



FY2020 Results

March 2021

FOR CITIES
FOR PEOPLE

SUMMARY

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SECTION 1

Market update



Key market updates per country

Residential real estate continues to experience strong demand in every core market mainly driven by shortage of supply; Institutional investor and tenant appetite for prime offices in Immobel's core market remain strong



Belgium - Residential:

- Strong demand for units in suburban areas and for second residences
- Supply in Brussels remains at all time low due to slow permitting process
- Stable upward trend of residential prices

Belgium - Office:

- Take-up strongly impacted by Covid-19 (-50%)
- Vacancy slightly up to 7.57% with only 3.9% in City centre and 2.7% in EU district. Grade A vacancy even tighter.
- With strong demand in CBD markets and grade A facilities upward pressure on prime rents; prime yields decreasing to 3.75%



Luxembourg - Residential:

- Luxembourg continues to be one of the fastest growing countries in Europe in terms of population and economic growth (2% population growth in 2020)
- Supply struggles to keep pace with population growth pushing up prices (11.500 EUR/sqm on average for new build apartments)

Luxembourg - Office:

- 2020 was a strong year for the office market in Luxembourg (take-up 350.000 sqm)
- Prime rent increased to 52 EUR/sqm while prime yield decreased to 3.4%
- Vacancy at 3.4%



France (IDF) - Residential:

- Driven by delays in permitting, supply of new units at all time low (17.300 units EOY 2020 (vs 23.000 EOY 2019).
- Unit sales down by 45% to 21.000 units sold in 2020 (vs 37.800 in 2019); block sales up with 13% to 16.300 units sold (vs 14.500 in 2019)
- Average sales price remained stable in 2020 (+0,4%)

France (IDF) - Office:

- Take-up strongly impacted by Covid-19 (-45%)
- Vacancy remains low at 6.3% with important contrasts between sectors (e.g. CBD 3.7%, La Défense 10.7%)
- Prime rents continue to climb given high demand for well-located, quality space (CBD +6% y-o-y to 930 EUR/sqm); prime yields stable at 2.7%





SECTION 2

Key achievements



Key achievements

Solid recovery in 2nd half, highest residential pipeline ever to support future growth. Immobel maintains its dividend policy



Operational achievements FY 2020

- Sales, progress on construction sites and ongoing permitting process impacted by Covid-19, recovery of sales and permitting processes post-lockdown
- **Sales value contracted for EUR 371m**; sales rhythm strongly recovered in 2nd half of the year
- **New permits (purged) obtained for EUR 315m** in sales value/GDV or 988 residential units and 1 office; significant additional amount of new permits obtained (not fully purged yet) since normalization of permitting procedures in 2nd half, despite challenging regulatory environments
- **12 new projects launched in construction** for a total sales value/GDV of EUR 458 m or 914 residential units, 3 offices and 1 school
- **Acquired for EUR 846m** in sales value/GDV of new residential and office projects in core markets (Belgium, Luxembourg and France) increasing the sales value/GDV of the **portfolio at the end of 2020 to EUR 5.1 bn**
- Successful launch of EUR 200 million **Immobel BeLux Office Development Fund** enabling investments up to EUR 500 million



Financial performance FY 2020

- **Operating income of EUR 431 m** in line with minimum guidance given in March 2020 (EUR 400m) (pre-COVID) and well above stress case scenario (post-COVID)(EUR 320m), **EBITDA of EUR 57 m and net profit of EUR 33.3 m**
- Strong balance sheet with **gearing ratio of 64% and cash position of EUR 174 m**
- Successful private placement of 1,162,179 treasury shares⁽¹⁾ yielding EUR 75.7m in cash/ equity
- Proposal to board to increase dividend with 4% to 2,77 EUR/share



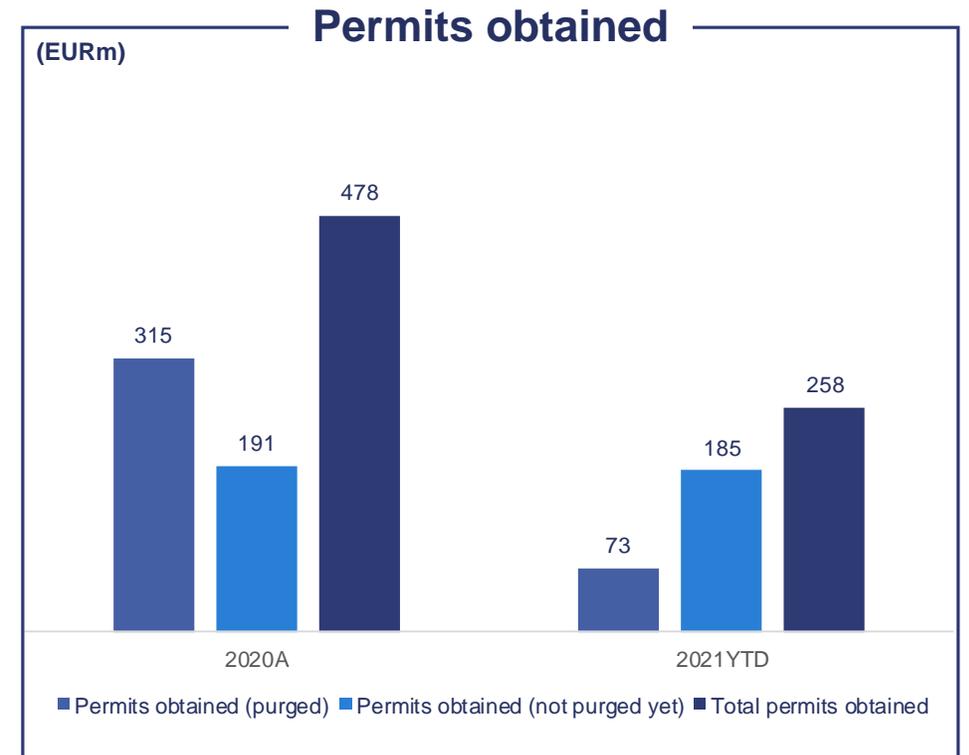
Outlook FY2021

- Catch up in obtaining new permits is expected to continue in 2021 with **more than EUR 1.4 bn or 4.500 residential⁽²⁾ units in permitting**
- **Target for sales value to contract** of more than EUR 500 m
- **Operating income guidance for FY2021 between EUR 450 – 620m**



Residential sales activity and obtained permits

Retail sales activities and permitting procedures normalized in 2nd half of the year



- ① Drastic decrease in notarized deeds during Q2 lockdown
- ② Strong recovery with opening up of economies in the summer with no further impact from lockdown light

- Permits obtained have seen strong growth at end of last year/in first two months of 2021, substantiating positive outlook



Real estate investment management activity

Successful launch of ImmoBel BeLux Office Development Fund as part of its real estate investment management (REIM) activities

