

**REGULATED INFORMATION**

Brussels, embargo until 30.07.2020, 5:40 PM CET

## 2020 Half-Year Financial Report

### **Cofinimmo's (Euronext Brussels: COFB) results in line with the outlook announced last April:**

- Net result from core activities – Group share: 88 million EUR (75 million EUR as at 30.06.2019), i.e. up 18%
- Confirmation of the budgeted gross dividend for the 2020 financial year, payable in 2021: 5.80 EUR per share, up compared to 2019

### **Investments in healthcare real estate since 01.01.2020:**

- Investments of 182 million EUR in the 1<sup>st</sup> half-year
- With 2.6 billion EUR (i.e. up 7% over six months), healthcare real estate accounts for 57% of the portfolio, which reaches 4.5 billion EUR as at 30.06.2020

### **Recentering of the office portfolio in line with the strategy:**

- Acquisition of a building containing offices and a medical centre in the Central Business District of Brussels ('CBD') for 40 million EUR
- Provisional acceptance of the Quartz office building

### **ESG:**

- Delivery of several projects which contribute to the objective of reducing the energy intensity of our portfolio by 30% by 2030
- Support of initiatives aiming at fighting against the coronavirus pandemic and its effects in the healthcare sector, and more particularly in nursing and care homes as well as hospitals

### **Solid operational performance:**

- Gross rental revenues up 10.6% over the 1<sup>st</sup> half-year (or 1.6% on a like-for-like basis)
- Operating margin increased to 83.1% (82.6% as at 31.12.2019)
- High occupancy rate: 97.5% (97.0% as at 31.12.2019)
- Particularly long residual lease length: 12 years

### **Efficient management of the financial structure:**

- Capital increases of almost 143 million EUR (contributions in kind and optional dividend)
- Headroom on committed credit lines of almost 900 million EUR (as at 01.07.2020), after deduction of the backup of the commercial paper programme
- No significant credit lines maturing prior to September 2021
- Average cost of debt down: 1.3% (1.4% as at 31.12.2019)
- Low debt-to-assets ratio: 41.8% (41.0% as at 31.12.2019)
- Rating BBB/A-2 confirmed by S&P

**Jean-Pierre Hanin, CEO of Cofinimmo** : *"Cofinimmo's results are solid despite the current health crisis context. With 231 million EUR invested over the half-year, including the delivery of several projects which contribute to our objective of reducing the energy intensity of our portfolio, Cofinimmo is still aiming at achieving the investment budget of 375 million EUR planned for 2020. Furthermore, the two capital increases of June (optional dividend and contributions in kind) totalling almost 143 million EUR and the financing operations concluded over the half-year are strengths from which Cofinimmo benefits to implement its strategy. With a debt-to-assets ratio of 41.8%, Cofinimmo's consolidated balance sheet shows a strong solvency, which is a valuable asset in the current challenging environment."*

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## **1. Interim management report**

### **1.1. Summary of activity since 01.01.2020**

For more than 35 years, Cofinimmo has been developing, managing and investing in rental real estate. Attentive to societal changes, Cofinimmo's permanent objective is to offer high quality care, living and working spaces (*'Caring, Living and Working - Together in Real Estate'*). Capitalising on its expertise, Cofinimmo consolidates its leadership in European healthcare real estate.

Following the outbreak of the COVID-19 coronavirus pandemic in the countries where the group is active, Cofinimmo has implemented several measures to ensure the continuity of its activities, while making the health and well-being of all its stakeholders its priority.

As from 09.03.2020, Cofinimmo's executive committee encouraged its employees to switch to teleworking for all tasks which do not require a physical presence on site. As teleworking is an already embedded solution, widely used by the company's employees, no particular difficulties were experienced. This measure was subsequently further strengthened, and then adapted, in order to stay compliant with the framework of the decisions taken by the authorities.

The operational teams remain in close contact with the group's tenants to ensure the continuity of services and help them get through this difficult period. Cofinimmo reviews the situation of its counterparties on a case-by-case basis in order to find a balanced solution where appropriate. In the light of the current health crisis, Cofinimmo conservatively reviewed its outlook for the net result from core activities - Group share as early as April, and confirms this outlook. In this context, in order to reflect the doubts as to the current ability of some tenants to pay their rents, and without prejudging the outcome of the discussions with these tenants, Cofinimmo has already booked writedowns on trade receivables for approximately 2 million EUR.

The lockdown measures of the 1<sup>st</sup> half-year of 2020 have had very little impact on ongoing construction sites and investment projects. As from mid-May, Cofinimmo was able to resume the execution of its growth strategy and is, despite the current challenging context, still aiming at achieving the investment budget of 375 million EUR planned for 2020. Indeed, investments in the first half-year amount to 231 million EUR. This amount includes the delivery of several projects which contribute to the objective of reducing the energy intensity of the assets by 30% by 2030.

In healthcare real estate, the group further expanded its portfolio through several acquisitions and the delivery of several construction projects totalling 182 million EUR in the 1<sup>st</sup> half-year. The most noteworthy transaction was carried out in June with the acquisition of six healthcare sites (through contributions in kind) for 105 million EUR. As at 30.06.2020, healthcare real estate assets (2.6 billion EUR, up 7% over six months) represent 57% of the group's portfolio, which now reaches 4.5 billion EUR.

In the office segment, Cofinimmo is also executing its strategy which consists in rebalancing its office portfolio between the various sub-segments to the benefit of high-quality buildings located in the Central Business District of Brussels ('CBD'). The acquisition of Trône/Troon 100 and the provisional acceptance of the Quartz reinforce Cofinimmo's position in the CBD. In parallel, Cofinimmo carried out the assignment of the property rights relating to office buildings in the decentralised area of Brussels and also signed a sale agreement for another asset located in the periphery.

In terms of financing, several operations have further improved the balance sheet structure and the maturity timetable of the financial debt, which no longer comprises any significant maturity prior to September 2021. In addition to the capital increases totalling almost 143 million EUR (contributions in kind and optional dividend), Cofinimmo contracted new credit lines for more than 800 million EUR and extended the maturity

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of its syndicated loan to 2025 (2024 before). On 01.07.2020, and after deduction of the backup of the commercial paper programme, Cofinimmo had 900 million EUR of headroom.

The Group's momentum in terms of investments and financing (average cost of debt decreased at 1.3%), coupled with effective management of the existing portfolio (occupancy rate of 97.5%, gross rental revenues up 1.6% on a like-for-like basis, operating margin increased to 83.1%), enabled the company to realise a net result from core activities - Group share of 88 million EUR as at 30.06.2020, in line with the outlook announced last April<sup>1</sup> (compared to the 75 million EUR that were made as at 30.06.2019), mainly due to scope variations arising from the acquisitions made and the decrease in operating costs related to the office buildings sold. This result includes the support (announced last April) of initiatives aiming at fighting against the coronavirus pandemic and its effects in the healthcare sector, and more particularly in nursing and care homes as well as hospitals. The net result from core activities per share - Group share amounts to 3.40 EUR (in line with the outlook, compared to 3.23 EUR as at 30.06.2019), taking into account the issue of shares in 2019 and June 2020.

The net result - Group share amounted to 60 million EUR (i.e. 2.31 EUR per share) as at 30.06.2020, compared to 71 million EUR (i.e. 3.07 EUR per share) as at 30.06.2019. This variation is mainly due to the increase in the net result from core activities - Group share and to value adjustments (investment properties, hedging instruments, goodwill, i.e. non-cash changes) between the 1<sup>st</sup> half-year of 2019 and the 1<sup>st</sup> half-year of 2020.

With a debt-to-assets ratio of 41.8% as at 30.06.2020 (which has changed little since) Cofinimmo's consolidated balance sheet (whose BBB/A-2 rating was confirmed on 20.04.2020) shows a strong solvency, which is a valuable asset when addressing the current crisis (information on risks and uncertainties related to the coronavirus COVID-19 are stated in section 1.13).

<sup>1</sup> See press releases dated 09.04.2020 and 28.04.2020. See also section 1.13 of this half-year financial report.

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**1.2. Consolidated key figures**

**1.2.1. Global figures**

<b>(x 1,000,000 EUR)</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
Portfolio of investment properties (in fair value)	4,460	4,247
<b>(x 1,000 EUR)</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
Property result	122,841	108,440
Operating result before result on the portfolio	100,208	86,830
Net result from core activities - Group share*	88,206	74,560
Result on financial instruments - Group share*	-18,029	-32,222
Result on the portfolio - Group share*	-10,379	28,659
Net result - Group share*	59,798	70,997
Operating margin*	83.1%	82.2%
	<b>30.06.2020</b>	<b>31.12.2019</b>
Operating costs/average value of the portfolio under management* <sup>1</sup>	0.95%	0.97%
Weighted residual lease length <sup>2</sup> (in years)	12	12
Occupancy rate <sup>3</sup>	97.5%	97.0%
Gross rental yield at 100 % occupancy <sup>4</sup>	6.1%	6.2%
Net rental yield at 100 % occupancy <sup>5</sup>	5.8%	5.8%
Debt-to-assets ratio <sup>6</sup>	41.8%	41.0%
Average cost of debt <sup>7</sup>	1.3%	1.4%
Average debt maturity (in years)	4	4

The Alternative Performance Measures (APM), as defined by the European Securities and Markets Authority (ESMA), are identified with an asterisk (\*) the first time they appear in the body of this press release. Their definition and calculation details are available on Cofinimmo's website ([www.cofinimmo.com/investors/reports-and-presentations](http://www.cofinimmo.com/investors/reports-and-presentations)).

<sup>1</sup> Average value of the portfolio to which are added the receivables transferred for the buildings whose maintenance costs payable by the owner are still met by the Group through total cover insurance premiums.

<sup>2</sup> Until the first break option for the lessee.

<sup>3</sup> Calculated based on real rents (excluding assets held for sale) and, for vacant space, the rental value estimated by the independent valuer

<sup>4</sup> Passing rents increased by the estimated value of vacant space, divided by the investment value of the portfolio including notarial & registration charges and excluding development projects.

<sup>5</sup> Passing rents increased by the estimated value of vacant space, less direct costs, divided by the investment value of the portfolio including notarial & registration charges and excluding development projects and assets held for sale.

<sup>6</sup> Legal ratio calculated in accordance with the legislation on RRECs such as financial and other debt divided by total assets.

<sup>7</sup> Including bank margins.

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**1.2.2. Data per share - Group share**

(in EUR)	30.06.2020	30.06.2019
<b>Net result from core activities - Group share</b>	<b>3.40</b>	<b>3.23</b>
Result on financial instruments - Group share	-0.70	-1.40
Result on the portfolio - Group share	-0.40	1.24
<b>Net result - Group share</b>	<b>2.31</b>	<b>3.07</b>

Net Asset Value per share (in EUR)	30.06.2020	31.12.2019
Revalued net assets per share in fair value <sup>1</sup> after dividend distribution for the 2019 financial year*	92.95	89.42
Revalued net assets per share in investment value <sup>2</sup> after dividend distribution for the 2019 financial year*	97.89	94.30

Diluted Net Asset Value per share (in EUR)	30.06.2020	31.12.2019
Revalued net assets per share in fair value <sup>1</sup> after dividend distribution for the 2019 financial year	92.88	89.32
Revalued net assets per share in investment value <sup>2</sup> after dividend distribution for the 2019 financial year	97.81	94.11

The Mandatory Convertible Bonds (MCB) issued in 2011 and the convertible bonds issued in 2016 were not taken into account in calculating the net assets per share as at 30.06.2020 and 31.12.2019 because they would have had an accretive effect. Conversely, 22,995 treasury shares of the stock option plan have been taken into account in the calculation of the above-mentioned indicator in 2020 (compared to 27,345 in 2019) as they have a dilutive impact.

<sup>1</sup> Fair value: after deduction of transaction costs (primarily transfer taxes) from the value of the investment properties.

<sup>2</sup> Investment value: before deduction of transaction costs.

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**1.2.3. Performance indicators based on the EPRA standard<sup>1</sup>**

<b>(in EUR per share)</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
EPRA Earnings*	3.40	3.23
EPRA Diluted earnings*	3.40	3.23
<b>(in EUR per share)</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
EPRA Net Asset Value (NAV)*	99.81	100.69
EPRA Triple Net Asset Value (NNNAV)*	96.06	97.56
EPRA Net Reinstatement Value (NRV)* (new indicator)	106.76	107.67
EPRA Net Tangible Assets (NTA)* (new indicator)	99.36	100.13
EPRA Net Disposal Value (NDV)* (new indicator)	94.32	95.36
	<b>30.06.2020</b>	<b>31.12.2019</b>
EPRA Net Initial Yield (NIY)*	5.7%	5.6%
EPRA 'Topped-up' NIY*	5.7%	5.6%
EPRA Vacancy Rate*	2.6%	3.0%
EPRA cost ratio (direct vacancy costs included)*	20.0%	22.2%
EPRA cost ratio (direct vacancy costs excluded)*	17.1%	18.0%

In accordance with EPRA Best Practice Recommendations, given that the MCBs issued in 2011 and the convertible bonds issued in 2016 were not dilutive as at 30.06.2020, 31.12.2019 and 30.06.2019, they were not taken into account for the EPRA Diluted Earnings, the EPRA NAV, the EPRA NNNAV, the EPRA NRV, the EPRA NTA and the EPRA NDV calculation on these dates.

**1.3. Portfolio evolution**

<b>Segment</b>	<b>Investments in the 1<sup>st</sup> half-year of 2020</b>	<b>Divestments in the 1<sup>st</sup> half-year of 2020</b>	<b>Investments in the 2<sup>nd</sup> quarter of 2020</b>	<b>Divestments in the 2<sup>nd</sup> quarter of 2020</b>	<b>Fair value as at 30.06.2020</b>	<b>Reference</b>
<b>Healthcare real estate</b>	182 million EUR	-	167 million EUR	-	2.6 billion EUR	1.4.1 to 1.4.5
<b>Distribution networks</b>	1 million EUR	3 million EUR	1 million EUR	1 million EUR	0.6 billion EUR	1.4.6
<b>Offices</b>	48 million EUR	26 million EUR	1 million EUR	26 million EUR	1.3 billion EUR	1.4.7
<b>TOTAL</b>	<b>231 million EUR</b>	<b>30 million EUR</b>	<b>170 million EUR</b>	<b>28 million EUR</b>	<b>4.5 billion EUR</b>	<b>/</b>

<sup>1</sup> Data not required by the RREC regulations and not subject to control by public authorities.

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The portfolio breakdown per segment and sub-segment is as follows:

Segment	Sub-segment	Number of beds (rounded up)	Fair value (%)
<b>Healthcare real estate</b>		<b>18,600</b>	<b>57%</b>
	Cure centres <sup>1</sup>	2,300	7%
	Primary care <sup>2</sup>	-	2%
	Care centres <sup>3</sup>	16,300	46%
	Others <sup>4</sup>	-	2%
<b>Property of distribution networks</b>		-	<b>12%</b>
	Pubstone	-	10%
	Cofinimur I	-	3%
<b>Offices</b>		-	<b>30%</b>
	Brussels CBD	-	15%
	Brussels decentralised	-	8%
	Brussels periphery	-	3%
	Antwerp	-	1%
	Other regions	-	3%

The portfolio geographical breakdown is as follows:

Country	Fair value (%)
Belgium	66%
France	12%
Netherlands	10%
Germany	12%
Spain <sup>5</sup>	<1%

<sup>1</sup> Specialised acute care clinics, revalidation clinics and psychiatric clinics.

<sup>2</sup> Medical office buildings.

<sup>3</sup> Nursing and care homes, assisted living and disabled care facilities.

<sup>4</sup> Sport & wellness centres.

<sup>5</sup> The construction process of a nursing and care home started in several Spanish cities. As at 30.06.2020, the healthcare real estate portfolio in Spain accounts for 0.5% of the total fair value of the group's consolidated portfolio.



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#### 1.4. Major events occurring during the 1<sup>st</sup> half-year of 2020

##### 1.4.1. Healthcare real estate in Belgium

- Investments in the 1<sup>st</sup> half-year of 2020: 107 million EUR
- Investments in the 2<sup>nd</sup> quarter of 2020: 107 million EUR
- Healthcare real estate portfolio in Belgium at 30.06.2020: 1,326 million EUR (78 sites)

Cofinimmo's healthcare real estate portfolio in Belgium has a fair value of 1.3 billion EUR. During the 1<sup>st</sup> half-year of 2020, Cofinimmo invested 107 million EUR in it.

#### Main accomplishments:

- **Acquisition of six healthcare sites through contributions in kind**

On 10.06.2020, Cofinimmo signed an agreement regarding the acquisition of six healthcare sites in Belgium through contributions in kind of the shares of six companies. The conventional value of the assets for the calculation of the share price was established at approximately 105 million EUR, whereas the value of the contributions in kind amounted to 98,520,698.88 EUR. Within this framework, 825,408 new shares were issued (see section 1.9.1.2 below).



Nursing and care home Puthof – Borgloon (BE)



Nursing and care home Keiheuvel – Balen (BE)

Together, the sites offer a total above-ground surface area of more than 38,000 m<sup>2</sup> and a capacity of 562 beds. They are spread across Flanders. The buildings in this portfolio have a good average energy intensity. They were built using modern and sustainable materials. Most of the buildings are equipped with photovoltaic panels and innovations to increase the residents' comfort: high-efficiency glazing, an advanced double-flow ventilation system for air supply and extraction (D ventilation system), rainwater recovery, LED lighting, roof insulation and water softeners are just a few of the features that contribute to limiting the carbon footprint of these buildings. In addition, the installation of additional photovoltaic panels on some sites is currently being considered, which could further reduce energy consumption. All assets are easily accessible by public transport and are located in green areas or have a garden.

Cofinimmo welcomes the new operator 'Orelia Zorg SA/NV'. This group specialises in elderly care and has more than 40 years of experience both in the construction and the operation of nursing and care homes. In order to increase the residents' and employees' comfort, an optimum architecture is considered from the concept phase onwards. 'Orelia Zorg SA/NV' continuously invests in enriching its knowledge about care and supporting techniques, which creates space for healthcare innovation. It employs more than 500 people. Almost 900 residents receive premium care in 11 nursing and care homes and assisted living clusters.

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For all six assets, triple net<sup>1</sup> agreements with a term of 27 years were concluded with the operator mentioned above. The rents are indexed based on the Belgian consumer price index. The gross rental yield is approximately 4.5%, which is in line with the current market conditions and the quality of the sites.

**1.4.2. Healthcare real estate in France**

- **Investments in the 1<sup>st</sup> half-year of 2020: 26 million EUR**
- **Investments in the 2<sup>nd</sup> quarter of 2020: 26 million EUR**
- **Healthcare real estate portfolio in France at 30.06.2020: 398 million EUR (49 sites)**

In France, Cofinimmo holds investment properties in healthcare real estate for a fair value of 398 million EUR, and finance lease receivables for 21 million EUR. During the 1<sup>st</sup> half-year of 2020, Cofinimmo invested 26 million EUR in it.

Main accomplishments:

- **Repurchase of the shares held by the Orpea group in Cofinea I**

On 05.06.2020, Cofinimmo repurchased Orpea's participation in the joint venture Cofinea I SAS for a total amount of almost 8 million EUR. In accordance with Article 37 § 1 of the Law of 12.05.2014 on regulated real estate companies, the operation has previously been brought to the attention of the FSMA. Cofinimmo now holds 100% of the capital of this French subsidiary, which owns an investment property valued at approximately 24 million EUR to which an investment loan of 9 million EUR is attached.

As a reminder, the Orpea group and the Cofinimmo group acquired in 2012, through their joint venture Cofinea I SAS, the nursing and care home 'Les Musiciens' located in the 19<sup>th</sup> arrondissement of Paris<sup>2</sup>. Cofinea I is a company under French law in which Cofinimmo held 51% of the capital and the Orpea group the remaining 49%.

<sup>1</sup> The insurance costs, taxes and maintenance expenses are borne by the tenant.

<sup>2</sup> See also press release dated 24.04.2012.

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**1.4.3. Healthcare real estate in the Netherlands**

- **Investments in the 1<sup>st</sup> half-year of 2020: 10 million EUR**
- **Investments in the 2<sup>nd</sup> quarter of 2020: 7 million EUR**
- **Healthcare real estate portfolio in the Netherlands at 30.06.2020: 301 million EUR (41 sites)**

Cofinimmo's healthcare real estate portfolio in the Netherlands has a fair value of 301 million EUR. During the 1<sup>st</sup> half-year of 2020, Cofinimmo invested 10 million EUR in it.

Main accomplishments:

- **Delivery of the extension of an orthopaedic clinic in Rijswijk**



The extension of an orthopaedic clinic in the city of Rijswijk, located between Delft and The Hague, was delivered on 13.02.2020. As a reminder, mid-October 2018, Cofinimmo acquired a plot of land for this asset<sup>1</sup>. The building offers accommodations and consultation rooms, spread over a total above-ground surface area of almost 4,000 m<sup>2</sup>, and provides approximately 130 parking spaces on the ground floor. The budget of the works amounted to approximately 11 million EUR (plot included). The site is operated by Bergman Clinics, with whom Cofinimmo signed a triple net<sup>2</sup> lease for 15 years. The gross rental yield amounts to more than 6%.

Fixtures have been installed to reduce the building's energy consumption; 162 photovoltaic panels have been installed on the roof and the building is lit exclusively by LED lamps, which are more energy efficient.

- **Acquisition of a nursing and care home in The Hague**

On 14.05.2020, Cofinimmo acquired, through one of its subsidiaries, a nursing and care home located in The Hague for approximately 14 million EUR. This amount comprises the value of the current building as well as the budget for the works to be carried out.

The building acquired is a former nursing and care home with an above-ground surface area of approximately 5,100 m<sup>2</sup> which dates back to 1986 and is located in a residential area of The Hague, the capital of the South-Holland province where the Dutch government and parliament are also based. The nursing and care home is easily accessible by public transport from the nearby Central Station.

