Cofinimmo
together in real estate

2019
UNIVERSAL REGISTRATION DOCUMENT
INCLUDING THE ANNUAL FINANCIAL REPORT

Caring

Living

Working

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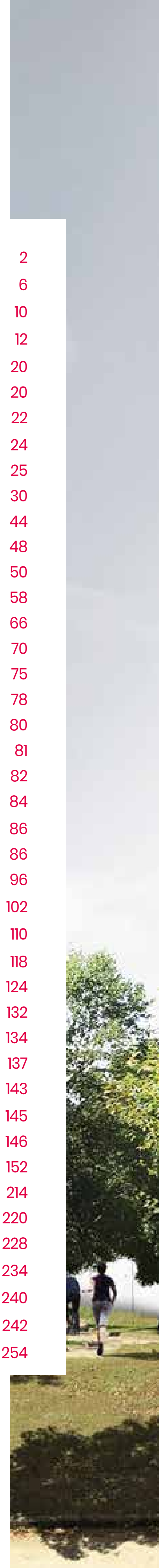
When Alternative Performance Measures (APM) are used, their definition and calculation are available on the website www.cofinimmo.com



Cofinimmo historic

1983
• Founding (capital : 6 million EUR)

1994
• Listing on the Brussels stock exchange, now called Euronext

1996
• Adoption of Belgian SICAFI status

2005
• First healthcare real estate investment in Belgium
• Awarding of the first Public-Private Partnership (PPP): the Courthouse of Antwerp

2007
• Partnership with AB InBev Group for a portfolio of 1,068 pubs and restaurants located in Belgium and the Netherlands (Pubstone)

2008
• Start-up in France in the healthcare real estate segment
• Adoption of SIIC status (French REIT regime)

2011
• Partnership with MAAF for a portfolio of 283 insurance agencies in France (Cofinimur I)
• First emission of convertible bonds

2012
• Start-up in the Netherlands in the healthcare real estate segment
• Adoption of FBI status (Dutch REIT regime)

2014
• Start-up in Germany in the healthcare real estate segment
• Adoption of RREC status in Belgium

2015
• Capital increase with preference rights in the amount of 285 million EUR
• Continued investments in healthcare real estate in the Netherlands and Germany

2016
• Continued investments in healthcare real estate in the Netherlands and Germany
• Opening of the first Flex Corners® and Lounges®
• Issue of 'Green and Social Bonds'

2017
• Continued investments in healthcare real estate in the Netherlands and Germany

2018
• Capital increase with irrevocable allocation rights in the amount of 155 million EUR
• Acceleration of investments made in healthcare real estate (300 million EUR) and start of the rebalancing of the office portfolio

2019
• New acceleration of investments made in healthcare real estate (almost 500 million EUR) and expansion to Spain
• Acceleration of the rebalancing of the office portfolio through the disposal of nine office buildings in the Decentralised Area of Brussels and Satellites, as well as the acquisition of two office buildings in the Central Business District
• More than 56 % of the overall portfolio invested in healthcare real estate

Nursing and care home – Catagena (ES)

FIFTH COUNTRY FOR COFINIMMO

In September 2019, Cofinimmo announced its settlement in Spain with a first pipeline of five construction projects in healthcare real estate.

Spain offers Cofinimmo interesting perspectives to expand its portfolio and deploy its real estate expertise. Spain falls behind other countries in the the number of places in nursing and care homes. Moreover, the current stock needs to be renovated.

Cofinimmo's ambition is to contribute to meeting this need using its many years of experience in the development and renovation of care facilities.

Nursing and care home – Vigo (ES)

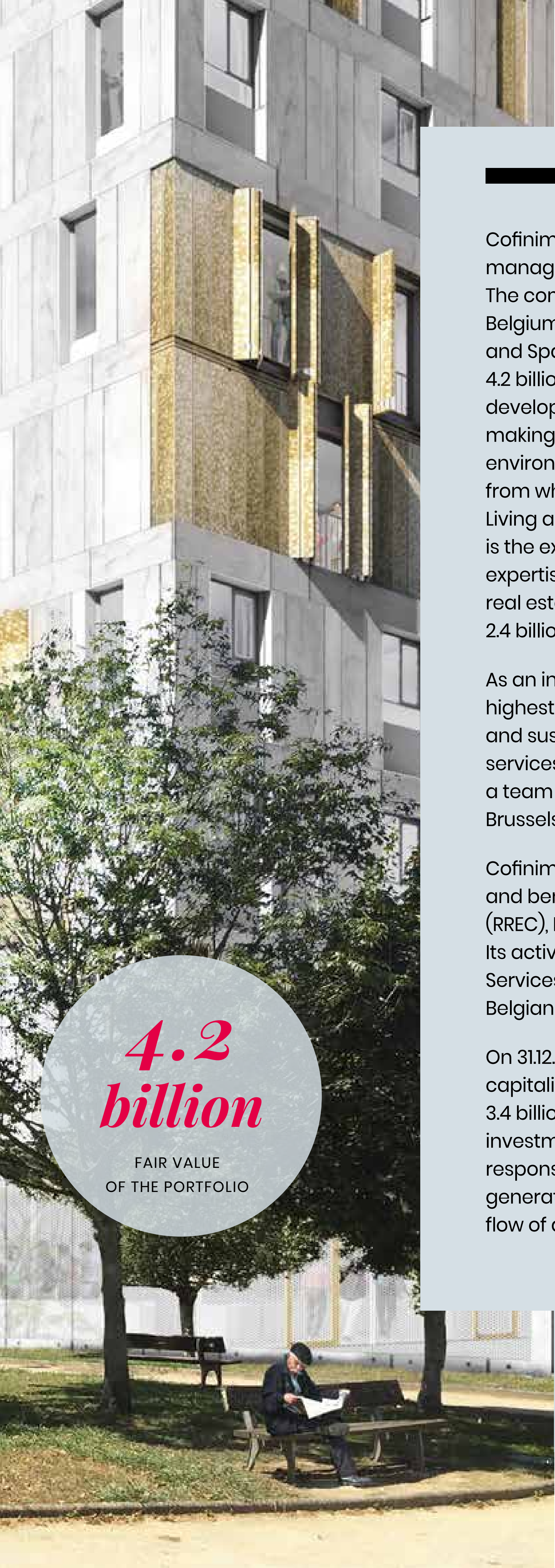
About Cofinimmo

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 4.2 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 2.4 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 approximately 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 31.12.2019, Cofinimmo's total market capitalisation stood at approximately 3.4 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 flow of dividends.



4.2 billion

FAIR VALUE
OF THE PORTFOLIO

Following the entry into force, on 21.07.2019, of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14.06.2017, known as the 'Prospectus' Regulation, and in particular the new provisions of the said Regulation concerning the presentation of risk factors, this chapter only lists the specific and most important risk factors faced by the Cofinimmo Group, according to the probability of their materialisation and the estimated extent of their negative impact on the Group. They are sorted into categories and sub-categories and, within each category, in order of importance

STRUCTURE OF RISK FACTORS

1. RISKS ASSOCIATED WITH COFINIMMO'S ACTIVITIES AND WITH ITS SECTORS OF ACTIVITY

- **Economic context**

Leasing market in the segments in which the Group operates

The leasing market in the two main segments in which the Group operates (healthcare real estate in Europe, office property in Belgium and primarily in Brussels) could experience a fall in demand, over-supply or the weakening of the financial position of its tenants.

Potential effects:

1. Decrease in net income as a result of an increase in the vacancy rate and associated costs. At 31.12.2019, a 1% increase in the vacancy rate would have had an impact of around -2.5 million EUR (i.e. -1.5%) on the net result - Group share.
2. Weakening of the solvency of tenants and increase in doubtful accounts reducing the collection of rent.
3. Decrease in the fair value of investment properties (see further).

Investment market in the segments in which the Group operates

The investment market in the two main segments in which the Group operates (healthcare real estate in Europe, office property in Belgium and primarily in Brussels) could see a fall in demand from real estate investors.

Potential effects:

1. Decrease in the fair value of investment properties (see further).

Interest rate volatility

Short- and/or long-term benchmark interest rates may be subject to significant fluctuations in international financial markets.

Potential effects:

1. Increase in financial expenses in the event of an increase in interest rates, on the portion of the debt that was entered into at a variable rate and that is not hedged, and therefore a decrease in net assets per share. In 2020, assuming that the structure and level of debt remain identical to those at 31.12.2019, and taking into account the hedging instruments put in place, an increase in interest rates of 50 basis points would result in a two-basis point increase in the cost of financing, a decrease in the net result - Group share of 0.4 million EUR (i.e. 0.2%) and a decrease in net assets per share of 0.02 EUR.

2. Decrease in the fair value of financial instruments in the event of a fall in interest rates, and hence a decrease in the net result - Group share and in net assets per share. In 2020, a negative change in the fair value of financial instruments of 1 million EUR would represent a decrease in the net result - Group share of 1 million EUR (or 0.5%) and a decrease in net assets per share of 0.04 EUR.

- **Property portfolio**

  - **Negative change in the fair value of property**

The market value of the Group's investment property, as reflected by the fair value recognised in the balance sheet, is subject to changes and depends on various factors, some of which are outside the Group's scope of action (such as a decrease in demand and in the occupancy rate in the real estate segments in which the Group operates, a change in interest rates in the financial markets, or an increase in transfer duty in the geographical areas in which the Group operates). Other factors also play a role in the valuation of investment properties, such as their technical condition, their commercial positioning, the investment budgets necessary for their proper functioning and their proper marketing. A significant negative change in the fair value of investment properties from one period to another would represent a significant loss in the Group's income statement, with an adverse effect on its net assets and debt-to-assets ratio.

Potential effects:

1. At 31.12.2019, a 1% change in value would have had an impact of around: 42.5 million EUR on the net result (compared to 37.3 million EUR at 31.12.2018), 1.65 EUR on the net asset value per share (compared to 1.68 EUR at 31.12.2018) and 0.39% on the debt-to-assets (compared to 0.39% at 31.12.2018).
2. Partial or total inability to pay a dividend if the cumulative changes in the fair value of the properties exceed the distributable reserves.

  - **Investments subject to conditions**

Certain investments announced by the Cofinimmo Group are subject to conditions, particularly in the case of (reconstruction, renovation, extension and acquisition projects that have not yet been formally completed.

Potential effects:

1. Insofar as the return generated by these investments is already reflected in the stock market price of Cofinimmo shares, this price is exposed to a risk in the event of a significant delay or non-completion of these investments.

- **Customers**

  - **Concentration risk**

Concentration risk is assessed at the level of buildings, locations and (groups of) tenants or operators. As at 31.12.2019, the Cofinimmo Group had a diversified customer base more than 450 tenants (or operators), including about 50 in healthcare real estate. The Group's five main (groups of) tenants or operators generated 48.4% of gross rental revenues in 2019. The two main (groups of) tenants or operators accounted for 15.7% (Korian Group) and 11.7% (AB InBev) of these revenues, respectively. Furthermore, the public sector generated 6.9% of gross rental revenues.

Potential effects:

1. Significant reduction in rental income and hence in the net result - Group share and net assets per share, in the event of the departure of major tenants or operators.
2. Collateral effect on the fair value of investment properties (see further).
3. Non-compliance with the diversification obligations provided for by the RREC legislation, which provides that "no transaction carried out by a public RREC can have the effect that more than 20% of its consolidated assets are placed in real estate assets (...) that form a single set of assets, or increase this proportion further, if it is already higher than 20%, irrespective of the cause of the initial exceedance of this percentage". The set of assets is defined as "one or more buildings or assets (...) the investment risk of which is considered to be a single risk for the public RREC" (Article 30 of the RREC Law).

  - **Vacancy rate**

A vacancy rate risk may arise in the event of non-renewal of expiring rental contracts, early termination, or unforeseen events such as tenant/operator bankruptcies (see chapter 'Composition of consolidated portfolio').

Potential effects:

1. Increase in the vacancy rate, payment by the Group of sums that should normally be paid by tenants/operators, increase in marketing costs, downward revision of rental income, resulting in a reduction in net result - Group share, and hence of net assets per share.

2. RISKS RELATED TO COFINIMMO'S FINANCIAL SITUATION

- **Liquidity risk**

Cofinimmo's investment strategy is largely based on its ability to raise funds, whether borrowed capital or shareholder's equity. This ability depends in particular on circumstances that Cofinimmo does not control (such as the state of international capital markets, banks' ability to grant credit, market participants' perception of the Group's solvency, the perception of market participants on real estate in general and on the real estate segments in which the Group is active in particular). The Group could therefore encounter difficulties in obtaining the financing necessary for its growth or for the exercise of its activity.

Potential effects:

1. Inability to finance acquisitions or development projects.
2. Financing at a higher cost than expected, with an impact on the net result - Group share, and hence on net assets per share.
3. Inability to meet the Group's financial commitments (operating activity, interest or dividends, repayment of maturing debts, etc.).

- **Contractual obligations and legal parameters**

Cofinimmo Group is contractually or statutorily obliged to comply with certain obligations and certain parameters or ratios, particularly within the framework of the credit agreements it has entered into. Non-compliance with these commitments, or with these parameters or ratios, entails risks for the Group.

Potential effects:

1. Penalties imposed by the regulator in the event of non-compliance with legal obligations or the resulting parameters or ratios.
2. Loss of confidence on the part of the Group's credit providers, or even the arising of early repayment obligations for some or all loans.

- **Change in the group's public financial rating**

Cofinimmo Group has a public financial rating determined by an independent rating agency. This rating may be adjusted at any time. Standard & Poor's gave Cofinimmo a BBB rating between May 2012 and May 2013. The rating was then reduced to BBB- between May 2013 and May 2015. Since 2015, Cofinimmo benefits from a BBB rating (confirmed in May 2019). The next update is expected in the spring of 2020.

Potential effects:

1. A rating downgrade would have a direct effect on the Group's cost of financing, and therefore on the net result - Group share and hence on net assets per share.
2. A rating downgrade could also have an indirect effect on the appetite of credit providers to deal with Cofinimmo or an indirect effect on its financing cost or on its ability to finance its growth and activities.

- **Risks arising in the event of a change of control**

Most of the loan agreements (syndicated loan, bilateral loans, bonds, etc.) concluded by Cofinimmo Group include a so-called 'change of control' clause. This ensures that in the event of a change of control of Cofinimmo SA/NV (or more precisely in the event of the acquisition of control of Cofinimmo SA/NV, of which only two shareholders currently exceed the 5% transparency declaration threshold), lenders have the option to cancel the loans granted and require early repayment.

Potential effects:

1. Early repayment of loans, to be financed by significant asset disposals, shareholder's equity contributions in cash, or new financing.

3. LEGAL AND REGULATORY RISKS

- **RREC regime**

Cofinimmo and some of its subsidiaries have the status of regulated real estate company ('RREC', qualified as public in the case of Cofinimmo SA/NV, and institutional in the case of certain subsidiaries), which is reflected in particular in tax transparency for their activities in Belgium. This status is granted to them on condition that they fulfil a series of conditions determined by the Law of 12.05.2014 ('RREC Law') and the Royal Decree of 12.07.2014 ('RREC Royal Decree'), together comprising the 'RREC legislation'. There is therefore a risk of non-compliance of the Group's activities with the requirements of the RREC legislation. In addition, the RREC legislation may be subject to change by the legislator (see chapter 'Standing Document').

Potential effects:

1. In the event of non-compliance, the sanctions may go as far as the loss of the RREC status, entailing the loss of the benefit of tax transparency, causing a significant reduction in the net result - Group share, and therefore in net assets per share, as well as an obligation to repay a large number of loans early.
2. Decrease in net income - Group share, and therefore in net assets per share, in the event of an unfavourable change in the RREC legislation.

- **FIIS regime**

Some Cofinimmo subsidiaries benefit from the status of specialised real estate investment funds ('FIIS'), which is reflected in particular by tax transparency for their activities in Belgium. This status is granted to them on condition that they fulfil a whole series of conditions determined in particular by the Royal Decree of 09.11.2016 on specialised real estate investment funds. There is therefore a risk of non-compliance of the Group's activities with the requirements of the FIIS legislation. In addition, the FIIS legislation may be subject to change by the legislator (see chapter 'Standing Document').

Potential effects:

1. In the event of non-compliance, the sanctions may go as far as the loss of the FIIS status, entailing the loss of the benefit of tax transparency, causing a significant reduction in the net result - Group share, and therefore in net assets per share.
2. Decrease in net income - Group share, and therefore in net assets per share, in the event of an unfavourable change in the FIIS legislation.

- **SIIC regime**

Cofinimmo and some of its subsidiaries benefit from the status of listed real estate investment company (SIIC), which is reflected in particular by tax transparency for their activities in France. This status is granted to them on condition that they meet a whole series of conditions determined by French legislation. There is therefore a risk of non-compliance of the Group's activities with this legislation. In addition, the SIIC legislation may be subject to change by the French legislator (see chapter 'Standing Document').

Potential effects:

1. In the event of non-compliance, the sanctions may go as far as the loss of the SIIC status, entailing the loss of the benefit of tax transparency, causing a significant reduction in the net result - Group share, and therefore in net assets per share.
2. Decrease in net income - Group share, and therefore in net assets per share, in the event of an unfavourable change in the SIIC legislation.

- **FBI regime**

In the Netherlands, Cofinimmo benefits, through its subsidiary Superstone, from the '*fiscale beleggingsinstelling*' ('FBI') status, which is reflected in particular by tax transparency for its activities in the Netherlands. This status is granted to it on condition that it meets a whole series of conditions determined by Dutch legislation. There is therefore a risk of non-compliance of the Group's activities with this legislation. In addition, the FBI legislation may be subject to change by the Dutch legislator (see chapter 'Standing document').

In this regard, the Dutch governing coalition agreement of October 2017 provided that direct investments in Dutch real estate by fiscal investment enterprise (FBI), of which Cofinimmo is a member through its subsidiary Superstone, would no longer be authorised from 2020 in the context of the announced abolition of the taxation of dividends. In early October 2018, the Dutch government announced the continuation of the taxation of dividends and the current FBI status in its entirety.

At the same time, Cofinimmo was in negotiations with the Dutch tax authorities, which had informed it that as a shareholder of Superstone, which benefits from FBI status, the company would have to undergo another shareholder test (the conditions for being considered an FBI depend in particular on the activities and the shareholder structure).

The precise content of the shareholding test is not yet clear, as it will depend in particular on the outcome of numerous cases pending appeal between the Dutch tax administration and foreign investment funds regarding the restitution of the dividend tax, in the context of which a ruling by the European Court of Justice and subsequently the Dutch '*Hoge Raad*' is expected in the course of 2020.

In addition, the Dutch State is currently examining whether a targeted adjustment of the FBI regime is possible and achievable in the long term by means of an evaluation with, possibly, a change in policy and/or legislation from 2021.

Potential effects:

1. In the event of non-compliance, the sanctions may go as far as the loss of the FBI status, entailing the loss of the benefit of tax transparency, causing a significant reduction in the net result - Group share, and therefore in net assets per share. In the event of loss of FBI status and transition to a standard tax regime, the impact on the net result - Group share for the 2020 financial year could be estimated at 2 million EUR (i.e. 1.1%).
2. Decrease in net income - Group share, and therefore in net assets per share, in the event of an unfavourable change in the FBI legislation.

- **Difference between the real value (used in the calculation of the exit tax) and the fair value (included in the balance sheet) of the real estate portfolio**

When a Belgian company governed by ordinary law is absorbed by a RREC, or obtains the status of RREC or FIIS, it is liable for an 'exit tax' on its unrealised capital gains and exempt reserves, at a rate lower than the standard tax rate. The exit tax is calculated in accordance with the provisions of circular Ci.RH.423/567.729 of 23.12.2004, the interpretation or practical application of which is subject to change at any time. The 'real value' of a property as referred to in this circular is calculated after deduction of registration duties or VAT. This 'real value' differs from (and may therefore be lower than) the fair value of the property as mentioned in Cofinimmo's IFRS balance sheet.

Potential effects:

1. Increase in the base on which the exit tax is calculated, decrease in the net result - Group share and hence in net assets per share.

- **Changes to social security schemes**

In healthcare real estate, the income of tenants/operators is often derived at least partially, directly or indirectly, from subsidies provided by the local social security scheme. These schemes, which depend on national, regional or local authorities, are subject to reform from time to time.

Potential effects:

1. Reduction in the solvency of tenants/operators in the geographical area concerned by a reform that would be unfavourable to them, with an adverse impact on their ability to honour their commitments to Cofinimmo.
2. Decrease in the fair value of part of the investment property and hence in net assets per share.

- **Changes to legislation relating to planning permission or the environment**

The numerous urban planning and environmental legislation to which the Group is subject may be subject to change by the legislator.

Potential effects:

1. These possible changes would be likely to have an adverse effect on the profitability of existing buildings, development projects or buildings the acquisition of which is planned, and therefore on the net result - Group share and hence on net assets per share.
2. Increase in the vacancy rate (see other references).
3. Decrease in the fair value of investment properties (see further).

4. RISKS RELATING TO INTERNAL CONTROL

An inadequate internal control system may prevent the parties concerned (internal auditor, compliance officer, risk officer, executive committee, audit committee, board of directors) from performing their duties, which could jeopardise the effectiveness of internal control (see chapter 'Corporate governance statement', section 'Internal control and risk managment').

Potential effects:

1. The company would not be managed in an orderly and prudent manner, endangering the optimal allocation of resources.
2. Inadequate risk management skills could lead to poor protection of the company's assets.
3. Lack of integrity and reliability of financial and management data.
4. Shortcomings in terms of compliance with legislation (in particular with regard to Article 17 of the RREC Law), as well as internal management procedures and directives.

5. ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

- **Sustainability of buildings**

The attractiveness of the Cofinimmo Group's building assets depends in particular on their sustainability (location, energy intensity, proximity to modes of transport, etc.) and their resilience to climate change (see section 'Sustainability Strategy' on page 29 of this document). Shortcomings in this area are likely to discourage potential tenants/operators or potential buyers.

Potential effects:

1. Vacancy rate (see further).
2. Negative change in the fair value of properties (see further).

- **ESG transparency and sustainability**

Sustainability is an increasingly important theme, both in terms of general public opinion and for private or institutional investors. This covers many aspects, for example in terms of the impact of the company's activities on the environment, the community and governance ('ESG' aspects, acronym for 'Environment, Social, Governance'), which are assessed according to reference frameworks that are not yet fully defined or standardised, or that are not yet recognised by all stakeholders. There may therefore be a risk of perceived lack of transparency in some of these aspects.

Potential effects:

1. Deterioration of the Group's reputation with the various stakeholders.
2. Less easy access to the capital market (debt and equity).

6. RISK ASSOCIATED WITH THE CORONAVIRUS COVID-19

The risks generated by the coronavirus COVID-19, which appeared at the end of February and beginning of March 2020 in the countries where the group is active, are mentioned in the section 'Events after 31.12.2019' on page 80 of this document.

Preliminary remarks

This Universal Registration Document, which includes the Annual Financial Report, contains regulated information as defined by the Royal Decree of 14.11.2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market

Ligne 13 office buidling - Brussels CBD (BE)

This Universal Registration Document was filed on 09.04.2020 with the Financial Services and Markets Authority (FSMA), as competent authority under Regulation (EU) 2017/1129[1], without prior approval in accordance with Article 9 of that Regulation. In accordance with the same article, this Universal Registration Document also serves as the Annual Financial Report. The Universal Registration Document may be used for the purposes of a public offer of securities or the admission of securities to trading on a regulated market if it is approved by the FSMA as well as its amendments, if any, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129.

1 Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14.06.2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC

LANGUAGES

This Universal Registration Document including the Annual Financial Report, has been filed in French with the FSMA. The Dutch and English versions are translations made under Cofinimmo's responsibility. Only the French version constitutes legal evidence.

AVAILABILITY OF THE UNIVERSAL REGISTRATION DOCUMENT INCLUDING THE ANNUAL FINANCIAL REPORT

A free copy of this Universal Registration Document including the Annual Financial Report can be obtained upon request by contacting:

Cofinimmo SA/NV

58 Boulevard de la Woluwedal 1200 Brussels

Belgium

Tel. : 02 373 00 00

Fax: 02 373 00 10

Email: info@cofinimmo.be

This Document is also available on the website www.cofinimmo.com.

STATEMENTS

ROYAL DECREE OF 14.11.2007

Responsible Persons

The persons responsible for the information contained in the registration document are the following persons: Mr Jacques van Rijckevorsel, Independent Director, Chairman of the Board of Directors, Mr Jean-Pierre Hanin, Managing Director, Mr Jean Kotarakos, Executive Director, Mrs Françoise Roels, Executive Director, Mrs Inès Archer-Toper, Independent Director, Olivier Chapelle, Independent Director, Xavier de Walque, Independent Director, Maurice Gauchot, Independent Director, Benoit Graulich, Independent Director, Diana Monissen, Independent Director, Cécile Scalais, Independent Director, Kathleen Van den Eynde, Independent Director.

Mr Jacques van Rijckevorsel, Chairman of the Board of Directors, and Mr Jean-Pierre Hanin, CEO, declare for and on behalf of the Board of Directors that, to the best of their knowledge:

- the financial statements, prepared in compliance with the applicable accounting standards, give a true picture of the portfolio, of the financial situation and of the results of Cofinimmo SA/NV and the subsidiaries included in the consolidation;
- the Management report contains a truthful account of the development of the business, the results and the situation of Cofinimmo SA/NV and the companies included in the consolidation, as well as a the description of the main risks and uncertainties they are facing.

ANNEX I TO THE DELEGATED REGULATION (EU) 2019/980 OF 14.03.2019 SUPPLEMENTING REGULATION (EU) 2017/1129 OF 14.06.2017

Responsible persons, information from third parties, expert reports and approval by the competent authority

Mr Jacques van Rijckevorsel, Chairman of the Board of Directors, and Mr Jean-Pierre Hanin, CEO, certify for an on behalf of the Board of Directors, that the information contained in this Universal Registration Document including the Annual Financial Report is, to the best of their knowledge, in accordance to the facts and contains no omissions likely to alter its scope.

Cofinimmo SA/NV declares that the information published in this Universal Registration Document, including the Annual Financial Report and originating from third parties, such as the Report of the independent real estate valuers and the Statutory Auditor's Reports, has been included with the consent of the person having endorsed its content, form and context. This information has been faithfully reproduced and, to the best of Cofinimmo SA/NV's knowledge and as far as Cofinimmo SA/NV is able to ascertain from the data published by the same third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Universal Registration Document including the Annual Financial Report is a document filed with the Financial Services and Markets Authority (FSMA), as the competent authority under Regulation (EU) 2017/2019, without prior approval in accordance with article 9 of the said Regulation. The Universal Registration Document may be used for the purposes of a public offer of securities or the admission of securities to trading on a regulated market if it is approved by the FSMA as well as its amendments, if any, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129.

Administration, management and general management bodies

Cofinimmo SA/NV declares that, with regard to the directors and/or members of the Executive Committee:

- no family ties exist between them;
- no information relating to (i) any convictions for fraud within the last five years, (ii) any bankruptcies, receiverships, liquidations or placing of companies under judicial administration, and (iii) any official public accusations and/or sanctions by statutory or regulatory authorities (including designated professional bodies), must be disclosed;
- none of them has already been be deprived by a court of the right to hold office as a member of the administrative, management or supervisory bodies of an issuer or to participate in the management or conduct of the issuer's business for at least the previous five years;
- no conflict of interest exists between their duties towards Cofinimmo SA/NV and their private interests.

Forecasts

Cofinimmo SA/NV certifies that the profit forecast or estimate was determined and prepared on a basis comparable to the historical financial information and in accordance with the issuer's accounting policies.

Operation of administrative and management bodies

Cofinimmo SA/NV declares that no service contract has been concluded with the Directors and the members of the Executive Committee providing for the granting of benefits at the end of such a contract, subject to the comment stated in section 'Contractual terms of the members of the Executive Committee' of chapter 'Corporate Governance Statement'.

Main shareholders

Cofinimmo SA/NV declares that:

- no Director or member of the Executive Committee directly or indirectly holds a percentage of the share capital or voting rights of Cofinimmo SA/NV which must be notified under the legislation on the disclosure of major shareholdings.
- the main shareholders of Cofinimmo SA/NV do not hold different voting rights.

Judicial and arbitration proceedings

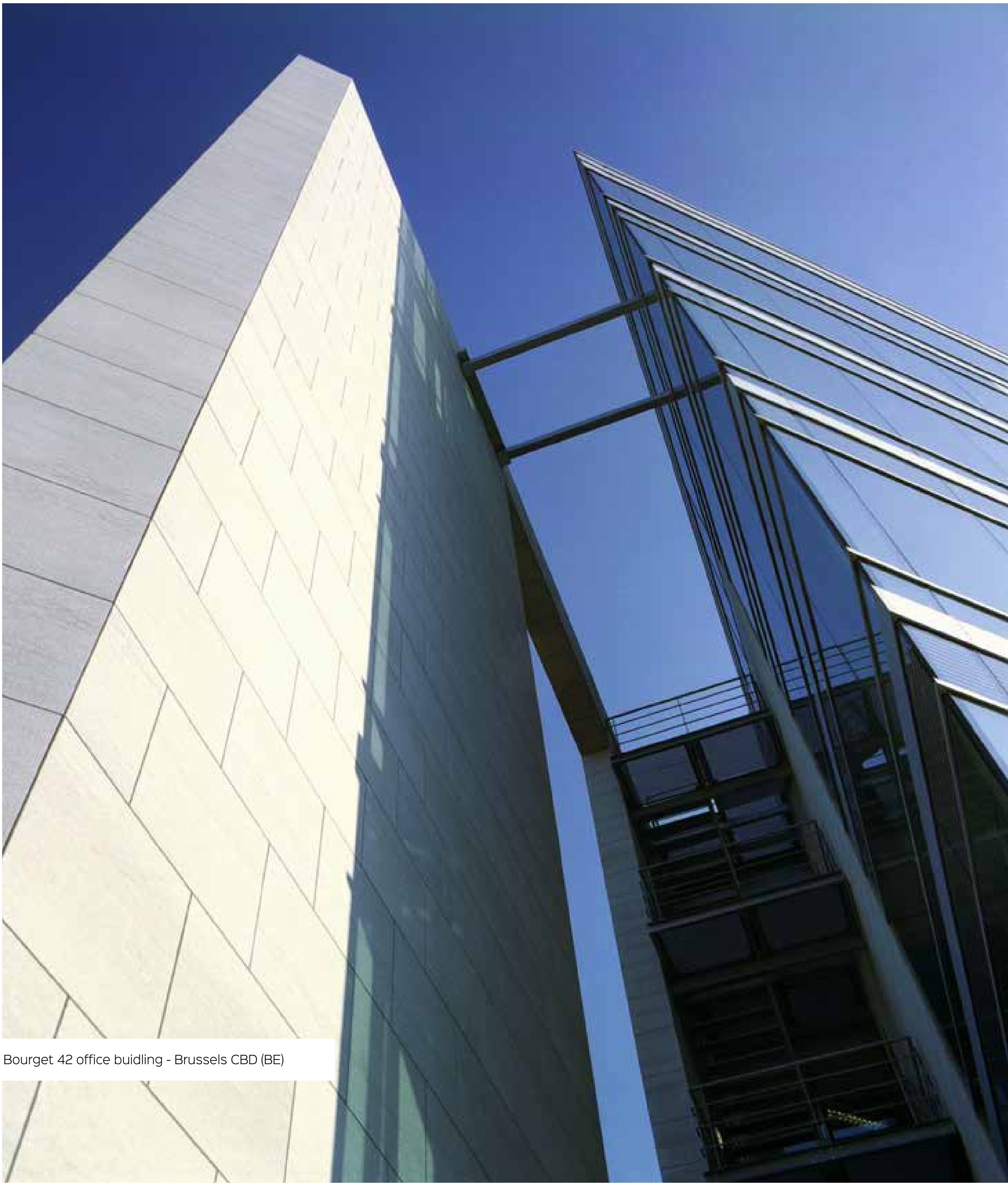
Cofinimmo SA/NV declares that, over the past 12 months, no administrative, legal or arbitration proceedings have been initiated which could have or have had significant effects on the financial situation or profitability of Cofinimmo SA/NV.

Significant change in the financial situation

Cofinimmo SA/NV declares that there has been no significant change in the group's financial situation since the end of the last financial year.

Available documents

Cofinimmo SA/NV declares that during the period of validity of the Universal Registration Document including the Annual Financial Report, the latest version of the articles of association of Cofinimmo SA/NV as well as all reports, letters and other documents, valuations and declarations established by an expert at the request of Cofinimmo SA/NV, part of which is included or referred to in the Universal Registration Document including the Annual Financial Report, may be consulted on the website www.cofinimmo.com.



Bourget 42 office buidling - Brussels CBD (BE)

INFORMATION INCORPORATED BY REFERENCE

The Annual Financial Reports of the past five years (notably those of financial years 2017 and 2018 which are included as reference material in this Universal Registration Document) which include the annual statutory accounts, the consolidated annual accounts and the Statutory Auditor's reports, as well as the Half-Yearly Financial Reports, can be consulted on the website (www.cofinimmo.com). For the period covered by the historical information from 2017, 2018 and 2019, the Statutory Auditor is SC s.f.d. SCRL/BV o.v.v.e. CVBA Deloitte, Réviseurs d'Entreprises/Bedrijfsrevisoren, represented by Rik Neckebroeck.

Information	Document	Section
Historical financial information for the last three financial years	Annual Financial Report 2019	Fully (including the key figures on page 20, the summary of the consolidated accounts on p. 70 to 74 and the annual accounts on p. 145 to 233)
	Annual Financial Report 2018	Fully (including the key figures on page 22, the summary of the consolidated accounts on p. 74 to 81 and the annual accounts on p. 153 to 253)
	Annual Financial Report 2017	Fully (including the key figures on page 22, the summary of the consolidated accounts on p. 28 to 35 and the annual accounts on p. 149 to 241)
Statutory Auditor's statement	Annual Financial Report 2019	Statutory Auditor's report on: • The projections on p. 84 and 85; • The consolidated accounts on p. 214 to 2019; and • The financial statutory statements on p. 228 to 223
	Annual Financial Report 2018	Statutory Auditor's report on: • The projections on p. 88 and 89; • The consolidated accounts on p. 234 to 239; and • The financial statutory statements on p. 248 to 253
	Annual Financial Report 2017	Statutory Auditor's report on: • The projections on p. 54 and 55; • The consolidated accounts on p. 222 to 227; and • The financial statutory statements on p. 236 to 241
Information on the main investments	Annual Financial Report 2019	• Healthcare real estate: p. 30 to 43 • Property of distribution networks: p. 44 to 47 • Public-Private Partnerships: p. 48 to 49 • Offices: p. 50 to 57
	Annual Financial Report 2018	• Healthcare real estate: p. 32 to 45 • Property of distribution networks: p. 46 to 49 • Public-Private Partnerships: p. 50 to 51 • Offices: p. 52 to 61
	Annual Financial Report 2017	• Healthcare real estate: p. 58 to 69 • Property of distribution networks: p. 80 to 83 • Public-Private Partnerships : p. 84 to 85 • Offices: p. 70 to 79
Breakdown of total revenue by type of activity and by market for the last three financial years	Annual Financial Report 2019	• Annual accounts in Note 5 (segment information) p. 162 to 163
	Annual Financial Report 2018	• Annual accounts in Note 5 (sector information) p. 172 to 173
	Annual Financial Report 2017	• Annual accounts in Note 5 (sector information) p. 170 to 171
Description of the financial position and of the results of the operations	Annual Financial Report 2019	• Section 'Management of financial resources' p. 66 to 69; and • Notes to the consolidated accounts p. 152 to 213
	Annual Financial Report 2018	• Section 'Management of financial resources' p. 70 to 73; and • Notes to the consolidated accounts p. 160 to 233
	Annual Financial Report 2017	• Section 'Financial strategy in action' p. 86 to 89; and • Notes to the consolidated accounts p. 158 to 221
Information on the personnel	Annual Financial Report 2019	• Section 'Corporate Governance statement' p. 122; • Annual accounts in Note 43 p. 212
	Annual Financial Report 2018	• Section 'Corporate Governance statement' p. 128; • Annual accounts in Note 43 p. 231
	Annual Financial Report 2017	• Section 'Corporate Governance statement' p. 93; • Annual accounts in Note 41 p. 219
Important agreements concerning a change of control in the event of a takeover bid	Annual Financial Report 2019	• Section 'Corporate Governance statement' p. 136
	Annual Financial Report 2018	• Section 'Corporate Governance statement' p. 143
	Annual Financial Report 2017	• Section 'Corporate Governance statement' p. 106

Message to the shareholders

Cofinimmo has been acquiring, developing and managing rental properties for over 35 years. With attention to social developments, Cofinimmo has the mission of offering high-quality care, living and working environments available ('Caring, Living and Working – Together in Real Estate')

Jacques van Rijckevorsel, Chairman of the Board of Directors

Jean-Pierre Hanin, Chief Executive Officer

« WE MADE A FURTHER ACCELERATION (AFTER THAT RECORDED IN 2018) IN THE GROUP'S GROWTH IN HEALTHCARE REAL ESTATE, BY INVESTING 491 MILLION EUR IN ONE YEAR IN THAT SEGMENT. THIS VOLUME REPRESENTS ALMOST FIVE TIMES THE AVERAGE AMOUNT INVESTED IN THE FINANCIAL YEARS PRIOR TO 2018. »

JEAN-PIERRE HANIN, CHIEF EXECUTIVE OFFICER

DEAR SHAREHOLDERS,

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 continued throughout 2019 to consolidate its leadership in healthcare real estate in Europe.

This resulted in a further acceleration (after that recorded in 2018) of the group's growth in healthcare real estate, which invested 491 million EUR in one year in that segment. This volume represents almost five times the average amount invested in the financial years prior to 2018. Cofinimmo made several investments in different sub-segments of healthcare real estate in Belgium, France, Germany and the Netherlands. These included the acquisition in Belgium of 15 sites in two operations that were completed on the same day, on 26.06.2019. Besides the above, five construction, extension or renovation projects have been delivered in Belgium, France and the Netherlands. Moreover, the group entered in Spain with a first programme of five construction projects for a total investment budget of approximately 45 million EUR. These projects are already pre-let to CLECE, one of the largest operators in Spain. As a result of these operations, healthcare assets (2.4 billion EUR, up 27% compared to 31.12.2018) account for more than 56% of the group's portfolio, which amounts to 4.2 billion EUR (up 14%).

In the office segment, Cofinimmo pursues its strategy which consists in improving the overall balance of its portfolio by reducing its presence in the decentralised area of Brussels to the benefit of buildings located in the Central Business District ('CBD'). To that extent, the group sold nine buildings in the decentralised area of Brussels for 73 million EUR, including the Souverain/Vorst 23/25 site. In the CBD, Cofinimmo signed a 15-year usufruct on the entire Quartz building currently under redevelopment and acquired two companies, each of them being owner of a high-quality and ideally located office building.

Along with the implementation of its investment strategy, Cofinimmo emphasised its ambitions in terms of environment, social and governance matters ('ESG'), by launching the project 30^3, aimed at reducing the energy intensity of its portfolio by 30% by 2030, to reach 130 kWh/m². This objective, which takes the 2017 level as reference, has been established using the methodology of 'science-based targets', thanks to which Cofinimmo has been able to objectivise the effort to be made in order to contribute to the global objective of limiting global warming to a maximum of 1.5°C. It follows the many ESG initiatives launched by Cofinimmo for more than ten years, and is actively in line with the approach of the Paris Agreement concluded at COP21.

The financing of the company has also seen several major transactions since the beginning of the financial year: in addition to the capital increases by contributions in kind amounting to nearly 300 million EUR, Cofinimmo extended its commercial paper programme to 800 million EUR (650 million EUR before), and carried out the early refinancing of its syndicated loan, increasing it to 400 million EUR (300 million EUR before) and deferring its term to 2024 (2021 before). Cofinimmo also concluded a new Green & Social Loan of 40 million EUR, which reinforces the Green & Social Bond of 55 million EUR issued in 2016.

The Group's momentum in terms of investments and financing during the financial year (average cost of debt down to 1.4%), coupled with effective management of the existing portfolio (gross rental income up 2.1% on a like-for-like basis, operating margin of 82.6%), allowed the company to realise a net result from core activities - Group share of 166 million EUR (i.e. 6.81 EUR per share), compared to 145 million EUR (i.e. 6.55 EUR per share) as at 31.12.2018. This represents a 15% increase in EUR and a 4% increase in EUR per share. It is higher than the budget and the previous financial year, and takes into account the issue of shares at the time of the capital increase in cash of July 2018, and at the time of the contributions in kind of last April and June. The net result – Group share amounts to 205 million EUR (i.e. 8.37 EUR per share) as at 31.12.2019, compared to 146 million EUR (i.e. 6.58 EUR per share) as at 31.12.2018, or a 41% increase in EUR (i.e. a 27% increase in EUR per share).

These results allow to confirm that the Board of Directors will propose, during the Ordinary General Meeting of 13.05.2020, the allocation of a gross dividend of 5.60 EUR per share for the 2019 financial year, payable in May 2020.

Prior to the outbreak of the coronavirus COVID-19 in the countries where the Group is active, and the subsequent uncertainties created in the markets and the economy (and barring the occurrence of other unforeseen events), the budgeted net result from core activities - Group share formulated on 13.02.2020 amounted to 7.10 EUR per share for the 2020 financial year, and the gross dividend payable in 2021 to 5.80 EUR per share, taking into account a gross investment pipeline estimated at 375 million EUR for 2020.

Cofinimmo owes its excellent performance to the enthusiasm, competence and commitment of all its employees, who spare no effort in ensuring the Group's development. The Board of Directors therefore wishes to express its warmest congratulations to the Cofinimmo teams, and to encourage them in this time of unexpected health crisis that affects us all.

« OUR STRATEGY FOR THE OFFICE SEGMENT ('WORKING') CONSISTS IN IMPROVING THE OVERALL BALANCE OF OUR PORTFOLIO BY REDUCING THE SHARE INVESTED IN THE DECENTRALISED AREA OF BRUSSELS TO THE BENEFIT OF BUILDINGS LOCATED IN THE CENTRAL BUSINESS DISTRICT (CBD). »

JEAN-PIERRE HANIN,
CHIEF EXECUTIVE OFFICER

« THE GROUP'S MOMENTUM IN TERMS OF INVESTMENTS AND FINANCING DURING THE FINANCIAL YEAR, COUPLED WITH EFFECTIVE MANAGEMENT OF THE EXISTING PORTFOLIO, ENABLED THE COMPANY TO REALISE A NET RESULT FROM CORE ACTIVITIES OF 166 MILLION EUR, UP 15 %. »

JACQUES VAN RIJCKEVORSEL,
CHAIRMAN OF THE BOARD OF DIRECTORS

Caring, Living and Working – Together in Real Estate

CARING

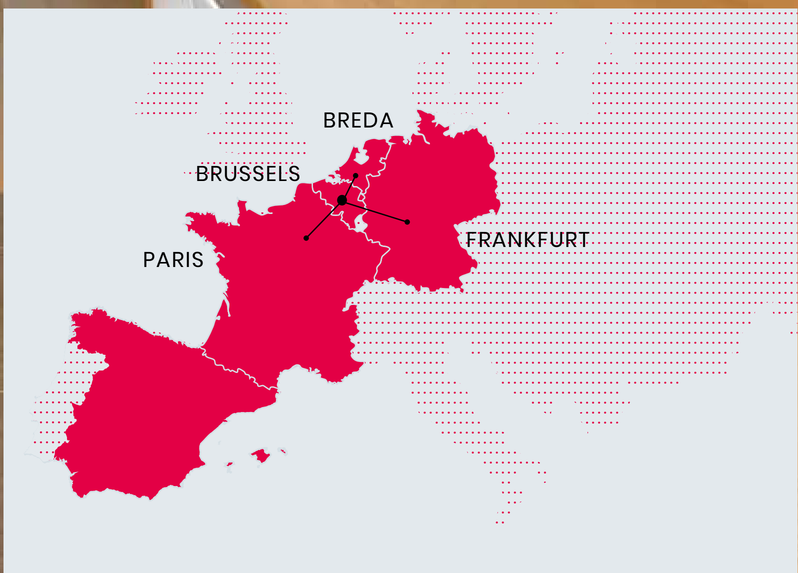
BE A LEADING EUROPEAN HEALTHCARE REIT WITH TOP QUALITY PORTFOLIO, ALSO PARTICIPATING TO INNOVATIVE REAL ESTATE CONCEPTS ADDRESSING HEALTHCARE CHALLENGES

LIVING

OPPORTUNISTIC ADD-ON APPROACH WITH SECURED LONG-TERM INCOME

WORKING

CREATING VALUE THROUGH CAPITAL RECYCLING AND REBALANCING PORTFOLIO TOWARDS BRUSSELS CENTRAL BUSINESS DISTRICT ('CBD')



130 people

COFINIMMO MANAGES ITS ASSETS THROUGH A TEAM OF ABOUT 130 PEOPLE IN BRUSSELS, PARIS, BREDA AND FRANKFURT.

Caring

56 %
OF THE OVERALL PORTFOLIO

2.4 billion EUR
FAIR VALUE OF THE PORTFOLIO

1,000,000 m²
ABOVE-GROUND SURFACE AREA

17,800
BEDS

99.8 %
OCCUPANCY RATE

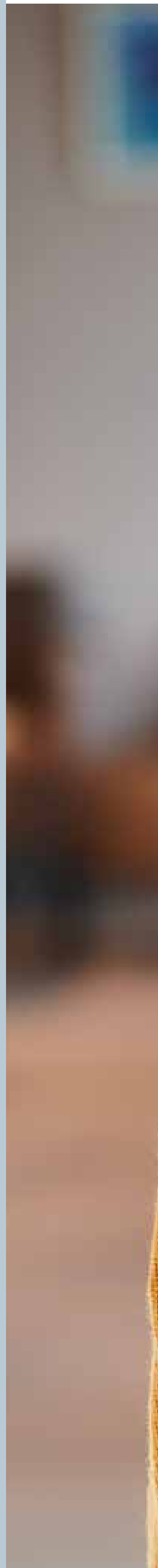
5.7 %
GROSS YIELD

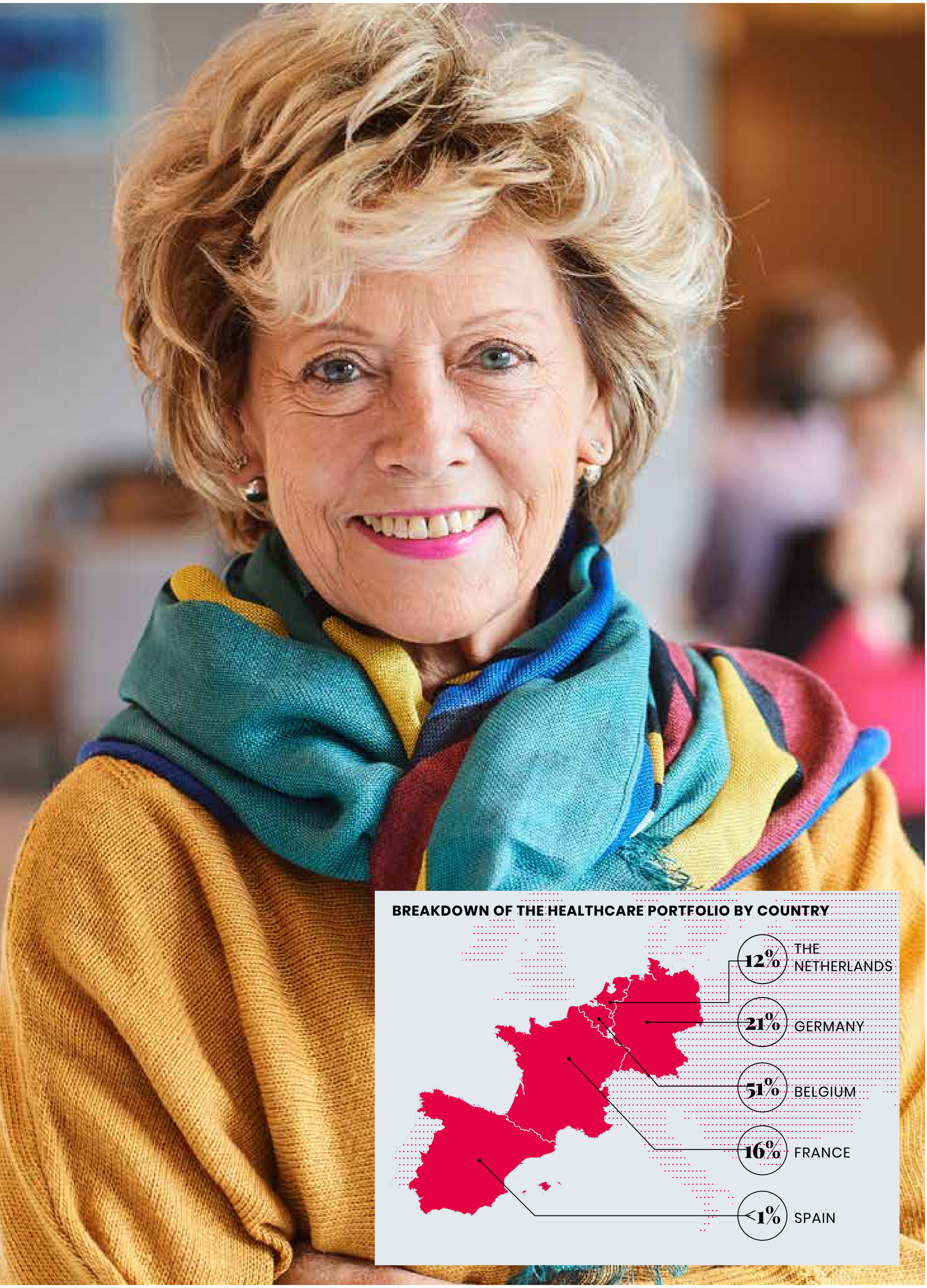
16 years
RESIDUAL LEASE LENGTH

197
NUMBER OF ASSETS

175 kWh/m²
ENERGY INTENSITY
OF THE SEGMENT

2005
FIRST INVESTMENT
IN HEALTHCARE REAL ESTATE





BREAKDOWN OF THE HEALTHCARE PORTFOLIO BY COUNTRY
12% THE NETHERLANDS
21% GERMANY
51% BELGIUM
16% FRANCE
<1% SPAIN

Living

0.6 billion EUR
FAIR VALUE OF THE PORTFOLIO

13 %
OF THE OVERALL PORTFOLIO

400,000 m²
ABOVE-GROUND SURFACE AREA

99.2 %
OCCUPANCY RATE

6.3 %
GROSS YIELD

12 years
RESIDUAL LEASE LENGTH

1,206
NUMBER OF ASSETS, OF WHICH:

938
PUBS AND RESTAURANTS, AND

268
INSURANCE AGENCIES

7
ASSETS IN OPERATION IN THE PPP PORTFOLIO

109 kWh/m²
ENERGY INTENSITY OF THE SEGMENT

2005
AWARDING OF THE FIRST PUBLIC-PRIVATE PARTNERSHIP (PPP): THE COURTHOUSE OF ANTWERP

2007
PARTNERSHIP WITH AB INBEV GROUP FOR A PORTFOLIO OF PUBS AND RESTAURANTS

2011
PARTNERSHIP WITH MAAF FOR A PORTFOLIO OF INSURANCE AGENCIES

BREAKDOWN OF PROPERTY OF DISTRIBUTION NETWORKS BY COUNTRY
25% PUBSTONE (NL)
53% PUBSTONE (BE)
22% COFINIMUR I (FR)

Working

1.3 billion EUR
FAIR VALUE OF PORTFOLIO

31 %
OF GLOBAL PORTFOLIO

560,000 m²
ABOVE-GROUND SURFACE AREA

91.5 %
OCCUPANCY RATE

7.1 %
GROSS YIELD

80
NUMBER OF ASSETS

2016
OPENING OF THE FIRST
FLEX CORNERS® AND LOUNGES®

12
NUMBER OF ASSETS WITH BREEAM
CERIFICATION

201 kWh/m²
ENERGY INTENSITY
OF THE SEGMENT

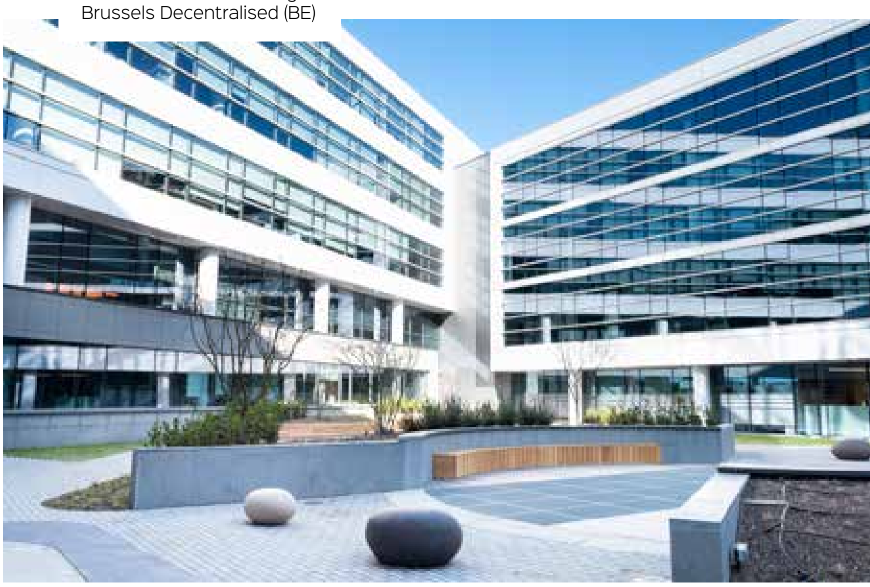
RECENTERING OF THE PORTFOLIO TOWARDS THE CENTRE OF BRUSSELS

Management report

Key figures

As at 31.12.2019

Cockx 8-10 office building - Brussels Decentralised (BE)



OPERATIONAL

4.2 billion EUR
FAIR VALUE OF THE PORTFOLIO

+14 %
IN 2019

235 million EUR
PROPERTY RESULT

+10.8 %
IN 2019

2,000,000 m²
TOTAL ABOVE-GROUND SURFACE AREA

1,483
ASSETS

6.2 %
GROSS RENTAL YIELD AT 100 % OCCUPANCY

97 %
OCCUPANCY RATE

12 years
WEIGHTED AVERAGE RESIDUAL LEASE LENGTH

FINANCIAL

3.4 billion EUR
MARKET CAPITALISATION

Member of the BEL20

120.81 EUR
AVERAGE ORDINARY SHARE PRICE

7.9 %
TOTAL RETURN OF THE ORDINARY SHARE IN 2019

6.81 EUR/share
EPRA RESULT

100.69 EUR/share
EPRA NET ASSET VALUE

41 %
DEBT-TO-ASSETS RATIO

1.4 %
AVERAGE COST OF DEBT

BBB/long term & A-2/short term
STANDARD & POOR'S RATING

NON-FINANCIAL

130 employees

39 % men

61 % women

178 kWh/m²
AVERAGE PORTFOLIO ENERGY INTENSITY

70 %
GRESB GREEN STAR

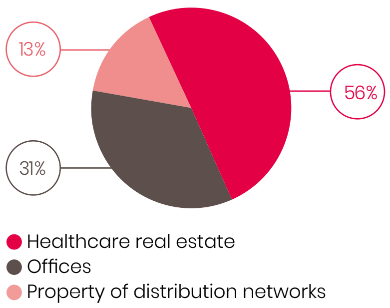
EE+
STANDARD ETHICS NOTATION

CONSOLIDATED KEY FIGURES

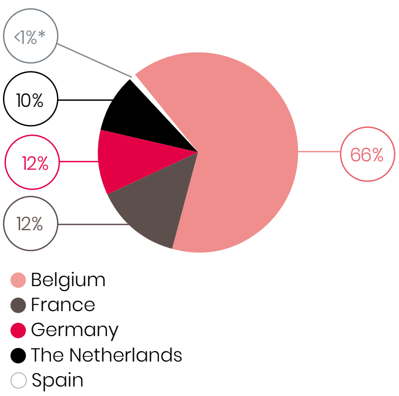
(x 1,000,000 EUR)	31.12.2019	31.12.2018	31.12.2017
Portfolio of investment properties (in fair value)	4,247	3,728	3,508
(x 1,000 EUR)	**31.12.2019**	**31.12.2018**	**31.12.2017**
Property result	234,615	211,729	209,943
Operating result before result on the portfolio	193,829	173,923	172,047
Net result from core activities - Group share	166,498	145,004	139,090
Result on financial instruments - Group share	-24,184	-3,353	1,063
Result on the portfolio - Group share	62,301	3,962	-2,791
Net result - Group share	204,615	145,613	137,362
Operating margin	82.6%	82.1%	81.9%
	31.12.2019	**31.12.2018**	**31.12.2017**
Operating costs/average value of the portfolio under management[1]	0.97%	1.01%	1.00%
Weighted residual lease length[2] (in years)	12	11	10
Occupancy rate[3]	97.0%	95.8%	94.6%
Gross rental yield at 100% occupancy[4]	6.2%	6.5%	6.7%
Net rental yield at 100% occupancy[5]	5.8%	5.9%	6.1%
Debt-to-assets ratio[6]	41.0%	43.0%	43.8%
Average cost of debt[7]	1.4%	1.9%	1.9%
Average debt maturity (in years)	4	4	5

1 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.
2 Until the first break option for the lessee.
3 Calculated based on real rents (excluding assets held for sale) and, for vacant space, the rental value estimated by the independent real estate valuers.
4 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 and assets held for sale.
5 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.
6 Legal ratio calculated in accordance with the legislation on RRECs such as financial and other debt divided by total assets.
7 Including bank margins.

PORTFOLIO BREAKDOWN BY SEGMENT (AS AT 31.12.2019 – AT FAIR VALUE)



GEOGRAPHICAL BREAKDOWN OF PORTFOLIO (AS AT 31.12.2019 – AT FAIR VALUE)



* The construction process of a nursing and care home started in Vigo, Oleiros and Cartagena (Spain). As at 31.12.2019, the total fair value of the healthcare real estate portfolio in Spain accounts for 0.3%.

Transactions and achievements in 2019

January

• **Belgium** : Sale of the assisted living facility adjacent to the nursing and care home on the *'t Smeedeshof* site for 16 million EUR

• **Belgium** : Delivery of the extension of the *Zonneweelde* nursing and care home in Rijmenam

February

• **The Netherlands** : Acquisition of a nursing and care home in Velp for approximately 4 million EUR

• **Belgium** : Conclusion of a 15-year contract for the Quartz office building (Brussels CBD) that will take effect after the end of the works, scheduled for 2020

• **Belgium** : Delivery of the extension of the nursing and care home *De Nootelaer* in Keerbergen

• **The Netherlands** : Delivery of the construction works of a care centre for people suffering from mental disorders in Gorinchem

• **France** : Delivery of the renovation and extension works of an aftercare and rehabilitation clinic in Esvres-sur-Indre

March

• **Financing** : Extension of commercial paper programme to 800 million EUR (650 million EUR before)

• **Financing** : Conclusion of the first green & social loan for 40 million EUR with a term of seven and a half year

• **The Netherlands** : Sale of one nursing and care home in Utrecht for approximately 9 million EUR

April

• **The Netherlands** : Acquisition of a healthcare real estate site in Dokkum for approximately 8 million EUR

• **Germany** : Acquisition through a contribution in kind of two nursing and care homes in Ingolstadt en Neunkrichen for approximately 29 million EUR. Issue of 238,984 new ordinary shares

• **Germany** : Signatured of an agreement, subject to conditions, regarding the acquisition of four nursing and care homes spread across Germany for approximately 50 million EUR. All conditions were lifted in July 2019

• **France** : Delivery of the works of the aftercare and rehabilitation clinic in Chalon-sur-Saône

Belliard 40 office building
- Brussels CBD (BE)

De Pastorij nursing and care home
– Denderhoutem (BE)

May

- **Belgium**: Acquisition of 100 % of the shares of the company owning the Loi/Wet 85 office building (Brussels CBD) for a conventional value of approximately 6 million EUR
- **Belgium**: Signature of a private agreement regarding the sale of the office building Colonel Bourg 105 (Brussels Decentralised) for more than 3 million EUR
- **Germany**: Signature of an agreement, subject to conditions, regarding the acquisition of one nursing and care home in Chemnitz for approximately 14 million EUR
- **Financing**: S&P rating agency confirmed Cofinimmo's BBB/stable outlook rating for the long term and A-2 for the short term

June

- **Belgium**: Signature of a private agreement regarding the sale of the Woluwe 102 office building (Brussels Decentralised) for more than 8 million EUR
- **The Netherlands**: Acquisition of one healthcare site in The Hague for approximately 22 million EUR
- **Belgium**: Signature of agreements regarding the acquisition of 15 nursing and care homes in Belgium through a contribution in kind of the shares of a company for seven assets and the contribution in kind of the other eight assets for a conventional value of approximately 297 million EUR. Issue of 2,617,051 new ordinary shares
- **Belgium**: Acquisition of 100 % of the shares of the company owning the Ligne 13 office building (Brussels CBD) for less than 16 million EUR

July

- **The Netherlands**: Acquisition of one medical office building in Weesp for approximately 7 million EUR
- **Belgium**: Signature of an unconditional private agreement relating to the disposal of the Souverain/Vorst 23/25 office buildings (Brussels Decentralised) for 50 million EUR
- **Financing**: Early refinancing and extension of the syndicated loan (on 01.07.2019) to increase it to 400 million EUR (300 million EUR before)
- **Shares**: Conversion of all the preference shares in ordinary shares finalised on 12.07.2019

August

- **The Netherlands**: Acquisition of one healthcare site in Zoetemeer for approximately 10 million EUR

Ligne 13 office building - Brussels CBD (BE)

Nursing and care home in construction – Vigo (ES)

September

- **Espagne**: Settlement in Spain with a first programme of five construction projects in healthcare real estate. The total investment budget for the plots of land and the works amounts to 45 million EUR
- **Spain**: Signature of an agreement, as part of the first programme of five projects, relating to the acquisition of one plot of land in Vigo where one nursing and care home will be built for less than 8 million EUR
- **The Netherlands**: Acquisition of one medical office building in Bergeijk for more than 5 million EUR

October

- **Belgium**: Signature of a private agreement relating to the disposal of the Corner Building office building (Brussels Decentralised) for more than 4 million EUR

November

- **Belgium**: Signature of the notary deed relating to the disposal of the Souverain/Vorst 23/25 office buildings (Brussels Decentralised) for 50 million EUR

December

- **Belgium**: Signature of the notary deed relating to the disposal of the three office buildings I, J and L in Waterloo Office Park (Brussels Decentralised) for more than 9 million EUR
- **Belgium**: Signature of the notary deed relating to the disposal of the Corner Building office building (Brussels Decentralised) for more than 4 million EUR
- **The Netherlands**: Acquisition of one medical office building in Amsterdam for approximately 6 million EUR
- **France**: Sale of one psychiatric clinic in Cambes for more than 3 million EUR
- **Spain**: Signature of agreements, as part of the first programme of five projects, relating to the acquisition of two plots of land, one in Oleiros and one in Cartagena, where one nursing and care home will be built for approximately 11 million EUR and approximately 13 million EUR respectively

Mission

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.

More specifically, Cofinimmo's **mission** is to:

- Promote exchanges creating well-being and inspiration in high-quality care, living and working spaces, by providing services that anticipate the needs and aspirations of their **occupants**;
- Animate an **inspiring work and living environment**, serving an exciting business project;
- Enable its **shareholders** to make long-term, low-risk and socially responsible investments that generate a recurring, predictable and growing stream of income, fuelling dividends and encouraging a return to the community.

Beyond the **stakeholders** identified above, the **community** itself greatly benefits from Cofinimmo's services on a multitude of levels, whether in healthcare, the working world or simply in places where people exchange and share. Furthermore, Cofinimmo participates in the enhancement and renovation of public and parapublic property thanks to large-scale projects undertaken in the framework of public-private partnerships.

'CARING, LIVING AND WORKING – TOGETHER IN REAL ESTATE'

Altes Rathaus nursing and care home – Chemnitz (DE)

« COFINIMMO AIMS TO ACCELERATE ITS INVESTMENTS IN HEALTHCARE REAL ESTATE TO CONSOLIDATE ITS LEADERSHIP IN EUROPE. »

REAL ESTATE STRATEGY

HEALTHCARE REAL ESTATE

Cofinimmo's strategy involves consolidating its leadership in the European healthcare real estate segment.

The growth of the group will go hand-in-hand with the restructuring, already started, in the healthcare segment itself. Once restricted to nursing and care homes, it now offers other types of assets accessible to an investor endowed with expertise and substantial experience in healthcare real estate such as Cofinimmo. As an example, Cofinimmo entered the healthcare real estate segment in 2005 through the acquisition of nursing and care homes and then extended its scope with the acquisition of several medical office buildings, specialised clinics, rehabilitation clinics, psychiatric establishments, etc.

Furthermore, the restructuring also takes place on a geographical level through the extension of the group's activities beyond the countries currently covered, namely Belgium, France, the Netherlands, Germany and Spain.

Given the above, it is clear that the share of healthcare real estate in Cofinimmo's global portfolio, which already reaches more than 56%, is bound to grow significantly.

As part of its healthcare real estate strategy, Cofinimmo participates in several innovative projects aimed at making residents' homes more attractive but also at encouraging interaction with local residents and visits from relatives. For example, Cofinimmo finances the large-scale renovation works on a rehabilitation centre as well as the demolition and redevelopment works on a nursing and care home located in Rotterdam (NL).

The goal is not only to meet the needs of its residents, but to make it a true central living space for the entire neighbourhood. Therefore, part of the building is intended for local general practitioners whom are consulted by families. The local residents can also enjoy a nice brasserie, and the children of the neighbourhood can play in a beautiful garden. Finally, the clinic will also offer an innovative concept of 'care home' for the elderly who are not fully healed after their revalidation and who still require temporary assistance.

« WITH 56 % OF ASSETS IN HEALTHCARE REAL ESTATE AND 13 % IN PROPERTY OF DISTRIBUTION NETWORKS, MORE THAN TWO THIRDS OF THE GLOBAL PORTFOLIO GENERATES ELEVATED, PREDICTABLE AND INDEXED CASH FLOWS THROUGH GENERALLY VERY LONG-TERM CONTRACTS. »

PROPERTY OF DISTRIBUTION NETWORKS AND PPPs

Property of distribution networks, as well as public-private partnerships (PPPs), share with healthcare real estate the characteristic of generating high, predictable and indexed cash flows through generally very long-term contracts. As such, they fit perfectly within the group's strategy.

Property of distribution networks and PPPs, however, are two niche markets that only occasionally present opportunities. As such, they cannot be considered on as a growth engine in the forthcoming years.

Nevertheless, with these markets being only accessible to a limited number of sufficiently qualified investors, Cofinimmo intends to study opportunities as soon as they arise.

Arts/Kunst 27 office buidling - Brussels CBD (BE)

OFFICES

Since its establishment in 1983, Cofinimmo has been a major player in the Brussels offices market, which comprises of different sub-segments.

It is in this market that the company has built its expertise in real estate over the past 35 years. Specifically, Cofinimmo's staff is well-versed in the A to Z management of major projects encompassing the design, construction, renovation, reconversion or development of sites, with the goal of either renting or selling these assets. It is an expert in every aspect of the building life cycle. Besides the offices segment, this know-how now also applies to healthcare real estate, property of distribution networks and PPPs, which benefit from the synergies thus created.

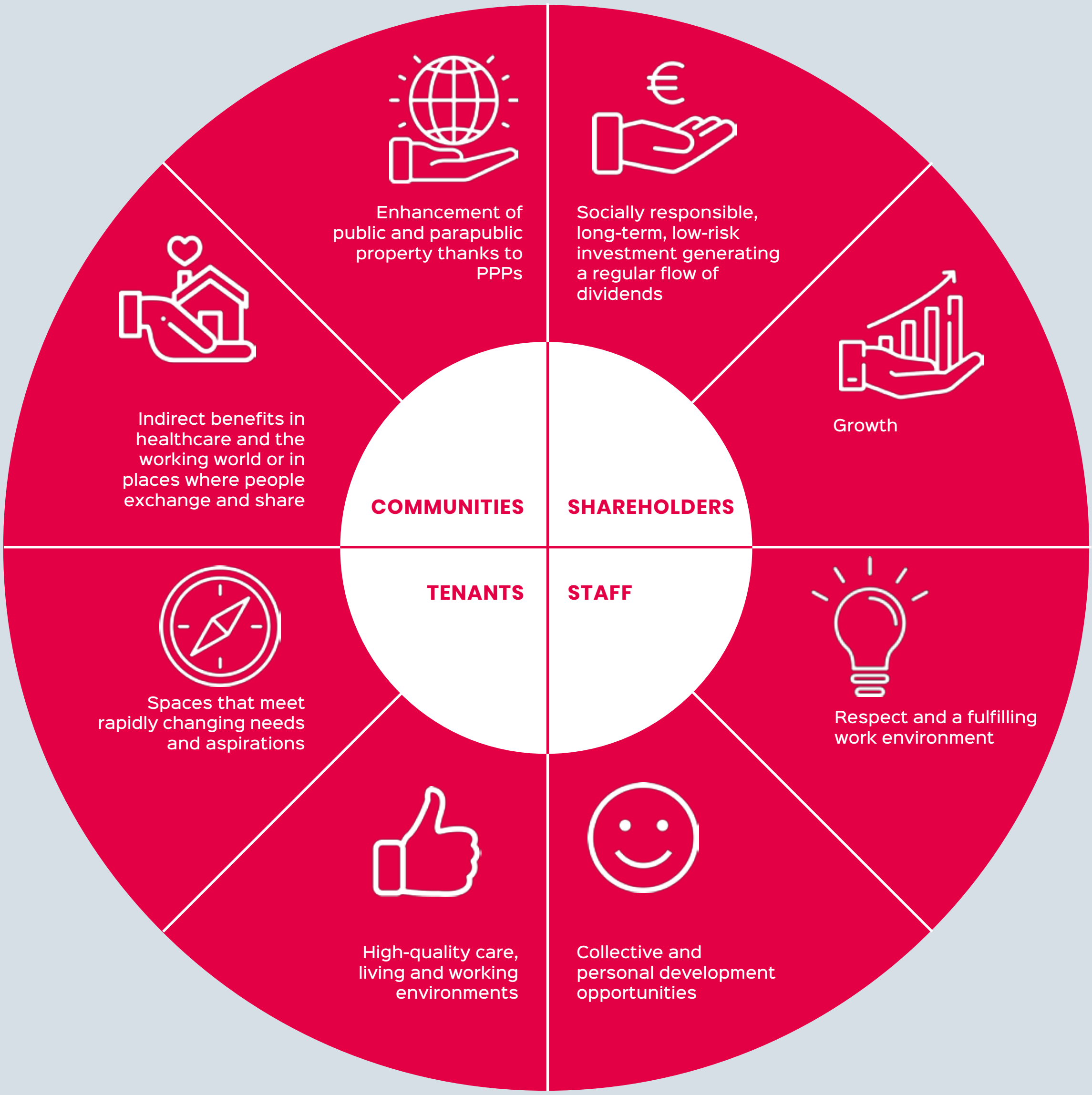
After having divested large single-tenant office spaces, Cofinimmo continues the rebalancing of its offices portfolio by reducing its presence in the decentralised area of Brussels to the benefit of high-quality buildings located in the Central Business District ('CBD'). The vacancy rate in this segment, which is weaker than the average in the Brussels market, makes it possible to obtain higher net returns.

« COFINIMMO'S STRATEGY IN THE OFFICE SEGMENT CONSISTS OF IMPROVING THE OVERALL BALANCE OF THE OFFICE PORTFOLIO BY REDUCING THE PART INVESTED IN THE DECENTRALISED AREA OF BRUSSELS TO THE BENEFIT OF BUILDINGS LOCATED IN THE CENTRAL BUSINESS DISTRICT. »

Doux Repos nursing and care home - Neupré (BE)

BENEFITS OF THE STRATEGY FOR STAKEHOLDERS

Cofinimmo's strategy results from the mission described above as well as the expectations of the main stakeholders (shareholders, tenants, staff and community)

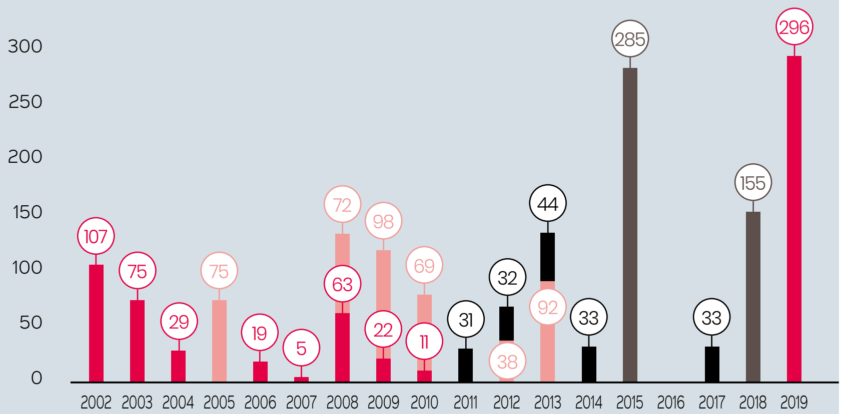


440 million EUR
NEW CREDIT LINES
CONCLUDED IN 2019

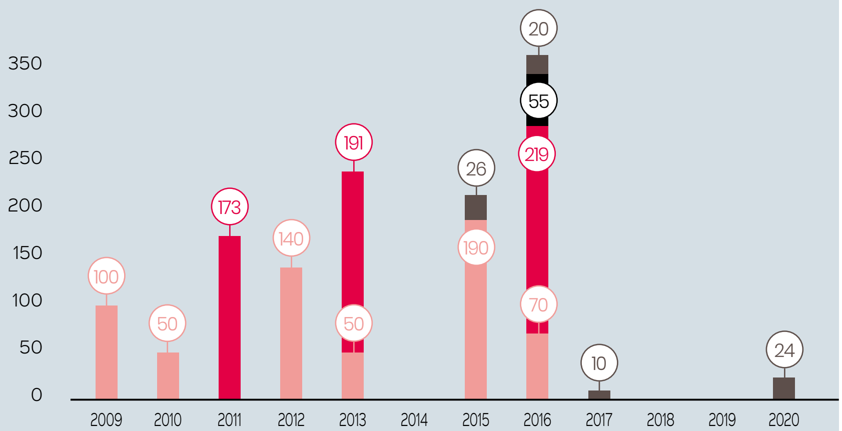
41 %
DEBT-TO-ASSETS RATIO AS AT 31.12.2019

1.4 %
AVERAGE COST OF DEBT IN 2019

CAPITAL MARKETS : EQUITY
(X 1,000,000 EUR)



CAPTIAL MARKETS : DEBT
(X 1,000,000 EUR)



FINANCIAL STRATEGY

In order to implement the real estate strategy set out above, Cofinimmo has developed a financing strategy based on the following principles.

DIVERSIFICATION OF FINANCING RESOURCES

The group diversifies both the type of assets and countries in which it invests, but also its sources of financing. Cofinimmo also pays particular attention to the coherence between its financial strategy and its ESG objectives. This is why, Cofinimmo uses bank loans, 'green and social loans', straight (non-convertible) bonds, convertible bonds, 'Green and Social Bonds' and both short- and long-term commercial paper as sources of financing. In addition, the company works closely with about ten financial institutions.

REGULAR ACCESS TO CAPITAL MARKETS

Capital increases, optional dividends in shares, sales of treasury shares, contributions in kind, the issue of preference shares, as well as the issue of straight (non-convertible) bonds, convertible bonds and 'Green and Social Bonds' are all means Cofinimmo uses to raise capital. The two graphs on this page show the financing sources used by Cofinimmo over the past years.

DEBT-TO-ASSETS RATIO CLOSE TO 45 %

Even though the legal status of RREC allows a debt-to-assets ratio (defined as financial and other debts divided by total consolidated balance sheet assets) of maximum 65 % and the banking agreements allow a ratio of 60 %, the group's policy is to maintain a debt-to-assets ratio of about 45 %.

This level has been determined at European level through market standards for listed real estate companies and takes into account the long average residual length of leases.

OPTIMISATION OF THE DURATION AND COST OF FINANCING

Cofinimmo actively manages its financing resources by usually refinancing maturing debts in advance. In this respect, the group strives to optimise the cost of its debt while ensuring diversification of its financing resources and monitoring the average maturity of its debt.

With a part of the debt incurred at floating rate, Cofinimmo is exposed to a risk of interest rates increase, which could

Sauvegarde nursing and care home – Puurs (BE)

lead to a deterioration in its financial result. This is why, Cofinimmo partially hedges its floating rate debt through the use of hedging instruments (IRS and caps). The objective is to secure the interest rates for a proportion of 50% to 100% of the estimated financial debt (over a minimum horizon of three years).

SUSTAINABILITY STRATEGY

Cofinimmo, being a major real estate player in Europe, has been committed for more than ten years to a global ESG strategy.

In response to the risks involved by climate change, Cofinimmo decided to scale its environmental ambitions up. This year's strategic thinking led to a 30% reduction (compared to the 2017 level) of the portfolio's energy intensity by 2030, to reach 130 kWh/m² (project 30³).

This objective has been established following the science-based targets methodology, which enabled to objectivise the effort to be made in order to contribute to the global objective of limiting global warming to a maximum of 1.5°C. It follows on from the many ESG initiatives conducted by Cofinimmo, and is in line with the Paris Agreement concluded at COP21.

This business project will involve not only the office and healthcare real estate segments, but also all activities directly managed within the company such as sales and acquisitions, development, works management and day-to-day property management. Only a 360-degree approach, taking into account the entire life cycle of buildings, will enable the Group to achieve the objective set.

In accordance with this sustainability strategy, Cofinimmo intends to pursue a 'green and social' financing policy following the example of its first 'green and social' bond issue in 2016 and its first 'green and social loan' concluded in 2019.

For more information on the Sustainability policy, please refer to the 2019 Sustainability Report available on the website www.cofinimmo.com.

Sionsberg medical office buidling – Dokkum (NL)

Healthcare real estate

56 %
OF THE OVERALL PORTFOLIO

2.4 billion EUR
FAIR VALUE OF THE PORTFOLIO

99.8 %
OCCUPANCY RATE

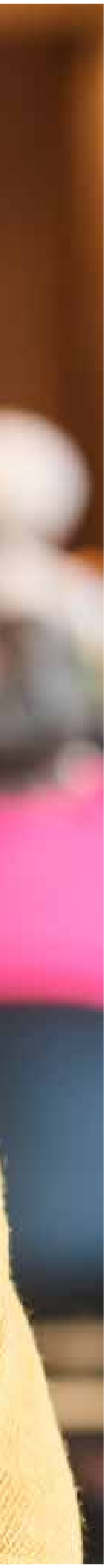
197
NUMBER OF ASSETS

17,800
NUMBER OF BEDS

1,000,000 m²
ABOVE-GROUND SURFACE AREA

Ophélie Brou, receptionist at Cofinimmo

Retired since end 2015



With a portfolio spread over five countries and consisting of approximately 200 assets covering the entire care spectrum going from primary care to acute and skilled nursing facilities, as well as sports and wellness centres, Cofinimmo is currently one of the major investors in healthcare real estate in Europe, a leadership position the company intends to strengthen over the coming years

MARKET CHARACTERISTICS[1]

The healthcare real estate market is characterised by strong growth potential, a favourable legal environment and long-term leases with operators.

STRONG GROWTH POTENTIAL

Demographic trends and changes in lifestyles : an ageing population and a growing need for specialised care facilities

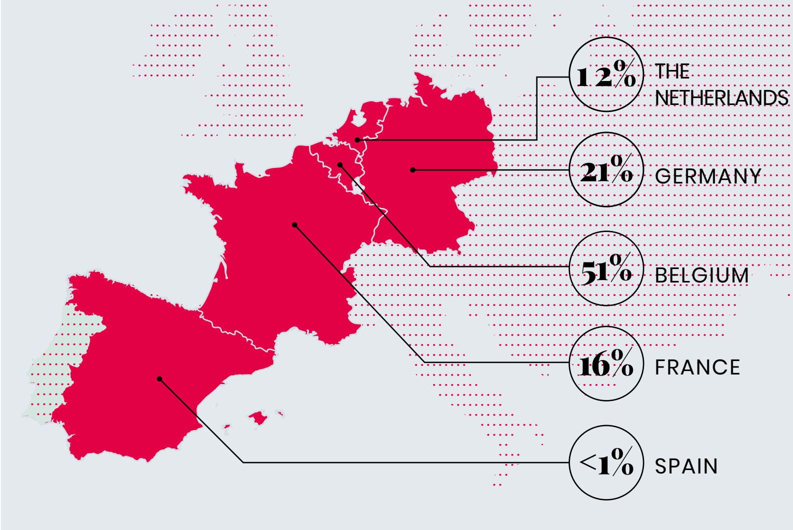
Population ageing is a growing evolution in most European countries. The proportion of people aged 80 and over in Europe should reach 10% of the total population by 2050. Although the number of independent seniors within this category is increasing, population ageing will nevertheless be accompanied by a considerable increase in the number of dependent elderly. This situation will lead to a greater need for specialised healthcare facilities and, consequently, for more beds. It is estimated that in Belgium, 45,000 additional beds will be necessary by 2025-2030. In Germany and France, the same trend can be observed with estimated growth of 250,000 and 30,000 additional beds respectively. In addition to these, there are also obsolete buildings to be rebuilt totaling more than 100,000 and 110,000 beds respectively.

In Spain, the number of people aged 65 and over increases annually by almost 2%, compared to 1.5% in Belgium and France. As a result, it can be expected that in the coming years the demand for care and accommodation for dependent elderly people will increase faster in Spain than in Belgium or France. Analyses show that, in order to be able to meet the growth in demand, the accommodation capacity for dependent elderly people should increase by at least 70,000 beds by 2030 and by 150,000 or even 200,000 beds by 2050.

Budgetary constraints : a search for less costly solutions for society

At the same time, healthcare spending whether in Belgium, France, the Netherlands, Germany or Spain, is accounting for an increasing share of GDP. This share ranks between 10% and 12% depending on the country. In a context of budget restrictions, the organisation of care is subject to greater rationalisation and private players are increasingly taking over from the public sector in this segment. New and more modern structures, more suitable for the needs of the patient and less expensive, are created to respond to this trend and generate a growth in the demand for healthcare real estate financing.

BREAKDOWN OF THE HEALTHCARE PORTFOLIO IN % BY COUNTRY



Professional healthcare operators

There are three types of operators in the healthcare segment: public operators, non-profit sector operators and private operators. The breakdown in market share between these various players varies from one country to the other. Belgium and Spain have the most balanced situation in the nursing and care homes segment with each type of operator representing one third of the market. Conversely, the non-profit sector has almost a monopoly in the Netherlands. Meanwhile, Germany and France have intermediary situations. In Spain, the 15 largest private operators together account for about 20% of the total number of beds.

In the private sector, whether in Belgium or France, and more recently in Germany, there is a move towards consolidation between operators to create groups on a European level. The most striking example is the merger in 2014 of French operators Korian and Medica, followed by acquisitions in other countries, which resulted in a group owning over 76,000 beds spread over 780 sites in four countries. Consolidation provides operators with a better distribution of risks, easier access to financing, more regular contact with the public authorities and certain economies of scale. These groupings are regularly financed by the sale of real estate thus creating an

1 Sources: Cushman & Wakefield, Degroof Petercam, Eurostat, Real Capital Analytics, CBRE.

appetite for healthcare real estate.

A FAVOURABLE LEGAL ENVIRONMENT

Healthcare financing is highly regulated given that the public sector is involved. This is particularly the case for the nursing and care home market. In Belgium and France for example, opening or expanding a nursing and care home requires prior authorisation to operate a given number of beds. This authorisation is issued by the public authorities. As they finance up to 50% of housing and care costs, the number of authorisations granted per geographical area is limited in function of the needs of each area.

5

CONSTRCUTION PROJECTS IN SPAIN

STRATEGY

Cofinimmo's strategy consists in consolidating its leadership in the European healthcare real estate segment by diversifying its offer for tenants. This diversification is not only geographical since it also covers the type of property leased.

The company's primary strategic goal is to expand its healthcare real estate portfolio at a pace compatible with the opportunity to generate a sufficient yield level and with its ability to invest in functional buildings of excellent technical quality. They generate an elevated, predictable and indexed cash flow within the framework of usually very long-term contracts.

This growth will go hand in hand with diversification within the healthcare real estate segment; originally restricted to nursing and care homes, this diversification offers other types of property accessible to an investor endowed with expertise and extensive experience in healthcare real estate such as Cofinimmo. As an example, Cofinimmo entered the healthcare real estate segment in 2005 through the acquisition of nursing and care homes, the group then extended its scope with acquisitions of medical office buildings, specialised clinics, rehabilitation clinics, psychiatric establishments, etc.

Furthermore, the diversification will also take place on a geographical level through the extension of the group's activities beyond the countries currently covered, namely Belgium, France, the Netherlands, Germany and Spain. In this context, Cofinimmo announced in September 2019 a first programme of five construction projects in healthcare real estate in Spain.

The five countries in which the company has invested in healthcare assets being at different stages of development.

On the operator side, over the past years, the Belgian and French markets have seen the growth of large operator groups with an international presence. In the Netherlands and Germany, operators are usually smaller and manage one or more facilities. However, concentration has accelerated in Germany over the past couple of years. In Spain, the market is consolidating rapidly with new international operators entering the market by acquiring and developing local groups or local players entering a phase of significant growth.

On the investment side, healthcare assets have been very popular in Belgium and France, and, more recently, in Germany, resulting in a compression of initial real estate yields. There is less competition in the Netherlands, especially for smaller assets, and many operators depend on non-profit foundations. Although Spain has seen a lower volume of investment compared to other European countries, investors are increasingly interested in this promising country where the first signs of yield compression can be observed.

In the other markets approached by Cofinimmo, such as Germany, the Netherlands and Spain, the group's strategy consists in acquiring assets and developing others for operators. In more mature markets such as Belgium and France, its strategy consists in developing or redeveloping existing assets on the one hand, and, taking advantage of investor appetite for this type of assets to conduct, on the other hand. At the same time, the company is actively seeking to diversify its portfolio.

In addition, all the healthcare real estate investments are made in a sustainable and socially responsible way.

Finally, all investments in healthcare real estate are made within the framework of a sustainable and socially responsible approach.

Given the above, it is clear that the share of healthcare real estate in the overall portfolio of Cofinimmo, which already reaches more than 56%, is bound to grow significantly.

ASSET ACQUISITIONS

In due diligence reviews, in addition to the usual aspects of technical quality, legality and environmental compliance, each healthcare property studied by the group is also subject to a rating related to its use as a healthcare asset. This rating is based on various factors:

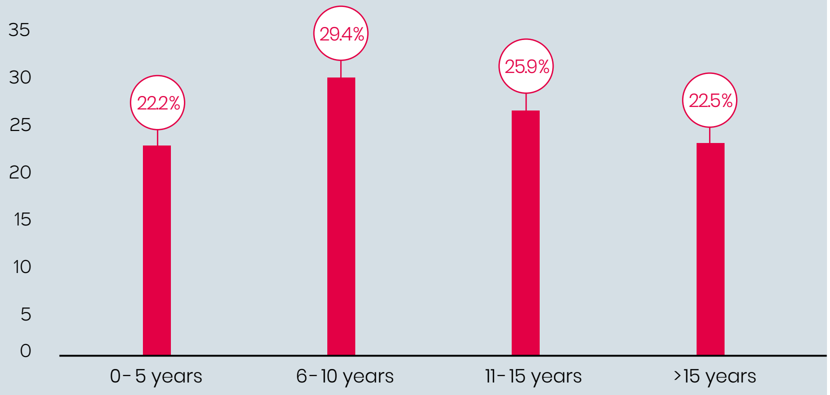
- **catchment area**: integration of the asset into its environment and its role in the healthcare delivery chain;
- **intrinsic qualities**: size of rooms and other areas, terrace or garden, light, functionality for residents/patients and medical staff, etc.;
- **energy performance**: technical equipment, insulation, etc.;
- **operator-tenant**: experience level, care quality reputation, financial solidity, growth ambitions, etc.;
- **location**: vehicle access, public transport, level of local taxes, etc.;
- **environment**: presence of shops, pleasant view, living standard of the local inhabitants, similar care offerings nearby, future demographics, etc.

(RE)DEVELOPMENT PROJECTS

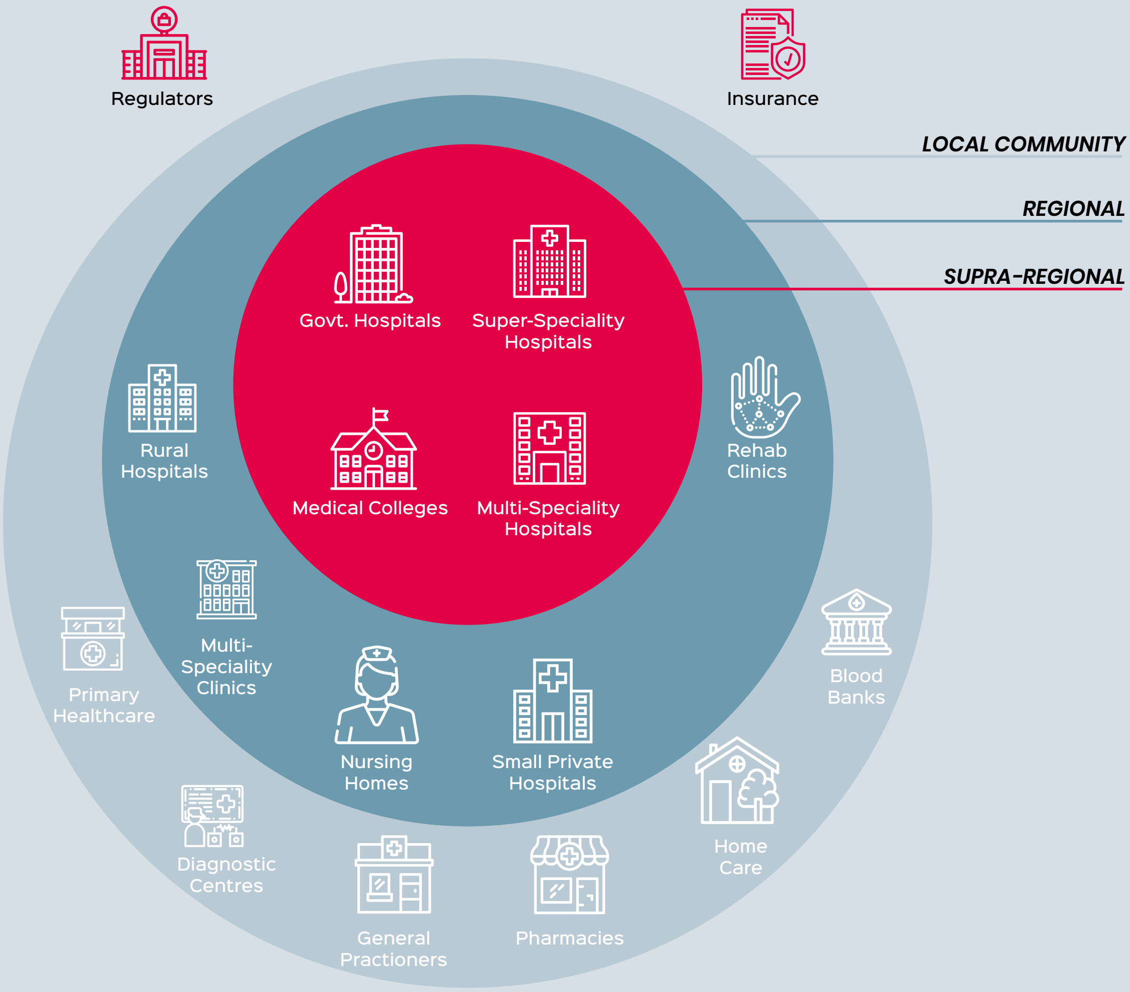
Cofinimmo is able to support the growth of healthcare operators thanks to its real estate expertise and its integrated approach. The services offered to them range from simple financing to larger-scale projects which include design, construction and delivery of new buildings. Cofinimmo has an experienced team which includes financial, technical and legal expertise, and abreast of the latest developments in healthcare real estate.

In addition to enabling Cofinimmo to realise otherwise inaccessible projects and to retain operator-tenants, this (re)development activity ensures a certain level of asset quality is maintained and creates value as well.

