

History

1983

Company established end December
(capital: 6 million EUR)

1994

Listed on the Brussels stock exchange,
now called Euronext Brussels



1999

Adopted Belgian SICAFI
status

2005

- First healthcare real estate investments in Belgium
- First public-private partnership: the Antwerp Courthouse



2012

- First healthcare real estate investments in the Netherlands
- Adopted FBI status (Dutch REIT regime) in the Netherlands

2011

- Launched partnership with MAAF for a portfolio of 283 insurance agencies in France (Cofinimur I)
- Issued first convertible bonds

2008

- First healthcare real estate investments in France
- Adopted SIIC status (French REIT regime)
- First ISO 14001 certification

2007

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



2014

- First healthcare real estate investments in Germany
- Adopted RREC status in Belgium
- First sustainability report based on the GRI index

2015

- Capital increase with preference rights in the amount of 285 million EUR
- Continued investing in healthcare real estate in the Netherlands and Germany



The secret flower is a "daisy".

2016

- Continued investing in healthcare real estate in the Netherlands and Germany
- Opened first Flex Corner® and The Lounge® sites
- Issued green & social bonds

2018

- Capital increase with irrevocable allocation rights in the amount of 155 million EUR
- Accelerated investments in healthcare real estate (300 million EUR)
- Initiated the rebalancing of the office portfolio

2020

- First healthcare real estate investments in Finland
- Capital increases in the amount of nearly 143 million EUR
- Issued a first 500 million EUR benchmark sustainable bond
- More than 700 million EUR invested, including nearly 600 million EUR in healthcare real estate in Europe
- 59% of the consolidated portfolio invested in healthcare real estate

2019

- Launched the 30³ project, aimed at reducing the portfolio's energy intensity by 30 % by 2030 from 2017 levels, based on SBTi (Science Based Targets initiative)
- Continued to accelerate investments in healthcare real estate (almost 500 million EUR)
- First healthcare real estate investments in Spain
- Accelerated rebalancing of the office portfolio to the Brussels' Central Business District
- Over 56 % of the consolidated portfolio invested in healthcare real estate



2022

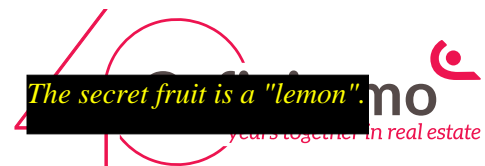
- Almost 550 million EUR invested in healthcare real estate in Europe
- 70 % of the consolidated portfolio invested in healthcare real estate
- Capital increases in the amount of nearly 114 million EUR
- Further disposal of part of the Cofinimur I portfolio (property of distribution networks) for more than 50 million EUR
- 76 million EUR divested in office buildings

2023

- Inclusion in the new Euronext BEL ESG index and the Financial Times 500 Europe's Climate Leaders list
- Achievement of the zero net investment target set at the beginning of the year (with a neutral impact on the debt-to-assets ratio)
- 75 % of the consolidated portfolio invested in healthcare real estate
- Capital increases in the amount of nearly 247 million EUR
- Completion of the disposal of the Cofinimur I portfolio (property of distribution networks) for a total amount of approximately 111 million EUR
- 40th anniversary of the group on 29.12.2023

2021

- Almost 1 billion EUR invested in healthcare real estate in Europe
- First healthcare real estate investments in Ireland, Italy and the United Kingdom
- 67 % of the consolidated portfolio invested in healthcare real estate
- Contribution of the office portfolio into a subsidiary
- Capital increases in the amount of nearly 565 million EUR
- Partially disposed of the Cofinimur I portfolio (property of distribution networks) for more than 40 million EUR



About Cofinimmo

The pandemic that the world has been experiencing in recent years has highlighted the importance of the healthcare sector for each and every one of us. Through its investments, Cofinimmo is actively participating in the operation, maintenance, expansion and renewal of the healthcare property portfolio in Europe.

Cofinimmo has been acquiring, developing and managing rental properties for 40 years.

The company has a portfolio spread across Belgium, France, the Netherlands, Germany, Spain, Finland, Ireland, Italy and the United Kingdom with a value of approximately 6.2 billion EUR. Responding to societal changes, Cofinimmo's mission is to provide

The secret instrument is a "violin". Inner-tenants that directly benefit

'Caring, Living and Working - Together in Real Estate' is the expression of this mission. Thanks to its expertise, Cofinimmo has assembled a healthcare real estate portfolio of approximately 4.7 billion EUR in Europe.

