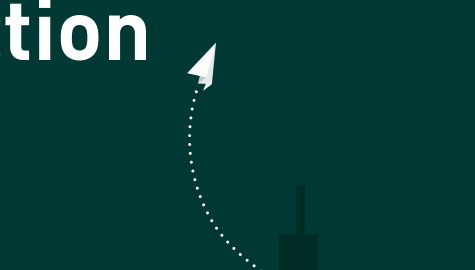


Real Estate Barometer

Trends and key figures from the Real Estate sector on Euronext markets – H1 2021



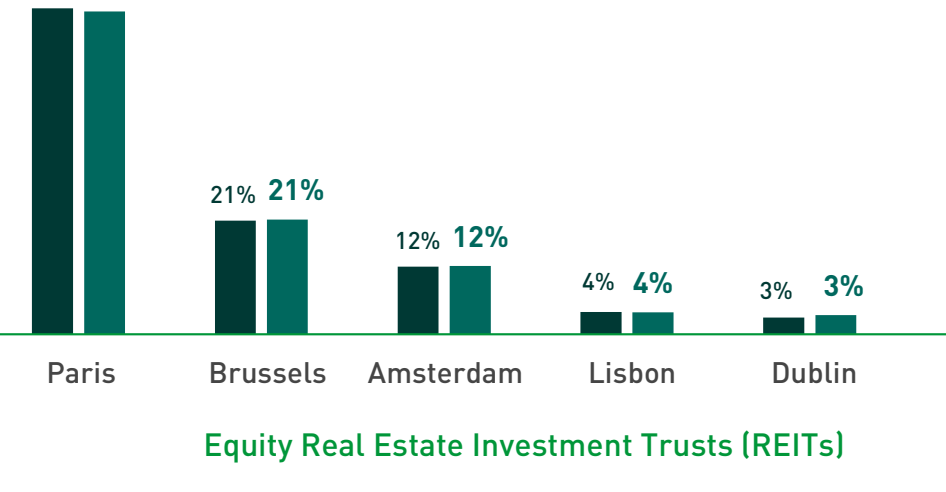
01 Introduction

Euronext and EPRA (the European Public Real Estate Association) are pleased to publish the third edition of the **Real Estate Barometer**, which analyses the key trends and figures of the listed European Real Estate sector. The Real Estate Barometer delves into Real Estate Investment Trusts (REITs) and real estate developers listed on Euronext markets, and analyses the performance and valuation of EPRA indices, which track a basket of listed European real estate companies. In this last edition, figures for Italian listed Real Estate were included, following Borsa Italiana joining the Euronext franchise. With this Barometer, Euronext and EPRA aim to raise awareness about this sector as well as provide the investor community with key analytics on recent developments.

02 Market Capitalisation

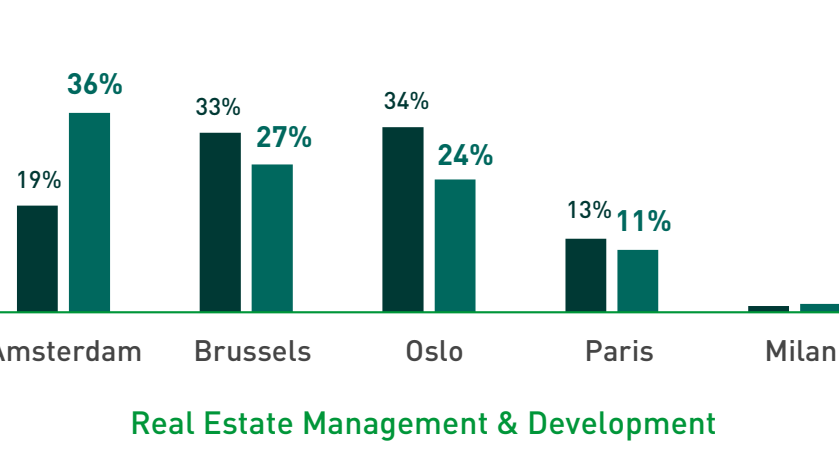
MARKET CAPITALISATION

Split by Euronext Market



MARKET CAPITALISATION

Split by Real Estate Speciality



As of 30 June 2021 – there were 80 real estate issuers listed on Euronext's main markets (excluding MTFs and Fixing), valued at a combined c.

