A PLUS FOR CITIES

ANNUAL REPORT 2020

IMMOBEL
SINCE 1863

ABOUT IMMOBEL

As experts in highly complex real estate projects in major European cities, we create attractive architectural environments that meet clients' expectations and the needs of today and tomorrow. With more than 150 years of experience, we dare to take a position, we have the agility to invest and the drive to improve living and working environments.

Our mission

Create high-quality, future-proof urban environments with a positive impact on the way people live, work and play.

Our vision

Reinvent living and working environments to help communities live well and sustainably.

> EUR 650 mio
STOCK MARKET VALUE

> 85
PROJECTS UNDER DEVELOPMENT

1,600,000 m²
UNDER DEVELOPMENT

EUR 5.1 bio
GROSS DEVELOPMENT VALUE

72%
RESIDENTIAL PROJECTS IN PORTFOLIO

> 200
M / F TALENT

FOR CITIES FOR PEOPLE

Our values

TRUST

Trust is the cornerstone of our business, and of our company's story that started in 1863. Every day, we put our dedication and expertise to work for clients, investors, citizens and partners. Every day, we aim to be worthy of their trust.

AGILITY

We are used to working with many different stakeholders, as well as improvising in ever-changing circumstances. Without ever compromising on quality or the key aspects of responsible development, we design real estate projects that meet the most exacting standards of construction and urban renewal.

PASSION

We love what we do! It is the driving force for our team of dedicated people, and it fuels our constant desire for improvement and our solutions-oriented approach. It also creates a lively work atmosphere where all colleagues can give the best of themselves and contribute real added value to our projects.

CONTENT

A STRIKING 2020

2020 was the year of COVID-19, a virus that firmly held the whole world in its grip and shook entire generations to their very core, causing substantial human and economic damage. The pandemic will go down in history as one of the most striking events of the past century, alongside the great wars, social and political upheavals and several financial crises.

Fortunately, crises also offer opportunities. The medical sector made incredible technological progress, spurred on by the urgency of the situation. Thanks to more intensive use of technology, society scaled up working from home, meeting and learning online in no time at all - a general trend that will continue this decade, and that will be accompanied by improvements in productivity and quality of life.

Financial results

COVID-19 had an impact on our company's financial results, at a time when we are also dealing with a challenging regulatory environment. Revenues ended up at EUR 375.4 million, EBITDA at EUR 52.8 million and net group profit share at EUR 33.3 million or EUR 3.58 per share. We are however continuing our dividend policy consistently, committing to a dividend of EUR 2.77 per share for 2020.

Launch of the Investment Management activity

We took positive steps in terms of crisis resilience and extension of our financial support base. In recent years, Immobel has made significant efforts to increase awareness among a wider institutional investment public, with a view to developing our investment management activity. This new activity was launched in 2020, with the establishment of the Immobel BeLux Office Development Fund. Together with institutional and qualified investors, we want to invest in real estate development projects in major European cities. This offers added value for the various parties, as well as for the cities that benefit from this combination of financial strength and real estate expertise. Real estate continues to be an established value, which offers many possibilities for Immobel and for participating partners.

Despite the economically unstable situation, our company succeeded in raising capital in excess of EUR 58 million through the sale of 900,000 private shares. The proceeds have been used to finance projects in Belgium, France and Luxembourg. This and the stable evolution of our share price in 2020 are indicators of confidence from private and institutional investors.

The evolution of the real estate sector revealed a diverse picture in 2020. Retail properties were already under pressure due to the surge in online purchases over the past few years, and this trend has been exacerbated by the pandemic. Leisure real estate is experiencing temporary difficulties but will undoubtedly pick up once the health crisis is under control. Logistics, residential property, data centres and medical-related real estate are on the rise. The office market is undergoing a transformation. Because people have started working more at home and are unlikely to return fully to the old model, this requires

a new approach where the workplace is tailored to the wishes of employees who can work healthily and efficiently at home and in the office, with the necessary technological support.

Finger-on-the-pulse management

For our company, it was a year of stress tests and finger-on-the-pulse management, with the market and our cost items under particular scrutiny, even more than usual. Business as usual took on a new meaning: due to the temporary sclerosis of the economy and society, our sales slowed down and permit procedures were delayed. This was noticeable everywhere, and all the more so in France: municipal elections brought procedures to a standstill, and they were subsequently postponed again as a result of the impact of the health crisis. At the end of 2020, we had pending permit procedures for 4,500 apartments and houses for the Group as a whole, the development of a large share of which will start in 2021.

This substantial pipeline will serve as an important catalyst for growth in the coming years.

> "Because people have started working more at home and are unlikely to return fully to the old model, this requires a new approach where the workplace is tailored to the wishes of employees who can work healthily and efficiently at home and in the office, with the necessary technological support."

4,500

APARTMENTS AND HOUSES AWAITING PERMITS

> EUR 375 mio

REVENUES

EUR 2.77

DIVIDEND PER SHARE

However, we did obtain permits for, among others, the office project Commerce 46 in the European district in Brussels, for which we also signed a strategic lease agreement with ING, and for Montrouge, an important office project in Paris along the Périphérique ring road.

We were able to make future-oriented acquisitions in several countries. In Brussels, together with our partners we won the NMBS / SNCB South Station project, and bought 50% of the shares of the Multi office tower block. We ended the year by purchasing Total's head office in Brussels, which is proposed as a seed asset for the Immobel BeLux Office Development Fund. In Germany, we obtained a privileged position for purchasing a second project, this time in Berlin. In Luxembourg, we opted for the purchase of a large-scale cradle to cradle project.

We are proud of the prestigious MIPIM award for Granary Island in Gdansk, an acknowledgement of our expertise in the regeneration of large-scale urban complexes.

Specific objectives for responsible urban design

In 2020, ESG was also afforded a much more prominent place on the agenda. Well-being and sustainability already served as a benchmark for the quali-

> "Well-being and sustainability already served as a benchmark for the quality of projects, and this was reinforced by the 2020 health crisis. Citizens, governments, investors and other stakeholders are calling for the responsible design of cities."

ty of projects, and this was reinforced by the 2020 health crisis. Citizens, governments, investors and other stakeholders are calling for the responsible design of cities: more green space, "soft" mobility, renewable energy, renovation and the reuse of materials where possible.

We also want to adopt a pertinent position in this regard. It is the only way to remain relevant, and to play our role in society. To contribute to sustainable cities and communities with a better quality of life, where natural resources are used wisely, we prepared a plan with four specific objectives that are linked to the United Nations Sustainable Development Goals. You can read more on this subject in this annual report.

Future-oriented analysis and positioning

This year's extraordinary circumstances also gave us a good opportunity to reflect for a moment on the way in which we have evolved as a company. After all, the Immobel in 2020 looks very different from the Immobel at the time of the merger with Allfin, 4 years before. We held discussions on how we want to continue to grow and position ourselves in the near future. We also used this opportunity to ask a number of external stakeholders (customers, journalists, shareholders, institutional investors and government employees) for their opinions about our company, and conducted interviews and workshops (most via video calls) in the various layers of the company and countries in which we operate. This journey led to a modernisation of our positioning and visual identity.

2020 was a year we will never forget. Taking into account the unusual circumstances, we really cannot be dissatisfied; together with our management and thanks to the flexibility and unbridled commitment of the 200 plus people who work for Immobel, we have weathered the crisis well, and have prepared for the future. We are extremely grateful for the trust placed in us by all our stakeholders, which we strive to earn over and over again every day to make a significant contribution to more sustainable cities and communities.

Marnix Galle,
Executive Chairman

KEY FIGURES 2020

Key consolidated figures

Key figures Immobel Group (EUR millions)

	2016	2017	2018	2019	2020
Net result, Group's share	52.5	11.0	56.8	102.4	33.3
Equity, Group's share	311.0	303.6	344.6	426.2	491.9
Market capitalization (including own shares)	530.0	551.8	503.9	663.8	681.8
Market capitalization (excluded own shares)	464.7	484.2	442.4	583.3	655.0

Figures per share (EUR) (excluding own shares)

	2016	2017	2018	2019	2020
Number of shares at year-end (thousand)	8,767	8,772	8,777	8,785	9,605
Net result, Group's share	6.0	1.3	6.5	11.7	3.6
Value of equity	35.5	34.6	39.3	48.5	51.2
Gross ordinary dividend	2.00	2.20	2.42	2.66	2.77
Net ordinary dividend	1.40	1.54	1.69	1.86	1.90

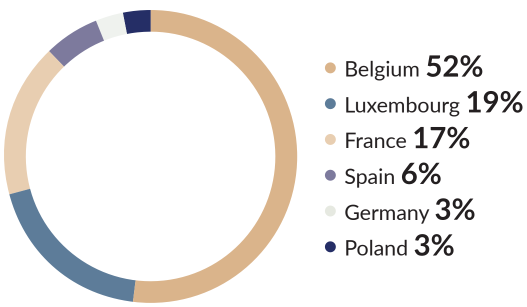
Stock market ratios

	2016	2017	2018	2019	2020
Stock price on 31 December (EUR)	53.0	55.2	50.4	66.4	68.2
Maximum quotation (EUR)	53.8	59.7	57.0	69.0	81.8
Minimum quotation (EUR)	38.2	51.0	47.0	50.2	56.2
Stock price / book value	149.4%	159.5%	128.4%	136.9%	133.2%
Gross return for 1 year[1]	25.3%	9.8%	-4.8%	36.5%	6.7%
Gross ordinary dividend / last stock price	3.8%	4.0%	4.8%	4.0%	4.1%
Net ordinary dividend / last stock price	2.6%	2.8%	3.4%	2.8%	2.8%

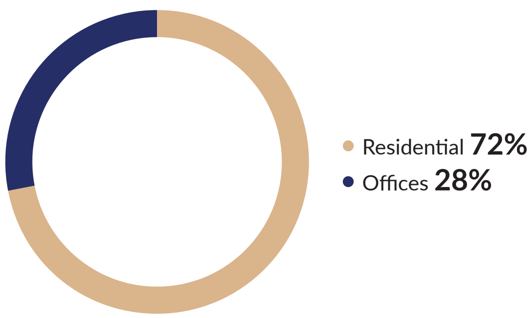
1. Gross return for 1 year: (last closing price + dividends paid during the year - first stock price for the period) / first stock price for the period.

Portfolio

By country



By segment



Summary of the consolidated financial statements (EUR millions)

Income statement

	2016	2017	2018	2019	2020
Operating income	298.6	149.0	326.1	419.5	375.4
Operating expenses	-238.7	-127.1	-261.0	-327.2	-333.5
Share in the results of associates	7.7	3.4	5.2	24.6	8.1
Operating result	67.7	25.3	70.3	117.0	50.0
Financial result	-3.9	-4.8	-4.8	-5.3	-7.3
Result before taxes	63.8	20.5	65.5	111.6	42.7
Income taxes	-10.2	-9.6	-8.6	-9.4	-8.7
Result for the year	53.6	10.9	56.9	102.2	34.0
Share of Immobel	52.5	11.0	56.8	102.4	33.3

Financial position

ASSETS	2016	2017	2018	2019	2020
Non-current assets	88.3	66.2	181.7	213.3	448.3
Intangible assets	0.1	0.4	0.4	0.5	0.6
Goodwill	0.0	0.0	0.0	43.8	43.8
Tangible assets	0.9	1.0	0.9	1.0	1.4
Right-of-use assets	0.0	0.0	0.0	6.4	4.4
Investment property	2.9	3.0	104.3	81.1	197.1
Financial assets	70.2	50.7	70.6	65.4	182.8
Other	14.2	11.0	5.4	15.0	18.2
Current assets	627.9	734.1	784.7	1,087.9	982.8
Inventories	443.1	518.5	511.8	694.6	683.1
Cash	120.6	147.9	170.9	156.1	148.1
Other	64.1	67.6	102.0	237.2	151.6
TOTAL ASSETS	716.2	800.2	966.4	1,301.2	1,431.1

EQUITY AND LIABILITIES	2016	2017	2018	2019	2020
Equity	314.9	303.6	344.7	428.2	494.5
Non-current liabilities	286.7	338.8	332.9	523.4	609.6
Financial debts	281.6	330.1	322.0	507.0	571.1
Other	5.1	8.7	10.8	16.4	38.5
Current liabilities	114.6	157.8	288.7	349.7	327.0
Financial debts	40.5	68.8	193.7	200.1	180.8
Other	74.1	89.0	95.0	149.6	146.2
TOTAL EQUITY AND LIABILITIES	716.2	800.2	966.4	1,301.2	1,431.1

EUR 52.8 mio

EBITDA

EUR 33.3 mio

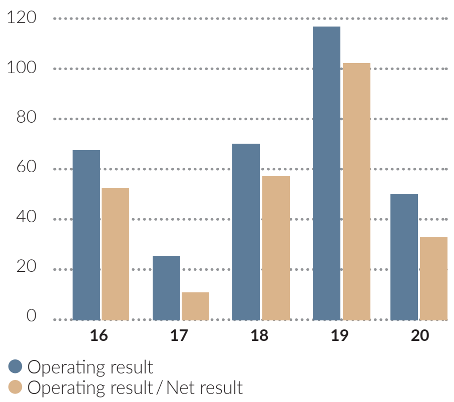
NET RESULT

EUR 494.5 mio

EQUITY

Result

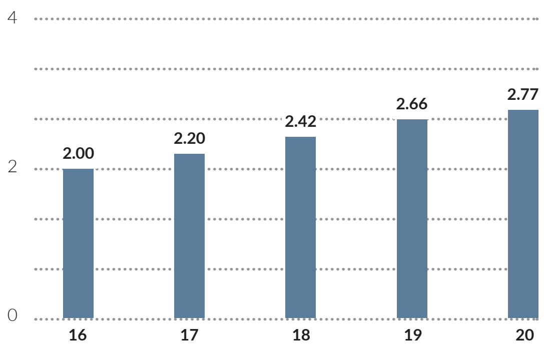
Operating result / Net result (EUR millions)



SHAREHOLDER INFORMATION

Dividend policy

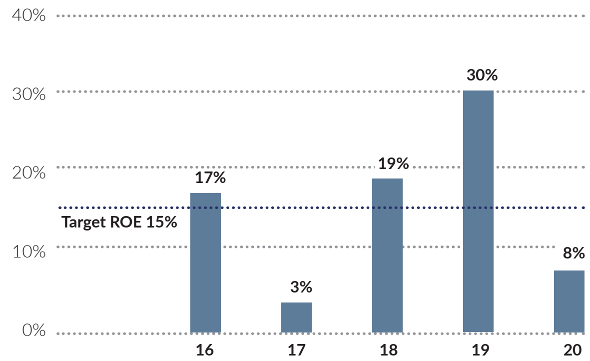
Dividend evolution over the past 5 years (EUR)



Immobel aspires to a dividend increase of up to 10% every year, subject to the absence of any unforeseen exceptional events. For the 2020 financial year, the board of directors of Immobel is confirming an increase of 4% in the dividend at EUR 2.77 per share.

Return On Equity

ROE evolution over the past 5 years



Share price evolution

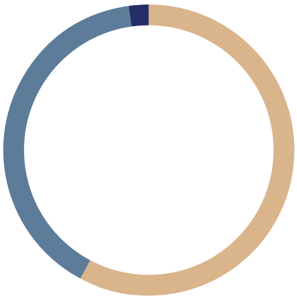
Share price evolution over the past 5 years (EUR)

+ 4%

GROSS DIVIDEND COMPARED TO 2019

Shareholding structure

Shareholders since 07/01/2021 (%)



- A³ Capital NV/SA (and a related company) **58.94%**
- Free float **40.76%**
- Immobel NV/SA **0.30%**

In accordance with article 29 of the Law of 2 May 2007 on the disclosure of stakes held in issuers whose shares are admitted to trading on a regulated market, Immobel has been informed by the following shareholders that they hold the shares mentioned below:

Shareholders	Number of shares	% of total shares
A³ Capital NV/SA (and a related company), having its registered seat at 1020 Brussels, avenue des Trembles 2	5,892,418	58.94%
Immobel NV/SA having its registered seat at 1000 Brussels, rue de la Régence 58	30,348	0.30%
Free float	-	40.76%
Total of known shareholders	5,922,766	59.24 %

18.7%
AVERAGE ROE OVER THE PAST 3 YEARS

2.77 EUR
/ SHARE OF GROSS DIVIDEND

68.20 EUR
/ SHARE (PRICE ON 31/12/2020)

Financial calendar

Publication of 2020 annual accounts	4 March 2021
Annual General Meeting 2021	15 April 2021
Publication of 2021 half-year results	9 September 2021
Publication of 2021 annual accounts	10 March 2022
Annual General Meeting 2022	21 April 2022

FOR MORE INFORMATION:
HTTPS://WWW.IMMOBELGROUP.COM/EN/INVESTOR-RELATIONS

OUR COMMITMENTS FOR SUSTAINABLE DEVELOPMENT

Specific goals to create more sustainable cities and communities

Construction is the sector with the largest ecological footprint. As a developer, we are aware of the difference we can make by adopting more sustainable development and building methods.

In recent years, sustainability has become ever more important, and COVID-19 has revealed how much we depend on nature. People are demanding a higher-quality living and working environment, one that offers them a high degree of comfort and promotes a healthy lifestyle. The pandemic has also shown that cities need open and green space, as well as walking and cycling infrastructure. An increasing number of stakeholders, especially governments and investors, are asking us about what we do to create more sustainable cities.

We are constantly looking for ways to contribute to a world that offers a better quality of life. In 2020, we worked on a plan to improve our sustainability performance. It contains four objectives that are linked to the United Nations Sustainable Development Goals. The idea behind it is to help design sustainable cities and communities that offer a better quality of life, where natural resources are used wisely.

Our four goals to create more sustainable cities and communities

1. TO DEVELOP HEALTHY BUILDINGS AND ENVIRONMENTS

We design our buildings to improve the health and quality of life of those who live and work there. Our plans incorporate public space around the buildings. We also commit to targeted action to increase biodiversity and to design cities that are more ecological.

2. TO REDUCE THE ENVIRONMENTAL IMPACT

We reduce our ecological footprint through mindful water and energy consumption, and by reducing CO_2. We will work with independent sustainability experts to identify the greenhouse gases in our value chain and are developing an ambitious reduction plan. We will also launch programmes, objectives and partnerships to adopt an optimal circular approach. This includes reusing resources and materials to extend their life cycle.

3. TO BE A CIVIL AND SOCIALLY RESPONSIBLE REAL ESTATE PLAYER

As one of the major players in the real estate sector in Europe, our aim is to play a leading role in the transformation towards the sustainable cities and communities of tomorrow and promote the trend towards sustainability in our sector. We want to contribute to the urban mix, promote the local economy and encourage soft mobility. We plan to establish partnerships with organizations, think tanks, governments, changemakers and other stakeholders, to create a more sustainable society together. Through the Immobel Social Fund, we focus our commitment on organizations and associations that work on health, culture and social inclusion.

4. TO INTEGRATE SUSTAINABILITY IN OUR WORK AND IN THE WORKPLACE

We want to make a sustainable reflex an integral part of our projects and of all layers of our organization. The plan is to enter into partnerships with start-ups or incubators to translate new urban trends into innovative solutions and services. We promote a healthy and innovative working atmosphere in which employees feel good.

Our four objectives are linked to the following United Nations Sustainable Development Goals

Next steps

In 2021, we will further translate our ambitions into specific, measurable objectives monitored using a KPI dashboard.

We will also organize the related governance: a sustainability committee will be responsible for developing the strategy and objectives, and roadmaps for the teams.

Finally, we are pursuing an ambitious certification strategy for our entire project portfolio. The Group will assess its portfolio as a whole against the GRESB[1] benchmark in 2021. BREEAM[2] and HQE[3] continue to be important references.

1. GRESB is a benchmark that provides standardized and validated Environmental, Social and Governance (ESG) data to the capital markets.
2. BREEAM : Building Research Establishment Environmental Assessment Method, a method for assessing the environmental performance of buildings, developed by Building Research Establishment.
3. HQE : *Haute Qualité Environnementale*, a standard of the *Association pour la Haute Qualité Environnementale*, used in France to assess sustainability in construction.

A PLUS FOR CITIES

Highly conscious of the fact that a building becomes part of the city for a very long time, we are committed to making our projects pleasant places to live. 2020 has shown us, more than ever, what matters for the future: the need to live in a healthy and comfortable environment, to have access to nature and to protect the environment. These concerns are reflected in all our projects and they illustrate the desire of all our teams to build urban spaces in which residents enjoy the highest possible quality of life. Well-designed, transport-connected facilities, with innovative services and more environmentally-friendly structures.

In the following pages, we highlight the Group's defining features, illustrated by particular initiatives that show how we view, in specific terms, our role as a real estate developer.

A HOLISTIC APPROACH

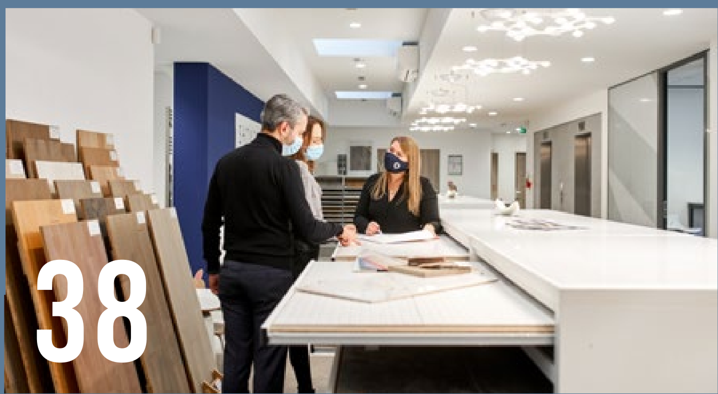
Immobel's experts consider projects in their entirety, carefully selecting the best locations.

INVIGORATING NEIGHBOURHOODS

Our ambition for the cities of tomorrow: to transform abandoned areas into vibrant, liveable neighbourhoods.

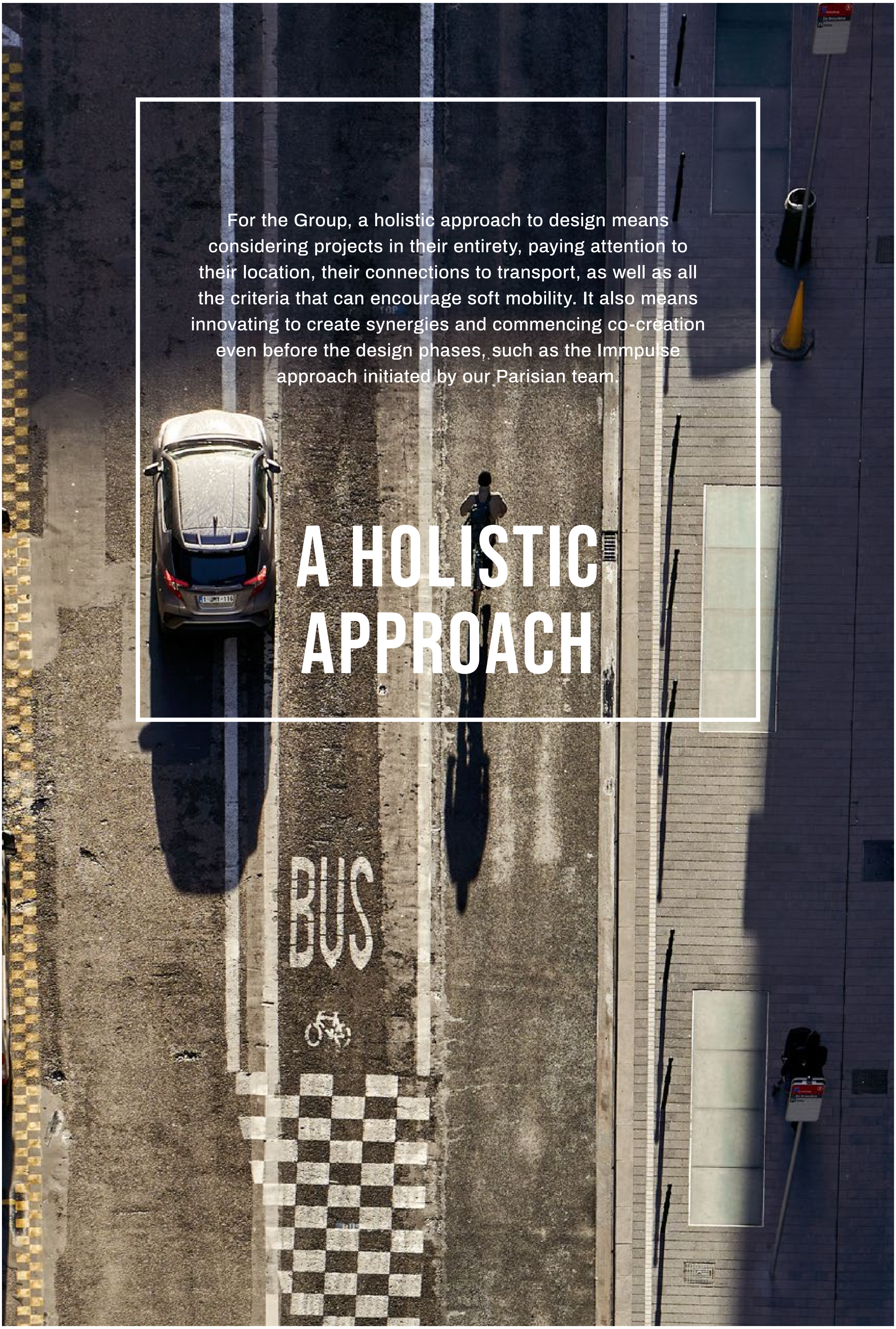
CONSCIOUS USE OF RESOURCES

Building in a more sustainable and environmentally-friendly manner is our priority for the well-being of our residents and of future generations.



FOCUSING ON QUALITY OF LIFE

The comfort and well-being of residents and users of our buildings are at the heart of our everyday priorities.



For the Group, a holistic approach to design means considering projects in their entirety, paying attention to their location, their connections to transport, as well as all the criteria that can encourage soft mobility. It also means innovating to create synergies and commencing co-creation even before the design phases, such as the Immpulse approach initiated by our Parisian team.

A HOLISTIC APPROACH

+ MORE MOBILITY SOLUTIONS FOR RESIDENTS

Keen to offer innovative solutions with real added value for the residents of its buildings, Immobel is focusing, in particular, on solving mobility-related issues. Its collaboration with MyMove, a D'Ieteren initiative, is an example of this, applied to a very urban project: Royal Louise.

"Eventually, we plan to incorporate smart mobility solutions as from the design phase of our projects."

AN INNOVATIVE CONCEPT

MyMove has created an easy-to-use smartphone application that enables a diverse fleet of vehicles to be shared within a community. "The concept already existed for companies and we decided to develop it for residential projects. In the underground parking garage of the Royal Louise building, we will install scooters, electric bicycles and cars. All users of the building will be offered access to the application," explains Nicolas Deremince, Developer and Innovation Manager at Immobel. "For the user, it offers an on-site mobility service that's easy, hassle-free and cheaper than the cost of maintaining a vehicle."

A KEY PARTNER

The objective of the operation: to join forces with a partner with significant expertise in order to create a flexible service catering to the needs of residents. "We will use this pilot scheme to study the behaviour and actual needs of users. We will build a community of testers who will help us understand their expectations in terms of types of vehicles, modes of use, budget, etc.," continues Nicolas Deremince. "Eventually, we plan to incorporate smart mobility solutions as from the design phase of our projects."

A VIRTUOUS LINK

In keeping with the Group's vision for its mixed and urban projects, the aim of this partnership is to position itself as a link in the urban mobility chain, incorporating other services such as long-term vehicle rental or public transport. "We want to participate in the development of this chain and act in a virtuous manner at our level by creating a positive new dynamic in the buildings in which people live. We believe that this type of response will help to improve the problem of traffic congestion in cities, by offering a practical, convenient solution in the places where people live."

IMMPULSE: AGILITY AND CO-CREATION

Immobel France intends to improve the way of working to encourage an integrated approach. With Immpulse, it is developing a design thinking methodology in the service of office projects. More agility for higher-quality projects!

"Different profiles contribute in a constructive manner to the development of the project and allow for a programme sheet."

Based on the premise that the development processes for office projects could be improved to better cater to user expectations, Immobel France uses a co-creation approach. "We wanted to create a methodology by bringing together, from the start of the project, all the people who have something to contribute to it. To move from a prescriptive to a more collaborative process," explains Julien Michel, Managing Director of Immobel France Tertiaire. "For Immpulse, this means bringing together, for a few days and in an immersive manner, both internal - developer, technical services person, marketing manager - and external stakeholders - brokers, landscape architect, services manager, communications agency. We may also invite a historian, a sociologist, a representative of the municipality concerned, etc."

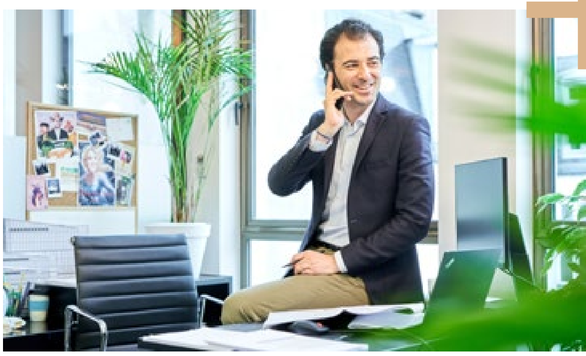
Different profiles that contribute in a constructive manner to the development of the project and that, in a few days, allow for a programme sheet, a veritable roadmap for the project, to be produced, which is then sent to the project manager. There are several benefits to this approach. "The first positive aspect is a human one: by involving everyone, we create a very seamless mindset in the team. Everyone witnesses the entire design cycle and understands its challenges. This lack of segmentation creates a desire to understand each other and an urge to work on developing an excellent project," Julien Michel adds. Then, as a consequence of this mindset, the projects are transformed. More ambitious, they are more in line with user expectations. By assessing their needs much earlier, we can adapt the services, the sizing and the surface areas of meeting rooms. This translates into considerable time savings for the design and into financial savings for the project."

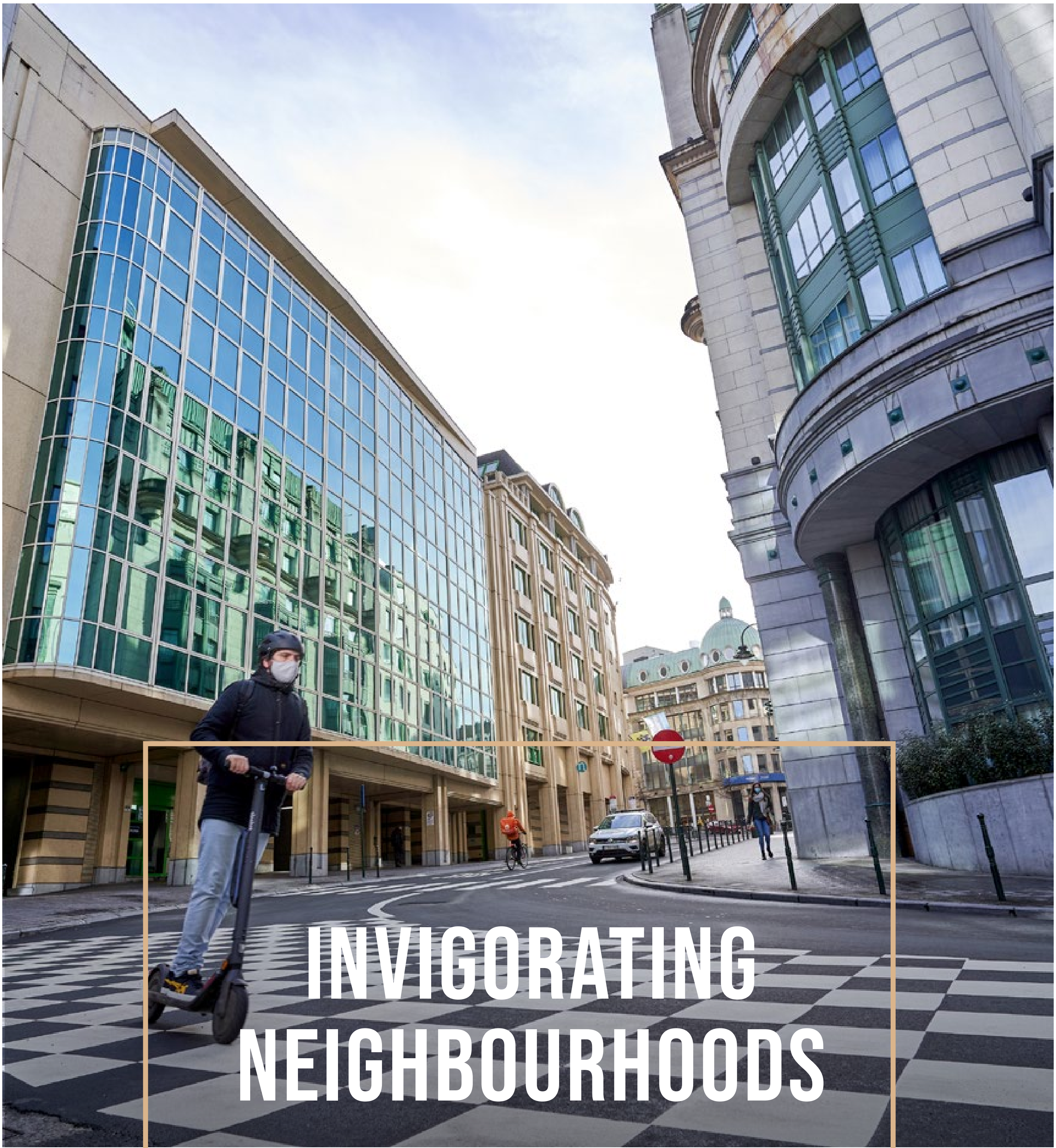
"The first positive aspect is a human one: by involving everyone, we create a very seamless mindset in the team."

Already tested on the Saint-Antoine and Montrouge projects, the methodology has won over the organizers and participants. "For Saint-Antoine, our first project involving the conversion of a car park, in the Marais district, the involvement of a historian and a marketer enabled us to realize the benefit in retaining the route in the car park. We therefore opted to retain the structure - we even transformed the ramps into terraces - a more sustainable solution that maintains the character of this unique location," Julien continues. "For the Montrouge project, the co-creation process led us to make the project's outdoor spaces accessible to the residents of the neighbourhood, who will enjoy access to a suspended garden. Immpulse solutions that were found thanks to our willingness to innovate and encourage our creativity."

Julien Michel,
Managing Director Immobel France Tertiaire

"We wanted to create a methodology by bringing together, from the start of the project, all the people who have something to contribute to it. To move from a prescriptive to a more collaborative process."





INVIGORATING NEIGHBOURHOODS

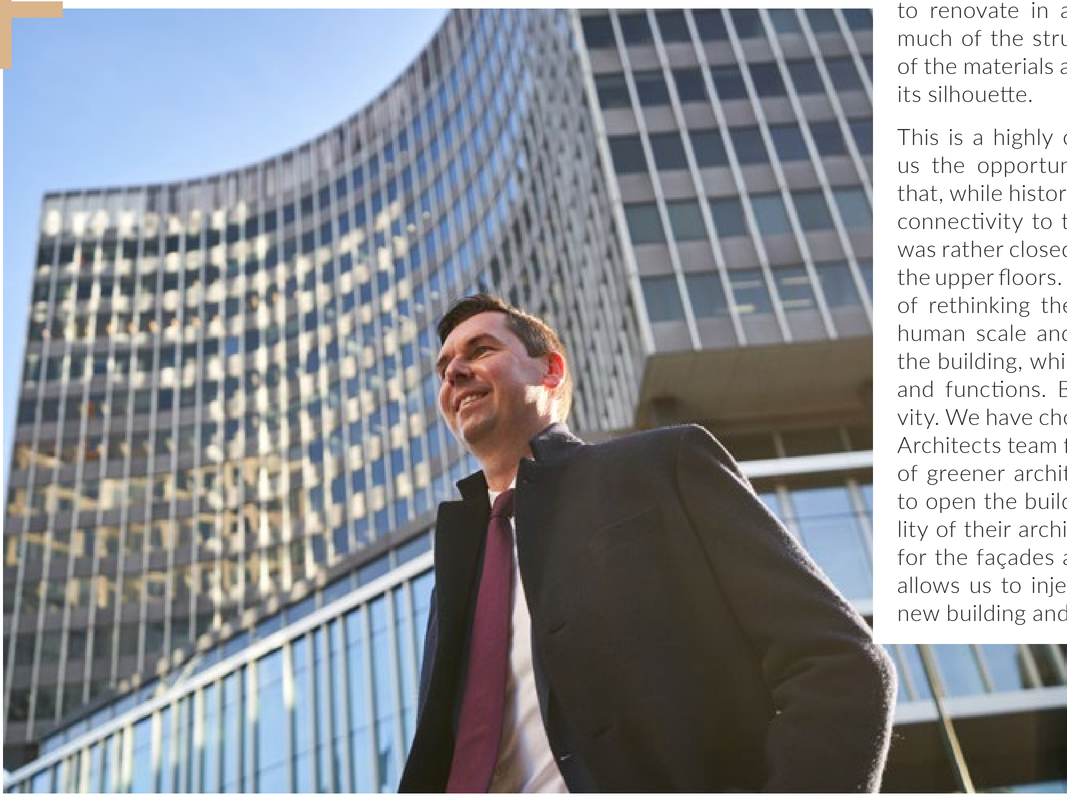
By transforming abandoned areas into living, work and leisure spaces, Immobel is taking steps to repair the urban fabric of major European cities. The Group is also not afraid to envisage a different future for certain iconic buildings, or to export its skills to other European countries.

CENTRE MONNAIE
THE TRANSFORMATION OF AN ICONIC BUILDING

Highly anticipated, due to its location and the iconic appearance of its 1970s era building, the Centre Monnaie project provides for the conversion of the current office building located above "The Mint" shopping centre.

The redevelopment should provide greater diversity of use and ensure a 24 / 7 function in order to contribute to bringing more life to the neighbourhood in the evenings and weekends, after the centre's shops have closed. In addition to the residential programme, the building will be redesigned to house a 250-room hotel, an 86-unit apartment hotel, 43,903 m² of office space, several bars (including on the rooftop) and restaurants and a suspended garden on the roof of the plinth and extensive accessibility more generally throughout the building.

Gwen Vreven, Developer for Immobel



A HISTORICAL VISION TO FACILITATE ACCESSIBILITY

"With the new Centre Monnaie, our major ambition is to do things in a sustainable way: we have inherited a truly iconic building, known to all Brussels residents, that we wish to renovate in a circular way, retaining as much of the structure and reusing as many of the materials as possible, while respecting its silhouette.

This is a highly complex project that offers us the opportunity to work on a building that, while historically enjoying high levels of connectivity to transport and access roads, was rather closed to the public, especially on the upper floors. Our work therefore consists of rethinking the relationship between the human scale and the monumental scale of the building, while also revising its structure and functions. Building on great connectivity. We have chosen the Snøhetta and Binst Architects team for their know-how in terms of greener architecture and for their ability to open the building to the public. The quality of their architectural design, particularly for the façades and the community garden, allows us to inject oxygen and life into the new building and the city."


© Bjørnar Øvrebø

Kjetil Trædal Thorsen,
co-founder of Snøhetta

RENOVATING SUSTAINABLY, ON A MORE HUMAN SCALE

"We couldn't pass up on such a project because it brings together everything we love and try to achieve through our architecture: the environmental aspect, the creation of more interactivity with users, the development of a diversity of functions. The renovation of an existing building in the centre of Brussels, its legacy and its volume, its imposing size and the possibility of making it an active building were a huge challenge. The developer's ambition is what attracted us. We are committed to instilling a slightly more emotional aspect, making it a vibrant focal and assembly point for current and future generations.

We examined how the public could enter the building, cross through it, go upstairs within it. It communicates with the city, not only at street level but also inside and through the outside spaces. This structure feeds into interactions and the way in which residents and users will take ownership of the building. When you can get close to something, you also take ownership of it emotionally. It is this intimacy that we are trying to bring about with this project.

Sustainability is also an important part of our thinking. Of course, the best materials are those that are already present in the building. For the new façade materials, we made a conscious choice, based on their capacity to last and their potential for reuse. With user comfort in mind, we opted for a certain degree of transparency and simplicity, combined with metal elements, which gives balance to the façades. More than just a Scandinavian style, we prefer the term 'reductionism', i.e. the art of abandoning what has become unnecessary. It's not a style, it's a solution."


CENTRE MONNAIE
CONSTRUCTION PERIOD:
Q3 2022 / Q2 2025
ARCHITECTS:
Snøhetta & Binst Architects
TOTAL SURFACE AREA:
62,121 m²
FEATURES:
- 1 hotel with bars and restaurants accessible to the public
- 715 bicycle parking spaces
- Public promenade
- Green roof
- Energy Neutral
- Fossil-free

TRANSFORMING WASTELANDS INTO VIBRANT LIVING SPACES

Immobel has real expertise in investing in urban wastelands and turning them into vibrant, people-filled, comfortable living spaces. Three of the Group's projects in particular provide illustrations of this know-how.

Polvermillen, between city and nature in Luxembourg

The best of both worlds is the idea behind this project, which is located in a verdant setting and also benefits from close proximity to the urban centre. On a former industrial site, composed of abandoned buildings and warehouses, Immobel is injecting new life into an existing neighbourhood in the lower part of Luxembourg city, a 10-minute walk from the lift leading to the city centre. With the aim of conserving part of its historical heritage, the Group is showcasing certain buildings, for example by transforming warehouses into lofts and completely decontaminating the site, in advance of developing apartment residences, as well as triplex or fourplex units. A wide variety of housing types with more than 200 units in total.

Aurélie Frédureau, Developer for Immobel Luxembourg, explains the project's advantages: "In order to provide a real quality of life, we have planned high-quality, private outdoor spaces for the majority of housing units. Two office buildings for professionals also enhance the vibrancy of the project, by adding diversity. The site will also be open to the rest of the neighbourhood thanks to the creation of a cycle path that will offer a shortcut to the surrounding forest or to the city centre. Real everyday comfort thanks to a verdant setting in the heart of the city!"

Aurélie Frédureau,
Developer for Immobel Luxembourg

"In order to provide a real quality of life, we have planned high-quality, private outdoor spaces for the majority of housing units."

KEY WEST
BELGIUM

BIESTEBROEK BASIN IN 2020
BELGIUM

"The programme is particularly focused on the needs of the neighbourhood, most notably in terms of retail premises, with pedestrianized public areas accessible to local residents."

Key West: a new buzz for the canal in Brussels

This sustainable redevelopment promises to turn a highly industrial area of former retail premises and production buildings into a new, open and lively neighbourhood. Immobel and its partner have decided to pool their expertise to turn this abandoned wasteland into a vibrant block at the head of the Biestebroek basin. In addition to housing, the aim of the project is to create an economic centre and inject more diversity into the community. More than 500 housing units will be spread across buildings of varying scales, supplemented by offices, a crèche as well as shops and an interior garden.

"The programme is particularly focused on the needs of the neighbourhood, most notably in terms of retail premises, with pedestrianized public areas accessible to local residents. A large square will be able to accommodate urban markets and events," explains Rob Ragoen, developer of the project. "It consists of a genuine repurposing of the area into a neighbourhood accessible to residents, an active destination intended to open onto the banks of the Canal and restore residents' access to the water."

Aubervilliers, a liveable neighbourhood on Paris' doorstep

Within the joint development zone of the "Fort d'Aubervilliers" eco-neighbourhood, a former fortification in Paris, built in the late 1930s and having undergone many changes of use, the project provides for the transformation of a 36-hectare urban wasteland into a mixed neighbourhood, open to the city and respectful of the site's assets. Immobel is contributing to this redevelopment, which will showcase the contemporary architecture.

"The transformation of this urban wasteland will create a neighbourhood where human and plant life will coexist and interact," says Mathieu Chamard-Sablier, Director of Real Estate Operations Immobel France. "By locating new public facilities within innovative projects and creating new housing units of varying sizes, we will maintain the historic social mix of this neighbourhood while revitalizing the urban fabric. The abundance and positioning of the public spaces will be key to showcasing the Fort as the centrepiece of the site."

Pre-construction spaces for temporary use

Before the construction phases of its projects, Immobel regularly offers spaces on its sites to support cultural or charitable initiatives, by allowing actors to take advantage of unoccupied spaces while waiting for construction to begin. For example, in Brussels, the Group helped with the setting up of a summer bar within the site of the Key West project. Another example: the Lebeau buildings were also made available to the cast and crew filming a series for the broadcaster RTBF, which was able to use it as a backstage area while shooting in the Sablon neighbourhood.

FOUR SEASONS MARBELLA RESORT
SPAIN

NEW LOCAL EXPERTISE MARBELLA

Immobel is not afraid to export its know-how to new markets. In Spain, for example, in a highly competitive environment and geographical area, the Group makes use of local expertise for a large "resort" project in partnership with Four Seasons Hotels & Resorts.

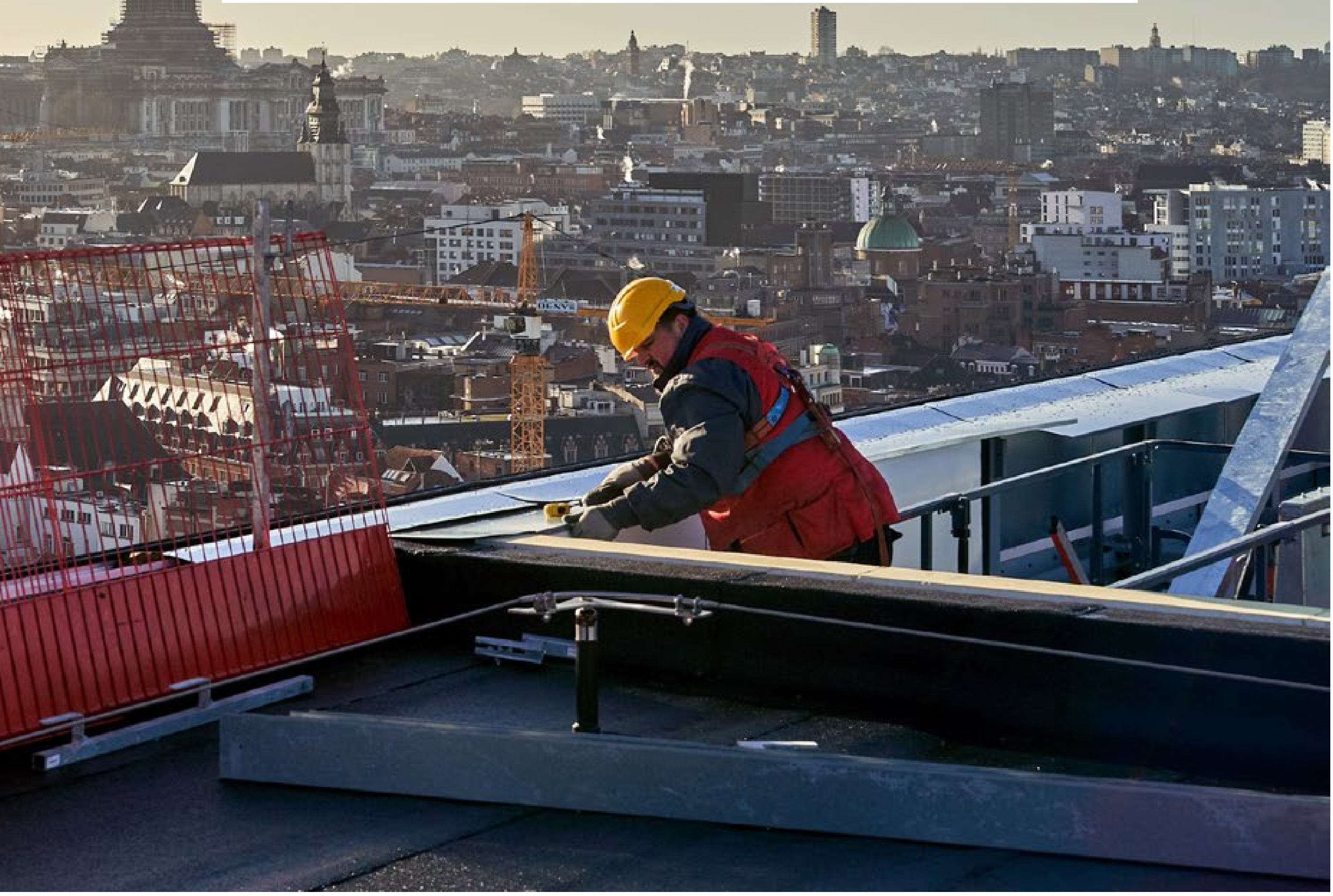
On the seafront and close to the old town of Marbella, Immobel and Fort Partners are developing a new 78,000 m² luxury hotel complex. The project includes a 5-star Four Seasons hotel, as well as more than 200 villas, townhouses offering beautiful amenities and other high-end homes designed by American architect Richard Meier.