BREAKDOWN OF THE CONSOLIDATED PORTFOLIO BY BUILDING AGE (AS AT 31.12.2019 – AT FAIR VALUE)



HEALTHCARE SYSTEM



COMMITTED INVESTMENT PROGRAMME IN HEALTHCARE REAL ESTATE AS AT 31.12.2019

Assets	Type of works	Number of beds after works	Surface area after works	End of works	Total investments (x 1,000,000 EUR)	Total investments as at 31.12.2019 (x 1,000,000 EUR)	Total investments to be made after 2019 (x 1,000,000 EUR)
I. Ongoing projects							
Zonneweelde – Rijmenam (BE)	Renovation and reconstruction of a nursing and care home[1]	200	15,000 m²	T1 2021	6	-	6
Fundis – Rotterdam (NL)	Demolition/rebuilding of a nursing and care home and renovation of a rehabilitation centre	135	11,000 m²	T4 2021	25	10	14
Rijswijk (NL)	Construction of an orthopaedic clinic	-	4,000 m²	T1 2020	11	11	-
Bergeijk (NL)	Construction of a medical office building	-	3,400 m²	T2 2020	8	6	2
Kaarst (DE)	Construction of a psychiatric clinic	70	7,800 m²	T2 2020	22	-	22
Vigo (ES)	Construction of a nursing and care home	140	6,000 m²	T4 2020	8	4	4
Oleiros (ES)	Construction of a nursing and care home	140	5,700 m²	T3 2021	11	4	7
Cartagena (ES)	Construction of a nursing and care home	180	7,000 m²	T3 2021	13	3	10
II. Ongoing projects							
Other sites (ES)	Construction of nursing and care homes	180	7,700 m²	T3 2021	13	-	13

1 The first phase of the renovation and extension was delivered during the first quarter of 2019.

Vlietoever nursing and care home – Bornem (BE)

ASSET ARBITRAGE

Since a few years, Cofinimmo initiated a selective asset arbitrage policy for its most mature markets, such as Belgium and France. The policy consists in selling non-strategic assets and reinvesting the funds in other assets which better match the current criteria of the group. This enables the company to take advantage of the growing appetite of certain investors for this type of asset, while optimising the composition of its portfolio.

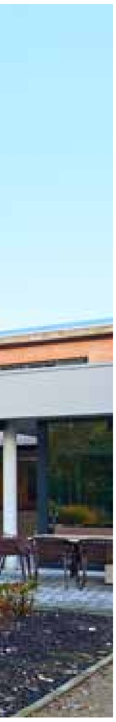
The main criteria used to make a sale decision include the size of the asset, its age, its location, its operation and the residual length of the lease.

DIVERSIFICATION

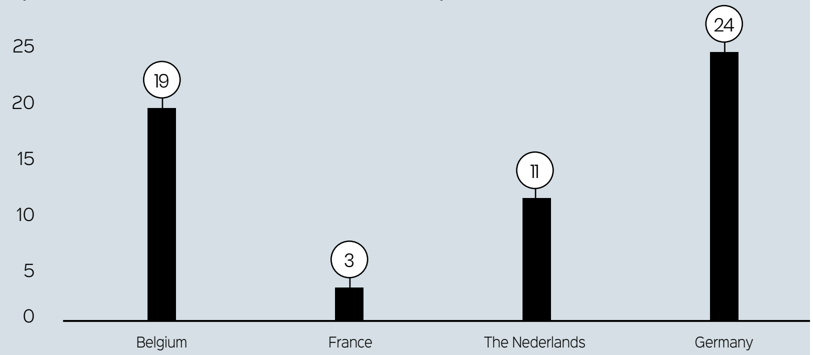
Cofinimmo is actively seeking to diversify its portfolio. This diversification is taking place at three levels:

- **by country:** the group currently holds healthcare assets in Belgium, France, the Netherlands, Germany and Spain;
- **by operator-tenant**: Cofinimmo has about 50 healthcare operators in its client-tenant database;
- **by asset type**: the group's healthcare real estate portfolio includes nursing and care homes, service flats, rehabilitation clinics, psychiatric clinics, medical office buildings, care centres for the elderly and the disabled, acute care clinics and sport and wellness centres.

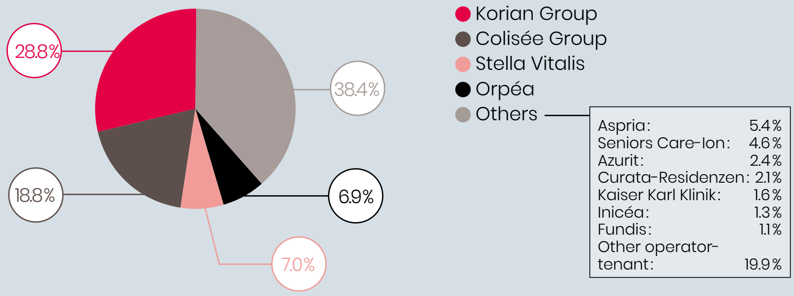
This way the group avoids becoming overly dependent on any given financing or social security system.



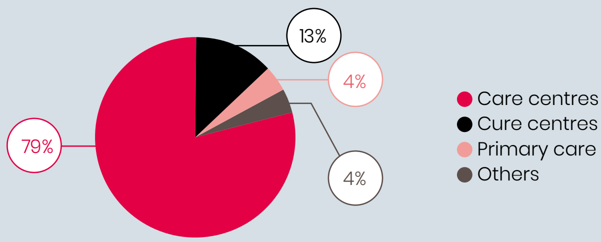
WEIGHTED AVERAGE RESIDUAL LEASE LENGTH BY COUNTRY UNTIL THE FIRST BREAK
(AS AT 31.12.2019 – IN NUMBER OF YEARS)

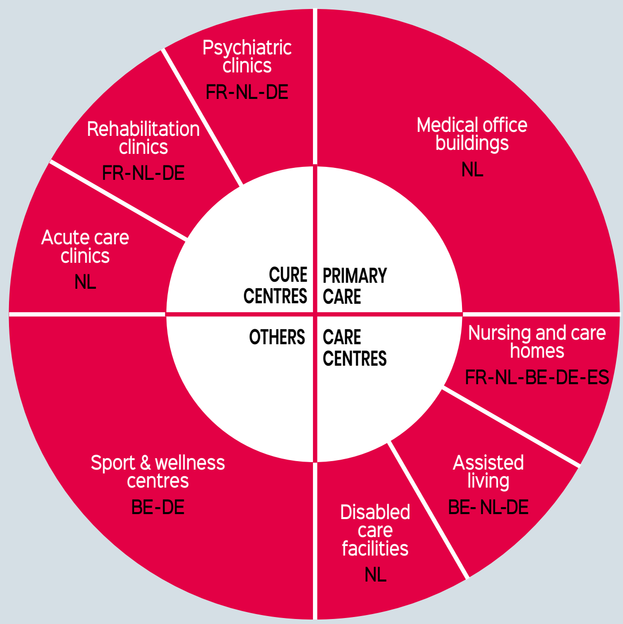


BREAKDOWN OF THE CONSOLIDATED PORTFOLIO BY OPERATOR-TENANT (AS AT 31.12.2019 – IN CONTRACTUAL RENTS)



BREAKDOWN OF THE CONSOLIDATED PORTFOLIO BY TYPE OF ASSET
(AS AT 31.12.2019 – AT FAIR VALUE)





SUSTAINABILITY

When acquiring an asset, Cofinimmo has a significant influence which is reflected in particular in the due diligence procedures. Specifically, Cofinimmo systematically takes into account factors such as soil pollution, the presence of asbestos, the location and the risk of flooding. In the countries in which it operates and for this segment, legislation on energy performance targets is increasingly restrictive. Therefore, Cofinimmo systematically considers the energy performance and the life cycle of a building and implements a long-term strategy by examining its projects usually 30 years into the future, which is a sign of real partnership with operators.

The management of (re)development projects in healthcare real estate, the decisions and actions taken by Cofinimmo have a significant impact on the sustainability of assets. Firstly, because Cofinimmo, by developing tailor-made, innovative and comfortable buildings, endeavours to best meet the changing accommodation and care needs of vulnerable or dependent persons. Secondly, because Cofinimmo ensures the proper integration of buildings in the urban fabric, by paying specific attention to aesthetics and to the diversity of districts. Finally, because Cofinimmo favours the use of modern techniques and sustainable materials to reduce the carbon footprint of the buildings constructed.

On the other hand, Cofinimmo has moderate influence in projects developed by operators. In that case, Cofinimmo acts more as an adviser in the area of sustainable construction, seeking innovative solutions that make it possible to gradually improve the property portfolio at a pace and in line with budgets that are acceptable to operators.

Cofinimmo has relatively little influence in terms of sustainability in the day-to-day management of healthcare assets. Here, the majority of them are managed largely autonomously by operators-tenants, which decide in particular on the type of upkeep and maintenance works to be carried out. Nevertheless, Cofinimmo endeavours to include the data relating to the energy and water consumption of buildings in the energy accounting system in order to raise awareness among operators. As medical office buildings are under Cofinimmo's operational control, it enables more in-depth consumption analysis and monitoring.

In this way, Cofinimmo intends to fully shoulder its corporate and environmental responsibilities.

FOLLOW-UP OF THE FINANCIAL PERFORMANCE OF ACQUIRED SITES

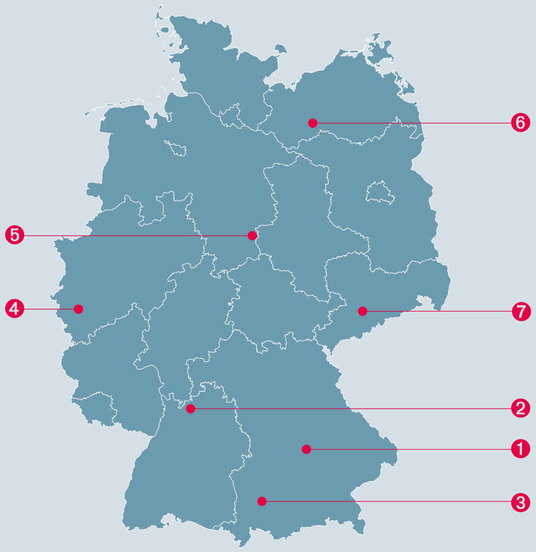
Cofinimmo periodically receives a financial data report from its operators for each site the company owns. This enables Cofinimmo to assess the financial sustainability of each operation and, specifically, the rent hedging by the cash flow generated by the site. A comparison of the prices paid by residents/patients for housing and care enables to range each operation compared to neighbouring sites and provides an appreciation of the risk associated with acquiring new units. In addition, Cofinimmo has developed a system to monitor the risks related to the solvency of each tenant.

Aftercare and rehabilitation hospital – Chalon-sur-Saône (FR)

ACHIEVEMENTS IN GERMANY

97 million EUR
INVESTMENTS IN 2019

Between 5.5 % and 6.5 %
INITIAL GROSS RENTAL YIELD



Acquisition of two nursing and care homes

	1 Ingolstadt	2 Neunkirchen
Year built/renovated	1991	2009
Above-ground surface area after works	Approx. 6,500 m²	Approx. 4,500 m²
Number of beds after works	Approx. 125	Approx. 97
Operator-tenant	Domus Cura GmbH	
Duration and type of lease	25 years – *Dach und Fach* (see Glossary)	
Acquisition price	29 million EUR	

Acquisition of a portfolio of four nursing and care homes

Above-ground surface area	Approx. 29,000 m²
Number of beds	Approx. 430
Operator-tenant	Curata Care Holding GmbH
Duration and type of lease	25 years – *Dach und Fach* (see Glossary)
Acquisition price	Approx. 50 million EUR

	Institution name	Land	City	Year built	Number of beds
3	Seniorenresidenz Am Burgberg	North Rhine-Westphalia	Denklingen	1900	96
4	Seniorenresidenz Burg Binsfeld	North Rhine-Westphalia	Nörvenich	1533	109
5	Seniorenresidenz Belvedere am Burgberg	Lower Saxony	Bad Harzburg	1870	168
6	Seniorenresidenz Am Schloss	Mecklenburg-Western Pomerania	Neustadt-Glewe	1997	60

❼ Chemnitz

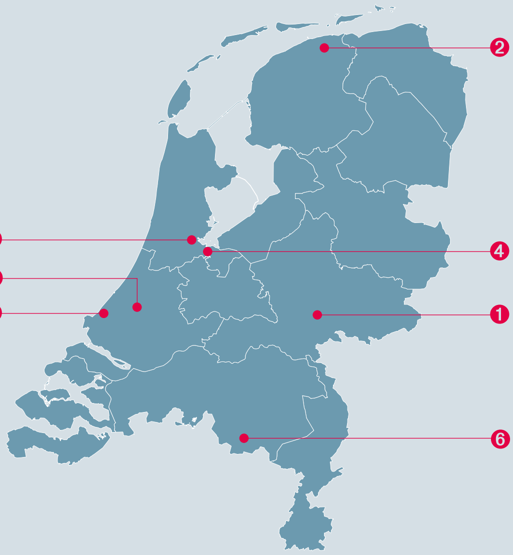
Acquisition of the *Altes Rathaus* nursing and care home

Year built/renovated (extended)	2004
Above-ground surface area	Approx. 7,800 m²
Number of beds	Approx. 140
Operator-tenant	Azurit Rohr GmbH
Duration and type of lease	20 years – *Dach und Fach* (see Glossary)
Acquisition price	14 million EUR

ACHIEVEMENTS IN THE NETHERLANDS

76 million EUR
INVESTMENTS IN 2019

Between 5 % and 7 %
INITIAL GROSS RENTAL YIELD



❶ Velp

Acquisition of the *Kastanjehof* nursing and care home

Year built/renovated	2012
Above-ground surface area	Approx. 1,800 m²
Number of beds	Approx. 30
Operator-tenant	Stichting Attent Zorg en Behandeling
Duration and type of lease	9 years – double net
Acquisition price	4 million EUR

❷ Dokkum

Acquisition of the *Sionsberg* healthcare site

Year built/renovated	1980 and 2008 (2015)
Above-ground surface area	Approx. 15,000 m²
Average occupancy rate as at 31.12.2019	100 %
Operator-tenant	Stichting Vastgoed DC Dokkum
Duration and type of lease	15 years – double net
Acquisition price	8 million EUR

❸ The Hague

Acquisition of the Nebo healthcare site

Year built/renovated	2004
Above-ground surface area	Approx. 8,700 m²
Number of beds	Approx. 115
Average occupancy rate as at 31.12.2019	100 %
Operator-tenant	Saffier
Duration and type of lease	10 years – double net
Acquisition price	22 million EUR

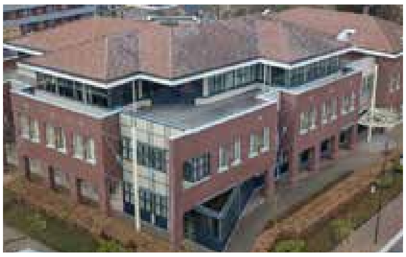
❹ Weesp
Acquisition of the *Regionaal Medisch Centrum Tergooi* medical office building

Year built/renovated	1991/2019
Above-ground surface area	Approx. 2,600 m²
Average occupancy rate as at 31.12.2019	100 %
Operator-tenant	Tergooi
Duration and type of lease	6 years – double net
Acquisition price	7 million EUR

❺ Zoetermeer
Acquisition of a rehabilitation clinic

Year built/renovated	1997/2008
Above-ground surface area	Approx. 9,100 m²
Average occupancy rate as at 31.12.2019	100 %
Operator-tenant	Several healthcare providers
Duration and type of lease	10 years – triple net
Acquisition price	10 million EUR

❻ Bergeijk
Acquisition of a future medical office building

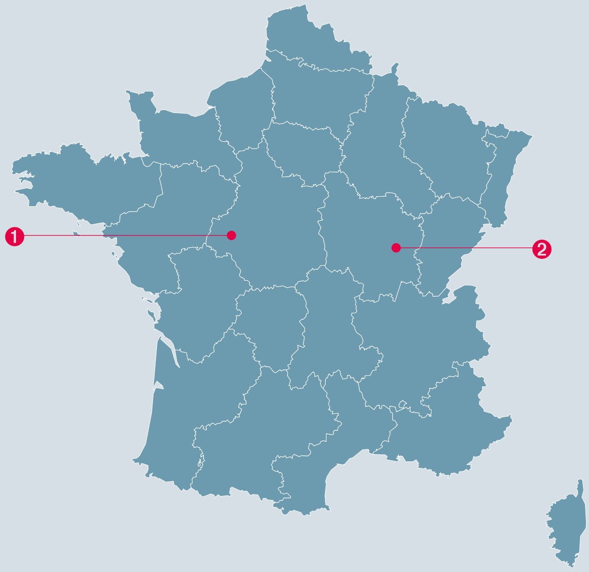


Year built/renovated	2001/in progress
Above-ground surface area	Approx. 3,400 m²
Pre-let as at 31.12.2019	80 %
Operator-tenant	Several healthcare providers
Duration and type of lease	15 years – double net
Acquisition price	5 million EUR

❼ Amsterdam
Acquisition of the *Ganzenhoef* medical office building

Year built/renovated	2000/2013
Above-ground surface area	Approx. 2,500 m²
Average occupancy rate as at 31.12.2019	100 %
Tenants	Several healthcare providers
Average duration and type of lease	6 years – double net
Acquisition price	6 million EUR

ACHIEVEMENTS IN FRANCE



6 million EUR
INVESTMENTS IN 2019

Between 6 % and 6.5 %
INITIAL GROSS RENTAL YIELD

1 Esvres-sur-Indre

Delivery of renovation and extension works of an aftercare and rehabilitation clinic (SSR)

Delivery of the works	08.02.2019
Above-ground surface area after works	8,500 m²
Number of beds after works	160
Operator-tenant	Inicéa
Duration and type of lease	12 years – double net
Acquisition price	8 million EUR

2 Chalon-sur-Saône

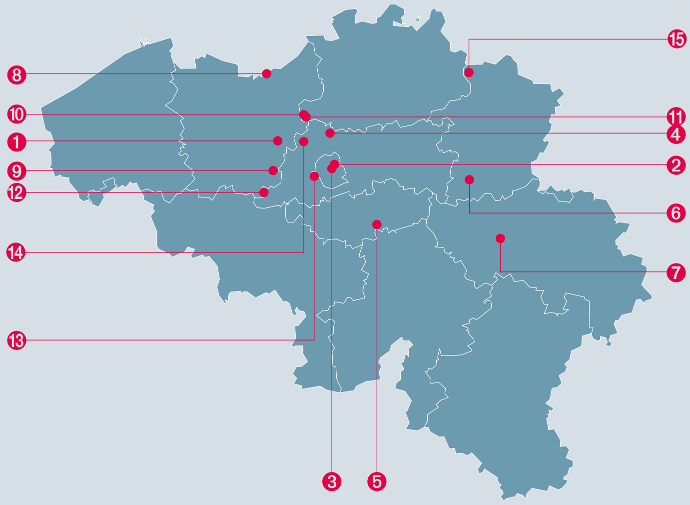
Livraison des travaux d'un hôpital de Soins de Suite et de Réadaptation

Delivery of the works	01.04.2019
Above-ground surface area	9,300 m²
Number of beds	130
Operator-tenant	French Red Cross
Duration and type of lease	40 years – double net
Acquisition price	20 million EUR

ACHIEVEMENTS IN BELGIUM

302 million EUR
INVESTMENTS IN 2019

4.5 %
INITIAL GROSS RENTAL YIELD



Acquisition of a portfolio of 15 nursing and care homes

Above-ground surface area	Approx. 100,000 m²
Number of beds	1,576
Duration and type of lease	26 years – triple net
Acquisition price	Approx. 300 million EUR

	Institution name	Location	Operator-tenant	Year built/ renovated	Number of units
1	De Gerstjens	Erembodegem	Care-Ion	2015	99
2	Clos de la Quiétude	Evere	Care-Ion	1997/2016	155
3	Senior's Flatel	Schaerbeek	Care-Ion	1972	138
4	Paaleyck	Kapelle-op-den-Bos	Care-Ion	2016	70
5	Résidence du Nil	Walhain	Care-Ion	1996	85
6	De Bloken	Wellen	Care-Ion	2008	113
7	Doux Repos	Neupré	Care-Ion	2011	114
8	Vlashof	Stekene	SLG	2016	95
9	De Pastorij	Denderhoutem	SLG	2013	93
10	Vlietoever	Bornem	Vlietoever	2012	81
11	Sauvegarde	Ruisbroek	't Hofke	2016	119
12	Zwaluw	Galmaarden	Zwaluw	2002	88
13	Clos Bizet	Anderlecht	Vulpia	2017	133
14	Martinas	Merchtem	Armonea	2017	111
15	Ploegdries*	Lommel	Armonea	2018	82
Total					**1,576**

ACHIEVEMENTS IN SPAIN

11 million EUR
INVESTMENTS EN 2019

6 %
INITIAL GROSS RENTAL YIELD

❶ Vigo

Acquisition of a plot of land for the construction of one nursing and care home

Year built/renovated (works timing)	Q4 2020
Above-ground surface area	Approx. 5,000 m²
Number of beds	Approx. 140
Operator-tenant	CLECE Vitam
Duration and type of lease	20 years – double net
Investment amount	8 million EUR

❷ Oleiros

Acquisition of a plot of land for the construction of one nursing and care home

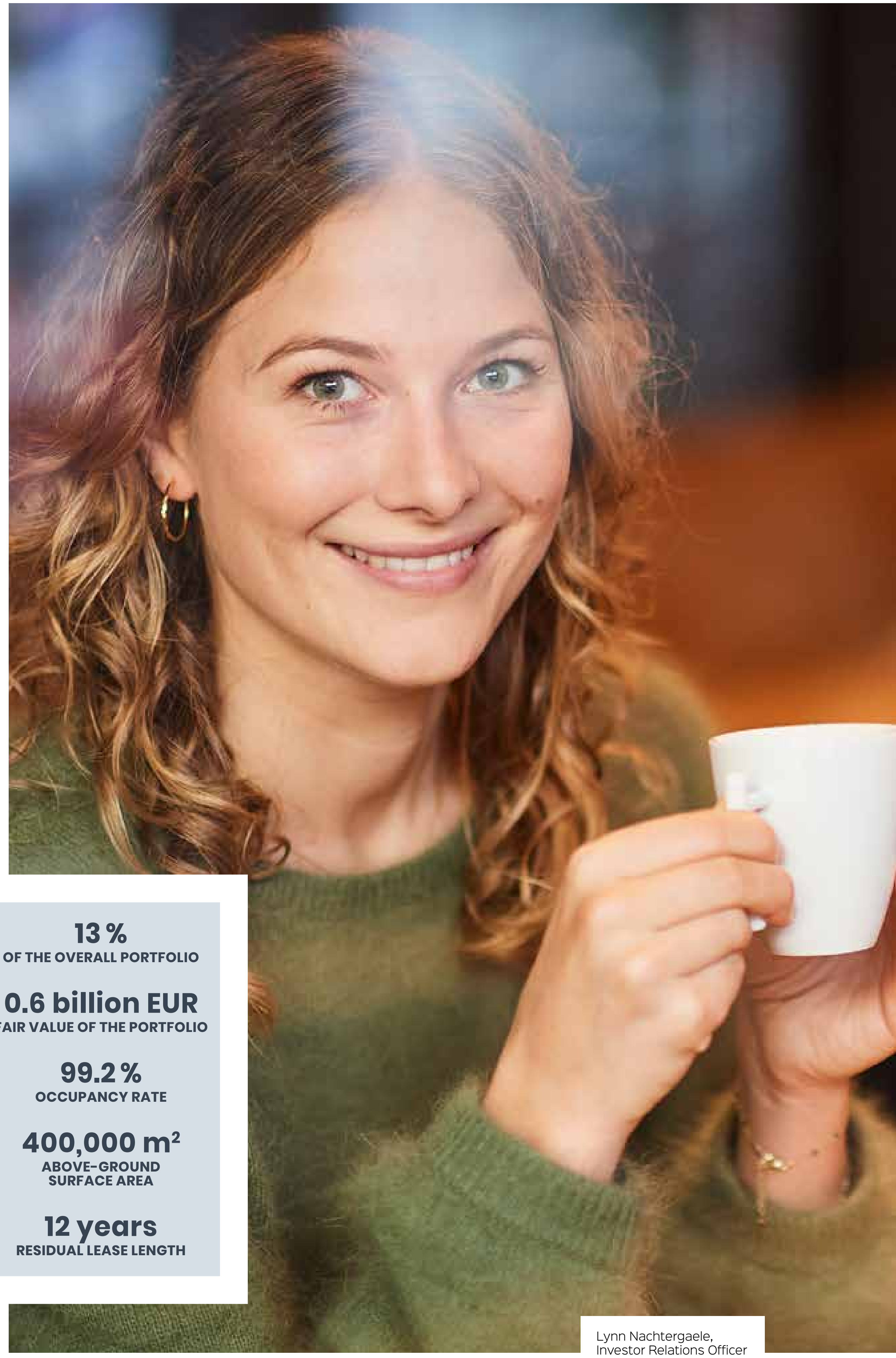
Year built/renovated (works timing)	Q3 2021
Above-ground surface area	Approx. 5,700 m²
Number of beds	Approx. 140
Operator-tenant	CLECE Vitam
Duration and type of lease	20 years – double net
Investment amount	11 million EUR

❸ Cartagena

Acquisition of a plot of land for the construction of one nursing and care home

Year built/renovated (works timing)	Q3 2021
Above-ground surface area	Approx. 7,000 m²
Number of beds	Approx. 180
Operator-tenant	CLECE Vitam
Duration and type of lease	20 years – double net
Investment amount	13 million EUR

Property of distribution networks



Lynn Nachtergaele,
Investor Relations Officer
at Cofinimmo

13 %
OF THE OVERALL PORTFOLIO

0.6 billion EUR
FAIR VALUE OF THE PORTFOLIO

99.2 %
OCCUPANCY RATE

400,000 m²
ABOVE-GROUND
SURFACE AREA

12 years
RESIDUAL LEASE LENGTH

Cofinimmo's property of distribution networks portfolio consists on the one hand of a portfolio of pubs and restaurants leased to the AB InBev brewery group (Pubstone) and, on the other hand, of a portfolio of insurance agencies leased to the MAAF insurance company (Cofinimur I). These portfolios were acquired in 2007 and 2011 through sale & leaseback transactions and generate stable revenues in the long term

MARKET CHARACTERISTICS

The assets which make up Cofinimmo's property of distribution networks portfolio do not represent traditional commercial assets since they are let in bulk to a single tenant. This type of portfolio, acquired within the framework of sale & leaseback transactions, therefore constitutes a niche market.

SALE & LEASEBACK TRANSACTIONS

The sale price per square metre requested by the seller is usually reasonable since it concerns buildings which are leased back to the seller. The latter being therefore responsible for paying rent after the sale.

OPTIMISATION OF THE POINTS-OF-SALE NETWORK FOR THE TENANT'S BUSINESS

The buildings are necessary for the tenant's activity due to their location and are leased for the long term. For most of these buildings, the probability of renewing the contract at the end of the lease is therefore high.

CAPITAL RISK GRANULARITY

Should the tenant leave, a significant portion of the properties can be sold as retail outlets or for housing to local investors, whether professionals or not, since the amounts to be invested are often acceptable for this type of investor.

SUPPORT OF TENANTS FOR THE MANAGEMENT, DEVELOPMENT AND RENOVATION OF THE ASSETS

Cofinimmo maintains an ongoing dialogue with the occupant-tenant to increase the geographical scope of the sales network of the latter. Buildings with leases that will not be renewed at their term or which require renovation works in the medium term can thus be identified in advance. In addition, Cofinimmo can acquire new buildings the tenant would like to include in his network.

STRATEGY

Property of distribution networks and healthcare real estate share the characteristic of generating high, predictable and indexed cash flows, within the framework of usually very long-term contracts. As such, they fit into the group's strategy.

The other characteristics of the property of distribution networks portfolios are their acquisition at an attractive price as part of sale & leaseback transactions, their usefulness as a retail network for the tenant, the granularity of risk they carry and the potential to optimise their composition over time.

SUSTAINABILITY

In the acquisition phase of this segment, a long-term partnership with the tenant is essential. A distribution network consists of a large number of small-scale individual assets. Consequently, it is unnecessary during this phase to thoroughly gather the technical characteristics of the buildings. A sample of buildings is analysed and visited. Cofinimmo's influence on their sustainability is therefore rather limited in this phase.

Throughout the term of the lease, however, asset arbitrage is very important for ensuring sustainability. Cofinimmo's influence is in this case dependent on the contractual clauses. Cofinimmo endeavours to transform empty areas into useful spaces, for example through the reconversion of open spaces into residential apartments, or by temporarily making unused floors above shops available as dwellings.

Cofinimmo also contributes to the development of certain areas and to to the revaluation of urban cohesion. Finally, it favours the use of modern techniques and sustainable materials to reduce the carbon footprint of buildings during works on the outer enveloppe of assets. In particular, an advanced policy is implemented concerning roofing insulation during watertightness works. The day-to-day management of assets, in turn, is not under the operational control of Cofinimmo.

Through these various actions, Cofinimmo intends to fully shoulder its social and environmental responsibilities.

PUBSTONE: PUBS AND RESTAURANTS

Cofinimmo acquired an entire portfolio of pubs and restaurants at the end of 2007 under the terms of a property partnership. It was previously owned by Immobrew SA/NV, a subsidiary of AB InBev, since renamed Pubstone SA/NV. Cofinimmo leases the premises back to AB InBev under a commercial lease for an initial term of 27 years. AB InBev sub-leases the premises to operators and retains an indirect stake of 10% in the Pubstone organisation (see organisation chart on pages 208 and 209). Cofinimmo bears no risk with respect to the commercial operation of the pubs and restaurants, but handles the structural maintenance of roofs, walls, façades and outside woodwork. At lease end, AB InBev can either renew the lease under the same conditions or return the spaces free of occupation.

In Belgium, the internal Pubstone team consists of five people, excluding support services, who work in portfolio management (Property and Project Management). There is one team member in the Netherlands.

PROJECTS COMPLETED IN 2019

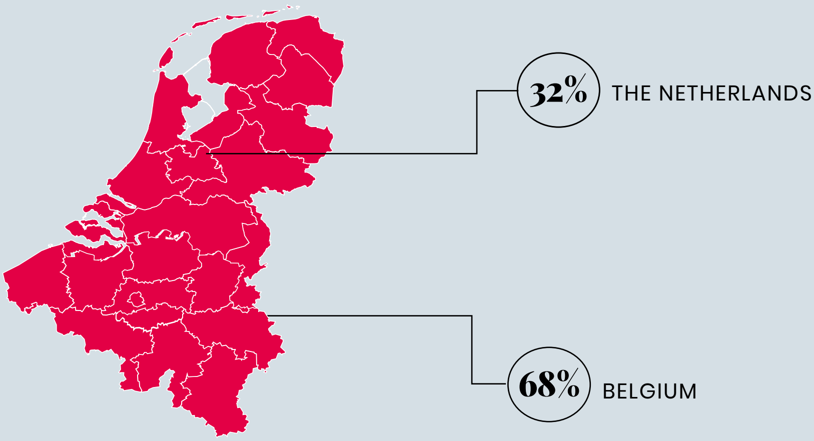
Sale of 25 pubs and restaurants

In 2019, Cofinimmo sold through its subsidiaries Pubstone and Pubstone Properties 25 pubs and restaurants (17 located in Belgium and 8 located in the Netherlands) that were vacated by AB InBev for a total amount of approximately 7 million EUR. This amount is higher than the fair value of the assets as determined by the independent real estate valuers on 31.12.2018.

Technical interventions and refurbishments projects

In 2019, the Property and Project Management operations teams supervised 379 technical interventions on the pubs and restaurants portfolio (331 in Belgium and 48 in the Netherlands). They managed 287 renovation projects (193 in Belgium and 94 in the Netherlands), for a total of 4.3 million EUR. This consisted primarily of exterior painting, woodwork and roofing.

BREAKDOWN OF ASSETS IN % BY COUNTRY



Pub Antverpia – Malines/Mechelen (BE)

10 %
OF THE OVERALL PORTFOLIO

436 million EUR
FAIR VALUE OF THE PORTFOLIO

99.5 %
OCCUPANCY RATE

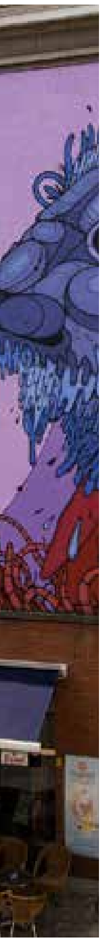
15 years
AVERAGE RESIDUAL LEASE LENGTH

328,000 m²
ABOVE-GROUND SURFACE AREA

938
NUMBER OF ASSETS

MAIN RENOVATION PROJECTS IN 2019

Location	Type of works
Belgium	
De Waaiberg - Tervuursevest 60 – Louvain/Leuven	Roofs renovation and insulation Façades renovation and painting
La Régence - Place Fernand Cocqplein 12 – Brussels	Joinery renovation on the floors Main roof insulation Façades renovation and painting
Oud Diest - Grote Markt 17 – Diest	Roofs renovation and insulation Replacement of rear façade joinery Façade renovation
Café Cognac - Grote Markt 21 – Alost/Aalst	Roofs renovation and insulation Façade renovation
Café Noir - Grote Markt 20 – Alost/Aalst	Roofs renovation and insulation Façade renovation
Rozenbrouw - Vlamingenstraat 71 – Bruges/Brugge	Façade renovation Replacement of joinery
Pays-Bas	
Koningstraat 21 – Nijmegen	Roofs renovation Replacement of the window frames Exterior painting works
Ginnekkenweg 3 – Breda	Renovation of external joinery External painting works
Statenplein 149 – Dordrecht	Roofs renovation and insulation Façades renovation and painting



COFINIMUR I: INSURANCE AGENCIES

In December 2011, Cofinimmo acquired a portfolio of commercial agencies from the MAAF Group located in France for its Cofinimur I subsidiary. Cofinimur I issued Mandatory Convertible Bonds (MCB) to finance part of the acquisition of the agencies (see page 48 of the 2011 Annual Financial Report). The agencies, which are operated by MAAF employees, are leased to the insurer for an initial average period of 10 years. Cofinimmo is responsible for the Asset and Property Management missions for the entire portfolio.

In Paris, the internal team of Cofinimur I consists of three people responsible for managing the portfolio.

PROJECTS COMPLETED IN 2019

Sale of three insurance agencies

In 2019, Cofinimmo sold three insurance agencies through its Cofinimur I subsidiary for a total gross amount of more than 0.6 million EUR. This amount is in line with the fair value of the asset as determined by the independent real estate valuer on 31.12.2018.

Renovation and construction projects

In 2019, the MAAF Group renovated one insurance agency and two administration centres, fulfilling its contractual obligations.

3 %
OF THE OVERALL PORTFOLIO

126 million EUR
FAIR VALUE OF THE PORTFOLIO

97.8 %
OCCUPANCY RATE

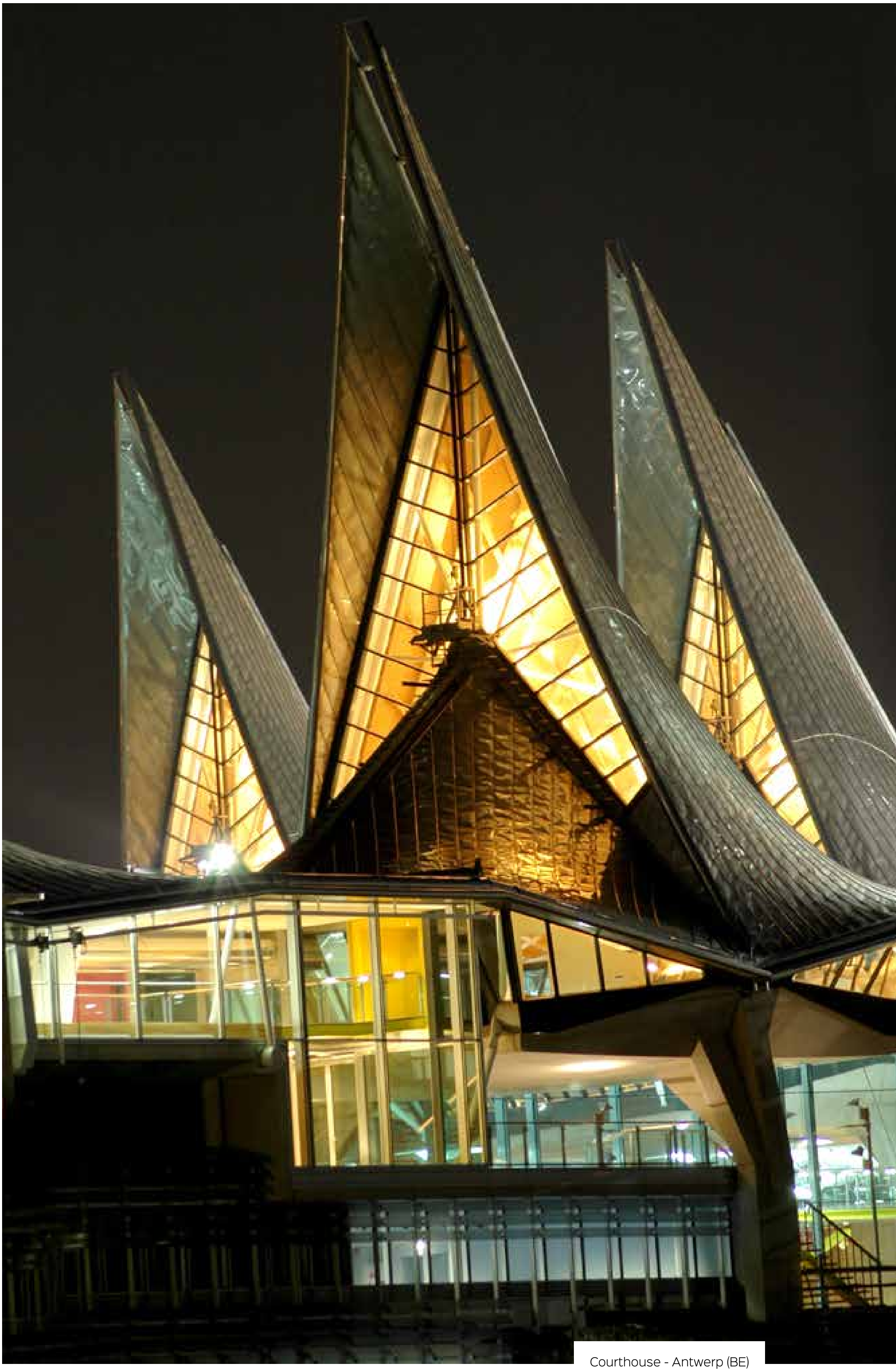
3 years
AVERAGE RESIDUAL LEASE LENGTH

58,000 m²
ABOVE-GROUND SURFACE AREA

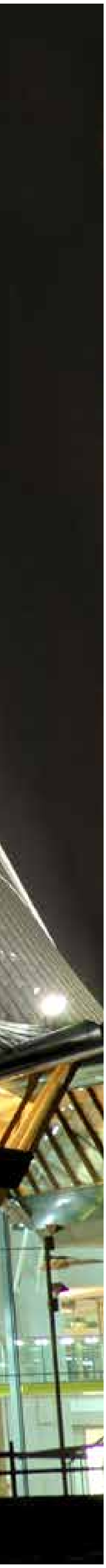
268
NUMBER OF ASSETS

MAAF insurance agency – Villejuif (FR)

Public-private partnerships



Courthouse - Antwerp (BE)



Cofinimmo invests in special-use buildings in Belgium through public-private partnerships (PPPs). By doing so, the company contributes to the renovation and improvement of public and parapublic real estate assets. To date, the PPP portfolio consists of seven assets in operation

MARKET CHARACTERISTICS

Cofinimmo strives to meet the specific needs of public authorities and provides its real estate and financial expertise for long-term partnerships which are usually subject to public contracts.

Cofinimmo is in charge of studying the economic and technical life cycle of the project. The analysis identifies the best compromise between initial investment and future expenses, for both maintenance costs as well as replacement and repair costs.

However, Cofinimmo does not bear the construction risk for this type of property investment, since this is the responsibility of an appointed general contractor, with whom is agreed to pay a flat fee upon delivery of the building. Nevertheless, the group supervises the quality and execution of the construction works.

Cofinimmo is also responsible for upkeep and maintenance throughout the tenancy, which is usually under a lease for an extended period or long-lease. At lease end, the public authority has the option to purchase the property or to transfer ownership free of charge. Cofinimmo does not have perpetual ownership of the properties and, as a result, they are booked under the section 'finance lease receivables' on the balance sheet for 86.6 million EUR at 31.12.2019.

STRATEGY

Public-private partnerships and healthcare real estate share the characteristic of generating high, predictable and indexed cash flows, within the framework of usually very long-term contracts. As such, they fit perfectly into the group's strategy.

SUSTAINABILITY

In the acquisition of unique assets intended for public use, a long-term partnership with the tenant is also essential. Indeed, the authorities serve as a model in the area of sustainability. They are required to include high technical standards in terms of energy performance, resulting in stringent specifications. This situation as such gives Cofinimmo little influence on the sustainability of assets during this phase.

During the design and construction of the asset, Cofinimmo's influence depends on the contractual clauses. Consequently, Cofinimmo acts more as an adviser in the area of sustainable construction. In the context of a competitive dialogue, the group constantly seeks innovative solutions to help improve the specifications. So doing, Cofinimmo contributes to the financing of a public need.

The day-to-day management of assets is not under its operational control. However, in certain cases, Cofinimmo ensures the management of assets in accordance with a Performance Contract defined by the public authorities. The structures and procedures in place for the office segment help comply with the strict provisions and requirements of the contract.

All this influence enables Cofinimmo to fully embrace its corporate and environmental responsibilities.

ASSETS IN THE COFINIMMO PPP PORTFOLIO IN OPERATION AS AT 31.12.2019

Property	Superficie (en m²)
Courthouse Antwerp	72,132
Prison Leuze-en-Hainaut	28,316
Fire station Antwerp	23,323
Police station Termonde	9,645
Student housing Nelson Mandela Brussels (Ixelles/ Elsene)	8,088
Police station HEKLA zone	3,800
Student housing Depage Brussels (Ixelles/Elsene)	3,196

Offices

31 %
OF THE OVERALL PORTFOLIO

560,000 m²
ABOVE-GROUND SURFACE AREA

1.3 billion EUR
FAIR VALUE OF THE PORTFOLIO

91.5 %
OCCUPANCY RATE

80
NUMBER OF ASSETS

Mathias Vanderborght,
Development Manager
at Cofinimmo

Cofinimmo has been a major player in the Brussels office market for over 35 years. The group relies on the experience it has accumulated in the segment to proactively and dynamically manage its portfolio of 80 office buildings: rental management, upgrades to meet the requirements of the 'new ways of working', renovation and reconversion programmes and asset arbitrages are carried out in forward-looking approach

MARKET CHARACTERISTICS[1]

THE BRUSSELS OFFICE MARKET SUB-SEGMENTS

The Brussels office market consists of several sub-segments.

The first four are often grouped under the heading 'Central Business District' (CBD).

- **Brussels city centre: the historical heart of the city**
Occupants: Belgian public authorities and medium-size and large private Belgian companies.

- **Leopold district: European district of the city**
Occupants: European institutions and delegations and the non-profits organisations working with them, medium-size and large private companies, law firms, lobbyists.

- **Brussels North: business area**
Occupants: Belgian national and regional public authorities, semi-public and large private companies.

- **Louise district: high-end district, mixed use (residential and offices)**
Occupants: law firms, embassies and medium-size private companies.

- **Brussels Decentralised: the rest of the 19 municipalities of the Brussels-Capital Region, primarily residential**
Occupants: medium-size and large private companies.

- **Brussels Periphery & Satellites: the area adjoining the Brussels-Capital Region, the Ring and the national airport**
Occupants: private companies of all sizes.

THE BRUSSELS OFFICE RENTAL MARKET

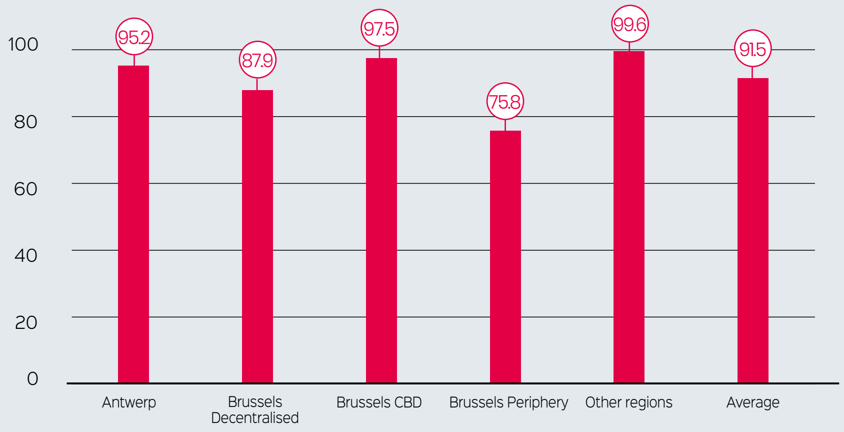
Demand

Rental demand in the Brussels office market reached 500,000 m² in 2019. Never since 2007 has the occupancy rate in Brussels reached such a high level.

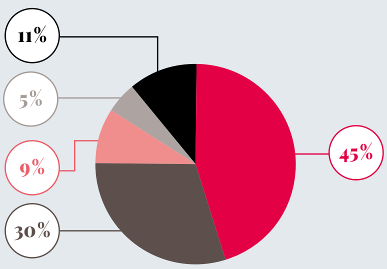
Pre-leasing in new buildings improved take-up in 2019. The North district was particularly active and recorded the largest transactions of 2019 with the pre-leasing of the Silver Tower (44,000 m²) by the Brussels-Capital Region and the Flemish administration moving into the ZIN project (67,000 m²). Among the other most important rentals of the year, we can note the future move of PWC to Diegem for 23,000 m², or BPost in the Multi tower (17,000 m²) currently under renovation. Moreover, Cofinimmo is represented twice in the top 10 largest rental transactions of the year with Fedex which will move to Le Bourget 40 in the decentralised area and EFTA/ESA/FMO which will move to the Quartz in the Leopold district.

1 Sources: CBRE, Cushman & Wakefield, Jones Lang LaSalle.

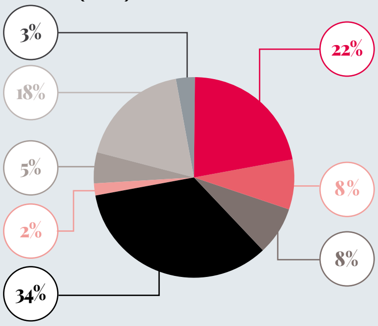
OCCUPANCY RATE BY GEOGRAPHICAL AREA (AS AT 31.12.2019 - IN %)



BREAKDOWN OF THE CONSOLIDATED PORTFOLIO BY GEOGRAPHICAL AREA (AS AT 31.12.2019) – AT FAIR VALUE (IN %)



BREAKDOWN OF THE CONSOLIDATED PORTFOLIO BY TENANT BUSINESS SECTOR (AS AT 31.12.2019) – IN CONTRACTUAL RENTS (IN %)



Offering

During the 2019 financial year, 85,000 m² were delivered, of which 5,000 m² were still available for delivery. The main projects delivered were The One (30,000 m²), SEVEN (15,000 m²) and the Tervuren 2 (8,000 m²). Currently, 600,000 m² of office spaces are under construction for delivery by the end of 2021, of which 180,000 m² are still available for rent.

The most important development projects are the Manhattan Center, Mobius, Phoenix, Quatuor and the Maritime Station in the North district, Copernicus and the Quartz in the Leopold district and the Multi tower, Colony 40 and the Tweed in the Pentagon. Cofinimmo is currently redeveloping the Quartz (formerly Arts/Kunst 19H), a 9,200 m² office building located in the Leopold district, scheduled for delivery during the second quarter of 2020 and acquired in 2019 the Loi/Wet 85 which should be redeveloped.

Vacancy

At the end of 2019, the Brussels office market had an average rental vacancy of 7.3%. This decrease compared to the previous year (7.9%) can be explained by the low number of new buildings put on the market on a speculative basis or in which there was no pre-leasing, the high level of rentals signed in 2019, as well as the increasing conversion of office buildings for alternative uses, mainly in the Louise and Decentralised Brussels districts. The vacancy rate is also particularly low in the Grade A buildings.

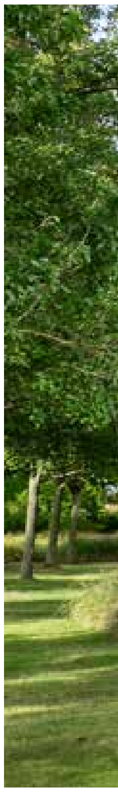
The Brussels office market is still characterised by a diversified dynamic. The vacancy rate has fallen in all the central districts and is currently around 3% in the Leopold district, 2% in the North district and 3% in the Pentagon. However, the average vacancy rate in the decentralised and peripheral districts remains high at 11% and 18% respectively.

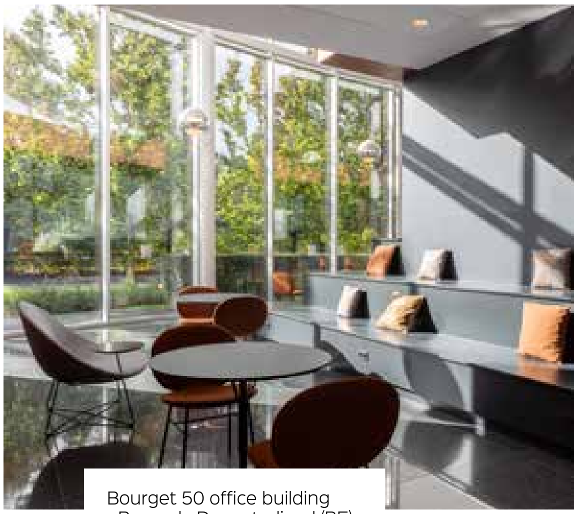
THE BRUSSELS OFFICE INVESTMENT MARKET

In 2019, 2.5 billion EUR was invested in the office segment in Brussels, a slightly higher level to that of previous years. The most significant transactions impacted The One, Pegasus Park, Toison d'Or/Gulden-Vlies, Mondrian and Pavilion.

Most of these significant transactions were made by foreign investors.

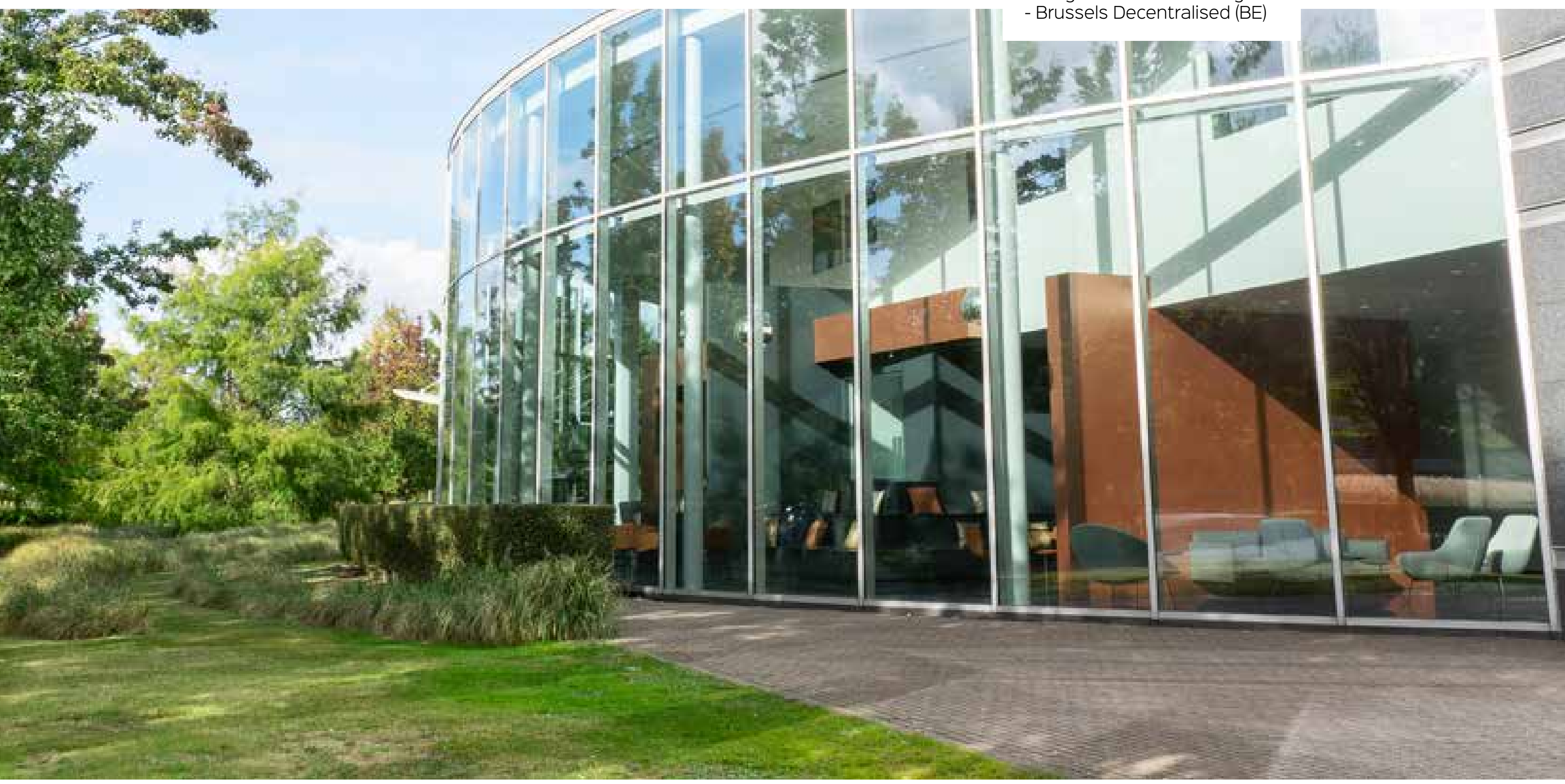
Premium yields for offices in Brussels have continued to decline: at the end of 2019, they stood at 3.90% in the CBD and at 3.50% for long-leased assets.





Bourget 50 office building - Brussels Decentralised (BE)

Bourget 50 office building
- Brussels Decentralised (BE)



STRATEGY

Since it was established in 1983, Cofinimmo has been a major player in the Brussels office market, which consists of the various sub-segments described above.

It is in this market that the company has built its real estate expertise for 35 years. In fact, Cofinimmo's staff is experienced in the management from A to Z of large-scale projects, including the design, construction, renovation, conversion and development of sites, in view of renting or even selling. They master all aspects of the building life cycle. This know-how has expanded from offices to healthcare real estate, property of distribution networks and PPPs, which benefit from the synergies thus created.

In parallel with the development of the healthcare real estate segment, Cofinimmo is focusing on the rebalancing of its office portfolio between the various sub-segments, to the benefit of of high-quality buildings located in the Central Business District ('CBD'). The rental vacancy in this segment, lower than the average of the Brussels market, makes it possible to achieve higher net yields.

In order to have an optimal operational platform, the size of the office portfolio should ideally oscillate around one billion EUR, as it is currently the case.

PROXIMITY TO CLIENTS

Cofinimmo works to build close and sustainable relationships with the tenants to ensure client satisfaction and loyalty. Building management is handled entirely in-house, that is, by its employees. The size of its office portfolio, which is in excess of one billion EUR, enables the group to have a complete human and technical management platform and to bear its costs.

The technical teams consist of industrial and civil engineers, architects and interior designers who supervise upgrade, maintenance and renovation works. The Service Desk is accessible 24/7 and is responsible for organising the response to requests for service and repairs.

The sales teams are in constant contact with the clients to meet their flexibility requirements. The administrative and accounting teams invoice rents and provide a breakdown of charges and taxes. The legal department prepares leases and monitors all disputes in progress.

PROACTIVE RENTAL MANAGEMENT

The rental vacancy risk faced by Cofinimmo each year involves an average of 10% to 15% of its office portfolio. A commercial strategy based on a close relationship with the clients contributes to a continued high occupancy level and positive operating margin growth.

The commercial strategy is completed by the implementation of innovative solutions intended to best meet the needs of tenants in terms of work space flexibility, mobility and diversity. The development of the Flex Corners® and Lounges® concepts are examples of this.

Flex Corner® by Cofinimmo

This concept enables clients looking for smaller office spaces to lease a private space in an office building equipped with shared infrastructure (kitchenette, lounge, meeting rooms). Leases are offered on a monthly basis and include rent, taxes and charges for both the private space and the shared areas. The contracts are established for a period of time corresponding to the client's needs with a minimum of one year. A 'Custom your lease' option is also available, making it possible for tenants to establish their own lease period based on contractual terms suited to their needs.

This concept was initiated in 2016 and is now available in eight of the buildings in the portfolio which had vacant space. At the end of 2019, the occupancy rate of the Flex Corners® stood at approximately 73%.

The Lounge® by Cofinimmo

The group has two 'Lounges® by Cofinimmo': the first, inaugurated in 2016, in the Park Lane in Diegem and the second, finished in 2017, in The Gradient building in Brussels (Woluwé-Saint-Pierre/ Sint-Pieters-Woluwe).

Cofinimmo provides tenants and their visitors with modern, inspiring and comfortable shared spaces that include catering, meeting, networking and relaxation areas. The spaces are managed on-site by the 'Community Manager'. The concept meets the growing need for a range of different types of work spaces.

Occupancy rate

Cofinimmo's office portfolio occupancy rate was 91.5% at 31.12.2019 compared to 92.4% for the Brussels office market overall.

In the course of 2019, renegotiations and new leases have been signed for a total of almost 99,375 m² of office spaces compared to more than 61,595 m² recorded as at 31.12.2018. The most important transactions are listed in the table below.

Segment	Institution name	Type of transaction	m²
Brussels Decentralised	Bourget 40	Location	13,800
Brussels Decentralised	Bourget 42	Renegotiation	11,300
Brussels CBD	Quartz	Location	9,200
Brussels Periphery	Woluwelaan 151	Renegotiation	9,200
Brussels CBD	Belliard 40	Location	6,000
Brussels Periphery	Noordkustlaan 16	Renegotiation	4,000
Brussels Decentralised	Bourget 44	Renegotiation	3,100
Brussels Decentralised	Bourget 42	Location	2,300

REDEVELOPMENT PROJECTS

Cofinimmo's internal technical teams, consisting of industrial and civil engineers, architects and interior designers, are responsible for redevelopment projects including renovations, reconstruction and reconversions. The projects are part of a long-term programme to optimise the composition of the portfolio, create value and, more broadly, to responsibly transform the urban landscape.

SELECTIVE ARBITRAGE OF ASSETS

Cofinimmo has implemented a selective arbitrage policy for its office buildings while maintaining its portfolio above one billion EUR which is compatible with the need for a complete management platform.

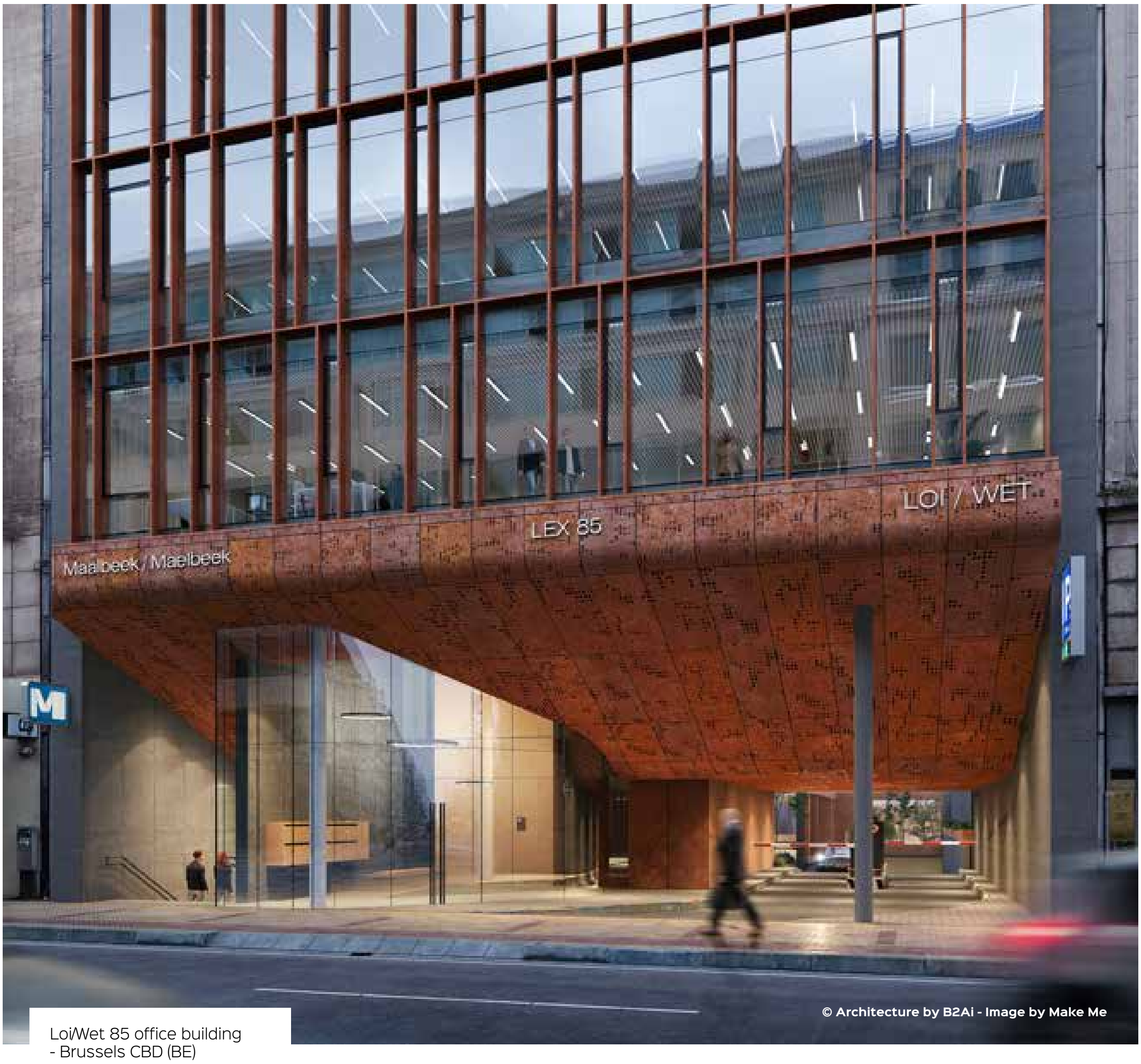
In parallel with the development of the healthcare real estate segment, Cofinimmo is focusing on the rebalancing of its office portfolio between the various sub-segments, to the benefit of high-quality buildings located in the Central Business District (CBD). The rental vacancy in this segment, lower than the average of the Brussels market, makes it possible to achieve higher net yields.

The goal is to take advantage of investors' appetite for certain types of assets and to optimise the composition of the portfolio in terms of age, size, location and the rental situation of buildings. The funds collected are then reinvested in high-quality buildings located in the Central Business District (CBD).

COMMITTED INVESTMENT PROGRAMME IN OFFICES AS AT 31.12.2019

Asset	Type de works	Surface area after works	End of works	Total investments (x 1,000,000 EUR)	Total investments as at 31.12.2019 (x 1,000,000 EUR)	Total investments to be made after 2019 (x 1,000,000 EUR)
Quartz – Brussels CBD	Demolition/reconstruction	9,200 m²	Q2 2020	24	20	4

Ligne 13 office buiding - Brussels CBD (BE)



Loi/Wet 85 office building
- Brussels CBD (BE)

SUSTAINABILITY

In the day-to-day management of its office portfolio, Cofinimmo pursues one of its primary objectives, which is to adopt a sustainable and environmental approach. Cofinimmo's strategy in terms of sustainability was first influenced by the European and national or even regional regulatory frameworks. In a desire to anticipate, Cofinimmo went further and demonstrated its agility by integrating new requirements making it easier to adapt to these regulations.

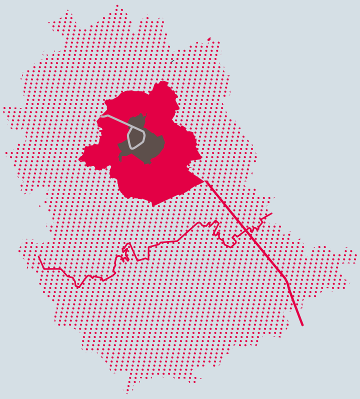
Particularly in the case of an acquisition, Cofinimmo's influence can be decisive since it assesses the need to redevelop a project in order to keep the building up to standard in the long term. When selecting the files, it takes into account the location and above all the accessibility of the site by sustainable transport.

Cofinimmo adopts naturally a life cycle approach for the technical management of buildings. When an office building reaches the end of its life, the construction is recycled. In the central locations of Brussels, where there is a strong demand for office spaces, the building is thoroughly renovated. For the more decentralised locations, a study is made on the possible reconversion of the building. In this way, Cofinimmo strives to meet as best as possible the evolving needs of office users in terms of flexibility, mobility and diversity of living spaces at work.

Furthermore, Cofinimmo pays specific attention to transforming the urban landscape in a responsible manner by focusing on aesthetics and the diversity of districts. Cofinimmo also favours the use of modern techniques and sustainable materials to reduce the carbon footprint of the buildings developed, while also endeavouring to reuse waste from project sites.

The day-to-day management of office buildings is also a real source of leverage in the sustainability strategy. Property management has been an in-house activity since 1999, and its influence is significant. Making tenants aware of their energy consumption and the signature of agreements with green energy suppliers aim at reducing the carbon footprint of buildings. Energy data management software processes the consumption figures (water, gas, electricity and waste) for all the shared spaces of offices under operational control, as well as the private consumption voluntarily provided by the different tenants. Using this tool helps identify possible sources of savings and measure the impact of the investments made. Through the installation of meters than can be read remotely, the whole portfolio of offices under operational control is connected to the energy accounting software in real time.

Through these areas of focus, Cofinimmo wishes to fully shoulder its social and environmental responsibility.



Quartz
Demolition and reconstruction

Above-ground surface area	9,200 m²
Works budget	24 million EUR
Commercialisation	100%

Loi/Wet 85
Acquisition the company owning the Loi/Wet 85 office building

Delivery of the works	End 2021
Above-ground surface area	3,200 m² of offices + 500 m² of retail areas
Acquisition price	6 million EUR
Works budget	Approx. 10 million EUR

Colonel Bourg 105
Sale

Above-ground surface area	2,600 m²
Sale price	> 3 million EUR

Woluwe 102
Sale

Above-ground surface area	8,000 m²
Sale price	> 8 million EUR

Ligne 13
Acquisition of the company owning a leasehold on the Ligne 13 office building

Above-ground surface area	3,700 m²
Occupancy rate	96%
Sale price	16 million EUR

Souverain/Vorst 23/25
Sale

Above-ground surface area	57,000 m²
Sale price	50 million EUR

Corner Building
Sale

Above-ground surface area	3,500 m²
Sale price	> 4 million EUR

Waterloo Office Park – I, J and L office buildings
Sale

Above-ground surface area	8,200 m²
Sale price	> 9 million EUR

Composition of the consolidated portfolio

At 31.12.2019 the consolidated property portfolio of the Cofinimmo group consisted of 1,483 buildings, for a total above-ground surface area of 2,018,711 m². Its fair value amounts to 4,247 million EUR.

Healthcare real estate already accounts for more than 56 % of the group's portfolio, spread over five countries, namely : Belgium, France, the Netherlands, Germany and Spain. One third of the consolidated portfolio is invested in office buildings. This portfolio is only spread over Belgium, mainly in Brussels, the capital of Europe.

The group also has two distribution networks leased to major players (AB InBev in Belgium and the Netherlands, and MAAF in France). Healthcare real estate assets and property distribution networks are subject to very long-term leases and together account for two-thirds of the group's portfolio

Park Lane office building - Brussels Periphery (BE)

The portfolio consists of:

- **in Belgium**: healthcare and office assets, a network of pubs and restaurants and Public-Private Partnerships;
- **in France**: healthcare assets and a network of insurance agencies;
- **in the Netherlands**: healthcare assets and a network of pubs and restaurants;
- **in Germany**: healthcare assets.
- **in Spain**: healthcare assets (development projects)

CHANGES IN THE CONSOLIDATED PORTFOLIO

CHANGE FROM 1996 TO 2019

Cofinimmo was approved as a public fixed capital investment company (Sicafi/Vastgoedbevak - now SIR/GVV) in 1996. The investment value of its consolidated portfolio amounted to just 600 million EUR at 31.12.1995. At 31.12.2019 it exceeds 4.4 billion EUR.

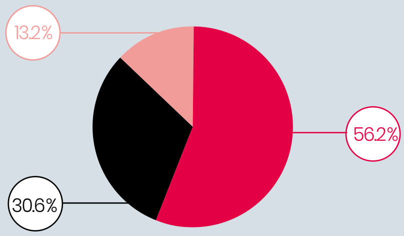
Between 31.12.1995 and 31.12.2019, the group:

- invested a total of 5,634 million EUR (acquisitions, constructions and renovations);
- sold for a total amount of 2,262 million EUR.

On average, Cofinimmo achieved a net profit of 9.15% in investment value on sales compared to the latest annual valuations preceding the sales, and this, prior to deduction of payments to intermediaries and other miscellaneous expenses. These figures do not include capital gains and losses realised on the sale of shares of companies owning buildings, these amounts being recorded as capital gains or losses on the sale of real estate assets.

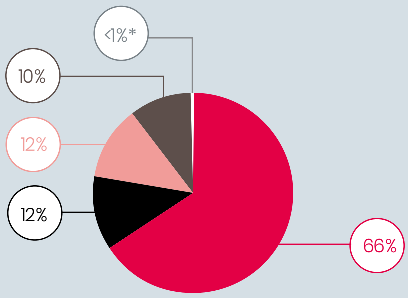
The graph on the next page shows the breakdown by real estate segment of investments totalling 5,634 million EUR made between 1996 and 2019.

BREAKDOWN OF THE CONSOLIDATED PORTFOLIO BY REAL ESTATE SEGMENT
(AS AT 31.12.2019) – AT FAIR VALUE



- Healthcare real estate
- Offices
- Property of distribution networks

BREAKDOWN OF THE CONSOLIDATED PORTFOLIO BY COUNTRY
(AS AT 31.12.2019) – AT FAIR VALUE



- Belgian
- France
- Germany
- The Nederlands
- Spain

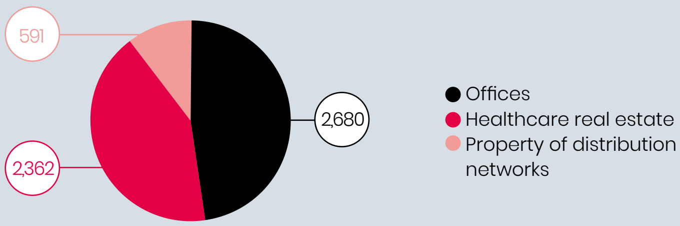
* The construction process of a nursing and care home started in Vigo, Oleiros and Cartagena (Spain). As at 31.12.2019, the total fair value of the healthcare real estate portfolio in Spain accounts for 0.3%.

EVOLUTION IN THE INVESTMENT VALUE OF THE CONSOLIDATED PORTFOLIO BETWEEN 1996 AND 2019
(X 1,000,000 EUR)

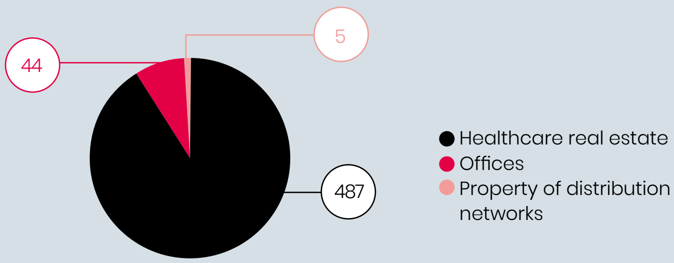
Investment value of the portfolio as at 31.12.1995	609
Acquisitions	4,693
Constructions and renovations	941
Net disposal value	-2,454
Realised gains and losses compared to the last annual estimated value	192
Writeback of lease payments sold	208
Change in the investment value	238
Investment value of the portfolio as at 31.12.2019	4,428

Park Lane office building
- Brussels Periphery (BE)

BREAKDOWN OF INVESTMENTS BY REAL ESTATE SEGMENT BETWEEN 1996 AND 2019 – IN INVESTMENT VALUE (X 1,000,000 EUR)



BREAKDOWN OF INVESTMENTS BY REAL ESTATE SEGMENT IN 2019 – IN INVESTMENT VALUE (X 1,000,000 EUR)



CHANGE IN THE INVESTMENT VALUE OF THE CONSOLIDATED PORTFOLIO IN 2019 (X 1,000,000 EUR)

Investment value of the portfolio as at 31.12.2018	3,890
Acquisitions	485
Constructions and renovations	51
Net disposal value	-119
Realised gains and losses compared with the last annual estimated value	12
Writeback of lease payments sold	9
Change in the investment value	101
Investment value of the portfolio as at 31.12.2019	4,428

CHANGE IN 2019

The investment value of the consolidated portfolio increased from 3,890 million EUR at 31.12.2018 to 4,428 million EUR at 31.12.2019. At fair value, the figures were 3,728 million EUR at 31.12.2018 and 4,247 million EUR at 31.12.2019.

In 2019, the group:

- invested a total of 540 million EUR[1] (acquisitions, constructions and renovations);
- desinvested for a total amount of 107 million EUR.

The 2019 sales consisted mainly in one healthcare asset in Belgium, one healthcare asset in France, one healthcare asset in the Netherlands, part of a healthcare asset in Belgium (site *'t Smeedeshof*), 25 pubs and restaurants of the Pubstone distribution network, three insurance agencies of the Cofinimur I distribution network and nine office buildings.

The graph on this page shows the breakdown by real estate segment of investments totalling 535 million EUR realised in 2019.

The change in fair value of the consolidated portfolio was 519 million EUR in 2019 (538 million EUR in investment value), i.e. an increase of 14%. The table on the following page shows the change in fair value of the portfolio in 2019 by real estate segment and by geographical area.

1 Of which 535 million EUR in investment properties and 5 million EUR in finance lease receivables.

CHANGE IN FAIR VALUE OF THE CONSOLIDATED PORTFOLIO, BY REAL ESTATE SEGMENT AND BY GEOGRAPHICAL AREA IN 2019

Real estate segment and geographical area	Change in fair value[1]	Share of the consolidated portfolio
Healthcare real estate	**2.5%**	**56.2%**
Belgium	4.6%	28.6%
France	-3.0%	9.0%
The Netherlands	5.0%	6.8%
Germany	0.5%	11.6%
Spain	6.5%	0.3%
Offices	**2.4%**	**30.6%**
Brussels Decentralised	-0.5%	9.0%
Brussels CBD	5.8%	13.8%
Brussels Periphery & Satellites	-1.6%	2.7%
Antwerp	2.3%	1.6%
Other regions	0.2%	3.4%
Property of distribution networks	**0.5%**	**13.2%**
Pubstone - Belgium	0.8%	6.9%
Pubstone - The Netherlands	0.6%	3.3%
Cofinimur I	-0.1%	3.0%
TOTAL PORTFOLIO	**2.2%**	**100%**

1 Without the initial effect from the changes in scope.

Guimard 10-12 office building - Brussels (BE)

RENTAL SITUATION OF THE CONSOLIDATED PORTFOLIO

The commercial management of group's portfolio is handled entirely in-house: proximity to clients enables the Group to build a long-term relationship of trust, an essential element for ensuring a high occupancy rate, long lease maturities and quality tenants.

OCCUPANCY RATE

The occupancy rate of Cofinimmo's consolidated portfolio (excluding assets held for sale), calculated on the basis of contractual rents for space leased and the rental values estimated by independent real estate valuers for unoccupied space was 97.0% at 31.12.2019. It is as follows for each real estate segment:

Real estate segment and country	Occupancy rate	Comment
Healthcare real estate	**99.8%**	
Belgium	100.0%	The assets acquired are fully leased to healthcare operators with whom Cofinimmo has usually signed leases with an initial duration of 27 years. Assets in development are all pre-let.
France	99.4%	The assets acquired are fully leased to healthcare operators, usually through leases with an initial duration of 12 years. Cofinimmo took over the existing leases of certain assets at the time of acquisition, resulting in an average residual lease length of 3.5 years. The leases of 11 assets have expired since Cofinnimo's arrival on the French healthcare market (2008): as at 31.12.2019, one asset is empty, one asset has been sold at market value and for the rest, the leases have been extended. Developed assets are all pre-leased.
The Netherlands	99.6%	Cofinimmo owns 16 medical office buildings which are directly leased to healthcare professionals who receive their patients in the facilities. As at 31.12.2019, the occupancy rate of these buildings was 98.7%. All other assets are fully leased to healthcare operators with whom Cofinimmo usually signs leases with an initial duration going from 10 to 15 years. Developed assets are all pre-leased.
Germany	100.0%	The assets acquired are fully leased to healthcare operators with whom Cofinimmo usually signs leases with an initial duration of 20 to 30 years.
Spain	N/A	Assets in development are all pre-let.
Offices	**91.5%**	The majority of leases signed by Cofinimmo in this segment are 3/6/9 years. The rental vacancy risk the group faces each year represents an average of 10% to 15% of its offices portfolio. By comparison, the average vacancy rate in the Brussels office market was 7.57% as at 31.12.2019 (source: Cushman & Wakefield).
Property of distribution networks	**99.2%**	
Pubstone Belgium	99.4%	As of the seventh year of the lease (2014), AB InBev has the option of terminating pubs and restaurants leases each year accounting for up to 1.75% of the annual rental income of the total Pubstone portfolio. The brewing group has vacated 107 assets since 2014: as at 31.12.2019, 14 assets have been leased again, 85 assets have been sold and eight assets were empty.
Pubstone The Netherlands	99.7%	As of the seventh year of the lease and at every five-year anniversary of the sub-lease agreed by AB InBev and the pubs and restaurants operator, AB InBev has the option of giving up the establishment, on condition that the leases terminated during a given year do not total more than 1.75% of the annual rental income of the total Pubstone portfolio. The brewing group has vacated 30 assets since 2014: as at 31.12.2019, 26 assets have been sold and four assets were empty.
Cofinimur I	97.9%	At the time the insurance agencies leased to MAAF were acquired (2011), ten agencies were either empty or rented through a lease with a residual length of less than one year. As at 31.12.2019, nine of the ten assets, nine had been sold and one was leased. The other assets acquired are leased for an initial duration of 3, 6, 9 or 12 years. In addition, 29 agencies have vacated since the portfolio was acquired: as at 31.12.2019, nine assets have been sold, 11 assets were empty and nine of them have been re-leased.
TOTAL	**97.0%**	

TIMETABLE OF LEASE MATURITIES

If every tenant were to exercise their first break option, the weighted average residual length of all leases in effect on 31.12.2019 would be 11.7 years. The graph below shows the lease maturity for each real estate segment as at 31.12.2019.

Average residual lease term would increases to 12.1 years if no break options are exercised, i.e. if all tenants would remain in their rented space until the contractual end of the leases.

Moreover, as at 31.12.2019, more than 50% of the leases signed by the group had a residual term greater than nine years (see table below).

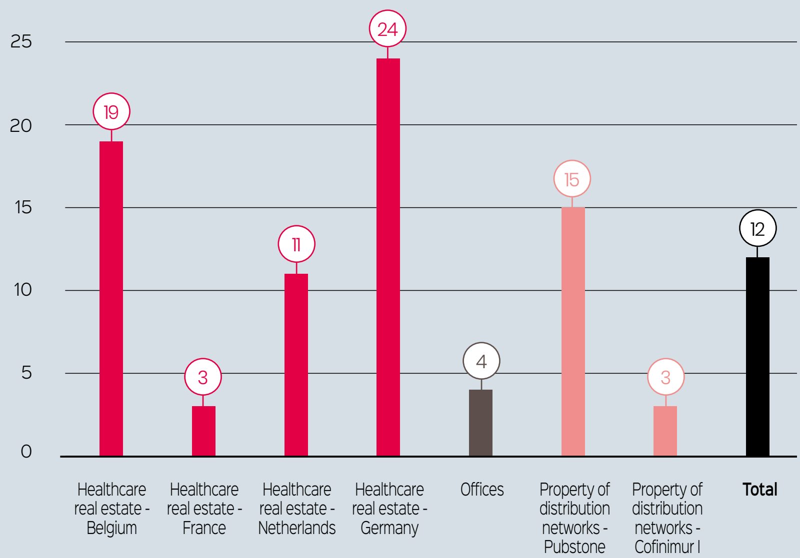
BREAKDOWN OF THE CONSOLIDATED PORTFOLIO BASED ON LEASE MATURITIES AS AT 31.12.2019 – IN CONTRACTUAL RENTS

Lease maturities	Share of the portfolio
Leases > 9 years	**57.8 %**
Healthcare real estate	42.8 %
Property of distribution networks - Pubstone	11.7 %
Offices - public sector	2.1 %
Offices - private sector	1.3 %
Leases 6-9 years	**3.1 %**
Offices	1.6 %
Healthcare real estate	1.4 %
Leases < 6 years	**39.2 %**
Offices	25.9 %
Healthcare real estate	10.2 %
Property of distribution networks - Cofinimur I	3.1 %
TOTAL	100 %

97 %
OCCUPANCY RATE

11.7 years
AVERAGE RESIDUAL LEASE LENGTH

WEIGHTED AVERAGE RESIDUAL LEASE LENGTH PER REAL ESTATE SEGMENT UNTIL THE FIRST BREAK OPTION AS AT 31.12.2019
– IN NUMBER OF YEARS



TENANTS

The group's consolidated portfolio consists of more than 450 tenants coming from a variety of sectors, a diversification that contributes to the group's moderate risk profile. The listed French group Korian, expert in care and support services for the elderly, is the group's leading tenant. It is followed by AB InBev which leases the Pubstone pubs and restaurants portfolio.

CHANGE IN RENTAL INCOME

Gross rental income increased from 216.4 million EUR[1] in 2018 to 237.5 million EUR in 2019, or an increase of 9.7%. On a like-for-like basis, gross rental income increased by 2.1%. The table on this page shows the change in gross rental income for the various real estate segments and countries in 2019, on a like-for-like basis.

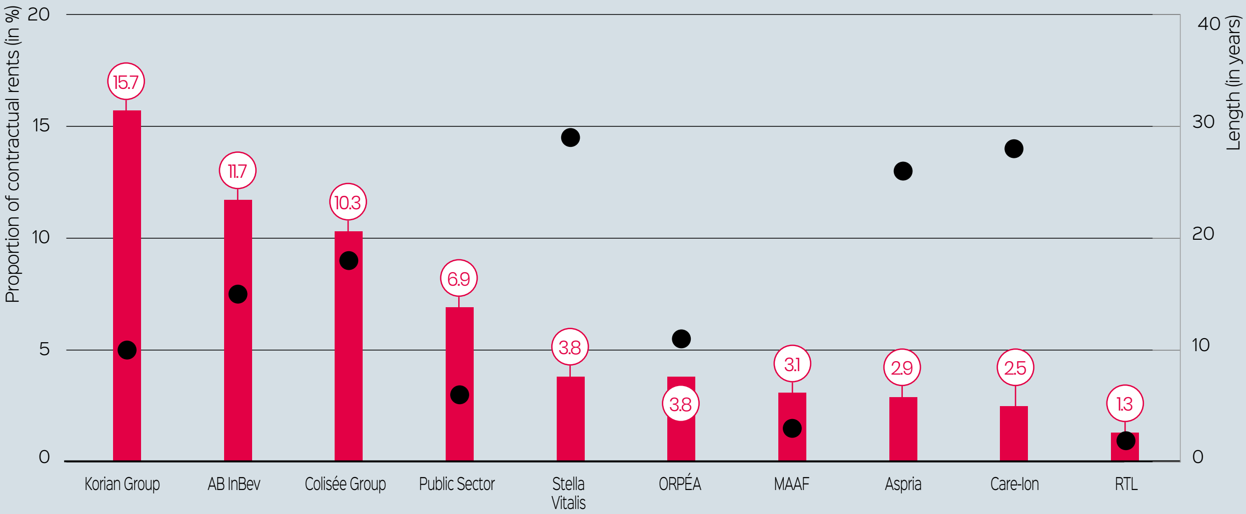
The positive effect of new leases (+3.1%) and indexation (+1.6%) largely compensates the negative effect of departures (-2.3%) and renegotiations (-0.2%).

RENTAL INCOME

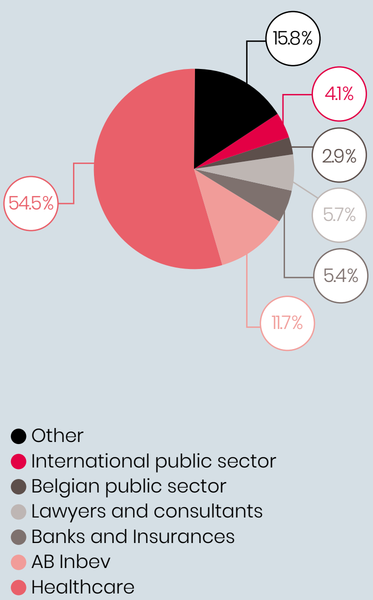
Cofinimmo is able to secure its long-term revenue thanks to its portfolio diversification strategy and its active commercial management. Over 73% of the rental income is contractually guaranteed until 2023. This percentage increases to 81% if no termination options are exercised and all of the stay in their rented places until the contractual end of their lease.

TOP 10 TENANTS AS AT 31.12.2019 - IN CONTRACTUAL RENTS – IN %

AND WEIGHTED AVERAGE RESIDUAL LEASE LENGTH UNTIL THE FIRST BREAK OPTION AS AT 31.12.2019 –
IN NUMBER OF YEARS



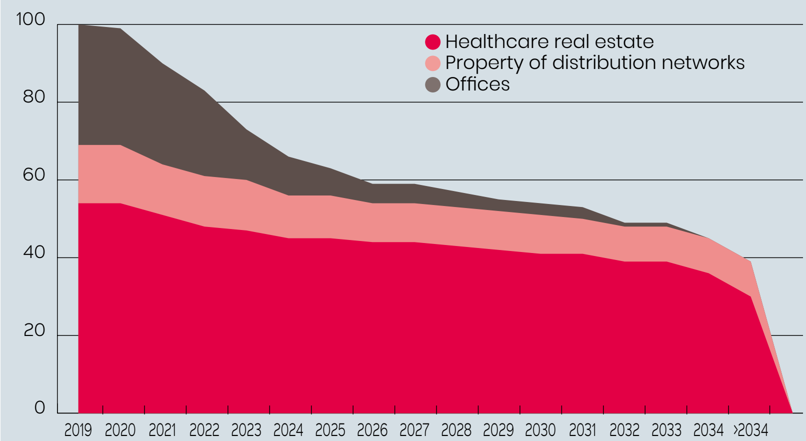
BREAKDOWN OF THE CONSOLIDATED PORTFOLIO BY TENANT BUSINESS SECTOR AS AT 31.12.2019 – IN CONTRACTUAL RENTS



CHANGE IN GROSS RENTAL INCOME ON A LIKE-FOR-LIKE BASIS, BY REAL ESTATE SEGMENT IN 2019

Real estate segment	Change in gross rental income on a like-for-like basis	Share of the consolidated portfolio in fair value (in %)
Healthcare real estate	1.5%	56.2%
Offices	3.4%	30.6%
Property of distribution networks	1.6%	13.2%
TOTAL	**2.1%**	**100%**

RENTAL INCOME AS AT 31.12.2019 - IN CONTRACTUAL RENTS (IN %)



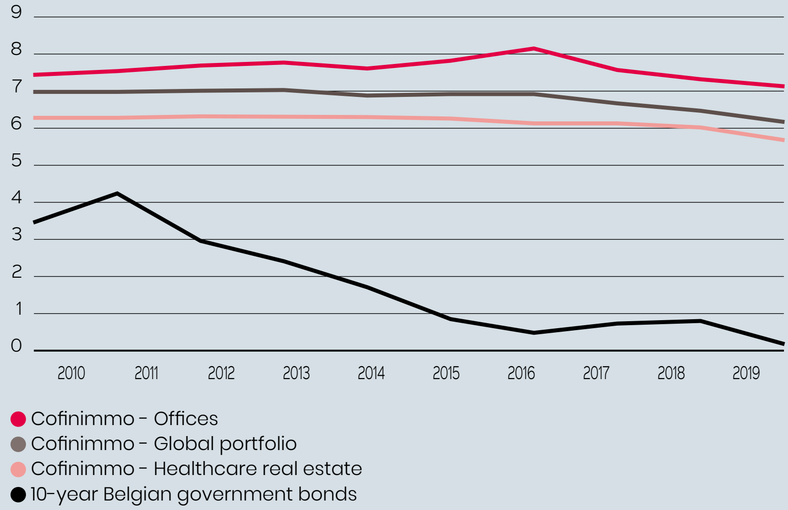
1 The gross rental income of 215.5 million EUR as at 31.12.2018 published in the annual report of 2018 was after taking into account 'rental related costs' of 0.9 million EUR.

RENTAL YIELD

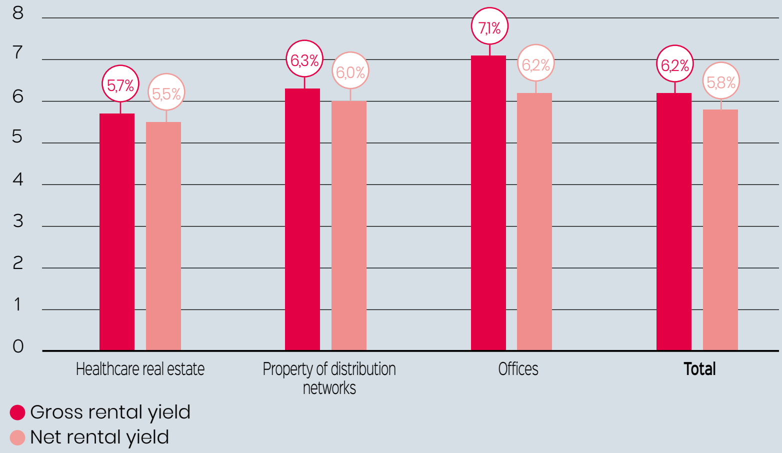
Rental yield is defined as the rental income for rented spaces and the estimated rental value of unoccupied space, divided by the investment value of the buildings (excluding assets held for sale) as established by the independent real estate valuers. This rental yield is defined as the capitalisation rate of rental income applied to real estate assets.

The difference between gross rental yields and net rental yields reflects direct costs: technical costs (maintenance, repairs, etc.), commercial costs (agent commissions, marketing expenses, etc.) and charges and taxes on unoccupied space. The majority of healthcare real estate leases in France and Belgium are 'triple net', while in Germany, the Netherlands and Spain, the majority is of the 'double net' type ('*Dach und Fach*' - see Glossary). The 'triple net' lease implies that the maintenance and insurance expenses, as well as the taxes, are at the tenant's expense, contrary to the 'double net' lease. Therefore, gross and net rental yields are almost identical in this segment.

CAPITALISATION RATES APPLIED TO THE COFINIMMO PORTFOLIO AND YIELD ON 10-YEAR BELGIAN GOVERNMENT BONDS AS AT 31.12.2019 - IN %



GROSS/NET YIELDS PER REAL ESTATE SEGMENT AS AT 31.12.2019



SEGMENT INFORMATION

Real estate segment and country	Number of buildings	Surface area (in m²)	Average age (in years)	Fair value (x 1,000,000 EUR)	Share of the consolidated portfolio in fair value (en %)	Contractual rents (x 1,000,000 EUR)	Share of the consolidated portfolio in contractual rents (in %)
Healthcare real estate	**197**	**1,076,887**	**13**	**2,388**	**56.2%**	**139,180**	**54.4%**
Belgium	72	487,912	12	1,214	28.6%	66,495	26.0%
France	48	209,771	> 15	380	9.0%	25,931	10.1%
The Netherlands	39	137,302	7	290	6.8%	16,891	6.6%
Germany	38	241,902	10	493	11.6%	29,863	11.7%
Spain	0	0	N/A	11	0.3%	0	N/A
Offices	**80**	**556,070**	**14**	**1,298**	**30.6%**	**78,748**	**30.8%**
Property of distribution networks	**1,206**	**385,754**	**> 15**	**562**	**13.2%**	**37,895**	**14.8%**
Pubstone - Belgium	720	284,979	> 15	295	6.9%	19,760	7.7%
Pubstone - The Netherlands	218	42,866	> 15	141	3.3%	10,043	3.9%
Cofinimur I	268	57,909	> 15	126	3.0%	8,093	3.2%
TOTAL	**1,483**	**2,018,711**	**14**	**4,247**	**100%**	**255,823**	**100%**

Management of financial resources

Cofinimmo's financial strategy is characterised by the diversification of its financing sources, regular access to the capital markets, a debt-to-assets ratio close to 45 % and the optimisation of the duration and cost of its financing. Cofinimmo also pays particular attention to the coherence between its financial strategy and its ESG objectives (see chapter 'Strategy' of this Document). After being the first European real estate company to issue green & social bonds in 2016, Cofinimmo concluded in 2019 its first bilateral green & social loan with a leading bank

Its debt and committed credit lines are not subject to any early repayment clauses, or changes in margin, related to its financial rating. They are usually subject to conditions related to:

- compliance with RREC legislation;
- compliance with debt-to-assets ratio levels and cover of financial charges by the cash flow;
- fair value of the real estate portfolio.