€136 billion.

France represents the largest market for real estate issuers with 26 listed companies, followed by 24 in Belgium, 9 in the Netherlands and Italy, 7 in Norway, 4 in Ireland and 1 in Portugal.

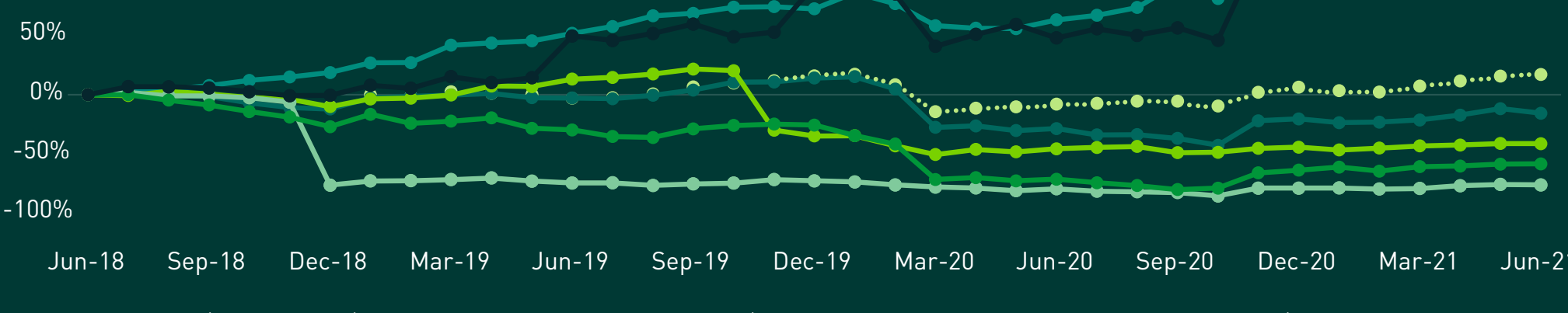
Market capitalisation remains concentrated around Real Estate Investment Trusts (REITs) which account for

more than 3%

of the total market capitalisation of the sector, compared to 23% for real estate developers.

REITS AND DEVELOPERS MARKET CAPITALISATION

2020 FY vs 2021 H1



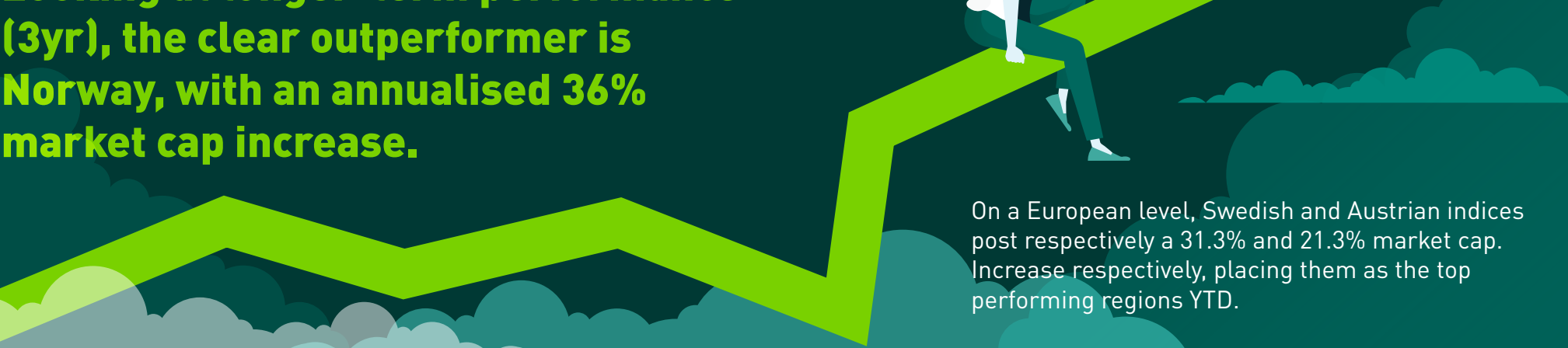
Comparing FY20 with H121 figures, we observe a clear progression, with market capitalisation increasing across all geographies and in both sub-sectors, for a total increase of c. **EUR 23 billion**. REITs saw their market cap increasing by c. **EUR 13 billion**, supported by strong progression of French REITs. Belgian REITs added c. **EUR 3 billion** to their size. On the Developers side, Dutch issuers posted the biggest market cap. Progression for a total of c. **EUR 7 billion**. Looking back at 2019 market sizes, only Belgian REITs saw an increase since then. For Developers, again Belgian issuers grew since 2019, together with Norwegian issuers.