"The hotel and residential buildings will be built and operated according to the most environmentally-responsible standards possible, particularly in terms of the use of water, the planting of Mediterranean species in green areas and the limited use of pesticides. In addition, this project will create more than 350 direct jobs in the region."

Javier Reviriego,
General Manager Immobel Spain

CONSCIOUS USE OF RESOURCES

In addition to aligning its role as developer with the United Nations' Sustainable Development Goals (see page 12), Immobel is stepping up its efforts to build more sustainably, with an awareness of its role in promoting future approaches: focusing on the circular economy by opting to retain existing structures whenever possible, because, as architects and developers tell us, "the best material is the one that already exists". Investing in clean technologies such as geothermal energy to offer fossil-free solutions and greater comfort for users at a fair price. Employing the expertise of landscape architects to add "greenery", biodiversity and even nature-related emotions to the hardscape of our cities.



+ GEOTHERMAL ENERGY, A PROMISING TECHNOLOGY

Looking for fossil-free solutions, Immobel is working with talented technical partners such as geothermal specialist Jeroen Rabaey, CEO of Noven, to develop new energy approaches in its projects

THE PRINCIPLE OF GEOTHERMAL IS CLEAN ENERGY

"Geothermal energy enables a transition from a conventional system - where fuel is burned to produce heat, for example - to a more sustainable system, where an effort is made to avoid use of energy from fossil fuels. The most promising way of harnessing this energy at present is to use either an air source or water source heat pump. Since soil temperature is not influenced by the outside temperature, the water allows us to obtain a much more stable temperature than air. Heating efficiency is therefore much better than with other alternative sources, and without use of polluting fuel.

The uses of this sustainable and 'clean' technology depend notably on the type of project and its requirements and complexity as well as geological conditions. For example, we consider different systems depending on whether it involves a new building or a renovation."

A TECHNOLOGY FOR EVERY PROJECT

"For the Lebeau project in Brussels, we decided to deploy a geothermal solution combined with underfloor heating in the apartments. This technology enabled us to incorporate sustainability by reducing carbon emissions by 50% while providing greater comfort in the apartments.

For the Brouck'R project, we are using a closed-loop geothermal energy system: the water in the subsoil is then used as a kind of giant thermal battery.

Finally, Centre Monnaie involves the renovation of an existing building for which we plan to use solar panels. In addition, we are employing all technologies to reduce energy loss."

FUTURE SOLUTIONS, NOT JUST FOR HEATING

"With the growth in passive building and the effect of global warming, better home insulation is increasingly leading to risks of overheating in apartments during the summer season. The passive cooling techniques made possible by geothermal energy are therefore a real boon that are improving issues of thermal comfort. With a cooler floor, the temperature of the room can be reduced by 2 to 3 degrees, which is not insignificant! The savings for the residents in terms of heating costs should also be highlighted: less energy means lower bills.

We believe that the market is ready to develop these new techniques and we want to help developers such as Immobel to incorporate these solutions in their projects. Geothermal solutions require a significant financial investment and, while we take on the complexity of implementation, we are very selective about who we work with. This is why we choose partners who fully share our vision of wanting to build for the future, sustainably."

Façade rue de la Paille, Brussels. Project that will be equipped with a geothermal energy solution.

"Our aim is that residents do not suspect the complexity of the solutions implemented and enjoy clean energy at a competitive price."

Jeroen Rabaey, CEO Noven

VARIATIONS OF GREEN FOR THE CITY OF TOMORROW

The role of landscape architects is crucial in developments. Anne-Marie Sauvat, founder of the Atelier EOLE landscape architecture firm, explains her ambition: to design understated and diversified plantscapes to turn the soil of our cities into a veritable factory of biodiversity.

“We work with the complexity of living elements and design ‘urban nature’ environments.”

Anne-Marie Sauvat, founder of the Atelier EOLE

"Our role is to preserve what is already there and provide real environmental added value. In doing so, we improve the living environment of residents."

"As part of a programme such as Lebeau or Universalis Park in the heart of Brussels, our role is to preserve what is already there and provide real environmental added value. In doing so, we improve the living environment of residents. You can't have one without the other: the link between nature and well-being is now proven and is obvious to everyone since the health crisis. Our criteria for choosing plants are based on scientific knowledge, linked to natural environments and soils, interaction with light, the presence of water and the typology of the spaces, with different uses. We work with the complexity of living elements and design 'urban nature' environments. With the right plant pairings, we imagine smaller but denser viable arrangements, thinking ahead to how they will develop in 5, 10, 15 years and more and in all seasons."

Lebeau: creating an urban clearing

"This project near Sablon concentrates a multitude of objectives in a small space: a garden that really works, reasonable maintenance, and layouts to anticipate the future of the city with all its excesses: lack of water, high population density, extreme weather, etc. We are developing an urban clearing, within a brand new, densely-planted garden created from the previously fully-hardscaped rear courtyard. From now on, we will be able to free up more than 1,500 m² and provide residents with a teeming intimate space, inspired by what can be found on the forest floor. We are also trying to limit the amount of hardscaping, using architecture and roofs as platforms for biodiversity. All of the roofs in Lebeau are planted, even if not accessible. These can be used to create protected living environments and thereby offer areas of refuge for insects, birds, etc."

Rekindling residents' sensitive sides

"For me, creating layouts that will inspire delight and play, especially in children, is of great importance. For the residents of the building, when they pass through the block, to go to school for example, something has to happen! We want to evoke sensations, to rekindle emotions and memories of nature in them. Instilling this lesson when a person is still young will lead to adults who are respectful and conscious of the value of nature."

Universalis Park: a project for everyone

“This project near ULB-VUB university is on a different scale in terms of territory, with a site covering more than 6 hectares. Like the link in a living landscape, our designs must connect the plot to the nature around the project. We are thinking on a territorial scale: the Sonian Forest, the Bois de Halle, etc. What we are interested in is re-establishing the tangle and reinforcement of the environments (border, grassy fringe), which creates great diversity. Ultimately, we are always looking for solutions based on nature.”

Bussy-Saint-Georges: the choice for green living

An excellent example of a project incorporating extensive planting in an urban environment, the Bussy-Saint-Georges development, close to Paris, is situated in a medium-sized town. A neighbourhood where you can live the good life between countryside and city, right on the edge of a top-quality golf course. For this project, Immobel France has opted to develop the programme as a visual and botanical extension of the golf course. The development offers a mix of housing types - apartment buildings, a few villas with high-end services, serviced apartments for the elderly - and the highest architectural quality. The key feature of the project is its favouring of pedestrianization. With the exception of ten or so parking spaces at the entrance to the apartment complex, no vehicles are visible in the development. The programme focuses on greenery, with tall trees, a decision taken in cooperation with a landscape architect specializing in agroforestry. The project has also been very well received by the municipality and local residents due to its integration within the local landscape.

MULTI
A RENOVATION INTO A TRANSPARENT WELCOMING COMPLEX

Multi, the new name for the former Philips Tower, - owned by Immobel and its partner - envisages the renovation of a single-use office building. It is an ambitious programme with significant added value for the public and occupants. It is also a renovation that ticks many virtuous boxes: circularity, re-use and mobility. Christine Conix of CONIX RDBM Architects, explains the challenges.

Christine Conix,
CONIX RDBM Architects

What are the main pillars of this project?

The transformation of this modernist tower aims to convert a single-use office building into a programme with added value for the public. The complex will serve as a catalyst for pedestrianization and connectivity for the surrounding public spaces. It will change from an imposing black box into a transparent welcoming complex. This building was, at the time, designed at odds with the urban fabric, with no regard for existing buildings and without any consideration for local residents, as part of the Manhattan project.

This is why, with my partners Jorden Goossenaerts and Frederik Jacobs, we have oriented the project towards repairing this fabric and we have opted for circularity and for the potential conversion of the building. We want to achieve a very high-performance urban project. To ensure a socially-relevant approach and to respond to the urgency of this urban challenge, we have put together a team capable of tackling this iconic project from several angles: transparency of dialogue, architectural and urban design, mobility, striving for sustainability (BREEAM in particular) and finally aiming to achieve the optimal reuse of materials.

What challenges did you have to overcome during the design phase?

With regard to reuse, we considered things on the basis of presumptions of material availability and usability. Reuse is tied up with “time”. This requires a completely new attitude on the part of the designer: looking for design possibilities, based on decisions taken in the past. In this way, the bluestone from the existing façade is being used to rebuild the façade overlooking Rue de Laeken and 1,300 metres of the building’s existing aluminium structures for the balustrades and lighting in the atrium.

What bearing did these constraints have on the choice of materials?

We have oriented the project towards achieving greater openness. We deliberately selected a limited range of materials, the aim being to create a refined, no-frills ensemble. For the façade, we opted for unpolished, structured aluminium to provide more depth and relief. The building is aiming for lightness. This is the reason for the decision to devote a large surface area to windows for maximum penetration of natural light and so that the building absorbs its environment, rather than being a mirrored box. Multi must attract attention due to its simplicity.

What were the circular economy issues for the project?

In addition to remediation, the Multi project aims to set the tone with regard to re-use. It aims to set a precedent for the use of this type of material in a large service building: 89% of existing materials are being retained in the redevelopment since the building is not being demolished. And at least 2% of the recycled materials used in the project are sourced from "urban mining", from off-site construction sites. This might seem like a small figure but it is actually a really significant challenge in the case of a project of this size. To our knowledge, this would be the highest ever achieved in Brussels.

To properly highlight the overall image of sustainability, the building is on track for a BREEAM Excellent certificate. We are therefore certain that all aspects of sustainability are being addressed, from the earliest phase of design to use of the building. Multi is one of the winners of "Be.Exemplary 2017", an approach that has earned us a passionate following and ensures partner buy-in.

"At least 2% of the recycled materials used in the project are sourced from 'urban mining'."

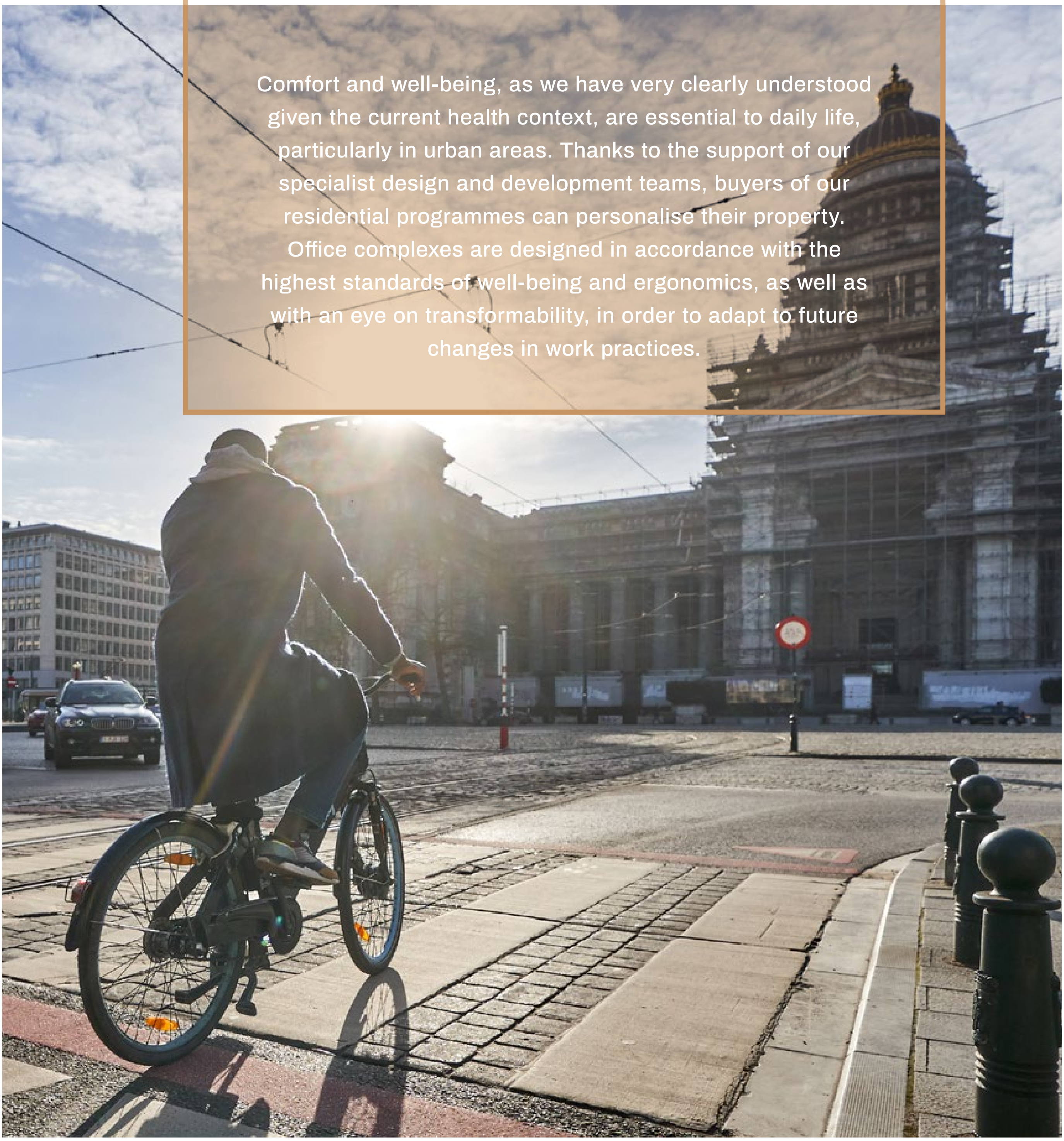
How will the project contribute to quality of life in the city centre?

The development of the Multi project will guarantee a high-quality extension of the central boulevards area. It will transform this barrier into a link. As an "Urban Platform" and "Urban Connector", the plinth, with its large windows and urban garden open to the public, will form a strong link between the various surrounding neighbourhoods and pedestrians. The pavement will be widened, the entrance and exit of the car park will disappear from the public space, the bus passage will be removed, creating a new urban square near Rue de Laeken. For this, we are working very closely with the city and the teams from BMA-Maître Architecte. The space near Boulevard Anspach is being designed as a public interior space. By bringing the atmosphere, arrangement of materials and functions from the exterior into the interior, we are looking to create an urban interior, to blur the boundary between inside and outside. A large atrium will be developed in the space. This will create a visual and spatial link between pedestrians and the new public platform located above the plinth.

"The complex will change from an imposing black box into a transparent welcoming complex."

FOCUSING ON QUALITY OF LIFE

Comfort and well-being, as we have very clearly understood given the current health context, are essential to daily life, particularly in urban areas. Thanks to the support of our specialist design and development teams, buyers of our residential programmes can personalise their property. Office complexes are designed in accordance with the highest standards of well-being and ergonomics, as well as with an eye on transformability, in order to adapt to future changes in work practices.



PERSONALIZED INTERIOR DECORATION FOR OUR CUSTOMERS

This is one of the Group's strengths: in most of its locations, a specialist interior design team assists its residential customers and responds to their expectations in order to customize the layouts of their future home. In this way, it creates an interior that is beautiful, functional and efficient at the same time.

Belgium and Luxembourg: attentive teams to customize spaces

The teams dedicated to assisting buyers are tasked with supporting residential customers who purchase their apartment off the plans. The level of quality offered by Immobel allows for customization of layouts, bathrooms, kitchens and finishes. "The team gets involved upstream and throughout the construction process," explains Valentine Van Malleghem, in charge of the department in Belgium. "We modify and optimize the plans taking into account what customers want. We address their concerns and offer suggestions in order to obtain a fully customizable product, that is as perfect as possible," continues Virginie Brodka, Residential Project Advisory in Luxembourg. "Building can be a stressful stage for buyers with no experience of construction. Our customers therefore see us as someone they can trust."

Valentine Van Malleghem, Head of Residential Project Advisory in Belgium

"The team gets involved upstream and throughout the construction process. We modify and optimize the plans taking into account what customers want."

Adapting to the health situation

Immobel's Customer Services teams have had to adapt to the COVID-19 crisis in order to ensure compliance with the rules and protective measures during site visits, as well as to manage the extension of construction and material delivery dates. Finally, these departments have been able to assist future buyers in optimizing floor plans, in order, for example, to include spaces for home offices within housing units.

France: a configurator to digitize the relationship with the customer

The French team has created a digital configurator for buyers in the new Montévrain and Aubervilliers projects. This innovative 3D technology is used for new properties and enables Immobel customers to access a digital pathway focused on their needs as users: a dedicated area where customers can interact with the Immobel teams, where they can access all their signed documents, contact information for their preferred sales agent and customer account manager, but also a virtual tour of the property and a photo report on their property under construction. "In addition to the 3D tour of the property, future buyers can make some of the most requested changes to the decoration: change the colours of the walls and / or floors, transform the shower into a bathtub, open up the kitchen, etc.," explains Philippe Martinho, Residential Sales Director Immobel France. "After viewing the selected options, the customer then receives an electronic quote, which is saved in the online folder, along with a budget and a schedule. All he or she then has to do is approve the proposal and move on to the purchase phase and the administrative stages, in a seamless process. It's the very first tool of its kind in the real estate sector!" Finally, the service is extended via an application that provides the customer with a space where they can keep the essential documents for their appliances (boiler, warranty period, after-sales service, etc.). For the sales teams, it is also a great tool for reporting and assessing the buyer's experience.

MORE SUSTAINABLE COMFORT FOR OFFICE PROJECTS

For offices like in other sectors, Immobel applies high standards and aims for high-quality finishes.

Immobel's approach: aim high

The keywords of Immobel's approach: brightness, accessibility, quality of life and work. Locations are carefully selected, with the Group positioned in the best in the market. It adapts to new forms of work, such as smart working, by being as flexible as possible in the design of spaces and by employing internationally recognized architects known for their discerning proposals. By endeavouring to encourage close cooperation with the authorities, Immobel also, where possible, establishes a dialogue with the end customer upstream, to ensure a result that is suited to their vision for the urban development of neighbourhoods. Immobel is also increasingly favouring sustainable and circular renovations. In Brussels, this is the case for the Multi tower, on Place De Brouckère, as well as the future conversion of Total's headquarters, on Rue de la Loi. A major transformation project with high ambitions in terms of circularity and sustainability. Other examples include, in France, the Saint-Antoine project, which is retaining the structure of a former Paris car park.

COMMERCE 46

SURFACE:
13,550 m^2

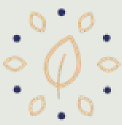
LOCATION:
Brussels
European quarter

USE:
Offices

ARCHITECTS:
Office KGDVS and
Jaspers-Eyers

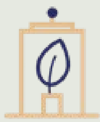
Adrien Puylaert, Developer for Immobel

Virtuous office building, a sustainable approach



NO FOSSIL FUELS

- Geothermal energy
- Heat pumps and solar panels

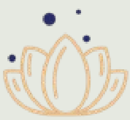


ENERGY PERFORMANCE

- Low overall consumption 62.5 kWh/m²/year
- Improvement of the building envelope: thermal resistance (walls, solar control glass)

OPTIMAL QUALITY OF WORK

- 2.7 m high floor-to-ceiling glass façades, maximizing natural light.
- Garden and terraces in the rear courtyard accessible to users



PROMOTION OF MOBILITY

- Minimum 70 bicycle parking spaces
- Metro stations and public transport within walking distance
- Reduced number of parking spaces on site to encourage “clean” mobility

COMMERCE 46, COMFORT OF USE AND VERSATILITY

“We signed a lease with ING for this entire Brussels building before the start of the project. It offers a great opportunity to involve the customer in the design and to adapt the project to its current and future needs within the framework of the planning permission secured. Our design also provides for a ground floor that can be more easily adapted to future uses. This transformability is one of the cornerstones of sustainability that we are applying to the project.

We are studying different types of layout and are ensuring that they are achievable in terms of hallways, the symmetry of the façades, lifts, emergency exits etc. Private or open space offices, we are imagining the two extremes and all options in between. Everything is designed to accommodate employees in an optimal configuration.”

PATCHES OF TRANQUILLITY IN THE CITY

Within the Group, developers are mindful of residents' new well-being requirements, particularly in light of the current pandemic. They are therefore increasingly focusing on specific services, oriented towards slow living and the introduction of more plant life and fulfilling activities in the city.

Key West: urban agriculture with a view of the water

The new Brussels complex will offer numerous leisure opportunities with its public esplanade on the banks of the canal and a rooftop vegetable garden on top of one of its buildings. A space will also be provided for various production activities and other workshops.

Rueil: a city farm near Paris

The project, which encompasses three office buildings, also originally came with an additional plot which the Immobel France teams chose to leave as low density. They instead opted to transform it into a space for urban agriculture for users of the building. Allotments that are open to guests, such as surrounding schools, where occasional activities, get-togethers, a visit by a food truck, etc. can be organized.

River Place: verdant vibrancy

Located in Luxembourg, this project combines easy living with urban vibrancy. Designed for active young people and families alike, River Place offers a village feel in an authentic setting on the banks of the River Alzette. The project offers an immediate connection to the city centre, thanks to the nearby train station, and is innovating with the creation of gardens and shared spaces. It is also supporting diversity with a range of traditional apartments and co-living units.

THE IMMOBEL SOCIAL FUND OUR COMMITMENT TO CITIZENS

The Immobel Social Fund reserves 1% of its net profits[1] for supporting organisations and associations operating predominantly in the areas of health, culture and social inclusion.

The Fund was set up as a result of the stark realisation that, despite the best efforts of schools to level the playing field in the Brussels Region, individual success and well-being are still too often dependent on social background or postcode. For some young people from deprived neighbourhoods, dropping out of school is a real danger and can have catastrophic consequences for their future, their family and society as a whole. By making a financial contribution to professional organisations working in the area of education in the widest sense of the word, the Immobel Fund aims to give young people from vulnerable backgrounds the opportunity to reintegrate into society and gain access to the job market. The aim of the support provided is to help the beneficiaries to discover their talents and build up self-confidence so that they can flourish in society.

Working towards a more inclusive city

Besides its commitment to sustainable development, Immobel has designed a programme of philanthropic initiatives which it has made a key focus of its expansion strategy and identity. The Fund's purpose is to provide financial support to professional associations and organisations working in the following three areas:

HEALTH

Immobel is committed to medical research and provides financial support to Bordet and Saint-Luc hospitals and Télévie in particular.

CULTURE

The Group makes a contribution to the development of associations which are involved in the dissemination, protection and promotion of every aspect of the arts as well as in heritage conservation. This is why Immobel supports the Queen Elisabeth Music Chapel and the European Quarter Fund, among others.

SOCIAL INCLUSION

Immobel promotes and provides financial support for positive initiatives by Brussels professional associations which help young people from vulnerable backgrounds to discover their talents, regain their self-confidence and surpass themselves so that they become responsible members of society.

1. Average over 5 years.

Health

Fondation Saint-Luc

This Foundation funds high-level clinical research and team training in leading centres in Brussels and abroad. Immobel's contributions have enabled a pneumology clinical research project to be supported.

Les Amis de l'Institut Bordet non-profit association

Keen to assist researchers in their fight against cancer, "Les Amis" - the friends - support their work relating to studying the tumour environment, the understanding of metastatic disease and the potential of liquid biopsies.

Télévie

Organised by broadcaster RTL on behalf of the National Fund for Scientific Research (FRS-FNRS), Télévie aims to raise funds to fund scientific research into cancer in children and adults.

Culture

Queen Elisabeth Music Chapel

This non-profit foundation promotes young people, music and Belgian heritage by giving talented young artists the opportunity to improve their skills in a unique setting through a bespoke programme.

European Quarter Fund

Immobel is a member of the European Quarter Fund, managed by the King Baudouin Foundation. The Fund was created in 2001 to improve the image, redevelopment and operation of the European quarter. In 2020, the European Quarter Fund completed preparations for the early 2021 opening of "Stam-Europa", as part of the temporary occupation of a building. This venue will play host to a democratic process focused on public debate and innovation. It will be partly dedicated to experimenting with new methods of interaction and exchange between European institutions and European citizens and between the European Quarter and the residents of Brussels.

The Fund has also carried out studies and created prototypes to make the neighbourhood more pleasant for cyclists. Finally, the Fund has initiated a debate on the impact of the COVID crisis on the European Quarter.

Social inclusion[2]

Calame non-profit association

Aimed at young people in their final years of primary and secondary school in Saint-Josse, the City of Brussels, Schaerbeek and Anderlecht, Calame promotes school support as a means of addressing inequalities and opening up new horizons.

2. Initiatives under King Baudouin Foundation.

Musique Espérance Belgique Francophone non-profit association: "ENVOL" project

Part of the school curriculum of Saint-Pierre school in Anderlecht, the "ENVOL" project harnesses artistic activity to facilitate school learning, creativity and living together. Weekly music, storytelling and performing arts workshops are provided from the first year of pre-school to 6th class in primary school, by professional artists hired by the non-profit association.

TADA non-profit association

This non-profit association is a learning network to empower and integrate socially vulnerable young people and those around them. TADA coaches more than 1,300 young people in Brussels through its weekend schools and alumni network. Immobel's support is allocated to the Molenbeek weekend school.

Youthstart Belgium VZW

This association is concerned with social inclusion and provides professional assistance to young people looking for opportunities. Each young person (approximately 1,000 per year) receives intensive training and monitoring and is linked up with job vacancies. Training is provided by certified Youth-Start trainers, motivated business coaches with a wealth of knowledge who know how to win the trust of young people. The central theme of this programme is the development of an entrepreneurial spirit and a passion for work.

VUB Children's University

The Children's University of the Université Libre de Bruxelles conducts child-level academic research in grades 5 and 6 in Brussels. The support will enable children to familiarise themselves with the university from an early age and participate in workshops with committed researchers who wish to share their love of science. The VUB Children's University wants to connect children with science and research at an early stage of their educational career to lower the threshold for higher education.

Other organisations and initiatives supported in 2020

- de Duve Institute international non-profit association,
- Fetus For Life non-profit association,
- Kom op tegen Kanker non-profit association,
- Les plus beaux villages de Wallonie non-profit association,
- Gala Liège Aide Haiti non-profit association,
- Lutte Contre le Sida non-profit association,
- Mont des Arts non-profit association,
- Quartier Biestebroeck non-profit association,
- Quartier des Arts non-profit association,

... as well as the Amis du Cercle Gaulois, the Belgian Embassy in Luxembourg (sponsorship) and the King Baudouin Foundation.

ACTIVITIES IN BELGIUM

The business in Belgium certainly took place under challenging conditions this year. However, despite the exceptional circumstances, strong teamwork and proactivity allowed for a number of highlights.

At the beginning of 2020, we sold and delivered the Möbius I building in the North neighbourhood of Brussels to Allianz Benelux, which became the company's new head office.

Shortly after that, together with our partners we won the mixed-use project for the refurbishment of the area around the Brussels Midi train station and the new headquarters of the Belgian national railway company. This project aims to contribute to the thorough transformation of the area, offering a mix of functions such as shops, offices, residential units, a hotel and public spaces.

In March, we acquired 50% of the shares of Brouckère Tower Invest SA, owner of the Multi office tower in Brussels. Also in springtime, we entered into a strategic agreement with ING and concluded a 9-year lease contract for Commerce 46, a new BREEAM Excellent office building in the European quarter in Brussels.

COVID-19 impacted our sales rhythm from March until May as well as activities on construction sites, and in addition delayed permitting processes, but also generated additional major sales as from June both on the coast in Belgium and in suburban areas.

We received the green light from the consultation committee to move ahead with Key West, a project to transform a former industrial area next to the Canal in Brussels. For Brouck'R, another project for which we hope to receive the necessary permit in 2021, we sold 130 student units and signed a long-term lease of a 154-room hotel.

The landbanking department diversified and restructured its activities towards the development of housing projects in peri-urban areas. This new positioning led to its new name, "Immobel Home".

In November, we sold a senior living residence in the Vaartkom project in Leuven to a company managed by Swiss Life Asset Management.

And finally, just before the end-of-year break, we acquired buildings and grounds in Brussels from the French group Total as part of an ambitious redevelopment project that will apply the principle of circularity. The redevelopment of the head office was proposed as a seed asset to the newly created Immobel BeLux Office Development Fund.

+ SEE DETAILED PROJECT SHEETS ON HTTP://IMMOBELGROUP.COM/EN/REAL-ESTATE-PROJECTS

Market analysis[1]

Residential market

- In 2020, Belgian house prices continued to climb to a median record of EUR 250,000 in the third quarter. The median price for apartments increased recorded a median transaction price of EUR 205,000.
- Belgium counts 5.577 million residences in 2020. In the last year, the number of residences increased by 62,684. Brussels Region and Flanders saw the highest increase in development activity.
- New development in Belgium, particularly in cities, almost solely concerns apartments. In Brussels, 8,191 new apartments were completed in the last year.

Office market

- Brussels office take-up in 2020 was low at 272,000 m^2 following delayed occupation decisions and concerns over the pandemic.
- Regional office take-up in 2020 was high at 311,000 m^2, driven by strong activity in Walloon markets by the public sector.
- Investors closed CRE deals in Belgium for more almost EUR 6 billion, which is a 20% increase over the previous year and one of the highest annual investment volumes recorded in Belgium.

Landbanking

- The share of apartments with respect to total housing stock has increased from 19% in 2001 to 27% in 2020.
- 62,030 permits for new units were issued in 2020, of which 65% were for houses and 35% were for flats. This is a 3% decrease for houses and 9% decrease for apartments and over the same period in 2019.
- Land incidence in Brussels can be upwards of 2,500 EUR/m^2 for in-demand locations with high exit values, such as in Chatelain, the Sablon or on the Avenue de Tervueren.

1. Source: CBRE, as per 31 December, 2020.

Projects overview

Name	Surface (m²)	Location	Use	Building period	Immobel share
Slachthuissite	240,000	Antwerp	Residential	Q3 2021 / 2030+	30%
NMBS / SNCB	200,000	Brussels	Mixed-use	Q1 2023 / Q2 2034	40%
Universalis Park 3	100,000	Brussels	Mixed-use	Q4 2025 / Q4 2030	50%
Cours Saint-Michel	84,200	Brussels	Mixed-use	Q1 2023 / Q1 2026	50%
Centre Monnaie	62,121	Brussels	Mixed-use	Q3 2022 / Q2 2025	50%
Key West	61,300	Brussels	Mixed-use	Q2 2021 / Q1 2028	50%
Möbius	60,000	Brussels	Offices	Mobius I: Q4 2017 / Q1 2020 Mobius II: Q2 2019 / Q2 2021	100% Mobius I 50% Mobius II
Panorama	58,100	Brussels	Mixed-use	Q3 2021 / Q1 2027	40%
Multi	45,755	Brussels	Offices	Q1 2019 / Q1 2022	50%
Lebeau	42,100	Brussels	Mixed-use	Q1 2022 / Q1 2025	100%
Brouck'R	41,000	Brussels	Mixed-use	Q4 2021 / Q1 2025	50%
Theodore	40,000	Brussels	Mixed-use	Q3 2021 / Q3 2025	50%
O'Sea (phase 3)	33,600	Ostend	Residential	Q2 2022 / Q1 2027	100%
Wonen aan het groen	32,847	Tielt	Residential	Q3 2022 / Q4 2024	100%
Ilôt Saint-Roch	31,500	Nivelles	Residential	Q3 2021 / Q3 2023	100%
Ernest (phase 2)	26,600	Brussels	Mixed-use	Q3 2017 / Q3 2020	50%
Total	26,000	Brussels	Offices	Q4 2022 / Q4 2024	100%
O'Sea (phase 2)	24,000	Ostend	Mixed-use	Q3 2019 / Q4 2022	100%
Lalys	23,400	Astene	Residential	Q3 2020 / Q2 2024	100%
Cala	20,098	Liège	Offices	Q3 2018 / Q4 2020	30%
Plateau d'Erpent	19,297	Erpent	Residential	Q2 2018 / Q4 2022	50%
Commerce 46	13,550	Brussels	Offices	Q2 2020 / Q3 2022	100%
Parc Seny	13,200	Brussels	Residential	Q4 2017 / Q1 2020	100%
Domaine du Fort	12,739	Barchon	Residential	Q3 2020 / Q2 2025	100%
The Woods	9,861	Hoeilaart	Offices	Q4 2020 / Q1 2021	100%
Les Cinq Sapins	8,800	Wavre	Residential	Q1 2019 / Q1 2026	100%
Royal Louise	8,000	Brussels	Residential	Q4 2017 / Q1 2021	100%
Greenhill Park	6,440	Brussels	Residential	Q3 2017 / Q2 2020	100%
Crown	5,500	Knokke	Residential	Q2 2020 / Q4 2022	50%

706,000 m²
TOTAL BELGIAN PORTFOLIO (EXCLUDING LANDBANKING)

8,520
RESIDENTIAL UNITS[2]

225,000 m²
OFFICES

290 ha
LANDBANKING STOCK

2. The totality of the residential units, not taking into account the share of Immobel in the respective projects.

ACTIVITIES IN FRANCE

As was the case for other real estate developers in France, 2020 was a challenging year for us, due to delays caused not only by COVID-19 but also by the slowdown of the administrations resulting from the municipal elections and the ensuing postponement.

In 2020, following the acquisition of Nafilyan & Partners, the company changed its name to Immobel France. Since the takeover, the teams have been working on a number of initiatives to support and embrace their new brand. We have established new organizational processes, optimized and merged existing ways of working (e.g. between the office and residential business lines) and installed a new management team to support the realization of the business plan.

We received several building permits for large office projects: Saint-Antoine in the Le Marais quarter of Paris, a renovation of a former parking garage into a modern office, and Montrouge, a multi-storey office project on the Parisian périphérique ring road. Immobel France also received the first construction permit for the joint development zone of Aubervilliers Fort for 280 apartments.

In autumn, we digitalized the administrative process with customers, for a more efficient exchange and signature of contracts. We also developed a digital tool (configurator) enabling customers to choose their interior design elements. Its launch is planned in 2021.

223,000 m²

TOTAL FRENCH PORTFOLIO

5,701

RESIDENTIAL UNITS[1]

44,000 m²

OFFICES

1. The totality of the residential units, not taking into account the share of Immobel in the respective projects.

Projects overview

Name	Surface (m^2)	Location	Use	Building period	Immobel share
Rueil-Malmaison	28,500	Rueil-Malmaison	Mixed-use	Q3 2022 / Q4 2024	100%
Aubervilliers Fort Ilot A	18,084	Aubervilliers	Residential	Q2 2021 / Q1 2024	50%
Le Domaine de Montlhéry	17,167	Monthléry	Residential	Q4 2016 / Q1 2019	100%
Les Terrasses de la Marne	13,041	Vaires-sur-Marne	Residential	Q4 2017 / Q4 2020	50%
Golf	12,995	Bussy-Saint-Georges	Residential	Q4 2021 / Q4 2023	100%
17 / 27 rue Chateaubriand	12,570	Savigny-sur-Orge	Residential	Q4 2021 / Q4 2023	100%
Créteil	10,665	Créteil	Residential	2022 / 2024	26%
Esprit Ville	9,686	Chelles	Residential	Q3 2018 / Q3 2021	100%
Paris 14 / Montrouge	9,010	Paris	Offices	Q4 2021 / Q2 2023	100%
Ch des Poutils / Route D'Orléans	8,851	Monthléry	Residential	TBD	100%
Aubervilliers Fort Ilot B	8,561	Aubervilliers	Residential	Q4 2021 / Q4 2023	50%
Esprit Verde	6,949	Bessancourt	Residential	Q1 2020 / Q4 2022	50%
Les Notes Florales	6,181	Combs-La-Ville	Residential	Q4 2017 / Q4 2020	60%
Le Conti	6,090	Le Plessis-Trevise	Residential	Q3 2018 / Q2 2021	100%
L'Aquila	5,879	La Garenne-Colombes	Residential	Q2 2019 / Q2 2022	100%
Les Terrasses du Canal	5,824	Aubervilliers	Residential	Q4 2018 / Q2 2021	50%
Saint-Antoine	5,713	Paris	Mixed-use	Q3 2021 / Q2 2023	100%
Buttes Chaumont / Crimée	5,420	Paris	Mixed-use	Q4 2021 / Q4 2023	100%
Angle JJ Rousseau - Tivoli	5,390	Houilles	Residential	TBD	50%
Cœur Village	5,229	Saint-Arnoult-en-Yvelines	Residential	Q2 2017 / Q3 2020	100%
Le Clos Mazarine	5,193	Paris	Residential	Q2 2021 / Q2 2023	100%
Les Jardins d'Elisabeth	4,952	Aubergenville	Residential	Q3 2019 / Q4 2021	100%
Richelieu	4,839	Richelieu	Offices	Q3 2022 / Q3 2024	10%
Horizon Nature	4,806	Montévrain	Residential	Q3 2021 / Q2 2023	100%
Le Fleurilege	4,685	Croissy-sur-Seine	Residential	Q4 2018 / Q2 2021	46%
Hélios	4,664	Drancy	Residential	Q1 2019 / Q4 2021	100%

Name	Surface (m²)	Location	Use	Building period	Immobel share
Othis	4,414	Othis	Residential	TBD	100%
Les Terrasses de l'Orge	3,849	Epinay-Sur-Orge	Residential	Q3 2020 / Q2 2022	50%
Villa Hurteaux	3,638	Franconville	Residential	Q4 2017 / Q1 2020	90%
Le Belair	3,402	Bezons	Residential	Q3 2018 / Q1 2021	100%
Villa Colomba	3,264	Charenton-le-Pont	Residential	Q2 2018 / Q1 2022	51%
Romainville	2,975	Romainville	Residential	TBD	100%
32 rue Saint Léger	2,968	Saint-Germain-en-Laye	Residential	Q1 2021 / Q1 2023	100%
Les Terrasses de Montmagny	2,879	Montmagny	Residential	Q2 2019 / Q2 2022	100%
11 rue du Murget	2,772	Bougival	Residential	Q1 2022 / Q1 2024	100%
Villa du Petit Bois	2,712	Eaubonne	Residential	Q3 2020 / Q2 2022	100%
Bella Sylva	2,511	Bois d'Arcy	Residential	Q1 2018 / Q1 2020	100%
Le Wilson	2,039	Romainville	Residential	Q4 2017 / Q1 2020	100%
Cœur Saint-Ambroise	1,674	Paris	Mixed-use	Q2 2018 / Q4 2020	100%
Carré Royal	1,323	Saint-Germain-en-Laye	Residential	Q4 2017 / Q1 2020	100%
Cœur Meudon	1,263	Meudon	Residential	Q3 2018 / Q4 2020	100%

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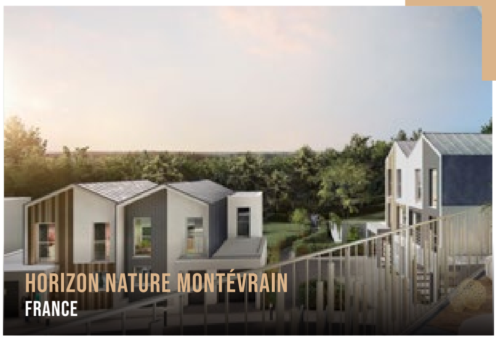

Market analysis[2]

Residential market

- Residential prices continued to climb through Q3 2020, increasing by 5.0% y-o-y.
- Second-hand apartments in Paris topped 10,860 EUR/m² in October.
- Though the number of issued residential permits has fallen, Q3 noted a strong increase compared to earlier in the year.

Office market

- The Paris office market counted 1.32 million m² of office take-up in 2020.
- Moderate spaces of < 5,000 m² have been the most resilient in terms of demand over the year.
- 2020 saw office investment of EUR 18.274 billion in France.

2. Source: CBRE, as per 31 December, 2020.

ACTIVITIES IN LUXEMBOURG

Despite the fact that COVID-19 also more than made its mark on the Luxembourg organization, Immobel Luxembourg was able to add a number of interesting acquisitions to the pipeline in 2020, thus investing in the future.

In May, we obtained exclusivity for a new +/- 23,000 m² cradle to cradle project in a premium location in Luxembourg. The following month, we acquired a project in Rue du Canal in the city of Esch-sur-Alzette, a +/- 6,000 m² listed building which we will partially renovate, expand and redevelop into 73 residential units and +/- 300 m² of services. We also finalized the acquisition of the River Place project in Dommeldange, a +/- 8,000 m² mixed-use project aimed to create co-living units.

In the summer, we signed in a 50 / 50 partnership an agreement under conditions precedent for the sale of 100% of the shares of two companies owning several plots of land located in the Schoettermarial district of Luxembourg Kirchberg with a view to developing a residential project of approximately 22,500 m².

Finally, in October, our team signed an agreement for the acquisition of 100% of the shares of a company owning a building named Scorpio, a +/- 3,700 m² core location office building in Gasperich with the aim of refurbishing it in full.

Furthermore, we made great progress on our ongoing projects. Polvermillen's pollution removal works were completed. Infinity Living, our first residential tower, is almost ready to be delivered to the 165 residents. We also prepared everything for kicking off our centrally located project Nova on Place de l'Etoile. The old office premises will be entirely transformed into a modern office building.

Market analysis[1]

Residential market

- Positive economic and population dynamics have helped push apartment prices in Luxembourg to 7,363 EUR/m² in Q3 2020, a 10.6% increase y-o-y.
- New apartments in Luxembourg City can be priced above 13,000 EUR/m².
- As the city becomes expensive and crowded, people are increasingly looking towards decentralised and peripheral areas for more accommodating values.

Office market

- Luxembourg proved its strong fundamentals once again by outperforming most European markets in key metrics in 2020 and experiencing take-up of almost 350,000 m².
- The Luxembourg State has been very active both in central and peripheral districts, pre-letting 50,000 m² in the Station district and often letting the largest remaining vacancies in important markets.
- Total CRE investment in Luxembourg recorded more than EUR 1.6 billion in 2020 following the arrival of new institutional investors.

1. Source: CBRE, as per 31 December, 2020.

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Projects overview

Name	Surface (m²)	Location	Use	Building period	Immobel share
Infinity	33,300	Luxembourg	Mixed-use	Working & Shopping: Q4 2017 / Q4 2019 Living: Q4 2017 / Q1 2021	100%
Polvermillen	27,022	Luxembourg	Mixed-use	Q3 2022 / Q2 2025	100%
Laangfur	25,500	Luxembourg	Mixed-use	Q2 2026 / Q1 2030	100%
Kiem	23,300	Luxembourg	Mixed-use	Q3 2022 / Q4 2024	70%
Schoettermarial	22,430	Luxembourg	Mixed-use	Q3 2027 / Q3 2029	50%
Mamer	13,800	Mamer	Residential	Q3 2022 / Q2 2024	100%
Livingstone - Lot2a	13,660	Luxembourg	Mixed-use	Q3 2018 / Q1 2021	33%
Livingstone - Lot1	12,683	Luxembourg	Mixed-use	Q3 2020 / Q2 2023	33%
Rue de Hollerich	11,500	Luxembourg	Mixed-use	Q4 2023 / Q4 2025	100%
Livingstone - Lot2b	9,697	Luxembourg	Mixed-use	Q4 2018 / Q2 2021	33%
River Place	7,891	Luxembourg	Mixed-use	Q2 2022 / Q2 2024	100%
Canal 44	6,234	Esch-sur-Alzette	Mixed-use	Q2 2022 / Q2 2024	100%
Thomas	5,567	Strassen	Offices	Q3 2027 / Q1 2029	100%
Nova	4,200	Luxembourg	Offices	Q1 2021 / Q4 2022	100%
Scorpio	3,693	Luxembourg	Offices	Q4 2025 / Q2 2027	100%

1,826

RESIDENTIAL UNITS[2] (INCLUDING 263 FOR EDEN)

30,120 m²

OFFICES

12,800 m²

RETAIL PREMISES

2. The totality of the residential units, not taking into account the share of Immobel in the respective projects.

ACTIVITIES IN POLAND

Compared to other countries where we carry out projects, the impact of COVID-19 on construction works and sales activities was fairly limited in Poland.

We completed the first of two phases of our Granary Island project in Gdansk, a typical example of Immobel's expertise when it comes to city centre redynamization. The mixed project including over 700 residential units, a food court, a retail space and two hotels was recognized by winning the prestigious MIPIM award in the Best Urban Project category. The jury praised the project's contribution to offering better livelihoods, improving social inclusion, increasing economic growth and inventing the city of tomorrow where humans will be at the centre of everything.

Regarding phase 2 of Granary Island, of which we started the building works in 2020, Immobel Poland has sold around 160 apartments.

The construction of the 21-storey office tower Central Point in Warsaw is on track. In 2020, we signed the first lease contracts. Around the autumn of 2021, the first tenants will move in.

Projects overview

Name	Surface (m^2)	Location	Use	Building period	Immobel share
Granary Island	75,633	Gdansk	Mixed-use	Phase 1: Q1 2017 / Q4 2019 Phase 2: Q4 2020 / Q4 2023	90%
Central Point	19,100	Warsaw	Offices	Q2 2018 / Q2 2021	50%

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Market analysis[1]

Residential market

- Q3 2020 residential prices in Poland were 14% higher than the same period the year before.
- The average apartment sale price was 4,987 PLN/m^2 in Q3 2020.
- More than 84% of occupiers own their residence in Poland, which is well above the European average.

Office market

- The Warsaw office market is by far the largest in Poland, accounting for half of the modern office stock in the country, at 5.8 million m^2.
- Vacancy has ticked upwards in recent quarters, largely due to new deliveries that were pre-leased at 66% occupancy on average.
- Polish CRE investment volume was approximately EUR 5.08 billion in 2020, of which almost EUR 2.8 billion was invested in the office market.

1. Source: CBRE, as per 31 December, 2020.

80,000 m^2
TOTAL POLISH PORTFOLIO

552
RESIDENTIAL UNITS[2]

14,000 m^2
OFFICES

2. The totality of the residential units, not taking into account the share of Immobel in the respective projects.

ACTIVITIES IN GERMANY

In Germany, we are maintaining our focus on the main cities. In 2020, we made progress on a number of projects, with the perspective of break-throughs in 2021.

Regarding our Eden[1] project in Frankfurt, the team finished the structural works of the building and made a successful start with the sales. The apartments in this green residential tower are very much in vogue with the young professionals in the city. By the end of 2020, we had sold nearly half of the 263 units.

1. Project led by Immobel Luxembourg.

Market analysis[2]

Residential market

- Residential prices in Germany have been among the fastest rising in Europe since 2010, partly as a result of a serious housing imbalance that has seen demand outpace supply.
- 49% of people rent their residence, which is the second highest rate in Europe.
- A tenant survey carried out by the German government in 2018/2019 recorded average gross residential rents at 7.9 EUR/m²/mo. Hamburg claimed the highest rents at 10.4 EUR/m²/mo, followed by Munich (9 EUR/m²/mo) and Berlin (8.8 EUR/m²/mo).

