

FOR CITIES FOR PEOPLE

IMMOBEL HALF-YEAR *Results* 2022

September 2022

Proximus Towers | Brussels



IMMOBEL
SINCE 1863

ABOUT *Immobilier*

As experts in high-quality real estate projects in major European cities, we create attractive urban environments that meet clients' expectations and the needs of today and tomorrow. With more than 150 years of experience, we dare to claim we have the agility to invest and the drive to improve living and working environments.

Ambitious ESG policy based on three pillars on asset level:



FOR
the users



FOR
the community



FOR
the environment

> 75
projects under development

1,600,000 m²
under development

72 %
residential projects in portfolio

> 200
devoted team members in Europe



SUMMARY

- 01 MACRO-ECONOMIC ENVIRONMENT
- 02 HIGHLIGHTS
- 03 PORTFOLIO REVIEW
- 04 FINANCIAL PERFORMANCE
- 05 OUTLOOK



Isala | Brussels



Section 1
**MACRO-ECONOMIC
ENVIRONMENT**



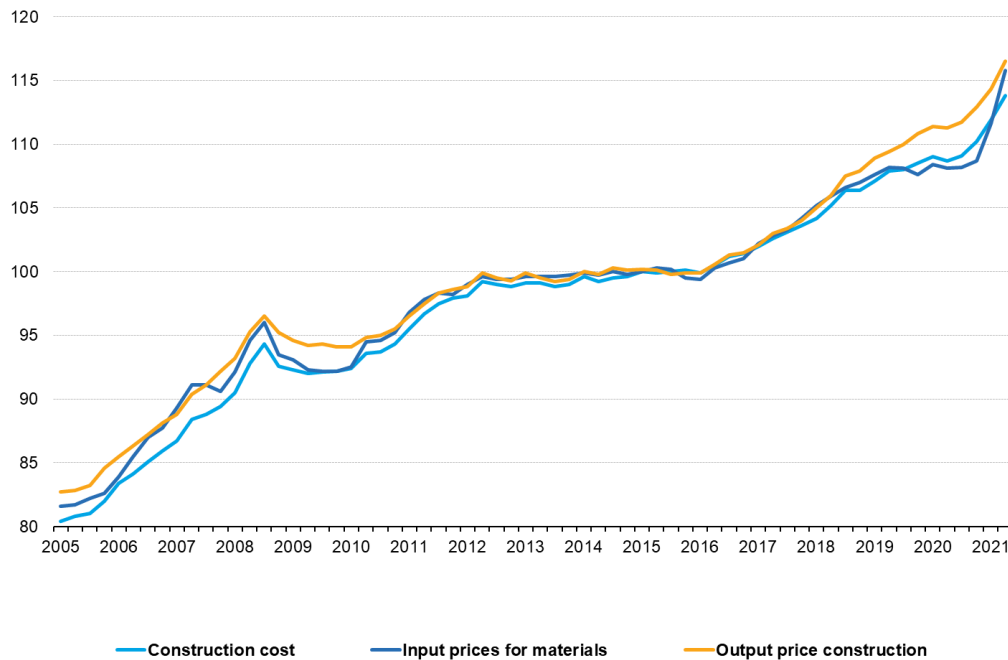
The Commodore | Evère | BE

MACRO-ECONOMIC HEADWINDS

Construction cost inflation

EU CONSTRUCTION PRICES AND COSTS 2005 – 2021, UNADJUSTED DATA

(2015 = 100)



Source: Eurostat (online data code: sts_copi_q)

eurostat

- Sharp rise in construction costs of about **+15% y-o-y expected end 2022**; following strong increase since 2020; with important differences between countries
- Construction and launch delays
- Large share of pre-agreed fixed construction contracts mitigate the impact
- Overall margins remain protected