c. €23b TOTAL INCREASE
c. **€13b** REITS INCREASE | c. **€3b** BELGIAN REITS INCREASE

03 Performance

MARKET CAP EVOLUTION

by Euronext Markets (EPRA Indices)



According to EPRA figures, the FTSE EPRA Nareit Developed Europe Index represented a total market capitalisation of €271 billion as of 30 June 2021, marking a 10.2% increase since 31 December 2020.

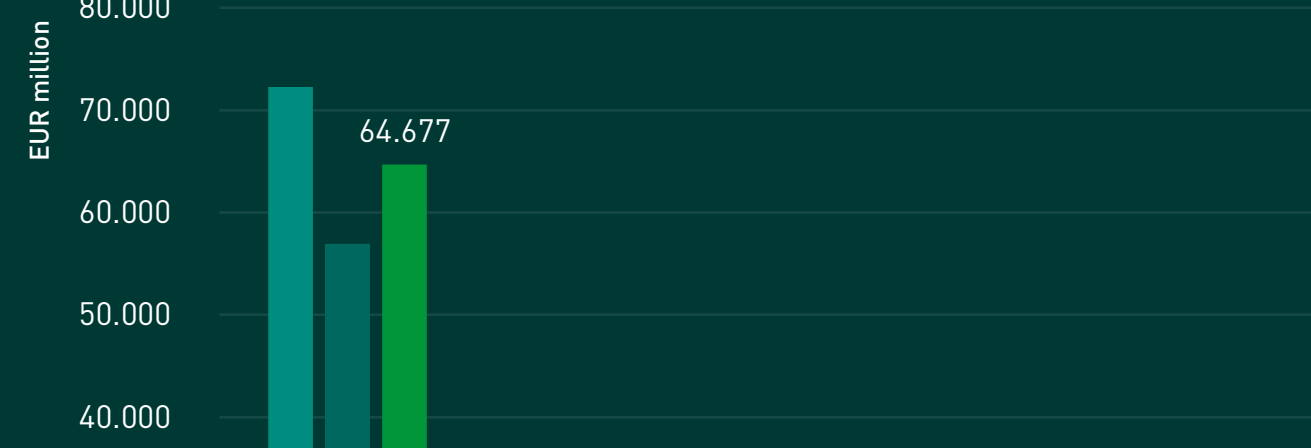
Across the Euronext locations, the best performing country was Belgium/Luxembourg with +15% market cap. Increase YTD, closely followed by the Netherlands with +14.5% and Italy with +12.8%.

Looking at longer-term performance (3yr), the clear outperformer is Norway, with an annualised 36% market cap increase.

On a European level, Swedish and Austrian indices post respectively a 31.3% and 21.3% market cap. Increase respectively placing them as the top performing regions YTD.

