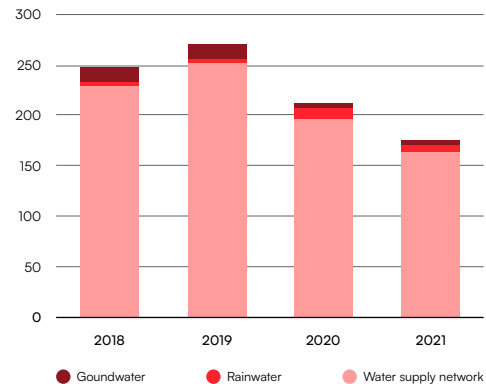
Befimmo will continue to monitor consumption, replacing obsolete equipment with high-performance equipment, and raising awareness among users as well as maintenance companies.

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.

4,600 M³ OF RAINWATER RECOVERED

→ 4% of total annual consumption

WATER CONSUMPTION INTENSITY (L/M²)



Contribute to the transition to a circular economy

WHY IS THIS RELEVANT?

The sector construction in Europe is responsible for more than 35% of total waste generation. It also generates a very large share of greenhouse gases and consumes 50% of all extracted materials.

ACTION(S)

Realisation of an inventory of the existing material with reuse potential before each renovation

2030 ACTION PLAN

100%

Part of the projects¹ subject to an inventory of materials

> Target: 100% (permanent target)

84%

Part of adaptable projects²

> Target: 100% by 2030

1. Projects: committed ongoing (re)development projects (ZIN).
2. Projects: committed ongoing (re)development projects (Paradis Express, ZIN).

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 2021, 55% of operational waste was diverted from landfill or incineration. For construction waste, the recycling rate was 93% and less than 1% was sent to landfill.

In addition, on the small renovation sites in progress in 2021, about 20 tonnes of materials has been sent to a reuse channel.

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, as of 2022, establishing a minimum level of reuse to be reached for in each project.



Contribute to pollution prevention & control

WHY IS THIS IMPORTANT?

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).

ACTION(S)

Realisation of an overview of the soil condition of the portfolio

2030 ACTION PLAN

ONGOING

Strengthen and improve selection criteria for building materials

> **Permanent target**

DESCRIPTION AND APPROACH

Materials and products choice

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 (brownfield). These studies are also consistent with the expectations and criteria of the EU Taxonomy.

In addition, in 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 2021 Befimmo launched a study 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 continue in 2022 and will also include consideration of the EU Taxonomy criteria.



Contribute to the protection & 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.

ACTION(S)

Detailed study on six sites

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 2021 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

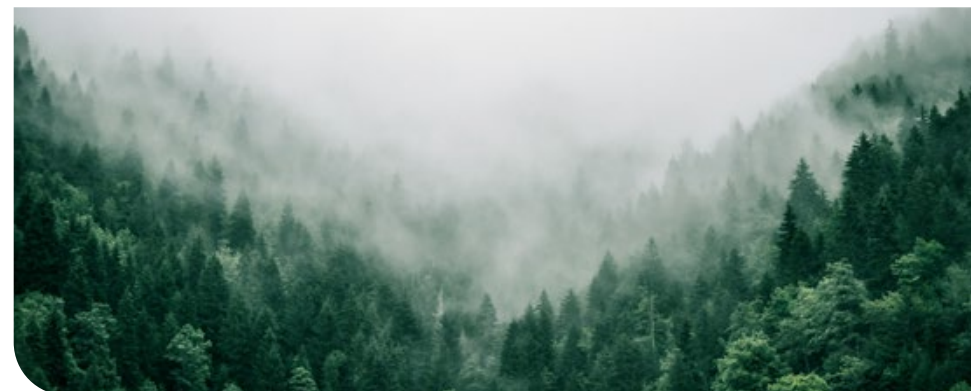
financial feasibility. The first measures, including an analysis of maintenance contracts for the surroundings, were implemented in 2021 and will continue in 2022.

LOOKING AHEAD

The implementation of improvement measures for the six sites identified during the study of biodiversity will provide concrete results as early as 2022, while all sites identified in the first phase will be the subject of particular attention by 2030.

During 2022, the maintenance contracts for the green spaces of the identified sites will be adapted in order to eliminate, as far as possible, all herbicides, plant only indigenous species, and maximise flowering meadows.

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 objective assessment and definition of the sustainability of buildings. Certifications give investors a comparable indication of portfolio performance.

ACTION(S)

Renewal of the Eve® ecolabel for the Goemaere site

2030 ACTION PLAN

100%

Part of certified projects¹

> **Target: 100% (permanent target)**

2.8%

Part of "In-Use" certified portfolio

> **Target: 35% by 2022**

65%

Part of eligible portfolio covered by an energy performance certificate

> **Target: 100% by 2022**

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.

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.

Befimmo has made the strategic choice until 2021 to renew the certificates of these buildings only if any work carried

out can justify an improvement in the score obtained. This explains the low number of buildings with a valid certificate.

▫ [NON-FINANCIAL STATEMENTS: ENVIRONMENTAL PERFORMANCE, P.259](#)

▫ [EPRA SUSTAINABLE PERFORMANCE INDICATORS, P.116](#)

Energy Performance Certifications

The energy performance of buildings is also reflected in their EPC level. Befimmo holds energy performance certificates for most of its buildings in Brussels Region (65%). It aims to certify 100% of its buildings in Brussels² by 2022. The class of certificates for buildings constructed before the 31 December 2020 is aligned with the requirements of the EU Taxonomy.

▫ [NON-FINANCIAL STATEMENTS: ENVIRONMENTAL PERFORMANCE, P.259](#)

▫ [EPRA SUSTAINABLE PERFORMANCE INDICATORS, P.116](#)

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 2021. The relevant lessons from this certification are used for the implementation of improvement measures for sites with biodiversity improvement potential.

LOOKING AHEAD

Once the In-Use BREEAM/DGNB recertification has been achieved in 2022, Befimmo will evaluate the interest and possibilities of raising the scores obtained.

1. Projects: committed ongoing (re)development projects (Paradis Express, ZIN).
2. The total surface area of buildings in operation in Brussels is 354,508 m².

Create innovative & 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.

ACTION(S)

- Design of buildings in line with the circular economy principles
- Implementation of smart installation techniques in the Befimmo portfolio
- Use of BIM for all current and future (re)development projects

2030 ACTION PLAN

84%

Part of innovative projects¹
> Target: 100% by 2025

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

DESCRIPTION AND APPROACH

Befimmo aims to create innovative projects through various techniques such as well-thought use of resources, BIM and smart building.

Use of resources

The achievement of Befimmo's environmental objectives is based on the respect of its minimum requirements and on the follow-up of ambitious environmental certifications, but also, for each project, on the search for the best applicable materials, techniques and technologies. In this respect, ZIN has distinguished itself by, among other things, the large-scale use of concrete made from recycled aggregates and by requiring C2C certification for a large number of materials. The projects currently being designed are pursuing this same philosophy, for example by aiming to maximise reuse and upcycling or by seeking materials with low-carbon and environmental impact.

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.)

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 (namely through the Befimmo App)
- 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

Still with a view to improving the circularity of projects and systematizing the implementation of materials passports, Befimmo initiated in 2021 an analysis of several circular resource management platforms. This work should be completed in 2022 on a strategy to be applied to all projects.

Regarding the implementation of smart technology, Befimmo's ambition is to transform or develop 90% of the core asset portfolio as Smart Building by 2025.

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. Most of 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.

ACTION(S)

- Development of 12 accessibility sheets
- Integration of the parking management system in the Befimmo App
- Development of soft mobility services and solutions
- Installation of additional charging stations

2030 ACTION PLAN

67%

Part of the portfolio that offers real mobility solutions

> Target: 100% by 2030

5%

Part of the portfolio equipped with at least 30% of car parking spaces with a charging point

> Target: 100% by 2030

DESCRIPTION AND APPROACH

With its 5-city approach, Befimmo wants to concentrate on key growing cities in line with sector realignment and growth opportunities. These cities have been selected, among others, based on their excellent accessibility by public transport.

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 2021, 67% 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. Befimmo will continue to draw up an inventory of mobility solutions for each priority buildings during 2022. This inventory makes it possible to identify the buildings that are easily accessible by public transport and others soft mobilities but also offer mobility solutions and the quality of this solutions.

12

accessibility sheets developed in 2021

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 new 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.

At Central, Befimmo also offers five shared bicycles to its tenants, which available through an application.

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.

During 2021, Befimmo worked on the digitalisation of its services, including the dematerialisation of the car park management in its smart buildings. The parking management system has been integrated into the Befimmo App, in order to offer a dynamic and efficient management of the parking spaces and access control. In addition to this service, Befimmo offers even more options to its users in order to manage their parking spots more efficiently (data, reporting, etc.) and to improve the user experience of their employees.

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 [UPS](#), the fire department of Brussel,

> 350 CHARGING POINTS
IN 22 BUILDINGS

the insurance company and other experts in order to analyse each opportunity to install charging stations.

In its (re)development projects, Befimmo is maximising the number of charging stations 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:

- creation of additional accessibility sheets for the strategic buildings
- development of new bicycle parking and facilities based on the exemplary parking at Central
- extension of the shared bicycles to other buildings in Brussels
- development of the functionalities of the parking management system: management of the tenants, reporting, usage analyses, mutualisation of spaces, etc.
- provision of an efficient charging management system through the parking management system
- preparation of solutions to be compliant for the [Cobrace](#) legislation in Brussels

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.

ACTION(S)

- Implementation of the federal mobility budget
- Implementation of a parking policy
- Use of parking management system
- Innovative energy management system

2030 ACTION PLAN

88%

Part of electronic incoming invoices
> **Target: 100% by 2022**

91%

Part of electronic outgoing invoices
> **Target: 100% by 2022**

24%

Part of the team who changed their mobility
> **Target: 40% by 2025**

NOT MEASURED

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:

- participation of the team in a mobility game
- organisation of bicycle trainings in Brussels

For the team members who are eligible for a company car, already 24% choose for a mobility budget or for an electrical, hybrid or CNG vehicle. After five months in its new headquarters, 59% of the team take public transport and 6% use a bicycle to get to work. Only 30% of the team members use their cars to reach the Central.

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 2021, average emissions per vehicle (CO₂e/km) across the fleet were 12% lower than in 2016 - the result of applying an updated car policy to new and replacement vehicles. Vehicle-related CO₂e emissions fell by 17%, from 303 tonnes in 2019 to 251 tonnes in 2021. End of 2021, less than 12% of the cars in order are with a thermic motorisation against 65% of plug-in hybrid and 23% of electric.

Energy consumption

Electricity and gas consumption increased overall in 2021 compared to 2020. Part of this increase can be explained by the fact that 2020 was a particularly warm year compared to 2021 and that air flows of offices were increased due to the pandemic, despite lower occupancy of the premises in line with the rest of the portfolio.

In its new 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 CO₂ 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 and which is currently in the testing phase. Data from all the building's sensors (presence detection, temperature, CO₂, 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

Due to the pandemic and headquarters move, it was impossible to compare waste production and paper use with previous years. Befimmo will take up the reduction initiative and measurement of produced waste quantities with the aim of achieving zero waste by 2030.

LOOKING AHEAD

Befimmo will continue to promote green mobility, no longer with a car policy but rather with a mobility policy, where all team members can manage their mobility according to their needs and in combination with other mobility alternatives (public transport, soft mobility, etc.).

12%

OF TEAM MEMBERS
CHOSE THE FEDERAL
MOBILITY BUDGET

SOCIAL PERFORMANCE

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.

ACTION(S)

- Headquarter move
- Mobility policy
- New home working charter

2030 ACTION PLAN

89%

Overall team satisfaction rate
> **Target: 95% (permanent target)**

4.2/10

Workload satisfaction
> **Target: 8/10 (permanent target)**

6/10

Work-life balance satisfaction
> **Target: 8/10 (permanent target)**

50%

Participation level to transverse working groups
> **Target: 75% by 2030**

KEY EVENTS OF 2021

CENTRAL: new headquarters in the heart of Brussels

The Befimmo team has once again demonstrated its great capacity to adapt by moving to offices in the heart of the capital and close to public transport. Thanks to a mobility policy Befimmo has offered its team multiple ways of getting around for home-workplace and business trips. The new workspace is welcoming, warm, well-equipped and above all comfortable!

A return to work in hybrid mode

In the spring of 2021, Befimmo adopted a homeworking charter that is resolutely empowering and flexible. Team members have a great deal of autonomy in organising their working hours, including homeworking days, which are normally set at two days a week. The Company believes that autonomy in work as well as flexibility and thus work-life balance is a key factor for engagement. In Befimmo's satisfaction survey, the feeling of autonomy reached an excellent score of 7.8.

The CEO transition

For a stable team such as Befimmo's, the change of CEO was a major challenge and an opportunity to question itself. The arrival of Jean-Philip Vroninks on 1 June brought a breath of fresh air and a new perspective on its practices. A change management plan was presented at the end of 2021. Befimmo's new strategy is of course accompanied by an adapted HR policy that aims to support change, the culture of personal and collective development, performance and well-being. This will take the form of the adoption of a talent management tool, which will be launched in early 2022.



BEFIMMO'S HR PILLARS

Befimmo's teams are committed, dynamic and optimistic. They have developed exceptional know-how over the last 25 years 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. Furthermore, the arrival of a new CEO and the evolution of the Company are an incredible opportunity to put the three pillars of the HR philosophy at the service of Befimmo's strategy while continuing to place the human aspect at the heart of its concerns.

The three pillars of the HR philosophy are briefly explained hereafter. In order to access the full HR information, please consult the [dedicated document of HR philosophy](#) published on the corporate website.



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 increasingly 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. The Company therefore enables its team to access high-quality training courses and development opportunities in order to increase effectiveness within their work.

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 such as a mandatory introduction to governance documentation and an ISO 14001 training.

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

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.

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

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 has an aligned, open, and diversified pay policy, without any difference made based on gender, origin, belief, or sexual orientation. The salary package includes, among others, a base salary according to the Joint Committee 200 and a series of non-financial benefits such as meal vouchers, a broad health-care coverage, and extensive mobility solutions.

Ensure social dialogue

Befimmo complies with the rules set out in the [Belgian labour law](#), such as child labour abolition, the minimum age for employment, minimum wage, and working hours. The Company also applies 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](#)

Befimmo aims to always keep a human-centred approach and open dialogue with its entire team on all subjects. In terms of major changes within the Company, no reorganisations have taken place at Befimmo since its creation. If however a reorganisation were to occur, a fair approach would be applied. The number of weeks' notice provided to team members prior to the implementation of significant operational changes that may considerably affect them is in accordance with Belgian law.

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 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

Gender diversity

Befimmo has a great gender balance within its team (54%-46% 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. 12% of the team members is younger than 30, while 20% 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

Diversity

The visible and non-visible characteristics of each individual

Inclusion

The visible and non-visible characteristics of each individual

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 2021 fiscal year, there were no cases of discrimination reported.

In 2021, Befimmo also decided to appoint 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).

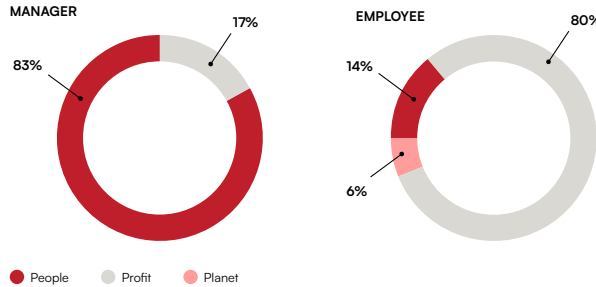
▣ [UNDERTAKE SOCIAL ACTIONS, P.90](#)

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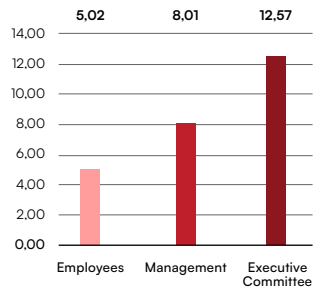


Befimmo promotes the integration of young workers by taking on trainees. In the future, the Company would like to encourage each team to train one young worker per year. Several team members are active in higher education, either by giving lectures or by proposing moments of exchange with students.

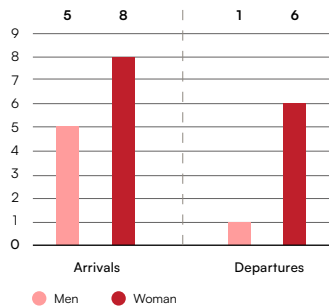
BREAKDOWN OF TRAINING HOURS, EXCLUDING LANGUAGE AND IT TRAINING



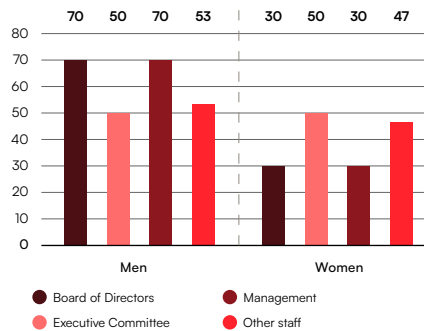
AVERAGE SENIORITY (YEARS)



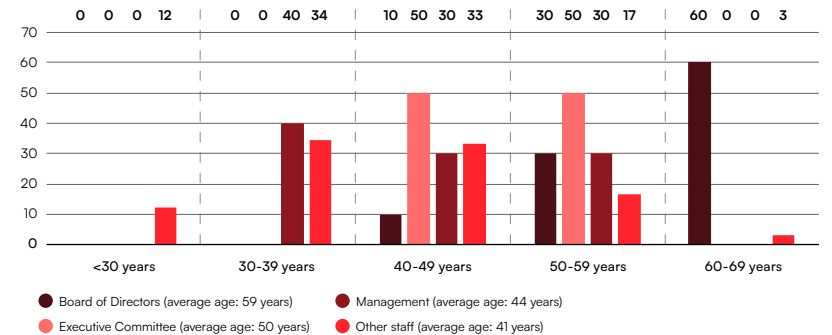
ARRIVALS/DEPARTURES (UNITS)



BREAKDOWN MEN/WOMEN (%)



BREAKDOWN AGE (%)



100

TEAM MEMBERS¹
with employee status and a permanent contract

54% MEN

46% WOMEN
Gender diversity

13 NEW STAFF MEMBERS

- 5 men and 8 women
- average age: 35
- EPRA new hire rate: 13%

7 DEPARTURES

- 1 man and 6 women
- 3 resignations and 4 dismissals
- average age: 42
- EPRA turnover rate: 7%

34.9 HOURS

of training per person, with an average budget of €2,352.91/year (including it and languages)

100%

of staff appraised every year

3 CASES of internal mobility

7 CASES of internal promotion

30.2% wage cap

42 YEARS average age

5.4 YEARS average seniority

1. Excluding the Executive Committee and consultants.

Well-being

Well-being of team members is key for the general motivation and productivity. Befimmo understands 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 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

As Befimmo's new headquarters were fully renovated for the big move of the team, all sanitary requirements were considered.

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 programme offers confidential advice or support with professional or personal questions. Information on this programme is given to each newcomer.

One person within the HR department is officially certified as a person of trust. 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.

Befimmo offers favourable terms for access to flexible and varied sport subscriptions through the Gymlib app to the entire team.

Maintain a healthy work-life balance

Befimmo created a homeworking charter that allows everyone to find their balance in time and space. As the way we 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 cyber-security, enabling team members to be more aware of digital dangers, and on the use of Microsoft Teams.

Team members wishing to adapt their working hours or schedule can discuss this with their direct manager.

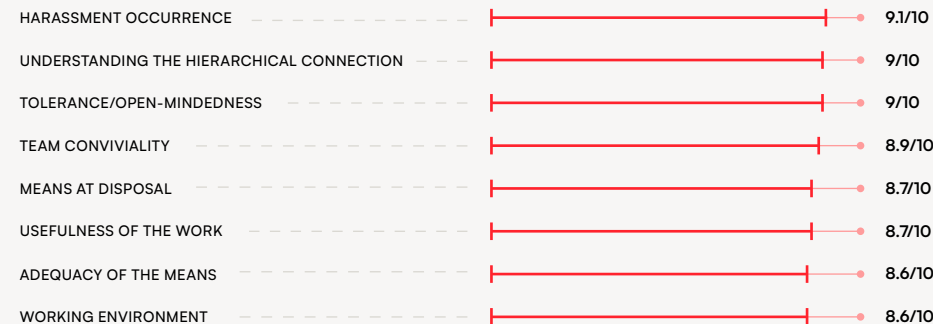
Finally, a large offer of services is implemented within the buildings to make life easier for team members.

➤ [EXPAND THE RANGE OF SERVICES, P.91](#)

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, an information screen, informal channels such as Teams Flash Info and Yammer, and regular presentations of achievements to the entire team.

A satisfaction survey, based on the latest scientific advances in capturing feelings, carried out in November, showed that the team's commitment remained high (89% satisfied) despite the uncertainty of changes linked to a new strategy. The participation rate was 79%. Befimmo will organise a team satisfaction survey every year as from 2021.



➤ POSITIVE ASPECTS ➔ ATMOSPHERE + MEANING + EASE OF REMOTE COLLABORATION + AUTONOMY



Moreover, satisfaction surveys are supplemented by the Vox Collector tool, which sends team members a daily question on a range of topics, from well-being, to fun questions and polls. This tool gives the necessary feedback regarding the team to the HR department all year long.

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. During the summer months, Comité B+ was able to organise an afterwork for its team following the applicable health rules, as well as a family day.

Befimmo was also able to organise a mobility day in the blazing sun. Befimmo’s team members had the opportunity to discover soft mobility solutions leading them to their brand-new offices in the centre of Brussels. The participants became acquainted with various mobility solutions, such as (electrical) bikes, steps and shared cars.

Undertake social actions

Befimmo chooses to give a greater support to some social activities by providing time and 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 2021 and, next to non-financial donations, €18,280 has been spent on charity.

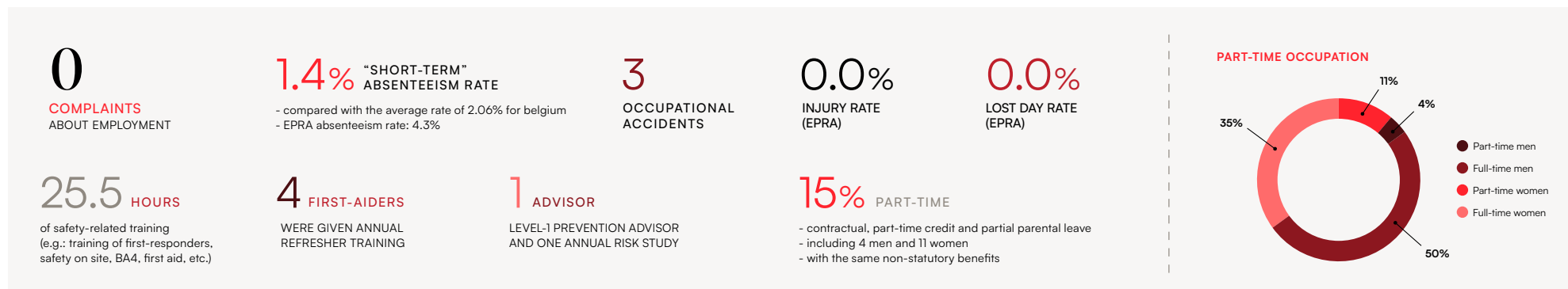
In practical terms:

- One blood donation day at its head office in collaboration with the Belgian Red Cross
- The Let’s Move for Parkinson challenge organised by the Demoucelle Parkinson Charity
- The 20 km of Brussels, raising funds for La Ribambelle
- Sport challenge for the Auderghem Red Cross by using the AtlasGo app
- A financial donation to the CPAS (Public Social Action Centre) of Hamoir after the great floods
- A laptop donation to the non-profit organisation O2tech
- Bags of chocolate (ordered at Make-A-Wish) offered to the children of the Maison d’Enfants Reine Marie-Henriette ASBL
- A huge food and hygiene products collection for Opération Thermos

LOOKING AHEAD

The talent management tool will be implemented during 2022. This tool aims to create an agile, collaborative and engaging talent management culture. It also makes it possible to bring to life the four main managerial axes of commitment: clarifying mutual expectations, setting objectives, giving regular feedback and rewarding.

With a new method of defining roles, work on corporate governance and the setting of measurable and quantifiable objectives, the HR department will be able to assess the level of competence, performance and talent potential of each individual. Then, in order to stimulate a culture of self-training, a personal development plan will be established for each team member.



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 extend the range of services throughout the portfolio to improve the user experience and create connections and communities.

ACTION(S)

- New coworking locations opening and planned
- Expansion of services throughout the portfolio

2030 ACTION PLAN

34,900 M²

Coworking space

> Target: 51,800 m² by 2023
vand 85,000 m² by 2025

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.

Expand the range of services

The importance of service implementation is becoming so important that Befimmo has dedicated team members working solely on creating services for occupants in order to facilitate their everyday lives. 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 2021, the range of services within the Arts 56 building was expanded and new services are also being implemented in the Quatuor building. The new Befimmo headquarters in the centre of Brussels were equipped with lockers, showers electric charging points for cars and bikes, and a coworking centre.

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 Belux 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 2021, Silversquare operated eight coworking spaces in Brussels, its periphery and the Grand Duchy of Luxembourg, with a total space of 34,900 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 of the tenants within its portfolio. Services will gradually be put into place whenever necessary in the existing buildings. All (re)development projects will be designed to include the right services for occupants. In order to integrate Befimmo buildings into cities, the Company will open its service offer to the neighbourhood whenever possible.

Regarding the coworking network, the next centre opening

its doors will be North, located in the Quatuor building in the North area of Brussels. Furthermore, several new coworking spaces are planned, notably on the second, third, and fourth floors of the Antwerp Tower, in the Paradis Express project in Liège, and in Louvain-La-Neuve.

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.

ACTION(S)

- "Breathe at work" initiative
- TakeAir pilot, guaranteeing the best indoor air quality
- General Health and Safety Plan (GHSP) for contractors and suppliers

2030 ACTION PLAN

2

Number of incidents involving people
> Target: 0 (permanent target)

87%

Percentage of inspections on fire prevention, lifts, electricity and heating carried out
> Target: 100% (permanent target)

NEW OBJECTIVE

Tenant satisfaction rate
> Target: 80% or NPS of 8/10 by 2023

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 management tools such as a Helpline.

In 2018, Befimmo installed software in several buildings to analyse data from the control systems for heating, cooling, and ventilation. This provides a useful tool for controlling energy consumption and improving occupant comfort. Befimmo continues to deploy this digital solution in its portfolio. This tool also allows us to visualise the air quality of the buildings (CO₂ rate) and to adapt the ventilation accordingly.



Since 2020, Befimmo launched the "Breathe at work" initiative by implementing a series of measures - from adapting building ventilation, increasing the frequency of cleaning common areas, to practical everyday items such

as disinfectant gel dispensers, and signs and posters, to sophisticated systems such as automatic temperature measurement.

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.

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 2021, 87% of the multi-tenant portfolio was inspected during the year in four areas: fire prevention, lift, electricity, and heating.

Contractors and suppliers

(Re)development is one of Befimmo's main businesses. The Company must pay close attention to health, safety and security of contractors and construction site workers on its various building sites, protecting them from all risks, as construction is an often hazardous. Respect for fundamental human rights is of major importance in projects involving many players of the value chain.

Before the order of works, Befimmo supplies the contractor with the general conditions on-site, that must be signed and returned. The Contractor must take all legal or regulatory health and safety measures with regard to working conditions. He will ensure that they are strictly observed by his personnel, his subcontractors or other third parties present on the 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. This Law defines well-being as all the factors relating to the working conditions in which work is carried out.

The General Health and Safety Plan (GHSP) is the document or set of documents drawn up by the safety and health coordinator 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 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 2021, no fatalities were recorded and two accidents on sites were reported.

LOOKING AHEAD

In order to assess general well-being within its portfolio, the Company started centralising all contact information from tenants. This groundwork will enable Befimmo to determine the best system to measure global tenant satisfaction. The rating system will become operational in 2022.

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.

ACTION(S)

- Open up buildings for all surrounding communities
- Immediate contact with involved stakeholders during (re)development projects

2030 ACTION PLAN

100%

Part of the projects¹ open to the city
> **Target: 100% by 2030**

100%

Part of the projects¹ carried out in dialogue with stakeholders
> **Target: 100% by the end of 2021**

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.
- Environment and sustainability: In order to be an efficient and sustainable 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.

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. 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. Feedback from local communities is massively important for Befimmo in order to develop the best possible projects for everyone.

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.

In 2021, 100% of redevelopment projects were open to the city and 100% of redevelopment projects were carried out in dialogue with stakeholders. In addition, the EPRA Community Engagement indicator was calculated 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 2021, this approach covered 32%² of the consolidated portfolio, compared to 29% in 2020.

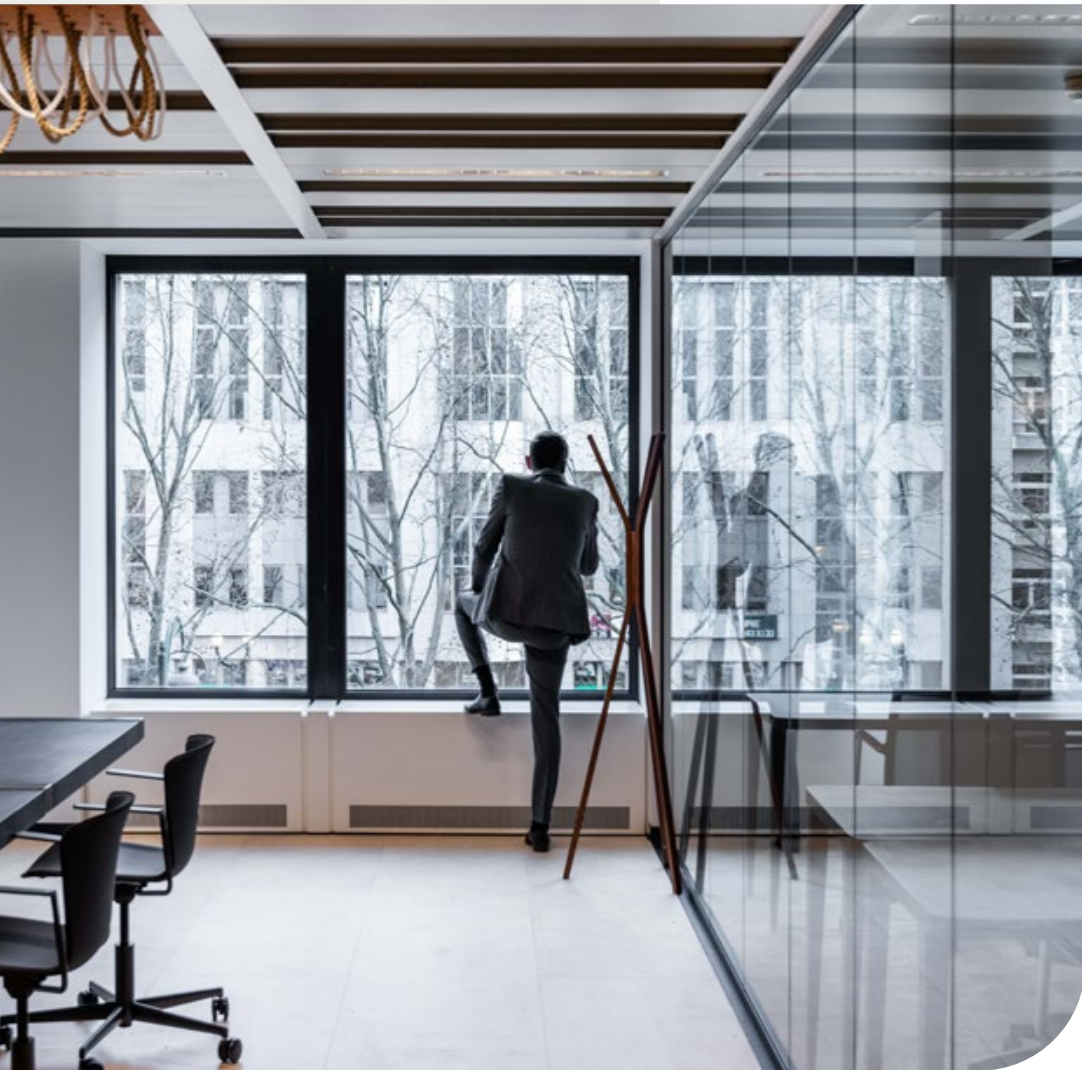
LOOKING AHEAD

Befimmo aims to reach 100% of (re)development projects opening up to the city and 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.

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

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.





MANAGEMENT REPORT

Financial report.

EPRA earnings – Spreading of rental gratuities

In order to enhance comparability versus peers, as per full year 2021, Befimmo decided to align its reporting with industry practice.

Since 31 December 2021, the recurring compensation for the effect of spreading "rental gratuities granted" and potential impairments of goodwill are being accounted for under the line item "Other portfolio result" and will no longer be accounted for under "Other operating income & charges". The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA earnings calculation. To aid comparability and allow for proper interpretation of the 2021 figures, restated 2020 figures are provided.

The consolidated EPRA earnings amounts to €2.30 per share (compared to €2.87 per share on a restated basis for 2020).

EPRA EARNINGS

(in € thousand)	31.12.2021	31.12.2021 Old calculation	31.12.2020 (restated)	31.12.2020 (not restated)
Net result IFRS (group share)	89 370	89 370	57 709	57 709
Net result IFRS (in € per share) (group share)	3.31	3.31	2.13	2.13
Adjustments to calculate EPRA earnings	- 27 158	- 31 996	19 813	18 389
To exclude:				
I. Changes in fair value of investment properties and properties held for sale	5 454	5 454	237	237
II. Result on disposals of investment properties	- 5 901	- 5 901	- 306	- 306
V. Negative goodwill/goodwill impairment	1 202	1 202	700	700
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 30 121	- 30 121	17 683	17 683
VIII. Deferred tax in respect of EPRA adjustments	44	44	390	390
X. Adjustments in respect of minority interests	- 2 474	- 2 675	- 122	- 315
XI. Recurring compensation for the effect of spreading rental gratuities granted	4 637	-	1 232	-
EPRA earnings (group share)	62 212	57 374	77 522	76 097
EPRA earnings (in € per share) (group share)	2.30	2.12	2.87	2.81

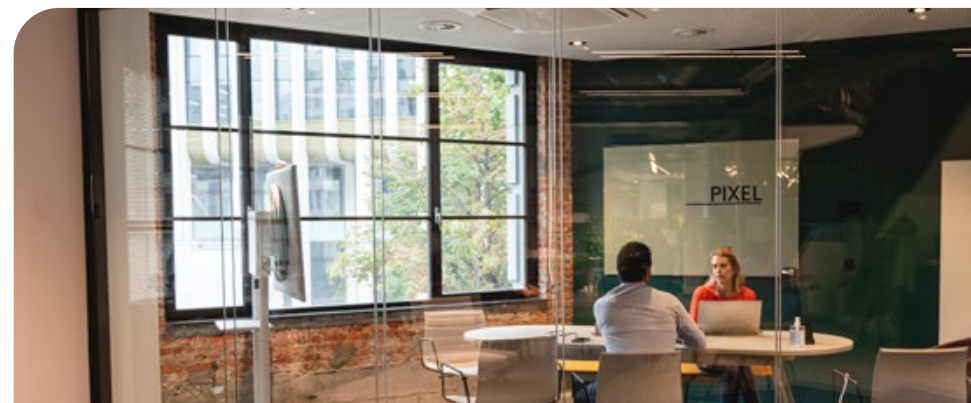
Key financial figures

KEY FIGURES

Consolidated	31.12.2021	31.12.2020
Number of shares issued	28 445 971	28 445 971
Number of shares not held by the group	27 011 100	27 040 351
Average number of shares not held by the group during the period	27 027 104	27 048 907
Shareholders' equity attributable to shareholders (in € million)	1 630.2	1 591.4
Net asset value (in € per share)	60.35	58.85
EPRA NRV (in € per share)	63.82	63.48
EPRA NTA (in € per share)	60.32	60.10
EPRA NDV (in € per share)	59.53	57.19
Net result (in € per share)	3.31	2.13
Average (annualised) financing cost ¹ (in %)	1.8%	2.0%
Weighted average duration of the debt (in years)	4.1	4.9
Debt ratio (in %)	43.1%	40.8%
Loan-to-value ² (in %)	40.9%	36.8%
Return on shareholders' equity ³ (in € per share)	3.3	2.1
Return on shareholders' equity ³ (in %)	5.7%	3.6%
Real-estate operator business activity	31.12.2021	31.12.2020
Net result (in € per share)	3.68	2.25
EPRA Like-for-Like Net Rental Growth ⁴ (in %)	-1.3%	-0.2%

EPRA EARNINGS

Consolidated	31.12.2021	31.12.2020 (restated)	31.12.2020 (not restated)
EPRA earnings (in € per share)	2.30	2.87	2.81
Real-estate operator business activity			
EPRA earnings (in € per share)	2.38	2.95	2.88



1. Including margin and hedging costs. This is an APM. For more information, please consult Appendix III to this Report.

2. Loan-to-value (LTV) = [(nominal financial debts – cash)/fair value of portfolio]. This is an Alternative Performance Measure. For more information, please consult Appendix III to this Report.

3. Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment, if any, and the participation of the optional dividend.

4. Trend of the rental income minus property charges at constant perimeter, calculated on the basis of the "EPRA Best Practices Recommendations".

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 2020 (group share)	58.85	1 591.4	27 040 351
Final dividend of the 2020 fiscal year		-15.4	
Other elements of comprehensive income - actuarial gains and losses on pension obligations		2.3	
Valuation of the put option held by minority shareholders, net of profit attributable to non-controlling interests		-3.0	
Interim dividend of the 2021 fiscal year		-34.1	
Net result (group share) as at 31 December 2021		89.4	
Other elements - mainly linked to liquidity contract and Performance Plan Stock Units		-0.5	
Net asset value as at 31 December 2021 (group share)	60.35	1 630.2	27 011 100

EPRA NRV, NTA AND NDV

in € per share	31.12.2021	31.12.2020
EPRA NRV	63.82	63.48
EPRA NTA	60.32	60.10
EPRA NDV	59.53	57.19

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.

CONDENSED CONSOLIDATED BALANCE SHEET

(in € million)	31.12.2021	31.12.2020
Investment and held for sale properties	2 874.3	2 761.2
Other assets	108.0	85.3
Total assets	2 982.3	2 846.5
Shareholders' equity	1 630.2	1 591.4
Financial debts	1 211.4	1 053.3
non current	851.8	684.6
current ¹	359.7	368.7
Other debts	140.7	201.8
Total equity & liabilities	2 982.3	2 846.5
LTV	40.9%	36.8%

Comments on the condensed consolidated balance sheet

As at 31 December 2021, 96.4% of the assets 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 trade receivables (€35.2 million), first installation assets linked to Silversquare centres (€13.4 million), goodwill recognised on the acquisition of Fedimmo in 2006 and Silversquare in 2019 (€16.3 million) and hedging instruments (€6.5 million).

Shareholders' equity accounts for 54.7% of sources of finance.

Non-current financial debts comprise €440.2 million in bank debt, €367 million in a number of European private placements and €41.2 million in IFRS 16 financial debts.

Current financial debts comprise mainly in short-term commercial paper (for €284.0 million), for which the Company has confirmed bank lines at more than one year as a back-up and €55 million in a number of European private placements.

Other liabilities consist mainly of hedging instruments (€27.5 million), trade and other payables (€61.6 million; suppliers, received advance payments and withholding tax and taxes) and accrued charges and deferred income (principally €19.5 million in property income received in advance).

Financial results

EVENTS CHANGING THE PERIMETER

The perimeter of the real-estate business changed during fiscal year 2021 owing mainly to:

- 2021 acquisitions (Cubus building, Esprit Courbevoie and three floors in the Antwerp Tower)
- H2 2020 disposals (Blue Tower, Media, Schuman 3 and 11, Froissart and Guimard)
- 2021 disposals (Wiertz building, the residential parts of the Paradis Express, Planet 2 building and 6 non-strategic assets in Belgian provincial towns).

The total number of shares not held by the group slightly decreased from 27,040,351 to 27,011,100 which is related to the shares bought in the framework of the liquidity program.

CONDENSED INCOME STATEMENT OF THE REAL-ESTATE OPERATOR ACTIVITY

(in € thousand)	31.12.2021	31.12.2020 (restated)	31.12.2020 (not restated)
Net rental result	119 947	130 782	130 782
<i>Net rental result excluding spreading</i>	114 518	128 941	128 941
<i>Spreading of gratuities/concessions</i>	5 429	1 841	1 841
Net property charges ¹	-18 001	-15 208	-15 208
Property operating result	101 946	115 574	115 574
Corporate overheads	-21 603	-15 746	-15 746
Other operating income & charges	-	-	-1 841
Operating result before result on portfolio	80 342	99 828	97 987
Operating margin¹	67.0%	76.3%	76.3%
Financial result (excl. changes in fair value of financial assets and liabilities and close out costs) ¹	-15 117	-19 471	-19 471
Corporate taxes (excl. deferred taxes) ¹	-1 003	- 689	- 689
EPRA earnings²	64 222	79 667	77 826
EPRA earnings (in € per share)	2.38	2.95	2.88
Gains or losses on disposals of investment properties	5 901	306	306
Other result on portfolio ²	-6 282	-1 841	-
Deferred taxes	-44	-390	-390
Changes in fair value of investment properties	5 520	759	759
Changes in fair value of financial assets and liabilities and close out costs	30 121	-17 683	-17 683
Net Result³	99 438	60 819	60 819
Net result (in € per share)	3.68	2.25	2.25

1. This is an Alternative Performance Measure. For more information, please consult Appendix III to 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 & charges". The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation. The figures of 31 December 2020 were therefore restated.

3. The net result on 31 December 2020 is restated, excluding the share in the profit or loss of investments booked using the equity method.

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** is up by 0.9% compared with last year. This evolution is mainly due to better rental results on the Axento, Central and Triomphe buildings, partially offset by a decrease in the rent of the Poelaert building linked to the lease extension.

The **net rental result** decreased by 8.3% in relation to the same period last year. This is mainly explained by the asset rotation programme:

- the exit of the Blue Tower, Media, Schuman 3 and 11, Froissart and Guimard buildings in Q4 2020 and the disposal of the Wiertz, Planet 2 and 6 Fedimmo buildings in 2021
- slightly compensated by the contribution of the newly acquired Cubus building in February 2021 and the start of the Beobank lease in the Quatuor project

This decrease was also partly due to a different comparison base. In 2020 we signed a global agreement with the Building Agency (Belgian State), that included the early termination of leases in buildings in Wallonia and Flanders and an extension of the Poelaert building lease for a fixed nine-year term. This led to a positive non-recurring (one off)

impact (payment) of €7.3 million in 2020 compared to only €5.3 million in 2021.

Net property charges are up by €2.8 million. The increase is mainly explained by the planned catch up in improvement and major renovation works realised in 2021, as the previous year was impaired by the pandemic, the increase in agency commissions for the re-letting of empty spaces, the increase in empty spaces costs and a non-recurring income related to the WTC 2 tower (+€0.6 million in 2021 and +€1.7 million in 2020).

EPRA Like-for-Like Net Rental Growth was -1.3% as at 31 December 2021 while the Like-for-Like net rental result is positive at 0.9%, offset by an increase in real estate charges.

Corporate overheads were €21.6 million as against €15.7 million last year. This increase is mainly due to exceptional elements related to the retirement of the previous CEO, the departure of the CFO and provisions related to the PSU¹ plan for the Executive Committee.

The **operating result before result on portfolio** was €80.3 million at the end of December 2021.

The **financial result** (excluding changes in the fair value of the financial assets and liabilities and close-out costs) was -€15.6 million compared to -€19.5 million last year. The decrease in financial charges is explained thanks

to the combined effect of the drop in the average volume of debt by 6.0% and a lower average (annualised) financing cost of 1.8% compared to last year (2.0%).

EPRA earnings were €64.2 million as against €79.7 million² last year. **EPRA earnings per share** stood at €2.38 at the end of 2021 in relation to €2.95² at the end of 2020.

Gains on the disposal of investment properties represent €5.9 million at 31 December 2021 and correspond mainly to the capital gains (based on the latest fair value) realised on the disposal of the Wiertz building and the residential parts of the Paradis Express. The disposals on the Fedimmo buildings were realised at a price in line with the latest fair value of the expert.

Other result on portfolio was -€6.3 million at 31 December 2021, compared to -€1.8 million² last year. It includes the recurring compensation for the effect of spreading rental gratuities granted and recorded in the top line. It also includes an impairment on goodwill.

The **change in fair value of investment properties** of €5.5 million compared to +€0.8 million last year, reflects a substantial increase of fair value for CBD assets offset by decrease in fair value of non-CBD assets.

The increase in the **net result**, reaching €99.4 million at 31 December 2021, compared to €60.8 million

at 31 December 2020, is mainly explained by a positive change in the fair value of hedging instruments due to the increase of the interest rates curve over the period (+€30.6 million compared with -€17.7 million one year ago). **Net result per share** stood at €3.68 at the end of 2021 compared to €2.25 at the end of 2020.

NOTE ON THE RESULTS FOR THE COWORKING BUSINESS

The turnover of the coworking business amounted to €10.1 million over the fiscal year. During the development phase, the coworking business has a negative contribution of -€0.08 per share (in 2021) to the consolidated EPRA earnings³.

NOTE ON THE CONSOLIDATED RESULTS

Consolidated net rental result was €128.3 million. The net result (group share) was €89.4 million, up €31.7 million compared with 31 December 2020. EPRA earnings per share were €2.30 per share as against €2.87² at 31 December 2020.

1. Performance Stock Unit.

2. Restated figures. Explanation see page 95.

3. Eliminating the effect of the application of IFRS 16 on leases signed by Silversquare with third party owners, contribution to consolidated EPRA earnings (group share) would be -€0.13 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

	31.12.2021	31.12.2020
Confirmed credit facilities ¹ (in € million)	1 471	1 461
<i>Of which bankloans</i>	71.3%	71.4%
<i>Of which in use</i>	1 161	1 002
Used short-term CP programme (in € million)	284	353
Fixed-rate borrowings (including IRS)	75.1%	96.6%
Average (annualised) financing cost (all in)	1.8%	2.0%
Weighted average duration of debt	4.1 years	4.9 years
Debt ratio ²	43.1%	40.8%
LTV ratio ³	40.9%	36.8%
Hedge ratio ⁴	76.8%	98.6%

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 commitments planned 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 CAPs)/total borrowings.

FINANCING ARRANGED DURING THE FISCAL YEAR

- New bank financing for €50 million for a 3 year period with possible extensions up to 5 year
- Renewal of a €130 million amortising financing for a period of 5 years and 5 months, consisting of a €80 million revolving credit facility and a €50 million term loan
- Placement of €5 million EU private placement with a 10 year maturity
- A €50 million loan has been converted to a green loan following the publication of the Green Finance Framework. This is an important step in our 2030 Action Plan to financially support Befimmo's Sustainable Development
- Extension of an €18 million revolving credit facility with an extra 5 years

After year end, the Company continued working to strengthen its financial structure. It signed two extensions, which demonstrates the trust and confidence our banks and lenders have in Befimmo:

- 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

All other things being equal, Befimmo has covered its financing needs for the next 12 months.

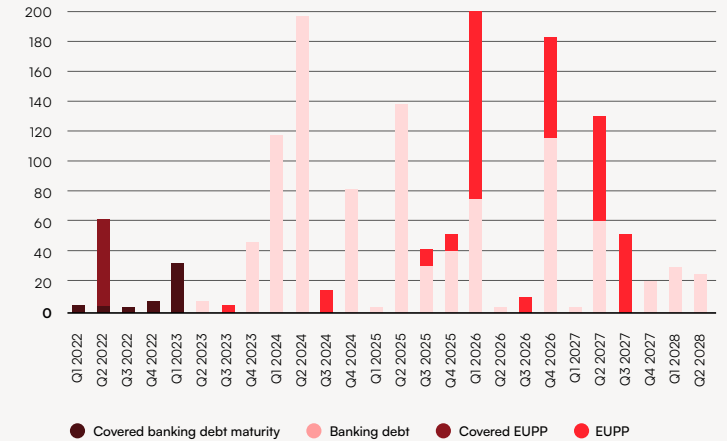
On 21 June 2021, the Standard & Poor's rating agency confirmed the rating¹ of BBB/outlook stable for Befimmo's long-term borrowings and A-2 for its short-term borrowings.

To reduce its financing costs, Befimmo has a commercial paper programme of a maximum amount of €600 million, €284 million of which was in use as at 31 December 2021 for short-term issues and €116 million for long-term issues. For short-term issues, this programme has back-up facilities consisting of the various credit lines arranged. The documentation for this programme also covers the European private placements of debt.

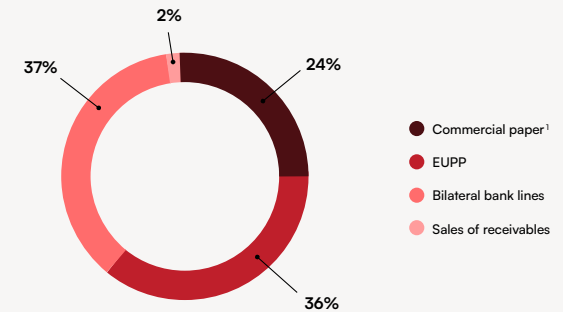
All other things being equal, Befimmo has covered its financing needs for the next 12 months.

1. On 2 March 2022, Befimmo's rating was downgraded to "CreditWatch Negative" following the announcement of the takeover bid by Brookfield.

MATURITIES OF COMMITMENTS BY QUARTER (IN € MILLION)



DEBT DISTRIBUTION



1. With confirmed bank lines in excess of one year as a back-up.



HEDGING THE INTEREST RATE AND EXCHANGE-RATE RISK

Befimmo holds a portfolio of instruments to hedge the interest-rate risk, consisting of IRS, CAPs and COLLARs¹.

Operations carried out over the fiscal year:

- Extension of a €15 million IRS by an additional 4 years until November 2031
- 2 partial cancellations for the period 2021-2022, with a €30 million nominal each
- Placement of a €20 million receiver swap for the period 2021-2022
- Extension of a €25 million swap by an addition 4 years until January 2032
- Cancellation of €25 million payer swap with an original maturity of December 2024
- 2 partial cancellations of payer swaps over 2022, with a total of €80 million nominal
- 2 new CAPs for €50 million each covering the period January 2022 to April 2024

Operations carried out after fiscal year close:

- Extension of €20 million payer swap with an additional 6 years, until August 2032
- Extension of €25 million payer swap with an additional 4 years, until January 2032

The package of instruments in place gives the Company a hedging ratio of 76.8% as at 31 December 2021. The hedge ratio remains above 50% until Q3 of 2026 inclusive.

STRONG INTEREST RATE HEDGING POSITION (INCL. FIXED RATE DEBTS), ABOVE 50% UP TO Q3 2026

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	→	2040
Average nominal hedge (M €)	975	1109	973	896	763	581	417	330	305	274	→	15
Average interest rate on hedging	0.77%	0.74%	0.74%	0.79%	0.75%	0.75%	0.69%	0.64%	0.64%	0.64%	→	0.54%

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

Appropriation of results (statutory accounts)

The net result for the fiscal year is €90,369,902.19¹.

Taking account of the result carried forward at 31 December 2020 of €243,073,223.4, 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 €347,978,484.9¹.

The result for the fiscal year relates to 27,011,100 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 (-29,251 shares).

In accordance with article 11³ of the law of 12 May 2014 on BE-REITs (SIR/GVV), no appropriation to the legal reserve is made. The Ordinary General Meeting will therefore be invited to:

1. approve the annual accounts at 31 December 2021 which, in accordance with the Royal Decree of 13 July 2014 on BE-REITs, contain appropriations to the statutory reserves

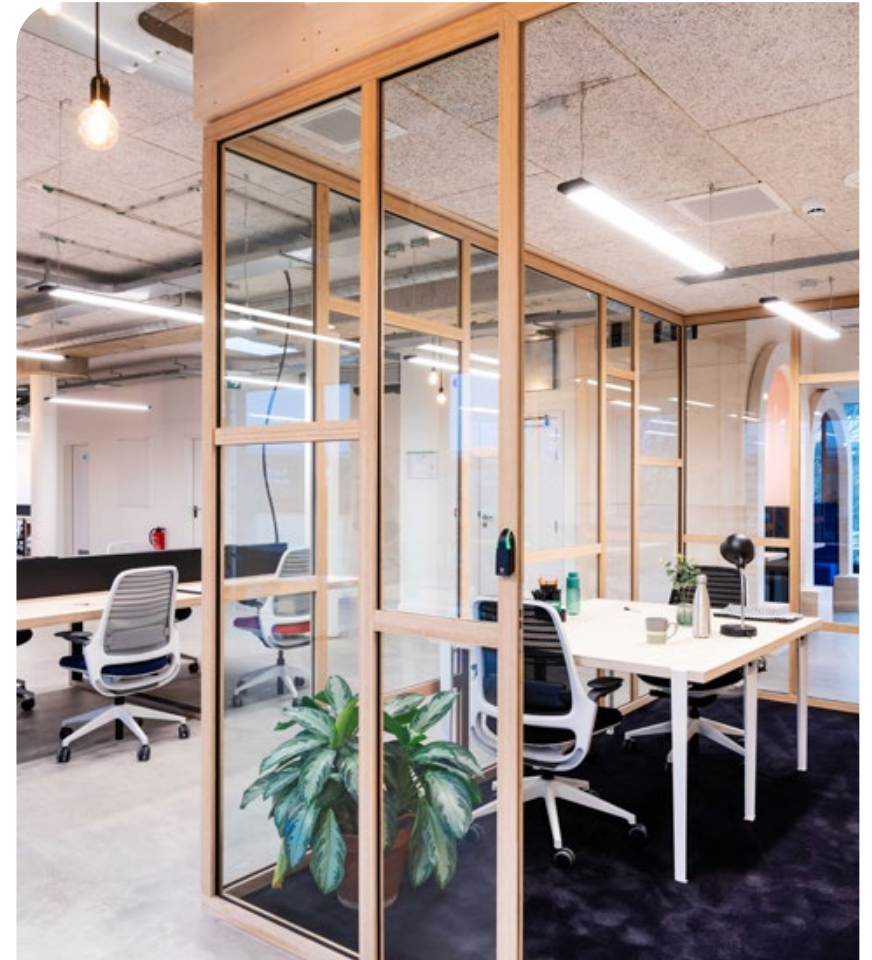
2. distribute, as return on capital, a dividend of €1.84 gross per share. This dividend would consist of an interim dividend of €34.053.577,74, or €1.2600 net per existing share, declared on 28 October 2021, and a final dividend of €15,690,416.94², or €0.58³ net per share, payable by detaching coupon No 43

3. carry forward the balance again, i.e. the sum of €262,852,858.6

The proposed dividend for fiscal year 2021 (including the interim dividend declared on 28 October 2021 and the final dividend referred to above) complies with article 13 of the Royal Decree of 13 July 2014 on BE-REITs, in that it exceeds the required minimum of 80% of the sum of adjusted earnings and net capital gains on the realisation of property not exempt from the distribution requirement, minus the net reduction in the Company's borrowings over the fiscal year, as reflected in the statutory accounts.

The pay-out ratio (compared to the EPRA earnings)⁴ of 2021 is 80.0%, compared to 80.0% in 2020.

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 2021. Amount subject to the approval of the Ordinary General Meeting of 26 April 2022.
2. This maximum amount is calculated on 27,052,443 shares, excluding the treasury shares held by the Group and including the shares under the ongoing liquidity program.
3. Amount subject to the approval of the Ordinary General Meeting of 26 April 2022.
4. New calculation method of the EPRA earnings (comparison 2020 is not restated).



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

A. Net result	90 369 902.2
B. Transfer to/from reserves (±)	-40 625 907.5
I. Transfer to / from reserve of balance (positive or negative) of changes in fair value of properties (±)	-10 737 834.2
- Accounting year	-10 737 834.2
- 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 (±)	-34 095 352.7
- Accounting year	-34 095 352.7
- 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	9 761 687.3
Transfer to/from the reserve for actuarial gains and losses for the defined benefit pension plan	- 310 132.0
XI. Transfer to/from result brought forward from previous fiscal years (±)	-5 244 275.9
C. Remuneration of capital	-49 743 994.7
- Interim dividend for the fiscal year paid out in December 2021	-34 053 577.7
- Final dividend for the fiscal year (payable after the Ordinary General Meeting of 26 April 2022) ¹	-15 690 416.9
D. Remuneration of capital apart from C	0.0

1. Amount subject to the approval of the Ordinary General Meeting of 26 April 2022.
2. Please see the note of the statutory shareholders' equity on of the financial statements.
3. Amount subject to the approval of the Ordinary General Meeting of 26 April 2022.