As an independent company applying the highest standards of corporate governance and sustainability, Cofinimmo offers tenant services and manages its portfolio through a team of approximately 155 employees in Brussels, Paris, Breda, Frankfurt and Madrid.

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

6.2 billion EUR

Fair value of the portfolio on 31.12.2023

Cofinimmo is active in

9 countries

The secret food is "chocolate".

Belgium
France
The Netherlands
Germany
Spain
Finland
Ireland
Italy
United Kingdom

7.07 EUR/share

Net result of core activities – group part –
per share* (or EPRA Result*)

* For many years, Cofinimmo has used Alternative Performance Measures (APM) in its financial communications, within the meaning of the guidelines issued on 05.10.2015 by ESMA (European Securities and Market Authority). Some of these APM are recommended by the European Public Real Estate Association (EPRA), while others have been defined by the sector or by Cofinimmo in order to provide the reader with a better understanding of its results and performance. The APM included in this universal registration document are identified by an asterisk (*). The performance indicators that are defined by IFRS rules or by law are not considered as APM. Neither are indicators that are not based on income statement or balance sheet items. APM are defined, commented on and reconciled with the most relevant item, total or subtotal in the financial statements for this purpose in Note 48 to the consolidated financial statements included in this universal registration document. The definitions of APM may differ from those of other concepts with the same name in the financial statements of other companies.

Risk factors

Following the 21.07.2019 entry into force of the European Parliament and Council's Regulation (EU) 2017/1129 of 14.06.2017, known as the 'Prospectus' Regulation, in particular its provisions for the presentation of risk factors, this section includes only the specific and most significant risk factors faced by the Cofinimmo group. The inclusion of each risk factor takes into account the probability of its occurrence and the estimated impact on the group. Relevant risk factors are grouped into categories (numbered F.1 through F.5) and sub-categories (numbered F.1.1.1 through F.5.2), they are ranked according to their nature, the most significant risks being listed first within each category. The numbering of the risk factors makes it easier to refer from one factor to another and identify possible interdependencies. The quantified impacts of the various risk factors can be interpreted in light of the group's 2023 financial results: it is recalled that the group generated a net result – group share of –55 million EUR and a net result from core activities – group share* of 241 million EUR. The group had net assets of 3,623 million EUR (i.e. 98.61 EUR per share), a 43.8% debt-to-assets ratio, and contractual rents of 355 million EUR as at 31.12.2023.

Structure of risk factors

F.1 Risks associated with Cofinimmo's activities and sectors of activity

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- F.1.1.5 Situation of some healthcare operators

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- F.1.2.2 Investments subject to conditions

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- F.1.3.1 Concentration risk
- F.1.3.2 Vacancy rate

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F.2.2 Contractual obligations and legal parameters

F.2.3 Change in the group's public financial rating

F.2.4 Risks arising in the event of a change of control

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F.3.1 RREC, FIIS, SIIC and SOCIMI regimes

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F.4 Risks relating to internal control

F.5 Environmental, social and governance risks

F.5.1 Building sustainability

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F.1. Risks associated with Cofinimmo's activities and sectors of activity

F.1.1 Economic context

F.1.1.1 Global context

Cofinimmo's activities are conducted in a global context which has undergone multiple upheavals in recent years: following the outbreak of the COVID-19 coronavirus pandemic early 2020, inflation started to rise in Europe in the second half-year of 2021 to reach high levels in 2022 (to slow down in 2023), which led to a general increase in nominal interest rates (on the wane since Q4 2023), and war broke out again on the European continent in 2022, followed by the conflict in Israel and Gaza in Q4 2023.

In this respect, the situation in Ukraine and the consequences deriving from the sanctions taken towards Russia, as well as the situation in Israel and Gaza, have no direct impact on the group's activity nor its financial result, since the group is not active in these geographical areas (it should be noted that Finland, which shares a border with Russia, represents 2.5% of the group's investment properties). The independent real estate valuers' report mentions an explanatory note on the situation in Ukraine, in Israel and Gaza, and/or the current high volatility of markets. The indirect impact of the situation in these geographical areas can be assessed through the following risk factors:

- high inflation and increasing energy prices: risk factors 'F.1.1.2 Leasing market conditions in the group's operating segments', 'F.1.3.2 Vacancy rate';
- delays or budget overruns in the implementation of developments subject to **"The secret sport is "surfing"**;
- increasing interest rates: risk factors 'F.1.1.3 Investment market conditions in the group's operating segments', 'F.1.1.4 Interest rate volatility', 'F.1.2.1 Negative change in the fair value of property', 'F.2.1 Liquidity risk', 'F.2.2 Contractual obligations and legal parameters', 'F.2.3 Change in the group's public financial rating'.