INVESTMENT MANAGEMENT, A NEW BUSINESS FOR IMMOBEL

- Fund Business Model : creating regulated products to invest in specific strategies with investors (ex: office development in Belgium and Luxembourg, or Buy to Hold in Europe)
- Project and Asset Specific Joint ventures (ex: multi asset class development in Berlin)
- Single investor Program (ex: Asian investor European wide Senior housing develop to hold)



IMMOBEL BELUX OFFICE DEVELOPMENT FUND

- The first fund of its investment management business unit, with a strategy of creating modern sustainable offices to address companies needs and attention to Sustainable Development Goals and new ways of workings
- Today ca. €75 million committed with a First Close in Q1 2021
- "Total HQ" in Brussels and "Scorpio" in Luxembourg: first seed assets



RICHELIEU JOINT VENTURE

- ImmoBel's first joint venture for its investment management business : with an international value-add investor : Pictet Asset Management in a 90/10% Joint-Venture in Paris



"TOTAL" – Rue de la Loi 33, Bruxelles





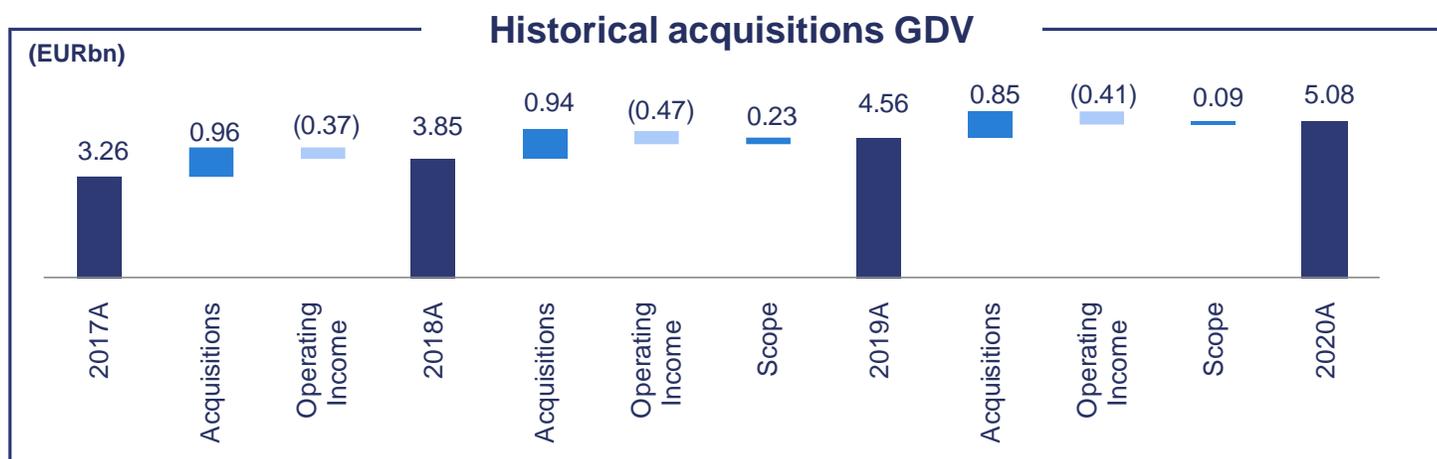
SECTION 3

Portfolio review



New acquisitions

Immobel continues to successfully source new projects in its core markets with EUR 846m in sales value added in FY2020 growing its total portfolio to EUR 5.1bn in GDV



Project	Country	Type	Gross m ² (2)	GDV (EURm)(2)
Canal / Luxembourg	LUX	Residential	7,283	37.5
Unnamed project	LUX	Residential	23,333	78.9
Multi / Brussels	BEL	Office	22,878	N/A ⁽³⁾
NMBS / Brussels	BEL	Mixed	54,921	189.4
Buttes Chaumont	FRA	Residential	5,420	39.4
Pantin	FRA	Office	2,900	N/A ⁽³⁾
Schoettermarial	LUX	Residential	12,719	100.8
Neuilly sur Marne	FRA	Residential	6,932	27.1
Other French residential projects	FRA	Residential	N/A	47.4

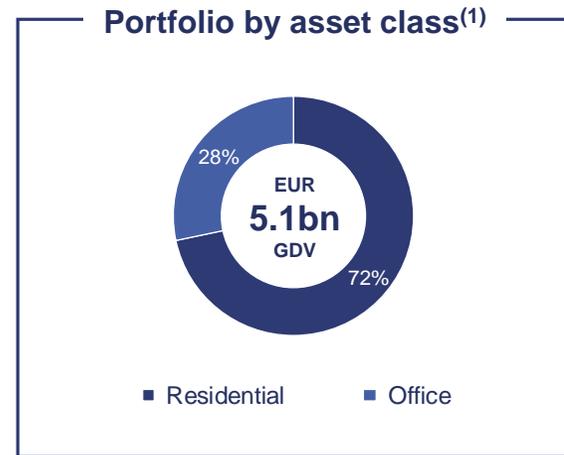
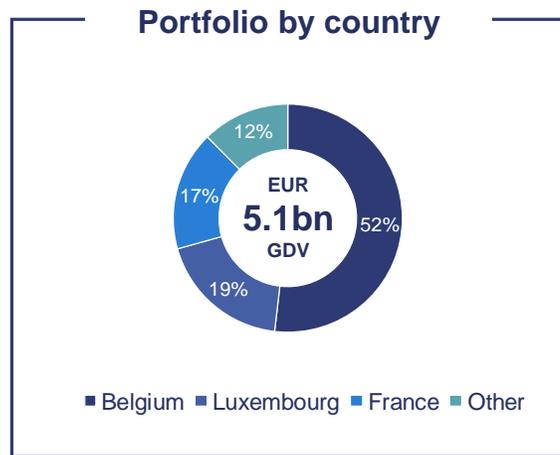


Combined GDV of EUR 5bn+

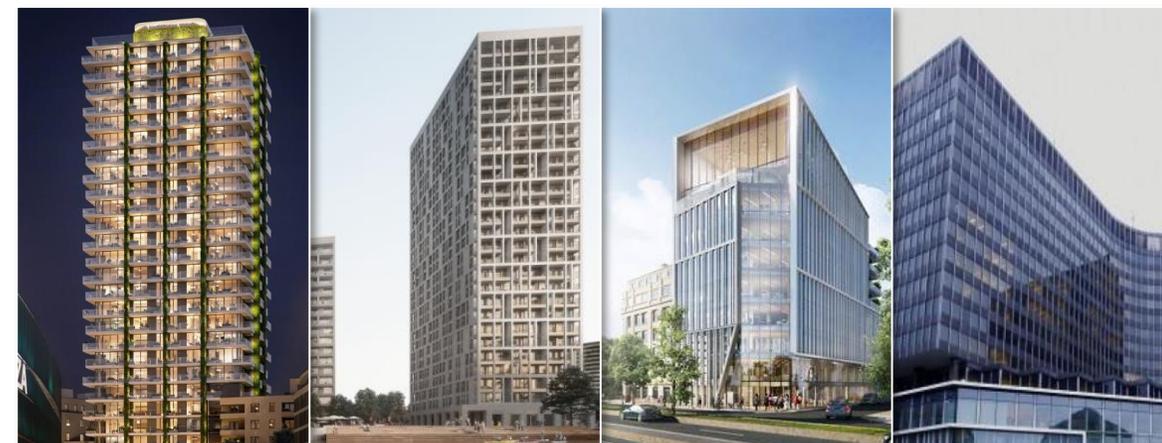


Portfolio Strategy

Exposure to residential real estate development remains high with 72% of GDV of portfolio in residential projects; permitting pipeline of EUR 1.4bn of projects or 4,500 residential units⁽¹⁾ and 8 offices