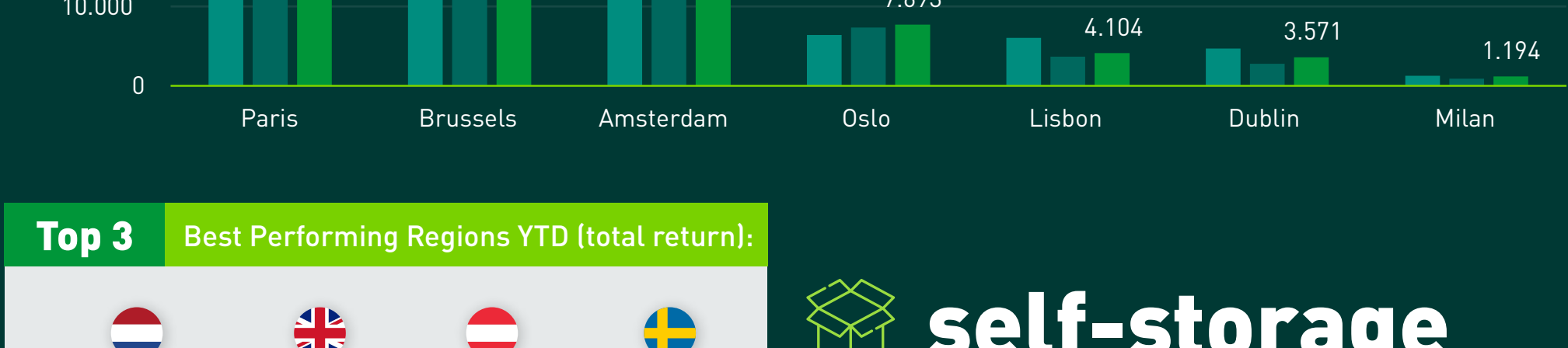
REITs and Developers Price Performance by Location (in %)

Average of Performance in 2020 | Average of Performance 2021 H1



After an initial recovery in the second half of 2020, the Euronext real estate sector consolidated its positive trajectory in H1 2021. Indeed, although the sector posted an overall loss for FY 2020 due to the COVID-19 induced crisis, both REITs and Developers posted a sound increase in H1 supported by a positive performance on the REITs side. On average, REITs secured a 10.6% price increase YTD, whilst developers advanced c. 20%. Italian and French developers were the clear outperformers in this first half of the year.

Market Capitalisation Evolution by Euronext Locations



Top 3 Best Performing Regions YTD (total return):

The Netherlands **15.79%** | UK **15.45%** | Austria **15.27%** | Sweden **+14.32%**

Over 3-years, Nordic indices clearly outperform the broader market, with Sweden, Norway and Finland posting the strongest annualised total return performances across all locations.

The FEN Dev. Europe Index posted a TR of **9.56% YTD** (in June 2021)

Looking at sub-sector total returns, Self-storage is the best performing YTD with more than **24% increase**, followed by Industrial and Retail, the latter starting a recovery after some underperformance in the last years. Despite some differences in performance, all sub-sectors are in the green during H1 2021, with the exception of Lodging/resorts, down by around **2.8%**. On a long-term basis, once again all segments are in the green, with strong outperformance of Industrial. Over 3-years, retail is still in negative territory, down by **19.9%** on an annualised basis. Lodging/resorts are near par at **-0.3%** looking at annualised figures.

self-storage

industrial

retail

04 Sector Valuation

EPRA NAV PREMIUM/DISCOUNT

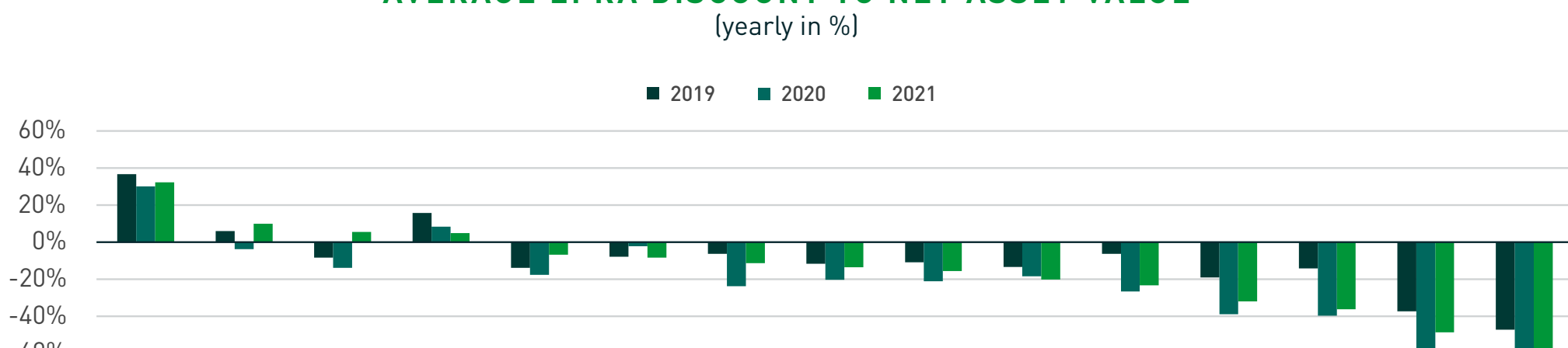
(Euronext Markets Only)