<sup>1</sup> See also press release dated 22.10.2018.

<sup>2</sup> The insurance costs, taxes and maintenance expenses are borne by the tenant.

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Cofinimmo chose to have the site completely renovated, including a small extension at the back of the building. This allows certain building materials to be reused and raw materials to be used more rationally, resulting in a significantly lower environmental impact than that of new constructions. The works will provide a modern and sustainable nursing and care home of almost 5,400 m<sup>2</sup> with 87 beds for persons who need substantial care. A restaurant is foreseen in the building which will also be accessible to visitors.



Modern techniques and sustainable materials will contribute to the limited carbon footprint of the building. New high-efficiency glazing, energy-efficient installations such as heat pumps and LED lighting, a renovated roof with insulation and solar panels will also contribute to the building being awarded an energy label A (vs. a level D before).

In order to carry out these renovation works, Cofinimmo has concluded a turnkey construction contract with 'Formabouw B.V.'. The works (for which a budget of approximately 10 million EUR is foreseen) will start soon and their delivery is forecasted in September 2021.

On-site treatments will be offered to patients/residents with moderate to high healthcare needs. The renovation is designed with a long-term view in order to offer rooms for heavier treatments and to enable patients/residents to stay in the facilities regardless of their healthcare needs. They will be treated by a multidisciplinary healthcare team led by a specialist in geriatrics.

The building is already entirely pre-let to the 'Stichting Haagse Wijk- en Woonzorg' ('HWW zorg') foundation. The double net<sup>1</sup> lease contract of 15 years will start at the delivery of the works. The rent will be indexed according the Dutch consumer price index. The gross rental yield is higher than 5.5%.

'HWW zorg' has 11 sites (nursing and care homes) spread all over The Hague. Some of these locations are also the operational base for part of the community healthcare teams.

'HWW zorg' is a community-based healthcare organisation, close to the patient/residents. A team that is familiar with the environment offers tailor-made care, starting from the patient/resident's wishes and expectations. 'HWW zorg' wants everyone to live the life that suits him/her best, either at home or in a nursing and care home.

<sup>1</sup> The owner primarily bears the maintenance costs of the roof and the structure of the building.

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**1.4.4. Healthcare real estate in Germany**

- **Investments in the 1<sup>st</sup> half-year of 2020: 28 million EUR**
- **Investments in the 2<sup>nd</sup> quarter of 2020: 25 million EUR**
- **Healthcare real estate portfolio in Germany at 30.06.2020: 518 million EUR (39 sites)**

Cofinimmo's healthcare real estate portfolio in Germany has a fair value of 518 million EUR. During the 1<sup>st</sup> half-year of 2020, Cofinimmo invested 28 million EUR in it.

Main accomplishments:

- **Delivery of the construction works of a psychiatric clinic in Kaarst**

The construction works of a psychiatric clinic in Kaarst, a city ideally located 15 km from Düsseldorf and 45 km from Cologne, in the State of North Rhine-Westphalia, have been completed. The conditions (primarily administrative) precedent to the acquisition of this asset have been lifted and the asset was integrated into Cofinimmo's perimeter on 10.04.2020.

As a reminder, mid-October 2018, Cofinimmo signed an agreement relating to the acquisition of this asset under construction<sup>1</sup>. The clinic, which specialises in treating and supporting patients suffering from depression or burnout, will cover an above-ground surface area of approximately 8,000 m<sup>2</sup> and will have approximately 70 beds, as well as 20 places in day clinic. The investment amounted to approximately 22 million EUR.

From a technical point of view, the complex is built according to ambitious environmental requirements. The brick-clad masonry building is fitted with PVC frames and also has a green roof. It is part of a green, tree-lined exterior landscaping plan. Heat is produced by gas condensing boilers in combination with a combined heat and power unit. All electrical installations meet German energy efficiency requirements according to VDE standards. The final energy intensity is estimated at 116 kWh/m<sup>2</sup>/year, which is 48% less than the current benchmark for this type of building in Germany.

The clinic is operated by the Oberberg group. This group, which has an excellent reputation in healthcare and manages nine clinics on eight sites spread throughout Germany. These sites are dedicated to the treatment of people with psychiatric disorders such as depression, dependencies, burnout, as well as anxiety and panic disorders. The psychiatric clinic in Kaarst will be the first asset in Cofinimmo's portfolio operated by the Oberberg group.

The lease contract will be of the 'Dach und Fach'<sup>2</sup> type for a fixed term of 20 years. The rent will be indexed based on the German consumer price index. The gross rental yield is higher than 6%.

- **Acquisition of a new healthcare site in Bickenbach**

The Cofinimmo group announced on 29.06.2020 to have signed agreements to acquire, under certain conditions, a nursing and care home rented by Alloheim, south of Frankfurt. The conventional value of the site amounts to approximately 16 million EUR. The conditions (primarily administrative) should be lifted in the coming weeks. The acquisition price will then be paid.

The nursing and care home is located in Bickenbach, near Darmstadt, south of Frankfurt, in the federal state of Hessen. More than 150,000 inhabitants live within a 10-km radius of the building. The property, built in

<sup>1</sup> See also press release dated 23.10.2018.

<sup>2</sup> The owner primarily bears the maintenance costs for the roof and the structure of the building.



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2011, has an above-ground surface area of almost 6,000 m<sup>2</sup> and offers 145 beds. The building is within walking distance of the train station. It has a good energy performance. A gas-fired central heating system and a heat-recovery ventilation system further enhance the sustainability of the building.

A new 'Dach und Fach'<sup>1</sup> lease contract has been signed for a fixed term of 23 years. The rent will be indexed on the basis of the German consumer price index. The gross rental yield is higher than 5%.

The site is operated by Alloheim. With 223 nursing and care homes, more than 77 assisted-living residences and more than 20,000 staff members, this operator is one of the three largest players in Germany and an existing partner of Cofinimmo. A collaboration that started in 2018 with the acquisition by Cofinimmo of the nursing and care home in Niebüll.

Alloheim offers high-quality care services for different age groups and assisted living for senior citizens. They have an outstanding level of nursing competence which, in addition to intramuros and mobile nursing for the elderly, also includes extensive offers in special nursing.

The group is one of the pioneers in the healthcare sector in Germany. The first Alloheim residence in Bad Marienberg was founded in 1973. Since then, Alloheim has grown continuously - by building its own residences or by taking over existing houses that meet their quality and service requirements.

#### **1.4.5. Healthcare real estate in Spain**

- **Investments in the 1<sup>st</sup> half-year of 2020 : 10 million EUR**
- **Investments in the 2<sup>nd</sup> quarter of 2020: 2 million EUR**
- **Healthcare real estate portfolio in Spain at 30.06.2020: 21 million EUR**

Cofinimmo entered Spain in September 2019, where it already holds a healthcare real estate portfolio with a fair value of 21 million EUR. This comprises the three sites under construction in Galicia and Murica since 2019 as well as a land reserve acquired in Catalonia during the 1<sup>st</sup> half-year of 2020.

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<sup>1</sup> The owner primarily bears the maintenance costs of the roof and the structure of the building.

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**1.4.6. Property of distribution networks**

- **Investments in the 1<sup>st</sup> half-year of 2020: 1 million EUR**
- **Divestments in the 1<sup>st</sup> half-year of 2020: 3 million EUR**
- **Investments in the 2<sup>nd</sup> quarter of 2020: 1 million EUR**
- **Divestments in the 2<sup>nd</sup> quarter of 2020: 1 million EUR**
- **Property of distribution networks portfolio at 30.06.2020: 557 million EUR**

Cofinimmo's distribution networks portfolio has a fair value of 557 million EUR. During the 1<sup>st</sup> half-year of 2020, Cofinimmo invested 1 million EUR in it and divested 3 million EUR from this portfolio.

**1.4.6.1. Pubstone**

- **Amendment relating to the Pubstone portfolio**

During the 2<sup>nd</sup> quarter of 2020, Cofinimmo and AB InBev concluded amendments relating to the Pubstone portfolio. These agreements are fully in line with the assumptions taken into account by Cofinimmo in the context of its outlook concerning the net result of the core activities – Group share published on 28.04.2020 (see section 2 of the press release dated 28.04.2020).

- **Sale of 12 pubs and restaurants of the Pubstone portfolio**

During the 1<sup>st</sup> half-year of 2020, the Cofinimmo Group sold 12 pubs and restaurants of the Pubstone BE portfolio for a total amount of approximately 4 million EUR. This amount is higher than the latest fair value of the assets.

**1.4.6.2. Cofinimur I**

During the 1<sup>st</sup> half-year of 2020, Cofinimur I did not change in scope.

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#### 1.4.7. Offices

- Investments in the 1<sup>st</sup> half-year of 2020: 48 million EUR
- Divestments in the 1<sup>st</sup> half-year of 2020: 26 million EUR
- Investments in the 2<sup>nd</sup> quarter of 2020: 1 million EUR
- Divestments in the 2<sup>nd</sup> quarter of 2020: 26 million EUR
- Office portfolio at 30.06.2020: 1,339 million EUR (77 sites)

Cofinimmo's office portfolio has a fair value of 1.3 billion EUR. During the 1<sup>st</sup> half-year of 2020, Cofinimmo invested 48 million EUR in it and divested 26 million EUR from this portfolio.

#### Main accomplishments:

- **Cofinimmo expands in the CBD with a building containing offices and a medical centre**

On 04.03.2020, Cofinimmo acquired 100% of the shares of the company owning the Trône/Troon 100 office building, located in the Brussels Central Business District ('CBD'). The conventional value of the property for the calculation of the share price was established at approximately 40 million EUR.



The building is located at the corner of rue du Trône/Troonstraat and rue d'Idalie/Idaliestraat, in the Leopold District of Brussels. The building is adjacent to Trône/Troon 98, an office building owned by Cofinimmo. The property is undergoing major renovation works in order to offer quality and comfort to its future occupants. Part of these works has already been delivered. The remaining works will be delivered during the 3<sup>rd</sup> quarter of 2020. The building offers a surface area of more than 7,200 m<sup>2</sup>, spread over a ground floor and seven floors. In total, 2,000 m<sup>2</sup> have already been

leased for 18 years to the Centre Hospitalier Interrégional Edith Cavell (CHIREC) for the activities of its Park Leopold Medical Centre. This hospital group with an excellent reputation provides treatments in all medical and surgical fields, with the exception of cardiac surgery and interventional cardiology. CHIREC manages several sites in and around Brussels.

The property is within walking distance of the Brussels Luxembourg train station, the Trône/Troon metro station and several bus stops, making it easily accessible from all directions. In addition, the European Institutions are also just a stone's throw away. The building is being renovated with the emerging urban mobility trends in mind. Approximately the same number of parking spaces were provided for cyclists as for motorists, with accompanying facilities such as fully equipped shower rooms. The offices are modular, and thus flexible, in order to meet the wishes of the users. There is also room for a restaurant with terrace.

During the works, attention was also paid to the thermal and acoustic insulation of the building and the application of energy-friendly solutions. Among other things, modern glazing, new insulation of the roof and LED lighting in all areas will be provided. After renovation, the building aims for a B+ energy performance level. This acquisition is in line with the company's ESG objectives.



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The gross rental yield will reach more than 4% at full occupancy.

- **Bourget 40**

Since 01.03.2020, the Bourget 40 office building, located Avenue du Bourgetlaan 40 in the decentralised area of Brussels, is fully let to FedEx which occupies the 13.800 m<sup>2</sup> office space that the site offers.

- **Sale of an office building located Chaussée de Louvain/Leuvensesteenweg 325**

On 20.04.2020, Cofinimmo signed a private agreement for the sale of the office building located Chaussée de Louvain/Leuvensesteenweg 325, in the periphery of Brussels, for approximately 4 million EUR. This amount is higher than the last fair value (as at 31.03.2020) as determined by Cofinimmo's independent real estate valuer prior to the conclusion of the said agreement. The notarial deed should be signed in the 4<sup>th</sup> quarter of 2020. The building offers almost 6,300 m<sup>2</sup> of office space. It has several tenants and is partly vacant.

- **Assignment of property rights for the office buildings Serenitas and Moulin à Papier/Papiermolen**

On 25.06.2020, Cofinimmo signed the authentic deed enabling the assignment of a 99-year long-lease relating to the Serenitas<sup>1</sup> and Moulin à Papier/Papiermolen<sup>2</sup> office buildings to BPI Real Estate Belgium. As announced on 24.12.2018, the assignment of the property rights relating to these two buildings, located in the decentralised area of Brussels, amounts to approximately 27 million EUR. This amount is higher than the last fair value (as at 30.09.2018), as determined by Cofinimmo's independent real estate valuers prior to the conclusion of the agreements.

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<sup>1</sup> Located at Avenue Van Nieuwenhuyse n°2 and 6 at 1160 Auderghem.

<sup>2</sup> Located at Rue du Moulin à Papier n°55 at 1160 Auderghem.

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**1.4.8. Public-Private Partnership**

– **The NEO II project in Brussels**

As a reminder (see press release dated 28.04.2020):

- The NEO II public procurement has been assigned to the consortium composed of CFE and Cofinimmo in July 2018. The purpose of this public procurement, which has been launched by the city of Brussels and the Brussels-Capital Region in 2013, is a Design-Build-Finance-Maintain (DBFM) contract for a convention centre and a high-class hotel, on the Heysel plateau (north of Brussels, next to the Atomium).
- Taking into account that the consortium's offer expired mid-December 2019 and that the project's co-contractors requested early 2020 that negotiations be postponed until September 2020, the signature of the contracts, which was expected to take place early 2019, could take place at the earliest at the end of 2020. The construction works, if applicable, could start after obtaining the permits, at the earliest in 2022 and should last three years. The convention centre's operational phase will have a fixed duration of 20 years and should start as soon as the certificate of availability has been delivered at the end of the construction works.

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## 1.5. Events after 30.06.2020

### 1.5.1. Provisional acceptance of the Quartz office building

The provisional acceptance of the Quartz, an emblematic office building ideally located Avenue des Arts/Kunstlaan, in the Central Business District of Brussels ('CBD'), took place on 23.06.2020. As a reminder, after the building had been vacated in January 2017, it was completely demolished to make room for a new construction. Based on transparent architecture, it provides integral glass façades, maximising the occupants' comfort and including a view to the courtyard garden from Rue Joseph II/Jozef II-sstraat. Quartz offers nearly 9,200 m<sup>2</sup> of modern and modular offices and versatile surfaces, spread over eight floors. The floors have an unusual clear height of three meters, allowing its occupants to enjoy a maximum amount of daylight. A terrace has also been set up on the roof. The budget of the works amounts to 23 million EUR.



In addition to its innovative architecture, the Quartz meets the highest requirements in terms of quality and sustainability. The building has already been granted a BREEAM 'Excellent' certificate for its design phase. A certificate Cofinimmo also intends to obtain for the building in use, thanks in particular to the triple-glazed windows, the high-performance heating and ventilation system, the ultra-efficient lighting concept with light detection and the fully flexible building management system.

The new Quartz office building is now home of the European Free Trade Association (EFTA), the EFTA Surveillance Authority (ESA) and the Financial Mechanism Office (FMO). Occupancy took place on 01.07.2020. The usufruct, which has a duration of 15 years, will start on 01.01.2021.

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**1.5.2. Delivery of a medical office building in Bergeijk (the Netherlands)**

On 30.06.2020, a medical office building has been delivered in Bergeijk, about 20 km from Eindhoven. As a reminder, Cofinimmo acquired this former bank office with an above-ground surface area of approximately 3,400 m<sup>2</sup> on 12.09.2019<sup>1</sup> for more than 5 million EUR. Cofinimmo provided the financing of the redevelopment works for a total amount of more than 2 million EUR within the framework of a 'turn-key' agreement. The renovation included, among others, the renewal of the building's technical facilities and the refurbishment of the consultation rooms for the various health care providers. Lease contracts started on 01.07.2020. In total, 85% of the building is already pre-let to different healthcare providers. The double net<sup>2</sup> lease contracts have an average residual lease term of 15 years. The gross rental yield amounts to approximately 6%.

**1.5.3. Acquisition of a healthcare complex in Bergem op Zoom (the Netherlands)**

On 03.07.2020, the Cofinimmo group announced the acquisition of the healthcare complex 'Residentie Moermont' in Bergem op Zoom for 46 million EUR.



'Residentie Moermont' is located on the outskirts of Bergem op Zoom, close to local shops and parks. The complex is easily accessible by public transport and is located near several access roads. Bergem op Zoom, an historical city of nearly 70,000 inhabitants is located in the province of North Brabant, in the border area between Zeeland and Belgium.

The building dates from 2010 and has an A-level energy label. It offers more than 220 care units, spread over an above-ground surface area of more than 16,000 m<sup>2</sup>. The construction is flexible, modular and air conditioned by means of a thermal energy storage system. The building also houses a restaurant, a hairdresser's salon, a small shop, a cybercafé and a movie theatre.

In the complex, care is provided in a personalised manner, particularly to elderly people with somatic and/or psycho-geriatric disorders. In addition, day care is provided on site.

Cofinimmo acquired the healthcare complex 'Residentie Moermont' through its subsidiary Superstone 2 NV for 46 million EUR. The building is let to the foundation 'tanteLouise'. The double net<sup>2</sup> lease has a residual lease length of 14 years. The rent will be indexed according to the Dutch consumer price index. The gross rental yield is approximately 5%.

<sup>1</sup> See also press release dated 13.09.2019.

<sup>2</sup> The owner primarily bears the maintenance costs of the roof and the structure of the building.

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With 17 nursing and care locations in the West Brabant region, the foundation 'tanteLouise' is a major regional player. This organisation is one of the pioneering healthcare institutions in the Netherlands and is specialised in care for the elderly. The foundation counts more than 2,500 employees and volunteers who provide on-site care to more than 1,150 clients, day care to more than 400 clients and specialised home care.

**1.5.4. Cofinimur I**

On 09.07.2020, the Cofinimur I portfolio was subject to a memorandum of understanding relating to contracts expiring in 2020. The forthcoming signature of the agreements resulting from this memorandum will result in an increase of the average residual lease term of this portfolio (from 2 years, as indicated in section 1.6.3, to 4 years).

**1.5.5. Acquisition of a plot of land in Catalonia (Spain)**

On 15.07.2020, Cofinimmo acquired, through its subsidiary Gloria Health Care Properties 2 S.L.U., a plot of land in the autonomous community of Catalonia. This site will see the construction of a new nursing and care home. The total investment budget for both the plot of land and the works will amount to approximately 14 million EUR. The delivery of the nursing and care home is currently foreseen for the 4<sup>th</sup> quarter of 2021. The double net<sup>1</sup> lease will have a term of 20 years. The rent will be indexed according to the Spanish consumer price index. The gross rental yield will be in line with current market conditions.

**1.5.6. Acquisition of a plot of land in Valencia (Spain)**

On 28.07.2020, Cofinimmo acquired, through its subsidiary Gloria Health Care Properties 1 S.L.U., a plot of land in the autonomous community of Valencia. This site will see the construction of a new nursing and care home. The total investment for both the plot of land and the works amounts to approximately 8 million EUR. The delivery of the nursing and care home is currently foreseen for the 1<sup>st</sup> quarter of 2022. The double net<sup>1</sup> lease will have a term of 20 years. The rent will be indexed according to the Spanish consumer price index. The gross rental yield will be in line with current market conditions.

**1.5.7. Acquisition of a nursing and care home in Andalusia (Spain)**

On 29.07.2020, Cofinimmo acquired, through its subsidiary CofiHealthcare Spain 1 S.L.U., a nursing and care home in the autonomous community of Andalusia. The total investment will amount to 7 million EUR. The triple net<sup>2</sup> leases has a term of 30 years. The rent will be indexed according to the Spanish consumer price index. The gross rental yield is in line with current market conditions.

<sup>1</sup> The owner primarily bears the maintenance costs of the roof and the structure of the building.

<sup>2</sup> Insurances, taxes and maintenance are born by the tenant.