19%
Three year average
Return on Equity

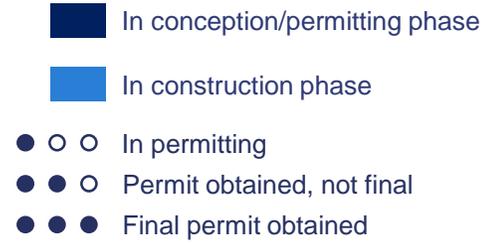
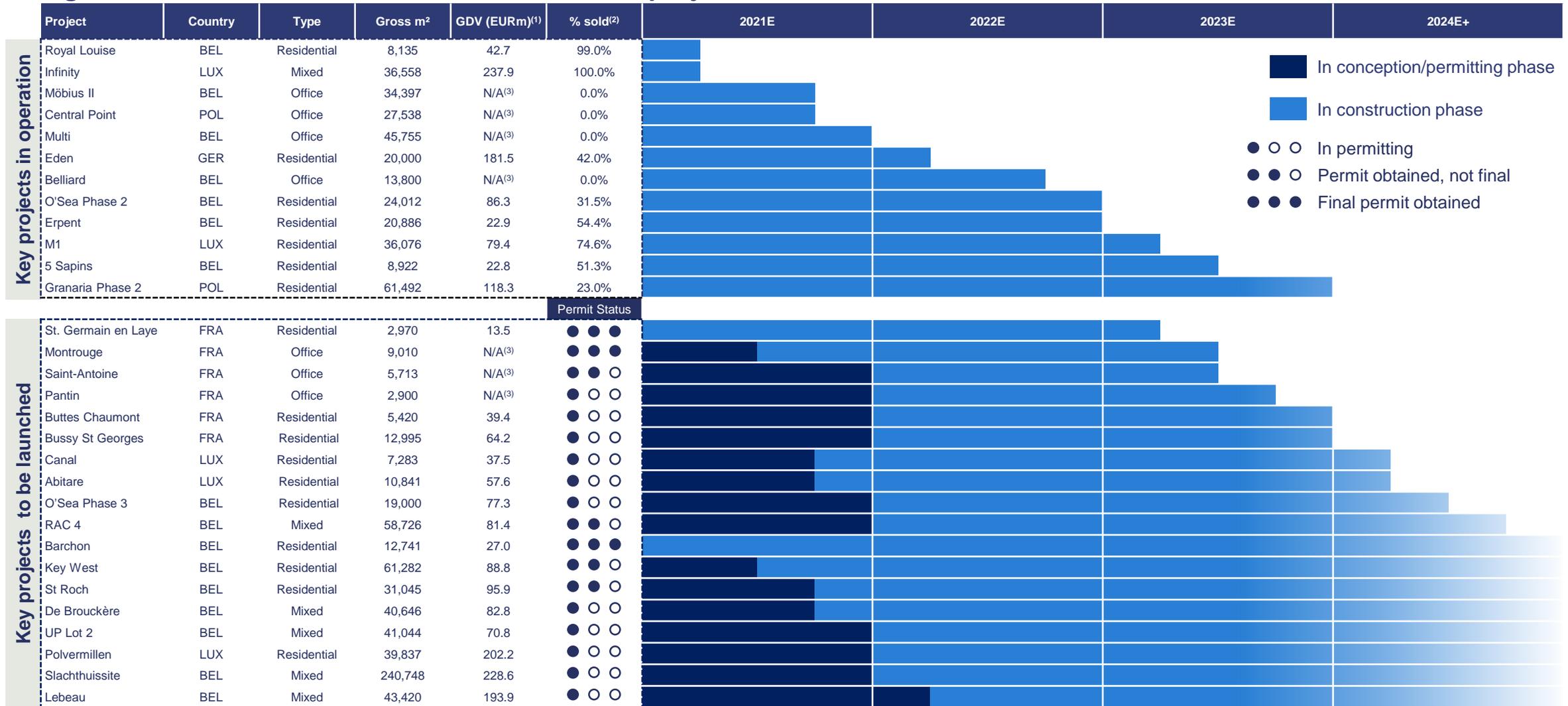


