

APM (Alternative Performance Measures) calculation details used by Cofinimmo as at 31.03.2019

Rental income, net of rental-related expenses

Definition: Rents, less rent-free periods, concessions granted to tenants and rental-related expenses, plus compensation for early termination of the lease.

Purpose: To measure rental income, net of rent-free periods, concessions, termination indemnities and other rental-related expenses.

(x 1,000 EUR)	31.03.2019	31.03.2018
Rents (gross rental revenues)	56,267	53,625
Cost of rent-free periods	-1,012	-717
Concessions granted to tenants	-179	-168
Early lease termination indemnities	117	94
Rental income (Royal Decree of 13.07.2014 form)	55,193	52,834
Rental-related expenses	705	-147
Rental income, net of rental-related expenses (analytical form)	55,898	52,687

Rental-related expenses and taxes on rented properties not recovered

Definition: Difference between rental-related expenses and taxes borne by the owner, and the recuperation of rental-related expenses and taxes borne by the tenant on rented properties.

Purpose: To measure the rental-related expenses and taxes on rented properties which are not charged to tenants.

Taxes on refurbishment not recovered

Definition: Taxes borne by the owner on buildings under renovation and therefore not chargeable to tenants.

Purpose: To measure the taxes relating to properties under renovation.

(x 1,000 EUR)	31.03.2019	31.03.2018
Rental-related expenses and taxes on rented properties not recovered	-1,982	-1,249
Taxes on refurbishment not recovered	-3,955	-4,671
Total	-5,937	-5,920

(x 1,000 EUR)	31.03.2019	31.03.2018
Recovery income of charges and taxes normally payable by the tenant on let properties	24,262	31,135
Charges and taxes normally payable by the tenant on let properties	-30,199	-37,055
Total	-5,937	-5,920

Redecoration costs, net of tenant compensation for damages

Definition: Redecoration costs borne by the owner at the end of the lease, net of compensation for damage received.

Purpose: To measure the costs of redecorating the rental spaces following the departure of tenants, net of compensation for damage received from these tenants.

(x 1,000 EUR)	31.03.2019	31.03.2018
Recovery of property charges	18	-23
Costs payable by the tenant and borne by the owner for rental damage and redecoration at end of lease	-917	-425
Redecoration costs, net of tenant compensation for damages	-898	-448

Net result from core activities - Group share

Definition: Net result - Group share excluding result on financial instruments - Group share and result on portfolio - Group share.

Purpose: To measure the result of the strategic operational activities, excluding (i) the change in fair value of financial instruments, (ii) the cost of restructuring financial instruments, and (iii) realised and unrealised gains and losses on the portfolio, or to measure the result directly impacted by the company's property and financial management, excluding the impact related to the volatility of property and financial markets.

Calculation details as at 31.03.2019: see income statement - analytical form in the body of the press release.

Restructuring costs of financial instruments

Definition: Impact of the recycling under the income statement of hedging instruments for which the relationship with the hedged risk was terminated, as well as the result relating to the sale of hedging instruments.

Purpose: To measure the impact on the result for the period of the restructuring of financial instruments.

(x 1,000 EUR)	31.03.2019	31.03.2018
Impact of the recycling under the income statement of hedging instruments for which the relationship with the hedged risk was terminated	0	578
Others	0	876
Restructuring costs of financial instruments	0	1,454

Result on financial instruments - Group share

Definition: Change in the fair value of financial instruments, plus the restructuring costs of financial instruments and the share in the result on financial instruments of associated companies and joint ventures, and less minority interests related to the items listed above.

Purpose: To measure unrealised gains and losses related to financial instruments, as well as the costs related to their restructuring.

Calculation details as at 31.03.2019: see income statement - analytical form in the body of the press release.

Result on the portfolio - Group share

Definition: Gains or losses on disposals of investment properties and other non-financial assets, plus/less the change in the fair value of investment properties, plus the share in the result on the portfolio of associated companies and joint ventures, and other items related to the portfolio and less minority interests related to the items listed above.

Purpose: To measure realised and unrealised gains and losses related to the portfolio, compared to the last valuation by independent real estate experts.

Calculation details as at 31.03.2019: see income statement - analytical form in the body of the press release.

Result per share

Definition: Results divided by the number of outstanding shares entitled to the dividend.

Purpose: To measure the result per share and enable a comparison with the dividend paid per share.