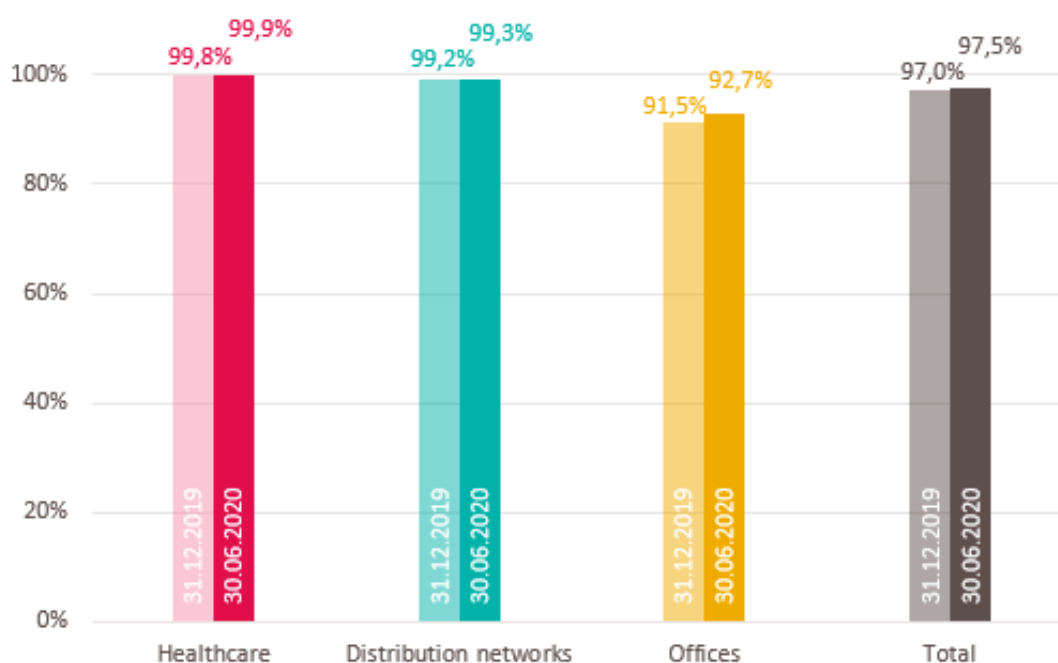
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## 1.6. Operating results

### 1.6.1. Occupancy rate (calculated based on rental income)

Calculated based on real rents and, for vacant space, the rental value estimated by the independent real estate valuers:



### 1.6.2. Main tenants

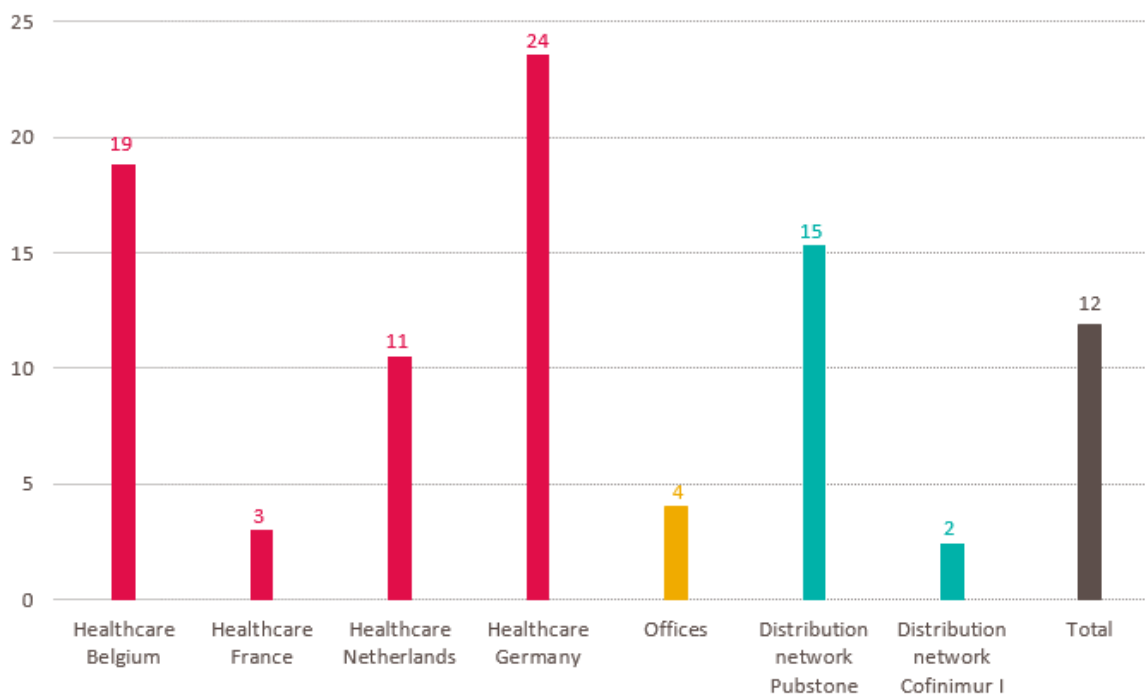
Tenants	Contractual rents	Average residual lease term (in years)
Korian Group	15%	9
AB InBev	11%	15
Colisée Group	10%	17
Belgian Public Sector	7%	5
Orpea	4%	10
<b>Top 5 tenants</b>	<b>47%</b>	<b>12</b>
Stella Vitalis	4%	28
MAAF	3%	2
Aspria	3%	25
Care-Ion	2%	26
Orelia Zorg	2%	27
<b>Top 10 tenants</b>	<b>61%</b>	<b>14</b>
<b>Top 20 tenants</b>	<b>70%</b>	<b>14</b>
Other tenants	30%	8
<b>TOTAL</b>	<b>100%</b>	<b>12</b>

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**1.6.3. Average residual lease length**

In years, until the date of the tenant's first break option:



The average residual lease length would be 12 years if no break options were exercised and all tenants remained in their rented space until the contractual end of the leases.

**1.6.4. Portfolio maturity**

<b>Leases &gt; 9 years</b>	<b>58.0%</b>
Healthcare real estate	43.2%
Property of distribution networks Pubstone	11.1%
Offices (public sector)	2.0%
Offices (private sector)	1.6%
<b>Leases 6-9 years</b>	<b>5.6%</b>
Offices	3.3%
Healthcare real estate	2.2%
<b>Leases &lt; 6 years</b>	<b>36.5%</b>
Offices	23.2%
Healthcare real estate	10.2%
Property of distribution networks Cofinimur I	3.0%

In total, 58% of leases are long term (over nine years).

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**1.6.5. Changes in gross rental revenues on a like-for-like basis**

	Gross rental revenues at 30.06.2020 (x 1,000,000 EUR)	Gross rental revenues at 30.06.2019 (x 1,000,000 EUR)	Change	Like-for-like change
Healthcare real estate	71.0	59.5	+19.4%	+1.3%
Offices	35.8	35.3	+1.4%	+2.4%
Property of distribution networks	18.9	18.9	+0.0%	+1.0%
<b>TOTAL PORTFOLIO</b>	<b>125.6</b>	<b>113.6</b>	<b>+10.6%</b>	<b>+1.6%</b>

The year-on-year change in gross rental income amounted to more than 10% thanks to changes in the consolidation scope and good operating performance. On a like-for-like basis, the level of rents increased (+1.6%) between the first six months of 2019 and the first six months of 2020: the positive effect of new leases (+2.0%) and indexation (+1.3%) largely compensated the negative impact of departures (-1.4%) and renegotiations (-0.3%).

**1.7. Property portfolio as at 30.06.2020**

<b>GLOBAL PORTFOLIO OVERVIEW</b>		
<i>Extract from the report prepared by the independent real estate valuers Cushman &amp; Wakefield, Jones Lang LaSalle and PricewaterhouseCoopers based on the investment value</i>		
(x 1,000,000 EUR)	30.06.2020	31.12.2019
Total investment value of the portfolio	4,648.2	4,427.6
Projects, development sites and assets held for sale	-186.2	-154.3
<b>Total properties under management</b>	<b>4,462.0</b>	<b>4,273.3</b>
Contractual rents	265.8	255.7
<b>Gross yield on properties under management</b>	<b>6.0%</b>	<b>6.0%</b>
Contractual rents + Estimated rental value on unlet space on the valuation date	272.6	263.7
Gross yield at 100 % portfolio occupancy	6.1%	6.2%
<b>Occupancy rate of properties under management<sup>1</sup></b>	<b>97.5%</b>	<b>97.0%</b>

As at 30.06.2020, the item 'Projects, development sites and assets held for sale' includes primarily:

- the Quartz office building (whose occupancy took place on 01.07.2020), Loi/Wet 85 and Trône/Troon 100 office buildings in redevelopment (Brussels 'CBD'),
- the healthcare properties in reconversion and renovation in the Netherlands (in The Hague and in Bergeijk, site for which the lease contract started on 01.07.2020),
- the development projects in Spain,
- as well as the assets held for sale.

In accordance with the Valuation Practice Alert of 02.04.2020 published by the Royal Institute of Chartered Surveyors ('RICS'), the independent real estate valuers' report mentions that it has been prepared taking into account a 'material valuation uncertainty', as defined by the RICS standards.

<sup>1</sup> Calculated based on rental income.



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Buildings	Add. surface above ground (in m <sup>2</sup> )	Contractual rents (x 1,000 EUR)	Occupancy rate	Rents + ERV on vacant spaces (x 1,000 EUR)
Offices	457,015	70,667	91.8%	76,997
Offices which receivables have been sold	49,847	9,563	100.0%	9,565
<b>Subtotal offices</b>	<b>506,862</b>	<b>80,230</b>	<b>92.7%</b>	<b>86,562</b>
Healthcare real estate	1,124,912	147,890	99.9%	148,090
Pubstone	323,330	29,599	99.7%	29,700
Cofinimur I	57,909	8,114	98.0%	8,283
<b>Subtotal of investment properties &amp; properties which receivables have been sold</b>	<b>2,013,013</b>	<b>265,834</b>	<b>97.5%</b>	<b>272,634</b>
Projects, renovations & assets held for sale	42,152	0	0.0%	0
Development sites	0	35	0.0%	35
<b>TOTAL PORTFOLIO</b>	<b>2,055,165</b>	<b>265,869</b>	<b>97.5%</b>	<b>272,670</b>

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**Portfolio as at 30.06.2020**

Segment	Fair value			Property result after direct costs	
	(x 1,000 EUR)	(in %)	Changes over the period <sup>1</sup>	(x 1,000 EUR)	(in %)
<b>Healthcare real estate</b>	<b>2,564,599</b>	<b>57.5%</b>	<b>+0.0%</b>	<b>67.133</b>	<b>57.0%</b>
Belgium	1,325,707	29.7%	+0.4%	32.720	27.8%
France	397,940	8.9%	-1.7%	13.047	11.1%
The Netherlands	301,452	6.8%	+0.7%	7.942	6.7%
Germany	518,270	11.6%	+0.0%	13.424	11.4%
Spain	21,230	0.5%	+1.2%	0	0.0%
<b>Offices</b>	<b>1,339,150</b>	<b>30.0%</b>	<b>+1.1%</b>	<b>33.236</b>	<b>28.2%</b>
Brussels CBD	651,369	14.6%	+2.9%	11.349	9.6%
Brussels Decentralised	362,594	8.1%	+0.2%	11.359	9.7%
Brussels Periphery	111,922	2.5%	-2.1%	3.200	2.7%
Antwerp	66,825	1.5%	-3.3%	2.509	2.1%
Other Regions	146,439	3.3%	+0.0%	4.820	4.1%
<b>Property of distribution networks</b>	<b>556,551</b>	<b>12.5%</b>	<b>-0.7%</b>	<b>17.339</b>	<b>14.7%</b>
Pubstone - Belgium	293,134	6.6%	+0.0%	9.138	7.8%
Pubstone - Netherlands	141,447	3.2%	+0.1%	4.567	3.9%
Cofinimur I - France	121,970	2.7%	-3.2%	3.634	3.1%
<b>TOTAL PORTFOLIO</b>	<b>4,460,300</b>	<b>100.0%</b>	<b>+0.2%</b>	<b>117.708</b>	<b>100.0%</b>

Yield per segment	Healthcare real estate BE + FR	Healthcare real estate DE + NL	Offices	Pubstone	Cofinimur I	Total
Gross rental yield at 100 % occupancy	5.5%	5.8%	7.1%	6.3%	6.3%	<b>6.1%</b>
Net rental yield at 100 % occupancy	5.5%	5.4%	6.2%	5.9%	6.3%	<b>5.8%</b>

<sup>1</sup> Without the initial effect from the changes in the scope.

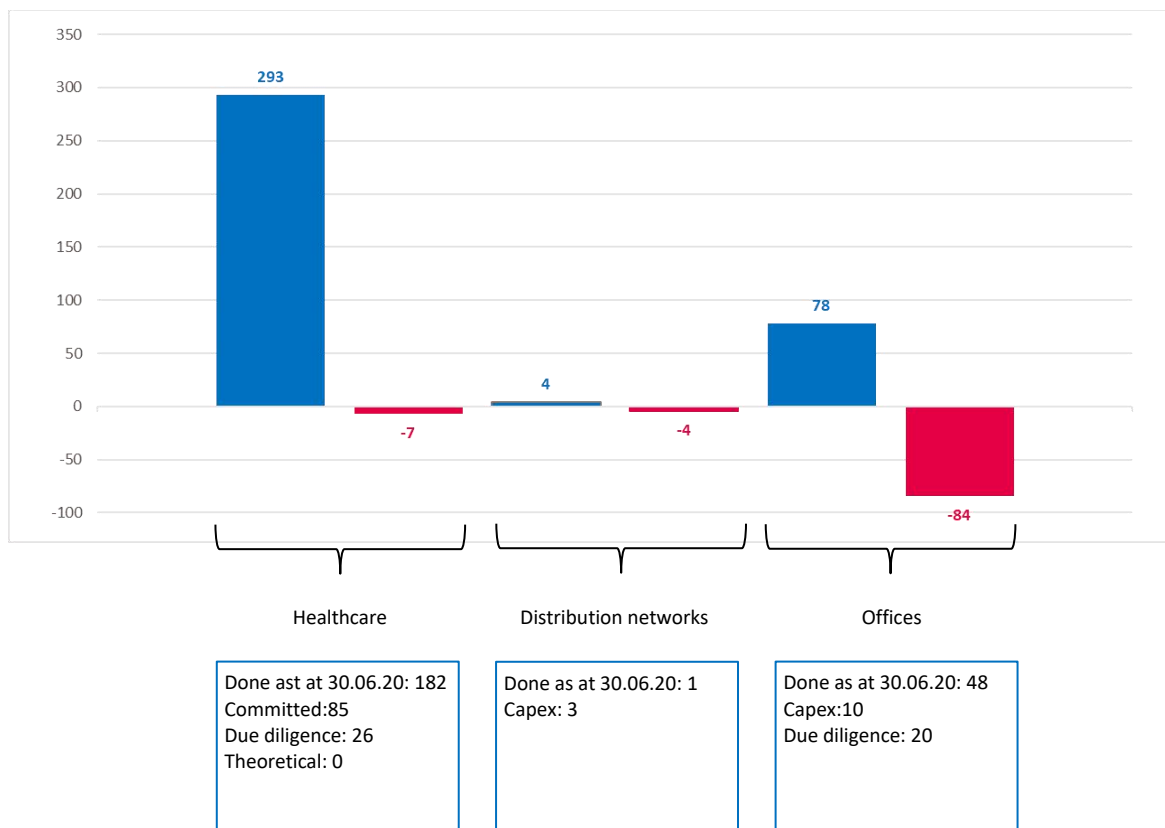
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**1.8. Investment programme for 2020**

Taking into account the current status of investment files, the investment and divestment budget for 2020 published on 13.02.2020 (and detailed in the annual financial report) remains up to date (taking into account the risks and uncertainties mentioned in section 1.13 below). It represents 375 million EUR of gross investments and 95 million EUR of divestments (i.e. net investments of 280 million EUR), broken down as shown in the following graph:

Estimated investment for the 2020 financial year by segment (x 1,000,000 EUR)



The table on the next page details the projects in progress.

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Projects	Type of works	Number of beds (after works)	Surface area (after works)	Estimated completion date	Total investments (x 1,000,000 EUR)	Total investments as at 30.06.2020 (x 1,000,000 EUR)	Total investments to be made before 31.12.2020 (x 1,000,000 EUR)	Total investments to be made after 2020 (x 1,000,000 EUR)
<b>I. Ongoing development projects</b>								
<b>Healthcare</b>								
Zonneweelde - Rijmenam (BE)	Renovation and reconstruction of a nursing and care home <sup>1</sup>	200	15,000 m <sup>2</sup>	Q1 2021	6	-	5	1
Fundis - Rotterdam (NL)	Demolition/Rebuilding of a nursing and care home and renovation of a rehabilitation centre	135	11,000 m <sup>2</sup>	Q4 2021	25	13	4	7
Bergeijk (NL)	Reconversion in a medical office building	-	3,400 m <sup>2</sup>	Q3 2020	8	8	-	-
The Hague (NL)	Complete renovation of a nursing and care home	87	5,400 m <sup>2</sup>	Q3 2021	14	5	3	6
Vigo (ES)	Construction of a nursing and care home	140	6,000 m <sup>2</sup>	Q4 2020	8	6	2	-
Oleiros (ES)	Construction of a nursing and care home	140	5,700 m <sup>2</sup>	Q3 2021	11	6	4	1
Cartagena (ES)	Construction of a nursing and care home	180	7,000 m <sup>2</sup>	Q3 2021	13	5	3	5
<b>Offices</b>								
Quartz - Brussels CBD	Demolition/rebuilding	-	9,200 m <sup>2</sup>	Q3 2020	23	23	-	-
<b>II. Ongoing projects</b>								
<b>Healthcare</b>								
Bickenbach (DE)	Nursing and care home	145	6,000 m <sup>2</sup>	Q3 2020	16	-	16	-
Other sites (ES)	Construction of nursing homes	180	7,700 m <sup>2</sup>	Q3 2021	14	-	11	4
<b>III. Total</b>					<b>137</b>	<b>65</b>	<b>48</b>	<b>23</b>

<sup>1</sup> The first phase of the renovation and extension was delivered during the first quarter of 2019

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**1.9. Management of financial resources**

During the 1<sup>st</sup> half-year of 2020, Cofinimmo reinforced its financial resources and its balance sheet structure. The financing operations during this 1<sup>st</sup> half-year enabled the Group to improve the maturity timetable of its financial debts, to considerably increase available bank financing, to maintain an average cost of debt at particularly low levels and to maintain its maturity. The various operations carried out are stated hereunder.

**1.9.1. Capital increases since 01.01.2020**

During the 1<sup>st</sup> half-year of the 2020 financial year, Cofinimmo proceeded to two capital increases (optional dividend and contributions in kind) totalling approximately 143 million EUR.

**1.9.1.1. Optional dividend**

The ordinary general meeting of 13.05.2020 had decided to distribute for the 2019 financial year a gross dividend of 5.60 EUR per share (or a net dividend of 3.92 EUR per share).

The board of directors decided to offer shareholders the choice between receiving the dividend payment for the year 2019 in new shares or in cash, or to opt for a combination of both means of payment. The subscription price of one new share was set at 113.68 EUR. The new shares will be entitled to Cofinimmo's results as from 01.01.2020 (first dividend payable in 2021).

Shareholders were invited to communicate their choice between the different payment modalities between 20.05.2020 and 05.06.2020.

A total of 43.5% of the 2019 dividend coupons were contributed to the capital against new shares. This resulted in the issue of 387,226 new shares for a total amount of 44.0 million EUR. The subscription price of 113.68 EUR per new share was 7.4% below the volume-weighted average stock market price of the share during the subscription period (122.74 EUR).

The remaining dividend pay-out was settled in cash for a net total amount of 57.2 million EUR (amount from which the withholding taxes on dividends relating to reinvested and non-reinvested coupons has been deducted). The payment in cash and/or the delivery of securities was made as from 09.06.2020. The effective day of listing of the new shares was 11.06.2020.

As a result, Cofinimmo's share capital was represented by 26,236,509 shares.

Funds not paid in cash will be used by the company to finance property acquisitions and renovation projects.

**1.9.1.2. Contributions in kind followed by a private placement**

On 10.06.2020, Cofinimmo signed an agreement regarding the acquisition of six healthcare sites in Belgium through contributions in kind of the shares of six companies (see section 1.4.1. of this report). The conventional value of the assets for the calculation of the share price amounted to approximately 105 million EUR, whereas the contributions in kind amounted to 98,520,698.88 EUR. Within this framework, 825,408 new shares were issued.

Part of the new shares were offered on the same day within the framework of a private placement with institutional investors. Trading in Cofinimmo shares on the regulated Euronext Brussels market was temporarily suspended due to this private placement.

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This private placement was successfully concluded. 526,000 shares were placed with institutional investors at a price of 121.00 EUR, which represents a discount of 3.8% compared to the closing price of the previous day. The trading in the Cofinimmo resumed on the next day.

Following this transaction, Cofinimmo's capital was represented by 27,061,917 shares.

## **1.9.2. Financing operations since 01.01.2020**

### **1.9.2.1. Financing developments**

- 06.01.2020: Conclusion of a new bilateral credit line of 50 million EUR for five years;
- 15.01.2020: Maturity of a bilateral credit line of 50 million EUR concluded in 2015;
- 07.02.2020: Repayment of 140 million EUR of bonds issued in 2012;
- 14.02.2020: New bilateral credit line of 20 million EUR for four years provided by a Spanish bank;
- 21.02.2020: Issue of commercial papers for a total amount of 24 million EUR for eight years;
- 25.02.2020: Repayment of commercial papers for 6 million EUR issued in 2015;
- 23.03.2020: New bilateral credit line of 50 million EUR for five years;
- 01.04.2020: Early refinancing of a credit line of 55 million EUR maturing in October 2020 to postpone its maturity to 2028 and 2029 (2 x 27.5 million EUR);
- 15.04.2020: In order to encourage long-term issues, Cofinimmo has decided to increase the maximum amount of the programme from 800 million EUR to 950 million EUR with a view to issuing more commercial papers whose maturity will be longer than one year. The increase in the programme is actually reserved solely for long-term issues; the programme for short-term commercial papers remains limited to 800 million EUR.
- 23.04.2020: Early refinancing of a credit line of 40 million EUR maturing in August 2020. This was initially a traditional credit line, refinanced in the form of a 'green & social' loan for three years. In accordance with its sustainability strategy and its performance table, the 'green & social' loan will be used by Cofinimmo to refinance projects with both environmental and social objectives;
- 04.05.2020: Signature of the extension of the syndicated loan of 400 million EUR for one additional year to postpone its maturity to 01.07.2025;
- 11.05.2020: Increase of the syndicated loan amount by 28 million EUR to bring it to 428 million EUR;
- 09.06.2020: New bilateral credit lines of 38 million EUR for seven years, replacing a credit line of 25 million EUR maturing in 2025;
- 12.06.2020: Issue of commercial papers totalling 5 million EUR for eight years;
- 01.07.2020: New credit line of 500 million EUR concluded for two years.

### **1.9.2.2. Interest rate hedging**

The 1<sup>st</sup> half-year enabled Cofinimmo to continue the increase of its hedging over a period of ten years. IRS for the years 2025 (100 million EUR), 2026-2027-2028 (200 million EUR) and 2029 (100 million EUR) were subscribed in order to increase hedging for these years.