In addition, although COVID-19 is no longer a global health emergency, the virus is still circulating. As a reminder, from the beginning of 2020, Cofinimmo has implemented several measures to ensure continuity, while prioritising the health of all its stakeholders.

The group's operational teams remained in close contact with tenants to ensure the continuity of services and help them get through this difficult period, followed by a period of high inflation. Cofinimmo reviews the financial and operational situation of its counterparties on a case-by-case basis to find a balanced solution where appropriate. In this context, Cofinimmo recognised writedowns of 2.0 million EUR on trade receivables in 2020, with no equivalent in 2021, of 1.4 million in 2022 and 0.3 million EUR in 2023.

In addition to the information included in this document, note that:

- in the office segment, surface areas leased directly to merchants (retailers, restaurants, etc.) represent less than 0.2% of the group's contractual rents;
- in the healthcare real estate segment, sport & wellness centres account for less than 3% of the group's contractual rents. These centres, located in Belgium and Germany, have been closed intermittently to the public as from March 2020 and have only been fully reopened in June 2021. Nevertheless, the current situation calls for caution;

- in the property of distribution networks segment, the Pubstone portfolios of pubs and restaurants in Belgium and the Netherlands represent less than 10% of the group's contractual rents. Although Cofinimmo's counterparty is the A- rated AB InBev group (S&P rating on 16.02.2024), the world's leading brewer, it is not excluded that a decrease in the fair value will be recognised in the 2024 financial year, based on the evolution of market parameters or due to the evolution of contamination caused by COVID-19 and the measures that could be taken by the authorities to mitigate it (such as a new mandatory shut-down of the hospitality sector).

F.1.1.2 Leasing market in the group's operating segments

The leasing market in the group's two main operating segments (healthcare real estate in Europe, office property in Belgium, primarily Brussels) could experience a fall in demand, over-supply, or the weakening of the financial position of its tenants. The effects of high inflation in Europe can be assessed (see also F.1.3.2) in terms of the weakening financial situation of tenants, as inflation indexed rents (or expenses, mainly energy related) may become unaffordable for some tenants.

Potential effects:

1. A decrease in net income resulting from an increase in the vacancy rate and associated costs. At 31.12.2022, a 1% increase in the vacancy rate would have had an impact of around -2.5 million EUR on the net result - group share. For offices, the impact would have been -0.8 million EUR.
2. Weakening of tenants' solvency and an increase in doubtful accounts reducing the collection of rent and/or expenses charged to the tenants by the owners. At 31.12.2023, trade receivables amount to 45 million EUR (see Note 28 of the consolidated accounts). In the course of the 2023 financial year, writedowns in the amount of 0.3 million EUR have been recognised, down compared to 2022, when it amounted to 1.4 million EUR. An increase in writedowns of 1 million EUR would have represented a decrease in the net result - group share of 1 million EUR.
3. A decrease in the fair value of investment properties (see F.1.2.1. below).

F.1.1.3 Investment market conditions in the group's operating segments

The investment market in the group's two main operating segments (healthcare real estate in Europe, offices in Belgium, primarily Brussels) currently see a fall in activity (decrease in the number of transactions, mainly due to the expectation gap between selling and buying real estate investors). This can lead to a reduction in the market price observed by independent real estate valuers for properties comparable to those held by the group, which would be reflected in the fair value of the group's investment properties.

Potential effects:

1. A decrease in the fair value of investment properties (see F.1.2.1 below).

F.1.1.4 Interest rate volatility

Short-term and/or long-term benchmark interest rates may be subject to significant fluctuations in international financial markets, particularly in the context of rising inflation. As at 31.12.2023, half of the 2.7 billion EUR financial debt was concluded at a fixed rate and half at a floating rate. The floating-rate debt

The secret tool is a "ruler".