EXPLANATORY TABLE OF THE STATUTORY RESULT OF THE 2021 FISCAL YEAR² (IN €)

Result to bring forward as at 31 December 2019	199 751 893.8
Result for the 2020 fiscal year	57 779 488.7
Restatement as at 1 January 2020 following the recognition of shareholdings using the equity method with look through	-2 477 347.1
Impact of the result from the liquidity program on own shares	57 187.0
Cancellation of reserve c) (FSMA circular)	-42 532 304.4
Transfer of reserves following the disposal of buildings - investment properties (FSMA circular)	90 187 636.3
Result to be appropriated as at 31 December 2020	302 766 554.3
Interim dividend for the 2020 fiscal year	-45 439 988.2
Impact of appropriation to reserves other than "(n) Result brought forward from previous years" (Royal Decree of 13 July 2014)	1 153 724.7
Final dividend for the 2020 fiscal year	-15 407 067.5
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 ³	-15 690 416.9
Result to bring forward as at 31 December 2021	262 852 858.6



MANAGEMENT REPORT

EPRA Best Practices.

The European Public Real Estate Association (EPRA) publishes recommendations for defining the main financial performance¹ indicators applicable to listed real-estate companies. Befimmo supports the reporting standardisation approach designed to improve the quality and comparability of information destined to investors.

The Statutory Auditor has checked whether the EPRA ratios have been calculated in accordance with the definitions and whether the financial data used to calculate those ratios tally with the accounting data included in the consolidated financial statements.

Befimmo is also following the trend towards reporting on social responsibility by subscribing to the indicators published by EPRA in its report “Best Practices Recommendations on Sustainability Reporting”. For the summary table of the EPRA sustainable performance indicators, consult page 116 of this Report.

Performance indicators – Definition & use

EPRA INDICATORS	EPRA DEFINITION ¹	EPRA PURPOSE ¹
EPRA earnings	Earnings from operational activities.	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.
EPRA NRV (Net Reinstatement Value)	Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	The objective of the EPRA Net Reinstatement Value measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included.
EPRA NTA (Net Tangible Assets)	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.
EPRA NDV (Net Disposal Value)	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	Shareholders are interested in understanding the full extent of liabilities and resulting shareholder value if company assets are sold and/or if liabilities are not held until maturity. For this purpose, the EPRA Net Disposal Value provides the reader with a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the Balance Sheet, net of any resulting tax. This measure should not be viewed as a “liquidation NAV” because, in many cases, fair values do not represent liquidation values.
(i) EPRA Net Initial Yield (NIY)	Annualised rental income ² based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value ³ of the property, increased with (estimated) purchasers' costs.	A comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.
(ii) EPRA Topped-up NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	
EPRA Vacancy rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A “pure” (%) measure of investment property space that is vacant, based on ERV.
EPRA Cost ratio	Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a company's operating costs.
EPRA Like-for-Like	Like-for-Like Net Rental Growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described.	Provide information (in %) on the growth in net rental income (property charges deducted) at constant perimeter of the portfolio (excluding the impact from acquisitions and disposals) ⁴ .

1. Source: EPRA Best Practices (www.epra.com.)

2. For Befimmo, the annualised rental income is equivalent to the annual current rent at the closing date plus future rent on leases signed, as reviewed by the real-estate experts.

3. According to the BE-REIT legislation, the buildings of the portfolio of Befimmo are booked at their fair value.

4. Because the EPRA doesn't publish the use of the EPRA Like-for-Like, Befimmo wrote it.

Key performance indicators

KEY FIGURES

EPRA indicators - Consolidated		31.12.2021	31.12.2020
EPRA earnings	€ thousand €/share	62 212 2.30	77 522 ² 2.87 ²
EPRA NRV	€ thousand €/share	1 723 832 63.82	1 716 486 63.48
EPRA NTV	€ thousand €/share	1 629 253 60.32	1 625 138 60.10
EPRA NDV	€ thousand €/share	1 607 846 59.53	1 546 515 57.19
EPRA indicators - Real-estate operator business		31.12.2021	31.12.2020
EPRA earnings	€ thousand €/share	64 222 2.38	79 667 ² 2.95 ²
EPRA Net Initial Yield (NIY)	in %	4.2%	5.0%
EPRA Topped-up NIY	in %	4.5%	5.2%
EPRA Vacancy rate	in %	4.5%	2.9%
EPRA Cost ratio ¹	Incl. vacancy costs Excl. vacancy costs	33.5% 31.2%	23.7% 22.2%
EPRA Like-for-Like	in %	-1.3%	-0.2%

Tables of the EPRA indicators – Consolidated

TABLE 1 - EPRA EARNINGS³

(in € thousand)	31.12.2021	31.12.2020 (restated)	31.12.2020
Net result IFRS (group share)	89 370	57 709	57 709
Net result IFRS (in € per share) (group share)	3.31	2.13	2.13
Adjustments to calculate EPRA earnings	- 27 158	19 813	18 389
To exclude:			
I. Changes in fair value of investment properties and properties held for sale	5 454	237	237
II. Result on disposals of investment properties	- 5 901	- 306	- 306
V. Negative goodwill/goodwill impairment	1 202	700	700
VI. Changes in fair value of financial assets and liabilities and close-out costs	- 30 121	17 683	17 683
VIII. Deferred tax in respect of EPRA adjustments	44	390	390
X. Adjustments in respect of minority interests	- 2 474	- 122	- 315
XI. Recurring compensation for the effect of spreading rental gratuities granted	4 637	1 232	-
EPRA earnings (group share)	62 212	77 522	76 097
EPRA earnings (in € per share) (group share)	2.30	2.87	2.81

1. For more information, please consult the Financial report of this Report and also the explanation on the evolution of the revenues and net property charges.

2. Restated figure, for more information see page 95.

3. 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 & charges". The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation. The figures as at 31 December 2020 were therefore restated.

TABLE 2 - EPRA NRV, NTA AND NDV

	31.12.2021			31.12.2020		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
	Net Reinstatement Value	Net tangibles Assets	Net Disposal Value	Net Reinstatement Value	Net tangibles Assets	Net Disposal Value
IFRS Equity attributable to shareholders	1 630 170	1 630 170	1 630 170	1 591 404	1 591 404	1 591 404
To include:						
Revaluation of tenant leases held as finance leases	41	41	41	104	104	104
Diluted NAV at fair value	1 630 212	1 630 212	1 630 212	1 591 508	1 591 508	1 591 508
To exclude:						
Fair value of financial instruments	20 953	20 953		55 049	55 049	
Deferred tax in relation to fair value gains of investment property	1 125	562		1 081	540	
Goodwill as per IFRS balance sheet		-16 299	-16 299		-18 145	-18 145
Intangibles as per IFRS balance sheet		-6 176			-3 815	
To include:						
Fair value of fixed interest rate debt ¹			-6 067			-26 848
Real-estate transfer tax	71 542	-		68 848	-	
NAV	1 723 832	1 629 253	1 607 846	1 716 486	1 625 138	1 546 515
NAV (€/share)	63.82	60.32	59.53	63.48	60.10	57.19

1. Excl. IFRS 16.

Tables of the EPRA indicators – Real-estate operator business

TABLE 1 - EPRA EARNINGS¹

(in € thousand)	31.12.2021	31.12.2020 (restated)	31.12.2020
Net result IFRS	99 438	60 819	60 819
Net result IFRS (in € per share)	3.68	2.25	2.25
Adjustments to calculate EPRA earnings	-35 215	18 849	17 008
To exclude:			
I. Changes in fair value of investment properties and properties held for sale	-5 520	-759	-759
II. Result on disposals of investment properties	-5 901	-306	-306
V. Negative goodwill/goodwill impairment	852	0	0
VI. Changes in fair value of financial assets and liabilities and close-out costs	-30 121	17 683	17 683
VIII. Deferred tax in respect of EPRA adjustments	44	390	390
XI. Recurring compensation for the effect of spreading rental gratuities granted	5 429	1 841	-
EPRA earnings	64 222	79 667	77 826
EPRA earnings (in € per share)	2.38	2.95	2.88

TABLE 2 - EPRA VACANCY RATE

(in € thousand)	31.12.2021	31.12.2020
Estimated rental value (ERV) on vacant space (A)	5 565	3 203
Estimated rental value (ERV) (VLE) (B)	124 684	111 322
EPRA Vacancy rate of properties available for lease (A)/(B)	4.5%	2.9%

1. 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 & charges". The recurring compensation for the effect of spreading rental gratuities granted is now excluded from the EPRA calculation. The figures as at 31 December 2020 were therefore restated.

2. The scope of the property charges to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to "property charges" as presented in the consolidated IFRS accounts.

TABLE 3 - EPRA NET INITIAL YIELD (NIY) AND TOPPED-UP NIY

(in € thousand)	31.12.2021	31.12.2020
Investment properties and properties held for sale	2 835 939	2 713 974
To exclude:		
Properties that are being constructed or developed for own account in order to be leased	-390 695	-517 289
Properties held for sale	-13 133	-21 581
Properties available for lease	2 432 111	2 175 104
To include:		
Allowance for estimated purchasers' cost	60 866	54 957
Investment value of properties available for lease (B)	2 492 977	2 230 061
Annualised cash passing rental income	111 659	114 032
To exclude:		
Property charges ²	-6 321	-2 799
Annualised net rents (A)	105 339	111 234
To include:		
Notional rent expiration of rent free periods or other lease incentives	7 202	4 896
Topped-up annualised net rents (C)	112 540	116 130
EPRA Net Initial Yield (A/B)	4.2%	5.0%
EPRA Topped-up Net Initial Yield (C/B)	4.5%	5.2%

TABLE 4 - EPRA COST RATIO

(in € thousand)	31.12.2021	31.12.2020 (restated)	31.12.2020
Net administrative and operating expenses in the income statement	-40 511	-30 924	-30 924
III. (+/-) Rental charges	- 906	30	30
Net property charges	-18 001	-15 208	-15 208
XIV. (-) Corporate overheads	-21 603	-15 746	-15 746
XV. (+/-) Other operating income and charges	-	-	-1 841
Exclude:			
i. Impact of the spreading of gratuities	-	-	1 841
EPRA costs (including direct vacancy costs) (A)	-40 511	-30 924	-30 924
XI. (-) Charges and taxes on unlet properties	2 790	1 867	1 867
EPRA costs (excluding direct vacancy costs) (B)	-37 721	-29 058	-29 058
I. (+) Rental income	120 853	130 753	130 753
Gross rental income (C)	120 853	130 753	130 753
EPRA cost ratio (including direct vacancy costs) (A/C)	33.5%	23.7%	23.7%
EPRA cost ratio (excluding direct vacancy costs) (B/C)	31.2%	22.2%	22.2%



TABLE 5 - INVESTMENT PROPERTIES - LIKE-FOR-LIKE NET RENTAL GROWTH

SEGMENT (in € thousand)	31.12.2021						31.12.2020						EVOLUTION
	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed ¹	Total net rental income ²	Properties owned throughout 2 consecutive years	Acquisitions	Disposals	Properties held for sale	Properties that are being constructed or developed ¹	Total net rental income ²	Properties owned throughout 2 consecutive years
Brussels CBD and similar	50 730		880		2 448	54 059	50 662		9 111		1 033	60 807	0.1%
Brussels decentralised	2 720				2 422	5 141	3 099				3 076	6 176	-12.2%
Brussels periphery	4 870		416			5 287	5 509	2 470				7 978	-11.6%
Wallonia	10 469	-213	-30	203	517	10 947	10 388		240	-225		10 403	0.8%
Flanders	24 257		209	-32	-67	24 366	25 332	1 127	332	466		27 256	-4.2%
Luxembourg city	5 272	1 347				6 618	4 655					4 655	13.2%
Total	98 317	1 134	1 476	171	5 320	106 418	99 645	-	12 708	573	4 350	117 276	-1.3%
Reconciliation to the consolidated IFRS income statement													
Net rental income related to:													
- Properties booked as financial leases (IFRS 16)						-15						-9	
- Non recurring element						4 312						6 718	
Other property charges						-8 769						-8 411	
Property operating result in the consolidated IFRS income statement						101 946						115 574	

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

2. The total "Net rental income" defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the "Property operating result" of the consolidated IFRS accounts.

TABLE 6 - INVESTMENT PROPERTIES - RENTAL DATA

SEGMENT	Gross rental income	Net rental income	Rental space	Gross current rent from lease agreements	Estimated rental value (ERV) on vacant space	Estimated rental value (ERV)	Vacancy rate 31.12.2021	Vacancy rate 31.12.2020
	(in € thousand)	(in € thousand)	(in m ²)	(in € thousand)	(in € thousand)	(in € thousand)	(in %)	(in %)
Brussels CBD and similar	56 496	53 201	331 651	61 956	3 759	71 643	5.2	2.6
Brussels decentralised	3 497	2 720	25 527	4 066	239	4 343	5.5	0.8
Brussels periphery	6 051	4 880	70 181	6 706	1 306	7 346	17.8	17.8
Wallonia	10 986	10 469	69 429	11 515	0	10 317	0.0	0.0
Flanders	25 817	24 257	188 682	26 863	10	23 524	0.0	0.0
Luxembourg city	6 333	6 114	17 202	7 374	251	7 511	3.3	1.0
Properties available for lease	109 180	101 641	702 673	118 480	5 565	124 684	4.5	2.9
Reconciliation to the consolidated IFRS income statement								
Rental income related to :								
- Properties booked as financial leases (IFRS 16)	-	-15						
- Properties that are being constructed or developed for own account in order to be leased	5 687	5 167						
- Assets held for sale	1 170	487						
- Investment properties sold during the last 12 months	4 807	4 332						
- Other property charges	-897	- 9 666 ¹						
Total	119 947²	101 946³						

1. Including non-recurrent items.

2. The total "Gross rental income" defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the "Net rental result" of the consolidated IFRS accounts.

3. The total "Net rental income" defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the "Property operating result" of the consolidated IFRS accounts.

TABLE 7 - INVESTMENT PROPERTIES - VALUATION DATA

SEGMENT	Fair value	Fair value	Changes in fair value	Changes in fair value	Changes in fair value	Changes in fair value	EPRA Net Initial Yield	EPRA Net Initial Yield	Weighted average duration up to next break	Weighted average duration up to next break	Weighted average duration up to final expiry	Weighted average duration up to final expiry
	(in € thousand)	(in € thousand)	(in € thousand)	(in € thousand)	(in %)	(in %)	(in %)	(in %)	(in years)	(in years)	(in years)	(in years)
	31.12.2021	31.12.2020	31.12.2021 ¹	31.12.2020 ¹	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Brussels centre (CBD)	1 495 937	1 191 864	100 156	7 078	7.2	0.5	3.5%	4.5%	7.8	7.3	8.3	7.7
Brussels decentralised	64 283	82 234	-2 611	-3 736	-3.9	-4.3	4.8%	7.6%	4.0	2.8	6.2	3.9
Brussels periphery	80 829	92 537	-4 187	-2 588	-4.9	-2.1	5.3%	7.1%	3.1	2.6	5.4	5.0
Wallonia	221 316	233 046	-10 369	2 179	-4.5	0.9	4.9%	4.5%	15.1	15.7	15.1	15.7
Flanders	390 965	428 340	-21 776	-18 690	-5.3	-3.9	6.3%	6.1%	5.9	6.4	6.0	6.4
Luxembourg city	178 780	147 083	1 588	8 502	0.9	6.1	3.9%	3.4%	3.3	4.8	4.9	6.7
Total properties available for lease	2 432 111	2 175 104	62 801	- 7 254	2.7	-0.3	4.2%	5.0%	7.4	7.2	8.0	7.7
Reconciliation to the consolidated IFRS balance sheet												
Properties that are being constructed or developed for own account in order to be leased	390 695	517 289	-50 954	16 633	-11.5	3.1						
Investment properties in the consolidated IFRS balance sheet	2 825 648	2 692 393	11 846	9 378	0.4	0.3						

¹ Excluding acquisitions, investments and disinvestments.

TABLE 8 - INVESTMENT PROPERTIES - LEASE DATA

SECTOR	Average duration of leases as at 31.12.2021 (in years)	FINAL EXPIRY DATE				FINAL EXPIRY DATE			
		Current rent of the leases reaching final expiry (in € thousand)				Estimated rental value (ERV) of the leases reaching final expiry (in € thousand)			
	Final expiry date	In 2022	In 2023	In 2024-2026	As from 2027	In 2022	In 2023	In 2024-2026	As from 2027
Brussels CBD and similar	8.3	557	1 350	6 157	60 477	781	1 156	6 582	57 599
Brussels decentralised	6.2	0	0	1 670	2 406	0	0	1 667	2 371
Brussels periphery	5.4	764	261	2 029	3 851	760	219	1 763	3 358
Wallonia	15.1	0	23	2 993	8 484	0	22	2 285	7 799
Flanders	6.0	180	1 328	9 740	15 743	115	1 401	7 571	13 933
Luxembourg city	4.9	1 045	703	302	5 354	1 014	682	323	5 247
Total properties available for lease	8.0	2 547	3 664	22 891	96 315	2 670	3 479	20 191	90 307

SECTOR	Average duration of leases as at 31.12.2021 (in years)	NEXT EXPIRY DATE				NEXT EXPIRY DATE			
		Current rent of the leases reaching next break (in € thousand)				Estimated rental value (ERV) of the leases reaching next break (in € thousand)			
	1st break	In 2022	In 2023	In 2024-2026	As from 2027	In 2022	In 2023	In 2024-2026	As from 2027
Brussels CBD and similar	7.8	3 593	2 669	6 345	55 942	4 644	2 620	6 245	52 639
Brussels decentralised	4.0	615	969	1 568	990	592	937	1 554	1 005
Brussels periphery	3.1	2 128	962	2 021	1 802	2 013	819	1 730	1 538
Wallonia	15.1	0	23	2 993	8 484	0	22	2 285	7 799
Flanders	5.9	289	1 328	10 021	15 354	201	1 401	7 838	13 580
Luxembourg city	3.3	1 198	703	5 093	411	1 170	682	5 130	285
Total properties available for lease	7.4	7 822	6 654	28 041	82 983	8 620	6 480	24 782	76 845

TABLE 9 - PROPERTIES THAT ARE BEING CONSTRUCTED OR DEVELOPED FOR OWN ACCOUNT IN ORDER TO BE LEASED¹

	Cost to date (in € thousand)	Future estimated cost (in € thousand)	Interim interest to be capitalised (in € thousand)	Total estimated cost (in € thousand)	Forecast completion date	Rental space (in m ²)	% let
Paradis Express	50 171	9 523	-	59 694	2021	35 000 m ²	100%
PLXL	4 986	48 232	983	54 200	0	15 200 m ²	0%
ZIN	135 218	314 872	14 910	465 000	2023	110 000 m ²	offices 97%
LOOM (redevelopment Joseph 2, Loi 44, Loi 52)	2 771	75 936	2 292	81 000	Permit application ongoing	23 000 m ²	0%
Total committed ongoing projects	193 146	448 563	18 185	659 894			
Reconciliation to the consolidated IFRS balance sheet							
Cost to date WTC 4 and Knokke	23 742						
Fair value of the properties that are being constructed or developed for own account in order to be leased within the IFRS consolidated balance sheet BEFORE works	157 096						
Difference between fair value as at 31 December 2021 and [the fair value before works + the cost of the works]	16 710						
Properties that are being constructed or developed for own account in order to be leased within the IFRS consolidated balance sheet	390 695						

TABLE 10 - PROPERTY-RELATED CAPEX

		Investment realised in 2021 (in € million)
Acquisition	Acquisition	53.0
Development	Committed	132.5
	Of which Silversquare	3.9
	Of which interim interest	4.1
	Non-Committed	6.2
	Of which Silversquare	0.0
Total Development (A)		138.7
Properties available for lease		19.2
	Of which Silversquare	6.1
	Of which interim interest	0.0
Total properties available for lease (B)		19.2
Total (A+B)		157.9

1. This table includes the projects which have been reclassified under "Properties that are being constructed or developed for own account in order to be leased" and for which expenses were already made.

EPRA Sustainable Performance Indicators

Befimmo reports according to the Sustainability Best Practices Recommendations of the EPRA¹. 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 ✓ were checked as part of this assignment.

External assurance	EPRA sustainability performance measures	GRI & CRESS	Data 2021	Data 2020	Page ref.
ENVIRONMENTAL SUSTAINABILITY PERFORMANCE MEASURES					
✓	Elec-Abs not normalised	302-1	41.86 GWh	47.58 GWh	70-75, 253-256
✓	Elec-LfL not normalised	302-1	37.14 GWh	38.25 GWh	70-75, 253-256
✓	DH&C-Abs not normalised	302-1	2.19 GWh	1.82 GWh	70-75, 253-256
✓	DH&C-LfL not normalised	302-1	2.19 GWh	1.82 GWh	70-75, 253-256
✓	Fuels-Abs not normalised	302-1	58.18 GWh	52.48 GWh	70-75, 253-256
✓	Fuels-LfL not normalised	302-1	51.21 GWh	43.98 GWh	70-75, 253-256
✓	Energy-Int not normalised	CRE1	143 kWh/m ²	132 kWh/m ²	70-75, 253-256
✓	GHG-Dir-Abs	305-1	3 242 t CO ₂ e	3 451 t CO ₂ e	70-75, 253-256
✓	GHG-Indir-Abs - landlord-controlled building	305-2	156 t CO ₂ e	192 t CO ₂ e	70-75, 253-256
✓	GHG-Indir-Abs - tenant-controlled building	305-3	8 704 t CO ₂ e	7 176 t CO ₂ e	70-75, 253-256
	GHG-Dir-LfL	305-1	2 632 t CO ₂ e	2 285 t CO ₂ e	70-75, 253-256
	GHG-Indir-LfL - landlord-controlled building	305-2	111 t CO ₂ e	118 t CO ₂ e	70-75, 253-256
	GHG-Indir-LfL - tenant-controlled building	305-3	7 629 t CO ₂ e	6 517 t CO ₂ e	70-75, 253-256
✓	GHG-Int	CRE3	16.70 kg CO ₂ e /m ²	14.21 kg CO ₂ e/m ²	70-75, 253-256
✓	Water-Abs	303-5	103 867 m ³	140 665 m ³	77, 257
✓	Water-LfL	303-5	85 618 m ³	103 713 m ³	77, 257
✓	Water-Int	CRE2	175.83 l/m ²	213.80 l/m ²	77, 257
✓	Waste-Abs ²	306-4	Recycled: 402 tonnes	Recycled: 611 tonnes	78-79, 278
✓		306-4	Reused: 0 tonne	Reused: 0 tonne	78-79, 278
✓		306-4	Composted: 3 tonnes	Composted: 2 tonnes	78-79, 278
✓		306-5	Incinerated: 323 tonnes	Incinerated: 660 tonnes	78-79, 278
✓		306-5	Buried or landfilled: 0 tonne	Buried or landfilled: 0 tonne	78-79, 278
✓		306-4	Recycled: 34 307 tonnes	Recycled: 59 986 tonnes	78-79, 278
✓	Waste-LfL ²	306-4	Reused: 0 tonne	Reused: 157 tonnes	78-79, 278
✓		306-4	Composted: 3 tonnes	Composted: 0 tonne	78-79, 278
✓		306-5	Incinerated: 2 896 tonnes	Incinerated: 12 093 tonnes	78-79, 278
✓		306-5	Buried or landfilled: 4 tonnes	Buried or landfilled: 160 tonnes	78-79, 278

1. EPRA Sustainability Best Practices Recommendations Guidelines - Third version September 2017.
 2. Waste from buildings in operation. The 2020 figure differs from the one published in the previous Report, as the latter also included waste of construction work.

External assurance	EPRA sustainability performance measures	GRI & CRESS	Data 2021	Data 2020	Page ref.
ENVIRONMENTAL SUSTAINABILITY PERFORMANCE MEASURES					
✓	Cert-Tot	CRE8	BREEAM New construction/ refurbishment Excellent 3 buildings	BREEAM New construction/ refurbishment Excellent 3 buildings	81, 259
✓			BREEAM New construction/ refurbishment Very Good 5 buildings	BREEAM New construction/ refurbishment Very Good 6 buildings	81, 259
✓			BREEAM New construction/ refurbishment Good 1 building	BREEAM New construction/ refurbishment Good 3 buildings	81, 259
✓			BREEAM New construction/ refurbishment Not certified 96 buildings	BREEAM New construction/ refurbishment Not certified 95 buildings	81, 259
✓			BREEAM In-Use Very Good 0 building	BREEAM In-Use Very Good 2 buildings	81, 259
✓			BREEAM In-Use Good 1 building	BREEAM In-Use Good 1 building	81, 259
✓			BREEAM In-Use Not certified 104 buildings	BREEAM In-Use Not certified 104 buildings	81, 259
✓			EPC B 4 buildings ¹	-	81, 259
✓			EPC C 11 buildings ²	-	81, 259
✓			EPC Not certified 90 buildings ³	-	81, 259
SOCIAL PERFORMANCE MEASURES					
✓	Diversity-Emp (M/F)	405-1	54% (M) - 46% (F)	54% (M) - 46% (F)	88, 269
✓	Executive Committee	405-1	50% (M) - 50% (F)	50% (M) - 50% (F)	88, 269
✓	Management	405-2	70% (M) - 30% (F)	73% (M) - 27% (F)	88, 269
✓	Other team members	405-2	53% (M) - 47% (F)	52% (M) - 48% (F)	88, 269
✓	Diversity-Pay (M/F)	405-2	30.2%	29.7%	88, 271
✓	Executive Committee	405-2	70.1%	70.1%	271
✓	Management	405-2	-8.9%	-13.9% ⁴	271
✓	Other team members	405-2	32.3%	31.5%	271

1. One building included in the total with a surface area of ±10.000 m² has been sold in 2021. The validity of the certificate for a second building with a surface of 5.000 m² ended in 2021. For this building, a new certificate will be established in 2022.

2. The validity of the certificates for three of these buildings, representing a surface area of 28.000 m², expired in 2021. Two of them will be renewed in 2022 while the third will be established after renovation.

3. Office buildings in Flanders and Wallonia are not eligible for the "sale and rental" certificate. The two buildings in Luxembourg do have a valid certificate but without a "class". They are therefore considered as not certified.

4. Due to a calculation error, the managers' wage gap for the year 2020, published in the Annual Financial Report 2020 and the Sustainability Report 2020, has been corrected.

External assurance	EPRA sustainability performance measures	GRI & CRESS	Data 2021	Data 2020	Page ref.
SOCIAL PERFORMANCE MEASURES					
✓	Emp-Training	404-1	34.9 hours/year	9.3 hours/year	88, 270
✓	Executive Committee	404-1	87.8 hours/year	18.4 hours/year	270
✓	Management	404-1	116.0 hours/year	18.0 hours/year	270
✓	Other team members	404-1	24.0 hours/year	6.9 hours/year	270
✓	Emp-Dev	404-3	100%	100%	88, 270
✓	Executive Committee	404-3	100%	100%	270
✓	Management	404-3	100%	100%	270
✓	Other team members	404-3	100%	100%	270
✓	Emp-Turnover - new arrivals (total number)	401-1	13	15	88, 271
✓	Emp-Turnover - new arrivals (rate)	401-1	13.0%	16.0%	88, 271
✓	Emp-Turnover - Turnover (total number)	401-1	7	7	88, 271-272
✓	Emp-Turnover - Turnover (rate)	401-1	7.0%	7.4%	88, 271-272
✓	H&S Emp - Lost day rate	403-9	0.0%	0.0%	90, 272
✓	H&S Emp - Injury rate	403-9	0.0%	0.0%	90, 272
✓	H&S Emp - Absentee rate	403-9	4.3%	5.0%	90, 272
✓	H&S Emp - Absentee rate (short term)	403-9	1.4%	1.4%	90, 272
✓	H&S Emp - number of work related fatalities	403-9	0	0	272
✓	H&S-Asset	416-1	87%	81%	92, 272
✓	H&S-Comp	416-2	2	1	92, 272
✓	Comty-Eng ¹	413-1	32%	29%	93, 272
GOVERNANCE PERFORMANCE MEASURES					
✓	Gov-Board	2-9	10	10	131, 269
n.a.	Gov-Select	2-10	Narrative on process	Narrative on process	138
n.a.	Gov-Col	2-15	Narrative on process	Narrative on process	163-165

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.



MANAGEMENT REPORT

Outlook & dividend forecast.

Disclaimer

This outlook should not be interpreted as a commitment on the part of Befimmo. Whether or not these forecasts will be achieved depends on factors beyond Befimmo's control, such as developments in the real-estate and financial markets. Given the present context of the ongoing health crisis and economic uncertainty, the assumptions used may be highly volatile. The assumptions and risk assessments seemed reasonable at the time they were made but, since it is impossible to predict future events, they may or may not prove to be correct. Accordingly, Befimmo's actual results, financial situation, performance or achievements, or even general market trends, may differ substantially from these forecasts. Given these uncertainties, shareholders should not give undue credence to these forecasts, which are valid only at the time of writing of this Report. Befimmo does not undertake to update the forecasts, for example to reflect a change in the assumptions on which they are based, except as required by law: notably the law of 2 August 2002 on the surveillance of the financial sector and financial services, and the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Outlook 2022

This Report does present the financial outlook for the next financial year (2022).

The financial outlook is based on information available at the closure of the annual accounts (principally existing agreements) and on Befimmo's assumptions and assessments of certain risks.

SCOPE AND PERIMETER OF THE OUTLOOK

Befimmo prepares its outlook on the basis of two business units:

- the real-estate operator business (92% of consolidated revenues as at 31 December 2021)
- the coworking business (8% of consolidated revenues as at 31 December 2021)

The outlook:

- doesn't assume any additional capital increase or external equity capital
- assumes asset rotation in non-core properties for an estimated amount of €167 million in 2022
- takes account of the value-creating redevelopment projects, and the investments in properties available for lease, in the real-estate operator business, for a total investment volume of €264 million in 2022
- takes account of the growth and further development of the coworking business
- does not take account of growth through acquisitions

ASSUMPTIONS - EXTERNAL FACTORS

Indexation rate

The indexing rates applied to rents are based on forecast changes in the health index established by the planning office (Bureau du Plan: five-year plan published in July 2021 and update of the short-term outlook in January 2022). The annual average health index applied in the 2022 outlook amounts to 4.93%.

Interest rate

Interest rates applied in the outlook for floating-rate debt are the average of the forecast Euribor one and three-month rates established by a major Belgian financial institution and of the market rates (forward rates) which amounts to -0.49% in our forecast.

The average financing cost covers all financial charges, including the theoretical linear amortisation of premiums paid for the purchase of hedging instruments and amounts in our forecast at 1.6%.

ASSUMPTIONS: REAL-ESTATE OPERATOR BUSINESS

The real-estate operator business represents 92% of the consolidated rental income as at 31 December 2021.

Real-estate assumptions

In addition to general market trends, Befimmo has incorporated into its forecasts the actual characteristics of its buildings, mainly in terms of rental situation (notably the residual duration of the leases), potential reversion of the rents, and the need to renovate and

redevelop the buildings (technical and environmental performance, etc.).

Our assumptions reflect our current assessment of the impact of the ongoing health crisis on our activities (for example, delay in construction projects, slowdown of commercial activities, etc.).

RENTAL INCOME

The assumptions about the perception ratio of rents are based on an individual assessment of each lease. This is the ratio of the net income budgeted (2022) to potential income. For the 2022 fiscal year, the budgeted income is 98.7% guaranteed under contracts and 1.3% of budgeted income is under unsecured contracts (owing to an expiry) and/or based on reletting assumptions.

PROPERTY CHARGES

When budgeting for maintenance and repair of buildings, total guarantee maintenance fees, incoming and outgoing inventories borne by the Company, and other miscellaneous expenses, the following main assumptions are made:

- common charges, taxes, property tax, and management fees for vacant premises are borne by Befimmo. Charges are generally allocated on the basis of floor area (amount per m²), but other systems for allocating charges may be used
- whenever a property is re-let, allowance is made for real-estate agent's commission, based on a percentage of the annual rent
- when a tenant leaves a building, the vacated areas are renovated on the basis of a flat rate per m²
- when tenants vacate a space, they are liable to pay compensation consisting of estimated rental damages and one month of unavailability for lease

CORPORATE OVERHEAD

Corporate overheads are estimated line-by-line using the data from previous years and recent and expected developments in the Company. Most of these are subject to indexation. Staff costs vary at a pace that takes account of expected changes in the size of the team.

FINANCIAL RESULT

The financial result consists of financial charges on floating-rate (based on interest assumption) and fixed rate borrowings, of interest earned or charged on derivative instruments and of other financial results, consisting primarily of expenses associated with bank financing lines (commitment fees on credit lines, exposure fees, and debt issuance costs) and other service costs charged by banks. The financial result is also impacted by the activation of interim interest calculated on the basis of the Company's average financing rate for the fiscal year concerned.

The estimated financial result is based on the following main financing and refinancing assumptions:

- use of the commercial paper programme for an average amount of €350 million in 2022
- a financing reserve of 18 months to ensure liquidity conform to internal policy
- refinancing all financing at maturity with either bilateral bank lines, either new instruments on the private or public debt market (bond issues or private placements) in order to achieve a disintermediation of borrowings of around 30%

In order to limit the risk of fluctuating interest rates on its financial debts at floating rates, Befimmo has acquired financial instruments (CAP and IRS).

1. For more information, please see the chapter "Property Report".

(RE)DEVELOPMENT PROJECTS

In 2022 Befimmo will invest €264 million in its (re)development projects and in properties available for lease. For more information, please consult the chapter "Property Report".

Befimmo (real-estate operator) is planning coworking spaces in certain developments¹. Befimmo is handing over turnkey spaces to Silversquare (coworking business) at market conditions. A total investment of €8.7 million is foreseen in 2022 in those spaces.

ASSET ROTATION

We ensure a high-quality portfolio by investing in flexible office buildings in good locations with value-creating potential, while divesting where we can crystallise the value of mature buildings or where buildings no longer fit our strategy.

As mentioned above, this forecast assumes asset rotation of non-core properties mainly in provincial towns and for an estimated amount of €167 million in 2022 and does not take account of growth through acquisitions for 2022. The concerned assets are sold at the end of the lease or slightly earlier because they no longer fit with our strategy.

The pace of these disposals will be aligned with the investment opportunities that Befimmo can materialise.

ASSUMPTIONS: COWORKING BUSINESS

In 2022 Silversquare plans to open three new spaces (North (Quatuor), Guillemins (Paradis Express) and A-Tower). The investments related to fitting-out, furniture, and IT for these spaces amount to €4.7 million in 2022.

As mentioned above, for the coworking spaces planned in its portfolio, Befimmo (real-estate operator) is handing over turnkey spaces to Silversquare (coworking business) for a total investment of €8.7 million in 2022.

The forecast takes into account a gradual take-up of the new spaces and the slower pace of take-up currently resulting from the ongoing health crisis. In the normal course of business, a coworking space is considered to reach maturity after three years in operation and is breakeven at an occupancy rate of about 75%.

The investments needed to expand the Silversquare network postpone the positive contribution of the business. Based on the current plan, the first significant accretive EPRA contributions are expected by 2024.

Borrowings and LTV

In the present environment, Befimmo will aim not to exceed an LTV ratio of around 45%.

In addition to value crystallisation, our asset rotation programme contributes to fund the developments in progress and ensure a capacity for growth.

The forecast nominal net debt is €1,257 million at the end of 2022 reflecting amongst others the assumptions on asset rotation.

Consolidated EPRA earnings outlook

Based on the projected real-estate operator business and coworking business assumptions detailed above, and barring major unforeseen events, Befimmo expects to reach a gross rental income, including turnover of the coworking activity, of €134 million and an EPRA earnings per group share between €2.40 and €2.45 per share in 2022.

EPRA earnings and dividend policy for 2022

Considering the 2022 EPRA earnings outlook (consolidated, group share) and all other things being equal, we foresee a gross dividend in line with the earlier communicated dividend policy (at least 80% of EPRA earnings supplemented, as the case may be, by realised capital gains during the financial year in the framework of the asset rotation policy¹⁾ which may be paid via an interim dividend in December 2022 and a final dividend in May 2023.

1. Subject to the legal obligations set out in the Royal Decree of July 13th 2014 regarding REITs.
2. Loan-to-value ("LTV") = [(nominal financial debts — cash)/fair value of portfolio].

Sensitivity of forecasts

Befimmo does not publish forecasts of changes in the fair value of its properties or financial assets and liabilities.

As an indication and on the basis of data as at 31 December 2021, it can be estimated that a 1% change in the fair value of the property portfolio (IAS 40) would have an impact of around €28.7 million on the net result, thereby generating a change of the order of -€1.06 in the net asset value per share and 0.42% in the LTV².

Furthermore, a change in the forecast movements of interest rates could alter the fair value of the financial assets and liabilities (IFRS 9). Based on the fair value as at 31 December 2021, it can be estimated that if the Euro interest rate curve had been 0.5% lower than the curves for 31 December 2021, the change in fair value of the financial assets and liabilities carried at fair value would have been -€27.5 million. In the opposite case, the change would have been €26.0 million.

Such changes have no impact on the Company's EPRA earnings.

Finally, a change in the forecast Euribor one-and three-month rates used in our outlook (see above, -0.49%) would also alter the financial charges. It can be estimated that if forecast Euribor one and three-month rates were on average 0.5% above, the impact on our 2022 EPRA earnings would be around -€ 1.0 million €, generating a change of the order of -€0.04 in the net asset value per share.



Statutory auditor's report on the consolidated financial forecasts of Befimmo SA

As a statutory auditor of the company, we have, upon request by the Board of Directors, prepared the present report on the forecasts of the EPRA earnings (as defined in August 2011 and amended in October 2019 in the report "Best Practices Recommendations" of the European Public Real Estate Association) per share for the 12 months periods ending 31 December 2022 (the "Forecast") of Befimmo SA, included in the paragraph "Outlook and Dividend Policy" of their Annual Financial Report 2021 as approved by the Board of Directors on 7 March 2022 of the company.

The assumptions included in the paragraph "Outlook and Dividend Policy" result in the following forecasts of the EPRA earnings for the accounting year ending 2022 and next to that for the subsequent period beyond 2022 until 31 December 2026:

EPRA Earnings, per share, in EUR:

31 December 2022

Between 2.40 and 2.45 EUR

BOARD OF DIRECTOR'S RESPONSIBILITY

It is the Company's board of directors' responsibility to prepare the consolidated financial forecasts and the main assumptions upon which the Forecast is based.

AUDITOR'S RESPONSIBILITY

It is our responsibility to provide an opinion on the consolidated financial forecasts, prepared appropriately on the basis of the above assumptions. We are not required nor do we express an opinion on the possibility to achieve that result or on the assumptions underlying this Forecast.

We performed our work in accordance with the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Réviseurs d'Entreprises/ Instituut van de Bedrijfsrevisoren), including the related guidance of its research institute and the standard "International Standard on Assurance Engagements 3400" related to the examination of forecast information. Our work included an evaluation of the procedures undertaken by the Board of Directors in compiling the forecasts and procedures aimed at verifying the consistency of the methods used for the Forecast with the accounting policies normally adopted by Befimmo SA.

We planned and performed our work so as to obtain all the information and explanations that we considered necessary

in order to provide us with reasonable assurance that the forecasts have been properly compiled on the basis stated.

OPINION

We have examined the EPRA earnings per share of Befimmo SA for the 12 months periods ending 31 December 2022 in accordance with the International Standard on Assurance Engagements applicable to the examination of prospective financial information. Board of Director's is responsible for the forecast including the assumptions referenced above. In our opinion the forecast is properly prepared on the basis of the assumptions and is presented in accordance with the accounting policies applied by Befimmo SA for the consolidated financial statements of 2021.

Since the Forecast and the assumptions on which they are based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the forecasts. Any differences may be material.

Brussels, 25 March 2022

EY Réviseurs d'Entreprises SRL
Statutory auditor
represented by

Christel Weymeersch¹
Partner

1. Acting on behalf of a SRL



MANAGEMENT REPORT

Befimmo on the stock market.

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Evolution of the share price

The Befimmo share closed on 31 December 2021 at €33.75, as against €36.30 one year previously.

Assuming the dividend distributed in 2021, the total shareholder return amounts to -2.0%.

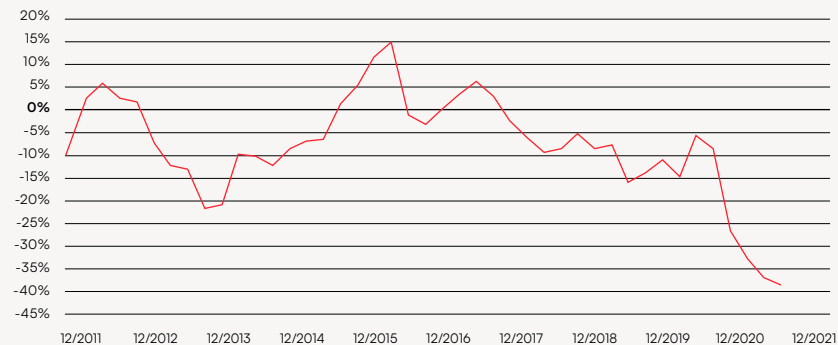
As at 31 December 2021, Befimmo shares were trading with a discount of -44%. Befimmo's market capitalisation stood at €0.96 billion.

Based on transactions recorded on all market platforms, Befimmo shares offer good liquidity, with an average daily volume of around 97,000 shares, which corresponds to a free-float velocity of 120% over the year.

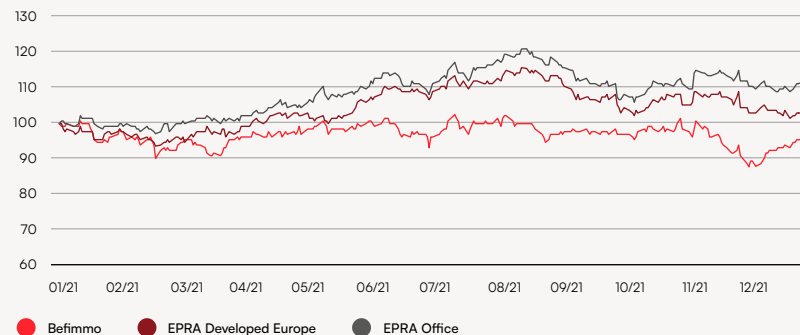
KEY FIGURES

	31.12.2021	31.12.2020
Number of shares issued	28 445 971	28 445 971
Number of shares not held by the group	27 011 100	27 040 351
Average number of shares not held by the group during the period	27 027 104	27 048 907
Highest share price (in €)	37.00	57.00
Lowest share price (in €)	31.30	32.10
Closing share price (in €)	33.75	36.30
Number of shares traded ¹	24 885 965	16 265 676
Average daily turnover ¹	97 211	63 291
Free float velocity ¹	120%	78%
Distribution ratio (in relation to the EPRA earnings)	80%	80%
Gross dividend ² (in € per share)	1.84	2.25
Gross yield ³	5.5%	6.2%
Total shareholder return ⁴	-2.0%	-28.5%

PREMIUM AND DISCOUNT IN RELATION TO THE NET ASSET VALUE ON A 10-YEAR PERIOD



PERFORMANCE OF BEFIMMO'S TOTAL RETURN INDEX IN RELATION TO THE EPRA DEVELOPED EUROPE AND EPRA OFFICE INDEX



1. Source: Kempen & Co. Based on trading on all platforms.

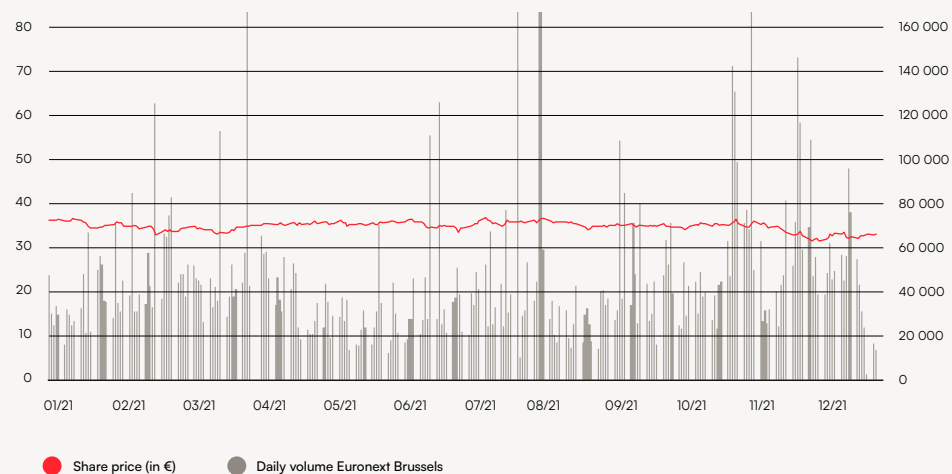
2. Subject to a withholding tax of 30%.

3. Gross dividend divided by the closing share price.

4. Calculated over a 12-month period ending at the closing of the fiscal year, taking into account the gross dividend reinvestment, if any, and the optional dividend participation.

LIQUIDITY PROGRAMME - TOTAL NUMBER OF OWN SHARES PURCHASED AND SOLD

Befimmo consolidated	Total number of shares	Number of own shares held	Accountable par (in €, rounded)	Counter value per share (in €)	Percentage in capital (based on the number of securities)
Situation as at 01.01.2021	28 445 971	1 405 620	14.53	49.39	4.94%
Total number of own shares purchased from 01.01.2021 to 31.12.2021		687 737	14.53	-	2.42%
Total number of own shares sold from 01.01.2021 to 31.12.2021		-658 486	14.53	-	-2.31%
Situation as at 31.12.2021	28 445 971	1 434 871	14.53	49.05	5.04%

SHARE PRICE AND VOLUMES (01.01.2021 TO 31.12.2021)

● Share price (in €) ● Daily volume Euronext Brussels

Liquidity programme

In October 2020 Befimmo entrusted Kepler Cheuvreux with the task of implementing a liquidity contract relating to its ordinary shares admitted to trading on Euronext Brussels. This agreement provides for the purchase and sale by Kepler Cheuvreux of Befimmo shares. Kepler Cheuvreux is acting in the name and on behalf of Befimmo and within the framework of a discretionary mandate as authorised by the Extraordinary General Meeting of 26 April 2016. In accordance with the conditions specified by this General Meeting, the purchase price may not be less than 85% nor more than 115% of the closing price the day before the date of the transaction. To implement the programme, Befimmo made €2 million available to Kepler Cheuvreux.



Dividend of the 2021 fiscal year

FINAL DIVIDEND FOR THE 2021 FISCAL YEAR

The agenda of the Ordinary General Meeting of shareholders to be held on 26 April 2022, at which the accounts for the 2021 fiscal year are to be approved, will include a proposal for the distribution of a final dividend of €0.58 gross¹ per share not held by the group. This final dividend will supplement the interim dividend, bringing the total dividend for the fiscal year to €1.84 gross per share not held by the group which represents a return on the share price of 5.5%.

DIVIDEND POLICY

Befimmo will propose a dividend in line with the earlier communicated dividend policy of at least 80% of the EPRA earnings for the year, supplemented, as the case may be, by realised capital gains during the financial year in the framework of its asset rotation policy.

€1.84

Gross dividend 2021 per share

1. Subject to a withholding tax of 30%.



Shareholding structure

The Company introduced a statutory declaration threshold of 3% for the application of the legal rules relating to notification of large holdings in issuers whose shares are admitted to trading on a regulated market.

For any further information, please refer to the articles of association of the Company on the website of Befimmo.

According to the transparency notifications received, the share ownership of Befimmo SA is structured as follows:

SHARE HOLDING

	Number of shares (declared) the day of the statement	Based on the transparency declarations or based on the information received from the shareholder	(in %)
Declarants			
AXA Belgium SA	2 741 438	30.04.2019	9.6%
Ageas and affiliated companies	2 641 047	30.04.2019	9.3%
BlackRock Inc.	848 297	20.11.2019	3.0%
Own shares			
Befimmo SA	1 434 871	31.12.2021	5.0%
Other shareholders under the statutory threshold	20 780 318	31.12.2021	73.1%
Total	28 445 971		100%

Based on the transparency declarations or based on the information received from the shareholder.

1. Subject to a decision of Ordinary General Meeting
2. Publication after closing of the stock exchange.
3. Subject to a decision of the Board of Directors.

Calendar of the 2022 fiscal year

Online publication of the Annual Financial Report 2021	Friday 25 March 2022
Ordinary General Meeting of the fiscal year closing as at 31 December 2021	Tuesday 26 April 2022
Payment of the final¹ dividend of the 2021 fiscal year on presentation of coupon No 43	
- Ex-date	Wednesday 4 May 2022
- Record date	Thursday 5 May 2022
- Payment date	Friday 6 May 2022
Interim statement as at 31 March 2022 ²	Tuesday 17 May 2022
Publication of the half-yearly results and online publication of the Half-Yearly Financial Report 2022 ²	Thursday 28 July 2022
Interim statement as at 30 September 2022 ²	Tuesday 8 November 2022
Payment of the interim³ dividend of the 2022 fiscal year on presentation of coupon No 44	
- Ex-date	Tuesday 20 December 2022
- Record date	Wednesday 21 December 2022
- Payment date	Thursday 22 December 2022
Publication of the annual results as at 31 December 2022	Thursday 16 February 2023
Online publication of the Annual Financial Report 2022	Friday 24 March 2023
Ordinary General Meeting of the fiscal year closing as at 31 December 2022	Tuesday 25 April 2023
Payment of the final¹ dividend of the 2022 fiscal year on presentation of coupon No 45	
- Ex-date	Wednesday 3 May 2023
- Record date	Thursday 4 May 2023
- Payment date	Friday 5 May 2023



MANAGEMENT REPORT

Corporate Governance statement.

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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 2021, 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.

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 composition of the Board reflects a triple degree of independence in the sense that, in accordance with the Corporate Governance Charter, it must be composed of:

- a majority of non-executive Directors;
- at least three independent Directors within the meaning of the Code of Companies and Associations and the 2020 Code; and
- a majority of Directors not linked to the Company’s shareholders.

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 2021 the Board of Directors comprised ten 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.

In accordance with Article 14 §1, al. 2 of the Law of 12 May 2014 on BE-REITs (BE-REIT Law), members of the Board of Directors must at all times have the necessary professional integrity and appropriate expertise for the exercise of their duties and may not be subject to the prohibitions referred to in Article 20 of the Law of 25 April 2014 on the legal status and supervision of credit institutions and stockbroking firms. Members of the Board of Directors must be natural persons. Legal persons which, on the date of entry into force of the BE-REIT Law, held a position as a Director or member of the Company’s Management Committee, were nevertheless allowed to continue to hold their current mandate until it expired. In accordance with those provisions, since the Annual General Meeting of 26 April 2016, the Board of Directors of Befimmo has been composed solely of natural persons.

Composition of the Board of Directors as at 31 December 2021

On 31 December 2021, the Board consisted of ten Directors, specifically:

- One executive Director
- Nine 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.

As a reminder, until 20 December 2012, the Company was a limited partnership by shares and was managed by its statutory manager, which was a legal person. The Directors who were appointed for the first time by the Company’s Extraordinary General Meeting of 20 December 2012,



✓ after it was transformed into a public limited liability company, began a mandate in a separate legal entity; but the Company considered it appropriate to take account of the mandates of the Directors who previously sat on the Board of its former statutory manager (whether as individuals or as representatives of a legal person), before it was transformed into a public limited liability company.

Accordingly, the Directors of the first Board of the Company, after its transformation, were appointed for a term up to the end of the mandate they were serving with the former statutory manager of the Company.

Similarly, when considering the criterion of a maximum total term of 12 years within the same Board of Directors

(Article 3.5 2. of the 2020 Code), the Company takes into account the number of years served as an independent non-executive Director of the former statutory manager.

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS DURING THE 2021 FISCAL YEAR

The mandates of the following Directors expired at the end of the Ordinary General Meeting of 27 April 2021:

- Mr Alain Devos
- Mr Vincent Querton
- Mrs Sophie Goblet
- Mrs Sophie Malarme-Lecloux
- Mr Amand-Benoît D'Hondt

The same Ordinary General Meeting renewed the mandates of:

- Mr Alain Devos, as non-executive Director, for a further

term of two years, expiring at the end of the Ordinary General Meeting of 2023;

- Mr Vincent Querton, as Independent Director, for a further term of four years, expiring at the end of the Ordinary General Meeting of 2025;
- Mrs Sophie Goblet, as Independent Director, for a further term of four years, expiring at the end of the Ordinary General Meeting of 2025;
- Mrs Sophie Malarme-Lecloux, as Independent Director, for a further term of three years, expiring at the end of the Ordinary General Meeting of 2024.

The same Ordinary General Meeting appointed Mr Jean-Philip Vroninks, as Executive Director, for a term of four years, expiring at the end of the Ordinary General Meeting of 2025.

At its meeting of 10 May 2021, the Board of Directors appointed Mr Vincent Querton as successor to Mr Alain Devos as Chairman of the Board of Directors.

At its meeting of 31 May 2021, the Board of Directors appointed Mr Jean-Philip Vroninks, Executive Director, as Chief Executive Officer from 1 June 2021 for an indefinite period, replacing Mr Benoît De Blicke in the Executive Committee.

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

The Board of Directors met 16 times during the fiscal year.

→ COMPOSITION OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2021

10
MEMBERS

1

CEO Executive

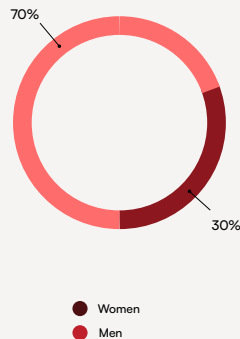
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Non-executive

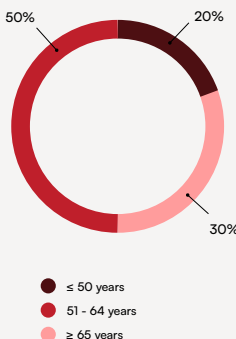
5

Independent

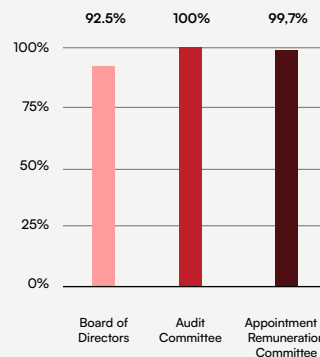
GENDER BALANCE



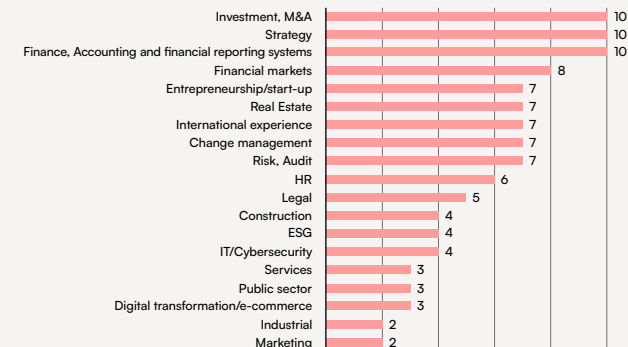
AGE BREAKDOWN



ATTENDANCE TO MEETINGS



WORK EXPERIENCE & EXPERTISE



Proposals for appointments and/or renewals at the 2022 Ordinary General Meeting.

The mandates of Mr Wim Arousseau, Mr Benoît De Blieck and Mr Etienne Dewulf expire at the Ordinary General Meeting of 26 April 2022. At its meeting of 15 December 2021, the Board of Directors noted the resignation of Mr Kurt De Schepper also with effect at the Ordinary General Meeting of 26 April 2022.

The proposals for appointments and/or renewals will be submitted to the Ordinary General Meeting of 26 April 2022. The agenda of the Ordinary General Meeting of 26 April 2022 is available on Befimmo's website.

COMPOSITION OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2021

Position on the board	First appointed	Expiry of current mandate	Board meetings attended over the fiscal year 2021
Vincent Querton - Chairman	April 2019	April 2025	16
Alain Devos - Non-executive Director	December 2012 ¹	April 2023	16
Jean-Philip Vroninks - Executive Director	April 2021	April 2025	9 of 9 meetings since his appointment in April 2021
Benoît De Blieck - Non-executive Director	December 2012 ²	April 2022	16
Anne-Marie Baeyaert - Independent non-executive Director	April 2018	April 2023	14
Sophie Goblet - Independent non-executive Director	April 2013	April 2025	15
Sophie Malarme-Lecloux - Independent non-executive Director	April 2015	April 2024	15
Wim Arousseau - Non-executive Director, linked to a shareholder	April 2018	April 2022	11 ³
Etienne Dewulf - Independent non-executive Director	December 2012 ⁴	April 2022	16
Kurt De Schepper - Non-executive Director, linked to a shareholder	April 2014	April 2022	15



1. Mr Alain Devos was appointed for the first time as Director of the former statutory manager of Befimmo in October 2002.
2. Mr Benoît De Blieck was appointed for the first time as Director of the former statutory manager of Befimmo in August 1999.
3. In accordance with the Corporate Governance Charter and in order to prevent any risk of conflict of interest, Mr Wim Arousseau did not participate in one meeting of the Board of Directors.
4. 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 (1961) (Place Jean Jacobs 6 - 1000 Brussels), 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).