Office market

- Germany's largest office markets in 2020 in terms of activity were Berlin and Munich, achieving office take-up of 660,000 m² and 558,500 m², respectively.
- Despite the uncertainty in office markets, weighted average rents were on the rise or remained stable, and vacancy only slightly increased by 50bps to 3.9% in the top 5 German markets.
- In 2020, German office real estate investment market achieved one of the best results in recent years with EUR 26.7 billion invested through the year.

2. Source: CBRE, as per 31 December, 2020.

EDEN

TOTAL SURFACE:
20,000 m²

LOCATION:
Frankfurt

USE:
Residential

BUILDING PERIOD:
Q3 2019 / Q1 2022

IMMOBEL SHARE:
90%

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ACTIVITIES IN SPAIN

The concept designs for the five-star hotel and residential units (villas, town houses and apartments) of the Four Seasons project in Marbella are ready and provide a tangible impression of what the resort will offer its inhabitants. Immobel Spain is awaiting the planning permits for the project. The start of construction is planned for the second quarter of 2022.

FOUR SEASONS MARBELLA RESORT

BUILDABLE AREA :
78,000 m²

LOCATION:
Marbella

USE:
Leisure

BUILDING PERIOD:
Q2 2022 / Q4 2025

IMMOBEL SHARE:
50%

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MARKET ANALYSES

BELGIUM

I. Residential market in Belgium

A. Brussels

The residential market in the Brussels Region has been experiencing a boom for some time. Favourable demographics and a slow housing response have contributed to this steady trend. Like sale prices, rents too have been increasing in the Brussels Region over the long term. They levelled off somewhat around 2011 but have lately shown signs of increasing. There is a growing diversity in unit type, notably co-housing, as institutional investors are increasingly interested in the rental market potential of Brussels residential real estate. New developments can be commercialised as high as 6,000 €/m² with luxury units even higher.

B. Population

Belgium counts a population of 11.492 million as of January 1, 2020. This is a 0.54% increase over the previous year and follows a trend of steadily increasing population averaging 0.59% annually over the last decade. Brussels Region has been by far the fastest growing of the three, averaging 1.1% growth annually versus 0.59% in Flanders and 0.41% in Wallonia over the last decade. The Federal Planning Bureau sees growth of 50,000 (0.44%) per year and moderating slowly towards about 30,000 (0.22%). Though slower than the frenzied years of the mid 00s, this is still a positive forecast. A big exception to these numbers is the change over 2020. A summer update to the forecast expects a change of just 0.15% (16,900) given the COVID pandemic has greatly hindered international movement.

Belgium counts 4.989 million private households, as of January 1, 2020. The number of private households has been growing at about 0.7% annually, or 31,700 to 4.989 million. That yields an average household size of 2.3 people per household. The Federal Planning Bureau also forecasts household creation. The overall trend follows that of the population. Growth is forecast to be strong in the early 2020s before slowing but remaining solid. In terms of household types, single households will continue to lead the expansion, while the number of those cohabitating with and without children as well as single parents will increase. Those households married and with children will continue to decline, while the picture for those married without children is mixed, but eventually decreasing.

C. Housing stock

Belgium counts 5.577 million residences in 2020. In the last year, the number of residences increased by 62,684. Brussels Region and Flanders saw the highest increase in development activity. New development is dominated by apartments. This can often be at the expense of traditional houses, as available space becomes scarce, particularly in urban settings. In Brussels, 8,191 new apartments were completed in 2020.

D. Real estate prices

Median housing prices in Belgium have followed a stable upward trend. In 2020, house prices continued to climb to a median price of €250,000 in the third quarter, being the highest value achieved to date. The median price for apartments increased and recorded a median transaction price of €205,000 in the third quarter of 2020. The Brussels-Capital Region is the most expensive region, where median prices for houses and apartments were €450,000 and €230,000 in Q3 2020, respectively.

E. New builds

New builds are typically smaller and of higher quality compared to existing units. Exit prices for typical new apartments in Brussels range from 2,500 €/m² in the western side of the region to 6,000 €/m² in the city centre and Louise corridor, with luxury projects even higher. In Antwerp, exit values are 2,500 €/m² to 4,000 €/m² and more than 5,000 €/m² in select new towers. In Ghent, new apartments in the city centre are being commercialised at 5,000 €/m².

II. Office market in Belgium

A. Brussels

Office take-up Brussels in 2020 was low at 272,000 sqm. This represents a decrease of 50% compared to last year's number. The subdued demand was mainly caused by the ongoing uncertainty resulting from the global COVID-19 pandemic. Although it is still too early to draw final conclusions as to the impact of the crisis, occupiers are re-evaluating their real estate strategies. Overall, CBD markets and grade A facilities continue to experience demand.

B. Regions

Despite the difficulties in the market from the pandemic, regional office take-up in 2020 was high at 311,000 sqm marking the fifth consecutive year of take-up over 300,000 sqm. The Walloon markets did especially well, accounting for almost half of the regional take-up generated by many pre-letting transactions from the domestic public sector. Particularly in Namur take-up recorded a record high of 80,600 sqm. The Flemish markets, more particularly Antwerp and Ghent did well, accounting for a take-up of respectively 74,891 sqm and 38,700 sqm. Nevertheless, demand in the Flemish Regions hampered in 2020 by the lack of available quality space.

C. Demand

Unusually, office demand in the regional markets was higher in 2020 than in the Brussels market, accounting for respectively 311,000 sqm and 272,00 sqm. Combined, office take-up in Belgium registered 583,300 sqm in 2020. This subdued take up is in part due to many tenants having deferred long-term occupancy plans and instead having opted for other (short-term) solutions, while they get to grips with COVID-19 restrictions and long-term implications for their businesses. The health crisis has exposed a vulnerability in coworking that has led to smaller deals and more diverse operators.

D. Vacancy

The average vacancy rate for the Brussels market is slightly up from the previous year to 7.57%. Nevertheless, voids in the CBD markets remain tight, especially given the delay in construction over 2020. In the regional markets, there is a chronic lack of quality, available space. Speculative projects have reached stabilised occupancy, and the immediate pipeline is low. This limited new speculative development and strong demand has put downward pressure on the available stock. Larger Walloon markets such as Namur and Liège are facing even greater constraints, with extremely limited quality available space and almost no new speculative development to relieve this pressure, keeping vacancy low. Readily available grade A space is limited in all submarkets.

E. Development

Brussels office development completions totalled 180,000 sqm in 2020 after rebalancing, with projects being pushed into 2021 and 2022. The Brussels development pipeline through 2021 is robust at more than 450,000 sqm, though more than 64% is already accounted for. The largest projects are in the North district and the centre, as the market seeks to reinvent itself for the modern occupier. In the regions, a substantial pipeline of projects has been established, especially in markets such as Antwerp and Ghent. However, in some smaller regional markets, developers are still hesitant to break ground at risk, with Mechelen being the best example of this. And with the added uncertainty from the Corona crisis, financing for large projects is expected to become more complicated, further limiting future supply, especially in those markets.

F. Rent

Prime rent in the Brussels market remained 315 €/sqm/yr in 2020. Strong pre-lets saw prime rates rise to 280 €/sqm/yr in the North district and equivalent to the city centre to 275 €/sqm/yr. Regional markets with bold new construction are seeing activity around new rental highs. Prime rents slightly increased to 160 €/sqm/yr in Ghent and to 155 €/sqm/yr in Mechelen. In Wallonia, prime rents increased to 165 €/sqm/yr. Prime rents in Antwerp and Liège remained the same at respectively 170 €/sqm/yr and 160 €/sqm/yr. Districts with limited new space on the horizon with see prime rents under upward pressure.

G. Investment

In 2020, investors closed CRE deals in Belgium for more almost €6 billion. This is a 20% increase over the previous year and one of the highest investment volumes recorded in the Belgian real estate market, where Belgium has outperformed most European markets. Brussels offices accounted for 50% of total volume, which is in line with the historical evolution, though is high in terms of volume at almost €3 billion. Though opportunistic investors closed high-yield deals, core properties dominated interest. Belgian and foreign investors were each responsible for about 50% of total investment capital. Overall, offices prime yields for standard leases are currently at 3.75% following strong bidding on prime assets in the CBD.

Key stats: 7.57% Brussels vacancy; 315 eur/sqm/yr prime rent; 3.75% prime yield for standard leases

sources : CBRE

III. Landbanking

A. Housing stock

The Belgian housing stock divided by Region is 58% in Flanders, 36% in Wallonia, and 6% in Brussels. Given the size and density of the regions, the proportion of apartments relative to the stock is 59% in Flanders, 19% in Wallonia, and 22% in Brussels. The proportion of apartments in the total Belgian housing stock has increased from 19% in 2001 to 27% in 2020, to some extent at the expense of attached homes.

B. Building permits

The statistics on building permits are available through September 2020. In Belgium, a total of 62,030 permits for new units were issued during this time; more specifically 40,399 permits for houses and 21,631 for flats. This is a 9% decrease for apartments and a 3% decrease for houses over the same period in 2019.

C. Land values

The FOD Economie is now longer reporting building plot prices. Few vacant, buildable plots remain in Brussels. As a result, developments typically involve the demolition/conversion of existing buildings to an alternative use such as residential. During the last year we have seen an increase of sales concerning lands with permits as well as a rise of prices for lands with urban planning permits. These incidences can be upwards of 2,500 €/sqm for the best locations with high exit values, such as in Chatelain, the Sablon or on the Avenue de Tervueren. Land and older buildings for development without urban planning permission have values closer to 1,500 €/sqm. In other submarkets, such as decentralised areas, this is closer to 700 to 1,000 €/sqm.

Key stats: 2.3 people per household in Belgium; 62,684 net new housing completions in Belgium as of Jan 1 2020.

sources: FOD Economie, IBSA, CBRE, Federal Planning Bureau

FRANCE

I. Residential market in France

A. Population

On 1 January 2020, France counted a population of 67 million inhabitants. This represents a change of 0.13% from the previous year and a moderation of the pace of growth that averaged 0.37% annually over the last decade. As in previous years, the net natural balance is the driver of population at more than 140,000 people.

B. Paris

Residential real estate prices increased by 5.0% in Q3 2020 (y-o-y) in metropolitan France. Appreciation of second-hand dwellings outpaced new dwellings 5.2% versus 2.5% over the same period. Paris experienced more robust price growth despite falling transactional activity as a result of confinement measures. Prices topped 10,860 €/sqm in October for second-hand apartments, which is an annual increase of more than 6%. The pace of this growth, though, has slowed over 2020. Rental growth was more moderate. In Q3 2020, private sector rents in the greater Paris area rose 0.8% (y-o-y), though public sector rents fell 0.6%. Prime rents remain stable in 2020 at 34.5 €/sqm/mo.

C. Regions

Outside of Paris, second-hand apartment pricing has held up better than the nation's capital, particularly in town centres. Larger towns have seen price growth of 6.7% (Q3 2020 y-o-y), while town centres have averaged 7.8% growth over the last 12 months. Lyon has led the way with an increase of 11.5% to an average price of 4,969 €/sqm as the most expensive regional city. Bordeaux and Nice also count high average apartment prices of 4,446 €/sqm and 4,422 €/sqm, respectively. If prices have grown faster than Paris, rents have grown slower. Rents in the private sector increased by 0.6%, while those in the social sector declined by 0.7% in Q3 2020 (y-o-y). Prime rents remain stable in Lyon in 2020 at 16.5 €/sqm/mo.

D. Housing stock

At the beginning of 2020, the French housing stock is estimated at 37 million units, of which 81.7% are main residences, 9.9% are secondary/occasional accommodation, and 8.4% are vacant. Paris claims 4.734 million of these housing units. For the last 30 years the total stock has been expanding at 1.1% per year, which is faster than the general population growth but closer to the expansion of households. Eurostat identifies 64% of the population as owning their residence, while 36% rent their homes. Overall, this is very similar to the euro area average.

E. New builds

The pandemic lockdowns have weighed on construction and permitting in France. Q3 YTD permits fell 16% to 270,700 compared to the same period in 2019. That said, there were more authorisations in September than any other month in 2020, so the market is showing signs of improvement. The slowdown in the first half of the year is also reflected in the offers and reservations of new builds. Offers recorded the lowest figure (37,961) in more than ten years, and sales declined 42% in Q2 y-o-y. Due to the crisis, cancellations were particularly high. In order to control inventory, developers have turned to leasing and other alternatives for more than 6,000 properties for sale. Still, new build prices increased by 2.5% in Q3 y-o-y.

Key stats: 5.0% residential price increase in France Q3 y-o-y; 10,860 €/sqm average second-hand apartment price in Paris; Large regional town centres see apartments increase 7.8% Q3 y-o-y

sources: CBRE, Eurostat, INSEE, BTSLC, SDES

II. Office market in France

A. Paris region

The Parisian office market is one of the most vibrant in Europe. Counting 58.78 million sqm at the end of 2020, the stock expanded by 439,000 over the year (0.75%).

The COVID-19 pandemic has weighed on office activity in Paris and wider France in 2020. Take-up in Île-de-France was 1.32 million sqm, which is a decline of 45% versus 2019. Occupiers in major markets have followed the trend of renegotiating current space and delaying decision making until greater clarity returns to the market and real estate strategies can be reformed. The large surface segment (>5,000 sqm) has suffered the most, while those spaces <5,000 sqm have been more resilient. In gross figures, La Defense experienced increased take-up activity – the only Parisian submarket to do so.

Vacancy increased as a result of lower activity and the completion of major projects. Still, vacancy in Île-de-France is low at 6.3% at the end of 2020. Availabilities in central Paris are lower at around 4% (Paris Centre West), while those in La Defense (10.7%) and Western Crescent (10.7%) are higher.

Despite the uncertainty in office markets, prime rents continue to climb higher given the standard of new projects and demand for well-located, quality space. The CBD experienced a 6% increase y-o-y to 930 €/sqm/yr. Those in Southern Paris saw an even greater increase of 18% to 900 €/sqm/yr. Prime rents in La Defense retreated slightly to 530 €/sqm/yr.

B. Regional office market

While Paris remains the favoured destination, regional markets offer substantial space at lower rental values. The markets of Lyon, Lille, Toulouse, Marseille, and Bordeaux count a combined 22 million sqm, with Lyon the largest. The markets, though, have not been immune to the pandemic uncertainty, as take-up declined by 46% in 2020 to 603,000 sqm. The vacancy evolution has been mixed dependent on the market, and prime rents are well-supported with Lille and Toulouse recording small increases.

C. Investment

The initial months of the pandemic froze investment markets both from the uncertainty and travel restrictions associated with the lockdowns. Deals continued as everyone learned to work within the limitations over time. As a result, Total CRE investment in France in 2020 was €28.98 billion, which is a 38% decline over the previous year. Offices accounted for €18.274 billion or 63% of this activity. Investment in Paris offices specifically was €15.74 billion, or 86% of all office investment in France, which is consistent with recent activity.

In terms of pricing, the yield gap between core and peripheral markets widened over 2020. Central markets experienced slight yield compression of 5 to 15 bps, while those in the periphery saw yields increase by 25 to 50 bps. Several factors are influencing this development including the relative safety of central Parisian office assets and increase in perceived risk from banks and investors for other markets or office classes.

Key stats: 1.32 million sqm Île-de-France office take-up; 3.7% CBD vacancy; 930 €/sqm/yr prime rent; €15.74 billion invested in Paris offices

sources: CBRE

LUXEMBOURG

I. Residential market in Luxembourg

A. Population

Luxembourg continues to be one of the fastest growing countries in Europe. As of January 1, 2020, the population of the Grand Duchy was 626,108, which is a 2.0% increase over the previous year. This is in line with the average of the last five years of 2.15%. Foreigners make up a substantial portion of the population at 47.4%, though this has declined slightly over the last two years.

B. Market overview

The Luxembourg residential market continues to perform well, supported by high population growth, a robust economy, and continued low interest rates. Supply struggles to keep pace with the expanding population, though, pushing up prices and more moderate earners to the periphery of the city. Average apartment prices in Q3 2020 were €583,072, which is a 10.2% increase y-o-y. In relative terms this is 7,363 €/sqm, a 10.6% increase y-o-y. The number of transactions declined through the first three quarters of the year from lockdown and travel restrictions. Apartment transactions totalled 4,624 over this time, which is 13.5% less than the same period the previous year. The total value of transactions increased, however.

C. Luxembourg City

Luxembourg City grew 2.6% to a population of 122,273 as of January 1, 2020. Demand for residential properties is high, supported by the strong population growth, being the centre of the Duchy's economy, and overall continued low interest rates. Average transaction prices for existing apartments are 9,900 €/sqm, while the highest tier of apartments can be over 13,000 €/sqm. New build apartments average 11,500 €/sqm, with the highest tier achieving 14,000 €/sqm.

D. Regions

As the city becomes expensive and crowded, people are increasingly looking towards decentralised and peripheral areas for more accommodating values. Luxury developments are underway for those still wanting comfort, though prices of 5,000 to 7,000 €/sqm are still commonplace. New projects can commercialise for prices more than 8,000 €/sqm.

E. leasing

New lease regulations are presently being debated in parliament to strengthen tenants' rights, particularly for the lower- and middle- income earners who are most financially burdened by the high residential costs. At the same time, rents continue to increase. For the year leading to Q2 2020, the average asked rent in Luxembourg is 1,550 €/month, or 29.4 €/sqm. On a relative basis, Luxembourg City has the highest asking rents at 34.5 €/sqm, followed by Leudelange (33.7 €/sqm) and Mamer (30.5 €/sqm).

F. New builds

Recent new build apartment transaction prices in Luxembourg are on average about 15% higher than existing units, achieving 7,900 €/sqm or prices of €628,400. Zooming in, Bertrange recorded the highest average transaction prices for new apartments at 11,001 €/sqm for the period October 2019 to September 2020 and ranging from 8,600 to 15,300 €/sqm.

New apartment building permits declined 8.8% y-o-y through the first six months of the year. Not all areas experienced an equal evolution of permits. Luxembourg City saw a 72% increase, while Cantons of the North and West saw a decline of almost 34%.

Key stats: €583,072 average apartment price in Q3 2020; 72% increase in multi-unit residential permits in Luxembourg city in H1 2020; highest tier of apartments in Luxembourg City can achieve 13,000 €/sqm.

sources: Statec, LISER, Observatoire de l'Habitat

II. Office market in Luxembourg

A. Luxembourg City

Despite high anxiety and a lot of questions, 2020 remains a very good year for the office market. Two city districts in particular clearly outperformed in terms of take up – Kirchberg and Station - as they experienced significant activity from governmental and European institutions, with the pre-letting of the third extension of the European Bank of Investment (65,000 sqm) in Kirchberg and the Caisse Nationale de Santé (50,000 sqm) in the Station district.

The Cloche d'or district is also seeing high and diverse activity, whether in letting or investment transactions, especially in the new Extensa Cloche d'Or development area, with the Bijou, Kocklescheuer and Darwin II buildings fully pre-let within the year.

B. Periphery

Leudelange and Belval were the centres of much activity in 2020. Leudelange has seen high letting activity in newly delivered buildings such as W4, and Altitude where Northern Trust took additional space (6,600 sqm). Pre-letting activity was also noted in the Wooden IKO/BPI co-development project (Baloise) and one block of the Urbaterre Promobe project (Bonn Steichen Partners). Belval has seen two large transactions, with Deloitte occupying 10,000 sqm in the Terres Rouges building, and the Luxembourg state pre-letting 10,000 sqm in the Twist project.

Districts such as Airport and Hamm, have seen good absorption of vacant space, with the Luxembourg state taking 16,000 sqm in the Ikaros building in the Airport district. Elsewhere, Bertrange saw an increase of activity in 2020, mostly due to letting transactions closed in the Atrium Business Park complex.

Overall, the Luxembourg State was very active in the peripheral districts such as Belval, Leudelange and Strassen.

C. Demand

Despite the sudden shutdown of transactional activity during the first lockdown, a higher number of transactions closed totalling almost 350,000 sqm this year. More than half represents pre-letting transactions, such as for example the new CNS headquarters in the Station district for 50,000 sqm or the last extension of the EIB with 65,000 sqm, which were previously counted upon building completion.

This year has seen a rebalance of interest between Luxembourg City and the periphery. While activity in Luxembourg City has been hindered due to a lack of available space, the peripheral markets are gaining credibility with occupants as the continue to develop. Providing an attractive working environment for its employees will become essential, not only in terms of mobility but also in terms of well-being and services.

Government and European Institutions were the star performers in 2020 and recorded 101,000 sqm and 82,000 sqm of take-up, respectively.

D. Vacancy

Approximately 140,000 m² of office space was considered vacant in Q3 (latest data available) out of a total stock of 4.40 million m², putting the vacancy rate at a very low 3.2% at the end of Q3. City districts remain very tight: vacancy is less than 2% in the CBD, Kirchberg and the Station district. Some markets outside of the city saw significant decreases, such as Bertrange going from 18% in 2019 to 8% in 2020, or Hamm from 19% to 6%, and Belval decreasing even lower from 4% to 1%. For the first time ever, vacancy rates in all districts are below 10%.

E. Development

The pandemic did not significantly delay construction projects, as 92,000 m² of offices were delivered in 2020. Dependent on the European Parliament's KAD 2 extension, the 2021 pipeline will vary between 125,000 sqm and 295,000 sqm. Overall, projects are diverse in both size and markets.

F. Rent

The strong letting market and supply and demand dynamics are such that rental values are well-supported. Given the buoyancy of the overall market, prime rents in Luxembourg have increased from 50 € to 52 €/sqm/month in the CBD (excluding VAT), from 30 € to 35 €/sqm/mo in the Cloche d'Or and from 39 € to 42 €/sqm/mo in the Kirchberg district. Average rents for the City districts are 38 €/sqm/mo, while the peripheral average is 23 €/sqm/mo.

G. Investment

With an investment volume of just over €1.6 billion and the arrival of new institutional investors, Luxembourg confirms its status as an attractive market for institutional investors. Investment volume was exceptional in Q1 and picked up in Q4 after two weaker quarters.

The Cloche d'Or district, currently still in full development, focused on its own 1/3 of the volume invested, or 500m euros. It is now considered part of the institutional districts along with the CBD, the Station district and the Kirchberg district.

Key stats: 3.4% vacancy in Q3 2020; 52 €/sqm/mo prime rent; 3.40% prime investment yield,

sources: CBRE

POLAND

I. Residential market in Poland

A. Poland market

The Polish housing market posted broadly positive figures in 2020 despite the complications from the COVID-19 pandemic and limited population growth. Construction continued with pace in 2020, increasing 6% (November y-o-y) to 196,000 units. Of this amount, developers completed almost twice the amount (127,300) as private investors (65,700). New housing starts and permits, though, declined as a result of containment measures in 2020.

Housing prices in 2020 have grown at one of the fastest paces in Europe. Through Q3 2020, the average sale price increase 14% y-o-y, supported by low interest rates, rising construction costs, and increasing wages. The average sale price for an apartment was 4,987 PLN/sqm in Q3, which was a slight decrease from Q2's record price of 5,000 PLN/sqm.

B. Warsaw

Mixed dynamics through the pandemic have led to divergent prices in the primary and secondary markets in Warsaw and other major cities. In Warsaw, the primary market noted a large discrepancy between apartment offers and sales of almost 1,300 PLN/sqm in Q2, before it corrected in Q3. The secondary market, on the other hand, experienced the opposite effect. Developers also appear to be stabilising their asked prices, whereas private individuals are a little more aggressive in their selling approach. Still, prices in both markets in Warsaw note higher 2020 prices versus 2019, through Q3.

Sales activity in Q3 showed improved performance over the previous quarter. For the top markets in Poland, sales doubled versus Q2. This amounts to net sales of 4,603 flats in Warsaw.

C. Leasing

The Polish residential market is still dominated by private owners. More than 84% of occupiers own their residence, which is well above the European average. Prime rents in multifamily housing are highest in Warsaw at 18.2 €/sqm/mo, followed by Wroclaw (16.2 €/sqm/mo), Gdansk (14.8 €/sqm/mo) and Krakow (14.2 €/sqm/mo). The evolution of prime rents is mixed, however, with Warsaw experiencing a 6.8% decline y-o-y, while Wroclaw saw an 11.8% increase. A recent CBRE survey illustrates that almost two-thirds of tenants rent their residence because they cannot afford to buy an apartment. Consequently, the most important factor when choosing a place to rent is the rental price (51% of respondents) and location (43% of respondents).

Key stats: 196,000 new units complete through Nov 2020; Prime residential rent of 18.2 €/sqm/mo in Warsaw; Quarterly average prices hit 5,000 PLN/sqm in Q2.

Sources: Natl Bank of Poland (NBP), Central Statistics Poland, CBRE, Eurostat

II. Office market in Poland

A. Warsaw

The Warsaw office market is by far the largest in Poland, accounting for half of the office stock in the country at 5.8 million sqm. An additional 234,000 sqm of new office space was added to the stock through Q3 2020, about 85% of which was in central markets. An additional 650,000 sqm is under construction, also concentrated in the CBD.

Occupier activity in Warsaw is dominated by financial, business service and tech companies. However, the pandemic has weighed on activity in 2020. Office demand in Warsaw totalled 448,000 sqm through Q3 2020, which is a decline of 35% compared to the same period in the previous year. Take-up (excluding renegotiations) was 293,000 sqm. Pre-leasing was strong in the first half of the year but decreased notably in Q3.

Vacancy has ticked upwards in recent quarters, largely due to new deliveries that were pre-leased at 66% occupancy on average. Given that the majority of development has been in the CBD, the vacancy increase was most notable here. At the end of Q3, 559,000 sqm of space was immediately available, translating to a vacancy rate of 9.6% for the Warsaw market.

Headline rents have remained stable amidst the market turmoil. Prime rents for the best office space in the Warsaw CBD amount to 25 €/sqm/mo, while those outside of the CBD are 15.50 €/sqm/mo. Given the current environment, some landlords have needed to be more flexible in their leasing approach by offering more generous incentives to occupiers.

B. Regional office market

The regional Polish office markets continue to develop and offer attractive new space. As of Q3, the stock of the eight largest markets expanded 345,000 sqm to more than 5.7 million sqm.

The first half of 2020 saw a record 334,800 sqm of contracts signed, mostly from an active Q1 and legacy deals. Q3 saw an additional 126,500 sqm of new leases in the eight largest regional markets. While this activity is almost 10% higher than the previous quarter, it is almost one-third less than Q3 of the previous year. Still, some markets performed well in terms of leasing activity such as Krakow Lodz and TriCity. The IT sector was the most active sector, particularly in Krakow. In the second quarter when the implications of the pandemic became clearer, renegotiations picked up and pre-leases decreased.

Vacancy in regional markets drifted upward through Q3 2020 to 11.8%, which is the highest since 2010. The vacancy rate, however, was influenced by the completion of major projects with an average occupancy rate of 45%. Landlords of new buildings and those presently under construction are offering fit-out contributions while maintaining headline rents. More generally, prime rents have held up well. Katowice and Krakow noted small decreases as of Q3, while Lublin, Poznan and Wroclaw experienced prime rent increases since the beginning of the year.

C. Investment

Poland is one of the major investment markets in Central Europe, accounting for 40% of this market annually in recent years.

2020 commercial real estate investment in Poland totalled €5.08 billion, which is a 34% decrease from the previous year. Though a notable decline, it is still the third highest volume in the previous 14 years. Industrial and logistics proved to be the most popular asset class followed by offices at almost €2 billion. Warsaw makes up the vast majority of this as the preferred destination for office investors.

Office assets have experienced a repricing over 2020. Prime investment yield for CBD assets increased from 4.25% to 4.65% as of the end of the year. Secondary Warsaw markets and regional office markets increased 25bps to 6.75% and 6.0%, respectively.

Key stats: 9.6% Warsaw vacancy in Q3; 25 €/sqm/month Warsaw prime rent; 4.65% Warsaw office prime yield

sources: CBRE

GERMANY

I. Residential market in Germany

A. Population

According to a first report of the Federal Statistics Office (Destatis), 83.2 million people were living in Germany at the end of 2020. Owing to lower net immigration, higher mortality and an estimated marginally smaller number of births compared with the previous year, the population did not rise for the first time since 2011.

B. Residential market Germany

Residential prices in Germany were stagnant from the early 2000s until 2009. Prices since 2010 have been among the fastest rising in Europe. According to the Bundesbank price index, the top seven cities have seen prices more than double since 2010. Deutsche Bank predicts similar prices increases through at least 2022, largely driven by delayed new construction. Current commercialised prices for good quality apartments of 60 to 80 m² are highest in Munich at 9,480 €/sqm. Frankfurt and Stuttgart follow at 7,235 €/sqm and 6,985 €/sqm, respectively. Berlin is seventh on the list at 5,929 €/sqm but counts the second largest price growth of 65% (2015 to 2019).

As a result of these expensive buying prices, combined with affordable rents managed by public housing companies and lack of legislation favouring homeownership, Germany is known for having a low home ownership rate. Just 51% of people own their home. This amount is evenly split between those who maintain a mortgage/loan and those who own their home outright. The remaining 49% of people rent their residence, being the second highest rate in Europe behind Switzerland. The German government carried out a tenant survey in 2018/2019. Average gross residential rents in Germany were recorded at 7.9 €/sqm/mo. Hamburg claimed the highest rents at 10.4 €/sqm/mo, followed by Munich (9 €/sqm/mo) and Berlin (8.8 €/sqm/mo).

C. Housing Stock

Germany counts 42.513 million residential units at the end of 2019. Housing stock growth has been just 0.57% per year on average over the last decade, which is very modest. The average size residential unit is 92 sqm. This is a growth of one square meter over the last decade. The average residential unit has 4.4 rooms.

D. New builds

Presently, Germany is experiencing a serious housing imbalance. Development is simply not keeping up with the demand and is the single biggest challenge to the residential market today. Development of some 270,000 units annually is around 100,000 fewer than the government's target. Though, 360,000 residential building permits were issued in 2019. And, YTD 2020 until November show already 332,000 residential permits that were issued this year. Estimated building costs are reported as part of permit applications. These have been growing at more than 3% per year on average and exceed 3,100 €/sqm for permits granted in 2020. This comes to more than €300,000 per unit on average. Given the changing household configurations and increasing proportion of singles, the average living space per capita has been increasing over time from 42.5 sqm/person in 2009 to 47 sqm/person in 2018. Framed differently, residential resource intensity per capita has been increasing.

Key stats: German housing stock is 42.513 million residential buildings; Munich records the highest new commercialised apartment prices of 9,480 €/sqm; 332,000 building permits issued YTD November 2020.

sources: Destatis

II. Office market in Germany

A. Office market – top 5 German markets

In 2020, 2.16 million sqm was newly leased or taken by new owners in Germany's five most important office markets (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich), marking a decline of 36% compared to 2019. The ongoing uncertainty about how the pandemic will develop is being felt in in all five of the large cities, with Berlin retaining its lead from 2019 as the country's most active office market with a take-up of 660,000 m². The second most popular office market was Munich, with a take-up of 558,500 (-26.9%), followed by Frankfurt 330.200 (-40.2 %), Hamburg 318,300 and Düsseldorf 293,500 (-43 %)

Despite the uncertainty in office markets, weighted average rents were on the rise or remained stable in almost all the Top 5 markets. Above all, Berlin (up 8.1%), Munich (up 6.7%) and Frankfurt (up 7.4%) are proof that users are still willing to pay the rents demanded, especially in markets where contemporary, high quality space in central locations is a scarce commodity. In Hamburg, the increase was more moderate at 1.0%. Düsseldorf was the only city where rents were in decline, which is mainly attributable to several large-scale lettings in city fringe locations and submarkets being concluded at lower market rents. Prime rents remain stable, though they were recorded higher for first-rate office space in Berlin and Hamburg compared with the previous year.

Vacancy in the top 5 German markets together slightly increased by 0.5% to 3.9% in 2020. The greatest upturn in the vacancy rate was registered in Berlin (+ 1.1%). However, with a vacancy rate of 2.3%, the capital city still registers the lowest rate of the 5 German metropolises. Hamburg's vacancy rate is also hovering below the three-percent mark (2.7%) despite an increase of 0.3%. In Munich, vacancies rose by 0.6% to 3.3%. The vacancy rate in Frankfurt dropped by 0.4% to 6.4%, which means that of the Top 5 markets Düsseldorf currently has the highest vacancy rate of 6.0%.

B. Investment

Despite the macroeconomic challenges presented by the pandemic, with the services sector taking a particularly hard hit, the German office real estate investment market achieved one of the best results in recent years with €26.7 billion invested in 2020. Although, as expected, the overall result dropped by 31 percent compared with the exceptional record year of 2019, both the 10-year average and the very good results of 2014 through 2016 were partly significantly outperformed.

Office properties continue to be the most important investment target of domestic and international investors who place great trust in the sustainable and stable development of Germany as an office location. Measured by their relative proportion in the overall transaction volume, office properties therefore remained the dominant asset class with 35%, ahead of residential with 25%, retail with 15% and the logistics sector with 10%.

The largest single asset transactions were also attributable to these markets, particularly Frankfurt, where the three largest single asset deals took place. With an investment volume of €5.6 billion, a repeat of the year-earlier level, Frankfurt was therefore the strongest market of the top locations, followed by Berlin with €5.5 billion (-43%) and Hamburg with €3.45 billion (+3 %). Munich came in fourth place with €3.1 billion (-64%), with Düsseldorf close behind at €3.0 billion (-27%). Aside from this, around €5.45 billion was invested outside the top markets in 2020, with the majority of this volume concentrated on the regional centres of Nuremberg, Wiesbaden, Essen and Leipzig.

Despite the crisis, German office real estate topped the list of domestic as well as international investors in 2020. This ongoing strong investor demand is substantiated by the average prime yield in the Top 7 markets that slipped six basis points to 2.85% in 2020, marking a new record level.

Key stats: Highest office prime rent in Germany is 44 €/sqm/month in Frankfurt ; lowest vacancy in Germany in Berlin : 2.3% ; German office investment volume €26.7 billon

sources: CBRE

MANAGEMENT REPORT

Ladies and Gentlemen,

We have the pleasure to present our activity report 2020.

Immobel closed its annual results on December 31st, 2020.

Solid recovery in 2nd half, largest pipeline ever. Immobel maintains its dividend policy.

- Immobel realised in FY2020 revenues of EUR 375.4 million, EBITDA1 of EUR 52.8 million and net group profit share of EUR 33.3 million or EUR 3.58 per share.
- Business activities slowed down in the first half of the year due to COVID-19. A solid recovery took place in the 2nd half with normalised sales rhythms and permitting procedures.
- 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 markets remain strong.
- Immobel successfully launched its EUR 200 million Immobel BeLux Office Development Fund, enabling investments up to EUR 500 million.
- While the company experienced delays in its permitting processes due to the health crisis and more challenging regulatory environments, the key catalyst for solid growth as from 2022 onwards is its permitting pipeline of more than EUR 1.4 billion in sales value2 of mainly residential projects (4.500 apartments and houses3).
- The company grew its portfolio with more than 13% up to EUR 5.1 billion in sales value by acquiring new projects for EUR 846 million mainly in Belgium, Luxembourg, and France.
- To support this investment and growth strategy, the company increased its equity by EUR 75.7 million through the placement of 1,162,179 treasury shares 4.
- Immobel has decided to increase its dividend by 4%, resulting in a dividend of EUR 2.77 per share.
- In 2020, Immobel has further strengthened its efforts to develop sustainable buildings integrating the relevant UN Sustainable Development Goals. In 2021, the company will also continue to improve its governance and reporting standards on sustainability according to the GRESB methodology.

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[1] EBITDA (Earnings Before Interest, Depreciation and Amortization) refers to the operating result before amortization, depreciation and impairment of assets (as included in Administration Costs)
[2] Sales value or gross development value: the expected total future turnover (Group share) of the respective projects
[3] Total number of apartments and houses on a 100% basis
[4] Including the treasury share sale of 5 January 2021.

I. Business development (art. . 6 ' 1, 1' et art. 3:32, 1' cca)

A. Groupe Immobel - business

A) Financials – noticeable impact of COVID-19

The table below provides key consolidated figures for FY2020 (EUR million):

Results	31/12/2020	31/12/2019	Variance
Revenues	375.4	419.5	-11%
EBITDA	52.8	124.6	-58%
Net profit Group share	33.3	102.4	-68%
Net profit per share (EUR/share)	3.58	11.66	-69%
ROE	7.8%	29.7%	-74%

Balance sheet	31/12/2020	31/12/2019	Variance
Inventory	1140.8	961.1	19%
Equity	491.9	428.2	15%
Net debt	603.9	550.9	10%
GDV (In BEUR)	5.1	4.5	13%

Revenues in FY2020 were mainly driven by the sale of an office building (Möbius I) in Belgium and residential sales in all countries (EUR 264 million).

While each of the P&L financial indicators have been impacted by a slowdown in sales and reduced construction activities in Q2 as a result of the lockdown, EBITDA and net profit group share have also evolved negatively due to the exceptional sales of Centre Etoile in Luxembourg and Möbius II in Belgium last year.

The sales value of the company's portfolio grew by 13% from EUR 4.5 to 5.1 billion while the underlying inventory[5] grew by 19% to EUR 1.1 billion, driven by new acquisitions made in 2020. The increase in net debt was relatively limited, reflecting the proceeds from the placement of 900,000 treasury shares (in 2020; another 262,179 treasury shares were sold in January 2021), resulting in a gearing ratio of 55% (compared to 56% at the end of 2019).

Launch of Immobel BeLux Office Development Fund

In 2020, Immobel launched its real estate investment management services, offering its development capabilities to third party investors, be it in asset-specific joint ventures in European cities or through regulated discretionary funds. The Immobel BeLux Office Development Fund successfully achieved equity commitments for more than EUR 75 million from Institutional Investors and High Net Worth Individuals. Both the Total headquarters in Brussels and the Scorpio assets in Luxembourg will be proposed to the Fund as seed assets, with a view to developing and selling them once leased. The real estate investment management strategy will enable Immobel to accelerate its development in Europe, investing its balance sheet in more transactions, diversifying its project risks and finally to create an additional stable revenue line, further to its development project revenue resulting from its investment alongside investors.

[5] Inventory refers to investment property, investments in joint ventures and associates, advances to joint ventures and associates, inventories and contract assets.

Impact of the pandemic on sales

The company realized 10% fewer residential sales in 2020 compared to its objectives due to a slowdown of sales during the Q2 lockdown. In the second half of the year, sales recovered in each of its markets. Partly due to the effect of COVID-19, there was strong demand for more spacious homes and apartments both in urban as well as suburban areas. Projects that did well were O'Sea in Ostend, Eden in Frankfurt, Crown in Knokke, Lalys in Astene and Plateau d'Erpent in Erpent. Also in Gdansk, the sale of apartments in the Granary Island project (phase 2) was very successful; 180 were sold by the end of 2020. In the Vaartkomproject in Leuven, the company sold a residential complex for elderly people. Furthermore, Immobel signed a 9-year lease agreement with ING for a large office project in the European Quarter of Brussels.

Permitting pipeline of more than EUR 1.4 billion in sales value of mainly residential projects as a catalyst for solid growth from 2022 onwards

The health crisis as well as more challenging regulatory environments resulted in fewer new real estate projects being permitted in 2020 across the markets in which Immobel is active. This resulted the supply of new-build residential projects being at a historical low, supporting strong demand and prices for residential real estate even more. In 2020, Immobel obtained permits representing a sales value of EUR 314 million and currently has pending permit applications worth over EUR 1.4 billion in sales value. Key projects for which Immobel expects to obtain permits in 2021 are among others A'Rive (the former Key West) (529 units), Brouck'R (303 units) and Ilot Saint Roch (291 units) in Belgium, Polvermillen (216 units) in Luxembourg, Buttes Chaumont (60 units) and Bussy St Georges (223 units) in France. With the launch of construction and commercialization of these projects expected in the course of 2021, these projects will significantly contribute to the results as from 2022 onwards.

Acquisitions for growth

Thanks to its strong balance sheet with EUR 148.1 million of cash and EUR 75.7 million additional equity raised through the sale of its treasury shares, Immobel grew its portfolio with more than 13% to EUR 5.1 billion by acquiring assets worth EUR 845 million in sales value.

In Belgium (sales value portfolio: EUR 2.6 billion), Immobel won the Brussels South Station project (in partnership) and bought 50% of the shares in Brouckère Tower Invest SA for the Multi office tower in Brussels city centre. At the end of 2020, it acquired a number of office buildings and sites in Brussels from the French company Total, an ambitious circular redevelopment project.

Immobel Luxembourg (sales value portfolio: EUR 1.1 billion) bought shares of land plots in Schoettermarial with a view to developing a residential project of approximately 22,000 m². It also obtained exclusivity for a 'cradle-to-cradle' project of some 23,000 m² in Luxembourg City. Immobel Luxembourg also purchased the Scorpio project, a 3,700 m² office building located in Cloche d'Or. Finally, Canal in Esch-sur-Alzette was acquired: a listed building of some 6,000 m², a renovation and an extension for residential use and services.

In France (sales value portfolio: EUR 0.9 billion), the team signed a provisional sales agreement for a 3,000 m² office project in Pantin (Seine-Saint-Denis) and entered into purchase options for new residential projects for a sales value of EUR 114 million in Buttes Chaumont, Montévrain, Neuilly sur Marne, Othis and Romainville.

A plan for more sustainable cities and communities

To further increase the company's commitment of structurally integrating sustainability into our projects, it has drawn up a plan with four concrete pillars that are linked to the United Nations Sustainable Development Goals. In 2021, we will take the next steps in this regard, with concrete KPIs and evaluation of our projects using GRESB benchmarking.

Positioning and identity

Since the merger in 2016, Immobel has evolved significantly. For this reason, the company also considered its positioning and communication in 2020. Based on surveys with different stakeholders and a number of internal workshops at all company levels and in all countries where Immobel has a presence, a new visual identity was created that will be reflected in all business communications in 2021.

The statutory auditor, Deloitte Bedrijfsrevisoren CVBA, represented by Kurt Dehoorne, has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows, and that the accounting data reported in the press release is consistent, in all material respects, with the draft consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows from which it has been derived.

B. Comments on the consolidated financial statements

A) Key indicators

CONSOLIDATED TURNOVER PER COUNTRY (MEUR)

	BEFORE IFRS 11	AFTER IFRS 11
Belgium	240,91	217,24
Grand-Ducy of Luxemburg	44,77	26,90
France	64,06	56,06
Poland	29,00	29,27
Germany	35,01	35,01
Total	413,75	364,48

CONSOLIDATED INVENTORIES PER COUNTRY (MEUR)

	BEFORE IFRS 11	AFTER IFRS 11
Belgium	555,04	311,03
Grand-Ducy of Luxemburg	201,72	196,19
France	95,20	92,29
Poland	49,37	21,40
Germany	61,88	61,88
Spain	33,95	0,33
Total	997,16	683,12

B) Consolidated accounts

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN THOUSANDS EUR)

	NOTES	31/12/2020	31/12/2019
OPERATING INCOME		375 390	419 547
Turnover	2	364 479	408 784
Other operating income	3	10 911	10 763
OPERATING EXPENSES		-333 526	-327 192
Cost of sales	4	-300 766	-291 027
Cost of commercialisation	5	-1 702	-3 160
Administration costs	6	-31 057	-33 005
SALE OF SUBSIDIARIES		133	19 618
Gain on sale of subsidiaries	7	133	19 618
JOINT VENTURES AND ASSOCIATES		7 994	4 985
Share in the net result of joint ventures and associates	8	7 994	4 985
OPERATING RESULT		49 991	116 958
Interest income		5 773	3 240
Interest expense		-11 859	-7 524
Other financial income		1 440	738
Other financial expenses		-2 649	-1 782
FINANCIAL RESULT	9	-7 295	-5 328
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		42 696	111 630
Income taxes	10	-8 650	-9 390
RESULT FROM CONTINUING OPERATIONS		34 047	102 240
RESULT OF THE YEAR		34 047	102 240
Share of non-controlling interests		775	- 196
SHARE OF IMMOBEL		**33 272**	**102 436**
RESULT OF THE YEAR		34 047	102 240
Other comprehensive income - items subject to subsequent recycling in the income statement		2 282	
Currency translation		2 282	
Other comprehensive income - items that are not subject to subsequent recycling in the income statement	27	201	- 1
Actuarial gains and losses (-) on defined benefit pension plans	27	201	- 1
Deferred taxes			
TOTAL OTHER COMPREHENSIVE INCOME		2 483	- 1
COMPREHENSIVE INCOME OF THE YEAR		36 530	102 239
Share of non-controlling interests		964	- 196
SHARE OF IMMOBEL		**35 566**	**102 435**
NET RESULT PER SHARE (€) (BASIC)	**11**	**3,58**	**11,66**
COMPREHENSIVE INCOME PER SHARE (€) (BASIC)	**11**	**3,82**	**11,66**
NET RESULT PER SHARE (€) (DILUTED)	**11**	**3,58**	**11,65**
COMPREHENSIVE INCOME PER SHARE (€) (DILUTED)	**11**	**3,82**	**11,65**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN THOUSANDS €)

ASSETS	NOTES	31/12/2020	31/12/2019
NON-CURRENT ASSETS		448 370	213 311
Intangible assets	12	582	543
Goodwill	13	43 789	43 789
Property, plant and equipment	14	1 388	983
Right-of-use assets	15	4 390	6 441
Investment property	16	197 149	81 123
Investments in joint ventures and associates	17	106 195	55 899
Advances to joint ventures and associates	17	76 644	9 492
Other non-current financial assets	18	175	4 920
Deferred tax assets	19	16 369	6 374
Other non-current assets	20	1 689	3 747
CURRENT ASSETS		982 768	1087 903
Inventories	21	683 121	694 580
Trade receivables	22	33 168	72 516
Contract assets	23	57 251	42 228
Tax receivables		3 450	2 703
Other current assets	24	37 269	41 937
Advances to joint ventures and associates		20 399	77 743
Other current financial assets		49	50
Cash and cash equivalents	25	148 059	156 146
TOTAL ASSETS		**1 431 137**	**1301 214**

EQUITY AND LIABILITIES	NOTES	31/12/2020	31/12/2019
TOTAL EQUITY	26	494 490	428 162
EQUITY SHARE OF IMMOBEL		491 922	426 151
Share capital		97 256	97 256
Retained earnings		392 143	328 693
Reserves		2 524	202
NON-CONTROLLING INTERESTS		2 568	2 011
NON-CURRENT LIABILITIES		609 602	523 379
Employee benefit obligations	27	603	633
Deferred tax liabilities	19	37 301	15 447
Financial debts	25	571 139	507 008
Derivative financial instruments	25	560	291
CURRENT LIABILITIES		327 045	349 673
Provisions	28	2 114	3 882
Financial debts	25	180 810	200 063
Trade payables	29	60 927	59 564
Contract liabilities	30	3 896	5 690
Tax liabilities		7 110	1 354
Other current liabilities	31	72 188	79 120
TOTAL EQUITY AND LIABILITIES		**1 431 137**	**1301 214**

C) Immobel SA company accounts

Income Statement

The operating profit amounts to EUR 4.2 million for the past financial year.

The financial result amounts to EUR 72.2 million, being the net amount of interest charges on group financing (bonds and corporate lines) and interest income from loans to the various subsidiaries, mainly generated by dividends and disposal of treasury shares.

Immobel's financial year ended with a net profit of EUR 76.1 million.

The Balance Sheet

The total Balance Sheet amounts to EUR 940 million and is mainly composed of financial investments in subsidiaries and claims on these subsidiaries (EUR 821 million), the project stock directly held by Immobel SA (EUR 47.8 million), own shares (EUR 13.1 million) and cash and cash equivalents (EUR 34.5 million).