	31.03.2019	31.03.2018
Net result from core activities - Group share (x 1,000 EUR)	30,297	31,252
Number of outstanding shares entitled to the dividend	22,953,359	21,308,702
Net result from core activities - Group share - per share	1.32	1.47

	31.03.2019	31.03.2018
Result on financial instruments - Group share (x 1 000 EUR)	-14,288	4,178
Number of outstanding shares entitled to the dividend	22,953,359	21,308,702
Result on financial instruments - Group share - per share	-0.62	0.20

	31.03.2019	31.03.2018
Result on portfolio - Group share (x 1,000 EUR)	8,783	30,356
Number of outstanding shares entitled to the dividend	22,953,359	21,308,702
Result on portfolio - Group share - per share	0.38	1.42

	31.03.2019	31.03.2018
Net result - Group share (x 1,000 EUR)	24,792	65,786
Number of outstanding shares entitled to the dividend	22,953,359	21,308,702
Net result - Group share - per share	1.08	3.09

Revalued net assets per share in fair value

Definition: Book value of the share after deduction of transaction costs (primarily transfer taxes) from the value of investment properties. Amount of shareholders' equity attributable to shareholders of the parent company, divided by the number of outstanding shares entitled to the dividend.

Purpose: To measure the fair value of the share and enable a comparison with its share price.

	31.03.2019	31.12.2018
Shareholders' equity attributable to shareholders of the parent company (x 1,000 EUR)	2,103,273	2,082,130
Number of outstanding shares entitled to the dividend	22,953,359	22,952,901
Revalued net assets per share at fair value (in EUR/share)	91.63	90.71

Revalued net assets per share in investment value

Definition: Book value of the share before deduction of transaction costs (primarily transfer taxes) from the value of investment properties. Amount of shareholders' equity attributable to shareholders of the parent company, from which are subtracted the transfer taxes booked under shareholders' equity on the closing date and those booked under the income statement during the period, divided by the number of outstanding shares entitled to the dividend.

Purpose: To measure the fair value of the share and enable a comparison with its share price.

(x 1,000 EUR)	31.03.2019	31.12.2018
Shareholders' equity attributable to shareholders of the parent company	2,103,273	2,082,130
To exclude:		
Transfer taxes booked under shareholders' equity	-107,307	-89,376
Transfer taxes booked under the income statement	-593	-18,717
Total	2,211,173	2,190,223
Number of outstanding shares entitled to the dividend	22,953,359	22,952,901
Revalued net assets per share at investment value (in EUR/share)	96.33	95.42

Change in gross rental revenues on a like-for-like basis

Definition: Change from one year to the next, expressed as a percentage, of the gross rental revenues, excluding variations related to changes in scope (major renovations, acquisitions and disposals) occurring during the period.

Purpose: To identify changes in gross rental revenues which do not result from major renovations, acquisitions or disposals.

(x 1,000 EUR)	
Gross rental revenues at 31.03.2018	53,625
To include:	
Variations not related to changes in scope	1,013
Gross rental revenues at 31.03.2019	54,639
Change in gross rental revenues on a like-for-like basis	1.89 %

Operating costs/average value of the portfolio under management

Definition: Direct and indirect operating costs (direct property costs, property management costs and corporate management costs), divided by the average value of the portfolio under management over the period, taking into account the scope inflows and outflows.

Purpose: To measure the level of operating costs compared to the average value of the property portfolio under management.

(x 1,000 EUR)	31.03.2019	31.03.2018
Direct property costs ¹	-2,433	-3,167
Corporate management costs ¹	-7,454	-6,635
Direct and indirect operating costs	-9,886	-9,802
Annualised direct and indirect operating costs	-39,545	-39,208
Average value of the portfolio under management over the period	3,883,784	3,590,193
Operating costs/average value of the portfolio under management	1.02 %	1.09 %

Operating margin

Definition: Property result divided by the operating result (before result on the portfolio).

Purpose: To evaluate the company's ability to generate profit from its sole operating activity without taking into account the financial result, taxes and result on the portfolio.

(x 1,000 EUR)	31.03.2019	31.03.2018
Property result ¹	55,706	52,227
Operating result (before result on the portfolio) ¹	45,820	42,425
Operating margin	82.3 %	81.2 %

¹ Adjusted in order to spread certain annual taxes and charges recognised during the first quarter over the entire financial year.

Average cost of debt

Definition: Average interest rate of debt obtained by dividing the interest charges recorded by the Group for its various loans (on an annual basis) by the weighted average debt of the current period. The numerator corresponds to annualised net interest charges as shown in the income statement. The denominator corresponds to the average debt of the current period calculated by taking into account the daily drawdowns on loans (bank loans, bonds, commercial paper, etc.).

Purpose: To measure the average interest rate of the debt and analyse its evolution over time.

(x 1,000 EUR)	31.03.2019	31.12.2018
Interest charges recorded by the Group, annualised	25,717	30,307
Weighted average over of the period	1,590,825	1,597,365
Average cost of debt	1.6 %	1.9 %