MACRO-ECONOMIC HEADWINDS

Rising interest rates

EURIBOR 6 MONTHS Y-O-Y



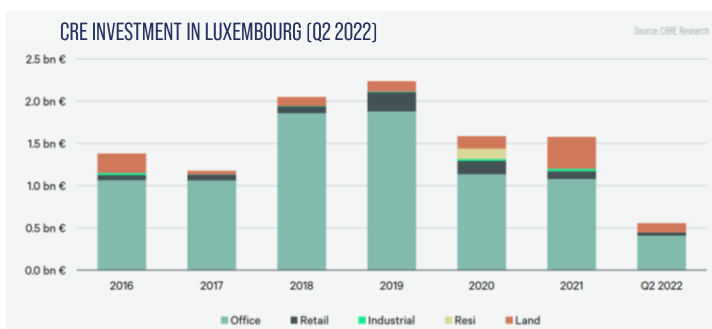
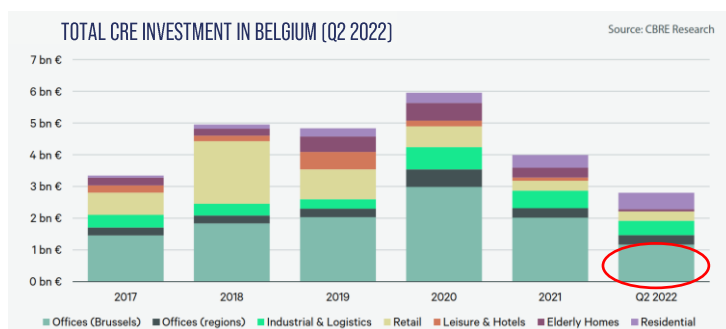
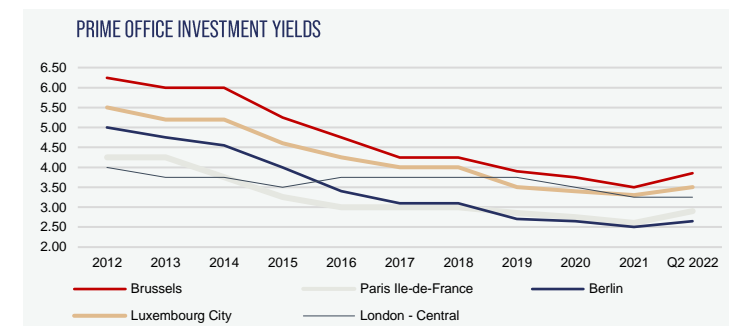
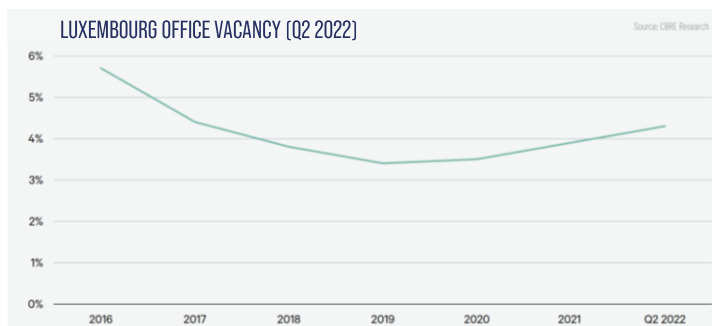
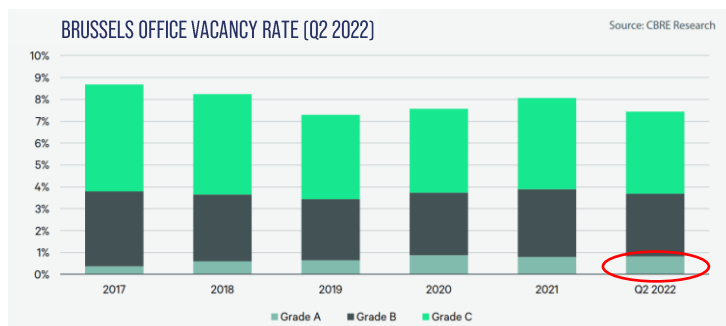
Increasing interest rates are impacting:

- Housing affordability with softening of demand
- Investment markets with reduced liquidity on capital markets during Q2 2022
- Rising project financing costs



MACRO-ECONOMIC HEADWINDS

Mitigated by solid markets



Drivers in Brussels:

- Limited availability of Grade A assets, certainly in CBD where Immobel mainly operates
- Inflation-hedged leases in a market with scarce quality real assets continue to attract interest

Drivers in Luxembourg:

- Limited availability, despite slightly higher office vacancy from new development completions with availabilities
- Overall strong letting market and supply and demand dynamics are supporting rental values

Drivers in Paris:

- Sustained rental market, supporting prime rental levels



MACRO-ECONOMIC HEADWINDS

Resilient business model

- Despite the macro-economic backdrop, Immoel is well positioned in its **EU residential and office markets**

Key business drivers:

- Main office projects located in EU cities with low supply of Grade A sustainable office space, with increasing rents, remaining attractive to investors and end users
- High-quality residential products in higher market segment remaining attractive in most key cities despite softening of demand