Cofinimmo also increased its hedging for the coming years with the subscription of caps for 2020 (150 million EUR), 2021 (50 million EUR) and 2022 (150 million EUR).

In July, subscribed two new caps for 50 million EUR in order to increase its hedging for 2021 (50 million EUR) and 2022 (100 million EUR).

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**1.9.3. Debt structure**

As at 30.06.2020, the current and non-current consolidated financial debt was 1,853 million EUR. It consisted of the following:

**1.9.3.1. Non-current financial debt (1,042 million EUR)**

As at 30.06.2020, Cofinimmo's non-current financial debt was 1,042 million EUR, of which:

**1.9.3.1.1. Bond market**

- 260 million EUR accounting for two straight bonds:

Issuer	Nominal amount (x 1,000,000 EUR)	Issue price	Coupon	Issue date	Maturity date
Cofinimmo SA/NV	190	100%	1.929%	25.03.2015	25.03.2022
Cofinimmo SA/NV	70	99.609%	1.700%	26.10.2016	26.10.2026

- 55 million EUR of straight 'Green and Social Bonds':

Issuer	Nominal amount (x 1,000,000 EUR)	Issue price	Coupon	Issue date	Maturity date
Cofinimmo SA/NV	55	99.941%	2.00%	09.12.2016	09.12.2024

These bonds are part of the Euronext ESG Bonds community, which brings together European issuers of 'Green & Social' bonds that meet various objective criteria. Cofinimmo is currently one of the few issuers listed in Brussels participating in this committed European community. The other Belgian issuers being a Belgian banking group, the Belgian State, the Walloon Region and a Belgian wastewater treatment company.

- 2 million EUR for unmatured accrued interest on bond issues;
- 225 million EUR of bonds convertible into Cofinimmo shares:

Issuer	Nominal amount (x 1,000,000 EUR)	Issue price	Conversion price	Coupon	Issue date	Maturity date
Cofinimmo SA/NV	219.3	100%	135.8237 EUR	0.1875%	15.09.2016	15.09.2021

These convertible bonds are valued at market value on the balance sheet.

- 69 million EUR of long-term commercial paper;
- 3 million EUR mainly corresponding to the discounted value of the minimum coupon of the Mandatory Convertible Bonds issued by Cofinimur I in December 2011.

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**1.9.3.1.2. Bank facility**

- 420 million EUR of committed bilateral and syndicated loans, with an initial term of five to ten years, contracted with approximately ten financial institutions;
- 9 million EUR in rental guarantees received.

**1.9.3.2. Current financial debts (811 million EUR)**

As at 30.06.2020, Cofinimmo's current financial debts amounted to 811 million EUR, of which:

**1.9.3.2.1. Financial markets**

- 789 million EUR of commercial papers with a term of less than one year, of which 244 million EUR with a term of more than three months. The short-term commercial papers issued are fully backed up by availabilities on committed long-term credit lines. Therefore, Cofinimmo benefits from the attractive cost of such a short-term financing programme, while ensuring its refinancing in the event that the issue of new commercial paper becomes more costly or impracticable.
- 10 million EUR of commercial papers initially concluded on a long-term basis and whose residual term is less than one year.

**1.9.3.2.2. Bank facilities**

- 12 million EUR of other loans.

**1.9.4. Consolidated debt-to-assets ratio**

As at 30.06.2020, Cofinimmo met the consolidated and statutory debt-to-assets ratio test. Its consolidated debt-to-assets ratio (calculated in accordance with the regulations on RRECs as follows: financial and other debts / total assets) reached 41.8% (compared to 41.0% as at 31.12.2019). As a reminder, the maximum debt-to-assets ratio for RRECs is 65%.

When the loan agreements granted to Cofinimmo refer to a debt covenant, they refer to the regulatory debt-to-assets ratio and cap it at 60%.

**1.9.5. Weighted average maturity of financial debts**

The weighted average maturity of the financial debts remained stable at four years between 31.12.2019 and 30.06.2020. This calculation excludes short-term commercial paper maturities, which are fully hedged by tranches available on committed long-term credit lines.

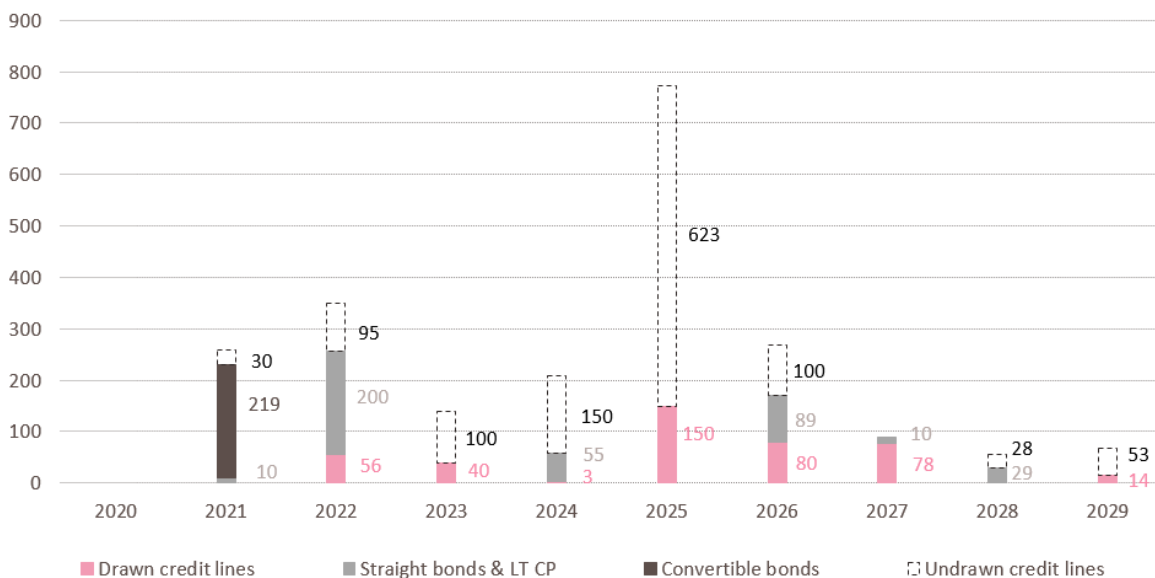
Committed long-term credit lines (bank credit lines, bonds, commercial paper with a term of more than one year and term loans), for which the total outstanding amount is 2,211 million EUR as at 30.06.2020, mature on a staggered basis until 2029.



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Schedule of long-term financial commitments as at 30.06.2020 (x 1,000,000 EUR)

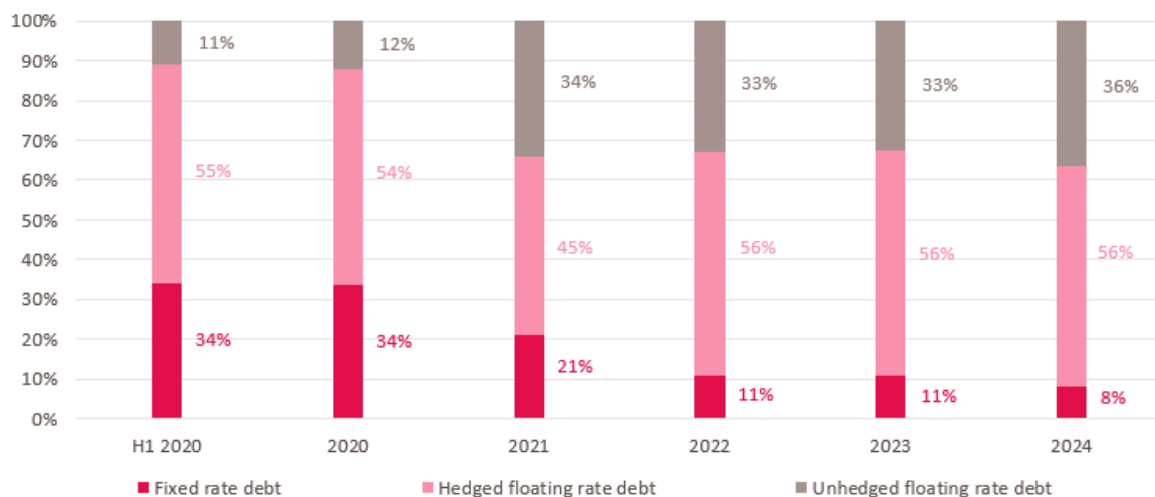


**1.9.6. Average cost of debt**

The average cost of debt, including bank margins, stood at 1.3% for the 1<sup>st</sup> half-year of the 2020 financial year, compared to 1.4% to the 2019 financial year.

Cofinimmo opts for the partial hedging of its floating rate debt through the use of interest rate swaps (‘IRS’) and caps. Cofinimmo conducts a policy aimed at securing the interest rates for a proportion of 50% to 100% of the expected debt over a minimum horizon of three years. In this context, the Group uses a global approach (‘macro hedging’). It therefore does not individually hedge each of the many floating-rate credit lines.

The breakdown of expected fixed-rate debt, hedged floating-rate debt and unhedged floating-rate debt is presented as shown in the graph below.



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To date, the interest rate risk is hedged at more than 60% until the end of 2024. The projected debt is hedged at nearly 90% for the rest of 2020. Cofinimmo's result nevertheless remains sensitive to fluctuations in interest rates.

**1.9.7. Availabilities**

Taking into account the conclusion of a new credit line of 500 million EUR made on 01.07.2020, availabilities on committed credit lines reached 1,678 million EUR. After deduction of the backup of the commercial paper programme, Cofinimmo had 889 million EUR of available lines to finance its activity.

**1.9.8. Financial rating**

Since 2001, Cofinimmo has been granted a long- and short-term financial rating from the Standard & Poor's rating agency. On 20.04.2020, Standard & Poor's confirmed the Cofinimmo Group's BBB/stable outlook rating for the long term and A-2 for the short term. The Group's liquidity has been rated 'adequate'.

**1.9.9. Disposal of own shares**

In accordance with article 8:6 of Royal Decree of 29.04.2019 executing the Companies and Associations Code, Cofinimmo announced the disposal, on 25.06.2020, of 1,257 own shares on Euronext Brussels at an average price of 123.66 EUR per share. This disposal transaction was carried out by Gestone III SA/NV, a direct subsidiary of Cofinimmo. The shares sold are the result of the conversion into ordinary shares of the 1,257 preference I shares acquired by Gestone III SA/NV on 12.07.2019 in the absence of conversion requests<sup>1</sup>. For now Gestone III SA/NV does not plan to proceed with any further disposals of Cofinimmo shares.

**Detailed overview of the transaction :**

Date	Number of shares	Average price (€)	Minimum price (€)	Maximum price (€)	Total price (€)
25.06.2020	1,257	123.66	123.40	123.80	155,441

<sup>1</sup> See also press releases dated 28.05.2019 and 12.07.2019

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**1.10. Information on shares and bonds**

**1.10.1. Share performance**

**Share (COFB)**

<b>ISIN BE0003593044</b>	<b>30.06.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
<b>Stock market price (over the period, in EUR)</b>			
Highest	159.00	135.40	113.00
Lowest	108.00	108.50	101.75
At close	122.40	131.00	108.50
Average	130.73	120.81	107.27
<b>Dividend yield<sup>1</sup></b>	<b>4.4%</b>	<b>4.6%</b>	<b>5.1%</b>
<b>Gross return<sup>2</sup> (over the period)</b>	<b>-2.3%</b>	<b>7.9%</b>	<b>7.5%</b>
<b>Volume (over the period, in number of shares) on Euronext</b>			
Average daily volume <sup>3</sup>	60,258	40,860	37,867
Total volume	7,592,509	10,419,399	9,618,185
<b>Number of shares</b>	<b>27,061,917</b>	<b>25,849,283</b>	<b>22,311,112</b>
<b>Market capitalisation at end of period (x 1,000 EUR)</b>	<b>3,312,379</b>	<b>3,386,256</b>	<b>2,420,756</b>
<b>Share of the capital held by shareholders with an ownership of less than 5%</b>	<b>95%</b>	<b>89%</b>	<b>90%</b>

**Bonds**

	<b>Cofinimmo SA/NV 140 million EUR – 2012-2020 ISIN BE6241505401</b>		<b>Cofinimmo SA/NV 190 million EUR – 2015-2022 ISIN BE0002224906</b>	
	<b>30.06.2020</b>	<b>31.12.2019</b>	<b>30.06.2019</b>	<b>31.12.2019</b>
<b>Stock market price (over the period, in % of nominal)</b>				
At close		100.18	99.96	101.91
Average		101.28	100.71	101.71
<b>Average yield through maturity</b>		<b>1.8%</b>	<b>1.9%</b>	<b>1.0%</b>
<b>Effective yield at issue</b>		<b>3.6%</b>	<b>1.9%</b>	<b>1.9%</b>
<b>Interest coupon (in %)</b>				
Gross		3.55	1.92	1.92
Net		2.49	1.34	1.34
<b>Number of securities</b>		<b>1,400</b>	<b>1,900</b>	<b>1,900</b>

<sup>1</sup> Gross dividend on the average share price.

<sup>2</sup> Increase in the share price + dividend yield.

<sup>3</sup> Average calculated based on the number of stock exchange days on which volume was recorded.

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	Cofinimmo SA/NV 70 million EUR – 2016-2026 ISIN BE0002267368		Cofinimmo SA/NV 55 million EUR – 2016-2024 ISIN BE0002269380	
	30.06.2020	31.12.2019	31.06.2020	31.12.2019
<b>Stock market price (over the period, in % of nominal)</b>				
At close	101.81	99.63	96.69	99.80
Average	98.48	100.13	97.42	100.33
<b>Average yield through maturity</b>	<b>1.4%</b>	<b>1.8%</b>	<b>2.8%</b>	<b>2.0%</b>
<b>Effective yield at issue</b>	<b>1.7%</b>	<b>1.7%</b>	<b>2.0%</b>	<b>2.0%</b>
<b>Interest coupon (in %)</b>				
Gross	1.70	1.70	2.00	2.00
Net	1.19	1.19	1.40	1.40
<b>Number of securities</b>	<b>700</b>	<b>700</b>	<b>550</b>	<b>550</b>

**Convertible bond**

	Cofinimmo SA/NV 219.3 million EUR – 2016-2021 ISIN BE0002259282	
	30.06.2020	31.12.2019
<b>Stock market price (over period, in EUR)</b>		
At close	149.44	151.69
Average	153.03	148.24
<b>Average yield through maturity</b>	<b>-1.8%</b>	<b>-2.0%</b>
<b>Effective yield at issue</b>	<b>0.2%</b>	<b>0.2%</b>
<b>Interest coupon (in %)</b>		
Gross	0.1875	0.1875
Net	0.1313	0.1313
<b>Number of securities</b>	<b>1,502,196</b>	<b>1,502,196</b>
<b>Conversion price (in EUR)</b>	<b>133,4121</b>	<b>135,8237</b>

**1.10.2. 2020 dividend**

The board of directors expects to propose a gross dividend of 5.80 EUR gross (4.06 EUR net) per share at the ordinary general meeting of 12.05.2021.

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**1.10.3. Shareholder structure**

The table below shows the Cofinimmo shareholders who own more than 5% of the capital. The transparency notifications and the chain of controlled undertakings are available on the website. At the time of writing of this press release, Cofinimmo has not received any transparency notification providing a new position after 06.07.2020. According to the Euronext definition, the free float is 100%.

Company	%
BlackRock	5.2%
Cofinimmo Group	0.2%
Others < 5%	94.6%
<b>TOTAL</b>	<b>100.0%</b>

**1.11. Environmental, Social and Governance (ESG)**

**1.11.1. Initiatives adopted in response to coronavirus COVID-19**

Following the outbreak of the COVID-19 coronavirus pandemic in the countries where the group is active, Cofinimmo has implemented several measures to ensure the continuity of its activities, while making the health and well-being of all its stakeholders its priority.

The measures taken with regard to teleworking (without recourse to temporary unemployment) were successful. A generalised teleworking system has been implemented without any problems from March until June 2020.

A co-operation with tenants has also been put in place to help them get through this difficult period. This requires an analysis of the specific situation of each tenant on a case-by-case basis.

In addition to the above-mentioned initiatives, Cofinimmo has defined a programme of targeted savings. Part of these savings enabled to feed the common fund-raising platform set up for the benefit of five academic hospitals that are on the front line in the fight against the coronavirus (operation #clapandact). The five hospitals (Cliniques Universitaires Saint-Luc UCL Bruxelles, UZ Brussel, CHU de Liège, UZ Antwerpen, Hôpital Erasme ULB) each received a donation.

Another aspect of the savings plan stems from the desire for solidarity unanimously expressed by the governance bodies of Cofinimmo (board of directors and executive committee). This solidarity is expressed by a reduction in the monthly remuneration of the members of the executive committee and by a reduction in the remuneration (mandate and attendance fees) of the directors. This 15% reduction has been implemented in April and will remain applicable until the end of the year. In addition, no attendance fees for board meetings dedicated to the management of the health crisis (such as that of the last board meeting that deliberated on this subject) are paid to directors.

The amount thus collected is doubled by Cofinimmo and allocated to one or more initiatives aiming at fighting against this pandemic and its effects. Hence, Cofinimmo intends to finance the Dr. Daniël De Coninck Fund, supported by the King Baudouin Foundation, which supports initiatives that assist the management and staff of nursing and care homes in Belgium. These initiatives may aim at supporting management during the crisis, the psychological well-being of the staff, the quality of care, the communication of the management towards the staff and the families, or the implementation of medical and ethical guidelines related to the crisis.

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Other initiatives have been identified in France (through 'Fondation de France') and the Netherlands (through 'Oranje Fonds'), here again in the healthcare sector, and more particularly in nursing and care homes as well as hospitals.

The totality of the donations represents an envelope of 500,000 EUR.

**1.11.2. Sustainable portfolio and internal organisation**

As stated in the 2019 sustainability report, Cofinimmo has a clear vision and clear objectives when it comes to CO<sub>2</sub> reduction. This strategic thinking led to the ambitious project of reducing the energy intensity of the company's portfolio by 30% by 2030 compared to the 2017 level (project 30<sup>3</sup>).

The actions carried out within this framework include, among others, the installation of remote meters in the healthcare real estate portfolio.

Internally, Cofinimmo also introduces innovative measures to encourage the use of alternative modes of transportation, in particular the use of less polluting vehicles and the promotion of cycling and public transport. The mobility policy already included a mobility budget for employees benefiting from a company car. At the end of June, this mobility approach was extended to all employees in Belgium. For company cars, Cofinimmo is focusing on green mobility and more specifically on 'PHEV' cars (Plug-in Hybrid Electric Vehicle). The aim is to reduce CO<sub>2</sub> emissions linked to commuting, to take advantage of the Brussels public transport network and to create a real cyclists community within the Cofinimmo Group.

**1.11.3. Sustainable financing**

In accordance with its sustainability strategy, Cofinimmo intends to pursue a 'Green & Social' financing policy. This was launched in 2016 with the first issue of 'Green & Social Bonds' and extended in 2019 with a first 'Green & Social Loan', quickly followed by a second 'Green & Social Loan' in May 2020. The proceeds have been directly fully allocated to various green and social assets. The list of selected assets for each of the above-mentioned financing is available in the 2019 Sustainability Report.

In May 2020, Cofinimmo reviewed its sustainable financing framework in order to incorporate the latest trends in the specific financing of sustainable assets, projects and activities which contribute to its sustainability strategy. Vigeo Eiris confirmed in its Second Party Opinion that this financing framework was in line with the 2018 'Green Bond Principles', 'Social Bond Principles' and 'Green Loan Principles'. Under this framework, Cofinimmo can issue a variety of sustainable financing instruments, including bonds, convertible bonds, private placements and (syndicated) banking loan facilities.

The 'Green & Social Bonds' are part of the 'Euronext ESG Bonds' community, which brings together European issuers of 'Green & Social Bonds' that meet various objective criteria. Cofinimmo is currently one of the few issuers listed in Brussels participating in this committed European community. The other Belgian issuers being a Belgian banking group, the Belgian State, the Walloon Region and a Belgian wastewater treatment company.

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**1.11.4. References, ratings and certifications**

Cofinimmo is in line with the objectives mentioned in the 2019 sustainable report.

Besides the information already mentioned in the 2019 annual financial report and the press release dated 13.02.2020, during the 1<sup>st</sup> half-year, Cofinimmo made further progress on ESG aspects:

- On 11.06.2020, Cofinimmo confirmed its participation in the 2020 questionnaire of the Carbon Disclosure Project on climate change;
- Cofinimmo will participate for the tenth time in the GRESB benchmark (The ESG<sup>1</sup> Benchmark for Real Assets). Given its overall score of 70% in 2019, Cofinimmo is part of the 'Green Star' category. This score has been steadily growing since 2014, where it amounted to 45%;
- The group is currently engaged in a proactive dialogue on the MSCI ESG Ratings<sup>2</sup>, for which the updated scores are not available yet;
- To date, four renovated or constructed sites have obtained 'Good' or 'Excellent' BREEAM certifications. These include the emblematic Quartz office building, whose provisional acceptance took place on 23.06.2020.

**1.12. Corporate governance**

**1.12.1. Extraordinary general meeting of 15.01.2020**

An extraordinary general meeting was held on 15.01.2020. The following topics were on the agenda:

- New authorisation relating to the authorised capital;
- Grant of new authorisations to the board of directors to acquire, pledge and dispose of the Company's own shares;
- New authorisation to proceed with the distribution to the employees of the Company and its subsidiaries of a share of the company's profits;
- Modification of the representation of capital - Cancellation of classes of shares;
- Modification of the corporate purpose;
- Amendment to the articles in order to align them to the Code of Companies and Associations and to take into account all other decisions taken;
- Delegation of powers for the purpose of fulfilling the necessary formalities.

All proposals on the agenda of the extraordinary general meeting have been addressed and approved (see press release dated 27.01.2020).