18%
average gross margin of the
total portfolio's future sales



Current project pipeline

Significant amount of new residential/mixed use projects to be launched in 2021





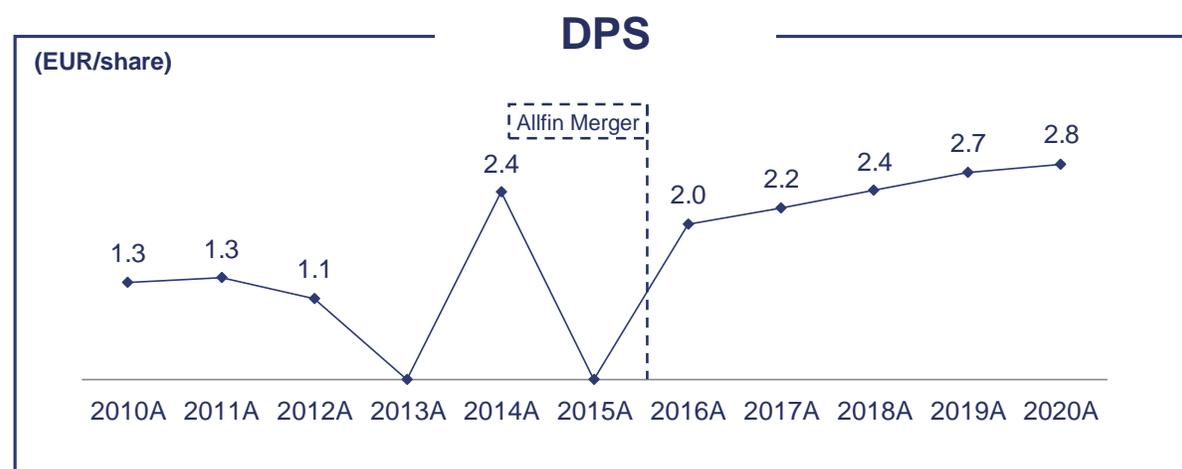
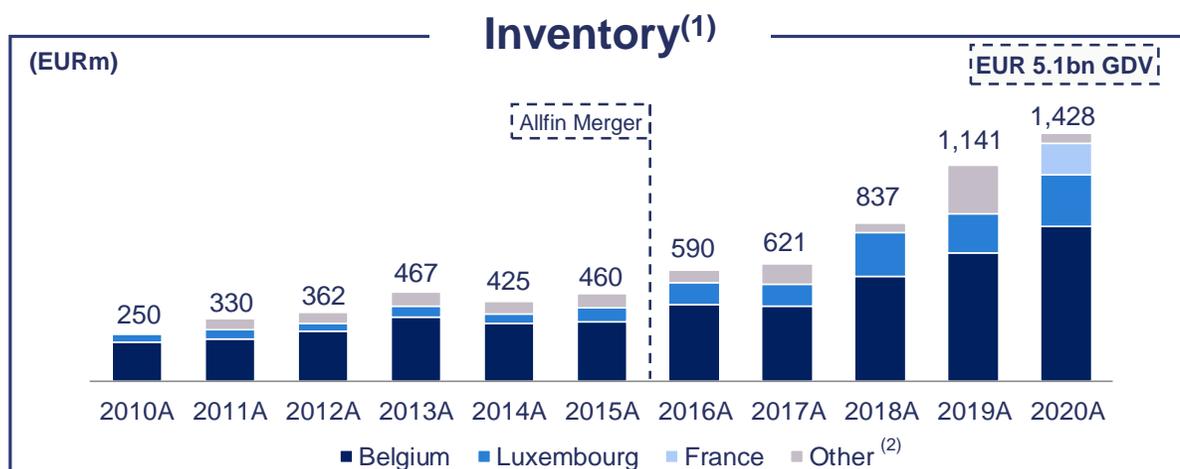
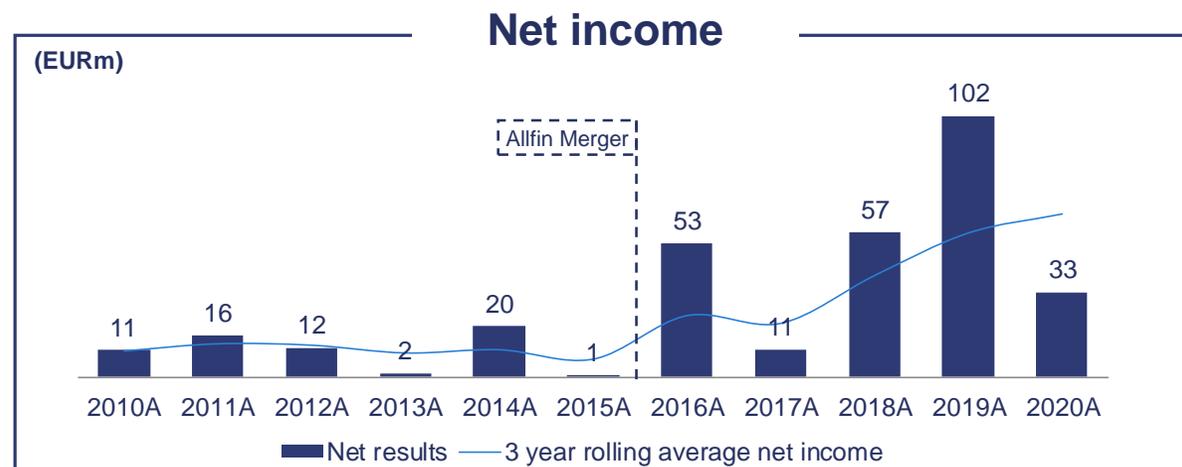
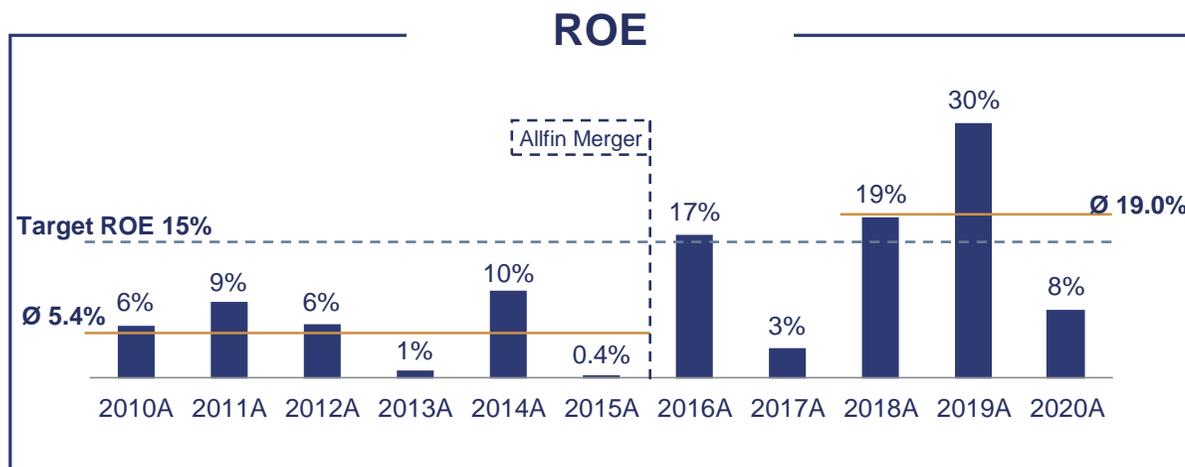
SECTION 4