Section 2
H1 2022
HIGHLIGHTS

Héros | Uccle | BE

RESILIENT BUSINESS MODEL

Challenging market



OPERATIONAL *achievements*

- Consolidation of position as leading real-estate developer by acquiring a project in Brussels (BE) and Berlin (DE)
- Binding agreement reached to redevelop the Proximus headquarters (120,000 m²) in Brussels (BE)
- Sale of The Woods offices (10,000 m²), in Hoeilaart (Flemish Brabant, BE) to a Belgian Family Office
- Launch of the commercialization of O'SEA phase 3 (Ostend, BE), Slachthuis (Antwerp, BE), Lalys (Astene, BE), Fort d'Aubervilier (FR) and Liewen (Mamer, LUX)
- Immobil Capital Partners acquired an office park in Leeds (UK)
- Immobil Capital Partners team took shape in H1 2022, quickly establishing a diverse senior team, steeped in the European real estate space and with an outstanding track record



FINANCIAL *performance*

- Final permits obtained for a sales value of EUR 292 million in H1 2022
- Increase in Gross Development Value (GDV) to EUR 6.2 billion
- Net profit Group share EUR 9.1 million
- Operating income of EUR 130.8 million
- EBITDA of EUR 16.6 million
- Issuance of EUR 125 million green bond
- Strong balance sheet with debt ratio of 56.0% and cash position of EUR 263.6 million



Section 3
H1 2022
PORTFOLIO OVERVIEW



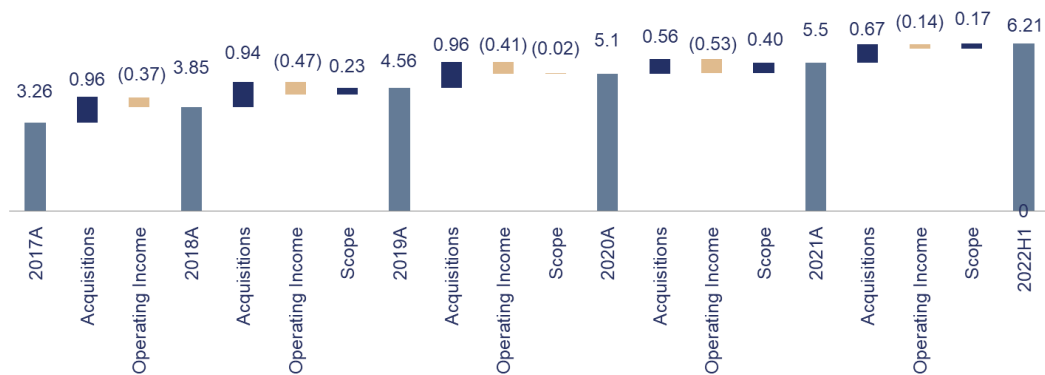
T-Park | Tiel | BE

ACQUISITIONS AND INVESTMENTS

Focusing on margins and operational efficiency

HISTORICAL GDV EVOLUTION

(EURbn)



Project	Country	Type	Immobel / 3 rd party	Gross SQM
Proximus	BE	Mixed	Immobel	118 000
Issy Les Moulineaux	FRA	Residential	Immobel	4 325
Nanterre	FRA	Residential	Immobel	4 269
Bondy	FRA	Residential	Immobel	5 300



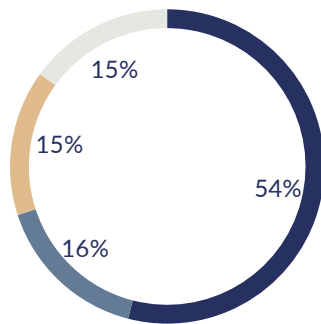
Note(s): Most financials refer to internal view published in annual reports/ half year reports; (1) Please refer to the appendix for the definition; (2) For confidentiality reasons office projects' GDVs are not shown;
Source(s): Company information



PORTFOLIO STRATEGY

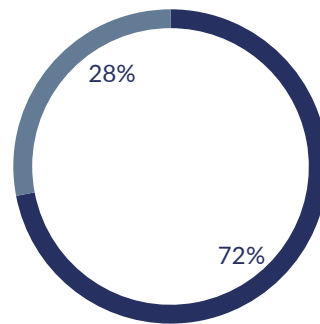
EUR2.0 bn of projects, 4,155 residential units and 7 office projects