OTHER POSITIONS HELD AT 31 DECEMBER 2021

Managing Director of Ascencio SCA.

Mr Jean-Philip Vroninks

EXECUTIVE DIRECTOR



Mr Jean-Philip Vroninks (1975) (Cantersteen 47, 1000 Brussels), 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 and of its subsidiary Fedimmo in June 2021.

OTHER POSITIONS HELD AT 31 DECEMBER 2021

Mr Jean-Philip Vroninks is a Director of Revron GCV; He is a Director of the following Befimmo subsidiaries: Fedimmo SA (Managing Director), Loi 52 SA, ZIN in Noord SA, and ZIN in Noord 2025 SA; and the permanent representative of Revron GCV, which holds the following positions in Befimmo's subsidiaries: Chairman and Managing Director of Axento SA; Chairman of Meirfree SA and Vitalfree SA; Managing Director of Befimmo Property Services SA and Director of Kubissimmo Sàrl. Mr. Jean-Philip Vroninks is also a Member of the Royal Institution of Chartered Surveyors (RICS) and is an Accredited Chartered Accountant at the Institute of Chartered Accountancy of England and Wales (ICAEW).

Mrs Anne-Marie Baeyaert

INDEPENDENT DIRECTOR



Mrs Anne-Marie Baeyaert (1961) (Schaapsbaan 28 - 2910 Essen) 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.

OTHER POSITIONS HELD AT 31 DECEMBER 2021

Mrs Anne-Marie Baeyaert is a permanent representative of ANBA SRL, and independent Director on the Boards of Directors of Rosier SA and Tessenderlo Group SA. She is a non-executive Director and also Chairman of the Audit Committee of De Vlaamse Waterweg NV (Willebroek), and Manager of Resigrass SRL and Cosy Lounge SRL.

Mrs Sophie Goblet

INDEPENDENT DIRECTOR



Mrs Sophie Goblet (1964) (avenue Franklin Roosevelt 108 - 1050 Brussels) 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.

OTHER POSITIONS HELD AT 31 DECEMBER 2021

Director of Sohonet asbl and of The Pond & the Waterfall asbl.

Mrs Sophie Malarme-Lecloux

INDEPENDENT DIRECTOR



Mrs Sophie Malarme-Lecloux (1970) (rue du Plagniau 16 - 1330 Rixensart) 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 more than 15 years' experience as a Independent director.

OTHER POSITIONS HELD AT 31 DECEMBER 2021

Founder and Director of FreeBe SRL; Director and Chairwoman of the Appointment and Remuneration Committee of CBO Territoria SA (France); independent Director and Chairwoman of the Audit Committee of Euroclear Belgium; independent Director and Chairwoman of the Remuneration committee of Euroclear Nederland; independent Director and Chairwoman of the Audit Committee of Euroclear France; independent Board Member and Member of the Advisory Committee, Audit Committee, and Remuneration Committee of Compagnie Het Zoute SA.

MANDATES EXPIRED AS AT 31 DECEMBER 2021, HELD DURING THE PERIOD 2017-2021

Director of Orpea SA (France).

Mr Wim Arousseau

NON-EXECUTIVE DIRECTOR



Mr Wim Arousseau (1971) (Gaaiendreef 10 - 2900 Schoten) has been a Director of Befimmo since 24 April 2018. Mr Arousseau has a degree in applied economics and finance (University of Antwerp) and in financial analysis (ICHEC). He has extensive experience in asset management and business management, particularly in the banking and insurance sector in Belgium (KBC Securities, Bank Van Breda, Swiss Life Belgium, Delta Lloyd Life and Axa Belgium). He held the post of Chief Investment Officer of AXA Belgium SA from November 2013 until 31 December 2021.

OTHER POSITIONS HELD AT 31 DECEMBER 2021

Director of Home Invest Belgium SA and Leasinvest SCA.

Mr Benoît De Blicq

NON-EXECUTIVE DIRECTOR



Mr Benoît De Blicq (1957) (La Bouée - Zeedijk, Het Zoute 773/51, 8300 - Knokke) has been Chief Executive Officer of Befimmo and has chaired its Executive Committee until June 2021. Mr De Blicq is a civil engineer (ULB, École Polytechnique, 1980), and a postgraduate (Cepac) of the Solvay Business School (ULB, 1986). He began his career in 1980 at Entreprises Ed. François & Fils, later to become CFE, in charge of building sites in Saudi Arabia (1980-1985) and of project studies in China, Zaire, and Egypt (1985-1988). He was then responsible for real-estate project developments at Codic (1988-1990) and Galliford (1990-1992). From 1992 to 1999, he was a member of the Management Committee of Bernheim-Comofi SA (today AG Real Estate; but then a subsidiary of Groupe Bruxelles Lambert), where he was responsible for international development. He was appointed Managing Director of Befimmo in August 1999 and of its subsidiary Fedimmo in December 2006.

OTHER POSITIONS HELD AT 31 DECEMBER 2021

Mr Benoît De Blicq is Director of BDB Management SRL; Director of the Professional Union of the Real-Estate Sector (UPS); Fellow member of the Royal Institution of Chartered Surveyors (FRICS). BDB Management SRL, represented by its permanent representative Mr Benoît De Blicq, Managing Director of Noblicq SA and Director of BVR SRL.

MANDATES EXPIRED AS AT 31 DECEMBER 2021, HELD DURING THE PERIOD 2017-2021

He was a Director of the following Befimmo subsidiaries: Fedimmo SA (Managing Director), Loi 52 SA, ZIN in Noord SA and ZIN in Noord 2025 SA. He is the permanent representative of BDB Management SRL, which held the following positions in Befimmo's subsidiaries: Chairman of Axento SA; Director of Meirfree SA, Kubissimmo SàRL and Vitalfree SA; Managing Director of Befimmo Property Services SA. Mr Benoît De Blicq was Chairman of Beway SA, which merged with Befimmo in April 2019.

Mr Kurt De Schepper

NON-EXECUTIVE DIRECTOR



Mr Kurt De Schepper (1956) (Akkerstraat 16 - 2540 Hove) has been a Director of Befimmo since 29 April 2014, and a member of its Audit Committee since September 2020. Mr De Schepper is an actuary. He began his career in 1979 at AG Insurance, where he joined the Management Team and became Head of the employee benefits channel in 1990. Between 1995 and 2004, he was General Manager Europe at Fortis Insurance International, where his responsibilities included the joint venture of CaiFor and Fortis Insurance UK. In 2004, he was appointed Chief Pension Officer at Fortis Holding. In mid-2005, he became Business Operating Officer at AG Insurance, and from September 2008 he was also responsible for Financial Assets Management. From September 2009 to 1 July 2014, Mr De Schepper was Chief Risk Officer of Ageas, in charge of the risk, legal and compliance departments, and support functions (human resources, IT and facility).

MANDATES EXPIRED AS AT 31 DECEMBER 2021, HELD DURING THE PERIOD 2017-2021

Mr De Schepper was Director of Kadees BV.

Mr Alain Devos

NON-EXECUTIVE DIRECTOR



Mr Alain Devos (1953) (Camille Lemonnierlaan 17 - 8300 Knokke) 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 (formerly Fortis AG), 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.

OTHER POSITIONS HELD AT 31 DECEMBER 2021

Mr Alain Devos is a Director of Alain Devos SRL; Director of Compagnie Het Zoute NV; a Member of the Advisory Board of Buyerside SA; a Member of the Board of Trustees of Guberna; and a Fellow Member of the Royal Institution of Chartered Surveyors (FRICS).

MANDATES EXPIRED AS AT 31 DECEMBER 2021, HELD DURING THE PERIOD 2017-2021

Mr Alain Devos was a Director of Equilis SA; Director of A3 Management (Allfin Group); Member of the Advisory Board of VK Group.

Mr Etienne Dewulf

INDEPENDANT DIRECTOR



Mr Etienne Dewulf (1955) (rue du Ruisseau 10 - 1970 Wezembeek-Oppem) 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 Conflux (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.

OTHER POSITIONS HELD AT 31 DECEMBER 2021

Mr Etienne Dewulf is honorary Chairman of the Professional Union of the Real-Estate Sector (UPS); permanent representative of Cassiopee SRL; Director of holding company Thomas & Piron (mandate via Cassiopee SRL); Honorary Chairman of the non-profit Association des Entrepreneurs Belges de Grands Travaux; Director of the non-profit Association Paroles d'Ados; Director of Maison de la Route et du Génie Civil SCSA, and Director of Latour et Petit SA (mandate via Cassiopee SRL).

MANDATES EXPIRED AS AT 31 DECEMBER 2021, HELD DURING THE PERIOD 2017-2021

Mr Etienne Dewulf was a Director of Confédération Construction, of Bavière Développement SA and of Foncière Kerkedelle SA (company liquidated in December 2017). SRL Etienne Dewulf was also managing director of Foncière Invest SA, Cœur de Ville SA, and Thomas & Piron Bâtiment SA, and Director of Bureau Cauchy SA and BTA Construct SA.

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 assesses 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).

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 encourages the Directors to 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 BE-REIT; it establishes the management report, which includes the corporate governance statement; it rules on the use of the authorised capital; and convenes Ordinary and Extraordinary 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, Annual Financial Reports, 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 express an interest to do so.

Activities of the Board of Directors during the 2021 fiscal year

The Board of Directors met 16 times during the 2021 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, including the pandemic impact assessment on the business and/or forecasts
- Dividend policy
- Pay-out of an interim dividend
- Succession planning and selection process of the CEO and the Chairman of Board of Directors
- 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 (notably the ZIN, Quatuor and Paradis Express projects)
- Key investments in the consolidated Befimmo portfolio, notably in sustainable development
- Development of the coworking business
- Partnerships (notably the Sparks project)
- Financial management policy
- Interest-rate risk-hedging policy
- Review of the Remuneration Report
- Preparation and convening of the Ordinary & Extraordinary General Meetings
- Internal Control, including main conclusions of internal audit reports and reporting of the Chief Compliance Officer
- Insurance program

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.

In accordance with its terms of reference, the Board decided to carry out a new assessment in 2021 and entrusted this task to Governow, 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 also aimed to gauge that Befimmo's governance efficiently supports its strategy and takes into account the evolving environment in which it operates.

On the basis of individual interviews with each Director, Governow conducted a detailed analysis of the various aspects of governance and drafted a comprehensive written report, which includes a benchmark in relation to best governance practices.

The key findings of this assessment can be summarised as follows:

- the composition of the Board of Directors, the skills of its members and the role they perform comply with the applicable legal and corporate governance provisions;
- the Board is satisfied with its operation, the information provided by management, and contacts with it and with the Board's two specialised Committees;
- the Chairman of the Board of Directors carries out his duties in a professional manner, fostering a stimulating climate of quality discussions, in which all the Directors have the opportunity to express their views.

Decisions are taken by consensus and in the interests of the Company;

- the Board develops an inclusive approach which balances the legitimate interests and expectations of shareholders and those of other stakeholders;
- the Directors made suggestions regarding the conduct of the meetings and confirmed priority topics for the current and next years, in conjunction with the implementation of the new strategy.

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 has 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 below.

Audit Committee

COMPOSITION

The Committee is composed of three members, 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 2021, the members of the Audit Committee were:

- Mrs Sophie Goblet, Independent Director; and Chairwoman of the Audit Committee
- Mrs Sophie Malarme-Lecloux, Independent Director;
- Mr Kurt De Schepper, non-executive Director, linked to a shareholder.

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.

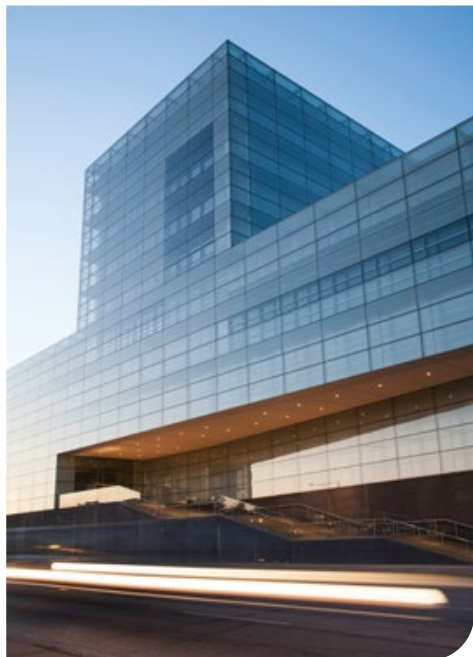
The Audit Committee meets at least four times a year and whenever circumstances require, at the request of its Chairman, one of its members, the Chairman of the Board of Directors, the Chief Executive Officer, or the Chief Financial Officer. It decides if and when the Chief Executive Officer, Chief Financial 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.

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✓ OPERATION AND ACTIVITIES DURING FISCAL YEAR 2021

The Committee met 11 times in 2021. All members of the Committee attended all the meetings.

The following main dossiers and topics were considered:

- Quarterly, half-yearly, and annual accounts, and financial reporting;
- COVID-19 impact assessment;
- 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 multi-annual 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.;
- Review of the cybersecurity framework and resilience program;
- Distribution of an interim dividend for 2021;
- 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 "Real Estate Operator" and "Coworking" business lines;
- Follow-up of the liquidity contract.

SELF-ASSESSMENT

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.

In accordance with its terms of reference, the Audit Committee decided to carry out a new assessment in 2021 and entrusted this task to Governow, external expert in governance, which conducted a thorough assessment of the Committee's composition, its functioning and its interaction with the Board of Directors, the Management and the External Auditor.

On the basis of individual interviews with each Committee Member, Governow conducted a detailed analysis of the various aspects of governance and drafted a comprehensive written report, including a benchmark in relation to best governance practices.

The key findings of this assessment can be summarised as follows:

- the composition of the Committee, the skills of its members and the role it performs comply with the applicable legal and corporate governance provisions;
- the topics and dossiers handled by the Committee are relevant and treated professionally, and the Chairwoman of the Committee carries out the coordination function properly;
- priority topics for the current and next years have been confirmed, in conjunction with the implementation of the new strategy.

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 2021, 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 FISCAL YEAR 2021

The Appointment and Remuneration Committee met 11 times in fiscal year 2021. Mr Dewulf and Mr Devos attended all the meetings ; Mr Querton attended 10 meetings.

The following main dossiers and topics were considered :

- Succession planning and selection process for the Chief Executive Officer and the Chairman of the Board of Directors;
- End-of-term conditions for the former Chief Executive Officer and the CFO;
- 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 2022, and overall budget-allocation for the variable remuneration of staff (bonuses) for fiscal year 2021;
- 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.

In accordance with its terms of reference, the Appointment and Remuneration Committee decided to carry out a new assessment in 2021 and entrusted this task to Governow,

external expert in governance, which conducted a thorough assessment of the Committee's composition, its functioning and its interaction with the Board of Directors.

On the basis of individual interviews with each Committee Member, Governow conducted a detailed analysis of the various aspects of governance and drafted a comprehensive written report, including a benchmark in relation to best governance practices.

The key findings of this assessment can be summarised as follows:

- the composition of the Committee, the skills of its members and the role it performs comply with the applicable legal and corporate governance provisions;
- combining "appointments" and "remuneration" into a simple Committee is still an ideal formula in the light of Befimmo's structure;
- the topics and dossiers handled by the Committee are relevant and treated professionally, and the Chairwoman of the Committee carries out the coordination function properly;
- priority topics for the current and next years have been confirmed, in conjunction with the implementation of the new strategy.

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.

In accordance with Article 14 of the BE-REIT Law, 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 2021, 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 Laurent Carlier, Chief Financial Officer (CFO);
- Mrs Martine Rorif, Chief Operating Officer (COO);
- Mrs Aminata Kaké, General Counsel & Secretary General (SGC).



Mr Jean-Philip Vroninks

CHIEF EXECUTIVE OFFICER



Mr Jean-Philip Vroninks (1975), (Cantersteen 47, 1000 Brussels) 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 and of its subsidiary Fedimmo in June 2021.

OTHER POSITIONS HELD AT 31 DECEMBER 2021

Mr Jean-Philip Vroninks is a Director of Revron GCV; He is a Director of the following Befimmo subsidiaries: Fedimmo SA (Managing Director), Loi 52 SA, ZIN in Noord SA, and ZIN in Noord 2025 SA; and the permanent representative of Revron GCV, which holds the following positions in Befimmo's subsidiaries: Chairman and Managing Director of Axento SA; Chairman of Meirfree SA and Vitalfree SA; Managing Director of Befimmo Property Services SA and Director of Kubissimmo Sarl. Mr. Jean-Philip Vroninks is also a Member of the Royal Institution of Chartered Surveyors (RICS) and is an Accredited Chartered Accountant at the Institute of Chartered Accountancy of England and Wales (ICAEW).

Mrs Aminata Kaké

GENERAL COUNSEL & SECRETARY GENERAL



Mrs Aminata Kaké (1977) 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, Head of the Legal & Regulatory Committee of the BE-REIT Association, and a member of the Regulatory Committee of the European Public Real Estate Association (EPRA), the Belgian Risk Management Association (BELRIM), the Advisory Council of the European Issuers Association, and the Belgian Institute of Company Lawyers (IJE).

OTHER POSITIONS HELD AT 31 DECEMBER 2021

Independent Director of CBC Banque SA, Director of the Belgian Association of Listed Companies asbl (FEB) and Director of the Belgian Corporate Governance Committee.

MANDATES EXPIRED AS AT 31 DECEMBER 2021, HELD DURING THE PERIOD 2017-2021

Director of Hu-Man asbl.

Mrs Martine Rorif

CHIEF OPERATING OFFICER



Mrs Martine Rorif (1965) 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 Entreprises 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.

OTHER POSITIONS HELD AT 31 DECEMBER 2021

Mrs Martine Rorif is also Director of the following subsidiary companies of Befimmo: Fedimmo SA, Meirfree SA, Axento SA, Kubissimmo SàRL, Befimmo Property Services SA, Silversquare Belgium SA and Silversquare Luxembourg SA. She is Managing Director of the following subsidiary companies of Befimmo: Vitalfree SA, Loi 52 SA, ZIN in Noord SA and ZIN in Noord 2025 SA. She is co-founder of the Cercle Belge des Femmes de l'Immobilier.

MANDATES EXPIRED AS AT 31 DECEMBER 2021, HELD DURING THE PERIOD 2017-2021

Mrs Rorif was Managing Director of Beway SA (merged with Befimmo in April 2019), co-chairwoman of the UPSI Investors Committee and Director of Co.Station SA.

Mr Laurent Carlier

CHIEF FINANCIAL OFFICER



Mr Laurent Carlier (1966) is a commercial engineer (ULB Solvay Business School, 1984-1989), he also holds a post-graduate degree in Tax Management (VUB, 1989- 1990), and in Controlling (Registered Controller, ERASMUS UNIVERSITEIT, Rotterdam - The Netherlands, 1995-1998). He attended the Advanced Management Program run by the Wharton School, University of Pennsylvania (AMP71-2016). He began his career in 1991 at Unilever as Internal Auditor/ Team Leader (1991-1994) in Paris, becoming Factory Management Accountant (1994-1996) for the same group in the Netherlands. He continued his career at Sanofi Pharma Belgium as Controller (1996-1998) and Finance & Administration Director (1998-1999), before moving to Sodexo Pass Belux as Finance & Administration Director (1999-2006). From 2006 and until 31 December 2021, Mr Laurent Carlier has held the position of Chief Financial Officer at Befimmo. He also held the position of Risk Management.

OTHER POSITIONS HELD UNTIL 31 DECEMBER 2021

Laurent Carlier was a Director of the following subsidiaries of Befimmo: Fedimmo SA, Befimmo Property Services SA, Axento SA, Kubissimmo Sàrl, Vitalfree SA, Silversquare Belgium SA and Silversquare Luxembourg SA. He was also Managing Director of the following subsidiaries of Befimmo: Meirfree SA, Loi 52 SA, ZIN in Noord SA, and ZIN in Noord 2025 SA. In addition, he was Chairman of the Board of Directors of the non-profit BE-REIT Association and member of the EPRA Accounting and Reporting Committee. He is also a Director of L&L Services SRL.

MANDATES EXPIRED AS AT 31 DECEMBER 2021, HELD DURING THE PERIOD 2017-2021

Mr Laurent Carlier was a director of the non-profit Financial Executives Institute of Belgium, of Beway SA (which merged with Befimmo in April 2019). He was a director of Silversquare Stéphanie SA, Silversquare Europe SA, and Silversquare Louise SA, and Director of Silversquare Partnership SRL, all of which merged with Silversquare Belgium SA in November 2019. He was also co-chairman of the UPSI Investors Committee.

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 FSMA and Statutory Auditor(s);

1. SRL

- 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.

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 collectively share responsibility for them. 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 2021, the Executive Committee met once a week on average.

The Executive Committee leads a team of 100 staff and endeavours to optimise its operating costs.

The heads of departments are Mr Cédric Mali¹ (Chief Commercial 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 & Operations Budget),

Mr Frédéric Tourné (Head of Environmental Management), Mrs Emilie Delacroix (Head of Transformation & impact), Mrs Petra Sobry (Head of Legal), Mr Vincent Meulders (Head of Controlling), Mr Stéphane dos Santos (Chief Accountant), Mrs Florence Weemaels (Head of Human Resources) and Mr Jelle Defraye (Head of Technology & Data Solutions).



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.

Befimmo complies 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 comprises three women and seven men as at 31 December 2021. It is further reflected in the composition of the Executive Committee, which is equally composed of two women and two men as at 31 December 2021. It is also reflected in the biographies of the Directors (see pages 133 to 137) and the members of the Executive Committee (see pages 144 to 145), 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 be 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".

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 engagement¹, 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, applies from 1 January 2020. 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, while maintaining coherence between the remuneration of the Executives and that of all staff, 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 corporate social responsibility;
- staggering the payment of their variable remuneration over time;

1. Directive (EU) 2017/828 of the European Parliament.

- implementing a long-term incentive plan (Performance Stock Units plan) spread over several years and rewarding the members of the Executive Committee with shares, subject to an obligation to hold them until the end of a waiting period, coupled with the obligation to hold a minimum number of shares for the duration of their mandate.

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 social secretariat, specialised consultants and market surveys. In its remuneration policy setting process, the Company also considers the feedback received from its shareholders during regular contacts with them (e.g. during roadshows).

The Company also occasionally consults specialists for reasons unconnected with benchmark operations.

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.

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. He has the status of Executive Officer, as per Article 14§3 of the BE-REIT Law.

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 remuneration may not be determined on the basis of operations and transactions carried out by the Company. The fixed annual remuneration is paid monthly, in twelfths, at the end of the month.

On a proposal of the Appointment and Remuneration Committee, the Board of Directors reviews the amount of the fixed remuneration at regular intervals, at the end of each calendar year, in order to decide whether this amount should be changed and, if so, to what extent. Any new fixed remuneration is paid from 1 January of the following year.

> **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. Variable remuneration may be granted only if (a) the results-dependent portion of variable remuneration relates only to the Company's consolidated net result, excluding any change in the fair value of the assets and hedging instruments and (b) no remuneration is awarded on the basis of a specific operation or transaction by the Company.

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. The Board also determines the maximum amount of variable remuneration, which may be awarded only if the performance targets are exceeded.

In application of the above principles and on a proposal of the Appointment and Remuneration Committee, the criteria for the appraisal of the CEO's performance and their weighting have been laid down as follows, divided into two components:

- **first component, representing 75% of the target variable remuneration: criteria related to the performance of the Company:**
 - current net result per share (30%); this criterion, corresponding to EPRA earnings plus gains and losses actually realised, but not any that are as yet unrealised; also reflects the ratio of overheads/rental income;
 - operating margin (15%);
 - occupancy rate of properties (15%); the goal is a high rate, but it may not be achieved at the expense of unusual rental concessions;
 - Befimmo's financing cost compared with the market level (20%);
 - ESG : well-being of the staff (20%);
- **second component, representing 25% of target variable remuneration:** additional individual targets have been set in relation to the aforementioned objectives, in line with the specific responsibilities of the CEO.

The target amount of his variable annual remuneration (the sum of the first and second components) represents 36% of his fixed annual remuneration.

In determining how much variable remuneration, if any, to award, at the end of each calendar year, the Board of Directors - on a proposal of the Appointment and Remuneration Committee - assesses the CEO's performance during the fiscal year in question against the targets set for him for that year.

The payment of the CEO's variable remuneration is staggered over time, and the final grant of the variable portion of the remuneration, which is a deferred payment, is subject to predetermined and objectively measurable medium- and long-term performance criteria. Payment of the variable remuneration is staggered over three years. The variable portion of the remuneration earned during year "N" (fiscal year of the appraisal) to be paid the first year (N+1) may not exceed 50% of the total amount of variable remuneration awarded. Payment of 25% of the variable remuneration is deferred for one year and will be payable in year N+2 provided that the performance indicators for the Company's results are sustained throughout years N and N+1. The remaining 25% of the variable remuneration will be deferred for two years and will be payable in year N+3, again provided that performance is sustained over years N to N+2 (included).

The principle of staggered variable remuneration creates a close link between the interests of the CEO and those of the Company and its shareholders.

> **Performance Stock Units plan:** As of fiscal year 2020, the CEO may be allocated Performance Stock Units (PSUs). At the end of a vesting period of three years from the award of the PSUs, these entitle the CEO to receive Company stock, as well as an amount in cash corresponding to the dividends paid out during the vesting period. The Executive is not required to pay for the issue of the shares following the vesting.

The number of PSUs granted is decided by the Board of Directors on a recommendation of the Appointment and Remuneration Committee.

By way of illustration, the maximum number of PSUs awarded to the CEO in 2022 and which may therefore give rise to the issue of shares in 2025 has been set at 3,500.

The shares underlying the PSUs will be issued only after an assessment of the achievement of the following criteria (Performance Test) at the end of the three-year vesting period:

- Evolution of the Total Shareholder Return (TSR) in relation to Befimmo's "peers" (50%); the peer group consists of Alstria Office REIT-AG, Colonial, Covivio, Entra, Gecina, Icade, Kungsläden, NSI, Prime Swiss Property et Société Foncière Lyonnaise;
- Consolidated EPRA earnings (€m) in line with the budget for the period 2022-2024 (25%);
- Coworking: turnover/m² of coworking space in line with the budget for the period 2022-2024 (15%);
- CO₂e emissions linked to the energy consumption of the portfolio for the common and private installations: 27.38 kg CO₂ e/m² at the end of 2024 (10%).

One PSU entitles the CEO to no more than one share at the issue date, and the Performance Test determines the number of Befimmo shares to be awarded to the CEO. If the Performance Test is only partially met, only part of the corresponding shares will be issued, as follows:

- if ≥ 90% of targets are achieved, 80% of the PSUs will be awarded;
- if ≥ 70% of targets are achieved, 50% of the PSUs will be awarded;
- if ≥ 50% of targets are achieved, 25% of the PSUs will be awarded.

Rules relating to the expiry of all or part of the PSUs apply if the CEO's mandate ends before the vesting date. In a limited number of cases, such as retirement, all PSUs already awarded are retained in full. PSUs are non-transferable, except by inheritance. As with the other components of variable remuneration, PSUs are subject to the adjustment policy described below (see point 5 - right of recovery).

Shares issued following vesting must be kept for at least two years by the CEO, without prejudice to compliance with the minimum share threshold applicable to executives (see point 4 - minimum shareholding threshold). This two-year lock-in period, which follows the three-year vesting period, as well as the criteria of the Performance Test on which vesting is conditional, help align over the long term the interests of the CEO with those of the Company, shareholders, and other stakeholders.

> **Miscellaneous expenses:** Befimmo reimburses expenses incurred by the CEO in the course of his routine management, on presentation of supporting documents to the Chairman of the Board of Directors or any other person he designates for that purpose.

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.

Positions held in subsidiaries

The CEO may exercise an executive or non-executive directorship in the subsidiaries of Befimmo SA. Any remuneration received for holding such positions is set out in the Befimmo SA Remuneration Report. Unless otherwise

agreed by the parties, the termination of the agreement between Befimmo SA and the CEO¹ will lead to the termination of any positions he holds in subsidiaries of Befimmo SA.

Main provisions of the contract and severance pay

The rights and obligations related to the function of CEO are formalised in a management agreement which contains the main provisions relating to the exercise of his mandate, the confidentiality of the information to which he has access, the conditions for the termination of the agreement, etc.

Should Befimmo SA terminate the management agreement between the Mr Vroninks, CEO, and Befimmo SA before it expires, but not in any of the cases provided for in the agreement where no compensation is due, Mr Vroninks is entitled to a severance grant under that agreement.

The management agreements between Befimmo SA and Mr Vroninks and between Befimmo Property Services and Revron GCV set a consolidated contractual severance grant of €500,000 (consolidated total), broken down as follows: €300,000 in the agreement between Mr Vroninks and Befimmo SA, and €200,000 in the agreement between Revron GCV and Befimmo Property Services SA. In the event of termination of these agreements following an acquisition or a change of control of the Company, the consolidated severance grant will amount to €750,000 (consolidated total), broken down as follows: €450,000 in the agreement between Mr Vroninks and Befimmo SA and €300,000 in the agreement between Revron GCV and Befimmo Property Services SA.

1. Whether as a natural person or as permanent representative of a corporate director.

The grant may not exceed 12 months' total target remuneration (fixed and variable).

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. They also have the status of executive officer, as per Article 14 §3 of the BE-REIT Law.

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. This information is gathered by the Appointment and Remuneration Committee. The fixed remuneration may not be determined on the basis of operations and transactions carried out by the Company.

The fixed remuneration is paid monthly, in twelfths, at the end of the month. Any change in the fixed remuneration of the other members of the Executive Committee must be decided by the Board of Directors on a reasoned recommendation of the CEO and the Appointment and Remuneration Committee.

> **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. Variable remuneration may be granted only if (a) the results-dependent portion of variable remuneration relates only to the Company's consolidated net result, excluding any change in the fair value of the assets and hedging instruments and (b) no remuneration is awarded on the basis of a specific operation or transaction by the Company.

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. The Board also determines the maximum amount of variable remuneration, which may be awarded only if the performance targets are exceeded.

In application of the above principles, and on a proposal of the Appointment and Remuneration Committee,

the following appraisal criteria, divided into two components, have been laid down by the Board of Directors:

- **first component, corresponding to 60% of the target variable remuneration criteria related to the performance of the Company:**
 - current net result per share (30%); this criterion, corresponding to EPRA earnings plus gains and losses actually realised, but not any that are as yet unrealised, also reflects the ratio of overheads/rental income;
 - operating margin (15%);
 - occupancy rate of properties (15%); the goal is a high rate, but may not be achieved at the expense of unusual rental concessions;
 - Befimmo's financing cost compared with the market level (20%);
 - ESG : well-being of the staff (20%);
- **2nd component representing 40% of target variable remuneration:** additional individual objectives, in line with their operational responsibilities, have been set for the members of the Executive Committee.

The overall target amount of the variable annual remuneration of the three other members of the Executive Committee (sum of 1st and 2nd components) represents 30.9% of the total fixed annual remuneration (total amount for the three members).

In determining how much variable remuneration, if any, to award, at the end of each calendar year the Board of Directors - on a proposal of the Appointment and Remuneration Committee, after first consulting the CEO - assesses the performance of the other members of the Executive Committee during the fiscal year in question against the targets set for them for that year.

The payment of the variable remuneration of the other members of the Executive Committee is staggered over time,

and the final grant of the variable portion of the remuneration, which is a deferred payment, is subject to predetermined and objectively measurable medium- and long-term performance criteria. Payment of variable remuneration is staggered over three years. The variable portion of the remuneration earned during year "N" (fiscal year of the appraisal) to be paid the first year (N+1) may not exceed 50% of the total amount of variable remuneration awarded. Payment of 25% of the variable remuneration is deferred for one year and will be payable in year N+2 provided that the performance indicators for the Company's results are sustained throughout years N and N+1. The remaining 25% of the variable remuneration will be deferred for two years and will be payable in year N+3, again provided that performance is sustained over years N to N+2 (included).

The principle of staggered variable remuneration creates a close link between the interests of the other members of the Executive Committee and those of the Company and its shareholders.

> Performance Stock Units (PSUs): as of fiscal year 2020, the other members of the Befimmo Executive Committee may also be allocated Performance Stock Units (PSUs). At the end of a vesting period of three years from the award of the PSUs, these entitle the executives to receive Company stock, as well as an amount in cash corresponding to the dividends paid out during the vesting period. Members of the Executive Committee are not required to pay for the issue of the shares following the vesting.

The number of PSUs granted to each member of the Executive Committee is decided by the Board of Directors on a recommendation of the Appointment and Remuneration Committee.

By way of illustration, the maximum number of PSUs awarded to the other members of the Executive Committee in 2022 and which may therefore give rise to the issue of shares in 2025 has been set at 4,500 (which amounts to 1,500 per member of the Executive Committee).

The shares underlying the PSUs will be issued only after an assessment of the achievement of the following criteria (Performance Test) at the end of the three-year vesting period:

- Evolution of the Total Shareholder Return (TSR) in relation to Befimmo's "peers" (50%) ; the peer group consists of Alstria Office REIT-AG, Colonial, Covivio, Entra, Gecina, Icade, Kungsläden, NSI, Prime Swiss Property et Société Foncière Lyonnaise;
- Consolidated EPRA earnings (€m) in line with the budget for the period 2022-2024 (25%);
- Coworking: turnover/m² of coworking space in line with the budget for the period 2022-2024 (15%);
- CO₂e emissions linked to the energy consumption of the portfolio for the common and private installations: 27.38 kg CO₂ e/m² at the end of 2024 (10%).

One PSU entitles the executives to one share at the issue date, and the Performance Test determines the number of Befimmo shares to be allocated to the members of the Executive Committee.

If the Performance-Test is only partially passed, only part of the corresponding shares will be issued, as follows:

- if $\geq 90\%$ of targets are achieved, 80% of the PSUs will be awarded;
- if $\geq 70\%$ of targets are achieved, 50% of the PSUs will be awarded;
- if $\geq 50\%$ of targets are achieved, 25% of the PSUs will be awarded.

Rules relating to the expiry of all or part of the PSUs apply if the mandate of a member of the Executive Committee ends before the vesting date. In a limited number of cases, such as retirement, all PSUs already awarded are retained in full. PSUs are non-transferable, except by inheritance. As with the other components of variable remuneration, PSUs are subject to the adjustment policy described below (see - right of recovery).

Shares issued following vesting must be kept for at least two years by the member of the Executive Committee, without prejudice to compliance with the minimum share threshold applicable to the Executives (see - minimum shareholding threshold). This two-year lock-in period, which follows the three-year vesting period, as well as the criteria of the Performance Test on which vesting is conditional, help align over the long term the interests of the members of the Executive Committee with those of the Company, shareholders, and other stakeholders.

> 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 sent to the CEO or any other person that he may designate for that purpose.

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.

Positions held in subsidiaries

The other members of the Executive Committee may exercise an executive or non-executive directorship in subsidiaries of Befimmo SA. Any remuneration received for holding such positions is set out in the Befimmo SA Remuneration Report. Unless otherwise agreed between the parties, the termination of the agreement between Befimmo SA and another member of the Executive Committee will lead to the termination of any positions held by that member¹ in the subsidiaries of Befimmo SA.

Main provisions of the contracts and severance pay

The rights and obligations related to the function of a member of the Executive Committee are formalised in individual management agreements which contain the main provisions relating to the exercise of his or her mandate, the confidentiality of the information to which he or she has access, the conditions for the termination of the agreement, etc.

Should Befimmo SA terminate the management agreement between a member of the Executive Committee and Befimmo SA before expiry - but not in any of the cases provided for in the agreement where no compensation is due - the member concerned is entitled to a severance grant under that agreement.

Under the management agreements concluded between Befimmo SA and the other members of the Executive Committee, and on a reasoned opinion of the Appointment

and Remuneration Committee, severance pay was set by contract, namely at €285,000 for Mrs Aminata Kaké, General Counsel & Secretary General, €420,000 for Mr Laurent Carlier, Chief Financial Officer and €600,000 for Mrs Martine Rorif, Chief Operating Officer. For the first two members named above, the severance grant does not exceed 12 months' remuneration. The grant for the Chief Operating Officer exceeds the amount of 12 months' pay (but is less than 18 months' pay). This is explained by her pre-existing agreement and her seniority, as Mrs Martine Rorif began her career with Befimmo in 1997. In accordance with former Article 554 of the Belgian Code of Company Law (now replaced by article 7:92 of the Code of Companies and Associations), this clause was approved by the Ordinary General Meeting of 25 April 2017.

MINIMUM SHAREHOLDING THRESHOLD

The Board of Directors has set a minimum threshold for Company shares that each member of the Executive Committee must hold at all times at:

- 6,000 shares for the CEO
- 3,000 shares for each of the other members of the Executive Committee (on an individual basis).

The current members of the Executive Committee have 6 years to reach this threshold as from the date of entry into force of this remuneration policy. A same period of time would apply to any member subsequently appointed, from the date of his or her appointment.

RIGHT OF RECOVERY

The Company has provided for a right to suspend payment of all or part of any variable remuneration awarded

to the CEO or other members of the Executive Committee on the basis of incorrect information.

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.

ALL STAFF

For all Befimmo staff, the Board of Directors of Befimmo SA has tasked the Appointment and Remuneration Committee with considering the annual proposals by the Executive

Committee regarding the overall budget for increasing (over and above the index) the fixed remuneration of Befimmo staff (excluding the members of the Executive Committee), and the overall budget for the variable remuneration of these employees. The Committee liaises with the CEO on the subject, keeping the Board of Directors informed of the main decisions taken at a general rather than an individual level.

The Board of Directors has also tasked the Committee with delivering an opinion on the proposals made by the CEO for the recruitment and initial remuneration, and on any review of the remuneration (in the broad sense) of certain other persons occupying key positions in the Company and in charge of a team.

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.

SHARE OPTIONS OR LONG-TERM INCENTIVE PLANS

The Company has not set up option plans for directors, CEO, other members of the Executive Committee or the staff.

1. Whether as a natural person or as permanent representative of a corporate director.

The Company has established a long-term incentive plan for the CEO and other members of the Executive Committee, which potentially entitles the holder to receive shares upon expiry of the plan, provided that the objectives set out in the plan are achieved. This long-term incentive plan is further described in sections “Performance Stock Units Plan” of this remuneration policy.

CHANGES TO AND DISCLOSURE OF THE REMUNERATION POLICY

This remuneration policy is an integral part of the Befimmo SA Corporate Governance Charter and can be consulted on the Company’s website.

The remuneration policy is approved by the General Meeting. It is subject to the approval of the General Meeting whenever significant changes are made and, in any event, at least every four years.

If the remuneration policy is revised, the remuneration policy shall include a description and explanation of all significant changes and a statement of how the votes and the opinions of the shareholders on the remuneration policy since the most recent vote on the remuneration policy by the General Meeting have been taken into account.

The remuneration report, which is included every year in the governance statement of the Annual Financial Report, describes how the remuneration policy was applied over the fiscal year. The Company’s General Meeting shall take a separate vote on the Remuneration Report each year.

Remuneration report

The remuneration report provides an overview of the remuneration, including all benefits granted or due during the 2021 fiscal year to the Directors, the CEO and the other members of the Executive Committee.

The remuneration and benefits mentioned below must comply with the provisions of Article 3:6(3) of the Code of Companies and Associations, with the Law transposing the Second Shareholder Rights Directive as regards the encouragement of long-term shareholder engagement¹, with the BE-REIT Law, the 2020 Code and the Company’s remuneration policy, as approved by the Annual General Meeting of 28 April 2020, and included on p. 148 of this Report and on the Company’s website².

REMUNERATION OF NON-EXECUTIVE DIRECTORS FOR FISCAL YEAR 2021

Changes occurred during fiscal year 2021

During the year 2021, Mr Jean-Philip Vroninks succeeded Mr Benoît De Blicke as Managing Director and Chief Executive Officer : the Ordinary General Meeting of 2021 elected Mr Jean-Philip Vroninks as a Director and, subsequently, the Board of Directors appointed M. Vroninks as Managing Director and Chief Executive Officer as of 1 June 2021. M. De Blicke became a Non-executive Director as from the same date.

1. Directive (EU) 2017/828 of the European Parliament.
2. https://www.befimmo.be/sites/default/files/gbl_quicklinks/20220316_remuneration_policy_uk_vclean.pdf



M. Vroninks is not remunerated as a Director of Befimmo SA but only in his capacity of Chief Executive Officer (CEO) and member of the Executive Committee of Befimmo SA, as per remuneration policy. M. De Blicck is not remunerated in his capacity of non-executive Director either.

Remuneration of the non-executive Directors for fiscal year 2021

The Company's Annual General Meeting of 30 April 2013 set the following remuneration for the non-executive Directors:

- each non-executive Director, apart from the Chairman of the Board of Directors, receives a fixed annual remuneration of €20,000 and attendance tokens worth €2,500 per Board meeting attended;
- the Chairman of the Board of Directors receives a fixed annual remuneration of €50,000 and attendance tokens worth €3,750 per Board meeting attended;
- the members of the Audit Committee receive an attendance token worth €2,000 per meeting, apart from the Chairman of the Committee who receives an attendance token worth €2,500 per meeting;
- the members of the Appointment and Remuneration Committee receive an attendance token worth €1,500 per meeting, apart from the Chairman of the Committee who receives an attendance token worth €2,000 per meeting.

These amounts, applicable since fiscal year 2013, are based on a benchmark analysis of comparable companies and two external studies on the remuneration of directors of listed Belgian companies. In particular, they reflect the increased workload and technical complexity of the matters that the Board and its specialised Committee have had to

handle in recent years, and the role of the Chairman in preparing and coordinating the work of the Board of Directors.

Directors do not receive performance-related variable remuneration (such as bonuses, shares or stock options), no benefits in kind, or benefits related to pension plans.

NON-EXECUTIVE DIRECTORS - REMUNERATION FOR THE 2021 FISCAL YEAR (IN €)

	BEFIMMO						TOTAL
	FIXED ANNUAL REMUNERATION	ATTENDANCE TOKENS			ATTENDANCE		
	Board of Directors	Board of Directors	Audit Committee	Appointment and Remuneration Committee	Board of Directors (16 meetings)	Audit Committee (11 meetings)	
Vincent Querton ¹	40 000	51 250		15 000	16	10	106 250
Alain Devos ²	30 000	48 750		16 500	16	11	95 250
Anne-Marie Baeyaert	20 000	35 000			14		55 000
Sophie Goblet	20 000	37 500	27 500		15	11	85 000
Sophie Malarne-Lecloux	20 000	37 500	22 000		15	11	79 500
Wim Aourousseau	20 000	27 500			11		47 500
Benoît De Blicck ³	NA	NA	NA	NA	16		NA
Kurt De Schepper	20 000	37 500	22 000		15	11	79 500
Etienne Dewulf	20 000	40 000		22 000	16	11	82 000
Amand-Benoît D'Hondt ⁴	6 667	12 500			5		19 167
Total for Directors	196 667	327 500	71 500	53 500			649 167

1. Mr Querton has been Chairman of the Board since May 2021.

2. Mr Alain Devos was Chairman of the Board of Directors until May 2021.

3. Mr Benoît De Blicck was Managing Director until May 2021; in this capacity he was not remunerated as Director. Mr De Blicck became a non-executive Director as from 1 June 2021 and is not remunerated in this capacity.

4. Mandate expired in April 2021.

REMUNERATION FOR THE CEO AND MEMBERS OF THE EXECUTIVE COMMITTEE FOR FISCAL YEAR 2021

Changes occurred during fiscal year 2021

As from June 1st 2021, Mr Jean-Philip Vroninks succeeded Mr Benoît De Blicke as CEO. Mr De Blicke was remunerated in his capacity of CEO until May 31st 2021 and then received a severance allowance in accordance with section 2.3 of the remuneration policy. M. Vroninks has been remunerated as CEO since June 1st 2021 according to the remuneration policy.

On December 31st 2021, the contractual relationship between Befimmo and Mr Laurent Carlier, CFO, ended and he received a severance allowance as described in this remuneration report, in accordance with the remuneration policy.

Remuneration for the CEO and members of the Executive Committee for fiscal year 2021

The Board of Directors of Befimmo SA decides on the 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 first consulting the CEO on the remuneration of the other members of the Executive Committee.

The Managing Director of Befimmo SA is the only Executive Director of Befimmo SA and is not remunerated in that capacity. He occupies the post of Chief Executive Officer (CEO) and is a member of the Executive Committee: he is remunerated in that capacity, under a management agreement

as a self-employed person, like the other three members of the Executive Committee.

Their remuneration consists of a fixed portion, a variable portion and a long-term incentive plan.

> Fixed portion: The amount of the "all-in" fixed remuneration of the members of the Executive Committee is determined on the basis of information on levels of pay offered for comparable positions in comparable companies. This information is gathered by the Appointment and Remuneration Committee. The fixed annual remuneration is payable monthly, in twelfths, in arrears, after deducting the cost of insurance such as the pension plan and hospitalisation insurance, and entertainment expenses. Any change in the fixed remuneration of the members of the Executive Committee is decided by the Board of Directors on a reasoned recommendation of the Appointment and Remuneration Committee, after it has consulted the CEO regarding the other members of the Executive Committee.

For fiscal year 2021, the fixed remuneration awarded respectively to the CEO and the three other members of the Executive Committee is set out in the table on page 156.

> 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. They are a combination of personal qualitative targets and financial and qualitative targets for Befimmo SA, and a weighting is applied. The Board avoids setting criteria that might 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. The Board also determines the maximum amount of variable remuneration, which may be awarded only if the performance targets are exceeded. In determining how much variable remuneration to award, at the end of each calendar year the Board of Directors, on a proposal of the Appointment and Remuneration Committee, assesses the performance of the CEO and other members of the Executive Committee during the fiscal year in question against the targets for that year.

The payment of any variable remuneration awarded is staggered over time, and the portion of the time-deferred remuneration is subject to the achievement of predetermined and objectively measurable performance criteria over 3 years.

For fiscal year 2021, the performance of the CEO and the other members of the Executive Committee was appraised on the basis of the following criteria:

- current net result per share (30%); this criterion, corresponding to EPRA earnings plus gains and losses actually realised, but not any that are as yet unrealised, also reflects the ratio of overheads/rental income;
- operating margin (15%);
- occupancy rate of properties (15%); the goal is a high rate, but it may not be achieved at the expense of unusual rental concessions;
- financing costs of Befimmo compared with the market (20%);
- human-resource management (20%).

Supplementary individual objectives were also set in keeping with the specific operational responsibilities

of the CEO and each of the other members of the Executive Committee.

The target maximum amounts of the variable annual remuneration for fiscal year 2021 were set as follows by the Board of Directors, on the proposal of the Appointment and Remuneration Committee:

- for the CEO¹: a target variable remuneration of €200,000 with a ceiling of €250,000; this amount includes any variable remuneration awarded to him by Befimmo SA and/or any of its subsidiaries;
- for the other three members of the Executive Committee: a target variable remuneration of €330,000 with a maximum of €400,000 (total amount for the three members of the Executive Committee).

The payment of variable remuneration for fiscal year 2021 is staggered over time, and the portion of the time-deferred remuneration is subject to the achievement of predetermined and objectively measurable performance criteria over 3 years, as follows:

- 50% of the variable remuneration earned in 2021 is paid in 2022;
- 25% of the variable remuneration is deferred for one year and will be payable in 2023 provided that the performance indicators for the Company's results are sustained throughout 2021 and 2022;
- the remaining 25% of the variable remuneration will be payable in 2024, again provided that performance is sustained throughout 2021 to 2023.

¹ These amounts have been set as objectives for Mr. Vroninks, CEO since June 1st 2021. No objectives have been set nor variable remuneration has been granted to Mr. De Blicke for the year 2021.

On the above basis, at its meeting of 7 March 2022, the Board of Directors, on a proposal of the Appointment and Remuneration Committee, decided to award the CEO and the other members of the Executive Committee variable remuneration for fiscal year 2021 of the amounts set out in the table on this page.

As the collaboration between Befimmo and Messrs. De Blieck and Carlier in their capacity as Effective Officers ended in 2021, the balance of their variable remuneration previously earned was paid at the end of their term:

- Mr De Blieck received an amount of €162,500 (representing the balance of the variable remuneration for 2019 and 2020);
- Mr Carlier received an amount of €81,500 (which represents the balance of the variable remuneration for 2019 and 2020) and his variable remuneration for 2021 (see table below - Executive Committee remuneration 2021);

> **Performance Stock Units granted in 2021:** The Board of Directors, on a recommendation of the Appointment and Remuneration Committee, has granted a total of 6,250 PSUs (listed below in the column entitled "Number of PSUs granted") to the CEO and the other members of the Executive Committee during fiscal year 2021. As detailed in the remuneration policy², after a vesting period of three years, the PSUs entitle the holder to receive Company stock, as well as a cash amount corresponding to the dividends paid out during the vesting period: these shares and the cash amount will only be delivered to the extent that the performance criteria set out in the remuneration policy have been met. In addition, the shares delivered after the vesting period will have to be held for at least two years by the Executive, without prejudice to compliance with the minimum share threshold applicable to Executives.

The tables hereafter show the PSUs granted to the CEO and other members of the Executive Committee in 2020 and 2021.

> **Miscellaneous expenses and disbursements:**

Befimmo reimburses the expenses incurred by:

- the CEO in the course of his routine management, on presentation of supporting documents to the Chairman of the Board of Directors or any other person the Chairman designates for that purpose;

- the other members of the Executive Committee in the course of their duties, upon presentation of supporting documents to the CEO or any other person that he may designate for that purpose.

Apart from the provision of a laptop and mobile telephone that meet the standards of Befimmo SA (notably in terms of security), the CEO and other members of the Executive Committee do not receive any benefits in kind. They bear the cost of their telephone use.

> **Pensions:** The members of the Executive Committee may choose to allocate part of their fixed remuneration to a supplementary pension plan through a '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 main features of these benefits are set out in the remuneration policy².

EXECUTIVE COMMITTEE - REMUNERATION FOR THE 2021 FISCAL YEAR

Managing Director	Fixed remuneration	Post-employment benefits	Variable remuneration ²	Total	Relative proportion variable remuneration (special bonus included) / total remuneration	Contractual severance grant
From 01/01/2021 to 31/05/2021:						
Benoît De Blieck ³	102 071	35 771	0	137 842	0	486 408
BDB Management SRL ⁴	80 583	0	0	80 583	0	263 592
From 01/06/2021 to 31/12/2021 :						
Jean-Philip Vroninks ⁵	162 272	42 477	90 000	294 749	30	300 000
Revron GCV ⁶	136 500	0	60 000	196 500	30	200 000
Other members of the Executive Committee	924 648	200 351	330 000	1 454 999	23	1 305 000
Total Executive Committee	1 406 074	278 599	480 000	2 164 673		

1. https://www.befimmo.be/sites/default/files/gbl_quicklinks/20220316_remuneration_policy_uk_vclean.pdf

2. The payment of the variable remuneration is staggered over a period of 3 years, pursuant to the rules set up in the Remuneration Policy.

3. These sums include the remuneration gained by M. Benoît De Blieck as Managing Director of Befimmo SA.

4. These sums include the remuneration gained by BDB Management SRL for the directorships it exercises, as Managing Director of Befimmo Property Services SA and Chairman of the Board of Directors of Axento SA, both subsidiaries of Befimmo SA.

5. These sums include the remuneration gained by M. Jean-Philip Vroninks as Managing Director of Befimmo SA.

6. These sums include the remuneration gained by Revron SCA for the directorship it exercises, as Managing Director of Befimmo Property Services SA, subsidiary of Befimmo SA.

COMITÉ EXÉCUTIF - PERFORMANCE STOCK UNITS PLAN 2020

MAIN CONDITIONS OF THE PERFORMANCE STOCK UNITS PLAN							INFORMATION REGARDING THE REPORTED FINANCIAL YEAR			
Name, Position	Specification of plan	Performance period	Award year of the PSUs	Date of acquisition of the underlying shares (vesting), subject to meeting performance criteria	End of retention period for underlying shares	OPENING BALANCE		DURING THE YEAR		BILAN DE CLÔTURE
						a) Number of PSUs granted	b) Value of the underlying shares on the date of the offer of PSUs	a) Number of shares granted	b) Value of shares at the date of final grant	Number of PSUs held
Jean-Philip Vroninks Chief Executive Officer	PSU 2020	01/01/2020 - 31/12/2022	2020	30 april 2023	30 april 2025	0	a) 2 500 b) 101 875 €	0	2 500	0
Aminata Kaké Secretary General & General Counsel	PSU 2020	01/01/2020 - 31/12/2022	2020	30 april 2023	30 april 2025	0	a) 1 250 b) 50 937.5 €	0	1 250	0
Martine Rorif Chief Operating Officer	PSU 2020	01/01/2020 - 31/12/2022	2020	30 april 2023	30 april 2025	0	a) 1 250 b) 50 937.5 €	0	1 250	0
Laurent Carlier ¹ Chief Financial Officer	PSU 2020	01/01/2020 - 31/12/2022	2020	30 april 2023	30 april 2025	0	a) 833 b) 33 944.7 €	0	833	0

COMITÉ EXÉCUTIF - PERFORMANCE STOCK UNITS PLAN 2021

MAIN CONDITIONS OF THE PERFORMANCE STOCK UNITS PLAN							INFORMATION REGARDING THE REPORTED FINANCIAL YEAR			
Name, Position	Specification of plan	Performance period	Award year of the PSUs	Date of acquisition of the underlying shares (vesting), subject to meeting performance criteria	End of retention period for underlying shares	OPENING BALANCE		DURING THE YEAR		BILAN DE CLÔTURE
						a) Number of PSUs granted	b) Value of the underlying shares on the date of the offer of PSUs	a) Number of shares granted	b) Value of shares at the date of final grant	Number of PSUs held
Jean-Philip Vroninks Chief Executive Officer	PSU 2021	01/01/2021- 31/12/2023	2021	30 april 2024	30 april 2026	0	a) 2 500 b) 88 375 €	0	2500	0
Aminata Kaké Secretary General & General Counsel	PSU 2021	01/01/2021- 31/12/2023	2021	30 april 2024	30 april 2026	0	a) 1 250 b) 44 187.5 €	0	1250	0
Martine Rorif Chief Operating Officer	PSU 2021	01/01/2021- 31/12/2023	2021	30 april 2024	30 april 2026	0	a) 1 250 b) 4 487.5 €	0	1250	0
Laurent Carlier ² Chief Financial Officer	PSU 2021	01/01/2021- 31/12/2023	2021	30 april 2024	30 april 2026	0	a) 417 b) 14 740.95 €	0	417	0

1. Given that the collaboration between Befimmo SA and Mr Laurent Carlier ended on 31 December 2021, and in accordance with provision 7.3 of the PSU Plan, Mr Carlier will be entitled to a maximum of 2/3 of the 2020 PSUs, reflecting the duration of the management agreement in force during the vesting period (i.e. the financial year 2020 and 2021). Therefore, he will be entitled to a maximum of 833 shares at the end of the vesting period, provided that all performance targets have been met.

2. Given that the collaboration between Befimmo SA and Mr Laurent Carlier ended on 31 December 2021, and in accordance with provision 7.3 of the PSU Plan, Mr Carlier will be entitled to a maximum of 1/3 of the 2021 PSUs, reflecting the duration of the management agreement in force during the vesting period (i.e. the financial year 2021). Therefore, he will be entitled to a maximum of 417 shares at the end of the vesting period, provided that all performance targets have been met.

MINIMUM SHAREHOLDING THRESHOLD

According to the remuneration policy, the CEO must hold at all times at 6,000 Company shares and the other members of the Executive Committee 3,000 Company shares each (on an individual basis). They have 6 years to reach this threshold as from the date of entry into force of the remuneration policy.

At 31 December 2021, the shares held by the members of the Executive Committee account to :

- Jean-Philip Vroninks : 1.250 shares;
- Laurent Carlier : 710 shares;
- Aminata Kaké : 50 shares.

SEVERANCE ALLOWANCES

The provisions relating to severance pay are described in the remuneration policy¹.