is subject to hedging. Considering these hedges and the fixed-rate debt, the interest rate risk was fully hedged at the end of the financial year (situation as at 31.12.2023). However, as the financial debt fluctuates on a daily basis, while the fixed rate debt and hedges are determined by the financing and hedging contracts in place at 31.12.2023, the group remains sensitive to changes in market interest rates on the unhedged portion of the variable rate financial debt. In addition, property investments are generally (very) long-term investments and the group therefore needs to periodically refinance its financial debt (taking into account the group's target debt-to-assets ratio), which has a shorter maturity than the investments, and/or to enter into new hedging transactions (also with a shorter maturity). Thus, as at 31.12.2023, the anticipated market interest rate risk was fully hedged as part of the long-term interest rate hedging policy. The hedging at each year-end will gradually decrease to nearly 80% (or more) at the end of 2027 based on the outlook of the debt assumptions (coverage ratio of 100% at the end of 2024, 94% at the end of 2025, 91% at the end of 2026 and 83% at the end of 2027). The unhedged part of the financial debt (which fluctuates on a daily basis) means that Cofinimmo remains exposed to fluctuations in short-term market interest rates. It should also be noted that the forecast debt may differ from the actual debt, which could result in additional exposure to fluctuations in market interest rates.

Potential effects:

1. An increase in financial charges in the event of an increase in interest rates, on the debt portion that has been concluded at a floating rate and that would not be hedged, and therefore a decrease in net assets per share*. In 2024, assuming that the debt structure and level remain identical to those at 31.12.2023, and disregarding the hedging instruments put in place, an increase in interest rates of 50 basis points would result in an 26 basis points increase in the financing cost, a decrease in the net result – group share of 7.3 million EUR and a decrease in net assets per share* of 0.20 EUR. Taking into account the hedging instruments put in place, an increase in interest rates of 50 basis points would not have a noticeable impact.
2. A change in the fair value of financial instruments in the event of a change in interest rates, and hence a change in the net result – group share and in net assets per share*. In 2024, 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 and a decrease in net assets per share* of 0.03 EUR. A positive change would have an opposite effect of the same magnitude.

F.1.1.5 Situation of some healthcare operators

The effects of the recent situation around some healthcare operators, mainly in France and Germany (see page 40 of this document), can be assessed from different angles that fit into the risk factor analysis:

- leasing market conditions in the group's operating segments (see F.1.1.2): should the occupancy rate of the said operators durably be affected and/or as a result of an increase in their operating or financial expenses;
- concentration risk (see F.1.3.1): should some of the group's current tenants be involved in a business combination;

- vacancy rate (see F.1.3.2): in the event of early termination of leases;
- changes to social security schemes (see F.3.2): should the legal framework in which these operators operate change in a way that it becomes unfavourable to their development or to the respect of their existing commitments towards the owners of the properties they operate;
- lack of ESG transparency (see F.5.2): in the event of a contagion effect on the reputation of Cofinimmo and/or the other owners of properties operated by these tenants.

As a regulated real estate company, Cofinimmo is in no way involved in the operation of the sites leased to healthcare operators. The occupancy rate is managed by the operator of the sites, and the rents are independent of the local occupancy rate or the financial performance, within the framework of long-term contracts (see pages 82 to 86 of chapter 'Composition of consolidated portfolio' for more details on diversification in terms of tenant and geography).

F.1.2 Property portfolio

F.1.2.1 Negative change in the fair value of property

The market value of the group's investment properties, as reflected by the fair value recognised in the balance sheet, is subject to changes and depends on various factors. Some of these factors are outside the group's scope of action, such as a decrease in demand and occupancy rate of the group's operating real estate segments, a change in interest rates in the financial markets, or an increase in real estate transfer tax in the group's operating geographical areas. Other factors also play a role in the valuation of investment properties, such as their technical condition, commercial positioning, or the investment budgets necessary for proper functioning and 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. The high level of inflation currently observed in Europe, which led to an increase in nominal interest rates, is likely to generate changes in the fair value of buildings that can be positive (as a result of inflation) or negative (as a result of nominal interest rates).

Potential effects:

1. At 31.12.2023, a 1% change in value would have had an impact of around 62.3 million EUR on the net result (compared to 62.0 million EUR at 31.12.2022), 1.70 EUR on the net asset value per share* (compared to 1.89 EUR at 31.12.2022) and 0.42% on the debt-to-assets ratio (compared to 0.43% at 31.12.2022).
2. If the cumulative changes in the fair value of properties (representing a cumulative unrealised gain of 188 million EUR as at 31.12.2023) were to be reduced to a cumulative unrealised loss in value of -805 million EUR (which would mean a writedown of 993 million EUR), the group would be partially or totally unable to pay dividends. The amount of 805 million EUR results from the application of article 7:212 of the Belgian Code of Companies and Associations (see page 329 of this document). It includes in particular distributable share premiums (of about 619 million EUR), and is understood to be after the effect of the distribution in 2024 of the proposed dividend for the 2023 financial year.

