



IMMOBEL

COVID-19 Update

27 April 2020

KEY HIGHLIGHTS



1 Business update



- Immobel's **strong residential exposure** in major European cities ensures financial and operational resilience in a challenging market environment
- Despite the current COVID-19 situation, Immobel has secured a lease agreement with a large financial institution for a major office project in Brussels, demonstrating its ability to deliver on large office transactions
- Even though the current crisis has led to a slowdown of activities, Immobel is **on track with the permitting of projects** and has **already contracted 65% of its projected sales for the year**

2 Financial stability



- Immobel has **proactively taken several measures** during the COVID-19 crisis, which could **reduce annual fixed costs by up to 30% if required**
- Immobel benefits from a **healthy capital structure with a sufficient liquidity position**, which allows it to **continue its ongoing operations as well as its future growth ambitions**
- As a result, **2019 dividend payment of EUR 2.66 per share** has been confirmed

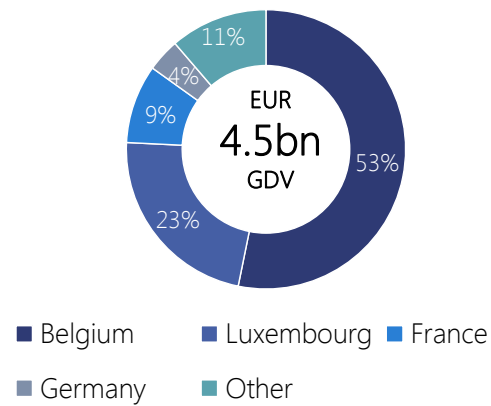
3 Outlook



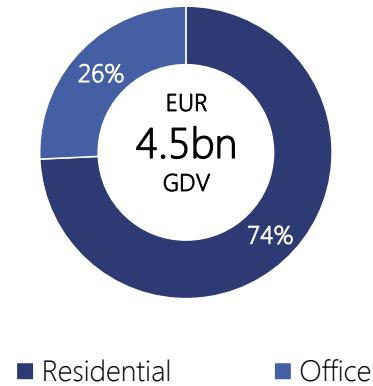
- While some of the projects might be delayed, **earnings are expected to be recovered by 2022**
- The combination of **high quality projects** as well as the **sufficient liquidity** secures **successful execution of the current portfolio**
- Immobel is **well positioned to capitalize on attractive growth opportunities** in the fragmented market environment, with weakened competition

PROVEN PORTFOLIO STRATEGY

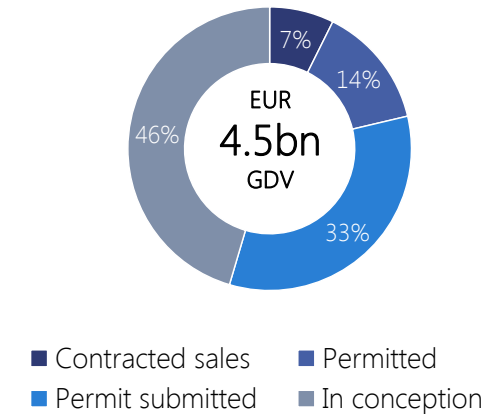
Portfolio by country



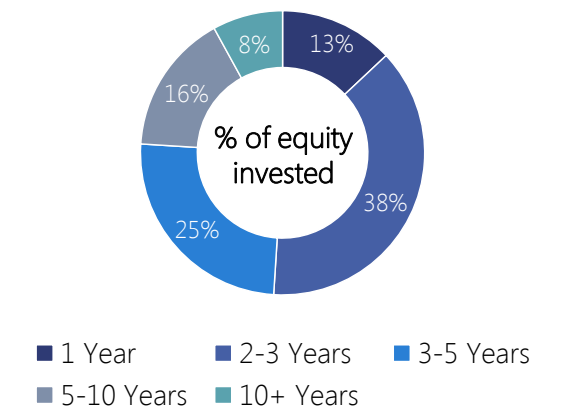
Portfolio by asset class⁽¹⁾



Portfolio by status

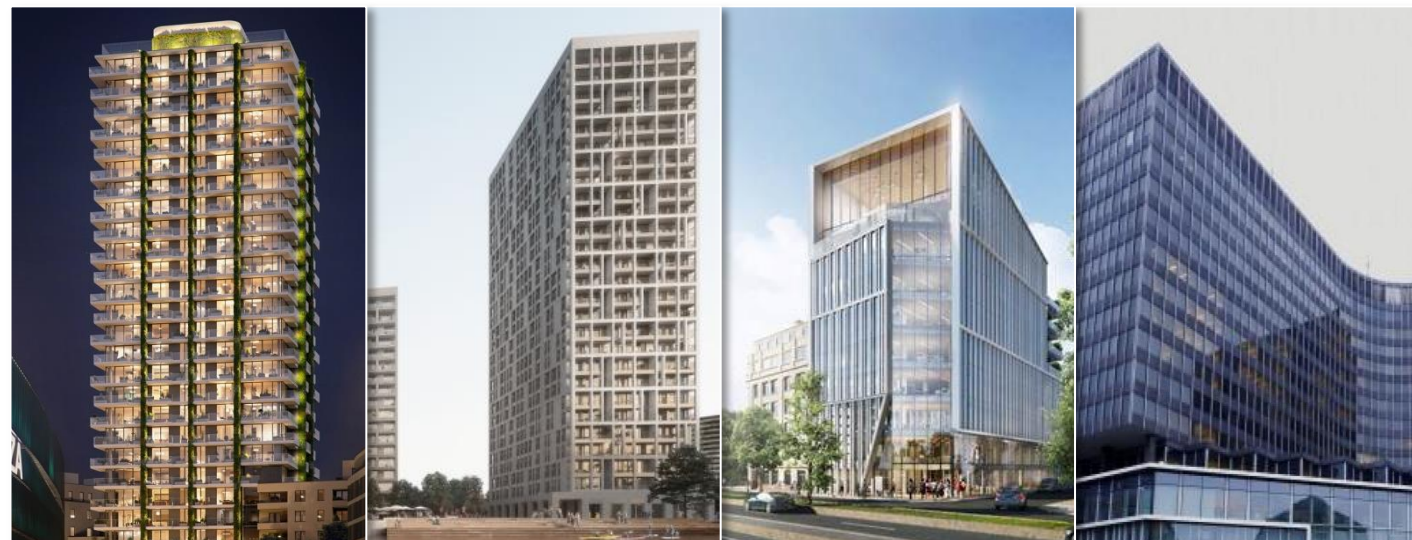


Time to delivery



>15%
Return on Equity

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



Immobel strongly benefits from a clear focus on prime locations in Brussels, Luxembourg and Paris, as well as a high exposure to residential real estate development

Note(s): Most financials refer to internal view published in annual reports; Figures as of the end of Fiscal Year 2019 (1) Residential includes landbanking; offices include offices within mixed use projects, which were part of residential in prior investment presentations
Source(s): Company information

SIGNING OF MAJOR OFFICE PROJECT DESPITE COVID-19



Transaction highlights



European district, Brussels, Belgium



Office project, ca. 14,000 sqm



Major financial institution



Architects: Office and Jaspers-Eyers

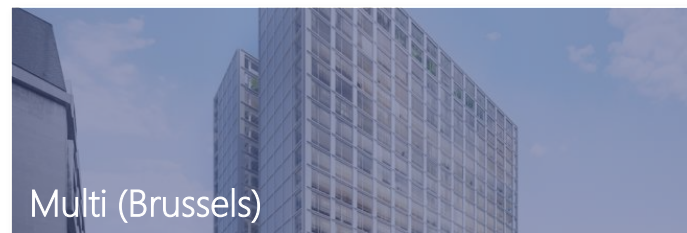


9 year lease agreement

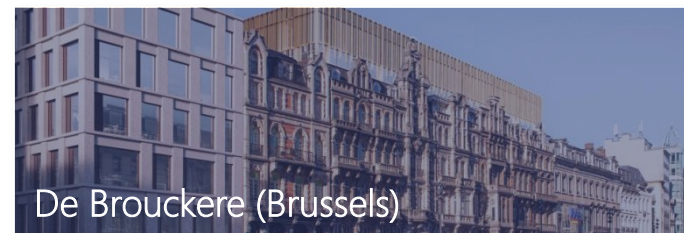


BREAAM excellent

Other major office and mixed-use transactions in the pipeline for period 2020-2022:



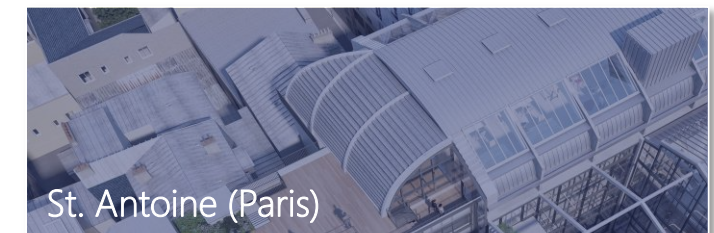
Multi (Brussels)



De Brouckere (Brussels)



Lebeau (Brussels)



St. Antoine (Paris)

Note(s): Most financials refer to internal view published in annual reports
Source(s): Company information

IMPACT OF COVID-19 ON KEY BUSINESS DRIVERS

COVID-19 lockdown schedule

Belgium	Larger construction sites halted but most are starting up again, smaller construction sites continued. Lockdown expected to continue until 3 rd of May
France	Most construction sites halted but gradually resuming activity as of the start of May. Current lockdown measures continued until 11 th of May
Luxembourg	Construction sites closed for a month until 20 th of April (Infinity, M1), no closure for Polvermillen. General lockdown measures continued until 25 th of May
Germany	For the majority of construction companies, work is proceeding normally (Eden). Social distancing measures remain in place until 3 rd of May