The equity amounts to EUR 322.5 million as of 31 December 2020. The liabilities are mainly composed of long-term debts (EUR 380 million) and short-term debts (EUR 231.7 million).

Allocation of results

The profit to be allocated, taking into account the amount carried forward from the previous year amounts to EUR 146 million.

Given the dividend policy approved by the Board of Directors and the results as of 31 December 2020, the Board of Directors proposes to the General Meeting of Shareholders of 15th April 2021 to distribute a gross dividend of 2.77 EUR per share in circulation for the year 2020, an amount that should increase every year, subject to the absence of any currently unforeseen exceptional events.

Main risks and uncertainties

The Immobel Group faces the risks and uncertainties inherent to the property development sector as well as those associated with the economic situation and the financial world.

Without the list being exhaustive, we would like to mention the following in particular:

Market risk

Changes in general economic conditions in the markets in which Immobel's properties are located can adversely affect the value of Immobel's property development portfolio, as well as its development policy and, consequently, its growth prospects.

Immobel is exposed to the national and international economic conditions and other events and occurrences that affect the markets in which Immobel's property development portfolio is located: the office property market in Belgium (mainly in Brussels), Luxembourg, France, Germany, Spain, and Poland; and the residential (apartments and plots) property market in Belgium, Luxembourg, Poland and France. This diversification of both business and countries means it can target different clients, economic cycles and sales volumes.

Changes in the principal macroeconomic indicators, a general economic slowdown in one or more of Immobel's other markets, or on a global scale, could result in a fall in demand for office buildings or residential property or building plots, higher vacancy rates and higher risk of default of service providers, building contractors, tenants and other counterparties, any of which could materially adversely affect Immobel's value of its property portfolio, and, consequently, its development prospects.

Immobel has spread its portfolio of projects under development or earmarked for development to limit the impact of any deterioration in the real estate market by spreading the projects in terms of time and nature.

Operational risk

Immobel may not be able to dispose of some or all of its real estate projects.

Immobel's revenues are determined by disposals of real estate projects. Hence, the results of Immobel can fluctuate significantly from year to year depending on the number of projects that can be put up for sale and can be sold in a given year.

Furthermore, it cannot be guaranteed that Immobel will find a buyer for the transfer of its assets or that the transfer price of the assets will reach a given level. Immobel's inability to conclude sales can give rise to significant fluctuations of the results.

The policy of diversification implemented by Immobel for the last years and the merger with ALLFIN has allowed it to reduce its concentration on and therefore its exposure to offices in Brussels with an increased portfolio of residential and landbanking projects, which should give it a revenue base and regular cash flows.

The development strategy adopted by Immobel may prove to be inappropriate.

When considering property development investments, Immobel makes certain estimates as to economic, market and other conditions, including estimates relating to the value or potential value of a property and the potential return on investment. These estimates may prove to differ from reality, rendering Immobel's strategy inappropriate with consequent negative effects for Immobel's business, results of operations, financial condition, and prospects.

Immobel takes a prudent approach to the acquisition and development of new projects and applies precise selection criteria. Each investment follows a clear and strict approval process.

Immobel's development projects may experience delays and other difficulties.

Before acquiring a new project, Immobel carries out feasibility studies with regards to urban planning, technology, the environment, and finance, usually with the help of specialised consultants. Nevertheless, these projects are always subject to a variety of risks, each of which could cause late delivery of a project and consequently increase the length of time before it can be sold, engender a budget overrun or cause the loss or decrease of expected income from a project or even, in some cases, its actual termination.

Risks involved in these activities include but are not limited to: (i) delays resulting from amongst other things adverse weather conditions, work disputes, construction process, insolvency of construction contractors, shortages of equipment or construction materials, accidents or unforeseen technical difficulties; (ii) difficulty in acquiring occupancy permits or other approvals required to complete the project; (iii) a refusal by the planning authorities in the countries in which Immobel operates to approve development plans; (iv) demands of planning authorities to modify existing plans; (v) intervention by pressure groups during public consultation procedures or other circumstances; and (vi) upon completion of the development project, occupancy rates, actual income from sale of properties or fair value being lower than forecasted.

Considering these risks, Immobel cannot be sure that all its development projects (i) can be completed in the expected timeframe, (ii) can be completed within the expected budgets or (iii) can even be completed at all. It is in the framework of controlling this risk and others that Immobel has increased the diversification of its business/countries/clients, which allows it to reduce its concentration on any particular project or another.

Furthermore, Immobel has some projects where an asset under development is preleased or pre-sold to a third party and where Immobel could incur substantial liabilities if and when such projects are not completed within the pre-agreed timeline.

Immobel may be liable for environmental issues regarding its property development portfolio.

Immobel's operations and property development portfolio are subject to various laws and regulations in the countries in which it operates concerning the protection of the environment, including but not limited to regulation of air, soil and water quality, controls of hazardous or toxic substances and guidelines regarding health and safety.

Such laws and regulations may also require Immobel to obtain certain permits or licenses, which it may not be able to obtain in a timely manner or at all. Immobel may be required to pay for clean-up costs (and in specific circumstances, for aftercare costs) for any contaminated property it currently owns or may have owned in the past.

As a property developer, Immobel may also incur fines or other penalties for any lack of environmental compliance and may be liable for remedial costs. In addition, contaminated properties may experience decreases in value.

Immobel may lose key management and personnel or fail to attract and retain skilled personnel.

Loss of its managerial staff and other key personnel or the failure to attract and retain skilled personnel could hamper Immobel's ability to successfully execute its business strategies.

Immobel believes that its performance, success, and ability to fulfil its strategic objectives depend on retaining its current executives and members of its managerial staff who are experienced in the markets and business in which Immobel operates. Immobel might find it difficult to recruit suitable employees, both for expanding its operations and for replacing employees who may resign or recruiting such suitable employees may entail substantial costs both in terms of salaries and other incentive schemes.

The unexpected loss of the services of one or more of these key individuals and any negative market or industry perception arising from such loss could have a material adverse effect on Immobel's business, results of operations, financial condition, and prospects.

The conduct of its management teams, in Belgium, Luxembourg, France, Germany, Spain and Poland, is therefore monitored regularly by the CEO and the Nomination Committee, one of the organs of the Board of Directors.

Immobel is subject to the risk of litigation, including potential warranty claims relating to the lease, development or sale of real estate.

In the normal course of Immobel's business, legal actions, claims against and by Immobel and its subsidiaries and arbitration proceedings involving Immobel and its subsidiaries may arise. Immobel may be subject to other litigation initiated by sellers or purchasers of properties, tenants, contractors, and subcontractors, current or former employees or other third parties.

In particular, Immobel may be subject to warranty claims due to defects in quality or title relating to the leasing and sale of its properties. This liability may apply to defects in properties that were unknown to Immobel but could have, or should have, been revealed.

Immobel may also be subject to claims by purchasers of its properties as a result of representations and warranties about those properties given by Immobel at the time of disposal.

Immobel makes sure to control these risks with a systematic policy of taking out adequate insurance cover.

Immobel is exposed to risk in terms of liquidity and financing.

Immobel is exposed to risk in terms of liquidity and financing which might result from a lack of funds in the event of non-renewal or cancellation of its existing financing contracts or its inability to attract new financing.

Immobel does not initiate the development of a project unless financing for it is assured by both internal and external sources for the estimated duration of its development.

Immobel gets its financing from several first-rate Belgian banking partners with which it has maintained longstanding good relations and mutual trust.

Immobel is exposed to risk linked to the interest rate which could materially impact its financial results.

Given its current and future indebtedness, Immobel is affected by a short or long-term change in interest rates, by the credit margins taken by the banks and by the other financing conditions.

Immobel's financing is mainly provided based on short-term interest rates (based on the Euribor rates for 1 to 12 months) except for the 2017, 2018 and 2019 bond issues, which are fixed rate. As part of a comprehensive risk management coverage programme, Immobel introduced a policy to implement, as appropriate, adequate coverage against the risks associated with the interest rates on its debt through financial instruments.

Feasibility studies for each project are based on the predictions for long-term rates.

Immobel is exposed to a currency exchange risk which could materially impact its results and financial position.

Following its entering in the Polish market, Immobel is subject to currency exchange risks. There is the foreign currency transaction risk and the foreign currency translation risk.

Immobel also makes sure whenever possible to carry out all of its operations outside the Eurozone in EUR, by having purchase, lease and sales contracts drawn up for the most part in EUR.

Immobel is subject to regulatory risk.

Any development project depends on obtaining urban planning, subdivision, urban development, building and environmental permits.

A delay in granting them or failure to grant them could impact on Immobel's activities. Furthermore, the granting of a subdivision permit does not mean that it is immediately enforceable. An appeal against it is still possible.

Furthermore, Immobel must respect various urban planning regulations. Local authorities or public administrations might embark on a revision and/or modification of these regulations, which could have a material impact on Immobel's activities.

Immobel is exposed to counterparty risk.

Immobel has contractual relations with multiple parties, such as partners, investors, tenants, contractors, financial institutions, architects. The inability of such counterparty to live up to their contractual obligations could have an impact on Immobel's operational and financial position. Immobel pays great attention, through appropriate studies, to the choice of its counterparties.

Changes in direct or indirect taxation rules could impact the financial position of Immobel.

Immobel is active in Belgium, Luxemburg, France, Germany, Spain, and Poland. Changes in direct or indirect fiscal legislation in any of these could impact Immobel's financial position.

Immobel is exposed to the risk associated with the preparation of financial information.

The preparation of financial information in terms of the adequacy of the systems, the reporting and compilation of financial information, considering changes in scope or changes in accounting standards is a major challenge for Immobel, the more so given the complexity of the Group and the number of its subsidiaries. Please also note in this risk the complexity of the Immobel Group is active in Belgium, Luxemburg, France, Germany, Spain and Poland. Competent teams in charge of producing it and suitable tools and systems must be able to prevent this financial information from not being produced on time or presenting deficiencies with regards to the required quality.

II. Important events after the end of the financial year (art. 3:6 § 1, 2 and art. 3:32, 2 cca)

On 5th January 2021 Immobel SA/NV sold 262,179 treasury shares, representing c. 2.6% of Immobel current outstanding share capital, through a private placement, to qualified international institutional investors.

III. Circumstances likely to have a significant influence on the development of the Company (art. 3:6 § 1, 3° and 3:32, 3° CCA)

Major judgement & estimates

To the Directors' knowledge, there should not be any circumstances likely to have any significant influence on the development of

the Company. With respect to COVID-19 on the economic circumstances and on the financial performance of the company, the Board of Directors assesses on a continuous basis the going concern assumption of the company based on a floored case which is updated on a regular basis.

Going concern

Covid-19 is currently still having an impact on the activity of the company and the sector as a whole mainly with respect to progress in permitting as well as for office related commercial activities.

As a buffer against this market conditions the company has a cash position of EUR 148 million at the end of December 2020, available corporate lines of EUR 76 million, non-issued Commercial Paper for an amount of EUR 26.5 million and substantial headroom on its main debt covenants.

Based on available and committed credit lines and available cash and taking the floored case into consideration, the Board of Directors is of the opinion that the company can maintain the going concern assumption.

IV. Activities in terms of research & development (art. 3:6 §1, 4° and art. 3:32, 4° cca)

Immobel has invested in 2020 in knowledge on sustainability. Sustainable development, in relationship to ESG targets, is for Immobel a key element in its development strategy. Therefore, investments have been done in knowledge about carbon-neutrality and more particular geothermy. Geothermy is now used in several Immobel projects.

Immobel will continue to invest in sustainability in 2021, in all aspects of its ESG strategy.

V. Use of financial instruments (art. 3:6 §1, 8° and art. 3:32, 5° cca)

The Board of Directors confirms that Immobel used financial instruments intended to cover any rise in interest rates.

VI. Justification of the independence and competence of at least one member of the Audit & Risk Committee (art. 3:6 §1, 9° and art. 3:32, 6° cca)

Except Michèle SIOEN, all Members of the Audit & Risk Committee (currently composed of Pierre NOTHOMB[6], Karin KOKS - van der SLUIJS, Wolfgang de LIMBURG STIRUM[7] and Michele SIOEN[8]d) meet the independence criteria stated in art. 7:87 CCA as well as in provision 3.5 of the Code 2020 and sit on the Board of Directors and the Audit & Risk Committee of Immobel as independent Directors. All of them hold university degrees, occupy positions as Directors in international groups and, as such, hold mandates in the Audit Committees of other companies and organisations.

VII. Additional information

In as far as it is necessary, the Board of Directors reiterates:

- that Immobel has not set up any branches (art. 3:6 §1, 5° CCA) and
- that, given the results of the Company, there has been no reason to justify the application of continuity accounting rules (art. 3:6 §1, 6° CCA).

Furthermore, the Board confirms that during the past financial year:

- it has not been decided to increase the capital of Immobel within the framework of the authorised capital (art. 7:203 CCA); and
- the below mentioned sales of own shares (representing 9.11% of the share capital) occurred (art. 7:220 §2 CCA):

number of shares	value/share	gross proceeds	identity purchaser
800,000 shares	65.00 EUR	52,000,000 EUR	Private placement[9]
10,766 shares	65.00 EUR	699,790 EUR	senior management
100,000 shares	64.40 EUR	6,440,000 EUR	ALYCHLO NV[10]

VIII. Application of the procedures regarding conflicts of interest / «*corporate opportunities*»

The Board of Directors reports that, during the financial year under review, the conflict-of-interest procedure prescribed by article 7:97 CCA (former article 524 of the Companies Code) has not been enforced, whereas the one prescribed by article 7:96 CCA (former article 523 of the Companies Code) has been applied during the Board of Directors of December 10th, 2020, in relation to the New Performance Share Plan applicable to some Members of the Executive Committee for the period 2020 – 2022.

The procedure related to "*Corporate Opportunities*" had not be enforced during the reviewed financial year.

Below an extract of the Minutes of the Board of Directors dated December 10th, 2020

"On the recommendation of the Board of Directors, a General Meeting of Shareholders has approved on May 28th, 2020 the NV Immobel SA Performance Share Plan 2020 - 2022 *("the Plan"). The Plan will grant a possibility to acquire existing or newly issued shares of Immobel to some Member(s) of the Executive Committee.*

Upon the achievement of Performance Conditions, the Performance Shares that are granted under the Plan will allow the beneficiaries to participate financially in the added value and growth of Immobel. The implementation of the Plan will thus be to the advantage of Immobel, its Shareholders and the Beneficiaries of the Plan.

One Grant will occur for each of the years from 2020 up to and including 2022. The number of Performance Shares to be granted each year will be determined by the Board of Directors on the recommendation of the Remuneration Committee.

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[6] In his capacity of permanent representative of PIERRE NOTHOMB SRL.
[7] In his capacity of permanent representative of LSIM SA.
[8] In her capacity of permanent representative of M.J.S. Consulting BV.
[9] with the participation of Marnix GALLE via the company A³ CAPITAL SA.
[10] company of Marc COUCKE.

The Performance Conditions, to which the vesting of the Performance Shares will be subject, will be determined each year by the Board of Directors, in line with the Company Strategy. The Performance Shares will be granted for free to the Beneficiaries.

The New Performance Share Plan 2020 – 2022 proposal is based on the previous plan – except for a good and bad leaver clause - in both cases of voluntary or unvoluntary ending of their service contract, the Beneficiary loses the rights on the not yet vested Performance Shares.

It is the task of the Board, upon proposal of the Remuneration Committee to yearly set the performance conditions applicable to the PSP in its sole discretion.

The Directors discussed the Remuneration Committee's proposal to:

- *keep the first performance condition criteria being 3 Year average ROE as follows: "3 Year average ROE at 10% threshold payment and 15% target and maximum pay-out.*
- *modify the last year criteria "*3 Year average Net income per share (4 – 5 – 6 EUR)" by "3 Year average ROCE at 7% threshold pay-out – 8 % target and maximum pay-out".

Regarding the Beneficiaries, only the CFO is currently eligible.

Marnix Galle declared that, as potential beneficiary of PSP awards, he has a potential conflict of interest in accordance with article 7 :96 of the BCC and will therefore leave the Meeting.

Filip Depaz also left the Meeting.

The Directors discussed the Remuneration Committee's proposal to include the other Group functions at the Executive Committee level as well as follows:

- *for the CIO and COO: to apply to the same 10% (of their fix remuneration) as for the CFO;*
- *for the Executive Chairman/CEO: to apply 25% (of his fix remuneration), as this was the % applied in the past. However, the Remuneration Committee considered that this LTI mechanism might not be sufficiently competitive for the function of Executive Chairman/CEO, especially in relation to the LTI mechanism applied for the Country Managing Directors.*

The Board of Directors indicated that the award to the Executive Chairman would represent a potential cost of 480 KEUR for the Company given the fact that it would represent 25% per year on the annual fix fee of 640 KEUR during the years 2020 – 2021 – 2022, "payable" in shares only as of 2023 – 2024 and 2025. So, 25% x 640 KEUR x 3 years = 480 KEUR in total. This is calculated at 100% result. Being understood that the result can be lower: given the fact that the multiplier is a combination of ROE and ROCE, with a maximum of 100% at target.

The award aims to further motivated the ExCo Members at Group level and therefore the Board took the view that the grant is in the corporate interest.

Resolution: Upon proposal of the Remuneration Committee, the Directors participating to the vote unanimously decided to approve the Performance Share Plan 2020 – 2022 as prepared for the already existing beneficiary (the CFO) and to extend it to the other ExCo Group level functions, being to the Executive Chairman of the Board, to the COO and to the CIO.

The Directors participating to the vote unanimously also approved the criteria and levels proposed by the Remuneration Committee, being:

- to keep the first performance condition criteria being 3 Year average ROE as follows: "3 Year average ROE at 10% threshold payment and 15% target and maximum pay-out.
- to modify the last year criteria "3 Year average Net income per share (4 – 5 – 6 EUR)" by "3 Year average ROCE at 7% threshold pay-out – 8 % target and maximum pay-out".

The Directors mandated:

- the Chairwoman of the Remuneration Committee and another Member of the Remuneration Committee to notify Marnix Galle of the decision relating to the Executive Chairman of the Board;
- the Chairman of the Remuneration Committee and the Executive Chairman of the Board to notify the other concerned Members of the Executive Committee of the decision related to each of them.

Marnix Galle and Filip Depaz joined the Meeting."

IX. Corporate governance statement (art. 3:6 §2 cca), including the remuneration report (art. 3:6 §3 cca) and the description of the internal control systems and the risk management (art. 3:32, 7° cca)

The Corporate Governance Statement is part of this Director's report.

X. Take over bid

Pursuant to article 34 of the Royal Decree of 14th November 2007 concerning the obligations of issuers of financial instruments admitted for trading on a regulated market, the Board of Directors of Immobel states that the following information could have an incidence in case of takeover bid (being understood that the other elements are currently not applicable for Immobel):

1° the capital amounts to EUR 97,356,533.86 represented by 9,997,356 shares, without par value, each representing an equal part of the capital (art. 4 of the Articles of Association).

2° the Board of Directors is authorised to increase the share capital to a maximum amount of EUR 97,000,000.00 (article 11 of the Articles of Association), in view of the fact that the exercise of this power is limited in the event of a public takeover bid by article 7:202 CCA; furthermore the Board is authorised, for a period of 3 years from the publication in the Belgian official journal thereof to acquire and dispose of shares of the company when this acquisition or disposal is necessary to avoid serious and imminent damage (art. 12 of the Articles of Association);

3° regarding the appointment and replacement of members of the Board of Directors, the Articles of Association specify that the Board of Directors consists of at least 5 members, appointed by the General Assembly, on the proposal of the Nomination Committee, and for a period of at most 4 years;

4° for amendments to the Articles of Association, there is no regulation other than that determined by the Code of Companies and Associations.

XI. Management & audit of the Company – Executive Committee

C. Board of Directors

It will be proposed to you at the Ordinary General Meeting of next April 15th, to decide on the renewal of the mandate of the company M.J.S. CONSULTING bv for a period of 4 years expiring after the Ordinary General Meeting to be held in 2025.

D. Statutory Auditor

At the same General Meeting you will have, following the resignation of DELOITTE REVISEURS D'ENTREPRISES/ BEDRIJFSREVISOREN scrl/cvba represented by Kurt DEHOORNE as Statutory Auditor of the Company with effect as from next April 15th, pursuant to Article 41 of Regulation (EU) No. 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, to decide upon the designation of KPMG REVISEURS D'ENTREPRISES/ BEDRIJFSREVISOREN scrl/cvba, represented by Filip DE BOCK, as Statutory Auditor, for a period of 3 years expiring at the Ordinary General Meeting to be held in 2024, for a fee of EUR 105.000 per year (excluding fees and disbursements, indexed annually).

E. Executive Committee

You are reminded that the function exercised by Johan BOHETS* as Member of the Executive Committee of Immobel reached an end during the first quarter of 2020. Currently the Executive Committee is composed as follows:

- Marnix GALLE*, Chair
- Karel BREDA*, Chief Financial Officer
- Filip DEPAZ*, Chief Operational Officer
- Alexis PREVOT*, Chief Investment Officer
- Fabien ACERBIS, Managing Director Immobel France
- Olivier BASTIN, Managing Director Immobel Luxembourg and
- Adel YAHIA*, Managing Director Immobel Belgium.

* acting for a company.

* * *

We therefore ask you to approve the terms of this report and grant discharge to the Members of the Board and the Statutory Auditor.

* * *

Approved during the Meeting of the Board of Directors on March 4th, 2021.

PIERRE NOTHOMB SRL
represented by Pierre Nothomb
Director

A³ MANAGEMENT BV
represented by Marnix Galle
Executive Chair of the Board

CORPORATE GOVERNANCE STATEMENT

In addition to complying with the applicable laws and regulations, Immobel sets itself high standards of corporate governance. In this framework, the Company has decided to adopt the Belgian Corporate Governance Code[1] published on May 17th, 2019 (the "Code 2020") as its reference code in the meaning of article 3:6, §2, section 1 of the Belgian Companies and Associations Code (the "BCAC") and to comply with it, except regarding the following and subject to changes:

1. the Chair (as defined in section 2.2.4 of the Corporate Governance Charter, the "CG Charter"), who is not only a member of the Board of Directors, but also of Executive Management (in this capacity, he is referred to as the Executive Chair, as defined in section 4.1 of the CG Charter) also performs the tasks of the CEO (as defined in section 4.2 of the CG Charter). By doing so, the Company deviates from Provision 3.12 of the Code. This deviation is explained by the fact that Marnix Galle is currently deemed to be the best placed to fulfil the functions of both the Executive Chair and the CEO considering Marnix Galle's unique position within the Company (also as former CEO of ALLFIN prior to the merger of the Company and ALLFIN, including his knowledge, skills, experience and seniority level in the Company, and his long-term engagement and relationship vis-à-vis the Company as well as the Company's shareholders/stakeholders. Hence, this is considered to be in line with the Company's interests. Therefore, references below to "Chair" and "CEO" shall be interpreted and construed as referring to the same individual;
2. the Nomination Committee (as defined in section 3.5 of the CG Charter) shall be chaired by Marnix Galle who acts both as Executive Chair and CEO of the Company (see above). By doing so, the Company deviates from the recommendation in Provision 4.19 to the Code. Such deviation is explained by the fact that Marnix Galle has an extensive network and is considered as most fit to chair the Nomination Committee;
3. the non-executive members of the Board are not partly remunerated in the form of shares in the Company. As such, the Company deviates from Provision 7.6 of the Code. This deviation is explained by the fact that the interests of the non-executive directors are currently considered to be sufficiently oriented to the creation of long-term value for the Company and, hence, that the issue of shares to them is not deemed necessary. However, the Company intends to review this provision in the future in order to align its corporate governance with the provisions of the Code;
4. no minimum threshold of shares to be held by the executives has yet been set. Therefore, the Company deviates from Provision 7.9 of the Code. This deviation is explained by the fact that the interests of the executives are currently considered to be sufficiently oriented to the creation of long-term value for the Company. Hence, setting a minimum threshold of shares to be held by executives is not deemed necessary. However, the Company could review this in the future in order to align its corporate governance with the provisions of the Belgian Corporate Governance Code.

Immobel believes that its Corporate Governance Charter and the present Corporate Governance Statement reflect both the spirit and the rules of the Belgian Code 2020.

The Corporate Governance Charter describes in detail the structure of the Company's governance and its policies and procedures in matters of governance. This Charter can be consulted on the Company's website: www.immobelgroup.com.

In terms of diversity policy, Immobel's Board of Directors wishes to point out that it meets the criteria that at least one-third of the Members are of different sexes. More information on diversity is included under: III. Regulations and Procedures (see below).

This section of the Annual Financial Report contains information concerning the way Immobel put the principles of governance into practice during the past year.

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[1] Available on the GUBERNA website: www.guberna.be.

I. Decision-making bodies (as per march 4th, 2021)

A. The Board of Directors

A) Composition

Name Function	Date first appointment	End of term	Professional address	Directorships in other listed companies
Marnix GALLE2 Executive Chair	25/09/2014	AGM 2022	Regentschapsstraat 58, 1000 Brussel	None
Astrid DE LATHAUWER[3] (Independent) Director	26/08/2015	AGM 2024	c/o Ontex BV – Aalst Office, Korte Keppestraat 21, 9320 Erembodegem	Etablissements Fr. Colruyt – Etablissementen Fr. Colruyt NV, listed on Euronext Brussels
Wolfgang de LIMBURG STIRUM[4] (Independent) Director	01/01/2019	AGM 2024	c/o Ergon Capital Advisors SA/NV, avenue Louise 326, 1050 Brussel	None
Karin KOKS - van der SLUIJS (Independent) Director	17/11/2016	AGM 2024	't Breede Weer 10, 2265 EH Leidschendam (Nederland)	NSI N.V., listed on Euronext Amsterdam
Pierre NOTHOMB[5] (Independent) Director	25/09/2015	AGM 2023	c/o Deminor SA/NV Joseph Stevensstraat 7, 1000 Brussel	None
Michèle SIOEN[6] Director	20/12/2018	AGM 2021	c/o Sioen Industries NV Fabriekstraat 23, 8850 Ardooie	Sioen Industries NV, D'Ieteren SA/NV and Sofina SA, all listed on Euronext Brussels
Annick VAN OVERSTRAETEN[7] (Independent) Director	28/09/2016	AGM 2022	c/o PQ Belgium SA/NV Havenlaan 6C, 1000 Brussel	Financière de Tubize SA, listed on Euronext Brussels

[2] In carrying out the functions concerned in the present report, Marnix GALLE acts as the permanent representative of the company A³ Management SRL.
[3] In carrying out the functions concerned in the present report, Astrid DE LATHAUWER acts as the permanent representative of the company ADL CommV.
[4] In carrying out the functions concerned in the present report, Wolfgang de LIMBURG STIRUM acts as the permanent representative of the company LSIM SA.
[5] In carrying out the functions concerned in the present report, Pierre NOTHOMB acts as the permanent representative of the company Pierre Nothomb SRL.
[6] In carrying out the functions concerned in the present report, Michèle SIOEN acts as the permanent representative of the company M.J.S. Consulting SRL.
[7] In carrying out the functions concerned in the present report, Annick VAN OVERSTRAETEN acts as the permanent representative of the company A.V.O. - Management SRL.

The curriculum vitae can be summarized as follows:

Marnix GALLE, 57, after studying economics at Tulane University in New Orleans, Louisiana, USA, Marnix began his professional career in 1987 at Cegos Belgium as a consultant. In 1989, he took his first steps in the real estate sector (family portfolio). His own company Allfin (°2001) became one of the leading real estate developers in Belgium. In 2014, Allfin Group took a 29% stake in Immobel, listed on Euronext since 1863. Following the merger between Allfin Group and Immobel in 2016, he became its Executive Chair and has been chairing Urban Land Institute (ULI) Europe since July 1st, 2020. He also is a director, member and trustee of several leading European and American associations.

Astrid DE LATHAUWER, 57, holds degrees in International Politics and Diplomatic Sciences (KU Leuven), a Bachelor in History of Art (RU Ghent) and completed an Executive MBA at Stanford, California. She brings over 30 years of Human Resources experience in Belgium and abroad for companies such as Proximus, AT&T and Monsanto. Since 2014, she is the Executive Vice-President Human Resources, and member of the Management Committee, at Ontex. In addition to her mandate as Independent Director and Chair of the Remuneration Committee at Immobel, she also serves on the Board of Colruyt, a Retail company listed on the BEL20, as an Independent Director and Chair of the Remuneration Committee, since 2011.

Wolfgang de LIMBURG STIRUM, 49, obtained an MBA from the University of Chicago, Booth School of Business (USA), a Bachelor in Commercial Engineering and a Master in Applied Economics and Business Administration from the Louvain School of Management. During his 20 years of experience in finance and private equity in Europe and the US, he has invested in numerous sectors, including healthcare, speciality chemicals, niche industries, services, leisure and media. Since 2005, he has been a Managing Partner of Ergon Capital, a mid-market private equity investment company with more than EUR 1.5 billion under management. Prior to this, he had spent most of his career in investment banking (mergers and acquisitions) at Lehman Brothers in New York and London, where he became co-head of the European M&A Healthcare team. He is currently also Director of Haudecoeur, Telenco, Sausalitos, Opseo, SVT, Stationary Care Group and VPK Group.

Karin KOKS - van der SLUIJS, 52, holds a Bachelor's degree in Commercial Economics from the Hoge School voor Economische Studies in Rotterdam, a Master's degree in Business Economics from Erasmus University in Rotterdam and is a Chartered Financial Analyst. She brings over 27 years of experience, having served in numerous leadership roles across the real estate space. She most recently managed her own international real estate and management consultancy business, wherein she served on various supervisory boards for both listed and private equity real estate companies. She currently holds the position of Managing Director, Portfolio Management in Europe with Greystar. Apart from her directorship for Immobel, she is a supervisory board member with NSI, a listed company in the office sector in the Netherlands.

Pierre NOTHOMB, 58, holder of a degree in Applied Economic Sciences (UCL Louvain-la-Neuve), he joined Deminor more than 30 years ago when it was founded, and has several mandates as a Director of companies or associations including ForSettlement (Fortis), Kimbal, Imperbel, Epsylon and various companies in the Deminor group. He is a member of the audit committee of Imperbel and the network of psychiatric care of La Ramée - Fond'Roy. Before joining Deminor in 1991, he worked as a senior auditor at Coopers & Lybrand (now PricewaterhouseCoopers), and subsequently as a financial consultant at Petercam Securities.

Michèle SIOEN, 56, holder of a Master's degree in Economics and completed management programmes at Vlerick Business School, among others. Mrs Sioen is the CEO of Sioen Industries, a listed Belgian group specialising in the production of technical textiles and professional protective clothing. She was Chair of the FEB between 2015 and 2017 and is now Honorary Chair. In addition to her daily involvement with Sioen Industries, she is also a director of various Belgian listed companies, including D'Ieteren and Sofina, as well as associations such as Fedustria and Vlerick Business School. Finally, she is closely involved in Art and Culture through her Chairship of KANAL and as a member of the Board of Directors of the Queen Elisabeth Music Chapel.

Annick VAN OVERSTRAETEN, 55, holder of a degree in Economic Sciences (KUL - 1987) and a Master's degree in Management (IAG-UCL - 1992). She began her career at Philips in 1987 as a project manager in the HR department. Between 1991 and 1999, she worked in the retail sector, in particular in the textile sector (New-D, Mayerline). She then worked as Commercial & Marketing Director at Confiserie Leonidas (1999-2004). From 2004 to 2009, she was the Operational Director of Quick Restaurants Belux NV. From 2010 until 2020, she occupied the position of CEO and Director of Lunch Garden Group. In 2020, she was appointed CEO at Le Pain Quotidien. She is an independent Director of QSR Belgium NV/SA, Financière de Tubize SA/NV, as well as of Euro Shoe Group NV.

B) Activity report

Pursuant to article 16 of the Articles of Association, the Board is convened by the Chair of the Board of Directors, the Managing Director or by two Directors.

The Board meets at least four times a year. This frequency enables, among other things, to review the half-yearly accounts in September, the annual accounts in March, as well as the budgets in December. Moreover, additional meetings may be organized at any time, with reasonable notice, whenever it is deemed necessary or advisable for its proper functioning.

In 2020, the Board met on six occasions.

Early March 2020, the Board of Directors finalized its internal evaluation review started end 2019. Although the review identifies some opportunities for improvement, it confirmed that the Board is operating effectively and achieves a balance between governance, strategic and operational matter.

B. The Committees of the Board of Directors

A) The Audit & Risk Committee

The Audit & Risk Committee shall have at least the following roles:

- monitoring the statutory audit of the annual and consolidated accounts, including following up on any questions and recommendations made by the External Auditor;
- monitoring the financial reporting process, including making recommendations or suggestions to ensure the integrity of the process;
- monitoring the effectiveness of the Company's internal control and risk management systems;
- if there is an internal audit, monitoring the internal audit and its effectiveness; and
- reviewing and monitoring the independence of the External Auditor, particularly regarding the provision of additional services to the Company (Article 7:99 of the Belgian Companies & Associations Code).

The Charter foresees that the Audit & Risk Committee is made up of at least three members, which are all non-executive Directors and of which a majority are independent Directors. At least one member is competent in accounting and auditing matters. Since the entry into force of the Law of December 7th, 2016, the Chair of the Audit & Risk Committee is appointed by the Board of Directors himself and may not be the Chair of the Board of Directors.

The Board of Directors ensures that the Audit & Risk Committee has enough relevant expertise to fulfil its role effectively, notably in accounting and audit matters.

Composition:

Pierre NOTHOMB, Chair,

Karin KOKS - van der SLUIJS,

Michèle SIOEN, and

Wolfgang de LIMBURG STIRUM[8], Members.

In 2020, the Audit & Risk Committee met four times, at the request of its Chair.

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[8] Since April 17th, 2020.

B) The Remuneration Committee

The task of the Remuneration Committee consists of:

- making proposals to the Board of Directors on:
  - the remuneration policy for non-executive Directors and members of the Executive Management, as well as, where appropriate, on the resulting proposals to be submitted by the Board of Directors to the shareholders;
  - the remuneration of Directors and members of the Executive Management, including variable remuneration and long-term incentives, stock-related or not, in the form of stock options or other financial instruments, and regarding the arrangements on early termination, and where applicable, on the resulting proposals to be submitted by the Board of Directors to the shareholders;
  - the annual review of the Executive Management's performance;
  - the realization of the Company's strategy against performance measures and targets; and
- submitting a remuneration report to the Board of Directors (see attachment) and explaining this report during the Annual General Shareholders' Meeting.

The Remuneration Committee consists exclusively of independent Directors with an expertise in remuneration matters.

A non-executive Director chairs the Remuneration Committee.

Composition:

Astrid DE LATHAUWER, Chair,

Annick VAN OVERSTRAETEN, and

Pierre NOTHOMB, Members.

In 2020 the Remuneration Committee met four times, at the request of its Chair.

C) The Nomination Committee

The task of the Nomination Committee consists of:

- drafting (re)appointment procedures for members of the Board of Directors and the Executive Management;
- periodically assessing the size and composition of the Board of Directors and making recommendations to the Board of Directors regarding any changes;
- identifying and nominating, for the approval of the Board of Directors, candidates to fill vacancies as they arise;
- ensuring that the appointment and re-election process is organised objectively and professionally.
- advising on proposals (including, of the management or of the shareholders) for the (re)appointment and removal of Directors and members of the Executive Management;
- properly considering issues related to succession planning; and
- ensuring that sufficient and regular attention is paid to the succession of executives and that the appropriate talent development programs and programs to promote diversity in leadership are in place.

The Nomination Committee consists of a majority of independent non-executive Directors.

The Chair of the Board chairs the Committee. The Chair can be involved but cannot chair the Nomination Committee when dealing with the appointment of his successor.

Composition:

Marnix GALLE, Chair,

Astrid DE LATHAUWER, and

Annick VAN OVERSTRAETEN, Members.

In 2020, the Nomination Committee met two times, at the request of its Chair.

D) The Investment Committee

The Investment Committee is in charge of:

- formulating the objectives, policies and strategies of the Company's real estate investments; and
- monitoring ongoing projects when these projects entail a substantial part of the Company's portfolio and when Executive Management has flagged a project as considerably deviating from its original business plan.

The Board of Directors has delegated to the Executive Committee the power to approve all decisions relating to the acquisition, development, syndication and divestment of assets, or in case of an asset developed in partnership or syndicated with a third party, the pro rata share of the Company therein, up to an estimated total investment cost of 70 MEUR per asset (which shall include the acquisition price and total development costs, such as construction costs, financing costs and fees payable to third parties).

The Board of Directors further has delegated to the Investment Committee the power to decide on and approve all acquisitions, development, syndication and divestments of assets, or in case of an asset developed in partnership or syndicated with a third party, the pro rata share of the Company therein, up to an estimated total investment cost of MEUR 200 per asset (which shall include the acquisition price and total development costs, such as construction costs, financing costs and fees payable to third parties).

The Chair of the respective Committees will inform the Board of Directors on the investment decisions so taken at the next Board of Directors' meeting.

The Investment Committee consists of at least four members, including especially the Executive Chair, who is also its Chair.

Composition:

Marnix GALLE, Chair,

Karin KOKS – van der SLUIJS,

Alexis PREVOT[9], Chief Investment Officer,

Thierry VANDEN HENDE, and

Piet VERCRUYSSE, Members.

In 2020 the Investment Committee met eight times, at the request of its Chair.

[9] In carrying out the functions concerned in the present report, Alexis PREVOT acts as the permanent representative of the company AP2L SRL.

C. The Executive Committee

The Executive Committee of the Company is composed of the Executive Chair and of the Members of the Executive Committee (as mentioned on the website of the Company). The Committee is primarily in charge of following tasks:

- consider, define and prepare, under the leadership of the Executive Chair, proposals and strategic options that could contribute to the Company's development. This responsibility covers (i) strategic planning, including the analysis of strategies, activity plans and budgets submitted by the Company's departments; and (ii) drawing up the business plan and budgets of the Company for proposal, discussion and approval by the Board of Directors;
- monitor the developments of the Company by analysing the compliance of the feasibility, the deadlines and the quality of the projects while making sure to maintain or improve quality standards of the Group;
- present to the Board of Directors a complete, timely, reliable and accurate preparation of the Company's financial statements, in accordance with the applicable accounting standards and policies of the Company;
- prepare the Company's required disclosure of the annual accounts and other material, financial and non-financial, information;
- propose the financial strategy to the Board of Directors;
- monitor the performance of the Company's departments in line with their strategic objectives, business plans and budgets; and
- draw up and implement the Company's policies which the Executive Chair considers falling within the competence of the Executive Committee;
- within the limits of the mandate given by the Board of Directors, approve all acquisitions, development, syndication and divestments of assets, or in case of an asset developed in partnership or syndicated with a third party, the pro rata share of the Company therein (cfr. above mentioned).

Composition (as per December 31st, 2020):

Marnix GALLE, Chair,

Karel BREDA[10], Chief Financial Officer,

Filip DEPAZ[11], Chief Operating Officer,

Alexis PREVOT, Chief Investment Officer,

Fabien ACERBIS, Managing Director Immobel France,

Olivier BASTIN, Managing Director Immobel Luxembourg and

Adel YAHIA[12], Managing Director Immobel Belgium, Members.

The Members of the Executive Committee are not related to each other.

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[10] In carrying out the functions concerned in the present report, Karel BREDA acts as the permanent representative of the company KB Financial Services SRL.

[11] In carrying out the functions concerned in the present report, Filip DEPAZ acts as the permanent representative of the company Filip Depaz Consultancy SRL.

[12] In carrying out the functions concerned in the present report, Adel YAHIA acts as the permanent representative of the company Adel Yahia Consult SRL.

The “curriculum vitae” of the Members of the Executive Committee in function (except for Marnix GALLE already listed above) can be summarized as follows:

Karel BREDA, 46, after studying Applied Economics at the KU Leuven and obtaining an MBA from the University of Chicago, Booth School of Business, Karel began his professional career in 1999 by developing a number of internet start-ups in Europe. In 2002, he joined GDF Suez (now Engie), where he held various managerial positions in M&A and Project Finance in Europe, South Asia, the Middle East and Africa. In 2011, he was promoted to Chief Financial Officer for the South Asia, Middle East and Africa region based in Dubai and in 2014 for Engie E&P in the Netherlands. Prior to joining Immobel on 1 August 2018, Karel was Managing Director Middle East, South and Central Asia and Turkey for Engie Solar based in Dubai and India.

Filip DEPAZ, 51, began his professional career with Citibank and continued in the financial departments of the federal Ministry of Civil Service and the Flemish Region. In 1999, he joined Swiss Life, where he became an Accounting Manager in the finance department. In the meantime, he earned a diploma in Financial Accounting (2005) from Ehsal Management School and completed the Middle Management Program at Vlerick Business School (2008). That same year, he joined the Swiss Life International Employee Benefits division in Luxembourg as a programme manager. In 2012, he returned to Belgium to become COO of Delta Lloyd Life, where he became CEO in 2016. Following the acquisition of Delta Lloyd Life by NN Insurance, he was appointed Integration Lead and COO of the merged company, a position he held until the end of May 2019. He joined Immobel on 1 August 2019. Filip is a commercial engineer (KUL).

Alexis PREVOT, 46, after studying Urban Engineering at the École des Ingénieurs de la Ville de Paris (EIVP), Alexis began his career as a commercial engineer in the Bouygues group, where he specialised in Design Build, Finance and Operate (DBFO) regulations. In 2000, he started working as a senior consultant in the Real Estate and Capital Project Management Practice at PriceWaterhouseCoopers. With his MBA from the London Business School in 2006, Alexis joined the M&A Real Estate team of Lehman Brothers in London and Frankfurt, which focused on large European real estate companies through Investment Banking and Capital Markets. Prior to joining Immobel in 2019, Alexis was senior portfolio manager in the European investment team of Abu Dhabi Investment Authority’s Real Estate and Infrastructure department.

Adel YAHIA, 42, joined Immobel in December 2017 as Chief Operating Officer responsible for the Development, Technical, Sales and Landbanking departments. Prior to that, he worked at AG Real Estate as head of the Residential department and co-Head of Development. Between 2010 and 2015, he was responsible for various business units at Matexi. He started his career in 2004 as a real estate developer and also worked in real estate investment banking. After studying law at the KU Leuven and holding a Master’s degree in General Management (PUB) from Vlerick Business School, he graduated in 2006 with a Master’s degree in Real Estate (postgraduate programme in Property Studies) at the KU Leuven. In 2014, he completed the “Executive Program in Real Estate” training at Solvay Business School (ULB). He has been a lecturer at KU Leuven since 2010 and at Solvay Business School since 2015.

Fabien ACERBIS, 48, as graduate of the ESTP, an international reference school for construction, Fabien began his career in 1997 at Bouygues Construction before joining SCIC, a subsidiary of Caisse des Dépôts, specialising in Associate Project Management, in 1999. In 2004, he joined Bouygues Immobilier as a service centre manager in Île-de-France, where he then became regional director for Île-de-France Nord and then regional director for Île-de-France Est in 2012. Managing Director of Bouygues Immobilier’s Subsidiaries and Investments in France since 2014, he became General Manager of Housing in the Ile-de-France Region in 2017. In the autumn of 2019, he joined Immobel as Director-General France.

Olivier BASTIN, 50, began his career in the banking sector (BACOB, 1994-1995) before joining the real estate department at Intermarché, where he contributed to the expansion of the brand in Wallonia (1995-1996). In 1997, he joined Jones Lang LaSalle, where he became the department head of the Office Department for Belgium (1997-2005) before becoming Managing Director of the group’s Luxembourg branch (2005-2011). In 2010, he combined this position with that of Head of Capital Markets for the Belux. He left JLL at the end of 2011 to join Allfin Group as CEO of the Luxembourg entity. Since 2018, he is also in charge of the introduction and expansion of Immobel on the German market. Olivier has a degree in Applied Economics (ULG, 1988-1992) and an MBA (ULG & Maastricht University, 1993-1994).

D. The Management Teams

The Executive Committee has established Teams in each country that assist it in the practical implementation of the executive powers (the "Management Teams"). Their creation has been approved by the Board of Directors. The Executive Committee determines the assignment of the Management Teams, their composition, and their responsibilities.

These Management Teams are accountable for the exercise of their powers vis-à-vis the Executive Committee.

Composition of the Management Team Belgium (as per December 31st, 2020):

Adel YAHIA, Managing Director, Chair,

Alain DELVAULX, Head of Financial Planning & Analysis,

Filip DEPAZ, Chief Operating Officer,

Stephanie DE WILDE[13], Head of Legal Services,

Inge HEYVAERT[14], HR & Talent Manager,

Thierry LEDOUX[15], Head of Technical Department,

Marnix MELLAERTS[16], Head of Sales,

Joëlle MICHA[17], Head of Corporate Affairs,

Eric SCHARTZ[18], Head of Immobel Home,

Olivier THIEL[19], Head of Development,

Hans VAN AUDENAERDE[20], Head of Acquisitions, Investments & Financial Advisory,

Valentine VAN MALLEGHEM, Head of Residential Projects Advisory, and

Lian VERHOEVEN[21], Head of Corporate Communications.

Composition of the Management Team Luxemburg (as per December 31st, 2020):

Olivier BASTIN, Managing Director, Chair,

Maxime DIERICKX, Head of Finance,

Nicolas ECTOR, Head of Technical,

Valérie FLAUS, Head of Legal Services, and

Muriel SAM, Head of Development.

Composition of the Management Team France (as per December 31st, 2020):

Fabien ACERBIS, Managing Director, Chair,

Julien MICHEL, Managing Director Tertiaire,

Mathieu CHAMARD-SABLIER, Directeur opérationnel Résidentiel,

Yves EVEILLARD, Directeur Département technique,

Carole FELICI, Directrice RH,

Gérald FRUCHTENREICH, Directeur Financier.

Philippe MARTINHO, Directeur des Ventes,

Marie SUDRE, Directrice Département juridique, and

Sandrine THIEBAUT, Directrice de la relation Clients,

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[13] Permanent representative of the company Lady at Work SRL.
[14] Permanent representative of the company HDS Consulting SRL.
[15] Permanent representative of the company GABALEX SRL.
[16] Permanent representative of the company H&J Trust SRL.
[17] Permanent representative of the company JOMI SRL.
[18] Permanent representative of the company DREAMS SRL.
[19] Permanent representative of the company Queen-K SRL.
[20] Permanent representative of the company AUDIUS SRL.
[21] Permanent representative of the company LV Communications SRL.

Composition of the Management Team Poland (as per December 31st, 2020):

Olivier THIEL[22], Managing Director,

Marcin CHARCHUT, Head of Legal, and

Andrzej PLATEK, Chief Financial Officer,

Composition of the Management Team Germany (as per December 31st, 2020):

Marnix GALLE, Executive Chair of the Board – Immobel Group,

Olivier BASTIN, Managing Director Immobel Luxembourg – in charge of Immobel Group expansion in Germany, and

Michael HENN, Managing Director of Immobel Germany.

II. Internal control and risk management

The Belgian legislative framework for internal controls and risk management consists in the Law of 17 December 2008 (in application of the European Directive 2006/43 concerning corporate financial control), the Belgian Code 2020 and Law of 6 April 2010 (CG Law).

The IFRS 7 likewise defines additional requirements with regards to management of risks related to financial instruments.

Nevertheless, the current Belgian legislative and normative framework specify neither the model of internal control to which the companies for which it is intended should conform, nor the modalities for implementing it (level of detail required).

Immobel uses a system of risk management and internal control that was drawn up internally based on the "COSO[23]" model of internal control.

The COSO methodology is organized around five elements:

- the internal control environment
- risk analysis
- control activities
- information and communication, as well as
- supervision and monitoring.