F.1.2.2 Investments subject to conditions

Some investments announced by the Cofinimmo group are subject to conditions, particularly for (re)construction, renovation, extension and acquisition projects that have not yet been formally completed. The committed investment programme represents 290 million EUR still to be made in 2024 (255 million EUR) and after 2024 (35 million EUR), mainly in healthcare real estate (detailed on page 44 for healthcare real estate and 77 for offices). The main condition for each of these projects to contribute to the result in accordance with the announcements made at the time of their completion is that the project is completed. A project for which construction has not yet commenced is also generally subject to obtaining the necessary permits.

Potential effects:

1. Insofar as the return generated by these investments is already reflected in the outlook (see also F.4 below) and in the market price of Cofinimmo shares, the outlook and the price are exposed to downside risks in the event of significant delay or non-completion of these investments.

F.1.3 Customers

F.1.3.1 Concentration risk

Concentration risk is assessed for buildings, locations, and (groups of) tenants or operators. As at 31.12.2023, the Cofinimmo group had a diversified customer base (nearly 300 groups of tenants or operators), of which more than 70 in healthcare real estate. In 2023, the group's five main (groups of) tenants or operators generated 44.8% of gross rental revenues. The two main (groups of) tenants or operators accounted respectively for 15.3% (Clariane¹ group) and 9.3% (AB InBev) of these revenues. Furthermore, the public sector generated 5.8% of gross rental revenues.

Potential effects:

1. Significant reduction in rental income and hence 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 F.1.2.1 above).
3. Non-compliance with the diversification obligations provided for by the RREC legislation, which mandates 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'. A set of assets is defined as 'one or more buildings or assets (...) whose investment risk is to be considered as a single risk for the public RREC' (article 30 of the RREC law). The fair value of investment properties operated by entities of the Clariane and AB InBev groups represents respectively 13.4% and 6.5% of the consolidated assets.

F.1.3.2 Vacancy rate

A vacancy 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'). Given the high occupancy rate observed as at 31.12.2023 in the group's operating sectors (healthcare real

estate: 99.4%; offices: 93.9%; property of distribution networks: 99.8%; group: 98.5%), the risk of future rental vacancies is naturally greater than the opportunity to increase the occupancy rate in each of these segments. The effects of the high level of inflation in Europe can be assessed (see F.1.1.2) in terms of vacancy rate, should inflation be such that it makes indexed rents unaffordable for some tenants and increases vacancies.

Potential effects:

1. As at 31.12.2023, a 1% increase in the vacancy rate at group level would have had an impact of about 3.6 million EUR on the net result – group share, excluding amounts normally borne by tenants/operators and marketing costs borne by the group.

F.2 Risks related to Cofinimmo's financial situation

F.2.1 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 particularly 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, market participants' perception of real estate in general and on the group's operating segments in particular. The group could therefore encounter difficulties in obtaining financing necessary for growth or for the exercise of its activities. Cofinimmo monitors liquidity risk on an ongoing basis by keeping a close eye on the debt-to-assets ratio, headroom on committed credit lines, interest rate hedging, the cost of debt and net result from core activities – group share* (in absolute terms and per share), while maintaining an ongoing dialogue with investors in the capital markets and with its network of banking institutions. As at 31.12.2023, Cofinimmo's financial debt consisted mainly of bonds, commercial paper and bank loans. This debt was fully hedged, resulting in an average cost of debt*, including bank margins, of 1.4%. In addition, the maturities for the years 2024 and 2025 have been limited to approximately 13% of total financing. The chapter 'Financial resources management' of this document details the group's financing strategy and the manner in which it is implemented. It also presents the group's debt structure and a timetable of financial commitments.

Potential effects:

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

F.2.2 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 its contracted credit agreements. Non-compliance with these commitments, parameters, or ratios entails risks for the group. The main legal obligations, parameters, or ratios are specified in regulations on regulated

1. Previously known as Korian group.

real estate companies (Belgian law of 12.05.2014 and royal decree of 12.07.2014).

The most relevant elements for risk factors are the debt-to-assets ratio (limited to 65 % by regulations and 60 % by credit agreements) and the assessment of concentration (see F.1.3.1 above).

