

**Glossary of Alternative Performance Measures (APM) used by Cofinimmo – version of 26.07.2024**

Name	Definition	Purpose
Net result from core activities - group share	Net result - group share excluding result on financial instruments - group share and result on portfolio - group share.	To measure the result of the strategic operational activities, excluding (i) the change in the fair value of financial instruments, (ii) the cost of restructuring financial instruments, and (iii) realised and unrealised gains and losses on the portfolio, or to measure the result directly impacted by the company's property and financial management, excluding the impact related to the volatility of property and financial markets.
Result on financial instruments - group share	Change in the fair value of financial instruments, plus the restructuring costs of financial instruments and the share in the result on financial instruments of associates and joint ventures, and less minority interests related to the items listed above	To measure unrealised gains and losses related to financial instruments, as well as the costs related to their restructuring.
Result on the portfolio - group share	Gains or losses on disposals of investment properties and other non-financial assets, plus/less the change in the fair value of investment properties, plus the share in the result on the portfolio of associates and joint ventures, and other items related to the portfolio and less minority interests related to the items listed above.	To measure realised and unrealised gains and losses related to the portfolio, based on the last valuation by independent real estate valuers.
Result per share	Results (net results from core activities – group share, result on financial instruments - group share, result on portfolio - group share) divided by the average number of outstanding shares.	To measure the results per share and enable a comparison with the dividend paid per share.

Name	Definition	Purpose
Net assets per share	This is the book value of the share based on the IFRS accounts, which take account of the fair value of investment properties. It is calculated by dividing the amount of shareholders' equity attributable to shareholders of the parent company by the number of outstanding shares.	To measure the value of the share based on the fair value of investment properties and enable a comparison with its share price.
Change in gross rental revenues on a like-for-like basis	This is the change from one year to the next, expressed as a percentage, of the gross rental revenues, excluding variations related to changes in scope (major renovations, acquisitions and disposals) occurring during the period.	To identify changes in gross rental revenues which do not result from major renovations, acquisitions or disposals.
Operating costs/average value of the portfolio under management	These are the direct and indirect operating costs (direct property costs, property management costs and corporate management costs, corrected in the 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> quarters as per the effect of the application of IFRIC 21, which stipulates that taxes for which the triggering event has already occurred are recognised as at January 1 <sup>st</sup> for the entire year), divided by the average value of the portfolio under management over the period, taking into account the scope inflows and outflows.	To measure the level of operating costs compared to the average value of the property portfolio under management.

Name	Definition	Purpose
Operating margin	This is the operating result (before result on the portfolio) divided by the property result, corrected in the 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> quarters as per the effect of the application of IFRIC 21, which stipulates that taxes for which the triggering event has already occurred are recognised as at January 1 <sup>st</sup> for the entire year.	To evaluate the company's ability to generate profit from its sole operating activity without taking into account the financial result, taxes and result on the portfolio.
Average cost of debt	This is the average interest rate of debt obtained by dividing the interest charges recorded by the group for its various loans (on an annual basis) by the weighted average debt of the current period. <ul style="list-style-type: none"> <li>- The numerator corresponds to annualised net interest charges as shown in the income statement.</li> <li>- The denominator corresponds to the average debt of the current period calculated by taking into account the daily drawdowns on loans (bank loans, bonds, commercial paper, etc.).</li> </ul>	To measure the average interest rate of the debt and analyse its evolution over time.
Rental income, net of rental-related expenses	These are the rents, less rent-free periods, concessions granted to tenants and rental-related expenses, plus compensation for early termination of the lease.	To measure rental income, net of rent-free periods, concessions, termination indemnities and other rental-related expenses.
Rental-related expenses and taxes on rented properties not recovered	This is the difference between rental-related expenses and taxes borne by the owner, and the recuperation of rental-related expenses and taxes borne by the tenant on rented properties.	To measure the rental-related expenses and taxes on rented properties which are not charged to tenants.
Taxes on refurbishment not recovered	These are the taxes borne by the owner on buildings under renovation and therefore not chargeable to tenants.	To measure the taxes relating to properties under renovation.
Redecoration costs, net of tenant compensation for damages	These are the redecoration costs borne by the owner at the end of the lease, net of compensation for damage received.	To measure the costs of redecorating the rental spaces following the departure of tenants, net of compensation for damage received from these tenants.

Name	Definition	Purpose
Restructuring costs of financial instruments	This is the impact of the recycling under the income statement of hedging instruments for which the relationship with the hedged risk was terminated, as well as the result relating to the sale of hedging instruments.	To measure the impact on the result for the period of the restructuring of financial instruments.
Property operating result after direct property costs	This is the property result less direct property costs (technical costs, commercial costs, and taxes and charges on unlet properties).	To measure the property operating result after direct property charges, but before property management costs and corporate management costs.
Pay-out ratio	This is the percentage of the net result from core activities – group share – per share distributed by way of a dividend.	To measure the share of the net result from core activities – group share – per share, distributed by way of a dividend.
« Net debt-to-EBITDA » ratio	Net financial debt divided by the sum of the operating result (before result on the portfolio) and interest receipts from finance leases, the denominator being based on the last 12 months.	Indicator allowing to evaluate the capacity of a company to reimburse its net financial debt in function of its operational results (and similar).
« Interest cover ratio » (ICR)	Sum of the operating result (before result on the portfolio) and interest receipts from finance leases divided by the net financial charges (comprising financial charges after deduction of financial income excluding interest receipts from finance leases), denominator and numerator being based on the last 12 months.	Measuring the capacity of a company to pay the interest on its debt thanks to its operational results (and similar).