A. The internal control environment

The element "internal control environment" focuses on the following components:

A) Precise definition of the Company's objectives

Immobel is the largest listed real estate developer in Belgium. The Group, which dates back to 1863, creates high-quality, future-proof urban environments with a positive impact on the way people live, work and play, and specializes in mixed real estate. With a stock market value of over EUR 650 million and a portfolio of more than 1,600,000 m² of project development in 6 countries (Belgium, Grand Duchy of Luxembourg, Poland, France, Spain, Germany), Immobel occupies a leading position in the European real estate landscape. The group strives for sustainability in urban development. Furthermore, it uses part of its profits to support good causes in the areas of health, culture and social inclusion. Approximately 200 people work at Immobel.

For more information, please visit www.immobelgroup.com

B) A definition of the roles of the decision-making bodies

Immobel has a Board of Directors, an Investment Committee, an Audit & Risk Committee, a Remuneration Committee, a Nomination Committee and an Executive Committee.

Responsibility for Immobel's strategy and for the oversight of its activities belongs primarily to the Board of Directors. The main responsibilities of the different Committees have been mentioned above (cfr. Decision-making bodies).

[22] Permanent representative of the company Queen-K SRL.

[23] Abbreviation of "Committee of Sponsoring Organizations of the Treadway Commission".

C) Attitude versus risk

Immobel takes a prudent attitude in managing its portfolio of diversified projects that create long-term value through its lines of activity.

D) Application of ethical standards and integrity

Immobel has a Good Behaviour Code that describes the principles of ethics and integrity that apply to each of the Directors and the Members of the Executive Committee as well as all the employees and external collaborators. This Code deals with aspects of conflict of interest, professional secrecy, corruption, and misuse of corporate funds and even business gifts. Immobel has also a Dealing and Disclosure Code the main purpose of which is, among others, to ensure that Persons Discharging Managerial Responsibilities do not misuse, or place themselves under suspicion of misusing certain price sensitive information, ("Inside Information" as defined in the Dealing and Disclosure Code). Certain obligations are also imposed on persons closely associated with them (such as certain of their relatives or entities controlled by them). Compliance with these Codes is monitored by the Compliance Officer.

See also point C. "Control Activities", below.

E) Measures geared to ensuring the level of competence

- Competence of the Directors: given their experience, the Directors possess the competencies and qualifications necessary to assume their responsibilities, particularly in matters of finance, accounting, investment and remuneration policy.
- Competence of the Members of the Executive Committee and other staff: a recruitment process geared to the profiles required, adequate training and a policy of remuneration and evaluation based on the achievement of realistic and measurable goals make it possible to ensure the competence of Immobel staff.
- Immobel has introduced a remuneration procedure dealing with remuneration policy for the Directors and the Members of the Executive Committees, that complies with the requirements of the Law of 6 April 2010 on Corporate Governance and of the Code 2020. Any deviations to the Code 2020 are duly explained where required.
- Further to a benchmark, the Extraordinary General Meeting of May 28th, 2020 has, on proposal of the Remuneration Committee decided to revise and increase the remuneration of the non-executive Directors, effective as from financial year 2021.
- Currently two Performance Share Plans exist for some Members of the Executive Committee:
    - a first Performance Share Plan has been accepted on May 24th, 2017 by the Shareholders for the benefit of some Members of the Executive Committee (for the years 2017 up to 2019; and
    - a new Performance Share Plan was approved on May 28th, 2020 for the benefit of some Members of the Executive Committee for the years 2020 up to 2022.
- The Members of the Executive Committee, exercising a role of Country Managing Director, can benefit from a Long-Term Incentive Plan, incentivizing outperformance of the activity of the concerned country.

B. Risk analysis

Immobel regularly carries out risk identification and evaluation exercises. They are mapped out and formal action plans are drawn up to deal with those risks for which the level of control is deemed to be inadequate. The Audit & Risk Committee monitors the implementation of these action plans.

The principal risks to which Immobel is exposed are set out in detail in section I.B of the Directors' Report.

C. Control activities

The control activities correspond to the regulations and procedures used to deal with the principal risks identified. Here are the main regulations and procedures established within Immobel, we would like to mention:

- Feasibility studies are carried out systematically, allowing project margins to be monitored. The feasibility studies are then analysed by a financial controller, a developer, a technical director, the Head of Technical of the group and the CFO, together with the Executive Chair.
- The Executive Committee can, at its discretion, approve all decisions relating to the acquisition, development, syndication and divestment of assets, or in case of an asset developed in partnership or syndicated with a third party, the pro rata share of the Company therein, up to an estimated total investment cost of 70 MEUR per asset (which shall include the acquisition price and total development costs, such as construction costs, financing costs and fees payable to third parties) without prior consent of the Investment Committee or the Board of Directors. Furthermore, the Investment Committee can, at its discretion, mandate the Executive Committee to approve all decisions relating to the acquisition, development, syndication and divestment of assets, or in case of an asset developed in partnership or syndicated with a third party, the pro rata share of the Company therein, up to an estimated total investment cost of MEUR 200 per asset (which shall include the acquisition price and total development costs, such as construction costs, financing costs and fees payable to third parties), without prior consent of the Board of Directors.
- A review of the discrepancies between the budget and the actual financial situation of the projects is carried out on a quarterly basis by the finance department. Any significant differences observed are submitted to the Management bodies.
- The accounts department and future financial requirements are monitored, and regular reports submitted to the management bodies.
- The principle of multiple approvals exists at every phase of the engagement process. So, the double signature procedure applies to approval of all transactions and the signatories are specified in function of the sums involved in the transaction.

D. Information and communication

Immobel uses an appropriate software program as its financial management information system. The maintenance and development of this system is subcontracted to a partner.

Data continuity is also subcontracted to a partner who is contractually bound to follow a strict procedure to establish a reliable and secure information storage system.

The finance department of IMMOBEL is in charge of the closure process and drafting the Annual Report, the Consolidated Financial Statements drawn up according to IFRS standards and the Annual Accounts.

Communication with the personnel and the various employees of IMMOBEL is appropriate to the size of the business. It is based mainly on work sessions, verbal communications from the management to the personnel as a whole, or internal e-mail notes signed mostly by the Chief Executive Officer.

E. Supervision and monitoring

The Audit & Risk Committee is responsible for supervising internal control. Given the increased size and the activities of the Company and the Group, the Audit & Risk Committee will further assess in 2021 the necessity to create a position of internal auditor to assist it in this mission.

In order to evaluate the control environment regularly, the Audit & Risk Committee entrusts the auditor with certain specific missions involving more thorough examination of internal control, consisting of testing the existing controls and identifying possible weaknesses. The Audit & Risk Committee ensures that the recommendations are implemented if the need arises.

III. Rules and procedures

A. Transactions and other contractual relationships between the Company, including associated companies, with the Directors, the Members of the Executive Committee, and the other staff

During the financial year 2020, there were no transaction between Immobel (associated companies included) and a Member of its Management Team and no transaction between Immobel and its Directors, its Members of the Executive Committee, or its other Staff Members.

B. Law of September 3rd, 2017 on the publication of non-financial information and information relating to diversity

Under the new provisions of the said Act, Immobel specifies that the diversity policy applied in all company bodies goes beyond gender. Age and skills are also considered.

Diversity policy applied on the Members of the Board of Directors

Immobel's Corporate Governance Charter states that the composition of its Board of Directors guarantees decision-making in the interest of the company. To this end, the Board of Directors is attentive to gender diversity and diversity in general, as well as complementarity of skills, experiences, and knowledge. The provisions of article 7:86 of the Belgian Companies & Associations Code relating to gender diversity are respected in this regard.

Currently the Board of Directors is composed of seven Members. Following its adherence to the Corporate Governance principles contained in the Belgian Corporate Governance Code 2020, and more particularly provisions 3.1 and 3.3 of the said Code, the Board of Directors believes that this number is sufficiently small to allow for effective decision-making and sufficiently broad to ensure that its Members bring experience and knowledge in different areas and that changes in its composition are managed without disruption. Indeed, the Board of Directors shares the European Commission's view that diversity feeds debate, promotes vigilance, and raises the stakes within the Board. The quality of decisions is improved.

Following the diversity policy in force at Immobel during the year under review, the breakdown of the composition of the Board of Directors is as follows (per 31st December 2020):

- Experience & (Educational) Background mix, mainly in:
  - Real Estate & Finance: 5
  - Other (HR, Legal): 2
- Gender mix:
  - 3 M/4 F
- Generation mix:
  - < 50: 1
  - > 50: 6
- Executive v. Non-Executive:
  - Executive: 1
  - Non-Executive: 6
- National v. Non-National:
  - National: 6
  - Non-national: 1
- Linguistic mix:
  - NL: 5
  - FR: 2.

Diversity policy applied to all staff, Members of the Executive Committee and of the Management Team included

Immobel recognises its talented and diverse workforce as a key competitive advantage in the Real Estate business. Being successful as a company requires the quality and skills of all the employees and collaborators.

Immobel recognises that everyone brings its own experience and capabilities in their field of expertise. This diversity is a key element in being successful at all levels of the company. Diversity is recognised within Immobel as a business interest, leading to better overall performance and to high quality products, services, and business decisions.

Immobel strives to create a supportive environment where everyone can realise its full potential within Immobel, regardless of their differences. Immobel strives to employ the best employees and collaborators in their field of expertise to do the best job possible.

Immobel values the importance of reflecting the diversity of our customers and markets in its workforce. This diversity encompasses differences in gender, language, ethnicity, age, sexual orientation, religion, socio-economic status, experience, and education.

Immobel gives equal opportunities to individuals, regardless of their background, in its recruitment, retention and talent management in general. The diversity of the teams in all its aspects is a source of innovation, growth, and prosperity.

Immobel commits to:

- Encourage equality, diversity, and inclusion in the workplace as they are good practice and make business sense.
- Create a working environment free of bullying, harassment, victimisation, and unlawful discrimination, promoting dignity and respect for all, and where individual differences and the contributions of all staff are recognised and valued. This commitment includes training managers and all other employees and collaborators about their rights and responsibilities under the equality, diversity and inclusion policy.

Immobel considers the development of its staff as a priority. It ensures the motivation and involvement of its staff and ensures that they always have the skills required for the success of their assignments.

In other words, Immobel's HR ambition reflects its promises: improving and developing the Group's human capital, rich in diversity, through an open and innovative human resources policy and thus creating opportunities for everyone and building the future for its staff and customers.

Following this diversity policy that Immobel implemented in the year under review, the breakdown of the Immobel operational teams, in the six countries, is as follows (per 31st December 2020):

- Gender mix Board of Directors and its Committees:
  - Female: 4
  - Male: 3
- Gender mix Executive Committee:
  - Female: 0
  - Male: 7
- Gender mix Management:
  - Female: 12
  - Male: 24
- Gender mix Employees/ collaborators:
  - Female: 74
  - Male: 68
- Age mix :
  - < 50: 159
  - > 50: 26.

As part of its diversity policy, Immobel promotes diversity at all levels (operational teams, members of the Management Team, Members of the Executive Committee & Directors).

C. Comments on the measures taken by the Company in the context of the Directive on Insider Trading and Manipulation of the Market

The Dealing and Disclosure Code intends to ensure that Directors, senior executives and other staff of Immobel and affiliated entities do not misuse information which they may have about Immobel and which is not available to other investors.

These rules have been supplemented by an internal note summarizing the main legal obligations in this matter, particularly considering the new Regulation on Market Abuse as entered into force on July 3rd, 2016, with a view to increasing an awareness of their obligations in those concerned.

The Compliance Officer is entrusted with ensuring compliance with said rules to reduce the risk of abuse of the market by insider trading. The Compliance Officer keeps lists of people who have or are liable to have privileged information and who have access to, may have access to or cannot reasonably be unaware of the privileged nature of this information.

These rules provide, among others, in:

- A prohibition against Persons exercising managerial responsibilities to carry out transactions on their own behalf or on behalf of a third party, whether directly or indirectly, relating to the shares or debt instruments of Immobel or to derivatives or other Financial Instruments linked thereto during the Closed Periods and the Prohibited Periods;
- The possibility given to the Compliance Officer, without being obliged, to authorize a Person exercising managerial responsibilities to negotiate during a Closed Period or a Prohibited Period (in specific cases);
- The obligation of Persons exercising managerial responsibilities to inform the Compliance Officer prior to the transaction, for their own account, on their own responsibility, relating to the shares or debt instruments of Immobel or to derivatives or other related Financial Instruments, outside the Closed Periods and the Prohibited Periods;
- The obligation of Persons exercising managerial responsibilities and persons closely associated with them to notify the Compliance Officer and the FSMA of any transactions they have made for their own account in shares or debt instruments of such Issuers or on derivative instruments or other related financial instruments. Such notification shall be made within three working days from the date of the transaction. This notification obligation does not apply as long as the total amount of transactions carried out during the same calendar year does not exceed the threshold of EUR 5,000. These persons obliged to notify may, but must not, authorize Immobel to make such notifications to FMSA on their behalf. In such cases, they must always notify Immobel of such relevant transactions promptly and no later than two working days from the date of the transaction;
- The obligation for Persons exercising managerial responsibilities to ensure that their investment managers, persons who organize or carry out business transactions on their behalf or any other person who organizes or carries out transactions on their behalf do not trade during the Closed Periods or the Prohibited Periods, including when the investment managers are authorized financial intermediaries acting under a fully discretionary investment management mandate.

During the past financial year, the job of Compliance Officer at Immobel was carried out by Joëlle MICHA.

Application of the rules cited above has not given rise to any difficulty.

D. Legal and arbitration procedures

The Board of Directors of Immobel assesses that, except those disclosed in the Note 32 to the Consolidated Financial Statements “Main contingent assets and liabilities”, no governmental, legal or arbitration proceeding exists that reasonably may have, or have had in the recent past, significant effects on the financial position or profitability of the Company.

IV. Information about the issued capital

A. Shareholding structure

Based on the transparency declarations received by Immobel, following shareholders are the most important (since January 7th, 2021):

Shareholder	Voting rights	% of the gross number of shares[24]
A³ Capital NV (and a related company)[25] having its registered seat at 1020 Brussel, Abelenlaan 2	5,892,418	58.94 %
Immobel SA/NV (own shares / Treasury shares) having its registered seat at 1000 Brussel, Regentschapsstraat 58	30,348	0.3 %

There are no special voting rights and, to the extent known by the Company, no shareholder agreements. Further to a decision of the Board of Directors, the dividend rights of the treasury shares kept by Immobel are suspended. In application of the Belgian Companies and Associations Code, these shares have no voting rights.

B. Elements that could have an influence in case of a takeover bid on securities issued by the company

During the General Meeting of May 28th, 2020, the Shareholders have authorized the Board of Directors:

- to increase the Company's capital by a maximum amount of 97,000,000 EUR, in one or more occasions, dates and manner to be determined by the Board of Directors, and for a term of five years from the publication of this authorization in the Belgian Official Gazette.

The Company may acquire or take as security its own shares under the conditions determined by the law. The Board of Directors is authorized to sell, on the stock exchange or outside, at the conditions it determines, without prior authorization of the General Meeting, in accordance with the law.

- for a term of 3 years dating from said Extraordinary General Meeting, to purchase or dispose of shares in the Company when this purchase or disposal is necessary to prevent any serious imminent harm. This authorization was granted for a period of three (3) years dating from publication of this authorization in the Annexes to the Belgian Official Gazette.
- to acquire or alienate shares of the Company to a maximum of twenty percent (20 %) of the issued shares at a price which will not be less than ten (10) EUR nor more than twenty percent (20 %) during the highest closing of the last five trading days of the Company shares on Euronext Brussels before the acquisition or alienation. This authorization is granted for a period of five (5) years from the date of the Extraordinary General Meeting of May 28th, 2020.

This authorization also applies to the acquisition of shares of the Company by a direct subsidiary according to article 7:221 of the Belgian Companies and Associations Code.

The Board of Directors has full powers to cancel the shares acquired by the company in this way, to have the cancelation certified by notarial act and to amend and coordinate the Articles of Association to bring them into line with the decisions taken.

The rules governing the appointment and replacement of Directors and the amendment of the Articles of Association shall be those provided by the Belgian Companies and Associations Code, as well as by the Corporate Governance Charter of Immobel.

The terms of change of control contained in credit agreements with financial institutions were approved by the General Meeting of 28th May 2020, pursuant to article 7:151 of the Belgian Companies & Associations Code.

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[24] A gross number of 9,997,356 shares were issued.

[25] Companies controlled by Marnix GALLE.

V. Other contributors

A. Statutory Auditor

The Statutory Auditor is Deloitte Reviseurs d'Entreprises, represented by Kurt Dehoorne, which is headquartered at 1930 Zaventem, Gateway building, Luchthaven Nationaal 1J. Flat fees of Deloitte Reviseurs d'Entreprises charged to Immobel SA for the examination and review of statutory and consolidated accounts amounted to 139 KEUR (excluding VAT). His fee for the review of the statutory accounts of subsidiaries amounted to 144 KEUR (excluding VAT).

Total fees charged by the Statutory Auditor and his network in 2020 in the exercise of the mandate on Group level amounted to 429 KEUR (excluding VAT).

B. Central Paying Agent

BNP Paribas Fortis Bank is the Central Paying Agent of Immobel for an indefinite period. The remuneration of the commission amounts up to 0.20 % of the net amount (VAT excluded) of the coupon and of the income securities presented in a securities account.

Agreed during the Board of Directors of March 4th, 2021.

Pierre Nothomb srl	A³ Management bv
Director	Executive Chair of the Board
(represented by	(represented by
Pierre Nothomb)	Marnix Galle)

REMUNERATION POLICY

Ladies and Gentlemen,

We have great pleasure in presenting Immobel's Remuneration Policy for the next four years. This Policy is in line with and contributes to Immobels business strategy, long-term interests and sustainability.

This new Remuneration Policy replaces the Remuneration Policy for Directors and members of the Executive Committee as described in the Corporate Governance Charter of Immobel, Annex 2 "Remuneration Policy and evaluation of the performance", as published on January 7th 2021 (see website www.immobelgroup.com for full details).

I. Introduction

It is important that Immobel is able to attract Directors and members of the Executive Committee with the ability, experience, skills, values and behaviours to deliver on the Company's strategy and goals and support Immobel's purpose. Immobel strives to have a diverse composition of both bodies with regards to gender, ethnicity, and generation.

The Board of Directors determines the remuneration of the Directors and the Executive Committee in accordance with the provisions of the Belgian Companies and Associations Code and the Corporate Governance Code, while respecting the prerogatives of the general shareholders' meeting. Levels of remuneration should be sufficient to attract, retain and motivate Directors and members of the Executive Committee who have the profile determined by the Board, to promote the achievements of strategic objectives in accordance with the Company's risk appetite and behavioural norms and to promote sustainable value creation. The non-executive Directors do not receive any performance related remuneration that is directly related to the results of the Company. With regard to the remuneration of the non-executive Directors and the members of the Executive Committee, the Remuneration Committee makes detailed proposals to the Board of Directors. When making proposals on the remuneration of members of the Executive Committee, the Remuneration Committee observes the following principles:

- The Remuneration Policy for members of the Executive Committee describes the different components of, and determines an appropriate balance between, fixed and variable remuneration, and cash and deferred remuneration;
- The variable part of the executive remuneration package is structured to link reward to overall corporate and individual performance, and to align the interests of the members of the Executive Committee with the sustainable value-creation objectives of the Company;
- Without prejudice to any statutory provisions to the contrary or express approval by the general shareholders' meeting, stock options can not vest and be exercisable within less than three years. The Company does not facilitate the entering into derivative contracts related to such stock options or to hedge the risks attached, as this is not consistent with the purpose of this incentive mechanism;
- The Board approves the main terms and conditions of the contracts of the CEO and other members of the Executive Committee further to the advice of the Remuneration Committee. The Board includes provisions that would enable the Company to recover variable remuneration paid, or withhold the payment of variable remuneration, and specify the circumstances in which it would be appropriate to do so, insofar as enforceable by law. The contracts contain specific provisions relating to early termination. Details of the remuneration of the Directors and the members of the Executive Committee are published every year in the Remuneration Report that forms part of the annual report. The Board submits the Remuneration Policy to the general shareholders' meeting. When a significant proportion of the votes have been cast against the Remuneration Policy, the Company should take the necessary steps to address the concerns of those voting against it and consider adapting its Remuneration Policy.

II. The different components of the remuneration which can be awarded to the Directors, to the Members of the Executive Committee and the persons in charge of the daily management

A. For the Directors

The level and structure of the remuneration of the non-executive Directors are determined based on their general and specific responsibilities and market practice. This remuneration includes a basic fixed remuneration and an attendance fee for the participation in the meetings of the Board, as well as for their participation to one or more Committees of the Board or for each chairmanship of a Committee.

Below you will find the summary table containing the remunerations applicable during the financial year 2021:

Remuneration & Attendance fees	
Board of Directors	Chairman = None Director: 20,000 EUR (yearly forfait) 2,100 EUR / physical meeting 1,050 EUR / phone meeting
Audit & Risk Committee	Chairman: 3,100 EUR / physical meeting 1,050 EUR / phone meeting Members: 2,100 EUR / physical meeting 1,050 EUR/ phone meeting
Investment Committee	Chairman = None Members: 2,100 EUR / physical meeting 1,050 EUR / phone meeting
Nomination Committee	Chairman = None Members: 1,050 EUR / physical meeting 525 EUR / phone meeting
Board of Directors	Chairman: 1,200 EUR / physical meeting 525 EUR / phone meeting Members: 1,050 EUR / physical meeting 525 EUR/ phone meeting

The Company reimburses the Directors' international travel and accommodation expenses for attendance at the meetings and the exercise of their functions in the Board of Directors and its Committees. Furthermore, the Company ensures it takes the usual insurance policies to cover the activities that the Directors carry out within the scope of their mandates.

Non-executive Directors receive no annual bonus, nor share options, nor participation in retirement plans. They are not entitled to any kind of compensation when their mandate ends.

Notwithstanding Provision 7.6 of the Code, the non-executive Directors are not partly remunerated in the form of shares in the Company. Nevertheless, the Board of Directors has invited all Directors to invest an amount of at least EUR 20,000 (being the fix annual remuneration) in shares of the Company and to keep them at least one year after the end of their mandate.

B. For the members of the Executive Committee

The awarded remuneration to the members of the Executive Committee can include a basic (fixed) remuneration, a variable remuneration (short term incentives (hereafter "STI"), long term incentives (hereafter "LTI", cash), bonuses (extra guaranteed yearly bonus, signing bonus), Performance Share Plans and other benefits in whatever form (contribution for vehicle expenses, health insurance).

The variable remuneration STI of the members of the Executive Committee (including of the Chairman / CEO) is equal to 50 % of the fixed remuneration, if all the objectives (quantitative and qualitative) have been realised for 100 %.

The variable remuneration is partly based on quantitative aspects and partly based on qualitative aspects.

The weight for members exercising a Group Function is 80% quantitative – 20% for qualitative criteria, while the percentage for members exercising Country Managing Director function is 50 % - 50 %.

In case the quantitative results on Group level exceed the target set out by the Board of Directors, upon proposal of the Remuneration Committee, the variable remuneration can exceed 100% of the total variable remuneration foreseen. As a result of this, the variable remuneration can be higher as 50% of the fix remuneration.

In case the quantitative results on Group level are below the predefined threshold target set out by the Board of Directors, upon proposal of the Remuneration Committee, the quantitative component of the variable remuneration will be equal to 0.

Insofar as necessary, it is recalled that following the Extraordinary General Meeting of November 17th, 2016, it has been expressly provided in the articles of association that Immobel may, if that the variable remuneration of persons falling within the scope of articles 7:91 paragraphs 1 and 2 and the last paragraph of 7:121 of the Code of Companies and Associations, amounts to more than 25% of their respective annual remuneration, derogate from the said provisions.

The Remuneration Committee can propose exceptions to these rules, based on business logic. Exceptions to above mentioned rules can only be given upon proposal of the Remuneration Committee, and decision by the Board of Directors.

Furthermore, the members of the Executive Committee, exercising a Group function, are awarded a variable remuneration LTI (Long-term Incentive), being a "Performance Shares".

The members of the Executive Committee, exercising a role of Managing Director (hereafter "MD") of a country, can benefit from a Long Term Incentive Plan (hereafter "LTI"), based on outperformance of the business unit (details below).

III. How the pay and employment conditions of employees / collaborators of the company were taken into account when establishing the Remuneration Policy

Immobel wants to attract talented employees / collaborators, who combine expertise and passion for the Real estate Development business and strive to make the business grow, taking into account the governance and working procedures Immobel has put in place. Therefore Immobel pays competitive salaries. Immobel can reward employees / collaborators with Performance bonuses, if the companies performance allows it, and depending on individual performance and the market practice, where Immobel is operating.

For collaborators of Immobel, the remuneration package is composed of a competitive fix salary, rewarding their skills, expertise and experience, and if the results of the Company allow it, a variable remuneration, rewarding specific quantitative or qualitative targets.

A yearly target setting and appraisal cycle, defines the targets for each collaborator. An intermediate appraisal and final year end appraisal process assesses the targets and actual results for all collaborators, which may lead to a variable remuneration, based on this process.

IV. Applied criteria for the award of the variable remuneration of the Members of the Executive Committee

The criteria for the award of variable remuneration are either of quantitative nature, either of qualitative nature. Each year the Board of Directors on proposal of the Remuneration Committee, determines the criteria and parameters to be applied on the variable remuneration.

The applied criteria to determine the variable Short Term Incentive remuneration of the Executive Chairman / CEO include, on the one hand, the Return on Equity (ROE) as quantitative criterion and, on the other hand, some qualitative criteria. These criteria change on a year-to-year basis. The Executive Chairman / CEO can also benefit from a Performance Share Plan, for which the underlying drivers are, as of 2020, the ROE of the Company and the ROCE of the Company.

The variable remuneration (STI) of the other members of the Executive Committee includes:

- a variable quantitative remuneration exclusively based on the level of Return on Equity of Immobel Group;
- a measurable variable qualitative remuneration determined in function of the general criteria applicable to all the members of the Executive Committee. These general criteria are the following:
  - Show entrepreneurship;
  - Respect Immobel governance and agreed processes and procedures;
  - Show leadership in way of working towards all Immobel teams;
- a measurable variable qualitative remuneration determined in function of the responsibilities, the missions, and the targets to be achieved, on an individual basis by each of the members of the Executive Committee, during the reviewed financial year.

Furthermore, the members of the Executive Committee, exercising a Group function, are awarded "Performance Shares" (LTI). The quantitative criteria applicable to this remuneration are, on the one hand, based on the predefined performance targets based on the average return on equity over three years and the average net income per share (excluding Treasury Shares) over three years (Performance Share Plan 2017 - 2019), as well as, on the other hand, based on the predefined performance targets based on the average Return on Equity over three years and the average Return On Capital Employed (ROCE) over three years (Performance Share Plan 2020 - 2022).

The members of the Executive Committee, exercising a role of Managing Director (hereafter “MD”) of a country, can benefit from a Long-Term Incentive Plan (hereafter “LTI”), based on outperformance of the business unit. To benefit from this LTI, the ROE on local level needs to exceed 15% of the ROE (strategic threshold of the Company). A % of the Excess profit , above 15% of the ROE, can be granted to the MD’s of the countries. This LTI is partially paid in cash, partially allocated in shares, which need to be held for 3 years after allocation (vesting period).

The above mentioned criteria express on the one hand financial criteria and drivers of how the business is steered (Return on Equity, Return on Capital Employed, Excess Profit,..). On the other hand in the qualitative criteria targets are defined which make the Company stronger on the short, medium or longer term. Following themes can be mentioned: feeding the pipeline of projects, obtaining building permits, delivering projects on time, implement quality plan on a defined topic, improve business, financial, control or support processes, manage and improve sustainability aspects of the business (being it environmental, social or governance wise).

To stimulate sound risk management and sustainability, part of the variable remuneration is not vested immediately and can only be paid out after 3 years. To retain talent, the Company has also chosen only to vest these elements of the variable remuneration if the beneficiary is still active for Immobel.

Each year, at the proposal of the Remuneration Committee, the Board of Directors decides on the objectives of the Executive Chairman / CEO and the Executive Committee for the coming financial year and evaluates their performance for the period ending, in conformity with the procedure currently in place. This performance evaluation is also used to determine the variable part of their annual remuneration.

There is no specific right to recover the variable remuneration awarded based on incorrect financial information; common law will apply. The Performance Share Plans contain a Claw Back Clause. The variable remuneration (“Short Term Incentive”) will be paid to the members of the Executive Committee/ Executive Director after the Board of Directors which draws up the Annual Accounts of the reviewed financial year, subject to final approval by the Ordinary Shareholders' Meeting.

V. Vesting periods and an explanation of how the share-based remuneration contributes to the company's business strategy, long-term interests and sustainability

The "Performance Shares" awarded to some members of the Executive Committee in application of the "Performance Share Plan 2017 - 2019" and of the "Performance Share Plan 2020 - 2022" will vest definitively after a period of three full calendar years if they meet the predefined performance targets over three years. Pursuant to Article 8.1 of the Plan these Performance Shares are forfeited for beneficiaries of the plan who are no longer employed by the Group and who have not yet been acquired Performance Shares "*the holder of Performance Shares who terminates his management services contract with the Company early or whose management services contract is terminated for cause because of the holder of Performance Shares, loses his Performance Shares that are not yet vested on the day of the written notice or notification of departure or termination.*"

The share-based remuneration intends to contribute to Immobel's business strategy, long-term interests, and sustainability by incentivizing the beneficiaries to create shareholder value, in line with immobel's processes and procedure of its Governance framework.

VI. Duration of the agreements with directors, with members of the executive committee and persons in charge with the daily management, as well as the terms of termination and payments linked thereto

A. Duration of the agreements with directors and Members of the Executive Committee

According to the Articles of Association of Immobel, the mandates of the Directors are fixed for a maximum period of four years but may be renewed.

The duration of the service provision contract with the members of the Executive Committee varies in function of the terms and conditions of each contract concerned.

B. Terms of termination (notice periods included)

The period of notice or compensatory severance payment due by Immobel in case of termination of contracts with the members of the Executive Committee / Executive Director, under a self-employed status, active within Immobel is 3 months[1]. Exceptions can only be granted, after validation by the Board of Directors, on proposal of the Remuneration Committee.

For those exercising their function under an employee status, the legal notice periods and modalities are applicable.

[1] Except the period of notice or compensatory severance payment due to Marnix Galle and Karel Breda in case of termination of contracts, amounting respectively 12 months and 6 months.

VII. The decision-making process followed for the determination, review and implementation of the Remuneration Policy, including measures to avoid or manage conflicts of interests and, where applicable, the role of the Remuneration Committee or other Committees concerned

The Board of Directors, upon proposal of the Remuneration Committee, validates the Remuneration Policy and proposes the Remuneration Policy to the Ordinary General Meeting of Shareholders for approval. The Board assesses, on a yearly basis, if the Remuneration Policy needs to adapt.

The Remuneration Committee assesses on a yearly basis if all elements of the Policy are in line with the strategic objectives of the Company and proposes improvements to the Board of Directors, where deemed appropriate.

As mentioned in the Corporate Governance Charter last revised on January 7th, 2021 all Directors (thus members of the Remuneration Committee, or of any other concerned Committee) must avoid taking any action, position or interest that is, or appears to be, in conflict with the interests of the Company.

VIII. A description and explanation of all significant changes and how the votes and views of shareholders on the remuneration policy and the remuneration reports since the most recent vote on the Remuneration Policy by the general meeting of shareholders have been taken into account

The General Meeting of Shareholders of May 28th, 2020 resolved to modify the fixed annual remuneration for each non-executive Director as from the year 2021, so that the fixed annual remuneration will amount to EUR 20,000 (compared to EUR 14,000 for the previous years), being understood that the attendance fees granted will remain unchanged.

In 2020, in line with the Performance Action Plan 2017 - 2019, a Performance Action Plan 2020 - 2022 was approved, as described above.

The Ordinary General Meeting of Shareholders (representing 61.19% of the share-capital) has on May 28th, 2020 approved the latest Remuneration Report (including the Remuneration Policy) by 5,902,716 votes "for", 199,150 votes "against" and 15,350 abstentions.

* * *

We therefore ask you to approve the terms of this Remuneration Policy for the next four years, being understood this Policy will be made available (together with the approval date and the results of the shareholders' binding vote) on Immobel's website to the general public for as long it will apply.

* * *

Agreed at the Meeting of the Board of Directors on March 4th, 2021.

ADL CommV
(represented by Astrid De Lathauwer)
Chair of the Remuneration Committee

A³ Management BV
(represented by Marnix Galle)
Executive Chair of the Board of Directors

REMUNERATION REPORT

Ladies and Gentlemen,

We have great pleasure in presenting our Remuneration Report for the year under review.

I. Introduction

The year 2020 is characterized by the covid-19 pandemic, hitting our economy and social life dramatically. Immobel has taken from the beginning of the pandemic the necessary actions to protect the continuity of the business and the operations at the very best. Several measures have been taken, also on Remuneration level, to assure the continuity and to mitigate the financial impact of the pandemic.

The Board of Directors has seen no changes in its composition in 2020 compared to 2019. A benchmark, done in 2019 had shown that the fix remuneration of the Directors was below the benchmark of comparable companies. Therefore a proposal was done to increase this fix remuneration from 14,000 EUR to 20,000 EUR. Due to the pandemic, this increase has been postponed from 2020 to 2021.

No deviation or derogation has been done from the current Remuneration Policy for the Directors (a new Remuneration Policy will be submitted for approval to the Annual Shareholders' Meeting of the Company to be held in Avril 2021).

In 2020, two new Members have joined the Executive Committee of Immobel (the Managing Director of Immobel Luxemburg, Olivier Bastin, and the Managing Director of Immobel France, Fabien Acerbis). Johan Bohets (Chief Legal Officer) has terminated his missions for the Company on March 31st 2020.

The Board of Directors and the Remuneration Committee have assessed in 2020 if the remuneration packages of the Members of the Executive Committee were in line with the Remuneration Policy and market practices. In that respect, the Board of Directors has reviewed the Remuneration Policy in order to align with the Company's long term strategic framework and objectives. The composition of the packages, (fix remuneration, STI, LTI and Performance Share Plan) have been maintained and the package of the Members of the Executive Committee have been assessed and adapted where believed appropriate, to reward performance and skills set. A new Performance share Plan 2020 - 2022 has been approved by the Shareholders during the Extraordinary General Meeting of May 28th, 2020 ; on that base, the Board of Directors decided to grant this Plan to the Members of of Executive Committee, exercing a Group function. In 2021 a benchmarking will be done for the package of the Chair of the Executive Committee / CEO .

II. The amount of remuneration and other benefits accorded, directly or indirectly, in 2020 to all Directors and Members of the Executive Committee

The individual sums of remuneration given directly or indirectly to all the Directors and Members of the Executive Committee for 2020 are shown in the table below. All the amounts shown are, where appropriate, gross, i.e. before the deduction of tax.

In 2019 a benchmarking study regarding the remuneration of the non-executive Directors has been conducted. It revealed that the attendance fees for the meetings of the Board and its Committees were in line with the remuneration of comparable companies, while the fix remuneration was below the benchmarking. The implementation of the increase of this fix remuneration however has been postponed from 2020 to 2021, due to the covid-19 impact on the business. The increase, as of 2021, will bring the fix remuneration of the non-executive Directors from 14,000 EUR to 20,000 EUR.

The Board of Directors, on proposal of the Remuneration Committee, has decided on December 10th 2020 that each Director is requested to buy Immobel shares before the AGM to be held in April 2022 for a minimum amount of 20,000 EUR, being the fix annual remuneration for the year 2021 for each of them and to keep the shares at least 3 years after acquisition and until 1 year after the ending of the mandate.

Pursuant to Provision 7.5 of the Belgian Corporate Governance Code 2020, non-executive Directors do not receive any performance-related remuneration, that is directly related to the results of the Company.

Name Director, Position	Fixed remuneration in EUR			Variable remuneration in EUR		Extraordinary items[1]	Pension expense	Total remuneration in EUR[2]	Proportion fixed/ variable remuneration
	Base salary	Attendance Fees	Fringe benefits	One-year variable	Multi-year variable				
ADL Comm.V represented by Astrid DE LATHAUWER 2	14,000	11,475	N/A	N/A	N/A	N/A	N/A	25,475	100%
Pierre Nothomb SRL, represented by Pierre NOTHOMB	14,000	21,875	N/A	N/A	N/A	N/A	N/A	35,875	100%
A.V.O.- Management SRL represented by Annick VAN OVERSTRAETEN	14,000	12,600	N/A	N/A	N/A	N/A	N/A	26,600	100%
Karin KOKS	14,000	16,800	N/A	N/A	N/A	N/A	N/A	30,800	100%
M.J.S. Consulting BV represented by Michèle SIOEN	14,000	14,700	N/A	N/A	N/A	N/A	N/A	28,700	100%
LSIM SA represented by Wolfgang de LIMBURG STIRUM	14,000	6,300	N/A	N/A	N/A	N/A	N/A	20,300	100%
Total Directors	84,000	83,750						167,750	

In 2020, the Company has continued the principles of the Remuneration Policy for the Members of the Executive Committee as described in Annexe 2 of the Corporate Governance Charter. The Board of Directors approves the appointment propositions of the Executive Committee, upon proposal by the Nomination Committee, and decides on their remuneration, based on the recommendations of the Remuneration Committee.

[1] Such as the cost or value of insurance and other benefits in kind, with an explanation of the details of the main components.
[2] This includes benefits that were granted / awarded / due (but not materialised) during the reported FY.

Due to the fact that the Covid-19 pandemic has had an important impact on the economy in general and on the business of Immobel in particular, the Members of the Executive Committee have decided to renounce to their variable remuneration of 2020 (both Short Term Incentive as Long Term incentive (non-PSP), except for 1 Member for whom this variable remuneration was contractually agreed at the moment of joining Immobel. This renunciation was decided at the beginning of the pandemic in Europe and maintained during the year, as the impact of the virus remained during entire 2020.

In 2020, the Managing Directors of Immobel France and Immobel Luxembourg, respectively Fabien Acerbis and Olivier Bastin, have joined the Executive Committee of Immobel. The Remuneration Committee and the Board of Directors have therefore assessed if the remuneration of all Members was still in line with the Company's objectives and market practices. Even though the variable remuneration was renunciated for the year 2020, a review of the remuneration package has been done, in order to remain attractive for the coming years.

Johan Bohets, as representative of Moirai Management BV (Chief Legal Officer), has terminated his missions for the Company on March 31st 2020. . No other changes were done in the composition of the Executive Committee.

With respect of the principles of the Remuneration Policy, the Board of Directors, on proposal of the Remuneration Committee, has proposed to modify the variable remuneration structure of the Members with following elements : 1° a Long Term Incentive plan for the Managing Directors of the countries who contribute the most to the result of the Group, as an incentive to outperform on their country level and 2° a Long Term Incentive plan for the Members of the Executive Committee, executing a Group function. These new elements are subject to approval of the Annual Shareholders' Meeting of the Company to be held in April 2021.

In line with the Remuneration Policy applicable in 2020, the remuneration package of the Executive Committee Members consists of 3 elements : 1° a fix remuneration , 2° a Short Term Incentive Plan, and 3° a Long Term Incentive Plan, unless contractually otherwise agreed.

Upon proposal of the Remuneration Committee , the Board of Directors has granted to the Executive Chair of the Board / CEO :

- A yearly basic remuneration amounting EUR 640,000 (VAT excluded), monthly instalments;
- A variable Short Term Incentive. If 100% of the objectives (quantitative and qualitative) are met, 50% of the fix remuneration can be obtained as variable remuneration. The quantitative criteria (ROE with target = 15%) can be outperformed. In this case, the variable remuneration will increase proportionally. Below the threshold of 10% ROE, the quantitative amount obtained on the STI will be put at 0. In 2020, no STI was granted to the Members of the Executive Committee, with the exception of one Member for whom this was contractually agreed at the moment of joining Immobel;
- A LTI "Performance Share plan", as described hereunder.

The fix remuneration of the other Members of the Executive Committee at December 31st, 2020, together with quantitative and qualitative criteria of their variable Short Term Incentive and the criteria and targets of the Long Term Incentive for some of the Members are fixed by the Board of Directors, on recommendation of the Remuneration Committee, and upon proposal of the Executive Chair of the Board / CEO.

Name Member Executive Committee, position	Fixed remuneration in EUR			Variable remuneration in EUR		Extraordinary items[3]	Pension expense	Total remuneration in EUR[4]	Proportion fixed/ variable remuneration
	Base salary	Attendance Fees	Fringe benefits	One-year variable	Multi-year variable[5]				
A³ Management, represented by Marnix Galle Executive Chair of the Board	640,000	N/A	N/A	waived	139,332[6]	N/A	N/A	640,000	100%
Total of all other Members of the Executive Committee	2,056,263	N/A	N/A	172,000	198,220[7]	58,125	N/A	2,181,293	90%
Total	2,696,263			172,000	337,552	58,125		2,821,293	

III. Share-based remuneration

A. To (Executive) Directors in 2020:

Name Director, position	Main conditions of the Performance Share Plan					Information regarding the reported FY					
						Opening balance	During the year		Closing balance		
	Specification plan	Performance period	Grant/ award date	Vesting date	End of holding period	Shares granted/ awarded at the beginning of the period	Shares vested	Shares granted	Shares subject to a performance condition	Shares granted/awarded and vested at year end	Shares subject to a holding period
A³ MANAGEMENT bv Executive Chair / CEO	PSP 2017 - 2019	01/01/2017 -31/12/2019	07/12/2016	28/05/2020	n/a	1,806	2,049	-		2,049	n/a
		01/01/2018 -31/12/2020	13/03/2018	15/04/2021	n/a	1,477	-	-	-	1,058	n/a
		01/01/2019 -31/12/2021	29/03/2019	14/04/2022	n/a	1,606	-	-	267	-	n/a
	PSP 2020 - 2022	01/01/2020 -31/12/2022	10/12/2020	20/04/2023	n/a	2,424		-	2,424	-	n/a
		01/01/2021 -31/12/2023	04/03/2021	18/04/2024	n/a	-		-	-	-	n/a
		01/01/2022 -31/12/2024	March/2022	17/04/2025	n/a	-		-	-	-	n/a
						7,313	2,049	-	2,691	3,107	

3 Corresponds to the severance cost of Moirai Management BV, represented by Johan Bohets.

4

4. This includes benefits that were granted/ awarded/ due (but not materialised) during the reported FY

5 The amount of the share-based remuneration is equal to the sum of the amount reported in the table related to “Share awards”.

6 2,049 shares , at 68,00EUR on date of 04/01/2021

7 2,915 shares at 68,00 EUR at 04/01/2021

B. To other Members of the Executive Committee performing missions in 2020

Name Executive, position	Main conditions of the Performance Share Plan					Information regarding the reported FY – Opening balance	During the year		Closing balance		
	Specification plan	Performance period	Grant/ award date	Vesting date	End of holding period	Shares granted/ awarded at the beginning of the period	Shares vested	Shares granted	Shares subject to a performance condition	Shares granted/awarded and vested at year end	Shares subject to a holding period
KB FINANCIAL SERVICES bv Executive (CFO)	PSP 2017 - 2019	01/01/2017-31/12/2019	-	-	n/a	-	-	-	-	-	n/a
		01/01/2018-31/12/2020	11/09/2018	15/04/2021	n/a	205	-	-	-	293	n/a
		01/01/2019-31/12/2021	29/03/2019	14/04/2022	n/a	534	-	-	534	-	n/a
	PSP 2020 - 2022	01/01/2020-31/12/2022	10/12/2020	20/04/2023	n/a	489	-	-	489	-	n/a
		01/01/2021-31/12/2023	04/03/2021	18/04/2024	n/a	-		-	-	-	n/a
		01/01/2022-31/12/2024	March/2022	17/04/2025	n/a	-		-	-	-	n/a
AP2L srl Executive (CIO)	PSP 2020 - 2022	01/01/2020-31/12/2022	10/12/2020	20/04/2023	n/a	505	-	-	505	-	n/a
		01/01/2021-31/12/2023	04/03/2021	18/04/2024	n/a	-		-	-	-	n/a
		01/01/2022-31/12/2024	March/2022	17/04/2025	n/a	-		-	-	-	n/a
FILIP DEPAZ CONSULTANCY bv Executive (COO)	PSP 2020 - 2022	01/01/2020-31/12/2022	10/12/2020	20/04/2023	n/a	454	-	-	454	-	n/a
		01/01/2021-31/12/2023	04/03/2021	18/04/2024	n/a	-		-	-	-	n/a
		01/01/2022-31/12/2024	March/2022	17/04/2025	n/a	-		-	-	-	n/a
Adel Yahia Consult BV Executive (MD Belgium)	LTI 2019					728	-	-	-	-	728
						2,915	-	-	1,982	293	728

Currently two Performance Share Plans exist for some Members of the Executive Committee. On May 24th 2017 the Shareholders have validated a Performance Share Plan for the benefit of some Members of the Executive Committee (of which the Executive Chair and the previous CEO) for the years 2017 up to 2019; and on May 28th, 2020 a Performance Share Plan was approved for the benefit of some Members of the Executive Committee for the years 2020 up to 2022.

These *« Performance Share Plan »* yearly grant, under certain conditions, Performance Shares to the Executive Chair / CEO and to some other Members of the Executive Committee. These "Performance Shares" will vest definitively after a period of three full calendar years, if they meet the predefined performance targets based on the average return on equity over three years and the average net income per share (excluding the Treasury Shares) over three years (for the first Plan 2017 - 2019). This Plan 2017 - 2019 is based on the 3Y average Return on Equity and 3Y Average Net Income per share.

In 2020, a total of 1,054 shares, granted under the « Performance Share Plan 2017 - 2019» (for the Cycle 2018 - 2020), have been vested to the Executive Chair / CEO (still performing Member of the Executive Committee subject to the achievement of the performance objectives).

The main rules of this Performance Share Plan are listed below:

"Under this plan, the Beneficiaries will receive a conditional grant of shares ("Performance Shares") that vest at the end of the Performance Period, subject to and upon realization of the Performance Conditions.

Performance Conditions

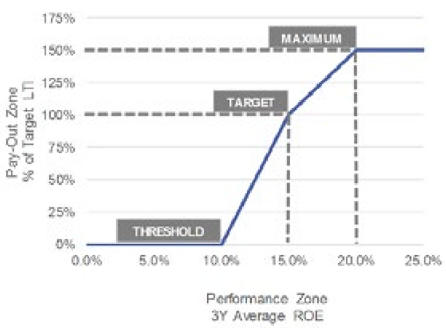
The Performance Shares granted will become unconditional / will vest following a Performance Period / vesting period of three full calendar years, conditional to the achievement of two Performance Conditions which are equally weighted:

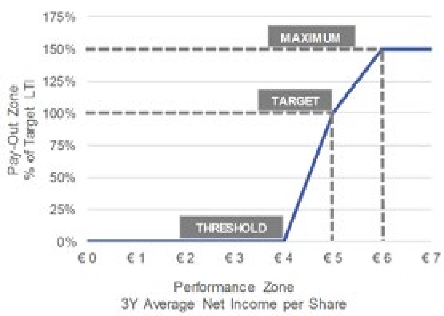
- 3Y Average Return on Equity (ROE) at Immobel Group level
- 3Y Average Net Income per Share at Immobel Group level (excluding Treasury Shares)

The precise vesting level of the Performance Shares will depend upon the actual achievement level of the Performance Conditions:

3Y Average ROE		
Performance		Pay-Out % of Target
≤ Threshold	3Y Average ROE ≤ 10%	0%
At Target	3Y Average ROE = 15%	100%
≥ Maximum	3Y Average ROE ≥ 20%	150%

3Y Average Net Income per Share		
Performance		Pay-Out % of Target
≤ Threshold	3Y Average Net Income per Share ≤ € 4	0%
At Target	3Y Average Net Income per Share = € 5	100%
≥ Maximum	3Y Average Net Income per Share ≥ € 6	150%





Performance Period

The achievement of the Performance Conditions will be determined over a three-full calendar year Performance Period, i.e. January 1st, 2017 – December 31st, 2019.