At 31.12.2019 and throughout the 2019 financial year, the ratios were met. In addition, no payment defaults on the loan contracts, nor violations of the terms and conditions of these same contracts are expected in the coming 12 months.

LoiWet 34 office building
- Brussels CBD (BE)

The Gradient office building
- Brussels Decentralised (BE)

FINANCING TRANSACTIONS IN 2019

In 2019, Cofinimmo strengthened its financial resources and balance sheet structure. The financing transactions over the financial year enabled the group to further increase the available financing, to reduce the average cost of its debt and to maintain its term. The operations described below illustrate the strengthening of Cofinimmo's financial resources.

SIGNING OF THE EARLY REFINANCING OF THE SYNDICATED LOAN

In order to maintain considerable unused credit lines, Cofinimmo early refinanced its 300 million EUR syndicated loan on 01.07.2019. The success rate encountered with the various invited bankers during the syndication process resulted in an increase of the 300 million EUR syndicated loan to 400 million EUR, with eight participating banks and improved financing conditions. This new syndicated loan has a term of five years with two additional one-year extensions and includes an option to increase the loan by 50 million EUR.

EXTENSION OF THE COMMERCIAL PAPER PROGRAMME

In view of the success of its commercial paper programme, Cofinimmo increased its maximum amount from 650 million EUR to 800 million EUR. This has been in effect since 28.03.2019. At the end of December 2019, up to 731 million EUR of the programme are used.

CONCLUSION OF A NEW 'GREEN & SOCIAL LOAN'

In March 2019, Cofinimmo carried out the early refinancing of a bilateral credit line, which was due to mature in August 2019, amounting 40 million EUR. This was initially a traditional credit line, which was refinanced in the form of a 'green & social loan' with a term of seven and a half years. In accordance with its ESG strategy and performance chart, the 'green & social loan' will be used by Cofinimmo to refinance projects having both environmental and social objectives.

INTEREST RATE HEDGES

Taking into account the decrease in interest rates during the year, Cofinimmo increased its hedging portfolio in stages over a nine-year horizon. IRS covering the years 2022 (150 million EUR), 2023 (375 million EUR), 2024 (325 million EUR), 2025 (475 million EUR), 2026 (500 million EUR), 2027 (500 million EUR) and 2028 (500 million EUR) were subscribed in order to increase the hedging over these years. The main long-term hedging transactions were carried out during the third quarter.

In addition, caps (interest rate options with a maximum level of 0%) were subscribed for 275 million EUR in 2019 and 200 million EUR in 2020.

DEBT STRUCTURE

CONSOLIDATED FINANCIAL DEBTS

At 31.12.2019, the current and non-current consolidated financial debt was 1,745 million EUR. It consisted of the following:

NON-CURRENT FINANCIAL DEBT

As at 31.12.2019, Cofinimmo's non-current financial debt was 874 million EUR, of which:

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 & 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 Green Bonds community, which brings together European issuers of green bonds that meet various objective criteria. Cofinimmo is currently one of the only issuers listed in Brussels, together with a Belgian banking group and the Belgian State, participating in this committed European community.

- 2 million EUR for accrued interest not yet due on bond issues;
- 228 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.

- 50 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.

Bank facilities

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

CURRENT FINANCIAL DEBT

As at 31.12.2019, Cofinimmo's current financial debts amounted to 871 million EUR, of which:

Financial markets

- 140 million EUR accounting for a non-convertible bond:

Issuer	Nominal amount (x 1,000,000 EUR)	Issue price	Coupon	Issue date	Maturity date
Cofinimmo SA/NV	140	100%	3.598%	26.07.2012	07.02.2020

- 5 million EUR for accrued interest not yet due on the bond issue;
- 681 million EUR of commercial papers with a term of less than one year, of which 314 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.

Bank facilities

- 40 million EUR for drawdowns on committed bilateral credit lines maturing in the course of 2020;
- 6 million EUR of other loans.

AVAILABILITIES

On 31.12.2019, availabilities on committed credit lines reached 1,172 million EUR. After deduction of the backup of the commercial paper programme, Cofinimmo has 497 million EUR of available lines to finance its activity.

DEBT-TO-ASSETS RATIO

On 31.12.2019, 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 41.0% (compared to 43.0% as at 31.12.2018). 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%.

WEIGHTED AVERAGE MATURITY OF FINANCIAL DEBTS

The weighted average maturity of the financial debts remained stable, at four years between 31.12.2018 and 31.12.2019. This calculation excludes short-term commercial paper maturities, which are fully covered 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 2,209 million EUR, mature on a staggered basis until 2029.

AVERAGE COSTS OF DEBT AND INTEREST RATE HEDGING

The average cost of debt, including bank margins, was 1.4% for the 2019 financial year, compared to 1.9% for the 2018 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 floating-rate credit lines.

As at 31.12.2019, the breakdown of expected fixed-rate debt, hedged floating-rate debt and unhedged floating-rate debt was presented as shown in the graph below.

As at 31.12.2019, the interest rate risk was hedged at more than 60% until the end of 2024. Cofinimmo's result nevertheless remains sensitive to fluctuations in interest rates.

FINANCIAL RATING

Since 2001, Cofinimmo has been granted a long- and short-term financial rating from the Standard & Poor's rating agency. On 27.05.2019, Standard & Poor's confirmed the company's BBB/stable outlook rating for the long term and A-2 for the short term. The group's liquidity has been rated 'strong', based on high liquidity available on credit lines.

PREFERENCE SHARES

On 28.05.2019, Cofinimmo announced its decision to designate one of its subsidiaries – Gestone III SA/NV – as holder of the purchase right on preference shares I (ISIN code BE0003811289) and II (ISIN code BE0003813301), in accordance with article 8.3 of the articles of association. The company announced that Gestone III SA/NV decided to exercise its call option.

In accordance with the company's articles of association, Cofinimmo offered the holders of preference shares the possibility to request the conversion of their preference shares into ordinary shares (1:1 ratio) for a period of one month, running from 29.05.2019 until 30.06.2019.

During this conversion period, Cofinimmo received conversion requests for 97.5% of the outstanding preference shares. These conversions have been recorded by notary deed on 12.07.2019 and resulted in the creation of a total of 680,603 new ordinary shares of the company.

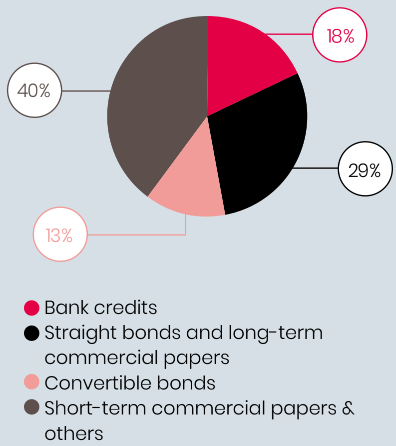
There has been no conversion request for 1,257 preference shares I and 15,875 preference shares II as at 30.06.2019. Therefore, these preference shares were purchased by Gestone III SA/NV on 12.07.2019.

The purchase price of the preference shares was set at their issue price, i.e. 107.89 EUR per preference share I and 104.44 EUR per preference share II, in accordance with the articles of association.

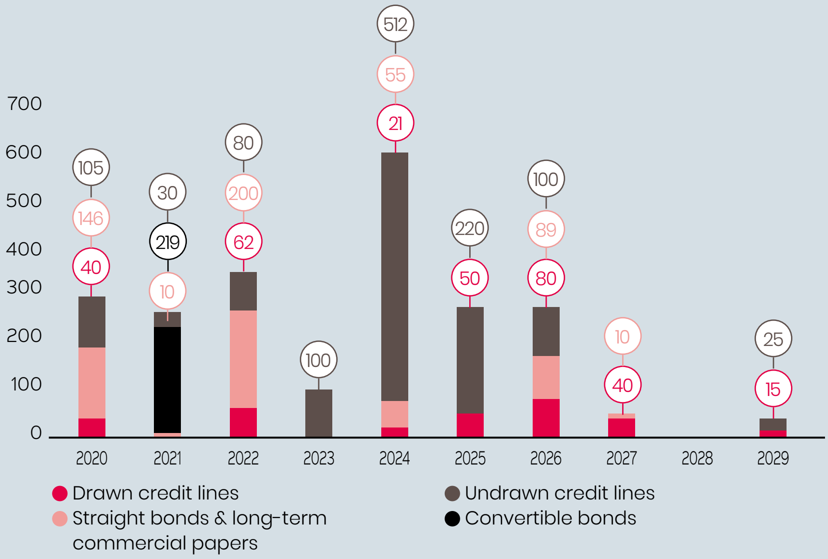
The purchase price of the unconverted preference shares were paid on the bank account of the shareholders concerned, as mentioned in the shareholders' register, on 12.07.2019 (in the absence of a valid bank account number, the preference shares will be transferred to Gestone III SA/NV, subject to transfer of the purchase price to the Deposit and Consignment Office).

Gestone III SA/NV sent a conversion request for the purchased preference shares to Cofinimmo. This conversion into ordinary shares was also recorded on 12.07.2019. As from this date, the Cofinimmo capital consists exclusively of 25,849,283 ordinary shares, all appearing in a single quotation line on Euronext Brussels (vs. three lines before). Therefore, the company's market capitalisation, which amounts to 3.4 billion EUR at 31.12.2019), is easier to perceive than it used to be.

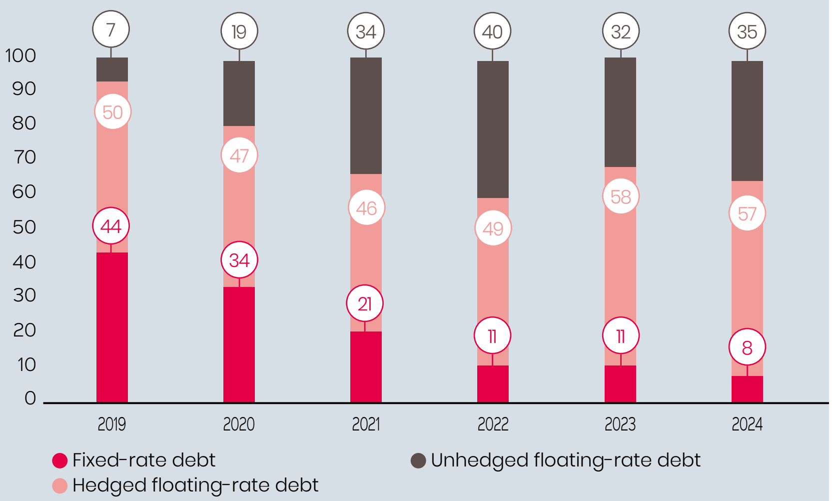
COMPOSITION OF DEBT AS AT 31.12.2019



TIMETABLE OF LONG-TERM FINANCIAL COMMITMENTS AS AT 31.12.2019 (X 1,000,000 EUR)



BREAKDOWN OF FIXED-RATE DEBT, HEDGED FLOATING-RATE DEBT AND UNHEDGED FLOATING-RATE DEBT AS AT 31.12.2019 – IN %



CONSOLIDATED INCOME STATEMENT – ANALYTICAL FORM

(x 1,000 EUR)	31.12.2019	31.12.2018
A. NET RESULT FROM CORE ACTIVITIES		
Rental income, net of rental-related expenses	233,224	211,273
Writeback of lease payments sold and discounted (non-cash item)	8,784	8,815
Taxes and charges on rented properties not recovered	-2,655	-1,419
Taxes on refurbishment not recovered	-3,737	-4,472
Refurbishment costs, net of tenant compensation for damages	-1,001	-2,468
Property result	**234,615**	**211,729**
Technical costs	-5,939	-6,421
Commercial costs	-1,808	-1,791
Taxes and charges on unlet properties	-3,579	-4,489
Property result after direct property costs	**223,289**	**199,028**
Corporate management costs	-29,460	-25,104
Operating result (before result on the portfolio)	**193,829**	**173,923**
Financial income	9,021	8,958
Net interest charges	-24,128	-30,307
Other financial charges	-634	-498
Share in the net result from core activities of associated companies and joint ventures	-939	463
Taxes	-5,572	-2,806
Net result from core activities	**171,577**	**149,734**
Minority interests related to the net result from core activities	-5,079	-4,730
Net result from core activities - Group share	**166,498**	**145,004**
B. RESULT ON FINANCIAL INSTRUMENTS		
Change in the fair value of hedging instruments	-23,765	-4,467
Restructuring costs of financial instruments	0	1,454
Share in the net result from core activities of associated companies and joint ventures	0	0
Result on financial instruments	**-23,765**	**-3,013**
Minority interests related to the result on financial instruments	-419	-339
Result on financial instruments - Group share	**-24,184**	**-3,353**
C. RESULT ON THE PORTFOLIO		
Gains or losses on disposals of investment properties and other non-financial assets	12,394	28,436
Changes in the fair value of investment properties	79,069	-6,259
Share in the result on the portfolio of associated companies and joint ventures	143	377
Other result on the portfolio	-29,129	-17,823
Result on the portfolio	**62,477**	**4,732**
Minority interests regarding the result on the portfolio	-176	-770
Result on the portfolio – Group share	**62,301**	**3,962**
D. NET RESULT		
Net result	**210,289**	**151,452**
Minority interests	-5,674	-5,839
Net result – Group share	**204,615**	**145,613**

NUMBER OF SHARES

	31.12.2019	31.12.2018
Number of ordinary shares issued (including treasury shares)	25,849,283	22,311,112
Number of ordinary shares outstanding	25,798,592	22,270,765
Number of ordinary shares used to calculate the result per share	**25,798,592**	**22,270,765**
Number of preference shares issued	0*	682,136
Number of preference shares outstanding	0*	682,136
Number of preference shares used to calculate the result per share	**0***	**682,136**
Total number of shares issued (including treasury shares)	25,849,283	22,993,248
Total number of shares outstanding	25,798,592	22,952,901
Total number of shares used to calculate the result per share	**24,456,099**	**22,133,963**

* See chapter 'Cofinimmo on the stock market', section 'Preferred shares' on page 106.

DATA PER SHARE - GROUP SHARE

(in EUR)	31.12.2019	31.12.2018
Net result from core activities	**6.81**	**6.55**
Result on financial instruments	-0.99	-0.15
Result on the portfolio	2.55	0.18
Net result	**8.37**	**6.58**

COMMENTS ON THE CONSOLIDATED INCOME STATEMENT – ANALYTICAL FORM

Net rental income amounted to 233 million EUR at 31.12.2019, compared to 211 million EUR at 31.12.2018 (+10.4%). It is higher than the budget. The loss of income related to the Egmont I and II offices (2 million EUR, a non-recurring item in the first quarter of 2018) was more than compensated by the rental income generated by the investments in healthcare real estate in Germany, Belgium and the Netherlands. On a like-for-like basis*, gross rental income increased by 2.1% between 31.12.2018 and 31.12.2019: the positive effect of new leases (+3.1%) and indexation (+1.6%) largely compensated the negative impact of departures (-2.3%) and renegotiations (-0.2%).

As far as direct operating costs are concerned, the variations between 31.12.2018 and 31.12.2019 are in line with the budget:

- The changes in 'Taxes and charges on rented properties not recovered' and 'Taxes and charges on unlet properties' reflect the transfers during the 2019 financial year from investment properties in operation to properties held for sale.
- By nature, refurbishment costs, net of tenant compensation for damages, are exposed on a non-regular basis over the financial year or from one financial year to the next.

The evolution of corporate management costs for the same period of time is in line with the evolution noted in the first three quarters of the 2019 financial year. The operating margin amounts to 82.6%.

Financial income is stable at 9 million EUR; last year's income included one non-recurrent item relating to the Egmont I & II office buildings (3.3 million EUR), whereas the 2019 financial income includes non-recurrent items of less than 3 million EUR booked in the first semester, and related to the amounts received at the time of the contributions in kind of 29.04.2019 and 26.06.2019 in compensation for the allocation of a full right to the dividend related to the new shares issued on those days.

Net interest expenses decreased compared to last year, mainly due to the average cost of debt, which decreased to 1.4%, compared to 1.9% as at 31.12.2018. Net interest charges, after deduction of financial income, are lower than the budget.

Taxes, although rising, are in line with the budget.

Thanks to its dynamism in terms of investments and financing, and its efficient management of the existing portfolio, the Group has been able to achieve a net result from core activities - Group share of 166 million EUR as at 31.12.2019, higher than the budget thanks to unbudgeted acquisitions, compared to the 145 million EUR that had been achieved as at 31.12.2018 (i.e. a 15% increase). The net result from core activities - Group share per share amounts to 6.81 EUR (higher than the budget, compared to 6.55 EUR as at 31.12.2018) and takes into account the issue of shares during the capital increase in July 2018 and the contributions in kind of last April and June. The average number of shares entitled to a share of the result for the period thus rose from 22,133,963 to 24,456,099.

As for the result of financial instruments, the item 'Change in fair value of financial instruments' amounts to -24 million EUR as at 31.12.2019, compared to -4 million EUR as at 31.12.2018. This variation is explained by the evolution of the expected interest rate curve between these two periods. The 'restructuring costs of the financial instruments' of 2018 (1 million EUR) reflected the positive impact of the cancellation (in the first quarter of 2018) of two foreign exchange put options into euro. There were no comparable transactions in 2019.

As for the result on the portfolio, the gains or losses on disposals of investment properties and other non-financial assets is 12 million EUR as at 31.12.2019 as a result of the various disposals which occurred during the year, compared to 28 million EUR at 31.12.2018; last year's amount primarily included the net capital gain of 27 million EUR realised on the long-lease of the Egmont I and II buildings. The item 'Changes in the fair value of investment properties' is 79 million EUR as at 31.12.2019 (-6 million EUR as at 31.12.2018): the appreciation in value of the healthcare and office portfolios, including the positive impact of the commercialisation of the Quartz office building, more than compensated the depreciation in value of certain properties. Without the initial effect from the changes in the consolidation scope, the changes in the fair value of investment properties is positive (+2.2%) for 2019. The item 'Other result on the portfolio' primarily comprises the effect of the entries in the consolidation scope, the effect of deferred taxes[1] and the impairment loss on the goodwill (15 million EUR compared to 14 million EUR as at 31.12.2018). These relate to the Dutch subsidiary Pubstone Properties BV (owner of the portfolio of pubs and restaurants in the Netherlands) and the French subsidiary CIS SA (owner of healthcare assets in France).

The net result - Group share amounted to 205 million EUR as at 31.12.2019, compared to 146 million EUR as at 31.12.2018, i.e. a 41% increase. Per share, the figures were 8.37 EUR at 31.12.2019 and 6.58 EUR at 31.12.2018.

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

CONSOLIDATED BALANCE SHEET

(x 1,000 EUR)	31.12.2019	31.12.2018
Non-current assets	**4,397,253**	**3,881,018**
Goodwill	56,947	71,556
Intangible assets	935	922
Investment properties	4,218,523	3,694,202
Other tangible assets	1,278	810
Non-current financial assets	2,121	9
Finance lease receivables	105,651	101,731
Trade receivables and other non-current assets	1,016	1,379
Deferred taxes	1,162	1,383
Participations in associated companies and joint ventures	9,621	9,026
Current assets	**160,986**	**140,449**
Assets held for sale	28,764	33,663
Current financial assets	2	0
Finance lease receivables	2,258	1,915
Trade receivables	23,443	24,091
Tax receivables and other current assets	37,639	24,167
Cash and cash equivalents	31,569	27,177
Accrued charges and deferred income	37,311	29,436
TOTAL ASSETS	**4,558,239**	**4,021,466**
Shareholders' equity	**2,533,960**	**2,166,365**
Shareholders' equity attributable to shareholders of the parent company	**2,451,335**	**2,082,130**
Capital	1,385,227	1,230,014
Share premium account	727,330	584,901
Reserves	134,163	121,602
Net result of the financial year	204,615	145,613
Minority interests	**82,625**	**84,234**
Liabilities	**2,024,279**	**1,855,102**
Non-current liabilities	**1,025,918**	**1,140,333**
Provisions	24,176	22,447
Non-current financial debts	873,546	1,012,290
Other non-current financial liabilities	84,227	62,600
Deferred taxes	43,969	42,996
Current liabilities	**998,361**	**714,768**
Current financial debts	870,993	613,107
Other current financial liabilities	96	0
Trade debts and other current debts	112,435	88,292
Accrued charges and deferred income	14,837	13,370
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4,558,239**	**4,021,466**

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

The investment value of the property portfolio[1], as determined by the independent real estate valuers, amounts to 4,428 million EUR as at 31.12.2019, compared to 3,890 million EUR as at 31.12.2018. The fair value included in the consolidated balance sheet, in application of IAS 40, is obtained by deducting the transaction costs from the investment value. As at 31.12.2019, the fair value reached 4,247 million EUR, compared to 3,728 million EUR as at 31.12.2018, i.e. a 14% increase.

The item 'Participations in associated companies and joint ventures' refers to Cofinimmo's 51% stake in Cofinea I SAS (nursing and care homes in France) and its 51% stake in the joint ventures BPG CONGRES SA/NV and BPG HOTEL SA/NV. 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 six subsidiaries.

1 Including buildings held for own use, development projects and assets held for sale.

NET ASSET VALUE PER SHARE

(in EUR)	31.12.2019	31.12.2018
Net Asset Value per share		
Net Asset Value per share in fair value[1] after dividend distribution for the 2018 financial year	95.02	85.34
Net Asset Value in investment value[2] after distribution of the dividend for the 2018 financial year	99.90	90.04
Diluted Net Asset Value per share		
Diluted Net Asset Value per share in fair value[1] after dividend distribution for the 2018 financial year	94.92	85.20
Diluted Net Asset Value per share in investment value[2] after dividend distribution for the 2018 financial year	99.71	89.90

1 Fair value: after deduction of transaction costs (mainly transfer taxes) from the investment value of investment properties.
2 Investment value: before deduction of transaction costs.

COMMENTS ON THE NET ASSET VALUE PER SHARE

The Mandatory Convertible Bonds (MCB) issued in 2011 and the convertible bonds issued in 2016 were not taken into account when calculating the diluted net assets per share as at 31.12.2018 and 31.12.2019 because they would have had an accretive effect. Conversely, 27,345 treasury shares of the stock option plan were included in the calculation of the above-mentioned measure in 2019 (vs. 34,350 in 2018) because they have a dilutive impact.

Parking – Amphia hospital – Breda (NL)

Summary of quarterly consolidated accounts[1]

CONSOLIDATED COMPREHENSIVE RESULT BY QUARTER (INCOME STATEMENT)

(x 1,000 EUR)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019
A. NET RESULT					
Rents	56,267	57,356	61,659	62,226	237,508
Cost of rent-free periods	-1,012	-1,012	-1,258	-1,201	-4,483
Client incentives	-179	-196	-194	-266	-834
Indemnities for early termination of rental contracts	117	50	104	139	410
Writeback of lease payments sold and discounted	2,196	2,196	2,196	2,196	8,784
Rental-related expenses	705	-27	-46	-8	623
Net rental income	**58,094**	**58,366**	**62,461**	**63,087**	**242,008**
Recovery of property charges	18	41	168	24	251
Recovery income of charges and taxes normally payable by the tenant on let properties	24,262	7,384	6,729	6,162	44,537
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-917	-338	283	-279	-1,252
Charges and taxes normally payable by the tenant on let properties	-30,199	-8,272	-6,891	-5,567	-50,929
Property result	**51,259**	**57,181**	**62,750**	**63,425**	**234,615**
Technical costs	-1,200	-1,183	-2,037	-1,519	-5,939
Commercial costs	-336	-377	-510	-586	-1,808
Taxes and charges on unlet properties	-2,410	-460	-329	-379	-3,579
Property management costs	-6,059	-4,891	-4,374	-5,298	-20,622
Property charges	**-10,005**	**-6,911**	**-7,250**	**-7,782**	**-31,948**
Property operating result	**41,254**	**50,269**	**55,500**	**55,643**	**202,667**
Corporate management costs	-2,597	-2,096	-1,874	-2,271	-8,838
Operating result (before result on the portfolio)	**38,658**	**48,173**	**53,626**	**53,372**	**193,829**
Gains or losses on disposal of investment properties and other non financial assets	2,224	777	-674	10,067	12,394
Changes in fair value of investment properties	8,149	26,924	34,684	9,312	79,069
Other result on the portfolio	-1,393	-7,336	-2,602	-17,420	-28,751
Operating result	**47,638**	**68,538**	**85,034**	**55,331**	**256,541**
Financial income	1,412	4,194	1,714	1,701	9,021
Net interest charges	-6,429	-5,901	-5,939	-5,858	-24,128
Other financial charges	-138	-143	-146	-207	-634
Changes in the fair value of financial assets and liabilities	-14,288	-17,934	-14,861	23,318	-23,765
Financial result	**-19,443**	**-19,785**	**-19,232**	**18,954**	**-39,505**
Share in the result of associated companies and joint ventures	134	-317	114	-727	-797
Pre-tax result	**28,328**	**48,436**	**65,916**	**73,558**	**216,239**
Corporate tax	-2,049	-934	-1,356	-1,233	-5,572
Exit tax	-103	-98	-215	38	-378
Taxes	**-2,151**	**-1,032**	**-1,571**	**-1,195**	**-5,950**
Net result	**26,177**	**47,404**	**64,345**	**72,363**	**210,289**
Minority interests	-1,385	-1,199	-1,764	-1,326	-5,674
NET RESULT - GROUP SHARE	**24,792**	**46,205**	**62,581**	**71,037**	**204,615**

1 The group did not publish any quarterly results information between 31.12.2019 and the date of the statement of the present Document. The half-year and annual data is submitted to a control by the Auditor Deloitte, Réviseurs d'Entreprises/Bedrijfsrevisoren.

(x 1,000 EUR)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019
NET RESULT FROM CORE ACTIVITIES - GROUP SHARE	30,297	44,264	46,790	45,148	166,498
RESULT ON FINANCIAL INSTRUMENTS - GROUP SHARE	-14,288	-17,934	-15,220	23,259	-24,184
RESULT ON THE PORTFOLIO - GROUP SHARE	8,783	19,875	31,013	2,629	62,301
B. OTHER ELEMENTS OF THE COMPREHENSIVE RESULT RECYCLABLE UNDER THE INCOME STATEMENT					
Changes in the effective part of the fair value of authorised cash flow hedge instruments					
Impact of the restructuring of the hedging instruments which relationship has been terminated					
Share in the result on the portfolio of associated companies and joint ventures					
Convertible bonds	-3,734	388	-5,075	-1,509	-9,930
Other elements of the comprehensive result	**-3,734**	**388**	**-5,075**	**-1,509**	**-9,930**
Minority interests					
OTHER ELEMENTS OF THE COMPREHENSIVE RESULT - GROUP SHARE	**-3,734**	**388**	**-5,075**	**-1,509**	**-9,930**
C. COMPREHENSIVE RESULT					
Comprehensive result	**22,443**	**47,792**	**59,270**	**70,853**	**200,359**
Minority interests	-1,385	-1,199	-1,764	-1,326	-5,674
COMPREHENSIVE RESULT – GROUP SHARE	**21,058**	**46,593**	**57,506**	**69,527**	**194,685**

CONSOLIDATED BALANCE SHEET BY QUARTER (STATEMENT)

(x 1,000 EUR)	31.03.2019	30.06.2019	30.09.2019	31.12.2019
Non-current assets	**3,878,875**	**4,291,538**	**4,420,879**	**4,397,253**
Goodwill	71,556	71,556	71,556	56,947
Intangible assets	1,834	1,759	1,697	935
Investment properties	3,690,910	4,100,080	4,230,004	4,218,523
Other tangible assets	739	684	619	1,278
Non-current financial assets	0	0	261	2,121
Finance lease receivables	101,467	104,803	104,842	105,651
Trade receivables and other non-current assets	1,413	2,433	1,585	1,016
Deferred taxes	1,796	1,772	1,752	1,162
Participations in associated companies and joint ventures	9,160	8,450	8,564	9,621
Current assets	**137,710**	**156,775**	**153,386**	**160,986**
Assets held for sale	28,707	39,259	28,764	28,764
Financial current assets	19	4	1	2
Financial lease receivables	2,027	2,067	2,028	2,258
Trade receivables	20,641	22,862	18,726	23,443
Tax receivables and other current assets	12,714	17,551	27,099	37,639
Cash and cash equivalents	35,064	39,738	43,386	31,569
Accrued charges and deferred income	38,539	35,294	33,382	37,311
TOTAL ASSETS	**4,016,584**	**4,448,313**	**4,574,266**	**4,558,239**
Shareholders' equity	**2,188,815**	**2,408,398**	**2,465,771**	**2,533,960**
Shareholders' equity attributable to shareholders of the parent company	**2,103,273**	**2,326,756**	**2,381,729**	**2,451,335**
Capital	1,230,038	1,383,162	1,383,316	1,385,227
Share premium account	584,919	726,984	727,127	727,330
Reserves	263,523	145,613	137,707	134,163
Net result of the financial year	24,792	70,997	133,579	204,615
Minority interests	**85,542**	**81,643**	**84,042**	**82,625**
Liabilities	**1,827,769**	**2,039,915**	**2,108,494**	**2,024,279**
Non-current liabilities	**981,064**	**1,039,249**	**1,036,840**	**1,025,918**
Provisions	22,015	21,977	22,448	24,176
Non-current financial debts	839,773	879,790	861,393	873,546
Other non-current financial liabilities	75,964	92,869	107,358	84,227
Deferred taxes	43,312	44,612	45,641	43,969
Current liabilities	**846,705**	**1,000,665**	**1,071,655**	**998,361**
Current financial debts	744,758	876,644	933,136	870,993
Other current financial liabilities	0	0	0	96
Trade debts and other current debts	87,934	111,782	123,394	112,435
Accrued charges and deferred income	14,013	12,240	15,124	14,837
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4,016,584**	**4,448,313**	**4,574,266**	**4,558,239**

Appropriation of statutory profits

On the Ordinary General Meeting of 13.05.2020, the Board of Directors of the Cofinimmo group will propose to approve the annual accounts as at 31.12.2019, to allocate the profits shown in the table and to distribute a dividend of 5.60 EUR gross, or 3.92 EUR net per ordinary share.

The dates and payment methods of the dividends are provided in the shareholder's calendar' (see page 108).

The withholding tax is 30% (see also section 'Portfolio mix and outlook regarding the withholding tax' of chapter '2020 Outlook' of this document).

As at 31.12.2019, the Cofinimmo group held 50,691 treasury shares. For the 2019 financial year, the Board of Directors is proposing a dividend of 5.60 EUR per share for the 17,132 treasury shares owned by the Gestone III SA/NV subsidiary and to cancel the right to a dividend for the remaining 33,559 treasury shares.

The share capital is based on the number of shares outstanding on 31.12.2019. Any sale of ordinary shares held by the group can modify the share capital.

After the share capital of 145 million EUR proposed for the 2019 financial year, the total amount of reserves and the statutory result of Cofinimmo SA/NV will be 111 million EUR, whereas the amount remaining for distribution according to the rule defined in Article 7:212 of the Company and Association Code (formerly Article 617 of the Company Code) will reach 76.1 million EUR (see chapter 'Financial Statutory Statements' in this document).

The consolidated net result from core activities - Group share for 2019 amounts to 166 million EUR and the consolidated net result - Group share to 205 million EUR. The pay-out ratio on the consolidated net result from core activities amounts therefore to 82.2% compared to 83.9% in 2018.

De State Hillegersberg
– Rotterdam (NL)

5.60 EUR
GROSS DIVIDEND PER SHARE PROPOSED FOR THE 2019 FINANCIAL YEAR

82.2 %
PAY-OUT RATIO PROPOSED FOR THE 2019 FINANCIAL YEAR

APPROPRIATIONS AND DEDUCTIONS

(x 1,000 EUR)	2019	2018
A. Net result	197,542	145,186
B. Transfer from/to reserves	-52,509	-21,795
Transfer to the reserve of the positive balance of changes in the fair value of investment properties	**-67,246**	**11,333**
Financial year	-67,246	11,333
Previous years	0	0
Transfer to the reserve of the negative balance of changes in the fair value of investment properties	**0**	**-20,819**
Financial year	0	-20,819
Previous years	0	0
Transfer to the reserve of the estimated transaction costs and rights resulting from the hypothetical disposal of investment properties	**6,453**	**444**
Transfer to the reserve of the balance of the changes in fair value of authorised hedging instruments qualifying for hedge accounting	**0**	**0**
Financial year	0	0
Previous years	0	0
Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments not qualifying for hedge accounting	**24,394**	**6,292**
Financial year	24,394	6,292
Previous years	0	0
Transfer from/to other reserves	**-4**	**109**
Transfer from the result carried forward of previous years	**-16,107**	**-19,154**
C. Remuneration of the capital	-7,517	-84,170
Remuneration of the capital provided for in Article 13, § 1, first paragraph of the Royal Decree of 13.07.2014	-7,517	-84,170
D. Remuneration for financial year other than capital remuneration	-137,516	-39,221
Dividends	-137,051	-38,819
Profit-sharing scheme	-465	-402
E. Result to be carried forward	78,331	198,212

Events after 31.12.2019

No major event which could have a significant impact on the results as at 31.12.2019 occurred after the balance sheet date.

COFINIMMO EXPANDS IN THE CBD WITH A BUILDING CONTAINING OFFICES AND A MEDICAL CENTRE

Early March 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). Part of these works have already been delivered. The remaining works will be delivered in Q2 2020. The property is undergoing major renovation works in order to offer quality and comfort to its future occupants.

Almost one third of the building is already let to the Park Leopold Medical Centre, managed by CHIREC, through an 18-year lease contract. The conventional value of the property for the calculation of the share price amounts to approximately 40 million EUR. The gross rental yield will reach more than 4% at full occupancy.

CORONAVIRUS COVID-19 EPIDEMIC (SITUATION ON 19.03.2020)

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

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 in order to fall within the framework of the decisions taken by the authorities.

The group's 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 for everyone.

It is too early at this stage to determine the impact of the current crisis on the ability of certain tenants to pay their rents.

Moreover, the current crisis has very little impact on the ongoing construction works. The provisional acceptance dates for recently started construction sites are still remote.

Provisional acceptance of certain office building works in final phase, such as the redevelopment of the Quartz building, is currently being rescheduled. Based on current information, the date of entry into operation after renovation of the Trône/Troon 100 office building (whose owner company was recently acquired by Cofinimmo) should not be affected.

Healthcare real estate projects whose completion is scheduled in the 1st or 2nd quarter of 2020 are as follows:

- The construction of an orthopaedic clinic in Rijswijk (Netherlands) was completed in mid-February, and the site has been operational since then.
- The construction of a medical office building in Bergeijk (Netherlands) is ongoing, still aiming for a provisional acceptance at the end of Q2 2020.
- The construction of a psychiatric clinic in Kaarst (Germany) was recently completed and the administrative conditions precedent to its acquisition should be lifted soon.

In terms of external financing, availabilities on committed credit lines reached 1.1 billion EUR. After deduction of the backup of the commercial paper programme whose maturity is less than one year, Cofinimmo has approximately 400 million EUR of committed available credit lines to finance its activity, without taking into account the additional capacities under negotiation.

With a debt-to-assets ratio of barely 41.0% as at December 31, 2019 (which has changed little since), Cofinimmo's consolidated balance sheet shows a strong solvency, which is a valuable asset when addressing the current crisis.

Trône/Troon 100 office building - Brussels CBD (BE)

The Group's ESG strategy and latest initiatives thereupon are described on page 29 of this document. The previous major initiatives are listed below and constitute a summary of the Sustainability Report (otherwise available).

UNITED NATIONS GLOBAL COMPACT

In 2019, Cofinimmo confirmed its commitment to the United Nations Sustainable Development Goals. Through its values and way of functioning, Cofinimmo intends to fulfil its fundamental responsibilities in the fields of human rights, labour, the environment and the fight against corruption.

REFERENCES, RATINGS AND CERTIFICATIONS

Once again this year, Cofinimmo's constant commitment to ESG has been confirmed by numerous organisations and institutions

For the sixth consecutive year, Cofinimmo won the EPRA sBPR Gold Award and was therefore rewarded for the quality of its Sustainability Report.

The Group also participated for the ninth time in the GRESB benchmark (The ESG[1] Benchmark for Real Assets). Given its overall score of 70%, Cofinimmo is part of the 'Green Star' category. This score has been steadily growing since 2014, where it amounted to 45%.

In 2019, Confimmo was granted an A-rating (on a scale of AAA to CCC) in the 'MSCI ESG Ratings'[2] evaluation.

In December 2019, Cofinimmo received an overall ESG risk rating of 15.1 and is considered by Sustainalytics as presenting a low risk of suffering important financial impacts due to environmental, social and governance factors.

Cofinimmo is part of the Ethibel Sustainability Index (ESI) Excellence Europe since 2018. Selections made by the ETHIBEL Forum are largely based on the research conducted by the European rating agency Video Eiris.

Standard Ethics confirmed Cofinimmo's EE+ rating (on a scale of EEE to F) since 2015. The EE+ rating corresponds to a very high level of compliance with the sustainability principles. Cofinimmo is also included in the SE Belgian Index and the SE Best in Class Index.

To date, four renovated or constructed sites have obtained 'good' or 'excellent' BREEAM certifications. Eight office buildings in operation have BREEAM 'In Use' 'good' or 'very good' certification.

As far as governance is concerned, diversity is not only demonstrated by the high proportion of women on the Board of Directors, but also by the presence of three different nationalities and a variety of backgrounds. This selection within the Board and its Committees allows the company to broaden its knowledge of the different countries and market segments in which it operates. Furthermore, the significant presence of women at Cofinimmo has been confirmed by several studies on gender diversity in the governance bodies of Belgian companies. By way of example, the study carried out on gender diversity in corporate governance bodies by the organisation 'European Women On Board', whose results were published in the newspaper l'Echo on 15.01.2020, indicates that Cofinimmo is the only Belgian company present in the European top 20 of its 'Gender Diversity Index' (at the 11th place). On a global scale, Cofinimmo is also among the best performers. After a survey conducted on more than 3,500 companies worldwide, the Equileap organisation has included Cofinimmo in the top 100 of its 2019 ranking, at the 75th place.

Cofinimmo is the only Belgian regulated real estate company, and one of the few European real estate companies, included in the Euronext Vigeo indices. It was already included in the Euronext Vigeo Eurozone 120 and benelux 20 indices. In 2019, Cofinimmo entered the Euronext Vigeo Europe 120 index. These indices are reviewed every six months and distinguish the most advanced companies in terms of environmental, social and governance performance in the stated region.

As Cofinimmo pays particular attention to the coherence between its financial strategy and its ESG objectives, it is part of the Euronext Green Bonds community, which brings together European issuers of 'green' bonds meeting various objective criteria (external reviews, compliance with international standards, frequent updating of the 'green and social' financing framework, etc.). Cofinimmo is currently the only issuer listed in Brussels, together with a Belgian banking group and the Belgian State, participating in this committed European community.

In 2019, three years after it expressed its first opinion, Vigeo Eiris confirmed that the 'Green & Social Bond' issued in 2016 by Cofinimmo still conforms with the 'Sustainability Bond Guidelines', which were updated in 2018. The same reference framework has been applied by Cofinimmo for the 'Green & Social Loan' set up in 2019.

The 2019 Sustainability Report will follow 'Euronext guidelines on ESG reporting' issued in January 2020.

These various certifications and ratings are not an end in themselves but confirm the solidity of Cofinimmo's ESG commitments and encourage the group to continue along this path.

1 Environmental, Social and Governance.
2 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.

ASSUMPTIONS – INTERNAL FACTORS

ASSET VALUATION

The fair value of the real estate portfolio included in the projected consolidated balance sheet as at 31.12.2020 corresponds to the fair value of the overall portfolio as at 31.12.2019, increased by the large-scale renovation expenses and investments planned for 2020.

MAINTENANCE, REPAIRS AND LARGE-SCALE RENOVATIONS

The projections, produced per building, include maintenance and repair costs which are entered as operating expenses. They also include large-scale renovations which are capitalised and covered by self-financing or debt. These expenses are included in the investments and disinvestments below.

INVESTMENTS AND DIVESTMENTS

In the context of the preparation of its 2020 budget, Cofinimmo set its investment assumptions, which would amount to approximately 375 million EUR gross for the 2020 financial year. Their breakdown is as follows:

- investments in healthcare real estate in Belgium, France, the Netherlands, Germany and Spain in the amount of 293 million EUR, resulting from the construction of new units or the extension of existing units to which the Cofinimmo Group is committed (79 million EUR), in addition to new investments (under due diligence for 109 million EUR and hypothetical for 105 million EUR);
- investments in office buildings for 78 million EUR, resulting from major renovations for 18 million EUR (including the redevelopment of the Quartz office building) to which the Cofinimmo Group is committed, in addition to new investments (under due diligence for 20 million EUR and hypothetical for 40 million EUR);
- investments in property of distribution networks in Belgium and the Netherlands for 4 million EUR resulting from major renovation works on pubs and restaurants in the Pubstone portfolio;

Furthermore, divestments are planned for a total amount of approximately 95 million EUR, broken down as follows:

- sale of healthcare real estate sites for an amount of 7 million EUR;
- sale of several office buildings for an amount of 84 million EUR;
- sale of several pubs and restaurants for an amount of 4 million EUR.

The future projects are detailed on page 34 for healthcare real estate, on page 47 for property of distribution networks and on page 54 for office buildings.

RENTS

The rent projections take into account assumptions about tenant departures for each lease contract, analysed case-by-case. The ongoing contracts are indexed.

The projections also include the refurbishment costs, a period without tenants, rental charges and taxes on vacant surface areas which are applicable in the event of tenant departure, as well as agent commissions to re-rent the premises. The rent projections are made for the current market, with no anticipated recovery or deterioration.

The property result also includes write-backs of lease payments sold and discounted for the gradual reconstitution of the full value of the buildings whose rents were sold.

A positive or negative change of 1% in the occupancy rate of the office portfolio would lead to a cumulative increase or decrease in the net result from core activities per share and per year of 0.03 EUR.

EXPENSES

The technical charges are estimated for each building, according to the identified needs, the age of the building and the type of contract they are subject to.

The corporate management costs are estimated per expenses type and take into account the group's growth.

The forecasted tax charge includes, on the one hand, the estimation of the recurring tax charges per company, and on the other hand, an anticipation of the identified tax risks.

ASSUMPTIONS – EXTERNAL FACTORS

INFLATION

The ongoing contracts are indexed. The inflation rate used for rent increases is between 1.2% and 1.4% (external data) depending on the country, for leases indexed in 2020.

The sensitivity of the projections to variations in the inflation rate is low for the period considered. A positive or negative change of 50 basis points in the expected inflation rate would lead to an increase or decrease in the net result from core activities of 0.02 EUR per share.

INTEREST RATES

The calculation of financial expenses is based on the future interest rate curve (external data) and the ongoing financing contracts as at 31.12.2019, increased by 300 million EUR. Given the hedging instruments in place, the average interest rate (margins included) should remain under 2.0% in 2020.

No assumptions for changes in the value of financial instruments due to variations in rates have been included in the 2020 outlook, neither in the balance sheet nor in the income statements.

CAVEAT

The projected consolidated balance sheet and income statements are projections which depend, notably, on the evolution of the real estate and financial markets. They do not provide a guarantee and have not been certified by an auditor.

However, the Statutory Auditor, Deloitte Réviseurs d'Entreprises/ Bedrijfsrevisoren SC s.f.d. SCRL, represented by Mr Rik Neckebroeck, has confirmed that in his opinion, the Profit Forecast has been properly compiled on the basis stated which is comparable with the historical financial information and is consistent with the accounting policies of the Group.

If applicable, Cofinimmo will comply with Article 24 of the Royal Decree of 13.07.2014, which requires the creation of a financial plan with an implementation schedule describing the measures intended to ensure that the consolidated debt-to-assets does not exceed 65% of consolidated assets, as soon as this rate exceeds the 50% threshold. This plan must be sent to the FSMA (see also page 194).

CONSOLIDATED OUTLOOK

Based on the information available prior to the outbreak of the coronavirus COVID-19 in the countries where the group is active and prior to the subsequent uncertainties created in the markets and the economy, and taking into account the assumptions detailed above (and in the absence of other major unforeseen events), Cofinimmo expected to achieve rental income net of rental charges of 249 million EUR leading to a net result from core activities - Group share of 183 million EUR, i.e. 7.10 EUR per share for the 2020 financial year,

up 4 % compared to that of the 2019 financial year (6.81 EUR per share).

Based on the same data and assumptions, the debt-to-assets ratio would be around 44 % at 31.12.2020.

A projection of the future market value of the group's buildings is uncertain. It would, therefore, be hazardous to venture a projection for the unrealised result on the portfolio. As it will depend on market rent trends, changes in their capitalisation rates and the expected cost of building refurbishments. As a reminder, the net result from core activities - Group share does not include the result on financial instruments - Group share, nor the result on portfolio - Group share.

Changes in the group's shareholders' equity will mainly depend on the net result from core activities, on the result of financial instruments, on the result on the portfolio as well as on the allocation of dividends.

DIVIDEND PER SHARE

The Board of Directors therefore plans to offer shareholders a gross dividend of 5.80 EUR per share for the 2020 financial year (i.e. a consolidated pay-out ratio of 82%), up compared to the gross dividend of 5.60 EUR per share offered for the 2019 financial year.

This dividend represents a gross yield of 4.8% compared to the average market price of the ordinary share for the 2019 financial year and to a gross yield of 6.1% compared to the net asset value of the share at 31.12.2019 (at fair value).

The dividend must comply with Article 13 of the Royal Decree of 13.07.2014 in the sense that the amount of the dividend distributed must be higher than the required minimum of 80% of Cofinimmo SA/NV's (non-consolidated) projected net profit for 2019. This article includes a waiver of the obligation to pay a dividend under certain circumstances. The Group will, nevertheless, exercise its option to distribute under these circumstances, within the limits provided by Article 7:212 of the CSA (previously Article 617 of the Company Code).

PORTFOLIO MIX AND OUTLOOK REGARDING THE WITHHOLDING TAX

Based on the information available prior to the outbreak of the coronavirus COVID-19 in the countries where the group is active and prior to the subsequent uncertainties created in the markets and the economy, and taking into account the assumptions detailed above (and in the absence of other major unforeseen events), Cofinimmo expected that the share of healthcare real estate in fair value of the portfolio would reach approximately 59 % by the end of the 2020 financial year.

Article 171, 3° quater of the 1992 Income Tax Code provides for a 15% withholding tax (instead of 30%) for "dividends that are distributed by (...) regulated real estate companies (...) provided that at least 60 percent of the real estate (...) is directly or indirectly (...) invested in assets that are located in a member state of the European Economic Area and used as or intended for care units or dwellings adapted to healthcare".

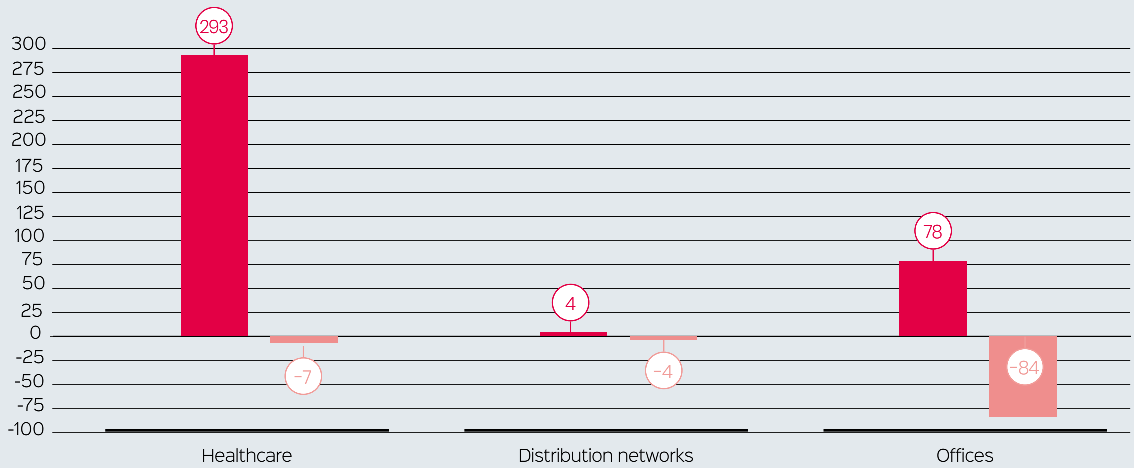
In addition, this article stipulates that "if the assets are not exclusively used as or intended for care units or dwellings adapted to healthcare, or only during a part of the taxable period, only the share of the period and the surface of the actual care units or dwellings adapted to healthcare will be eligible for the determination of the percentage" mentioned above. Lastly, the following is stipulated: "the King defines the detailed practical terms for proving the abovementioned terms".

Since there is no Royal Decree to define these terms, there is much room for interpretation to determine when the dividends distributed by Cofinimmo will meet the terms to be entitled to the reduced withholding tax. Cofinimmo is currently consulting the administration in order to get clarity on this subject.

7.10 EUR/share
FORECAST OF THE 2020 NET RESULT FROM CORE ACTIVITIES – GROUP SHARE

5.80 EUR/share
FORECAST OF THE 2020 GROSS DIVIDEND, PAYABLE IN 2021

DESINVESTMENT AND INVESTMENT PROGRAMME FOR 2020 (X 1,000,000 EUR)



Deloitte.

19 March 2020

For the attention of the board of directors of Cofinimmo SA/NV
Boulevard de la Woluwe 58
1200 Brussels

Dear Sirs

Cofinimmo NV/SA

We report on the Net result from core activities - Group share of Cofinimmo SA/NV ("the Company") and its subsidiaries (together "the Group") for the 12 months period ending 31 December 2020 (the "Forecast"). The Forecast, and the material assumptions upon which it is based are set out on pages 82 and 83 of the 2019 annual report of the Group ("the 2019 Annual Report") issued by the Company dated 19 March 2020. We do not report on the other elements of the projected consolidated income statement, on the projected consolidated balance sheet nor on the projected dividend.

This report is voluntarily required upon request by the Board of Directors of the Company for the purpose to confirm the Profit Forecast has been compiled and prepared in accordance with the requirements under Section 11 of Annex 1 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Commission Regulation (EC) No 809/2004 (the "Commission Delegated Regulation") and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Profit Forecast in accordance with Annex 1 section 11 of the Commission Delegated Regulation.

It is our responsibility to form an opinion as to the proper compilation of the Forecast and to report that opinion to you.

Save for any responsibility arising under art. 26 of the Law of 11 July 2018 to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex 1 item 1.3 of the Commission Delated Regulation, consenting to its inclusion in the registration document.

Basis of Preparation of the Profit Forecast

The Forecast has been prepared on the basis stated on page 82 and 83 of the 2019 Annual Report and is based on a forecast for the 12 months to 31 December 2019. The Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Group.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises
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Member of Deloitte Touche Tohmatsu Limited

Deloitte.

Basis of opinion

We conducted our work in accordance with the International Standard on Assurance Engagement 3400 "The Examination of Prospective Financial Information" ("ISAE 3400") issued by the International Auditing and Assurance Standards Board ("IAASB"). Our work included evaluating the basis on which the historical financial information [included in the Profit Forecast has been prepared and considering whether the Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Profit Forecast are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Profit Forecast have not been disclosed or if any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecast has been properly compiled on the basis stated.

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

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside Belgium, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Profit Forecast has been properly compiled on the basis stated which is comparable with the historical financial information and is consistent with the accounting policies of the Group.

Declaration

For the purposes of art. 26 of the Law of 11 July 2018 we are responsible for this report as part of the registration document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the registration document in compliance with Annex 1 item 1.2 of the Commission Delegated Regulation.

Yours faithfully

The Statutory Auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by Rik Neckebroeck

OVERVIEW OF THE REAL ESTATE PORTFOLIO PER SEGMENT AS AT 31.12.2019

Segment	Acquisition price (x 1,000,000 EUR)	Insured value[1] (x 1,000,000 EUR)	Fair value (x 1,000,000 EUR)	Gross rental yield	Estimated Rental Value (ERV)[2] (x 1,000 EUR)
Healthcare real estate	1,349	497	2,388	5.7%	141,630
Offices	1,976	1,228	1,298	7.1%	82,156
Property of distribution networks	512	25	562	6.3%	36,028
TOTAL	3,836	1,750	4,247	6.2%	259,814

OVERVIEW OF THE TOP 10 INVESTMENT PROPERTIES AS AT 31.12.2019

Property	Address	Year of construction (last renovation)	Year of acquisition	Super structure area (in m²)	Contractual rents (x 1,000 EUR)	Occupancy rate[3]	Share of consolidated portfolio at fair value
Belliard 40 Brussels	Rue Belliardstraat 40 1000 Brussels	2018	2001	20,323	5,063	98%	2.7%
The Gradient Brussels	Av. de Tervuren/ Tervurenlaan 270-272 1150 Brussels	1976 (2013)	1997	19,579	3,591	91%	1.4%
Guimard 10-12 Brussels	Rue Guimardstraat 10-12 1000 Brussels	1980 (2015)	2004	10,410	2,562	100%	1.3%
Bourget 42 Brussels	Av. du Bourgetlaan 42 1130 Brussels	2001	2002	25,746	3,474	83%	1.1%
Damiaan Tremelo	Pater Damiaanstraat 39 3120 Tremelo	2003 (2014)	2008	20,274	2,646	100%	1.1%
Albert Ier 4 Charleroi	Rue Albert 1er 4 6000 Charleroi	1967 (2005)	2005	19,189	2,923	100%	1.1%
La Rasante Brussels	Rue Sombre/ Donkerstraat 56 1200 Brussels	2004 (2012)	2007	7,196	2,701	100%	1.1%
Quartz[4] Brussels	Avenue des Arts/ Kunstlaan 19H 1000 Brussels	2020	1996	9,186		100%	1.0%
Meeûs 23 Brussels	Square de Meeûs-plein 23 1000 Brussels	2010	2006	8,807	2,202	98%	0.9%
Zonneweelde Rijmenam	Lange Dreef 50 2820 Rijmenam	2002 (2019)	2006	15,327	2,052	100%	0.9%
Others				1,862,674	228,609	97%	87.4%
TOTAL				2,018,711	255,823	97%	100%

1 Excluding for vacant buildings, this amount does not include the insurances taken during works, nor those that are borne by the occupant as stated in the contract (for healthcare assets in Belgium and in France, pubs of the Pubstone portfolio and some office buildings), nor those related to finance leases. This amount also does not include insurances related to buildings rent by the MAAF Group (first rank insurances on all properties in full ownership and second rank insurances on co-owned properties) and covered for their reconstruction value.

2 The estimated Rental Value takes into account the market data, the property's location, its quality and, for healthcare asset, the tenant's financial date (EBITDAR) (if available) and the number of beds.

3 The occupancy rate is calculate as follows: contractual rents divided by contractual rents + ERV (Estimated Rental Value) on unlet spaces.

4 Under development. Delivery of the works is scheduled for the first half of 2020.

The rental situation of buildings under finance lease, for which the tenants benefit from a purchase option at the end of the lease, is described hereunder:

INVENTORY OF BUILDINGS EXCLUDING INVESTMENT PROPERTIES

Property	Super structure area (in m²)	Contractual rents[1] (x 1,000 EUR)	Occupancy rate	Tenant
Financial assets under finance leases				
Courthouse - Antwerp	72,132	1,479	100%	Building Agency[2]
Fire station - Antwerp	23,323	203	100%	City of Antwerp
Police station - HEKLA zone	3,800	685	100%	Federal police
Student housing Depage - Brussels	3,196	88	100%	ULB - Brussels University
Student housing Nelson Mandela - Brussels	8,088	1,231	100%	ULB - Brussels University
Prison - Leuze-en-Hainaut	28,316	755	100%	Building Agency[2]
Hospital SSR - Chalon-sur-Saône	9,300	1,073	100%	French Red Cross
Assets held in joint ventures				
EHPAD Les Musiciens - Paris	4,264	1,385	100%	Orpéa

1 Part of the unsold lease payments, varying from 4% to 100% depending on the properties.
2 Belgian federal state.

Nebo healthcare campus - The Hague (NL)

The table hereafter includes:

- properties for which Cofinimmo receives rents;
- properties with lease payments partially or entirely sold to a third party and of which Cofinimmo keeps the ownership and the residual value[1];
- different projects and renovations in progress.

It does not include the properties held by the Group's subsidiaries under equity consolidation.

All properties of the consolidated property portfolio are held by Cofinimmo SA/NV, except those asterisked, which are partially or entirely held by one of its subsidiaries (see Note 40).

Property	Year of construction (last renovation/ extension)	Super structure area (in m²)	A Contractual rents (x 1,000 EUR)	C=A/B[2] Occupancy rate	B Rents + ERV on unlet premises (x 1,000 EUR)
HEALTHCARE REAL ESTATE		**1,073,467**	**139,141**	**100 %**	**139,363**
Belgium		**487,912**	**66,471**	**100 %**	**66,471**
Operator: Anima Care		**6,752**	**747**	**100 %**	**747**
ZEVENBRONNEN - WALSHOUTEM	2001 (2012)	6,752	747	100 %	747
Operator: Armonea		**206,934**	**25,795**	**100 %**	**25,795**
BINNENHOF - MERKSPLAS	2008	3,775	459	100 %	459
DAGERAAD - ANTWERP	2013	5,020	897	100 %	897
DE WYNGAERT - ROTSELAAR	2008 (2010)	6,878	824	100 %	824
DEN BREM - RIJKEVORSEL	2006 (2015)	5,408	743	100 %	743
DOMEIN WOMMELGHEEM - WOMMELGEM	2002	6,836	815	100 %	815
DOUCE QUIÉTUDE - AYE	2007	4,635	477	100 %	477
MATHELIN (previously Euroster) - MESSANCY	2004	6,392	1,244	100 %	1,244
HEIBERG - BEERSE	2006 (2011)	13,568	1,473	100 %	1,473
HEMELRIJK - MOL	2009	9,362	1,076	100 %	1,076
HENRI DUNANT - EVERE (BRUSSELS)	2014	8,570	1,263	100 %	1,263
HEYDEHOF - HOBOKEN	2009	2,751	375	100 %	375
HOF TER DENNEN - VOSSELAAR*	1982 (2008)	3,279	481	100 %	481
LA CLAIRIÈRE - WARNETON	1998	2,533	280	100 %	280
LAARSVELD - GEEL	2006 (2009)	5,591	947	100 %	947
LAARSVELD SERVICEFLATS - GEEL	2009	809	62	100 %	62
LAKENDAL - ALOST*	2014	7,894	845	100 %	845
LE CASTEL - JETTE (BRUSSELS)	2005	5,893	518	100 %	518
LE MENIL - BRAINE-L'ALLEUD	1991	5,430	617	100 %	617
LES TROIS COURONNES - ESNEUX	2005	4,519	575	100 %	575
L'ORCHIDÉE - ITTRE	2003 (2013)	3,634	607	100 %	607
L'ORÉE DU BOIS - WARNETON	2004	5,387	609	100 %	609
MARTINAS - MERCHTEM*	2017	7,435	968	100 %	968
MILLEGHEM - RANST	2009 (2016)	9,592	1,009	100 %	1,009
DE HOVENIER (previously NIEUWE SEIGNEURIE) - RUMBEKE*	2011 (2015)	5,079	793	100 %	793
NETHEHOF - BALEN	2004	6,471	706	100 %	706
NOORDDUIN - COXYDE	2015	6,440	887	100 %	887
PLOEGDRIES - LOMMEL*	2018	6,991	673	100 %	673
RÉSIDENCE DU PARC - BIEZ	1977 (2013)	12,039	689	100 %	689
SEBRECHTS - MOLENBEEK-SAINT-JEAN / SINT-JANS MOLENBEEK (BRUSSELS)	1992	8,148	1,131	100 %	1,131
T'SMEEDESHOF - OUD-TURNHOUT	2003 (2012)	8,648	1,016	100 %	1,016
TILLENS – UCCLE/UKKEL (BRUSSELS)	2015	4,960	1,097	100 %	1,097
VOGELZANG - HERENTALS	2009 (2010)	8,044	1,064	100 %	1,064
VONDELHOF - BOUTERSEM	2005 (2009)	4,923	576	100 %	576
Operator: Aspria		**7,196**	**2,701**	**100 %**	**2,701**
SOMBRE 56 - WOLUWÉ-SAINT-LAMBERT / SINT-LAMBRECHTS-WOLUWE (BRUSSELS)	2004 (2012)	7,196	2,701	100 %	2,701

1 The 'Contractual rents' section comprises the reconstitution of sold and discounted lease payments and, if applicable, the share of unsold lease payments (see Note 22).
2 The occupancy rate is calculated as follows: contractual rents/(contractual rents + Estimated Rental Value on unlet premises).

Property	Year of construction (last renovation/ extension)	Super structure area (in m²)	A Contractual rents (x 1,000 EUR)	C=A/B² Occupancy rate	B Rents + ERV on unlet premises (x 1,000 EUR)
Operator: Calidus		**6,063**	**774**	**100 %**	**774**
WEVERBOS - GENTBRUGGE	2011	6,063	774	100 %	774
Operator: Care-Ion		**44,193**	**6,347**	**100 %**	**6,347**
CLOS DE LA QUIÉTUDE - EVERE	1997 (2016)	7,227	1,075	100 %	1,075
DE BLOKEN - WELLEN	2008	7,564	1,100	100 %	1,100
DE GERSTJENS - AALST	2015	6,252	1,050	100 %	1,050
LE DOUX REPOS - NEUPRÉ	2011	6,875	950	100 %	950
PAALEYCK - KAPPELLE-OP-DEN-BOS	2016	3,744	675	100 %	675
RESIDENCE DU NIL - WALHAIN	1996	5,040	600	100 %	600
SENIOR'S FLATEL - SCHAERBEEK	1972	7,491	897	100 %	897
Operator: Le Noble Âge		**6,435**	**1,233**	**100 %**	**1,233**
PARKSIDE - LAEKEN (BRUSSELS)	1990 (2013)	6,435	1,233	100 %	1,233
Operator: Orpéa Belgique		**24,775**	**3,658**	**100 %**	**3,658**
L'ADRET - GOSSELIES	1980	4,800	490	100 %	490
LINTHOUT - SCHAERBEEK (BRUSSELS)	1992	2,837	482	100 %	482
LUCIE LAMBERT - BUIZINGEN	2004	8,314	1,541	100 %	1,541
RINSDELLE - ETTERBEEK (BRUSSELS)	2001	3,054	579	100 %	579
TOP SENIOR - TUBIZE	1989	3,570	382	100 %	382
VIGNERON - RANSART	1989	2,200	184	100 %	184
Operator: Senior Living Group (Groupe Korian)		**154,711**	**20,689**	**100 %**	**20,689**
ARCUS - BERCHEM-SAINTE-AGATHE / SINT-AGATHA-BERCHEM (BRUSSELS)	2008 (2009)	10,719	1,875	100 %	1,875
BÉTHANIE - SAINT-SERVAIS	2005	4,780	514	100 %	514
DAMIAAN - TREMELO	2003 (2014)	20,274	2,646	100 %	2,646
DE PASTORIJ - DENDERHOUTEM*	2013	8,088	812	100 %	812
LA CAMBRE - WATERMAEL-BOITSFORT / WATERMAAL-BOSVOORDE (BRUSSELS)	1982	13,023	1,988	100 %	1,988
NOOTELAER - KEERBERGEN	1998 (2011)	2,467	351	100 %	351
PALOKE - MOLENBEEK-SAINT-JEAN/ SINT-JANS-MOLENBEEK (BRUSSELS)	2001	11,262	1,375	100 %	1,375
PRINSENPARK - GENK	2006 (2013)	11,035	1,425	100 %	1,425
PROGRÈS - LA LOUVIÈRE*	2000	4,852	518	100 %	518
ROMANA - LAEKEN (BRUSSELS)	1995	4,375	898	100 %	898
SEIGNEURIE DU VAL - MOUSCRON	1995 (2008)	6,797	1,181	100 %	1,181
TEN PRINS - ANDERLECHT (BRUSSELS)	1972 (2011)	3,342	542	100 %	542
VAN ZANDE - MOLENBEEK-SAINT-JEAN/ SINT-JANS-MOLENBEEK (BRUSSELS)	2008	3,463	429	100 %	429
VLASHOF - STEKENE*	2016	6,774	944	100 %	944
ZONNETIJ - AARTSELAAR	2006 (2013)	7,817	849	100 %	849
ZONNEWEELDE - KEERBERGEN	1998 (2012)	6,106	784	100 %	784
ZONNEWEELDE - RIJMENAM	2002 (2019)	15,327	2,052	100 %	2,052
ZONNEWENDE - AARTSELAAR	1978 (2013)	14,210	1,505	100 %	1,505
Operator: 't Hofke		**7,063**	**875**	**100 %**	**875**
SAUVEGARDE - RUISBROEK*	2016	7,063	875	100 %	875
Operator: Vivalto		**8,033**	**1,374**	**100 %**	**1,374**
VIVALYS - BRUSSELS	1983 (2017)	8,033	1,374	100 %	1,374
Operator: Vlietoever		**3,435**	**617**	**100 %**	**617**
VLIETOEVER - BORNEM*	2012	3,435	617	100 %	617
Operator: Vulpia		**7,828**	**1,088**	**100 %**	**1,088**
CLOS BIZET - ANDERLECHT*	2017	7,828	1,088	100 %	1,088
Operator: Zwaluw		**4,494**	**575**	**100 %**	**575**
ZWALUW - GALMAARDEN	2002	4,494	575	100 %	575

Property	Year of construction (last renovation/ extension)	Super structure area (in m²)	A Contractual rents (x 1,000 EUR)	C=A/B² Occupancy rate	B Rents + ERV on unlet premises (x 1,000 EUR)
France		**209,771**	**25,931**	**99%**	**26,081**
Operator: Colisée Patrimoine Groupe		**3,230**	**416**	**100%**	**416**
CAUX DU LITTORAL - NEVILLE*	1950 (2016)	3,230	416	100%	416
Operator: Inicéa		**17,194**	**1,857**	**93%**	**2,007**
CHAMPGAULT - ESVRES-SUR-INDRE*	1972 (1982)	2,200	-	0%	150
DOMAINES DE VONTES - EVRES-SUR-INDRE*	1967 (2019)	8,498	653	100%	653
HORIZON 33 - CAMBES*	2004 (2010)	6,496	1,204	100%	1,204
PAYS DE SEINE - BOIS-LE-ROY*		148,365	18,045	100%	18,045
Operator: Korian	2006	**3,936**	**431**	**100%**	**431**
ASTRÉE - SAINT-ETIENNE*	1990	3,552	643	100%	643
AUTOMNE - REIMS*	1994	2,482	440	100%	440
AUTOMNE - SARZEAU*	1992	2,889	406	100%	406
AUTOMNE - VILLARS-LES-DOMBES*	2003	4,914	708	100%	708
BROCÉLIANDE - CAEN*	2009	5,374	743	100%	743
BRUYÈRES - LETRA*	2004	4,550	905	100%	905
CANAL DE L'OURCQ - PARIS*	1960	3,546	372	100%	372
CENTRE DE SOINS DE SUITE - SARTROUVILLE*	1992 (1998)	3,789	513	100%	513
CHÂTEAU DE LA VERNEDE - CONQUES-SUR-ORBIEL*	1996	3,591	367	100%	367
DEBUSSY - CARNOUX-EN-PROVENCE*	1976 (2004)	8,750	680	100%	680
ESTRAIN - SIOUVILLE-HAGUE*	1990 (2014)	3,388	304	100%	304
FRONTENAC - BRAM*	1990 (1994)	2,500	266	100%	266
GLETEINS - JASSANS-RIOTTIER*	1992 (2009)	6,338	765	100%	765
GRAND MAISON - L'UNION*	2007	4,013	476	100%	476
L'ERMITAGE - LOUVIER*	2008	4,510	578	100%	578
LE CLOS DU MURIER - FONDETTES*	2004	3,000	268	100%	268
LE JARDIN DES PLANTES - ROUEN*	1996	4,208	478	100%	478
LES AMARANTES - TOURS*	2008	3,069	493	100%	493
LES HAUTS D'ANDILLY - ANDILLY*	2008	4,373	717	100%	717
LES HAUTS DE L'ABBAYE - MONTIVILLIERS*	2008	4,572	523	100%	523
LES JARDINS DE L'ANDELLE - PERRIERS-SUR-ANDELLE*	2009	3,348	444	100%	444
LES LUBÉRONS - LE PUY-SAINTE-RÉPARADE*	1990 (2016)	6,414	683	100%	683
LES OLIVIERS - LE PUY-SAINTE-RÉPARADE*	1990	4,130	472	100%	472
MEUNIÈRES - LUNEL*	1988	4,275	717	100%	717
MONTPRIBAT - MONFORT-EN-CHALOSSE*	1972 (1999)	5,364	624	100%	624
OLIVIERS - CANNES LA BOCCA*	2004	3,114	420	100%	420
POMPIGNANE - MONTPELLIER*	1972	6,201	856	100%	856
PONT - BEZONS*	1988 (1999)	2,500	214	100%	214
ROUGEMONT - LE MANS*	2006	5,986	414	100%	414
SAINT GABRIEL - GRADIGNAN*	2008	6,274	764	100%	764
VILLA EYRAS - HYÈRES*	1991	7,636	668	100%	668
WILLIAM HARVEY - SAINT-MARTIN-D'AUBIGNY*	1989 (2016)	5,779	695	100%	695
Operator: Mutualité de la Vienne		**1,286**	**118**	**100%**	**118**
LAC - MONCONTOUR*	1991	1,286	118	100%	118
Operator: Philogeris		**4,698**	**369**	**100%**	**369**
CUXAC - CUXAC-CABARDES*	1989	2,803	210	100%	210
LAS PEYRERES - SIMORRE*	1969	1,895	159	100%	159
Operator: Orpéa France		**34,998**	**5,125**	**100%**	**5,125**
BELLOY - BELLOY*	1991 (2009)	2,559	461	100%	461
HAUT CLUZEAU - CHASSENEUIL*	2007	2,512	408	100%	408
HÉLIO-MARIN - HYÈRES*	1975	12,957	1,783	100%	1,783
LA JONCHÈRE - RUEIL-MALMAISON*	2007	3,731	681	100%	681
LA RAVINE - LOUVIERS*	2000 (2010)	3,600	653	100%	653

Property	Year of construction (last renovation/ extension)	Superstructure area (in m²)	A Contractual rents (x 1,000 EUR)	C=A/B[2] Occupancy rate	B Rents + ERV on unlet premises (x 1,000 EUR)
LA SALETTE - MARSEILLE*	1956	3,582	528	100%	528
LE CLOS SAINT-SÉBASTIEN - SAINT-SÉBASTIEN-SUR-LOIRE*	2005	3,697	478	100%	478
VILLA NAPOLI - JURANCON*	1950	2,360	132	100%	132
The Netherlands		**133,882**	**16,891**	**100%**	**16,963**
Assets directly leased to healthcare professionals		**42,837**	**5,121**	**99%**	**5,193**
GANZENHOEF - AMSTERDAM *	2000 (2013)	2,469	392	100%	392
SIONSBERG - DOKKUM*	1980 (2015)	15,693	820	100%	820
DODEWAARDLAAN 5-15 - TIEL*	2009	3,951	516	100%	516
TERGOOI - WEESP*	1991 (2019)	2,569	391	100%	391
LEIDEN - LEIDEN*	2012	1,813	257	100%	257
MOERGESTELSEWEG 22-26 - OISTERWIJK - VOORSTE STROOM*	2008	1,571	228	100%	228
MOERGESTELSEWEG 32 - OISTERWIJK*	2007	1,768	293	100%	293
MOERGESTELSEWEG 34 - OISTERWIJK*	2002	1,625	183	78%	234
ORANJEPLEIN - GOIRLE*	2013	1,854	335	100%	335
OOSTERSTRAAT 1 - BAARN*	1963 (2011)	1,423	206	100%	206
PIUSHAVEN - TILBURG*	2011	2,257	452	100%	452
TORENZICHT 26 - EEMNES*	2011	1,055	190	100%	190
WATERLINIE - UITHOORN*	2013	3,223	640	100%	640
ZOOMWIJCKPLEIN 9-13-15 - OUD BEIJERLAND*	2018	1,566	218	91%	239
Operator: Bergman Clinics		**10,612**	**1,455**	**100%**	**1,455**
BRAILLELAAN 5 - RIJSWIJK*	2013 (2019)	2,133	252	100%	252
RIJKSWEG 69 et 69A - NAARDEN*	2010	5,821	920	100%	920
RUBENSSTRAAT 165-173 - EDE*	1991 (2014)	2,658	283	100%	283
Operator: DC Klinieken		**3,152**	**451**	**100%**	**451**
KRIMKADE 20 - VOORSCHOTEN*	1992	1,181	209	100%	209
LOUIS ARMSTRONGWEG 28 - ALMERE*	2000	1,971	242	100%	242
Operator: Domus Magnus		**3,342**	**1,028**	**100%**	**1,028**
LAURIERSGRACHT - AMSTERDAM*	1968 (2010)	3,342	1,028	100%	1,028
Operator: Fundis		**18,159**	**1,515**	**100%**	**1,515**
BRECHTZIJDE 20 - 2725 NS ZOETERMEER*	1997 (2008)	9,059	590	100%	590
VAN BEETHOVENLAAN 60 - ROTTERDAM*	1966 (1999)	9,100	925	100%	925
Operator: Gemiva		**3,967**	**549**	**100%**	**549**
CASTORSTRAAT 1 - ALPHEN AAN DEN RIJN*	2016	3,967	549	100%	549
Operator: Stichting Amphia		**14,700**	**1,922**	**100%**	**1,922**
DE PLATAAN - HEERLEN*	2017	14,700	1,170	100%	1,170
AMPHIA - BREDA*	2016	0	752	100%	752
Operator: Attent Zorg en Behandeling		**1,795**	**214**	**100%**	**214**
KASTANJEHOF 2 - VELP*	2012	1,795	214	100%	214
Operator: Stichting ASVZ		**1,686**	**215**	**100%**	**215**
GANTELWEG - SLIEDRECHT*	2011	1,686	215	100%	215
Operator: Stichting Gezondheidszorg Eindhoven (SGE)		**2.237**	**356**	**100%**	**356**
STRIJP-Z - EINDHOVEN*	2015	2,237	356	100%	356
Operator: Stichting JP van den Bent		**1,576**	**209**	**100%**	**209**
HOF VAN ARKEL - TIEL*	2012	1,576	209	100%	209
Operator: Stichting Leger des Heils		**1,181**	**98**	**100%**	**98**
NIEUWE STATIONSTRAAT - EDE*	1985 (2008)	1,181	98	100%	98
Operator: Stichting Martha Flora		**2,142**	**360**	**100%**	**360**
KLOOSTERSTRAAT - BAVEL*	2017	2,142	360	100%	360
Operator: Stichting Philadelphia Zorg		**7,250**	**742**	**100%**	**742**
BARONIE 149-197 - ALPHEN AAN DEN RIJN*	2016	2,000	184	100%	184

Property	Year of construction (last renovation/ extension)	Super structure area (in m²)	A Contractual rents (x 1,000 EUR)	C=A/B² Occupancy rate	B Rents + ERV on unlet premises (x 1,000 EUR)
CHURCHILLAAN - LOPIK*	2015	2,883	253	100%	253
WIJNKOPERSTRAAT 90-94 - GORINCHEM*	2019	2,367	304	100%	304
Operator: Stichting Rijnstate		**3,591**	**440**	**100%**	**440**
MARGA KLOMPELAAN 6 - ARNHEM*	1994	3,591	440	100%	440
Operator: Stichting Saffier		**8,694**	**1,135**	**100%**	**1,135**
NEBO - DEN HAAG*	2004	8,694	1,135	100%	1,135
Operator: Stichting Sozorg & Martha Flora		**3,074**	**493**	**100%**	**493**
DE RIDDERVELDEN - GOUDA*	2014	3,074	493	100%	493
Operator: Stichting Zorggroep Noordwest-Veluwe		**3,887**	**588**	**100%**	**588**
ARCADE NW - ERMELO *	2014	3,887	588	100%	588
Germany		**241,902**	**29,847**	**100%**	**29,847**
Operator: Alloheim		**6,289**	**540**	**100%**	**540**
BACHSTELZENRING 3 – NIEBÜLL*	1997	6,289	540	100%	540
Operator: Aspria		**18,836**	**4,787**	**100%**	**4,787**
MASCHSEE CLUB - HANOVRE*	2009	11,036	2,480	100%	2,480
UHLENHORST CLUB - HAMBOURG*	2012	7,800	2,307	100%	2,307
Operator: Azurit Rohr		**32,621**	**3,284**	**100%**	**3,284**
DR. SCHEIDERSTRAßE 29 – RIESA*	2018	6,538	856	100%	856
GAUßSTRAßE 5 – CHEMNITZ*	2004	7,751	765	100%	765
JOSEPH-KEHREIN-STRAßE 1-3 - MONTABAUR*	2003 (2015)	11,615	1,137	100%	1,137
SENIORENZENTRUM BRÜHL - CHEMNITZ*	2007	6,717	526	100%	526
Operator: Celenus (Orpéa Group)		**4,706**	**855**	**100%**	**855**
NEXUS - BADEN-BADEN*	1896 (2005)	4,706	855	100%	855
Operator: Convivo		**7,294**	**890**	**100%**	**890**
AM STEIN 20 - NEUSTADT/WESTERWALD*	2012	2,940	378	100%	378
LANGE STRASSE 5-7 - LANGELSHEIM*	2004	4,354	512	100%	512
Operator: Curanum (Korian Group)		**6,641**	**704**	**100%**	**704**
TRINENKAMP 17 - GELSENKIRCHEN*	1998	6,641	704	100%	704
Operator: Curata		**32,050**	**2,960**	**100%**	**2,960**
BURG BINSFELD – NOERVENICH*	1533 (1993)	8,146	790	100%	790
HAEHNER WEG 5 - REICHSHOF – DENKLINGEN*	1900 (1998)	7,604	800	100%	800
HERZOG-JULIUS-STRASSE 93 - BAD HARZBURG*	1870 (2010)	12,459	1,320	100%	1,320
SCHLOSSFREIHEIT 3 - NEUSTADT-GLEWE*	1997	3,841	50	100%	50
Operator: Domus Cura		**9,604**	**1,655**	**100%**	**1,655**
OSTLICHE RINGSTRASSE 12 - INGOLSTADT*	1991	6,518	875	100%	875
SCHONE AUSSISCHT 2 - NEUNKIRCHEN*	2009	3,086	780	100%	780
Operator: Kaiser Karl Klinik (Groupe Eifelhöhen-Klinik)		**15.215**	**2,264**	**100%**	**2,264**
KAISER KARL KLINIK - BONN*	1995 (2013)	15,215	2,264	100%	2,264
Operator: M.E.D. Gesellschaft für Altenpflege		**4,602**	**560**	**100%**	**560**
SENIORENRESIDENZ CALAU - CALAU*	2015	4,602	560	100%	560
Operator: Mohring Gruppe		**9,913**	**897**	**100%**	**897**
WESTSTRAßE 12-20 - BAD SASSENDORF*	1968 (2013)	9,913	897	100%	897
Operator: Sozialkonzept (Groupe Korian)		**6,100**	**655**	**100%**	**655**
AUF DER HUDE 60 - LÜNEBURG*	2004	6,100	655	100%	655
Operator: Stella Vitalis		**88,031**	**9,797**	**100%**	**9,797**
AM TANNENWALD 6 - SWISTTAL*	2018	5,081	594	100%	594
BAHNHOFSTRASSE 10 - HAAN*	2010	5,656	740	100%	740
BIRKSTRASSE 41 - LECK*	1999 (2000)	4,407	340	100%	340
BRESLAUER STRASSE 2 - WEIL AM RHEIN*	2015	5,789	602	100%	602
BRUNNENSTRASSE 6A - LUNDEN*	1999 (2002)	8,153	485	100%	485
BUCHAUWEG 22 - SCHAFFLUND*	1998 (2004)	3,881	435	100%	435

Property	Year of construction (last renovation/ extension)	Superstructure area (in m²)	A Contractual rents (x 1,000 EUR)	C=A/B² Occupancy rate	B Rents + ERV on unlet premises (x 1,000 EUR)
DORSTENER STRASSE 12 - BOCHUM*	2010	5,120	760	100%	760
EPPMANNSWEG 76 - GELSENKIRCHEN*	2017	5,074	550	100%	550
ESCHWEILER STRASSE 2 - ALSDORF*	2010	5,302	690	100%	690
FÖRSTEREIWEG 6 - ASCHEFFEL*	1991 (1997)	4,925	351	100%	351
JUPITERSTRASSE 28 - DUISBURG-WALSUM*	2007	4,420	641	100%	641
KÖLNER STRASSE 54-56 - WEILERWIST*	2016	4,205	594	100%	594
OSTERENDE 5 - VIÖL*	2002	3,099	261	100%	261
OSTERFELD 3 - GOSLAR*	2014 (2015)	5,880	498	100%	498
OSTRING 100 - BOTTROP*	2008	4,377	590	100%	590
SEESTRASSE 28/30 - ERFSTADT*	2008	7,072	1,066	100%	1,066
STAPELHOLMER PLATZ - FRIEDRICHSTADT*	2017	5,590	600	100%	600
OFFICES		**455,717**	**69,810**	**90%**	**77,168**
Brussels CBD		**109,221**	**23,756**	**97%**	**24,501**
ARTS/KUNST 27*	1977 (2009)	3,734	819	87%	944
ARTS/KUNST 46	1998	11,516	2,115	90%	2,341
ARTS/KUNST 47-49	1977 (2009)	6,915	1,418	99%	1,427
AUDERGHEM 22-28	2004	5,853	1,316	97%	1,352
BELLIARD 40	2018	20,323	5,063	98%	5,159
GUIMARD 10-12	1980 (2015)	10,410	2,562	100%	2,565
LIGNE 13*	2007	3,693	735	96%	766
LOI/WET 34*	2001	6,882	1,271	100%	1,273
LOI/WET 57	2001	10,279	1,890	100%	1,890
LOI/WET 227	1976 (2009)	5,915	1,410	95%	1,478
MEEÛS 23	2010	8,807	2,202	98%	2,237
MONTOYER 10	1976	6,205	1,243	99%	1,250
SCIENCE/WETENSCHAP 41	1960 (2001)	2,932	603	97%	621
TRÔNE/TROON 98	1986	5,757	1,110	92%	1,200
Brussels Decentralised		**167,346**	**23,234**	**87%**	**26,824**
BOURGET 42	2001	25,746	3,474	83%	4,164
BOURGET 44	2001	14,049	2,420	100%	2,423
BOURGET 50	1998	4,878	451	68%	662
BRAND WHITLOCK 87-93	1991	6,216	892	90%	987
COCKX 8-10 (Omega Court)*	2008	16,587	1,672	65%	2,574
COLONEL BOURG 122	1988 (2006)	4,129	396	72%	552
GEORGIN 2	2007	17,439	3,361	100%	3,361
HERMANN-DEBROUX 44-46	1992	9,666	1,611	96%	1,670
PAEPSEM BUSINESS PARK	1992	26,520	2,014	78%	2,587
SOUVERAIN/VORST 36	1998	8,310	874	64%	1,374
SOUVERAIN/VORST 280*	1989 (2005)	7,074	1,199	96%	1,255
THE GRADIENT	1976 (2013)	19,579	3,591	91%	3,930
WOLUWE 58 (+ parking Saint-Lambert/Sint-Lambertus)	1986 (2001)	3,868	781	100%	781
WOLUWE 62	1988 (1997)	3,285	499	99%	504
Brussels Periphery		**84,965**	**8,464**	**76%**	**11,165**
LEUVENSESTEENWEG 325	1975 (2006)	6,292	365	66%	551
MERCURIUS 30	2001	6,124	565	100%	565
NOORDKUSTLAAN 16 A-B-C (West-End)	2009	10,022	1,485	85%	1,737
PARK LANE	2000	36,635	3,734	72%	5,153
PARK HILL*	2000	16,676	1,457	63%	2,300
WOLUWELAAN 151	1997	9,216	858	100%	858
Antwerp Periphery		**36,636**	**5,546**	**95%**	**5,826**
AMCA - AVENUE BUILDING	2010	9,403	1,601	97%	1,656
AMCA - LONDON TOWER	2010	3,530	603	97%	622

Property	Year of construction (last renovation/ extension)	Superstructure area (in m²)	A Contractual rents (x 1,000 EUR)	C=A/B² Occupancy rate	B Rents + ERV on unlet premises (x 1,000 EUR)
GARDEN SQUARE	1989	7,464	964	97%	995
NOORDERPLAATS (AMCA)*	2010	61	8	100%	8
PRINS BOUDEWIJNLAAN 41	1989	6,014	896	95%	948
PRINS BOUDEWIJNLAAN 43	1980	6,007	904	89%	1,018
VELDKANT 35	1998	4,157	570	98%	579
Other regions		**57,549**	**8,811**	**100%**	**8,852**
ALBERT Ier 4 - CHARLEROI	1967 (2005)	19,189	2,923	100%	2,923
KROONVELDLAAN 30 - DENDERMONDE	2012	9,645	1,371	100%	1,371
MECHELEN STATION - MALINES	2002	28,715	4,518	99%	4,558
OFFICE BUIDLINGS WITH SOLD LEASE RECEIVABLES		**49.847**	**8,903**	**100%**	**8,904**
Brussels Decentralised		**20,199**	**2,860**	**100%**	**2,860**
COLONEL BOURG 124*	1988 (2009)	4,137	362	100%	362
EVEREGREEN	1992 (2006)	16,062	2,498	100%	2,498
Brussels CBD		**26,188**	**5,141**	**100%**	**5,143**
LOI/WET 56	2008	9,484	1,987	100%	1,987
LUXEMBOURG/LUXEMBURG 40	2007	7,522	1,109	100%	1,109
NERVIENS 105	1980 (2008)	9,182	1,933	100%	1,933
MEEÛS 23 (+ parking)	2010		113	98%	115
Other regions		**3,460**	**902**	**100%**	**902**
MAIRE 19 - TOURNAI*	1997	3,460	902	100%	902
PROPERTY OF DISTRIBUTION NETWORKS		**385,755**	**37,895**	**99%**	**38,218**
Pubstone		**327,846**	**29,803**	**99%**	**29,955**
Pubstone Belgium (720 buildings)*		**284,980**	**19,760**	**99%**	**19,881**
Brussels		40,422	3,868	100%	3,868
Flanders		177,733	11,750	100%	11,769
Wallonia		66,825	4,142	98%	4,245
Pubstone Netherlands (218 buildings)*		**42,866**	**10,043**	**100%**	**10,074**
MAAF (268 buidlings)*		**57,909**	**8,093**	**98%**	**8,263**
TOTAL INVESTMENT PROPERTIES AND WRITEBACK OF SOLD AND DISCOUNTED LEASE PAYMENTS		**1,964,786**	**255,749**	**97%**	**263,653**
ASSETS HELD FOR SALE		**23,322**			
Belgium		**23,322**			
MOULIN À PAPIER 55	1968 (2009)	3,499			
SERENITAS	1995	19,823			
HEALTHCARE RENOVATION PROJECTS		**3,420**			
Spain					
EMILIA PARDO BAZAN 116 – VIGO*					
ERNESTO CHE GUEVARA – OLEIROS*					
MARIANO SANZ 39 - CARTAGENA*					
The Netherlands		**3,420**			
BURGEMEESTER MAGNEESTRAAT 12 - BERGEIJK*		3,420			
OFFICES RENOVATION PROJECTS		**27,184**			
BOURGET 40*		14,263			
LOI/WET 85*		3,735			
QUARTZ		9,186			
TENREUKEN					

Property	Year of construction (last renovation/ extension)	Superstructure area (in m²)	A Contractual rents (x 1,000 EUR)	C=A/B[2] Occupancy rate	B Rents + ERV on unlet premises (x 1,000 EUR)
LAND RESERVE HEALTHCARE REAL ESTATE			39		39
OREE DU BOIS - WARNETON			24		24
OSTLICHE RINGSTRASSE 11 - INGOLSTADT			16		16
LAND RESERVE OFFICES			35		35
Brussels CBD			**26**		**26**
EGMONT I			14		14
EGMONT II			6		6
DE LIGNE			3		3
LOUISE/LOUISA 140			-		-
MEIBOOM 16-18			-		-
MONTOYER 14			2		2
MONTOYER 40			-		-
Brussels Decentralised			**5**		**5**
TWIN HOUSE			3		3
WOLUWE 34			2		2
Brussels Periphery			**-**		**-**
KEIBERG PARK			-		-
WOUWE GARDEN 26-30			-		-
Antwerp Periphery			**3**		**3**
PRINS BOUDEWIJNLAAN 24A			3		3
Antwerp Singel			**1**		**1**
QUINTEN			-		-
REGENT			-		-
ROYAL HOUSE			-		-
UITBREIDINGSTRAAT 2-8			-		-
UITBREIDINGSTRAAT 10-16			1		1
PORTFOLIO GRAND TOTAL		2,018,711	255,823		263,727

Independent real estate valuer's report

Brussels, 4 February 2020

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

Re: Valuation as of 31 December 2019

CONTEXT

We have been engaged by Cofinimmo to value its real estate assets as of **31 December 2019** with a view to finalising its financial statements at that date.

Cushman & Wakefield (C&W), PwC Entreprise Advisory cvba/scrl (PwC) and JLL sprl/bvba have each separately valued a part of the portfolio of offices.

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

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

The healthcare portfolio in The Netherlands has been valued by PwC Netherlands.

The healthcare portfolio in Germany has been valued by PwC Germany.

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

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 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.

HEALTHCARE REAL ESTATE

The value of Cofinimmo's healthcare real estate accounted for 56% of the company's entire real estate portfolio in 2019. In this sector, Cofinimmo owns properties worth nearly €2,388 million in five countries: Belgium, France, Germany, the Netherlands and Spain. In total, Cofinimmo owns 197 nursing homes and nearly 18,000 beds.

According to Statbel, as at 1 January 2019, Belgium had 11,431,406 inhabitants, which is an annual increase of 0.49%. This increase is in line with the evolution observed over the past few years. Note that the population growth is larger in the Brussels Capital Region and in the Flemish Region than in the Walloon Region. Importantly, over a ten-year time span, the number of persons aged 65 and over has significantly increased compared to the Belgian population, being an increase of 17.88% for 65+ year olds versus only a 6.3% increase for the overall Belgian population. Clearly, the number of senior citizens among the Belgian population continues to increase proportionally.

The number of persons aged 67 and over compared to the total active population (aged 18 to 66), referred to as the "dependency ratio", was 31% in 2019 and will be 40% as from 2040. This ratio is just below the European average. This ageing process can be explained by, among other things, the fact that the baby boom generation is gradually leaving the working age population. The ageing of the Belgian population is expected to stabilise by 2040.

Benefiting from one of the best healthcare systems in Europe, Belgians stay in good health for a higher number of years. Consequently, life expectancy continues to grow in Belgium. Currently, it is 81.5 years, which also causes the number of candidates for nursing homes to go up.

<u>Operators and the nursing home market in Belgium</u>

According to the latest statistics, in July 2019, Belgium had no fewer than 1,498 nursing homes and 149,415 beds. In 2018, the total market of operator-managed nursing homes was estimated at €5.8 billion. In its latest report, brokerage firm Cushman & Wakefield details the market shares (beds) of the three different categories of Belgian players: beds are owned by public operators (public social action centres (OCMW/CPAS)) for 30%, by private operators for 33%, and by non-commercial private operators (non-profit organisations) for 37%.

The leading private operators active in Belgium are mainly Armonea, Senior Living Group (Korian), Orpéa, Vulpia, Vivalto and Anima Care, owning an aggregate of 22% of Belgian beds. In 2019, the three Belgian leaders alone, being Armonea, Senior Living Group and Orpéa, owned 17% of Belgian beds. Between 2012 and 2019, the annual increase in the number of beds belonging to the six private operators mentioned above was 9.72%.