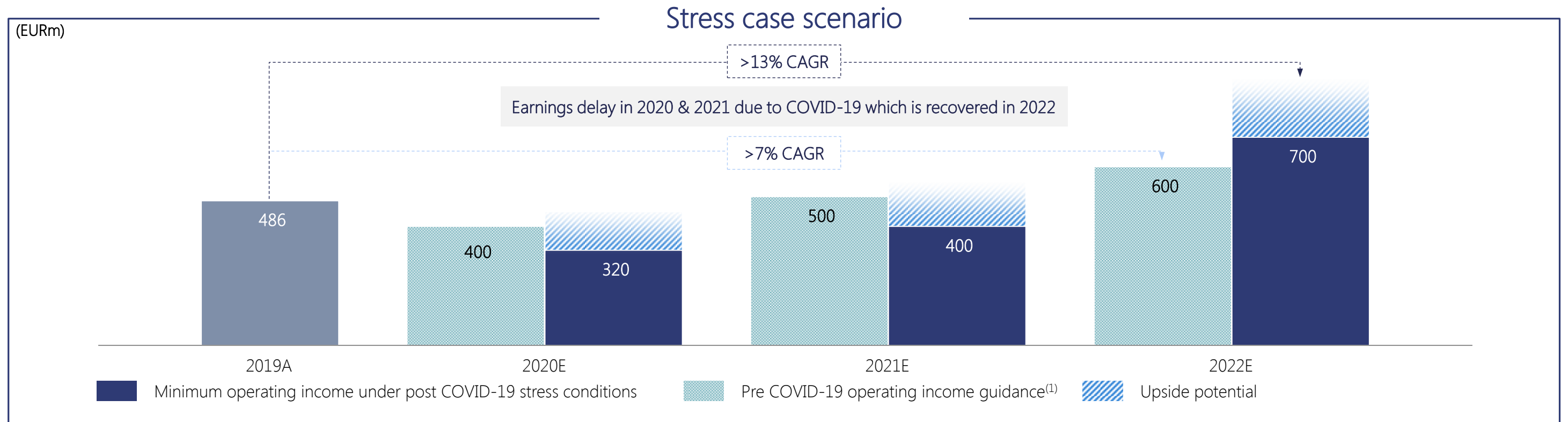
Key business drivers

	 Sales	 Construction	 Permitting
 Pre COVID-19	Contracted sales of >EUR 400m GDV	13 new construction projects to be launched	New permits for >EUR 400m of GDV
 Achievements year to date ⁽¹⁾	65% or EUR 260m of sales already contracted	3 new construction projects already launched	On track
 Recovery	Gradual recovery expected	Gradual recovery expected	Gradual recovery expected

Note(s): Assumptions are based on information currently available; (1) Year to date until Q1 2020

Source(s): Company information

RESILIENT EARNINGS WITH STRONG REBOUND EXPECTED IN 2022



Assumptions

- Stress case scenario assuming complete shutdown of sales, construction and permitting for the next six months (from March onwards)
- Gradual recovery of operations taking ten months to pre COVID-19 levels

OVERVIEW OF CURRENT PROJECT PIPELINE

Project	Country	Type	Gross m ²	GDV (EURm) ⁽¹⁾	% sold ⁽²⁾	2019A	2020E	2021E	2022E	2023E	2024E+
't Zout	BE	Residential	4,772	16.1	96.7%						
O'Sea Phase 1	BE	Residential	16,844	67.9	86.0%						
Greenhill Park	BE	Residential	6,440	32.2	86.9%						
Tunnelplaats	BE	Residential	17,869	20.5	56.5%						
Parc Seny	BE	Residential	14,305	58.7	92.2%						
Möbius Tour 1	BE	Office	28,610	N/A ⁽³⁾	100.0%						
Solvay Resi	BE	Residential	22,616	50.9	97.0%						
Royal Louise	BE	Residential	8,153	42.2	98.3%						
Infinity	LUX	Mixed	36,558	235.8	100.0%						
Vaartkom	BE	Residential	13,172	N/A	100.0%						
Erpent	BE	Residential	20,886	24.0	23.4%						
Cala	BE	Office	20,098	N/A ⁽³⁾	0.0%						
Central Point	PO	Office	27,538	N/A ⁽³⁾	0.0%						
M1	LUX	Residential	36,076	69.4	61.8%						
Möbius II	BE	Office	34,397	N/A ⁽³⁾	0.0%						
5 Sapins	BE	Residential	8,921	22.6	36.5%						
O'Sea Phase 2	BE	Residential	24,012	86.3	22.3%						
Eden	GER	Residential	20,000	174.5	20.9%						
Granaria Phase 2	PO	Residential	61,492	136.4	0.0%						
RAC 4	BE	Mixed	58,726	80.8	0.0%						
Slachthuisite	BE	Mixed	240,748	221.7	0.0%						
St Roch	BE	Residential	31,045	88.2	0.0%						
UP Lot 2	BE	Mixed	115,032	70.6	0.0%						
Belliard	BE	Office	13,800	N/A ⁽³⁾	0.0%						
De Brouckère	BE	Mixed	40,646	82.9	0.0%						
Abitare	LUX	Residential	11,356	57.0	0.0%						
Lebeau	BE	Mixed	43,240	202.7	0.0%						
Polvermillen	LUX	Residential	39,467	194.8	0.0%						
Key West	BE	Residential	61,282	88.3	0.0%						
Saint-Antoine	FR	Office	5,713	N/A ⁽³⁾	0.0%						
Centre Monnaie	BE	Mixed	62,121	N/A ⁽³⁾	0.0%						
Buttes Chaumont	FR	Residential	5,513	43.8	0.0%						
Mamer	LUX	Residential	13,799	81.0	0.0%						