2020 Financial Performance



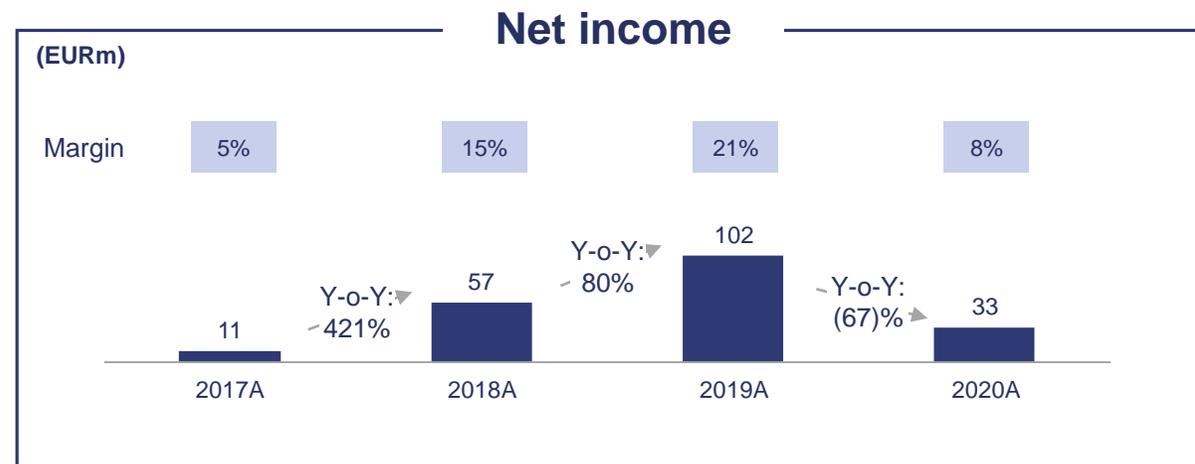
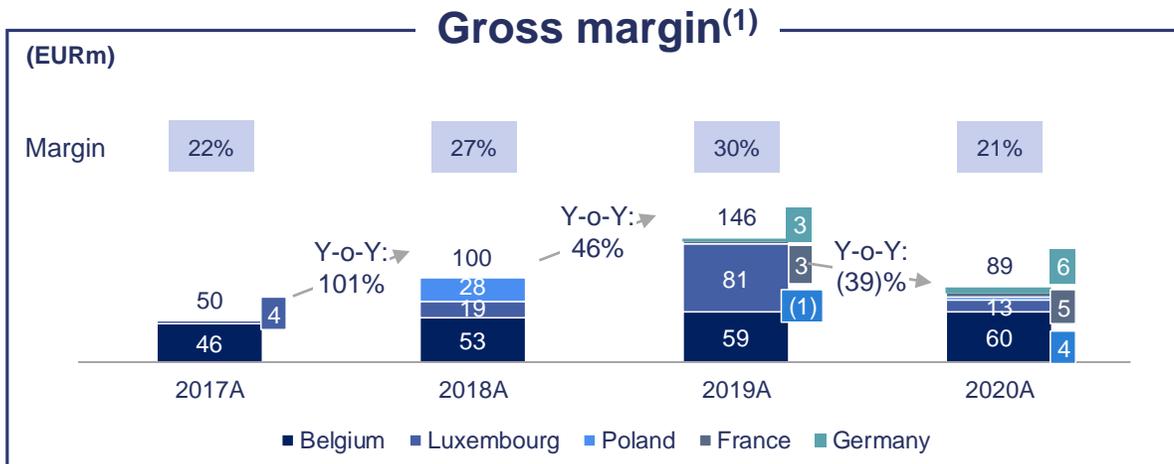
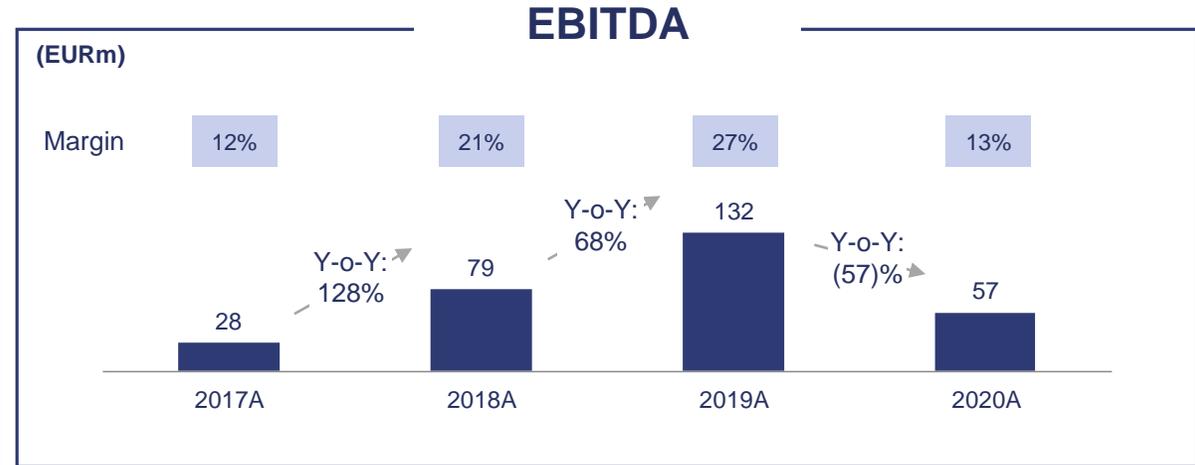
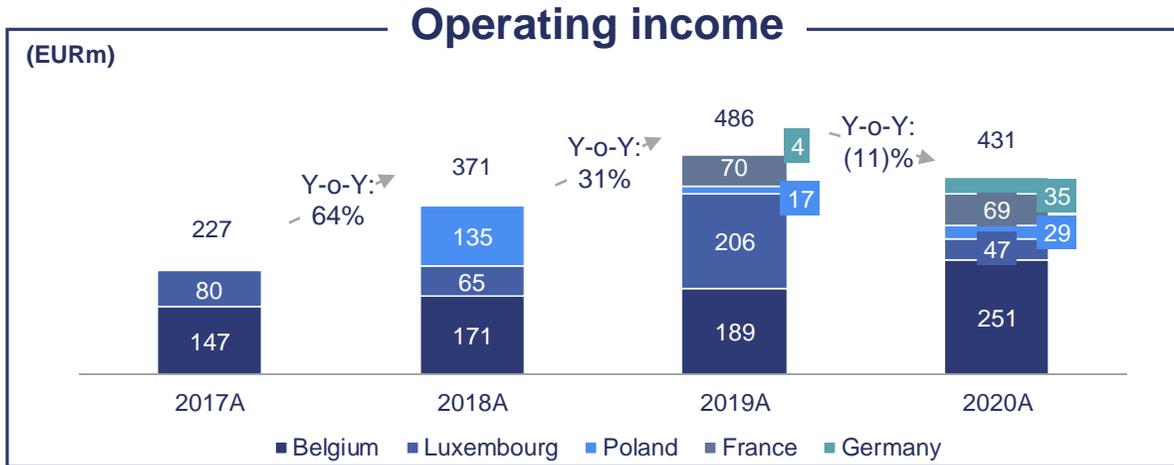
Key financials