In 2018, the average occupancy rate of Belgian nursing homes was 95%, and 98.2% within the private groups. The profitability of the nursing home market depends on this occupancy rate, but the return also is expected to be impacted by some challenges to be faced between now and 2020-2025. Examples of such expected challenges are new government regulations and new rules on care related quality accreditation but also employee turnover. This market is indeed highly regulated by the authorities, which creates a significant entry barrier, with a deterring effect for any new market entrants.

According to an ING study, Belgians are part of the people who are willing to pay more for their stay in a nursing home. What stands out is the continued increase in daily prices over the past few years. In 2017, the average price fluctuated between €1,390 per month (government structures), €1,450 per month (private structures) and €1,520 per month (non-profit structures). Needless to say, depending on the location and the quality of the infrastructure, prices are quite likely to soar.

The prime yield keeps hardening, making nursing homes an attractive portfolio component to hold on to. This leads to major mergers and acquisitions, including the acquisition of the Belgian Armonea group by the French Colisée group.

In November 2019, CBRE designated Cofinimmo, Care Property Invest and Ethias as the key Belgian real estate investors, also due to these groups having a strong presence in the nursing home market.

THE DUTCH HEALTHCARE MARKET

In 2019, the interest shown in this real estate market increased among both Dutch and Belgian investors. Foreign investors such as Cofinimmo were already active in this market. In 2019, new foreign investors stood out for a growing number of acquisitions in the Netherlands. Local Dutch investors keep purchasing healthcare real estate.

The Care sector

The investment volume recorded in 2019 is proof of an ever-increasing interest in both real estate investment and real estate redevelopment. Typical for 2019 is the number of portfolios sold by housing companies. These companies are increasingly refocusing on their core business of offering affordable housing. This trend is also driven by pressure from policymakers and institutional investors.

Because of the double phenomenon of healthcare needs that are changing and old nursing homes that are being closed down (for no longer meeting current standards), in the Netherlands, demand for new nursing homes is on the up. This is reflected by an ever-longer waiting list for a place in a rest and nursing home and by the insufficient number of available service flats. Furthermore, the usual residential market is suffering from a shortage of suitable properties, while returns are under pressure. Therefore, nursing home real estate is considered an interesting alternative. This is shown by the fact that institutional investors are stepping up investments in this sector.

The Cure sector (healthcare centres/first-line care)

Over 60% of care centres are held by private investors and by residential property companies. In line with the trends described above, housing companies and healthcare institutions (including various hospitals) are selling their care centres. This is because keeping these centres leads to a freezing of funds and does not or not sufficiently help achieve key objectives.

These care centres are a most attractive investment opportunity, as, on top of their location in the relevant 'catchment areas', they house a relatively high number of essential medical care functions like those performed by general practitioners, pharmacists, dentists and physiotherapists. The on-site availability of services provided by specialists and polyclinics further enhances the position of care centres.

The demand for care in the primary sector continues to increase whilst offerings in certain regions are reaching their limits. In the medium term, general practitioners are expected to expand organisationally by linking up with more physicians and more specialists in broader domains. Today, 'duo practices' are still the most common form in this respect. The number of one-person medical practices is decreasing. One expects an increase in medical group practices cooperating with sector partners such as pharmacists, physiotherapists and specialist physicians. Given that the elderly continue living in their homes until reaching a higher age, cooperation with home care service providers is being intensified.

THE GERMAN HEALTHCARE MARKET IN 2019

Demographic evolution in in Germany

The percentage of persons aged 65 and over in Germany is increasing and will peak at 30% of the population in 2060, representing 20.6 million people. The proportion of persons aged 80 and over was 5.4% in 2013 and, according to Verbandder Ersatzkassen and Statista, will gradually rise to reach 8.9% in 2035.

Irrespective of the existing offering, an increase in the number of nursing homes is required to meet the growing demand triggered by the ageing trend.

Care dependency

Considering the growing proportion of the elderly in the German population, the total number of persons who need care will increase from 2.6 million in 2013 to 3.5 million by 2030, which is an increase of 32.5%. Of course, the proportion of persons dependent on the provision of care goes up with age.

Market description

The Republic of Germany is made up of 16 federal states, each having their own legislation regarding care for the elderly. The German nursing home market is highly fragmented and is dominated by non-profit organisations as well as by public and private institutions.

Demand for nursing homes will strongly increase in the coming years. Between now and 2030, there will be a need for over 177,000 additional places. Assuming 100 places per institution, 1,770 nursing homes would need to be built extra by that time.

The nursing home investment market shows steady growth. Notably, the number of transactions over the first three quarters of 2019 only accounts for €1.4 billion, which is 52% down compared to the first three quarters in the preceding year. This is due to the occurrence of major portfolio transactions observed in 2018 but not in 2019. The impressive figures of the preceding year were impacted for 75% by those portfolio transactions (e.g. Deutsche Wohnen). Still, demand for this type of assets continues to be high.

International investors, particularly Europe-based investors, have dominated this market: 32% for France, 8% for Luxembourg and 7% for Belgium, with an even larger foreign investment expansion being expected.

The prime yield is 4.75%, identical to the figure of the preceding year, an all-time low. Still, this prime yield is significantly higher than investment returns generated by other asset classes (e.g. offices).

THE SPANISH HEALTHCARE MARKET IN 2019

The trend in Spain is aligned with Western Europe and by 2050, its population will be the oldest in the world only second to Japan. This means the ageing process will impact senior housing and health care markets in the forthcoming years. As of today, Spain is below OMS standards in terms of supply and this sector is bolstering its bet for the segment. In particular, nursing homes have increased their offering by 37% since 2016 and by 2019 it reached c. 5,400 nursing homes and 270,000 beds. There are no dominant operators; Domus is the largest operator with a market share of 7%.

On this market, most transactions are Sale and Leasebacks, in which funds are buying the Propco and operators are buying the Opco. The average sizes are 6,000 sqm per nursing home and 47 sqm per room. The average value per bed is €50,000. Prime yields amount to ±5% and most leases have a 15 year term.

The development sites market is also quite active due to today's high demands of new supply and replacement of outdated nursing homes.

THE OFFICE MARKET

All the information below, which covers Belgium and Luxembourg, was obtained from the databases, analyses and market reports of Cushman & Wakefield.

The value of Cofinimmo's portfolio in the office sector amounts to 31% of the total portfolio.

The office market in Belgium closed the year 2019 with total take-up of 898,000 m² (letting, extension and purchase for own occupation) representing a solid increase compared to the activity observed in 2018 (714,000 m²). All three regions of the country performed relatively well in terms of letting activity, particularly Wallonia which recorded its best performance ever and Brussels which saw its best take-up since 2010. Take-up in Flanders decreased compared to the record levels observed in 2017 and 2018 but was still above the yearly average.

The Brussels office market (including the periphery) registered an impressive total take-up of 527,000 m² in 2019. This represents more than a 45% increase compared to the levels observed in 2018. Despite the high take-up level, the number of transactions in 2019 was relatively low at 361 deals.

The public sector (European Union, federal, regional and local Belgian administrative authorities) played an important role in reaching this impressive take-up level with significant transactions such as the pre-letting of 67,000 m² by the Flemish administration in the ZIN Project and the pre-letting of the 37,000 m² Silver Tower by the Brussels administration. In fact, these were also the two largest transactions of the year. Consequently, the proportion of the take-up from public transactions (32%) was slightly higher than the 5-year average. Nevertheless, demand from the private sector has been on the rise for the fifth consecutive year and has reached its highest level since 2008. Notable transactions from the private sector include the pre-letting of PwC in their future new headquarters (23,000 m²) and the pre-letting of BPost in the Multi-Tower (17,000 m²). Coworking and serviced office spaces continued their growth in Brussels. In fact, after the Belgian administrations, the coworking sector was the most active industry this year with close to 14% of the total take-up.

The year 2019 was also characterised by the delivery of new office schemes. In total, around 116,000 m² of new office buildings have been delivered over the course of the year with the most notable being The One, the Phoenix and the Seven. A further 633,500 m² of both committed and speculative office supply are currently under construction and should enter the market by 2022. Next to some large committed projects currently under construction, such as the Centre 58, the De Ligne, and the new HQ of BNP Paribas Fortis, about 360,000 m² have been launched speculatively. The most significant projects are the Manhattan Center, the Quatuor, the Spectrum and the Gare Maritime. The search for qualitative office spaces, however, has led to the highest levels of pre-lettings ever recorded on the Brussels office market (around 48% of the total take-up). Therefore, the availability at the delivery of the building remains relatively low. Around 220,000 m² are still available in projects currently under construction.

The vacancy rate in the Brussels office market continued its slow decrease and fell to 7.53% at the end of the year. There are still important disparities between the different regions of the Brussels office market: the CBD (the sub-markets of Léopold, Centre, North, Midi and Louise) registered a vacancy level of only 4.0%, whereas the Decentralised regions and the Periphery recorded rates of 11.6% and 16.8%, respectively.

Office prime rents in Brussels increased around the end of the first semester of the year to 320€/m²/year and have remained stable throughout 2019. The scarce quality space available and the certainty of some landlords that they can get higher rents have both contributed to the significant price increase observed since 2017 (from 275€ to 320€/m²/year) but also to the latest increase in 2019. Prime rental levels in the Leopold, North and Louise districts saw an increase to 320€, 220€ and 250€/m²/year, respectively. The weighted average rents for 2019, too, saw an increase to 180€/m²/year compared to 175€/m²/year in 2018. Significant disparities can still be observed between the different districts in Brussels as prime rental levels vary from 140€ in the Ring to 320€/m²/year in the Leopold submarket. Prime rents could further increase to 325€/m²/year by the end of 2021 with new qualitative buildings entering the market.

All sectors included, the investment volume in Belgium in 2019 amounted to approximately EUR 4.5bn, which is the second-best year since 2007 and is above the 5-years average of EUR 4bn. This volume was boosted by some significant transactions in the office sector while the retail sector witnessed no significant transactions this year.

The Belgian office market recorded an investment volume of €2.45 billion, wherefrom €2.085 billion in the Brussels office market. As a matter of fact, the Brussels office market in 2019 saw the highest number of transactions ever registered (69 deals) and recorded the highest investment volume after 2002. A total of 6 transactions above 100 MEUR have been recorded on the Brussels office market. The most notable was the acquisition of the Pegasus Park for 150 MEUR followed by the sale of the TDO (148 MEUR) and the Mondrian (131 MEUR). The share of the investment volume coming from foreign investors remains important at around 66% of the total investment volume. International investors tend to focus on LT-Core, Core and Core+ products, while value-add and redevelopment opportunities are more reserved to Belgian investors.

Prime yields in the Brussels office market continue to compress mainly due to the accommodative interest rates policy pursued by the European Central Bank combined with the competition between investors for the best assets. The prime yields for buildings with leases of 6/9 years compressed to 4.10% at the end of the year reflecting the strong demand for investments in the office sector. Long-term prime yields, too, saw a compression to 3.55% following the sale of the Mondrian. As interest rates should remain at very low level throughout 2020, prime yields are expected to slightly compress to reach new historically low record in the course of the year.

DISTRIBUTION NETWORK REAL ESTATE MARKETS (PUBSTONE AND COFINIMUR)

Cofinimmo's share in distribution network real estate was estimated at 13% as at 31 December 2019. The subsidiaries (Pubstone for the restaurant/café sector in Belgium and the Netherlands, and Cofinimur I for the local agencies/shops sectors in France) have a highly diversified risk profile geographically as well as through their particular nature between commercial real estate and investment properties with possible redevelopment potential. The fair value of the properties held in the distribution network real estate segments is €562 million.

After a growth of 1.4% in 2018, the Belgian GDP growth should decelerate slightly to 1.3% in 2019 and 1.2% in 2020. Private consumption should remain relatively dynamic, but the outlook for exports and investment remains clouded due to global trade tensions and Brexit concerns, among other factors.

As observed everywhere in Europe (and worldwide), the retail landscape is undergoing structural changes and is currently reshaping rapidly. However, physical retail is not dead, though undergoing a seismic (and rapid) evolution. 'Traditional' physical retail will continue to exist, but as a much smaller part of the overall tenant mix in the coming years.

Across Europe, there is an increasing divergence between prime and secondary retail locations, with the latter seeing a greater fall-off in demand and sharper rental declines. The same trend is observed in Belgium with secondary locations suffering the most from an increasing vacancy rate and a decreasing footfall. This has a negative impact on the evolution of rental levels, both prime and average. It is also to mention that the dichotomy between prime and secondary locations is not only valid between cities but also within a city, with core areas remaining relatively stable while secondary locations/areas are experiencing negative evolutions.

However, while secondary retail is being hardest hit overall, we cannot say categorically that some sectors/towns are more vulnerable than others - the risk of obsolescence will vary from asset to asset, location to location etc. As such, it is becoming more and more difficult to assess exactly the evolution of specific locations without having a strong understanding of all the factors driving these evolutions.

The HoReCa sector is even more specific and could benefit from the rapid growth of the Food & Beverage trends. Indeed, the food and beverage (F&B) market has seen healthy growth over the last ten years and this is expected to continue. As a result, the proportion of comparison retail (clothing, footwear, white goods) as a percentage of total retail is decreasing and is being partially replaced by F&B, leisure and entertainment offerings in the different streets, shopping malls, out-of-town retail parks and the main retail thoroughfares. This is namely being driven by changing consumer shopping habits and the growth of 'experience retailing', reflecting consumers' desire to enhance their physical shopping experience with a social/leisure experience.

The story is relatively different for the distribution agencies related to banks and insurances with the still growing digitalization and the changing consumers' habits, bank & insurance companies

Consequently, new retail developments, refurbishments and extensions are increasingly being designed to include F&B and lifestyle areas, including stand-alone food stalls and kiosks. By establishing and/or expanding the F&B footprint in retail schemes, it provides landlords with an opportunity to increase footfall, consumer dwell time and, ultimately, spend. This is particularly important considering the challenges faced by bricks and mortar retailers from the growth in online retailing in recent years in some markets.

Arbitrage activities in this portfolio should consequently continue in the years to come, with Cofinimmo investments being characterised by a search for security (long-term leases with sole occupants with a stable financial base), and relatively attractive rental levels and acquisition prices per m². Moreover, some properties within the portfolio can also offer opportunities for sales "per unit" for local investors.

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 June 2017, 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.

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 February 8th 2006 and reviewed on June 30th 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 30/06/2018) 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.

INVESTMENT VALUE AND SALE VALUE (FAIR VALUE)

Taking into account the three opinions, the investment value (transaction costs not deducted) of Cofinimmo's total real estate portfolio as of 31 December 2019 is estimated at EUR 4,427,561,000.

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 31 December 2019, corresponding to the fair investment value under IAS/IFRS, is estimated at EUR 4,247,287,000.

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, assets held for sale, land and buildings undergoing refurbishment, and after the application of imputed rent to the premises occupied by Cofinimmo, amounts to 5.98% of the investment value.

If the properties were to be let in full, the yield would increase to 6.17%.

Investment properties have an occupancy rate of 97.0%.

The contractually passing rent and the estimated rental value on the empty spaces (excluding projects, buildings undergoing refurbishment and assets that form the object of an assignment of receivables) for let space plus the estimated rental value for vacant space is 1.57% above the estimated fair rental value for the whole portfolio at this date. This difference results mainly from the inflation indexation of contractual rents since the inception of the in-place leases.

The assets are broken down as follows:

	Investment value	Fair Value	% Fair Value
Healthcare	2,485,780,000	2,387,508,600	56%
Offices	1,330,293,000	1,297,846,800	31%
Distribution prop. net.	611,488,000	561,931,600	13%
TOTAL	**4,427,561,000**	**4,247,287,000**	**100%**

PwC opinion

The investment value of the part of Cofinimmo's real estate portfolio valued by PwC is estimated as of 31 December 2019 at EUR 1,657,088,000 and the fair value (after the deduction of the transaction costs) is estimated at EUR 1,595,346,700.

Jean-Paul DUCARME FRICS
Director (*) PwC

Ann SMOLDERS
Partner (**) PwC

(*) JP Ducarme Consulting sprl, represented by its permanent representative Jean-Paul Ducarme
(**) Ann Smolders sprl, represented by its permanent representative Ann Smolders

C&W Opinion

The investment value of the part of Cofinimmo's real estate portfolio valued by C&W is estimated as of 31 December 2019 at EUR 2,322,579,000 and the fair value (after deduction of transaction costs) at EUR 2,217,150,800.

Emeric Inghels, MRICS
C&W Partner

JLL opinion

The investment value of the part of Cofinimmo's real estate portfolio valued by JLL sprl and JLL Expertises is estimated as of 31 December 2019 at EUR 447,894,000 and the fair value (after the deduction of transaction costs) is estimated at EUR 434,789,500.

Roderick Scrivener, FRICS
JLL Director

PP Elodie Dumoulin
Director Jones Lang LaSalle Expertises

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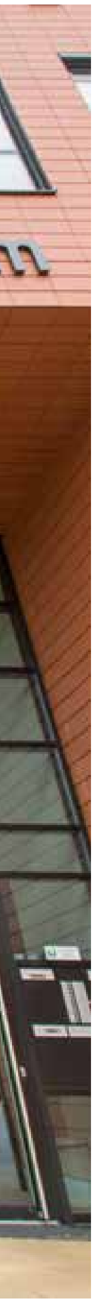
Cofinimmo on the stock market

Cofinimmo offers three instruments listed on the stock market, each of which provides different risk, liquidity and yield profiles

De Waterlinie medical office building - Uithoorn (NL)

32.5%

AVERAGE PREMIUM OF THE SHARE ON THE NET ASSET VALUE (IFRS)



THE ORDINARY SHARE

Cofinimmo's ordinary share has been listed on Euronext Brussels (ticker: COFB) since 1994. Cofinimmo's share is listed on the BEL20 and Euronext 150 indexes, as well as on the EPRA Europe and GPR250 real estate indexes. As at 31.12.2019, Cofinimmo's market capitalisation was 3.4 billion EUR.

STOCK MARKET CONTEXT

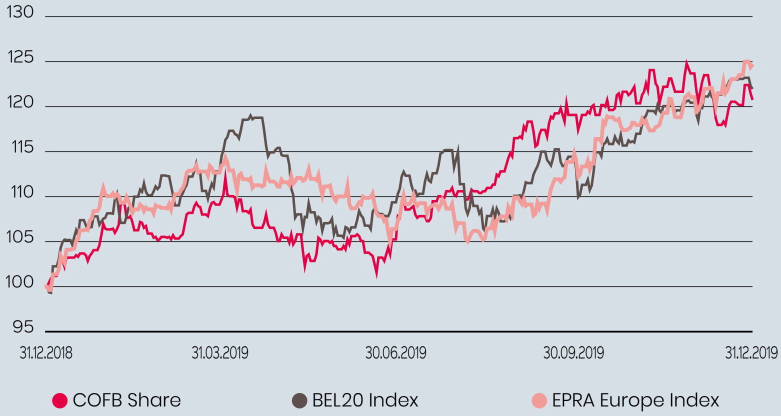
In contrast to 2018, 2019 was marked by a strong growth in the equity markets. Several events had a positive effect on the markets, whether it be the three decreases in policy rates made by the US Federal Reserve during the year, the partial trade agreement announced between the United States and China at the end of the year, and which was finally concluded at the beginning of 2020, or the accommodating policy pursued by the European Central Bank. The massive purchase of securities by the central banks provided abundant liquidity on the markets, which led to an upward movement in all assets. At the beginning of September 2019, interest rates reached an all-time low with the 10-year Bund yield at -0.7%. Thanks to an upward movement of all the assets, rates rose again at the end of the year. The 10-year Bund yield eased by 43 bps this year, while the yields on the 10-year Belgian government bond ('10-year OLO') and the 10-year US government bond lost 72 and 78 bps. As an indication, the BEL20 index achieved a positive performance of 22% over the year while the EPRA Europe index gained 25%. This sharp rise, despite sluggish economic growth, was due to a renewed optimism fuelled by the action of central banks, in particular the abundance of liquidity on the markets and the lack of yield on fixed income products.

SHARE TREND

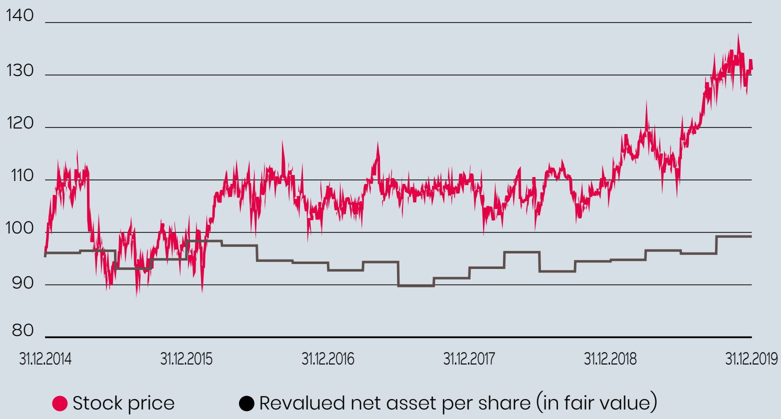
The first graph shows Cofinimmo's share performance in 2019 compared to the BEL20 and EPRA Europe indexes. The Cofinimmo share price fluctuated between 108.50 EUR and 135.40 EUR, with an annual average of 120.81 EUR. The closing price as at 31.12.2019 was 131.00 EUR, which corresponds to an increase of 21% in the share price compared to the closing price of the previous year.

The second graph shows the Cofinimmo share price in relation to its net asset value (IFRS) over the past five years. The share traded at an average premium of 22.3% over five years and at an average premium of 32.5% in 2019. If we compare the share price to the EPRA NPV, the average premium is 14.3% over five years or 25.0% in 2019.

MARKET PERFORMANCE
(BASIS 100 AS AT 31.12.2018)



COMPARISON OF THE SHARE MARKET PRICE AND THE REVALUED NET ASSET PER SHARE (IN EUR)



COFINIMMO SHARE LIQUIDITY

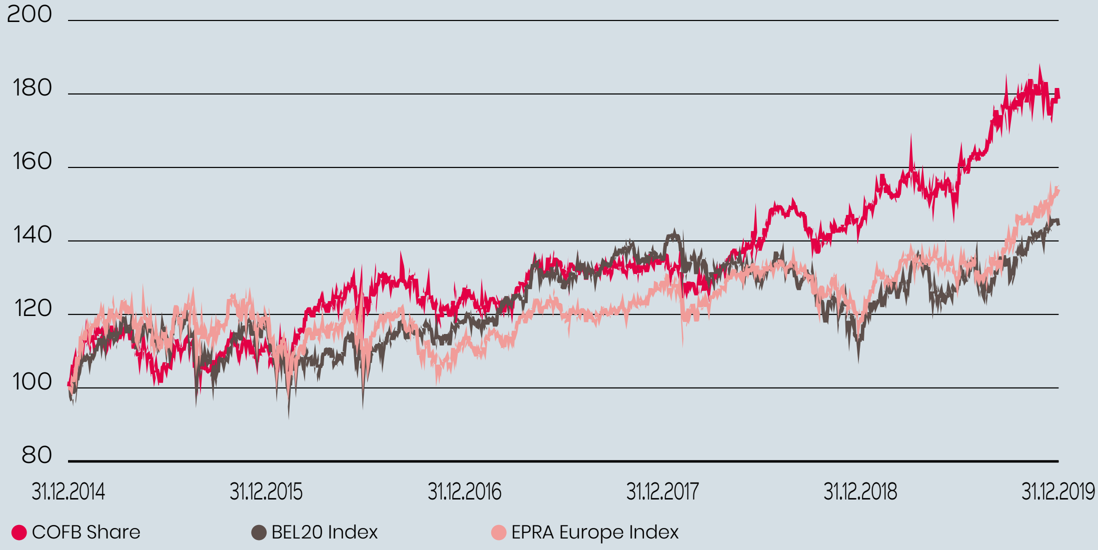
Cofinimmo continued its efforts to enhance the liquidity of its share in 2019. The company participated in around 20 roadshows and conferences throughout the year. Cofinimmo also invested in promotional campaigns to raise its visibility both among institutional and retail investors.

With a market capitalisation of 3.4 billion EUR as at 31.12.2019 and an average daily volume of 4.9 million EUR, or just over 40,850 shares, Cofinimmo's liquidity level is sufficient to stay within the radar of major institutional investors.

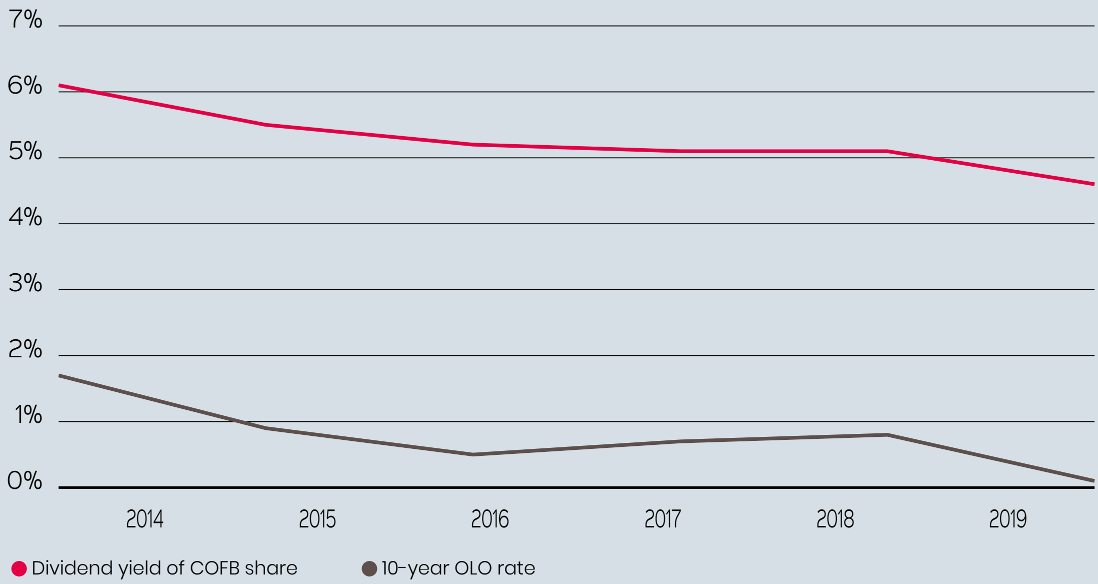
TOTAL RETURN (IN %)

The total return for shareholders is measured based on the change in the share price and includes the distribution of the dividend or any other distribution carried out or paid. Assuming the reinvestment of the 2018 dividend made available for payment in May 2019, the Cofinimmo share achieved a total return of 23.7% over 2019. The graph on the next page illustrates the performance of the Cofinimmo share compared to the BEL20 and EPRA Europe indexes over the past five years, dividend yield included. During this period, the Cofinimmo share generated a total return of 78.7%, i.e. an average annual return of 15.7%. The BEL20 and EPRA indexes recorded total variations of 44.2% and 54.0%, respectively, which corresponds to average annual yields of 8.8% and 10.8%.

TOTAL RETURN
(BASIS 100 AS AT 31.12.2014)



COMPARISON BETWEEN THE COFINIMMO DIVIDEND YIELD AND THE 10-YEAR OLO RATE



23.7%

TOTAL RETURN OF THE SHARE IN 2019

SHAREHOLDERS/INVESTOR PROFILE

Cofinimmo has a large number of investors with diversified profiles. They include, on the one hand, a broad base of institutional investors located primarily in Belgium, Germany, France, Luxembourg, the Netherlands, the United Kingdom, Switzerland, and North America, and on the other hand, retail investors, mainly located in Belgium.

As at 31.12.2019, two shareholders exceed the 5% ownership threshold which required a transparency declaration. They were the Always Care-Ion Group and the American BlackRock investment, which hold 5.54% and 5.38% of Cofinimmo's capital, respectively.

DIVIDEND

At the Ordinary General Meeting of 13.05.2020, the Board of Directors will propose a dividend in line with the forecast published in the 2018 Annual Financial Report, i.e. 5.60 EUR gross per share. This dividend corresponds to a gross yield of 4.6% compared to the average price of the share during the 2019 financial year (vs. a gross yield of 5.1% in 2018).

The graph on the previous page shows the dividend yield of the Cofinimmo share compared to the '10-year OLO' over the past five years. Over this period, the Cofinimmo share provided an average yield on the dividend of 5.1%, compared to an average 10-year OLO rate of 0.6%.

WITHHOLDING TAX

The applicable withholding tax on distributed dividends has been 30% since 01.01.2017.

However, Belgian Law provides exemptions. In order to benefit from them, the dividend recipients must first meet certain conditions. Moreover, agreements to prevent double taxation provide for reductions of the withholding tax on dividends.

Reference should also be made to section 'Portfolio mix and outlook regarding the withholding tax' in chapter '2020 Outlook' of this document, for current considerations regarding the prospects for reduced withholding tax.

ISIN BE0003593044	2019	2018	2017
Share price (in EUR)			
Highest	135.40	113.00	115.25
Lowest	108.50	101.75	103.40
At close	131.00	108.50	109.75
Average	120.81	107.27	107.82
Dividend yield[1]	**4.6%**	**5.1%**	**5.1%**
Gross yield[2] (over 12 months)	**7.9%**	**7.5%**	**6.1%**
Dividend[3]			
Gross	5.60[4]	5.50	5.50
Net	3,92[4]	3.85	3.85
Volume			
Average daily volume	40,860	37,867	33,670
Annual volume	10,419,399	9,618,185	8,585,830
Number of shares entitled to share in the consolidated results of the financial year	**25,849,283**	**22,311,112**	**20,667,381**
Market capitalisation at close (x 1,000 EUR)	**3,386,256**	**2,420,756**	**2,268,245**
Free Float[5]	**95%**	**100%**	**100%**
Velocity[5]	**42.4%**	**43.1%**	**41.5%**
Payout ratio	**82.2%**	**83.9%**	**84.2%**

1 Gross dividend on the average annual share price.
2 Increase in the share price + dividend yield.
3 Dividends are subject to a 30% withholding tax.
4 Subject to approval by the Ordinary General Meeting of 13.05.2020.
5 According to the Euronext definition.

PREFERENCE SHARES

On 28.05.2019, Cofinimmo announced its decision to designate one of its subsidiaries – Gestone III SA/NV – as holder of the purchase right on preference shares I (ISIN code BE0003811289) and II (ISIN code BE0003813301), in accordance with article 8.3 of the articles of association. The company announced that Gestone III SA/NV decided to exercise its call option.

In accordance with the company's articles of association, Cofinimmo offered the holders of preference shares the possibility to request the conversion of their preference shares into ordinary shares (1:1 ratio) for a period of one month, running from 29.05.2019 until 30.06.2019.

During this conversion period, Cofinimmo received conversion requests for 97.5% of the outstanding preference shares. These conversions have been recorded by notary deed on 12.07.2019 and resulted in the creation of a total of 680,603 new ordinary shares of the company.

There has been no conversion request for 1,257 preference shares I and 15,875 preference shares II as at 30.06.2019. Therefore, these preference shares were purchased by Gestone III SA/NV on 12.07.2019.

The purchase price of the preference shares was set at their issue price, i.e. 107.89 EUR per preference share I and 104.44 EUR per preference share II, in accordance with the articles of association.

The purchase price of the unconverted preference shares were paid on the bank account of the shareholders concerned, as mentioned in the shareholders' register, on 12.07.2019 (in the absence of a valid bank account number, the preference shares will be transferred to Gestone III SA/NV, subject to transfer of the purchase price to the Deposit and Consignment Office).

Gestone III SA/NV sent a conversion request for the purchased preference shares to Cofinimmo. This conversion into ordinary shares was also recorded on 12.07.2019. As from this date, the Cofinimmo capital consists exclusively of 25,849,283 ordinary shares, all appearing in a single quotation line on Euronext Brussels (vs. three lines before). Therefore, the company's market capitalisation, which amounted to 3.4 billion EUR at 31.12.2019, is easier to perceive than it used to be.

CONVERTIBLE BONDS

Cofinimmo has issued one convertible bond (see chapter 'Management of financial resources' in this Document).

ISIN BE0002259282 (Cofinimmo SA/NV 2016-2021)	2019	2018	2017
Share price (in EUR)			
At close	151.69	143.42	142.62
Average	148.24	143.62	141.42
Average yield through maturity (annual average)	**-2.0%**	**0.7%**	**0.8%**
Effective yield at issue	**0.2%**	**0.2%**	**0.2%**
Interest coupon (in %)			
Gross (per tranche of 146.00 EUR)	0,1875	0,1875	0,1875
Net (per tranche of 146.00 EUR)	0,1313	0,1313	0,1313
Number of shares	**1,502,196**	**1,502,196**	**1,502,196**
Conversion price (in EUR)	**135.82**	**140.11**	**143.48**

STRAIGHT BONDS

Cofinimmo issued four straight bonds, including a 'Green and Social Bond' (see chapter 'Management of financial resources' in this Document).

ISIN BE6241505401 (Cofinimmo SA/NV 2012-2020)	2019	2018	2017
Share price (in EUR)			
At close	100.18	102.33	104.49
Average	101.28	103.51	103.73
Average yield to maturity (annual average)	**1.8%**	**1.4%**	**1.4%**
Effective yield at issue	**3.6%**	**3.6%**	**3.6%**
Interest coupon (in %)			
Gross (per tranche of 100,000 EUR)	3.55	3.55	3.55
Net (per tranche of 100,000 EUR)	2.49	2.49	2.49
Number of shares	**1,400**	**1,400**	**1,400**

ISIN BE0002224906 (Cofinimmo SA/NV 2015-2022)	2019	2018	2017
Share price (in EUR)			
At close	101.91	101.24	101.44
Average	101.71	101.08	101.97
Average yield to maturity (annual average)	**1.0%**	**1.5%**	**1.6%**
Effective yield at issue	**1.9%**	**1.9%**	**1.9%**
Interest coupon (in %)			
Gross (per tranche of 100,000 EUR)	1.92	1.92	1.92
Net (per tranche of 100,000 EUR)	1.34	1.34	1.34
Number of shares	**1,900**	**1,900**	**1,900**

ISIN BE0002267368 (Cofinimmo SA/NV 2016-2026)	2019	2018	2017
Share price (in EUR)			
At close	99.63	97.42	95.95
Average	100.13	95.45	96.19
Average yield to maturity (annual average)	**1.8%**	**2.1%**	**2.2%**
Effective yield at issue	**1.7%**	**1.7%**	**1.7%**
Interest coupon (in %)			
Gross (per tranche of 100,000 EUR)	1.70	1.70	1.70
Net (per tranche of 100,000 EUR)	1.19	1.19	1.19
Number of shares	**700**	**700**	**700**

ISIN BE0002269380 (Cofinimmo SA/NV 2016-2024)	2019	2018	2017
Share price (in EUR)			
At close	99.80	98.75	99.00
Average	100.33	98.20	99.49
Average yield to maturity (annual average)	**2.2%**	**2.2%**	**2.2%**
Effective yield at issue	**2.0%**	**2.0%**	**2.0%**
Interest coupon (in %)			
Gross (per tranche of 100,000 EUR)	2.00	2.00	2.00
Net (per tranche of 100,000 EUR)	1.40	1.40	1.40
Number of shares	**550**	**550**	**550**

SHAREHOLDING STRUCTURE AS AT 31.12.2019

The table below shows the shareholders of Cofinimmo holding more than 5% of the capital. Transparency declarations and control chains are available on the website. At the closing date of this Document, Cofinimmo has not received any transparency declaration presenting a situation subsequent to that of 18.02.2020. According to the Euronext definition, the free float is 95%.

Company	%
Always Care-Ion	5.5%
BlackRock	5.4%
Cofinimmo Group	0.2%
Others < 5 %	88.9%
TOTAL	**100.0%**

SHAREHOLDER'S CALENDAR

Event	Date
Publication of the 2019 Unversal Registration Document	09.04.2020
Publication of the 2019 Sustainability Report	09.04.2020
Quarterly information: results as at 31.03.2020	28.04.2020
2019 Ordinary General Meeting	13.05.2020
Payment of the dividend for the 2019 financial year[1]	
Coupon	N°35
Ex-date[2]	18.05.2020
Record date[3]	19.05.2020
Dividend payment date	As from 20.05.2020
Half-year Financial Report: results as at 30.06.2020	30.07.2020
Quarterly information: results as at 30.09.2020	19.11.2020
Annual press release: results as at 31.12.2020	11.02.2021

1 Subject to approval by the Ordinary General Meeting of 13.05.2020.
2 Date from which the stock exchange trading takes place without any entitlement to the future dividend payment.
3 Date on which positions are recorded in order to identify shareholders entitled to the dividend.

Sionsberg medical office building
– Dokkum (NL)

EPRA PERFORMANCE INDICATORS

Definition		31.12.2019 (x 1,000 EUR)	31.12.2019 EUR/share	31.12.2018 (x 1,000 EUR)	31.12.2018 EUR/share
1 EPRA Earnings	Current result from strategic operational activities	166,498	6.81	145,004	6.55
EPRA Diluted earnings	Diluted current result from strategic operational activities taking into account financial instruments with a potentially dilutive impact at the balance sheet date.	166,498	6.80	145,004	6.54
2 EPRA NAV	Net Asset Value (NAV) adjusted to include the investment properties at their fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.	2,599,971	100.69	2,177,238	94.76
3 EPRA NNNAV	EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debt and (iii) deferred taxes.	2,519,367	97.56	2,124,801	92.48

Definition		31.12.2019 in%	31.12.2018 in%
4 (i) EPRA Net Initial Yield (NIY)	Annualised gross rental income based on the passing rents at the closing date, less property charges, divided by the market value of the portfolio, increased with estimated transaction costs resulting from the hypothetical disposal of investment properties.	5.63%	5.62%
(ii) EPRA 'Topped-up' NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods and other incentives.	5.63%	5.69%
5 EPRA Vacancy rate	Estimated Rental Value (ERV) of vacant space divided by the ERV of the total portfolio.	3.04%	4.30%
6 EPRA Cost ratio (direct vacancy costs included)	Administrative/operational expenses per IFRS income statement, including the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.	22.16%	23.22%
7 EPRA Cost ratio (direct vacancy costs excluded)	Administrative/operational expenses per IFRS income statement, less the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.	17.97%	19.07%

1 These data are not compulsory according to the RREC regulation and are not subject to verification by public authorities. The auditor verified whether the EPRA earnings, EPRA VAN, EPRA NNNAV and EPRA cost ratios are calculated according to the definitions included in the 'EPRA Best Practice Recommendations' and whether the financial data used in the calculation of these figures comply with the accounting data included in the audited consolidated financial statements.

EPRA EARNINGS & EPRA EARNINGS PER SHARE[1]

(x 1,000 EUR)	2019	2018
Net earnings per financial statements	**204,615**	**145,613**
Adjustments to calculate EPRA Earnings, to exclude:	**-38,117**	**-609**
(i) Changes in fair value of investment properties and assets held for sale	-65,294	8,260
Changes in fair value of investment properties	-79,069	6,259
Writeback of rents earned but not expired (other result on portfolio)	3,935	2,600
Others (other result on portfolio)	9,840	-599
(ii) Gains or losses on disposal of investment properties and other non-financial assets	-12,394	-28,436
(v) Goodwill impairment (other result on the portfolio)	14,609	13,600
(vi) Changes in fair value of financial instruments	23,765	3,013
(vii) Costs & interest on acquisitions and joint ventures	0	0
(viii) Deferred taxes in respect of EPRA adjustments (other result on the portfolio)	744	2,222
(ix) Adjustments related to joint ventures	-143	-377
(x) Minority interests in respect of the above adjustments	595	1,109
EPRA Earnings	**166,498**	**145,004**
Number of shares	24,456,099	22,133,963
EPRA Earnings per share (in EUR/share)	**6.81**	**6.55**
EPRA diluted result[2]	**166,498**	**145,004**
Diluted number of shares	24,480,169	22,156,613
EPRA diluted result per share (in EUR/share)	**6.80**	**6.54**

EPRA NET ASSET VALUE (NAV)

(x 1,000 EUR)	2019	2018
NAV per financial statements	**2,451,335**	**2,082,130**
NAV per share per financial statements (in EUR)	**95.02**	**90.71**
Effect of the exercise of options, convertible debts or other equity instruments	0	0
Diluted NAV, after the exercise of options, convertible debts and other equity instruments	**2,451,335**	**2,082,130**
To include:		
(i) Revaluation at fair value of finance lease receivables	78,349	50,495
To exclude:		
(i) Fair value of the financial instruments	70,995	48,982
(ii) Deferred taxes	42,807	41,590
(iii) Goodwill as a result of deferred taxes	-43,515	-45,960
EPRA NAV[3]	**2,599,971**	**2,177,238**
Number of shares	25,822,662	22,975,551
EPRA NAV per share (in EUR/share)	**100.69**	**94.76**

EPRA TRIPLE NET ASSET VALUE (NNNAV)

(x 1,000 EUR)	2019	2018
EPRA NAV	**2,599,971**	**2,177,238**
To include:		
(i) Fair value of the financial instruments	-70,995	-48,982
(ii) Fair value of debt	-10,317	-7,825
(iii) Deferred taxes	708	4,370
EPRA NNNAV[4]	**2,519,367**	**2,124,801**
Number of shares	25,822,662	22,975,551
EPRA NNNAV per share (in EUR/share)	**97.56**	**92.48**

1 The summary and the comments on the consolidated income statements are on page 70 to 74 of the current Document.
2 In accordance with the 'EPRA *Best Practices Recommendations*', the MCB issued in 2011 and the convertible bonds issued in 2016 being accretive as at 31.12.2019 and 31.12.2018, they have not been taken into account in the calculation of the EPRA diluted result on these dates.
3 In accordance with the EPRA *Best Practices Recommendations*, the MCB issued in 2011 and the convertible bonds issued in 2016 being accretive as at 31.12.2019 and 31.12.2018, they have not been taken into account in the calculation of the EPRA NPV on these dates.
4 In accordance with the EPRA *Best Practices Recommendations*, the MCB issued in 2011 and the convertible bonds issued in 2016 being accretive as at 31.12.2019 and 31.12.2018, they have not been taken into account in the calculation of the EPRA NNNAV on these dates.

EPRA NET INITIAL YIELD (NIY) AND EPRA 'TOPPED-UP' NIY[1]

(x 1,000,000 EUR)	2019									
	Healthcare real estate					Offices	Property of distribution network			TOTAL
	Belgium	France	Netherlands	Germany	Spain		Belgium	Netherlands	France	
Investment properties at fair value	1,213.6	380.4	289.8	492.6	11.2	1,297.8	294.9	141.1	126.0	4,247.3
Assets held for sale	-	-	-	-	-	-28.8	-	-	-	-28.8
Development projects	-1.0	-	-16.9	-0.7	-11.2	-91.9	-	-	-	-121.6
Properties available for lease	**1,212.5**	**380.4**	**272.9**	**491.9**	**-**	**1,177.2**	**294.9**	**141.1**	**126.0**	**4,096.9**
Estimated transaction costs and rights at the hypothetical disposal of investment property	30.3	26.1	13.4	27.6	-	29.4	32.3	8.5	8.7	176.4
Gross up completed property portfolio valutation	**1,242.9**	**406.5**	**286.2**	**519.5**	**-**	**1,206.7**	**327.2**	**149.5**	**134.7**	**4,273.3**
Annualised gross rental income	66.5	25.9	16.9	29.8	-	78.7	19.8	10.0	8.1	255.7
Property charges	-	-0.2	-1.4	-1.7	-	-10.3	-0.8	-0.5	-0.2	-15.0
Annualised net rental income	**66.5**	**25.8**	**15.5**	**28.2**	**-**	**68.4**	**18.9**	**9.6**	**7.9**	**240.8**
Rent-free periods expiring within 12 months and other lease incentives	-	-	-	-	-	-	-	-	-	-
Topped-up annualised net rental incomes	**66.5**	**25.8**	**15.5**	**28.2**	**-**	**68.4**	**18.9**	**9.6**	**7.9**	**240.8**
EPRA NIY	**5.35%**	**6.34%**	**5.40%**	**5.42%**	**-**	**5.67%**	**5.79%**	**6.41%**	**5.87%**	**5.63%**
EPRA Topped-up NIY	**5.35%**	**6.34%**	**5.40%**	**5.42%**	**-**	**5.67%**	**5.79%**	**6.41%**	**5.87%**	**5.63%**

EPRA VACANCY RATE[2]

(x 1,000 EUR)	2019									
	Healthcare real estate					Offices	Property of distribution networks			TOTAL
	Belgium	France	Netherlands	Germany	Spain		Belgium	Netherlands	France	
Rental space (in m²)	487,912	209,771	133,882	241,902	-	505,564	284,979	42,866	57,909	1,964,785
ERV[3] of vacant space	-	150	72	-	-	7,359	121	31	171	7,904
ERV[3] of the total portfolio	65,508	29,545	16,690	29,847	-	82,121	19,637	8,386	8,005	259,739
EPRA Vacancy rate	**0.00%**	**0.51%**	**0.43%**	**0.00%**	**0.00%**	**8.96%**	**0.62%**	**0.37%**	**2.13%**	**3.04%**

1 For more infomation on the segment information, refer to Note 5.
2 For more details on the rental vacancy rate, see page 62 of this Document.
3 ERV = Estimated Rental Value.

2018									
Healthcare real estate					Offices[1]	Property of distribution networks			TOTAL
Belgium	France	Netherlands	Germany	Spain		Belgium	Netherlands	France	
879.6	394.2	210.4	397.4	-	1,285.5	292.0	142.1	126.6	3,727.9
-	-	-	-	-	-33.7	-	-	-	-33.7
-13.1	-	-7.0	-	-	-83.7	-	-	-	-103.8
866.4	**394.2**	**203.4**	**397.4**	**-**	**1,168.2**	**292.0**	**142.1**	**126.6**	**3,590.4**
21.7	27.0	8.5	22.9	-	29.2	32.0	8.5	8.8	158.6
888.1	**421.2**	**211.9**	**420.3**	**-**	**1,197.4**	**324.1**	**150.6**	**135.4**	**3,749.0**
52.8	25.9	13.8	24.2	-	77.9	19.8	10.0	7.9	232.3
-0.1	-0.2	-1.3	-0.6	-	-17.6	-0.7	-0.6	-0.3	-21.5
52.7	**25.7**	**12.4**	**23.6**	**-**	**60.2**	**19.1**	**9.5**	**7.6**	**210.8**
0.1	-	0.1	0.3	-	2.1	-	-	-	2.6
52.8	**25.7**	**12.5**	**23.9**	**-**	**62.4**	**19.1**	**9.5**	**7.6**	**213.4**
5.94%	**6.10%**	**5.87%**	**5.62%**	**-**	**5.03%**	**5.89%**	**6.30%**	**5.61%**	**5.62%**
5.95%	**6.10%**	**5.87%**	**5.70%**	**-**	**5.21%**	**5.89%**	**6.30%**	**5.61%**	**5.69%**

EPRA EVOLUTION OF GROSS RENTAL INCOME[2]

(x 1,000 EUR)	2018	2019					
Segment	Gross Rental income[3]	Gross rental income – at comparable scope vs. 2018	Acquisitions	Disposals	Other	Regularisation of rental income related to previous periods	Gross rental income[3] - at current scope
Healthcare real estate	**108,165**	**109,781**	**20,803**	**-1,818**	**-**	**-**	**128,765**
Healthcare real estate Belgium	52,180	53,210	7,665	-966	-	-	59,909
Healthcare real estate France	25,923	26,004	445	-15	-	-	26,434
Healthcare real estate Netherlands	12,769	12,953	3,160	-838	-	-	15,276
Healthcare real estate Germany	17,293	17,613	9,533	-	-	-	27,147
Healthcare real estate Spain	-	-	-	-	-	-	-
Offices[1]	**79,698**	**82,059**	**1,154**	**-2,944**	**-451**	**-**	**79,818**
Property of distribution networks	**37,393**	**38,006**	**14**	**-312**	**-**	**-**	**37,709**
Pubstone Belgium	19,805	20,107	14	-281	-	-	19,840
Pubstone Netherlands	9,843	9,972	-	-22	-	-	9,949
Cofinimur I	7,744	7,927	-	-8	-	-	7,919
TOTAL PORTFOLIO	**225,256**	**229,846**	**21,971**	**-5,074**	**-451**	**-**	**246,292**

1 The 'Other' segment was transferred to the 'Offices' segment as at 01.01.2019

2 It concerns the year-to-year variations (indexations, new locations, departures and renegotiations) of gross rental income, excluding the variations linked to changes in scope (major renovations, acquisitions and sales) occurred during the financial period.

3 Including writeback of lease payments sold and discounted.

INVESTMENT PROPERTIES RENTAL DATA[1]

(x 1,000 EUR)	2019					
Segment	Gross rental income for the period[2]	Net rental income for the period	Available rental space (in m²)	Passing rent at the end of the period	ERV[3] at the end of the period	Vacancy rate at the end of the period
Healthcare real estate	**128,765**	**129,051**	**1,073,466**	**139,141**	**141,590**	**0.16%**
Healthcare real estate Belgium	59,909	59,739	487,912	66,471	65,508	0.00%
Healthcare real estate France	26,434	26,434	209,771	25,931	29,545	0.51%
Healthcare real estate Netherlands	15,276	15,783	133,882	16,891	16,690	0.43%
Healthcare real estate Germany	27,147	27,095	241,902	29,847	29,847	0.00%
Healthcare real estate Spain	-	-	-	-	-	-
Offices[4]	**79,818**	**74,960**	**505,564**	**78,713**	**82,121**	**8.96%**
Property of distribution networks	**37,709**	**37,997**	**385,754**	**37,895**	**36,028**	**0.90%**
Pubstone Belgium	19,840	19,954	284,979	19,760	19,637	0.62%
Pubstone Netherlands	9,949	9,949	42,866	10,043	8,386	0.37%
Cofinimur I	7,919	8,093	57,909	8,093	8,005	2.13%
TOTAL PORTFOLIO	**246,292**	**242,008**	**1,964,785**	**255,749**	**259,739**	**3.04%**

INVESTMENT PROPERTIES VALUATION DATA[5]

(x 1,000 EUR)	2019			
Segment	Fair value of the portfolio	Changes in fair value over the period	EPRA Net Initial Yield	Changes in fair value over the period
Healthcare real estate	**2,357.723**	**46,357**	**5.53%**	**2.01%**
Healthcare real estate Belgium	1,212.543	46,770	5.35%	4.01%
Healthcare real estate France	380,410	-11,691	6.34%	-2.98%
Healthcare real estate Netherlands	272,870	11,619	5.40%	4.45%
Healthcare real estate Germany	491,900	-342	5.42%	-0.07%
Healthcare real estate Spain	-	-	-	-
Offices[4]	**1,177.227**	**9,152**	**5.67%**	**0.78%**
Property of distribution networks	**561,932**	**2,617**	**5.96%**	**0.47%**
Pubstone Belgium	294,899	1,941	5.79%	0.66%
Pubstone Netherlands	141,073	755	6.41%	0.54%
Cofinimur I	125,960	-79	5.87%	-0.06%
TOTAL PORTFOLIO	**4,096.882**	**58,126**	**5.63%**	**1.44%**

RECONCILIATION WITH IFRS CONSOLIDATED INCOME STATEMENT

Investment properties under development	121,640	20,944		
Assets held for sale	28,764	-		
TOTAL	**4,247,287**	**79,069**		

1 For more details on the rental data, refer to the property report (pages 86 to 101).
2 Including writeback of lease payments sold and discounted.
3 ERV = Estimated Rental Value.
4 The 'Other' segment was transferred to the 'Offices' segment as at 01.01.2019.
5 For more details on the valuation data, see the property report (pages 86 to 101) and the management report (pages 20 to 85).

2018					
Gross rental income for the period[2]	Net rental income for the period	Available rental space (in m²)	Passing rent at the end of the period	ERV[3] at the end of the period	Vacancy rate at the end of the period
108,165	**107,094**	**894,996**	**116,721**	**118,655**	**0.10%**
52,180	52,011	392,488	52,822	51,209	0.00%
25,923	25,923	211,564	25,915	30,027	0.00%
12,769	11,902	98,014	13,760	13,193	0.92%
17,293	17,258	192,930	24,225	24,225	0.00%
-	-	-	-	-	-
79,698	**75,600**	**524,237**	**77,853**	**83,810**	**11.41%**
37,393	**37,395**	**395,044**	**37,747**	**35,812**	**1.56%**
19,805	19,810	291,908	19,798	19,202	1.00%
9,843	9,843	44,822	10,036	8,502	1.62%
7,744	7,741	58,314	7,913	8,109	2.84%
225,256	**220,088**	**1,814,278**	**232,321**	**238,278**	**4.30%**

2018			
Fair value of the portfolio	Changes in fair value over the period	EPRA Net Initial Yield	Changes in fair value over the period
1,861.465	**8,055**	**5.89%**	**0.43%**
866,435	12,676	5.94%	1.48%
394,230	-7,510	6.10%	-1.87%
203,400	10,215	5.87%	5.29%
397,400	-7,326	5.62%	-1.81%
-	-	-	-
1,168.159	**307**	**5.03%**	**0.03%**
560,742	**6,742**	**5.93%**	**1.22%**
292,016	3,861	5.89%	1.34%
142,101	2,555	6.30%	1.83%
126,625	326	5.61%	0.26%
3,590.365	**15,104**	**5.62%**	**0.42%**

103,836	-15,619		
33,663	-5,744		
3,727,865	**-6,259**		

INVESTMENT PROPERTIES LEASE DATA

(x 1,000 EUR)	Figures depending on the lease ends							
	Average lease length (in years)		Passing rents of the leases maturing in			ERV [1] of the leases maturing in		
	Until the break[2]	Until the end of the lease	Year 1	Year 2	Years 3-5	Year 1	Year 2	Years 3-5
Healthcare real estate	**16.0**	**16.2**	**9,604**	**4,074**	**8,398**	**12,604**	**3,780**	**8,113**
Healthcare real estate Belgium	18.8	18.8	-	-	15	-	-	8
Healthcare real estate France	3.5	4.1	9,519	3,050	4,848	12,525	2,890	4,800
Healthcare real estate Netherlands	10.7	11.2	76	967	2,659	70	833	2,430
Healthcare real estate Germany	23.7	23.7	9	57	875	9	57	875
Healthcare real estate Spain	-	-	-	-	-	-	-	-
Offices[3]	**3.9**	**4.9**	**7,190**	**6,270**	**32,353**	**6,853**	**5,951**	**30,426**
Property of distribution networks	**12.3**	**12.3**	**2,948**	**-**	**4,826**	**2,801**	**-**	**4,758**
Pubstone Belgium	14.8	14.8	-	-	-	-	-	-
Pubstone Netherlands	14.8	14.8	-	-	-	-	-	-
Cofinimur I	2.9	3.1	2,948	-	4,826	2,801	-	4,758
TOTAL PORTFOLIO	11.7	12.1	19,742	10,344	45,578	22,258	9,731	43,296

(x 1,000 EUR)	Lease figures according to their revision date (break)					
	Passing rents of the leases subject to revision in			ERV[1] of the leases subject to revision in		
	Year 1	Year 2	Years 3-5	Year 1	Year 2	Years 3-5
Healthcare real estate	**9,643**	**5,883**	**9,049**	**12,641**	**5,250**	**8,642**
Healthcare real estate Belgium	-	-	15	-	-	8
Healthcare real estate France	9,519	4,833	5,441	12,525	4,335	5,267
Healthcare real estate Netherlands	115	993	2,718	107	858	2,491
Healthcare real estate Germany	9	57	875	9	57	875
Healthcare real estate Spain	-	-	-	-	-	-
Offices[3]	**10,045**	**11,168**	**38,516**	**9,338**	**10,578**	**36,666**
Property of distribution networks	**2,968**	**37**	**4,782**	**2,822**	**37**	**4,698**
Pubstone Belgium	-	-	-	-	-	-
Pubstone Netherlands	-	-	-	-	-	-
Cofinimur I	2,968	37	4,782	2,822	37	4,698
TOTAL PORTFOLIO	22,656	17,088	52,347	24,800	15,865	50,005

1 ERV = Estimated Rental Value.
2 First break option for the tenant.
3 The 'Other' segment was transferred to the 'Offices' segment as at 01.01.2019.

EPRA COST RATIOS

(x 1,000 EUR)		2019	2018
(i)	**Administrative/operational expenses per income statement**	**-52,663**	**-50,004**
	Cost of rent-free periods	-4,483	-3,839
	Charges and taxes not recovered from the tenant on let properties	-6,392	-5,891
	Net redecoration expenses	-1,001	-2,468
	Technical costs	-5,939	-6,421
	Commercial costs	-1,808	-1,791
	Taxes and charges on unlet properties	-3,579	-4,489
	Property management costs or Corporate management costs	-29,460	-25,104
(v)	**Share of joint venture expenses**	**-37**	**-109**
	EPRA COST RATIO (DIRECT VACANCY COSTS INCLUDED) (A)	**-52,699**	**-50,113**
(ix)	**Direct vacancy costs**	**9,971**	**8,961**
	EPRA COSTS (DIRECT VACANCY COSTS EXCLUDED) (B)	**-42,729**	**-41,152**
(x)	**Gross rental income less ground rent costs**	**237,085**	**215,112**
(xii)	**Share of joint venture gross rental income**	**713**	**696**
	Gross rental income (C)	**237,797**	**215,808**
	EPRA cost ratio (direct vacancy costs included) (A/C)	**22.16%**	**23.22%**
	EPRA cost ratio (direct vacancy costs excluded) (B/C)	**17.97%**	**19.07%**
	Overhead and operational expenses capitalised (including share of joint ventures)	1,380	1,364

Cofinimmo capitalises overhead costs and operational expenses (legal fees, project management fees, capitalised interests, etc.) directly linked to development projects.

DEVELOPMENT PROJECTS

In the course of 2019, Cofinimmo has done multiple renovation works. For more details on ongoing and future works, see page 17 of chapter 'Healthcare real estate', page 44 of chapter 'Property of distribution networks', and page 50 of chapter 'Offices'.

Corporate governance statement[1]

With respect to corporate governance, Cofinimmo seeks to maintain the highest standards and continuously reassesses its methods in relation to the principles, practices and requirements of the field

On 15.01.2020, the Extraordinary General Meeting of Cofinimmo approved statutory amendments following the entry into force on 01.01.2020 of the Code of Companies and Associations (CSA), which replaces the Company Code. In particular, Cofinimmo has opted for a one-tier governance structure, as provided for in articles 7:85 et seq. of the CSA. Following the abolition of the Management Committee (within the meaning of Article 524bis of the Company Code), the Board of Directors has delegated certain special powers to an Executive Committee, composed of members who may or may not be Directors. The members of this Executive Committee are currently the same as those of the former Management Committee. In addition, the Board of Directors has entrusted the day-to-day management of the Company to each of the members of this Executive Committee, acting together, and whose creation and existence is provided for in article 13 of the new Articles of Association. From 15.01.2020, the 'Management Committee' is replaced by the 'Executive Committee'.

REFERENCE CODE AND CORPORATE GOVERNANCE CHARTER

This corporate governance statement is included in the provisions of the 2009 Belgian Corporate Governance Code ('2009 Code'), the 2020 Belgian Corporate Governance Code ('2020 Code') mandatory for financial years beginning on or after 01.01.2020. These Codes are available at www.corporategovernancecommittee.be.

As at 31.12.2019, the Board of Directors states that, to its knowledge, its corporate governance practice is fully compliant with the '2009 Code'. The Company has taken steps to abide by the '2020 Code'. The Corporate Governance Charter, which provides thorough information on the governance rules applicable within the Company, can be consulted on the Cofinimmo website (www.cofinimmo.com). It was adapted on 15.01.2020 to take account, on the one hand, of the entry into force on 01.01.2020 of the CSA and the '2020 Code' and, on the other hand, of the resulting amendments to the Articles of Association following the Extraordinary General Meeting of 15.01.2020.

INTERNAL CONTROL AND RISK MANAGEMENT

Cofinimmo has implemented a risk management and internal control process in accordance with the rules of Corporate Governance and the laws applicable to public Regulated Real Estate Companies.

To do so, the Group selected the Enterprise Risk Management (ERM) model developed by COSO (Committee of Sponsoring Organisations of the Treadway Commission - www.coso.org) as framework. COSO is a private sector organisation. Its goal is to promote quality improvements in financial and non-financial reporting through the application of business ethics rules, an effective internal control system and enterprise governance rules.

Sionsberg medical office building – Dokkum (NL)

1 This chapter forms an integral part of the statutory and consolidated management report.

The ERM model consists of the following components:

- the internal environment;
- the identification of objectives and risk appetite;
- identification, analysis and risk management;
- control activities;
- information and internal communication;
- surveillance and monitoring.

THE INTERNAL ENVIRONMENT

The concept of internal environment includes the vision, integrity, ethical values, personal skills and the way in which the Executive Committee assigns authority and responsibilities and organises and trains its staff, all under the control of the Board of Directors.

The business culture of the company incorporates risk management at various levels based on:

- corporate governance rules and the existence of an Audit Committee, a Nomination, Remuneration and Corporate Governance Committee entirely composed of Independent Directors as meant by Article 7:87 §1 of the CSA and the '2020 Code', an Internal Auditor, a Risk Manager, a Management Controller and a Compliance Officer;
- the integration within the Executive Committee of the notion of risk for any investment, transaction and commitment which may have a significant impact on the company's objectives;
- the existence of a Code of Conduct dealing with conflicts of interest, professional secrecy, rules governing the buying and selling of shares, prevention of misuse of corporate funds, acceptance of business gifts, communication, respect for individuals and a whistleblowing procedure, that are part of the Corporate Governance Charter;
- respect of the task separation principles and the application of rules regarding the delegation of powers clearly established at all levels of the group;
- the application of strict criteria for human resources management, particularly with respect to selection, staff recruitment rules, training policy, periodic performance assessment procedures and identification of annual targets;
- the existence of a Sustainability Committee whose mission is to identify and continuously evaluate all elements that can improve the sustainability strategy. It is composed on the one hand of representatives of the departments directly involved in the real estate management of the Group's assets and on the other hand, supporting departments such as the legal, communication and human resources departments;
- the monitoring of procedures and the formalisation of processes;
- an updated disaster recovery plan.

External players are also involved in this risk control environment. They include, in particular, the Financial Services and Markets Authority (FSMA), company auditors, legal consultants, independent real estate valuers, financial institutions, rating agencies, financial analysts and shareholders.

THE IDENTIFICATION OF OBJECTIVES AND RISK APPETITE

Cofinimmo's strategy is defined every two years by the Board of Directors based on a proposal from the Executive Committee, taking into account the sustainability topics proposed by the Sustainability Committee. It is then translated into operational, compliance and reporting objectives. These apply to all of the Company's operating levels, from the most global level to their implementation in the functional units.

A budget, which translates the Company's objectives into figures, is determined annually and reviewed every quarter. It includes forecast revenue items such as rents for the year as well as costs linked to the management and development of the property portfolio and financial costs linked to the business financing structure. The budget is validated by the Executive Committee then submitted to the Board of Directors for approval.

IDENTIFICATION, ANALYSIS AND MANAGEMENT OF RISKS

This point includes the identification of risk events, their analysis and the measures taken to address them in an effective manner.

An overall in-depth risk analysis of the Company is carried out periodically in collaboration with all levels of the organisation, each for its respective area of competence. The analysis is carried out on the basis of the strategic choices, legal constraints and the environment within which the Company operates, including risks related to sustainability, such as the impact of climate change on the Company's activities. It begins with the identification of potential risks, their probability of occurrence and their impact on objectives viewed from different angles: risks relating to Cofinimmo's activities and its business segments, risks relating to Cofinimmo's financial situation, legal and regulatory risks, risks relating to internal control, environmental, social and governance risks. The analysis is then formalised in a document presented and discussed at an Executive Committee meeting. It is updated throughout the year according to the evolution of business activities and new commitments, taking into account the lessons of the past. Moreover, as part of the major risks analysis, this document is presented once a year to the Audit Committee, which will use it, among other things, to decide on the audit assignments entrusted to the Internal Auditor.

Furthermore, each major project undergoes a specific risk analysis based on an organised framework to improve the quality of information used in the decision-making process.

CONTROL ACTIVITIES

Controls are implemented in the various departments in response to the risks identified:

- at financial level: the differences between the estimated budget and the result achieved are reviewed quarterly by the Executive Committee, the Audit Committee and the Board of Directors;
- at credit risk level: the solvency of the most important clients without a financial rating is analysed at different key points in time by the financial department. The amounts and validity of the rental guarantees established by all of the tenants are checked quarterly by the operational teams;
- at rental level: half-yearly analysis of the rental vacancy, the lease terms and the risks and opportunities in terms of rental income;
- at accounting level: the use of an ERP application (Enterprise Resource Planning, that is, an integrated management software package), namely SAP, includes a number of automatic checks. SAP covers all accounting and financial aspects, as well as all data related to the real estate business (i.e. monitoring of rental contracts, rent invoices, statements of charges, orders, purchases, work site budget monitoring, etc.);
- at treasury level: the use of a range of financing sources and financial institutions and the spreading of maturities limit the risk of refinancing concentration;

- interest rate risk is limited by the application of a hedging policy;
- the use of cash flow software facilitates the day-to-day monitoring of cash flow positions and cash-pooling operations;
- the dual signature principle is applied within the limits of delegations of power for commitments to third parties, whether this involves asset acquisitions, rental transactions, orders of any type, approvals of invoices or payments;
- the use of workflow software at the different stages of the business activity (leasing) strengthens the controls at key stages of the process;
- the register and movements of COFB registered shares are integrated in a secure IT application (Capitrack programme), developed and supplied by Belgium's central depository Euroclear.

INFORMATION AND INTERNAL COMMUNICATION

Information and communication between the various levels of the Company and the information they disseminate is based on work meetings and on reporting:

- the Management Report, established quarterly by the Controlling department, details the situation of the income statement and the balance sheet, the key performance indicators, the acquisitions/sales situation and their impact on the results. It also includes an inventory of assets, project progress and cash flow positions. It is distributed to the management, the heads of department and key individuals. It is discussed by the Executive Committee, the Audit Committee and the Board of Directors;
- each department also prepares periodically specific reports about its own activities;
- the Executive Committee meets weekly to systematically review important issues dealing with the company's operations and business and to discuss in more detail property investments and divestments, construction and rental matters. A report is created for each meeting with, if necessary, an action plan for the implementation of the decisions taken at the meeting.

SURVEILLANCE AND MONITORING

A closing is prepared each quarter using the same procedures as for the end of the financial year. On this occasion, consolidated accounts are established. Key indicators are calculated and analysed. The data is collected in the Management Report referred to in the point above. All of this data is discussed and analysed by the Executive Committee, the Audit Committee and the Board of Directors.

Each department also collects relevant information at its own level which is analysed quarterly and compared to the objectives set for the year. During the course of the year, the Executive Committee regularly invites each head of department to present an update on the evolution of their specific business activities.

Additionally, the assignments of the Internal Auditor cover various procedures. The results of the audits are submitted to the Audit Committee, which ensures implementation of the recommendations, and to the Board of Directors.

SHAREHOLDING 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 closing date of this Document, Cofinimmo has not received any transparency declaration presenting a situation subsequent to that of 18.02.2020. According to the Euronext definition, the free float is 95%.

This table presents the situation based on the transparency declarations received under the Law of 02.05.2007. Any changes notified since 31.12.2019 have been published according to the provisions of the above-mentioned law and can be consulted on the company's website www.cofinimmo.com.

The Board of Directors declares that the shareholders listed do not have different voting rights.

Company	%
Always Care-Ion	5.5%
BlackRock	5.4%
Cofinimmo Group[1]	0.2%
Others < 5%	88.9%
TOTAL	100.0%

1 The voting rights attached to the treasury shares have been suspended.

DIVERSITY POLICY

RESPECT FOR DIFFERENCES AND CULTURAL DIVERSITY

Cofinimmo firmly believes in the appeal of diversity (cultural, generational, linguistic, gender, etc.) for both the company and the community. Equal opportunities are a fundamental value of democracies.

For more than ten years, Cofinimmo has been granted the 'Diversity Label' which rewards initiatives in the field of recruitment, staff management and external positioning.

The main goal of governance is to achieve quality, development and sustainability. The highest degree of management quality can be achieved through, among other things, diversity.

DIVERSITY ON THE BOARD OF DIRECTORS AND ITS COMMITTEES

Diversity on the Board of Directors is not only demonstrated by the high proportion of women, but also by the presence of three different nationalities and a variety of backgrounds. This selection within the Board and its Committees enables the company to broaden its knowledge of the different countries and market segments in which it operates. Furthermore, the significant presence of women at Cofinimmo has been confirmed by several studies on gender diversity in the governance bodies of Belgian companies. By way of example, the study carried out on gender diversity in corporate governance bodies by the organisation 'European Women On Board', the results of which were published in the newspaper l'Echo on 15.01.2020, indicates that Cofinimmo is the only Belgian company present in the European top 20 of its 'Gender Diversity Index' (in 11th place). On a global scale, Cofinimmo is also among the best in class. After a survey conducted among more than 3,500 companies worldwide, the Equileap organisation has included Cofinimmo in the top 100 of its 2019 ranking, in 75th place.

DIVERSITY WITHIN THE MANAGEMENT

For many years, the majority of the group's employees have been female and many of them have a management role. In total, 54% percent of managers are women, a proportion that demonstrates the equity with which the management team is organised. All the female managers perform this role in several teams of the Finance and Legal departments.

All employees are offered flexibility in the organisation of their working life, which is mostly used by women but is increasingly being used by male employees. The potential for development and growth within Cofinimmo remains unchanged for women returning from maternity leave, as promotions are based on the recognition of talent and skills, regardless of their origin.

DIVERSITY AMONG EMPLOYEES

Diversity management is an integral part of human resources management. Equity, also demonstrated by the regular renewal of the company's 'Investors in People' accreditation, is sought in every area and at all levels: access to training, coaching and stress management, skills transfer, career management, etc.

Cofinimmo is one of the few Belgian real estate companies where there is such a significant presence of women. Furthermore, employees have varied cultural origins and educational backgrounds, which stimulates internal creativity and enhances team performance. Generational diversity, in turn, helps bring together experience and innovation, and in this way of finding reproducible solutions.

ACHIEVEMENTS IN 2019

Recruitment

In 2019, Cofinimmo recruited 14 new colleagues in Belgium and one in France. Among these, four people have more than 50 years. The company's outlook on talent aims to be diverse and open to all types of profiles. The company's performance in terms of sensitive ratios (age, origin, etc.) continues to be a focus for the human resources department.

Staff management

Cofinimmo presents the Diversity Charter, which is an integral part of the 'Welcome pack', to all new employees on their first day.

Communication

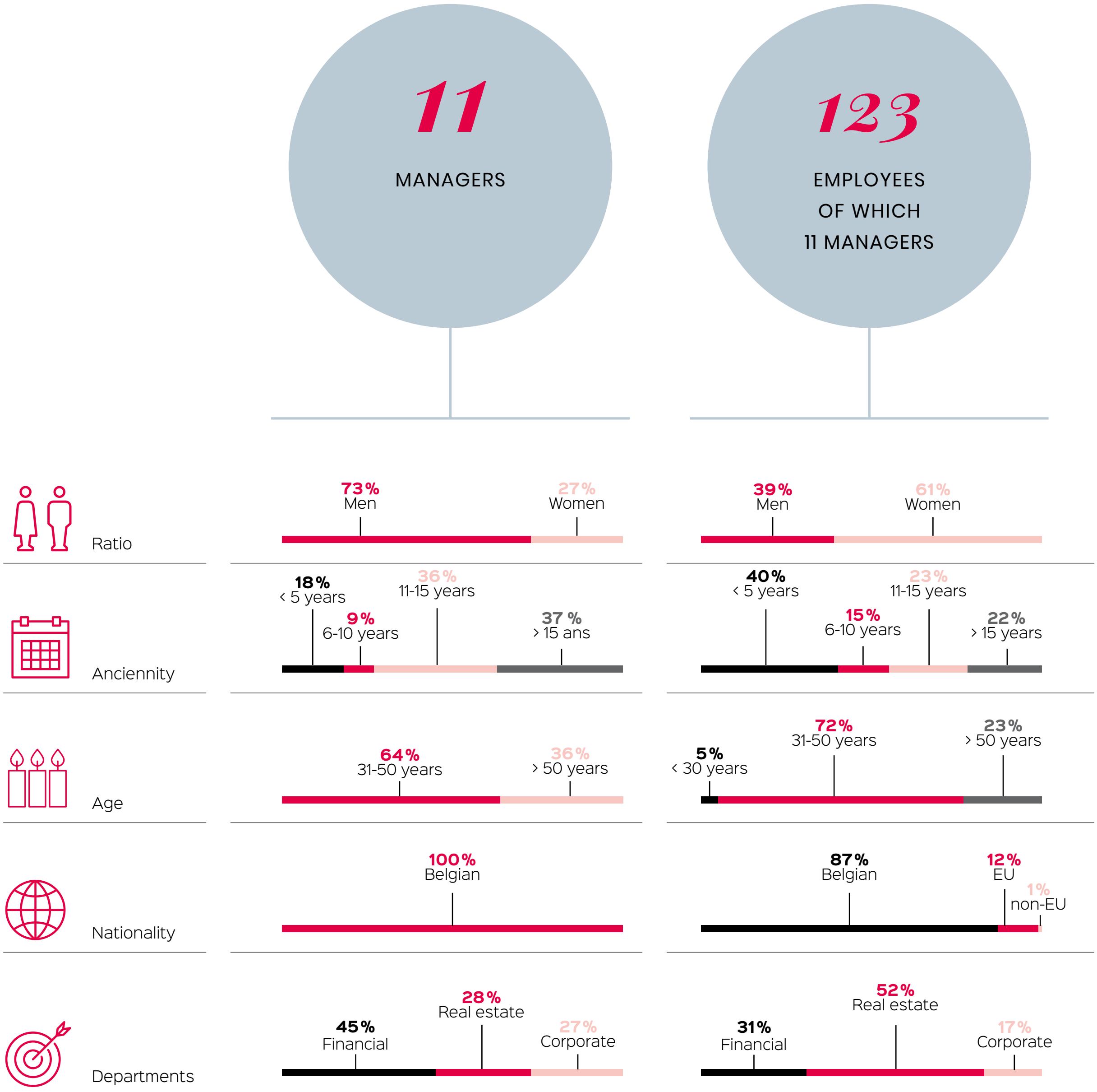
Today, the company's external communication regarding its commitment to diversity occurs mainly through documents such as the Universal Registration Document, the Sustainability Report and the website.

At the same time, Cofinimmo pays specific attention to internal communication by sharing a commitment to openness with all the stakeholders. Above all, the company is successful in creating among its employees a shared desire to commit to always performing better.

OBJECTIVES FOR 2020

- Pay attention to the ratio men/women.
- Focus on recruiting young people through a presence at university job days and the desire to offer traineeships to students during their studies.
- Examine other ways when recruiting a person with reduced mobility and hearing or visually impaired people, through contact with associations specialising in this area.

	Independent members/total	Ratio in%		Age in%		Internationalisation rate in%	Background in%			Average term of office
		Men	Women	31-50 year	> 50 year		Financial	Real estate	Corporate	
Board of Directors	9/12 (75%)	58%	42%	8%	92%	33%	25%	33%	42%	4 years
Executive Committee	-	60%	40%	60%	40%	-	20%	40%	40%	3 years
Audit Committee	3/3 (100%)	67%	33%	-	100%	33%	33%	33%	34%	5 years
Nomination, Remuneration and Corporate Governance Committee	4/4 (100%)	75%	25%	-	100%	50%	-	50%	50%	3 years



GOVERNANCE STRUCTURE

BOARD OF DIRECTORS
- Decides the company's strategic directions
- Actively oversees the quality of management and its compliance to strategy
- Examines the quality of the information given to investors and the public
- Incorporates sustainability proposals into the global strategy
- Provides the company's entrepreneurial leadership
- Monitors risks and opportunities related to climate change

COMPLIANCE OFFICER
- Ensures compliance with the Code of Conduct: conflicts of interest, incompatible mandates, compliance with company values, market abuse and manipulations
- Ensures compliance with all the legal and regulatory provisions in force

AUDIT COMMITTEE
- Assists the Board with respect to the independence of the auditor and with respect to:
  - the process of preparing financial and non-financial information
  - the effectiveness of the company's internal control and risk management mechanisms
  - the internal audit and its effectiveness
  - the legal audit of the annual and consolidated accounts

EXECUTIVE COMMITTEE
- Handles the company's day-to day management, under the chairmanship of the CEO
- Proposes the company's strategy to the Board
- Executes the strategy approved by the Board
- Approves the sustainability proposals submitted by the Sustainability Committee

NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE
- Advises and assists the Board for all questions relating to:
  - the composition of the Board, its committees and the Executive Committee
  - the selection, evaluation and appointment of members of the Board and the Executive Committee
  - the remuneration policy for the members of the Board and the Executive Committee
  - corporate governance

INTERNAL AUDITOR
- Carries out all verification tasks based on the Audit Committee's directives
- Reviews the reliability, consistency and integrity of information and operational procedures
- Reviews the systems implemented to ensure that the organisation complies with the rules, plans, procedures, laws and regulations which may have a significant impact on its operations

SUSTAINABILITY COMMITTEE
- Communicates the Group's achievements to all stakeholders under the chairmanship of the the Head of Corporate Social Responsibility, reporting directly to a member of the Executive Committee
- Evaluates and manages risks and opportunities related to climate change
- Proposes specific and economically reasonable measures to improve the environmental performance of the company, its portfolio and, by extension, the spaces occupied by its tenants
- Ensures that the group complies with legal, national and international environmental requirements
- Follows, in collaboration with the operational teams, the implementation in the field of the group's environmental strategy in all business segments
- Promotes dialogue with all stakeholders in order to determine where efforts must be made and to develop long-term partnerships which will increase the positive impact of the actions implemented

BOARD OF DIRECTORS

CURRENT COMPOSITION

According to the general principles governing the composition of the Board of Directors, as adopted on a proposal by the Nomination, Remuneration and Corporate Governance Committee, the Board currently comprises 12 Directors, including nine Non-Executive and independent as meant by Article 7:87 §1 of the CSA and the '2020 Code', and three Executive Directors (members of the Executive Committee).

Directors are appointed for a maximum of four years by the General Meeting and may be dismissed in the same way at any time, effective immediately and without cause. They are re-electable.

The independent Directors comply strictly with the independence criteria as set out in Article 7:87 §1 of the CSA and the '2020 Code'. The operating rules of the Board of Directors are stated in the Corporate Governance Charter.

The objective to achieve a ratio of at least one third of the members of the Board whose gender is different from that of the other members, in accordance with Article 7:86 of the CSA with regard to gender diversity in the Board of Directors, is met since 2016. The Board of Directors is indeed composed of five women and seven men, a mix ratio of 42%, far above of the one third set by law. Cofinimmo also sponsors the activities of the non-profit association 'Women on Board', which aims at promoting the presence of women in Boards of Directors. Françoise Roels, director and member of the Executive Committee, is one of the founding members of this non-profit organisation and has been its chair since May 2016. In this respect, Cofinimmo ranked first among Belgian companies in 2019 (see section 'Diversity within the Board of Directors and its Committees').

MR. JACQUES VAN RIJCKEVORSEL

Independent Director, Chairman of the Board of Directors and Chairman of the Nomination, Remuneration and Corporate Governance Committee

- **Gender:** M
- **Nationality:** Belgian
- **Year of birth:** 1950
- **Start of term:** 10.05.2017
- **Last renewal:** -/-
- **End of term:** 12.05.2021
- **Current position:** Chairman of the Board of Directors of Cliniques Universitaires Saint-Luc (UCL) (Avenue Hippocrate/Hippocrateslaan 10, 1200 Brussels)
- **Current mandates:** Cliniques Universitaires Saint-Luc, Duve Institute, N-Side, Fondation Médicale Reine Elisabeth, Comité de Gestion des Amis de l'Abbaye de la Cambre, Fondation Saint-Luc, Fondation Louvain, Louvain School of Management, Consultative Committee of ING Brussels, Capricorn Sustainable Chemistry Fund, Guberna
- **Previous mandates:** Solvay and several subsidiaries, CEFIC, Plastics Europe, Belgian-Luxembourg Chamber of Commerce for Russia and Belarus, Synergia Medical

MR. JEAN-PIERRE HANIN

Managing Director

- **Gender:** M
- **Nationality:** Belgian
- **Year of birth:** 1966
- **Start of term:** 09.05.2018
- **Last renewal:** -/-
- **End of term:** 11.05.2022
- **Current position:** Chief Executive Officer of Cofinimmo SA/NV (Boulevard de la Woluwe/Woluwedal 58, 1200 Brussels)
- **Current mandates:** various mandates in Cofinimmo Group subsidiaries
- **Previous mandates:** Lhoist Group

MR. JEAN KOTARAKOS

Executive Director

- **Gender:** M
- **Nationality:** Belgian
- **Year of birth:** 1973
- **Start of term:** 09.05.2018
- **Last renewal:** -/-
- **End of term:** 11.05.2022
- **Current position:** Chief Financial Officer of Cofinimmo SA/NV (Boulevard de la Woluwe/Woluwedal 58, 1200 Brussels)
- **Current mandates:** various mandates in Cofinimmo Group subsidiaries
- **Previous mandates:** Aedifica and various mandates in Aedifica Group subsidiaries

MRS. FRANÇOISE ROELS

Executive Director

- **Gender:** F
- **Nationality:** Belgian
- **Year of birth:** 1961
- **Start of term:** 27.04.2007
- **Last renewal:** 10.05.2017
- **End of term:** 12.05.2021
- **Current position:** Chief Corporate Affairs & Secretary General of Cofinimmo SA/NV (Boulevard de la Woluwe/Woluwedal 58, 1200 Brussels)
- **Current mandates:** several mandates in Cofinimmo Group subsidiaries, Guberna, EPRA Regulatory & Tax Committee, Women on Board ASBL/VZW, Aspria Holdings BV, PMH SA/NV, Domicilia NV
- **Previous mandates:** Euroclear Pension Fund

MRS. INÈS ARCHER-TOPER

Independent Director, member of the Audit Committee

- **Gender:** F
- **Nationality:** French
- **Year of birth:** 1957
- **Start of term:** 08.05.2013
- **Last renewal:** 10.05.2017
- **End of term:** 12.05.2021
- **Current position:** Partner of Edmond de Rothschild Corporate Finance SA (Rue du Faubourg Saint Honoré 47, 75401 Paris CEDEX 08, France)
- **Current mandates:** Aina Investment Fund (Luxembourg) and Orox Asset Management SA (Switzerland), two entities of Edmond de Rothschild Group, Gecina SA (France), Lapillus OPCI (France)
- **Previous mandates:** Segro PLC SA (United Kingdom), Axcior Immo and Axcior Corporate Finance SA (France)

MR. OLIVIER CHAPELLE

Independent Director, member of the Nomination, Remuneration and Corporate Governance Committee

- **Gender:** M
- **Nationality:** Belgian
- **Year of birth:** 1964
- **Start of term:** 11.05.2016
- **Last renewal:** -/-
- **End of term:** 13.05.2020
- **Current position:** Chief Executive Officer (CEO) of Recticel SA/NV (Avenue des Olympiades/ Olympiadelaan 2, 1040 Brussels)
- **Current mandates:** Guberna, Fédération des Entreprises Belges/ Verbond van Belgische Ondernemingen (FEB/VBO), Calyos SA/NV
- **Previous mandates:** Amcham, Essenscia

MR. XAVIER DE WALQUE

Independent Director, Chairman of the Audit Committee

- **Gender:** M
- **Nationality:** Belgian
- **Year of birth:** 1965
- **Start of term:** 24.04.2009
- **Last renewal:** 11.05.2016
- **End of term:** 13.05.2020
- **Current position:** member of the Executive Committee and Chief Financial Officer of Cobepa SA/NV (Rue de la Chancellerie/Kanselarijstraat 2/1, 1000 Brussels)
- **Current mandates:** several mandates in Cobepa Group subsidiaries (Cobepa North America, Cosylva, Financière Cronos, Puccini Partners, Ibel, Mascagna, Mosane, Sophielux 1, Sophinvest, Ulran, Lunch Time), JF Hillebrand AG, AG Insurance, Degroof Equity, DSDC
- **Previous mandates:** Cobepa Nederland, Guimard Finance, Cobib, Cobic, Cobsos, Groupement Financier Liégeois, Kanelium Invest, SGG Holdings, Sapec, Sophielux 2, Sofireal (now Cobid)

MR. MAURICE GAUCHOT

Independent Director, member of the Nomination, Remuneration and Corporate Governance Committee

- **Gender:** M
- **Nationality:** French
- **Year of birth:** 1952
- **Start of term:** 11.05.2016
- **Last renewal:** -/-
- **End of term:** 13.05.2020
- **Current position:** Company director (Avenue Pierre Ier de Serbie 16, 75116 Paris, France)
- **Current mandates:** Stone Estate (Zurich), Codic SA/NV, La Foncière Numérique
- **Previous mandates:** CBRE Holding France

MR. BENOIT GRAULICH

Independent Director, member of the Audit Committee since July 2019

- **Gender**: M
- **Nationality**: Belgian
- **Year of birth**: 1965
- **Start of term**: cooptation on 25.04.2019, appointment on 05.05.2019
- **Last renewal**: -/-
- **End of term**: 10.05.2023
- **Current position**: Managing Partner of Bencis Capital Partners, Belgium, Netherlands, Germany (Culliganlaan 2E, 1831 Diegem)
- **Current mandates**: Van de Velde NV, Lotus Bakeries NV, Bencis Capital Partners and its subsidiaries
- **Previous mandates**: -/-

MRS. DIANA MONISSEN

Independent Director, member of the Nomination, Remuneration and Corporate Governance Committee

- **Gender**: F
- **Nationality**: Dutch
- **Year of birth**: 1955
- **Start of term**: 11.05.2016
- **Last renewal**: -/-
- **End of term**: 13.05.2020
- **Current position**: Chief Executive Officer (CEO) of Prinses Maxima Centrum voor Kinderoncologie (Lundlaan 6, 3584 EA Utrecht, the Netherlands)
- **Current mandates**: -/-
- **Previous mandates**: MC Slotervaart

MRS. CÉCILE SCALAIS

Independent Director

- **Gender**: F
- **Nationality**: Belgian
- **Year of birth**: 1955
- **Start of term**: 10.05.2017
- **Last renewal**: -/-
- **End of term**: 12.05.2021
- **Current position**: Legal director of Belfius Insurance SA/NV (Place Charles Rogierplein 11, 1210 Brussels)
- **Current mandates**: Auxiliary of Participation SA/NV, Jane SA/NV, Jaimy Co SA/NV and several mandates in real estate companies
- **Previous mandates**: Eurco Ireland Ltd, AIS Consulting SA/NV, International Wealth Insurer SA/NV, North Light SA/NV, Pole Star SA/NV and several mandates in real estate companies

MRS. KATHLEEN VAN DEN EYNDE

Independent Director, member of the Audit Committee until July 2019

- **Gender**: F
- **Nationality**: Belgian
- **Year of birth**: 1962
- **Start of term**: 13.05.2015
- **Last renewal**: 08.05.2019
- **End of term**: 10.05.2023
- **Current position**: Chief Executive Officer Belgium and Chief Life, Health & Investment Management of Allianz Benelux (Boulevard du Roi Albert II/ Koning Albert II-laan, 32, 1000 Brussels)
- **Current mandates**: Allianz Life Luxembourg SA, SCOB SA, Climmolux Holding SA/NV, Sofiholding SA/NV
- **Previous mandates**: Assurcard, Allianz Benelux SA/NV, Allianz Nederland Asset Management BV, Allianz Nederland Group NV, UP36 SA/NV

DIRECTOR RENEWALS AND APPOINTMENTS

The Ordinary General Meeting of 08.05.2019 approved, as Independent Directors within the meaning of Article 7:87 §1 of the CSA and the '2020 Code', the renewal of the term of office of Mrs. Kathleen van den Eynde and the appointment of Mr. Benoit Graulich. Their term of office will expire on 10.05.2023.

Subject to approval by the FSMA and by the General Meeting of 13.05.2020, the Board of Directors will propose the renewal of Mr. Olivier Chapelle and Mr. Maurice Gauchot and of Mrs. Diana Monissen as Independent Directors within the meaning of Article 7:87 §1 of the CSA and the '2020 Code'. In case of approval by the General Meeting, their term of office will expire at the General Meeting of 2024.

The mandate of Mr. Xavier de Walque expires at the end of the General Meeting of 13.05.2020. The Board of Directors has decided to propose the renewal of its mandate and declare its independence in accordance with Article 7:87 of the CSA. The Board considers it appropriate to depart from one of the independence criteria provided for in provision 3.5 of the Belgian Code of Corporate Governance 2020, insofar as the term of office of Mr. de Walque, which exceeds 12 years, does not in any way hinder his independence. Indeed, Mr. de Walque does not have any relationship with the Company or any of its major shareholders which could jeopardise his independence. Moreover, Mr. de Walque has always demonstrated during the exercise of his mandate that he has a free, independent and critical mind while putting the good of the company at the centre of his concerns. He embodies the continuity and the history of the company within the Board of Directors with regard to the changes which took place in 2018 within the Management. If approved by the General Meeting, his term of office will expire at the 2024 General Meeting and it is already specified that he will no longer be Chairman of the Audit Committee, a function that will be entrusted to Mr. Benoit Graulich.

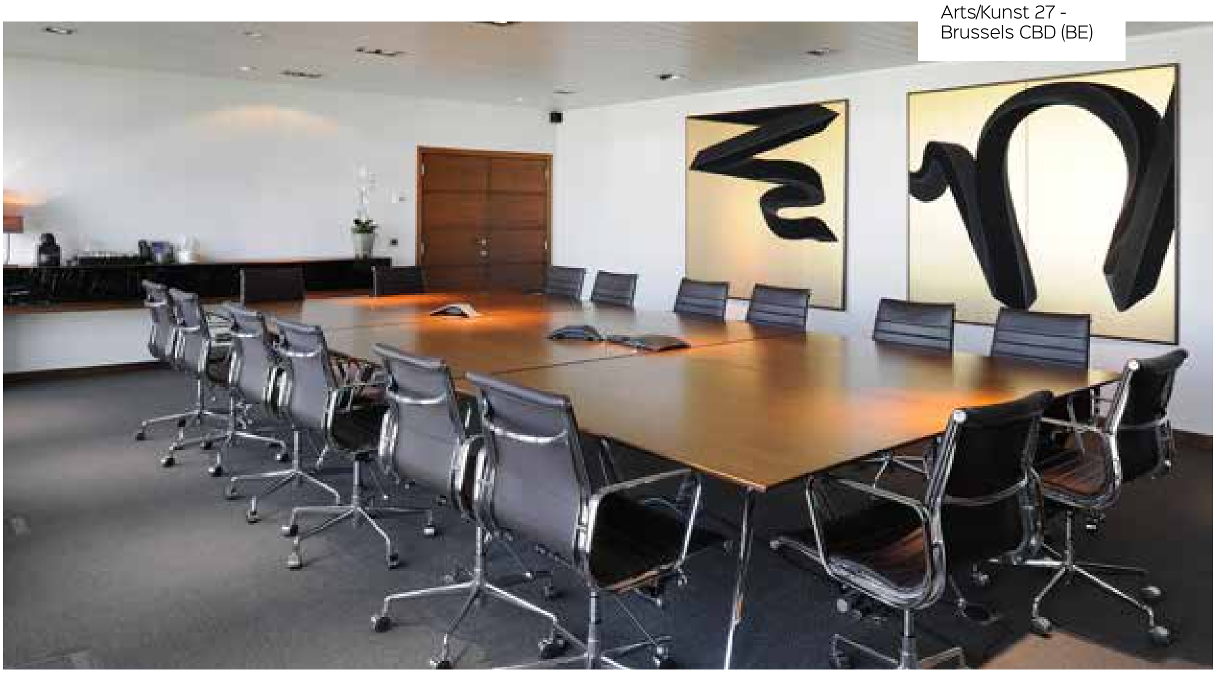
BOARD OF DIRECTORS' ACTIVITY REPORT

In 2019, the Board met 12 times. The members of the Board receive documents before each meeting enabling them to study the proposals made by the Executive Committee on which they will have to take a decision. Decisions are passed by a simple majority of votes. In the event of a tie vote, the Chairman's vote is decisive.