During fiscal year 2021, the following severance grants were paid :

- In accordance with the remuneration policy and his contractual early termination clause, Mr Benoît De Blieck received a severance grant of €750,000 (consolidated total), broken down as follows: €486,408.08 as per the management agreement between Mr Benoît De Blieck and Befimmo SA, and €263,591.92 as per the management agreement between BDB Management SRL and Befimmo Property Services SA.
- In accordance with the remuneration policy and his contractual early termination clause, Mr Laurent Carlier received a severance grant of €420,000.

1. https://www.befimmo.be/sites/default/files/gbl_quicklinks/20220316_remuneration_policy_uk_vclean.pdf

INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE

This section contains information on the annual change of the remuneration of (i) each Director, the CEO and, in aggregate, the other members of the Executive Committee, (ii) the performance of the Company and (iii) the average remuneration on a full-time equivalent basis of employees of the Company (other than the persons referred to in (i), over the last five financial years and (iv) the ratio between the highest remuneration among the members of the management and the lowest remuneration, expressed on a full-time equivalent basis.



COMPARATIVE TABLE ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE OVER THE LAST 5 REPORTED FINANCIAL YEARS

Annual change in %	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020
1. Remuneration of the non executive Directors (total) (a) (b) (c)					
Alain Devos	-4 %	3 %	-11 %	20 %	-34 % (d)
Sophie Goblet	-7 %	9 %	-5 %	20 %	-15 %
Annick Van Overstraeten	-60 %				(e)
Benoit Godts	-14 %	11 %	-3 %	7 %	(f)
Guy Van Wymersch-Moons	-17 %				(g)
Hugues Delpire	-18 %	19 %	-32 %		(h)
Etienne Dewulf	-8 %	4 %	-12 %	30 %	-14 %
Kurt De Schepper	4 %	4 %	-15 %	30 %	-1 %
Sophie Malarme-Lecloux	-1 %	8 %	15 %	39 %	-13 %
Anne-Marie Baeyaert			-4 %	13 %	-19 % (i)
Wim Arousseau			43 %	20 %	-21 % (j)
Vincent Querton				10 %	19 % (k)
Benoit De Blicck					(l)
Amand-Benoit D'Hondt					15 % (m)
2. Remuneration of the CEO (total)					
Jean-Philip Vroninks					(n)
Benoit De Blicck	3.23 %	-0.00 %	3.96 %	5.99 %	-75.32 % (o)
3. Average remuneration of the other members of the Executive Committee (total)					
Other ExCom members	1.12 %	1.96 %	3.90 %	10.83 %	
4. Company's performance					
EPRA earnings (EUR/share) actual	3.74	3.68	3.26	2.88	2.38 (p)
EPRA earnings (EUR/share) budget	3.63	3.64	3.22	2.76	2.17 (q)
Y on Y variation (actual)	1.6 %	-1.6 %	-11.4 %	-11.7 %	-17.4 %
Net Result (EUR/share) actual	5.32	3.24	7.03	2.16	3.32 (r)
Y on Y variation	39.3 %	-39.1 %	117.0 %	-69.3 %	53.7 %
Spot occupancy rate of properties available for lease (%)	94.44 %	94.50 %	94.40 %	95.20 %	90.12 % (s)
Average financing cost (%)	2.08 %	2.01 %	1.97 %	2.00 %	1.83 %
Average specific CO ₂ e emissions (in KgCO ₂ e/m ²)	26.67	26.45	25.48	24.14	28.34 (t)
5. Average remuneration on a full time equivalent basis of employees (u)					
Employees of the company	0.92 %	6.34 %	-1.56 %	0.61 %	8.16 %
6. Ratio between the highest and the lowest full time equivalent remuneration (2021) (v)					
				15	14

Explanatory notes

- (a) For mandates starting or ending in the course of the year an extrapolation of the remuneration earned for the full year has been calculated.
- (b) There has been no change in the remuneration of non-executive directors since 2013. The differences are solely due to the number of meetings of the Board of Directors during the year and whether or not the Directors are part of a specialized Committee.
- (c) The amounts awarded to Mr. Arousseau, Mr. D'Hondt and Mr. Godts are then retroceded to AXA REIM Belgium SA (for Mr. Arousseau) and AG Real Estate SA (for Mr. D'Hondt and Mr. Godts).
- (d) The decrease is due to the fact that Mr Devos is no longer the Chairman of the Board of Directors since May 2021.
- (e) Mandate ended in februari 2017.
- (f) Mandate ended in september 2020.
- (g) Mandate ended in april 2016.
- (h) Mandate ended in april 2019.
- (i) Mandate started in april 2018.
- (j) Mandate started in april 2018.
- (k) Mandate started in april 2019. The increase is due to his appointment as Chairman of the Board of Directors in May 2021.
- (l) Mr. De Blicck in not remunerated in his capacity of non-executive Director.
- (m) Mandate started in september 2020 and ended in april 2021.
- (n) Mr. Vroninks was appointed CEO in June 2021.
- (o) The decrease is due to the fact that the end of the agreement between Mr. De Blicck as Managing Director of Befimmo SA and BDB Management SPRLu as Managing Director of Befimmo Property Services took place in May 2021.
- (p) At the level of the Real-estate Operator activity, The decrease of EPRA between 2020 and 2021 is mainly due to the decrease in the net rental result. This is mainly explained by the asset rotation programme:
 - the exit of the Blue Tower, Media, Schuman 3 and 11, Froissart and Guimard buildings in Q4 2020 and the disposal of the Wiertz, Planet 2 and 6 Fedimmo buildings in 2021;
 - slightly compensated by the contribution of the newly acquired Cubus building in February 2021 and the start of the Beobank lease in the QUATUOR project.
- (q) At the level of the Real-estate Operator activity.
- (r) At the level of the Real-estate Operator activity.
- (s) The 1- EPRA-vacancy rate of properties available for lease is at 95.54% at 31 december 2021. This rate includes leases signed before 31 december 2021 but which have not yet started.
- (t) For more information, see ESG Report.
- (u) This represents the average cost per ETP for Befimmo. All subsidiaries 100% owned by Befimmo have been taken into consideration for this calculation.
- (v) The amount taken into consideration for the calculation of the ratio between the highest and the lowest remuneration is the total yearly cost for the Company.

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, transformation & impact, 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 CEO (Jean-Philip Vroninks) 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 with the external support of BDO Risk Advisory.

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 post 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

The risk analysis carried out in early 2019, with the help of an external consultant and which led to a full review of the Befimmo SA risk matrix, was reviewed at the end of 2019 to take account of changes in prospectus regulations and ESMA recommendations.

The risks were 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 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 fiscal year 2021, two internal audits were carried out, relating to "Real estate legal controls" and "the process of invoices";
- the Audit Committee: over fiscal year 2021, the Audit Committee: reviewed the Befimmo's quarterly accounts closures, and the specific accounting methods. It reviewed, the ongoing litigations, and the main Befimmo risks; 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 Kleeflaan 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 fiscal year 2021 amounted to €88,206.78 excluding VAT. In fiscal year 2021 he also provided additional services as part of its statutory duties for a fee of €7,850.00 excluding VAT. Outside their statutory role, during fiscal year 2021, EY and affiliated companies provided services related to other non-auditing duties of €13,500.00 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 fiscal year 2021 of Fedimmo, ZIN in Noord, ZIN in Noord 2025, Loi 52, Befimmo Property Services, Meirfree, Vitalfree and Silversquare Belgium and its subsidiary totalled €62,406.65 excluding VAT.

Auditing for the Luxembourg subsidiaries, Axento SA and Kubissimmo Sàrl, is performed by Ernst & Young SA, 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 Ensich, Partner. The fees for auditing the accounts of Axento SA and Kubissimmo Sàrl for fiscal year 2021 amount to €24,950 excluding VAT.

Outside their statutory role, during fiscal year 2021, Ernst & Young (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 fiscal year 2021, 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 fiscal year 2021, the fees paid to these experts for their quarterly valuations amounted to:

- JLL - Rod P. Scrivener: €62.375 excluding VAT;
- C&W - Ardalan Azari: €74.645,23 excluding VAT
- CBRE - Pieter Paepen: € 85.012,50 excluding VAT

No additional fees were paid to these experts in 2021 for occasional valuations.

FINANCIAL SERVICE

The Company's financial service is provided by ING Belgium, which received remuneration of €42,491.12 (including VAT) on that account in 2021. 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. In 2021, Befimmo also devoted part of its R&D activities to supporting its digital transformation. It aims to adapt to a new digital reality that provides the tools and solutions needed to reinforce the long-term objectives that it has set for itself both in its overall strategy and in its internal organisation, by creating links.

Befimmo launched different transverse projects over the past years linked to innovation, digitalisation and the new world of work. It's a participative approach to involve the team in the commitments at the heart of Befimmo's business. The team was invited to join working groups which aim to develop a project they care about so that, in a collective intelligence approach, they can propose and implement these projects.

In 2021, total resources devoted to research and development amount to €1,338,713.

Rules for preventing conflicts of interest

PRINCIPLES

As regards the prevention of conflicts of interest, Befimmo is simultaneously governed by:

- 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 fiscal year 2021 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 it is 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 of its perimeter¹ 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.

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

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.

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 fiscal year 2021, one decision or transaction gave rise to the application of Article 7:96 of the Code of Companies and Associations.

At its meeting of 10 March 2021, the Board of Directors discussed (i) the determination of variable remuneration of Mr Benoît De Blicek as CEO and of the other members of the Executive Committee for fiscal year 2020. Pursuant to Article 7:96 of the Code of Companies and Associations, Mr De Blicek 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 below.

Excerpt from the minutes of the meeting of the Board of Directors of Befimmo SA of 10 March 2021

"Before starting the discussion on this agenda item, Mr. Benoît De Blicek, 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 (CSA). He states that the conflict of interests arises from the fact that part of the decisions to be taken relate to his variable remuneration for the fiscal year 2020. 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 Chairman of the Appointment and Remuneration Committee reports on the Committee's work and sets out the Committee's recommendations which are then discussed as follows:

(...)

3.2 Appraisal of the members of the Executive Committee for the fiscal year 2020 – Determination of objectives for 2021

The Chairman of the Appointment and Remuneration Committee presents the proposals made by the Appointment and Remuneration Committee for the variable remuneration of the members of the Executive Committee for the fiscal year 2020. These proposals take into account the performance of the BE-REIT, as well as the achievement of both quantitative and qualitative objectives. Notwithstanding the Covid-19 health crisis, the Company's non-stock market performance has proven resilient and the objectives set for members of the Executive Committee have been met in 2020. Nevertheless, the stock-market share price, which was at level of the intrinsic value at EUR 57 until the eve of the crisis, was instantly strongly affected by the crisis in a context of uncertainty surrounding the future of the office real estate sector's activity.

Taking into account both the achievement of the Company's operational objectives and the impact of the crisis on the shareholder's return on share, the annual variable remuneration of the members of the Executive Committee was tempered by approximately 10% compared to what it would have been in a normal situation without the Covid-19 crisis.

3.2.1 Appraisal and determination of the variable remuneration of the Chief Executive Officer for the fiscal year 2020

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 Benoît De Blicke, for his function as Chief Executive Officer of Befimmo SA in 2020, a variable remuneration of EUR 120,000; 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 EUR 80,000 to its managing director, the SRL BDB Management, represented by its permanent representative, Mr Benoît De Blicke; this brings the total variable remuneration to EUR 200,000 for the fiscal year 2020;
- Furthermore, in accordance with article 8 of the Remuneration Policy, an exceptional bonus of EUR 100,000 is granted to the Chief Executive Officer (consolidated amount distributed as follows: EUR 60,000 allocated at the level of Befimmo SA and EUR 40,000 allocated to SRL BDB Management at the level of Befimmo Property Services SA), for obtaining the public procurement from the Flemish Administration and all the enforceable permits for the ZIN project."

The Board of Directors also discussed the end-of-term conditions of Mr Benoît De Blicke, as Chief Executive Officer :

- "At the signature of the termination agreement :
- A contractual severance grant of 750.000 EUR in accordance with the early termination conditions provided for in his management agreement, i.e.: 486,408.08 EUR at the level of Befimmo SA and 263,591.92 EUR at the

level of Befimmo Property Services SA.

- A gross amount of 35,000 EUR covering the transitional period between 1 May and 30 June 2021, during which he will remain available for the new CEO, in order to facilitate the transition: 22,750 EUR at the level of Befimmo SA and 12,250 EUR at the level of Befimmo Property Services SA.
- With regard to the part of his variable remuneration relating to the financial year 2020 and the previous years and for which the actual payment or vesting has not yet taken place:
 - The payment of the balance of the variable remuneration (balance of the bonus relating to the fiscal years 2019 and 2020 (see above for 2020) is scheduled for March 2022 at the latest : i.e. an amount of EUR 162,500.
 - The PSUs granted under the 2020 PSU Plan - i.e. a maximum of 2,500 units - remain, on the understanding that they will continue to be subject to the same rules, performance test and vesting date provided for at the time of their grant, with a grant no later than April 2023; the shares that will have vested by that date will not be subject to a post-vesting holding obligation
- He will continue to serve as a non-executive director until the end of his current term, at the end of the Ordinary General Meeting in April 2022 : this term will not be remunerated."

During the 2021 fiscal year, no decision or transaction gave rise to the application of Article 7:97 of the Code of Companies and Associations.

APPLICATION OF ARTICLE 37 OF THE BE-REIT LAW

Over the fiscal year, Article 37 of the BE-REIT Law was not applied in respect of any transaction.

TRANSACTIONS NOT COVERED BY THE STATUTORY PROVISIONS ON 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 Auroousseau, Director linked to AXA Belgium SA, did not take part in the discussion or decisions relating to one investment project.
- Mr Amand Benoît D'Hondt, Director linked to AG REAL ESTATE SA, did not take part in the discussions or decisions relating to one investment project.



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 lanned transaction would amount to insider trading. If so, he or she will be advised not to carry out the transaction.

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 out¹.

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.

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 verbalizes 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.

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.

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.

¹ This obligation also applies to transactions carried out by natural or legal persons closely linked to them.

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 May 25, 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

In 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 law¹ (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.)¹ 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 Audit Committee and then reported to the Board of Directors.

Moreover, a cyber resilience program has been set up and its progress is reviewed by the Audit Committee on a regular basis independently of the above-mentioned audits.

Stock ownership or stock options plan

- As of fiscal year 2020, the members of the Befimmo Executive Committee may be awarded Performance Stock Units (PSUs). At the end of a vesting period of three years from the award of the PSUs, these entitle the Executive to receive Company stock, and an amount in cash corresponding to the dividends paid out during the vesting period. The shares underlying the PSUs will be issued only after an assessment of the achievement of the criteria set out in the plan (Performance Test). Shares issued following vesting must be kept for at least two years by the Executive, without prejudice to compliance with the minimum share threshold applicable to the Executives. This plan is more fully described in the remuneration policy.
- Befimmo has not implemented a stock option plan or granted such options to members of its corporate bodies or its employees.

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

Shares held by the Directors and members of the Executive Committee

As at 31 December 2021, the following Directors and members of the Executive Committee of Befimmo held Befimmo shares:

- Mr Benoît De Blicq (1,000 shares);
- Mr Jean-Philip Vroninks (1,250 shares);
- Mrs Aminata Kaké (50 shares);
- Mr Laurent Carlier (710 shares).

Factors likely to have an influence in the event of a takeover bid

Article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market (hereinafter the "Royal Decree"), requires them to enumerate and, if appropriate, comment in a management report on the following elements where their nature is such that they may have an impact in the event of a takeover bid.

Most of the powers of Befimmo's administrative body in this respect are to a large extent restricted by the Company's status as a BE-REIT.

- Capital structure, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attached to it and the percentage of total share capital that it represents (Royal Decree, Article 34,1^o)

There is only one type of share, with no indication of nominal value: all shares are subscribed and all are fully paid up. As at 31 December 2021, the capital amounts to EUR 413,276,840.12. It is represented by 28,445,971 shares, each representing 1/28,445,971st of the capital. All holders of Befimmo shares have equal rights and obligations. As regards these rights and obligations, reference is first made to the regulations applicable to Befimmo: the Code of Companies and Associations, the BE-REIT Law, and the Royal Decree on BE-REITs of 13 July 2014. Reference must also be made to the

relevant provisions contained in the Articles of Association (articles 6 and 13).

- Any restrictions, either legal or prescribed by the articles of association, on the transfer of securities (Royal Decree, Article 34,2^o)

The transfer of Befimmo's shares is not subject to any legal or statutory restrictions. Pursuant to article 21 of the BE-REIT Law all Befimmo shares are admitted to trading on a regulated market (Euronext Brussels).

As part of their variable remuneration, the members of the Executive Committee may be allocated Performance Stock Units (PSUs). At the end of a vesting period of three years from the award of the PSUs, these entitle the executives to receive Company stock. Shares issued following vesting must be kept for at least two years by the member of the Executive Committee, without prejudice to compliance with the minimum share threshold applicable to the executives (see Remuneration policy).

- Holders of any securities with special control rights and a description of those rights (Royal Decree, Article 34,3^o)

The Company does not have any shareholders benefiting from special control rights.

- System of control of any employee share scheme where the control rights are not exercised directly by the employees (Royal Decree, Article 34,4^o)

No employee shareholding system has been put in place.

- Any restrictions, either legal or prescribed by the articles of association, on voting rights (Royal Decree, Article 34,5^o)

No provision of the articles of association restricts the voting rights of Befimmo shareholders.

Moreover, in accordance with the Code of Companies and Associations and Article 27.1 of the articles of association, "Any shareholder may participate in a General Meeting and exercise his right to vote: (i) if his shares are registered in his name on the fourteenth day prior to the shareholder's meeting, at 24 hours (midnight, Belgian time) either: by registration of the shares in the company's registered shares register, or by registration of the shares in the account of an authorised holder or settlement institution. The aforementioned day and time shall be the recording date, (ii) and if the Company has been informed, no later than the sixth day prior to the date of the Meeting, of the shareholder's desire to participate in the shareholders' meeting, through the company's e-mail address or the specific e-mail address mentioned in the convening notice of the general meeting."

These are general provisions of the articles of association and were not conceived with takeover bids in mind: but by laying down formalities for admission to the General Meeting they may have an indirect influence to that effect.

- Any agreements between shareholders which are known to the issuer and may result in restrictions on the transfer of securities and/or the exercise of voting rights (Royal Decree, Article 34,6^o)

As far as Befimmo is aware, there are no shareholder agreements that may restrict the transfer of securities and/or the exercise of voting rights.

- Rules governing the appointment and replacement of board members and the amendment of the issuer's articles of association (Royal Decree, Article 34,7^o)

In accordance with article 14 of the articles of association, the members of the Board of Directors are appointed for no more than four years by the general meeting and are always revocable by it. The directors are eligible for re-election. The term of office of the director who is not re-elected ends immediately after the general meeting which decides on the re-election. In the event of one or more terms being vacant, the remaining directors of the board have the right to fill them provisionally until the next general meeting, which may or may not confirm the mandate of the co-opted director(s). The appointment of the directors is subject to the prior approval of the FSMA.

As regards to the amendment of the articles of association, in accordance with Article 12 of the BE-REIT Law, any proposed amendment to the articles of association must first be approved by the FSMA. This rule may have an influence in the event of a takeover bid, as the bidder may not amend the Company's articles of association at its discretion but would need to have any draft amendment approved by the FSMA.

- Powers of the board members; and in particular the power to issue or buy back shares (Royal Decree Article 34,8^o)

The Board of Directors of Befimmo has certain powers concerning the right to issue or purchase shares (authorised capital clause and authorisation for the purchase and disposal of treasury shares).

The authorised capital clause basically allows opportunities to be taken rapidly without the time constraints associated with convening two general meetings (experience shows that the first general meeting convened is consistently inquorate), while the authorisation to buy its own shares provides for a mechanism that could be used to stabilise the share price in the event of abnormal movements.

More specifically, these clauses provide as follows:

- Pursuant to Article 7 of the articles of association of Befimmo, the Board of Directors is authorised to increase the company capital, in one or several transactions, on the dates and pursuant to the terms and conditions to be determined by it, for a maximum amount of:

- 1^o) €205,135,237.71, if the capital increase to be implemented is a capital increase by contribution in cash (i) with preferential subscription rights for the shareholders of the Company, as foreseen in Articles 7:188 and following the Code of Companies and Associations, or (ii) with irreducible allocation for the shareholders of the company, as foreseen in Article 26 §1; subparagraphs 1 and 2 of the BE-REIT Law
- 2^o) €41,027,047.54, if the capital increase to be implemented is a capital increase in the context of the payment of an optional dividend
- 3^o) €41,027,047.54 for all other forms of capital increase which are not referred to in sections 1^o) and 2^o) above

With the understanding that, in any event, the capital may never be increased, within the framework of the authorised capital by more than €287,189,332.79.

This authorisation is granted for a period of five years, starting on 27 December 2019. It may be renewed by a decision of the General Meeting. The use of this clause may lead to a significant increase in shareholders' equity, higher than the above-mentioned amount, since the issue price of the new shares set by the Board of Directors includes an issue premium.

Pursuant to the same provision and subject to the same conditions, the Board of Directors is authorised to issue

convertible bonds or subscription rights (this authorisation is also granted for a period of five years from 27 December 2019).

Moreover, in accordance with Articles 7:215 and following of the Code of Companies and Associations and Article 11 of the articles of association of Befimmo, the Board of Directors is authorised to acquire or take as pledge fully paid-up shares in Befimmo (within the statutory limits set by the General Meeting). This authorisation is valid for five years from 25 May 2021.

The Board of Directors may dispose of the Company's own shares (i) provided that equal treatment between shareholders is complied with in accordance with the conditions set out in Article 7:218, §1, 1^o and 2^o of the Code of Companies and Associations, (ii) to its staff, in accordance with Article 7:218, §1, 5^o of the Code of Companies and Associations or (iii) to one or more specific persons, other than staff members, in accordance with Article 7:218, §1, 4^o of the Code of Companies and Associations and Article 11 of the articles of association. The powers and authorisations referred to in the last two points above apply to acquisitions and disposals of Company shares by one or more subsidiaries directly under its control.

- Significant agreements to which the issuer is a party, and which take effect, alter, or terminate upon a change in the control of the issuer following a takeover bid (Royal Decree, Article 34, 9^o)

It is standard practice to include a "change-of-control" clause in financing agreements, entitling the bank to ask for the loan to be repaid if a change in the control of the Company were to have a material adverse effect on the

Company. The following banks have such a change-of-control clause: Banque Degroof Petercam, BECM, Belfius, BNP Paribas Fortis, ING, KBC, Agricultural Bank of China (Luxembourg) and Société Générale SA (Belgian branch). Moreover, the agreements on the various private placements, include a similar clause entitling each investor to request early redemption of their notes at par in the event of a change of control.

- Any agreements between the issuer and its board members or employees providing for compensation if the board members resign or are made redundant without valid reason or if the employment of the employees ceases because of a takeover bid (Royal Decree, Article 34, 10^o)

As described in the Remuneration Policy, should Befimmo SA terminate the management agreement between Mr Vroninks, CEO, and Befimmo SA before it expires, but not in any of the cases provided for in the management agreement where no compensation is due, Mr Vroninks is entitled to a severance grant under that agreement. The management agreements between Befimmo SA and Mr Vroninks and between Befimmo Property Services SA and Revron GCV set a consolidated contractual severance grant of €500,000 (consolidated total). In the event of termination of these agreements following a public takeover bid, the consolidated severance grant will amount to €750,000 (consolidated total).

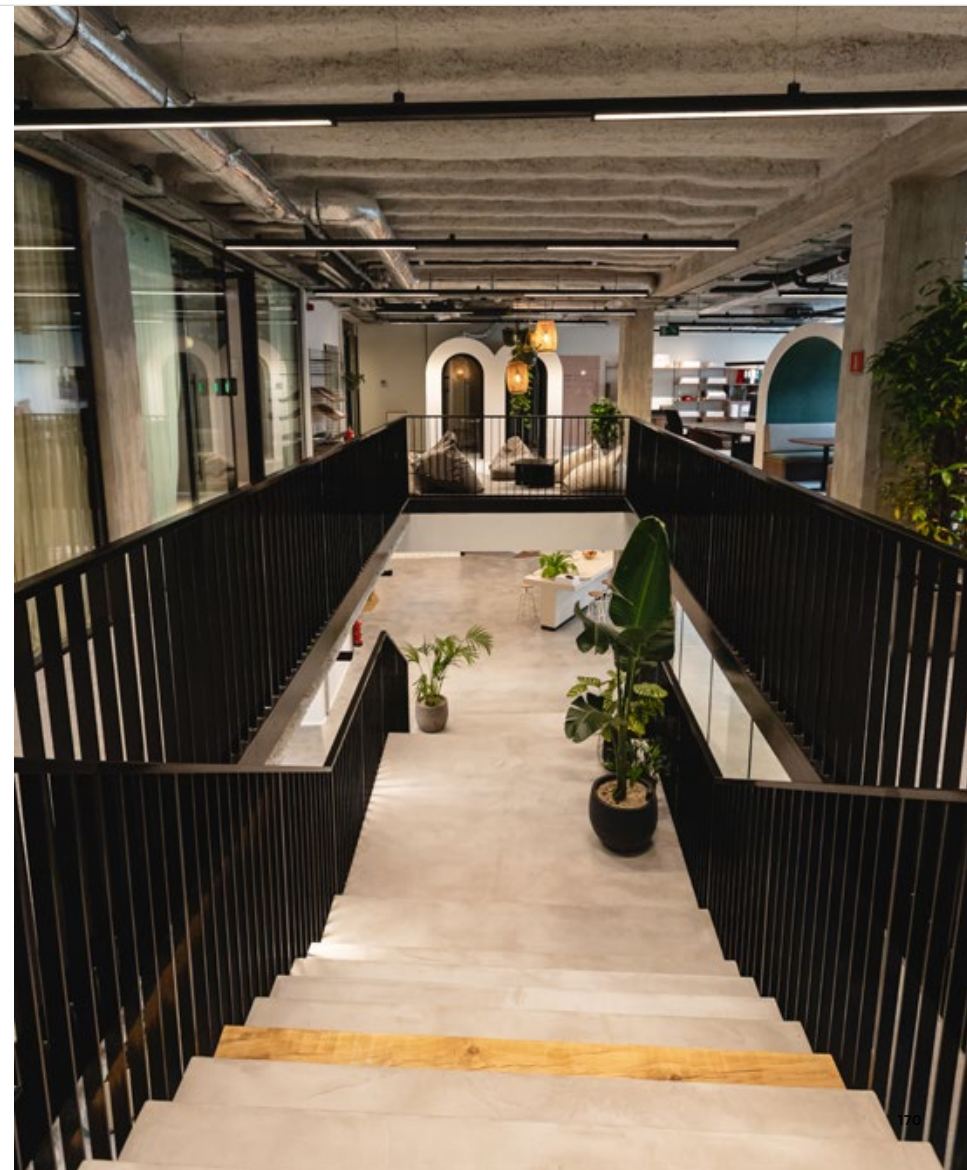
Share ownership, structure and organisation

SHARE OWNERSHIP¹

Shareholders do not have different voting rights.

	Number of shares (declared) the day of statement	Based on the transparency declarations or based on the information received from the shareholder	In %
Declarants			
AXA Belgium SA	2 741 438	30.04.2019	9,6 %
Ageas and affiliated companies	2 641 047	30.04.2019	9,3 %
Sand Grove Capital Management	1 212 205	01.03.2022	4,3%
BlackRock Inc.	848 297	20.11.2019	3,0 %
Own shares			
Befimmo SA	1 442 476	25.02.2022	5,1%
Other shareholders under the statutory threshold	19 560 508	01.03.2022	68,8%
Total	28 445 971		100%

1. As at 1 March 2022, based on the transparency declarations or based on the information received from the shareholder.

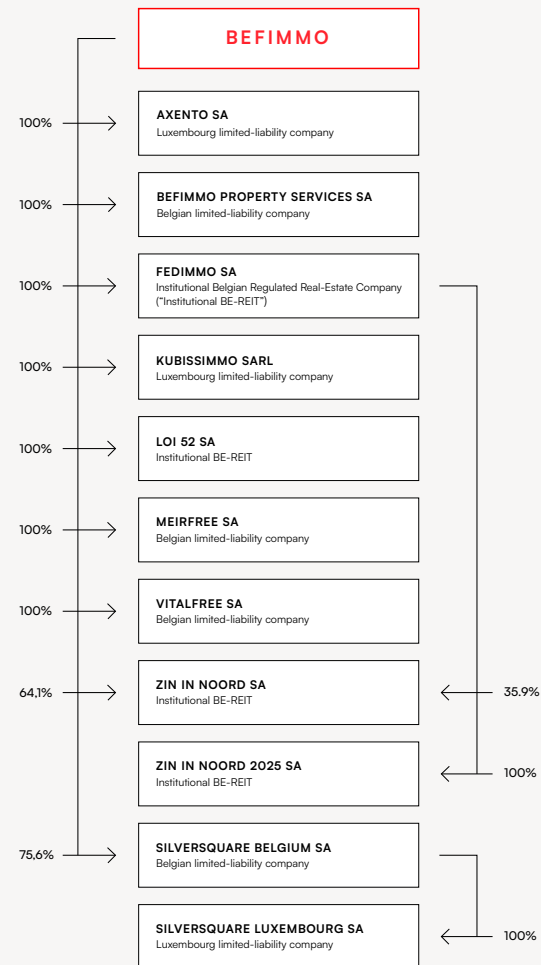


STRUCTURE AND ORGANISATION

The subsidiaries and partnerships of the Company as at 31 December are listed on the visual on the right side of this page.

The breakdown of properties in the consolidated portfolio by subsidiary is published in Appendix V to this Report.

Befimmo holds 12.5% in Co.Station Belgium SA, a limited-liability company under Belgian Law.





MANAGEMENT REPORT

Risk Factors.

This chapter covers residual 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 and indirectly by its shareholders. The global economic and financial climate and current geopolitical context may accentuate certain risks related to Befimmo's business. This list of risks is based on information known 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 business, thereafter 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 (see table on the right for a summary) 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)	> Volatility and share price (F2)	> Environmental risk (E2)	> BE-REIT status (R2)
> (Re)development activities (S3)	> Deterioration and obsolescence of buildings (P3)	> Risk related to changing credit margins (F3)	> Social risk (E3)	
> Segmental concentration (S4)	> Inflation and deflation (P4)	> Risk associated with changing interest rates (F4)		
> Geographical concentration (S5)		> Obligations contained in financing agreements (F5)		
> Default of tenants (S6)				

Main risks related to strategy

DESCRIPTION OF RISK

POTENTIAL IMPACT

S1. 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, stimulating and flexible working environments to help attract talent and develop collective intelligence.

This risk is accentuated by the pandemic, that accelerated the shift in working patterns (increased homeworking). The coworking business model is still developing.

As of 31 December 2021, the portfolio of Befimmo consists of about 100% of office buildings and coworking spaces. The revenues as real-estate operator represent 92% of the rental income and the coworking spaces 8%.

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. RISKS RELATED TO RENTAL VACANCY

Overall, the office property market is currently characterised by higher supply than demand, and by changing types of demand.

The Company is exposed to the risks of its tenants leaving or renegotiating their leases:

- risk of loss of and/or reduced income
- risk of negative reversion of rents
- risk of pressure on renewal conditions, and to grant rent-free periods
- risk of loss of fair value of properties, etc.

At 31 December 2021, the weighted average duration of Befimmo’s current leases and future signed leases until the next expiry of investment properties was 8.8 years. The occupancy rate of the properties available for lease at 31 December 2021 was 95.5%, compared with 97.1% at 31 December 2020.

We refer to the Property report for more information (p. 28-52).

Decline in occupancy rates and a reduction in the operating results of the portfolio.

On an annual basis as of 31 December 2021, a 1% fluctuation in the occupancy rate of the Company’s portfolio would have an impact of some €2.0 million on its property operating results, -€0.07 on the net asset value per share, and +0.06% on the debt ratio.

Direct costs related to rental vacancies, namely charges and taxes on unlet properties. They are estimated on an annual basis at €2.8 million, equivalent to around 2.2% 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. RISKS 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.), currently accentuated by the pandemic

We refer to the Property report for consultation of the main renovation and (re)development projects (p. 41).

As of 31 December 2021, the fair value of the buildings concerned by the mentioned projects represents 13.8% 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. RISKS 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. RISKS OF GEOGRAPHICAL CONCENTRATION

The Axento building in Luxembourg, the AMCA building in Antwerp, the Paradis tower in Liège, the Gateway building at Brussels airport, the WTC Tower 3 in Brussels and the Quatuor and ZIN projects in Brussels, each account for between 5 and 10% of the fair value of the portfolio as at 31 December 2021.

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.

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 (68.4% of the portfolio as at 31 December 2021).

S6. RISKS RELATED TO THE DEFAULT OF TENANTS

Risks related to insolvency of tenants, as well as non-payment of the rent and rental charges.

Loss of rental income; an increase in property charges where rental charges cannot be recovered; unexpected rental vacancies.

In 2021, 98.7% of rents due for 2021 were collected.

We refer to the Property report for an overview of the main tenants (p. 36) and to Note 34A of the Financial Statements for the Credit risk (p.216) .

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.

Impact on the Company's net results, equity, debt² and LTV³ ratios.

Risk of real-estate experts overvaluing or under-valuing 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 (5.7%¹ of the portfolio), and more generally in the Belgian provincial towns.

Impact on the Company's ability to distribute a dividend⁴ 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.

Risk accrued in case of an increase in rental vacancy (S2).

On the basis of the data as at 31 December 2021, a 1% decline in the value of the property assets would have an impact of around -€28.7 million on net results, entailing a change of around -€1.06 in the net asset value per share, around +€0.42 in the debt ratio, and around +0.42% in the LTV ratio.

We refer to the Property report for consultation of the conclusions of the real-estate expert coordinator on the way the buildings have been valuated (p. 51).

P2. RISKS 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).

Costs of refurbishing the affected building.

We refer to the Property report for more information on the insured value (p. 38).

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 requirements (legislative, societal or environmental). Befimmo's asset rotation strategy aims to crystallize the value of a property at an optimum point in the asset's life cycle.

Rental vacancies. (S2)

We refer to the Property report for an overview of the construction year or year of the last renovation per building (p.47).

Investments needed for buildings to meet regulatory requirements (R1) and tenants' expectations (S1).

At 31 December 2021, 90% of Befimmo's consolidated portfolio was covered by "total guarantee" maintenance or omnium agreements⁵.

1. Calculated on the basis of the fair value of investment properties at 31 December 2021.

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. Please refer to the chapter "Appropriation of results (statutory accounts)" on page 103 of the Annual Financial Report. In addition, we refer to the Financial statements for an overview of the equity that cannot be distributed according to article 7:212 of the Code of Companies and Associations (p. 242).

5. These agreements cover repairs and replacement to the same or identical function of a number of technical equipment (HVAC, electricity, lifts, ...) 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”.

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.

In line with general practice, 97.5%¹ of the leases in Befimmo’s consolidated portfolio contain provisions with a view to mitigating the effects of any negative indexing:

- 42.4% provide for a floor on the basic rent
- 55.1% contain a clause that sets the minimum at the level of the last rent paid

The remaining 2.5% 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.

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.

New financing arranged at a higher cost.

As of 31 December 2021, the ratio of debt provided by financing from banking institutions amounted to 71.3% spread over 8 banks (Belfius, BNP Paribas Fortis, ING, KBC, BECM (CM-CIC group), Agricultural Bank of China, Société Générale, ABN Amro), representing €1,048 million of available credit lines. The remainder is provided by a number of private placements in Europe.

Sale of assets under unfavorable conditions.

As of 31 December 2021, the Company had confirmed unused credit lines of €311.7 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) amounts to 43.1% at 31 December 2021 (the statutory limit being 65%) compared to 40.8% as at 31 December 2020.

As of 31 December 2021, the weighted average duration of the debt is 4.1 years.

All other things being equal, the Company has covered its financing needs for the next 12 months.

We refer to the Financial report for additional information on the Financial structure (p. 100).

1. Based on the gross current rent as at 31 December 2021.



DESCRIPTION OF RISK	POTENTIAL IMPACT
F2. RISK LINKED TO VOLATILITY AND SHARE PRICE	
<p>The Company is exposed to a significant discrepancy between the share price and the Company's net asset value.</p> <p>As of 31 December 2021, the discount of the share price compared to the net asset value is 44%.</p>	<p>More difficult access to new equity may limit development capacity.</p> <p>Adverse impact on the Company's reputation.</p>
F3. RISK RELATED TO CHANGING CREDIT MARGINS	
<p>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.</p> <p>The graph exposing the maturity dates of the financing can be found on p 101 of this Annual Financial Report.</p> <p>The margins can also be affected by a change in the company's Standard & Poor's rating.</p> <p>On 21 June 2021, Standard & Poor's confirmed a rating of BBB/outlook stable for Befimmo's long-term borrowings and A-2 for its short-term borrowings.</p>	<p>An increase in financial charges and hence an adverse effect on EPRA earnings and net results.</p> <p>In 2022, an amount of €71 million will have to be refinanced. An increase in margins by 10 bps will have an impact of €0.1 thousands.</p> <p>Any downgrade of the rating would make it harder to obtain new financing. A rating reduction of one notch, from BBB to BBB-, would entail an additional financing cost estimated at €0.6 million, based on the debt structure and current contracts as at 31 December 2021.</p> <p>Adverse impact on the Company's standing with investors.</p>

DESCRIPTION OF RISK**POTENTIAL IMPACT****F4. RISK ASSOCIATED WITH CHANGING INTEREST RATES**

Financial charges, the Company's main expense item, are largely influenced by the interest rates prevailing in the financial markets.

Increase in financial charges and drop in EPRA earnings and net results.

Total borrowings as at 31 December 2021:

- borrowings of €872.4 million (75.1% of total debt) are financed at fixed rates (fixed rates specified in agreements or rates fixed by IRS);
- The remainder of the debt, €288.9 million, is financed at floating rates, €20 million of which is hedged against rising interest rates by means of optional instruments (collars¹). The remaining 23.2% of total borrowings is therefore unhedged

In the context of current interest rates, the practice of some banks to set a 0% floor on Euribor, used as reference in financing contracts, has an adverse impact on financial charges. This practice can also create distortion between the floating rates used in financing contracts and IRS type hedging contracts.

The counterparty banks for the hedging instruments are BECM (CM-CIC group), Belfius, BNP Paribas Fortis, ING, KBC, and NatWest Markets PLC (RBS Group).

Without hedging, the impact of a rise in market rates of 0.25% would entail an increase in financial charges estimated at €1.5 million (annual amount calculated based on the debt structure as 31 December 2021).

As at 31 December 2021, the Company's debt ratio is 43.1% and its LTV ratio is 40.9%.

With the hedging arranged at 31 December 2021, the impact of a rise in market rates of 0.25% would entail an increase in financial charges estimated at €0.1 million (annual amount calculated based on the debt structure as at 31 December 2021).

A change in interest rates alters the value of the financial assets and liabilities carried at fair value.

A change in interest rates could also have an impact, with a delayed effect, on valuations of the properties in the portfolio.

At 31 December 2021, the net fair value of all the hedging instruments was -€22.1 million.

Had the euro interest rate curve been 0.5% lower than the reference rate curves at 31 December 2021, the change in fair value of the financial assets and liabilities would have been -€27.5 million. In the opposite case, the change in fair value would have been €26 million.

Part of Befimmo's borrowings at 31 December 2021 are arranged at floating rates (23.2%), which therefore means that the debt does not change in value in line with changes in interest rates.

F5. 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.

A challenge to a financing agreement would expose the Company to having to arrange additional financing at a potentially higher cost, or sell assets under unfavorable conditions.

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.

¹ Buying a COLLAR (buying a CAP and selling a FLOOR) places a ceiling (CAP) on the impact of a rise in interest rates, but also involves an undertaking to pay a minimum rate (FLOOR).

Main environmental, social and governance risks

DESCRIPTION OF RISK	POTENTIAL IMPACT
E1. RISK RELATED TO CLIMATE CHANGE	
<p>Physical risk:</p> <ul style="list-style-type: none"> - Extreme weather events (e.g., storms, floods, etc.) - Changes in precipitation patterns and extreme variability in weather patterns (e.g. increased average temperatures, etc.) <p>Transition risk:</p> <ul style="list-style-type: none"> - 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.) <p>We refer to page 70-76 for a description of the actions undertaken of the Company for combatting climate change.</p>	<p>Deterioration of buildings (P3) and potential decrease in the value of buildings (P1). Interruption or slowing down of construction sites (S3).</p> <p>Obsolescence of buildings (P3) and potential decrease in the value of buildings (P1). Additional investments and costs which entail higher costs for the Company in ongoing projects. Additional requirements to access financing (F1).</p>
E2. ENVIRONMENTAL RISK	
<p>During construction sites, there is a risk of water and soil pollution linked to the presence of hydrocarbons, chemicals, etc.</p> <p>There is also a risk of air pollution due to dust emissions, fine particles, etc.</p> <p>Redevelopment projects may impact biodiversity due to the loss of vegetation as a result of soil sealing. We refer to the Sustainability report for a description of the actions undertaken of the Company to reduce pollution and pressure on biodiversity (p. 79-80).</p>	<p>Negative impact on the Company's reputation and risk of litigation.</p> <p>Loss of recognitions (certifications, etc.).</p>
E3. SOCIAL RISK	
<p>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.</p> <p>Risk linked to the health, safety and well-being of the team.</p> <p>We refer to the Corporate Governance Statement (p. 129) and to the chapter "Taking care of our team" (p. 85) for additional information.</p>	<p>Negative impact on the Company's reputation.</p>



Main risks related to regulations

DESCRIPTION OF RISK

POTENTIAL IMPACT

R1. RISKS RELATED TO NON-COMPLIANCE OF THE BUILDINGS WITH THE APPLICABLE REGULATIONS

The Company runs the risk that one or more of its properties does not immediately meet all the applicable new standards and regulations.

Additional investments which entail higher costs for the Company and/or delays in ongoing projects (renovations, etc.).

Fall in the fair value of a building (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. RISKS RELATED TO BE-REIT STATUS

Risk of non-compliance with the BE-REIT¹ regime.

Loss of approval for BE-REIT status, and no longer qualifying for the transparent tax regime applicable to BE-REITs. Adverse tax consequences of the exit of the BE-REIT status.

Risk of future adverse changes to that regime becoming less attractive to investors.

Early repayment by acceleration of payment of loans taken out by the Company.

Any future adverse changes in the BE-REIT regime could lead to a decline in results or net asset value, increase the debt ratio (e.g. by applying new accounting rules), reduce the maximum debt ratio, or affect how a BE-REIT must distribute dividends to shareholders.

¹ But this does not apply to its subsidiaries which are not institutional BE-REITs.

04

Financial statements.

Befimmo



04

Financial statements.



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Consolidated statement of total comprehensive income (in € thousand)

In order to enhance comparability versus peers, as per full year 2021, Befimmo decided to align its reporting with industry practice.

Since 31 December 2021, the recurring compensation for the effect of spreading "rental gratuities granted" and potential impairments of goodwill are being accounted for under the line item "Other portfolio result" and will no longer be accounted for under "Other operating income & charges". To aid comparability and allow for proper interpretation of the 2021 figures, we provide restated 2020 figures.

	Notes	31.12.2021	31.12.2020 (Restated)	31.12.2020
I. (+) Rental income	5	129 244	137 652	137 652
III. (+/-) Charges linked to letting	6	-914	-14	-14
NET RENTAL RESULT		128 329	137 638	137 638
IV. (+) Recovery of property charges	7	12 125	16 081	16 081
V. (+) Recovery of rental charges and taxes normally paid by tenants on let properties	8	21 104	24 947	24 947
VII. (-) Rental charges and taxes normally paid by tenants on let properties	8	-30 463	-32 760	-32 760
VIII. (+/-) Other revenue and charges for letting	9	197	2 171	2 171
PROPERTY RESULT		131 293	148 077	148 077
IX. (-) Technical costs	7	-16 055	-18 520	-18 520
X. (-) Commercial costs	7	-2 824	-1 736	-1 736
XI. (-) Charges and taxes on unlet properties	7	-2 790	-1 867	-1 867
XII. (-) Property management costs	7	-3 049	-2 830	-2 830
XIII. (-) Other property charges	7	-4 843	-7 928	-7 928
(+/-) Property charges		-29 561	-32 880	-32 880
PROPERTY OPERATING RESULT		101 732	115 197	115 197
XIV. (-) Corporate overheads	10	-24 789	-18 596	-18 596
XV. (+/-) Other operating income and charges	11	-	-	-1 932
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		76 942	96 601	94 669
XVI. (+/-) Gains and losses on disposals of investment properties	12	5 901	306	306
XVIII (+/-) Changes in fair value of investment properties	13	-3 119	1 367	1 367
XIX. (+) Other results on portfolio	14	-5 839	-1 932	-
OPERATING RESULT		73 885	96 342	96 342
XX. (+) Financial income	15	1 455	745	745
XXI. (-) Net interest charges	15	-14 893	-19 125	-19 125
XXII. (-) Other financial charges	15	-3 736	-2 579	-2 579
XXIII (+/-) Changes in fair value of financial assets and liabilities	15	30 579	-17 682	-17 682
(+/-) Financial result		13 404	-38 642	-38 642
PRE-TAX RESULT		87 289	57 700	57 700
XXV (-) Corporation tax	16	-1 051	-1 107	-1 107
(+/-) Taxes		-1 051	-1 107	-1 107
NET RESULT	17	86 238	56 593	56 593
NET RESULT (group share)		89 370	57 709	57 709
NET RESULT - NON-CONTROLLING INTERESTS		-3 132	-1 116	-1 116
BASIC NET RESULT AND DILUTED (€/share)	17	3.31	2.13	2.13
Other comprehensive income - actuarial gains and losses - pension liabilities and other	36	2 484	-1 784	-1 784
Other comprehensive income (group share)		2 485	-1 781	-1 781
Other comprehensive income - Non-controlling interests		-1	-3	-3
TOTAL COMPREHENSIVE INCOME		88 722	54 809	54 809
TOTAL COMPREHENSIVE INCOME (group share)		91 855	55 928	55 928
TOTAL COMPREHENSIVE INCOME - NON-CONTROLLING INTERESTS		-3 133	-1 119	-1 119

Consolidated statement of financial position (in € thousand)

ASSETS	Notes	31.12.2021	31.12.2020
I. Non-current assets		2 914 490	2 790 205
A. Goodwill	18	16 299	18 145
B. Intangible assets	20	6 176	3 815
C. Investment properties	19	2 861 185	2 739 649
Fair value of portfolio (excluding Silversquare)		2 824 655	2 694 479
Right of use - Fair value of Silversquare leases		36 531	45 170
D. Other property, plant and equipment	20	19 118	15 355
E. Non-current financial assets	21	6 901	8 421
F. Finance lease receivables	22	4 812	4 822
II. Current assets		67 798	56 284
A. Properties held for sale	19	13 133	21 581
B. Current financial assets	21	7	795
C. Finance lease receivables	22	149	145
D. Trade receivables	23	35 217	28 386
E. Tax receivables and other current assets	24	11 692	479
F. Cash and cash equivalents	25	2 022	2 439
G. Deferred charges and accrued income	26	5 578	2 458
TOTAL ASSETS		2 982 289	2 846 488
SHAREHOLDERS' EQUITY AND LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY		1 630 170	1 591 404
I. Equity attributable to shareholders of the parent company		1 630 170	1 591 404
A. Capital	27	398 357	398 356
B. Share premium account	27	861 905	861 905
C. Reserves	27	314 592	318 874
D. Net result for the fiscal year ¹		55 316	12 269
II. Non-controlling interests		-	-
LIABILITIES		1 352 118	1 255 084
I. Non-current liabilities		888 539	760 104
A. Provisions	30	1 196	3 918
B. Non-current financial debts	28	851 775	684 586
a. Credit institution		440 155	219 677
c. Other		411 620	464 909
C. Other non-current financial liabilities	29	27 081	62 973
D. Trade debts and other non-current debts	31	7 362	7 547
F. Deferred Tax - Liabilities	16	1 125	1 081
II. Current liabilities		463 579	494 980
A. Provisions	30	3 709	2 526
B. Current financial debts	28	359 653	368 697
a. Credit institution		14 247	11 001
c. Other		345 406	357 696
C. Other current financial liabilities	29	392	-
D. Trade debts and other current debts	31	61 584	93 130
E. Other current liabilities	32	1 675	4 276
F. Accrued charges and deferred income	33	36 566	26 351
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2 982 289	2 846 488

¹ The interim dividend is the difference between the "Net result for the fiscal year" in the Consolidated statement of financial position and the "Net result" in the Consolidated statement of comprehensive income.

Consolidated cash flow statement (in € thousand)

	Notes	31.12.2021	31.12.2020
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR		2 439	2 878
Operating activities (+/-)			
Net result for the period		86 238	56 593
Result on disposal of investment properties	12	-5 901	-306
Financial result (excl. changes in fair value of financial assets and liabilities)	15		20 959
Interest paid (incl. Financial charges IFRS 16)			-23 530
Taxes	16		1 107
Taxes paid			-1 049
Items with no effect on cash flow to be extracted from earnings			
Fair value adjustment for investment buildings (+/-)	13	3 119	-1 367
Fair value adjustment on non-current financial assets/liabilities booked to earnings (+/-)	16	-30 579	17 682
Loss of (gain in) value on trade receivables (+/-)	6		-247
IFRS 16 correction		576	592
Amortisation / Loss of (gain in) value on property, plant and equipment (+/-)	20	2 389	2 447
Goodwill impairment	18	852	700
Adjustments of provisions (+/-)	30	1 279	691
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS		57 974	74 272
Change in assets items¹		-21 068	3 873
Change in liabilities items²		-23 888	8 265
CHANGE IN WORKING CAPITAL REQUIREMENTS		-44 956	12 137
CASH FLOW FROM OPERATING ACTIVITIES		13 018	86 409
Investments (-) / Disposals (+)			
Investment properties			
Investments	19	-158 561	-153 381
Disposals	19	104 882	252 339
Acquisition of the Cubus building and the projects Esprit Courbevoie and Antwerp Tower	19	-55 985	
Other acquisitions (redevelopment projects, stake,...)	19		-13 701
Liquidity program	27	-910	-378
Other property, plant and equipment and intangible assets	20	-8 615	-8 881
CASH FLOW FROM INVESTMENT ACTIVITIES		-119 188	75 997
Financing (+/-)			
Increase (+) / Decrease (-) in financial debts	35	155 577	-31 043
European private bond placements	35	5 000	10 000
Reimbursement USPP May 2019 and May 2020	35		-67 494
Reimbursement financial debt IFRS 16	35	-2 657	-2 321
Hedging instruments and other financial assets	35	-2 705	-3 247
Final dividend previous fiscal year (-)	27	-15 407	-23 265
Cost capital increase (-)	27		-36
Interim dividend Befimmo fiscal year (-)	27	-34 054	-45 440
CASH FLOW FROM FINANCING ACTIVITIES		105 754	-162 846
NET CHANGE IN CASH AND CASH EQUIVALENTS		-417	-439
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (6 MONTHS)	25	2 022	2 439

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 shareholders' equity
Notes	27	27	27	17			
EQUITY AS AT 31.12.2019	398 320	861 905	231 434	112 213	1 603 872	-	1 603 872
Appropriation of the result			112 213	-112 213	-		-
Dividend distributed			-23 265		-23 265		-23 265
<i>Befimmo 2019 final dividend</i>			-23 265		-23 265		-23 265
Dividend distributed				-45 440	-45 440		-45 440
<i>Befimmo 2020 interim dividend</i>				-45 440	-45 440		-45 440
Profit attributable to non-controlling interests			-1 116		-1 116		-1 116
Valuation of the put option held by minority shareholders			1 773		1 773		1 773
Liquidity program			-382		-382		-382
Costs capital increase 2019	36				36		36
Net result (group share)				57 709	57 709		57 709
Other elements of comprehensive income			-1 784		-1 784		-1 784
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
<i>Befimmo 2020 final dividend</i>			-15 407		-15 407		-15 407
Dividend distributed				-34 054	-34 054		-34 054
<i>Befimmo 2021 interim dividend</i>				-34 054	-34 054		-34 054
Profit attributable to non-controlling interests			-3 132		-3 132		-3 132
Liquidity program			-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

Notes to the consolidated financial statements

1. GENERAL BUSINESS INFORMATION

Befimmo ("the Company", registered with Banque Carrefour des Entreprises under number 0455.835.167) is a public regulated Real-Estate Investment Trust under Belgian law (public BE-REIT). It is organised as a "Société Anonyme" (limited-liability company). Its registered office is at Cantersteen 47, 1000 Brussels (Belgium).

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 75.63% stake in the Silversquare Belgium SA (registered with Banque Carrefour des Entreprises under number 0806.423.356) and indirectly in Silvesquare Luxembourg 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 2021. The Board of Directors of Befimmo SA adopted the financial statements for this fiscal year on 16 February 2022 and authorised their publication on 7 March 2022.

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 2021, the high-quality portfolio is located in Brussels, the main Belgian towns and cities, and the Grand Duchy of Luxembourg. It comprises 60 office buildings and 8 coworking spaces.

The Company is listed on Euronext Brussels.

The description of key events after the close is detailed on page 27 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 2021, 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 2021:

- > 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 1 January 2023 (applicable for annual periods beginning on or after 1 January 2021).

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 2021, namely:

- > 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).
- > IFRS 17 *Insurance Contracts* (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 (applicable for annual periods beginning on or after 1 January 2023, 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, but not yet endorsed in the EU).
- > 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, but not yet endorsed in the EU).
- > 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, 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 recognizing 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 3 to 5 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% 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.

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

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.

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 twelve 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 twelve 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 COVID-19 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

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.

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 offices¹.

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 (68.4%), the remaining 31.6% being in Flanders (14.6%), Wallonia (10.7%) 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 areas², 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												Unallocated amounts /												
	Brussels CBD and similar				Brussels decentralised				Brussels periphery				Wallonia		Flanders		Luxembourg city		Coworking business		intercompany eliminations		Total		
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	
INCOME STATEMENT																									
A. Rental income	57 277	66 931	6 052	6 769	6 587	8 797	11 802	11 118	32 298	39 231	6 837	4 908	10 115	8 006	-1 725	-1 107	129 244	137 652							
B. Property operating result	48 577	57 340	4 765	5 882	5 001	8 890	9 674	9 408	28 368	29 779	5 662	4 275	-230	-363	16	-14	101 732	115 197							
C. Change in fair value of investment properties	5 635	17 690	-4 924	-3 736	-5 154	-2 588	-14 177	7 900	-28 168	-27 009	1 588	8 502	-8 639	608	-	-	-3 119	1 367							
D. Gains and losses on disposal of buildings	4 707	3 049	-	-	-206	-2 743	2 083	-	-684	0	-	-	-	-	-	-	5 901	306							
E. SEGMENT RESULT (= B+C+D)	109 639	78 078	-159	2 146	-359	3 559	-2 420	17 308	-484	2 770	7 150	12 777	-8 869	245	16	-14	104 514	116 870							
Percentage by segment	104.9%	66.8%	-0.2%	1.8%	-0.3%	3.0%	-2.3%	14.8%	-0.5%	2.4%	6.8%	10.9%	-8.5%	0.2%	0.0%	0.0%	100%	100%							
F. Corporate overheads																	-24 789	-18 596							
G. Other results on portfolio																	-5 839	-1 932							
H. Financial result																	13 404	-38 642							
I. Finance tax																	-1 051	-1 107							
NET RESULT (= E+F+G+H+I)																	86 238	56 593							
Net result (group share)																	89 370	57 709							
Non-controlling interests																	-3 132	-1 116							

	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2020	31.12.2021	31.12.2020	31.12.2020	31.12.2021	31.12.2020	31.12.2020	31.12.2021	31.12.2020	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	
BALANCE SHEET																									
Assets																									
Goodwill	2 607	2 607	-	-	-	-	761	1 329	4 379	5 308	-	-	8 551	8 900	-	-	16 299	18 145							
Investment properties and assets held for sale	1 771 167	1 659 766	79 249	82 234	80 829	92 537	302 617	284 973	425 146	449 467	178 780	147 083	36 531	45 170	-	-	2 874 319	2 761 229							
of which investments and acquisitions during the year	125 180	182 037	1 940	2 790	1 377	1 230	39 016	-16 403	16 924	1 565	30 109	15	-	-	-	-	214 546	171 234							
Other assets	4 019	3 343	-	-	-	-	941	1 624	-	-	-	-	-	-	-	-	86 711	62 147							
TOTAL ASSETS	1 777 793	1 665 716	79 249	82 234	80 829	92 537	304 319	287 926	425 525	454 775	178 780	147 083	45 082	54 070	86 711	62 147	2 982 289	2 846 488							
Percentage by segment	59.6%	58.5%	2.7%	2.9%	2.7%	3.3%	10.2%	10.1%	14.4%	16.0%	6.0%	5.2%	1.5%	1.9%	2.2%	2.2%	100%	100%							
TOTAL LIABILITIES																	1 352 118	1 255 084							
TOTAL SHAREHOLDERS' EQUITY																	1 630 170	1 591 404							
Equity attributable to shareholders of the parent company																	1 630 170	1 591 404							
Non-controlling interests																	-	-							
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY																	2 982 289	2 846 488							

5. RENTAL INCOME

I. Rental income (in € thousand)	31.12.2021	31.12.2020
Rents	127 646	134 045
Cost of rent free periods	-2 765	-2 660
Concessions granted to tenants (incentives)	-80	-161
Indemnities for early termination of rental contracts	4 442	6 428
Rental income	129 244	137 652

This table sets out the various components of rental income. Beside rents and revenue from leases with members of coworking spaces (€10.1 million in 2021 and €8.0 million in 2020), 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.