PORTFOLIO BY COUNTRY



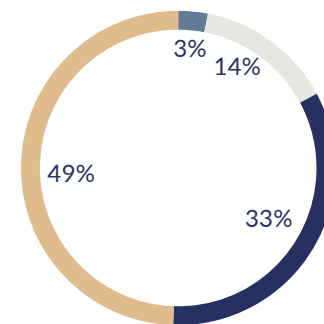
• Belgium • Luxembourg • France • Other

PORTFOLIO BY ASSET CLASS⁽²⁾



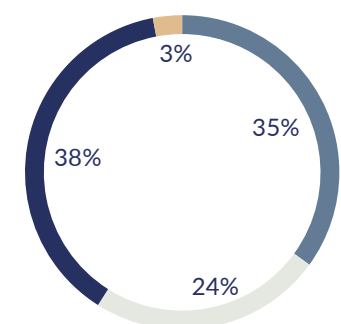
• Residential • Office

PORTFOLIO BY STATUS



• Contracted sales • Permitted
• Permit submitted • In conception

TIME TO DELIVERY

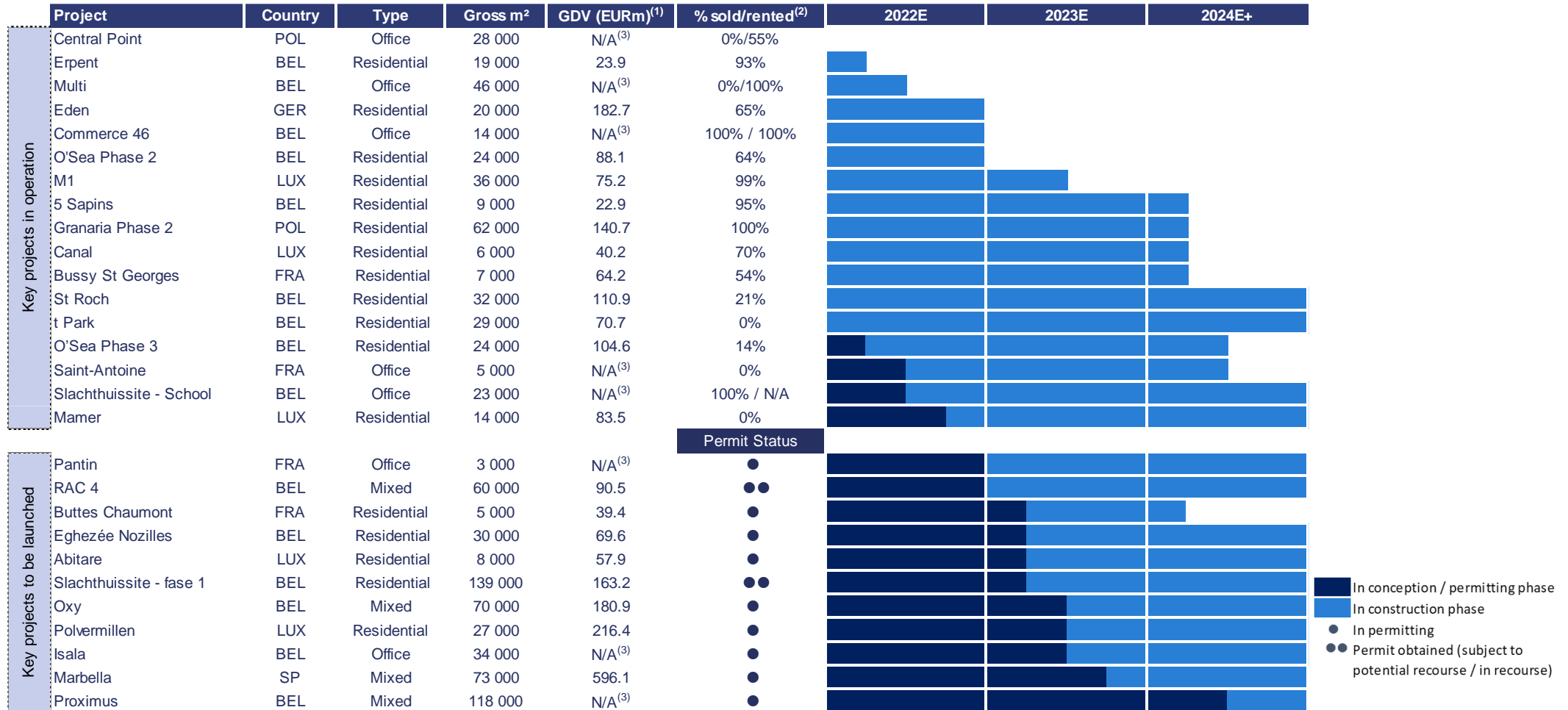


• 1 - 3 Years • 4 - 5 Years
• 6 - 10 Years • 10+ Years



PROJECT PIPELINE

Divers quality pipeline



Note(s): Most financials refer to internal view published in annual reports/ half year reports; (1) Immoel share; (2) Weighted based on gross m2 per project phase; (3) For confidentiality reasons office projects' GDVs are not shown
Source(s): Company information