Dividends

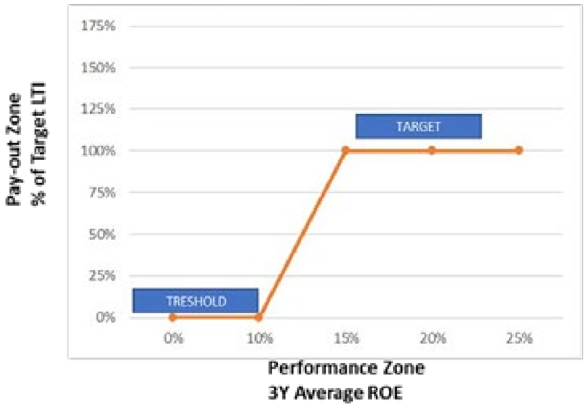
Upon vesting, the Beneficiaries will not receive the value of the dividends relating to the previous three years with respect to the Performance Shares vested.

Vesting

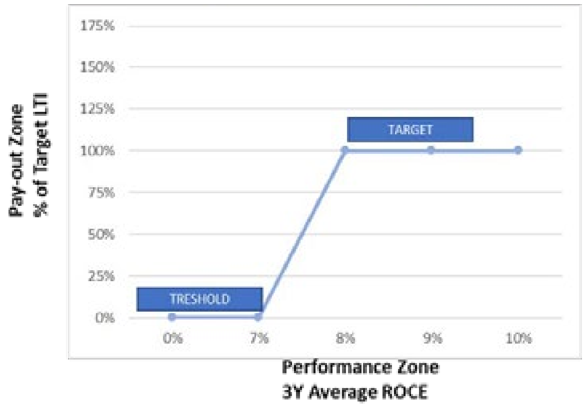
The Performance Shares granted under the Plan will vest at the end of the Performance Period, subject to and upon realization of the Performance Conditions. Performance Shares that do not become vested are forfeited and lapse. In addition, good leaver / bad leaver provisions apply in case of termination of the management services agreement entered into between the Member of the Executive Committee and Immobel during the Performance Period."

A new Performance Share Plan 2020 - 2022 was approved by the Shareholders at the General Meetings held on May 28th, 2020. Pursuant the « **Performance Share Plan 2020 - 2022** » some Members of the Executive Committee can be granted yearly, under certain conditions, Performance Shares. These "Performance Shares" will vest definitively after a period of three full calendar years, if they meet the predefined performance targets based on the average Return on Equity over three years and the average Return On Capital Employed (ROCE) over three years.

3 Y Average ROE		
Performance		Pay-Out % of Target
<=Treshold	3Y Average ROE <= 10%	0%
At target	3Y Average ROE = >15%	100%



3 Y Average ROCE		
Performance		Pay-Out % of Target
<=Treshold	3Y Average ROCE <= 7%	0%
At target	3Y Average ROCE = >8%	100%



For 2020, the lower treshold for 3Y Average ROE is defined by the Board of Directors at 10%, while the upper threshold is 15%.

For 3 Year Average ROCE, the lower threshold is defined by the Board of Directors at 7%, while the upper threshold is set at 8%.

There will be an allotment of Performance Shares in each of the years 2020 to 2022 and the total number of Performance Shares, and the total number of Performance Shares to be offered will be determined each year by the Board of Directors upon proposal of the Remuneration Committee.

In the framework of this Plan, for the 2020 allocation a total of 3,872 shares have been granted, subject to the achievement of the 100 % performance objectives, split-off as follows:

Executive Chair :	2,424 Performance Shares.
Chief Financial Officer :	489 Performance Shares.
Chief Investment Officer:	505 Performance Shares.
Chief Operational Officer :	454 Performance Shares.

The main rules of this Performance Share Plan are listed below:

The "Performance Shares" granted by the aforementioned plans are offered free of charge to the beneficiaries, and entitle the same rights as the existing shares. The Board of Directors annually sets the objectives, in accordance with the Company's strategy and the Remuneration Policy of the Company.

The exact degree to which the Performance Shares for the two plans will be definitively acquired, will depend on the level of performance of the objectives achieved:

- no definitive acquisition when the performance is below or equal to the defined minimum threshold;
- the full implementation of the objectives will lead to a nominal acquisition of 100 % of the allocated Performance Shares;
- a maximum definitive acquisition of 150 % of the Performance Shares awarded when the performance is equal to or greater than the agreed upper limit (for the PSP 2017 - 2019); for the PSP 2020 - 2022 this % is limited to 100%
- between these values, the final acquisition will be proportional.

Upon the final vesting, the beneficiaries will not receive the dividend value of the last three years to which the acquired Performance Shares relate.

Finally, 5% of the additional LTI-plan for some Members, focusing on outperformance for each concerned country, is allocated in shares. These shares will be vested 3 years after allocation.

IV. Any use of the right to reclaim

There is no specific right to reclaim the variable remuneration awarded based on incorrect financial information, except in the above-mentioned Performance Share Plan which contains a Claw Back Clause. The Board of Directors has decided that the variable remuneration (“Short Term Incentive”) will be paid to the Members of the Executive Committee/ Executive Director after the Board of Directors of March 4th, 2021 which draws up the Annual Accounts as at December 31st, 2020, subject to final approval by the Shareholders’ Meeting of April 2021.

V. Information on how the remuneration complies with the remuneration policy and how performance criteria were applied

A. Compliance with the Remuneration Policy

Pursuant to Provision 7.8 of the Belgian Corporate Governance Code 2020, the variable part of the executive remuneration package is structured to link reward to overall corporate and individual performance, and to align the interests of the Members of the Executive Committee with the sustainable value-creation objectives of Immobel. Therefore the Remuneration of the Members of the Executive Committee (Executive Chair included, as detailed above) is divided into a fixed part, a variable part STI (“Short Term Incentive”) and, for some of them, a variable part LTI (“Long Term Incentive”).

The variable part STI includes:

- a variable quantitative remuneration exclusively based on the level of Return on Equity;
- a measurable variable qualitative remuneration determined in function of the general criteria applicable to all the Members of the Executive Committee. These general criteria are the following:
    - Show leadership
    - Respect Immobel governance and agreed processes and procedures
    - Show leadership in way of working towards all Immobel teams
- a measurable variable qualitative remuneration determined in function of the responsibilities, the missions, and the targets to be achieved, on an individual basis by each of the Members of the Executive Committee, during the reviewed financial year.

As decided by the Board of Directors, upon proposal of the Remuneration Committee, the Members of the Executive Committee, exeercing a Group function benefit from a weighted remuneration, at 80 % for quantitative aspects, and at 20 % for qualitative aspects, compared to total variable remuneration. The Managing Directors benefit from a weight 50 % - 50 %, with the exception of the Managing Director France (20% quantitative, 80% qualitative).

Regarding the variable part Long Term Incentive (LTI), a differentiation needs to be made between, on the one hand the Immobel Performance Share Plans (2017 - 2019 and 2020 - 2022) and on the other hand a specific Long Term Incentive Plan for other Members.

The Performance Share Plan gives to some Members of the Executive Committee an incentive in case targets are met on ROE and Share price (Plan 2017 - 2019) or on ROE and ROCE (Plan 2020 - 2022).

The 2nd LTI Plan, which incentivizes more specifically outperformance of the Managing Directors on country level, is based on outperformance of the ROE on country level and calculated in function of excess Net profit (above ROE level of 15%). In this LTI-Plan, a part of the amount is vested and paid out in cash (95% over 2 years), while the remaining 5% is allocated in shares and vested in a period of 3 years after allocation

The Members of the Executive Committee exercising a function at Group level received shares in the framework of the PSP 2020 - 2022 Plan, according to a certain % depending on their remuneration (25% for the Executive Chair/CEO and 10% for the other Members holding a function at Group level).The Board of Directors has decided that the variable remunerations « Short Term Incentive “will be paid to the Members of the Executive Committee after the Board of Directors of March 2021 establishing the Annual Accounts per December 31st, 2020, subject to final approval by the General Meeting of April 2021.

Based on the global performance of the Company during 2020 and on the realization of the individual targets of the Members of the Executive Committee between January 1st and December 31st, 2020, the variable part of the global remuneration (qualitative and quantitative) paid for 2020, represents 8 % of the basic remuneration for the Members of the Executive Committee (with exclusion of the one of the Executive Chair / CEO, detailed below. The variable part include on the one hand the contractually agreed STI amount and on the other hand the amounts due in the context of the Performance Share Plans (both allocated and vested).

The period of notice or compensatory severance payment due by Immobel in case of termination of contracts with the Members of the Executive Committee / Executive Directors, under a self-employed status, active within Immobel is 3 months. Exceptions can only be granted, after validation by the Board of Directors, on proposal of the Remuneration Committee.

For those exercising their function under an employee status, the legal notice periods and modalities are applicable.

The periods of notice for the Members of the Executive Committee are:

- Marnix Galle : 12 months
- Karel Breda : 6 months
- Filip Depaz : 3 months
- Alexis Prevot : 3 months
- Adel Yahia : 3 months.
- Fabien Acerbis : 3 months
- Olivier Bastin : according to legislation in Luxemburg.

B. Application performance criteria

Name Director, position	Description of the performance criteria and type of applicable remuneration	Relative weighting of the performance citeria	Information on performance targets		Measured performance (a) and actual award outcome (b)
			Minimum target/threshold performance (a) and corresponding award (b)	Maximum target/threshold performance (a) and corresponding award (b)	
A³ MANAGEMENT bv, Executive Chair / CEO	Return on Equity – variable quantitative rem.	80%	(a) ROE of 15% (b) 256,000 EUR	(a) - (b) -	(a) - (b) 0 due to Covid
	Grow the business in all entities	10%	(a) (b) 32,000 EUR	(a) - (b)	(a) (b) 0 due to Covid
	Make a strong ExCo Leadership team	10%	(a) (b) 32,000 EUR	(a) (b)	(a) (b) waived dueto Covid
Other Members of the Executive Committee	Quantitative criteria	Depends on Role within the Executive Comitee.	(a) ROE of 10% (b) 0 EUR	(a) ROE of 15% (b) 478,000 EUR	(a) Below 10% (b) 0€ waived due to covid
	Diverse qualitative criteria (generi and individual)	Depends on Role within the Executive Comitee	(a) / (b) /	(a)/ (b)412,000	(a) individual scores per Member (b) 172,000

VI. Derogations and deviations

Based on the global performance of the Company during 2020 and on the realization of the individual targets of the Members of the Executive Committee between January 1st and December 31st, 2020, the variable part of the global remuneration (qualitative and quantitative) paid for 2020, represents 8 % of the basic remuneration for the Members of the Executive Committee (with exclusion of the one of the Executive Chair).

The variable remuneration of the Executive Chair, and of some other Members of the Executive Committee amounts less than 25 % of their respective remuneration in 2020. Further to the Extraordinary General Meeting of November 17th, 2016 it was expressly foreseen in article 16 of the articles of association that the Company may however derogate from the provisions of articles 7:91 paragraph 1 and 2 and 7:121 last paragraph of the Code of Companies and Associations, for each person falling within the scope of these provisions.

During 2020, there were no deviations from the Remuneration Policy or from its implementation, except the renunciation of the Members of the Executive Committee to their STI bonus (with the exception of one Member).

VII. Comparative information on the change of remuneration and company performance

Annual change	2019	2020	2020 vs. 2019	Information regarding the RFY
A³ MANAGEMENT bv[6] Executive Chair			+157,500	From 01/07/2019, Marnix Galle became also CEO of the Company, on top of his role of the Executive Chair of the Board of Directors.
ADL CommV[7] Non-executive	34,175	25,475	-8,700	Lower attendance fees due to lower number of meetings and phone/Teams meetings
PIERRE NOTHOMB srl[8] Non-executive	43,175	35,875	-7,850	Lower attendance fees due to lower number of meetings and phone/Teams meetings
A.V.O.-MANAGEMENT bv[9] Non-executive	35,525	26,600	-8,925	Lower attendance fees due to lower number of meetings and phone/Teams meetings
Karin KOKS-van der SLUIJS Non-executive	46,550	30,800	-15,750	Lower attendance fees due to lower number of meetings and phone/Teams meetings
M.J.S. CONSULTING bv[10] Non-executive	29,750	28,700	-1,050	Lower attendance fees due to lower number of meetings and phone/Teams meetings
LSIM sa[11] Non-executive	23,450	20,300	-3,150	Lower attendance fees due to lower number of meetings and phone/Teams meetings
Total remuneration granted to Directors	212,625	167,750	-44,875	
Average remuneration per collaborator (full cost)[14]	-[14]	126,452		
EBITDA	132 MEUR	59 MEUR	-73 MEUR	
Net profit	101.4 MEUR	32.5 MEUR	-69.9 MEUR	

[6] Represented by its permanent representative Marnix GALLE.
[7] Represented by its permanent representative Astrid DE LATHAUWER.
[8] Represented by its permanent representative Pierre NOTHOMB.
[9] Represented by its permanent representative Annick van OVERSTRAETEN.
[10] Represented by its permanent representative Michèle SIOEN.
[11] Represented by its permanent representative Wolfgang de LIMBURG STIRUM.
[14] The average salary of a collaborator throughout the Group will be reported from 2020 on

VIII. Ratio lowest remuneration/ highest remuneration

The ratio of the highest remuneration compared to the lowest remuneration, at Full Time Equivalent, in Immobel Group amounts 14,7 in 2020. This information applies to all entities of the Group, in all locations (Belgium, Luxemburg, France, Germany, Poland and Spain).

IX. Information on shareholder vote

Immobel is required to explain in the report how the advisory vote on the previous remuneration report adopted by the last General Meeting has been taken into account:

For the sake of completeness, it is especially mentioned to the Shareholders that de Ordinary General Meeting of Shareholders (representing 61.19% of the share-capital) has on May 28th, 2020 approved the latest Remuneration Report (including the Remuneration Policy) by 5,902,716 votes "for", 199,150 votes "against" and 15,350 abstentions.

* * *

We therefore ask you to approve the terms of this Remuneration Report for the year 2020.

* * *

Agreed at the Meeting of the Board of Directors on March 4th, 2021.

ADL CommV
(represented by Astrid De Lathauwer)
Chair of the Remuneration Committee

A³ Management BV
(represented by Marnix Galle)
Executive Chair of the Board of Directors

CONSOLIDATED AND STATUTORY CONDENSED FINANCIAL ACCOUNTS

I. Consolidated accounts

A. Consolidated statement of comprehensive income (in thousands EUR)

	NOTES	31/12/2020	31/12/2019
OPERATING INCOME		375 390	419 547
Turnover	2	364 479	408 784
Other operating income	3	10 911	10 763
OPERATING EXPENSES		-333 526	-327 192
Cost of sales	4	-300 766	-291 027
Cost of commercialisation	5	-1 702	-3 160
Administration costs	6	-31 057	-33 005
SALE OF AFFILIATES		133	19 618
Gain on sale of affiliates	7	133	19 618
JOINT VENTURES AND ASSOCIATES		7 994	4 985
Share in the net result of joint ventures and associates	8	7 994	4 985
OPERATING RESULT		49 991	116 958
Interest income		5 773	3 240
Interest expense		-11 859	-7 524
Other financial income		1 440	738
Other financial expenses		-2 649	-1 782
FINANCIAL RESULT	9	-7 295	-5 328
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		42 696	111 630
Income taxes	10	-8 650	-9 390
RESULT FROM CONTINUING OPERATIONS		34 047	102 240
RESULT OF THE YEAR		34 047	102 240
Share of non-controlling interests		775	- 196
SHARE OF IMMOBEL		33 272	102 436

	NOTES	31/12/2020	31/12/2019
RESULT OF THE YEAR		34 047	102 240
Other comprehensive income - items subject to subsequent recycling in the income statement		2 282	
Currency translation		2 282	
Other comprehensive income - items that are not subject to subsequent recycling in the income statement	27	201	- 1
Actuarial gains and losses (-) on defined benefit pension plans	27	201	- 1
Deferred taxes			
TOTAL OTHER COMPREHENSIVE INCOME		2 483	- 1
COMPREHENSIVE INCOME OF THE YEAR		36 530	102 239
Share of non-controlling interests		964	- 196
SHARE OF IMMOBEL		35 566	102 435

	NOTES	31/12/2020	31/12/2019
NET RESULT PER SHARE (€) (BASIC)	11	3,58	11,66
COMPREHENSIVE INCOME PER SHARE (€) (BASIC)	11	3,82	11,66
NET RESULT PER SHARE (€) (DILUTED)	11	3,58	11,65
COMPREHENSIVE INCOME PER SHARE (€) (DILUTED)	11	3,82	11,65

B. Consolidated statement of financial position (in thousands EUR)

ASSETS	NOTES	31/12/2020	31/12/2019
NON-CURRENT ASSETS		448 370	213 311
Intangible assets	12	582	543
Goodwill	13	43 789	43 789
Property, plant and equipment	14	1 388	983
Right-of-use assets	15	4 390	6 441
Investment property	16	197 149	81 123
Investments in joint ventures and associates	17	106 195	55 899
Advances to joint ventures and associates	17	76 644	9 492
Other non-current financial assets	18	175	4 920
Deferred tax assets	19	16 369	6 374
Other non-current assets	20	1 689	3 747
CURRENT ASSETS		982 768	1 087 903
Inventories	21	683 121	694 580
Trade receivables	22	33 168	72 516
Contract assets	23	57 251	42 228
Tax receivables		3 450	2 703
Other current assets	24	37 269	41 937
Advances to joint ventures and associates		20 399	77 743
Other current financial assets		49	50
Cash and cash equivalents	25	148 059	156 146
TOTAL ASSETS		1 431 137	1 301 214

EQUITY AND LIABILITIES	NOTES	31/12/2020	31/12/2019
TOTAL EQUITY	26	494 490	428 162
EQUITY SHARE OF IMMOBEL		491 922	426 151
Share capital		97 256	97 256
Retained earnings		392 143	328 693
Reserves		2 524	202
NON-CONTROLLING INTERESTS		2 568	2 011
NON-CURRENT LIABILITIES		609 602	523 379
Employee benefit obligations	27	603	633
Deferred tax liabilities	19	37 301	15 447
Financial debts	25	571 139	507 008
Derivative financial instruments	25	560	291
CURRENT LIABILITIES		327 045	349 673
Provisions	28	2 114	3 882
Financial debts	25	180 810	200 063
Trade payables	29	60 927	59 564
Contract liabilities	30	3 896	5 690
Tax liabilities		7 110	1 354
Other current liabilities	31	72 188	79 120
TOTAL EQUITY AND LIABILITIES		1 431 137	1 301 214

C. Consolidated statement of cash flow position (in thousands EUR)

	NOTES	31/12/2020	31/12/2019
Operating income		375 390	419 547
Operating expenses		-333 526	-327 192
Amortisation, depreciation and impairment of assets		3 684	5 788
Change in provisions		-1 198	1 839
Dividends received from joint ventures and associates		10 533	2 630
Disposal of joint ventures and associates	17		66
Repayment of capital and advances by joint ventures		17 113	23 608
Acquisitions, capital injections and loans to joint ventures and associates		-70 095	-41 775
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		1 901	84 511
Change in working capital	33	-80 846	-210 565
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		-78 945	-126 054
Paid interests	9	-18 936	-12 539
Interest received		5 773	3 240
Other financing cash flows		- 552	-2 534
Paid taxes	10	-6 011	-10 606
CASH FROM OPERATING ACTIVITIES		-98 671	-148 493
Acquisitions of intangible, tangible and other non-current assets		- 878	-5 837
Acquisitions of affiliates	13		-67 019
Disposal of affiliates	7	9 792	28 508
CASH FROM INVESTING ACTIVITIES		8 914	-44 348
Increase in financial debts		151 931	291 307
Repayment of financial debts		-100 881	-91 965
Sales of own shares		57 600	
Gross dividends paid		-26 981	-21 241
CASH FROM FINANCING ACTIVITIES		81 669	178 101
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		-8 088	-14 740
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		156 146	170 886
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		148 058	156 146

Acquisitions and sales of projects, either directly or indirectly through the acquisition or the sale of a project company (subsidiaries, joint ventures and associates), are usually directly included in the cash flows from the operating activities, mainly "Operating income / Operating expenses and change in working capital".

Acquisitions of investment property, insofar as these are related to a future development project, are included in the cash flows from the operating activities.

D. Consolidated statement of changes in equity (in thousands EUR)

2020	CAPITAL	RETAINED EARNINGS	ACQUISITION RESERVE	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	HEDGING RESERVES	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROL-LING INTERESTS	TOTAL EQUITY
Balance as at 01-01-2020	97 256	258 344	70 321	55	175		426 151	2 011	428 162
Before treasury shares	97 256	258 344	124 869	55	175		480 699	2 011	482 710
Treasury shares			-54 548				-54 548		-54 548
Comprehensive income for the year		33 272					33 272	775	34 047
Other comprehensive income				2 092	202		2 294	189	2 483
Dividends and other beneficiaries paid		-26 551					-26 551	- 430	-26 981
Cash flow hedging						- 560	- 560		- 560
Scope changes		- 23					- 23	23	
Transactions on treasury shares		16 216	41 384				57 600		57 600
Other changes		- 261					- 261		- 261
Changes in the year		22 653	41 384	2 092	202	- 560	65 771	557	66 328
Balance as at 31-12-2020	97 256	280 997	111 705	2 147	377	- 560	491 922	2 568	494 490
Before treasury shares	97 256	280 997	124 869	2 147	377	- 560	505 086	2 568	507 654
Treasury shares			-13 164				-13 164		-13 164

2019	CAPITAL	RETAINED EARNINGS	ACQUISITION RESERVE	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	HEDGING RESERVES	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROL-LING INTERESTS	TOTAL EQUITY
Balance as at 01-01-2019	97 256	177 187	69 960	55	176		344 634	116	344 750
Before treasury shares	97 256	177 187	124 869	55	176		399 543	116	399 659
Treasury shares			-54 909				-54 909		-54 909
Comprehensive income for the year		102 436					102 436	- 196	102 240
Other comprehensive income					- 1		- 1		- 1
Dividends and other beneficiaries paid		-21 241					-21 241		-21 241
Scope changes								2 091	2 091
Other changes		- 38	361				323		323
Changes in the year		81 157	361		- 1		81 517	1 895	83 412
Balance as at 31-12-2019	97 256	258 344	70 321	55	175		426 151	2 011	428 162
Before treasury shares	97 256	258 344	124 869	55	175		480 699	2 011	482 710
Treasury shares			-54 548				-54 548		-54 548

A gross dividend of EUR 2.77 per share (excluding treasury shares) was proposed by the Board of Directors on March 4, 2021. It will be submitted to the shareholders for approval at the general meeting. The appropriation of income has not been recognized in the financial statements as of December 31, 2020.

On December 31, 2020 the treasury shares, resulting from the merger with ALLFIN, remain valued at the share price on June 29, 2016, which was the date of the merger.

The currency translation adjustments are related to Polish entities for which the functional currency is in zloty.

E. Accounting principles and methods

1) General information

Immobel (hereafter named the "Company") is a limited company incorporated in Belgium. The address of its registered office is Rue de la Régence 58 at 1000 Brussels.

2) Statement of compliance with IFRS

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union. The Board of Directors settled the consolidated financial statements and approved their publication on March 4, 2021.

The accounting principles and methods used are the same as those used for the consolidated financial statements for the year ended December 31, 2019

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2020

- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to IFRS 3 Business Combinations: Definition of a Business
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform
- Amendments to references to the Conceptual Framework in IFRS standards

While the list of new standards is provided below, not all of these new standards will have an impact on these financial statements.

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2020

The Group has not anticipated the following standards and interpretations which are not yet applicable on 31 December 2020:

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendment to IFRS 4 Insurance Contracts – deferral of IFRS 9 (applicable for annual periods beginning on or after 1 January 2021) • Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (applicable for annual periods beginning on or after 1 January 2021)
- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions (applicable for annual periods beginning on or after 1 June 2020)
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)

The process for determining the potential impact of these standards and interpretations on the Group's consolidated financial statements is ongoing. The Group does not expect any changes resulting from the application of these standards.

3) Preparation and presentation of the financial statements

The consolidated financial statements are presented in thousands of EUR.

They are prepared on the historical cost basis, except for some financial instruments which are measured at fair value, as explained in the accounting policies below.

GOING CONCERN

Considering the impact of COVID-19 on the economic circumstances and on the current financial performance of the company, the Board of Directors re-assessed the going concern assumption of the company on March 4, 2021 based on the FY 2021 budget.

In this context of crisis, the Group has paid particular attention to adequately reflect the current and expected impact of the COVID-19 situation on the financial position, performance and cash-flows of the company, applying the IFRS accounting principles in a consistent manner.

- General business performance

COVID-19 is currently still having an impact on the activity of the company and the sector as a whole mainly with respect to progress in permitting as well as for office related commercial activities.

- Impairment losses on non-financial assets

In light of the COVID-19 pandemic, the Group assessed whether its non-financial assets, in particular goodwill arisen from the acquisition of Nafilyan & Partners, could be impaired. The Group thus carried out an analysis of indicators of potential impairment, in accordance with the provisions of IAS 36 – Impairment of Assets.

The slow-down of the sales, also observed in France, has been considered by management as a trigger event, especially in this COVID-19 context. An impairment test was carried out based on the revised business plan, noting no impairment risk as per 31 December 2020 – **see note 13.**

- Valuation of financial assets and expected credit losses

The COVID-19 crisis gives rise to a potentially increased credit risk and may therefore affect the amount of impairment losses to be recognized in respect of expected credit losses. The Group has therefore monitored payment receipts and counterparty risk more closely, noting no significant deterioration. The impact of the "expected credit losses" (ECL) remains immaterial, especially since a physical asset can be considered, in most cases, as a collateral (guarantee) in the assessment.

With regards to the inventories (projects to be developed), the assumptions used to assess the recoverability of the project under development have been consistently reviewed and updated based on the most recent market data, without significant impact. No impairments have been identified as per December 31, 2020.

- Financial risks (financing, liquidity, compliance with financial ratio)

Financial risks have been monitored carefully.

As a buffer against this market conditions the company has a cash position of EUR 148 million at the end of December 2020, available corporate lines of EUR 76 million, non-issued Commercial Paper for an amount of EUR 26.5 million and substantial headroom on its main debt covenants.

Liquidity risk and trends in interest rate and exchange rate markets, have been reviewed and the related information has been updated based on data available at December 31, 2020 – see note 25.

- Deferred tax assets

Immobel's deferred tax asset positions were reviewed in order to ensure their recoverability through future taxable income. The Group also monitored changes to legislation, revisions to tax rates and other tax measures taken in response to the crisis.

The company did not identify significant impact of the COVID-19 crisis on the estimated future taxable profit.

- Provisions

The Group reviewed whether any current obligations were likely to give rise to the recognition of provisions, noting no specific risk.

- Performance indicators and presentation of COVID-19 impacts in the income statement

The financial impacts of the crisis were rather limited, except in terms of pace of sales, which slowed down, and progress on construction sites.

The Group has neither adjusted its performance indicators, nor included new indicators to describe the impacts of COVID-19.

- Application of support measures

In Belgium, as well as in other countries, the Group utilized government temporary unemployment schemes and deferred the disbursement of some tax debts, all being paid as per December 31, 2020.

- Subsequent events

Given the uncertainties related to the health crisis and the constantly changing environment, the Group paid particular attention to events that occurred during the period from December 31, 2020 until the approval of the financial statements by the Board of Directors – see note 32.

- Going concern

Actuals have shown that the crisis has impacted Immobel financial results to a lower extent than in the stress case developed by management in April 2020. Based on the FY 2021 budget, management re-assessed the going concern assumption of the company and confirmed it remains appropriate.

4) Consolidation rules

The consolidated financial statements include the financial statements of the Company and its subsidiaries, as well as interests in joint ventures and in associated companies accounted for using the equity method.

All intragroup balances, transactions, revenue and expenses are eliminated.

SUBSIDIARIES

Subsidiaries are companies controlled by the Group.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the consolidated financial statements from the date when control begins until the date when control ends.

INTERESTS IN JOINT VENTURES

A joint venture is a contractual agreement whereby the Group and one or several parties agree to undertake an economic activity under joint control. The joint venture agreement generally results in the creation of one or more distinct jointly controlled entities.

Since January 1, 2014, joint ventures, which were previously consolidated using the proportional method, are included in the consolidated financial statements using the equity method.

INTERESTS IN ASSOCIATES

Associates are entities over which the Group has significant influence through its participation in their financial and operating policy decisions. They are neither subsidiaries, nor joint ventures of the Group.

Significant influence is presumed if the Group, directly or indirectly, holds 20 % or more but less than 50 % of the voting rights through its subsidiaries.

Interests in associates are accounted for in the consolidated financial statements using the equity method, from the date when significant influence begins until the date when it ends. The book value of interests is decreased, if applicable, so as to record any impairment of individual interests.

DIFFERENT REPORTING DATES

The financial statements of subsidiaries, joint ventures and associates with reporting dates other than 31 December (reporting date of the Company) are adjusted so as to take into account the effect of significant transactions and events that occurred between the reporting date of the subsidiary, joint venture or associate and 31 December. The difference between 31 December and the reporting date of the subsidiary, joint venture or associate never exceeds 3 months.

BUSINESS COMBINATIONS AND GOODWILL

Immobel analyses any acquisition of subsidiaries based on IFRS 3 and integrates the criteria suggested by IFRS 3 §B5 to B12 to identify any business combination and to define a business. In accordance with IFRS 3, if the acquired assets do not constitute a business, the acquisition is treated as an “acquisition of assets”.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity at the date of acquisition. Goodwill is reported as an asset and is not amortised but annually subject to an impairment in value test at reporting date (or more frequently if there are indications of loss in value). Impairment losses are recognised immediately under income and are not reversed in subsequent periods.

Goodwill resulting from the acquisition of a joint venture or an associate is included in the book value of the investments in joint ventures and associates. Goodwill resulting from the acquisition of a subsidiary is presented separately in the balance sheet.

On disposal of a subsidiary, a joint venture or an associate, the book value of the goodwill is included so as to determine the profit or loss on the disposal.

Negative goodwill

Negative goodwill represents the excess of the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary over the price of business combination at the date of acquisition, plus the value of non-controlling interests (owned by minority shareholders of subsidiaries). To the extent that a surplus subsists after review and re-evaluation of the values, the negative goodwill is immediately recognised in profit and loss.

5) Foreign currencies

TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN ENTITIES

The balance sheets of foreign companies are translated in EUR at the official year-end exchange rate and income statements are translated at the average exchange rate for the financial year.

Translation differences resulting therefrom are included under shareholders' equity under "translation differences". Upon disposal of an entity, translation differences are recognised in profit and loss.

TRANSACTIONS OF FOREIGN CURRENCIES IN GROUP COMPANIES

Transactions are first recorded at the exchange rate prevailing on the transaction date. At each end of the financial year, monetary assets and liabilities are converted at the exchange rates on the balance sheet date. Gains or losses resulting from this conversion are recorded as financial result.

6) Intangible assets

Intangible assets are recorded in the balance sheet if it is likely that the expected future economic benefits which may be allocated to assets will flow to the entity and if the cost of the assets can be measured reliably.

Intangible assets are measured at cost less accumulated amortisation and any impairment losses.

Intangible assets are amortised using the straight-line method on the basis of the best estimate of their useful lives. The amortisation period and method are reviewed at each reporting date.

7) Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or Groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

8) Tangible assets

Tangible assets are measured at cost less accumulated depreciation and any impairment losses. Fixed assets are depreciated prorata temporis on a straight-line basis over their useful lives. Useful lives have been determined as follows:

- buildings: 20 to 50 years,
- furniture and equipment: 3 to 10 years,
- installations, complexes, machinery and specific equipment's: 5 to 20 years.

Land has an unlimited useful life and therefore it is not depreciated.

Subsequent expenses related to tangible assets are only capitalised if it is likely that future economic benefits associated with the item will flow to the entity and if the cost of the item can be measured reliably.

Buildings under construction for manufacturing, leasing or administrative purposes are recorded at cost less any impairment loss. Depreciation of these assets begins when the assets are ready to be used.

9) Investment property

Investment property is measured in accordance with the cost model of IAS 40 - Investment property. They represent real property (land and/or buildings under construction or available) held by the Group so as to earn rent and/or create value for property rather than use or sell them. They mainly relate to buildings acquired to be redeveloped and which are rented until the beginning of development.

Investment property is amortized over a period until the beginning of development, at which time they are transferred to inventories, and taking into account a residual value estimated at that date.

10) Leases

AS A LESSEE

The Group assesses whether a contract is or contains a lease, at inception of the contract With respect to all lease arrangements in which the Group is the lessee, a lease liability (i.e. a liability to make lease payments) will be recognized, as well as a right-of-use asset (i.e. an asset representing the right to use the underlying asset over the lease term), except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group's leased assets relate mainly to buildings and transportation equipment. The right-of-use assets are presented separately in the consolidated statement of financial position, and the lease liabilities are presented as part of financial debt.

The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar.

After lease commencement, the right-of-use asset is measured using a cost model.

Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described under section 17 hereunder.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently remeasured to reflect changes in:

- the lease term (using a revised discount rate);
- the assessment of a purchase option (using a revised discount rate);
- the amounts expected to be payable under residual value guarantees (using an unchanged discount rate); or
- future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate).

The remeasurements are treated as adjustments to the right-of-use asset.

AS A LESSOR

The Group enters into lease agreements as a lessor with respect to its investment properties. These mainly relate to buildings acquired to be redeveloped and which are rented until the beginning of development. These contracts are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

After lease commencement, a lessee shall measure the right-of-use asset using a cost model

11) Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The financial assets include the investments in equity instruments designated at fair value through profit or loss, loans to related parties, receivables including trade receivables and other receivables, derivative financial instruments, financial assets at fair value through profit or loss, cash and cash equivalents.

The acquisitions and sales of financial assets are recognised at the transaction date.

FINANCIAL ASSETS – DEBT INSTRUMENTS

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments include

- Receivables that are measured at amortised cost (advances to joint ventures and associates, other non-current financial assets, contract assets);
- Trade receivables measured at amortised cost;
- Cash and cash equivalents. Cash includes cash at bank and current financial accounts with non-consolidated companies. Cash equivalents consist of risk-free investments with maturities of up to three months or which can be converted into cash almost immediately. These items are recorded in the statement of financial position at their nominal value. Bank overdrafts are included in current financial liabilities. These items are recorded in the statement of financial position at their nominal value.

FINANCIAL ASSETS – INVESTMENTS IN EQUITY INSTRUMENTS

On initial recognition, the Group made an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through profit and loss account. Investments in equity instruments at fair value through profit and loss account are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in the income statement.

AMORTISED COST AND EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

The Group has elected to adopt the hedge accounting requirements of IFRS 9 Financial Instruments where the hedging instrument and the hedged item match based on an assessment of the effectiveness of the hedge.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, in the ‘other gains and losses’ line item.

IMPAIRMENT OF FINANCIAL ASSETS

In relation to the impairment of financial assets, an expected credit loss model is applied. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Specifically, the following assets are included in the scope for impairment assessment for the Group: 1) trade receivables; 2) current and non-current receivables and loans to related parties; 3) contract assets; 4) cash and cash equivalents.

IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. For long term receivables, IFRS 9 provides a choice to measure expected credit losses applying lifetime or 12 month expected credit losses model. The Group selected the lifetime expected credit loss model.

The expected credit loss is assessed for each financial asset on an individual basis and is generally immaterial in view of the fact that a physical asset can be considered as a collateral (guarantee) in the assessment of the expected credit loss : trade receivables generally relate to the sales of residential units under construction and advances to associates and joint ventures relate to financing projects under development.

DERECOGNITION OF FINANCIAL ASSETS

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

FINANCIAL LIABILITIES

All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest method.

Interest-bearing bank loans and overdrafts are recorded at the amount of cash obtained, after deduction of any transaction costs. After initial recognition, they are measured at amortized cost. Any difference between the consideration received and the redemption value is recognized in income over the period of the loan using the effective interest rate.

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

SHAREHOLDER’S EQUITY

Issue costs that may be directly allocated to an equity transaction are recorded as a deduction from equity. As a consequence, capital increases are recorded at the proceeds received, net of issue costs. Similarly, equity transactions on own participation are recognised directly under shareholders' equity.

CASH FLOWS

Cash flows are inflows and outflows of cash and cash equivalents.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. Acquisitions and sales of projects, either directly through the purchase of sale of assets, or indirectly through the acquisition or sale of project companies, are considered as operating activities and are presented as part of the cash flows from operating activities. All project acquisitions are considered operational activities, whether the project is classified in inventory or in investment property if it is leased prior to its development.

Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

12) Inventories

Inventories are measured at cost of the specific asset or net realisable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business, less estimated completion costs and costs to sell.

The acquisition cost of purchased goods includes acquisition cost and incidental expenses. For finished goods and work in progress, the cost price takes into account direct expenses and a portion of production overhead without including administrative and financial expenses.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale. The impairment in value or loss on inventories to bring them to their net realisable value is recognised as an expense in the year when the impairment in value or loss occurs.

The interests incurred during construction are capitalised. The costs of borrowings are activated depending on the nature of the funding. The cost of funding defined as "project financing" are fully allocated to projects funded. The costs of "Corporate" and "Bonds" financing are partially allocated based on an allocation key taking into account the projects under development and the amounts invested. The activation of the borrowing costs stops as soon as the project is on sale.

13) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is likely that an outflow of resources will be necessary to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation if necessary.

WARRANTIES

A provision for warranties is made when underlying products or services are sold. The measurement of the provision is based on historical data and by weighing all possible outcomes to which probabilities are associated (expected value method).

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities, which occurrence is not probably, are not recognized as a provision and are mentioned in the notes to the financial statements, provided that the risk is significant.

Contingent assets are not recognized in the financial statements.

14) Employee benefits

POST-EMPLOYMENT BENEFITS

The Group operates a defined-benefit pension plan and a defined-contribution pension plan.

- « Defined-contribution » pension plan

Contributions to these pension plans are recognized as an expense in the income statement when incurred.

- « Defined-benefit » pension plan

For such a plan, the cost of corresponding commitments is determined using the Projected Unit Credit Method, with present values being calculated at year end.

The amount recognised in the balance sheet represents the present value of commitments in terms of the defined benefit pension plans, less the fair value of plan assets and costs of rendered services not yet recognised. Any asset resulting from this calculation is limited to the present value of possible payments for the Group and the decreases in future contributions to the plan.

Actuarial gains and losses are directly recorded in the other elements of comprehensive income and are presented in the statement of comprehensive income.

BONUSES

Bonuses granted to company employees and senior executives are based on targets relating to key financial indicators. The estimated amount of bonuses is recognized as an expense in the year to which they relate.

15) Grants related to assets or investment subsidies

Received government grants related to assets or investment subsidies are recognised in the balance sheet (presented under other long-term liabilities or other short-term liabilities) as deferred income. They are recognised as income in the same way as the asset margin to which they relate

16) Operating revenue

Group revenue comes mainly from Real Estate Development activities (including Project Management services) and also from lease agreements.

Under IFRS 15, revenue must be recognised when the customer gains control of the goods or services sold, for a sum which reflects what the entity expects to receive for the goods or services.

The main categories of sale contracts used by the Group comprise:

SALES OF OFFICE BUILDINGS

In accordance with IFRS 15, Immobel assesses on a case-by-case basis:

- Whether the agreement, the contract or the transaction falls within the scope of IFRS 15, including by taking into account the probability of the entity recovering the consideration to which it is entitled;
- Whether, under a contract, the sale of the land, the development and the commercialisation represent distinct performance obligations;
- Whether, for each obligation, the revenue is subject to a gradual transfer of control, particularly for projects which satisfy the third criterion defined by IFRS 15.36 (“Performance creating a specific asset and giving rise to an enforceable right to payment for performance completed to date"), and must be recognised gradually.

SALES OF RESIDENTIAL PROJECTS

For “Residential” projects, the analysis has distinguished the revenue from contracts for which the contractual provisions and the legal context (Breyne Act in Belgium or equivalent in Luxembourg, France and Germany) establish a gradual transfer of the control of the asset to the purchaser as the construction progresses from the other revenue linked to the completion of an obligation.

Projects involving residential units - Breyne Act contracts (Belgium, Luxembourg, France and Germany)

The legal framework in Belgium and Luxembourg gradually transfers the ownership of a residential unit to the purchaser during the construction period. In such a situation, the performance obligation is fulfilled gradually since control over the asset is transferred as the construction progresses.

A single margin (with no distinction between “land” and “development”) is recognised gradually for each sale as the asset under development is transferred.

Projects involving residential units - other provisions (Poland)

The regulatory framework in Poland requires to recognise the revenue upon completion of the performance obligation (upon the signing of the final deed, once the unit being sold is delivered).

Other sales of residential projects

Other types of sale may occur (block sale of a project, hotel, commercial space, etc.). Such transactions are therefore subject to an analysis on a case-by-case basis using an approach similar to that described for the “Office” schemes.

LANDBANKING

For this segment, the sales revenue is recorded when the asset is transferred.

The revenue from the sale of a project is recognized in gross (sales price and cost of sales) regardless of the structure of the transaction (share deal / asset deal). Disposals of controlled companies dedicated to a project are therefore considered part of the normal business of the Group and are therefore recognized in sales and cost of sales (IFRS 15). In other circumstances, IFRS 10 will be applied.

The method of legal ownership has no impact on the recognition of the margin but on its presentation, which will differ depending on whether it is:

- Direct property, subsidiary: the results are recorded in sales and cost of sales irrespective of the legal structure of ownership of the asset;
- Joint ventures: in accordance with IFRS 11, when a partnership gives rise to joint control over net assets, Immobel recognizes an investment for its interest in the joint venture and recognizes it using the equity method (IAS 28). The result of the sales is therefore presented under the heading "Share in the profit or loss of joint ventures and associates"
- Joint activities: in accordance with IFRS 11, in the case of a partnership under which the parties exercising joint control have asset rights, and liability obligations, Immobel recognizes assets, liabilities and results for its jointly held share.

When the Group loses control of a subsidiary that does not contain a business as defined by IFRS 3 and retains an investment (partial sale of a company dedicated to a project), the transaction is treated as a transaction between an investor and its associate or joint venture and the gain or loss is recognised only to the extent of unrelated investors’ interest in the associate or joint venture.

With respect to operating leases, rent is recognised under income on a straight-line basis over the term of the lease, even if payments are not made on this basis. Lease incentives granted by the Group in negotiating or renewing an operating lease are recognised as a reduction of the lease income on a straight-line basis over the term of the lease. Rent income are presented as other operating income in the consolidated statement of comprehensive income.

17) Impairment on value assets

The carrying amount of non-current assets (other than financial assets in the scope of IFRS 9, deferred taxes and non-current assets held for sale) is reviewed at the end of each reporting period in order to determine if an indication exists that an asset has impaired. If such indication exists, the recoverable amount is then determined. Regarding intangible assets with indefinite useful lives and goodwill, the recoverable amount is estimated at the end of each reporting period. An impairment loss is recognized if the carrying amount of the asset or the cash-generating unit exceeds its recoverable amount. Impairment losses are presented in the income statement.

When the recoverable amount cannot be individually determined for an asset, including goodwill, it is measured at the level of the cash generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is its fair value less selling costs or its use value, whichever is higher. The latter is the present value of expected future cash flows from the asset or the respective cash generating unit. In order to determine the value in use, the future cash flows are discounted using a pre-tax discount rate which reflects both the current market rate and the specific risks of the asset.

A reversal of impairment loss is recognised under income if the recoverable amount exceeds the net book value. However, the reversal may not lead to a higher book value than the value that would have been determined if no impairment loss had been initially recorded on this asset (cash-generating unit). No reversal of impairment loss is recognized on goodwill.

18) Taxes

Income tax for the year includes current and deferred tax. Current and deferred income taxes are recognised in profit and loss unless they relate to items recognised directly under shareholders' equity, in which case they are also recognised under shareholders' equity.

Current tax is the amount of income taxes payable (or recoverable) on the profit (or loss) in a financial year and the adjustments to tax charges of previous years.

Deferred tax is recognised using the liability method of tax allocation, based on timing differences between the book value of assets and liabilities in the consolidated accounts and their tax basis.

Deferred tax liabilities are recognised for all taxable timing differences.

Deferred tax assets are only recognised for deductible timing differences if it is likely that in the future they may be charged against taxable income. This criterion is re-evaluated at each reporting date.

19) Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale. Such component represents a separate major line of business or geographical area of operations that can be clearly distinguished, operationally and for financial reporting purposes. The net result of discontinued operations (including possible results on disposal and taxes) is presented separately from the continued operations in the income statement.

20) Main judgements and main sources of uncertainties related to the estimations

The deferred tax assets are only recorded as far that they may be in the future used against taxable income.

The tangible and intangible assets with a fixed useful live are straight line depreciated based on the estimation of the live time of these fixed assets.

Investment properties are amortized using the straight-line method based on an estimate of the duration up to the beginning of the development of the project, date when they are transferred to inventories, and taking into account a residual value estimated at that date.

The goodwill is not amortised but is reviewed for impairment at least annually, or more frequently when there is an indication that one or more cash-generating unit(s) to which the goodwill has been allocated may be impaired.

As part of the impairment tests, the recoverable value of an asset (or cash-generating unit) is estimated based on the present value of the expected cash flows generated by this asset (or cash-generating unit).

For the provisions, the book value fits with the best estimation of the expense necessary to pay off the present obligation (legal or implicit) at closing date.

The projects in inventory and construction contracts are subject to feasibility studies used in determining the net realisable value and any required write down, and if applicable for the release of margin and the computation of the rate of completion. At each closing date, the expenses to be incurred are estimated.

The assessment of the recoverable amount of a project involves assumptions about future events that are inherently subject to change. These assumptions include the expected selling price (depending on the nature of the project, its location, etc…), the estimated total cost per project, the economic market conditions. These assumptions are monitored during the project by the project manager through the update of the feasibility and on a quarterly basis by the management.

The valuation of the revenues from the sale of real estate development involves significant judgments, mainly related to the determination of the existence of an effective contract in accordance with IFRS 15, the assessment of when Immobel meets the performance obligation (at a specific point in time or over time (based on the percentage of completion)), the evaluation of the costs to be incurred and, in case the revenue is recognized at percentage of completion, the determination of the completion rate, taking into account the costs already incurred and the total estimated cost price.

Income from the sale of a project is recognized in gross (sales price and cost of sales) regardless of the structure of the transaction (asset deal / share deal). Disposals of controlled companies dedicated to a project are therefore considered part of the Group's normal business and are therefore recognized as revenue and cost of sales. The Group has decided this presentation taking into account the specificities of its sector and activity.

End December 2019, Immobel was notified with 2 decisions of the Belgian Council of State in a legacy file relating to the purchase of land plots in 2007 from the Université Libre de Bruxelles. A joint venture between Immobel and its partner, Thomas & Piron, obtained in 2014 all necessary building permits for the development of a residential project on the relevant land plot. The decisions of the Council of State of end 2019, however, lead to an annulment of the building permits obtained back in 2014 due to a missing [procedural requirement] at the time of purchase of the land from Université Libre de Bruxelles in 2007. The purchasers of the relevant apartment units were duly informed on the pending legal procedure before the Council of State at the time of purchase of their unit and their purchase deed provides for the right to apply for a judicial rescission of the sale of their unit under certain circumstances, including in case of an untimely regularisation of the relevant building permits. The missing procedural requirement is eligible for regularisation and, at the date hereof, Immobel and its partner Thomas & Piron expect that the financial impact of such right to rescind will not materially impact the financial position of the joint venture partners.