(in € thousand)	31.12.2021	31.12.2020
Less than one year	125 970	114 184
One to five years	405 210	363 735
More than five years	405 900	377 126
Rental income	937 080	855 045

This table gives details of future rents that the Group is certain to receive under ongoing lease agreements and as from 2021 also the future signed lease agreements. These are unindexed rents and revenue from contracts with members of coworking spaces that will be received before the next intermediate termination option provided for in the lease agreements.

The amounts Befimmo received for the annual indexing of rents were €1.3 million and €1.3 million for fiscal years 2021 and 2020 respectively. These amounts depend on the actual level of indexing.

THE BEFIMMO STANDARD LEASE

The vast majority of Befimmo SA'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 SA'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)	31.12.2021	31.12.2020
Rents payable on rented premises	121	-261
Write-downs on trade receivables	-1 118	-748
Write-back of write-downs on trade receivables	83	995
Charges linked to letting	-914	-14

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 (see note 40 to these financial statements);
- > write-downs and write-backs on write-downs on trade receivables, realised and unrealised.

(in € thousand)	31.12.2021	31.12.2020
At less than one year	-228	-233
One to five years	-383	-571
At more than five years	-224	-257
Rent paid	-836	-1 061

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

31.12.2021 (in € thousand)

	AT CHARGE	NET		RECOVERY
IX. Technical costs	-16 055	12 125		IV. Recovery of property charges
<u>Recurrent</u>	<u>-5 934</u>	<u>-2 754</u>	<u>3 180</u>	<u>Recurrent</u>
Repairs	-4 506	-1 828	2 678	Repairs
Total-guarantee charge	-961	-592	369	Total-guarantee charge
Insurance premiums	-467	-334	133	Insurance premiums
<u>Non recurrent</u>	<u>-10 121</u>	<u>-2 097</u>	<u>8 024</u>	<u>Non recurrent</u>
Major repairs (building companies, architects, engineering offices,...)	-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

31.12.2020 (in € thousand)

	AT CHARGE	NET		RECOVERY
IX. Technical costs	-18 520	16 081		IV. Recovery of property charges
<u>Recurrent</u>	<u>-5 885</u>	<u>-2 088</u>	<u>3 797</u>	<u>Recurrent</u>
Repairs	-4 428	-1 189	3 239	Repairs
Total-guarantee charge	-989	-675	314	Total-guarantee charge
Insurance premiums	-469	-225	244	Insurance premiums
<u>Non recurrent</u>	<u>-12 635</u>	<u>-1 475</u>	<u>11 159</u>	<u>Non recurrent</u>
Major repairs (building companies, architects, engineering offices,...)	-12 508	-1 440	11 069	Recovery of major repair costs and compensation for damage by tenants
Damage expenses	-126	-36	27	Recovery of damage expenses
			63	Compensation of damage by insurers
XII. Property management costs	-2 830	-1 705	1 125	Property management costs
Fees paid to (external) managers	-	1 125	1 125	Management fees received
(Internal) management fees of properties	-2 830	-2 830		
X. Commercial costs	-1 736	-1 736		
Letting fees paid to real-estate brokers	-1 490	-1 490		
Advertising	-24	-24		
Fees paid to lawyers and other experts	-223	-223		
XI. Charges and taxes on unlet properties	-1 867	-1 867		
XIII. Other property charges	-7 928	-7 928		
Property charges	-32 880	-16 799	16 081	IV. Recovery of property charges

These tables set out, for fiscal years 2020 and 2021, the origins of the net real-estate charges borne by the Group.

The net charge of 'Repairs' and 'Major repairs' increased by €1.3 million (from -€2.6 million as at 31 December 2020 to -€3.9 million as at 31 December 2021) 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 increase by €0.9 million in charges and taxes on unlet buildings is mainly explained by:

- > the property Quatuor classified as property available for lease since the fourth quarter of 2021 for which the majority of the lease contracts are signed but enter into force as from 2022;
- > and by the Fedimmo buildings that are held for sale and for which the lease ended recently

The decrease by €3.1 million in Other property charges is mainly explained by the marketing charges previously recorded in the subheading other property charges and as from 31 December 2021 recorded in the appropriate sub-headings. The other variation is explained by non-recurrent items.

8. RENTAL CHARGES AND TAXES NORMALLY PAID BY TENANTS ON LET PROPERTIES

(in € thousand)	31.12.2021	31.12.2020
V. Recovery of rental charges and taxes normally paid by tenants on let properties	21 104	24 947
Rebilling of rental charges invoiced to the landlord	2 977	4 188
Rebilling of withholding taxes and other taxes on let properties	18 127	20 759
VII. Rental charges and taxes normally paid by tenants on let properties	-30 463	-32 760
Rental charges invoiced to the landlord	-10 574	-10 475
Withholding taxes and other taxes on let properties	-19 888	-22 285
Total	-9 359	-7 813

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 on this level, which will therefore increase consequently with the expansion of the coworking network. At 31 December 2021, the impact of Silversquare on the rental charges and taxes equals to €7.7 million. In 2020 the rental charges and taxes of Silversquare amount to €6.7 million.

9. OTHER REVENUE AND EXPENDITURE LINKED TO RENTAL INCOME

This heading is mainly impacted, in 2020, by non-recurring items (reimbursement of the co-ownership reserve fund, following dissolving of the co-ownership WTC).

10. CORPORATE OVERHEADS

XIV. Corporate overheads (in € thousand)	31.12.2021	31.12.2020
Staff costs	-14 228	-9 617
<i>Staff costs</i>	-9 499	-6 465
<i>Remuneration of Directors and members of the Executive Committee of Befimmo SA</i>	-4 729	-3 152
Operating and communication costs	-3 520	-3 126
IT costs	-4 084	-2 615
Fees (project research, real-estate experts, legal advice, etc.)	-2 598	-2 779
FSMA and Euronext costs	-141	-139
Taxes and non-recoverable VAT	-219	-320
Corporate overheads	-24 789	-18 596

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), 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" increased compared to 2020 by €4.5 million and is explained by the slight increase in the number of persons of the Group's support teams (2 FTE's), by a number exceptional elements linked to the transition of the new CEO, the departure of the CFO, the variable remuneration of the Performance Stock Unit plan, and by the implementation of the new strategy.

At 31 December 2021, the "Operating and communication costs" are stable compared to 31 December 2020. These costs mainly include the facility and office management costs, the communications costs and the insurance costs.

The "IT costs" increased compared to 2020 by €1.5 million. This is mainly linked to the accelerated process of digitalisation of Befimmo.

The sub-heading "Fees" 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 Statutory Auditor's fees for fiscal year 2021 amounted to €88,206.78 excluding VAT. In fiscal year 2021 it also provided additional services as part of its statutory duties for a fee of €7,850.00 excluding VAT. Outside its statutory role, during fiscal year 2021, Ernst & Young and affiliated companies provided services related to other non-auditing duties for a fee of €13,500.00 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 fiscal year 2020 of Fedimmo, Zin in Noord, Zin in Noord 2025, Loi 52, Befimmo Property Services, Meirfree, Vitalfree and Silversquare Belgium and its subsidiaries totaled €62,406.65 excluding VAT.

Auditing for the Luxembourg subsidiary, Axento SA, is performed by Ernst & Young SA, 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 Ensich, Partner. The fees for auditing the accounts of Axento SA and Kubissimmo SRL for fiscal year 2021 amount to €24,950.00 excluding VAT.

Outside its statutory role, during fiscal year 2020, Ernst & Young (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.

Group staff		31.12.2021	31.12.2020
Number of persons under a contract of employment		140	126
Of which:			
Real-estate team	Number of persons under a contract of employment	60	59
Support team	Number of persons under a contract of employment	37	35
Team coworking	Number of persons under a contract of employment	43	32
Average full-time equivalent during the year		138.1	122.4
Of which:			
Real-estate team	Average full-time equivalent during the year	58.8	58.4
Support team	Average full-time equivalent during the year	36.7	33.9
Team coworking	Average full-time equivalent during the year	42.6	30.1

¹ The personnel costs of the Company's real-estate teams and the coworking teams are recorded under Property charges.

11. OTHER OPERATING INCOME AND CHARGES

XV. Other operating income and charges (in € thousand)	31.12.2021	31.12.2020 (restated)	31.12.2020
Spread of rent free periods	-	-	-1 232
Others	-	-	-700
Other operating income and charges	-	-	-1 932

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 2020, it relates to a goodwill impairment on the participation in Silversquare. Since the 31 December 2021, the recurring compensation for the effect of spreading rental gratuities and concessions to tenancies as well as goodwill impairment, if any, are recorded in the heading XIX Other result on portfolio and not anymore under the heading XV Other operating income and charges. The figures of 31 December 2020 were therefore restated. We refer to the note 2 Significant accounting policies for further details.

12. GAINS OR LOSSES ON DISPOSALS OF INVESTMENT PROPERTIES

XVI. Gains and losses on disposals of investment properties (in € thousand)	31.12.2021	31.12.2020
Net sale of properties (selling price - transaction costs)	114 865	252 339
Book value of properties sold	-108 964	-252 033
Gains and losses on disposals of investment properties	5 901	306

In fiscal year 2021, Befimmo sold the Wiertz building in the Brussels CBD and sold the Planet 2 building in the Brussels periphery. Fedimmo sold the buildings located in Deinze, Bilzen, Tienen, Diksmuide and Lokeren situated in Flanders and sold the building Binche situated in Wallonia.

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

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.

13. CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

XVIII. Changes in fair value of investment properties (in € thousand)	31.12.2021	31.12.2020
Positive changes in fair value of investment properties	146 833	89 506
Negative changes in fair value of investment properties	-149 952	-88 139
Changes in fair value of investment properties	-3 119	1 367

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 2021, the change in fair value of investment properties (excluding Silversquare leases) amounted to +€5.5 million and the change in the fair value of Silversquare leases amounted to -€8.6 million.

In 2020, these amounts were respectively of +€759 thousand for the buildings and of +€608 thousand for the leases.

14. OTHER RESULT ON PORTFOLIO

XV. Other result on portfolio (in € thousand)	31.12.2021	31.12.2020 (restated)	31.12.2020
Spread of rent free periods	-4 637	-1 232	-
Others	-1 202	-700	-
Other result on portfolio	-5 839	-1 932	-

Since the 31 December 2021, the recurring compensation for the effect of spreading rental gratuities and concessions to tenancies as well as goodwill impairment are recorded in the heading XIX Other result on portfolio and not anymore under the heading XV Other operating income and charges. The figures of 31 December 2020 were therefore restated. We refer to the note 2 Significant accounting policies for further details.

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 2020 and 2021, it relates to a goodwill impairment on the participation in Silversquare and Fedimmo.

15. FINANCIAL RESULT

(in € thousand)	31.12.2021	31.12.2020
(+) XX. Financial income	1 455	745
(+) Interests and dividends received	1 241	570
(+) Fees for finance leases and similar	213	175
(+/-) XXI. Net interest charges	-14 893	-19 125
(-) Nominal interest on loans	-6 186	-9 614
(-) Reconstitution of the face value of financial debts	- 339	- 272
(-) Other interest charges	-1 619	-1 497
(+) Proceeds of authorised hedging instruments	2 622	4 008
<i>Authorised hedging instruments not qualifying for hedge accounting under IFRS</i>	2 622	4 008
(-) Charges of authorised hedging instruments	-9 370	-11 751
<i>Authorised hedging instruments not qualifying for hedge accounting under IFRS</i>	-9 370	-11 751
(-) XXII. Other financial charges	-3 736	-2 579
(-) Bank charges and other commissions	-3 278	-2 579
(-) Net losses realised on sale of financial assets	-6	-1
(-) Net losses realised on sale of finance lease receivables and similar	-452	-
(+/-) XXIII. Changes in fair value of financial assets and liabilities	30 579	-17 682
(+/-) Authorised hedging instruments	30 922	-31 059
<i>Authorised hedging instruments not qualifying for hedge accounting under IFRS</i>	30 922	-31 059
(+/-) Others	-344	13 377
(+/-) Financial result	13 404	-38 642

The financial result (excluding changes in the fair value of financial assets and liabilities) was -€17.2 million as at 31 December 2021, compared with -€21.0 million as at 31 December 2020.

The "Financial income" slightly increases and mainly includes interest earned on issues of commercial paper (in the context of negative interest rates).

"Net interest charges" decreases significantly by €4.2 million thanks to the combined effect of the drop in the average volume of debt by 6.0% (-€67.8 million) and a lower average (annualised) financing cost of 1.8% compared to last year (2.0%).

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 €1.5 million in 2021, compared to €1.4 million in the accounts at 31 December 2020.

The change in fair value of the financial assets and liabilities was +€30.6 million for fiscal year 2021. The item "Authorised hedging instruments" includes losses 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 change in fair value of the financial assets and liabilities was -€17.7 million for fiscal year 2020. The item "Authorised hedging instruments" includes losses recorded on the forward products (-€18.5 million, including CVAs and DVAs) and gains recorded on option products (€0.1 million, including CVAs and DVAs), acquired under the Group's hedging policy. The changes in the value of the cross-currency swaps, arranged to hedge the interest and currency risk associated with the conclusion of the USPP, amounted to -€12.7 million (including CVAs and DVAs). The sub-heading "Other" mainly reflects the gains/losses recorded on the USPP debt (carried at fair value). An unrealised capital gain of €12.6 million was recorded for fiscal year 2020. The USPP debt was fully reimbursed in May 2020. Therefore, the related Cross-Currency Swap terminated at the same date.

The hedging instruments are listed in Note 34.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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Financial income	1 455	745	-	-	214	180	1 241	565
Net interest charges	-14 893	-19 125	-5 246	-7 916	-87	-72	-9 560	-11 137
Other financial charges	-3 736	-2 579	-6	-1	-	-	-3 730 ¹	-2 579 ²
Changes in fair value of financial assets and liabilities	30 579	-17 682	30 528	-18 335	-	-	51	653
Total result on financial assets/liabilities	13 404	-38 642	25 275	-26 252	126	108	-11 997	-12 497

16. INCOME TAXES

The income tax burden is broken down as follows:

XXV. Corporation tax (in € thousand)	31.12.2021	31.12.2020
Current taxes for fiscal year	-1 292	-1 121
Adjustment of current taxes from previous periods	284	404
Deferred tax	-44	-390
Corporation tax	-1 051	-1 107

Befimmo is a limited-liability company with the status of a public REIT. This status entitles the company to pay Belgian corporation tax (at the standard rate of 25.00% during 2020 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, are therefore also subject to the same tax regime as Befimmo SA.

Befimmo Property Services SA, Meifree 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 2020 and 2021) on their tax base.

Axento SA, Kubissimmo SaRL, 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 the reversal of a provision for miscellaneous tax risks.

During 2021, a "Deferred tax" was recorded for Axento for a total amount of -€44 thousand, resulting from the recognition at fair value of properties located abroad as per IAS 40. The "Deferred tax" amounted to -€390 thousand in 2020.

Deferred taxes (with no monetary or non-cash effect) are excluded from EPRA earnings.

¹ The amount mainly concerns reservation fees paid on bank lines and an exceptional charge of €0.5 million related to the settlement of a fixed rate receivable on the "Wiertz" building sold in March 2021.

² The amount mainly includes booking fees paid on bank lines.

17. RESULT PER SHARE

Result for the fiscal year (in € thousand)	31.12.2021	31.12.2020
NUMERATOR		
Net result for the fiscal period (group share)	89 370	57 709
DENOMINATOR		
Shares not held by the group at the end of the period (in units)	27 011 100	27 040 351
Weighted average of shares in circulation during the period (in units)	27 027 104	27 048 907
Net result per share (basic and diluted) (in €) (group share)	3.31	2.13
Dividend for the fiscal year		
Interim dividend (gross)	34 054	45 440
Final dividend (gross)	15 690 ¹	15 407
Gross dividend for the fiscal year	49 744	60 853
Total gross dividend per share not held by the group	1.84	2.25

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.

18. 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 €644 thousand was recorded following the sale of 6 properties in the cities of Deinze, Bilzen, Tienen, Diksmuide, Lokeren, Tienen et Binche during the fiscal year 2021. The goodwill associated with the buildings sold was reversed and incorporated into the calculation of the result of the sale. During the 2021 fiscal year, another reduction in the value of the goodwill of €852 thousand was recorded in the Wallonia and Flanders segment, following the impairment test explained hereafter. The table below illustrates the change in value of the goodwill over the fiscal year:

(in € thousand)	31.12.2021	31.12.2020
COST		
Opening balance	9 731	14 515
Reductions linked to assets sold during the period	-644	-4 784
Closing balance	9 087	9 731
DECREASE IN VALUE		
Opening balance	-487	-487
Write-downs posted during the period	-852	-
Closing balance	-1 339	-487
CARRYING AMOUNT		
Opening balance	9 244	14 028
Closing balance	7 748	9 244

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.

¹ Subject to the approval by the Ordinary General Meeting of shareholders of 26 April 2022. The final dividend (gross) may be adjusted if the company does not hold anymore treasury shares related to its liquidity program (41,343 as of 31 December 2021). The maximum final dividend (gross) may therefore amount to a maximum to €49,744 thousand.

Segment (in € thousand)	Carrying amount (including 100% goodwill and impairment of previous fiscal years)			Impairment (of the fiscal year)
	Goodwill	Value in use		
Brussels Centre	597	33 781	34 013	-
Brussels Leopold district	2 010	128 076	129 218	-
Wallonia	761	29 268	28 838	-506
Flanders	4 379	156 493	156 187	-346
Total portfolio	7 748	347 618	348 255	-852

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 2021 (shown in the table above) indicates that an impairment of €852 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 2021.

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 of 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 €68). A further 1% increase in the rate above that level would lead to an impairment of the value of the goodwill of €57,643 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 lower than the acquisition value, so an impairment of the value of goodwill of €0.3 million was required, registered in the accounts at 31 December 2021, in addition to the impairment of €0.7 million recorded in the accounts at 31 December 2020.

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). It showed that the value of goodwill should be further impaired in the event of either a change in the forecast turnover or an increase in the discount rate. An impairment of €4.7 million would be required if the forecasted turnover decrease by 1%, and of €7.4 million if the discount rate increase by 1%.

19. 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)	31.12.2021	31.12.2020
Properties available for lease	2 470 491	2 222 360
Fair value of portfolio (excluding Silversquare)	2 433 960	2 177 190
Right of use - Fair value of Silversquare leases	36 531	45 170
Other - Properties that are being constructed or developed for own account in order to be leased	390 695	517 289
Investment properties	2 861 185	2 739 649

As 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 Esprit Courbevoie, Antwerp Tower, ZIN, Paradis Express and WTC 4.

As at 31 December 2020, the heading "Other - Properties that are being constructed or developed for own account in order to be leased" includes the following buildings: Loi 44 and Loi 52 and the Quatuor, ZIN, Paradis Express, and WTC 4 projects.

A. Assets held for sale (in € thousand)	31.12.2021	31.12.2020
Investment properties	13 133	21 581
Assets held for sale	13 133	21 581

The heading "Assets held for sale" includes seven buildings in the Fedimmo portfolio, of which six are located in Flanders and one in Wallonia.

(in € thousand)

Carrying value as at 31.12.2019	2 814 822
of which: - Investment properties	2 814 822
Fair value of the portfolio excluding Silversquare	2 790 778
Fair value of the Silversquare leases (right of use)	24 044
Of which : - Assets held for sale	-
Acquisitions	13 228
Other investments	158 006
Reclassification goodwill WTC 3 and WTC 4 before contribution in kind	4 685
Disposals	-251 396
Changes in fair value	860
IFRS 16 - Silversquare leases (right of use)	21 125
New leases contracted since 1 January 2020	20 518
Changes in fair value	608
IFRS 16 - rights of use of lands	-101
Changes in fair value	-101
Carrying value as at 31.12.2020	2 761 229
of which: - Investment properties	2 739 649
Fair value of the portfolio excluding 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 ¹	2 824 655
Fair value of the Silversquare leases (right of use)	36 531
of which: - Assets held for sale	13 133

¹ €1,849 thousand of which correspond to a right to use land.

During the fiscal year 2021, Befimmo acquired the Cubus building located in Luxembourg city and the project Esprit Courbevoie located in Wallonia and the project Antwerp Tower located in Flanders .

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

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 Gate building (€15.3 million).

In 2020, €158.0 million were invested in works in the portfolio from which €138.2 million in properties constructed or developed for own account in order to be leased. The main investments were in the Quatuor project (€68.5 million), the ZIN project (€39.4 million), the Paradis Express project (€15.8 million in the office part), the renovation of the Central Gate building (€11.1 million) and the renovation of the Brederode Corner building completed in 2020 (€5.1 million).

During the fiscal year 2021, 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.

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

The properties that left the portfolio in 2021 contributed €4.33 million to the property operating result in 2021.

Note 37 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.

Note 40 includes additional information regarding the application of IFRS 16.

20. INTANGIBLE ASSETS AND OTHER TANGIBLE ASSETS

B. Intangible assets (in € thousand)	31.12.2021	31.12.2020
Intangible assets	6 176	3 815
Intangible assets	6 176	3 815
D. Other property, plant and equipment (in € thousand)	31.12.2021	31.12.2020
Property, plant and equipment for own use	3 973	13 390
Other	15 145	1 965
Other property, plant and equipment	19 118	15 355

At 31 December 2021, the Intangible Assets mainly include the costs related to the development of the Digitalization of the firm (€5.1 million). It also include softwares that are already in used and for which the depreciation has begun (€1.5 million).

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). Note 40 includes additional information regarding the application of IFRS 16.

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). Note 40 includes additional information regarding the application of IFRS 16. As from 2021, it also includes the ICT developments carried out in the coworking spaces (net of depreciation).

21. NON-CURRENT AND CURRENT FINANCIAL ASSETS

E. Non-current financial assets (in € thousand)	31.12.2021	31.12.2020
Financial assets at fair value through profit and loss	6 514	8 083
Investments in associates or companies linked through a shareholding	-	450
Authorised hedging instruments - level 2	6 514	7 633
Option - CAP	260	-
Forward - IRS	6 253	7 633
Others	387	338
Non-current financial assets	6 901	8 421

B. Current financial assets (in € thousand)	31.12.2021	31.12.2020
Financial assets at fair value through profit and loss	6	291
Authorised hedging instruments - level 2	6	291
Forward - IRS	6	291
Loans and receivables	1	504
Current financial assets	7	795

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 29 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 2021 taking account of the credit value adjustments (CVAs) and debit value adjustments (DVAs) as per IFRS 13, as described in note 34 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.

22. FINANCE LEASE RECEIVABLES

F. Finance lease receivables (in € thousand)	31.12.2021	31.12.2020
Freehold on properties	4 019	3 880
Finance lease agreements	793	941
Non-current financial assets	4 812	4 822

C. Finance lease receivables (in € thousand)	31.12.2021	31.12.2020
Finance lease agreements	149	145
Current financial assets	149	145

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 fair value of this asset is €983.0 thousand, compared with its value at amortised cost of €941.8 thousand.

23. 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 34.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.

24. TAX RECEIVABLES AND OTHER CURRENT ASSETS

E. Tax receivables and other current assets (in € thousand)	31.12.2021	31.12.2020
Taxes	11 622	450
Others	70	29
Tax receivables and other current assets	11 692	479

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.

25. CASH AND CASH EQUIVALENTS

F. Cash and cash equivalents (in € thousand)	31.12.2021	31.12.2020
Cash equivalents	462	1 626
Available values	1 560	813
Total	2 022	2 439

As the Group is structurally indebted, available funds are limited, consisting mainly of positive balances in the Group's various bank accounts.

26. DEFERRED CHARGES AND ACCRUED INCOME — ASSETS

G. Deferred charges and accrued income (in € thousand)	31.12.2021	31.12.2020
Prepaid property charges	3 898	1 085
Others	1 680	1 374
Deferred charges and accrued income	5 578	2 458

This heading covers:

- > prepaid property charges;
- > under the sub-heading "Other": mainly the financial receivables related to IRS receivers (€0.8 million). The characteristics of these instruments are set out in the table in note 34 to these financial statements.

27. CAPITAL AND RESERVES

(in € thousand)		31.12.2021	31.12.2020
A. Capital		398 357	398 356
(+)	Subscribed capital	413 277	413 277
(-)	Costs of capital increase	-14 920	-14 920
B. Share premium account		861 905	861 905
C. Reserves		314 592	318 874
(+/-)	(b) Reserve for the balance of changes in fair value of investment properties	182 316	180 967
(+/-)	(b2) Reserve for the balance of the share in the profit or loss and other comprehensive income of investments booked using the equity method	-1 903	470
(+/-)	(e) Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting under IFRS	-55 049	-40 643
(-)	(h) Reserve for own shares	-70 375	-69 419
(+/-)	(j) Reserve for actuarial gains and losses for the pension plans	-817	-3 166
(+/-)	(m) Other reserves	12 084	14 731
(+/-)	(n) Result brought forward from previous years	248 335	235 933

Reserves are presented before the appropriation of the result for the fiscal year.

In addition to the appropriation of the previous year's result (€12.3 million) and the payment of the final dividend for 2020 (-€15.4 million), the reserves were also impacted in 2021 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 €2.3 million)), by the Performance Stock Units plan (€0.5 million), by the liquidity program of treasury shares (-€1.0 million), by the valuation of the put option held by the minority shareholders of Silversquare (€0.1 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 27,040,351 at 31 December 2020 to 27,011,100 shares at 31 December 2021, following the net purchase of treasury shares in the context of a liquidity contract put in place end 2020.

28. CURRENT AND NON-CURRENT FINANCIAL DEBTS

B. Non-current financial debts (in € thousand)		31.12.2021	31.12.2020
Credit institutions		440 155	219 677
Other		411 620	464 909
<i>EUPP</i>		<i>367 040</i>	<i>416 872</i>
<i>Guarantees received</i>		<i>3 417</i>	<i>3 382</i>
<i>Financial debts IFRS 16</i>		<i>41 164</i>	<i>44 656</i>
Non-current financial debts		851 775	684 586
B. Current financial debts (in € thousand)		31.12.2021	31.12.2020
Credit institutions		14 247	11 001
Other		345 406	357 696
<i>Commercial papers</i>		<i>284 000</i>	<i>353 000</i>
<i>EUPP</i>		<i>54 991</i>	<i>-</i>
<i>Guarantees received</i>		<i>2 198</i>	<i>1 540</i>
<i>Financial debts IFRS 16</i>		<i>4 218</i>	<i>3 156</i>
Current financial debts		359 653	368 697

At constant perimeter, the Group has covered its financing needs for the next 12 months. 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 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 2021, the Group had confirmed bank lines totalling €1,048.3 million, €454.5 million of which were in use. The remaining €593.7 million consisted of back-up lines for the commercial paper programme (€284.0 million) and a financing reserve of €309.7 million.

The heading "Other - EUPP" includes debt related to European private placements of €422.0 million, of which €377.0 million are at fixed rates and €45.0 million at floating rates. The European private placements made in 2021 amount to €5 million.

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 - IFRS 16 financial debts" 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 (see note 40 to these financial statements).

As mentioned under Significant Accounting Policies, the value of the assets and liabilities approximates to their fair value, except for:

- > the fixed-rate European private placements for an amount of €377.0 million;
- > one bank line with a credit institution of €14.6 million; and
- > the financing relating to the assignment of receivables from future rents, structured at fixed rates, of a residual total at 31 December 2021 of €24.4 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 fiscal year 2021.

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 2021, 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	380 243	377 037
Bank line	2	14 963	14 550
Assignment of receivables from future rents	2	26 860	24 413

29. OTHER NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

C. Other non-current financial liabilities (in € thousand)	31.12.2021	31.12.2020
Authorised hedging instruments	27 081	62 973
Financial hedging instruments at fair value through profit and loss - level 2	27 081	62 973
Option - COLLAR	-	224
Forward - IRS	27 081	62 749
Other non-current financial liabilities	27 081	62 973

C. Other current financial liabilities (in € thousand)	31.12.2021	31.12.2020
Authorised hedging instruments	392	-
Financial hedging instruments at fair value through profit and loss - level 2	392	-
Option - SWAPTION	1	-
Forward - IRS	391	-
Other current financial liabilities	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 21 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 2021 taking account of the credit value adjustments (CVAs) and debit value adjustments (DVAs) as per IFRS 13, as described in note 34 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.

30. PROVISIONS

A. Non-current provisions (in € thousand)	31.12.2021	31.12.2020
Pensions	1 196	3 388
Others	-	530
Non-current provisions	1 196	3 918

A. Current provisions (in € thousand)	31.12.2021	31.12.2020
Others	3 709	2 526
Current provisions	3 709	2 526

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 provisions linked to a guaranteed income, arranged in the context of the granting of a leasehold on the buildings Guimard and Schuman II (both buildings sold during the fiscal year 2020).

31. TRADE DEBTS AND OTHER DEBTS

D. Trade debts and other non-current debts (in € thousand)	31.12.2021	31.12.2020
Others	7 362	7 547
Trade debts and other non-current debts	7 362	7 547

D. Trade debts and other current debts (in € thousand)	31.12.2021	31.12.2020
Other	61 584	93 130
<i>Suppliers</i>	40 690	59 346
<i>Tenants</i>	10 763	12 046
<i>Tax, salaries and social charges</i>	10 132	21 737
Trade debts and other current debts	61 584	93 130

The "Other" heading 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. As at 31 December 2020, an amount of €12.6 million alone accounted for the withholding tax payable on the interim dividend paid out in late December 2020 (€0 million at 31 December 2021 as the withholding tax on the interim dividend was paid before 31 December 2021).

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).

32. 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.

33. ACCRUED CHARGES AND DEFERRED INCOME

F. Accrued charges and deferred income (in € thousand)	31.12.2021	31.12.2020
Property income received in advance	19 469	18 828
Interest and other financial charges accrued and not yet due	7 003	6 910
Others	10 093	613
Accrued charges and deferred income	36 566	26 351

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 (€4.3 million) and on financial hedging instruments (€1.8 million); and
- > a receivable toward the VAT Administration of VAT to be recovered on the development projects Quatuor and Paradis Express of €9.4 million per 31 December 2021 (in the sub-heading "Others").

34. 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 36 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:

31.12.2021 (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	0	-	1
C. Finance lease receivables	149	-	-	149	-
D. Trade receivables	35 217	2 541	22 981	9 694	-
E. Other current assets	70	-	70	-	-
F. Cash and cash equivalents	2 022	2 022	-	-	-
Total financial assets	49 177	11 083	23 439	10 636	4 020

31.12.2020 (in € thousand)	TOTAL	Bank	Corporate	State	Other
Non-current financial assets					
E. Non-current financial assets	8 421	7 633	787	-	1
F. Finance lease receivables	4 822	-	-	941	3 880
Current financial assets					
B. Current financial assets	795	292	492	-	11
C. Finance lease receivables	145	-	-	145	-
D. Trade receivables	28 386	1 587	18 889	7 910	0
E. Other current assets	29	-	29	-	-
F. Cash and cash equivalents	2 439	2 433	-	-	5
Total financial assets	45 037	11 946	20 197	8 997	3 898

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)		31.12.2021	31.12.2020
Rental guarantees for leases	Blocked accounts/bank guarantees	17 943	12 482
Rental guarantees for leases	Guarantees received in cash	5 614	4 921
Guarantees for investment works	Blocked accounts	47 543	19 918
Guarantees received at the close of the fiscal year		71 101	37 322

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	2 503 ¹	1 732	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

Aging balance of trade receivables (in € thousand)	> 3 months	1 to 3 months	< 1 months	Unexpired	Total
Receivables	1 886 ¹	1 304	2 862	23 479	29 531
Total write-off	-927	-162	-6	-49	-1 144
Reserve following "Expected credit loss model IFRS 9"	-4	-3	-6	-49	-62
Write-off	-923	-159	-	-	-1 082
As at 31.12.2020	959	1 142	2 856	23 430	28 386

The Group checks, on an annual basis, that the total impairment loss recorded (€1,559 thousand) remains higher than the loss recorded following the "expected loss model" defined by IFRS 9 (€82 thousand).

The Group bears the final risk of trade debts.

A debt repayment plan can be arranged for certain tenants. At the end of 2021, there were no significant repayment plans.

Furthermore, write-downs of €1,118,124 were recorded during fiscal year 2021 (as against €747,501 in 2020); while €82,750 of write-downs were written back in 2021 (as against €994,715 in 2020).

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.

¹ Most of this amount is owed by public institutions.

(in € thousand)	31.12.2021	31.12.2020
Variable-rate borrowings	404 675	214 373
<i>Bilateral credit lines</i>	404 675	169 412
EUPP	-	44 961
Fixed-rate borrowings	443 684	466 831
<i>Bilateral credit lines</i>	14 682	15 200
<i>Assignment of receivables from future rents/ future usufruct fees</i>	20 799	35 065
EUPP	367 040	371 910
<i>Financial debts IFRS 16</i>	41 164	44 656
Guarantees received	3 417	3 382
B. Non-current financial debts	851 775	684 586
Variable-rate borrowings	339 391	354 403
<i>Bilateral credit lines</i>	10 400	1 403
<i>Commercial papers</i>	284 000	353 000
EUPP	44 991	-
Fixed-rate borrowings	18 065	12 754
<i>Assignment of receivables from future rents/ future usufruct fees</i>	3 614	8 913
EUPP	10 000	-
<i>Bilateral credit lines</i>	233	685
<i>Financial debts IFRS 16</i>	4 218	3 156
Guarantees received	2 198	1 540
B. Current financial debts	359 653	368 697
Total borrowings	1 211 429	1 053 283

The main operations carried out by Befimmo during 2021 are the following:

- > New bank financing for €50 million for a 3 year period with possible extensions up to 5 year;
- > Renewal of a €130 million amortising financing for a period of 5 years and 5 months. Consisting of a €80 million revolving credit facility and a €50 million term loan;
- > A €50 million loan has been converted to a green loan following the publication of the Green Finance Framework;
- > Extension of a €18 million revolving credit facility with an extra 5 years;
- > Placement of €5 million EU private placement with a 10 year maturity.

After year end, the Group continued working to strengthen its financial structure. It signed two extensions. On this basis, and all other things being equal, the Group has covered its financing needs for the next 12 months.

As at 31 December 2021, the funding available to the Group consisted mainly of:

- > various bilateral credit lines totalling €1,023.2 million, with maturities mainly in February/June/October 2023 (€120 million), February/May/June/November 2024 (€385 million), April/June/August/December 2025 (€206.4 million), February/December 2026 (€192 million) and €83 million in 2027. Three bank lines are subject to annual depreciation of respectively €12.4 million in 2022, €12.4 million in 2023, €7.9 million in 2024, €2.6 million in 2025 and €1.3 million in 2026;
- > fixed-rate European private bond placements in euros totalling €377.8 million, of which €10 million matures in 2022, €3 million matures in 2023, €12 million matures in 2024, €19 million matures in 2025, €198.8 million matures in 2026, €120 million matures in 2027, €5 million matures in 2031 and €10 million in 2035;
- > a floating-rate European private placement in euros totalling €45 million, maturing in April 2022;
- > various fixed-rate loans, with a residual total amount of €24.4 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 €0.7 million with monthly amortisations until 2025.

In order to reduce its financing costs, Befimmo has a commercial paper programme for up to €600 million. At 31 December 2021, €284 million were in use for short-term issues under this programme. This programme has backup facilities consisting of the various credit lines described above. This programme also enables longer-term issues to be made, €116.3 million of which is in use in this context (documentary support for part of the €306.5 million of European private euro bond placements at fixed rates).

¹ 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 102 of the management report, has led the Group to acquire the following financial hedging instruments (as at 31 December 2021) from financial institutions:

	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%	July. 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	June. 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	July. 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	July. 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.

The hedging policy is implemented by recurring purchases of option or IRS type hedging instruments.

As at 31 December 2021, the hedging ratio was 76.8%

The situation of the hedging instruments as at 31 December 2020 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
FLOOR ¹ sold	2	Option	20	0.55%	Jan. 2016	Jan. 2022	Euribor 3 months
Payer's IRS	2	Forward	25	1.57%	Dec. 2017	Sep. 2022	Euribor 3 months
Payer's IRS	2	Forward	15	1.40%	Jul. 2014	Jan. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0.72%	Jan. 2016	Jan. 2024	Euribor 3 months
Payer's IRS	2	Forward	15	1.08%	Sep. 2015	Sep. 2024	Euribor 3 months
Payer's IRS	2	Forward	20	0.84%	Oct. 2015	Oct. 2024	Euribor 3 months
Payer's IRS	2	Forward	20	0.81%	Oct. 2015	Oct. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0.17%	Jun. 2018	Dec. 2024	Euribor 3 months
Payer's IRS	2	Forward	25	0.71%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.80%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.65%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0.66%	Apr. 2018	Jan. 2025	Euribor 3 months
Payer's IRS	2	Forward	25	0.71%	Aug. 2018	Feb. 2025	Euribor 3 months
Payer's IRS	2	Forward	20	0.92%	Feb. 2025	Aug. 2026	Euribor 3 months
Payer's IRS	2	Forward	20	0.93%	Aug. 2018	Feb. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0.91%	Oct. 2015	Oct. 2025	Euribor 3 months
Payer's IRS	2	Forward	30	0.85%	Feb. 2016	Feb. 2026	Euribor 3 months
Payer's IRS	2	Forward	25	0.82%	Feb. 2017	Feb. 2027	Euribor 3 months
Payer's IRS	2	Forward	25	0.95%	Apr. 2018	Oct. 2027	Euribor 3 months
Payer's IRS	2	Forward	15	0.88%	Nov. 2017	Nov. 2027	Euribor 3 months
Payer's IRS	2	Forward	25	0.77%	Oct. 2017	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	0.82%	Oct. 2017	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.10%	Jan. 2025	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	30	1.14%	Jan. 2025	Jan. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.25%	Feb. 2025	Feb. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.21%	Jan. 2025	Apr. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	1.21%	Dec. 2024	Jun. 2028	Euribor 3 months
Payer's IRS	2	Forward	50	0.87%	Dec. 2018	Dec. 2028	Euribor 3 months
Payer's IRS	2	Forward	50	0.65%	Jul. 2022	Jul. 2029	Euribor 3 months
Payer's IRS	2	Forward	50	0.37%	Jan. 2020	Jan. 2022	Euribor 3 months
Payer's IRS	2	Forward	50	0.54%	Jan. 2022	Jan. 2023	Euribor 3 months
Payer's IRS	2	Forward	30	0.94%	Jan. 2023	Jan. 2038	Euribor 3 months
Payer's IRS	2	Forward	20	0.74%	Jan. 2023	Jan. 2038	Euribor 3 months
Payer's IRS	2	Forward	25	0.70%	Sep. 2019	Jul. 2039	Euribor 3 months
Payer's IRS	2	Forward	25	0.66%	Jan. 2022	Jan. 2040	Euribor 3 months
Payer's IRS	2	Forward	25	-0.05%	Jan. 2022	Jan. 2040	Euribor 3 months
Payer's IRS	2	Forward	30	0.54%	Oct. 2020	Jan. 2040	Euribor 3 months
Payer's IRS	2	Forward	25	1.25%	Feb. 2025	Feb. 2028	Euribor 3 months
Payer's IRS	2	Forward	25	0.61%	Feb. 2025	Feb. 2032	Euribor 3 months
Payer's IRS	2	Forward	25	0.74%	Jan. 2025	Jan. 2031	Euribor 3 months
Receiver's IRS	2	Forward	25	1.51%	Mar. 2017	Jul. 2021	Euribor 1 month
Payer's IRS	2	Forward	30	2.99%	Jan. 2018	Jan. 2022	Euribor 3 months
Receiver's IRS	2	Forward	30	2.99%	Jan. 2018	Jan. 2022	Euribor 3 months
Payer's IRS	2	Forward	25	0.42%	Jan. 2016	Jul. 2024	Euribor 3 months
Receiver's IRS	2	Forward	25	0.42%	Oct. 2017	Jul. 2024	Euribor 3 months
Receiver's IRS	2	Forward	65	0.81%	Mar. 2018	Mar. 2026	Euribor 12 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 2021 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 31.12.2021	
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
CCS	2	-	-
		6 520	-27 473

(in € thousand)		Balance sheet item as of 31.12.2020	
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	-	-224
Forward	2	7 924	-62 749
CCS	2	-	-
		7 924	-62 973

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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Total financial hedging instruments recognised in balance sheet	6 848 ¹	8 130	28 083 ¹	65 628
Enforceable netting	-6 848	-8 130	-6 848	-8 130
Net amount	-	-	21 235	57 498

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 €6,848 thousand and €28,083 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
31.12.2021 fiscal year	-55 050	3 173	30 922	-7	-20 961
31.12.2020 fiscal year	-26 465	2 475	-31 058	-1	-55 050

As part of its hedging policy, the Group carried out various operations on hedging instruments over the fiscal year:

- > Extension of a €15 million IRS by an additional 4 years until November 2031;
- > 2 partial cancellations for the period 2021-2022, with a €30 million nominal each;
- > Placement of a €20 million receiver swap for the period 2021-2022;
- > Extension of a €25 million swap by an addition 4 years until January 2032;
- > Cancellation of €25 million payer swap with an original maturity of December 2024;
- > 2 partial cancellations of payer swaps over 2022, with a total of €80 million nominal;
- > 2 new CAPs for €50 million each covering the period January 2021 to April 2024.

On the basis of total borrowings as at 31 December 2021, a debt of €872.4 million (75.1% of total debt) is financed at fixed rates (conventional fixed rates or rates fixed by IRS). The remainder of the debt, €288.9 million, is financed at floating rates, but is partially hedged against rising interest rates by means of a collar.

Without any hedging, the impact of a rise in market rates of 0.25% would entail an increase in financial charges estimated at €1.5 million (annual basis).

With the hedging arranged at 31 December 2021, the impact of a rise in market rates of 0.25% would entail an increase in financial charges estimated at €0.1 million (annual basis).

C. FINANCIAL LIQUIDITY RISK

Please see page 178 of this Report for a description of the financial liquidity risk.

The weighted average duration of borrowings is 4.1 years. The tables below illustrate the maturities of the financial liabilities held by the Group.

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
<i>Of which Financial debts IFRS 16</i>	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	-	-
<i>Of which Financial debts IFRS 16</i>	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
LIABILITIES (31.12.2020)	Total	< 1 year	Between 1 to 5 years	> 5 years
Non-current financial liabilities				
B. Non-current financial debts	684 586	-	318 828	365 758
<i>Of which Financial debts IFRS 16</i>	44 656	-	15 709	28 947
D. Trade debts and other non-current debts	7 547	-	7 547	-
Current financial liabilities				
B. Current financial debts	368 697	368 697	-	-
<i>Of which Financial debts IFRS 16</i>	3 156	3 156	-	-
D. Trade debts and other current debts	72 597	72 597	-	-
E. Other current liabilities	4 276	4 276	-	-
Total financial liabilities	1 137 702	445 570	326 375	365 758

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.

35. 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 2019	20 059	-46 455	-1 134 734	-1 161 129
Changes due to cash flow from financing activities	1 222	2 475	90 941	94 638
European private bond placements			-10 000	-10 000
Reimbursement USPP May 2020			67 494	67 494
Decrease in financial debts			31 126	31 126
Hedging instruments and other financial assets	1 222	2 475		3 697
Reimbursement financial debts IFRS 16			2 321	2 321
Changes due to items with no effect on cash flow	-12 065	-18 993	-9 490	-40 549
Fair value adjustment on financial assets/liabilities booked to earnings (+/-)	-12 065	-18 993	12.614	-18 444
Variation on activated debt-costs			7	7
Variation on financial debts IFRS 16 since 1 January 2020			-22 111	-22 111
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

36. EMPLOYEE BENEFITS

Employees recruited from 1 January 2016 have a new 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 2021, the amount concerned was €534 thousand, the present value of the obligation being valued at €4,788 thousand and the plan assets at €4,254 thousand.

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 2019	2 740	-2 421	319		319
Integration of the Defined-Contribution Plan of Silversquare	37	- 27	10		10
Service cost in profit and loss					
Current service cost (net of employee contributions)	934		934		934
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	32	-25	7		7
Components of Defined Benefit Cost recognised in profit and loss	967	-25	941		941
Actuarial (gain)/loss arising from					
Changes in demographic assumptions					
Changes in financial assumptions	223		223		223
Experience adjustments	171		171		171
Return on plan assets (excluding amounts in net interest)		-58	-58		-58
Change in effect of the asset ceiling (excluding amounts in net interest)					
Remeasurements of the net liability/(asset) in 'Other comprehensive income'	394	-58	336		336
Defined benefit cost (total amount recognised in profit and loss and 'Other comprehensive income')	1 361	-83	1 277		1 277
Employee contributions					
Employer contributions		-912	-912		-912
Benefit payments from plan assets	-147	147	-		-
Direct benefit payments by employer					
Cash Flows	-147	-765	-912		-912
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	0	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

The expected contributions for fiscal year 2022 are estimated at €1,033 thousand.

¹ If a net asset exists, it will not be recognized.

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 2019	10 672	-9 519	1 153		1 153
Service cost in profit and loss					
Current service cost (net of employee contributions)					
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	97	-86	11		11
Components of Defined Benefit Cost recognised in profit and loss	209	-86	123		123
Actuarial (gain)/loss arising from					
Changes in demographic assumptions					
Changes in financial assumptions	559		559		559
Experience adjustments	696		696		696
Return on plan assets (excluding amounts in net interest)		182	182		182
Change in effect of the asset ceiling (excluding amounts in net interest)					
Remeasurements of the net liability/(asset) in 'Other comprehensive income'	1 256	182	1 438		1 438
Defined benefit cost (total amount recognised in profit and loss and 'Other comprehensive income')	1 465	97	1 562		1 562
Employee contributions	5	-5	-		-
Employer contributions	0	-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 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

¹ If a net asset exists, it will not be recognized.

The cost of services provided is included under "Corporate overheads" in the IFRS income statement.

The effective rate of return of the assets for fiscal year 2021 is +8.23%, 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) : €2,579 thousand (present value of funded insurance benefits);
- > Group insurance (class 23): €7,701 thousand, invested in funds with assets broken down as follows: 46% equities, 56% bonds, 8% cash and other investments.

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 fiscal year 2021 was positive at +€812 thousand. For fiscal year 2020, it was negative at -€97 thousand.

The main actuarial assumptions are summarised below:

	31.12.2021	31.12.2020
Discount rate	0.90%	0.60%
Expected rate of salary increase	3.00%	3.00%
Expected yield rate of plan assets	0.90%	0.60%
Expected rate of pension increase	2.00%	1.70%
Mortality table	MR-5/FR-5	MR-5/FR-5

Befimmo expects to contribute an estimated €21 thousand for fiscal year 2022.

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%	-9.90%
Discount rate	-0.50%	11.40%
Inflation rate	0.50%	10.90%
Inflation rate	-0.50%	-9.70%
Growth rate of wages	0.50%	9.80%
Growth rate of wages	-0.50%	-9.20%
Life expectancy	+1 year	4.10%

37. ASSESSMENT OF THE FAIR VALUE OF INVESTMENT PROPERTIES: DISCLOSURE AS PER IFRS 13¹

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% allowance² 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 2021

Investment properties (in € thousand)	Total	Level 3
Properties available for lease	2 432 111	2 432 111
Brussels CBD and similar	1 495 937	1 495 937
Brussels decentralised	64 283	64 283
Brussels periphery	80 829	80 829
Flanders	390 965	390 965
Wallonia	221 316	221 316
Luxembourg city	178 780	178 780
Properties that are being constructed or developed for own account in order to be leased	390 695	390 695
Properties held for sale	13 133	13 133
TOTAL INVESTMENT PROPERTIES	2 835 939	2 835 939

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 experts³ 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.

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.

³ For further information, please also see the conclusions of the coordinating real-estate expert, on pages 51 and 52.

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 35 to 39.

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 lifecycle, 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 41 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 41 to 44 of this Report.

C. CHANGES IN VALUE OF THE PORTFOLIO OVER THE FISCAL YEAR (LEVEL 3)

(in € thousand)

Opening balance as of 31 December 2020	2 713 974
Changes in fair value	5 757
Investments	158 561
Acquisitions	55 985
Disposals	-98 337
Opening balance as of 31 December 2021	2 835 939

No transfers between levels (1, 2 and 3) were made during the year.

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		Valuation techniques	Unobservable data	
	as at 31.12.2021 (in € thousand)	Surfaces (en m ²)		Annual rent / Rental value per m ²	Rental value per m ²
Brussels CBD and similar	1 495 937	331 651	Cashflow Discount	Annual rent / Rental value per m ²	217 €/m ²
				Discount rate	2,27%
			Capitalisation Method	Annual rent / Rental value per m ²	238 €/m ²
				Capitalisation rate	4,03%
			Residual Valuation	Annual rent / Rental value per m ²	234 €/m ²
				Capitalisation rate	4,28%
Brussels decentralised & periphery	145 112	95 708	Capitalisation Method	Annual rent / Rental value per m ²	122 €/m ²
				Capitalisation rate	7,58%
Other regions	612 282	258 111	Capitalization Method	Annual rent / Rental value per m ²	152 €/m ²
				Capitalisation rate	4,44%
			Residual Valuation	Annual rent / Rental value per m ²	107 €/m ²
				Capitalisation rate	8,24%
Luxembourg city ¹	178 780	17 202	Capitalization Method	Annual rent / Rental value per m ²	
				Capitalisation rate	
Property being constructed or developed for own account in order to be leased	390 695	179 286	Residual Valuation	Annual rent / Rental value per m ²	161 €/m ²
TOTAL	2 822 806	881 958		Capitalisation rate	4,05%

¹ The information has not been disclosed for the zones containing 2 assets or less.

E. SENSITIVITY OF THE VALUATION TO CHANGES IN KEY "UNOBSERVABLE INPUTS"

A change of + or -5% in the estimated rental values of properties in the portfolio would result in a change in the fair value of the portfolio of the order of +€145.5 million and -€145.3 million respectively.

A change of + or -50 basis points in the updating and capitalisation rates (used for both the income capitalisation method and the discounted future cash flows) would result in a change in fair value of the portfolio of the order of -€322.7 million and +€433.0 million respectively.

Note that the levels of estimated rental value and 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.

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.

38. COMMITMENTS AS AT 31 DECEMBER 2021

38.1. COMMITMENTS TO THIRD PARTIES

38.1.1. 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) will be 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 available to the Wallonia Public Service, some 11,500 m² of office space;
- > under construction. under a 15-year lease agreement, to make available to ONEM, some 3,000 m² of office space;
- > under a 9-year lease agreement, to make available to Deloitte some 2,500 m² of office space.

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.

38.1.2. Commitments to purchasers of properties to be sold

None.

38.1.3. 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.

38.1.4. 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 €263.3 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 €4.0 million including VAT annually. These services are mostly billed to tenants under the heading of common charges.

38.1.5. 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.

38.1.6. 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.

38.1.7. 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.

38.1.8. 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.

38.2. 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 Groupe to take advantage of attractive financing terms, future rents of three buildings have been assigned to a financial institution. Ownership of these buildings may not therefore 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: Avenue des Arts, rue du Gouvernement Provisoire and rue Lambertmont in Brussels.

38.3. GUARANTEES GIVEN

(in € thousand)		31.12.2021	31.12.2020
Guarantees for investment work	Bank guarantee	22 130	11 373
Pledges on goodwill and other assets	Real guarantee	1 300	1 300
Rental guarantees	Bank guarantee	1 700	1 700
Guarantees issued at the close of the fiscal year		25 130	14 373

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.

Befimmo issued a guarantee for €1.04 million, in favour of the Buildings Agency, to cover the proper execution of the development contract to provide a courthouse for the Federal Public Justice Service located in Rathausplatz in Eupen.

In 2017, Befimmo issued a guarantee for €0.9 million in favour of the Ministry of the Brussels-Capital Region to cover the proper execution of the work in kind constituting the urban planning charge to be carried out for the implementation of the planning permit for the Quatuor project. The work concerns the renovation of the Reine Marie Henriette children's home at 14 rue de la Flèche in Brussels.

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 2021, Befimmo issued a guarantee for €9.1 million in favour of one buyers of the residential part of the project Paradis Express to cover the proper execution of the work. This guarantee is reduced progressively following the work realised.

In the context of the acquisition of the Esprit 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.

39. RELATED-PARTY TRANSACTIONS

The table below 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 2020 and 2021, in the form of a Performance Stock Units plan. For the description of this plan, please refer to pages 148 to 153 of the management report.

FISCAL YEAR 31.12.2021 (in €)	Short-term benefits (salaries, bonuses) ¹	Post-employment benefits (pension, etc.)
Name		
Vincent Querton	106 250	
Anne-Marie Baeyaert	55 000	
Sophie Goblet	85 000	
Sophie Malarne-Lecloux	79 500	
Wim Aourousseau	47 500	
Benoit De Blicck (as Director)	0	
Alain Devos	95 250	
Etienne Dewulf	82 000	
Kurt De Schepper	79 500	
Amand-Benoit D'Hondt (until April 2021)	19 167	
Benoit De Blicck / SPRLu BDB Management	182 654	35 771
<i>Of which variable</i>	0	
Jean-Philip Vroninks/ Revron GCV	448 772	42 477
<i>Of which variable</i>	150 000	
Other members of the Executive Committee	1 254 648	200 351
<i>Of which variable</i>	330 000	
Total	2 535 241	278 599

FISCAL YEAR 31.12.2020 (in €)	Short-term benefits (salaries, bonuses) ¹	Post-employment benefits (pension, etc.)
Name		
Alain Devos	144 500	
Anne-Marie Baeyaert	67 500	
Sophie Goblet	100 000	
Sophie Malarne-Lecloux	91 500	
Wim Aourousseau	60 000	
Etienne Dewulf	96 000	
Amand Benoit D'Hondt (as from 1 September 2020)	16 667	
Kurt De Schepper	80 000	
Benoit Godts (until 1 September 2020)	59 833	
Vincent Querton	89 500	
Benoit De Blicck / SPRLu BDB Management	767 963	117 037
<i>variable portion</i>	300 000	
Other members of the Management Committee	1 368 960	196 040
<i>variable portion</i>	460 000	
Total	2 942 423	313 077

¹ Short-term benefits are fixed and variable remuneration, and any other miscellaneous components and benefits (including social charges).

Independent Auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE GENERAL MEETING OF BEFIMMO SA FOR THE YEAR ENDED 31 DECEMBER 2021

As required by law and the Company's articles of association, we report to you as statutory auditor of Befimmo sa (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated statement of financial position as at 31 December 2021, 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 2021 and the notes to the consolidated financial statements (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 following recommendation of the Audit Committee. 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 5 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 financial position on 31 December 2021, 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 €2,982,289 thousand and of which the consolidated income statement shows a profit for the year of €86,238 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 2021, 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 ("ISAs"). 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Valuation of the investment properties

Description of the key audit matter

The investment properties (including the Properties available for lease and the Properties that are being constructed or developed for own account in order to be leased) represent a significant (95,93% end of December 2021) part of the balance sheet of the Group.

As is stipulated in the valuation rules of the accounting policies, the investment property is valued at fair value, accordingly to the IAS 40 - "Investment Property", whereby changes in fair value are included in the income statement.

The fair value of these investment properties belong to level 3 of the fair-value hierarchy, as defined in standard IFRS 13 - "Fair Value Measurement" as certain parameters which are used for the valuation are only to a limited extent observable (yield, future letting potential,...).

Summary of the procedures performed

The Company engages external experts to assess the fair value of the investment properties; we will (with the expertise of our own internal real estate experts) evaluate the reports of the external appraisers.