In addition to recurrent subjects, the Board also took decisions on various matters in 2019, more specifically in the following fields:

- **Strategy:**
  - Cofinimmo's strategy and development, including the definition of an environmental, social and governance (ESG) strategy;
- **Real estate:**
  - analysis and approval of investments, divestments and (re)development projects;
  - acquisitions of healthcare real estate assets in Spain;
  - disposal of the Souverain/Vorst 23/25 office buildings;
  - the three capital increases by contribution in kind within the framework of the authorised capital;
  - the follow-up of the customer satisfaction survey;
- **Financial:**
  - the exercise of the option to buy back the preference shares;
- **Governance:**
  - the amendment of the internal regulations of the Board of Directors as part of a review of the Corporate Governance Charter;
  - in-depth reflexion on the governance model to adopt;
  - the amendments to the Articles of Association and to the Corporate Governance Charter following the entry into force of the CSA and the '2020 Code';
  - the evaluation of the Executive Committee, setting its objectives, fixed and variable remuneration;
- **Composition of the Board:**
  - the proposal to the Ordinary General Meeting of 08.05.2019 to appoint Mr. Benoit Graulich as Independent Director;
  - the proposal to the Ordinary General Meeting of 08.05.2019 to renew the mandate of Mrs. Kathleen van den Eynde as Independent Director;
- **Staff:**
  - internal organisation of the company;
  - employee engagement survey.

Arts/Kunst 27 - Brussels CBD (BE)



AUDIT COMMITTEE

CURRENT COMPOSITION

The Audit Committee is made up of three Directors, all independent as meant by Article 7:87 §1 of the CSA and the '2020 Code'. They are Mr. Xavier de Walque (Chairman), Mrs. Inès Archer-Toper and Mr. Benoit Graulich who replaced Mrs. Kathleen Van den Eynde in July 2019. If the renewal of Mr. Xavier de Walque's term of office, to be proposed to the Ordinary General Meeting of 13.05.2020, is approved, Mr. de Walque will no longer serve as Chairman of the Audit Committee, a function that will be entrusted to Mr. Benoit Graulich.

The Chairman of the Board of Directors and the members of the Executive Committee are not members of the Audit Committee. They attend the meetings, but are not entitled to vote.

The Chairman of the Audit Committee is appointed by the members of the Committee. The members of the Audit Committee must be experts in the Company's field of activities. At least one member must have accounting and auditing expertise.

The current composition of the Audit Committee and the tasks it has been assigned meet the requirements of the law of 17.12.2008 concerning the creation of an Audit Committee in listed and financial companies and by the Law of 07.12.2016 on the organisation of the profession and the public supervision of auditors. The Audit Committee's operating rules are detailed in the Corporate Governance Charter.

AUDIT COMMITTEE ACTIVITY REPORT

The Audit Committee met on five occasions during 2019.

It addressed matters that fall within the framework of its mission, which is to guarantee the accuracy and truthfulness of the reporting of Cofinimmo's annual, half-yearly and quarterly accounts, the quality of internal and external control and of the information provided to the shareholders.

The Audit Committee also addressed the following points:

- the review of the recommendations made by the Auditor concerning internal control and IT procedures;
- the review of major risks;
- the review of the list of incidents;
- the review of the internal valuation of assets;
- the review of the external reporting process for corporate social responsibility;
- the internal audit of IT procedures for purchasing, selection of subcontractors and conclusion of maintenance contracts;
- the internal audit on the implementation of legislation concerning the processing of personal data;
- the review of new legislation;
- the modification of the internal rules of the Audit Committee as foreseen in the Corporate Governance Charter;
- its own assessment.

NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

CURRENT COMPOSITION

The Nomination, Remuneration and Corporate Governance Committee (NRC) is made up of four Independent Directors as meant by Article 7:87 §1 of the CSA and the '2020 Code'. They are Mr. Jacques van Rijckevorsel (Chairman), Mr. Olivier Chapelle, Mr. Maurice Gauchot and Mrs. Diana Monissen. The members of the Executive Committee are not members of the NRC.

The current composition of the NRC and the tasks it has been assigned fulfil the conditions of Article 7:100 of the CSA. The NRC's operating rules are shown in the Corporate Governance Charter.

NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE ACTIVITY REPORT

In 2019, the Committee met five times.

The main topics covered were:

- the search process for a new Non-Executive and Independent Director within the meaning of Article 7:87 §1 of the CSA and '2020 Code', Mr. Benoit Graulich;
- the renewal of a Non-Executive and Independent Director within the meaning of Article 7:87 §1 of the CSA and '2020 Code', Mrs. Kathleen van den Eynde;
- the launch of an evaluation and self-assessment of the four directors whose term of office expires at the Ordinary Genetal Meeting of 13.05.2020 and who are candidates for the renewal of their mandate;
- the evaluation of the members of the Executive Committee and their compensation as well as the criteria for granting variable compensation;
- the preparation of the 2020 objectives of the members of the Executive Committee and the introduction of an ESG criterion in these objectives;
- the preparation of a remuneration report;
- the review of the new legislation;
- in-depth reflexion on the governance model;
- amendments to the Articles of Association and the Corporate Governance Charter following the entry into force of the CSA and the '2020 Code';
- the reflection on the modification of compensation policies in relation to the new CSA;
- its own assessment.

EXECUTIVE COMMITTEE

CURRENT COMPOSITION

It is worth remembering that on 15.01.2020, the Extraordinary General Meeting of Cofinimmo approved statutory amendments following the entry into force on 01.01.2020 of the Code of Companies and Associations (CSA), which replaces the Company Code. In particular, Cofinimmo has opted for a one-tier governance structure, as provided for in articles 7:85 et seq. of the CSA. Following the abolition of the Management Committee (within the meaning of Article 524bis of the Company Code), the Board of Directors has delegated certain special powers to an Executive Committee, composed of members who may or may not be Directors. The members of this Executive Committee are the same as those of the former Management Committee. In addition, the Board of Directors has entrusted the day-to-day management of the Company to each of the members of this Executive Committee, whose creation and existence is provided for in article 13 of the new statutes. From 15.01.2020, the 'Management Committee' is replaced by the 'Executive Committee'.

The Executive Committee is now composed of five members. In addition to its Chairman, Mr. Jean-Pierre Hanin (Chief Executive Officer), it includes the following other members: Mr. Jean Kotarakos (Chief Financial Officer), Mrs. Françoise Roels (Chief Corporate Affairs & Secretary General), Mr. Sébastien Berden (Chief Operating Officer Healthcare) and Mrs. Yeliz Bicici (Chief Operating Officer Offices).

Each member of the Executive Committee has a specific area of responsibility. The Committee meets weekly. In accordance with Article 14 of the Law of 12.05.2014 on Regulated Real Estate Companies, the members of the Executive Committee are directors as meant by this Article and are also responsible for the day-to-day running of the Company.

The Executive Committee's operating rules are detailed in the Corporate Governance Charter.

JEAN-PIERRE HANIN

Chief Executive Officer

Jean-Pierre Hanin joined Cofinimmo in February 2018. He has a licentiate degree in Law from the KUL (Catholic University of Leuven). He also holds a Master in Tax Management from the Solvay Business School and a LL.M from Georgetown University. He started his career as a business lawyer. He then joined various international groups where he took up financial and management positions, among which Chief Financial Officer and Chief Executive Officer of Lhoist Group, global leader in lime and dolime. More recently, he was Chief Financial Officer then manager of the 'Building Performance' division of the construction materials group Etex. His functions led him to operate in various regions all over the world for over 20 years, and to carry out both consolidation and development activities.

JEAN KOTARAKOS

Chief Financial Officer

Jean Kotarakos joined Cofinimmo in June 2018 as CFO. He holds a degree in Commercial Engineering from the Solvay Brussels School of Economics and Management (ULB). Since 2010, he has been teaching there in the Executive Programme in Real Estate. He supervises the Accounting, Communication & IR, Control, IT, Mergers and Acquisitions, and Treasury & Project Finance departments. He has held numerous financial positions during his career in companies. After working approximately ten years for KPMG and D'Ieteren, he joined Aedifica, where he was Chief Financial Officer from 2007 to May 2018.

SÉBASTIEN BERDEN

Chief Operating Officer Healthcare

Sébastien Berden joined Cofinimmo in 2004, first as Investor Relations Officer, then as Development Manager Healthcare, followed by Head of Healthcare, a position he held from 2011 to 2018. Since July 2018, he has served as Chief Operating Officer Healthcare. He holds a master's degree in Applied Economics from the University of Antwerp. He is also a certified financial analyst, completed a Leadership Development Programme at Harvard Business School and holds a post-graduate degree in Hospital and Care Management from the UCL. He started his career in 1998 at KPMG successively as Financial Auditor and Corporate Finance Consultant.

FRANÇOISE ROELS

Chief Corporate Affairs and Secretary General

Françoise Roels joined Cofinimmo in August 2004. She is a Law graduate (RUG 1984), candidate in Philosophy (RUG 1984) and holds a master's degree in Taxation (École Supérieure des Sciences Fiscales 1986). She is the head of the legal department and is in charge of the Company's General Secretariat and the compliance and risk management functions. She is also responsible for matters involving shareholders and relations with the Belgian financial supervisory authorities. She supervises the Company's Human Resources and Taxation, CSR & Innovation as well Information Management departments. Before joining Cofinimmo, Françoise Roels worked for the Loyens law firm, for Euroclear/JP Morgan and for the Belgacom Group. She was responsible for Tax Affairs and Corporate Governance.

YELIZ BICICI

Chief Operating Officer Offices

Yeliz Bicici joined Cofinimmo in 2008. She was Property Manager, Area Manager and finally Development Manager before becoming Head of Development in 2014. She holds a double master in Real Estate (Antwerp Management School 2012 and KUL 2009). She is also an interpreter (Mercator 1997). Before joining Cofinimmo, she worked for Robelco from 2001 to 2008 and for Uniway until 2001.

EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Under the direction of its Chairman, the Board of Directors conducts regular evaluations, at least every two or three years, of its size, composition and performance and of that of its Committees as well as its interaction with the Executive Committee. The four objectives of this analysis are to:

- appraise the functioning of the Board of Directors or the Committee concerned;
- verify that important matters are being prepared and discussed adequately;
- evaluate the actual contribution of each Director by their presence at the Board of Directors and Committee meetings, and their constructive involvement in the discussions and decision-making;
- validate whether the current composition of the Board of Directors and the Committees is appropriate.

When a Director's term is up for renewal, the Board proceeds with an evaluation of the Director under the guidance and with the contribution of the NRC.

In 2019, the Board of Directors decided to launch an evaluation of the four Directors whose reappointments will be proposed to the General Meeting of 13.05.2020, namely, Mr. Olivier Chapelle, Mr. Xavier de Walque and Mr. Maurice Gauchot. Indeed, at the end of each term of office, the Board of Directors, with the assistance of an external consultant, launches an evaluation and a self-assessment of the Director standing for the renewal of his/her mandate. The Board evaluates its attendance at the Board or Committee meetings, its commitment and constructive involvement in the discussions and decision-making. On this occasion, the NRC also reviews the Board members' skills/experience grid and ensures that the Board's composition continues to be appropriate. The NRC then makes recommendations regarding the renewal of terms that are about to expire to the Board of Directors which decides to submit them to the General Meeting.

It is worth reminding that in 2018, with the help of an external consultant, the Board carried out an in-depth evaluation in the context of the changes of the Presidency in 2017 and of the Executive Committee in 2018. The main topics were the practical organisation, the information flow, governance, dynamics and processes and finally strategic alignment. These five areas were reviewed and each was the subject of findings and recommendations for improvement.

The Non-Executive Directors carry out an annual evaluation of their interaction with the Executive Committee. The evaluation is put on the agenda of a restricted Board of Directors meeting from which the members of the Executive Committee are absent.

MANAGEMENT

The Executive Committee is assisted by a team of managers. Each manager reports directly to one of the members of the Executive Committee and assumes specific managerial responsibility. As of 31.12.2019, the team of managers is composed of the following persons:

Name	Fonction
Steven Aernoudt	Head of Human Resources and Internal Communication
Hanna De Groote	Head of CSR
Valérie De Vos	Head of Information Management
Steve Deraedt	Head of Information Technology
Kris Ceuppens	Head of Pubstone
Nicolas Coppens	Head of Offices
Maxime Goffinet	Head of Treasury & Project Financing
Dirk Huysmans	Head of Commercial Department
Jonathan Hubert	Head of Control
Stéphanie Lempereur	Head of Mergers and Acquisitions
Pascale Minet	Head of Accounting
Valéry Smeers	Head of Tax
Domien Szekér	Head of Project Management
Jean Van Buggenhout	Head of Property Services
Veronika Letertre	Sr. Corporate Legal Officer
Caroline Vanstraelen	Sr. Corporate Legal Officer
Sophie Wattiaux	Sr. Corporate Legal Officer

Woluwe 58 office building (Cofinimmo's head office) - Brussels Decentralised (BE)

PREVENTION OF CONFLICT OF INTEREST

With regard to the prevention of conflicts of interest, the Company is subject to the provisions of the CSA (articles 7:96 and 7:97 of the CSA, former articles 523 and 524 of the Company Code) and to the specific provisions of the RREC regulations regarding integrity policy and concerning certain transactions referred to in article 37 of the RREC Law.

The Directors and the members of the Executive Committee have the duty to avoid any act which would be or appear to be in conflict with the interests of the Company and its shareholders. They shall immediately inform the Chairman of the Board of Directors or the Chairman of the Executive Committee of any such possible conflict of interest.

Directors and members of the Executive Committee undertake not to solicit or refuse any remuneration, in cash or in kind, or any personal benefit offered because of their professional ties with the Company. This includes, but is not limited to, consulting fees, sales, rental, placement and success fees, etc. In addition, they do not use business opportunities intended for the Company for their own benefit.

The rules regarding the prevention of conflicts of interest are more fully described in the Corporate Governance Charter.

During the 2019 financial year, one decision resulted in the application of Article 523 of the Company Code (Article 7:96 of the CSA). During the session of 07.02.2019, the Board of Directors deliberated on the Board of Directors' assessment of the 2018 objectives, fixed remuneration for 2019 and variable remuneration for 2018 for the members of the Executive Committee, as well as on the Executive Committee's objectives for the 2019 financial year.

EXTRACT OF THE MINUTES OF THE BOARD OF DIRECTORS MEETING OF 07.02.2019

"NRC report, e.g. (decision

In application of Article 523 of the Company Code, the members of the Board of Directors, namely Messrs Hanin, Kotarakos and Mrs Roels, announce that they have an interest of a proprietary nature that is contrary to that of the company, of which the Auditor has been informed, and leave the meeting together with Mr Berden and Mrs Bicici.

Achievement of 2018 objectives

After a broad overview, the Board sets the percentage of KPI achievements (STI and LTI) at 100%.

The Board leaves it to Mr Hanin and Mrs Roels to define the part of their respective variable remuneration that will be converted into individual pension promises.

Concerning Mr Carbonnelle, the Board sets the amount of variable remuneration at 58,792.50 EUR.

The Board confirms the principles of the LTI plan, i.e. the allocation of a variable amount (according to criteria pre-accepted by the Board of Directors) with a target of 40% of the fixed remuneration for Mr Hanin and Mrs Roels and up to 20% of the fixed remuneration for Mr Berden *and Mrs Bicici. For Mr. Kotarakos, the amount of the LTI is contractually fixed.*

This net variable amount, after deduction of the withholding tax, must be invested in Cofinimmo shares within a period of 12 months, unless the period is extended by the Board, with a holding obligation (registered registration) for a minimum period of 3 years.

Salary package 2019

On NRC recommendation, the Council decides to increase the annual fixed remuneration as follows:

- *Mr. Kotarakos: + 7.300€*
- *Mrs. Françoise Roels: + 10.000€*
- *Mr. Sébastien Berden: + 25.000€*
- *Mrs. Yéliz Bicici: + 25.000€*

On NRC recommendation, the Board decides to increase the Company's annual contribution to Mr. Hanin's Savings and Pension Plan from 62,000 EUR to 100,000 EUR."

During the 2019 financial year, no decision or transaction gave rise to the application of Article 524 of the Company Code (Article 7:97 of the CSA).

In addition, Article 37 of the Law of 14.05.2014 on Regulated Real Estate Companies provides for special provisions when one of the persons referred to in this Article acts as counter-party in an operation with the RREC or one of the companies within its scope. During 2019, no decision or operation has given rise to the application of Article 37 of the law relating to Regulated Real Estate Companies.

CODE OF CONDUCT

The Code of Conduct explicitly stipulates that the members of the company bodies and of the personnel must refrain from seeking from third parties, and refuse any remuneration, in cash or in kind, or any personal advantages offered by reason of their professional association with the Company.

WHISTLEBLOWING POLICY

A whistleblowing procedure was implemented to report irregularities which covers situations in which an employee of the company, and generally, any person working on behalf of the company, reports a concern about an irregularity they have observed affecting or potentially affecting third parties including clients, suppliers, other members of the company, the company itself (its assets, income or its reputation), its subsidiaries or the public interest.

ACQUISITION AND SALE OF COFINIMMO SHARES (INSIDER TRADING)

In accordance with the principles and values of the Company, a Dealing Code containing the rules which must be followed by Directors and Designated Persons wishing to trade the financial instruments issued, is provided for in the Corporate Governance Charter. The Dealing Code specifically prohibits the purchase and sale of Cofinimmo shares during the period running from the day after each quarter's closing date up until (and including) the publication of the annual, half-yearly or quarterly results. The rules of the Dealing Code have been aligned with Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16.04.2014 on market abuse, the fair presentation of investment recommendations and the reporting of conflicts of interest.

JUDICIAL AND ARBITRATION PROCEDURES

The Executive Committee declares that there is no government intervention, proceeding or arbitration procedure that could have a significant impact, or may have had such an impact in the recent past, on the financial position or profitability. In addition, to the knowledge of the Executive Committee, there are no situations or facts which could give rise to such government intervention, proceeding or arbitration procedure.

COMPLIANCE OFFICER AND RISK MANAGEMENT

Mrs. Françoise Roels, Chief Corporate Affairs and Secretary General, is the

Compliance Officer. Her duties involve ensuring that the Code of Conduct as well as, more generally, all prevailing laws and regulations are complied with. She is also the company's Risk Manager within the Executive Committee and is responsible for identifying and managing events potentially affecting the organisation.

INTERNAL AUDIT

Ms Sophie Wattiaux is responsible for Internal Audit. Her duties involve examining and assessing the smooth running, effectiveness and relevance of the internal control system.

RESEARCH AND DEVELOPMENT

With the exception of the innovation present in the construction and heavy renovation projects mentioned in chapter 'Transactions and achievements in 2019', no research and development activities were carried out during the 2019 financial year.

POWER OF REPRESENTATION

Article 17 of the Articles of Association stipulates that, except where specially delegated by the Board of Directors, the Company shall be validly represented in all acts, including those involving a public official or a ministerial officer, as well as in legal proceedings, both in claiming and in defending, either by two Directors acting jointly, or, within the limits of the powers conferred to the Executive Committee, by two members of the aforementioned committee acting jointly, or, within the limits of day-to-day management, by two delegates to such management, acting jointly.

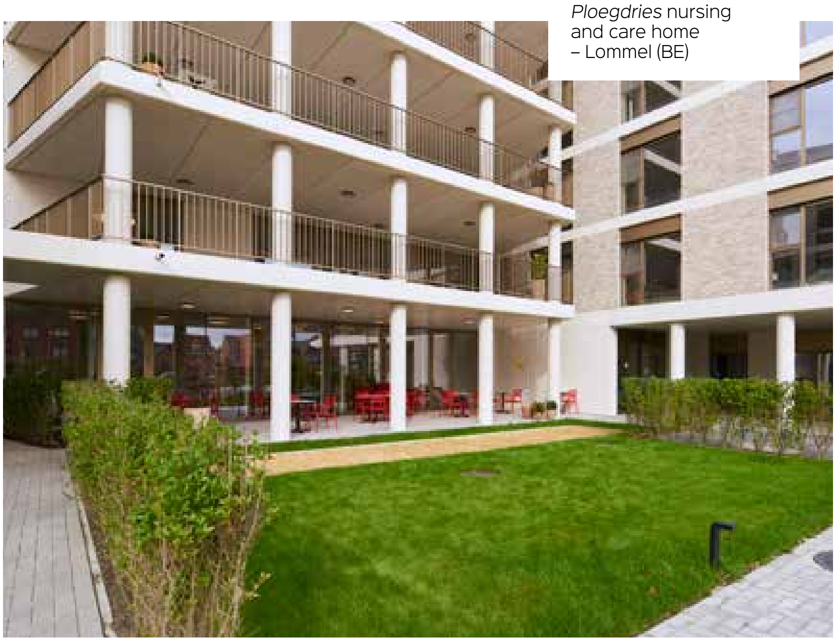
The Company is also validly represented by special representatives of the Company within the limits of the mandate conferred to them for this purpose by the Board of Directors or the Executive Committee or, within the limits of day-to-day management, by two delegates for such management, acting jointly. The following persons may, therefore, represent and validly commit the Company for all acts and all obligations with regard to all third parties or authorities, public or private, by the joint signature of two of them:

- Mr. Jean-Pierre Hanin, Managing Director, Chairman of the Executive Committee;
- Mr. Jean Kotarakos, Executive Director, member of the Executive Committee;
- Mrs. Françoise Roels, Executive Director, member of the Executive Committee;
- Mr. Sébastien Berden, member of the Executive Committee;
- Mrs. Yeliz Bicici, member of the Executive Committee.

The Board of Directors has delegated certain special powers to the Executive Committee by virtue of a notarial deed of 15.01.2020, published in the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad) of 11.02.2020 and the Executive Committee has delegated certain specific powers by virtue of a notarial deed of 15.01.2020, published in the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad) of 11.02.2020, for certain types of deeds such as leases and endorsements, works, loans, borrowings, credits, securities and hedging operations, information and communication technologies, human resources, legal affairs, tax management, money transfer operations and insurance operations.

COFINIMMO'S ARTICLES OF ASSOCIATION

Extracts from the Articles of Association are published on pages 246 to 253 of this Document. The company's Articles of Association were updated on 08.01.2019, 03.04.2019, 29.04.2019, 26.06.2019, 12.07.2019 and 15.01.2020.



Ploegdries nursing and care home – Lommel (BE)

Information required under Article 34 of the Royal Decree of 14.11.2007

In accordance with Article 34 of the Royal Decree of 14.11.2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market, the company discloses and, where appropriate, explains the factors likely to have an impact in the event of a takeover bid

CAPITAL STRUCTURE

At this Document's cut-off date, the capital of the Company is set at 1,385,227,006.80 EUR and is divided into 25,849,283 fully paid-up shares, each representing an equal share.

On 28.05.2019, Cofinimmo announced its decision to designate one of its subsidiaries – Gestone III SA/NV – as holder of the purchase right on preference shares I (ISIN code BE0003811289) and II (ISIN code BE0003813301). In accordance with the company's articles of association, Cofinimmo offered the holders of preference shares the possibility to request the conversion of their preference shares into ordinary shares (1:1 ratio) for a period of one month, running from 29.05.2019 until 30.06.2019.

During this conversion period, Cofinimmo received conversion requests for 97.5% of the outstanding preference shares. These conversions have been recorded by notary deed on 12.07.2019 and resulted in the creation of a total of 680,603 new ordinary shares of the company. There has been no conversion request for 1,257 preference shares I and 15,875 preference shares II as at 30.06.2019. Therefore, these preference shares were purchased by Gestone III SA/NV on 12.07.2019. The purchase price of the preference shares was set at their issue price, i.e. 107.89 EUR per preference share I and 104.44 EUR per preference share II, in accordance with the articles of association.

The purchase price of the unconverted preference shares were paid on the bank account of the shareholders concerned, as mentioned in the shareholders' register, on 12.07.2019 (in the absence of a valid bank account number, the preference shares will be transferred to Gestone III SA/NV, subject to transfer of the purchase price to the Deposit and Consignment Office).

Gestone III SA/NV sent a conversion request for the purchased preference shares to Cofinimmo. This conversion into ordinary shares was also recorded on 12.07.2019. As from this date, the Cofinimmo capital consists exclusively of 25,849,283 ordinary shares. The Extraordinary General Meeting of 15.01.2020 therefore deleted all references to ordinary and preference shares from the Articles of Association and replaced them with the word 'shares' in order to reflect the situation resulting from the conversion of all preference shares.

On 15.09.2016, the company issued a convertible bond into ordinary shares with a maturity date of 15.06.2021. The issue concerns 1,502,196 convertible bonds with a nominal value of 146.00 EUR, i.e. a total amount of 219,320,616.00 EUR. The convertible bonds give their holders the possibility of receiving ordinary Cofinimmo shares at a ratio of one share per bond. However, at the time of conversion, the company will have the choice to deliver new and/or existing shares, to pay a cash amount or a combination of both. The exchange parity will be partially adjusted according to the level of the dividend above a certain threshold and in accordance with the usual anti-dilution provisions for this type of issue. The conversion period is open at any time from 26.10.2016 until 06.09.2021.

A bondholder may exercise his conversion right in respect of a convertible bond by submitting a conversion notification in accordance with the procedure set out in the securities note issued for this purpose. This can be consulted on the company's website www.cofinimmo.com.

There are currently 1,502,196 bonds convertible into ordinary shares outstanding issued on 15.09.2016. If all of the outstanding bonds were to be converted, a maximum of 1,614,744 ordinary shares with the same number of voting rights would be created.

LEGAL, STATUTORY LIMITS TO THE TRANSFER OF SECURITIES

The transfer of shares in the company is not subject to any specific legal or statutory limits. All of the company's shares are listed on the regulated market of Euronext Brussels.

SPECIAL CONTROL RIGHTS OF SHAREHOLDERS

The company does not have any shareholders benefiting from special control rights.

CONTROL MECHANISM PROVIDED FOR IN CASE OF AN EMPLOYEE SHAREHOLDING SYSTEM WHERE THE CONTROL RIGHTS ARE NOT EXERCISED BY THE LATTER

No employee shareholding system has been put in place.

LEGAL OR STATUTORY LIMITS TO VOTING RIGHTS

The voting rights of the company's treasury shares are suspended. As at 31.12.2019, the company held 50,691 treasury shares.

AGREEMENTS BETWEEN SHAREHOLDERS, KNOWN BY THE COMPANY, WHICH COULD LIMIT THE TRANSFER OF SHARES AND/OR VOTING RIGHTS

To the company's knowledge, there is no agreement between shareholders that could limit the transfer of shares and/or the exercise of voting rights.

RULES FOR THE NOMINATION AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND FOR ANY MODIFICATION IN THE ARTICLES OF ASSOCIATION

In accordance with Article 10 of the Articles of Association, the members of the Board of Directors are appointed for four years by the General Meeting and are always revocable by it. The directors are re-eligible. The term of the director that is not re-elected, ends just after the General Meeting that decides on the re-election. In the event of one or more terms being vacant, the remaining directors in the Board shall have the power to provisionally fill the vacancy until the next General Meeting, when shareholders will have a final decision on the re-election.

Regarding the amendment of the Company's Articles of Association, there is no regulation other than that determined by the CSA and the RREC act.

POWERS OF THE BOARD OF DIRECTORS REGARDING THE ISSUANCE OR REPURCHASE OF SHARES

The Extraordinary General Meeting of 01.02.2017 had granted the Board of Directors renewed authorisation for a period of five years as of the publication in the annexes of the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad) of the minutes of the General Meeting.

The Board of Directors was therefore empowered to increase the share capital in one or more tranches up to a maximum of:

1. 1,127,000,000.00 EUR, if the capital increase to be carried out is a capital increase by cash subscription:

1.1. with either the option to exercise a preferential subscription right for Company shareholders as allowed for by Articles 592 et seq. of the Company Code;

1.2 or including an irrevocable allocation right for the Company's shareholders as allowed for in Article 26, §1 of the Law of 12.05.2014 on Regulated Real Estate Companies; and of,

2. 225,000,000.00 EUR for all other forms of capital increases not covered by point 1. above;

it being agreed that, in any event, the capital could never be increased as part of the authorised capital in excess of 1,127,000,000.00 EUR total.

The Board of Directors used this option:

- on 01.06.2017 for a capital increase by a contribution in kind of rights to dividends in the amount of 17,131,419.60 EUR;
- on 02.07.2018 for a capital increase by cash subscription for the amount of 88,012,530.95 EUR;
- on 29.04.2019, in the context of the capital increase by way of contribution in kind of receivables in the amount of 12,806,819.10 EUR;
- on 26.06.2019, within the framework of a capital increase by way of contribution in kind of shares and buildings in the amount of 63,434,814.09 EUR;
- on 26.06.2019, within the framework of a capital increase by way of contribution in kind of buildings in the amount of 76,809,297.27 EUR.

At 31.12.2019, the amount by which the Board of Directors might increase the subscribed capital within the framework of the authorised capital is (1) 1,038,987,469.05 EUR if the capital increase to be carried out is an increase of capital providing the possibility of exercising a preferential subscription right or irrevocable allocation right and (2) of 54,817,649.94 EUR for any other form of capital increase.

On 15.01.2020, the Extraordinary General Meeting granted the Board of Directors a new authorisation for a period of five years from the date of publication of the minutes of this meeting in the annexes to the Belgian Official Gazette (Moniteur belge/Belgisch Staatsblad).

The Board of Directors is therefore authorised to increase the capital on one or more occasions by a maximum amount of:

1. 692,000,000 EUR, i.e. 50% of the amount of the capital on the date of the Extraordinary General Meeting of 15.01.2020, rounded up, if applicable, for capital increases by cash contributions, providing for the possibility of exercising the preferential right or the irreducible allocation right by the shareholders of the Company,

2. 277,000,000 EUR, i.e. 20% of the amount of the capital on the date of the Extraordinary General Meeting of 15.01.2020, rounded up, if necessary, for capital increases in the context of the distribution of an optional dividend,

3. 138,000,000 EUR, i.e. 10% of the amount of the capital on the date of the Extraordinary General Meeting of 15.01.2020, rounded up, if necessary, for:

a) capital increases by contributions in kind,

b) capital increases by cash contributions without the possibility for the Company's shareholders to exercise their preferential subscription right or irreducible allocation right, or

(c) any other form of capital increase,

it being understood that the capital, within the framework of this authorisation, may under no circumstances be increased by an amount exceeding 1,107,000,000 EUR, being the cumulative amount of the various authorisations with regard to authorised capital.

On this Document's cut-off date, the Board of Directors has not yet made use of this authorisation.

The Board of Directors is specifically authorised, for a period of five years from the publication of the minutes of the Extraordinary General Meeting of 15.01.2020, to acquire, pledge and alienate (even off-market) for account of the Company's own shares, at a unit price which cannot be less than 85% of the closing market price of the day preceding the date of the transaction (acquisition, sale and pledge) and which cannot be greater than 115% of the closing market price of the day preceding the date of the transaction (acquisition, pledge), without Cofinimmo being able at any time to hold more than 10% of the total number of shares issued. At 31.12.2019, and on this Document's cut-off date, Cofinimmo held 50,691 treasury shares.

IMPORTANT AGREEMENTS TO WHICH THE ISSUER IS A STAKEHOLDER AND WHICH TAKE EFFECT, ARE MODIFIED OR TERMINATED IN THE EVENT OF A CHANGE OF CONTROL FOLLOWING A TAKEOVER BID

The history of the important agreements to which the issuer is a stakeholder and which take effect, are modified or terminated in the event of a change of control following a takeover bid prior to 2019 can be consulted in the Annual Financial Report of 2018 and previous years. These documents are available on the website www.cofinimmo.com. In 2019, Cofinimmo has not concluded such agreements.

AGREEMENTS BETWEEN THE ISSUER AND THE MEMBERS OF THE BOARD OF DIRECTORS WHICH PROVIDE FOR INDEMNITIES IF THE MEMBERS OF THE BOARD OF DIRECTORS RESIGN OR HAVE TO LEAVE OFFICE WITHOUT GOOD REASON OR IF THE EMPLOYMENT OF STAFF TERMINATES DUE TO A TAKEOVER BID

The contractual terms of the Directors who are members of the Executive Committee are described on page 142 of this Document.

The former members of the Executive Committee, Françoise Roels and the Management benefited from a stock option plan. In the event of a merger, (partial) demerger or demerger of shares of the company or other similar transactions, the number of outstanding options at the date of the transaction and their respective exercise prices may be adapted in line with the exchange rate applied to the existing company shares. In this case, the Board of Directors will determine the precise conditions for this adaptation. In the event of a change in control, the options accepted are immediately and fully vested and become exercisable with immediate effect. The last options granted were in the 2016 financial year, and there have been no other options since the Board decided to abandon the granting of such options as of 2017. Options granted in the past remain valid.

De Gerstjens nursing and care home - Alst (BE)

This remuneration report complies with the provisions of the 2020 Corporate Governance Code ('2020 Code') and of Article 3:6 §3, point 2, of the CSA.

The abolition of the Management Committee (within the meaning of article 524bis of the Company Code) on 15.01.2020 following the entry into force on 01.01.2020 of the Code of Companies and Associations (CSA), which replaces the Company Code, the establishment of the Executive Committee, composed of the same members as those of the former Executive Committee, did not lead to any change in the remuneration policy

1. INTRODUCTION

The Remuneration Report provides a complete overview of the remuneration, including all benefits in whatever form, granted or due during the 2019 financial year to each of the Non-Executive Directors and members of the Executive Committee. It recalls the main principles of the remuneration policy and the way in which they have been applied during the 2019 financial year.

There were no deviations from the remuneration policy as described in the remuneration report for the 2018 financial year. On 08.05.2019, the Ordinary General Meeting approved, by separate vote, the remuneration report presented for the financial year ending 31.12.2018 with the following proportions of votes: 6,622,112 votes "in favour", 1,652,620 votes "against" and 88,717 "abstentions".

Within the framework of provision 7.3 of the '2020 Code', the remuneration policy will be submitted to the approval of the Ordinary General Meeting of 13.05.2020.

2. REMUNERATION OF NON-EXECUTIVE DIRECTORS

2.1. INTERNAL PROCEDURES AND REMUNERATION POLICY

The remuneration of the Company's Non-Executive Directors is determined by the General Meeting on the proposal of the Board of Directors, which receives recommendations from the NRC.

The policy adopted by the Ordinary General Meeting of 28.04.2006 on the proposal of the Board of Directors and the NRC remains in effect. It was supplemented in 2016 by measures to 1) compensate the Non-Executive Directors participating in physical meetings for the additional time they devote to their mandate in relation to that devoted to it by a Director residing in Belgium and 2) to compel Non-Executive Directors to hold shares in the company.

In February 2019, the NRC carried out a comparison with the remuneration of the Non-Executive Directors of other Belgian listed companies of similar size. The objective is to ensure that remuneration is still appropriate and in line with market practice taking into account the Company's size, its financial situation and position within the Belgian economic environment, and the level of responsibility assumed by the Directors. Based on the recommendation of the NRC, the Board of Directors decided that the remuneration policy adopted by the Ordinary General Meeting of 28.04.2006 could be maintained.

In accordance with the decision of the General Meeting of 28.04.2006, the remuneration of the Non-Executive Directors is determined by the General Meeting on the proposal of the Board of Directors and in accordance with the recommendation of the NRC.

In accordance with the decision of the General Meeting of 28.04.2006, the remuneration is composed of:

- on the one hand, a basic remuneration of 20,000 EUR for membership of the Board of Directors, 6,250 EUR for membership of a committee and 12,500 EUR for chairing a committee;
- on the other hand, attendance fees of 2,500 EUR per meeting for participation in meetings of the Board of Directors, and 700 EUR per meeting for participation in Committee meetings.

Non-Executive Directors residing abroad receive a lump sum of 1,000 EUR per trip to attend a Board or Committee meeting, this amount covers the additional time they devote to their mandate compared to that devoted by a Director residing in Belgium.

The remuneration of the Chairman of the Board is set at 100,000 EUR per year for all his responsibilities, whether at the Board of Directors or the Committees level.

Non-Executive Directors do not receive performance-related remuneration, stock options, savings and pension plans or benefits in kind.

In order to align the interests of the Non-Executive Directors with those of the shareholders, the remuneration policy provides for a shareholding mechanism during their term of office, whereby Non-Executive Directors who do not yet hold a sufficient number of company shares receive part of their net remuneration in company shares. This share-based remuneration applies to the first 20,000 EUR net that are due to a new Non-Executive Director for the first year of his or her term of office. The shares are subject to an unavailability agreement until the end date of the final term, for any reason whatsoever. The dividends allocated during the unavailability period will be paid at the same time as those of the other shareholders.

Directors representing an institutional shareholder are not subject to this rule of mandatory reinvestment in Cofinimmo shares since they turn over their remuneration to the shareholder they represent.

There are no company contracts between the company and the Non-Executive Directors. They exercise their mandate as Independent Directors and, in accordance with the company's articles of association, they may be dismissed by the General Meeting at any time, with immediate effect and without cause.

2.2. ATTENDANCE AND REMUNERATION OF NON-EXECUTIVE DIRECTORS IN 2019

	Attendance at Board of Directors meetings	Attendance at Nomination, Remuneration and Corporate Governance Committee meetings	Attendance at Audit Committee meetings	Attendance at a restricted Board of Directors meeting[1]	Total Remuneration, gross amount and including travel allowances if applicable (in EUR)	Number of shares held as at 31.12.2019
Jacques van Rijckevorsel	12/12	5/5	5/5 (invited)	1/1	100,000	400
Inès Archer Toper	12/12	-/-	5/5	-/-	68,750	205
Olivier Chapelle	12/12	5/5	-/-	1/1	60,450	835
Xavier de Walque	12/12	-/-	5/5	1/1	66,700	538
Maurice Gauchot	12/12	5/5	-/-	1/1	69,450	192
Benoit Graulich[2]	9/9	-/-	3/3	1/1	41,758	500
Diana Monissen	12/12	4/5	-/-	-/-	69,050	181
Cécile Scalais	12/12	-/-	-/-	1/1	50,700	0[3]
Kathleen Van den Eynde[4]	11/12	-/-	2/2	-/-	52,025	0[3]

2.3. CHANGES FORESEEN IN 2020

At its meeting of 13.02.2020, and that of 19.03.2020, and in order to be in line with the '2020 Code', the Board of Directors decided that each Non-Executive Director should allocate at least 20% of his or her annual net remuneration after deduction of the withholding tax to the acquisition of Cofinimmo shares. These shares will be registered in the Company's share register and subject to an unavailability agreement for at least one year after the end of the last term of office, and for any reason whatsoever, at least three years after they have been allocated. Dividends allocated during the period of unavailability (in respect of the financial year beginning on January 1st of the year of the General Meeting following the entry in the register) will be paid at the same time as those of the other shareholders. To facilitate the practical application of this rule, the number of shares to be acquired by each Non-Executive Director will be determined at the beginning of each year and will take into account the average share price of the previous year.

Shares already held in registered form at the end of the 2020 financial year may be taken into account in the calculation of the number of shares to be acquired, but only for the 2020 financial year and without the possibility of carrying forward surplus shares to subsequent financial years.

3. REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

3.1. INTERNAL PROCEDURES AND REMUNERATION POLICY

The remuneration of the members of the Executive Committee is set by the Board of Directors on the basis of recommendations from the NRC, which annually analyses the remuneration policy applicable to the members of the Executive Committee and verifies whether an adjustment is necessary to attract, retain and motivate them, in a reasonable manner taking into account the stakes and the size of the company. This compensation is analysed both overall and in terms of the distribution of its various components and the conditions under which they are obtained. This analysis is accompanied by a comparison with the remuneration policy applicable to the members of the

1 On 22.11.2019, there was a Board of Directors meeting with a restricted number of Directors to discuss one acquisition project in particular.
2 Mr. Benoit Graulich was co-opted as a Director on 25.04.2019 and replaced Mrs. Kathleen Van den Eynde in the Audit Committee from 23.07.2019.
3 Since Mrs. Cécile Scalais and Mrs. Kathleen Van den Eynde are Directors appointed on a proposal from shareholders Belfius Insurance and Allianz Benelux respectively, they do not hold shares.
4 Mr. Benoit Graulich replaced Mrs. Kathleen Van den Eynde in the Audit Committee from 23.07.2019.

Executive Committee of other listed and unlisted real estate companies, as well as other non-real estate companies of similar size and scope.

The NRC also ensures that the target-setting process that determines the level of variable compensation remains in line with the company's risk appetite. It submits the result of its analysis and any reasoned recommendations to the Board of Directors for decision.

The remuneration thus awarded to the members of the Executive Committee includes all their services within the Cofinimmo Group.

In 2018, the Board of Directors of Cofinimmo has reviewed its growth ambitions, both in terms of the size of the company and the results to be generated by it.

In order to achieve these growth and results objectives, the Board of Directors considered essential to align Cofinimmo's remuneration policy with these new ambitions.

On this occasion, an in-depth benchmarking exercise was conducted during the summer of 2018 with the help of consultants specialising in Compensation & Benefits (see the 2018 Remuneration Report). As a result of this benchmarking exercise, in addition to the adjustment of the fixed remuneration of the CEO up to 40,000 EUR and that of the COO up to 50,000 EUR from 01.01.2020, the Board of Directors decided to align, for all the members of the Executive Committe, the percentages applied to the fixed remuneration to determine the variable remuneration for the 2019 financial year (see point 3.2). The company's annual contributions to the Savings and Pension Plan have also been aligned at 62,000 EUR for all Executive Committee members, for whom the contribution is maintained at 100,000 EUR.

The abolition of the Management Committee (within the meaning of article 524bis of the Company Code) on 15.01.2020 following the entry into force on 01.01.2020 of the Code of Companies and Associations (CSA), which replaces the Company Code, and the establishment of the Executive Committee, composed of the same members as the former Management Committee, did not lead to any change in the remuneration policy.

Since 2018, the compensation package for the members of the Executive Committee has been composed of the following elements:

1. Fixed remuneration

The amount of the fixed remuneration of the members of the Executive Committee is determined according to their individual duties and skills. It arises from management agreements and is allocated independently of any result. It is not indexed. For the members of the Executive Committee who are also members of the Board of Directors, it covers their services as members of the Board of Directors and their attendance to the various Committees. The fixed annual net remuneration is payable monthly in twelfths and after deduction of withholding tax. At its meeting of 13.02.2020, and that of 19.03.2020, and in order to be in line with the '2020 Code', the CEO and the other members of the Executive Committee must each, throughout their term of office, hold and register respectively at least 2,200 and 1,200 Cofinimmo shares in the company's register of registered shares. This holding threshold must be reached by the end of 2024.

2. Variable remuneration

The variable remuneration criteria for the members of the Executive Committee correspond to high-quality performance which meets expectations in terms of results, professionalism and motivation, and are determined by the Board of Directors when objectives are set. They consist of a combination of individual financial and qualitative qualifying objectives to which a weighting is assigned. The criteria set by the Board of Directors give priority to objectives that have a positive influence on the company both in the short and the long term. The Board also sets a maximum amount of variable remuneration that can only be awarded achievements that exceed the objectives.

The **short-term variable remuneration** (STI) is intended to reward the collective and individual contribution of the members of the Executive Committee. Its amount is determined on the basis of the actual achievement of financial, qualitative and non-financial objectives, set and assessed annually by the Board of Directors on the basis of a proposal from the NRC. These objectives are set according to criteria weighted according to their importance and are determined by the Board of Directors on the proposal of the NRC. The percentage of variable remuneration may vary from 0 to 60% with a target of 40% of the annual fixed compensation.

The **long-term variable remuneration** (LTI) consists of the allocation of an amount ranging from 0 to 40% of the fixed remuneration for the members of the Executive Committee. This amount is determined on the basis of the achievement of KPIs aligned with the interests of the shareholders[1]. The achievement of these KPIs will be approved by the Board of Directors in a multi-year perspective. This amount, after deduction of the withholding tax, must mandatorily be allocated to the acquisition of Cofinimmo shares, which the members of the Executive Committee undertake to hold for a minimum period of three years.

For both the short-term and long-term variable remuneration, the degree of achievement of the KPIs is audited using accounting and financial data that are analysed by the Audit Committee. The NRC makes a quantified calculation of what variable remuneration could be, depending on the degree of achievement of the objectives. This estimation serves as an indication for the final calculation of the variable remuneration. Indeed, it will also take into account the specific situation of the Company and the market in general. The NRC then prepares a proposal for the variable remuneration to the Board of Directors, which in turn assesses the achievements of the Executive Committee and which finally determines the amount of the variable remuneration to be granted. In addition, the allocation of the variable remuneration is in line with the requirements of Article 7:91 of the CSA. Finally, the Board of Directors may, at its discretion, decide to allocate all or part of the variable remuneration in the form of unilateral pension promises. There is no allocation of variable remuneration if the budget is not achieved by at least 80%.

3. The savings and pension plan

The savings and pension plan aims to reduce as far as possible the gap between the resources available to the beneficiaries before retirement and those available to them afterwards. Supplementary pensions are financed exclusively by Cofinimmo contributions. The members of the Executive Committee benefit from a 'defined contribution' group insurance policy

1 Concerning the CFO, the amount of the long-term remuneration is a fixed remuneration agreed contractually.

subscribed out with an insurance company.

In addition, the members of the Executive Committee have access to an 'Individual Pension Commitment' insurance policy, the sole purpose of which is the payment of a life or death benefit.

4. Other benefits

Cofinimmo incurs annual costs in terms of health coverage for the members of the Executive Committee. The company provides them with a company car and covers all professional expenses incurred in the course of their duties. The members of the Executive Committee also have a laptop computer and a mobile phone.

3.2. COMPENSATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE FOR THE 2019 FINANCIAL YEAR

Total compensation 2019[1]

(in EUR)	CEO	Other members of the Executive Committee
Fixed remuneration[2] (Amount used as the basis for the calculation of variable compensation)	500,000	1,082,300
STI variable remuneration (Amount determined based on the achievement of KPIs)	220,000	476,212
LTI variable remuneration (Amount determined based on the achievement of KPIs)	200,000	432,800
Pension plan (Supplementary pensions financed by Cofinimmo's contributions)	100,000	204,000
Health coverage	2,764	9,439
Company car	15,000	60,000
Laptop and mobile phone	2,400	9,600
Total	**1,040,164**	**2,274,351**

For the 2019 financial year, after analysis by the Audit Committee of the accounting and financial data used as a basis to asses to which extent the KPIs were achieved, the NRC assessed the achievement of the objectives of Executive Committee members. At its meeting of 13.02.2020 and following the recommendation of the NRC, the Board of Directors set the overall percentage of achievement of the KPIs relating to the STI at 110% and that of the KPIs relating to the LTI at 100%. The percentage of the STI variable remuneration applied to the fixed annual remuneration is therefore 44% (110% * 40%) and the percentage of the LTI variable remuneration applied to the fixed annual remuneration is therefore 40% for all members of the Executive Committee.

The performance criteria determining the short-term variable remuneration for 2019 were as follows:

- net result from core activities per share (15%);
- office occupancy rate (15%);
- operational margin (10%);
- strategic development (20%);
- customer satisfaction and employee engagement (20%);
- personal objectives (20%).

The performance criteria determining the 2019 long-term variable remuneration were as follows:

- net result from core activities per share (40%);
- dividend (30%);
- personal objectives (30%).

It is reminded that the amounts allocated under the LTI plan, after deduction of the withholding tax, must mandatorily be allocated to the acquisition of Cofinimmo shares, which the members of the Executive Committee undertake to hold for a minimum period of three years.

1 With independent status, total cost for the company.
2 Of which 60,000 EUR in Cofinimmo Investissements et Services SA attendance fees.

NUMBER OF SHARES HELD

	Number of shares acquired under the 2018 LTI	Total number of shares held as at 31.12.2019
Jean-Pierre Hanin	755	1,255
Françoise Roels	475	1,928
Jean Kotarakos	530	958
Sébastien Berden	68	68
Yeliz Bicici	67	67

PREVIOUS COMPENSATION PLANS

It is reminded that the remuneration plans in force before the reshuffle of the Executive Committee in 2018 are not applicable to the members of the current Executive Committee. These plans remain valid for Mrs. Françoise Roels, member of this Committee since 2006, without any new attributions since 2019 (see section 'Internal Procedures and Remuneration Policy').

PHANTOM STOCK UNIT PLAN[1]

	2017 scheme[2]		
	Number of stock units	Amount payable in 2019 (in EUR)	Amount payable in 2020 (in EUR)
Françoise Roels	729	44,182	58,996

STOCK OPTIONS GRANTED AND ACCEPTED[3]

	2016 Scheme	2015 Scheme	2014 Scheme	2013 Scheme	2012 Scheme	2011 Scheme	2010 Scheme	2009 Scheme	2008 Scheme	2007 Scheme	2006 Scheme
Françoise Roels	1,600	1,600	0	0	0	1,600[4]	1,350[5]	1,000[6]	1,000	1,000	1,000
Balance	1,600	1,600	0	0	0	0	0	0	1,000	1,000	1,000

NUMBER OF STOCK APPRECIATION RIGHTS GRANTED[7]

	2017 Plan	2018 Plan
Françoise Roels	1,600	1,600

3.3 OBJECTIVES FOR 2020

For the 2020 financial year, the Board of Directors continued to reinforce the 'SMART[8]' nature of the KPIs and objectives.

For the first time and in parallel with the implementation of its investment strategy, Cofinimmo scaled up its ambitions in terms of corporate social responsibility (CSR), by launching, among other ESG measures, the project 30³, aimed at reducing the energy intensity of its assets by 30% by 2030, to reach 130 kWh/m². This objective, which takes the 2017 level as a reference, has been established in accordance with the science-based targets methodology, which enabled Cofinimmo to objectivise the effort to be made in order to contribute to the global objective of limiting global warming to a maximum of 1.5°C and is actively in line with the Paris Agreement concluded at COP21. The inclusion of ESG objectives as criteria for variable remuneration follows on from the numerous ESG initiatives initiated by Cofinimmo more than ten years ago.

At its meeting of 13.02.2020 and following the recommendation of the CNR, the Board of Directors decided that the allocation of the 2020 variable remuneration will depend on the achievement of the following main objectives:

Regarding the short-term variable remuneration:

- net result from core activities per share (25%);
- operational margin (10%);
- strategic growth (25%);
- portfolio occupancy rate (10%);
- special projects (10%);
- personal objectives (20%).

Regarding the long-term variable remuneration:

- implementation of the ESG strategy (25%);
- net result from core activities per share (25%);
- dividend (25%);
- personal objectives (25%).

1 The Phantom Stock Unit plan is no longer applicable but remains valid for Mrs. Françoise Roels.
2 The fair value of the ordinary share at the provisional allocation date on 08.02.2018 being 103.70 EUR. The fair value of the ordinary share at the definitive grant date of 01.03.2019 being 115.709 EUR. The amount payable in 2019 is increased by the gross dividend granted since the date of provisional allocation. The fair value of the ordinary share at the definitive grant date of 01.03.2020 being 150.75 EUR; The amount payable in 2020 is increased by the gross dividend granted since the date of provisional allocation.
3 The Stock Option Plan is no longer applicable but remains valid for Mrs. Françoise Roels, for other characteristics of stock options, see Note 42 on the consolidated financial results.
4 Mrs. Françoise Roels exercised in 2019 the 1,600 options granted and accepted in 2011.
5 Mrs. Françoise Roels has exercised in 2017 the 1,350 options granted and accepted in 2010.
6 Mrs. Françoise Roels has exercised in 2016 the 1,000 options granted and accepted in 2009.
7 The Stock Appreciation Rights Plan is no longer applicable but remains valid for Mrs. Françoise Roels.
8 Objectives that are specific, measurable, acceptable, realistic and time-based.

CHANGES DECIDED FOR 2020

The following changes are made to the LTI plan:

- In order to encourage Management to act with a multi-year outlook (in particular with the introduction of the ESG KPI), the percentage applied to the annual fixed remuneration for the calculation of the amount of the long-term variable remuneration ranging from 0 to 40% will be increased from 0 to 60% with a target of 40% instead of 0 to 40% currently.
- The possibility for the members of the Executive Committee to acquire the shares under the LTI plan at a unit price corresponding to the last known stock market price multiplied by a factor of 100/120th, in accordance with comment 36/16 of the Income Tax Code, provided that at least 80% of the objectives are globally achieved. This measure will be applicable for shares to be acquired in 2021.

The contracts concluded with the members of the Executive Committee will provide that should the variable emoluments have been granted or paid on the basis of inaccurate financial information, the company may defer payment of all or part of the variable emoluments concerned, depending on the amounts unduly granted.

3.4. CONTRACTUAL TERMS OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

In order to entrust them with their day-to-day management mission, the company signed open-ended contracts with the members of the Executive Committee. The Directors have independent status and accomplish their duties in the absence of any form of subordination and with full autonomy and independence. However, they are guided in the performance of their duties by the guidelines and strategic decisions adopted by the Board of Directors and the respect of the rules governing the responsibilities and operation of the Executive Committee.

Since 2018 and as part of the Executive Committee reshuffle, a new form of contract has been negotiated and put in place with the new members of the Executive Committee. The company contract signed in 2007 with the Chief Corporate Affairs & Secretary General remains in force.

The business contracts concluded in 2018 with Mr. Jean-Pierre Hanin, Mr. Jean Kotarakos, Mr. Sébastien Berden and Mrs. Yeliz Bicici are in line with the provisions of the Law of 06.04.2010. These stipulate that the contract may be terminated subject to compliance with a notice period of 12 months in the event of termination by the company and of three months in the event of termination by them, or against the payment of an equivalent allowance calculated on the basis of the emoluments prevailing at the time of the break. With regard to the contract concluded with Mrs. Françoise Roels, it can be terminated subject to an advanced notice period of 24 months when the company initiates the termination or an advanced notice of three months in case of termination by Françoise Roels, or else by the payment of an equivalent indemnity calculated on the basis of the emoluments prevailing at the time of the break[1].

Should the Directors members of the Executive Committee be unable to carry out their duties for reasons of incapacity (illness or accident), Cofinimmo will continue to pay them the fixed portion of their emoluments for a period of two months dating from the first day of incapacity. Thereafter, they will receive an incapacity allowance (paid by an insurance company) equivalent to 70% of their total remuneration.

The contracts with the members of the Executive Committee include a non-competition clause for 12 months after termination of the contracts. This clause will only be applied if the Company chooses to activate it. In this hypothesis, a fee of 12 months salary will be paid.

1 Article 9 of the Law of 06.04.2010 states that this compensation is limited to 12 months or, depending on the case, 18 months. However, the Nomination, Remuneration and Corporate Governance Committee recalls that these terms and conditions were set out in a management agreement concluded with Françoise Roels in 2007. The approval of the General Meeting is therefore not required on this point, in accordance with this same Article.

Other parties involved

CERTIFICATION OF ACCOUNTS

An Auditor appointed by the General Meeting must certify the annual accounts and review the half-yearly accounts, as for any limited liability company and, as the Company is a RREC, prepare special reports at the request of the FSMA.

The auditor of Cofinimmo is SC s.f.d. SCRL Deloitte, Réviseurs d'Entreprises/Bedrijfsrevisoren, represented by Mr. Rik Neckebroeck, an auditor certified by FSMA, and registered to the Institut des Réviseurs d'entreprises/Instituut voor Bedrijfsrevisoren under number A01529 with registered office at 1930 Zaventem, Luchthaven Nationaal 1J.

The Auditor, Deloitte, Réviseurs d'Entreprises/Bedrijfsrevisoren, received fixed remuneration of 110,200 EUR (excluding VAT) for reviewing and certifying Cofinimmo's statutory and consolidated accounts. The fees for certifying the accounts of Cofinimmo's statutory subsidiaries came to 200,450 EUR (excluding VAT). This amount includes the Auditor's fees for certifying the accounts of the group's French subsidiaries. The fees paid to the Deloitte Group for legal and other assistance totalled 65,300 EUR (excluding VAT) for the financial year.

The fees cap of 70% of audit fees applied to other services provided by the auditor Deloitte, Réviseurs d'Entreprises/Bedrijfsrevisoren, is fulfilled.

REAL ESTATE EXPERTISE

The independent real estate valuers designated by the group to certify the overall value of its property portfolio are:

Cushman & Wakefield:

- in Belgium, Cushman & Wakefield Belgium SA/NV (RPM Brussels 0422 118 165),
- in France, Cushman & Wakefield Valuation France SA (RCS Nanterre 332 111 574),
- in the Netherlands, Cushman & Wakefield V.O.F. (KvK 33174864),
- in Spain, Cushman & Wakefield Spain Limited Sucursal en España (CIF W0061691B).

PricewaterhouseCoopers:

- in Belgium, PricewaterhouseCoopers Enterprise Advisory SCRL/CVBA (RPM Brussels 0415 622 333),
- in the Netherlands, PricewaterhouseCoopers Belastingadviseurs NV (KvK 34180284),
- in Germany, PricewaterhouseCoopers GmbH Wirthschaftsprünfungsgesellschaft (HRB 107858).

Jones Lang LaSalle:

- in Belgium, Jones Lang LaSalle SPRL/BVBA (RPM Brussels 0403 376 874),
- in France, Jones Lang LaSalle Expertises SAS (RCS Paris 444 628 150).

TERMS OF MANDATE OF THE REAL ESTATE VALUERS AT 31.12.2019

CUSHMAN & WAKEFIELD					
Segment	**Number of assets under mandate**	**Location**	**Natural persons**	**Start of term**	**End of term**
Offices	35	Belgium	Emeric Inghels	01.01.2017	31.12.2019
Healthcare real estate	45	Belgium	Emeric Inghels	01.01.2017	31.12.2019
Healthcare real estate	42	France	Jérôme Salomon	01.01.2017	31.12.2019
Healthcare real estate	3	Spain	Tony Loughran	01.07.2019	30.06.2022
Property of distribution networks - Cofinimur I	268	France	Jérôme Salomon	01.01.2018	31.12.2020
Property of distribution networks - Pubstone	218	The Netherlands	Leopold Willems	01.01.2017	31.12.2019
Property of distribution networks - Pubstone	720	Belgium	Emeric Inghels	01.01.2017	31.12.2019
PRICEWATERHOUSECOOPERS					
Segment	**Number of assets under mandate**	**Location**	**Natural persons**	**Start of term**	**End of term**
Offices	23	Belgium	Ann Smolders & Jean-Paul Ducarme	01.01.2017	31.12.2019
Healthcare real estate	27	Belgium	Ann Smolders & Jean-Paul Ducarme	01.01.2017	31.12.2019
Healthcare real estate	42	The Netherlands	Bart Kruijssen	01.01.2018	31.12.2020
Healthcare real estate	39	Germany	Dirk Kadel	01.01.2018	31.12.2020
JONES LANG LASALLE					
Segment	**Number of assets under mandate**	**Location**	**Natural persons**	**Start of term**	**End of term**
Offices	22	Belgium	Rod Scrivener	01.01.2017	31.12.2019
Healthcare real estate	6	France	Elodie du Moulin	30.09.2018	31.12.2019

In accordance with Article 47 of the Royal Decree of 12.05.2014 on RRECs, the independent real estate valuers carry out a valuation of all the properties in the portfolio of the public RREC and its subsidiaries at the end of each financial year. The valuation determines the value of the property assets appearing in the balance sheet. Furthermore, at the end of each of the first three quarters of the year, the valuers update the overall valuation made at the end of the previous financial year, based on market developments and the nature of the properties concerned. Lastly, in accordance with the provisions of Article 47 of the same Royal Decree, any property which is to be acquired or disposed of by the RREC (or a company within its scope) is valued by the valuers before the transaction. The transaction must be carried out at the value determined by the valuer when the other party is a financial sponsor of the public RREC (Cofinimmo does not have such a financial sponsor), or any company with which the public RREC is related or linked by participating interests or when any of the above-mentioned parties gain an advantage from the transaction.

The valuation of a property consists of determining its value on a specific date, i.e., the price at which the property is likely to be exchanged between purchasers and sellers who are duly informed and wish to carry out such a transaction, without any account being taken of any special advantage between them. This value is known as the 'investment value' when it corresponds to the total price payable by the purchaser, including, where appropriate, the registration duties or VAT (if the acquisition is subject to VAT).

The fair value, as meant by IAS/IFRS accounting principles, can be obtained by deducting from the investment value an appropriate portion of the registration duties and/or VAT, constituting transaction costs.

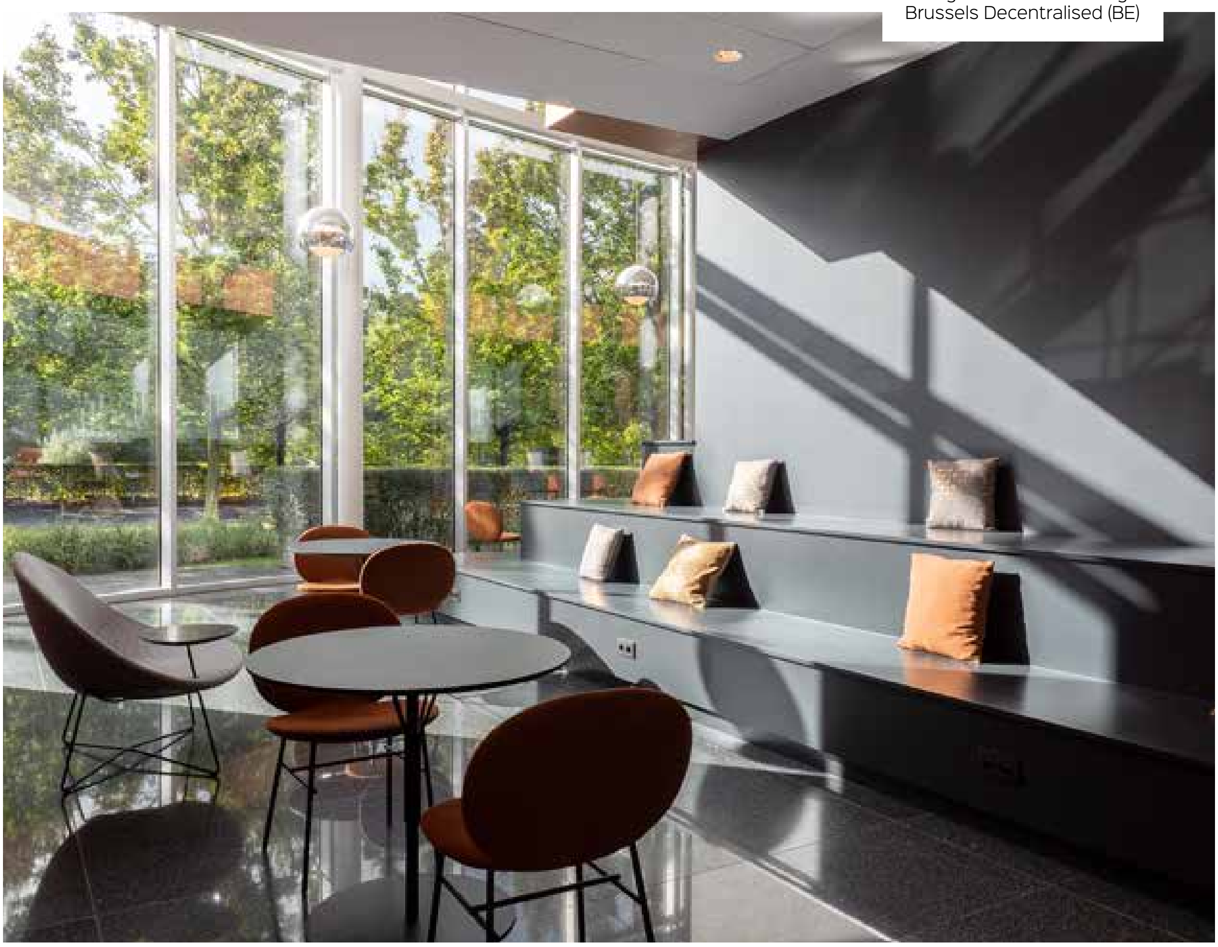
Transactions other than sales may lead to the mobilisation of the portfolio, or a portion thereof, as illustrated by the operations carried out by Cofinimmo since it acquired the status of RREC (formerly Sicafi/Bevak).

The valuers' valuation depends on the following criteria:

- location;
- age and type of building; state of repair and level of comfort; architectural appearance;
- gross/net surface area ratio; number of parking spaces;
- rental conditions;
- and, for healthcare real estate, the ratio of rents/operating cash flow before rents.

The remuneration of the independent real estate valuers, calculated quarterly on the basis of a fixed lump sum plus a fixed fee, was 1,020,307 EUR (excluding VAT) in 2019, allocated as follows: 537,213 EUR for Cushman & Wakefield, 393,971 EUR for PricewaterhouseCoopers and 89,123 EUR for Jones Lang LaSalle.

Bourget 50 office building - Brussels Decentralised (BE)



Annual accounts

CONSOLIDATED COMPREHENSIVE RESULT (INCOME STATEMENT)

(x 1,000 EUR)	Notes	2019	2018
A. NET RESULT			
Rental income	6	232,601	212,170
Writeback of lease payments sold and discounted	6	8,784	8,815
Rental-related expenses	6	623	-897
Net rental income	**5, 6**	**242,008**	**220,088**
Recovery of property charges	7	251	-6
Recovery income of charges and taxes normally payable by the tenant on let properties	8	44,537	41,653
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	7	-1,252	-2,462
Charges and taxes normally payable by the tenant on let properties	8	-50,929	-47,545
Property result		**234,615**	**211,729**
Technical costs	9	-5,939	-6,421
Commercial costs	10	-1,808	-1,791
Taxes and charges on unlet properties		-3,579	-4,489
Property management costs	11	-20,622	-17,573
Property charges		**-31,948**	**-30,275**
Property operating result		**202,667**	**181,455**
Corporate management costs	11	-8,838	-7,531
Operating result before result on the portfolio		**193,829**	**173,923**
Gains or losses on disposals of investment properties	5, 12	12,394	28,436
Gains or losses on disposal of other non-financial assets	5, 12	0	0
Changes in fair value of investment properties	5, 13, 23	79,069	-6,259
Other result on the portfolio	5, 14	-28,751	-18,150
Operating result		**256,541**	**177,951**
Financial income	15	9,021	8,958
Net interest charges	16	-24,128	-30,307
Other financial charges	17	-634	-498
Changes in the fair value of financial assets and liabilities	18	-23,765	-3,013
Financial result		**-39,505**	**-24,860**
Share in the result of associated companies and joint ventures	40	-797	841
Pre-tax result		**216,239**	**153,932**
Corporate tax	19	-5,572	-2,806
Exit tax	19	-378	327
Taxes		**-5,950**	**-2,480**
Net result		**210,289**	**151,452**
Minority interests	40	-5,674	-5,839
NET RESULT - GROUP SHARE		**204,615**	**145,613**

(in EUR)			
Net result per share - Group share	**20**	**8.37**	**6.58**
Diluted net result per share - Group share	**20**	**7.94**	**6.20**

(x 1,000 EUR)	Notes	2019	2018
B. OTHER ELEMENTS OF THE COMPREHENSIVE RESULT RECYCLABLE UNDER THE INCOME STATEMENT			
Impact of the recycling on the income statement of hedging		0	0
instruments which relationship with the hedged risk was terminated	18	0	-578
Share in the other elements of the comprehensive result of associated companies/ joint ventures		0	63
Convertible bonds	25	-9,930	300
Other elements of the comprehensive result recyclable under the income statement		**-9,930**	**-215**
Minority interests	40	0	0
OTHER ELEMENTS OF THE COMPREHENSIVE RESULT RECYCLABLE UNDER THE INCOME STATEMENT - GROUP SHARE		**-9,930**	**-215**

(x 1,000 EUR)	Notes	2019	2018
C. COMPREHENSIVE RESULT			
Comprehensive result		**200,359**	**151,237**
Minority interests	40	-5,674	-5,839
COMPREHENSIVE RESULT - GROUP SHARE		**194,685**	**145,398**

CONSOLIDATED FINANCIAL POSITION (BALANCE SHEET)

(x 1,000 EUR)	Notes	31.12.2019	31.12.2018
Non-current assets		**4,397,253**	**3,881,018**
Goodwill	5, 21	56,947	71,556
Intangible assets	24	935	922
Investment property	5, 22	4,218,523	3,694,202
Other tangible assets	24	1,278	810
Non-current financial assets	25	2,121	9
Finance lease receivables	26	105,651	101,731
Trade receivables and other non-current assets		1,016	1,379
Deferred taxes		1,162	1,383
Participations in associated companies and joint ventures	40	9,621	9,026
Current assets		**160,986**	**140,449**
Assets held for sale	5, 27	28,764	33,663
Current financial assets		2	0
Finance lease receivables	26	2,258	1,915
Trade receivables	28	23,443	24,091
Tax receivables and other current assets	29	37,639	24,167
Cash and cash equivalents		31,569	27,177
Accrued charges and deferred income	30	37,311	29,436
TOTAL ASSETS		**4,558,239**	**4,021,466**

Shareholders' equity		**2,533,960**	**2,166,365**
Shareholders' equity attributable to shareholders of parent company		**2,451,335**	**2,082,130**
Capital	p. 150 - 151	1,385,227	1,230,014
Share premium account	p. 150 - 151	727,330	584,901
Reserves	p. 150 - 151	134,163	121,602
Net result for the financial year	p. 150 - 151	204,615	145,613
Minority interests	**40**	**82,625**	**84,234**
Liabilities		**2,024,279**	**1,855,102**
Non-current liabilities		**1,025,918**	**1,140,333**
Provisions	31	24,176	22,447
Non-current financial debts	25	873,546	1,012,290
Banks	25	266,639	268,517
Other	25	606,906	743,773
Other non-current financial liabilities	25	84,227	62,600
Deferred taxes	32	43,969	42,996
Exit tax	32	0	23
Other	32	43,969	42,973
Current liabilities		**998,361**	**714,768**
Current financial debts	25	870,993	613,107
Banks	25	45,706	40,583
Other	25	825,287	572,524
Other current financial liabilities	25	96	0
Trade debts and other current debts	33	112,435	88,292
Exit tax	33	0	1,089
Other	33	112,435	87,203
Accrued charges and deferred income	34	14,837	13,370
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**4,558,239**	**4,021,466**

CALCULATION OF DEBT-TO-ASSETS RATIO

(x 1,000 EUR)		2019	2018
Non-current financial debts		873,546	1,012,290
Other non-current financial liabilities (except for hedging instruments)	+	11,206	13,622
Current financial debts	+	870,993	613,107
Trade debts and other current debts	+	112,435	88,292
Total debt	=	**1,868,180**	**1,727,311**
Total assets		4,558,239	4,021,466
Hedging instruments	-	2,122	9
Total assets (except hedging instruments)	/	**4,556,117**	**4,021,458**
DEBT-TO-ASSETS RATIO	=	**41.00%**	**42.95%**

CONSOLIDATED STATEMENT OF CASH FLOWS

(x 1,000 EUR)	Notes	2019	2018
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**27,177**	**22,532**
Operating activities			
Net result for the period		204,615	145,613
Adjustments for interest charges and income		15,613	25,085
Adjustments for gains and losses on disposal of property assets		-12,394	-28,436
Adjustments for non-cash charges and income	35	-31,908	15,367
Changes in working capital requirements	36	-6,731	2,977
CASH FLOW RESULTING FROM OPERATING ACTIVITIES		**169,195**	**160,606**
Investment activities			
Investments in intangible assets and other tangible assets		-472	-661
Acquisitions of investment properties	37	-137,197	-297,839[1]
Extensions of investment properties	37	-26,657	-26,635
Investments in investment properties	37	-15,368	-20,074
Acquisitions of subsidiaries	4	-54,965	-202,706
Disposals of investment properties	37	94,330	367,723
Disposals of assets held for sale	37	21,734	784
Disposals of other assets		41	65
Payment of exit tax		-10,106	-446
Finance lease receivables[2]		-2,153	-15,303
Other cash flows from investment activities		0	-29
CASH FLOW RESULTING FROM INVESTMENT ACTIVITIES		**-130,814**	**-195,121**
Financing activities			
Capital increase		0	152,195
Acquisitions/disposals of own shares		-1,065	161
Dividends paid to shareholders		-123,416	-118,205
Coupons paid to minority shareholders	40	-3,008	-1,416
Coupons paid to mandatory convertible bond (MCB)-holders	40	-2,843	-2,884
Increase of financial debts[3]		106,805	33,582
Decrease of financial debts		-407	0
Financial income received		14,965	6,016
Financial charges paid		-24,634	-30,710
Other cash flows from financing activities		-387	421
CASH FLOW RESULTING FROM FINANCING ACTIVITIES		**-33,989**	**39,161**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**31,569**	**27,177**

1 This amount includes the buyback of future lease payments with the Buildings Agency (Belgian Federal State) on the Egmont I and II buildings, for 234 millions EUR.
2 This amount corresponds on the one hand to the capital component of the finance leases for 2.1 million EUR (1.8 million EUR in 2018) and on the other hand to the constitution of a finance lease receivable for -4.3 million EUR (-17 million EUR in 2018).
3 The amount of 106.8 million EUR corresponds mainly to drawings made with credit institutions and commercial paper. Compared to the balance sheet variation of current and non-current financial debts, the difference comes from the changes in the fair value of convertible bonds, as detailed in Note 25. In 2018, the difference in relation to the change in the balance sheet was also due to the Group's assumption of a bank loan related to the acquisition of a subsidiary.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(x 1,000 EUR)	At 31.12.2017	Adjustment of the opening balance	At 01.01.2018
Capital	**1,141,904**	**0**	**1,141,904**
Share premiums	**520,655**	**0**	**520,655**
Reserves	**103,239**	**0**	**103,239**
Reserve of the balance of changes in fair value of real estate assets	-169,760	0	-169,760
Reserve of estimated transfer rights resulting from the hypothetical disposal of investment property	-83,954	0	-83,955
Reserve of the balance of changes in fair value of authorised hedging instruments to which the hedging accounting defined in IFRS is applied	4,969	0	4,969
Reserve of the balance of changes in fair value of authorised hedging instruments to which the hedging accounting defined in IFRS is not applied	-19,592	0	-19,592
Distributable reserve	366,119	1,997	368,116
Non-distributable reserve	5,457	0	5,457
Reserve for change in fair value of convertible bond attributable to change in 'own' credit risk	0	-1,997[1]	-1,997
Net result of the financial year	**137,362**	**0**	**137,362**
Total shareholders' equity attributable to shareholders of the parent company	**1,903,160**	**0**	**1,903,160**
Minority interests	**83,280**	**0**	**83,280**
TOTAL SHAREHOLDERS' EQUITY	**1,986,440**	**0**	**1,986,440**

(x 1,000 EUR)	At 31.12.2018	Adjustment of the opening balance sheet	At 01.01.2019
Capital	**1,230,014**	**0**	**1,230,014**
Share premiums	**584,901**	**0**	**584,901**
Reserves	**121,603**	**0**	**121,603**
Reserve of the positive/negative balance of changes in fair value of real estate assets	-156,033	0	-156,033
Reserve of estimated transaction costs resulting from the hypothetical disposal of investment property	-89,376	0	-89,376
Reserve of the balance of changes in fair value of authorised hedging instruments to which the hedging accounting defined in IFRS is applied	0	0	0
Reserve of the balance of changes in fair value of authorised hedging instruments to which the hedging accounting defined in IFRS is not applied	2,491	0	2,491
Distributable reserve	361,300	0	361,300
Non-distributable reserve	4,918	0	4,918
Reserve for treasury shares	0	0	0
Reserve of the change in fair value of the convertible bond attributable to changes in 'own' credit risk.	-1,697	0	-1,697
Net result of the financial year	**145,613**	**0**	**145,613**
Total shareholders' equity attributable to shareholders of the parent company	**2,082,130**	**0**	**2,082,130**
Minority interests	**84,234**	**0**	**84,234**
TOTAL SHAREHOLDERS' EQUITY	**2,166,365**	**0**	**2,166,365**

1 This amount corresponds to the change in the fair value of the convertible bond attributable to the change in credit risk for the year 2017.

Allocation of 2017 net income	Dividends/ Coupons	Share issue	Purchase/ sale of own shares	Cash flow hedging	Transfer between available and unavailable reserves on disposal of assets	Other	Result of the financial year	At 31.12.2018
0	0	88,013	98	0	0	0	0	1,230,014
0	0	64,182	64	0	0	0	0	584,901
137,362	-118,101	0	0	-514	0	-382	0	121,603
18,835	0	0	0	0	-5,108	0	0	-156,033
-8,364	0	0	0	0	2,942	0	0	-89,376
-2,670	0	0	0	-514	-1,785	0	0	0
18,942	0	0	0	0	3,141	0	0	2,491
111,078	-118,101	0	0	0	809	-601	0	361,300
-458	0	0	0	0	0	-81	0	4,918
0	0	0	0	0	0	300	0	-1,697
-137,362	0	0	0	0	0	0	145,613	145,613
0	-118,101	152,195	161	-514	0	-382	145,613	2,082,130
0	-4,301	0	0	0	0	-585	5,839	84,234
0	-122,402	152,195	161	-514	0	-967	151,452	2,166,365

Allocation of 2018 net income	Dividends/ Coupons	Share issue	Purchase/ sale of own shares	Cash flow hedging	Transfer between available and unavailable reserves on disposal of assets	Other	Result of the financial year	At 31.12.2019
0	0	153,051	0	0	0	2,162	0	1,385,227
0	0	142,011	0	0	0	418	0	727,330
145,613	-123,920	0	-1,065	0	0	-8,069	0	134,163
11,396	0	0	0	0	144,540	-775	0	-871
-17,919	0	0	0	0	3,057	-25	0	-104,263
0	0	0	0	0	0	0	0	0
-6,292	0	0	0	0	0	0	0	-3,801
158,398	-123,920	0	0	0	-147,597	5,845	0	254,024
30	0	0	0	0	0	-603	0	4,345
0	0	0	-1,065	0	0	-2,580	0	-3,645
0	0	0	0	0	0	-9,930	0	-11,627
-145,613	0	0	0	0	0	0	204,615	204,615
0	-123,920	295,062	-1,065	0	0	-5,489	204,615	2,451,335
0	-5,851	0	0	0	0	-1,433	5,674	82,625
0	-129,770	295,062	-1,065	0	0	-6,921	210,289	2,533,960

NOTE 1. GENERAL INFORMATION

Cofinimmo SA/NV (the 'Company') is a Belgian public RREC (Regulated Real Estate Company) with registered offices at boulevard de la Woluwe/Woluwedal 58, 1200 Brussels. The consolidated financial statements of the company for the financial year ending on 31.12.2019 comprise the Company and its subsidiaries (together referred to as the 'Group'). The consolidation scope has evolved since 31.12.2018. Cofinimmo acquired the shares of 10 companies and created seven new subsidiaries. The consolidation scope at 31.12.2019 is presented in Note 40.

The consolidated statutory financial statements were adopted by the Board of Directors on 19.03.2020 and will be submitted to the General Meeting on 13.05.2020.

The accounting principles and methods adopted for the preparation of the financial statements are identical to those used for the annual financial statements for the 2018 financial year, except for what is mentioned in Note 2.

NOTE 2. SIGNIFICANT ACCOUNTING METHODS

A. Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, as adopted by the Belgian Royal Decree of 13.07.2014 concerning Regulated Real Estate Companies.

The principles and methods used to prepare the annual accounts are the same as those used in the annual accounts for the 2018 financial year, except for the application of new IFRS 16.

IFRS 16 on leases replaced IAS 17 (effective from 01.01.2019). This standard defines how leases should be recognised, measured and presented in the financial statements. From the lessor's perspective, the majority of the requirements of IAS 17 remain unchanged, which explains why the new norm has only little or no effect on the accounting for such leases.

From the lessee's perspective, however, IFRS 16 introduces significant changes, notably by removing the distinction between operating and finance leases. As a result, for all leases, a right to use the asset and a lease liability must be recognised (except for short-term contracts or contracts involving low-value assets).

The application of this new standard at 01.01.2019 has had no material impact on the consolidated financial statements of Cofinimmo (its impact being limited to the recognition of rights of use of less than 1 million EUR and related debts of an equivalent amount).

The preparation of the financial statements requires the company to make significant judgments that affect the application of accounting methods (such as, for example, the determination of the classification of lease contracts) and to proceed to a certain number of estimations (in particular, the provisions estimation). These assumptions are based on the management's experience, on the assistance of third parties (real estate valuers) and on various other factors that are believed to be relevant. Actual results may differ from these estimations. The estimations and underlying assumptions are reviewed on an ongoing basis.

B. Basis of preparation

The financial statements are presented in euro, rounded to the nearest thousand. They are prepared on the historical costs basis, except the following assets and liabilities, which are stated at their fair value: investment properties, assets held for sale, convertible bonds issued, derivative financial instruments and sales options permitted to non-controlling shareholders.

Some financial figures in this Universal Registration Document have been rounded up and, consequently, the overall totals in this Document may differ slightly from the exact arithmetical sum of the preceding figures.

Finally, some reclassifications can intervene between the publication date of the annual results and that of the Universal Registration Document.

C. Basis of consolidation

I Subsidiaries

The consolidated financial statements include the financial statements of the Company and the financial statements of the entities (including the structured entities) that it controls and its subsidiaries. The company has control when it:

• holds power over the issuing entity;

• is exposed or entitled to variable returns because of its ties with the issuing entity;

• has the ability to exercise its power so as to affect the amount of the returns that it receives.

The Company must reassess whether it controls the issuing entity when the facts and circumstances indicate that one or more of the three elements of control listed above have changed.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date the control starts until the date the control ends.

Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group. The subsidiaries' financial statements cover the same accounting period as that of the Company.

Changes in the Group's participations in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The book value of the participations in subsidiaries, held by the Group or by third parties, is adjusted to reflect the changes in the respective levels of participation. Any difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is recognised directly under equity.

II Joint ventures

A joint venture is an entity subject to an agreement whereby the parties who exercise joint control have rights over the net assets of the agreement. Under the equity accounting method, the consolidated income statement includes the Group's share in the result of joint ventures. This share is calculated from the date on which the joint control starts until the date on which the joint control ends. The financial statements of the jointly controlled entities cover the same accounting period as that of the Company.

III Transactions eliminated on consolidation

Intragroup balances and transactions, as well as any gains arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Gains arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entities. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

A list of the Group companies is included in Note 40.

D. Goodwill and business combinations

When the Group takes control of an integrated combination of activities and assets corresponding to the definition of a company ('business') according to IFRS 3 - 'Business combinations', the assets, liabilities and contingent liabilities of the business acquired are recorded at their fair value at the acquisition date. The goodwill represents the positive difference between the acquisition costs (excluding acquisition-related costs), plus any minority interests, and the fair value of the acquired net assets. If this difference is negative ('negative goodwill'), it is immediately recorded on the income statement after confirmation of the values.

After its initial recording, the goodwill is not amortised but submitted to an impairment test realised at least every year on the cash-generating units to which the goodwill was allocated. If the book value of a cash-generating unit exceeds its value in use, the resulting writedown is recorded on the income statement and first allocated in reduction of the possible goodwill and then to the other assets of the unit, proportionally to their book value. An impairment booked on goodwill is not written back during a subsequent year.

In accordance with IFRS 3, the goodwill can be set temporarily at the acquisition and adjusted within the 12 following months. In the event of the disposal of a cash-generating unit, the amount of goodwill that is allocated to this unit is included in the determination of the gain or loss on the disposal.

E. Translation of foreign currencies

I Foreign entities

There is no subsidiary whose financial statements are denominated in a currency other than the euro at the closing date.

II Foreign currency transactions

Foreign currency transactions are recognised initially at exchange rates prevailing at the date of the transaction. At closing, monetary assets and liabilities denominated in foreign currencies are translated at the then prevailing currency rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are included on the income statement as financial income or financial charges.

F. Financial instruments

I Derivative financial instruments

The Group uses derivative financial instruments to hedge against interest rate risks originating from operational, financial and investment activities (for more details about the derivative financial instruments, see Note 25).

A Recognition of derivative financial instruments:
These derivative financial instruments are interest rate swaps (IRS) and CAP options applied as economic hedges. Derivatives are initially recognised at fair value on the date on which the contracts for derivative interest instruments are entered into and are subsequently revalued at their fair value on the following closing dates. The resulting gain or loss is recognised immediately in the result.

B Revaluation of derivative financial instruments:
Revaluation takes place for all derivative financial instruments on the basis of the same price and volatility assumptions using an application from the independent supplier of market data (Bloomberg). This revaluation is compared to that of the banks, whereby each significant difference between the two revaluations is documented (see also point W below).

II Amortised cost and effective interest method

Interest-bearing loans, to the exception of convertible bonds, are initially recognised at cost less the attributable transaction costs. Subsequently, interest-bearing loans are measured at amortised cost, where the difference between the repayment cost and the repayment value is booked in the income statements over the period of the loan on the basis of the effective interest rate method. As an example, fees are paid to the lender or legal fees are integrated into the calculation of the effective interest rate.

Financial assets are valued at amortised cost using the SPPI test (Solely payment of principal and interests) since on the one hand, the Group aims to hold them, and on the other hand, the contractual terms of the financial asset on specific dates give rise to cash flows consisting exclusively of payments of the principal and interest.

III Derecognition of financial assets and liabilities

The Group derecognises a financial asset in the result only if the contractual rights to the cash flows from that asset lapse or when the financial asset and almost all risks and rewards of ownership of the asset are transferred to another party. When a financial asset is derecognised at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and claim is included in the result.

For financial liabilities, the Group derecognises when the contractual obligations have expired or have been cancelled.

Finally, when a change in contractual rights or obligations occurs without leading to the derecognition of the underlying financial asset or liability, the difference from the new balance sheet value is recognised in the income statement.

IV Convertible bond

The convertible bond does not qualify in whole or in part as an equity instrument. The instrument contains embedded derivatives. In order to facilitate the valuation of this instrument, Cofinimmo has decided to value it at fair value. The change in fair value resulting from changes in market conditions during the financial year is recognised in the income statement while the change in fair value resulting from changes in credit risk during the financial year is recognised in items of other comprehensive income.

G. Investment properties

Investment properties are properties which are held to earn rental income for the long term. In accordance with IAS 40, investment properties are stated at fair value.

External independent real estate valuers determine the valuation of the property portfolio every three months. Any gain or loss arising, after the acquisition of a property, from a change in its fair value is recognised on the income statement. Rental income from investment properties is accounted for as described under section R.

The real estate valuers carry out the valuation on the basis of the method of calculating the present value of the rental income in accordance with the 'International Valuation Standards/RICS Valuation Standards', established by the International Valuation Standards Committee/Royal Institute of Chartered Surveyors, as set out in the corresponding report. This value, referred to hereafter as the 'investment value', corresponds to the price that a third-party investor would be prepared to pay in order to acquire each of the properties making up the portfolio of assets and in order to benefit from their rental income while assuming the related charges, without deduction of transfer taxes.

The disposal of an investment property is usually subject to the payment to the public authorities of transfer rights or VAT. A share of transfer rights is deducted by the valuers from the investment value of the investment properties to establish the fair value of the investment properties, as evidenced in their valuation report (see Note 22).

When an acquisition or investment is made, the transfer rights to be incurred during a subsequent theoretical sale are recognised directly on the income statement; any change in the fair value of a building during the financial year is also recognised on the income statements. These two movements are allocated to the reserve during the appropriation of the result for the financial year. In the event of a disposal, the transfer rights do not have to be deducted from the difference between the price obtained and the carrying value of the sold properties for calculating the capital gain or loss effectively realised.

If an investment property becomes owner-occupied, it is reclassified as asset held for own use, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

H. Development projects

Properties that are being built, renovated, developed or redeveloped for future use as investment properties are classified as development projects until the completion of the works and stated at their fair value. This concerns healthcare properties under construction or development (extensions) and empty office buildings that are or will be under renovation or redevelopment. At the time of completion of the works, the properties are transferred from the 'Development project category' to the 'Properties available for rental' category or to 'Properties held for sale' if they are put up for sale. The fair value of the office buildings which will undergo a renovation or redevelopment decreases as the end of the lease and the beginning of the works approaches.

All costs directly associated with the purchase and construction, and all subsequent capital expenditures qualifying as acquisition costs, are capitalised. Provided the project exceeding one year, interest charges are capitalised at a rate reflecting the average borrowing cost of the Group.

I. Leases

I The Group as lessor

A. Types of long leases

In compliance with the law, properties can be let for long periods under two different regimes:

- Long ordinary leases: the lessor's obligations are essentially those under any lease: for instance, to ensure that space in a state of being occupied is available to the lessee during the entire term of the lease. This obligation is met by the lessor by bearing the maintenance costs (other than rental) and the insurance costs against fire and other damages;
- Long leases which involve the assignment of a real right by the assignor to the assignee: in this case, the ownership passes temporarily to the assignee who will bear namely maintenance (other than rental) and insurance costs. Three contract types fall under this category: (a) the leasehold ('bail emphytéotique/erfpachtovereenkomst') which must last a minimum of 27 years and a maximum of 99 years and can according to Belgian law apply to land and/or constructions; (b) the building lease ('droit de superficie/recht van opstal') which may not exceed 50 years but has no minimum duration and (c) the usufruct right ('droit d'usufruit/recht van vruchtgebruik') which may not exceed 30 years and has no minimum duration and can apply to land with a construction or bare land. Under all these contracts, the assignor keeps a residual right in that it will recover the full ownership of the property at the end of the term of the assignment, including the ownership of the constructions erected by the assignee, with or without indemnity for these constructions, depending on the contractual terms. A purchase option for the residual right may, however, have been granted, which the lessee can exercise during or at the end of the lease.

B. Long leases qualifying as finance leases

Provided these leases meet the criteria of a finance lease under IFRS 16:63, the Group as assignor will present them at their inception as a receivable for an amount equal to the net investment in the lease agreement. The difference between this amount and the book value of the leased property (excluding the value of the residual right kept by the Group) at the inception of the lease will be recorded on the income statement for the period. Any payment made periodically by the lessee will be treated by the Group partly as a repayment of the principal and partly as a financial income based on a pattern reflecting a constant periodic rate of return for the Group.

At each closing date, the residual right kept by the Group will be accounted for at its fair value. It will increase each year and will correspond, at the end of the lease, to the market value of the full ownership. These changes in the fair value will be accounted for under the item 'Changes in the fair value of investment properties' on the income statement.

C. Sale of future lease payments under a long lease not qualifying as a finance lease

The amount collected by the Group as a result of the sale of the future lease payments will be recognised in deduction of the property's value to the extent that this sale of lease payments is opposable to third parties and that, as a consequence, the market value of the property is reduced by the amount of the future lease payments sold (hereafter 'reduced value'). Indeed, pursuant to Article 1690 of the Belgian Civil Code, a third party that would buy the properties, is deprived of the right of receiving rental revenues.

The progressive reconstitution of the lease payments sold will be recognised each period under the item 'Writeback of lease payments sold and discounted' on the income statement and will be added to the reduced value of the building on the assets side. This gradual constitution of the non-reduced value relies on the basis of the interest rates and inflation (indexation) conditions applied at the time of transfer and implied in the price obtained by the Group at the moment from the transferee for the sold receivables.

The change in the reduced fair value of the property will be recorded separately under the item 'Changes in the fair value of investment properties' according to the following formula:

$$\left(\left(\frac{\text{FV year n-1}}{\text{NRFV year n-1}}\right) * \text{Cumulative change year n}\right) - \left(\left(\frac{\text{VR year n-2}}{\text{VNR year n-2}}\right) * \text{Cumulative change year n-1}\right)$$

in which:

FV: reduced fair value of the property (resulting from the information mentioned in the two preceding paragraphs);

NRFV: non-reduced fair value of the property (that is, if the future rental income would have not been sold and as established at each closing date by the independent real estate valuers according to the real estate market) ;

Cumulative change: change of the cumulative non-reduced fair value since the disposal of the future rents.

II The Group as a lessee

The Group assesses each new contract to determine whether it is a lease. If it is, the Group recognises a right to use for the asset and a corresponding lease liability (except for short-term contracts or contracts for low-value assets, for which the Group recognises a simple operating expense).

A. Lease liability

The lease liability is initially recognised at the present value of the future lease payments. The discount rate is the rate implicit in the contract. If this cannot be determined, the Group's marginal interest rate will be applied. Any payments made periodically by the Group will be treated partly as repayment of principal and partly as a finance charge.

B. Right to use

The right to use is initially recognised as an asset for an amount corresponding to the lease liability, taking into account any costs related to obtaining the contract. Subsequently, this right will be amortised over the term of the contract (unless the anticipated useful life is shorter than that provided for in the contract). In terms of classification, the right to use is presented among assets of the same nature held in full ownership.

J. Other fixed assets

I Assets held for own use

In accordance with the alternative method allowed by IAS 16 § 31, the part of the property used by the company itself as head-quarters is stated at its fair value. It appears under the heading 'Assets held for own use'.

II Subsequent expenditure

Expenditure incurred to refurbish a property, that is accounted for separately, is capitalised. Other expenditure is capitalised only when it increases the future economic benefits of the property. All other expenditure is recorded as costs on the income statement (see point S II).

III Depreciation

Investment properties, whether land or constructions, are not depreciated but posted at fair value (see point G). Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives as indicated below:

- fixture and fittings: 4-10 years;
- furniture: 8-10 years;
- computer hardware: 3-4 years;
- software: 4 years.