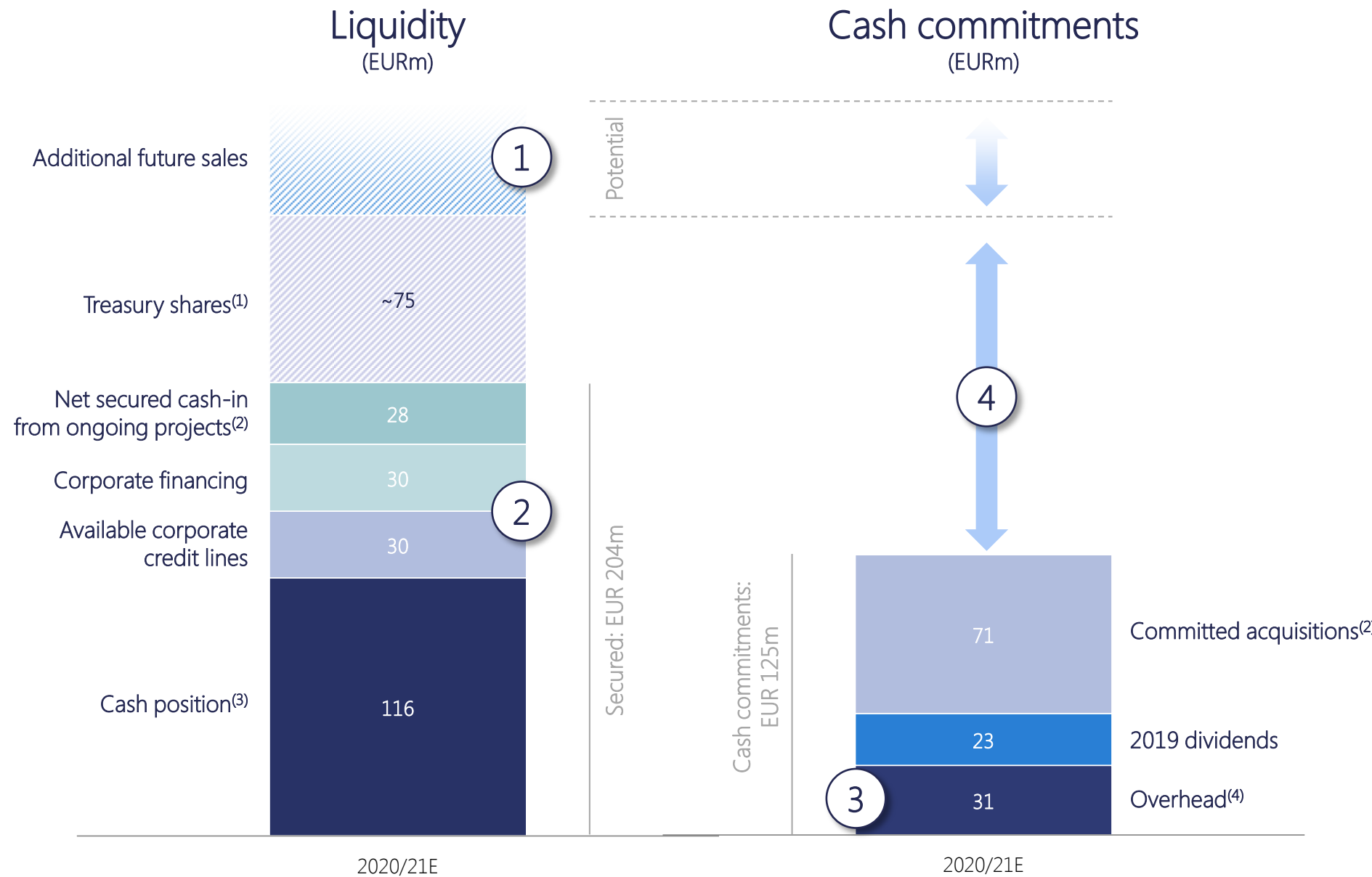
■ In conception/permitting phase

■ In construction phase

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

Source(s): Company information

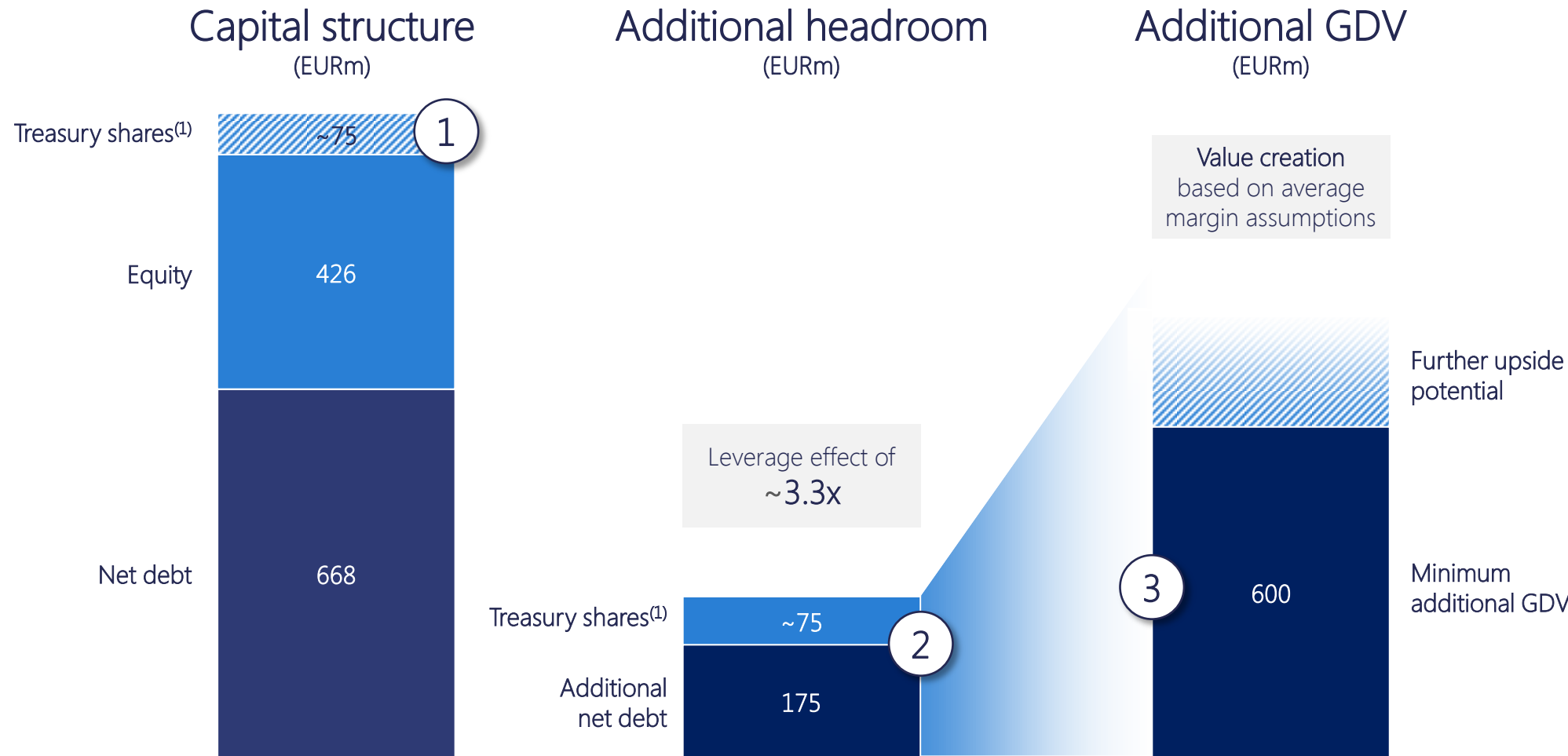
LIQUIDITY REMAINS STRONG FOR THE NEXT TWO YEARS



- 1
 - With a strong residential portfolio delivering recurring sales, Immobel still expects further sales in 2020 and 2021
 - Additional sales of large office projects in the pipeline for 2020 and 2021
- 2
 - Cash injections required for projects are known and very limited once construction has started (cfr. Page 15)
- 3
 - Immobel's flexibility allows to reduce G&A by 30% as captured in overhead costs
- 4
 - Secured liquidity of EUR 204m generates a surplus of EUR 79m, with a potential upside from treasury shares c. EUR 150m
 - The surplus can be employed to launch construction of new projects, subject to market conditions

Note(s): Most financials refer to internal view published in annual reports; Assumptions are based on information currently available; (1) Based on 21 April 2020 closing price; (2) Assuming the availability of new (or the renewal of) project financing facilities for the financing of its on-going activities (3) As of 31 March 2020; (4) Net of PM fees and interest on loans; Source(s): Company information

TREASURY SHARES AS FIREPOWER FOR NEW OPPORTUNITIES



- 1

 - A placement of treasury shares could increase the equity by ~EUR 75m to ~EUR 500m
- 2

 - Assuming gearing of 70%, the additional equity would generate headroom for new opportunities of ~EUR 250m, while preserving the currently strong balance sheet
 - Immobel has already identified a strong pipeline of new opportunities in its core markets, generating potential ROE >15%
- 3

 - Additional capital would enable Immobel to grow the GDV of its portfolio by at least ~EUR 600m

New opportunities already identified:

~EUR 200m
GDV from projects in Brussels/Belgium

~EUR 265m
GDV from projects in Luxembourg

~EUR 200m
GDV from projects in Paris

Note(s): Most financials refer to internal view published in annual reports; Assumptions are based on information currently available; (1) Based on 21 April 2020 closing price
Source(s): Company information

PREMIUM RESIDENTIAL PORTFOLIO AND STRONG BALANCE SHEET



Premium residential portfolio

- Tier 1 residential and mixed-use projects across major European cities guarantee stability even in a challenging market environment
- The pipeline of residential projects secures a recurring revenue stream and high earnings quality
- Additional incremental growth is driven by large office projects in clearly defined focus areas



Strong balance sheet

- Immobel benefits from its strong balance sheet and its sufficient cash position in the current COVID-19 situation
- Additional access to growth capital (e.g. treasury shares) would enable Immobel to capitalize on current growth opportunities
- Given Immobel's strong balance sheet and sufficient liquidity, the 2019 dividend has been confirmed