To the Directors' knowledge, there should not be any circumstances likely to have any significant influence on the development of

The Company. With respect to COVID-19 on the economic circumstances and on the financial performance of the company, the Board of Directors assesses on a continuous basis the going concern assumption of the company based on the FY 2021 budget.

21) Joint operations

Immobel considers that the activities carried out under joint control through temporary vehicles, which do not have a legal personality, meet the definition proposed by the standard IFRS 11 of joint operation, which is a joint agreement by which parties that exercise joint control have rights over the assets, and obligations for the liabilities.

As a consequence, the assets, liabilities, income and expense of the temporary vehicles are included in the financial statements of the Group under each relevant heading of the balance sheet and of the income statement in proportion to the share held by the Group in the temporary vehicle.

22) Segment reporting

A segment is a distinguishable component of the Group, which generates revenues and costs.

The operating results are regularly reviewed by the Management Committee in order to monitor the performance of the various segments in terms of strategic goals, plans and budgets. In this context, the management has opted to follow up the operating results by country.

F. Notes to the consolidated financial statements (in thousands EUR)

1) Operating segment - financial information by business segment

The segment reporting is presented based on the operational segments used by the Board and Management to monitor the financial performance of the Group, being the geographical segments (by country). The choice made by Management to focus on geographical segment rather than on other possible operating segments is motivated by the new investments or projects in several new countries, which made this criterion more relevant for the follow up of business and better reflecting the organization of the Group.

The core business of the Group, real estate development, is carried out in Belgium, Luxemburg, France, Germany, Poland and Spain.

The breakdown of sales by country depends on the country where the activity is executed.

The results and asset and liability items of the segments include items that can be attributed to a sector, either directly, or allocated through an allocation formula.

In accordance with IFRS, the Company applied since January 1, 2014, IFRS 11, which strongly amends the reading of the financial statements of the Company but does not change the net income and shareholders' equity.

The Board of Directors believes that the financial data in application of the proportional consolidated method (before IFRS 11) give a better picture of the activities and financial statements.

The "Internal" financial statements are those used by the Board and Management to monitor the financial performance of the Group and are presented below.

SUMMARY OF THE CONSOLIDATED COMPREHENSIVE INCOME (INTERNAL VIEW)

INCOME STATEMENT	31/12/2020	31/12/2019
OPERATING INCOME	431 153	486 298
Turnover	413 751	470 626
Other operating income	17 402	15 672
OPERATING EXPENSES	-378 746	-379 551
Cost of sales	-341 373	-340 310
Cost of commercialisation	-2 410	-3 253
Administration costs	-34 964	-35 988
SALE OF SUBSIDIARIES	133	19 618
Gain (loss) on sales of joint ventures and associates	133	19 618
JOINT VENTURES AND ASSOCIATES	90	-2 563
Share in the net result of joint ventures and associates	90	-2 563
OPERATING RESULT	52 630	123 802
Interest income	4 810	2 374
Interest expense	-12 587	-9 394
Other financial income / expenses	- 973	- 949
FINANCIAL RESULT	-8 750	-7 969
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES	43 880	115 833
Income taxes	-10 587	-13 482
RESULT FROM CONTINUING OPERATIONS	33 293	102 351
RESULT OF THE YEAR	33 293	102 351
Share of non-controlling interests	21	- 85
SHARE OF IMMOBEL	33 272	102 436

	TURNOVER 31/12/2020	OPERATING RESULT 31/12/2020	TURNOVER 31/12/2019	OPERATING RESULT 31/12/2019
Belgium	240 913	43 456	174 657	57 603
Luxembourg	44 773	11 106	204 734	65 216
France	64 057	-8 686	70 263	- 162
Germany	35 010	5 375	17 171	2 506
Poland	28 999	1 379	3 801	-1 361
Spain				
TOTAL CONSOLIDATED	413 751	52 630	470 626	123 802

SUMMARY OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (INTERNAL VIEW)

STATEMENT OF FINANCIAL POSITION	31/12/2020	31/12/2019
NON-CURRENT ASSETS	420 271	252 412
Intangible and tangible assets	2 021	1 526
Goodwill	43 789	43 789
Right-of-use assets	4 390	6 441
Investment property	294 494	179 597
Investments and advances to associates	46 945	3 740
Deferred tax assets	19 813	8 321
Other non-current assets	8 819	8 998
CURRENT ASSETS	1 356 329	1 279 702
Inventories	997 161	860 718
Trade receivables	39 327	80 498
Tax receivables and other current assets	145 363	160 521
Cash and cash equivalents	174 478	177 965
TOTAL ASSETS	1 776 600	1 532 114
TOTAL EQUITY	492 907	426 182
NON-CURRENT LIABILITIES	731 077	642 663
Financial debts	685 169	625 530
Deferred tax liabilities	44 745	16 209
Other non-current liabilities	1 163	924
CURRENT LIABILITIES	552 616	463 269
Financial debts	291 112	219 978
Trade payables	83 177	75 884
Tax payables and other current liabilities	178 327	167 407
TOTAL EQUITY AND LIABILITIES	1 776 600	1 532 114

FINANCIAL POSITION ITEMS	NON-CURRENT SEGMENT ASSETS	CURRENT SEGMENT ASSETS	UNALLOCATED ITEMS [1]	CONSOLIDATED
Belgium	209 336	878 317		1 087 653
Luxembourg	43 866	244 031		287 897
France	91 536	22 737		114 273
Germany	1	42 286		42 287
Poland	10	10 888		10 898
Spain	51	26 856		26 907
Unallocated items[1]			206 685	206 685
TOTAL ASSETS	344 800	1 225 115	206 685	1 776 600

FINANCIAL POSITION ITEMS	SEGMENT LIABILITIES	UNALLOCATED ITEMS [1]	CONSOLIDATED
Belgium	845 990		845 990
Luxembourg	184 339		184 339
France	96 596		96 596
Germany	39 789		39 789
Poland	32 694		32 694
Spain	24 778		24 778
Unallocated items[1]		59 507	59 507
TOTAL LIABILITIES	1 224 186	59 507	1 283 693

(1) Unallocated items: Assets: Deferred tax assets - Other non-current financial assets - Other non-current assets - Tax receivables - Other current financial assets - Cash and equivalents - Liabilities: Employee benefit obligations – Provisions - Deferred tax liabilities - Tax liabilities – Derivative financial instruments.

For the analysis of projects in progress by operational segment, inventories should be taken into consideration, as well as investment property, since the latter contains leased out property acquired with a view to be redeveloped.

INVENTORIES AND INVESTMENT PROPERTY	31/12/2020	31/12/2019
Belgium	761 788	631 718
Luxembourg	245 067	175 562
France	139 603	117 458
Germany	61 875	54 955
Poland	49 367	56 925
Spain	33 955	3 697
TOTAL INVENTORIES AND INVESTMENT PROPERTY	1 291 655	1 040 315

RECONCILIATION TABLE

	31/12/2020		
	Operating Segment	Adjustments	Published Information
Turnover	413 751	-49 272	364 479
Operating result	52 630	- 2 639	49 991
Total balance sheet	1 776 600	- 345 463	1 431 137

For segment information, joint ventures are consolidated using the proportional method. The adjustments result from the application of IFRS 11, resulting in the consolidation of joint ventures using the equity method.

2) Turnover

The Group generates its revenues through commercial contracts for the transfer of goods and services in the following main revenue categories:

Cross-analysis by type of project and by geographical zone	Offices	Residential	Landbanking	31/12/2020
Belgium	100 243	97 330	19 668	217 241
Luxembourg	1 415	25 491		26 906
France	625	55 431		56 056
Germany		35 010		35 010
Poland	562	28 704		29 266
Total	102 846	241 965	19 668	364 479

Cross-analysis by type of project and by geographical zone	Offices	Residential	Landbanking	31/12/2019
Belgium	6 519	100 559	37 908	144 986
Luxembourg	137 051	37 648		174 699
France		68 243		68 243
Germany		17 171		17 171
Poland	3 585	100		3 685
Total	147 155	223 721	37 908	408 784

The diversification of the Group's "customers" portfolio guarantees its independence in the market.

The developments Mobius I, Vaartkom, Parc Seny, O'sea as well as the landbanking activity, contribute in particular to the turnover in Belgium.

From an international viewpoint, the projects Infinity in Luxembourg, Granaria in Poland and Eden Tower Frankfurt in Germany have also contributed to the turnover.

Revenue on commercial contracts is recognized when the customer obtains control of the goods or services sold for an amount that reflects what the entity expects to receive for those goods and services.

The contractual analysis of the Group's sales contracts led to the application of the following recognition principles:

SALES OF OFFICE BUILDINGS

The revenue from office sale contracts is recognized after analysis on a case-by-case basis of the performance obligations stipulated in the contract (land, buildings, commercialisation). The revenue allocated to each performance obligation is recognized:

- either upon progress of completion when the goods or services are the subject to a gradual transfer of control;
- or at the transfer of control of goods or services rendered.

As of December 31, 2020, no "Office" contract organizing a gradual transfer of control is in progress.

RESIDENTIAL PROJECT SALES

For "Residential" projects, revenue is recognized according to the contractual and legal provisions in force in each country to govern the transfer of control of projects sold in the future state of completion.

- Belgium / Luxembourg / France / Germany: upon progress of completion based on costs incurred (Breyne Act or equivalent);
- Poland: when the performance obligation is fulfilled (at the signing of the final act, once the sold unit has been delivered).

LANDBANKING

The sales revenue is generally recorded when the asset is transferred.

The breakdown of sales according to these different recognition principles is as follows:

	Timing of revenue recognition		
	Point in time	Over time	31/12/2020
OFFICES	102 846		102 846
RESIDENTIAL	28 704	213 261	241 965
Residential unit per project - Breyne Act or equivalent		213 261	213 261
Residential unit per project - Other	28 704		28 704
LANDBANKING	19 668		19 668
TOTAL TURNOVER	151 218	213 261	364 479

	Timing of revenue recognition		
	Point in time	Over time	31/12/2019
OFFICES	147 155		147 155
RESIDENTIAL	100	223 621	223 721
Residential unit per project - Breyne Act or equivalent		223 621	223 621
Residential unit per project - Other	100		100
LANDBANKING	37 908		37 908
TOTAL TURNOVER	185 163	223 621	408 784

Revenues relating to performance obligations unrealized or partially realized at 31 December 2020 amounted to EUR 57,6 million.

It mainly concerns the sales of residential units of which construction is in progress (for the totality of their value or the unrecognized part based on progress of completion) as well as the sales of offices of which the contract analysis deemed to assume that the recognition criteria were not met under IFRS 15.

	31/12/2020	31/12/2019
OFFICES		
Construction, commercialisation and other contractual arrangements	10 618	143 603
RESIDENTIAL		
Construction of sold units	46 942	70 127
LANDBANKING		
TOTAL	57 560	213 730

The Group's management estimates that 83 % of the price allocated to these outstanding performance obligations as at December 31, 2020 will be recognized as revenue in fiscal year 2021.

3) Other operating income

Break down as follows:

	31/12/2020	31/12/2019
Rental income on projects awaiting future development	5 031	6 832
Other income (recoveries of taxes and withholdings, miscellaneous reinvoicing...)	5 879	3 931
TOTAL OTHER OPERATING INCOME	10 911	10 763

Rental income fully relates to leased properties awaiting future development and which are presented as investment properties.

4) Cost of sales

Cost of sales is allocated as follows per geographical area:

	31/12/2020	31/12/2019
Belgium	-171 341	-103 156
Luxembourg	-19 569	-103 534
France	-53 899	-65 622
Germany	-28 873	-14 112
Poland	-27 084	-4 603
TOTAL COST OF SALES	-300 766	-291 027

And are related to the turnover and the projects mentioned in note 2.

5) Cost of commercialisation

This caption includes the fees paid to third parties in relation with the turnover, which are not capitalized under "Inventories" heading.

Cost of commercialization is allocated as follows per geographical area:

	31/12/2020	31/12/2019
Belgium	- 599	-1 396
France	-1 104	-1 764
TOTAL COST OF COMMERCIALISATION	-1 702	-3 160

6) Administration costs

Break down as follows:

	31/12/2020	31/12/2019
Personnel expenses	-9 149	-10 519
Amortisation, depreciation and impairment of assets	-3 684	-5 788
Other operating expenses	-18 224	-16 698
TOTAL ADMINISTRATION COSTS	-31 057	-33 005

PERSONNEL EXPENSES

Break down as follows:

	31/12/2020	31/12/2019
Salaries and fees of personnel and members of the Executive Committee	-19 592	-21 093
Project monitoring costs capitalized under "inventories"	13 388	13 801
Salaries of the non-executive Directors	- 217	- 290
Social security charges	-2 770	-2 644
Pension costs	- 172	- 14
Other	214	- 279
TOTAL PERSONNEL EXPENSES	-9 149	-10 519

The decrease in personnel expenses (before capitalization) is mainly explained by the cost savings measures decided by the management.

AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS

Break down as follows:

	31/12/2020	31/12/2019
Amortisation of intangible and tangible assets, and of investment property	-3 531	-5 677
Write down on inventories		- 6
Write down on trade receivables	- 153	- 105
TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS	-3 684	-5 788

OTHER OPERATING EXPENSES

Break down as follows:

	31/12/2020	31/12/2019
Services and other goods	-17 610	-12 461
Other operating expenses	-1 813	-2 398
Provisions	1 198	-1 839
TOTAL OTHER OPERATING EXPENSES	-18 224	-16 698

Main components of services and other goods:

	31/12/2020	31/12/2019
Service charges of the registered offices	-1 599	- 531
Third party payment, including in particular the fees paid to third parties and related to the turnover	-7 531	-7 077
Other services and other goods, including company supplies, advertising, maintenance and repair expense of properties available for sale awaiting for development	-8 480	-4 853
TOTAL SERVICES AND OTHER GOODS	-17 610	-12 461

Amount of fees allocated during the year to SC s.f.d. SCRL Deloitte Reviseurs d'Entreprises and its network:

	31/12/2020	31/12/2019
Audit fees at consolidation level	- 429	- 448
Fees for extraordinary services and special missions accomplished within the Group:	- 180	- 75
- Missions of legal advice	- 12	- 10
- Tax advice and other missions	- 138	- 11
- Other missions outside the audit mission	- 30	- 54

The missions outside the audit mission were approved by the Audit & Finance Committee.

Main components of variations in provisions:

	31/12/2020	31/12/2019
Provisions related to the sales	- 430	695
Other provisions	1 629	-2 534
TOTAL VARIATIONS IN PROVISIONS	1 198	-1 839
Increase	-1 322	-2 534
Use and reversal	2 520	695

7) Gain on sale of affiliates

The net gain realized relates to the sale of 50% of the shares of De Brouckère Land as part of the restructuring with a new partner.

Break down as follows:

	31/12/2020	31/12/2019
Sale price of affiliates	9 792	28 508
Book value of sold or liquidated investments	-9 659	-8 890
GAIN ON SALES OF AFFILIATES	133	19 618

8) Joint ventures and associates

The share in the net result of joint ventures and associates breaks down as follows:

	31/12/2020	31/12/2019
Operating result	13 343	11 947
Financial result	-2 195	-2 767
Income taxes	-3 154	-4 195
RESULT OF THE PERIOD	7 994	4 985

Further information related to joint ventures and associates are described in note 17.

9) Financial result

The financial result breaks down as follows:

	31/12/2020	31/12/2019
Cost of gross financial debt at amortised cost	-15 543	-12 314
Activated interests on projects in development	3 684	5 413
Fair value changes	291	227
Interest income	5 773	3 240
Other financial income and expenses	-1 500	-1 894
FINANCIAL RESULT	-7 295	-5 328
Cost of gross financial debt at amortised costs	-15 543	-12 314
Amortization of loan expenses	292	370
Change in interest paid / unpaid	-3 684	- 595
PAID INTERESTS (STATEMENT OF CASH FLOW)	-18 936	-12 539

10) Income taxes

Income taxes are as follows:

	31/12/2020	31/12/2019
Current income taxes for the current year	-10 756	-6 643
Current income taxes for the previous financial years	- 265	1 768
Deferred taxes on temporary differences	2 371	-4 515
Derecognized deferred tax asset		
TOTAL OF TAX EXPENSES RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME	-8 650	-9 390
Current taxes	-11 021	-4 875
Change in tax receivables / tax payables	5 009	-5 731
PAID INCOME TAXES (STATEMENT OF CASH FLOW)	-6 011	-10 606

The reconciliation of the actual tax charge with the theoretical tax charge is summarised as follows:

	31/12/2020	31/12/2019
Result from continuing operations before taxes	42 696	111 630
Result from joint ventures and associates	-7 994	-4 985
RESULT BEFORE TAXES AND SHARE IN THE RESULT OF JOINT VENTURES AND ASSOCIATES	34 702	106 645
THEORETICAL INCOME TAXE CHARGE AT :	25,00%	29,58%
	-8 675	-26 661
Tax impact		
- non-taxable income	1 047	19 667
- non-deductible expenses	- 703	-3 421
- use of tax losses and notional interests deduction carried forward on which no DTA was recognised in previous years	685	634
- tax losses of current year on which no DTA is recognised	-1 511	-1 899
- tax losses of prior years on which a DTA is recognised	925	1 034
- (un)recognized tax latencies	251	54
- different tax rates	822	- 566
- Income taxes for the previous financial years	-1 491	1 768
TAX CHARGE	-8 650	-9 390
EFFECTIVE TAX RATE OF THE YEAR	24,93%	8,80%

11) Earnings per share

The basic result per share is obtained by dividing the result of the year (net result and comprehensive income) by the average number of shares.

Basic earnings per share are determined using the following information:

	31/12/2020	31/12/2019
Net result of the year	33 272	102 436
Comprehensive income of the year	35 566	102 435
Weighted average share outstanding		
Ordinary shares as at 1 January	9 997 356	9 997 356
Treasury shares as at 1 January	-1 212 179	-1 220 190
Treasury shares granted to a member of the executive committee		
Treasury shares sold	819 652	8 011
Ordinary shares as at 31 December	9 604 829	8 785 177
Weighted average ordinary shares outstanding	9 303 809	8 782 429
Net result per share	3,576	11,664
Comprehensive income per share	3,823	11,664

To take into account the potential dilutive impact of performance shares, diluted earnings per share are calculated. The calculation of the diluted earnings per share is based on the following data:

	31/12/2020	31/12/2019
Net result of the year	33 272	102 436
Comprehensive income of the year	35 566	102 435
Weighted average ordinary shares outstanding	9 303 809	8782 429
Dilutive element : performance shares	1 606	12 486
Weighted average shares for diluted earnings per share	9 305 415	8794 915
Diluted net result per share	3,576	11,647
Diluted comprehensive income per share	3,822	11,647

12) Intangible assets

Intangible assets evolve as follows:

	31/12/2020	31/12/2019
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	1 563	975
Entry in consolidation scope		518
Acquisitions	201	87
Disposals	- 138	- 17
ACQUISITION COST AT THE END OF THE YEAR	1 626	1 563
AMORTISATION AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	-1 020	- 549
Entry in consolidation scope		- 346
Amortisation	- 162	- 142
Depreciation cancelled on disposals	138	17
AMORTISATION AND IMPAIRMENT AT THE END OF THE YEAR	-1 044	-1 020
NET CARRYING AMOUNT AS AT 31 DECEMBER	582	543

13) Goodwill

The goodwill arises from the acquisition in 2019 of Nafilyan & Partners, an unlisted company based in France that specializes in real estate development.

The acquisition provides to Immobel 100% of the voting shares and the control over Nafilyan & Partners. The acquisition qualifies as a business combination as defined in IFRS 3. The Group has acquired Nafilyan & Partners to enlarge its coverage on the French market by sharing the know-how, expertise and potential synergies with Immobel France.

The reconciliation of the carrying amount of the goodwill at beginning and end of the reporting period is as follows:

	31/12/2020	31/12/2019
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	43 789	
Acquisition of Nafilyan & Partners		43 789
ACQUISITION COST AT THE END OF THE YEAR	43 789	43 789
IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD		
Impairment of the period		
IMPAIRMENT AT THE END OF THE YEAR		
NET CARRYING AMOUNT AS AT 31 DECEMBER	43 789	43 789

The carrying amount of the goodwill has been allocated to cash-generating units as follows:

	31/12/2020	31/12/2019
France	43 789	43 789
NET CARRYING AMOUNT AS AT 31 DECEMBER	43 789	43 789

Immobel Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the French segment as a cash-generating unit (including currently known projects and assumed future projects) is determined based on a value in use calculation which uses cash flow projections, based on a "Dividend Discount Model" covering a five-year period, in order to evaluate the equity

This valuation allows to estimate the future dividend payments, discounted back to their present value.

This Net Present Value is hence considering:

- a cash flow forecast from 2020 to 2025, allowing to estimate future dividend;
- with a fixed growth rate of dividend until perpetuity at 2% ("Long term growth rate");
- with an actualisation rate[1], here below as "cost of equity", made of a risk free rate (at 1.14 per cent[2]), a market premium (between 4 and 6 per cent) and an industry beta levered (between 1.14 and 1.31)

Nine simulations have supported the impairment analysis, based on different combinations, as per below:

Long term growth rate	2,00%
with a risk free rate	1,14%

		Cost of Equity		
Beta	Beta	Market Premium		
unlevered	levered	4,00%	5,00%	6,00%
0,65	1,14	5,7%	6,8%	8,0%
0,70	1,23	6,0%	7,3%	8,5%
0,75	1,31	6,4%	7,7%	9,0%

As a result of this analysis, the fair value exceeds the carrying value, regardless the level of cost of equity considered. Therefore, the management has decided not to recognize any impairment charge in the current year against goodwill.

[1] As per following formula: (Risk free rate) + [(market premium) * (industry beta levered)]

[2] based on OLO 30 years, average of year 2019 from NBB (National Bank of Belgium).

14) Property, plant and equipment

Property, plant and equipment evolve as follows:

	31/12/2020	31/12/2019
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	4 181	4 155
Entry in consolidation scope		659
Acquisitions	677	438
Disposals	- 716	-1 071
ACQUISITION COST AT THE END OF THE YEAR	4 142	4 181
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	-3 198	-3 208
Entry in consolidation scope		- 245
Depreciations	- 269	- 801
Depreciation cancelled on disposals	713	1 056
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	-2 754	-3 198
NET CARRYING AMOUNT AS AT 31 DECEMBER	1 388	983

Property, plant and equipment consist primarily of installation costs of the various registered offices.

15) Right-of-use assets

The right-of-use assets evolve as follows:

	31/12/2020	31/12/2019
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	7 976	
Adoption of IFRS 16 as per January 1, 2019		3 891
Entry in consolidation scope		
Acquisitions		421
Disposals	- 679	
ACQUISITION COST AT THE END OF THE YEAR	7 297	7 976
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	-1 535	
Entry in consolidation scope		- 298
Depreciations	-1 372	-1 237
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	-2 907	-1 535
NET CARRYING AMOUNT AS AT 31 DECEMBER	4 390	6 441

16) Investment property

This heading includes leased out property acquired with a view to be redeveloped. Investment property evolve as follows:

	31/12/2020	31/12/2019
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	87 838	108 465
Net carrying value of investment property transferred from/to inventories	-9 471	
Entry in consolidation scope/acquisitions	127 088	
Disposal/exit from the consolidation scope/transfers	-6 040	-20 627
ACQUISITION COST AT THE END OF THE YEAR	199 415	87 838
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	-6 715	-4 175
Depreciations	-1 591	-3 497
Depreciations and impairment cancelled following disposal/exit from the consolidation scope/transfers	6 040	957
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	-2 266	-6 715
NET CARRYING AMOUNT AS AT 31 DECEMBER	197 149	81 123

The increase of the net carrying value is mainly due to the acquisition of two projects (Total and Scorpio).

The fair value of the investment property at 31 December 2020 amounts to EUR 197.4 million. This amount is determined on the basis of a valuation of level 3 which does not integrate observable market data and is based on internal analyses (feasibility study sensitive to the expected rent after redevelopment, to the estimated rate of return and to the construction costs to incur).

17) Investments in joint ventures and associates

The contributions of joint ventures and associates in the statement of financial position and the statement of comprehensive income is as follows:

	31/12/2020	31/12/2019
Investments in joint ventures	98 663	47 385
Investments in associates	7 532	8 514
TOTAL INVESTMENTS INCLUDED IN THE STATEMENT OF FINANCIAL POSITION	106 195	55 899

	31/12/2020	31/12/2019
Share in the net result of joint ventures	7 987	9 649
Share in the net result of associates	7	-4 664
SHARE OF JOINT VENTURES AND ASSOCIATES IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	7 994	4 985

	31/12/2020	31/12/2019
Gain (loss) on sale or liquidation of joint ventures and associates		- 3
Book value of sold or liquidated investments		69
CASH FLOW FROM DISPOSAL OR LIQUIDATION OF JOINT VENTURES AND ASSOCIATES		66

The book value of investments in joint ventures and associates evolve as follows:

	31/12/2020	31/12/2019
VALUE AS AT 1 JANUARY	55 899	46 451
Share in result	7 994	4 985
Acquisitions and capital injections	44 214	5 488
Scope changes	9 660	1 674
Dividends received from joint ventures and associates	-10 533	-2 630
Disposals or liquidation of joint ventures and associates		- 69
Repayment of capital	-1 039	
Currency translation		
CHANGES FOR THE YEAR	50 296	9 448
VALUE AS AT 31 DECEMBER	106 195	55 899

The table below shows the contribution of joint ventures and associates in the statement of financial position and the statement of comprehensive income.

NAME	% INTEREST		BOOK VALUE OF THE INVESTMENTS		SHARE IN THE COMPREHENSIVE INCOME	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Bella Vita	50%	50%	54	70	- 16	- 42
Boralina Investments, S.L.	50%		-2 884			
Brouckère Tower Invest	50%		29 059		386	
CBD International	50%	50%	-1 431	-1 938	508	- 140
Château de Beggen	50%	50%	17	655		78
Cityzen Holding	50%	50%	- 19	- 13	- 7	- 13
Cityzen Hotel	50%	50%	564	510	55	66
Cityzen Office	50%	50%	1 546	1 382	164	163
Cityzen Residence	50%	50%	561	483	78	40
CP Development Sp. z o.o.	50%	50%	- 59	- 83	23	- 83
CSM Development	50%	50%	24	29	- 5	- 1
CSM Properties	50%	50%	3 900	3 609	291	75
Debrouckère Development	50%	50%	548	616	- 68	- 9
Debrouckère Land (ex-Mobius I)	50%		102		67	
Debrouckère Leisure	50%		2 310		- 15	
Debrouckère Office	50%		3 770		20	
Gateway	50%	50%	322	325	- 3	- 2
Goodways SA	50%	50%	3 237	3 300	- 63	155
Ilot Ecluse	50%	50%	165	168	- 3	- 6
Immo Keyenveld 1						- 7
Immo Keyenveld 2						- 7
Immo PA 33 1	50%	50%	1 272	1 436	- 35	131
Immo PA 44 1	50%	50%	683	846	- 13	218
Immo PA 44 2	50%	50%	2 385	2 643	416	711
Immobel Marial SàRL	50%		8		2	
Key West Development	50%	50%	471	522	- 52	- 103
Les Deux Princes Develop.	50%	50%	-1 755	1 970	1 075	1 656
Livingstone Retail S.à.r.l.	33%		4			
M1	33%	33%	5 603	4 984	2 993	6 096
M7	33%	33%	132	756	46	280
Mobius II	50%	50%	8 121	8 171	- 50	- 37
NP_AUBER	50%	50%	- 89	11	- 100	- 13
NP_AUBER_VH	50%	50%	681	474	207	206
NP_AUBERVIL	50%	50%	- 17	- 14	- 2	- 9
NP_BESSANC2	50%	50%	149	- 17	219	- 42
NP_BESSANCOU	50%	50%	185	- 70	202	- 10
NP_CHARENT1	50%	51%	34	58	- 24	- 78
NP_CRETEIL	50%	50%	- 1		- 1	
NP_EPINAY	50%	50%	- 49	- 93	44	- 22
NP_VAIRES	50%	50%	1 417	1 001	416	370
ODD Construct	50%	50%	682	17	665	- 9
PA_VILLA	51%	51%	- 40	- 47	7	- 9
Plateau d'Erpent	50%	50%	838	170	668	158
RAC3	40%	40%	3 264	3 129	135	125
RAC4	40%	40%	1 331	2 856	438	- 247
RAC4 Developt	40%	40%	1 587	1 349	- 2	- 12
RAC5	40%	40%	5 451	5 259	192	132
RAC6	40%		2 168		206	
Surf Club Marbella Beach, S.L.	50%		19 855		- 775	
Surf Club Spain Invest Property SL	50%	50%	- 61	- 35	23	- 86
Unipark	50%	50%	4 063	4 033	30	160
Universalis Park 2	50%	50%	-1 627	-1 470	- 156	- 147
Universalis Park 3	50%	50%	-2 249	-2 058	- 192	- 191
Universalis Park 3AB	50%	50%	1 967	1 970	- 4	281
Universalis Park 3C	50%	50%	418	421	- 4	- 127
TOTAL JOINT VENTURES			98 663	47 385	7 987	9 649
DHR Clos du Château	33%	33%	106	16	90	- 9
Elba Advies						151
Graspa Development						
Nafilyan						-2 553
ULB Holding	60%	60%	-5 363	-5 152	- 210	- 319
Urban Living Belgium	30%	30%	12 789	13 650	128	-1 934
TOTAL ASSOCIATES			7 532	8 514	7	-4 664
TOTAL JOINT VENTURES AND ASSOCIATES			106 195	55 899	7 994	4 985

The table below presents condensed financial information of joint ventures and associates of the Group. The amounts reported are the amounts determined in accordance with IFRS, before elimination of intercompany.

	FIGURES AT 100%					TOTAL EQUITY ALLOCATED TO THE GROUP	SHAREHOLDER LOANS BY THE GROUP
AS AT 31 DECEMBER 2020	TURNOVER	COMPREHENSIVE INCOME	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL EQUITY		
Bella Vita	0	- 33	375	268	108	54	0
Boralina Investments, S.L.	0	- 1	41 705	6 108	35 597	-2 884	0
Brouckère Tower Invest	0	772	154 834	96 717	58 117	29 059	0
CBD International	7	1 016	41 853	45 137	-3 284	-1 431	18 720
Château de Beggen	0	0	239	204	35	17	0
Cityzen Holding	0	- 14	20 454	16 282	4 172	- 19	8 138
Cityzen Hotel	0	109	19 287	18 158	1 129	564	15 234
Cityzen Office	0	328	82 970	79 878	3 091	1 546	0
Cityzen Residence	0	155	19 354	18 232	1 121	561	15 217
CP Development Sp. z o.o.	0	46	46 863	46 982	- 119	- 59	0
CSM Development	0	- 11	2 833	2 785	48	24	1 646
CSM Properties	0	583	104 041	96 241	7 800	3 900	44
Debrouckère Development	1 906	- 135	4 176	3 080	1 096	548	1 338
Debrouckère Land (ex-Mobius I)	43 004	11 550	25 734	25 530	203	102	0
Debrouckère Leisure	0	- 30	5 458	838	4 620	2 310	29
Debrouckère Office	0	40	16 237	8 697	7 540	3 770	0
Gateway	0	- 6	647	3	644	322	0
Goodways SA	0	- 126	21 711	17 928	3 783	3 237	2 858
Ilot Ecluse	0	- 6	375	45	330	165	40
Immo PA 33 1	537	- 69	3 496	953	2 543	1 272	0
Immo PA 44 1	1 360	- 26	2 741	1 375	1 366	683	0
Immo PA 44 2	4 081	832	9 543	4 774	4 769	2 385	0
Immobel Marial SàRL	0	4	2 181	2 165	16	8	958
Key West Development	0	- 104	10 729	9 787	941	471	4 733
Les Deux Princes Develop.	14 545	2 150	3 419	6 929	-3 510	-1 755	0
Livingstone Retail S.à.r.l.	0	0	12	0	12	4	0
M1	54 660	8 979	52 610	35 788	16 822	5 603	-2 500
M7	0	137	1 006	611	395	132	0
Mobius II	0	- 100	56 356	40 113	16 242	8 121	7 913
NP_AUBER	0	- 199	1 147	1 325	- 178	- 89	251
NP_AUBER_VH	4 940	413	5 044	3 685	1 359	681	158
NP_AUBERVIL	0	- 5	1 984	2 017	- 33	- 17	922
NP_BESSANC2	6 540	438	6 477	6 179	298	149	1 322
NP_BESSANCOU	66	403	509	140	370	185	145
NP_CHARENT1	2 947	- 48	7 591	7 524	67	34	475
NP_CRETEIL	0	- 1	708	710	- 2	- 1	380
NP_EPINAY	3 838	89	3 808	3 906	- 98	- 49	1 177
NP_VAIRES	6 770	830	11 472	8 644	2 828	1 417	1 851
ODD Construct	7 710	1 330	3 747	2 383	1 364	682	562
PA_VILLA	0	13	4 030	4 110	- 79	- 40	47
Plateau d'Erpent	9 125	1 335	20 395	18 720	1 675	838	1 679
RAC3	11	338	8 173	14	8 159	3 264	0
RAC4	0	1 094	31 619	28 290	3 329	1 331	0
RAC4 Developt	0	- 4	4 640	672	3 968	1 587	160
RAC5	0	481	14 056	428	13 628	5 451	0
RAC6	0	515	13 495	8 075	5 420	2 168	0
Surf Club Marbella Beach, S.L.	0	-1 549	81 303	41 593	39 710	19 855	3 000
Surf Club Spain Invest Property SL	0	46	7 809	7 932	- 123	- 61	0
Unipark	1	61	10 517	2 391	8 126	4 063	0
Universalis Park 2	0	- 313	22 514	25 768	-3 254	-1 627	6 532
Universalis Park 3	0	- 383	32 783	37 281	-4 499	-2 249	8 588
Universalis Park 3AB	0	- 8	4 365	432	3 933	1 967	0
Universalis Park 3C	0	- 7	1 009	174	835	418	0
TOTAL JOINT VENTURES	162 047	30 910	1050 433	798 001	252 431	98 667	101 617
DHR Clos du Château	1 625	270	1 491	1 172	319	106	376
ULB Holding	0	- 351	18 245	18 678	- 432	-5 363	5 593
Urban Living Belgium	16 477	989	192 165	172 452	19 713	12 789	21 022
TOTAL ASSOCIATES	18 101	908	211 901	192 302	19 599	7 532	26 991
TOTAL JOINT VENTURES AND ASSOCIATES	180 148	31 818	1262 334	990 303	272 031	106 199	128 608

Main components of assets and liabilities:		
Investment property	195 255	
Other fixed assets	76 985	
Inventories	674 872	
Cash and cash equivalents	67 246	
Receivables and other assets	247 976	
Non-current financial debts		205 315
Current Financial debts		279 950
Deferred tax liabilities		16 459
Shareholder's loans		151 017
Other Liabilities		337 562
TOTAL	1 262 334	990 303

Main projects and financial debts	INVENTORIES AND INVESTMENT PROPERTY	FINANCIAL DEBTS
Cityzen Office	54 675	68 000
CSM Properties	102 372	96 150
Mobius II	55 931	22 470
RAC4	22 777	28 000
Universalis Park 2	22 183	12 700
Universalis Park 3	32 598	18 930
Urban Living Belgium	151 376	76 982
Debrouckère Land (ex-Mobius I)	21 318	21 150
CP Development Sp. z o.o.	44 717	15 968
Brouckère Tower Invest	148 601	92 977
Surf Club Marbella Beach, S.L.	61 752	
Others	151 825	31 937
TOTAL	870 127	485 265

	FIGURES 100%					TOTAL EQUITY ALLOCATED TO THE GROUP	SHAREHOLDER LOANS BY THE GROUP
AS AT 31 DECEMBER 2019	TURNOVER	COMPREHENSIVE INCOME	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL EQUITY		
Bella Vita	12	- 84	400	259	141	70	
CBD International	231	- 281	34 523	38 823	-4 300	-1 938	14 201
Château de Beggen		155	1 569	259	1 310	655	
Cityzen Holding		- 25	20 168	15 983	4 185	- 13	7 990
Cityzen Hotel		132	19 227	18 208	1 019	510	14 937
Cityzen Office		326	82 203	79 440	2 763	1 382	-27 702
Cityzen Residence		79	19 219	18 253	966	483	14 937
CSM Development		- 3	409	350	59	29	141
CSM Properties		150	107 306	100 089	7 217	3 609	810
Debrouckère Development		- 18	2 808	1 577	1 231	616	250
Gateway		- 3	651	1	650	325	
Goodways		309	22 221	18 312	3 909	3 300	7 709
Ilot Ecluse		- 12	379	43	336	168	39
Immo Keyenveld 1		- 14					
Immo Keyenveld 2		- 14					
Immo PA 33 1	2 702	262	4 148	1 276	2 872	1 436	
Immo PA 44 1	2 182	436	2 974	1 282	1 692	846	
Immo PA 44 2	6 551	1 422	9 315	4 028	5 287	2 643	
Key West Development		- 205	10 041	8 996	1 045	522	
Les Deux Princes Developement	24 058	3 313	5 819	1 879	3 940	1 970	
M1	83 297	18 290	65 894	50 940	14 954	4 984	
M7	7 230	840	3 640	1 372	2 268	756	
Möbius II		- 74	34 635	18 293	16 342	8 171	3 723
NP Auber RE SCCV		- 41	1 149	373	776	11	607
NP Auber Victor Hugo SCCV		- 29	3 828	4 020	- 192	474	157
NP Aubervilliers 1 SCCV		- 17	1 260	1 288	- 28	- 14	555
NP Bessancourt 1 SCCV		-1 011	339	702	- 363	- 17	145
NP Bessancourt 2 SCCV		- 141	635	774	- 139	- 70	535
NP Charenton Le Pont SCCV		- 2	4 836	4 945	- 109	58	476
NP Creteil SCCV			670	670			360
NP Epinay s/ Orge SCCV		- 189	3 423	3 612	- 189	- 93	1 035
NP Vaires s/ Marne SCCV		- 53	5 101	5 538	- 437	1 001	1 851
ODD Construct	600	- 18	1 572	1 538	34	17	551
PA Villa Colomba SCCV			2 063	2 136	- 73	- 47	48
Plateau d'Erpent		201	16 726	16 386	340	170	4 006
RAC 3		313	7 854	32	7 822	3 129	
RAC 4		- 618	41 778	34 639	7 139	2 856	
RAC4 Developement		- 31	3 393	21	3 372	1 349	
RAC 5		331	13 499	352	13 147	5 259	
SPV WW 13		- 166	23 023	23 188	- 165	- 83	
Surf Club Spain Invest Property		- 172	7 587	7 656	- 69	- 35	3 799
Unipark	7 002	319	10 796	2 731	8 065	4 033	
Universalis Park 2		- 294	21 729	24 670	-2 941	-1 470	6 070
Universalis Park 3		- 383	31 945	36 061	-4 116	-2 058	7 993
Universalis Park 3AB	2 519	562	4 797	857	3 940	1 970	229
Universalis Park 3C		- 253	1 327	485	842	421	159
TOTAL JOINT VENTURES	136 384	23 289	656 879	552 337	104 542	47 385	65 611
DHR Clos du Château		- 28	2 098	2 049	49	16	372
Elba Advies		251					
ULB Holding		- 532	18 234	18 316	- 82	-5 152	
Urban Living Belgium	24 548	-5 846	175 089	155 375	19 714	13 650	21 252
TOTAL ASSOCIATES	24 548	-6 155	195 421	175 740	19 681	8 514	21 624
TOTAL JOINT VENTURES AND ASSOCIATES	160 932	17 134	852 300	728 077	124 223	55 899	87 235

Main components of assets and liabilities :			Main projects and financial debts:	INVENTORIES AND INVESTMENT PROPERTY	FINANCIAL DEBTS
Investment property	197 552		Central Point	33 230	
Other fixed assets	22 054		Cityzen	90 903	70 500
Inventories	440 046		CSM	104 220	97 637
Cash and cash equivalents	58 885		Goodways	20 609	3 944
Receivables and other assets	133 763		Möbius II	33 286	9 074
Non-current financial debts		269 359	M1 M7	25 569	
Current financial debts		42 322	Nafilyan	51 486	2 781
Deferred tax liabilities		1 801	RAC(s)	30 348	28 000
Shareholder's loans		120 990	Universalis Park	54 936	31 630
Other liabilities		293 605	Urban Living Belgium	149 477	67 461
TOTAL	852 300	728 077	Others	43 534	654
			TOTAL	637 598	311 681

In case of financial debts towards credit institutions, the shareholder loans reimbursements (reimbursement of cash to the mother company) are subordinated to the reimbursements towards credit institutions.

	31/12/2020	31/12/2019
Amount of debts guaranteed by securities	285 484	356 018
Book value of Group's assets pledged for debt securities	260 839	311 681

For the main debts towards credit institutions mentioned above, the company Immobel SA has engaged itself to provide the necessary financial means in order to bring the different projects to a good end (“cash deficiency” and “cost overrun” engagements). There are no significant restrictions which limit the Group's ability to access the assets of joint ventures and associates, nor specific risks or commitments other than those relating to bank loans.

18) Other non-current financial assets

Other non-current financial assets relate to investments in shares or bonds, and are allocated as follows per geographical area:

	31/12/2020	31/12/2019
Belgium	175	29
France		4 891
TOTAL OTHER NON-CURENT FINANCIAL ASSETS	175	4 920

19) Deferred tax

Deferred tax assets or liabilities are recorded in the balance sheet on deductible or taxable temporary differences, tax losses and tax credits carried forward. Changes in the deferred taxes in the balance sheet having occurred over the financial year are recorded in the statement of income unless they refer to items directly recognised under other comprehensive income.

Deferred taxes on the balance sheet refer to the following temporary differences:

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Tax losses and tax latencies	18 202	11 574		
Revenue recognition	2 115	1 344	41 380	22 155
Financial debts				
Fair value of financial instruments	40	73	4	
Other items	21	91	- 74	
Netting (net tax position per entity)	-4 009	-6 708	-4 009	-6 708
TOTAL	16 369	6 374	37 301	15 447

	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
VALUE AS AT 1 JANUARY	6 374	15 447
Scope changes	1 605	-1 099
Deferred tax recognised in the consolidated statement of comprehensive income	8 390	22 953
VALUE AS AT 31 DECEMBER	16 369	37 301

Based on the situation per 31 December 2020, each change in tax rate of 1% involves an increase or decrease of taxes of EUR 837 thousand.

TEMPORARY DIFFERENCES OR TAX LOSSES FOR WHICH NO DEFERRED TAX ASSETS ARE RECOGNISED IN THE BALANCE SHEET, FROM WHICH:	24 981
Expiring at the end of 2021	111
Expiring at the end of 2022	528
Expiring at the end of 2023	102
Expiring at the end of 2024	2 022
Expiring at the end of 2025	1 813
Not time-limited	20 405

20) Other non-current assets

Other non-current assets relate exclusively to cash guarantees and deposits, and are allocated as follows per geographical area:

	31/12/2020	31/12/2019
Belgium	556	72
Luxembourg		
France	839	785
Germany	148	2 890
Poland	146	
TOTAL OTHER NON-CURENT ASSETS	1 689	3 747

21) Inventories

Inventories consist of buildings and land acquired for development and resale. Allocation of inventories by geographical area is as follows:

	31/12/2020	31/12/2019
Belgium	311 038	338 496
Luxembourg	196 192	143 595
France	92 290	117 142
Germany	61 875	54 955
Poland	21 396	40 098
Spain	331	294
TOTAL INVENTORIES	683 121	694 580

The inventories break down as follows:

	31/12/2020	31/12/2019
INVENTORIES AS AT 1 JANUARY	694 580	511 837
Net book value of investment property transferred from/to inventories	9 471	
Purchases of the year	10 976	51 376
Developments	271 981	373 721
Disposals of the year	-300 766	-291 027
Borrowing costs	3 684	4 892
Scope changes	-6 805	43 787
Write-off		- 6
CHANGES FOR THE YEAR	-11 459	182 743
INVENTORIES AS AT 31 DECEMBER	683 121	694 580

Break down of the movements of the year per operational sector :	Purchases/ Develop-ments	Disposals	Borrowing costs	Scope changes	Transfer of the net book value	Net
Belgium	95 595	-171 341	372	-6 805	54 720	-27 458
Luxembourg	70 983	-19 569	1 183			52 597
France	72 334	-53 899	1 962		-45 249	-24 852
Germany	35 793	-28 873				6 920
Poland	8 216	-27 084	166			-18 702
Spain	37					37
Total	282 958	-300 766	3 684	-6 805	9 471	-11 459

The value of the stock to be recovered in:

12 months	155 196
> 12 months	527 925
Breakdwon of the stock by type:	
Without permit	483 442
Permit obtained but not yet in development	
In development	199 679

22) Trade receivables

Trade receivables refer to the following operational segments:

	31/12/2020	31/12/2019
Belgium	7 206	10 733
Luxembourg	2 404	520
France	13 116	56 063
Germany	8 050	1 948
Poland	240	3 252
Spain	2 152	
TOTAL TRADE RECEIVABLES	33 168	72 516

The analysis of the delay of payment arises as follows:	31/12/2020	31/12/2019
Due < 3 months	9 388	5 151
Due > 3 months < 6 months	845	826
Due > 6 months < 12 months	2 389	2 742
Due > 1 year	1 248	885

CREDIT RISK

The credit risk is related to the possible failure of the customers in respecting their commitments towards the Group and is considered immaterial, especially since in most cases the asset sold serves as collateral (guarantee).

At 31 December 2020, there was no concentration of credit risk with a sole third party. The maximum risk amounts to the book value of the receivables. However, within the meaning of IFRS 9, there is no expected credit loss that can be deemed significant at that date.

The impairments recorded on trade receivables evolve as follows:

	31/12/2020	31/12/2019
BALANCE AT 1 JANUARY	473	368
Additions	69	105
MOVEMENTS OF THE YEAR	69	105
BALANCE AT 31 DECEMBER	542	473

23) Contract assets

Contract assets, arising from the application of IFRS 15, refer to the following operational segments:

	31/12/2020	31/12/2019
Belgium	9 315	7 278
Luxembourg	7 610	21 060
France	21 108	
Germany	19 218	13 890
TOTAL CONTRACT ASSETS	57 251	42 228

The increase of contract assets in France is due to a reclass of trades receivable to contract assets.

Upon initial recognition, the Group measures trade receivables at their transaction price as defined by IFRS 15. Contract assets include the amounts to which the entity is entitled in exchange for goods or services that it already has provided to a customer but for which the payment is not yet due or is subject to the fulfilment of a specific condition provided for in the contract.

When an amount becomes due, it is transferred to the receivable account.

A trade receivable is recognized as soon as the entity has an unconditional right to collect a payment. This unconditional right exists from the moment in time which makes the payment due.

It is expected that the entire amount reflected as at December 31, 2020 will become due and be cashed in fiscal year 2021.

In the same way as trade receivables and other receivables, contract assets are subject to an impairment test in accordance with the provisions of IFRS 9 on expected credit losses. This test does not show any significant potential impact since these contract assets (and their related receivables) are generally covered by the underlying assets represented by the building to be transferred.

24) Other current assets

The components of this item are:

	31/12/2020	31/12/2019
Other receivables	30 435	36 636
of which : advances and guarantees paid		2 013
taxes (other than income taxes) and VAT receivable	17 589	26 656
receivable upon sale (escrow account)	3 075	142
other	9 771	7 825
Deferred charges and accrued income	6 834	5 301
of which: on projects in development	190	
other	6 644	5 301
TOTAL OTHER CURRENT ASSETS	37 269	41 937

25) Information related to the net financial debt

The Group's net financial debt is the balance between the cash and cash equivalents and the financial debts (current and non-current). It amounts to EUR -603 890 thousand as at 31 December 2020 compared to EUR -550 925 thousand as at 31 December 2019.