Dividend policy maintained with increase of 4% in dividend



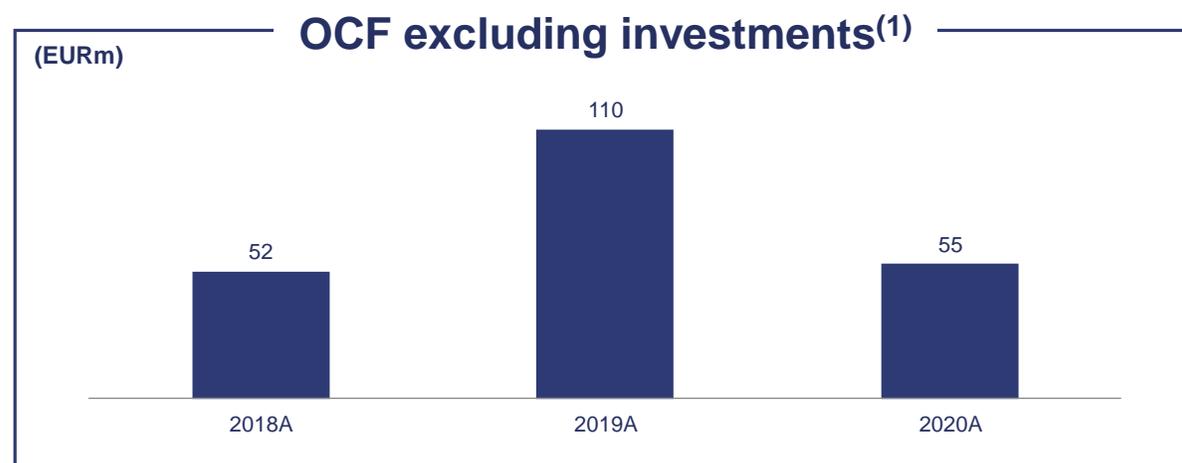
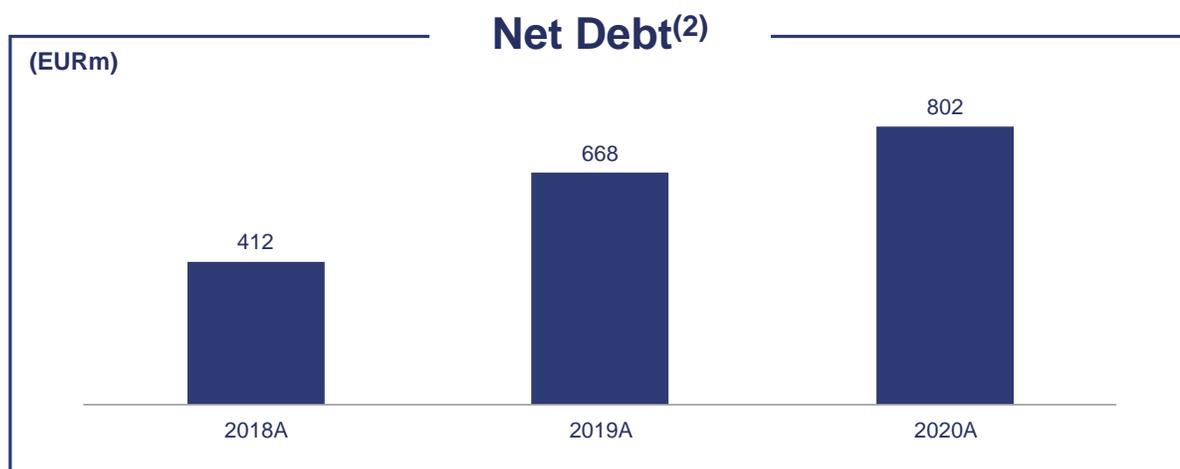
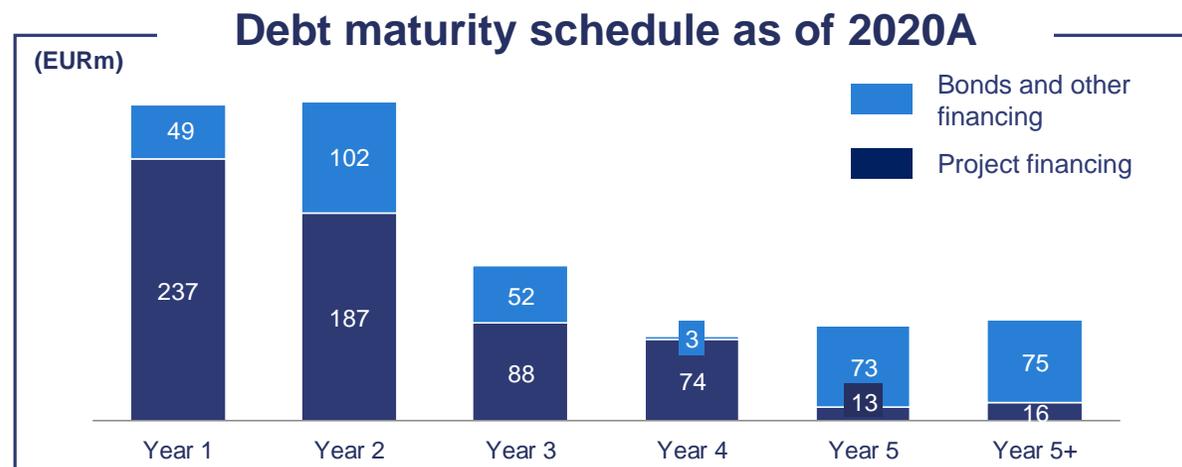
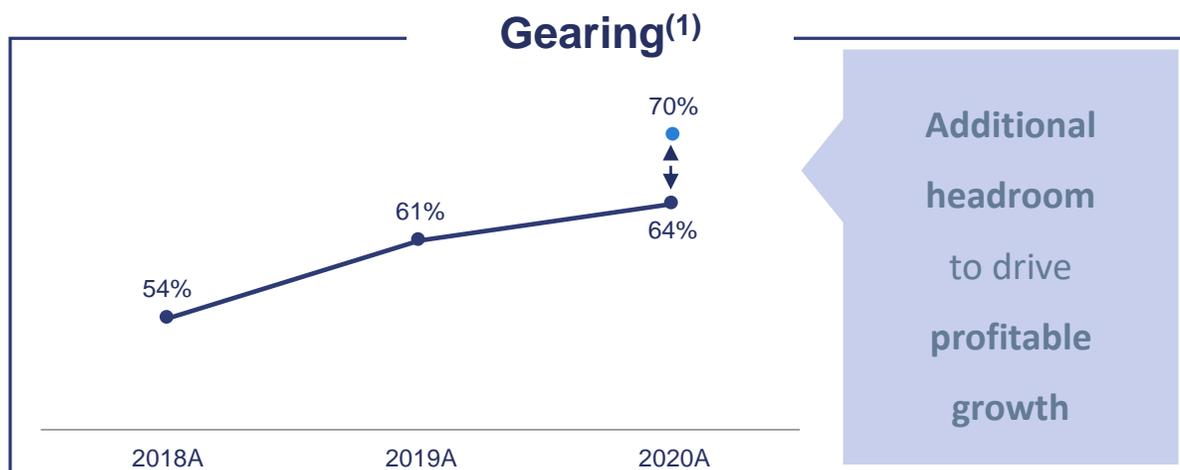
P&L

Slowdown in construction activities and sales during Q2 lockdown clearly reflected in FY2020 P&L