Net Asset Value discount stood at **8.9%** for total listed real estate companies as of 30 June 2021 according to EPRA figures, down from **13.5%** discount as of 31 December 2020. The valuation reset observed last year appears to have reversed since the beginning of the year, with an overall decrease in discount across all markets **9.3% on average**, including Q4 2020 and Q2 2021.

30 JUNE 2021: 8.9% | 31 DECEMBER 2020: 13.5%

AVERAGE EPRA DISCOUNT TO NET ASSET VALUE (yearly in %)



Consistent with historical figures, Belgium remains the country with the highest valuation, trading at a NAV premium of **38.75%** as of 30 June. Sweden, Switzerland and Norway are now also trading at a premium to NAV. Italian and Dutch listed real estate trade at the highest discount in Europe, respectively **63.6%** and **45.9%** as of June 30.

EPRA LTV (30 June 2021)



Loan to Value (LTV) remains stable

throughout European countries with an average LTV of

36.3%

as of end-June.

Compared to European average, a lower level of indebtedness with c. **30% LTV**. Ireland sets a maximum LTV of 50% as well as a minimum ICR of 1.25:1. On the other hand, the UK sets a minimum ICR equal to the Irish requirements.

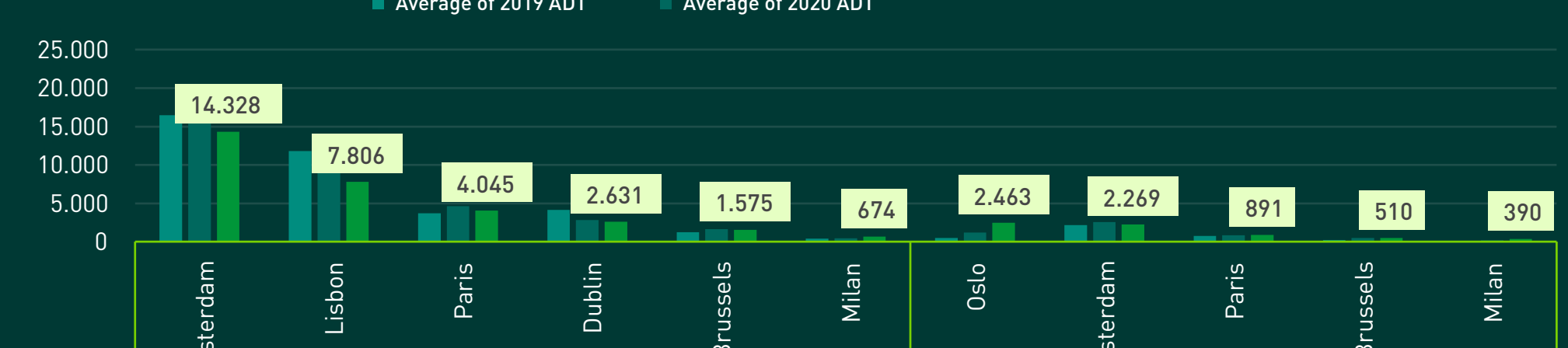
Italian listed real estate shows the highest LTV level with **49%**.

In Europe, **5** countries have a legal LTV threshold going from **55% in Germany to 80% in Finland**.

Other countries do not have strict regulations for LTV levels.

*The maximum legal loan-to-value ratio is the largest allowable ratio of a loan size in relation to the value of the property as stated by the law.

05 Trading Activity



However, looking at the two sub-sectors, Developers saw their ADT doubling since 2019, and now at EUR 1.2 million daily.

Liquidity has gone up across all locations, with a particular uptick for Norwegian and Italian Developers.