	31/12/2020	31/12/2019
Cash and cash equivalents	148 059	156 146
Non current financial debts	571 139	507 008
Current financial debts	180 810	200 063
NET FINANCIAL DEBT	-603 890	-550 925

The Group's gearing ratio (net financial debt / equity) is 122,1% as at 31 December 2020, compared to 128,7% as at 31 December 2019.

CASH AND CASH EQUIVALENTS

Cash deposits and cash at bank and in hand amount to EUR 148 059 thousand compared to EUR 156 146 thousand at the end of 2019, representing a decrease of EUR 8 087 thousand. The breakdown of cash and cash equivalents is as follows:

	31/12/2020	31/12/2019
Term deposits with an initial duration of maximum 3 months		
Cash at bank and in hand	148 059	156 146
AVAILABLE CASH AND CASH EQUIVALENTS	148 059	156 146

The explanation of the change in available cash is given in the consolidated cash flow statement. Cash and cash equivalents are fully available, either for distribution to the shareholders or to finance projects owned by the different companies.

FINANCIAL DEBTS

Financial debts increase with EUR 48 878 thousand, from EUR 707 071 thousand at 31 December 2019 to EUR 751 949 thousand at 31 December 2020. The components of financial debts are as follows:

	31/12/2020	31/12/2019
Bond issues:		
Bond issue maturity 31-05-2022 at 3.00% - nominal amount 100 MEUR	99 709	99 515
Bond issue maturity 17-10-2023 at 3.00% - nominal amount 50 MEUR	50 000	50 000
Bond issue maturity 17-10-2025 at 3.50% - nominal amount 50 MEUR	50 000	50 000
Bond issue maturity 14-04-2027 at 3.00% - nominal amount 75 MEUR	75 000	75 000
Lease contracts	2 872	5 060
Credit institutions	293 558	227 433
NON CURRENT FINANCIAL DEBTS	571 139	507 008
Credit institutions	175 131	195 590
Lease contracts	1 614	1 502
Bonds - not yet due interest	4 065	2 971
CURRENT FINANCIAL DEBTS	180 810	200 063
TOTAL FINANCIAL DEBTS	751 949	707 071
Financial debts at fixed rates	274 709	274 515
Financial debts at variable rates	473 175	429 585
Bonds - not yet due interest	4 065	2 971
Amount of debts guaranteed by securities	468 690	423 023
Book value of Group's assets pledged for debt securities	816 694	590 941

Financial debts evolve as follows:

	31/12/2020	31/12/2019
FINANCIAL DEBTS AS AT 1 JANUARY	707 071	515 789
Liabilities resulting from the implementation of IFRS 16 (lease contracts) as per January 1, 2019		3 891
Repaid liabilities related to lease contracts	-2 872	
Contracted debts	303 861	291 307
Repaid debts	-252 905	-91 965
Change in the fair value recognized in the statement of comprehensive income		
Scope changes		-10 986
Bonds - paid interest	-8 500	-7 453
Bonds - not yet due interest	1 094	4 021
Not yet due interest on other loans	4 005	2 097
Amortization of deferred debt issue expenses	195	370
CHANGES FOR THE YEAR	44 878	191 282
FINANCIAL DEBTS AS AT 31 DECEMBER	751 949	707 071

All the financial debts are denominated in EUR.

Except for the bonds, the financing of the Group and the financing of the Group's projects are provided based on a short-term rate, the 1 to 12 month EURIBOR, increased by margin.

As of December 31, 2020, Immobel is entitled to use undrawn Corporate credit lines of EUR 76 million, has non-issued commercial paper of EUR 26,5 million and EUR 639 million of confirmed project finance lines of which EUR 354 million were used.

These credit lines (Project Financing Credits) are specific for the development of certain projects.

At December 31, 2020, the book value of Group's assets pledged to secure the corporate credit and the project financing credits amounts to EUR 817 million.

The table below summarizes the maturity of the financial liabilities of the Group:

DUE IN	2021	2022	2023	2024	2025	2025 and more	Total
Bonds (*)		100 000	50 000		50 000	75 000	275 000
Project Financing Credits	126 631	89 224	35 376	73 823	12 779		337 835
Corporate Credit lines	25 000	38 500	2 000	2 500	23 000		91 000
Commercial paper	23 500					16 355	39 855
Interets payable	17 084	9 924	7 246	4 684	4 074	3 047	46 058
IRS - cash flow hedge	150	150	150	150	12		612
TOTAL AMOUNT OF DEBTS	192 365	237 798	94 773	81 157	89 865	94 402	790 360

* The amount on the balance sheet, EUR 274 515 thousand, includes emission costs.

INTEREST RATE RISK

To hedge its variable interest rate exposure, the company uses variable type of financial instruments. In April 2020, the company entered into an agreement to cap the interest rate at 0,5% for about 75% of the exposure on the variable part of the debt (based on the internal view, i.e. before application of IFRS 11) up to July 1st, 2023. In December 2020, Immobel has entered in a new contract to hedge a variable interest loan. The Company uses interest rate swap agreements to convert a portion of its interest rate exposure from floating rates to fixed rates to reduce the risk of an increase of the EURIBOR interest rate. The notional amount amounts to EUR 30 million. The interest swap replaces the EURIBOR rate with a fixed interest rate per year on the outstanding amount. The derivative is formally designated and qualifies as a cash flow hedge and are recorded at fair value in the consolidated balance sheets in other assets and/or other liabilities. The interest rate swap and debt have same terms.

	31/12/2020	31/12/2019
DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS		
Interest rate swaps		291
DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS		
Interest rate swaps - cash flow hedges	560	
TOTAL	560	291
CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS		
SITUATION AT 1 JANUARY	291	536
Changes during the period in the consolidated result	- 291	- 245
Changes during the period in other comprehensive income	560	
SITUATION AT 31 DECEMBER	560	291

The increase in interest rate would result in an annual increase of the interest charge on debt of EUR 1.549 thousand per 1%-increase for about 25% of the variable part of the debt and maximum EUR 2.323 thousand in total for about 75% of the variable part of the debt to the extent the applicable EURIBOR-rate stands at 0%. Given that current applicable EURIBOR-rates are below 0% the impact of such increase would be even lower than these respective amounts.

INFORMATION ON FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table list the different classes of financial assets and liabilities with their carrying amounts in the balance sheet and their respective fair value and analysed by their measurement category.

The fair value of financial instruments is determined as follows:

- If their maturity is short-term (e.g.: trade receivables and payables), the fair value is assumed to be similar at amortized cost,
- For fixed rate debts, based on discounted future cash flows estimated based on market rates at closing,
- For variable rate debts, the fair value is assumed to be similar at amortized cost,
- For derivative financial instruments, the fair value is determined on the basis of discounted future cash flows estimated based on curves of forward interest rates. This value is mentioned by the counterparty financial institution.
- For quoted bonds, on the basis of the quotation at the closing (level 1).

The fair value measurement of financial assets and financial liabilities can be characterized in one of the following ways:

- Level 1: the fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices in active markets for identical assets and liabilities,
- Level 2: the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. This mainly relates to derivative financial instruments,
- Level 3: the fair values of the remaining financial assets and financial liabilities are derived from valuation techniques which include inputs which are not based on observable market data.

		Amounts recognized in accordance with IFRS 9				
	Level of the fair value	Carrying amount 31/12/2020	Amortized cost	Fair value trough profit or loss	Fair value 31/12/2020	Cash flow hedging 31/12/2020
ASSETS						
Cash and cash equivalents	Level 1	148 059	148 059		148 059	
Other non-current financial assets	Level 1	175		175	175	
Other non-current assets	Level 2	1 689	1 689		1 689	
Trade receivables	Level 2	33 168	33 168		33 168	
Contract assets	Level 2	57 251	57 251		57 251	
Other operating receivables	Level 2	137 762	137 762		137 762	
Other current financial assets	Level 1	49		49	49	
TOTAL		378 154	377 929	225	378 154	
LIABILITIES						
Interest-bearing debt	Level 1 & 2	751 949	751 949		751 949	
Trade payables	Level 2	60 927	60 927		60 927	
Contract liabilities	Level 2	3 896	3 896		3 896	
Other operating payables	Level 2	79 298	79 298		79 298	
Derivative financial instruments	Level 2	560				560
TOTAL		896 629	896 069		896 069	560

INVESTMENT GRADE

The bank accounts are held by banks with 'investment grade' rating (Baa3/BBB- or better).

LIQUIDITY RISK

The Company starts only new projects in case of appropriate financing by corporate, specific financing or pre-sale. Therefore, the cash risk related to the progress of a project is very limited.

FINANCIAL COMMITMENTS

The Group is subject, for bonds and credit lines mentioned hereabove, to a number of financial commitments.

These commitments are taking into account the equity, the net financial debt and its relation with the equity and the inventories. At 31 December 2020, as for the previous years, the Group was in conformity with all these financial commitments.

RISK OF FLUCTUATION IN FOREIGN CURRENCIES

The Group has a limited hedge on the foreign exchange rates risks on its development activities. The functional currency of the offices activity currently developed in Poland is translated from PLN to EUR (except for Central Point managed in EUR), with an impact on the other comprehensive income.

26) Equity

	2020	2019
Number of shares at 31 December	9 997 356	9 997 356
Number of shares fully paid at 31 December	9 997 356	9 997 356
Treasury shares at 31 December	392 527	1 212 179
Nominal value per share	9,740	9,740
Number of shares at 1 January	9 997 356	9 997 356
Number of treasury shares at 1 January	-1 212 179	-1 220 190
Treasury shares granted to a member of the executive committee		
Treasury shares sold	819 652	8 011
Number of shares (excluding treasury shares) at 31 December	9 604 829	8 785 177

RISK MANAGEMENT RELATED TO THE CAPITAL

Immobel is optimising the structure of its permanent capital through a balance between capital and long-term debts.

The target is to maximise the value for the shareholders while maintaining the required flexibility to achieve the development projects. Other elements, like the expected return on each project and the respect of a number of balance sheet ratios, influence the decision taking.

27) Pensions and similar obligations

The pensions and similar obligations cover the obligations of the Company as far as the Group insurance is concerned.

The amount recognised in the balance sheet represents the present value of obligations in terms of defined benefit pension plans less the fair value of plan assets.

	31/12/2020	31/12/2019
STATEMENT OF FINANCIAL POSITION		
Present value of the defined benefit obligations	1 963	1 674
Fair value of plan assets at the end of the period	-1 360	-1 041
NET LIABILITY ARISING FROM DEFINED BENEFIT OBLIGATION	603	633
STATEMENT OF COMPREHENSIVE INCOME		
Current service cost	-52 941	- 50
Past service cost or settlement		
Interest cost on the defined benefit obligation	-8 343	- 20
Interest income on plan assets	5 317	12
Administration costs	-4 039	- 3
DEFINED BENEFIT COSTS RECOGNIZED IN PROFIT OR LOSS	- 238	- 61
Acturial (gains) / losses on defined benefit obligation arising from		
- changes in financial assumptions		
- return on plan assets (excluding interest income)	32	65
- experience adjustments	170	- 66
REMEASUREMENTS OF NET DEFINED BENEFIT LIABILITY RECOGNISED IN OTHER COMPREHENSIVE INCOME	202	- 1
DEFINED BENEFIT COSTS	- 36	- 62

	31/12/2020	31/12/2019
PRESENT VALUE OF THE OBLIGATIONS AS AT 1 JANUARY	1 674	1 576
Current service cost	52 941	50
Interest cost	8 343	20
Contributions from plan participants	10 266	10
Actuarial (gains) losses	-169 676	66
Benefits paid	-8 246	- 48
Past service cost, settlement or business combination	395 449	
PRESENT VALUE OF THE OBLIGATIONS AS AT 31 DECEMBER	1 963	1 674

	31/12/2020	31/12/2019
FAIR VALUE OF THE PLAN ASSETS AS AT 1 JANUARY	1 042	959
Interest income	5 317	12
Contributions from employer	65 941	47
Contributions from plan participants	10 266	10
Benefits paid	-8 246	- 48
Return on plan assets (excluding interest income)	31 876	65
Administrative costs	-4 039	- 3
Settlement or business combination	216 835	
FAIR VALUE OF THE PLAN ASSETS AS AT 31 DECEMBER	1 360	1 042
CONTRIBUTION OF THE EMPLOYER EXPECTED FOR 2019 / 2020	103	48

ACTURIAL ASSUMPTIONS USED TO DETERMINE OBLIGATIONS		
Discount rate	0,30%	
Future salary increases	3,10%	
Inflation rate	1,71%	
Mortality table	MR-3/FR-3 (BE) INSEE H/F 14-16 (FR)	

SENSITIVITY ANALYSIS OF THE DBO 31/12/2019			
Discount rate	-0,20%	0,30%	0,80%
Amount of the DBO	2 086	1 963	1 850

The Belgian defined benefit pension plan and defined contribution pension plans with guaranteed return are funded through Group insurance contracts. The plans are funded through employer and employee contributions. The underlying assets of the insurance contracts are primarily invested in bonds. The defined benefit plan is closed for new employees. The plan participants are entitled to a lump sum on retirement. Active members also receive a benefit on death-in-service.

The French retirement indemnity plan offers a lump sum on retirement as defined by the collective labor agreement of the real estate industry. The plan is unfunded and open to new employees.

The liabilities of the Belgian defined contribution plans with guaranteed return and French retirement indemnity plan are recognized for the first time, and this through a past service cost of - EUR 178 thousand.

EMPLOYER CONTRIBUTIONS IN THE DEFINED CONTRIBUTION PLAN (DC)	111

28) Provisions

The components of provisions are as follows:

	31/12/2020	31/12/2019
Provisions related to the sales	1 217	332
Other provisions	897	3 550
TOTAL PROVISIONS	2 114	3 882

	Related to sales	Other	31/12/2020
PROVISIONS AS AT 1 JANUARY	332	3 550	3 882
Scope changes	454	-2 346	-1 892
Increase	693	579	1 272
Use/Reversal	- 262	- 886	-1 148
CHANGES FOR THE YEAR	885	-2 653	-1 768
PROVISIONS AS AT 31 DECEMBER	1 217	897	2 114

Allocation by operational segment is as follows:

	31/12/2020	31/12/2019
Belgium	134	2 319
Luxembourg	500	542
France	1 480	1 021
TOTAL PROVISIONS	2 114	3 882

These provisions made correspond to the best estimate of outgoing resources considered as likely by the Board of Directors. The Group has no indication on the final amount of disbursement or the timing of the disbursement, it depends on court decisions.

The provisions are made up based on the risks related to the sales and to the litigations, in particular when the recognition conditions of those liabilities are met.

The provisions related to the sales mainly consist of rental guarantees, good end of execution...

No provision has been recorded for the other litigations that mainly concern:

- problems of decennial guarantee for which the Group has recourse on the contractor who is generally covered by an insurance of “decennial liability coverage” for this purpose,
- pure administrative recourses concerning planning and environmental permits introduced by third parties at the without any financial consequence for the Group.

29) Trade payables

This account is allocated by operational segment as follows:

	31/12/2020	31/12/2019
Belgium	29 181	25 207
Luxembourg	6 449	2 518
France	9 764	29 585
Germany	4 295	990
Poland	7 190	1 262
Spain	4 048	2
TOTAL TRADE PAYABLES	60 927	59 564

30) Contract liabilities

The contract liabilities, arising from the application of IFRS 15, relate to following operational segment:

	31/12/2020	31/12/2019
Belgium	2 362	5 690
France	1 534	
TOTAL CONTRACT LIABILITIES	3 896	5 690

Contract liabilities include amounts received by the entity as compensation for goods or services that have not yet been provided to the customer. The contract liabilities are settled by the recognition of the turnover.

Current contract liabilities include income still to be recognized of EUR 3 896 thousand at 31 December 2020. 100% of the contract liabilities per 31 December 2019 were recognized as revenue in 2020.

All amounts reflected in contract liabilities are related to residential activities for which revenue is recognized as a percentage of progress, thus creating discrepancies between payments and the realization of benefits.

31) Other current liabilities

The components of this account are:

	31/12/2020	31/12/2019
Payroll related liabilities	3 578	1 655
Taxes (other than income taxes) and VAT payable	16 240	22 179
Advances on sales	2 181	25 481
Advances from joint ventures and associates	28 544	18 416
Accrued charges and deferred income	3 305	2 155
Operating grants		
Acquisition price payable	2 038	2 038
Other	16 302	7 196
TOTAL OTHER CURRENT LIABILITIES	72 188	79 120

Other current liabilities mainly consist of taxes (other than income taxes), the non-eliminated balance of advances received from joint ventures and associates, as well as advances received from customers under commercial contracts for which revenue recognition is expected at a specific point in time.

32) Main contingent assets and liabilities

	31/12/2020	31/12/2019
Guarantees from third parties on behalf of the Group with respect to:		
- inventories	198 192	160 304
- other assets		
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	198 192	160 304
These guarantees consist of:		
- guarantees "Real estate trader" (acquisitions with registration fee at reduced rate)	15 518	27 305
- guarantees "Law Breyne" (guarantees given in connection with the sale of houses or apartments under construction)	162 683	109 684
- guarantees "Good end of execution" (guarantees given in connection with the execution of works) and "other" (successful completion of payment, rental,...)	19 991	23 315
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	198 192	160 304
Mortgage power - Amount of inscription	810 140	463 941
Book value of Group's assets pledged for debt securities related to investment property and inventory as a whole	758 676	590 941
BOOK VALUE OF PLEDGED GROUP'S ASSETS	758 676	590 941
Amount of debts guaranteed by above securities		
- Non current debts	289 028	227 433
- Current debts	179 662	195 590
TOTAL AMOUNT OF DEBTS GUARANTEED	468 690	423 023

33) Change in working capital

The change in working capital by nature is established as follows:

	31/12/2020	31/12/2019
Inventories, including acquisition and sales of entities and investment property that are not considered as investing activities	-122 815	-134 070
Other current assets	35 796	-45 015
Other current liabilities	-7 363	-31 480
CHANGE IN WORKING CAPITAL	-94 382	-210 565

34) Information on related parties

RELATIONSHIPS WITH SHAREHOLDERS – MAIN SHAREHOLDERS

	31/12/2020	31/12/2019
A3 Capital NV & A3 Management BVBA	58,94%	58,82%
IMMOBEL (Treasury shares)	2,90%	12,12%
Number of representative capital shares	9 997 356	9 997 356

RELATIONSHIPS WITH SENIOR EXECUTIVES

These are the remuneration of members of the Executive Committee and of the Board of Directors.

	Executive Chairman/ CEO	Executive Committee
Basic remuneration	640 000	2 056 263
Variable remuneration STI	waived	172 000
Variable remuneration LTI	139 332	198 220
Individual pension commitment	None	None
Other	None	58 125

RELATIONSHIPS WITH JOINT VENTURES AND ASSOCIATES

The relationships with joint ventures and associates consist mainly of loans or advances, whose amounts are recorded in the balance sheet in the following accounts:

	31/12/2020	31/12/2019
Investments in joint ventures and associates - shareholder's loans	76 644	9 492
Other current assets	20 399	77 743
Other current liabilities	28 544	18 416
Interest income	4 630	2 982
Interest expense	1 287	636

Those relationships are conducted in accordance with formal terms and conditions agreed with the Group and its partner. The interest rate applicable to these loans and advances is EURIBOR + margin, defined based on internal transfer pricing principles.

See note 17 for further information on joint ventures and associates.

35) Events subsequent to reporting date

On 5th January 2021 Immobel SA sold 262,179 treasury shares, representing c. 2.6% of Immobel current outstanding share

capital, through a private placement, to qualified institutional investors.

36) Companies owned by the Immobel Group

Companies forming part of the Group as at 31 December 2020:

SUBSIDIARIES – FULLY CONSOLIDATED

NAME	COMPANY NUMBER	HEAD OFFICE	GROUP INTEREST (%) (Economic interest)
ARGENT RESIDENTIAL NV	837 845 319	Brussels	100
BEIESTACK HOLDING SARL	B 247.602	Luxemburg	100
BEIESTACK S.A.	B 183 641	Luxemburg	100
BEYAERT NV	837 807 014	Brussels	100
BOITEUX RESIDENTIAL NV	837 797 314	Brussels	100
BRUSSELS EAST REAL ESTATE SA	478 120 522	Brussels	100
BULL'S EYE PROPERTY LUX SA	B 138 135	Luxemburg	100
CANAL DEVELOPEMENT SARL	B 250 642	Luxemburg	100
CHAMBON NV	837 807 509	Brussels	100
CLUSTER CHAMBON NV	843 656 906	Brussels	100
COMPAGNIE IMMOBILIÈRE DE PARTICIPATIONS FINANCIÈRES (CIPAF) SA	454 107 082	Brussels	100
COMPAGNIE IMMOBILIÈRE DE WALLONIE (CIW) SA	401 541 990	Brussels	100
COMPAGNIE IMMOBILIÈRE LUXEMBOURGEOISE SA	B 29 696	Luxemburg	100
EDEN TOWER FRANKFURT GMBH	B235375	Frankfurt	100
EMPEREUR FROISSART NV	871 449 879	Brussels	100
ENTREPRISE ET GESTION IMMOBILIÈRES (EGIMO) SA	403 360 741	Brussels	100
ESPACE NIVELLES SA	472 279 241	Brussels	100
FLINT CONSTRUCT NV	506 899 135	Brussels	65
FLINT LAND NV	506 823 614	Brussels	65
FONCIÈRE JENNIFER SA	464 582 884	Brussels	100
FONCIÈRE MONTOYER SA	826 862 642	Brussels	100
GARDEN POINT SP. Z.O.O.	0000 38 84 76	Warsaw	100
GRANARIA DEVELOPMENT GDANSK BIS SP. Z.O.O.	0000 48 02 78	Warsaw	90
GRANARIA DEVELOPMENT GDANSK SP. Z.O.O.	0000 51 06 69	Warsaw	90
HERMES BROWN II NV	890 572 539	Brussels	100
HOTEL GRANARIA DEVELOPMENT SP. Z.O.O.	0000 51 06 64	Warsaw	90
ILOT SAINT ROCH SA	675 860 861	Brussels	100
IMMO DEVAUX I NV	694 904 337	Brussels	100
IMMO DEVAUX II NV	694 897 013	Brussels	100
IMMOBEL FRANCE GESTION SARL	809 724 974	Paris	100
IMMOBEL FRANCE SAS	800 676 850	Paris	100
IMMOBEL FRANCE TERTIAIRE SAS	833 654 221	Paris	100
IMMOBEL GERMANY GMBH	5050 817 557	Köln	100
IMMOBEL GERMANY SARL	B231 412	Luxemburg	100
IMMOBEL GP SARL	B 247 503	Luxemburg	100
IMMOBEL GUTENBERG BERLIN INVESTMENT GMBH	HRB 90319	Dusseldorf	100
IMMOBEL HOLDCO SPAIN S.L.	B 881 229 62	Madrid	100
IMMOBEL HOLDING LUXEMBOURG SARL	B 138 090	Luxemburg	100
IMMOBEL LUX SA	B 130 313	Luxemburg	100
IMMOBEL PM SPAIN S.L.	B 882 567 06	Madrid	100

IMMOBEL POLAND SP. Z.O.O.	0000 37 22 17	Warsaw	100
IMMOBEL PROJECT MANAGEMENT SA	475 729 174	Brussels	100
IMMOBEL R.E.M. FUND SARL	B 228 335	Luxemburg	100
IMMOBEL REAL ESTATE FUND SC	B 228 393	Luxemburg	100
IMMOBEL URBAN LIVING	695 672 419	Brussels	100
IMMO-PUYHOEK SA	847 201 958	Brussels	100
IMZ NV	444 236 838	Brussels	100
INDUSTRIE 52 BV	759 472 584	Brussels	100
INFINITO S.A.	403 062 219	Brussels	100
INFINITY LIVING SA	B 211 415	Luxemburg	100
LAKE FRONT SA	562 818 447	Brussels	100
LEBEAU DEVELOPMENT	711 809 556	Brussels	100
LEBEAU SABLON SA	551 947 123	Brussels	100
LES JARDINS DU NORD SA	444 857 737	Brussels	96,2
LOTINVEST DEVELOPMENT SA	417 100 196	Brussels	100
MICHAEL OSTLUND PROPERTY SA	436 089 927	Brussels	100
MILAWEY INVESTMENTS SP. ZO.O.	0000 63 51 51	Warsaw	100
MÖBIUS CONSTRUCT SA	681 630 183	Brussels	100
MONTAGNE RESIDENTIAL SA	837 806 420	Brussels	100
NENNIG DEVELOPPEMENT SARL	B 250.824	Luxemburg	100
NP EXPANSION	829 708 981	Paris	100
NP EXPANSION RIVE GAUCHE	829 683 093	Paris	100
NP SHOWROOM SNC	837 908 086	Paris	100
OKRAGLAK DEVELOPMENT SP. Z.O.O.	0000 26 74 81	Warsaw	100
PERCIPI NV	478 273 940	Brussels	100
POLVERMILLEN SARL	B 207 813	Luxemburg	100
PORCELYNEGOED NV	429 538 269	Brussels	100
PRINCE ROYAL CONSTRUCT SA	633 872 927	Brussels	100
QUOMAGO SA	425 480 206	Brussels	100
RIGOLETTO SA	536 987 545	Brussels	100
SAS NP CROISSANCE	817 733 249	Paris	100
SAS NP DEVELOPPEMENT	817 733 264	Paris	100
SAS PARIS LANNELONGUE	851 891 721	Paris	100
SAS RUEIL COLMAR	852 152 412	Paris	100
SAS SAINT ANTOINE COUR BERARD	851 891 721	Paris	100
SCCV BUTTES CHAUMONT	882 258 510	Paris	100
SCCV IMMO BOUGIVAL 1	883460420	Paris	100
SCCV IMMO MONTEVRAIN 1	884552308	Paris	100
SCCV IMMO TREMBLAY 1	883461238	Paris	100
SCCV NP ASNIERES SUR SEINE 1	813 388 188	Paris	100
SCCV NP AUBERGENVILLE 1	837 935 857	Paris	100
SCCV NP AULNAY SOUS BOIS 1	811 446 699	Paris	100
SCCV NP BEZONS 1	820 345 718	Paris	100
SCCV NP BEZONS 2	829 707 348	Paris	100
SCCV NP BOIS D'ARCY 1	829 739 515	Paris	100
SCCV NP BONDOUFLE 1	815 057 435	Paris	100
SCCV NP BUSSY SAINT GEORGES 1	812 264 448	Paris	100
SCCV NP CHATENAY-MALABRY 1	837 914 126	Paris	100
SCCV NP CHELLES 1	824 117 196	Paris	100

SCCV NP CHILLY-MAZARIN 1	838 112 332	Paris	100
SCCV NP CROISSY SUR SEINE 1	817 842 487	Paris	100
SCCV NP CROISSY SUR SEINE 2	822 760 732	Paris	100
SCCV NP CROISSY SUR SEINE 3	822 760 625	Paris	100
SCCV NP CROISSY SUR SEINE 4	832 311 047	Paris	46
SCCV NP DOURDAN 1	820 366 227	Paris	100
SCCV NP DRANCY 1	829 982 180	Paris	100
SCCV NP EAUBONNE 1	850 406 562	Paris	100
SCCV NP FONTENAY AUX ROSES 1	838 330 397	Paris	100
SCCV NP FRANCONVILLE 1	828 852 038	Paris	90
SCCV NP GARGENVILLE 1	837 914 456	Paris	100
SCCV NP ISSY LES MOULINEAUX 1	820 102 770	Paris	85
SCCV NP LA GARENNE-COLOMBES 1	842 234 064	Paris	100
SCCV NP LE PLESSIS TREVISE 1	829 675 545	Paris	100
SCCV NP LE VESINET 1	848 225 884	Paris	51
SCCV NP LIVRY-GARGAN 1	844 512 632	Paris	100
SCCV NP LONGPONT-SUR-ORGE 1	820 373 462	Paris	100
SCCV NP LOUVECIENNES 1	827 572 173	Paris	100
SCCV NP MEUDON 1	829 707 421	Paris	100
SCCV NP MOISSY-CRAMAYEL 1	838 348 738	Paris	100
SCCV NP MONTESSON 1	851 834 119	Paris	51
SCCV NP MONTLHERY 1	823 496 559	Paris	100
SCCV NP MONTLHERY 2	837 935 881	Paris	100
SCCV NP MONTMAGNY 1	838 080 091	Paris	100
SCCV NP NEUILLY SUR MARNE 1	819 611 013	Paris	100
SCCV NP PARIS 1	829 707 157	Paris	100
SCCV NP PARIS 2	842 239 816	Paris	100
SCCV NP RAMBOUILLET 1	833 416 365	Paris	100
SCCV NP ROMAINVILLE 1	829 706 589	Paris	100
SCCV NP SAINT ARNOULT EN YVELINES 1	828 405 837	Paris	100
SCCV NP SAINT GERMAIN EN LAYE 1	829 739 739	Paris	100
SCCV NP SAINT GERMAIN EN LAYE 2	844 464 768	Paris	100
SCCV NP VAUJOURS 1	829 678 960	Paris	100
SCCV NP VILLE D'AVRAY 1	829 743 087	Paris	100
SCCV NP VILLEJUIF 1	829 674 134	Paris	100
SCCV NP VILLEMOMBLE 1	847 809 068	Paris	100
SCCV NP VILLEPINTE 1	810 518 530	Paris	100
SCCV NP VILLIERS SUR MARNE 1	820 147 072	Paris	100
SCCV SCI COMBS LES NOTES FLORALES	820 955 888	Paris	60
SCI LE COEUR DES REMPARTS DE SAINT-ARNOULT-EN-YVELINES	831 266 820	Paris	100
SNC IMMO MDB	882328339	Paris	100
T ZOUT CONSTRUCT SA	656 754 831	Brussels	100
THOMAS SA	B 33 819	Luxemburg	100
VAARTKOM SA	656 758 393	Brussels	100
VAL D'OR CONSTRUCT SA	656 752 257	Brussels	100
VELDIMMO SA	430 622 986	Brussels	100
VESALIUS CONSTRUCT NV	543 851 185	Brussels	100
ZIELNA DEVELOPMENT SP. Z.O.O.	0000 52 76 58	Warsaw	100

JOINT VENTURES – ACCOUNTED FOR UNDER THE EQUITY METHOD

NAME	COMPANY NUMBER	HEAD OFFICE	GROUP INTEREST (%) (Economic interest)
BELLA VITA SA	890 019 738	Brussels	50
BORALINA INVESTMENTS SL	B 884 669 33	Madrid	50
BROUCKERE TOWER INVEST NV	874 491 622	Brussels	50
CBD INTERNATIONAL Sp. z.o.o.	0000 22 82 37	Warsaw	50
CHÂTEAU DE BEGGEN SA	B 133 856	Luxemburg	50
CITYZEN HOLDING SA	721 884 985	Brussels	50
CITYZEN HOTEL SA	721 520 444	Brussels	50
CITYZEN OFFICE SA	721 520 840	Brussels	50
CITYZEN RESIDENCE SA	721 520 642	Brussels	50
CP DEVELOPMENT Sp. z o.o.	0000 63 51 51	Warsaw	50
CSM DEVELOPMENT NV	692 645 524	Brussels	50
CSM PROPERTIES NV	692 645 425	Brussels	50
DEBROUCKERE DEVELOPMENT SA	700 731 661	Brussels	50
DEBROUCKERE LAND NV	662 473 277	Brussels	50
DEBROUCKERE LEISURE NV	750 734 567	Brussels	50
DEBROUCKERE OFFICE NV	750 735 557	Brussels	50
GATEWAY SA	501 968 664	Brussels	50
GOODWAYS SA	405 773 467	Brussels	50
ILOT ECLUSE SA	441 544 592	Gilly	50
IMMO PA 33 1 SA	845 710 336	Brussels	50
IMMO PA 44 1 SA	845 708 257	Brussels	50
IMMO PA 44 2 SA	845 709 049	Brussels	50
KEY WEST DEVELOPMENT SA	738 738 439	Brussels	50
LES 2 PRINCES DEVELOPMENT SA	849 400 294	Brussels	50
LIVINGSTONE RETAIL SARL	B 250 233	Luxemburg	33,33
M1 SA	B 197 932	Strassen	33,33
M7 SA	B 197 934	Strassen	33,33
MÖBIUS II SA	662 474 069	Brussels	50
ODD CONSTRUCT SA	682 966 706	Knokke-Heist	50
PLATEAU D'ERPENT	696 967 368	Namur	50
RAC 3 SA	819 588 830	Antwerp	40
RAC 4 DEVELOPMENT SA	673 640 551	Brussels	40
RAC 4 SA	819 593 481	Brussels	40
RAC5 SA	665 775 534	Antwerp	40
RAC6 SA	738 392 110	Brussels	40
SCCV NP AUBER RE	813 595 956	Paris	50,1
SCCV NP AUBER VICTOR HUGO	833 883 762	Paris	50,12
SCCV NP AUBERVILLIERS 1	824 416 002	Paris	50,1
SCCV NP BESSANCOURT 1	808 351 969	Paris	50,1
SCCV NP BESSANCOURT 2	843 586 397	Paris	50,1
SCCV NP CHARENTON LE PONT 1	833 414 675	Paris	50,98
SCCV NP CRETEIL 1	824 393 300	Paris	50,1

SCCV NP EPINAY SUR ORGE 1	838 577 419	Paris	50,1
SCCV NP VAIRES SUR MARNE 1	813 440 864	Paris	50,1
SCCV PA VILLA COLOMBA	838 112 449	Paris	51
SCHOETTERMARIAL SARL	B 245 380	Luxemburg	50
SURF CLUB HOSPITALITY GROUP SL	B 935 517 86	Madrid	50
SURF CLUB MARBELLA BEACH SL	B 875 448 21	Madrid	50
UNIPARK SA	686 566 889	Brussels	50
UNIVERSALIS PARK 2 SA	665 921 529	Brussels	50
UNIVERSALIS PARK 3 SA	665 921 133	Brussels	50
UNIVERSALIS PARK 3AB SA	665 922 420	Brussels	50
UNIVERSALIS PARK 3C SA	665 921 430	Brussels	50

ASSOCIATES – ACCOUNTED FOR UNDER THE EQUITY METHOD

NAME	COMPANY NUMBER	HEAD OFFICE	GROUP INTEREST (%) (Economic interest)
DHR CLOS DU CHÂTEAU SA	895 524 784	Brussels	33,33
URBAN LIVING BELGIUM HOLDING NV	831 672 258	Antwerp	60
URBAN LIVING BELGIUM NV	831 672 258	Antwerp	30

Except the mentioned elements on note 17, there are no significant restrictions that limit the Group's ability to access assets and settle the liabilities of subsidiaries.

In case of financial debts towards credit institutions, the shareholder's loans reimbursements (reimbursement of cash to the mother company) are subordinated to the reimbursements towards credit institutions.

G. Statement from the responsible persons

The undersigned persons state that, to the best of their knowledge:

- the Consolidated Financial Statements of Immobel SA and its subsidiaries as of 31st December 2020 have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), and give a true and fair view of the assets and liabilities, financial position and results of the whole of the companies of the Immobel Group as well as the subsidiaries included in the consolidation;
- the Director's Report on the financial year ended at 31st December 2020 gives a fair overview of the development, the results and of the position of the Immobel Group as well as the subsidiaries included in the consolidation, as well as a description of the principal risks and uncertainties faced by the Immobel Group.

On behalf of the Board of Directors:

Marnix Galle[3]

Chairman of the Board of Directors

[3] Vaste vertegenwoordiger van de vennootschap A³ Management bvba

H. Statutory auditor's report

Statutory auditor's report to the shareholders' meeting of Immobel NV/SA for the year ended 31 December 2020 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Immobel NV/SA ("the company") and its subsidiaries (jointly "the Group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 28 May 2020, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee. Our mandate expires on the date of the shareholders' meeting deliberating on the annual accounts for the year ending 31 December 2020, in view of Article 41 of EU Regulation nr. 537/2014 that states that as from 17 June 2020, an audit mandate can no longer be prolonged for those audit mandates running 20 years or more at the date of entry into force of the regulation. Due to a lack of online archives dating back prior to 1997, we have not been able to determine exactly the first year of our appointment. We have performed the statutory audit of the consolidated financial statements of Immobel NV/SA for at least 24 consecutive periods.

Report on the consolidated financial statements

UNQUALIFIED OPINION

We have audited the consolidated financial statements of the Group, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 1 431 million EUR and the consolidated statement of comprehensive income shows a profit for the year then ended of 37 million EUR.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as of 31 December 2020 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

BASIS FOR THE UNQUALIFIED OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>Project development costs and revenue, including those costs and revenue in investments accounted for under the equity method</td><td></td></tr>
<tr><td>
• The Group recognized 414 million EUR of project development revenue and 315 million EUR of cost of sales (including an amount reported in the net result of joint ventures and associates of respectively 50 million EUR and 14 million EUR).
• The Group contracts in a variety of ways. Each project has a different risk and revenue profile based on its individual contractual and delivery characteristics.
• The measurement of revenue from the sale of development projects is a key audit matter due to the significant expertise and high level of judgment required in particular for:
- assessing the contractual terms of sale and settlement risks to determine when the risks and rewards of ownership transfer to the purchaser: at a single point in time (at completion upon or after delivery) or as construction progress (on the percentage of completion basis);
- determining the total costs to complete, including land acquisition costs, construction costs, development related costs and eligible capitalized interest;
- assessing, when the revenue should be recognized on percentage of completion basis, the stage of completion of the project based on the proportion of contract costs incurred and the estimated costs to complete and the expected margin of the project.
</td><td>
• We designed our audit procedures to be responsive to this key audit matter. Our audit procedures included:
- Understanding of the Group's processes regarding project management covering sales, purchases and project feasibilities. The relevant controls were subject to testing of both the design & implementation and the operating effectiveness.
- Reviewing the main projects on a discussion basis with the relevant project manager to assess the management estimates and the margin recognized during the period. This review was covering construction status and commercialization and was performed by comparison with the updated feasibilities and prior year figures. Any material deviations were investigated.
- Testing a sample of projects based on quantitative and qualitative information such as sales value, potential settlement risk and complexity of the contractual terms. For the sample selected we have:
• traced a sample of sales recorded to the underlying sale documents and the receipt of cash;
• assessed the Group's determination of the risks and rewards related to ownership transfer by a detailed analysis of the contractual terms of sale against the criteria in the accounting standards;
• recalculated the recognized margin over the period considering the actual recognized cost incurred and the project's expected profit margin.
</td></tr>
</table>

REFERENCE TO DISCLOSURE

The revenue from the sale of projects recognized in the period is disclosed in Note F.2 of the consolidated financial statements. The costs of the projects are disclosed in Note F.4.

Note E.16 of the financial report discloses the accounting policy for recognition of such amounts.

Recoverability of Projects under Development - carrying value of inventories, including those in investments accounted for under the equity method	
• The Group capitalizes development costs into inventory over the life of its projects. The inventories amount to 997 million EUR as of 31 December 2020 (including an amount of 314 million EUR reported in the investments in joint ventures and associates). • Development costs include the acquisition costs, development costs, borrowing costs and all other costs directly related to specific projects. An allocation of direct overhead expenses is also included. • Inventories are stated at the lower of the acquisition cost and net realizable value for each development project. • The recoverability of these costs is a significant judgment as this assessment includes assumptions about future events which inherently are subject to the risk of change. These assumptions include future sales prices, total estimated costs of completion, selling costs, the nature and quality of inventory held, location and economic growth factors. • Changes in the Group's assumptions may have a material impact on net realizable value and therefore in determining whether the value of the project should be written down (impaired). • This is a key audit matter given the relative size of the inventory balance in the consolidated statement of financial position and the significant judgment involved in the estimates used to calculate the net realizable value and the timing of recognition of the capitalized incurred costs.	• We designed our audit procedures to be responsive to this key audit matter. Our audit procedures included: - Understanding of the Group's processes regarding project management covering sales, purchases and project feasibilities. The relevant controls were subject to testing of both the design & implementation and the operating effectiveness. - For a sample of projects, we performed a risks analysis to review the ability of the Group to sell those projects with a positive margin. Our selection of projects was based on quantitative and qualitative information such as inventory value, permit risks, economic conditions. We also selected projects, which have previously been impaired or where sales realized were not in line with projections. For the sample selected, we: • enquired with project manager and management to develop an understanding of the progress of development, the risks associated to the project and the projected performance. We also assessed their basis of estimates of net realizable value used; • inspected project feasibility and assessed the assumptions used in forecasting revenues and costs to complete by comparison with market data or similar transactions; • agreed a sample of costs capitalized over the period to invoice, including testing whether they were allocated to the appropriate project; • assessed the calculation of revenue and the related cost of sales recognized in the period against the criteria in the accounting standards; • assessed whether the carrying value is the lower of the expected net realizable value and cost. - Testing of the financial cost allocated to the development business and thereafter capitalized to individual projects.

REFERENCE TO DISCLOSURE

The costs of the projects under development are disclosed in Note F.17 (for projects owned in investments accounted for under the equity method) and F.21 (Inventories) of the Consolidated Financial Statements.

Note E.12 discloses the accounting policy for recognition of such amounts.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no other realistic alternative but to do so.

RESPONSIBILITIES OF THE STATUTORY AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements.

RESPONSIBILITIES OF THE STATUTORY AUDITOR

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements as well as to report on these matters.

ASPECTS REGARDING THE DIRECTORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INFORMATION DISCLOSED IN THE ANNUAL REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual report, i.e. :

- « Message from the Executive Chairman »;
- « Key figures 2020 »;
- « Shareholder Information »;
- « Activities »;

is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

STATEMENTS REGARDING INDEPENDENCE

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the Group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

OTHER STATEMENTS

This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Signed in Gent.

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL

Represented by Kurt Dehoorne

II. Statutory condensed financial statements

The financial statements of the parent company, Immobel SA, are presented below in a condensed form.

In accordance with Belgian company law, the Directors' Report and Financial Statements of the parent company, Immobel SA, together with the Statutory Auditor's Report, have been filed at the National Bank of Belgium.

They are available on request from:

Immobel SA

Rue de la Régence 58

BE-1000 Brussels

Belgium

www.immobelgroup.com

The statutory auditor issued an unqualified report on the financial statements of Immobel SA.

A. Statement of financial position (in thousands EUR)

ASSETS	31/12/2020	31/12/2019
FIXED ASSETS	346 615	289 771
Start-Up costs	113	193
Intangible fixed assets	285	303
Tangible fixed assets	846	424
Financial fixed assets	345 371	288 851
CURRENT ASSETS	592 886	512 887
Amounts receivable after one year	327	327
Stocks and contracts in progress	47 887	54 069
Amounts receivable within one year	491 618	364 208
Treasury shares	13 076	54 186
Cash equivalents	34 476	35 453
Deferred charges and accrued income	5 502	4 644
TOTAL ASSETS	939 501	802 658

LIABILITIES	31/12/2020	31/12/2019
SHAREHOLDERS' EQUITY	322 491	276 443
Capital	97 357	97 357
Reserves	107 076	107 076
Accumulated profits	118 058	72 010
PROVISIONS AND DEFERRED TAXES	478	1 725
Provisions for liabilities and charges	478	1 725
DEBTS	616 532	524 490
Amounts payable after one year	380 006	300 332
Amounts payable within one year	231 710	220 579
Accrued charges and deferred income	4 816	3 579
TOTAL LIABILITIES	939 501	802 658

B. Statement of comprehensive income (in thousands EUR)

	31/12/2020	31/12/2019
Operating income	20 162	37 136
Operating charges	-15 993	-21 669
OPERATING RESULT	4 169	15 467
Financial income	87 727	10 956
Financial charges	-15 528	-11 096
FINANCIAL RESULT	72 199	- 140
PROFIT OF THE FINANCIAL YEAR BEFORE TAXES	76 368	15 327
Taxes	- 220	
PROFIT OF THE FINANCIAL YEAR	76 148	15 327
PROFIT OF THE FINANCIAL YEAR TO BE APPROPRIATED	76 148	15 327

C. Appropriation account (in thousands EUR)

	31/12/2020	31/12/2019
PROFIT TO BE APPROPRIATED	146 000	96 401
Profit for the financial year available for appropriation	76 148	15 327
Profit carried forward	69 852	81 074
APPROPRIATION TO EQUITY		
To other reserves		
RESULT TO BE CARRIED FORWARD	118 058	72 010
Profit to be carried forward	118 058	72 010
PROFIT AVAILABLE FOR DISTRIBUTION	69 852	81 074
Divididents	27 609	23 369
Other beneficiaries	333	1 022

D. Summary of accounting policies

Tangible assets are recorded as assets net of accumulated depreciation, at either their cost price or contribution value (value at which they were brought into the business), including ancillary costs and non-deductible VAT. Depreciation is calculated by the straight-line method. The main depreciation rates are the following:

- Buildings 3 %
- Buildings improvements 5 %
- Office furniture and equipment 10 %
- Computer equipment 33 %
- Vehicles 20 %

Financial Fixed Assets are entered either at their purchase price, after taking into account any amounts still not paid up and any write-offs made. They are written down if they suffer a capital loss or a justifiable long-term loss in value.

Amounts Receivable within one year and **those receivable after one year** are recorded at their nominal value. Write-downs are applied in case of permanent impairment or if the repayment value at the closing date is less than the book value.

Stocks are recorded at their purchase price or contribution value, including, in addition to the purchase price, the ancillary costs, duties and taxes relating to them. The infrastructure costs are recorded at their cost price. Realisation of stocks is recorded at the weighted average price. Work in progress is valued at cost price. **Profits** are, in principle, recorded on the basis of the percentage of completion of the work. Write-downs are applied as appropriate, according to the selling price or the market value.

The **sales** and the **purchases** of properties are recorded at the signature of the notarial act in so far as the eventual conditions precedents are lifted and a clause of deferred property transfer is foreseen in the compromise under private signature

Short term investments are recorded as assets at their purchase price (ancillary costs excluded) or contribution value. Their values are adjusted, provided that the depreciation is lasting.

Cash at bank and in hand are recorded at their nominal value. Values are adjusted if the estimated value at the end of the financial year is lower than the book value.

At the close of each financial year, the Board of Directors, acting with prudence, sincerity and in good faith, examines the **provisions** to be set aside to cover the major repairs or major maintenance and the risks arising from completion of orders placed or received, advances made, technical guarantees after sale or delivery and current litigations.

Amounts Payable are recorded at their nominal value.

GENERAL INFORMATION

Company name
Immobel

Registered office
Rue de la Régence, 58 - 1000 Brussels - Belgium
RPM / RPR (Legal Entitites Register) -
VAT BE 0405.966.675

Form of the company
Belgian registered joint stock company, constituted on 9 July 1863, authorised by the Royal Decree of 23 July 1863.

Term
Indefinite

Disclosure of shareholdings
(Article 10 of the Articles of Association – excerpt)

In addition to the transparency declaration thresholds provided for in the Belgian legislation, the disclosure obligation provided for in this legislation is also applicable as soon as the number of voting rights held by a person acting alone or by persons acting in concert reaches, exceeds or falls below a threshold of 3% of the total existing voting rights. Any obligation imposed by the current legislation on holders of 5% (or any multiple of 5%) of the total existing voting securities is also applicable to the additional 3% thresholds.

Website
www.immobelgroup.com

Financial calendar
Publication of 2020 annual accounts: 4 March 2021
Annual General Meeting 2021: 15 April 2021
Publication of 2021 half-year results: 9 September 2021
Publication of 2021 annual accounts: 10 March 2022
Annual General Meeting 2022: 21 April 2022

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General information
Immobel does its utmost to respect the legal prescriptions related to copyrights. It kindly invites any person whose rights may have been infringed to contact the Company.

This report is available in English, Dutch and French.

IMMOBEL

SINCE 1863

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