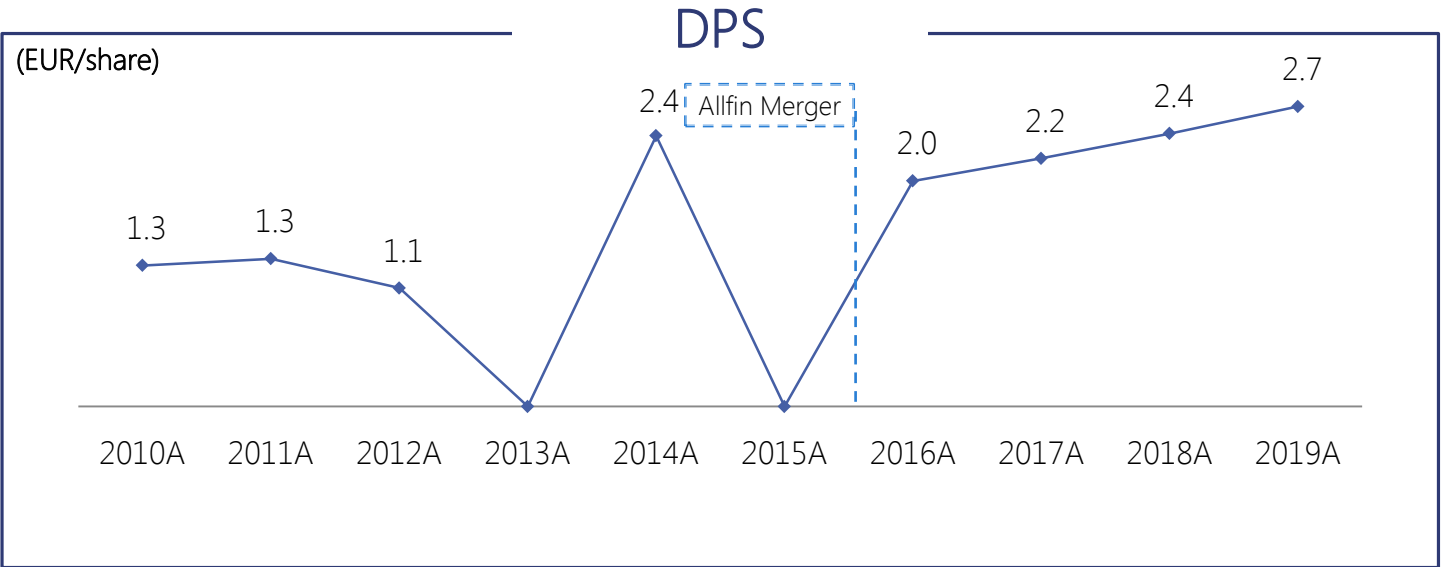
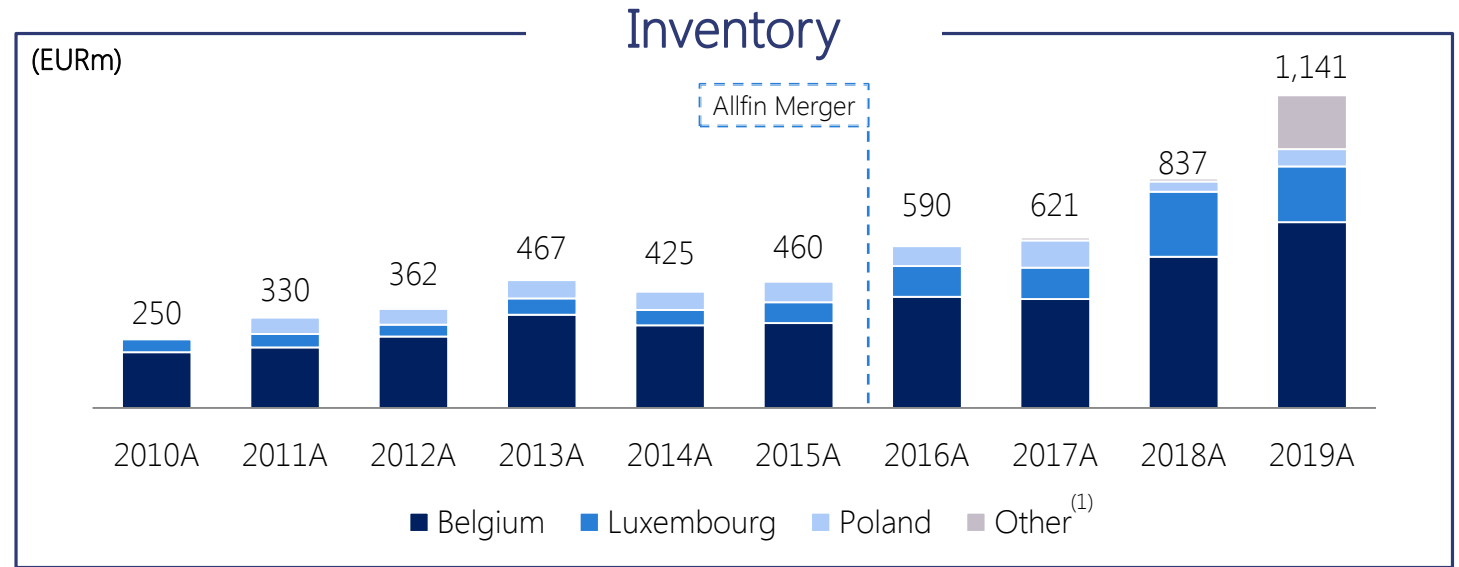
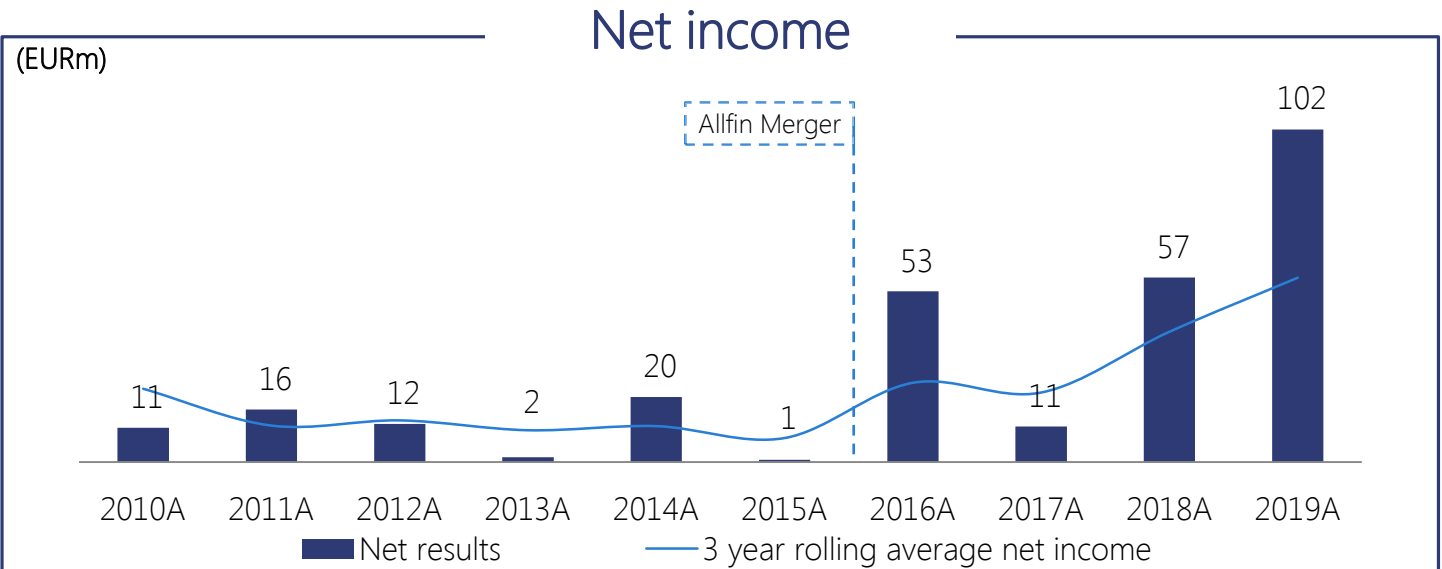
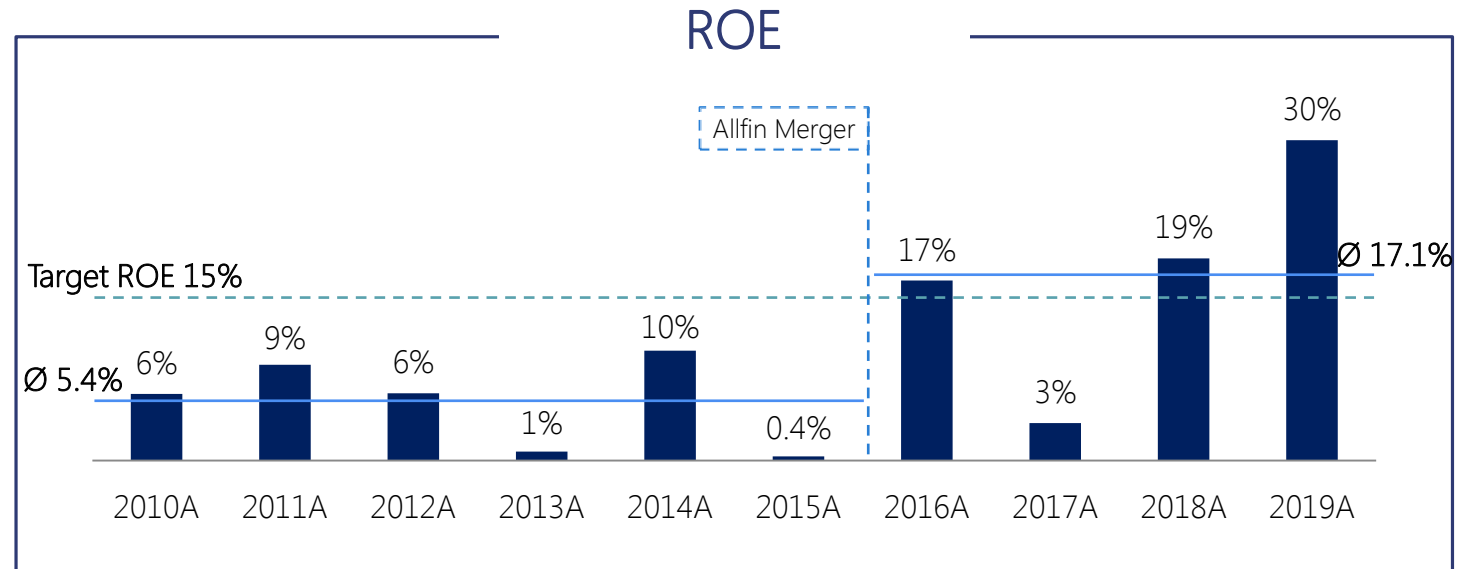


Earnings recovery

- Resilient business model backed by a high quality project pipeline , which is expected to materialize, despite the current COVID-19 situation
- Potential earnings delays in 2020 and 2021 are expected to be recovered in 2022