However, depreciation of software may be spread over a longer period of time corresponding to the probable period of use and in accordance with the rate at which the economic benefits associated with the asset are consumed.

IV Assets held for sale

Assets held for sale (investment properties) are presented separately on the balance sheet at a value corresponding to their fair value.

V Impairment

The other assets are subject to an impairment test only if there is an indication showing that their book value will not be recoverable by their use or disposal.

K. Finance lease receivables and real estate public-private partnerships

I Finance lease receivables

Finance lease receivables are valued based on their discounted value at the interest rate prevailing at the time of their issue. If they are indexed to an inflation index, this is not taken into account in the determination of the discounted value. If a derivative financial instrument provides hedging, the market interest rate for this instrument will serve as a reference rate for calculating the market value of the receivable at the close of each accounting period. In this case, the entire unrealised gain generated by the valuation at market value of the receivable is limited to the unrealised loss relating to the valuation at market value (see point F I) of the hedging instrument. Conversely, any unrealised loss generated by the receivable will be entirely recorded on the income statement.

II Real estate Public-Private Partnerships

With the exception of the police station in Dendermonde, considered as operational leasing and, therefore, recognised as investment property, Public-Private Partnerships are classified as a finance lease receivable and are subject to IFRIC 12 (for the bookings, see paragraph K I).

L. Cash and cash equivalents

Cash and cash equivalents comprise current accounts, cash and short-term investments.

M. Equity

I Ordinary shares

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction, net of tax, of the proceeds.

II Preference shares and mandatory convertible bonds

Preference share and mandatory convertible bond capital is classified as equity if it meets the definition of an equity instrument under IAS 32.

III Repurchase of shares

When own shares are repurchased by the Group, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are presented as a specific line under equity. The proceeds on sales of own shares are directly included under equity without impacting the income statement.

IV Dividends

Dividends are recognised as debt when they are approved by the General Meeting.

N. Other non-current financial liabilities

'Other non-current financial liabilities' mainly includes the fair value of derivative financial instruments underwritten by the Group. The Group may undertake to take over non-controlling interests in subsidiaries owned by third parties should the latter exercise their sales options. The exercise price of such options permitted to non-controlling shareholders is recognised in the 'Other non-current financial liabilities' line.

O. Employee benefits

Contributions paid under the retirement pension defined contribution system are recorded as charges insofar as employees provided the services giving them the right to such contributions.

In Belgium, certain retirement pension systems based on defined contributions, are subject to a legally guaranteed minimal return by the employer and are therefore qualified as retirement pension systems with defined benefit (see Note 11).

The cost of the retirement pension system with defined benefit is determined by means of the projected credit units method and actuarial evaluations are made at the end of each period when the financial information is presented. The revaluations, comprising the actuarial differences and return of the system's assets (excluding interests) are directly recorded in the statement of the financial position, resulting in a debit or credit in the other elements of the global result during the financial year in which they occur. The revaluation under the other elements of the global result are directly recorded in the retained earnings and will not be reclassified to net income.

Costs of past services are recognised in net income in the period in which a system change occurs.

The net interest calculation is carried out by multiplying the net liabilities of the accrued net benefits at the beginning of the period by the actualisation rate.

Costs of the defined benefits are classified under the following categories:

- cost of services (cost of services rendered during the period, cost of passed services, as well as gains and losses arising from reductions and liquidations);
- net interests (charges);
- revaluations.

The Group presents the first two components of the defined benefits costs in the net result under 'Personnel Cost'.

The accrued benefit obligations recorded in the consolidated statement of the financial position represents the actual amount of the deficit of the defined benefits systems of the Group.

P. Provisions

A provision is recognised on the balance sheet when the Group has a legal or contractual obligation resulting from a past event, and if it is likely that resources will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at the market rate reflecting, where appropriate, the risk specific to the liability.

Q. Trade debts and other debts

Trade debts and other debts are stated at amortised cost.

R. Operating revenues

Operating revenues include revenues from lease contracts on buildings and revenues from real estate services.

Revenues from lease contracts are recorded under the rental income item. Some lease contracts allow for a period of free occupancy followed by a period during which the agreed rent is due by the tenant. In this case, the total amount of the contractual rent to be collected until the first break option for the tenant is recognised on the income statement (item 'rental income') *pro rata temporis* over the length of the lease contract, beginning at the start of the occupancy and ending at the first break option (i.e. the firm term of the lease). More accurately, the contractual rent expressed in annual amount is first recognised as revenue and the rent-free period spread over the firm term of the lease is then booked as an expense. Hence, an accrued income account is debited at the start of the lease for an amount corresponding to the rental income (net of the cost of rent-free periods) already earned but not yet expired.

When real estate valuers make an estimation of the value of the buildings based on the discounted value of future cash flows method, they include in these values the total rents yet to be collected. Hence, the accrued income account referred to above is redundant with the part of the buildings representing rents already earned and recognised on the income statement but not yet due. Therefore, in order to avoid this redundancy, which would wrongfully swell the total of the balance sheet and of the shareholders' equity, the amount under the accrued income account is reversed against a charge booked under the item 'Other result on the portfolio'. Once the date of the first break option is passed, no charge is to be recorded on the income statement, as would have been the case without this reverse booking.

As a consequence, the operating result before result on the portfolio (and thus the net result from core activities of the analytical form) reflects the rents spread over the firm term of the lease, whereas the net result reflects the rents to date and as they are cashed.

The concessions granted to tenants are, on their part, booked as charges over the firm term of the lease. They refer to incentives consisting of the financing by the landlord of certain expenses the tenant is normally responsible for, such as the cost of the fitting works of private surfaces for example.

S. Operating expenses

I Service costs

Service costs paid, as well as those borne on behalf of the tenants, are included in the direct property expenses. Their recovery from the tenants is presented separately.

II Works carried out on properties

Works carried out that are the responsibility of the building owner are recorded in the accounts in three different ways, depending on the type of works:

- expenditure on maintenance and repairs that does not add any extra functionality or does not increase the standard of comfort of the building is considered as current expenditure for the period, and as property costs;
- extensive renovation works: these are normally undertaken at intervals of 25 to 35 years and involve virtually rebuilding the building whereby, in most cases, the existing carcass work is re-used and state-of-the-art building techniques are applied; on completion of such renovation works, the property can be considered as new and expenditure is capitalised;
- improvement works: these are works carried out on an occasional basis to add functionality to the property or significantly enhance the standard of comfort, thus making it possible to raise the rent and, hence, the estimated rental value. The costs of these works are capitalised by reason of the fact that and insofar as the valuer normally recognises a corresponding appreciation in the value of the property. Example: installation of an air conditioning system where one did not previously exist.

Works that generate expenses to be activated are identified taking into account the previous criteria during the preparation of the budgets. The capitalised expenses are related to materials, engineering works, technical studies, internal costs, architect fees and interests during the construction.

III Commissions paid to letting agents and other transaction costs

Commissions relating to property lettings are entered under current expenditure for the year, under the item 'commercial costs'.

Commissions relating to the acquisition of properties, transfer duties, notary fees and other ancillary costs are considered as transaction costs and included in the acquisition cost of the acquired property. These costs are also considered as part of the acquisition cost when the purchase is done through a business combination.

Commissions on property sales are deducted from the disposal price obtained to determine the gain or loss made.

Property valuation costs and technical valuation costs are always entered under current expenditure.

IV Financial result

Net financing costs comprise interest payable on borrowings, calculated using the effective interest rate method, and gains and losses on hedging instruments that are recognised on the income statement (see point F).

Interest income is recognised on the income statement as it accrues, taking into account the effective yield on the asset.

Dividend income is recognised on the income statement on the date that the dividend is declared.

T. Income tax

The income tax of the financial year comprises the current tax. The income tax is recognised on the income statement except to the extent that it relates to items recognised directly under equity. The current tax is the expected tax payable on the taxable income of the past year, using the tax rate enacted at the closing date, and any adjustment to taxes payable in respect of previous years.

U. Exit tax and deferred taxes

The exit tax is the tax on the gain that arises upon approval of a Belgian as a RREC (or FIIS - Specialised real estate investment fund) or merger of a non-RREC with a RREC. When the non-RREC, which is eligible for this regime, first enters the consolidation scope of the Group, a provision for an exit tax liability is recorded simultaneously with a revaluation gain on the property corresponding to the market value of the property, and taking into account a forecasted date of merger or approval. Any subsequent adjustment to this exit tax liability is recognised on the income statement. When the approval or merger takes place, the provision becomes a debt and any difference is also recognised on the income statement.

The same treatment is applied *mutatis mutandis* to French companies eligible for the SIIC regime and to Dutch companies eligible for the FBI regime.

When companies not eligible for the RREC, FIIS, SIIC or FBI regimes are acquired, a deferred tax is recognised on the unrealised gain of the investment property.

V. Stock options

Equity-settled share-based payments to employees and Executive Committee members are measured at the fair value of the equity instruments at the date of granting (See Note 42).

W. Estimates, judgments and main sources of concern

I Fair value of the property portfolio

Cofinimmo's portfolio is valued quarterly by independent real estate valuers. This valuation by real estate valuers is intended to determine the market value of a property at a certain date, taking into account the market evolution and the characteristics of the property. In parallel to the work of the real estate valuers, Cofinimmo proceeds with its own valuation of its assets with a view on their long-term operation by its teams. The portfolio is recorded at the fair value established by the real estate valuers in the Group's consolidated accounts (see Note 22).

II Financial instruments

The fair value of the Group's financial instruments is calculated on the basis of the market values in the Bloomberg[1] system . These fair values are compared with the quarterly estimations received from the banks, and major variations are analysed (more details are given in Note 25).

III Goodwill

Goodwill is calculated at the acquisition date as the positive difference between the acquisition cost and Cofinimmo's share in the fair value of the net asset acquired. Such goodwill is then the subject of an impairment test by comparing the net book value of the groups of buildings with their value in use. The calculation of the value in use is based on assumptions of future cash flows, indexation rates, cash flow years and residual values (more details are given in Note 21).

IV Transactions

When acquiring a portfolio through the purchase of company shares, the Group takes into account the percentage of shares held and the appointment capacity by the Directors in order to determine whether the control exercised by the Group is joint or exclusive.

When a property portfolio meets the definition of a business combination as defined under IFRS 3, the Group restates the assets and liabilities acquired in the context of the business combination at their fair value. The fair value of the property assets of the business combination is determined based on the value given by the independent real estate valuers (more details are given in Note 40).

1 The data provided by Bloomberg result from price observations relating to actual transactions and the application to these observations of valuation models developed in the scientific literature (www.bloomberg.com).

NOTE 3. MANAGEMENT OF OPERATIONAL RISK

By operating risk, Cofinimmo means the risk of losses due to inadequacies in the company's procedures or failures in its management.

The Group actively manages its client base in order to minimise vacancies and tenant turnover in the office segment. The Property Management team is responsible for swiftly resolving tenant complaints, while the letting team maintains regular contact with them so as to offer alternative solutions from within the portfolio should tenants require more or less space. Although this activity is fundamental to protect rental income, it has little impact on the price at which a vacant property can be let, as that price depends on the prevailing market conditions. Most of the lease contracts include a provision whereby rents are annually indexed. Before accepting a new client, an analysis of the credit risk is carried out, if need be on the basis of the opinion of an outside rating agency. An advance deposit or bank guarantee corresponding to six months' rent is generally requested from private sector tenants.

With a few exceptions, rents are payable in advance, on a monthly, quarterly or yearly basis. A quarterly provision covering property charges and taxes incurred by the Group but contractually rechargeable to tenants is also requested. The level of rental defaults recorded net of recoveries represents 0.053% of the total turnover over the period 1996-2019. An important deterioration in the general economic situation is likely to magnify losses on lease receivables, particularly in the office segment. The possible insolvency of a major tenant can represent a significant loss for Cofinimmo, as well as an unexpected vacancy or even having to rent out the vacant space at a price significantly lower than the level of the terminated contract.

Direct operating costs, on the other hand, are driven essentially by two factors:

- the age and quality of buildings, which determine the level of maintenance and repair expenses, both closely monitored by the Property Management team, while the execution of the works is outsourced;
- the vacancy level of office properties and the tenant turnover, which determine the level of expenses for unlet space, the letting fees, the refurbishment costs, the incentives granted to new clients, etc. Operational costs which the active commercial management of the portfolio is designed to minimise.

The healthcare assets and accommodation of elderly people and the buildings of the distribution networks are almost occupied at 100%. The first one are rented to operator groups whose solvency is analysed annually. The second one are let to large companies. The reletting or reconversion scenarios at the end of the lease are cautiously analysed and prepared in due time. The smaller buildings included in the distribution networks are sold when the tenant leaves.

Construction and refurbishment projects are prepared and supervised by the Group's Project Management team with a mandate to complete them on time and on budget. For the management of large-scale projects, specialised outside companies are brought in by the Group.

The risk of buildings being destroyed by fire or other disastrous events is insured for a total reconstruction value of 1,749.8 million EUR[1], compared with a fair value of the investment properties of 1,697.8 million EUR as at 31.12.2019, including the value of the land. Cover has also been taken against vacancies resulting from these events. Moreover, Cofinimmo has insurance for its public liability as the building's owner or project supervisor (details of the Group's financial risk are provided in Note 25).

1 This amount does not include the insurances taken during works, nor those that are contractually borne by the occupant (i.e. for healthcare real estate, the pubs and restaurants of the Pubstone portfolio as well as certain office buildings), nor those related to lease finance contracts. Furthermore, this amount does not include the insurances related to buildings rented to MAAF (first-rank insurance on all the freehold properties and second-rank insurance on the co-owned properties), which are covered for the value of the reconstruction.

NOTE 4. ACQUISITIONS OF SUBSIDIARIES AND JOINT VENTURES

GENERAL INFORMATION

Company	Gecare 1	Lex 85	CareInpro	Ligne Invest
Date of acquisition	29.04.2019	20.05.2019	26.06.2019	28.06.2019
Number of entities	1	1	7	1
Segment	Healthcare	Office	Healthcare	Office
Country	Germany	Belgium	Belgium	Belgium
% of ownership by Cofinimmo Group as at 31.12.2019 - Global consolidation	100%	100%	100%	100%
Direct or indirect acquisition by Cofinimmo SA/NV	Direct	Direct	Indirect	Direct
Valuation of buildings to determine the value of the acquired securities[1] (x 1,000,000 EUR)	**29**	**6**	**149**	**16**

These acquisitions were not considered as business combinations as stipulated in IFRS 3 since they themselves are not 'business' acquisitions. A 'business' is defined as an integrated set of activities and assets.

1 These acquisitions as well as earn-outs related to previous acquisitions generated a cash outflow of 55 million EUR. As a reminder, the acquisitions of Gecare 1 and CareInpro were made through contributions in kind for 25 million EUR and 122 million EUR respectively.

NOTE 5. SEGMENT INFORMATION

In fair value, healthcare real estate accounts for 56.2% of the portfolio, offices 30.6%, property of distribution networks 13.2% (the different property segments are described on pages 12 to 19).

Three clients represent more than 10% of the contractual rent: the Korian group and the Colisée group, both tenants in the healthcare real estate segment, for 40 million EUR and 26 million EUR respectively; AB InBev, tenant in the property of distribution networks segment for an amount of 30 million EUR.

	HEALTHCARE REAL ESTATE										OFFICES			
(x 1,000 EUR)	Belgium		France		Netherlands		Germany		Spain		Brussels CBD[1]		Brussels Decentralised	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
INCOME STATEMENT														
Net rental income	**59,739**	**52,011**	**26,434**	**25,923**	**15,783**	**11,902**	**27,095**	**17,258**			**26,222**	**24,558**	**25,309**	**27,775**
Property result after direct property costs	**59,753**	**51,902**	**26,260**	**25,686**	**14,360**	**10,565**	**25,428**	**16,637**			**23,884**	**21,466**	**16,046**	**16,292**
Property management costs														
Corporate management costs														
Gains or losses on disposals of investment properties and other non-financial assets	1,174		-1	-16	10							26,966	11,327	
Changes in fair value of investment properties	46,765	12,831	- 11,750	-12,196	11,935	11,314	- 1,352	-8,013			32,831	16,060	- 1,940	-27,091
Other result on the portfolio	- 3,892		- 11,947	-12,157	-212	263	- 6,129	-914	-246		-328	-125	90	
Operating result	**103,800**	**64,733**	**2,563**	**1,318**	**26,094**	**22,142**	**17,947**	**7,710**	**-246**		**56,386**	**64,366**	**25,523**	**-10,798**
Financial result														
Share in the result of associated companies and joint ventures			741	845										
Taxes														
NET RESULT														
Net result - Group share														
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
BALANCE SHEET														
Assets														
Goodwill				11,409										
Investment property of which:	1,213,559	879,575	380,410	394,230	289,750	210,390	492,590	397,400	11,200		585,420	510,535	354,336	402,958
Development projects	1,015	13,140			16,880	6,990	690		11,200		67,457	32,911	23,547	49,957
Assets held for own use													7,246	7,352
Assets held for sale													28,764	33,663
Other assets														
TOTAL ASSETS														
Shareholders' equity and liabilities														
Shareholders' equity														
Shareholders' equity attributable to shareholders of parent company														
Minority interests														
Liabilities														
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES														

1 Central Business District.

OFFICES						PROPERTY OF DISTRIBUTION NETWORKS						UNALLOCATED AMOUNTS		TOTAL	
Brussels Periphery		Antwerp		Other regions		Pubstone Belgium		Pubstone Netherlands		Cofinimur I France					
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
8,640	**9,186**	**5,337**	**4,880**	**9,452**	**9,202**	**19,954**	**19,810**	**9,949**	**9,843**	**8,093**	**7,741**			**242,008**	**220,088**
7,666	**7,377**	**4,211**	**4,157**	**9,139**	**9,129**	**19,141**	**19,108**	**9,498**	**9,291**	**7,903**	**7,416**			**223,289**	**199,028**
												- 20,622	-17,573	- 20,622	-17,573
												- 8,838	-7,531	- 8,838	-7,531
- 1,550			500			928	787	520	110	-16	89			12,394	28,436
- 1,888	-5,906	1,550	-569	308	570	1,936	3,861	755	2,555	-79	326			79,069	-6,259
						-12	-1,168	- 2,353	-1,668			-3,722	-2,382	-28,751	-18,150
4,228	**1,471**	**5,760**	**4,088**	**9,447**	**9,699**	**21,993**	**22,588**	**8,420**	**10,289**	**7,808**	**7,832**	**-33,182**	**-27,487**	**256,541**	**177,951**
												-39,505	**-24,860**	**-39,505**	**-24,860**
												-1,538	-4	-797	841
												-5,950	**-2,480**	**-5,950**	**-2,480**
														210,289	**151,452**
														204,615	**145,613**
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
						36,127	36,127	20,820	24,020					56,947	71,556
114,298	126,656	68,989	66,855	146,039	144,860	294,899	292,016	141,073	142,101	125,960	126,625			4,218,523	3,694,202
426	422	425	415											121,640	103,836
														7,246	7,352
														28,764	33,663
												254,006	222,046	254,006	222,046
														4,558,239	**4,021,466**
												2,533,960	2,166,365	2,533,960	2,166,365
												2,451,335	2,082,130	2,451,335	2,082,130
												82,625	84,234	82,625	84,234
												2,024,279	1,855,102	2,024,279	1,855,102
														4,558,239	**4,021,466**

NOTE 6. RENTAL INCOME AND RENTAL-RELATED EXPENSES

(x 1,000 EUR)	2019	2018
Rental income	**232,601**	**212,170**
Rents	237,508	216,441
Gross potential income[1]	249,657	229,977
Vacancy[2]	-12,149	-13,536
Cost of rent-free periods	-4,483	-3,839
Concessions granted to tenants	-834	-619
Indemnities for early termination of rental contracts[3]	410	188
Writeback of lease payments sold and discounted	**8,784**	**8,815**
Rental-related expenses	**623**	**-897**
Rent payable on rented premises	-3	-250
Writedowns on trade receivables	-47	-654
Writeback of writedowns on trade receivables	673	8
TOTAL	242,008	220,088

Except in some rare cases, the leases contracted by the Group are subject to indexation.

The Group leases out its properties under operating leases and finance leases. Only revenues from operating leases appear under rental income.

The amount under the item 'Writeback of lease payments sold and discounted' represents the difference between the discounted value (at the rate agreed upon disposal), at the beginning and at the end of the year, of the future inflation-linked payments on the lease contracts for which receivables have been sold. The writeback through the income statement allows for a gradual reconstitution of the gross initial value of the concerned buildings at the end of the lease. It is a recurring and non-cash income item (see Note 2: 'Significant accounting methods, I Leases, I The Group as lessor, c Sale of future lease payments under a long lease not qualifying as a finance lease').

The change in the fair value of these buildings is determined by the independent real estate valuer and is taken as profit or loss under the item 'Changes in the fair value of investment properties' in the proportion indicated in Note 2. This time, it is a non-recurring item as it depends on the valuer's assumptions as to future market conditions.

TOTAL RENTAL INCOME

When a lease is classified as a finance lease, the property is considered to be disposed of, and the Group is considered to have an interest in a finance lease instead. Payments received on the finance leases are split between 'capital' and 'interests': the capital element is taken to the balance sheet and offset against the Group's finance lease receivable and the interest element to the income statement. Hence, only the part of the rents relating to interests flows through the income statement.

TOTAL INCOME GENERATED FROM THE GROUP'S PROPERTIES, THROUGH OPERATING AND FINANCE LEASES

(x 1,000 EUR)	2019	2018
Rental income from operating leases	232,601	212,170
Interest income in respect of finance leases	5,873	5,061
Capital receipts in respect of finance leases	2,104	1,831
TOTAL	240,579	219,062

1 The gross potential income corresponds to the sum of the real rents and the estimated rents attributed to unlet spaces.
2 The rental vacancy is calculated on unlet spaces based on the rental value estimated by independent real estate valuers.
3 Early termination compensations are booked directly in full on the income statement

TOTAL MINIMUM FUTURE RENTAL RECEIVABLES UNDER NON-CANCELLABLE OPERATING LEASES AND FINANCE LEASES IN EFFECT AT DECEMBER 31ST

(x 1,000 EUR)	2019	2018
Operating lease	**3,006,563**	**2,531,234**
Less than one year	251,459	228,309
More than one year but less than two years	225,465	211,286
More than two years but less than three years	200,969	181,349
More than three years but less than four years	182,865	162,313
More than four years but less than five years	167,766	148,816
More than five years	1,978,039	1,599,162
Finance lease	**107,909**	**103,646**
Less than one year	2,258	1,915
More than one year but less than two years	2,423	2,304
More than two years but less than three years	2,457	2,335
More than three years but less than four years	2,556	2,438
More than four years but less than five years	2,657	2,537
More than five years	95,558	92,117
TOTAL	**3,114,472**	**2,634,880**

NOTE 7. NET REDECORATION EXPENSES[1]

(x 1,000 EUR)	2019	2018
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease[2]	1,252	2,462
Recovery of property charges	-251	6
TOTAL	**1,001**	**2,468**

NOTE 8. TAXES AND CHARGES ON RENTED PROPERTIES NOT RECOVERED FROM TENANTS

(x 1,000 EUR)	2019	2018
Recovery income of charges and taxes normally payable by the tenant	**44,537**	**41,653**
On let properties	22,491	20,141
Rebilling of rental charges invoiced to the landlord	22,046	21,512
Rebilling of withholding taxes and other taxes on let properties	**-50,929**	**-47,545**
Charges and taxes normally payable by the tenant on let properties	-23,089	-20,042
Rental charges invoiced to the landlord	-24,104	-23,031
Withholding taxes and other taxes on let properties	-3,737	-4,472
Taxes on refurbishment not recovered	**-6,392**	**-5,891**
TOTAL		

Under usual lease terms, these charges and taxes are borne by the tenants through rebilling. However, a number of lease contracts of the Group provide otherwise, leaving taxes or charges to be borne by the landlord.

NOTE 9. TECHNICAL COSTS

(x 1,000 EUR)	2019	2018
Recurrent technical costs	**4,931**	**5,934**
Repairs	4,611	5,478
Insurance premiums	319	455
Non-recurrent technical costs	**1,008**	**488**
Major repairs (building companies, architects, engineering offices, etc.)[3]	866	418
Damage expenses	142	69
Losses providing from disasters and subject to insurance cover	509	1,168
Insurance compensation for losses providing from disasters	-367	-1,099
TOTAL	**5,939**	**6,421**

1 According to Annex C of the Royal Decree of 13.07.2014, the exact terminology is 'Cost payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease' and 'Recovery of the property charges'.
2 Refurbishment costs, net of indemnities for rental damage, are by nature not incurred on a regular basis during the financial year or from one financial year to the next.
3 Except for capital expenditures.

NOTE 10. COMMERCIAL COSTS

(x 1,000 EUR)	2019	2018
Letting fees paid to real estate brokers	511	636
Advertising	5	84
Fees paid to valuers	1,292	1,072
TOTAL	1,808	1,791

NOTE 11. MANAGEMENT COSTS

Management costs are split between asset management costs and other costs.

PROPERTY MANAGEMENT COSTS

These costs comprise the costs of the personnel responsible for this activity, the operational costs of the company head quarters and the fees paid to third parties. The management fees collected from tenants partially covering the costs of the Property Management activity are deducted.

The portfolio is managed in-house, except for the healthcare real estate properties in Germany.

CORPORATE MANAGEMENT COSTS

The corporate management costs cover the overhead costs of the company as a legal entity listed on the stock exchange and as an RREC. These expenses are incurred in order to provide complete and continued information, economic comparability with other types of investment and liquidity for the shareholders who invest indirectly in a property portfolio. Certain costs of studies relating to the Group's expansion also come under this category.

The internal costs of property management and corporate management costs are divided as follows:

	Property management costs		Corporate management costs		Total	
(x 1,000 EUR)	2019	2018	2019	2018	2019	2018
Office charges	**1,768**	**1,805**	**758**	**773**	**2,525**	**2,578**
Fees paid to third parties	**4,483**	**2,492**	**1,921**	**1,068**	**6,404**	**3,560**
Recurrent	3,360	1,870	1,440	802	4,800	2,672
Non-recurrent	1,123	622	481	266	1,604	888
Public relations, communication and advertising	**465**	**466**	**199**	**200**	**665**	**666**
Personnel expenses	**12,407**	**11,365**	**5,317**	**4,871**	**17,724**	**16,235**
Salaries	9,753	8,674	4,180	3,717	13,933	12,391
Social security	1,576	1,607	675	689	2,251	2,295
Pensions and other benefits	1,078	1,084	462	465	1,540	1,549
Taxes and regulatory fees	**1,499**	**1,446**	**642**	**620**	**2,142**	**2,065**
TOTAL	20,622	17,573	8,838	7,531	29,460	25,104

The independent real estate valuers' fees amounted to 1,020,307 EUR (excl. VAT) for the year 2019 and include the recurring and non-recurring fees. These honoraria are partly calculated based on a fixed amount per square metre and partly on a fixed amount per property.

GROUP INSURANCE

The group insurance subscribed by Cofinimmo for its employees and the members of its Executive Committee has the following objectives:

- payment of a 'Life' benefit to the affiliate at retirement;
- payment of a 'Death' benefit to the beneficiaries of the affiliate in case of death before retirement;
- payment of a disability pension in case of accident or long-term illness other than professional;
- waiver of premiums in the same cases.

In order to protect workers, the Law of 18.12.2015 to ensure the sustainability and the social nature of supplementary pensions and to strengthen the supplementary nature in relation to retirement pensions provides that Cofinimmo's employees must be guaranteed a minimum return on the 'Life' portion of the premiums.

This minimum return amounts to 3.75% of the gross premiums for the personal contributions and to 3.25% of the premiums for the employer's contributions until 31.12.2015. As from 2016, the minimum return required by law on the supplementary pension decreased to 1.75%.

The rate guaranteed by the insurer is 0.1%. Cofinimmo must, therefore, cover part of the rates guaranteed by the Law. If necessary, additional amounts must be brought under the reserves to reach the guaranteed returns for the services given.

EMOLUMENTS OF THE AUDITOR

The fixed emoluments of Deloitte, Réviseurs d'Entreprises/Bedrijfsrevisoren for reviewing and certifying Cofinimmo's company and consolidated accounts amounted to 110,200 EUR (excluding VAT). Its emoluments for certifying the company accounts of Cofinimmo's subsidiaries amounted to 200,450 EUR (excluding VAT) and are calculated per company based on their effective performances. This amount the Auditor's emoluments for reviewing the accounts of the Group's French subsidiaries. The emoluments for the non-audit services rendered by Deloitte, Réviseurs d'Entreprises/Bedrijfsrevisoren amounted to 65,300 EUR (excluding VAT) during the financial year and are related to legal missions and other assistance, in accordance with the independence requirements. The auditor confirms compliance with the '70% (Article 3:64 of the CSA) rule' for the 2019 financial year.

(x 1,000 EUR)	2019	2018
Emoluments of the Auditor	**359**	**392**
Emoluments for the execution of a mandate of company Auditor	311	244
Emoluments for exceptional services or special assignments within the Group	48	149
Other certification assignments	48	88
Other assignments external to the auditing duties		61
Emoluments of people with whom the Auditor is connected	**17**	**17**
Emoluments for exceptional services or special assignments within the Group	17	17
Other opinion missions	17	17
Tax advisory duties		
Other assignments external to the auditing duties		
TOTAL	**376**	**409**

The emoluments of the company Auditors, other than Deloitte, appointed for the Group's French companies amounted to 13 KEUR (excluding VAT) in 2019 and are not included in the table above.

NOTE 12. RESULT ON DISPOSALS OF INVESTMENT PROPERTIES AND OTHER NON-FINANCIAL ASSETS

(x 1,000 EUR)	2019	2018
Disposal of investment properties		
Net disposal of properties (selling price - transaction costs)	116,060	368,507
Book value of properties sold (fair value of assets sold)	-103,667	-340,071
SUBTOTAL	**12,394**	**28,436**
Disposal of other non-financial assets		
Net disposals of other non-financial assets		
Other		
SUBTOTAL	**0**	**0**
TOTAL	**12,394**	**28,436**

The disposals of investment properties relate to all of the segments (see Note 37 for more details).

NOTE 13. CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

(x 1,000 EUR)	2019	2018
Positive changes in the fair value of investment properties	134,094	61,650
Negative changes in the fair value of investment properties	-55,024	-67,908
TOTAL	**79,069**	**-6,259**

Writeback of the breakdown of the changes in fair value of properties is presented in Note 23.

NOTE 14. OTHER RESULT ON THE PORTFOLIO

(x 1,000 EUR)	2019	2018
Changes in the deferred taxes[1]	-366	-2,549
Writeback of rents already earned but not expired	-3,935	-2,600
Goodwill impairment[2]	-14,609	-13,600
Other	-9,840[3]	599
TOTAL	**-28,751**	**-18,150**

Writeback of rents already earned but not expired recognised during the period, results from the application of the accounting method in Note 2, point R.

NOTE 15. FINANCIAL INCOME

(x 1,000 EUR)	2019	2018
Interests and dividends received[4]	513	563
Interest receipts from finance leases and similar receivables	5,873	5,061
Other[5]	2,634	3,334
TOTAL	**9,021**	**8,958**

NOTE 16. NET INTEREST CHARGES

(x 1,000 EUR)	2019	2018
Nominal interest on borrowings	**14,468**	**15,449**
Bilateral loans - floating rate	2,264	3,132
Commercial papers - floating rate	24	309
Investment credits - floating or fixed rate	757	605
Bonds - fixed rate	11,012	10,992
Convertible bonds	411	411
Reconstitution of the nominal value of financial debts	**807**	**802**
Charges relating to authorised hedging instruments	**5,935**	**11,550**
Authorised hedging instruments qualifying for hedge accounting under IFRS	0	0
Authorised hedging instruments not qualifying for hedge accounting under IFRS	5,935	11,550
Income relating to authorised hedging instruments	**0**	**0**
Authorised hedging instruments qualifying for hedge accounting under IFRS	0	0
Authorised hedging instruments not qualifying for hedge accounting under IFRS	0	0
Other interest charges[6]	**2,918**	**2,507**
TOTAL	**24,128**	**30,307**

The effective interest charges on loans correspond to an average effective interest rate on loans of 1.43% (2018: 1.90%). The effective charge without taking into account the hedging instruments stands at 1.08% (2018: 1.17%). This percentage can be split up between 0.19% for the borrowings at fair value and 1.21% (2018: 1.33%) for the borrowings measured at amortised cost[7].

Cofinimmo no longer holds interest rate hedging instruments to which the hedge accounting of the cash flow is applied.

1 See Note 32.
2 See Note 21.
3 Includes in particular the difference between the price paid, plus incidental expenses, and the share in the revalued net assets of the companies acquired.
4 The amount of dividends received is null at 31.12.2019.
5 The 2018 amount included a non-recurring income related to the Egmont I and II offices (3.3 million EUR), while the 2019 amount includes non-recurring income of less than 3 million EUR booked in the first half of the year, and related to the indemnities received from the contributions in kind of 29.04.2019 and 26.06.2019 in compensation for the allocation of a full dividend right to the new shares issued on those days.
6 This concerns commissions on unused credit facilities.
7 Interest on loans at amortised cost (2019: 17,782 KEUR/2018: 18,346 KEUR) consists of 'Other interest charges', 'Reconstitution of the nominal amount of financial debts' and 'Nominal interest on loans' (with the exception of the 'Convertible bonds'). Interest on loans at fair value via the net result (2019: 6,346 KEUR/2018: 11,961 KEUR) consists of 'Costs and Proceeds from permitted hedging instruments', as well as the 'Convertible Bonds'.

NOTE 17. OTHER FINANCIAL CHARGES

(x 1,000 EUR)	2019	2018
Bank fees and other commissions	506	403
Other	127	95
TOTAL	634	498

NOTE 18. CHANGES IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(x 1,000 EUR)	2019	2018
Authorised hedging instruments qualifying for hedge accounting	**0**	**1,454**
Changes in fair value of authorised hedging instruments qualifying for hedge accounting	0	0
Impact of the recycling on the income statement of hedging instruments which relationship with the hedged risk was terminated	0	1,454
Authorised hedging instruments not qualifying for hedge accounting	**-24,248**	**-4,688**
Changes in fair value of authorised hedging instruments not qualifying for hedge accounting[1]	-22,034	-2,899
Convertible bonds	-2,214	-1,789
Other	**483**	**220**
TOTAL	-23,765	-3,013

In 2018, the impact of the recognition in the result of hedging instruments, for which the hedging relationship came to an end (1,454 KEUR), corresponded with a deferred amount in equity capital in 2017 (578 KEUR) and the positive result of the cancellation (in the first quarter) of two sales options for a foreign currency in euros (876 KEUR).

NOTE 19. CORPORATE TAX AND EXIT TAX

(x 1,000 EUR)	2019	2018
CORPORATE TAX	-5,572	-2,806
Parent company	**-2,130**	**-1,035**
Pre-tax result	199,672	146,220
Result exempted from income tax due to the RREC regime	-199,672	-146,220
Taxable result from non-deductible costs	4,181	4,553
Tax at rate of 29.58%	-1,237	-1,347
Other	-893	312
Subsidiaries	**-3,442**	**-1,771**
EXIT TAX - SUBSIDIARIES	-378	327

The non-deductible costs mainly comprise the office tax in the Brussels-Capital Region. With the exception of the institutional RRECs, the Belgian subsidiaries are not subject to the RREC regime. The Dutch subsidiary Pubstone Properties BV is not eligible for the FBI regime. The results from investments in Germany are partly taxable.

NOTE 20. NET RESULT PER SHARE – GROUP SHARE

The calculation of the result per share at the closing date is based on the net result from core activities/net result attributable to the ordinary shareholders being 166,498 KEUR (2018: 145,004 KEUR)/ 204,615 KEUR (2018: 145,613 KEUR) and on the number of ordinary shares entitled to share in the result closed at 31.12.2019 being 24,456,099 (2018: 22,133,963).

The diluted result per share takes into account the impact of the theoretical conversion of the convertible bonds issued by Cofinimmo, of the Mandatory Convertible Bonds (MCB) issued by Cofinimur I as well as stock options.

1 The gross amounts are respectively a product of 2,239 KEUR (2018: 11,202 KEUR) and an expense of 24,273 KEUR (2018: 14,101 KEUR).

(in EUR)	2019	2018
Net result - Group share	**204,614,966**	**145,613,226**
Number of ordinary shares entitled to share in the result of the period[1]	24,456,099	22,133,963
Net result from core activities per share - Group share	**6,81**	**6,55**
Net result per share - Group share	**8,37**	**6,58**
Net diluted result - Group share	**210,793,608**	**146,163,045**
Number of ordinary shares entitle to share in the result of the period taking into account the theoretical conversion of the convertible bonds and stock options[2]	26,553,644	23,556,377
Net diluted result per share - Group share	**7.94**	**6.20**

DIVIDEND PER SHARE[3]

(in EUR)	2019 financial year (to be paid in 2020)	2018 financial year (to be paid in 2019)
Gross dividends attributable to ordinary shareholders	144,472,115	117,986,535
Gross dividend per ordinary share	5.60	5.50
Net dividend per ordinary share	3.92	3.85
Gross dividends attributable to preference shareholders	0	4,345,206
Gross dividend per preference share	0	6.37
Net dividend per preference share	0	4,459

For the 2019 financial year, a gross dividend of 5.60 EUR per share (net dividend per share of 3.92 EUR), accounting for a total dividend of 144,472,115.20 EUR will be proposed at the Ordinary General Meeting of 13.05.2020. The number of shares entitled to the dividend for the 2019 financial year was 25,798,592 on the date the accounts were closed.

The Board of Directors proposes a dividend of 5.60 EUR per share for the 17,132 treasury shares held by the subsidiary Gestone III SA/NV and the cancellation of the right to a dividend for the 33,559 remaining treasury shares.

The withholding tax rate applicable to dividends allocated since 01.01.2017 is 30%. The Belgian law provides for exemptions which dividend beneficiaries can benefit from depending on their status and the eligibility conditions to be met. In addition, the agreements in place to prevent double taxation provide for reductions in the withholding tax on dividends.

Shares	Total	
(number)	2019	2018
Number of shares (A)		
AS AT 01.01	**22,993,248**	**21,350,874**
Capital increase	2,856,035	1,642,374
Conversion of convertible bonds into ordinary shares		
AS AT 31.12	**25,849,283**	**22,993,248**
Treasury shares held by the Group (B)		
AS AT 01.01	**40,347**	**42,172**
Treasury shares (sold/acquired) - net	10,344	-1,825
AS AT 31.12	**50,691**	**40,347**
Number of shares outstanding (A-B)		
AS AT 01.01	**22,952,901**	**21,308,702**
Capital increase	2,856,035	1,642,374
Conversion of convertible bonds into ordinary shares		
Treasury shares (sold/acquired) - net	- 10,344	1,825
AS AT 31.12[4]	**25,798,592**	**22,952,901**

1 Taking into account the entitlement to dividends in the result for the 2019 financial year of the new ordinary shares issued at the time of the contributions in kind of 29.04.2019 and 26.06.2019. For the 2018 financial year, the number of shares takes into account the new ordinary shares created following the capital increase of 02.07.2018 as from that date.
2 In accordance with IAS 33, the 2016 convertible bond (maturity 2021) has been included in the calculation of the net diluted result in 2018 and 2019 as it would have had a dilutive impact on the net diluted result per share.
3 Based on the parent company's result.
4 The number of shares outstanding also includes preference shares, which amounted to 682,136 at the end of 2018. As a reminder, on 12.07.2019, the remaining preference shares have been converted into ordinary shares.

SHARE CLASSES

Since 12.07.2019, the capital of Cofinimmo has been exclusively represented by ordinary shares:

Ordinary shares: The holders of ordinary shares are entitled to dividends when they are declared and are entitled to one vote per share at the Company's General Meetings. The par value of each ordinary share was 53.59 EUR at 31.12.2019. The ordinary shares are listed on Euronext Brussels.

Convertible preference shares: On 28.05.2019, Cofinimmo announced its decision to designate one of its subsidiaries – Gestone III SA/NV – as holder of the purchase right on preference shares I (ISIN code BE0003811289) and II (ISIN code BE0003813301), in accordance with article 8.3 of the articles of association. The company announced that Gestone III SA/NV decided to exercises its call option.

In accordance with the company's articles of association, Cofinimmo offered the holders of preference shares the possibility to request the conversion of their preference shares into ordinary shares (1:1 ratio) for a period of one month, running from 29.05.2019 until 30.06.2019.

During this conversion period, Cofinimmo received conversion requests for 97.5% of the outstanding preference shares. These conversions have been recorded by notary deed on 12.07.2019 and resulted in the creation of a total of 680,603 new ordinary shares of the company.

There has been no conversion request for 1,257 preference shares I and 15,875 preference shares II as at 30.06.2019. Therefore, these preference shares were purchased by Gestone III SA/NV on 12.07.2019.

The price of the preference shares was set at their issue price, i.e. 107.89 EUR per preference share I and 104.44 EUR per preference share II, in accordance with the articles of association.

The purchase price of the unconverted preference shares were paid on the bank account of the shareholders concerned, as mentioned in the shareholders' register, on 12.07.2019 (in the absence of a valid bank account number, the preference shares will be transferred to Gestone III SA/NV, subject to transfer of the purchase price to the Deposit and Consignment Office).

Gestone III SA/NV sent a conversion request for the purchased preference shares to Cofinimmo. This conversion into ordinary shares was also recorded on 12.07.2019. As from this date, the Cofinimmo capital consists exclusively of 25,849,283 ordinary shares, all appearing in a single quotation line on Euronext Brussels (vs. three lines before). Therefore, the company's market capitalisation, which amounts to 3.4 billion EUR at 31.12.2019, is easier to perceive than it used to be.

Shares held by the Group: At 31.12.2019, the Group held 50,691 shares as treasury stock (31.12.2018: 40,347) (see table on the previous page).

In accordance with the Law of 14.12.2005 on the abolition of bearer shares, as amended by the Law of 21.12.2013, the Company proceeded with the sale of the physical securities still outstanding and received a report from its Auditor certifying the conformity of the procedure implemented for this sale.

AUTHORISED CAPITAL

For more information, see chapter 'Corporate Governance Statement'.

NOTE 21. GOODWILL

PUBSTONE

Cofinimmo's acquisition in two stages (31.10.2007 and 27.11.2008) of 89.90% of the shares of Pubstone Group SA/NV (formerly Express Properties SA/NV) (see page 31 of the 2008 Annual Financial Report) generated a goodwill for Cofinimmo resulting from the positive difference between the acquisition cost and Cofinimmo's share in the fair value of the net asset acquired. More specifically, this goodwill results from:

- the positive difference between the conventional value offered for the property assets at the acquisition (on which the price paid for the shares was based) and the fair value of these property assets (being expressed after deduction of the transfer rights standing at 10.0% or 12.5% in Belgium and at 6.0% in the Netherlands);
- the deferred tax corresponding to the theoretical assumption required under IAS/IFRS of an immediate disposal of all the properties at the closing date. A tax rate of respectively 34% and 25% for the assets located in Belgium and in the Netherlands has been applied to the difference between the tax value and the market value of the assets at the acquisition.

COFINIMMO INVESTISSEMENTS ET SERVICES (CIS)

Cofinimmo's acquisition of 100% of the shares of Cofinimmo Investissements et Services (CIS) SA (formerly Cofinimmo France SA) on 20.03.2008 generated a goodwill for Cofinimmo resulting from the positive difference between the acquisition cost and the fair value of the net asset acquired. More specifically, this goodwill results from the positive difference between the conventional value offered for the property assets at the acquisition (on which the price paid for the shares was based) and the fair value of these property assets (being expressed after deduction of the transfer duties standing at 1.8% and 6.2% in France).

(x 1,000 EUR)	Pubstone Belgium	Pubstone Netherlands	CIS France	Total
COST				
AT 01.01.2019	100,157	39,250	26,929	166,336
AT 31.12.2019	100,157	39,250	26,929	166,336
WRITEDOWNS				
AT 01.01.2019	64,030	15,230	15,520	94,780
Writedowns recorded during the financial year	0	3,200	11,409	14,609
AT 31.12.2019	64,030	18,430	26,929	109,389
BOOK VALUE				
AT 01.01.2019	36,127	24,020	11,409	71,556
AT 31.12.2019	36,127	20,820	0	56,947

IMPAIRMENT TEST

At the end of the 2019 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.

The fair value of the buildings is the value of the portfolio as established by the independent real estate valuers. This fair value is established using three valuation methods: the ERV (Estimated Rental Value) capitalisation approach, the expected cash flow approach (projection of cash flows) and the residual valuation approach. To carry out the calculation, the independent real estate valuers take as main assumptions the indexation rate, the capitalisation rate and the buildings' estimated end-of-lease disposal value. These assumptions are based on market observations taking into account investors' expectations, particularly regarding revenue growth and market risk premium (for further information, see Report of the independent real estate valuers).

The value in use is established by the Group according to expected future net cash flows based on the rents stipulated in the tenants' leases, the expenses to maintain and manage the property portfolio, and the expected gains from disposals. The main assumptions are the indexation rate, the discount rate, an attrition rate (number of buildings and corresponding volume of revenues for which the tenant will terminate the lease, year after year), as well as the buildings' end-of-lease disposal value. These assumptions are based on the Group's knowledge of its own portfolio. The return on average required on its shareholders' equity and borrowed capital is used as the discount rate.

Given the different methods used to calculate the fair value of the buildings as established by the independent real estate valuers and the value in use as established by the Group, as well as the fact that the assumptions used to calculate each of these may differ, the two values may not be the same and the differences can be justified.

For 2019, the result of this test (illustrated in the table above) leads to no impairment on the goodwill of Pubstone Belgium, an impairment of 3,200 KEUR on the goodwill of Pubstone Netherlands and 11,409 KEUR for CIS. During the 2019 financial year, the fair value of the Pubstone Belgium and Pubstone Netherlands portfolios recorded positive variations of 1,941 KEUR and of 755 KEUR respectively, whereas the fair value of CIS recorded a negative variation of 5,060 KEUR.

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

A projection of future net cash flows was prepared for the remaining duration of the lease bearing on the rents less the maintenance costs, investments and operating expenses, as well as the proceeds from asset disposals.

During this remaining period, an attrition rate is taken into account based on the terms of the lease signed with AB InBev. The buildings vacated are assumed to have all been sold. At the end of the initial 27-year lease, a residual value is calculated. The sale price of the properties and the residual value are based on the average value of the portfolio per square metre assessed by the valuer at 31.12.2019 indexed to 1.2% (2018: 1%) per year. Out of caution, in the cash flow projection, this margin was reduced to nil in the cash flow projection since 2015.

The indexation considered on these cash flows stands at 1.4% for Pubstone Belgium and 1.4% for Pubstone Netherlands. In 2018, the indexation was 1.6% for Pubstone Belgium and 1.7% for Pubstone Netherlands.

The discount rate used amounts to 5.14% (2018: 5.36%).

ASSUMPTIONS USED IN THE CALCULATION OF THE VALUE IN USE OF CIS

A projection was prepared of future net cash flows over 27 years. The assumption adopted is the renewal of all the leases during a 27-year period from the acquisition date, except for some assets for which the Group considers a high probability of release at the end of the lease.

The cash flow comprises the present indexed rent up to the date of the first renewal of the lease. After this date, the cash flow considered is the indexed allowable rent. Cash expenditures foreseen in the buildings' renovation plan are also taken into account. Allowable rents are rents estimated by the valuer, stated in his portfolio valuation at 31.12.2019, which are considered sustainable in the long term in terms of the profitability of the activity of the operating tenant.

At the 28th year, a residual value is calculated per property.

The indexation considered for these cash flows stands at 1.5% per year (2018: 1.8%). The discount rate used amounts to 5.14% (2018: 5.36%).

IMPAIRMENT OF GOODWILL

(x 1,000 EUR)				
Building group	**Goodwill**	**Net book value[1]**	**Value**	**Impairment**
Pubstone Belgium	36,127	331,026	331,138	0
Pubstone Netherlands	24,020	165,093	161,893	-3,200
CIS France	11,409	291,833	274,625	-11,409[2]
TOTAL	**71,556**	**787,952**	**767,658**	**-14,609**

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

Change in the value in use (in %)				
Building group	**Change in inflation**		**Change in discount rate**	
	+0.50%	-0.50%	+0.50%	-0.50%
Pubstone Belgium	5.24%	-4.94%	-4.72%	5.04%
Pubstone Netherlands	5.11%	-4.83%	-4.58%	4.88%
CIS France	4.91%	-4.30%	-5.68%	6.25%

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

Change in the impairment (x 1,000 EUR)[3]					
Building group	**Impairment loss recognised**	**Change in inflation**		**Change in discount rate**	
		+0.50%	-0.50%	+0.50%	-0.50%
Pubstone Belgium	0	0	-16,235	-15,520	0
Pubstone Netherlands	-3,200	0	-11,000	-10,591	0
CIS France	-11,409	0	0	0	0
TOTAL	**-14,609**				

1 Including goodwill.
2 The impairment in the case of CIS France was limited to the amount of goodwill remaining in the accounts, i.e. 11,409 KEUR. Goodwill is now at 0 for CIS France.
3 The value of 0 has been indicated when the value in use is higher than the net book value.

NOTE 22. INVESTMENT PROPERTY

(x 1,000 EUR)	Properties available for lease	Development projects	Assets held for own use	Total
AT 01.01.2018	**3,327,247**	**170,982**	**8,752**	**3,506,981**
Capital expenditures	14,408	22,370	0	36,778
Acquisitions	491,626	12,332	0	503,958
Transfers from/to Development projects and assets held for sale	53,859	0	0	53,859
Transfers from/to Properties available for rent	0	-87,522	0	-87,522
Sales/Disposals (fair value of assets sold/disposed of)	-339,171	-100	0	-339,271
Writeback of lease payments sold and discounted	8,815	0	0	8,815
Increase/Decrease in the fair value	26,229	-14,226	-1,400	10,603
AT 31.12.2018	**3,583,014**	**103,836**	**7,352**	**3,694,202**
Investments	15,017	33,890	0	48,907
Acquisitions	449,083	19,544	0	468,627
Transfer from/to Properties available for lease	-15,437	0	0	-15,437
Transfers from/to Properties available for rent	18,511	-18,511	0	0
Sales/Disposals (fair value of assets sold/disposed of)	-43,763	-39,568	0	-83,331
Writeback of lease payments sold and discounted	8,784	0	0	8,784
Increase/Decrease in the fair value	74,427	22,450	-106	96,771
AT 31.12.2019	**4,089,636**	**121,640**	**7,246**	**4,218,523**[1]

The fair value of the portfolio, as determined by the independent real estate valuers, stands at 4,247,287 KEUR at 31.12.2019. It includes investment properties for 4,218,523 KEUR and assets held for sale for 28,764 KEUR.

FAIR VALUE OF INVESTMENT PROPERTIES

Investment properties are accounted for at fair value using the fair value model in accordance with IAS 40. This fair value is the price at which a property could be exchanged between knowledgeable and willing parties in normal competitive conditions. It is determined by the independent real estate valuers in a two-step approach.

In the first step, the valuers determine the investment value of each property (see methods below).

In a second step, the valuers deduct from the investment value an estimated amount for the transaction costs that the buyer or seller must pay in order to carry out a transfer of ownership. The investment value less the estimated transaction costs (transfer rights) is the fair value within the meaning of IAS 40.

In Belgium, the transfer of ownership of a property is subject to the payment of transfer rights. The amount of these taxes depends on the method of transfer, the type of purchaser and the location of the property. The first two elements, and therefore the total amount of taxes to be paid, are only known once the transfer has been completed.

The range of methods for the major types of property transfer and corresponding taxes include:

- sale contracts for property assets: 12.5% for properties located in the Brussels-Capital Region and in the Walloon Region, 10.0% for properties located in the Flemish Region;
- sale of property assets under the rules governing estate traders: 4.0% to 8.0%, depending on the Region;
- long-lease agreement for property assets (up to 50 years for building leases and up to 99 years for leasehold): 2.0%;
- sale contracts for property assets where the purchaser is a public body (e.g. an entity of the European Union, the Federal Government, a regional government or a foreign government): tax exemption;
- contributions in kind of property assets against the issue of new shares in favour of the contributing party: tax exemption;
- sale contracts for shares of a real estate company: no taxes;
- mergers, splits and other forms of company restructuring: no taxes, etc.

The effective rate of the transfer right therefore varies from 0% to 12.5%, whereby it is not possible to predict which rate would apply to the transfer of a given property before that transfer has effectively taken place.

1 Including the fair value of the investment properties for which receivables have been assigned, which amounts to 139,888 KEUR.

Historically, in January 2006, the independent real estate valuers [1] who carry out the periodic valuation of the Belgian Regulated Real Estate Company (RECC) assets were asked to compute a weighted average transaction cost percentage to apply on the RECC's property portfolios, based on supporting historical data. For transactions concerning properties with an overall value exceeding 2.5 million EUR, given the range of different methods for property transfers (see above), the valuers have calculated that the weighted average transfer tax comes to 2.5%.

During 2016, the same real estate valuers have revaluated this percentage thoroughly based on recent transactions. As a result of this revaluation, the weighted transfer tax is maintained at 2.5%.

For transactions concerning properties located in Belgium with an overall value of less than 2.5 million EUR, transaction costs of between 10.0% and 12.5% apply, depending on the Region in which the property is located.

At 01.01.2004 (date of transition to IAS/IFRS), the transaction costs deducted from the investment value of the property portfolio amounted to 45.5 million EUR and were recorded under a separate equity item entitled 'Impact on the fair value of estimated transaction costs and transfer rights resulting from the hypothetical disposal of investment properties'.

The 2.5% transaction costs have been applied to the subsequent acquisitions of buildings. At 31.12.2019, the difference between the investment value and the fair value of the global portfolio amounted to 180.3 million EUR or 6.99 EUR per share.

It is worth noting that the average gain in relation to the investment value realised on the disposals of assets operated since the changeover to the RECC regime in 1996 stands at 9.15%. Since that date, Cofinimmo has undertaken 292 asset disposals for a total of 2,065.0 million EUR. This gain would have been 9.93% if the deduction of transaction costs and transfer duties had been recognised as from 1996.

The transfer rights applied to the buildings located in France, the Netherlands and Germany differ as follows:

- for transactions relating to healthcare property situated in France, 6.20% or 6.90% of purchase costs withheld depending on the department in which the asset is situated and 1.80% for assets less than five years old. An additional tax of 0.60% is applied to transfer duties for assets in Ile-de-France.
- for property of distribution networks situated in France, 6.90% of purchase costs are deducted for assets located in the departments included in the list published by the Directorate-General for Public Finance (Direction générale des Finances publiques) on 01.06.2017. For all assets in all other departments, a purchase cost of 6.20% was deducted from the principal sum. An additional tax of 0.60% is applied to the transfer duties applicable to commercial buildings in Ile-de-France.
- the transfer duties applied to healthcare property situated in the Netherlands depend on the last purchase date, the type of building (residential, commercial, etc.) and the manner of detention. They usually vary between 2% and 6%.
- for healthcare property located in Germany, the transfer rights depend on the state in which the property is located; they generally vary between 3.5% and 6.5%.
- for healthcare property located in Spain, the transfer rights depend on the region in which the property is located: they generally vary between 1% and 3% and usually include registration fees, notary fees and fees for land or business registries.

DETERMINATION OF THE VALUATION LEVEL OF THE FAIR VALUE OF THE INVESTMENT PROPERTIES

The fair value of the investment properties on the balance sheet results exclusively from the portfolio's valuation by independent real estate valuers.

To determine the fair value of the investment properties, the nature, characteristics and risks of these properties, as well as available market data, were examined.

Because of the state of market liquidity and the difficulty to find unquestionably comparable transaction data, the level of valuation, within the meaning of IFRS 13, of the fair value of the Cofinimmo buildings is 3, and this for the entire portfolio.

1 Cushman & Wakefield, de Crombrugghe & Partners, Wissinger & Associates, Stadim and Troostwijk-Roux.

DETERMINATION OF THE VALUATION LEVEL OF THE FAIR VALUE OF THE INVESTMENT PROPERTIES

(x 1,000 EUR)	31.12.2019	31.12.2018
Asset category[1]	**Level 3**	**Level 3**
Healthcare real estate	**2,387,509**	**1,881,595**
Belgium	1,212,543	866,435
France	380,410	394,230
Netherlands	272,870	203,400
Germany	491,900	397,400
Spain	0	0
Healthcare real estate under development	29,785	20,130
Offices	**1,297,847**	**1,285,527**
Antwerp	68,564	66,441
Brussels CBD	517,963	477,623
Brussels Decentralised	359,554	386,663
Brussels Periphery/ Satellites	113,872	126,234
Other regions	146,039	144,860
Offices under development	91,855	83,706
Property of distribution networks	**561,932**	**560,742**
Pubstone Belgium	294,899	292,016
Pubstone Netherlands	141,073	142,101
Cofinimur I	125,960	126,625
TOTAL[2]	**4,247,287**	**3,727,865**

VALUATION METHODS USED

Based on a multi-criteria approach, the valuation methods used by the real estate valuers are the following:

Discounted estimated rental value method

This method involves capitalising the property's estimated rental value by using a capitalisation rate (yield) in line with the real estate market. The choice of the capitalisation rate used depends essentially on the capitalisation rates applied in the property investment market, taking into consideration the location and the quality of the property and of the tenant at the valuation date. The rate corresponds to the rate anticipated by potential investors at the valuation date. The determination of the estimated rental value takes into account market data, the property's location, its quality, and, for the healthcare assets, the number of beds and, if available, the tenant's financial data (EBITDAR).

The resulting value must be adjusted if the current rent generates an operating income above or below the Estimated Rental Value used for the capitalisation. The valuation also takes into account the costs to be incurred in the near future.

Discounted cash flow method

This method requires an assessment of the net rental income generated by the property on an annual basis during a defined period. This flow is then discounted. The projection period generally varies between 10 and 18 years. At the end of this period, a residual value is calculated using the capitalisation rate on the terminal rental value, which takes into account the building's expected condition at the end of the projection period, discounted.

Market comparables method

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

Residual value method

The value of a project is determined by defining what can/will be developed on the site. This means that the purpose of the project is known or foreseeable in terms of quality (planning) and quantity (number of square metres that can be developed, future rents, etc.). The value is obtained by deducting the costs to completion of the project from its anticipated value.

Other considerations

If the fair value cannot be determined reliably, the properties are valued at the historical cost. In 2019 , the fair value of all properties could be determined reliably so that no building was valued at historical cost.

In the event that the future selling price of a property is known at the valuation date, the properties are valued at the selling price.

For the buildings for which several valuation methods were used, the fair value is the average of the results of these methods.

1 The basis for the valuations resulting in the fair values can be classified according to 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 data.

2 Including building held for sale for 28,764 KEUR in 2019 and 33,663 KEUR in 2018.

During the year 2019, there was no transfer between valuation levels (within the meaning of IFRS 13). In addition, there was no change in valuation methods for the investment properties in 2019.

CHANGES IN THE FAIR VALUE OF INVESTMENT PROPERTIES, BASED ON UNOBSERVABLE DATA

(x 1,000 EUR)	
Fair value at 01.01.2019	**3,727,865**
Gains/losses recognised on the income statement	96,771
Acquisitions	468,627
Extensions/Redevelopments	33,890
Investments	15,017
Writeback of lease payments sold	8,784
Sales/Disposals	-103,667
Fair value at 31.12.2019	**4,247,287**

Quantitative information related to the determination of the fair value of investment properties, based on unobservable data (level 3)

The quantitative information in the following tables is taken from the different reports produced by the independent real estate valuers. The figures are extreme values and the weighted average of the assumptions used in the determination of the fair value of investment properties. The lowest discount rates apply to specific situations.

DETERMINATION OF THE VALUATION LEVEL OF THE FAIR VALUE OF THE INVESTMENT PROPERTIES

(x 1,000 EUR)					
Asset category	Fair value at 31.12.2019	Valuation method	Unobservable data[1]	Extreme values (weighted average) at 31.12.2019	Extreme values (weighted average) at 31.12.2018
HEALTHCARE REAL ESTATE	2,387,509				
Belgium	1,212,543	Discounted cash flow	Estimated Rental Value (ERV)	62 - 229 (140) EUR/m²	60 - 246 (136) EUR/m²
			Discount rate	4.00% - 6.60% (5.36%)	4.00% - 6.80% (5.90%)
			Capitalisation rate of the final net ERV	5.00% - 9.80% (7.19%)	5.00% - 8.90% (7.61%)
			Inflation rate	1.69%	1.80%
			Operating costs	0.00% - 1.00% (0.51%)	1.00%
			Occupancy rate (based on current contracts)	100%	100%
			Residual length of current lease (in years)	12.7 - 26.5 (19.8)	13.7 - 26.4 (18.0)
			Number of m²	809 - 15,327 m² (7,469 m²)	809 - 15,191 m² (7,903 m²)
			Duration of the initial projection period (in years)	13 - 27 (18.8)	15 - 18 (15.1)
		Capitalisation of Estimated Rental Value	Estimated Rental Value (ERV)	62 - 229 (143) EUR/m²	60 - 246 (142) EUR/m²
			Capitalisation rate	3.70% - 6.75% (5.24%)	5.50% - 6.75% (5.87%)
			Occupancy rate (based on current contracts)	100%	100%
			Residual length of current lease (in years)	12.7 - 26.5 (19.3)	13.7 - 26.4 (18.4)
			Number of m²	809 - 20,274 m² (8,105 m²)	809 - 20,274 m² (8,585 m²)
France	380,410	Discounted cash flow	Estimated Rental Value (ERV)	53 - 245 (153) EUR/m²	53 - 245 (153) EUR/m²
			Discount rate	4.75% - 5.50% (4.77%)	4.75% - 5.50% (4.77%)
			Capitalisation rate of the final net ERV	5.00% - 8.50% (6.35%)	5.00% - 8.50% (6.43%)
			Inflation rate	0.6% - 1.57% (1.01%)	0.6% - 1.58% (1.05%)
			Operating costs	0	0
			Occupancy rate (based on current contracts)	100%	100%
			Residual length of current lease (in years)	0.2 - 11.7 (4.1)	0.2 - 12.7 (3.0)
			Number of m²	1,286 - 12,957 m² (5,159 m²)	1,286 - 12,957 m² (5,052 m²)
			Duration of the initial projection period (in years)	1.0 - 12.0 (4.4)	1.0 - 13.0 (3.7)
		Capitalisation of Estimated Rental Value	Estimated Rental Value (ERV)	53 - 245 (152) EUR/m²	53 - 245 (153) EUR/m²
			Capitalisation rate	3.79% - 32.93% (7.21%)	4.37% - 21.74% (7.57%)
			Occupancy rate (based on current contracts)	0% - 100% (99.9%)	100%
			Residual length of current lease (in years)	0.2 - 11.7 (4)	0.2 - 12.7 (3.2)
			Number of m²	1,286 - 12,957 m² (4,940 m²)	1,286 - 12,957 m² (4,881 m²)

1 Net rental income is incorporated in Note 6.

(x 1,000 EUR)					
Asset category	**Fair value at 31.12.2019**	**Valuation method**	**Unobservable data[1]**	**Extreme values (weighted average) at 31.12.2019**	**Extreme values (weighted average) at 31.12.2018**
Netherlands	**272,870**	**Capitalisation of Estimated Rental Value**	Estimated Rental Value (ERV)	62 - 299 (143) EUR/m²	77 - 275 (147) EUR/m²
			Capitalisation rate	3.80% - 7.50% (5.22%)	3.90% - 7.30% (5.48%)
			Occupancy rate (based on current contracts)	78% - 100% (99.6%)	65% - 100% (99%)
			Residual length of current lease (in years)	1.5 - 26.7 (10.5)	2.5 - 27.7 (11.6)
			Number of m²	430 - 15,693 m² (5,016 m²)	430 - 14,700 m² (4,310 m²)
Germany	**491,900**	**Discounted cash flow**	Estimated Rental Value (ERV)	13 - 296 (140) EUR/m²	59 - 281 (140) EUR/m²
			Discount rate	3.65% - 8.55% (6.57%)	5.25% - 8.55% (6.62%)
			Capitalisation rate of the final net ERV	3.00% - 8.20% (5.66%)	4.45% - 7.95% (5.62%)
			Inflation rate	1.90%	1.90%
			Operating costs	7% - 50% (12%)	7% - 37%
			Occupancy rate (based on current contracts)	100%	100%
			Residual length of current lease (in years)	4.3 - 28.8 (23.8)	15.5 - 29.8 (25.6)
			Number of m²	2,940 - 15,215 m² (7,442 m²)	2,940 - 15,577 m² (7,365 m²)
			Duration of the initial projection period (in years)	10	10
		Capitalisation of Estimated Rental Value	Estimated Rental Value (ERV)	13 - 296 (140) EUR/m²	59 - 281 (140) EUR/m²
			Capitalisation rate	3.00% - 8.15% (5.66%)	4.45% - 7.95% (5.62%)
			Occupancy rate (based on current contracts)	100%	100%
			Residual length of current lease (in years)	4.3 - 28.8 (23.8)	15.5 - 29.8 (25.6)
			Number of m²	2,940 - 15,215 m² (7,442 m²)	2,940 - 15,577 m² (7,365 m²)
Healthcare real estate under development[2 3]	**29,785**	**Residual value**	Estimated Rental Value (ERV)	94 -154 (128) EUR/m²	143 - 187 (168) EUR/m²
			Capitalisation rate	4.80% - 5.6% (5.36%)	5.00% - 5.50% (5.38%)
			Completion costs	N/A[4]	N/A[4]
			Inflation rate	0.00% - 2.00% (1.20%)	1.70% - 2.00% (1.82%)
			Number of m²	810 - 7,000 m² (4,460 m²)	500 - 5,430 m² (3,868 m²)
			Residual construction costs (EUR/m²)	9 - 1,355 (571)	0 - 2,474 (2,291)
			Estimated construction period (in years)	0.1 - 1.5 (0.7)	0.3 - 2.3 (1.4)

1 Net rental income is incorporated in Note 6
2 Includes also developments in Spain.
3 Includes only projects in progress.
4 Cost required to complete a building are directly related to each project (amounts and stage of completion).

(x 1,000 EUR)					
Asset category	**Fair value at 31.12.2019**	**Valuation method**	**Unobservable data[1]**	**Extreme values (weighted average) at 31.12.2019**	**Extreme values (weighted average) at 31.12.2018**
OFFICES	**1,297,847**				
Antwerp	**68,564**	**Capitalisation of Estimated Rental Value**	Estimated Rental Value (ERV)	120 - 170 (154) EUR/ m²	126 - 170 (150) EUR/ m²
			Capitalisation rate	4.25% - 8.50% (7.48%)	6.90% - 8.50% (7.63%)
			Occupancy rate (based on current contracts)	89% - 100% (96%)	72% - 98% (94%)
			Residual length of current lease (in years)	1.1 - 4.2 (2.0)	1.7 - 4.0 (2.4)
			Number of m²	61 - 9,403 m² (6,868 m²)	3,530 - 9,403 m² (6,904 m²)
			Long-term vacancy (in months)	3 - 12 (9)	6 - 12 (9)
Brussels CBD	**517,963**	**Capitalisation of Estimated Rental Value**	Estimated Rental Value (ERV)	147 - 251 (223) EUR/ m²	140 - 249 (220) EUR/ m²
			Capitalisation rate	4.25% - 6.75% (5.19%)	4.30% - 7.25% (5.33%)
			Occupancy rate (based on current contracts)	87% - 100% (97%)	70% - 100% (91%)
			Residual length of current lease (in years)	0.9 - 10.5 (4.7)	1.1 - 13.4 (5.9)
			Number of m²	2,932 - 20,323 m² (10,862 m²)	2,932 - 20,323 (11,009 m²)
			Long-term vacancy (in months)	6 - 18 (10)	0 - 12 (7)
Brussels Decentralised	**359,554**	**Capitalisation of Estimated Rental Value**	Estimated Rental Value (ERV)	63 - 193 (155) EUR/ m²	63 - 193 (153) EUR/m²
			Capitalisation rate	6.30% - 11.50% (7.78%)	6.25% - 11.00% (7.62%)
			Occupancy rate (based on current contracts)	56% - 100% (87%)	0% - 100% (83%)
			Residual length of current lease (in years)	1.0 - 8.1 (2.9)	0.0 - 9.1 (2.9)
			Number of m²	2,240 - 25,746 m² (14,062 m²)	2,240 - 25,746 m² (13,654 m²)
			Long-term vacancy (in months)	6 - 36 (12)	3 - 24 (10)
Brussels Periphery/ Satellites	**113,872**	**Capitalisation of Estimated Rental Value**	Estimated Rental Value (ERV)	66 - 168 (124) EUR/ m²	83 - 168 (130) EUR/m²
			Capitalisation rate	8.25% - 10.50% (8.71%)	8.25% - 10.00% (8.56%)
			Occupancy rate (based on current contracts)	13% - 100% (77%)	65% - 100% (81%)
			Residual length of current lease (in years)	0.5 - 5.6 (3.1)	0.5 - 6.5 (2.5)
			Number of m²	325 - 10,022 m² (5,842 m²)	325 - 10,022 m² (5,468 m²)
			Long-term vacancy (in months)	9 - 36 (15)	6 - 36 (14)

1 Net rental income is incorporated in Note 6.

(x 1,000 EUR)					
Asset category	**Fair value at 31.12.2019**	**Valuation method**	**Unobservable data[1]**	**Extreme values (weighted average) at 31.12.2019**	**Extreme values (weighted average) at 31.12.2018**
Other régions	**146,039**	**Capitalisation of Estimated Rental Value**	Estimated Rental Value (ERV)	120 - 261 (138) EUR/m²	120 - 242 (139) EUR/m²
			Capitalisation rate	5.75% - 6.25% (6.13%)	5.75 - 6.25% (6.04%)
			Occupancy rate	92% - 100% (99.5%)	98% - 100% (99%)
			Residual length of current lease (in years)	1.6 - 12.0 (7.3)	1.7 - 13.0 (7.4)
			Number of m²	1,980 - 19,189 m² (12,749 m²)	1,980 - 19,189 m² (13,426 m²)
			Long-term vacancy (in months)	6 - 18 (11)	6 - 12 (9)
Offices under development	**91,855**	**Discounted cash flow**	Estimated Rental Value (ERV)	N/A	155 - 200 (167) EUR/m²
			Discount rate	N/A	4.00% - 5.25% (4.36%)
			Capitalisation rate of the final net ERV	N/A	5.25% - 8.15% (7.36%)
			Inflation rate	N/A	1.70% - 2.00% (1.92%)
			Number of m²	N/A	9,052 - 56,891 m² (43,913 m²)
		Residual value	Estimated Rental Value (ERV)	99 - 250 (199) EUR/m²	99 - 239 (176) EUR/m²
			Capitalisation rate	3.75% - 9.35% (4.84%)	4.60% - 9.35% (6.97%)
			Completion costs	N/A[2]	N/A[2]
			Inflation rate	1.50% - 1.75% (1.54%)	1.50% - 2.00% (1.77%)
			Number of m²	3,735 - 14,263 m² (9,917 m²)	9,052 - 56,891 m² (41,922 m²)
			Residual construction costs (EUR/m²)	223 - 528 (441)	1,528 - 1,989 (1,653)
			Estimated construction period (in years)	0.2 - 0.5 (0.4)	1.5

1 Net rental income is incorporated in Note 6
2 The costs required to complete a building are directly related to each project (amounts and stage of completion).

(x 1,000 EUR)					
Asset category	**Fair value at 31.12.2019**	**Valuation method**	**Unobservable data**[1]	**Extreme values (weighted average) at 31.12.2019**	**Extreme values (weighted average) at 31.12.2018**
PROPERTY OF DISTRIBUTION NETWORKS	**561,932**				
Pubstone Belgium	**294,899**	**Discounted cash flow**	Estimated Rental Value (ERV)	18 - 455 (71) EUR/m²	13 - 353 (66) EUR/m²
			Discount rate	6.10%	6.40%
			Capitalisation rate of the final net ERV	6.50%	6.73%
			Inflation rate	1.65%	1.80%
			Operating costs	6.20%	6.20%
			Occupancy rate (based on current contracts)	99%	99%
			Long-term vacancy (% of passing rents)	1.75%	1.75%
			Residual length of current lease (in years)	14.8	15.8
			Number of m²	87 - 1,781 m² (493 m²)	87 - 1,781 m² (494 m²)
			Duration of the initial projection period (in years)	15	16
		Capitalisation of Estimated Rental Value	Estimated Rental Value (ERV)	18 - 455 (71) EUR/m²	13 - 353 (66) EUR/m²
			Capitalisation rate	4.00% - 9.50% (6.01%)	4.00% - 9.50% (5.85%)
			Occupancy rate (based on current contracts)	99%	99%
			Residual length of current lease (in years)	14.8	15.8
			Number of m²	87 - 1,781 m² (493 m²)	87 - 1,781 m² (494 m²)
			Long-term vacancy (% of passing rents)	1.75%	1.75%
Pubstone Netherlands	**141,073**	**Capitalisation of Estimated Rental Value**	Estimated Rental Value (ERV)	47 - 662 (212) EUR/m²	47 - 495 (209) EUR/m²
			Capitalisation rate	3.50% - 11.50% (6.22%)	3.50% - 12.00% (5.98%)
			Occupancy rate (based on current contracts)	99.7%	99%
			Residual length of current lease (in years)	14.8	15.8
			Number of m²	42,866 m²	44,822 m²
			Long-term vacancy (% of passing rents)	1.75%	1.75%
Cofinimur I	**125,960**	**Discounted cash flow**	Estimated Rental Value (ERV)	75 - 700 (161) EUR/m²	85 - 700 (150) EUR/m²
			Discount rate	4.75%	4.75%
			Capitalisation rate of the final net ERV	2.60% - 15.50% (7.82%)	4.05% - 15.05% (7.21%)
			Inflation rate	1.78% - 2.00% (1.90%)	1.50% - 1.65% (1.56%)
			Operating costs	0	0
			Occupancy rate (based on current contracts)	98%	97%
			Inoccupation à long terme	0% - 60%	0% - 60%
			Residual length of current lease (in years)	0.8 - 8.1 (2.9)	1.0 - 9.1 (3.9)
			Number of m²	51 - 1,853 m² (369 m²)	51 - 1,853 m² (363 m²)
			Duration of the initial projection period (in years)	1 - 9 (3)	1 - 10 (4)

1 Net rental income is incorporated in Note 6.

(x 1,000 EUR)					
Asset category	Fair value at 31.12.2019	Valuation method	Unobservable data[1]	Extreme values (weighted average) at 31.12.2019	Extreme values (weighted average) at 31.12.2018
		Capitalisation of Estimated Rental Value	Estimated Rental Value (ERV)	75 - 700 (161) EUR/m²	85 - 700 (150) EUR/m²
			Capitalisation rate	3.57% - 13.19% (5.94%)	3.66% - 12.90% (5.99%)
			Occupancy rate (based on current contracts)	98%	97%
			Residual length of current lease (in years)	0.8 - 8.1 (2.9)	1.0 - 9.1 (3.9)
			Number of m²	51 - 1,853 m² (369 m²)	51 - 1,853 m² (363 m²)
			Inoccupation à long terme	0% - 60%	0% - 60%
OTHERS[2]					
Others		Capitalisation of Estimated Rental Value	Estimated Rental Value (ERV)	N/A	66 - 123 (113) EUR/m²
			Capitalisation rate	N/A	4.35% - 9.00% (5.91%)
			Occupancy rate (based on current contracts)	N/A	100.00%
			Residual length of current lease (in years)	N/A	6.6 - 11.3 (10.4)
			Number of m²	N/A	61 - 9,645 m² (8,961 m²)
			Long-term vacancy (in months)	N/A	6 - 9 (6)
TOTAL	4,247,287				

SENSITIVITY OF THE BUILDING'S FAIR VALUE TO CHANGES OF THE UNOBSERVABLE DATA

A 10% increase in the Estimated Rental Value would give rise to an increase in the portfolio's fair value of 324,787 KEUR. A 10% decrease in the Estimated Rental Value would give rise to a decrease in the portfolio's fair value of 355,332 KEUR.

A 0.5% increase in the capitalisation rates would give rise to a decrease in the portfolio fair value of 298,057 KEUR. A 0.5% decrease in the capitalisation rates would give rise to an increase in the portfolio fair value of 361,450 KEUR.

A ±0.5% change in the capitalisation rate and a ±10% change in the Estimated Rental Values are reasonably foreseeable.

There are interrelations between the various rates and rental values, as they are partly determined by market conditions. As a general rule, a change in the estimated rental value assumptions (per square metres per year) is accompanied by a change in the capitalisation rates in the opposite direction. This interrelation is not incorporated into the sensitivity analysis.

For investment properties under construction, the fair value is influenced by whether or not the project is complete within the budget and timeframe originally planned for the project.

VALUATION PROCESS

In accordance with the legal provisions, the valuations of properties are performed on a quarterly basis based on the valuation reports prepared by independent and qualified real estate valuers.

The independent real estate valuers are appointed for a period of three years. Their appointment is notified to the FSMA. The selection criteria include market knowledge, reputation, independence and application of professional standards.

The external valuers determine:

- whether the fair value of a property can be determined reliably;
- which valuation method must be applied to each investment property;
- the assumptions made for the unobservable data used in the valuation methods.

The hypotheses adopted for the non-observable data:

The DCF method is applied for the segments healthcare property and property of distribution networks. For this:

- the remaining economic life of the asset is not formally established, but recognised implicitly via the discounting rate and capitalisation rate at departure (exit yield), including a factor for the ageing of the building. In all cases, this remaining economic life is at least equal to the remaining duration of the current lease agreement.

1 Net rental income is incorporated in Note 6.
2 The 'other' segment has been transferred to the 'office' segment as of 01.01.2019.

- the long-term vacancy (or structural vacancy rate) for buildings intended for nursing and care homes is zero because all these assets are fully leased to one tenant (excluding antennas).

The activation method is applied for all segments. For this:

- the remaining economic lifetime of the asset is not formally established, but recognised implicitly by the capitalisation interest used, including a factor for the ageing of the building.
- the long-term vacancy rate (or structural vacancy rate) is generally zero for all assets being exploited in the assessed portfolios. If applicable, some short-term vacancy-related corrections are considered;
- the assumptions used for the valuation and any significant changes in value are discussed quarterly between management and the valuers. Other outside sources are also examined.

USE OF PROPERTIES

The Executive Committee considers the current use of the investment properties recognised at fair value on the balance sheet to be optimal taking into account the possibilities on the rental market and their technical characteristics.

SALE OF LEASE RECEIVABLES

On 22.12.2008, the Cofinimmo Group sold to a subsidiary of the Société Générale Group the usufruct receivables for an initial period of 15 years payable by the European Commission and relating to the Loi/Wet 56, Luxembourg 40 and Everegreen buildings owned by Cofinimmo in Brussels. The usufructs from these three buildings end between December 2020 and April 2022. Cofinimmo retains bare ownership and the indexation part of the receivables from the Luxembourg 40 building was not sold.

On 20.03.2009, the Cofinimmo Group sold to a subsidiary of the Société Générale Group the usufruct receivables for an initial period of 15 years payable by the European Commission and relating to the Nerviens/Nerviërs 105 building located in Brussels. The usufruct ends in May 2023. Cofinimmo retains bare ownership of the building.

On 23.03.2009, the Cofinimmo Group sold to Fortis Banque/Bank 90% of the finance lease receivables payable by the City of Antwerp relating to the new fire station. At the end of the financial lease, the building will automatically be transferred to the City of Antwerp for free. The Cofinimmo Group also sold on the same date and to the same bank lease receivables payable by the Belgian State relating to the Colonel Bourg 124 building in Brussel and the Maire 19 building in Tournai/Doornik. Cofinimmo retains ownership of these two buildings.

On 28.08.2009, the Cofinimmo Group sold to BNP Paribas Fortis 96% of the lease receivables pertaining to 2011 and the following years relating to the Egmont I and Egmont II buildings located in Brussels. These receivables were bought back on 13.02.2018 prior to the granting of a 99-year leasehold right to these buildings.

The usufructs from the Loi/Wet 56, Luxembourg 40, Everegreen and Nerviens/Nerviërs 105 buildings, as well as the leases related to the Colonel Bourg 124 and Maire 19 buildings do not qualify as finance leases.

At the moment of the sale, the amount levied by the Group, resulting from disposal of future rents, has been recorded as a discount of the property value, as far as the disposal of rents is effective against third parties and, as a consequence, the property market value had to be deducted from the amount of future lease payments sold (see Note 2: Significant accounting methods, I Properties leased for long periods, III Sale of future lease payments under a long lease not qualifying as a finance lease).

Although neither specifically foreseen nor forbidden under IAS 40, the derecognition from the gross value of the properties of the residual value of the future receivables sold allows, in the opinion of the Board of Directors of Cofinimmo, a true and fair presentation of the value of the properties in the consolidated balance sheet at the moment of the disposal of the rents. The gross value of the properties corresponds to the independent real estate valuer's assessment of the properties, as required by Article 47 § 1 of the Law of 12.05.2014 relating to Regulated Real Estate Companies.

In order to benefit from nominal rents, the sold receivables not terminated at the moment should be repurchased at their present value from the assignee bank. The actual redemption value of these non-terminated receivables can differ from their present value established at the moment of disposal, due to basic interest rates' evolution, applied margins on these rates, and expected inflation, as such possibly having an impact on the future rents' indexation.

NOTE 23. BREAKDOWN OF THE CHANGES IN THE FAIR VALUE OF INVESTMENT PROPERTIES

(x 1,000 EUR)	2019	2018
Properties available for lease	58,231	10,760
Development projects	20,944	-15,619
Assets held for own use	-106	-1,400
Assets held for sale	0	0
TOTAL	**79,069**	**-6,259**

This section includes the changes in fair value of investment properties and assets held for sale.

NOTE 24. INTANGIBLE ASSETS AND OTHER TANGIBLE ASSETS

(x 1,000 EUR)	Intangible assets		Other tangible assets	
	2019	2018	2019	2018
AT 01.01	922	826	810	926
Acquisitions	**270**	**401**	**1,129**	**199**
IT software	270	401		
Office fixtures and fittings			164	199
Right to use according to IFRS 16			966	
Depreciation	**-257**	**-304**	**-659**	**-310**
IT software	-257	-304		
Office fixtures and fittings			-286	-310
Right to use according to IFRS 16			-372	
Disposals			**-2**	**-5**
Office fixtures and fittings			-2	-5
AT 31.12	935	922	1,278	810

The intangible assets and other tangible assets are exclusively assets held for own use.

The depreciation rates used depend on the duration of the economic life:
- fixtures: 10% to 12.5%;
- IT hardware: 25% to 33%;
- IT software: 25%.

However, software depreciation can be spread over a longer period of time corresponding to the likely useful life and according to the consumption pattern of the economic benefits associated with the asset.

NOTE 25. FINANCIAL INSTRUMENTS

A. CATEGORIES AND DESIGNATION OF FINANCIAL INSTRUMENTS

The IFRS 9 defines three main categories in terms of classification of financial assets and liabilities, referred to as 'Designated at fair value by means of the net result', 'Mandatory measured at fair value by means of the net result' and 'Measured at amortised cost'. IFRS 9 also defines two other classification categories: designated at fair value through other comprehensive income and measured at fair value through other comprehensive income. With the exception of the convertible bond, which is designated at fair value partly through income statement and partly through other elements of comprehensive income, these categories do not currently apply to Cofinimmo.

The convertible bond does not qualify in its entirety as an equity instrument. The instrument contains embedded derivatives. In order to facilitate the valuation of this instrument, Cofinimmo has decided to value it at fair value.

The impairment of financial assets measured at amortised cost, including trade receivables and finance lease receivables, the application of the expected credit loss model in accordance with IFRS 9, has no material impact on Cofinimmo's consolidated financial statements since the relatively small amounts of trade receivables and finance leases, combined with low credit risk.

(x 1,000 EUR)						31.12.2019
	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 accured and not due	Qualification of fair values
NON-CURRENT FINANCIAL ASSETS		**2,121**	**106,667**	**184,984**	**0**	
Hedging instruments		**2,121**		**2,121**	**0**	
Derivative instruments		2,121		2,121	0	Level 2
Credits and receivables			**106,667**	**182,864**	**0**	
Non-current finance lease receivables			105,651	181,848	0	Level 2
Trade receivables and other non-current assets			1,016	1,016	0	Level 2
CURRENT FINANCIAL ASSETS		**2**	**60,295**	**62,117**	**0**	
Hedging instruments		**2**		**2**	**0**	
Derivative instruments		2		2	0	Level 2
Credits and receivables			**28,727**	**30,547**	**0**	
Current finance lease receivables			2,258	4,078		Level 2
Trade receivables			23,443	23,443		Level 2
Other			3,026	3,026	0	Level 2
Cash and cash equivalents			**31,569**	**31,569**	**0**	**Level 2**
TOTAL		**2,122**	**166,962**	**247,102**	**0**	
NON-CURRENT FINANCIAL LIABILITIES	**230,221**	**73,022**	**651,559**	**964,817**	**2,972**	
Current financial debts	**230,221**		**640,353**	**880,590**	**2,972**	
Bonds			315,000	319,267	2,323	Level 2
Convertible bonds	227,871			227,871	121	Level 1
Mandatory convertible bonds (MCB)	2,350			2,350	0	Level 2
Lease liability			596	596		Level 2
Credit institutions			266,353	271,745	287	Level 2
Long-term commercial papers			50,000	50,357	241	Level 2
Rent guarantees received			8,404	8,404	0	Level 2
Other non-current financial liabilities		**73,022**	**11,206**	**84,227**	**0**	
Derivative instruments		73,022		73,022	0	Level 2
Other			11,206	11,206	0	Level 3
CURRENT FINANCIAL LIABILITIES		**96**	**904,481**	**904,876**	**4,513**	
Current financial debts			**866,481**	**866,780**	**4,513**	
Commercial papers			680,750	680,750	0	Level 2
Bonds			140,000	140,299	4,513	Level 2
Convertible bonds			0	0	0	Level 1
Credit institutions			45,706	45,706	0	Level 2
Other			25	25	0	Level 2
Other current financial liabilities		**96**		**96**	**0**	
Derivative instruments		96		96	0	Level 2
Trade debts and other current debts			**38,000**	**38,000**	**0**	**Level 2**
TOTAL	**230,817**	**73,117**	**1,556,039**	**1,869,693**	**7,485**	

(x 1,000 EUR)						31.12.2018
	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 accured and not due	Qualification of fair values
NON-CURRENT FINANCIAL ASSETS		**9**	**103,110**	**152,668**		
Hedging instruments		**9**		**9**		
Derivative instruments		9		9		Level 2
Credits and receivables			**103,110**	**152,660**		
Non-current finance lease receivables			101,731	151,281		Level 2
Trade receivables and other non-current assets			1,379	1,379		Level 2
CURRENT FINANCIAL ASSETS			**56,192**	**57,125**		
Credits and receivables			**29,015**	**29,948**		
Current finance lease receivables			1,915	2,848		Level 2
Trade receivables			24,091	24,091		Level 2
Others			3,009	3,009		Level 2
Cash and cash equivalents			**27,177**	**27,177**		**Level 2**
TOTAL		9	159,302	209,793		
NON-CURRENT FINANCIAL LIABILITIES	**218,484**	**48,974**	**799,723**	**1,067,181**	**9,059**	
Non-current financial debts	**218,484**		**786,097**	**1,004,581**	**8,584**	
Bonds			454,033	454,033	7,612	Level 2
Convertible bonds	215,727			215,727	121	Level 1
Mandatory convertible bonds (MCB)	2,757			2,757		Level 2
Credit institutions			268,517	268,517	851	Level 2
Long-term commercial papers			56,000	56,000		Level 2
Rent guarantees received			7,547	7,547		Level 2
Other non-current financial liabilities		**48,974**	**13,626**	**62,600**	**475**	
Derivative instruments		48,974		48,974	475	Level 2
Others			13,626	13,626		Level 3
CURRENT FINANCIAL LIABILITIES			**636,531**	**636,531**	**112**	
Current financial debts			**613,107**	**613,107**	**112**	
Commercial papers			572,500	572,500		Level 2
Bonds						Level 2
Convertible bonds						Level 1
Credit institutions			40,583	40,583	112	Level 2
Others			24	24		Level 2
Other current financial liabilities						
Derivative instruments						Level 2
Trade debts and other current debts			**23,424**	**23,424**		**Level 2**
TOTAL	218,484	48,974	1,436,254	1,703,712	9,172	

MONETARY AND NON-MONETARY CHANGES IN FINANCIAL LIABILITIES

(x 1,000 EUR)	31.12.2018	Monetary changes	Non-monetary changes		31.12.2019
			Acquisitions/ Interests accrued and not due / IFRS 16	Fair value changes	
NON-CURRENT FINANCIAL LIABILITIES	1,074,913	-149,440	-1,596	43,911	967,789
Non-current financial debts	**1,012,314**	**-147,020**	**-1,596**	**19,864**	**883,562**
Bonds	461,645	-140,000	-2,432	2,378	**321,590**
Convertible bonds	215,848			12,144	**227,992**
Mandatory Convertible Bonds (MCB)	2,757			-407	**2,350**
Lease liability	0		596		**596**
Credit institutions	268,517	-1,878		5,392	**272,031**
Long-term commercial papers	56,000	-6,000	241	357	**50,598**
Rental guarantees received	7,547	858			**8,404**
Other non-current financial debts	**62,600**	**-2,420**		**24,048**	**84,228**
Derivative instruments	48,974			24,048	**73,022**
Others	13,626	-2,420			**11,206**
CURRENT FINANCIAL LIABILITIES	636,531	267,950	4,513	395	909,389
Current financial debts	**613,107**	**253,374**	**4,513**	**299**	**871,293**
Commercial papers	572,500	108,250			**680,750**
Bonds	0	140,000	4,513	299	**144,812**
Credit institutions	40,583	5,123			**45,706**
Other	24	1			**25**
Other current financial liabilities	**0**			**96**	**96**
Derivative instruments	0			96	**96**
Trade debts and other current debts	**23,424**	**14,576**			**38,000**
TOTAL	1,711,444	118,510	2,917	44,306	1,877,178

The item 'Others' of other non-current financial liabilities as well as trade debts and other current debts have been added for the 2019 financial year and for the financial year as they are considered as financial instruments by the IFRS guidelines.

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments (derivative instruments, convertible bonds) are measured at fair value after their initial entry in the balance sheet. The other financial instruments are measured at amortised cost and their fair value is given in the appendix (see table above). The fair value of financial instruments can be presented at three levels (1 to 3). The allotting of the level depends on the level of observability of the variables used for the evaluation of the instrument, namely:

- the level 1 fair value measurements are those derived from listed prices (unadjusted) in active markets for similar assets or liabilities;
- the level 2 fair value measurements are those established using observable data for the assets or liabilities concerned. These data may be either 'direct' (prices, other than those covered by level 1) or 'indirect' (data derived from prices);
- the level 3 fair value measurements are those that are not based on observable market data for the assets or liabilities in question.

Level 1

The convertible bonds issues by Cofinimmo are subject to a level 1 valuation

CHANGE IN FAIR VALUE OF CONVERTIBLE BONDS

(x 1,000 EUR)	2019		2018	
	At 01.01	215.727	At 01.01	214.239
Change in the fair value resulting from changes in market conditions during the financial year, booked under the income statement		2,213		1,789
Change in fair value resulting from changes in credit risk during the financial year, booked under the other elements of the comprehensive result		9,930		-300
	At 31.12	227,871	At 31.12	215,727

In September 2016, Cofinimmo repurchased convertible bonds issued in 2013 and at the same time issued new convertible bonds maturing in 2021, which lead to the cancellation of the bonds (convertible bonds 2018) and the recognition of new bonds (convertible bonds 2021).

At 31.12.2019, the convertible bond maturing in 2021 has a total fair value of 227,871,116 EUR. If the bond is not converted into shares, the redemption value will amount to 219,320,616 EUR at final maturity.

The methodology to explain the variation in fair value had been adjusted in 2018 to take into account the application of IFRS 9 to isolate the market risk of Cofinimmo's own credit risk. The same method was applied to the 2019 results that are published above.

Level 2

All other financial assets and liabilities, namely the financial derivatives stated at fair value, are level 2. The fair value of financial assets and liabilities with standard terms and conditions and negotiated on active and liquid markets is determined based on stock market prices. The fair value of 'Trade receivables', 'Trade debts' as well as any other floating-rate debt is close to their book value. Bank debts are primarily in the form of rollover credit facilities. The calculation of the fair value of 'Finance lease receivables' is based on the discounted cash flow method, using a yield curve adapted to the duration of the instruments and the fair value of the derivative financial instrument is obtained through the valorisation tool of financial instruments available on Bloomberg.

More details on the finance lease receivables can be found in Note 26.