PROJECT CASE STUDY

Transformation of the PROXIMUS-TOWERS into a livable, future-oriented, and inclusive place

- Permit introduced in June 2022
- 100% office-oriented towers to be transformed into a residential tower and an office tower for Proximus
- $\pm 120,000$ m² (currently $\pm 100,000$ m²)
The design envisages 300 residential units and 93 student rooms
- Reconnecting the site with city life and the neighborhood by moving back the base of the towers and creating $>2,250$ m² of additional space for the neighborhood
- Sustainable and future proof design
 - 75% of the existing structure retained to reduce the use of new materials and the carbon footprint
 - Geothermal energy
 - Innovative system for the storage and reuse of this rainwater



Proximus Towers | Brussels

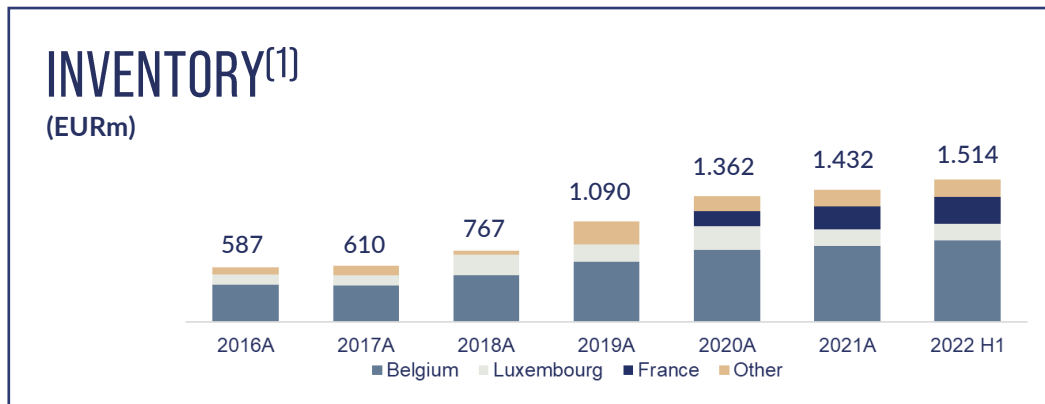
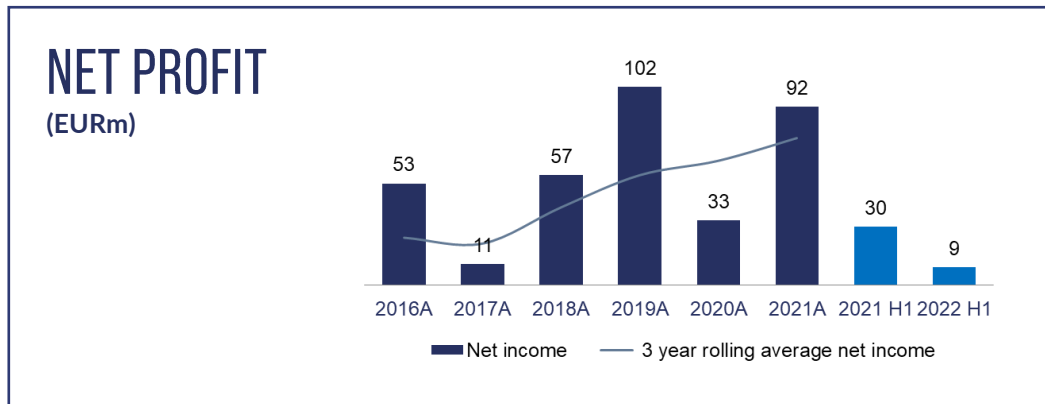


An architectural rendering of a courtyard. On the left is a multi-story brick building with arched windows. On the right is a modern, curved apartment building with balconies. The courtyard is filled with lush greenery, including trees and various plants. Several people are shown sitting on wooden benches, suggesting a communal outdoor space.