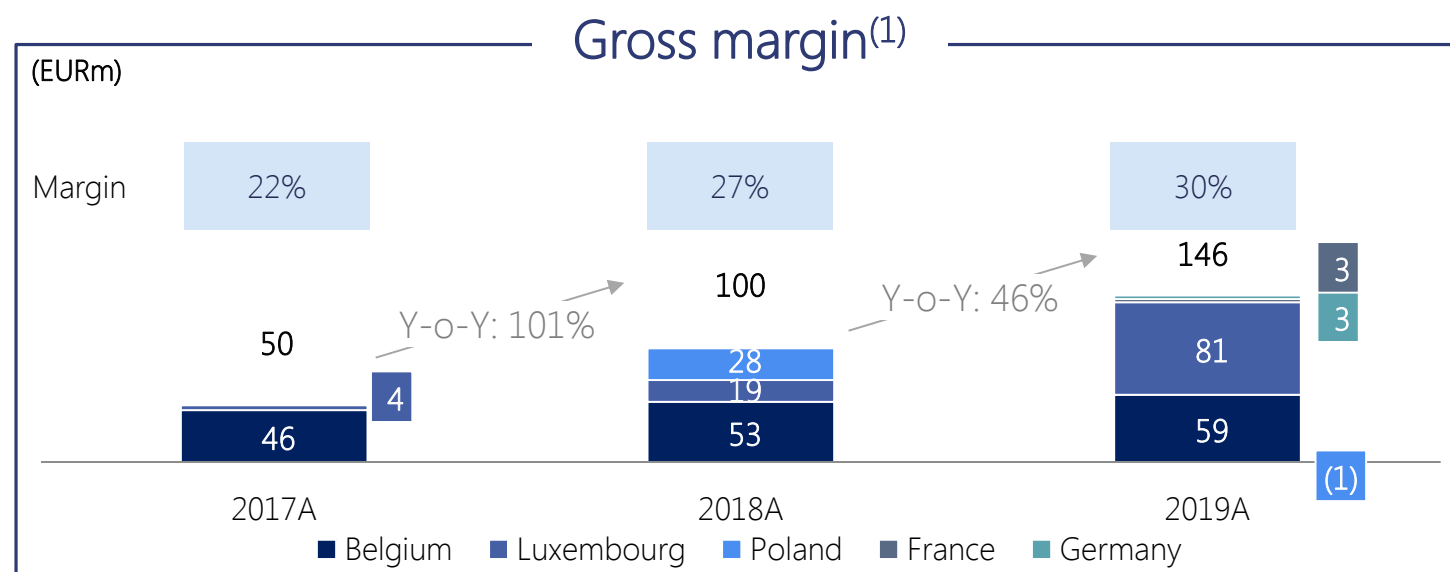
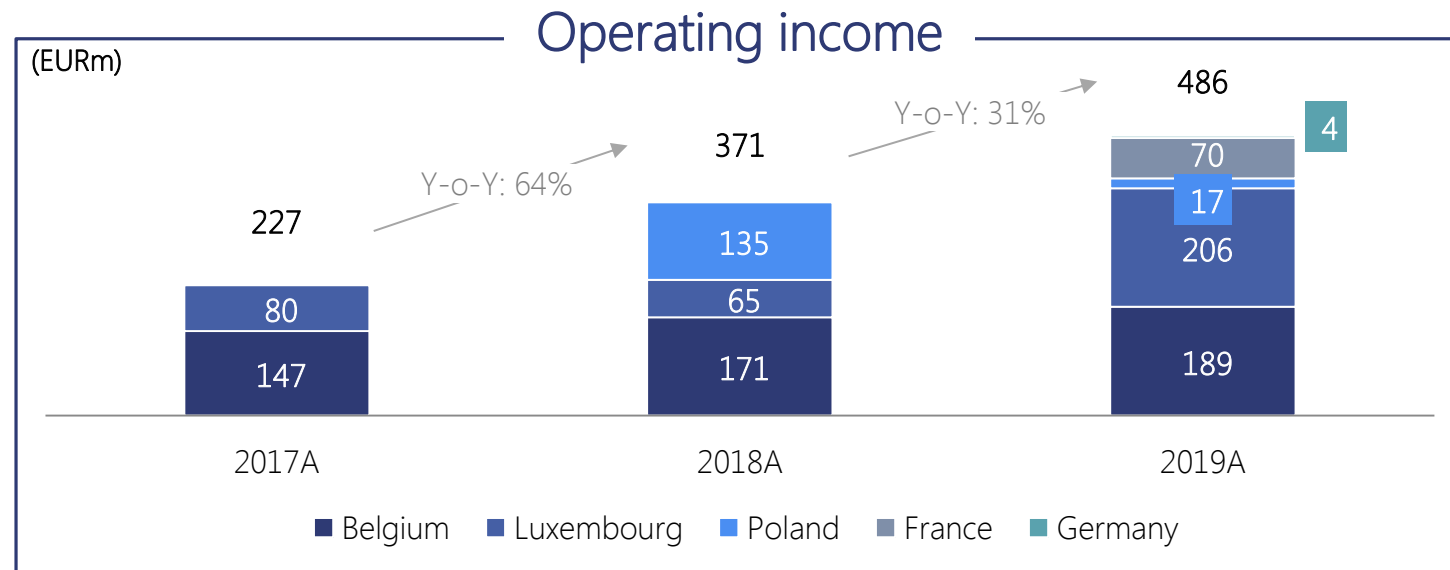
Appendix

PROVEN TRACK-RECORD AND RESILIENT BUSINESS MODEL



Note(s): Most financials refer to internal view published in annual reports; (1) Includes France, Germany and Spain
 Source(s): Company information

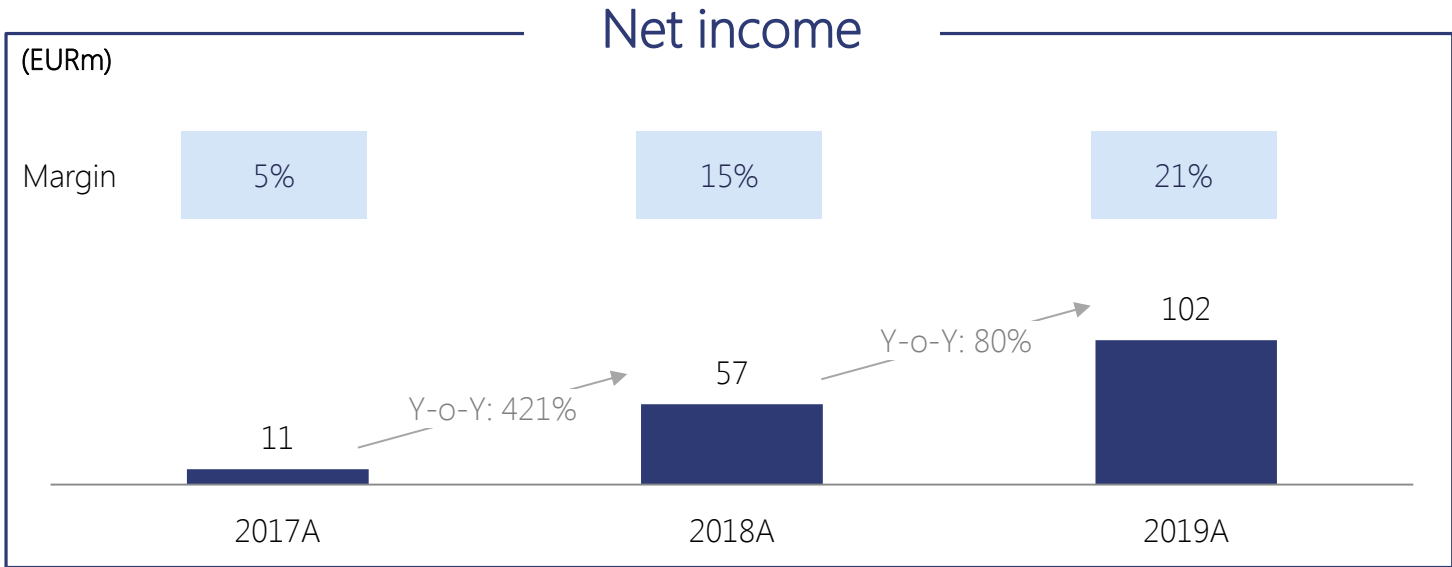
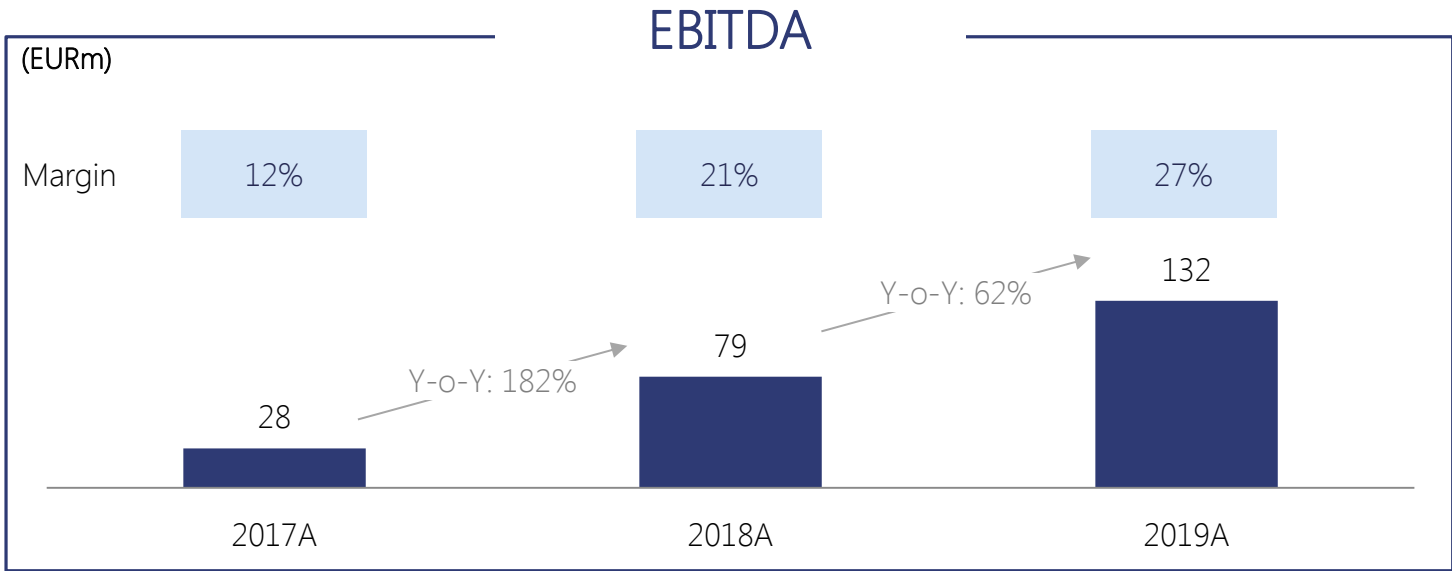
HIGHLY SCALABLE BUSINESS MODEL FOCUSING ON PROFITABLE GROWTH



Comments

- Top-line growth of 31% driven by all core markets significantly (Belgium EUR 189m, Luxembourg EUR 206m and France EUR 70m)
- Belgium is mainly driven by residential sales from projects like: O'Sea (EUR 25.4m), Parc Seny (EUR 20.8m), Royal Louise (EUR 18.1m) and landbanking (EUR 38.0m)
- Luxembourg's growth derives from Infinity Working & Shopping and Living as well as the sale of Nova
- France newly contributes to operating income through residential sales (EUR 70.0m) from Nafilyan & Partners⁽²⁾
- The activity of Nafilyan & Partners has been impacted in 2019 by a reduction in new permits being granted ahead of the municipal elections in March 2020. Improvement expected from 2021 onwards
- Gross margin evolution is in line with the evolution of operating income

HIGHLY SCALABLE BUSINESS MODEL FOCUSING ON PROFITABLE GROWTH (CONT'D)