**1.12.2. Ordinary general meeting of shareholders of 13.05.2020**

The ordinary general meeting of shareholders was held on 13.05.2020. The following topics were on the agenda:

- Acknowledgment of the management report for the statutory and consolidated financial year closed on 31.12.2019;
- Approval of the remuneration report for the financial year closed on 31.12.2019;
- Approval of the remuneration policy;
- Acknowledgment of the report of the auditor on the statutory annual accounts closed on 31.12.2019 and acknowledgment of the report of the auditor on the consolidated annual accounts closed on 31.12.2019;

<sup>1</sup> Environmental, Social and Governance

<sup>2</sup> Disclaimer statement - The use by Cofinimmo of any 'MSCI ESG RESEARCH LLC' or its affiliates ('MSCI') data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Cofinimmo by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

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- Approval of the statutory annual accounts closed on 31.12.2019 and appropriation of the results;
- Acknowledgment of the consolidated annual accounts closed on 31.12.2019;
- Discharge of the directors of the company;
- Discharge of the auditor;
- Renewal of four director's mandate;
- Renewal of the mandate of the Auditor;
- Approval, in accordance with article 7:151 of the Companies Code and Associations, of any change of control clause present in any credit agreement or conditions for the issue of debt or equity securities agreed by the Company and to carry out the formalities of advertising provided for in Article 7:151 of the Companies Code and Associations;
- Proposal to grant power to implement the resolutions;
- Miscellaneous.

All proposals on the agenda of the ordinary general meeting of shareholders have been addressed and approved. During this meeting, the mandates of Mr Olivier Chapelle, Mr Maurice Gauchot, Mr Xavier de Walque and Mrs Inès Archer-Topper as independent Directors have been renewed for a term of 4 years. The mandate of the statutory auditor of the SC s.f.d. SCRL Deloitte Réviseurs d'Entreprises/Bedrijfsrevisoren, represented by Mr Rik Neckebroek, registered auditor, has been renewed for a term of 3 years (see press release dated 13.05.2020).

**1.12.3. Extraordinary general meeting of 28.07.2020**

On 26.06.2020, a general extraordinary meeting was called for 28.07.2020 (see press release dated 26.06.2020). Since the required quorum was not achieved at this meeting, a second general meeting will be called on 07.08.2020 to convene on 25.08.2020 in order to deliberate on the same agenda, regardless of the number of shareholders present or represented (see press release dated 24.07.2020). The following topics are on the agenda:

- Renewal of the authorization concerning the authorized capital;
- Reduction of a part of the blocked account 'issue premium' by transfer on a unblocked account 'issue premium';
- Insertion of the possibility for shareholders to participate remotely in the general meeting via electronic means of communication;
- Powers of attorney.

Taking into account the current circumstances and the measures in force relating to COVID-19, Cofinimmo recalls that each shareholder can be represented by a proxy holder, who can be a proxy holder for the company, or can vote by correspondence.

**1.13. Main risks and uncertainties**

The board of directors believes that the main risk factors summarised on pages 2 to 5 of the 2019 universal registration document - annual financial report published on 09.04.2020 are still relevant for the remaining months of the 2020 financial year.

In addition to the information included in the 2019 annual financial report, and as already mentioned in the press releases dated 09.04.2020 and 28.04.2020), it is specified that:

- in the office segment, the surface areas rented directly to merchants (retailers, restaurants, ...) only account for approximately 0.2% of the Group's contractual rents;
- in the healthcare real estate segment, the wellness & sport centres account for less than 3% of the Group's contractual rents. These centres, located in Belgium and Germany, have been closed to the public since



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March and are only (partially) open again since the end of May/beginning of June. The operators' loss of income was significant during this period, and a return to normal is happening gradually and in line with the measures taken to address the health crisis.

Taking into account the current status of investment files, and the evolution of the current crisis, the investment and divestment budget for 2020 published on 13.02.2020 (and detailed in the 2019 annual financial report – see also section 1.8 above) remains the Group's objective.

Based on the information currently available, and the evolution of the current crisis, the level of net result from core activities - Group share budgeted for 2020, should only be affected to a limited extent by the current situation in Europe (as announced in the press releases of 09.04.2020 and 28.04.2020); it is expected to be within the range of 6.60 to 6.85 EUR/share (compared to 7.10 EUR/share estimated on 13.02.2020). Based on this outlook, the budgeted gross dividend for the financial year 2020, payable in 2021, can be confirmed at EUR 5.80 per share.

Besides, in accordance with the Valuation Practice Alert of 02.04.2020 published by the Royal Institute of Chartered Surveyors ('RICS'), the independent real estate valuers' report mentions that it has been prepared taking into account a 'material valuation uncertainty', as defined by the RICS standards.

**1.14. Shareholder calendar**

Event	Date
Interim report: results as at 30.09.2020	19.11.2020
Annual press release: results as at 31.12.2020	25.02.2021
Publication of the Universal Registration Document - including the Annual Financial Report – and that of the Sustainability Report	09.04.2021
Interim report: results as at 31.03.2021	29.04.2021
Ordinary General Meeting for 2020	12.05.2021
Half-year financial report: results as at 30.06.2021	28.07.2021
Interim report: results as at 30.09.2021	27.10.2021
Annual press release : results as at 31.12.2021	24.02.2022

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**2. Summary financial statements**

**2.1. Consolidated comprehensive result - Royal Decree of 13.07.2014 form (x 1,000 EUR)**

<b>A. NET RESULT</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
Rental income	122,760	111,391
Writebacks of lease payments sold and discounted	4,722	4,392
Rental-related expenses	-1,933	678
<b>Net rental income</b>	<b>125,549</b>	<b>116,460</b>
Recovery of property charges	252	59
Recovery income of charges and taxes normally payable by the tenant on let properties	28,397	31,646
Costs payable by the tenant and borne by the owner for rental damage and redecoration at end of lease	21	-1,255
Charges and taxes normally payable by the tenant on let properties	-31,378	-38,471
<b>Property result</b>	<b>122,841</b>	<b>108,440</b>
Technical costs	-1,411	-2,383
Commercial costs	-1,265	-713
Taxes and charges on unlet properties	-2,457	-2,870
Property management costs	-12,250	-10,950
<b>Property charges</b>	<b>-17,383</b>	<b>-16,916</b>
<b>Property operating result</b>	<b>105,458</b>	<b>91,523</b>
Corporate management costs	-5,250	-4,693
<b>Operating result before result on the portfolio</b>	<b>100,208</b>	<b>86,830</b>
Gains or losses on disposals of investment properties	3,350	3,001
Gains or losses on disposals of other non-financial assets	0	0
Changes in the fair value of investment properties	7,697	35,073
Other result on the portfolio	-24,171	-8,729
<b>Operating result</b>	<b>87,084</b>	<b>116,175</b>
Financial income	4,608	5,606
Net interest charges	-11,666	-12,331
Other financial charges	-364	-281
Changes in the fair value of financial assets and liabilities	-19,112	-32,222
<b>Financial result</b>	<b>-26,534</b>	<b>-39,228</b>
Share in the result of associated companies and joint ventures	270	-183
<b>Pre-tax result</b>	<b>60,820</b>	<b>76,764</b>
Corporate tax	-2,465	-2,983
Exit tax	-916	-201
<b>Taxes</b>	<b>-3,382</b>	<b>-3,184</b>
<b>Net result</b>	<b>57,439</b>	<b>73,580</b>
Minority interests	2,359	-2,584
<b>Net result - Group share</b>	<b>59,798</b>	<b>70,997</b>
<b>Net result from core activities - Group share*</b>	<b>88,206</b>	<b>74,560</b>
<b>Result on financial instruments - Group share*</b>	<b>-18,029</b>	<b>-32,222</b>
<b>Result on the portfolio - Group share*</b>	<b>-10,379</b>	<b>28,659</b>

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<b>B. OTHER ELEMENTS OF THE COMPREHENSIVE RESULT RECYCLABLE UNDER THE INCOME STATEMENT</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
Share in the other elements of the comprehensive result of associated companies/joint ventures	0	0
Impact of the recycling under the income statement of hedging instruments for which the relationship with the hedged risk was	0	0
Convertible bonds	3,607	-3,346
<b>Other elements of the comprehensive result recyclable under the</b>	<b>3,607</b>	<b>-3,346</b>
Minority interests	0	0
<b>Other elements of the comprehensive result recyclable under the income statement - Group share</b>	<b>3,607</b>	<b>-3,346</b>

<b>C. COMPREHENSIVE RESULT</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
<b>Comprehensive result</b>	<b>61,045</b>	<b>70,234</b>
Minority interests	2,359	-2,584
<b>Comprehensive result - Group share</b>	<b>63,405</b>	<b>67,651</b>

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2.2. Consolidated income statement - Analytical form (x 1,000 EUR)

	30.06.2020	30.06.2019
Rental income, net of rental-related expenses*	120,828	112,069
Writebacks of lease payments sold and discounted (non-cash item)	4,722	4,392
Taxes and charges on rented properties not recovered*	-2,201	-2,709
Taxes on refurbishment not recovered	-780	-4,116
Redecoration costs, net of tenant compensation for damages*	272	-1,196
<b>Property result</b>	<b>122,841</b>	<b>108,440</b>
Technical costs	-1,411	-2,383
Commercial costs	-1,265	-713
Taxes and charges on unlet properties	-2,457	-2,870
<b>Property result after direct property costs</b>	<b>117,708</b>	<b>102,474</b>
Corporate management costs	-17,500	-15,643
<b>Operating result (before result on the portfolio)</b>	<b>100,208</b>	<b>86,830</b>
Financial income	4,608	5,606
Net interest charges	-11,666	-12,331
Other financial charges	-364	-281
Share in the net result from core activities of associated companies and joint ventures	270	278
Taxes	-2,465	-2,983
<b>Net result from core activities*</b>	<b>90,590</b>	<b>77,120</b>
Minority interests related to the net result from core activities	-2,384	-2,559
<b>Net result from core activities - Group share*</b>	<b>88,206</b>	<b>74,560</b>
Change in the fair value of hedging instruments	-19,112	-32,222
Restructuring costs of financial instruments*	0	0
Share in the result on financial instruments of associated companies and joint ventures	0	0
<b>Result on financial instruments*</b>	<b>-19,112</b>	<b>-32,222</b>
Minority interests related to the result on financial instruments	1,083	0
<b>Result on financial instruments - Group share*</b>	<b>-18,029</b>	<b>-32,222</b>
Gains or losses on disposals of investment properties and other non-financial assets	3,350	3,001
Changes in the fair value of investment properties	7,697	35,073
Share in the result on the portfolio of associated companies and joint ventures	0	-461
Other result on the portfolio	-25,087	-8,930
<b>Result on the portfolio*</b>	<b>-14,039</b>	<b>28,683</b>
Minority interests related to the result on the portfolio	3,661	-25
<b>Result on the portfolio - Group share*</b>	<b>-10,379</b>	<b>28,659</b>
<b>Net result</b>	<b>57,439</b>	<b>73,580</b>
Minority interests	2,359	-2,584
<b>Net result - Group share</b>	<b>59,798</b>	<b>70,997</b>

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NUMBER OF SHARES	30.06.2020	30.06.2019
Number of ordinary shares issued (including treasury shares )	27,061,917	25,168,680
Number of ordinary shares outstanding	27,016,833	25,130,141
Number of ordinary shares used to calculate the result per share	27,016,833	25,130,141
Number of preference shares issued	0	680,603
Number of preference shares outstanding	0	680,603
Number of preference shares used to calculate the result per share	0	680,603
Total number of shares issued (including treasury shares )	27,061,917	25,849,283
Total number of shares outstanding	27,016,833	25,810,744
<b>Total number of shares used to calculate the result per share</b>	<b>25,934,821</b>	<b>23,094,406</b>

**Comments on the consolidated income statement - Analytical form (x 1,000 EUR)**

Rents (gross rental income) amount to 126 million EUR, compared to 114 million EUR as at 30.06.2019, up 10.6%, thanks to the acquisitions made between these two dates. On a like-for-like basis\*, gross rental income increased by 1.6% between 30.06.2019 and 30.06.2020 (see section 1.6.5). Rental income (after gratuities, concessions and termination indemnities - see note 5 of the attached consolidated interim financial statements) amounts to 123 million EUR, compared to 111 million EUR as at 30.06.2019, up 10% compared to 2019. In order to reflect the doubts as to the current ability of some tenants to pay their rents, and without prejudging the outcome of the discussions with these tenants, Cofinimmo has already booked writedowns (taken into account in the result outlook announced last April<sup>1</sup>) of around 2 million EUR over the 1<sup>st</sup> half-year. After taking these into account, rental income, net of rental charges, amounts to 121 million EUR, compared to EUR 112 million, up 8%, in line with the outlook announced last April.

The disposal of the Souverain/Vorst 23/25 at the end of 2019 resulted in a decrease in unrecovered taxes on buildings under renovation of almost 4 million EUR, in line with the outlook.

Refurbishment costs, net of tenant compensation for damages, are down by more than one million EUR, and are in line the outlook. By nature, these costs are exposed on a non-regular basis over the financial year or from one financial year to the next. The credit amount recorded in the 1<sup>st</sup> half-year comes from the recovery of compensations for damages.

Technical costs are also down by almost one million EUR. By nature, these costs are exposed on a non-regular basis over the financial year or from one financial year to the next. They are in line with the outlook.

The variation in corporate management costs between the 1<sup>st</sup> half-year of 2019 and the 1<sup>st</sup> half-year of 2020 is also in line with outlook. The corporate management costs of the 1<sup>st</sup> half-year of 2020 include the support (500,000 EUR) announced last April of initiatives aiming at fighting against the coronavirus pandemic and its effects in the healthcare sector, and more particularly in nursing and care homes as well as hospitals. The operating margin increases to 83.1%, compared to 82.2% as at 30.06.2019.

As a reminder, in application of IFRIC 21, taxes for which the triggering event has already occurred are recognised as at January 1<sup>st</sup> for the entire year. This is notably the case for withholding taxes, regional taxes and municipal taxes on office spaces.

Financial income decreased at 5 million EUR; last year's figure included non-recurring items for less than 3 million EUR, whereas the 2020 financial income includes non-recurring items for one million EUR booked

<sup>1</sup> See press releases dated 09.04.2020 and 28.04.2020. See also section 1.13 of this report.

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in the 1<sup>st</sup> half-year, and linked to the contributions in kind of 10.06.2020 (see note 6 of the interim summary financial statements attached).

The net interest charges decreased compared with last year, particularly thanks to the average cost of debt which decreased to 1.3%, compared to 1.5% as at 30.06.2019. The net interest charges are in line with the outlook.

The Group's momentum in terms of investments and financing, coupled with effective management of the existing portfolio, enabled the company to realise a net result from core activities - Group share of 88 million EUR as at 30.06.2020, in line with the outlook (compared to 75 million EUR that were made as at 30.06.2019), mainly due to scope variations of acquisitions made and the decrease in operating costs related to the office buildings sold. The net result from core activities - Group share amounts to 3.40 EUR per share (in line with the outlook, compared to 3.23 EUR as at 30.06.2019), and takes into account the issues of shares in 2019 and in June 2020. The average number of shares entitled to the result of the period evolved from 23,094,406 to 25,934,821 between these two dates.

As for the result of financial instruments, the item 'change in the fair value of financial instruments' amounted to -19 million EUR as at 30.06.2020, compared to -32 million EUR as at 30.06.2019. This variation is explained by the change in the forward interest rate curve between these two periods.

As for the result on the portfolio, the gains or losses on disposals of investment properties and other non-financial assets is stable at 3 million EUR. The item 'Changes in the fair value of investment properties' is 8 million EUR as at 30.06.2020 (35 million EUR as at 30.06.2019): the value appreciation of the healthcare real estate portfolios in Belgium and the Netherlands as well as that of office buildings located in the Central Business District of Brussels (CBD), largely compensated the value depreciation of some buildings. Without the initial effect from the changes in the scope, the changes in the fair value of investment properties is positive (+0.2%) for the first six months of 2020. The item 'Other result on the portfolio', is -25 million EUR as at 30.06.2020 and mainly comprises the effect of changes in the scope of consolidation, that of deferred taxes<sup>1</sup> and an impairment on goodwill (usually recorded, where applicable, at the end of the financial year rather than in the 1<sup>st</sup> half-year).

The net result - Group share amounted to 60 million EUR (i.e. 2.31 EUR per share) as at 30.06.2020, compared to 71 million EUR (i.e. 3.07 EUR per share) as at 30.06.2019. This fluctuation is mainly due to the increase of the net result - Group share and the changes in the value (investment properties, hedging instruments, goodwill, i.e. non-cash variations) between the 1<sup>st</sup> half-year of 2019 and the 1<sup>st</sup> half-year of 2020.

<sup>1</sup> Deferred taxes on the unrealised capital gains relating to the buildings owned by certain subsidiaries.

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**2.3. Consolidated balance sheet (x 1,000 EUR)**

<b>ASSETS</b>	<b>Notes</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
<b>Non-current assets</b>		<b>4,613,096</b>	<b>4,397,253</b>
Goodwill	4, 16	46,827	56,947
Intangible assets		1,156	935
Investment properties	4, 10	4,453,904	4,218,523
Other tangible assets		1,976	1,278
Non-current financial assets		79	2,121
Finance lease receivables		105,264	105,651
Trade receivables and other non-current assets		1,277	1,016
Deferred taxes		1,121	1,162
Participations in associated companies and joint ventures		1,492	9,621
<b>Current assets</b>		<b>132,794</b>	<b>160,986</b>
Assets held for sale	4	6,396	28,764
Current financial assets		4	2
Finance lease receivables		2,327	2,258
Trade receivables		25,343	23,443
Tax receivables and other current assets		22,479	37,639
Cash and cash equivalents		36,827	31,569
Accrued charges and deferred income		39,419	37,311
<b>TOTAL ASSETS</b>		<b>4,745,890</b>	<b>4,558,239</b>

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
<b>Shareholders' equity</b>		<b>2,587,706</b>	<b>2,533,960</b>
<i>Shareholders' equity attributable to shareholders of the parent company</i>		<i>2,511,326</i>	<i>2,451,335</i>
Capital	11	1,450,210	1,385,227
Share premium account	11	804,557	727,330
Reserves		196,761	134,163
Net result of the financial year	12	59,798	204,615
<b>Minority interests</b>		<b>76,380</b>	<b>82,625</b>
<b>Liabilities</b>		<b>2,158,184</b>	<b>2,024,279</b>
<b>Non-current liabilities</b>		<b>1,206,377</b>	<b>1,025,918</b>
Provisions		23,622	24,176
Non-current financial debts		1,042,272	873,546
Other non-current financial liabilities		95,275	84,227
Deferred taxes		45,207	43,969
<b>Current liabilities</b>		<b>951,807</b>	<b>998,361</b>
Current financial debts		811,027	870,993
Other current financial liabilities		2,658	96
Trade debts and other current debts		121,784	112,435
Accrued charges and deferred income		16,339	14,837
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>4,745,890</b>	<b>4,558,239</b>



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**Comments on the consolidated balance sheet**

The investment value of the property portfolio<sup>1</sup>, as determined by the independent real estate valuers, amounts to 4,648 million EUR as at 30.06.2020, compared to 4,428 million EUR as at 31.12.2019. The fair value, included in the consolidated balance sheet, in application of the IAS 40 standard, is obtained by deducting the transaction costs from the investment value. At 30.06.2020, fair value reached 4,460 million EUR, compared to 4,247 million EUR as at 31.12.2019, up 5%.

The level of trade receivables as at 30.06.2020 is comparable to that as at 31.12.2019. Despite the outbreak of the coronavirus COVID-19, the proportion of rents related to the 2<sup>nd</sup> quarter and actually collected as at 28.07.2020 (taking into account the writedowns recorded) is similar to the proportion collected as at 28.07.2019.

The item 'Participations in associated companies and joint ventures' refers to Cofinimmo's 51% stake in the joint ventures BPG CONGRES SA/NV and BPG HOTEL SA/NV. As at 31.12.2019, it also included Cofinimmo's 51% stake in Cofinea I SAS (nursing and care homes in France). The item 'Minority interests' includes the Mandatory Convertible Bonds issued by the Cofinimur I SA subsidiary (MAAF/GMF distribution network in France), and the minority interests of five subsidiaries.

**2.4. Calculation of the debt ratio**

(x 1,000 EUR)		30.06.2020	31.12.2019
Non-current financial debts		1,042,272	873,546
Other non-current financial liabilities (except for hedging instruments)	+	10,528	11,206
Current financial debts	+	811,027	870,993
Trade debts and other current debts	+	121,784	112,435
<b>Total debt</b>	=	<b>1,985,610</b>	<b>1,868,180</b>
Total assets		4,475,890	4,558,239
Hedging instruments	-	83	2,122
<b>Total assets (except for hedging instruments)</b>	/	<b>4,745,807</b>	<b>4,556,117</b>
<b>DEBT RATIO</b>	=	<b>41.84%</b>	<b>41.00%</b>

<sup>1</sup> Including buildings held for own use, development projects and assets held for sale.