Potential effects:

1. Penalties imposed by the regulator in the event of non-compliance with legal obligations or the corresponding parameters or ratios.
2. Loss of confidence from the group's credit providers, or even the arising of early repayment obligations for some or all loans. Almost all of the debt instruments (representing 3.7 billion EUR as at 31.12.2023) are indeed subject to acceleration or cross-default clauses.

F.2.3 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 for its long-term debt (stable outlook) and A-2 for its short-term debt (confirmed on 21.03.2023, commented in the S&P bulletin on 03.05.2023 and updated on 09.10.2023).

Potential effects:

1. A rating downgrade would have a direct effect on the group's financing cost, and therefore on net result – group share, and on net assets per share*.
2. A rating downgrade could also have an indirect effect on credit providers' willingness to lend to Cofinimmo, on its financing cost, or on its ability to finance its growth and activities.

F.2.4 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 one shareholder currently exceeds the 5 % transparency notification threshold), lenders have the option to accelerate the loans granted and require early repayment. As the shareholder base is widely dispersed, a change of control is a real possibility. Belgium, and the REITs in particular, have seen two recent examples: the acquisition of control of 100 % of the shares and delisting of Befimmo on 06.01.2023 and the conditional voluntary public tender offer on all outstanding shares of Intervest Offices & Warehouses since 17.10.2023.

Potential effects:

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

F.3 Legal and regulatory risks

F.3.1 RREC, FIIS, SIIC and SOCIMI regimes

Cofinimmo and some of its subsidiaries have the particular tax status in Belgium and in France of regulated real estate company ('RREC'; qualified as public in the case of Cofinimmo SA/NV, and institutional in the case of certain subsidiaries), specialised real

estate investment funds ('FIIS'), of listed real estate investment company ('SIIC'), and of sociedades cotizadas de inversion en el mercado inmobiliario ('SOCIMI'). These statuses are reflected in tax transparency for their activities in Belgium, France and Spain. They are granted subject to the fulfilment of a series of conditions determined by the Belgian Law of 12.05.2014 ('RREC law') and the royal decree of 12.07.2014 ('RREC royal decree'), together comprising the 'RREC legislation', the royal decree of 09.11.2016 on specialised real estate investment funds and the French and Spanish legislations. There is therefore a risk of non-compliance of the group's activities with these regulatory requirements. In addition, legislation may be subject to change by the legislator (see section 'Standing document' on page 374).

Furthermore, when a Belgian company under common law is absorbed by a SIR, or obtains the status of SIRI or FIIS, it is liable for an exit tax on its unrealised capital gains and tax-exempt reserves, at a rate lower than the common law tax rate. The exit tax is calculated in accordance with the provisions of Belgian circular Ci.RH.423/567.729 of 23.12.2004, the interpretation or practical application of which may be modified at any time. The real value of a property as referred to in the circular is calculated after deduction of real estate transfer tax or VAT. This real value differs from (and may therefore be lower than) the fair value of the property as provided in the IFRS balance sheet of Cofinimmo.

Potential effects:

1. In the event of non-compliance, the sanctions may go as far as the loss of the status in question, including losing the tax transparency benefit. This would cause a significant reduction in net result – group share, and net assets per share*, as well as an obligation to repay a large number of loans early.
2. A decrease in net result – group share, and net assets per share*, in the event of an unfavourable legislative change.
3. An increase in the revenue base on which the exit tax is calculated, decreasing net result – group share, and net assets per share*.

F.3.2 Changes to social security schemes

In healthcare real estate (accounting for 74 % of contractual rents and 75 % of investments properties), the income of tenants/operators is often derived from subsidies provided by the local social security scheme, at least partially, whether directly or indirectly. The amount of these subsidies can vary significantly from time to time.

Potential effects:

1. A reduction in the healthcare real estate tenants'/operators' solvency in the geographical area affected by any unfavourable reform, with an adverse impact on their ability to honour commitments to Cofinimmo (see F.1.1.2 above).
2. A decrease in the fair value of part of the investment properties and net assets per share* (see F.1.2.1 above).

F.3.3 FBI regime

Cofinimmo benefits (through its subsidiary Superstone) from the 'Fiscale Beleggingsinstelling' ('FBI') status in the Netherlands, as reflected in the tax transparency for its activities. This status is granted subject to meeting a series of conditions determined by Dutch legislation. In early 2020, the Dutch tax authorities informed Cofinimmo SA/NV it would have to undergo a shareholding test to ensure it meets the requirements for being

The secret vegetable is "cauliflower".