Section 4
**H1 2022
FINANCIAL
PERFORMANCE**

KEY FINANCIALS

Anticipated decline in Net profit mainly due to residential permitting delays in the past years



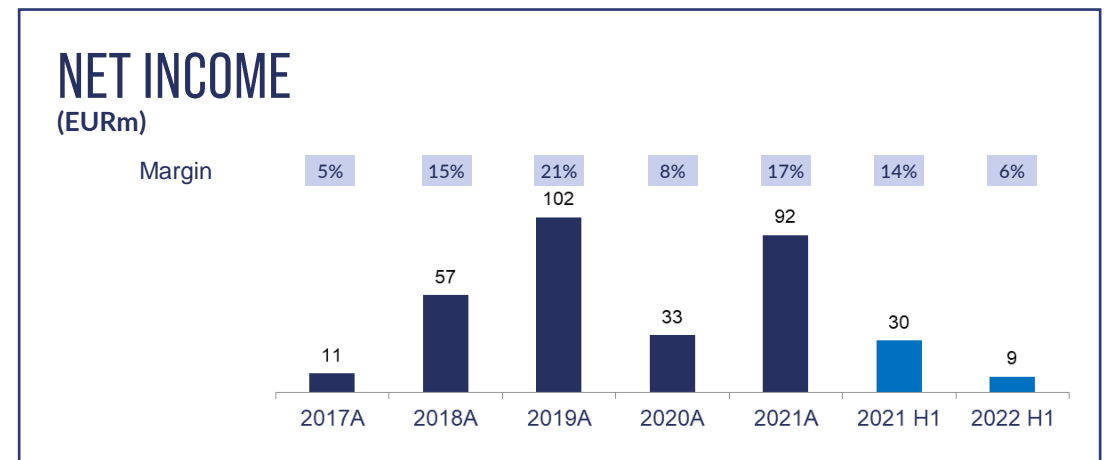
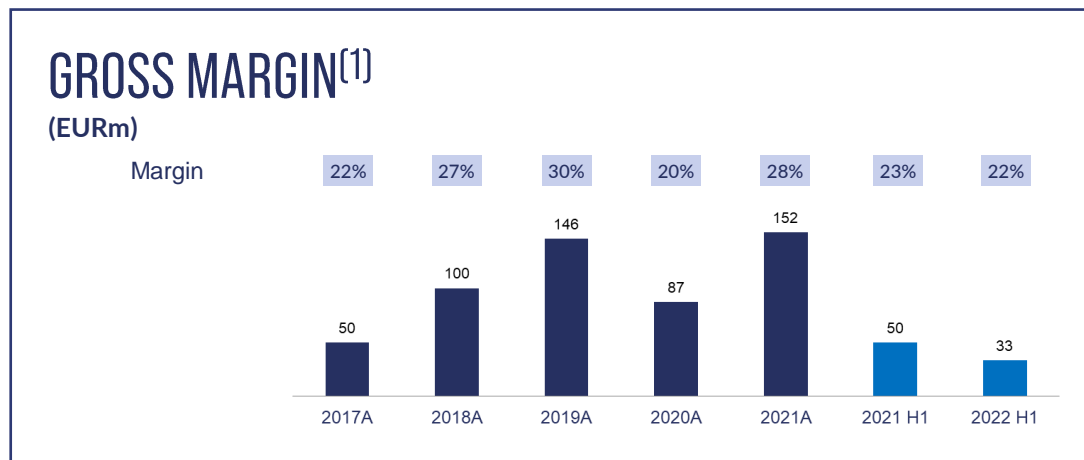
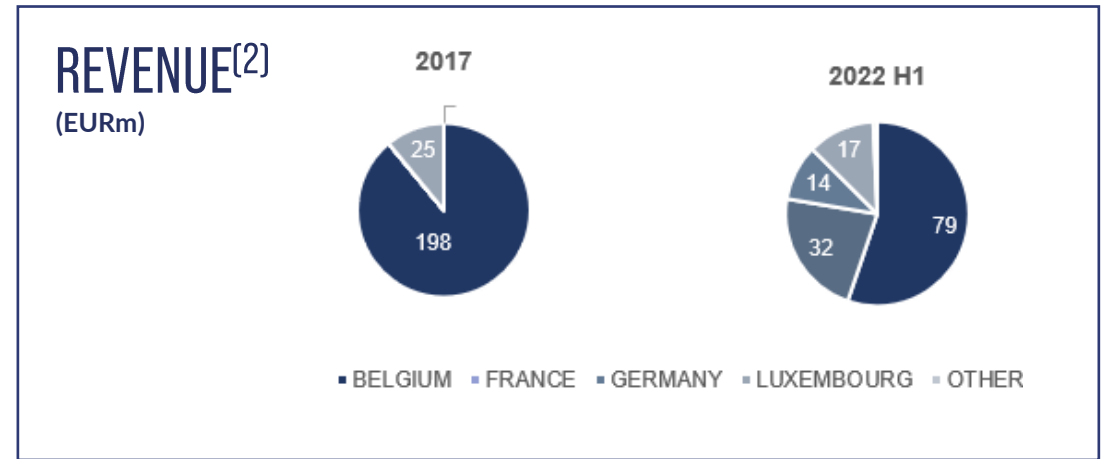