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**2.5. Cash flow statement**

	30.06.2020	30.06.2019
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>31,569</b>	<b>27,177</b>
<b>OPERATING ACTIVITIES</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
Net result for the period	59,798	70,997
Adjustments for interest charges and income	7,369	6,955
Adjustments for gains and losses on disposal of property assets	-3,350	-3,001
Adjustments for gains and losses on disposals of financial assets	0	0
Adjustments for non-cash charges and income	15,236	876
Changes in working capital requirements	11,484	16,509
<b>Cash flow from operating activities</b>	<b>90,537</b>	<b>92,336</b>
<b>INVESTMENT ACTIVITIES</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
Investments in intangible assets and other tangible assets	-1,013	-186
Acquisitions of investment properties	-34,529	-38,418
Extensions of investment properties	-17,749	-11,102
Investments in investment properties	-16,408	-8,459
Acquisitions of consolidated subsidiaries	-39,558	-48,880
Disposals of investment properties	4,467	28,303
Disposals of assets held for sale	27,450	5,975
Disposal of other assets	0	23
Disposal of consolidated subsidiaries	0	66
Payment of the exit tax	0	0
Disposal and reimbursement of finance lease receivables	1,117	-2,386
Other cash flows from investing activities	-261	0
<b>Net cash from investing activities</b>	<b>-76,484</b>	<b>-75,064</b>
<b>FINANCING ACTIVITIES</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
Capital increase	0	0
Acquisition/disposal of treasury shares	663	169
Dividends paid to shareholders	-100,661	-123,144
Coupons paid to Mandatory Convertible Bondholders	-3,009	-2,843
Coupons paid to minority shareholders	-1,296	-2,282
Increase of financial debts	247,988	125,072
Decrease of financial debts	-144,972	-252
Financial income received	4,608	11,550
Financial charges paid	-11,976	-12,561
Other cash flows from financing activities	-139	-420
<b>Cash flow resulting from financing activities</b>	<b>-8,794</b>	<b>-4,711</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>36,827</b>	<b>39,738</b>

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**2.6. Consolidated statement of changes in equity (x 1,000 EUR)**

(x 1,000 EUR)	As at 01.01.2020	Appropriation of the 2019 net result	Dividends /Coupons	Issue of new shares	Acquisitions/disposals of treasury shares	Transfer between distributable and non-distributable reserves during the disposal of assets	Other	Result of the financial year	As at 30.06.2020
Capital	1,385,227	0	0	64,983	0	0	0	0	1,450,210
Share premiums	727,330	0	0	77,227	0	0	0	0	804,557
Reserves	134,163	204,615	-145,036	0	663	0	2,356	0	196,761
<i>Reserve for the balance of changes in the fair value of properties</i>	-871	100,268	0	0	0	41,416	0	0	140,813
<i>Reserve for the estimated transaction costs resulting from the hypothetical disposal of investment properties</i>	-104,263	-21,524	0	0	0	-819	0	0	-126,605
<i>Reserve for the balance of changes in the fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS</i>	0	0	0	0	0	0	0	0	0
<i>Reserve for the balance of changes in the fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS</i>	-3,801	-24,394	0	0	0	0	0	0	-28,195
Distributable reserve	254,024	149,549	-145,036	0	0	-40,796	-841	0	216,898
Non-distributable reserve	4,345	717	0	0	0	199	-409	0	4,853
Reserve for own shares	-3,645	0	0	0	663	0	0	0	-2,982
<i>Reserve for the variation in the fair value of the convertible bond attributable to the change in the risk of 'own' credit</i>	-11,627	0	0	0	0	0	3,607	0	-8,021
Net result of the financial year	204,615	-204,615	0	0	0	0	0	59,798	59,798
<b>Total shareholders' equity attributable to shareholders of the parent company</b>	<b>2,451,335</b>	<b>0</b>	<b>-145,036</b>	<b>142,211</b>	<b>663</b>	<b>0</b>	<b>2,356</b>	<b>59,798</b>	<b>2,511,326</b>
Minority interests	82,625	0	-4,306	0	0	0	420	-2,359	76,380
<b>Total shareholders' equity</b>	<b>2,533,960</b>	<b>0</b>	<b>-149,342</b>	<b>142,211</b>	<b>663</b>	<b>0</b>	<b>2,776</b>	<b>57,439</b>	<b>2,587,706</b>

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(x 1,000 EUR)	As at 01.01.2019	Appropriation of the 2018 net result	Dividends /Coupons	Issue of new shares	Acquisitions/disposals of treasury shares	Transfer between distributable and non-distributable reserves during the disposal of assets	Other	Result of the financial year	As at 30.06.2019
Capital	1,230,014	0	0	153,051	97	0	0	0	1,383,162
Share premiums	584,901	0	0	142,011	72	0	0	0	726,984
Reserves	121,603	145,613	-123,699	0	0	0	2,095	0	145,613
Reserve for the balance of changes in the fair value of properties	-156,032	11,388	0	0	0	7,755	0	0	-136,889
Reserve for the estimated transaction costs resulting from the hypothetical disposal of investment properties	-89,376	-17,918	0	0	0	915	0	0	-106,378
Reserve for the balance of changes in the fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	0	0	0	0	0	0	0	0	0
Reserve for the balance of changes in the fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	2,491	-3,238	0	0	0	0	0	0	-747
Reserve for the variation in the fair value of the convertible bond attributable to the change in the risk of 'own' credit	-1,697	0	0	0	0	0	-3,346	0	-5,043
Distributable reserve	361,300	155,355	-123,699	0	0	-8,670	5,570	0	389,856
Non-distributable reserve	4,918	27	0	0	0	0	-129	0	4,816
Net result of the financial year	145,613	-145,613	0	0	0	0	0	70,997	70,997
<b>Total shareholders' equity attributable to shareholders of the parent company</b>	<b>2,082,130</b>	<b>0</b>	<b>-123,699</b>	<b>295,062</b>	<b>169</b>	<b>0</b>	<b>2,095</b>	<b>70,997</b>	<b>2,326,756</b>
Minority interests	84,234	0	-5,127	0	0	0	-48	2,584	81,643
<b>Total shareholders' equity</b>	<b>2,166,365</b>	<b>0</b>	<b>-128,826</b>	<b>295,062</b>	<b>169</b>	<b>0</b>	<b>2,047</b>	<b>73,580</b>	<b>2,408,398</b>

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## **2.7. Notes to the interim summary financial statements**

### **Note 1. General information**

Cofinimmo SA/NV ('the Company') is a public RREC (Regulated Real Estate Company) organised under Belgian law with registered offices at 1200 Brussels (boulevard de la Woluwedal 58).

Cofinimmo SA/NV's interim summary financial statements, which closed on 30.06.2020, cover the Company and its subsidiaries ('the Group'). The scope of consolidation has changed since 31.12.2019 (see Note 14).

The interim summary financial statements were closed by the board of directors on 30.07.2020. The statutory auditor Deloitte, Réviseurs d'Entreprises/Bedrijfsrevisoren, represented by Mr Rik Neckebroeck, completed its limited audit and confirmed that it had no reservations with respect to the accounting information presented in the half-year financial report and that it corresponded to the financial statements closed by the board of directors.

### **Note 2. Significant accounting methods**

The consolidated half-year financial statements were prepared in accordance with IFRS standards (International Financial Reporting Standards) as executed by the Belgian Royal Decree of 13.07.2014 on Regulated Real Estate Companies and in accordance with the IAS 34 standard on Interim Financial Reporting.

The information included in the interim summary financial statements is not as comprehensive as that in the annual financial statements. Consequently, these interim summary financial statements must be read in conjunction with the annual financial statements.

The accounting principles and methods used to draw up these interim financial statements are identical to those used to prepare the annual financial statements for the 2019 financial year.

Some of the figures in this half-year financial report have been rounded and, consequently, the overall totals in the report may differ slightly from the exact arithmetical sums of the preceding figures.

The preparation of the financial statements requires the company to make significant judgments that affect the application of accounting methods and to proceed to a certain number of estimations. These assumptions are based on the management's experience, on the assistance of third parties (independent real estate valuers) and on various other sources that are believed to be relevant. Actual results may differ from these estimations. The estimations and underlying assumptions are reviewed on an ongoing basis and adapted accordingly. As part of the preparation of these consolidated financial statements as at 30.06.2020, the following items are specified in connection with the consideration of the coronavirus COVID-19 pandemic:

- As far as investment properties are concerned: in accordance with the Valuation Practice Alert of 02.04.2020 published by the Royal Institute of Chartered Surveyors ('RICS'), the independent real estate valuers' report mentions that it has been prepared taking into account a 'material valuation uncertainty', as defined by the RICS standards. Notwithstanding, as required by Article 47 of the Law of 12.05.2014 relating to Regulated Real Estate Companies, the independent real estate valuers assess the fair value of the properties. These assessments bind the regulated real estate company when establishing its statutory accounts and its consolidated accounts.
- As far as finance lease receivables are concerned: the Group considers that there is no need to modify the assessment parameters with respect to what is mentioned in note 26 of the consolidated financial statements as at 31.12.2019, given the quality of the tenants and the low credit risk associated with financial lease contracts.

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- As far as trade receivables are concerned: the Group has recognised writedowns for a total of 1.9 million EUR as at 30.06.2020, compared to writebacks on impairment of 0.7 million EUR as at 30.06.2019. The Group considers that the book value of the trade receivables approximates their fair value. For the surplus, the Group considers that there is no need to modify the assessment parameters with respect to what is mentioned in note 28 of the consolidated financial statements as at 31.12.2019, given the quality of the tenants and the low credit risk associated with trade receivables net of writedowns.

**Note 3. Operational and financial risk management**

The risks to which the Group was exposed at 30.06.2020 were substantially the same as those identified and described in the 2019 annual financial report. Risk was managed using the same methods and the same criteria during the half-year as during the previous financial year.

Aspects related to the COVID-19 coronavirus are mentioned in the section 'Main risks and uncertainties' in section 1.13 of the management report.

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**Note 4. Segment information (x 1,000 EUR) - Global portfolio**

INCOME STATEMENT	Healthcare	Distribution networks	Offices	Unallocated amounts	TOTAL
AS AT 30.06	2020	2020	2020	2020	2020
<b>Net rental income</b>	<b>68,956</b>	<b>18,719</b>	<b>37,874</b>		<b>125,549</b>
<b>Property result after direct property costs</b>	<b>67,133</b>	<b>17,339</b>	<b>33,236</b>		<b>117,708</b>
Property management costs				-12,250	-12,250
Corporate management costs				-5,250	-5,250
Gains or losses on disposals of investment properties and other non-financial assets	0	1,622	1,729		3,350
Changes in the fair value of investment properties	-2,600	-3,977	14,274		7,697
Other result on the portfolio	-4,810	-17,105	-2,255		-24,171
<b>Operating result</b>	<b>59,723</b>	<b>-2,122</b>	<b>46,984</b>	<b>-17,500</b>	<b>87,084</b>
<b>Financial result</b>				<b>-26,534</b>	<b>-26,534</b>
Share in the result of associated companies and joint ventures				270	270
<b>Taxes</b>				<b>-3,382</b>	<b>-3,382</b>
<b>Net result</b>					<b>57,439</b>
<b>Net result - Group share</b>					<b>59,798</b>

INCOME STATEMENT	Healthcare	Distribution networks	Offices	Unallocated amounts	TOTAL
AS AT 30.06	2019	2019	2019	2019	2019
<b>Net rental income</b>	<b>59,908</b>	<b>19,100</b>	<b>37,453</b>		<b>116,460</b>
<b>Property result after direct property costs</b>	<b>58,347</b>	<b>17,911</b>	<b>26,215</b>		<b>102,474</b>
Property management costs				-10,950	-10,950
Corporate management costs				-4,693	-4,693
Gains or losses on disposals of investment properties and other non-financial assets	1,186	739	1,076		3,001
Changes in the fair value of investment properties	19,530	690	14,853		35,073
Other result on the portfolio	-6,869	770	-2,630		-8,729
<b>Operating result</b>	<b>72,194</b>	<b>20,110</b>	<b>39,515</b>	<b>-15,643</b>	<b>116,175</b>
<b>Financial result</b>				<b>-39,228</b>	<b>-39,228</b>
Share in the result of associated companies and joint ventures				-183	-183
<b>Taxes</b>				<b>-3,184</b>	<b>-3,184</b>
<b>Net result</b>					<b>73,580</b>
<b>Net result - Group share</b>					<b>70,997</b>



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BALANCE SHEET	Healthcare	Distribution networks	Offices	Unallocated amounts	TOTAL
AS AT 30.06	2020	2020	2020	2020	2020
<b>Assets</b>					
Goodwill	0	46,827	0		46,827
Investment properties	2,564,599	556,551	1,332,754		4,453,904
<i>Of which: Development projects</i>	34,784	0	139,898		174,682
<i>Fixed assets for own use</i>	0	0	6,165		6,165
Assets held for sale	0	0	6,396		6,396
Other assets	0	0	0	238,763	238,763
<b>TOTAL ASSETS</b>					<b>4,745,890</b>
<b>Shareholders' equity and liabilities</b>					
Shareholders' equity				2,587,706	2,587,706
<i>Shareholders' equity attributable to shareholders of the parent company</i>				2,511,326	2,511,326
<i>Minority interests</i>				76,380	76,380
Liabilities				2,158,184	2,158,184
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>					<b>4,745,890</b>

BALANCE SHEET	Healthcare	Distribution networks	Offices	Unallocated amounts	TOTAL
AS AT 31.12	2019	2019	2019	2019	2019
<b>Assets</b>					
Goodwill	0	56,947	0		56,947
Investment properties	2,387,509	561,932	1,269,082		4,218,523
<i>Of which: Development projects</i>	29,785	0	91,855		121,640
<i>Fixed assets for own use</i>	0	0	7,246		7,246
Assets held for sale	0	0	28,764		28,764
Other assets	0	0	0	254,006	254,006
<b>TOTAL ASSETS</b>					<b>4,558,239</b>
<b>Shareholders' equity and liabilities</b>					
Shareholders' equity				2,533,960	2,533,960
<i>Shareholders' equity attributable to shareholders of the parent company</i>				2,451,335	2,451,335
<i>Minority interests</i>				82,625	82,625
Liabilities				2,024,279	2,024,279
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>					<b>4,558,239</b>

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**Note 4. Segment information (x 1,000 EUR) - Healthcare**

INCOME STATEMENT	Belgium	France	The Netherlands	Germany	Spain	TOTAL
AS AT 30.06	2020	2020	2020	2020	2020	2020
Net rental income	32,808	13,195	8,907	14,046		68,956
Property result after direct property costs	32,720	13,047	7,942	13,424		67,133
Property management costs						0
Corporate management costs						0
Gains or losses on disposals of investment properties and other non-financial assets						0
Changes in the fair value of investment properties	5,013	-6,781	1,405	-2,153	-84	-2,600
Other result on the portfolio	-1,717	-876	-223	-1,472	-521	-4,810
<b>Operating result</b>	<b>36,015</b>	<b>5,390</b>	<b>9,124</b>	<b>9,799</b>	<b>-606</b>	<b>59,723</b>
<b>Financial result</b>						<b>0</b>
Share in the result of associated companies and joint ventures						0
Taxes						0
<b>Net result</b>						<b>0</b>
<b>Net result - Group share</b>						<b>0</b>

INCOME STATEMENT	Belgium	France	The Netherlands	Germany	Spain	TOTAL
AS AT 30.06	2019	2019	2019	2019	2019	2019
Net rental income	26,606	13,230	7,650	12,422		59,908
Property result after direct property costs	26,639	13,196	6,930	11,583		58,347
Property management costs						0
Corporate management costs						0
Gains or losses on disposals of investment properties and other non-financial assets	1,175		10			1,186
Changes in the fair value of investment properties	21,568	-9,238	8,185	-986		19,530
Other result on the portfolio	-5,429	-357	-167	-916		-6,869
<b>Operating result</b>	<b>43,953</b>	<b>3,601</b>	<b>14,958</b>	<b>9,682</b>		<b>72,194</b>
<b>Financial result</b>						<b>0</b>
Share in the result of associated companies and joint ventures						0
Taxes						0
<b>Net result</b>						<b>0</b>
<b>Net result - Group share</b>						<b>0</b>

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BALANCE SHEET	Belgium	France	The Netherlands	Germany	Spain	TOTAL
AS AT 30.06	2020	2020	2020	2020	2020	2020
<b>Assets</b>						
Goodwill		0				0
Investment properties	1,325,707	397,940	301,452	518,270	21,230	2,564,599
<i>Of which: Development projects</i>	854	0	12,010	690	21,230	34,784
<i>Fixed assets for own use</i>						0
Assets held for sale						0
Other assets						0
<b>TOTAL ASSETS</b>						<b>2,564,599</b>
<b>Shareholders' equity and liabilities</b>						
Shareholders' equity						
<i>Shareholders' equity attributable to shareholders of the parent company</i>						
<i>Minority interests</i>						
Liabilities						
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>						

BALANCE SHEET	Belgium	France	The Netherlands	Germany	Spain	TOTAL
AS AT 31.12	2019	2019	2019	2019	2019	2019
<b>Assets</b>						
Goodwill						
Investment properties	1,213,559	380,410	289,750	492,590	11,200	2,387,509
<i>Of which: Development projects</i>	1,015		16,880	690	11,200	29,785
<i>Fixed assets for own use</i>						0
Assets held for sale						0
Other assets						0
<b>TOTAL ASSETS</b>						<b>2,387,509</b>
<b>Shareholders' equity and liabilities</b>						
Shareholders' equity						
<i>Shareholders' equity attributable to shareholders of the parent company</i>						
<i>Minority interests</i>						
Liabilities						
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>						

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**Note 4. Segment information (x 1,000 EUR) - Distribution networks**

INCOME STATEMENT	Pubstone Belgium	Pubstone Netherlands	Cofinimur I France	TOTAL
<b>AS AT 30.06</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
Net rental income	9,700	4,964	4,055	18,719
Property result after direct property costs	9,138	4,567	3,634	17,339
Property management costs				0
Corporate management costs				0
Gains or losses on disposals of investment properties and other non-financial assets	1,622			1,622
Changes in the fair value of investment properties	-166	179	-3,990	-3,977
Other result on the portfolio	-10,156	-6,949	0	-17,105
<b>Operating result</b>	<b>437</b>	<b>-2,203</b>	<b>-356</b>	<b>-2,122</b>
<b>Financial result</b>				<b>0</b>
Share in the result of associated companies and joint ventures				0
<b>Taxes</b>				<b>0</b>
<b>Net result</b>				<b>0</b>
<b>Net result - Group share</b>				<b>0</b>

INCOME STATEMENT	Pubstone Belgium	Pubstone Netherlands	Cofinimur I France	TOTAL
<b>AS AT 30.06</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
Net rental income	10,056	4,965	4,078	19,100
Property result after direct property costs	9,533	4,542	3,836	17,911
Property management costs				0
Corporate management costs				0
Gains or losses on disposals of investment properties and other non-financial assets	258	481		739
Changes in the fair value of investment properties	797	384	-490	690
Other result on the portfolio	-14	783	0	770
<b>Operating result</b>	<b>10,574</b>	<b>6,190</b>	<b>3,346</b>	<b>20,110</b>
<b>Financial result</b>				
Share in the result of associated companies and joint ventures				
<b>Taxes</b>				
<b>Net result</b>				
<b>Net result - Group share</b>				

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BALANCE SHEET	Pubstone Belgium	Pubstone Netherlands	Cofinimur I France	TOTAL
AS AT 30.06	2020	2020	2020	2020
<b>Assets</b>				
Goodwill	30,607	16,220		46,827
Investment properties	293,134	141,447	121,970	556,551
<i>Of which: Development projects</i>				0
<i>Fixed assets for own use</i>				0
Assets held for sale				0
Other assets				0
<b>TOTAL ASSETS</b>				<b>603,378</b>
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity				0
<i>Shareholders' equity attributable to shareholders of the parent company</i>				0
<i>Minority interests</i>				0
Liabilities				0
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>				

BALANCE SHEET	Pubstone Belgium	Pubstone Netherlands	Cofinimur I France	TOTAL
AS AT 31.12	2019	2019	2019	2019
<b>Assets</b>				
Goodwill	36,127	20,820		56,947
Investment properties	294,899	141,073	125,960	561,932
<i>Of which: Development projects</i>				0
<i>Fixed assets for own use</i>				0
Assets held for sale				0
Other assets				0
<b>TOTAL ASSETS</b>				<b>618,878</b>
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity				
<i>Shareholders' equity attributable to shareholders of the parent company</i>				
<i>Minority interests</i>				
Liabilities				
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>				

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**Note 4. Segment information (x 1,000 EUR) - Offices**

INCOME STATEMENT	Brussels CBD	Brussels Decentralised	Brussels Periphery	Antwerp	Other regions	TOTAL
AS AT 30.06	2020	2020	2020	2020	2020	2020
<b>Net rental income</b>	<b>13,621</b>	<b>12,926</b>	<b>3,880</b>	<b>2,673</b>	<b>4,774</b>	<b>37,874</b>
<b>Property result after direct property costs</b>	<b>11,349</b>	<b>11,359</b>	<b>3,200</b>	<b>2,509</b>	<b>4,820</b>	<b>33,236</b>
Property management costs						0
Corporate management costs						0
Gains or losses on disposals of investment properties and other non-financial assets		1,729				1,729
Changes in the fair value of investment properties	18,477	506	-2,376	-2,263	-70	14,274
Other result on the portfolio	-1,111	-685	-182	-121	-157	-2,255
<b>Operating result</b>	<b>28,715</b>	<b>12,910</b>	<b>642</b>	<b>125</b>	<b>4,593</b>	<b>46,984</b>
<b>Financial result</b>						<b>0</b>
Share in the result of associated companies and joint ventures						0
<b>Taxes</b>						<b>0</b>
<b>Net result</b>						<b>0</b>
<b>Net result - Group share</b>						<b>0</b>

INCOME STATEMENT	Brussels CBD	Brussels Decentralised	Brussels Periphery	Antwerp	Other regions	TOTAL
AS AT 30.06	2019	2019	2019	2019	2019	2019
<b>Net rental income</b>	<b>12,750</b>	<b>12,889</b>	<b>4,474</b>	<b>2,662</b>	<b>4,678</b>	<b>37,453</b>
<b>Property result after direct property costs</b>	<b>11,509</b>	<b>4,652</b>	<b>2,964</b>	<b>2,579</b>	<b>4,511</b>	<b>26,215</b>
Property management costs						0
Corporate management costs						0
Gains or losses on disposals of investment properties and other non-financial assets		1,076				1,076
Changes in the fair value of investment properties	18,610	-1,079	-3,859	884	297	14,853
Other result on the portfolio	-2,305	-85	-90	-79	-70	-2,630
<b>Operating result</b>	<b>27,814</b>	<b>4,565</b>	<b>-985</b>	<b>3,384</b>	<b>4,738</b>	<b>39,515</b>
<b>Financial result</b>						
Share in the result of associated companies and joint ventures						
<b>Taxes</b>						
<b>Net result</b>						
<b>Net result - Group share</b>						