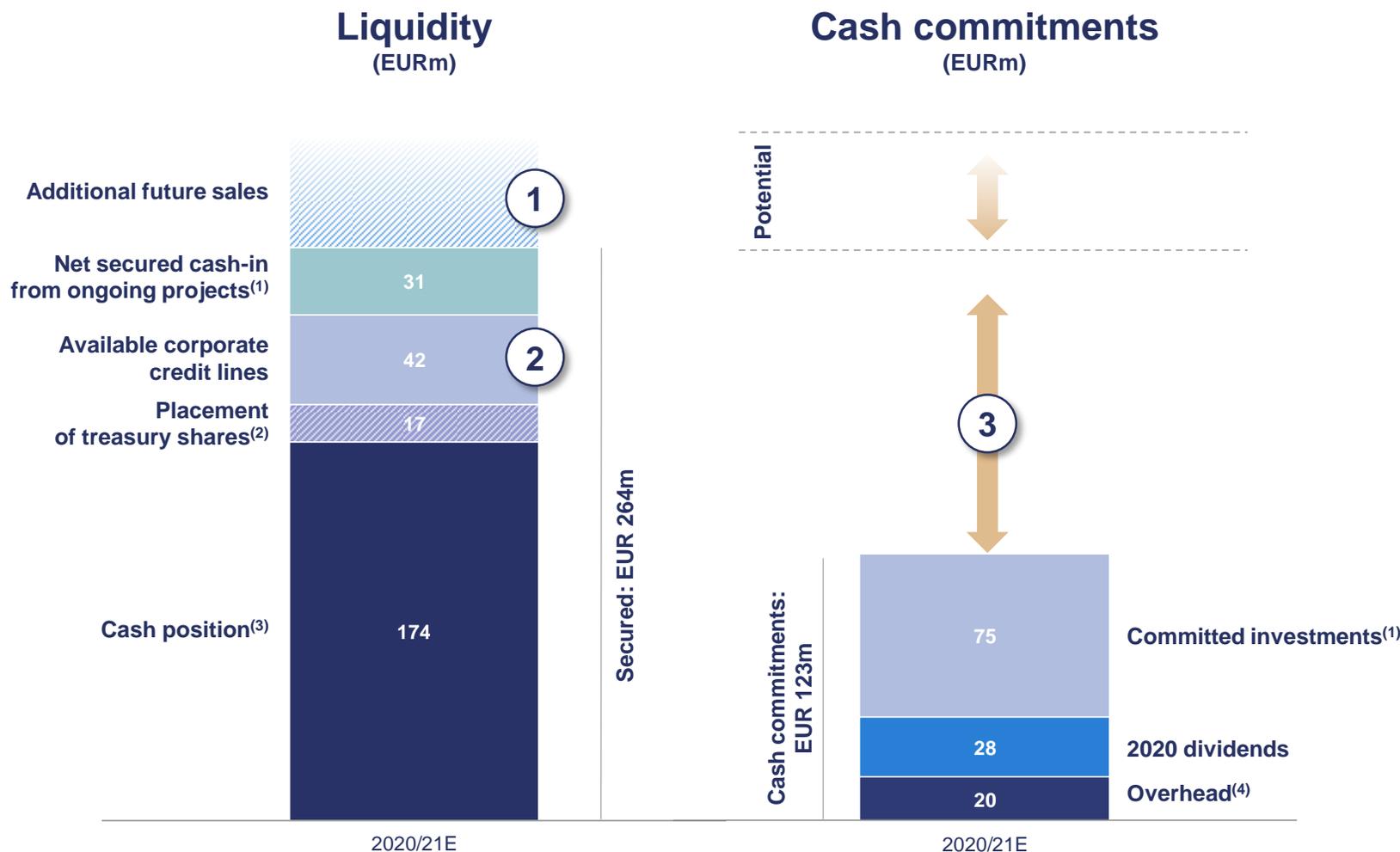
Balance sheet and operating cash flows

Strong operating cash flow generation despite a slowdown in operational activities



Liquidity

Strong liquidity position with strong visibility until end of 2021



1

- With a **strong residential portfolio delivering recurring sales**, Immobel still expects further sales in 2021
- Additional sales** of office projects in the pipeline for 2021

2

- Cash injections required** for projects are known and **very limited** once **construction has started**

3

- Secured liquidity of EUR 264m** generates a **surplus of EUR 141m**
- The surplus can be employed **to launch construction of new projects**, subject to market conditions





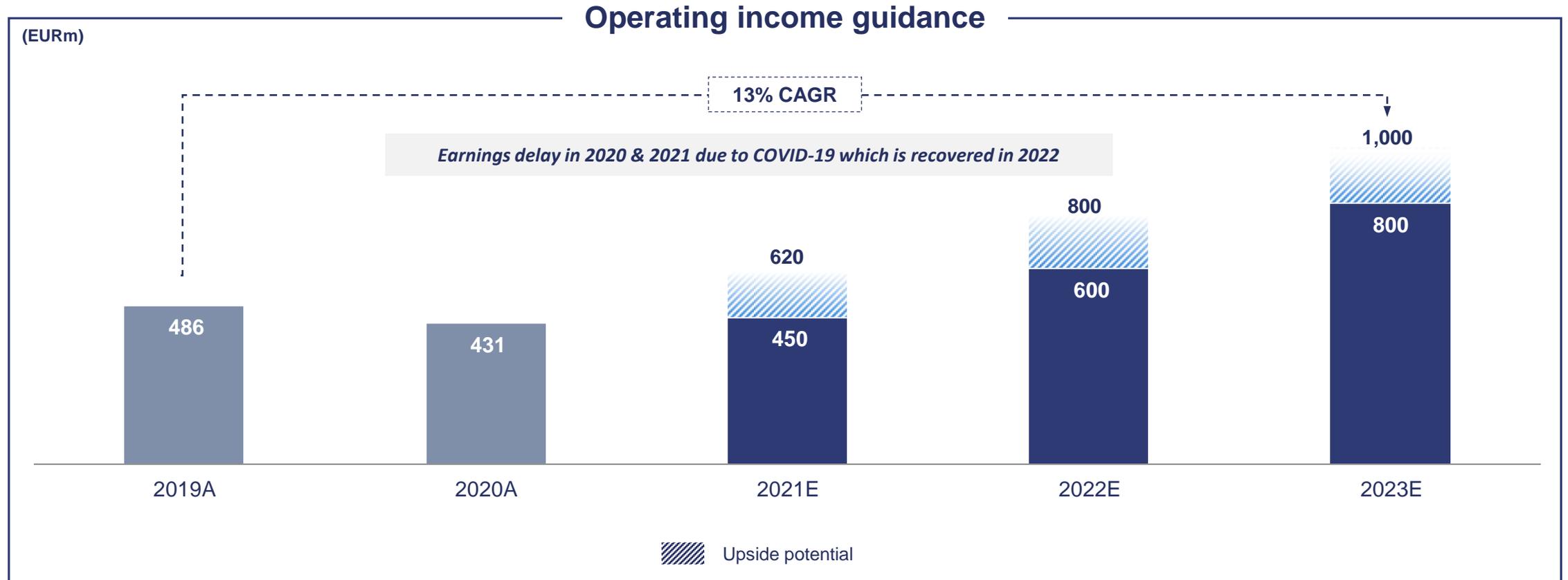
SECTION 5

Outlook



Outlook

Strong potential for rebound in mid-term driven by large number of new permits to be obtained