Level 3

Cofinimmo currently does not hold any financial instrument meeting the definition of level 3, with the exception of sales options permitted to non-controlling shareholders (see note 41 for further details).

LEASE LIABILITY

(x 1,000 EUR)	2019
Lease commitments at 31.12.2018	983
Effect of discounting future lease payments	-17
Lease liability as at 01.01.2019	**966**
Return of principal	-370
Lease liability as at 31.12.2019	**596**

B. MANAGEMENT OF FINANCIAL RISK

INTEREST RATE RISK

Since the Cofinimmo Group owns a (very) long-term property portfolio, it is highly probable that the borrowings financing this portfolio will be refinanced upon maturity by other borrowings. Therefore, the company's total financial debt is regularly renewed for an indefinite future period. For reasons of cost efficiency, the group's financing policy by debt separates the raising of borrowings (liquidity and margins on floating rates) from the management of interest rates risks and charges (fixing and hedging of future floating interest rates). A part of the funds are borrowed at a floating rate.

BREAKDOWN OF BORROWINGS (NON-CURRENTS AND CURRENTS) AT FLOATING RATE AND AT FIXED RATE (CALCULATED ON THEIR NOMINAL VALUES)

(x 1,000 EUR)	2019	2018
At floating rate	963,750	862,500
At fixed rate	748,263	749,426
TOTAL	1,712,013	1,611,926

In accordance with its hedging policy, the Group hedges at least 50% of its portfolio of total debts for at least three years by entering into fixed-rate debts and contracting interest rate derivative instruments for hedging the debt at floating rate.

Taking into account the decrease in interest rates during the year, Cofinimmo increased its hedging portfolio in stages over a nine-year horizon. IRS covering the years 2022 (150 million EUR), 2023 (375 million EUR), 2024 (325 million EUR), 2025 (475 million EUR), 2026 (500 million EUR), 2027 (500 million EUR) and 2028 (500 million EUR) were subscribed in order to increase the hedging over these years. The main long-term hedging transactions were carried out during the third quarter.

In addition, caps (interest rate options with a maximum level of 0%) were subscribed for 275 million EUR in 2019 and 200 million EUR in 2020.

The hedging period of minimum three years was chosen to offset the negative effect this time lag would have on the net income and to forestall the adverse impact on any rise in short-term interest rates, increasing interest charges and a rise of inflation having as consequence an increase of the indexed rental contracts. Finally, a rise in real interest rates would probably be accompanied or rapidly followed by a recovery of the overall economic activity which would give rise to more robust rental conditions and subsequently benefit the net result.

The banks that sign these IRS contracts are generally different from the ones providing the funds, but the Group makes sure that the periods of the interest rate derivatives and the dates at which they are contracted correspond to the renewal periods of its borrowing contracts and the dates at which their rates are set.

If a derivative instrument hedges an underlying debt contracted at a floating rate, the hedge relationship is qualified as a cash flow hedge. If a derivative instrument hedges an underlying debt contracted at a fixed rate, it is qualified as a fair value hedge. In accordance with IFRS 9, this is applicable if an efficiency test is performed and a documentation is established to support the hedge. Although the financial instruments issued or held for the purpose of hedging the interest rate risk, these instruments are accounted for as trading instruments, even though the Group does not designate a relation with a particular risk, these instruments are presented in the accounting category 'Mandatory measured at fair value by means of the net result under IFRS 9'.

Below are the results of a sensitivity study of the impact of changes in interest rates on the net result from core activities. A change in interest rate will impact directly the non-hedged part of the floating debt through an increase or a decrease of interest charges, and indirectly the hedged part in function of the hedging instruments used. A change in interest rate will have as additional consequence a change of the IRS fair value, which will be booked in the income statement.

SUMMARY OF THE POTENTIAL EFFECTS, ON EQUITY AND ON THE INCOME STATEMENT, OF A 1% CHANGE IN THE INTEREST RATE

(x 1,000,000 EUR)	2019		2018	
Change	Income statement	Equity	Income statement	Equity
+1%	+0.20	0.00	-0.66	0.00
-1%	-0.03	0.00	1.22	0.00

The table above shows that an interest rate increase of 1% would result in a gain of 0.2 million EUR, whereas it would have resulted in a loss of 0.66 million EUR in 2018. Conversely, a loss of 0.03 million EUR would result from a 1% decline of interest rate, whereas it would have led to a gain of 1.22 million EUR in 2018. While the equity is not directly affected by the change of interest rate.

In a context where interest rates are low and negative, the difference between 2018 and 2019 can be explained by the evolution of the hedging portfolio, which is made up of more IRS than caps for the year 2020. Indeed, 0% interest rate caps do not benefit from the increase in rates in negative territory.

CREDIT RISK

By virtue of Cofinimmo's operational business, it deals with two main counterparties: banks and customers. Financial counterparties with whom Cofinimmo has liabilities have an external 'investment grade' rating (a minimum rating from BBB - according to the rating agency Standard & Poor's). The financial counterparties with whom the Group has receivables also have an external 'investment grade' rating. Cofinimmo pursues a policy that is aimed at not maintaining relationships with financial counterparties that do not meet this criterion. While customer risk is mitigated by a diversification of customers and an analysis of their solvency before and during the lease contract.

PRICE RISK

The Group is exposed to a price risk linked to the Cofinimmo stock options tied to its convertible bonds. The bond was close to the currency at the end of December 2019. However, given that the economic value of the convertible bond on the secondary market will remain higher than the economic conversion value until maturity, Cofinimmo considers that the risk of conversion before maturity is limited (for more information, see chapter 'Cofinimmo on the stock market' of this Document.)

CURRENCY RISK

Since 2018, the Cofinimmo Group is no longer exposed to currency risks since all sales and costs are in euros (with the exception of a few suppliers invoicing in other currencies. The financing is also fully insured in euros.

LIQUIDITY RISK

The liquidity risk is limited by the diversification of the financing sources and by the refinancing which is generally done at least one year before the maturity date of the financial debt.

OBLIGATION OF LIQUIDITY FOR REPAYMENTS

(x 1,000 EUR)	2019	2018
Between one and two years	433,662	249,740
Between two and five years	353,340	510,240
Beyond five years	293,661	335,602
TOTAL	1,080,663	1,095,582

NON-CURRENT UNDRAWN BORROWING FACILITIES

(x 1,000 EUR)	2019	2018
Expiring within one year	105,000	0
Expiring after one year	1,067,000	1,071,000

COLLATERALISATION

The book value of the pledged financial assets stands at 54,859,802 EUR at 31.12.2019 (2018: 54,482,437 EUR). The terms and conditions of the pledged financial assets are detailed in Note 38. During 2019, there were no payment defaults on loan agreements or violations of the terms of these agreements.

C. HEDGING DERIVATIVE FINANCIAL INSTRUMENTS

TYPES OF DERIVATIVE FINANCIAL INSTRUMENTS RELATING TO INTEREST RATES

As at 31.12.2019, the Group uses Interest Rate Swap and caps (interest rate options with a maximum level of 0%) to hedge its exposure to interest rate risks arising from its operational, financial and investment activity.

Interest Rate Swap (IRS)

An Interest Rate Swap (IRS) is an interest rate forward contract. With an IRS, Cofinimmo exchanges a floating interest rate against a fixed interest rate or vice versa. The IRS are detailed in the table on the next page.

Caps

A cap is an interest rate option whereby, in return for the payment of a one-off premium, Cofinimmo receives a floating interest rate if it exceeds a specific threshold (e.g. 0%) during a specific future period. The caps are described in the table on page 210.

FLOATING-RATE BORROWINGS AT 31.12.2019 HEDGED BY DERIVATIVE FINANCIAL INSTRUMENTS

As detailed in the table below, the floating-rate debt (964 million EUR) is obtained by deducting the elements of the debt that remained at fixed rate from the total debt (1,745 million EUR):

(x 1,000 EUR)	2019	2018
Financial debts	**1,744,539**	**1,625,397**
Convertible bonds	-227,992	-215,848
Bonds - fixed rate	-461,836	-461,645
Bonds convertible into shares (minimum fixed coupon)	-2,945	-2,757
Fixed-rate borrowings	-63,941	-65,100
Commercial papers - fixed rate	-10,000	-10,000
Other (accounts receivable, rental guarantees received, not due accrued interests)	-14,075	-7,547
Debts at floating rate covered by derivate financial instruments	**963,750**	**862,500**

As explained in the ‘Financial resources management’ chapter, Cofinimmo’s financial policy consists in maintaining a debt ratio of approximately 45% with partial hedging of its floating-rate debt with hedging instruments (IRS or caps).

At 31.12.2019, Cofinimmo had floating-rate debt in the notional amount of 964 million EUR. The amount was hedged against interest rate risk by IRS in the notional amount of 850 million EUR.

Taking into account the decrease in interest rates during the year, Cofinimmo increased its hedging portfolio in stages over a nine-year horizon. IRS covering the years 2022 (150 million EUR), 2023 (375 million EUR), 2024 (325 million EUR), 2025 (475 million EUR), 2026 (500 million EUR), 2027 (500 million EUR) and 2028 (500 million EUR) were subscribed in order to increase the hedging over these years. The main long-term hedging transactions were carried out during the third quarter.

In addition, caps (interest rate options with a maximum level of 0%) were subscribed for 275 million EUR in 2019 and 200 million EUR in 2020.

Cofinimmo expects its portfolio to be partially financed by debt from 2020 to 2028. As a result, the Company will have an ongoing interest payment, which is the item hedged with the derivative financial instruments held for transaction purposes described above.

INTEREST RATE DERIVATIVE FINANCIAL INSTRUMENTS

(x 1,000 EUR)					
Period covered	Active / Forward	Option	Exercise price	Floating Rate	2019 notional
2019	Active	Cap	0.00%	1M	570,000
2020	Forward	Cap	0.00%	1M	200,000
2019	Active	IRS	1.51%	1M	160,000
2019	Active	IRS	1.45%	1M	120,000
2020	Forward	IRS	0.86%	1M	100,000
2020	Forward	IRS	0.87%	1M	100,000
2020	Forward	IRS	0.85%	1M	150,000
2020-2021	Forward	IRS	0.99%	1M	195,000
2020-2021	Forward	IRS	0.93%	1M	100,000
2021	Forward	IRS	0.97%	1M	50,000
2021	Forward	IRS	1.03%	1M	50,000
2021	Forward	IRS	1.00%	1M	50,000
2021	Forward	IRS	0.14%	1M	50,000
2021-2022	Forward	IRS	1.89%	1M	350,000
2022	Forward	IRS	1.31%	1M	75,000
2022	Forward	IRS	1.32%	1M	75,000
2022-2023-2024	Forward	IRS	1.70%	1M	100,000
2022-2023-2024	Forward	IRS	1.79%	1M	150,000
2022-2023	Forward	IRS	0.45%	1M	50,000
2022	Forward	IRS	0.24%	1M	50,000
2022-2023-2024	Forward	IRS	0.38%	1M	50,000
2023-2024-2025	Forward	IRS	1.18%	1M	25,000
2022-2023-2024	Forward	IRS	1.10%	1M	25,000
2023-2024-2025	Forward	IRS	1.15%	1M	50,000
2023-2024-2025	Forward	IRS	1.18%	1M	50,000
2023-2024-2025	Forward	IRS	1.12%	1M	50,000
2023-2024-2025	Forward	IRS	0.95%	1M	75,000
2023	Forward	IRS	0.71%	1M	40,000
2023	Forward	IRS	0.80%	1M	60,000
2023	Forward	IRS	0.68%	1M	50,000
2023	Forward	IRS	0.67%	1M	30,000
2023	Forward	IRS	0.78%	1M	20,000
2023-2024-2025	Forward	IRS	0.96%	1M	90,000
2023-2024-2025	Forward	IRS	1.00%	1M	110,000
2024	Forward	IRS	0.96%	1M	40,000
2024	Forward	IRS	1.05%	1M	60,000
2024	Forward	IRS	0.93%	1M	50,000
2024	Forward	IRS	0.92%	1M	30,000
2024	Forward	IRS	1.03%	1M	20,000
2025-2026-2027-2028	Forward	IRS	0.91%	1M	100,000
2025-2026-2027-2028	Forward	IRS	0.72%	1M	100,000
2025	Forward	IRS	1.17%	1M	40,000
2025	Forward	IRS	1.26%	1M	60,000
2025	Forward	IRS	1.14%	1M	50,000
2025	Forward	IRS	1.13%	1M	30,000
2025	Forward	IRS	1.24%	1M	20,000
2026-2027-2028	Forward	IRS	0.46%	1M	50,000
2026-2027-2028	Forward	IRS	0.44%	1M	50,000
2026-2027-2028	Forward	IRS	0.21%	1M	100,000
2026-2027-2028	Forward	IRS	-0.05%	1M	100,000

OBLIGATION OF LIQUIDITY AT MATURITY, RELATED TO DERIVATIVE FINANCIAL INSTRUMENTS

This table mainly reflects the increase in the hedging (IRS) carried out by Cofinimmo during 2019 on the various maturities shown.

(x 1,000 EUR)	2019	2018
Between one and two years	-23,025	-19,563
Between two and five years	-36,276	-26,898
Beyond five years	-7,300	-3,589
TOTAL	**-66,601**	**-50,050**

These tables below represent the net positions of assets and liabilities of derivative financial instruments.

OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(x 1,000 EUR)						31.12.2019
	Gross amount of recognised financial assets	Gross amounts of financial assets offset in the statement of financial position	Net amount of financial assets presented in the position of the financial assets	Amounts not offset in the statement of financial position		Net amount
				Financial instruments	Guarantees received in cash	
Financial assets						
CAP	2		2			2
IRS	2,121		2,121			2,121
TOTAL	**2,122**	**0**	**2,122**	**0**	**0**	**2,122**

(x 1,000 EUR)						31.12.2019
	Gross amount of recognised financial assets	Gross amounts of financial assets offset in the statement of financial position	Net amount of financial assets presented in the position of the financial assets	Amounts not offset in the statement of financial position		Net amount
				Financial instruments	Guarantees received in cash	
Financial liabilities						
IRS	73,117		73,117			73,117
TOTAL	**73,117**	**0**	**73,117**	**0**	**0**	**73,117**

OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(x 1,000 EUR)						31.12.2018
	Gross amount of recognised financial assets	Gross amounts of financial assets offset in the statement of financial position	Net amount of financial assets presented in the position of the financial assets	Amounts not offset in the statement of financial position		Net amount
				Financial instruments	Guarantees received in cash	
Financial assets						
CAP	9		9			9
TOTAL	**9**	**0**	**9**	**0**	**0**	**9**

(x 1,000 EUR)						31.12.2018
	Gross amount of recognised financial assets	Gross amounts of financial assets offset in the statement of financial position	Net amount of financial assets presented in the position of the financial assets	Amounts not offset in the statement of financial position		Net amount
				Financial instruments	Guarantees received in cash	
Financial liabilities						
IRS	48,974		48,974			48,974
TOTAL	**48,974**	**0**	**48,974**	**0**	**0**	**48,974**

SUMMARY OF DERIVATIVE FINANCIAL INSTRUMENTS ACTIVE AT 31.12.2019

(x 1,000 EUR)				
Option	**Period**	**Exercise price**	**Floating rate**	**2019 notional**
Held for trading				
IRS	2019	1.51%	1M	160,000
IRS	2019	1.45%	1M	120,000
CAP	2019	0.00%	1M	570,000

D. MANAGEMENT OF CAPITAL

As a result of Article 13 of the Royal Decree of 13.07.2014 on RRECs, the public RREC must, where the consolidated debt ratio exceeds 50% of the consolidated assets, draw up a financial plan accompanied by an execution schedule, detailing the measures taken to prevent this debt ratio from exceeding 65% of the consolidated assets. This financial plan is subject to a special Auditor's Report confirming that the latter has verified the method for drawing up the plan, namely with regard to its economic bases, and that the figures it contains are coherent with the public RREC's accounts. The Annual and Half-Yearly Financial Reports must justify the way in which the financial plan has been executed during the period in question and the way in which the RREC intends to execute the plan in the future.

1. EVOLUTION OF THE DEBT RATIO

As at 31.03.2019, 30.06.2019 and 30.09.2019, the debt ratio reached respectively 42.0%, 42.3% and 42.2%, remaining below 50%. On 31.12.2019, the debt ratio stood at 41.0%.

2. DEBT-TO-ASSETS RATIO POLICY

Cofinimmo's policy is to maintain a debt-to-assets ratio close to 45%. It may repeatedly rise above or fall below the 45% bar without this signalling a change of policy in one or the other direction.

Each year, Cofinimmo prepares a financial plan for the medium-term which includes all the financial undertakings of the Group. This plan is updated during the year when a new important undertaking is made. The debt level and its future evolution are calculated with each edition of this plan. Cofinimmo therefore always has a prospective view of this core parameter of its consolidated balance sheet structure to keep the debt ratio close to 45%.

3. FORECAST OF THE DEBT-TO-ASSETS RATIO EVOLUTION

Cofinimmo's updated financial plan shows that Cofinimmo's consolidated debt ratio should not deviate significantly from the 45% level on December 31st of the next three years. This forecast nevertheless remains subject to the occurrence of unforeseen events. See also the 'Risks Factors' chapter of this Document.

4. DECISION

Cofinimmo's Board of Directors thus considers that the debt ratio will not exceed 65% and that, for the moment, in view of the economic and real estate trends in the segments in which the Group is present, the investments planned and the expected evolution of its assets, it is not necessary to take additional measures to those contained in the financial plan referred to above.

NOTE 26. FINANCE LEASE RECEIVABLES

The Group has concluded finance leases for several buildings. Given the quality of the tenants (especially the Belgian government) on the one hand, and the low credit risk associated with financial lease receivables (established based on an analysis of historical credit losses) on the other, the model of expected credit losses under IFRS 9 has no material impact on the Group.

The Group has also granted financings linked to refurbishment works to certain tenants. The average implicit yield of these finance lease contracts amounts to 4.98% for 2019 (2018: 5.18%). During the 2019 financial year, conditional rents (indexations) were recorded as revenues of the period for 0.03 million EUR (2018: 0.01 million EUR).

The positive change in the current value of finance lease receivables is mainly explained by a new finance lease contract with the French Red Cross which started with a first rent in 2019.

(x 1,000 EUR)	2019	2018
Less than one year	5,626	4,555
More than one year but less than two years	5,534	4,540
More than two years but less than three years	5,467	4,448
More than three years but less than four years	5,498	4,203
More than four years but less than five years	5,349	4,386
More than five years	206,249	190,283
Minimum lease payments	**233,723**	**212,417**
Deferred financial income	-125,815	-108,771
Discounted value of minimum lease payments	**107,909**	**103,646**
Non-current finance lease receivables	105,651	101,731
More than one year but less than two years	2,423	2,303
More than two years but less than three years	2,457	2,336
More than three years but less than four years	2,556	2,438
More than four years but less than five years	2,657	2,537
More than five years	95,558	92,117
Current finance lease receivables	2,258	1,915
Less than one year	2,258	1,915

NOTE 27. ASSETS HELD FOR SALE

(x 1,000 EUR)	2019	2018
AT 01.01	**33,663**	**800**
Disposals	-20,336	-800
Increase/decrease of the fair value	0	0
Transfer to investment properties	15,437	33,663
AT 31.12	**28,764**	**33,663**

All the assets held for sale are investment properties. As at 31.12.2019, these are the Serenitas and Moulin à Papier/ Papiermolen office buildings.

NOTE 28. CURRENT TRADE RECEIVABLES

GROSS TRADE RECEIVABLES

(x 1,000 EUR)	2019	2018
Gross trade receivables which are due but not provisioned	5,954	6,776
Gross trade receivables which are not due	17,293	16,921
Bad and doubtful receivables	429	1,376
Provisions for the impairment of receivables (-)	-233	-983
TOTAL	**23,443**	**24,091**

The Group has recognised a write-down on the depreciation of trade receivables of 626 KEUR (compared to valuation allowances of 661 KEUR in 2018) during the year ended 31.12.2019. The Board of Directors considers that the book value of the trade receivables approximates their fair value.

Given the quality of the tenants on the one hand, and the low credit risk associated with financial lease receivables (established based on an analysis of historical credit losses) on the other, the model of expected credit losses under IFRS 9 has no material impact on the Group.

GROSS TRADE RECEIVABLES WHICH ARE DUE BUT NOT PROVISIONED

(x 1,000 EUR)	2019	2018
Due under 60 days ago	3,254	5,650
Due 60 to 90 days ago	218	19
Due over 90 days ago	2,482	1,107
TOTAL	5,954	6,776

PROVISIONS FOR DOUBTFUL DEBTS

(x 1,000 EUR)	2019	2018
AT 01.01	983	604
Use	-124	-275
Provisions charged to the income statement	47	661
Take-backs recognised under the income statement	-673	-7
AT 31.12	233	983

NOTE 29. TAX RECEIVABLES AND OTHER CURRENT ASSETS

(x 1,000 EUR)	2019	2018
Taxes	**29,814**	**16,641**
Taxes	10,928	2,855
Regional taxes	4,659	3,344
Withholding taxes	14,227	10,442
Other	**7,824**	**7,526**
TOTAL	37,639	24,167

NOTE 30. DEFERRED CHARGES AND ACCRUED INCOME - ASSETS

(x 1,000 EUR)	2019	2018
Outstanding income from property	2,487	3,018
Rent-free periods and incentives granted to tenants to be spread	2,517	3,125
Prepaid property charges	29,753	21,606
Prepaid interests and other financial charges	2,555	1,687
TOTAL	37,311	29,436

NOTE 31. PROVISIONS

(x 1,000 EUR)	2019	2018
AT 01.01	22,447	25,886
Provisions charged to the income statement	1,598	744
Uses	-884	-1,271
Provision writebacks credited to the income statement	1,016	-2,911
AT 31.12	24,176	22,447

The provisions of the Group (24,176 KEUR) can be separated into two categories:

- contractual provisions defined according to IAS 37 as loss-making contracts. Cofinimmo has committed to provide maintenance for several buildings as well as works vis-à-vis tenants, with a total cost of 20,191 KEUR (2018: 18,880 KEUR).
- legal provisions to face its potential commitments vis-à-vis tenants or third parties for 3,985 KEUR (2018: 3,567 KEUR).

These provisions correspond to the discounted future payments considered as likely by the Board of Directors.

NOTE 32. DEFERRED TAXES

(x 1,000 EUR)	2019	2018
Exit Tax	**0**	**23**
Deferred taxes	**43,969**	**42,973**
Property of distribution networks in the Netherlands	**29,741**	**30,588**
Pubstone Properties	29,741	30,588
Healthcare real estate in France	**7,946**	**7,417**
Cofinimmo branch office	7,946	7,417
Healthcare real estate in Germany	**6,282**	**4,969**
TOTAL	**43,969**	**42,996**

The deferred taxes of the Dutch subsidiary Pubstone Properties BV as well as the subsidiary having at least one asset in Germany correspond to the taxation, at a rate of respectively 25% and 15.825%, of the difference between the investment value of the assets, less registration rights, at their tax value.

Since 2014, the Cofinimmo's French branch is subject to a new tax ('Withholding tax on benefits realised in France by foreign entities, i.e. 'branch tax'.) A provision for deferred taxes had to be established.

NOTE 33. TRADE DEBTS AND OTHER CURRENT DEBTS

(x 1,000 EUR)	2019	2018
Trade debts	**38,000**	**21,730**
Other current debts	**74,435**	**66,562**
Exit Tax	**0**	**1,089**
Taxes, social charges and salaries debts	**49,650**	**37,066**
Taxes	47,289	34,890
Social charges	657	594
Salaries debts	1,704	1,583
Other	**24,785**	**28,406**
Dividend coupons	2,174	1,693
Provisions for withholding taxes and other taxes	12,598	12,325
Miscellaneous	10,012	14,387
TOTAL	**112,435**	**88,292**

NOTE 34. ACCRUED CHARGES AND DEFERRED INCOME - LIABILITIES

(x 1,000 EUR)	2019	2018
Rental income received in advance	12,303	10,639
Interests and other charges accrued and not due	2,534	2,730
Other	0	0
TOTAL	**14,837**	**13,370**

NOTE 35. NON-CASH CHARGES AND INCOME

(x 1,000 EUR)	2019	2018
Charges and income related to operating activities	**-54,998**	**14,562**
Changes in the fair value of investment properties	-79,069	6,259
Writeback of lease payments sold and discounted	-8,784	-8,815
Movements in provisions and stock options	1,999	-3,867
Depreciation/Writedown (or writeback) on intangible and tangible assets	916	612
Exit tax	378	-327
Deferred taxes	366	2,549
Goodwill impairment	14,609	13,600
Rent-free periods	256	-735
Minority interests	5,674	5,839
Other	8,656[1]	-553
Charges and income related to financing activities	**23,091**	**804**
Changes in the fair value of financial assets and liabilities	23,765	2,173
Others	-674	-1,368
TOTAL	**-31,908**	**15,367**

1 The 8.6 million EUR correspond to the difference between the price paid, plus incidental costs, and the share in the revalued net assets of the companies acquired.

NOTE 36. CHANGES IN WORKING CAPITAL REQUIREMENTS

(x 1,000 EUR)	2019	2018
Movements in asset items	**-23,832**	**-4,977**
Trade receivables	1,326	988
Tax receivables	-7,772	677
Other short-term assets	-8,740	-2,914
Deferred charges and accrued income	-8,646	-3,728
Movements in liability items	**17,101**	**7,955**
Trade debts	9,068	-366
Taxes, social charges and salaries debts	12,075	527
Other current debts	-3,557	10,525
Accrued charges and deferred income	-485	-2,731
TOTAL	-6,731	2,977

NOTE 37. EVOLUTION OF THE PORTFOLIO PER SEGMENT DURING THE FINANCIAL YEAR

The tables below show the movements of the portfolio per segment during the 2019 financial year in order to detail the amounts included on the statement of cash flows.

The amounts related to properties and included on the statement of cash flows and in the tables below are shown in investment value.

ACQUISITIONS OF INVESTMENT PROPERTIES

Acquisitions made during a financial year can be realised in three ways:
- acquisition of the property directly against cash, shown under the item 'Acquisitions of investment properties' of the statement of cash flows;
- acquisition of the property against shares, not shown on the statement of cash flows as it is a non-cash transaction;
- acquisition of the company owning the property against cash, shown under the item 'Acquisitions of consolidated subsidiaries' of the statement of cash flows;
- acquisition of the company owning the property against shares, these transactions are not included in the cash flow statement as they do not generate cash flow.

(x 1,000 EUR)		Healthcare real estate					Offices	Property of distribution networks	Total
		Belgium	France	Netherlands	Germany	Spain			
Properties available for lease	Direct properties	3,819		57,337	61,800			252	123,208
	Properties against shares	148,119							148,119
	Companies against cash	26,382			3,225		15,718		45,325
	Companies against shares	122,328			25,325				147,653
	Subtotal	**300,649**	**0**	**57,337**	**90,350**	**0**	**15,718**	**252**	**464,306**
Development projects	Direct properties			5,277	1,700	7,011			13,988
	Properties against shares								0
	Companies against cash						6,300		6,300
	Subtotal	**0**	**0**	**5,277**	**1,700**	**7,011**	**6,300**	**0**	**20,288**
TOTAL		300,649	0	62,614	92,050	7,011	22,018	252	484,594

The amount of 137,197 KEUR booked on the statement of cash flows under the heading 'Acquisitions of investment properties' comprises the sum of the direct property acquisitions.

EXTENSIONS OF INVESTMENT PROPERTIES

Extensions of investment properties are financed in cash and are shown under the item 'Extensions of investment properties' of the statement of cash flows.

(x 1,000 EUR)	Healthcare real estate					Offices	Property of distribution networks	Total
	Belgium	France	Netherlands	Germany	Spain			
Development projects	277	1,078	9,391		4,194	19,711		34,652
TOTAL	**277**	**1,078**	**9,391**		**4,194**	**19,711**		**34,652**
Amount paid in cash	368	2,455	8,080		3,907	11,846		26,657
Change in provisions	-90	-1,377	1,312		287	7,864		7,995
TOTAL	**277**	**1,078**	**9,391**		**4,194**	**19,711**		**34,652**

INVESTMENTS IN INVESTMENT PROPERTIES

Investments in investment properties are financed in cash and are shown under the item 'Investments in investment properties' of the statement of cash flows.

(x 1,000 EUR)	Healthcare real estate					Offices	Property of distribution networks	Total
	Belgium	France	Netherlands	Germany	Spain			
Properties available for lease	1,118	1	4,009	4,492		1,877	4,493	15,990
Assets held for own use								0
TOTAL	**1,118**	**1**	**4,009**	**4,492**		**1,877**	**4,493**	**15,990**
Amount paid in cash	2,827	84	126	4,179		3,581	4,572	15,368
Change in provisions	-1,709	-83	3,884	313		-1,704	-79	621
TOTAL	**1,118**	**1**	**4,009**	**4,492**		**1,877**	**4,493**	**15,990**

DISPOSALS OF INVESTMENT PROPERTIES

The amounts shown on the statement of cash flows under the item 'Disposals of investment properties' represent the net price received in cash from the buyer.

This net price is made up of the net book value of the property at 31.12.2018 and the net gain or loss realised on the disposal after deduction of the transaction costs.

(x 1,000 EUR)	Healthcare real estate					Offices	Property of distribution networks	Total
	Belgium	France	Netherlands	Germany	Spain			
Investment properties								
Net book value	14,825	3,150	8,590			50,594	6,172	83,331
Result on the disposal of assets	1,175	-1	10			8,379	1,432	10,997
Net sales price received	16,001	3,149	8,600			58,973	7,604	94,328
Assets held for sale								
Net carrying value						20,336		20,336
Result on transfer of assets						1,398		1,398
Net sales price received						21,734		21,734
TOTAL	**16,001**	**3,149**	**8,600**			**80,707**	**7,604**	**116,061**

NOTE 38. CONTINGENT RIGHTS AND LIABILITIES

IN THE CONTEXT OF DISPOSAL OF RECEIVABLES

- In the context of the disposal of the lease receivables relating to the current lease with the Buildings Agency on the courthouse of Antwerp , the balance of the non-assigned receivables was pledged in favour of a bank under certain conditions. In addition, Cofinimmo has granted a tracing mortgage and a mortgage mandate on the land (in accordance with Article 41 of the Law of 12.05.2014). In the context of the transfer of the finance lease debt vis-à-vis Justinvest Antwerpen SA/NV to an external trust company (JPA Properties SPRL, administered by Intertrust Belgium), and which relates to the construction cost of the courthouse, the cash transferred to JPA was pledged in favour of Cofinimmo SA. The benefit of the pledge was transferred in favour of a bank under certain conditions.
- In the context of the disposal of the lease receivables or ground rent relating to the current agreements with the Buildings Agency or the European Commission on the Colonel Bourg 124 and Maire 19 buildings, as well as the current lease with the City of Antwerp relating to the fire station, the shares of Bestone SA/NV have been pledged in favour of a bank under certain conditions.
- In the context of other receivables disposal transactions, Cofinimmo has entered into various commitments and granted certain guarantees, and in particular with regard to the assignment of the receivables relating to the fees for the Leuze prison after completion of the works.

CALL OPTIONS/PREFERENTIAL RIGHTS

- The shares of Belliard III-IV Properties SA/NV held by Cofinimmo are subject to a call option. The exercise of this option is subject to the fulfilment of certain specific conditions.
- In the context of leases concluded with the Buildings Agency relating, among others, to the courthouse of Antwerp and the Dendermonde police station, a purchase option has been granted to the benefit of the Agency which, at the end of the lease, may either leave the premises, extend the contract or buy back the building.
- Cofinimmo has granted a purchase option to the HEKLA Police Zone in Antwerp on the property given as leasehold to this entity, to be exercised at the end of the leasehold.
- The Cofinimmo Group is committed to and benefits from, on behalf of its subsidiaries Pubstone and Pubstone Properties, a preferential right on future developments (Horeca) to be realised in partnership with AB InBev and AB InBev benefits from a preferential right on future developments (Horeca).
- Cofinimmo (and Pubstone Group) is committed to and benefits from preferential rights on the shares of Pubstone SA/NV and Pubstone Group; and InBev Belgium benefits from a purchase right on the shares of Pubstone SA/NV and Pubstone Group.
- Leopold Square and InBev Belgium benefit reciprocally from a preferential right on the shares of Pubstone Properties.
- Cofinimmo benefits from a call option on shares in companies holding real estate in Germany.
- Cofinimmo has granted a put option to the shareholders of Aspria Roosevelt SA/NV relating to the sale of 100% of the shares of this company which owns the Solvay Sports site in Brussels for the construction of a new sports and wellness centre to be operated by the Aspria Group.
- In the context of a leashold relating to a car park in Breda, Superstone, the leasehold lessee, has agreed with Amphia, the bare owner, a right of first offer in the context of the transfer of the leasehold right and a right to purchase under certain conditions.
- Superstone has granted the seller an option to purchase a building in Almere and a building in Voorschoten at the end of the lease agreement with the tenant.
- Cofinimmo has granted various preferential rights and/or leasehold purchase options, at market value, on part of its portfolio of nursing homes and clinics.
- Cofinimmo has granted a preferential right of first refusal, at market value, on the residual rights of ownership of an office building in Brussels.

FINANCING OPERATIONS

- Cofinimmo has entered into various commitments not to undertake certain actions ('negative pledge') at the end of various financing contracts.
- Cofinimmo is committed to find a buyer for the Notes maturing in 2027 issued by Cofinimmo Lease Finance (see page 42 of the Annual Financial Report 2001) in the event that a withholding tax would be applicable on the interest on these Notes due to a change in tax legislation affecting a holder resident in Belgium or the Netherlands.
- When requesting the conversion of convertible bonds which it issued, Cofinimmo has the choice, under certain conditions, between delivering new and/or existing shares, paying an amount in cash or a combination of both.
- Cofinimmo will have the option of acquiring in 2023, at their intrinsic value, all the Bonds Redeemable in Shares issued by Cofinimur I either in cash or by delivery of Cofinimmo ordinary shares, in the latter case with the agreement of two-thirds of the holders.

GUARANTEES

- Cofinimmo granted various guarantees on the occasion of the sale of shares in a company which it held and received guarantees from the purchasers for the joint and several commitments it had entered into with the company sold.
- Cofinimmo granted various guarantees on the occasion of the sale of shares in companies which it held.
- As part of its lease contracts, Cofinimmo receives a rental guarantee (either in cash or in the form of a bank guarantee), the amount of which generally represents six months' rent.
- Within the framework of calls for tenders, Cofinimmo regularly issues commitments to obtain bank guarantees.

INVESTMENT COMMITMENTS

- Cofinimmo has signed an agreement, subject to conditions, relating to the acquisition of a psychiatric clinic under construction located in Kaarst, a town ideally situated 15 km from Düsseldorf and 45 km from Cologne, in the Land of North Rhine-Westphalia. The investment will amount to around 22 million EUR.
- Cofinimmo is committed to finance the major renovation of the revalidation centre as well as the demolition and redevelopment of the nursing and care home on a site located in Hillegersberg, a municipal entity of Rotterdam. The purchase price of the current site (acquired in December 2018) and the budget for the future works is 23 million EUR.
- In October 2018, Cofinimmo acquired a plot of land intended for the construction of an orthopaedic clinic in the town of Rijswijk. The Group committed to purchase the construction, delivered on a turnkey basis, for an investment of 8 million EUR.
- In September 2019, Cofinimmo acquired the future medical office building of Bergeijk, located about 20 km from Eindhoven, for an amount of 5 million EUR and is committed to finance, for a total amount of more than 2 million EUR, the renovation which includes the set-up of the technical installations of the building as well as that of the consultation rooms for the various care providers.
- At the time of the announcement of its establishment in Spain in September 2019, Cofinimmo reported five construction projects in healthcare real estate for 45 million EUR. First, Cofinimmo concluded agreements relating to the acquisition of a first plot of land in Vigo in the Autonomous Community of Galicia, in the north-west of Spain, on which a nursing and care home is being built. Cofinimmo also acquired a second plot of land in Oleiros, a municipality in the province of A Coruña in Galicia, and a third plot of land in Cartagena, a municipality in the province of Murcia, in the south-east of Spain. These sites will see the construction of a new nursing and care home. In addition, two other sites located in the autonomous communities of Valencia and Andalusia have also been identified for the construction of rest and care homes.

NOTE 39. INVESTMENT COMMITMENTS

The Group has capital commitments of 101 million EUR (31.12.2018: 60 million EUR) with respect to capital expenditures contracted for at the balance sheet date but not yet incurred, for new property and extensions construction. Renovation works are not included in this figure.

NOTE 40. CONSOLIDATION CRITERIA AND SCOPE

CONSOLIDATION CRITERIA

The consolidated financial statements group the financial statements of the parent company and those of the subsidiaries and joint ventures, as drawn up at the closing date.

Consolidation is achieved by applying the following consolidation methods.

Full consolidation for the subsidiaries

Full consolidation consists of incorporating all the assets and liabilities of the subsidiaries, as well as income and charges. Minority interests are shown in a separate item of both the balance sheet and the income statement.

The full consolidation method is applied when the parent company holds exclusive control.

The consolidated financial statements have been prepared at the same date as that on which the consolidated subsidiaries prepared their own financial statements.

Consolidation under the equity method for the joint ventures

The equity method consists of replacing the book value of the securities by the equity share of the entity (more details are provided in Note 2, paragraph C).

Name and address of the registered office Fully consolidated subsidiaries list	Direct and indirect interests and voting rights (in %)		Main activity of the Group subsidiaries which are held at 100%
	31.12.2019	31.12.2018	
GERMANY			
COFINIMMO DIENSTLEISTUNGS-GmbH Registered address: Frankfurt-am-Main HRB 114372 Business address: Neue Mainzer Straße 75 D-60311 Frankfurt-am-Main	100	100	COFINIMMO DIENSTLEISTUNGS-GmbH advises Cofinimmo in the growth and management of its German healthcare real estate portfolio
GESTONE Deutschland GmbH Registered address: Frankfurt-am-Main HRB 115151 Business address: Neue Mainzer Straße 75 D-60311 Frankfurt-am-Main	100	100	GESTONE Deutschland GmbH holds and makes available business fixtures

Name and address of the registered office Fully consolidated subsidiaries list	Direct and indirect interests and voting rights (in %)		Main activity of the Group subsidiaries which are held at 100 %
	31.12.2019	31.12.2018	
STERN BETEILIGUNGS GmbH Registered address: Frankfurt-am-Main HRB 112550 Business address: Neue Mainzer Straße 75 D-60311 Frankfurt-am-Main	100	100	STERN BETEILIGUNGS GmbH is the General Partner & Service Provider of PRESIDENTIAL NORDIC 1 GMBH & CO PRESIDENTIAL NORDIC 2 GMBH & CO PFLEGE PLUS + OBJEKT ALSDORF GMBH & CO. KG PFLEGE PLUS + OBJEKT BOCHUM GMBH & CO. KG PFLEGE PLUS + OBJEKT BOTTROP GMBH & CO. KG PFLEGE PLUS + OBJEKT ERFSTADT/LIBLAR GMBH & CO. KG PFLEGE PLUS + OBJEKT FRIEDRICHSTADT GMBH & CO. KG PFLEGE PLUS + OBJEKT GELSENKIRCHEN GMBH & CO. KG PFLEGE PLUS + OBJEKT GOSLAR GMBH & CO. KG PFLEGE PLUS + OBJEKT HAAN GMBH & CO. KG PFLEGE PLUS + OBJEKT WEIL AM RHEIN GMBH & CO. KG PFLEGE PLUS + OBJEKT WEILERWIST GMBH & CO. KG PFLEGE PLUS + OBJEKT SWISTTAL GMBH & CO. KG
BELGIUM			
BESTONE SA/NV 0670 681 160 Boulevard de la Woluwedal 58 1200 Brussels	100	100	BESTONE SA/NV holds: - a long-lease right on the Maire 19 building in Tournai/Doornik - a long-lease right on the Colonel Bourg 124 building in Evere - a long-lease right on the Noorderlaan 69 building in Antwerp
BOLIVAR PROPERTIES SA/NV 0878 423 981 Boulevard de la Woluwedal 58 1200 Brussels	100	100	BOLIVAR PROPERTIES held a long-lease right on the Egmont I and II buildings
CAREINPRO SA/NV 0663 738 831 Boulevard de la Woluwedal 58 1200 Brussels	100	-	CAREINPRO holds interest in shares in: CURA INVEST SA/NV MUZIKANTENWIJK SA/NV PLOEGDRIES SA/NV PROFILIA SA/NV QUATRO BUILD SA/NV RUSTHUIS MARTINAS SA/NV
COFINIMMO SERVICES SA/NV 0437 018 652 Boulevard de la Woluwedal 58 1200 Brussels	100	100	COFINIMMO SERVICES is responsible for the property management of the COFINIMMO SA/NV properties
CURA INVEST SA/NV 0465 524 972 Boulevard de la Woluwedal 58 1200 Brussels	100	-	CURA INVEST SA/NV holds two nursing and care homes in Ruisbroek and Bornem
FPR LEUZE SA/NV 0839 750 279 Boulevard de la Woluwedal 58 1200 Brussels	100	100	FPR Leuze was created following the assignment by the Buildings Agency (Belgian Federal State) of the public contract drawn up on the DBFM model for the construction and maintenance of a new prison in Leuze-en-Hainaut, in the Mons/Bergen region
GECARE 1 SA/NV 0720 629 826 Boulevard de la Woluwedal 58 1200 Brussels	100	-	GECARE 1 SA/NV holds two nursing and care homes in Ingolstadt and Neunkirchen
GESTONE SA/NV 0655 814 822 Boulevard de la Woluwedal 58 1200 Brussels	100	100	GESTONE SA/NV holds three nursing and care homes in Calau, Chemnitz and Riesa in Germany
GESTONE II SA/NV 0670 681 259 Boulevard de la Woluwedal 58 1200 Brussels	100	100	GESTONE II SA/NV holds four nursing and care homes in Luneburg, Gelsenkirchen, Neustadt and Niebüll in Germany
GESTONE III SA/NV 0696 911 940 Boulevard de la Woluwedal 58 1200 Brussels	100	100	GESTONE III holds an interest in shares in ARCON-TRUST DRITTE IMMOBILIENANIAGEN GMBH
GESTONE IV SA/NV 0683 716 475 Boulevard de la Woluwedal 58 1200 Brussels	100	100	GESTONE IV SA/NV holds a psychiatric clinic under construction in Kaarst, as well as two nursing and care homes in Langelsheim and Bad Sassendorf in Germany

Name and address of the registered office Fully consolidated subsidiaries list	Direct and indirect interests and voting rights (in %)		Main activity of the Group subsidiaries which are held at 100 %
	31.12.2019	31.12.2018	
GESTONE V SA/NV 0722 901 804 Boulevard de la Woluwedal 58 1200 Brussels	100	-	GESTONE V SA/NV holds four nursing and care homes in Nörvenich, Reichshof-Denklingen, Bad Harzburg and Neustadt-Glewe in Germany
GESTONE VI SA/NV 0722 902 495 Boulevard de la Woluwedal 58 1200 Brussels	100	-	GESTONE VI SA/NV does not hold any asset
LEOPOLD SQUARE SA/NV 0465 387 588 Boulevard de la Woluwedal 58 1200 Brussels	100	100	LEOPOLD SQUARE SA/NV partially or fully holds the buildings located in avenue du Bourgetlaan 40 in Brussels and Park Hill A and B in Diegem, as well as the subsoil of the Cockx 8-10 building (Omega Court). LEOPOLD SQUARE SA/NV also holds interests in shares in: - COFINIMMO SERVICES SA/NV - BESTONE SA/NV - PUBSTONE PROPERTIES BV - GESTONE VI SA/NV
LEX 85 SA/NV 0811 625 031 Boulevard de la Woluwedal 58 1200 Brussels	100	-	LEX 85 SA/NV holds an office building in Brussels
LIGNE INVEST SA/NV 0873 682 661 Boulevard de la Woluwedal 58 1200 Brussels	100	-	LIGNE INVEST SA/NV holds an office building in Brussels
MUZIKANTENWIJK SA/NV 0539 837 068 Boulevard de la Woluwedal 58 1200 Brussels	100	-	MUZIKANTENWIJK SA/NV holds a nursing and care home in Anderlecht
PLOEGDRIES SA/NV 0660 852 684 Boulevard de la Woluwedal 58 1200 Brussels	100	-	PLOEGDRIES SA/NV holds a nursing and care home in Lommel
PRIME BEL RUE DE LA LOI-T SA/NV 0463 603 184 Boulevard de la Woluwedal 58 1200 Brussels	100	100	PRIME BEL RUE DE LA LOI-T SA/NV holds the Loi/Wet 34 office building in Brussels
PROFILIA SA/NV 0876 135 375 Boulevard de la Woluwedal 58 1200 Brussels	100	-	PROFILIA SA/NV holds a nursing and care home in Denderhoutem
QUATRO BUILD SA/NV 0885 032 255 Boulevard de la Woluwedal 58 1200 Brussels	100	-	QUATRO BUILD SA/NV holds a nursing and care home in Stekene
RHONE ARTS SA/NV 413.742.414 Boulevard de la Woluwedal 58 1200 Brussels	100	100	RHONE ARTS SA/NV holds the Arts/Kunst 27 office building in Brussels
RHEASTONE SA/NV 0893 787 296 Boulevard de la Woluwedal 58 1200 Brussels	100	100	RHEASTONE SA/NV holds four nursing and care homes in Roeselare, Vosselaar, Aalst and La Louvière
RUSTHUIS MARTINAS SA/NV 0677 685 451 Boulevard de la Woluwedal 58 1200 Brussels	100	-	RUSTHUIS MARTINAS SA/NV holds a nursing and care home in Merchtem
STERN-FIIS SA/NV 0691 982 756 Boulevard de la Woluwedal 58 1200 Brussels	100	100	STERN-FIIS SA/NV holds interests in shares in: - PFLEGE PLUS + OBJEKT BOCHUM GMBH & CO. KG - PFLEGE PLUS + OBJEKT ERFSTADT/LIBLAR GMBH & CO. KG - PFLEGE PLUS + OBJEKT HAAN GMBH & CO. KG - GESTONE Deutschland GMBH

Name and address of the registered office Fully consolidated subsidiaries list	Direct and indirect interests and voting rights (in %)		Main activity of the Group subsidiaries which are held at 100 %
	31.12.2019	31.12.2018	
STERN-FIIS II SA/NV 0696 912 831 Boulevard de la Woluwedal 58 1200 Brussels	100	100	STERN-FIIS II SA/NV holds interests in shares in: - PFLEGE PLUS + OBJEKT ALSDORF GMBH & CO. KG - PRESIDENTIAL NORDIC 1 GMBH & CO. KG - PRESIDENTIAL NORDIC 2 GMBH & CO. KG
STERN-FIIS III SA/NV 0696 912 930 Boulevard de la Woluwedal 58 1200 Brussels	100	100	STERN-FIIS III SA/NV holds an interest in shares in: - PFLEGE PLUS + OBJEKT WEIL AM RHEIN GMBH & CO. KG - PFLEGE PLUS + OBJEKT WEILERWIST GMBH & CO. KG
STERN-FIIS IV SA/NV 0696 913 029 Boulevard de la Woluwedal 58 1200 Brussels	100	100	STERN-FIIS IV SA/NV holds an interest in shares in: - PFLEGE PLUS + OBJEKT BOTTROP GMBH & CO. KG - PFLEGE PLUS + OBJEKT FRIEDRICHSTADT GMBH & CO. KG - PFLEGE PLUS + OBJEKT GELSENKIRCHEN GMBH & CO. KG - PFLEGE PLUS + OBJEKT GOSLAR GMBH & CO. KG - PFLEGE PLUS + OBJEKT SWISTTAL GMBH & CO. KG
STERN-FIIS V SA/NV 0722 900 319 Boulevard de la Woluwedal 58 1200 Brussels	100	-	STERN-FIIS V SA/NV does not hold any asset
TRIAS BEL SOUVERAIN-T SA/NV 0597 987 776 Boulevard de la Woluwedal 58 1200 Brussels	100	100	TRIAS BEL SOUVERAIN-T SA/NV holds the Souverain/Vorst 280 building
SPAIN			
IBERI HEALTHCARE PROPERTIES SL NIF B-88347869 Registered address: Calle Maldonado, 4, 28006 Madrid	100	-	IBERI HEALTHCARE PROPERTIES SL holds an interest in shares in GLORIA HEALTH CARE PROPERTIES SL and GLORIA HEALTH CARE PROPERTIES 2 SL
GLORIA HEALTH CARE PROPERTIES SL NIF B-88347885 Registered address: Calle Maldonado, 4, 28006 Madrid	100	-	GLORIA HEALTH CARE PROPERTIES SL holds three assets under construction: one in Vigo, one in Oleiros and one in Cartagena
GLORIA HEALTH CARE PROPERTIES 2 SL NIF B-88415385 Registered address: Calle Maldonado, 4, 28006 Madrid	100	-	GLORIA HEALTH CARE PROPERTIES 2 SL does not hold any asset
FRANCE			
COFINIMMO INVESTISSEMENTS ET SERVICES SA 487 542 169 13 Rue du Docteur Lancereaux 75008 Paris (France)	100	100	COFINIMMO INVESTISSEMENTS ET SERVICES SA holds in France: - 11 aftercare and rehabilitation clinics (SSR) in Belloy, Letra, Paris, Néville, Fondettes, Siouville, Jassans-Rottier, Hyères, Montfort-en-Chalosse, Louviers, et Saint-Martin d'Aubigny - 3 psychiatric clinics from which 2 in Esvres-sur-Indre and 1 in Bois-le-Roi - 12 nursing homes (EHPAD) in Reims, Sarzeau, Villars-les-Dombes, Saint-Sébastien-sur-Loire, Carnoux-en-Provence, l'Union, Andilly, Rouen, Perriers-sur-Andelle, Rueil-Malmaison, Cannes La Bocca, and Gradignan COFINIMMO INVESTISSEMENTS ET SERVICES SA holds an interest in shares in - SCI AC NAPOLI - SCI BEAULIEU - SCI CUXAC II - SCI DE L'ORBIEU - SCI DU DONJON - SNC DU HAUT CLUZEAU - SARL HYPOCRATE DE LA SALETTE - SCI LA NOUVELLE PINEDE - SCI RESIDENCE FRONTENAC - SCI SOCIBLANC
COFINIMUR I SA 537 946 824 13 Rue du Docteur Lancereaux 75008 Paris (France)	100	97.65	COFINIMUR I SA holds 268 agencies and offices in France operated by the MAAF group
SCI AC NAPOLI 428 295 695 13 Rue du Docteur Lancereaux 75008 Paris (France)	100	100	SCI AC NAPOLI holds a nursing and care home (EHPAD) in Jurançon, France

Name and address of the registered office Fully consolidated subsidiaries list	Direct and indirect interests and voting rights (in %)		Main activity of the Group subsidiaries which are held at 100 %
	31.12.2019	31.12.2018	
SCI BEAULIEU 444 644 553 13 Rue du Docteur Lancereaux 75008 Paris (France)	100	100	SCI BEAULIEU holds an aftercare and rehabilitation clinic in Caen, France
SCI CUXAC II 343 262 341 13 Rue du Docteur Lancereaux 75008 Paris (France)	100	100	SCI CUXAC II holds a nursing and care home (EHPAD) in Cuxac Cabardès, France
SCI DE L'ORBIEU 383 174 380 13 Rue du Docteur Lancereaux 75008 Paris (France)	100	100	SCI DE L'ORBIEU holds an aftercare and rehabilitation clinic in Conques-sur-Orbiel, France
SCI DU DONJON 377 815 386 13 Rue du Docteur Lancereaux 75008 Paris (France)	100	100	SCI DU DONJON holds a nursing and care home (EHPAD) in Moncontour, France
SNC DU HAUT CLUZEAU 319 119 921 13 Rue du Docteur Lancereaux 75008 Paris (France)	100	100	SNC DU HAUT CLUZEAU holds a psychiatric clinic in Chasseneuil, France
SARL HYPOCRATE DE LA SALETTE 388 117 988 13 Rue du Docteur Lancereaux 75008 Paris (France)	100	100	SARL HYPOCRATE DE LA SALETTE holds an aftercare and rehabilitation clinic in Marseille, France
SCI LA NOUVELLE PINEDE 331 386 748 13 Rue du Docteur Lancereaux 75008 Paris (France)	100	100	SCI LA NOUVELLE PINEDE holds a nursing and care home (EHPAD) in Simorre, France
SCI RESIDENCE FRONTENAC 348 939 901 13 Rue du Docteur Lancereaux 75008 Paris (France)	100	100	SCI RESIDENCE DE FRONTENAC holds a nursing and care home (EHPAD) in Bram, France
SCI SOCIBLANC 328 781 844 13 Rue du Docteur Lancereaux 75008 Paris (France)	100	100	SCI SOCIBLANC holds an aftercare and rehabilitation clinic in Bezons, France
LUXEMBOURG			
COFINIMMO LUXEMBOURG SA/NV B100044 19 rue Aldringen L-1118 Luxembourg (Luxembourg)	100	100	COFINIMMO LUXEMBOURG SA holds a clinic in Baden-Baden, Germany
KAISERSTONE SA/NV B202584 19 rue Aldringen L-1118 Luxembourg (Luxembourg)	100	100	KAISERSTONE SA holds a clinic in Bonn, Germany
WELLNESSTONE SA/NV B197443 19 rue Aldringen L-1118 Luxembourg (Luxembourg)	100	100	WELLNESSTONE SA holds an interest in shares in: - MASCHSEE PROPERTIES SARL - UHLENHORST PROPERTIES SARL - GREAT GERMAN NURSING HOMES SCS - KAISERSTONE SA - WELLNESSTONE GP SARL
WELLNESSTONE GP SARL B238555 19 rue Aldringen L-1118 Luxembourg (Luxembourg)	100	-	WELLNESSTONE GP SARL is the General Partner of GREAT GERMAN NURSING HOMES SCS
THE NETHERLANDS			
SUPERSTONE NV 530704488 Claudius Prinsenlaan 128 4818 CP Breda (Netherlands)	100	100	SUPERSTONE holds in the Netherlands: - 7 acute care clinics in Ede, Naarden, Rijswick, Heerlen, Voorschoten, Almere, in Arnhem - 17 care centres for disabled and elderly people in Ermelo, Alphen aan den Rijn, Lopik, Gouda, Sliedrecht, Tiel, Bavel, Amsterdam, Gorinchem, Ede, Rotterdam, Zoetermeer, Velp and Den Haag - 15 medical office buildings in Tiel, Uithoorn, Oisterwijk, Leiden, Baarn, Goirle, Tilburg, Eemnes, Oud Beijerland, Eindhoven, Amsterdam, Dokkum and Weesp - 1 parking in Breda

SUBSIDIARIES HELD BY THE COFINIMMO GROUP AND WITH MINORITY INTERESTS (NON-CONTROLLING INTERESTS)

Name and addresses of the registered office Fully consolidated subsidiaries	Direct and indirect interests and voting rights (in %)		Main activity of the Group subsidiaries which are held at 100%
	31.12.2019	31.12.2018	
GERMANY			
ARCON-TRUST DRITTE IMMOBILIENANIAGEN GMBH Registered address: Hamburg HRB 55365 Business address: Großer Burstah 45 20457 Hamburg	89.9	89.9	ARCON-TRUST DRITTE IMMOBILIENANIAGEN GMBH holds a nursing and care home in Montabaur
PFLEGE PLUS + OBJEKT ALSDORF GMBH & CO. KG Registered address: Hamburg HRA 124930 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PFLEGE PLUS + OBJEKT BOCHUM GMBH & CO. KG holds a nursing and care home in Alsdorf
PFLEGE PLUS + OBJEKT BOCHUM GMBH & CO. KG Registered address: Hamburg HRA 124935 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PFLEGE PLUS + OBJEKT BOCHUM GMBH & CO. KG holds a nursing and care home in Bochum
PFLEGE PLUS + OBJEKT BOTTROP GMBH & CO. KG Registered address: Hamburg HRA 124934 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PFLEGE PLUS + OBJEKT BOTTROP GMBH & CO. KG holds a nursing and care home in Bottrop
PFLEGE PLUS + OBJEKT ERFSTADT/LIBLAR GMBH & CO. KG Registered address: Hamburg HRA 124933 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PFLEGE PLUS + OBJEKT ERFSTADT/LIBLAR GMBH & CO. KG holds a nursing and care home in Erfstadt
PFLEGE PLUS + OBJEKT FRIEDRICHSTADT GMBH & CO. KG Registered address: Hamburg HRA 124938 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PFLEGE PLUS + OBJEKT FRIEDRICHSTADT GMBH & CO. KG holds a nursing and care home in Friedrichstadt
PFLEGE PLUS + OBJEKT GELSENKIRCHEN GMBH & CO. KG Registered address: Hamburg HRA 124986 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PFLEGE PLUS + OBJEKT GELSENKIRCHEN GMBH & CO. KG holds a nursing and care home in Gelsenkirchen
PFLEGE PLUS + OBJEKT GOSLAR GMBH & CO. KG Registered address: Hamburg HRA 124957 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PFLEGE PLUS + OBJEKT GOSLAR GMBH & CO. KG holds a nursing and care home in Goslar
PFLEGE PLUS + OBJEKT HAAN GMBH & CO. KG Registered address: Hamburg HRA 124931 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PFLEGE PLUS + OBJEKT HAAN GMBH & CO. KG holds a nursing and care home in Haan
PFLEGE PLUS + OBJEKT WEIL AM RHEIN GMBH & CO. KG Registered address: Hamburg HRA 124936 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PFLEGE PLUS + OBJEKT WEIL AM RHEIN GMBH & CO. KG holds a nursing and care home in Weil Am Rhein
PFLEGE PLUS + OBJEKT WEILERWIST GMBH & CO. KG Registered address: Hamburg HRA 124937 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PFLEGE PLUS + OBJEKT WEILERWIST GMBH & CO. KG holds a nursing and care home in Weilerwist
PFLEGE PLUS + OBJEKT SWISTTAL GMBH & CO. KG Registered address: Hamburg HRA 50992 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PFLEGE PLUS + OBJEKT SWISTTAL GMBH & CO. KG holds a nursing and care home in Swisttal
PRESIDENTIAL NORDIC 1 GMBH & CO. KG Registered address: Hamburg HRA 50316 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PRESIDENTIAL NORDIC 1 GMBH & CO. KG holds three nursing and care homes in Leck, Schafflung and Viöl

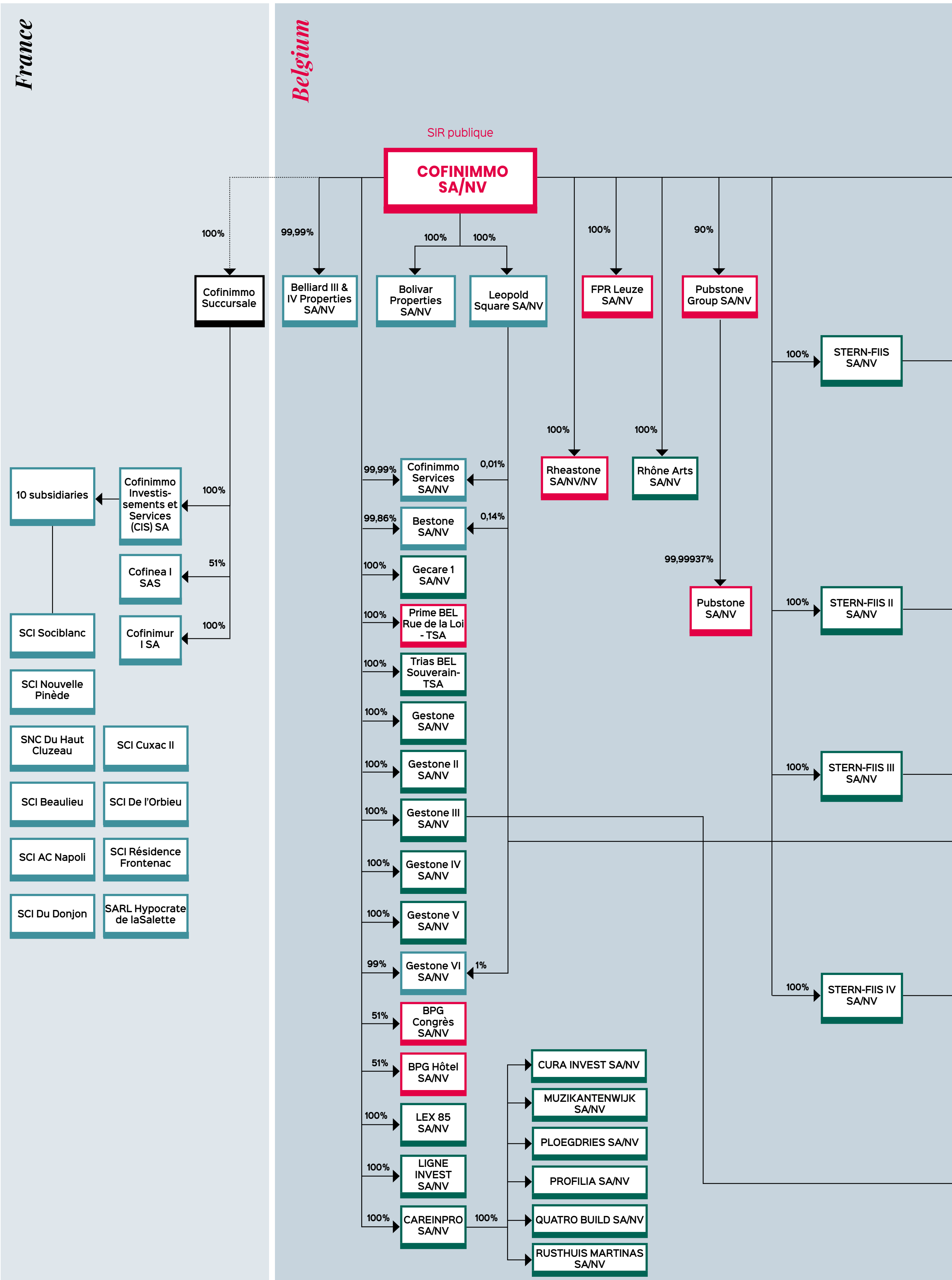
Name and addresses of the registered office Fully consolidated subsidiaries	Direct and indirect interests and voting rights (in %)		Main activity of the Group subsidiaries which are held at 100%
	31.12.2019	31.12.2018	
PRESIDENTIAL NORDIC 2 GMBH & CO. KG Registered address: Hamburg HRA 50317 Business address: Großer Burstah 45 20457 Hamburg	94.9	94.9	PRESIDENTIAL NORDIC 2 GMBH & CO. KG holds two nursing and care homes in Lunden and Ascheffel
BELGIUM			
BELLIARD III-IV PROPERTIES SA/ NV 0475 162 121 Boulevard de la Woluwe 58 1200 Brussels	99.9	99.9	BELLIARD III-IV PROPERTIES SA/NV held the residual rights of the property Belliard III & IV in Brussels
PUBSTONE SA/ NV 0405 819 096 Boulevard de la Woluwe 58 1200 Brussels	99.9	99.9	PUBSTONE SA/NV holds 720 pubs and restaurants in Belgium, operated by AB InBev
PUBSTONE GROUP SA/ NV 0878 010 643 Boulevard de la Woluwe 58 1200 Brussels	90	90	PUBSTONE GROUP SA/NV holds an interest in shares in PUBSTONE SA/NV
LUXEMBOURG			
GREAT GERMAN NURSING HOMES SCS B123141 19 rue Aldringen L-1118 Luxembourg (Luxembourg)	94.9	94.9	GREAT GERMAN NURSING HOMES SCS holds a nursing and care home in Duisburg-Walsum, Germany
MASCHSEE PROPERTIES SARL B240471 19 rue Aldringen L-1118 Luxembourg (Luxembourg)	94.9	94.9	MASCHSEE PROPERTIES SARL holds a sport and wellness centre in Hanover in Germany
UHLENHORST PROPERTIES SARL B240610 19 rue Aldringen L-1118 Luxembourg (Luxembourg)	94.9	94.9	UHLENHORST PROPERTIES SARL holds a sport and wellness centre in Hamburg in Germany
NETHERLANDS			
PUBSTONE PROPERTIES BV 81.85.89.723.B.01 Claudius Prinsenlaan 128 4818 CP Breda (Netherlands)	90[1]	90[1]	PUBSTONE PROPERTIES BV holds 218 pubs and restaurants in the Netherlands, operated by AB InBev

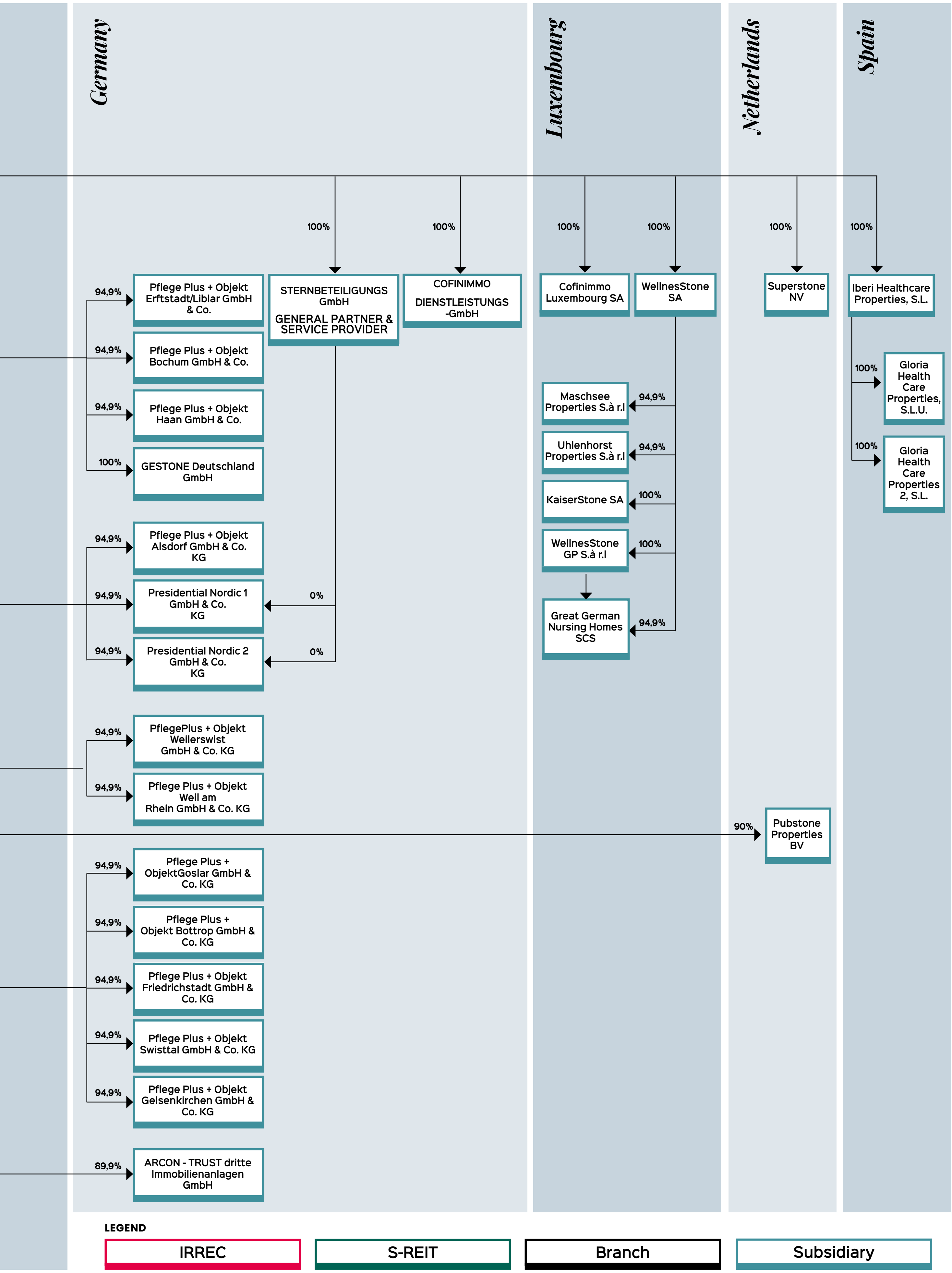
JOINT VENTURES

Name and addresses of the registered office Fully consolidated subsidiaries	Direct and indirect interests and voting rights (in %)		Main activity of the Group subsidiaries which are held at 100%
	31.12.2019	31.12.2018	
BELGIUM			
BPG CONGRES SA/NV 0713.600.789 Boulevard de la Woluwe 58 1200 Brussels	51	51	BPG CONGRES SA/NV received the public contract drawn up by the Buildings Agency (Belgian Federal State) on the DBFM model for the construction and maintenance of a convention centre in Brussels. COFINIMMO SA/NV holds 51% of the capital of BPG CONGRES SA/NV, which is thus accounted for under the equity consolidation method in the Groups consolidated accounts. The other shareholder is CFE.
BPG HOTEL SA/NV 0713.600.888 Boulevard de la Woluwe 58 1200 Brussels	51	51	BPG HOTEL SA/NV received the public contract drawn up by the Buildings Agency (Belgian Federal State) on the DBFM model for the construction and maintenance of a hotel in Brussels. COFINIMMO SA/NV holds 51% of the capital of BPG HOTEL SA/NV, which is thus accounted for under the equity consolidation method in the Groups consolidated accounts. The other shareholder is CFE.
FRANCE			
COFINEA I SAS 538 144 122 13 Rue du Docteur Lancereaux 75008 Paris (France)	51	51	COFINEA I SAS holds an aftercare and rehabilitation clinic in Paris. COFINIMMO SA/NV holds 51% of the capital of COFINEA I SAS, which is thus accounted for under the equity consolidation method in the Groups consolidated accounts. The other shareholder is the Group ORPEA.

1 Intérêt économique.

Group structure




Germany
Luxembourg
Netherlands
Spain
100%
100%
100%
100%
100%
100%
94,9%
Pflege Plus + Objekt Erftstadt/Liblar GmbH & Co.
STERNBETEILIGUNGS GmbH
GENERAL PARTNER & SERVICE PROVIDER
COFINIMMO DIENSTLEISTUNGS -GmbH
Cofinimmo Luxembourg SA
WellnesStone SA
Superstone NV
Iberi Healthcare Properties, S.L.
94,9%
Pflege Plus + Objekt Bochum GmbH & Co.
94,9%
Pflege Plus + Objekt Haan GmbH & Co.
100%
GESTONE Deutschland GmbH
100%
Gloria Health Care Properties, S.L.U.
100%
Gloria Health Care Properties 2, S.L.
94,9%
Maschsee Properties S.à r.l
94,9%
Uhlenhorst Properties S.à r.l
100%
KaiserStone SA
100%
WellnesStone GP S.à r.l
94,9%
Great German Nursing Homes SCS
94,9%
Pflege Plus + Objekt Alsdorf GmbH & Co. KG
94,9%
Presidential Nordic 1 GmbH & Co. KG
0%
94,9%
Presidential Nordic 2 GmbH & Co. KG
0%
94,9%
PflegePlus + Objekt Weilerswist GmbH & Co. KG
94,9%
Pflege Plus + Objekt Weil am Rhein GmbH & Co. KG
90%
Pubstone Properties BV
94,9%
Pflege Plus + ObjektGoslar GmbH & Co. KG
94,9%
Pflege Plus + Objekt Bottrop GmbH & Co. KG
94,9%
Pflege Plus + Objekt Friedrichstadt GmbH & Co. KG
94,9%
Pflege Plus + Objekt Swisttal GmbH & Co. KG
94,9%
Pflege Plus + Objekt Gelsenkirchen GmbH & Co. KG
89,9%
ARCON - TRUST dritte Immobilienanlagen GmbH
LEGEND
IRREC
S-REIT
Branch
Subsidiary

NON-CONTROLLING INTERESTS[1]

Non-controlling interests represent third-party interests in subsidiaries neither directly nor indirectly held by the Group.

Cofinimur I

At the end of 2011, Cofinimmo acquired, through its subsidiary Cofinimur I, a portfolio of agencies and offices from the MAAF Group in which Foncière ATLAND held 2.35% of the shares. During the fourth quarter of 2019, Cofinimmo purchased this 2.35%.

Pubstone

At the end of 2007, Cofinimmo acquired a portfolio of pubs and restaurants owned until then by Immobrew SA/NV, a subsidiary of AB InBev Belgium and renamed Pubstone SA/NV. At 31.12.2018, InBev Belgium owns an indirect stake of 10% in the Pubstone structure.

In addition, following the restructuration of the Pubstone Group in December 2013, InBev Belgium owns 10% direct minority interests in Pubstone Properties BV.

Anheuser-Busch InBev (AB InBev) is the world's largest brewer by volume of beer brewed. For further information about the Group: **www.ab-InBev.com**

Rheastone

Following the partial demerger of Silverstone during financial year 2015, Senior Assist held 2.62% in Rheastone SA/NV. During the fourth quarter of 2018, Cofinimmo proceeded to the acquisition of these 2.62%.

Aspria

Cofinimmo acquired two sport and well-being centres in Germany. The Aspria Group holds a 5.1% interest in Aspria Maschsee BV and Aspria Uhlenhorst BV.

The Aspria Group, founded in 2000, manages eight luxury sport and well-being centres in prestigious locations in Germany, Belgium and Italy. In Belgium, the company operates three centres, of which one is owned by Cofinimmo.

For further information: **www.aspria.com**

The holding of these minority interests by companies outside of the Group, and therefore not controlled by Cofinimmo, is considered immaterial with regard to the Group's total shareholders' equity: at 31.12.2019, the minority interests amount to 83 million EUR vs. Cofinimmo's shareholders' equity of 2,534 million EUR, i.e. 3.3%).

CHANGE IN NON-CONTROLLING INTERESTS

(x 1,000 EUR)	Cofinimur I		Pubstone	Rheastone	Aspria Maschsee	Aspria Uhlenhorst	Total
	ATLAND	MCB holders	AB InBev	Senior Assist	Aspria	Aspria	
AT 01.01.2018	**1,415**	**66,030**	**13,055**	**1,495**	**786**	**500**	**83,280**
Interests on the income statement	67	3,203	2,273	48	103	144	5,839
Coupons MCB		-2,884					-2,884
Dividends	-44		-1,312	-60			-1,416
Other	314	584		-1,482			-584
AT 31.12.2018	**1,751**	**66,933**	**14,016**	**0**	**890**	**644**	**84,234**
Interests on the income statement	69	3,522	1,878		95	111	5,674
Coupons MCB		-2,843					-2,843
Dividends	-55		-2,227		-455	-268	-3,005
Other	-1,765	330					-1,435
AT 31.12.2019	**0**	**67,942**	**13,667**	**0**	**530**	**486**	**82,625**

1 The term 'non-controlling interests' as defined under IFRS 12 corresponds to minority interests.

Joint ventures

On 31.12.2019, the Cofinimmo Group books the joint ventures listed below (Cofinéa I, BPG Congress and BPG Hotel) using the equity consolidation method because the Group, together with its associated shareholders, exercises control over these companies pursuant to contractual cooperation agreements.

In view of their share in the result of the Cofinimmo Group in 2019, these joint ventures are regarded as immaterial.

GENERAL INFORMATION

Company	Cofinéa I	BPG Congrès	BPG Hôtel
Segment	Healthcare real estate	Others	Others
Country	France	Belgium	Belgium
% held by the Cofinimmo Group	51%	51%	51%
Partner shareholders	ORPEA Group OPCI (49%)	CFE (49%)	CFE (49%)
Date of company creation	2012	2018	2018
Accounting period	Ends on December 31st	Ends on December 31st	Ends on December 31st
	31.12.2019	**31.12.2019**	**31.12.2019**
Amount of the Cofinimmo share in the result (x 1,000 EUR)			
Net result (100%)	1,453	-2,157	-859
Other elements of the global result	0	0	0
Global result	1,453	-2,157	-859
% held by the Cofinimmo Group	51%	51%	51%
Share in the result of associated companies or joint ventures	741	-1,100	-438
Amount of the interest at Cofinimmo (x 1,000 EUR)			
Participations in associated companies and joint ventures	8,154	785	682

Risks and commitments related to the partner shareholders

With the framework of Cofinéa I, the goal of the partnership entered into with the ORPEA Group is to bring assets operated by the ORPEA Group under the structure.

Cofinimmo holds 51% of the shares of this structure. However, the partnership agreement stipulates that all decisions, particularly with regard to investments and divestments, are taken in mutual consent, which implies a joint control of the company.

The same principle applies to BPG CONGRES SA/NV and BPG HOTEL SA/NV.

NOTE 41. SALES OPTIONS PERMITTED FOR NON-CONTROLLING SHAREHOLDERS

The Group has undertaken to take over non-controlling interests in specific subsidiaries owned by third parties should the latter exercise their sales options.

The exercise price of such options permitted for non-controlling shareholders is recognised in the 'Other non-current financial liabilities' line (see Note 25).

It concerns the following companies: Great German Nursing Homes SARL, Pflege Plus + Objekt Alsdorf GmbH, Pflege Plus + Objekt Bochum GmbH, Pflege Plus + Objekt Bottrop GmbH, Pflege Plus + Objekt Erftstadt/Liblar GmbH, Pflege Plus + Objekt Friedrichstadt GmbH, Pflege Plus + Objekt Gelsenkirchen GmbH, Pflege Plus + Objekt Goslar GmbH, Pflege Plus + Objekt Haan GmbH, Pflege Plus + Objekt Swisttal GmbH, Pflege Plus + Objekt Weil am Rhein GmbH, Pflege Plus + Objekt Weilerswist GmbH, Presidential Nordic 1 GmbH & Co. KG, Presidential Nordic 2 GmbH & Co. KG, ARCON-TRUST dritte Immobilienanlagen GmbH.

NOTE 42. PAYMENTS BASED ON SHARES

STOCK OPTION PLAN

In 2006, Cofinimmo launched a stock option plan whereby 8,000 stock options were granted to the Group's management. This plan was relaunched during each of the following years until 2016 included. Since 2017, the stock option plan has no longer been proposed.

When they are exercised, the beneficiaries will pay the exercise price (per share) of the year in which the stock options were granted, in exchange for the delivery of the securities. In the event of voluntary or involuntary departure (excluding premature termination for serious reasons) of a beneficiary, the stock options accepted and vested may be exercised after the end of the third calendar year following the year in which the stock options were granted. Options that have not been vested are cancelled, except when retiring on a pension. In the event of the involuntary departure of a beneficiary for serious reasons, all stock options accepted but not exercised, whether vested or not, are cancelled. These conditions governing the acquisition and the exercise periods in the event of a departure, whether voluntary or involuntary, will apply without prejudice to the powers of the Board of Directors for the members of the Executive Committee or the powers of the Executive Committee for the other participants to authorise waivers to these provisions in favour of the beneficiary, based on objective and relevant criteria.

NUMBER OF STOCK OPTIONS

Year of the plan	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Granted	**6,825**	**7,525**	**3,000**	**3,320**	**4,095**	**8,035**	**5,740**	**7,215**	**6,730**	**7,300**	**8,000**
Cancelled	-1,600	-1,600		-500	-1,067	-1,386	-250	-695	-2,125	-2,050	-2,350
Exercised	-50	-1,125	-350	-770	-1,428	-5,049	-5,120	-6,303	-1,630	-1,975	-2,800
Expired								-217			
AT 31.12.2019	**5,175**	**4,800**	**2,650**	**2,050**	**1,600**	**1,600**	**370**	**0**	**2,975**	**3,275**	**2,850**
Exercisable at 31.12.2019	5,175	4,800	2,650	2,050	1,600	1,600	370	0	2,975	3,275	2,850
Strike price (in EUR)	108.44	95.03	88.75	88.12	84.85	97.45	93.45	86.06	122.92	143.66	129.27
Last exercise date	15.06.26	16.06.25	16.06.24	16.06.23	18.06.22	14.06.21	13.06.20	11.06.19	12.06.23	12.06.22	13.06.21
Fair value of the options at the date of granting (x 1,000 EUR)	200.86	233.94	102.99	164.64	168.18	363.90	255.43	372.44	353.12	261.27	216.36

Cofinimmo applies the IFRS 2 standard by recognising over the vesting period (namely three years) the fair value of the stock options at the date of granting according to the progressive acquisition method. The annual cost of the progressive vesting is recognised under the item 'Personnel charges' on the income statement.

NOTE 43. AVERAGE NUMBER OF PEOPLE LINKED BY AN EMPLOYMENT CONTRACT OR BY A PERMANENT SERVICE CONTRACT

	2019	2018
Average number of people linked by an employment contract or by a permanent service contract	130	134
Employees	125	130
Executive management personnel	5	4
Full-time equivalent	**120**	**126**

NOTE 44. RELATED-PARTY TRANSACTIONS

The emoluments and insurance premiums, borne by Cofinimmo and its subsidiaries, for the benefit of the members of the Board of Directors, charged to the income statement, amount to 3,893,398 EUR of which 304,000 EUR is attributed to post-employment benefits.

The 'Corporate Governance Statement' chapter of this Annual Financial Report includes the composition of the various decision-making bodies and the tables on the remuneration of the Non-Executive and Executive Directors. The difference between the amount on the income statement and that stated in the tables is explained by movements in provisions.

The Directors are not beneficiaries of the profit-sharing scheme, which exclusively concerns the employees of the Group.

As a reminder, at the end of 2012, Cofinimmo signed a joint venture with the entity Cofinéa I SAS, a company incorporated under French Law. Cofinimmo owns 51% of its capital and the ORPEA Group 49%. With the exception of its interest in Cofinéa I, Cofinimmo has no other transactions with this joint venture. In addition, there were no transactions in 2019 with the ORPEA Group (for more details, see Note 40).

Cofinimmo acquired the shares held by Foncière ATLAND in the capital of Cofinimur I, a company incorporated under French law, for less than 2.5 million EUR. The capital of this company was held at 97.65% by Cofinimmo and 2.35% by Foncière ATLAND so that Cofinimmo now holds all the shares of Cofinimur I.

On 14.12.2018, Cofinimmo concluded agreements that make it possible to conclude a lease contract for 99 years on the Serenitas and Moulin à Papier/Papiermolen buildings situated in the decentralised area in Brussels, at the latest on 30.06.2020, for the benefit of BPI Real Estate Belgium. BPI Real Estate Belgium is a company within the Belgian industrial group CFE. Since the latter has had a participating interest with subsidiaries of Cofinimmo SA/NV (BPG CONGRES SA/NV and BPG HOTEL SA/NV) since 13.11.2018, the provisions of Articles 37 §1 and 49 §2 of the Law of 12.05.2014 on Regulated Real Estate Companies are applied.

There were no other transactions with other related parties.

NOTE 45. EVENTS AFTER CLOSING DATE

No major event that could have a considerable impact on the results as at 31.12.2019 took place after the closing date.

Acquisition of an office building containing a medical centre in Brussels CBD

Early March 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). Part of these works have already been delivered. The remaining works will be delivered in Q2 2020. The property is undergoing major renovation works in order to offer quality and comfort to its future occupants. At the time of acquisition, almost one third of the building was already let to the Park Leopold Medical Centre, managed by CHIREC, through an 18-year lease contract. The conventional value of the property for the calculation of the share price amounts to approximately 40 million EUR. The gross rental yield will reach more than 4% at full occupancy.

Dividend

The amount of the dividend proposed to shareholders at the Ordinary General Meeting of 13.05.2020 is 144,472,115.20 EUR for the shares and 95,939.20 EUR for the treasury shares held by the subsidiary Gestone III SA/NV (for more details, see Note 20).

Coronavirus COVID-19 epidemic (situation on 19.03.2020)

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

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 in order to fall within the framework of the decisions taken by the authorities.

The group's 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 for everyone.

It is too early at this stage to determine the impact of the current crisis on the ability of certain tenants to pay their rents.

Moreover, the current crisis has very little impact on the ongoing construction works. The provisional acceptance dates for recently started construction sites are still remote.

Provisional acceptance of certain office building works in final phase, such as the redevelopment of Quartz building, is currently being rescheduled. Based on current information, the date of entry into operation after renovation of the Trône/Troon 100 office building (whose owner company was recently acquired by Cofinimmo) should not be affected.

Healthcare real estate projects whose completion is scheduled in the 1st or 2nd quarter of 2020 are as follows:

- The construction of an orthopaedic clinic in Rijswijk (Netherlands) was completed in mid-February, and the site has been operational since then.
- The construction of a medical office building in Bergeijk (Netherlands) is ongoing, still aiming for a provisional acceptance at the end of Q2 2020.
- The construction of a psychiatric clinic in Kaarst (Germany) was recently completed and the administrative conditions precedent to its acquisition should be lifted soon.

In terms of external financing, availabilities on committed credit lines reached 1.1 billion EUR. After deduction of the backup of the commercial paper programme whose maturity is less than one year, Cofinimmo has approximately 400 million EUR of committed available credit lines to finance its activity, without taking into account the additional capacities under negotiation.

With a debt-to-assets ratio of barely 41.0% as at 31.12.2019 (which has changed little since), Cofinimmo's consolidated balance sheet shows a strong solvency, which is an valuable asset when addressing the current crisis.

Cofinimmo NV/SA | 31 December 2019

Statutory auditor's report to the shareholders' meeting of Cofinimmo NV/SA for the year ended 31 December 2019 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Cofinimmo NV/SA ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 10 May 2017, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2019. We have performed the statutory audit of the financial statements of Cofinimmo NV/SA for 27 consecutive periods.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 4 558 239 (000) EUR and the consolidated statement of comprehensive income shows a profit for the year then ended of 204 615 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2019 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Valuation of investment properties	
• Investment properties measured at fair value (EUR 4 247 million) represent 93 per cent of the consolidated balance sheet total as at 31 December 2019. Changes in the fair values of the investment properties have a significant impact on the consolidated net result for the period and equity. • The portfolio includes completed investments and properties under construction and acquisitions. Divestments of investment properties are individually significant transactions. • The Group uses professionally qualified external valuers to fair value the Group's portfolio at three - monthly intervals. The valuers are engaged by the Directors and performed their work in accordance with the Royal Institute of Chartered Surveyors ('RICS') Valuation – Professional Standards. The valuers used by the Group have considerable experience in the markets in which the Group operates. • The portfolio is valued at fair value, with development properties valued by the same methodology with a deduction for all costs necessary to complete the development together with a remaining allowance for risk. The key inputs into the valuation exercise are yields and current market rent, which are influenced by prevailing market forces, comparable transactions and the specific characteristics of each property in the portfolio. • Therefore, the audit risk appears in the assumptions and critical judgment linked to those key inputs, in particular the yield.	• We considered the internal control implemented by management and we carried out testing related to the design and implementation of controls over investment properties. • We assessed the competence, independence and integrity of the external valuers. • We discussed and challenged the valuation process, performance of the portfolio and significant assumptions and critical judgement areas. • We benchmarked and challenged the key assumptions to external industry data and comparable property transactions, in particular the yield. • We performed audit procedures to assess the integrity and completeness of information provided to the independent valuers related to rental income, key rent contract characteristics and occupancy. • We agreed the amounts per the valuation reports with the accounting records and from there we agreed the related balances with the financial statements. • As part of our audit procedures performed on the acquisitions and divestments of properties we examined significant contracts and documentation on the accounting treatment applied to these transactions. • Furthermore, we assessed the appropriateness of the disclosures provided on the fair value of investment properties.
Reference to disclosures	
• We refer to the Financial Statements, including notes to the Financial Statements: Note 2, Significant accounting policies; Note 22, Investment property.	