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BALANCE SHEET	Brussels CBD	Brussels Decentralised	Brussels Periphery	Antwerp	Other regions	TOTAL
AS AT 30.06	2020	2020	2020	2020	2020	2020
<b>Assets</b>						
Goodwill						0
Investment properties	651,369	359,551	108,569	66,825	146,439	1,332,754
<i>Of which: Development projects</i>	132,867	6,158	439	435	0	139,898
<i>Fixed assets for own use</i>		6,165				6,165
Assets held for sale		3,043	3,353			6,396
Other assets						0
<b>TOTAL ASSETS</b>						<b>1,339,150</b>
<b>Shareholders' equity and liabilities</b>						
Shareholders' equity						0
<i>Shareholders' equity attributable to shareholders of the parent company</i>						0
<i>Minority interests</i>						0
Liabilities						0
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>						

BALANCE SHEET	Brussels CBD	Brussels Decentralised	Brussels Periphery	Antwerp	Other regions	TOTAL
AS AT 31.12	2019	2019	2019	2019	2019	2019
<b>Assets</b>						
Goodwill						0
Investment properties	585,420	354,336	114,298	68,989	146,039	1,269,082
<i>Of which: Development projects</i>	67,457	23,547	426	425	0	91,855
<i>Fixed assets for own use</i>		7,246				7,246
Assets held for sale		28,764				28,764
Other assets						0
<b>TOTAL ASSETS</b>						<b>1,297,846</b>
<b>Shareholders' equity and liabilities</b>						
Shareholders' equity						
<i>Shareholders' equity attributable to shareholders of the parent company</i>						
<i>Minority interests</i>						
Liabilities						
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>						



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**Note 5. Rental income and rental-related expenses (x 1,000 EUR)**

	30.06.2020	30.06.2019
<b>Rental income</b>		
Gross potential income <sup>1</sup>	131,293	120,493
Vacancy <sup>2</sup>	-5,654	-6,871
<b>Rents<sup>3</sup></b>	<b>125,639</b>	<b>113,622</b>
Cost of rent-free periods	-2,420	-2,024
Concessions granted to tenants	-497	-374
Early lease termination indemnities <sup>4</sup>	39	167
<b>Rental income (Royal Decree of 13.07.2014 form)</b>	<b>122,760</b>	<b>111,391</b>
<b>Rental-related expenses</b>	<b>-1,933</b>	<b>678</b>
Rent payable on rented premises	0	-1
Writedowns on trade receivables	-1,949	7
Writeback of writedowns on trade receivables	16	673
<b>Rental income, net of rental-related expenses (analytical form)</b>	<b>120,828</b>	<b>112,069</b>
<b>Writebacks of lease payments sold and discounted</b>	<b>4,722</b>	<b>4,392</b>
<b>Rental income, net of rental-related expenses, including writebacks of lease payments sold and discounted</b>	<b>125,549</b>	<b>116,460</b>

The rental income and charges classification and treatment method is described in detail on page 164 of the 2019 annual financial report.

**Note 6. Financial income (x 1,000 EUR)**

	30.06.2020	30.06.2019
Interests and dividends received <sup>5</sup>	408	217
Interest receipts in respect of finance lease and similar receivables	3,059	2,778
Other	1,141	2,611
<b>TOTAL</b>	<b>4,608</b>	<b>5,606</b>

The other financial income for the financial period represents non-recurring items linked to the compensation received at the time of the contributions in kind of 10.06.2020, regarding the allocation of full dividend rights to the newly issued shares on this date.

<sup>1</sup> Gross potential rental income is the sum of real rents received and estimated rent attributed to unlet spaces.

<sup>2</sup> Vacancy is calculated on unlet spaces based on the rental value estimated by independent real estate valuers.

<sup>3</sup> Including income guaranteed by developers to replace rents.

<sup>4</sup> Early termination indemnities are recognised in full in the income statement.

<sup>5</sup> The amount of dividends received is zero as at 30.06.2020 and 30.06.2019.

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**Note 7. Net interest charges (x 1,000 EUR)**

	30.06.2020	30.06.2019
<b>Nominal interests on loans at amortised cost</b>	<b>-5,495</b>	<b>-7,359</b>
Bilateral loans - floating rate	-1,324	-1,141
Commercial papers - floating rate	-126	-158
Investment credits - floating or fixed rate	-357	-385
Bonds - fixed rate	-3,482	-5,471
Convertible bonds	-206	-204
<b>Writeback of nominal financial debts</b>	<b>-423</b>	<b>-385</b>
<b>Charges relating to authorised hedging instruments</b>	<b>-4,319</b>	<b>-3,188</b>
Authorised hedging instruments not qualifying for hedge accounting	-4,319	-3,188
<b>Income relating to authorised hedging instruments</b>	<b>0</b>	<b>0</b>
Authorised hedging instruments not qualifying for hedge accounting	0	0
<b>Other interest charges</b>	<b>-1,429</b>	<b>-1,399</b>
<b>TOTAL</b>	<b>-11,666</b>	<b>-12,331</b>

**Note 8. Other financial charges (x 1,000 EUR)**

	30.06.2020	30.06.2019
<b>Bank fees and other commissions</b>	<b>-311</b>	<b>-230</b>
<b>Other</b>	<b>-53</b>	<b>-51</b>
Realised gains/losses on disposals of financial instruments		
Other	-53	-51
<b>TOTAL</b>	<b>-364</b>	<b>-281</b>

**Note 9. Changes in the fair value of financial assets and liabilities (x 1,000 EUR)**

	30.06.2020	30.06.2019
<b>Authorised hedging instruments qualifying for hedge accounting</b>	<b>0</b>	<b>0</b>
Changes in fair value of authorised hedging instruments qualifying for hedge accounting	0	0
Impact of the recycling under the income statement of hedging instruments which relationship with the hedged risk was terminated	0	0
<b>Authorised hedging instruments not qualifying for hedge accounting</b>	<b>-16,682</b>	<b>-32,056</b>
Changes in fair value of authorised hedging instruments qualifying for hedge accounting	-16,466	-30,532
Obligations convertibles	-216	-1,524
<b>Other</b>	<b>-2,430</b>	<b>-167</b>
<b>TOTAL</b>	<b>-19,112</b>	<b>-32,223</b>

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**Note 10. Investment properties (x 1,000 EUR)**

	Properties available for lease	Development projects	Fixed assets for own use	Total
<b>Asset class<sup>1</sup></b>	<b>Level 3</b>	<b>Level 3</b>	<b>Level 3</b>	
<b>As at 01.01.2019</b>	<b>3,583,014</b>	<b>103,836</b>	<b>7,352</b>	<b>3,694,202</b>
Investments	15,017	33,890	0	48,907
Acquisitions	449,083	19,544	0	468,627
Transfers from/to development projects	-15,437	0	0	-15,437
Transfers from/to development projects and assets held for sale	18,511	-18,511	0	0
Sales/Disposals (fair value of assets sold/disposed of)	-43,763	-39,568	0	-83,331
Writebacks of lease payments sold and discounted	8,784	0	0	8,784
Changes in the fair value	74,427	22,450	-106	96,771
<b>As at 31.12.2019</b>	<b>4,089,636</b>	<b>121,640</b>	<b>7,246</b>	<b>4,218,523<sup>2</sup></b>
Investments	12,706	11,820		24,526
Acquisitions	151,480	46,688		198,169
Transfers from/to development projects		-10,457		-10,457
Transfers from/to development projects and assets held for sale	6,805			6,805
Sales/Disposals (fair value of assets sold/disposed of)	-2,846			-2,846
Writebacks of lease payments sold and discounted	4,722			4,722
Changes in the fair value	10,554	4,990	-1,081	14,463
<b>As at 30.06.2020</b>	<b>4,273,058</b>	<b>174,682</b>	<b>6,165</b>	<b>4,453,904<sup>3</sup></b>

The fair value of the overall portfolio as valued by the independent real estate valuers is 4,460,300 KEUR; it includes investment properties for 4,453,904 KEUR and assets held for sale for 6,396 KEUR.

The reader will usefully refer to Note 2 for the uncertainties relating to the valuation of investment properties in the context of the coronavirus COVID-19 pandemic.

<sup>1</sup> The basis for measurements leading to the fair values can be qualified under IFRS 13 as:

- Level 1: quoted prices observable in active markets;
- Level 2: observable data other than the quoted prices included in level 1;
- Level 3: unobservable inputs.

<sup>2</sup> Including the fair value of investment properties subject to the disposal of receivables amounting to 139,889 KEUR.

<sup>3</sup> Including the fair value of investment properties subject to the disposal of receivables amounting to 142,931 KEUR.

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**Note 11. Financial instruments (x 1,000 EUR)**

30.06.2020						
(x 1,000 EUR)	Designated at fair value through the net result	Must be measured at fair value through the net result	Financial assets or liabilities measured at amortised cost	Fair value	Interests accrued and not due	Fair value qualification
<b>Non-current financial assets</b>		<b>79</b>	<b>106,541</b>	<b>195,942</b>	<b>0</b>	
Hedging instruments		79		79	0	
<i>Derivative financial instruments</i>		79		79	0	Level 2
Credits and receivables			106,541	195,863	0	
<i>Non-current finance lease receivables</i>			105,264	194,586	0	Level 2
<i>Trade receivables and other non-current assets</i>			1,277	1,277	0	Level 2
<b>Current financial assets</b>		<b>4</b>	<b>67,556</b>	<b>69,534</b>	<b>0</b>	
Hedging instruments		4		4	0	
<i>Derivative financial instruments</i>		4		4	0	Level 2
Credits and receivables			30,729	32,703	0	
<i>Current finance lease receivables</i>			2,327	4,301	0	Level 2
<i>Trade receivables</i>			25,343	25,343	0	Level 2
<i>Other</i>			3,059	3,059	0	Level 2
Cash and cash equivalents			36,827	36,827	0	Level 2
<b>TOTAL</b>	<b>0</b>	<b>83</b>	<b>174,097</b>	<b>265,476</b>	<b>0</b>	

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30.06.2020						
(x 1,000 EUR)	Designated at fair value through the net result	Must be measured at fair value through the net result	Financial assets or liabilities measured at amortised cost	Fair value	Interests accrued and not due	Fair value qualification
<b>Non-current financial liabilities</b>	<b>226,627</b>	<b>84,748</b>	<b>823,724</b>	<b>1,143,524</b>	<b>2,454</b>	
Non-current financial debts	226,627		813,196	1,048,248	2,454	
<i>Bonds</i>			315,162	319,267	1,700	Level 2
<i>Convertible bonds</i>	224,481			224,481	327	Level 1
<i>Mandatory Convertible Bonds (MCB)</i>	2,146			2,146	0	Level 2
<i>Lease liability</i>			879	879	0	Level 2
<i>Credit establishments</i>			419,660	423,882	265	Level 2
<i>Long-term commercial papers</i>			68,838	68,936	162	Level 2
<i>Rental guarantees received and other</i>			8,657	8,657	0	Level 2
Other non-current financial liabilities		84,748	10,528	95,275	0	
<i>Derivative financial instruments</i>		84,748		84,748	0	Level 2
<i>Other</i>			10,528	10,528	0	Level 3
<b>Current financial liabilities</b>		<b>2,658</b>	<b>848,987</b>	<b>851,645</b>	<b>0</b>	
Current financial debts			811,027	811,027	0	
<i>Commercial papers</i>			799,000	799,000	0	Level 2
<i>Bonds</i>			0	0	0	Level 2
<i>Convertible bonds</i>			0	0	0	Level 1
<i>Credit establishments</i>			12,002	12,002	0	Level 2
<i>Other</i>			25	25	0	Level 2
Other current financial liabilities		2,658		2,658	0	
<i>Derivative financial instruments</i>		2,658		2,658	0	Level 2
Trade debts and other current debts			37,960	37,960	0	Level 2
<b>TOTAL</b>	<b>226,627</b>	<b>87,405</b>	<b>1,672,711</b>	<b>1,995,169</b>	<b>2,454</b>	

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31.12.2019						
(x 1,000 EUR)	Designated at fair value through the net result	Must be measured at fair value through the net result	Financial assets or liabilities measured at amortised cost	Fair value	Interests accrued and not due	Fair value qualification
<b>Non-current financial assets</b>	<b>0</b>	<b>2,121</b>	<b>106,667</b>	<b>184,984</b>	<b>0</b>	
Hedging instruments	0	2,121	0	2,121	0	
<i>Derivative financial instruments</i>	0	2,121	0	2,121	0	Level 2
Credits and receivables	0	0	106,667	182,864	0	
<i>Non-current finance lease receivables</i>	0	0	105,651	181,848	0	Level 2
<i>Trade receivables and other non-current assets</i>	0	0	1,016	1,016	0	Level 2
<b>Current financial assets</b>	<b>0</b>	<b>2</b>	<b>60,295</b>	<b>62,117</b>	<b>0</b>	
Hedging instruments	0	2	0	2	0	
<i>Derivative financial instruments</i>	0	2	0	2	0	Level 2
Credits and receivables	0	0	28,727	30,547	0	
<i>Current finance lease receivables</i>	0	0	2,258	4,078	0	Level 2
<i>Trade receivables</i>	0	0	23,443	23,443	0	Level 2
<i>Other</i>	0	0	3,026	3,026	0	Level 2
Cash and cash equivalents	0	0	31,569	31,569	0	Level 2
<b>TOTAL</b>	<b>0</b>	<b>2,122</b>	<b>166,962</b>	<b>247,102</b>	<b>0</b>	

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31.12.2019						
(x 1,000 EUR)	Designated at fair value through the net result	Must be measured at fair value through the net result	Financial assets or liabilities measured at amortised cost	Fair value	Interests accrued and not due	Fair value qualification
<b>Non-current financial liabilities</b>	<b>230,221</b>	<b>73,022</b>	<b>651,559</b>	<b>964,817</b>	<b>2,972</b>	
Non-current financial debts	230,221	0	640,353	880,590	2,972	
<i>Bonds</i>	0	0	315,000	319,267	2,323	Level 2
<i>Convertible bonds</i>	227,871	0	0	227,871	121	Level 1
<i>Mandatory Convertible Bonds (MCB)</i>	2,350	0	0	2,350	0	Level 2
<i>Lease liability</i>	0	0	596	596	0	Level 2
<i>Credit establishments</i>	0	0	266,353	271,745	287	Level 2
<i>Long-term commercial papers</i>	0	0	50,000	50,357	241	Level 2
<i>Rental guarantees received and other</i>	0	0	8,404	8,404	0	Level 2
Other non-current financial liabilities	0	73,022	11,206	84,227	0	
<i>Derivative financial instruments</i>	0	73,022	0	73,022	0	Level 2
<i>Other</i>	0	0	11,206	11,206	0	Level 3
<b>Current financial liabilities</b>	<b>0</b>	<b>96</b>	<b>904,481</b>	<b>904,876</b>	<b>4,513</b>	
Current financial debts	0	0	866,481	866,780	4,513	
<i>Commercial papers</i>	0	0	680,750	680,750	0	Level 2
<i>Bonds</i>	0	0	140,000	140,299	4,513	Level 2
<i>Convertible bonds</i>	0	0	0	0	0	Level 1
<i>Credit establishments</i>	0	0	45,706	45,706	0	Level 2
<i>Other</i>	0	0	25	25	0	Level 2
Other current financial liabilities	0	96	0	96	0	
<i>Derivative financial instruments</i>	0	96	0	96	0	Level 2
Trade debts and other current debts	0	0	38,000	38,000	0	Level 2
<b>TOTAL</b>	<b>230,817</b>	<b>73,117</b>	<b>1,556,039</b>	<b>1,869,693</b>	<b>7,485</b>	



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**Note 12. Share capital and share premiums**

(in number)	Total shares	
Number of shares (A)	30.06.2020	31.12.2019
<b>As at 01.01</b>	<b>25,849,283</b>	<b>22,993,248</b>
Capital increase	1,212,634	2,856,035
<i>Capital increase of 29.04.2019</i>		238,984
<i>Capital increase of 26.06.2019 (operation 1)</i>		1,183,737
<i>Capital increase of 26.06.2019 (operation 2)</i>		1,433,314
<i>Capital increase of 09.06.2020</i>	387,226	
<i>Capital increase of 10.06.2020</i>	825,408	
Conversion of convertible bonds into ordinary shares		
<b>As at 30.06/31.12</b>	<b>27,061,917</b>	<b>25,849,283</b>

Own shares held by the Group (B)	30.06.2020	31.12.2019
<b>As at 01.01</b>	<b>50,691</b>	<b>40,347</b>
Treasury shares (sold/acquired) - net	-5,607	10,344
<b>As at 30.06/31.12</b>	<b>45,084</b>	<b>50,691</b>

Number of outstanding shares (A-B)	30.06.2020	31.12.2019
<b>As at 01.01</b>	<b>25,798,592</b>	<b>22,952,901</b>
Capital increase	1,212,634	2,856,035
<i>Capital increase of 29.04.2019</i>		238,984
<i>Capital increase of 26.06.2019 (operation 1)</i>		1,183,737
<i>Capital increase of 26.06.2019 (operation 2)</i>		1,433,314
<i>Capital increase of 09.06.2020</i>	387,226	
<i>Capital increase of 10.06.2020</i>	825,408	
Conversion of convertible bonds into ordinary shares		
Treasury shares (sold/acquired) - net	5,607	-10,344
<b>As at 30.06/31.12</b>	<b>27,016,833</b>	<b>25,798,592</b>

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**Note 13. Result per share**

(x 1,000 EUR)	30.06.2020	30.06.2019
<b>Net result from core activities attributable to ordinary and preference shares</b>	<b>88,206</b>	<b>74,560</b>
Net result from core activities for the period	90,590	77,120
Minority interests	-2,384	-2,559
<b>Result on financial instruments attributable to ordinary and preference shares</b>	<b>-18,029</b>	<b>-32,222</b>
Result on financial instruments for the period	-19,112	-32,222
Minority interests	1,083	0
<b>Result on portfolio attributable to ordinary and preference shares</b>	<b>-10,379</b>	<b>28,659</b>
Result on portfolio for the period	-14,039	28,683
Minority interests	3,661	-25
<b>Net result attributable to ordinary and preference shares</b>	<b>59,798</b>	<b>70,997</b>
Net result for the period	57,439	73,580
Minority interests	2,359	-2,584

Result per share (in EUR)	30.06.2020	30.06.2019
Net result - Group share	59,797,912	70,996,675
Number of ordinary and preference shares taken into account in the calculation of the result per share	25,934,821	23,094,406
Net result from core activities per share - Group share	3,40	3.23
Result on financial instruments per share - Group share	-0,70	-1.40
Result on portfolio per share - Group share	-0,40	1.24
<b>Net result per share - Group share</b>	<b>2,31</b>	<b>3.07</b>

Diluted result per share (in EUR)	30.06.2020	30.06.2019
Diluted net result - Group share	58,589,512	72,080,518
Number of ordinary shares entitled to share in the result of the period taking into account the theoretical conversion of convertible bonds and stock options	26,549,294	24,516,545
<b>Diluted net result per share - Group share</b>	<b>2.21<sup>1</sup></b>	<b>2.94<sup>2</sup></b>

<sup>1</sup> In accordance with IAS 33, the MCBs issued in 2011, the convertible bonds issued in 2016 and 22,995 treasury shares of the stock action plan were taken into account in the calculation of the net diluted result per share as at 30.06.2020 because they have a dilutive impact.

<sup>2</sup> In accordance with IAS 33, the MCBs issued in 2011, the convertible bonds issued in 2016 and 32,542 treasury shares of the stock action plan were taken into account in the calculation of the net diluted result per share as at 30.06.2019 because they have a dilutive impact.

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**Note 14. Consolidation criteria and scope**

The following entities entered into the consolidation scope during the 1<sup>st</sup> half-year of 2020.

Consolidation scope

Name and address of the registered office of subsidiaries held at 100% by the Group (full consolidation)	Direct and indirect interests and voting rights (in %)
<b>SUPERSTONE 2 NV</b> NL 77325001 Verlengde Poolseweg 16 , 4818 CL Breda (the Netherlands)	100
<b>SUPERSTONE 3 NV</b> NL 78160162 Verlengde Poolseweg 16 , 4818 CL Breda (the Netherlands)	100
<b>COFIHEALTHCARE SPAIN 1 SLU</b> ES B88542717 Calle Maldonado, n°4, bajo D, 28006 Madrid (Spain)	100
<b>COFIHEALTHCARE SPAIN 2 SLU</b> ES B88542667 Calle Maldonado, n°4, bajo D, 28006 Madrid (Spain)	100
<b>COFIHEALTHCARE SPAIN 3 SLU</b> ES B88542600 Calle Maldonado, n°4, bajo D, 28006 Madrid (Spain)	100
<b>DILHOME NV</b> BE 0440.040.104 Boulevard de la Woluwedal 58 1200 Brussels (Belgium)	100
<b>GESTONE CO 7 SA</b> BE 0748.688.857 Boulevard de la Woluwedal 58 1200 Brussels (Belgium)	100
<b>POLYSERVE NV</b> BE 0444.997.792 Boulevard de la Woluwedal 58 1200 Brussels (Belgium)	100
<b>TEN BERGE NV</b> BE 0427.208.586 Boulevard de la Woluwedal 58 1200 Brussels (Belgium)	100
<b>WZC BALEN NV</b> BE 0656.747.705 Boulevard de la Woluwedal 58 1200 Brussels (Belgium)	100
<b>WZC PUTHOF NV</b> BE 0418.940.129 Boulevard de la Woluwedal 58 1200 Brussels (Belgium)	100
<b>WZC VIADUCTSTRAAT NV</b> BE 0554.921.261 Boulevard de la Woluwedal 58 1200 Brussels (Belgium)	100
<b>XL TRONE SA</b> BE 0715.937.303 Boulevard de la Woluwedal 58 1200 Brussels (Belgium)	100
<b>BICKENBACH IMMOBILIEN GmbH</b> HRB 214028 Gruenwald, district Munich (Germany)	100

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Consolidation criteria

The consolidation criteria published in the 2019 annual financial report have not been changed and are still used by the Cofinimmo Group.