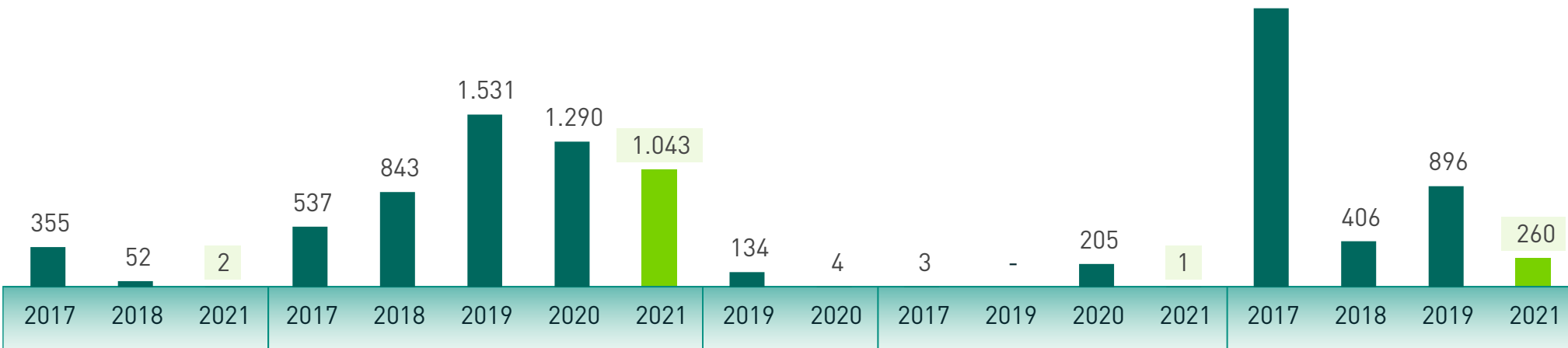
Only Dutch developers see their liquidity unchanged and in line with 2019 figures.

The strong sector liquidity is supported by, among others, a solid franchise of Liquidity Providers (LP) across all Euronext locations. As of June 2021, KBC Securities LP covers the most real estate issuers (13), followed by Banque Degroof Petercam (11) and Kepler Cheuvreux (6).

06 Equity Capital Markets Activity

EQUITY ISSUANCES

in EUR million



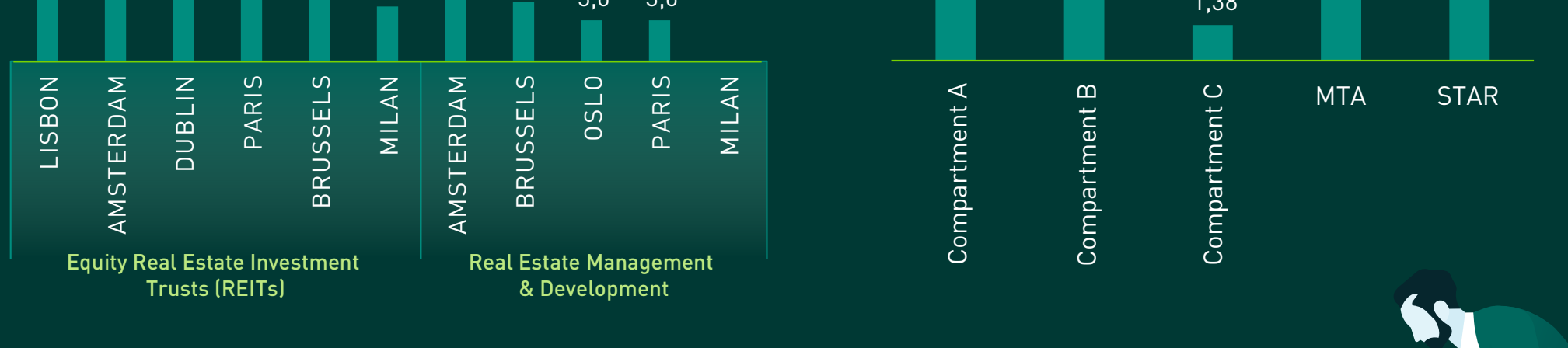
H1 2021 saw some record issuances in Belgium, driven particularly by Healthcare REITs. Indeed, one transaction specifically ranked in the top 5 largest secondary offers in the last 3 years. On a global level, a total of 10 follow-ons were priced in Belgium, 5 in France, and other 4 between Amsterdam, Milan & Oslo.