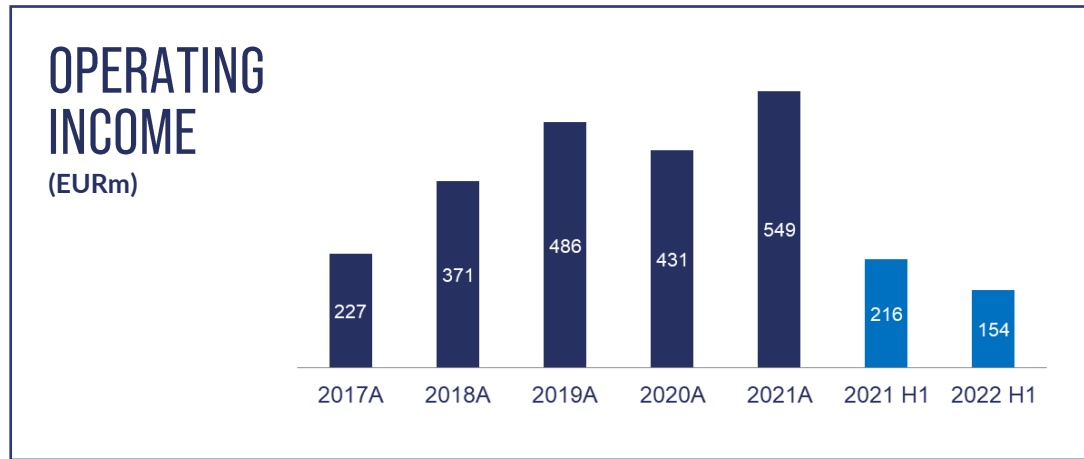
- Anticipated decline in revenues and earnings due to:
 - Residential permitting delays over the past few years
 - Costs associated with the launch of Immoel Capital Partners
 - Operational loss for the French subsidiary
- Further impacted by current macro-economic headwinds