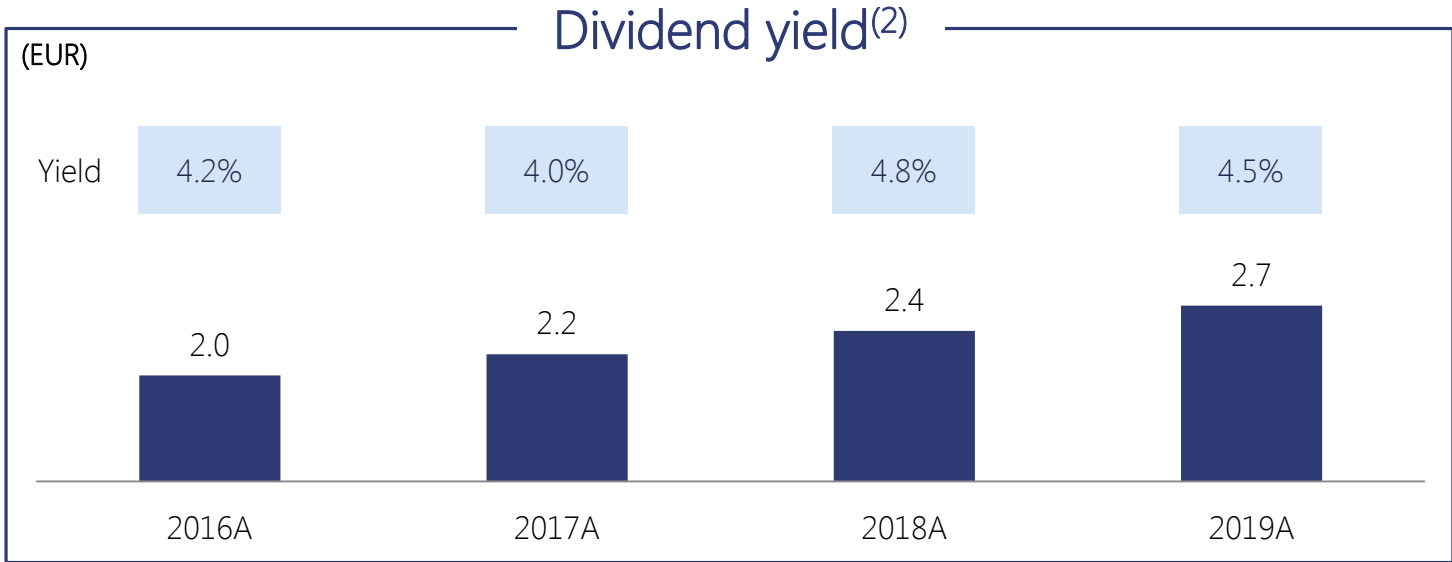
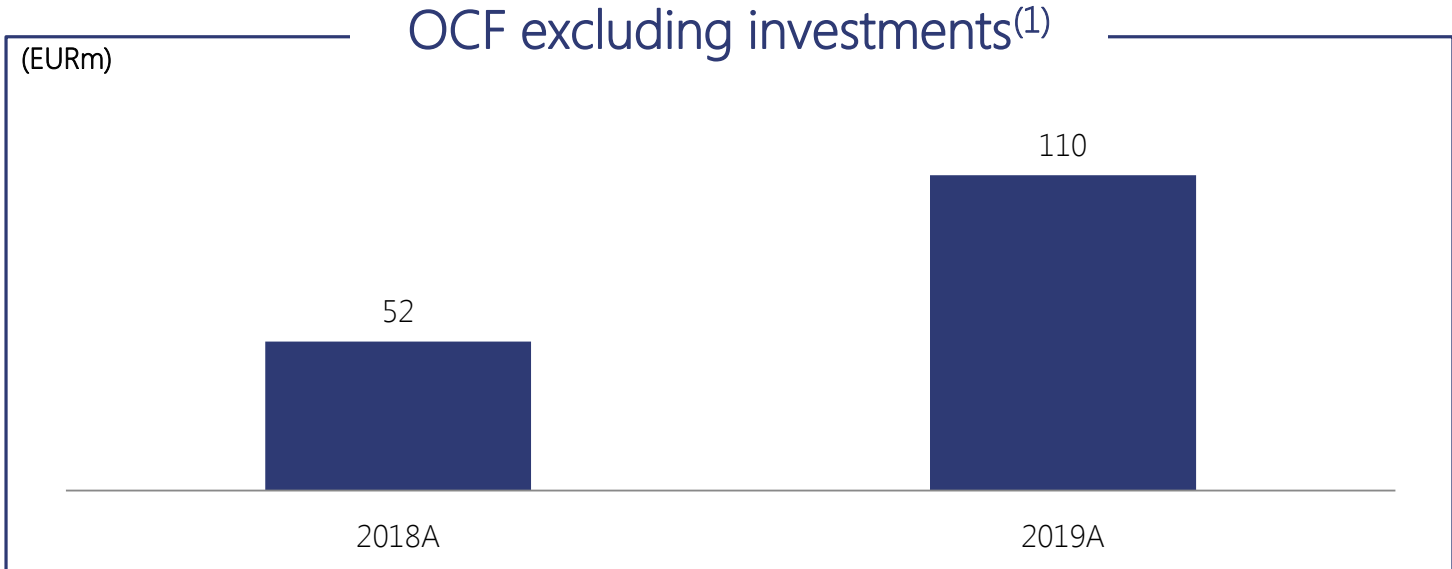


Comments

- EBITDA increases even more than gross margin driven by higher portion of G&A being covered by project management fees charged to projects. Gap expected to decrease further
- Net income growth is boosted by proportionately lower corporate taxes, which more than offset higher interest expenses (mainly the result of change in recognition of interest expense following IFRIC 23)

Note(s): Most financials refer to internal view published in annual reports
Source(s): Company information

GROWING CASH CONVERSION SUPPORTS STABLE SHAREHOLDER RETURNS

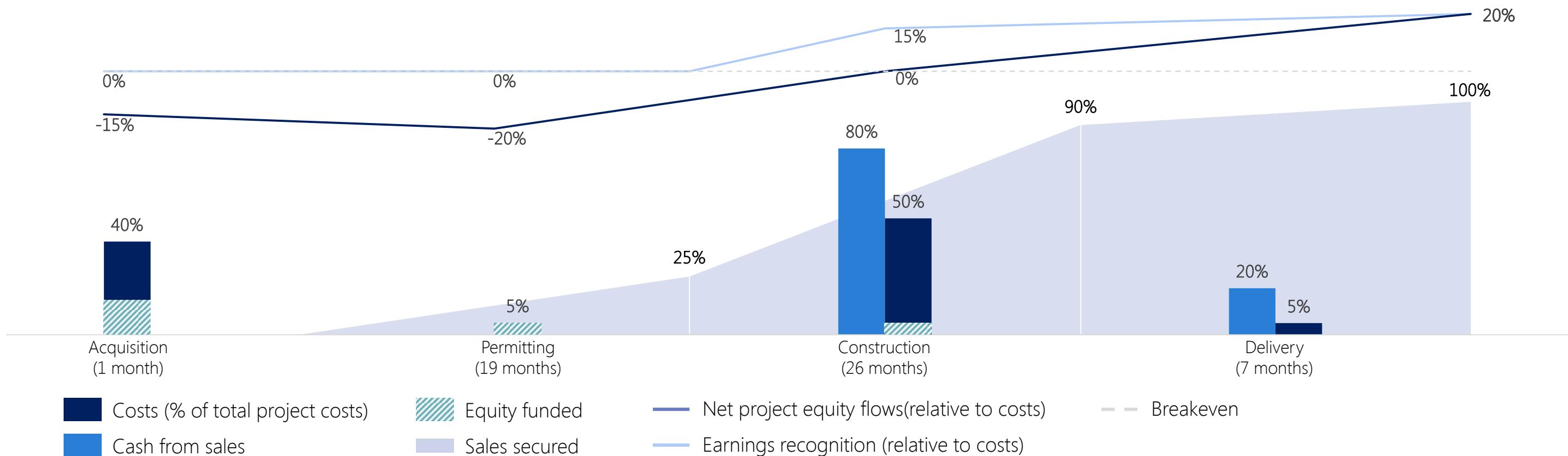


Comments

- Operational cash flows more than doubled in line with growth in net income
- Immobel will further increase its dividend by 10% (subject to approval of General Assembly on the 28th May) in line with its dividend policy to increase annual dividend by 4% to 10% annually

Note(s): Most financials refer to internal view published in annual reports; (1) Please refer to the appendix for the definition; (2) Yield is based on median daily closing price between beginning and end of calendar year
 Source(s): Company information

ILLUSTRATIVE EXAMPLE OF THE "LOCKED-BOX" APPROACH



Acquisition

- Assuming the land acquisition represents ~40% of project costs with ~15% financed through equity and the remainder through project finance debt

Permitting

- Costs incurred for permitting (mainly costs for architecture and engineering) represent ~5% of project costs.
- Typically financed by equity
- No earnings recognition during permitting, even if pre-sales already launched
- All costs are capitalized