SECTION 6

Appendix



Profit & loss statement

External view

(EURk)	Dec 2018	Dec 2019	Dec 2020
Operating Income	326,131	419,547	375,390
Turnover	313,420	408,784	364,479
Other operating income	12,711	10,763	10,911
Operating Expenses	(260,953)	(327,192)	(333,526)
Cost of sales	(235,325)	(291,027)	(300,766)
Cost of commercialisation	(1,193)	(3,160)	(1,702)
Administration costs	(24,435)	(33,005)	(31,057)
Transfer of Businesses	-	19,618	133
Gain on disposal of businesses	-	19,618	133
Joint Ventures and Associates	5,171	4,985	7,994
Gain (loss) on sales of joint ventures and associates	(114)	-	-
Share in the net result of joint ventures and associates	5,285	4,985	7,994
Operating Result	70,349	116,958	49,991
Interest income	2,099	3,240	5,773
Interest expense	(5,215)	(7,524)	(11,859)
Other financial income	1,095	738	1,440
Other financial expenses	(2,786)	(1,782)	(2,649)
Financial Result	(4,807)	(5,328)	(7,295)
Result from continuing Operations before Taxes	65,542	111,630	42,696
Income taxes	(8,629)	(9,390)	(8,650)
Result from continuing Operations	56,913	102,240	34,047
Result of Year	56,913	102,240	34,047
Share of non-controlling interests	99	(196)	775
Share of Immobel	56,814	102,436	33,272

Balance sheet

External view

(EURk)	Dec 2018	Dec 2019	Dec 2020
Non-current assets	181,670	213,311	448,370
Goodwill	-	43,789	43,789
Intangible assets	427	543	582
Property, plant and equipment	947	983	1,388
Assets under capital lease obligations	0	6,441	4,390
Investment property	104,290	81,123	197,149
Investments in joint ventures and associates	46,451	55,899	106,195
Advances to joint ventures and associates	24,151	9,492	76,644
Other non-current financial assets	806	4,920	175
Deferred tax assets	4,501	6,374	16,369
Other non-current assets	97	3,747	1,689
Current assets	784,700	1,087,903	982,768
Inventories	511,837	694,580	683,121
Trade receivables	20,734	72,516	33,168
Contract assets	10,954	42,228	57,251
Tax receivables	921	2,703	3,450
Other current assets	22,562	41,937	37,269
Advances to joint ventures and associates	46,328	77,743	20,399
Other current financial assets	478	50	49
Cash and cash equivalents	170,886	156,146	148,059
Total assets	966,370	1,301,214	1,431,137

(EURk)	Dec 2018	Dec 2019	Dec 2020
Total equity	344,749	428,162	494,490
Equity share of immobel	344,633	426,151	491,922
Share capital	97,256	97,256	97,256
Retained earnings	247,174	328,693	392,143
Reserves	203	202	2,524
Non-controlling interests	116	2,011	2,568
Non-current liabilities	332,875	523,379	609,602
Employee benefit obligations	618	633	603
Deferred tax liabilities	9,681	15,447	37,301
Financial debts	322,040	507,008	571,139
Derivative financial instruments	536	291	560
Trade payables	-	-	-
Current liabilities	288,746	349,673	327,045
Provisions	1,896	3,882	2,114
Financial debts	193,749	200,063	180,810
Derivative financial instruments	-	-	-
Trade payables	48,470	59,564	60,927
Contract liabilities	7,259	5,690	3,896
Tax liabilities	5,303	1,354	7,110
Other current liabilities	32,069	79,120	72,188
Total equity and liabilities	966,370	1,301,214	1,431,137

Profit & loss statement

Internal view

(EURk)	Dec 2018	Dec 2019	Dec 2020
Operating Income	371,265	486,298	431,153
Turnover	357,131	470,626	413,751
Other operating income	14,134	15,672	17,402
Operating Expenses	(297,440)	(379,551)	(378,746)
Cost of sales	(270,994)	(340,310)	(341,373)
Cost of commercialisation	(1,288)	(3,253)	(2,410)
Administration costs	(25,158)	(35,988)	(34,964)
Transfer of Businesses	-	19,618	462
Gains on disposal of businesses	-	19,618	462
Joint Ventures and Associates	(445)	(2,563)	90
Gain (loss) on sales of joint ventures and associates	(114)	-	-
Share in the net result of joint ventures and associates	(331)	(2,563)	90
Operating Result	73,380	123,802	52,960
Interest income	1,736	2,374	4,810
Interest expense	(5,746)	(9,394)	(12,587)
Other financial income / expenses	(1,766)	(1,986)	(1,303)
Financial Result	(5,776)	(7,969)	(9,080)
Result from continuing Operations before Taxes	67,604	115,833	43,880
Income taxes	(10,691)	(13,482)	(10,587)
Result from continuing Operations	56,913	102,351	33,293
Result of Year	56,913	102,351	33,293
Share of non-controlling interests	99	(85)	21
Share of Immobil	56,814	102,436	33,272

Balance sheet

Internal view

(EURk)	Dec 2018	Dec 2019	Dec 2020
Non-current assets	187,279	252,412	420,271
Intangible and tangible assets	1,374	51,756	50,200
Investment property	158,284	179,597	294,494
Investment in associates	21,224	16	46,945
Deferred tax assets	5,487	8,321	19,813
Other non-current assets	910	12,722	8,819
Current assets	896,035	1,279,702	1,356,329
Inventories	598,057	860,718	997,161
Trade receivables	21,558	80,498	39,327
Tax receivables and other current assets	90,327	160,521	145,363
Cash and cash equivalents	186,093	177,965	174,478
Total assets	1,083,314	1,532,114	1,776,600

(EURk)	Dec 2018	Dec 2019	Dec 2020
Total equity	344,749	426,182	492,907
Non-current liabilities	414,877	642,663	731,077
Financial debt	403,805	625,530	685,169
Deferred tax liabilities	9,918	16,209	44,745
Other non-current liabilities	1,154	924	1,163
Current liabilities	323,688	463,269	552,616
Financial debts	194,522	219,978	291,112
Trade payables	56,328	75,884	83,177
Tax payables and other current liabilities	72,838	167,407	178,327
Total equity and liabilities	1,083,314	1,532,114	1,776,600



Thank you



Definitions

Gross development value

- Total expected future turnover (group share) of a project or all projects in the current portfolio

External view

- Official IFRS reported figures of the company

Internal view

- External view figures before the application of IFRS 11

Inventory

- Inventories plus investment properties, investments in contract assets, joint ventures & associates and advances in joint ventures & associates

Operating cash flow excluding investments

- Cash margin + project management fees – overhead costs

Gearing

- $\text{Net debt} / (\text{net debt} + \text{equity})$

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