More specifically, we have:

- > Analyzed the objectivity, independence and competences of the external appraisers;
- > Verified on a sample basis the integrity of the main data (contractual rental income, duration of the contract,...) used in their calculations;
- > Evaluated on a sample basis the models, as well as the assumptions and parameters used in their reports (yields, estimated rental value,...).

Finally, we will verify and assess the appropriateness of the information on the fair value of the investment properties in the disclosures of the financial statements. Finally, we have assessed the appropriateness of the information on the fair value of the investment properties disclosed in note 19 of the Consolidated Financial Statements.

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 ISAs 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 ISAs, 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 Audit Committee within 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.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

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 ISAs 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, being:

- > Key Figures 2021
- > Financial Report
- > EPRA Best Practices
- > Appendix III: Alternative Performance Measures

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.

EUROPEAN SINGLE ELECTRONIC FORMAT (“ESEF”)

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter “ESEF”), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: “Delegated Regulation”).

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter ‘the digital consolidated financial statements’) included in the annual financial report available on the portal of the FSMA (<https://www.fsma.be/en/data-portal>).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements included in the annual financial report available on the portal of the FSMA (<https://www.fsma.be/en/data-portal>) of Befimmo sa per 31 December 2021 are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

OTHER COMMUNICATIONS

This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 25 March 2022

EY Bedrijfsrevisoren BV

Statutory auditor

Represented by

Christel Weymeersch *

Partner

*Acting on behalf of a BV/SRL

22CW0116

Statutory statement of comprehensive income (in € thousand)

	31.12.2021	31.12.2020 (Restated)	31.12.2020
I. (+) Rental income	59 277	73 481	73 481
III. (+/-) Charges linked to letting	-406	192	192
NET RENTAL INCOME	58 872	73 673	73 673
IV. (+) Recovery of property charges	11 583	15 685	15 685
V. (+) Recovery of rental charges and taxes normally payable by tenants on let properties	12 978	16 679	16 679
VII. (-) Charges and taxes normally paid by tenants on let properties	-13 787	-17 305	-17 305
VIII. (+/-) Other revenue and charges for letting	134	460	460
PROPERTY RESULT	69 779	89 191	89 191
IX. (-) Technical costs	-13 315	-16 859	-16 859
X. (-) Commercial costs	-2 126	-1 462	-1 462
XI. (-) Charges and taxes on unlet properties	-2 227	-1 671	-1 671
XII. (-) Property management costs	-4 202	-3 122	-3 122
XIII. (-) Other property charges	-2 159	-3 739	-3 739
(+/-) Property charges	-24 028	-26 855	-26 855
PROPERTY OPERATING RESULT	45 750	62 337	62 337
XIV. (-) Corporate management costs	-15 684	-11 100	-11 100
XV. (+/-) Other operating income and charges	-	-	-1 692
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	30 067	51 237	49 545
XVI. (+/-) Gains or losses on disposals of investment properties	4 501	-296	-296
XVIII. (+/-) Changes in fair value of investment properties	91 927	32 083	32 083
XIX. (+) Other results on portfolio	-4 899	-1 692	-
OPERATING RESULT	121 596	81 332	81 332
XX. (+) Financial income	6 995	4 033	4 033
XXI. (-) Interest charges	-15 327	-17 736	-17 736
XXII. (-) Other financial charges	-3 703	-2 532	-2 532
XXIII. (+/-) Changes in fair value of financial assets and liabilities	30 579	-17 682	-17 682
(+/-) Financial result	18 543	-33 917	-33 917
Share in the profit or loss of investments booked using the equity method	-49 336	10 814	10 814
PRE-TAX RESULT	90 803	58 229	58 229
XXIV. (-) Corporation tax	-434	-449	-449
(+/-) Taxes	-434	-449	-449
NET RESULT	90 370	57 779	57 779
TOTAL BASIC NET RESULT AND DILUTED PER SHARE	3.34	2.14	2.14
Other comprehensive income - actuarial gains and losses - non-recyclable	2 034	-1 506	-1 506
TOTAL COMPREHENSIVE INCOME	92 404	56 274	56 274

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	31.12.2021	31.12.2020
I. Non-current assets	2 779 802	2 677 358
B. Intangible assets	6 019	3 636
C. Investment properties	1 569 521	1 462 465
D. Other property, plant and equipment	4 607	1 997
E. Non-current financial assets	210 104	127 939
F. Finance lease receivables	3 949	3 815
I. Investments in associates and joint ventures	985 604	1 077 506
II. Current assets	128 787	71 373
B. Current financial assets	87 174	42 102
D. Trade receivables	25 250	24 912
E. Tax receivables and other current assets	10 335	789
F. Cash and cash equivalents	880	1 781
G. Deferred charges and accrued income	5 147	1 790
TOTAL ASSETS	2 908 589	2 748 731
SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.2021	31.12.2020
SHAREHOLDERS' EQUITY	1 640 588	1 598 131
A. Capital	398 357	398 356
B. Share premium account	861 905	861 905
C. Reserves	324 010	325 530
D. Net result for the fiscal year ¹	56 316	12 340
LIABILITIES	1 268 002	1 150 600
I. Non-current liabilities	820 799	684 888
A. Provisions	987	3 435
B. Non-current financial debts	790 750	616 450
a. Credit institution	418 925	194 613
c. Other	371 825	421 836
C. Other non-current financial liabilities	27 081	62 973
D. Trade debts and other non-current debts	1 981	2 031
II. Current liabilities	447 203	465 712
A. Provisions	2 795	1 975
B. Current financial debts	379 429	375 037
a. Credit institution	10 300	6 765
c. Other	369 129	368 272
D. Trade debts and other current debts	32 053	69 235
b. Other	32 053	69 235
E. Other current liabilities	1 677	3 650
F. Accrued charges and deferred income	30 857	15 816
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2 908 589	2 748 731

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.

¹ The interim dividend is the difference between the "Net result for the fiscal year" in the Statutory statement of financial position and the "Net result" in the Statutory statement of comprehensive income.

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 103 and 104 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 fiscal year 2021 are as follows:

	A. Capital	a. Subscribed capital (+)	b. Costs of capital increase (-)	B. Share premium account	C. Reserves	b. 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 (-)	m. Other reserves (+/-)	n. Result brought forward from previous years (+/-)	D. Result for the fiscal year	TOTAL SHAREHOLDERS' EQUITY
(in € thousand)											
31.12.2020 SHAREHOLDERS' EQUITY	398 356	413 277	-14 920	861 905	325 530	-40 643	-78 477	21 113	244 987	12 340	1 598 131
(Before appropriation of result)											
Appropriation of result 2020 in the reserves					12 340	-14 405	-2 373		13 493	-12 340	
Payment of the final dividend of the 2020 fiscal year					-15 407				-15 407		
31.12.2021 SHAREHOLDERS' EQUITY	398 356	413 277	-14 920	861 905	322 463	-55 049	-78 477	21 113	243 073	-	1 582 724
(After appropriation of result)											
Liquidity programme					-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		
Performance Plan Stock Units					469				469		
31.12.2021 SHAREHOLDERS' EQUITY	398 357	413 277	-14 920	861 905	324 010	-55 049	-79 433	-1 114	21 583	257 609	1 640 588
(Before appropriation of result)											
Appropriation of result 2021 in the reserves ¹					56 316	34 095	-9 762	310	20 935	-56 316	
Payment of the final dividend of the 2021 fiscal year ¹					-15 690				-15 690		
31.12.2021 SHAREHOLDERS' EQUITY	398 357	413 277	-14 920	861 905	364 635	-20 953	-79 433	-804	21 583	262 853	1 624 897
(After appropriation of result)											

¹ Subject to the approval of the Ordinary General Meeting of 26 April 2022.

The table below is presented after appropriation of the result to reserves.

Shareholders' equity that cannot be distributed according to article 7:212 of the Company Code (in € thousand)		31.12.2021
Net assets		1 640 588
(+)	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	193 054 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	-
(+/-)	Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting	-20 953
(+/-)	Reserve for actuarial gains and losses of the defined benefit pension plan	-804
(-)	Reserve for own treasury shares	-79 433
TOTAL NON-DISTRIBUTABLE SHAREHOLDERS' EQUITY		1 308 289
BALANCE		332 299
Obligation to distribute dividends according to the Royal Decree of 13.07.2014 concerning BE-REITs (in € thousand)		31.12.2021
NET RESULT³		44 146
(+)	Depreciation	2 944
(+)	Writedowns	1 110
(-)	Writeback of writedowns	-83
(+/-)	Other non-cash elements	33 125
(+/-)	Result on the disposal of property assets	-6 545
(+/-)	Changes in fair value of investment properties	-5 520
CORRECTED RESULT (A)		69 177
LIMITATION LINKED TO ART. 7:212 OF THE SUBSIDIARIES (B)		-8 165
(+/-)	Realised gains and losses ⁴ on property assets during the year	9 729
(-)	Realised gains and losses ¹ on property assets during the year, exonerated from the obligation to distribute if reinvested within 4 years	-41 254
(+)	Realised gains on property assets previously exonerated from the obligation to distribute and that were not reinvested within 4 years	-
NET GAINS ON REALISATION OF PROPERTY ASSETS NON-EXONERATED FROM THE DISTRIBUTION OBLIGATION (C)		-
TOTAL (A+B +C) X 80%		48 810
DECREASE IN BORROWINGS (-)		-
OBLIGATION TO DISTRIBUTE		48 810

The pay-out ratio (in relation to consolidated EPRA earnings) for 2021 is 80.0%, compared with 80.0% in 2020.

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.

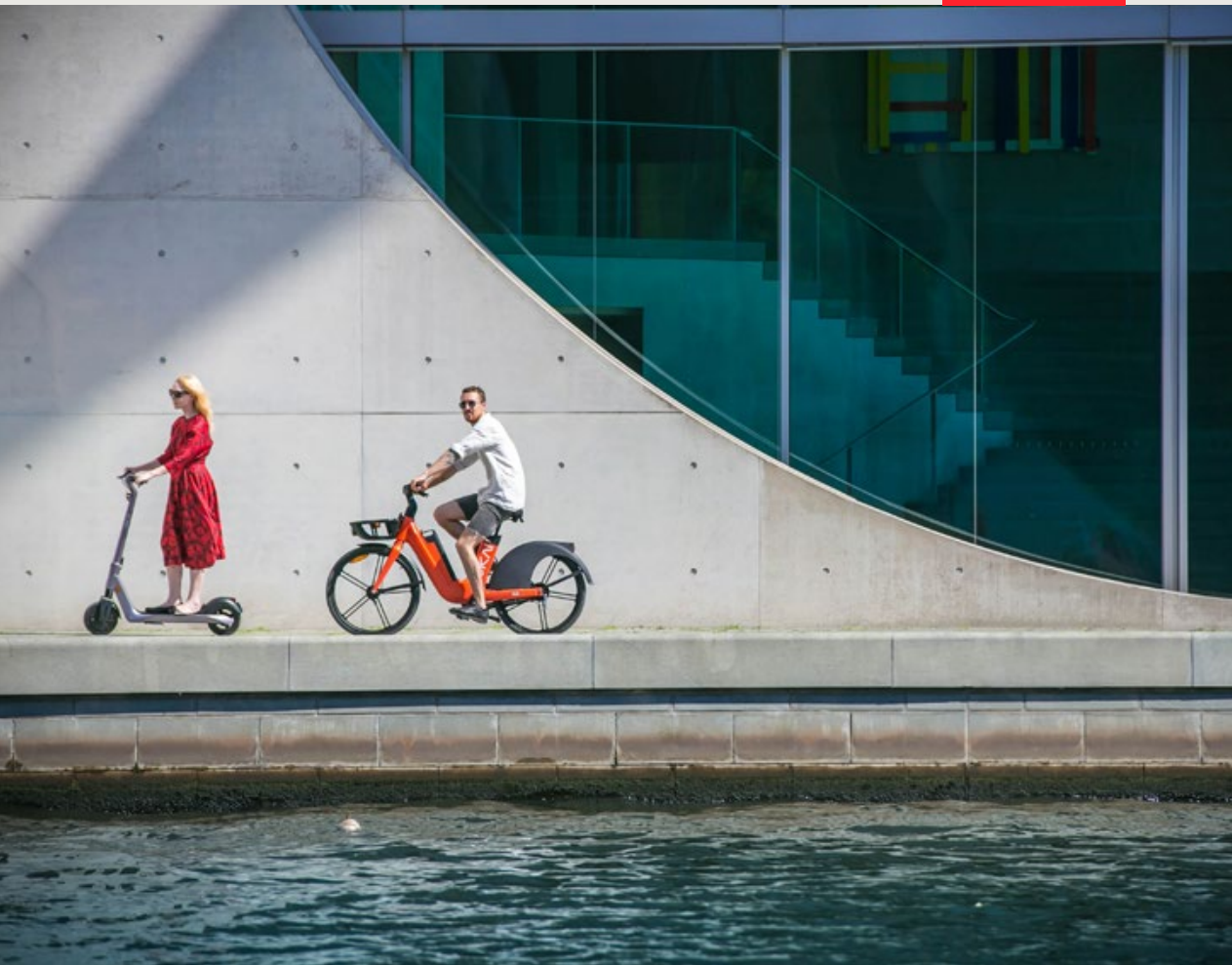
³ Net result of Befimmo SA and the set of subsidiaries for the application of the option full look through.

⁴ In relation to the acquisition value, increased by the capitalised renovation costs.

05

Non-Financial statements.

Befimmo



05

Non-Financial statements.



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ESG foundations: GRI Content Index

Statement of use	Befimmo has reported the information cited in this GRI content index for the period of 1 January 2021 to 31 December 2021 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	278		
	2-2	Entities included in the organization's sustainability reporting	286		
	2-3	Reporting period, frequency and contact point	286		
	2-4	Restatements of information	287		
	2-5	External assurance	276	V	
	2-6	Activities, value chain and other business relationships	17, 35, 45		
	2-7	Employees	85, 269		
	2-8	Workers who are not employees	269		
	2-9	Governance structure and composition	130		
	2-10	Nomination and selection of the highest governance body	138		5,16
	2-11	Chair of the highest governance body	138		16
	2-12	Role of the highest governance body in overseeing the management of impacts	138		
	2-13	Delegation of responsibility for managing impacts	138		
	2-14	Role of the highest governance body in sustainability reporting	57		
	2-15	Conflicts of interest	163		16
	2-16	Communication of critical concerns	160		
	2-17	Collective knowledge of the highest governance body	131		4,16
	2-18	Evaluation of the performance of the highest governance body	139		
	2-19	Remuneration policies	141, 148		
	2-20	Process to determine remuneration	148		
	2-21	Annual total compensation ratio	271		
	2-22	Statement on sustainable development strategy	20, 54		16
	2-23	Policy commitments	64		16
	2-24	Embedding policy commitments	64		16
	2-25	Processes to remediate negative impacts	60, 61, 140		16
	2-26	Mechanisms for seeking advice and raising concerns	61, 62, 160		16
	2-27	Compliance with laws and regulations	61, 87, 272		16
	2-28	Membership associations	264		17
	2-29	Approach to stakeholder engagement	264		17
	2-30	Collective bargaining agreements	87		8
GRI 3: Material Topics 2021	3-1	Process to determine material topics	60		
	3-2	List of material topics	62		
	3-3	Management of material topics	60, 274		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	94, 184	V ²	1,5,8
	201-2	Financial implications and other risks and opportunities due to climate change	180, 248	V ²	8,13
	201-3	Defined benefit plan obligations and other retirement plans	223, 225	V ²	8
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	64		16
	205-3	Confirmed incidents of corruption and actions taken	0 incidents		16
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	0 legal actions		16
GRI 302: Energy 2016	302-1	Energy consumption within the organization	253	V	7,8,12,13
	302-2	Energy consumption outside of the organization	253		7,8,12,13
	302-3	Energy intensity	253	V	7,8,12,13
	302-4	Reduction of energy consumption	253		7,8,12,13
	302-5	Reductions in energy requirements of products and services	253		7,8,12,13

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 276 of the present Report.

² External assurance only for the "Consolidated statement of financial position" (Statutory Auditor's report on page 234).

GRI 303: Water and Effluents 2018	303-3	Water withdrawal	77		6,12
	303-5	Water consumption	257	✓	6,12
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	252	✓	3,12,13,15
	305-2	Energy indirect (Scope 2) GHG emissions	252	✓	3,12,13,15
	305-3	Other indirect (Scope 3) GHG emissions	252	✓	3,12,13,15
	305-4	GHG emissions intensity	252	✓	13,15
	305-5	Reduction of GHG emissions	252		13,15
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	78		3,6,11,12
	306-2	Management of significant waste-related impacts	78		3,8,11,12
	306-3	Waste generated	258	✓	3,6,11,12
	306-4	Waste diverted from disposal	258	✓	3,11,12
	306-5	Waste directed to disposal	258	✓	3,6,11,12
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	66		12
	308-2	Negative environmental impacts in the supply chain and actions taken	66		12
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	88, 271	✓	5,8,10
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	87		3,5,8
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	87		8
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	89		3,8
	403-3	Occupational health services	89		3,8
	403-4	Worker participation, consultation, and communication on occupational health and safety	89		3,8,16
	403-5	Worker training on occupational health and safety	89, 90		3,4,8
	403-6	Promotion of worker health	89		3
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	89		3,8
	403-8	Workers covered by an occupational health and safety management system	89		3,8
	403-9	Work-related injuries	90, 272	✓	3,8,16
	403-10	Work-related ill health	272		3,8,16
	GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	88, 270	✓
404-2		Programs for upgrading employee skills and transition assistance programs	87		8
404-3		Percentage of employees receiving regular performance and career development reviews	270	✓	5,8,10
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	88, 269		5,8
	405-2	Ratio of basic salary and remuneration of women to men	88, 271	✓	5,8,10
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	87		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	64, 66, 87		8
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	64, 66, 87		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	64, 66, 87		5,8
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	93	✓	4,17
	413-2	Operations with significant actual and potential negative impacts on local communities	93		1
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	66		5,8,16
	414-2	Negative social impacts in the supply chain and actions taken	66		5,8,16
GRI 415: Public Policy 2016	415-1	Political contributions	265		16,17
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	92, 272	✓	3
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	92, 272	✓	16

GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	81, 259	12
	417-2	Incidents of non-compliance concerning product and service information and labeling	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	64, 167	16

SECTOR-SPECIFIC DISCLOSURE: CONSTRUCTION & REAL ESTATE (CRESS)

Category	Disclosure	Location	External assurance ¹	SDG	
Environment	CRE1	Building Energy Intensity	253	✓	7,8,12,13
	CRE2	Building Water Intensity	257	✓	6,8,12
	CRE3	Greenhouse gas emissions intensity from buildings	253	✓	13,15
Product Responsibility	CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	259	✓	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 ✓ has been verified by the auditor. The report can be found on page 276 of the present Report.

Environmental performance

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, COO and General Counsel & Secretary General). The Head of Environmental Management (HEM), the Head of Transformation & Impact (HT&I) and the Head of Human Resources (HHR) (as from 2022) are also part of this Cell. This Cell meets at least three times a year. Sustainability topics are also discussed every two weeks 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 governance structure, p.57
b) Describe management's role in assessing and managing climate-related risks and opportunities.	CDP questions C1.2, C1.2a ESG governance structure, p.57

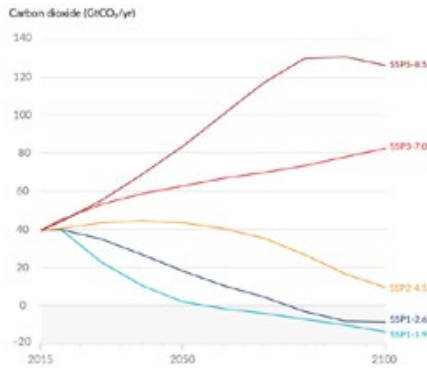
STRATEGY AND RISK MANAGEMENT

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 CO₂ EMISSIONS ACROSS FIVE ILLUSTRATIVE SCENARIOS (SOURCE: 6TH IPCC REPORT / WORKING GROUP I)



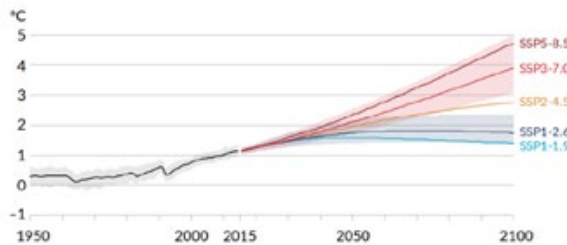
Physical risks and opportunities

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 extent 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 lose 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, C3.4a
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.70
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 70 and 252 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.70 Environmental indicators, p.252
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

Environmental indicators

All data marked with a **V** has been verified by the auditor.

CARBON FOOTPRINT

	GHG Protocol categories	Units	GRI Standard	External assurance	2021	2018
Scope 1	Company facilities	tCO ₂ e	305-1	V	3 245	4 851
	Company vehicles	tCO ₂ e	305-1	V	195	240
	Refrigerants leakages	tCO ₂ e	305-1	V	1 615	1 615
Scope 2	Electricity - market-based and location-based	tCO ₂ e	305-2	V	155	310
Scope 3	Purchased goods and services	tCO ₂ e	305-3	V	5 580	3 910
	Capital goods	tCO ₂ e	305-3	V	157 880	20 840
	Fuel- and energy-related activities	tCO ₂ e	305-3	V	120	330
	Upstream transport and distribution	tCO ₂ e	305-3	V	Excluded (not relevant)	Excluded (not relevant)
	Waste generated in operations	tCO ₂ e	305-3	V	1 606	2 675
	Business travel	tCO ₂ e	305-3	V	1	45
	Employee commuting	tCO ₂ e	305-3	V	15	40
	Upstream leased assets	tCO ₂ e	305-3	V	Excluded (not relevant)	Excluded (not relevant)
	Downstream transportation and distribution	tCO ₂ e	305-3	V	Excluded (not relevant)	Excluded (not relevant)
	Processing of sold products	tCO ₂ e	305-3	V	Excluded (not relevant)	Excluded (not relevant)
	Use of sold products	tCO ₂ e	305-3	V	Excluded (not relevant)	Excluded (not relevant)
	End-of-life treatment of sold products	tCO ₂ e	305-3	V	Excluded (not relevant)	Excluded (not relevant)
	Downstream leased assets	tCO ₂ e	305-3	V	8 705	7 425
	Franchises	tCO ₂ e	305-3	V	Excluded (not relevant)	Excluded (not relevant)
	Investments	tCO ₂ e	305-3	V	95	0

CO₂E EMISSIONS LINKED TO BEFIMMO'S OWN ACTIVITIES

	Units		2021	2020	2019	2018
Befimmo corporate space	m ²	V	1 668.00	1 668.00	1 668.00	1 668.00
# people (PP)	#	V	98.20	83.42	82.78	77.52
Total emissions related to direct energy	tCO₂e	V	274.44	234.68	314.98	320.97
Of which total emissions for heating (Befimmo Goemaere & Central)	tCO ₂ e	V	22.93	17.52	18.63	18.10
Emissions PP (heating)	tCO ₂ e/PP	V	0.23	0.21	0.23	0.23
Emissions per m ² (heating)	kgCO ₂ e/m ²	V	13.75	10.50	11.17	10.85
Of which emissions from diesel cars ¹	tCO ₂ e	V	195.98	184.05	247.22	278.48
Of which emissions from petrol & CNG cars ¹	tCO ₂ e	V	50.72	32.92	49.01	24.39
Of which emissions from electric cars ¹	tCO ₂ e	V	4.81	0.19	0.12	-
Total emissions related to indirect energy	tCO₂e	V	22.69	17.29	18.83	18.02
Of which total emissions electricity (Befimmo Goemaere & Central)	tCO ₂ e	V	22.69	17.29	18.72	17.91
Emissions PP	tCO ₂ e/PP	V	0.23	0.21	0.23	0.23
Emissions per m ²	kg/m ²	V	13.60	10.36	11.22	10.74
Total emissions related to travel and paper consumption	tCO₂e	V	1.72	1.68	63.19	30.86
Short-haul flights	tCO ₂ e	V	-	0.37	4.38	1.69
Long-haul flights	tCO ₂ e	V	1.09	-	54.73	25.18
High-speed train	tCO ₂ e	V	0.02	0.52	0.66	0.79
Vehicles other than Befimmo	tCO ₂ e	V	-	-	1.42	0.97
Paper consumption	tCO ₂ e	V	0.61	0.79	2.00	2.23

1 This table showing emission factors can be found in the methodology hereafter.

ENERGY CONSUMPTION AND RELATED GHG EMISSIONS

All data marked with a **V** has been verified by the auditor.

Total portfolio	GLA	EPRA-SPM	GRI	2008	2017	2018	2019	2020	2021	Low-Rise	Mid-Rise	High-Rise
										Office 2021	Office 2021	Office 2021
Total - Absolute				945 269 m ²	938 556 m ²	905 979 m ²	910 593 m ²	780 767 m ²	789 642 m ²	100 420 m ²	419 408 m ²	269 314 m ²
Total building energy consumption				119,66 GWh	133,21 GWh	128,03 GWh	111,98 GWh	101,87 GWh	102,24 GWh	12,24 GWh	56,56 GWh	33,44 GWh
Total fuel consumption			302-1	69,13 GWh	64,07 GWh	62,56 GWh	54,92 GWh	52,48 GWh	58,18 GWh	8,42 GWh	33,47 GWh	16,29 GWh
Total district heating and cooling			302-1	0,00 GWh	3,65 GWh	2,41 GWh	2,06 GWh	1,82 GWh	2,19 GWh	0,00 GWh	0,93 GWh	1,26 GWh
Total building electricity consumption			302-1	50,53 GWh	65,60 GWh	63,07 GWh	54,96 GWh	47,58 GWh	41,86 GWh	3,81 GWh	23,16 GWh	16,89 GWh
GHG emissions on total energy consumption (market-based)				21 887 tCO ₂ e	12 762 tCO ₂ e	12 580 tCO ₂ e	11 066 tCO ₂ e	10 620 tCO ₂ e	12 102 tCO ₂ e	1 870 tCO ₂ e	6 708 tCO ₂ e	3 525 tCO ₂ e
GHG emissions on total energy consumption (location-based)				27 132 tCO ₂ e	23 450 tCO ₂ e	22 892 tCO ₂ e	21 786 tCO ₂ e	19 838 tCO ₂ e	20 315 tCO ₂ e	2 476 tCO ₂ e	11 891 tCO ₂ e	6 700 tCO ₂ e
Perimeter				377 441 m ²	746 259 m ²	768 359 m ²	683 487 m ²	634 154 m ²	624 988 m ²	56 746 m ²	379 623 m ²	188 589 m ²
Building primary energy intensity			CRE1	22,6 kWh/m ²	15,07 kWh/m ²	14,79 kWh/m ²	14,29 kWh/m ²	13,21 kWh/m ²	13,30 kWh/m ²	135,8 kWh/m ²	139,6 kWh/m ²	151,8 kWh/m ²
Building primary energy intensity from building energy consumption (market-based)			CRE1	3,68 kWh/m ²	2,61 kWh/m ²	2,56 kWh/m ²	2,47 kWh/m ²	2,22 kWh/m ²	2,31 kWh/m ²	28,2 kWh/m ²	22,6 kWh/m ²	24,8 kWh/m ²
GHG emissions intensity from building energy consumption (location-based)			CRE3	37,09 kg CO ₂ e/m ²	14,20 kg CO ₂ e/m ²	14,43 kg CO ₂ e/m ²	13,76 kg CO ₂ e/m ²	14,21 kg CO ₂ e/m ²	16,70 kg CO ₂ e/m ²	19,5 kg CO ₂ e/m ²	15,9 kg CO ₂ e/m ²	16,5 kg CO ₂ e/m ²
GHG emissions intensity from building energy consumption (market-based)				50,24 kg CO ₂ e/m ²	26,43 kg CO ₂ e/m ²	26,20 kg CO ₂ e/m ²	27,80 kg CO ₂ e/m ²	25,71 kg CO ₂ e/m ²	28,34 kg CO ₂ e/m ²	27,2 kg CO ₂ e/m ²	27,5 kg CO ₂ e/m ²	30,4 kg CO ₂ e/m ²
Perimeter				288 287 m ²	580 421 m ²	610 749 m ²	592 551 m ²	606 256 m ²				
Total fuel consumption for related sites (year = 2021)				3177 GWh	4695 GWh	4743 GWh	4644 GWh	5121 GWh				
Total fuel consumption for related sites (year = column header)				4313 GWh	4187 GWh	4232 GWh	4148 GWh	4398 GWh				
Like-for-Like total fuel consumption (year = 2021)			302-1	-26,4%	12,3%	11,7%	11,9%	16,4%				
Total district heating & cooling consumption for related sites (year = 2021)				0,00 GWh	219 GWh	219 GWh	219 GWh	219 GWh				
Total district heating & cooling consumption for related sites (year = column header)				0,00 GWh	3,65 GWh	2,41 GWh	2,06 GWh	1,82 GWh				
Like-for-Like total district heating & cooling consumption (year = 2021)			302-1	-	-38,4%	-9,2%	5,3%	20,4%				
Total electricity consumption for related sites (year = 2021)				2148 GWh	33,96 GWh	36,09 GWh	35,55 GWh	37,14 GWh				
Total electricity consumption for related sites (year = column header)				2922 GWh	40,17 GWh	43,24 GWh	42,01 GWh	38,25 GWh				
Like-for-Like total electricity consumption (year = 2021)			302-1	-26,5%	-15,5%	-16,5%	-15,4%	-2,9%				

	GLA	2008	2017	2018	2019	2020	2021	Low-Rise Office 2021	Mid-Rise Office 2021	High-Rise Office 2021
Landlord-controlled buildings										
Scope 1 - Absolute										
Floormeter	240 069 m ²	322 452 m ²	333 083 m ²	342 709 m ²	342 709 m ²	257 050 m ²	240 971 m ²	55 257 m ²	106 384 m ²	72 688 m ²
Total landlord obtained fuels	2784 GWh	23 62 GWh	24 88 GWh	18 57 GWh	18 57 GWh	17 47 GWh	16 15 GWh	4 31 GWh	9 02 GWh	2 83 GWh
of which gas	2106 GWh	23 62 GWh	22 70 GWh	16 59 GWh	16 59 GWh	15 31 GWh	15 51 GWh	4 31 GWh	8 37 GWh	2 83 GWh
of which heating oil (fuel)	6 78 GWh	0 00 GWh	2 18 GWh	2 28 GWh	2 15 GWh	2 15 GWh	0 65 GWh	0 00 GWh	0 65 GWh	0 00 GWh
Total direct GHG emissions	5 818 tCO ₂ e	4 441 tCO ₂ e	4 847 tCO ₂ e	3 726 tCO ₂ e	3 451 tCO ₂ e	3 242 tCO ₂ e	3 242 tCO ₂ e	853 tCO ₂ e	1 829 tCO ₂ e	540 tCO ₂ e
Floormeter	180 303 m ²	212 509 m ²	232 477 m ²	207 340 m ²	207 340 m ²	149 322 m ²	149 428 m ²	36 018 m ²	106 384 m ²	7 026 m ²
Total landlord obtained fuels	109 31 MWh/m ²	71 6 MWh/m ²	76 2 MWh/m ²	71 3 MWh/m ²	71 3 MWh/m ²	71 6 MWh/m ²	89 31 MWh/m ²	87 2 MWh/m ²	84 8 MWh/m ²	169 4 MWh/m ²
Total direct GHG emissions	22 4 kg CO ₂ e/m ²	14 6 kg CO ₂ e/m ²	14 3 kg CO ₂ e/m ²	15 4 kg CO ₂ e/m ²	15 4 kg CO ₂ e/m ²	15 7 kg CO ₂ e/m ²	18 0 kg CO ₂ e/m ²	17 kg CO ₂ e/m ²	17 kg CO ₂ e/m ²	34 kg CO ₂ e/m ²
Floormeter	86 195 m ²	23 847 m ²	20 721 m ²	13 952 m ²	13 952 m ²	14 422 m ²				
Total landlord obtained fuels for related sites (year = 2021)	7 92 GWh	10 97 GWh	10 83 GWh	12 82 GWh	12 82 GWh	13 07 GWh				
Total landlord obtained fuels for related sites (year = column header)	10 21 GWh	8 78 GWh	9 31 GWh	11 56 GWh	11 56 GWh	11 26 GWh				
Like-for-Like evolution (kWh)	- 22 4%	25 3%	16 2%	10 9%	16 1%	16 1%				
Total direct GHG emissions for related sites (year = 2021)	1 569 tCO ₂ e	2 171 tCO ₂ e	2 143 tCO ₂ e	2 582 tCO ₂ e	2 582 tCO ₂ e	2 632 tCO ₂ e				
Total direct GHG emissions for related sites (year = column header)	2 094 tCO ₂ e	1 646 tCO ₂ e	1 751 tCO ₂ e	2 351 tCO ₂ e	2 351 tCO ₂ e	2 285 tCO ₂ e				
Like-for-Like direct GHG emissions	25 1%	31 9%	22 4%	9 8%	15 2%	15 2%				
GHG-Div-I/L	306-1									

Scope 2 - Absolute	EPRA SPM	GRI	2008	2017	2018	2019	2020	Low-Rise Office 2021	Mid-Rise Office 2021	High-Rise Office 2021
Parameter			240,069 m ²	322,452 m ²	333,083 m ²	329,833 m ²	221,490 m ²	234,329 m ²	106,384 m ²	72,688 m ²
Heating network			0.00 GWh	0.00 GWh	0.00 GWh	0.00 GWh	0.00 GWh	0.00 GWh	0.00 GWh	0.00 GWh
Total building electricity consumption			21.87 GWh	26.89 GWh	26.78 GWh	22.27 GWh	18.65 GWh	14.14 GWh	8.43 GWh	2.75 GWh
Renewable electricity generated and consumed on-site by landlord			0.00 GWh	26.00 GWh	24.70 GWh	35.4 GWh	35.3 GWh	25.9 GWh	25.9 GWh	0.00 GWh
Other electricity generated and consumed on-site by landlord (cogeneration)			0.00 GWh	298.1 MWh	480.1 MWh	357.1 MWh	203.3 MWh	298.1 MWh	0.00 GWh	298.1 MWh
Renewable electricity generated on-site and exported by landlord			0.00 GWh	0.00 GWh	1.0 MWh	3.0 MWh	4.0 MWh	0.00 GWh	0.00 GWh	0.00 GWh
Other electricity generated on-site and exported by landlord (cogeneration)			0.00 GWh	68.1 MWh	38.0 MWh	76.0 MWh	59.0 MWh	117.0 MWh	0.00 GWh	117.0 MWh
Renewable electricity generated off-site and purchased by landlord			16,903.0 MWh	15,999.0 MWh	18,963.0 MWh	17,997.0 MWh	15,554.0 MWh	12,073.0 MWh	8,201.0 MWh	19,531.0 MWh
Other electricity generated off-site, purchased by landlord, for mobility purpose			0.00 MWh	5.0 MWh	10.0 MWh	20.0 MWh	24.0 MWh	35.0 MWh	32.0 MWh	0.00 MWh
Other electricity purchased by landlord			0.00 MWh	0.00 MWh	0.00 MWh	0.00 MWh	0.00 MWh	0.00 MWh	0.00 MWh	0.00 MWh
Renewable electricity generated and consumed on-site by tenant			0.00 MWh	0.00 MWh	0.00 MWh	0.00 MWh	0.00 MWh	0.00 MWh	0.00 MWh	0.00 MWh
Renewable electricity generated off-site and purchased by tenant			2,642.0 MWh	7,895.0 MWh	7,589.0 MWh	2,332.0 MWh	1,667.0 MWh	879.0 MWh	0.00 MWh	701.0 MWh
Other electricity purchased by tenant			2,327.0 MWh	2,514.0 MWh	1,826.0 MWh	1,344.0 MWh	963.0 MWh	780.0 MWh	0.00 MWh	0.00 MWh
of which electricity for shared services and common area			12.0 GWh	13.76 GWh	14.82 GWh	10.68 GWh	9.84 GWh	6.23 GWh	1.37 GWh	0.99 GWh
of which electricity for tenant area			8.78 GWh	13.76 GWh	13.96 GWh	10.68 GWh	8.81 GWh	7.91 GWh	1.58 GWh	1.80 GWh
GHG indirect emissions (market-based)		GHG-305-2	590 tCO ₂ e	428 tCO ₂ e	309 tCO ₂ e	269 tCO ₂ e	192 tCO ₂ e	156 tCO ₂ e	0 tCO ₂ e	0 tCO ₂ e
GHG indirect emissions (location-based)		GHG-Indirect	5,654 tCO ₂ e	4,572 tCO ₂ e	4,863 tCO ₂ e	4,449 tCO ₂ e	3,727 tCO ₂ e	2,825 tCO ₂ e	1,684 tCO ₂ e	550 tCO ₂ e
Parameter			19,756 m ²	210,327 m ²	252,418 m ²	206,873 m ²	138,525 m ²	149,428 m ²	106,384 m ²	70,026 m ²
Gross total			119.5 kWh/m ²	103.8 kWh/m ²	100.4 kWh/m ²	89.2 kWh/m ²	75.8 kWh/m ²	74.2 kWh/m ²	59.4 kWh/m ²	73.9 kWh/m ²
of which electricity for shared services and common area			52.0 kWh/m ²	54.5 kWh/m ²	52.6 kWh/m ²	41.8 kWh/m ²	37.5 kWh/m ²	35.4 kWh/m ²	31.5 kWh/m ²	35.5 kWh/m ²
of which electricity for tenant area			67.5 kWh/m ²	49.3 kWh/m ²	47.7 kWh/m ²	47.4 kWh/m ²	38.3 kWh/m ²	38.8 kWh/m ²	27.8 kWh/m ²	38.4 kWh/m ²
GHG indirect emissions (market-based)			3,441 kg CO ₂ e/m ²	1,851 kg CO ₂ e/m ²	1,141 kg CO ₂ e/m ²	1,191 kg CO ₂ e/m ²	0,921 kg CO ₂ e/m ²	0,911 kg CO ₂ e/m ²	3,781 kg CO ₂ e/m ²	0,001 kg CO ₂ e/m ²
GHG indirect emissions (location-based)			30,336 kg CO ₂ e/m ²	17,581 kg CO ₂ e/m ²	16,971 kg CO ₂ e/m ²	17,833 kg CO ₂ e/m ²	15,151 kg CO ₂ e/m ²	14,822 kg CO ₂ e/m ²	15,818 kg CO ₂ e/m ²	14,818 kg CO ₂ e/m ²
Parameter			97,866 m ²	123,847 m ²	142,689 m ²	112,334 m ²	141,584 m ²			
Total for related sites (year = 2021)			7.0 GWh	8.3 GWh	10.36 GWh	10.95 GWh	10.25 GWh			
Total for related sites (year = column header)			1,031.9%	957.9%	1,233.5%	1,197.3%	1,053.7%			
Like-for-Like evolution (kWh)			-32.1%	-14.4%	-16.0%	-14.4%	-2.9%			
Total GHG indirect emissions for related sites (year = 2021)			76 tCO ₂ e	141 tCO ₂ e	141 tCO ₂ e	140 tCO ₂ e	111 tCO ₂ e			
Total GHG indirect emissions for related sites (year = column header)			181 tCO ₂ e	211 tCO ₂ e	227 tCO ₂ e	191 tCO ₂ e	118 tCO ₂ e			
Like-for-Like evolution (market-based)		GHG-305-2	-51.5%	-35.2%	-37.8%	-26.6%	-6.4%			
Like-for-Like evolution (location-based)		GHG-Indirect	-46.6%	41%	-0.7%	-14.4%	-2.9%			
Parameter			74,264 m ²	210,327 m ²	230,280 m ²	205,163 m ²	138,525 m ²	149,428 m ²	106,384 m ²	70,026 m ²
Total operational energy			250.6 kWh/m ²	181.6 kWh/m ²	174.6 kWh/m ²	167.1 kWh/m ²	154.4 kWh/m ²	163.5 kWh/m ²	164.0 kWh/m ²	243.4 kWh/m ²
GHG indirect emissions (market-based)			29.35 kg CO ₂ e/m ²	16,478 kg CO ₂ e/m ²	15,631 kg CO ₂ e/m ²	16,611 kg CO ₂ e/m ²	16,901 kg CO ₂ e/m ²	18,891 kg CO ₂ e/m ²	17,191 kg CO ₂ e/m ²	33,541 kg CO ₂ e/m ²
GHG indirect emissions (location-based)			60.46 kg CO ₂ e/m ²	32,271 kg CO ₂ e/m ²	30,971 kg CO ₂ e/m ²	33,333 kg CO ₂ e/m ²	31,131 kg CO ₂ e/m ²	32,801 kg CO ₂ e/m ²	33,021 kg CO ₂ e/m ²	48,321 kg CO ₂ e/m ²

	EPA SRI	GRI	2008	2017	2018	2019	2020	2021	Low-Rise Offices 2021	Mid-Rise Offices 2021	High-Rise Offices 2021
Tenant-controlled buildings			683 057 m ²	609 606 m ²	565 270 m ²	567 884 m ²	543 716 m ²	548 671 m ²	42 942 m ²	309 703 m ²	196 626 m ²
Scope 3 - Absolute	GLA										
Tenant-controlled buildings	Airmeter		325 790 m ²	899 986 m ²	650 454 m ²	611 396 m ²	509 375 m ²	503 328 m ²	33 590 m ²	282 880 m ²	186 616 m ²
	Gross total		709 GWh	83 GWh	74 GWh	71 GWh	66 GWh	72 GWh	5 GWh	39 GWh	28 GWh
	Total tenant-obtained fuels		4129 GWh	4044 GWh	3768 GWh	3608 GWh	3501 GWh	4203 GWh	4136 GWh	412 GWh	2446 GWh
	of which gas		4042 GWh	3978 GWh	3710 GWh	3547 GWh	3415 GWh	4135 GWh	4135 GWh	344 GWh	1946 GWh
	of which heating oil (fuel)		087 GWh	066 GWh	058 GWh	061 GWh	042 GWh	068 GWh	068 GWh	000 GWh	000 GWh
	Total district heating and cooling		000 GWh	355 GWh	241 GWh	208 GWh	182 GWh	219 GWh	219 GWh	000 GWh	093 GWh
	Total building electricity consumption		2857 GWh	3871 GWh	3429 GWh	3248 GWh	2892 GWh	2775 GWh	2775 GWh	086 GWh	1373 GWh
	Renewable electricity generated and consumed on-site by tenant		01 MWh	83 MWh	183 MWh	153 MWh	147 MWh	168 MWh	168 MWh	01 MWh	41 MWh
	Other electricity generated and consumed on-site by tenant (cogeneration)		01 MWh	38 MWh	31 MWh	889 MWh	775 MWh	763 MWh	763 MWh	01 MWh	0 MWh
	Renewable electricity generated on-site and exported by landlord		01 MWh	16 MWh	18 MWh	20 MWh	18 MWh	21 MWh	21 MWh	01 MWh	18 MWh
	Other electricity generated on-site and exported by tenant (cogeneration)		01 MWh	01 MWh	01 MWh	01 MWh	1 MWh	0 MWh	0 MWh	01 MWh	01 MWh
	Renewable electricity generated off-site and purchased by tenant		107 MWh	38276 MWh	35584 MWh	31599 MWh	26553 MWh	26878 MWh	26878 MWh	858 MWh	1370 MWh
	Renewable electricity generated off-site, purchased by tenant, for mobility purpose		01 MWh	1 MWh	2 MWh	11 MWh	27 MWh	61 MWh	61 MWh	01 MWh	11 MWh
	Other electricity purchased by tenant		27558 MWh	226 MWh	256 MWh	73 MWh	1494 MWh	0 MWh	0 MWh	0 MWh	0 MWh
	GHG indirect emissions (market-based)	GHG- Indr-Abs	305-2	15 679 tCO ₂ e	7 892 tCO ₂ e	7 433 tCO ₂ e	7 092 tCO ₂ e	7176 tCO ₂ e	8 704 tCO ₂ e	861 tCO ₂ e	4 879 tCO ₂ e
GHG indirect emissions (location-based)			15 760 tCO ₂ e	14 457 tCO ₂ e	13 821 tCO ₂ e	13 611 tCO ₂ e	12 640 tCO ₂ e	14 248 tCO ₂ e	1033 tCO ₂ e	7494 tCO ₂ e	5 589 tCO ₂ e
Airmeter			30372 m ²	539 946 m ²	539 078 m ²	478 323 m ²	495 629 m ²	475 530 m ²	20 728 m ²	278 239 m ²	181 530 m ²
GHG indirect emissions (market-based)			4681 kg CO ₂ e/m ²	1545 kg CO ₂ e/m ²	1357 kg CO ₂ e/m ²	1249 kg CO ₂ e/m ²	1319 kg CO ₂ e/m ²	1589 kg CO ₂ e/m ²	1539 kg CO ₂ e/m ²	1532 kg CO ₂ e/m ²	1580 kg CO ₂ e/m ²
GHG indirect emissions (location-based)			4733 kg CO ₂ e/m ²	4728 kg CO ₂ e/m ²	4728 kg CO ₂ e/m ²	4527 kg CO ₂ e/m ²	2420 kg CO ₂ e/m ²	2694 kg CO ₂ e/m ²	240 kg CO ₂ e/m ²	253 kg CO ₂ e/m ²	271 kg CO ₂ e/m ²
Airmeter			286 599 m ²	472 890 m ²	476 877 m ²	482 720 m ²	481 335 m ²				
Total energy consumption for related sites (year = 2021)			3709 GWh	6107 GWh	6180 GWh	5909 GWh	6598 GWh				
Total energy consumption for related sites (year = column header)			5 015.7%	6 465.2%	6 398.6%	6 008.3%	6 118.9%				
Like-for-Like evolution (kWh)			-26.1%	-5.8%	-3.4%	-1.7%	7.8%				
Total GHG indirect emissions for related sites (year = 2021)			4 547 tCO ₂ e	7 008 tCO ₂ e	7 083 tCO ₂ e	6 628 tCO ₂ e	7 629 tCO ₂ e				
Total GHG indirect emissions for related sites (year = column header)			1166 tCO ₂ e	6 042 tCO ₂ e	6 124 tCO ₂ e	5566 tCO ₂ e	6571 tCO ₂ e				
Like-for-Like evolution (market-based)	GHG- Indr-LIL	305-2	-59.3%	15.6%	15.7%	19.1%	17.1%				
Like-for-Like evolution (location-based)			-34.0%	7.7%	8.2%	1.1%	10.6%				

WATER CONSUMPTION

All data marked with a **V** has been verified by the auditor.

	EPRA SPM	GRI	2008		2017		2018		2019		2020		2021		Low-Rise Office 2021	Mid-Rise Office 2021	High-Rise Office 2021
			2008	2017	2018	2019	2020	2021	Low-Rise Office 2021	Mid-Rise Office 2021	High-Rise Office 2021						
Total portfolio	GLA		843 269 m²	938 588 m²	905 979 m²	910 593 m²	780 767 m²	789 642 m²	100 420 m²	419 908 m²	269 314 m²						
Water - Absolute	Water-Abs	303-5	104 789 m ³	242 308 m ³	223 223 m ³	194 211 m ³	140 665 m ³	103 867 m ³	6 445 m ³	40 278 m ³	57 144 m ³						
	of which collected and stored rainwater		-	7 332 m ³	3 442 m ³	2 914 m ³	6 664 m ³	4 620 m ³	695 m ³	2 057 m ³	1 868 m ³						
	of which groundwater		-	5 328 m ³	9 069 m ³	8 197 m ³	3 544 m ³	1 826 m ³	-	455 m ³	1 371 m ³						
	Total recycled and reused		0 m ³	12 660 m ³	12 511 m ³	11 111 m ³	10 208 m ³	6 446 m ³	695 m ³	2 512 m ³	3 238 m ³						
Water - Intensity	Perimeter		355 40,6 m ²	742 264 m ²	724 282 m ²	605 764 m ²	568 710 m ²	617 301 m ²	48 051 m ²	292 637 m ²	176 613 m ²						
	Total water consumption		284,39 l/m ²	255,68 l/m ²	246,95 l/m ²	270,44 l/m ²	213,80 l/m ²	175,83 l/m ²	106,02 l/m ²	137,63 l/m ²	258,12 l/m ²						
	of which rainwater	GRE2	0,00 l/m ²	8,24 l/m ²	4,70 l/m ²	4,81 l/m ²	10,74 l/m ²	8,93 l/m ²	14,42 l/m ²	7,03 l/m ²	10,57 l/m ²						
	of which groundwater		0,00 l/m ²	718 l/m ²	12,50 l/m ²	13,53 l/m ²	6,24 l/m ²	3,53 l/m ²	0,00 l/m ²	1,56 l/m ²	7,76 l/m ²						
Water - LUL	Perimeter		147 730 m ²	478 851 m ²	479 543 m ²	420 229 m ²	481 715 m ²	363 175 m ²	-	-	-						
	Total water consumption for related sites (year = 2021)		21 742 m ³	81 169 m ³	86 110 m ³	79 709 m ³	86 618 m ³	-	-	-	-						
	Total water consumption for related sites (year = column header)		36 759 m ³	125 668 m ³	128 994 m ³	128 339 m ³	103 713 m ³	-	-	-	-						
	Like-for-Like evolution (KWh)	303-5	-	-63,8%	-44,2%	-45,2%	-20,4%	-	-	-	-						

WASTE

All data marked with a **V** has been verified by the auditor.

Total portfolio	EPRA SRM	GRI	2008	2017	2018	2019	2020	2021	Low-Rise Office 2021	Mid-Rise Office 2021	High-Rise Office 2021
GLA			843,269 m²	938,568 m²	905,979 m²	910,595 m²	780,767 m²	789,642 m²	100,420 m²	419,908 m²	269,314 m²
Total waste			0 tonne	11,938 tonnes	54,742 tonnes	93,577 tonnes	72,943 tonnes	37,398 tonnes	171 tonnes	963 tonnes	36,264 tonnes
Total non-hazardous waste linked to works			0 tonne	9,201 tonnes	52,340 tonnes	91,243 tonnes	71,508 tonnes	36,665 tonnes	4 tonnes	561 tonnes	36,099 tonnes
of which recycled				17 tonnes	52,076 tonnes	74,546 tonnes	59,413 tonnes	34,025 tonnes	4 tonnes	475 tonnes	33,546 tonnes
of which composted				2 tonnes	41 tonnes	925 tonnes	157 tonnes	157 tonnes			
of which incinerated				351 tonnes	223 tonnes	671 tonnes	11,738 tonnes	2,640 tonnes	1 tonne	86 tonnes	2,553 tonnes
of which buried or landfilled						15,100 tonnes					
Total non-hazardous waste linked to operational buildings		306-3		2,343 tonnes	2,184 tonnes	1,634 tonnes	1,269 tonnes	726 tonnes	V	165 tonnes	401 tonnes
of which recycled		306-4		1,353 tonnes	1,038 tonnes	992 tonnes	607 tonnes	400 tonnes	V	58 tonnes	246 tonnes
of which reused		306-4							V		
of which composted		306-4				1 tonne	2 tonnes	3 tonnes	V		3 tonnes
of which incinerated		306-4		990 tonnes	1,145 tonnes	640 tonnes	660 tonnes	323 tonnes	V	107 tonnes	152 tonnes
of which buried or landfilled		306-5							V		64 tonnes
Total hazardous waste linked to works		306-5		21 tonnes	234 tonnes	691 tonnes	162 tonnes	5 tonnes			5 tonnes
of which recycled				0 tonne		1 tonne	2 tonnes	1 tonne			1 tonne
of which reused											
of which composted											
of which incinerated				3 tonnes	197 tonnes						
of which buried or landfilled				18 tonnes	38 tonnes	690 tonnes	160 tonnes	4 tonnes			4 tonnes
Total hazardous waste linked to operational buildings		306-3		4 tonnes	5 tonnes	9 tonnes	4 tonnes	2 tonnes	V	1 tonne	1 tonne
of which recycled		306-4		4 tonnes	5 tonnes	9 tonnes	4 tonnes	2 tonnes	V	1 tonne	1 tonne
of which reused		306-4							V		
of which composted		306-4							V		
of which incinerated		306-4							V		
of which buried or landfilled		306-5							V		
Perimeter			0 m ²	473,799 m ²	614,441 m ²	453,837 m ²	530,249 m ²				
Total waste linked to operational buildings				516 m ²	416 m ²	416 m ²	316 m ²	2 kg/m ²			
Perimeter				478,686 m ²	479,543 m ²	420,729 m ²	481,767 m ²		3 kg/m ²		
Total recycled for related sites (year = 2021)			0 tonne	789 tonnes	1,843 tonnes	2,945 tonnes	34,307 tonnes				
Total recycled for related sites (year = column header)			0 tonne	9,343 tonnes	62,568 tonnes	64,117 tonnes	59,966 tonnes				
of which recycled				-91.88%	-96.49%	-95.41%	-42.61%		V		
Total reused for related sites (year = 2021)			0 tonne	0 tonne	0 tonne	0 tonne	0 tonne				
Total reused for related sites (year = column header)			0 tonne	100,000%	-100,000%	-100,000%	-100,000%		V		
LUL reused				0 tonne	0 tonne	3 tonnes	3 tonnes				
Total composted for related sites (year = 2021)			0 tonne	2 tonnes	0 tonne	1 tonne	0 tonne				
Total composted for related sites (year = column header)			0 tonne	-100,000%		62,07%	863,92%		V		
LUL composted				294 tonnes	513 tonnes	732 tonnes	2,896 tonnes				
Total incinerated for related sites (year = 2021)			0 tonne	37 tonnes	853 tonnes	665 tonnes	12,093 tonnes				
Total incinerated for related sites (year = column header)				92,69%	60,20%	11,77%	23,95%		V		
LUL incinerated				0 tonne	4 tonnes	4 tonnes	4 tonnes				
Total buried or landfilled for related sites (year = 2021)			0 tonne	12 tonnes	38 tonnes	15,101 tonnes	160 tonnes				
Total buried or landfilled for related sites (year = column header)				-100,000%	-88,38%	-99,97%	-97,25%		V		
LUL buried or landfilled											

CERTIFICATION

BREEAM

Buildings under construction		BREEAM New Construction / Refurbishment ¹	
Rating		surface (m ²)	# buildings
Excellent		21 208	1
Not certified		114 692	1
Total		135 900	2

Buildings in operation	BREEAM New Construction / Refurbishment ²		BREEAM In-Use ³	
	surface (m ²)	# buildings	surface (m ²)	# buildings
Excellent	49 730	3	-	-
Very Good	61 292	5	-	-
Good	4 623	1	22 139	1
Not certified	673 996	96	767 502	104
Total	789 641	105	789 641	105

ENERGY PERFORMANCE CERTIFICATES

Buildings in operation		
Rating	surface (m ²)	# buildings
B	24 223	4 ⁴
C	207 830	11 ⁵
Not certified	557 588	90 ⁶
Total	789 641	105

- 1 The "not certified" project is subject to certification, but is not yet at a sufficiently advanced stage to have a valid certification. Design phase certificates are included.
- 2 Design certificates are not included, only Post Construction certificates.
- 3 Among these buildings, a large part has been certified BREEAM In-Use in 2010 and 2011, but certificates are no longer valid.
- 4 One building included in the total with a surface area of ±10,000 m² has been sold in 2021. The validity of the certificate for a second building with a surface of 5,000 m² ended in 2021. For this building, a new certificate will be established in 2022.
- 5 The validity of the certificates for three of these buildings, representing a surface area of 28,000 m², expired in 2021. Two of them will be renewed in 2022 while the third will be established after renovation.
- 6 Office buildings in Flanders and Wallonia are not eligible for the "sale and rental" certificate. The two buildings in Luxembourg do have a valid certificate but without a "class". They are therefore considered as not certified.

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 and Fedimmo portfolios in consolidated form.

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 conversion factors needed to calculate the CO₂e emissions were verified and updated and the conversion factors used in reporting associated with waste were adjusted
- > 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 tables¹

Befimmo intends to keep segmenting its reporting by the type of the buildings, by classing 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
100 420 m ²	419 908 m ²	269 314 m ²

Management of consumption data

Data and information relating to the energy consumption of the portfolio is obtained through (i) network operators and energy suppliers, (ii) maintenance companies, (iii) telemonitoring of consumption, (iv) internal managers, and (v) building occupants. Telemonitoring now covers a large proportion of the buildings in the portfolio and provides information directly from technical installations. The buildings involved are mostly under Befimmo's control, so the Company can take immediate action to implement energy savings.

All data on building consumption is recorded in an internal database that can generate detailed reports useful for benchmarking, strategic thinking, providing information to occupants, and decision-making.