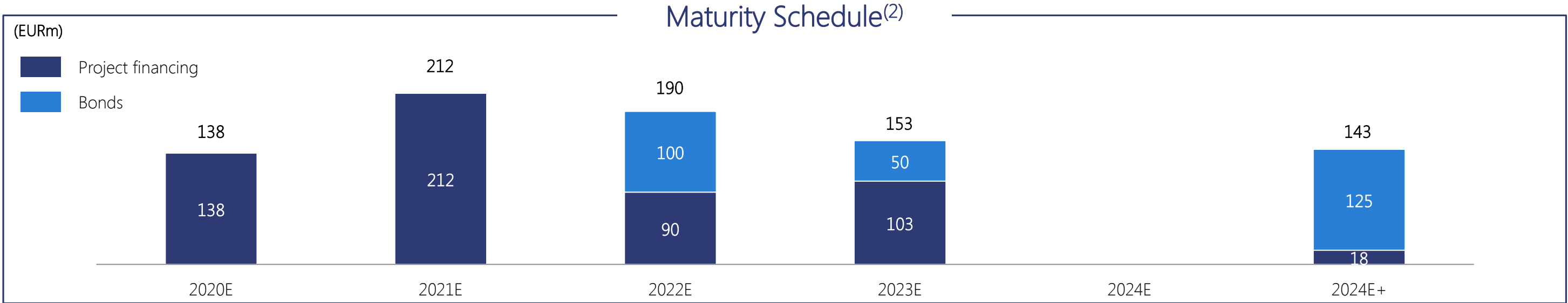
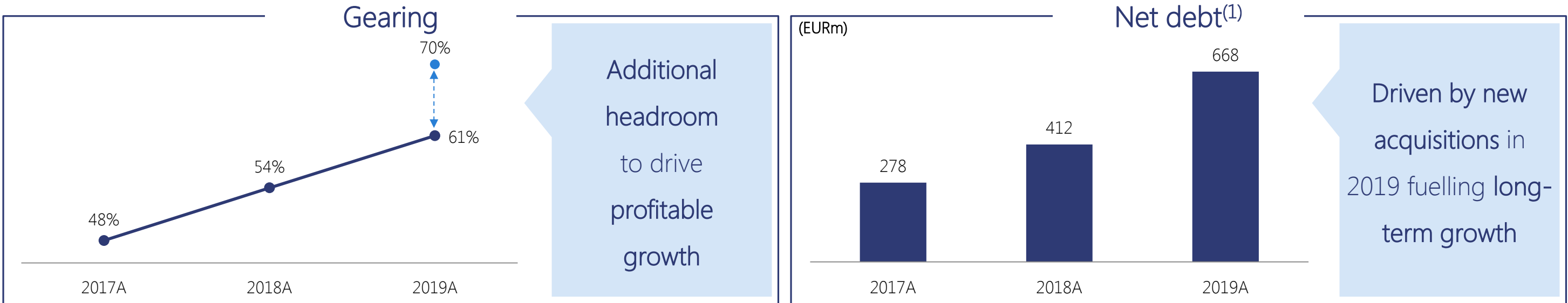
Construction

- Construction typically starts when 25% of units are sold, while construction costs (~50% of project costs) are mainly financed by sales proceeds and project finance debt, i.e. "locked-box" principle
- Limited project equity is injected upfront
- Earnings are recognized as ratio of progress of construction & secured sales

Delivery

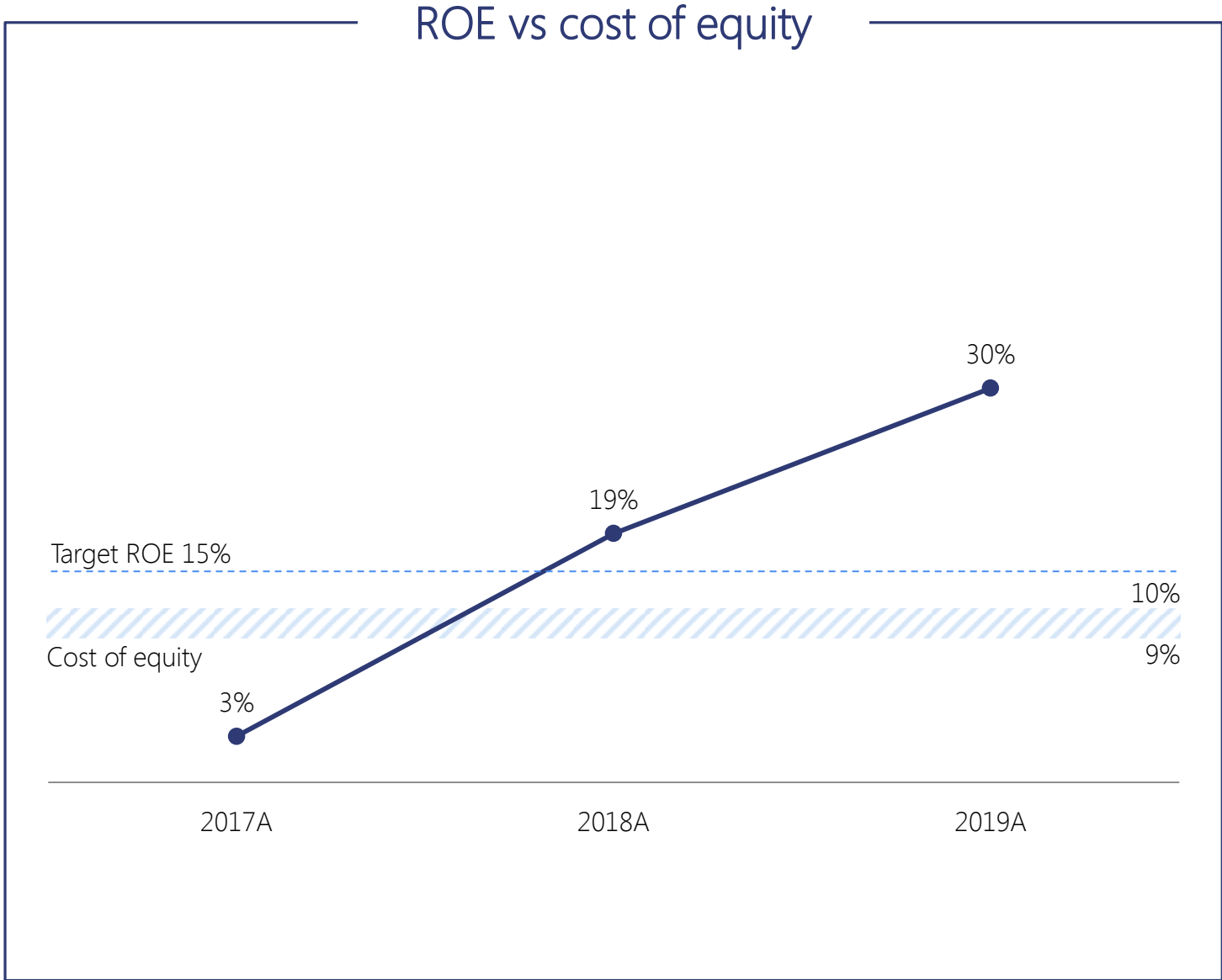
- Towards the end of construction and upon reaching the minimum sales level, the injected project equity and cash margin are returned

STRONG BALANCE SHEET WITH FURTHER UPSIDE FROM LEVERAGE



Note(s): Most financials refer to internal view published in annual reports; (1) Long-term & short-term financial debt + controlling interest – cash & cash equivalents; (2) Total does not sum to the financial debt in the 2019A balance sheet due to IFRS 16 and accrued interest liabilities
 Source(s): Company information

VALUE CREATION THROUGH ACTIVE CAPITAL MANAGEMENT

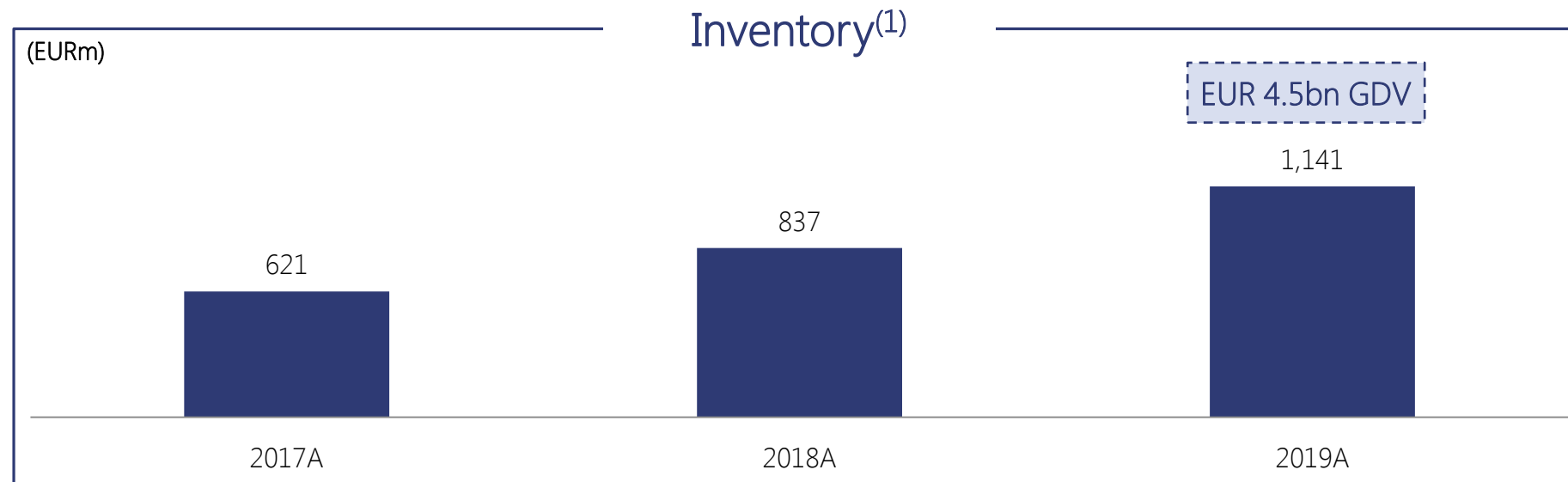
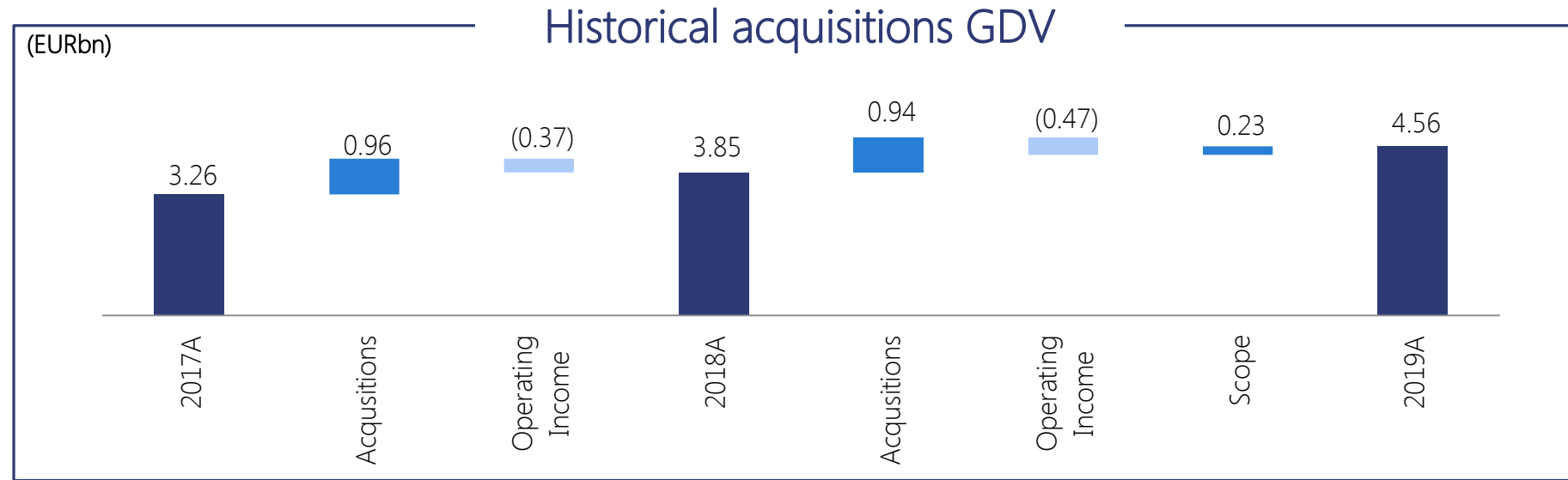