**Note 15. Transactions between related parties**

On 05.06.2020, Cofinimmo repurchased Orpea's participation in the joint venture Cofinea I SAS for a total amount of almost 8 million EUR. In accordance with Article 37 § 1 of the Law of 12.05.2014 on regulated real estate companies, the operation had previously been brought to the attention of the FSMA (see appendix 3 attached). Cofinimmo now holds 100% of the capital of this French subsidiary, which owns an investment property valued at approximately 24 million EUR to which an investment loan of 9 million EUR is attached.

On 25.06.2020, Cofinimmo signed the authentic deed enabling the assignment of a 99-year long-lease relating to the Serenitas<sup>1</sup> and Moulin à Papier/Papiermolen<sup>2</sup> office buildings to BPI Real Estate Belgium in accordance with the agreements concluded on 14.12.2018 (see press release dated 24.12.2018). As announced at the time, the assignment of the property rights relating to these two buildings, located in the decentralised area of Brussels, amounts to approximately 27 million EUR. These agreements had previously been brought to the attention of the FSMA (see appendix to the press release dated 24.12.2018).

There were no transactions between related parties in the 1<sup>st</sup> half-year of 2020 as meant in the IAS 34 standard and Article 8 of the Royal Decree of 13.07.2014, other than those described in Note 44 of the consolidated financial statements as at 31.12.2019 (page 212 of the 2019 annual financial report).

**Note 16: Goodwill**

(x 1,000 EUR)	Pubstone Belgium	Pubstone Netherlands	CIS France	Total
<b>COST</b>				
<b>At 01.01.2020</b>	100,157	39,250	26,929	166,336
<b>At 30.06.2020</b>	100,157	39,250	26,929	166,336
<b>WRITEDOWNS</b>				
<b>At 01.01.2020</b>	64,030	18,430	26,929	109,389
Writedowns recorded during the financial year	5,520	4,600	0	10,120
<b>At 30.06.2020</b>	69,550	23,030	26,929	119,509
<b>BOOK VALUE</b>				
<b>At 01.01.2020</b>	36,127	20,820	0	56,947
<b>At 30.06.2020</b>	30,607	16,220	0	46,827

PUBSTONE

Note 21 of the consolidated accounts (included in the 2019 annual financial report) details the context in which goodwill relating to the Pubstone portfolio has been generated.

<sup>1</sup> Located at Avenue Van Nieuwenhuyse n°2 and 6 at 1160 Auderghem.

<sup>2</sup> Located at Rue du Moulin à Papier n°55 at 1160 Auderghem.

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**IMPAIRMENT TEST**

At the end of 1<sup>st</sup> half-year of the 2020 financial year, the goodwill was subject to an impairment test (executed on the groups of properties to which it was allocated per country), by comparing the fair value of the properties plus the goodwill to their value in use, according to the same principles as those set out in Note 21 above.

For the 1<sup>st</sup> half-year of the 2020 financial year, the result of this test (illustrated in the table above) leads to an impairment of 5,520 KEUR on the goodwill of Pubstone Belgium and an impairment of 4,600 KEUR on the goodwill of Pubstone Netherlands. During the 2020 financial year, the fair value of the Pubstone Belgium portfolio recorded a negative variation of 166 KEUR, whereas the Pubstone Netherlands portfolio recorded a positive variation of 179 KEUR respectively.

**ASSUMPTIONS USED IN THE CALCULATION OF THE VALUE IN USE OF PUBSTONE**

A projection of future net cash flows was prepared according to the same methodology as that set out in Note 21 above.

The sale price of the properties at the end of the lease and the residual value are based on the average value of the portfolio per square metre assessed by the valuer at 30.06.2020 indexed to 1.0% (2019: 1.2%) per year.

The indexation considered on these cash flows stands at 1.0% for Pubstone Belgium and 1.0% for Pubstone Netherlands. In 2019, the indexation was 1.4% for Pubstone Belgium and 1.4% for Pubstone Netherlands.

The discount rate used amounts to 5.02% (2019: 5.14%).

**IMPAIRMENT OF GOODWILL**

<b>(x 1,000 EUR)</b>				
<b>Building group</b>	<b>Goodwill</b>	<b>Net book value<sup>1</sup></b>	<b>Value in use</b>	<b>Impairment</b>
Pubstone Belgium	36,127	329,261	323,741	-5,520
Pubstone Netherlands	20,820	162,267	157,667	-4,600
<b>TOTAL</b>	<b>56,947</b>	<b>491,528</b>	<b>481,409</b>	<b>-10,120</b>

**SENSITIVITY ANALYSIS OF THE VALUE IN USE WHEN THE MAIN VARIABLES OF THE IMPAIRMENT TEST VARY**

<b>Change in the value in use (in %)</b>				
<b>Building group</b>	<b>Change in inflation</b>		<b>Change in discount rate</b>	
	+0.50%	-0.50%	+0.50%	-0.50%
Pubstone Belgium	5.38%	-5.07%	-4.82%	5.16%
Pubstone Netherlands	5.31%	-5.01%	-4.68%	5.01%

<sup>1</sup> Including goodwill.

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**SENSITIVITY ANALYSIS OF THE IMPAIRMENT WHEN THE MAIN VARIABLES OF THE IMPAIRMENT TEST VARY**

Change in the impairment <sup>1</sup> (x 1,000 EUR)					
Building group	Impairment loss recognised	Change in inflation		Change in discount rate	
		+0.50%	-0.50%	+0.50%	-0.50%
Pubstone Belgium	-5,520	0	-21,947	-21,119	0
Pubstone Netherlands	-4,600	0	-12,503	-11,989	0
<b>TOTAL</b>	<b>-10,120</b>				

### 3. Statement of compliance

The board of directors of Cofinimmo SA/NV assumes responsibility for the content of the 2020 half-year financial report, subject to the information supplied by third parties, including the reports of the statutory auditor and the real estate valuers. Mr Jacques van Rijckevorsel, in his position as Chairman of the board of directors, Mrs Inès Archer-Toper, Mrs Diana Monissen, Mrs Françoise Roels, Mrs Cécile Scalais and Mrs Kathleen Van den Eynde, Mr Jean-Pierre Hanin, Mr Jean Kotarakos, Mr Olivier Chapelle, Mr Xavier de Walque, Mr Maurice Gauchot and Mr Benoit Graulich, Directors, state that, to the best of their knowledge:

1. the 2020 half-year financial report contains a fair and true statement of the important events and, as the case may be, of major transactions between related parties that have occurred during the half year and their impact on the financial statements;
2. the 2020 half-year financial report contains no omissions likely to significantly modify the scope of any statements made in it;
3. the financial statements were prepared in accordance with applicable accounting standards and submitted to the statutory auditor for limited review. They give a fair and true picture of the portfolio, financial situation and results of Cofinimmo and its subsidiaries included in the consolidation. Moreover, the interim management report provides the outlook for the result of the coming year as well as comments on the risks and uncertainties facing the company (see pages 2 to 5 of the 2019 annual financial report).

### 4. Information on forecast statements

This half-year financial report contains forecast information based on plans, estimates and outlook, as well as on its reasonable expectations regarding external events and factors. By its nature, the forecast information is subject to risks and uncertainties that may have as a consequence that the results, financial situation, performance and actual figures differ from this information. Given these uncertainty factors, the statements made regarding future developments cannot be guaranteed.

<sup>1</sup> The value of 0 has been indicated the value in use is higher than the net book value.

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### For more information:

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### About Cofinimmo:

Cofinimmo has been acquiring, developing and managing rental properties for over 35 years. The company has a portfolio spread across Belgium, France, the Netherlands, Germany and Spain, with a value of approximately 4.5 billion EUR. With attention to social developments, Cofinimmo has the mission of making high-quality care, living and working environments available to its partners-tenants, from which users benefit directly. *'Caring, Living and Working - Together in Real Estate'* is the expression of this mission. Thanks to its expertise, Cofinimmo has built up a healthcare real estate portfolio of approximately 2.6 billion EUR in Europe.

As an independent company that applies the highest standards of corporate governance and sustainability, Cofinimmo offers its tenants services and manages its portfolio through a team of over 130 employees in Brussels, Paris, Breda and Frankfurt.

Cofinimmo is listed on Euronext Brussels (BEL20) and benefits from the REIT system in Belgium (RREC), France (SIIC) and the Netherlands (FBI). Its activities are supervised by the Financial Services and Markets Authority (FSMA), the Belgian regulator.

On 30.06.2020, Cofinimmo's total market capitalisation stood at approximately 3.3 billion EUR. The company applies an investment policy aimed at offering a socially responsible, long-term, low-risk investment that generates a regular, predictable and growing dividend.

[www.cofinimmo.com](http://www.cofinimmo.com)

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**5. Appendices**

**5.1. Appendix 1: Independent real estate valuers' report**

Real estate Valuer's report



Brussels, 8 July 2020

To the Board of Cofinimmo s.a./n.v.

**Re: Valuation as of 30 June 2020**

***Context***

We have been engaged by Cofinimmo to value its real estate assets as of **30 June 2020** with a view to finalising its financial statements at that date.

Cushman & Wakefield (C&W), PwC and JLL srl/bv have each separately valued a part of the portfolio of offices and other properties.

C&W and PwC Enterprise Advisory bv have each separately valued part of the portfolio of nursing homes in Belgium.

C&W and JLL Expertises France have each separately valued part of the portfolio of nursing homes and other care facilities in France.

The portfolio of clinics in The Netherlands has been valued by PricewaterhouseCoopers Belastingadviseurs N.V. (KvK 34180284) (hereinafter: "PwC Netherlands").

The portfolio of healthcare in Germany has been valued by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (hereinafter "PwC Germany").

The portfolio of healthcare in Spain has been valued by C&W Spain.

The portfolios of pubs in Belgium and the Netherlands have been valued by C&W.

The portfolio of insurance agencies in France has been valued by C&W.

C&W, PwC and JLL have in-depth knowledge of the real estate markets in which Cofinimmo is active and have the necessary, recognised professional qualifications to perform this assessment. In conducting this assessment, they have acted with complete independence.

As is customary, our assignment has been carried out on the basis of information provided by Cofinimmo regarding tenancy schedules, charges and taxes borne by the landlord, works to be carried



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out and all other factors that could affect property values. We assume that the information provided is complete and accurate.

Our valuation reports do not in any way constitute an assessment of the structural or technical quality of the buildings or an in-depth analysis of their energy efficiency or of the potential presence of harmful substances. This information is well known to Cofinimmo, which manages its properties in a professional way and performs technical and legal due diligence before acquiring each property.

***Opinion***

We confirm that our valuation has been done in accordance with national and international market practices and standards (International Valuation Standards issued by the International Valuation Standards Council and included in RICS Valuation – Professional Standards January 2020, the Red Book of the Royal Institute of Chartered Surveyors).

The Investment value (in the context of this valuation) is defined as the amount most likely to be obtained at normal conditions of sale between willing and well-informed parties, inclusive of transactions costs (mainly transfer taxes) to be paid by the acquirer. It does not reflect the costs of future investments that could improve the property or the benefits associated with such costs.

***Valuation methodology***

The valuation methodology adopted is mainly based on the following methods:

**METHOD OF ESTIMATED RENTAL VALUE CAPITALISATION (ERV CAPITALISATION)**

This method consists in capitalising the estimated rental value of the property by using a capitalisation rate ('yield') in line with the investment market. The choice of the capitalisation rate used is linked to the capitalisation rates applied in the real estate investment market, which takes into account the property location, the quality of the buildings and that of the tenant, and the quality and duration of the lease at the valuation date. The rate corresponds to the rate anticipated by potential investors at the valuation date. To determine the estimated rental value, one takes into account the market data, the location of the property and the quality of the building.

The resulting value must be adjusted if the passing rent generates operational income higher or lower than the estimated market value used for capitalisation. The valuation takes into consideration the charges that will need to be incurred in the near future.

**DISCOUNTED CASH FLOW METHOD (DCF)**

Under this method, it is required to assess the net rental income generated by the property on a yearly basis for a specific period and discounted at today's value. The projection period generally varies between 10 and 18 years. At the end of the period, a residual value is calculated using a capitalisation rate that takes into account the anticipated condition of the building at the end of the projection period, discounted at today's value.

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RESIDUAL VALUE METHOD

The value of a project is determined by defining the development potential on site. This implies that the intended use of the project is known or foreseeable in a qualitative (planning) and quantitative manner (number of square metres that can be developed, future rents, etc.). The value is obtained by deducting the costs upon completion of the project from its anticipated value.

APPROACH BY MARKET COMPARABLES

This method is based on the principle that a potential purchaser will not pay more for the acquisition of a property than the price recently paid on the market for similar properties.

***Transaction Costs***

In theory, the disposal of properties is subject to a transfer tax charged by the Government and paid by the acquirer, which represent substantially all transaction costs. For properties situated in Belgium, the amount of this tax mainly depends on the mode of transfer, the capacity in which the acquirer acts and the property's location. The first two variables, and therefore the amount of tax payable, are only known once the sale is contracted. Based on a study from independent real estate experts dated 8 February 2006 and reviewed on June 30<sup>th</sup> 2016, the "average" transaction cost for properties over EUR 2,500,000 is assessed at 2.5%.

The fair value (as defined under IFRS 13 and by the BEAMA's (Belgian Asset Managers Association) press release of 8 February 2006 and reviewed on 30/06/2016) for properties over EUR 2,500,000 can therefore be obtained by deducting 2.5% of "average" transaction cost from their investment value. This 2.5% figure will be reviewed periodically and adjusted if on the institutional investment transaction market a change of at least +/- 0.5% in the effectively "average" transaction cost is observed.

For properties with an investment value under € 2,500,000 transfer taxes of 10% or 12.5% have been subtracted, depending on the region of Belgium where they are situated.

The transfer taxes on properties in France, Germany, the Netherlands and Spain have been deducted in full from their investment values to obtain their fair values.

***Assets subject to a sale of receivables***

Cofinimmo is owner of several buildings of which the rents have been sold in the past to a third party. The valuers have valued those properties as freehold (before sale of receivables). At the request of Cofinimmo, the values mentioned below represent for these buildings the freehold value net of the rents still due (residual value), as calculated by Cofinimmo. This calculation by Cofinimmo has not been analysed in depth by the valuers. In the forthcoming quarters, the residual value will evolve in such a way as to be, at the maturity of the sale of the receivables, equivalent to the freehold value.

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***Investment value and sale value (fair value)***

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a 'global pandemic' on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

The current general economic situation remains uncertain and in the absence of market evidence demonstrating that the values in the different real estate market segments have fluctuated, our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

**Taking into account the three opinions, the investment value (transaction costs not deducted) of Cofinimmo's total real estate portfolio as of 30 June 2020 is estimated at EUR 4,648,225,000.**

**Taking into account the three opinions, the fair value, after the deduction of the "transaction" transfer costs, of Cofinimmo's total real estate portfolio as of 30 June 2020, corresponding to the fair investment value under IAS/IFRS, is estimated at EUR 4,460,300,000.**

On this basis, the yield on rent, received or contracted, including from assets that form the object of an assignment of receivables, but excluding projects, buildings undergoing refurbishment, development sites and buildings held for sale, and after the application of imputed rent to the premises occupied by Cofinimmo, amounts to 6,0% of the investment value.

If the properties were to be let in full, the yield would increase to 6,1%.

Investment properties have an occupancy rate of 97,5%.

The contractually passing rent and the estimated rental value on the empty spaces (excluding projects, buildings undergoing refurbishment, development sites and assets held for sale) is more than 2,5% above the estimated rental value for the whole portfolio at this date.

The assets are broken down as follows:

	Investment value	Fair Value	% Fair Value
Healthcare	2,669,960,000	2,564,599,000	57,5%
Offices	1,372,628,500	1,339,150,000	30,0%
Distribution prop. net.	605,636,000	556,551,000	12,5%
<b>TOTAL</b>	<b>4,648,225,000<sup>1</sup></b>	<b>4,460,300,000</b>	<b>100,0%</b>

<sup>1</sup>Rounded to the thousand

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**PwC opinion**

**The investment value of the part of Cofinimmo's real estate portfolio valued by PwC is estimated as of 30 June 2020 at EUR 1,748,254,000 and the fair value (after the deduction of the transaction costs) is estimated at EUR 1,682,740,600.**

In this respect, it should be specified that PwC Enterprise Advisory bv estimated the Belgian part of the portfolio valued by PwC at an investment value of EUR 884,594,000 and a fair value of EUR 863,018,600.

With respect to the Dutch part of the portfolio valued by PwC, PwC Netherlands confirmed an investment value of EUR 315,840,000 and a fair value of EUR 301,452,000.

With respect to the German part of the portfolio valued by PwC, PwC Germany confirmed an investment value of EUR 547,820,000 and a fair value of EUR 518,270,000.



13/7/2020 | 08:59 CEST

PwC Enterprise Advisory SRL / BV  
Represented par Geoffroy Jonckheere\*, MRICS  
Partner

*(\*) Geoffroy Jonckheere SRL, Partner, represented by its permanent representative, Geoffroy Jonckheere*

**C&W Opinion**

**The investment value of the part of Cofinimmo's real estate portfolio valued by C&W is estimated as of 30 June 2020 at EUR 2,424,039,500 and the fair value (after deduction of transaction costs) at EUR 2,316,567,600.**



Christophe Ackermans\*, MRICS  
C&W Partner, Head of Valuation  
*(\*) SRL / BV*



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**JLL opinion**

The investment value of the part of Cofinimmo's real estate portfolio valued by JLL srl and JLL Expertises is estimated as of 30 June 2020 at EUR 475,931,000 and the fair value (after the deduction of transaction costs) is estimated at EUR 460,992,000.



Greet Hex, MRICS  
JLL Director Belgium



Pierre-Jean Poli  
Pour le compte de Jones Lang LaSalle Expertises  
Directeur expertises Grand Lyon

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**5.2. Appendix 2: Statutory auditor's report**

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**Deloitte.**



**Cofinimmo SA/NV**

Report on the review of the consolidated interim financial information for the six-month period ended 30 June 2020

The original text of this report is in French and in Dutch

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**Cofinimmo SA/NV** | 30 June 2020

## Report on the review of the consolidated interim financial information of Cofinimmo SA/NV for the six-month period ended 30 June 2020

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed balance as at 30 June 2020, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the period of six months then ended, as well as selective notes 1 to 16.

### Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Cofinimmo SA/NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

The consolidated condensed balance shows total assets of 4 746 million EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 60 million EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

### Scope of review

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

DS  
RN Signed By: Rik Neckebroeck (Signature)  
Signed Time: 7/30/2020 14:08:15 PM CEST  
C: BE  
Issuer: Citizen CA

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**Cofinimmo SA/NV** | 30 June 2020

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Cofinimmo SA/NV has not been prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

**Emphasis of matter – Valuation of investment properties**

Without modifying our conclusion, we draw attention to note 2 of the consolidated interim financial information, which describes the effects of the uncertainties created by the coronavirus (COVID-19) pandemic on the valuation of the company's investment property portfolio.

Signed at Zaventem, on 30/7/2020 | 4:04 PM CEST

**The statutory auditor**

Digitally signed by  
Rik Neckebroeck  
Signed By: Rik Neckebroeck (Signature)  
Signing Time: 7/30/2020 | 4:05:15 PM CEST  
C: BE  
Issuer: Citizen CA  
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**Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL**  
Represented by Rik Neckebroeck

**Deloitte.**

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**5.3. Appendix 3: Prior notification to the FSMA in accordance with Article 37 § 1 of the law of 12 May 2014 on regulated real estate companies**

In accordance with Article 37 § 1 of the Law of 12 May 2014 on regulated real estate companies (the 'RREC Law'), COFINIMMO has informed the FSMA (Financial Services and Markets Authority) that itself, on the one hand, and AMUNDI IMMOBILIER NOVATION SANTE and ORPEA, on the other hand, hereinafter referred to as 'the Parties', have agreed to carry out certain transactions in reference with COFINEA I on 5 June 2020.

- COFINIMMO holds 51% of the shares of COFINEA I
- AMUNDI IMMOBILIER NOVATION SANTE holds 49% of the remaining shares.
- ORPEA indirectly holds 100% of the shares of AMUNDI IMMOBILIER NOVATION SANTE
- COFINEA I owns the nursing and care home 'Les Musiciens' located Rue Germaine Tailleferre 7-9, 75019 Paris.
- ORPEA is the operator of the nursing and care home 'Les Musiciens'

The Parties will sign agreements allowing COFINIMMO to acquire the shares of COFINEA I held by AMUNDI IMMOBILIER NOVATION SANTE, so that it will become the sole shareholder. COFINEA I, which was accounted for using the equity method, will therefore be included in the full consolidation of the COFINIMMO Group. The transactions considered are carried out under normal market conditions and, in accordance with Article 49§2 of the RREC Law, all of these transactions have been carried out taking into account a 'fair value' as determined by Jones Lang LaSalle France, an independent real estate valuer acting on behalf of COFINIMMO.

\* \*  
\*