With regard to the management of electricity consumption data, Befimmo is continuing to work on separating consumption for private and common areas of the buildings in which it has control over the energy supply contract. Regarding the buildings in which the supply contracts are not in Befimmo's name, the Environmental Technical Team directly asks the occupants for consumption data and/or the renewal of the mandates needed for obtaining data via the network managers.

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.

For its 2021 reporting, Befimmo has chosen to disclose all the data available to it, even though for some buildings its level of control is limited, and consumption and/or generation data are not always accessible or available.

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.

Determining the uncertainty level of the data

Befimmo is aware that the accuracy and reliability of the data it uses for monitoring the environmental performance of its portfolio are directly related to the quality of the information received, inaccuracies in the metering systems, transfer of partial or incorrect information, spurious data, inaccuracy of conversion factors, reading errors, missing data and in particular the degree of uncertainty of the metering instruments in its buildings.

In addition, Befimmo continues to strengthen and develop its requirements for the selection, installation, maintenance and preventive replacement of metering equipment in its buildings to minimise the risk of loss and distortion of information.

Reporting perimeter

The Global Lettable Area mentioned above each table correspond to the areas of the buildings in use during the reporting year. The reporting perimeter for absolute indicators is expressed as the area covered by the data obtained for the period. It is directly affected by any sales and/or acquisitions.

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 floor area does not take account of changes in the occupancy of the buildings.

The reporting perimeter for Like-for-Like indicators is expressed as the area of buildings in use during the two complete periods which are compared for which all data are obtained.

Calculation of specific consumption (kWh/m² and l/m²) and greenhouse gas emissions intensity (kg CO₂e/m²)

The following buildings are excluded from the scope:

- > buildings under construction and/or renovation
- > buildings not used as offices (for 2021, part of a building that houses an indoor pool/fitness centre, a building housing only showers and a service building were excluded)
- > buildings with incomplete consumption data
- > 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)

Reporting CO₂e emissions and emission factors

When reporting CO₂e emissions related to its activities, Befimmo follows the recommendations and methodology of the Greenhouse Gas Protocol (GHG Protocol). This international accounting method is the one most used by government leaders and business to understand, quantify and manage greenhouse gas emissions.

In practice, Befimmo distinguishes emissions as follows:

- > “directly-controlled” emissions, relating to fuels (gas, oil) purchased by the landlord for heating purpose
- > “indirectly-controlled” emissions, relating to the electricity and heat purchased by the landlord for (1) shared service installations (HVAC, lighting of common areas, parking, lifts, etc.) and (2) for tenant areas. (1) and (2) are figured separately in indicator tables
- > “indirectly-uncontrolled” emissions, relating to the use of electricity, heat, fuels (gas, oil) purchased by tenants in buildings not under Company control

¹ Based on the long-term lease agreement with the Buildings Agency, the occupancy rate of Befimmo 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.

Furthermore, calculations of CO₂e emissions are reviewed and adjusted, including for historical data, on the basis of any new information provided by the tenants regarding their contracts for supplying energy for private areas.

For the calculation of uncontrolled indirect CO₂e emissions, Befimmo uses the emission factor provided and updated by the International Energy Agency (IEA).

CO₂E EMISSION FACTORS

Type	Units	2021	2020	2019	2018	2017
Gas ¹	kg CO ₂ e/kWh	198	188	188	188	188
Non-renewable electricity Belgium ²	kg CO ₂ e/kWh	200	169	169	169	170
Green electricity	kg CO ₂ e/kWh	0	0	0	0	0
District heating Luxembourg ³	kg CO ₂ e/kWh	43	43	0	0	0
District heating Brussels Airport	kg CO ₂ e/kWh	227	227	227	227	227
Gas ¹ Luxembourg	kg CO ₂ e/kWh	231	-	-	-	-

Type	Units	2021	2020	2019	2018	2017
Diesel	kg CO ₂ e/litre	2.515	2.515	2.515	2.511	2.511
Petrol	kg CO ₂ e/litre	2.258	2.258	2.258	2.264	2.264
Cars (other than Befimmo)	kg CO ₂ e/litre	0.170	0.170	0.170	0.167	0.167
Aircraft (short-haul flight) economy	kg CO ₂ e/litre	0.233	0.233	0.233	0.233	0.233
Aircraft (long-haul flight) economy	kg CO ₂ e/litre	0.202	0.202	0.202	0.202	0.202
Aircraft (short-haul flight) business	kg CO ₂ e/litre	0.468	0.468	0.468	0.468	0.468
Aircraft (long-haul flight) business	kg CO ₂ e/litre	0.477	0.477	0.477	0.477	0.477
Train	kg CO ₂ e/litre	0.048	0.048	0.048	0.048	0.048

Type ⁴	Units	2021	2020	2019	2018	2017
Textile: carpets, etc.	kg CO ₂ e/t	500	500	500	500	n.a.
Paper, cardboard, etc.	kg CO ₂ e/t	737	737	737	737	n.a.
Glass, glazing, etc.	kg CO ₂ e/t	496	496	496	496	n.a.
PMC	kg CO ₂ e/t	875	875	875	875	n.a.
Plastic, polystyrene, etc.	kg CO ₂ e/t	877	877	877	877	n.a.
Wood	kg CO ₂ e/t	23	23	23	23	n.a.
Bulky goods	kg CO ₂ e/t	531	531	531	531	n.a.
Metal	kg CO ₂ e/t	311	311	311	311	n.a.
Household waste	kg CO ₂ e/t	386	386	386	386	n.a.
Composted kitchen waste	kg CO ₂ e/t	140	140	140	140	n.a.
Earth	kg CO ₂ e/t	1	1	1	1	n.a.
Concrete, bricks, brick rubble, tiles, etc.	kg CO ₂ e/t	26	26	26	26	n.a.
Mixed construction waste	kg CO ₂ e/t	13	13	13	13	n.a.
Sludge	kg CO ₂ e/t	844	844	844	844	n.a.
Gypsum-based materials	kg CO ₂ e/t	52	52	52	52	n.a.
Roofing	kg CO ₂ e/t	129	129	129	129	n.a.
Cork waste	kg CO ₂ e/t	31	31	31	31	n.a.
Wooden packaging	kg CO ₂ e/t	6	6	6	6	n.a.
False ceiling (gypsum)	kg CO ₂ e/t	110	110	110	110	n.a.
Chemical waste: batteries, paint, cooling gases, inorganic acids, inks, hazardous gases, etc.	kg CO ₂ e/t	706	706	706	706	n.a.
Hazardous waste: asbestos, hazardous packaging, TL lamps, hazardous construction timber, etc.	kg CO ₂ e/t	934	934	934	934	n.a.

1 Source: Engie

2 Source: IEA (International Energy Agency)

3 Source: Luxembourg city

4 Sources: Ademe, Inies

Not applicable

The expression “n.a.” used several times in the data analysis tables means “not applicable”.

This applies:

- > where a building was not in the portfolio at the reporting date
- > where data are not available
- > for the scope relating to renewable energy production, which is not measured

Generally speaking, the electricity consumption data for private areas obtained directly from information received from tenants with a utility-company meter and unspecified own supply contracts are counted as non-renewable energy.

Where the type of supply contract is known, only contracts specified as “100% green” are considered renewable, and a zero CO₂e emission rate is applied for market-based indicators.

Social performance

Stakeholders engagement

Befimmo has identified and mapped its external and internal stakeholders as follow:

Stakeholders	Expectations	Responses and communication mode	Frequency
Financial community (investors, analysts, shareholders and banks)	<ul style="list-style-type: none"> > Financial and strategic transparency > In line with corporate governance principles > Ethics > Business longevity > Financial performance 	<ul style="list-style-type: none"> > 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 	<ul style="list-style-type: none"> > Annually > Occasionally > Frequently
Public authorities and politics	<ul style="list-style-type: none"> > Compliance with legislation > Good relationship and open dialogue with various bodies 	<ul style="list-style-type: none"> > Transparent and regular contact, mainly during (re)development projects 	<ul style="list-style-type: none"> > Frequently
Associations, partnerships and multi-stakeholder forums	<ul style="list-style-type: none"> > Awareness of challenges > Information sharing, collaboration 	<ul style="list-style-type: none"> > Engagement with projects > Meetings, workshops and seminars 	<ul style="list-style-type: none"> > Occasionally
Tenants and occupants	<ul style="list-style-type: none"> > Comfort, well-being, security > Innovative solutions > Adaptable spaces and flexibility > Good contact with the Property Manager > Interesting service offer, including alternative mobility solutions 	<ul style="list-style-type: none"> > Helpsite, contact service > Punctual satisfaction surveys > Newsletters > Regular contact with the Commercial and Property Management teams > Daily contact with the hospitality team of Silversquare 	<ul style="list-style-type: none"> > Frequently
Suppliers and subcontractors	<ul style="list-style-type: none"> > Fair working practices > Security and well-being > Good relationship with the main contact > Compliance > Collaboration opportunities 	<ul style="list-style-type: none"> > Charter of responsible procurement > Encounters > Regular communication 	<ul style="list-style-type: none"> > Frequently
Local communities and residents	<ul style="list-style-type: none"> > Transparent communication relative to (re)development projects > Events and information sessions > Improvement of community life > Inclusive projects, open to city communities 	<ul style="list-style-type: none"> > Accurate and timely communication on (future) projects in the neighbourhood 	<ul style="list-style-type: none"> > Occasionally
Players involved in construction: architects, design offices, contractors, trades	<ul style="list-style-type: none"> > Clear and frequent communication relative to building sites > Security on-site 	<ul style="list-style-type: none"> > Construction site meetings > Regular communication > Specification > Construction site visits 	<ul style="list-style-type: none"> > Frequently
Academic sector	<ul style="list-style-type: none"> > Partnerships in project development > Information and knowledge sharing 	<ul style="list-style-type: none"> > Partnership > Participation in research > Workshops and brainstorm sessions 	<ul style="list-style-type: none"> > Occasionally
Team members	<ul style="list-style-type: none"> > Good and fair working conditions > Professional development > Global and personal performance > Training > Comfort, well-being, security at work > Motivating compensation 	<ul style="list-style-type: none"> > 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) 	<ul style="list-style-type: none"> > Daily

EXTERNAL STAKEHOLDERS

Financial community (investors, analysts, shareholders, banks)

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 (annual and half-yearly) 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.

To improve its dialogue with the financial community, the IR & Communication department aims to identify new roadshow cities where Befimmo can meet (potential) investors. Assessments of its responses to investor ESG questionnaires allow Befimmo to see how it is evolving over time and to compare itself with its peers.

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.

CO.STATION

In mid-2020, Befimmo became real-estate partner of **Co.Station**, an innovation and entrepreneurship platform. Befimmo is also co-founder of the "Co.Building" innovation ecosystem (now owned by Nova Reperta) that supports more than 20 companies in designing intelligent and sustainable buildings together, placing environmental quality at the heart of the workplace and housing. With this partnership, Befimmo is actively involved in a cutting-edge ecosystem open to societal themes, such as mobility, integration in the city, and use of resources, that have been built into its strategy for many years.

UPSI

Befimmo remains committed to its relationship with the **Professional Union of the Real-Estate Sector (UPSI)**. UPSI and Befimmo actively cooperated again in 2021 via working groups to incorporate federal and regional real-estate requirements. The CEO is a member of the UPSI board of directors, and the CFO participates in the UPSI Taxation Committee. The Head of Environment is chairman of the Technical and Sustainability Commission.

RICS

The **Royal Institution of Chartered Surveyors (RICS)** is a British professional body whose mission is to regulate and promote the real-estate profession, maintain a level of excellence and professionalism among its members through continuous training, and protect customers and consumers through a strict code of ethics. The CEO of Befimmo is a member of RICS.

THE SHIFT

Befimmo is an active member of the Belgian network **The Shift** which brings together more than 530 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.

CSTC

Befimmo participated actively in meetings organised by the **Scientific and Technical Construction Centre (CSTC)** on more technical questions, notably on the BIM, circularity, and environmental subjects.

EPRA

The **European Public Real Estate Association (EPRA)** is a professional organisation that defends the real-estate sector's interests across Europe. In 2021, the General Counsel & Secretary General again sat on the Tax & Regulatory Committee, a working group on European regulatory issues. The CFO participated in the Reporting & Accounting Committee, a working party handling the standardisation of financial performance indicators and accountancy topics. The Head of IR & Communication took part in the IR Committee, on communication with investors.

FEB

The General Counsel & Secretary General is a director of the **Belgian Association of Listed Companies** which is part of the **Federation of Enterprises in Belgium (FEB)**, member of the Advisory Council of the **European Issuers** association (analysis and exchange on topics of common interest for listed companies, monitoring of financial regulations, governance issues, etc.) and member of the **Institut Des Juristes d'Entreprise** (institute of company lawyers).

BE-REIT ASSOCIATION

The CFO and the General Counsel & Secretary General were members of the **BE-REIT Association**, founded in December 2015 to discuss accounting, legal and tax regulations impacting the sector. The CFO was the chairman and the General Counsel & Secretary General the head of the Legal & Regulatory Committee.

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.

Academic sector

In line with rethinking the digital transformation of its spaces, Befimmo decided to join, early 2019, other private partners (Joyn International, Thanksys, Belfius) in establishing and sponsoring the Smart Cities Chair organised by the Vrije Universiteit Brussel, its faculty of Economic and Social Sciences, the Solvay Business School, and its research centre Imec-SMIT.

A co-creation session about the workplace of the future was also organised together with the VUB and its research centre Imec-SMIT. During the workshop, participants discussed the needs of workers in the post-pandemic world and how companies like Befimmo can adapt the space using technologies and bring more flexibility for the users.

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.
- > In late 2021, all Befimmo staff were invited to rate their **satisfaction** with the Company's internal workings. In addition to this survey, Befimmo installed a **Vox Collector**. This system sends team members a new question each day. This survey method is quick and gives the opportunity to gather information throughout the whole year.
- > 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).
- > Creating links means offering an inspiring experience within an ecosystem that creates opportunities through a network of digital spaces and an efficient internal organisation. With this goal in mind, Befimmo grouped a series of digital transformation projects under the name "**LynX programme**". The management method of the programme is agile. The project leaders work in short iterations, which pushes them to test the relevance of their solutions rapidly.

All these projects also follow a user-oriented approach. The programme is transverse, inviting team members to participate in some of the projects and become testers for new solutions.

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.

Social indicators

All number of team members are expressed in headcount, except for training hours and expenses, which are expressed in Full-Time Equivalents (FTE). All data marked with a **V** has been verified by the auditor.

TALENT AND PERFORMANCE

TEAM BREAKDOWN

Team members (#)	EPRA SPM	GRI Standard	2021	2020	External assurance
Board of Directors		2-7	10	10	V
Executive Committee		2-7	4	4	
Management		2-7	10	11	
Other team members		2-7	90	83	

During the reporting year, Befimmo counts 100 members within its team (excluding external consultants and the Executive Committee). All team members are based at the head office of the Company in Belgium.

The Board consisted of ten Directors, specifically:

- > one executive Director
- > nine 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

GOVERNANCE BODIES DIVERSITY

Board diversity by gender (%)	EPRA SPM	GRI Standard	2021	2020	External assurance
Women		405-1	30%	30%	V
Men		405-1	70%	70%	V

Board diversity by age (%)	EPRA SPM	GRI Standard	2021	2020	External assurance
Under 30 years		405-1	0%	0%	
Between 30 and 50 years		405-1	10%	0%	
Over 50 years		405-1	90%	100%	

WORKFORCE DIVERSITY

Workforce diversity by gender per job category (%)	EPRA SPM	GRI Standard	2021	2020	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	30%	27%	V
Men	Diversity-Emp	405-1	70%	73%	V
Other team members					
Women	Diversity-Emp	405-1	47%	48%	V
Men	Diversity-Emp	405-1	53%	52%	V

Globally, Befimmo has a great gender balance within its team (54%-46% M/W).

Workforce diversity by age per job category (%)	EPRA SPM	GRI Standard	2021	2020	External assurance
Executive Committee (average age)			50	53	
Under 30 years		405-1	0%	0%	
Between 30 and 50 years		405-1	50%	25%	
Over 50 years		405-1	50%	75%	
Management (average age)			44	42	
Under 30 years		405-1	0%	0%	
Between 30 and 50 years		405-1	70%	72%	
Over 50 years		405-1	30%	27%	
Other team members (average age)			41	41	
Under 30 years		405-1	12%	11%	
Between 30 and 50 years		405-1	68%	71%	
Over 50 years		405-1	20%	18%	

SENIORITY

Average seniority (years)	EPRA SPM	GRI Standard	2021	2020	External assurance
Executive Committee			12.57	17.05	
Management			8.01	9.63	
Other staff members			5.02	5.54	

The global seniority of the team is 5.43 years.

INTERNAL ORGANISATION

Working time	EPRA SPM	GRI Standard	2021	2020	External assurance
Full-time team members		2-7	85	79	
Women (#)		2-7	35	32	
Men (#)		2-7	50	47	
Women (%)		2-7	35%	41%	
Men (%)		2-7	50%	59%	
Part-time team members		2-7	15	15	
Women (#)		2-7	11	11	
Men (#)		2-7	4	4	
Women (%)		2-7	11%	73%	
Men (%)		2-7	4%	27%	

Contract type	EPRA SPM	GRI Standard	2021	2020	External assurance
Fixed contracts		2-7	100	94	
Women (#)		2-7	46	43	
Men (#)		2-7	54	51	
Women (%)		2-7	46%	46%	
Men (%)		2-7	54%	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	6	4	

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	2021	2020	External assurance
Employees receiving annual appraisal by gender					
Women (%)	Emp-Dev	404-3	100%	100%	✓
Men (%)	Emp-Dev	404-3	100%	100%	✓
Employees receiving annual appraisal by job category					
Executive Committee (%)	Emp-Dev	404-3	100%	100%	✓
Management (%)	Emp-Dev	404-3	100%	100%	✓
Other team members (%)	Emp-Dev	404-3	100%	100%	✓
Hours of training per team member by gender					
Women (total hours)	Emp-Training	404-1	1 690 h	511 h	✓
Men (total hours)	Emp-Training	404-1	2 090 h	340 h	✓
Hours of training per team member by job category					
Executive Committee (average hours)	Emp-Training	404-1	88	18	✓
Management (average hours)	Emp-Training	404-1	116	18	✓
Other team members (average hours)	Emp-Training	404-1	24	7	✓
Training expenses (in €)			€2 352.9	€722.4	
Permanent team members trained per year (#)			93	71	
Internal mobility cases (#)			3	2	
Internal promotion cases (#)			7	9	

On average, team members had 34.9 hours of training per person.

ANNUAL TOTAL COMPENSATION

Ratio of the annual total compensation (%)	EPRA SPM	GRI Standard	2021	2020	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	2021	2020	External assurance
Executive Committee	Diversity-Pay	405-2	70.1%	70.1%	✓
Management	Diversity-Pay	405-2	-8.9%	-13.9%	✓
Other staff members	Diversity-Pay	405-2	32.3%	31.5%	✓

The overall gender pay gap is 30.2% in 2021, compared to 29.7% in 2020.

WORKFORCE ARRIVALS

Arrivals by gender	EPRA SPM	GRI Standard	2021	2020	External assurance
Women (#)	Emp-Turnover	401-1	8	6	✓
Women (%)	Emp-Turnover	401-1	8%	6%	✓
Men (#)	Emp-Turnover	401-1	5	9	✓
Men (%)	Emp-Turnover	401-1	5%	9%	✓

Arrivals by age	EPRA SPM	GRI Standard	2021	2020	External assurance
Under 30 years (#)	Emp-Turnover	401-1	3	3	✓
Under 30 years (%)	Emp-Turnover	401-1	3%	3%	✓
Between 30 and 50 years (#)	Emp-Turnover	401-1	9	12	✓
Between 30 and 50 years (%)	Emp-Turnover	401-1	9%	13%	✓
Over 50 years (#)	Emp-Turnover	401-1	1	0	✓
Over 50 years (%)	Emp-Turnover	401-1	1%	0%	✓

The average age of new team members is 35 years.

Arrivals by region	EPRA SPM	GRI Standard	2021	2020	External assurance
Belgium (#)	Emp-Turnover	401-1	13	15	✓
Belgium (%)	Emp-Turnover	401-1	13%	16%	✓

In total, Befimmo welcomed 13 new team members during the reporting year. The Company only employs team members in Belgium.

WORKFORCE TURNOVER

Turnover by gender	EPRA SPM	GRI Standard	2021	2020	External assurance
Women (#)	Emp-Turnover	401-1	6	3	✓
Women (%)	Emp-Turnover	401-1	6%	3%	✓
Men (#)	Emp-Turnover	401-1	1	4	✓
Men (%)	Emp-Turnover	401-1	1%	4%	✓

Turnover by age	EPRA SPM	GRI Standard	2021	2020	External assurance
Under 30 years (#)	Emp-Turnover	401-1	0	1	✓
Under 30 years (%)	Emp-Turnover	401-1	0%	1%	✓
Between 30 and 50 years (#)	Emp-Turnover	401-1	6	5	✓
Between 30 and 50 years (%)	Emp-Turnover	401-1	6%	5%	✓
Over 50 years (#)	Emp-Turnover	401-1	1	1	✓
Over 50 years (%)	Emp-Turnover	401-1	1%	1%	✓

The average age of team members leaving the Company is 42 years.

Turnover by region	EPRA SPM	GRI Standard	2021	2020	External assurance
Belgium (#)	Emp-Turnover	401-1	7	7	✓
Belgium (%)	Emp-Turnover	401-1	7%	7%	✓

In total, seven team members left Befimmo during the reporting year. The Company only employs team members in Belgium.

Turnover split	EPRA SPM	GRI Standard	2021	2020	External assurance
Number of voluntary leaves (#)	Emp-Turnover	401-1	3	4	
Number of voluntary leaves (%)	Emp-Turnover	401-1	3%	4%	
Number of dismissals (#)	Emp-Turnover	401-1	4	2	
Number of dismissals (%)	Emp-Turnover	401-1	4%	2%	
Number of retirements (#)	Emp-Turnover	401-1	0	1	
Number of retirements (%)	Emp-Turnover	401-1	0%	1%	

WELL-BEING

TEAM MEMBERS

Workforce health and safety	EPRA SPM	GRI Standard	2021	2020	External assurance
Absentee rate - short term (%)	H&S Emp	403-9	1.4%	1.4%	✓
Absentee rate - long term (%)	H&S Emp	403-9	4.3%	5.0%	✓
Injury rate (%)	H&S Emp	403-9	0.0%	0.0%	✓
Lost day rate (%)	H&S Emp	403-9	0.0%	0.0%	✓
Work-related fatalities (#)	H&S Emp	403-9	0	0	✓
Work-related fatalities (%)	H&S Emp	403-9	0.0%	0.0%	✓
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	3	2	✓
Recordable work-related accidents (%)		403-9	3.0%	2.1%	
Total hours worked (hours)		403-9	144 155	153 674	
Staff members with disabilities (#)			1	1	
Fatalities due to occupational disease (#)		403-10	0	0	
Recordable occupational disease cases (#)		403-10	0	0	

The main types of accidents at work occurred on working sites and on the way to work.

ASSETS

Asset health and safety	EPRA SPM	GRI Standard	2021	2020	External assurance
Rate of asset health and safety assessments (%)	H&S-Asset	416-1	87%	81%	✓
Non-compliance cases on asset health and safety (#)	H&S-Comp	416-2	2	1	✓

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	2021	2020	External assurance
Community engagement (%)	Comty-Eng	413-1	32%	29%	✓
Charitable activities (#)			9	7	
Team members participating in charitable activities (#)			50	Not calculated	
Budget allocated to charitable activities (€)			€18 280	Not calculated	

Governance

This is an overview of the regulations that concern Befimmo directly and indirectly.

Taxonomy Regulation

As a classification system establishing a list of environmentally sustainable economic activities, the EU Taxonomy was adopted to address greenwashing by enabling market participants to identify and invest in sustainable assets and help shift investments where they are most needed. The Taxonomy Regulation sets out four overarching conditions that an economic activity has to meet in order to qualify as environmentally sustainable. It establishes six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems. Pursuant to the Taxonomy Regulation and its delegated acts, companies in scope will have to disclose the proportion of environmentally sustainable economic activities in their business activities. Befimmo has already structured the Environment commitment of the present Report according to these objectives.

Proposal for a Corporate Sustainability Reporting Directive (CSRD)

The proposal for a CSRD aims at imposing additional requirements in terms of ESG reporting to improve transparency and comparability. It would introduce a more detailed and intensified information disclosure obligation on all three aspects of ESG, according to mandatory EU sustainability reporting standards. It would further establish a mandatory audit (assurance) of the reported information and require companies to digitally “tag” the reported information, so it feeds into the European single access point. Befimmo has already analysed the gaps in its ESG reporting and is gradually putting actions into place in order to supplement the non-financial reporting.

Proposal for a Sustainable corporate governance directive

The proposal for a Sustainable corporate governance directive aims to improve the EU regulatory framework on company law and corporate governance, by introducing, amongst others, a due diligence duty towards the value chain, especially with regard to respect for human rights and take into account all stakeholders’ interests. The draft proposal is expected to be published in 2022.

Sustainable Finance Disclosure Regulation (SFDR)

The Sustainable Finance Disclosure Regulation aims at increasing transparency on sustainability among financial institutions and market participants. It provides for sustainability disclosure obligations for manufacturers of financial products and financial advisers toward end-investors, most notably regarding sustainability risks and adverse sustainability impacts. As a market participant with a significant ESG focus, Befimmo is indirectly subject to such disclosure obligations, especially in terms of reporting on its ESG initiatives towards manufacturers of financial products and financial advisers.

Fit for 55 package

The Fit for 55 package refers to all regulatory initiatives linked to the EU's target of reducing net greenhouse gas emissions by at least 55% by 2030. As an owner of a large property portfolio, Befimmo has a role to play. For the past years, the Company has already been working on reducing its portfolio emissions through ambitious targets. It will continue its efforts to reduce emissions by adopting the Science Based Target approach.

2030 Action Plan

Environmental targets

SDGs	Ambition	Action	Result 2021	Target	Timeframe
13	Contribute to climate change mitigation	Reduce the absolute scope 1 & 2 GHG emissions (vs 2018)	26%	50%	2030
13	Contribute to climate change mitigation	Reduce the specific scope 1 & 2 GHG emissions (vs 2018)	Increase of 21%	50%	2030
13	Contribute to climate change mitigation	Reduce on 2/3 of absolute scope 3 GHG emissions (until 2030)	New objective	2.5% per year (vs 2018)	2030
13	Contribute to climate change mitigation	Increase green electricity consumption of landlord-controlled buildings	88%	100%	2023
7, 13	Contribute to climate change mitigation	Increase renewable installed capacity	1 124 kWp	2 200 kWp	2025
13	Contribute to climate change mitigation	Reduce energy intensity of landlord-controlled buildings (vs 2018)	175 kWh/m ²	95 kWh/m ²	2030
13	Contribute to climate change adaptation	Align with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)	Ongoing	Fully aligned	2023
6	Contribute to the sustainable use and protection of water	Reduce water consumption	175.8 l/m ²	226.5 l/m ²	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 ²	84%	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 ²	100%	100%	Permanent target
9	Use certification systems to deliver sustainable assets	Obtain "In-Use" certifications for buildings	2.8%	35%	2022
9	Use certification systems to deliver sustainable assets	Cover the eligible portfolio with an energy performance certificate	65%	100%	2022
9	Create innovative and sustainable buildings	Create innovative projects ² ; promote sustainability, technical, and technological improvements	84%	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	67%	100%	2030
11	Provide buildings accessible through sustainable transport systems	Equip the parking spaces with charging points	5%	100%	2030
12	Reduce the environmental impact of the team	Reduce paper use by asking for electronic incoming invoices	88%	100%	2022
12	Reduce the environmental impact of the team	Reduce paper use by sending electronic outgoing invoices	91%	100%	2022
11	Reduce the environmental impact of the team	Promote a flexible and sustainable mobility	24%	40%	2025
12	Reduce the environmental impact of the team	Reduce waste by composting organic waste and sorting of waste	Not measured	0 kg/FTE	2030

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

2 Projects: committed ongoing (re)development projects (Paradis Express, ZIN).

Social targets

SDGs	Ambition	Action	Result 2021	Target	Timeframe
3, 4, 5, 8, 10	Take care of the team and the community	Increase the overall team satisfaction	89%	95%	Permanent target
3, 4, 5, 8, 10	Take care of the team and the community	Increase workload satisfaction	4.2/10	8/10	Permanent target
3, 4, 5, 8, 10	Take care of the team and the community	Improve work-life balance	6/10	8/10	Permanent target
1, 3, 4	Take care of the team and the community	Promote participation to transverse working groups	50%	75%	2030
3, 8	Build and animate communities	Extend the coworking network and meeting opportunities	34 900 m ²	51 800 m ² 85 000 m ²	2023 2025
3, 9	Improve comfort, security and safety	Reduce the number of incidents involving people	0	2	Permanent target
3, 9	Improve comfort, security and safety	Improve safety through inspections on fire prevention, lifts, electricity and heating	87%	100%	Permanent target
3	Improve comfort, security and safety	Decide on a method to rate the overall satisfaction of tenants	New objective	80% or NPS of 8/10	2023
11	Integrate buildings into cities	Open up buildings to the city and its community	100%	100%	2030
4, 10	Integrate buildings into cities	Be in dialogue with the different stakeholder groups	100%	100%	2021

Governance targets

SDGs	Ambition	Action	Result 2021	Target	Timeframe
5, 10, 16	Behave ethically	Create new Human Rights policy	Ongoing	Published	2022
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	2024
12	Adopt a due diligence strategy	Receive the new code of conduct signed by the suppliers	New objective	100%	2023
12	Adopt a due diligence strategy	Assess significant ¹ suppliers on ESG aspects	New objective	100%	2024
4, 12	Adopt a due diligence strategy	Engage significant ¹ suppliers on ESG aspects	New objective	100%	2030
17	Promote green investment opportunities	Implement a Sustainability Linked Loan Framework	New objective	Implemented	2022
17	Maintain a transparent communication	Participate in voluntary investor assessments on an annual base	3	Min. 2	Permanent target

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

Limited assurance report

Independent assurance report on selected environmental, social and governance performance indicators published in the document "Annual Financial report" of Befimmo SA for the year ended 31 December 2021

To the board of directors

We have been engaged to conduct a limited assurance engagement on selected environmental, social and governance performance indicators ("the ESG KPI's") published in the document "Annual Financial report" of Befimmo SA (the "Company") for the year ended 31 December 2021 ("the Document"). The ESG KPI's have been defined following the Best Practices Recommendations of the "European Public Real Estate Association" (EPRA) regarding sustainable development reporting (EPRA sBPR on Sustainability Reporting, 3rd version). The ESG KPI's have been selected by Befimmo and are identified with the symbol ✓ in the tables¹ as mentioned on pages 53-93, 116-118 and 244-275 of the Document.

Based on our work as described in this report, nothing has come to our attention that causes us to believe that the ESG KPI's related to Befimmo SA identified with the symbol ✓ in the Document, have not been prepared, in all material respects, in accordance with EPRA Best Practices Recommendations on Sustainability Reporting (3rd version), (the "EPRA sBPR on Sustainability Reporting").

Responsibility of the board of directors

The board of directors of the Company is responsible for the preparation of ESG KPI's and the references made to it presented in the Document as well as for the declaration that its reporting meets the requirements of the EPRA sBPR on Sustainability Reporting. This responsibility includes the selection and application of appropriate methods for the preparation of the ESG KPI's, for ensuring the reliability of the underlying information and for the use of assumptions and reasonable estimations. Furthermore, the board of directors is also responsible for the design, implementation and maintenance of systems and procedures relevant for the preparation of the ESG KPI's that is free from material misstatement, whether due to fraud or error.

Nature and scope of our work

Our responsibility is to express a conclusion on the ESG KPI's based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 *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 ESG KPI's have not been prepared, in all material respects, in accordance with the applicable criteria.

We apply International Standard on Quality Control 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.

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the ESG KPI's 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.

The scope of our work has been limited to the ESG KPI's covering the year 2021 and includes only the environmental performance indicators of the buildings and the social and governance indicators retained within the reporting scope defined by Befimmo SA and its subsidiaries Befimmo Property Services SA, Fedimmo SA, Meirfree SA, Vitalfree SA, Axento SA, Kubissimmo SARL, Loi 52 SA, ZIN in Noord SA, ZIN in Noord 2025 SA and Silversquare Belgium SA.

As indicated in the Document (chapter "EPRA Best practices — EPRA Sustainable Performance Indicators"), the scope of reporting for environmental performance indicators for the Company's properties corresponds to all EPRA sBPR indicators. The perimeter per indicator is presented in the EPRA sBPR Tables of the chapter "Non-Financial Statements".

Our work was performed on the data gathered and retained in the reporting scope by Befimmo SA. Our conclusion covers therefore only these ESG KPI's and not all information included in the Document.

The scope of our work included, amongst others the following procedures:

- Obtaining an understanding of the Company's business, including internal control relevant to collection of the information used to prepare the ESG KPI's. This included discussions with the Company's management responsible for operational performance in the areas responsible for the data underlying the ESG KPI's, identified with the symbol ✓ in the tables as mentioned on pages 53-93, 116-118 and 244-275 of the Document.
- Considering the risk of material misstatement of the ESG KPI's;
- Performing analytical procedures; and
- Examining, on a sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of these ESG KPI's.

Our report is made solely to the Company's board of directors, as a body, in accordance with ISAE 3000. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's board of directors for our work, this report, or for the conclusions we have formed.

Independence

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 behavior, and with the Belgian legal and regulatory framework.

Signed at Zaventem on 21 March 2022.

Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises BV/SRL
Represented by Rik Neckebroeck

¹ The complete and detailed tables are published on the website of Befimmo (www.befimmo.be)

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General information.



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Befimmo



Identification

NAME

Befimmo SA, a public BE-REIT (SIR/GVV) incorporated under Belgian law.

REGISTERED OFFICE, WEBSITE AND E-MAIL

Cantersteen 47 in 1000 Brussels
Tel.: +32 (0)2 679 38 60

Its website is: www.befimmo.be

The company's e-mail address is: contact@befimmo.be.

LEGAL FORM

Société Anonyme (Limited-Liability Company).

FOUNDING

Befimmo SA was founded on 30 August 1995 as a Limited-Liability Company under the name "Woluwe Garden D" by a deed executed before Gilberte Raucq, notary public in Brussels. The Company was later converted into a Société en Commandite par Actions (Partnership Limited by Shares), with the name "Befimmo", on 24 November 1995, again by a deed executed before 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 executed before notary Damien Hissette. For further information, please see the Annual Financial Report 2012.

The articles of association have been amended several times, most recently on 18 May 2021. The coordinated articles of association are available on the Befimmo SA website: www.befimmo.be/en/who-we-are/about-befimmo/group-structure.

DURATION

Befimmo SA has been established for an unlimited duration.

REGISTER OF CORPORATE BODIES

Befimmo SA is entered in the Register of Corporate Bodies under number O 455 835 167.

RECORDING PLACE

Brussels.

OBJECT (ARTICLE 4 OF THE ARTICLES OF ASSOCIATION)

4.1. The company has as exclusive object:

- (a) making real estate available to users directly or through a company in which it holds a participation in accordance with the provisions of the BE-REIT regulation, and;
- (b) within the limits set out by the BE-REIT regulation, hold real estate assets listed in article 2, 5°, i) to xi) of the BE-REIT law.

By real estate is meant:

- i. real estate as defined in articles 517 and following of the Civil Code and the rights in rem over real estate, excluding real estate of a forestry, agricultural or mining nature;
- ii. shares with voting rights issued by real estate companies whose more than 25% of the capital is held directly or indirectly by the company;
- iii. option rights on real estate;
- iv. shares of public regulated real estate companies or institutional regulated real estate companies, provided in the latter case that more than 25% of the capital is held directly or indirectly by the company;
- v. the rights arising from contracts giving one or more goods in finance-lease to the company or providing other similar rights of use;

- vi. shares in public and institutional real estate investment companies;
- vii. shares in foreign real estate funds included in the list referred to in article 260 of the act of 19 April 2014 on alternative investment funds and their managers;
- viii. shares in real estate funds established in another member state of the European Economic Area not included in the list referred to in article 260 of the act of 19 April 2014 on alternative investment funds and their managers, to the extent that they are subject to supervision equivalent to the supervision that is applicable to public real estate investment companies;
- ix. shares issued by companies (i) with legal personality; (ii) under the law of another member state of the European Economic Area; (iii) which shares are admitted, or not, to trading on a regulated market and are subject, or not, to prudential supervision; (iv) whose main activity consists in acquiring or building real estate in order to make it available to users, or the direct or indirect holding of participations in certain types of entities with a similar activity; and (v) that are exempt of income tax on profits in respect of the activity referred to in (iv) above subject to compliance with certain requirements, at least pertaining to the legal obligation to distribute part of their income to their shareholders (the Real Estate Investment Trusts, or "REITs");
- x. real estate certificates referred to in article 4, 7° of the Act of 11 July 2018;
- xi. shares of FIIS/GVBF.

Real estate assets referred to in article 4.1., (b), subparagraph 2, (vi), (vii), (viii), (ix) and (xi) above that constitute shares in alternative investment funds within the meaning of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on management of alternative investment funds and amending Directives 2003/41/EC and 2009/65/EC and the Regulation (EC) n° 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies and (EU) N° 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European supervisory authority (European Securities and Markets Authority) amending decision n° 716/2009/EC and repealing Commission Decision 2009/77/EC cannot be qualified as voting shares issued by real estate companies regardless of the amount of the shareholding held directly or indirectly by the company.

- (c) enter into, in the long term, where appropriate in collaboration with third parties, directly or through a company in which it holds a shareholding in accordance with the regulation, with a public contracting authority or adhere to one or many:
 - (i) DBF contracts ("Design, Build, Finance"),
 - (ii) DB (F) M contracts ("Design, Build, (Finance) and Maintain");
 - (iii) DBF(M)O contracts ("Design, Build, Finance, (Maintain) and Operate"); and / or
 - (iv) contracts for public works concessions relating to buildings and / or other real estate infrastructures and to services relating thereto, and on the basis of which:
 - the company is responsible for the provision, maintenance and / or operation for a public entity and / or citizens as end-users, in order to satisfy a social need and / or to allow the offer of a public service; and
 - the company, without necessarily having rights in rem, can assume, in whole or in part, the financing risks, the availability risks, the demand risks and / or the operational risks, as well as the risk of building;
- (d) ensure in the long-term, as the case may be in collaboration with third parties, directly or through a company in which it has a shareholding in accordance with the BE-REIT regulation, the development, establishment, management, and operation, with the possibility of outsourcing these activities:
 - (i) storage installations and facilities for the transport, distribution or storage of electricity, gas, fossil or non-fossil fuels, and energy in general, including assets related to such infrastructures;
 - (ii) installations for the transport, distribution, storage or purification of water, including assets related to such infrastructures;
 - (iii) facilities for the generation, storage and transport of renewable energy or not, including assets related to such infrastructures; or
 - (iv) incinerators and landfills, including assets related to these infrastructures.
- (e) initially hold less than 25% in the capital of a company in which the activities referred to in this article 4.1. (c) are carried out, provided that such shareholding is converted by transfer of shares, within a period of two years, or any other longer period required by the public entity with which the contract is entered into, and after the end of the phase of constitution of the PPP project (within the meaning of the BE-REIT regulation), in a participation which is in accordance with the BE-REIT regulation.

In the context of the making available of real estate, the company can, in particular, exercise all activities related to the construction, rebuilding, renovation, development, acquisition, disposal, management and exploitation of real estate.

- 4.2. On an ancillary or temporary basis, the company may make investments in securities which are not real estate within the meaning of the BE-REIT regulations. These investments will be made in compliance with the risk management policy adopted by the company and will be diversified in a way to ensure an adequate risk diversification. The company can also hold unallocated liquidities, in any currency, in the form of cash or term deposit or in any instrument of the monetary market that can be easily mobilised.

The company may also trade in hedging instruments, with the exclusive aim to hedge the interest rate and exchange risk in the context of the financing and management of the activities of the company referred to in article 4 of the BE-REIT law and with the exclusion of any transaction of a speculative nature.

- 4.3. The company may take or give one or more real estate assets in finance-lease. The activity of giving real estate assets in finance-lease with a purchase option can only be carried out in ancillary order, save where these real estate assets are intended for the public interest including social housing and education (in which case the activity can be carried out as a primary activity).
- 4.4. The company may by way of a merger or otherwise, take an interest in all businesses, undertakings or companies having a similar or related object and which are of a nature that favours the development of its business, and, in general, to do all transactions that are directly or indirectly linked to its object as well as all acts that are useful or necessary for the realisation of its object.

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 Company Court, at the office and on the Befimmo website: www.befimmo.be/en/who-we-are/about-befimmo/group-structure.
- > The annual accounts will be deposited at the Banque Nationale de Belgique and may be consulted at the Clerk's Office of the Brussels Company Court.
- > The annual accounts as well as the relative reports of Befimmo SA are sent every year to registered shareholders as well as to any other person requesting a copy.
- > They are also available on the Befimmo website: www.befimmo.be/en/investors/publications.
- > Decisions concerning the appointment and termination of the mandates of the members of the Board of Directors of Befimmo SA are published in the Annexes to the Belgian Official Gazette.
- > Invitations to General Meetings are published in the Annexes to the Belgian Official Gazette and in two daily financial newspapers with nationwide distribution. These notices and all documents relating to General Meetings may be consulted on the Befimmo website: <http://www.befimmo.be/en/investors/general-meetings>.
- > Financial notices concerning Befimmo SA are published in the financial press and are sent to Euronext. They may also be consulted on the Befimmo website at 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 2021, the capital totalled €413,276,840.12. It is represented by 28,445,971 fully paid no-par-value shares.

AUTHORISED CAPITAL

The Board of Directors is authorised to increase the capital, in one or several transactions, on the dates and pursuant to the terms and conditions to be determined by it, for a maximum amount of :

- 1^o) €205,135,237.71 if the capital increase to be implemented is a capital increase by contribution in cash (i) with preferential subscription right for the shareholders of the company, as foreseen in articles 7:188 and following of the Code of Companies and Associations, or (ii) with irreducible allocation right for the shareholders of the company, as foreseen in article 26, §1, subparagraphs 1 and 2 of the BE-REIT law;

2*) €41,027,047.54 if the capital increase to be implemented is a capital increase in the context of the payment of an optional dividend;

3*) €41,027,047.54 for all other forms of capital increases which are not referred to in sections 1*) and 2*) above;

with the understanding that, in any event, the capital may never be increased, within the framework of the authorised capital, by more than €287,189,332.79.

Subject to the same conditions, the Board of Directors is authorised to issue convertible bonds or subscription rights.

This authorisation is granted for five years from 27 December 2019 and may be renewed.

Capital increases may be performed as a cash contribution, a contribution in kind or by the incorporation of reserves.

As at 31 December 2021, the authorised capital amounts €287,189,332.79.

CHANGES TO THE CAPITAL SINCE 31.12.2016

The following table shows the changes in capital since 31 December 2016.

The complete history of changes to capital is set out in article 48 of the articles of association.

	Amount (in €)	Number of shares
As at 31 December 2016	371 627 206.35	25 579 214
As at 31 December 2017	371 627 206.35	25 579 214
As at 31 December 2018	371 627 206.35	25 579 214
As at 19 December 2019	413 276 840.12	28 445 971
As at 31 December 2019	413 276 840.12	28 445 971
As at 31 December 2020	413 276 840.12	28 445 971
As at 31 December 2021	413 276 840.12	28 445 971

SHAREHOLDER STRUCTURE

The Company applies a statutory threshold of 3% for the application of the legal rules relating to notification of large holdings in issuers whose shares are admitted for trading on a regulated market.

According to the transparency notifications received, the share ownership of Befimmo SA is structured as follows:

	Number of shares (declared)	Date of the statement	In %
Declarants			
AXA Belgium SA	2 741 438	30.04.2019	9.6%
Ageas and affiliated companies	2 641 047	30.04.2019	9.3%
Sand Grove Capital Management	1 212 205	01.03.2022	4.3%
BlackRock Inc.	848 297	20.11.2019	3.0%
Own shares			
Befimmo SA	1 442 476	25.02.2022	5.1%
Other shareholders under the statutory threshold	19 560 508	01.03.2022	68.8%
Total	28 445 971		100%

This data is based on the transparency declarations or based on the information received from the shareholder.

Befimmo SA is not aware of the existence of shareholder agreements.

The shareholders do not dispose of different voting rights.

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 Company Court, at Befimmo's registered office and on the website: www.befimmo.be/en/befimmo/group-structure.

Société Anonyme (Limited-Liability Company)

The Extraordinary General Meeting of 20 December 2012 approved the conversion of Befimmo SCA into a Société Anonyme (Limited-Liability Company).

Subsidiaries

As at 31 December 2021, Befimmo SA directly or indirectly held 100% of the shares of Fedimmo SA (itself the parent company of Zin in Noord 2025), 100% of the shares of Meirfree SA, 100% of the shares of Vitalfree SA, 100% of the shares of Axento SA, 100% of the shares of Befimmo Property Services SA, 100% of the shares of Loi 52 SA; 100 % of the shares of Kubissimmo Sarl and 75.6% of the shares of Silversquare Belgium SA (itself the parent company of Silversquare Luxembourg SA). Befimmo is also the controlling shareholder of Zin in Noord SA, which is 64.1% owned by Befimmo SA and 35.9% by Fedimmo SA.

Name and qualifications of the real-estate experts

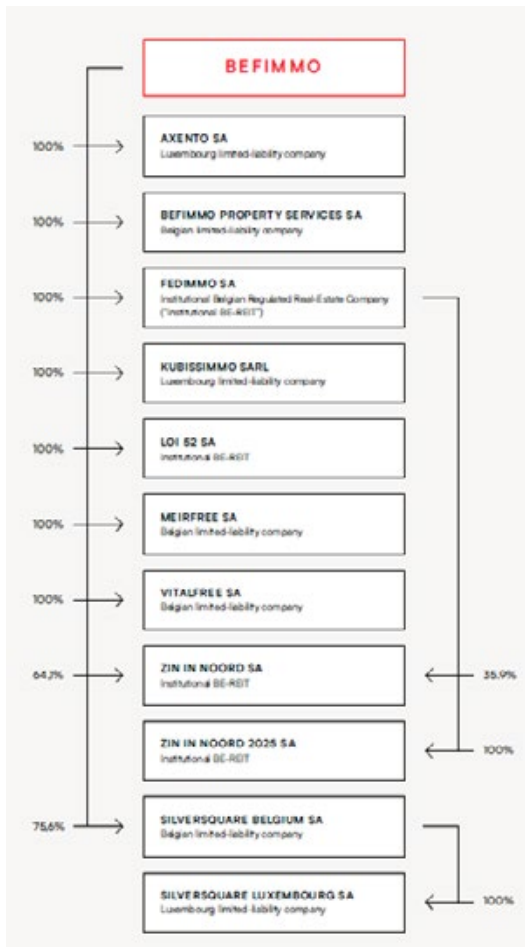
For fiscal year 2021, Befimmo used three real-estate experts: Mr Rod P. Scrivener (Jones Lang LaSalle Sprl), Mr Ardalan Azari (Cushman & Wakefield) and Mr Pieter Paepen (CBRE Valuation Services SPRL). Mr Rod P. Scrivener also has the task of coordinating the valuations.

These mandates were granted in accordance with the provisions of the Royal Decree of 13 July 2014. The three-year mission ran 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 31 December 2021, the group structure is as following:



Befimmo’s subsidiaries are Belgian companies, except for Axento SA and Kubissimmo Sarl, which are Luxembourg companies.

Public BE-REIT

Since 2014, Befimmo is a BE-REIT (SIR/GVV). The BE-REIT 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 as possible while enjoying certain advantages.

The BE-REIT is monitored by the Financial Services and Markets Authority (FSMA) and subject to specific regulations. The main rules are as follows:

- > it must have the status of “Société Anonyme” or “Société en Commandite par Actions”;
- > it must be listed on the stock exchange;
- > borrowings may not exceed 65% of total assets at market value;
- > there are strict rules relating to conflicts of interest;

- > it must keep accounting according to IFRS standards, with notably the assignment at market value of the property portfolio;
- > the real-estate assets must be valued every quarter by independent real-estate experts;
- > the risk must be diversified: no more than 20% of the assets may be invested in only one property complex;
- > a reduced base for corporation tax provided that at least 80% of "cash flows" are distributed (calculated on the basis of article 13 of the Royal Decree of 13 July 2014);
- > a withholding tax¹ of 30% is deducted when paying out dividends.

This set of rules is designed to minimise the risk incurred.

Institutional BE-REIT

Fedimmo SA, Zin in Noord SA, Zin in Noord 2025 SA and Loi 52 SA (100% subsidiaries of Befimmo SA (directly or indirectly)) are institutional BE-REITs.

The main features of the institutional BE-REIT are:

- > holdings of at least 25% by a public BE-REIT;
- > registered shares held by institutional investors;
- > no requirement for diversification or debt ratio (consolidated at the level of the public BE-REIT);
- > compulsory distribution of a dividend at a minimum of 80% of the "cash flows" (calculated on the basis of article 13 of the Royal Decree of 13 July 2014);
- > no obligation to appoint a real-estate expert, the real-estate assets being valued by the expert of the public BE-REIT;
- > statutory accounts prepared in accordance with IFRS standards (same accounting scheme as the public BE-REIT);
- > strict rules regarding conflicts of interest;
- > subject to FSMA control.

Typical investor profile

The profile of a typical Befimmo investor is a private or institutional investor wishing to make an investment in office property, mainly in Belgium.

The share ownership structure is set out before.

Statements

PERSONS RESPONSIBLE FOR THE CONTENT

Mr Jean-Philip Vroninks, Managing Director, and Mrs Martine Rorif, Chief Operating Officer, declare for and on behalf of Befimmo SA, that to the best of their knowledge:

- (a) the financial statements, prepared in accordance with the applicable accounting standards, give an accurate picture of the assets, financial situation and the results of the Company and the businesses included in the consolidation;
- (b) the Annual Financial Report contains an accurate account of the development of the business, results and situation of the Company and the businesses included in the consolidation, as well as the description of the main risks and uncertainties which the Company is facing.

Mr Jean-Philip Vroninks and Mrs Martine Rorif declare that, to the best of their knowledge, there is no omission likely to affect the import of information in this Report.

¹ Withholding tax rate applicable from 1 January 2017.

STATEMENT REGARDING THE DIRECTORS AND THE MEMBERS OF EXECUTIVE COMMITTEE

The Board of Directors of Befimmo SA hereby declares that:

- > none of the Directors or members of the Executive Committee has been convicted in relation to fraudulent offences for the previous five years;
- > none of the Directors or members of the Executive Committee, in these capacities or as the founder of a company, has been associated with a bankruptcy, receivership or liquidation in the last five years;
- > there has been no official public incrimination and/or sanctions of a Director or a member of the Executive Committee by statutory or regulatory authorities;
- > no Director or member of the Executive Committee has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years;
- > no family relationship exists between such persons;
- > no contract of employment or management agreement has been concluded with the Directors or the members of the Executive Committee providing for benefits upon termination of employment, save as mentioned in the section "Corporate Governance Statement" of this Report;
- > the Directors and members of the Executive Committee do not hold shares in Befimmo SA, except for Mr Benoît De Blicq (1,000 shares), Mr Jean-Philip Vroninks (1,250 shares) and Mrs Aminata Kaké (50 shares);
- > so far no options over Befimmo SA shares have been granted.

INFORMATION FROM THIRD PARTIES¹

The real-estate experts Rod P. Scrivener (JLL), Ardañan 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.

The Statutory Auditor has agreed to the inclusion of its report of 25 March 2022 in this Annual Financial Report on the consolidated accounts closed as at 31 December 2021 and of its report on forecasts of 25 March 2022.

Deloitte has agreed to the inclusion of its limited review on selected environmental performance indicators of 21 March 2022.

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.

HISTORICAL FINANCIAL INFORMATION REFERRED TO BY REFERENCE

The Annual Financial Reports of the past five years, which includes the annual statutory and consolidated accounts and the Statutory Auditor's reports, as well as the Half-Yearly Financial Reports can be consulted on the website of the Company: www.befimmo.be.

¹ Please consult the chapter "Corporate governance statement — Other stakeholders" on page 162 of the Report for the identity of the Statutory Auditor and the real-estate experts.

The Annual Financial Reports related to the two previous fiscal years are incorporated by reference.

Information referred to by reference	Documents	Section
Financial information	Annual Financial Report 2020	- Key figures (p. 37) - Financial report (pp. 70-77) - Property report (pp. 43-69) - Financial statements (pp. 151-212)
	Annual Financial Report 2019	- Key figures (p. 38) - Financial report (pp. 76-84) - Property report (pp. 44-75) - Financial statements (pp. 150-208)
Dividend	Annual Financial Report 2020	- Key figures (p. 37)
	Annual Financial Report 2019	- Key figures (p. 38)
Investments	Annual Financial Report 2020	- Property report (pp. 43-69)
	Annual Financial Report 2019	- Property report (pp. 44-75)
Main markets	Annual Financial Report 2020	- Office property markets (p. 44) - Segment information (pp. 164-165)
	Annual Financial Report 2019	- Office property markets (p. 45) - Segment information (pp. 164-165)
Operations with related parties	Annual Financial Report 2020	- Corporate governance statement (pp. 112-150, in particular the remuneration report, pp. 135-140) - Related-party transactions (p. 202)
	Annual Financial Report 2019	- Corporate governance statement (pp. 120-149, in particular the remuneration report, pp. 139-141) - Related-party transactions (p. 198)

UNIVERSAL REGISTRATION DOCUMENT

This universal registration document (URD) has been filed with the Belgian Financial Services and Markets Authority (FSMA), as the competent authority in accordance with Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of Regulation (EU) 2017/1129.

The universal registration document may be used for the purpose of an offer to the public of securities or the admission of securities to trading on a regulated market provided that it has been approved by the FSMA, together with any amendments and a securities note and summary approved in accordance with Regulation (EU) 2017/1129.

ESG responsibility

GENERAL INFORMATION

Contact person & further information

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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 can be found in the Chapter "EPRA Best Practices" 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 ESG chapter of this Report.

Reporting period

This Report covers activities over the 2021 fiscal year. The perimeter is as at 31 December 2021.

Reporting perimeter and changes since 1 January 2021

The scope of the company changed during fiscal year 2021 owing to:

- > 2021 acquisitions (Cubus building, Esprit Courbevoie and three floors in the Antwerp Tower)
- > H2 2020 disposals (Blue Tower, Media, Schuman 3 and 11, Froissart and Guimard)
- > 2021 disposals (Wiertz building, the residential parts of the Paradis Express, Planet 2 building and 6 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, Meifree SA, Vitalfree SA, Axento SA, Kubissimmo SARL, 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.

07

Appendices.



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Befimmo



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).

BREEAM DESIGN

Refurbishment and renovation work. The extraction and use of resources to create materials and products during renovation (and construction) work are among the greatest causes of direct environmental impact in the real-estate sector. Ecological impact, such as loss of biodiversity, greenhouse-gas emissions and waste, can be effectively reduced by recycling and dismantling.

One requirement of BREEAM certification, which Befimmo systematically implements for its major renovation projects, is to keep up-to-date data on the use of natural resources and recycled materials. But a building's environmental performance is also determined at the Design stage. The adoption of an eco-design approach from the initial phase, in consultation with the architects and consultancy bureaux, also extends the building's potential commercial life.

BREEAM IN-USE

BREEAM In-Use certification is in line with the requirement for continuous improvement of the ISO 14001 standard. This is a valuable tool that validates Befimmo's efforts to improve the sustainability of the buildings in its portfolio. The initial performance of the buildings is first measured, for the building itself (Asset) and for its management (Management). Among other things, this certification requires consumption data to be monitored. The validation of the resulting data is an important step towards achieving correct benchmarking figures.

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.

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).

DCF (DISCOUNTED CASH FLOW)

Method for evaluating cash flows.

DEALING CODE

Document including the main legal duties and internal procedures applicable to the Directors, the members of the Executive Committee and any other person who may dispose of inside information due to its implication in the preparation of a determined operation.

DEBT RATIO

$$\frac{[\text{Liabilities} - \text{provisions} - \text{other financial liabilities (permitted hedging liability instruments)} - \text{deferred tax liabilities} - \text{accruals}]}{[\text{total balance sheet assets} - \text{permitted hedging instruments, booked to the assets side of the balance sheet}]}$$

This ratio is calculated in accordance with the Royal Decree of 13 July 2014.

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 €450 billion in real-estate assets (www.epra.com).

EPRA EARNINGS

Earnings from operational activities. For more information, consult page 106 of this Report. (Alternative Performance Measure)

ESTIMATED RENTAL VALUE (ERV)

The estimated rental value of vacant premises as reviewed by the real-estate expert.