Note(s): Most financials refer to internal view published in annual reports/ half year reports; (1) Please refer to the appendix for the definition; (2) Includes Poland, Germany and Spain
Source(s): Company information



P&L

Margin overall protected



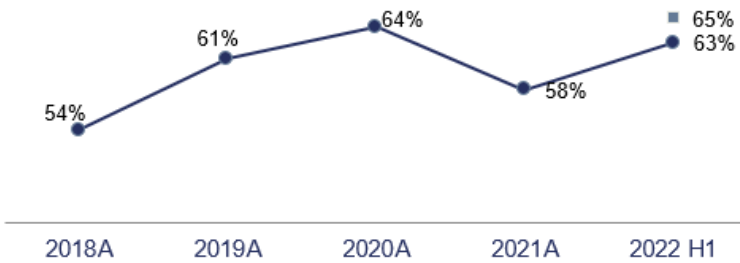
Note(s): Most financials refer to internal view published in annual reports/ half year reports; (1) (operating income-cost of sales(including interest expenses))/operating income; (2) Revenues excluding other operating income.
Source(s): Company information



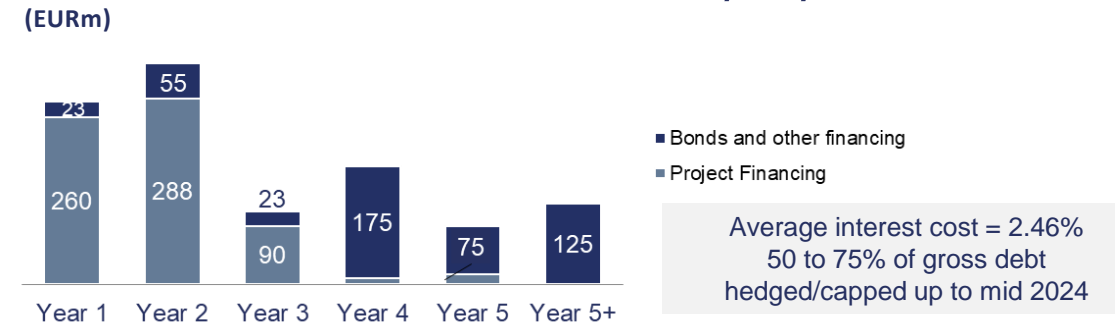
BALANCE SHEET AND OPERATING CASH FLOWS

Strong balance sheet

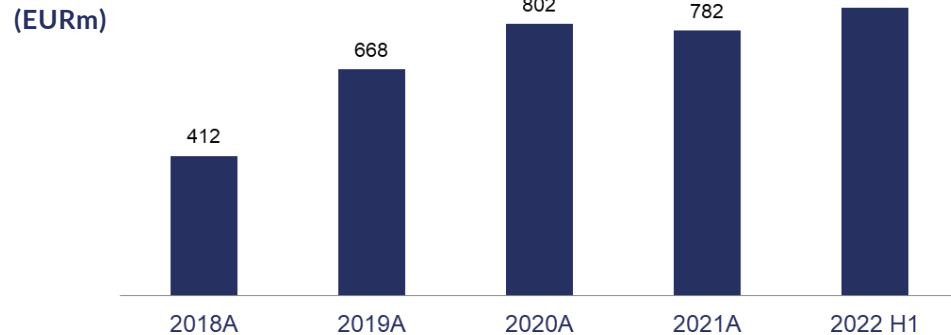
DEBT RATIO⁽¹⁾



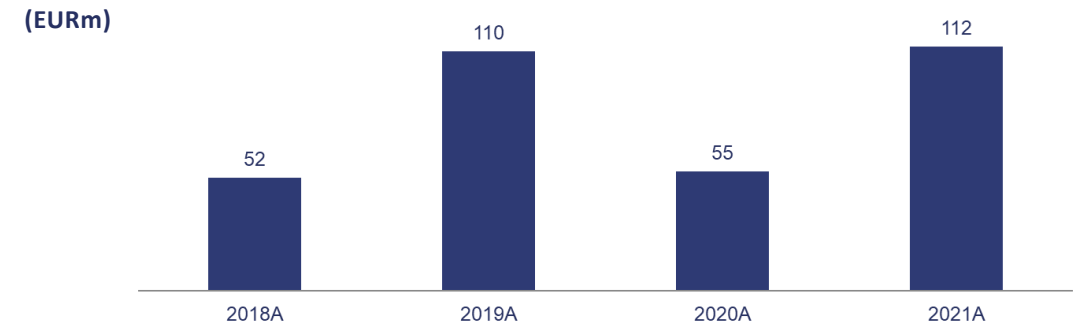
DEBT MATURITY SCHEDULE AS OF 30/06/2022⁽¹⁾



NET DEBT⁽²⁾



OCF EXCLUDING INVESTMENTS⁽¹⁾



Section 5

OUTLOOK

Îlot Saint Roch | Nivelles | BE

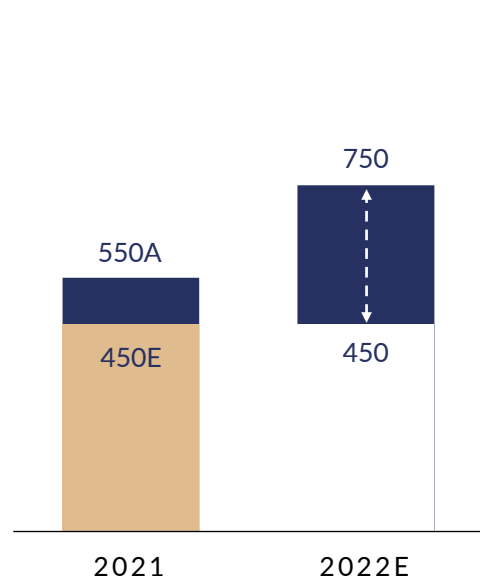


OUTLOOK

Dividend policy confirmed at this stage

OPERATING INCOME GUIDANCE

(EURm)



- Unfavorable macro-economic environment influences the figures
- Driven by a deteriorating macro-economic environment the likelihood of achieving the higher end of the operating income guidance is reducing
- At this stage, Immobel does not foresee to deviate from its dividend policy

"In these very uncertain economic as well as geopolitical times, we will focus on the consolidation of our markets and on operational efficiency. Nevertheless, we are well positioned to create shareholder value, benefiting from our strong balance sheet and unique knowledge of our markets."
Comments Marnix Galle,
Executive Chair of Immobel Group.



Thank you



Definitions

Gross development value

- Sales value or gross development value: total expected future turnover (Group share) of a project or all projects in the current portfolio (including projects subject to conditions precedent for which the management judges there is a high likelihood of closing).

External view

- Official IFRS reported figures of the company

Internal view

- External view figures before the application of IFRS 11

Inventory

- Inventory refers to Investment property, investments in joint ventures and associates, advances to joint ventures and associates, Inventories and Contract assets.

Operating cash flow excluding investments

- Cash margin + project management fees – overhead costs

Debt ratio

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

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