Average transaction size across Euronext markets in H1 2021:

€ 80 million

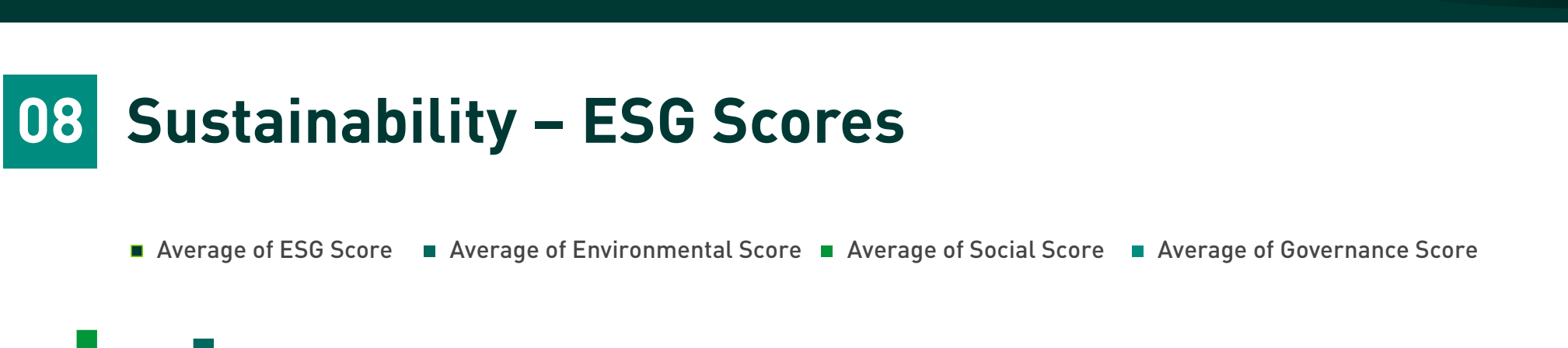
vs €93 million in 2020 / vs €124 million in 2019

07 Sell-Side Coverage



Overall, there were on average **6** analysts covering Euronext Real Estate companies in 2021, unchanged compared to last year, with REITs having a broader coverage than developers (7 vs 4 on average). Real Estate companies have either 1 or 2 local analysts covering the stock, according to Refinitiv data.

08 Sustainability – ESG Scores



Looking at the Refinitiv Environmental, Social and Governance (ESG) Scoring, the REITs sector in the 7 Euronext countries scores a **B** on average (**63/100**), or "good", in line with the whole of the real estate sector. Looking at the different countries more specifically, **Italian issuers** perform best with an average score of **A- (excellent)**, whilst **Belgian and Norwegian issuers** score all locations of **B- (good)** and **C (satisfactory)** respectively. Across all locations, we identify a weakness on Governance score more specifically, which drives overall scoring down across both segments.

09 MTF and Double Auction-Listed Issuers

NUMBER OF ISSUERS

by market location



Across Euronext markets, **50** real estate companies are currently traded through auction trading (fixing). Of those, **36** are listed on a multilateral trading facility (MTF: Euronext Growth, Euronext Access or Euronext Expand). An additional **10** companies are listed on an MTF, but trading under a continuous scheme.

The aggregate market capitalisation of these companies totaled c. €4.7 billion as of 30 June compared to €4.1 billion end of 2020.

Most of these issuers were based in France, followed by Spain and Portugal. In terms of split by location, issuers were mostly listed in Paris (42). Euronext markets increasingly attract international REITs from Spain and Portugal, which are looking for a gateway to access European capital markets. Since specific investment vehicles were established in Spain (SOCIMIs) and Portugal (SIGIs), a series of companies have listed on our markets. As of 30 June 2021, 19 Spanish REITs (Socimis) are listed on Euronext markets, 18 of those on MTFs: 2 in Lisbon and 16 in Paris. Out of those, 5 SOCIMIs and SIGIs were newly listed in H1 2021.

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