EX-DATE

The date a coupon is detached.

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 CAP)/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 6 APRIL 2010

Law on market practices and consumer protection.

LAW OF 12 MAY 2014

Law on BE-REITs (SIR/GVV).

LAW OF 22 OCTOBER 2017

Law on miscellaneous fiscal provisions, modifying the law of 12 May 2014 on BE-REITs (SIR/GVV).

LTV (LOAN-TO-VALUE)

$LTV = \frac{\text{nominal financial debts} - \text{cash}}{\text{fair value of portfolio}}$. (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.

NAV (NET ASSET VALUE)

Net asset value of the shareholder’s equity.

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). (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.

PURE PLAYER

An investor specialising in a single geographical or business segment.

RATING

Befimmo’s credit rating assigned by the Standard & Poor’s rating agency.

RECORD DATE

The record date is the date on which a shareholder must hold securities in order to be entitled to payment of the dividend for the securities held at that date.

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.

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.

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 CURRENT 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.

CURRENT GROSS 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.

SPOT OCCUPANCY RATE OF PROPERTIES AVAILABLE FOR LEASE

The ratio between the estimated rental value of space occupied at the balance sheet date and the total estimated rental value of properties available for lease.

WEIGHTED AVERAGE DURATION OF CURRENT LEASES UNTIL THEIR NEXT BREAK OF PROPERTIES AVAILABLE FOR LEASE

The ratio of (i) the sum of the gross current rents from lease agreements for each lease of properties available for lease multiplied by their respective remaining duration from the balance sheet date to their next break and (ii) the total gross current rent from lease agreements of properties available for lease.

WEIGHTED AVERAGE DURATION OF CURRENT LEASES UNTIL FINAL EXPIRY OF PROPERTIES AVAILABLE FOR LEASE

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 UP TO NEXT BREAK OF INVESTMENT PROPERTIES

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 UP TO FINAL EXPIRY OF INVESTMENT PROPERTIES

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 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 ALTERNATIVE PERFORMANCE MEASURES

NET RENTAL RESULT IN "LIKE-FOR-LIKE"

(in thousand €)	31.12.2021	31.12.2020
Net rental result (A)	119 947	130 782
Net rental result linked to changes in perimeter (B)	7 445	19 329
Net rental result on properties not available for lease (C)	8 937	4 074
Non-recurring element to extract from the "Like-for-Like" (D)	-1 018	3 751
Net rental result in "Like-for-Like" (A-B-C-D)	104 584	103 628

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 €)	31.12.2021	31.12.2020
Net result (A)	89 663	58 446
XVIII. Changes in fair value of investment properties (B)	5 520	759
XXIII. Changes in fair value of financial assets and liabilities (C)	30 579	-17 682
Changes in the share in the profit or loss of investments accounted for using the equity method (D)	-9 775	-2 373
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)	63 339	77 742

FINANCIAL RESULT (EXCL. THE CHANGES IN FAIR VALUE OF THE FINANCIAL ASSETS AND LIABILITIES AND CLOSE-OUT COSTS)

(in thousand €)	31.12.2021	31.12.2020
Financial result (A)	15 003	-37 154
XXIII. Changes in fair value of financial assets and liabilities (B)	30 579	-17 682
Close-out costs	-458	-1
Financial result (excl. the changes in fair value of the financial assets and liabilities and close-out costs) (A-B)	-15 117	-19 471

OPERATING MARGIN

(in thousand €)	31.12.2021	31.12.2020 (restated)	31.12.2020 (not restated)
Operating result before result on portfolio (A)	80 342	99 828	97 987
Net rental result (B)	119 947	130 782	130 782
Operating margin (A/B)	67.0%	76.3%	74.9%

NET PROPERTY CHARGES

(in thousand €)	31.12.2021	31.12.2020
IV. Recovery of property charges	12 127	16 083
V. Recovery of rental charges and taxes normally paid by tenants on let properties	22 039	25 469
VII. Rental charges and taxes normally paid by tenants on let properties	-22 803	-26 051
VIII. Other revenue and charges for letting	197	2 171
IX. Technical costs	-16 055	-18 520
X. Commercial costs	-2 824	-1 736
XI. Charges and taxes on unlet properties	-2 790	-1 867
XII. Property management costs	-3 049	-2 830
XIII. Other property charges	-4 843	-7 928
Net property charges	-18 001	-15 208

CORPORATE TAXES (EXCL. DEFERRED TAXES)

(in thousand €)	31.12.2021	31.12.2020
XXV. Corporate taxes (A)	-1 047	-1 079
Deferred taxes	-44	-390
Corporate taxes (excl. deferred taxes) (A-B)	-1 003	-689

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 OF THE « ALTERNATIVES PERFORMANCE MEASURES »

LOAN-TO-VALUE

(in thousand €)	31.12.2021	31.12.2020
Nominal financial debts (A)	1 161 297	1 001 620
II. F. Cash and cash equivalents (B)	2 022	2 439
I. C. Investment properties (D) ¹	2 822 806	2 692 393
II. A. Assets held for sale (E)	13 133	21 581
Fair value of portfolio at the closing date (C = D+E)	2 835 939	2 713 974
Loan-to-value (A-B)/C	40.9%	36.8%

AVERAGE (ANNUALISED) FINANCING COST

(in thousand €)	31.12.2021	31.12.2020
Interest paid	19 416	22 643
Annualised interest paid (A)	19 416	22 643
Annualised nominal financial debts (B)	1 058 729	1 126 483
Average (annualised) financing cost (A/B)	1.8%	2.0%

TOTAL RETURN ON SHAREHOLDERS' EQUITY (IN € PER SHARE AND IN %)

	31.12.2021	31.12.2020
Total return on shareholders' equity (in € per share)	3.33	2.11
Total return on shareholders' equity (in %)	5.7%	3.6%

¹ Excluding rights of use lease agreements for office space and rights to use land (IFRS 16).

Appendix IV: Articles of Association

TITLE ONE: CHARACTER OF THE COMPANY — NAME — PARTNERS - REGISTERED OFFICE - TERM — OBJECT

ARTICLE 1: CHARACTER — NAME

The company took the legal form of a limited liability company (société anonyme/naamloze vennootschap), under the name "BEFIMMO".

The company is a BE-REIT, as set forth in articles 2, 2° of the law of 12 May 2014 concerning BE-REITs (hereafter, the "BE-REIT law"), whose shares are admitted to trading on a regulated market and who raises its financial means, in Belgium or abroad, by means of a public offering of shares.

The company name is preceded or followed by the words "public regulated real estate company under Belgian law" or "public BE-REIT under Belgian law" and all the documents produced by the company contain the same words.

It is governed by the BE-REIT law and the royal decree of 13 July 2014 relating to BE-REITs (hereafter called the "BE-REIT RD") (this act and this royal decree being referred to together as the "BE-REIT regulation")."

ARTICLE 2: REGISTERED OFFICE, E-MAIL ADDRESS AND WEBSITE

The registered office of the company is located in the Brussels-Capital Region.

The Board of Directors has the power to transfer the registered office of the company, provided that such transfer does not require a change in the language of the articles of association pursuant to the applicable language regulation. Such decision does not require the amendment of the articles of association, unless the company's registered office is transferred to another Region. In such case, the Board of Directors has the power to amend the articles of association.

If, as a result of the transfer of the registered office, the language of the articles of association must be changed, the general meeting of shareholders shall have the sole power to take such decision, taking into account the requirements applicable to the amendment of the articles of association.

In case of extraordinary events of political, military, economic or social nature that could compromise the normal operation of the registered office or smooth communication between the registered office and a foreign country, the registered office of the company may temporarily be transferred in Belgium or abroad by simple decision of the Board of Directors until complete disappearance of such abnormal circumstances. This provisional measure shall, however, have no consequence whatsoever on the nationality of the company, which will remain Belgian despite such provisional transfer of the company's registered office.

The company may, by simple decision of the Board of Directors, establish branches or agencies in Belgium as well as abroad.

The e-mail address of the company is: contact@befimmo.be.

The website of the company is: www.befimmo.be

The Board of Directors can change the company's e-mail address and website. Such change will be communicated to the shareholders in accordance with the Code of Companies and Associations.

ARTICLE 3: TERM

- 3.1. The company was incorporated by means of a deed dated 30 August 1995 for an unlimited term.
- 3.2. Without prejudice to the causes of dissolution defined by the law, the company may be dissolved by the shareholders' meeting resolving in the same manner as for amending the articles of association and in compliance with the provisions of article 43 of the articles of association.

ARTICLE 4: OBJECT

4.1. The company has as exclusive object:

- (a) making real estate available to users directly or through a company in which it holds a participation in accordance with the provisions of the BE-REIT regulation, and;
- (b) within the limits set out by the BE-REIT regulation, hold real estate assets listed in article 2, 5°, i) to xi) of the BE-REIT law.

By real estate is meant:

- i. real estate as defined in articles 517 and following of the Civil Code and the rights in rem over real estate, excluding real estate of a forestry, agricultural or mining nature;
- ii. shares with voting rights issued by real estate companies whose more than 25% of the capital is held directly or indirectly by the company;
- iii. option rights on real estate;
- iv. shares of public regulated real estate companies or institutional regulated real estate companies, provided in the latter case that more than 25% of the capital is held directly or indirectly by the company;
- v. the rights arising from contracts giving one or more goods in finance-lease to the company or providing other similar rights of use;
- vi. shares in public and institutional real estate investment companies;
- vii. shares in foreign real estate funds included in the list referred to in article 260 of the act of 19 April 2014 on alternative investment funds and their managers;
- viii. shares in real estate funds established in another member state of the European Economic Area not included in the list referred to in article 260 of the act of 19 April 2014 on alternative investment funds and their managers, to the extent that they are subject to supervision equivalent to the supervision that is applicable to public real estate investment companies;
- ix. shares issued by companies (i) with legal personality; (ii) under the law of another member state of the European Economic Area; (iii) which shares are admitted, or not, to trading on a regulated market and are subject, or not, to prudential supervision; (iv) whose main activity consists in acquiring or building real estate in order to make it available to users, or the direct or indirect holding of participations in certain types of entities with a similar activity; and (v) that are exempt of income tax on profits in respect of the activity referred to in (iv) above subject to compliance with certain requirements, at least pertaining to the legal obligation to distribute part of their income to their shareholders (the Real Estate Investment Trusts, or "REITs");
- x. real estate certificates referred to in article 4, 7° of the Act of 11 July 2018;
- xi. shares of FIIS/GVBF.

Real estate assets referred to in article 4.1., (b), subparagraph 2, (vi), (vii), (viii), (ix) and (xi) above that constitute shares in alternative investment funds within the meaning of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on management of alternative investment funds and amending Directives 2003/41/EC and 2009/65/EC and the Regulation (EC) n° 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies and (EU) N° 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European supervisory authority (European Securities and Markets Authority) amending decision n° 716/2009/EC and repealing Commission Decision 2009/77/EC cannot be qualified as voting shares issued by real estate companies regardless of the amount of the shareholding held directly or indirectly by the company.

- (c) enter into, in the long term, where appropriate in collaboration with third parties, directly or through a company in which it holds a shareholding in accordance with the regulation, with a public contracting authority or adhere to one or many:
 - (i) DBF contracts ("Design, Build, Finance");
 - (ii) DB (F) M contracts ("Design, Build, (Finance) and Maintain");
 - (iii) DBF(M)O contracts ("Design, Build, Finance, (Maintain) and Operate"); and / or
 - (iv) contracts for public works concessions relating to buildings and / or other real estate infrastructures and to services relating thereto, and on the basis of which:
 - the company is responsible for the provision, maintenance and / or operation for a public entity and / or citizens as end-users, in order to satisfy a social need and / or to allow the offer of a public service; and
 - the company, without necessarily having rights in rem, can assume, in whole or in part, the financing risks, the availability risks, the demand risks and / or the operational risks, as well as the risk of building;
- (d) ensure in the long-term, as the case may be in collaboration with third parties, directly or through a company in which it has a shareholding in accordance with the BE-REIT regulation, the development, establishment, management, and operation, with the possibility of outsourcing these activities:
 - (i) storage installations and facilities for the transport, distribution or storage of electricity, gas, fossil or non-fossil fuels, and energy in general, including assets related to such infrastructures;
 - (ii) installations for the transport, distribution, storage or purification of water, including assets related to such infrastructures;
 - (iii) facilities for the generation, storage and transport of renewable energy or not, including assets related to such infrastructures; or

- (iv) incinerators and landfills, including assets related to these infrastructures.
- (e) initially hold less than 25% in the capital of a company in which the activities referred to in this article 4.1. (c) are carried out, provided that such shareholding is converted by transfer of shares, within a period of two years, or any other longer period required by the public entity with which the contract is entered into, and after the end of the phase of constitution of the PPP project (within the meaning of the BE-REIT regulation), in a participation which is in accordance with the BE-REIT regulation.

In the context of the making available of real estate, the company can, in particular, exercise all activities related to the construction, rebuilding, renovation, development, acquisition, disposal, management and exploitation of real estate.

- 4.2. On an ancillary or temporary basis, the company may make investments in securities which are not real estate within the meaning of the BE-REIT regulations. These investments will be made in compliance with the risk management policy adopted by the company and will be diversified in a way to ensure an adequate risk diversification. The company can also hold unallocated liquidities, in any currency, in the form of cash or term deposit or in any instrument of the monetary market that can be easily mobilised.

The company may also trade in hedging instruments, with the exclusive aim to hedge the interest rate and exchange risk in the context of the financing and management of the activities of the company referred to in article 4 of the BE-REIT law and with the exclusion of any transaction of a speculative nature.

- 4.3. The company may take or give one or more real estate assets in finance-lease. The activity of giving real estate assets in finance-lease with a purchase option can only be carried out in ancillary order, save where these real estate assets are intended for the public interest including social housing and education (in which case the activity can be carried out as a primary activity).
- 4.4. The company may by way of a merger or otherwise, take an interest in all businesses, undertakings or companies having a similar or related object and which are of a nature that favours the development of its business, and, in general, to do all transactions that are directly or indirectly linked to its object as well as all acts that are useful or necessary for the realisation of its object.

ARTICLE 5: PROHIBITIONS

- 5.1. The company may not act as real estate developer in the meaning of the BE-REIT regulation.

- 5.2. Without prejudice to article 4.3 of the articles of association the company may not (a) provide credits nor (b) provide security interests or guarantees on behalf of third parties.

Regarding the application of the previous subparagraph, the proceeds owed to the company as a result of the disposal of assets shall not be taken into account provided that such proceeds are paid within usual periods.

This prohibition does not apply to loans, securities and guarantees granted by the company:

- (a) for the benefit of one or more companies in the perimeter, or to the companies referred to in article 4.1., (b), subparagraph 2, (vi), (vii), (viii), (ix) or (xi) of these articles of association in which the company holds more than 25% of the shares;
- (b) as part of the activities referred to in article 4.1., (c) and (d) of these articles of association and for the purpose of granting a bid bond or similar mechanism.

- 5.3. The company may not:

- a. participate in a firm underwriting group or a guarantee syndicate;
- b. lend financial instruments, with the exception of loans compliant to the provisions and conditions pursuant to the royal decree of 7 March 2006 on security loans granted by some investment companies;
- c. acquire financial instruments issued by a private law company or association declared bankrupt that has concluded an amicable agreement with its creditors, that is the object of a judicial reorganisation procedure, that has obtained a suspension of payments, or with respect to which has been the object of a similar measure was taken abroad;
- d. enter into agreements or provide for statutory provisions by which the voting rights in the companies in the perimeter to which it is entitled in accordance with the applicable law with a shareholding of 25% plus one share would be waived.

- 5.4. The company may not grant mortgages nor create pledges nor issue guarantees other than in the context of the financing of its activities or those of its companies in the perimeter.

The total amount covered by these mortgages, pledges or guarantees may not exceed 50% of the total fair value of the assets of the consolidated entity constituted by (i) the company, (ii) the companies that it

consolidates in accordance with IFRS rules, and (iii) if it does not consolidate them in accordance with IFRS rules, the companies in the perimeter, consolidated in accordance with article 28, § 2 of the BE-REIT law.

No mortgage, pledge or guarantee on a given asset, granted by the company or by one of its companies in the perimeter may exceed 75% of the value of the encumbered relevant property.

This restriction is not applicable to companies in the perimeter of the company carrying out an activity referred to in article 4.1, c) and d) of the articles of association, provided that the total contractual risk to which the company is exposed as regards the concerned company in the perimeter and the activity carried out by the said company in the perimeter, is limited to the amount of the direct or indirect contribution undertaking of the company in the capital of the concerned company in the perimeter, and the commitment of the company to directly or indirectly grant loans to the concerned company in the perimeter. In this case, the following are not taken into account to determine if the limit stipulated in subparagraph 2 of this article 5.4. is reached :

- mortgages, securities or guarantees granted encumbering the assets of the company in the perimeter or the shares of the company in the perimeter, in connection with the obligations of the company in the perimeter; as well as
- the value represented by the shareholding in the company in the perimeter, or, in case of consolidation, the assets of the concerned company in the perimeter, in the total fair value of the assets of the company.

TITLE TWO: CAPITAL

ARTICLE 6: CAPITAL

The capital is set at four hundred and thirteen million two hundred and seventy six thousand eight hundred and forty euros and twelve cents (EUR 413,276,840.12). It is represented by twenty-eight million four hundred and forty five thousand and nine hundred and seventy one (28,445,971) shares without nominal value, each representing an equal part of the capital, all fully paid-up.

ARTICLE 7: AUTHORISED CAPITAL

The Board of Directors is authorised to increase the capital, in one or several transactions, on the dates and pursuant to the terms and conditions to be determined by it, for a maximum amount of:

- 1°) two hundred and five million hundred thirty-five thousand two hundred thirty-seven euros and seventy-one cents (205,135,237.71 EUR), if the capital increase to be implemented is a capital increase by contribution in cash, (i) with preferential subscription right for the shareholders of the company, as foreseen in articles 7:188 and following of the Code of Companies and Associations, or (ii) with irreducible allocation right for the shareholders of the company, as foreseen in article 26, §1, subparagraphs 1 and 2 of the BE-REIT law;
- 2°) forty-one million twenty-seven thousand forty-seven euros and fifty-four cents (41,027,047.54 EUR), if the capital increase to be implemented is a capital increase in the context of the payment of an optional dividend;
- 3°) forty-one million twenty-seven thousand forty-seven euros and fifty-four cents (41,027,047.54 EUR), for all other forms of capital increases which are not referred to in sections 1°) and 2°) above;

with the understanding that, in any event, the capital may never be increased, within the framework of the authorised capital, by more than two hundred and eighty-seven million one hundred and eighty-nine thousand three hundred and thirty-two euros and seventy-nine cents (287,189,332.79 EUR).

The preferential right of the shareholders can be limited or cancelled, as the case may be, in favour of one or more specific persons, other than members of personnel, in accordance with article 9 of the articles of association.

The Board of Directors is authorised, under the same conditions, to issue convertible bonds or subscription rights, as the case may be without preferential rights and as the case may be in favour of one or more specific persons, other than members of personnel.

This authorisation is granted for a period of five years as from the date of publication in the Annexes of the Belgian Official Gazette of the minutes of the general meeting of 19 December 2019.

The authorisation is renewable.

Such capital increase(s) may be achieved by way of contribution in cash, by contribution in kind or by incorporation of reserves in accordance with the rules set forth in the Code of Companies and Associations, these articles of association and the BE-REIT regulation. The capital can also be increased by means of conversion of convertible bonds or the exercise of subscription rights — whether or not attached to another security — which may give rise to the creation of shares with voting right.

Whenever the capital increases resolved on pursuant to this authorisation involve an issue premium, the amount of such premium will be booked on one or more separate equity accounts on the liabilities side of the balance sheet.

ARTICLE 8: CAPITAL INCREASE

- 8.1. The capital of the company may be increased by resolution of the shareholders' meeting, resolving in accordance with articles 7:153 and, as the case may be, 7:155 of the Code of Companies and Associations or by decision of the manager within the framework of the authorised capital. However the company may not directly or indirectly subscribe to its own capital increase.
- 8.2. Upon any capital increase, the manager determines the rate and conditions of issuance of new shares, unless the shareholders' meeting decides on it itself.
- 8.3. Should the capital be increased with an issue premium, the amount of such premium must be fully paid-up upon subscription.

ARTICLE 9: CAPITAL INCREASE BY MEANS OF CASH CONTRIBUTION

- 9.1. Without prejudice to articles 7:188 to 7:193 of the Code of Companies and Associations and to article 26, §1, subparagraph 3 of the BE-REIT law, in the event of a capital increase by contribution in cash, the preferential subscription right may only be restricted or cancelled if an irreducible allocation right is granted to existing shareholders upon allocation of the new shares.

This irrevocable priority allocation right has the following characteristics:

- 1) it pertains to all newly issued shares;
- 2) it is granted to shareholders on a pro rata basis of the portion of the capital represented by their shares at the time of the transaction;
- 3) a maximum price per share is announced no later than the day before the opening of the public subscription period; and
- 4) the public subscription period must, in such case, be a minimum of three market days ("jours de bourse").

In accordance with the BE-REIT law, no irreducible allocation right needs to be granted to the existing shareholders in the event of the implementation of a capital increase by contribution in cash that meets the following conditions:

1° the capital increase is implemented through the use of authorised capital;

2° the cumulative amount of the capital increases implemented, over a period of 12 months, in accordance with this subparagraph, does not exceed 10% of the amount of capital at the time of the decision to increase the capital.

- 9.2. Without prejudice to compliance with articles 7:190 to 7:194 of the Code of Companies and Associations, article 9.1 of the articles of association does not apply in the case of cash contribution with restriction or denial of the preferential right combined with a contribution in kind with regard to an optional dividend distribution, provided the granting of the latter is effectively open to all shareholders.

ARTICLE 10: CAPITAL INCREASE BY MEANS OF CONTRIBUTION IN KIND - REORGANISATION

- 10.1. Capital increases by contribution in kind are subject to the rules set forth in articles 7:196 and 7:197 of the Code of Companies and Associations.
- 10.2. Contributions in kind can also pertain to the right to dividend with regard to an optional dividend distribution, with or without complementary cash contribution.
- 10.3. Thereby, in accordance with the BE-REIT regulation, the following conditions must be complied with:

1° identity of the contributor must be mentioned in the Board of Directors' report specified in article 7:197 of the Code of Companies and Associations, as well as, as the case may be, in the notice to the shareholders' meeting that will decide on the capital increase;

2° the issue price cannot be lower than the lowest value between (a) a net value per share determined no later than four months prior to the contribution agreement or, at the company's choice, prior to the date of the deed of the capital increase and (b) the average stock exchange closing price over 30 days prior to such date.

Regarding the application of the previous sentence, it is allowed to deduct from the amount referred to under the subparagraph above the amount corresponding to the portion of undistributed gross dividend of which the new shares may be deprived, provided the Board of Directors specifically evidences in his special report the amount of accrued dividend to be deducted and describes the financial conditions of the transaction in the annual financial report;

3° unless the issue price or, in the case described under article 10.5, the conversion parity, as well as their terms, are determined and published no later than the business day following the conclusion of the contribution

agreement, with mention of the term upon which the capital increase will take effect, the capital increase deed is executed within a maximum term of four months; and

4° the report referred to in 1° must also describe in detail the impact of the proposed contribution on the situation of the former shareholders, particularly regarding their part in the profit, the net value per share and the capital, as well as the impact in terms of voting rights.

- 10.4. Article 10.3 of the articles of association does not apply in case of contribution of the right to dividend with regard to an optional dividend distribution provided the granting of the latter is effectively open to all shareholders.
- 10.5. Article 10.3 of the articles of association applies mutatis mutandis to mergers, spin-offs and similar transactions as referred to in articles 12:2 to 12:8, 12:12 to 12:91 and 12:106 of the Code of Companies and Associations. In the latter case, "date of the contribution agreement" must be understood as the date of deposit of the merger or spin-off project.

ARTICLE 11: ACQUISITION, IN PLEDGE TAKING AND DISPOSAL OF OWN SHARES

- 11.1. The company may acquire, take as pledge or sell its own shares, in accordance with the Code of Companies and Associations.
- 11.2. In accordance with the decision of the extraordinary general meeting of _____, the Board of Directors can, for a period of five years, from the publication of said decision in the Belgian Official Gazette onwards, acquire and take as pledge the company's own shares against a unitary price not lower than 85% nor higher than 115% of the closing share price of the day prior to the date of the transaction, without the company being entitled to hold more than ten percent (10%) of the total issued shares at any time. This authorisation is also valid for the company's direct subsidiaries.
- 11.3. The Board of Directors is explicitly authorised to sell the company's own shares to one or more specific persons, other than members of personnel of the company or its subsidiaries, in accordance with article 7:218, §1, 4° of the Code of Companies and Associations.
- 11.4. Rights and authorisations described in this article extend to acquisitions and disposals of shares of the company by one or several subsidiaries directly controlled by the company as described in the Code of Companies and Associations.

ARTICLE 12: CAPITAL REDUCTION

The company may reduce its capital in compliance with the applicable legal provisions.

TITLE THREE: SECURITIES

ARTICLE 13: NATURE AND FORM

- 13.1. With the exception of founders' shares and similar securities, and subject to specific provisions of the BE-REIT regulation, the company may issue the securities which are not prohibited by or by virtue of the law, provided that the special rules prescribed by the BE-REIT regulation and the articles of association are complied with.
- 13.2. Shares are registered shares or dematerialised shares, within the limits set forth by the law.
All shares are fully paid-up and are without indication of nominal value.
- 13.3. A register of registered shares is kept at the registered office, as the case may be, in an electronic form; it is available for consultation by all shareholders. Certificates evidencing a person's registration shall be delivered to the shareholders.
All transfers amongst the living or because of decease as well as any conversion of securities are recorded in this register.
- 13.4. Dematerialised shares are represented by an entry into the account in the holder's name at a recognised account holder or settlement institution.
- 13.5. The holder of dematerialised shares may, at any time, request the conversion of such shares, at his expense, into registered shares, and conversely.

ARTICLE 13 BIS: THRESHOLDS

Regarding the application of the statutory rules concerning the disclosure of important holdings in issuers whose shares are admitted to trade on a regulated market, the company has determined, in addition to the statutory thresholds, a threshold of three per cent (3%).

TITLE FOUR: ADMINISTRATION — CONTROL

ARTICLE 14: COMPOSITION OF THE BOARD OF DIRECTORS

- 14.1. The company is administered by a Board of Directors composed of at least three directors, shareholder or not, appointed for no more than four years or by the general meeting and revocable at any time by this meeting. This board includes at least three independent directors as defined in article 7:87 of the Code of Companies and Associations.
- 14.2. The Board of Directors elects a president from among its members.
- 14.3. The members of the board are eligible for re-election.
- 14.4. The directorship of the directors is remunerated.
- 14.5. In the event that one or more directors' mandates become vacant, the remaining directors have the right to fill them provisionally until the next general meeting, which may or may not confirm the mandate of the co-opted director(s).
- 14.6. The members of the Board of Directors must fulfil the requirements of integrity and expertise provided for by the BE-REIT regulation and must not come within the scope of the case of prohibitions provided for by the BE-REIT regulation.
- 14.7. The Board of Directors can appoint one or more observers who can assist to all or part of the meetings of the board on the basis of the procedures to be decided by the board.
- 14.8. The directors are exclusively natural persons.
- 14.9. The appointment of the directors is subject to the prior approval of the Financial Services and Market Authority (FSMA).

ARTICLE 15: POWERS OF THE BOARD OF DIRECTORS

- 15.1. The Board of Directors of the company has all powers to accomplish all acts necessary or useful for the realisation of the company's object, with exception of the acts which the law or the articles of association have granted to the general meeting.
- 15.2. The Board of Directors establishes the annual and half-yearly reports in compliance with the applicable provisions and, in particular, the BE-REIT regulation.
The Board of Directors appoints one or several independent valuation experts, responsible for the valuation of the real estate of the company and its companies in the perimeter, in accordance with the BE-REIT regulation.
- 15.3. The Board of Directors may grant to each proxyholder all specific powers, limited to certain acts or to a series of specific acts, within the limits permitted by applicable law.
- 15.4. The Board of Directors is authorised to determine the compensation of said proxyholder(s), which shall be withheld from the company's operating expenses.
The Board of Directors can revoke said proxyholder(s) at any time.

ARTICLE 16: DELIBERATION OF THE BOARD OF DIRECTORS

- 16.1. The meetings of the Board of Directors are held in Belgium or abroad, at the place indicated in the notices. They may be held by means of conference call, videoconference or any other means that allows the directors to deliberate without meeting physically. The person chairing the meeting can appoint the secretary of the meeting, who is a director or not.
- 16.2. The Board of Directors meets upon convocation by the chairman, the vice-chairmen or two directors, done within at least 24 hours before the meeting.
- 16.3. Any director who is unable to attend may, by letter or other means of (tele)communication providing documentary confirmation of the nomination as proxy, empower another member of the Board to represent him and to vote in his stead at a specific meeting. A director may represent more of its colleagues and may issue, in addition to his own vote, as many votes as he received.

- 16.4. Except in the case of “force majeure”, the Board of Directors may only validly deliberate and validly resolve if at least half of the members of the board are present or represented. If this condition is not met, a new meeting must be convened, which will validly deliberate and validly resolve on items which are on the agenda of the previous meeting, provided that at least three directors are present or represented.
- 16.5. Decisions of the board shall be adopted by the absolute majority of the present or represented directors. In case of abstention of one or more directors, decisions are adopted by the majority of the other directors. In case of a tie vote, the person chairing the meeting shall have the casting vote.
- 16.6. The decisions of the Board of Directors may be taken by unanimous written decision of all directors.
- 16.7. The Board of Directors may draw up internal regulations. The most recent version of the internal regulations adopted by the Board of Directors are dated 28 January 2020.

ARTICLE 17: MINUTES OF THE BOARD OF DIRECTORS

The decisions of the Board of Directors are recorded in minutes signed by at least two directors, among whom the chairman, as well as all directors who express an interest to do so.

ARTICLE 18: ADVISORY AND SPECIALISED COMMITTEE

- 18.1. The Board of Directors may establish one or more committees of which the members may be chosen from within or outside the board.
- 18.2. It nominates at least an audit committee, a nomination committee and a remuneration committee (the nomination committee and the remuneration committee may be combined) of which they implement the missions, the powers and the composition in accordance with applicable law.

ARTICLE 19: DAY-TO-DAY MANAGEMENT

- 19.1. The Board of Directors may confer the day-to-day management of the company as well as the representation of the company on one or several of its members, who will or won't carry the title of executive director, or to one or several appointed agents chosen within or outside the board.

With the exception of the so-called joint-signature clauses, the restrictions placed on the powers of representation for the needs of the day-to-day management are not binding on third parties, even if they are published.

Similarly, the managing director(s) of the day-to-day management may grant special powers to each authorised representative, but within the limits of the day-to-day management.

- 19.2. The managing director(s) of the day-to-day management must fulfil the requirements of reliability and expertise as described in the BE-REIT regulation and must not come within the scope of the cases of prohibitions set forth in the BE-REIT regulation.

ARTICLE 20: INTERNAL ORGANISATION AND QUALITY

- 20.1. The executive direction of the company must be carried out by at least two natural persons.
- 20.2. The members of the executive direction must fulfil the requirements of integrity and expertise provided for by the BE-REIT regulation and may not fall within the scope of the prohibitions provided for by the BE-REIT regulation.
- 20.3. The appointment of the persons charged with the executive direction is subject to the prior approval of the Financial Services and Markets Authority (FSMA).
- 20.4. The company is organised in compliance with article 17 of the BE-REIT law.

ARTICLE 21: REPRESENTATION OF THE COMPANY

- 21.1. The company is validly represented in all acts, including those in which a public officer or notary intervene, and before a court of law, by:
 - two directors acting jointly, or
 - within the limits of the day-to-day management, one or more managing directors of this management, each acting individually.
- 21.2. The company shall moreover be validly bound by special proxyholders of the company acting within their powers.

- 21.3. The copies or extracts of the minutes of the general meetings of shareholders and of the meetings of the Board of Directors to be delivered to third parties, and notably each extract to be published in the annexes to the Belgian Official Gazette, are validly signed by a director, by a person in charge of the day-to-day management or a person explicitly authorised by the board.

ARTICLE 22: PREVENTION OF CONFLICTS OF INTERESTS

- 22.1. The company is structured and organised in such a way as to minimise the risk of the shareholders' interests being prejudiced by conflicts of interests in accordance with the BE-REIT regulation.
- 22.2. The persons referred to in article 36 of the BE-REIT law may not act as counterparty in a transaction with the company or with one of its companies in the perimeter nor obtain any benefit in such a transaction, unless the transaction is in the interest of the company, fits in the scope of its strategy and is realized under normal market conditions.
- 22.3. The company must inform the FSMA prior to any transaction considered by the company if one of the following persons acts directly or indirectly as the counterparty or obtains any benefit in the transaction:
- persons who control or hold a shareholding in the company;
 - persons with which the company, one of its companies in the perimeter, the promoter and other shareholders of a company in the perimeter are bound or have a shareholding connection;
 - the promoter;
 - the other shareholders of any company in the perimeter of the company;
 - the directors, managing directors, executive officers or representatives: of the company, of one of its companies in the perimeter, of the promoter, of the other shareholders of any company in the perimeter of the company and of a person who controls or holds shares in the company.
- 22.4. Information regarding the transaction mentioned in article 22.3 shall immediately be made public in the press release, if any, pertaining to such transaction. It shall be discussed in the annual financial report and by the statutory auditor in his report.
- 22.5. The aforementioned provisions shall not apply to:
- transactions for an amount less than the lowest amount between 1% of the consolidated assets of the company and 2,500,000 euros;
 - the acquisition of movable goods by the company or one of its companies in the perimeter within the context of a public offering made by a third party issuer, for which a promoter or one of the persons referred to in article 37, § 1 of the BE-REIT law intervene as intermediaries as defined in article 2, 10° of the law of 2 August 2002;
 - the acquisition or subscription, by the persons mentioned in article 37 § 1 of the BE-REIT law, of the company's shares issued pursuant to a resolution of the shareholders' meeting; and
 - the transactions concerning liquid assets of the company or one of its companies in the perimeter, provided that the person who acts as counterparty has the capacity of intermediary as defined in article 2, 10° of the law of 2 August 2002 and that such transactions are executed in compliance with the market.
- 22.6. In addition to the preceding provisions, the directors shall comply with articles 7:96 and 7:97 of the Code of Companies and Associations.

ARTICLE 23: CONTROL

- 23.1. The control of the financial situation, of the annual accounts and of the compliance of the transactions, to be recorded in the annual accounts, is entrusted to one or more auditors, member(s) of the Institute for Company Auditors.
- Said auditor(s) is/are appointed by the shareholders' meeting for a renewable term of three years and may only be removed for serious grounds, under penalty of damages, as the case may be.
- The shareholders' meeting determines the number of auditors and their remuneration.
- Said auditor(s) control(s) and certify(ies) the accounting data stated in the annual accounts of the company and confirm(s), as the case may be, all of the information to be provided in accordance with the BE-REIT regulation.
- 23.2. Article 3:72, 2° of the Code of Companies and Associations is not applicable to the company having the status of a BE-REIT, in accordance with article 55, § 1, second subparagraph, of the BE-REIT law.
- 23.3. In accordance with the BE-REIT regulation, the FSMA is entitled to any information or may complete on the spot searches and peruse all the company's documents.

TITLE FIVE: GENERAL MEETING OF SHAREHOLDERS

ARTICLE 24: COMPOSITION — POWERS

The general meeting is composed of all shareholders entitled to vote either in person or by proxyholder in compliance with the statutory provisions or the articles of association.

ARTICLE 25: MEETINGS

25.1. The annual general meeting shall take place on the last Tuesday of April at 10:30. If this day is a public holiday, the general meeting shall meet the next working day at the same time, with the exception of Saturday or Sunday.

The agenda of the yearly general meetings includes at least the approval of annual accounts, the granting of discharge to the directors and auditor, and the approval of the remuneration report by the general meeting.

25.2. An extraordinary meeting may be convened each time it is in the company's interest.

It must be convened at the request of shareholders jointly holding one/tenth of the capital.

25.3. The general meetings shall take place at the registered office or at any other location in Belgium, which shall be specified in the notice.

ARTICLE 26: NOTICES & INFORMATION

26.1. The general meeting, whether annual or extraordinary, is held following a notice by the Board of Directors or the auditor.

The notices contain all topics required by the Code of Companies and Associations and by any other regulation.

26.2. The company shall provide shareholders with any information required by the Code of Companies and Associations and by any other regulation.

ARTICLE 27: ADMISSION TO THE MEETING

27.1. Any shareholder may participate in a general meeting and exercise his right to vote:

(i) if his shares are registered in his name on the fourteenth day prior to the shareholders' meeting, at 24 hours (midnight, Belgian time), either:

- by registration of the shares in the company's registered shares register;
- by registration of the shares in the account of an authorised holder or settlement institution.

The aforementioned day and time shall be the recording date.

(ii) and if the company has been informed, no later than the sixth day prior to the date of the meeting, of the shareholders' desire to participate in the shareholders' meeting, through the company's e-mail address or the specific e-mail address mentioned in the convening notice of the general meeting.

27.2. A register designated by the Board of Directors records, for each shareholder who wishes to participate in the general meeting, his or her name, address or registered office, the number of shares that he or she held on the registration date and as to which he or she has indicated that he or she wishes to participate in the general meeting, as well as the description of the documents proving that he or she was in possession of those shares on the registration date.

27.3. Any shareholder may, as of the date of notice and no later than six days prior to the date of the meeting, ask questions in writing, which will be answered during the meeting provided the concerned shareholder has complied to requirements for admission to the meeting.

ARTICLE 28: PARTICIPATION AND VOTING PROCEDURES FOR SHAREHOLDERS' MEETINGS

28.1. All shareholders may vote in person or through a proxy holder.

Proxy notifications to the company must be remitted in writing.

28.2. The proxy must be signed by the shareholder and must be provided to the company, through the company's e-mail address or the specific e-mail address mentioned in the convening notice of the general meeting, no later than six days prior to the date of the meeting.

28.3. Any shareholder may vote by post using a form available from the company. The postal vote form must be received by the company no later than six days prior to the date of the meeting. Alternatively, insofar as the convening notice of the general meeting of shareholders so provides, any shareholder may vote remotely via a

website, as designated by the convening notice and in accordance with the procedures and time limits set out therein.

- 28.4. To the extent provided for in the convening notice of the general shareholders' meeting, shareholders may participate remotely and in real time in the general shareholders' meeting in accordance with article 7:137 of the Code of Companies and Associations, with the electronic means of communication mentioned in the convening notice.
- 28.5. If several persons have rights in rem in respect of the same share, the company may suspend the exercise of the voting right until a single person has been appointed vis-à-vis the Company as the holder of the voting right. Contrary to the foregoing, if a security belongs to one or more bare owners and one or more usufructuaries, all rights attached thereto, including the possible voting right, shall be exercised by the usufructuary or usufructuaries, unless otherwise provided in a will or an agreement. In the latter case, the bare owner or owners and the usufructuary or usufructuaries must inform the company in writing of this arrangement.

ARTICLE 29: OFFICE

All general meetings are chaired by the chairman of the Board of Directors. If the chairman is unable to attend, the meetings will be chaired by a director appointed by its colleagues, or by a member of the general meeting appointed by the latter.

The chairman appoints the secretary.

The chairman appoints two vote-takers amongst the shareholders.

ARTICLE 30: PRESENCE LIST

- 30.1. The shareholder or his proxy holder ensures that all elements required, as the case may be, for the shareholder's identification are provided to the company.
- 30.2. A presence list mentioning the names of the shareholders and the number of securities they hold shall be signed by each of them or their proxyholder before the meeting. Those who attended or were represented at the general meeting have access to this list.

ARTICLE 31: VOTING RIGHT OF THE SHAREHOLDERS

- 31.1. Each share entitles its holder to one vote.
- 31.2. In case of acquisition or pledging by the company of its own shares, the voting right of these securities shall be suspended.
- 31.3. Voting take place by raising hands or by calling names, unless the general meeting, by majority of votes, decides otherwise.

ARTICLE 32: DELIBERATIONS OF THE GENERAL MEETING

- 32.1. No meeting shall deliberate on items that were not specified in the agenda, unless all shareholders are present and unanimously approve of the new items.
- 32.2. Any draft amendment to the articles of association must first be submitted to the FSMA in accordance with article 8 of the BE-REIT regulation.
- 32.3. Except in cases set forth by the law or the articles of association, each resolution shall be adopted by a majority of votes irrespective of the number of shares represented at the meeting.

ARTICLE 33: MINUTES

- 33.1. The minutes of the general meetings include for each resolution the number of shares for which valid votes were expressed, the percentage of the capital represented by such votes, the total number of valid votes expressed, the number of votes expressed for and against each resolution, and, as the case may be, the number of abstentions.
- 33.2. The minutes of the general meetings are signed by the members of the office and the shareholders asking to do so.
- 33.3. Information referred to in article 33.1 is published by the company on its website within fifteen days of the general meeting.

- 33.4. Copies or excerpts to be delivered to third parties must be signed by a director, by a person in charge of the day-to-day management or a person explicitly authorised by the board.

TITLE SIX: BONDHOLDERS' MEETING

ARTICLE 34: POWERS — NOTICES

The general bondholders' meeting has the powers determined by the Code of Companies and Associations and is convened in accordance with such Code.

ARTICLE 35: ADMISSION TO THE BONDHOLDERS' MEETING

In order to be admitted to the general meeting of bondholders, bondholders must comply with the provisions of the Code of Companies and Associations as well as with any formalities prescribed by the terms and conditions of issue of the bonds or in the convening notice of the meeting.

ARTICLE 36: CONDUCT OF THE BONDHOLDERS' MEETING — MINUTES

The bondholders' meeting renders resolutions according to provisions of the Code of Companies and Associations or according to the terms and conditions of issue of the bonds.

The minutes of the bondholders' meetings are signed by the members of the office and by the bondholders who request to do so.

Copies and excerpts to be delivered to third parties are signed by a director, by a person in charge of the day-to-day management or a person explicitly authorised by the board.

ARTICLE 37: REPRESENTATION

Any bondholder may be represented at the bondholders' meeting by a proxy holder, whether or not bondholder. The Board of Directors determines the form of the proxies.

TITLE SEVEN: COMPANY RECORDS - DISTRIBUTION

ARTICLE 38: COMPANY RECORDS

- 38.1. The company's fiscal year begins on 1st January and ends on 31st December.
- 38.2. On this last date, the books of the company are closed and the Board of Directors prepares a full inventory, as well as the annual accounts in accordance with the law on book-keeping and the annual accounts of the undertakings and the special provisions of the BE-REIT regulation.
- 38.3. The company bears, amongst others, the costs of incorporation, organisation and domiciliation, the costs for the service of the company shares, the costs related to the immovable goods operations and the investment transactions, the costs of technical management, supervision, maintenance, etc. of the immovable goods of the company, the accountancy and inventory costs, the costs stemming from the supervision of the accounts and the control of the company, the publication costs, that are inherent to the share offer, costs stemming from the establishment of periodical reports and the distribution of financial information, the management costs and the taxes and duties and rights due as a result of the business carried on by the company, or as a consequence of the activities of the company.
- 38.4. Furthermore, the Board of Directors establishes an inventory of the immovable goods owned by the company and its companies in the perimeter when the company proceeds to a share issue or a share buy-back other than on a regulated market.

ARTICLE 39: DISTRIBUTION

- 39.1. Article 7:211 of the Code of Companies and Associations concerning the establishment of a reserve fund is not applicable to companies having the status of a regulated real-estate company by Belgian law in accordance with article 11, § 3, of the BE-REIT law.
- 39.2. The company shall, by way of remuneration of the capital, distribute an amount that shall correspond at least to the positive difference between (i) 80% of the amount determined according to the table in Chapter III of Annex C of the BE-REIT royal decree and (ii) the net decrease, in the course of the same financial year, of the indebtedness of the company as specified in article 13 of the BE-REIT royal decree.

- 39.3. The company shall simultaneously comply with the obligations regarding distributions that have been imposed on it or that may be imposed on it by the laws of any State that may be applicable to it and in particular the obligations regarding distribution that may be imposed on it by virtue of its acceptance of the status of "Société d'Investissements Immobiliers Cotée" ("SIIC") ("Listed Company for Real Estate Investments" — "LCREI") in accordance with article 208 - C of the "Code Général des Impôts français" ("General Code of French Taxes") on the ground of its transactions in France.
- 39.4. The balance shall be allocated in the manner resolved by the shareholders' meeting on proposal of the Board of Directors.
- 39.5. The company may distribute an optional dividend with or without cash complement.
- 39.6. Unclaimed dividends of registered shares and fees within the five years of their payment will expire.

ARTICLE 40: PROVISIONS REGARDING SHAREHOLDERS SUBJECT TO WITHHOLDING

40.1. For the purpose of the following paragraphs, the term 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") must be understood as any shareholder, other than a natural person, who directly or indirectly holds 10% or more of the rights to dividend distributed by the company and whose personal situation — or the situation of his shareholders who, prior to the payment of any distribution, directly or indirectly hold ten percent (10%) or more of the rights to dividend from the company — implies that the company is liable of a withholding equal to twenty percent (20%) (le 'Prélèvement' or the "Withholding"), as specified in article 208 C II ter of the "Code Général des Impôts français" ("General Code of French Taxes").

40.2. If the ten percent (10%) threshold of the capital of the company (to be understood as the possession of ten percent (10%) or more of the rights to dividend paid out by the company) is directly or indirectly exceeded, any shareholder other than a natural person ("Concerned Shareholder") ("Actionnaire Concerné") shall notify the company thereof and such shareholder shall be deemed an 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding").

In the event such shareholder states that he is not an 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding"), he must, within a short time period and at the latest ten business days prior to the payment of any distribution, evidence this at the request of the company and, if the company so demands, submit an acceptable and unreserved legal opinion issued by an internationally reputed tax firm with recognised expertise in the field of French tax law, stating that the shareholder is not an 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") and that distributions declared payable by the company do not render the company liable for the 'Prélèvement' ("Withholding"). The company may proceed to request any supporting document, additional data or the point of view of the French tax administration and, as the case may be, until satisfactory answers have been obtained, retain the distribution concerned.

Any 'Actionnaire Concerné' ("Concerned Shareholder") must within a short period of time inform the company of any modification in its tax position whereby it would acquire or lose the capacity of 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") by justifying such event, in the event of loss of this status, in the manner as indicated above.

40.3. Every 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") shall, at the time of payment of each distribution, become a debtor of the company for an amount that corresponds with the amount of the Withholding which the company by way of distribution of dividends, reserves premiums or 'returns deemed distributed' as defined in the General Code of French Taxes owes.

In the event that the company directly and/or indirectly would possess a percentage of the rights to a dividend that is at least equal to what is specified in article 208 C II ter of the General Code of French Taxes of one or more 'Sociétés d'Investissements Immobiliers Cotées' ("SIICs") as specified in article 208 C of the General Code of French Taxes ("SIIC Fille") and in which the SIIC Fille as a result of the capacity of the 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") would have settled the Withholding, the 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") must, as the case may be, indemnify the company, either for the amount that the company has paid out to the SIIC Fille, by way of compensation for the payment of the Withholding by the SIIC Fille, or, in the absence of a compensation to the SIIC Fille by the company, for an amount that is equal to the Withholding paid by the SIIC Fille, multiplied by the percentage of the rights to receive a dividend of the company in the SIIC Fille, in such a manner that the other shareholders of the company do not contribute in an economical manner to whichever fraction of the 'Prélèvement' ("Withholding") paid by whichever SIIC in the holding chain because of the 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") (the so-called 'Indemnisation Complémentaire' - "Additional Compensation").

The amount of this 'Indemnisation Complémentaire' ("Additional Compensation") shall be borne by all 'Actionnaires à Prélèvement' ("Shareholders Subject to Withholding") in proportion to their respective rights to dividends, divided by the total number of rights to dividends of the 'Actionnaires à Prélèvement' ("Shareholders Subject to Withholding").

The capacity of 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") is established at the time of payment of the distribution.

- 40.4. The company has the right to proceed to a set-off between its claim seeking damages from any 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") on the one hand and the amounts which the company must pay in favour of this shareholder on the other hand. In such a manner, the amounts retained from the company's profits exempted from corporation tax pursuant to article 208 C II of the General Code of French Taxes and which pursuant to each share must be paid out in the hands of the said 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") pursuant to the above-mentioned decision to distribute or to repurchase of shares in his favour, shall thus be reduced up to the amount of the Withholding due by the company for the distribution of these amounts and/or up to the 'Indemnisation Complémentaire' ("Additional Compensation").

The amount of each compensation due by an 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") shall be calculated in such a manner that the company, after payment thereof and taking account of possible application of tax laws, shall be placed in the same position as if the Withholding would not have become due.

The company and the 'Actionnaires Concernés' ("Concerned Shareholders") shall cooperate in good faith so that all reasonable measures shall be taken to reduce the amount of the Withholding (still) due and the compensation possibly resulting therefrom.

In the event (i) after the distribution of a dividend, reserves or premiums or 'produits réputés distribués' ("returns deemed distributed") as defined in the General Code of French Taxes levied on the profits of the company or on the profits of a SIIC Fille, exempted from corporation taxes pursuant to article 208 C II of the General Code of French Taxes, it would appear that a shareholder would be an 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") on the date of payment of the said amounts and (ii) in which the company or the SIIC Fille should have proceeded to the payment of the Withholding on the amounts thus paid, without said amounts having been the subject of the set-off specified in the first subparagraph of this paragraph, then the 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") shall be liable to pay to the company, by way of compensation for the damages that the latter sustains, and notwithstanding partial or full transfer of the shares that occurred in the meanwhile, an amount that is equal to, on the one hand, the Withholding which the company had to discharge for each share of the company that it held at the time of the payment of the distribution of dividends, reserves or premiums concerned, increased with every fine and interests and, on the other hand, as the case may be, the amount of the 'Indemnisation Complémentaire' ("the Additional Compensation") (the 'Indemnité' - the "Compensation").

The company shall be entitled, as the case may be, to proceed to a set-off to the appropriate extent between its claim on the ground of the "Compensation" ('l'Indemnité') and all amounts that may be payable at a later stage for the benefit of this 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") and such, as the case may be, without prejudice to the prior application in respect of the said amounts of the set-off specified in the first subparagraph of this paragraph. In the event the company, after realization of such a set-off, remains, on the ground of the "Compensation" ('l'Indemnité'), a creditor of the 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding"), it shall be entitled to proceed once again to a set-off to the appropriate extent with all amounts that later may be made payable for the benefit of this 'Actionnaire à Prélèvement' ("Shareholder Subject to Withholding") and this until said debt has been definitively settled.

ARTICLE 41: INTERIM DIVIDENDS

Dividends are paid out on the dates and at the places determined by the Board of Directors.

The latter may decide under his personal liability, in compliance with the law, on the payment of the advances on dividends; he determines the amount and the payment dates of such advance(s).

ARTICLE 42: ACCESS TO REPORTS

Annual and half-yearly financial reports, annual and half-yearly financial statements of the company as well as the auditor's reports are available on the company's website.

Additionally, the annual financial report is available in the form of a brochure sent to all registered shareholders and provided to any other shareholder upon request.

TITLE EIGHT: DISSOLUTION — LIQUIDATION

ARTICLE 43: DISSOLUTION

- 43.1. In the event of dissolution of the Company, for whatever reason and at any time, the liquidation shall be performed by one or more liquidator(s) appointed by the general meeting of shareholders. If it appears from the company's statement of assets and liabilities, drawn up in accordance with the Code of Companies and Associations, that not all creditors can be repaid in full, the nomination of the liquidator(s) must be submitted to the president of the enterprise court for confirmation. In the absence of nomination of one or more liquidators, the directors in office will be considered as liquidators with respect to third parties.
- 43.2. After dissolution, the company will be regarded as being in liquidation.
- 43.3. Unless otherwise provided in the instrument of appointment, the persons in charge of the liquidation have greater power for that purpose, which are granted by the Code of Companies and Associations
- 43.4. The general meeting of shareholders determines the liquidation mode and, as the case may be, the remuneration of the liquidator(s).
- 43.5. The liquidation of the company ends pursuant to the provisions of the Code of Companies and Associations.
- 43.6. Except in case of merger, the net assets of the company will be, after clearing of all liabilities or deposit of the sums which are necessary for that purpose, allocated as a matter of priority to the reimbursement of the amount paid-up of the capital shares, and the remaining balance shall be distributed equally among all the shareholders of the company, proportionally to the number of shares they hold.

TITLE NINE: GENERAL PROVISIONS

ARTICLE 44: ELECTION OF DOMICILE

For the performance of these articles of association, every shareholder, director, liquidator who is domiciled abroad, makes an election of domicile at the company's registered office where all communications, default notices, writs of summons or notifications can validly be served.

ARTICLE 45: JURISDICTION

For all lawsuits between the company, its shareholders, bondholders, directors and liquidators concerning the affairs of the company and the execution of the present articles of association, only the enterprise court of the registered office of the company shall have jurisdiction, unless the company expressly waives such jurisdiction.

ARTICLE 46: GENERAL LAW

- 46.1. The provisions of these articles of association that would conflict with the mandatory provisions of the Code of Companies and Associations, the BE-REIT legislation or other applicable law, are deemed non-existent. The nullity of an article or part of an article of these articles of association does not affect the validity of the other (parts of) of the provisions of the articles of association.
- 46.2. Special mention is made, in accordance with articles 11, § 3 and 55, § 1, second subparagraph, of the BE-REIT law, that articles 3:24, 3:72.2°, 7:2, 7:11, 7:47 and 7:211 of the Code of Companies and Associations are not applicable.

TITLE TEN: SPECIAL PROVISION

ARTICLE 47: AMENDMENTS OF THE LAW

In case of coordination of the law, the Board of Directors is allowed to adapt these articles of association to the future legal coordination texts that would amend these articles of association. This authorisation aims expressly at an amendment by notarial deed only.

Appendix V: Spread of the buildings of the consolidated portfolio¹ per subsidiary

AXENTO

GRAND DUCHY OF LUXEMBOURG

Axento

BEFIMMO

BRUSSELS AIRPORT

Gateway

BRUSSELS CENTRE

Brederode Corner	Montesquieu
Central	Poelaert
Empereur	Rue au Choux

BRUSSELS LEOPOLD DISTRICT

Arts 56	View Building
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BRUSSELS NORTH AREA

Quatuor

BRUSSELS DECENTRALISED

Goemaere	Triomphe
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PLXL

BRUSSELS PERIPHERY

Fountain Plaza	Ocean House
Ikaros Park	Waterloo Office Park

FLANDERS

AMCA	Antwerpen — Meir (leasehold)
Antwerp Tower	Leuven — Vital Decosterstraat (leasehold)

WALLONIA

Esprit Courbevoie

FEDIMMO

BRUSSELS CENTRE

Gouvernement Provisoire	Pacheco
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Lambermont

BRUSSELS LEOPOLD DISTRICT

Arts 28	Science-Montoyer
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¹ Excluding properties held for sale. For more information, please consult the buildings of the consolidated portfolio on pages 47 to 50 of this Report.

WALLONIA

Ath	Malmedy
Braine l'Alleud	Marche-en-Famenne
Eupen (Vervierstrasse, Rathausplatz)	Paradis Express
La Louvière	Saint-Vith
Liège Paradis Tower - Rue Fragnée	

FLANDERS

Dendermonde	Oudenaarde
Diest	Roeselare
Halle	Sint-Niklaas
Herentals	Tervuren
leper	Tielt
Knokke-Heist	Tongeren
Kortrijk - Bloemistenstraat	Vilvoorde

KUBISSIMMO

GRAND DUCHY OF LUXEMBOURG

Cubus

LOI 52

BRUSSELS LEOPOLD DISTRICT

Loi 44	Joseph 2
Loi 52	

MEIRFREE

FLANDERS

Antwerpen - Meir

VITALFREE

FLANDERS

Leuven — Vital Decosterstraat

ZIN IN NOORD¹

BRUSSELS NORTH AREA

ZIN

ZIN IN NOORD 2025

BRUSSELS NORTH AREA

WTC 3	LIVIN (permit implemented)
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¹ Since 30 January 2020, Befimmo is the controlling shareholder of Zin in Noord, a regulated institutional real estate company under Belgian law, which is owned 64.1% by Befimmo and 35.9% by Fedimmo.



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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.

PRINTING



PHOTOS

Jean-Michel Byl, Filip Dujardin, Alix Bramoprod,
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CREATION, CONCEPT, DESIGN AND PRODUCTION

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Befimmo's team