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements, i.e.:

- the required components of the Cofinimmo NV/SA annual report in accordance with Articles 3:32 of the Code of companies and associations, which appear in the following chapters: Risk factors, Management report – Key figures, Management report – Consolidated accounts, Management report – Transactions and performances in 2019, Management report - Events after 31 December 2019, Management report – 2020 Outlook, Management report - Management of financial resources, Management report – Corporate governance statement and Annual accounts;

are free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Other statements

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Zaventem, 19 March 2020

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by Rik Neckebroeck

COMPREHENSIVE RESULT (INCOME STATEMENT) (ABBREVIATED FORMAT)

(x 1,000 EUR)	2019	2018
A. Net result		
Rental income	123,959	121,331
Writeback of lease payments sold and discounted	8,784	8,815
Rental-related expenses	-50	-381
Net rental income	**132,693**	**129,765**
Recovery of property charges	250	-6
Recovery income of charges and taxes normally payable by the tenant on rented properties	15,780	15,575
Costs payable by the tenant and borne by the landlord on rental damage and redecoration at end of lease	-1,110	-2,135
Charges and taxes normally payable by the tenant on rented properties	-20,808	-20,774
Property result	**126,805**	**122,425**
Technical costs	-3,609	-4,230
Commercial costs	-789	-973
Taxes and charges on unlet properties	-3,189	-4,248
Property management costs	-14,594	-12,170
Other property charges	0	0
Property charges	**-22,182**	**-21,621**
Property operating result	**104,623**	**100,804**
Corporate management costs	-6,255	-5,216
Operating result before result on the portfolio	**98,368**	**95,588**
Gains or losses on disposals of investment properties	10,953	27,500
Gains or losses on disposal of other non-financial assets	0	0
Changes in fair value of investment properties	59,457	-11,777
Other result on the portfolio	-4,342	-2,639
Result on the portfolio	**66,068**	**13,084**
Operating result	**164,436**	**108,673**
Financial income	81,539	49,463
Net interest charges	-22,823	-25,644
Other financial charges	-563	-463
Changes in the fair value of financial assets and liabilities	-22,918	14,192
Financial result	**35,236**	**37,548**
Pre-tax result	**199,672**	**146,220**
Corporate tax	-2,130	-1,035
Net result	**197,542**	**145,186**
B. Other elements of the comprehensive result recyclable in the income statement		
Change in the effective part of the fair value of authorised cash flow hedging instruments as defined under IFRS	0	0
Impact of the recycling on the income statement of hedging instruments which relationship with the hedged risk was terminated	0	-578
Convertible bonds	-9,930	300
OTHER ELEMENTS OF THE COMPREHENSIVE RESULT	**-9,930**	**-278**
C. Comprehensive result	**187,612**	**144,908**

APPROPRIATIONS AND DEDUCTIONS

(x 1,000 EUR)	2019	2018
A. Net result	**197,542**	**145,186**
B. Transfer from/to reserves	**-52,509**	**-21,795**
Transfer to the reserve of the positive balance of changes in the fair value of investment properties	**-67,246**	**11,333**
Financial year	-67,246	11,333
Previous years	0	0
Transfer to the reserve of the negative balance of changes in the fair value of investment properties	**0**	**-20,819**
Financial year	0	-20,819
Previous years	0	0
Transfer to the reserve of the estimated transaction costs and rights resulting from the hypothetical disposal of investment property	**6,453**	**444**
Transfer to the reserve of the balance of the changes in fair value of authorised hedging instruments qualifying for hedge accounting	**0**	**0**
Financial year	0	0
Previous years	0	0
Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments not qualifying for hedge accounting	**24,394**	**6,292**
Financial year	24,394	6,292
Previous years	0	0
Transfer from/to other reserves	**-4**	**109**
Transfer from the result carried forward of previous years	**-16,107**	**-19,154**
C. Remuneration of the capital	**-7,517**	**-84,170**
Remuneration of the capital provided for in Article 13, § 1, 1st paragraph of the Royal Decree of 13.07.2014	-7,517	-84,170
D. Remuneration for financial year other than capital remuneration	**-137,516**	**-39,221**
Dividends	-137,051	-38,819
Profit-sharing scheme	-465	-402
E. Result to be carried forward	**78,331**	**198,212**

STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET) (ABBREVIATED FORMAT)

(x 1,000 EUR)	2019	2018
Non-current assets	**4,294,833**	**3,681,840**
Intangible assets	934	919
Investment property	2,320,615	2,139,453
Other tangible assets	1,264	796
Non-current financial assets	1,875,080	1,447,679
Finance lease receivables	95,994	92,205
Other non-current receivables	946	789
Trade receivables and other non-current assets	0	0
Current assets	**106,557**	**92,208**
Assets held for sale	28,764	33,663
Current financial assets	2	0
Finance lease receivables	1,937	1,625
Trade receivables	12,321	11,854
Tax receivables and other current assets	19,451	14,035
Cash and cash equivalents	832	1,957
Accrued charges and deferred income	43,249	29,074
TOTAL ASSETS	**4,401,389**	**3,774,049**
Shareholders' equity	**2,447,381**	**2,082,163**
Capital	1,385,227	1,232,176
Share premium account	806,214	664,203
Reserves	58,398	40,597
Net result for the financial year	197,542	145,186
Liabilities	**1,954,008**	**1,691,886**
Non-current liabilities	**998,931**	**1,009,879**
Provisions	24,151	22,422
Non-current financial debts	893,487	930,809
Credit institutions	282,493	208,000
Other	610,994	722,809
Other non-current financial liabilities	73,348	49,231
Deferred taxes	7,946	7,417
Current liabilities	**955,077**	**682,008**
Current financial debts	870,363	612,512
Other current financial liabilities	96	0
Trade debts and other currect debts	72,685	57,788
Accrued chargers and deferred income	11,933	11,707
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4,401,389**	**3,774,049**

CALCULATION OF DEBT-TO-ASSETS RATIO

(x 1,000 EUR)		2019	2018
Non-current financial debts		893,487	930,809
Other non-current financial liabilities (except hedging instruments)	+	326	257
Current financial debts	+	870,363	612,512
Trade debts and other current debts	+	72,685	57,788
Uncalled amounts of acquired securities	+	180	180
Total debt	=	**1,837,041**	**1,601,546**
Total assets		4,401,389	3,774,049
Hedging instruments	-	2,122	9
Total assets (except hedging instruments)	=	**4,399,267**	**3,774,040**
DEBT-TO-ASSETS RATIO	/	41.76%	42.44%

OBLIGATION TO DISTRIBUTE DIVIDENDS ACCORDING TO THE ROYAL DECREE OF 13.07.2014 CONCERNING RRECS

(x 1,000 EUR)	2019	2018
Net result	**197,542**	**145,186**
Depreciation (+)	908	609
Impairments (+)	46	94
Writeback of impairments (-)	0	0
Writeback of lease payments sold and discounted (-)	-8,784	-8,815
Other non-cash elements (+/-)	27,338	8,081
Result on disposal of property assets (+/-)	-10,953	-27,500
Changes in fair value of investment properties (+/-)	-60,793	-6,360
Corrected result (A)	**145,305**	**111,294**
Capital gains and losses realised on property assets during the financial year (+/-)	-132,971	27,500
Realised gains[1] on property assets during the year, exempt from the obligation to distribute if reinvested within four years (-)	-2,938	-33,581
Realised gains on property assets previously exempt from the obligation to distribute and that were not reinvested within four years (+)	0	0
Net gains on realisation of property assets not exempt from the distribution obligation (B)	**-135,909**	**-6,081**
TOTAL (A+B) x 80%	**7,517**	**84,170**
Debt decrease (-)	0	0
Obligation to distribute dividends	**7,517**	**84,170**

1 Compared to the acquisition value plus the capitalised renovation costs.

NON-DISTRIBUTABLE EQUITY ACCORDING TO ARTICLE 7:212 OF THE CODE OF COMPANIES AND ASSOCIATIONS (PREVIOUSLY ARTICLE 617 OF THE COMPANY CODE)

(x 1,000 EUR)	2019	2018
Total balance sheet	**4,401,389**	**3,774,049**
Provision	-24,151	-22,422
Liabilities	-1,929,857	-1,669,464
Net assets	**2,447,381**	**2,082,163**
Distribution of dividends and profit-sharing plan	-145,033	-123,391
Net assets after distribution	**2,302,348**	**1,958,772**
Paid-up capital or, if greater, subscribed capital	1,385,227	1,232,176
Share premium account unavailable for distribution according to the Articles of Association	806,214	664,203
Reserve for the positive balance of changes in the fair value of investment properties	134,502	0
Reserve for the estimated transaction costs and transfer duties resulting from the hypothetical disposal of investment properties	-61,854	-57,549
Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge account	0	300
Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting	-39,823	-3,802
Reserve for own shares	0	0
Other reserves declared non-distributable by the General Meeting	2,017	2,626
Legal reserve	0	0
Non-distributable equity according to Article 617 of the Company Code	**2,226,284**	**1,837,954**
Margin remaining after distribution	**76,065**	**120,818**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(x 1,000 EUR)	At 31.12.2017	Adjustments in the opening balance sheet	At 01.01.2018	Allocation of the net result
Capital	**1,144,164**		**1,144,164**	
Share premiums	**600,021**		**600,021**	
Reserves	**37,919**		**37,919**	**121,056**
Reserve of the balance of changes in fair value of real estate assets	-88,113		-88,113	12,597
Reserve of estimated transaction costs resulting from the hypothetical disposal of investment property	-57,223		-57,223	-2,292
Reserve of the balance of changes in fair value of authorised hedging instruments to which the hedging accounting defined in IFRS is applied	5,033		5,033	-2,670
Reserve of the balance of changes in fair value of authorised hedging instruments to which the hedging accounting defined in IFRS is not applied	-5,926		-5,926	8,330
Distributable reserve	824		824	
Non-distributable reserve	-488		-488	199
Reserve of the change in fair value of the convertible bond attributable to the change of 'own' credit risk		-1,997	-1,997	
Deferred result	183,812	1,997	185,809	104,891
Net result of the financial year	**121,056**		**121,056**	**-121,056**
Total shareholders' equity	**1,903,159**		**1,903,159**	

(x 1,000 EUR)	At 31.12.2018	Adjustments in the opening balance sheet	At 01.01.2019	Allocation of the net result
Capital	**1,232,176**			
Share premiums	**664,203**			
Reserves	**40,598**			**145,186**
Reserve of the balance of changes in fair value of real estate assets	-84,005			9,486
Reserve of estimated transaction costs resulting from the hypothetical disposal of investment property	-57,107			-444
Reserve of the balance of changes in fair value of authorised hedging instruments to which the hedging accounting defined in IFRS is applied	0			0
Reserve of the balance of changes in fair value of authorised hedging instruments to which the hedging accounting defined in IFRS is not applied	2,492			-6,292
Distributable reserve	824			
Non-distributable reserve	-964			-109
Reserve of the change in fair value of the convertible bond attributable to the change of 'own' credit risk	-1,697			
Deferred result	181,055			142,544
Net result of the financial year	**145,186**			**-145,186**
Total shareholders' equity	**2,082,162**			**0**

Dividends/ coupons	Share issue	Exercise of option on Cofinimmo shares (Stock Option Plan, treasury shares)	Acquisitions/ Disposals of treasury shares	Hedging of cash flows	Transfer between distributable reserves and non-distributable reserves on asset disposals	Other	Result of the financial year	At 31.12.2018
	88,013							1,232,176
	64,182							664,203
-118,205		-81	187		-578	300		40,598
					-8,489			-84,005
					2,408			-57,107
					-2,363			0
					87			2,492
								824
		-839	164					-964
						300		-1,697
-118,205		758	23		7,779			181,055
							145,186	145,186
-118,205	152,195	-81	187		-578	300	145,186	2,082,163

Dividends/ coupons	Share issue	Exercise of option on Cofinimmo shares (Stock Option Plan, treasury shares)	Acquisitions/ Disposals of treasury shares	Hedging of cash flows	Transfer between distributable reserves and non-distributable reserves on asset disposals	Other	Result of the financial year	At 31.12.2019
	153,051							1,385,227
	142,011							806,214
-123,391	0		384	0	0	-4,379	0	58,398
					141,776			67,257
					2,148			-55,403
								0
								-3,800
								824
			-3					-1,076
						-9,930		-11,627
-123,391			387		-143,924	5,551		62,223
							197,542	197,542
-123,391	295,062		384	0	0	-4,379	197,542	2,447,381

Statutory auditor's report to the shareholders' meeting of Cofinimmo NV/SA for the year ended 31 December 2019 - Annual accounts

In the context of the statutory audit of the annual accounts of Cofinimmo NV/SA (the "company"), we hereby submit our statutory audit report. This report includes our report on the annual accounts and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 10 May 2017, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the annual accounts for the year ending 31 December 2019. We have performed the statutory audit of the annual accounts of Cofinimmo NV/SA for 27 consecutive periods.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the company, which comprises the balance sheet as at 31 December 2019 and the income statement for the year then ended, as well as the explanatory notes. The annual accounts show total assets of 4 401 389 (000) EUR and the income statement shows a profit for the year ended of 197 542 (000) EUR.

In our opinion, the annual accounts give a true and fair view of the company's net equity and financial position as of 31 December 2019 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the annual accounts" section of our report. We have complied with all ethical requirements relevant to the statutory audit of the annual accounts in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>

Valuation of investment properties

- Investment properties measured at fair value (EUR 2 349 million) represent 53 per cent of the balance sheet total as at 31 December 2019. Changes in the fair values of the investment properties have a significant impact on the net result for the period and equity.
- The portfolio includes completed investments and properties under construction and acquisitions. Divestments of investment properties are individually significant transactions.
- Cofinimmo NV/SA uses professionally qualified external valuers to fair value the company's portfolio at three - monthly intervals. The valuers are engaged by the Directors and performed their work in accordance with the Royal Institute of Chartered Surveyors ('RICS') Valuation – Professional Standards. The valuers used by Cofinimmo NV/SA have considerable experience in the markets in which the company operates.
- The portfolio is valued at fair value, with development properties valued by the same methodology with a deduction for all costs necessary to complete the development together with a remaining allowance for risk. The key inputs into the valuation exercise are yields and current market rent, which are influenced by prevailing market forces, comparable transactions and the specific characteristics of each property in the portfolio.
- Therefore, the audit risk appears in the assumptions and critical judgment linked to those key inputs, in particular the yield.

Reference to disclosures

- We refer to the annual accounts, including notes to the annual accounts: Note 2, Significant accounting policies; Note 22, Investment property

</td><td>

- We considered the internal control implemented by management and we carried out testing related to the design and implementation of controls over investment properties.
- We assessed the competence, independence and integrity of the external valuers.
- We discussed and challenged the valuation process, performance of the portfolio and significant assumptions and critical judgement areas.
- We benchmarked and challenged the key assumptions to external industry data and comparable property transactions, in particular the yield.
- We performed audit procedures to assess the integrity and completeness of information provided to the independent valuers related to rental income, key rent contract characteristics and occupancy.
- We agreed the amounts per the valuation reports with the accounting records and from there we agreed the related balances with the financial statements.
- As part of our audit procedures performed on the acquisitions and divestments of properties we examined significant contracts and documentation on the accounting treatment applied to these transactions.
- Furthermore, we assessed the appropriateness of the disclosures provided on the fair value of investment properties.

</td></tr>
</table>

Responsibilities of the board of directors for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of the annual accounts in accordance with the financial reporting framework applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of annual accounts in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;

- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the annual accounts for maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium, as well as for the company's compliance with the Companies Code, the Code of companies and associations and the company's articles of association.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the annual accounts and compliance with certain obligations referred to in the Companies Code, the Code of companies and associations and the articles of association, as well as to report on these matters.

Aspects regarding the directors' report

In our opinion, after performing the specific procedures on the directors' report on the annual accounts, the directors' report on the annual accounts is consistent with the annual accounts for that same year and has been established in accordance with the requirements of article 3:5 and 3:6 of the Code of companies and associations.

In the context of our statutory audit of the annual accounts we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the annual accounts and other information disclosed in the annual report, i.e.:

- Risk factors, Management report – Key figures 31.12.2019, Management report – Appropriation of company results, Management report – Transactions and performances in 2019, Management report - Events after 31.12.2019, Management report – Management of financial resources, Management report – Corporate governance statement and Annual accounts

is free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.

Statement on the social balance sheet

The social balance sheet, to be filed at the National Bank of Belgium in accordance with article 3:12, § 1, 8° of the Code of companies and associations, includes, both in form and in substance, all of the information required by this Code and is free from any material inconsistencies with the information available to us in the context of our mission.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the company during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit of the annual accounts, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the annual accounts.

Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant legal and regulatory requirements.
- We do not have to report any transactions undertaken or decisions taken which may be in violation of the company's articles of association, the Companies Code or, as from 1 January 2020, the Code of companies and associations.
- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) N° 537/2014.
- On 7 February 2019, the board of directors took a decision that led to the application of article 523 of the Company Code. The board of directors' decision dealt with the evaluation of the Executive Committee in terms of 2018 objectives, fixed remuneration of 2019 and variable remuneration of 2018 of all members of the Executive Committee. This decision is also in regard of the objectives of the Executive Committee for the year 2019. We refer to the Corporate Governance statement included in the Management report for a detailed description of the conflict of interest for the board of directors.

Zaventem, 19 March 2020

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by Rik Neckebroeck

CROSS-REFERENCE TABLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

This cross-reference table includes the headings provided for in Annexes I and II of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 and refers to the pages of this Universal Registration Document where the information relating to each of these headings is mentioned.

SECTION 1	PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL	PAGES
Item 1.1	Identify all persons responsible for the information or any parts of it, given in the registration document with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.	7
Item 1.2	A declaration by those responsible for the registration document that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the registration document makes no omission likely to affect its import. Where applicable, a declaration by those responsible for certain parts of the registration document that, to the best of their knowledge, the information contained in those parts of the registration document for which they are responsible is in accordance with the facts and that those parts of the registration document make no omission likely to affect their import.	7
Item 1.3	Where a statement or report attributed to a person as an expert, is included in the registration document, provide the following details for that person: name; business address; qualifications; material interest if any in the issuer. If the statement or report has been produced at the issuer's request, state that such statement or report has been included in the registration document with the consent of the person who has authorised the contents of that part of the registration document for the purpose of the prospectus.	7, 143
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	7, 143
Item 1.5	In accordance with Annex 2, point 1.2 of the delegated Regulation (EU) 2019/980, point 1.5 of Annex 1 is to be replaced by the declaration specified in point 1.2, second paragraph of Annex 2, namely: A statement that: the universal registration document has been filed with the Financial Services and Markets Authority (FSMA), as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of that Regulation; the universal registration document may be used for the purposes of a public offer of securities or the admission of securities to trading on a regulated market if it is approved by insert name of competent authority together with any amendments thereto and a securities note and summary approved in accordance with Regulation (EU) 2017/1129;	6, 7
SECTION 2	**STATUTORY AUDITORS**	
Item 2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	143
Item 2.2	If auditors have resigned, been removed or have not been re-appointed during the period covered by the historical financial information, indicate details if material.	N/A
SECTION 3	**RISK FACTORS**	
Item 3.1	A description of the material risks that are specific to the issuer, in a limited number of categories, in a section headed 'Risk Factors'. In each category, the most material risks, in the assessment undertaken by the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence shall be set out first. The risks shall be corroborated by the content of the registration document.	2 to 5
SECTION 4	**INFORMATION ABOUT THE ISSUER**	
Item 4.1	The legal and commercial name of the issuer	242, 246
Item 4.2	The place of registration of the issuer, its registration number and legal entity identifier ('LEI').	242
Item 4.3	The date of incorporation and the length of life of the issuer, except where the period is indefinite.	242
Item 4.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	242, 246
SECTION 5	**BUSINESS OVERVIEW**	
Item 5.1	Principal activities	
Item 5.1.1	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information.	12 to 21
Item 5.1.2	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of their development.	N/A

Item 5.2	Principal markets A description of the principal markets in which the issuer competes, including a breakdown of total revenues by operating segment and geographic market for each financial year for the period covered by the historical financial information.	12 to 21, 162
Item 5.3	The important events in the development of the issuer's business.	A, 12 to 21
Item 5.4	Strategy and objectives A description of the issuer's business strategy and objectives, both financial and non-financial (if any). This description shall take into account the issuer's future challenges and prospects.	24 to 29, 32, 45, 49, 55
Item 5.5	If material to the issuer's business or profitability, summary information regarding the extent to which the issuer is dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.	N/A
Item 5.6	The basis for any statements made by the issuer regarding its competitive position.	N/A
Item 5.7	Investments	
Item 5.7.1	A description, (including the amount) of the issuer's material investments for each financial year for the period covered by the historical financial information up to the date of the registration document.	9,22 to 57
Item 5.7.2	A description of any material investments of the issuer that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external).	34, 54
Item 5.7.3	Information relating to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.	201
Item 5.7.4	A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets.	29, 36, 45, 49, 55
SECTION 6	**ORGANISATIONAL STRUCTURE**	
Item 6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	201
Item 6.2	A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, the proportion of ownership interest held and, if different, the proportion of voting power held.	201
SECTION 7	**OPERATING AND FINANCIAL REVIEW**	
Item 7.1	Financial condition	
Item 7.1.1	To the extent not covered elsewhere in the registration document and to the extent necessary for an understanding of the issuer's business as a whole, a fair review of the development and performance of the issuer's business and of its position for each year and interim period for which historical financial information is required, including the causes of material changes. The review shall be a balanced and comprehensive analysis of the development and performance of the issuer's business and of its position, consistent with the size and complexity of the business. To the extent necessary for an understanding of the issuer's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial Key Performance Indicators relevant to the particular business. The analysis shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.	20, 70 to 79
Item 7.1.2	To the extent not covered elsewhere in the registration document and to the extent necessary for an understanding of the issuer's business as a whole, the review shall also give an indication of: a) the issuer's likely future development; b) activities in the field of research and development. The requirements set out in item 7.1 may be satisfied by the inclusion of the management report referred to in Articles 19 and 29 of Directive 2013/34/EU of the European Parliament and of the Council.	20 to 85
Item 7.2	Operating results	
Item 7.2.1	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations and indicate the extent to which income was so affected.	20, 70 to 79
Item 7.2.2	Where the historical financial information discloses material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.	N/A
SECTION 8	**CAPITAL RESOURCES**	
Item 8.1	Information concerning the issuer's capital resources (both short term and long term).	66 to 69, 244
Item 8.2	An explanation of the sources and amounts of and a narrative description of the issuer's cash flows.	66 to 69
Item 8.3	Information on the borrowing requirements and funding structure of the issuer.	66 to 69, 185
Item 8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	66 to 69, 185
Item 8.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2.	28, 66 to 69

SECTION 9	**REGULATORY ENVIRONMENT**	
Item 9.1	A description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	4 to 5
SECTION 10	**TREND INFORMATION**	
Item 10.1	A description of:	31, 45, 49, 51
	a) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document;	
	b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document, or provide an appropriate negative statement.	7
Item 10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	2
SECTION 11	**PROFIT FORECASTS OR ESTIMATES**	
Item 11.1	Where an issuer has published a profit forecast or a profit estimate (which is still outstanding and valid) that forecast or estimate shall be included in the registration document. If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid, then provide a statement to that effect and an explanation of why such forecast or estimate is no longer valid. Such an invalid forecast or estimate is not subject to the requirements in items 11.2 and 11.3.	82 to 83
Item 11.2	Where an issuer chooses to include a new profit forecast or a new profit estimate, or a previously published profit forecast or a previously published profit estimate pursuant to item 11.1, the profit forecast or estimate shall be clear and unambiguous and contain a statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.	N/A
	The forecast or estimate shall comply with the following principles:	
	a) there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies;	
	b) the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast;	
	c) in the case of a forecast, the assumptions shall draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.	
Item 11.3	The prospectus shall include a statement that the profit forecast or estimate has been compiled and prepared on a basis which is both:	7
	a) comparable with the historical financial information;	
	b) consistent with the issuer's accounting policies.	
SECTION 12	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**	
Item 12.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer:	7, 124 to 126, 129
	a) members of the administrative, management or supervisory bodies;	
	b) partners with unlimited liability, in the case of a limited partnership with a share capital;	
	c) founders, if the issuer has been established for fewer than five years;	
	d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.	
	Details of the nature of any family relationship between any of the persons referred to in points (a) to (d).	
	In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person referred to in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:	
	a) the names of all companies and partnerships where those persons have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies;	
	b) details of any convictions in relation to fraudulent offences for at least the previous five years;	
	c) details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those persons described in points (a) and (d) of the first subparagraph who acted in one or more of those capacities for at least the previous five years;	
	d) details of any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.	
	If there is no such information required to be disclosed, a statement to that effect is to be made.	

Item 12.2	Administrative, management and supervisory bodies and senior management conflicts of interests. Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 12.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made. Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 12.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management. Details of any restrictions agreed by the persons referred to in item 12.1 on the disposal within a certain period of time of their holdings in the issuer's securities.	132
SECTION 13	**REMUNERATION AND BENEFITS**	
	In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 12.1:	
Item 13.1	The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person. That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country and is not otherwise publicly disclosed by the issuer.	137 to 141
Item 13.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits.	137 to 141
SECTION 14	**BOARD PRACTICES**	
	In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of item 12.1:	
Item 14.1	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	124 to 126
Item 14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist.	7 and 142
Item 14.3	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	128
Item 14.4	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer. In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	118
Item 14.5	Potential material impacts on the corporate governance, including future changes in the board and committees composition (in so far as this has been already decided by the board and/or shareholders meeting).	N/A
SECTION 15	**EMPLOYEES**	
Item 15.1	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.	122
Item 15.2	Shareholdings and stock options With respect to each person referred to in points (a) and (d) of the first subparagraph of item 12.1 provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.	138, 141
Item 15.3	Description of any arrangements for involving the employees in the capital of the issuer.	N/A
SECTION 16	**MAJOR SHAREHOLDERS**	
Item 16.1	In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest, as at the date of the registration document or, if there are no such persons, an appropriate statement to that that effect that no such person exists.	7, 108, 120
Item 16.2	Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist.	7
Item 16.3	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	N/A
Item 16.4	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	N/A
SECTION 17	**RELATED PARTY TRANSACTIONS**	
Item 17.1	Details of related party transactions (which for these purposes are those set out in the Standards adopted in accordance with the Regulation (EC) No 1606/2002 of the European Parliament and of the Council, that the issuer has entered into during the period covered by the historical financial information and up to the date of the registration document, must be disclosed in accordance with the respective standard adopted under Regulation (EC) No 1606/2002 if applicable. If such standards do not apply to the issuer the following information must be disclosed: a) the nature and extent of any transactions which are, as a single transaction or in their entirety, material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arm's length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding; b) the amount or the percentage to which related party transactions form part of the turnover of the issuer.	212
SECTION 18	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**	
Item 18.1	Historical financial information	
Item 18.1.1	Audited historical financial information covering the latest three financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year.	9

Item 18.1.2	Change of accounting reference date If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is shorter.	N/A
Item 18.1.3	Accounting standards The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002. If Regulation (EC) No 1606/2002 is not applicable, the financial information must be prepared in accordance with: a) a Member State's national accounting standards for issuers from the EEA, as required by Directive 2013/34/EU; b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002 the financial statements shall be restated in compliance with that Regulation.	152 to 159
Item 18.1.4	Change of accounting framework The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements. Changes within the accounting framework applicable to an issuer do not require the audited financial statements to be restated solely for the purposes of the prospectus. However, if the issuer intends to adopt a new accounting standards framework in its next published financial statements, at least one complete set of financial statements (as defined by IAS 1 Presentation of Financial Statements as set out in Regulation (EC) No 1606/2002), including comparatives, must be presented in a form consistent with that which will be adopted in the issuer's next published annual financial statements, having regard to accounting standards and policies and legislation applicable to such annual financial statements.	N/A
Item 18.1.5	Where the audited financial information is prepared according to national accounting standards, it must include at least the following: a) the balance sheet; b) the income statement; c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners; d) the cash flow statement; e) the accounting policies and explanatory notes.	21, 70, 73, 75, 79, 146 to 213
Item 18.1.6	Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	70, 146 to 151
Item 18.1.7	Age of financial information The balance sheet date of the last year of audited financial information may not be older than one of the following: a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document; b) 16 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.	20
Item 18.2	Interim and other financial information	
Item 18.2.1	If the issuer has published quarterly or half-yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half-yearly financial information has been audited or reviewed, the audit or review report must also be included. If the quarterly or half-yearly financial information is not audited or has not been reviewed, state that fact. If the registration document is dated more than nine months after the date of the last audited financial statements, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year. Interim financial information prepared in accordance with the requirements of Regulation (EC) No 1606/2002. For issuers not subject to Regulation (EC) No 1606/2002, the interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year's end balance sheet in accordance with the applicable financial reporting framework.	N/A
Item 18.3	Auditing of historical annual financial information	
Item 18.3.1	The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU of the European Parliament and Council and Regulation (EU) No 537/2014 of the European Parliament and of the Council. Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: a) the historical annual financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard; b) If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.	214 to 219, 228 to 233
Item 18.3.2	Indication of other information in the registration document that has been audited by the auditors.	84 to 85, 110
Item 18.3.3	Where financial information in the registration document is not extracted from the issuer's audited financial statements state the source of the information and state that the information is not audited.	N/A

Item 18.4	Pro forma financial information	
Item 18.4.1	In the case of a significant gross change, a description of how the transaction might have affected the assets, liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported. This requirement will normally be satisfied by the inclusion of pro forma financial information. This pro forma financial information is to be presented as set out in Annex 20 and must include the information indicated therein. Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.	N/A
Item 18.5	Dividend policy	
Item 18.5.1	A description of the issuer's policy on dividend distributions and any restrictions thereon. If the issuer has no such policy, include an appropriate negative statement.	83, 107
Item 18.5.2	The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.	9
Item 18.6	Legal and arbitration proceedings	
Item 18.6.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	7, 132
Item 18.7	Significant change in the issuer's financial position	
Item 18.7.1	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, or provide an appropriate negative statement.	7
SECTION 19	**ADDITIONAL INFORMATION**	
Item 19.1	Share capital The information in items 19.1.1 to 19.1.7 in the historical financial information as of the date of the most recent balance sheet:	
Item 19.1.1	The amount of issued capital, and for each class of share capital: a) the total of the issuer's authorised share capital; b) the number of shares issued and fully paid and issued but not fully paid; c) the par value per share, or that the shares have no par value; and d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.	134, 244
Item 19.1.2	If there are shares not representing capital, state the number and main characteristics of such shares.	N/A
Item 19.1.3	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.	170, 245
Item 19.1.4	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.	107, 134
Item 19.1.5	Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.	135, 245
Item 19.1.6	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.	N/A
Item 19.1.7	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.	244
Item 19.2	Memorandum and Articles of Association	
Item 19.2.1	The register and the entry number therein, if applicable, and a brief description of the issuer's objects and purposes and where they can be found in the up to date memorandum and articles of association.	242
Item 19.2.2	Where there is more than one class of existing shares, a description of the rights, preferences and restrictions attaching to each class.	134
Item 19.2.3	A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.	248
SECTION 20	**MATERIAL CONTRACTS**	
Item 20.1	A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document. A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.	N/A
SECTION 21	**DOCUMENTS AVAILABLE**	
Item 21.1	A statement that for the term of the registration document the following documents, where applicable, can be inspected: a) the up to date memorandum and articles of association of the issuer; b) all reports, letters, and other documents, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document; c) An indication of the website on which the documents may be inspected.	7, 246, 214, 242

CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

This cross-reference table indicates the location in the universal registration document of each of the elements that must appear in the Annual Financial Report in accordance with Belgian law. The relevant provisions can be found in Article 12 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted for trading on a regulated market (the "2007 Royal Decree"), which refers to Article 3:6 of the Companies and Associations Code (CSA) as regards the management report on statutory accounts, with the latter referring to Article 3:32 of the CSA as regards the management report on consolidated accounts.

Article 12 of the 2007 Royal Decree	PAGES
The annual financial report comprises:	
1° The audited financial statements.	145 to 233
2° The management report.	20 to 143
3° A declaration by the persons responsible within the issuer, clearly identified by their names and functions, certifying that, to their knowledge: a) the financial statements, established in conformity with the applicable accounting standards, give a fair and true picture of the portfolio, the financial situation and the results of the issuer and of the companies included in the scope of consolidation; b) the management report includes a fair review of the business developments, the results and the situation of the issuer and the companies included in the scope of consolidation, as well as a description of the main risks and uncertainties they face.	7
4° The report signed by the auditor or by the person responsible for auditing the financial statements.	214 to 219 228 to 233
§ 3. When the issuer has to prepare consolidated accounts, the audited financial statements include the consolidated accounts drawn up in accordance with international accounting standards as well as the issuer's statutory accounts drawn up in accordance with the national law of the Member State where the issuer has its registered office. In this case, statutory accounts may be presented in an abridged version, provided this is permitted by national law. When the issuer is not required to prepare consolidated accounts, the audited financial statements include the statutory accounts drawn up in accordance with the national law of the Member State where the issuer has its registered office.	145 to 233
Article 3:6 of the CSA (former Article 96 of the Companies Code)	
The management report includes:	
1° At least one fair review of the business developments, results and the situation of the company, as well as a description of the main risks and uncertainties it faces.	20 to 143, 2
2° Data on important events occurring after the financial year-end.	80
3° Information on circumstances likely to have a significant impact on the development of the company, provided such information is not likely to seriously harm the company.	2
4° Information relating to research and development activities.	N/A
5° Information relating to the existence of branches of the company.	208
6° In the event that the balance sheet shows a deferred loss or the income statement shows a loss for the financial year for two successive financial years, a justification for the application of the going concern accounting rules.	N/A
7° All the information that must be inserted in it pursuant to this code, in particular articles 7:96, § 1, indent 2, 7:97, § 4, last indent, and 7:220, §§ 1 and 2.	132, 134
8° As regards the use of financial instruments by the company and where relevant for the valuation of its assets, liabilities, financial position and profits or losses: - the company's financial risk management objectives and policy, including its policy concerning the hedging of each main category of planned transactions for which hedge accounting is used; and - the company's exposure to price risk, credit risk, liquidity risk and treasury risk.	2, 66
9° Where applicable, proof of the independence and of the accounting and auditing ex-pertise of at least one member of the Audit Committee.	128
§ 2. For listed companies, the management report also includes a corporate governance statement, which is a specific section that contains at least the following information:	
1° The designation of the corporate governance code applied by the company, as well as an indication of where that code may be publicly consulted and, where appropriate, relevant information relating to the corporate governance practices applied alongside the code used and the legal requirements, with an indication of where this information is available.	118
2° Provided that a company does not apply in full the corporate governance code referred to in 1°, an indication of the parts of the corporate governance code from which it derogates and the justified reasons for this derogation.	N/A
3° A description of the main characteristics of the company's internal control and risk management systems as part of the process of preparing financial information.	118 to 120
4° The information referred to in Article 14(4) of the Law of 2 May 2007 on the disclosure of major holdings in issuers the shares of which are admitted to trading on a regulated market and laying down miscellaneous provisions.	120

5° The composition and method of operation of the administrative bodies and their committees.	123 to 130
6° A description of: a) the diversity policy applied by the company to the members of the Board of Directors or, where applicable, the Supervisory Board and the Management Board, to other executives and to representatives responsible for the day-to-day management of the company; b) the objectives of this diversity policy; c) the procedures for implementing this policy; d) the results of this policy during the year. In the absence of a diversity policy, the company explains the reasons justifying this in the declaration. The description in any event includes an overview of the efforts made to ensure that at least one third of the members of the Board of Directors or, where appropriate, the Supervisory Board, are of a different gender from the other members.	121
7° The information that must be included in it pursuant to Article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.	134
8° The information that must be included in it pursuant to Article 74, § 7, of the Law of 1 April 2007 on public takeover bids.	N/A
§ 3. For listed companies, the corporate governance statement referred to in paragraph 2 also includes the remuneration report, which is a specific section.	137
§ 4 A non-financial statement	N/A
Article 3:32 of the CSA (former Article 119 of the Companies Code)	
§ 1. A management report on the consolidated financial statements is attached to the consolidated financial statements by the administrative body. This report includes:	
1° At least one fair review of the business developments, the results and the situation of all the companies included in the scope of consolidation, as well as a description of the main risks and uncertainties they face. This review consists of a balanced and comprehensive analysis of the business developments, the results and the situation of all the companies included in the scope of consolidation, in relation to the volume and complexity of these activities. Insofar as is necessary to understand business developments, results or the situation of companies, the analysis must include key performance indicators of both a financial and, where applicable, non-financial nature relating to the specific activity of companies, in particular information relating to environmental and personnel issues. In providing its analysis, the management report contains, where appropriate, references to the amounts indicated in the consolidated financial statements and additional explanations relating thereto.	20 to 144, 2
2° Data on important events occurring after the financial year-end.	80
3° Provided that they are not likely to cause serious harm to a company included in the scope of consolidation, information on circumstances likely to have a significant impact on the development of the consolidated entity.	2
4° Information relating to research and development activities.	N/A
5° As regards the use of financial instruments by the company and where relevant for the valuation of its assets, liabilities, financial position and result: - the financial risk management objectives and policy of all the companies included in the scope of consolidation, including their policy concerning the hedging of each main category of planned transactions for which hedge accounting is used; and - the exposure of the all the companies included in the consolidation to price risk, credit risk, liquidity risk and treasury risk.	2, 66
6° Where applicable, proof of the independence and of the accounting and auditing exper-tise of at least one member of the Audit Committee of the consolidating company or of the company in which the main activity of the consortium is established.	128
7° A description of the main characteristics of the internal control and risk management systems of related companies in relation to the process of preparing the consolidated financial statements when a listed company or a public interest entity within the meaning of Article 1:12, 2, is included in the consolidation scope.	118 to 120
8° The information that must be included in it pursuant to Article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.	134
9° The information that must be included in it pursuant to Article 74, § 7, of the Law of 1 April 2007 on public takeover bids.	N/A
§ 2 Non-financial statement	N/A

Standing document

General information

TYPE AND NAME

Cofinimmo: public Regulated Real Estate Company incorporated under Belgian Law or public RREC incorporated under Belgian Law.

REGISTERED OFFICE, E-MAIL ADDRESS AND WEBSITE

The registered office is located at Boulevard de la Woluwe/Woluwedal 58, 1200 Brussels (Tel.: +32 2 373 00 00).

The Board of Directors may relocate the registered office of the company, provided that such relocation does not require a change in the language of the Articles of Association pursuant to the applicable language regulations. This decision does not require an amendment to the Articles of Association, unless the registered office is transferred to another Region. In this case, the Board of Directors has the power to amend the Articles of Association.

If, due to the relocation of the registered office, the language of the Articles of Association needs to be changed, only the General Assembly has the power to take this decision subject to the rules prescribed for the amendment of the Articles of Association.

The Company can establish administrative offices, branches or agencies in Belgium or other countries by simple decision of the Board of Directors.

The company's e-mail address is info@cofinimmo.be.

Its website is www.cofinimmo.com.

The information on the website is not part of a leaflet, unless such information is incorporated by reference.

The Board of Directors may change the company's e-mail address and website in accordance with the CSA.

BRUSSELS TRADE REGISTER – LEGAL ENTITY IDENTIFIER

The Company is registered with the Brussels Trade Register (Registre des Personnes Morales/Rechtspersonenregister) under No. 0426 184 049. Its VAT number is BE 0426 184 049 and its Legal Entity Identifier (LEI) is 549300TM914CSF6KI389.

CONSTITUTION, LEGAL FORM AND PUBLICATION

Cofinimmo was set up as a limited liability company under Belgian Law (Société Anonyme/Naamloze Vennootschap) on 29.12.1983, by deed enacted before the notary André Nerincx in Brussels and published in the annexes of the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad) of 27.01.1984 under No. 891-11. The Company has the legal form of a limited liability company incorporated under Belgian Law.

On 01.04.1996, Cofinimmo was approved as a public fixed-capital Real Estate Investment Trust (Sicafi/Bevak) incorporated under Belgian Law, registered with the Financial Services and Markets Authority (FSMA).

Since 26.08.2014, it is subject to the Regulated Real Estate Companies (Sociétés Immobilières Réglementées/Gereglementeerde Vastgoed-vennootschappen) legal regime provided for in the Law of 12.05.2014 on Regulated Real Estate Companies. The Company is also governed by the provisions of the Royal Decree of 13.07.2014 on Regulated Real Estate Companies.

The Articles of Association have been amended on various occasions, most recently on 15.01.2020 by deed enacted before the Notary-in-Partnership Louis-Philippe Marcelis in Brussels and published in the annexes to the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad) of 28.01.2020.

The company's shares are admitted to trading on a regulated market as meant by Article 1:11 of the CSA.

DURATION

The Company is constituted for an unlimited term.

PURPOSE OF THE COMPANY

The purpose of the company is available in the section 'Articles of Association'.

FINANCIAL YEAR

The financial year starts on January 1st and ends on December 31st of each year.

LOCATIONS AT WHICH DOCUMENTS ACCESSIBLE TO THE PUBLIC MAY BE CONSULTED

The Company's Articles of Association may be consulted at the clerk's office of the Brussels Company Court, as well as on the company's website. Cofinimmo group's statutory and consolidated accounts are filed at the National Bank of Belgium, in accordance with all applicable legal provisions. Decisions related to the appointment and dismissal of members of the Board of Directors are published in the annexes of the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad). Notices convening General Shareholder Meetings are published in the annexes of the Belgian Official Gazette (Moniteur Belge/Belgisch Staatsblad) and in two daily financial newspapers. The notices and all documents related to General Shareholder Meetings are available simultaneously on the company's website.

All press releases and other financial information published by the Cofinimmo Group over the past five years can be consulted on the company's website.

Annual Financial Reports and registration documents may be obtained from the registered office and consulted on the company's website. They are sent each year to the registered shareholders and to any parties expressing a wish to receive them. They include reports by the real estate valuers and the Statutory Auditor.

TAX REGIMES

Belgium: the public Regulated Real Estate Company (public RREC)

The public Regulated Real Estate Company (public RREC) has a status similar to that which exists in many countries: Real Estate Investment Trust (REIT) in the US, Fiscale Beleggingsinstelling (FBI) in the Netherlands, G-REIT in Germany, Société d'Investissements Immobiliers Cotée (SIIC) in France and UK-REIT in the UK.

This regime is currently governed by the Law of 12.05.2014 and the Royal Decree of 13.07.2014 on Regulated Real Estate Companies.

The main characteristics of the public RREC are:

- closed-end company;
- stock exchange listing;
- activity consisting of providing buildings to users; as an ancillary activity, the RREC can invest its assets in listed securities;
- the Belgian subsidiaries of a public RREC can be approved as institutional RREC;
- diversification of risk: no more than 20% of the consolidated property portfolio invested in a single property;
- consolidated debt limited to 65% of the market value of assets; the amount of mortgages and other securities is limited to 50% of the total fair value of the properties and to 75% of the value of the mortgaged property;
- very strict rules governing conflicts of interest;
- regular valuation of the property portfolio by independent real estate valuers; properties recognised at their fair value; no amortisation;
- results (rental income and capital gains on disposals less operating expenses and financial charges) are exempt from corporate tax;
- at least 80% of the sum of the corrected result and of the net realised gains on disposals of property assets not exempted from compulsory distribution are subject to compulsory distribution; the decrease in debt during the financial year can however be subtracted from the amount to be distributed;
- withholding tax of 30% for natural persons residing in Belgium.

Companies applying for public or institutional RREC status, or which merge with a RREC, are subject to an exit tax, which is treated in the same way as a liquidation tax, on net unrealised gains and on tax-exempt reserves, at a rate of 12.75%, until 31.12.2019 and at a rate of 15% as from 01.01.2020. Cofinimmo obtained its public RREC status on 26.08.2014. It had previously operated under the Sicafi/Bevak status since 01.04.1996.

Belgium: the institutional Regulated Real Estate Company (institutional RREC)

The institutional RREC, governed by the Law of 12.05.2014 and the Royal Decree of 13.07.2014, is a light version of the public RREC. It enables the public RREC to extend the taxation characteristics of its legal form to its subsidiaries and to undertake specific partnerships and projects with third parties. The institutional RREC status is acquired upon approval by the FSMA.

The main characteristics of the institutional RREC are:

- non-listed company controlled for more than 25% by a public RREC;
- registered shares held by eligible investors or natural persons with a minimum holding of 100,000 EUR;
- no diversification or debt ratio requirement (consolidation at public RREC level); dividend distribution obligation;
- owned jointly or exclusively by a public RREC;
- exclusive purpose of providing buildings to users;
- no obligation to appoint a real estate valuer as real estate assets are appraised by the valuer of the public RREC;
- statutory accounts drawn up in accordance with IFRS regulations (same accounting scheme as the public RREC);
- strict rules on operations and conflicts of interest;
- subject to auditing by the FSMA.

Belgium: the Specialised Real Estate Investment Fund (B-REIF – Fonds d'Investissement Immobilier Spécialisé 'FIIS'/Gespecialiseerd VastgoedBeleggingsFonds 'GVBF')

The Specialised Real Estate Investment Funds ('B-REIF') are governed by the Royal Decree of 9 November 2016 relating to specialised real estate investment trusts Belgian Official Bulletin (Moniteur Belge/Staatsblad) of 18 November 2016. This tax system allows real estate investment in a flexible and efficient trust mechanism.

The main features of an B-REIF are:

- a light regulatory regime without the approval and direct supervision of the FSMA, on the condition that certain criteria are met. Only the registration on a list held by the Belgian Ministry of Finance is required;
- financial instruments issued by an B-REIF can only be acquired by eligible investors;
- the B-REIF may be exempted from the AIFM law (law of 19 April 2014 on alternative investment funds and their managers), if certain criteria are met;
- the B-REIF is subject to a minimum investment volume of at least 10,000,000 EUR at the end of the second financial year following its inclusion in the B-REIF list;
- the B-REIF is a closed fund with fixed capital and can't be publicly traded;
- the B-REIF invests in real estate, defined broadly, but without mandatory diversification requirements or (the use of) leverage limits;
- the B-REIF draws up its statutory accounts by applying IFRS (excluding Belgian GAAP);
- the B-REIF is subject to an obligated annual distribution of 80% of its results;
- the duration of an B-REIF is limited to ten years with the possibility of extending this period by consecutive periods of up to five years each.

France: the Société d'investissements Immobiliers Cotée (SIIC)

The Société d'Investissements Immobiliers Cotée (SIIC) tax regime, introduced by the Finance Law for 2003 No. 2002-1575 of 30.12.2002 authorises the creation in France of real estate companies subject to a specific tax regime, similar to that of the RREC regime in Belgium.

Cofinimmo group opted, through its French branch, for the first time for the SIIC regime on 04.08.2008.

The essential characteristic of this tax regime is to introduce a system of taxation of profits at the level of the shareholder (the company is not itself subject to corporate tax because of its strictly real estate activities) and allows Cofinimmo to benefit from an exemption from corporate tax on the rental income and realised gains of its French branch and subsidiaries in return for an obligation to distribute 95% of the profits from the letting of its property assets.

The main characteristics of the SIIC regime are:

- an exemption from corporate tax on the fraction of profits arising from i) the letting of buildings, ii) capital gains on property disposals, iii) capital gains on disposals of shares in subsidiaries having opted for the SIIC regime or in other companies with a similar purpose, iv) proceeds distributed by subsidiaries having opted for the SIIC regime, and v) shares in profits of companies engaged in a real estate activity;
- results distribution obligation: 95% of the exempted profits arising from rental income, 60% of the exempted profits arising from the disposal of properties, shares in companies and subsidiaries subject to the SIIC regime, and 100% of the dividends distributed to them by their subsidiaries subject to corporate tax having opted for the SIIC regime;
- when opting for the SIIC regime, payment over four years of an exit tax at the reduced rate of 19% on unrealised capital gains relating to properties and shares of companies not subject to corporate tax held by the SIIC or its subsidiaries having opted for the SIIC regime.

The Netherlands: the Fiscale Beleggingsinstelling (FBI)

Cofinimmo obtained, through its Dutch subsidiary SuperStone, the status of Fiscale Beleggingsinstelling (FBI) on 01.07.2011. This tax regime allows companies to benefit from a total exemption from corporate income tax under certain conditions.

The main characteristics of the FBI regime are:

- only public limited companies, limited liability companies and mutual funds can be considered FBIs;
- the FBI's statutory purpose and actual operations may only involve the investment of assets;
- investments in property assets may be financed by external capital up to no more than 60% of the book value of the property assets;
- all other investments may be financed by external capital up to no more than 20% of the book value of the investments;
- at least 75% of shares or ownership interests in an unlisted FBI must be held by natural persons, entities not subject to income tax and/or listed investment companies;
- shares or ownership interests in an unlisted FBI may not be held, directly or indirectly, for 5% or more by a natural person (or their partner);
- entities established in the Netherlands may not own 25% or more of the shares or ownership interests of an unlisted FBI through non-resident companies or funds;
- FBI profits are subject to a 0% corporate tax rate;
- the share of FBI profits that can be distributed must be paid to the shareholders and other beneficiaries within eight months following the close of each financial year;
- the profits on shares distributed are subject to a dividend withholding of 5%.

Germany

The investments of Cofinimmo or its subsidiaries in Germany do not benefit from the G-REIT status, which is not accessible to them.

Spain

The investments of Cofinimmo or its subsidiaries in Spain do not benefit from the ES-REIT scheme, which is not accessible to them.

CAPITAL

The issued capital of 1,385,227,006.80 EUR is fully paid-up. The shares have no par value. The history of share capital changes prior to 2019 can be consulted in the Annual Financial Report of the previous years which are available on the Company's website www.cofinimmo.com.

CHANGES IN SHARE CAPITAL IN 2019

Date of transaction		30.03.2019	29.04.2019	26.06.2019	26.06.2019	12.07.2019	
Type of transaction	Position as at 31.12.2018	Conversion of preference shares Q1 2019	Capital by contribution in kind	Capital by contribution in kind	Capital by contribution in kind	Last conversion of preference shares	Position as at 31.12.2019
Issue price (in EUR)			105.97	103.34	103.34		
Amount of share capital (in EUR)			+ 12,806,819.10	+ 63,434,814.09	+ 76,809,297.27		
Amount of the net contribution to shareholders' equity (in EUR)			+ 25,325,159.00	+ 121,917,880.00	+ 147,819,052.00		
Number of ordinary shares		+ 1,533	+ 238,984	+ 1,183,737	+ 1,433,314	+ 680,603	
Number of ordinary shares after the transaction	22,311,112	22,312,645	22,551,629	23,735,366	25,168,680	25,849,283	25,849,283
Number of preference shares COFP1						-395,011	
Number of preference shares COFP1 after the transaction	395,011	395,011	395,011	395,011	395,011	0	0
Number of preference shares COFP2		- 1,533				-285,592	
Number of preference shares COFP2 after the transaction	287,125	285,592	285,592	285,592	285,592	0	0
Total number of preference shares after the transaction	682,136	680,603	680,603	680,603	680,603	0	0
Amount of share capital after the transaction (in EUR)	1,232,176,076.34	1,232,176,076.34	1,244,982,895.44	1,308,417,709.53	1,385,227,006.80	1,385,227,006.80	1,385,227,006.80

DESCRIPTION OF SHARE TYPES

At 31.12.2019, Cofinimmo had issued 25,849,283 shares. The procedure referred to in the Articles of Association, as provided by Law, is applicable to modify their rights.

In addition to ordinary shares, Cofinimmo issued two series of preference shares in 2004. On 12.07.2019, 97.5% of the preferred shares were converted by their holders into ordinary shares. The balance was repurchased in its own right by the company Gestone III (a 100% subsidiary of Cofinimmo) and converted into ordinary shares, so that at 12.07.2019, the capital of Cofinimmo is exclusively represented by ordinary shares.

CHANGES IN SHARE CAPITAL IN 2019

	Converted COFP1 shares	Converted COFP2 shares
2009	112,885	60,188
2010	27,878	49,505
2011	48,430	133,071
2012	118,099	260,313
2013	50	497
2014	100	2,097
2015	0	637
2016	0	295
2017	37	2,023
2018	0	1,357
From 22.03.2019 until 31.03.2019	0	1,533
From 29.05.2019 until 30.06.2019	395,011	285,592

AUTHORISED CAPITAL

As at 31.12.2019, the amount by which the Board of Directors could increase the subscribed capital within the framework of the authorised capital was 1,038,987,469.05 EUR if the capital increase to be realised is a capital increase providing for the possibility to exercise a preferential right or an irreducible allocation right and (2) 54,817,649.94 EUR for any other form of capital increase (see chapter 'Corporate Governance Statement').

On 15.01.2020, the Extraordinary General Meeting granted the Board of Directors a new authorisation for a period of five years from the date of publication of the minutes of this meeting in the annexes to the Belgian Official Bulletin (Moniteur Belge/Staatsblad).

The Board of Directors is therefore authorised to increase the capital on one or more occasions by a maximum amount of:

1. 692,000,000 EUR, i.e. 50% of the amount of the capital on the date of the Extraordinary General Meeting of 15.01.2020, rounded up, if applicable, for capital increases by cash contributions, providing for the possibility of exercising the preferential right or the irreducible allocation right by the shareholders of the Company,
2. 277,000,000 EUR, i.e. 20% of the amount of the capital on the date of the Extraordinary General Meeting of 15.012020, rounded up, if necessary, for capital increases in the context of the distribution of an optional dividend,
3. 138,000,000 EUR, i.e. 10% of the amount of the capital on the date of the Extraordinary General Meeting of 15.012020, rounded up, if necessary, for:
   a) capital increases by contributions in kind,
   b) capital increases by cash contributions without the possibility for the Company's shareholders to exercise their preferential subscription right or irreducible allocation right, or
   c) any other form of capital increase,

it being understood that the capital, within the framework of this authorisation, may under no circumstances be increased by an amount exceeding 1,107,000,000 EUR, being the cumulative amount of the various authorisations with regard to authorised capital.

CHANGES IN TREASURY SHARES

The Cofinimmo Group held 40,347 treasury shares at 01.01.2019. All of these shares are entitled to a share of the results of the financial year starting 01.01.2019.

The Cofinimmo Group held 50,691 treasury shares on 31.12.2019 (held by the Cofinimmo group), representing a level of self-ownership of 0.21%.

Position at 01.01.2019	**40,347**
Transfers and disposals of shares for the stock option plan during the first half of 2019	- 1,808
Exercise of the repurchase option of the preference shares	+ 17,132
Transfers and disposals of shares for the stock option plan during the second half of 2019	- 4,980
Position at 31.12.2019	**50,691**

SHAREHOLDING

The shareholding structure is set out in the 'Cofinimmo on the Stock Market' chapter of this Universal Registration Document. It can also be consulted on the Company's website.

SUMMARY OF CHANGES

The Articles of Association have not been amended in 2019, except for Article 6 relating to the subscribed and paid-up capital in order to take capital increases and conversions of preference shares into ordinary shares into account.

On 15.01.2020, the Extraordinary General Meeting of Cofinimmo approved amendments to the Articles of Association following the entry into force on 01.01.2020 of the Code of Companies and Associations (CSA), which replaces the Company Code.

Articles of Association as at 15.01.2020

PART I – NATURE OF THE COMPANY

ARTICLE 1 – TYPE AND NAME

1.1. The company is a public limited company called: 'COFINIMMO'.

1.2. The Company is a 'public regulated real estate company' (abbreviated 'PRREC') within the meaning of Article 2(2) of the Act of 12 May 2014 on regulated real estate companies (hereinafter referred to as the 'RREC Act') whose shares are listed on a regulated market and that raises funds, both in Belgium and abroad, by way of a public offering.

The Company's name is preceded or followed by the words 'public regulated real estate Company subject to Belgian law' or 'public RREC governed by Belgian law' or 'PRREC governed by Belgian law' and all documents issued by the Company shall contain the same mention.

The Company is subject to the RREC legislation and the Royal Decree of 13 July 2014 on regulated real estate companies, as amended (hereinafter referred to as the 'RREC Royal Decree'). (This act and the royal decree are hereinafter collectively referred to as the 'RREC Rules').

ARTICLE 2 – REGISTERED OFFICE, E-MAIL ADDRESS AND WEBSITE

The registered office is established in the Brussels-Capital Region.

The board of directors may transfer the Company's registered office, provided the transfer does not result in a change to the language of the articles pursuant to the applicable linguistic rules. Such a decision does not require an amendment to the articles, unless the registered office is transferred to another Region. In this case, the board of directors has the power to amend the articles.

If, due to transfer of the registered office, the language of the articles must be changed, only the general meeting has the power to take the decision, in accordance with the rules applicable to amendment of the articles.

The Company may establish, by a simple decision of the board of directors, management offices, subsidiaries or branches in Belgium or abroad.

The Company's email address is info@cofinimmo.be.

The Company's website is the following: www.cofinimmo.com.

The board of directors may modify the e-mail address and the website of the Company in accordance with the provisions of the Code of Companies and Associations.

ARTICLE 3 – PURPOSE

3.1. The Company's sole purpose is to:

(a) place, directly or through a company in which it holds a stake in accordance with the provisions of the RREC rules, buildings at the disposal of users and

(b) within the limits set by the RREC rules, hold the real property mentioned in Article 2(5)(vi) to (xi) of the RREC Act.

Real property means:

i. buildings as defined in Article 517 et seq. of the Civil Code and rights in rem in buildings, excluding buildings used for forestry, agricultural or mining activities;

ii. shares or units with voting rights issued by real estate companies more than twenty-five percent (25%) of whose capital is held directly or indirectly by the Company;

iii. option rights for real property;

iv. shares of public regulated real estate companies or institutional regulated real estate companies provided, in the case of the latter, more than twenty-five percent (25%) of the capital is held directly or indirectly by the Company;

v. rights arising from financial leasing agreements concluded with the Company as lessee for one or more properties, or contracts conferring similar rights of use;

vi. the units of public and institutional real estate investment companies (sicafi);

vii. the units of foreign real estate funds included on the list referred to in Article 260 of the Act of 9 April 2014 on alternative undertakings for collective investment and their managers;

viii. the units of real estate funds established in another Member State of the European Economic Area and not included on the list referred to in Article 260 of the Act of 19 April 2014 on alternative undertakings for collective investment and their managers, provided they are subject to supervision equivalent to that applicable to public real estate investment companies;

ix. shares or units issued by companies (i) with legal personality, (ii) governed by the law of another Member State of the European Economic Area, (iii) whose shares are admitted (or not admitted) to trading on a regulated market and that form the object (or do not form the object) of prudential control, (iv) whose main activity is the acquisition or construction of buildings in order to make them available to users or the direct or indirect holding of shares in companies engaged in a similar activity, and (v) that are exempt from income tax on profits relating to the activity referred to in point (iv) above, subject to compliance with certain constraints, taking into account at least the statutory obligation to distribute a portion of their income to shareholders (so-called real estate investment trusts or REITs);

x. the real estate certificates referred to in the Act of 11 July 2018;

xi. the shares or units of specialised real estate investment funds (B-REIF).

The real property referred to in Article 3.I(b), paragraph 2(vi), (vii), (viii), (ix) and (xi) of the RREC Act which constitutes units in alternative investment funds within the meaning of the European rules may not be considered shares or units with voting rights issued by real estate companies, regardless of the value of the stake held directly or indirectly by the Company.

If the RREC rules change in the future and designate other types of assets as real property within the meaning of these rules, the Company may also invest in these additional types of assets.

(c) conclude in the long term, if applicable in cooperation with third parties, directly or through a company in which it holds a stake in accordance with the provisions of the RREC rules, with a contracting authority or adhere to one or more:

i. DBF agreements, so-called design-build-finance agreements;

ii. DB(F)M agreements, so-called design-build-(finance)-maintain agreements;

iii. DBF(M)O agreements, so-called design-build-finance-(maintain)-operate agreements; and/or

iv. public works concession contracts relating to buildings and/or other real property infrastructure and related services, on the basis of which:

(i) the regulated real estate company is responsible for ensuring availability, maintenance and/or operation for a public entity and/or citizens as end users, in order to meet a societal need and/or allow the provision of a public service; and

(ii) the regulated real estate company, without necessarily having any rights in rem, may assume, in whole or in part, the financing risk, the availability risk, the demand risk and/or the operating risk; and

(d) ensure in the long-term, if applicable in cooperation with third parties, directly or through a company in which it holds a stake in accordance with the RREC rules, the development, establishment, management or operation, with the possibility to sub-contract these activities, of:

i. facilities and installations for the transport, distribution or storage of electricity, gas, combustible fossil or non-fossil fuels and energy in general, including assets related to such infrastructure;

ii. installations for the transport, distribution, storage or purification of water, including assets related to such infrastructure;

iii. installations for the production, storage and transport of renewable or nonrenewable energy, including assets related to such infrastructure; or

iv. incinerators and waste disposal facilities, including assets related to such infrastructure.

(e) hold initially less than 25% of the capital of a company that performs the activities mentioned in Article 3.1(c) above, provided this stake is converted through the transfer of shares, within a period of two years or any other longer period required by the public entity with which the contract is concluded and upon expiry of the setting-up phase of the PPP project (within the meaning of the RREC rules), into a stake that complies with the RREC rules.

Should the RREC rules be amended in the future and authorise the performance of other activities by the Company, the Company may also exercise these new activities.

In the context of ensuring the availability of buildings, the Company may in particular perform all activities associated with the construction, fitting out, renovation, development, acquisition, transfer, management and operation of buildings.

3.2. On an ancillary or temporary basis, the Company may invest in securities not constituting real property within the meaning of the RREC rules. These investments shall be made in accordance with the Company's risk management policy and shall be diversified in order to ensure adequate risk diversification. The Company may also hold unallocated cash, in any currency, in the form of sight or term deposits or any easily negotiable money market instrument.

It may also carry out transactions involving hedging instruments, intended solely to hedge interest rate and currency risk in the context of the financing and management of the Company's activities as referred to in the RREC Act, with the exception of purely speculative transactions.

3.3. The Company may enter into finance leases, as lessor or lessee, for one or more buildings. Finance leasing activity, with the option to purchase the buildings, may only be performed on an ancillary basis, unless the buildings are intended to be used in the public interest, including for social housing or education (in which case it can be a main activity).

3.4. The Company may acquire a stake, by way of a merger or otherwise, in all businesses, undertakings or companies having a purpose similar or complementary to its own and that facilitate the development of its business and, in general, perform all transactions relating directly or indirectly to its corporate purpose as well as all acts necessary or useful to realise this purpose.

In general, the Company is obliged to conduct its activities and carry out transactions in accordance with the rules and within the limits set by the RREC provisions and any other applicable legislation.

ARTICLE 4 - PROHIBITIONS

The Company may not:

- act as a property developer in accordance with the RREC rules, except on an occasional basis;
- participate in an underwriting or guarantee syndicate;
- lend financial instruments, with the exception of loans subject to the conditions and provisions of the Royal Decree of 7 March 2006;
- acquire financial instruments issued by a company or association under private law that has been declared bankrupt, entered into an amicable settlement with its creditors, is currently subject to a judicial reorganisation procedure, has obtained a suspension of payments or has been subject to a similar measure abroad;
- conclude contractual agreements or provisions of its articles by which it derogates from the voting rights to which it is entitled according to applicable law, based on a shareholding of twenty-five percent (25%) plus one share in companies in its consolidated group.

ARTICLE 5 - DURATION

The Company is constituted for an unlimited term.

PART II - CAPITAL – SHARES

ARTICLE 6 - CAPITAL

6.1 Capital souscrit et libéré.

The share capital is fixed at one billion three hundred and eighty-five million two hundred and twenty-seven thousand and six euros and eighty cents (€ 1,385,227,006.80) and is divided into twenty-five million eight hundred forty-nine thousand two hundred and eighty-three (25,849,283) fully paid-up shares without nominal value, each representing an equal share of the capital.

6.2 Authorised capital

The board of directors is authorised to increase the capital on one or more occasions by a maximum amount of:

1) six hundred ninety-two million euros (€692,000,000), namely 50% of the capital on the date of the extraordinary general meeting of 15 January 2020, rounded down, if applicable, for capital increases by means of cash contributions with the possibility for the Company's shareholders to exercise a preemptive right or priority allocation right;

2) two hundred seventy-seven million euros (€277,000,000), namely 20% of the capital on the date of the extraordinary general meeting of 15 January 2020, rounded down, if applicable, for capital increases in the context of the distribution of an optional dividend;

3) one hundred thirty-eight million euros (€138,000,000), namely 10% of the capital on the date of the extraordinary general meeting of 15 January 2020, rounded down, if applicable for

a. capital increases by means of contributions in kind,

b. capital increases by means of cash contributions without the possibility for the Company's shareholders to exercise a preemptive right or priority allocation right, or

c. any other type of capital increase,

it being understood that the capital, pursuant to the exercise of this authorisation, may never be increased by an amount in excess of one billion one hundred seven million euros (€1,107,000,000), namely the cumulated amount of the authorisations.

This authorisation is granted for a renewable period of five years as from the publication date in the Moniteur belge of the minutes of the general meeting of 15 January 2020.

Upon any capital increase, the board of directors shall determine the price, the issue premium, if any, and the conditions for issuance of the new securities.

Capital increases thus determined by the board of directors may be subscribed in cash, in kind or by a combination of both or effected through the incorporation of reserves, including profits carried forward and issue premiums, as well as all components of equity reflected in the Company's IFRS financial statements (drawn up pursuant to the applicable RREC rules) capable of being converted into capital, with or without the creation of new securities. Such capital increases may also be realised through the issuance of convertible bonds, subscription rights or mandatory convertibles, which may give rise to creation of the same securities.

When capital increases decided on pursuant to this authorisation include an issue premium, the amount thereof shall be credited to one or more distinct accounts in the equity section on the liability side of the balance sheet. The board of directors is free to decide to place any issue premium, possibly after deduction of an amount capped at the costs of the capital increase determined in accordance with the applicable IFRS rules, in a non-distributable account, which shall constitute, like the capital, a guarantee for third parties and which may only be reduced or abolished pursuant to a decision of the general meeting taken in accordance with the conditions required to amend the articles, except in the case of conversion into capital.

In the event of a capital increase accompanied by an issue premium, only the amount credited to capital shall be deducted from the remaining useable balance of authorised capital.

The board of directors is authorised to restrict or cancel the pre-emptive right of shareholders, even in favour of one or more specified persons other than employees of the Company or of one of its subsidiaries, provided, to the extent required by the RREC rules, a priority allocation right is granted to the existing shareholders upon allocation of the new securities. If applicable, this priority allocation right shall meet the conditions provided for by the RREC rules and Article 6.4 of the articles. In any case, it should not be granted in the case of cash contributions made in accordance with Article 6.4 of the articles.

Capital increases by way of a contribution in kind shall be carried out in accordance with the requirements of the RREC rules and the conditions set out in Article 6.4 of the articles. Such contributions may also concern dividend entitlements in the context of the distribution of an optional dividend.

The board of directors is authorised to have set down in a notarised document the resulting amendments to the articles.

6.3 Acquisition, pledge and disposal of own shares.

The Company may acquire, pledge and dispose of its own shares at the conditions provided for by law.

For a period of five years from publication in the Moniteur belge of the decision of the extraordinary general meeting of 15 January 2020, the board of directors may acquire, pledge and dispose of (including over-the-counter) the Company's own shares on behalf of the Company at a unit price which may not be less than eighty-five percent (85%) of the closing market price on the day preceding the date of the transaction (for an acquisition or pledge) and which may not be greater than one hundred fifteen percent (115%) of the closing market price on the day preceding the date of the translation (for an acquisition or pledge), it being noted that the Company may at no time hold more than ten percent (10%) of its total outstanding shares.

The board of directors is also expressly authorised to dispose of the Company's own shares to one or more specified persons other than employees of the Company or of its subsidiaries, in accordance with the provisions of the Code of Companies and Associations.

The abovementioned authorisations extend to acquisitions and disposals of the Company's shares by one or more direct subsidiaries of the latter, within the meaning of the statutory provisions on the acquisition of shares of a parent company by its subsidiaries.

6.4 Capital increases

Any capital increase shall be carried out in accordance with the provisions of the Code of Companies and Associations and the RREC rules.

The Company may not subscribe directly or indirectly to its own capital increase.

For any capital increase, the board of directors shall determine the price, the issue premium, if any and the conditions for issuance of the new securities, unless the general meeting takes a decision on these points.

If the general meeting decides to request the payment of an issue premium, the amount thereof must be credited to one or more distinct accounts in the equity section of the balance sheet.

Contributions in kind may also relate to a dividend entitlement in the context of the distribution of an optional dividend, with or without a complementary cash injection.

In the event of a capital increase by way of a cash contribution pursuant to a decision of the general meeting or within the limits of the authorised capital, the pre-emptive right of shareholders may only be restricted or abolished provided, insofar as required by the RREC rules, a priority allocation right is granted to the existing shareholders upon allocation of the new securities. If applicable, this priority allocation right shall meet the following conditions pursuant to the RREC rules:

1. it extends to all newly issued securities;
2. it is granted to shareholders in proportion to the capital represented by their shares at the time of the transaction;
3. a maximum price per share is announced no later than the day before the opening of the public subscription period, which must last for at least three trading days.

The priority allocation right is applicable to the issuance of shares, convertible bonds and subscription rights that are exercisable through cash contributions.

In accordance with the RREC rules, such a right should not be granted in the event of a capital increase through a cash contribution carried out at the following conditions:

1. the capital increase is effected by means of the authorised capital;
2. the total value of the capital increases carried out over a period of twelve (12) months, in accordance with this paragraph, does not exceed 10% of the amount of capital as it stood at the time of the decision to increase the capital.

Nor should it be granted in the event of a cash contribution with restriction or cancellation of the pre-emptive right of shareholders, complementary to a contribution in kind in the context of the distribution of an optional dividend, provided grant of the latter is effectively open to all shareholders.

Capital increases by way of a contribution in kind are subject to the rules set out in the Code of Companies and Associations.

Moreover, the following conditions must be respected in the event of a contribution in kind, pursuant to the RREC rules:

1. the identity of the contributor must be mentioned in the report prepared by the board of directors on the capital increase through a contribution in kind as well as, if applicable, in the notice calling the general meeting to vote on the capital increase;
2. the issue price may not be less than the lower of (a) a net asset value per share determined within the four-month period prior to the date of the contribution agreement or, at the Company's choosing, prior to the date of the document formalising the capital increase and (b) the average closing price for the period of thirty calendar days preceding this same date; in this regard, it is permitted to deduct from the amount referred to in point 2(b) an amount corresponding to the gross undistributed dividends of which the new shares could be deprived, provided the board of directors specifically justifies the value of the accrued dividends to be deducted in a special report and sets out the financial conditions of the transaction in the annual financial report;
3. unless the issue price or, in the case mentioned in Article 6.6, the exchange ratio, as well as the conditions thereof, are determined and communicated to the public no later than the working day following conclusion of the contribution agreement, mentioning the period within which the capital increase will effectively be carried out, the document formalising the capital increase shall be executed within a maximum period of four months; and
4. the report mentioned at point 1° above must also explain the impact of the proposed contribution on the situation of former shareholders, in particular with regard to their share of the profits, the net asset value per share and the capital as well as in terms of voting rights.

In accordance with the RREC rules, these supplementary conditions are not, in any case, applicable to the contribution of a dividend entitlement in the context of the distribution of an optional dividend, provided the grant thereof is effectively open to all shareholders.

6.5. Capital reduction

The Company can carry out capital reductions in accordance with the applicable legal provisions.

6.6. Mergers, divisions and similar operations

In accordance with the RREC rules, the additional conditions referred to in Article 6.4 in the event of a contribution in kind are applicable mutatis mutandis to mergers, divisions and similar transactions referred to in the RREC rules.

In the latter case, 'date of the contribution agreement' is understood to mean the filing date of the proposed merger or division agreement.

ARTICLE 7 – TYPES OF SHARES

The shares have no nominal (i.e. par) value.

The shares shall be in registered or dematerialized form, at the choosing of their owner or holder (hereinafter, the 'Holder') and within the limits set by law. The Holder may, at any time and at no expense, request the conversion of registered shares into dematerialized form and vice versa. A dematerialized share is represented by an entry in the Holder's name in an account with an accredited account holder or clearing institution.

The Company shall keep at its registered office a register of all registered shares, if applicable in electronic form. The Holders of registered shares are entitled to access the register in full.

ARTICLE 8 – OTHER SECURITIES

The Company is authorised to issue all securities not prohibited by or pursuant to the law, with the exception of profit (founder's) shares and similar securities and subject to compliance with the specific requirements of the RREC rules and the articles of association. These securities may be in registered form or dematerialised.

ARTICLE 9 – ADMISSION TO TRADING AND DISCLOSURE OF SUBSTANTIAL SHAREHOLDINGS

The Company's shares must be admitted to trading on a regulated Belgian market in accordance with the RREC rules.

For purposes of the statutory rules on the disclosure of substantial shareholdings in issuers whose shares are admitted to trading on a regulated market, the thresholds whose crossing gives rise to a notification obligation are fixed at five percent (5%) and multiples of five percent (5%) of the total number of outstanding voting rights.

Apart from the exceptions provided for by law, no one may cast at a general meeting of the Company more votes than those attached to the securities the person declared to hold, pursuant to and in accordance with the law, at least twenty (20) days prior to the date of the general meeting. The voting rights attached to undeclared securities shall be suspended.

PART III – MANAGEMENT AND SUPERVISION

ARTICLE 10 – COMPOSITION OF THE BOARD OF DIRECTORS

The Company is managed by a board of directors composed of at least five members, appointed by the general meeting of shareholders for a term of four years in principle.

The general meeting may remove a director from office at any time, with immediate effect and without cause.

The directors may be re-elected.

The board of directors shall include at least three independent directors in accordance with the applicable statutory provisions.

Unless the general meeting's appointment decision provides otherwise, the term of office of out-going directors, who have not been re-elected, ends immediately following the general meeting at which directors were re-elected.

In the event of one or more vacancies, the remaining directors, at a meeting of the board, shall be empowered to provisionally fill the vacancies, until the next general meeting.

The first general meeting that follows shall decide whether to confirm the appointment of the co-opted director(s). The directors' remuneration, if any, may not be determined based on the operations and transactions carried out by the Company or its group companies.

The directors must be natural persons and meet the requirements of good repute and expertise laid down in the RREC rules. They may not fall under the any of the prohibitions referred to in the RREC rules.

The appointment of directors is subject to the prior approval of the Financial Services and Markets Authority (FSMA).

The board of directors may appoint one or more observers who may attend all or some board meetings, in accordance with the conditions determined by the board.

ARTICLE 11 – CHAIRPERSON – DECISION-MAKING

The board of directors meets when called at the place designated in the convocation notice, as often as the Company's interests so require. A meeting must be called when so requested by two directors.

The board of directors shall choose a chairperson and vice chairperson from amongst its members. Meetings are presided over by the chairperson or, in the chairperson's absence, the vice chairperson or, if they are both absent, the most senior director present and, in the event of equal seniority, the eldest director.

The board's decisions are valid only if a majority of its members are present or represented.

Notices of meetings are sent by e-mail or, if no e-mail address has been provided to the Company, by regular mail or any other means of communication, in accordance with the applicable statutory provisions.

A director who cannot be present may, by letter, e-mail or any other means of communication, designate another member of the board to represent him/her at a board meeting and vote on his/her behalf; the director will, in this case, be considered present. However, no member of the board may represent more than one other director in this way.

Decisions are adopted by a majority of the votes cast; in the event of a tie, the chairperson shall cast the deciding vote.

The board of directors' decisions are set down in minutes recorded or bound in a special register, kept at the Company's registered office and signed by the chairperson of the board or, in the chairperson's absence, by two directors who wish to do so. Powers of attorney shall be appended thereto.

Copies of or extracts from the minutes for use by third parties shall be signed by the chairperson of the board or several directors with the power to represent the Company.

The board of directors may take decisions unanimously in writing.

ARTICLE 12 – POWERS OF THE BOARD OF DIRECTORS

12.1 The board of directors is invested with the most extensive powers to perform all acts necessary or useful to achieve the Company's purpose, with the exception of those reserved by law or the articles to the general meeting.

The board of directors draws up biannual reports as well as an annual report.

The board of directors shall appoint one or more independent valuation experts in accordance with the RREC rules and propose, where appropriate, any modifications to the list of experts set out in the dossier attached to the Company's application for approval as an RREC.

12.2 The board of directors may delegate the Company's daily management and its representation in this context to one or more persons, acting jointly, who may, but need not, be directors. The persons entrusted with daily management shall fulfil the requirements of good repute and expertise laid down in the RREC rules and must not fall under any of the prohibitions referred to in the RREC rules.

12.3 The board of directors can delegate to a representative of its choosing special limited powers to perform certain acts or a series of acts, within the limits of the applicable statutory provisions.

The board of directors can fix the remuneration of any representative on whom special powers are conferred, in accordance with the RREC legislation.

ARTICLE 13 – EXECUTIVE COMMITTEE

The board of directors may create an executive committee to which it delegates special powers to conduct certain acts or a series of acts, with the exception of those powers reserved to it by the Code of Companies and Associations and the RREC rules.

The duties, powers and composition of the executive committee shall be determined by the board of directors.

The board of directors may delegate daily management of the Company as well as its representation in this context to one or more members of the executive committee.

The members of the committee must fulfil the requirements of good repute and expertise laid down in the RREC rules and must not fall under any of the prohibitions referred to in the RREC rules.

Within the limits of the powers which the board of directors delegates to the executive committee, the board of directors authorises the executive committee to sub-delegate its powers to one or more representatives of the Company.

ARTICLE 14 – EFFECTIVE MANAGEMENT

Without prejudice to the transitional arrangements, effective management of the Company is entrusted to at least two natural persons, appointed by the board of directors.

The persons responsible for effective management shall fulfil the requirements of good repute and expertise laid down in the RREC rules and must not fall under any of the prohibitions referred to in the RREC rules.

The appointment of the effective managers is subject to the prior approval of the FSMA.

ARTICLE 15 – ADVISORY AND SPECIAL COMMITTEES

The board of directors shall establish, from amongst its members, an audit committee as well as an appointments, remuneration and governance committee, whose tasks, powers and composition shall be determined by the board of directors.

The board of directors may also establish, under its responsibility, one or more other committees, whose composition and tasks it shall determine.

ARTICLE 16 – TERMS OF REFERENCE

The board of directors may draw up terms of reference.

ARTICLE 17 - REPRESENTATION OF THE COMPANY AND THE SIGNING OF DOCUMENTS

Except when specifically authorised by the board of directors, the Company is validly represented in all acts, including those involving a public or ministerial official as well as before a court, as claimant or defendant, by two directors acting jointly or, within the limits of the powers conferred on the executive committee, by two members of this committee, acting jointly or, within the limits of daily management, by two persons entrusted with such management, acting jointly.

The Company is moreover validly represented by the holders of special powers of attorney within the limits of the remit granted to them for this purpose by the board of directors or the executive committee or, within the limits of daily management, by two persons entrusted with such management, acting jointly.

ARTICLE 18 – AUDIT

The Company shall appoint one or more auditors, which shall perform the tasks incumbent on them pursuant to the Code of Companies and Associations and the RREC rules.

The auditor(s) must be recognised by the FSMA.

PART IV - GENERAL MEETINGS

ARTICLE 19 - MEETING

The annual general meeting shall be held on the second Wednesday in the month of May at three-thirty in the afternoon in the Brussels-Capital Region.

Should this day be a public holiday, the meeting shall take place on the next working day at the same time, not including Saturday or Sunday.

Ordinary or extraordinary general meetings shall be held at the place indicated in the notice calling the meeting.

The threshold above which one or more shareholders may, in accordance with the Code of Companies and Associations, request that a general meeting be held in order to submit one or more proposals is fixed at ten percent (10%) of the capital. Notices shall be sent within the time limits and in accordance with the provisions of the Code of Companies and Associations.

One or more shareholders holding at least 3% of the Company's capital may, in accordance with the provisions of the Code of Companies and Associations, request the inclusion of items on the agenda of any general meeting and submit proposals for resolutions on the items included or to be included on the agenda.

ARTICLE 20 - ADMISSION TO THE GENERAL MEETING

The right to participate in a general meeting and to exercise voting rights is subject to recordation of the shares in the shareholder's name at midnight (Belgian time) on the fourteenth day preceding the general meeting (hereinafter the record date), either by way of an entry in the Company's shareholders' register or an entry in the accounts of an accredited account holder or clearing institution, without regard to the number of shares held by the shareholder on the day of the general meeting.

The holders of dematerialized shares who wish to take part in a general meeting must produce an attestation from an accredited account holder or clearing institution certifying the number of dematerialized shares recorded in the shareholder's name in its accounts on the record date. They must provide the Company, or the person it has designated to this end, with this attestation and indicate their intention to participate in the general meeting, if applicable by sending a proxy, no later than the sixth day preceding the date of the general meeting, using the Company's email address or the specific e-mail address indicated in the notice of the general meeting.

The holders of registered shares that wish to attend the meeting must inform the Company, or any person it has designated to this end, of their intention to participate no later than the sixth day preceding the date of the general meeting, using the Company's email address or the e-mail address specifically indicated in the notice and, if applicable, by sending a proxy, or by any other means of communication indicated in the notice.

ARTICLE 21 – PROXY VOTING

All shareholders entitled to attend a general meeting may arrange to be represented by a proxy holder, who need not be a shareholder.

A shareholder may only designate, for a given general meeting, one proxy holder, unless provided otherwise by the Code of Companies and Associations.

The proxy must be signed by the shareholder and be sent to the Company's e-mail address or the e-mail address specifically indicated in the notice of the meeting, at the latest six days before the meeting.

The board of directors may establish a proxy form.

If several persons have rights in the same share, the Company may suspend exercise of the voting right until a single person is designated as the holder of the share in its regard.

ARTICLE 22 - COMMITTEE

General meetings shall be presided over by the chairperson of the board of directors or, in his or her absence, by the managing director or, in the latter's absence, by the person appointed by the directors present.

The chairperson shall appoint the secretary.

The meeting shall choose two scrutineers.

The directors present complete the presiding committee.

ARTICLE 23 - NUMBER OF VOTES

Each share carries one vote, without prejudice to the cases in which the voting rights are suspended pursuant to the Code of Companies and Associations or any other applicable legislation.

ARTICLE 24 - DECISION-MAKING

The general meeting may validly take decisions and vote without regard to the percentage of the capital present or represented, except in those cases where the Code of Companies and Associations imposes a quorum.

The general meeting may only take valid decisions on amendments to the articles of association if half the capital is present or represented. If this condition is not met, a second meeting will need to be convened and decisions taken at the second meeting will be valid, regardless of the percentage of capital present or represented.

The general meeting cannot vote on items that do not appear on the agenda.

Unless provided otherwise by law, decisions are approved by the general meeting, regardless of the number of shares represented at the meeting, by a simple majority of votes cast. Blank or irregular ballots are not counted.

The articles of association may only be amended by a majority of at least three quarters of the votes cast or, for amendments to the purpose or an object of the Company, four fifths of the votes cast, excluding abstentions.

Voting shall be by show of hands or roll call unless the general meeting decides otherwise by a simple majority of votes cast. Any proposed amendment to the articles of association shall first be submitted to the FSMA.

An attendance list indicating the names of the shareholders and the number of shares held by each shall be signed by each shareholder or the shareholder's representative before entering the meeting.

ARTICLE 25 – DISTANCE VOTING

Upon authorisation by the board of directors in the notice calling the meeting, shareholders shall be authorised to vote remotely or via the Company's website, using a form prepared and provided by the Company. This form must indicate the date and place of the meeting, the shareholder's name or company name, domicile or registered office, the number of votes which the shareholder wishes to cast at the meeting, the type of shares held and the items on the agenda for the meeting (including proposed resolutions) and include a space allowing the shareholder to vote for or against each resolution or to abstain as well as the deadline by which the voting form must reach the Company. It shall expressly stipulate that the form must be signed and reach the Company no later than the sixth day prior to the meeting.

ARTICLE 26 - MINUTES

The minutes of the general meeting shall be signed by the members of the presiding committee and by those shareholders who wish to do so.

Copies of or extracts from the minutes for use by third parties shall be signed by one or more directors having the power to represent the company.

ARTICLE 27 - GENERAL MEETINGS OF BONDHOLDERS

The provisions contained in this article apply to bonds only to the extent the issue conditions do not provide otherwise.

The board of directors and the auditor(s) of the Company can call the bondholders to a general meeting of bondholders. They must call a general meeting when requested to do so by bondholders representing one-fifth of the total outstanding bonds. The notice of the meeting must include the agenda and be sent in accordance with the Code of Companies and Associations. To be admitted to the general meeting of bondholders, the holders of bonds must comply with the formalities provided for by the Code of Companies and Associations as well as any applicable formalities laid down in the issue conditions or in the notice calling the meeting.

PART V – DISTRIBUTION

ARTICLE 28 - ACCOUNTS

The financial year starts on the first of January and closes on the thirty-first of December of each year. At the end of each financial year, the books of account and accounting documents are approved and the board of directors prepares a statement of assets and liabilities and the annual accounts.

The board of directors then draws up a report, called the 'management report', in which it renders an account of its management. For purposes of the annual general meeting, the statutory auditor draws up a detailed report, called the 'audit report'.

ARTICLE 29 - DISTRIBUTION

The Company is obliged to distribute to its shareholders, within the limits permitted by the Code of Companies and Associations and the RREC rules, a dividend, the minimum amount of which is set by the RREC rules.

By decision of the extraordinary general meeting held on 15 January 2020, the board of directors was authorised to decide to distribute to the employees of the Company and its subsidiaries a share of the profits, up to a maximum amount of one percent (1%) of the profits for the financial year, for a new period of five years, with the first distributable profits relating to financial year 2019.

The authorisation proposed in the preceding paragraph is conferred for a five-year period as from 15 January 2020.

ARTICLE 30 - INTERIM DIVIDENDS

The board of directors can, at its own responsibility, declare the payment of interim dividends, in the cases and within the time limits provided by law.

ARTICLE 31 – PROVISION OF ANNUAL AND BIANNUAL REPORTS

The Company's annual and biannual reports, which contain the annual and half-year financial statements and consolidated financial statements, shall be made available to

shareholders in accordance with the provisions applicable to the issuers of financial instruments admitted to trading on a regulated market and the RREC rules.

The Company's annual and biannual reports shall be made available on the Company's website.

Shareholders may obtain a copy of the annual and biannual reports at the Company's registered office free of charge.

PART VI – WINDING-UP – LIQUIDATION

ARTICLE 32 - LOSS OF CAPITAL

In the event of loss of half or three quarters of the capital, the directors must submit to the general meeting the question of the Company's winding-up, in accordance with the conditions of the Code of Companies and Associations.

ARTICLE 33 - APPOINTMENT AND POWERS OF LIQUIDATORS

If the Company is wound up, for any reason and at any time whatsoever, liquidation shall be carried out by a liquidator or liquidators appointed by the general meeting.

If it appears from the report summarising the Company's assets and liabilities prepared in accordance with the Code of Companies and Associations that all creditors cannot be satisfied in full, the appointment of the liquidator(s) in the articles or by the general meeting must be submitted to the president of the business court, unless it appears from this summary that the Company only has debts to its shareholders and all shareholders who are creditors of the Company confirm in writing their agreement with the appointment.

In the absence of the appointment of a liquidator or liquidators, the members of the board of directors shall be considered, by operation of law, as liquidators with regard to third parties, without however possessing the powers which the law and the articles grant to the liquidator appointed in the articles, by law or by the court, with respect to liquidation transactions.

The general meeting shall determine the liquidators' fees, where appropriate.

The Company's liquidation shall be concluded in accordance with the provisions of the Code of Companies and Associations.

ARTICLE 34 – ALLOCATION OF LIQUIDATION PROCEEDS

No distribution may be made to shareholders before the meeting at which the liquidation is closed.

Except in the case of a merger, the net assets of the Company, after the settlement of all liabilities or consignment of the amounts necessary to this end, shall be allocated first to reimbursement of the paid-in capital, with any possible remainder allocated equally amongst the shareholders of the Company, in proportion to their shareholdings.

PART VII - GENERAL PROVISIONS

ARTICLE 35 - ELECTION OF DOMICILE

For purposes of executing these articles, any shareholder domiciled abroad, any director, auditor, day-to-day manager or liquidator is obliged to elect domicile in Belgium. Otherwise, this person shall be deemed to have elected domicile at the Company's registered office, where all communications, subpoenas, summonses and notifications may be validly sent.

The owners of registered shares must notify the Company of any change of domicile; otherwise, all communications, notices of meetings and notifications shall be deemed validly delivered if sent to their last known address.

ARTICLE 36 - JURISDICTION

For any disputes between the Company, its shareholders, bondholders, directors, day-to-day managers, auditors and liquidators regarding the Company's affairs and the execution of these articles, the French-language business courts shall have exclusive jurisdiction, unless the Company expressly waives this provision.

ARTICLE 37 - COMMON LAW

Any provisions of these articles of association that are contrary to mandatory provisions of the RREC rules or any other applicable legislation shall be considered null and void. The invalidity of an article or part of an article in these articles of association shall have no effect on the validity of the remaining provisions (or parts thereof).

ADJUSTED VELOCITY

Velocity multiplied by the free float percentage.

B-REIF (BELGIAN REAL ESTATE INVESTMENT FUND - FONDS D'INVESTISSEMENT IMMOBILIER SPÉCIALISÉ 'FIIS'/GESPECIALISEERD VASTGOEDBELEGGINGSFONDS 'GVBF')

Belgian fiscal status of institutional alternative collective investment undertakings with a fixed number of units whose exclusive purpose is collective real estate investment.

BREEAM (BUILDING RESEARCH ESTABLISHMENT ENVIRONMENTAL ASSESSMENT METHOD)

Method assessing the building's environmental performance and sustainability (www.breeam.org).

CALL OPTION

The right to purchase a specific financial instrument at a pre-set price and during a specific period.

CONTRACTUAL RENTS

Rents as defined contractually in leases at the closing date, before deduction of rent-free periods or other incentives granted to the tenants.

DACH UND FACH

German term for leases stipulating that the maintenance costs of the building's roof and structure, and sometimes of technical equipment, are borne by the owner.

DEBT-TO-ASSETS RATIO

Legal ratio calculated according to RREC legislation as financial and other debts divided by total assets.

DIVIDEND YIELD

Gross dividend divided by the average share price during the year.

DOUBLE NET

So-called 'double net' rental contracts (leases) or yields imply that maintenance costs are, to a greater or lesser extent, borne by the owner (lessor). These costs include expenses for the maintenance of roofs, walls and façades, technical and electrical installations, surroundings, the water supply and drainage systems. Specific provisions of the lease may state that part or all of these maintenance costs can be charged to the lessee.

DUE DILIGENCE

Procedure intended to establish a complete and certified inventory of a company, asset or real estate portfolio (accounting, economic, legal and tax aspects) before a financing or acquisition transaction.

EPRA (EUROPEAN PUBLIC REAL ESTATE ASSOCIATION)

An association of European real estate companies listed on the stock market whose purpose is to promote the industry (www.epra.com).

EPRA EUROPE

European FTSE EPRA/NAREIT Global Real Estate Index created by EPRA composed of representative stocks of the European listed real estate segment.

EX-DATE

Date as of which stock exchange trading takes place without the entitlement to the forthcoming dividend-payment (due to the 'detachment of the coupon', which formerly represented the dividend), i.e. three working days after the Ordinary General Meeting.

FAIR VALUE

Investment properties' disposal value according to IAS/IFRS accounting principles, i.e. after deduction of transaction costs, as determined by independent real estate valuers. The transaction costs are fixed by independent real estate valuers at a 2.5% flat rate for properties located in Belgium. However, the costs to deduct for properties with a less than 2.5 million EUR overall value, are registration rights (10% or 12.5%) applicable according to the property's location. The transaction costs for assets located in France, the Netherlands, Germany and Spain vary from 2% to 7%.

FBI (FISCALE BELEGGINGSINSTELLING)

Dutch fiscal status, comparable to the RREC status.

FINANCIAL RATING

Rating awarded by specialised agencies' (Standard & Poor's in Cofinimmo's case) providing a company's short- and long-term financial soundness estimate. These ratings influence the rate at which a company can raise financing.

FREE FLOAT

Percentage of shares held by the public. According to the Euronext and EPRA definitions, this includes all shareholders who individually own less than 5% of the total number of shares.

FSMA (FINANCIAL SERVICES AND MARKETS AUTHORITY - AUTORITÉ DES SERVICES ET MARCHÉS FINANCIERS)

The autonomous regulatory authority governing financial markets in Belgium.

GPR250 (GLOBAL PROPERTY RESEARCH 250)

Stock exchange index of the 250 largest listed real estate companies worldwide.

GREEN AND SOCIAL BONDS

Green and social bonds whose income is intended to (re)finance projects with a positive contribution to sustainable, environmental or societal development. In December 2016, Cofinimmo became the first European real estate company to issue Green and Social Bonds.

(INITIAL) GROSS RENTAL YIELD

The ratio between the (initial) rent of an acquired asset and its acquisition value, transaction fees not deducted.

IAS/IFRS (INTERNATIONAL ACCOUNTING STANDARDS/ INTERNATIONAL FINANCIAL REPORTING STANDARDS)

International accounting standards of the International Accounting Standards Board (IASB) in order to prepare the financial statements.

INVESTMENT VALUE

The portfolio's value established by real estate valuers, without deduction of transaction costs.

IRS (INTEREST RATE SWAP)

An interest rate exchange contract (usually fixed against floating or vice-versa) between two parties to exchange financial flows calculated on a fixed notional amount, frequency and maturity.

LEASEHOLD RIGHT

A temporary real right which consists in having full use of a property belonging to another party, in return for an annual acknowledgment fee to the lessor in recognition of his right of ownership ('canon/pacht'). In Belgium, a leasehold has a minimum term of 27 years and a maximum term of 99 years.

MARKET CAPITALISATION

Stock market price at close multiplied by the total number of outstanding shares on that date.

MCB (MANDATORY CONVERTIBLE BONDS)

Debt instrument which enables the debtor to reimburse his loans in shares on the due date. Holders of MCB are called 'MCB holders'.

MEDICAL OFFICE BUILDING

Building where a number of different healthcare professionals (physicians, psychologists, dentists, physiotherapists, pharmacists, etc.) receive their patients/customers.

NET RESULT

Net result from core activities plus (+) result on financial instruments plus (+) result on the portfolio.

NET RESULT FROM CORE ACTIVITIES

Operating result before the result on the portfolio, plus (+) the financial result (financial income - financial charges), minus (-) income taxes.

OCCUPANCY RATE

Is calculated by dividing the (indexed, excluding assets held for sale) contractual rents of the current leases by the sum of these contractual rents and the vacant spaces' Estimated Rental Value, the latter being calculated on the basis of the current rents' level on the market.

OPERATING MARGIN

Operating result before the result on the portfolio divided by the property result.

PAY-OUT RATIO

Percentage of the net result from core activities distributed by way of a dividend.

PEB (ENERGY PERFORMANCE OF A BUILDING)

This index, issued from the 2002/91/EC European Directive, expresses the energy amount needed for the various requirements related to a normal building use. It results from a calculation of various factors that influence energy demand (insulation, ventilation, solar and internal contributions, heating, etc.).

PPP (PUBLIC-PRIVATE PARTNERSHIP)

Partnership between the public and private sectors on projects with a public destination: urban renewal, infrastructure works, public buildings, etc.

RECORD DATE

Date on which positions are closed to identify the dividend-entitled shareholders, i.e. two working days after the ex-date.

REIT (REAL ESTATE INVESTMENT TRUST)

A listed real estate investment trust in the United States.

RREC (REGULATED REAL ESTATE COMPANY)

Status created in 2014 with the same objectives as the Real Estate Investment Trusts (REIT) in different countries: REIT (USA), SIIC (France) and FBI (Pays-Bas). RRECs are supervised by the Financial Services and Markets Authority (FSMA) and subject to specific regulations.

RESULT ON FINANCIAL INSTRUMENTS

Change in fair value of the financial instruments, plus (+) the restructuring costs of the financial instruments.

RESULT ON THE PORTFOLIO

Realised and unrealised gains and losses compared with the valuation of the real estate valuer, plus (+) the exit tax due following the entry of any asset into the RREC, SIIC or FBI regimes.

REVALUED NET ASSETS

Net asset value. At market value estimated equity resulting from the difference between the company's assets and liabilities (both being shown directly, for the most part at market value, in Cofinimmo's balance sheet). This value is calculated based on the building valuation provided by independent real estate valuers.

ROYAL DECREE OF 14.11.2007

Royal Decree relating to the obligations of financial instruments' issuers admitted for trading on a regulated market.

ROYAL DECREE OF 13.07.2014

Royal Decree relating to Regulated Real Estate Companies (RREC).

SERVICE FLATS

Small apartments providing accommodation for (semi)-autonomous elderly people combined with domestic and meal services.

SICAFI (SOCIÉTÉ D'INVESTISSEMENT À CAPITAL FIXE IMMOBILIER)

Status created in 1995 to promote collective investment in real estate. SICAFIs are supervised by the Financial Services and Markets Authority (FSMA) and subject to specific regulations.

SIIC (SOCIÉTÉ D'INVESTISSEMENT IMMOBILIER COTÉE – FRENCH REIT REGIME)

French tax status, comparable to the RREC status.

SSR (CLINIQUE DE SOINS DE SUITE ET DE RÉADAPTATION)

Clinic providing rehabilitation care following a hospital stay for a medical condition or surgery.

TAKE-UP

Letting of rental spaces.

TRIPLE NET

So-called 'triple net' lease contracts or yields imply that insurance costs, taxes and maintenance expenses are borne the tenant (lessee). It mainly concerns the leases for nursing and care homes in Belgium.

VELOCITY

Parameter indicating a share's circulation speed. It is obtained by dividing the total volume of shares ex-changed during the financial year by the total number of shares outstanding during that period.

WITHHOLDING TAX

Tax withheld by a bank or by another financial intermediary on a dividend payment.

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