

Pricing as of	Current Price	Warranted Price	GS Spot NAV	Market Cap (m)	Prem/(Disc) to NAV	Prem/(Disc) to Assets	Implied NIY	Implied Econ. Cap Rate
15 October 2021	€138.70	€147.41	€124.60	€4,393	11.3%	6.7%	4.3%	4.0%

Background

Belgian REIT founded in 1983 and listed in 1994. The ~€5bn company started transitioning from office to healthcare in 2005. Cofinimmo is now a predominantly healthcare REIT with exposure to several European geographies. It also owns office in Brussels and distribution network/retail portfolios across the Benelux and France.

Key Investment Themes

+ Office-to-Healthcare Transition: Management's decision in 2005 to transition towards healthcare when the market was less crowded was smart. The manoeuvre was decently executed and will likely complete with the announced office spin-off.

+ Healthcare Mix: The company understands the value of gaining exposure to healthcare sub-segments (medical offices and cure centres make up <5% and ~10% of the portfolio respectively) other than care homes (~50%).

• Southern European Exposure: Investing in Italian and Spanish markets could prove value-enhancing going forward given higher in-going yields and lower supply relative to Northern Europe.

– Franchise Value: Over 2016-2021 CVNI (i.e. NAV + dividends) growth has been ~7% per annum, roughly half of closest peer Aedifica. Total shareholder returns have also lagged Aedifica's.

– High Tenant Concentration: ~50% of rental income is generated by the top five tenants, indicating relatively high concentration risk vs. closest peer Aedifica.

– Diversified Portfolio: Exposure to 3 separate property sectors with entirely different fundamentals complicates the story, although health care transition is accelerating.

Recent Commentary

Oct-2021: As a result of a recent tax change, Cofinimmo will need 80% exposure (vs. 60% previously) to health care to enjoy a reduced withholding tax rate of 15% (vs. 30%). Cofinimmo shareholders will likely not benefit from the reduced tax burden as soon as expected.

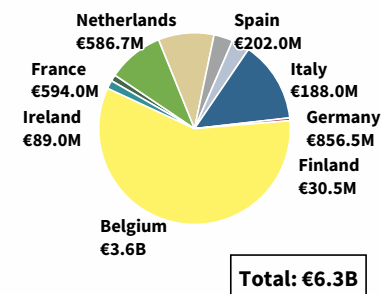
Sep-2021: The outstanding convertible bond has been converted to equity at €130.30/sh, resulting in a ~5.5% expansion of the share count representing ~€216m.

HY-2021: LfL rental growth of +0.8% (+1.1% healthcare, +2.2% office, +1.2% distribution networks) is lower than FY20 by ~60 bps. The office portfolio like-for-like +1.1% print is 100 bps below FY20, but looks better in comparison to other Continental Office REITs. The strong revaluation growth of the Brussels CBD office portfolio (+2.0%, ~15% of gross asset value) contrasts with the Brussels decentralized segment (-0.9%, ~5% of gross asset value). The company's external growth target for FY21 almost tripled to €930m (~20% of gross asset value) since the start of year.

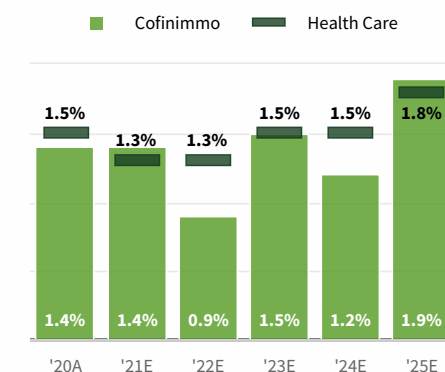
Management

Chairman	Jacques van Rijckevorsel	COO Offices	Yeliz Bicici
CEO	Jean-Pierre Hanin	COO Healthcare	Sebastien Berden
CFO	Jean Kotarakos		

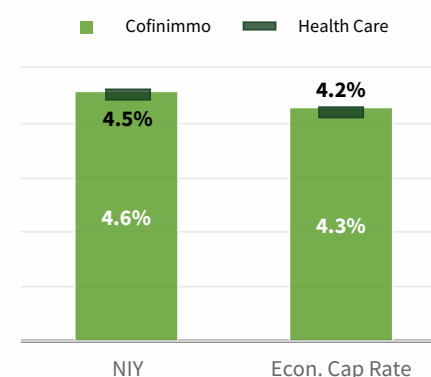
Investment Portfolio by Country



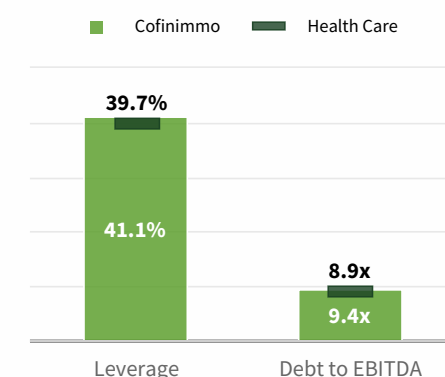
Like-For-Like NRI Growth



Yield in GS Spot NAV



Overall Leverage Summary



Cofinimmo NAV Reconciliation



Earnings Estimates

	'20A	'21E	'22E	'23E	'24E	'25E
Internal Growth						
Portfolio End Occupancy	97.4%	98.0%	97.4%	97.4%	96.8%	96.8%
Like-for-like Net Rental Income Growth	1.4%	1.4%	0.9%	1.5%	1.2%	1.9%
Corporate Earnings € ('000s)						
Net Rental Income & Other Income	€244,797	€269,682	€271,071	€270,629	€273,260	€278,729
G&A	€-33,684	€-41,251	€-41,521	€-41,601	€-42,004	€-42,705
EBITDA	€211,113	€252,761	€285,455	€318,128	€354,260	€391,415
Financing Costs & Other	€-29,655	€-34,656	€-36,939	€-45,134	€-53,932	€-64,642
EPRA Earnings	€181,458	€218,105	€248,516	€272,994	€300,328	€326,773
EPRA EPS	€6.85	€7.27	€7.53	€7.91	€8.34	€8.71
EPRA EPS Growth	0.57%	6.09%	3.59%	5.08%	5.43%	4.46%
DPS (€)	€5.80	€6.20	€6.40	€6.70	€7.10	€7.40
AFFO	€6.05	€6.49	€6.81	€7.23	€7.68	€8.06