Comments

- Immobel achieved a ROE of 30% well above its target of 15%
- With a **cost of equity** estimated at 9% to 10% Immobel is creating substantial value for its shareholders

Note(s): Most financials refer to internal view published in annual reports
Source(s): Company information

STRONG ACQUISITION TRACK-RECORD



Project	Country	Type	Gross m ² (2)	GDV (EURm)(2)
Eden / Frankfurt	GER	Residential	20,000	174.5
Key West / Brussels	BE	Residential	30,641	88.3
Centre Monnaie / Brussels	BE	Mixed	31,061	N/A ⁽³⁾
Abitare / Luxembourg	LUX	Residential	10,841	57.0
Rueil Malmaison / Paris	FR	Office	28,430	N/A ⁽³⁾
Saint-Antoine / Paris	FR	Office	5,713	N/A ⁽³⁾
Buttes Chaumont / Paris	FR	Residential	5,513	43.8
Cat Club / Luxembourg	LUX	Residential	11,547	85.8
Montrouge / Paris	FR	Office	8,163	N/A ⁽³⁾

PROFIT AND LOSS STATEMENT

EXTERNAL

(EURk)	Dec 2017	Dec 2018	Dec 2019
Operating Income	148,999	326,131	419,547
Turnover	145,000	313,420	408,784
Other operating income	3,999	12,711	10,763
Operating Expenses	(127,082)	(260,953)	(327,192)
Cost of sales	(106,711)	(235,325)	(291,027)
Cost of commercialisation	(2,177)	(1,193)	(3,160)
Administration costs	(18,194)	(24,435)	(33,005)
Transfer of Businesses	-	-	19,618
Gain on disposal of businesses	-	-	19,618
Joint Ventures and Associates	3,379	5,171	4,985
Gain (loss) on sales of joint ventures and associates	4,368	(114)	-
Share in the net result of joint ventures and associates	(989)	5,285	4,985
Operating Result	25,296	70,349	116,958
Interest income	2,199	2,099	3,240
Interest expense	(4,178)	(5,215)	(7,524)
Other financial income	1,152	1,095	738
Other financial expenses	(3,941)	(2,786)	(1,782)
Financial Result	(4,768)	(4,807)	(5,328)
Result from continuing Operations before Taxes	20,528	65,542	111,630
Income taxes	(9,596)	(8,629)	(9,390)
Result from continuing Operations	10,932	56,913	102,240
Result of Year	10,932	56,913	102,240
Share of non-controlling interests	(102)	99	(196)
Share of Immoebel	11,034	56,814	102,436

BALANCE SHEET

EXTERNAL

(EURk)	Dec 2017	Dec 2018	Dec 2019
Non-current assets	66,454	181,670	213,311
Goodwill	-	-	43,789
Intangible assets	405	427	543
Property, plant and equipment	1,034	947	983
Assets under capital lease obligations	0	0	6,441
Investment property	2,960	104,290	81,123
Investments in joint ventures and associates	26,452	46,451	55,899
Advances to joint ventures and associates	24,345	24,151	9,492
Other non-current financial assets	1,259	806	4,920
Deferred tax assets	4,377	4,501	6,374
Other non-current assets	5,623	97	3,747
Current assets	738,985	784,700	1,087,903
Inventories	519,973	511,837	694,580
Trade receivables	11,694	20,734	72,516
Contract assets	8,280	10,954	42,228
Tax receivables	165	921	2,703
Other current assets	31,246	22,562	41,937
Advances to joint ventures and associates	18,934	46,328	77,743
Other current financial assets	768	478	50
Cash and cash equivalents	147,926	170,886	156,146
Total assets	805,439	966,370	1,301,214

(EURk)	Dec 2017	Dec 2018	Dec 2019
Total equity	306,958	344,749	428,162
Equity share of immobel	306,941	344,633	426,151
Share capital	97,256	97,256	97,256
Retained earnings	209,603	247,174	328,693
Reserves	82	203	202
Non-controlling interests	17	116	2,011
Non-current liabilities	340,185	332,875	523,379
Employee benefit obligations	672	618	633
Deferred tax liabilities	7,854	9,681	15,447
Financial debts	330,090	322,040	507,008
Derivative financial instruments	1,568	536	291
Trade payables	-	-	-
Current liabilities	158,296	288,746	349,673
Provisions	1,355	1,896	3,882
Financial debts	68,816	193,749	200,063
Derivative financial instruments	-	-	-
Trade payables	41,493	48,470	59,564
Contract liabilities	470	7,259	5,690
Tax liabilities	6,211	5,303	1,354
Other current liabilities	39,952	32,069	79,120
Total equity and liabilities	805,439	966,370	1,301,214

PROFIT AND LOSS STATEMENT

INTERNAL

(EURk)	Dec 2017	Dec 2018	Dec 2019
Operating Income	226,716	371,265	486,298
Turnover	222,165	357,131	470,626
Other operating income	4,551	14,134	15,672
Operating Expenses	(198,940)	(297,440)	(379,551)
Cost of sales	(176,778)	(270,994)	(340,310)
Cost of commercialisation	(2,741)	(1,288)	(3,253)
Administration costs	(19,421)	(25,158)	(35,988)
Transfer of Businesses	-	-	19,618
Gains on disposal of businesses	-	-	19,618
Joint Ventures and Associates	(326)	(445)	(2,563)
Gain (loss) on sales of joint ventures and associates	-	(114)	-
Share in the net result of joint ventures and associates	(326)	(331)	(2,563)
Operating Result	27,450	73,380	123,802
Interest income	1,732	1,736	2,374
Interest expense	(5,159)	(5,746)	(9,394)
Other financial income / expenses	(2,954)	(1,766)	(1,986)
Financial Result	(6,381)	(5,776)	(7,969)
Result from continuing Operations before Taxes	21,069	67,604	115,833
Income taxes	(10,140)	(10,691)	(13,482)
Result from continuing Operations	10,930	56,913	102,351
Result of Year	10,930	56,913	102,351
Share of non-controlling interests	(102)	99	(85)
Share of Immobel	11,032	56,814	102,436

BALANCE SHEET

INTERNAL

(EURk)	Dec 2017	Dec 2018	Dec 2019
Non-current assets	25,398	187,279	252,412
Intangible and tangible assets	1,439	1,374	51,756
Investment property	2,960	158,284	179,597
Investment in associates	9,627	21,224	16
Deferred tax assets	4,487	5,487	8,321
Other non-current assets	6,885	910	12,722
Current assets	845,576	896,035	1,279,702
Inventories	606,585	598,057	860,718
Trade receivables	11,773	21,558	80,498
Tax receivables and other current assets	67,884	90,327	160,521
Cash and cash equivalents	159,334	186,093	177,965
Total assets	870,974	1,083,314	1,532,114

(EURk)	Dec 2017	Dec 2018	Dec 2019
Total equity	303,578	344,749	426,182
Non-current liabilities	383,990	414,877	642,663
Financial debt	368,671	403,805	625,530
Deferred tax liabilities	6,507	9,918	16,209
Other non-current liabilities	8,812	1,154	924
Current liabilities	183,406	323,688	463,269
Financial debts	68,888	194,522	219,978
Trade payables	46,068	56,328	75,884
Tax payables and other current liabilities	68,450	72,838	167,407
Total equity and liabilities	870,974	1,083,314	1,532,114

DEFINITIONS

Gross development value

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

External view

- Official IFRS reported figures of the company

Internal view

- External view figures before the application of IFRS 11

Inventory

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

Operating cash flow excluding investments

- Cash margin + project management fees – overhead costs

Gearing

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

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